

BERKSHIRE HILLS BANCORP INC  
Form S-4/A  
January 12, 2011

As filed with the Securities and Exchange Commission on January 12, 2011.

**Registration No. 333-170798**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**Amendment No. 1 to  
Form S-4**

**REGISTRATION STATEMENT  
UNDER THE SECURITIES ACT OF 1933**

**Berkshire Hills Bancorp, Inc.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

6036  
(Primary Standard Industrial  
Classification Code Number)

34-3510455  
(I.R.S. Employer  
Identification Number)

24 North Street  
Pittsfield, Massachusetts 01201  
(413) 443-5601

(Address, including zip code, and telephone number, including  
area code, of registrant's principal executive offices)

Michael P. Daly  
President and Chief Executive Officer  
24 North Street  
Pittsfield, Massachusetts 01201  
(413) 443-5601

(Name, address, including zip code, and telephone number,  
including area code, of agent for service)

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 Washington, D.C. 20005  
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**Approximate date of commencement of proposed sale to the public:** As soon as practicable after the effective date of this Registration Statement and the conditions to the consummation of the merger described herein have been satisfied or waived.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)   
 Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

## CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per share	Proposed maximum aggregate offering price	Amount of registration fee
Common Stock, \$0.01 par value per share	2,684,317 shares <sup>(1)</sup>	\$ 10.965 <sup>(2)</sup>	\$ 29,433,536 <sup>(2)</sup>	\$ 2,099 <sup>(3)(4)</sup>

- Represents the maximum number of shares of Berkshire Hills Bancorp, Inc. (Nasdaq: BHLB) common stock estimated to be issuable upon the completion of the merger of Rome Bancorp, Inc. (Nasdaq: ROME), with and into Berkshire Hills Bancorp, Inc., based on the product of (x) the number of shares of Rome Bancorp, Inc. common stock outstanding or reserved for issuance upon the exercise of outstanding stock options and restricted stock awards as of November 23, 2010, (y) an exchange ratio of 0.5658 shares, and (z) 70% (the portion of the merger consideration consisting of Berkshire Hills Bancorp, Inc common stock issuable in the merger).
- (1) Estimated solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act and calculated in accordance with Rule 457(f) (1) and Rule 457(c) of the Securities Act, based on the market value of the shares of Rome Bancorp, Inc. common stock expected to be exchanged in connection with the merger, as established by the average of the high and low sales prices of Rome Bancorp, Inc. common stock on the Nasdaq Global Market on November 16, 2010 of \$10.965.
- (2) Calculated in accordance with Section 6(b) of the Securities Act and SEC Fee Advisory #4 for Fiscal Year 2010 at a rate equal to 0.0000713 multiplied by the proposed maximum aggregate offering price.
- (3) (4) Previously paid.

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

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Information contained herein is subject to completion or amendment. A registration statement relating to the shares of Berkshire Hills Bancorp, Inc. common stock to be issued in the merger has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement become effective. This proxy statement/prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale is not permitted or would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY PROXY  
STATEMENT/PROSPECTUS

DATED JANUARY 12, 2011, SUBJECT TO COMPLETION

**BERKSHIRE HILLS BANCORP, INC. LOGO      ROME  
BANCORP, INC. LOGO**

**MERGER PROPOSED    YOUR VOTE IS VERY  
IMPORTANT**

The boards of directors of Berkshire Hills Bancorp, Inc. and Rome Bancorp, Inc. have agreed to a merger of our companies. If the merger is completed, each share of Rome Bancorp, Inc. common stock will be converted into the right to receive either 0.5658 shares of Berkshire Hills Bancorp, Inc. common stock or \$11.25 in cash, subject to 70% of Rome Bancorp, Inc. common stock being exchanged for Berkshire Hills Bancorp, Inc. s common stock and 30% of Rome Bancorp, Inc. common stock being exchanged for cash. Berkshire Hills Bancorp, Inc. s stockholders will continue to own their existing shares. After completion of the merger, we expect that current Berkshire Hills Bancorp, Inc. stockholders will own approximately \_\_% of the combined company and Rome Bancorp, Inc. stockholders will own approximately \_\_% of the combined company. Berkshire Hills Bancorp, Inc. common stock is listed on the Nasdaq Global Select Market under the symbol BHLB. On \_\_\_\_\_, 2011, the closing price of Berkshire Hills Bancorp, Inc. common stock was \$\_\_\_\_\_. Berkshire Hills Bancorp, Inc. is offering approximately \_\_\_\_\_ shares of its common stock to Rome Bancorp, Inc. stockholders.

We expect the merger to generally be tax-free for federal income tax purposes solely to holders of Rome Bancorp, Inc. common stock to the extent they receive Berkshire Hills Bancorp, Inc. common stock. Any cash consideration received will be taxable to Rome Bancorp, Inc. stockholders.

We cannot complete the merger unless we obtain the necessary government approvals and unless the stockholders of Rome Bancorp, Inc. approve the merger agreement. Rome Bancorp, Inc. is asking its stockholders to consider and vote on this merger proposal at its special meeting of stockholders. Whether or not you plan to attend the Rome Bancorp, Inc. stockholder meeting, please take the time to vote by completing and mailing the enclosed proxy card to Rome Bancorp, Inc. If you sign, date and mail your proxy card without indicating how you want to vote, your proxy will be counted as a vote **FOR** the merger and the transactions contemplated by the merger agreement. If you do not return your proxy card, or if you do not instruct your broker how to vote any shares held for you in street name, the effect will be a vote against the merger agreement. Rome Bancorp, Inc. stockholders have dissenters rights and may receive payment in cash of the fair value of their shares, excluding any appreciation in value that results from the merger. To maintain its dissenters rights a stockholder must (1) deliver written notice of its intent to demand payment for its shares to Rome Bancorp, Inc. before the special meeting of Rome Bancorp, Inc. stockholders or at the special

meeting but before the vote is taken and (2) not vote in favor of the merger. See *Questions and Answers About the Merger and the Special Meeting* on page 1 and *Rights of Dissenting Stockholders* on page 34.

Rome Bancorp, Inc.'s board of directors has unanimously determined that the merger is advisable, fair to, and in the best interests of Rome Bancorp, Inc. and its stockholders and recommends that you vote FOR the approval of the merger agreement.

The place, date and time of the Rome Bancorp, Inc. stockholders' meeting is as follows:

The Rome Savings Bank  
100 W. Dominick Street  
Rome, New York  
[Date]  
5:30 p.m., local time

This document contains a more complete description of the Rome Bancorp, Inc. stockholders' meeting and the terms of the merger. We urge you to review this entire document carefully. You may also obtain information about Berkshire Hills Bancorp, Inc. from documents it has filed with the Securities and Exchange Commission.

Michael P. Daly  
President and Chief Executive Officer  
Berkshire Hills Bancorp, Inc.

Charles M. Sprock  
President and Chief Executive Officer  
Rome Bancorp, Inc.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the merger or the securities to be issued under this proxy statement/prospectus or determined if this proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense. The securities we are offering through this document are not savings or deposit accounts or other obligations of any bank or non-bank subsidiary of either of our companies, and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.**

Proxy Statement/Prospectus dated \_\_\_\_\_  
and first mailed to stockholders on or about \_\_\_\_\_

This document incorporates important business and financial information about Berkshire Hills Bancorp, Inc. from documents filed with the Securities and Exchange Commission that have not been included in or delivered with this document. You may read and copy these documents at the Securities and Exchange Commission's public reference facilities. Please call the SEC at 1-800-SEC-0330 for information about these facilities. This information is also available at the Internet site the SEC maintains at <http://www.sec.gov>. See *Where You Can Find More Information* on page 107.

You also may request copies of these documents from Berkshire Hills Bancorp, Inc. Berkshire Hills Bancorp, Inc. will provide you with copies of these documents, without charge, upon written or oral request to:

Berkshire Hills Bancorp, Inc.  
24 North Street  
Pittsfield, Massachusetts 01201  
Attention: Investor Relations Department  
Telephone: (413) 236-3239

***If you are a Rome Bancorp, Inc. stockholder and would like to request documents from Berkshire Hills Bancorp, Inc., please do so by \_\_\_\_\_ to receive them before the Rome Bancorp, Inc. special meeting.***



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**ROME BANCORP, INC.  
100 W. Dominick Street  
Rome, New York 13440**

Notice of Special Meeting of Stockholders  
to be held [Date]

A special meeting of stockholders of Rome Bancorp, Inc. will be held at 5:30 p.m., local time, on [Date] at The Rome Savings Bank, 100 W. Dominick Street, Rome, New York. Any adjournments or postponements of the special meeting will be held at the same location.

At the special meeting, you will be asked to:

1. Consider and vote upon a proposal to approve the Agreement and Plan of Merger, dated as of October 12, 2010, by and between Berkshire Hills Bancorp, Inc. and Rome Bancorp, Inc. A copy of the merger agreement is included as Annex A to the accompanying proxy statement/prospectus;

2. Consider and vote upon a proposal to adjourn the special meeting to a later date or dates, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the merger agreement; and

3. Transact such other business as may be properly presented at the special meeting and any adjournments or postponements of the special meeting.

The enclosed proxy statement/prospectus describes the merger agreement and the proposed merger in detail. We urge you to read these materials carefully. The enclosed proxy statement/prospectus forms a part of this notice.

**The board of directors of Rome Bancorp, Inc. unanimously recommends that Rome Bancorp, Inc. stockholders vote FOR the proposal to approve the merger agreement and FOR the proposal to adjourn the special meeting, if necessary, to solicit additional proxies to vote in favor of the merger agreement.**

The board of directors of Rome Bancorp, Inc. has fixed the close of business on [Record Date] as the record date for determining the stockholders entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting.

**Your vote is very important.** Your proxy is being solicited by the Rome Bancorp, Inc. board of directors. The proposal to approve the merger agreement must be approved by the affirmative vote of holders of a majority of the outstanding shares of Rome Bancorp, Inc. common stock entitled to vote in order for the proposed merger to be consummated. Whether or not you plan to attend the special meeting in person, we urge you to complete and mail the enclosed proxy card, in the accompanying envelope, which requires no postage if mailed in the United States. You may revoke your proxy at any time before the special meeting. If you attend the special meeting and vote in person, your proxy vote will not be used.

Under Delaware law, if the merger is completed, Rome Bancorp, Inc. stockholders of record who do not vote to approve the merger agreement and otherwise comply with the applicable provisions of Delaware law pertaining to dissenters' rights will be entitled to exercise dissenters' rights and obtain payment in cash of the fair value of their shares of Rome Bancorp, Inc. common stock by following the procedures set forth in detail in the enclosed proxy statement/prospectus. A copy of the section of the Delaware General Corporation Law pertaining to dissenters' rights

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is included as Annex C to the accompanying proxy statement/prospectus.

By Order of the Board of Directors

Crystal M. Seymore  
Secretary

Rome, New York  
[Date]

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**Berkshire Hills Bancorp, Inc.**

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## QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING

**Q: *What am I being asked to vote on? What is the proposed transaction?***

A: You are being asked to vote on the approval of a merger agreement that provides for the acquisition of Rome Bancorp, Inc. by Berkshire Hills Bancorp, Inc. A copy of the merger agreement is provided as Annex A to this document. The Rome Bancorp, Inc. board of directors has determined that the proposed merger is advisable and in the best interests of its stockholders, has unanimously approved the merger agreement and recommends that its stockholders vote FOR the approval of the merger agreement.

**Q: *What will Rome Bancorp, Inc. stockholders be entitled to receive in the merger?***

A: Under the merger agreement, at the election of each Rome Bancorp, Inc. stockholder, each share of Rome Bancorp, Inc. common stock will be exchanged for either 0.5658 shares of Berkshire Hills Bancorp, Inc. common stock or \$11.25 in cash. Each Rome Bancorp, Inc. stockholder may elect either of these options or each Rome Bancorp, Inc. stockholder may elect to exchange some of his or her Rome Bancorp, Inc. shares for cash and some of his or her Rome Bancorp, Inc. shares for Berkshire Hills Bancorp, Inc. shares.

Elections will be limited by, among other things, a requirement that 70% of the total number of outstanding shares of Rome Bancorp, Inc. common stock be exchanged for Berkshire Hills Bancorp, Inc. common stock. Therefore, the form of consideration received will depend in part on the elections of other Rome Bancorp, Inc. stockholders. Berkshire Hills Bancorp, Inc. will not issue fractional shares in the merger. Instead, each Rome Bancorp, Inc. stockholder will receive a cash payment, without interest, for the value of any fraction of a share of Berkshire Hills Bancorp, Inc. common stock that such stockholder would otherwise be entitled to receive. See *Description of the Merger Consideration to be Received in the Merger* on page 58 and *Description of Berkshire Hills Bancorp, Inc. Capital Stock* on page 78.

**Q: *What dividends will be paid after the merger?***

A: Berkshire Hills Bancorp, Inc. currently pays a quarterly dividend of \$0.16 per share. Although Berkshire Hills Bancorp, Inc. has paid quarterly dividends on its common stock without interruption since November 2000, there is no guarantee that Berkshire Hills Bancorp, Inc. will continue to pay dividends on its common stock. All dividends on Berkshire Hills Bancorp, Inc. common stock are declared at the discretion of the Berkshire Hills Bancorp, Inc. board of directors.

**Q: *How does a Rome Bancorp, Inc. stockholder elect to receive cash, stock or a combination of both for his or her Rome Bancorp, Inc. stock?***

A: For each Rome Bancorp, Inc. stockholder, a form for making an election will be provided under separate cover. For the election to be effective, the properly completed election form, along with the Rome Bancorp, Inc. stock certificates or an appropriate guarantee of delivery, must be sent to and received by Registrar and Transfer Company, the exchange agent, on or before 5:00 p.m., Eastern time, on \_\_\_\_\_. The election form should not be sent together with your proxy card. Instead, use the separate envelope specifically provided for the election form and your stock certificates. If a timely election is not made, you will be allocated Berkshire Hills Bancorp, Inc. common stock and/or cash depending on your election and the elections made by other stockholders.

**Q: *How does a Rome Bancorp, Inc. stockholder exchange his or her stock certificates?***

A: If an election is made, the Rome Bancorp, Inc. stock certificates or an appropriate guarantee of delivery must be returned with the election form. Shortly after the merger, the exchange agent will allocate cash and Berkshire Hills Bancorp, Inc. common stock among Rome Bancorp, Inc. stockholders, consistent with their elections and the allocation and proration procedures in the merger agreement. If a Rome Bancorp, Inc. stockholder does not submit an election form, Berkshire Hills Bancorp, Inc.'s transfer agent will send instructions on how and where to surrender the Rome Bancorp, Inc. stock certificates after the merger is completed. Please do not send Rome Bancorp, Inc. stock certificates with the proxy card.



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**Q: What are the tax consequences of the merger to Rome Bancorp, Inc. stockholders?**

The tax consequence of the merger to Rome Bancorp, Inc. stockholders will depend on whether only cash, only Berkshire Hills Bancorp, Inc. common stock, or a combination of cash and Berkshire Hills Bancorp, Inc. common stock and cash is received in exchange for shares of Rome Bancorp, Inc. common stock. If shares are exchanged solely for Berkshire Hills Bancorp, Inc. common stock, no gain or loss should be recognized except with respect to the cash received instead of any fractional share of Berkshire Hills Bancorp, Inc. common stock. If shares are exchanged solely for cash, gain or loss should be recognized on the exchange. If shares were exchanged for a combination of Berkshire Hills Bancorp, Inc. common stock and cash, gain should be recognized equal to the lesser of the cash received or the gain realized in the merger (that is, the fair market value of the Berkshire Hills Bancorp, Inc. common stock received, plus the cash received, and minus the Rome Bancorp, Inc. stockholder's basis in the stockholder's Rome Bancorp, Inc. common stock). No loss should be recognized. See *Material Tax Consequences of the Merger* on page 61.

Because the allocations of cash and Berkshire Hills Bancorp, Inc. common stock received will depend on the elections of other Rome Bancorp, Inc. stockholders, the actual tax consequences of the merger will not be known until the allocations are completed.

**Q: Are Rome Bancorp, Inc. stockholders entitled to dissenters' rights?**

Yes. Delaware law provides dissenters' rights in the merger to Rome Bancorp, Inc. stockholders. This means that Rome Bancorp, Inc. stockholders are legally entitled to receive payment in cash of the fair value of their shares, excluding any appreciation in value that results from the merger. To maintain your dissenters' rights you must (1) deliver written notice of your intent to demand payment for your shares to Rome Bancorp, Inc.'s Secretary and sent to 100 W. Dominick Street, Rome, New York 13440 before the special meeting of Rome Bancorp, Inc. stockholders or at the special meeting but before the vote is taken and (2) not vote in favor of the merger agreement. This notice must be in addition to and separate from any failure to vote, abstention from voting, or any vote, in person or by proxy, cast against approval of the merger. Neither voting against, abstaining from voting, or failing to vote on the adoption of the merger agreement will constitute notice of intent to demand payment or demand for payment of fair value under Delaware law. Your failure to follow exactly the procedures specified under Delaware law will result in the loss of your dissenters' rights. A copy of the section of the Delaware General Corporation Law pertaining to dissenters' rights is provided as Annex C to this document. See *Rights of Dissenting Stockholders* on page 34.

**Q: Why do Rome Bancorp, Inc. and Berkshire Hills Bancorp, Inc. want to merge?**

Rome Bancorp, Inc. believes that the proposed merger will provide Rome Bancorp, Inc. stockholders with substantial benefits, and Berkshire Hills Bancorp, Inc. believes that the merger will further its strategic growth plans. As a larger company, Berkshire Hills Bancorp, Inc. can provide the capital and resources that Rome Bancorp, Inc. needs to compete more effectively and to offer a broader array of products and services to better serve its banking customers. To review the reasons for the merger in more detail, see *Description of the Merger - Reasons for the Merger; Recommendation of the Rome Bancorp, Inc. Board of Directors* on page 45.

**Q: What vote is required to approve the merger agreement?**

Holder of a majority of the outstanding shares of Rome Bancorp, Inc. common stock entitled to vote must vote in favor of the proposal to approve the merger agreement.

**Q: When and where is the Rome Bancorp, Inc. special meeting?**

The special meeting of Rome Bancorp, Inc. stockholders is scheduled to take place at The Rome Savings Bank, 100 Dominick Street, Rome, New York at 5:30 p.m., local time, on [Date].

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**Q: Who is entitled to vote at the Rome Bancorp, Inc. special meeting?**

Holdings of shares of Rome Bancorp, Inc. common stock at the close of business on [Record Date], which is the record date, are entitled to vote on the proposal to adopt the merger agreement. As of the record date, \_\_\_\_\_ shares of Rome Bancorp, Inc. common stock were outstanding and entitled to vote.

**Q: If I plan to attend the Rome Bancorp, Inc. special meeting in person, should I still return my proxy?**

Yes. Whether or not you plan to attend the Rome Bancorp, Inc. special meeting, you should complete and return the enclosed proxy card. The failure of a Rome Bancorp, Inc. stockholder to vote in person or by proxy will have the same effect as a vote AGAINST the merger agreement.

**Q: What do I need to do now to vote my shares of Rome Bancorp, Inc. common stock?**

After you have carefully read and considered the information contained in this proxy statement/prospectus, please complete, sign, date and mail your proxy card in the enclosed return envelope as soon as possible. This will enable your shares to be represented at the special meeting. You may also vote in person at the special meeting. If you do not return a properly executed proxy card and do not vote at the special meeting, this will have the same effect as a vote against the merger agreement. If you sign, date and send in your proxy card, but you do not indicate how you want to vote, your proxy will be voted in favor of adoption of the merger agreement. You may change your vote or revoke your proxy before the special meeting by filing with the Secretary of Rome Bancorp, Inc. a duly executed revocation of proxy, submitting a new proxy card with a later date, or voting in person at the special meeting.

**Q: If my shares are held in street name by my broker, will my broker automatically vote my shares for me?**

No. Your broker will not be able to vote your shares of Rome Bancorp, Inc. common stock on the proposal to adopt the merger agreement unless you provide instructions on how to vote. Please instruct your broker how to vote your shares, following the directions that your broker provides. If you do not provide instructions to your broker on the proposal to approve the merger agreement, your shares will not be voted, and this will have the effect of voting against the merger agreement. Please check the voting form used by your broker to see if it offers telephone or Internet voting.

**Q: When is the merger expected to be completed?**

We will try to complete the merger as soon as possible. Before that happens, the merger agreement must be approved by Rome Bancorp, Inc. stockholders and we must obtain the necessary regulatory approvals. Assuming holders of at least a majority of the outstanding shares of Rome Bancorp, Inc. common stock vote in favor of the merger agreement and we obtain the other necessary approvals, we expect to complete the merger late in the first calendar quarter of 2011.

**Q: Is completion of the merger subject to any conditions besides stockholder approval?**

Yes. The transaction must receive the required regulatory approvals, and there are other customary closing conditions that must be satisfied. To review the conditions of the merger in more detail, see *Description of the Merger Conditions to Completing the Merger* on page 70.

**Q: Who can answer my other questions?**

If you have more questions about the merger, or how to submit your proxy or if you need additional copies of this proxy statement/prospectus or the enclosed proxy form, Rome Bancorp, Inc. stockholders should contact:

Phoenix Advisory Partners, LLC  
110 Wall Street  
27<sup>th</sup> Floor  
New York, NY 10005

Bank and brokers should call:

( ) \_\_\_\_\_

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## SUMMARY

*This summary highlights selected information in this proxy statement/prospectus and may not contain all of the information important to you. To understand the merger more fully, you should read this entire document carefully, including the documents attached to this proxy statement/prospectus.*

### The Companies

***Berkshire Hills Bancorp, Inc.***

24 North Street  
Pittsfield, Massachusetts 01201  
(413) 443-5601

Berkshire Hills Bancorp, Inc., a Delaware corporation, is a savings and loan holding company headquartered in Pittsfield, Massachusetts that was incorporated and commenced operations in 2000. Berkshire Hills Bancorp, Inc.'s common stock is listed on The NASDAQ Global Select Market under the symbol BHLB. Berkshire Hills Bancorp, Inc. conducts its operations primarily through Berkshire Bank, a Massachusetts chartered savings bank with 41 full-service financial centers in Massachusetts, New York and Vermont. Berkshire Bank offers a full complement of deposit, lending and investment products from a team of employees with extensive experience in banking, insurance and investment management. Berkshire Hills Bancorp, Inc. is also the holding company for Berkshire Insurance Group, an insurance agency in western Massachusetts. At September 30, 2010, Berkshire Hills Bancorp, Inc. had total assets of \$2.8 billion, total deposits of \$2.1 billion and total stockholders' equity of \$382.9 million.

On December 21, 2010, Berkshire Hills Bancorp, Inc. announced that it had entered into a definitive merger agreement under which it would acquire Legacy Bancorp, Inc. and Legacy Banks. At September 30, 2010, Legacy Bancorp, Inc. had total assets of \$972.0 million, total deposits of \$695.0 million and total stockholders' equity of \$117.4 million. Under the terms of the Berkshire Hills Bancorp, Inc. Legacy Bancorp, Inc. merger agreement, each outstanding share of Legacy Bancorp, Inc. common stock will be exchanged for 0.56385 Berkshire Hills Bancorp, Inc. common stock and 10% will be in the form of cash. The merger is expected to be completed by June 30, 2011. Consummation of this agreement is subject to the approval of the stockholders of each of Berkshire Hills Bancorp, Inc. and Legacy Bancorp, Inc., as well as state and federal regulatory agencies. It is anticipated that there will be some divestiture of deposits in Berkshire County, Massachusetts; any divestiture gains will be shared in accordance with the Legacy merger agreement. The merger of Legacy Bancorp, Inc. into Berkshire Hills Bancorp, Inc. is not conditioned on the completion of the Rome Bancorp, Inc. merger into Berkshire Hills Bancorp, Inc. Similarly, the merger of Rome Bancorp, Inc. into Berkshire Hills Bancorp, Inc. is not conditioned on the completion of the Legacy Bancorp, Inc. merger into Berkshire Hills Bancorp, Inc.

***Rome Bancorp, Inc.***

100 W. Dominick Street  
Rome, New York 13440  
(508) 752-4800

Rome Bancorp, Inc., a Delaware corporation, is a savings and loan holding company headquartered in Rome, New York that was incorporated and commenced operations as a holding company in 1999. Its primary business is operating its subsidiary, The Rome Savings Bank, which operates five full-service community banking offices in Rome, Lee and New Hartford, New York. Rome Bancorp, Inc.'s common stock is quoted on the NASDAQ Global

Market under the symbol ROME. Its primary business includes residential real estate lending (for portfolio and sale on the secondary market), small business loan and deposit services as well as variety of consumer loan and deposit services. As of September 30, 2010, Rome Bancorp, Inc. had total assets of \$331.6 million, total deposits of \$226.9 million and total stockholders equity of \$61.8 million.

## **Special Meeting of Rome Bancorp, Inc. Stockholders; Required Vote (page 32)**

A special meeting of Rome Bancorp, Inc. stockholders is scheduled to be held at The Rome Savings Bank, 100 W. Dominick Street, Rome, New York at 5:30 p.m., local time, on [Date]. At the special meeting, you will be asked to vote on a proposal to approve the merger agreement between Rome Bancorp, Inc. and

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Berkshire Hills Bancorp, Inc. You may also be asked to vote to adjourn the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the meeting to approve the merger agreement.

Only Rome Bancorp, Inc. stockholders of record as of the close of business on [Record Date] are entitled to notice of, and to vote at, the Rome Bancorp, Inc. special meeting and any adjournments or postponements of the meeting.

Approval of the merger agreement requires the affirmative vote of holders of a majority of the outstanding shares of Rome Bancorp, Inc. common stock entitled to vote. As of the record date, there were \_\_\_\_\_ shares of Rome Bancorp, Inc. common stock outstanding. The directors and executive officers of Rome Bancorp, Inc., as a group, beneficially owned \_\_\_\_\_ shares of Rome Bancorp, Inc. common stock, representing \_\_\_\_% of the outstanding shares of Rome Bancorp, Inc. common stock as of the record date and have agreed to vote their shares in favor of the merger at the special meeting.

**The Merger and the Merger Agreement (page 38)**

Berkshire Hills Bancorp, Inc.'s acquisition of Rome Bancorp, Inc. is governed by a merger agreement. The merger agreement provides that, if all of the conditions are satisfied or waived, Rome Bancorp, Inc. will be merged with and into Berkshire Hills Bancorp, Inc., with Berkshire Hills Bancorp, Inc. as the surviving entity. **We encourage you to read the merger agreement, which is included as Annex A to this proxy statement/prospectus.**

**What Rome Bancorp, Inc. Stockholders Will Receive in the Consideration to be Received in the Merger (page 58)**

Under the merger agreement, at your election, each share of Rome Bancorp, Inc. common stock you own will be exchanged for either 0.5658 shares of Berkshire Hills Bancorp, Inc. common stock or \$11.25 in cash, or a combination of cash and Berkshire Hills Bancorp, Inc. common stock, subject to 70% of the aggregate merger consideration being exchanged for Berkshire Hills Bancorp, Inc. common stock.

**Comparative Market Prices (page 31)**

The following table shows the closing price per share of Berkshire Hills Bancorp, Inc. common stock and the equivalent price per share of Rome Bancorp, Inc. common stock, giving effect to the merger, on October 11, 2010, which is the last day on which shares of Berkshire Hills Bancorp, Inc. common stock traded preceding the public announcement of the proposed merger, and on [Record Date], the most recent practicable date prior to the mailing of this proxy statement/prospectus. The equivalent price per share of Rome Bancorp, Inc. common stock was computed by multiplying the price of a share of Berkshire Hills Bancorp, Inc. common stock by the 0.5658 exchange ratio. See *Description of the Merger – Consideration to be Received in the Merger* on page 58.

	Berkshire Hills Bancorp, Inc. Common Stock	Equivalent Price Per Share of Rome Bancorp, Inc. Common Stock
October 11, 2010	\$ 18.78	\$ 10.63



[Record Date]

\$

\$

## **Recommendation of Rome Bancorp, Inc. Board of Directors (page 45)**

The Rome Bancorp, Inc. board of directors has unanimously approved the merger agreement and the proposed merger. The Rome Bancorp, Inc. board believes that the merger agreement, including the merger contemplated by the merger agreement, is fair to, and in the best interests of, Rome Bancorp, Inc. and its stockholders, and therefore **unanimously recommends that Rome Bancorp, Inc. stockholders vote FOR the proposal to approve the merger agreement.** In its reaching this decision, Rome Bancorp, Inc.'s board of directors considered a variety of factors, which are described in the section captioned *Description of the Merger - Rome Bancorp, Inc.'s Reasons for the Merger; Recommendation of the Rome Bancorp, Inc. Board of Directors* beginning on page 45.

The Rome Bancorp, Inc. board of directors **unanimously recommends that Rome Bancorp, Inc. stockholders vote FOR the proposal to adjourn the special meeting to a later date or dates, if**

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**necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the merger agreement.**

## **Opinion of Rome Bancorp, Inc. s Financial Advisor (page 50)**

In deciding to approve the merger, one of the factors considered by Rome Bancorp, Inc. s board of directors was the opinion of Sandler O Neill & Partners, L.P., ( Sandler O Neill ) which served as financial advisor to Rome Bancorp, Inc. s board of directors. Sandler O Neill delivered its oral opinion on October 8, 2010, which was confirmed in writing on October 12, 2010, that the merger consideration is fair to the holders of Rome Bancorp, Inc. common stock from a financial point of view. The full text of this opinion is included as Annex B to the proxy statement/prospectus. You should read the opinion carefully to understand the procedures followed, assumptions made, matters considered and limitations of the review conducted by Sandler O Neill. Rome Bancorp, Inc. has agreed to pay Sandler O Neill a fee equal to one percent of the aggregate purchase price contingent upon completion of the merger for its services in connection with the merger. Sandler O Neill has received a fee of \$200,000 for the rendering of its fairness opinion, which fee shall be credited against the one percent fee referenced above if the merger is completed.

## **Regulatory Matters Relating to the Merger (page 64)**

Under the terms of the merger agreement, the merger cannot be completed unless it is first approved by the Office of Thrift Supervision, the Massachusetts Division of Banks and the Federal Deposit Insurance Corporation. Berkshire Hills Bancorp, Inc. filed the required applications on November 17, 2010. As of the date of this document, Berkshire Hills Bancorp, Inc. has not received any approvals from those regulators. While Berkshire Hills Bancorp, Inc. does not know of any reason why it would not be able to obtain approval in a timely manner, Berkshire Hills Bancorp, Inc. cannot be certain when or if it will receive regulatory approval.

## **Conditions to Completing the Merger (page 70)**

The completion of the merger is subject to the fulfillment of a number of conditions, including:

approval of the merger agreement at the special meeting by at least a majority of the outstanding shares of Rome Bancorp, Inc. common stock entitled to vote;  
approval of the transaction by the appropriate regulatory authorities;  
receipt by each party of opinions from their respective legal counsel to the effect that the merger will be treated for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code;  
the continued accuracy of representations and warranties made on the date of the merger agreement; and  
no material adverse effect on either party has occurred.

## **Terminating the Merger Agreement (page 76)**

The merger agreement may be terminated by mutual consent of Berkshire Hills Bancorp, Inc. and Rome Bancorp, Inc. at any time prior to the completion of the merger. Additionally, subject to conditions and circumstances described in the merger agreement, either Berkshire Hills Bancorp, Inc. or Rome Bancorp, Inc. may terminate the merger agreement if, among other things, any of the following occur:

the merger has not been consummated by June 30, 2011;  
Rome Bancorp, Inc. stockholders do not approve the merger agreement at the Rome Bancorp, Inc. special meeting;  
a required regulatory approval is denied or a governmental authority blocks the merger; or

there is a breach by the other party of any representation, warranty, covenant or agreement contained in the merger agreement, which cannot be cured, or has not been cured within 30 days after the giving of written notice to such party of such breach.

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Berkshire Hills Bancorp, Inc. may also terminate the merger agreement if Rome Bancorp, Inc. materially breaches its agreements regarding the solicitation of other acquisition proposals and the submission of the merger agreement to stockholders or if the board of directors of Rome Bancorp, Inc. does not recommend approval of the merger in the proxy statement/prospectus or withdraws or revises its recommendation in a manner adverse to Berkshire Hills Bancorp, Inc.

### **Termination Fee (page 76)**

Under certain circumstances described in the merger agreement, Berkshire Hills Bancorp, Inc. may demand from Rome Bancorp, Inc. a \$3.5 million termination fee in connection with the termination of the merger agreement. See *Description of the Merger Termination Fee* on page 76 for a list of the circumstances under which a termination fee is payable.

### **Interests of Certain Persons in the Merger that are Different from Yours (page 65)**

In considering the recommendation of the board of directors of Rome Bancorp, Inc. to adopt the merger agreement, you should be aware that officers and directors of Rome Bancorp, Inc. have employment and other compensation agreements or plans that give them interests in the merger that are somewhat different from, or in addition to, their interests as Rome Bancorp, Inc. stockholders. These interests and agreements, which provide for payments in the aggregate amount of approximately \$3.15 million, excluding amounts already vested under the Benefit Restoration Plan and the Directors' Deferred Compensation Plan, but including:

- Employment agreements that provide for severance payments in connection with a termination of employment without cause or for good reason following a change in control;
- Change in control agreements that provide for severance payments in connection with a termination of employment without cause or for good reason following a change in control;
- Interests under a Benefit Restoration Plan and Directors' Deferred Compensation Plan, each of which will be terminated in connection with the change in control, with the benefits paid to the participants in a lump sum;
- An agreement between Berkshire Hills Bancorp, Inc. and Rome Bancorp, Inc. to make a one-time payment to John Reinhardt, a director of Rome Bancorp, Inc., upon the completion of the merger;
- A consulting and non-competition agreement that Berkshire Hills Bancorp, Inc. and Berkshire Bank have entered into with Charles M. Sprock, President and Chief Executive Officer of Rome Bancorp, Inc. and The Rome Savings Bank;
- The termination of all outstanding Rome Bancorp, Inc. stock options, whether or not vested; with a payment to the holder of the option of an amount of cash equal to (i) the greater of (A) the excess, if any, of the cash consideration over the applicable per share price of that option or (B) \$1.00, multiplied by (ii) the number of shares of Rome Bancorp, Inc., Inc common stock that the holder could have purchased with the option if the holder had exercised the option immediately prior to the effective time;
- The acceleration of vesting of outstanding restricted stock awards; and
- Rights of Rome Bancorp, Inc. officers and directors to continued indemnification coverage and continued coverage under directors and officers' liability insurance policies.

### **Accounting Treatment of the Merger (page 61)**

The merger will be accounted for using the acquisition method in accordance with U.S. generally accepted accounting principles.

## Comparison of Rights of Stockholders (page 80)

When the merger is completed, Rome Bancorp, Inc. stockholders who are to receive shares of Berkshire Hills Bancorp, Inc. will become Berkshire Hills Bancorp, Inc. stockholders and their rights will be governed by Delaware law and by Berkshire Hills Bancorp, Inc.'s certificate of incorporation and bylaws. See *Comparison of Rights of Stockholders* beginning on page 80 for a summary of the material differences between the respective rights of Rome Bancorp, Inc. and Berkshire Hills Bancorp, Inc. stockholders.

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**Rights of Dissenting Stockholders (page 34)**

Rome Bancorp, Inc. stockholders may dissent from the merger and, upon complying with the requirements of Delaware law, receive cash in the amount of the fair value of their shares instead of shares of Berkshire Hills Bancorp, Inc. common stock and/or the cash consideration specified in the merger agreement. A copy of the section of the Delaware General Corporation Law pertaining to dissenters' rights is attached as Annex C to this proxy statement/prospectus. **You should read the statute carefully and consult with your legal counsel if you intend to exercise these rights.**

**Material Tax Consequences of the Merger (page 61)**

The federal tax consequences of the merger to stockholders of Rome Bancorp, Inc. will depend primarily on whether they exchange their Rome Bancorp, Inc. common stock solely for Berkshire Hills Bancorp, Inc. common stock, solely for cash or for a combination of Berkshire Hills Bancorp, Inc. common stock and cash. Rome Bancorp, Inc. stockholders who exchange their shares solely for Berkshire Hills Bancorp, Inc. common stock should not recognize gain or loss except with respect to the cash they receive instead of a fractional share. Rome Bancorp, Inc. stockholders who exchange their shares solely for cash should recognize gain or loss on the exchange. Rome Bancorp, Inc. stockholders who exchange their shares for a combination of Berkshire Hills Bancorp, Inc. common stock and cash should recognize gain, but not any loss, on the exchange. The actual federal income tax consequences to Rome Bancorp, Inc. stockholders of electing to receive cash, Berkshire Hills Bancorp, Inc. common stock or a combination of cash and stock will not be ascertainable at the time Rome Bancorp, Inc. stockholders make their election because it will not be known at that time how, or to what extent, the allocation and proration procedures will apply.

**This tax treatment may not apply to all Rome Bancorp, Inc. stockholders. Determining the actual tax consequences of the merger to Rome Bancorp, Inc. stockholders can be complicated. Rome Bancorp, Inc. stockholders should consult their own tax advisor for a full understanding of the merger's tax consequences that are particular to each stockholder.**

To review the tax consequences of the merger to Rome Bancorp, Inc. stockholders in greater detail, please see the section *Description of the Merger - Material Tax Consequences of the Merger* beginning on page 61.

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## **RISK FACTORS**

*In addition to the other information contained in or incorporated by reference into this proxy statement/prospectus, you should consider carefully the risk factors described below, in deciding how to vote. You should keep these risk factors in mind when you read forward-looking statements in this document. Please refer to the section of this proxy statement/prospectus titled *Caution About Forward-Looking Statements* beginning on page 12.*

### **Rome Bancorp, Inc. stockholders may receive a form of consideration different from what they elect.**

The consideration to be received by Rome Bancorp, Inc. stockholders in the merger is subject to the requirement that 70% of the shares of Rome Bancorp, Inc. common stock be exchanged for Berkshire Hills Bancorp, Inc. common stock and the remaining 30% be exchanged for cash. The merger agreement contains proration and allocation methods to achieve this desired result. If you elect all cash and the available cash is oversubscribed, then you will receive a portion of the merger consideration in Berkshire Hills Bancorp, Inc. common stock. If you elect all stock and the available stock is oversubscribed, then you will receive a portion of the merger consideration in cash.

### **The price of Berkshire Hills Bancorp, Inc. common stock might decrease after the merger.**

Following the merger, many holders of Rome Bancorp, Inc. common stock will become stockholders of Berkshire Hills Bancorp, Inc. Berkshire Hills Bancorp, Inc. common stock could decline in value after the merger. For example, during the twelve-month period ending on [Record Date] (the most recent practicable date before the printing of this proxy statement/prospectus), the price of Berkshire Hills Bancorp, Inc. common stock varied from a low of \$\_\_\_\_\_ to a high of \$\_\_\_\_\_ and ended that period at \$\_\_\_\_\_. The market value of Berkshire Hills Bancorp, Inc. common stock fluctuates based upon general market economic conditions, Berkshire Hills Bancorp, Inc. s business and prospects and other factors. In addition, the market value of Berkshire Hills Bancorp, Inc. s common stock may fluctuate based in part on its proposed acquisition of Legacy Bancorp, Inc. and any risks associated with the integration of Legacy Bancorp, Inc. s operations.

### **Berkshire Hills Bancorp, Inc. may be unable to successfully integrate Rome Bancorp, Inc. s operations and retain Rome Bancorp, Inc. s employees.**

The merger involves the integration of two companies that have previously operated independently. The difficulties of combining the operations of the two companies include:

- integrating personnel with diverse business backgrounds;
- combining different corporate cultures; and
- retaining key employees.

The process of integrating operations could cause an interruption of, or loss of momentum in, the activities of the business and the loss of key personnel. The integration of the two companies will require the experience and expertise of certain key employees of Rome Bancorp, Inc. who are expected to be retained by Berkshire Hills Bancorp, Inc.

Berkshire Hills Bancorp, Inc. may not be successful in retaining these employees for the time period necessary to successfully integrate Rome Bancorp, Inc.'s operations with those of Berkshire Hills Bancorp, Inc. The diversion of management's attention and any delays or difficulties encountered in connection with the merger and the integration of the two companies' operations could have an adverse effect on the business and results of operation of Berkshire Hills Bancorp, Inc. following the merger. In addition, Berkshire Hills Bancorp, Inc. may be unable to successfully integrate Legacy Bancorp, Inc., which could have an adverse effect on the business and results of operation of Berkshire Hills Bancorp, Inc. following the merger.

**The termination fee and the restrictions on solicitation contained in the merger agreement may discourage other companies from trying to acquire Rome Bancorp, Inc.**

Until the completion of the merger, with some exceptions, Rome Bancorp, Inc. is prohibited from soliciting, initiating, encouraging or participating in any discussion of or otherwise considering any inquiries or proposals that may lead to an acquisition proposal, such as a merger or other business combination transaction, with any person other than Berkshire Hills Bancorp, Inc. In addition, Rome Bancorp, Inc. has



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agreed to pay a termination fee to Berkshire Hills Bancorp, Inc. in specified circumstances. These provisions could discourage other companies from trying to acquire Rome Bancorp, Inc. even though those other companies might be willing to offer greater value to Rome Bancorp, Inc.'s stockholders than Berkshire Hills Bancorp, Inc. has offered in the merger. The payment of the termination fee could also have a material adverse effect on Rome Bancorp, Inc.'s financial condition.

**Certain of Rome Bancorp, Inc.'s officers and directors have interests that are different from, or in addition to, interests of Rome Bancorp, Inc.'s stockholders generally.**

You should be aware that the directors and officers of Rome Bancorp, Inc. have interests in the merger that are different from, or in addition to, the interests of Rome Bancorp, Inc. stockholders generally. These include: severance payments that certain officers will receive under existing employment or change-in-control agreements, a consulting and non-compete agreement that one former officer of Rome Bancorp, Inc. will become subject to upon completion of the merger; the payment for stock options; provisions in the merger agreement relating to indemnification of directors and officers and insurance for directors and officers of Rome Bancorp, Inc. for events occurring before the merger; and the establishment of an advisory board of directors comprised of Rome Bancorp, Inc. board members. For a more detailed discussion of these interests, see *Description of the Merger - Interests of Certain Persons in the Merger that are Different from Yours* beginning on page 65.

**Multiple lawsuits have been filed against Rome Bancorp, Inc. and Berkshire Hills Bancorp, Inc. challenging the merger, and an adverse judgment in any such lawsuit may prevent the merger from being completed or from being completed within the expected timeframe.**

Rome Bancorp, Inc., Berkshire Hills Bancorp, Inc. and the directors of Rome Bancorp, Inc. are named as defendants in purported class action lawsuits brought by Rome Bancorp, Inc. stockholders challenging the proposed merger, seeking, among other things, to enjoin completion of the merger on the agreed-upon terms. See *Description of the Merger - Litigation Relating to the Merger* beginning on page 77 for more information about the purported class action lawsuits related to the merger that has been filed.

One of the conditions to the closing of the merger is that no order, injunction (whether temporary, preliminary or permanent) or decree issued by a court or other agency of competent jurisdiction that makes the merger or the bank merger illegal or prohibits the completion of the merger shall be in effect. As such, if the plaintiffs are successful in obtaining an injunction prohibiting the completion of the merger on the agreed-upon terms, then such injunction may prevent the merger from being completed, or from being completed within the expected timeframe.

**If you are a Rome Bancorp, Inc. stockholder and you make a valid cash or stock election, you will not be able to sell your shares during certain times.**

If you are a Rome Bancorp, Inc. stockholder of record as of the record date for the special meeting, holding your shares in certificated form and want to make a valid cash or stock election, you will have to deliver a properly completed and signed form of election and your stock certificates to the exchange agent. For further details on the determination of the election deadline, see *The Merger Election Procedures; Surrender of Stock Certificates* on page 59. The election deadline will be the later of the day of the Rome Bancorp, Inc. special meeting and the date the parties believe to be as near as practicable to five business days before the completion of the merger. You will not be able to sell any certificated shares of Rome Bancorp, Inc. common stock that you have delivered as part of your election unless you revoke your election before the deadline by providing written notice to the exchange agent. If you do not revoke your election before the election deadline, you will not be able to liquidate your investment in Rome Bancorp, Inc. common stock for any reason until you receive cash and/or Berkshire Hills Bancorp, Inc. common stock following completion of the merger. Similarly, holders of book-entry shares of Rome Bancorp, Inc. common stock who have made a valid election and have not revoked their election prior to the election deadline will not be able to sell any shares for which they have made a valid election after the election deadline. In the time between the election deadline and the completion of the merger, the trading price of Rome Bancorp, Inc. or Berkshire Hills Bancorp, Inc. common stock may decrease, and you might otherwise want to sell your shares of Rome Bancorp, Inc. common stock to gain access to cash, make other investments, or reduce the potential for a decrease in the value of your investment.

The date that you will receive your merger consideration depends on

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the completion date of the merger, which is uncertain. The completion date of the merger might be later than expected due to unforeseen events, such as delays in obtaining regulatory approvals.

**Failure to complete the merger could negatively impact the stock prices and future businesses and financial results of Berkshire Hills Bancorp, Inc. and Rome Bancorp, Inc.**

If the merger is not completed, the ongoing businesses of Berkshire Hills Bancorp, Inc. and Rome Bancorp, Inc. may be adversely affected and Berkshire Hills Bancorp, Inc. and Rome Bancorp, Inc. will be subject to several risks, including the following:

Berkshire Hills Bancorp, Inc. and Rome Bancorp, Inc. will be required to pay certain costs relating to the merger, whether or not the merger is completed, such as legal, accounting, financial advisor and printing fees; under the merger agreement, Rome Bancorp, Inc. is subject to certain restrictions on the conduct of its business prior to completing the merger, which may adversely affect its ability to execute certain of its business strategies; and matters relating to the merger may require substantial commitments of time and resources by Berkshire Hills Bancorp, Inc. and Rome Bancorp, Inc. management, which could otherwise have been devoted to other opportunities that may have been beneficial to Berkshire Hills Bancorp, Inc. and Rome Bancorp, Inc. as independent companies, as the case may be.

In addition, if the merger is not completed, Berkshire Hills Bancorp, Inc. and/or Rome Bancorp, Inc. may experience negative reactions from the financial markets and from their respective customers and employees. Berkshire Hills Bancorp, Inc. and/or Rome Bancorp, Inc. also could be subject to litigation related to any failure to complete the merger or to enforcement proceedings commenced against Berkshire Hills Bancorp, Inc. or Rome Bancorp, Inc. to perform their respective obligations under the merger agreement. If the merger is not completed, Berkshire Hills Bancorp, Inc. and Rome Bancorp, Inc. cannot assure their stockholders that the risks described above will not materialize and will not materially affect the business, financial results and stock prices of Berkshire Hills Bancorp, Inc. and/or Rome Bancorp, Inc.

**The shares of Berkshire Hills Bancorp, Inc. common stock to be received by Rome Bancorp, Inc. stockholders receiving the stock consideration as a result of the merger will have different rights from shares of Rome Bancorp, Inc. common stock.**

Following completion of the merger, Rome Bancorp, Inc. stockholders who receive the stock consideration will no longer be stockholders of Rome Bancorp, Inc., a Delaware corporation, but will instead be stockholders of Berkshire Hills Bancorp, Inc., a Delaware corporation. There will be important differences between your current rights as a Rome Bancorp, Inc. stockholder and the rights to which you will be entitled as a Berkshire Hills Bancorp, Inc. stockholder. See *Comparison of Rights of Stockholders* beginning on page 80 for a discussion of the different rights associated with Berkshire Hills Bancorp, Inc. common stock and Rome Bancorp, Inc. common stock.

**The fairness opinion obtained by Rome Bancorp, Inc. from its financial advisor will not reflect changes in circumstances**

## **subsequent to the date of the fairness opinion**

Sandler O'Neill, Rome Bancorp, Inc.'s financial advisor in connection with the merger, has delivered to the board of directors of Rome Bancorp, Inc. its opinion dated as of October 12, 2010. The opinion of Sandler O'Neill stated that as of such date, and based upon and subject to the factors and assumptions set forth therein, the merger consideration to be paid to the holders of the outstanding shares of Rome Bancorp, Inc. common stock pursuant to the merger agreement was fair from a financial point of view to such holders. The opinion does not reflect changes that may occur or may have occurred after the date of the opinion, including changes to the operations and prospects of Berkshire Hills Bancorp, Inc. or Rome Bancorp, Inc., changes in general market and economic conditions or regulatory or other factors. Any such changes, or changes in other factors on which the opinion is based, may materially alter or affect the relative values of Berkshire Hills Bancorp, Inc. and Rome Bancorp, Inc.

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## CAUTION ABOUT FORWARD-LOOKING STATEMENTS

Certain statements contained in this document that are not historical facts may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (referred to as the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (referred to as the Securities Exchange Act), and are intended to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The sections of this document which contain forward-looking statements include, but are not limited to, *Questions And Answers About the Merger and the Special Meeting Summary*, *Risk Factors*, *Description of the Merger Background of the Merger*, and *Description of the Merger Rome Bancorp, Inc. s Reasons for the Merger and Recommendation of the Board of Directors*. You can identify these statements from the use of the words may, will, should, could, would, plan, potential, estimate, project, believe, intend, anticipate, ex expressions.

These forward-looking statements are subject to significant risks, assumptions and uncertainties, including among other things, changes in general economic and business conditions and the risks and other factors set forth in the *Risk Factors* section beginning on page 9.

Because of these and other uncertainties, Berkshire Hills Bancorp, Inc. s actual results, performance or achievements, or industry results, may be materially different from the results indicated by these forward-looking statements. In addition, Berkshire Hills Bancorp, Inc. s and Rome Bancorp, Inc. s past results of operations do not necessarily indicate Berkshire Hills Bancorp, Inc. s and Rome Bancorp, Inc. s combined future results. You should not place undue reliance on any forward-looking statements, which speak only as of the dates on which they were made. Berkshire Hills Bancorp, Inc. is not undertaking an obligation to update these forward-looking statements, even though its situation may change in the future, except as required under federal securities law. Berkshire Hills Bancorp, Inc. qualifies all of its forward-looking statements by these cautionary statements.

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## **SELECTED HISTORICAL FINANCIAL INFORMATION**

The following tables show summarized historical financial data for Berkshire Hills Bancorp, Inc. and Rome Bancorp, Inc. You should read this summary financial information in connection with Berkshire Hills Bancorp, Inc.'s historical financial information, which is incorporated by reference into this document, and in connection with Rome Bancorp, Inc.'s historical financial information, which appears elsewhere in this proxy statement/prospectus.

Unaudited consolidated interim financial statements for Berkshire Hills Bancorp, Inc. at or for the nine months ended September 30, 2010 and 2009 and unaudited consolidated interim financial statements for Rome Bancorp, Inc. at or for the nine months ended September 30, 2010 and 2009 include normal, recurring adjustments necessary to fairly present the data for those periods. The unaudited data is not necessarily indicative of expected results of a full year's operation.

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# SELECTED HISTORICAL FINANCIAL AND OTHER DATA OF BERKSHIRE HILLS BANCORP, INC.

<i>(In thousands)</i>	At September 30, 2010	At December 31,				
		2009	2008	2007	2006	2005
<b>Selected Financial Condition Data:</b>						
Total assets	\$2,798,439	\$2,700,424	\$2,666,729	\$2,513,432	\$2,149,642	\$2,035,553
Loans, net	2,022,273	1,929,842	1,984,244	1,921,900	1,679,617	1,407,229
Securities	413,207	420,966	341,516	258,497	234,174	420,320
Total cash and cash equivalents	38,382	32,608	44,798	41,142	30,985	31,087
Goodwill and other intangibles assets	173,796	176,100	178,830	182,452	121,341	99,616
Total deposits	2,068,747	1,986,762	1,829,580	1,822,563	1,521,938	1,371,218
Borrowings and subordinated debentures	309,276	306,668	374,621	349,938	360,469	412,917
Total stockholders equity	382,915	384,581	408,425	326,837	258,161	246,066
Allowance for loan losses	31,836	31,816	22,908	22,116	19,370	13,001
Non-performing loans	16,386	38,700	12,171	10,508	7,592	1,186
Non-performing assets	19,286	38,730	12,669	11,374	7,592	1,186

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Note: All performance ratios are based on average balance sheet amounts where applicable.

N/M = Not Meaningful

(1) Efficiency ratio is computed by dividing total tangible recurring non-interest expense by the sum of total net interest income on a fully taxable equivalent basis and total recurring non-interest income. The Company uses this non-GAAP measure, which is used widely in the banking industry, to provide important information regarding its operational efficiency.

(2) Tangible common stockholders' equity to tangible assets exclude goodwill and other intangibles. This is a non-GAAP financial measure that the Company believes provide investors with information that is useful in understanding our financial performance and condition.

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DATA OF ROME BANCORP, INC.**

	At September 30, 2010 (in thousands)	At December 31,			
		2009	2008	2007	
<b>Selected Financial Condition Data:</b>					
Total assets	\$ 331,607	\$ 329,922	\$ 337,886	\$ 318,131	
Loans, net	275,238	285,617	298,453	281,042	
Securities	18,065	14,677	8,588	6,165	
Total cash and cash equivalents	15,998	7,574	9,579	8,018	
Total deposits	226,877	216,639	205,932	203,032	
Borrowings	37,873	47,869	66,324	40,333	
Total equity	61,819	60,365	60,344	69,037	
Allowance for loan losses	2,595	2,132	1,936	1,910	
Non-performing loans	2,072	1,915	1,273	1,003	
Non-performing assets	2,072	1,915	1,604	1,100	
	For the Nine Months Ended September 30, 2010		For the Years Ended December 31,		
	2009	2009	2008	2007	
<b>Selected Operating Data:</b>					
Interest income	\$ 12,637	\$ 12,996	\$ 17,291	\$ 17,954	\$ 17,919
Interest expense	2,300	3,259	4,250	4,887	4,798
Net interest income	10,337	9,737	13,041	13,067	13,121
Provision for loan losses	540	200	300	300	50
Net interest income after provision for loan losses	9,797	9,537	12,741	12,767	13,071
<b>Non-interest income:</b>					
Service charges and other income	1,997	1,806	2,449	2,209	2,152
Net gain (loss) on securities and real estate transactions	574	26	73	(265 )	11
Total non-interest income	2,571	1,832	2,522	1,944	2,163
Total non-interest expense	8,417	8,010	10,689	10,410	10,572
Income before income taxes	3,951	3,359	4,574	4,301	4,662
Income taxes	1,272	1,096	1,487	1,396	1,608
Net income	\$ 2,679	\$ 2,263	\$ 3,087	\$ 2,905	\$ 3,054

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	At or for the Nine Months Ended September 30,		At or for the Years Ended December 31,		
	2010	2009	2009	2008	2007
<b>Selected Financial Ratios and Other Data</b>					
<b>Performance Ratios:</b>					
Basic earnings per share	\$0.41	\$0.34	\$0.47	\$0.42	\$0.39
Diluted earnings per share	\$0.41	\$0.34	\$0.47	\$0.41	\$0.39
Return on average assets	1.09 %	0.90 %	0.92 %	0.89 %	1.00 %
Return on average equity	5.97 %	5.14 %	5.27 %	4.47 %	4.14 %
Net interest rate spread (tax equivalent)	4.29 %	3.83 %	3.85 %	3.90 %	4.06 %
Net interest margin (tax equivalent)	4.61 %	4.23 %	4.24 %	4.40 %	4.74 %
Non-interest expense to average assets	3.43 %	3.19 %	3.18 %	3.18 %	3.45 %
Efficiency ratio <sup>(1)</sup>	68.23 %	69.33 %	68.95 %	68.04 %	68.99 %
Average interest earning assets to average interest-bearing liabilities	131.33 %	128.25 %	128.39 %	130.86 %	139.84 %
<b>Capital Ratios:</b>					
Average equity to average assets	18.27 %	17.56 %	17.46 %	19.84 %	24.09 %
Equity to total assets at end of period	18.64 %	17.81 %	18.30 %	17.86 %	21.70 %
Book value per share	\$9.12	\$8.75	\$8.88	\$8.55	\$8.86
<b>Regulatory Capital Ratios:</b>					
Core capital (Tier 1 capital) <sup>(2)</sup>	17.25 %	15.58 %	16.27 %	17.15 %	20.24 %
Total risk-based capital <sup>(2)</sup>	23.78 %	22.51 %	23.04 %	24.45 %	27.73 %
<b>Asset Quality Ratios:</b>					
Nonperforming loans as percent of loans	0.75 %	0.62 %	0.67 %	0.42 %	0.35 %
Nonperforming assets as percent of total assets	0.62 %	0.53 %	0.58 %	0.47 %	0.35 %
Allowance for loan losses as a percent of loans	0.93 %	0.72 %	0.74 %	0.64 %	0.68 %
Allowance for loan losses as a percent of non-performing loans	125.2 %	115.9 %	111.4 %	152.1 %	190.4 %
<b>Other Data:</b>					
<b>Number of:</b>					
Deposit accounts	34,253	34,968	34,618	35,159	35,484
Full service offices	5	5	5	5	5

(1) Non-interest expense divided by the sum of net interest income, the tax equivalent adjustment on tax-exempt municipal securities and other non-interest income.

(2) Regulatory capital ratios are computed for The Rome Savings Bank.

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# **UNAUDITED PRO FORMA COMBINED CONDENSED CONSOLIDATED FINANCIAL INFORMATION RELATING TO THE ROME BANCORP, INC. AND LEGACY BANCORP, INC. MERGERS**

The unaudited pro forma combined condensed consolidated financial information has been prepared using the acquisition method of accounting, giving effect to the proposed mergers of Berkshire Hills Bancorp, Inc. with Rome Bancorp, Inc. and with Legacy Bancorp, Inc. The unaudited pro forma combined condensed consolidated statement of financial condition combines the historical financial information of Berkshire Hills Bancorp, Inc., Rome Bancorp, Inc., and Legacy Bancorp, Inc. as of September 30, 2010 and assumes that the proposed mergers were completed on that date. The unaudited pro forma combined condensed consolidated statements of operations combine the historical financial information of Berkshire Hills Bancorp, Inc., Rome Bancorp, Inc., and Legacy Bancorp, Inc. and give effect to the mergers as if they had been completed as of January 1, 2009. The unaudited pro forma combined condensed consolidated financial information is presented for illustrative purposes only and is not necessarily indicative of the results of operations or financial condition had the mergers been completed on the dates described above, nor is it necessarily indicative of the results of operations in future periods or the future financial position of the combined entities. The financial information should be read in conjunction with the accompanying Notes to the Unaudited Pro Forma Combined Condensed Consolidated Financial Information. Certain reclassifications have been made to Rome Bancorp, Inc. s and Legacy Bancorp, Inc. s historical financial information in order to conform to Berkshire Hills Bancorp, Inc. s presentation of financial information.

The value of Berkshire Hills Bancorp, Inc. common stock issued in connection with these mergers will be based on the closing price of Berkshire Hills Bancorp, Inc. common stock on the dates the mergers are completed. It is anticipated that the merger with Rome Bancorp, Inc. will be completed near the end of the first quarter of 2011 and that the merger with Legacy Bancorp, Inc. will be completed near the end of the second quarter of 2011. There can be no assurance that the mergers will be completed as anticipated. For purposes of the pro forma financial information, the fair value of Berkshire Hills Bancorp, Inc. common stock to be issued in connection with the Rome Bancorp, Inc. merger was based on the \$18.78 closing price of the stock on October 11, 2010, which was the last closing price before the Agreement and Plan of Merger was executed. The fair value of Berkshire Hills Bancorp, Inc. common stock to be issued in connection with the Legacy Bancorp, Inc. merger was based on the \$20.75 average closing price of the stock for the ten day period ending December 15, 2010, which was shortly prior to the date of the execution of the Agreement and Plan of Merger on December 21, 2010.

The pro forma financial information includes estimated adjustments to record assets and liabilities of Rome Bancorp, Inc. and Legacy Bancorp, Inc. at their respective fair values and represents the pro forma estimates by Berkshire Hills Bancorp, Inc. based on available fair value information as of the dates of the respective Agreements and Plans of Merger.

The pro forma adjustments included herein are subject to change depending on changes in interest rates and the components of assets and liabilities and as additional information becomes available and additional analyses are performed. The final allocation of the purchase price for each merger will be determined after each merger is completed and after completion of thorough analyses to determine the fair value of Rome Bancorp, Inc. s and Legacy Bancorp, Inc. s tangible and identifiable intangible assets and liabilities as of the dates the mergers are completed. Increases or decreases in the estimated fair values of the net assets as compared with the information shown in the

unaudited pro forma combined condensed consolidated financial information may change the amount of the purchase price allocated to goodwill and other assets and liabilities and may impact Berkshire Hills Bancorp, Inc.'s statement of operations due to adjustments in yield and/or amortization of the adjusted assets or liabilities. Any changes to Rome Bancorp, Inc.'s or Legacy Bancorp, Inc.'s stockholders' equity, including results of operations from September 30, 2010 through the dates the mergers are completed, will also change the purchase price allocation, which may include the recording of a lower or higher amount of goodwill. The final adjustments may be materially different from the unaudited pro forma adjustments presented herein.

Berkshire Hills Bancorp, Inc. anticipates that the mergers with Rome Bancorp, Inc. and Legacy Bancorp, Inc. will provide the combined company with financial benefits that include reduced operating expenses. Berkshire Hills Bancorp, Inc. expects to realize cost savings approximating 35% of the anticipated non-interest

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expense of Rome Bancorp, Inc. and approximating 42% of the anticipated non-interest expense of Legacy Bancorp, Inc. These cost savings are not included in these pro forma statements and there can be no assurance that the expected cost savings will be realized. The pro forma information, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the benefits of expected cost savings or opportunities to earn additional revenue and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the combined company would have been had our companies been combined during these periods.

The unaudited pro forma combined condensed consolidated financial information has been derived from and should be read in conjunction with the historical consolidated financial statements and the related notes of Berkshire Hills Bancorp, Inc. and Rome Bancorp, Inc., which are incorporated in this joint proxy statement/prospectus by reference. See *Where You Can Find More Information* on page 107.

**The unaudited pro forma stockholders' equity and net income (loss) are qualified by the statements set forth under this caption and should not be considered indicative of the market value of Berkshire Hills Bancorp, Inc. common stock or the actual or future results of operations of Berkshire Hills Bancorp, Inc. for any period. Actual results may be materially different than the pro forma information presented.**

## **Unaudited Combined Condensed Pro Forma Consolidated Statement of Financial Condition As of September 30, 2010**

*The accompanying notes are an integral part of these consolidated financial statements.*

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**Unaudited Pro Forma Combined Condensed  
Consolidated Statement of Operations  
For the Nine Months Ended September 30, 2010**

*The accompanying notes are an integral part of these consolidated financial statements.*

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**Unaudited Pro Forma Combined Condensed  
Consolidated Statement of Operations  
For the Year Ended December 31, 2009**

*The accompanying notes are an integral part of these consolidated financial statements.*

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# NOTES TO THE UNAUDITED PRO FORMA COMBINED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## **Note A Basis of Presentation**

The unaudited pro forma combined condensed consolidated financial information and explanatory notes show the impact on the historical financial condition and results of operations of Berkshire Hills Bancorp, Inc. resulting from the proposed mergers with Rome Bancorp, Inc. and Legacy Bancorp, Inc. under the acquisition method of accounting. Under the acquisition method of accounting, the assets and liabilities of Rome Bancorp, Inc. and Legacy Bancorp, Inc. are recorded by Berkshire Hills Bancorp, Inc. at their respective fair values as of the date each merger is completed. The unaudited pro forma combined condensed consolidated statement of financial condition combines the historical financial information of Berkshire Hills Bancorp, Inc., Rome Bancorp, Inc., and Legacy Bancorp, Inc. as of September 30, 2010, and assumes that the proposed mergers were completed on that date. The unaudited pro forma combined condensed consolidated statements of operations give effect to the proposed Rome Bancorp, Inc. merger and the proposed Legacy Bancorp, Inc. merger as if both mergers had been completed on January 1, 2009.

As the mergers are recorded using the acquisition method of accounting, all loans are recorded at fair value, including adjustments for credit, and no allowance for credit losses is carried over to Berkshire Hills Bancorp, Inc.'s statement of financial condition. In addition, certain anticipated nonrecurring costs associated with the mergers such as severance, professional fees, legal fees, and conversion related expenditures are not reflected in the pro forma statements of operations.

While the recording of the acquired loans at their fair value will impact the prospective determination of the provision for loan losses and the allowance for loan losses, for purposes of the unaudited pro forma combined condensed consolidated statement of operations for the nine months ended September 30, 2010 and the year ended December 31, 2009, we assumed no adjustments to the historical amount of Rome Bancorp, Inc.'s or Legacy Bancorp, Inc.'s provision for credit losses. If such adjustments were estimated, there could be a reduction, which could be significant, to the historical amounts of Rome Bancorp, Inc.'s or Legacy Bancorp, Inc.'s provision for loan losses presented.

The historical financial results of Berkshire Hills Bancorp, Inc. include \$4.0 million of preferred stock dividends and discount accretion. These amounts relate to Berkshire Hills Bancorp, Inc.'s participation in the U.S. Department of the Treasury's Capital Purchase Program, which participation was ended with the repayment of the preferred stock and the repurchase of common stock warrants in the second quarter of 2009.

## **Note B Accounting Policies and Financial Statement Classifications**

The accounting policies of Rome Bancorp, Inc. and Legacy Bancorp, Inc. are in the process of being reviewed in detail by Berkshire Hills Bancorp, Inc. On completion of such review, conforming adjustments or financial statement reclassifications may be determined.



## **Note C Merger and Acquisition Integration Costs**

In connection with the proposed mergers, the plans to integrate the operations of Berkshire Hills Bancorp, Inc. with those of Rome Bancorp, Inc. and Legacy Bancorp, Inc. are still being developed. The specific details of these plans will continue to be refined over the next several months, and will include assessing personnel, benefit plans, premises, equipment, and service contracts to determine where there may be potential advantage in eliminating redundancies. Certain decisions arising from these assessments may involve involuntary termination of employees, vacating leased premises, changing information systems, canceling contracts with certain service providers and selling or otherwise disposing of certain premises, furniture and equipment. Berkshire Hills Bancorp, Inc. expects to incur merger related costs including professional fees, legal fees, system conversion costs, and costs related to communications with customers and others. To the extent there are costs associated with these actions, the costs will be recorded based on the nature of the cost and timing of these integration actions.

## **Note D Estimated Annual Cost Savings**

Berkshire Hills Bancorp, Inc. expects to realize annualized cost savings of approximately \$3.8 million (35%) of Rome Bancorp, Inc. s expected non-interest expense and \$11.1 million (42%) of Legacy Bancorp,

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Inc. s expected non-interest expenses following the mergers. Berkshire Hills Bancorp, Inc. expects to achieve approximately 75% of the anticipated annualized savings related to Rome Bancorp, Inc. in 2011 and 100% of the anticipated annualized savings thereafter. Berkshire Hills Bancorp, Inc. expects to achieve approximately 25% of the anticipated annualized savings related to Legacy Bancorp, Inc. in 2011 and 100% of the anticipated annualized savings thereafter. These cost savings are not reflected in the pro forma financial information and there can be no assurance they will be achieved in the amount or manner currently contemplated.

### **Note E Divestiture of Deposits of Legacy Bancorp, Inc.**

The merger with Legacy Bancorp, Inc. is expected to require a divestiture of deposits in order to satisfy federal regulations. The actual amount of the deposits to be divested (if any) will be determined by federal regulatory authorities during the merger approval process. Due to the uncertainty of the divestiture requirement, there have been no adjustments recorded in the statement of financial condition or in the statements of operations. Berkshire Hills Bancorp, Inc. anticipates that a potential divestiture amount of \$200 million might be required and that the divestiture date would be shortly after the effective date of the Legacy Bancorp, Inc. merger. It is anticipated that the divestiture would involve the sale of certain Legacy Bancorp, Inc. branches and that these sales would include the sale of loans totaling approximately \$140 million and securities totaling approximately \$56 million. It is anticipated that the potential branch divestiture would be priced at a premium of 3.5% of deposits, resulting in a one-time gain of approximately \$7 million before tax and \$4 million after tax. This sale would reduce annualized interest income at an assumed amount equivalent to approximately 5.7% of the sold loans and 3.0% of the divested investment securities. Interest expense is assumed to be reduced by approximately 1.20% of the divested deposits. Non-interest income is assumed to decrease by approximately 0.2% of the divested deposits, and non-interest expense is assumed to decrease by approximately 0.7% of the divested deposits. The resulting annualized anticipated reduction in income would approximate \$6.3 million on a pre-tax basis and \$3.7 million after tax. Because the specific divestiture amounts have not been determined, these anticipated impacts are not included as adjustments in the pro forma financial statements and actual divestiture amounts and related impacts may differ from those contemplated herein.

### **Note F Pro Forma Adjustments**

The following pro forma adjustments have been reflected in the unaudited pro forma combined condensed consolidated financial information. All adjustments are based on current assumptions and valuations, which are subject to change.

- The adjustment results from the assumption that cash and cash equivalents will be used to pay for after tax one-time merger and integration expenses which will be expensed against income. Those estimated amounts total \$5.7 million and \$12.2 million for Rome Bancorp, Inc. and Legacy Bancorp, Inc., respectively.
- (1) The cash adjustment also includes capital expenditures which are directly related to the mergers, totaling \$1.1 million for Rome Bancorp, Inc. and \$3.0 million for Legacy Bancorp, Inc., including information technology equipment along with furniture and fixtures related to the facilities consolidations.
- (2) The cash component of merger consideration is assumed to be funded by the sale of investment securities. This adjustment is partially offset by an estimated fair value adjustment to investment securities. For the Rome Bancorp, Inc. merger, the expected sale of securities for merger consideration totals \$22.7 million which is partially offset by an expected \$0.6 million premium to be recorded to the fair value of investment securities. For the Legacy Bancorp, Inc. merger, the expected sale of securities for merger consideration totals \$11.3 million, and in addition there was a \$7.0 million expected credit related discount to be recorded to the fair value of investment securities related to equity investments in commercial real estate related securities. Also, securities investments are reduced by the \$3.6 million book value of 391,600 Legacy Bancorp, Inc. common shares previously purchased by

Berkshire Hills Bancorp, Inc., which will be cancelled under the terms of the merger agreement and which are accounted for as merger consideration.

(3) Represents the estimated fair value adjustment to loans, which includes an estimate of credit losses. Accordingly, the existing Rome Bancorp, Inc. and Legacy Bancorp, Inc. allowances for loan losses

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cannot be carried over. The estimated fair value adjustment to loans for Rome Bancorp, Inc. includes a discount of \$4.1 million for estimated credit losses. The estimated fair value adjustment to loans for Legacy Bancorp, Inc. includes a discount of \$17.0 million for estimated credit losses.

Represents adjustments to goodwill resulting from recording the assets and liabilities of Rome Bancorp, Inc. and Legacy Bancorp, Inc. at fair value. These adjustments are preliminary and are subject to change. The final (4) adjustments will be calculated when the mergers are completed and may be materially different than those presented here. The excess of consideration paid over the fair value of net assets acquired was recorded as goodwill and is summarized for Rome Bancorp, Inc. and Legacy Bancorp, Inc. in Note F-9.

Represents the elimination of existing identifiable intangibles of Legacy Bancorp, Inc., offset by the recognition of the fair value of the core deposit intangible asset, which is assumed to be 2.5% of core deposit liabilities assumed. Core deposits are defined as total deposits less time deposits over \$100,000. Rome Bancorp, Inc. has no existing (5) identifiable intangible assets. Its core deposits were measured at \$207.0 million as of June 30, 2010. For Legacy Bancorp, Inc., core deposits (net of the impact of estimated divestitures) were estimated at \$402.9 million as of September 30, 2010. Also, an amount of \$4.8 million was assigned as the value of identifiable intangible assets in the form of wealth management customer lists.

Includes adjustment for the fair value of net premises and equipment. This adjustment is a premium of \$1.2 million for Rome Bancorp, Inc. and \$7.0 million for Legacy Bancorp, Inc. Also includes adjustments in the net deferred (6) tax assets resulting from the fair value adjustments related to the acquired assets and liabilities, identifiable intangibles, and other deferred tax items. The actual tax asset adjustments will depend on facts and circumstances existing at the completion of the mergers. Also includes anticipated capital expenditures as discussed in Note F-1.

(7) Represents the estimated fair value adjustment to certificate of deposit liabilities.

(8) Represents the estimated fair value adjustment to borrowings.

The actual equity adjustment will be based on the fair value of Berkshire Hills Bancorp, Inc. common stock on the (9) date that the merger closes and could be materially different from the amount presented here. A summary of the net impact of adjustments to stockholders' equity and goodwill for Rome Bancorp, Inc. and Legacy Bancorp, Inc. is as follows (dollars and shares in thousands):

## Equity and Goodwill Adjustment Detail For Rome:

## Equity adjustment:

Fair value of Berkshire common shares to be issued	\$ 49,162 (a)
Elimination of Rome stockholders' equity	(61,819 )
After tax integration expenses charged against cash and equivalents	(5,733 )
Total stockholders' equity adjustment	\$ (18,390 )

## Goodwill adjustment:

Fair value of Berkshire common shares to be issued	\$ 49,162 (a)
Cash payments to Rome stockholders	22,307 (b)
Value of Rome options	354 (c)
Total consideration	\$ 71,823

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Carrying value of Rome net assets at September 30, 2010	\$ 61,819
Fair value adjustments (debit/(credit))	
Investment securities	583
Loans, net	(2,644 )
Other indentifiable intangible assets    core deposit intangible	5,175
Certificates of deposit	(528 )
Borrowings	(1,396 )
Other assets	1,200
Net adjustments to deferred tax assets	(857 )
Total fair value adjustments	1,533
Fair value of net assets acquired at September 30, 2010	\$ 63,352
Excess of consideration paid over fair value of net assets acquired (goodwill)	\$ 8,471

(a) Berkshire common stock issued to Rome stockholders is calculated as follows:

Rome common shares outstanding as of June 30, 2010:	
Issued	9,896
Less treasury shares	(3,118 )
Less pro forma unallocated ESOP shares to be rescinded as a result of the merger	(168 )
Pro forma outstanding Rome shares to be exchanged for Berkshire consideration	6,610
Stock portion of consideration	70 %
Pro forma outstanding Rome shares to be exchanged for Berkshire stock consideration	4,627
Multiplied by exchange ratio	0.5658
Berkshire common shares to be issued	2,618
Closing price per share of Berkshire stock on October 11, 2011	\$ 18.78
Fair value of Berkshire common shares to be issued	\$ 49,162

(b) The cash portion of the consideration to stockholders is calculated as follows:

Pro forma outstanding Rome shares to be exchanged for Berkshire consideration	6,610
Cash portion of consideration	30 %
Pro forma outstanding Rome shares to be exchanged for Berkshire cash consideration	1,983
Cash value per share exchanged	\$ 11.25
Total cash consideration	\$ 22,307

(c) Under the terms of the merger agreement, all of the 354,000 options for Rome stock are exchanged for cash at \$1.00 per share.

TABLE OF CONTENTS**Equity and Goodwill Adjustment Detail For Legacy:**

Equity adjustment:	
Fair value of Berkshire common shares to be issued	\$ 90,367 (a)
Fair value of Legacy stock options converted to Berkshire options	1,070 (c)
Gain on Legacy stock owned by Berkshire, recorded in income	1,451 (d)
Elimination of Legacy stockholders' equity	(117,445)
After tax integration expenses charged against cash and equivalents	(12,250 )
 Total stockholders' equity adjustment	 \$ (36,807 )
Goodwill adjustment:	
Fair value of Berkshire common shares to be issued	\$ 90,367 (a)
Cash payments to Legacy stockholders	10,041 (b)
Fair value of Legacy stock options converted to Berkshire options	1,070 (c)
Cash payments for Legacy stock options being canceled	1,269 (c)
Cost of Legacy shares previously purchased by Berkshire	3,640 (d)
Gain on Legacy stock owned by Berkshire, recorded in income	1,451 (d)
Total consideration	\$ 107,837
 Carrying value of Legacy net assets at September 30, 2010	 \$ 117,445
Fair value adjustments (debit/(credit))	
Write off of Legacy goodwill	(11,558 )
Write off of Legacy other identifiable intangibles	(3,676 )
Investment securities	(7,000 )
Loans, net	(12,925 )
Other identifiable intangible assets	14,872
Certificates of deposit	(5,207 )
Borrowings	(11,442 )
Other assets	7,000
Net adjustments to deferred tax assets	34
Total fair value adjustments	(29,902 )
 Fair value of net assets acquired at September 30, 2010	 \$ 87,543
 Excess of consideration paid over fair value of net assets acquired (goodwill)	 \$ 20,294
 (a) Berkshire common stock issued for Legacy is calculated as follows:	
Legacy common shares outstanding as of September 30, 2010:	
Issued	10,309
Less treasury shares	(1,655 )
Less pro forma unallocated ESOP shares to be rescinded as a result of the merger	(538 )
Less Legacy shares owned by Berkshire	(392 )
Pro forma outstanding Legacy shares to be exchanged for Berkshire consideration	7,723.720
Multiplied by exchange ratio	0.56385

Berkshire common shares to be issued

4,355

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Average closing price per share of Berkshire stock for ten days ended December 15, 2010	\$20.75
Fair value of Berkshire common shares to be issued	\$90,367

(b) The cash portion of the merger consideration is calculated as follows:

Pro forma outstanding Legacy shares to be exchanged for Berkshire consideration	7,723,720
Cash consideration per share of outstanding Legacy shares	\$1.30
Total cash consideration	\$10,041

(c) Under the terms of the merger agreement, 422,900 of the out-of-the money stock options are exchanged for cash at \$3.00 per share. The remaining 312,810 options automatically vest and convert into options of Berkshire stock with the same remaining term. Each Legacy share option converts into 0.6265 Berkshire share option at an exercise price equal to the Legacy price divided by 0.6265. These new Berkshire options were valued at \$5.46 per share based on the Black Scholes model, resulting in a total consideration value of \$1.1 million.

(d) Berkshire purchased 391,600 shares of Legacy common stock prior to negotiating the merger. The \$3.6 million cost basis of this stock is accounted for as an element of consideration in determining goodwill. The \$1.5 million gain will be recorded in income and is therefore credited as an adjustment to equity (there is no tax offset due to capital loss carryforwards).

(10) Includes the amortization/accretion of fair value adjustments related to loans, investment securities, deposits and borrowings utilizing the interest method over the estimated lives of the related asset or liability, excluding any adjustments related to estimated loan credit losses. For Rome Bancorp, Inc., estimated lives are 5-7 years for loans, 5 years for investment securities, 2 years for deposits, and 3 years for borrowings. Legacy Bancorp, Inc. estimated lives are 4.7 years for loans, 1.5 years for deposits, and 4 years for borrowings. For both mergers, there is no adjustment to pro forma investment income to exclude interest income foregone on securities sold or the reduction in cash, as there have been no specific determinations of the specific securities which will be sold, and the effective yield on cash is insignificant. It is anticipated that there will a reduction of interest income equivalent to the loss of a 4% yield on investment securities sold. There is no accretion projected for the credit related Legacy Bancorp, Inc. securities discount.

(11) Non-interest income does not reflect revenue enhancement opportunities. It also does not reflect the \$4.0 million after-tax gain expected on the Legacy Bancorp, Inc. deposit divestiture and the \$1.5 million gain expected on the existing Legacy Bancorp, Inc. shares currently owned by Berkshire Hills Bancorp, Inc. The latter gain is reflected in the Legacy Bancorp, Inc. merger adjustments related to goodwill and equity in the pro forma balance sheet.

(12)

See Note G below.

(13) Adjustments to non-interest expense consist primarily of amortization of the identifiable intangible assets over an eight year life using the sum of the years digits method. Additionally, the adjustments include straight line depreciation of capital expenditures directly related to the merger; this annual depreciation is \$280 thousand for Rome Bancorp, Inc. and \$450 thousand for Legacy Bancorp, Inc. The adjustments also include additional depreciation expense for the amortization of the fixed asset fair value premiums, totaling \$60 thousand per year for Rome Bancorp, Inc. and \$400 thousand for Legacy Bancorp, Inc. Non-interest expenses do not reflect anticipated cost savings, which are estimated at 35% of total non-interest expenses for Rome Bancorp, Inc. and 42% for Legacy Bancorp, Inc. Non-interest expenses also do not include one-time merger and integration expenses which will be expensed against income and which are accounted for as balance sheet adjustments to cash and equity in these pro forma financial statements. Those amounts, on an after-tax basis, total \$5.7 million and \$12.2 million for Rome Bancorp, Inc. and Legacy Bancorp, Inc., respectively.

(14) Reflects the tax impact of the pro forma merger adjustments at Berkshire Hills Bancorp, Inc. s statutory income tax rate of 41.5%.





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Adjustment reflects the elimination of Rome Bancorp, Inc. and Legacy Bancorp, Inc. weighted average shares outstanding, offset by the shares expected to be issued in connection with the mergers. The adjustment to weighted average diluted shares outstanding for the year ended December 31, 2009 is further adjusted as the combined pro forma weighted average diluted shares outstanding cannot be greater than the combined pro forma weighted average basic shares outstanding as that would result in anti-dilution to the diluted earnings per share (15) amount presented. Based on the merger agreements, it is expected that unallocated ESOP shares of Rome Bancorp, Inc. and Legacy Bancorp, Inc. will be cancelled in satisfaction of the outstanding loans used to purchase such shares, and are, therefore, not included in the number of pro forma Berkshire Hills Bancorp, Inc. combined outstanding common shares at September 30, 2010. Similarly, it is expected that the 391,600 shares of Legacy Bancorp, Inc. presently owned by Berkshire Hills Bancorp, Inc. will be canceled, and they are not included in pro forma combined Berkshire Hills Bancorp, Inc. common shares outstanding.

**Note G Effect of Hypothetical Adjustments on Rome Bancorp, Inc. s and Legacy Bancorp, Inc. s Historical Financial Statements**

The unaudited pro forma combined condensed consolidated statement of operations presents the pro forma results assuming both the Rome Bancorp, Inc. and Legacy Bancorp, Inc. mergers occurred on January 1, 2009. As required by Regulation S-X Article 11, the pro forma financial statements for the nine months ended September 30, 2010 and for the year ended December 31, 2009 do not reflect any adjustments to eliminate Rome Bancorp, Inc. s or Legacy Bancorp, Inc. s historical provision for credit losses.

Both Rome Bancorp, Inc. s and Legacy Bancorp, Inc. s provision for credit losses for the periods presented relate to loans that Berkshire Hills Bancorp, Inc. is required to initially record at fair value. Such fair value adjustments include a component related to the expected credit losses on those loan portfolios. Berkshire Hills Bancorp, Inc. believes that these provisions would not have been recorded in Berkshire Hills Bancorp, Inc. s combined consolidated financial statements for the periods presented had the mergers been completed on January 1, 2009.

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## **COMPARATIVE PRO FORMA PER SHARE DATA**

The following table summarizes selected share and per share information about Berkshire Hills Bancorp, Inc., Rome Bancorp, Inc., and Legacy Bancorp, Inc. giving effect to the mergers (which we refer to as pro forma information). The data in the table should be read together with the financial information and the financial statements of Berkshire Hills Bancorp, Inc., Rome Bancorp, Inc., and Legacy Bancorp, Inc. incorporated by reference or included in this proxy statement/prospectus. The pro forma information is presented as an illustration only. The data does not necessarily indicate the combined financial position per share or combined results of operations per share that would have been reported if the mergers had occurred when indicated, nor is the data a forecast of the combined financial position or combined results of operations for any future period.

The information about book value per share and shares outstanding assumes that the mergers took place as of September 30, 2010 and December 31, 2009 and is based on the assumptions set forth in the preceding unaudited pro forma combined consolidated statements of financial condition. The information about dividends and earnings per share assumes that the mergers took place as of January 1, 2009 and is based on the assumptions set forth in the preceding unaudited pro forma combined consolidated statements of operations. No pro forma adjustments have been included in these statements of operation which reflect potential effects of the mergers related to integration expenses, cost savings or operational synergies which are expected to be obtained by combining the operations of Berkshire Hills Bancorp, Inc., Rome Bancorp, Inc., and Legacy Bancorp, Inc., or the costs of combining the companies and their operations. It is further assumed that Berkshire Hills Bancorp, Inc. will pay a cash dividend after the completion of the merger at the annual rate of \$0.64 per share. The actual payment of dividends is subject to numerous factors, and no assurance can be given that Berkshire Hills Bancorp, Inc. will pay dividends following the completion of the merger or that dividends will not be reduced in the future.