

People's Bank and Subsidiaries
FINANCIAL HIGHLIGHTS

(dollars in millions, except per share data)	Three Months Ended				
	Sept. 30, 2005	June 30, 2005	March 31, 2005	Dec. 31, 2004	Sept. 30, 2004
Operating Data:					
Net interest income	\$ 92.5	\$ 92.7	\$ 91.2	\$ 88.1	\$ 85.7
Provision for loan losses	1.1	0.9	1.3	2.0	4.3
Fee-based revenues	39.6	36.6	35.5	36.3	35.0
Net security gains (losses)	(0.1)	0.1	(0.1)	-	0.2
All other non-interest income	4.6	2.0	1.9	2.2	3.5
Non-interest expense	85.8	85.7	81.3	83.9	83.8
Income from continuing operations	32.4	29.4	29.8	26.3	23.5
Gain on sale of discontinued operations, net of tax	-	6.2	-	-	2.0
Net income	33.5	37.0	31.4	28.0	27.5
Selected Statistical Data:					
Net interest margin (1)	3.70 %	3.66 %	3.62 %	3.57 %	3.47 %
Return on average assets (1)	1.24	1.36	1.17	1.06	1.04
Return on average stockholders' equity (1)	10.7	12.0	10.4	9.4	9.5
Efficiency ratio	62.5	63.3	62.8	66.5	66.7
Per Common Share Data:					
Basic earnings per share	\$ 0.24	\$ 0.26	\$ 0.23	\$ 0.20	\$ 0.20
Diluted earnings per share	0.24	0.26	0.22	0.20	0.19
Dividends paid per share (2)	0.22	0.22	0.19	0.19	0.19
Dividend payout ratio (2)	40.3 %	36.5 %	37.7 %	42.3 %	42.8 %
Book value (end of period)	\$ 8.95	\$ 8.84	\$ 8.61	\$ 8.52	\$ 8.42
Tangible book value (end of period)	8.20	8.09	7.84	7.74	7.63
Stock price:					
High	33.75	30.48	28.00	29.65	24.67
Low	28.17	26.27	23.99	23.30	20.00
Close (end of period)	28.98	30.24	27.30	25.93	23.82
Average diluted shares outstanding (in millions)	141.88	141.72	141.42	141.24	140.95

(1) Annualized.

(2) Reflects the waiver of dividends on the substantial majority of the common shares owned by People's Mutual Holdings.

People's Bank and Subsidiaries
FINANCIAL HIGHLIGHTS

(dollars in millions, except per share data)	Nine Months Ended	
	Sept. 30, 2005	Sept. 30, 2004
Operating Data:		
Net interest income	\$ 276.4	\$ 239.0
Provision for loan losses	3.3	11.3
Fee-based revenues	111.7	106.6
Net security losses	(0.1)	(4.7)
All other non-interest income	8.5	10.4
Non-interest expense (1)	252.8	395.0
Income (loss) from continuing operations	91.6	(32.0)
Gain on sale of discontinued operations, net of tax	6.2	198.5
Net income	101.9	171.7
Selected Statistical Data:		
Net interest margin (2)	3.66 %	3.25 %
Return on average assets (2)	1.26	2.12
Return on average stockholders' equity (2)	11.1	20.5
Efficiency ratio	62.8	70.0
Per Common Share Data:		
Basic earnings per share	\$ 0.73	\$ 1.23
Diluted earnings per share	0.72	1.22
Dividends paid per share (3)	0.63	0.56
Dividend payout ratio (3)	38.2 %	19.8 %
Book value (end of period)	\$ 8.95	\$ 8.42
Tangible book value (end of period)	8.20	7.63
Stock price:		
High	33.75	24.67
Low	23.99	14.44
Close (end of period)	28.98	23.82
Average diluted shares outstanding (in millions)	141.69	140.72

(1) Includes liability restructuring costs totaling \$133.4 million for the nine months ended September 30, 2004.

(2) Annualized.

(3) Reflects the waiver of dividends on the substantial majority of the common shares owned by People's Mutual Holdings.

People's Bank and Subsidiaries
FINANCIAL HIGHLIGHTS - Continued

(dollars in millions)	As of and for the Three Months Ended				
	Sept. 30, 2005	June 30, 2005	March 31, 2005	Dec. 31, 2004	Sept. 30, 2004
Financial Condition Data:					
General:					
Total assets	\$ 10,891	\$ 10,931	\$ 10,857	\$ 10,718	\$ 10,541
Loans	8,383	8,288	8,088	7,933	7,597
Allowance for loan losses	73	73	73	73	75
Securities, net	1,498	1,658	1,971	2,071	2,210
Deposits	9,086	9,177	9,046	8,862	8,812
Core deposits	8,858	8,978	8,829	8,681	8,550
Borrowings	271	234	289	341	222
Purchased funds	404	313	400	447	389
Subordinated notes	122	122	122	122	122
Stockholders' equity	1,268	1,251	1,216	1,200	1,184
Non-performing assets	20	24	27	29	34
Net loan charge-offs	1.1	0.9	0.8	4.5	2.3
Ratios:					
Net loan charge-offs to average loans (1)	0.05 %	0.04 %	0.04 %	0.23 %	0.12 %
Non-performing assets to total loans, REO and repossessed assets	0.24	0.29	0.33	0.36	0.45
Allowance for loan losses to non-performing loans	379.6	312.3	280.0	264.6	225.5
Allowance for loan losses to total loans	0.87	0.88	0.90	0.91	0.99
Average stockholders' equity to average assets	11.5	11.3	11.2	11.2	11.0
Stockholders' equity to total assets	11.6	11.4	11.2	11.2	11.2
Tier 1 leverage capital (2)	11.0	10.7	10.6	10.5	10.3
Tier 1 risk-based capital (2)	14.9	14.8	14.7	14.6	15.0
Total risk-based capital (2)	17.0	16.8	16.8	16.7	17.3

(1) Annualized.

(2) September 30, 2005 capital ratios are preliminary.

People's Bank and Subsidiaries
CONSOLIDATED STATEMENTS OF CONDITION

(in millions)	Sept. 30, 2005	June 30, 2005	Sept. 30, 2004
Assets			
Cash and due from banks	\$ 358.4	\$ 375.4	\$ 310.7
Short-term investments	96.2	57.9	49.2
Total cash and cash equivalents	454.6	433.3	359.9
Securities:			
Trading account securities, at fair value	34.0	34.1	12.0
Securities available for sale, at fair value	1,462.5	1,622.0	2,196.1
Securities held to maturity, at amortized cost	1.4	1.4	1.4
Total securities	1,497.9	1,657.5	2,209.5
Securities purchased under agreements to resell	25.0	25.0	-
Loans:			
Residential mortgage	3,477.1	3,440.9	3,195.5
Commercial	1,918.3	1,854.0	1,813.0
Commercial real estate finance	1,736.2	1,790.6	1,503.9
Consumer	1,251.0	1,202.9	1,085.0
Total loans	8,382.6	8,288.4	7,597.4
Less allowance for loan losses	(73.0)	(73.0)	(75.0)
Total loans, net	8,309.6	8,215.4	7,522.4
Premises and equipment, net	148.4	149.0	143.7
Goodwill and other acquisition-related intangibles	106.4	106.8	110.7
Bank-owned life insurance	152.9	151.2	0.6
Other assets	196.3	192.6	194.0
Total assets	\$ 10,891.1	\$ 10,930.8	\$ 10,540.8
Liabilities			
Deposits:			
Non-interest-bearing	\$ 2,319.4	\$ 2,370.4	\$ 2,205.6
Savings, interest-bearing checking and money market	3,895.6	4,092.8	4,286.5
Time	2,871.0	2,713.4	2,320.3
Total deposits	9,086.0	9,176.6	8,812.4
Borrowings:			
Federal funds purchased	270.7	208.9	222.1
Federal Home Loan Bank advances	-	25.0	-
Total borrowings	270.7	233.9	222.1
Subordinated notes	122.0	121.9	121.7
Other liabilities	144.7	147.9	200.4
Total liabilities	9,623.4	9,680.3	9,356.6
Stockholders' Equity			
Common stock (without par value; 150.0 shares authorized; 141.6 shares, 141.4 shares and 140.6 shares issued and outstanding)	141.6	141.4	140.6
Additional paid-in capital	170.1	167.0	153.7
Retained earnings	976.7	956.7	897.6
Accumulated other comprehensive loss	(20.7)	(14.6)	(7.7)
Total stockholders' equity	1,267.7	1,250.5	1,184.2
Total liabilities and stockholders' equity	\$ 10,891.1	\$ 10,930.8	\$ 10,540.8

People's Bank and Subsidiaries
CONSOLIDATED STATEMENTS OF INCOME

(in millions, except per share data)	Three Months Ended				
	Sept. 30, 2005	June 30, 2005	March 31, 2005	Dec. 31, 2004	Sept. 30, 2004
Interest and dividend income:					
Residential mortgage	\$ 39.1	\$ 38.1	\$ 36.8	\$ 35.4	\$ 35.0
Commercial real estate finance	29.3	29.0	28.1	27.9	26.4
Commercial	28.4	25.9	23.4	20.8	18.4
Consumer	17.3	15.5	14.1	12.8	11.6
Total interest on loans	114.1	108.5	102.4	96.9	91.4
Securities	13.7	16.5	17.2	17.2	19.4
Short-term investments	0.5	0.3	0.2	0.3	0.1
Securities purchased under agreements to resell	0.3	0.3	0.1	-	-
Total interest and dividend income	128.6	125.6	119.9	114.4	110.9
Interest expense:					
Deposits	31.2	27.9	23.6	22.3	21.5
Borrowings	2.1	2.2	2.3	1.2	0.9
Subordinated notes	2.8	2.8	2.8	2.8	2.8
Total interest expense	36.1	32.9	28.7	26.3	25.2
Net interest income	92.5	92.7	91.2	88.1	85.7
Provision for loan losses	1.1	0.9	1.3	2.0	4.3
Net interest income after provision for loan losses	91.4	91.8	89.9	86.1	81.4
Non-interest income:					
Fee-based revenues:					
Service charges on deposit accounts	19.9	17.3	15.4	16.8	17.8
Insurance revenue	7.1	5.9	7.4	8.0	6.4
Brokerage commissions	3.0	3.7	3.1	3.2	3.0
Other fees	9.6	9.7	9.6	8.3	7.8
Total fee-based revenues	39.6	36.6	35.5	36.3	35.0
Net security gains (losses)	(0.1)	0.1	(0.1)	-	0.2
Net gains on sales of residential mortgage loans	1.5	1.0	0.6	0.7	0.7
Bank-owned life insurance	1.6	0.1	-	-	-
Other non-interest income	1.5	0.9	1.3	1.5	2.8
Total non-interest income	44.1	38.7	37.3	38.5	38.7
Non-interest expense:					
Compensation and benefits	49.7	48.4	47.7	45.9	46.5
Occupancy and equipment	15.4	14.7	15.7	16.5	17.6
Professional and outside service fees	6.5	6.7	6.0	7.8	6.8
Goodwill impairment charge	-	2.0	-	-	-
Other non-interest expense	14.2	13.9	11.9	13.7	12.9
Total non-interest expense	85.8	85.7	81.3	83.9	83.8
Income from continuing operations before income tax expense	49.7	44.8	45.9	40.7	36.3
Income tax expense	17.3	15.4	16.1	14.4	12.8
Income from continuing operations	32.4	29.4	29.8	26.3	23.5
Discontinued operations:					
Income from discontinued operations, net of tax	1.1	1.4	1.6	1.7	2.0
Gain on sale of discontinued operations, net of tax	-	6.2	-	-	2.0
Income from discontinued operations	1.1	7.6	1.6	1.7	4.0
Net income	\$ 33.5	\$ 37.0	\$ 31.4	\$ 28.0	\$ 27.5
Diluted earnings per common share:					
Income from continuing operations	\$ 0.23	\$ 0.21	\$ 0.21	\$ 0.19	\$ 0.16
Income from discontinued operations	0.01	0.05	0.01	0.01	0.03
Net income	0.24	0.26	0.22	0.20	0.19

People's Bank and Subsidiaries
CONSOLIDATED STATEMENTS OF INCOME

(in millions, except per share data)	Nine Months Ended	
	Sept. 30, 2005	Sept. 30, 2004
Interest and dividend income:		
Residential mortgage	\$ 114.0	\$ 102.3
Commercial real estate finance	86.4	77.0
Commercial	77.7	52.5
Consumer	46.9	33.9
Total interest on loans	325.0	265.7
Securities	47.4	55.2
Short-term investments	1.0	1.9
Securities purchased under agreements to resell	0.7	-
Total interest and dividend income	374.1	322.8
Interest expense:		
Deposits	82.7	64.4
Borrowings	6.6	12.4
Subordinated notes	8.4	10.6
Interest allocated to discontinued operations	-	(3.6)
Total interest expense	97.7	83.8
Net interest income	276.4	239.0
Provision for loan losses	3.3	11.3
Net interest income after provision for loan losses	273.1	227.7
Non-interest income:		
Fee-based revenues:		
Service charges on deposit accounts	52.6	52.4
Insurance revenue	20.4	19.9
Brokerage commissions	9.8	9.9
Other fees	28.9	24.4
Total fee-based revenues	111.7	106.6
Net security losses	(0.1)	(4.7)
Net gains on sales of residential mortgage loans	3.1	3.0
Bank-owned life insurance	1.7	-
Other non-interest income	3.7	7.4
Total non-interest income	120.1	112.3
Non-interest expense:		
Compensation and benefits	145.8	148.4
Occupancy and equipment	45.8	52.7
Professional and outside service fees	19.2	18.0
Liability restructuring costs	-	133.4
Goodwill impairment charge	2.0	-
Other non-interest expense	40.0	42.5
Total non-interest expense	252.8	395.0
Income (loss) from continuing operations before income tax expense (benefit)	140.4	(55.0)
Income tax expense (benefit)	48.8	(23.0)
Income (loss) from continuing operations	91.6	(32.0)
Discontinued operations:		
Income from discontinued operations, net of tax	4.1	5.2
Gain on sale of discontinued operations, net of tax	6.2	198.5
Income from discontinued operations	10.3	203.7
Net income	\$ 101.9	\$ 171.7
Diluted earnings per common share:		
Income (loss) from continuing operations	\$ 0.65	\$ (0.23)
Income from discontinued operations	0.07	1.45
Net income	0.72	1.22

People's Bank and Subsidiaries
AVERAGE BALANCE, INTEREST AND YIELD/RATE ANALYSIS (1)

Three months ended (dollars in millions)	September 30, 2005			June 30, 2005			September 30, 2004		
	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate
Earning assets:									
Short-term investments	\$ 69.4	\$ 0.5	2.97%	\$ 53.7	\$ 0.3	2.54%	\$ 50.9	\$ 0.1	1.11%
Securities purchased under agreements to resell	25.0	0.3	4.45	25.0	0.3	4.00	-	-	-
Securities (2)	1,579.5	13.7	3.47	1,907.7	16.8	3.52	2,373.4	19.4	3.28
Loans:									
Residential mortgage	3,456.7	39.1	4.53	3,398.3	38.1	4.48	3,179.5	35.0	4.40
Commercial real estate finance	1,768.1	29.3	6.62	1,817.5	29.0	6.38	1,777.2	26.5	5.96
Commercial	1,865.3	28.4	6.09	1,790.5	25.9	5.78	1,446.7	18.4	5.09
Consumer	1,227.6	17.3	5.63	1,177.8	15.5	5.27	1,051.8	11.6	4.40
Total loans	8,317.7	114.1	5.49	8,184.1	108.5	5.30	7,455.2	91.5	4.91
Total earning assets	<u>\$ 9,991.6</u>	<u>\$ 128.6</u>	<u>5.15%</u>	<u>\$ 10,170.5</u>	<u>\$ 125.9</u>	<u>4.95%</u>	<u>\$ 9,879.5</u>	<u>\$ 111.0</u>	<u>4.49%</u>
Funding liabilities:									
Deposits:									
Non-interest-bearing deposits	\$ 2,160.1	\$ -	- %	\$ 2,167.6	\$ -	- %	\$ 2,086.7	\$ -	- %
Savings, interest-bearing checking and money market	3,964.9	10.8	1.09	4,131.5	10.7	1.03	4,327.9	8.8	0.81
Time	2,739.4	19.8	2.88	2,594.8	16.7	2.57	2,219.4	12.5	2.25
Total core deposits	8,864.4	30.6	1.38	8,893.9	27.4	1.23	8,634.0	21.3	0.99
Non-core deposits	195.5	0.6	1.23	156.1	0.5	1.32	193.4	0.2	0.50
Total deposits	9,059.9	31.2	1.38	9,050.0	27.9	1.23	8,827.4	21.5	0.98
Borrowings:									
Federal funds purchased	237.9	2.0	3.44	239.3	1.7	2.89	230.7	0.8	1.37
Federal Home Loan Bank advances	6.7	0.1	3.50	64.2	0.5	3.01	35.8	0.1	1.54
Total borrowings	244.6	2.1	3.44	303.5	2.2	2.92	266.5	0.9	1.39
Subordinated notes	121.9	2.8	9.18	121.9	2.8	9.18	121.7	2.8	9.19
Total funding liabilities	<u>\$ 9,426.4</u>	<u>\$ 36.1</u>	<u>1.53%</u>	<u>\$ 9,475.4</u>	<u>\$ 32.9</u>	<u>1.39%</u>	<u>\$ 9,215.6</u>	<u>\$ 25.2</u>	<u>1.10%</u>
Excess of earning assets over funding liabilities	<u>\$ 565.2</u>			<u>\$ 695.1</u>			<u>\$ 663.9</u>		
Net interest income/spread		<u>\$ 92.5</u>	<u>3.62%</u>		<u>\$ 93.0</u>	<u>3.56%</u>		<u>\$ 85.8</u>	<u>3.39%</u>
Net interest margin			3.70%			3.66%			3.47%

(1) Average yields earned and rates paid are annualized.

(2) Average balances and yields for securities available for sale are based on amortized cost.

People's Bank and Subsidiaries

AVERAGE BALANCE, INTEREST AND YIELD/RATE ANALYSIS (1)

Nine months ended (dollars in millions)	September 30, 2005			September 30, 2004		
	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate
Earning assets:						
Short-term investments	\$ 55.7	\$ 1.0	2.53%	\$ 247.3	\$ 2.1	1.15%
Securities purchased under agreements to resell	22.1	0.7	4.08	-	-	-
Securities (2)	1,838.9	47.7	3.45	2,294.9	55.2	3.21
Loans:						
Residential mortgage	3,385.7	114.0	4.49	3,141.1	102.3	4.34
Commercial real estate finance	1,804.0	86.4	6.39	1,740.4	77.1	5.91
Commercial	1,788.4	77.7	5.79	1,399.5	52.5	5.01
Consumer	1,185.1	46.9	5.27	1,007.7	33.9	4.47
Total loans	8,163.2	325.0	5.31	7,288.7	265.8	4.86
Total earning assets	<u>\$10,079.9</u>	<u>\$ 374.4</u>	<u>4.95%</u>	<u>\$ 9,830.9</u>	<u>\$ 323.1</u>	<u>4.38%</u>
Funding liabilities:						
Deposits:						
Non-interest-bearing deposits	\$ 2,143.0	\$ -	- %	\$ 2,032.7	\$ -	- %
Savings, interest-bearing checking and money market	4,095.8	30.7	1.00	4,284.3	25.8	0.80
Time	2,583.1	50.5	2.61	2,258.5	37.8	2.23
Total core deposits	8,821.9	81.2	1.23	8,575.5	63.6	0.99
Non-core deposits	164.6	1.5	1.19	202.7	0.8	0.55
Total deposits	8,986.5	82.7	1.23	8,778.2	64.4	0.98
Borrowings:						
Federal funds purchased	242.5	5.2	2.90	259.3	2.1	1.07
Federal Home Loan Bank advances	64.9	1.3	2.68	228.8	9.3	5.40
Repurchase agreements	2.3	0.1	2.40	48.3	1.0	2.90
Total borrowings	309.7	6.6	2.85	536.4	12.4	3.41
Subordinated notes	121.9	8.4	9.18	154.8	10.6	9.15
Funding liabilities allocated to discontinued operations (3)	-	-	-	(272.0)	(3.6)	1.77
Total funding liabilities	<u>\$ 9,418.1</u>	<u>\$ 97.7</u>	<u>1.38%</u>	<u>\$ 9,197.4</u>	<u>\$ 83.8</u>	<u>1.22%</u>
Excess of earning assets over funding liabilities	<u>\$ 661.8</u>			<u>\$ 633.5</u>		
Net interest income/spread		<u>\$ 276.7</u>	<u>3.57%</u>		<u>\$ 239.3</u>	<u>3.16%</u>
Net interest margin			<u>3.66%</u>			<u>3.25%</u>

(1) Average yields earned and rates paid are annualized.

(2) Average balances and yields for securities available for sale are based on amortized cost.

(3) Represents an allocation of funding liabilities and interest expense to discontinued operations.

People's Bank and Subsidiaries
NON-PERFORMING ASSETS

(dollars in millions)	Sept. 30, 2005	June 30, 2005	March 31, 2005	Dec. 31, 2004	Sept. 30, 2004
Non-accrual loans:					
PCLC	\$ 5.9	\$ 7.0	\$ 6.5	\$ 5.1	\$ 6.6
Commercial real estate finance	5.9	5.9	7.4	8.7	13.2
Residential mortgage	3.9	6.7	5.5	7.5	7.2
Commercial	2.3	2.5	5.2	5.2	5.4
Consumer	1.2	1.2	1.5	0.9	0.9
Total non-accrual loans	19.2	23.3	26.1	27.4	33.3
Real estate owned ("REO") and repossessed assets, net	0.9	0.9	0.9	1.2	1.1
Total non-performing assets	\$ 20.1	\$ 24.2	\$ 27.0	\$ 28.6	\$ 34.4
Non-performing loans as a percentage of total loans	0.23 %	0.28 %	0.32 %	0.35 %	0.44 %
Non-performing assets as a percentage of total loans, REO and repossessed assets	0.24	0.29	0.33	0.36	0.45
Non-performing assets as a percentage of stockholders' equity and allowance for loan losses	1.50	1.83	2.09	2.25	2.73
Allowance for loan losses as a percentage of non-performing loans	379.6	312.3	280.0	264.6	225.5
Allowance for loan losses as a percentage of total loans	0.87	0.88	0.90	0.91	0.99

People's Bank and Subsidiaries
ALLOWANCE FOR LOAN LOSSES

(in millions)	Three Months Ended				
	Sept. 30, 2005	June 30, 2005	March 31, 2005	Dec. 31, 2004	Sept. 30, 2004
Balance at beginning of period	\$ 73.0	\$ 73.0	\$ 72.5	\$ 75.0	\$ 73.0
Charge-offs	(1.6)	(1.7)	(1.7)	(5.4)	(3.2)
Recoveries	0.5	0.8	0.9	0.9	0.9
Net loan charge-offs	(1.1)	(0.9)	(0.8)	(4.5)	(2.3)
Provision for loan losses	1.1	0.9	1.3	2.0	4.3
Balance at end of period	\$ 73.0	\$ 73.0	\$ 73.0	\$ 72.5	\$ 75.0

People's Bank and Subsidiaries
NET LOAN CHARGE-OFFS (RECOVERIES)

(in millions)	Three Months Ended				
	Sept. 30, 2005	June 30, 2005	March 31, 2005	Dec. 31, 2004	Sept. 30, 2004
Consumer	\$ 0.6	\$ 0.9	\$ 0.6	\$ 0.7	\$ 1.6
Commercial	0.3	-	-	0.1	0.2
PCLC	0.1	-	0.3	0.6	0.5
Residential mortgage	0.1	-	(0.1)	(0.1)	-
Commercial real estate finance	-	-	-	3.2	-
Total	\$ 1.1	\$ 0.9	\$ 0.8	\$ 4.5	\$ 2.3