



**Second Quarter 2007  
Earnings Review**

**Conference Call**

Certain comments made in the course of People's United Financial's review of its financial results are forward-looking in nature. These include all statements about People's United Financial's operating results or financial position for periods ending or on dates occurring after June 30, 2007 and usually use words such as "expect", "anticipate", "believe", and similar expressions. These comments represent management's current beliefs, based upon information available to it at the time the statements are made, with regard to the matters addressed.

All forward-looking statements are subject to risks and uncertainties that could cause People's United Financial's actual results or financial condition to differ materially from those expressed in or implied by such statements. Factors of particular importance to People's United Financial include, but are not limited to: (1) changes in general, national or regional economic conditions; (2) changes in interest rates; (3) changes in loan default and charge-off rates; (4) changes in deposit levels; (5) changes in levels of income and expense in non-interest income and expense related activities; (6) residential mortgage and secondary market activity; (7) changes in accounting and regulatory guidance applicable to banks; (8) price levels and conditions in the public securities markets generally; and (9) competition and its effect on pricing, spending, third-party relationships and revenues. People's United Financial does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

In addition to evaluating People's United Financial's results of operations in accordance with generally accepted accounting principles ("GAAP"), management routinely supplements this evaluation with an analysis of certain non-GAAP financial measures, such as core deposits, purchased funds and the efficiency ratio. Management believes these non-GAAP financial measures provide information useful to investors in understanding People's United Financial's underlying operating performance and trends, and facilitates comparisons with the performance of other banks and thrifts.

Core deposits is a measure of stable funding sources and is defined as total deposits, other than brokered certificates of deposit (acquired in the wholesale market), municipal deposits (which are seasonally variable by nature) and subscription offering escrow deposits. Purchased funds include borrowings, brokered certificates of deposit and municipal deposits.

The efficiency ratio, which represents an approximate measure of the cost required by People's United Financial to generate a dollar of revenue, is the ratio of total non-interest expense (excluding goodwill impairment charges, amortization of acquisition-related intangibles, losses on real estate assets and nonrecurring expenses) to net interest income plus total non-interest income (excluding gains and losses on sales of assets, other than residential mortgage loans, and nonrecurring income). People's United Financial generally considers an income or expense to be nonrecurring if it is not similar to an income or expense of a type incurred within the last two years and is not similar to an income or expense of a type reasonably expected to be incurred within the following two years. Management considers the efficiency ratio to be more representative of People's United Financial's ongoing operating efficiency, as the excluded items are generally related to external market conditions and non-routine transactions.

# Second Quarter Highlights

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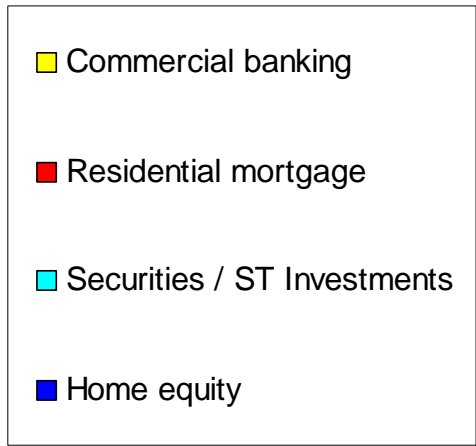
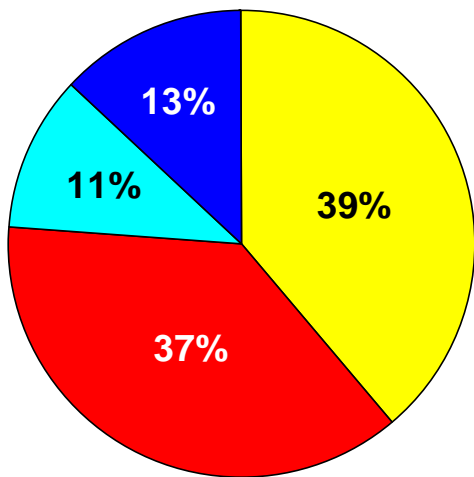
- ◆ Raised gross proceeds of \$3.44 billion in second-step conversion completed in April
- ◆ Funded the People's United Community Foundation with a \$60 million contribution
- ◆ Net income of \$13.5 million or 4.6 cents per share
- ◆ Operating net income of \$53.1 million or 18.2 cents per share, excluding contribution
- ◆ ROA of 1.59%, excluding contribution
- ◆ Net interest margin of 4.23%
- ◆ Asset quality remains strong

# Average Earning Assets

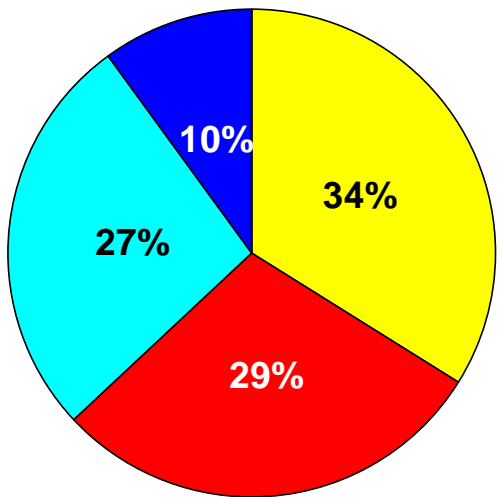
(\$'s in millions)	Q2 2007	Q1 2007	Q2 2006	vs. Q2 2006	
				Inc/(Dec)	%
Commercial banking	\$ 4,231	\$ 4,172	\$ 3,871	\$ 360	9
Residential mortgage	3,667	3,828	3,754	(87)	(2)
Home equity loans	1,271	1,305	1,272	(1)	(0)
Total loans	9,169	9,305	8,897	272	3
Securities	70	74	1,070	(1,000)	(93)
Short-term investments	3,236	305	82	3,154	NM
Total investments	3,306	379	1,152	2,154	187
Total earning assets	\$ 12,475	\$ 9,684	\$ 10,049	\$ 2,426	24

# Average Earning Asset Mix

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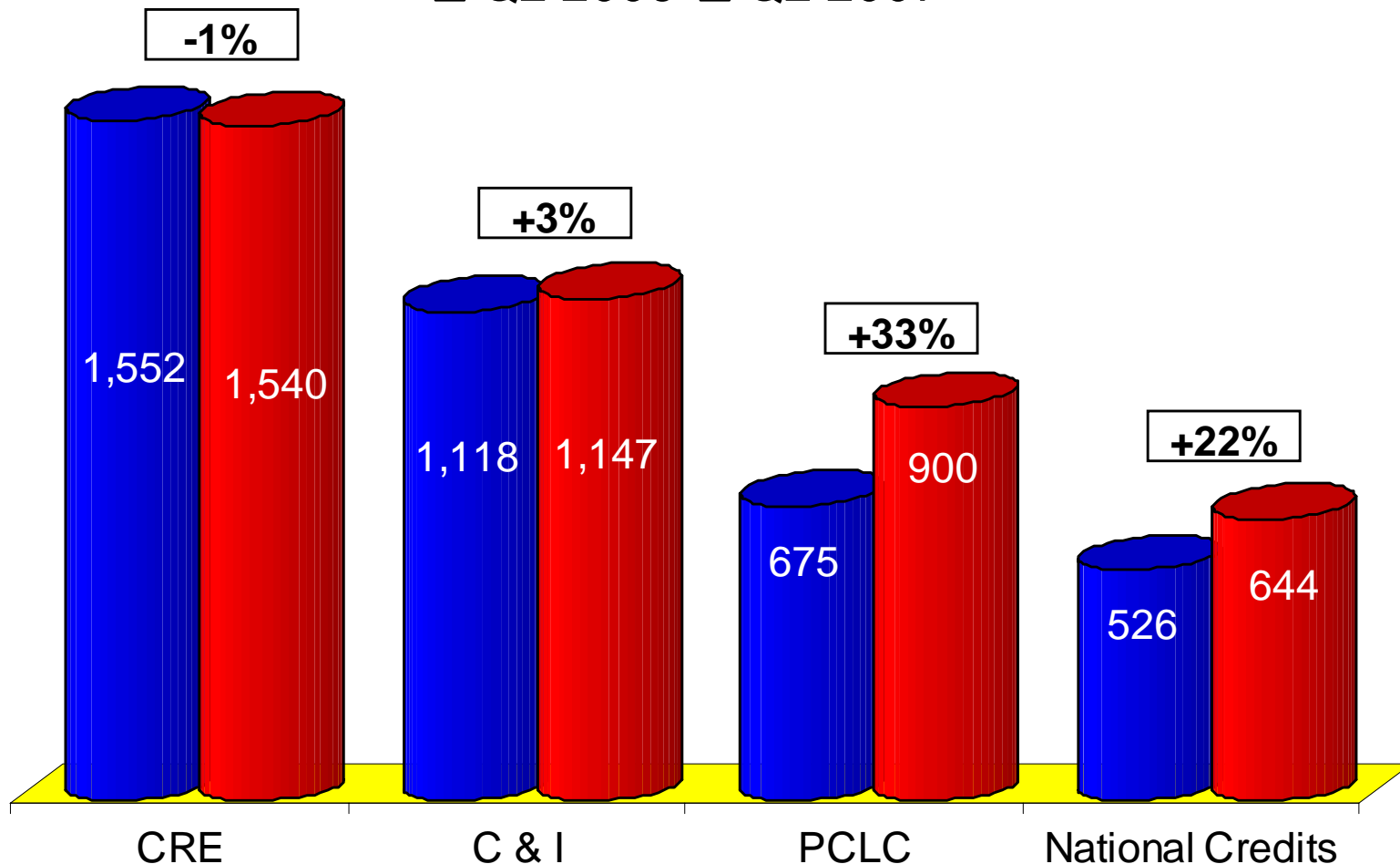
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# Commercial Banking Loans

Dollars in millions – Average Balances

■ Q2 2006 ■ Q2 2007



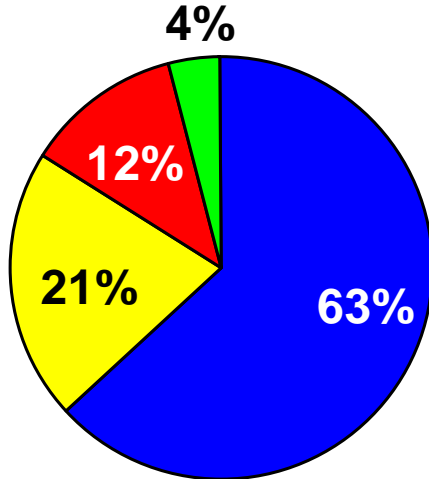
# Average Funding

(\$'s in millions)	Q2 2007	Q1 2007	Q2 2006	vs. Q2 2006	
				Inc/(Dec)	%
Core deposits:					
Non-interest-bearing	\$ 2,172	\$ 2,126	\$ 2,236	\$ (64)	(3)
Interest-bearing	6,842	6,801	6,842	-	-
Total core deposits	9,014	8,927	9,078	(64)	(1)
Wholesale funds / other	254	167	385	(131)	(34)
Total funding liabilities	9,268	9,094	9,463	(195)	(2)
Stockholders' equity	3,975	1,338	1,308	2,667	204
Total Funding	\$ 13,243	\$ 10,432	\$ 10,771	\$ 2,472	23

# Average Funding Mix

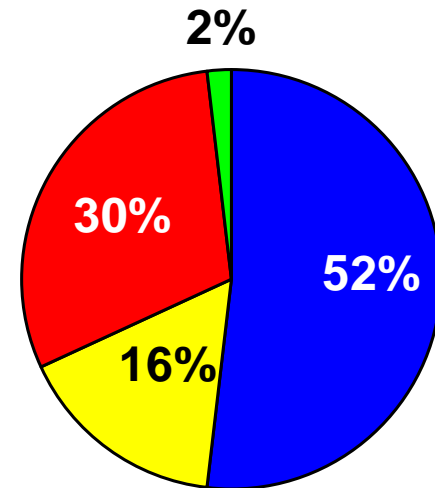
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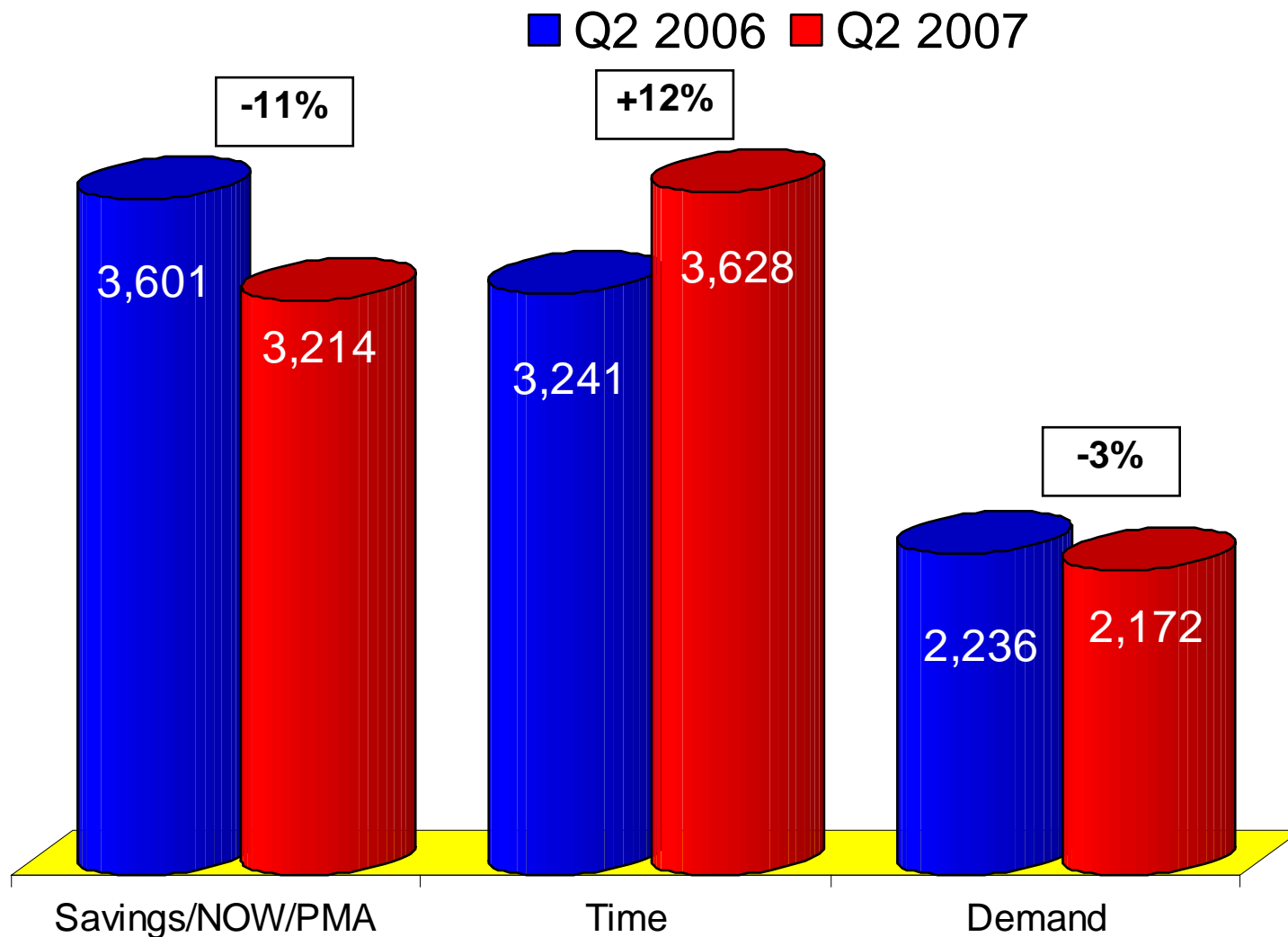
- Interest-bearing deposits
- Non-int-bearing deposits
- Stockholders' equity
- Wholesale funds / other

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# Average Core Deposits

Dollars in millions – Average Balances



# Quarterly Income Statement

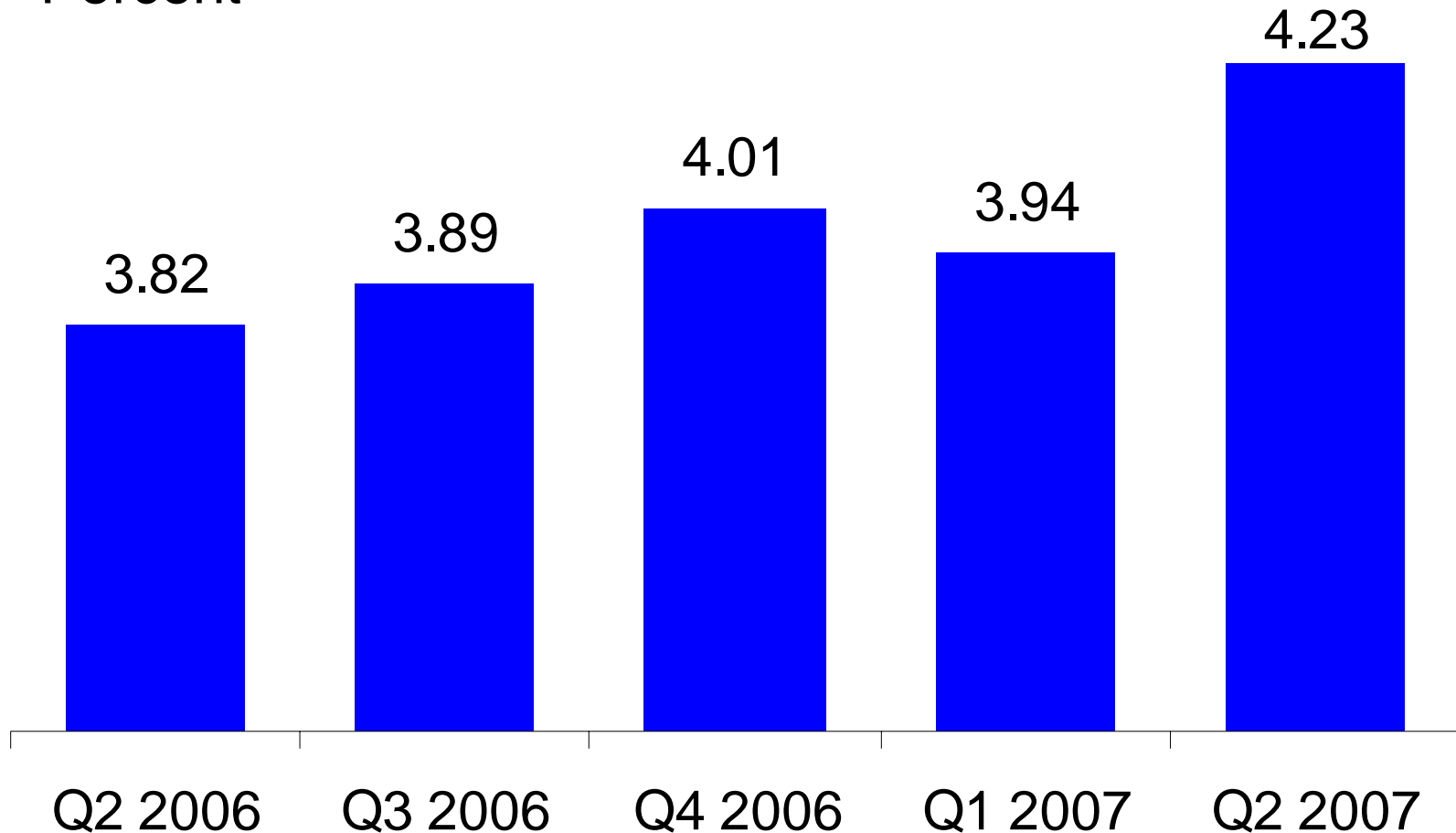
(\$'s in millions, except EPS)	Q2 2007*	Q1 2007	Q2 2006	vs. Q2 2006	
				Fav(Unf)	% Inc/(Dec)
Net Interest Income	\$ 132.0	\$ 95.3	\$ 96.1	\$ 35.9	37
Provision for Loan Losses	1.8	0.8	0.2	(1.6)	NM
Non-Interest Income	45.5	43.6	39.2	6.3	16
Non-Interest Expense*	95.7	88.1	86.6	(9.1)	11
Income From Continuing Ops*	52.7	33.1	32.2	20.5	64
Income From Discontinued Ops	0.4	0.5	0.7	(0.3)	(43)
<b>Net Income*</b>	<b>\$ 53.1</b>	<b>\$ 33.6</b>	<b>\$ 32.9</b>	<b>\$ 20.2</b>	<b>61</b>
<b>Earnings Per Share:</b>					
<b>Continuing Operations*</b>	<b>\$ 0.18</b>	<b>\$ 0.11</b>	<b>\$ 0.11</b>	<b>\$ 0.07</b>	<b>64</b>
<b>Net Income*</b>	<b>\$ 0.18</b>	<b>\$ 0.11</b>	<b>\$ 0.11</b>	<b>\$ 0.07</b>	<b>64</b>

\* Q2 2007 results exclude the \$60 million contribution to the People's United Community Foundation

# Net Interest Margin

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Percent



# Non-Interest Income

(\$'s in millions)	Q2 2007	Q1 2007	Q2 2006	vs. Q2 2006	
				Fav(Unf)	% Inc/(Dec)
Service charges on deposits	\$ 19.5	\$ 18.0	\$ 20.0	\$ (0.5)	(3)
Insurance revenue	6.2	7.3	5.8	0.4	7
Brokerage commissions	3.6	3.4	3.2	0.4	13
Other fee-based revenue	9.2	9.1	8.5	0.7	8
Total fee-based revenue	38.5	37.8	37.5	1.0	3
Net security losses	-	-	(4.0)	4.0	NM
Gains on residential mortgages	0.9	0.7	0.6	0.3	50
Bank-owned life insurance	2.7	2.4	2.2	0.5	23
Other non-interest income	3.4	2.7	2.9	0.5	17
<b>Total non-interest income</b>	<b>\$ 45.5</b>	<b>\$ 43.6</b>	<b>\$ 39.2</b>	<b>\$ 6.3</b>	<b>16</b>

# Non-Interest Expense

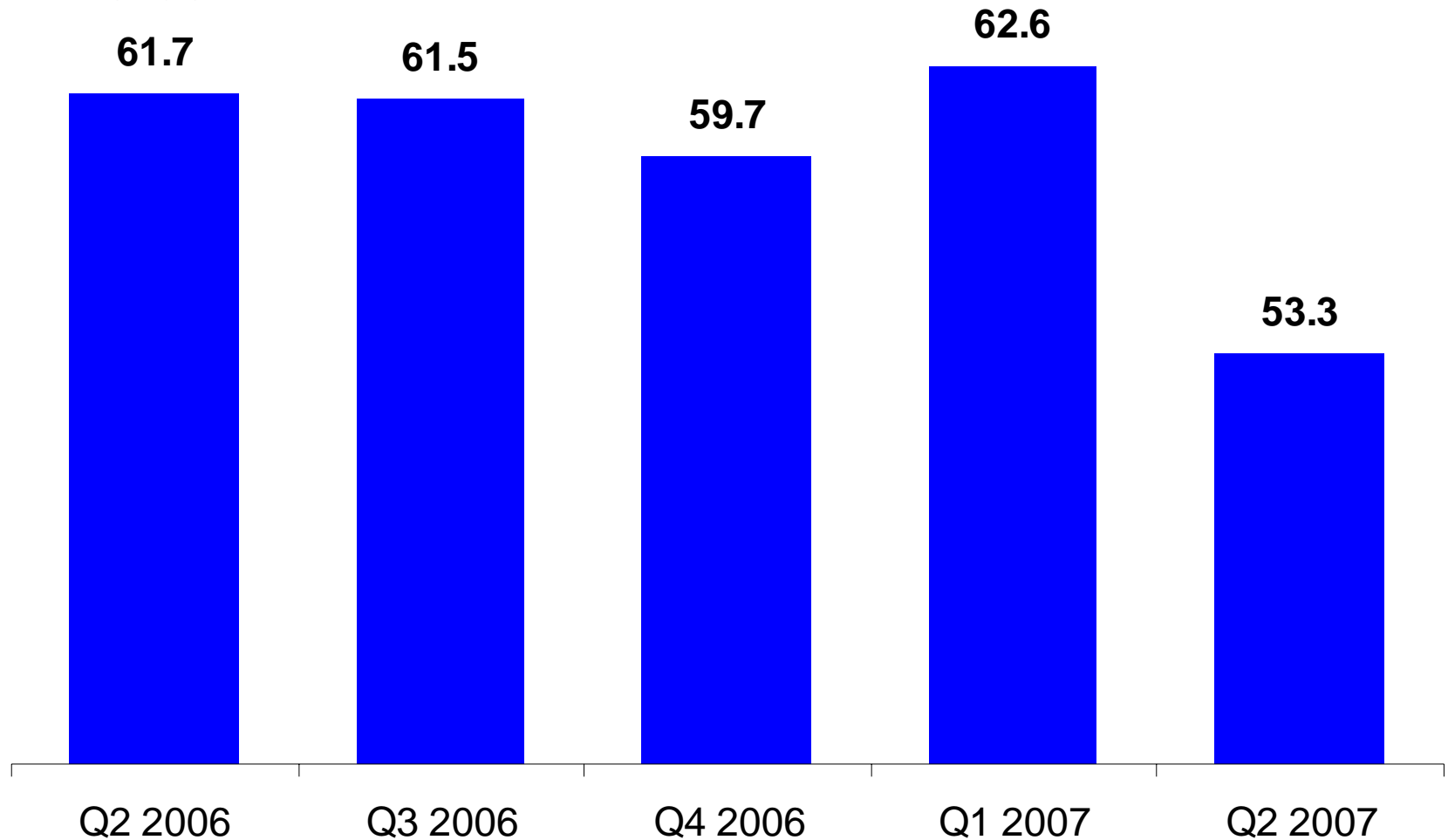
(\$'s in millions)	Q2 2007*	Q1 2007	Q2 2006	vs. Q2 2006	
				Fav(Unf)	% Inc/(Dec)
Compensation and benefits	\$ 54.9	\$ 51.3	\$ 50.3	\$ (4.6)	9
Occupancy and equipment	16.2	16.5	15.4	(0.8)	5
Professional/outside service fees	6.7	6.2	6.1	(0.6)	10
Advertising and promotion	3.5	2.4	3.1	(0.4)	13
Other non-interest expense*	14.4	11.7	11.7	(2.7)	23
<b>Total non-interest expense*</b>	<b>\$ 95.7</b>	<b>\$ 88.1</b>	<b>\$ 86.6</b>	<b>\$ (9.1)</b>	<b>11</b>

\* Q2 2007 excludes the \$60 million contribution to the People's United Community Foundation

# Efficiency Ratio

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Percent



# Asset Quality

Percent except NPA's and Allowance for Loan Losses (\$ in millions)

As of and for the quarters ended	Q2 2007	Q1 2007	Q2 2006
NPA's	\$ 18.4	\$ 19.4	\$ 28.1
Allowance for Loan Losses	72.5	74.4	74.0
NPA's / Total Loans, REO & Repossessed assets	0.20%	0.21%	0.31%
Allowance / Total Loans	0.80	0.80	0.82
Allowance / NPL's	405	389	267
Net Loan Charge-Offs / Avg Loans	0.16	0.01	0.01

# 2Q07 Earnings Review

## Conference Call

If you have any questions, please contact Paul D'Ostilio

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