

People's United Financial, Inc.

FINANCIAL HIGHLIGHTS

(dollars in millions, except per common share data)	As of and for the Three Months Ended				
	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019
Earnings Data:					
Net interest income (fully taxable equivalent)	\$ 403.7	\$ 390.3	\$ 356.0	\$ 355.4	\$ 340.0
Net interest income	396.0	382.7	348.7	348.1	332.8
Provision for credit losses (1)	33.5	7.3	7.8	7.6	5.6
Non-interest income (2)	123.8	124.2	106.0	106.3	94.6
Non-interest expense (2)	320.1	325.7	281.4	278.4	277.2
Income before income tax expense	166.2	173.9	165.5	168.4	144.6
Net income	130.4	137.5	135.1	133.2	114.6
Net income available to common shareholders (2)	126.9	134.0	131.6	129.7	111.1
Selected Statistical Data:					
Net interest margin (3)	3.12 %	3.14 %	3.12 %	3.12 %	3.20 %
Return on average assets (2), (3)	0.89	0.98	1.05	1.04	0.96
Return on average common equity (3)	6.7	7.2	7.7	7.7	7.0
Return on average tangible common equity (2), (3)	11.8	12.8	14.0	14.1	13.0
Efficiency ratio (2)	54.0	53.7	56.8	55.8	57.3
Common Share Data:					
Earnings per common share:					
Basic	\$ 0.30	\$ 0.31	\$ 0.34	\$ 0.33	\$ 0.30
Diluted (2)	0.30	0.31	0.33	0.33	0.30
Dividends paid per common share	0.1775	0.1775	0.1775	0.1775	0.1750
Common dividend payout ratio (2)	60.9 %	52.2 %	53.1 %	53.8 %	58.6 %
Book value per common share	\$ 17.67	\$ 17.60	\$ 17.54	\$ 17.34	\$ 17.13
Tangible book value per common share (2)	9.96	10.12	9.74	9.51	9.35
Stock price:					
High	17.00	17.22	17.10	17.66	18.03
Low	10.40	14.73	13.81	15.24	14.25
Close	11.05	16.90	15.64	16.78	16.44
Common shares outstanding (in millions) (2)	429.38	443.66	398.58	398.34	378.37
Weighted average diluted common shares (in millions)	429.77	424.98	394.45	394.57	374.09

(1) First quarter 2020 provision for credit losses reflects the application of CECL and the impact of COVID-19.

(2) See Non-GAAP Financial Measures and Reconciliation to GAAP beginning on page 13.

(3) Annualized.

People's United Financial, Inc.
FINANCIAL HIGHLIGHTS - Continued

(dollars in millions)	As of and for the Three Months Ended				
	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019
Financial Condition Data:					
Total assets	\$ 60,433	\$ 58,590	\$ 52,072	\$ 51,622	\$ 48,092
Loans	44,284	43,596	38,781	38,557	35,515
Securities	8,552	7,790	7,135	7,086	7,176
Short-term investments	744	317	158	275	106
Allowance for credit losses (1)	342	247	246	244	241
Goodwill and other acquisition-related intangible assets	3,264	3,275	3,065	3,073	2,897
Deposits	44,741	43,590	38,574	39,467	36,901
Borrowings	5,911	5,155	4,629	3,400	2,860
Notes and debentures	1,013	993	916	912	902
Stockholders' equity	7,726	7,947	7,131	7,046	6,621
Total risk-weighted assets (2):					
People's United Financial, Inc.	46,414	45,208	39,794	39,026	36,466
People's United Bank, N.A.	46,403	45,174	39,742	38,976	36,447
Non-performing loans (3)	240	224	176	198	193
Net loan charge-offs	10.6	6.7	5.8	4.5	5.1
Average Balances:					
Loans	\$ 43,460	\$ 42,006	\$ 38,317	\$ 38,229	\$ 35,046
Securities (4)	8,018	7,372	7,041	7,147	7,311
Short-term investments	290	294	219	214	203
Total earning assets	51,768	49,673	45,577	45,591	42,560
Total assets	58,604	56,130	51,524	51,088	47,800
Deposits	44,163	42,195	38,657	39,211	36,450
Borrowings	4,353	4,146	3,855	3,146	2,937
Notes and debentures	1,000	974	914	904	896
Total funding liabilities	49,515	47,314	43,427	43,261	40,284
Stockholders' equity	7,804	7,654	7,079	6,978	6,562
Ratios:					
Net loan charge-offs to average total loans (annualized)	0.10 %	0.06 %	0.06 %	0.05 %	0.06 %
Non-performing assets to total loans, real estate owned and repossessed assets (1)	0.59	0.57	0.52	0.55	0.59
Allowance for credit losses to (1):					
Total loans	0.77	0.57	0.63	0.63	0.68
Non-performing loans	142.2	110.0	139.5	122.9	124.5
Average stockholders' equity to average total assets	13.3	13.6	13.7	13.7	13.7
Stockholders' equity to total assets	12.8	13.6	13.7	13.6	13.8
Tangible common equity to tangible assets (5)	7.4	8.0	7.8	7.7	7.7
Total risk-based capital (2):					
People's United Financial, Inc.	11.3	12.0	12.0	12.0	12.4
People's United Bank, N.A.	12.0	12.1	12.2	12.4	12.9

(1) Allowance for credit losses and asset quality ratios for March 31, 2020 reflect the initial adoption and application of CECL. Ratios for periods prior to January 1, 2020 have been restated to reflect the total loan portfolio (originated and acquired).

(2) March 31, 2020 amounts and ratios are preliminary.

(3) See page 11.

(4) Average balances for securities are based on amortized cost.

(5) See Non-GAAP Financial Measures and Reconciliation to GAAP beginning on page 13.

People's United Financial, Inc.
CONSOLIDATED STATEMENTS OF CONDITION

(in millions)	March 31, 2020	Dec. 31, 2019	March 31, 2019
Assets			
Cash and due from banks	\$ 507.6	\$ 484.2	\$ 508.5
Short-term investments	744.3	316.8	106.0
Securities:			
Trading debt securities, at fair value	-	7.1	8.3
Equity securities, at fair value	6.2	8.2	8.2
Debt securities available-for-sale, at fair value	4,276.6	3,564.3	3,060.0
Debt securities held-to-maturity, at amortized cost	3,861.5	3,869.2	3,823.4
Federal Home Loan Bank and Federal Reserve Bank stock, at cost	407.2	341.1	275.6
Total securities	8,551.5	7,789.9	7,175.5
Loans held-for-sale	19.2	511.3	7.8
Loans:			
Commercial real estate	14,651.6	14,762.3	11,591.2
Commercial and industrial	12,045.7	11,041.6	9,354.7
Equipment financing	5,012.7	4,910.4	4,466.1
Total Commercial Portfolio	31,710.0	30,714.3	25,412.0
Residential mortgage	10,081.9	10,318.1	8,163.1
Home equity and other consumer	2,492.1	2,563.7	1,940.1
Total Retail Portfolio	12,574.0	12,881.8	10,103.2
Total loans	44,284.0	43,596.1	35,515.2
Less allowance for credit losses	(341.7)	(246.6)	(240.9)
Total loans, net	43,942.3	43,349.5	35,274.3
Goodwill and other acquisition-related intangible assets	3,264.0	3,274.6	2,896.5
Bank-owned life insurance	707.6	705.0	467.8
Premises and equipment, net	300.8	305.5	255.8
Other assets	2,396.0	1,853.0	1,399.7
Total assets	\$ 60,433.3	\$ 58,589.8	\$ 48,091.9
Liabilities			
Deposits:			
Non-interest-bearing	\$ 10,526.0	\$ 9,803.7	\$ 8,315.6
Savings	5,136.0	4,987.7	4,159.1
Interest-bearing checking and money market	20,238.9	19,592.6	17,130.0
Time	8,840.2	9,205.5	7,296.2
Total deposits	44,741.1	43,589.5	36,900.9
Borrowings:			
Federal Home Loan Bank advances	4,489.7	3,125.4	1,573.2
Federal funds purchased	1,120.0	1,620.0	1,020.0
Customer repurchase agreements	301.1	409.1	264.8
Other borrowings	-	-	1.6
Total borrowings	5,910.8	5,154.5	2,859.6
Notes and debentures	1,012.6	993.1	901.6
Other liabilities	1,043.3	905.5	808.6
Total liabilities	52,707.8	50,642.6	41,470.7
Stockholders' Equity			
Preferred stock	244.1	244.1	244.1
Common stock	5.3	5.3	4.7
Additional paid-in capital	7,644.4	7,639.4	6,558.8
Retained earnings	1,514.5	1,512.8	1,328.6
Unallocated common stock of Employee Stock Ownership Plan, at cost	(121.1)	(122.9)	(128.3)
Accumulated other comprehensive loss	(92.7)	(166.9)	(224.6)
Treasury stock, at cost	(1,469.0)	(1,164.6)	(1,162.1)
Total stockholders' equity	7,725.5	7,947.2	6,621.2
Total liabilities and stockholders' equity	\$ 60,433.3	\$ 58,589.8	\$ 48,091.9

People's United Financial, Inc.
CONSOLIDATED STATEMENTS OF INCOME

(in millions, except per common share data)	Three Months Ended				
	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019
Interest and dividend income:					
Commercial real estate	\$ 149.6	\$ 147.2	\$ 136.6	\$ 139.9	\$ 132.7
Commercial and industrial	106.4	114.9	113.4	111.4	103.9
Equipment financing	68.2	66.7	65.3	62.8	59.0
Residential mortgage	90.4	88.2	84.7	85.5	70.7
Home equity and other consumer	28.0	30.8	24.7	25.7	24.9
Total interest on loans	442.6	447.8	424.7	425.3	391.2
Securities	51.2	47.8	44.7	46.2	47.8
Loans held-for-sale	3.3	0.3	0.2	0.1	0.2
Short-term investments	2.0	1.0	1.3	1.2	1.3
Total interest and dividend income	499.1	496.9	470.9	472.8	440.5
Interest expense:					
Deposits	78.9	86.9	92.2	96.6	81.2
Borrowings	15.4	18.5	21.5	19.3	17.7
Notes and debentures	8.8	8.8	8.5	8.8	8.8
Total interest expense	103.1	114.2	122.2	124.7	107.7
Net interest income	396.0	382.7	348.7	348.1	332.8
Provision for credit losses (1)	33.5	7.3	7.8	7.6	5.6
Net interest income after provision for credit losses	362.5	375.4	340.9	340.5	327.2
Non-interest income:					
Bank service charges	28.0	28.9	27.0	26.4	25.2
Investment management fees	18.1	19.3	19.9	19.7	19.3
Operating lease income	12.6	12.7	12.9	12.6	12.7
Commercial banking lending fees	12.1	12.9	11.8	10.2	7.8
Insurance revenue	10.9	7.5	10.3	8.7	10.5
Customer interest rate swap income, net	8.8	8.5	5.5	7.3	2.8
Cash management fees	7.4	7.1	7.3	7.2	6.8
Other non-interest income (2)	25.9	27.3	11.3	14.2	9.5
Total non-interest income	123.8	124.2	106.0	106.3	94.6
Non-interest expense:					
Compensation and benefits	173.9	171.4	158.1	161.3	155.4
Occupancy and equipment	51.0	52.2	45.0	44.4	44.3
Professional and outside services	38.5	29.6	23.7	24.9	20.0
Amortization of other acquisition-related intangible assets	10.7	9.8	8.0	8.0	6.7
Operating lease expense	9.8	9.6	9.9	9.9	9.4
Regulatory assessments	8.7	7.3	5.3	6.5	7.0
Other non-interest expense	27.5	45.8	31.4	23.4	34.4
Total non-interest expense (2)	320.1	325.7	281.4	278.4	277.2
Income before income tax expense	166.2	173.9	165.5	168.4	144.6
Income tax expense	35.8	36.4	30.4	35.2	30.0
Net income	130.4	137.5	135.1	133.2	114.6
Preferred stock dividend	3.5	3.5	3.5	3.5	3.5
Net income available to common shareholders	\$ 126.9	\$ 134.0	\$ 131.6	\$ 129.7	\$ 111.1
Earnings per common share:					
Basic	\$ 0.30	\$ 0.31	\$ 0.34	\$ 0.33	\$ 0.30
Diluted	0.30	0.31	0.33	0.33	0.30

(1) Provision for credit losses for the three months ended March 31, 2020 reflects the application of CECL and the impact of COVID-19.

(2) Other non-interest income includes \$7.6 million of non-operating income for the three months ended December 31, 2019. Total non-interest expense includes \$17.9 million, \$39.1 million, \$5.0 million, \$6.5 million and \$15.0 million of non-operating expenses for the three months ended March 31, 2020, December 31, 2019, September 30, 2019, June 30, 2019 and March 31, 2019, respectively. See Non-GAAP Financial Measures and Reconciliation to GAAP beginning on page 13.

People's United Financial, Inc.
AVERAGE BALANCE SHEET, INTEREST AND YIELD/RATE ANALYSIS (1)

Three months ended (dollars in millions)	March 31, 2020			December 31, 2019			March 31, 2019		
	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate
Assets:									
Short-term investments	\$ 289.8	\$ 2.0	2.70%	\$ 294.4	\$ 1.0	1.39%	\$ 202.8	\$ 1.3	2.60%
Securities (2)	8,018.0	56.0	2.80	7,372.2	52.6	2.85	7,310.6	52.4	2.87
Loans:									
Commercial real estate	14,715.3	149.6	4.07	13,793.2	147.2	4.27	11,588.3	132.7	4.58
Commercial and industrial	10,866.6	109.8	4.04	10,805.1	117.7	4.36	8,974.0	106.5	4.74
Equipment financing	4,915.6	68.2	5.55	4,785.0	66.7	5.58	4,357.7	59.0	5.42
Residential mortgage	10,236.3	90.5	3.54	10,019.0	88.5	3.53	8,153.6	70.9	3.48
Home equity and other consumer	2,726.1	30.7	4.51	2,603.8	30.8	4.72	1,972.9	24.9	5.05
Total loans	43,459.9	448.8	4.13	42,006.1	450.9	4.29	35,046.5	394.0	4.50
Total earning assets	51,767.7	\$506.8	3.92%	49,672.7	\$504.5	4.06%	42,559.9	\$447.7	4.21%
Other assets	6,836.0			6,457.2			5,240.3		
Total assets	\$ 58,603.7			\$ 56,129.9			\$ 47,800.2		
Liabilities and stockholders' equity:									
Deposits:									
Non-interest-bearing	\$ 10,077.8	\$ -	- %	\$ 9,593.6	\$ -	- %	\$ 8,301.3	\$ -	- %
Savings, interest-bearing checking and money market	24,940.7	44.1	0.71	23,674.3	49.7	0.84	21,018.0	48.8	0.93
Time	9,144.6	34.8	1.52	8,926.8	37.2	1.67	7,130.8	32.4	1.82
Total deposits	44,163.1	78.9	0.71	42,194.7	86.9	0.82	36,450.1	81.2	0.89
Borrowings:									
Federal Home Loan Bank advances	2,430.6	9.8	1.61	2,287.7	11.4	1.99	1,890.1	12.4	2.64
Federal funds purchased	1,593.9	5.1	1.28	1,489.3	6.4	1.73	751.9	4.7	2.52
Customer repurchase agreements	328.0	0.5	0.67	369.2	0.7	0.73	286.2	0.5	0.65
Other borrowings	-	-	-	-	-	-	9.0	0.1	2.43
Total borrowings	4,352.5	15.4	1.42	4,146.2	18.5	1.78	2,937.2	17.7	2.41
Notes and debentures	999.5	8.8	3.51	973.5	8.8	3.61	896.3	8.8	3.93
Total funding liabilities	49,515.1	\$103.1	0.83%	47,314.4	\$114.2	0.96%	40,283.6	\$107.7	1.07%
Other liabilities	1,284.3			1,161.3			954.3		
Total liabilities	50,799.4			48,475.7			41,237.9		
Stockholders' equity	7,804.3			7,654.2			6,562.3		
Total liabilities and stockholders' equity	\$ 58,603.7			\$ 56,129.9			\$ 47,800.2		
Net interest income/spread (3)		\$403.7	3.09%		\$390.3	3.10%		\$340.0	3.14%
Net interest margin			3.12%			3.14%			3.20%

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

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

(3) The fully taxable equivalent adjustment was \$7.7 million, \$7.6 million and \$7.2 million for the three months ended March 31, 2020, December 31, 2019 and March 31, 2019, respectively.

People's United Financial, Inc.

As a result of People's United Financial's adoption of CECL effective January 1, 2020, the distinction between the originated and acquired loan portfolios is no longer necessary.

NON-PERFORMING ASSETS

(dollars in millions)	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019
Non-performing loans:					
Commercial:					
Commercial real estate	\$ 53.5	\$ 29.8	\$ 25.1	\$ 23.2	\$ 33.6
Commercial and industrial	55.6	32.1	37.7	45.4	30.3
Equipment financing	42.5	46.2	41.5	42.7	37.5
Total Commercial	151.6	108.1	104.3	111.3	101.4
Retail:					
Residential mortgage	66.6	36.3	36.6	38.4	35.4
Home equity	22.1	12.6	14.3	14.7	14.1
Other consumer	0.1	-	0.1	-	-
Total Retail	88.8	48.9	51.0	53.1	49.5
Subtotal	240.4	157.0	155.3	164.4	150.9
Acquired non-performing loans (contractual amount)	-	67.1	21.1	34.1	42.6
Total non-performing loans (1), (2)	\$ 240.4	\$ 224.1	\$ 176.4	\$ 198.5	\$ 193.5
REO:					
Residential	\$ 9.5	\$ 11.9	\$ 12.3	\$ 8.1	\$ 6.9
Commercial	7.3	7.3	7.7	0.6	4.1
Total REO	\$ 16.8	\$ 19.2	\$ 20.0	\$ 8.7	\$ 11.0
Reposessed assets	\$ 4.6	\$ 4.2	\$ 6.3	\$ 5.7	\$ 5.6
Total non-performing assets (2)	\$ 261.8	\$ 247.5	\$ 202.7	\$ 212.9	\$ 210.1
Non-performing loans as a percentage of total loans (3)	0.54 %	0.51 %	0.45 %	0.51 %	0.54 %
Non-performing assets as a percentage of (3):					
Total loans, REO and reposessed assets	0.59	0.57	0.52	0.55	0.59
Tangible stockholders' equity and allowance for credit losses	5.45	5.03	4.70	5.05	5.30

(1) Reported net of government guarantees totaling \$1.2 million at March 31, 2020, \$1.3 million at December 31, 2019, \$1.4 million at September 30, 2019, \$1.6 million at June 30, 2019 and \$1.4 million at March 31, 2019.

(2) Total non-performing loans and non-performing assets for periods prior to January 1, 2020 have been restated to include acquired loans.

(3) Ratios for periods prior to January 1, 2020 have been restated to reflect the total loan portfolio (originated and acquired).

People's United Financial, Inc.

PROVISION AND ALLOWANCE FOR CREDIT LOSSES

(dollars in millions)	Three Months Ended				
	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019
Allowance for credit losses:					
Balance at beginning of period (1)	\$ 246.6	\$ 242.3	\$ 240.1	\$ 236.9	\$ 236.3
Charge-offs (1)	(12.6)	(7.2)	(6.8)	(4.4)	(5.6)
Recoveries (1)	2.0	1.6	2.1	2.2	2.2
Net loan charge-offs (1)	(10.6)	(5.6)	(4.7)	(2.2)	(3.4)
Provision for credit losses (1)	33.5	8.8	6.9	5.4	4.0
CECL transition adjustment	72.2	N/A	N/A	N/A	N/A
Balance at end of period (1)	341.7	245.5	242.3	240.1	236.9
Allowance for credit losses on acquired loans:					
Balance at beginning of period	N/A	3.7	3.9	4.0	4.1
Charge-offs	N/A	(1.3)	(1.4)	(2.9)	(1.9)
Recoveries	N/A	0.2	0.3	0.6	0.2
Net loan charge-offs	N/A	(1.1)	(1.1)	(2.3)	(1.7)
Provision for loan losses	N/A	(1.5)	0.9	2.2	1.6
Balance at end of period	N/A	1.1	3.7	3.9	4.0
Total allowance for credit losses	\$ 341.7	\$ 246.6	\$ 246.0	\$ 244.0	\$ 240.9
Allowance for credit losses as a percentage of (2):					
Total loans	0.77 %	0.57 %	0.63 %	0.63 %	0.68 %
Non-performing loans	142.2	110.0	139.5	122.9	124.5

N/A - not applicable

(1) Amounts for periods prior to January 1, 2020 reflect only the originated loan portfolio.

(2) Ratios for periods prior to January 1, 2020 have been restated to reflect the total loan portfolio (originated and acquired).

NET LOAN CHARGE-OFFS (RECOVERIES)

(dollars in millions)	Three Months Ended				
	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019
Commercial:					
Commercial real estate	\$ 3.4	\$ (0.1)	\$ (0.2)	\$ 0.1	\$ 1.1
Commercial and industrial	1.0	2.3	1.6	0.2	1.7
Equipment financing	3.9	4.2	4.2	3.9	2.2
Total	8.3	6.4	5.6	4.2	5.0
Retail:					
Residential mortgage	0.8	(0.2)	-	0.1	0.1
Home equity	0.1	0.3	-	-	(0.2)
Other consumer	1.4	0.2	0.2	0.2	0.2
Total	2.3	0.3	0.2	0.3	0.1
Total net loan charge-offs	\$ 10.6	\$ 6.7	\$ 5.8	\$ 4.5	\$ 5.1
Net loan charge-offs to average total loans (annualized)	0.10 %	0.06 %	0.06 %	0.05 %	0.06 %

People's United Financial, Inc.

NON-GAAP FINANCIAL MEASURES AND RECONCILIATION TO GAAP

In addition to evaluating People's United Financial Inc. ("People's United") results of operations in accordance with U.S. generally accepted accounting principles ("GAAP"), management routinely supplements its evaluation with an analysis of certain non-GAAP financial measures, such as the efficiency and tangible common equity ratios, tangible book value per common share and operating earnings metrics. Management believes these non-GAAP financial measures provide information useful to investors in understanding People's United's underlying operating performance and trends, and facilitates comparisons with the performance of other financial institutions. Further, the efficiency ratio and operating earnings metrics are used by management in its assessment of financial performance, including non-interest expense control, while the tangible common equity ratio and tangible book value per common share are used to analyze the relative strength of People's United's capital position.

The efficiency ratio, which represents an approximate measure of the cost required by People's United to generate a dollar of revenue, is the ratio of (i) total non-interest expense (excluding operating lease expense, goodwill impairment charges, amortization of other acquisition-related intangible assets, losses on real estate assets and non-recurring expenses) (the numerator) to (ii) net interest income on a fully taxable equivalent ("FTE") basis plus total non-interest income (including the FTE adjustment on bank-owned life insurance ("BOLI") income, the netting of operating lease expense and excluding gains and losses on sales of assets other than residential mortgage loans and acquired loans, and non-recurring income) (the denominator). People's United generally considers an item of income or expense to be non-recurring if it is not similar to an item of income or expense of a type incurred within the last two years and is not similar to an item of income or expense of a type reasonably expected to be incurred within the following two years.

Operating earnings exclude from net income available to common shareholders those items that management considers to be of such a non-recurring or infrequent nature that, by excluding such items (net of income taxes), People's United's results can be measured and assessed on a more consistent basis from period to period. Items excluded from operating earnings, which include, but are not limited to: (i) non-recurring gains/losses; (ii) merger-related expenses, including acquisition integration and other costs; (iii) writedowns of banking house assets and related lease termination costs; (iv) severance-related costs; and (v) charges related to executive-level management separation costs, are generally also excluded when calculating the efficiency ratio. Operating earnings per common share ("EPS") is derived by determining the per common share impact of the respective adjustments to arrive at operating earnings and adding (subtracting) such amounts to (from) diluted EPS, as reported. Operating return on average assets is calculated by dividing operating earnings (annualized) by average total assets. Operating return on average tangible common equity is calculated by dividing operating earnings (annualized) by average tangible common equity. The operating common dividend payout ratio is calculated by dividing common dividends paid by operating earnings for the respective period.

The tangible common equity ratio is the ratio of (i) tangible common equity (total stockholders' equity less preferred stock, goodwill and other acquisition-related intangible assets) (the numerator) to (ii) tangible assets (total assets less goodwill and other acquisition-related intangible assets) (the denominator). Tangible book value per common share is calculated by dividing tangible common equity by common shares (total common shares issued, less common shares classified as treasury shares and unallocated Employee Stock Ownership Plan ("ESOP") common shares).

In light of diversity in presentation among financial institutions, the methodologies used by People's United for determining the non-GAAP financial measures discussed above may differ from those used by other financial institutions.

People's United Financial, Inc.

NON-GAAP FINANCIAL MEASURES AND RECONCILIATION TO GAAP - Continued

OPERATING NON-INTEREST EXPENSE AND EFFICIENCY RATIO

(dollars in millions)	Three Months Ended				
	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019
Total non-interest expense	\$ 320.1	\$ 325.7	\$ 281.4	\$ 278.4	\$ 277.2
Adjustments to arrive at operating non-interest expense:					
Merger-related expenses	(17.9)	(22.6)	(5.0)	(6.5)	(15.0)
Intangible asset write-down	-	(16.5)	-	-	-
Total	(17.9)	(39.1)	(5.0)	(6.5)	(15.0)
Operating non-interest expense	302.2	286.6	276.4	271.9	262.2
Adjustments:					
Amortization of other acquisition-related intangible assets	(10.7)	(9.8)	(8.0)	(8.0)	(6.7)
Operating lease expense	(9.8)	(9.6)	(9.9)	(9.9)	(9.4)
Other (1)	(1.9)	(1.6)	(1.4)	(1.4)	(1.8)
Total non-interest expense for efficiency ratio	\$ 279.8	\$ 265.6	\$ 257.1	\$ 252.6	\$ 244.3
Net interest income (FTE basis)	\$ 403.7	\$ 390.3	\$ 356.0	\$ 355.4	\$ 340.0
Total non-interest income	123.8	124.2	106.0	106.3	94.6
Total revenues	527.5	514.5	462.0	461.7	434.6
Adjustments:					
Operating lease expense	(9.8)	(9.6)	(9.9)	(9.9)	(9.4)
BOLI FTE adjustment	0.8	0.7	0.5	0.7	0.6
Gain on sale of branches, net of expenses	-	(7.6)	-	-	-
Net security gains	-	(0.1)	-	(0.1)	-
Other (2)	(0.3)	(3.2)	0.1	-	0.3
Total revenues for efficiency ratio	\$ 518.2	\$ 494.7	\$ 452.7	\$ 452.4	\$ 426.1
Efficiency ratio	54.0%	53.7%	56.8%	55.8%	57.3%

(1) Items classified as "other" and deducted from non-interest expense for purposes of calculating the efficiency ratio include certain franchise taxes and real estate owned expenses.

(2) Items classified as "other" and (deducted from) added to total revenues for purposes of calculating the efficiency ratio include, as applicable, asset write-offs and gains/losses associated with the sale of branch locations.

People's United Financial, Inc.

NON-GAAP FINANCIAL MEASURES AND RECONCILIATION TO GAAP - Continued

OPERATING EARNINGS

(dollars in millions, except per common share data)	Three Months Ended				
	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019
Net income available to common shareholders	\$ 126.9	\$ 134.0	\$ 131.6	\$ 129.7	\$ 111.1
Adjustments to arrive at operating earnings:					
Merger-related expenses	17.9	22.6	5.0	6.5	15.0
Intangible asset write-down	-	16.5	-	-	-
Gain on sale of branches, net of expenses	-	(7.6)	-	-	-
Total pre-tax adjustments	17.9	31.5	5.0	6.5	15.0
Tax effect	(3.7)	(6.7)	(1.1)	(1.4)	(3.1)
Total adjustments, net of tax	14.2	24.8	3.9	5.1	11.9
Operating earnings	\$ 141.1	\$ 158.8	\$ 135.5	\$ 134.8	\$ 123.0
Diluted EPS, as reported	\$ 0.30	\$ 0.31	\$ 0.33	\$ 0.33	\$ 0.30
Adjustments to arrive at operating EPS:					
Merger-related expenses	0.03	0.04	0.01	0.01	0.03
Intangible asset write-down	-	0.03	-	-	-
Gain on sale of branches, net of expenses	-	(0.01)	-	-	-
Total adjustments per common share	0.03	0.06	0.01	0.01	0.03
Operating EPS	\$ 0.33	\$ 0.37	\$ 0.34	\$ 0.34	\$ 0.33
Average total assets	\$58,604	\$56,130	\$51,524	\$51,088	\$47,800
Operating return on average assets (annualized)	0.96%	1.13%	1.05%	1.06%	1.03%

OPERATING RETURN ON AVERAGE TANGIBLE COMMON EQUITY

(dollars in millions)	Three Months Ended				
	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019
Operating earnings	\$ 141.1	\$ 158.8	\$ 135.5	\$ 134.8	\$ 123.0
Average stockholders' equity	\$ 7,804	\$ 7,654	\$ 7,079	\$ 6,978	\$ 6,562
Less: Average preferred stock	244	244	244	244	244
Average common equity	7,560	7,410	6,835	6,734	6,318
Less: Average goodwill and average other acquisition-related intangible assets	3,269	3,226	3,069	3,043	2,900
Average tangible common equity	\$ 4,291	\$ 4,184	\$ 3,766	\$ 3,691	\$ 3,418
Operating return on average tangible common equity (annualized)	13.2%	15.2%	14.4%	14.6%	14.4%

People's United Financial, Inc.

NON-GAAP FINANCIAL MEASURES AND RECONCILIATION TO GAAP - Continued

OPERATING COMMON DIVIDEND PAYOUT RATIO

(dollars in millions)	Three Months Ended				
	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019
Common dividends paid	\$ 77.3	\$ 69.9	\$ 69.9	\$ 69.8	\$ 65.2
Operating earnings	\$ 141.1	\$ 158.8	\$ 135.5	\$ 134.8	\$ 123.0
Operating common dividend payout ratio	54.8%	44.0%	51.6%	51.8%	53.0%

TANGIBLE COMMON EQUITY RATIO

(dollars in millions)	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019
Total stockholders' equity	\$ 7,726	\$ 7,947	\$ 7,131	\$ 7,046	\$ 6,621
Less: Preferred stock	244	244	244	244	244
Common equity	7,481	7,703	6,887	6,802	6,377
Less: Goodwill and other acquisition-related intangible assets	3,264	3,275	3,065	3,073	2,896
Tangible common equity	\$ 4,217	\$ 4,428	\$ 3,822	\$ 3,730	\$ 3,481
Total assets	\$ 60,433	\$ 58,590	\$ 52,072	\$ 51,622	\$ 48,092
Less: Goodwill and other acquisition-related intangible assets	3,264	3,275	3,065	3,073	2,896
Tangible assets	\$ 57,169	\$ 55,315	\$ 49,007	\$ 48,549	\$ 45,196
Tangible common equity ratio	7.4%	8.0%	7.8%	7.7%	7.7%

TANGIBLE BOOK VALUE PER COMMON SHARE

(in millions, except per common share data)	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019
Tangible common equity	\$ 4,217	\$ 4,428	\$ 3,822	\$ 3,730	\$ 3,481
Common shares issued	533.26	532.83	487.59	487.35	467.38
Less: Shares classified as treasury shares	103.88	89.17	89.01	89.01	89.01
Common shares outstanding	429.38	443.66	398.58	398.34	378.37
Less: Unallocated ESOP shares	5.87	5.92	6.01	6.10	6.19
Common shares	423.51	437.74	392.57	392.24	372.18
Tangible book value per common share	\$ 9.96	\$ 10.12	\$ 9.74	\$ 9.51	\$ 9.35