

People's United Financial, Inc.
FINANCIAL HIGHLIGHTS

(dollars in millions, except per common share data)	Three Months Ended				
	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2017	Sept. 30, 2017
Earnings Data:					
Net interest income (fully taxable equivalent)	\$ 313.0	\$ 307.8	\$ 302.1	\$ 304.1	\$ 295.8
Net interest income	306.4	301.2	295.8	292.3	284.6
Provision for loan losses	8.2	6.5	5.4	7.5	7.0
Non-interest income (1)	92.3	94.9	90.4	87.3	89.3
Non-interest expense (1)	241.3	248.6	243.5	239.7	237.1
Income before income tax expense	149.2	141.0	137.3	132.4	129.8
Net income	117.0	110.2	107.9	106.2	90.8
Net income available to common shareholders (1)	113.5	106.7	104.4	102.7	87.3
Selected Statistical Data:					
Net interest margin (2)	3.15 %	3.10 %	3.05 %	3.07 %	3.04 %
Return on average assets (1), (2)	1.06	1.00	0.98	0.96	0.84
Return on average common equity (2)	8.0	7.6	7.5	7.4	6.4
Return on average tangible common equity (1), (2)	14.5	13.9	13.8	13.8	11.8
Efficiency ratio (1)	56.7	58.4	59.4	56.1	57.3
Common Share Data:					
Earnings per common share:					
Basic	\$ 0.33	\$ 0.31	\$ 0.31	\$ 0.30	\$ 0.26
Diluted (1)	0.33	0.31	0.30	0.30	0.26
Dividends paid per common share	0.1750	0.1750	0.1725	0.1725	0.1725
Common dividend payout ratio (1)	52.9 %	56.2 %	56.3 %	57.1 %	66.8 %
Book value per common share (end of period)	\$ 16.69	\$ 16.56	\$ 16.43	\$ 16.40	\$ 16.29
Tangible book value per common share (end of period) (1)	9.19	9.02	8.93	8.87	8.68
Stock price:					
High	19.00	19.37	20.26	19.50	18.26
Low	16.95	18.00	18.18	17.58	15.97
Close (end of period)	17.12	18.09	18.66	18.70	18.14
Common shares (end of period) (in millions)	342.36	341.59	341.01	339.98	337.84
Weighted average diluted common shares (in millions)	345.04	344.47	344.00	341.11	338.82

(1) See Non-GAAP Financial Measures and Reconciliation to GAAP beginning on page 16.

(2) Annualized.

People's United Financial, Inc.
FINANCIAL HIGHLIGHTS

(dollars in millions, except per common share data)	Nine Months Ended	
	September 30,	
	2018	2017
Earnings Data:		
Net interest income (fully taxable equivalent)	\$ 922.9	\$ 839.1
Net interest income	903.4	808.1
Provision for loan losses	20.1	18.5
Non-interest income	277.6	265.6
Non-interest expense (1)	733.4	720.5
Income before income tax expense	427.5	334.7
Net income	335.1	230.9
Net income available to common shareholders (1)	324.6	220.4
Selected Statistical Data:		
Net interest margin (2)	3.10 %	2.94 %
Return on average assets (1), (2)	1.01	0.73
Return on average common equity (2)	7.7	5.6
Return on average tangible common equity (1), (2)	14.1	10.0
Efficiency ratio (1)	58.2	58.3
Common Share Data:		
Earnings per common share:		
Basic	\$ 0.95	\$ 0.67
Diluted (1)	0.94	0.67
Dividends paid per common share	0.5225	0.5150
Common dividend payout ratio (1)	55.1 %	76.8 %
Book value per common share (end of period)	\$ 16.69	\$ 16.29
Tangible book value per common share (end of period) (1)	9.19	8.68
Stock price:		
High	20.26	19.85
Low	16.95	15.97
Close (end of period)	17.12	18.14
Common shares (end of period) (in millions)	342.36	337.84
Weighted average diluted common shares (in millions)	344.50	329.59

(1) See Non-GAAP Financial Measures and Reconciliation to GAAP beginning on page 16.

(2) Annualized.

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

(dollars in millions)	As of and for the Three Months Ended				
	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2017	Sept. 30, 2017
Financial Condition Data:					
Total assets	\$ 44,133	\$ 44,575	\$ 44,101	\$ 44,453	\$ 43,998
Loans	32,199	32,512	32,104	32,575	32,384
Securities	7,385	7,324	7,173	7,043	6,914
Short-term investments	128	253	470	378	303
Allowance for loan losses	238	237	235	234	233
Goodwill and other acquisition-related intangible assets	2,569	2,574	2,555	2,560	2,568
Deposits	33,210	32,468	32,894	33,056	32,547
Borrowings	3,392	4,639	3,877	4,104	4,144
Notes and debentures	886	889	892	902	906
Stockholders' equity	5,959	5,900	5,845	5,820	5,746
Total risk-weighted assets (1):					
People's United Financial, Inc.	33,165	33,369	32,833	33,256	33,029
People's United Bank, N.A.	33,116	33,317	32,784	33,202	32,981
Non-performing assets (2)	173	187	174	168	191
Net loan charge-offs	7.0	5.0	4.5	6.5	5.2
Average Balances:					
Loans	\$ 32,166	\$ 32,116	\$ 32,096	\$ 32,271	\$ 31,994
Securities (3)	7,404	7,302	7,186	7,022	6,559
Short-term investments	193	267	366	361	347
Total earning assets	39,763	39,685	39,648	39,654	38,900
Total assets	44,245	44,110	44,011	44,039	43,256
Deposits	33,058	32,536	32,824	32,879	32,065
Borrowings	3,539	4,031	3,752	3,836	4,010
Notes and debentures	888	890	895	904	909
Total funding liabilities	37,485	37,456	37,471	37,619	36,984
Stockholders' equity	5,937	5,870	5,820	5,774	5,722
Ratios:					
Net loan charge-offs to average total loans (annualized)	0.09 %	0.06 %	0.06 %	0.08 %	0.06 %
Non-performing assets to originated loans, real estate owned and repossessed assets (2)	0.57	0.62	0.58	0.56	0.64
Originated allowance for loan losses to:					
Originated loans (2)	0.78	0.77	0.78	0.77	0.77
Originated non-performing loans (2)	147.9	138.4	149.3	155.2	131.6
Average stockholders' equity to average total assets	13.4	13.3	13.2	13.1	13.2
Stockholders' equity to total assets	13.5	13.2	13.3	13.1	13.1
Tangible common equity to tangible assets (4)	7.6	7.3	7.3	7.2	7.1
Total risk-based capital (1):					
People's United Financial, Inc.	12.8	12.5	12.6	12.2	12.0
People's United Bank, N.A.	13.6	13.4	12.9	12.6	12.6

(1) September 30, 2018 amounts and ratios are preliminary.

(2) Excludes acquired loans.

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

(4) See Non-GAAP Financial Measures and Reconciliation to GAAP beginning on page 16.

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

(in millions)	Sept. 30, 2018	June 30, 2018	Dec. 31, 2017	Sept. 30, 2017
Assets				
Cash and due from banks	\$ 410.5	\$ 462.7	\$ 505.1	\$ 414.1
Short-term investments	127.5	253.1	377.5	302.5
Securities:				
Trading debt securities, at fair value	8.3	8.2	8.2	8.3
Equity securities, at fair value	8.9	9.9	8.7	9.0
Debt securities available-for-sale, at fair value	3,312.1	3,245.1	3,125.3	3,188.5
Debt securities held-to-maturity, at amortized cost	3,742.9	3,718.7	3,588.1	3,387.6
Federal Home Loan Bank and Federal Reserve Bank stock, at cost	312.4	342.2	312.3	320.9
Total securities	7,384.6	7,324.1	7,042.6	6,914.3
Loans held-for-sale	15.2	17.1	16.6	15.0
Loans:				
Commercial real estate	10,595.5	10,761.1	11,068.7	11,180.5
Commercial and industrial	8,568.6	8,823.3	8,731.1	8,624.7
Equipment financing	4,209.3	4,103.9	3,905.4	3,705.6
Total Commercial Portfolio	23,373.4	23,688.3	23,705.2	23,510.8
Residential mortgage	6,911.9	6,866.2	6,805.7	6,781.0
Home equity and other consumer	1,914.0	1,957.5	2,064.4	2,092.7
Total Retail Portfolio	8,825.9	8,823.7	8,870.1	8,873.7
Total loans	32,199.3	32,512.0	32,575.3	32,384.5
Less allowance for loan losses	(238.0)	(236.8)	(234.4)	(233.4)
Total loans, net	31,961.3	32,275.2	32,340.9	32,151.1
Goodwill and other acquisition-related intangible assets	2,568.9	2,573.8	2,560.0	2,567.9
Bank-owned life insurance	407.7	407.2	405.0	405.6
Premises and equipment, net	243.8	246.3	253.0	264.7
Other assets	1,013.7	1,015.0	952.7	963.0
Total assets	\$ 44,133.2	\$ 44,574.5	\$ 44,453.4	\$ 43,998.2
Liabilities				
Deposits:				
Non-interest-bearing	\$ 8,060.2	\$ 8,002.4	\$ 8,002.4	\$ 7,655.3
Savings	4,048.8	4,184.9	4,410.5	4,513.1
Interest-bearing checking and money market	15,065.3	14,659.4	15,189.1	15,143.1
Time	6,035.9	5,621.5	5,454.3	5,235.8
Total deposits	33,210.2	32,468.2	33,056.3	32,547.3
Borrowings:				
Federal Home Loan Bank advances	2,369.7	3,510.1	2,774.4	3,074.1
Federal funds purchased	735.0	855.0	820.0	543.0
Customer repurchase agreements	261.3	254.9	301.6	295.8
Other borrowings	26.0	19.1	207.8	231.1
Total borrowings	3,392.0	4,639.1	4,103.8	4,144.0
Notes and debentures	885.6	888.7	901.6	906.2
Other liabilities	686.5	678.3	571.8	654.6
Total liabilities	38,174.3	38,674.3	38,633.5	38,252.1
Stockholders' Equity				
Preferred stock	244.1	244.1	244.1	244.1
Common stock	4.4	4.4	4.4	4.3
Additional paid-in capital	6,054.3	6,040.3	6,012.3	5,972.2
Retained earnings	1,220.9	1,167.9	1,040.2	996.4
Unallocated common stock of Employee Stock Ownership Plan, at cost	(131.9)	(133.7)	(137.3)	(139.1)
Accumulated other comprehensive loss	(270.8)	(260.7)	(181.7)	(169.7)
Treasury stock, at cost	(1,162.1)	(1,162.1)	(1,162.1)	(1,162.1)
Total stockholders' equity	5,958.9	5,900.2	5,819.9	5,746.1
Total liabilities and stockholders' equity	\$ 44,133.2	\$ 44,574.5	\$ 44,453.4	\$ 43,998.2

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

(in millions, except per common share data)	Three Months Ended				
	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2017	Sept. 30, 2017
Interest and dividend income:					
Commercial real estate	\$ 114.7	\$ 111.5	\$ 107.0	\$ 106.2	\$ 105.6
Commercial and industrial	93.2	90.1	82.3	80.1	80.0
Equipment financing	56.2	50.5	48.9	47.4	41.5
Residential mortgage	56.0	55.3	54.7	53.4	52.5
Home equity and other consumer	22.0	21.4	20.8	20.7	21.0
Total interest on loans	342.1	328.8	313.7	307.8	300.6
Securities	46.6	45.1	44.0	41.6	37.2
Short-term investments	1.1	1.3	1.2	1.0	1.1
Loans held-for-sale	0.2	0.2	0.2	0.2	0.3
Total interest and dividend income	390.0	375.4	359.1	350.6	339.2
Interest expense:					
Deposits	56.9	47.3	41.3	38.3	34.4
Borrowings	18.2	18.5	14.2	12.4	12.7
Notes and debentures	8.5	8.4	7.8	7.6	7.5
Total interest expense	83.6	74.2	63.3	58.3	54.6
Net interest income	306.4	301.2	295.8	292.3	284.6
Provision for loan losses	8.2	6.5	5.4	7.5	7.0
Net interest income after provision for loan losses	298.2	294.7	290.4	284.8	277.6
Non-interest income:					
Bank service charges	24.9	24.3	23.8	24.7	25.3
Investment management fees	17.4	17.2	17.7	17.3	16.9
Operating lease income	11.0	11.2	10.7	11.7	10.9
Insurance revenue	9.8	8.3	9.8	6.9	9.7
Commercial banking lending fees	7.9	9.4	10.4	8.8	7.0
Cash management fees	7.0	7.0	6.6	6.5	6.8
Brokerage commissions	3.2	3.2	3.1	2.9	2.8
Customer interest rate swap income, net	2.8	4.0	1.5	5.2	1.9
Net security gains (losses) (1)	0.1	-	0.1	(9.8)	-
Other non-interest income	8.2	10.3	6.7	13.1	8.0
Total non-interest income	92.3	94.9	90.4	87.3	89.3
Non-interest expense:					
Compensation and benefits (2)	135.7	135.0	140.7	132.7	129.9
Occupancy and equipment	41.6	40.8	41.2	41.0	40.2
Professional and outside services	17.0	20.6	18.6	18.7	19.2
Regulatory assessments	10.0	9.9	10.6	11.9	10.3
Operating lease expense	8.9	8.7	9.0	8.9	8.8
Amortization of other acquisition-related intangible assets	4.9	4.9	5.1	7.9	7.9
Other non-interest expense (2)	23.2	28.7	18.3	18.6	20.8
Total non-interest expense (1)	241.3	248.6	243.5	239.7	237.1
Income before income tax expense	149.2	141.0	137.3	132.4	129.8
Income tax expense (1)	32.2	30.8	29.4	26.2	39.0
Net income	117.0	110.2	107.9	106.2	90.8
Preferred stock dividend	3.5	3.5	3.5	3.5	3.5
Net income available to common shareholders	\$ 113.5	\$ 106.7	\$ 104.4	\$ 102.7	\$ 87.3
Earnings per common share:					
Basic	\$ 0.33	\$ 0.31	\$ 0.31	\$ 0.30	\$ 0.26
Diluted	0.33	0.31	0.30	0.30	0.26

(1) Includes \$10.0 million of security losses incurred as a tax planning strategy in response to tax reform enacted on December 22, 2017, which are considered non-operating, for the three months ended December 31, 2017. Total non-interest expense includes \$0.5 million, \$2.9 million, \$1.6 million and \$3.0 million of non-operating expenses for the three months ended September 30, 2018, June 30, 2018, December 31, 2017 and September 30, 2017, respectively. Income tax expense includes a \$6.5 million benefit realized in connection with tax reform, which is considered non-operating, for the three months ended December 31, 2017. See Non-GAAP Financial Measures and Reconciliation to GAAP beginning on page 16.

(2) In accordance with GAAP, effective January 1, 2018, net periodic pension and postretirement benefit costs are reported within other non-interest expense rather than compensation and benefits. Prior period amounts have been reclassified to conform to this presentation.

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

(in millions, except per common share data)	Nine Months Ended	
	September 30,	
	2018	2017
Interest and dividend income:		
Commercial real estate	\$ 333.2	\$ 299.5
Commercial and industrial	265.6	218.7
Equipment financing	155.6	104.6
Residential mortgage	166.0	154.1
Home equity and other consumer	64.2	59.3
Total interest on loans	984.6	836.2
Securities	135.7	112.1
Short-term investments	3.6	2.7
Loans held for sale	0.6	0.7
Total interest and dividend income	1,124.5	951.7
Interest expense:		
Deposits	145.5	92.4
Borrowings	50.9	28.9
Notes and debentures	24.7	22.3
Total interest expense	221.1	143.6
Net interest income	903.4	808.1
Provision for loan losses	20.1	18.5
Net interest income after provision for loan losses	883.3	789.6
Non-interest income:		
Bank service charges	73.0	73.8
Investment management fees	52.3	49.2
Operating lease income	32.9	32.1
Insurance revenue	27.9	26.3
Commercial banking lending fees	27.7	26.7
Cash management fees	20.6	19.6
Brokerage commissions	9.5	9.2
Customer interest rate swap income, net	8.3	7.1
Net security gains (losses)	0.2	(15.6)
Other non-interest income	25.2	37.2
Total non-interest income	277.6	265.6
Non-interest expense:		
Compensation and benefits (1)	411.4	389.9
Occupancy and equipment	123.6	118.6
Professional and outside services	56.2	62.8
Regulatory assessments	30.5	29.8
Operating lease expense	26.6	26.3
Amortization of other acquisition-related intangible assets	14.9	22.1
Other non-interest expense (1)	70.2	71.0
Total non-interest expense (2)	733.4	720.5
Income before income tax expense	427.5	334.7
Income tax expense	92.4	103.8
Net income	335.1	230.9
Preferred stock dividend	10.5	10.5
Net income available to common shareholders	\$ 324.6	\$ 220.4
Earnings per common share:		
Basic	\$ 0.95	\$ 0.67
Diluted	0.94	0.67

(1) In accordance with GAAP, effective January 1, 2018, net periodic pension and postretirement benefit costs are reported within other non-interest expense rather than compensation and benefits. Prior period amounts have been reclassified to conform to this presentation.

(2) Total non-interest expense includes \$3.4 million and \$29.0 million of non-operating expenses for the nine months ended September 30, 2018 and 2017, respectively. See Non-GAAP Financial Measures and Reconciliation to GAAP beginning on page 16.

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

Three months ended (dollars in millions)	September 30, 2018			June 30, 2018			September 30, 2017		
	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate
Assets:									
Short-term investments	\$ 192.5	\$ 1.1	2.06%	\$ 266.7	\$ 1.3	2.02%	\$ 347.3	\$ 1.1	1.25%
Securities (2)	7,404.2	50.8	2.75	7,302.1	49.2	2.69	6,558.8	44.4	2.71
Loans:									
Commercial real estate	10,641.4	114.7	4.31	10,802.9	111.5	4.13	11,169.8	105.6	3.78
Commercial and industrial	8,584.8	95.6	4.45	8,558.3	92.6	4.32	8,580.0	84.0	3.91
Equipment financing	4,120.8	56.2	5.47	3,923.6	50.5	5.14	3,399.5	41.5	4.89
Residential mortgage	6,887.3	56.2	3.27	6,853.6	55.5	3.24	6,731.7	52.8	3.13
Home equity and other consumer	1,931.8	22.0	4.55	1,977.6	21.4	4.33	2,112.6	21.0	3.97
Total loans	32,166.1	344.7	4.29	32,116.0	331.5	4.13	31,993.6	304.9	3.81
Total earning assets	39,762.8	\$ 396.6	3.99%	39,684.8	\$ 382.0	3.85%	38,899.7	\$ 350.4	3.60%
Other assets	4,481.8			4,425.0			4,356.7		
Total assets	\$ 44,244.6			\$ 44,109.8			\$ 43,256.4		
Liabilities and stockholders' equity:									
Deposits:									
Non-interest-bearing	\$ 8,025.2	\$ -	- %	\$ 7,872.7	\$ -	- %	\$ 7,609.1	\$ -	- %
Savings, interest-bearing checking and money market	19,031.4	32.6	0.68	19,220.6	28.2	0.59	19,529.1	21.4	0.44
Time	6,001.3	24.3	1.62	5,442.3	19.1	1.40	4,926.8	13.0	1.06
Total deposits	33,057.9	56.9	0.69	32,535.6	47.3	0.58	32,065.0	34.4	0.43
Borrowings:									
Federal Home Loan Bank advances	2,560.6	14.0	2.18	3,009.3	14.8	1.97	2,834.3	9.4	1.33
Federal funds purchased	722.7	3.8	2.11	634.5	3.0	1.86	649.9	2.1	1.26
Customer repurchase agreements	234.3	0.3	0.53	228.7	0.1	0.31	311.3	0.1	0.19
Other borrowings	20.9	0.1	2.05	158.5	0.6	1.45	214.2	1.1	2.06
Total borrowings	3,538.5	18.2	2.05	4,031.0	18.5	1.84	4,009.7	12.7	1.27
Notes and debentures	888.3	8.5	3.83	889.6	8.4	3.79	908.9	7.5	3.29
Total funding liabilities	37,484.7	\$ 83.6	0.89%	37,456.2	\$ 74.2	0.79%	36,983.6	\$ 54.6	0.59%
Other liabilities	823.3			784.0			550.6		
Total liabilities	38,308.0			38,240.2			37,534.2		
Stockholders' equity	5,936.6			5,869.6			5,722.2		
Total liabilities and stockholders' equity	\$ 44,244.6			\$ 44,109.8			\$ 43,256.4		
Net interest income/spread (3)		\$ 313.0	3.10%		\$ 307.8	3.06%		\$ 295.8	3.01%
Net interest margin			3.15%			3.10%			3.04%

(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 \$6.6 million, \$6.6 million and \$11.2 million for the three months ended September 30, 2018, June 30, 2018 and September 30, 2017, respectively.

People's United Financial, Inc.

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

Nine months ended (dollars in millions)	September 30, 2018			September 30, 2017		
	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate
Assets:						
Short-term investments	\$ 274.6	\$ 3.6	1.74%	\$ 357.4	\$ 2.7	1.01%
Securities (2)	7,298.3	148.0	2.70	6,704.9	132.2	2.63
Loans:						
Commercial real estate	10,791.8	333.2	4.12	10,913.9	299.5	3.66
Commercial and industrial	8,521.2	272.8	4.27	8,192.8	229.6	3.74
Equipment financing	3,972.6	155.6	5.22	3,100.5	104.6	4.50
Residential mortgage	6,859.5	166.6	3.24	6,601.2	154.8	3.13
Home equity and other consumer	1,981.1	64.2	4.32	2,117.6	59.3	3.73
Total loans	32,126.2	992.4	4.12	30,926.0	847.8	3.66
Total earning assets	39,699.1	\$ 1,144.0	3.84%	37,988.3	\$ 982.7	3.45%
Other assets	4,423.6			4,102.3		
Total assets	\$ 44,122.7			\$ 42,090.6		
Liabilities and stockholders' equity:						
Deposits:						
Non-interest-bearing	\$ 7,899.0	\$ -	- %	\$ 7,152.2	\$ -	- %
Savings, interest-bearing checking and money market	19,296.0	85.7	0.59	19,446.5	57.4	0.39
Time	5,611.6	59.8	1.42	4,746.5	35.0	0.98
Total deposits	32,806.6	145.5	0.59	31,345.2	92.4	0.39
Borrowings:						
Federal Home Loan Bank advances	2,748.6	39.7	1.92	2,698.0	22.3	1.10
Federal funds purchased	655.6	9.1	1.85	627.6	4.9	1.03
Customer repurchase agreements	241.7	0.6	0.34	311.6	0.4	0.19
Other borrowings	127.1	1.5	1.60	102.5	1.3	1.71
Total borrowings	3,773.0	50.9	1.80	3,739.7	28.9	1.03
Notes and debentures	891.0	24.7	3.70	927.1	22.3	3.21
Total funding liabilities	37,470.6	\$ 221.1	0.79%	36,012.0	\$ 143.6	0.53%
Other liabilities	776.1			548.5		
Total liabilities	38,246.7			36,560.5		
Stockholders' equity	5,876.0			5,530.1		
Total liabilities and stockholders' equity	\$ 44,122.7			\$ 42,090.6		
Net interest income/spread (3)		\$ 922.9	3.05%		\$ 839.1	2.92%
Net interest margin			3.10%			2.94%

(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 \$19.5 million and \$31.0 million for the nine months ended September 30, 2018 and 2017, respectively.

People's United Financial, Inc.

Loans acquired in a business combination are initially recorded at fair value with no carryover of an acquired entity's previous established allowance for loan losses. Accordingly, selected asset quality metrics have been highlighted to distinguish between the 'originated' portfolio and the 'acquired' portfolio.

NON-PERFORMING ASSETS

(dollars in millions)	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2017	Sept. 30, 2017
Originated non-performing loans:					
Commercial:					
Commercial real estate	\$ 17.2	\$ 20.3	\$ 21.0	\$ 23.7	\$ 36.7
Commercial and industrial	44.9	50.1	34.6	32.6	34.9
Equipment financing	49.3	49.2	47.7	44.3	54.1
Total	111.4	119.6	103.3	100.6	125.7
Retail:					
Residential mortgage	32.0	33.5	35.4	32.7	33.8
Home equity	14.6	15.1	16.1	15.4	14.8
Other consumer	0.1	-	-	-	-
Total	46.7	48.6	51.5	48.1	48.6
Total originated non-performing loans (1)	158.1	168.2	154.8	148.7	174.3
REO:					
Commercial	8.7	9.3	10.6	9.3	6.3
Residential	4.4	5.8	6.8	7.6	4.7
Total REO	13.1	15.1	17.4	16.9	11.0
Repossessed assets	2.0	3.7	1.8	2.5	5.4
Total non-performing assets	\$ 173.2	\$ 187.0	\$ 174.0	\$ 168.1	\$ 190.7
Acquired non-performing loans (contractual amount)	\$ 32.3	\$ 26.7	\$ 30.1	\$ 29.7	\$ 26.6
Originated non-performing loans as a percentage					
of originated loans	0.53 %	0.56 %	0.52 %	0.49 %	0.59 %
Non-performing assets as a percentage of:					
Originated loans, REO and repossessed assets	0.57	0.62	0.58	0.56	0.64
Tangible stockholders' equity and originated allowance for loan losses	4.78	5.25	4.94	4.81	5.60
(1) Reported net of government guarantees totaling \$2.5 million at September 30, 2018, \$2.6 million at June 30, 2018, \$3.0 million at March 31, 2018, \$3.1 million at December 31, 2017 and \$4.0 million at September 30, 2017.					

People's United Financial, Inc.

PROVISION AND ALLOWANCE FOR LOAN LOSSES

(dollars in millions)	Three Months Ended				
	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2017	Sept. 30, 2017
Allowance for loan losses on originated loans:					
Balance at beginning of period	\$ 232.8	\$ 231.3	\$ 230.8	\$ 229.2	\$ 227.9
Charge-offs	(6.4)	(4.7)	(4.4)	(6.4)	(5.8)
Recoveries	1.0	1.9	1.4	1.2	1.5
Net loan charge-offs	(5.4)	(2.8)	(3.0)	(5.2)	(4.3)
Provision for loan losses	6.5	4.3	3.5	6.8	5.6
Balance at end of period	233.9	232.8	231.3	230.8	229.2
Allowance for loan losses on acquired loans:					
Balance at beginning of period	4.0	4.0	3.6	4.2	3.7
Charge-offs	(2.0)	(2.5)	(1.8)	(1.5)	(1.0)
Recoveries	0.4	0.3	0.3	0.2	0.1
Net loan charge-offs	(1.6)	(2.2)	(1.5)	(1.3)	(0.9)
Provision for loan losses	1.7	2.2	1.9	0.7	1.4
Balance at end of period	4.1	4.0	4.0	3.6	4.2
Total allowance for loan losses	\$ 238.0	\$ 236.8	\$ 235.3	\$ 234.4	\$ 233.4
Originated commercial allowance for loan losses as a percentage of originated commercial loans	0.94 %	0.93 %	0.94 %	0.93 %	0.94 %
Originated retail allowance for loan losses as a percentage of originated retail loans	0.36	0.36	0.36	0.35	0.35
Total originated allowance for loan losses as a percentage of:					
Originated loans	0.78	0.77	0.78	0.77	0.77
Originated non-performing loans	147.9	138.4	149.3	155.2	131.6

NET LOAN CHARGE-OFFS (RECOVERIES)

(dollars in millions)	Three Months Ended				
	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2017	Sept. 30, 2017
Commercial:					
Commercial real estate	\$ 1.7	\$ 0.7	\$ 0.5	\$ 1.5	\$ 1.5
Commercial and industrial	2.2	1.7	1.7	2.1	2.0
Equipment financing	2.9	2.6	1.6	2.0	0.5
Total	6.8	5.0	3.8	5.6	4.0
Retail:					
Residential mortgage	0.1	(0.1)	0.2	0.2	0.1
Home equity	(0.1)	-	0.4	0.5	0.9
Other consumer	0.2	0.1	0.1	0.2	0.2
Total	0.2	-	0.7	0.9	1.2
Total net loan charge-offs	\$ 7.0	\$ 5.0	\$ 4.5	\$ 6.5	\$ 5.2
Net loan charge-offs to average total loans (annualized)	0.09 %	0.06 %	0.06 %	0.08 %	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					Nine Months Ended	
	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2017	Sept. 30, 2017	Sept. 30, 2018	Sept. 30, 2017
Total non-interest expense	\$ 241.3	\$ 248.6	\$ 243.5	\$ 239.7	\$ 237.1	\$ 733.4	\$ 720.5
Adjustments to arrive at operating non-interest expense:							
Merger-related expenses	(0.5)	(2.9)	-	(1.6)	(3.0)	(3.4)	(29.0)
Total	(0.5)	(2.9)	-	(1.6)	(3.0)	(3.4)	(29.0)
Operating non-interest expense	240.8	245.7	243.5	238.1	234.1	730.0	691.5
Operating lease expense	(8.9)	(8.7)	(9.0)	(8.9)	(8.8)	(26.6)	(26.3)
Amortization of other acquisition-related intangible assets	(4.9)	(4.9)	(5.1)	(7.9)	(7.9)	(14.9)	(22.1)
Other (1)	(1.8)	(1.7)	(1.3)	(1.4)	(1.5)	(4.8)	(3.7)
Total non-interest expense for efficiency ratio	\$ 225.2	\$ 230.4	\$ 228.1	\$ 219.9	\$ 215.9	\$ 683.7	\$ 639.4
Net interest income (FTE basis)	\$ 313.0	\$ 307.8	\$ 302.1	\$ 304.1	\$ 295.8	\$ 922.9	\$ 839.1
Total non-interest income	92.3	94.9	90.4	87.3	89.3	277.6	265.6
Total revenues	405.3	402.7	392.5	391.4	385.1	1,200.5	1,104.7
Adjustments:							
Operating lease expense	(8.9)	(8.7)	(9.0)	(8.9)	(8.8)	(26.6)	(26.3)
BOLI FTE adjustment	0.6	0.4	0.4	0.8	1.2	1.4	2.6
Net security (gains) losses	(0.1)	-	(0.1)	9.8	-	(0.2)	15.6
Other (2)	-	-	-	(1.3)	(0.2)	-	-
Total revenues for efficiency ratio	\$ 396.9	\$ 394.4	\$ 383.8	\$ 391.8	\$ 377.3	\$ 1,175.1	\$ 1,096.6
Efficiency ratio	56.7%	58.4%	59.4%	56.1%	57.3%	58.2%	58.3%

(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 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					Nine Months Ended	
	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2017	Sept. 30, 2017	Sept. 30, 2018	Sept. 30, 2017
Net income available to common shareholders	\$ 113.5	\$ 106.7	\$ 104.4	\$ 102.7	\$ 87.3	\$ 324.6	\$ 220.4
Adjustments to arrive at operating earnings:							
Merger-related expenses	0.5	2.9	-	1.6	3.0	3.4	29.0
Security losses associated with tax reform (1)	-	-	-	10.0	-	-	-
Total pre-tax adjustments	0.5	2.9	-	11.6	3.0	3.4	29.0
Tax effect (2)	(0.2)	(0.6)	-	(9.8)	(1.0)	(0.8)	(9.2)
Total adjustments, net of tax	0.3	2.3	-	1.8	2.0	2.6	19.8
Operating earnings	\$ 113.8	\$ 109.0	\$ 104.4	\$ 104.5	\$ 89.3	\$ 327.2	\$ 240.2
Diluted EPS, as reported	\$ 0.33	\$ 0.31	\$ 0.30	\$ 0.30	\$ 0.26	\$ 0.94	\$ 0.67
Adjustments to arrive at operating EPS:							
Merger-related expenses	-	0.01	-	0.01	-	0.01	0.06
Security losses associated with tax reform	-	-	-	0.02	-	-	-
Tax benefit associated with tax reform	-	-	-	(0.02)	-	-	-
Total adjustments per common share	-	0.01	-	0.01	-	0.01	0.06
Operating EPS	\$ 0.33	\$ 0.32	\$ 0.30	\$ 0.31	\$ 0.26	\$ 0.95	\$ 0.73
Average total assets	\$44,245	\$44,110	\$44,011	\$44,039	\$ 43,256	\$44,123	\$42,091
Operating return on average assets (annualized)	1.03%	0.99%	0.95%	0.95%	0.83%	0.99%	0.76%

(1) Security losses incurred as a tax planning strategy in response to tax reform enacted on December 22, 2017 are considered non-operating.

(2) Includes a \$6.5 million benefit realized in connection with tax reform enacted on December 22, 2017.

OPERATING RETURN ON AVERAGE TANGIBLE COMMON EQUITY

(dollars in millions)	Three Months Ended					Nine Months Ended	
	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2017	Sept. 30, 2017	Sept. 30, 2018	Sept. 30, 2017
Operating earnings	\$ 113.8	\$ 109.0	\$ 104.4	\$ 104.5	\$ 89.3	\$ 327.2	\$ 240.2
Average stockholders' equity	\$ 5,937	\$ 5,870	\$ 5,820	\$ 5,774	\$ 5,722	\$ 5,876	\$ 5,530
Less: Average preferred stock	244	244	244	244	244	244	244
Average common equity	5,693	5,626	5,576	5,530	5,478	5,632	5,286
Less: Average goodwill and average other acquisition-related intangible assets	2,572	2,554	2,558	2,564	2,524	2,561	2,359
Average tangible common equity	\$ 3,121	\$ 3,072	\$ 3,018	\$ 2,966	\$ 2,954	\$ 3,071	\$ 2,927
Operating return on average tangible common equity (annualized)	14.6%	14.2%	13.8%	14.1%	12.1%	14.2%	10.9%

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					Nine Months Ended	
	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2017	Sept. 30, 2017	Sept. 30, 2018	Sept. 30, 2017
Common dividends paid	\$ 60.0	\$ 59.9	\$ 58.8	\$ 58.6	\$ 58.3	\$ 178.7	\$ 169.3
Operating earnings	\$ 113.8	\$ 109.0	\$ 104.4	\$ 104.5	\$ 89.3	\$ 327.2	\$ 240.2
Operating common dividend payout ratio	52.7%	55.0%	56.3%	56.1%	65.3%	54.6%	70.5%

TANGIBLE COMMON EQUITY RATIO

(dollars in millions)	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2017	Sept. 30, 2017
Total stockholders' equity	\$ 5,959	\$ 5,900	\$ 5,845	\$ 5,820	\$ 5,746
Less: Preferred stock	244	244	244	244	244
Common equity	5,715	5,656	5,601	5,576	5,502
Less: Goodwill and other acquisition-related intangible assets	2,569	2,574	2,555	2,560	2,568
Tangible common equity	\$ 3,146	\$ 3,082	\$ 3,046	\$ 3,016	\$ 2,934
Total assets	\$ 44,133	\$ 44,575	\$ 44,101	\$ 44,453	\$ 43,998
Less: Goodwill and other acquisition-related intangible assets	2,569	2,574	2,555	2,560	2,568
Tangible assets	\$ 41,564	\$ 42,001	\$ 41,546	\$ 41,893	\$ 41,430
Tangible common equity ratio	7.6%	7.3%	7.3%	7.2%	7.1%

TANGIBLE BOOK VALUE PER COMMON SHARE

(in millions, except per common share data)	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2017	Sept. 30, 2017
Tangible common equity	\$ 3,146	\$ 3,082	\$ 3,046	\$ 3,016	\$ 2,934
Common shares issued	437.74	437.06	436.56	435.64	433.59
Less: Shares classified as treasury shares	89.02	89.02	89.02	89.04	89.04
Unallocated ESOP shares	6.36	6.45	6.53	6.62	6.71
Common shares	342.36	341.59	341.01	339.98	337.84
Tangible book value per common share	\$ 9.19	\$ 9.02	\$ 8.93	\$ 8.87	\$ 8.68