

**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, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020
<b>Earnings Data:</b>					
Net interest income (fully taxable equivalent)	\$ 393.5	\$ 390.2	\$ 398.7	\$ 413.0	\$ 403.7
Net interest income	385.9	382.8	391.4	405.6	396.0
Provision for credit losses	(13.6)	14.7	26.8	80.8	33.5
Non-interest income (1)	94.6	178.2	101.1	89.6	123.8
Non-interest expense (1)	311.9	646.4	293.6	304.0	320.1
Income (loss) before income tax expense	182.2	(100.1)	172.1	110.4	166.2
Net income (loss)	144.5	(145.3)	144.6	89.9	130.4
Net income (loss) available to common shareholders (1)	141.0	(148.8)	141.1	86.4	126.9
<b>Selected Statistical Data:</b>					
Net interest margin (2)	2.74 %	2.84 %	2.97 %	3.05 %	3.12 %
Return on average assets (1), (2)	0.90	(0.93)	0.94	0.58	0.89
Return on average common equity (2)	7.7	(7.8)	7.5	4.6	6.7
Return on average tangible common equity (1), (2)	12.5	(13.4)	13.1	8.1	11.8
Efficiency ratio (1)	56.6	55.5	53.8	53.5	54.0
<b>Common Share Data:</b>					
Earnings per common share:					
Basic	\$ 0.34	\$ (0.36)	\$ 0.34	\$ 0.21	\$ 0.30
Diluted (1)	0.33	(0.35)	0.34	0.21	0.30
Dividends paid per common share	0.1800	0.1800	0.1800	0.1800	0.1775
Common dividend payout ratio (1)	53.7 %	(50.8) %	53.6 %	87.4 %	60.9 %
Book value per common share	\$ 17.42	\$ 17.56	\$ 18.11	\$ 17.95	\$ 17.87
Tangible book value per common share (1)	10.70	10.77	10.37	10.18	10.07
Stock price:					
High	19.40	13.58	12.36	13.99	17.00
Low	12.66	9.98	9.74	9.37	10.40
Close	17.90	12.93	10.31	11.57	11.05
Common shares outstanding (in millions) (1)	427.22	424.68	424.67	424.59	424.47
Weighted average diluted common shares (in millions)	422.58	420.39	420.29	420.15	429.77

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

(2) Annualized.

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

(dollars in millions)	As of and for the Three Months Ended				
	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020
<b>Financial Condition Data:</b>					
Total assets	\$ 64,173	\$ 63,092	\$ 60,871	\$ 61,510	\$ 60,433
Loans	42,770	43,870	45,231	45,452	44,284
Securities	10,445	9,191	8,270	8,233	8,552
Short-term investments	4,992	3,766	439	987	744
Allowance for credit losses on loans	399	425	424	414	342
Goodwill and other acquisition-related intangible assets	2,835	2,846	3,244	3,254	3,264
Deposits	53,475	52,138	49,637	49,934	44,741
Borrowings	1,156	1,148	1,237	1,782	5,911
Notes and debentures	1,003	1,010	1,012	1,015	1,013
Stockholders' equity	7,592	7,603	7,831	7,763	7,726
Total risk-weighted assets (1):					
People's United Financial, Inc.	44,302	45,075	45,756	45,657	46,408
People's United Bank, N.A.	44,256	45,016	45,685	45,615	46,397
Non-accrual loans	353	329	306	296	240
Net loan charge-offs	12.4	13.4	17.3	8.5	10.6
<b>Average Balances:</b>					
Loans	\$ 42,854	\$ 44,061	\$ 44,853	\$ 45,153	\$ 43,460
Securities (2)	9,561	8,390	7,922	8,240	8,022
Short-term investments	5,000	2,582	842	774	290
Total earning assets	57,415	55,034	53,617	54,168	51,772
Total assets	64,057	62,396	61,293	61,841	58,604
Deposits	52,876	50,674	49,542	48,447	44,163
Borrowings	1,143	1,233	1,283	2,911	4,353
Notes and debentures	1,008	1,011	1,014	1,014	1,000
Total funding liabilities	55,027	52,918	51,839	52,372	49,515
Stockholders' equity	7,606	7,884	7,801	7,757	7,804
<b>Ratios:</b>					
Net loan charge-offs to average total loans (annualized)	0.12 %	0.12 %	0.15 %	0.08 %	0.10 %
Non-performing assets to total loans, real estate owned and repossessed assets	0.85	0.78	0.71	0.69	0.59
Allowance for credit losses on loans to:					
Total loans	0.93	0.97	0.94	0.91	0.77
Non-accrual loans	113.0	129.1	138.4	139.8	142.2
Average stockholders' equity to average total assets	11.9	12.6	12.7	12.5	13.3
Stockholders' equity to total assets	11.8	12.1	12.9	12.6	12.8
Tangible common equity to tangible assets (3)	7.4	7.5	7.5	7.3	7.4
Total risk-based capital (1):					
People's United Financial, Inc.	12.8	12.4	11.8	11.8	11.3
People's United Bank, N.A.	13.3	12.8	12.3	12.3	12.0

(1) March 31, 2021 amounts and ratios are preliminary.

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

(3) 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, 2021	Dec. 31, 2020	March 31, 2020
<b>Assets</b>			
Cash and due from banks	\$ 464.2	\$ 477.3	\$ 507.6
Short-term investments	4,992.1	3,766.0	744.3
Securities:			
Debt securities available-for-sale, at fair value	6,160.6	4,925.5	4,276.6
Debt securities held-to-maturity, at amortized cost	4,016.8	3,993.8	3,861.5
Federal Reserve Bank and Federal Home Loan Bank stock, at cost	266.2	266.6	407.2
Equity securities, at fair value	1.5	5.3	6.2
Total securities	10,445.1	9,191.2	8,551.5
Loans held-for-sale	10.1	26.5	19.2
Loans:			
Commercial and industrial (1)	14,288.2	14,982.3	12,045.7
Commercial real estate (1)	13,520.1	13,336.9	14,651.6
Equipment financing	4,927.2	4,930.0	5,012.7
Total Commercial Portfolio	32,735.5	33,249.2	31,710.0
Residential mortgage	8,067.2	8,518.9	10,081.9
Home equity and other consumer	1,967.0	2,101.4	2,492.1
Total Retail Portfolio	10,034.2	10,620.3	12,574.0
Total loans	42,769.7	43,869.5	44,284.0
Less allowance for credit losses on loans	(399.1)	(425.1)	(341.7)
Total loans, net	42,370.6	43,444.4	43,942.3
Goodwill and other acquisition-related intangible assets	2,834.6	2,845.9	3,264.0
Bank-owned life insurance	713.1	711.6	707.6
Premises and equipment, net	269.5	276.7	300.8
Other assets	2,073.2	2,352.2	2,396.0
Total assets	\$ 64,172.5	\$ 63,091.8	\$ 60,433.3
<b>Liabilities</b>			
Deposits:			
Non-interest-bearing	\$ 16,266.5	\$ 15,881.7	\$ 10,526.0
Savings	6,517.7	6,029.7	5,136.0
Interest-bearing checking and money market	25,782.8	24,567.5	20,238.9
Time	4,908.3	5,658.8	8,840.2
Total deposits	53,475.3	52,137.7	44,741.1
Borrowings:			
Federal Home Loan Bank advances	569.7	569.7	4,489.7
Customer repurchase agreements	436.2	452.9	301.1
Federal funds purchased	150.0	125.0	1,120.0
Total borrowings	1,155.9	1,147.6	5,910.8
Notes and debentures	1,003.3	1,009.6	1,012.6
Other liabilities	945.8	1,194.1	1,043.3
Total liabilities	56,580.3	55,489.0	52,707.8
<b>Stockholders' Equity</b>			
Preferred stock	244.1	244.1	244.1
Common stock	5.4	5.3	5.3
Additional paid-in capital	7,693.9	7,663.6	7,644.4
Retained earnings	1,426.9	1,363.6	1,514.5
Unallocated common stock of ESOP, at cost	(113.8)	(115.6)	(121.1)
Accumulated other comprehensive loss	(195.3)	(89.2)	(92.7)
Treasury stock, at cost	(1,469.0)	(1,469.0)	(1,469.0)
Total stockholders' equity	7,592.2	7,602.8	7,725.5
Total liabilities and stockholders' equity	\$ 64,172.5	\$ 63,091.8	\$ 60,433.3

(1) In the first quarter of 2021, the Company completed a portfolio review to ensure consistent classification of certain commercial loans across the Company's franchise and conformity to industry practice for such loans. As a result, approximately \$350 million of loans secured by non-owner-occupied commercial properties were prospectively reclassified, in March 2021, from commercial and industrial loans to commercial real estate loans. Prior period balances were not restated to conform to the current presentation.

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

(in millions, except per common share data)	Three Months Ended				
	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020
<b>Interest and dividend income:</b>					
Commercial and industrial	\$ 116.1	\$ 111.3	\$ 110.7	\$ 112.4	\$ 106.4
Commercial real estate	98.8	106.1	110.5	122.4	149.6
Equipment financing	62.8	62.1	65.4	67.6	68.2
Residential mortgage	69.9	74.9	82.1	84.8	90.4
Home equity and other consumer	16.5	18.7	19.9	20.1	28.0
Total interest on loans	364.1	373.1	388.6	407.3	442.6
Securities	51.4	47.2	47.5	49.8	51.2
Short-term investments	1.2	0.8	0.4	0.2	2.0
Loans held-for-sale	0.3	0.4	0.3	0.3	3.3
Total interest and dividend income	417.0	421.5	436.8	457.6	499.1
<b>Interest expense:</b>					
Deposits	22.7	30.1	36.5	41.7	78.9
Borrowings	1.2	1.3	1.5	2.0	15.4
Notes and debentures	7.2	7.3	7.4	8.3	8.8
Total interest expense	31.1	38.7	45.4	52.0	103.1
Net interest income	385.9	382.8	391.4	405.6	396.0
Provision for credit losses on loans	(13.6)	14.7	27.1	80.8	33.5
Provision for credit losses on securities	-	-	(0.3)	-	-
Net interest income after provision for credit losses	399.5	368.1	364.6	324.8	362.5
<b>Non-interest income:</b>					
Bank service charges	23.5	24.7	24.5	20.3	28.0
Investment management fees	19.9	18.9	18.8	17.4	18.1
Commercial banking lending fees	13.6	15.5	12.7	10.6	12.1
Operating lease income	11.3	12.9	12.4	11.8	12.6
Cash management fees	9.2	9.1	8.8	8.1	7.4
Customer interest rate swap income, net	0.1	2.2	1.2	2.7	8.8
Gain on sale of business, net of expenses (1)	-	75.9	-	-	-
Other non-interest income	17.0	19.0	22.7	18.7	36.8
Total non-interest income	94.6	178.2	101.1	89.6	123.8
<b>Non-interest expense:</b>					
Compensation and benefits	172.8	166.6	166.5	167.8	173.9
Occupancy and equipment	49.1	50.9	49.1	48.0	51.0
Professional and outside services	33.6	24.9	24.1	25.7	38.5
Amortization of other acquisition-related intangible assets	11.0	9.7	10.2	10.2	10.7
Regulatory assessments	8.1	6.9	8.4	8.7	8.7
Operating lease expense	7.8	8.5	9.3	8.8	9.8
Goodwill impairment	-	353.0	-	-	-
Other non-interest expense	29.5	25.9	26.0	34.8	27.5
Total non-interest expense (1)	311.9	646.4	293.6	304.0	320.1
Income (loss) before income tax expense	182.2	(100.1)	172.1	110.4	166.2
Income tax expense	37.7	45.2	27.5	20.5	35.8
Net income (loss)	144.5	(145.3)	144.6	89.9	130.4
Preferred stock dividend	3.5	3.5	3.5	3.5	3.5
Net income (loss) available to common shareholders	\$ 141.0	\$ (148.8)	\$ 141.1	\$ 86.4	\$ 126.9
<b>Earnings per common share:</b>					
Basic	\$ 0.34	\$ (0.36)	\$ 0.34	\$ 0.21	\$ 0.30
Diluted	0.33	(0.35)	0.34	0.21	0.30

(1) The gain on sale of business, net of expenses, is considered non-operating income. Total non-interest expense includes \$19.6 million, \$357.9 million, \$4.6 million, \$18.5 million and \$17.9 million of non-operating expenses for the three months ended March 31, 2021, December 31, 2020, September 30, 2020, June 30, 2020 and March 31, 2020, 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, 2021			December 31, 2020			March 31, 2020		
	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate
<b>Assets:</b>									
Short-term investments	\$ 5,000.0	\$ 1.2	0.10%	\$ 2,582.1	\$ 0.8	0.12%	\$ 289.8	\$ 2.0	2.70%
Securities (2)	9,560.6	56.7	2.37	8,390.2	52.3	2.50	8,021.8	56.0	2.80
Loans:									
Commercial real estate	13,281.3	98.8	2.98	13,574.3	106.1	3.13	14,715.3	149.6	4.07
Commercial and industrial	14,319.6	118.4	3.31	14,621.8	113.6	3.11	10,866.6	109.8	4.04
Equipment financing	4,887.7	62.8	5.13	4,867.5	62.1	5.10	4,915.6	68.2	5.55
Residential mortgage	8,328.3	70.2	3.37	8,821.0	75.3	3.41	10,236.3	90.5	3.54
Home equity and other consumer	2,037.1	16.5	3.23	2,176.6	18.7	3.44	2,726.1	30.7	4.51
<b>Total loans</b>	<b>42,854.0</b>	<b>366.7</b>	<b>3.42</b>	<b>44,061.2</b>	<b>375.8</b>	<b>3.41</b>	<b>43,459.9</b>	<b>448.8</b>	<b>4.13</b>
Total earning assets	57,414.6	\$424.6	2.96%	55,033.5	\$428.9	3.12%	51,771.5	\$506.8	3.92%
Other assets	6,642.1			7,362.6			6,832.2		
<b>Total assets</b>	<b>\$ 64,056.7</b>			<b>\$ 62,396.1</b>			<b>\$ 58,603.7</b>		
<b>Liabilities and stockholders' equity:</b>									
Deposits:									
Non-interest-bearing	\$ 15,820.0	\$ -	- %	\$ 14,742.6	\$ -	- %	\$ 10,077.8	\$ -	- %
Savings, interest-bearing checking and money market	31,820.1	12.8	0.16	29,978.3	14.7	0.20	24,940.7	44.1	0.71
Time	5,236.4	9.9	0.75	5,953.5	15.4	1.03	9,144.6	34.8	1.52
<b>Total deposits</b>	<b>52,876.5</b>	<b>22.7</b>	<b>0.17</b>	<b>50,674.4</b>	<b>30.1</b>	<b>0.24</b>	<b>44,163.1</b>	<b>78.9</b>	<b>0.71</b>
Borrowings:									
Federal Home Loan Bank advances	569.7	1.0	0.72	571.8	1.1	0.77	2,430.6	9.8	1.61
Customer repurchase agreements	422.8	0.2	0.13	447.6	0.2	0.15	328.0	0.5	0.67
Federal funds purchased	150.6	-	0.09	213.3	-	0.09	1,593.9	5.1	1.28
<b>Total borrowings</b>	<b>1,143.1</b>	<b>1.2</b>	<b>0.42</b>	<b>1,232.7</b>	<b>1.3</b>	<b>0.43</b>	<b>4,352.5</b>	<b>15.4</b>	<b>1.42</b>
Notes and debentures	1,007.8	7.2	2.87	1,010.8	7.3	2.89	999.5	8.8	3.51
Total funding liabilities	55,027.4	\$ 31.1	0.23%	52,917.9	\$ 38.7	0.29%	49,515.1	\$ 103.1	0.83%
Other liabilities	1,423.4			1,594.2			1,284.3		
<b>Total liabilities</b>	<b>56,450.8</b>			<b>54,512.1</b>			<b>50,799.4</b>		
Stockholders' equity	7,605.9			7,884.0			7,804.3		
<b>Total liabilities and stockholders' equity</b>	<b>\$ 64,056.7</b>			<b>\$ 62,396.1</b>			<b>\$ 58,603.7</b>		
Net interest income/spread (3)		\$393.5	2.73%		\$390.2	2.83%		\$403.7	3.09%
<b>Net interest margin</b>			<b>2.74%</b>			<b>2.84%</b>			<b>3.12%</b>

(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 \$7.6 million, \$7.4 million and \$7.7 million for the three months ended March 31, 2021, December 31, 2020 and March 31, 2020, respectively.

**People's United Financial, Inc.**

**NON-PERFORMING ASSETS**

(dollars in millions)	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020
Non-accrual loans:					
Commercial:					
Commercial real estate	\$ 90.2	\$ 60.4	\$ 85.3	\$ 73.6	\$ 53.5
Commercial and industrial	69.2	76.4	86.7	88.8	55.6
Equipment financing	118.1	109.3	49.0	48.6	42.5
Total Commercial	277.5	246.1	221.0	211.0	151.6
Retail:					
Residential mortgage	56.9	62.3	62.9	62.6	66.6
Home equity	18.7	20.5	22.1	22.5	22.1
Other consumer	0.2	0.2	0.2	0.1	0.1
Total Retail	75.8	83.0	85.2	85.2	88.8
Total non-accrual loans (1)	353.3	329.1	306.2	296.2	240.4
Real estate owned:					
Commercial	3.5	3.6	3.6	7.3	7.3
Residential	1.5	3.2	1.9	4.9	9.5
Total real estate owned	5.0	6.8	5.5	12.2	9.5
Repossessed assets	5.4	5.7	9.7	6.2	4.6
Total non-performing assets	\$ 363.7	\$ 341.6	\$ 321.4	\$ 314.6	\$ 254.5
Non-accrual loans as a percentage of total loans	0.83 %	0.75 %	0.68 %	0.65 %	0.54 %
Non-performing assets as a percentage of:					
Total loans, real estate owned and repossessed assets	0.85	0.78	0.71	0.69	0.59
Tangible stockholders' equity and allowance for credit losses	7.05	6.59	6.41	6.39	5.45

(1) Reported net of government guarantees totaling \$2.5 million at March 31, 2021, \$2.5 million at December 31, 2020, \$2.4 million at September 30, 2020, \$2.9 million at June 30, 2020 and \$1.2 million at March 31, 2020.

**People's United Financial, Inc.**

**PROVISION AND ALLOWANCE FOR CREDIT LOSSES ON LOANS**

(dollars in millions)	Three Months Ended				
	March 31, 2021	Dec. 31, 2020	Sept 30, 2020	June 30, 2020	March 31, 2020
Allowance for credit losses on loans:					
Balance at beginning of period	\$ 425.1	\$ 423.8	\$ 414.0	\$ 341.7	\$ 246.6
CECL transition adjustment	-	-	-	-	72.2
Balance at beginning of period, adjusted	425.1	423.8	414.0	341.7	318.8
Charge-offs	(17.8)	(16.7)	(19.3)	(10.3)	(12.6)
Recoveries	5.4	3.3	2.0	1.8	2.0
Net loan charge-offs	(12.4)	(13.4)	(17.3)	(8.5)	(10.6)
Provision for credit losses on loans	(13.6)	14.7	27.1	80.8	33.5
Balance at end of period	\$ 399.1	\$ 425.1	\$ 423.8	\$ 414.0	\$ 341.7
Allowance for credit losses on loans as a percentage of:					
Total loans	0.93 %	0.97 %	0.94 %	0.91 %	0.77 %
Non-accrual loans	113.0	129.1	138.4	139.8	142.2

**NET LOAN CHARGE-OFFS (RECOVERIES)**

(dollars in millions)	Three Months Ended				
	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020
Commercial:					
Commercial real estate	\$ 5.8	\$ 0.1	\$ 4.1	\$ 1.8	\$ 3.4
Commercial and industrial	(0.5)	6.6	6.9	-	1.0
Equipment financing	7.2	6.8	6.2	5.2	3.9
Total	12.5	13.5	17.2	7.0	8.3
Retail:					
Residential mortgage	(0.3)	(0.3)	(0.2)	-	0.8
Home equity	(0.2)	-	-	0.6	0.1
Other consumer	0.4	0.2	0.3	0.9	1.4
Total	(0.1)	(0.1)	0.1	1.5	2.3
Total net loan charge-offs	\$ 12.4	\$ 13.4	\$ 17.3	\$ 8.5	\$ 10.6
Net loan charge-offs to average total loans (annualized)					
	0.12 %	0.12 %	0.15 %	0.08 %	0.10 %

## People's United Financial, Inc.

### NON-GAAP FINANCIAL MEASURES AND RECONCILIATION TO GAAP

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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.

Pre-provision net revenue is a useful financial measure as it enables an assessment of the Company's ability to generate earnings to cover credit losses through a credit cycle as well as providing an additional basis for comparing the Company's results of operation between periods by isolating the impact of the provision for credit losses, which can vary significantly between periods.

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, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020
Total non-interest expense	\$ 311.9	\$ 646.4	\$ 293.6	\$ 304.0	\$ 320.1
Adjustments to arrive at operating non-interest expense:					
Stop & Shop contract termination costs	(12.1)	-	-	-	-
Merger-related expenses	(7.5)	(4.9)	(4.6)	(18.5)	(17.9)
Goodwill impairment	-	(353.0)	-	-	-
Total	(19.6)	(357.9)	(4.6)	(18.5)	(17.9)
<b>Operating non-interest expense</b>	<b>292.3</b>	<b>288.5</b>	<b>289.0</b>	<b>285.5</b>	<b>302.2</b>
Adjustments:					
Amortization of other acquisition-related intangible assets	(11.0)	(9.7)	(10.2)	(10.2)	(10.7)
Operating lease expense	(7.8)	(8.5)	(9.3)	(8.8)	(9.8)
Other (1)	(1.7)	(1.3)	(5.1)	(1.9)	(1.9)
Total non-interest expense for efficiency ratio	\$ 271.8	\$ 269.0	\$ 264.4	\$ 264.6	\$ 279.8
Net interest income (FTE basis)	\$ 393.5	\$ 390.2	\$ 398.7	\$ 413.0	\$ 403.7
Total non-interest income	94.6	178.2	101.1	89.6	123.8
Total revenues	488.1	568.4	499.8	502.6	527.5
Adjustments:					
Operating lease expense	(7.8)	(8.5)	(9.3)	(8.8)	(9.8)
BOLI FTE adjustment	0.6	0.9	0.8	1.0	0.8
Gain on sale of business, net of expenses	-	(75.9)	-	-	-
Other (2)	(1.1)	-	(0.1)	-	(0.3)
Total revenues for efficiency ratio	\$ 479.8	\$ 484.9	\$ 491.2	\$ 494.8	\$ 518.2
<b>Efficiency ratio</b>	<b>56.6%</b>	<b>55.5%</b>	<b>53.8%</b>	<b>53.5%</b>	<b>54.0%</b>

(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 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.

**PRE-PROVISION NET REVENUE**

(in millions)	Three Months Ended				
	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020
Net interest income	\$ 385.9	\$ 382.8	\$ 391.4	\$ 405.6	\$ 396.0
Non-interest income	94.6	178.2	101.1	89.6	123.8
Non-interest expense	(311.9)	(646.4)	(293.6)	(304.0)	(320.1)
<b>Pre-provision net revenue</b>	<b>168.6</b>	<b>(85.4)</b>	<b>198.9</b>	<b>191.2</b>	<b>199.7</b>
Non-operating income	-	(75.9)	-	-	-
Non-operating expense	19.6	357.9	4.6	18.5	17.9
<b>Operating pre-provision net revenue</b>	<b>\$ 188.2</b>	<b>\$ 196.6</b>	<b>\$ 203.5</b>	<b>\$ 209.7</b>	<b>\$ 217.6</b>

**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, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020
Net income (loss) available to common shareholders	\$ 141.0	\$ (148.8)	\$ 141.1	\$ 86.4	\$ 126.9
Adjustments to arrive at operating earnings:					
Stop & Shop contract termination costs	12.1	-	-	-	-
Merger-related expenses	7.5	4.9	4.6	18.5	17.9
Goodwill impairment (1)	-	353.0	-	-	-
Gain on sale of business, net of expenses	-	(75.9)	-	-	-
Total pre-tax adjustments	19.6	282.0	4.6	18.5	17.9
Tax effect (1)	(4.1)	14.5	(1.0)	(3.9)	(3.7)
Total adjustments, net of tax	15.5	296.5	3.6	14.6	14.2
<b>Operating earnings</b>	<b>\$ 156.5</b>	<b>\$ 147.7</b>	<b>\$ 144.7</b>	<b>\$ 101.0</b>	<b>\$ 141.1</b>
Diluted EPS, as reported	\$ 0.33	\$ (0.35)	\$ 0.34	\$ 0.21	\$ 0.30
Adjustments to arrive at operating EPS:					
Stop & Shop contract termination costs	0.02	-	-	-	-
Merger-related expenses	0.02	0.01	-	0.03	0.03
Goodwill impairment (1)	-	0.83	-	-	-
Gain on sale of business, net of expenses	-	(0.14)	-	-	-
Total adjustments per common share	0.04	0.70	-	0.03	0.03
<b>Operating EPS</b>	<b>\$ 0.37</b>	<b>\$ 0.35</b>	<b>\$ 0.34</b>	<b>\$ 0.24</b>	<b>\$ 0.33</b>
Average total assets	\$ 64,057	\$ 62,396	\$ 61,293	\$ 61,841	\$ 58,603
<b>Operating return on average assets (annualized)</b>	<b>0.98%</b>	<b>0.95%</b>	<b>0.94%</b>	<b>0.65%</b>	<b>0.96%</b>

(1) The goodwill impairment charge for the three months ended December 31, 2020 is non-tax-deductible.

**OPERATING RETURN ON AVERAGE TANGIBLE COMMON EQUITY**

(dollars in millions)	Three Months Ended				
	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020
Operating earnings	\$ 156.5	\$ 147.7	\$ 144.7	\$ 101.0	\$ 141.1
Average stockholders' equity	\$ 7,606	\$ 7,884	\$ 7,801	\$ 7,757	\$ 7,804
Less: Average preferred stock	244	244	244	244	244
Average common equity	7,362	7,640	7,557	7,513	7,560
Less: Average goodwill and average other acquisition-related intangible assets	2,842	3,213	3,249	3,259	3,269
Average tangible common equity	\$ 4,520	\$ 4,427	\$ 4,308	\$ 4,254	\$ 4,291
<b>Operating return on average tangible common equity (annualized)</b>	<b>13.8%</b>	<b>13.3%</b>	<b>13.4%</b>	<b>9.5%</b>	<b>13.2%</b>

**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, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020
Common dividends paid	\$ 75.7	\$ 75.6	\$ 75.7	\$ 75.5	\$ 77.3
Operating earnings	\$ 156.5	\$ 147.7	\$ 144.7	\$ 101.0	\$ 141.1
<b>Operating common dividend payout ratio</b>	<b>48.4%</b>	<b>51.2%</b>	<b>52.3%</b>	<b>74.8%</b>	<b>54.8%</b>

**TANGIBLE COMMON EQUITY RATIO**

(dollars in millions)	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020
Total stockholders' equity	\$ 7,592	\$ 7,603	\$ 7,831	\$ 7,763	\$ 7,726
Less: Preferred stock	244	244	244	244	244
Common equity	7,348	7,359	7,587	7,519	7,482
Less: Goodwill and other acquisition-related intangible assets	2,835	2,846	3,244	3,254	3,264
<b>Tangible common equity</b>	<b>\$ 4,513</b>	<b>\$ 4,513</b>	<b>\$ 4,343</b>	<b>\$ 4,265</b>	<b>\$ 4,218</b>
Total assets	\$ 64,172	\$ 63,092	\$ 60,871	\$ 61,510	\$ 60,433
Less: Goodwill and other acquisition-related intangible assets	2,835	2,846	3,244	3,254	3,264
<b>Tangible assets</b>	<b>\$ 61,337</b>	<b>\$ 60,246</b>	<b>\$ 57,627</b>	<b>\$ 58,256</b>	<b>\$ 57,169</b>
<b>Tangible common equity ratio</b>	<b>7.4%</b>	<b>7.5%</b>	<b>7.5%</b>	<b>7.3%</b>	<b>7.4%</b>

**TANGIBLE BOOK VALUE PER COMMON SHARE**

(in millions, except per common share data)	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020
Tangible common equity	\$ 4,513	\$ 4,513	\$ 4,343	\$ 4,265	\$ 4,218
Common shares issued	536.20	533.68	533.67	533.59	533.47
Less: Shares classified as treasury shares	108.98	109.00	109.00	109.00	109.00
Common shares outstanding	427.22	424.68	424.67	424.59	424.47
Less: Unallocated ESOP shares	5.49	5.57	5.66	5.75	5.84
Common shares	421.73	419.11	419.01	418.84	418.63
<b>Tangible book value per common share</b>	<b>\$ 10.70</b>	<b>\$ 10.77</b>	<b>\$ 10.18</b>	<b>\$ 10.07</b>	<b>\$ 10.07</b>