

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

People's United Financial completed its acquisition of Suffolk Bancorp effective April 1, 2017. Accordingly, Suffolk's results of operations are included beginning with the effective date, and prior period results have not been restated to include Suffolk.

(dollars in millions, except per common share data)	Three Months Ended				
	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016
<b>Earnings Data:</b>					
Net interest income (fully taxable equivalent)	\$ 285.2	\$ 258.1	\$ 255.2	\$ 254.2	\$ 247.7
Net interest income	274.9	248.6	246.8	245.3	240.0
Provision for loan losses	7.1	4.4	7.7	8.4	10.0
Non-interest income	91.6	84.7	84.2	90.8	85.4
Non-interest expense (1)	257.3	226.1	217.2	221.4	212.9
Income before income tax expense	102.1	102.8	106.1	106.3	102.5
Net income	69.3	70.8	75.9	73.7	68.5
Net income available to common shareholders (1)	65.8	67.3	74.1	73.7	68.5

**Selected Statistical Data:**

Net interest margin (2)	2.96 %	2.82 %	2.78 %	2.80 %	2.79 %
Return on average assets (1), (2)	0.65	0.70	0.75	0.73	0.70
Return on average common equity (2)	4.8	5.5	6.1	6.1	5.7
Return on average tangible common equity (1), (2)	8.7	9.6	10.7	10.7	10.1
Efficiency ratio (1)	58.4	59.4	59.3	59.9	60.4

**Common Share Data:**

Basic and diluted earnings per common share (1)	\$ 0.19	\$ 0.22	\$ 0.24	\$ 0.24	\$ 0.23
Dividends paid per common share	0.1725	0.17	0.17	0.17	0.17
Common dividend payout ratio (1)	88.6 %	78.3 %	69.8 %	70.1 %	75.4 %
Book value per common share (end of period)	\$ 16.18	\$ 15.94	\$ 15.85	\$ 15.99	\$ 15.91
Tangible book value per common share (end of period) (1)	8.99	9.07	8.92	9.18	9.07
Stock price:					
High	18.21	19.85	20.13	16.40	16.68
Low	16.44	17.47	15.28	14.22	13.80
Close (end of period)	17.66	18.20	19.36	15.82	14.66
Common shares (end of period) (in millions)	337.51	310.51	308.97	304.02	303.55
Weighted average diluted common shares (in millions)	338.51	311.08	306.23	303.24	302.48

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

(2) Annualized.

**People's United Financial, Inc.**  
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(dollars in millions, except per common share data)	Six Months Ended	
	June 30,	
	2017	2016
<b>Earnings Data:</b>		
Net interest income (fully taxable equivalent)	\$ 543.3	\$ 495.1
Net interest income	523.5	480.1
Provision for loan losses	11.5	20.5
Non-interest income	176.3	167.7
Non-interest expense (1)	483.4	430.2
Income before income tax expense	204.9	197.1
Net income	140.1	131.4
Net income available to common shareholders (1)	133.1	131.4
<b>Selected Statistical Data:</b>		
Net interest margin (2)	2.90 %	2.81 %
Return on average assets (1), (2)	0.68	0.67
Return on average common equity (2)	5.1	5.5
Return on average tangible common equity (1), (2)	9.1	9.8
Efficiency ratio (1)	58.9	61.5
<b>Common Share Data:</b>		
Basic and diluted earnings per common share (1)	\$ 0.41	\$ 0.43
Dividends paid per common share	0.3425	0.3375
Common dividend payout ratio (1)	83.4 %	77.9 %
Book value per common share (end of period)	\$ 16.18	\$ 15.91
Tangible book value per common share (end of period) (1)	8.99	9.07
Stock price:		
High	19.85	16.68
Low	16.44	13.62
Close (end of period)	17.66	14.66
Common shares (end of period) (in millions)	337.51	303.55
Weighted average diluted common shares (in millions)	324.89	302.17

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

(2) Annualized.

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

People's United Financial completed its acquisition of Suffolk Bancorp effective April 1, 2017. Accordingly, Suffolk's results of operations are included beginning with the effective date, and prior period results have not been restated to include Suffolk.

(dollars in millions)	As of and for the Three Months Ended				
	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016
<b>Financial Condition Data:</b>					
Total assets	\$ 43,023	\$ 40,230	\$ 40,610	\$ 40,692	\$ 40,150
Loans	31,611	29,687	29,745	29,368	29,038
Securities	6,880	6,424	6,738	7,046	6,785
Short-term investments	216	392	182	373	364
Allowance for loan losses	232	231	229	226	220
Goodwill and other acquisition-related intangible assets	2,426	2,136	2,142	2,070	2,076
Deposits	31,815	30,506	29,861	29,656	28,999
Borrowings	4,086	3,183	4,057	4,437	4,563
Notes and debentures	907	904	1,030	1,054	1,058
Stockholders' equity	5,704	5,195	5,142	4,862	4,830
Total risk-weighted assets (1):					
People's United Financial, Inc.	32,169	30,229	30,540	30,451	30,267
People's United Bank, N.A.	32,124	30,202	30,489	30,415	30,232
Non-performing assets (2)	198	183	167	180	182
Net loan charge-offs	6.8	2.4	4.7	2.5	5.1

**Average Balances:**

Loans	\$ 31,400	\$ 29,355	\$ 29,346	\$ 29,107	\$ 28,558
Securities (3)	6,728	6,831	7,074	6,873	6,699
Short-term investments	355	371	308	361	298
Total earning assets	38,483	36,557	36,728	36,341	35,555
Total assets	42,666	40,317	40,623	40,304	39,422
Deposits	32,024	29,923	29,773	29,437	29,079
Borrowings	3,502	3,709	4,148	4,296	3,895
Notes and debentures	907	966	1,045	1,056	1,049
Total funding liabilities	36,433	34,598	34,966	34,789	34,023
Stockholders' equity	5,696	5,166	5,039	4,841	4,795

**Ratios:**

Net loan charge-offs to average total loans (annualized)	0.09 %	0.03 %	0.06 %	0.04 %	0.07 %
Non-performing assets to originated loans, real estate owned and repossessed assets (2)	0.67	0.63	0.57	0.63	0.64
Originated allowance for loan losses to:					
Originated loans (2)	0.77	0.77	0.77	0.76	0.75
Originated non-performing loans (2)	128.1	140.9	150.6	142.0	135.3
Average stockholders' equity to average total assets	13.4	12.8	12.4	12.0	12.2
Stockholders' equity to total assets	13.3	12.9	12.7	11.9	12.0
Tangible common equity to tangible assets (4)	7.5	7.4	7.2	7.2	7.2
Total risk-based capital (1):					
People's United Financial, Inc.	12.6	12.7	12.5	11.5	11.5
People's United Bank, N.A.	13.3	13.4	13.3	12.8	12.8

(1) June 30, 2017 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)	June 30, 2017	March 31, 2017	Dec. 31, 2016	June 30, 2016
<b>Assets</b>				
Cash and due from banks	\$ 455.9	\$ 380.8	\$ 432.4	\$ 343.9
Short-term investments	216.3	392.2	181.7	363.9
Total cash and cash equivalents	672.2	773.0	614.1	707.8
Securities:				
Trading account securities, at fair value	7.8	7.8	6.8	6.8
Securities available for sale, at fair value	3,682.3	3,772.1	4,409.9	4,711.8
Securities held to maturity, at amortized cost	2,875.6	2,324.0	2,005.4	1,749.4
Federal Home Loan Bank and Federal Reserve Bank stock, at cost	314.3	319.6	315.8	317.4
Total securities	6,880.0	6,423.5	6,737.9	6,785.4
Loans held for sale	26.5	17.1	39.3	61.4
Loans:				
Commercial real estate	11,164.2	10,225.3	10,247.3	10,011.3
Commercial and industrial	8,709.7	7,918.3	8,125.1	8,066.1
Equipment financing	2,918.3	2,969.5	3,032.5	3,005.9
Total Commercial Portfolio	22,792.2	21,113.1	21,404.9	21,083.3
Residential mortgage	6,687.7	6,487.7	6,216.7	5,789.0
Home equity and other consumer	2,131.3	2,086.5	2,123.3	2,166.0
Total Retail Portfolio	8,819.0	8,574.2	8,340.0	7,955.0
Total loans	31,611.2	29,687.3	29,744.9	29,038.3
Less allowance for loan losses	(231.6)	(231.3)	(229.3)	(220.4)
Total loans, net	31,379.6	29,456.0	29,515.6	28,817.9
Goodwill and other acquisition-related intangible assets	2,426.2	2,135.8	2,142.1	2,076.1
Bank-owned life insurance	404.7	348.8	349.1	346.8
Premises and equipment	270.2	239.4	244.5	249.5
Other assets	963.8	836.0	967.2	1,105.1
Total assets	\$ 43,023.2	\$ 40,229.6	\$ 40,609.8	\$ 40,150.0
<b>Liabilities</b>				
Deposits:				
Non-interest-bearing	\$ 7,566.4	\$ 6,669.5	\$ 6,660.8	\$ 6,226.8
Savings	4,668.6	4,451.7	4,397.7	4,292.3
Interest-bearing checking and money market	14,887.0	14,813.9	14,260.1	13,747.9
Time	4,692.7	4,570.6	4,542.2	4,732.1
Total deposits	31,814.7	30,505.7	29,860.8	28,999.1
Borrowings:				
Federal Home Loan Bank advances	3,130.8	2,160.4	3,061.1	3,562.4
Federal funds purchased	629.0	613.0	617.0	680.0
Customer repurchase agreements	324.0	327.7	343.3	320.8
Other borrowings	2.3	81.9	35.4	-
Total borrowings	4,086.1	3,183.0	4,056.8	4,563.2
Notes and debentures	906.5	903.9	1,030.1	1,058.2
Other liabilities	512.4	442.0	520.2	699.8
Total liabilities	37,319.7	35,034.6	35,467.9	35,320.3
<b>Stockholders' Equity</b>				
Preferred stock	244.1	244.1	244.1	-
Common stock	4.3	4.1	4.0	3.9
Additional paid-in capital	5,965.0	5,472.7	5,446.1	5,350.4
Retained earnings	967.8	960.9	949.3	905.8
Unallocated common stock of Employee Stock Ownership Plan, at cost	(141.0)	(142.8)	(144.6)	(148.1)
Accumulated other comprehensive loss	(174.6)	(181.9)	(195.0)	(120.3)
Treasury stock, at cost	(1,162.1)	(1,162.1)	(1,162.0)	(1,162.0)
Total stockholders' equity	5,703.5	5,195.0	5,141.9	4,829.7
Total liabilities and stockholders' equity	\$ 43,023.2	\$ 40,229.6	\$ 40,609.8	\$ 40,150.0

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

(in millions, except per common share data)	Three Months Ended				
	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016
<b>Interest and dividend income:</b>					
Commercial real estate	\$ 105.3	\$ 88.6	\$ 86.8	\$ 85.7	\$ 85.3
Commercial and industrial	74.1	64.6	65.0	66.9	62.8
Equipment financing	31.5	31.6	31.8	32.8	33.0
Residential mortgage	52.3	49.3	47.0	45.7	43.8
Home equity and other consumer	19.9	18.4	18.1	18.4	18.4
Total interest on loans	283.1	252.5	248.7	249.5	243.3
Securities	37.9	37.0	36.9	34.2	34.7
Loans held for sale	0.1	0.3	0.3	0.4	0.2
Short-term investments	0.9	0.7	0.4	0.4	0.3
Total interest and dividend income	322.0	290.5	286.3	284.5	278.5
<b>Interest expense:</b>					
Deposits	30.9	27.1	25.1	25.2	25.4
Borrowings	8.9	7.3	6.4	6.1	5.3
Notes and debentures	7.3	7.5	8.0	7.9	7.8
Total interest expense	47.1	41.9	39.5	39.2	38.5
Net interest income	274.9	248.6	246.8	245.3	240.0
Provision for loan losses	7.1	4.4	7.7	8.4	10.0
Net interest income after provision for loan losses	267.8	244.2	239.1	236.9	230.0
<b>Non-interest income:</b>					
Bank service charges	25.0	23.5	24.2	25.3	24.7
Investment management fees	16.3	16.0	14.2	11.6	11.4
Commercial banking lending fees	11.5	8.2	7.2	7.1	9.2
Operating lease income	11.0	10.2	9.5	11.2	10.1
Insurance revenue	7.5	9.1	6.8	9.8	7.0
Cash management fees	6.5	6.3	6.2	6.5	6.3
Brokerage commissions	3.4	3.0	2.8	3.2	3.2
Customer interest rate swap income, net	2.4	2.8	3.8	3.7	3.6
Bank-owned life insurance	1.9	0.8	1.5	1.2	2.0
Net gains on sales of residential mortgage loans	0.7	0.9	2.6	1.9	0.9
Net security gains (losses)	0.1	(15.7)	(6.0)	-	0.1
Other non-interest income	5.3	19.6	11.4	9.3	6.9
Total non-interest income	91.6	84.7	84.2	90.8	85.4
<b>Non-interest expense:</b>					
Compensation and benefits	130.0	125.6	114.0	116.1	111.4
Occupancy and equipment	39.8	38.6	37.8	37.7	37.4
Professional and outside services	28.1	15.5	16.3	17.7	16.4
Regulatory assessments	9.9	9.6	10.4	9.9	9.2
Operating lease expense	8.7	8.8	8.3	9.7	9.1
Amortization of other acquisition-related intangible assets	7.9	6.3	6.2	5.8	5.8
Other non-interest expense	32.9	21.7	24.2	24.5	23.6
Total non-interest expense (1)	257.3	226.1	217.2	221.4	212.9
Income before income tax expense	102.1	102.8	106.1	106.3	102.5
Income tax expense	32.8	32.0	30.2	32.6	34.0
Net income	69.3	70.8	75.9	73.7	68.5
Preferred stock dividend	3.5	3.5	1.8	-	-
Net income available to common shareholders	\$ 65.8	\$ 67.3	\$ 74.1	\$ 73.7	\$ 68.5
Basic and diluted earnings per common share	\$ 0.19	\$ 0.22	\$ 0.24	\$ 0.24	\$ 0.23

(1) Total non-interest expense includes \$24.8 million, \$1.2 million, \$1.6 million and \$3.1 million of non-operating expenses for the three months ended June 30, 2017, March 31, 2017, December 31, 2016 and September 30, 2016, respectively. See Non-GAAP Financial Measures and Reconciliation to GAAP beginning on page 16.

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

	Six Months Ended	
	June 30, 2017	June 30, 2016
(in millions, except per common share data)		
<b>Interest and dividend income:</b>		
Commercial real estate	\$ 193.9	\$ 172.1
Commercial and industrial	138.7	123.1
Equipment financing	63.1	66.3
Residential mortgage	101.6	87.7
Home equity and other consumer	38.3	37.0
Total interest on loans	535.6	486.2
Securities	74.9	69.2
Loans held for sale	0.4	0.4
Short-term investments	1.6	0.7
Total interest and dividend income	612.5	556.5
<b>Interest expense:</b>		
Deposits	58.0	50.6
Borrowings	16.2	10.3
Notes and debentures	14.8	15.5
Total interest expense	89.0	76.4
Net interest income	523.5	480.1
Provision for loan losses	11.5	20.5
Net interest income after provision for loan losses	512.0	459.6
<b>Non-interest income:</b>		
Bank service charges	48.5	48.5
Investment management fees	32.3	22.5
Operating lease income	21.2	20.5
Commercial banking lending fees	19.7	17.3
Insurance revenue	16.6	16.3
Cash management fees	12.8	12.3
Brokerage commissions	6.4	6.2
Customer interest rate swap income, net	5.2	6.9
Bank-owned life insurance	2.7	3.0
Net gains on sales of residential mortgage loans	1.6	1.8
Net security (losses) gains	(15.6)	0.1
Other non-interest income	24.9	12.3
Total non-interest income	176.3	167.7
<b>Non-interest expense:</b>		
Compensation and benefits	255.6	225.5
Occupancy and equipment	78.4	74.9
Professional and outside services	43.6	33.8
Regulatory assessments	19.5	17.2
Operating lease expense	17.5	18.3
Amortization of other acquisition-related intangible assets	14.2	11.6
Other non-interest expense	54.6	48.9
Total non-interest expense (1)	483.4	430.2
Income before income tax expense	204.9	197.1
Income tax expense	64.8	65.7
Net income	140.1	131.4
Preferred stock dividend	7.0	-
Net income available to common shareholders	\$ 133.1	\$ 131.4
Basic and diluted earnings per common share	\$ 0.41	\$ 0.43

(1) Total non-interest expense includes \$26.0 million of non-operating expenses for the six months ended June 30, 2017. 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)	June 30, 2017			March 31, 2017			June 30, 2016		
	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate
<b>Assets:</b>									
Short-term investments	\$ 354.8	\$ 0.9	0.97%	\$ 370.5	\$ 0.7	0.81%	\$ 297.8	\$ 0.3	0.42%
Securities (2)	6,727.5	44.6	2.65	6,831.4	43.2	2.53	6,698.7	39.2	2.34
<b>Loans:</b>									
Commercial real estate	11,371.4	105.3	3.70	10,189.7	88.6	3.48	9,997.0	85.3	3.41
Commercial and industrial	8,276.1	77.7	3.75	7,704.4	67.9	3.53	7,727.8	66.0	3.42
Equipment financing	2,924.8	31.5	4.31	2,980.8	31.6	4.24	2,981.4	33.0	4.43
Residential mortgage	6,693.3	52.4	3.14	6,374.8	49.6	3.11	5,679.9	44.0	3.10
Home equity and other consumer	2,134.8	19.9	3.73	2,105.4	18.4	3.50	2,172.5	18.4	3.38
<b>Total loans</b>	<b>31,400.4</b>	<b>286.8</b>	<b>3.65</b>	<b>29,355.1</b>	<b>256.1</b>	<b>3.49</b>	<b>28,558.6</b>	<b>246.7</b>	<b>3.46</b>
<b>Total earning assets</b>	<b>38,482.7</b>	<b>\$332.3</b>	<b>3.45%</b>	<b>36,557.0</b>	<b>\$300.0</b>	<b>3.28%</b>	<b>35,555.1</b>	<b>\$286.2</b>	<b>3.22%</b>
Other assets	4,183.1			3,760.3			3,866.9		
<b>Total assets</b>	<b>\$ 42,665.8</b>			<b>\$ 40,317.3</b>			<b>\$ 39,422.0</b>		
<b>Liabilities and stockholders' equity:</b>									
<b>Deposits:</b>									
Non-interest-bearing	\$ 7,399.5	\$ -	- %	\$ 6,435.0	\$ -	- %	\$ 6,098.3	\$ -	- %
Savings, interest-bearing checking and money market	19,895.8	19.6	0.39	18,907.9	16.4	0.35	18,151.0	12.9	0.28
Time	4,728.7	11.3	0.96	4,580.3	10.7	0.93	4,830.1	12.5	1.04
<b>Total deposits</b>	<b>32,024.0</b>	<b>30.9</b>	<b>0.39</b>	<b>29,923.2</b>	<b>27.1</b>	<b>0.36</b>	<b>29,079.4</b>	<b>25.4</b>	<b>0.35</b>
<b>Borrowings:</b>									
Federal Home Loan Bank advances	2,546.6	7.1	1.11	2,711.9	5.8	0.86	3,157.8	4.7	0.59
Federal funds purchased	625.2	1.6	1.04	607.5	1.2	0.78	421.5	0.5	0.48
Customer repurchase agreements	313.9	0.1	0.19	309.5	0.1	0.19	315.9	0.1	0.19
Other borrowings	16.0	0.1	1.43	79.9	0.2	0.78	-	-	-
<b>Total borrowings</b>	<b>3,501.7</b>	<b>8.9</b>	<b>1.02</b>	<b>3,708.8</b>	<b>7.3</b>	<b>0.79</b>	<b>3,895.2</b>	<b>5.3</b>	<b>0.55</b>
Notes and debentures	907.2	7.3	3.24	965.8	7.5	3.10	1,048.8	7.8	2.98
<b>Total funding liabilities</b>	<b>36,432.9</b>	<b>\$ 47.1</b>	<b>0.52%</b>	<b>34,597.8</b>	<b>\$ 41.9</b>	<b>0.48%</b>	<b>34,023.4</b>	<b>\$ 38.5</b>	<b>0.45%</b>
Other liabilities	536.8			553.6			603.3		
<b>Total liabilities</b>	<b>36,969.7</b>			<b>35,151.4</b>			<b>34,626.7</b>		
<b>Stockholders' equity</b>	<b>5,696.1</b>			<b>5,165.9</b>			<b>4,795.3</b>		
<b>Total liabilities and stockholders' equity</b>	<b>\$ 42,665.8</b>			<b>\$ 40,317.3</b>			<b>\$ 39,422.0</b>		
Net interest income/spread (3)		\$285.2	2.93%		\$258.1	2.80%		\$247.7	2.77%
Net interest margin			2.96%			2.82%			2.79%

(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 \$10.3 million, \$9.5 million and \$7.7 million for the three months ended June 30, 2017, March 31, 2017 and June 30, 2016, respectively.

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

Six months ended (dollars in millions)	June 30, 2017			June 30, 2016		
	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate
<b>Assets:</b>						
Short-term investments	\$ 362.6	\$ 1.6	0.89%	\$ 322.8	\$ 0.7	0.45%
Securities (2)	6,779.2	87.8	2.59	6,598.3	77.9	2.36
<b>Loans:</b>						
Commercial real estate	10,783.8	193.9	3.60	9,997.3	172.1	3.44
Commercial and industrial	7,996.0	145.6	3.64	7,603.0	129.4	3.41
Equipment financing	2,948.5	63.1	4.28	2,966.6	66.3	4.47
Residential mortgage	6,534.9	102.0	3.12	5,610.1	88.1	3.14
Home equity and other consumer	2,120.2	38.3	3.62	2,182.1	37.0	3.39
<b>Total loans</b>	<b>30,383.4</b>	<b>542.9</b>	<b>3.57</b>	<b>28,359.1</b>	<b>492.9</b>	<b>3.39</b>
<b>Total earning assets</b>	<b>37,525.2</b>	<b>\$632.3</b>	<b>3.37%</b>	<b>35,280.2</b>	<b>\$571.5</b>	<b>3.24%</b>
<b>Other assets</b>	<b>3,972.8</b>			<b>3,817.3</b>		
<b>Total assets</b>	<b>\$ 41,498.0</b>			<b>\$ 39,097.5</b>		
<b>Liabilities and stockholders' equity:</b>						
<b>Deposits:</b>						
Non-interest-bearing	\$ 6,919.9	\$ -	- %	\$ 6,045.3	\$ -	- %
Savings, interest-bearing checking and money market	19,404.6	36.0	0.37	18,028.3	25.6	0.28
Time	4,654.9	22.0	0.95	4,826.8	25.0	1.04
<b>Total deposits</b>	<b>30,979.4</b>	<b>58.0</b>	<b>0.37</b>	<b>28,900.4</b>	<b>50.6</b>	<b>0.35</b>
<b>Borrowings:</b>						
Federal Home Loan Bank advances	2,628.7	12.9	0.98	3,018.9	9.1	0.60
Federal funds purchased	616.4	2.8	0.91	407.7	0.9	0.46
Customer repurchase agreements	311.7	0.2	0.19	352.8	0.3	0.19
Other borrowings	47.8	0.3	0.89	-	-	-
<b>Total borrowings</b>	<b>3,604.6</b>	<b>16.2</b>	<b>0.90</b>	<b>3,779.4</b>	<b>10.3</b>	<b>0.55</b>
Notes and debentures	936.3	14.8	3.17	1,046.3	15.5	2.97
<b>Total funding liabilities</b>	<b>35,520.3</b>	<b>\$ 89.0</b>	<b>0.50%</b>	<b>33,726.1</b>	<b>\$ 76.4</b>	<b>0.45%</b>
<b>Other liabilities</b>	<b>545.3</b>			<b>593.3</b>		
<b>Total liabilities</b>	<b>36,065.6</b>			<b>34,319.4</b>		
<b>Stockholders' equity</b>	<b>5,432.4</b>			<b>4,778.1</b>		
<b>Total liabilities and stockholders' equity</b>	<b>\$ 41,498.0</b>			<b>\$ 39,097.5</b>		
Net interest income/spread (3)		\$543.3	2.87%		\$495.1	2.79%
Net interest margin			2.90%			2.81%

(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 \$19.8 million and \$15.0 million for the six months ended June 30, 2017 and 2016, respectively.



## People's United Financial, Inc.

Loans acquired in connection with business combinations are initially recorded at fair value, including an estimate of future credit losses, with no carryover of the respective portfolio's historical allowance for loan losses. As such, selected asset quality metrics have been highlighted to distinguish between the 'originated' portfolio and the 'acquired' portfolio.

### NON-PERFORMING ASSETS

(dollars in millions)	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016
Originated non-performing loans:					
Commercial:					
Commercial real estate	\$ 42.9	\$ 23.4	\$ 22.3	\$ 23.4	\$ 35.4
Commercial and industrial	40.2	47.4	41.5	40.0	34.7
Equipment financing	48.2	47.4	39.4	46.0	40.0
Total	131.3	118.2	103.2	109.4	110.1
Retail:					
Residential mortgage	30.8	26.3	27.4	28.2	29.9
Home equity	15.8	15.2	17.4	16.5	17.4
Other consumer	-	-	-	-	-
Total	46.6	41.5	44.8	44.7	47.3
Total originated non-performing loans (1)	177.9	159.7	148.0	154.1	157.4
REO:					
Residential	6.7	10.9	8.1	7.9	9.7
Commercial	4.3	4.1	4.0	11.2	3.3
Total REO	11.0	15.0	12.1	19.1	13.0
Repossessed assets	9.2	8.2	7.2	6.9	11.6
Total non-performing assets	\$ 198.1	\$ 182.9	\$ 167.3	\$ 180.1	\$ 182.0
Acquired non-performing loans (contractual amount)	\$ 26.4	\$ 22.1	\$ 24.7	\$ 24.6	\$ 25.5
Originated non-performing loans as a percentage of originated loans	0.60 %	0.55 %	0.51 %	0.54 %	0.56 %
Non-performing assets as a percentage of:					
Originated loans, REO and repossessed assets	0.67	0.63	0.57	0.63	0.64
Tangible stockholders' equity and originated allowance for loan losses	5.65	5.57	5.19	5.98	6.14

(1) Reported net of government guarantees totaling \$4.2 million at June 30, 2017, \$4.4 million at March 31, 2017, \$13.1 million at December 31, 2016, \$13.0 million at September 30, 2016 and \$15.8 million at June 30, 2016.

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

**PROVISION AND ALLOWANCE FOR LOAN LOSSES**

(dollars in millions)	Three Months Ended				
	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016
<b>Allowance for loan losses on originated loans:</b>					
Balance at beginning of period	\$ 225.0	\$ 223.0	\$ 219.0	\$ 213.0	\$ 207.6
Charge-offs	(6.7)	(4.6)	(4.7)	(3.8)	(6.1)
Recoveries	1.8	2.2	1.0	1.4	1.0
Net loan charge-offs	(4.9)	(2.4)	(3.7)	(2.4)	(5.1)
Provision for loan losses	7.8	4.4	7.7	8.4	10.5
Balance at end of period	227.9	225.0	223.0	219.0	213.0
<b>Allowance for loan losses on acquired loans:</b>					
Balance at beginning of period	6.3	6.3	7.3	7.4	7.9
Charge-offs	(1.9)	-	(1.0)	(0.1)	-
Provision for loan losses	(0.7)	-	-	-	(0.5)
Balance at end of period	3.7	6.3	6.3	7.3	7.4
Total allowance for loan losses	\$ 231.6	\$ 231.3	\$ 229.3	\$ 226.3	\$ 220.4
Originated commercial allowance for loan loss as a percentage of originated commercial loans	0.94 %	0.94 %	0.95 %	0.94 %	0.92 %
Originated retail allowance for loan losses as a percentage of originated retail loans	0.35	0.36	0.30	0.30	0.30
Total originated allowance for loan losses as a percentage of:					
Originated loans	0.77	0.77	0.77	0.76	0.75
Originated non-performing loans	128.1	140.9	150.6	142.0	135.3

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

(dollars in millions)	Three Months Ended				
	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016
<b>Commercial:</b>					
Commercial real estate	\$ 1.2	\$ -	\$ 0.9	\$ 0.2	\$ (0.1)
Commercial and industrial	1.8	0.8	1.1	0.4	1.1
Equipment financing	2.7	0.5	1.3	1.3	2.1
Total	5.7	1.3	3.3	1.9	3.1
<b>Retail:</b>					
Residential mortgage	0.1	0.1	-	0.4	0.7
Home equity	0.7	1.1	1.3	0.1	1.2
Other consumer	0.3	(0.1)	0.1	0.1	0.1
Total	1.1	1.1	1.4	0.6	2.0
Total net loan charge-offs	\$ 6.8	\$ 2.4	\$ 4.7	\$ 2.5	\$ 5.1
Net loan charge-offs to average total loans (annualized)	0.09 %	0.03 %	0.06 %	0.04 %	0.07 %

## 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, which are also excluded in arriving at operating non-interest expense) (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. Effective in 2016, recurring writedowns of banking house assets and certain severance-related costs are no longer considered to be non-operating expenses. 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) 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**

	Three Months Ended					Six Months Ended	
	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016	June 30, 2017	June 30, 2016
(dollars in millions)							
Total non-interest expense	\$ 257.3	\$ 226.1	\$ 217.2	\$ 221.4	\$ 212.9	\$ 483.4	\$ 430.2
Adjustments to arrive at operating non-interest expense:							
Merger-related expenses	(24.8)	(1.2)	(0.9)	(3.1)	-	(26.0)	-
Acquisition integration and other costs	-	-	(0.7)	-	-	-	-
Total	(24.8)	(1.2)	(1.6)	(3.1)	n/a	(26.0)	n/a
<b>Operating non-interest expense</b>	<b>232.5</b>	<b>224.9</b>	<b>215.6</b>	<b>218.3</b>	<b>n/a</b>	<b>457.4</b>	<b>n/a</b>
Operating lease expense	(8.7)	(8.8)	(8.3)	(9.7)	(9.1)	(17.5)	(18.3)
Amortization of other acquisition-related intangible assets	(7.9)	(6.3)	(6.2)	(5.8)	(5.8)	(14.2)	(11.6)
Other (1)	(0.4)	(1.8)	(0.6)	(1.8)	(1.8)	(2.2)	(3.3)
Total non-interest expense for efficiency ratio	\$ 215.5	\$ 208.0	\$ 200.5	\$ 201.0	\$ 196.2	\$ 423.5	\$ 397.0
Net interest income (FTE basis)	\$ 285.2	\$ 258.1	\$ 255.2	\$ 254.2	\$ 247.7	\$ 543.3	\$ 495.1
Total non-interest income	91.6	84.7	84.2	90.8	85.4	176.3	167.7
Total revenues	376.8	342.8	339.4	345.0	333.1	719.6	662.8
Adjustments:							
Net security (gains) losses	(0.1)	15.7	6.0	-	(0.1)	15.6	(0.1)
Operating lease expense	(8.7)	(8.8)	(8.3)	(9.7)	(9.1)	(17.5)	(18.3)
BOLI FTE adjustment	1.0	0.4	0.7	0.6	1.0	1.4	1.5
Other (2)	-	0.2	0.2	(0.3)	-	0.2	(0.7)
Total revenues for efficiency ratio	\$ 369.0	\$ 350.3	\$ 338.0	\$ 335.6	\$ 324.9	\$ 719.3	\$ 645.2
<b>Efficiency ratio</b>	<b>58.4%</b>	<b>59.4%</b>	<b>59.3%</b>	<b>59.9%</b>	<b>60.4%</b>	<b>58.9%</b>	<b>61.5%</b>

n/a For both the three and six months ended June 30, 2016, no expenses were considered to be non-operating expenses. Accordingly, operating metrics were not applicable.

- (1) Items classified as “other” and deducted from non-interest expense for purposes of calculating the efficiency ratio include, as applicable, certain franchise taxes, real estate owned expenses, contract termination costs and non-recurring expenses.
- (2) Items classified as “other” and added to (deducted from) 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**

	Three Months Ended					Six Months Ended	
	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016	June 30, 2017	June 30, 2016
(dollars in millions, except per common share data)							
Net income available to common shareholders	\$ 65.8	\$ 67.3	\$ 74.1	\$ 73.7	\$ 68.5	\$ 133.1	\$ 131.4
Adjustments to arrive at operating earnings:							
Merger-related expenses	24.8	1.2	0.9	3.1	-	26.0	-
Acquisition integration and other costs	-	-	0.7	-	-	-	-
Total pre-tax adjustments	24.8	1.2	1.6	3.1	n/a	26.0	n/a
Tax effect	(8.0)	(0.4)	(0.6)	(1.0)	n/a	(8.4)	n/a
Total adjustments, net of tax	16.8	0.8	1.0	2.1	n/a	17.6	n/a
<b>Operating earnings</b>	<b>\$ 82.6</b>	<b>\$ 68.1</b>	<b>\$ 75.1</b>	<b>\$ 75.8</b>	<b>n/a</b>	<b>\$ 150.7</b>	<b>n/a</b>
EPS, as reported	\$ 0.19	\$ 0.22	\$ 0.24	\$ 0.24	\$ 0.23	\$ 0.41	\$ 0.43
Adjustments to arrive at operating EPS:							
Merger-related expenses	0.05	-	-	0.01	-	0.05	-
Acquisition integration and other costs	-	-	-	-	-	-	-
Total adjustments per share	0.05	-	-	0.01	n/a	0.05	n/a
<b>Operating EPS</b>	<b>\$ 0.24</b>	<b>\$ 0.22</b>	<b>\$ 0.24</b>	<b>\$ 0.25</b>	<b>n/a</b>	<b>\$ 0.46</b>	<b>n/a</b>
Average total assets	\$42,666	\$40,317	\$40,623	\$40,304	\$39,422	\$41,498	\$39,098
<b>Operating return on average assets (annualized)</b>	<b>0.77%</b>	<b>0.68%</b>	<b>0.74%</b>	<b>0.75%</b>	<b>n/a</b>	<b>0.73%</b>	<b>n/a</b>

**OPERATING RETURN ON AVERAGE TANGIBLE COMMON EQUITY**

	Three Months Ended					Six Months Ended	
	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016	June 30, 2017	June 30, 2016
(dollars in millions)							
Operating earnings	\$ 82.6	\$ 68.1	\$ 75.1	\$ 75.8	n/a	\$ 150.7	n/a
Average stockholders' equity	\$ 5,696	\$ 5,166	\$ 5,039	\$ 4,841	\$ 4,795	\$ 5,432	\$ 4,778
Less: Average preferred stock	244	244	165	-	-	244	-
Average common equity	5,452	4,922	4,874	4,841	4,795	5,188	4,778
Less: Average goodwill and average other acquisition-related intangible assets	2,415	2,134	2,094	2,073	2,079	2,275	2,082
Average tangible common equity	\$ 3,037	\$ 2,788	\$ 2,780	\$ 2,768	\$ 2,716	\$ 2,913	\$ 2,696
<b>Operating return on average tangible common equity (annualized)</b>	<b>10.9%</b>	<b>9.8%</b>	<b>10.8%</b>	<b>11.0%</b>	<b>n/a</b>	<b>10.3%</b>	<b>n/a</b>

**OPERATING COMMON DIVIDEND PAYOUT RATIO**

	Three Months Ended					Six Months Ended	
	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016	June 30, 2017	June 30, 2016
(dollars in millions)							
Common dividends paid	\$ 58.3	\$ 52.7	\$ 51.7	\$ 51.7	\$ 51.7	\$ 111.0	\$ 102.4
Operating earnings	\$ 82.6	\$ 68.1	\$ 75.1	\$ 75.8	n/a	\$ 150.7	n/a
<b>Operating common dividend payout ratio</b>	<b>70.6%</b>	<b>77.3%</b>	<b>68.8%</b>	<b>68.2%</b>	<b>n/a</b>	<b>73.7%</b>	<b>n/a</b>

n/a For both the three and six months ended June 30, 2016, no expenses were considered to be non-operating expenses. Accordingly, operating metrics were not applicable.

**People's United Financial, Inc.****NON-GAAP FINANCIAL MEASURES AND RECONCILIATION TO GAAP - Continued****TANGIBLE COMMON EQUITY RATIO**

(dollars in millions)	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016
Total stockholders' equity	\$ 5,704	\$ 5,195	\$ 5,142	\$ 4,862	\$ 4,830
Less: Preferred stock	244	244	244	-	-
Common equity	5,460	4,951	4,898	4,862	4,830
Less: Goodwill and other acquisition-related intangible assets	2,426	2,136	2,142	2,070	2,076
<b>Tangible common equity</b>	<b>\$ 3,034</b>	<b>\$ 2,815</b>	<b>\$ 2,756</b>	<b>\$ 2,792</b>	<b>\$ 2,754</b>
Total assets	\$43,023	\$40,230	\$40,610	\$40,692	\$40,150
Less: Goodwill and other acquisition-related intangible assets	2,426	2,136	2,142	2,070	2,076
Tangible assets	\$40,597	\$38,094	\$38,468	\$38,622	\$38,074
<b>Tangible common equity ratio</b>	<b>7.5%</b>	<b>7.4%</b>	<b>7.2%</b>	<b>7.2%</b>	<b>7.2%</b>

**TANGIBLE BOOK VALUE PER COMMON SHARE**

(in millions, except per common share data)	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016
Tangible common equity	\$ 3,034	\$ 2,815	\$ 2,756	\$ 2,792	\$ 2,754
Common shares issued	433.34	406.43	405.00	400.13	399.74
Less: Shares classified as treasury shares	89.04	89.04	89.06	89.05	89.05
Unallocated ESOP shares	6.79	6.88	6.97	7.06	7.14
Common shares	337.51	310.51	308.97	304.02	303.55
<b>Tangible book value per common share</b>	<b>\$ 8.99</b>	<b>\$ 9.07</b>	<b>\$ 8.92</b>	<b>\$ 9.18</b>	<b>\$ 9.07</b>