

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

**FINANCIAL HIGHLIGHTS**

(dollars in millions, except per common share data)	Three Months Ended				
	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018
<b>Earnings Data:</b>					
Net interest income (fully taxable equivalent)	\$ 356.0	\$ 355.4	\$ 340.0	\$ 339.5	\$ 313.0
Net interest income	348.7	348.1	332.8	332.6	306.4
Provision for loan losses	7.8	7.6	5.6	9.9	8.2
Non-interest income (1)	106.0	106.3	94.6	88.7	92.3
Non-interest expense (1)	281.4	278.4	277.2	262.7	241.3
Income before income tax expense	165.5	168.4	144.6	148.7	149.2
Net income	135.1	133.2	114.6	132.9	117.0
Net income available to common shareholders (1)	131.6	129.7	111.1	129.4	113.5
<b>Selected Statistical Data:</b>					
Net interest margin (2)	3.12 %	3.12 %	3.20 %	3.17 %	3.15 %
Return on average assets (1), (2)	1.05	1.04	0.96	1.11	1.06
Return on average common equity (2)	7.7	7.7	7.0	8.3	8.0
Return on average tangible common equity (1), (2)	14.0	14.1	13.0	14.9	14.5
Efficiency ratio (1)	56.8	55.8	57.3	55.1	56.7
<b>Common Share Data:</b>					
Earnings per common share:					
Basic	\$ 0.34	\$ 0.33	\$ 0.30	\$ 0.35	\$ 0.33
Diluted (1)	0.33	0.33	0.30	0.35	0.33
Dividends paid per common share	0.1775	0.1775	0.1750	0.1750	0.1750
Common dividend payout ratio (1)	53.1 %	53.8 %	58.6 %	50.3 %	52.9 %
Book value per common share (end of period)	\$ 17.54	\$ 17.34	\$ 17.13	\$ 16.95	\$ 16.69
Tangible book value per common share (end of period) (1)	9.74	9.51	9.35	9.23	9.19
Stock price:					
High	17.10	17.66	18.03	17.46	19.00
Low	13.81	15.24	14.25	13.66	16.95
Close (end of period)	15.64	16.78	16.44	14.43	17.12
Common shares (end of period) (in millions)	392.57	392.24	372.18	371.02	342.36
Weighted average diluted common shares (in millions)	394.45	394.57	374.09	372.83	345.04

(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,	
	2019	2018
<b>Earnings Data:</b>		
Net interest income (fully taxable equivalent)	\$ 1,051.4	\$ 922.9
Net interest income	1,029.6	903.4
Provision for loan losses	21.0	20.1
Non-interest income	306.9	277.6
Non-interest expense (1)	837.0	733.4
Income before income tax expense	478.5	427.5
Net income	383.0	335.1
Net income available to common shareholders (1)	372.5	324.6
<b>Selected Statistical Data:</b>		
Net interest margin (2)	3.14 %	3.10 %
Return on average assets (1), (2)	1.02	1.01
Return on average common equity (2)	7.5	7.7
Return on average tangible common equity (1), (2)	13.7	14.1
Efficiency ratio (1)	56.6	58.2
<b>Common Share Data:</b>		
Earnings per common share:		
Basic	\$ 0.97	\$ 0.95
Diluted (1)	0.96	0.94
Dividends paid per common share	0.5300	0.5225
Common dividend payout ratio (1)	55.0 %	55.1 %
Book value per common share (end of period)	\$ 17.54	\$ 16.69
Tangible book value per common share (end of period) (1)	9.74	9.19
Stock price:		
High	18.03	20.26
Low	13.81	16.95
Close (end of period)	15.64	17.12
Common shares (end of period) (in millions)	392.57	342.36
Weighted average diluted common shares (in millions)	387.78	344.50

(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, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018
<b>Financial Condition Data:</b>					
Total assets	\$ 52,072	\$ 51,622	\$ 48,092	\$ 47,877	\$ 44,133
Loans	38,781	38,557	35,515	35,241	32,199
Securities	7,135	7,086	7,176	7,233	7,385
Short-term investments	158	275	106	266	128
Allowance for loan losses	246	244	241	240	238
Goodwill and other acquisition-related intangible assets	3,065	3,073	2,897	2,866	2,569
Deposits	38,574	39,467	36,901	36,159	33,210
Borrowings	4,629	3,400	2,860	3,593	3,392
Notes and debentures	916	912	902	896	886
Stockholders' equity	7,131	7,046	6,621	6,534	5,959
Total risk-weighted assets (1):					
People's United Financial, Inc.	39,779	39,026	36,466	35,910	33,181
People's United Bank, N.A.	39,727	38,976	36,447	35,875	33,132
Non-performing assets (2)	182	179	167	186	173
Net loan charge-offs	5.8	4.5	5.1	7.5	7.0
<b>Average Balances:</b>					
Loans	\$ 38,317	\$ 38,229	\$ 35,046	\$ 35,016	\$ 32,166
Securities (3)	7,041	7,147	7,311	7,479	7,404
Short-term investments	219	214	203	292	193
Total earning assets	45,577	45,591	42,560	42,786	39,763
Total assets	51,524	51,088	47,800	47,721	44,245
Deposits	38,657	39,211	36,450	35,959	33,058
Borrowings	3,855	3,146	2,937	3,456	3,539
Notes and debentures	914	904	896	886	888
Total funding liabilities	43,427	43,261	40,284	40,302	37,485
Stockholders' equity	7,079	6,978	6,562	6,515	5,937
<b>Ratios:</b>					
Net loan charge-offs to average total loans (annualized)	0.06 %	0.05 %	0.06 %	0.09 %	0.09 %
Non-performing assets to originated loans, real estate owned and repossessed assets (2)	0.56	0.56	0.54	0.61	0.57
Originated allowance for loan losses to:					
Originated loans (2)	0.75	0.76	0.76	0.77	0.78
Originated non-performing loans (2)	156.0	146.0	157.0	140.9	147.9
Average stockholders' equity to average total assets	13.7	13.7	13.7	13.7	13.4
Stockholders' equity to total assets	13.7	13.6	13.8	13.6	13.5
Tangible common equity to tangible assets (4)	7.8	7.7	7.7	7.6	7.6
Total risk-based capital (1):					
People's United Financial, Inc.	12.0	12.0	12.4	12.5	12.8
People's United Bank, N.A.	12.2	12.4	12.9	13.2	13.6

(1) September 30, 2019 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, 2019	June 30, 2019	Dec. 31, 2018	Sept. 30, 2018
<b>Assets</b>				
Cash and due from banks	\$ 635.2	\$ 505.9	\$ 665.7	\$ 410.5
Short-term investments	157.8	274.8	266.3	127.5
Securities:				
Trading debt securities, at fair value	9.3	9.3	8.4	8.3
Equity securities, at fair value	7.8	8.5	8.1	8.9
Debt securities available-for-sale, at fair value	2,978.7	2,971.2	3,121.0	3,312.1
Debt securities held-to-maturity, at amortized cost	3,805.4	3,807.5	3,792.3	3,742.9
Federal Home Loan Bank and Federal Reserve Bank stock, at cost	334.0	289.4	303.4	312.4
Total securities	7,135.2	7,085.9	7,233.2	7,384.6
Loans held-for-sale	24.8	17.4	19.5	15.2
Loans:				
Commercial real estate	12,186.9	12,230.7	11,649.6	10,595.5
Commercial and industrial	10,545.9	10,121.8	9,088.9	8,568.6
Equipment financing	4,735.6	4,611.0	4,339.2	4,209.3
Total Commercial Portfolio	27,468.4	26,963.5	25,077.7	23,373.4
Residential mortgage	9,308.7	9,532.6	8,154.2	6,911.9
Home equity and other consumer	2,004.3	2,060.6	2,009.5	1,914.0
Total Retail Portfolio	11,313.0	11,593.2	10,163.7	8,825.9
Total loans	38,781.4	38,556.7	35,241.4	32,199.3
Less allowance for loan losses	(246.0)	(244.0)	(240.4)	(238.0)
Total loans, net	38,535.4	38,312.7	35,001.0	31,961.3
Goodwill and other acquisition-related intangible assets	3,064.9	3,072.9	2,865.7	2,568.9
Bank-owned life insurance	505.6	504.4	467.0	407.7
Premises and equipment, net	258.5	261.0	267.3	243.8
Other assets	1,754.4	1,587.5	1,091.6	1,013.7
Total assets	\$ 52,071.8	\$ 51,622.5	\$ 47,877.3	\$ 44,133.2
<b>Liabilities</b>				
Deposits:				
Non-interest-bearing	\$ 9,129.3	\$ 8,747.2	\$ 8,543.0	\$ 8,060.2
Savings	4,616.6	4,847.4	4,116.5	4,048.8
Interest-bearing checking and money market	16,727.2	17,424.8	16,583.3	15,065.3
Time	8,100.4	8,447.9	6,916.2	6,035.9
Total deposits	38,573.5	39,467.3	36,159.0	33,210.2
Borrowings:				
Federal Home Loan Bank advances	2,948.5	2,054.4	2,404.5	2,369.7
Federal funds purchased	1,365.0	1,110.0	845.0	735.0
Customer repurchase agreements	315.6	235.2	332.9	261.3
Other borrowings	-	-	11.0	26.0
Total borrowings	4,629.1	3,399.6	3,593.4	3,392.0
Notes and debentures	915.7	911.5	895.8	885.6
Other liabilities	822.8	797.9	695.2	686.5
Total liabilities	44,941.1	44,576.3	41,343.4	38,174.3
<b>Stockholders' Equity</b>				
Preferred stock	244.1	244.1	244.1	244.1
Common stock	4.9	4.9	4.7	4.4
Additional paid-in capital	6,901.5	6,890.7	6,549.3	6,054.3
Retained earnings	1,449.3	1,388.1	1,284.8	1,220.9
Unallocated common stock of Employee Stock Ownership Plan, at cost	(124.7)	(126.5)	(130.1)	(131.9)
Accumulated other comprehensive loss	(182.3)	(193.0)	(256.8)	(270.8)
Treasury stock, at cost	(1,162.1)	(1,162.1)	(1,162.1)	(1,162.1)
Total stockholders' equity	7,130.7	7,046.2	6,533.9	5,958.9
Total liabilities and stockholders' equity	\$ 52,071.8	\$ 51,622.5	\$ 47,877.3	\$ 44,133.2

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

(in millions, except per common share data)	Three Months Ended				
	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018
<b>Interest and dividend income:</b>					
Commercial real estate	\$ 136.6	\$ 139.9	\$ 132.7	\$ 130.2	\$ 114.7
Commercial and industrial	113.4	111.4	103.9	100.1	93.2
Equipment financing	65.3	62.8	59.0	56.7	56.2
Residential mortgage	84.7	85.5	70.7	70.2	56.0
Home equity and other consumer	24.7	25.7	24.9	24.4	22.0
Total interest on loans	424.7	425.3	391.2	381.6	342.1
Securities	44.7	46.2	47.8	48.5	46.6
Short-term investments	1.3	1.2	1.3	1.4	1.1
Loans held-for-sale	0.2	0.1	0.2	0.3	0.2
Total interest and dividend income	470.9	472.8	440.5	431.8	390.0
<b>Interest expense:</b>					
Deposits	92.2	96.6	81.2	70.6	56.9
Borrowings	21.5	19.3	17.7	20.0	18.2
Notes and debentures	8.5	8.8	8.8	8.6	8.5
Total interest expense	122.2	124.7	107.7	99.2	83.6
Net interest income	348.7	348.1	332.8	332.6	306.4
Provision for loan losses	7.8	7.6	5.6	9.9	8.2
Net interest income after provision for loan losses	340.9	340.5	327.2	322.7	298.2
<b>Non-interest income:</b>					
Bank service charges	27.0	26.4	25.2	26.9	24.9
Investment management fees	17.3	17.1	16.5	16.4	17.4
Operating lease income	13.0	12.7	12.7	12.0	11.0
Commercial banking lending fees	11.8	10.2	7.8	9.6	7.9
Insurance revenue	10.3	8.7	10.5	6.7	9.8
Cash management fees	7.3	7.2	6.8	6.6	7.0
Customer interest rate swap income, net	5.6	7.6	3.0	6.3	2.8
Brokerage commissions	2.6	2.6	2.8	3.3	3.2
Net security gains (losses) (1)	-	0.1	-	(10.0)	0.1
Other non-interest income	11.1	13.7	9.3	10.9	8.2
Total non-interest income	106.0	106.3	94.6	88.7	92.3
<b>Non-interest expense:</b>					
Compensation and benefits	158.1	161.3	155.4	151.5	135.7
Occupancy and equipment	45.0	44.4	44.3	44.6	41.6
Professional and outside services	23.7	24.9	20.0	21.4	17.0
Operating lease expense	9.9	9.9	9.4	9.8	8.9
Amortization of other acquisition-related intangible assets	8.0	8.0	6.7	6.9	4.9
Regulatory assessments	5.3	6.5	7.0	7.4	10.0
Other non-interest expense	31.4	23.4	34.4	21.1	23.2
Total non-interest expense (1)	281.4	278.4	277.2	262.7	241.3
Income before income tax expense	165.5	168.4	144.6	148.7	149.2
Income tax expense (1)	30.4	35.2	30.0	15.8	32.2
Net income	135.1	133.2	114.6	132.9	117.0
Preferred stock dividend	3.5	3.5	3.5	3.5	3.5
Net income available to common shareholders	\$ 131.6	\$ 129.7	\$ 111.1	\$ 129.4	\$ 113.5
<b>Earnings per common share:</b>					
Basic	\$ 0.34	\$ 0.33	\$ 0.30	\$ 0.35	\$ 0.33
Diluted	0.33	0.33	0.30	0.35	0.33

(1) Net security gains (losses) for the three months ended December 31, 2018 include \$10.0 million of security losses, which are considered non-operating, incurred as a tax planning strategy in response to tax reform-related benefits recognized in the period. Total non-interest expense includes \$5.0 million, \$6.5 million, \$15.0 million, \$8.0 million and \$0.5 million of non-operating expenses for the three months ended September 30, 2019, June 30, 2019, March 31, 2019, December 31, 2018 and September 30, 2018, respectively. Income tax expense for the three months ended December 31, 2018 includes a \$9.2 million benefit recognized in connection with tax reform, which is considered non-operating. See Non-GAAP Financial Measures and Reconciliation to GAAP beginning on page 16.

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

(in millions, except per common share data)	Nine Months Ended	
	September 30,	
	2019	2018
<b>Interest and dividend income:</b>		
Commercial real estate	\$ 409.2	\$ 333.2
Commercial and industrial	328.7	265.6
Equipment financing	187.0	155.6
Residential mortgage	240.9	166.0
Home equity and other consumer	75.4	64.2
Total interest on loans	1,241.2	984.6
Securities	138.7	135.7
Short-term investments	3.8	3.6
Loans held for sale	0.6	0.6
Total interest and dividend income	1,384.3	1,124.5
<b>Interest expense:</b>		
Deposits	270.0	145.5
Borrowings	58.6	50.9
Notes and debentures	26.1	24.7
Total interest expense	354.7	221.1
Net interest income	1,029.6	903.4
Provision for loan losses	21.0	20.1
Net interest income after provision for loan losses	1,008.6	883.3
<b>Non-interest income:</b>		
Bank service charges	78.6	73.0
Investment management fees	50.9	52.3
Operating lease income	38.4	32.9
Commercial banking lending fees	29.8	27.7
Insurance revenue	29.5	27.9
Cash management fees	21.2	20.6
Customer interest rate swap income, net	16.2	8.3
Brokerage commissions	8.0	9.5
Other non-interest income	34.3	25.4
Total non-interest income	306.9	277.6
<b>Non-interest expense:</b>		
Compensation and benefits	474.8	411.4
Occupancy and equipment	133.7	123.6
Professional and outside services	68.6	56.2
Operating lease expense	29.2	26.6
Amortization of other acquisition-related intangible assets	22.7	14.9
Regulatory assessments	18.8	30.5
Other non-interest expense	89.2	70.2
Total non-interest expense (1)	837.0	733.4
Income before income tax expense	478.5	427.5
Income tax expense	95.5	92.4
Net income	383.0	335.1
Preferred stock dividend	10.5	10.5
Net income available to common shareholders	\$ 372.5	\$ 324.6
<b>Earnings per common share:</b>		
Basic	\$ 0.97	\$ 0.95
Diluted	0.96	0.94

(1) Total non-interest expense includes \$26.5 million and \$3.4 million of non-operating expenses for the nine months ended September 30, 2019 and 2018, 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, 2019			June 30, 2019			September 30, 2018		
	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate
<b>Assets:</b>									
Short-term investments	\$ 218.7	\$ 1.3	2.33%	\$ 214.1	\$ 1.2	2.21%	\$ 192.5	\$ 1.1	2.06%
Securities (2)	7,041.3	49.4	2.80	7,147.1	50.8	2.85	7,404.2	50.8	2.75
Loans:									
Commercial real estate	12,194.8	136.6	4.48	12,323.2	139.9	4.54	10,641.4	114.7	4.31
Commercial and industrial	10,059.2	116.0	4.61	9,638.2	114.1	4.74	8,584.8	95.6	4.45
Equipment financing	4,640.6	65.3	5.63	4,510.8	62.8	5.56	4,120.8	56.2	5.47
Residential mortgage	9,392.7	84.9	3.62	9,672.6	85.6	3.54	6,887.3	56.2	3.27
Home equity and other consumer	2,029.2	24.7	4.88	2,084.6	25.7	4.94	1,931.8	22.0	4.55
<b>Total loans</b>	<b>38,316.5</b>	<b>427.5</b>	<b>4.46</b>	<b>38,229.4</b>	<b>428.1</b>	<b>4.48</b>	<b>32,166.1</b>	<b>344.7</b>	<b>4.29</b>
Total earning assets	45,576.5	\$ 478.2	4.20%	45,590.6	\$ 480.1	4.21%	39,762.8	\$ 396.6	3.99%
Other assets	5,947.8			5,496.9			4,481.8		
<b>Total assets</b>	<b>\$ 51,524.3</b>			<b>\$ 51,087.5</b>			<b>\$ 44,244.6</b>		
<b>Liabilities and stockholders' equity:</b>									
Deposits:									
Non-interest-bearing	\$ 8,777.3	\$ -	- %	\$ 8,605.6	\$ -	- %	\$ 8,025.2	\$ -	- %
Savings, interest-bearing checking and money market	21,758.5	53.4	0.98	22,341.3	57.4	1.03	19,031.4	32.6	0.68
Time	8,121.6	38.8	1.91	8,263.8	39.2	1.90	6,001.3	24.3	1.62
<b>Total deposits</b>	<b>38,657.4</b>	<b>92.2</b>	<b>0.95</b>	<b>39,210.7</b>	<b>96.6</b>	<b>0.99</b>	<b>33,057.9</b>	<b>56.9</b>	<b>0.69</b>
Borrowings:									
Federal Home Loan Bank advances	2,363.0	14.1	2.39	1,844.0	12.2	2.64	2,560.6	14.0	2.18
Federal funds purchased	1,202.3	6.8	2.26	1,057.8	6.7	2.53	722.7	3.8	2.11
Customer repurchase agreements	290.1	0.6	0.86	240.0	0.4	0.77	234.3	0.3	0.53
Other borrowings	-	-	-	4.3	-	0.64	20.9	0.1	2.05
<b>Total borrowings</b>	<b>3,855.4</b>	<b>21.5</b>	<b>2.23</b>	<b>3,146.1</b>	<b>19.3</b>	<b>2.46</b>	<b>3,538.5</b>	<b>18.2</b>	<b>2.05</b>
Notes and debentures	913.8	8.5	3.73	903.8	8.8	3.89	888.3	8.5	3.83
<b>Total funding liabilities</b>	<b>43,426.6</b>	<b>\$ 122.2</b>	<b>1.13%</b>	<b>43,260.6</b>	<b>\$ 124.7</b>	<b>1.15%</b>	<b>37,484.7</b>	<b>\$ 83.6</b>	<b>0.89%</b>
Other liabilities	1,019.1			848.8			823.3		
<b>Total liabilities</b>	<b>44,445.7</b>			<b>44,109.4</b>			<b>38,308.0</b>		
Stockholders' equity	7,078.6			6,978.1			5,936.6		
<b>Total liabilities and stockholders' equity</b>	<b>\$ 51,524.3</b>			<b>\$ 51,087.5</b>			<b>\$ 44,244.6</b>		
Net interest income/spread (3)		\$ 356.0	3.07%		\$ 355.4	3.06%		\$ 313.0	3.10%
<b>Net interest margin</b>			<b>3.12%</b>			<b>3.12%</b>			<b>3.15%</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 \$7.3 million, \$7.3 million and \$6.6 million for the three months ended September 30, 2019, June 30, 2019 and September 30, 2018, respectively.

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

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

Nine months ended (dollars in millions)	September 30, 2019			September 30, 2018		
	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate
<b>Assets:</b>						
Short-term investments	\$ 211.9	\$ 3.8	2.37%	\$ 274.6	\$ 3.6	1.74%
Securities (2)	7,165.4	152.6	2.84	7,298.3	148.0	2.70
<b>Loans:</b>						
Commercial real estate	12,037.6	409.2	4.53	10,791.8	333.2	4.12
Commercial and industrial	9,561.1	336.6	4.69	8,521.2	272.8	4.27
Equipment financing	4,504.1	187.0	5.54	3,972.6	155.6	5.22
Residential mortgage	9,077.5	241.5	3.55	6,859.5	166.6	3.24
Home equity and other consumer	2,029.1	75.4	4.95	1,981.1	64.2	4.32
<b>Total loans</b>	<b>37,209.4</b>	<b>1,249.7</b>	<b>4.48</b>	<b>32,126.2</b>	<b>992.4</b>	<b>4.12</b>
<b>Total earning assets</b>	<b>44,586.7</b>	<b>\$ 1,406.1</b>	<b>4.20%</b>	<b>39,699.1</b>	<b>\$ 1,144.0</b>	<b>3.84%</b>
Other assets	5,564.3			4,423.6		
<b>Total assets</b>	<b>\$ 50,151.0</b>			<b>\$ 44,122.7</b>		
<b>Liabilities and stockholders' equity:</b>						
<b>Deposits:</b>						
Non-interest-bearing	\$ 8,563.2	\$ -	- %	\$ 7,899.0	\$ -	- %
Savings, interest-bearing checking and money market	21,708.6	159.6	0.98	19,296.0	85.7	0.59
Time	7,842.4	110.4	1.88	5,611.6	59.8	1.42
<b>Total deposits</b>	<b>38,114.2</b>	<b>270.0</b>	<b>0.94</b>	<b>32,806.6</b>	<b>145.5</b>	<b>0.59</b>
<b>Borrowings:</b>						
Federal Home Loan Bank advances	2,034.1	38.7	2.54	2,748.6	39.7	1.92
Federal funds purchased	1,005.6	18.2	2.41	655.6	9.1	1.85
Customer repurchase agreements	272.1	1.6	0.76	241.7	0.6	0.34
Other borrowings	4.4	0.1	1.86	127.1	1.5	1.60
<b>Total borrowings</b>	<b>3,316.2</b>	<b>58.6</b>	<b>2.35</b>	<b>3,773.0</b>	<b>50.9</b>	<b>1.80</b>
Notes and debentures	904.7	26.1	3.85	891.0	24.7	3.70
<b>Total funding liabilities</b>	<b>42,335.1</b>	<b>\$ 354.7</b>	<b>1.12%</b>	<b>37,470.6</b>	<b>\$ 221.1</b>	<b>0.79%</b>
Other liabilities	941.0			776.1		
<b>Total liabilities</b>	<b>43,276.1</b>			<b>38,246.7</b>		
Stockholders' equity	6,874.9			5,876.0		
<b>Total liabilities and stockholders' equity</b>	<b>\$ 50,151.0</b>			<b>\$ 44,122.7</b>		
Net interest income/spread (3)		\$ 1,051.4	3.08%		\$ 922.9	3.05%
Net interest margin			3.14%			3.10%

(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 \$21.8 million and \$19.5 million for the nine months ended September 30, 2019 and 2018, 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, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018
Originated non-performing loans:					
Commercial:					
Commercial real estate	\$ 25.1	\$ 23.2	\$ 33.6	\$ 33.5	\$ 17.2
Commercial and industrial	37.7	45.4	30.3	38.0	44.9
Equipment financing	41.5	42.7	37.5	42.0	49.3
Total	104.3	111.3	101.4	113.5	111.4
Retail:					
Residential mortgage	36.6	38.4	35.4	38.9	32.0
Home equity	14.3	14.7	14.1	15.3	14.6
Other consumer	0.1	-	-	-	0.1
Total	51.0	53.1	49.5	54.2	46.7
Total originated non-performing loans (1)	155.3	164.4	150.9	167.7	158.1
REO:					
Residential	12.3	8.1	6.9	5.5	4.4
Commercial	7.7	0.6	4.1	8.7	8.7
Total REO	20.0	8.7	11.0	14.2	13.1
Reposessed assets	6.3	5.7	5.6	3.9	2.0
Total non-performing assets	\$ 181.6	\$ 178.8	\$ 167.5	\$ 185.8	\$ 173.2
Acquired non-performing loans (contractual amount)	\$ 21.1	\$ 34.1	\$ 42.6	\$ 50.1	\$ 32.3
Originated non-performing loans as a percentage of originated loans	0.48 %	0.52 %	0.49 %	0.55 %	0.53 %
Non-performing assets as a percentage of:					
Originated loans, REO and reposessed assets	0.56	0.56	0.54	0.61	0.57
Tangible stockholders' equity and originated allowance for loan losses	4.21	4.24	4.23	4.76	4.78

(1) Reported net of government guarantees totaling \$1.4 million at September 30, 2019, \$1.6 million at June 30, 2019, \$1.4 million at March 31, 2019, \$1.9 million at December 31, 2018 and \$2.5 million at September 30, 2018.

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

**PROVISION AND ALLOWANCE FOR LOAN LOSSES**

(dollars in millions)	Three Months Ended				
	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018
<b>Allowance for loan losses on originated loans:</b>					
Balance at beginning of period	\$ 240.1	\$ 236.9	\$ 236.3	\$ 233.9	\$ 232.8
Charge-offs	(6.8)	(4.4)	(5.6)	(7.3)	(6.4)
Recoveries	2.1	2.2	2.2	1.3	1.0
Net loan charge-offs	(4.7)	(2.2)	(3.4)	(6.0)	(5.4)
Provision for loan losses	6.9	5.4	4.0	8.4	6.5
Balance at end of period	242.3	240.1	236.9	236.3	233.9
<b>Allowance for loan losses on acquired loans:</b>					
Balance at beginning of period	3.9	4.0	4.1	4.1	4.0
Charge-offs	(1.4)	(2.9)	(1.9)	(1.8)	(2.0)
Recoveries	0.3	0.6	0.2	0.3	0.4
Net loan charge-offs	(1.1)	(2.3)	(1.7)	(1.5)	(1.6)
Provision for loan losses	0.9	2.2	1.6	1.5	1.7
Balance at end of period	3.7	3.9	4.0	4.1	4.1
<b>Total allowance for loan losses</b>	<b>\$ 246.0</b>	<b>\$ 244.0</b>	<b>\$ 240.9</b>	<b>\$ 240.4</b>	<b>\$ 238.0</b>
Originated commercial allowance for loan losses as a percentage of originated commercial loans	0.89 %	0.91 %	0.91 %	0.93 %	0.94 %
Originated retail allowance for loan losses as a percentage of originated retail loans	0.35	0.34	0.37	0.36	0.36
Total originated allowance for loan losses as a percentage of:					
Originated loans	0.75	0.76	0.76	0.77	0.78
Originated non-performing loans	156.0	146.0	157.0	140.9	147.9

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

(dollars in millions)	Three Months Ended				
	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018
<b>Commercial:</b>					
Commercial real estate	\$ (0.2)	\$ 0.1	\$ 1.1	\$ 1.4	\$ 1.7
Commercial and industrial	1.6	0.2	1.7	1.4	2.2
Equipment financing	4.2	3.9	2.2	4.4	2.9
Total	5.6	4.2	5.0	7.2	6.8
<b>Retail:</b>					
Residential mortgage	-	0.1	0.1	-	0.1
Home equity	-	-	(0.2)	0.1	(0.1)
Other consumer	0.2	0.2	0.2	0.2	0.2
Total	0.2	0.3	0.1	0.3	0.2
Total net loan charge-offs	\$ 5.8	\$ 4.5	\$ 5.1	\$ 7.5	\$ 7.0
Net loan charge-offs to average total loans (annualized)	0.06 %	0.05 %	0.06 %	0.09 %	0.09 %

## 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.

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, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	Sept. 30, 2019	Sept. 30, 2018
Total non-interest expense	\$ 281.4	\$ 278.4	\$ 277.2	\$ 262.7	\$ 241.3	\$ 837.0	\$ 733.4
Adjustments to arrive at operating non-interest expense:							
Merger-related expenses	(5.0)	(6.5)	(15.0)	(8.0)	(0.5)	(26.5)	(3.4)
Total	(5.0)	(6.5)	(15.0)	(8.0)	(0.5)	(26.5)	(3.4)
<b>Operating non-interest expense</b>	<b>276.4</b>	<b>271.9</b>	<b>262.2</b>	<b>254.7</b>	<b>240.8</b>	<b>810.5</b>	<b>730.0</b>
Operating lease expense	(9.9)	(9.9)	(9.4)	(9.8)	(8.9)	(29.2)	(26.6)
Amortization of other acquisition-related intangible assets	(8.0)	(8.0)	(6.7)	(6.9)	(4.9)	(22.7)	(14.9)
Other (1)	(1.4)	(1.4)	(1.8)	(1.6)	(1.8)	(4.6)	(4.8)
Total non-interest expense for efficiency ratio	\$ 257.1	\$ 252.6	\$ 244.3	\$ 236.4	\$ 225.2	\$ 754.0	\$ 683.7
Net interest income (FTE basis)	\$ 356.0	\$ 355.4	\$ 340.0	\$ 339.5	\$ 313.0	\$ 1,051.4	\$ 922.9
Total non-interest income	106.0	106.3	94.6	88.7	92.3	306.9	277.6
Total revenues	462.0	461.7	434.6	428.2	405.3	1,358.3	1,200.5
Adjustments:							
Operating lease expense	(9.9)	(9.9)	(9.4)	(9.8)	(8.9)	(29.2)	(26.6)
BOLI FTE adjustment	0.5	0.7	0.6	0.5	0.6	1.8	1.4
Net security (gains) losses	-	(0.1)	-	10.0	(0.1)	(0.1)	(0.2)
Other (2)	0.1	-	0.3	-	-	0.4	-
Total revenues for efficiency ratio	\$ 452.7	\$ 452.4	\$ 426.1	\$ 428.9	\$ 396.9	\$ 1,331.2	\$ 1,175.1
<b>Efficiency ratio</b>	<b>56.8%</b>	<b>55.8%</b>	<b>57.3%</b>	<b>55.1%</b>	<b>56.7%</b>	<b>56.6%</b>	<b>58.2%</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 added to total revenues for purposes of calculating the efficiency ratio include, as applicable, asset write-offs and gains/losses associated with the sale of branch locations.

People's United Financial, Inc.

NON-GAAP FINANCIAL MEASURES AND RECONCILIATION TO GAAP - Continued

OPERATING EARNINGS

(dollars in millions, except per common share data)	Three Months Ended				Nine Months Ended		
	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	Sept. 30, 2019	Sept. 30, 2018
Net income available to common shareholders	\$ 131.6	\$ 129.7	\$ 111.1	\$ 129.4	\$ 113.5	\$ 372.5	\$ 324.6
Adjustments to arrive at operating earnings:							
Merger-related expenses	5.0	6.5	15.0	8.0	0.5	26.5	3.4
Security losses associated with tax reform (1)	-	-	-	10.0	-	-	-
Total pre-tax adjustments	5.0	6.5	15.0	18.0	0.5	26.5	3.4
Tax effect (2)	(1.1)	(1.4)	(3.1)	(13.2)	(0.2)	(5.6)	(0.8)
Total adjustments, net of tax	3.9	5.1	11.9	4.8	0.3	20.9	2.6
<b>Operating earnings</b>	<b>\$ 135.5</b>	<b>\$ 134.8</b>	<b>\$ 123.0</b>	<b>\$ 134.2</b>	<b>\$ 113.8</b>	<b>\$ 393.4</b>	<b>\$ 327.2</b>
Diluted EPS, as reported	\$ 0.33	\$ 0.33	\$ 0.30	\$ 0.35	\$ 0.33	\$ 0.96	\$ 0.94
Adjustments to arrive at operating EPS:							
Merger-related expenses	0.01	0.01	0.03	0.01	-	0.05	0.01
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	0.03	0.01	-	0.05	0.01
<b>Operating EPS</b>	<b>\$ 0.34</b>	<b>\$ 0.34</b>	<b>\$ 0.33</b>	<b>\$ 0.36</b>	<b>\$ 0.33</b>	<b>\$ 1.01</b>	<b>\$ 0.95</b>
Average total assets	\$51,524	\$51,088	\$47,800	\$47,721	\$ 44,245	\$50,151	\$ 44,123
<b>Operating return on average assets (annualized)</b>	<b>1.05%</b>	<b>1.06%</b>	<b>1.03%</b>	<b>1.12%</b>	<b>1.03%</b>	<b>1.05%</b>	<b>0.99%</b>

(1) Security losses incurred as a tax planning strategy in response to a tax reform-related benefit are considered non-operating.

(2) Includes a \$9.2 million benefit recognized in connection with tax reform for the three months ended December 31, 2018.

OPERATING RETURN ON AVERAGE TANGIBLE COMMON EQUITY

(dollars in millions)	Three Months Ended				Nine Months Ended		
	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	Sept. 30, 2019	Sept. 30, 2018
Operating earnings	\$ 135.5	\$ 134.8	\$ 123.0	\$ 134.2	\$ 113.8	\$ 393.4	\$ 327.2
Average stockholders' equity	\$ 7,079	\$ 6,978	\$ 6,562	\$ 6,515	\$ 5,937	\$ 6,875	\$ 5,876
Less: Average preferred stock	244	244	244	244	244	244	244
Average common equity	6,835	6,734	6,318	6,271	5,693	6,631	5,632
Less: Average goodwill and average other acquisition-related intangible assets	3,069	3,043	2,900	2,807	2,572	3,005	2,561
Average tangible common equity	\$ 3,766	\$ 3,691	\$ 3,418	\$ 3,464	\$ 3,121	\$ 3,626	\$ 3,071
<b>Operating return on average tangible common equity (annualized)</b>	<b>14.4%</b>	<b>14.6%</b>	<b>14.4%</b>	<b>15.5%</b>	<b>14.6%</b>	<b>14.5%</b>	<b>14.2%</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				Nine Months Ended		
	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	Sept. 30, 2019	Sept. 30, 2018
Common dividends paid	\$ 69.9	\$ 69.8	\$ 65.2	\$ 65.1	\$ 60.0	\$ 204.9	\$ 178.7
Operating earnings	\$ 135.5	\$ 134.8	\$ 123.0	\$ 134.2	\$ 113.8	\$ 393.4	\$ 327.2
<b>Operating common dividend payout ratio</b>	51.6%	51.8%	53.0%	48.5%	52.7%	52.1%	54.6%

**TANGIBLE COMMON EQUITY RATIO**

(dollars in millions)	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018
Total stockholders' equity	\$ 7,131	\$ 7,046	\$ 6,621	\$ 6,534	\$ 5,959
Less: Preferred stock	244	244	244	244	244
Common equity	6,887	6,802	6,377	6,290	5,715
Less: Goodwill and other acquisition-related intangible assets	3,065	3,073	2,896	2,866	2,569
Tangible common equity	\$ 3,822	\$ 3,730	\$ 3,481	\$ 3,424	\$ 3,146
Total assets	\$52,072	\$51,622	\$48,092	\$47,877	\$44,133
Less: Goodwill and other acquisition-related intangible assets	3,065	3,073	2,896	2,866	2,569
Tangible assets	\$49,007	\$48,549	\$45,196	\$45,011	\$41,564
<b>Tangible common equity ratio</b>	7.8%	7.7%	7.7%	7.6%	7.6%

**TANGIBLE BOOK VALUE PER COMMON SHARE**

(in millions, except per common share data)	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018
Tangible common equity	\$ 3,822	\$ 3,730	\$ 3,481	\$ 3,424	\$ 3,146
Common shares issued	487.59	487.35	467.38	466.32	437.74
Less: Shares classified as treasury shares	89.01	89.01	89.01	89.03	89.02
Unallocated ESOP shares	6.01	6.10	6.19	6.27	6.36
Common shares	392.57	392.24	372.18	371.02	342.36
<b>Tangible book value per common share</b>	\$ 9.74	\$ 9.51	\$ 9.35	\$ 9.23	\$ 9.19