



3rd Quarter 2014 Earnings Conference Call
October 16, 2014

Forward-Looking Statement

Certain statements contained in this release are forward-looking in nature. These include all statements about People's United Financial's plans, objectives, expectations and other statements that are not historical facts, and usually use words such as "expect," "anticipate," "believe," "should" and similar expressions. Such statements represent management's current beliefs, based upon information available at the time the statements are made, with regard to the matters addressed. All forward-looking statements are subject to risks and uncertainties that could cause People's United Financial's actual results or financial condition to differ materially from those expressed in or implied by such statements. Factors of particular importance to People's United Financial include, but are not limited to: (1) changes in general, national or regional economic conditions; (2) changes in interest rates; (3) changes in loan default and charge-off rates; (4) changes in deposit levels; (5) changes in levels of income and expense in non-interest income and expense related activities; (6) changes in accounting and regulatory guidance applicable to banks; (7) price levels and conditions in the public securities markets generally; (8) competition and its effect on pricing, spending, third-party relationships and revenues; and (9) changes in regulation resulting from or relating to financial reform legislation. People's United Financial does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



Third Quarter 2014 Results

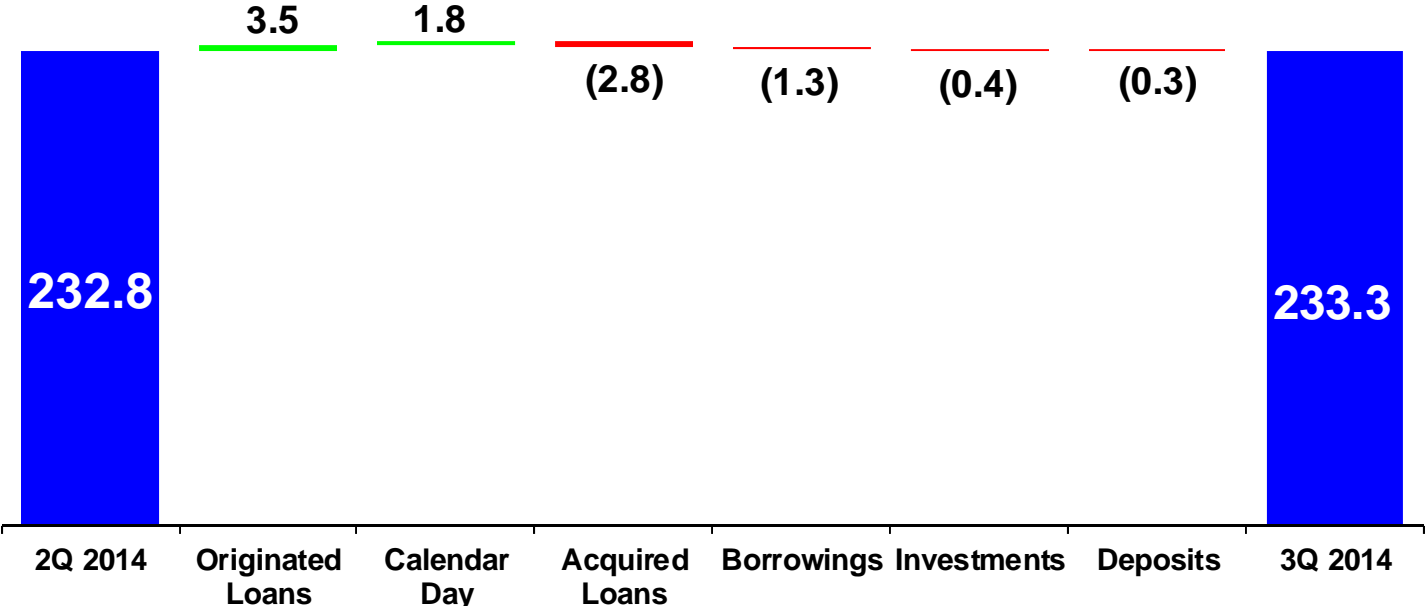
Overview / 3Q 2014 vs. 2Q 2014

- **Operating earnings of \$63.0 million or \$0.21 per share, versus \$0.20 per share in the prior quarter**
- **Net interest income on a fully taxable equivalent basis of \$233.3 million, 2% growth over the prior year**
- **Net interest margin of 3.05%, down 8 basis points from 2Q 2014**
- **Loan growth of \$499 million, 8% annualized growth rate**
- **Deposit growth of \$1.2 billion, 19% annualized growth rate**
 - Excluding brokered deposits, deposit growth of \$272 million, 5% annualized growth rate
- **Non-interest income of \$84.0 million versus \$79.5 million in 2Q 2014, excluding the gain on the merchant services joint venture**
- **Operating expenses remain flat at \$206.7 million**
- **Efficiency ratio was 61.4% compared to 61.8% last quarter**
- **Net charge-offs were 0.13% compared to 0.10% last quarter**



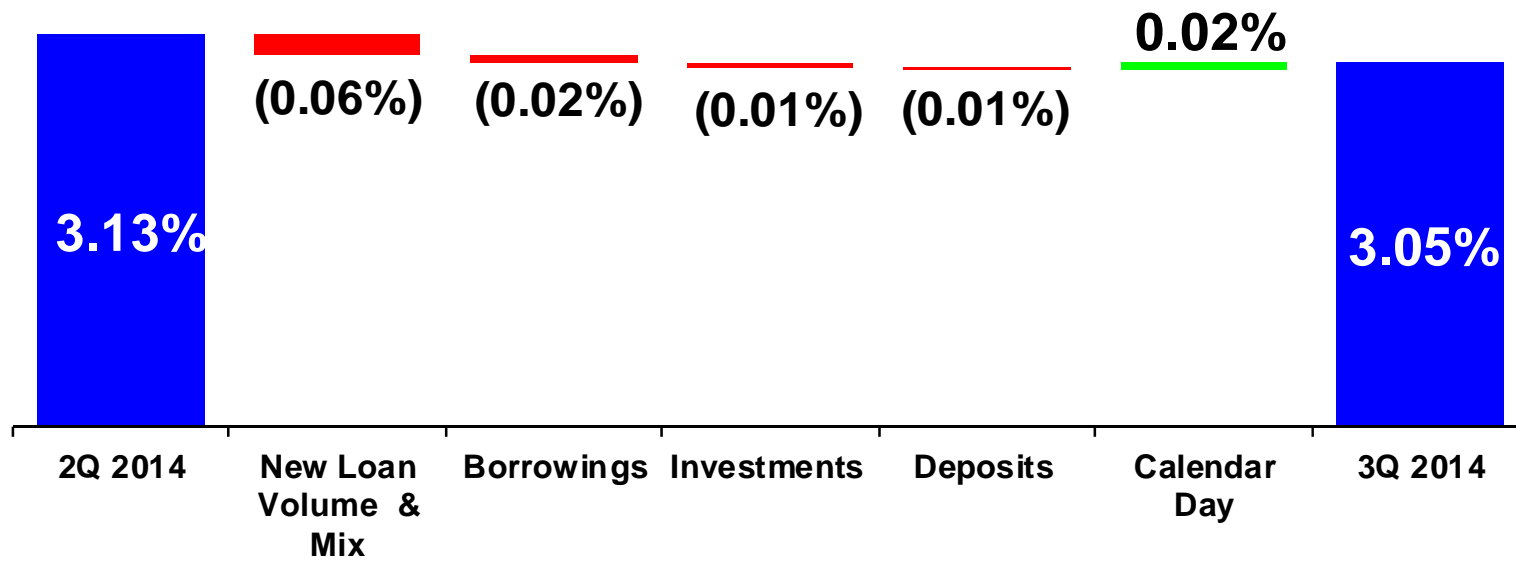
Net Interest Income (Fully Taxable Equivalent)

Linked Quarter Change
(in \$ millions)



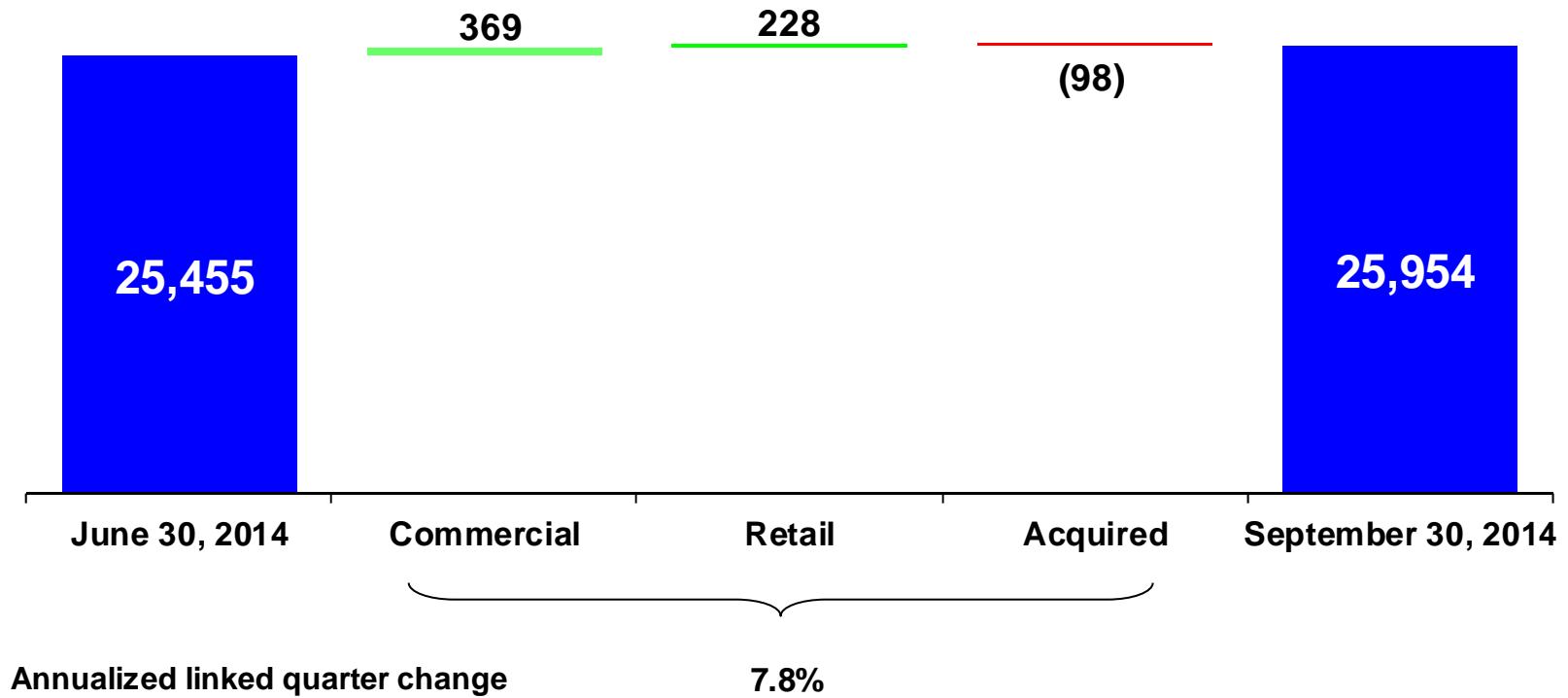
Net Interest Margin (%)

Linked Quarter Change



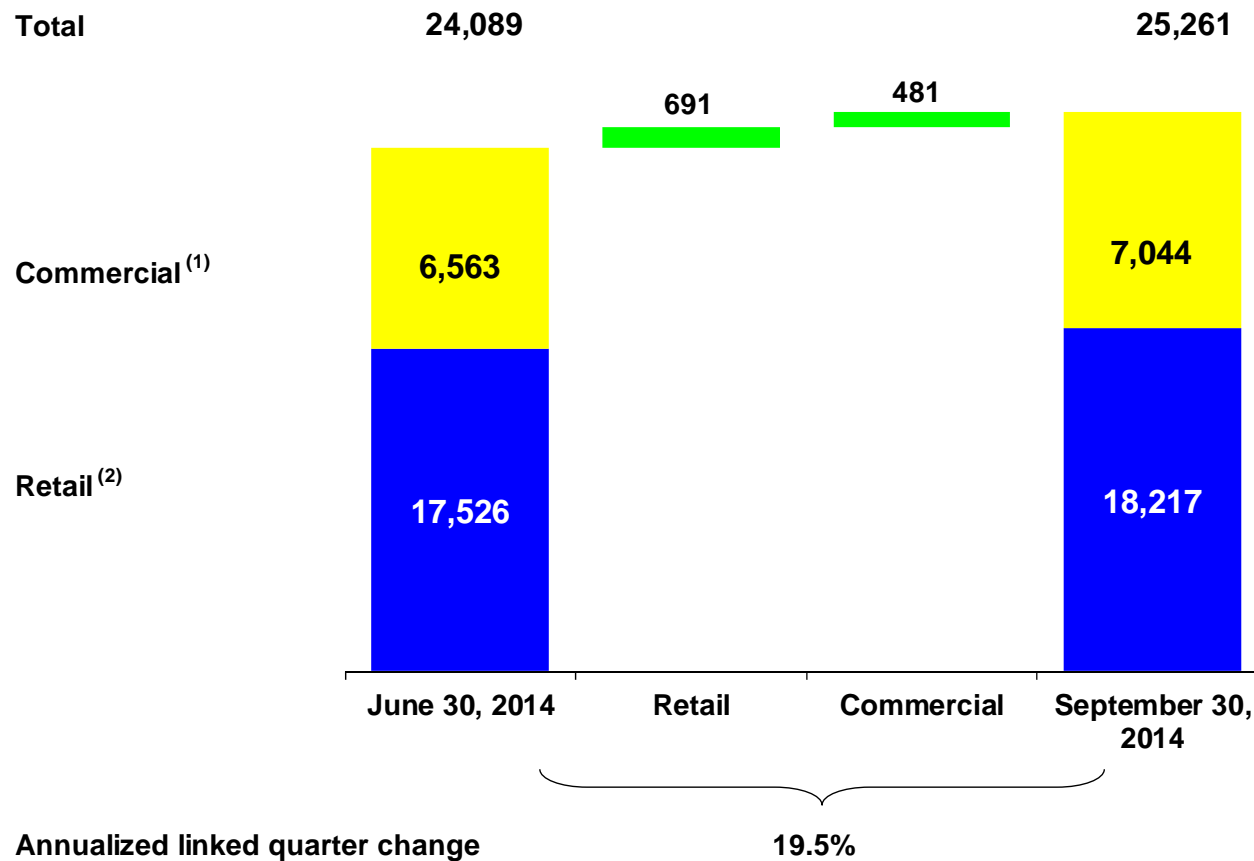
Loans

Linked Quarter Change
(in \$ millions)



Deposits

Linked Quarter Change (in \$ millions)

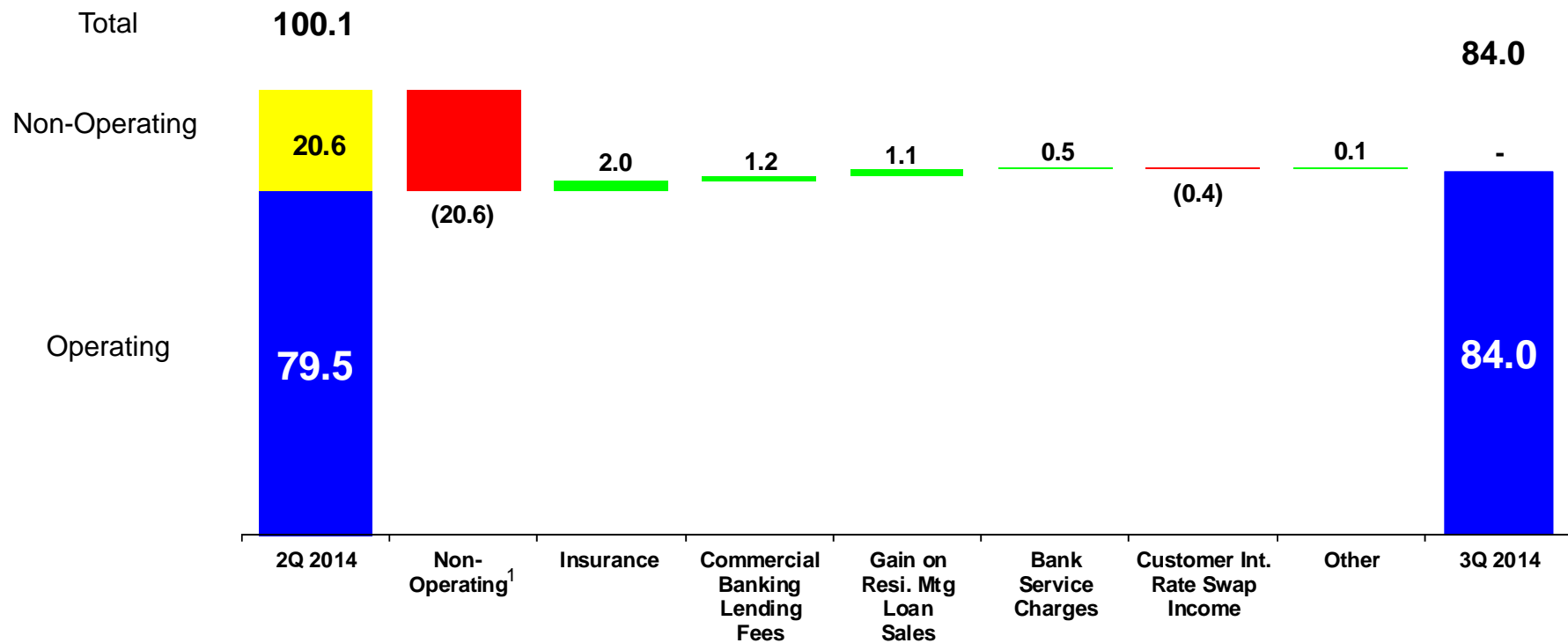


Notes: (1) Commercial includes Municipal deposits of \$1,150MM at 06/2014 and \$1,397MM at 09/2014
 (2) Retail includes brokered deposits of \$1,328MM at 06/2014 and \$2,228MM at 09/2014

Non-Interest Income

Linked Quarter Change

(in \$ millions)

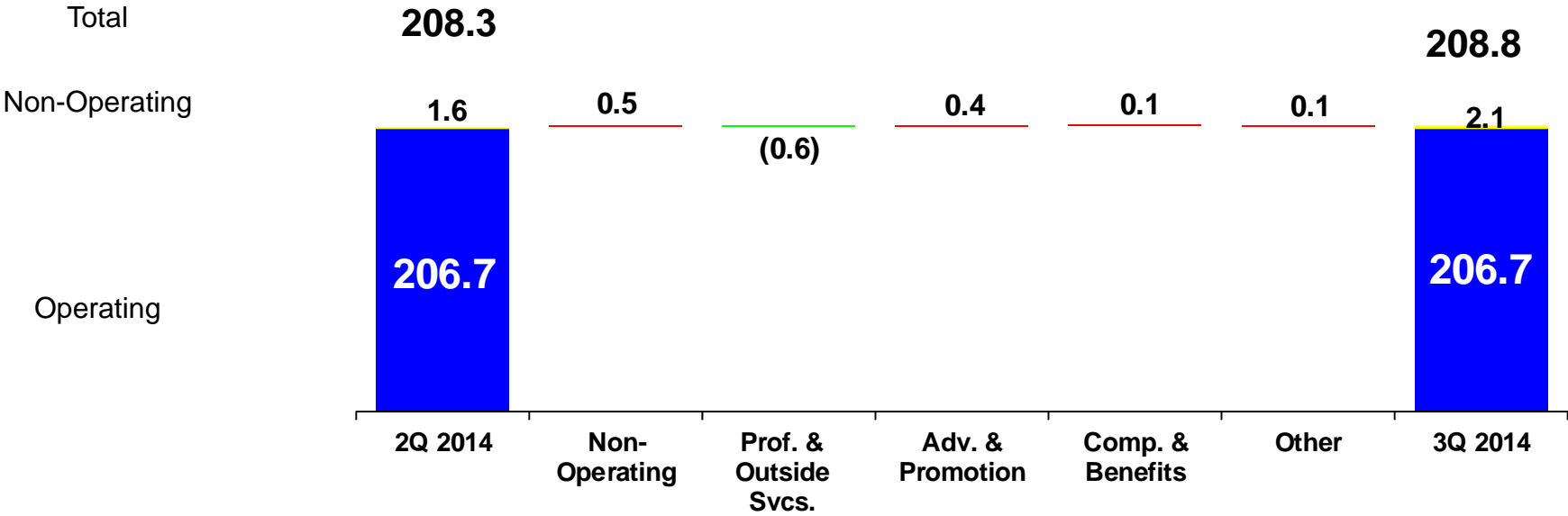


Note: ⁽¹⁾ Non-operating income represents the 2Q 2014 gain on the merchant services joint venture, net of related expenses



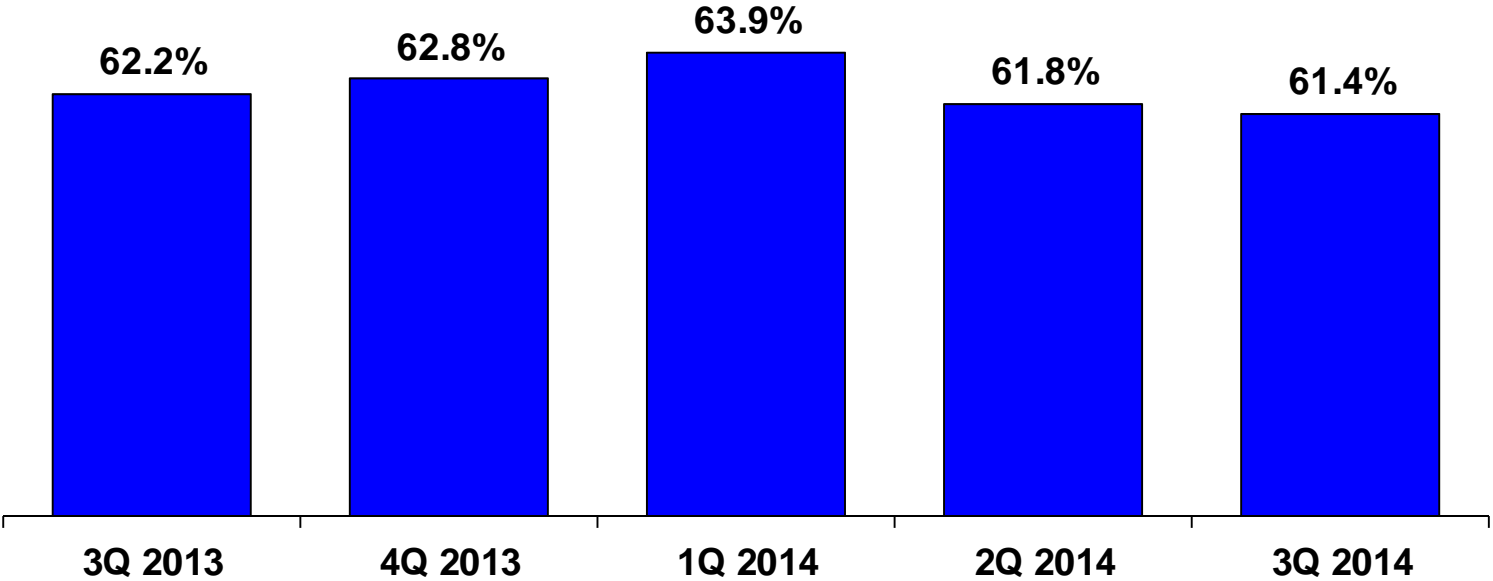
Non-Interest Expense

Linked Quarter Change
(in \$ millions)



Efficiency Ratio (%)

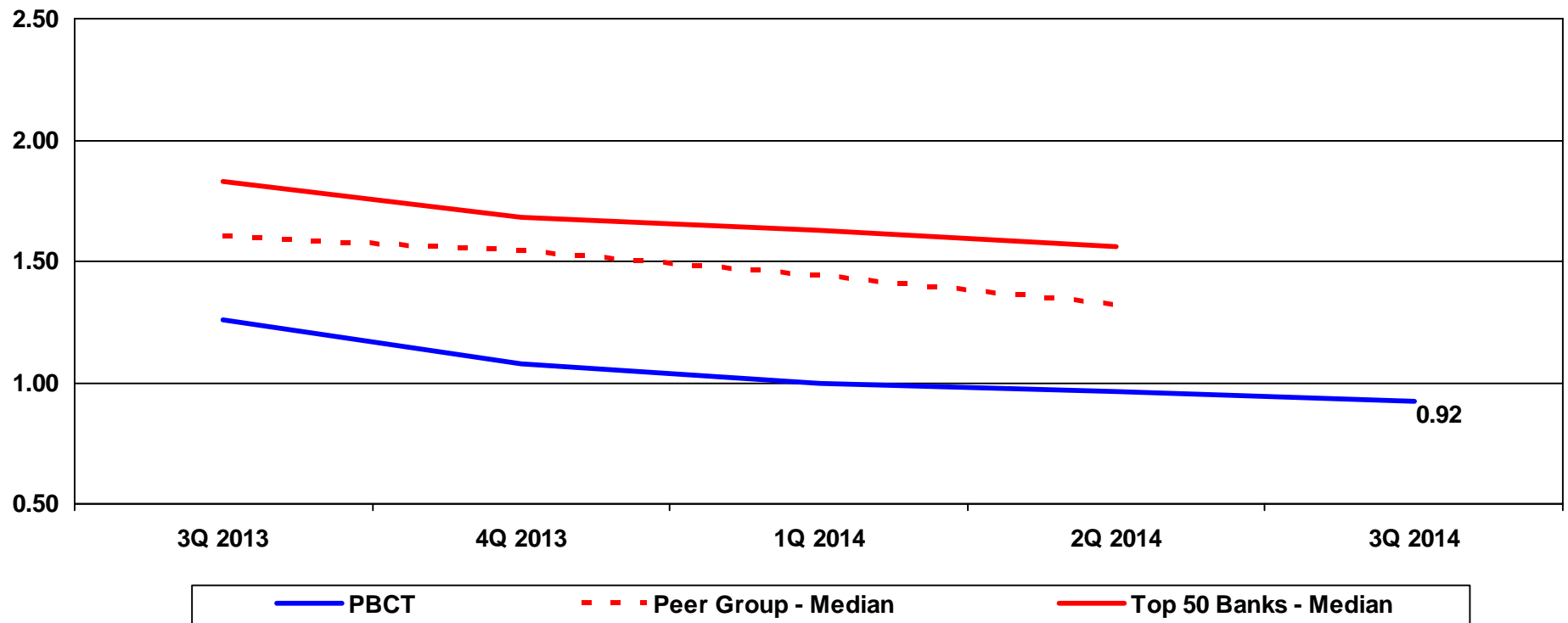
Last Five Quarters



Asset Quality

NPAs / Loans & REO (%) ⁽¹⁾

Last Five Quarters

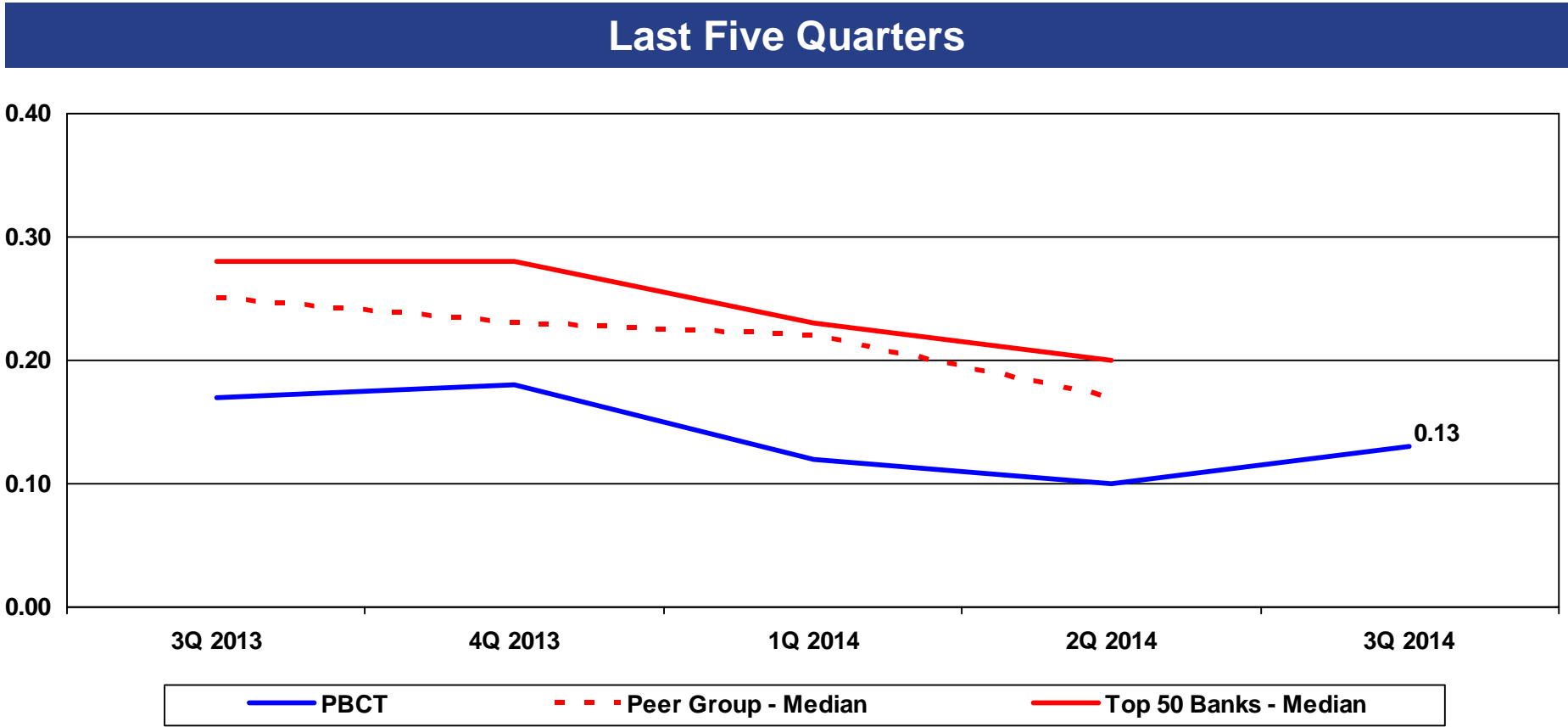


(1) Non-performing assets (excluding acquired non-performing loans) as a percentage of *originated* loans plus *all* REO and repossessed assets; acquired non-performing loans excluded as risk of loss has been considered by virtue of (i) our estimate of acquisition-date fair value, (ii) the existence of an FDIC loss sharing agreement, and/or (iii) allowance for loan losses established subsequent to acquisition



Asset Quality

Net Charge-Offs / Avg. Loans (%) ⁽¹⁾



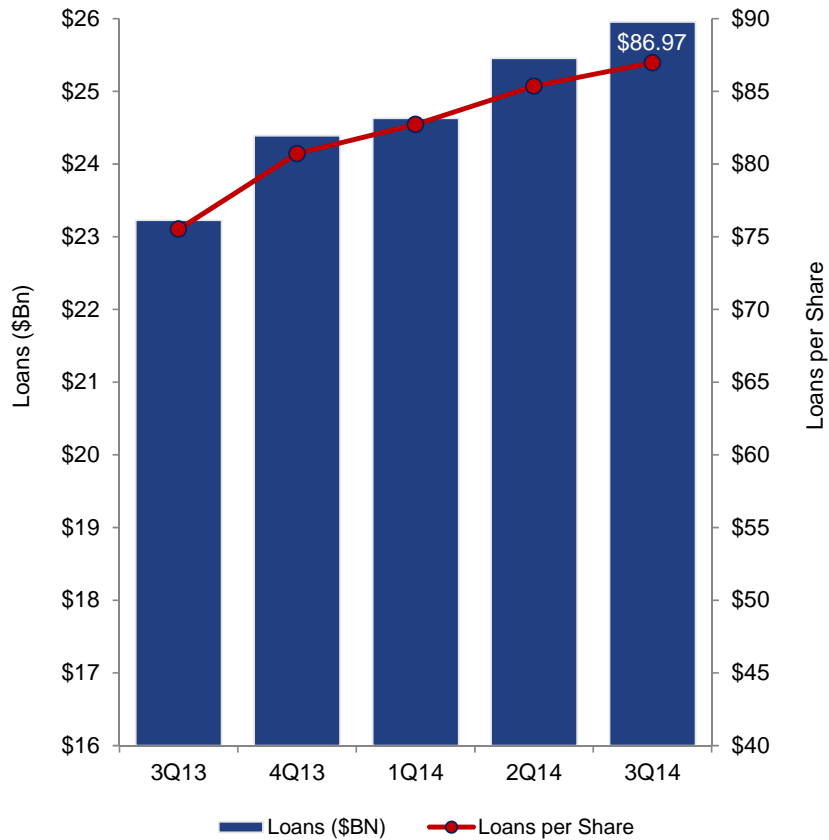
⁽¹⁾ Excluding acquired loan charge-offs, PBCT's charge-off ratio was 0.12%, 0.09%, 0.09%, 0.17% and 0.16% in 3Q 2014, 2Q 2014, 1Q 2014, 4Q 2013 and 3Q 2013, respectively



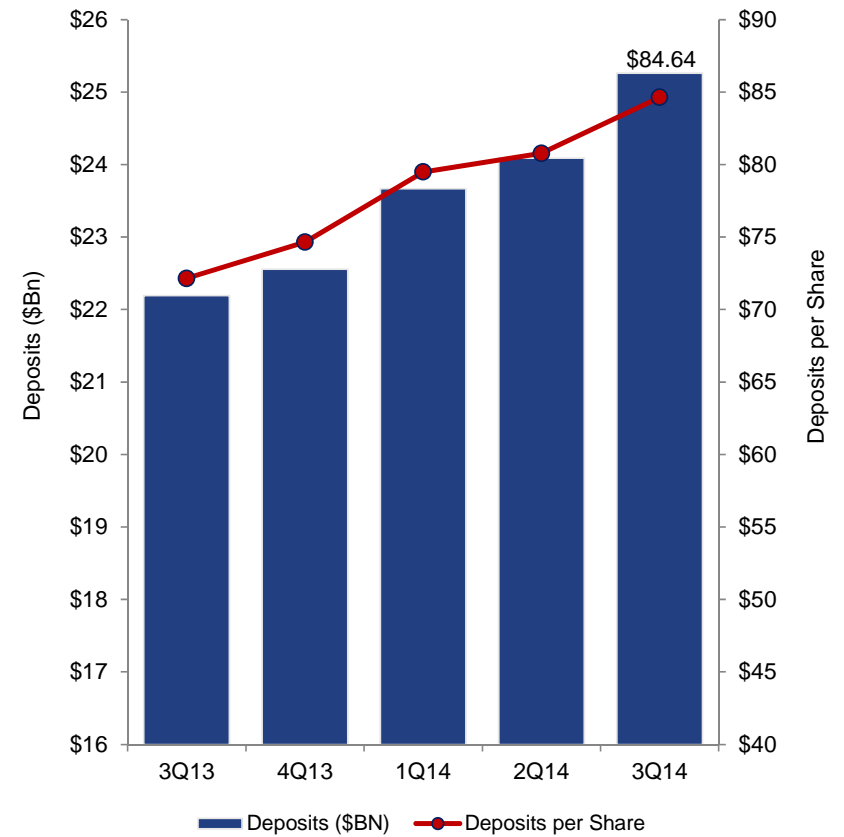
Growing Future Earnings Per Share

Last Five Quarters

Loans

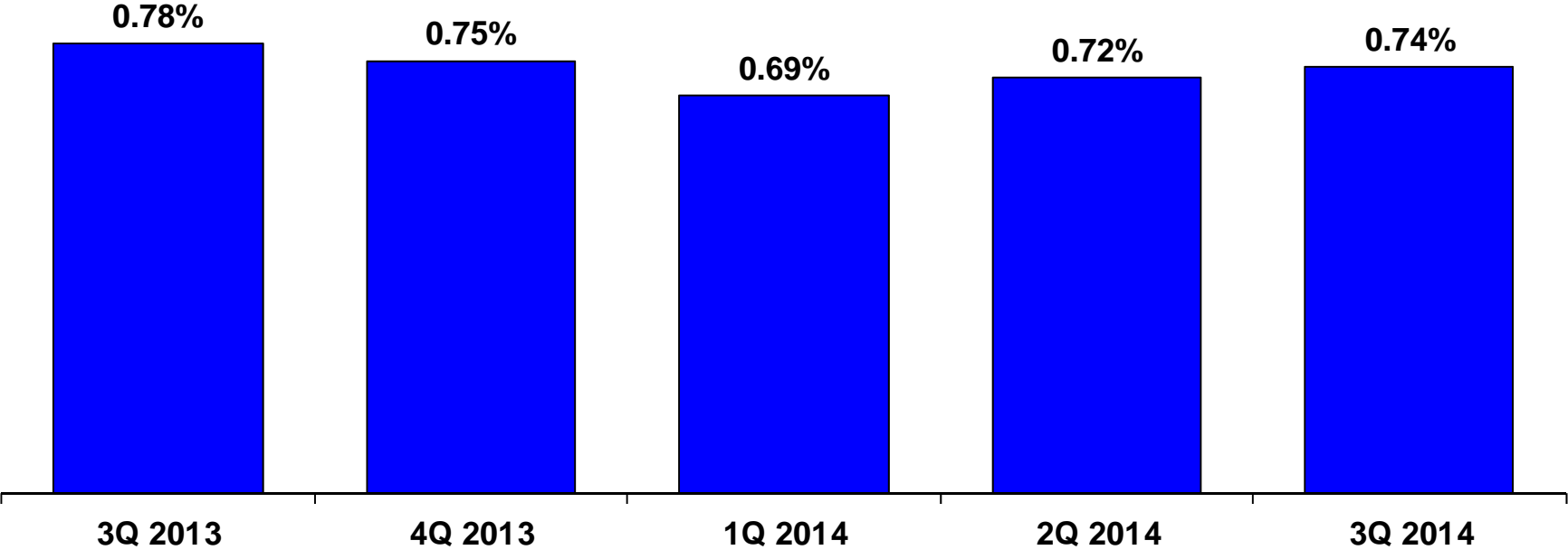


Deposits



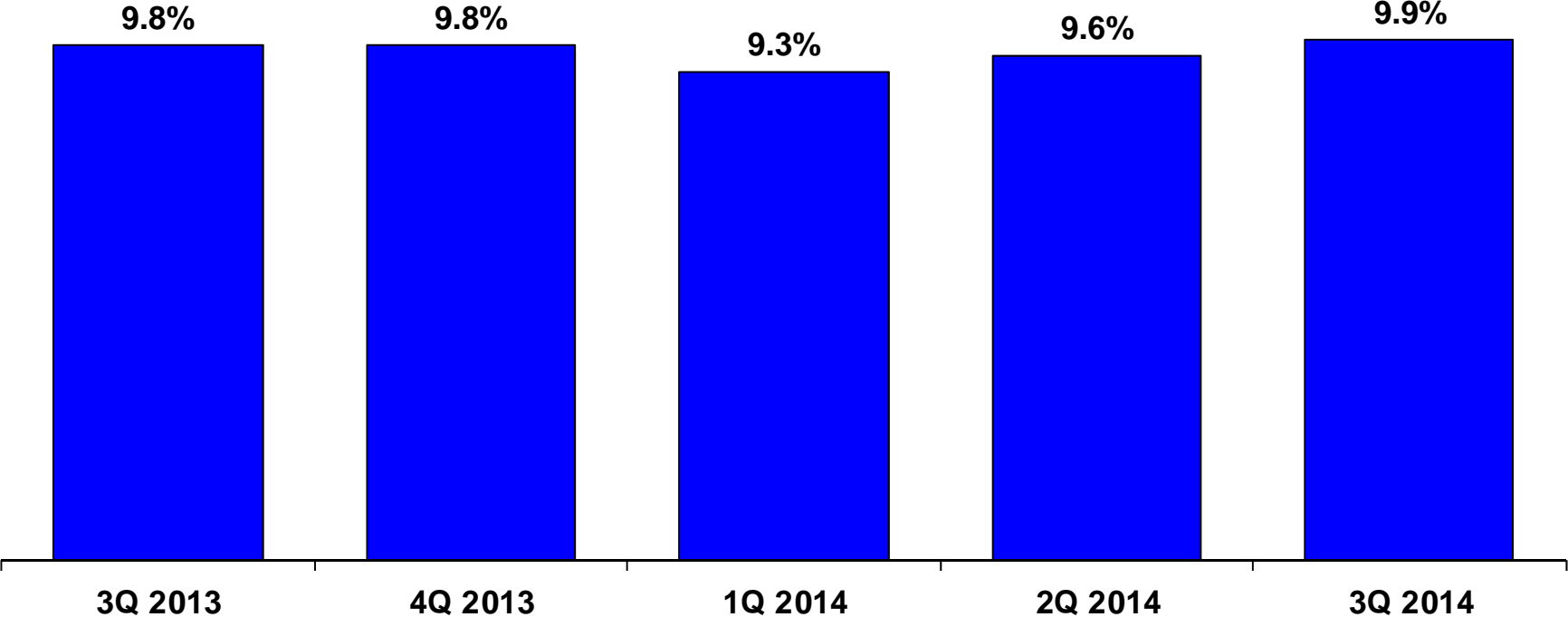
Operating ROAA (%)

Last Five Quarters



Operating ROATE (%)

Last Five Quarters



Capital Ratios

Last Five Quarters

	3Q 2013	4Q 2013	1Q 2014	2Q 2014	3Q 2014
People's United Financial					
Tang. Com. Equity/Tang. Assets	8.5%	7.9%	8.0%	7.9%	7.8%
Leverage Ratio ^{1, 5}	9.2%	8.3%	8.4%	8.3%	8.1%
Tier 1 Common ²	11.4%	10.2%	10.1%	10.0%	9.9%
Tier 1 Risk-Based Capital ^{3, 5}	11.4%	10.2%	10.1%	10.0%	9.9%
Total Risk-Based Capital ^{4, 5}	12.6%	11.3%	11.2%	12.5%	12.3%
People's United Bank					
Leverage Ratio ^{1, 5}	9.5%	9.1%	9.1%	9.0%	8.8%
Tier 1 Risk-Based Capital ^{3, 5}	11.8%	11.1%	11.0%	10.8%	10.7%
Total Risk-Based Capital ^{4, 5}	13.2%	12.4%	12.2%	13.5%	13.3%

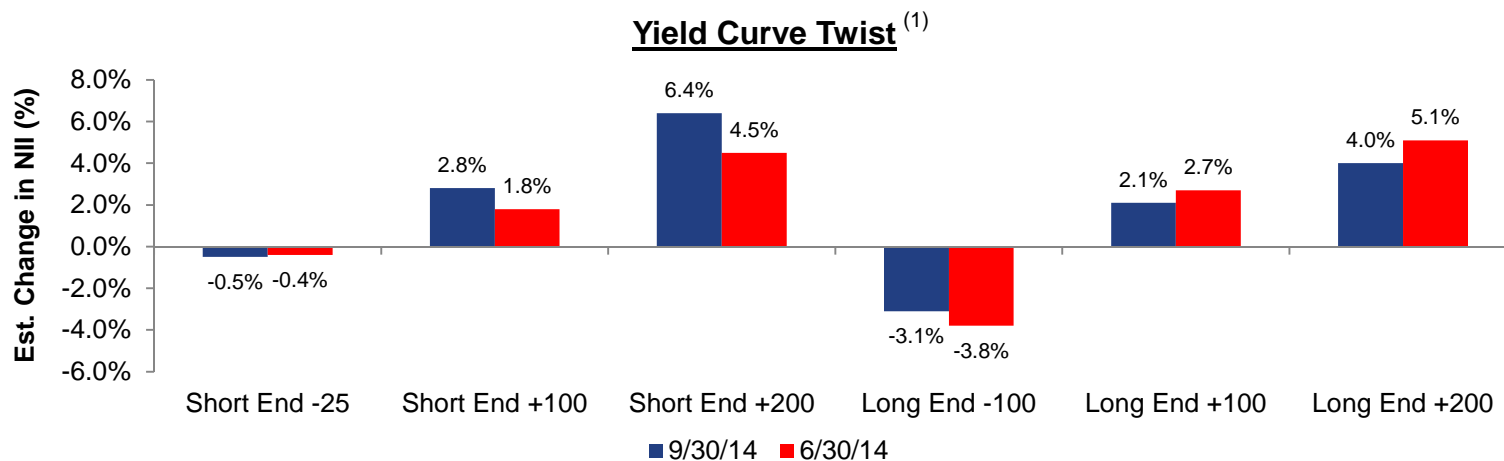
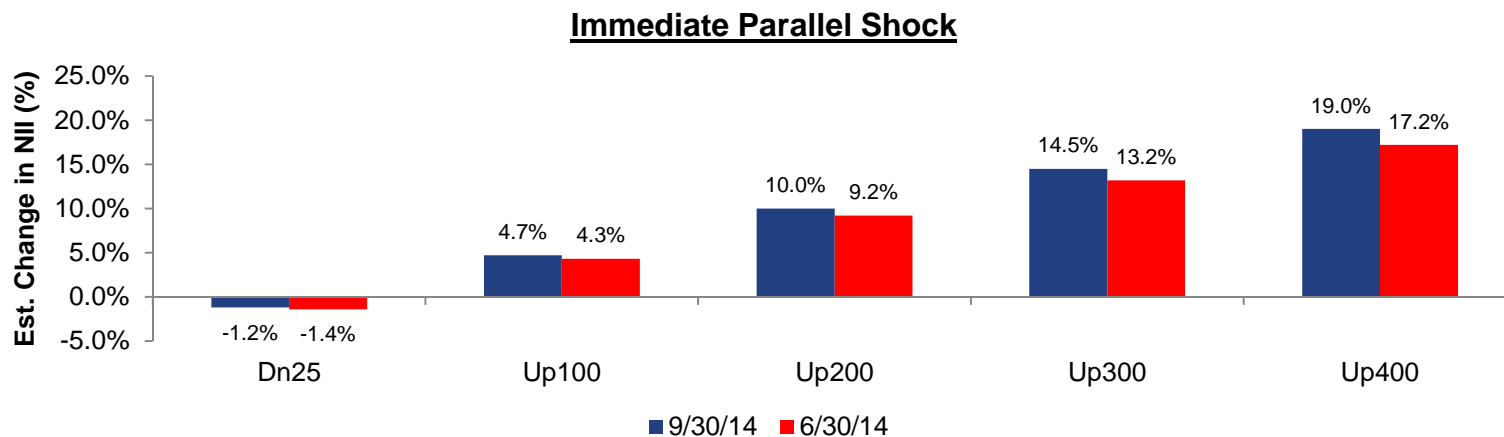
Notes:

1. Leverage (core) Capital represents Tier 1 Capital (total stockholder's equity, excluding: (i) after-tax net unrealized gains (losses) on certain securities classified as available for sale; (ii) goodwill and other acquisition-related intangibles; and (iii) the amount recorded in accumulated other comprehensive income (loss) relating to pension and other postretirement benefits), divided by Adjusted Total Assets (period end total assets less goodwill and other acquisition-related intangibles)
2. Tier 1 Common represents Common Equity Tier 1 Capital (calculated in accordance with the Basel III Final Rule issued in July 2013) divided by Total Risk-Weighted Assets
3. Tier 1 Risk-Based Capital represents Tier 1 Capital divided by Total Risk-Weighted Assets
4. Total Risk-Based Capital represents Tier 1 Capital plus subordinated notes and debentures, up to certain limits, and the allowance for loan losses, up to 1.25% of total risk weighted assets, divided by Total Risk-Weighted Assets
5. Well capitalized limits under current capital rules for the Bank are: Leverage Ratio, 5%; Tier 1 Risk-Based Capital, 6%; and Total Risk-Based Capital, 10%



Interest Rate Risk Profile

Net Interest Income (NII) Sensitivity



Notes:

(1) Yield curve twist pivot point is 18 month point on yield curve. Short End defined as overnight to 18 months. Long End defined as terms greater than 18 months



Summary

Sustainable Competitive Advantage

- **Premium brand built over 170 years**
- **High quality Northeast footprint characterized by wealth, density and commercial activity**
- **Strong leadership team**
- **Superior asset quality**
- **Focus on relationship-based banking**
- **Growing loans and deposits within footprint – in two of the largest MSAs in the country (New York City, #1 and Boston, #10)**
- **Improving profitability**
- **Strong capital base**



Appendix

Acquired Loan Portfolio

- Acquired loans initially recorded at fair value (inclusive of related credit mark) without carryover of historical ALLL
- Accounting model is cash-flow based:
 - Contractual cash flows (principal & interest) less expected cash flows (principal & interest) = non-accretable difference (effectively utilized to absorb actual portfolio losses)
 - Expected cash flows (principal & interest) less fair value = accretable yield
 - Expected cash flows are regularly reassessed and compared to actual cash collections

As of 9/30/14 (in \$ millions)	Carrying Amount ^{a, b}	Carrying Amount Component ^b		NPLs ^c	Non-Accretable Difference/NPLs	Charge-offs Incurred Since Acquisition ^d
		Accretable Yield	Non-Accretable Difference			
Danvers (7/1/11)	\$602.3	\$175.4	\$9.9	\$42.8	23%	\$27.1
Smithtown (11/30/10)	377.3	188.1	93.8	59.4	158%	129.3
Others (various dates)	200.4	49.9	16.0	14.1	113%	33.4
Total	\$1,180.0	\$413.4	\$119.7	\$116.3		

- (a) Initial carrying amounts of acquired portfolios are as follows: FinFed, \$1.2BN; Butler, \$141MM; RiverBank, \$518MM; Smithtown, \$1.6BN; and Danvers, \$1.9BN.
- (b) Carrying amount and related components reflect loan sale, settlement and payoff activity which have occurred since acquisition.
- (c) Represent contractual amounts; loans meet People's United Financial's definition of a non-performing loan but are not subject to classification as non-accrual in the same manner as originated loans. Rather, these loans are considered to be accruing loans because their interest income relates to the accretable yield recognized at the pool level and not to contractual interest payments at the loan level.
- (d) Includes approximately \$9.5MM of charge-offs applied against reserves established subsequent to acquisition.



Acquired Loan Portfolio

Amortization of Original Discount on Acquired Loan Portfolio

\$ in millions, except per share data

Amortization of Original Discount on Acquired Loan Portfolio Impact on Net Interest Margin		Amortization of Original Discount on Acquired Loan Portfolio Impact on Earnings Per Share	
3Q14 Total Accretion (All interest income on acquired loans)	19	Interest Income from Amortization of Original Discount on Acq. Loan Portfolio	5.5
3Q14 Average Acquired Loan Portfolio	1,225	3Q14 Effective Tax Rate	32.5%
Effective Yield on Acquired Loan Portfolio	6.17%	3Q14 Earnings from Amortiz. of Original Discount on Acq. Loan Portfolio	3.7
Weighted Average Coupon on Acquired Loan Portfolio ¹	4.37%	3Q14 Weighted Average Shares Outstanding	298.4
Incremental Yield Attributable to Amortiz. of Discount on Acq. Loan Portfolio	1.80%		
Incremental Interest Income from Amortiz. of Discount on Acq. Loan Portfolio	5.5		
3Q14 Average Earning Assets	30,556		
Add: Average unamortized loan discount ²	143		
Adjusted 3Q14 Average Earning Assets ²	30,699		
Impact on Overall Net Interest Margin (bps)	7		
Operating Net Interest Margin	3.05%		
Adjusted Net Interest Margin	2.98%		
		3Q14 EPS Impact from Amortiz. of Discount on Acq. Loan Portfolio	\$0.01

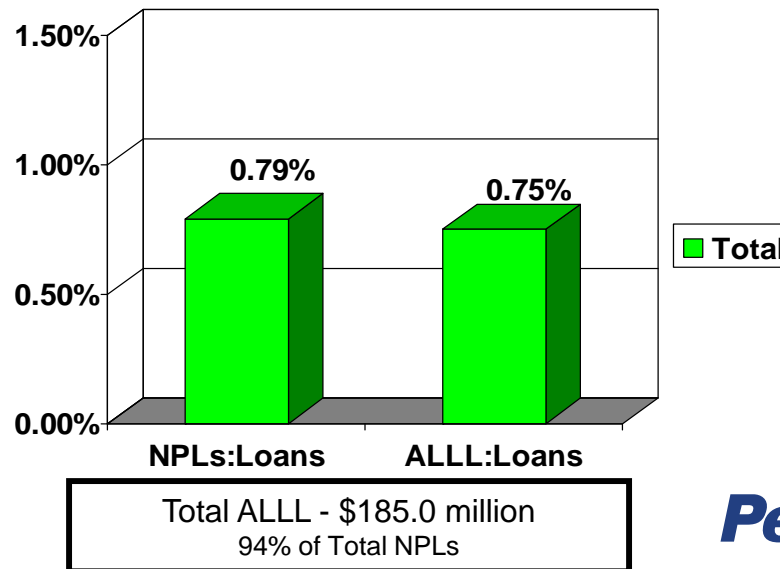
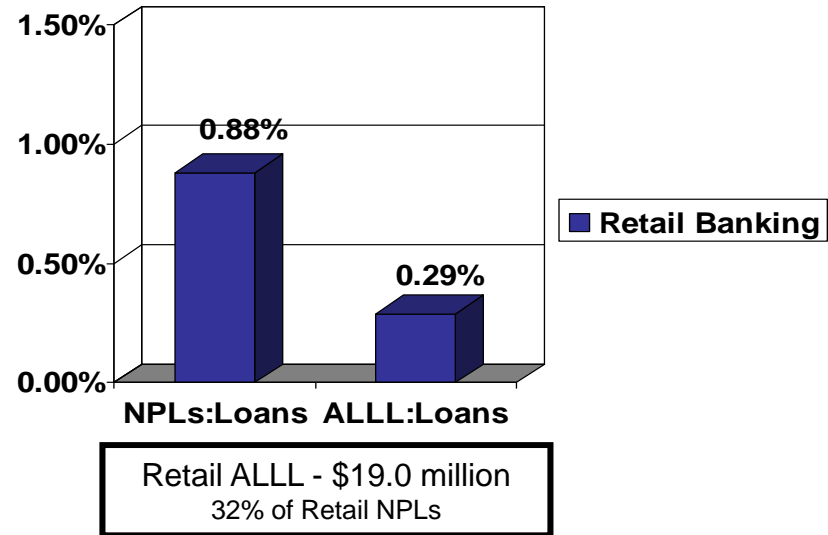
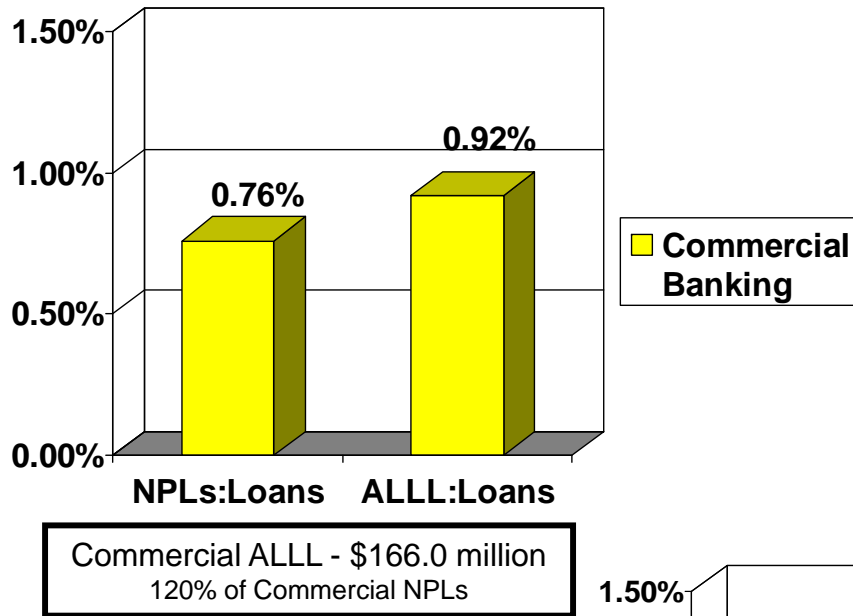
Notes:

1. Excluding FinFed, the weighted average coupon on the acquired loan portfolio is 4.26%
2. Adjusted to include the discount on acquired loans (the difference between the outstanding balance of the acquired loan portfolio and the carrying amount of the acquired loan portfolio)

Allowance for Loan Losses

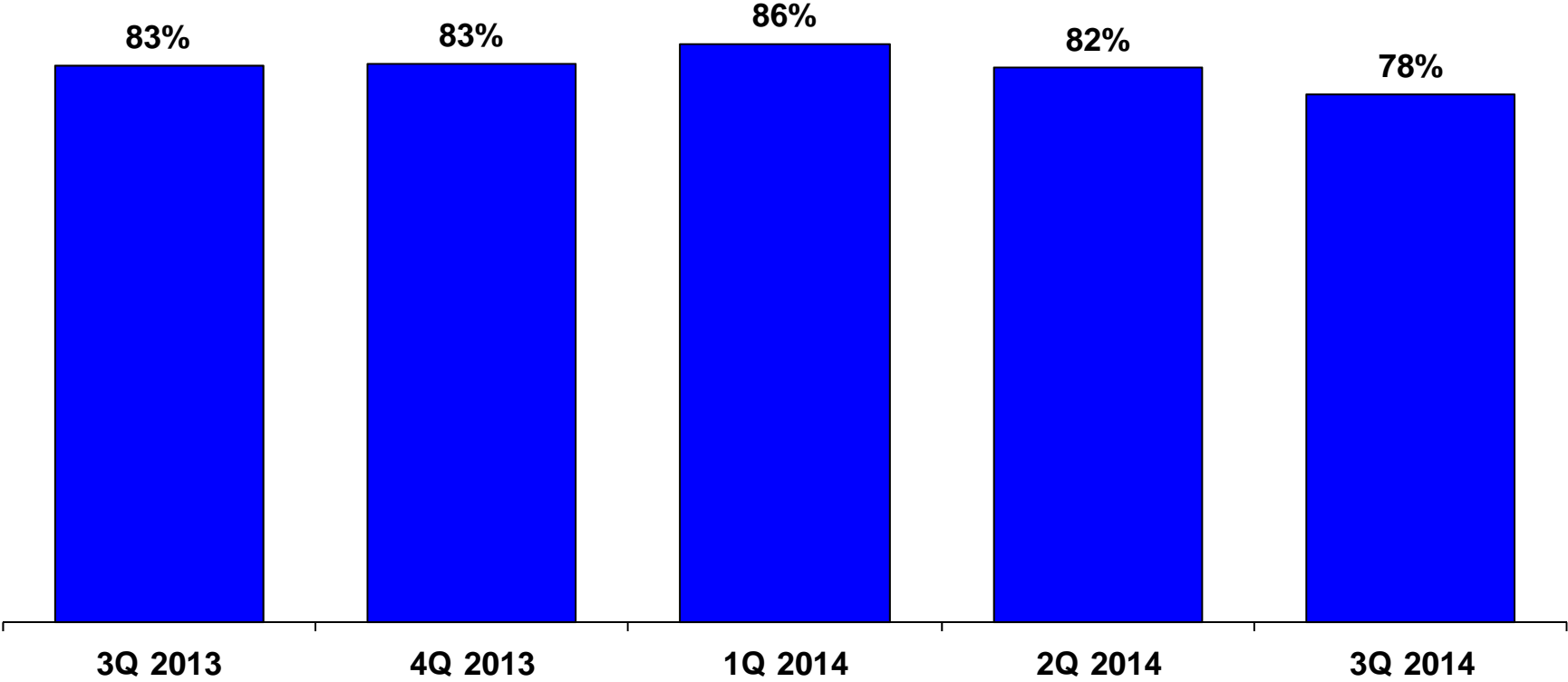
Originated Portfolio Coverage Detail as of September 30, 2014

(in \$ millions)



Operating Dividend Payout Ratio (%)

Last Five Quarters



Peer Group

	Firm	Ticker	City	State
1	Associated	ASBC	Green Bay	WI
2	BancorpSouth	BXS	Tupelo	MS
3	City National	CYN	Los Angeles	CA
4	Comerica	CMA	Dallas	TX
5	Commerce	CBSH	Kansas City	MO
6	Cullen/Frost	CFR	San Antonio	TX
7	East West	EWBC	Pasadena	CA
8	First Niagara	FNFG	Buffalo	NY
9	FirstMerit	FMER	Akron	OH
10	Fulton	FULT	Lancaster	PA
11	Huntington	HBAN	Columbus	OH
12	M&T	MTB	Buffalo	NY
13	New York Community	NYCB	Westbury	NY
14	Signature	SBNY	New York	NY
15	Susquehanna	SUSQ	Lititz	PA
16	Synovus	SNV	Columbus	GA
17	Valley National	VLV	Wayne	NJ
18	Webster	WBS	Waterbury	CT
19	Wintrust	WTFC	Lake Forest	IL
20	Zions	ZION	Salt Lake City	UT





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