2017 Dodd-Frank Act Stress Test Disclosure

October 23, 2017

This disclosure summarizes forward-looking projections of People's United Financial, Inc. ("People's United" or the "Company") and People's United Bank, N.A. (the "Bank") based on the hypothetical, severely adverse economic scenario prescribed by the Board of the Federal Reserve System (the "Federal Reserve") and documented in Section 2. It is important to note that the projections contained herein do not necessarily reflect People's United's future expectations of results and are not intended to represent People's United's forecast of future economic or financial conditions, but rather reflect potential results under the prescribed economic scenario. The forward-looking statements are within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "estimates", "expects, "potential", "continues", "may", "will", "approximately", "projects", or other comparable words and similar expressions identify forward-looking statements. People's United does not undertake any obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

1. Overview

People's United Financial, Inc. ("People's United" or the "Company") is a bank holding company incorporated under the state laws of Delaware and is the holding company for People's United Bank, N.A. (the "Bank"), a national banking association headquartered in Bridgeport, Connecticut. Total assets for the Company and the Bank were $40.6 billion and $40.3 billion, respectively, as of December 31, 2016. Effective April 1, 2017, People's United completed its acquisition of Suffolk Bancorp ("Suffolk") based in Riverhead, New York. At March 31, 2017, Suffolk had total loans of $1.7 billion, total deposits of $1.9 billion and operated 27 branches in the greater Long Island area.

In accordance with the Dodd-Frank Act Stress Test ("DFAST") requirements, 2017 Annual Stress Test Disclosure summarizes annual stress test results of the Company and the Bank under the Federal Reserve's Supervisory Severely Adverse ("Supervisory Severely Adverse") scenario. DFAST covers a nine-quarter planning horizon starting with actual results as of December 31, 2016. The Company and the Bank's stress test results were submitted to the Federal Reserve and the Office of the Comptroller of the Currency, respectively, on July 26, 2017.

As in 2016, the results of the People's United's 2017 DFAST indicate that both the Company and the Bank will have the financial resources to successfully navigate a severe and protracted economic downturn and will maintain capital levels that exceed regulatory minimums throughout the nine-quarter planning period under the Supervisory Severely Adverse scenario.

People's United's disclosures of projected results, risks and assumptions are hypothetical and made in accordance with regulatory requirements. Risks and assumptions are tailored specifically to the Bank's business mix and geographical concentrations. The stress scenario, risks and financial results disclosed in this document do not necessarily reflect the Board of Director's or management's future expectations.

2. Supervisory Severely Adverse Scenario Overview

The Supervisory Severely Adverse scenario is characterized by a severe global recession, accompanied by a period of heightened stress in corporate lending and commercial real estate markets. Compared to the 2016 DFAST Supervisory Severely Adverse scenario, the 2017 DFAST scenario features a more severe U.S. economic downturn, with a larger decline in commercial real estate prices.

- Weaker economy – Unemployment rate reaches 10% in 2018; and the level of real GDP growth declines sharply to -7.5% by the second quarter of 2017 before beginning to recover in the third quarter of 2018 to an average of 0.2% in 2018;
- Large reduction in asset prices – Equity prices, commercial real estate prices and house prices decline by approximately 50%, 35% and 25%, respectively;
- Interest rates – Three-month Treasury rates decrease by 30 basis points by the first quarter of 2017 and remain relatively flat throughout the scenario (2017 DFAST excludes negative rates featured in 2016 DFAST);
- Market liquidity conditions become strained – The spread between BBB Corporate yields and 10-year Treasuries increases from 285 basis points in the first quarter of 2017 to 350 basis points by the end of 2017.

3. Capital Actions

The capital actions incorporated in People's United's DFAST results are in accordance with DFAST Final Rules:

- Additional paid-in capital related to employee compensation expense is incorporated;
- Quarterly common stock dividend increased from $0.17 per share to $0.1725 per share in Q2 2017 but is reduced to $0.01 per share in Q1 2018 and thereafter due to the dividend payout exceeding retained net income per Fed SR 09-4;
- Quarterly preferred stock dividend payment is made in every quarter;
- The Company's $125 million of subordinated debt that matured on February 14, 2017 was not replaced; and
- The Bank dividends 95% of its earnings to the Company each quarter until Q1 2018 and thereafter the dividend is eliminated due to the dividend payout exceeding retained net income per OCC 12 U.S.C. 60 and negative earnings per OCC 12 U.S.C. 56.

4. 2017 Dodd-Frank Act Stress Test Results

The following tables provide quantitative information for People's United's 2017 DFAST results, and the chart illustrates drivers of the change in regulatory capital ratios under the Supervisory Severely Adverse scenario. The numbers provided below are cumulative, unless stated otherwise.

People's United Financial, Inc.

Capital Ratios and Risk-Weighted Assets ("RWA") Projections

Capital Ratios, Actual Q4 2016 and Projected Q1 2017 - Q1 2019

	Actual	Stressed Capital Ratios[1]	
	Q4 2016	Q1 2019	Minimum
Common Equity Tier 1 Ratio	9.9%	10.0%	9.8%
Tier 1 Risk-Based Capital Ratio	10.7%	10.8%	10.6%
Total Risk-Based Capital Ratio	12.5%	12.9%	12.5%
Tier 1 Leverage Ratio	8.4%	8.6%	8.3%

[1] The capital ratios are calculated using capital action assumptions provided within the Dodd-Frank Act stress testing rule. The minimum capital ratio presented is for the period Q1 2017 to Q1 2019.

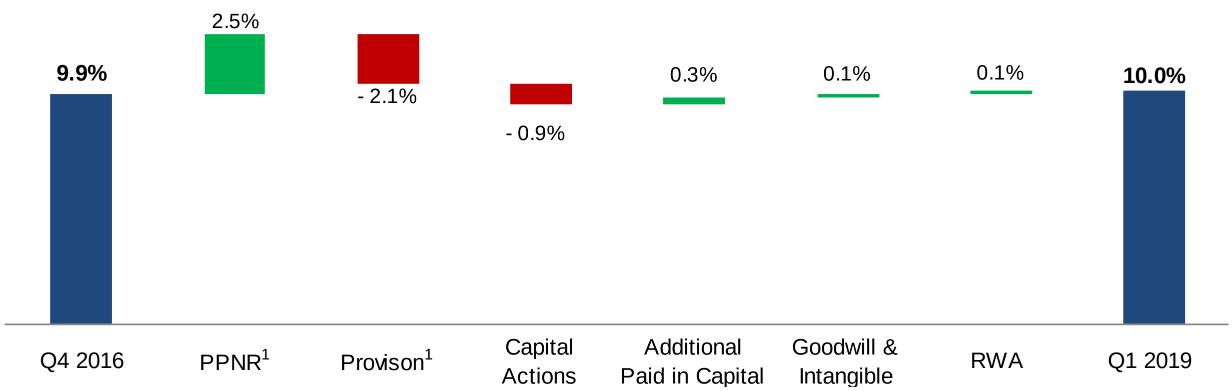
Risk-Weighted Assets

	Actual Q4 2016	Q1 2019
RWA[2] (billions of dollars)	30.5	30.1

[2] Basel III standardized approach is used for RWA calculation.

Under the Supervisory Severely Adverse scenario, no material deterioration in capital ratios in the nine-quarter forecast period is projected despite reduced net income as common dividend payments are reduced to conserve liquidity and capital. The Company remains well-capitalized, and all capital ratios are above regulatory minimums. Although the reduction in dividends as outlined in Section 3 enhanced capital, the Company's capital ratios would still exceed regulatory minimums without the modeled dividend reductions. The following chart illustrates drivers of the change in the Common Equity Tier 1 capital ratio in the nine-quarter projection period.

People's United Financial, Inc. – Key Drivers of Common Equity Tier 1 Ratio Change



[1] Impact of PPNR and Provision on common equity tier 1 is after tax impact.

Profit and Loss Projections

Projected 9-Quarter Cumulative Losses, Revenue, and Net Income Before Taxes

	$ Millions	Percentage of Average Assets[1]
Pre-provision Net Revenue[2]	$706.3	1.7%
Other Revenue	0.0	0.0%
Less		
Provision for Loan Losses	592.8	1.5%
Realized Gain/Losses on Securities	-0.1	0.0%
Trading and Counterparty Losses	0.0	0.0%
Other Losses/Gains	0.0	0.0%
Equals		
Net Income/(Loss) Before Taxes	**$113.3**	**0.3%**

[1] Average assets is the nine-quarter average of total assets.
[2] Pre-provision net revenue includes losses from operational-risk events, mortgage repurchase expenses, and other real estate owned (OREO) costs.

Under the Supervisory Severely Adverse scenario, the Company's net income before taxes declines due to reduced revenue and increased loan losses but remains profitable for the nine-quarter cumulative period.

Loan Loss Projections

Projected 9-Quarter Cumulative Loan Losses		
Loan Type	$ Millions	Portfolio Loss Rates (percent)[1]
First-lien mortgages, domestic	$11.3	0.2%
Junior liens and HELOCs, domestic	9.8	0.5%
Commercial and industrial[2]	86.4	1.0%
Commercial real estate, domestic	359.5	3.4%
Credit cards	0.0	0.0%
Other consumer	5.0	9.6%
Other loans[3]	22.3	1.1%
Total projected loan losses	**$494.3**	**1.6%**

[1] Average loan balances used to calculate portfolio loss rates exclude loans held for sale and loans held for investment under the fair-value option, and are calculated over nine quarters.
[2] Commercial and industrial loans include leases.
[3] Other loans include FDIC loss sharing agreements.

Loan losses increase to $494 million in the nine-quarter period due to credit quality deterioration under the Supervisory Severely Adverse scenario. This amount is well in excess of the Company's loss expectations under a normal economic environment and significantly higher than the Company's actual loss experience during the 2007 – 2009 financial crisis. The stress results indicate that both the commercial and industrial and the commercial real estate portfolios generate the largest magnitude of losses within People's United's lending portfolios.

People's United Bank, N.A.

Capital and Risk-Weighted Assets ("RWA") Projections

Capital Ratios, Actual Q4 2016 and Projected Q1 2017 - Q1 2019			
	Actual	Stressed Capital Ratios[1]	
	Q4 2016	Q1 2019	Minimum
Common Equity Tier 1 Ratio	11.3%	11.5%	11.2%
Tier 1 Risk-Based Capital Ratio	11.3%	11.5%	11.2%
Total Risk-Based Capital Ratio	13.3%	13.9%	13.3%
Tier 1 Leverage Ratio	8.9%	9.2%	8.8%

[1] The capital ratios are calculated using capital action assumptions provided within the Dodd-Frank Act stress testing rule. The minimum capital ratio presented is for the period Q1 2017 to Q1 2019.

Risk-Weighted Assets		
	Actual Q4 2016	Q1 2019
RWA[2] (billions of dollars)	30.5	30.1

[2] Basel III standardized approach is used for RWA calculation.

Profit and Loss Projections

Projected 9-Quarter Cumulative Losses, Revenue, and Net Income Before Taxes		
	$ Millions	Percentage of Average Assets[1]
Pre-provision Net Revenue[2]	$750.5	1.9%
Other Revenue	0.0	0.0%
Less		
Provision for Loan Losses	592.8	1.5%
Realized Gain/Losses on Securities	-0.1	0.0%
Trading and Counterparty Losses	0.0	0.0%
Other Losses/Gains	0.0	0.0%
Equals		
Net Income/(Loss) Before Taxes	**$157.5**	**0.4%**

[1] Average assets is the nine-quarter average of total assets.

[2] Pre-provision net revenue includes losses from operational-risk events, mortgage repurchase expenses, and other real estate owned (OREO) costs.

Loan Loss Projections

Loan loss projections are equivalent for the Company and the Bank. Please refer to loan loss projections under People's United Financial, Inc. for a detailed description of cumulative loan losses.

5. Key Risks Captured

Market Risk

Market risk is the risk of fluctuation of earnings and capital due to an adverse change in interest rates and market prices. At People's United, market risk is reflected through changes in net interest income and unrealized gains or losses on securities classified as available for sale, which have an impact on common equity through accumulated other comprehensive income. Certain non-interest income items are also indirectly impacted by market risk, such as trust and investment management fees, brokerage commissions and operating lease income.

Credit Risk

Credit risk arises from the potential that a borrower or counterparty will fail to perform on an obligation. Credit risk is found in all activities in which settlement or repayment depends on counterparty, issuer or borrower performance. Exposure to credit risk comes primarily from loan portfolios including commercial real estate, commercial and industrial, residential mortgage and home equity.

Operational Risk

Operational risk is the loss on earnings or capital arising from inadequate or failed internal processes or systems, human errors or misconduct, or adverse external events. Specifically, operational risks captured in People's United's stress testing include:

- Internal and external fraud;
- Employment practices & workplace safety;
- Clients' products & business practices;
- Disaster & public safety;
- Technology & infrastructure failures; and
- Execution, delivery & process management.

Operational risk losses are included in non-interest expense under Pre-Provision Net Revenue ("PPNR").

Liquidity Risk

Liquidity risk is the potential that an institution will be unable to meet loan requests, deposit maturities and withdrawals, and other cash commitments under both normal operating conditions and periods of stress due to the inability to liquidate assets or obtain adequate funding at reasonable costs. People's United's liquidity risk is measured in stress testing through comprehensive analysis of various liquidity events and the impact on ratios and policy limits established by the Treasury and Finance Committee of the Company. Significant liquidity events from repayment of borrowings, payment of shareholder dividends, and large loan and deposit outflows are considered. Stress test results indicated that available asset liquidity and funding sources reached internal minimum levels. Therefore, as discussed in Section 3 Capital Actions, the shareholder dividend was reduced, in part, to preserve liquidity at the Company.

Strategic / Acquisition Risk

Strategic/Acquisition risk is the risk to current or anticipated earnings, capital or franchise or enterprise value arising from adverse business decisions, poor implementation of business decisions or lack of responsiveness to changes in the banking industry and operating environment.

6. Forecasting Methodologies

To support the assessments used to create DFAST projections, the Company utilized multiple forms of quantitative and qualitative analyses of historical performance. The results of these analyses served as inputs in the Company's forecast of balance sheet, income statement and loan loss categories. Models used in DFAST were 1) developed and implemented within People's United's model risk governance framework, 2) underwent independent validation, and 3) were subject to review and oversight by a model risk management committee of the Company. The model projections were reviewed with business lines and enterprise risk management.

The results presented in this disclosure are based on accounting principles generally accepted in the U.S. ("U.S. GAAP"), regulatory guidelines, and the Company's internal accounting policies and procedures in place when the DFAST was performed. The forecast methodologies employed by the Company include, but are not limited to the following areas presented below:

Pre-Provision Net Revenue

PPNR is defined as net interest income plus non-interest income minus non-interest expense. The Company includes operational risk events in PPNR. To project PPNR, business line projections together with a variety of volume, net interest income and non-interest income models are utilized.

Net interest income represents the interest earned on securities, loans and other interest-earning assets less the interest paid on deposits, borrowings and other interest-bearing liabilities. Key drivers of net interest income are balance sheet growth and runoff, interest rates and pricing assumptions. Loan and deposit volume assumptions are based on internally built econometric volume models. Loan pricing spreads are based on actual experience and deposit pricing assumptions are based on a combination of historical experience and business lines' expectations.

The Company utilizes macro econometric models and business line input when formulating non-interest income projections for DFAST. In addition, expert judgement is utilized for certain other non-interest income projections.

Credit Losses

Credit losses arise primarily from loans and to a much lesser extent securities and derivative counterparty contracts. The aggregate loan portfolio is the largest driver of credit losses.

People's United utilizes loan-level models for commercial real estate, commercial and industrial, residential mortgage and home equity portfolio models. For these portfolios, credit losses are calculated based on probability of default, loss given default rate and exposure at default. Loss estimates take into consideration the unique characteristics of the Company's portfolios.

Loss estimates for the securities portfolio are derived from nationally recognized statistical rating organizations' risk rating migration matrices. At December 31, 2016, the Company maintained a portfolio primarily consisting of GSE-backed residential and commercial mortgage bonds as well as high quality municipal bonds which exhibit minimal credit losses.

Counterparty derivative portfolio loss estimates are derived from counterparty credit exposures that result from fluctuations in the value of derivatives as interest rates change. The loss estimate is considered conservative as it does not incorporate the benefit of collateral agreements in place between the Bank and its counterparties.

Provision and Allowance for Loan and Lease Losses

The projection of provision and Allowance for Loan and Lease Losses ("ALLL") takes into consideration the following factors:

- Projected net charge offs;
- The highest historical provision to net charge off ratios in the previous ten years; and
- The highest historical ALLL coverage ratio in the previous ten years.

The Company increases its provision in recognition of credit quality deterioration under the Supervisory Severely Adverse scenario in conformance with the Company's ALLL accounting practices.

Capital Position

Capital levels for the Company and Bank are forecasted based on revenue and loss projections described under the Supervisory Severely Adverse scenario. Common Equity Tier 1, Tier 1 and Total capital ratios are then projected quarterly using forecasted risk-weighted assets and the Tier 1 Leverage ratio is projected using forecasted average total assets over the nine-quarter forecast period. Risk-weighted assets are calculated per the Basel III Standardized Approach.

The actual capital ratios as of December 31, 2016, and all projected capital ratios are calculated per the transition provisions set out in the Federal Reserve's revised capital framework implementing Basel III.