

People's United Financial, Inc.

Form 10-Q

November 09, 2011

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2011

Commission File Number 001-33326

PEOPLE S UNITED FINANCIAL, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of

20-8447891
(I.R.S. Employer

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incorporation or organization)

Identification No.)

850 Main Street, Bridgeport, Connecticut
(Address of principal executive offices)

06604
(Zip Code)

(203) 338-7171

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definition of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐ (Do not check if a smaller reporting company)

Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of October 31, 2011, there were 360,639,638 shares of the registrant's common stock outstanding.

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Item 1 - Financial Statements

People's United Financial, Inc.

Consolidated Statements of Condition - (Unaudited)

(in millions)	September 30, 2011	December 31, 2010
Assets		
Cash and due from banks	\$ 370.9	\$ 354.7
Short-term investments (note 3)	779.1	599.8
Total cash and cash equivalents	1,150.0	954.5
Securities purchased under agreements to resell		520.0
Securities (note 3):		
Trading account securities, at fair value	69.9	83.5
Securities available for sale, at fair value	2,336.0	2,831.1
Securities held to maturity, at amortized cost (fair value of \$62.5 million and \$55.1 million)	56.4	55.1
Federal Home Loan Bank stock, at cost	77.7	63.6
Total securities	2,540.0	3,033.3
Residential mortgage loans held for sale	45.4	88.5
Loans (note 4):		
Commercial	7,262.5	5,196.0
Commercial real estate	7,142.9	7,306.3
Residential mortgage	3,502.0	2,647.5
Consumer	2,240.8	2,177.9
Total loans	20,148.2	17,327.7
Less allowance for loan losses	(177.0)	(172.5)
Total loans, net	19,971.2	17,155.2
Goodwill (notes 2 and 7)	1,921.4	1,723.4
Other acquisition-related intangibles (notes 2 and 7)	229.8	238.6
Premises and equipment	363.1	325.1
Bank-owned life insurance	330.7	291.8
Other assets (notes 2, 4 and 12)	661.4	706.7
Total assets	\$ 27,213.0	\$ 25,037.1
Liabilities		
Deposits:		
Non-interest-bearing	\$ 4,217.5	\$ 3,872.6
Savings, interest-bearing checking and money market	10,789.5	8,897.8
Time	5,479.7	5,162.7
Total deposits	20,486.7	17,933.1

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Borrowings:		
Retail repurchase agreements	519.8	472.2
Federal Home Loan Bank advances	333.4	509.3
Federal funds purchased and other borrowings	27.3	29.1
Total borrowings	880.5	1,010.6
Subordinated notes and debentures	159.4	182.2
Other liabilities (note 12)	395.9	691.9
Total liabilities	21,922.5	19,817.8
Commitments and contingencies (note 9)		
Stockholders' Equity		
Common stock (\$0.01 par value; 1.95 billion shares authorized; 395.5 million shares and 376.6 million shares issued)	3.9	3.7
Additional paid-in capital	5,242.5	4,978.8
Retained earnings	757.7	772.6
Treasury stock, at cost (38.1 million shares and 17.5 million shares) (note 5)	(494.3)	(248.9)
Accumulated other comprehensive loss (note 5)	(36.8)	(99.0)
Unallocated common stock of Employee Stock Ownership Plan, at cost (8.8 million shares and 9.1 million shares) (note 8)	(182.5)	(187.9)
Total stockholders' equity	5,290.5	5,219.3
Total liabilities and stockholders' equity	\$ 27,213.0	\$ 25,037.1

See accompanying notes to consolidated financial statements.

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People's United Financial, Inc.

Consolidated Statements of Income - (Unaudited)

(in millions, except per share data)	Three Months Ended		Nine Months Ended	
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
Interest and dividend income:				
Commercial real estate	\$ 98.0	\$ 76.3	\$ 292.1	\$ 226.2
Commercial	97.4	68.1	261.9	195.8
Residential mortgage	34.5	26.5	93.5	82.3
Consumer	21.5	22.2	63.0	67.5
Total interest on loans	251.4	193.1	710.5	571.8
Securities	21.7	12.6	66.1	29.9
Residential mortgage loans held for sale	0.4	0.6	1.4	1.7
Short-term investments	0.5	0.8	1.5	4.0
Securities purchased under agreements to resell		0.4	0.1	0.6
Total interest and dividend income	274.0	207.5	779.6	608.0
Interest expense:				
Deposits	28.5	27.6	81.5	86.3
Borrowings	2.4	0.3	7.3	1.1
Subordinated notes and debentures	3.1	3.8	9.3	11.4
Total interest expense	34.0	31.7	98.1	98.8
Net interest income	240.0	175.8	681.5	509.2
Provision for loan losses (note 4)	14.4	21.8	43.0	49.1
Net interest income after provision for loan losses	225.6	154.0	638.5	460.1
Non-interest income:				
Bank service charges	35.8	31.5	99.7	95.6
Investment management fees	8.4	7.6	24.9	24.1
Insurance revenue	9.0	8.3	23.5	21.9
Brokerage commissions	2.8	2.8	9.3	8.4
Net (losses) gains on sales of loans	(3.5)	2.4	13.4	7.9
Bank-owned life insurance	2.0	1.4	4.6	5.8
Merchant services income, net	1.1	1.1	3.2	3.2
Net security gains (note 3)	8.6		8.8	
Other non-interest income	20.5			