

People's United Financial, Inc.
Form 10-Q
August 09, 2013
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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 June 30, 2013

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 July 31, 2013, there were 321,110,129 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)	June 30, 2013	December 31, 2012
Assets		
Cash and due from banks	\$ 379.6	\$ 470.0
Short-term investments (note 2)	119.5	131.4
Total cash and cash equivalents	499.1	601.4
Securities (note 2):		
Trading account securities, at fair value	6.4	6.5
Securities available for sale, at fair value	4,439.9	4,532.3
Securities held to maturity, at amortized cost (fair value of \$59.5 million and \$60.9 million)	56.1	56.2
Federal Home Loan Bank stock, at cost	115.4	73.7
Total securities	4,617.8	4,668.7
Loans held for sale	68.3	77.0
Loans (note 3):		
Commercial	8,560.8	8,400.0
Commercial real estate	8,077.3	7,294.2
Residential mortgage	4,084.2	3,886.1
Consumer	2,143.9	2,156.3
Total loans	22,866.2	21,736.6
Less allowance for loan losses	(185.7)	(188.0)
Total loans, net	22,680.5	21,548.6
Goodwill (note 6)	1,954.5	1,954.5
Other acquisition-related intangible assets (note 6)	185.9	199.0
Premises and equipment	320.1	330.4
Bank-owned life insurance	337.2	336.5
Other assets (notes 3 and 11)	681.5	608.3
Total assets	\$ 31,344.9	\$ 30,324.4
Liabilities		
Deposits:		
Non-interest-bearing	\$ 5,116.0	\$ 5,084.3
Savings, interest-bearing checking and money market	12,278.6	11,959.8
Time	4,587.2	4,706.4
Total deposits	21,981.8	21,750.5

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Borrowings:

Federal Home Loan Bank advances	2,206.4	1,178.3
Federal funds purchased	931.0	619.0
Retail repurchase agreements	487.7	588.2
Other borrowings	1.0	1.0

Total borrowings	3,626.1	2,386.5
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Notes and debentures	638.9	659.0
Other liabilities (note 11)	420.2	489.6

Total liabilities	26,667.0	25,285.6
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Commitments and contingencies (note 8)

Stockholders' Equity

Common stock (\$0.01 par value; 1.95 billion shares authorized; 396.3 million shares and 395.8 million shares issued)	3.9	3.9
Additional paid-in capital	5,268.8	5,261.3
Retained earnings	763.1	756.2
Treasury stock, at cost (78.5 million shares and 56.2 million shares) (note 4)	(1,009.3)	(712.2)
Accumulated other comprehensive loss (note 4)	(178.8)	(96.9)
Unallocated common stock of Employee Stock Ownership Plan, at cost (8.2 million shares and 8.4 million shares) (note 7)	(169.8)	(173.5)
Total stockholders' equity	4,677.9	5,038.8

Total liabilities and stockholders' equity	\$ 31,344.9	\$ 30,324.4
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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 June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Interest and dividend income:				
Commercial	\$ 87.2	\$ 91.1	\$ 173.9	\$ 183.9
Commercial real estate	87.2	96.4	172.7	188.1
Residential mortgage	34.3	35.8	68.8	72.0
Consumer	18.7	20.0	37.5	40.7
Total interest on loans (note 12)	227.4	243.3	452.9	484.7
Securities	22.2	18.3	44.9	36.3
Loans held for sale	0.4	0.4	0.8	0.9
Short-term investments	0.1	0.4	0.2	0.7
Total interest and dividend income (note 12)	250.1	262.4	498.8	522.6
Interest expense:				
Deposits	20.5	23.6	41.3	46.7
Borrowings	2.6	1.6	4.9	3.3
Notes and debentures	6.1	1.6	12.4	3.8
Total interest expense	29.2	26.8	58.6	53.8
Net interest income (note 12)	220.9	235.6	440.2	468.8
Provision for loan losses (note 3)	9.2	10.6	21.6	22.1
Net interest income after provision for loan losses (note 12)	211.7	225.0	418.6	446.7
Non-interest income:				
Bank service charges	32.1	32.5	62.2	62.8
Investment management fees	9.4	8.7	18.4	17.3
Insurance revenue	7.1	7.2	15.4	15.6
Brokerage commissions	3.4	3.4	6.7	6.5
Operating lease income	8.1	7.7	16.4	14.4
Net gains on sales of residential mortgage loans	4.2	2.8	9.9	6.4
Net gains on sales of acquired loans	5.8	0.7	5.8	0.7
Other non-interest income	16.0	12.7	34.2	24.4