



**Part II** Organizational Action *(continued)*

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ [See Attached](#)

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**18** Can any resulting loss be recognized? ▶ [See Attached](#)

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**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [See Attached](#)

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**Sign Here** Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ \_\_\_\_\_ Date ▶ \_\_\_\_\_  
Print your name ▶ \_\_\_\_\_ Title ▶ \_\_\_\_\_

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no.			

First Connecticut Bancorp, Inc.  
45-1496206

**Part II Line 14-Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action:**

On October 1, 2018, First Connecticut Bancorp, Inc. ("First Connecticut"), a Maryland corporation, merged with and into People's United Financial, Inc. ("People's United" or "Purchaser"), a Delaware corporation with People's United as the surviving corporation.

Pursuant to the terms of the Agreement and Plan of Merger by and between People's United Financial, Inc. and First Connecticut Bancorp, Inc. dated June 18, 2018 ("Merger Agreement") upon completion of the Merger, each share of First Connecticut common stock outstanding at the effective time of the First Connecticut Bancorp Merger was converted into 1.725 shares of People's United common stock.

People's United did not issue any fractional shares of People's United common stock in the merger. Instead, People's United paid each former stockholder of First Connecticut who otherwise would be entitled to receive a fractional share of People's United common stock, an amount in cash (rounded to the nearest whole cent) determined by multiplying (i) the average of the closing-sale prices of People's United common stock for the five full trading days ending on the trading day immediately preceding the closing date (which we refer to as the "per share closing price") of the merger by (ii) the fraction of a share (rounded to the nearest thousandth when expressed in decimal form) of People's United common stock which such stockholder of First Connecticut would otherwise be entitled to receive, after taking into account all fractional share interests to be received by such stockholder of First Connecticut.

**Part II Line 15-Describe the quantitative effect of the organization action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis:**

First Connecticut shareholders received People's United stock in exchange for their First Connecticut shares, which had an effect on each U.S. holder's tax basis. Generally, a U.S. holder's aggregate tax basis in the People's United common stock received by such U.S. holder in the merger, including any fractional shares deemed received by the U.S. holder under the treatment discussed below in "**Cash in Lieu of Fractional Shares of People's United Common Stock**" will equal such U.S. holder's aggregate tax basis in the First Connecticut Common Stock surrendered in the merger, increased by the amount of taxable gain, if any, recognized by such U.S. holder in the merger (other than with respect to cash received in lieu of fraction shares of People's United Common Stock). The holding period for the shares of People's United common stock received in the merger, including any fractional shares deemed received by the U.S. holder under the treatment discussed below in "**Cash in Lieu of Fractional Shares of People's United**

**Common Stock”** generally will include the holding period for the shares of First Connecticut common stock exchanged therefore.

### **Cash in Lieu of Fractional Shares of People’s United Common Stock**

A U.S. holder of First Connecticut common stock who received cash instead of a fractional share of People’s United common stock will be treated as having received the fractional share pursuant to the merger and then as having exchanged the fractional share for cash in redemption by People’s United. In general, this deemed redemption will be treated as a sale or exchange and a U.S. hold will recognize gain or loss equal to the difference between (i) the amount of cash received by such U.S. holder and (ii) the portion of the basis of the shares of Suffolk common stock allocable to such fractional interest.

### **Part II Line 16-Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of the securities and the valuation dates:**

The average closing price of People’s United common stock for the five (5) day period immediately preceding the closing date was \$17.30. This was the price used in calculating the cash payments made in lieu of the issuance of fractional shares of People’s United common stock. The exchange ratio was 1.725, meaning that, for each share of First Connecticut common stock that was exchanged for People’s United common stock, a First Connecticut shareholder received 1 share of People’s United common stock and \$12.54 payable as cash in lieu of a fractional share (or \$17.30 times 0.725). As discussed above, a U.S. holder’s aggregate tax basis in the People’s United common stock received in the merger, including any fractional shares deemed received, generally will equal such U.S. holder’s aggregate tax basis in the First Connecticut common stock surrendered by such U.S. holder in the merger.

To calculate the basis of the People’s United shares received, divide the aggregate basis in the First Connecticut shares surrendered in the exchange by the exchange ratio of 1.725. For example, if a U.S. holder owned one share of First Connecticut with a basis of \$10, the basis in each share of People’s United stock received would be rounded to \$5.80 as shown in the calculation below:

Aggregate basis in First Connecticut stock	\$10.00
Divided by exchange ratio	1.725
Basis per share People’s United stock received (rounded)	\$ 5.80
Total basis in share of People’s United stock received	\$ 5.80
Basis allocated to fractional share deemed sold	\$ 4.20

### **Part II Line 17-Applicable Internal revenue Code sections upon which tax treatment is based:**

The merger is intended to qualify for U.S. federal income tax purposes as a “reorganization” within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended.

**Part II Line 18- Can any resulting loss be recognized?**

As stated above, the merger is intended to qualify for U.S. federal income tax purposes as a “reorganization” within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. Therefore, for U.S. federal income tax purposes, as a result of the merger, a U.S. holder of shares of First Connecticut common stock generally will only recognize gain (but not loss) in an amount not to exceed the cash received as part of the merger consideration. Additionally, for cash received in lieu of fractional shares of People’s United common stock, a U.S. holder generally will recognize gain or loss equal to the difference between the amount of cash received and the basis in his or her fractional share interest.

**Part II Line 19-Provide any other information to implement the adjustment such as the reportable tax year:**

The merger occurred on October 1, 2018. Therefore any gain or loss recognized with respect to the merger should be reported by First Connecticut shareholders in the tax year that includes October 1, 2018 (e.g. calendar year shareholder would report the transaction on his or her federal income tax return filed for the 2018 calendar year).

For additional information related to the First Connecticut acquisition, please refer to Peoples.com under press releases.

First Connecticut shareholders are urged to consult their own tax advisors with respect to their individual tax consequences of the merger. The information in this document does not constitute tax advice and is not intended or written to be used, and cannot be used, for the purposes of avoiding penalties under the Internal Revenue Code of 1986, as amended.