

united financial  
bancorp, inc.

**Create Your Balance**

# Forward Looking Statements

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This Presentation contains forward-looking statements that are within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are based upon the current beliefs and expectations of our management and are subject to significant risks and uncertainties. These risks and uncertainties could cause our results to differ materially from those set forth in such forward-looking statements. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. Words such as “believes,” “anticipates,” “expects,” “intends,” “plans,” “estimates,” “targeted” and similar expressions, and future or conditional verbs, such as “will,” “would,” “should,” “could” or “may” are intended to identify forward-looking statements but are not the only means to identify these statements. Forward-looking statements involve risks and uncertainties. Actual conditions, events or results may differ materially from those contemplated by a forward-looking statement. Factors that could cause this difference — many of which are beyond our control — include without limitation the following: Any forward-looking statements made by or on behalf of us in this Presentation speak only as of the date of this Presentation. We do not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statement was made. The reader should; however, consult any further disclosures of a forward-looking nature we may make in future filings.

With regard to presentations compared to peer institutions, the peer companies include: BHLB, BRKL, CBU, CUBI, DCOM, FCF, FFIC, IBCP, NPBC, NBTB, NWBI, PFS, STBA, STL, TMP, and TRST. The data presented in this presentation relating to the peer companies is based on the calendar year. Data for peers is sourced from SNL Financial LLC.

## NON-GAAP FINANCIAL MEASURES

This presentation references non-GAAP financial measures incorporating tangible equity and related measures, and operating earnings excluding non-recurring costs. These measures are commonly used by investors in evaluating financial condition. GAAP earnings are lower than core earnings primarily due to non-recurring conversion, balance sheet restructuring and cost cutting initiative related expenses. Reconciliations are in earnings releases at [www.unitedfinancialinc.com](http://www.unitedfinancialinc.com).

# Corporate Contacts

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William H. W. Crawford, IV

*Chief Executive Officer*

Eric R. Newell, CFA

*Executive Vice President, Chief Financial Officer*

David C. Paulson

*Executive Vice President, Head of Wholesale Banking*

Brandon C. Lorey

*Executive Vice President, Head of Consumer Lending*

## Investor Information:

Marliese L. Shaw

*Executive Vice President, Corporate Secretary/Investor Relations Officer*

860-291-3622 or [mshaw@bankatunited.com](mailto:mshaw@bankatunited.com)

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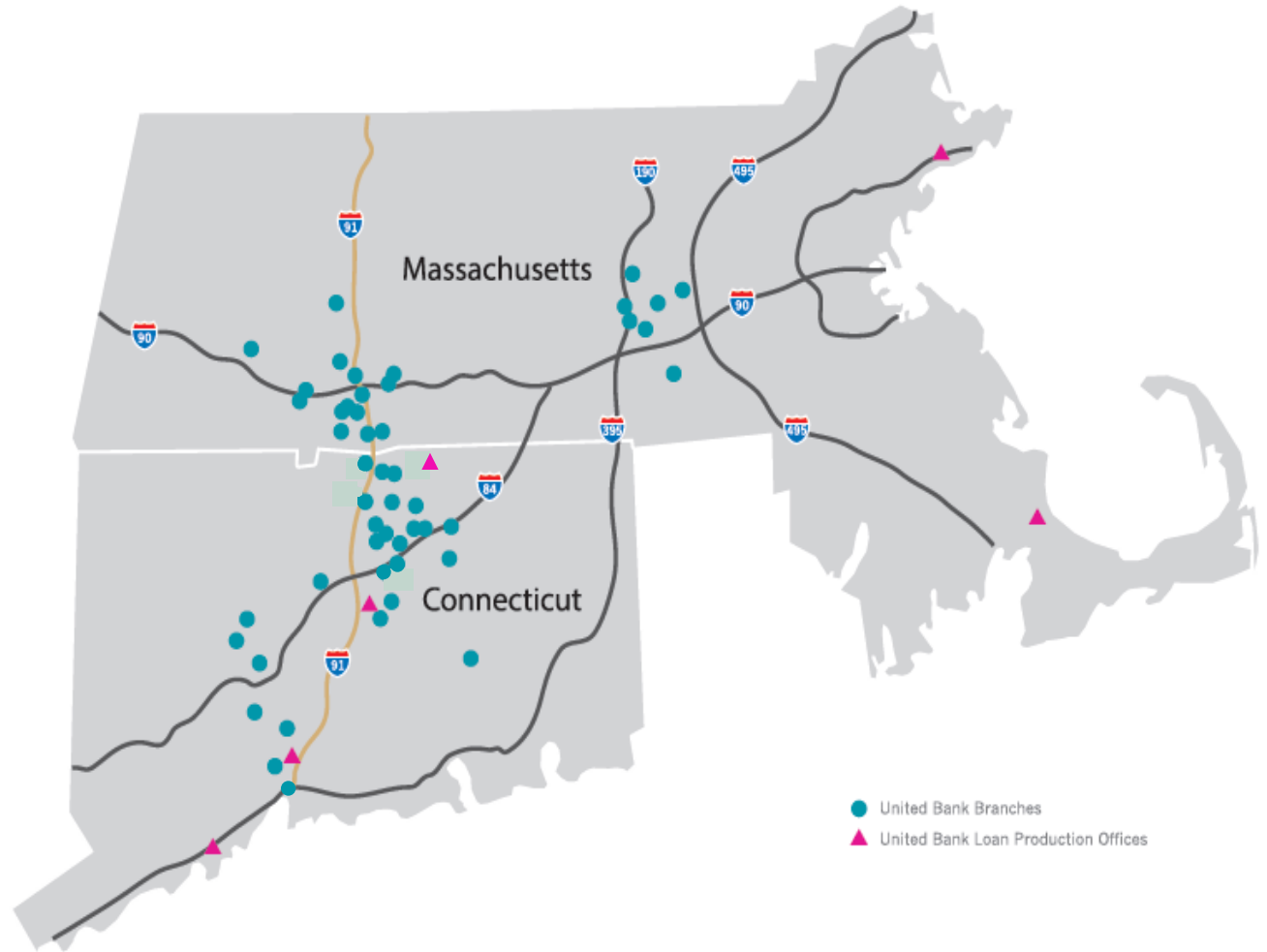
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# Management Team

Name	Title/Function	Years in Industry / Years at United	Prior Experience
William H.W. Crawford	Chief Executive Officer	26/3	Wells Fargo Bank, Wachovia Bank
Marino J. Santarelli	Chief Operating Officer	41/3	Wells Fargo Bank, Wachovia Bank
Dena M. Hall	Western MA Regional President	17/9	Woronoco Savings Bank
Craig W. Hurty	Chief Human Resource Officer	30/0	Aetna, PacifiCare Health Systems
Mark A. Kucia	Chief Credit Officer	27/9	Liberty Bank, Mechanics Bank, BayBank
Brandon C. Lorey	Head of Consumer Lending	24/2	H&R Block Bank, Chevy Chase Federal Savings Bank
Eric R. Newell	Chief Financial Officer	11/3	FDIC, Fitch Ratings, Alliance Bernstein
David C. Paulson	Head of Wholesale Banking	29/1	Santander, Wells Fargo, Wachovia
Betsy Wynnick	Chief Risk Officer	22/2	NewAlliance Bank, Webster Bank

# Branch Franchise

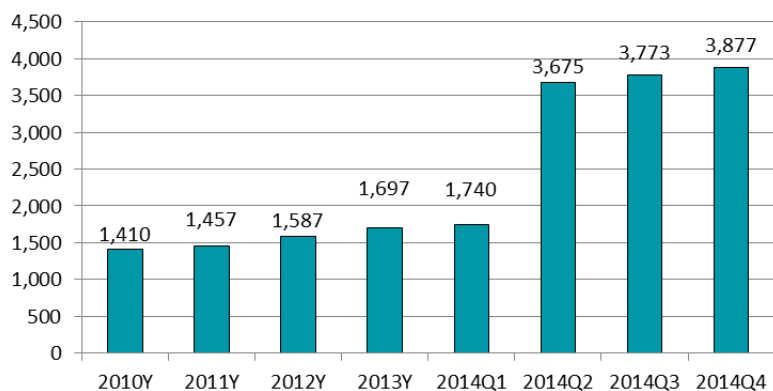
- Leading New England community bank with \$5.4 billion in assets and over 50 branches in two states with the size, scale and product breadth to compete effectively.
- #1 community bank in combined Hartford and Springfield market



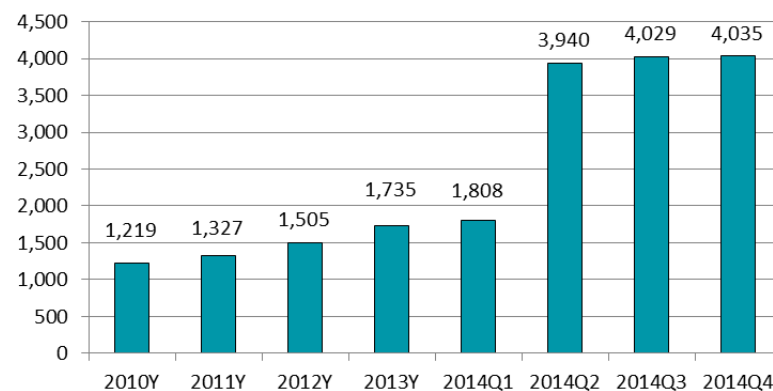
# Balance Sheet Trends

Second Quarter balances reflect 4/30/2014 merger of United Financial Bancorp, Inc. with and into Rockville Financial, Inc.

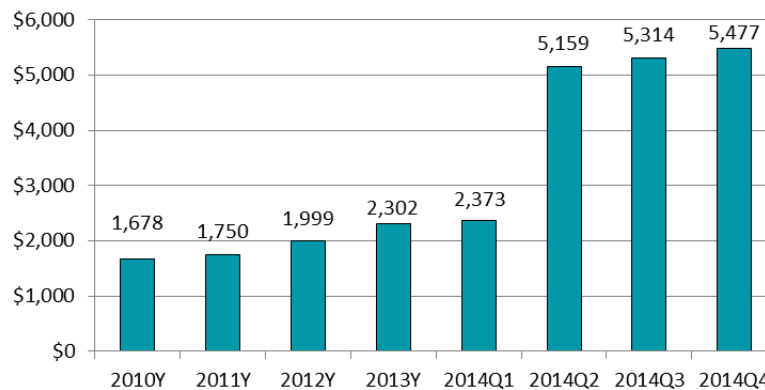
### Total Net Loans (\$ millions)



### Total Deposits (\$ millions)



### Total Assets (\$ millions)



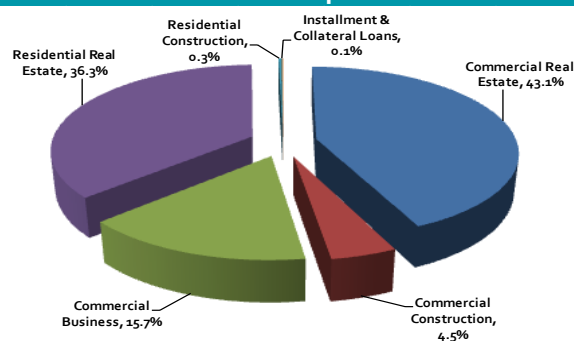
# Balance Sheet Summary: Loans

(\$ in millions)

	4Q14	3Q14	QOQ
Commercial Real Estate	1,678.9	1,659.7	4.6%
Commercial Construction	172.6	121.2	169.6%
Commercial Business	613.6	618.9	-3.4%
<b>Total Commercial Loans</b>	<b>2,465.1</b>	<b>2,399.8</b>	<b>10.9%</b>
Residential Real Estate	1,413.7	1,365.1	14.2%
Residential Construction	13.3	10.2	121.6%
Installment & Collateral Loans	5.8	16.4	-258.5%
<b>Total Consumer Loans</b>	<b>1,432.8</b>	<b>1,391.7</b>	<b>11.8%</b>
<b>Total Gross Loans</b>	<b>3,897.9</b>	<b>3,791.5</b>	<b>11.2%</b>

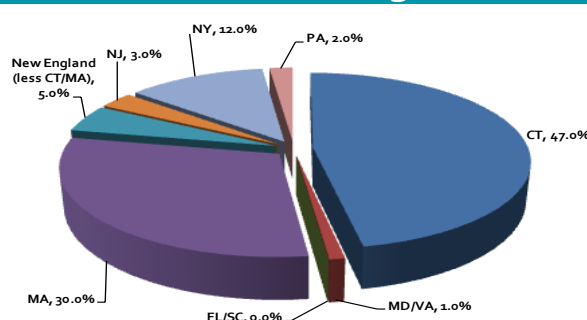
- 16% CAGR for commercial loans in last 6 years, continue excellent asset quality
- Goal of high single digit growth on \$3.9 billion base (11% annualized in 2014Q4)
- Record residential production in 2014Q4 and for the year 2014

## Overall Composition



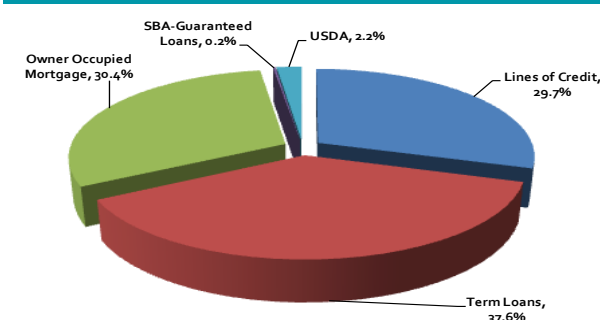
12/31/2014

## CRE Loans - Regions



12/31/2014

## C&I Loans



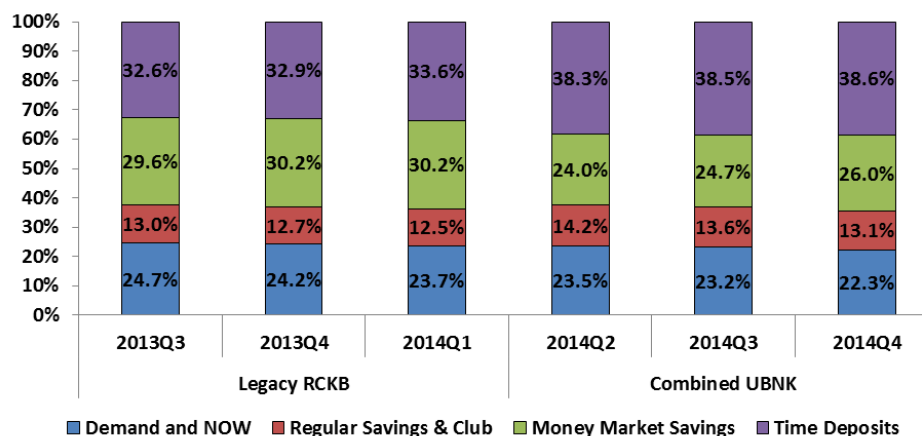
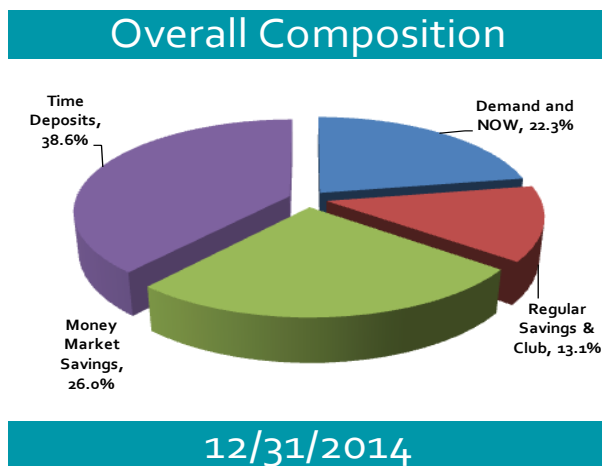
12/31/2014



# Balance Sheet Summary: Deposits

(\$ in millions)	4Q14	3Q14	QOQ
Demand & NOW	902.5	933.1	-13.1%
Regular Savings & Club	528.6	547.9	-14.1%
Money Market Savings	1,047.3	996.9	20.2%
Time Deposits	1,556.9	1,551.1	1.5%
<b>Total Deposits Loans</b>	<b>4,035.3</b>	<b>4,029.0</b>	<b>0.6%</b>

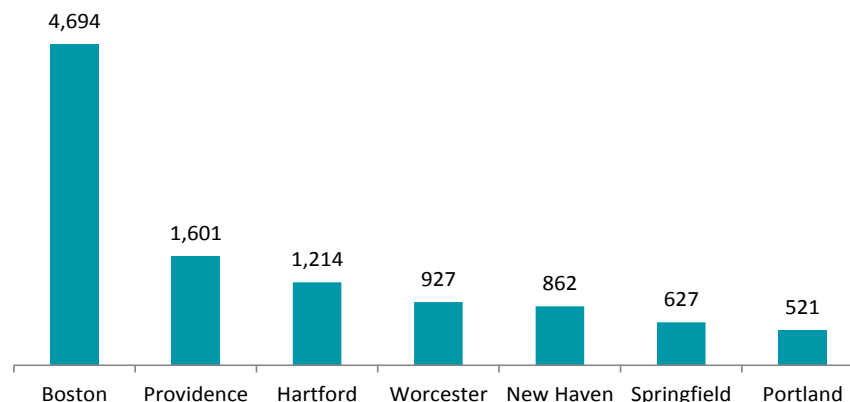
- Improved market share in about 80% of our deposit markets in 2014
- Ranked in the top 3 market share in many of our seasoned markets



# Deposit Market Share

Hartford - Springfield MSA Deposit Market Share				
2014 Rank	Institution (ST)	Branches	Deposits (\$mm)	Market Share
1	<u>Bank of America Corp.</u>	69	22,453	40.3%
2	<u>Toronto-Dominion Bank</u>	52	4,419	7.9%
3	<u>Webster Financial Corp.</u>	58	4,202	7.5%
4	<b><u>United Financial Bancorp. Inc.</u></b>	<b>47</b>	<b>3,616</b>	<b>6.5%</b>
5	<u>People's United Financial Inc.</u>	51	2,722	4.9%
6	<u>First Niagara Financial Group</u>	48	2,162	3.9%
7	<u>Liberty Bank</u>	30	1,940	3.5%
8	<u>Torrington SB</u>	24	1,671	3.0%
9	<u>First Connecticut Bancorp. Inc</u>	25	1,667	3.0%
10	<u>PeoplesBancorp MHC</u>	19	1,501	2.7%
Total For All Institutions In Market		604	55,732	

New England MSA - Population (2014) (thousands)



	Hartford MSA	Springfield MSA	New Haven MSA	Worcester MSA
Population (2014)	1,213,855	627,016	862,425	926,813
Median Income	\$67,457	\$51,430	\$61,762	\$63,581
Avg. Home Price				
Appreciation (12 mo)	0.39%	-0.47%	2.44%	3.77%
Deposits (bn)	\$40	\$13	\$22	\$15
Major Industry 1	Education & Health Services	Education & Health Services	Education & Health Services	Education & Health Services
Major Industry 2	Trade, Transportation, & Utilities	Trade, Transportation, & Utilities	Trade, Transportation, & Utilities	Trade, Transportation, & Utilities
Major Industry 3	Government	Government	Government	Government
Major Industry 4	Professional & Business Services	Manufacturing	Professional & Business Services	Professional & Business Services
Major Industry 5	Financial Activities	Leisure & Hospitality	Leisure & Hospitality	Leisure & Hospitality

# How United Creates Value

## Commercial Banking

- Attract/Retain top local talent in each market we serve
- RAROC
- Strong credit culture & quick decision turnaround
- Grow low cost core deposits
- Recruit Bankers and clients from mega-bank competitors
- Team Expansion in Central & Western Mass 4Q2014
- Drive greater productivity and efficiency in 2015/2016

## Consumer Lending

- New technology, new products, new leadership
- 35 Commission based Mortgage Loan Officers (MLOs) from large banks with deep roots in the community
- Taking market share from large banks
- Solid gain on sale income
- Expanding direct sales channels:
  - Recruiting MLOs
  - Home equity lines new process
  - Private label credit card
  - Secondary market sales
  - Correspondent lending

## Retail Banking

- Highly efficient model, FTE/Deposits, 50+ branches
- Strong customer service measured by Greenwich Associates
- Grow via cross-sell of customer base
- Customers to become transactors, borrowers & investors
- Debit card, credit card, mobile banking, mortgage, home equity & investment services
- Reduce cost structure – less branches and increase mobile & on-line direct channels
- 12 Financial Advisors currently serving 50+ retail branch network

## Finance & Risk

- Detailed cost center reporting
- Business unit review process
- Asset Liability Management modeling in-house
- RAROC model & transfer pricing
- Actively manage investment portfolio
- Strong capital planning & budgeting process
- Strong liquidity management and monitoring
- Strong risk management focus & governance

# 2015 Priorities

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- Achieve Announced Cost Saves
- Continue Efficiency Improvements & refining organizational cost structure
- Grow fee income businesses – debit card, financial advisory, loan level hedge & mortgage banking
- Continue to drive revenue synergies and increase market share
  - Mortgage Banking
  - Wealth Management
- Talent Recruitment
  - Continue to acquire commercial banking teams
  - Recruit high performing commission based mortgage loan officers
  - Grow financial advisory business
- Capital Deployment Opportunities
  - Strategic plans developed for organic growth priority
  - Selectively evaluate other capital deployment opportunities

# 2015 Priorities (cont.)

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- 2015: Operating Run Rate Goals

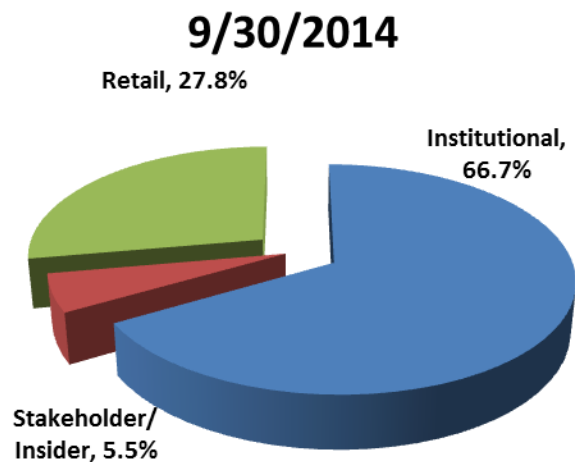
Financial Performance Metric	Targets
NIE / Average Assets	<2.00%
Return on Tangible Common Equity	~10.0%
Efficiency	~57%

- 2015 Operating Budget: Continue to evaluate cost saving opportunities throughout entire enterprise as we develop 2015 & 2016 operating budgets. Opportunities will be enhanced by critical analysis of cost center expense reporting

# APPENDIX

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# Institutional Ownership



## Top Institutional Holders As of September 30, 2014

Holder Name	Position	% O/S
BlackRock Institutional Trust Company, N.A.	3,108,474	5.9%
Keeley Asset Management Corp	2,541,342	4.8%
Dimensional Fund Advisors L.P.	2,070,536	3.9%
Cardinal Capital Management, L.L.C.	1,909,128	3.6%
Investment Counselors of Maryland, LLC	1,671,810	3.2%
Rockville Bank ESOP	1,586,638	3.0%
The Vanguard Group, Inc.	1,500,887	2.9%
Northern Trust Investments, Inc.	1,262,229	2.4%
Systematic Financial Management, L.P.	1,208,411	2.3%
EJF Capital LLC	1,203,944	2.3%

# 4Q2014 Financial Results

<b>Income Statement</b> (\$ in thousands, except per share data)	4Q14	3Q14
Operating Interest Income	\$ 38,471	38,365
Operating Non-Interest income	3,730	3,646
Total Operating Revenue	42,201	42,011
Non-Interest Expense	45,076	34,922
Branch Lease Termination Adjustment	(1,888)	
Merger Adjustments	(10,625)	(4,497)
Total Operating Expense	32,563	30,425
Pre-tax, Pre-provision Operating Income	9,638	11,586
Net Operating Income	8,316	10,450
<b>GAAP Earnings per Diluted Share</b>	<b>\$0.03</b>	<b>\$0.19</b>
<b>Operating Earnings per Diluted Share</b>	<b>\$0.16</b>	<b>\$0.20</b>
<b>Key Ratios</b>		
Tax-Equivalent Net Interest Margin	3.44%	3.56%
Operating Return on Average Assets	0.62%	0.80%
Operating Return on Average Tangible Common Equity	6.96%	7.93%
Efficiency Ratio	96.03%	72.09%
Operating NIE / Average Assets	2.42%	2.32%



# Non-GAAP Reconciliation

## United Financial Bancorp, Inc. and Subsidiaries Reconciliation of Non-GAAP Financial Measures (Dollars In Thousands) (Unaudited)

	Three Months Ended					Years Ended	
	December 31, 2014	September 30, 2014	June 30, 2014	March 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Net income (loss)	\$ 1,421	\$ 9,985	\$ (5,571)	\$ 947	\$ 1,757	\$ 6,782	\$ 14,227
Adjustments:							
Net interest income	(3,421)	(3,828)	(4,948)	-	-	(12,197)	-
Non-interest income	729	(430)	(589)	(268)	-	(558)	(585)
Non-interest expense	12,513	4,497	21,266	1,829	2,141	40,105	3,511
Income tax expense (benefit)	(2,926)	226	(4,346)	(357)	(602)	(7,403)	(853)
Net adjustment	6,895	465	11,383	1,204	1,539	19,947	2,073
Total operating net income	\$ 8,316	\$ 10,450	\$ 5,812	\$ 2,151	\$ 3,296	\$ 26,729	\$ 16,300
Total net interest income	\$ 41,892	\$ 42,193	\$ 36,879	\$ 16,908	\$ 16,976	\$ 137,872	\$ 67,057
Adjustments:							
Impact from purchase accounting fair value marks:							
(Accretion) / (Amortization) of loan mark	(1,543)	(1,734)	(3,388)	-	-	(6,665)	-
Accretion / (Amortization) of deposit mark	1,276	1,482	1,150	-	-	3,908	-
Accretion / (Amortization) of borrowings mark	602	612	410	-	-	1,624	-
Net adjustment	(3,421)	(3,828)	(4,948)	-	-	(12,197)	-
Total operating net interest income	\$ 38,471	\$ 38,365	\$ 31,931	\$ 16,908	\$ 16,976	\$ 125,675	\$ 67,057
Total non-interest income	\$ 3,001	\$ 4,076	\$ 6,319	\$ 3,209	\$ 2,959	\$ 16,605	\$ 17,051
Adjustments:							
Net (gain) loss on sales of securities	59	(430)	(589)	(268)	-	(1,228)	(585)
Loss on fixed assets - branch optimization	670	-	-	-	-	670	-
Net adjustment	729	(430)	(589)	(268)	-	(558)	(585)
Total operating non-interest income	3,730	3,646	5,730	2,941	2,959	16,047	16,466
Total operating net interest income	38,471	38,365	31,931	16,908	16,976	125,675	67,057
Total operating revenue	\$ 42,201	\$ 42,011	\$ 37,661	\$ 19,849	\$ 19,935	\$ 141,722	\$ 83,523
Total non-interest expense	\$ 45,076	\$ 34,922	\$ 46,177	\$ 18,257	\$ 17,175	\$ 144,432	\$ 62,466
Adjustments:							
Merger and acquisition expense	(10,136)	(4,008)	(20,945)	(1,829)	(2,141)	(36,918)	(2,141)
Core deposit intangible amortization expense	(481)	(481)	(321)	-	-	(1,283)	-
Effect of position eliminations	-	-	-	-	-	-	(561)
Effect of branch lease termination agreements	(1,888)	-	-	-	-	(1,888)	(809)
Amortization of fixed asset fair value mark	(8)	(8)	-	-	-	(16)	-
Net adjustment	(12,513)	(4,497)	(21,266)	(1,829)	(2,141)	(40,105)	(3,511)
Total operating expense	\$ 32,563	\$ 30,425	\$ 24,911	\$ 16,428	\$ 15,034	\$ 104,327	\$ 58,955
Total loans	\$ 3,897,866	\$ 3,791,491	\$ 3,693,115	\$ 1,756,611	\$ 1,713,792	\$ 3,897,866	\$ 1,713,792
Non-covered loans (1)	(1,658,594)	(1,693,669)	(1,820,526)	-	-	(1,655,102)	-
Total covered loans	\$ 2,239,272	\$ 2,097,822	\$ 1,872,589	\$ 1,756,611	\$ 1,713,792	\$ 2,242,764	\$ 1,713,792
Allowance for loan losses	24,809	22,304	21,343	\$ 19,500	\$ 19,183	24,809	\$ 19,183
Allowance for loan losses to total loans	0.64%	0.59%	0.58%	1.11%	1.12%	0.64%	1.12%
Allowance for loan losses to total covered loans	1.11%	1.06%	1.14%	1.11%	1.12%	1.11%	1.12%

(1) As required by GAAP, the Company recorded at fair value the loans acquired in the legacy United transactions. These loans carry no allowance for loan losses for the periods reflected above.

# Credit Quality – Covered Portfolio

(\$ in millions)

	4Q14	3Q14
Provision for loan losses	4.333	2.633
Net Charge-offs	0.246	0.866
Total covered loans	2,239.272	2,097.822
Allowance	24.809	22.304
Allowance / loans	1.11%	1.06%
Nonperforming loans	14.700	15.575
NPLs / Loans - covered	0.66%	0.74%
Special mention loans	26.152	19.02
Special mention loans as a % of total covered loans	1.17%	0.91%
Substandard loans	39.124	32.832
Substandard loans as a % of total covered loans	1.75%	1.57%

# Credit Quality – Non-Covered Portfolio

(\$ in millions)	4Q14	3Q14
Provision for loan losses	0	0
Net Charge-offs	1.583	0.806
Total non-covered loans	1,658.594	1,693.669
Allowance	0	0
Allowance / non-covered loans	0.00%	0.00%
Nonperforming loans	17.658	13.714
Credit discount on non-covered loans	27.196	29.989
credit discount / non-covered loans	1.64%	1.77%
Special mention loans	30.687	25.007
Special mention as a % of total covered loans	1.85%	1.48%
Substandard loans	46.657	58.297
Substandard as a % of total covered loans	2.81%	3.44%

# Investment Securities (as of December 31, 2014)

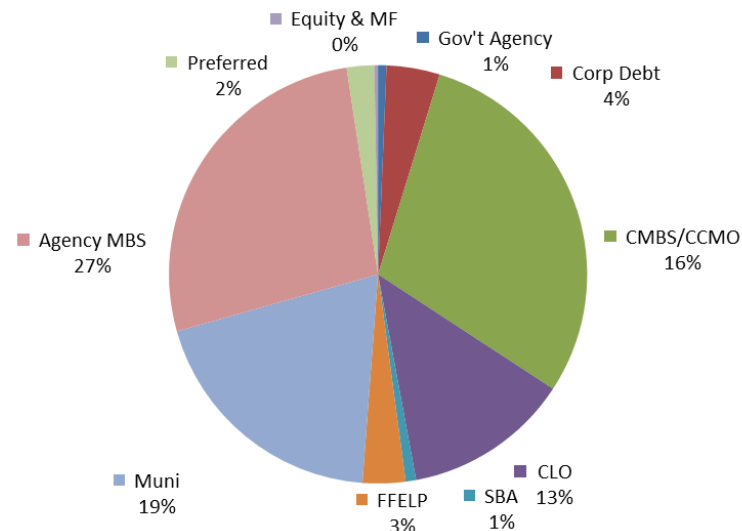
## Portfolio Stats (\$ in millions)

	4Q14	3Q14
Market Value	1,069	1,029
Yield	2.9%	2.9%
Average Rating	AA	AA
MBS Portfolio	602	602
Total Portfolio Duration (years)	3.2	3.4

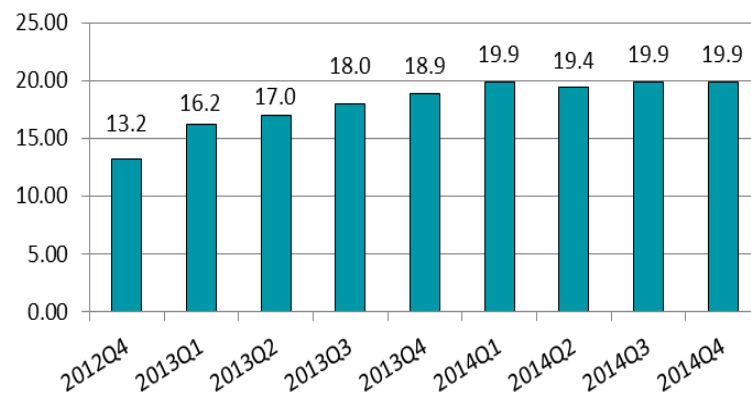
## Summary of Quarterly Securities Purchases

	4Q14	3Q14
Average Yield	2.9%	3.0%
Average Rating	AA	AA

Investment Portfolio Summary (Total)  
December 31, 2014



Securities / Assets (%)



Source: SNL Financial

# Accretion Table

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	<u>Loan Accretion</u>	<u>Certificates of Deposit</u>	<u>Borrowings</u>	<u>Total</u>
\$ in Thousands				
For the quarter ended June 30, 2014	\$ 3,388	\$ 1,150	\$ 410	\$ 4,948
For the quarter ended September 30, 2014	1,734	1,482	612	3,828
For the quarter ended December 31, 2014	1,543	1,276	602	3,421
For the years ending December 31,				
2015	3,596	3,209	1,874	8,679
2016	3,409	1,335	1,692	6,436
2017	3,005	728	1,152	4,885
2018	2,966	213	233	3,412
Thereafter	(646)	-	(1,352)	(1,998)