

# 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, BNCL, BPFH, BRKL, CBU, CUBI, DCOM, EGBN, FCF, FFIC, INDB, KRNY, NBTB, NWBI, PFS, SASR, STBA, TMP, TRST, WSFS

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. The efficiency ratio represents the ratio of non-interest expenses to the sum of net interest income before provision for loan losses and non-interest income, exclusive of net gain (loss) on limited partnership investments. The pre-provision net revenue to average assets ratio represents the ratio of net interest income, on a fully tax-equivalent basis, fees and other non-interest income, net of non-credit-related expenses as a percent of total average assets. The pre-provision net revenue to average equity ratio represents the ratio of net interest income, on a fully tax-equivalent basis, fees and other non-interest income, net of non-credit-related expenses as a percent of total average equity. Reconciliations are in earnings releases at [www.unitedfinancialinc.com](http://www.unitedfinancialinc.com).

# Corporate Contacts

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# Four Key Objectives

Objective	Progress
Align earning asset growth with organic capital and low cost core deposit generation to maintain strong capital and liquidity	(a) average earning asset growth linked quarter totaled \$38.2 million compared to average deposit growth of \$26.9 million; (b) 3.5% annualized 2Q16 DDA growth; (c) annualized loan growth in 2Q16 of 7%
Re-Mix cash flows into higher yielding risk adjusted return on assets with lower funding costs relative to peers.	(a) cost of funds improved by 1 bps linked quarter; (b) 26% annualized growth in OOCRE and C&I loans
Invest in people, systems, and technology to grow revenue and improve customer experience while maintaining attractive cost structure.	(a) introduced new electronic based checking product; (b) 29% increase in new checking account openings from linked quarter; (c) Operating Non-Interest Expense/ Average Assets (NIE/AA) at 2.08%
Grow operating revenue, maximize operating earnings, grow tangible book value, pay dividend. Achieve more revenue into NII and core fee income.	(a) 7% annualized increase in tangible book value (TBV); (b) 3.70% dividend yield in second quarter 2016

# Second Quarter Walk

(Dollars in thousands)

	GAAP Net Income	Operating Net Income
<b>Actual First Quarter 2016</b>	<b>\$ 11,894</b>	<b>\$ 10,946</b>
Loan Interest Income	(2,396)	(468)
Fee Income	480	480
Investment Income	(37)	(37)
Interest Expense	47	54
Net Interest Income	(1,906)	29
Provision	(936)	(936)
Net Interest Income after Provision	(2,842)	(907)
Service Charges and Fees	(235)	(236)
Security Gains/Losses	(1,085)	—
Mortgage Banking	1,471	1,471
Gains/Losses on Limited Partnerships	(568)	(568)
Other	222	223
Non-Interest Income	(195)	890
Salaries and Benefits	(2,222)	(864)
Marketing	(431)	(431)
Other	1,735	298
Total Operating Expense	(918)	(997)
Taxes	1,119	90
<i>Total Change</i>	<i>(2,836)</i>	<i>(924)</i>
<b>Actual Second Quarter 2016</b>	<b>\$ 9,058</b>	<b>\$ 10,022</b>

# Second Half 2016 Forecast

	Actual Q1 2016	Actual Q2 2016	Second Half 2016
Operating Net Interest Margin	2.95%	2.94%	~ 2.94%
Loan Growth	3.0%*	7.0%*	mid single digits
Provision / Average Gross Loans	0.23%*	0.31%*	0.27% - 0.30%*
Non-Interest Income Run Rate	\$26.9 million*	\$26.1 million*	\$24.0 - \$27.0 million*
Non-Interest Expense Run Rate	\$135.1 million*	\$138.7 million*	\$130 million*
Effective Tax Rate	13.0%	6.8%	15.0%

\*Note: Loan Growth, Provision/Average Gross Loans, Fee Income and NIE calculations are annualized.

# Purchase Accounting at June 30, 2016

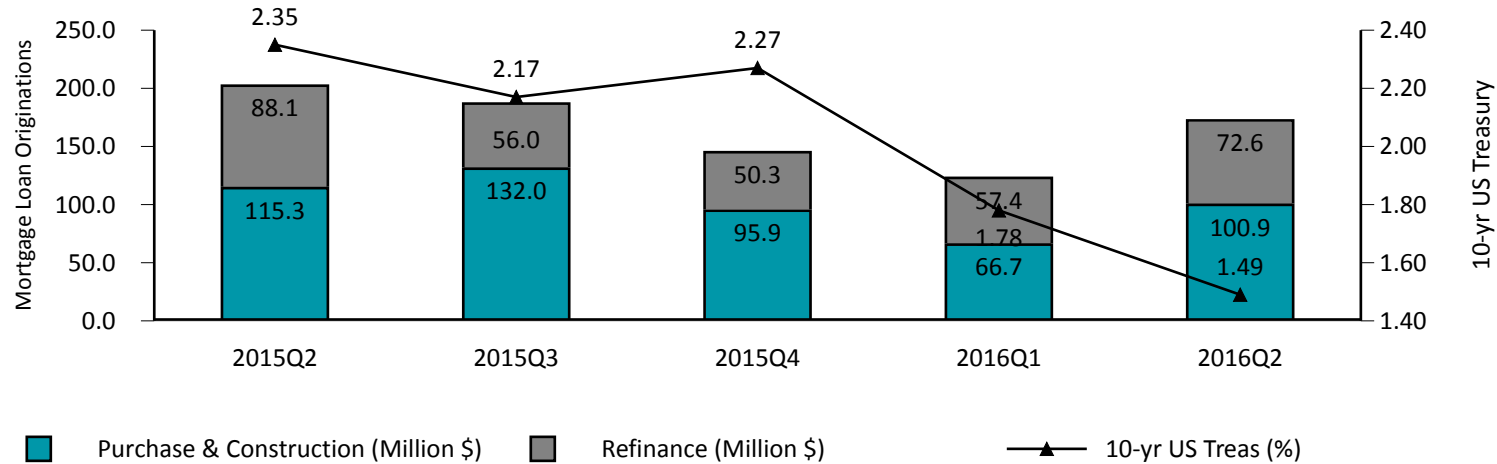
(Dollars in thousands)	Premium (Discount)	Weighted Average Life	Projected Quarter Net Interest Income Impact	Projected 2H2016 Impact
Consumer	\$9,148.4	3.9	\$(589.8)	\$(1,179.5)
Commercial	(12,386.0)	3.3	943.9	1,887.8
Residential	6,808.8	3.5	(490.1)	(980.3)
<b>Total Interest Income Impact</b>	<b>\$3,571.2</b>		<b>\$(136.0)</b>	<b>\$(272.0)</b>
<b>Total Purchased Liabilities</b>	<b>\$2,394.4</b>			<b>\$1,441.4</b>
<b>Total Net Interest Income Impact</b>				<b><u>\$1,169.4</u></b>

Note: Loan accretion / amortization projections can fluctuate due to a variety of factors including: changes in borrower credit quality, loan sales, and prepayment speeds.



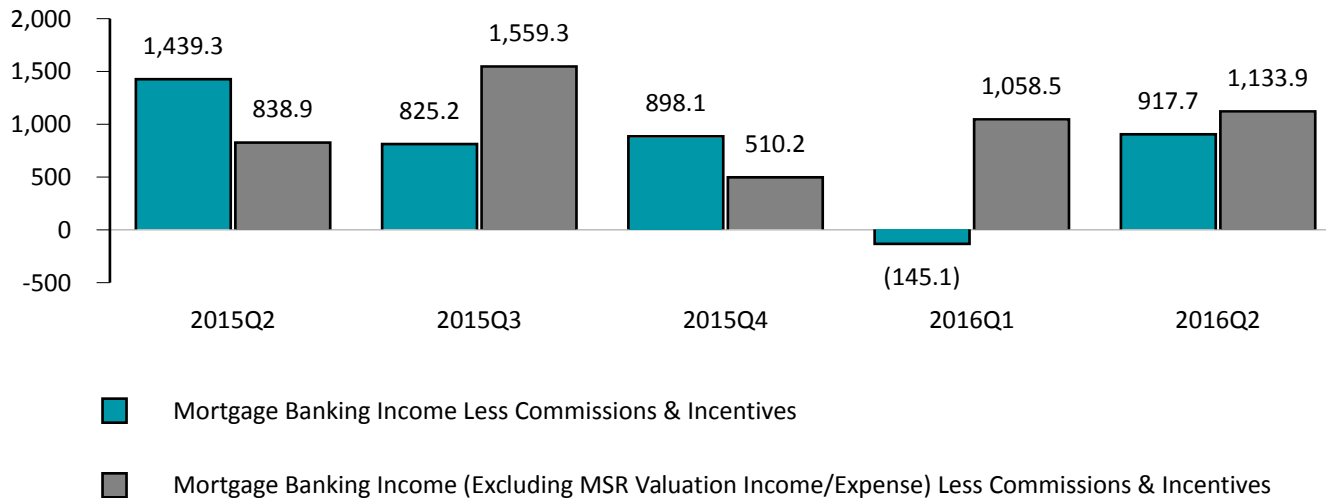
# Mortgage Banking

## Mortgage Loan Originations



- Origination volume increase in June 30, 2016 quarter by \$49.4 MM for a total Q2 volume of \$173.5 MM in mortgages.

## Net Mortgage Banking Revenue (Thousands \$)



- A record 65.9% in 30 year FRM, 60.5% of which was sold into the Secondary Market
- Purchase volume represented 58.1% of total production in Q2 2016

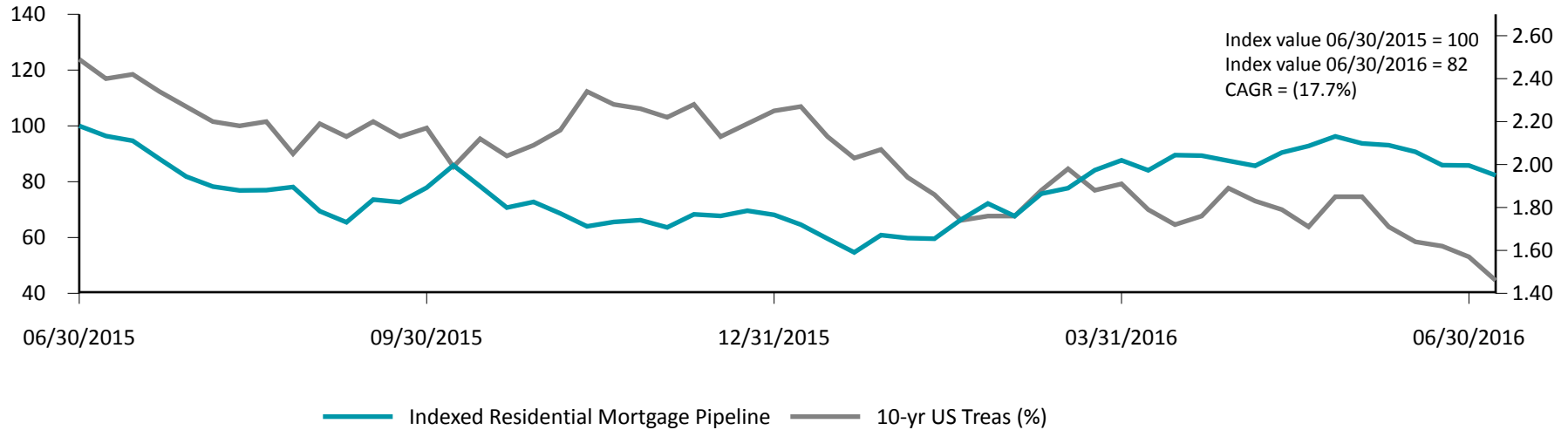
# Commercial Real Estate

Institution Name	City	State	Ticker	CRE / Risk-Based Capital	3-Year Delta	Construction / Risk-Based Capital	3-Year Delta
<b>United Financial Bancorp, Inc.</b>	<b>Glastonbury</b>	<b>CT</b>	<b>UBNK</b>	<b>294%</b>	<b>52%</b>	<b>28%</b>	<b>4%</b>
People's United Financial, Inc.	Bridgeport	CT	PBCT	268%	20%	27%	8%
Webster Financial Corporation	Waterbury	CT	WBS	149%	27%	17%	5%
Berkshire Hills Bancorp, Inc.	Pittsfield	MA	BHLB	231%	32%	43%	2%
Independent Bank Corp.	Rockland	MA	INDB	299%	(27)%	58%	9%
Brookline Bancorp, Inc.	Boston	MA	BRKL	356%	18%	19%	(4)%
Century Bancorp, Inc.	Medford	MA	CNBKA	32%	(20)%	4%	(2)%
Washington Trust Bancorp, Inc.	Westerly	RI	WASH	323%	66%	40%	21%
Meridian Bancorp, Inc.	Peabody	MA	EBSB	445%	(56)%	91%	(7)%
Camden National Corporation	Camden	ME	CAC	193%	35%	28%	14%
First Connecticut Bancorp, Inc.	Farmington	CT	FBNK	300%	88%	16%	(18)%
Enterprise Bancorp, Inc.	Lowell	MA	EBTC	259%	13%	91%	17%
Community Bank System, Inc.	De Witt	NY	CBU	79%	(3)%	17%	(2)%
NBT Bancorp Inc.	Norwich	NY	NBTB	160%	(26)%	28%	(3)%
Sterling Bancorp	Montebello	NY	STL	275%	(23)%	15%	(21)%
			High	445%	88%	91%	21%
			Low	32%	(56)%	4%	(21)%
			Mean	241%	10%	35%	1%
			Median	264%	15%	27%	0%
<b>UBNK Ranking out of 15 (ascending):</b>				<b>6</b>	<b>3</b>	<b>6</b>	<b>7</b>

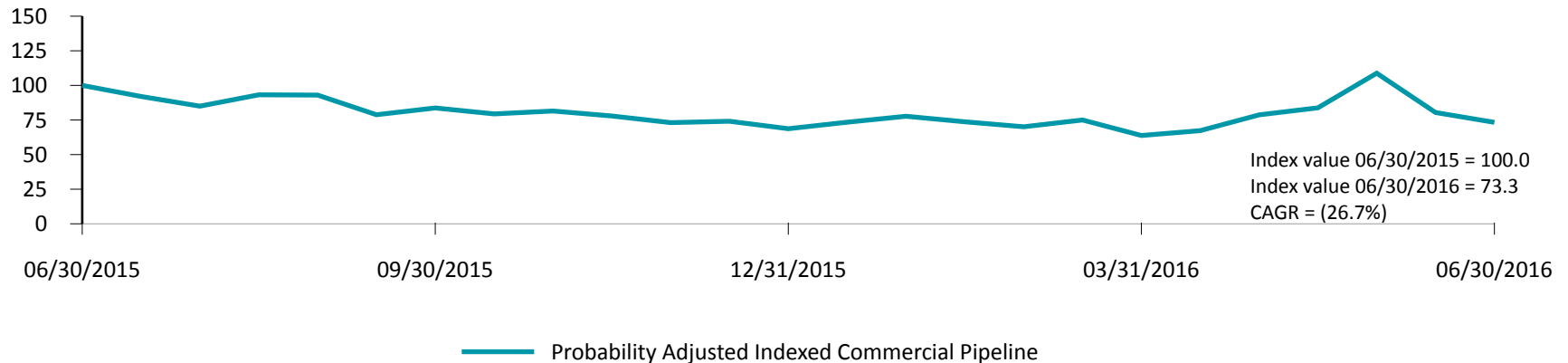
NOTE: All financial data as of March 31, 2016  
 CRE includes 1.a.1, 1.a.2, 1.b, 1.d, and 1.e.2 from FFIEC 041  
 Data is Bank-level; BRKL subsidiaries aggregated  
 All data sourced from SNL Financial

# Indexed Pipeline Metrics

## Indexed Residential Mortgage Pipeline vs 10 yr US Treasury



## Indexed Probability Adjusted Commercial Pipeline



# APPENDIX

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# Balance Sheet Trends

Balance Sheet (\$ in thousands)	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	QoQ		YoY	
						2Q16 vs 1Q16		2Q16 vs 2Q15	
						\$ Change	% Change	\$ Change	% Change
<b>ASSETS</b>									
Cash and cash equivalents	\$ 97,441	\$ 87,234	\$ 95,176	\$ 98,310	\$ 84,525	\$ 10,207	11.7%	\$ 12,916	15.3%
Securities	1,087,748	1,104,932	1,073,734	1,095,108	1,076,919	(17,184)	(1.6)	10,829	1.0
Loans held for sale	30,558	7,560	10,136	13,511	28,017	22,998	304.2	2,541	9.1
Residential real estate	1,171,300	1,176,357	1,179,915	1,190,745	1,167,830	(5,057)	(0.4)	3,470	0.3
Home equity	460,058	446,515	431,282	335,220	333,983	13,543	3.0	126,075	37.7
Other consumer	211,065	217,725	233,064	5,236	5,206	(6,660)	(3.1)	205,859	3,954.3
Residential construction	49,338	42,205	41,084	33,648	24,306	7,133	16.9	25,032	103.0
Investor non-occupied CRE	1,675,821	1,648,321	1,673,248	1,580,848	1,458,229	27,500	1.7	217,592	14.9
Owner occupied CRE	384,324	376,511	322,084	340,047	305,522	7,813	2.1	78,802	25.8
Commercial business	671,687	614,235	603,332	576,899	634,529	57,452	9.4	37,158	5.9
Commercial construction (ADC)	107,302	128,007	129,922	146,975	142,462	(20,705)	(16.2)	(35,160)	(24.7)
Loans - net	4,702,337	4,621,988	4,587,062	4,185,032	4,048,770	80,349	1.7	653,567	16.1
Deferred tax asset, net	31,395	32,222	33,094	31,554	31,822	(827)	(2.6)	(427)	(1.3)
Premises and equipment, net	53,021	53,685	54,779	55,919	57,131	(664)	(1.2)	(4,110)	(7.2)
Intangible Assets	121,953	122,354	122,787	123,220	123,637	(401)	(0.3)	(1,684)	(1.4)
Cash surrender value of BOLI	126,734	125,920	125,101	125,186	124,287	814	0.6	2,447	2.0
Other Assets*	163,897	163,349	126,672	115,182	105,582	548	0.3	58,315	55.2
Total Assets	\$ 6,415,084	\$ 6,319,244	\$ 6,228,541	\$ 5,843,022	\$ 5,680,690	\$ 95,840	1.5%	\$ 734,394	12.9%

## LIABILITIES AND STOCKHOLDERS' EQUITY

### Liabilities:

#### Deposits:

	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	QoQ		YoY	
						2Q16 vs 1Q16		2Q16 vs 2Q15	
						\$	%	\$	%
Non-interest-bearing	\$ 673,624	\$ 657,144	\$ 657,718	\$ 622,535	\$ 610,279	\$ 16,480	2.5%	\$ 63,345	10.4%
Interest-bearing	3,781,717	3,876,901	3,779,353	3,640,436	3,571,972	(95,184)	(2.5)	209,745	5.9
Total Deposits	4,455,341	4,534,045	4,437,071	4,262,971	4,182,251	(78,704)	(1.7)	273,090	6.5
Mortgagors' and investor escrow accounts	14,040	9,696	13,526	8,108	15,168	4,344	44.8	(1,128)	(7.4)
FHLB advances and other borrowings	1,222,160	1,073,034	1,099,020	893,865	825,963	149,126	13.9	396,197	48.0
Accrued expenses and other liabilities	79,350	69,191	53,403	56,626	45,313	10,159	14.7	34,037	75.1
Total liabilities	5,770,891	5,685,966	5,603,020	5,221,570	5,068,695	84,925	1.5	702,196	13.9
Total stockholders' equity	644,193	633,278	625,521	621,452	611,995	10,915	1.7	32,198	5.3
Total liabilities and stockholders' equity	\$ 6,415,084	\$ 6,319,244	\$ 6,228,541	\$ 5,843,022	\$ 5,680,690	\$ 95,840	1.5%	\$ 734,394	12.9%

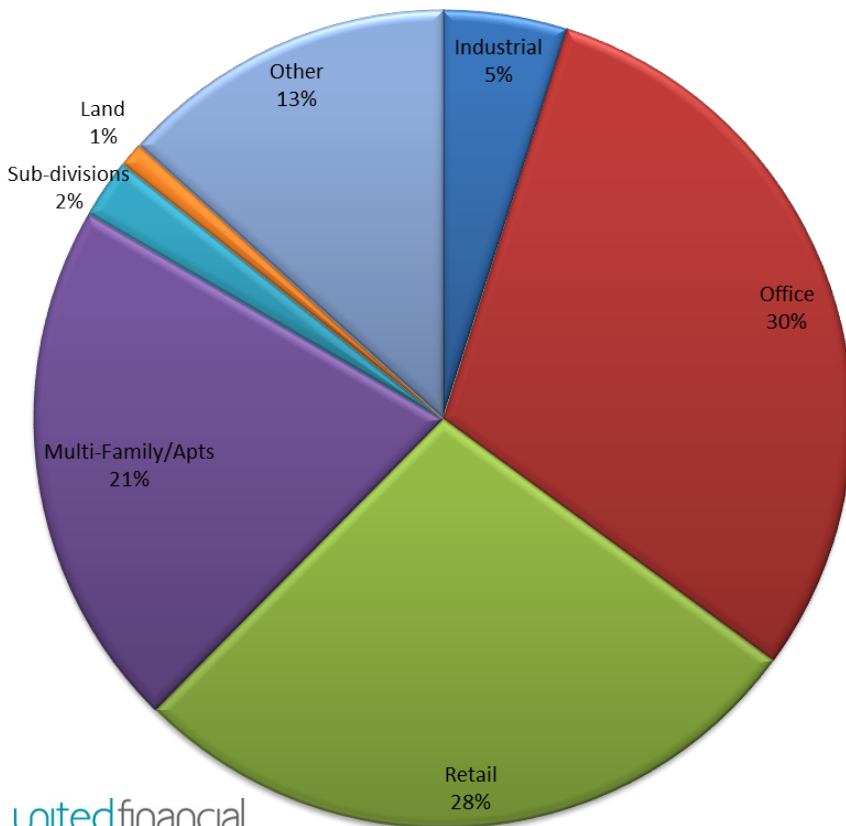
\*Other assets include FHLBB stock (at cost), accrued interest receivable, in addition to other assets

# Commercial Banking Overview

- Asset quality remains exceptional through diversification, granularity, that is accretive to risk adjusted capital

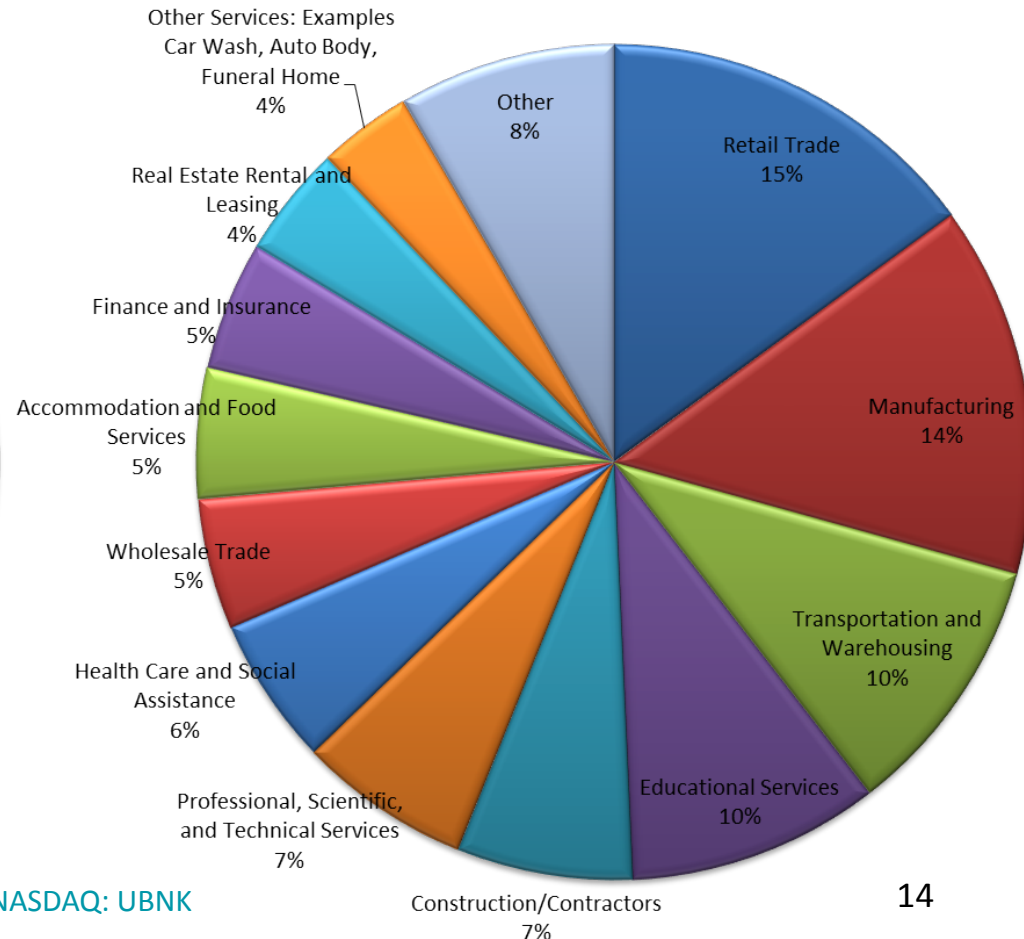
## Investor CRE & ADC by Property Type

*\$1,783 Million*



## C&I & Owner Occupied CRE by Industry

*\$1,056 Million*

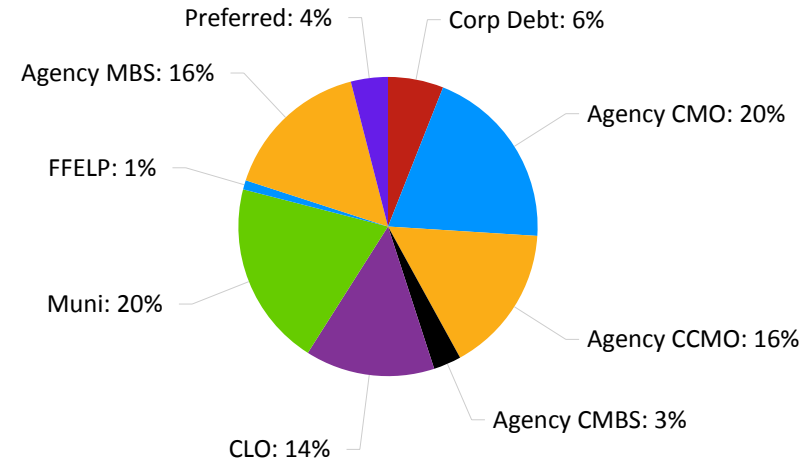


# Investment Portfolio

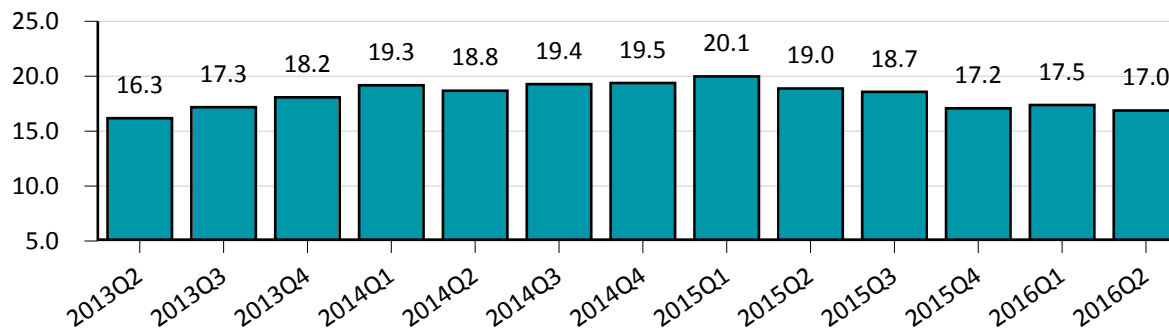
Portfolio Stats (\$ in millions)	2016Q2	2016Q1
Market Value	1,088	1,105
Yield	2.95%	2.94%
Average Rating	AA	AA
MBS Portfolio	596	613
Total Portfolio Duration (years)	3.0	3.1

Summary of Quarterly Securities Purchases	2016Q2	2016Q1
Average Yield	2.90%	2.95%
Average Rating	AA	AA

**Investment Portfolio Summary (Total)  
June 30, 2016**



**Total Securities/Assets (%)**



# Asset Quality

(\$ in thousands, except percentage data)

	2016Q2	2016Q1	2015Q4	2015Q3	2015Q2
Non-accrual loans	\$ 32,038	\$ 29,285	\$ 32,191	\$ 32,240	\$ 30,028
TDR - non-accruing	6,713	7,143	5,611	4,605	5,346
Total non-performing loans	38,751	36,428	37,802	36,845	35,374
OREO	702	659	755	258	227
Total non-performing assets	\$ 39,453	\$ 37,087	\$ 38,557	\$ 37,103	\$ 35,601
NPLs to total loans	0.82%	0.78%	0.82%	0.88%	0.87%
NPAs to total assets	0.61%	0.59%	0.62%	0.63%	0.63%
Net charge offs	\$ 1,163	\$ 1,075	\$ 724	\$ 1,276	\$ 904
Annualized NCOs to average loans	0.10%	0.09%	0.07%	0.12%	0.09%
Allowance for loan losses to non-performing loans	97.96%	97.45%	89.64%	83.68%	81.57%
Allowance for loan losses to total loans	0.80%	0.76%	0.73%	0.73%	0.71%
Provision for loan losses (annualized)/Average Loans	0.31%	0.23%	0.35%	0.31%	0.45%



# Management Team and Ownership

Name	Title/Function	Years in Industry/ Years at United	Prior Experience
William H.W. Crawford, IV	Chief Executive Officer	27/5	Wells Fargo Bank, Wachovia Bank, SouthTrust Bank
Eric R. Newell	Chief Financial Officer	12/5	FDIC, Fitch Ratings, Alliance Bernstein
Dena M. Hall	Chief Marketing Officer	19/11	Woronoco Savings Bank
Craig W. Hurty	Chief Human Resources Officer	32/2	Aetna, PacifiCare Health Systems
Mark A. Kucia	Chief Credit Officer	28/10	Liberty Bank, Mechanics Bank, BayBank
Brandon C. Lorey	Head of Consumer Lending	25/3	H&R Block Bank, Chevy Chase Federal Savings Bank
David C. Paulson	Head of Wholesale Banking	30/2	Santander, Wells Fargo, Wachovia
John J. Smith	Chief Information & Administrative Officer	30/0	CIT Group, NYCE Corporation, Summit Bank
Elizabeth Wynnck	Chief Risk Officer	24/4	NewAlliance Bank, Webster Bank

- William H.W. Crawford, IV owns 532,617 shares of stock and options\*
- UBNK management owns 1,278,630 shares of stock and options\*
- UBNK and United Bank Directors own 1,109,579 shares of stock and options\*

\*Note: 401k/ESOP share ownership is as of 12/31/15.

# Non-GAAP Reconciliation

	Three Months Ended				
	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
Net income	\$ 9,058	\$ 11,894	\$ 9,902	\$ 13,381	\$ 13,332
Adjustments:					
Net interest (income) expense	35	(1,900)	(1,617)	(4,092)	(3,512)
Non-interest (income) expense	(367)	(1,452)	(519)	59	(360)
Non-interest expense	1,814	1,893	3,586	244	454
Income tax (benefit) expense	(518)	511	(65)	1,326	1,196
Net adjustment	964	(948)	1,385	(2,463)	(2,222)
Total operating net income	\$ 10,022	\$ 10,946	\$ 11,287	\$ 10,918	\$ 11,110
Total net interest income	\$ 41,496	\$ 43,402	\$ 40,693	\$ 41,643	\$ 40,903
Adjustments:					
Impact from purchase accounting fair value marks:					
Amortization (accretion) of loan mark	835	(1,094)	(718)	(2,787)	(2,194)
Accretion of deposit mark	359	359	444	841	845
Accretion of borrowings mark	441	447	455	464	473
Net adjustment	35	(1,900)	(1,617)	(4,092)	(3,512)
Total operating net interest income	\$ 41,531	\$ 41,502	\$ 39,076	\$ 37,551	\$ 37,391
Total non-interest income	\$ 6,532	\$ 6,727	\$ 8,463	\$ 7,818	\$ 9,371
Adjustments:					
Net (loss) gain on sales of securities	(367)	(1,452)	(300)	59	(360)
BOLI claim benefit	—	—	(219)	—	—
Net adjustment	(367)	(1,452)	(519)	59	(360)
Total operating non-interest income	6,165	5,275	7,944	7,877	9,011
Total operating net interest income	41,531	41,502	39,076	37,551	37,391
Total operating revenue	\$ 47,696	\$ 46,777	\$ 47,020	\$ 45,428	\$ 46,402

# Non-GAAP Reconciliation (cont.)

	Three Months Ended				
	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
Total non-interest expense	\$ 34,681	\$ 33,763	\$ 35,305	\$ 31,876	\$ 30,357
Adjustments:					
Merger related expense	—	—	(1,575)	—	—
Core deposit intangible amortization expense	(401)	(433)	(433)	(433)	(449)
Loan portfolio acquisition fees	—	—	(1,572)	—	—
Effect of position eliminations	(1,403)	—	—	—	—
Effect of branch lease termination agreement	—	—	—	195	—
Amortization of fixed asset fair value mark	(10)	(6)	(6)	(6)	(5)
FHLBB prepayment penalties	—	(1,454)	—	—	—
Net adjustment	(1,814)	(1,893)	(3,586)	(244)	(454)
Total operating expense	\$ 32,867	\$ 31,870	\$ 31,719	\$ 31,632	\$ 29,903
Total loans	\$ 4,730,895	\$ 4,649,876	\$ 4,613,931	\$ 4,209,618	\$ 4,072,067
Non-covered loans (1)	(1,259,285)	(1,334,303)	(1,448,435)	(1,255,618)	(1,356,259)
Total covered loans	\$ 3,471,610	\$ 3,315,573	\$ 3,165,496	\$ 2,954,000	\$ 2,715,808
Allowance for loan losses	\$ 37,961	\$ 35,500	\$ 33,887	\$ 30,832	\$ 28,856
Allowance for loan losses to total loans	0.80%	0.76%	0.73%	0.73%	0.71%
Allowance for loan losses to total covered loans	1.09%	1.07%	1.07%	1.04%	1.06%

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