



**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

Horizontal lines for listing Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ See Attached

Horizontal lines for providing information regarding loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See Attached

Horizontal lines for providing other necessary information.

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.

**Sign Here**

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.

BSB Bancorp, Inc.  
80-0752082

**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 April 1, 2019, BSB Bancorp, Inc., ("BSB Bancorp or "BSB"), 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 (the "Merger").

Pursuant to the terms of the Agreement and Plan of Merger by and between People's United and BSB Bancorp dated November 26, 2018 ("Merger Agreement") upon completion of the Merger, each share of common stock of BSB Bancorp outstanding at the effective time of the Merger was converted into 2.0 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 paid to each former stockholder of BSB Bancorp, 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 as reported by the Wall Street Journal 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 BSB Bancorp would otherwise be entitled to receive, after taking into account all fractional share interests to be received by such stockholder of BSB.

**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:**

BSB shareholders received People's United stock in exchange for their BSB 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 BSB Bancorp 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 BSB Bancorp common stock exchanged therefore.

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

A U.S. holder of BSB Bancorp 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. holder 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 BSB Bancorp 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 per share average closing price of People's United common stock for the five day period immediately preceding the closing date was \$16.30. 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 2 to 1, meaning that, for each share of BSB Bancorp common stock that was exchanged for People's United common stock, a BSB Bancorp shareholder received 2 shares of People's United common stock. Any fractional shares held by BSB shareholders were treated as cash in lieu of a fractional share. 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 BSB common stock surrendered by such U.S. holder in the Merger.

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

The transaction was 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, a U.S. holder of shares of BSB Bancorp 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 April 1, 2019. Therefore any gain or loss recognized with respect to the Merger should be reported by BSB Bancorp shareholders in the tax year that includes April 1, 2019 (e.g. calendar year shareholder would report the transaction on his or her federal income tax return filed for the 2019 calendar year).

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

BSB Bancorp shareholders should 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.