

People's United Financial, Inc.  
Form S-4  
August 31, 2007  
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Registration Statement No. 333-

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**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

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**FORM S-4**

**REGISTRATION STATEMENT**

*Under*

*THE SECURITIES ACT OF 1933*

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**PEOPLE S UNITED FINANCIAL, INC.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**6035**  
(Primary Standard Industrial  
Classification Code Number)  
**850 Main Street**

**20-8447891**  
(I.R.S. Employer  
Identification Number)

**Bridgeport, Connecticut 06604**

**(203) 338-7171**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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**John A. Klein**

**Chairman, Chief Executive Officer and President**

**People's United Financial, Inc.**

**850 Main Street**

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Bridgeport, Connecticut 06604

(203) 338-7171

(Name, address, including zip code, and telephone number, including area code, of agent for service)

---

*Copies to:*

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Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this registration statement becomes effective and upon completion of the merger described in this registration statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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**CALCULATION OF REGISTRATION FEE**

<b>Title of each class of securities to be registered</b>	<b>Amount to be registered<sup>(1)</sup></b>	<b>Proposed maximum offering price per unit</b>	<b>Proposed maximum aggregate offering price<sup>(2)</sup></b>	<b>Amount of registration fee<sup>(2)</sup></b>
Common Stock, par value \$0.01 per share	53,010,159	N/A	\$834,786,045	\$25,628

(1) The maximum number of shares of People's United Financial common stock estimated to be issuable upon the completion of the People's United Financial/Chittenden merger described herein. This number is based on the number of shares of Chittenden common stock outstanding, reserved for issuance under various plans, or issuable upon the completion of the Chittenden Corporation/Community Bank & Trust Company merger, as of August 30, 2007 and the exchange of each such share of Chittenden common stock for cash and shares of People's United Financial common stock pursuant to the formula set forth in the Agreement and Plan of Merger, dated as of June 26, 2007, by and between People's United Financial and Chittenden.

(2)

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Estimated solely for purposes of calculating the registration fee required by Section 6(b) of the Securities Act, and calculated pursuant to Rules 457(f)(1), 457(f)(3) and 457(c) under the Securities Act, the proposed maximum aggregate offering price of the registrant's common stock was calculated based upon the market value of shares of Chittenden common stock (the securities to be cancelled in the merger) in accordance with Rule 457(c) under the Securities Act as follows: (A) the product of (1) \$34.475, the average of the high and low prices per share of Chittenden common stock on August 30, 2007, as quoted on the New York Stock Exchange, multiplied by (2) 53,598,519, the maximum number of shares of Chittenden common stock which may be exchanged in the merger, less (B) the amount of cash paid by the Registrant in exchange for shares of Chittenden common stock (which equals \$1,013,022,898).

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

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**The information in this document is not complete and may be changed. People's United Financial may not sell the securities offered by this document until the registration statement filed with the Securities and Exchange Commission is effective. This document is not an offer to sell these securities, and People's United Financial is not soliciting an offer to buy these securities, in any state where the offer or sale is not permitted.**

[ ], 2007

Dear Stockholder:

You are cordially invited to attend a special meeting of stockholders of Chittenden Corporation to be held in the Chittenden Room, Two Burlington Square, Main Floor, Burlington, Vermont 05401 on [ ], [ ], 2007, at 10:00 a.m., local time. At the special meeting, you will be asked to consider and vote upon a proposal to approve a merger agreement under which Chittenden will merge with and into People's United Financial, Inc.

If the merger agreement is approved and the merger is subsequently completed, each share of Chittenden common stock will be converted into the right to receive merger consideration having a value equal to the sum of \$20.35, plus 0.8775 multiplied by the average closing sale price of People's United Financial common stock during the five trading days before completion of the merger. Subject to election and proration procedures described in this document, you will be entitled to elect to receive your merger consideration in the form of People's United Financial common stock, cash or a combination of both.

The value of the merger consideration will fluctuate with the market price of People's United Financial common stock. People's United Financial common stock is traded on the NASDAQ Global Select Market under the trading symbol PBCT, and on [ ], 2007, the closing sale price of People's United Financial common stock was \$[ ] per share. A chart showing the cash and common stock merger consideration at various hypothetical average closing sale prices of People's United Financial common stock is provided on page [ ] of this document.

The merger cannot be completed unless the stockholders of Chittenden approve the merger agreement. The Chittenden board of directors unanimously adopted and approved the merger agreement and determined that the merger agreement is advisable and in the best interests of Chittenden and its stockholders, and accordingly unanimously recommends that stockholders vote **FOR** approval of the merger agreement.

This document serves as the proxy statement for the special meeting of stockholders of Chittenden and the prospectus for the shares of People's United Financial common stock to be issued in the merger, and includes detailed information about the special meeting, the merger, and the documents related to the merger. **We urge you to read this entire document carefully, including the discussion in the section titled *Risk Factors* beginning on page [ ].** You can also obtain information about Chittenden and People's United Financial from documents that have been filed with the Securities and Exchange Commission.

**Your vote is important.** Whether or not you plan to attend the special meeting, please take the time to vote by completing and mailing the enclosed proxy card or by submitting a proxy through the Internet or by telephone as described on the enclosed proxy card. If you submit a properly signed proxy card without indicating how you want to vote, your proxy will be counted as a vote **FOR** approval of the merger agreement. The failure to vote will have the same effect as a vote against approval of the merger agreement.

*Sincerely,*

Paul A. Perrault  
*Chairman, Chief Executive Officer and President*

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the shares of People's United Financial common stock to be issued in the merger or determined if this document is accurate or adequate. Any representation to the contrary is a criminal offense. The shares of People's United Financial common stock to be issued in the merger are not savings accounts, deposits or other obligations of any bank or savings association and are not insured by any federal or state governmental agency.**

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This document is dated [ ], 2007, and is first being mailed to Chittenden stockholders on or about [ ], 2007.

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**REFERENCE TO ADDITIONAL INFORMATION**

This document incorporates important business and financial information about People's United Financial and Chittenden from other documents that are not included in or delivered with this document. This information is available to you without charge upon your written or oral request. You can obtain copies of those documents incorporated by reference in this document through the Securities and Exchange Commission's website at <http://www.sec.gov> or by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

**People's United Financial, Inc.**

850 Main Street

Bridgeport, Connecticut 06604

(203) 338-7171

Attn: Debbie A. Healey, Investor Relations

If you would like to request documents, please do so by [ ], 2007 to receive them before the special meeting of Chittenden stockholders.

**Chittenden Corporation**

P.O. Box 820

Burlington, Vermont 05402-0820

(802) 658-4000

Attn: F. Sheldon Prentice, Secretary

[ ], 2007 to receive them before the special meeting of Chittenden

See also the section in this document titled *Where You Can Find More Information* beginning on page [ ].

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**CHITTENDEN CORPORATION**

**Two Burlington Square**

**Burlington, Vermont 05401**

**(802) 659-4000**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON [                      ], 2007**

A special meeting of stockholders of Chittenden Corporation will be held in the Chittenden Room, Two Burlington Square, Main Floor, Burlington, Vermont 05401 on [                      ], [                      ], 2007, at 10:00 a.m., local time, for the following purposes:

1. To consider and vote upon a proposal to approve the Agreement and Plan of Merger, dated as of June 26, 2007, by and between People's United Financial, Inc. and Chittenden, a copy of which is attached as *Appendix A* to the accompanying document;
2. To consider and vote upon a proposal to adjourn the special meeting to a later date or dates, if necessary, to permit further solicitation of proxies in the event there are not sufficient votes at the time of the special meeting, or at any adjournment or postponement of that meeting, to approve the merger agreement; and
3. To consider and act upon any other matters as may properly come before the special meeting or any adjournment or postponement of that meeting.

The Chittenden board of directors has fixed the close of business on [                      ], 2007 as the record date for the special meeting. Accordingly, only stockholders of record on that date are entitled to notice of and to vote at the special meeting or any adjournment or postponement of the special meeting. The affirmative vote of holders of at least a majority of the shares of Chittenden common stock outstanding and entitled to vote at the special meeting is required to approve the merger agreement.

Chittenden stockholders have the right to dissent from the merger and obtain payment in cash of the fair value of their shares of Chittenden common stock under applicable provisions of Vermont law. A copy of the applicable Vermont statutory provisions is included as *Appendix D* to the accompanying document, and a summary of these provisions can be found under the section titled *The Merger Dissenters' Rights* beginning on page [                      ].

**Your vote is important regardless of the number of shares you own.** Whether or not you plan to attend the special meeting, please complete, sign, date and return the enclosed proxy card as soon as possible in the enclosed postage-paid envelope or submit a proxy through the Internet or by telephone as described on the enclosed proxy card. This will not prevent you from voting in person at the special meeting but will assure that your vote is counted if you are unable to attend. If you do not vote in person or by proxy, the effect will be a vote against approval of the merger agreement.

By Order of the Board of Directors,

F. Sheldon Prentice  
*Secretary*

Burlington, Vermont

[                      ], 2007

**Please do not send your stock certificates at this time. You will be sent separate instructions regarding the surrender of your stock certificates.**

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**QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING**

**Q: Why am I receiving this document?**

A: People's United Financial, Inc. and Chittenden Corporation have agreed to the acquisition of Chittenden by People's United Financial under the terms of a merger agreement that is described in this document. A copy of the merger agreement is attached to this document as *Appendix A*. In order to complete the merger, Chittenden stockholders must vote to approve the merger agreement. Chittenden will hold a special meeting of its stockholders to obtain this approval. This document contains important information about the merger, the merger agreement, the special meeting of Chittenden stockholders, and other related matters, and you should read it carefully. The enclosed voting materials for the special meeting allow you to vote your shares of Chittenden common stock without attending the special meeting.

**Q: What will happen in the merger?**

A: In the proposed merger, Chittenden will merge with and into People's United Financial, with People's United Financial being the surviving corporation.

**Q: What will I receive in the merger?**

A: You will receive merger consideration in a per share amount equal to \$20.35 plus the product of 0.8775 times the five-day average closing sale price of People's United Financial common stock on the NASDAQ Global Select Market ending on the day before the completion of the merger. You may elect to receive your merger consideration in cash, People's United Financial common stock, or a combination of both. **However, the form of merger consideration you actually receive may differ from the form of consideration you elect to receive.** This is because the aggregate amount of cash that will be paid as consideration in the merger is fixed. As a result, if more Chittenden stockholders make valid elections to receive either People's United Financial common stock or cash than is available as merger consideration under the merger agreement, those Chittenden stockholders electing the over-subscribed form of consideration will have the over-subscribed consideration proportionately reduced and will receive a portion of their consideration in the other form, despite their election. **As explained in more detail in this document, whether you make a cash election or a stock election, the value of the consideration you receive as of the date of completion of the merger will be substantially the same.**

**Q: Will I receive any fractional shares of People's United Financial common stock as part of the merger consideration?**

A: No. People's United Financial will not issue any fractional shares of People's United Financial common stock in the merger. Instead, People's United Financial will pay you the cash value of a fractional share measured by the average of the closing sale prices of People's United Financial common stock on the NASDAQ Global Select Market for the five trading days ending on the day before the completion of the merger.

**Q: How do I make an election as to the form of merger consideration I wish to receive?**

A: No later than 20 business days prior to the anticipated election deadline (which will be a date mutually agreed upon by Chittenden and People's United Financial), we will mail to you separately an election form and letter of transmittal for the surrender of your Chittenden stock certificates in exchange for the merger consideration. Along with those documents, you will receive detailed instructions describing the procedures you must follow to make your election. We also will publicly announce the election deadline, which will be before the closing date for the merger. As a result, you will not know before your election decision the exact value of the consideration to be received

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in the merger.

We are not making any recommendation to you as to whether or not you should elect to receive cash, shares of People's United Financial common stock or a combination of each in the merger. You should evaluate your own specific circumstances and investment preferences in making your election.

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**Q: Can I elect to receive my merger consideration in the form of cash with respect to a portion of my Chittenden shares and People's United Financial common stock with respect to the rest of my Chittenden shares?**

A: Yes. The election form and letter of transmittal will permit you, subject to the proration procedures described in this document, to receive at your election:

all of your merger consideration in the form of shares of People's United Financial common stock;

all of your merger consideration in the form of cash; or

a portion of your merger consideration in cash and the remaining portion in shares of People's United Financial common stock.

**Please see the examples set forth in the section of this document titled *The Merger Agreement Proration* beginning on page [ ] of this document.**

**Q: Will I be able to trade the shares of People's United Financial common stock that I receive in the merger?**

A: You may freely trade the shares of People's United Financial common stock issued in the merger, unless you are an affiliate of Chittenden. The shares will be quoted on the NASDAQ Global Select Market under the symbol PBCT. Persons who are considered affiliates (generally directors, officers and 10% or greater stockholders) of Chittenden must comply with Rule 145 under the Securities Act of 1933 if they wish to sell or otherwise transfer any of the shares of People's United Financial common stock that they receive in the merger. We will notify you if we believe you are an affiliate of Chittenden.

**Q: What will happen to shares of People's United Financial common stock in the merger?**

A: Nothing. Each share of People's United Financial common stock outstanding will remain outstanding as a share of People's United Financial common stock.

**Q: What are the material federal income tax consequences of the merger to me?**

A: In general, if you are a U.S. holder (as defined under *Material U.S. Federal Income Tax Consequences of the Merger* beginning on page [ ] of this document) and exchange all of your shares of Chittenden common stock for shares of People's United Financial common stock, you will not recognize either gain or loss for federal income tax purposes, except with respect to cash received in lieu of fractional shares of People's United Financial common stock. If you are a U.S. holder and exchange your shares of Chittenden common stock for a combination of cash and People's United Financial common stock, you generally will recognize gain, but not loss, for federal income tax purposes in an amount equal to the lesser of (1) the amount of cash you receive in the merger; or (2) the amount, if any, by which the sum of the fair market value, as of the effective time of the merger, of any shares of People's United Financial common stock that you receive, and the amount of cash you receive in the merger, exceeds your adjusted tax basis in your shares of Chittenden common stock. If you exchange all of your shares of Chittenden common stock solely for cash in the merger, you will recognize capital gain or loss equal to the difference between the amount of cash received (other than, in the case of a dissenting stockholder, amounts, if any, which are or are deemed to be interest for U.S. federal income tax purposes, which amounts will be taxed as ordinary income) and your tax basis in the Chittenden common stock surrendered. Any capital gain or loss recognized generally will be long-term capital gain or loss if you held the shares of Chittenden common stock for more than one year at the time the merger is completed. Long-term gain of an individual generally is subject to a maximum U.S. federal income tax of 15%. For a more detailed discussion of the U.S. federal income tax consequences of

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the merger and certain requirements, see *Material U.S. Federal Income Tax Consequences of the Merger* beginning on page [ ] of this document.

**The above described tax treatment may not apply to all Chittenden stockholders. We strongly urge you to consult your own tax advisor as to the tax consequences of the merger in your particular circumstances, including the applicability and effect of the alternative minimum tax and any state, local or foreign and other tax laws and of changes in those laws.**

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**Q: What are the conditions to completion of the merger?**

A: The obligations of People's United Financial and Chittenden to complete the merger are subject to the satisfaction or waiver of certain closing conditions contained in the merger agreement, including the receipt of required regulatory approvals, tax opinions and approval of the merger agreement by Chittenden stockholders.

**Q: When do you expect the merger to be completed?**

A: We will complete the merger when all of the conditions to completion contained in the merger agreement are satisfied or waived, including obtaining customary regulatory approvals and the approval of the merger agreement by Chittenden stockholders at the special meeting. However, if the conditions are satisfied or waived during December 2007, the merger agreement provides that the merger will be postponed until January 2008, but no later than the end of the first full week of January 2008. Therefore, while we currently expect to complete the merger during the first calendar quarter of 2008, it could be completed as early as November 2007. Because fulfillment of some of the conditions to completion of the merger, such as receiving required regulatory approvals, is not entirely within our control, we cannot predict the actual timing.

**Q: What stockholder approvals are required to complete the merger?**

A: For Chittenden, the affirmative vote of holders of at least a majority of the shares of Chittenden common stock outstanding and entitled to vote at the special meeting is required to approve the merger agreement. For People's United Financial, no approval of stockholders is needed and no vote will be taken.

**Q: When and where is the special meeting?**

A: The special meeting of stockholders of Chittenden will be held in the Chittenden Room, Two Burlington Square, Main Floor, Burlington, Vermont 05401 on [ ], [ ], 2007, at 10:00 a.m., local time.

**Q: What will happen at the special meeting?**

A: At the special meeting, Chittenden stockholders will consider and vote upon a proposal to approve the merger agreement and consider and act upon any other matters as may properly come before the special meeting. If, at the time of the special meeting, there are not sufficient votes to approve the merger agreement, we may ask you to consider and vote upon a proposal to adjourn the special meeting, so that we can solicit additional proxies.

**Q: Does the Chittenden board of directors recommend voting in favor of the merger agreement?**

A: Yes. After careful consideration, the Chittenden board of directors unanimously recommends that Chittenden stockholders vote **FOR** approval of the merger agreement.

**Q: Are there any risks that I should consider in deciding whether to vote for approval of the merger agreement?**

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A: Yes. You should read and carefully consider the risk factors set forth in the section in this document titled *Risk Factors* beginning on page [ ].

**Q: What do I need to do now?**

A: You should carefully read and consider the information contained in or incorporated by reference into this document, including its annexes. It contains important information about the merger, the merger agreement, People's United Financial and Chittenden. After you have read and considered this information, you should complete and sign your proxy card and return it in the enclosed postage-paid return envelope or submit a proxy through the Internet or by telephone as soon as possible so that your shares of Chittenden common stock will be represented and voted at the special meeting.

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**Q: If my shares are held in street name by my broker, bank or other nominee, will my broker, bank or other nominee automatically vote my shares for me?**

A: No. Your broker, bank or other nominee will not vote your shares of Chittenden common stock unless you provide instructions to your broker, bank or other nominee on how to vote. You should fill out the voter instruction form sent to you by your broker, bank or other nominee with this document.

**Q: What if I fail to submit my proxy card or to instruct my broker, bank or other nominee?**

A: If you fail to submit your proxy card or to instruct your broker, bank or other nominee to vote your shares of Chittenden common stock and you do not attend the special meeting and vote your shares in person, your shares will not be voted and this will have the same effect as a vote against approval of the merger agreement.

**Q: Can I attend the special meeting and vote my shares in person?**

A: Yes. Although the Chittenden board of directors requests that you return the proxy card accompanying this document, all Chittenden stockholders are invited to attend the special meeting. Stockholders of record on [ ], 2007 can vote in person at the special meeting. If your shares are held by a broker, bank or other nominee, then you are not the stockholder of record and you must bring to the special meeting appropriate documentation from your broker, bank or other nominee to enable you to vote at the special meeting.

**Q: Can I change my vote after I have submitted my signed proxy card?**

A: Yes. If you have not voted through your broker, bank or other nominee, you can change your vote at any time after you have submitted your proxy card and before your proxy is voted at the special meeting.

You may deliver a written notice bearing a date later than the date of your proxy card to the secretary of Chittenden, stating that you revoke your proxy.

You may sign and deliver to the secretary of Chittenden a new proxy card relating to the same shares and bearing a later date.

You may properly cast a new vote through the Internet or by telephone at any time before the closure of the Internet voting facilities and the telephone voting facilities.

You may attend the special meeting and vote in person, although attendance at the special meeting will not, by itself, revoke a proxy. You should send any notice of revocation or your completed new proxy card, as the case may be, to Chittenden at the following address:

Chittenden Corporation

P.O. Box 820

Burlington, Vermont 05402-0820

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Attn: F. Sheldon Prentice, Secretary

If you have instructed a bank, broker or other nominee to vote your shares, you must follow the directions you receive from your bank, broker or other nominee to change your vote.

**Q: Am I entitled to dissenters rights in connection with the merger?**

A: Yes. Under applicable Vermont law, you have the right to dissent from the merger and to receive payment in cash for the appraised fair value of your shares of Chittenden common stock. To exercise these rights, you must:

deliver to Chittenden before the special meeting written notice of your intent to exercise these rights with respect to your shares if the merger is completed;

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not vote your shares in favor of approval of the merger agreement; and

follow the applicable statutory procedures for perfecting dissenters' rights under Vermont law. A copy of the relevant statutory provisions is attached to this document as *Appendix D*.

**Q: Should I send in my stock certificates now?**

A: No. You will receive separate written instructions for making your election for all cash, all People's United Financial common stock or a combination of cash and People's United Financial common stock for your shares of Chittenden common stock, and for surrendering your shares of Chittenden common stock in exchange for the merger consideration. In the meantime, you should retain your stock certificate(s) because they are still valid. Please do not send in your stock certificate(s) with your proxy card.

**Q: Where can I find more information about the companies?**

A: You can find more information about People's United Financial and Chittenden from the various sources described under the section of this document titled *Where You Can Find More Information* beginning on page [ ].

**Q: Whom should I call with questions?**

A: You may contact People's United Financial or Chittenden at the telephone numbers listed under *Where You Can Find More Information* on page [ ] of this document. In each case, please ask to speak with the persons identified in that section.

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**SUMMARY**

*This summary highlights selected information from this document and may not contain all of the information that is important to you. You should carefully read this entire document and the other documents to which this document refers to fully understand the merger and the related transactions. See "Where You Can Find More Information" beginning on page [ ] of this document. Most items in this summary include a page reference directing you to a more complete description of those items.*

*Unless the context otherwise requires, throughout this document, "People's United Financial" refers to People's United Financial, Inc. and "Chittenden" refers to Chittenden Corporation; and "we," "us" and "our" collectively refer to People's United Financial and Chittenden. Also, we refer to the merger between People's United Financial and Chittenden as the "merger" and the Agreement and Plan of Merger, dated as of June 26, 2007, by and between People's United Financial and Chittenden as the "merger agreement."*

**THE COMPANIES (see page [ ])**

**People's United Financial, Inc.**

**850 Main Street**

**Bridgeport, Connecticut 06604**

**(203) 338-7171**

Through its subsidiaries, People's United Financial offers a full range of financial services, primarily in the state of Connecticut, to individuals, corporate, municipal and institutional customers. At June 30, 2007, People's United Financial had total consolidated assets of approximately \$13.8 billion, loans of approximately \$9.0 billion, deposits of approximately \$9.1 billion and stockholders' equity of approximately \$4.5 billion.

**Chittenden Corporation**

**Two Burlington Square**

**Burlington, Vermont 05401**

**(802) 658-4000**

Through its subsidiaries, Chittenden offers a broad range of financial products and services to individuals, businesses and the public sector. Chittenden operates throughout New England and adjoining areas and has six subsidiary banks. At June 30, 2007, Chittenden had total consolidated assets of approximately \$6.9 billion, net loans of approximately \$5.0 billion, deposits of approximately \$5.7 billion, and stockholders' equity of approximately \$723.3 million.

**THE MERGER (see page [ ])**

The terms and conditions of the merger are contained in the merger agreement, which is attached as *Appendix A* to this document. Please carefully read the merger agreement, as it is the legal document that governs the merger.

**Chittenden Will Merge into People's United Financial**

We propose a merger of Chittenden with and into People's United Financial. People's United Financial will survive the merger.

**Chittenden Stockholders Will Receive Cash and/or Shares of People's United Financial Common Stock in the Merger depending on their Election and any Proration (see pages [ ]-[ ])**

Chittenden stockholders will have the right to elect to receive merger consideration for each of their shares of Chittenden common stock in the form of cash, shares of People's United Financial common stock or a



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combination of both, subject to proration in the circumstances described below. In the event of proration, a Chittenden stockholder may receive a portion of the merger consideration in a form other than that which such stockholder elected.

The value of the merger consideration will fluctuate with the market price of People's United Financial common stock and will be determined based on the five-day average closing sale price on the NASDAQ Global Select Market of People's United Financial common stock ending on the last trading day before the completion of the merger. As explained in more detail in this document, whether a Chittenden stockholder makes a cash election or a stock election, the value of the consideration that such stockholder receives as of the date of completion of the merger will be substantially the same based on the average People's United Financial closing sale price used to calculate the merger consideration. A Chittenden stockholder may specify different elections with respect to different shares that such stockholder holds. For example, a Chittenden stockholder who owns 100 shares of Chittenden common stock may make a cash election with respect to 50 shares and a stock election with respect to the other 50 shares.

As an example, based on the average of the closing sale prices of People's United Financial common stock for the five trading days ended on [ ], 2007, for each share of Chittenden common stock held, a Chittenden stockholder would receive either approximately \$[ ] in cash or [ ] shares of People's United Financial common stock, subject to possible proration. We will compute the actual amount of cash and number of shares of People's United Financial common stock that each Chittenden stockholder will receive in the merger using the formula contained in the merger agreement. For a summary of the formula contained in the merger agreement, see *The Merger Agreement Consideration To Be Received in the Merger* beginning on page [ ] of this document.

Set forth below is a table showing a hypothetical range of five-day average closing sale prices for shares of People's United Financial common stock and the corresponding consideration that a Chittenden stockholder would receive in a cash election, on the one hand, or in a stock election, on the other hand, under the merger consideration formula. The table does not reflect the fact that cash will be paid instead of fractional shares. As described below, regardless of whether a Chittenden stockholder makes a cash election or a stock election, that Chittenden stockholder may nevertheless receive a mix of cash and stock.

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People's United Financial Common Stock		Chittenden Common Stock Stock Election: Stock		
		Consideration Per Share		
Cash Election:				
Cash		OR		
Hypothetical Five-Day	Consideration	Shares of People's United Financial		
Average Closing Sale Prices	Per Share	Common Stock	Market Value <sup>(*)</sup>	
\$22.00	\$39.655	1.8025	\$39.655	
21.00	38.778	1.8465	38.778	
20.00	37.900	1.8950	37.900	
19.00	37.023	1.9486	37.023	
18.00	36.145	2.0081	36.145	
17.00	35.268	2.0746	35.268	
16.00	34.390	2.1494	34.390	
15.00	33.513	2.2342	33.513	
14.00	32.635	2.3311	32.635	
13.00	31.758	2.4429	31.758	
12.00	30.880	2.5733	30.880	

(\*) Market value based on hypothetical five-day average closing sale prices on the NASDAQ Global Select Market of People's United Financial common stock.

The examples above are illustrative only. The value of the merger consideration that a Chittenden stockholder actually receives will be based on the actual five-day average closing sale price on the NASDAQ Global Select Market of People's United Financial common stock prior to completion of the merger, as described above. The actual average closing sale price may be outside the range of the amounts set forth above, and as a result, the actual value of the merger consideration per share of Chittenden common stock may not be shown in the above table. Chittenden does not have the right to terminate the merger agreement in the event of a decrease in the trading price of People's United Financial common stock.

**Regardless of Whether Chittenden Stockholders Make a Cash Election or a Stock Election, Chittenden Stockholders May Nevertheless Receive a Mix of Cash and Stock (see pages [ ]-[ ])**

The aggregate number of shares of People's United Financial common stock expected to be issued in the merger is approximately [ ] million, based on the number of shares of Chittenden common stock outstanding on [ ], 2007 and the number of shares of Chittenden common stock expected to be issued in Chittenden's planned acquisition of Community Bank & Trust Company, and the aggregate amount of cash that will be paid in the merger is fixed at \$1,013,022,898 (subject to a reduction in the amount of \$67,675,757 in the event that Chittenden's planned acquisition of Community Bank & Trust Company is not completed). As a result, if more Chittenden stockholders make valid elections to receive either People's United Financial common stock or cash than is available as merger consideration under the merger agreement, those Chittenden stockholders electing the over-subscribed form of consideration will have the over-subscribed consideration proportionately reduced and will receive a portion of their consideration in the other form, despite their election.

If shares of Chittenden common stock are issued upon the exercise of outstanding Chittenden stock options, upon vesting of other stock-settled awards or as otherwise permitted by the merger agreement, the aggregate number of shares of People's United Financial common stock to be issued as consideration in the merger will be increased accordingly. The aggregate amount of cash payable as merger consideration will remain fixed at \$1,013,022,898 (subject to a reduction in the amount of \$67,675,757 in the event that Chittenden's planned acquisition of Community Bank & Trust Company is not completed).



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**What Holders of Chittenden Stock Options and Other Equity-Based Awards Will Receive (see page [ ])**

Immediately before we complete the merger, any outstanding Chittenden stock options granted under Chittenden's stock option and incentive plans will be cancelled, and each option holder will be entitled to receive cash equal to the number of Chittenden shares subject to that holder's option(s), multiplied by the excess, if any, of the per-share value of the merger consideration over the per-share exercise price of that holder's option, less any required withholding taxes.

At the effective time of the merger, each outstanding performance share award granted under Chittenden's Performance Share Program will be exchanged for an amount of cash determined in accordance with a formula contained in the merger agreement. For a summary of this formula see *The Merger Agreement - Stock Options and Other Stock-Based Awards* beginning on page [ ] of this document.

**In Order To Make a Valid Election, Chittenden Stockholders Must Properly Complete and Deliver the Form of Election that Will Be Sent at a Later Date (see pages [ ]-[ ])**

Chittenden stockholders will receive at a later date a form of election with instructions for making cash and stock elections. Chittenden stockholders must properly complete and deliver to the exchange agent a form of election along with their stock certificates (or a properly completed notice of guaranteed delivery). The form of election will also include delivery instructions with respect to any shares they may hold in book-entry form. Chittenden stockholders should NOT send their stock certificates with their proxy card.

Forms of election and stock certificates (or a properly completed notice of guaranteed delivery) must be received by the exchange agent by the election deadline. Since the actual election deadline is not currently known, People's United Financial will issue a press release announcing the date of the election deadline as promptly as practicable after the election deadline is determined. For further details on the determination of the election deadline, see *The Merger Agreement - Conversion of Shares; Exchange of Certificates; Elections as to Form of Consideration - Form of Election* beginning on page [ ] of this document. Once Chittenden stockholders have tendered their Chittenden stock certificates to the exchange agent, they may not transfer their shares of Chittenden common stock represented by those stock certificates until the merger is completed, unless they revoke their election by written notice to the exchange agent that is received prior to the election deadline. If the merger is not completed and the merger agreement is terminated, all elections will automatically be deemed to be revoked and all stock certificates will be returned by the exchange agent.

If Chittenden stockholders fail to submit a properly completed form of election, together with their Chittenden stock certificates (or a properly completed notice of guaranteed delivery), prior to the election deadline, they will be deemed not to have made an election. As non-electing holders, they will be paid merger consideration in an amount per share that is equivalent in value to the amount paid per share to holders making elections. However, the merger consideration received by non-electing holders may be paid all in cash, all in People's United Financial common stock, or in part cash and in part People's United Financial common stock, depending on the remaining pool of cash and People's United Financial common stock available for paying merger consideration after honoring the cash elections and stock elections that other Chittenden stockholders have made, and without regard to any preference of the non-electing holder.

**Dividend Policy of People's United Financial; Dividends from Chittenden (see page [ ])**

The holders of People's United Financial common stock receive dividends as and when declared by the People's United Financial board of directors out of statutory surplus or from net profits. People's United Financial declared quarterly cash dividends of \$0.12 per share of common stock for each of the last two quarters in 2006 and for the first quarter of 2007, and a dividend of \$0.1333 per share of common stock for the second

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and third quarters of 2007. Following the completion of the merger, subject to approval and declaration by the People's United Financial board of directors, People's United Financial expects to continue paying quarterly cash dividends on a basis consistent with past practices.

Prior to completion of the merger, Chittenden stockholders will continue to receive any regular quarterly dividends declared and paid by Chittenden, at a rate not to exceed \$0.22 per share of Chittenden common stock. See *The Merger Agreement Conversion of Shares; Exchange of Certificates; Elections as to Form of Consideration Dividends and Distributions* on page [ ] of this document.

## **Source of Funds**

People's United Financial's obligation to complete the merger is not conditioned upon People's United Financial obtaining financing. People's United Financial anticipates that approximately \$1.1 billion will be required to pay the aggregate cash merger consideration to Chittenden stockholders and option holders. People's United Financial intends to finance the cash component of the transaction through internal cash resources.

## **Chittenden's Financial Advisors have Provided Opinions as to the Fairness of the Merger Consideration, from a Financial Point of View, to Chittenden Stockholders (see pages [ ])**

J.P. Morgan Securities Inc., or JPMorgan, has provided an opinion to the Chittenden board of directors, dated as of June 26, 2007, that, as of that date and based upon and subject to the factors and assumptions set forth in the opinion, the consideration to be received by the holders of Chittenden common stock in the merger was fair, from a financial point of view, to such stockholders. Similarly, Lehman Brothers Inc., or Lehman Brothers, has provided an opinion to the Chittenden board of directors, dated as of June 26, 2007, that, as of that date and based upon and subject to the factors and assumptions set forth in the opinion, the consideration to be offered to the holders of Chittenden common stock in the merger was fair, from a financial point of view, to such stockholders. We have attached to this document the full text of JPMorgan's opinion as *Appendix B* and of Lehman Brothers' opinion as *Appendix C*, which set forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by JPMorgan and Lehman Brothers in connection with their respective opinions. We urge you to read the opinions in their entirety. The opinions of JPMorgan and Lehman Brothers are addressed to the board of directors of Chittenden, are directed only to the consideration to be paid in the merger and do not constitute a recommendation to any stockholder as to how that stockholder should vote on the merger agreement. Pursuant to engagement letters between Chittenden and each of JPMorgan and Lehman Brothers, Chittenden has agreed to pay each of JPMorgan and Lehman Brothers a fee, a substantial portion of which is payable only upon completion of the merger.

## **The Chittenden Board of Directors Recommends that Chittenden Stockholders Vote **FOR** Approval of the Merger Agreement (see page [ ])**

The Chittenden board of directors has unanimously determined that the merger agreement is advisable and in the best interests of Chittenden and its stockholders and accordingly unanimously recommends that Chittenden stockholders vote **FOR** the proposal to approve the merger agreement.

In determining whether to approve the merger agreement, the Chittenden board of directors consulted with certain of its senior management and with its legal and financial advisors. In arriving at its determination, the Chittenden board of directors also considered the factors described under *The Merger Recommendation of the Chittenden Board of Directors and Reasons for the Merger* beginning on page [ ] of this document.

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**Interests of Chittenden's Executive Officers and Directors in the Merger (see pages [ ]-[ ])**

Some of the directors and executive officers of Chittenden have financial interests in the merger that are different from, or in addition to, the interests of other Chittenden stockholders generally. These interests include rights of executive officers under change of control agreements with Chittenden, rights under Chittenden's equity-based benefit programs and awards, and rights to continued indemnification and insurance coverage by People's United Financial after the merger for acts and omissions occurring before the merger. In addition, People's United Financial entered into an employment agreement with Paul A. Perrault, Chairman, President and Chief Executive Officer of Chittenden, under which, effective as of the completion of the merger, Mr. Perrault will be employed by People's United Financial as Vice Chairman and a member of People's United Financial's executive officer group, as described more fully under *Interests of Chittenden's Executive Officers and Directors in the Merger Employment Agreements-Employment Agreement with Paul A. Perrault* beginning on page [ ] of this document. In addition, in connection with the execution of the merger agreement, People's United Financial agreed to offer to enter into an employment agreement with the president of each Chittenden bank as described more fully under *Interests of Chittenden's Executive Officers and Directors in the Merger Employment Agreements-Employment Agreements with Chittenden Bank Presidents* on page [ ] of this document.

The Chittenden board of directors was aware of these interests and considered them, among other matters, in approving the merger agreement.

**Board of Directors after the Merger (see page [ ])**

Upon completion of the merger, People's United Financial will take such actions as may be reasonably required to appoint two independent directors of Chittenden to the People's United Financial board of directors. The independent Chittenden directors to serve on the People's United Financial board had not been selected as of the date of this document.

**Non-Solicitation (see pages [ ]-[ ])**

Chittenden has agreed that it will not solicit or knowingly encourage any inquiries or proposals regarding any acquisition proposals by third parties. Chittenden may respond to unsolicited proposals in certain circumstances if required by the Chittenden board of directors' fiduciary duties. Chittenden must promptly notify People's United Financial if it receives any acquisition proposals.

**Conditions to Complete the Merger (see pages [ ]-[ ])**

Each of People's United Financial's and Chittenden's obligations to complete the merger is subject to the satisfaction or waiver of a number of mutual conditions, including:

the approval of the merger agreement by Chittenden stockholders;

the approval of the listing of People's United Financial common stock to be issued in the merger on the NASDAQ Global Select Market, subject to official notice of issuance;

the effectiveness of the registration statement with respect to the People's United Financial common stock to be issued in the merger under the Securities Act of 1933, and the absence of any stop order or proceedings initiated or threatened by the SEC for that purpose; and

the absence of any statute, regulation, rule, decree, injunction or other order in effect by any court or other governmental entity that prohibits completion of the transactions contemplated by the merger agreement.

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Each of People's United Financial's and Chittenden's obligations to complete the merger is also separately subject to the satisfaction or waiver of a number of conditions, including:

the receipt by the party of a legal opinion from its counsel with respect to certain federal income tax consequences of the merger;

the receipt and effectiveness of all regulatory approvals, registrations and consents, and the expiration of all waiting periods required to complete the merger and the merger of each Chittenden bank with new bank subsidiaries of People's United Bank, referred to as the bank mergers; and

the other company's representations and warranties in the merger agreement being true and correct, subject to the materiality standards contained in the merger agreement, and the performance by the other party in all material respects of its obligations under the merger agreement.

People's United Financial's obligation to complete the merger is further subject to the condition that the regulatory approvals received in connection with the completion of the merger not include any conditions or restrictions that would reasonably be expected to have a material adverse effect on People's United Financial, and the condition that Chittenden has either completed its acquisition of Community Bank & Trust Company or terminated its merger agreement with Community Bank & Trust Company.

**Termination of the Merger Agreement (see page [ ])**

People's United Financial and Chittenden may mutually agree at any time to terminate the merger agreement without completing the merger, even if Chittenden stockholders have approved the merger agreement. Also, either of People's United Financial or Chittenden can terminate the merger agreement in various circumstances, including the following:

if a governmental entity which must grant a regulatory approval as a condition to the merger or a bank merger denies approval of the merger or a bank merger or any governmental entity has issued an order prohibiting the merger or any of the bank mergers and such action has become final and non-appealable;

if the merger is not completed by June 26, 2008 (other than because of a breach of the merger agreement caused by the party seeking termination);

if the other party breaches the merger agreement in a way that would entitle the party seeking to terminate the agreement not to consummate the merger, subject to the right of the breaching party to cure the breach within 30 days following written notice (unless it is not possible due to the nature or timing of the breach for the breaching party to cure the breach); or

if the Chittenden stockholders do not approve the merger agreement.

Additionally, People's United Financial may terminate the merger agreement if:

Chittenden has materially breached its non-solicitation obligations described under *The Merger Agreement - No Solicitation of Alternative Transactions* beginning on page [ ] of this document; or

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the Chittenden board has failed to recommend in this proxy statement the approval of the merger agreement, or has withdrawn, modified or qualified, or proposed to withdraw, modify or qualify, in any manner adverse to People's United Financial, its recommendation to Chittenden stockholders, or has made any statement in connection with the special meeting that is inconsistent with stockholder approval, or the Chittenden board has recommended any alternative transaction proposals with third parties or failed to call the special meeting of its stockholders.

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Chittenden may also terminate the merger agreement if it enters into a Superior Proposal as described under *The Merger Agreement No Solicitation of Alternative Transactions* beginning on page [ ] of this document, so long as it pays a termination fee of \$65 million.

**Termination Fee (see page [ ])**

Chittenden has agreed to pay a termination fee of \$65 million to People's United Financial if the merger agreement is terminated under any of the circumstances described in *The Merger Agreement Termination of the Merger Agreement Termination Fee* beginning on page [ ] of this document.

**Dissenters' Rights (see pages [ ])**

Under Vermont law, Chittenden stockholders have the right to dissent from the merger and seek cash for the appraised value of their shares of Chittenden common stock. To exercise these rights, Chittenden stockholders must follow carefully the procedures described in *Appendix D* and summarized at pages [ ] of this document.

**Chittenden Will Hold a Special Meeting of Stockholders on [ ], 2007 (see page [ ])**

Chittenden will hold a special meeting of stockholders in the Chittenden Room, Two Burlington Square, Main Floor, Burlington, Vermont 05401 on [ ], 2007 at 10:00 a.m., local time. At the special meeting, Chittenden stockholders will be asked:

to approve the merger agreement;

to vote upon a proposal to adjourn the special meeting, if necessary, to solicit additional proxies; and

to consider and act upon any other matters as may properly come before the special meeting or any adjournment or postponement of the special meeting.

You can vote at the Chittenden special meeting if you owned Chittenden common stock at the close of business on [ ], 2007. On that date, there were [ ] shares of Chittenden common stock outstanding and entitled to vote, approximately [ ]% of which were owned and entitled to be voted by Chittenden directors and executive officers and their affiliates. You can cast one vote for each share of Chittenden common stock you owned on that date. In order to approve the merger agreement, the holders of a majority of the outstanding shares of Chittenden common stock entitled to vote must vote in favor of doing so.

**Regulatory Approvals Required for the Merger (see pages [ ])**

Completion of the transactions contemplated by the merger agreement is subject to various regulatory approvals, including approval from the Office of Thrift Supervision and various state regulatory authorities. People's United Financial and Chittenden have completed, or will complete, filing all of the required applications and notices with regulatory authorities. Although we do not know of any reason why we would not be able to obtain the necessary regulatory approvals in a timely manner, we cannot be certain when or if we will receive them.

**The Merger Generally Will Be Tax-Free to Holders of Chittenden Common Stock to the Extent They Receive People's United Financial Common Stock (see pages [ ])**

The exchange by U.S. holders of Chittenden common stock for People's United Financial common stock has been structured to be generally tax-free for U.S. federal income tax purposes, except that:

U.S. holders of Chittenden common stock that receive both cash and People's United Financial common stock generally will recognize gain, but not loss, to the extent of the cash received; the gain



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recognized will be equal to the lesser of the excess, if any, of the sum of the cash and the fair market value of the People's United Financial common stock received in the merger, over the tax basis in the shares of Chittenden common stock surrendered by the U.S. holder in the merger, or the amount of cash received;

U.S. holders of Chittenden common stock that receive only cash generally will recognize gain or loss equal to the difference between the amount of cash received and their tax basis in the Chittenden common stock surrendered; and

U.S. holders of Chittenden common stock generally will recognize gain or loss with respect to cash received in lieu of fractional shares of People's United Financial common stock that the former Chittenden stockholders would otherwise be entitled to receive. *Holders of Chittenden common stock should consult with their own tax advisors as to the tax consequences of the merger in their particular circumstances, including the applicability and effect of the alternative minimum tax and any state, local or foreign and other tax laws and of changes in those laws.*

**COMPARATIVE PER SHARE MARKET PRICE INFORMATION (SEE PAGE [ ])**

People's United Financial common stock is listed on the NASDAQ Global Select Market under the trading symbol "PBCT" and Chittenden common stock is listed on the New York Stock Exchange under the symbol "CHZ." The following table presents the closing sale prices of People's United Financial common stock and Chittenden common stock on June 26, 2007, the last trading day before we announced the merger agreement, and on [ ], 2007, the last practicable date prior to mailing this document. The table also presents the equivalent value of the merger consideration per share of Chittenden common stock on those dates, calculated by multiplying the closing sale price of People's United Financial common stock on those dates by 1.9652 and [ ], respectively, each representing the number of shares of People's United Financial common stock that Chittenden stockholders electing to receive People's United Financial common stock would receive in the merger for each share of Chittenden common stock, assuming that the average of the closing sale prices of People's United Financial common stock on the NASDAQ Global Select Market for the five trading days ending the day before the completion of the merger was the closing sale price of People's United Financial common stock on June 26, 2007 and [ ], 2007, respectively, and assuming no proration.

Date	People's United Financial	Chittenden	
	Closing Price	Closing Price	Equivalent Per Share Value
June 26, 2007	\$ 18.71	\$ 28.24	\$ 36.77
[ ], 2007	\$	\$	\$

The market prices of both People's United Financial common stock and Chittenden common stock will fluctuate prior to the merger. You should obtain current stock price quotations for People's United Financial common stock and Chittenden common stock.

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**SUMMARY HISTORICAL AND UNAUDITED PRO FORMA FINANCIAL INFORMATION**

**Unaudited Comparative Per Share Information**

The table on the following page presents, for both People's United Financial and Chittenden, historical information with respect to earnings, dividends and book value on a per share basis. The table also presents preliminary pro forma information for both companies on a per share basis. The preliminary pro forma information was prepared as if the merger had become effective on January 1, 2006.

The preliminary pro forma information assumes that the merger consideration consisted of approximately \$1.0 billion in cash and approximately 43.8 million shares of People's United Financial common stock. The number of shares of People's United Financial common stock was calculated based on (1) the number of shares of Chittenden common stock outstanding on July 19, 2007; (2) the number of shares of Chittenden common stock expected to be issued upon completion of its pending acquisition of Community Bank & Trust Company; and (3) the \$18.71 closing sale price of People's United Financial common stock on June 26, 2007, the last trading day before announcement of the merger. Using those assumptions, the value of the merger consideration to be received in exchange for one share of Chittenden common stock would have been approximately \$36.77 and each share of Chittenden common stock not exchanged for that amount in cash would have been exchangeable for 1.9652 shares of People's United Financial common stock.

The preliminary pro forma equivalent per share information shown for Chittenden in the following table was obtained by multiplying the pro forma per share amounts shown for People's United Financial by the exchange ratio of 1.9652. The actual exchange ratio will depend on the average closing sale price of People's United Financial common stock on the NASDAQ Global Select Market for the five trading days ending the day before completion of the merger. This average value may differ, perhaps substantially, from the closing sale price of People's United Financial common stock on June 26, 2007. The actual number of shares to be issued by People's United Financial in the merger will also depend on the number of shares of Chittenden common stock outstanding immediately prior to the effective date of the merger.

The preliminary pro forma financial information includes estimated adjustments to record Chittenden's assets and liabilities at their respective fair values based on management's best estimate using the information available at this time. The preliminary pro forma adjustments may be revised as additional information becomes available and as additional analyses are performed. The final allocation of the purchase price will be determined after the merger is completed and after the completion of a final analysis to determine the fair values of Chittenden's tangible and identifiable intangible assets and liabilities as of the closing date. The final purchase price adjustments may differ materially from the preliminary pro forma adjustments presented in this document. Increases or decreases in fair value of certain balance sheet amounts and other items of Chittenden as compared to the information presented in this document may change the amount of the purchase price allocated to goodwill and other assets and liabilities and may impact the statement of income due to adjustments in yield and/or amortization of adjusted assets and liabilities.

It is anticipated that the merger will provide People's United Financial with financial benefits such as possible expense efficiencies and revenue enhancements, among other factors, although no assurances can be given that these benefits will actually be achieved. The impact of these benefits has not been reflected in the preliminary pro forma financial information. As required, the preliminary pro forma financial information includes adjustments that give effect to events that are directly attributable to the merger and factually supportable. As a result, any planned adjustments affecting the balance sheet, income statement, or shares of common stock outstanding subsequent to the assumed merger completion date have not been included.

The preliminary pro forma financial information is presented for illustrative purposes only and is not necessarily indicative of the financial results of the combined companies had the merger actually been completed as of or at the beginning of each period presented nor does it indicate future results for any other interim or full-year period.

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The information in the following table is derived from and should be read in conjunction with the historical consolidated financial statements and related notes of People's United Financial and Chittenden, which are incorporated into this document by reference. People's United Financial per common share data at or for the year ended December 31, 2006 has been adjusted to reflect the exchange of each share of People's United Bank common stock for 2.1 shares of People's United Financial common stock in connection with the second-step conversion effective April 16, 2007. See *People's United Financial Selected Historical Financial and Operating Data* below.

	At or For The Six Months Ended June 30,	At or For The Year Ended December 31,
	2007	2006
<b>People's United Financial</b>		
Basic earnings per common share		
Historical	\$ 0.16	\$ 0.42
Pro forma	0.17	0.55
Diluted earnings per common share		
Historical	0.16	0.41
Pro forma	0.17	0.55
Dividends declared per common share		
Historical	0.25	0.46
Pro forma	0.25	0.46
Book value per common share		
Historical	15.50	4.49
Pro forma	15.92	N/A
<b>Chittenden</b>		
Basic earnings per common share		
Historical	\$ 0.64	\$ 1.85
Pro forma equivalent	0.33	1.08
Diluted earnings per common share		
Historical	0.64	1.83
Pro forma equivalent	0.33	1.08
Dividends declared per common share		
Historical	0.42	0.78
Pro forma equivalent	0.49	0.90
Book value per common share		
Historical	15.57	14.79
Pro forma equivalent	31.29	N/A

**Table of Contents****Comparative Stock Prices and Dividends**

People's United Financial common stock is listed on the NASDAQ Global Select Market under the trading symbol PBCT. Prior to People's United Bank and People's Mutual Holdings completing their second-step conversion from a mutual holding company structure to a fully-public stock holding company structure on April 16, 2007, People's United Bank common stock was listed on the NASDAQ Global Select Market under the trading symbol PBCT. Chittenden common stock is listed on the New York Stock Exchange under the trading symbol CHZ. The following table sets forth, for the periods indicated, the high and low sale prices per share of People's United Financial common stock as reported by the NASDAQ Global Select Market and the high and low sale prices per share of Chittenden common stock as reported on the New York Stock Exchange. The table also provides information as to dividends declared per share of People's United Financial common stock and Chittenden common stock.

	People's United Financial			Chittenden		
	High	Low	Dividend Per Share	High	Low	Dividend Per Share
<b>2005</b>						
First Quarter	\$ 13.33	\$ 11.42	\$ 0.09	\$ 29.03	\$ 25.54	\$ 0.18
Second Quarter	14.51	12.51	0.10	27.70	23.85	0.18
Third Quarter	16.07	13.41	0.10	29.55	25.77	0.18
Fourth Quarter	15.99	13.74	0.10	30.30	24.47	0.18
<b>2006</b>						
First Quarter	\$ 16.11	\$ 14.29	\$ 0.10	\$ 29.78	\$ 27.00	\$ 0.18
Second Quarter	16.43	14.70	0.12	29.44	25.01	0.20
Third Quarter	19.60	15.19	0.12	29.69	24.60	0.20
Fourth Quarter	21.62	18.69	0.12	31.40	28.16	0.20
<b>2007</b>						
First Quarter	\$ 22.81	\$ 19.78	\$ 0.12	\$ 31.96	\$ 29.28	\$ 0.20
Second Quarter	21.38	17.56	0.13	36.00	27.70	0.22
Third Quarter						

(through [ ], 2007)

Common stock sale prices and dividend per share figures in the table above for People's United Financial for the periods prior to the second quarter of 2007 reflect the historical sale prices and dividend information for People's United Bank as adjusted to reflect the exchange of each share of People's United Bank common stock for 2.1 shares of People's United Financial common stock upon completing the second-step conversion on April 16, 2007.

People's United Financial expects that after the completion of the merger, subject to approval and declaration by the People's United Financial board of directors, it will continue to declare quarterly cash dividends on shares of its common stock consistent with past practices. The current annualized rate of distribution on a share of People's United Financial common stock is \$0.5332 per share.

Chittenden expects to continue to declare quarterly cash dividends on Chittenden common stock until the merger is completed, subject to the terms and conditions of the merger agreement. Holders of Chittenden common stock will stop receiving cash dividends with respect to shares of Chittenden common stock upon the completion of the merger, when the separate corporate existence of Chittenden will cease.

**People's United Financial Selected Historical Financial and Operating Data**

The selected historical financial data presented below under Selected Financial Condition Data, Selected Operating Data, and Selected Financial Ratios and Other Data at each of the dates or for each of the periods presented, except for the information at or for the periods ended June 30, 2007 and 2006 (which has not been

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audited), is derived in part from the audited consolidated financial statements of People's United Bank. On April 16, 2007, People's United Bank and People's Mutual Holdings completed their second-step conversion from a mutual holding company structure to a fully-public stock holding company structure. People's Mutual Holdings merged with and into People's United Bank, with People's United Bank as the surviving entity, and People's United Bank became a wholly-owned subsidiary of People's United Financial.

The following information is only a summary and you should read it in conjunction with People's United Financial's Annual Report on Form 10-K for the year ended December 31, 2006, which includes People's United Bank's audited consolidated financial statements and related notes, and is incorporated by reference into this document. Common share data for all periods prior to June 30, 2007 (except total dividend payout ratio) has been adjusted to reflect the exchange of each share of People's United Bank common stock for 2.1 shares of People's United Financial common stock. See *Where You Can Find More Information* beginning on page [ ] of this document.

	At June 30,		At December 31,			
	2007	2006	2005	2004	2003	2002
	(In millions)					
<b>Selected Financial Condition Data:</b>						
Total assets <sup>(1)</sup>	\$ 13,822	\$ 10,687	\$ 10,933	\$ 10,718	\$ 11,672	\$ 12,261
Loans	9,047	9,372	8,573	7,933	7,105	6,675
Short-term investments <sup>(1)</sup>	3,655	225	57	24	72	269
Securities, net	70	77	1,363	2,071	2,405	3,230
Allowance for loan losses	73	74	75	73	71	69
Deposits	9,091	9,083	9,083	8,862	8,714	8,426
Core deposits	9,054	9,040	8,954	8,756	8,519	8,229
Borrowings		4	295	341	1,516	2,437
Subordinated notes	65	65	109	122	253	252
Stockholders' equity <sup>(4)</sup>	4,504	1,340	1,289	1,200	1,002	940
Non-performing assets	18	23	22	29	34	36

**For the Six****Months**

	Ended June 30,		2006	For the Year Ended December 31,			
	2007	2006		2005	2004	2003	2002
	(In millions)						
<b>Selected Operating Data:</b>							
Net interest income FTE <sup>(2)</sup>	\$ 227.3	\$ 190.1	\$ 382.4	\$ 370.0	\$ 327.4	\$ 284.3	\$ 318.5
Provision for loan losses	2.6	(2.1)	3.4	8.6	13.3	16.7	22.2
Fee-based revenues	76.3	75.3	153.0	151.5	142.9	143.0	136.2
Net security losses		(4.0)	(27.2)	(0.1)	(4.7)	(0.6)	(3.3)
All other non-interest income <sup>(3)</sup>	12.8	10.3	21.6	21.9	13.5	23.9	16.3
Non-interest expense <sup>(4)</sup>	243.8	174.2	346.9	344.4	479.7	346.0	341.5
Income (loss) from continuing operations	46.2	66.1	121.7	125.9	(5.6)	62.7	67.7
Income (loss) from discontinued operations <sup>(5)</sup>	0.9	1.6	2.3	11.2	205.3	1.1	(12.3)
Net income	47.1	67.7	124.0	137.1	199.7	63.8	55.4

(1) The increases from December 31, 2006 primarily reflect the net proceeds of \$3.3 billion from the sale of 172.2 million shares of People's United Financial common stock in connection with the second-step conversion completed on April 16, 2007.

(2) Fully taxable equivalent basis.

(3) Includes an \$8.1 million gain on sale of branches for the year ended December 31, 2005.

(4) Includes a \$60.0 million contribution to The People's United Community Foundation for the six months ended June 30, 2007. Includes liability restructuring costs of \$2.7 million, \$133.4 million and \$1.2 million for the years ended December 31, 2005, 2004 and 2003,

respectively.

- (5) Includes an after-tax gain on sale of \$6.2 million for the year ended December 31, 2005 and \$198.5 million for the year ended December 31, 2004 related to the sale of People's United Bank's credit card business in March 2004.

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	For the Six Months Ended June 30,		For the Year Ended December 31,				
	2007	2006	2006	2005	2004	2003	2002
<b>Selected Financial Ratios and Other Data:</b>							
<b>Performance Ratios:</b>							
Return on average assets <sup>(1)</sup>	0.78%	1.24%	1.15%	1.27%	1.86%	0.54%	0.47%
Return on average stockholders' equity <sup>(1)</sup>	3.50	10.40	9.40	11.10	17.60	6.60	5.90
Net interest margin <sup>(2)</sup>	4.10	3.80	3.87	3.68	3.33	2.89	3.24
Net interest rate spread	3.69	3.68	3.75	3.59	3.25	2.84	3.28
Efficiency ratio	57.4	62.0	61.3	62.8	69.2	76.4	71.3
Average interest-earning assets to average interest-bearing liabilities	157.7	138.7	138.6	140.1	139.5	130.5	120.0
<b>Per Common Share Data<sup>(3)</sup>:</b>							
Basic earnings per share	\$ 0.16	\$ 0.22	\$ 0.42	\$ 0.46	\$ 0.68	\$ 0.22	\$ 0.19
Diluted earnings per share	0.16	0.22	0.41	0.46	0.68	0.22	0.19
Cash dividends paid per share <sup>(4)</sup>	0.25	0.22	0.46	0.40	0.36	0.32	0.30
Book value (end of period)	15.50	4.45	4.49	4.33	4.06	3.42	3.22
Tangible book value (end of period)	15.14	4.09	4.13	3.98	3.69	3.03	2.83
Total dividend payout ratio <sup>(4)</sup>	115.0 %	42.8 %	48.3 %	38.3 %	22.9 %	63.7 %	67.4 %
<b>Capital Ratios:</b>							
Average stockholders' equity to average assets	29.7%	12.0%	12.3%	11.5%	10.6%	8.2%	8.0%
Stockholders' equity to total assets	32.6	12.1	12.5	11.8	11.2	8.6	7.7
Tangible stockholders' equity to total assets	31.8	11.1	11.6	10.8	10.2	7.6	6.7
<b>Regulatory Capital Ratios<sup>(5)</sup>:</b>							
Leverage capital	24.3%	11.5%	12.0%	11.2%	10.5%	8.0%	7.4%
Tier 1 capital	33.9	14.8	14.8	14.8	14.6	9.9	9.1
Total risk-based capital	35.1	16.4	16.1	16.4	16.7	13.1	12.5
<b>Assets Quality Ratios:</b>							
Non-performing loans to total loans	0.20%	0.31%	0.24%	0.25%	0.35%	0.48%	0.52%
Non-performing assets to total assets	0.13	0.26	0.21	0.20	0.27	0.29	0.29
Non-performing assets to total loans, real estate owned and repossessed assets	0.20	0.31	0.24	0.26	0.36	0.48	0.53
Net loan charge-offs (recoveries) to average loans <sup>(2)</sup>	0.09	(0.03)	0.05	0.07	0.15	0.22	0.42
Allowance for loan losses to non-performing loans	404.8	266.8	327.9	352.5	264.6	208.4	198.2
Allowance for loan losses to total loans	0.80	0.82	0.79	0.87	0.91	0.99	1.04

(1) Calculated based on net income for all periods. Six month ratios are presented on an annualized basis.

(2) Six month ratios are presented on an annualized basis.

(3) Common share data has been adjusted (except total dividend payout ratio) to reflect the exchange of each share of People's United Bank common stock for 2.1 shares of People's United Financial common stock upon completing the second-step conversion.

(4) Reflects the waiver of dividends on the substantial majority of the common shares owned by People's Mutual Holdings for all periods ended prior to April 16, 2007.

(5) Regulatory capital ratios are presented for People's United Bank, not for People's United Financial. These ratios are calculated in accordance with Office of Thrift Supervision regulations as of December 31, 2006 and June 30, 2007, respectively, and Federal Deposit Insurance Corporation regulations for all prior period ends.

**Table of Contents****People's United Financial Non-GAAP Financial Measures and Reconciliation to GAAP**

In addition to evaluating People's United Financial's results of operations in accordance with U.S. generally accepted accounting principles, or GAAP, management routinely supplements this evaluation with an analysis of certain non-GAAP financial measures, such as the efficiency ratio, core deposits and purchased funds. Management believes such non-GAAP financial measures provide information useful to investors in understanding People's United Financial's underlying operating performance and trends, and facilitates comparisons with the performance of other banks and thrifts.

Management utilizes core deposits and purchased funds as non-GAAP financial measures to supplement its analysis of People's United Financial's business performance. Core deposits is a measure of stable funding sources and is defined as total deposits, other than brokered certificates of deposit (acquired in the wholesale market) and municipal deposits (which are seasonally variable by nature). Purchased funds include borrowings, brokered certificates of deposit and municipal deposits.

Although management believes that the above-mentioned non-GAAP financial measures enhance investors' understanding of People's United Financial's operating performance, these non-GAAP financial measures should not be considered an alternative to GAAP. The reconciliation of these non-GAAP financial measures from GAAP to non-GAAP is presented below.

The following tables provide reconciliations between GAAP and non-GAAP financial measures:

	At June 30,		At December 31,			
	2007	2006	2005	2004	2003	2002
Deposits	\$ 9,091	\$ 9,083	\$ 9,083	\$ 8,862	\$ 8,714	\$ 8,426
Less:						
Municipal deposits	37	43	129	106	125	77
Brokered certificates of deposit					70	120
Core deposits	\$ 9,054	\$ 9,040	\$ 8,954	\$ 8,756	\$ 8,519	\$ 8,229

	At June 30,		At December 31,			
	2007	2006	2005	2004	2003	2002
Borrowings	\$ 37	\$ 47	\$ 424	\$ 447	\$ 1,711	\$ 2,634
Plus:						
Municipal deposits	37	43	129	106	125	77
Brokered certificates of deposit					70	120
Purchased funds	\$ 37	\$ 47	\$ 424	\$ 447	\$ 1,711	\$ 2,634

In addition to the above non-GAAP financial measures, management uses the efficiency ratio to monitor its operating efficiency compared to its peers. The efficiency ratio, which represents an approximate measure of the cost required by People's United Financial to generate a dollar of revenue, is the ratio of total non-interest expense (excluding goodwill impairment charges, amortization of acquisition-related intangibles, losses on real estate assets and nonrecurring expenses) (the numerator) to net interest income plus total non-interest income (including the fully taxable equivalent adjustment on bank-owned life insurance income, and excluding gains and losses on sales of assets, other than residential mortgage loans, and nonrecurring income) (the denominator). People's United Financial generally considers an item of income or expense to be nonrecurring if it is not similar to an item of income or expense of a type incurred within the last two years and is not similar to an item of income or expense of a type reasonably expected to be incurred within the following two years. Management considers the efficiency ratio to be more representative of People's United Financial's ongoing operating efficiency, as the excluded items are generally related to external market conditions and non-routine transactions.



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The following table summarizes People's United Financial's efficiency ratio derived from amounts reported in the consolidated statements of income incorporated by reference into this document.

	2006	For the Year Ended December 31,			2002
		2005	2004	2003	
		(Dollars in millions)			
Total non-interest expense	\$ 346.9	\$ 344.4	\$ 479.7	\$ 346.0	\$ 341.5
Less:					
Amortization of other acquisition-related intangibles	1.1	1.8	3.4	3.5	3.1
Loss on sale of reverse repurchase agreements	0.3				
Severance-related charges	1.2				
RC Knox settlement	0.9				
Goodwill impairment charge		2.0			
Accelerated vesting of stock options charge		0.7			
Liability restructuring costs		2.7	133.4	1.2	
Non-recurring compensation costs			6.7		
Other	0.3	0.1	1.6	0.2	2.6
<b>Total</b>	<b>\$ 343.1</b>	<b>\$ 337.1</b>	<b>\$ 334.6</b>	<b>\$ 341.1</b>	<b>\$ 335.8</b>
Net interest income <sup>(1)</sup>	\$ 382.4	\$ 370.0	\$ 327.4	\$ 284.3	\$ 318.5
Total non-interest income	147.4	173.3	151.7	166.3	149.2
Add:					
BOLI FTE adjustment <sup>(1)</sup>	4.6	1.8			
Net security losses	27.2	0.1	4.7	0.6	3.3
Less:					
Interest from completed IRS audit	0.6			4.3	
Gain on sale of assets	0.7	8.1			
MasterCard common stock redemption	0.7				
Other		0.3	0.1	0.3	
<b>Total</b>	<b>\$ 559.6</b>	<b>\$ 536.8</b>	<b>\$ 483.7</b>	<b>\$ 446.6</b>	<b>\$ 471.0</b>
Efficiency ratio	61.3%	62.8%	69.2%	76.4%	71.3%

(1) Fully taxable equivalent.

	For the Six Months	
	Ended June 30, 2007	2006
	(Dollars in millions)	
Total non-interest expense	\$ 243.8	\$ 174.2
Less:		
Contribution to The People's United Community Foundation	60.0	
Amortization of other acquisition-related intangibles	0.5	0.6
Severance-related charges		1.2
RC Knox settlement		0.9
Other	0.2	
<b>Total</b>	<b>\$ 183.1</b>	<b>\$ 171.5</b>

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Net interest income <sup>(1)</sup>	\$ 227.3	\$ 190.1
Total non-interest income	89.1	81.6
Add:		
BOLI FTE adjustment <sup>(1)</sup>	2.7	2.1
Net security losses		4.0
Less:		
Interest from completed IRS audit		0.6
MasterCard common stock redemption		0.7
Other		0.1
Total	\$ 319.1	\$ 276.4
Efficiency ratio	57.4%	62.0%

(1) Fully taxable equivalent.

**Table of Contents****Chittenden Selected Historical Consolidated Financial Data**

The following table provides summary historical consolidated financial data for Chittenden as of the end of and for each of the fiscal years in the five-year period ended December 31, 2006, and as of the end of and for each of the six months ended June 30, 2007 and 2006. The historical consolidated financial data as of the end of and for each of the fiscal years in the five-year period ended December 31, 2006 have been derived in part from Chittenden's audited financial statements and related notes incorporated by reference into this document. The historical consolidated financial data as of the end of and for each of the six months ended June 30, 2007 and 2006 have been derived from Chittenden's unaudited financial statements and related notes incorporated by reference into this document. The following information is only a summary and you should read it in conjunction with Chittenden's financial statements and related notes incorporated by reference into this document.

The table below also includes certain non-GAAP financial measures. While Chittenden's management uses non-GAAP financial measures for operational and investment decisions and believes that these measures are among several useful measures for understanding its operating results and financial condition, these measures should not be construed as a substitute for GAAP measures. Non-GAAP measures should be read and used in conjunction with Chittenden's reported GAAP operating results and financial information.

	For the Six Months Ended		For the Year Ended December 31,				
	2007	2006	2006	2005	2004	2003	2002
	(In thousands, except share and per share amounts)						
<b>Statements of Income:</b>							
Interest income	\$ 196,741	\$ 180,626	\$ 374,712	\$ 320,242	\$ 269,767	\$ 271,442	\$ 259,019
Interest expense	76,006	57,578	125,710	75,929	44,269	53,379	66,404
Net interest income	120,735	123,048	249,002	244,313	225,498	218,063	192,615
Provision for loan losses	3,000	3,283	6,920	5,154	4,377	7,175	8,331
Noninterest income	22,855	36,115	70,189	69,964	73,405	97,031	65,060
Noninterest expense	99,838	94,036	186,367	183,841	183,190	198,124	157,445
Income before income taxes	40,752	61,844	125,904	125,282	111,336	109,795	91,899
Income tax expense	11,688	20,637	40,436	43,243	38,656	37,542	30,297
Net Income	\$ 29,064	\$ 41,207	\$ 85,468	\$ 82,039	\$ 72,680	\$ 72,253	\$ 61,602
Total assets at period end	\$ 6,878,287	\$ 6,460,615	\$ 6,431,803	\$ 6,473,536	\$ 6,078,305	\$ 5,900,644	\$ 4,920,544
Common shares outstanding at period end	46,464,305	45,978,122	45,360,125	46,829,048	46,341,819	45,795,688	39,924,338
<b>Balance sheets average daily balances:</b>							
Total assets	\$ 6,532,150	\$ 6,446,587	\$ 6,449,556	\$ 6,225,167	\$ 5,903,245	\$ 5,777,538	\$ 4,551,879
Net loans	4,760,135	4,504,401	4,567,228	4,240,206	3,842,719	3,568,323	2,969,430
Investment securities	1,123,799	1,362,248	1,298,515	1,394,556	1,478,989	1,696,982	1,264,156
Deposits	5,436,950	5,375,015	5,413,033	5,204,051	4,956,450	4,758,388	3,896,968
Borrowings	356,155	344,496	306,006	317,777	293,583	413,339	194,118
Stockholder's equity	671,212	666,008	667,753	644,929	599,218	544,522	399,896
<b>Per common share:</b>							
Basic earnings	\$ 0.64	\$ 0.88	\$ 1.85	\$ 1.76	\$ 1.58	\$ 1.61	\$ 1.53
Diluted earnings	0.64	0.87	1.83	1.74	1.56	1.60	1.52
Cash dividends declared	0.42	0.38	0.78	0.72	0.70	0.64	0.63
Book value	15.57	14.26	14.79	14.34	13.56	12.81	10.62
Tangible book value <sup>(1)</sup>	9.04	9.20	9.70	9.35	8.45	7.59	9.00
Weighted average common shares outstanding	45,145,823	46,612,713	46,235,151	46,502,983	46,106,057	44,719,710	40,132,330
Weighted average common and common equivalent shares outstanding	45,746,848	47,151,324	46,802,265	47,051,394	46,731,304	45,150,135	40,619,253

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	For the Six Months Ended		For the Year Ended December 31,				
	2007	June 30, 2006	2006	2005	2004	2003	2002
(In thousands, except share and per share amounts)							
<b>Selected financial ratios:</b>							
Return on average stockholders equity	8.73%	12.48%	12.80%	12.72%	12.13%	13.27%	15.45%
Return on average tangible stockholders equity <sup>(2)</sup>	13.96%	19.40%	19.83%	20.22%	20.32%	21.75%	18.37%
Return on average total assets	0.90%	1.29%	1.33%	1.32%	1.23%	1.25%	1.36%
Return on average tangible assets <sup>(2)</sup>	0.96%	1.36%	1.40%	1.40%	1.32%	1.33%	1.39%
Common stock dividend payout ratio <sup>(3)</sup>	45.43%*	43.19%	42.35%	40.78%	43.88%	39.17%	41.20%
Net yield on earning assets	4.10%	4.21%	4.24%	4.31%	4.21%	4.12%	4.53%
Interest rate spread	3.51%	3.75%	3.72%	3.99%	4.02%	3.90%	4.16%
Efficiency ratio <sup>(4)</sup>	57.92%	56.74%	55.98%	56.67%	58.67%	61.82%	59.56%
Net charge-offs as a percent of average loans	0.08%^	0.08%^	0.12%	0.05%	0.07%	0.16%	0.28%
Nonperforming assets ratio <sup>(5)</sup>	0.58%	0.54%	0.43%	0.36%	0.49%	0.39%	0.49%
Allowance for credit losses as a percent of year-end loans	1.34%	1.38%	1.35%	1.38%	1.45%	1.54%	1.62%
Leverage capital ratio	8.73%	9.04%	9.24%	9.21%	8.54%	7.91%	9.37%
<b>Risk-based capital ratios:</b>							
Tier 1	10.26%	11.29%	11.56%	11.23%	10.61%	10.22%	12.39%
Total	13.83%	12.49%	12.78%	12.40%	11.82%	11.47%	13.64%
Average equity/Average assets	10.28%	10.15%	10.35%	10.36%	10.15%	9.42%	8.79%
Tangible capital ratio <sup>(1)</sup>	6.39%	6.79%	7.10%	7.01%	6.71%	6.14%	7.40%
<b>Reconciliation of non-GAAP measurements to GAAP</b>							
<b>(1) Tangible/capital book value reconciliation</b>							
Total equity	\$ 723,278	\$ 655,476	\$ 671,086	\$ 671,390	\$ 628,352	\$ 586,652	\$ 424,042
Goodwill	282,448	216,038	216,038	216,038	216,136	216,431	55,257
Identified intangible	20,986	16,326	14,996	17,655	20,422	22,733	9,480
Tangible equity <sup>(A)</sup>	\$ 419,844	\$ 423,112	\$ 440,052	\$ 437,697	\$ 391,794	\$ 347,488	\$ 359,305
Total assets	\$ 6,878,287	\$ 6,460,615	\$ 6,431,803	\$ 6,473,536	\$ 6,078,305	\$ 5,900,644	\$ 4,920,544
Goodwill	282,448	216,038	216,038	216,038	216,136	216,431	55,257
Identified intangible	20,986	16,326	14,996	17,655	20,422	22,733	9,480
Tangible assets <sup>(B)</sup>	\$ 6,574,853	\$ 6,228,251	\$ 6,200,769	\$ 6,239,843	\$ 5,841,747	\$ 5,661,480	\$ 4,855,807
Tangible capital <sup>(A)/(B)</sup>	6.39%	6.79%	7.10%	7.01%	6.71%	6.14%	7.40%
<b>Common shares outstanding at year-end<sup>(C)</sup></b>							
Tangible book value <sup>(A)/(C)</sup>	\$ 9.04	\$ 9.20	\$ 9.70	\$ 9.35	\$ 8.45	\$ 7.59	\$ 9.00
<b>(2) Return on average tangible equity &amp; assets</b>							
Net income (GAAP)	\$ 29,064	\$ 41,207	\$ 85,468	\$ 82,039	\$ 72,680	\$ 72,253	\$ 61,602
Amortization of identified intangibles, net of tax	904	864	1,728	1,799	2,000	1,786	831

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	For the Six Months Ended			For the Year Ended December 31,			
	2007	2006	2006	2005	2004	2003	2002
	(In thousands, except share and per share amounts)						
Tangible net income <sup>(A)</sup>	\$ 29,968	\$ 42,071	\$ 87,196	\$ 83,838	\$ 74,680	\$ 74,039	\$ 62,433
Average equity GAAP	\$ 671,212	\$ 666,008	\$ 667,753	\$ 644,929	\$ 599,218	\$ 544,522	\$ 399,896
Average identified intangibles	15,551	16,990	16,320	19,056	21,741	22,493	9,108
Average deferred tax on identified intangibles	(4,333)	(4,435)	(4,430)	(4,785)	(6,392)	(5,763)	(2,280)
Average goodwill	227,045	216,038	216,038	216,127	216,519	187,369	53,293
Average tangible equity <sup>(B)</sup>	\$ 432,949	\$ 437,415	\$ 439,825	\$ 414,531	\$ 367,350	\$ 340,423	\$ 339,775
Return on average tangible equity <sup>(A)/(B)</sup>	13.96%	19.40%	19.83%	20.22%	20.32%	21.75%	18.37%
Average assets (GAAP)	\$ 6,532,150	\$ 6,446,587	\$ 6,449,556	\$ 6,225,167	\$ 5,903,245	\$ 5,777,538	\$ 4,551,879
Average identified intangibles	15,551	16,990	16,320	19,056	21,741	22,493	9,108
Average deferred tax on identified intangibles	(4,333)	(4,435)	(4,430)	(4,785)	(6,392)	(5,763)	(2,280)
Average goodwill	227,045	216,038	216,038	216,127	216,519	187,369	53,293
Average tangible assets <sup>(C)</sup>	\$ 6,293,887	\$ 6,217,994	\$ 6,221,628	\$ 5,994,769	\$ 5,671,377	\$ 5,573,439	\$ 4,491,758
Return on average tangible assets <sup>(A)/(C)</sup>	0.96%	1.36%	1.40%	1.40%	1.32%	1.33%	1.39%

(3) Common stock cash dividends declared divided by net income.

(4) Efficiency Ratio is computed by dividing total noninterest expense (less oreo expense, amortization expense, franchise tax and any nonrecurring items) by the sum of net interest income on a tax equivalent basis and total noninterest income (exclusive of gains and losses from bank investment securities, and nonrecurring items). Chittenden uses this non-GAAP measure, which is used widely in the banking industry, to provide important information regarding its operational efficiency.

(5) The sum of nonperforming assets (nonaccrual loans, restructured loans, and other real estate owned) divided by the sum of total loans and other real estate owned.

\* Excludes the nonrecurring loss on the repositioning of the securities portfolio and the one time charge related to the merger of Merrill Merchants Bancshares, Inc.

^ Annualized

**Table of Contents****People's United Financial and Chittenden Preliminary Unaudited Pro Forma Selected Financial and Operating Data**

The following table presents summarized preliminary unaudited pro forma selected financial information reflecting the merger of People's United Financial and Chittenden. The preliminary unaudited pro forma selected operating data and per common share data assume the merger was completed as of the beginning of the periods presented. The preliminary unaudited pro forma selected financial condition data and book value per share assume the merger had been completed as of June 30, 2007. The preliminary pro forma financial information has been derived from, and should be read in conjunction with, People's United Financial and Chittenden Preliminary Unaudited Pro Forma Condensed Combined Financial Information beginning on page [ ] of this document.

	At or For The	
	Six Months Ended June 30,	At or For The Year Ended December 31,
(In millions, except per share data)	2007	2006
<b>Selected Operating Data:</b>		
Net interest income	\$ 333.1	\$ 626.1
Provision for loan losses	5.6	10.3
Non-interest income	125.0	244.3
Non-interest expense	370.2	590.2
Income from continuing operations	56.8	184.2
Net income	57.7	186.5
<b>Per Common Share Data:</b>		
Diluted earnings per share	\$ 0.17	\$ 0.55
Dividends per share	0.25	0.46
Book value per share	15.92	N/A
<b>Selected Financial Condition Data:</b>		
Loans	\$ 14,185.9	
Short-term investments	2,743.1	
Securities	996.9	
Allowance for loan losses	139.9	
Total assets	20,756.4	
Deposits	14,762.7	
Borrowings	154.9	
Subordinated notes	190.3	
Stockholders' equity	5,323.2	

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**RISK FACTORS**

In addition to the other information contained in or incorporated by reference into this document, including People's United Financial's Annual Report on Form 10-K for the fiscal year ended December 31, 2006, and Chittenden's Annual Report on Form 10-K for the fiscal year ended December 31, 2006, in both cases as updated by subsequently filed Forms 8-K and 10-Q, as applicable, you should carefully consider the following risk factors relating to the merger in deciding whether to vote to approve the merger agreement.

**Because the Market Price of People's United Financial Common Stock Will Fluctuate, Chittenden Stockholders Cannot Be Sure of the Value of the Merger Consideration They Will Receive.**

Upon completion of the merger, each share of Chittenden common stock will be converted into the right to receive merger consideration consisting of shares of People's United Financial common stock and/or cash pursuant to the terms of the merger agreement. The value of the merger consideration to be received by Chittenden stockholders will be based in part on the average closing sale price of People's United Financial common stock on the NASDAQ Global Select Market during the five trading days ending on the day before the completion of the merger. This average price may vary from the closing sale price of People's United Financial common stock on the date we announced the merger, on the date that this document was mailed to Chittenden stockholders and on the date of the special meeting of the Chittenden stockholders. Any change in the market price of People's United Financial common stock prior to completion of the merger will affect the value of the merger consideration that Chittenden stockholders will receive upon completion of the merger. Accordingly, at the time of the Chittenden special meeting, Chittenden stockholders will not know or be able to calculate the amount of the cash consideration they would receive or the exchange ratio to be used to determine the number of shares of People's United Financial common stock they would receive upon completion of the merger. Neither company is permitted to terminate the merger agreement or resolicit the vote of Chittenden stockholders solely because of changes in the market prices of either company's stock. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in our respective businesses, operations and prospects, and regulatory considerations. Many of these factors are beyond our control. You should obtain current market quotations for shares of People's United Financial common stock and for shares of Chittenden common stock.

**Chittenden Stockholders May Receive a Form of Consideration Different From What They Elect.**

While each Chittenden stockholder may elect to receive cash, People's United Financial common stock, or a combination of both in the merger, the pool of cash available for all Chittenden stockholders will be a fixed amount (subject to adjustment under certain circumstances as permitted by the merger agreement prior to the completion of the merger). As a result, if the total cash elections by Chittenden stockholders are greater, or less, than the aggregate cash consideration to be paid in the merger, or the total stock elections by Chittenden stockholders are greater, or less, than the aggregate stock consideration to be paid in the merger, you may not receive exactly the form of consideration that you elect and you may receive a pro rata amount of cash and People's United Financial common stock.

**In Order to Make an Election You Must Submit Your Shares of Chittenden Common Stock, and You Will Then Not Be Able to Sell Those Shares Unless You Revoke Your Election Prior to the Election Deadline.**

If you are a Chittenden stockholder and want to make a cash or stock election, you will have to deliver your stock certificates (or follow the procedures for guaranteed delivery) and a properly completed and signed form of election to the exchange agent. Since the actual election deadline is not currently known, People's United Financial will issue a press release announcing the date of the election deadline as promptly as practicable following the determination of the deadline. For further details on the determination of the election deadline, see *The Merger Agreement Conversion of Shares; Exchange of Certificates; Elections as to Form of Consideration* beginning on page [ ] of this document. The election deadline is expected to be approximately

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five business days in advance of the completion of the merger, but it may be further in advance of the actual closing date. You will not be able to sell any shares of Chittenden common stock that you have delivered as part of your election unless you revoke your election before the election deadline by providing written notice to the exchange agent. If you do not revoke your election, you will not be able to liquidate your investment in Chittenden common stock for any reason until you receive cash and/or People's United Financial common stock in the merger. In the time between delivery of your shares and the closing of the merger, the trading price of Chittenden common stock or People's United Financial common stock may fluctuate, and you might otherwise want to sell your shares of Chittenden common stock to gain access to cash, make other investments, or reduce the potential for a decrease in the value of your investment.

The date that you will receive your merger consideration depends on the completion date of the merger, which is uncertain. The completion date of the merger might be later than expected due to unforeseen events, such as delays in obtaining regulatory approvals.

**People's United Financial May Fail To Successfully Integrate Chittenden's Operations and Realize All of the Anticipated Benefits of the Merger.**

The success of the merger will depend, in part, on the ability of People's United Financial to realize the anticipated benefits from combining the businesses of People's United Financial and Chittenden. However, to realize these anticipated benefits, People's United Financial must successfully combine the businesses of People's United Financial and Chittenden. If People's United Financial is not able to achieve these objectives, the anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected.

People's United Financial and Chittenden have operated and, until the completion of the merger, will continue to operate, independently. People's United Financial has not previously integrated an institution as large as Chittenden, and as a general matter has not been active as an acquirer of other financial institutions. It is possible that the integration process could result in the loss of key employees, the disruption of each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect our ability to maintain relationships with clients, customers, depositors and employees or to achieve the anticipated benefits of the merger. Integration efforts between the two companies will also divert management attention and resources. These integration matters could have an adverse effect on the combined company following completion of the merger.

**The Market Price of People's United Financial Common Stock after the Merger May Be Affected by Factors Different from Those Affecting the Shares of Chittenden Common Stock or People's United Financial Common Stock Currently.**

The businesses of People's United Financial and Chittenden differ in some respects and, accordingly, the results of operations of the combined company and the market price of the combined company's shares of common stock may be affected by factors different from those currently affecting the independent results of operations of each of People's United Financial and Chittenden. For a discussion of the businesses of People's United Financial and Chittenden and of certain factors to consider in connection with those businesses, see the documents incorporated by reference in this document and referred to under *Where You Can Find More Information* beginning on page [ ].

**The Fairness Opinions Obtained by Chittenden from its Financial Advisors Will Not Reflect Changes in Circumstances Subsequent to the Date of the Merger Agreement.**

Chittenden has not obtained updated opinions as of the date of this document from JPMorgan or Lehman Brothers, Chittenden's financial advisors. Changes in the operations and prospects of People's United Financial or Chittenden, general market and economic conditions and other factors which may be beyond the control of People's United Financial and Chittenden, and on which the fairness opinions were based, may alter the value of

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People's United Financial or Chittenden or the prices of shares of People's United Financial common stock or Chittenden common stock by the time the merger is completed. The opinions do not speak as of the time the merger will be completed or as of any date other than the dates of such opinions. As a result, the June 26, 2007 opinions will not address the fairness of the merger consideration, from a financial point of view, at the time the merger is completed. For a description of the opinions that Chittenden received from its financial advisors, please refer to *The Merger Opinions of Chittenden's Financial Advisors* beginning on page [ ] of this document. For a description of the other factors considered by the Chittenden board of directors in determining to approve the merger agreement, please refer to *The Merger Recommendation of the Chittenden Board of Directors and Reasons for the Merger* beginning on page [ ] of this document.

**The Merger Agreement Limits Chittenden's Ability to Pursue Alternatives to the Merger.**

The merger agreement contains non-solicitation provisions that, subject to narrow exceptions, limit Chittenden's ability to discuss, facilitate or commit to competing third-party proposals to acquire all or a significant part of the company. Further, there are only limited exceptions to Chittenden's agreement that the Chittenden board of directors will not withdraw, modify or qualify in a way adverse to People's United Financial its recommendation to Chittenden stockholders that they vote in favor of the merger agreement, or recommend any other acquisition proposal. Although the Chittenden board of directors is permitted to take these actions in connection with receipt of a competing acquisition proposal if it determines (after consulting with outside legal counsel and a financial advisor) that the failure to do so would be inconsistent with its fiduciary duties, it must provide People's United Financial with five business days' notice that it has determined that th