

People's United Financial, Inc.
Form 424B3
October 14, 2010
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File No. 333-168766

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

October 12, 2010

Dear Smithtown common stockholders:

On July 15, 2010, Smithtown Bancorp, Inc. ("Smithtown Bancorp") and People's United Financial, Inc. ("People's United") agreed to a strategic business combination in which Smithtown Bancorp will merge with and into People's United with People's United surviving the merger, which we refer to as the merger. If the merger is completed, Smithtown Bancorp common stockholders will have the right to receive merger consideration with a value equal to 0.143 shares of People's United common stock plus \$2.00 in cash for each share of Smithtown Bancorp common stock held immediately prior to the merger. Smithtown common stockholders of record, as of the record date, will be able to elect to receive this amount in People's United common stock, in cash or in a combination of both, but the election will be subject to the allocation and equalization procedures described in this proxy statement/prospectus. In connection with the merger, and assuming that all warrants to purchase Smithtown Bancorp common stock are exercised prior to the effective time of the merger, People's United expects to issue up to 2.2 million shares of its common stock. We are sending you this proxy statement/prospectus to notify you of and invite you to the special meeting of Smithtown Bancorp common stockholders being held to consider the Agreement and Plan of Merger, dated as of July 15, 2010, which we refer to as the merger agreement, that Smithtown Bancorp has entered into with People's United, and to ask you to vote at the special meeting in favor of the merger agreement and the transactions contemplated by the merger agreement, including the merger.

The special meeting of the common stockholders of Smithtown Bancorp will be held at the Sheraton Long Island Hotel, 110 Motor Parkway, Hauppauge, New York 11788 on November 19, 2010 at 10:00 a.m. local time.

At the special meeting, you will be asked to approve the merger agreement. You will also be asked to approve the adjournment of the special meeting, if necessary, to solicit additional proxies in favor of the merger agreement and the transactions contemplated by the merger agreement, including the merger.

The merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, meaning that, to the extent that holders of Smithtown Bancorp common stock receive shares of People's United common stock, such holders of Smithtown Bancorp common stock are not expected to recognize any gain or loss for United States federal income tax purposes on the exchange of shares of Smithtown Bancorp common stock for shares of People's United common stock in the merger.

The value of the merger consideration will fluctuate with the market price of People's United common stock. Shares of People's United common stock are listed on the NASDAQ Global Select Market under the symbol "PBCT", and Smithtown Bancorp's common stock is listed on the NASDAQ Global Select Market under the symbol "SMTB". On July 14, 2010, the day preceding the public announcement of the merger, the closing sale price of People's United common stock was \$14.09 and the closing sale price of Smithtown Bancorp common stock was \$3.87. On October 11, 2010, the last practicable trading day before the distribution of this proxy statement/prospectus, the closing sale price of People's United common stock was \$13.28 and the closing sale price of Smithtown Bancorp common stock was \$3.77. The following table shows the average closing sale prices of People's United common stock, as reported on the NASDAQ Global Select Market ("NASDAQ"), for the five trading day period ended on July 14, 2010, the period over which the exchange ratio was calculated and the day preceding the public announcement of the merger and on October 11, 2010, the last practicable trading day before the distribution of this proxy statement/prospectus. This table also shows the implied value of the merger consideration proposed for each share of Smithtown Bancorp common stock, which was calculated by multiplying the five-day average of the closing price of People's United common stock for the periods ended on those dates by the exchange ratio of 0.143 and adding \$2.00 in cash.

People's United Common Stock	Implied Value of One Share of Smithtown Bancorp
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			Common Stock
Five trading day period ended on July 14, 2010	\$	13.98	\$ 4.00
Five trading day period ended on October 11, 2010	\$	13.34	\$ 3.91

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Smithtown Bancorp's board of directors has unanimously adopted and declared advisable the merger agreement and the transactions contemplated by the merger agreement, including the merger, and recommends that Smithtown Bancorp common stockholders vote FOR approval of the merger agreement and the transactions contemplated by the merger agreement, including the merger, and FOR the approval of the adjournment of the special meeting, if necessary, to solicit additional proxies in favor of the merger agreement and the transactions contemplated thereby, including the merger.

To complete the merger, the merger agreement and the transactions contemplated by the merger agreement must be approved by the holders of two-thirds of all the issued and outstanding Smithtown Bancorp common stock. **Your vote is very important.** Whether or not you expect to attend the special meeting, please vote as soon as possible to ensure that your shares are represented at the special meeting. Registered and many broker-managed stockholders as of the record date can vote their shares by using a toll-free number or the Internet. Instructions for using these convenient services are provided on the enclosed proxy card. You may also vote your shares by marking your votes on the enclosed proxy card, signing and dating it and mailing it in the envelope provided. If you sign and return your proxy card without specifying your vote, your shares will be voted in favor of the merger agreement and the transactions contemplated by the merger agreement, and if necessary, for the approval of the adjournment of the special meeting to solicit additional proxies in favor of the merger agreement and the transactions contemplated by the merger agreement, including the merger.

This proxy statement/prospectus provides you with detailed information about the merger. In addition to being a proxy statement of Smithtown Bancorp, this proxy statement/prospectus is also the prospectus of People's United for the People's United common stock that will be issued in connection with the merger. We encourage you to read the entire document carefully. Please pay particular attention to Risk Factors beginning on page 22 for a discussion of the risks related to the merger and owning People's United common stock after the merger.

I look forward to seeing you on November 19, 2010 in Hauppauge, New York.

Sincerely,

Bradley E. Rock

Chairman and Chief Executive Officer

Please read this proxy statement/prospectus carefully because it contains important information about the merger. Read carefully the risk factors relating to the merger beginning on page 22. You can also obtain information about People's United and Smithtown Bancorp from documents that each of us has filed with the Securities and Exchange Commission.

Neither the Securities and Exchange Commission nor any state securities commission or bank regulatory agency has approved or disapproved the securities to be issued in the merger or determined if this proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

The securities to be issued in the merger are not savings or deposit accounts or other obligations of any bank or non-bank subsidiary of either People's United or Smithtown Bancorp, and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

This proxy statement/prospectus is dated October 12, 2010 and will be first mailed to Smithtown Bancorp stockholders on or about October 15, 2010.

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ADDITIONAL INFORMATION

The accompanying proxy statement/prospectus incorporates by reference important business and financial information about People's United from documents that are not included in or delivered with the proxy statement/prospectus. This information is available to you without charge upon your written or oral request. You can obtain the documents incorporated by reference in the proxy statement/prospectus by requesting them in writing or by telephone at the following address or telephone number, respectively:

People's United Financial, Inc.

850 Main Street

Bridgeport, Connecticut 06604

Attention: Debbie A. Healey, Investor Relations

(203) 338-7171

www.peoples.com (Investor Relations tab)

In addition, if you have questions about the merger or the special meeting of Smithtown Bancorp stockholders, or if you need to obtain copies of the accompanying proxy statement/prospectus, proxy cards or other documents incorporated by reference in the proxy statement/prospectus, you may contact Smithtown Bancorp's proxy solicitor at the address and telephone number listed below. You will not be charged for any of the documents you request.

Phoenix Advisory Partners, LLC 110 Wall Street, 27th Floor New York, NY 10005 (866) 351-1539

If you would like to request documents, please do so by November 12, 2010, in order to receive them before the special meeting of Smithtown Bancorp stockholders.

For a more detailed description of the information incorporated by reference in the accompanying proxy statement/prospectus and how you may obtain it, see "Where You Can Find More Information" beginning on page 202 of the accompanying proxy statement/prospectus.

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SMITHTOWN BANCORP, INC.

100 Motor Parkway, Suite 160

Hauppauge, New York 11788

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON NOVEMBER 19, 2010

Dear Smithtown common stockholder:

You are cordially invited to attend a special meeting of the common stockholders of Smithtown Bancorp, Inc., a New York corporation (Smithtown Bancorp), on November 19, 2010 at 10:00 a.m. local time, at the Sheraton Long Island Hotel, 110 Motor Parkway, Hauppauge, New York 11788, for the purpose of considering and voting upon the following matters:

To approve the Agreement and Plan of Merger (the merger agreement), dated as of July 15, 2010, between People s United Financial, Inc., a Delaware corporation (People s United), and Smithtown Bancorp, pursuant to which Smithtown Bancorp will merge with and into People s United as more fully described in the attached proxy statement/prospectus, and the transactions contemplated in the merger agreement, including the merger

To adjourn the special meeting, if necessary, to solicit additional proxies in favor of the merger agreement and the transactions contemplated by the merger agreement, including the merger

We have fixed the close of business on October 8, 2010 as the record date for determining those common stockholders entitled to notice of and to vote at the special meeting and any adjournments or postponements of the special meeting. Only Smithtown Bancorp common stockholders of record at the close of business on that date are entitled to vote at the special meeting and any adjournments or postponements of the special meeting.

Please vote as soon as possible. To complete the merger, the merger agreement and the transactions contemplated by the merger agreement must be approved by the holders of two-thirds of the issued and outstanding common stock of Smithtown Bancorp. Abstentions and shares that you have not authorized your broker to vote will have the same effect as votes against approval of the merger agreement and the transactions contemplated by the merger agreement. **Whether or not you intend to attend the special meeting, please vote as promptly as possible by (1) accessing the Internet website specified on your proxy card, (2) calling the toll-free number specified on your proxy card or (3) signing and returning the enclosed proxy card in the postage-paid envelope provided. If your shares are held in the name of a broker, bank or other fiduciary, please follow the instructions on the voting instruction card provided by such person. If you attend the special meeting, you may vote in person if you wish, even if you have previously returned your proxy card. If you wish to attend the special meeting and vote in person and your shares are held in the name of a broker, trust, bank or other nominee, you must bring with you a proxy or letter from the broker, trustee, bank or nominee to confirm your beneficial ownership of the shares.**

We encourage you to read the attached proxy statement/prospectus carefully. If you have any questions or need assistance voting your shares, please call our proxy solicitor, Phoenix Advisory Partners, LLC, toll-free at (866) 351-1539.

Smithtown Bancorp s board of directors has unanimously adopted and declared advisable the merger agreement and the transactions contemplated by the merger agreement, including the merger, and recommends that Smithtown Bancorp common stockholders vote FOR approval of the merger agreement and the transactions contemplated by the merger agreement, including the merger, and FOR the approval of the adjournment of the special meeting, if necessary, to solicit additional proxies in favor of the merger agreement and the transactions contemplated by the merger agreement, including the merger.

By Order of the Board of Directors,

Bradley E. Rock

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Chairman and Chief Executive Officer

Smithtown, New York

October 12, 2010

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The accompanying proxy statement/prospectus provides a detailed description of the merger and the merger agreement. We urge you to read the accompanying proxy statement/prospectus, including any documents incorporated by reference into the accompanying proxy statement/prospectus, and its annexes carefully and in their entirety. If you have any questions concerning the merger, the other meeting matters or the accompanying proxy statement/prospectus or need help voting your shares, please contact Smithtown Bancorp's proxy solicitor at the address or telephone number listed below:

Phoenix Advisory Partners, LLC

110 Wall Street, 27th Floor

New York, NY 10005

(866) 351-1539

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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SUMMARY

*This summary highlights selected information from this proxy statement/prospectus. It does not contain all of the information that may be important to you. We urge you to read carefully the entire document and the other documents to which this proxy statement/prospectus refers in order to fully understand the merger and the related transactions. See *Where You Can Find More Information* beginning on page 202. Each item in this summary refers to the page of this proxy statement/prospectus on which that subject is discussed in more detail. Unless otherwise indicated in this proxy statement/prospectus or the context otherwise requires, all references in the proxy statement/prospectus to *People's United* refer to *People's United Financial, Inc.* All references to the *Company* or to *Smithtown Bancorp* refer to *Smithtown Bancorp, Inc.**

The Parties to the Merger (Page 28)

People's United

People's United is the holding company for People's United Bank. At June 30, 2010, People's United had assets of \$22 billion, deposits of \$16 billion and stockholders' equity of \$5 billion. A diversified financial services company founded in 1842, People's United provides consumer, commercial, insurance, retail investment and wealth management and trust services to personal and business banking customers. The address of People's United's principal executive offices is 850 Main Street, Bridgeport, Connecticut 06604, and its telephone number is (203) 338-7171.

Smithtown Bancorp

Smithtown Bancorp is a New York corporation, incorporated in 1984, which is registered as a bank holding company under the Bank Holding Company Act of 1956, as amended, and parent of Bank of Smithtown, a New York State-chartered commercial bank with 30 branches. As of June 30, 2010, Smithtown Bancorp and its subsidiaries had consolidated total assets of \$2.3 billion, deposits of \$1.8 billion and stockholders' equity of \$95.6 million. Smithtown Bancorp had 275 full-time and 50 part-time employees as of June 30, 2010.

The Merger and Bank Merger (Page 33)

Smithtown Bancorp's board of directors proposes the merger of Smithtown Bancorp with and into People's United, with People's United as the surviving corporation. We refer to this merger as the merger. Upon completion of the merger, the separate existence of Smithtown Bancorp will terminate, and Smithtown Bancorp common stock will be cancelled and no longer publicly traded. The Agreement and Plan of Merger, which we refer to as the merger agreement, is attached to this proxy statement/prospectus as Annex A and is incorporated herein by reference. Please carefully read the merger agreement as it is the legal document that governs the merger. Simultaneously with the merger, Bank of Smithtown, the bank subsidiary of Smithtown Bancorp, will merge with and into People's United Bank, the bank subsidiary of People's United. We refer to this merger as the bank merger. We currently expect to complete these mergers in the fourth quarter of 2010.

What Smithtown Bancorp Stockholders Will Receive in the Merger (Page 65)

Upon completion of the merger, each outstanding share of Smithtown Bancorp common stock will be converted into the right to receive, at the election of each holder of record as of the record date of such share and subject to proration in the circumstances described below, either cash or shares of People's United common stock. To make a valid election, holders of record as of the record date of Smithtown Bancorp's common stock must submit a properly completed election form to the exchange agent by 5:00 p.m., New York City time, on the later of the date of the special meeting and the date that People's United and Smithtown Bancorp believe to be as near as practicable to five business days prior to the anticipated date of completion of the merger or such other time as People's United and Smithtown Bancorp may agree. Holders of Smithtown Bancorp common stock may specify different elections with respect to different shares that they hold (for example, the owner of 100 shares of

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Smithtown Bancorp common stock can make a cash election with respect to 50 shares and a stock election with respect to the other 50 shares). In the event of proration, Smithtown Bancorp stockholders may receive a portion of the merger consideration in a form other than that which they elected.

The implied value of the merger consideration will fluctuate with the market price of People's United common stock and will be determined based on the average closing price of People's United common stock on the NASDAQ for the five trading days ending the day before the completion of the merger. (You may contact Phoenix Advisory Partners, LLC, Smithtown Bancorp's proxy solicitor, at (866) 351-1539 to obtain current information regarding the implied value of the merger consideration.) As explained in more detail in this document, whether Smithtown Bancorp stockholders make a cash election or a stock election, the value of the consideration that they receive as of the date of completion of the merger will be substantially the same and will be based on the average closing price of People's United common stock used to calculate the merger consideration.

As an example, if the average of the closing prices of People's United common stock on the NASDAQ for the five trading days ending the day before the completion of the merger is \$14.00, each share of Smithtown Bancorp common stock would entitle its holder to receive either \$4.00 in cash or 0.286 of a share of People's United common stock, subject to possible proration. We will compute the actual amount of cash and number of shares of People's United common stock that each Smithtown Bancorp 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 65.

Set forth below is a table showing the consideration that a Smithtown Bancorp 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 if the actual average of the closing prices of People's United common stock on the NASDAQ for the five trading days ending the day before the completion of the merger were equal to each of the hypothetical average closing prices shown in the table. The merger consideration formula reflected in the table below yields a per-share value for Smithtown Bancorp common stock equal to the sum of (a) \$2.00 plus (b) 0.143 multiplied by the hypothetical average closing prices for People's United common stock shown in the table. The stock consideration reflected in the table below is equal to the quotient obtained by dividing (x) the value determined in accordance with the preceding sentence by (y) the hypothetical average closing prices for People's United common stock shown in the table. The table does not reflect the fact that cash will be paid instead of fractional shares. **As described below, regardless of whether you make a cash election or a stock election, you may nevertheless receive cash, stock or a mix of cash and stock due to proration and adjustment.**

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Hypothetical Five-Day Average Closing Price	Cash Election:		Stock Election: Stock Consideration per Share	
	Cash Consideration per Share	OR	Fractional Shares of People's United Common Stock ^(*)	Market Value ^(**)
\$12.00	\$3.72		0.310	\$3.72
\$12.25	\$3.75		0.306	\$3.75
\$12.50	\$3.79		0.303	\$3.79
\$12.75	\$3.82		0.300	\$3.82
\$13.00	\$3.86		0.297	\$3.86
\$13.25	\$3.90		0.294	\$3.90
\$13.50	\$3.93		0.291	\$3.93
\$13.75	\$3.97		0.289	\$3.97
\$13.98 ^(***)	\$4.00		0.286	\$4.00
\$14.00	\$4.00		0.286	\$4.00
\$14.25	\$4.04		0.284	\$4.04
\$14.50	\$4.07		0.281	\$4.07
\$14.75	\$4.11		0.279	\$4.11
\$15.00	\$4.15		0.277	\$4.15

* Rounded to the nearest one thousandth.

** Market value based on hypothetical five trading day average closing price on the NASDAQ of People's United common stock.

*** Average closing price of People's United common stock for five-day period ended July 14, 2010.

Based on the average closing sale price of People's United common stock for the five trading day period ended on October 11, 2010, the last practicable trading day before distribution of this proxy statement/prospectus, which was \$13.34, a Smithtown Bancorp stockholder would receive either \$3.91 in cash or 0.293 of a share of People's United common stock in exchange for each share of Smithtown Bancorp common stock owned by that stockholder.

The examples above are illustrative only. The value of the merger consideration that Smithtown Bancorp stockholders actually receive will be based on the actual average closing price of People's United common stock on the NASDAQ for the five trading days ending the day before the completion of the merger, as described below. The actual average closing 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 Smithtown Bancorp common stock may not be shown in the above table.

Regardless of Whether Smithtown Bancorp Stockholders Make a Cash Election or a Stock Election, They May Nevertheless Receive Cash, Stock or a Mix of Cash and Stock (Page 68)

Assuming that none of the outstanding warrants to purchase Smithtown Bancorp's common stock are exercised prior to the effective time of the merger, the aggregate number of shares of People's United common stock that will be issued in the merger is approximately 2.14 million, based on the number of shares of Smithtown Bancorp common stock outstanding on the record date of October 8, 2010, and the aggregate amount of cash that will be paid in the merger is approximately \$29.9 million. If more Smithtown Bancorp stockholders make valid elections to receive either People's United common stock or cash than is available as merger consideration under the merger agreement, those Smithtown Bancorp stockholders electing the over-subscribed form of consideration will have the over-subscribed consideration proportionately reduced and substituted with consideration in the other form, despite their election.

What Holders of Smithtown Bancorp Warrants and Equity-Based Awards Will Receive in the Merger (Page 70)

At the effective time of the merger, each outstanding warrant to purchase shares of Smithtown Bancorp common stock will remain outstanding pursuant to the terms of such warrant. After the completion of the merger, each such warrant will entitle the holder to receive upon exercise of such warrant, in accordance with its terms,

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the stock consideration applicable to a share of Smithtown Bancorp common stock (without giving effect to any possible proration, as described above).

Prior to the effective time of the merger, all Smithtown Bancorp restricted stock awards will vest, and all of the previously restricted shares will be treated as outstanding Smithtown Bancorp shares for all purposes under the merger agreement, including for purposes of the holders' right to receive the same merger consideration as all other outstanding shares of Smithtown Bancorp common stock are entitled to receive in the merger.

Accounting Treatment of the Merger (Page 60)

People's United will account for the merger as a purchase for financial reporting purposes.

Material U.S. Federal Income Tax Consequences of the Merger (Page 57)

The merger is intended to qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the Code. Therefore, for U.S. federal income tax purposes, as a result of the merger, a U.S. holder of shares of Smithtown Bancorp common stock generally will only recognize gain (but not loss) in an amount not to exceed the cash received as part of the merger consideration but will recognize gain or loss (i) if such holder receives the entirety of its consideration in cash and (ii) with respect to any cash received in lieu of fractional shares of People's United common stock.

Special Meeting of Smithtown Bancorp Common Stockholders (Page 30)

Smithtown Bancorp will hold its special meeting of common stockholders on November 19, 2010, at 10:00 a.m. local time, at the Sheraton Long Island Hotel, 110 Motor Parkway, Hauppauge, New York 11788. At the special meeting you will be asked to approve the merger agreement and the transactions contemplated by the merger agreement and to approve adjournment of the special meeting, if necessary to solicit additional proxies in favor of the merger agreement.

You can vote at the Smithtown Bancorp special meeting of common stockholders if you owned Smithtown Bancorp common stock at the close of business on October 8, 2010. As of that date, there were approximately 14,967,508 shares of Smithtown Bancorp common stock outstanding and entitled to vote, approximately 689,919 of which, or 4.61%, were owned beneficially or of record by directors and officers of Smithtown Bancorp. You can cast one vote for each share of Smithtown Bancorp common stock that you owned on that date.

Opinion of Smithtown Bancorp's Financial Advisor (Page 39)

Sandler O'Neill & Partners, L.P., which we refer to as Sandler O'Neill, delivered its opinion to Smithtown Bancorp's board of directors that, as of July 15, 2010 and based upon and subject to the factors and assumptions set forth therein, the merger consideration of 0.143 of a share of People's United common stock plus \$2.00 in cash for each share of Smithtown Bancorp common stock held immediately prior to the merger is fair to the holders of Smithtown Bancorp common stock from a financial point of view.

The full text of the written opinion of Sandler O'Neill, dated July 15, 2010, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex B. Sandler O'Neill provided its opinion for the information and assistance of Smithtown Bancorp's board of directors in connection with its consideration of the merger. The Sandler O'Neill opinion is not a recommendation as to how any holder of Smithtown Bancorp common stock should vote with respect to the merger or any other matter. Pursuant to an engagement letter between Smithtown Bancorp and Sandler O'Neill, Sandler O'Neill will receive a fee of \$1,000,000 for its services, of which \$850,000 is contingent upon completion of the merger. For further information, please see the discussion under the caption "The Merger Opinion of Smithtown Bancorp's Financial Advisor," commencing on page 39.

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Recommendation of Smithtown Bancorp's Board of Directors (Page 38)

Smithtown Bancorp's board of directors has unanimously adopted and declared advisable the merger agreement and the transactions contemplated by the merger agreement, including the merger, and recommends that Smithtown Bancorp common stockholders vote FOR approval of the merger agreement and the transactions contemplated by the merger agreement, including the merger, and FOR the approval of the adjournment of the special meeting, if necessary, to solicit additional proxies in favor of the merger agreement and the transactions contemplated by the merger agreement, including the merger.

For more information concerning the background of the merger, the recommendation of Smithtown Bancorp's board of directors and the reasons for the merger and the recommendation, please see the discussions under The Merger Background of the Merger and The Merger Smithtown Bancorp's Reasons for the Merger; Recommendation, commencing on page 33 and page 38, respectively.

Interests of Smithtown Bancorp's Directors and Executive Officers in the Merger (Page 51)

In considering the information contained in this proxy statement/prospectus, you should be aware that Smithtown Bancorp's executive officers and members of Smithtown Bancorp's board of directors may have financial interests in the merger that are different from, or in addition to, the interests of Smithtown Bancorp stockholders generally. These additional interests of Smithtown Bancorp's executive officers and directors may create potential conflicts of interest and cause these persons to view the proposed transaction differently than you may view it as a stockholder.

The independent members of Smithtown Bancorp's board of directors were aware of these interests and, except for a recently agreed retention award between Smithtown Bancorp's chief financial officer and People's United Bank, Smithtown Bancorp's board of directors took them into account in its decision to declare advisable the merger agreement and the transactions contemplated by the merger agreement, including the merger. For information concerning these interests, please see the discussion under the caption The Merger Interests of Smithtown Bancorp's Directors and Executive Officers in the Merger, commencing on page 51.

No Solicitation of Alternative Transactions (Page 76)

Smithtown Bancorp has agreed not to initiate, solicit, knowingly encourage or knowingly facilitate the submission of any proposals from third parties regarding acquiring Smithtown Bancorp or its businesses. In addition, Smithtown Bancorp has agreed not to engage in discussions or negotiations with or provide confidential information to a third party regarding acquiring Smithtown Bancorp or its businesses. However, if Smithtown Bancorp receives an unsolicited acquisition proposal from a third party, Smithtown Bancorp may engage in negotiations with or provide confidential information to such third party if, among other steps, the Smithtown Bancorp board of directors concludes in good faith that the proposal constitutes or is reasonably likely to result in a superior proposal to the merger.

Vote Required (Page 30)

The merger agreement and the transactions contemplated by the merger agreement must be approved by the holders of two-thirds of the issued and outstanding common stock of Smithtown Bancorp. The Special Committee of Smithtown Bancorp's board of directors, appointed to select a record date for the determination of holders of Smithtown Bancorp common stock entitled to notice of and to vote at the special meeting, has fixed the close of business on October 8, 2010 as the record date for determining the Smithtown Bancorp common stockholders entitled to receive notice of and to vote at the special meeting.

Smithtown Bancorp is calling a special meeting of the common stockholders to consider and vote on the proposal to approve the merger agreement and the transactions contemplated by the merger agreement, including the merger.

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Regulatory Approvals Required for the Merger (Page 60)

To complete the merger, Smithtown Bancorp and People's United need the prior approval of the Office of Thrift Supervision. The United States Department of Justice is able to provide input into the approval process of federal banking agencies to challenge the approval on antitrust grounds. Smithtown Bancorp and People's United have filed all necessary applications and notices with the applicable regulatory authorities. Smithtown Bancorp and People's United cannot predict, however, whether or when the required regulatory approvals will be obtained.

Conditions to Completion of the Merger (Page 79)

As more fully described in this proxy statement/prospectus and the merger agreement, the completion of the merger depends on a number of mutual conditions being satisfied or waived, including:

the approval of the merger agreement by Smithtown Bancorp stockholders;

the regulatory approvals required in connection with the merger and the bank merger have been obtained and remain in full force and effect; and

the absence of any law or order prohibiting or making illegal the completion of the merger or the bank merger.

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

the other party's representations and warranties in the merger agreement being true and correct, subject to the materiality standards contained in the merger agreement;

material compliance of the other party with its covenants contained in the merger agreement; and

receipt by each party of a legal opinion from its respective counsel that the merger will qualify as a reorganization for United States federal income tax purposes within the meaning of Section 368(a) of the Code.

People's United and Smithtown Bancorp cannot be certain of when, or if, the conditions to the merger will be satisfied or waived or whether or not the merger will be completed.

Termination of the Merger Agreement (Page 80)

People's United and Smithtown Bancorp can agree at any time to terminate the merger agreement without completing the merger, even if Smithtown Bancorp stockholders have approved the merger agreement. Also, either of People's United or Smithtown Bancorp can terminate the merger agreement if:

a governmental entity that must grant a regulatory approval that is a condition to the merger denies such approval and such action has become final and non-appealable;

a governmental entity issues a final non-appealable order enjoining or prohibiting the merger or the bank merger;

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the merger is not completed by July 15, 2011 (other than because of a breach of the merger agreement by the party seeking termination);

the other party breaches the merger agreement in a manner that would entitle the party seeking to terminate the merger agreement not to complete the merger, subject to the right of the breaching party to cure, if curable, the breach within 30 days of written notice of the breach, and the party seeking to terminate is not itself then in material breach of the merger agreement; or

Smithtown Bancorp stockholders fail to approve the merger agreement at the Smithtown Bancorp special meeting.

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

Smithtown Bancorp's board of directors has failed to recommend the merger to Smithtown Bancorp stockholders or withdrawn, modified or qualified in a manner adverse to People's United its recommendation of the merger;

Smithtown Bancorp has failed to call and hold a meeting of Smithtown Bancorp stockholders in a timely manner;

Smithtown Bancorp has materially breached its non-solicitation obligations described under The Merger Agreement No Solicitation of Alternative Transactions, beginning on page 76, in any respect adverse to People's United; or

a tender or exchange offer for 15% or more of the outstanding Smithtown Bancorp common stock is commenced and the Smithtown Bancorp board of directors recommends that Smithtown Bancorp stockholders tender their shares or otherwise fails to recommend that Smithtown Bancorp stockholders reject such tender or exchange offer within 10 business days of the commencement of the offer.

Termination Fee (Page 81)

Smithtown Bancorp has agreed to pay to People's United a termination fee of up to \$2,400,000 if the merger agreement is termi