

People's United Financial, Inc.
Form S-4/A
October 19, 2007
Table of Contents

As filed with the Securities and Exchange Commission on October 19, 2007

Registration Statement No. 333-145846

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Amendment No. 1 to
FORM S-4
REGISTRATION STATEMENT

Under

THE SECURITIES ACT OF 1933

PEOPLE S UNITED FINANCIAL, INC.

(Exact name of registrant as specified in its charter)

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)

John A. Klein

Chairman, Chief Executive Officer and President

Edgar Filing: People's United Financial, Inc. - Form S-4/A

People's United Financial, Inc.

850 Main Street

Bridgeport, Connecticut 06604

(203) 338-7171

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

Copies to:

V. Gerard Comizio, Esq.	William P. Mayer, Esq.	John C. Murphy, Jr., Esq.
Matthew Dyckman, Esq.	Lisa R. Haddad, Esq.	Derek M. Bush, Esq.
Thacher Proffitt & Wood LLP	Goodwin Procter LLP	Cleary Gottlieb Steen & Hamilton LLP
1700 Pennsylvania Avenue, NW	Exchange Place	2000 Pennsylvania Avenue, NW
Washington, DC 20006	Boston, Massachusetts 02109	Washington, DC 20006
(202) 347-8400	(617) 570-1000	(202) 974-1500

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.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered ⁽¹⁾	Proposed maximum offering price per unit	Proposed maximum aggregate offering price ⁽²⁾	Amount of registration fee ⁽²⁾⁽³⁾
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 &

Edgar Filing: People's United Financial, Inc. - Form S-4/A

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) 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).
- (3) Paid with initial filing of Registration Statement on Form S-4 on August 31, 2007.

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.

Table of Contents

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.

October 18, 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 November 28, 2007, at 10:30 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 October 17, 2007, the closing sale price of People's United Financial common stock was \$17.17 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.

Edgar Filing: People's United Financial, Inc. - Form S-4/A

This document is dated [], 2007, and is first being mailed to Chittenden stockholders on or about October 23, 2007.

Table of Contents

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 November 20, 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

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

Table of Contents

CHITTENDEN CORPORATION

Two Burlington Square

Burlington, Vermont 05401

(802) 659-4000

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON NOVEMBER 28, 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 November 28, 2007, at 10:30 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 October 17, 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

October 18, 2007

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

Table of Contents

TABLE OF CONTENTS

	Page
<u>QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING</u>	1
<u>SUMMARY</u>	6
<u>SUMMARY HISTORICAL AND UNAUDITED PRO FORMA FINANCIAL INFORMATION</u>	15
<u>Unaudited Comparative Per Share Information</u>	15
<u>Comparative Stock Prices and Dividends</u>	17
<u>People's United Financial Selected Historical Financial and Operating Data</u>	17
<u>People's United Financial Non-GAAP Financial Measures and Reconciliation to GAAP</u>	20
<u>Chittenden Selected Historical Consolidated Financial Data</u>	22
<u>People's United Financial and Chittenden Preliminary Unaudited Pro Forma Selected Financial and Operating Data</u>	25
<u>RISK FACTORS</u>	26
<u>SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	31
<u>THE SPECIAL MEETING OF CHITTENDEN STOCKHOLDERS</u>	32
<u>Date, Time and Place of the Special Meeting</u>	32
<u>Purpose of the Special Meeting</u>	32
<u>Recommendation of the Chittenden Board of Directors</u>	32
<u>Record Date; Shares Entitled to Vote</u>	32
<u>Quorum; Vote Required</u>	32
<u>Share Ownership of Management</u>	33
<u>Voting of Proxies</u>	33
<u>How to Revoke Your Proxy</u>	33
<u>Voting in Person</u>	34
<u>Abstentions and Broker Non-Votes</u>	34
<u>Proxy Solicitation</u>	34
<u>Dissenters' Rights</u>	35
<u>Stock Certificates</u>	35
<u>Proposal to Approve Adjournment of the Special Meeting</u>	35
<u>THE MERGER</u>	36
<u>General</u>	36
<u>Background of the Merger</u>	36
<u>Recommendation of the Chittenden Board of Directors and Reasons for the Merger</u>	39
<u>Opinion of Chittenden's Financial Advisor J.P. Morgan Securities Inc.</u>	43
<u>Opinion of Chittenden's Financial Advisor Lehman Brothers Inc.</u>	52
<u>People's United Financial's Reasons for the Merger</u>	63
<u>Regulatory Approvals Required for the Merger</u>	63
<u>Stock Exchange Listing</u>	65
<u>Dissenters' Rights</u>	65
<u>INTERESTS OF CHITTENDEN'S EXECUTIVE OFFICERS AND DIRECTORS IN THE MERGER</u>	68
<u>Employment Agreements</u>	68
<u>Existing Severance Agreements</u>	70
<u>Equity-Based Awards</u>	71
<u>CEO Retirement Plan</u>	73
<u>Executive Management Incentive Compensation Plan</u>	73
<u>Supplemental Executive Savings Plan</u>	73
<u>Excess Parachute Payments and Gross-Ups</u>	73

Table of Contents

	Page
<u>Director Seats on the People's United Financial Board of Directors</u>	74
<u>Indemnification and Insurance</u>	74
<u>THE MERGER AGREEMENT</u>	75
<u>The Merger</u>	75
<u>Effective Time and Completion of the Merger</u>	75
<u>Board of Directors of the Surviving Corporation</u>	76
<u>Consideration To Be Received in the Merger</u>	76
<u>Proration</u>	77
<u>Stock Options and Other Stock-Based Awards</u>	80
<u>Conversion of Shares; Exchange of Certificates; Elections as to Form of Consideration</u>	81
<u>Representations and Warranties</u>	82
<u>Conduct of Business Pending the Merger</u>	84
<u>Stockholder Approval</u>	86
<u>No Solicitation of Alternative Transactions</u>	87
<u>Employee Matters</u>	88
<u>Certain Post-Closing Matters</u>	90
<u>Indemnification and Insurance</u>	90
<u>Conditions to Complete the Merger</u>	91
<u>Termination of the Merger Agreement</u>	91
<u>Amendment, Waiver and Extension of the Merger Agreement</u>	93
<u>Fees and Expenses</u>	93
<u>Restrictions on Resales by Affiliates</u>	93
<u>ACCOUNTING TREATMENT</u>	95
<u>MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER</u>	95
<u>Tax Consequences of the Merger Generally</u>	96
<u>Tax Basis and Holding Period</u>	97
<u>Cash Received in Lieu of a Fractional Share of People's United Financial Common Stock</u>	98
<u>Information Reporting and Backup Withholding</u>	98
<u>Reporting Requirements</u>	98
<u>THE COMPANIES</u>	99
<u>People's United Financial</u>	99
<u>Chittenden Corporation</u>	100
<u>PRICE RANGE OF COMMON STOCK AND DIVIDENDS</u>	101
<u>Stock Trading and Dividend Information - People's United Financial</u>	101
<u>Stock Trading and Dividend Information - Chittenden</u>	102
<u>DESCRIPTION OF PEOPLE'S UNITED FINANCIAL COMMON STOCK</u>	103
<u>People's United Financial Common Stock</u>	103
<u>Transfer Agent and Registrar</u>	103
<u>Restrictions on Ownership</u>	103
<u>Preferred Stock</u>	104
<u>COMPARISON OF RIGHTS OF STOCKHOLDERS OF CHITTENDEN AND PEOPLE'S UNITED FINANCIAL</u>	105
<u>Capitalization</u>	105
<u>Preemptive Rights</u>	105
<u>Dividends</u>	106
<u>Notice of Stockholder Meetings</u>	106
<u>Right to Call Special Meetings</u>	107

Table of Contents

	Page
<u>Actions by Written Consent of Stockholders</u>	107
<u>Rights of Dissenting Stockholders</u>	107
<u>Board of Directors Number and Removal</u>	108
<u>Filling Vacancies on the Board of Directors</u>	108
<u>Stockholder Nominations and Proposals</u>	109
<u>Amendments to Articles or Certificate of Incorporation</u>	109
<u>Amendments to Bylaws</u>	111
<u>Indemnification</u>	111
<u>Stockholder Approval of a Merger</u>	112
<u>Business Combinations and Anti-Takeover Provisions</u>	112
<u>LEGAL MATTERS</u>	114
<u>EXPERTS</u>	114
<u>STOCKHOLDER PROPOSALS</u>	114
<u>PRELIMINARY UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION</u>	115
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	125

APPENDICES

<u>AGREEMENT AND PLAN OF MERGER, DATED AS OF JUNE 26, 2007, BY AND BETWEEN PEOPLE S UNITED FINANCIAL, INC. AND CHITTENDEN CORPORATION</u>	A-1
<u>FAIRNESS OPINION OF J.P. MORGAN SECURITIES INC.</u>	B-1
<u>FAIRNESS OPINION OF LEHMAN BROTHERS INC.</u>	C-1
<u>CHAPTER 13 OF THE VERMONT BUSINESS CORPORATION ACT DISSENTERS RIGHTS</u>	D-1

Table of Contents

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

Edgar Filing: People's United Financial, Inc. - Form S-4/A

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.

Table of Contents

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

Edgar Filing: People's United Financial, Inc. - Form S-4/A

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.

Table of Contents

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. 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 November 28, 2007, at 10:30 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?

Edgar Filing: People's United Financial, Inc. - Form S-4/A

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.

Table of Contents

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 October 17, 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

Edgar Filing: People's United Financial, Inc. - Form S-4/A

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;

Table of Contents

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. You may also contact Georgeson, Inc. at 1-866-574-4074.

Table of Contents

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

Table of Contents

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 October 17, 2007, for each share of Chittenden common stock held, a Chittenden stockholder would receive either approximately \$35.829 in cash or 2.0311 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.

Table of Contents

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 ^(*)	
\$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 44.2 million, based on the number of shares of Chittenden common stock outstanding on October 17, 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).

Table of Contents

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

Table of Contents

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.

Table of Contents

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.

Table of Contents

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

Edgar Filing: People's United Financial, Inc. - Form S-4/A

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 meeting of its stockholders to be held for the purpose of obtaining stockholder approval of the merger agreement that is inconsistent with stockholder approval, or the Chittenden board has recommended any alternative transaction proposals with third parties or failed to call a meeting of its stockholders for the purpose of obtaining stockholder approval of the merger agreement.

Table of Contents

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 November 28, 2007 (see page [])

Chittenden will hold a special meeting of stockholders in the Chittenden Room, Two Burlington Square, Main Floor, Burlington, Vermont 05401 on November 28, 2007 at 10:30 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 October 17, 2007. On that date, there were 46,708,041 shares of Chittenden common stock outstanding and entitled to vote, approximately 1.42% 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

Table of Contents

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 October 17, 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 2.0627, 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 October 17, 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	\$36.768
October 17, 2007	\$ 17.17	\$ 34.92	\$35.417

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.

Table of Contents

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.

Table of Contents

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
People's United Financial		
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
Chittenden		
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		
	Sale Prices		Dividend	Sale Prices		Dividend
	High	Low	Per Share	High	Low	Per Share
2005						
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
2006						
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
2007						
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	18.62	14.78	0.13	35.82	31.86	0.22
Fourth Quarter (through October 17, 2007)	18.60	16.97		35.93	34.69	

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

Table of Contents

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)						
Selected Financial Condition Data:						
Total assets ⁽¹⁾	\$ 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 ⁽¹⁾	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 ⁽⁴⁾	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)							
Selected Operating Data:							
Net interest income FTE ⁽²⁾	\$ 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 ⁽³⁾	12.8	10.3	21.6	21.9	13.5	23.9	16.3
Non-interest expense ⁽⁴⁾	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 ⁽⁵⁾	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,

Edgar Filing: People's United Financial, Inc. - Form S-4/A

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.

Table of Contents

	For the Six Months Ended June 30,		2006	For the Year Ended December 31,			2002
	2007	2006		2005	2004	2003	
Selected Financial Ratios and Other Data:							
Performance Ratios:							
Return on average assets ⁽¹⁾	0.78%	1.24%	1.15%	1.27%	1.86%	0.54%	0.47%
Return on average stockholders' equity ⁽¹⁾	3.50	10.40	9.40	11.10	17.60	6.60	5.90
Net interest margin ⁽²⁾	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
Per Common Share Data⁽³⁾:							
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 ⁽⁴⁾	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 ⁽⁴⁾	115.0 %	42.8 %	48.3 %	38.3 %	22.9 %	63.7 %	67.4 %
Capital Ratios:							
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
Regulatory Capital Ratios⁽⁵⁾:							
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
Assets Quality Ratios:							
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 ⁽²⁾	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
	(In millions)					
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
	(In millions)					
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.

Table of Contents

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
Total	\$ 343.1	\$ 337.1	\$ 334.6	\$ 341.1	\$ 335.8
Net interest income ⁽¹⁾	\$ 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 ⁽¹⁾	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	
Total	\$ 559.6	\$ 536.8	\$ 483.7	\$ 446.6	\$ 471.0
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	
Total	\$ 183.1	\$ 171.5

Edgar Filing: People's United Financial, Inc. - Form S-4/A

Net interest income ⁽¹⁾	\$ 227.3	\$ 190.1
Total non-interest income	89.1	81.6
Add:		
BOLI FTE adjustment ⁽¹⁾	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)						
Statements of Income:							
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
Balance sheets average daily balances:							
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
Per common share:							
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 ⁽¹⁾	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

Table of Contents

	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)							
Selected financial ratios:							
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 ⁽²⁾	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 ⁽²⁾	0.96%	1.36%	1.40%	1.40%	1.32%	1.33%	1.39%
Common stock dividend payout ratio ⁽³⁾	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 ⁽⁴⁾	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 ⁽⁵⁾	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%
Risk-based capital ratios:							
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 ⁽¹⁾	6.39%	6.79%	7.10%	7.01%	6.71%	6.14%	7.40%

Reconciliation of non-GAAP measurements to GAAP

(1) Tangible/capital book value reconciliation

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 ^(A)	\$ 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 ^(B)	\$ 6,574,853	\$ 6,228,251	\$ 6,200,769	\$ 6,239,843	\$ 5,841,747	\$ 5,661,480	\$ 4,855,807
Tangible capital ^{(A)/(B)}	6.39%	6.79%	7.10%	7.01%	6.71%	6.14%	7.40%
Common shares outstanding at year-end ^(C)	46,464,305	45,978,122	45,360,125	46,829,048	46,341,819	45,795,688	39,924,338
Tangible book value ^{(A)/(C)}	\$ 9.04	\$ 9.20	\$ 9.70	\$ 9.35	\$ 8.45	\$ 7.59	\$ 9.00
(2) Return on average tangible equity & assets							
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

Table of Contents

	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 ^(A)	\$ 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 ^(B)	\$ 432,949	\$ 437,415	\$ 439,825	\$ 414,531	\$ 367,350	\$ 340,423	\$ 339,775
Return on average tangible equity ^{(A)/(B)}	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 ^(C)	\$ 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 ^{(A)/(C)}	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

RECENT DEVELOPMENTS**Earnings for the Quarter Ended September 30, 2007**

On October 18, 2007, Chittenden announced earnings for the quarter ended September 30, 2007 of \$24.0 million, or \$0.51 per diluted share, compared to \$21.7 million or \$0.47 per diluted share for the same period a year ago. For the first nine months of 2007, net income was \$53.1 million or \$1.15 per diluted share. Excluding \$9.7 million in losses on sales of securities (after tax) and a \$2.8 million non-recurring charge related to Chittenden's acquisition of Merrill Merchants Bancshares, Inc. (after tax), core earnings (non-GAAP) for the first nine months of 2007 were \$65.6 million or \$1.42 per diluted share. At September 30, 2007, Chittenden also had total assets of \$6.9 billion, total loans of \$5.2 billion, total deposits of \$5.8 billion, borrowings of \$285.0 million, and total stockholders' equity of \$747.0 million.

Chittenden also announced its quarterly dividend of \$0.22 per share, which will be paid on November 9, 2007 to stockholders of record on October 26, 2007.

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
Selected Operating Data:		
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
Per Common Share Data:		
Diluted earnings per share	\$ 0.17	\$ 0.55
Dividends per share	0.25	0.46
Book value per share	15.92	N/A
Selected Financial Condition Data:		
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	

Table of Contents

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

Table of Contents

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

Table of Contents

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 the alternative proposal constitutes a superior proposal (generally, a proposal which is more favorable to Chittenden stockholders than the merger and which satisfies certain other conditions) and negotiate in good faith with People's United Financial to modify the terms and conditions of the merger agreement (though People's United Financial is not obligated to propose any modifications). If at the end of the five business day period the Chittenden board of directors again determines in good faith, after taking into account any revised terms of the merger agreement and after consulting with outside legal counsel and a financial advisor, that failure to recommend the alternative proposal would be inconsistent with its fiduciary duties to Chittenden stockholders under applicable law and that the alternative proposal constitutes a superior proposal, then People's United Financial would be entitled to terminate the merger agreement and to receive a termination fee. The merger agreement may also be terminated by Chittenden if it enters into an agreement based on a superior proposal, so long as it pays a termination fee to People's United Financial. See *The Merger Agreement Stockholder Approval* beginning on page [] of this document and *The Merger Agreement Termination of the Merger Agreement* beginning on page [] of this document.

Also, if Chittenden breaches certain of its obligations (including the non-solicitation provisions and the requirement to recommend approval of the merger agreement to Chittenden stockholders), People's United Financial is entitled to terminate the merger agreement and receive a termination fee. In addition, in some situations where a competing acquisition proposal has been made known to Chittenden or its stockholders and the merger agreement is subsequently terminated for a variety of reasons (including, among other reasons, because Chittenden stockholders fail to approve the merger agreement or Chittenden has materially breached certain obligations under the merger agreement), Chittenden is required to pay People's United Financial a termination fee if Chittenden completes, or enters into a definitive agreement for, an alternative acquisition transaction during the twelve months after the termination. See *The Merger Agreement No Solicitation of Alternative Transactions* beginning on page [] of this document and *The Merger Agreement Termination of the Merger Agreement* beginning on page [] of this document. People's United Financial required Chittenden to agree to these provisions as a condition to People's United Financial's willingness to enter into the merger agreement. However, these provisions might discourage a potential competing acquirer that has an interest in acquiring all or a significant part of Chittenden from considering or proposing that acquisition even if it were prepared to pay consideration with a higher per share price than that proposed in the merger, or might result in a potential competing acquirer proposing to pay a lower per share price to acquire Chittenden than it might otherwise have proposed to pay.

Table of Contents

The Shares of People's United Financial Common Stock to Be Received by Chittenden Stockholders as a Result of the Merger Will Have Different Rights from the Shares of Chittenden Common Stock.

Upon completion of the merger, Chittenden stockholders who receive shares of People's United Financial common stock in the merger will become People's United Financial stockholders and their rights as stockholders will be governed by the certificate of incorporation and bylaws of People's United Financial and Delaware corporate law. The rights associated with Chittenden common stock are different from the rights associated with People's United Financial common stock. See *Comparison of Rights of Stockholders of Chittenden and People's United Financial*, beginning on page [] of this document, for a discussion of the different rights associated with People's United Financial common stock.

The Tax Consequences of the Merger for Individual Chittenden Stockholders Will Be Dependent Upon the Merger Consideration Received.

The tax consequences of the merger to a Chittenden stockholder will depend upon the merger consideration that the stockholder receives. A Chittenden stockholder generally will not recognize any gain or loss on the conversion of shares of Chittenden common stock solely into shares of People's United Financial common stock. However, a Chittenden stockholder generally will be taxed if he, she, or it receives cash in exchange for shares of Chittenden common stock or for any fractional share of People's United Financial common stock. For a detailed discussion of the tax consequences of the merger to Chittenden stockholders generally, see the section in this document titled *Material U.S. Federal Income Tax Consequences of the Merger* beginning on page []. Each Chittenden stockholder should consult his, her, or its own tax advisors as to the effect of the merger as applicable to the Chittenden stockholder's particular circumstances.

Chittenden Executive Officers and Directors Have Financial Interests in the Merger that Are Different from, or in Addition to, the Interests of Chittenden Stockholders.

Executive officers of Chittenden negotiated the terms of the merger agreement with their counterparts at People's United Financial, and the Chittenden board of directors approved the merger agreement and unanimously recommended that Chittenden stockholders vote to approve the merger agreement. In considering these facts and the other information contained in this document, you should be aware that Chittenden's executive officers and directors have financial interests in the merger that are different from, or in addition to, the interests of Chittenden stockholders generally. Please see *Interests of Chittenden's Executive Officers and Directors in the Merger* beginning on page [] of this document for information about these financial interests.

The Merger is Subject to the Receipt of Consents and Approvals from Governmental Entities that May Delay the Date of Completion of the Merger or Impose Conditions that Could Have an Adverse Effect on People's United Financial.

Before the merger may be completed, various approvals or consents must be obtained from the Office of Thrift Supervision and other governmental authorities. Satisfying the requirements of these governmental entities may delay the date of completion of the merger. In addition, these governmental entities, including the Office of Thrift Supervision, may include conditions on the completion of the merger or require changes to the terms of the merger. While People's United Financial and Chittenden do not currently expect that any such conditions or changes would result in a material adverse effect on People's United Financial, there can be no assurance that they will not, and such conditions or changes could have the effect of delaying completion of the merger or imposing additional costs on or limiting the revenues of People's United Financial following the merger, any of which might have a material adverse effect on People's United Financial following the merger. People's United Financial is not obligated to complete the merger if the regulatory approvals received in connection with the completion of the merger include any conditions or restrictions that would reasonably be expected to have a material adverse effect on People's United Financial, but People's United Financial could choose to waive this condition.

Table of Contents

The Unaudited Pro Forma Financial Data Included in this Document is Preliminary, and the Combined Company's Actual Financial Position and Results of Operations May Differ Materially from the Unaudited Pro Forma Financial Data Included in this Document.

The unaudited pro forma financial data in this document is presented for illustrative purposes only and is not necessarily indicative of what the combined company's actual financial position or results of operations would have been had the merger been completed on the dates indicated. This data reflects certain assumptions about the price of People's United Financial common stock and the number of shares of such stock that will be issued in the merger. That data also reflects adjustments, which are based upon preliminary estimates, to allocate the purchase price to Chittenden's net assets. The purchase price allocation reflected in this document is preliminary, and final allocation of the purchase price will be based upon the actual purchase price and the fair value of the assets and liabilities of Chittenden as of the date of the completion of the merger. In addition, subsequent to the merger completion date, there may be further refinements of the purchase price allocation as additional information becomes available. Accordingly, the final purchase accounting adjustments may differ materially from the pro forma adjustments reflected in this document. See *Preliminary Unaudited Pro Forma Condensed Combined Financial Information* beginning on page [] of this document.

Table of Contents

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document, including the information incorporated by reference, contains statements that may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. You can identify these statements by forward-looking words such as may, could, should, would, intend, will, expect, anticipate, believe, estimate, and other similar words. People's United Financial and Chittenden intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and are including this statement for purposes of complying with these safe harbor provisions. You should read statements that contain these words carefully because they discuss the relevant company's future expectations, contain projections of the relevant company's future results of operations or financial condition, or state other forward-looking information.

There may be events in the future that People's United Financial and Chittenden are not able to predict accurately or control and that may cause actual results to differ materially from the expectations described in these forward-looking statements. You are cautioned that all forward-looking statements involve risks and uncertainties, and actual results may differ materially from those discussed in this document, including the documents incorporated by reference into this document. These differences may be the result of various factors, including those factors described in the *Risk Factors* section in this document and other risk factors identified from time to time in People's United Financial's and Chittenden's periodic filings with the Securities and Exchange Commission that are incorporated in this document by reference, including the Annual Report on Form 10-K for the year ended December 31, 2006 for each of People's United Financial and Chittenden.

The factors referred to above include many, but not all, of the factors that could impact the relevant company's ability to achieve the results described in any forward-looking statements. You should not place undue reliance on forward-looking statements, which speak only as of the date of this document or the date of any document incorporated by reference into this document. You should be aware that the occurrence of the events described above and elsewhere in this document, including the documents incorporated by reference, could harm each company's or the combined company's business, prospects, operating results or financial condition. Neither People's United Financial nor Chittenden undertakes any obligation to update any forward-looking statements as a result of future events or developments.

Table of Contents

THE SPECIAL MEETING OF CHITTENDEN STOCKHOLDERS

Date, Time and Place of the Special Meeting

The special meeting of stockholders of Chittenden Corporation will be held in the Chittenden Room, Two Burlington Square, Main Floor, Burlington, Vermont 05401 on November 28, 2007, at 10:30 a.m., local time.

Purpose of the Special Meeting

At the special meeting, Chittenden stockholders as of the record date will be asked to consider and vote on the following proposals:

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 and Chittenden;
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 act upon such other matters as may properly come before the special meeting or any adjournment or postponement of that meeting.

Recommendation of the Chittenden Board of Directors

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

Record Date; Shares Entitled to Vote

Only holders of record of Chittenden common stock at the close of business on the record date of October 17, 2007, are entitled to notice of and to vote at the special meeting. As of the record date, there were 46,708,041 shares of Chittenden common stock outstanding, held of record by approximately 4,288 stockholders. Each holder of Chittenden common stock is entitled to one vote for each share of Chittenden common stock he, she or it owned as of the record date.

A list of Chittenden stockholders as of the record date will be available for review by any Chittenden stockholder entitled to vote at the special meeting, the stockholder's agent or attorney at Chittenden's principal executive offices during regular business hours beginning two business days after notice of the special meeting is given and continuing through the special meeting.

Quorum; Vote Required

A quorum of Chittenden stockholders is necessary to hold a valid meeting. If the holders of at least a majority of the total number of outstanding shares of Chittenden common stock entitled to vote are represented in person or by proxy at the special meeting, a quorum will exist. Chittenden will include proxies marked as abstentions and broker non-votes in determining the number of shares present at the special meeting.

The affirmative vote of the holders of at least a majority of the outstanding shares of Chittenden common stock as of the record date is required to approve the merger agreement. If you do not vote, either in person or by proxy, it will have the same effect as voting against approval of the merger agreement.

A majority of the votes properly cast is required to approve one or more adjournments of the special meeting.

Table of Contents

Share Ownership of Management

As of the record date, the directors and executive officers of Chittenden and their affiliates collectively owned 663,510 shares of Chittenden common stock, or approximately 1.42% of Chittenden's outstanding shares.

Voting of Proxies

The Chittenden board of directors requests that you submit the proxy card accompanying this document for use at the special meeting. Please complete, date and sign the proxy card and promptly return it in the enclosed pre-paid envelope. In addition, you may vote your shares through the Internet or by telephone by following the instructions included on the enclosed proxy card. If you vote your shares through the Internet or by telephone, please do not return the proxy card. The Internet voting facility and the telephone voting facility for stockholders of record will close at 1:00 a.m., Central Time, on November 28, 2007.

All properly signed proxies received prior to the special meeting and not revoked before the vote at the special meeting will be voted at the special meeting according to the instructions indicated on the proxies or, **if no instructions are given, the shares will be voted FOR approval of the merger agreement, FOR an adjournment of the special meeting to solicit additional proxies, if necessary, and in the proxies discretion with respect to any other matters as may properly come before the special meeting or any adjournment or postponement of that meeting.**

We do not expect that any matters other than those set forth in the notice for the special meeting will be brought before the meeting. If other matters are properly presented and are within the purpose of the special meeting, however, the persons named as proxies will vote on those matters in such manner as shall be determined by a majority of the Chittenden board of directors.

If you hold your shares of Chittenden common stock in street name, meaning in the name of a bank, broker or other nominee who is the record holder, you must either direct the record holder of your shares of Chittenden common stock how to vote your shares or obtain a proxy from the record holder to vote your shares in person at the special meeting.

If you have questions or need assistance in completing or submitting your proxy card, please contact F. Sheldon Prentice, Secretary, at the following address or telephone number:

Chittenden Corporation

P.O. Box 820

Burlington, Vermont 05402-0820

(802) 658-4000

You may also contact Georgeson, Inc. at 1-866-574-4074.

How to Revoke Your Proxy

You may revoke your proxy at any time by taking any of the following actions before your proxy is voted at the special meeting:

delivering 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;

signing and delivering to the secretary of Chittenden a new proxy card relating to the same shares and bearing a later date;

Edgar Filing: People's United Financial, Inc. - Form S-4/A

properly casting 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; or

attending the special meeting and voting in person, although attendance at the special meeting will not, by itself, revoke a proxy.

Table of Contents

You should send any notice of revocation or your completed new proxy card, as the case may be, to F. Sheldon Prentice, Secretary, at the following address:

Chittenden Corporation
P.O. Box 820
Burlington, Vermont 05402-0820

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.

Voting in Person

If you plan to attend the special meeting and wish to vote in person, you will be given a ballot at the special meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the special meeting, you must bring additional documentation from the broker, bank or other nominee in order to vote your shares. Whether or not you plan to attend the special meeting, Chittenden requests that you 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.

Abstentions and Broker Non-Votes

Only shares affirmatively voted for approval of the merger agreement, including shares represented by properly executed proxies that do not contain voting instructions, will be counted as votes **FOR** the merger agreement.

Brokers who hold shares of Chittenden common stock in street name for a customer who is the beneficial owner of those shares may not exercise voting authority on the customer's shares with respect to the actions proposed in this document without specific instructions from the customer. Proxies submitted by a broker that do not exercise this voting authority are referred to as broker non-votes. If your broker holds your shares of Chittenden common stock in street name, your broker will vote your shares only if you provide instructions on how to vote by filling out the voter instruction form sent to you by your broker with this document.

Accordingly, you are urged to mark and return the enclosed proxy card to indicate your vote, submit a proxy through the Internet or by telephone by following the instructions included on the enclosed proxy card, or fill out the voter instruction form, if applicable.

Abstentions and broker non-votes will be included in determining the presence of a quorum at the special meeting, but will have the same effect as voting against approval of the merger agreement. A majority of the votes properly cast is required to approve one or more adjournments of the special meeting. Abstentions and broker non-votes will have no effect on the outcome of that vote.

Proxy Solicitation

The enclosed proxy is solicited by and on behalf of the Chittenden board of directors. All expenses of the solicitation of proxies are being borne by Chittenden. It is expected that solicitations will be made primarily by mail, but regular employees or representatives of Chittenden may also solicit proxies by telephone and other electronic means and in person and arrange for nominees, custodians and fiduciaries to forward proxies and proxy material to their principals at the expense of Chittenden.

Chittenden has also retained Georgeson, Inc. to assist with the solicitation of proxies for a fee of \$7,500, plus \$5.00 for each telephone solicitation, plus reimbursement of out-of-pocket expenses.

Table of Contents

Dissenters' Rights

Chittenden is organized as a corporation under Vermont law. Under Vermont corporate law, Chittenden stockholders who object to the merger have dissenters' rights. See *The Merger Dissenters' Rights* beginning on page [] of this document.

Stock Certificates

You should not send in any certificates representing Chittenden common stock at this time. Prior to the anticipated closing date of the merger, you will receive separate instructions for the exchange of your certificates representing Chittenden common stock. For more information regarding these instructions, please see the section in this document titled *The Merger Agreement Conversion of Shares; Exchange of Certificates; Elections as to Form of Consideration* beginning on page [] of this document.

Proposal to Approve Adjournment of the Special Meeting

Chittenden is submitting a proposal for consideration at the special meeting to authorize the named proxies to approve one or more adjournments of the special meeting if there are not sufficient votes to approve the merger agreement at the time of the special meeting. Even though a quorum may be present at the special meeting, it is possible that Chittenden may not have received sufficient votes to approve the merger agreement by the time of the special meeting. In that event, Chittenden would need to adjourn the special meeting in order to solicit additional proxies. The adjournment proposal relates only to an adjournment of the special meeting for purposes of soliciting additional proxies to obtain the requisite stockholder vote to approve the merger agreement. Any other adjournment of the special meeting (e.g., an adjournment required because of the absence of a quorum) would be voted upon pursuant to the discretionary authority granted by the proxy. If the special meeting is adjourned for 120 days or less, Chittenden is not required to give notice of the time and place of the adjourned meeting if the new time and place is announced at the meeting before adjournment, unless the board of directors fixes a new record date for the special meeting.

The adjournment proposal relates only to an adjournment of the special meeting occurring for purposes of soliciting additional proxies for approval of the merger agreement proposal in the event that there are insufficient votes to approve that proposal. Each of the Chittenden board of directors and the presiding officer of the special meeting retains full authority to the extent set forth in Chittenden's bylaws and under Vermont law to adjourn the special meeting for any other purpose, or to postpone the special meeting before it is convened, without the consent of any Chittenden stockholders.

Table of Contents

THE MERGER

General

Under the terms and conditions set forth in the merger agreement, Chittenden will be merged with and into People's United Financial, with People's United Financial being the surviving corporation. At the effective time of the merger, each share of Chittenden common stock outstanding immediately prior to the effective time will, by virtue of the merger and without any action on the part of the stockholder, be converted into the right to receive either:

cash in an amount equal to \$20.35 plus the product of 0.8775 times 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 (which is referred to as the cash consideration); or

a number of shares of People's United Financial common stock that is approximately equivalent in value to the cash consideration per share (which is referred to as the stock consideration).

You will have the opportunity to elect the form of consideration to be received for all shares of Chittenden common stock that you hold, subject to proration procedures set forth in the merger agreement. You may elect to receive a portion of your merger consideration in cash and the remaining portion in shares of People's United Financial common stock. The proration procedures included in the merger agreement are intended to ensure that \$1,013,022,898 (subject to adjustment as described in *The Merger Agreement Consideration To Be Received in the Merger* beginning on page [] of this document) of the aggregate merger consideration will be paid in cash and the remainder will be paid in shares of People's United Financial common stock.

Background of the Merger

Chittenden's management and board of directors, with the assistance of their financial advisors, have periodically reviewed various strategic alternatives as part of their on-going efforts to improve Chittenden's commercial and community banking franchise and enhance stockholder value. These reviews have focused on assessing opportunities for increasing earnings internally and for growth through acquisitions of other banks, as well as the possibility of a strategic business combination with another institution. Chittenden's management and board of directors also regularly review the banking industry environment, including the trend towards consolidation, and potential strategies for enhancing Chittenden's competitive position in this environment.

Consistent with these goals and in the ordinary course of business, Paul A. Perrault, Chairman, President and Chief Executive Officer of Chittenden, has, from time to time, had informal conversations with members of management of other banking institutions. In the course of these informal conversations, executives from several other banking institutions expressed an interest in discussing a possible strategic transaction with Chittenden. However, these conversations, which were general in nature, did not result in the parties engaging in more significant discussions. During the past several years, these informal conversations have decreased in number due to the continuing consolidation in the banking industry and the resulting decrease in potential strategic partners for Chittenden.

During the summer of 2006, Mr. Perrault engaged in such an informal conversation with an executive of a banking institution operating in the Northeast regarding a potential strategic transaction. However, these discussions never progressed beyond the exploratory stage, as the other party expressed uncertainty as to whether Chittenden was a good fit as a strategic partner given that institution's then recent change in focus and preference for other markets.

Also in the summer of 2006, Kirk W. Walters, Executive Vice President and Chief Financial Officer of Chittenden, contacted People's United Financial's Executive Vice President and Chief Financial Officer, Philip R. Sherringham, and the two officers met to discuss in general terms the possibility of a business

Table of Contents

combination transaction. Following this meeting, on August 17, 2006, Messrs. Perrault and Walters met with Mr. Sherringham and John A. Klein, Chairman, President and Chief Executive Officer of People's United Financial, in Springfield, Massachusetts, where they discussed general industry trends and the strategic challenges and opportunities facing companies in the banking industry. They also discussed, in general terms, the potential merits and challenges of a business combination transaction between the two companies.

On September 15, 2006, Mr. Klein met with Mr. Perrault in Burlington, Vermont to discuss their respective companies and operating models, including Chittenden's structure as a multi-bank holding company. On October 13, 2006, Mr. Perrault traveled to Bridgeport, Connecticut to tour several branches of People's United Bank. Messrs. Perrault and Klein also continued their discussion regarding their respective business models and, in particular, the advisability of a multi-bank structure with significant operating autonomy at the individual bank level. At these meetings, the discussions remained at a preliminary stage and did not involve any discussion of a specific price range or other transaction terms.

During December 2006, Mr. Perrault engaged in informal conversations with an executive of a second banking institution operating in the Northeast regarding a potential strategic transaction. Again, these conversations never progressed beyond the exploratory stage, due primarily to a lack of interest by the other party.

On January 19, 2007, Chittenden announced that it had entered into a definitive agreement to acquire Merrill Merchants Bancshares, Inc., a commercial bank headquartered in Bangor, Maine. Chittenden's acquisition of Merrill Merchants, which was completed in May 2007, and its pending acquisition of Community Bank & Trust Company, headquartered in Wolfeboro, New Hampshire, each represent steps to implement Chittenden's long-term and evolving strategic planning process.

Also during the winter of 2007, Mr. Perrault engaged in informal conversations with an executive of a third banking institution operating in the Northeast regarding a potential strategic transaction. Based on the nature of that institution, including its relative size, an acquisition of Chittenden would have been financially difficult to accomplish. As a result, the transaction framework proposed by the other party had the characteristics of a merger-of-equals, in which Chittenden stockholders would not have realized a full acquisition premium. Chittenden did not believe that such a transaction would sufficiently enhance stockholder value, and consequently these discussions never progressed beyond the exploratory stage.

On April 18, 2007, the Chittenden board of directors held a regular meeting. In addition to other topics, the board discussed Chittenden's strategic alternatives in general. A few weeks after that meeting, Mr. Klein contacted Mr. Perrault about exploring a potential business combination transaction with Chittenden and again indicated his views on the strategic advantages of such a combination. During this period, Mr. Perrault continued to discuss with Chittenden's financial advisors various strategic alternatives.

On May 8, 2007, Chittenden and People's United Financial entered into a customary confidentiality agreement providing for, among other things: (1) the confidentiality of information to be exchanged in connection with the parties' consideration of a potential transaction; (2) the nondisclosure of any negotiations regarding such a transaction; (3) prohibitions on the parties contacting or soliciting each others' employees; and (4) prohibitions on each party's ability to engage in certain hostile takeover activities with respect to the other party for a limited period of time.

On May 9, 2007, Mr. Klein traveled to Burlington, Vermont to meet with Mr. Perrault and discuss the general terms of a potential transaction, including, among other things, the transaction structure, the mix of cash and stock consideration, the anticipated roles of Mr. Perrault and the Chittenden bank presidents with the combined company, and potential seats on the People's United Financial board of directors for Chittenden representatives. Mr. Klein also expressed preliminary interest in pursuing a potential transaction at a price of \$34.50 per share of Chittenden common stock. After discussing the potential merits and challenges of such a transaction, Mr. Perrault expressed his view that the proposed transaction was unlikely to significantly enhance

Table of Contents

stockholder value in the context of then current market conditions and other circumstances. However, in light of the current industry conditions and consistent with the board's practice of periodically evaluating strategic alternatives available to Chittenden, Mr. Perrault offered to provide People's United Financial with additional information that he believed would support a higher price.

The parties subsequently engaged in further discussions regarding the structure and valuation of a potential transaction. On May 18, 2007, Mr. Walters met with Mr. Sherringham in New York, New York to discuss Chittenden's operating results, financial condition and related matters. On May 22, 2007, Mr. Perrault met with Mr. Klein in Bridgeport, Connecticut to continue their discussions regarding the framework for a potential business combination transaction. At this meeting, Mr. Perrault reiterated that, consistent with recent deliberations of the Chittenden board regarding strategic alternatives, prevailing market conditions, Chittenden's record of strong performance, and the perceived importance of maintaining Chittenden as an independent banking organization in its various markets, a per share price of \$34.50 would not be acceptable.

On May 25, 2007, Chittenden formally engaged JPMorgan and Lehman Brothers as its financial advisors to assist the board of directors in assessing the strategic alternatives available to Chittenden, including a proposal submitted by People's United Financial.

On May 29, 2007, Mr. Klein communicated to Mr. Perrault a revised indication of interest at a price of \$36.25 per share of Chittenden common stock, subject to due diligence, negotiation of mutually satisfactory documentation and board approval. On May 30, 2007, the Chittenden board of directors met with its financial advisors to consider the proposed transaction with People's United Financial. After extensive discussion regarding the proposal, current market conditions, and the other strategic alternatives available to Chittenden, the Chittenden board determined that the price per share being offered by People's United Financial was not sufficient.

On June 7, 2007, People's United Financial increased its indication of interest to \$37.00 per share of Chittenden common stock. Shortly after that date, People's United Financial orally submitted a preliminary proposal regarding the acquisition of Chittenden, which provided for, among other things: (1) the \$37.00 per share price; (2) approximately 50% to 60% of the consideration to be paid in cash, with the remainder to be paid in the form of People's United Financial common stock in a tax-free exchange; (3) the ability of Chittenden stockholders to elect between the cash and stock consideration, subject to proration procedures and mechanics that would ensure that Chittenden stockholders, regardless of their election, would receive similar value in the transaction; (4) two seats on the People's United Financial board of directors for current independent directors of Chittenden; and (5) an employment agreement between Mr. Perrault and People's United Financial and other employment opportunities for the Chittenden bank presidents. On June 11, 2007, the Chittenden board met with its financial advisors to consider the proposal. After extensive discussion regarding the proposal, current market conditions, and the other strategic alternatives available to Chittenden, the board authorized Mr. Perrault to proceed with the negotiation of a transaction with People's United Financial on the basis of the \$37.00 per share price and the other proposed terms. In reaching its conclusion, the Chittenden board noted the long-term strategic challenges associated with increasing earnings internally and/or continuing to grow through acquisitions of other banks, due primarily to the consolidation in the banking industry and the increasing level of competition. The board also noted that the consolidation in the banking industry, combined with Chittenden's market location, had resulted in fewer potential strategic partners for Chittenden.

Beginning on June 14, 2007 and over the next several weeks, representatives of People's United Financial performed due diligence with respect to Chittenden's business, including the review of legal and financial documents related to Chittenden. A meeting of senior management of People's United Financial and Chittenden and their representatives on June 12, 2007 preceded this due diligence process. Chittenden and its representatives also conducted due diligence on People's United Financial and its business, including a meeting at People's United Financial's offices on June 22, 2007. During the course of the due diligence process, representatives of People's United Financial and Chittenden, including their respective legal counsel and financial advisors,

Table of Contents

discussed People's United Financial's and Chittenden's respective operations, capital structures, regulatory regimes, and other matters raised in the course of the due diligence process.

On June 17, 2007, counsel to People's United Financial furnished an initial draft of the merger agreement to Chittenden. Following receipt of this initial draft, a number of drafts of the merger agreement and related documentation were negotiated and exchanged between the parties. People's United Financial also negotiated an employment agreement with Mr. Perrault, to be effective upon the closing of the transaction, and a proposed form of employment agreement for the Chittenden bank presidents.

On June 22, 2007, the Chittenden board held a telephonic meeting to receive an update from management and the company's legal counsel on the status of negotiations with People's United Financial. Following questions and discussion among those in attendance, the board authorized management to complete negotiations with People's United Financial and finalize definitive documentation regarding the proposed transaction. Also at this meeting, legal counsel made a presentation regarding the fiduciary duties of the directors in connection with the proposed transaction.

Following the June 22, 2007 board meeting, the parties and their legal counsel and financial advisors worked to finalize the terms of the merger agreement and the related transaction documents.

On June 26, 2007, the Chittenden board held a meeting to consider the merger agreement and the proposed merger. At the meeting, management and Chittenden's legal counsel and financial advisors updated the board on recent events. Legal counsel made a presentation in which the fiduciary duties of the directors in connection with the proposed transaction were again reviewed and the terms of the merger agreement, including the merger consideration, closing conditions, termination rights and termination fee, were summarized. Board members commented and raised a number of questions which were addressed by legal counsel. Representatives of each of JPMorgan and Lehman Brothers then provided the Chittenden board with presentations concerning the financial terms of the merger and certain methods of valuation and financial analyses that they had each performed in connection with evaluating the financial terms of the merger. JPMorgan then delivered its oral opinion (subsequently confirmed by delivery of a written opinion dated June 26, 2007) to the Chittenden board to the effect 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 Chittenden stockholders in the merger was fair, from a financial point of view, to those stockholders. Lehman Brothers also delivered its oral opinion (subsequently confirmed by delivery of a written opinion dated June 26, 2007) to the Chittenden board to the effect 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 Chittenden stockholders in the merger was fair, from a financial point of view, to those stockholders. The Chittenden board then continued to discuss at length the terms of the proposed merger and a variety of positive and negative considerations concerning the transaction. The factors considered are described in more detail below under the heading *Recommendation of the Chittenden Board of Directors and Reasons for the Merger*. Based on these deliberations, the Chittenden board unanimously determined that the merger agreement was advisable and in the best interests of Chittenden and its stockholders, and voted to adopt and approve the merger agreement.

Also on June 26, 2007, the People's United Financial board of directors held a special meeting at which members of People's United Financial's senior management and People's United Financial's legal and financial advisors made various presentations about, and the board discussed, the potential strategic combination with Chittenden and the proposed terms of the merger. At this meeting, the People's United Financial board approved the merger agreement and the transactions contemplated in the merger agreement.

Following these meetings, on the evening of June 26, 2007, the parties executed the definitive merger agreement. On June 27, 2007, the parties issued a joint press release before the opening of the markets announcing the execution of the merger agreement.

Recommendation of the Chittenden Board of Directors and Reasons for the Merger

After careful consideration, the Chittenden board of directors determined that the merger agreement is advisable and in the best interests of Chittenden and its stockholders. Accordingly, the Chittenden board of

Table of Contents

directors adopted and approved the merger agreement, and unanimously recommends that Chittenden stockholders vote **FOR** approval of the merger agreement.

In reaching its determination that the merger agreement is advisable and in the best interests of Chittenden and its stockholders, the Chittenden board consulted with senior management and Chittenden's financial and legal advisors, drew on its knowledge of the business, operations, properties, assets, financial condition, operating results, historical market prices and prospects of Chittenden and People's United Financial, and considered the following factors, each of which the Chittenden board deemed favorable:

Prevailing Conditions in the Banking Industry. The Chittenden board considered the current and prospective economic and competitive climate facing Chittenden and independent regional banking organizations generally, including:

margin pressure;

minimal deposit and slowing revenue growth;

increasing expenses resulting from regulatory initiatives and compliance mandates;

the need for substantial capital resources to address emerging opportunities in the banking and finance industries;

the pace and scope of consolidation in the banking industry; and

competition from larger institutions.

Specifically, the Chittenden board focused on several major financial companies who are Chittenden's competitors and whose greater resources are likely to afford them marketplace advantage by enabling them to aggressively price products and services on an opportunistic basis, as well as to maintain numerous banking locations and mount extensive promotional and advertising campaigns.

Other Strategic Alternatives Available to Chittenden. The Chittenden board considered the challenges facing Chittenden in remaining an independent banking institution, including the increasing level of competition in the banking industry, and Chittenden's business and earnings prospects if it were to remain an independent entity. The Chittenden board noted the long-term strategic challenges associated with increasing earnings internally and/or continuing to grow through acquisitions of other banks, due primarily to the consolidation in the banking industry and the increasing level of competition. The board also noted that the consolidation in the banking industry, combined with Chittenden's market location, had resulted in fewer potential strategic partners for Chittenden.

Value and Form of Merger Consideration. The Chittenden board considered the value and form of the consideration offered by People's United Financial, including:

the implied transaction value per share of Chittenden common stock of \$37.03, based on the People's United Financial average closing share price of \$19.01 for the three days ending June 25, 2007;

the premium represented by the consideration to be offered to the holders of Chittenden common stock in the merger, which, based upon the \$18.71 closing market price of People's United Financial common stock on June 25, 2007 and the implied value of the merger consideration of \$36.77 per share of Chittenden common stock as of that date, represented approximately a 31% premium over the market price of Chittenden common stock on June 25, 2007;

the mix of the aggregate consideration payable by People's United Financial in the merger between cash (approximately 55%) and People's United Financial common stock (approximately 45%);

the right of Chittenden stockholders, subject to proration, to elect to receive cash or shares of People's United Financial common stock (or a combination of each) in the merger;

Table of Contents

the provisions of the merger agreement that provide for Chittenden stockholders, regardless of their election, to receive consideration with similar value in the transaction;

the right of Chittenden stockholders who receive People's United Financial common stock in the merger to continue to participate in the growth of the combined company; and

the expected treatment of the merger as a reorganization for U.S. federal income tax purposes.

Ability of People's United Financial to Pay Merger Consideration. The Chittenden board considered People's United Financial's recent conversion of its state savings bank to a federal charter and second-step conversion to a 100% publicly-owned company. In particular, the board noted that People's United Financial had raised \$3.3 billion in net proceeds from its second-step conversion that was available to finance the merger.

Advice from Chittenden's Financial Advisors. The Chittenden board considered the presentations made by JPMorgan and Lehman Brothers with respect to the proposed consideration to be received by the holders of Chittenden common stock in the merger. The Chittenden board considered JPMorgan's oral opinion, which was subsequently confirmed in writing, to the effect that, as of the date of the opinion and based upon and subject to the factors and assumptions set forth in that opinion, the consideration to be received by Chittenden stockholders in the merger was fair from a financial point of view to those stockholders. Similarly, the Chittenden board considered Lehman Brothers' oral opinion, which was subsequently confirmed in writing, to the effect that, as of the date of the opinion and based upon and subject to the factors and assumptions set forth in that opinion, the consideration to be offered to Chittenden stockholders in the merger was fair from a financial point of view to those stockholders. The full text of each of these opinions is attached to this document as *Appendices B* and *C*.

Compatibility of Cultures. The Chittenden board considered the compatibility of the banking cultures and business and management philosophies of the two companies, particularly with respect to customer service, convenience, the meeting of local banking needs, disciplined loan and deposit pricing, conservative underwriting standards, and the companies' compatible management teams. The Chittenden board also considered the likely impact of the proposed merger on the customers of the Chittenden banks and on the communities in which Chittenden currently conducts its business. In particular, the board noted that People's United Financial will retain Chittenden's multi-bank structure for at least one year after the completion of the merger, resulting in minimal changes for customers. The board also noted that, for at least one year following the merger, People's United Financial had agreed to maintain Chittenden's annual level of charitable giving in the communities currently served by Chittenden.

Projected Strength of Combined Entity. The Chittenden board considered the benefits of bringing together two of the regional banking franchises in the Northeast. The Chittenden board considered the projected market capitalization and market position of the combined entity (and in particular the increasing importance of economies of scale and access to greater financial resources to capitalize on opportunities in the banking and financial services markets), the diversification of the companies' asset and deposit bases, and the ability of the combined entity to compete more effectively in the Northeast.

Chittenden's Termination Rights in the Event of a Superior Proposal and Termination Fee. The Chittenden board considered the terms of the merger agreement which allow the board, under certain circumstances, to furnish information to and conduct negotiations with a third party and subject to the satisfaction of certain conditions, to terminate the merger agreement to accept a superior proposal upon the payment of a termination fee of \$65 million. The board believed that the \$65 million termination fee payable to People's United Financial was reasonable in the context of termination fees that were payable in other comparable transactions and would not be likely to preclude another party from making a competing proposal.

Limited Closing Conditions and Likelihood of Obtaining Regulatory Approvals. The Chittenden board considered the limited nature of the closing conditions included in the merger agreement and the likelihood of

Table of Contents

obtaining the regulatory and stockholder approvals that would be required in order to complete the merger within a reasonable timeframe. The Chittenden board also noted that approval of the merger by People's United Financial stockholders is not required.

Informed Consent of Chittenden Stockholders. The Chittenden board believes that the requirement to submit the merger agreement to Chittenden stockholders for approval permits Chittenden stockholders to make an informed vote on the merits of the transaction. The Chittenden board also noted that dissenters' rights would be available to Chittenden stockholders under Vermont law. For more information on these rights, see the section titled *Dissenters' Rights* below.

In the course of its deliberations, the Chittenden board also considered a variety of risks and other countervailing factors, including the following:

Fixed Share Ratio. The Chittenden board noted that because of the fixed share ratio of 0.8775 used in the merger agreement, the value of the merger consideration is subject to fluctuations in the price of People's United Financial common stock. As a result, before the effective time of the merger, a decrease in the trading price of People's United Financial common stock will reduce the value of the consideration to be paid to Chittenden stockholders in the merger. 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.

Challenges of Combining Two Entities. The Chittenden board considered the challenges of combining the two companies generally, including the likelihood of a successful integration of the companies. In particular, the board considered the added complexity of integrating Chittenden's banks with People's United Bank due to the different regulatory regimes currently in place.

Potential Delays in Receiving Regulatory Approvals. The Chittenden board noted the increased complexity associated with merging the Chittenden banks into newly-formed thrift institutions simultaneously with the merger, which was a condition to People's United Financial's willingness to enter into the merger agreement. The board noted that this structure could extend the time period required for receipt of the necessary regulatory approvals and/or increase the cost of obtaining those regulatory approvals.

Significant Costs Involved. The Chittenden board considered the significant costs involved in connection with completing the merger, the substantial management time and effort required to complete the merger and to integrate Chittenden's business with People's United Financial's business, and the related disruption to Chittenden's operations.

The Chittenden board also was aware, and took into consideration, that certain members of Chittenden's management have interests in the merger that are in addition to, or different from, the interests of Chittenden stockholders generally, including those employment and compensation arrangements described in more detail under *Interests of Chittenden's Executive Officers and Directors in the Merger* beginning on page [] of this document.

The foregoing discussion of the factors considered by the Chittenden board is not intended to be exhaustive, but does set forth the principal factors considered by the board. The Chittenden board members collectively reached the unanimous conclusion to approve the merger agreement in light of the various factors described above and other factors that each member of the board felt were appropriate. In view of the wide variety of factors considered by the Chittenden board in connection with its evaluation of the merger and the complexity of these matters, the board did not consider it practical, and did not attempt, to quantify, rank or otherwise assign relative weights to the specific factors it considered in reaching its decision and did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular factor, was favorable or unfavorable to the ultimate determination of the board. Rather, the Chittenden board made its recommendation based on the totality of information presented to and the investigation conducted by it. In considering the factors discussed above, individual directors may have given different weights to different factors.

Table of Contents

Opinion of Chittenden's Financial Advisor J.P. Morgan Securities Inc.

At a meeting of the board of directors of Chittenden on June 26, 2007, JPMorgan rendered its oral opinion to the board of directors of Chittenden that, as of that date and based upon and subject to the factors and assumptions set forth in its opinion, the consideration to be received by the holders of common stock of Chittenden in the merger with People's United Financial was fair, from a financial point of view, to such stockholders. JPMorgan confirmed its oral opinion by delivering to the board of directors of Chittenden a written opinion dated June 26, 2007. The Chittenden board of directors did not limit the investigations made or the procedures followed by JPMorgan in giving its oral or written opinion.

The full text of the written opinion of JPMorgan, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by JPMorgan in connection with the opinion, is attached to this document as *Appendix B* and is incorporated in this document by reference. The description of the JPMorgan opinion is qualified in its entirety by reference to the full text of the opinion set forth in *Appendix B*. You should read this opinion carefully and in its entirety.

JPMorgan's opinion is directed to the board of directors of Chittenden and addresses only the fairness, from a financial point of view, of the consideration to be received by the holders of common stock of Chittenden. JPMorgan's opinion does not constitute an opinion as to the fairness of the merger to, or any consideration of, the holders of any other class of securities, creditors or other constituencies of Chittenden or the underlying decision by Chittenden to engage in the merger. Moreover, JPMorgan has expressed no opinion as to the price at which Chittenden common stock or People's United Financial common stock will trade at any future time. The JPMorgan opinion is not a recommendation as to how any holder of Chittenden common stock should vote with respect to the merger agreement or any other matter.

In arriving at its opinion, JPMorgan, among other things:

reviewed a draft dated June 26, 2007 of the merger agreement;

reviewed certain publicly available business and financial information concerning Chittenden and People's United Financial and the industries in which they operate;

compared the proposed financial terms of the merger with the publicly available financial terms of certain transactions involving companies JPMorgan deemed relevant and the consideration received for such companies;

compared the financial and operating performance of Chittenden and People's United Financial with publicly available information concerning certain other companies JPMorgan deemed relevant and reviewed the current and historical market prices of Chittenden common stock and People's United Financial common stock and certain publicly traded securities of such other companies;

reviewed certain internal financial analyses and forecasts (a) relating to Chittenden's business prepared by the management of Chittenden and (b) relating to the estimated amount and timing of the cost savings and related expenses and synergies expected to result from the merger (which are referred to in this section as the "Synergies") prepared by the managements of Chittenden and People's United Financial;

reviewed certain publicly available research analyst estimates of the future financial performance of Chittenden and People's United Financial; and

performed such other financial studies and analyses and considered such other information as JPMorgan deemed appropriate for the purposes of its opinion.

Edgar Filing: People's United Financial, Inc. - Form S-4/A

In addition, JPMorgan has held discussions with certain members of the management of Chittenden and People's United Financial with respect to certain aspects of the merger, and the past and current business operations of Chittenden and People's United Financial, the financial condition and future prospects and

Table of Contents

operations of Chittenden and People's United Financial, the effects of the merger on the financial condition and future prospects of Chittenden and People's United Financial, and certain other matters JPMorgan believes necessary or appropriate to its inquiry.

In giving its opinion, JPMorgan has relied upon and assumed, without assuming responsibility or liability for independent verification, the accuracy and completeness of all information that was publicly available or was furnished to or discussed with JPMorgan by Chittenden and People's United Financial or otherwise reviewed by or for JPMorgan. JPMorgan has not reviewed individual credit files nor has JPMorgan conducted or been provided with any valuation or appraisal of any assets or liabilities (including any derivative or off-balance-sheet liabilities), nor has JPMorgan evaluated the solvency of Chittenden or People's United Financial under any state or federal laws relating to bankruptcy, insolvency or similar matters. In addition, JPMorgan are not experts in the evaluation of loan and lease portfolios for purposes of assessing the adequacy of the allowances for losses with respect thereto and, accordingly, JPMorgan has assumed that such allowances for losses are in the aggregate adequate to cover such losses. In relying on financial analyses and forecasts provided to it, including the Synergies, JPMorgan has assumed that they have been reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management as to the expected future results of operations and financial condition of Chittenden and People's United Financial to which such analyses or forecasts relate. In addition, in its discussions with the senior managements of People's United Financial and Chittenden regarding the respective future financial performance of Chittenden and People's United Financial, JPMorgan has discussed certain reports and estimates of research analysts, and sensitivities related thereto. With the consent of the Chittenden board of directors, JPMorgan has relied on those reports and estimates (and the related sensitivities) and has assumed that such reports and estimates (and the related sensitivities) are a reasonable basis upon which to evaluate the business and financial prospects of Chittenden and People's United Financial. JPMorgan expresses no view as to the foregoing analyses or forecasts (including the Synergies), reports and estimates (and the related sensitivities) that the Chittenden board of directors has directed JPMorgan to use, or the assumptions on which they were based. JPMorgan has also assumed that the merger will qualify as a tax-free reorganization for United States federal income tax purposes, that the other transactions contemplated by the merger agreement will be consummated as described in the merger agreement, and that the definitive merger agreement will not differ in any material respects from the draft furnished to JPMorgan. JPMorgan has further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the merger will be obtained without any adverse effect on Chittenden or People's United Financial or on the contemplated benefits of the merger.

JPMorgan based its opinion on economic, market and other conditions as in effect on, and the information made available to JPMorgan as of, the date of its opinion. Subsequent developments may affect its opinion and JPMorgan has no obligation to update, revise, or reaffirm its opinion.

In accordance with customary investment banking practice, JPMorgan employed generally accepted valuation methods in reaching its opinion. The following is a summary of the material financial analyses that JPMorgan used in providing its opinion and does not purport to be a complete description of the analyses underlying JPMorgan's opinion or the presentations made by JPMorgan to the Chittenden board of directors. Some of the summaries of financial analyses are presented in tabular format. In order to understand the financial analyses used by JPMorgan more fully, you should read the tables together with the text of each summary. The tables alone do not constitute a complete description of JPMorgan's financial analyses, including the methodologies and assumptions underlying the analyses, and if viewed in isolation could create a misleading or incomplete view of the financial analyses performed by JPMorgan.

Implied Value and Multiple Analysis. Based upon the consideration to be received by Chittenden and the \$18.71 closing market price of People's United Financial common stock on June 25, 2007, JPMorgan calculated that the implied value of the merger consideration was \$36.77 per share of Chittenden common stock. This implied value represents approximately a 31% premium to \$28.01 (the closing price per share of Chittenden common stock on June 25, 2007).

Table of Contents

JPMorgan also determined the multiple of the implied offer price to I/B/E/S median estimated 2007 and 2008 GAAP and cash earnings per share of Chittenden common stock, the stated and tangible book values per share of Chittenden common stock as of December 31, 2006 and the premium to core deposits (comprising domestic deposits excluding CDs with a principal amount of greater than \$100,000) as of December 31, 2006. Cash earnings per share below is based on I/B/E/S median GAAP estimates adjusted based on expected intangible amortization disclosed in Chittenden's public filings. I/B/E/S is a database owned and operated by Thomson Financial, which contains estimated and actual earnings, cash flows, dividends and other data for U.S. and foreign markets. The Chittenden financial data is pro forma for the announced acquisitions of Merrill Merchants Bancshares, Inc. and Community Bank & Trust Company. The results of this analysis are summarized as follows:

Offer to:	Multiples/Premium
2007 GAAP EPS	19.1x
2008 GAAP EPS	17.5x
2007 cash EPS	18.6x
2008 cash EPS	17.2x
Book value per share	2.24x
Tangible book value per share	4.22x
Core deposits	27.0%

Comparable Transactions. Using publicly available information, JPMorgan examined the following transactions involving a bank as a target company with transaction values between \$1 billion and \$3 billion since January 2004, and all bank acquisitions with targets in the Mid-Atlantic or New England regions announced since January 1, 2003 with deal values between \$300 million and \$5 billion, excluding trust bank targets and minority buy-ins.

Peer Transactions Based on Size		
Announcement Date	Acquirer	Target
May 2007	Wells Fargo	Greater Bay Bancorp
January 2007	Merrill Lynch	First Republic Bank
June 2006	Citizens Banking Corp	Republic Bancorp
June 2006	BBVA	Texas Regional Bancshares
July 2005	TD Banknorth	Hudson United Bancorp
July 2005	Zions Bancorp	Amegy Bancorp
August 2004	Fifth Third Bancorp	First Nat'l Bankshares of FL
March 2004	BNP Paribas Group	Community First Bankshares
February 2004	National City Corp	Provident Financial Group

Peer Transactions Based on Geography		
Announcement Date	Acquirer	Target
June 2007	PNC Group	Yardville National
April 2007	Susquehanna Bancshares	Community Banks
April 2006	TD Banknorth	Interchange Financial Services
October 2005	New York Community	Atlantic Bank of New York
July 2005	Fulton Financial	Columbia Bancorp
July 2005	TD Banknorth	Hudson United Bancorp
November 2004	Community Banks	PennRock Financial Services
July 2004	PNC Financial Services	Riggs National
December 2003	Partners Trust Financial (MHC)	BSB Bancorp
December 2003	North Fork Bancorp	Trust Co. of New Jersey
August 2003	PNC Financial Services	United National Bancorp
March 2003	Mercantile Bankshares	F&M Bancorp

Table of Contents

For each of the transactions, JPMorgan analyzed the price as a multiple to the current year EPS, stated book value and tangible book value, and the premium to core deposits. Set forth below are the results of this analysis for the transactions reviewed, based on information available as of June 25, 2007.

	Comparable Transactions Based on Size			Comparable Transaction Based on Geography		
	Low/High Range		Median	Low/High Range		Median
Current year EPS	15.2x	25.5x	17.3x	10.9x	39.4x	20.1x
Book value	1.95x	3.60x	2.84x	1.48x	3.60x	2.47x
Tangible book value	2.46x	6.63x	4.08x	1.75x	4.47x	2.93x
Core deposit premium	18.4%	43.3%	25.5%	10.0%	33.5%	22.4%

Based on 17.3x and 20.1x current year EPS of \$1.93, the implied value of Chittenden common stock ranged from approximately \$33.33 to \$38.70. Based on core deposit premium of 22.4% and 25.5% on core deposits of \$5.35 billion, the implied value of Chittenden common stock ranged from \$32.48 to \$35.81.

Chittenden Comparable Companies Analysis. Using publicly available information, JPMorgan compared selected financial and market data of Chittenden with similar data for the following companies:

Selected Regional Banking Peers

Wilmington Trust
 Fulton Financial Corp
 Susquehanna Bancshares
 FirstMerit Corp
 South Financial
 UMB Financial Corp
 Trustmark Corp
 Citizens Republic
 Alabama National Bancorp
 United Community
 Wintrust Financial
 National Penn Bancshares

JPMorgan calculated and compared various financial multiples and ratios based on publicly available financial data as of March 31, 2007, information it obtained from company filings with the Securities and Exchange Commission, information it obtained from FactSet, SNL Financial and I/B/E/S estimates. The multiples and ratios of Chittenden were calculated using the closing price of Chittenden common stock and People's United Financial common stock as of June 25, 2007. The Chittenden financial data was pro forma for the announced acquisitions of Merrill Merchants Bancshares, Inc. and Community Bank & Trust Company. The multiples and ratios for each of the selected companies were based on the most recent publicly available information. SNL Financial is a recognized data service that collects, standardizes and disseminates relevant corporate, financial, market and mergers and acquisition data for companies in the industries it covers. With respect to the selected companies, JPMorgan presented:

price as a percentage of the selected company's 52-week high;

multiple of price to 2007 and 2008 I/B/E/S median estimated GAAP and cash ea