

People's United Financial, Inc.  
Form S-4/A  
October 13, 2010  
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As filed with the U.S. Securities and Exchange Commission on October 12, 2010

Registration No. 333-168766

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**AMENDMENT NO. 3**  
**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)

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

**6035**  
(Primary Standard Industrial  
Classification Code Number)

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

**850 Main Street**  
**Bridgeport, Connecticut 06604**  
**(203) 338-7171**

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

**Robert E. Trautmann**  
**Senior Executive Vice President and General Counsel**

**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)

*With copies to:*

**Lee Meyerson, Esq.**  
**Simpson Thacher & Bartlett LLP**  
**425 Lexington Avenue**  
**New York, New York 10017**  
**(212) 455-2000**

**Patricia C. Delaney**  
**General Counsel**  
**Smithtown Bancorp, Inc.**  
**100 Motor Parkway, Suite 160**  
**Hauppauge, New York 11788**  
**(631) 360-9300**

**Mark J. Menting**  
**Sullivan & Cromwell LLP**  
**125 Broad Street**  
**New York, NY 10004**  
**(212) 558-4000**

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**Approximate date of commencement of the 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 the enclosed proxy statement/prospectus.

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 of 1933, as amended, 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. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

**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, as amended, or until the Registration Statement shall become effective on such dates as the Commission, acting pursuant to said Section 8(a), may determine.**

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**The information in this proxy statement/prospectus is not complete and may be changed. We may not sell the securities offered by this proxy statement/prospectus until the registration statement filed with the Securities and Exchange Commission is effective. This proxy statement/prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction where an offer or solicitation is not permitted.**

**PRELIMINARY SUBJECT TO COMPLETION DATED OCTOBER 12, 2010**

**MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

**October 12, 2010**

Dear Smithtown common stockholders:

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

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

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

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

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

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

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

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

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

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

Sincerely,

Bradley E. Rock

*Chairman and Chief Executive Officer*

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

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

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

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

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**ADDITIONAL INFORMATION**

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

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

850 Main Street

Bridgeport, Connecticut 06604

Attention: Debbie A. Healey, Investor Relations

(203) 338-7171

*www.peoples.com (Investor Relations tab)*

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

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

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

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

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SMITHTOWN BANCORP, INC.

100 Motor Parkway, Suite 160

Hauppauge, New York 11788

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON NOVEMBER 19, 2010**

Dear Smithtown common stockholder:

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

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

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

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

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

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

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

**By Order of the Board of Directors,**

Bradley E. Rock



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Chairman and Chief Executive Officer

Smithtown, New York

October 12, 2010

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

Phoenix Advisory Partners, LLC

110 Wall Street, 27<sup>th</sup> Floor

New York, NY 10005

(866) 351-1539

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

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**SUMMARY**

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

**The Parties to the Merger (Page 28)**

***People's United***

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

***Smithtown Bancorp***

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

**The Merger and Bank Merger (Page 33)**

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

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

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

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

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

As an example, if the average of the closing prices of People's United common stock on the NASDAQ for the five trading days ending the day before the completion of the merger is \$14.00, each share of Smithtown Bancorp common stock would entitle its holder to receive either \$4.00 in cash or 0.286 of a share of People's United common stock, subject to possible proration. We will compute the actual amount of cash and number of shares of People's United common stock that each Smithtown Bancorp stockholder will receive in the merger using the formula contained in the merger agreement. For a summary of the formula contained in the merger agreement, see "The Merger Agreement - Consideration To Be Received in the Merger" beginning on page 65.

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

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

\* Rounded to the nearest one thousandth.

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

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

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

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

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

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

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

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



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

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

### **Accounting Treatment of the Merger (Page 60)**

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

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

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

### **Special Meeting of Smithtown Bancorp Common Stockholders (Page 30)**

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

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

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

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

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

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

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

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

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

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

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

### **No Solicitation of Alternative Transactions (Page 76)**

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

### **Vote Required (Page 30)**

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

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

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### **Regulatory Approvals Required for the Merger (Page 60)**

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

### **Conditions to Completion of the Merger (Page 79)**

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

the approval of the merger agreement by Smithtown Bancorp stockholders;

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

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

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

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

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

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

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

### **Termination of the Merger Agreement (Page 80)**

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

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

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

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

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

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

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

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

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

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

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

### **Termination Fee (Page 81)**

Smithtown Bancorp has agreed to pay to People's United a termination fee of up to \$2,400,000 if the merger agreement is terminated under the circumstances specified in The Merger Agreement Termination of the Merger Agreement Termination Fee, beginning on page 81.

### **Amendment or Waiver of Merger Agreement Provisions (Page 82)**

People's United and Smithtown Bancorp may jointly amend the merger agreement, and each of People's United and Smithtown Bancorp may waive its right to require the other party to comply with particular provisions of the merger agreement.

People's United may also change the structure of the merger, as long as any such change does not alter or change the amount or kind of merger consideration to be provided under the merger agreement, materially impede or delay completion of the merger, adversely affect the anticipated tax consequences to Smithtown Bancorp stockholders in the merger or result in the bank merger taking place at any time other than simultaneously with the merger. For example, People's United may decide to merge Smithtown Bancorp into a newly formed wholly owned subsidiary of People's United.

### **People's United Repurchases of its Common Stock**

Following the announcement of the execution of the merger agreement and pursuant to its previously reported repurchase plan, People's United has repurchased shares of its common stock on the open market in reliance on the Rule 10b-18 safe harbor under the Securities Exchange Act of 1934. Since July 15, 2010 through the close of business on October 11, 2010, People's United has repurchased an aggregate of 1,882,592 shares of its common stock at an average price of \$13.29. People's United may make additional purchases of shares of its common stock prior to the completion of the merger, subject to market conditions and applicable securities laws.

### **No Appraisal or Dissenters' Rights (Page 63)**

Holders of Smithtown Bancorp common stock are not entitled to appraisal or dissenters' rights under Section 910 of the New York Business Corporation Law, which we refer to as the NYBCL, in connection with the merger.

### **Differences Between Rights of People's United and Smithtown Bancorp Stockholders (Page 85)**

As a result of the merger, the holders of Smithtown Bancorp common stock who receive stock consideration will become holders of People's United common stock. Following the merger, Smithtown Bancorp stockholders who receive stock consideration will have different rights as stockholders of People's United than as stockholders of Smithtown Bancorp due to differences between the laws of the jurisdictions of incorporation and the different provisions of the certificates of incorporation and bylaws of People's United and Smithtown Bancorp. For

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additional information regarding the different rights as stockholders of People's United than as stockholders of Smithtown Bancorp, see Comparison of Stockholder Rights beginning on page 85.

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People s United is providing the following information to aid you in your analysis of the financial aspects of the merger. People s United derived the financial information as of and for the fiscal years ended December 31, 2007 through December 31, 2009 from its historical audited financial statements for these fiscal years. People s United derived the financial information as of and for the fiscal years ended December 31, 2005 and December 31, 2006 from the historical audited financial statements of People s United Bank for these fiscal years. People s United derived the financial information as of and for the six months ended June 30, 2009 and June 30, 2010 from its unaudited financial statements, which financial statements include, in the opinion of People s United s management, all adjustments, consisting of normal and recurring adjustments, necessary for a fair statement of those results.

On April 16, 2010, People s United Bank entered into a definitive purchase and assumption agreement with the Federal Deposit Insurance Corporation (the FDIC ) pursuant to which People s United Bank assumed all of the deposits, certain assets and the banking operations of Butler Bank. The transaction resulted in the acquisition of approximately \$244 million in total assets and approximately \$227 million in total deposits. The assets acquired and liabilities assumed were recorded by People s United at their estimated fair values as of the closing date and People s United s results of operations for the six months ended June 30, 2010 include the results of Butler Bank beginning with the closing date.

On February 19, 2010, People s United completed its acquisition of Financial Federal Corporation ( Financial Federal ), a financial services company providing collateralized lending, financing and leasing services nationwide to small and medium sized businesses. On the closing date, Financial Federal had total assets of \$1.28 billion. The assets acquired and liabilities assumed were recorded by People s United at their estimated fair values as of the closing date and People s United s results of operations for the six months ended June 30, 2010 include the results of Financial Federal beginning with the closing date.

The results for the six months ended June 30, 2010 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2010. This information is only a summary, and you should read it in conjunction with People s United s consolidated financial statements and the related notes contained in People s United s periodic reports filed with the Securities and Exchange Commission that have been incorporated by reference in this proxy statement/prospectus. See [Where You Can Find More Information](#) beginning on page 202.

(in millions, except per share data)	As of and for the Six Months Ended June 30,		As of and for the Year Ended December 31,				
	2010	2009	2009	2008	2007	2006	2005
<b>Selected Financial Condition Data:</b>							
Total assets	\$ 21,950	\$ 20,812	\$ 21,257	\$ 20,168	\$ 13,555	\$ 10,687	\$ 10,933
Loans	15,215	14,553	14,234	14,566	8,950	9,372	8,573
Short-term investments <sup>(1)</sup>	1,944	3,073	3,492	1,139	3,516	225	57
Securities	1,787	491	902	1,902	61	77	1,363
Allowance for loan losses	173	167	173	158	73	74	75
Goodwill and other acquisition-related intangibles	1,778	1,525	1,515	1,536	104	105	106
Deposits	15,834	15,023	15,446	14,269	8,881	9,083	9,083
Borrowings	141	160	159	188		4	295
Subordinated notes	183	181	182	181	65	65	109
Stockholders equity	5,413	5,130	5,101	5,174	4,445	1,340	1,289
Non-performing assets <sup>(2)</sup>	285	182	206	94	26	23	22

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	As of and for the Six Months Ended June 30,		As of and for the Year Ended December 31,				
	2010	2009	2009	2008	2007	2006	2005
<b>Selected Operating Data:</b>							
Net interest income FTE <sup>(3)</sup>	\$ 335.0	\$ 285.8	\$ 580.2	\$ 640.3	\$ 486.6	\$ 382.4	\$ 370.0
Provision for loan losses	27.3	21.9	57.0	26.2	8.0	3.4	8.6
Net security gains (losses)		17.4	22.0	8.3	5.5	(27.2)	(0.1)
All other non-interest income	147.4	139.8	287.1	295.3	179.9	174.6	173.4
Non-interest expense <sup>(4)</sup>	410.1	347.3	684.6	709.0	439.3	346.9	344.4
Income from continuing operations	29.6	49.5	101.2	137.8	149.2	121.7	125.9
Income from discontinued operations					1.5	2.3	11.2
Net income	29.6	49.5	101.2	137.8	150.7	124.0	137.1
<b>Selected Financial Ratios And Other Data:</b>							
<b>Performance Ratios:</b>							
Return on average assets <sup>(5)</sup>	0.27%	0.48%	0.49%	0.68%	1.18%	1.15%	1.27%
Return on average tangible assets <sup>(5)</sup>	0.30	0.52	0.53	0.73	1.19	1.16	1.28
Return on average stockholders' equity <sup>(5)</sup>	1.1	1.9	2.0	2.6	4.2	9.4	11.1
Return on average tangible stockholders' equity <sup>(5)</sup>	1.6	2.7	2.8	3.7	4.3	10.2	12.1
Net interest margin <sup>(6)</sup>	3.58	3.18	3.19	3.62	4.12	3.87	3.68
Net interest rate spread	3.45	2.95	2.98	3.31	3.54	3.75	3.59
Efficiency ratio	74.2	74.5	73.5	66.6	56.1	61.3	62.8
Average interest-earning assets to average interest-bearing liabilities	149.7	151.8	151.4	151.5	171.3	138.6	140.1
<b>Per Common Share Data:</b>							
Basic earnings per share	\$ 0.08	\$ 0.15	\$ 0.30	\$ 0.41	\$ 0.52	\$ 0.42	\$ 0.46
Diluted earnings per share	0.08	0.15	0.30	0.41	0.52	0.41	0.46
Dividends paid per share <sup>(7)</sup>	0.31	0.30	0.61	0.58	0.52	0.46	0.40
Book value (end of period)	15.10	15.29	15.20	15.44	15.43	4.49	4.33
Tangible book value (end of period) <sup>(8)</sup>	10.14	10.75	10.68	10.86	15.07	4.13	3.98
Dividend payout ratio <sup>(7)</sup>	363.1%	204.6%	201.1%	141.1%	87.0%	48.3%	38.3%
<b>Capital Ratios:</b>							
Average stockholders' equity to average total assets	24.9%	25.2%	24.8%	25.6%	28.1%	12.3%	11.5%
Stockholders' equity to total assets	24.7	24.7	24.0	25.7	32.8	12.5	11.8
Tangible stockholders' equity to tangible assets <sup>(8)</sup>	18.0	18.7	18.2	19.5	32.3	11.7	10.9
<b>Regulatory Capital Ratios<sup>(9)</sup>:</b>							
Leverage (core) capital	12.8%	10.7%	10.0%	10.0%	24.1%	12.0%	11.2%
Tier 1 risk-based capital	15.7	12.6	13.1	12.2	32.3	14.8	14.8
Total risk-based capital	16.6	13.7	14.1	13.4	33.4	16.1	16.4
<b>Asset Quality Ratios:</b>							
Non-performing originated loans to originated loans <sup>(10)</sup>	1.56%	1.15%	1.19%	0.58%	0.23%	0.24%	0.25%
Non-performing assets to:							
Originated loans, REO and repossessed assets <sup>(10)</sup>	2.01	1.25	1.44	0.64	0.29	0.24	0.26
Tangible stockholders' equity and allowance for loan losses	7.47	4.82	5.47	2.47	0.59	1.74	1.75
Net loan charge-offs to average loans <sup>(6)</sup>	0.36	0.17	0.29	0.10	0.10	0.05	0.07
Allowance for loan losses to non-performing originated loans <sup>(10)</sup>	78.5	99.4	102.2	186.8	357.9	327.9	352.5
Allowance for loan losses to originated loans <sup>(10)</sup>	1.23	1.15	1.21	1.08	0.81	0.79	0.87



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- (1) Includes securities purchased under agreements to resell.
- (2) Excludes acquired loans, which represents those loans acquired in the Financial Federal and Butler Bank transactions that meet People's United's definition of a non-performing loan at June 30, 2010, but for which the risk of credit loss has been considered by virtue of People's United's estimate of acquisition-date fair value and/or the existence of an FDIC loss-share agreement.
- (3) Fully taxable equivalent basis.
- (4) Includes \$46.6 million of merger-related expenses, core system conversion costs and one-time charges for the six months ended June 30, 2010; an FDIC special assessment charge of \$8.4 million for the six months ended June 30, 2009 and year ended December 31, 2009; \$4.5 million of core system conversion costs and merger-related expenses for the year ended December 31, 2009; \$51.3 million of merger-related expenses and one-time charges for the year ended December 31, 2008; and a \$60.0 million contribution to The People's United Community Foundation for the year ended December 31, 2007.
- (5) Calculated based on net income for all periods. Six month ratios are presented on an annualized basis.
- (6) Six month ratios are presented on an annualized basis.
- (7) Reflects the waiver of dividends on the substantial majority of the common shares owned by People's Mutual Holdings, the mutual holding company that owned a majority of the outstanding common stock of People's United Bank, prior to completing the second-step conversion in April 2007.
- (8) The tangible equity ratio is the ratio of (i) tangible stockholders' equity (total stockholders' equity less goodwill and other acquisition-related intangibles) (the numerator) to (ii) tangible assets (total assets less goodwill and other acquisition-related intangibles) (the denominator). Tangible book value per share is calculated by dividing tangible stockholders' equity by common shares outstanding.
- (9) Regulatory capital ratios presented are for People's United Bank and, as such, do not reflect the additional capital residing at People's United in 2010, 2009, 2008 and 2007. Ratios are calculated in accordance with Office of Thrift Supervision regulations for December 31, 2006 and all periods thereafter, and FDIC regulations for December 31, 2005.
- (10) Originated loans represent all loans other than those acquired in the Financial Federal and Butler Bank transactions. Calculations exclude acquired loans. Including acquired loans and acquired non-accrual loans at June 30, 2010, non-performing loans were 1.84% of total loans and non-performing assets were 2.26% of total loans, REO and repossessed assets.

**Table of Contents****SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF SMITHTOWN BANCORP**

Smithtown Bancorp is providing the following information to aid you in your analysis of the financial aspects of the merger. Smithtown Bancorp derived the financial information as of and for the fiscal years ended December 31, 2005 through December 31, 2009 from its historical audited financial statements for these fiscal years. Smithtown Bancorp derived the financial information as of and for the six months ended June 30, 2009 and June 30, 2010 from its unaudited financial statements, which financial statements include, in the opinion of Smithtown Bancorp's management, all adjustments, consisting of normal and recurring adjustments, necessary for a fair statement of those results. The results for the six months ended June 30, 2010 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2010. This information is only a summary, and you should read it in conjunction with Smithtown Bancorp's consolidated financial statements, related notes, the information provided under the caption "Information about Smithtown Bancorp Management's Discussion and Analysis of Financial Condition and Results of Operations," and other information included in this prospectus and proxy statement.

(in thousands, except per share data)	As of June 30,			As of December 31,			
	2010	2009	2009	2008	2007	2006	2005
<b>Consolidated Balance Sheets:</b>							
Total cash and cash equivalents	\$ 37,127	\$ 25,219	\$ 22,154	\$ 25,969	\$ 17,455	\$ 27,620	\$ 13,467
Investment securities available for sale	209,221	245,080	397,274	57,698	54,892	100,596	115,091
Investment securities held to maturity	33	66	66	112	210	415	1,101
Restricted stock	18,092	17,168	18,353	15,916	2,113	4,249	6,338
Loans, net	1,920,088	1,956,428	2,052,413	1,677,397	975,668	842,207	692,457
Cash value of company owned life insurance	25,152	19,887	24,874	19,654	18,961	18,195	17,575
Total assets	2,307,172	2,342,115	2,634,930	1,865,390	1,121,149	1,048,224	878,282
Total deposits	1,823,798	1,783,339	2,075,028	1,366,937	990,801	892,317	696,925
Other borrowings	313,480	326,480	352,820	326,480	20,900	59,580	107,949
Subordinated debt	56,514	43,332	56,351	38,836	18,217	18,217	11,000
Total stockholders' equity	95,645	153,386	135,755	119,618	80,102	66,807	55,850

	Six Months ended June 30,			Year ended December 31,			
	2010	2009	2009	2008	2007	2006	2005
<b>Consolidated Statements of Income:</b>							
Total interest income	\$ 58,931	\$ 55,876	\$ 120,072	\$ 91,919	\$ 78,656	\$ 67,781	\$ 48,623
Total interest expense	21,658	26,107	53,138	40,779	37,576	29,564	16,652
Net interest income	37,273	29,769	66,934	51,140	41,080	38,217	31,971
Provision for loan losses	52,500	3,000	51,000	3,200	1,300	1,500	1,200
Net interest income (loss) after provision for loan losses	(15,227)	26,769	15,934	47,940	39,780	36,717	30,771
Total noninterest income	4,798	4,722	10,663	8,479	9,223	9,357	8,190
Total noninterest expense	29,345	20,603	48,801	31,950	26,954	24,413	21,140
Income (loss) before income taxes	(39,774)	10,888	(22,204)	24,469	22,049	21,661	17,821
Provision (benefit) for income taxes	3,209	3,859	(10,356)	8,746	7,774	7,694	6,755
Net income (loss)	\$ (42,983)	\$ 7,029	\$ (11,848)	\$ 15,723	\$ 14,275	\$ 13,967	\$ 11,066

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	Six Months ended June 30,		Year ended December 31,				
	2010	2009	2009	2008	2007	2006	2005
<b>Selected Financial Ratios and Other Data:</b>							
Return on average equity	(64.36)%	10.78	(8.38)%	16.73%	19.40%	22.63%	21.48%
Return on average assets	(3.52)%	0.66	(0.50)%	1.05%	1.32%	1.45%	1.41%
Average equity to average assets	5.47%	6.10	6.00%	6.26%	6.81%	6.39%	6.55%
Dividend payout ratio	N/A	15.19	N/A	10.50%	10.74%	10.18%	12.85%
Diluted earnings (loss) per share	\$ (2.90)	0.56	\$ (0.87)	\$ 1.52	\$ 1.46	\$ 1.43	\$ 1.13
Basic earnings (loss) per share	\$ (2.90)	0.56	\$ (0.87)	\$ 1.52	\$ 1.46	\$ 1.43	\$ 1.13
Cash dividends declared per common share	\$	\$ 0.08	\$ 0.12	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16
Total cash dividends declared	\$	\$ 1,068	\$ 1,670	\$ 1,651	\$ 1,533	\$ 1,422	\$ 1,422

	As of June 30,			As of December 31,			
	2010	2009	2009	2008	2007	2006	2005
Book value per share	\$ 6.39	\$ 10.32	\$ 9.14	\$ 10.14	\$ 8.17	\$ 6.84	\$ 5.72
Total trust assets	\$ 39,534	\$ 56,936	\$ 50,866	\$ 63,659	\$ 88,872	\$ 93,824	\$ 92,054
Number of common shares outstanding	14,967,508	14,858,522	14,855,482	11,799,477	9,800,510	8,885,477	5,923,652

**Quarterly Financial Data (Unaudited)**

	Interest Income	Net Interest Income	Net Income/ (Loss)	Earnings (loss) Per Share	
				Basic	Diluted
<b>2010</b>					
First quarter	\$ 30,598	\$ 19,344	\$ (13,769)	\$ (0.93)	\$ (0.93)
Second quarter	28,333	17,929	(29,214)	(1.97)	(1.97)
<b>2009</b>					
First quarter	\$ 26,578	\$ 13,463	\$ 3,616	\$ 0.31	\$ 0.31
Second quarter	29,298	16,306	3,413	0.26	0.26
Third quarter	32,330	18,858	898	0.06	0.06
Fourth quarter	31,866	18,307	(19,775)	(1.34)	(1.34)
<b>2008</b>					
First quarter	\$ 20,088	\$ 10,959	\$ 3,575	\$ 0.36	\$ 0.36
Second quarter	21,710	12,160	3,951	0.40	0.40
Third quarter	24,467	13,912	4,607	0.47	0.47
Fourth quarter	25,654	14,109	3,590	0.30	0.30

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**UNAUDITED COMPARATIVE PER SHARE INFORMATION**

The table on the following page presents, for both People's United and Smithtown Bancorp, 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, 2009.

The preliminary pro forma information assumes total merger consideration of approximately \$60 million, consisting of approximately \$30 million in cash and approximately 2.1 million shares of People's United common stock with a fair value of approximately \$30 million based on the average closing price of People's United common stock of \$13.98 per share for the five-day period ended July 14, 2010, the last trading day before announcement of the merger. The cash portion of the merger consideration was calculated at the rate of \$2.00 per share of Smithtown Bancorp common stock and the stock portion of the merger consideration was calculated at the rate of 0.143 share of People's United common stock per share of Smithtown Bancorp. Using those assumptions, the value of the merger consideration to be received in exchange for one share of Smithtown Bancorp common stock would have been approximately \$4.00.

The preliminary pro forma equivalent per share information shown for Smithtown Bancorp in the following table was obtained by multiplying the pro forma per share amounts shown for People's United by the exchange ratio of 0.143. The number of shares to be issued by People's United in the merger will depend on the number of shares of Smithtown Bancorp common stock outstanding immediately prior to the effective date of the merger.

The preliminary pro forma financial information reflects estimated adjustments to record Smithtown Bancorp's assets and liabilities at their respective fair values based on People's United management's best estimate using the information available at this time. The preliminary pro forma adjustments will 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 Smithtown Bancorp's tangible and identifiable intangible assets and liabilities as of the closing date. The final purchase price adjustments may differ materially from the estimated pro forma adjustments reflected in the preliminary pro forma financial information. Increases or decreases in the fair value of certain balance sheet amounts and other items of Smithtown Bancorp as compared to the estimates reflected in the preliminary pro forma financial information 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 with financial benefits, such as possible expense efficiencies and revenue enhancements, among other factors, although no assurances can be given that these benefits will actually be achieved. The impact of these benefits has not been reflected in the preliminary pro forma financial information. As required, the preliminary pro forma financial information includes adjustments that give effect to events that are directly attributable to the merger and factually supportable. As a result, any planned adjustments affecting the balance sheet, income statement, or shares of common stock outstanding subsequent to the assumed merger completion date have not been included.

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

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The information in the following table is derived from and should be read in conjunction with the historical consolidated financial statements and related notes of People's United and Smithtown Bancorp, which are included in or incorporated by reference into this document. The preliminary pro forma book value per common share calculation assumes the merger had been completed as of June 30, 2010. See Selected Historical Financial Data of People's United beginning on page 8.

	<b>As of or for the Six Months Ended June 30, 2010</b>	<b>As of or for the Year Ended December 31, 2009</b>
<b>People's United</b>		
Basic earnings per common share		
Historical	\$ 0.08	\$ 0.30
Pro forma	0.13	0.38
Diluted earnings per common share		
Historical	0.08	0.30
Pro forma	0.13	0.38
Dividends declared per common share		
Historical	0.31	0.61
Pro forma	0.31	0.61
Book value per common share		
Historical	15.10	15.20
Pro forma	15.09	N/A
	<b>As of or for the Six Months Ended June 30, 2010</b>	<b>As of or for the Year Ended December 31, 2009</b>
<b>Smithtown Bancorp</b>		
Basic earnings (loss) per common share		
Historical	\$ (2.90)	\$ (0.87)
Pro forma equivalent	0.02	0.05
Diluted earnings (loss) per common share		
Historical	(2.90)	(0.87)
Pro forma equivalent	0.02	0.05
Dividends declared per common share		
Historical		0.12
Pro forma equivalent	0.04	0.09
Book value per common share		
Historical	6.39	9.14
Pro forma equivalent	2.16	N/A

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People's United common stock is listed and traded on the NASDAQ Global Select Market under the symbol PBCT. Smithtown Bancorp common stock is listed and traded on the NASDAQ Global Select Market under the symbol SMTB. At October 8, 2010, Smithtown Bancorp had approximately 673 stockholders of record, not including the number of persons or entities holding stock in nominee or street name through various banks and brokers. The following table sets forth, for the calendar quarters indicated, the high and low sales prices per share of People's United common stock and the high and low sales prices of Smithtown Bancorp common stock, as reported on the NASDAQ Global Select Market. In addition, the table also sets forth the quarterly cash dividends per share declared by People's United and Smithtown Bancorp with respect to their common stock. On October 11, 2010, the last practicable trading day prior to the date of this proxy statement/prospectus, there were 369,042,583 shares of People's United common stock outstanding and 14,967,508 shares of Smithtown Bancorp common stock outstanding.

For the calendar quarterly period ended:	People's United			Smithtown Bancorp		
	High	Low	Dividends Declared	High	Low	Dividends Declared
<b>2008</b>						
March 31, 2008	\$ 18.25	\$ 14.29	\$ 0.1333	\$ 23.02	\$ 18.70	\$ 0.04
June 30, 2008	\$ 18.52	\$ 15.52	\$ 0.1500	\$ 22.66	\$ 16.25	\$ 0.04
September 30, 2008	\$ 21.76	\$ 13.92	\$ 0.1500	\$ 24.50	\$ 15.50	\$ 0.04
December 31, 2008	\$ 20.15	\$ 14.75	\$ 0.1500	\$ 21.25	\$ 12.95	\$ 0.04
<b>2009</b>						
March 31, 2009	\$ 18.18	\$ 15.61	\$ 0.1500	\$ 16.53	\$ 9.12	\$ 0.04
June 30, 2009	\$ 18.54	\$ 14.72	\$ 0.1525	\$ 15.35	\$ 10.30	\$ 0.04
September 30, 2009	\$ 17.41	\$ 14.84	\$ 0.1525	\$ 14.23	\$ 10.29	\$ 0.04
December 31, 2009	\$ 17.16	\$ 15.15	\$ 0.1525	\$ 11.96	\$ 4.41	\$
<b>2010</b>						
March 31, 2010	\$ 17.08	\$ 15.07	\$ 0.1525	\$ 6.46	\$ 3.71	\$
June 30, 2010	\$ 16.79	\$ 13.49	\$ 0.1550	\$ 5.68	\$ 2.15	\$
September 30, 2010	\$ 14.35	\$ 12.56	\$ 0.1550	\$ 4.14	\$ 2.77	\$
December 31, 2010 (through October 11, 2010)	\$ 13.51	\$ 12.96	\$	\$ 3.86	\$ 3.71	\$

The following table presents:

the last reported sale price of a share of Smithtown Bancorp common stock, as reported on the NASDAQ Global Select Market on (i) July 14, 2010, the last full trading day prior to the public announcement of the proposed merger, and (ii) October 11, 2010, the last practicable trading day prior to the date of this proxy statement/prospectus; and

the average closing price of common stock of People's United during the five trading days ended on (i) July 14, 2010, the last full trading day prior to the public announcement of the proposed merger, and (ii) October 11, 2010, the last practicable trading day prior to the date of this proxy statement/prospectus, in each case as reported on the NASDAQ Global Select Market.

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The following table also presents the implied value of the merger consideration per share of Smithtown Bancorp common stock on those dates:

	Smithtown Bancorp Common Stock	Five-Day Average People's United Common Stock Closing Price	Implied Value Per Share of Smithtown Bancorp Common Stock <sup>(1)</sup>
July 14, 2010	\$ 3.87	\$ 13.98	\$ 4.00
October 11, 2010	\$ 3.77	\$ 13.34	\$ 3.91

<sup>(1)</sup> Calculated by adding (i) \$2.00 and (ii) 0.143 multiplied by the average closing price of People's United common stock during the five trading days ended on the specified date.

The cash consideration to be paid in exchange for shares of Smithtown Bancorp common stock upon completion of the merger, the exchange ratio that will be used to determine the number of shares of People's United common stock to be issued in exchange for shares of Smithtown Bancorp common stock upon completion of the merger, and the market value of the People's United common stock to be issued in exchange for shares of Smithtown Bancorp common stock upon the completion of the merger will not be known at the time of the Smithtown Bancorp special meeting. The above tables show only historical comparisons. Because the market prices of People's United common stock and Smithtown Bancorp common stock will likely fluctuate prior to the merger, these comparisons may not provide meaningful information to Smithtown Bancorp stockholders in determining whether to approve the merger agreement. Stockholders are encouraged to obtain current market quotations for People's United common stock and Smithtown Bancorp common stock and to review carefully the other information contained in this proxy statement/prospectus or incorporated by reference in this proxy statement/prospectus. See "Where You Can Find More Information" beginning on page 202.

The holders of People's United common stock receive dividends as and when declared by People's United's board of directors out of statutory surplus or from net profits. Following the completion of the merger, subject to approval and declaration by People's United's board of directors, People's United expects to continue paying quarterly cash dividends on a basis consistent with past practices.

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

*The following questions and answers are intended to address briefly some commonly asked questions regarding the merger and the special meeting. These questions and answers may not address all questions that may be important to you as a stockholder. To better understand these matters, and for a description of the legal terms governing the merger, you should carefully read this entire proxy statement/prospectus, including the annexes, as well as the documents that have been incorporated by reference in this proxy statement/prospectus.*

**Q: Why am I receiving this proxy statement/prospectus?**

A: People's United and Smithtown Bancorp have agreed to the merger of Smithtown Bancorp with and into People's United under the terms of an agreement and plan of merger that is described in this proxy statement/prospectus. A copy of the merger agreement is attached to this proxy statement/prospectus as Annex A. In order to complete the merger, Smithtown Bancorp stockholders must vote to approve the merger agreement. Smithtown Bancorp will hold a special meeting of its stockholders to obtain this approval. This proxy statement/prospectus contains important information about the merger, the merger agreement, the special meeting of Smithtown Bancorp 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 Smithtown Bancorp common stock without attending the special meeting in person.

We are delivering this proxy statement/prospectus to you as both a proxy statement of Smithtown Bancorp and a prospectus of People's United. It is a proxy statement because the Smithtown Bancorp board of directors is soliciting proxies from its stockholders to vote on the approval of the merger agreement at a special meeting of stockholders, and your proxy will be used at the special meeting or at any adjournment or postponement of the special meeting. It is a prospectus because People's United will issue People's United common stock to the Smithtown Bancorp common stockholders in the merger and this prospectus contains information about that common stock.

**Q: What am I being asked to vote on?**

A: Smithtown Bancorp's stockholders are being asked to vote on the following proposals:

to approve the merger agreement between People's United and Smithtown Bancorp; and

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

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

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

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

A: You will be entitled to elect to receive your merger consideration in the form of People's United common stock, cash or a combination of both. Subject to the election, equalization and allocation procedures described in this document, you will be entitled to receive, in



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exchange for each share of Smithtown Bancorp common stock you hold at the time of the merger, consideration, without interest, with a value equal to the sum of (i) \$2.00 and (ii) 0.143 multiplied by the average closing price of People's United common stock on the NASDAQ during the five trading days ending the day before the completion of the merger. The implied value of the merger consideration will fluctuate with the market price of People's United common stock.

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As an example, if the average closing price of People's United common stock on the NASDAQ for the five trading days ending the day before the completion of the merger is \$13.98, which was the average closing price of People's United common stock on the NASDAQ for the five trading days prior to July 15, 2010 (the day of the announcement of the merger), each share of Smithtown Bancorp common stock would be converted into the right to receive either \$4.00 in cash or 0.286 of a share of People's United common stock valued at \$4.00 based on that five-day-average closing price of People's United common stock.

**Q: What are the material U.S. federal income tax consequences of the merger to U.S. holders of shares of Smithtown Bancorp common stock?**

A: The merger is intended to qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. Therefore, for U.S. federal income tax purposes, as a result of the merger, a U.S. holder of shares of Smithtown Bancorp common stock generally will only recognize gain (but not loss) in an amount not to exceed the cash received as part of the merger consideration but will recognize gain or loss (i) if such holder receives the entirety of its consideration in cash and (ii) with respect to any cash received in lieu of fractional shares of People's United common stock. See "The Merger" Material U.S. Federal Income Tax Consequences of the Merger beginning on page 57.

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

A: You may freely trade the shares of People's United common stock issued in the merger, unless you are an affiliate of People's United as defined by Rule 144 under the Securities Act of 1933, as amended. Affiliates consist of individuals or entities that control, are controlled by, or under the common control with People's United and include the executive officers and directors and may include significant stockholders of People's United.

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

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

**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 Smithtown Bancorp stockholders at the special meeting. While we expect the merger to be completed in the fourth quarter of 2010, because fulfillment of some of the conditions to completion of the merger is not entirely within our control, we cannot assure you of the actual timing.

**Q: When is this proxy statement/prospectus being mailed?**

A: This proxy statement/prospectus and the proxy card are first being sent to Smithtown Bancorp stockholders on or about October 15, 2010.

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

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

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

A: At the special meeting, Smithtown Bancorp stockholders will consider and vote upon the proposal to approve the merger agreement. If, at the time of the special meeting, there are not sufficient votes to approve the merger agreement, Smithtown Bancorp may ask you to consider and vote upon a proposal to adjourn the special meeting, so that Smithtown Bancorp can solicit additional proxies.

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**Q: Who is entitled to vote at the special meeting?**

A: All holders of record of Smithtown Bancorp common stock who held shares at the close of business on the record date (October 8, 2010) are entitled to receive notice of and to vote at the special meeting provided that such shares remain outstanding on the date of the special meeting.

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

A: Yes. After careful consideration, the Smithtown Bancorp board of directors unanimously recommends that Smithtown Bancorp 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?**

A: Yes. You should read and carefully consider the risk factors set forth in the section in this proxy statement/prospectus entitled Risk Factors beginning on page 22.

**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 proxy statement/prospectus, including its annexes. It contains important information about the merger, the merger agreement, People's United and Smithtown Bancorp. 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 Smithtown Bancorp common stock will be represented and voted at the special meeting.

**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 Smithtown Bancorp common stock unless you provide instructions to your broker, bank or other nominee on how to vote. You should instruct your broker, bank or other nominee to vote your shares by following the instructions provided by the broker, bank or nominee with this proxy statement/prospectus.

**Q: If my shares are held in the Bank of Smithtown Employee Stock Ownership Plan, what should I do?**

A: If you are a participant in the Bank of Smithtown Employee Stock Ownership Plan, which we refer to as the ESOP, you may direct the ESOP trustee (or an independent fiduciary) how to vote the shares allocated to your account as of the record date. You will receive additional materials about how to direct the trustee (or an independent fiduciary) to vote the shares in your ESOP account and you should follow these instructions in order to have the trustee (or an independent fiduciary) vote your shares. ESOP participants must vote through the trustee and may not vote the shares allocated to their respective accounts in person at the special meeting.

**Q: When must I elect the type of merger consideration that I prefer to receive?**

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- A: If you wish to elect the type of merger consideration you receive in the merger, you should carefully review and follow the instructions set forth in the form of election, which is being separately mailed to Smithtown Bancorp stockholders following the mailing of this proxy statement/prospectus. You will need to properly complete, sign and date the form of election and transmittal materials and return them to the exchange agent, Mellon Investor Services LLC, at the address given in the materials, prior to the election deadline. If your shares of Smithtown Bancorp common stock are represented by certificates, those certificates will need to be returned along with your completed election form. The election deadline will be the later of the date of the Smithtown Bancorp special meeting and the date that Smithtown Bancorp and People's United believe

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to be as near as practicable to five business days prior to the anticipated date for the completion of the merger, although this may change if agreed to by People's United and Smithtown Bancorp. If People's United and Smithtown Bancorp agree to change the election deadline, People's United and Smithtown Bancorp will issue a press release announcing the change. If you do not submit a properly completed and signed form of election to the exchange agent by the election deadline, you will have no control over the type of merger consideration you may receive and, consequently, may receive only cash, only People's United common stock or a combination of cash and People's United common stock in the merger. If you hold shares in street name, you must follow your broker's instructions to make an election.

**Q: How will my shares be represented at the special meeting?**

A: At the special meeting, the officers named in your proxy card will vote your shares in the manner you requested if you properly signed and submitted your proxy. If you sign your proxy card and return it without indicating how you would like to vote your shares, your proxy will be voted as the Smithtown Bancorp board of directors recommends, which is (i) **FOR** the approval of the merger agreement and (ii) **FOR** the approval of the adjournment of the special meeting, if necessary to solicit additional proxies in favor of the merger agreement and the transactions contemplated by the merger agreement, including the merger.

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

A: If you fail to properly submit your proxy card or to instruct your broker, bank or other nominee to vote your shares of Smithtown Bancorp common stock and you do not attend the special meeting and vote your shares in person, your shares will not be voted. 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. All Smithtown Bancorp stockholders of record on October 8, 2010 can vote in person at the special meeting even if you have previously returned your proxy. If your shares are held in street name, you must obtain a proxy from the record holder to vote your shares in person at the special meeting.

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

A: Yes. 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 Smithtown Bancorp, stating that you revoke your proxy.

You may sign and deliver to the secretary of Smithtown Bancorp 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.

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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 Smithtown Bancorp at the following address:

Smithtown Bancorp, Inc.

100 Motor Parkway, Suite 160

Hauppauge, New York 11788

Attn: Corporate Secretary

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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 voting instructions.

**Q: What happens if I sell my shares after the record date but before the special meeting?**

A: The record date of the special meeting is earlier than the date of the special meeting and the date that the merger is expected to be completed. If you sell or otherwise transfer your Smithtown Bancorp shares after the record date but before the date of the special meeting, you will retain your right to vote at the special meeting (provided that such shares remain outstanding on the date of the special meeting), but you will not have the right to receive the merger consideration to be received by Smithtown Bancorp's stockholders in the merger for the shares that you sold or transferred. In order to receive the merger consideration, you must hold your shares through completion of the merger.

**Q: What do I do if I receive more than one proxy statement/prospectus or set of voting instructions?**

A: If you hold shares directly as a record holder and also in street name or otherwise through a nominee, you may receive more than one proxy statement/prospectus and/or set of voting instructions relating to the special meeting. These should each be voted and/or returned separately in order to ensure that all of your shares are voted.

**Q: Are Smithtown Bancorp stockholders entitled to seek appraisal or dissenters' rights if they do not vote in favor of the approval of the merger agreement?**

A: No. As a holder of Smithtown Bancorp common stock, you are not entitled to appraisal or dissenters' rights under Section 910 of the NYBCL in connection with the merger. See *The Merger No Appraisal or Dissenters' Rights* beginning on page 63.

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

A: No. You will receive a form on which you can elect the type of consideration that you would prefer to receive as a result of the merger, which will include instructions for surrendering your stock certificates in order to make an effective election. If you do not surrender your stock certificates as part of the election process, then after the merger is complete you will receive separate written instructions for surrendering your shares of Smithtown Bancorp common stock in exchange for the merger consideration. In the meantime, you should retain your stock certificates because they are still valid. Please do not send in your stock certificates with your proxy card.

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

A: You can find more information about People's United and Smithtown Bancorp from the various sources described under *Where You Can Find More Information* beginning on page 202.

**Q: Will a proxy solicitor be used?**

A:



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Yes. Smithtown Bancorp has engaged Phoenix Advisory Partners to assist in the solicitation of proxies for the special meeting and Smithtown Bancorp estimates that it will pay Phoenix Advisory Partners a fee between \$8,000 and \$11,500. Smithtown Bancorp has also agreed to reimburse Phoenix Advisory Partners for reasonable out-of-pocket expenses and disbursements incurred in connection with the proxy solicitation and to indemnify Phoenix Advisory Partners against certain losses, costs and expenses. In addition, Smithtown Bancorp officers and employees may request the return of proxies by telephone or in person, but no additional compensation will be paid to them.

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

A: You may contact People's United or Smithtown Bancorp at the telephone numbers listed under [Where You Can Find More Information](#) on page 202. In each case, please ask to speak with the persons identified in that section. You may also contact Phoenix Advisory Partners toll free at (866) 351-1539.

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**RISK FACTORS**

*In addition to the other information contained in or incorporated by reference into this proxy statement/prospectus, including the matters addressed under the caption "Information Regarding Forward-Looking Statements" on page 26, you should carefully consider the following risk factors in deciding whether to vote for approval of the merger agreement.*

**Because the market price of People's United common stock will fluctuate, Smithtown Bancorp stockholders will not know until the effective time of the merger the value of the consideration they will receive in the merger.**

Upon completion of the merger, each share of Smithtown Bancorp common stock will be converted into the right to receive merger consideration consisting of shares of People's United common stock and/or cash pursuant to the terms of the merger agreement. The value of the merger consideration to be received by Smithtown Bancorp stockholders will be based on the average closing price of People's United common stock on the NASDAQ for the five trading days ending on the day before the completion of the merger. This average price may vary from the closing price of People's United common stock on the date the merger was announced, on the date this document was mailed to Smithtown Bancorp stockholders and on the date of the special meeting of the Smithtown Bancorp stockholders. Any change in the market price of People's United common stock prior to completion of the merger will affect the value of the merger consideration that Smithtown Bancorp stockholders will receive upon completion of the merger. Accordingly, at the time of the Smithtown Bancorp special meeting and prior to the election deadline, Smithtown Bancorp stockholders will not necessarily know or be able to calculate the amount of the cash consideration they would receive, the exchange ratio that will be used to determine the number of any shares of People's United common stock they would receive upon completion of the merger, or the value of any shares of People's United common stock they would receive upon completion of the merger. Smithtown Bancorp is not permitted to terminate the merger agreement or resolicit the vote of Smithtown Bancorp stockholders solely because of changes in the market price of either company's stock. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in the respective businesses, operations and prospects of People's United and Smithtown Bancorp, and regulatory considerations. Many of these factors are beyond the control of People's United or Smithtown Bancorp. You should obtain current market quotations for shares of People's United common stock and for shares of Smithtown Bancorp common stock.

**The market price of People's United common stock after the merger may be affected by factors different from those affecting the shares of People's United or Smithtown Bancorp currently.**

The businesses of People's United and Smithtown Bancorp differ 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 and market prices of common stock of each of People's United and Smithtown Bancorp. For a discussion of the businesses of People's United and Smithtown Bancorp and of certain factors to consider in connection with those businesses, see "Information About Smithtown Bancorp" beginning on page 95 and the documents incorporated by reference in this proxy statement/prospectus and referred to under "Where You Can Find More Information" beginning on page 202.

**Smithtown Bancorp stockholders may receive a form of consideration different from what they elect.**

Although each Smithtown Bancorp stockholder may elect to receive all cash, all People's United common stock or a combination of cash and common stock in the merger, the cash and stock elections are subject to proration and adjustment to preserve the proportion of the aggregate number of People's United shares to be issued to the aggregate cash consideration to be paid in the merger. As a result, even if you make an all-cash election or an all-stock election, you may nevertheless receive a mix of cash and stock consideration. In addition, if you elect to receive a combination of stock and cash, you may not receive the desired mix.

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**If you are a Smithtown Bancorp stockholder and you make a valid cash or stock election, you will not be able to sell your shares during certain times.**

If you are a Smithtown Bancorp stockholder of record as of October 8, 2010, the record date for the special meeting, holding your shares in certificated form and want to make a valid cash or stock election, you will have to deliver a properly completed and signed form of election and your stock certificates to the exchange agent. For further details on the determination of the election deadline, see *The Merger Conversion of Shares; Exchange of Certificates and Book-Entry Shares; Dividends; Withholding; Election Form of Election* beginning on page 62. The election deadline will be the later of the day of the Smithtown Bancorp special meeting and the date the parties believe to be as near as practicable to five business days before the completion of the merger. You will not be able to sell any certificated shares of Smithtown Bancorp common stock that you have delivered as part of your election unless you revoke your election before the deadline by providing written notice to the exchange agent. If you do not revoke your election before the election deadline, you will not be able to liquidate your investment in Smithtown Bancorp common stock for any reason until you receive cash and/or People's United common stock following completion of the merger. Similarly, holders of book-entry shares of Smithtown Bancorp common stock who have made a valid election and have not revoked their election prior to the election deadline will not be able to sell any shares for which they have made a valid election after the election deadline. In the time between the election deadline and the completion of the merger, the trading price of Smithtown Bancorp or People's United common stock may decrease, and you might otherwise want to sell your shares of Smithtown Bancorp 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.

**The failure to successfully integrate Smithtown Bancorp's business and operations in the expected time frame may adversely affect People's United's future results.**

The success of the merger will depend, in part, on the combined company's ability to realize the anticipated benefits from combining the businesses of People's United and Smithtown Bancorp. However, to realize these anticipated benefits, the businesses of People's United and Smithtown Bancorp must be successfully combined. If the combined company 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 and Smithtown Bancorp have operated and, until the completion of the merger, will continue to operate independently. It is possible that the integration process could result in the loss of key employees, as well as the disruption of each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies, any or all of which could adversely affect People's United's ability to maintain relationships with clients, customers, depositors and employees after the merger 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 each of People's United and Smithtown Bancorp.

**The merger agreement limits Smithtown Bancorp's ability to pursue alternatives to the merger.**

The merger agreement contains provisions that make it more difficult for Smithtown Bancorp to sell its business to a party other than People's United. These provisions include a general prohibition on Smithtown Bancorp's solicitation of any acquisition proposal or offer for a competing transaction, the requirement that Smithtown Bancorp pay a termination fee of up to \$2,400,000 in the aggregate if the merger agreement is terminated in specified circumstances and the requirement that Smithtown Bancorp submit the adoption of the merger agreement to a vote of Smithtown Bancorp's stockholders even if the board of directors of Smithtown Bancorp revokes its recommendation in favor of the approval of the merger agreement in a manner adverse to People's United. See *The Merger Agreement No Solicitation of Alternative Transactions* and *The Merger Agreement Termination of the Merger Agreement Termination Fee* beginning on pages 76 and 81, respectively.

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These provisions might discourage a third party that might have an interest in acquiring all or a significant part of Smithtown Bancorp from considering or proposing that acquisition, even if that party were prepared to pay consideration with a higher per share value than the current proposed merger consideration. Furthermore, a potential competing acquiror may propose to pay a lower per share price to Smithtown Bancorp stockholders than it might otherwise have proposed to pay because of Smithtown Bancorp's obligation, in connection with termination of the merger agreement under certain circumstances, to pay People's United a \$2,400,000 termination fee.

### **Multiple lawsuits have been filed against Smithtown Bancorp and People's United challenging the merger, and an adverse judgment in any such lawsuit may prevent the merger from being completed or from being completed within the expected timeframe.**

Both Smithtown Bancorp and People's United are named as defendants in purported class action lawsuits brought by Smithtown Bancorp stockholders challenging the proposed merger, seeking, among other things, to enjoin completion of the merger on the agreed-upon terms. See *The Merger Litigation Relating to the Merger* beginning on page 64 for more information about the purported class action lawsuits related to the merger that have been filed.

One of the conditions to the closing of the merger is that no order, injunction (whether temporary, preliminary or permanent) or decree issued by a court or other agency of competent jurisdiction that makes the merger or the bank merger illegal or prohibits the completion of the merger shall be in effect. As such, if the plaintiffs are successful in obtaining an injunction prohibiting the completion of the merger on the agreed-upon terms, then such injunction may prevent the merger from being completed, or from being completed within the expected timeframe.

As disclosed in the section entitled *The Merger Litigation Relating to the Merger* the parties in *In re Smithtown Bancorp Shareholders Litigation* have entered into an agreement in principle to settle the action. The parties' proposed settlement is subject to, among other things, court approval and plaintiffs conducting confirmatory discovery to confirm the fairness and adequacy of the terms of the settlement and the disclosures made in connection with the proposed merger and the closing of the proposed merger.

### **Failure to complete the merger could negatively impact the stock prices and future businesses and financial results of People's United and Smithtown Bancorp.**

If the merger is not completed, the ongoing businesses of People's United and Smithtown Bancorp may be adversely affected and People's United and Smithtown Bancorp will be subject to several risks, including the following:

Smithtown Bancorp may be required, under certain circumstances, to pay People's United a termination fee of up to \$2,400,000 under the merger agreement;

People's United and Smithtown Bancorp will be required to pay certain costs relating to the merger, whether or not the merger is completed, such as legal, accounting, financial advisor and printing fees;

under the merger agreement, Smithtown Bancorp is subject to certain restrictions on the conduct of its business prior to completing the merger, which may adversely affect its ability to execute certain of its business strategies;

matters relating to the merger may require substantial commitments of time and resources by People's United and Smithtown Bancorp management, which could otherwise have been devoted to other opportunities that may have been beneficial to People's United and Smithtown Bancorp as independent companies, as the case may be; and

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Smithtown Bancorp and Bank of Smithtown will still be subject to the provisions of the agreements and orders with bank regulatory authorities described in the section headed "Additional Information About Smithtown Bancorp Consent Agreement" on page 95 of this proxy statement/prospectus, but will not be able to rely on the merger as a means of complying with such agreements and orders. In addition, if the merger is not completed, People's United and/or Smithtown Bancorp may experience negative reactions from the financial markets and from their respective customers and employees. People's United and/or Smithtown Bancorp also could be subject to litigation related to any failure to complete the merger or to enforcement proceedings commenced against People's United or Smithtown Bancorp to perform their respective obligations under the merger agreement. If the merger is not completed, People's United and Smithtown Bancorp cannot assure their stockholders that the risks described above will not materialize and will not materially affect the business, financial results and stock prices of People's United and/or Smithtown Bancorp.

**The shares of People's United common stock to be received by Smithtown Bancorp stockholders receiving the stock consideration as a result of the merger will have different rights from shares of Smithtown Bancorp common stock.**

Following completion of the merger, Smithtown Bancorp stockholders who receive the stock consideration will no longer be stockholders of Smithtown Bancorp, a New York corporation, but will instead be stockholders of People's United, a Delaware corporation. There will be important differences between your current rights as a Smithtown Bancorp stockholder and the rights to which you will be entitled as a People's United stockholder. See "Comparison of Stockholder Rights" beginning on page 85 for a discussion of the different rights associated with People's United common stock and Smithtown Bancorp common stock.

**Smithtown Bancorp's directors and executive officers have financial interests in the merger that may be different from, or in addition to, the interests of Smithtown Bancorp stockholders.**

In considering the information contained in this proxy statement/prospectus, you should be aware that Smithtown Bancorp's executive officers and directors may have financial interests in the merger that are different from, or in addition to, the interests of Smithtown Bancorp stockholders generally. These interests include the acceleration of vesting of their outstanding Smithtown Bancorp equity compensation awards, the right to potentially receive payments under change in control agreements and rights to continued indemnification and insurance coverage by People's United after the merger for acts or omissions occurring before the merger. See "The Merger Interests of Smithtown Bancorp's Directors and Executive Officers in the Merger" beginning on page 51 for a discussion of these financial interests.

**The fairness opinion obtained by Smithtown Bancorp from its financial advisor will not reflect changes in circumstances subsequent to the date of the fairness opinion**

Sandler O'Neill, Smithtown Bancorp's financial advisor in connection with the proposed merger, has delivered to the board of directors of Smithtown Bancorp its opinion dated as of July 15, 2010. The opinion of Sandler O'Neill stated that as of such date, and based upon and subject to the factors and assumptions set forth therein, the merger consideration to be paid to the holders of the outstanding shares of Smithtown Bancorp common stock pursuant to the merger agreement was fair from a financial point of view to such holders. The opinion does not reflect changes that may occur or may have occurred after the date of the opinion, including changes to the operations and prospects of People's United or Smithtown Bancorp, changes in general market and economic conditions or regulatory or other factors. Any such changes, or changes in other factors on which the opinion is based, may materially alter or affect the relative values of People's United and Smithtown Bancorp.

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**INFORMATION REGARDING FORWARD-LOOKING STATEMENTS**

This proxy statement/prospectus, including information included or incorporated by reference in this proxy statement/prospectus, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements about the benefits of the merger between People's United and Smithtown Bancorp, including future financial and operating results and performance; statements about People's United's and Smithtown Bancorp's plans, objectives, expectations and intentions with respect to future operations, products and services; and other statements identified by words such as expects, anticipates, intends, plans, believes, seeks, estimates, predicts, continues, will, should, may or the negative of these terms or words of similar meaning. Forward-looking statements are based upon the current beliefs and expectations of People's United's and Smithtown Bancorp's management and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and generally beyond the control of People's United and Smithtown Bancorp. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. Actual results may differ materially from the anticipated results discussed in these forward-looking statements.

The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements:

the failure of the parties to satisfy the closing conditions in the merger agreement in a timely manner or at all;

the failure of the stockholders of Smithtown Bancorp to approve the merger agreement;

the failure to obtain governmental approvals of the merger;

disruptions to the parties' businesses as a result of the announcement and pendency of the merger;

the risk that the businesses of People's United and Smithtown Bancorp may not be combined successfully, or such combination may take longer or be more difficult, time-consuming or costly to accomplish than expected;

changes in general, national or regional economic conditions;

unprecedented volatility in the global economy;

acts of war or terrorism;

political instability;

the risk that the future business operations of Smithtown Bancorp will not be successful;

the risk that the anticipated benefits, cost savings and any other savings from the merger may not be fully realized or may take longer than expected to realize;

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changes in loan default and charge-off rates;

changes in the demand for loan products or for other financial services;

reductions in deposit levels necessitating increased borrowings to fund loans and investments;

changes in interest rates or credit availability;

changes in inflation, the securities markets and in monetary fluctuations;

possible changes in regulation resulting from or relating to the financial reform legislation;

changes in tax policies, rates and regulations of federal, state and local tax authorities;

the effects of and changes in trade and monetary and fiscal policies and laws, including the interest rate policies of the Federal Reserve Board;

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changes in accounting and regulatory guidance applicable to banks;

the resolution of legal proceedings or regulatory or other governmental inquiries and the results of regulatory examinations or reviews;

greater than expected costs or difficulties related to the opening of new branch offices or the integration of new products and lines of business, or both;

changes in levels of income and expense in non-interest income and expense related activities; and/or

competition and its effect on pricing, spending, third-party relationships and revenues.

Additional factors that could cause People's United's and Smithtown Bancorp's results to differ materially from those described in the forward-looking statements can be found in People's United's and Smithtown Bancorp's filings with the Securities and Exchange Commission, including People's United's Annual Report on Form 10-K for the fiscal year ended December 31, 2009 and Smithtown Bancorp's Annual Report on Form 10-K for the fiscal year ended December 31, 2009.

You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this proxy statement/prospectus or the date of any document incorporated by reference in this proxy statement/prospectus. All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this proxy statement/prospectus and attributable to People's United or Smithtown Bancorp or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except to the extent required by applicable law or regulation, People's United and Smithtown Bancorp undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this proxy statement/prospectus or to reflect the occurrence of unanticipated events.



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**INFORMATION ABOUT THE COMPANIES**

**People's United Financial**

People's United is a savings and loan holding company and is a Delaware corporation. People's United Bank is a federal stock savings bank and a wholly-owned subsidiary of People's United. A diversified financial services company founded in 1842, People's United Bank provides consumer, commercial, insurance, retail investment and wealth management and trust services to personal and business banking customers.

The principal business of People's United is to provide, through People's United Bank and its subsidiaries, commercial banking, retail and small business banking, and wealth management services to individual, corporate and municipal customers. Traditional banking activities are conducted primarily within New England and include extending secured and unsecured commercial and consumer loans, originating mortgage loans secured by residential and commercial properties, and accepting consumer, commercial and municipal deposits. In addition to traditional banking activities, People's United Bank provides specialized financial services tailored to specific markets including: personal, institutional and employee benefit trust; cash management; and municipal banking and finance. Through its non-banking subsidiaries, People's United Bank offers: brokerage, financial advisory services, investment management services and life insurance through People's Securities, Inc.; equipment financing through People's Capital and Leasing Corp. and Financial Federal Credit Inc.; and other insurance services through R.C. Knox and Company, Inc. and Chittenden Insurance Group, LLC.

This full range of financial services is delivered through a network of nearly 300 branches in Connecticut, Vermont, New Hampshire, Maine, Massachusetts and New York, including 82 full-service supermarket branches, 43 investment and brokerage offices, nine People's Capital and Leasing Corp. offices, eight Financial Federal Credit Inc. offices, 16 commercial banking offices and over 400 ATMs. People's United Bank's distribution network also includes online banking and investment trading, a 24-hour telephone banking service and participation in a worldwide ATM network.

At June 30, 2010, People's United had total consolidated assets of \$22 billion, loans of \$15 billion, deposits of \$16 billion and stockholders equity of \$5 billion.

The address of People's United's principal executive offices is 850 Main Street, Bridgeport, Connecticut 06604, and its telephone number is (203) 338-7171. For additional information about People's United, see "Where You Can Find More Information" beginning on page 202.

**Smithtown Bancorp**

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

Smithtown Bancorp has three other direct wholly-owned subsidiaries, Smithtown Bancorp Capital Trust I, Smithtown Bancorp Capital Trust II and Smithtown Bancorp Capital Trust III, all of which are Delaware Statutory Trusts that were formed to issue trust preferred securities. Smithtown Bancorp was incorporated under the laws of New York State in 1984. At the direction of the board of directors, pursuant to a plan of reorganization, the former stockholders of Bank of Smithtown became the stockholders of Smithtown Bancorp. Since commencing business in 1984, Smithtown Bancorp has functioned primarily as holder of all of Bank of Smithtown's common stock. Bank of Smithtown has six wholly owned subsidiaries. Through its financial services subsidiary, Bank of Smithtown Financial Services, Inc., Bank of Smithtown offers tax-deferred annuities

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and mutual funds and accepts commission payments generated through a program called Investors Marketplace. Bank of Smithtown offers a full line of commercial and personal insurance products, underwritten by third party insurance companies, through Bank of Smithtown Insurance Agents and Brokers, Inc. BOS Preferred Funding Corporation, a real estate investment trust formed in February 2006 as a vehicle for capital enhancement for Bank of Smithtown, holds a substantial amount of the consumer and commercial real estate loans of Bank of Smithtown. SBRE Realty Corp. and SBRE Realty II, LLC, are entities whose purpose is to hold other real estate owned property. Carlyle & Co. is a nominee partnership, originally registered in 1972 with the New York State Department of Taxation and Finance. Carlyle & Co. is used by the trust department of Bank of Smithtown to house securities held in a fiduciary capacity.

Bank of Smithtown provides a wide range of commercial and consumer banking services, including demand, savings and time deposits accepted from consumers, businesses and municipalities located primarily within Suffolk and Nassau Counties, Long Island, and the five boroughs of New York City. These deposits, along with funds generated from operations and other borrowings, are invested primarily in: (1) commercial, multifamily and residential mortgages, (2) construction and land loans, (3) secured and unsecured commercial loans, (4) secured and unsecured consumer loans, (5) Fannie Mae, Freddie Mac and Ginnie Mae mortgage-backed securities, (6) U.S. government entity and agency securities, (7) obligations of state and political subdivisions, and (8) restricted stock. Bank of Smithtown also offers trust services, merchant credit and debit card processing, safe deposit boxes and online banking, including bill pay, telephone banking, automated teller machines and individual retirement accounts.

All of the business lines engaged in by Bank of Smithtown and its subsidiaries are of a highly competitive nature. Bank of Smithtown faces competitive pressures from many large banks located within its market area, as well as other community banks and regional banks in the area. These competitive pressures can affect the pricing of bank deposit and loan products, as well as the costs of providing bank services. Smithtown Bancorp competes with other commercial banks, savings banks, credit unions and other financial services providers such as finance companies and investment and insurance companies.

As of June 30, 2010, Bank of Smithtown employed 311 full-time equivalent individuals on a full- and part-time basis, including the employees of its subsidiaries.

Smithtown Bancorp's principal executive offices are located at 100 Motor Parkway, Suite 160, Hauppauge, NY 11788. Smithtown Bancorp's telephone number is (631) 360-9300. For additional information about Smithtown Bancorp, see Information about Smithtown Bancorp beginning on page 95 and Where You Can Find More Information beginning on page 202.

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**THE SPECIAL MEETING OF SMITHTOWN BANCORP STOCKHOLDERS**

This section contains information from Smithtown Bancorp for Smithtown Bancorp common stockholders about the special meeting Smithtown Bancorp has called for common stockholders to consider and approve the merger agreement and the transactions contemplated by the merger agreement. We are mailing this proxy statement/prospectus to you, as a Smithtown Bancorp common stockholder, on or about October 15, 2010. Together with this proxy statement/prospectus, we are also sending you a notice of the special meeting of Smithtown Bancorp common stockholders and a form of proxy card that Smithtown Bancorp's board of directors is using to solicit proxies for use at the special meeting and at any adjournments or postponements of the special meeting. The special meeting will be held on November 19, 2010, at 10:00 a.m. local time, at the Sheraton Long Island Hotel, 110 Motor Parkway, Hauppauge, New York 11788.

This proxy statement/prospectus is also being furnished by People's United to Smithtown Bancorp common stockholders as a prospectus in connection with the issuance of shares of People's United common stock upon completion of the merger.

**Matters to be Considered**

The principal matter to be considered at the Smithtown Bancorp special meeting is the approval of the merger agreement and the transactions contemplated by the merger agreement. You may also be asked to vote upon a proposal to adjourn the special meeting, if necessary to solicit additional proxies in favor of the merger agreement.

**Recommendation of Smithtown Bancorp's Board of Directors**

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

**Record Date**

A special committee of Smithtown Bancorp's board of directors has fixed the close of business on October 8, 2010 as the record date for determining the Smithtown Bancorp common stockholders entitled to receive notice of and to vote at the special meeting. Only Smithtown Bancorp common stockholders of record as of the record date are entitled to and are being requested to vote at the special meeting. As of the record date, 14,967,508 shares of Smithtown Bancorp common stock were issued and outstanding and held by approximately 673 record holders. Smithtown Bancorp common stockholders are entitled to one vote on each matter considered and voted on at the special meeting for each share of Smithtown Bancorp common stock held of record at the close of business on the record date. The presence, in person or by properly executed proxy, of the holders of a majority of the shares of Smithtown Bancorp common stock entitled to vote at the special meeting is necessary to constitute a quorum at the special meeting. For purposes of determining the presence of a quorum, abstentions and broker non-votes will be counted as shares present.

**Action Required**

The merger agreement and the transactions contemplated by the merger agreement must be approved by the holders of two-thirds of the issued and outstanding common stock of Smithtown Bancorp. The merger agreement

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and the consummation of the transactions contemplated by the merger agreement will not require the approval of the holders of People's United common stock under the NYBCL, Delaware General Corporation Law or the rules of the NASDAQ.

As of the record date, Smithtown Bancorp directors and executive officers and their affiliates held approximately 689,919 shares (or 4.61% of the outstanding shares) of Smithtown Bancorp common stock entitled to vote at the special meeting. See "The Merger" Interests of Smithtown Bancorp's Directors and Executive Officers in the Merger beginning on page 51.

### **Solicitation of Proxies**

Proxies are being solicited by Smithtown Bancorp's board of directors, which has retained Phoenix Advisory Partners, LLC as its proxy solicitor to assist in the solicitation of proxies, from Smithtown Bancorp common stockholders. Shares of Smithtown Bancorp common stock represented by properly executed proxies will be voted in accordance with the instructions indicated on the enclosed proxy cards. If no instructions are indicated, such proxies will be voted FOR approval of the merger agreement and the transactions contemplated by the merger agreement, including the merger, and FOR any motion to adjourn the special meeting, if necessary, to solicit additional proxies in favor of the merger agreement and the transactions contemplated by the merger agreement, including the merger.

### **Voting your Shares; Abstentions**

The Smithtown Bancorp board of directors is soliciting proxies from the Smithtown Bancorp stockholders. This will give you an opportunity to vote at the Smithtown Bancorp special meeting without attending in person. When you deliver a valid proxy, the shares represented by that proxy will be voted by the officer named in your proxy in accordance with your instructions. If you do not vote by proxy or by attending the Smithtown Bancorp special meeting and vote in person, it will have the same effect as voting against the merger agreement. If you vote by proxy but make no specification on your proxy card that you have otherwise properly executed, the named officer will vote the shares FOR approval of the merger agreement and the transaction contemplated by the merger agreement. If you abstain from voting on any proposal considered at the special meeting, we will not count the abstention as a vote for or against such proposal.

Abstentions and broker non-votes will have the same effect as votes against the merger agreement and the merger, because approval of the merger requires the affirmative vote of at least two-thirds of the issued and outstanding shares of Smithtown Bancorp common stock.

Approval of any proposal to adjourn the special meeting, if necessary, for the purpose of soliciting additional proxies may be obtained by approval of the holders of a majority of the shares of Smithtown Bancorp common stock present in person or represented by proxy at the special meeting, whether or not a quorum is present. Abstentions, failures to vote and broker non-votes will have no effect on the vote to adjourn the special meeting.

### **Revocation of Proxies**

A Smithtown Bancorp common stockholder who has given a proxy may revoke it at any time before its exercise at the special meeting by (1) giving written notice of revocation to Smithtown Bancorp's corporate secretary, (2) properly submitting to Smithtown Bancorp a duly executed proxy bearing a later date, (3) 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 (4) attending the special meeting and voting in person. All written notices of revocation and other communications with respect to revocation of proxies should be addressed to Smithtown Bancorp as follows: Corporate Secretary, 100 Motor Parkway, Suite 160, Hauppauge, NY 11788.

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**Shares of Smithtown Bancorp Common Stock held in Street Name by a Broker, Bank or Other Nominee**

Your broker, bank or other nominee will not vote your shares of Smithtown Bancorp common stock unless you provide instructions to your broker, bank or other nominee on how to vote. You should instruct your broker, bank or other nominee to vote your shares by following the instructions provided by the broker, bank or nominee with this proxy statement/prospectus.

**Participants in the Bank of Smithtown Employee Stock Ownership Plan**

If you own shares of Smithtown Bancorp common stock in the ESOP, your shares will be voted solely by the trustee (or an independent fiduciary) of the ESOP pursuant to the terms of the ESOP and the instructions received by the trustee from plan participants. The trustees of the ESOP will not disclose the confidential voting directions of any individual participant or beneficiary to Smithtown Bancorp. If you own shares of Smithtown Bancorp common stock in the ESOP, you will be receiving a separate letter explaining the voting process with respect to such shares and you will be provided with instructions on how to direct the trustee (or an independent fiduciary) to vote those shares.

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**THE MERGER**

*The following discussion contains material information about the merger. The discussion is subject, and qualified in its entirety by reference, to the merger agreement and financial advisor opinion attached as annexes to this proxy statement/prospectus. We urge you to read carefully this entire proxy statement/prospectus, including the merger agreement and financial advisor opinion attached as annexes to this proxy statement/prospectus, for a more complete understanding of the merger.*

On July 15, 2010, the People's United board of directors and the Smithtown Bancorp board of directors each unanimously approved the merger agreement. The merger agreement provides for the merger of Smithtown Bancorp with and into People's United, with People's United as the surviving corporation.

Upon completion of the merger, each outstanding share of Smithtown Bancorp common stock will be converted into the right to receive, at the election of the holder thereof and subject to allocation and equalization, either cash with a value equal to the sum of (i) \$2.00 plus (ii) 0.143 multiplied by the average closing price of common stock of People's United during the five trading days ending the day before completion of the Smithtown Bancorp merger, or a fraction of a share of common stock of People's United having a value of approximately equal amount based on that same five-day-average closing price.

Further, simultaneously with the merger, Bank of Smithtown, the bank subsidiary of Smithtown Bancorp will merge with and into People's United Bank, the bank subsidiary of People's United, which we refer to as the bank merger.

See The Merger Agreement, beginning on page 65, for additional and more detailed information regarding the legal documents that govern the merger, including information about the conditions to the merger and the provisions for terminating or amending the merger agreement.

**Background of the Merger**

Smithtown Bancorp has recently been adversely affected by the general economic deterioration and downturn in real estate values that has occurred throughout the country, including Smithtown Bancorp's home markets. Declining asset quality has resulted in increased losses, loan loss provisions and charge-offs. Smithtown Bancorp recorded a net loss for 2009 of approximately \$11.8 million. Asset quality deterioration became an increasing problem in the third and fourth quarters of 2009. Nonperforming loans ended the year at 6.23% of total loans. Net charge-offs for 2009 totaled approximately \$23.8 million, or 1.22% of average loans. The provision for loan losses was \$51 million in 2009, and the allowance for loan losses ended the year at approximately \$38.5 million, or 1.84% of total loans.

In the first half of 2010, Smithtown Bancorp continued to experience significant losses in parts of its loan portfolio. For the second quarter, Smithtown Bancorp made provisions for loan losses of approximately \$27.5 million, which brought the year-to-date provisions for loan losses to approximately \$52.5 million. Total net charge offs for the six months ended June 30, 2010 were approximately \$33 million, or 3.20% of average loans. The allowance for loan losses was approximately \$58.0 million at June 30, 2010, or 2.93% of total loans. Nonperforming loans ended the second quarter at approximately \$227.5 million, or 11.50% of total loans, and loans between 30 and 89 days past due totaled approximately \$48.0 million, or 2.43% of total loans. These numbers represent further deterioration from December 31, 2009 levels, when nonperforming loans were approximately \$130.2 million, or 6.23%, of total loans, and loans between 30 and 89 days past due were approximately \$20.8 million, or 0.99% of total loans. Smithtown Bancorp recorded a net loss of \$43.0 million for the first six months of 2010 primarily as a result of the accelerating deterioration in asset quality.

Smithtown Bancorp suspended dividends on its common stock in the fourth quarter of 2009 and deferred interest payments on its trust preferred securities in the second quarter of 2010.

Smithtown Bancorp projects that these trends in loan losses will continue for the foreseeable future. These loan losses and the related necessity for increased loan loss provisions, and the operating losses resulting from the continuing deterioration in credit quality, have depleted Smithtown Bancorp's capital, and future operating losses will further deplete capital. As of June 30 of this year, Smithtown Bancorp's ratio of Tier 1 Risk-Based

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Capital to Total Risk-Weighted Assets was 6.66% and its Tier 1 Capital leverage ratio was 5.06%. Smithtown Bancorp's Total Risk-Based Capital ratio was 9.40%. Bank of Smithtown's, Smithtown Bancorp's banking subsidiary, ratio of Tier 1 Risk-Based Capital to Total Risk-Weighted Assets was 6.54%, its ratio of Tier 1 Capital to Total Assets was 5.12% and its Tier 1 Capital leverage ratio was 4.97%. Bank of Smithtown's Total Risk-Based Capital ratio was 9.31%.

On January 29, 2010, Bank of Smithtown entered into a Consent Agreement with the FDIC and a parallel Consent Order with the New York State Banking Department (the "NY Banking Department") (together referred to as the "Consent Agreements"). Under the Consent Agreements, Bank of Smithtown is required to improve credit administration, loan underwriting and internal loan review process and maintain an adequate allowance for loan losses. Other required actions include the implementation of plans to reduce classified assets, decrease Bank of Smithtown's concentration in commercial real estate loans and increase profitability. Bank of Smithtown's payment of dividends and growth in quarterly average assets require prior approval of the FDIC and NY Banking Department. In addition, Bank of Smithtown is required to maintain no later than June 30, 2010, a ratio of Tier 1 Capital to Total Assets of at least 7.00%, a ratio of Tier 1 Risk-Based Capital to Total Risk-Weighted Assets of at least 9.00%, and a Total Risk-Based Capital ratio of at least 11.00%. The provisions of the Consent Agreement will remain effective until modified, terminated, superseded or set aside in writing by the FDIC and NY Banking Department.

On June 22, 2010, Smithtown Bancorp entered into a Written Agreement (the "Written Agreement") with the Federal Reserve Bank of New York ("FRB"). The Written Agreement is in addition to the Consent Agreements. The Written Agreement, similar to the Consent Agreements, requires that Smithtown Bancorp obtain the approval of the FRB prior to paying a dividend.

Bank of Smithtown has made some progress in meeting the requirements set out in the Consent Agreements and the Written Agreement, by shrinking its balance sheet through the sale, payoff or charge-off of loans, sales and maturities of investment securities, and pricing of deposits to retain multiple-service customers and allow single-service certificate of deposit customers to run off. However, Bank of Smithtown did not meet the capital requirements of the Consent Agreements as of June 30, 2010, at which time, as noted above, Bank of Smithtown had a ratio of Tier 1 Capital to Total Assets of 5.12% (versus at least 7.00% required by the Consent Agreements), a ratio of Tier 1 Risk-Based Capital to Total Risk-Weighted Assets of 6.54% (versus at least 9.00% required by the Consent Agreements) and a Total Risk Based Capital ratio of 9.31% (versus at least 11.00% required by the Consent Agreements). Smithtown Bancorp believes that without raising additional capital or selling Bank of Smithtown, it has no realistic prospect of meeting those requirements in the foreseeable future, given the expectation of further losses in 2010 and potentially beyond. If Bank of Smithtown continues not to meet those requirements (including by means of a merger or sale), it is possible that Bank of Smithtown could be subject to additional enforcement actions which could result in a loss of value to Smithtown Bancorp's stockholders.

In light of the circumstances, Smithtown Bancorp has undertaken numerous efforts to preserve its capital, reduce problem asset levels and stabilize earnings. Smithtown Bancorp has also suspended all dividends on its common stock and deferred interest payments on its trust preferred securities and, as noted above, has reduced Bank of Smithtown's total loans, but these efforts alone have not been and are unlikely to be sufficient to provide Smithtown Bancorp and Bank of Smithtown with the required capital. Accordingly, since early 2010, Smithtown Bancorp, at the direction of its board of directors, has been involved in discussions with its advisors to consider the potential for strategic initiatives to ensure the continued viability of Smithtown Bancorp's business.

On May 25, 2010, Sandler O'Neill, Smithtown Bancorp's financial advisor, advised Smithtown Bancorp's board of directors that the most promising alternatives for Smithtown Bancorp to address its capital needs would be either to undertake a significant new offering of Smithtown Bancorp common stock or to attempt to merge or sell Smithtown Bancorp in a transaction in which the surviving entities would be well capitalized. Analyses performed by Sandler O'Neill indicated that a public or private stock offering to raise capital would require as much as \$150 million in order to successfully address Smithtown Bancorp's capital needs, fulfill the requirements of the Consent Agreements and provide stockholders with an adequate capital cushion against potential future credit losses. Smithtown Bancorp, following discussions with Sandler O'Neill, concluded that such a capital raise might be

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possible, but involved doubt as to whether it would be achievable under the circumstances and given current market conditions. This conclusion was based in part on Sandler O'Neill's analysis of the net present value of Smithtown Bancorp post-capital raise, which is discussed in more detail under "Opinion of Smithtown Bancorp's Financial Advisor" below, and on Sandler O'Neill's experience with equity capital markets transactions for financial institutions and the capital markets in general. Additionally, the analysis indicated that even if the recommended amount of capital could be raised, it would likely result in such massive dilution (potentially greater than 80%) to existing Smithtown Bancorp stockholders' holdings and to earnings per share in the future that it would almost certainly provide less value to Smithtown Bancorp stockholders than a sale or merger, such as that agreed to with People's United.

As a result, Sandler O'Neill, Smithtown Bancorp management and Smithtown Bancorp's board of directors concurred that a strategic sale or merger should be the primary option to be pursued. Smithtown Bancorp's board of directors authorized Sandler O'Neill to contact prospective buyers on May 25, 2010 after such discussion.

Smithtown Bancorp also formally engaged Sandler O'Neill to provide financial advisory services in connection with a sale or merger. Sandler O'Neill is nationally recognized for providing investment banking and financial advisory services to financial institutions. In particular, in the opinion of the board of directors of Smithtown Bancorp, Sandler O'Neill has an excellent reputation for knowledge of and experience with small, medium and large banks in the New York, New Jersey and Connecticut region. In retaining a financial advisor to explore a sale, Smithtown Bancorp considered that knowledge of regional commercial banking franchises (which would be the most likely type of buyer for Smithtown Bancorp) and the current environment for banking deals would be critical. Another financial advisor without Sandler O'Neill's expertise in banking deals might have provided less well-informed advice to Smithtown Bancorp.

In addition, the board of directors of Smithtown Bancorp has successfully worked with Sandler O'Neill on several prior engagements. Because of this working relationship and the fact that, in Smithtown Bancorp's view, no other financial advisor would be objectively better qualified to advise on the type of sale that Smithtown Bancorp hoped to undertake, Smithtown Bancorp did not consider it necessary to formally consider or request proposals from other financial advisors in connection with the sale or merger. Smithtown Bancorp received independent legal advice from outside counsel in negotiating the terms of Sandler O'Neill's engagement.

Between May 27 and June 7, 2010, Sandler O'Neill and Smithtown Bancorp management contacted fourteen potential strategic and financial buyers, which consisted primarily of banking organizations headquartered in New York or New England that were determined to be capable of executing a purchase of Smithtown Bancorp. In addition to financial capacity, Sandler O'Neill and Smithtown Bancorp gave particular consideration to potential buyers that had expressed an interest in Smithtown Bancorp or its geographic market in the past. Sandler O'Neill and Smithtown Bancorp proceeded to undertake discussions and due diligence with these potential strategic partners. By the end of this process, Smithtown Bancorp management and Sandler O'Neill believed that they had contacted all prospects known to them that realistically represented possible interest in Smithtown Bancorp and that had the financial capacity to undertake the acquisition.

During approximately a month of due diligence and management meetings, several prospective buyers indicated that they were not interested in pursuing the transaction further, citing a focus on other opportunities or uses of funds, uncertainty as to the extent of future losses in Bank of Smithtown's loan portfolio (and, consequently, an inability to quantify the value of the deal) or concerns about the capital of the combined institution. Four prospective buyers made initial indications of interest, which Smithtown Bancorp's board of directors discussed at a meeting on June 23, 2010. Three of the prospective buyers, including People's United, were larger commercial banks or thrifts that Sandler O'Neill and Smithtown Bancorp had contacted. These three preliminary indications of interest indicated a possible willingness, subject to further due diligence and the negotiation of definitive terms, to acquire Smithtown Bancorp for consideration per share of common stock ranging from \$2.95-3.95, \$4.00-4.50 (People's United) and \$5.00-5.50, respectively. The fourth indication of interest, from a so-called "blind pool" vehicle with existing capital, indicated a possible willingness to recapitalize Smithtown Bancorp by injecting \$180 million of capital in exchange for newly issued securities of



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Smithtown Bancorp, including purchasing common stock at \$1.33 per share, and leaving the existing Smithtown Bancorp shares outstanding.

Smithtown Bancorp's board of directors determined, and Sandler O'Neill concurred, that the three preliminary indications from the banks or thrifts, including People's United, were worth pursuing further. Although they indicated different price ranges, the price ranges had to be viewed as highly conditional given the preliminary nature of the indications, and there was no guarantee that any would develop into a definitive offer on acceptable terms. Consequently, after the June 23rd board meeting, Smithtown Bancorp invited each of the three banks or thrifts to perform on-site due diligence at Smithtown Bancorp and offered to provide such access to management and other information as might be necessary to evaluate making a definitive offer. On the other hand, Smithtown Bancorp's advisors and Smithtown Bancorp's board of directors had concerns regarding the viability of the blind pool proposal. First, although the premise of the proposal seemed to be that the blind pool investors could profit over time by providing enough capital for Smithtown Bancorp to meet its requirements in the near term, the blind pool did not appear to have a well articulated business plan, especially when compared to the three other potential buyers that had made preliminary indications of interests (in which geographic expansion or consolidation were clear motivating factors). This suggested that the blind pool proposal was less well developed and thus less likely to proceed to the stage of diligence on Smithtown Bancorp and commitment to a deal that would be necessary to complete a transaction. (The fact that, as discussed below, the blind pool later offered a significant increase in price in the absence of any additional information and in the absence of any on-site due diligence supported this conclusion and further called into question the viability of the blind pool offer). In addition, Smithtown Bancorp's advisors and Smithtown Bancorp's board of directors had noted that the blind pool proposal was conditioned on the acceptance of discounts by holders of Smithtown Bancorp's trust preferred securities and subordinated debt, and that there was significant uncertainty regarding the ability of the blind pool to obtain regulatory approval since it was not registered as a bank or thrift holding company. The blind pool would have to go through a lengthy application and approval process to become a bank holding company, which would be expected to take much longer than an application by an existing bank or thrift holding company to acquire Smithtown Bancorp, and which would involve a much greater likelihood of ultimately not receiving approval from banking regulators (or receiving conditional approval based on changes to the deal that might allow the blind pool to refuse to close). Finally, the blind pool investment would represent over 90% of the common stock of Smithtown Bancorp, massively diluting existing shareholders and earnings per share. As a result of all the foregoing considerations, Smithtown Bancorp chose not to proceed with the blind pool proposal and did not invite its sponsors to perform further due diligence.

Of the two banks or thrifts other than People's United that Smithtown Bancorp invited to perform further due diligence, one began on-site due diligence but ceased before its review was complete, citing concerns about asset quality, and one declined to move forward with due diligence, citing a change in thinking within the organization. Both institutions let Smithtown Bancorp and Sandler O'Neill know that they would not be making firm offers. On July 2, 2010, the blind pool indicated that it would consider raising its purchase price to \$3.00 per share; but, as noted, this increase came without any additional information or further due diligence that would have explained the price increase. On July 9, 2010, People's United made a firm offer for the merger for consideration of \$4.00 per share of common stock, on substantially the terms and conditions set forth in the merger agreement. Smithtown Bancorp still had the same reservations about the blind pool and determined not to revisit its proposal, especially in light of People's United's superior proposal and the likelihood of its completion. By the time People's United submitted its firm offer on July 9, Smithtown Bancorp's advisors and board of directors considered People's United the only remaining viable potential buyer at the offered price.

Throughout this period and through the announcement of the merger on July 15, 2010, Smithtown Bancorp's board of directors met periodically to receive updates and engage in discussions regarding the status of Smithtown Bancorp's efforts to seek a transaction and the potential alternatives, including receiving updates concerning the blind pool's oral indications that they would consider increasing their offer to \$3.00 per share as noted above.

Following Smithtown Bancorp's indication late in the day on July 9, 2010, that Smithtown Bancorp was willing to proceed with People's United's offer, Smithtown Bancorp and People's United worked to finalize the terms, and counsel to Smithtown Bancorp and People's United worked to finalize the definitive transaction

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documentation, including the merger agreement. During this time, in response to efforts to initiate further negotiations, People's United and its financial advisor indicated to Sandler O'Neill that People's United would not be willing to consider raising its offer price or altering the terms of the potential termination fee.

On July 15, 2010, Smithtown Bancorp's board of directors met to consider the proposed merger with People's United. Smithtown Bancorp's management reviewed for Smithtown Bancorp's board of directors the most recent discussions with People's United as well as the discussions with the blind pool regarding a recapitalization. Representatives of Sandler O'Neill reviewed with Smithtown Bancorp's board of directors the proposed financial terms of the transaction with People's United and additional information, including information regarding Smithtown Bancorp's financial condition, information regarding Smithtown Bancorp's capital needs (and its efforts to seek alternative transactions, such as the proposed recapitalization, to meet those needs) and financial information regarding People's United. Sandler O'Neill also analyzed the terms that would be required for any potential capital raise in order for such transaction to be as favorable from a financial point of view to Smithtown Bancorp stockholders as the merger with People's United would be, and concluded that such a capital raise would have required extremely favorable terms, in terms of price paid per share of Smithtown Bancorp common stock, which Sandler O'Neill did not believe were realistic. This meeting also included a review with Smithtown Bancorp's board of directors of the change in control agreements with Smithtown Bancorp's executive officers that would be assumed by operation of law by People's United in the merger, including a review of the financial considerations of these change in control agreements. For more information see Interests of Smithtown Bancorp's Directors and Executive Officers in the Merger beginning on page 51.

In connection with the deliberation by Smithtown Bancorp's board of directors, Sandler O'Neill rendered to Smithtown Bancorp's board of directors its oral opinion (subsequently confirmed in writing), as described under Opinion of Smithtown Bancorp's Financial Advisor, that, as of July 15 and based upon and subject to the assumptions, considerations, qualifications and limitations set forth in the written opinion, the consideration to be received by the holders of shares of Smithtown Bancorp's common stock pursuant to the merger agreement was fair, from a financial point of view, to such holders. Representatives of Sullivan & Cromwell LLP (Sullivan), special counsel to Smithtown Bancorp in connection with the merger, who from time to time at past meetings had discussed with Smithtown Bancorp's board of directors the legal standards applicable to its decisions and actions with respect to its evaluation of merger proposals, reviewed the proposed transaction agreements and related information. Smithtown Bancorp management, Sandler O'Neill and Sullivan took questions from Smithtown Bancorp's board of directors, who discussed the proposed merger and then held an executive session with non-independent directors excused.

Following these discussions with and presentations by management and Smithtown Bancorp's advisors, the members of Smithtown Bancorp's board of directors reviewed and discussed the proposed merger and related matters, including the factors described under Smithtown Bancorp's Reasons for the Merger; Recommendation. Both Smithtown Bancorp's board of directors and Smithtown Bancorp management noted in particular that, other than the People's United merger, Smithtown Bancorp did not presently have any realistic prospects for any other viable alternative transaction that would enable it to meet the obligations under the Consent Agreements other than a possible highly dilutive and contingent capital raise, which Smithtown Bancorp would need to undertake under very difficult circumstances and as to which there were no assurances of success. Smithtown Bancorp's board of directors also noted that if Smithtown Bancorp failed to meet those obligations, Bank of Smithtown could ultimately be subject to additional enforcement actions which could result in a loss of value to Smithtown Bancorp's stockholders. Following these board deliberations, Smithtown Bancorp's board of directors determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of Smithtown Bancorp and its stockholders, and the directors voted unanimously to approve the merger and other transactions and to approve and adopt the merger agreement and the other agreements and related matters.

The definitive transaction documentation was entered into as of July 15, 2010, and on the same day, the transaction was announced after the close of the market in press releases issued by People's United and Smithtown Bancorp.

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**Smithtown Bancorp's Reasons for the Merger; Recommendation**

After careful consideration, Smithtown Bancorp's board of directors determined that the merger agreement and the transactions contemplated by the merger agreement were advisable and in the best interests of Smithtown Bancorp and its stockholders and approved the merger agreement and the transactions contemplated by the merger agreement, including the merger. Accordingly, Smithtown Bancorp's board of directors recommends that Smithtown Bancorp stockholders vote FOR approval and adoption of the merger agreement at the Smithtown Bancorp special meeting.

In reaching its decision, the board of directors, with advice from its financial and legal advisors, considered a number of factors, including the following:

The results of the evaluation of strategic alternatives conducted by Smithtown Bancorp with the assistance of Sandler O'Neill.

The extent and breadth of the auction process and its results.

Even if third-party capital could be raised, the significant dilution of existing Smithtown Bancorp stockholders' interests by such a capital raise.

The possibility that Smithtown Bancorp would not be able to access the capital markets at levels sufficient to meet its obligations under the Consent Agreements and the Written Agreement, and the risk that pursuing such a path would jeopardize Smithtown Bancorp's ability to pursue a superior merger or sale transaction, such as that with People's United.

The fact that any material failure to comply with the provisions of the Consent Agreements in the absence of a transaction could result in additional enforcement actions which could result in a loss of value to Smithtown Bancorp's stockholders.

Smithtown Bancorp's and People's United's respective sizes, businesses, operations, financial condition, asset quality, earnings and prospects, including the strong regulatory capital ratios of People's United Bank.

Bank of Smithtown's loan portfolio and the current and prospective environment in which Bank of Smithtown operates, which reflects challenging conditions and risks that may persist, and the likelihood of further significant and material losses.

The fact that People's United was willing to permit, and the merger agreement allows, all holders of Smithtown Bancorp common stock to elect between the cash consideration and the stock consideration, and that the stock consideration had a fixed exchange ratio and, therefore, would allow Smithtown Bancorp stockholders who receive People's United stock to participate in a portion of the future performance of the combined Smithtown Bancorp and People's United businesses and potential synergies resulting from the merger, and the potential value to Smithtown Bancorp stockholders represented by that consideration.

The extremely high likelihood of the merger closing quickly, along with management's belief that Smithtown Bancorp's and People's United's regulators would view the transaction favorably.

The terms of the merger agreement.

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The oral opinion of Sandler O'Neill (which was subsequently confirmed in writing) that, as of July 15, 2010 and based upon and subject to the assumptions, considerations, qualifications and limitations set forth in the written opinion, the consideration to be received by the holders of shares of Smithtown Bancorp's common stock pursuant to the merger agreement was fair, from a financial point of view, to such holders. For more information, see Opinion of Smithtown Bancorp's Financial Advisor beginning on page 39. The reasons set forth above are not intended to be exhaustive, but they include all the material factors considered by Smithtown Bancorp's board of directors in approving the merger agreement. Although each member of Smithtown Bancorp's board of directors individually considered these and other factors, the board did

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not collectively assign any specific or relative weights to the factors considered and did not make any determination with respect to any individual factor. The board collectively made its determination with respect to the merger based on the conclusion reached by its members, in light of the factors that each of them considered appropriate, that the merger is in the best interests of Smithtown Bancorp and its stockholders. Smithtown Bancorp's board of directors realized that there can be no assurance about future results, including results expected or considered in the factors listed above. The board concluded, however, that the potential positive factors outweighed the potential risks of entering into the transaction agreements.

### **Opinion of Smithtown Bancorp's Financial Advisor**

By letter dated June 11, 2010, Smithtown Bancorp retained Sandler O'Neill to act as its financial advisor in connection with a corporate transaction for the sale of Smithtown Bancorp. Sandler O'Neill is a nationally recognized investment banking firm whose principal business specialty is financial institutions. In the ordinary course of its investment banking business, Sandler O'Neill is regularly engaged in the valuation of financial institutions and their securities in connection with mergers and acquisitions and other corporate transactions.

Sandler O'Neill acted as financial advisor to Smithtown Bancorp in connection with the proposed merger and participated in certain of the negotiations leading to the execution of the merger agreement. At the July 15, 2010 meeting at which Smithtown Bancorp's board of directors considered and approved the merger agreement, Sandler O'Neill delivered to the board its oral opinion that, as of such date, the merger consideration was fair to the holders of Smithtown Bancorp common stock from a financial point of view. **The full text of Sandler O'Neill's opinion is attached as Annex B to this proxy statement/prospectus. The opinion outlines the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Sandler O'Neill in rendering its opinion. The description of the opinion set forth below is qualified in its entirety by reference to the opinion. Smithtown Bancorp's stockholders are urged to read the entire opinion carefully in connection with their consideration of the proposed merger.**

**Sandler O'Neill's opinion speaks only as of the date of the opinion. The opinion was directed to Smithtown Bancorp's board and is directed only to the fairness of the merger consideration to Smithtown Bancorp's stockholders from a financial point of view. It does not address the underlying business decision of Smithtown Bancorp to engage in the merger or any other aspect of the merger and is not a recommendation to any Smithtown Bancorp stockholder as to how such stockholder should vote at the special meeting with respect to the merger or any other matter.**

In connection with rendering its July 15, 2010 opinion, Sandler O'Neill reviewed and considered, among other things:

- (1) the merger agreement;
- (2) certain publicly available financial statements and other historical financial information of Smithtown Bancorp that Sandler O'Neill deemed relevant;
- (3) certain publicly available financial statements and other historical financial information of People's United and its subsidiaries that Sandler O'Neill deemed relevant;
- (4) internal financial projections for Smithtown Bancorp for the years ending December 31, 2010 through 2013 prepared by and reviewed with management of Smithtown Bancorp and an estimated long-term growth rate for the year ended December 31, 2014 as discussed with management of Smithtown Bancorp;
- (5) publicly available median earnings estimates for People's United for the years ending December 31, 2010 through December 31, 2011 and the median publicly available long-term growth rate for the years thereafter and in each case as confirmed with People's United senior management;

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- (6) the pro forma financial impact of the merger on People's United, based on assumptions relating to transaction expenses, purchase accounting adjustments and cost savings estimated by the senior management of People's United;
  
- (7) the publicly reported historical price and trading activity for Smithtown Bancorp's and People's United's common stock, including a comparison of certain financial and stock market information for

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Smithtown Bancorp and People's United with similar publicly available information for certain other companies the securities of which are publicly traded;

(8) the financial terms of certain recent business combinations in the commercial banking industry, to the extent publicly available;

(9) the current market environment generally and the banking environment in particular; and

(10) such other information, financial studies, analyses and investigations and financial, economic and market criteria as Sandler O'Neill considered relevant.

Sandler O'Neill also discussed with certain members of senior management of Smithtown Bancorp the business, financial condition, results of operations and prospects of Smithtown Bancorp, including certain operating, liquidity, regulatory and other financial matters and held similar discussions with certain members of senior management of People's United regarding the business, financial condition, results of operations and prospects of People's United.

Sandler O'Neill had significant discussions with the Smithtown Bancorp board of directors and certain members of senior management regarding the Consent Agreement that Bank of Smithtown entered into on January 29, 2010 with the FDIC and a parallel Consent Order with the NY Banking Department and the need to raise additional capital. Under the terms of the Consent Agreements, Bank of Smithtown was required, by June 30, 2010, to maintain Tier 1 Capital at least equal to 7.0% of total assets, a Tier 1 Risk Based Ratio at least equal to 9.0%, and a Total Risk Based Ratio at least equal to 11.0%. If Bank of Smithtown failed to meet the required ratios by June 30, it would be given a 60-day cure period to either meet the ratios or to submit a plan describing how it should meet the minimum requirements, a requirement that could be satisfied by the entry into the merger agreement. As of June 30, 2010, Bank of Smithtown had a Tier 1 Leverage Ratio equal to 4.97%, Tier 1 Risk Based Ratio of 6.54% and Total Risk Based Ratio equal to 9.31%.

In performing its review, Sandler O'Neill has relied upon the accuracy and completeness of all of the financial and other information that was available to Sandler O'Neill from public sources, that was provided to Sandler O'Neill by Smithtown Bancorp and People's United or their respective representatives or that was otherwise reviewed by Sandler O'Neill and Sandler O'Neill assumed such accuracy and completeness for purposes of rendering its opinion. Sandler O'Neill has further relied on the assurances of management of each of Smithtown Bancorp and People's United that they were not aware of any facts or circumstances that would make any of such information inaccurate or misleading. Sandler O'Neill has not been asked to and has not undertaken an independent verification of any of such information and it did not assume any responsibility or liability for the accuracy or completeness thereof. Sandler O'Neill did not make an independent evaluation or appraisal of the specific assets, the collateral securing assets or the liabilities (contingent or otherwise) of Smithtown Bancorp and People's United or any of their subsidiaries, or the collectability of any such assets, nor was it furnished with any such evaluations or appraisals.

Sandler O'Neill did not make an independent evaluation of the adequacy of the allowance for loan losses of Smithtown Bancorp and People's United and has not reviewed any individual credit files relating to Smithtown Bancorp and People's United. Sandler O'Neill assumed, with Smithtown Bancorp's consent, that the respective allowances for loan losses for both Smithtown Bancorp and People's United are adequate to cover such losses and will be adequate on a pro forma basis for the combined entity.

With respect to the internal projections and estimates for Smithtown Bancorp and the publicly available earnings estimates used for People's United and the internal projections and estimates of transaction costs, purchase accounting adjustments and expected cost savings prepared by and/or reviewed with the managements of People's United and Smithtown Bancorp, People's United's and Smithtown Bancorp's management confirmed to Sandler O'Neill that they reflected the best currently available estimates and judgments of management of the future financial performance of Smithtown Bancorp and People's United, and Sandler O'Neill assumed that such performance would be achieved. Sandler O'Neill expressed no opinion as to such financial projections and estimates or the assumptions on which they are based. Sandler O'Neill has also assumed that there has been no material change in Smithtown Bancorp and People's United assets, financial condition, results of operations,

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business or prospects since the date of the most recent financial statements made available to Sandler O'Neill. Sandler O'Neill has assumed in all respects material to its analysis that Smithtown Bancorp and People's United will remain as going concerns for all periods relevant to the analyses, that all of the representations and warranties contained in the merger agreement are true and correct, that each party to the merger agreement will perform all of the covenants required to be performed by such party under the merger agreement and that the conditions precedent in the merger agreement are not waived. Sandler O'Neill expressed no opinion as to any of the legal, accounting or tax matters relating to the merger and the other transactions contemplated by the merger agreement.

Sandler O'Neill's opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to Sandler O'Neill as of, the date of the opinion. Events occurring after the date of the opinion could materially affect the opinion. Sandler O'Neill has not undertaken to update, revise, reaffirm or withdraw the opinion or otherwise comment upon events occurring after the date of the opinion. Sandler O'Neill expressed no opinion as to what the value of People's United common stock will be when issued to Smithtown Bancorp's stockholders pursuant to the merger agreement or the prices at which Smithtown Bancorp's and People's United's common stock may trade at any time.

Sandler O'Neill's opinion was directed to the board of directors of Smithtown Bancorp in connection with its consideration of the merger and does not constitute a recommendation to any stockholder of Smithtown Bancorp as to how such stockholder should vote at any meeting of stockholders called to consider and vote upon the merger. Sandler O'Neill's opinion is directed only to the fairness, from a financial point of view, of the merger consideration to holders of Smithtown Bancorp common stock and does not address the underlying business decision of Smithtown Bancorp to engage in the merger, the relative merits of the merger as compared to any other alternative business strategies that might exist for Smithtown Bancorp or the effect of any other transaction in which Smithtown Bancorp might engage. Sandler O'Neill has consented to inclusion of its opinion and a summary thereof in this proxy statement/prospectus and in the registration statement on Form S-4 which includes this proxy statement/prospectus. Sandler O'Neill did not express any opinion as to the fairness of the amount or nature of the consideration to be received in the merger by Smithtown Bancorp's officers, directors, or employees, or class of such persons, relative to the consideration to be received in the merger by any other stockholders of Smithtown Bancorp.

**Summary of Proposal.** Sandler O'Neill reviewed the financial terms of the proposed transaction. Using per share consideration defined as \$2.00 in cash plus the fixed exchange ratio of 0.143 x multiplied by People's United's average closing stock price for the five consecutive trading days ending on July 14, 2010 (\$13.98), Sandler O'Neill calculated a transaction value of \$4.00 per share, or an aggregate transaction value of \$59.9 million. Based upon financial information for Smithtown Bancorp as of or for the quarter ended June 30, 2010, Sandler O'Neill calculated the following transaction ratios: