

PEOPLE'S UNITED FINANCIAL
2008 ANNUAL MEETING
PRESIDENT AND CHIEF EXECUTIVE OFFICER

I'd like to spend a few minutes with you now sharing my vision as CEO for People's United Financial.

I can assure you that our vision for the bank is an ambitious one. It does not represent, however, a dramatic break with our past. In fact, it builds on our recent achievements and capitalizes on the some of the greatest strengths of this organization – specifically, our talented employees and loyal customers as well as our deep community involvement, attractive markets, and enviable financial position.

Our vision can be summed up in two words: focus and simplicity. We focus on our core competencies in commercial and retail banking and, following our acquisition of Chittenden, we'll be expanding our wealth management business. And, as I noted in this year's annual report, our areas of focus for 2008 are the successful integration of Chittenden, continued strong financial performance, and judicious management of our significant excess capital. I'll address each of these in more detail a bit later. And – on the theme of simplicity – we truly strive to avoid complexity in all that we do, whether serving our customers, supporting our communities or managing our balance sheet.

When I arrived at People's over 5 years ago, I immediately recognized that this was a bank with a strong franchise and abiding

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commitment to its communities. I began to work with the executive team as, together, we set to refocusing the bank in the years since 2003.

On April 16, 2007 – just a year ago yesterday – we completed the second largest bank equity offering ever to become a 100% publicly-owned stock company, People’s United Financial, Inc. Even following the Chittenden transaction, over three-quarters of the capital we raised as a result of the second-step conversion remains on our balance sheet today. It provides us with financial strength that is the envy of most other banks in the current environment.

Throughout the second-step transaction, we consistently expressed our intention to use the proceeds from the stock offering to acquire banks located in contiguous or near-contiguous markets whose balance sheets, credit disciplines and cultures were similar to our own. And so, last June, we announced our agreement to acquire the Chittenden Corporation and, as you know, this transaction was completed on January 1 of this year.

People’s United is now the largest bank in New England and the 35th largest bank in the nation. With over 300 branches as well as a full suite of online services, we serve retail, commercial and wealth

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management customers from Scarsdale, NY to Bangor, ME as their local bank of choice.

We operate through our principal subsidiary, People's United Bank, of which the six other banks are subsidiaries. These banks are: Chittenden Bank, of Burlington, VT; Flagship Bank, of Worcester, MA; Maine Bank & Trust, of Portland, ME; Merrill Bank, of Bangor, ME; Ocean Bank, of Portsmouth, NH and The Bank of Western Massachusetts, of Springfield, MA.

As I mentioned earlier, the successful integration of Chittenden is clearly among our top priorities for the year. We are very pleased that a number of talented individuals from the former Chittenden Corporation have joined our board and our management team. In addition to their business experience and skills, these professionals also bring their knowledge and understanding of Chittenden – its customers and communities as well as its employees and systems.

Their insights already have gone a long way in accelerating the integration and also have helped in creating a strong sense of team spirit throughout the banks. I've been pleased to see employees throughout all areas and at all levels of the organization working together as we strive to build the premier regional bank in New England and the Northeast.

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Strong financial performance remains another area of focus, of course. Throughout the first quarter of this year, we have made a number of decisions that we believe have positioned us for further success. Although, we have confronted some difficult choices, we believe we have made the right ones for our long-term performance and for the future of our company.

Speaking of performance, on your chair you should find a copy of *The Wall Street Journal's* ranking of major companies' performance by sector for 2007. Once again, People's United was ranked #1 among top banks for 5-year compound annualized total returns.

In fact, for every period that *The Wall Street Journal* tracked – 10, five, three and one years – we out-performed the average of the top banks throughout the country by anywhere from 8 to 26 percentage points.

We all are acutely aware, of course, that the equity markets in general and the banking sector in particular have been under severe pressure recently. While People's United has not been immune from the downward pressure and we would like to see our stock price moving

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more strongly in a positive direction, we have, even during this period, significantly over-performed the broader banking market.

Your shares had a total rate of return including reinvestment of dividends that outperformed the Keefe, Bruyette, Woods Regional Bank Index for the sector by 57 percent in 2007.

And, for the first quarter of this year, we again outperformed the index again by 177 percent. While our stock price decline was modest at 2%, the regional index was off nearly three times as much.

At the beginning of my comments, I mentioned a third area of focus for this year and the foreseeable future. That is the judicious management and, eventually, deployment of our significant surplus capital position. The Federal Reserve's current interest rate stance has had a fully-expected impact on our net interest income. While there clearly are steps we could take to leverage our capital position and take higher risk to enhance yields, this is not something we find palatable.

When it comes to capital deployment, acquisitions are currently an attractive option. As you may know, however, the bank acquisition market has slowed significantly due, in part, to more caution in the small pool of potential buyers. Indeed, while prices may seem more

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attractive than at other times, potential buyers face the fact that they need to be exceptionally careful in order to know what they are getting.

As I've said previously, a buyback program is another option in effectively deploying our capital. On that note, I am pleased to inform you that earlier this morning the Board of Directors approved an initial repurchase of up to 5%, or approximately 17.3 million shares, of People's United common stock outstanding as of April 17, 2008. As we begin this buyback program we will assess market conditions carefully and continue to be mindful of other opportunities that may present themselves.

I'm pleased to share with you that, in sharp contrast to many other banks – including most recently Wachovia and WaMu – the board of directors voted this morning to increase – that's right, I said increase, not decrease – the quarterly dividend on our common stock by 12.5 percent, to \$0.15 per share. The dividend is payable May 15, 2008, to shareholders of record on May 1, 2008. Based on the closing stock price on yesterday, the dividend yield on People's United Financial common stock is 3.3 percent.

In closing, let me assure you that all of us at People's United remain deeply committed to continuing to grow our business effectively

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and deliver strong performance in support of value creation for you, our investors. Thank you again for your continued support.