



NewAlliance Bancshares

Morgan Stanley

U.S. Financials Conference

February 3, 2010

Disclaimer & Forward-Looking Statements

Statements in this document and presented orally at the conference, if any, concerning future results, performance, expectations or intentions are forward-looking statements. Actual results, performance or developments may differ materially from forward-looking statements as a result of known or unknown risks, uncertainties and other factors, including those identified from time to time in the Company's filings with the Securities and Exchange Commission, press releases and other communications. Actual results also may differ based on the Company's ability to successfully maintain and integrate customers from acquisitions.

The Company intends any forward-looking statements to be covered by the Litigation Reform Act of 1995 and is including this statement for purposes of said safe harbor provisions. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this presentation. Except as required by applicable law or regulation, the Company undertakes no obligation to update any forward-looking statements to reflect events or circumstances that occur after the date as of which such statements are made.

The Company's capital strategy includes deployment of excess capital through acquisitions. The Company's results reported above reflect the impact of acquisitions completed within the periods reported. Past and future acquisitions are expected to continue to impact the Company's results in future periods.



Discussion Topics

- ◀ ***Company Profile and Business Priorities***
- ◀ ***2009 Highlights***
- ◀ ***Financial Performance***
- ◀ ***2010 Outlook***



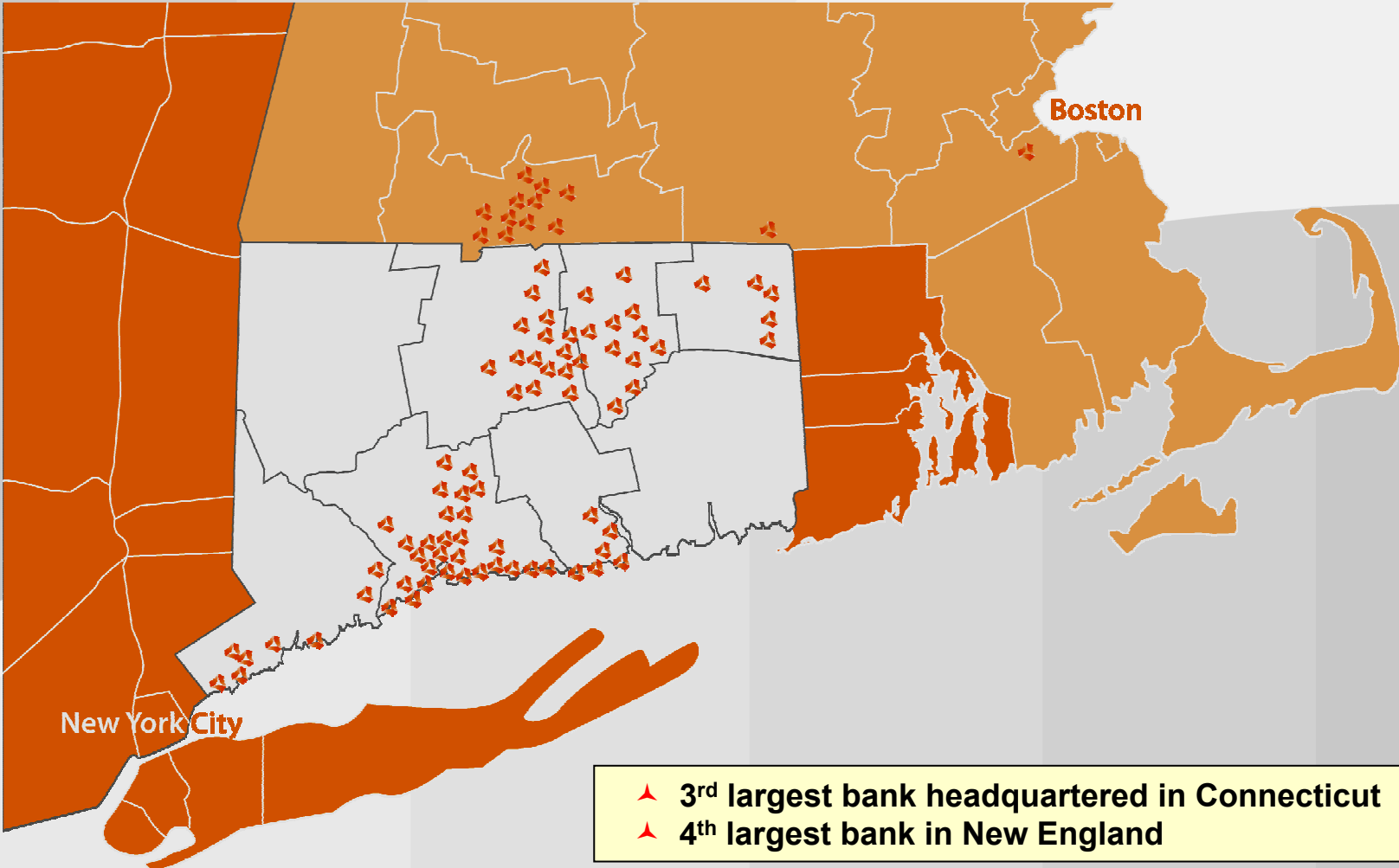
Company Profile 12/31/09

Preeminent New England bank franchise with strong capital levels and poised for growth

◀ Market Capitalization	\$1.27 B
◀ Assets	\$8.43 B
◀ Loans	\$4.76 B
◀ Deposits	\$5.02 B
◀ Branches	87
◀ ATMs	104
◀ Employees (FTE)	1,069



The NewAlliance Franchise



Executive Management Team

Name	Title	Years in Industry	Prior Experience
Peyton R. Patterson	Chairman, President & Chief Executive Officer NewAlliance Bancshares	27	Dime Bancorp (NY) Chemical Bank/Chase Manhattan (NY) CoreStates Financial Corp. (PA)
Glenn I. MacInnes	Executive Vice President & Chief Financial Officer	26	Citigroup, Inc (NY) First Union/First Fidelity Bank (NJ) United Jersey Bank/Mid-State (NJ)
C. Gene Kirby	President, NewAlliance Bank	24	SunTrust Bank (GA)
Gail E.D. Brathwaite	Executive Vice President & Chief Operating Officer	30	Dime Bancorp (NY)
Donald T. Chaffee	Executive Vice President & Chief Credit Officer	37	Dime Bancorp (NY) Chase Manhattan Bank (NY)
Mark Gibson	Executive Vice President & Chief Marketing Officer	25	BBVA/Compass Bank (AL) Coopers & Lybrand (NY)
Koon-Ping Chan	Executive Vice President & Chief Risk Officer	31	Dime Bancorp (NY) Chase Manhattan Bank (NY)



Fourth Quarter Highlights (2008 vs. 2009)



Net income of \$12.1 million, up 25.7%



Record revenue growth

- ▲ Increased 11.1%
- ▲ NIM expanded 23 bps to 2.82% -- highest in 3 years
- ▲ Core fee income up 5%





Strong balance sheet growth

- ▲ Record deposits of \$5.02 billion, up 13%
- ▲ Core deposits increased 32.5%
- ▲ Loan originations up 56%
- ▲ Record organic mortgage originations -- over \$1.0 billion



2009 Highlights

- ✓ Record Deposit Market Share Growth  Up 12.5%
- ✓ Increased EPS by 2 ¢ to 47 ¢ (up 4%)  Up 9%, excluding special FDIC insurance charge
- ✓ Overall Revenue Improvement  Up 7%
- ✓ Flat expenses  Exclusive of FDIC and retirement expense
- ✓ Continued strong credit discipline  Provision and NCO's declined in 4th quarter to year low
- ✓ Robust capital levels  Poised to grow
 - 11.08% TCE
 - 19.92% Tier 1 risk based capital ratio



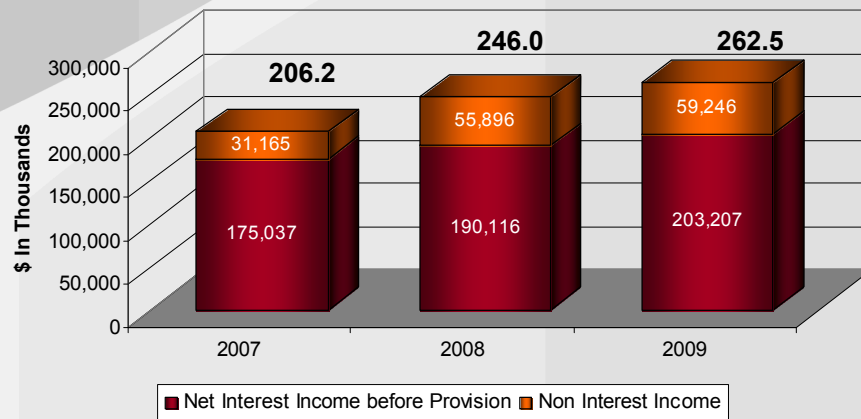
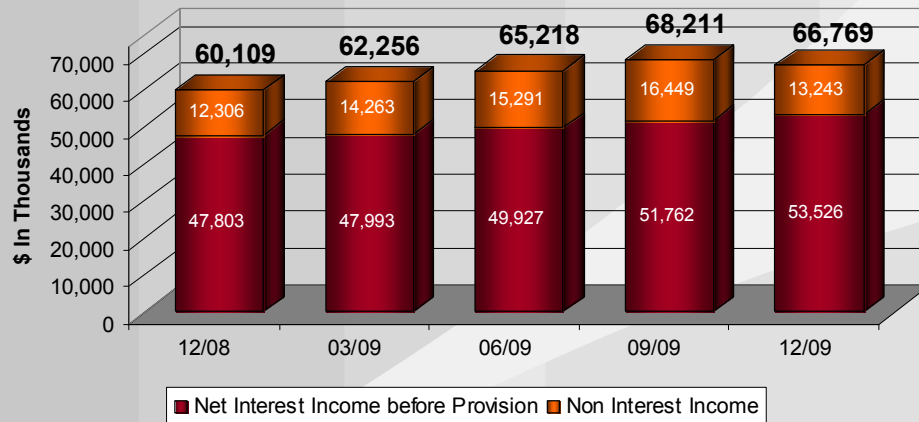


NewAlliance Bancshares

Financial Performance

Strong Business Momentum

Revenue



Quarterly Trend

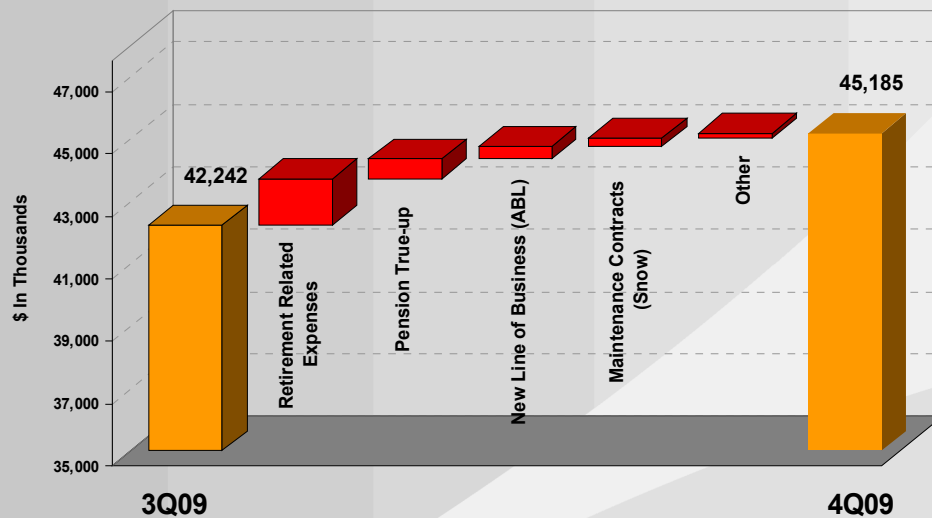
- ▲ Net interest income before provision + 3.4% linked quarter
- ▲ Net interest income before provision + 12.0% vs prior year
- ▲ Core non-interest income + 5% vs prior year
- ▲ Core non-interest income - 5% vs. linked quarter due to lower Investment/Trust fees

Full Year

- ▲ 7% improvement in total revenue
- ▲ Net interest income + 7%
- ▲ Non-interest income + 6%

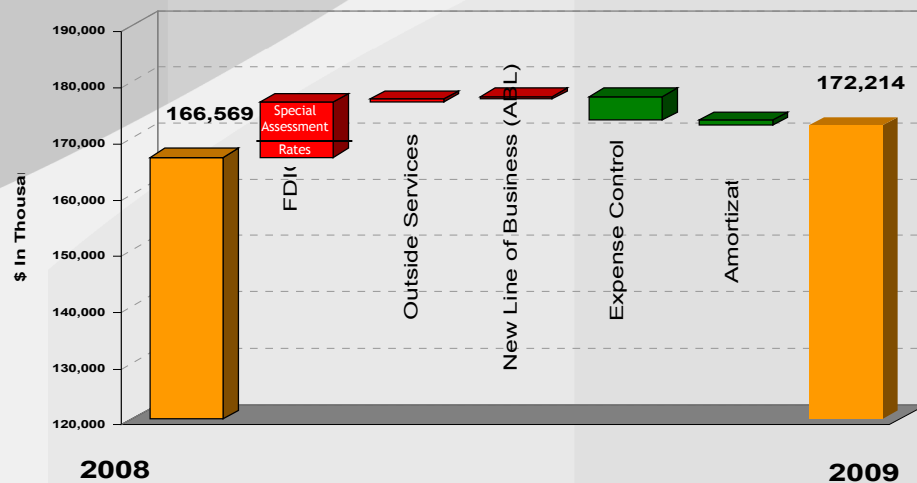


Non-interest Expense



Quarterly Trend

- ▲ Linked quarter expense increase reflects:
 - ▲ One time retirement related expense \$1.5MM
 - ▲ Pension true-up \$0.6MM
 - ▲ Launch of ABL \$0.4MM
 - ▲ Seasonal expenditures \$0.3MM



Full Year

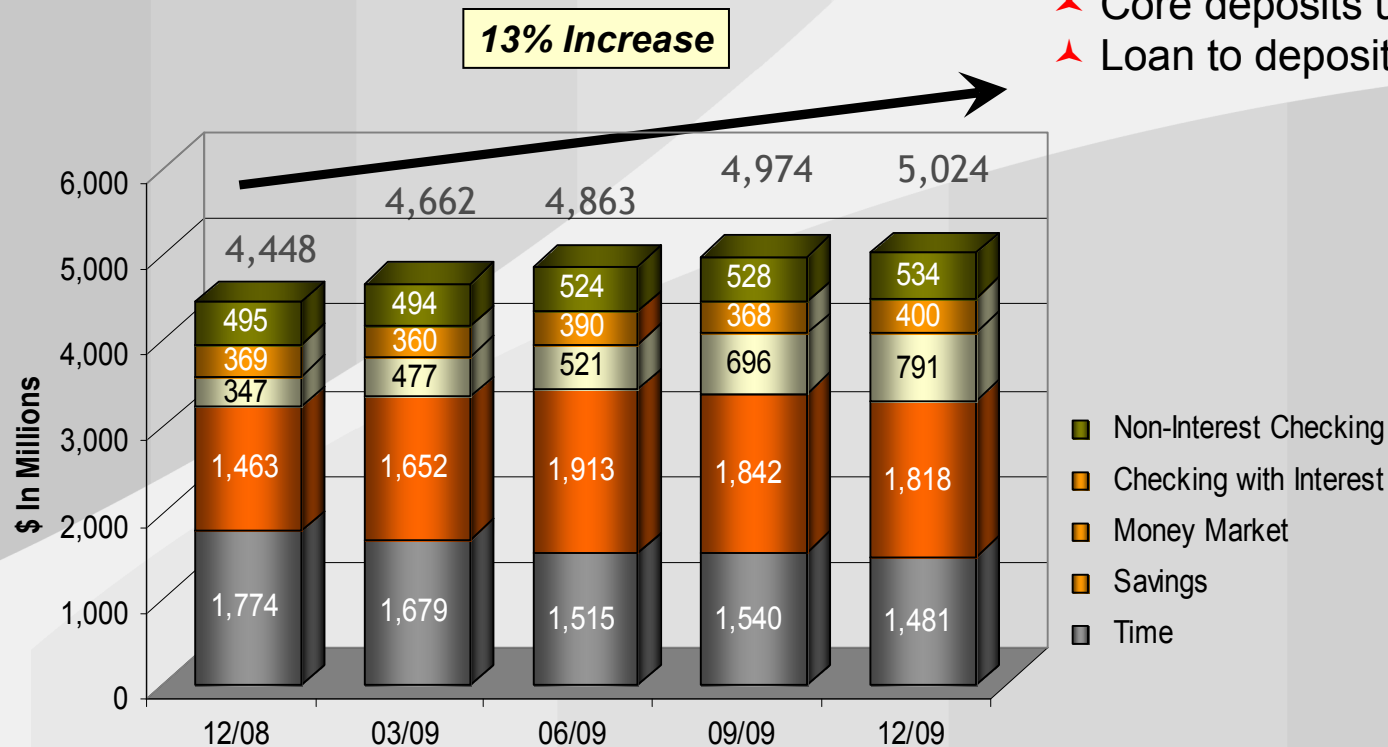
- ▲ Excluding \$9.8MM in FDIC costs, total non-interest expenses were down \$4.1MM, or 2%



2009 Deposit Growth

Record Deposit Growth

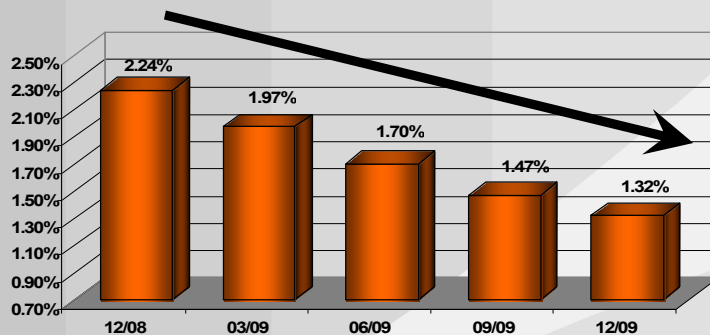
- ▲ Total deposits over \$5 billion.
- ▲ Deposits up 13% vs prior year
- ▲ Core deposits up 32% to \$3.5 billion
- ▲ Loan to deposit ratio improved to 95%



Interest Expense Drivers

Cost of Deposits *

Down 92 Basis Points

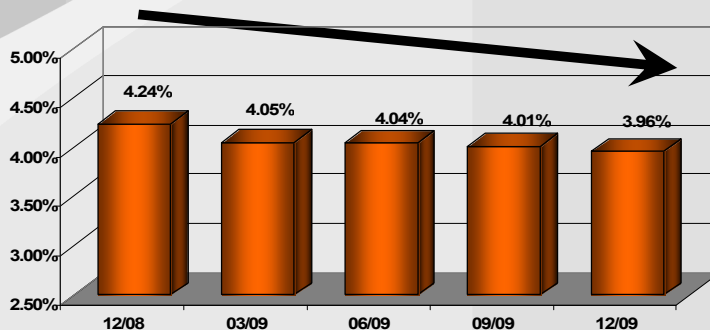


Cost of Deposits

- ▲ Continue to reduce cost of deposits
- ▲ Down 92 basis points from end of year 2008
- ▲ Down 15 basis points from linked quarter

Cost of Borrowing *

Down 28 Basis Points



Cost of Borrowing

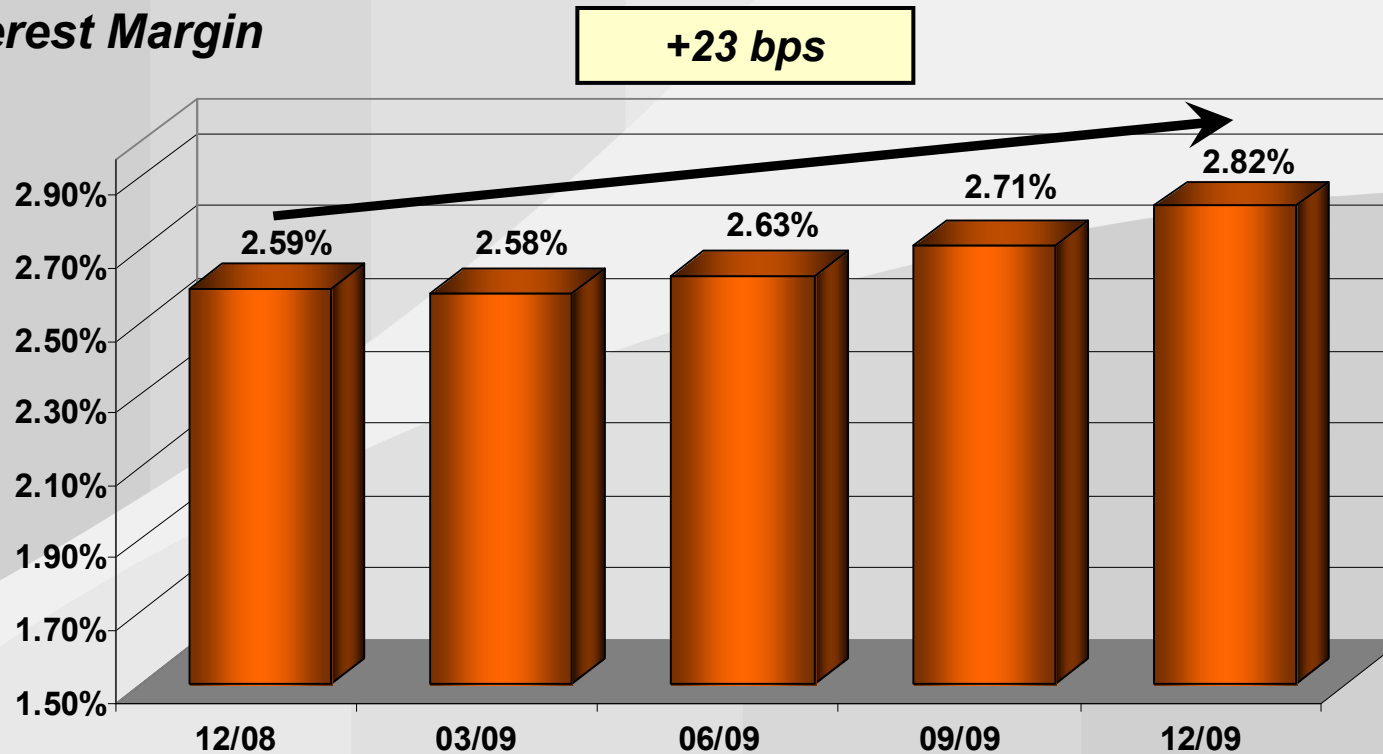
- ▲ Down 28 basis points from end of year 2009
- ▲ Down 5 basis points from linked quarter
- ▲ Continue to pay down higher rate FHLBB

* Rates represent month averages



Continued Expansion of NIM

Net Interest Margin



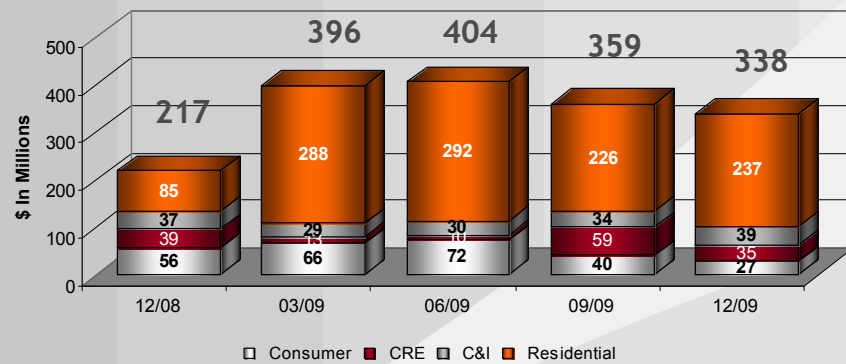
Consecutive NIM Expansion

- ▲ 23 basis point expansion vs. prior year quarter
- ▲ 11 basis point expansion over linked quarter



Loan Originations / Portfolio

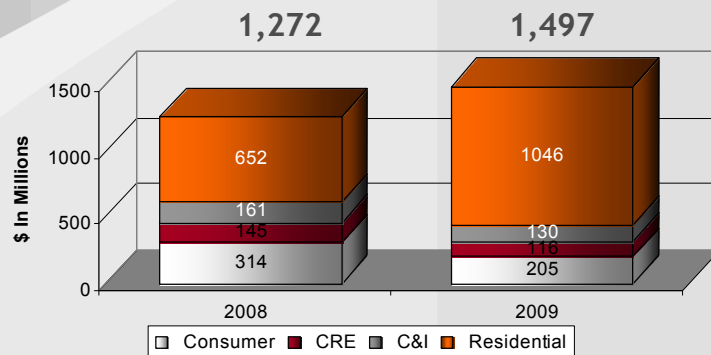
Quarterly Trend



4th Quarter Originations

- ▲ Loan originations totaled \$338M for the quarter
- ▲ Up 56% vs. prior year quarter
- ▲ Linked quarter down due to seasonality

Full Year

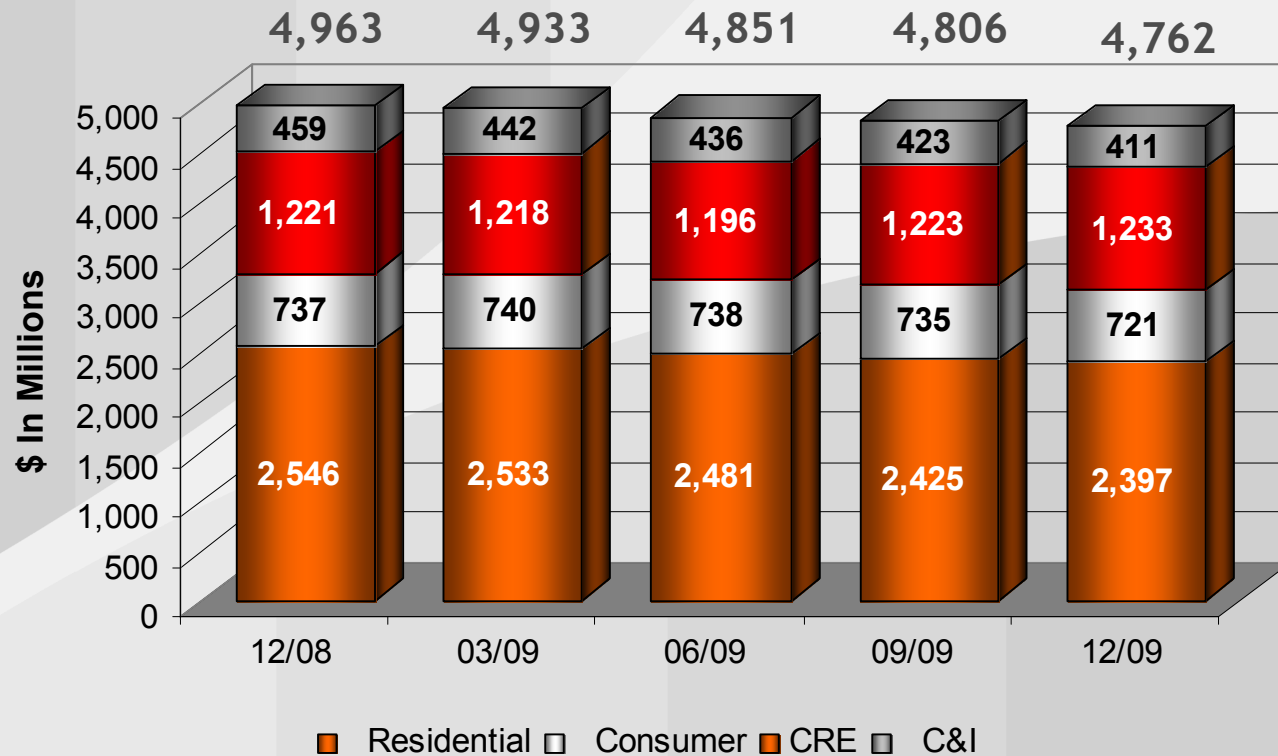


Organic originations outpace 2008

- ▲ Loan originations totaled \$1.5 B for the year
- ▲ Up 15% vs. prior year
- ▲ 1 billion originated in residential loans



Loan Balances



- ▲ Lower outstanding vs. prior year primarily attributable to run-off in purchased residential portfolio - \$205MM
- ▲ Continued growth in commercial real estate portfolio

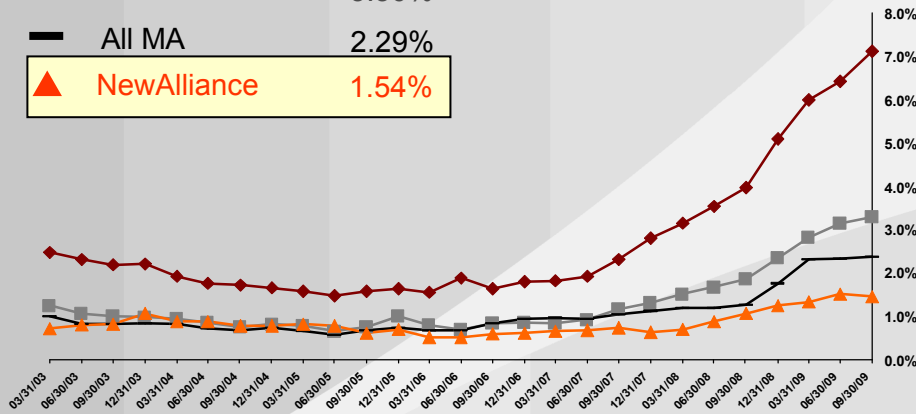


Aggressively Managed Credit Quality

Credit Quality Trends - NAL vs. Peers

Peer Delinquency Rates (30 day +)* September 30, 2009

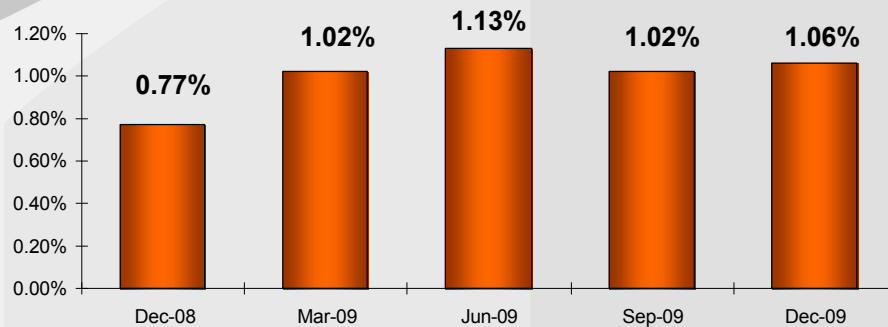
◆ All National	7.13%
■ All CT	3.30%
— All MA	2.29%
▲ NewAlliance	1.54%



Credit Quality

- ▲ Total delinquencies – 1.54% (at 12/31/09)
- ▲ Delinquencies continue to track well below the state and national average

NPL's/Total Loans



Non-Performing Loans

- ▲ Slight increase of 4 bps linked quarter
- ▲ Provision of \$3.5 million for quarter
- ▲ Reserve of \$52.5 million (12/31/09)



Total Loan Portfolio

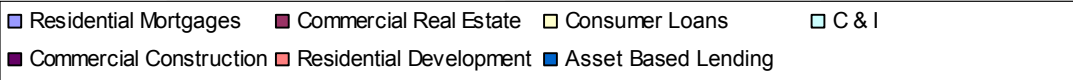
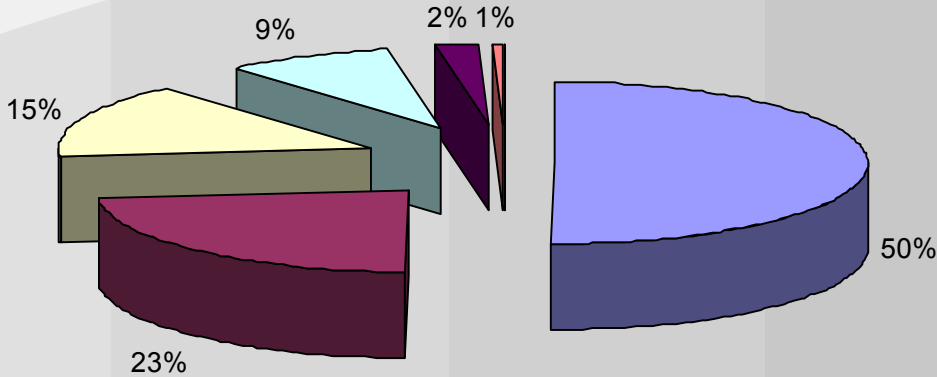
December 31, 2009

Dec. 31, 2009

(\$ In Millions)

Balance

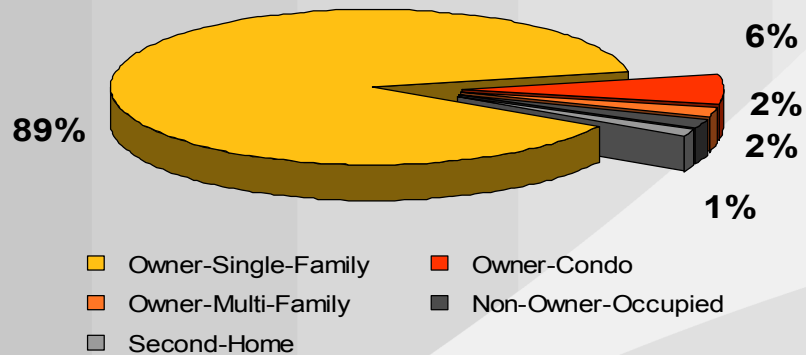
Residential Mortgages	2,397
Commercial Real Estate	1,101
Consumer Loans	721
C & I	409
Commercial Construction	103
Residential Development	29
Asset Based Lending	2
Total Loans	4,763



Residential / Home Equity Portfolio

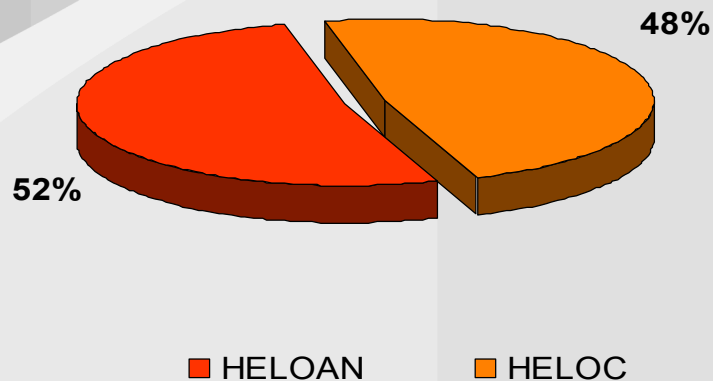
December 31, 2009

Residential Mortgage Portfolio \$2.4 billion



Percent of total loans:	
◀ Total delinquencies	1.96%
◀ Net credit losses	0.15%
◀ Updated FICO	748
◀ Updated LTV	59%

Home Equity Portfolio \$706 million



Percent of total loans:	
◀ Total delinquencies	0.69%
◀ Net credit losses	0.06%
◀ Updated FICO	748
◀ Updated CLTV	65%
◀ Line utilization	49%



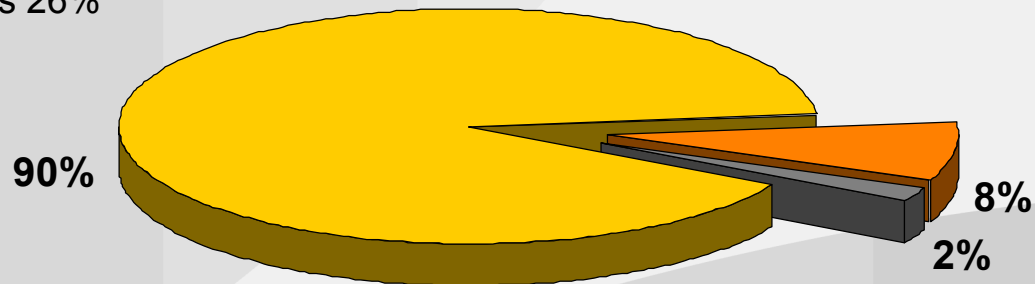
Total CRE Portfolio

December 31, 2009

Total CRE Portfolio

Percent of total loans 26%

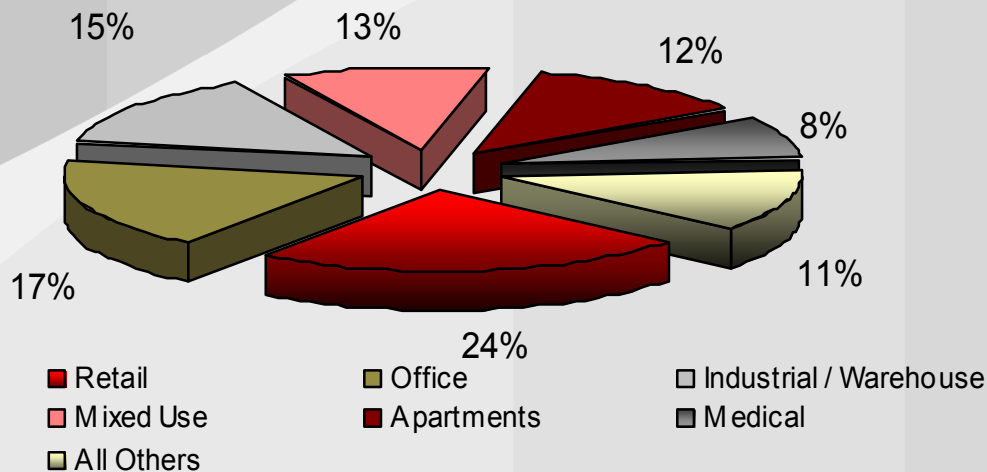
\$1.2 billion



■ Permanent CRE
 ■ Construction to Permanent
 ■ Residential Development

Permanent CRE Portfolio

\$1.1 billion



■ Retail
 ■ Office
 ■ Industrial / Warehouse
■ Mixed Use
 ■ Apartments
 ■ Medical
■ All Others

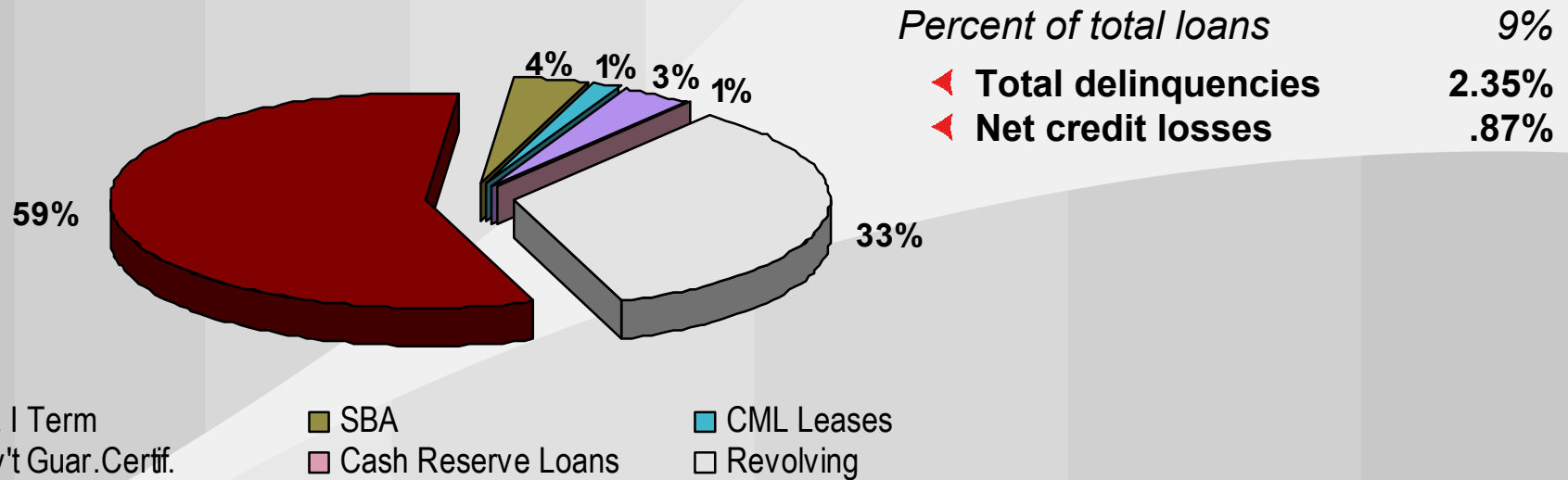
- ◀ Total delinquencies 0.66%
- ◀ Non-performing loans 0.56%
- ◀ Net credit losses 0.25%



C&I Portfolio

December 31, 2009

Total C&I Portfolio \$411 Million



CML By NAICS Code

	%		%		%
Manufacturing	17%	Condominium Associations	7%	Finance & Insurance	3%
Construction	13%	Professional, Scientific & Technical Svcs	7%	Educational Services	2%
Wholesale Trade	8%	Health Care & Social Assistance	6%	Administrative, Support & Waste Mgmt	2%
Retail Trade	8%	Transportation & Warehouse	3%	Accommodation & Food Services	2%
Real Estate, rental & Leasing	8%	Arts, Entertainment & Recreation	3%	Other Services	10%



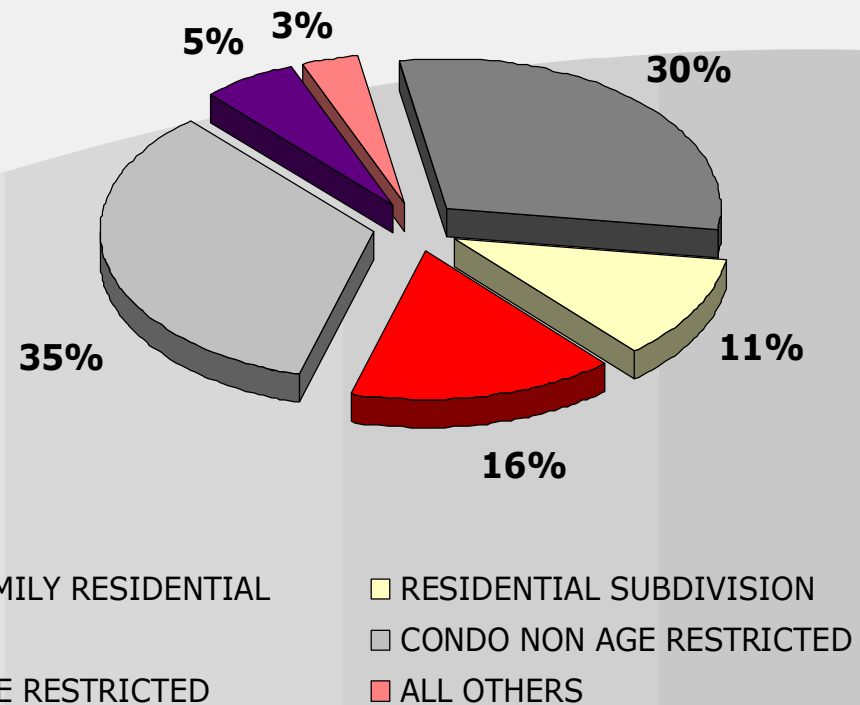
Residential Development Portfolio Snapshot

December 31, 2009

Total portfolio: \$29.3 million

Percent of total loans: 0.62%

- ◀ Total delinquencies 8.41%
- ◀ Net credit losses 0.64%
- ◀ Total condo portfolio \$11.5 million
- ◀ Total NPLs for condo portfolio \$1.9 million



Quarterly Net Charge-offs by Category

December 31, 2009

(\$'s in thousands)	Portfolio size	Q4 2009 Net Charge-offs	Q4 2009 %	Q3 2009 %	Q4 2008 %
Residential Mortgages	2,396,303	883	0.15	0.16	0.07
Consumer Loans	721,281	213	0.12	0.25	0.12
C&I	409,149	890	0.87	2.78	0.51
ABL	2,062	-	-	-	-
Commercial Real Estate (Permanent)	1,100,882	691	0.25	(0.05)	-
Commercial Construction	103,117	-	-	-	-
Residential Development	29,251	47	0.64	11.80	14.95
Total	4,762,045	2,724	0.23	0.43	0.25



Investment Portfolio

December 31, 2009

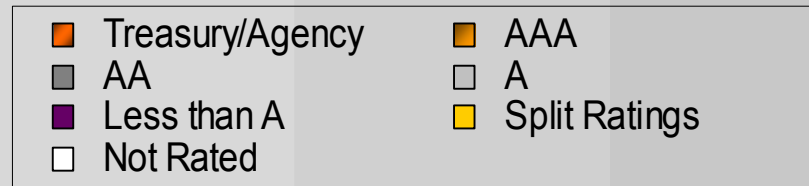
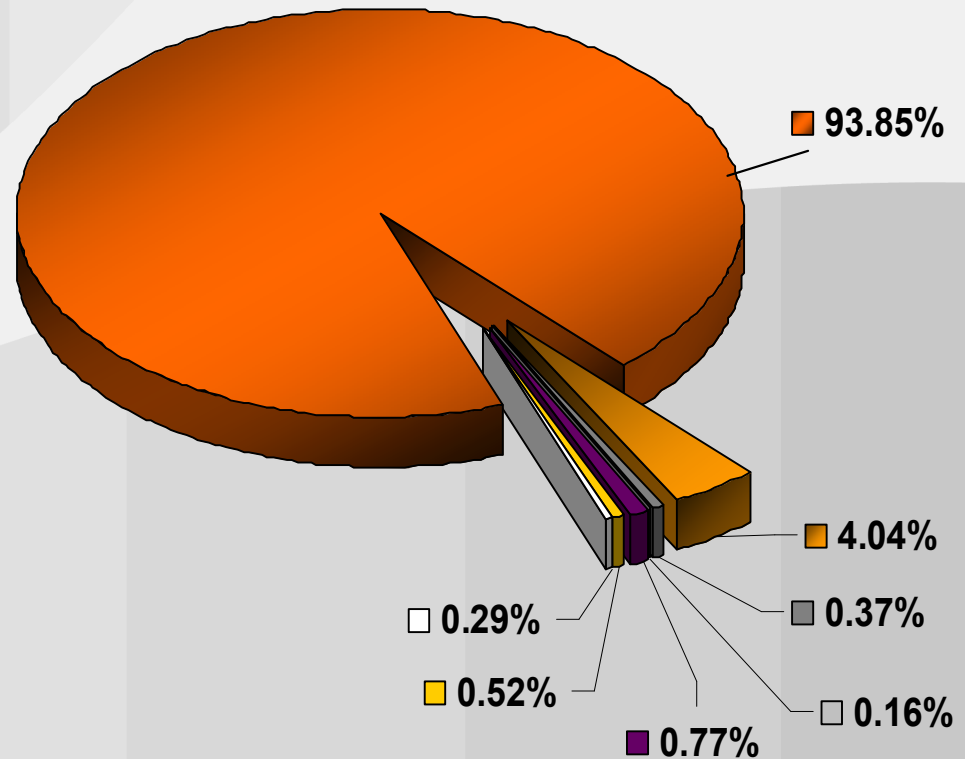
Total Fixed Income Portfolio: \$2.62 billion

Trust Preferred

◀ Book: \$48.75 mm
 ▶ Market: \$33.30 mm

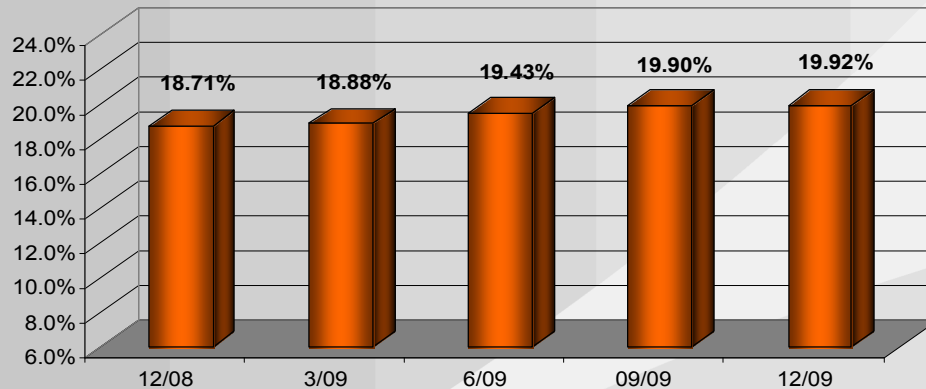
Private MBS

◀ Book: \$23.87 mm
 ▶ Market: \$20.86 mm

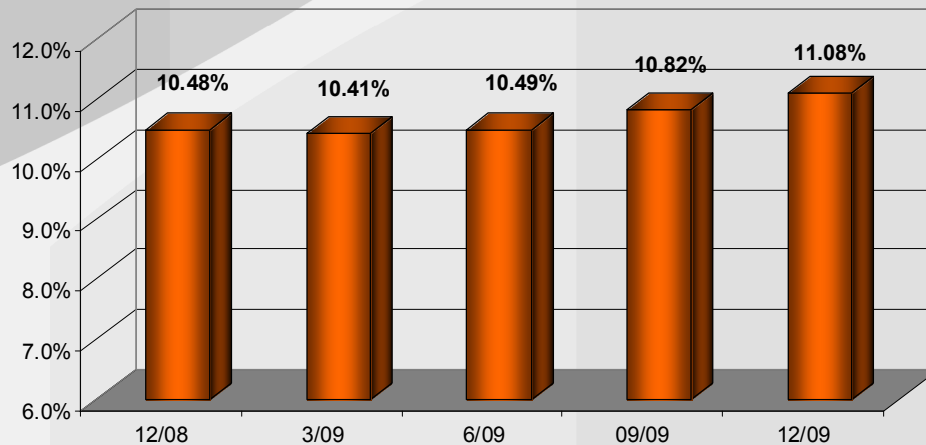


Robust Capital

Tier 1 Risk Based Ratio



Tangible Capital Equity Ratio



Robust Capital Levels

- ▲ No participation in TARP
- ▲ Excellent ratios
- ▲ \$2.6 billion investment portfolio

Poised to Grow

- ▲ Expanded lines of business to include Asset Based Lending
- ▲ Filed a shelf registration 10/27/09
- ▲ Focused M&A strategy



GAP Report

	Dec-09		< 3 Months		3 - 12 Months		< 1 Year Gap	
	Balance	Rate	Balance	Rate	Balance	Rate	Balance	Rate
Assets:								
Cash and Due From Banks	96,927	-	-	-	-	-	-	-
Short Term Investments	85,050	0.61	85,050	0.61	-	-	85,050	0.61
Long Term Investments	2,654,391	4.06	410,095	2.73	640,184	4.37	1,050,279	3.73
Total Investments:	2,739,441	3.96	495,145	2.36	640,184	4.37	1,135,329	3.50
Loans - Adjustable and Variable	3,063,601	5.12	826,961	4.23	565,495	5.28	1,392,455	4.65
Loans - Fixed	1,659,163	5.75	124,620	5.73	337,544	5.72	462,164	5.72
Total Loans:	4,722,764	5.35	951,580	4.43	903,039	5.44	1,854,619	4.92
Nonaccrual Loans	51,172	-	-	-	-	-	-	-
Other Assets	821,755	-	-	-	-	-	-	-
Total Assets	8,432,059	4.28	1,446,725	3.72	1,543,223	5.00	2,989,948	4.38
Liabilities:								
Certificates of Deposit	1,481,445	2.52	535,340	2.78	544,079	1.93	1,079,419	2.35
Core Accounts	3,560,166	0.77	121,510	0.96	952,950	0.96	1,074,460	0.96
Total Deposits:	5,041,611	1.29	656,849	2.45	1,497,030	1.31	2,153,879	1.66
Borrowed Money	1,889,928	4.05	266,415	3.26	478,190	4.18	744,605	3.85
Other Liabilities	65,567	-	-	-	-	-	-	-
Total Liabilities	6,997,106	2.02	923,264	2.68	1,975,219	2.01	2,898,484	2.22
Capital:	1,434,953	-	-	-	-	-	-	-
Total Liabilities & Equity	8,432,059	1.68	923,264	2.68	1,975,219	2.01	2,898,484	2.22
Total Rate Sensitive Assets:	7,396,836	4.88	1,446,725	3.72	1,543,223	5.00	2,989,948	4.38
Total Rate Sensitive Liabilities:	6,379,789	2.22	923,264	2.68	1,975,219	2.01	2,898,484	2.22
Cumulative RSA/RSL:			1.57		1.03		1.03	
Period Gap:			523,460		(431,996)		91,464	
Cumulative Gap:			523,460		91,464		91,464	
Cumulative Gap/Total Assets:			6.21%		1.08%		1.08%	





NewAlliance Bancshares

2010 Outlook

Accomplishments

2009 characterized by healthy organic growth with an eye to future expansion

- ◀ Robust growth in core deposits and market share
- ◀ Significant reduction in deposit costs
- ◀ Material expansion of loan originations
- ◀ Flat expenses while funding investments in management team and Asset Based Lending
- ◀ Superior credit quality
- ◀ Strong revenue and earnings growth



2010 Outlook

NewAlliance is well poised to grow revenue and earnings

- ◀ Customer and core deposit growth
- ◀ NIM expansion
- ◀ Diversified loan growth
- ◀ Moderate core fee income growth
- ◀ Expense control with targeted investments
- ◀ Cautious optimism regarding credit quality





NewAlliance Bancshares