



NewAlliance Bancshares

Presentation



Sidoti & Company

**Second Annual Emerging Growth
Institutional Investor Forum**

June 2005

Disclaimer & Forward-Looking Statements

This presentation contains forward-looking statements which involve risks and uncertainties. The Company's actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such a difference include, but are not limited to, changes in market interest rates, loan prepayment rates, general economic conditions, legislation and regulation; changes in the monetary and fiscal policies of the U.S. Government including policies of the U.S. Treasury and the Federal Reserve Board; changes in the quality or composition of the loan or investment portfolios; changes in deposit flows, competition, and demand for financial services, and loan, deposit and investment products in the Company's local markets; changes in accounting principles and guidelines; the ability of the Company to successfully complete and integrate acquisitions; the impact of equity awards yet to be determined and announced; war or terrorist activities; and other economic, competitive, governmental, regulatory, geopolitical, and technological factors affecting the Company's operations, pricing and services.



NewAlliance Bancshares

Strategic Priorities

- **Maintain Sound Financial Performance**
- **Manage Our Capital**
- **Grow Profitably**
- **Manage Risk**
- **Sustain Investor Interest**



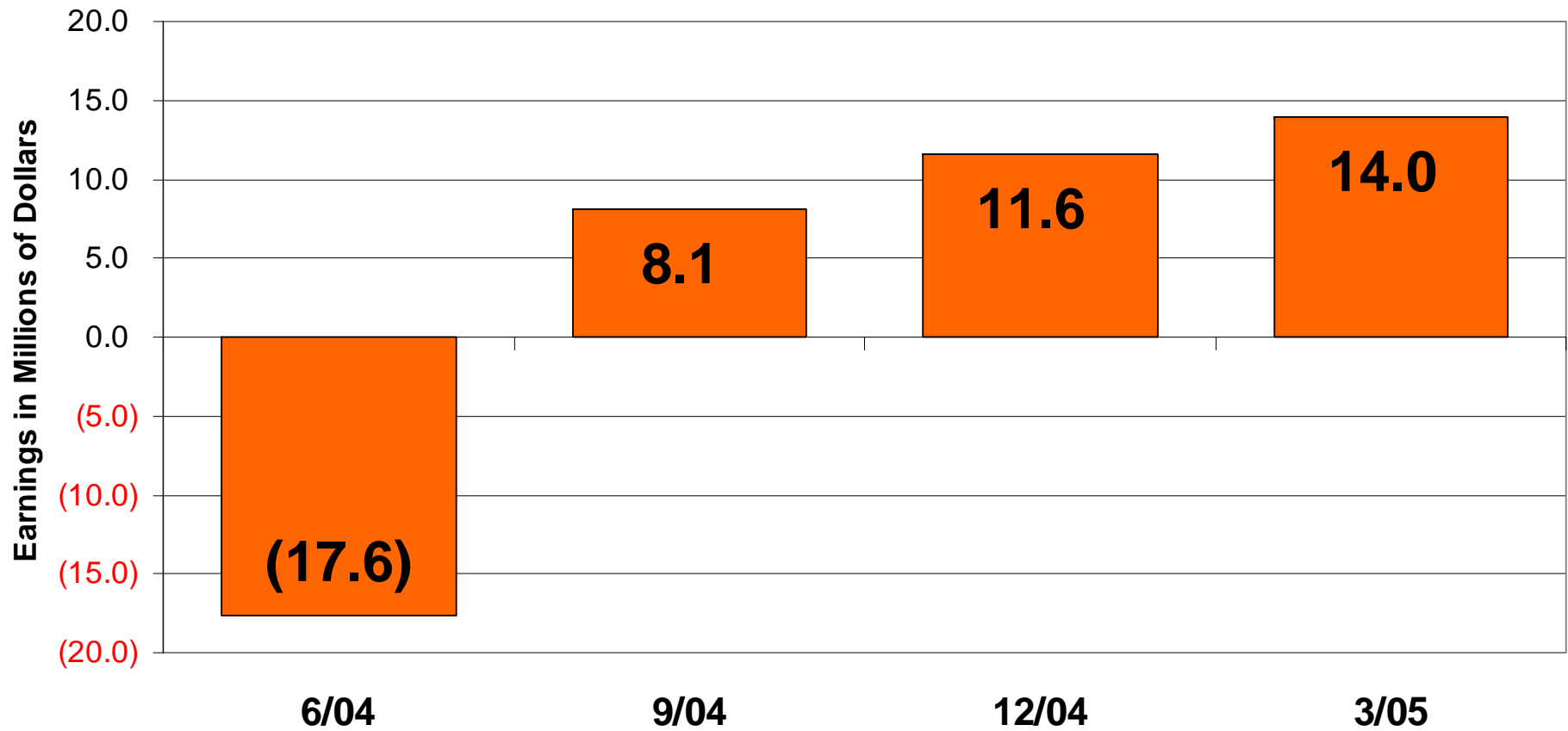
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Financial Performance

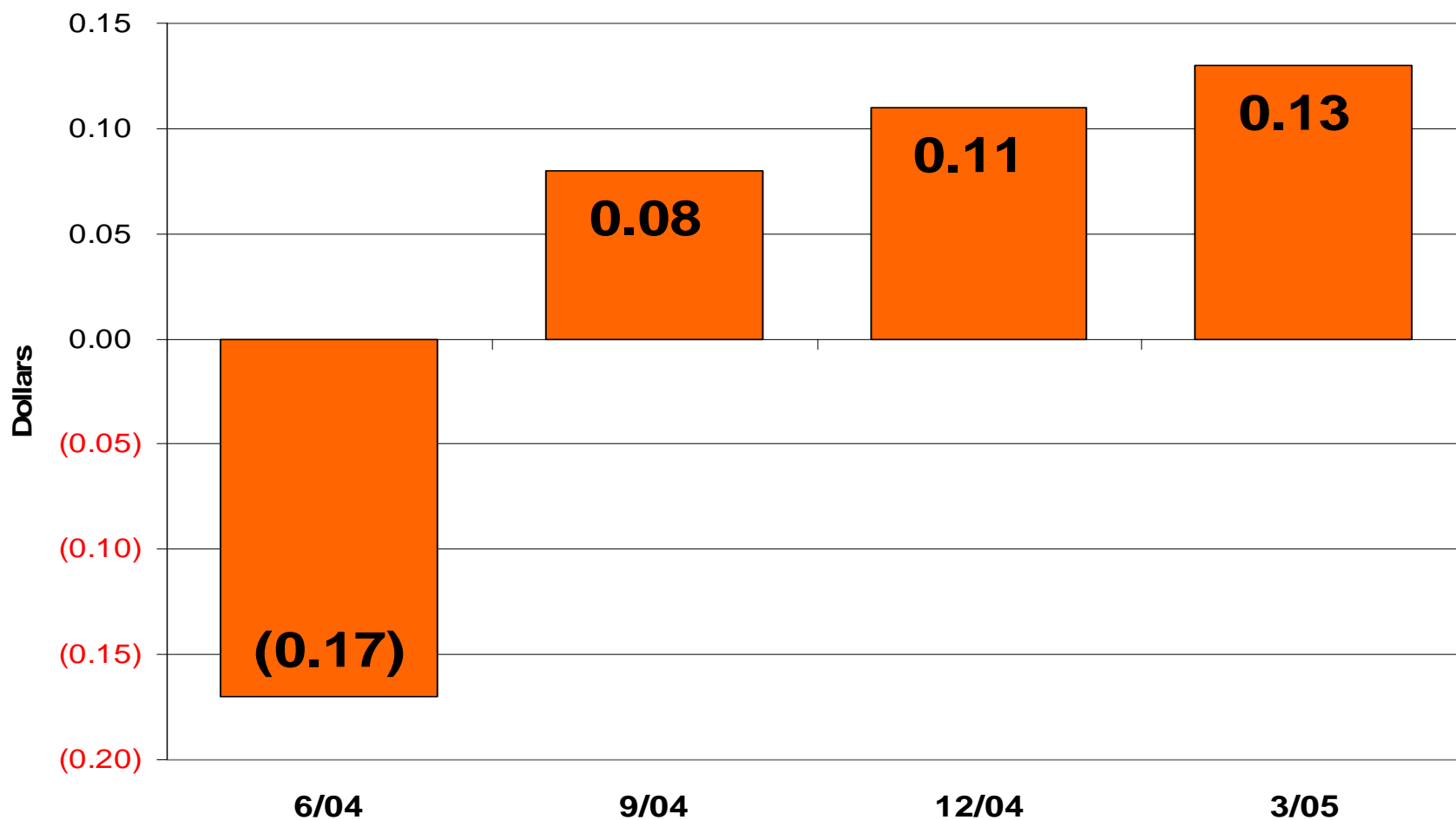
First Quarter 2005 – Record Earnings

Key Indicator	Actual	Trend (From 2004 Q4)	
Net Income	\$13.7 Million	↑	18%
EPS	13 cents	↑	18%
ROAA	0.86%	↑	14%
Efficiency Ratio	62%	↓	6%
Net Interest Margin	3.0% +		stable
NPL's to Total Loans	0.33%		stable

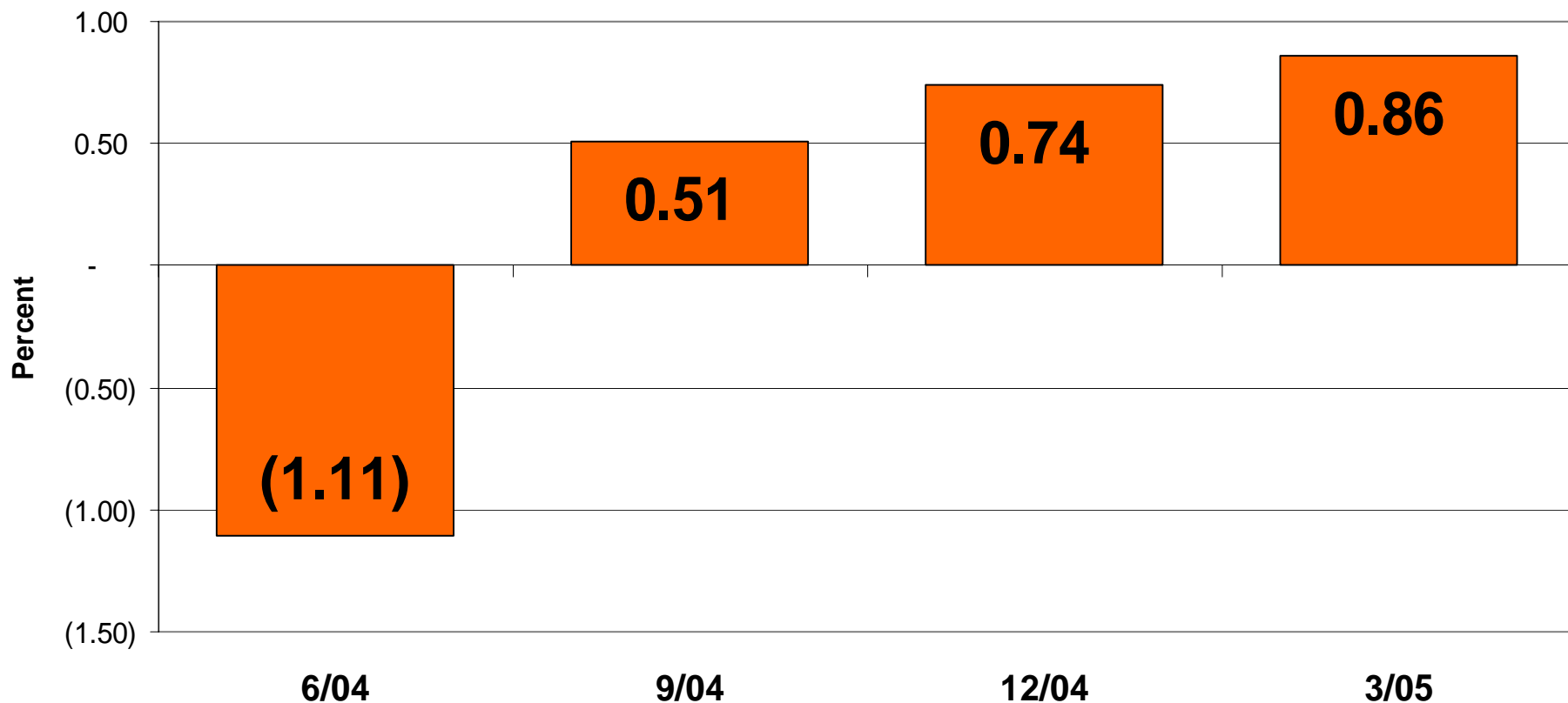
Net Income by Quarter



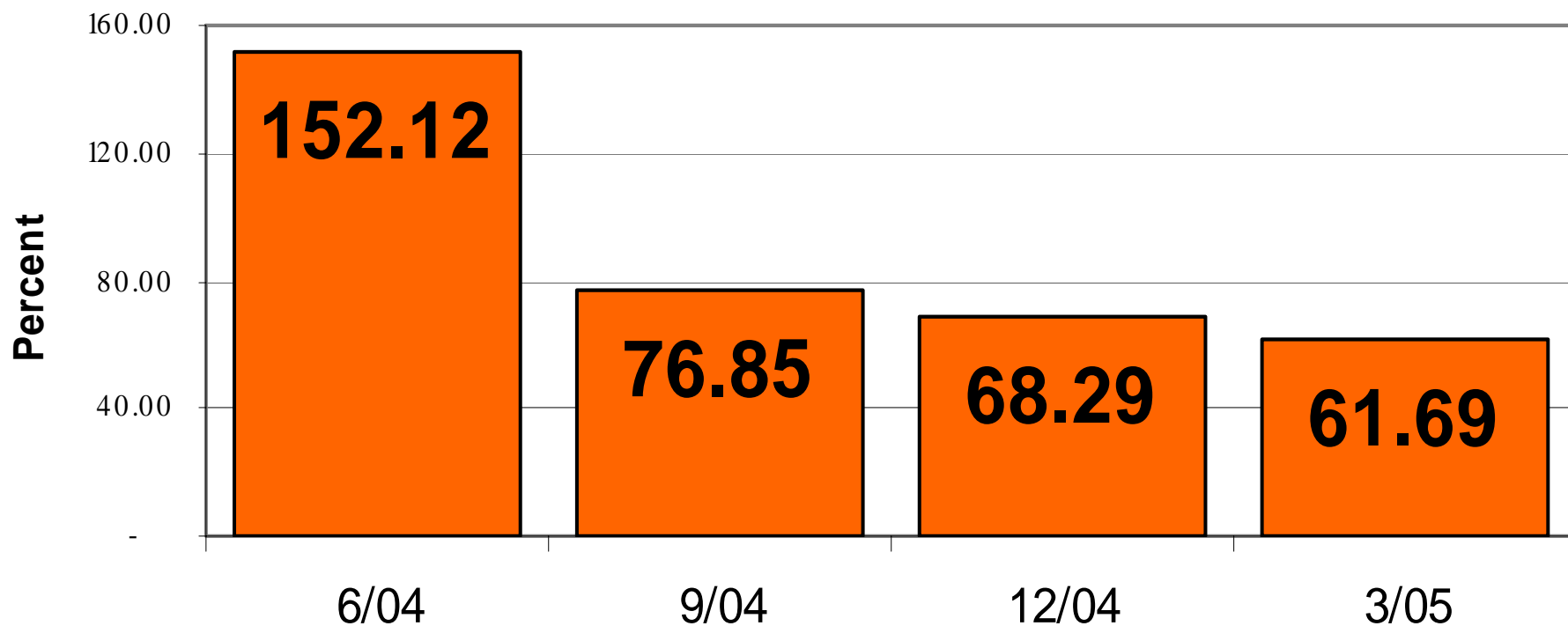
Quarterly EPS



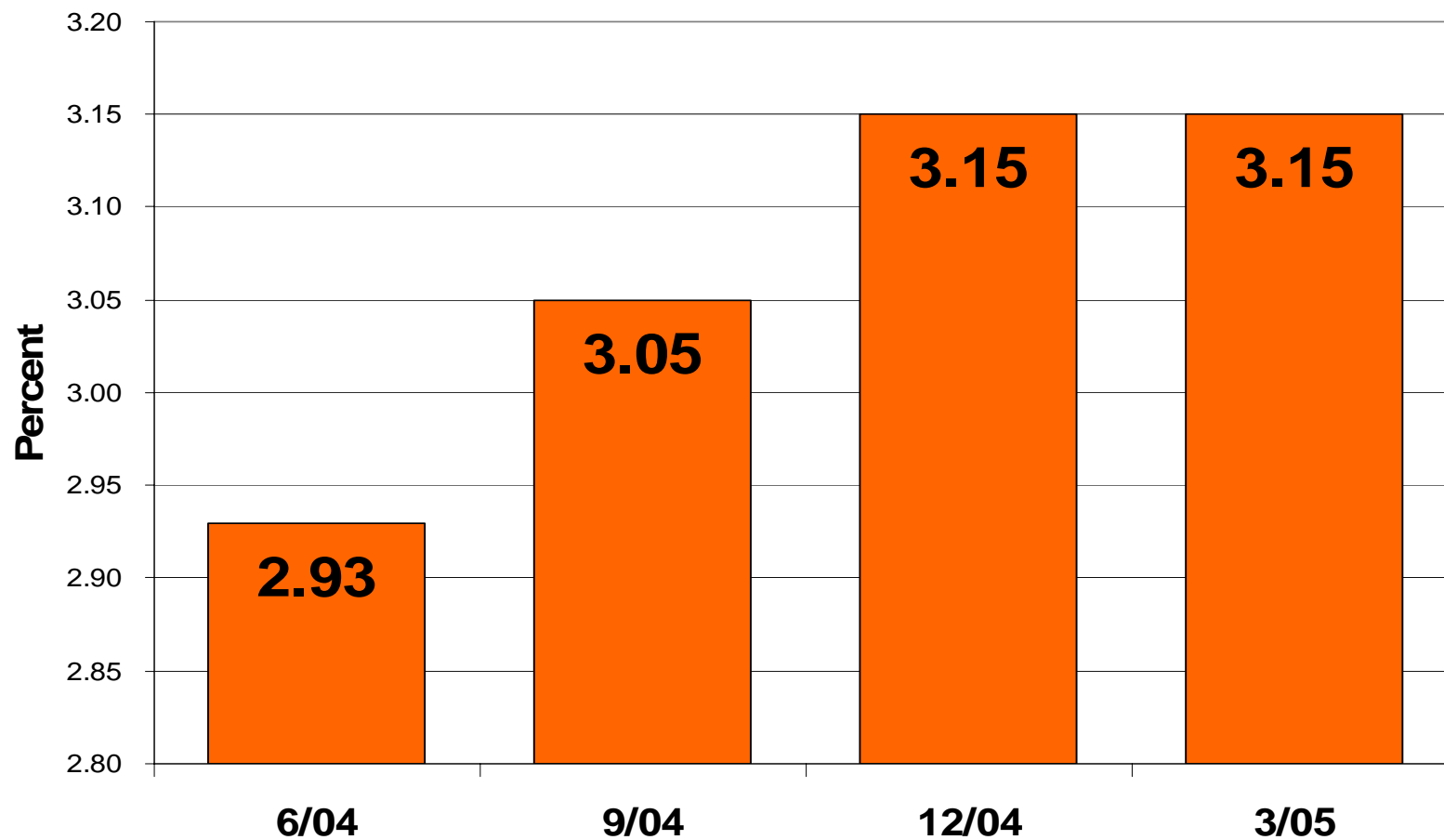
Quarterly ROAA



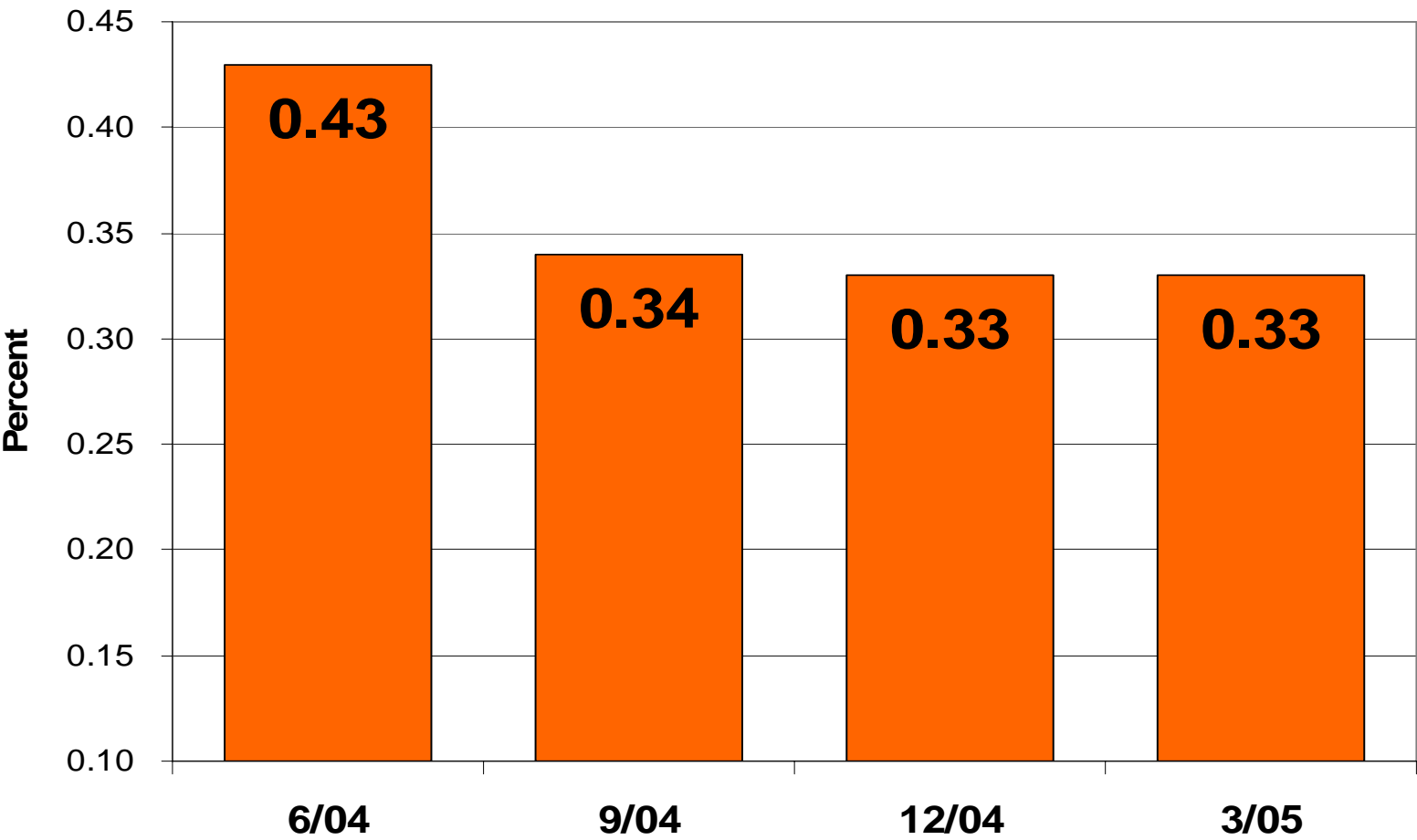
Quarterly Efficiency Ratio



Quarterly Net Interest Margin



Quarter-End Ratio of Nonperforming Loans to Total Loans



Expectations for 2005

- **Comfortable with 53 cent 2005 Consensus Estimate Up 15% from 2004 Run Rate of 46 cents***

Key Indicator

2005 Estimates

Deposits	 5 – 8% from 12/31/04
Commercial and Consumer Lending	 10 – 15% from 12/31/04
Fee Income	 15 – 20% from 2004
Net Interest Margin	~ 3.0% +
Asset Quality	strong

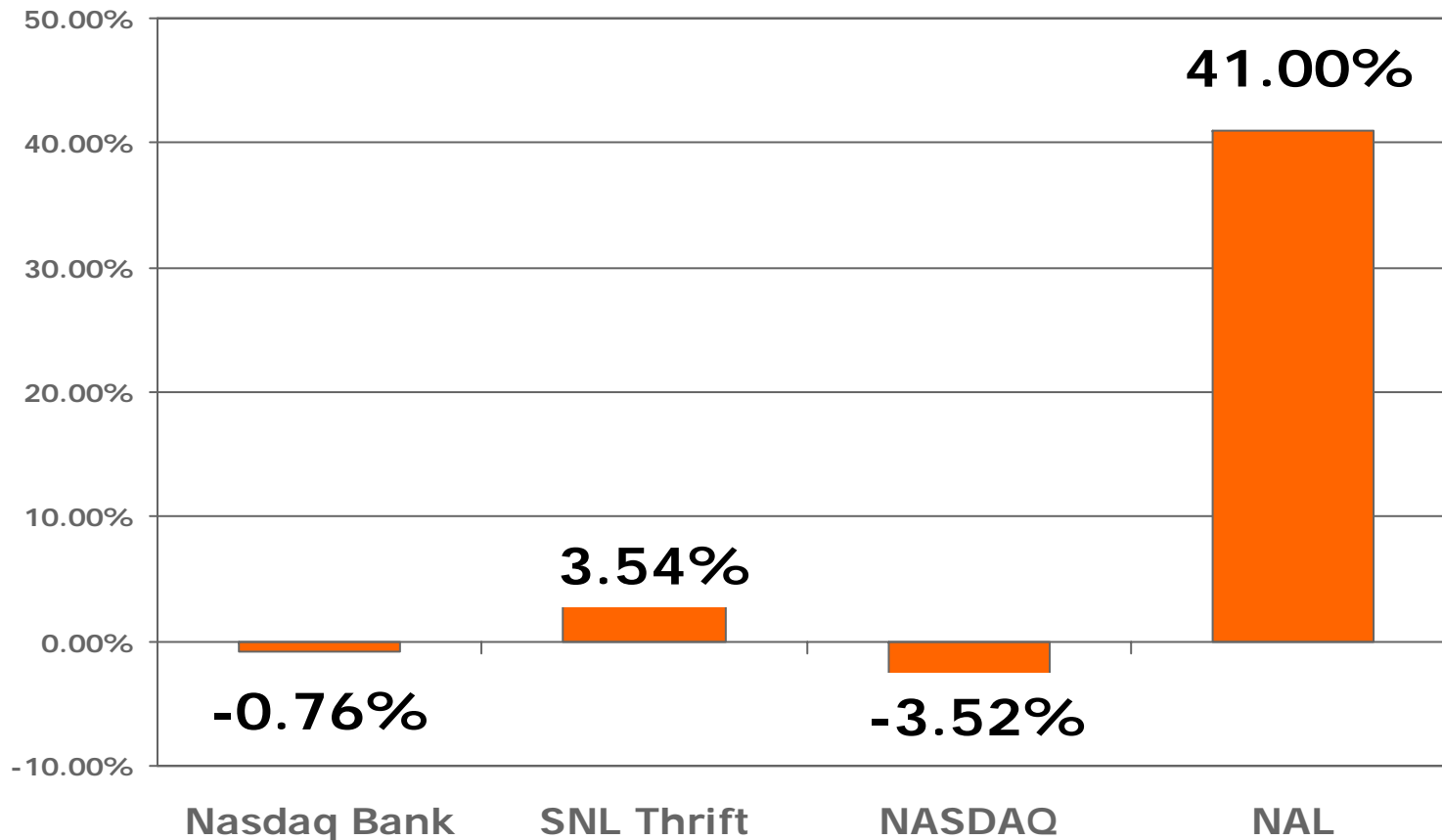
* Exclusive of Merger and Foundation costs



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Stock Price Performance

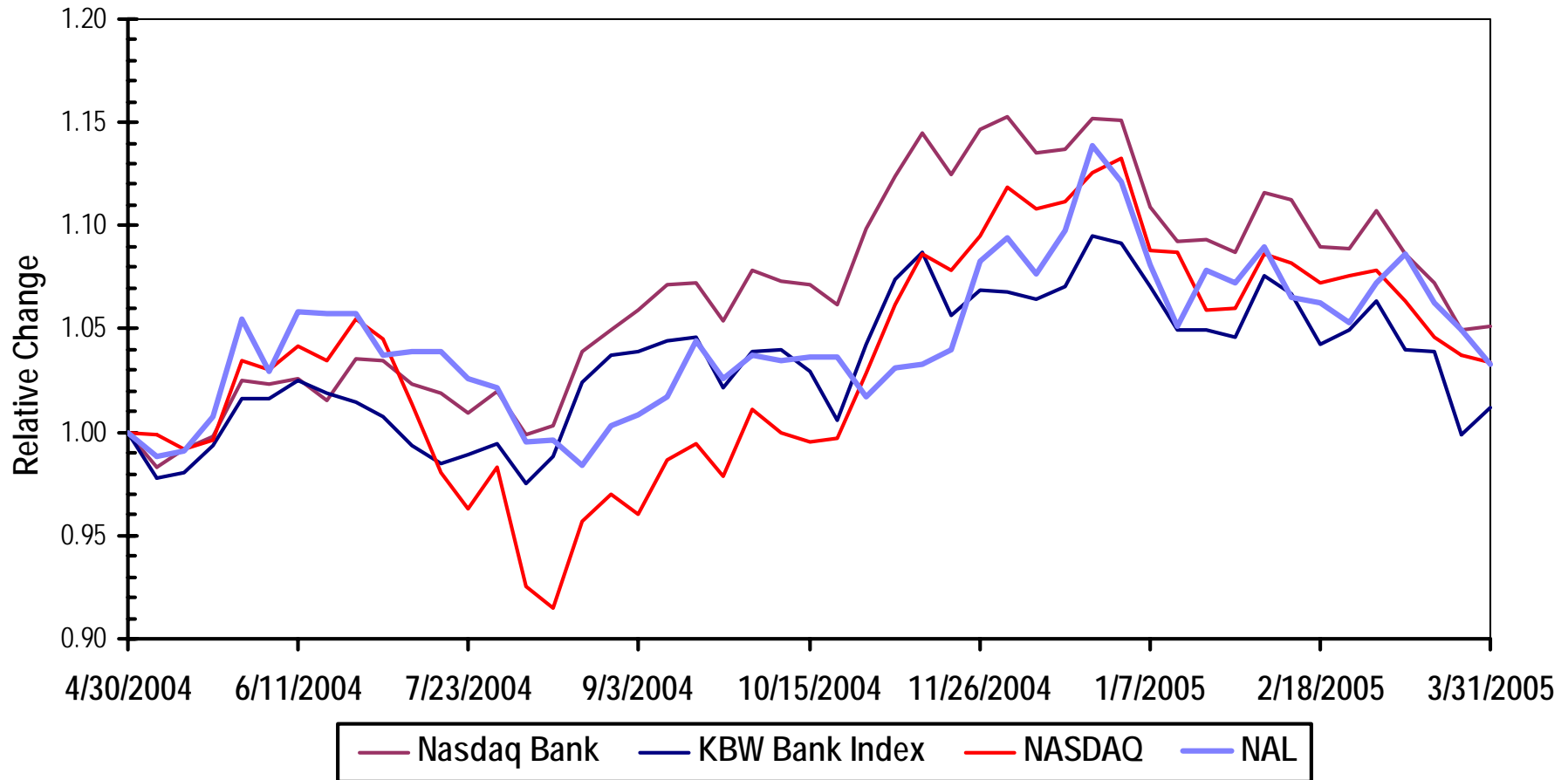
NewAlliance Price Performance – Since IPO, as of March 31, 2005



Best performing conversion stock in 2004 of all conversions larger than \$25 million in gross proceeds.

Median Price change since IPO for all 2004 conversions is approximately 17%, as of March 31, 2005.

NewAlliance Price Performance – 1 Month Following IPO, as of March 31, 2005



Has performed in-line with the broader stock market since post IPO period



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Deploying Our Capital

Managing Our Capital – What We Said in 2004

Deploy capital in a disciplined, opportunistic way through:

- **Dividends**
- **Share Repurchases**
- **Acquisitions**

Managing Our Capital ... Dividends

Fourth Consecutive Quarterly Dividend Announced

- 5 cents per share paid in May
- Approximately 40% of earnings being returned to shareholders in quarterly dividends
- 18 cents per share in past 4 quarters

Managing Our Capital ... Share Repurchases

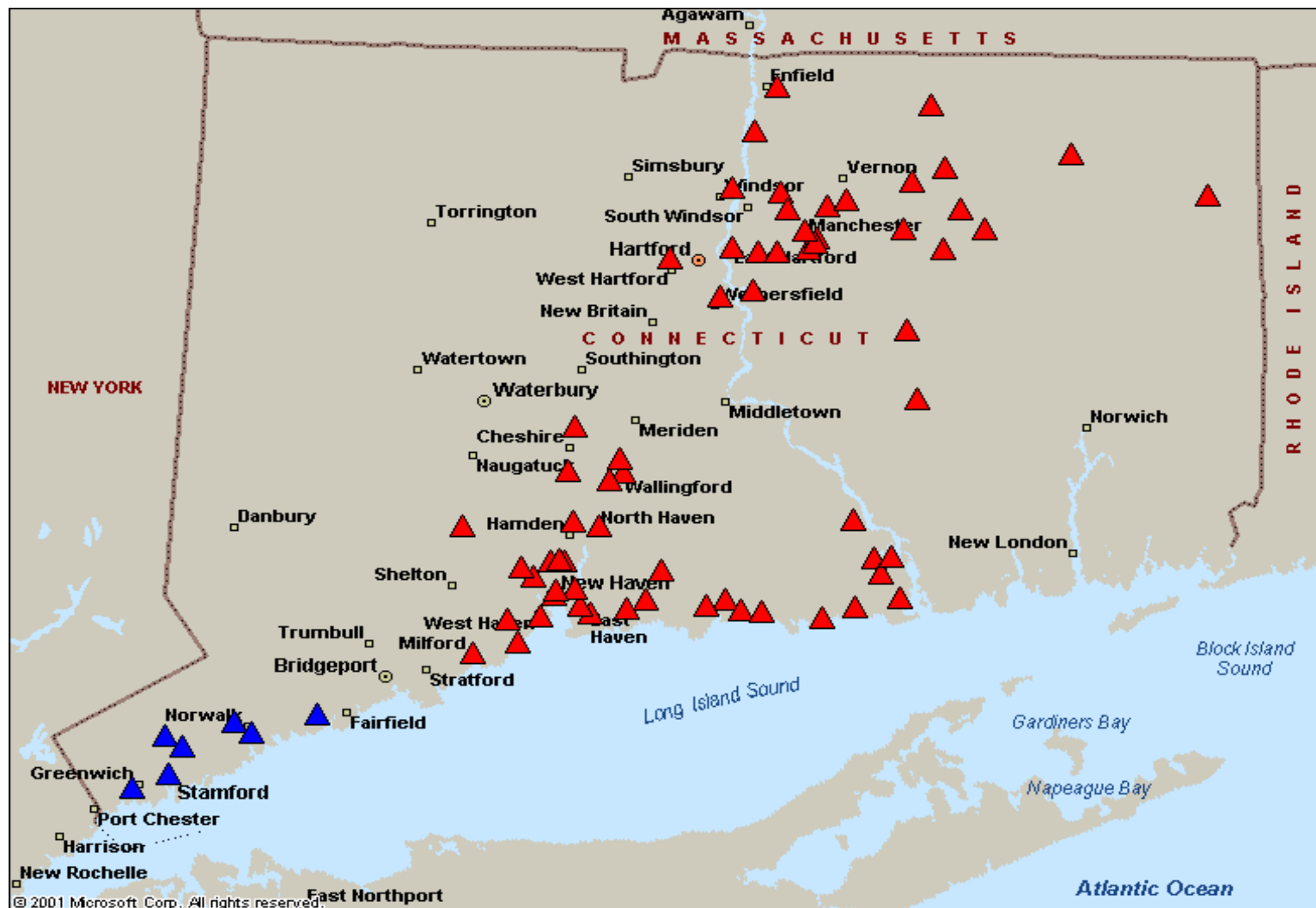
- **10% Buyback Announced**
- **10.7 Million Shares can be purchased in the open market starting in 3rd Quarter, pending regulatory approval**
- **Additional Buybacks to be evaluated**

Managing Our Capital ... Two Strategically and Financially Sound Acquisitions Announced

- **Trust Company of Connecticut; announced March 9, 2005**
 - **\$700 million in assets under management**
 - **Strong Statewide presence**

- **Cornerstone Bancorp; announced April 13, 2005**
 - **More than \$200 million in assets**
 - **Entry into the Fairfield County Market**

Expanded Market Area



NewAlliance



Cornerstone



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Growth Initiatives

Growth Initiatives

- **Financially Sound Acquisitions**
- **DeNovo Branching**
- **Expanded Customer Relationships in Current Footprint**



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Risk Management

Risk Management

- **Preserve margin**
- **Maintain Credit Quality**
- **Integrate acquisitions**

Maintain Strong Asset Quality

	<u>12/31/04</u>	<u>3/31/05</u>
NPAs to Total Assets	0.16%	0.16%
NPLs to Total Loans	0.33%	0.33%
Allowance for Loan Losses	1.15%	1.17%



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Sustaining Investor Interest

Research Coverage

- **Sidoti & Company**
- **Ryan Beck**
- **Keefe Bruyette & Woods**
- **Friedman, Billings Ramsey**
- **Sandler O'Neill**
- **Moors & Cabot**
- **RBC Capital Markets**
- **C.L. King**
- **FIG Partners**

Institutional Ownership

- **Doubled to nearly 50% in the last 12 months**
- **A dozen institutions each own in excess of 1 million shares**

Company's Greatest Strengths

- **Experienced Management Team**
- **Attractive Geographic Footprint**
- **Strong Capital Position**
- **Solid Earnings Potential**

*Data compiled by Rivel Research, January 2005



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NewAlliance Bank

Capital ideas. Human values.