



NewAlliance Bancshares

Preserving and Creating Shareholder Value in Turbulent Times

December 2007

Discussion Topics

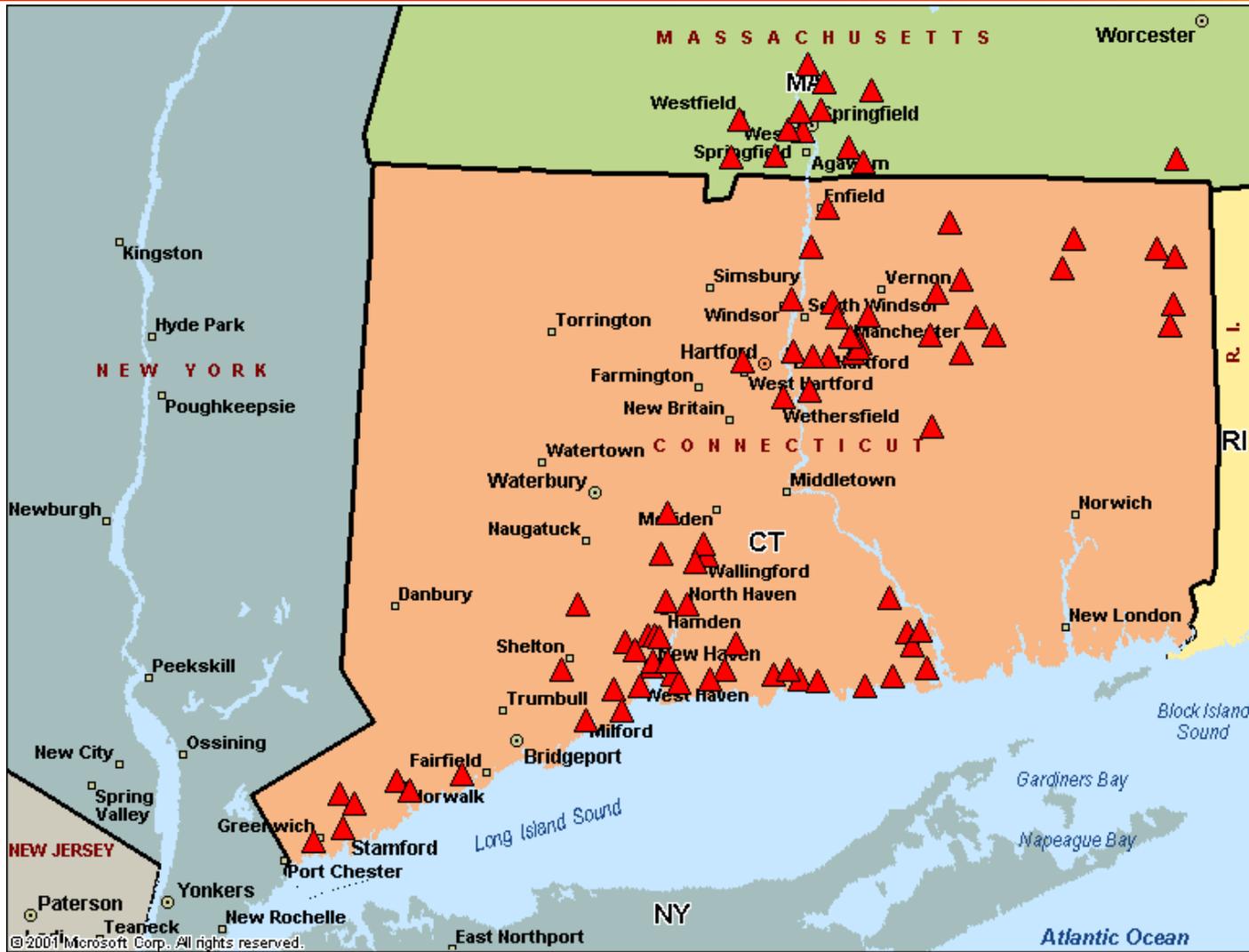
- **Company Profile and Business Focus**
- **2007 Financial Performance**
- **Capital Strength**
- **Balance Sheet Management**
- **Summary**

Building Our Franchise “Update”

NewAlliance is a regional community bank with a significant Southern New England presence:

- **Approximately \$8.2 billion in assets and \$4.3 billion in deposits;**
- **88 branches in Connecticut and Massachusetts;**
- **3rd largest bank headquartered in Connecticut; 4th largest in New England;**
- **Dominant market share in its core markets;**
- **Balance sheet growth driven by strong sales culture and acquisitions;**
- **Strong capital provides variety of options including further acquisitions and de novo growth, as well as security in challenging times.**

Strategically Aligned Along I-95, I-91 and I-84



Overall Business Priorities

Key Business Priorities

- PRIORITY** **Optimize profitability vs. balance sheet growth**
- PRIORITY** **Maintain vigilant risk management focus**
- PRIORITY** **Accelerate non-interest income generation**
- PRIORITY** **Manage expenses prudently**

Challenges

Priority

- **Optimize profitability vs. balance sheet growth** →

Tactics

- **Rationalize deposit pricing**
- **Focus on core deposit retention**
- **Capitalize on loan pricing opportunities**
- **De-emphasize loan purchase program**

Challenges (continued)

Priority

- **Maintain vigilant risk management focus**



Tactics

- **Maintain strong underwriting standards**
- **Maintain balanced interest rate risk position**
- **Stress test portfolio for credit and interest rate risk regularly**
- **Maintain high quality securities portfolio**

Challenges (continued)

Priority

- **Accelerate non-interest income generation**



Tactics

- **Continue growth of Wealth Management fee income**
- **Sustain increases in deposit fee income**

Challenges (continued)

Priority

- **Manage expenses prudently**



Tactics

- **Enforce expense control**
- **Focus on process improvements**
- **Maintain hiring discipline**

2007 Financial Performance



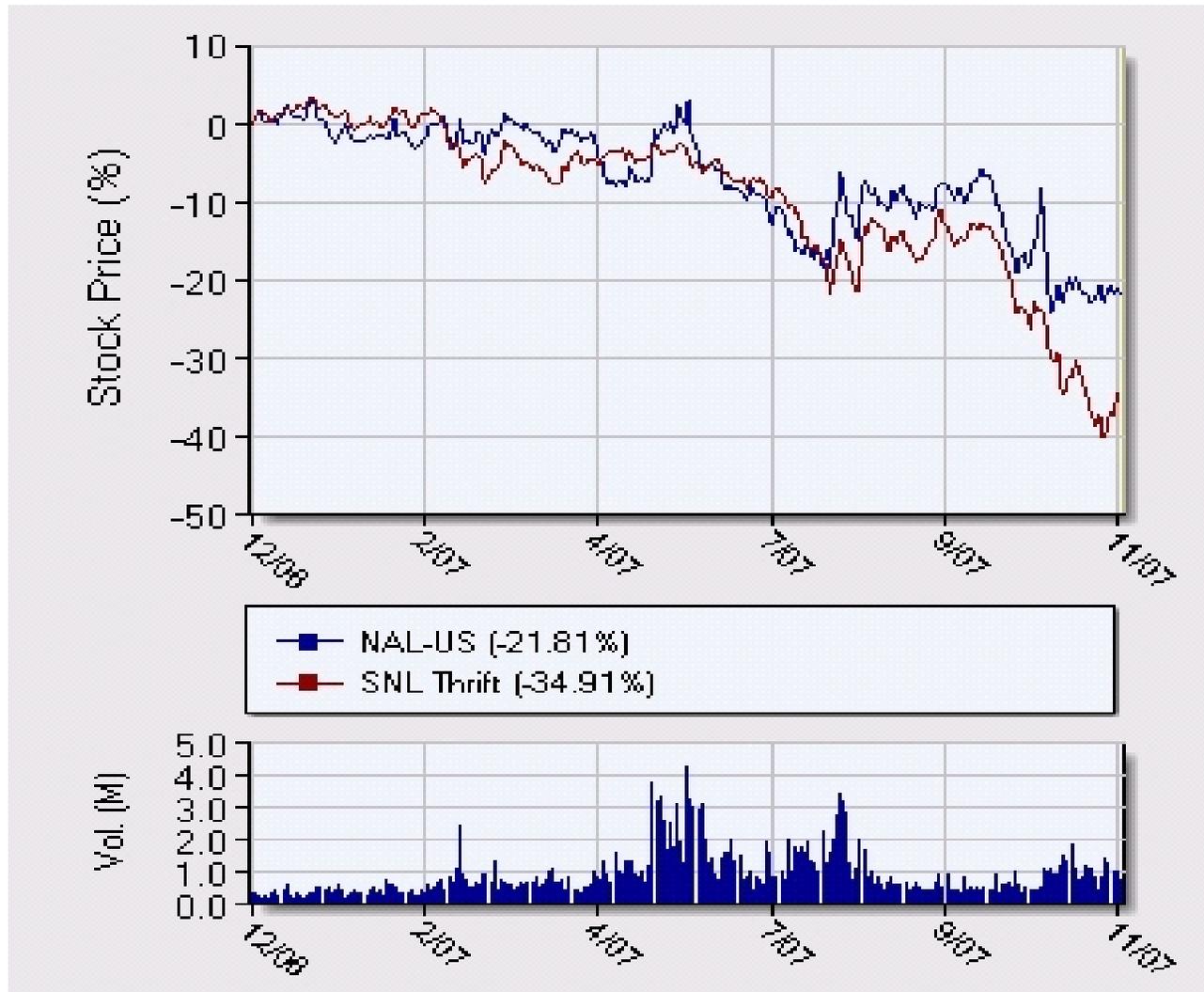
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Capital ideas. Human values.

Highlights of Year-to-Date Performance

- **Exceeded 3rd quarter estimates of 11 cents, with 13 cents in EPS (excluding non-recurring charges);**
- **Loans outstanding grew in every category over a year ago; total loans up 22%, including Westbank acquisition (12%);**
- **Average checking balances up 9%;**
- **“Mouthpiece” savings product generated \$239 million;**
- **Asset quality remains strong having avoided the subprime debacle;**
- **NAL stock price outperformed SNL Thrift Index.**

Stock Price Performance



Capital Strength



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Managing Our Capital

- **Tier 1 leverage capital 11.64%, at 9/30/07;**
- **Repurchased over 4 million shares under current 10 million share Board authorization, as of 11/30/07;**
- **Have paid thirteen consecutive quarterly dividends since IPO on April 1, 2004;**
 - ◇ 40% of earnings or more each quarter;
- **Continue to evaluate accretive acquisitions.**

Balance Sheet Management



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Asset Quality



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CREDIT PHILOSOPHY

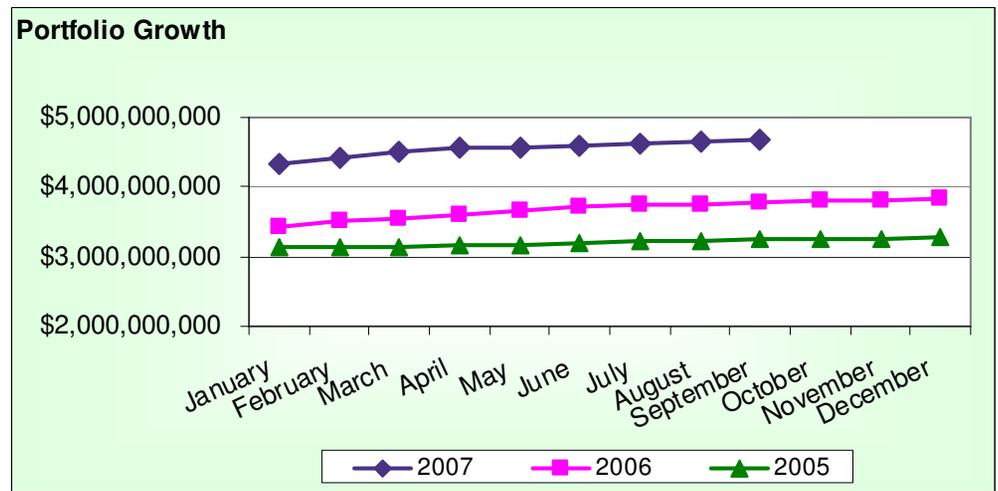
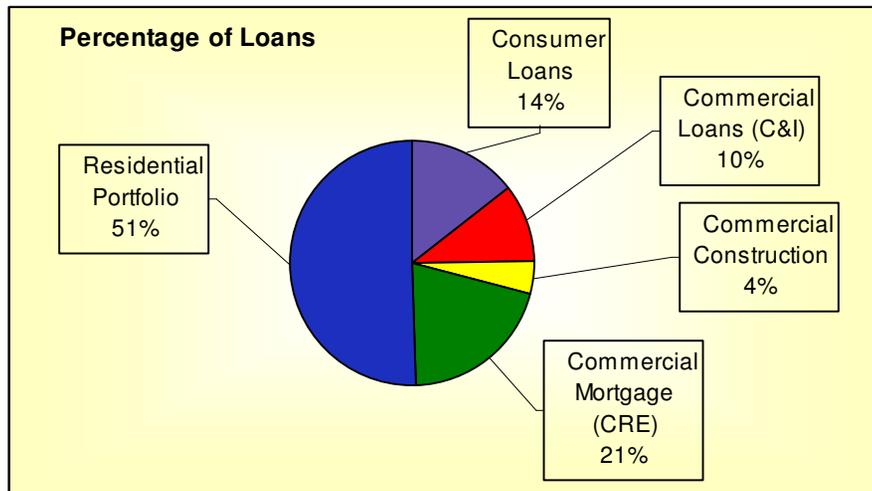
- Strong Capital Base
- Experienced People in Key Jobs
- Asset Quality Key in Compensation
- Portfolio Diversification
- Limit Setting
- Intense MIS Monitoring
- Maintaining Adequate Reserves

Asset Quality

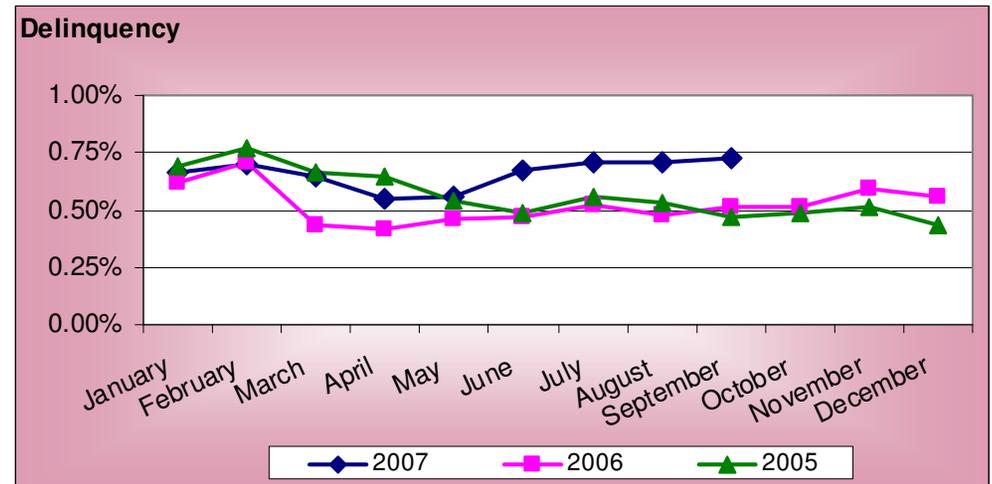
	At or for the period:		
	9 Months Ending 9/30/07	12 Months Ending 12/31/06	12 Months Ending 12/31/05
Non performing loans to total loans	0.42%	0.33%	0.23%
Allowance for losses to total loans	0.92%	0.98%	1.08%
Allowance for losses to non accrual loans	221.25%	300.30%	481.02%
Net charge-offs to total loans	0.03%	0.02%	0.03%
Total delinquencies/ loans (30+)	0.73%	0.56%	0.43%
Loan loss provision (YTD)	\$2.6 MM	\$500k	\$400k

NewAlliance Loan Portfolio (Summary)

September 2007 Month-End



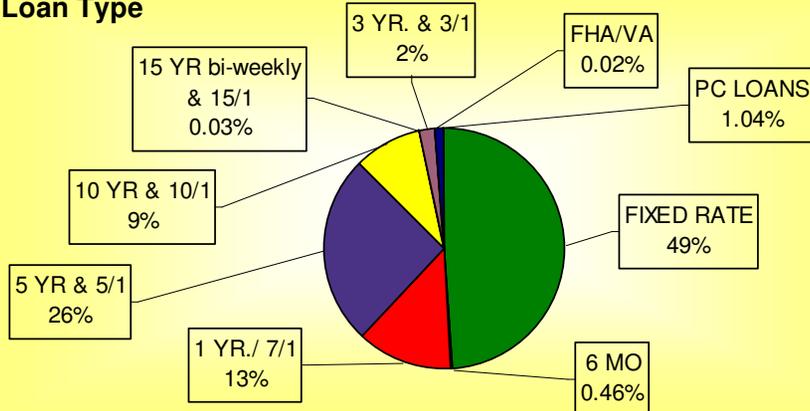
Total Exposure	\$5,427,913,863
Portfolio Size	\$4,674,951,112
% Growth YTD	22.33%
Delinquency	0.73%
Non Accrual	0.42%
Net Credit Losses YTD	0.03%
Number of Loans	44,222



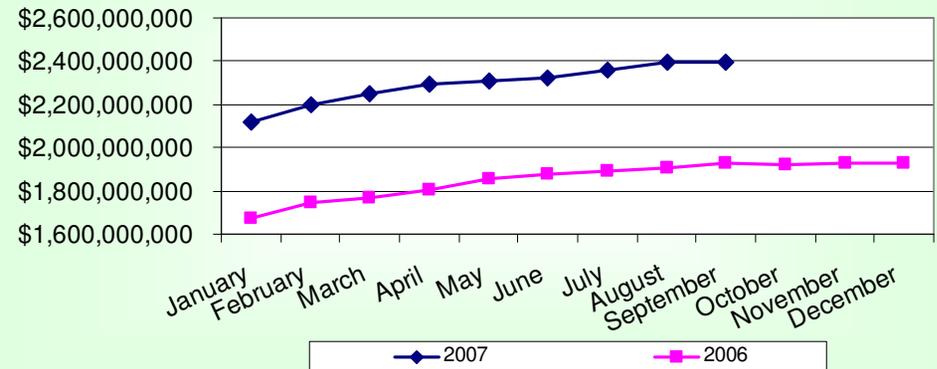
Residential Portfolio Snapshot

September 2007 Month-End

Loan Type

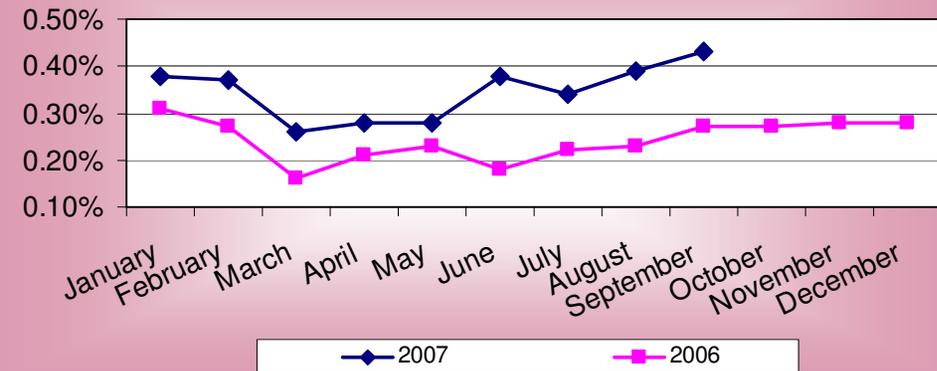


Portfolio Size



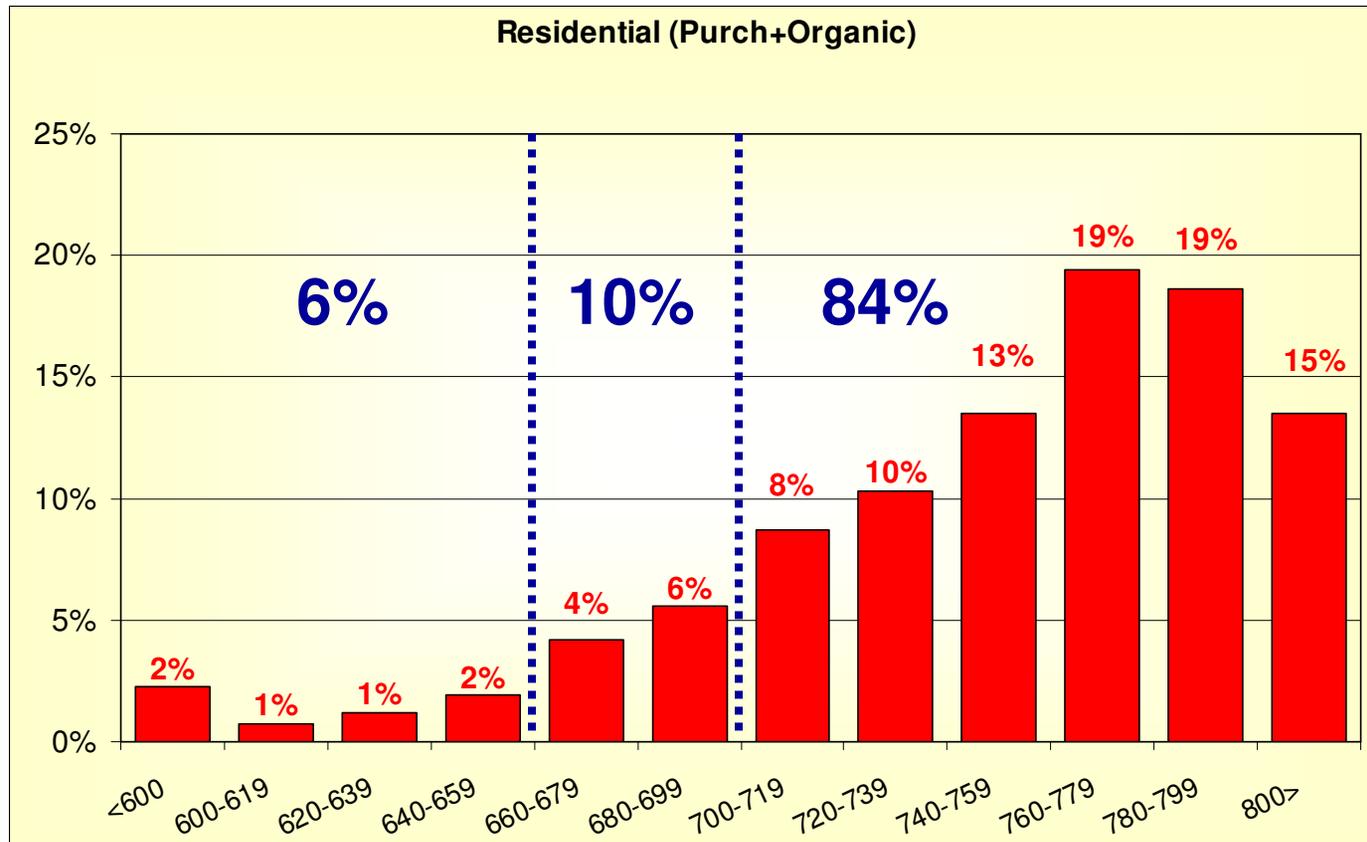
Total Exposure	\$2,398,843,848
Portfolio Size	\$2,398,843,848
% Growth YTD	24.59%
Delinquency	0.43%
Non Performing Loans	0.19%
Weighted Average FICO	749
Weighted Average Interest Rate	5.54%
Average Current LTV	49%
Average Loan	\$169,040
Net Credit Losses YTD	0.00%
Number of Loans	14,191
Interest-only	\$187,971,124
Interest-only % of Portfolio	7.90%

Delinquency



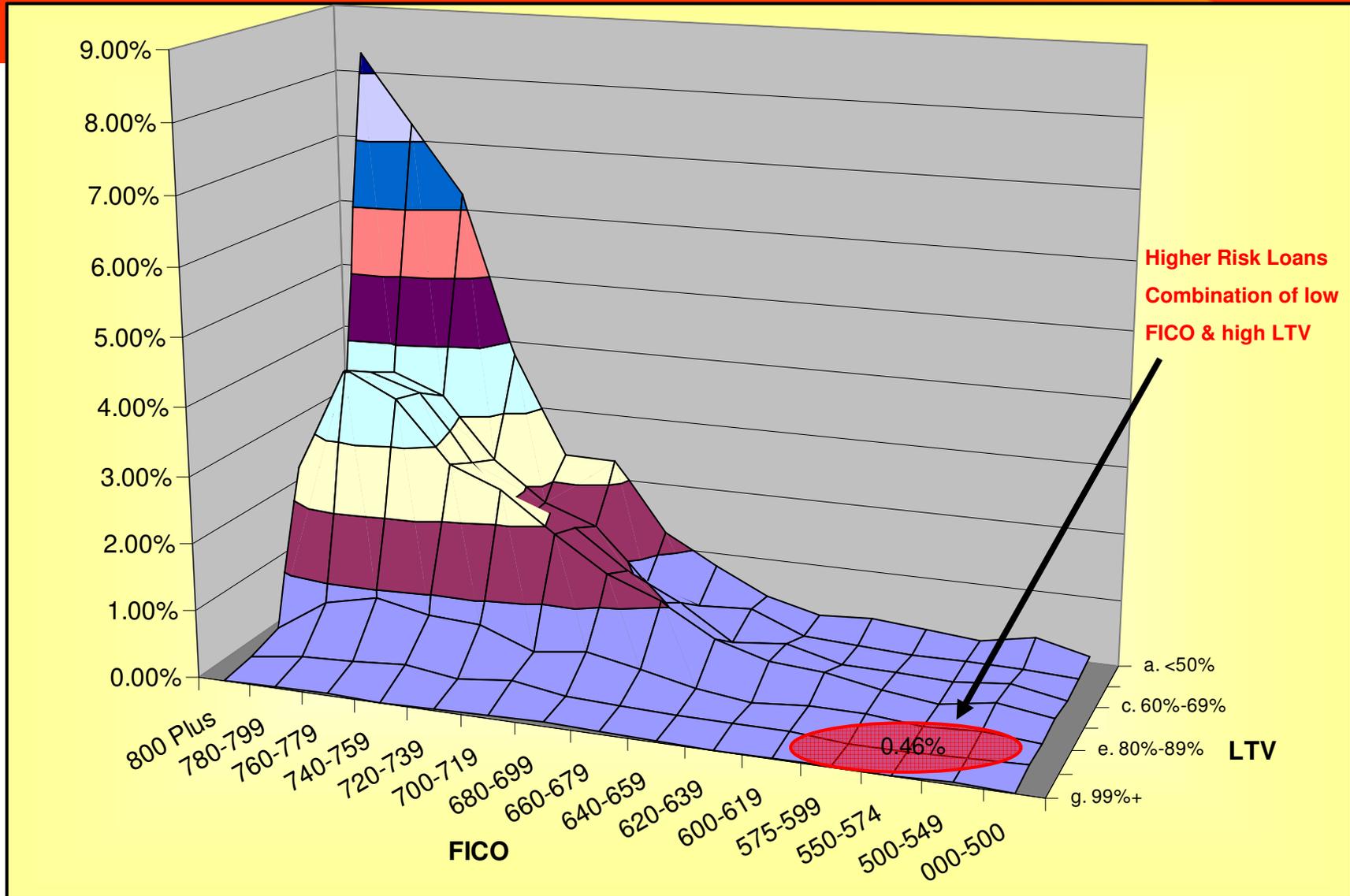
Residential Portfolio Score Distribution

September 30, 2007 Month End



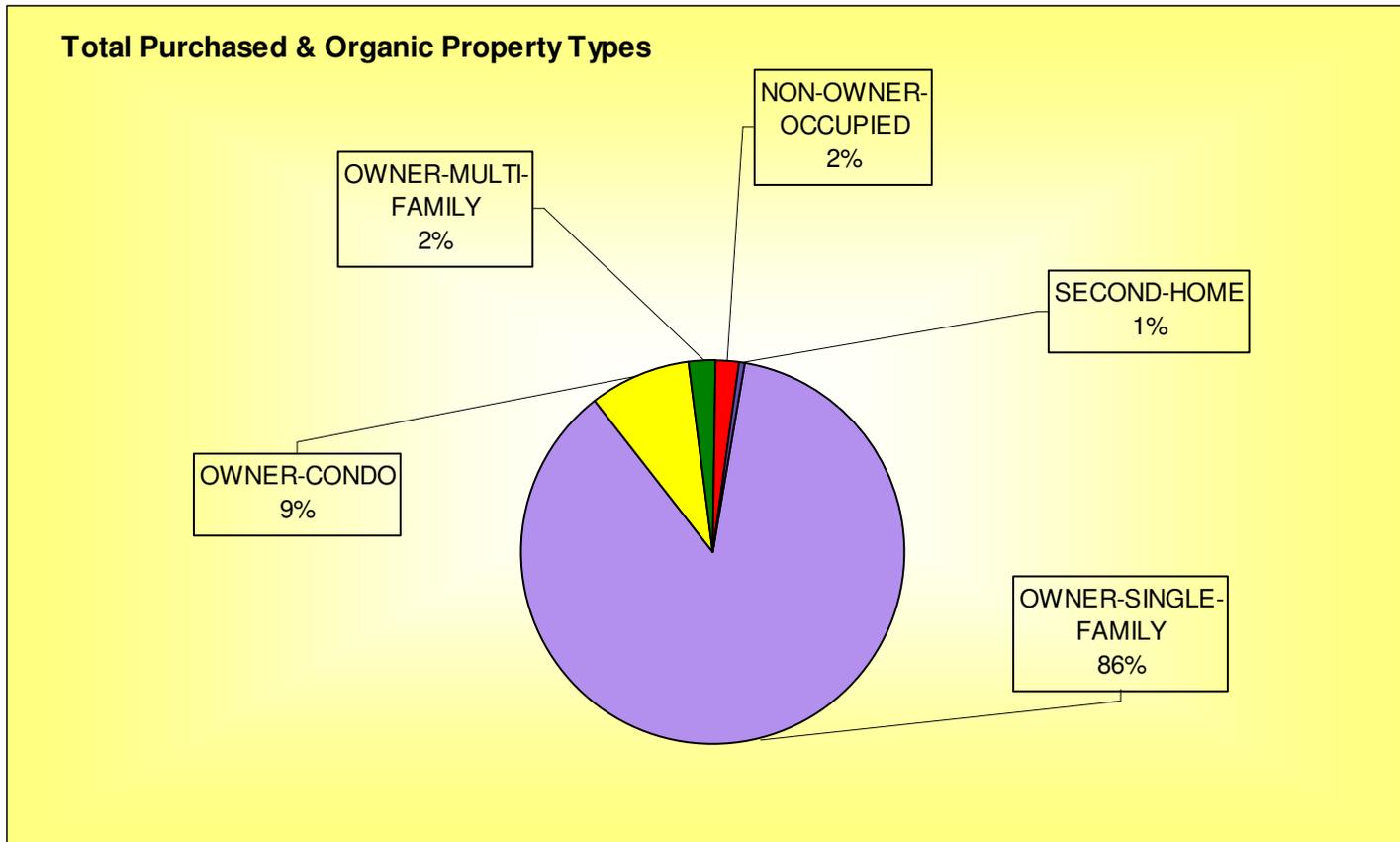
Residential Mortgage

September 2007 Month End



Residential Portfolio Snapshot

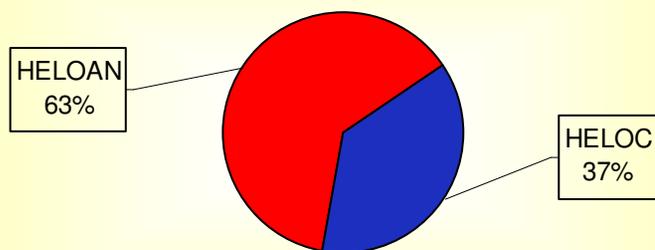
September 2007 Month-End



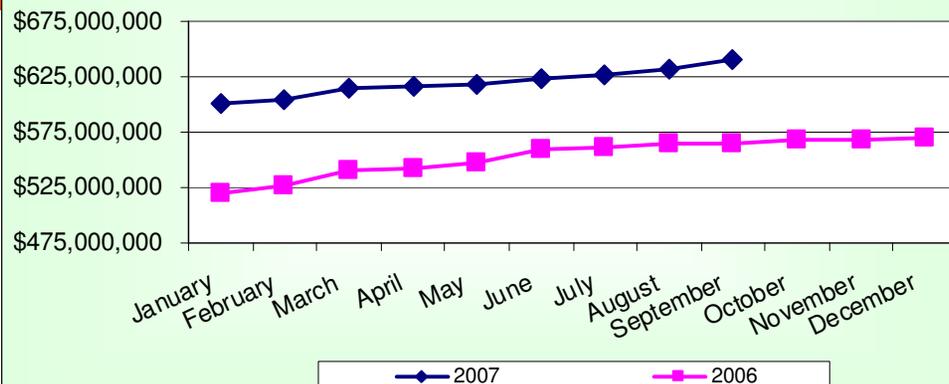
Home Equity Portfolio Snapshot

September 2007 Month-End

Loan Type

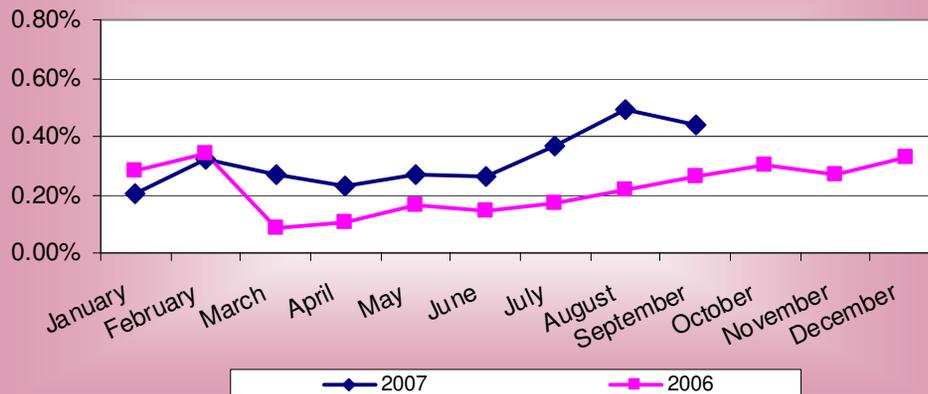


Portfolio Size

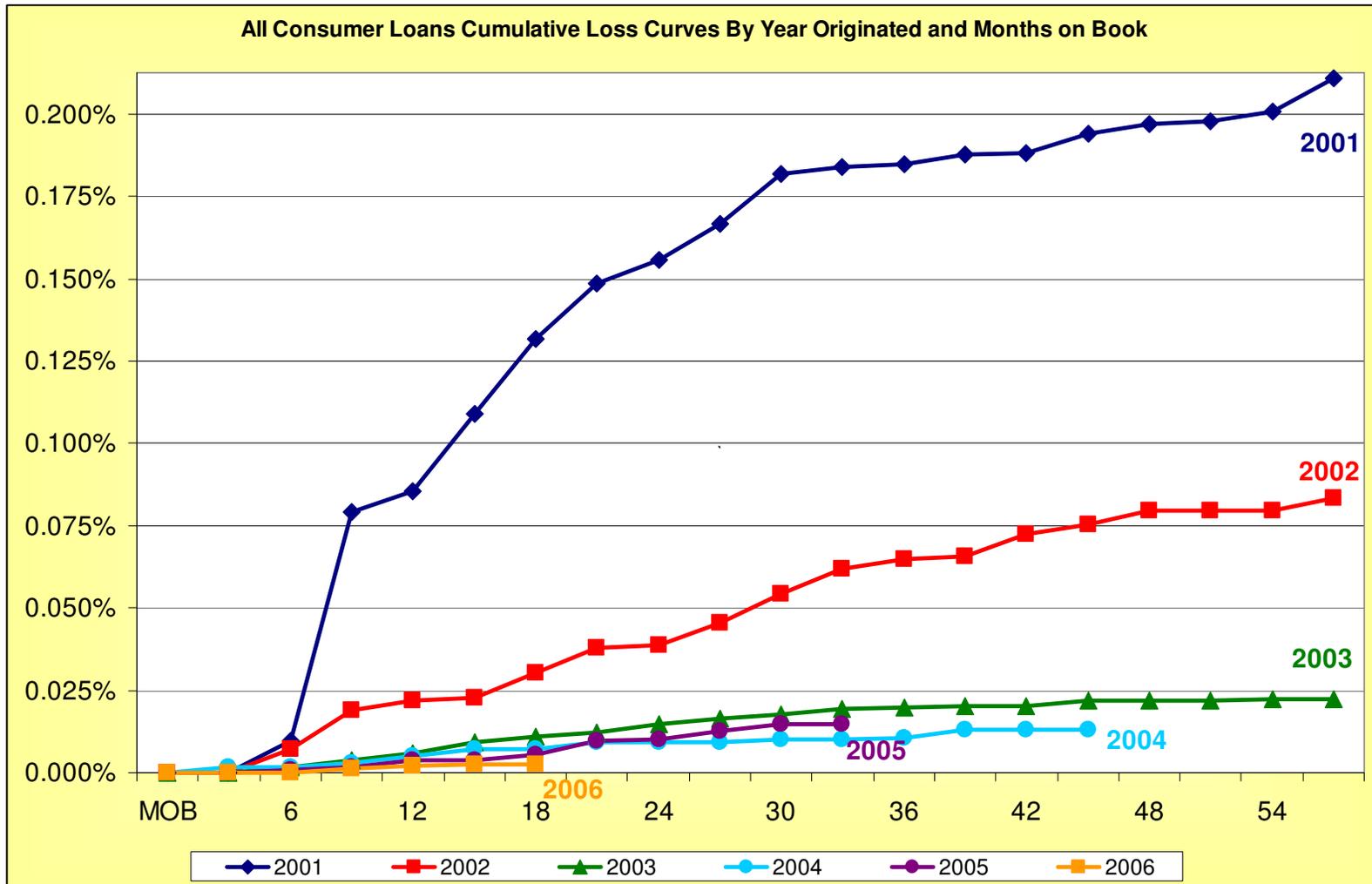


Total Exposure	\$992,832,271
Portfolio Size Total	\$639,954,234
Delinquency	0.44%
Net Credit Losses YTD	-0.01%
Weighted Average FICO	747
Weighted Average Interest Rate	6.57%
% Growth YTD	12.18%
Current CLTV YTD	48.06%
Portfolio Current CLTV	44%
Average Loan	\$44,281
Number of Loans	14,452

Delinquency



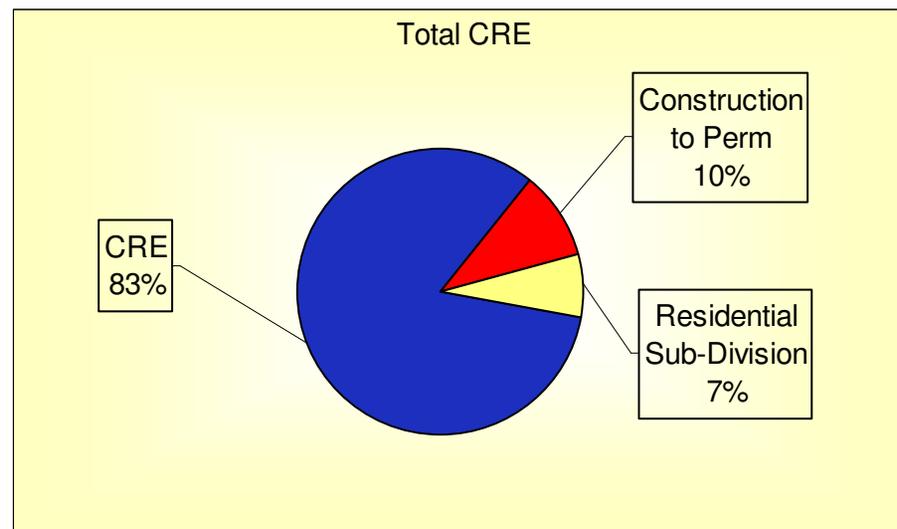
Vintage Loss Curve



Total CRE Portfolio Snapshot

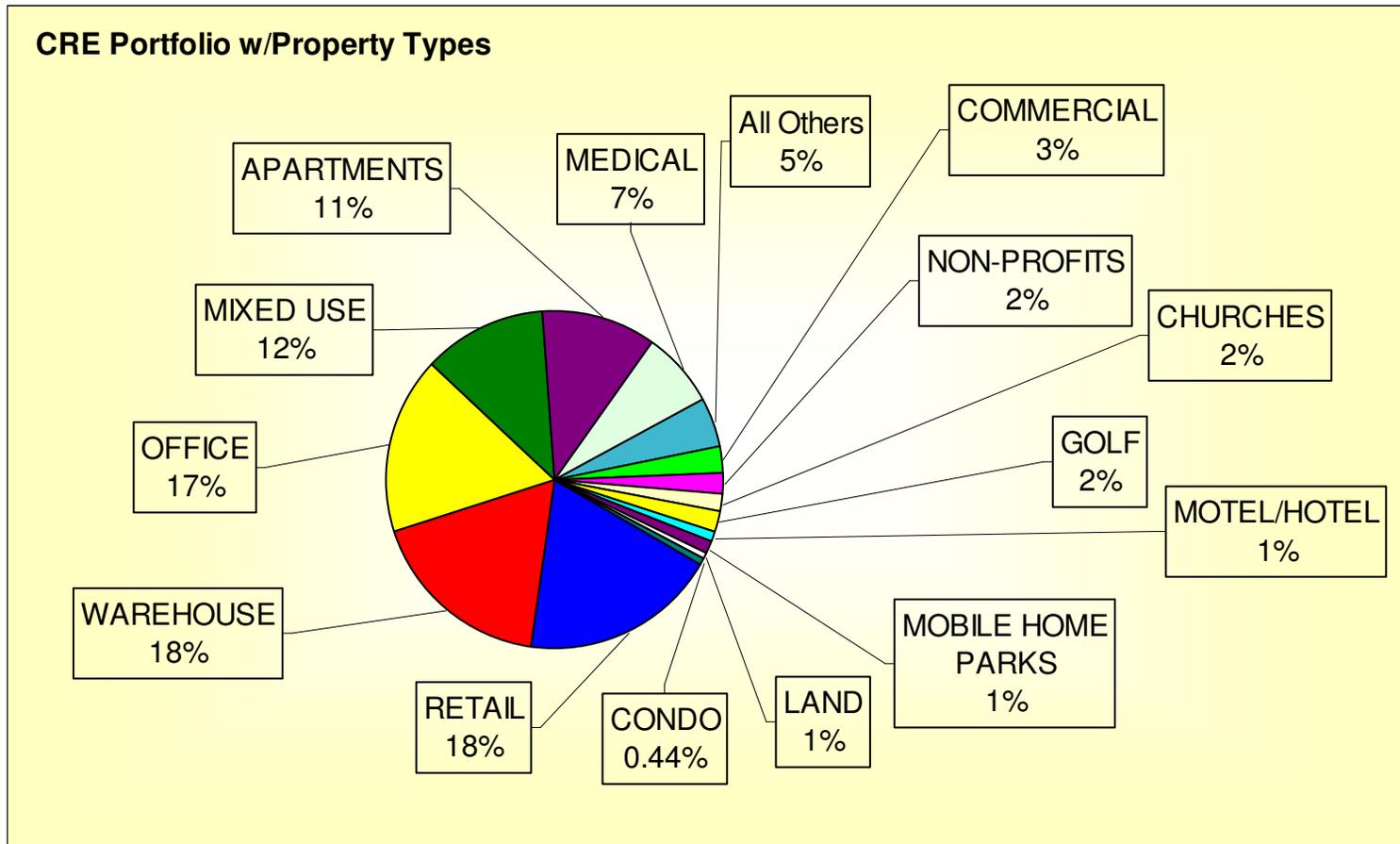
September 2007 Month-End

Total Exposure	\$1,290,303,715
Principal Outstanding	\$1,133,952,684
Current Unused Commitment	\$156,351,031
% Growth YTD	18.04%
Delinquency	1.08%
Non Performing Loans	0.63%
Net Credit Losses YTD	-0.02%
* Non Recourse %	14.18%
Number of Loans	1,635
Concentration of Risk Base Capital	157.42%
Concentration of Risk Base Capital (incl. commitments)	179.13%



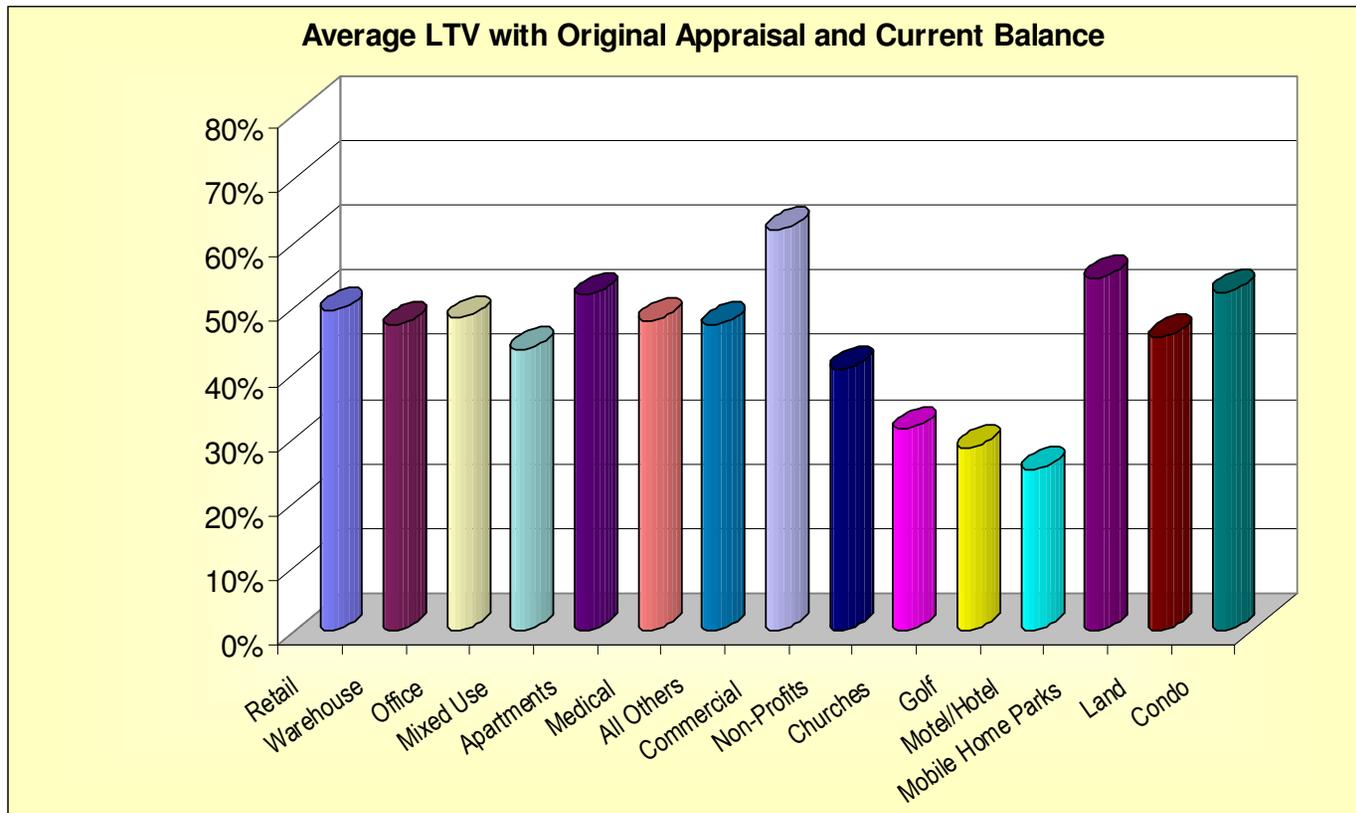
CRE Portfolio Snapshot

September 2007 Month-End



CRE Portfolio Snapshot

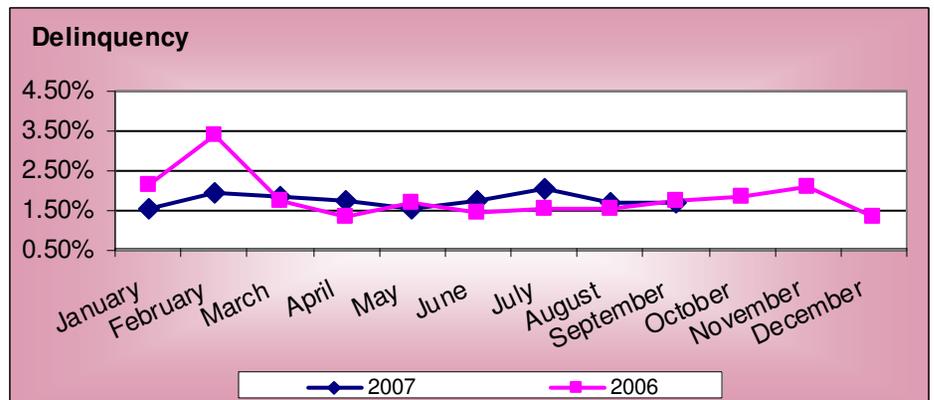
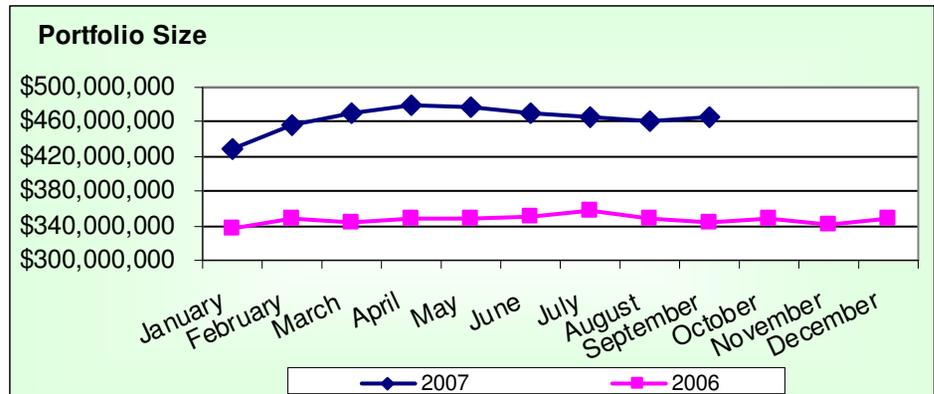
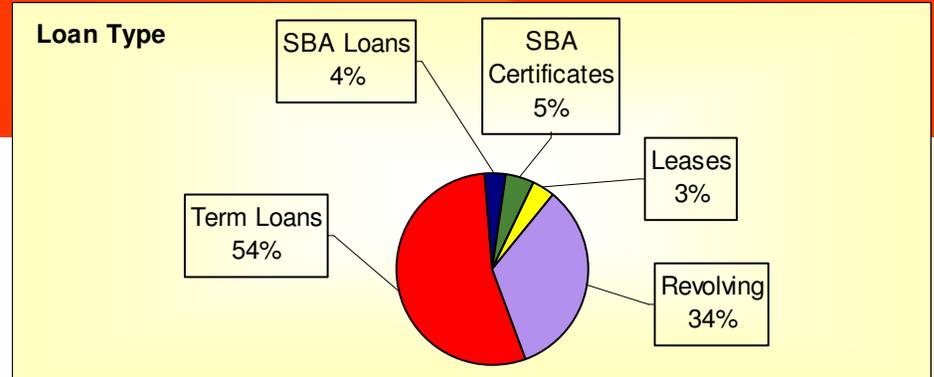
September 2007 Month-End



C&I Portfolio Snapshot

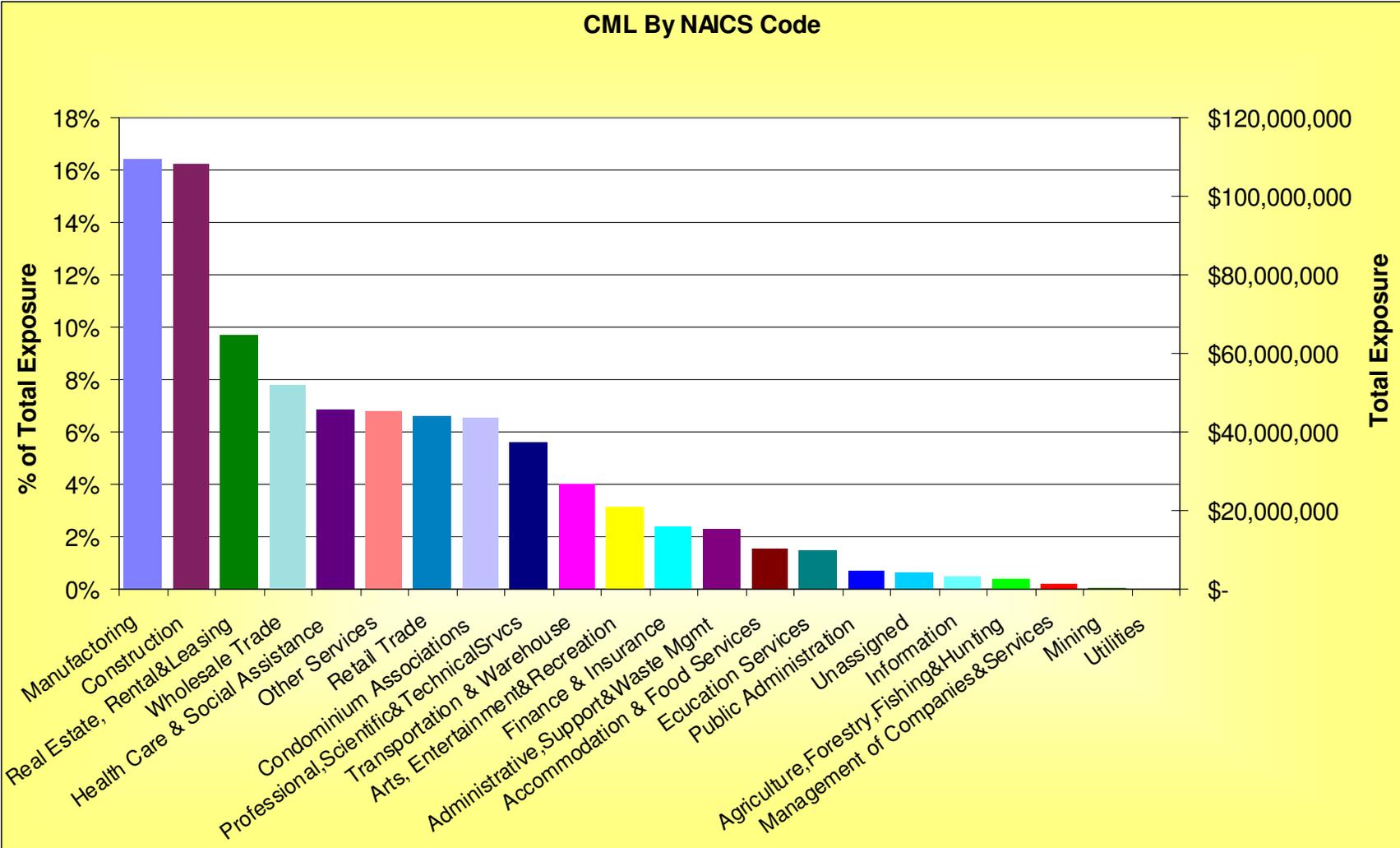
September 2007 Month-End

Total Exposure	\$708,915,605
Principal Outstanding	\$465,181,922
% Growth YTD	33.53%
Delinquency	1.70%
Non Performing Loans	1.50%
Weighted Average Risk Rating	4.50
Weighted Average Interest Rate	7.40%
Current Unused LOC Commit.	\$188,914,081
Average LOC Commit.	\$299,218
Average Usage for Period	45.38%
C & I Term Loans	\$251,398,638
Average Term Loan	\$130,733
Letters of Credit	\$22,521,598
ACH	\$14,077,200
Guidance Lines	\$18,220,804
Net Credit Losses YTD	0.14%
Number of Loans	4,015



C&I Portfolio Snapshot

September 2007 Month-End



2008 Credit Risk Mitigation Tactics

- **Account Officers on GUARD**
 - Intensified Criticized Asset Review process**
 - “Buddy System” enhancing communication with Special Assets**
- **Portfolio and Loan Review**
 - Concentration analysis and limit settings**
 - Loan Review**
- **Portfolio Analytics/Monitoring and Credit Data Warehouse**
 - Time-series and portfolio snapshot credit monitoring**
 - Quarterly vintage analysis & portfolio level monitoring**

Credit Risk Mitigation Tactics (continued)

- **Bureau triggers (early warning system)**
 - **Financial & non-financial bureau trade line level indicators**
 - **Bankruptcy alert service (direct feed from bankruptcy courts every morning by 6AM)**
 - **Re-score existing retail and commercial loans (FICO, SBFE, Moody's EDFs)**
 - **Bi-annual re-score and migration analysis**
- **Increased level of staff experience in Loan workout**
 - **Sale of high risk loans on case by case basis**
- **RMA E-mentor service (regionalized industry data for commercial lending)**

Treasury Management



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Investments 9/30/07

97% Agency or AAA

69.7% Adjustable MBS

0.12% 30 year Fixed MBS

3.7% 10+ year Fixed MBS

3.8% CMOs

7.8% Agencies

Durations 9/30/07

- **Loans** **2.20 years**
- **Investments** **1.59 years**
- **FHLB Advances** **2.58 years**

Interest Rate Risk Position 9/30/07

1 year Gap **-3.69%**

NIM sensitivity +100 BP **-1.08%**

NIM sensitivity -100 BP **-3.38%**



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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; changes in accounting principles and guidelines; the ability of the Company to successfully complete and integrate acquisitions; the pace of growth and profitability of possible de novo branches; the impact of additional equity awards yet to be determined; war or terrorist activities; and other economic, competitive, governmental, regulatory, geopolitical, and technological factors affecting the Company's operations, pricing and services.