

NewAlliance Bancshares

Investor Day

May 13, 2008

Discussion Topics

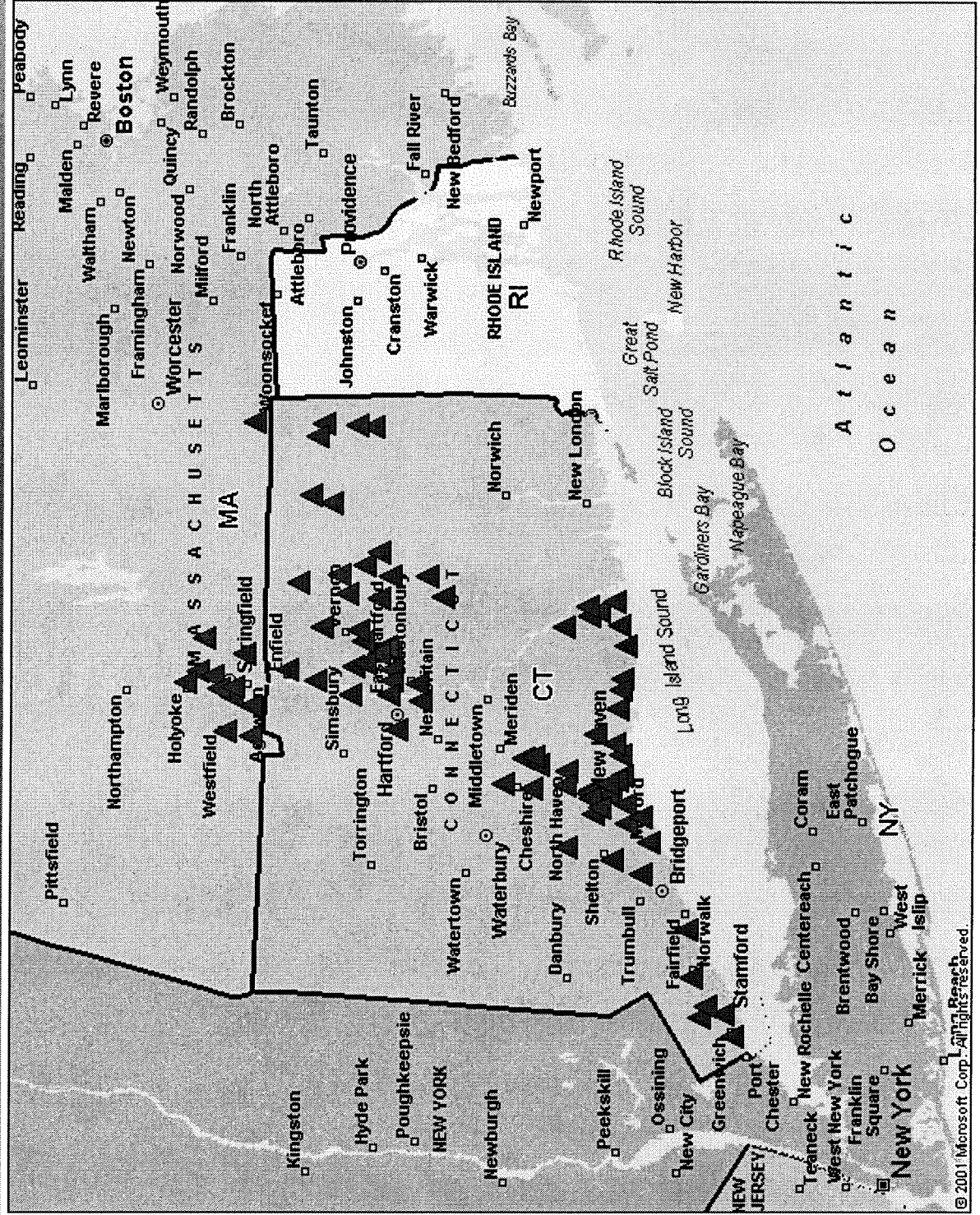
- **Company Profile and Business Focus**
- **Key 2008 Business Priorities**
- **Highlights of First Quarter 2008**
- **Balance Sheet Composition and Credit Quality**

Company Profile

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;**
- **89 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 - - Tier 1 leverage of approximately 11%.**

Building the NewAlliance Franchise



2008 Business Priorities

- PRIORITY** **Build revenue momentum;**
- PRIORITY** **Invest in technology and breadth of
business capabilities;**
- PRIORITY** **Maintain vigilant risk management focus;**
- PRIORITY** **Deploy capital opportunistically.**

Consolidated Statements of Income

(In millions) (Unaudited)	Three Months Ended		
	March 31, 2008	Dec. 31, 2007	March 31, 2007
Interest and dividend income	\$ 102.2	\$ 106.5	\$ 96.8
Interest expense	56.2	61.2	53.4
Net interest income before provision	46.0	45.3	43.4
Provision	1.7	2.3	1.0
Net interest income after provision	44.3	43.0	42.4
Total non-interest income	15.6	14.2	14.2
Total non-interest expense	42.2	40.1	42.7
Income before income taxes	17.7	17.1	13.9
Income tax provision	4.8	6.2	4.6
Net income	\$ 12.9	\$ 10.9	\$ 9.3
Diluted EPS	0.13	0.11	0.09
Net interest margin	2.56%	2.49%	2.50%

Highlights of 1st Quarter 2008

Priority

Progress Against Goals

Build revenue momentum:

- Overall operating revenue* up 2.8%;
- Loans increased \$31 million from Q4 '07;
- Average core deposits increased \$37.6 million, or 1.6%;
- Reduced deposit costs by \$3.5 million or 32 b.p. from Q4 '07;

*excluding securities gain & limited partnerships



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Highlights of 1st Quarter 2008 (continued)

Priority

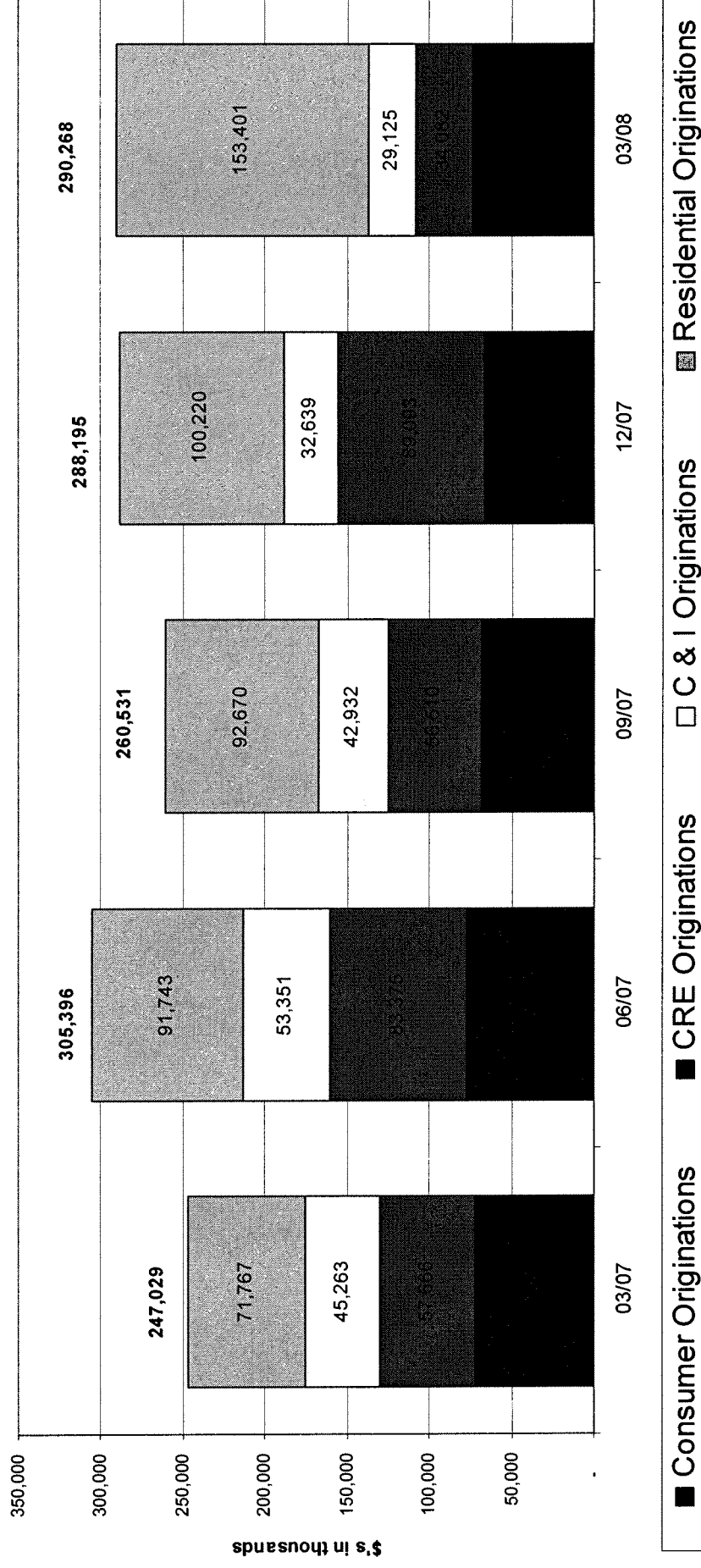
Progress Against Goals

Build revenue momentum:

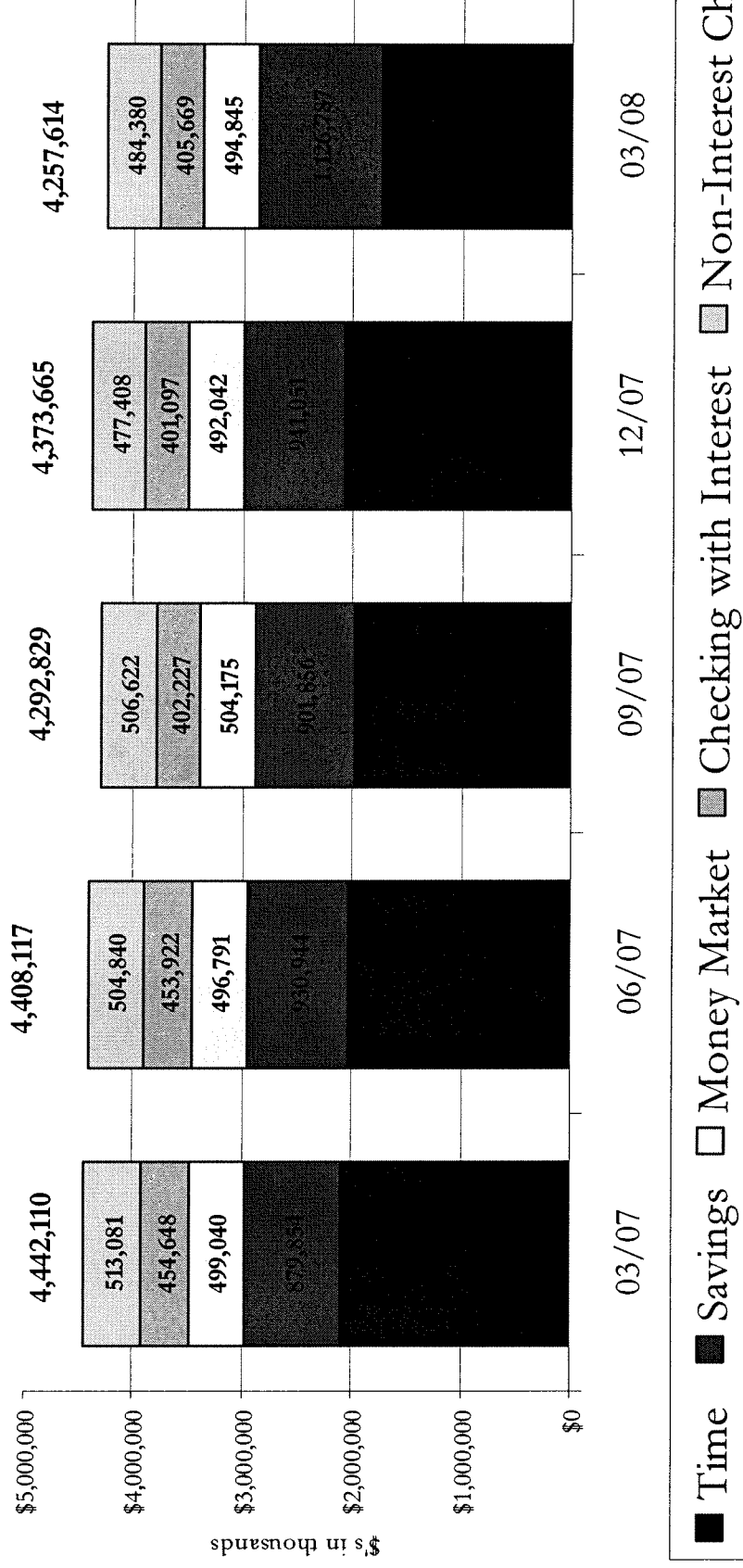
- NIM improved 7 b.p. from Q4 '07 to 2.56%;
- Investment management, brokerage and insurance fees increased \$1.2 million, or 94.7%;
- Non-interest income increased \$1.4 million, or 10%.



Quarterly Loan Originations



Quarter End Deposit Balances



Deposit Pricing Trends

	Pricing 12/31/07	Pricing 1/31/08	Pricing 3/31/08	Pricing 4/30/08
Premium Checking Blended Rate	1.73%	.99%	.50%	.50%
Premium Money Market Blended Rate	4.17%	3.25%	2.31%	2.31%
Blended Savings Rate	2.34%	2.25%	2.33%	2.41%
Weekly Special Relationship CD (under 1 year) Posted Rate	4.17%	2.47%	2.72%	3.20%

Weighted cost of interest –bearing deposits for the month	3.08%	3.01%	2.68%	2.40%
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Highlights of 1st Quarter 2008 (continued)

Priority

Invest in technology and breadth of business capabilities:

Progress Against Goals

- Launched Internet sales channel;
- Launched debit card cash rewards program to enhance checking growth;
- Initiated technology upgrade of branch platform.



Highlights of 1st Quarter 2008 (continued)

Priority

Maintain vigilant risk management focus:

Progress Against Goals

- Accelerated account monitoring;
- Introduced credit scoring on commercial loan portfolio;
- Total delinquencies of 70 b.p.;
- Non-performing loans at 40 b.p.;
- Net charge-offs of 1 b.p.;
- Adequate reserve coverage at 95 b.p.



Highlights of 1st Quarter 2008 (continued)

Priority

Deploy capital opportunistically:

Progress Against Goals

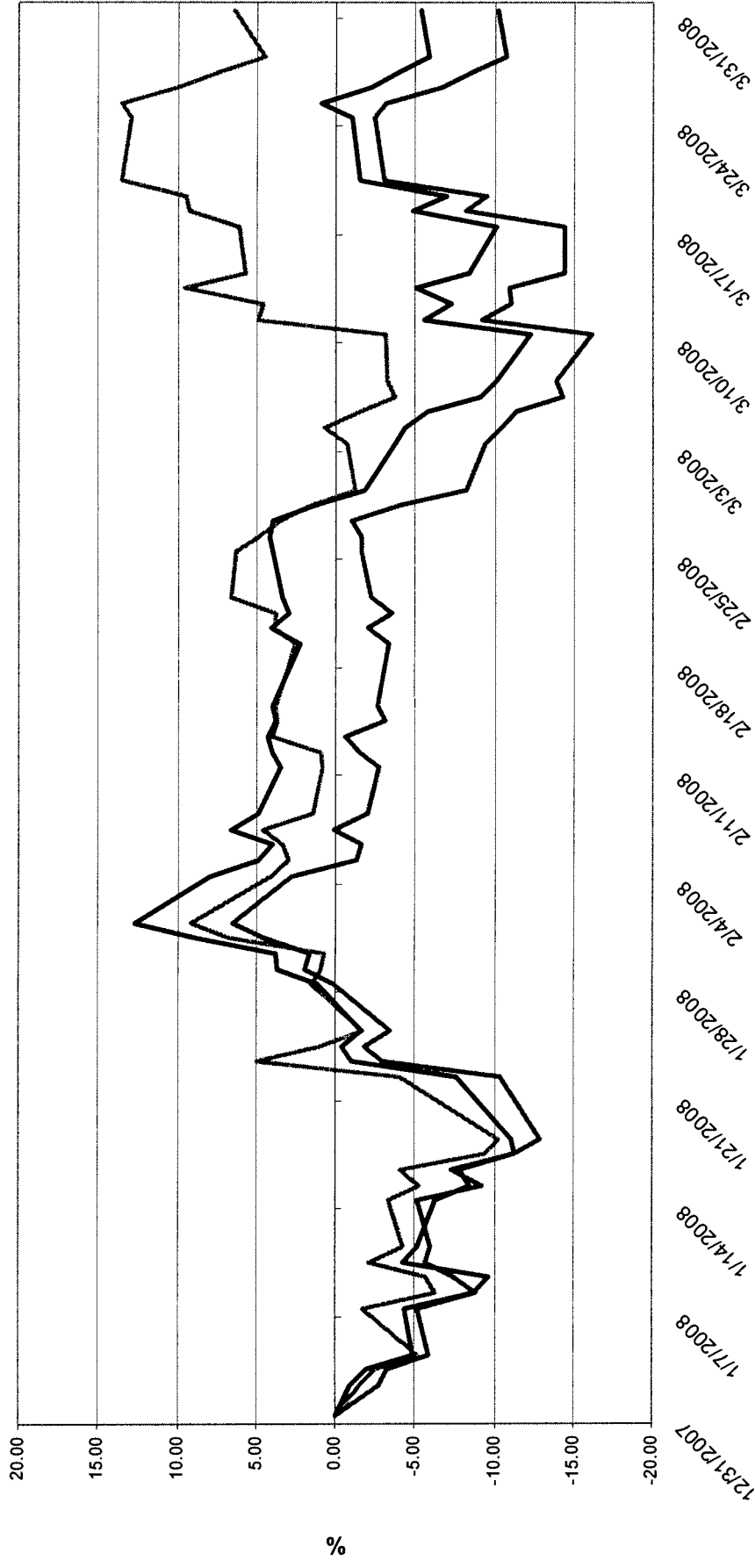
- Twice “well capitalized” regulatory benchmark;
 - ◇ Tier 1 capital 11.2%;
 - ◇ Risk-based capital of 18.6%;
- Increased dividend for fifth time since IPO;
- Continue to evaluate prudent M & A opportunities.

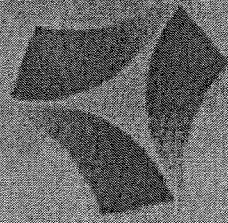


Stock Price Comparison

NAL vs. SNL Thrift and Bank Indices for 1Q '08

NAL up 6.4%





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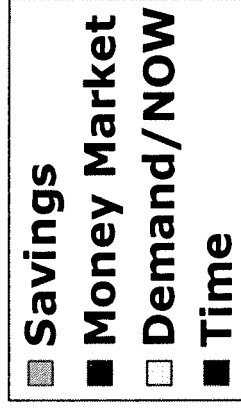
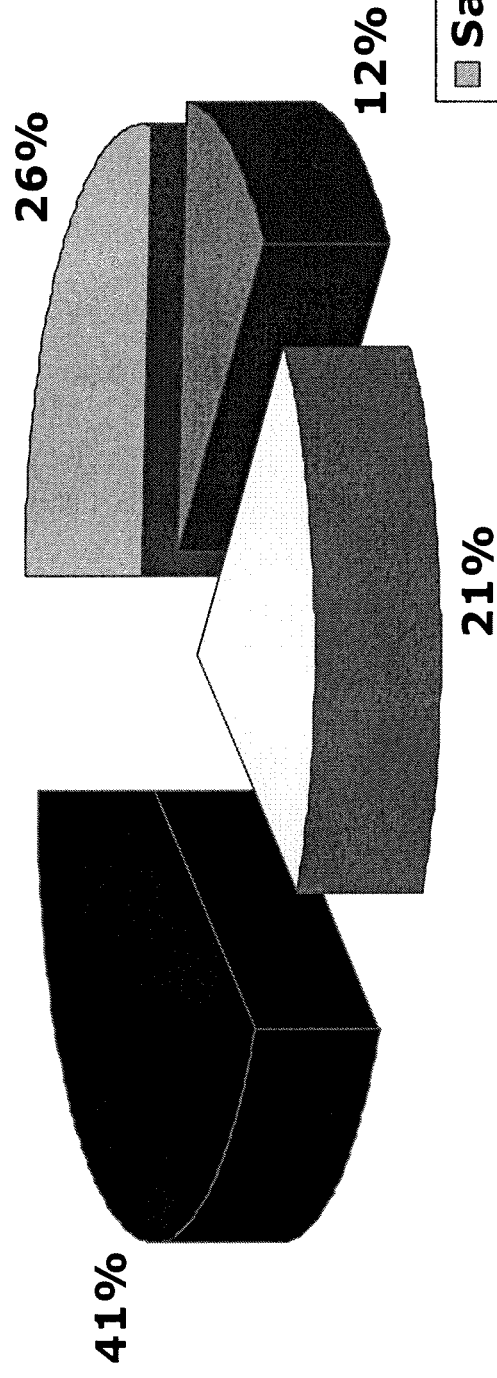
**Balance Sheet Composition and
Credit Quality**

Deposits

March 31, 2008

TOTAL DEPOSITS: \$4.3 billion

Total Core = 59%



No brokered CDs

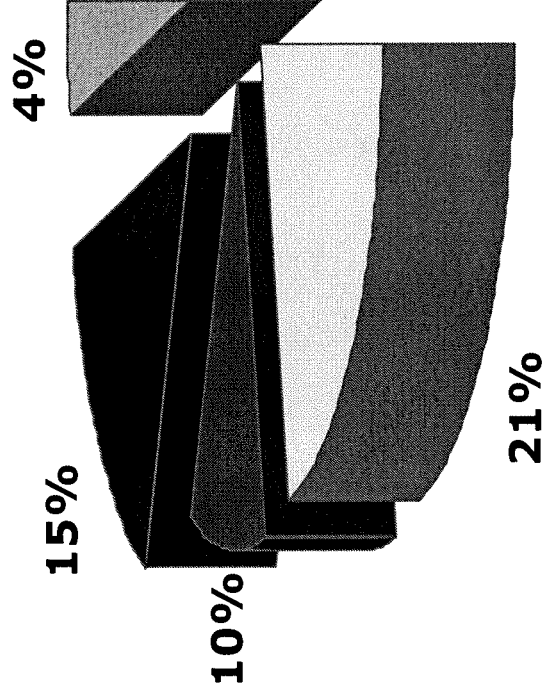
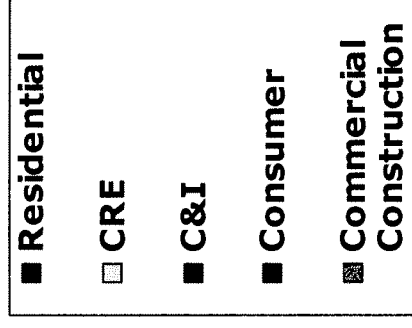


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NewAlliance Loan Portfolio

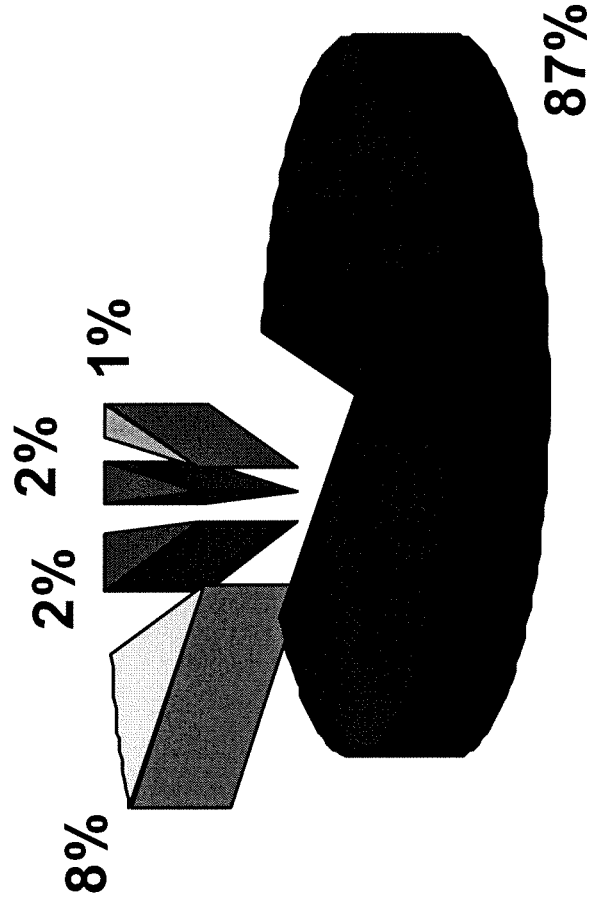
March 2008 Month-End

TOTAL LOANS: \$4.8 billion



Residential Portfolio Snapshot

March 2008 Month-End



- Residential Portfolio \$2.4 billion
- Total delinquencies 0.51%
- Average FICO 749
- Average LTV 48%

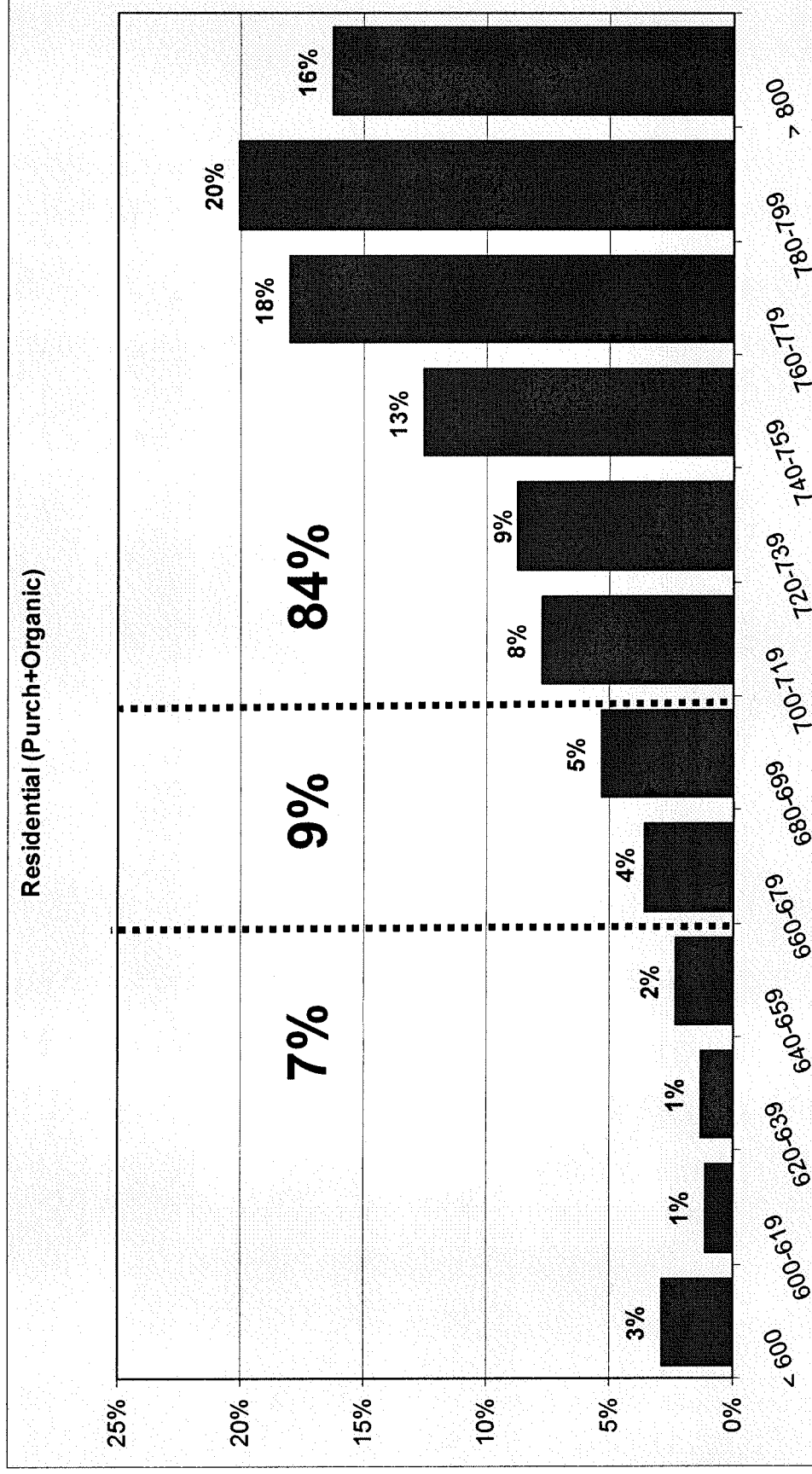
- OWNER-SINGLE-FAMILY
- OWNER-CONDO
- OWNER-MULTI-FAMILY
- NON-OWNER-OCCUPIED
- SECOND HOMES



NewAlliance Bancshares

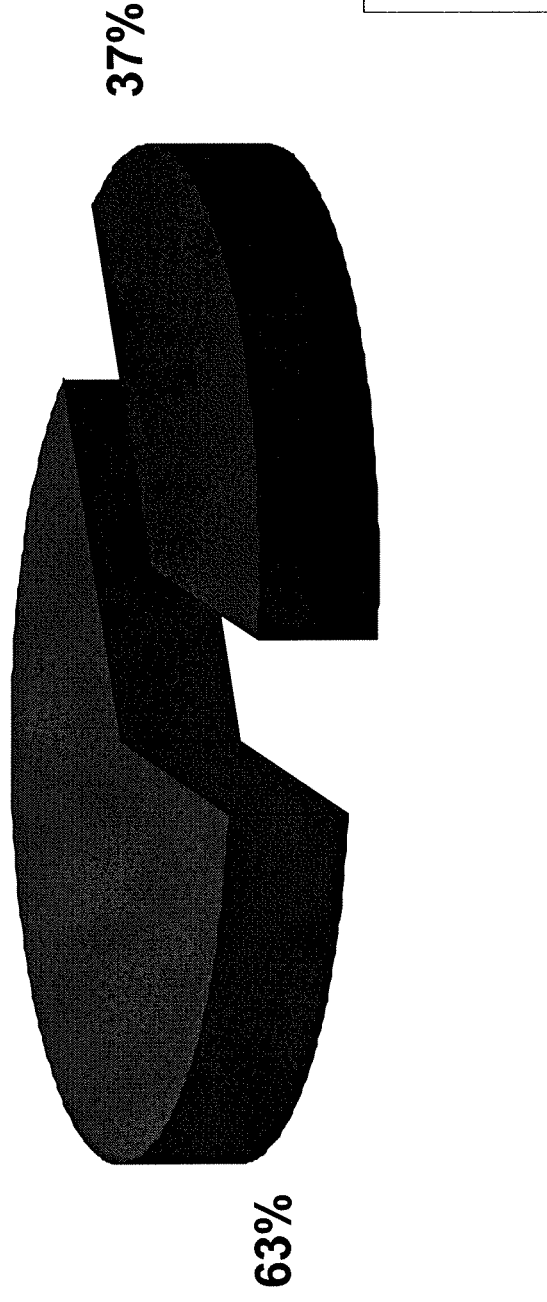
Residential Portfolio Score Distribution

March 2008 Month End



Home Equity Portfolio Snapshot

March 2008 Month-End



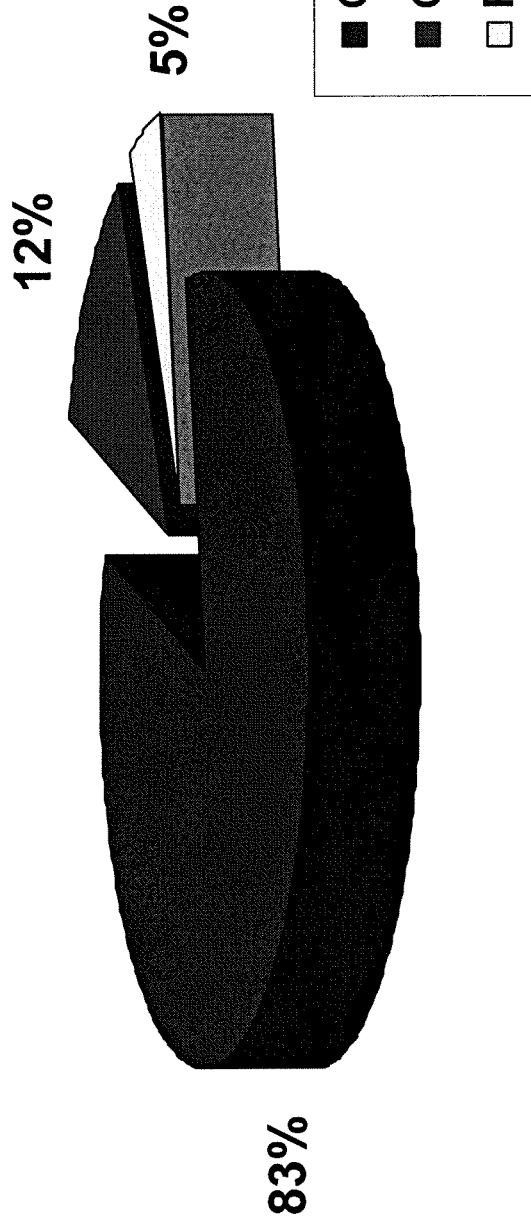
- Total outstandings \$662MM
- Total delinquencies 0.41%
- Net credit losses 0.00%
- Average CLTV 46%



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Total CRE Portfolio Snapshot

March 2008 Month-End



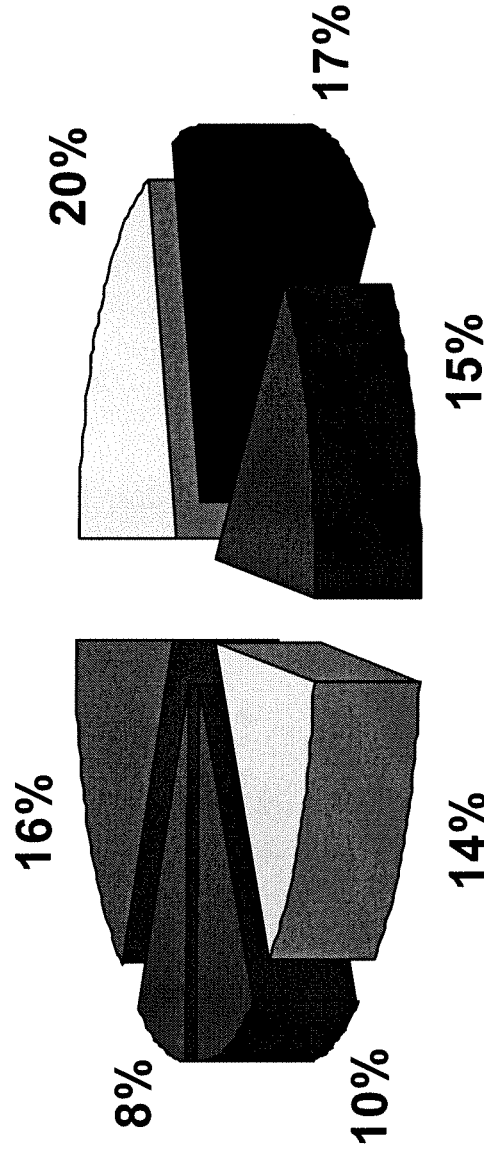
- Total outstandings \$1.2 billion
- Total delinquencies 0.85%
- Non Performing Loans 0.44%
- Net credit losses 0.00%



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CRE Portfolio Snapshot

March 2008 Month-End



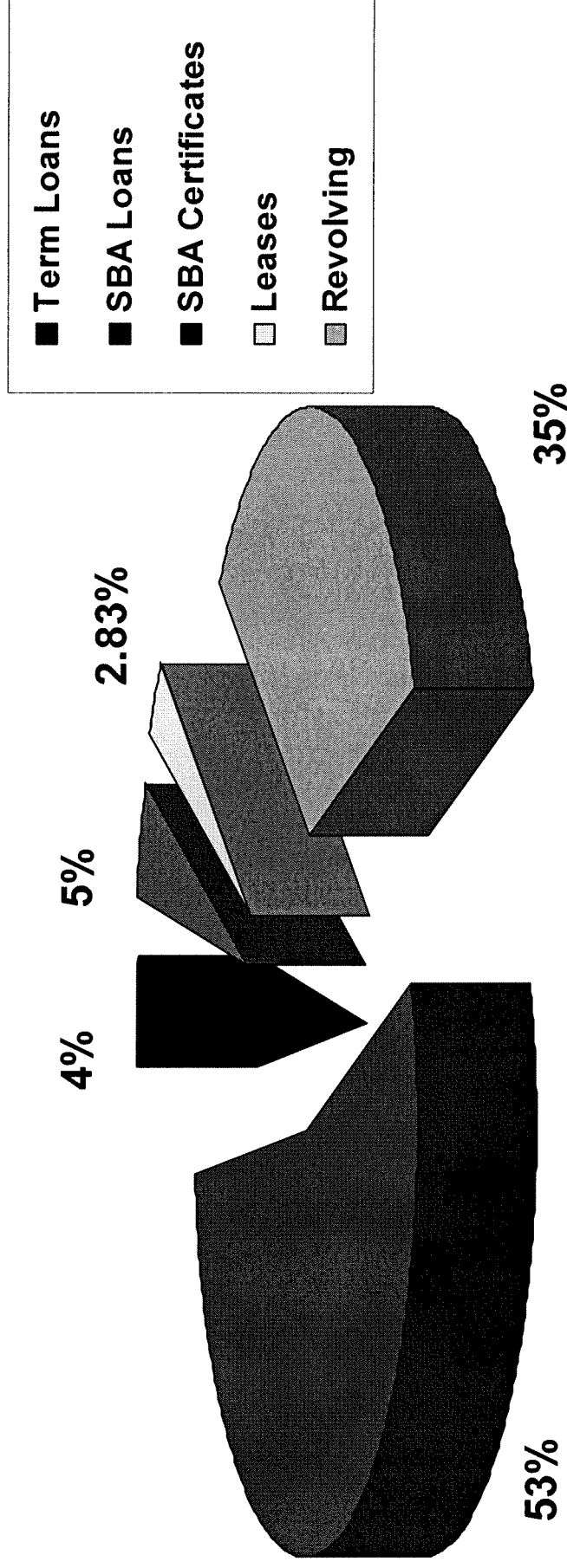
Balanced distribution of risk



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C&I Portfolio Snapshot

March 2008 Month-End



- Total outstanding balance \$454MM
- Total delinquencies 1.62%
- Net credit losses - 0.01%

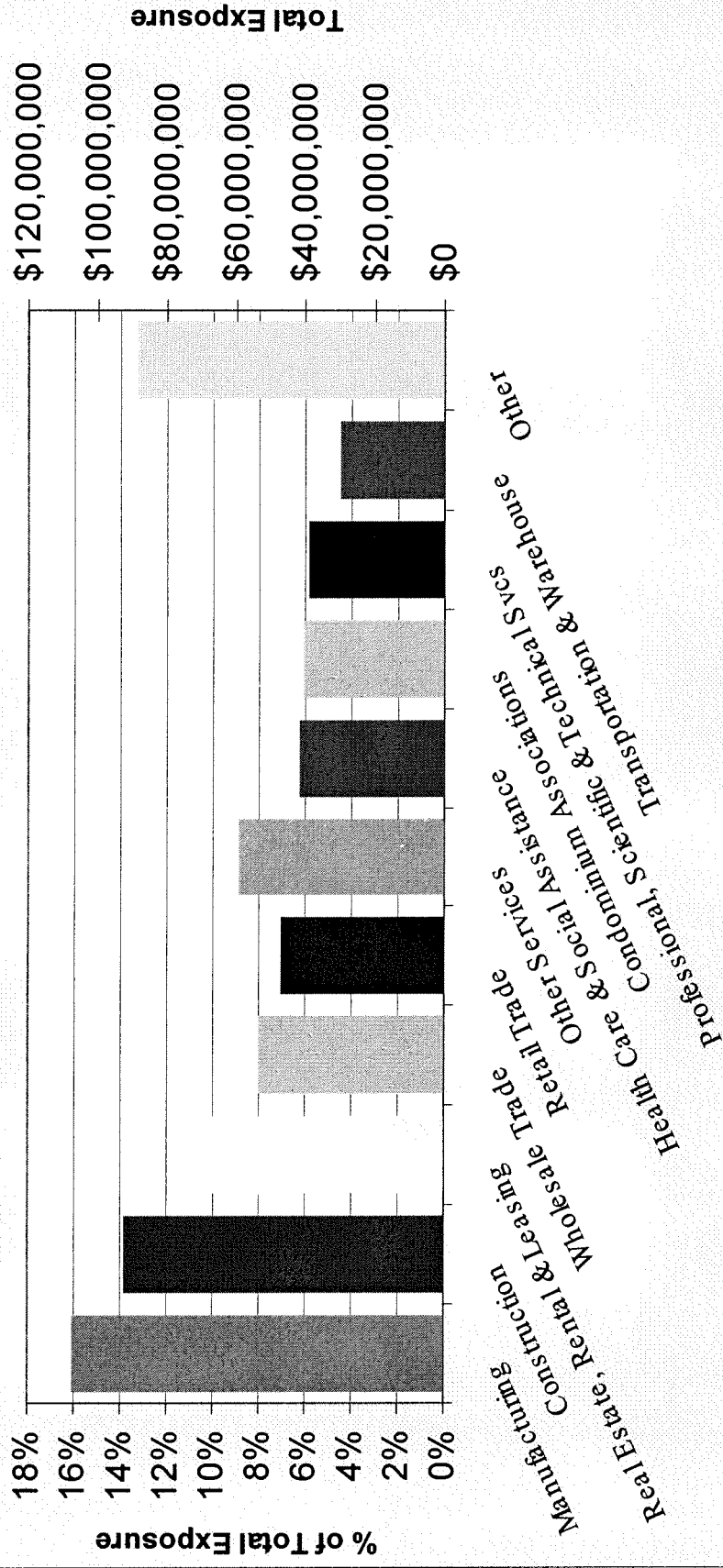


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C&I Portfolio Snapshot

March 2008 Month-End

C & I by Industry Code



No excessive concentrations

Asset Quality Key Indicators

	<u>At or for the Three Months Ended</u>				
	<u>3/07</u>	<u>6/07</u>	<u>9/07</u>	<u>12/07</u>	<u>3/08</u>
• Non-performing loans to total loans	0.41%	0.33%	0.42%	0.35%	0.40%
• Allowance for losses to total loans	0.93%	0.92%	0.92%	0.93%	0.95%
• Allowance for losses to non-accrual loans	227%	280%	221%	267%	239%
• Net charge-offs to average loans *	0.02%	0.02%	0.04%	0.13%	0.01%
• Total delinquencies/ loans (30+)	0.65%	0.67%	0.73%	0.63%	0.70%
• Loan loss provision	\$1.0MM	\$0.6MM	\$1.0MM	\$2.3MM	\$1.7MM

*annualized

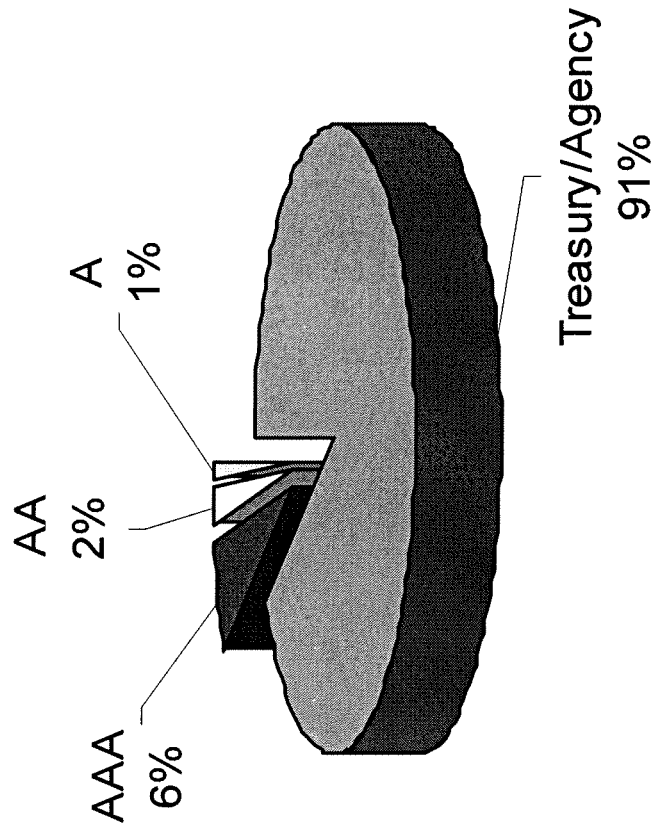


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Investment Portfolio

March 31, 2008

Total Portfolio \$2.4 billion



Auction Rate Issues (AAA/AA)	2%
Fixed Maturity Trust Preferred Stock (AAA/AA/A)	2%

Gap Report March 2008

		< 1 Year Gap			
		< 3 Months	3 - 12 Months	Mar-08	
Assets:					
Cash and Due From Bank	121,246	-	-	-	
Short Term Investments	83,000	83,000	-	83,000	
Long Term Investments	2,385,950	557,363	727,263	1,284,626	
Total Investments:	2,468,950	640,363	727,263	1,367,626	
Loans - Adjustable and Variable	2,649,746	653,973	605,344	1,259,317	
Loans - Fixed	2,090,219	220,892	328,909	549,801	
Total Loans:	4,739,965	874,865	934,253	1,809,118	
Nonaccrual Loans	18,989	-	-	-	
Other Assets	832,859	-	-	-	
Total Assets	8,182,009	1,515,228	1,661,516	3,176,744	
Liabilities:					
Certificates of Deposit	1,745,932	932,100	637,186	1,569,286	
Core Accounts	2,511,682	49,763	966,800	1,016,563	
Total Deposits:	4,257,614	981,864	1,603,986	2,585,850	
Borrowed Money	2,424,860	276,093	346,249	622,343	
Other Liabilities	84,686	-	-	-	
Total Liabilities	6,767,160	1,257,957	1,950,235	3,208,192	
Capital:	1,414,849	-	-	-	
Total Liabilities & Equity	8,182,009	1,257,957	1,950,235	3,208,192	
Total Rate Sensitive Assets:	7,180,370	1,515,228	1,661,516	3,176,744	
Total Rate Sensitive Liabilities:	6,198,094	1,257,957	1,950,235	3,208,192	
Cumulative RSA/RSL:		1.20	0.99	0.99	
Period Gap:		257,271	(288,719)	(31,448)	
Cumulative Gap:		257,271	(31,448)	(31,448)	
Cumulative Gap/Total Assets:		3.14%	-0.38%	-0.38%	

Challenges Ahead

- **Consumer & market stress**
- **Impact of deposit flows on NIM outlook**
- **Pressure on expenses**
- **Upward drift in delinquencies**

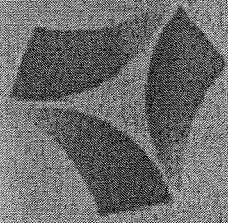
Organizational Strengths

- **Strong sales culture**
- **Management depth**
- **Risk management**
- **Regulatory compliance**
- **Disciplined acquirer and integrator**
- **Capital management**

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.





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Capital ideas. Human values.