

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2009</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>NEWALLIANCE BANCSHARES, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>003</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/2004</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>003</u>	1c Effective date of plan <u>01/01/2004</u>	
1b Three-digit plan number (PN) ▶	<u>003</u>				
1c Effective date of plan <u>01/01/2004</u>					
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>NEWALLIANCE BANCSHARES, INC.</u> <u>195 CHURCH STREET</u> <u>NEW HAVEN, CT 06510</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>06-0469580</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>203-787-1111</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>551111</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>06-0469580</u>	2c Sponsor's telephone number <u>203-787-1111</u>	2d Business code (see instructions) <u>551111</u>	
2b Employer Identification Number (EIN) <u>06-0469580</u>					
2c Sponsor's telephone number <u>203-787-1111</u>					
2d Business code (see instructions) <u>551111</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2010	DAVID K. MCDOWELL
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2010	DAVID K. MCDOWELL
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2009)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") NEWALLIANCE BANCSHARES, INC. 195 CHURCH STREET NEW HAVEN, CT 06510	3b Administrator's EIN 06-0469580 3c Administrator's telephone number 203-787-1111
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	1332
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	1099
b Retired or separated participants receiving benefits.....	6b	2
c Other retired or separated participants entitled to future benefits.....	6c	206
d Subtotal. Add lines 6a , 6b , and 6c	6d	1307
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	1
f Total. Add lines 6d and 6e	6f	1308
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	1216
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	20

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 2P 3H 3I

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
 (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
 (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
 (2) ☐ **I** (Financial Information – Small Plan)
 (3) ☐ **A** (Insurance Information)
 (4) ☒ **C** (Service Provider Information)
 (5) ☐ **D** (DFE/Participating Plan Information)
 (6) ☐ **G** (Financial Transaction Schedules)

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

<div>A</div> <div>Name of plan</div> <div>NEWALLIANCE BANCSHARES, INC. EMPLOYEE STOCK OWNERSHIP PLAN</div>	<div>B</div> <div>Three-digit plan number (PN)</div> <div>▶</div> <div>003</div>
<div>C</div> <div>Plan sponsor's name as shown on line 2a of Form 5500</div> <div>NEWALLIANCE BANCSHARES, INC.</div>	<div>D</div> <div>Employer Identification Number (EIN)</div> <div>06-0469580</div>

Part I

Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1

Information on Persons Receiving Only Eligible Indirect Compensation

a

Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).....

☐ Yes

☒ No

b

If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b)

Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b)

Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

USI CONSULTING GROUP

95 GLASTONBURY BOULEVARD
SUITE 102
GLASTONBURY, CT 06033

06-1053228

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 16 38	THIRD PARTY ADMIN	115015	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

WHITTLESEY & HADLEY, P.C.

147 CHARTER OAK AVENUE
HARTFORD, CT 06106

06-0903326

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	AUDITOR	12550	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

ELIAS, MATZ, TIERNAN & HERRICK LLP

734 15TH STREET, NQ
11TH FLOOR
WASHINGTON, DC 20005

52-1246409

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
16 29	PLAN ATTORNEY	64954	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

FIRST BANKERS TRUST SERVICES, INC.

2321 KOCHS LANE
PO BOX 4005
QUINCY, IL 62305

20-1171923

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
12 21	PLAN TRUSTEE	59594	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u>		
A Name of plan <u>NEWALLIANCE BANCSHARES, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ►	<u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>NEWALLIANCE BANCSHARES, INC.</u>	D Employer Identification Number (EIN) <u>06-0469580</u>	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	1080	576
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	271497	312414
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	97622282	88335832
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	97894859	88648822

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i	99885736	97543886
j Other liabilities	1j	12550	27349
k Total liabilities (add all amounts in lines 1g through 1j)	1k	99898286	97571235

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	-2003427	-8922413
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	4539768	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		4539768

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	2300	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		2300

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	2067750	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		2067750

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	673485	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	755510	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		-82025

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	-8532020	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-8532020
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		-2004227

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	430590	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		430590
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		3960593
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	275449	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		275449
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		4666632

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-6670859
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		248127

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: WHITTLESEY & HADLEY, P.C.

(2) EIN: 06-0903326

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)
NEWALLIANCE BANK 401(K) PLAN	06-0469580	002

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan <u>NEWALLIANCE BANCSHARES, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>NEWALLIANCE BANCSHARES, INC.</u>	D Employer Identification Number (EIN) <u>06-0469580</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>20-1171923</u> Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☒ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☒ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☒ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☒ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☒ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2009
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

WHITTLESEY & HADLEY, P.C.

Certified Public Accountants/Consultants

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Report of Independent Auditors

To the Compensation Committee of NewAlliance Bank
Sponsor of the NewAlliance Bancshares, Inc. Employee Stock Ownership Plan
New Haven, Connecticut

We were engaged to audit the accompanying statements of net assets available for benefits of the NewAlliance Bancshares, Inc. Employee Stock Ownership Plan (the "Plan") as of December 31, 2009 and 2008, and the related statements of changes in net assets available for benefits for the years then ended, and the supplemental schedule of Schedule H, line 4i-Schedule of Assets (Held At End of Year) as of December 31, 2009. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information described in Note 8, which was certified by First Bankers Trust Services, Inc., the Trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained certification from the Trustee as of December 31, 2009 and 2008, and for the years then ended, that the information provided to the Plan Administrator by the Trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee or custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Whittlesey & Hadley, P.C.

Hartford, Connecticut
October 8, 2010

**THE NEWALLIANCE BANCSHARES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

REPORT OF INDEPENDENT AUDITORS

Financial Statements as of and for the
Years Ended December 31, 2009 and 2008
and
Supplemental Schedule as of December 31, 2009

THE NEWALLIANCE BANCSHARES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

Form 5500 - Accountant's Report

E.I.N. 06-0469580

Plan Number 003

Financial Statements as of December 31, 2009 and 2008
Supplemental Schedule as of December 31, 2009

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* Other schedules required by 29 CFR 2520.103 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not required or not applicable.

WHITTLESEY & HADLEY, P.C.

Certified Public Accountants/Consultants

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Report of Independent Auditors

To the Compensation Committee of NewAlliance Bank
Sponsor of the NewAlliance Bancshares, Inc. Employee Stock Ownership Plan
New Haven, Connecticut

We were engaged to audit the accompanying statements of net assets available for benefits of the NewAlliance Bancshares, Inc. Employee Stock Ownership Plan (the "Plan") as of December 31, 2009 and 2008, and the related statements of changes in net assets available for benefits for the years then ended, and the supplemental schedule of Schedule H, line 4i-Schedule of Assets (Held At End of Year) as of December 31, 2009. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information described in Note 8, which was certified by First Bankers Trust Services, Inc., the Trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained certification from the Trustee as of December 31, 2009 and 2008, and for the years then ended, that the information provided to the Plan Administrator by the Trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee or custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Whittlesey & Hadley, P.C.

Hartford, Connecticut
October 8, 2010

THE NEWALLIANCE BANCSHARES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

As of December 31,

	2009			2008		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Assets						
Investments at fair value:						
Federated Government Obligations Fund (<i>Note 8</i>)	\$ 312,414	\$ -	\$ 312,414	\$ 271,497	\$ -	\$ 271,497
NewAlliance Bancshares, Inc. common stock, at fair value (<i>Note 8</i>)	15,762,801	72,573,031	88,335,832	14,757,946	82,864,336	97,622,282
Total investments at fair value	16,075,215	72,573,031	88,648,246	15,029,443	82,864,336	97,893,779
Other receivable	576	-	576	1,080	-	1,080
Total assets	16,075,791	72,573,031	88,648,822	15,030,523	82,864,336	97,894,859
Liabilities						
Accrued expenses	27,349	-	27,349	12,550	-	12,550
Loan payable (<i>Note 7</i>)	-	97,543,886	97,543,886	-	99,885,736	99,885,736
Total liabilities	27,349	97,543,886	97,571,235	12,550	99,885,736	99,898,286
Net assets (deficit) available for benefits	\$ 16,048,442	\$ (24,970,855)	\$ (8,922,413)	\$ 15,017,973	\$ (17,021,400)	\$ (2,003,427)

The accompanying notes are an integral part of these financial statements.

THE NEWALLIANCE BANCSHARES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the years ended December 31,

	2009			2008		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Additions (reductions) to net assets attributable to:						
Net (depreciation) appreciation in fair value of investments	\$ (1,315,440)	\$ (7,298,605)	\$ (8,614,045)	\$ 1,467,372	\$ 10,791,517	\$ 12,258,889
Interest income	781	1,519	2,300	6,054	6,212	12,266
Dividends	306,018	1,761,732	2,067,750	242,476	1,798,798	2,041,274
Employer contributions	-	4,539,192	4,539,192	-	4,495,872	4,495,872
Other contributions	576	-	576	1,080	-	1,080
Allocation of 249,184 shares in 2009 and 2008 of NewAlliance Bancshares, Inc. common stock at fair value	2,992,700	-	2,992,700	3,281,753	-	3,281,753
Net additions (reductions)	1,984,635	(996,162)	988,473	4,998,735	17,092,399	22,091,134
Deductions from net assets attributable to:						
Interest expense	-	3,960,593	3,960,593	-	4,051,971	4,051,971
Administrative expenses	275,449	-	275,449	239,067	-	239,067
Payments to participants	430,590	-	430,590	190,482	-	190,482
Allocation of 249,184 shares in 2009 and 2008 of NewAlliance Bancshares, Inc. common stock at fair value	-	2,992,700	2,992,700	-	3,281,753	3,281,753
Total deductions	706,039	6,953,293	7,659,332	429,549	7,333,724	7,763,273
Net increase (decrease) in net assets	1,278,596	(7,949,455)	(6,670,859)	4,569,186	9,758,675	14,327,861
Transfers to 401k plan	(248,127)	-	(248,127)	(51,780)	-	(51,780)
Net assets (deficit) available for benefits						
Beginning of year	15,017,973	(17,021,400)	(2,003,427)	10,500,567	(26,780,075)	(16,279,508)
End of year	\$ 16,048,442	\$ (24,970,855)	\$ (8,922,413)	\$ 15,017,973	\$ (17,021,400)	\$ (2,003,427)

The accompanying notes are an integral part of these financial statements.

THE NEWALLIANCE BANCSHARES, INC. EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF PLAN

The following description of The NewAlliance Bancshares, Inc. Employee Stock Ownership Plan (the “Plan”) provides only general information. Participants should refer to the Plan Document or the Summary Plan Description for a more complete description of the Plan’s provisions.

General

The Plan is a defined contribution plan covering eligible employees of NewAlliance Bank (the “Bank”), a wholly owned subsidiary of NewAlliance Bancshares, Inc. (the “Company”). The Plan became effective on January 1, 2004 as a leveraged employee stock ownership plan (“ESOP”). The Plan is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

On May 1, 2004, the Plan borrowed \$109,667,777 from the Company. The proceeds of this loan were utilized to purchase 7,454,562 shares of the Company’s common stock. Additionally, 3,698 shares were purchased at a cost of \$52,650. The average cost of share purchases was approximately \$14.68 per share. The stock is held in a trust established under the Plan. The loan is collateralized by the unallocated shares of common stock held in the trust. Interest on the loan is 4.0% annually and compounded quarterly.

The Company makes periodic cash contributions to the Plan. The Plan uses these contributions, plus a portion of the dividends received on the Company’s common stock, to pay the principal and interest on the loan. As the loan is repaid, a rateable percentage of common stock is released to the ESOP for allocation to eligible participant accounts in accordance with the Plan and applicable regulations under the Internal Revenue Code (“IRC”).

Accordingly, the accompanying financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to the following:

- Stock allocated to participants (allocated)
- Stock not yet allocated to participants (unallocated)

Eligibility

Employees are eligible to participate if employed by the Bank for one year (12 months with at least 1,000 hours of service) and have attained the age 20-1/2. An employee who has met these requirements will become a Participant in the Plan on the first day of the calendar quarter coincident with or following the date eligibility requirements are met.

Plan Administration and Trustee

The Bank controls and manages the operation and administration of the Plan. No officers or employees of the Bank receive compensation from the Plan. First Bankers Trust Services, Inc. is the Trustee of the Plan and has served as such since December 1, 2005. USI Consulting Group, Inc. serves as the record keeper for the Plan.

Contributions to Participants

The Plan provides for annual contributions to be made over the 30 year term of the ESOP loan. The contribution is in the form of common shares of the Company’s stock totalling 249,184 shares per year which is allocated between two components, a matching contribution and a discretionary contribution, as described below:

THE NEWALLIANCE BANCSHARES, INC.

EMPLOYEE STOCK OWNERSHIP PLAN

Matching

An employee who has been employed by the Bank for one year and is at least 20-1/2 years old is eligible to receive matching contributions beginning the quarter after the one-year anniversary of service. Effective January 1, 2009, the annual matching contributions made on behalf of each participant who is eligible to share in match contributions for the plan year under the Bank's 401(k) Plan were equal to \$1.00 for each \$1.00 of a participant's salary reduction contribution (other than catch-up contributions properly characterized as such) up to 3.0% of a participant's compensation plus an additional matching contribution of \$.50 for each \$1.00 of salary reduction contributions that exceed 3.0% (other than catch-up contributions properly characterized as such) of a participant's compensation up to and including 5.0% of a participant's compensation, for a total matching contribution of up to 4.0% (as the terms "salary reduction contributions" and "compensation" are defined in the 401(k) Plan Document). Prior to January 1, 2009 the annual matching contribution made to the ESOP was equal to \$.50 for each \$1.00 of a participant's salary reduction contributions up to six percent (6%) of such participant's total compensation (for a total matching contribution of up to three percent (3%) of Compensation (as the terms "salary reduction contributions" and "compensation" are defined in the 401(k) Plan Document). The employer matching contributions made with respect to any salary reduction contributions made during a Plan Year shall be contributed by the employer to the Plan no less frequently than annually and in any event within 12 months of the end of such Plan Year. This dollar calculation is then divided by the Company's common stock price on the last day of the Plan year to determine the corresponding share allocation. The resulting number of shares allocated to the matching contribution is then subtracted from the total annual contribution. The remaining number of shares is allocated to the discretionary contribution component.

Discretionary

The discretionary contribution is calculated on eligible compensation for the entire Plan Year up to the maximum of \$245,000 for 2009 and \$230,000 for 2008. The discretionary contribution is allocated pro rata based on each Participant's individual eligible compensation as a percentage of the total compensation of all eligible Participants. Participants must be employed on the last day of the Plan year in order to be eligible to receive the discretionary contribution.

Participant Accounts

The Plan is a defined contribution plan under which individual accounts are established for each participant. Participants who also participate in the 401(k) Plan receive a matching contribution as of the last day of the plan year based on their contribution to the 401(k) Plan during the year. Each participant's account is credited as of the last day of each plan year with an allocation of matching and discretionary contributions, as applicable. The value of the contributions is determined by the Company's per share fair market value on the last day of the Plan Year. The contribution values on December 31, 2009 and 2008 were \$2,992,700, or \$12.01 per share and \$3,281,753, or \$13.17 per share, respectively. Participant accounts are also credited with forfeitures of terminated participants' non-vested accounts. Allocations are based on a participant's eligible compensation, relative to total eligible compensation, as defined in the Plan.

Participant diversification rights under the Plan were significantly expanded in 2007 as a result of the Pension Protection Act of 2006 (the "Act") signed into law on August 17, 2006. Section 901 of the Act requires defined contribution plans holding publicly traded securities to provide employees with: i) the opportunity to divest employer securities; and ii) at least three investment options other than employer securities.

THE NEWALLIANCE BANCSHARES, INC.

EMPLOYEE STOCK OWNERSHIP PLAN

Accordingly, each Plan participant who has completed at least three years of service (an “Eligible Participant”) is allowed to diversify a portion of their Company stock account by transferring those assets into their individual 401(k) account. Allocations made to participant accounts prior to 2007 are eligible for ratable diversification over a three year period beginning in 2007. Allocations made in 2007 and thereafter are eligible for immediate diversification. Eligible Participants who choose to diversify their balances are able to utilize the investment options available in the 401(k) Plan. For the years ended December 31, 2009 and 2008, diversification transfers out of the Plan amounted to \$248,127 and \$51,780, respectively.

Vesting

If a participant’s employment with the Bank ends for any reason other than retirement, permanent disability, or death, he or she will vest in the balances in his or her account based on total years of service with the Bank. In certain circumstances, prior service has been credited for matching or discretionary vesting purposes for employees of acquired companies. Beginning January 1, 2009, matching contributions are 100% vested for participants who have at least one hour of service on or after January 1, 2009. Employer matching contributions made before 2009 will become fully vested for employees employed by the Bank on or after January 1, 2009, otherwise they will generally vest according to the schedule below. Vested percentage of employer discretionary contributions is determined as follows:

Matching Contribution		Discretionary Contribution	
	Percent		Percent
Years of Service	Vested	Years of Service	Vested
Less than two	0%	Less than three	0%
Two	25%	Three	20%
Three	50%	Four	40%
Four	75%	Five	60%
Five or more	100%	Six	80%
		Seven or more	100%

Forfeited Accounts

For the year ended December 31, 2009 and 2008, there were approximately 16,568 and 8,182 forfeited non-vested shares, respectively, allocated to Plan participant accounts in accordance with the Plan Document.

Payment of Benefits

Generally, distributions are not made from the Plan until the year following the date a participant retires, becomes permanently and totally disabled, dies (in which case, payment shall be made to the participant’s beneficiary or, if none, to the participant’s legal representatives), or otherwise terminates employment with the Bank. Distributions are made in the form of shares of the Company’s common stock, cash, or some combination thereof.

Upon termination of service, participants with balances less than \$1,000 receive lump sum distributions. Participants with balances of \$1,000 to \$5,000 are notified of their account status. If they do not request a distribution or rollover, the account is automatically rolled over into an Individual Retirement Account (“IRA”) at the Plan sponsor. Participants with balances in excess of \$5,000 can either continue to participate in the Plan, request a lump sum distribution, or request a rollover to a new qualified plan or an IRA.

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Voting Rights

Each participant and, in the case of a deceased participant, the deceased participant's beneficiary or legal representative shall direct the Trustee how to vote any Company common stock allocated to the participant's account with respect to all voting issues presented to the Company's shareholders. The Trustee shall direct how to vote any Company common stock not allocated to a participant's account in the same manner that the majority of the shares which have been allocated are actually voted. The Trustee shall generally not vote any stock allocated to the account of a participant for which voting instructions are not received from the participant.

Plan Amendments

There were no plan amendments for the plan year ended December 31, 2009. In August 2008 the Plan was amended, effective January 1, 2007, to comply with Section 401(a)(35) of the IRC and the Act, to allow diversification of participants plan assets. In October 2008 the Plan was further amended, effective January 1, 2008, to expand the definition of "415 Compensation" as defined by the Plan.

Subsequent Events

Management has evaluated subsequent events for potential recognition or disclosure in the financial statements through October 8, 2010, the date upon which the Plan's financial statements were available to be issued. The Company has announced its intention to be acquired by and merge with First Niagara Financial Group, Inc. See Note 2, *Subsequent Event*, for additional disclosure regarding this event.

2. SUBSEQUENT EVENT

On August 18, 2010, the Company announced its entry into a definitive agreement with First Niagara Financial Group, Inc. ("FNFG"), providing for the acquisition of the Company by FNFG. Upon completion of the acquisition, the Company will become a direct, wholly owned subsidiary of FNFG.

The definitive agreement calls for each outstanding share of the Company's stock to be converted into the right to receive at the election of the holder thereof, subject to adjustment, election and allocation procedures as more fully described in the definitive agreement, either: 1.) 1.10 shares of FNFG common stock; or 2.) cash, without interest, in an amount equal to \$14.28. The cash price will remain fixed while the value of the stock consideration will fluctuate with the market price of FNFG's common stock. As a result of the elective option, the acquisition consideration each Company shareholder elects to receive may be adjusted if necessary, so that 86% of the total acquisition consideration will be paid in FNFG common stock. The aggregate consideration is valued at \$1.5 billion.

The definitive agreement has been unanimously approved by the board of directors of each of FNFG and the Company. Subject to the approval of the Company's common stockholders of the merger, the approval of FNFG's common stockholders of a stock issuance in connection with the merger, regulatory approvals and other customary closing conditions, the parties anticipate completing the merger in the second quarter of 2011.

FNFG is a Delaware corporation that provides a wide range of retail and commercial banking as well as other financial services. As of June 30, 2010, FNFG had \$20.5 billion of assets, \$13.8 billion in deposits and 225 full service branch locations across Upstate New York and Pennsylvania. See Note 11, *Continuance of the Plan*.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements and supplemental schedule of the Plan have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles ("GAAP") in the United States of America and with the applicable accounting requirements of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under ERISA. The financial statements and supplemental schedule include investment related information which has been certified as complete and accurate by the Plan's Trustee. See Note 8, *Information Certified By the Plan Trustee*.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires Plan management to make estimates and assumptions that affect the reported amounts of Plan assets and liabilities and the changes therein. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

As of December 31, 2009 and 2008, investments are carried at fair value. Purchases and sales of securities are recorded on a trade-date basis. Unrealized and realized gains and losses are included in the net appreciation (depreciation) of investments in the accompanying financial statements. Interest income is recorded on the accrual basis, and dividends are recorded on the ex-dividend date.

Administrative Expenses

Administrative expenses of the Plan, including trustee fees, can be paid by the Bank or the Plan as provided by the Plan Document. Total administrative expenses for 2009 and 2008 were \$275,449 and \$239,067, respectively, all of which were paid by the Plan.

Payment of Benefits

Benefit payments are recorded when paid.

4. RECENT ACCOUNTING PRONOUNCEMENTS

Accounting Standards Codification (Topic 105)

In June 2009, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 168, *"The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles – a replacement of FASB Statement No. 162"* ("SFAS No. 168"). The objective of SFAS No. 168 is to replace SFAS No. 162, *"The Hierarchy of Generally Accepted Accounting Principles"* and to establish the FASB Accounting Standards Codification™ ("Codification" or "FASB ASC") as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with U.S. GAAP. The Codification supersedes all previous level (a) through (d) GAAP, aside from non-codified FASB statements and guidance issued by the Securities and Exchange Commission ("SEC"). The Codification did not change GAAP, but rather reorganized it into approximately 90 accounting topics within a consistent structure to simplify user access. Contents in each of these accounting topics are further organized by subtopic, section and paragraph. The Codification was effective for financial statements issued for reporting periods that end after September 15, 2009. SFAS No. 168 was the final standard issued by the FASB in that form. Changes to the Codification are in the form of Accounting Standards Updates issued by the FASB. An Accounting Standards Update is not authoritative; rather, it is a document that

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communicates the specific amendments that change the Codification and provides background information about the guidance, including the basis for conclusions on changes made to the Codification. The adoption of SFAS No. 168 and the Codification did not have a material impact on the Plan's financial statements but changed the referencing system for accounting standards from the legacy GAAP citations to codification topic numbers.

In June 2009, the FASB issued FASB Accounting Standards Update ("ASU") No. 2009-01, *Topic 105, Generally Accepted Accounting Principles*. This ASU amends the Codification for the issuance of SFAS No. 168 in its entirety, including the accounting standards update instructions contained in Appendix B of the statement. SFAS No. 168 is summarized above.

Fair Value Measurement and Disclosure (Topic 820)

In September 2009, the FASB issued ASU No. 2009-12, *Topic 820, Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, to provide guidance on measuring the fair value of certain alternative investments. This ASU amends FASB ASC 820, *Fair Value Measurements and Disclosures*, and offers investors a practical expedient for measuring the fair value of investments in certain entities that calculate net asset value per share. As there currently is diversity in practice, this guidance addresses the issue of how to estimate the fair value of various investments in entities, including hedge funds, private equity funds, venture capital funds, offshore fund vehicles, funds of funds and real estate funds. The ASU also requires enhanced disclosures about the nature and risks of investments within its scope that are measured at fair value on a recurring or nonrecurring basis. The guidance was effective for the first reporting period (including interim periods) ending after December 15, 2009, although early adoption was permitted. The adoption of this guidance on December 31, 2009 did not have a material impact on the Plan's financial statements.

In August 2009, the FASB issued ASU No. 2009-05, *Fair Value Measurements and Disclosures – Measuring Liabilities at Fair Value*. This update provides clarification on measuring liabilities at fair value when a quoted price in an active market is not available. In such circumstances, the ASU specifies that a valuation technique should be applied that uses either the quote for the liability when traded as an asset, the quoted prices for similar liabilities or similar liabilities when traded as assets, or another valuation technique consistent with existing fair value measurement guidance. The guidance also states that when estimating the fair value of a liability, a reporting entity is not required to include a separate input or adjustments to other inputs relating to the existence of a restriction that prevents the transfer of the liability. The guidance is effective for the first reporting period beginning after the date of issuance. The adoption of this guidance for the fiscal year beginning January 1, 2010 is not expected to have a material effect on the Plan's financial statements.

In April 2009, the FASB issued new guidance on *Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly* (FASB ASC 820-10). This guidance provides additional clarification for estimating fair value, in accordance with the fair value measurements and disclosures guidance, when the volume and level of activity for the asset or liability have significantly decreased and also includes guidance on identifying circumstances that indicate a transaction is not orderly for fair value measurements. This guidance was effective for interim and annual periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. The adoption of this guidance did not have a material impact on the Plan's financial statements.

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5. FAIR VALUE MEASUREMENTS

Fair value estimates are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. In accordance with GAAP, the fair value estimates are measured within the fair value hierarchy. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Basis of Fair Value Measurement

Level 1 — Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 — Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 — Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

When available, quoted market prices are used. In other cases, fair values are based on estimates using present value or other valuation techniques. These techniques involve uncertainties and are significantly affected by the assumptions used and judgments made regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows, future expected loss experience and other factors. Changes in assumptions could significantly affect these estimates. Derived fair value estimates cannot be substantiated by comparison to independent markets and, in certain cases, could not be realized in an immediate sale of the instrument.

Fair value estimates are based on existing financial instruments without attempting to estimate the value of anticipated future business and the value of assets and liabilities that are not financial instruments. Accordingly, the aggregate fair value amounts presented do not purport to represent the underlying market value of the Plan.

The following table details the financial instruments carried at fair value on a recurring basis as of December 31, 2009 and 2008 and indicates the fair value hierarchy of the valuation techniques utilized by the Plan to determine the fair value:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>December 31, 2009</u>				
Federated Government Obligations Fund	\$ 312,414	\$ 312,414	\$ -	\$ -
NewAlliance Bancshares, Inc. common stock	88,335,832	88,335,832	-	-
Total investments at fair value	\$ 88,648,246	\$ 88,648,246	\$ -	\$ -
<u>December 31, 2008</u>				
Federated Government Obligations Fund	\$ 271,497	\$ 271,497	\$ -	\$ -
NewAlliance Bancshares, Inc. common stock	97,622,282	97,622,282	-	-
Total investments at fair value	\$ 97,893,779	\$ 97,893,779	\$ -	\$ -

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The Plan's investments in shares of the Federated Government Obligations Fund and common stock of NewAlliance Bancshares, Inc., as reflected in the above table, are based on quoted prices in active markets and are therefore classified as Level 1 in the fair value hierarchy.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

6. INVESTMENT IN NEWALLIANCE BANCSHARES, INC. COMMON STOCK

The Plan's investment in the Company's common stock has been valued in the accompanying financial statements at the market closing price per share of \$12.01 and \$13.17 as of December 31, 2009 and 2008, respectively.

The following is a summary of the number of shares held, aggregate cost, fair market value and unrealized loss of the Plan's investment in the Company's common stock as of December 31:

	2009		2008	
	Allocated	Unallocated	Allocated	Unallocated
Number of shares held	1,312,473	6,042,717	1,120,573	6,291,901
Aggregate cost	\$ 19,270,036	\$ 88,720,599	\$ 16,452,518	\$ 92,379,175
Fair market value	15,762,801	72,573,031	14,757,946	82,864,336
Unrealized loss	\$ (3,507,235)	\$ (16,147,568)	\$ (1,694,572)	\$ (9,514,839)

The Plan's investment in the Company's common stock represents approximately 6.9% of the Company's outstanding shares of common stock as of December 31, 2009 and 2008.

7. LOAN PAYABLE

On May 1, 2004, the ESOP financed the purchase of 7,454,562 shares of the Company's common stock through proceeds from a loan with the Company. The note matures on March 31, 2034 and bears an annual interest rate of 4.0%, which compounds quarterly. Repayment began on June 30, 2004. The quarterly amount of principal and interest due is \$1,575,611. At December 31, 2009 and 2008, the balance of the loan payable was \$97,543,885 and \$99,885,736, respectively. See Note 10, *Federal Income Tax Status*.

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8. INFORMATION CERTIFIED BY THE PLAN TRUSTEE

The following is a summary of the unaudited information regarding the Plan, included in the Plan's financial statements and supplemental schedule, which was prepared by Plan management and furnished to the Plan Administrator. The Plan Administrator has obtained certification from the Trustee that such information, in total, is complete and accurate:

	As of and for the Years Ended December 31,		
	Allocated	Unallocated	Total
2009			
<i>Certified information:</i>			
Investments at fair value:			
Federated Gov't Obligations Fund	\$ 312,414	\$ -	\$ 312,414
NewAlliance Bancshares, Inc. common stock	15,762,801	72,573,031	88,335,832 *
Total investments at fair value	\$ 16,075,215	\$ 72,573,031	\$ 88,648,246
Interest income	\$ 781	\$ 1,519	\$ 2,300
Dividends	306,018	1,761,733	2,067,751
Net depreciation in fair value of investments**	(1,315,440)	(7,298,605)	(8,614,045)
2008			
<i>Certified information:</i>			
Investments at fair value:			
Federated Gov't Obligations Fund	\$ 271,497	\$ -	\$ 271,497
NewAlliance Bancshares, Inc. common stock	14,757,946	82,864,336	97,622,282 *
Total investments at fair value	\$ 15,029,443	\$ 82,864,336	\$ 97,893,779
Interest income	\$ 6,054	\$ 6,212	\$ 12,266
Dividends	242,476	1,798,798	2,041,274
Net appreciation in fair value of investments**	1,467,372	10,791,517	12,258,889

* Investment represents 5 percent or more of net assets

** Includes both realized and unrealized gains and losses

9. RELATED-PARTY TRANSACTIONS

At December 31, 2009 and 2008, the Plan held 7,355,190 and 7,412,474 shares of common stock of the Company, the Plan's sponsor, with a cost basis of \$107,990,635 and \$108,831,693 and a fair value of \$88,335,832 and \$97,622,282, respectively. During the years ended December 31, 2009 and 2008, the Plan recorded dividend income of \$2,067,751 and \$2,041,274, respectively, related to the investment in the Company's common stock. First Bankers Trust Services, Inc. is the Trustee of the Plan, and therefore, transactions with First Bankers Trust Services, Inc. qualify as party-in-interest transactions. The Bank controls and manages the operation and administration of the Plan. No officers or employees of the Bank receive compensation from the Plan.

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10. FEDERAL INCOME TAX STATUS

The Plan received a favorable letter of determination dated March 1, 2005, for the Plan as adopted on March 30, 2004, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the IRC. The Plan has been amended since receiving the determination letter. A request for an updated determination letter for the ESOP was submitted to the Internal Revenue Service on December 11, 2009, and such request is still pending with the Internal Revenue Service. However, management and the Plan Administrator believe that the Plan is currently designed and being operated in compliance with the tax qualification requirements under Section 401(a) of the IRC; therefore, the Plan Administrator believes that the Plan is entitled to an exemption under the provisions of Section 501(a) of the IRC. As such, no provision for Federal income taxes has been made in the accompanying financial statements.

The Department of Labor (the “DOL”) completed an audit of the Plan in August 2009. In response to issues raised by the DOL, the ESOP loan agreement was revised in May 2009 to clarify certain provisions of the agreement. The DOL reviewed the amended ESOP loan agreement and issued a closing letter dated August 11, 2009, in which the DOL stated that it would take no further action with respect to the ESOP loan issues. The closing letter also stated that the DOL was required to refer the ESOP loan matter to the Internal Revenue Service. The Plan has consulted with legal counsel and believes that no prohibited transactions have occurred with respect to the Plan or related ESOP agreements, and that the Plan continues to be entitled to the exemption from income tax.

11. CONTINUANCE OF THE PLAN

At December 31, 2009, there was no intention to terminate the Plan. However, under the terms of the definitive agreement with FNFG as described in Note 2, *Subsequent Event*, the Company will terminate the Plan immediately prior to the time the merger becomes effective, which is expected to occur in the second quarter of 2011. In conjunction with such termination, all unallocated shares held as collateral pursuant to the Plan necessary to retire the Plan’s debt will be converted into treasury shares of the Company, and the Company will take all necessary actions to extinguish the balance (if any) of any Plan loans outstanding as of the closing date.

The accounts of all participants and beneficiaries in the Plan shall become fully vested upon termination of the Plan. In the event of such termination of the Plan, then as soon as practicable following the receipt of an IRS favorable determination letter in relation to the termination of the Plan, the account balances in the Plan shall be either distributed to participants and beneficiaries or transferred to an eligible tax qualified retirement plan or individual retirement account as a participant or beneficiary may direct.

12. RISKS AND UNCERTAINTIES

Due to the level of risk and uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term. Such changes could materially affect participant account balances, the amounts reported in the statements of net assets available for benefits, and the amounts reported in the statements of changes in the net assets available for benefits.

The Plan’s investment securities are primarily concentrated in the Company’s common stock. General market fluctuations, industry factors and general economic and political conditions and events, including the definitive agreement discussed in Note 2, *Subsequent Event*, could cause the Company’s stock price to decrease regardless of the Company’s operating results.

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SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)

EIN 06-0469580 Plan Number 003

December 31, 2009

(Unaudited)

(a)	(b)	(c)	(d)	(e)
	Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
	Federated Funds	Government Obligations Fund	\$ 312,414	\$ 312,414
*	NewAlliance Bancshares, Inc.	7,355,190 shares of common stock, par value \$0.01	107,990,635	88,335,832
		Total investments	\$ 108,303,049	\$ 88,648,246

* Party-in-interest

Attachment to 2009 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name NewAlliance Bancshares, Inc. Employee Stock Ownership Plan **EIN:** 06-0469580
Plan Sponsor's Name NewAlliance Bancshares, Inc. **PN:** 003

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
*	NewAlliance Bancshares, Inc.	7,355,190 shares Common Stock	107,990,635	88,335,832
	Federated Govt Obligations	Money Market Fund SS Fund	312,414	312,414