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| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br><br>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).<br><br><b>▶ Complete all entries in accordance with the instructions to the Form 5500.</b> | OMB Nos. 1210-0110<br>1210-0089<br><br><b>2010</b><br><br><b>This Form is Open to Public Inspection</b> |
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|                                                                                            |                                                                |                                                                                 |                                            |
|--------------------------------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------------------|--------------------------------------------|
| <b>Part I</b>                                                                              | <b>Annual Report Identification Information</b>                |                                                                                 |                                            |
| For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010 |                                                                |                                                                                 |                                            |
| <b>A</b> This return/report is for:                                                        | <input type="checkbox"/> a multiemployer plan;                 | <input type="checkbox"/> a multiple-employer plan; or                           |                                            |
|                                                                                            | <input checked="" type="checkbox"/> a single-employer plan;    | <input type="checkbox"/> a DFE (specify) ____                                   |                                            |
| <b>B</b> This return/report is:                                                            | <input type="checkbox"/> the first return/report;              | <input type="checkbox"/> the final return/report;                               |                                            |
|                                                                                            | <input checked="" type="checkbox"/> an amended return/report;  | <input type="checkbox"/> a short plan year return/report (less than 12 months). |                                            |
| <b>C</b> If the plan is a collectively-bargained plan, check here. . . . .                 | <input type="checkbox"/>                                       |                                                                                 |                                            |
| <b>D</b> Check box if filing under:                                                        | <input checked="" type="checkbox"/> Form 5558;                 | <input type="checkbox"/> automatic extension;                                   | <input type="checkbox"/> the DFVC program; |
|                                                                                            | <input type="checkbox"/> special extension (enter description) |                                                                                 |                                            |

|                                                                                                                                                                                                                       |                                                                |              |  |
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| <b>Part II</b>                                                                                                                                                                                                        | <b>Basic Plan Information</b> —enter all requested information |              |  |
| <b>1a</b> Name of plan<br>NEWALLIANCE BANCSHARES, INC. EMPLOYEE STOCK OWNERSHIP PLAN                                                                                                                                  | <b>1b</b> Three-digit plan number (PN) ▶                       | 003          |  |
|                                                                                                                                                                                                                       | <b>1c</b> Effective date of plan                               | 01/01/2004   |  |
| <b>2a</b> Plan sponsor's name and address (employer, if for a single-employer plan)<br>(Address should include room or suite no.)<br><br>NEWALLIANCE BANCSHARES, INC.<br><br>195 CHURCH STREET<br>NEW HAVEN, CT 06510 | <b>2b</b> Employer Identification Number (EIN)                 | 06-0469580   |  |
|                                                                                                                                                                                                                       | <b>2c</b> Sponsor's telephone number                           | 203-787-1111 |  |
|                                                                                                                                                                                                                       | <b>2d</b> Business code (see instructions)                     | 551111       |  |
|                                                                                                                                                                                                                       |                                                                |              |  |

**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.

|                  |                                                   |            |                                                              |
|------------------|---------------------------------------------------|------------|--------------------------------------------------------------|
| <b>SIGN HERE</b> | Filed with authorized/valid electronic signature. | 10/17/2011 | JULIE M. LAFOREST                                            |
|                  | Signature of plan administrator                   | Date       | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b> | Filed with authorized/valid electronic signature. | 10/17/2011 | JULIE M. LAFOREST                                            |
|                  | Signature of employer/plan sponsor                | Date       | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b> |                                                   |            |                                                              |
|                  | Signature of DFE                                  | Date       | Enter name of individual signing as DFE                      |

|                                                                                                                                                                         |                                                                                                               |
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| <b>3a</b> Plan administrator's name and address (if same as plan sponsor, enter "Same")<br>NEWALLIANCE BANCSHARES, INC.<br><br>195 CHURCH STREET<br>NEW HAVEN, CT 06510 | <b>3b</b> Administrator's EIN<br>06-0469580<br><br><b>3c</b> Administrator's telephone number<br>203-787-1111 |
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|                                                                                                                                                                                                                       |                                   |
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| <b>4</b> 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:<br><br><b>a</b> Sponsor's name | <b>4b</b> EIN<br><br><b>4c</b> PN |
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|                                                                         |          |      |
|-------------------------------------------------------------------------|----------|------|
| <b>5</b> Total number of participants at the beginning of the plan year | <b>5</b> | 1304 |
|-------------------------------------------------------------------------|----------|------|

|                                                                                                                                                        |           |      |
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| <b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ). |           |      |
| <b>a</b> Active participants.....                                                                                                                      | <b>6a</b> | 1112 |
| <b>b</b> Retired or separated participants receiving benefits.....                                                                                     | <b>6b</b> | 0    |
| <b>c</b> Other retired or separated participants entitled to future benefits.....                                                                      | <b>6c</b> | 247  |
| <b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....                                                                               | <b>6d</b> | 1359 |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....                                              | <b>6e</b> | 1    |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....                                                                                                | <b>6f</b> | 1360 |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....         | <b>6g</b> | 1243 |
| <b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....             | <b>6h</b> | 84   |

|                                                                                                                                      |          |  |
|--------------------------------------------------------------------------------------------------------------------------------------|----------|--|
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) ..... | <b>7</b> |  |
|--------------------------------------------------------------------------------------------------------------------------------------|----------|--|

**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:

|                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>9a</b> Plan funding arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor | <b>9b</b> Plan benefit arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> 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)

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        |  |                                                |
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| <b>SCHEDULE C</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Service Provider Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br><b>► File as an attachment to Form 5500.</b> |  | OMB No. 1210-0110                              |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        |  | <b>2010</b>                                    |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        |  | <b>This Form is Open to Public Inspection.</b> |

For calendar plan year 2010 or fiscal plan year beginning **01/01/2010** and ending **12/31/2010**

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

|               |                                                        |
|---------------|--------------------------------------------------------|
| <b>Part I</b> | <b>Service Provider Information (see instructions)</b> |
|---------------|--------------------------------------------------------|

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>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
|-------------------------------------------------------------------------------------------------------------------|

|                                                                                                                  |
|------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation |
|------------------------------------------------------------------------------------------------------------------|

|                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
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|                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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

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

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

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

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

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

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**(b)** Enter name and EIN or address of person who provided you disclosures 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  
GLASTONBURY, CT 06033

06-1053228

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 15 16 38                      | THIRD PARTY ADMIN                                                                                        | 92529                                                                         | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                         | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                              |                                                                                                                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                            |

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

FIRST BANKERS TRUST SERVICES, INC.

2321 KOCHS LANE  
QUINCY, IL 62305

20-1171923

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 12 21                         | PLAN TRUSTEE                                                                                             | 62529                                                                         | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                         | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                              |                                                                                                                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                            |

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

ELIAS, MATZ, TIERNAN & HERRICK LLP

734 15TH STREET, NW  
WASHINGTON, DC 20005

52-1246409

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 16 29                         | PLAN ATTORNEY                                                                                            | 39158                                                                         | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                         | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                              |                                                                                                                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                            |

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

WHITTLESEY &amp; HADLEY, P.C.

147 CHARTER OAK AVENUE  
PO BOX 4005  
HARTFORD, CT 06106

06-0903326

| <b>(b)</b><br>Service<br>Code(s) | <b>(c)</b><br>Relationship to<br>employer, employee<br>organization, or<br>person known to be<br>a party-in-interest | <b>(d)</b><br>Enter direct<br>compensation paid<br>by the plan. If none,<br>enter -0-. | <b>(e)</b><br>Did service provider<br>receive indirect<br>compensation? (sources<br>other than plan or plan<br>sponsor) | <b>(f)</b><br>Did indirect compensation<br>include eligible indirect<br>compensation, for which the<br>plan received the required<br>disclosures? | <b>(g)</b><br>Enter total indirect<br>compensation received by<br>service provider excluding<br>eligible indirect<br>compensation for which you<br>answered "Yes" to element<br>(f). If none, enter -0-. | <b>(h)</b><br>Did the service<br>provider give you a<br>formula instead of<br>an amount or<br>estimated amount? |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| 10                               | AUDITOR                                                                                                              | 27300                                                                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                                     | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                                          |                                                                                                                                                                                                          | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                        |

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

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

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

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

**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<br>(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. |                                           |
|                                                                     |                                                                                                                                                                    |                                           |

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| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(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. |                                           |
|                                                                     |                                                                                                                                                                    |                                           |

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| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(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.

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

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

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN;       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN;       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              |                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Financial Information</b><br><br>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).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110                             |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              | <b>2010</b>                                   |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              | <b>This Form is Open to Public Inspection</b> |

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

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

|               |                                      |
|---------------|--------------------------------------|
| <b>Part I</b> | <b>Asset and Liability Statement</b> |
|---------------|--------------------------------------|

**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 |
|----------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>a</b> Total noninterest-bearing cash .....                                                      | <b>1a</b>       |                       |                 |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                       |                 |                       |                 |
| <b>(1)</b> Employer contributions .....                                                            | <b>1b(1)</b>    |                       |                 |
| <b>(2)</b> Participant contributions .....                                                         | <b>1b(2)</b>    |                       |                 |
| <b>(3)</b> Other .....                                                                             | <b>1b(3)</b>    | 576                   |                 |
| <b>c</b> General investments:                                                                      |                 |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....   | <b>1c(1)</b>    | 312414                | 421880          |
| <b>(2)</b> U.S. Government securities .....                                                        | <b>1c(2)</b>    |                       |                 |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                            |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                         | <b>1c(3)(A)</b> |                       |                 |
| <b>(B)</b> All other .....                                                                         | <b>1c(3)(B)</b> |                       |                 |
| <b>(4)</b> Corporate stocks (other than employer securities):                                      |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                         | <b>1c(4)(A)</b> |                       |                 |
| <b>(B)</b> Common .....                                                                            | <b>1c(4)(B)</b> |                       |                 |
| <b>(5)</b> Partnership/joint venture interests .....                                               | <b>1c(5)</b>    |                       |                 |
| <b>(6)</b> Real estate (other than employer real property) .....                                   | <b>1c(6)</b>    |                       |                 |
| <b>(7)</b> Loans (other than to participants) .....                                                | <b>1c(7)</b>    |                       |                 |
| <b>(8)</b> Participant loans .....                                                                 | <b>1c(8)</b>    |                       |                 |
| <b>(9)</b> Value of interest in common/collective trusts .....                                     | <b>1c(9)</b>    |                       |                 |
| <b>(10)</b> Value of interest in pooled separate accounts .....                                    | <b>1c(10)</b>   |                       |                 |
| <b>(11)</b> Value of interest in master trust investment accounts .....                            | <b>1c(11)</b>   |                       |                 |
| <b>(12)</b> Value of interest in 103-12 investment entities .....                                  | <b>1c(12)</b>   |                       |                 |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds) .....        | <b>1c(13)</b>   |                       |                 |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts) ..... | <b>1c(14)</b>   |                       |                 |
| <b>(15)</b> Other .....                                                                            | <b>1c(15)</b>   |                       |                 |

**1d** Employer-related investments:

|                                                                      |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> | 88335832              | 108928972       |
| (2) Employer real property .....                                     | <b>1d(2)</b> |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 88648822              | 109350852       |

**Liabilities**

|                                                                           |           |          |          |
|---------------------------------------------------------------------------|-----------|----------|----------|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> |          |          |
| <b>h</b> Operating payables .....                                         | <b>1h</b> |          |          |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> | 97543886 | 95106947 |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> | 27349    | 32285    |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 97571235 | 95139232 |

**Net Assets**

|                                                           |           |          |          |
|-----------------------------------------------------------|-----------|----------|----------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | -8922413 | 14211620 |
|-----------------------------------------------------------|-----------|----------|----------|

**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: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 4610457    |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> |            |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> |            |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    |            |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 4610457   |

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

|                                                                                                      |                 |    |    |
|------------------------------------------------------------------------------------------------------|-----------------|----|----|
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) ..... | <b>2b(1)(A)</b> | 85 |    |
| <b>(B)</b> U.S. Government securities .....                                                          | <b>2b(1)(B)</b> |    |    |
| <b>(C)</b> Corporate debt instruments .....                                                          | <b>2b(1)(C)</b> |    |    |
| <b>(D)</b> Loans (other than to participants) .....                                                  | <b>2b(1)(D)</b> |    |    |
| <b>(E)</b> Participant loans .....                                                                   | <b>2b(1)(E)</b> |    |    |
| <b>(F)</b> Other .....                                                                               | <b>2b(1)(F)</b> |    |    |
| <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                        | <b>2b(1)(G)</b> |    | 85 |

|                                                                                           |                 |         |         |
|-------------------------------------------------------------------------------------------|-----------------|---------|---------|
| (2) Dividends: <b>(A)</b> Preferred stock .....                                           | <b>2b(2)(A)</b> |         |         |
| <b>(B)</b> Common stock .....                                                             | <b>2b(2)(B)</b> | 2048692 |         |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                 | <b>2b(2)(C)</b> |         |         |
| <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> ..... | <b>2b(2)(D)</b> |         | 2048692 |

|                 |              |  |  |
|-----------------|--------------|--|--|
| (3) Rents ..... | <b>2b(3)</b> |  |  |
|-----------------|--------------|--|--|

|                                                                                           |                 |         |       |
|-------------------------------------------------------------------------------------------|-----------------|---------|-------|
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                | <b>2b(4)(A)</b> | 1022992 |       |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                             | <b>2b(4)(B)</b> | 1004168 |       |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result ..... | <b>2b(4)(C)</b> |         | 18824 |

|                                                                                                   |                 | (a) Amount | (b) Total |
|---------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>2b</b> (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....              | <b>2b(5)(A)</b> |            |           |
| (B) Other .....                                                                                   | <b>2b(5)(B)</b> | 21596732   |           |
| (C) Total unrealized appreciation of assets.<br>Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....    | <b>2b(5)(C)</b> |            | 21596732  |
| (6) Net investment gain (loss) from common/collective trusts .....                                | <b>2b(6)</b>    |            |           |
| (7) Net investment gain (loss) from pooled separate accounts .....                                | <b>2b(7)</b>    |            |           |
| (8) Net investment gain (loss) from master trust investment accounts .....                        | <b>2b(8)</b>    |            |           |
| (9) Net investment gain (loss) from 103-12 investment entities .....                              | <b>2b(9)</b>    |            |           |
| (10) Net investment gain (loss) from registered investment<br>companies (e.g., mutual funds)..... | <b>2b(10)</b>   |            |           |
| <b>c</b> Other income.....                                                                        | <b>2c</b>       |            |           |
| <b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....           | <b>2d</b>       |            | 28274790  |

**Expenses**

|                                                                                            |              |        |         |
|--------------------------------------------------------------------------------------------|--------------|--------|---------|
| <b>e</b> Benefit payment and payments to provide benefits:                                 |              |        |         |
| (1) Directly to participants or beneficiaries, including direct rollovers .....            | <b>2e(1)</b> | 803131 |         |
| (2) To insurance carriers for the provision of benefits .....                              | <b>2e(2)</b> |        |         |
| (3) Other .....                                                                            | <b>2e(3)</b> |        |         |
| (4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....                | <b>2e(4)</b> |        | 803131  |
| <b>f</b> Corrective distributions (see instructions) .....                                 | <b>2f</b>    |        |         |
| <b>g</b> Certain deemed distributions of participant loans (see instructions).....         | <b>2g</b>    |        |         |
| <b>h</b> Interest expense.....                                                             | <b>2h</b>    |        | 3865504 |
| <b>i</b> Administrative expenses: (1) Professional fees .....                              | <b>2i(1)</b> | 226452 |         |
| (2) Contract administrator fees .....                                                      | <b>2i(2)</b> |        |         |
| (3) Investment advisory and management fees .....                                          | <b>2i(3)</b> |        |         |
| (4) Other .....                                                                            | <b>2i(4)</b> |        |         |
| (5) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(4)</b> .....         | <b>2i(5)</b> |        | 226452  |
| <b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total..... | <b>2j</b>    |        | 4895087 |

**Net Income and Reconciliation**

|                                                                               |              |  |          |
|-------------------------------------------------------------------------------|--------------|--|----------|
| <b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> ..... | <b>2k</b>    |  | 23379703 |
| <b>l</b> Transfers of assets:                                                 |              |  |          |
| (1) To this plan.....                                                         | <b>2l(1)</b> |  |          |
| (2) From this plan .....                                                      | <b>2l(2)</b> |  | 245670   |

**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   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|----------|
| <b>a</b> 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>b</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  |          |
| <b>c</b> 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  |          |
| <b>d</b> 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  |          |
| <b>e</b> Was this plan covered by a fidelity bond?.....                                                                                                                                                                                                                                                         | X   |    | 10000000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                                                                                                         |     | X  |          |
| <b>g</b> 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  |          |
| <b>h</b> 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  |          |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....                                                                                                                                                   | X   |    |          |
| <b>j</b> 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  |          |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....                                                                                                                                              |     | X  |          |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                                                                                                              |     | X  |          |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....                                                                                                                                                                                     |     | X  |          |
| <b>n</b> 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: 0

- 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) |
|------------------------------|--------------|-------------|
| MEWALLIANCE BANK 401(K) PLAN | 06-0469580   | 002         |
|                              |              |             |
|                              |              |             |
|                              |              |             |

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            |                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Retirement Plan Information</b><br><br>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).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110                              |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            | <b>2010</b>                                    |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            | <b>This Form is Open to Public Inspection.</b> |

|                                                                                                          |                                                                    |  |
|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|--|
| For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u> |                                                                    |  |
| <b>A</b> Name of plan<br><u>NEWALLIANCE BANCSHARES, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>               | <b>B</b> Three-digit plan number (PN) ▶<br><u>003</u>              |  |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>NEWALLIANCE BANCSHARES, INC.</u>     | <b>D</b> Employer Identification Number (EIN)<br><u>06-0469580</u> |  |

|               |                      |
|---------------|----------------------|
| <b>Part I</b> | <b>Distributions</b> |
|---------------|----------------------|

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..... 

|          |  |
|----------|--|
| <b>1</b> |  |
|----------|--|

**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): 20-1171923

**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..... 

|          |  |
|----------|--|
| <b>3</b> |  |
|----------|--|

|                |                                                                                                                                                                              |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part II</b> | <b>Funding Information</b> (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 ..... 

|                                                                                                                                                 |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <b>6a</b>                                                                                                                                       |  |
| <b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....                                                      |  |
| <b>c</b> 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)..... |  |
| <b>6c</b>                                                                                                                                       |  |

**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

|                 |                   |
|-----------------|-------------------|
| <b>Part III</b> | <b>Amendments</b> |
|-----------------|-------------------|

**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

|                |                                                                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part IV</b> | <b>ESOPs</b> (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

**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:

|                                                                          |            |  |
|--------------------------------------------------------------------------|------------|--|
| <b>a</b> The current year .....                                          | <b>14a</b> |  |
| <b>b</b> The plan year immediately preceding the current plan year ..... | <b>14b</b> |  |
| <b>c</b> The second preceding plan year .....                            | <b>14c</b> |  |

- 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:

|                                                                                                       |            |  |
|-------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> The corresponding number for the plan year immediately preceding the current plan year ..... | <b>15a</b> |  |
| <b>b</b> The corresponding number for the second preceding plan year .....                            | <b>15b</b> |  |

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

|                                                                                                                                                                        |            |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Enter the number of employers who withdrew during the preceding plan year .....                                                                               | <b>16a</b> |  |
| <b>b</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 ..... | <b>16b</b> |  |

- 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): \_\_\_\_\_

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## Report of Independent Auditor

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

We were engaged to audit the accompanying Statements of Net Assets Available for Benefits of the NewAlliance Bank ESOP Plan (the "Plan") as of December 31, 2010 and 2009, and the related Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2010, and the supplemental schedule as of December 31, 2010, as listed in the accompanying table of contents. These financial statements 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, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information described in Note 7, 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, 2010 and 2009, and for the year ended December 31, 2010, that the information provided to the Plan Administrator by the Trustee is complete and accurate.

As discussed in Note 3 to the financial statements, the shareholders of NewAlliance Bancshares, Inc., the Plan's sponsor, voted to adopt the Agreement and Plan of Merger, as amended, which specified for the termination of the Plan subsequent to year end. In accordance with accounting principles generally accepted in the United States of America, the Plan's financial statements have been prepared using the liquidation basis of accounting.

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 schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the Trustee, 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 the Employee Retirement Income Security Act of 1974.

Hartford, Connecticut  
October 13, 2011

*Whittlesey & Hadley, P.C.*

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

*Financial Statements and  
Supplemental Schedule*

December 31, 2010

THE NEWALLIANCE BANCSHARES, INC.  
EMPLOYEE STOCK OWNERSHIP PLAN

---

**Form 5500 - Accountants Report**

*E.I.N. 06-0469580*  
*Plan Number 003*

**Financial Statements and Supplemental Schedule**  
**December 31, 2010**

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\* Other supplemental 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.

# WHITTLESEY & HADLEY, P.C.

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## Report of Independent Auditor

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

We were engaged to audit the accompanying Statements of Net Assets Available for Benefits of the NewAlliance Bank ESOP Plan (the "Plan") as of December 31, 2010 and 2009, and the related Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2010, and the supplemental schedule as of December 31, 2010, as listed in the accompanying table of contents. These financial statements 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, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information described in Note 7, 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, 2010 and 2009, and for the year ended December 31, 2010, that the information provided to the Plan Administrator by the Trustee is complete and accurate.

As discussed in Note 3 to the financial statements, the shareholders of NewAlliance Bancshares, Inc., the Plan's sponsor, voted to adopt the Agreement and Plan of Merger, as amended, which specified for the termination of the Plan subsequent to year end. In accordance with accounting principles generally accepted in the United States of America, the Plan's financial statements have been prepared using the liquidation basis of accounting.

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 schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the Trustee, 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 the Employee Retirement Income Security Act of 1974.

Hartford, Connecticut  
October 13, 2011

*Whittlesey & Hadley, P.C.*

THE NEWALLIANCE BANCSHARES, INC.  
EMPLOYEE STOCK OWNERSHIP PLAN

---

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

|                                                                                    | December 31,             |                       |                      |                      |                        |                       |
|------------------------------------------------------------------------------------|--------------------------|-----------------------|----------------------|----------------------|------------------------|-----------------------|
|                                                                                    | 2010                     |                       |                      | 2009                 |                        |                       |
|                                                                                    | Allocated                | Unallocated           | Total                | Allocated            | Unallocated            | Total                 |
|                                                                                    | <i>Liquidation Basis</i> |                       |                      | <i>Accrual Basis</i> |                        |                       |
| <b>Assets</b>                                                                      |                          |                       |                      |                      |                        |                       |
| Federated Gov't Obligations Fund (Note 7)                                          | \$ 421,880               | \$ -                  | \$ 421,880           | \$ 312,414           | \$ -                   | \$ 312,414            |
| Investment in NewAlliance Bancshares, Inc.<br>common stock, at fair value (Note 7) | 22,141,848               | 86,787,124            | 108,928,972          | 15,762,801           | 72,573,031             | 88,335,832            |
| Total investments at fair value                                                    | 22,563,728               | 86,787,124            | 109,350,852          | 16,075,215           | 72,573,031             | 88,648,246            |
| Other receivable                                                                   | -                        | -                     | -                    | 576                  | -                      | 576                   |
| Total assets                                                                       | 22,563,728               | 86,787,124            | 109,350,852          | 16,075,791           | 72,573,031             | 88,648,822            |
| <b>Liabilities</b>                                                                 |                          |                       |                      |                      |                        |                       |
| Loan payable (Note 6)                                                              | -                        | 95,106,947            | 95,106,947           | -                    | 97,543,886             | 97,543,886            |
| Accrued expenses                                                                   | 32,285                   | -                     | 32,285               | 27,349               | -                      | 27,349                |
| Total liabilities                                                                  | 32,285                   | 95,106,947            | 95,139,232           | 27,349               | 97,543,886             | 97,571,235            |
| <b>Net assets (deficit) available for benefits</b>                                 | <b>\$ 22,531,443</b>     | <b>\$ (8,319,823)</b> | <b>\$ 14,211,620</b> | <b>\$ 16,048,442</b> | <b>\$ (24,970,855)</b> | <b>\$ (8,922,413)</b> |

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

THE NEWALLIANCE BANCSHARES, INC.  
EMPLOYEE STOCK OWNERSHIP PLAN

---

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

|                                                                                             | For the Year Ended December 31, |                |               |
|---------------------------------------------------------------------------------------------|---------------------------------|----------------|---------------|
|                                                                                             | 2010                            |                |               |
|                                                                                             | Allocated                       | Unallocated    | Total         |
|                                                                                             | <i>Liquidation Basis</i>        |                |               |
| <b>Additions to net assets attributable to:</b>                                             |                                 |                |               |
| Investment income:                                                                          |                                 |                |               |
| Net appreciation in fair value of investments                                               | \$ 3,668,688                    | \$ 17,946,868  | \$ 21,615,556 |
| Interest                                                                                    | 59                              | 26             | 85            |
| Dividends                                                                                   | 356,731                         | 1,691,961      | 2,048,692     |
| Employer contributions                                                                      | -                               | 4,610,457      | 4,610,457     |
| Allocation of 249,184 shares of NewAlliance Bancshares, Inc.<br>common stock, at fair value | 3,732,776                       | -              | 3,732,776     |
| Net additions                                                                               | 7,758,254                       | 24,249,312     | 32,007,566    |
| <b>Deductions from net assets attributable to:</b>                                          |                                 |                |               |
| Interest expense                                                                            | -                               | 3,865,504      | 3,865,504     |
| Administrative expenses                                                                     | 226,452                         | -              | 226,452       |
| Payments to participants                                                                    | 803,131                         | -              | 803,131       |
| Allocation of 249,184 shares of NewAlliance Bancshares, Inc.<br>common stock, at fair value | -                               | 3,732,776      | 3,732,776     |
| Total deductions                                                                            | 1,029,583                       | 7,598,280      | 8,627,863     |
| <b>Net increase in net assets</b>                                                           | 6,728,671                       | 16,651,032     | 23,379,703    |
| Transfers to 401(k) plan                                                                    | (245,670)                       | -              | (245,670)     |
| <b>Net assets (deficit) available for benefits</b>                                          |                                 |                |               |
| Beginning of year                                                                           | 16,048,442                      | (24,970,855)   | (8,922,413)   |
| <b>End of year</b>                                                                          | \$ 22,531,443                   | \$ (8,319,823) | \$ 14,211,620 |

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

# THE NEWALLIANCE BANCSHARES, INC. EMPLOYEE STOCK OWNERSHIP PLAN

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## 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.

#### ***Plan Termination***

On August 18, 2010, NewAlliance Bancshares, Inc. (the "Company") announced that it had signed a merger agreement with First Niagara Financial Group ("First Niagara"). On December 20, 2010, the stockholders of the Company voted to adopt the Agreement and Plan of Merger, as amended (the "Merger Agreement"). Subsequent to year end, the merger closed on April 15, 2011 (the "Merger Date"). See Note 3, *Subsequent Event*.

#### ***General***

The Company established the Plan effective January 1, 2004. The Plan operates as a leveraged employee stock ownership plan ("ESOP"), is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code ("IRC"), and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). The Plan is a defined contribution plan covering eligible employees of NewAlliance Bank (the "Bank"), a wholly owned subsidiary of the Company.

On May 1, 2004, the Plan borrowed \$109,667,777 from the Company. The proceeds of this loan were used to purchase 7,454,562 shares of the Company's common stock. Additionally, 3,746 shares were purchased at a cost of \$53,266. The average cost of share purchases was approximately \$14.22 per share. The stock is held in a trust established under the Plan. The loan was collateralized by the unallocated shares of common stock held in the trust. Interest on the loan is 4.0% annually and compounded quarterly.

Prior to the Merger Date, the Company made periodic cash contributions to the Plan. The Plan used 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 was repaid, a rateable percentage of common stock was released to the ESOP for allocation to eligible participant accounts in accordance with the Plan and applicable regulations under the IRC.

The accompanying financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to stock allocated to participants (allocated) and to stock not yet allocated to participants (unallocated).

#### ***Eligibility***

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

#### ***Plan Administration and Trustee***

At December 31, 2010 and 2009, the Bank controlled and managed the operation and administration of the Plan. First Bankers Trust Services, Inc. was the Trustee of the Plan and USI Consulting Group, Inc. served as the record keeper for the Plan.

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

---

### ***Contributions to Participants***

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

#### Matching

An employee who had been employed by the Bank for one year and was at least 20-1/2 years old was eligible to receive matching contributions beginning the quarter after their one-year anniversary of service. Effective January 1, 2009, the annual matching contributions made on behalf of each participant who was 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). The employer matching contributions made with respect to any salary reduction contributions made during a plan year were 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 was 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 was then subtracted from the total annual contribution. The remaining number of shares was allocated to the discretionary contribution component.

#### Discretionary

The discretionary contribution was calculated on eligible compensation for the entire plan year up to the maximum of \$245,000 for 2010 and 2009. The discretionary contribution was allocated pro rata based on each Participant's individual eligible compensation as a percentage of the total compensation of all eligible Participants. Participants were required to 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. Prior to the Merger Date, participants who participated in the 401(k) Plan received 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 was 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 was determined by the Company's per share fair market value on the last day of the plan year. The contribution value on December 31, 2010 was \$3,732,776 or \$14.98 per share. Participant accounts were also credited with forfeitures of terminated participants' non-vested accounts. Allocations were based on a participant's eligible compensation, relative to total eligible compensation, as defined in the Plan.

## THE NEWALLIANCE BANCSHARES, INC. EMPLOYEE STOCK OWNERSHIP 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.

Accordingly, each Plan participant who had completed at least three years of service (an “Eligible Participant”) was 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 were eligible for ratable diversification over a three year period beginning in 2007. Allocations made in 2007 and thereafter were eligible for immediate diversification. Eligible Participants who choose to diversify their balances were able to utilize the investment options available in the 401(k) Plan. For the year ended December 31, 2010, diversification transfers out of the Plan amounted to \$245,670.

### ***Vesting***

Prior to the Merger Date, if a participant’s employment with the Bank ended for any reason other than retirement, permanent disability, or death, he or she vested 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. Matching contributions were 100% vested for participants who had at least one hour of service on or after January 1, 2009. Employer matching contributions made before 2009 became fully vested for employees employed by the Bank on or after January 1, 2009, otherwise they generally vested over a five year pro-rata vesting schedule. Discretionary contributions generally vested over a seven year pro-rata vesting schedule. As of the Merger Date, all participants, whether or not employed by the Bank on the date the Plan is terminated, became fully vested in their account balances.

### ***Forfeited Accounts***

For the year ended December 31, 2010, approximately 11,096 forfeited non-vested shares were allocated to Plan participant accounts in accordance with the Plan Document.

### ***Payment of Benefits***

Prior to the Merger Date, distributions generally were not made from the Plan until the year following the date a participant retired, became permanently and totally disabled, died (in which case, payment would be made to the participant’s beneficiary or, if none, to the participant’s legal representatives), or otherwise terminated employment with the Bank. Distributions were 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 received lump sum distributions. Participants with balances of \$1,000 to \$5,000 were notified of their account status. If they had not requested a distribution or rollover, the account was automatically rolled over into an Individual Retirement Account (“IRA”) at the Plan sponsor. Participants with balances in excess of \$5,000 could either continue to participate in the Plan, request a lump sum distribution, or request a rollover to a new qualified plan or an IRA. Participants in the Plan who were terminated prior to January 1, 2011 were able to elect to receive a distribution of their account balance provided their request was submitted timely. Distributions for all other participants were subject to the guidelines of the Merger Agreement. See Note 3, *Subsequent Event*.

# THE NEWALLIANCE BANCSHARES, INC.

## EMPLOYEE STOCK OWNERSHIP PLAN

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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 common stock allocated to the participant's account with respect to all voting issues presented to the stockholders. The Trustee shall direct how to vote any 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 common stock allocated to the account of a participant for which voting instructions are not received from the participant.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### ***Basis of Accounting***

As a result of the decision to terminate the Plan as discussed in Note 3, *Subsequent Event*, the Plan changed its basis of accounting from the accrual basis of accounting, in effect at December 31, 2009, to the liquidation basis of accounting, in effect at and for the year ended December 31, 2010. The accompanying financial statements and supplemental schedule of the Plan have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and with the applicable accounting requirements of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA").

The financial statements and supplemental schedule of assets (held at end of year) include investment related information which has been certified as complete and accurate by the Plan's Trustee. See Note 7, *Information Certified By the Plan Trustee*.

### ***Subsequent Events Measurement Date***

Management has evaluated subsequent events for potential recognition or disclosure in the financial statements through October 13, 2011, the date upon which the Plan's financial statements were available to be issued. No subsequent events were identified that would have required a change to the financial statements or disclosure in the notes to the financial statements, other than the Plan Sponsor's merger and Plan termination as disclosed in these notes.

### ***Investment Valuation and Income Recognition***

Investments are recorded at fair value as determined using prices as discussed in Note 4, *Fair Value Measurements*. Purchases and sales of securities are recorded on a trade-date basis. Unrealized and realized gains and losses are included in the net appreciation in fair value of investments in the accompanying financial statements. Earnings from mutual funds are reinvested and added to the cost basis of the funds. 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 2010 were \$226,452, all of which were paid by the Plan.

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

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### ***Payment of Benefits***

Benefit payments are recorded when paid.

### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America and the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA requires Management of the Plan to make estimates and assumptions that affect the reported amounts of assets and liabilities and the changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

### ***Reclassification***

Amounts in the 2009 Statement of Net Assets Available for Benefits have been reclassified to conform to the current year financial statement presentation. The reclassifications had no effect on the Plan's net assets.

### ***Recent Accounting Pronouncements***

In February 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2010-06, *Improving Disclosures about Fair Value Measurements*. The amendment to Topic 820, *Fair Value Measurements and Disclosures*, requires additional disclosures about fair value measurements including transfer in and out of Levels 1 and 2 and higher levels of disaggregation for the different types of financial instruments. For the reconciliation of Level 3 fair values measurements, information about purchases, sales, issuances and settlements should be presented separately. The guidance was effective for annual and interim reporting periods beginning after December 15, 2009, except for the disclosure of information about sales, issuances and settlements on a gross basis for assets and liabilities classified as level 3, which is effective for reporting periods beginning after December 15, 2010. The adoption of ASU No. 2010-06 for the plan year beginning on January 1, 2010 did not have a material effect on the Plan's financial statements.

## **3. SUBSEQUENT EVENT**

As discussed in Note 1, *Description of the Plan*, the Company announced its plans to merge with and into First Niagara on August 18, 2010. Pursuant to the Merger Agreement, the Plan shall terminate immediately prior to the effective time of the merger. In connection with the 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 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. As soon as practicable following the receipt of a favorable Internal Revenue Service ("IRS") 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.

At a Special Meeting of Stockholders on December 20, 2010, the Company stockholders voted to adopt the Merger Agreement. Subsequent to year end, the Plan was terminated immediately prior the Merger Date, at which time the Company was merged with and into First Niagara. In conjunction with the termination, participants and beneficiaries became fully vested in their account balances. All unallocated shares held as collateral were converted into treasury shares of the Company. The Company took the necessary actions to extinguish the loan balance of the Plan loan outstanding and the remaining balance of the ESOP loan was forgiven. See Note 9, *Tax Status*, and Note 10, *Plan Termination*.

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

---

Under the terms of the Merger Agreement, each outstanding share of the Company's stock was converted into the right to receive either 1.10 shares of common stock of FIRST NIAGARA, or \$14.28 in cash, or a combination thereof. Based on the final election results and applying the adjustment, election and allocation procedures set forth in the Merger Agreement, the Company's stockholders received the following consideration:

- stockholders who made valid elections to receive stock consideration received stock consideration for 100% of their shares subject to such election;
- stockholders who made valid elections to receive cash consideration received cash consideration for 100% of their shares subject to such election; and
- stockholders who made no election or failed to make a valid election, received cash consideration for 85.5% of their shares and stock consideration for the remaining 14.5% of their shares.

As a result, stockholders of the Company received 94 million shares of FIRST NIAGARA common stock, valued at \$1.3 billion based on the \$14.00 closing price of First Niagara's stock on April 15, 2011, and cash consideration of \$199 million.

#### 4. 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 - Unadjusted quoted prices 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.

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

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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, 2010 and 2009 and indicates the fair value hierarchy of the valuation techniques utilized by the Plan to determine the fair value:

|                                              | Total                 | Quoted Prices in<br>Active Markets<br>for Identical<br>Assets<br>(Level 1) | Significant<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
|----------------------------------------------|-----------------------|----------------------------------------------------------------------------|--------------------------------------------------|----------------------------------------------------|
| <b>December 31, 2010</b>                     |                       |                                                                            |                                                  |                                                    |
| Federated Gov't Obligations Fund             | \$ 421,880            | \$ 421,880                                                                 | \$ -                                             | \$ -                                               |
| NewAlliance Bancshares, Inc.<br>common stock | 108,928,972           | 108,928,972                                                                | -                                                | -                                                  |
| <b>Total investments at fair value</b>       | <b>\$ 109,350,852</b> | <b>\$ 109,350,852</b>                                                      | <b>\$ -</b>                                      | <b>\$ -</b>                                        |
| <b>December 31, 2009</b>                     |                       |                                                                            |                                                  |                                                    |
| Federated Gov't Obligations Fund             | \$ 312,414            | \$ 312,414                                                                 | \$ -                                             | \$ -                                               |
| NewAlliance Bancshares, Inc.<br>common stock | 88,335,832            | 88,335,832                                                                 | -                                                | -                                                  |
| <b>Total investments at fair value</b>       | <b>\$ 88,648,246</b>  | <b>\$ 88,648,246</b>                                                       | <b>\$ -</b>                                      | <b>\$ -</b>                                        |

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.

The Plan did not have any financial instruments carried at fair value on a nonrecurring basis as of December 31, 2010 and 2009.

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EMPLOYEE STOCK OWNERSHIP PLAN

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**5. 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 \$14.98 and \$12.01 as of December 31, 2010 and 2009, 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:

|                        | 2010          |               | 2009           |                 |
|------------------------|---------------|---------------|----------------|-----------------|
|                        | Allocated     | Unallocated   | Allocated      | Unallocated     |
| Number of shares held  | 1,478,094     | 5,793,533     | 1,312,473      | 6,042,717       |
| Aggregate cost         | \$ 21,701,725 | \$ 85,062,019 | \$ 19,270,036  | \$ 88,720,599   |
| Fair market value      | 22,141,848    | 86,787,124    | 15,762,801     | 72,573,031      |
| Unrealized gain (loss) | \$ 440,123    | \$ 1,725,105  | \$ (3,507,235) | \$ (16,147,568) |

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 both December 31, 2010 and 2009. Subsequent to year end, the Company merged with and into First Niagara. See Note 3, *Subsequent Event*.

**6. 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 had a maturity date of March 31, 2034, with an annual interest rate of 4.0%, compounded quarterly. The quarterly amount of principal and interest due was \$1,575,611. At December 31, 2010 and 2009, the balance of the loan payable was \$95,106,947 and \$97,543,886, respectively. Repayment began on June 30, 2004 and terminated prior to the Merger Date. See Note 3, *Subsequent Event*.

# THE NEWALLIANCE BANCSHARES, INC. EMPLOYEE STOCK OWNERSHIP PLAN

## 7. 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 Year Ended December 31, |               |                |
|-------------------------------------------------|-------------------------------------------|---------------|----------------|
|                                                 | Allocated                                 | Unallocated   | Total          |
| <b>2010</b>                                     |                                           |               |                |
| <i>Certified information:</i>                   |                                           |               |                |
| Investments at fair value:                      |                                           |               |                |
| Federated Gov't Obligations Fund                | \$ 421,880                                | \$ -          | \$ 421,880     |
| NewAlliance Bancshares, Inc.<br>common stock    | 22,141,848                                | 86,787,124    | 108,928,972 *  |
| Total investments at fair value                 | \$ 22,563,728                             | \$ 86,787,124 | \$ 109,350,852 |
| Interest income                                 | \$ 59                                     | \$ 26         | \$ 85          |
| Dividends                                       | 356,731                                   | 1,691,961     | 2,048,692      |
| Net appreciation in fair value of investments** | 3,668,688                                 | 17,946,868    | 21,615,556     |
|                                                 |                                           |               |                |
|                                                 | For the Year Ended December 31,           |               |                |
|                                                 | Allocated                                 | Unallocated   | Total          |
| <b>2009</b>                                     |                                           |               |                |
| <i>Certified information:</i>                   |                                           |               |                |
| Investments at fair value:                      |                                           |               |                |
| Federated Gov't Obligations Fund                | \$ 312,414                                | \$ -          | \$ 312,414     |
| NewAlliance Bancshares, Inc.<br>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  |

\* Investment represents 5 percent or more of net assets

\*\* Includes both realized and unrealized gains and losses

## 8. RELATED-PARTY TRANSACTIONS

At December 31, 2010 and 2009, the Plan held 7,271,627 and 7,355,190 shares of common stock of the Company, the Plan's sponsor, with a cost basis of \$106,763,744 and \$107,990,635 and a fair value of \$108,928,972 and \$88,335,832, respectively. During the years ended December 31, 2010, the Plan recorded dividend income of \$2,048,692 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 controlled and managed the operation and administration of the Plan. No officers or employees of the Bank received compensation from the Plan.

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

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### 9. 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 IRS 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 IRS on December 11, 2009, and such request is still pending with the Internal Revenue Service. The Plan Administrator believes 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.

In connection with the adoption of the Merger Agreement discussed in Note 3, *Subsequent Event*, an application was filed with the IRS on October 25, 2010 to receive a favorable letter of determination with respect to the termination of the Plan. The Company expects that the receipt of this letter will take up to 18 months. During that time, no distributions are allowable from the Plan. See Note 11, *Plan Termination*.

The Plan is required to evaluate tax positions taken and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the 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 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.

The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2007.

### 10. PLAN TERMINATION

As discussed in Note 3, *Subsequent Event*, on December 20, 2010, the Merger Agreement was adopted. Subsequent to year end, under the terms of the Merger Agreement, the Company terminated the Plan immediately prior to the Merger Date, at which time distributions to participants were suspended pending receipt of a favorable IRS determination letter. See Note 10, *Tax Status*.

As soon as practicable following the receipt of the favorable determination, 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.

THE NEWALLIANCE BANCSHARES, INC.  
EMPLOYEE STOCK OWNERSHIP PLAN

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**11. 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.

As of December 31, 2010, the Plan's investment securities were primarily concentrated in the Company's common stock. Subsequent to year end, as a result of the merger discussed in Note 3, *Subsequent Event*, the Plan's investment securities became primarily concentrated in First Niagara's common stock. General market fluctuations, industry factors and general economic and political conditions and events could cause the Company's common stock price or First Niagara's common stock price to decrease regardless of the operating results of either the Company or First Niagara.

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EMPLOYEE STOCK OWNERSHIP PLAN

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

EIN 06-0469580 Plan Number 003

December 31, 2010

(Unaudited)

| (a) | (b)                                                     | (c)                                                                                                          | (d)                   | (e)                   |
|-----|---------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
|     | Identity of Issue, Borrower,<br>Lessor or Similar Party | Description of Investment Including<br>Maturity Date, Rate of Interest,<br>Collateral, Par or Maturity Value | Cost                  | Current Value         |
|     | Federated Funds                                         | Government Obligations Fund                                                                                  | \$ 421,880            | \$ 421,880            |
| *   | NewAlliance Bancshares, Inc.                            | 7,271,627 shares of common stock,<br>par value \$0.01                                                        | 106,763,744           | 108,928,972           |
|     |                                                         | <b>Total investments</b>                                                                                     | <b>\$ 107,185,624</b> | <b>\$ 109,350,852</b> |

\* Party-in-interest

|                            |                                                            |             |            |
|----------------------------|------------------------------------------------------------|-------------|------------|
| <b>Plan Name</b>           | NewAlliance Bancshares, Inc. Employee Stock Ownership Plan | <b>EIN:</b> | 06-0469580 |
| <b>Plan Sponsor's Name</b> | NewAlliance Bancshares, Inc.                               | <b>PN:</b>  | 003        |

[illegible]