



STATE OF CONNECTICUT
DEPARTMENT OF BANKING

260 CONSTITUTION PLAZA • HARTFORD, CT 06103-1800



Howard F. Pitkin

Commissioner

IN THE MATTER OF:

The Application and Acquisition
Statement of First Niagara Financial
Group, Inc. Concerning the Acquisition of
NewAlliance Bancshares, Inc., and
Indirectly, NewAlliance Bank, and the
Application of First Niagara Bank, N.A.
Concerning the Merger of NewAlliance
Bank with and into First Niagara
Bank, N.A.

Approval Pursuant to Section 36a-411
of the Connecticut General Statutes

Approval Pursuant to Section 36a-412(a)(1)
of the Connecticut General Statutes

Notice of Intent Not to Disapprove
Pursuant to Section 36a-185 of the
Connecticut General Statutes

On November 1, 2010, pursuant to Sections 36a-411 and 36a-184 of the Connecticut General Statutes, First Niagara Financial Group, Inc., a bank holding company with its principal place of business in New York ("FNFG"), filed an application and acquisition statement to acquire and retain ownership and control of 100 percent of the issued and outstanding voting stock of NewAlliance Bancshares, Inc., a bank holding company ("NAB"), and, indirectly, NewAlliance Bank, a Connecticut bank ("NewAlliance"), through the merger of FNFG Merger Sub, Inc., a newly formed subsidiary of FNFG, with and into NAB. Also on November 1, 2010, pursuant to Section 36a-412(a)(1) of the Connecticut General Statutes, First Niagara Bank, N.A., a national association with its principal place of business in New York and a wholly-owned subsidiary of FNFG ("First Niagara"), filed an application for the merger of NewAlliance with and into First Niagara. In connection with the acquisition statement and applications, FNFG and NewAlliance filed a community reinvestment plan on December 20, 2010.

Notice of the acquisition statement and applications was placed in The Department of Banking News Bulletin ("Bulletin") # 2438 for the week ending November 12, 2010. The Bulletin contains a statement that written comments on any item noted therein will be accepted within ten days of the date of the Bulletin. In addition, notice of the filing of the community reinvestment plan and its availability for public inspection and comment at the Department of Banking for a period of 30 days was placed in Bulletin # 2444 for the week ending December 24, 2010. On March 7 and 8, 2011, a public hearing was held on the acquisition statement and applications. Thirty-two (32) public officials and sixty-four (64) members of the general public spoke at the hearing, and twenty-one (21) of the speakers also provided written submissions, letters or other supporting documentation. In addition, fourteen (14) telephone, e-mail or written comments were received from individuals and groups, most objecting to the proposed acquisition and merger because of their concerns that First Niagara would no longer focus its attention on the New Haven market. All written and oral comments were taken into consideration.

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FINDINGS

1. FNFG's "home state" within the meaning of Section 36a-410(5) of the Connecticut General Statutes is Pennsylvania, in that Pennsylvania is the state in which the total deposits of all banking subsidiaries of FNFG were the largest on April 10, 2010, when FNFG became a bank holding company under the federal Bank Holding Company Act of 1956, as amended.
2. First Niagara's "home state" within the meaning of Section 36a-410(5) of the Connecticut General Statutes is New York, in that New York is the state in which the main office of First Niagara is located.
3. FNFG is an "out-of-state holding company" within the meaning of Section 36a-410(6) of the Connecticut General Statutes, in that it is a holding company whose home state is a state other than Connecticut.
4. First Niagara is an "out-of-state bank" within the meaning of Section 36a-2(45) of the Connecticut General Statutes, in that it is an institution that engages in the business of banking, but is not a bank, Connecticut credit union, federal credit union or out-of-state credit union.
5. NAB is a "Connecticut holding company" within the meaning of Section 36a-410(3) of the Connecticut General Statutes, in that it is a holding company whose home state is Connecticut.
6. NewAlliance is a "Connecticut bank" within the meaning of Section 36a-2(12) of the Connecticut General Statutes, in that it is a savings bank organized under the laws of Connecticut.
7. The laws of Pennsylvania, specifically, Section 115 of the Banking Code of 1965 (7 P.S. § 115), authorize, under conditions no more restrictive than those imposed by the laws of this state, a Connecticut holding company to acquire and retain direct or indirect ownership or control of 10 percent or more of the voting securities of out-of-state banks or out-of-state holding companies whose home state is Pennsylvania.
8. The laws of New York, specifically, New York Banking Law 223, authorize, under conditions no more restrictive than those imposed by the laws of this state, a Connecticut bank to acquire by merger out-of-state banks whose home state is New York.
9. NewAlliance has been in existence and continuously operating for at least five years.
10. The merger of NewAlliance with and into First Niagara does not involve the acquisition of a Connecticut bank that has not been in existence and continuously operating for at least five years.
11. FNFG, including all insured depository institutions which are affiliates of FNFG, upon consummation of the acquisition of NAB and the indirect acquisition of NewAlliance, will control less than 30 percent of the total amount of deposits of insured depository institutions in Connecticut.
12. The resulting bank, First Niagara, including all insured depository institutions which are affiliates of the resulting bank, upon consummation of the merger, will not control 30 percent or more of the total amount of deposits of insured depository institutions in Connecticut.

13. The programs, policies and procedures of FNFG, First Niagara and NewAlliance relating to anti-money-laundering are adequate, and FNFG and NewAlliance have a record of compliance with anti-money-laundering laws and regulations.
14. The applications and acquisition statement comply with Sections 36a-411, 36a-412(a)(1) and 36a-184 of the Connecticut General Statutes and the acquisition does not warrant my disapproval under the criteria set forth in Section 36a-185 of the Connecticut General Statutes.
15. The acquisition of NewAlliance and its merger with and into First Niagara will promote public convenience, the benefits to the public clearly outweigh possible adverse effects, and the terms of such merger are reasonable and in accordance with law and sound public policy.
16. FNFG's subsidiary First Niagara and New Alliance have a record of compliance with the requirements of the federal Community Reinvestment Act (Community Reinvestment Act of 1977, 12 U.S.C. § 2901 *et seq.*, as from time to time amended, and the regulations promulgated thereunder), Sections 36a-30 to 36a-33, inclusive, of the Connecticut General Statutes, to the extent applicable, and applicable consumer protection laws, and the resulting bank, First Niagara, will provide adequate services to meet the banking needs of all community residents, including low-income residents and moderate-income residents to the extent permitted by its charter.
17. The acquisition of NAB and NewAlliance and the merger of NewAlliance with and into First Niagara will not result in a monopoly and will not be in furtherance of any combination or conspiracy to monopolize or attempt to monopolize the business of banking in this state, and the effect of the transaction will not be to substantially lessen competition or to create a monopoly or be in restraint of trade.

APPROVAL

BASED ON THE FOREGOING:

Pursuant to the authority granted in Section 36a-411 of the Connecticut General Statutes, I hereby approve the application of First Niagara Financial Group, Inc., to acquire and retain ownership and control of 100 percent of the issued and outstanding voting stock of NewAlliance Bancshares, Inc., and indirectly, NewAlliance Bank.

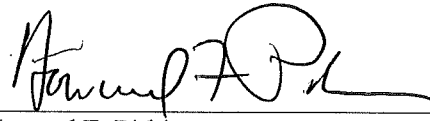
Pursuant to the authority granted in Section 36a-185 of the Connecticut General Statutes, I hereby issue notice of my intent not to disapprove the acquisition by First Niagara Financial Group, Inc., of 100 percent of the issued and outstanding voting stock of NewAlliance Bancshares, Inc., and indirectly, NewAlliance Bank.

Pursuant to the authority granted in Section 36a-412(a)(1) of the Connecticut General Statutes, I hereby approve the application of First Niagara Bank, N.A. to merge NewAlliance Bank with and into First Niagara Bank, N.A.

The above approvals and notice of intent not to disapprove are conditioned upon First Niagara Bank, N.A.'s written acceptance that it will file the following reports with the Banking Commissioner for a period of three (3) years from the date of consummation of the acquisition and merger, unless, prior to such time, one or more of the reporting requirements is terminated by the Banking Commissioner:

1. Quarterly report of credit First Niagara Bank, N.A., extended and made available in Connecticut. This report shall be filed within forty-five (45) days of the end of each calendar quarter;
2. Semi-annual report of First Niagara Bank, N.A.'s employment levels in Connecticut, highlighting value-added jobs and total jobs created. This report shall be filed within forty-five (45) days of the end of the second and fourth quarters of each calendar year;
3. Annual report of the diversity profile of First Niagara Bank, N.A.'s workforce and governance bodies. This report shall be filed within forty-five (45) days of the end of each calendar year; and
4. Annual report of First Niagara Foundation's activities and any other community investments and contributions made in Connecticut by First Niagara Bank, N.A. This report shall be filed within forty-five (45) days of the end of each calendar year.

Approved this 6th day of April 2011.



Howard F. Pitkin
Banking Commissioner