

**Liberty Bank (Mutual: Middletown, CT) has agreed to acquire Naugatuck Valley Financial Corporation (NASDAQ: NVSL; Naugatuck, CT)**

**Deal Value: Approximately \$78 million**

Sandler O'Neill served as financial advisor and provided a fairness opinion to Liberty Bank in this transaction. This transaction represents Sandler O'Neill's 80<sup>th</sup> bank or thrift transaction nationwide since January 1, 2014, representing \$13.8 billion in aggregate transaction value, more than any other investment bank during that time period.<sup>1</sup>

Since January 1, 2014, Sandler O'Neill has advised on 7 bank or thrift transactions in the northeast region, more than any other investment bank. These transactions have an aggregate deal value of approximately \$353 million.<sup>1</sup>

Middletown, CT and Naugatuck, CT, June 4, 2015 - Liberty Bank, headquartered in Middletown, Connecticut, and Naugatuck Valley Financial Corporation, headquartered in Naugatuck, Connecticut (NASDAQ MKT: "NVSL"), jointly announced today that they have entered into a definitive agreement for the merger of Naugatuck Valley Financial Corporation and its subsidiary, Naugatuck Valley Savings and Loan, with and into Liberty Bank.

"The merger of Naugatuck Valley Savings and Loan with Liberty Bank is a strong fit for the customers, communities and the staff of both organizations" said Liberty Bank President & CEO Chandler J. Howard. "Our organizational philosophies and cultures are very similar, with sharp focus on exceptional customer service, providing quality products and services to meet the ever changing needs of consumers and businesses, and our shared commitment of supporting the communities we serve. We are excited to work with the team at Naugatuck Valley Savings and Loan in creating an even stronger community bank franchise."

Under terms of the agreement, upon completion of the merger, each shareholder of Naugatuck Valley Financial Corporation will receive \$11.00 per share in cash, giving the transaction a value of approximately \$78 million. The agreement has been unanimously approved by the Boards of Liberty Bank, Naugatuck Valley Financial Corporation and Naugatuck Valley Savings and Loan.

"We are thrilled to align ourselves with Liberty Bank. Our cultural similarities and shared vision and understanding of community banking make this combination very attractive for us. We believe that this transaction is an excellent opportunity for our shareholders, customers, employees and the Naugatuck Valley community at large. We look forward to working with the Liberty Team to continue to bring high quality financial services and to deepen the relationship with our combined customer base," said William Calderara, President and CEO of Naugatuck Valley Financial Corporation.

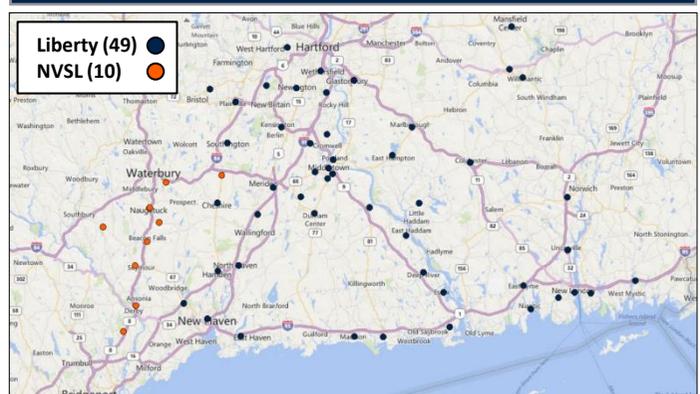
The transaction is subject to approval by the shareholders of Naugatuck Valley Financial Corporation, as well as customary regulatory approvals, including the State of Connecticut Department of Banking and the Federal Deposit Insurance Corporation. The transaction is expected to close in the fourth calendar quarter of 2015.

**2015 Q1 Financial Highlights**

(\$ in millions)	Liberty	NVSL
Total Assets	\$3,850	\$507
Gross Loans	2,915	372
Total Deposits	2,934	379
Total Equity	600	61
TCE/TA	15.28%	12.07%
LTM ROAA	0.82%	0.41%

<sup>1</sup>) Source: SNL Financial. Excludes terminated transactions and self-advisory roles

**Pro Forma Branch Map**



**Sandler O'Neill Contacts:**  
 1251 Avenue of the Americas, 6<sup>th</sup> Floor  
 New York, NY 10020

Bill Hickey  
 Principal, Co-Head of  
 Investment Banking  
 (212) 466-7704

Matt Murray  
 Associate  
 (212) 466-7726

Alex Timmons  
 Analyst  
 (212) 466-7747