

PRESS RELEASE

**NAUGATUCK VALLEY FINANCIAL CORPORATION
ANNOUNCES CASH DIVIDEND**

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Naugatuck, Connecticut – January 20, 2010 – The Board of Directors of Naugatuck Valley Financial Corporation (NASDAQ Global Market: “NVSL”) yesterday declared a cash dividend for the quarter ended December 31, 2009, of \$.03 per share to stockholders of record on February 5, 2010. Payment of the cash dividend will be made on or about March 2, 2010.

Naugatuck Valley Mutual Holding Company, the Company’s mutual holding company parent, has waived receipt of the dividend.

Naugatuck Valley Financial Corporation is the holding company for Naugatuck Valley Savings and Loan and is headquartered in Naugatuck, Connecticut. Naugatuck Valley Savings and Loan operates ten offices in Naugatuck, Beacon Falls, Shelton, Derby, Seymour, Waterbury, Southbury and Cheshire Connecticut.