

**NAUGATUCK VALLEY FINANCIAL CORPORATION
ANNOUNCES THAT IT WILL NOT PARTICIPATE IN TARP
CAPITAL PURCHASE PROGRAM**

Naugatuck, Connecticut (May 11, 2009). Naugatuck Valley Financial Corporation, Naugatuck, CT (Nasdaq Global Market: NVSL) the holding company for Naugatuck Valley Savings and Loan (the “Bank”), announced today that its Board of Directors determined not to participate in the Treasury Department’s Capital Purchase Program, which is part of the broader Troubled Asset Relief Program (TARP) initiative.

“After careful consideration, we made a business decision that we will not seek federal funds under TARP,” said John C. Roman, President and Chief Executive Officer. “Naugatuck Valley Financial Corporation is proud of its long-standing conservative approach to lending and investing and does not need the assistance being offered by the Treasury Department. We already are, and expect to be for the foreseeable future, well capitalized and currently have no valid need to participate in the Capital Purchase Program.”

About Naugatuck Valley Financial Corporation

Naugatuck Valley Financial Corporation is the holding company for Naugatuck Valley Savings and Loan which is headquartered in Naugatuck, Connecticut with nine other branches in Southwest Connecticut. The Bank is a community-oriented financial institution dedicated to serving the financial service needs of consumers and businesses within its market area.

This release contains “forward-looking statements” which may describe future plans and strategies, including our expectations of future financial results. Management’s ability to predict results or the effect of future plans or strategies is inherently uncertain. Factors that could affect our actual results include market interest rate trends, the general regional and national economic market, our ability to control costs and expenses, actions by our competitors and their pricing, loan delinquency rates, and changes in federal and state regulation. As we have no control over these factors, they should be considered in evaluating any forward-looking statements and undue reliance should not be placed on such statements. Except as required by applicable law or regulation, Naugatuck Valley Financial Corporation disclaims any obligation to update such forward-looking statements.