



**For immediate release**

## **BNC Financial Group Reports Record Earnings for 2011**

CEO Jay Forgotson has announced that BNC Financial Group, Inc., the holding company for The Bank of New Canaan, The Bank of Fairfield and Stamford First Bank, achieved record earnings in 2011, with a consolidated profit of \$2.2 million, an increase of 335% over 2010.

BNC Financial Group's assets increased in 2011 by 21% to \$477 million and gross loans grew by 27% to \$371 million. The Organization's Net Interest Margin increased to 4.27%.

Notes Forgotson, "Despite another year of economic challenges, high unemployment and low interest rates, we experienced significant increases in our deposits and exceptional loan growth resulting from our visibility and superior level of service. Our financial achievement is particularly gratifying because of the financial support that we have been able to provide to the local economy through small business lending."

In January 2012, the Organization received national recognition when it was ranked second of top performing lenders nationwide under the U.S. Treasury Department's Small Business Lending Fund, an initiative designed to provide loans to qualifying businesses.

Added Forgotson, "During 2011, The Bank of New Canaan, named the "#1 Community Bank in Connecticut" by the *Commercial Record*, saw solid growth and strong profitability with net income of \$2.8 million. The Bank of Fairfield reached a milestone of \$100 million in assets in June 2011, and remained consistently profitable throughout the year. Stamford First Bank, a division of The Bank of New Canaan, celebrated its first anniversary at the end of July, and showed \$53 million in gross loans and \$65 million in deposits at year-end. We anticipate that Stamford First Bank will be profitable in 2012."

In recapping BNC Financial's successful year, Forgotson notes, "We believe that our overall steady growth reflects our continued ability to balance the financing that we provide to the communities we serve with an expertise in delivering consistently high quality loans on a timely basis. While loan growth is an important component of our success, we are also proud of the relationships that we continue to develop and grateful to the communities for their support."

As the only independent hometown commercial banks in the towns they serve, The Bank of New Canaan, The Bank of Fairfield and Stamford First Bank are committed to providing the highest possible level of customer service and adding value to their respective communities. More information about the banks can be found at [www.bankofnewcanaan.com](http://www.bankofnewcanaan.com), [www.thebankoffairfield.com](http://www.thebankoffairfield.com) and [www.stamfordfirstbank.com](http://www.stamfordfirstbank.com).

Please refer any questions on this Press Release to Merrill J. Forgotson, CEO, or Ernest J. Verrico, Senior Vice President, BNC Financial Group at (203) 966-3838.

*This press release may contain certain forward-looking statements about the Company. Forward-looking statements include statements regarding anticipated future events and can be identified by the fact that they do not relate strictly to historical or current facts. They often include words such as "believe," "expect," "anticipate," "estimate," and "intend" or future or conditional verbs such as "will," "would," "should," "could," or "may." Forward-looking statements, by their nature, are subject to risks and uncertainties. Certain factors that could cause actual results to differ materially from expected results include increased competitive pressures, changes in the interest rate environment, general economic conditions or conditions within the securities markets, and legislative and regulatory changes that could adversely affect the business in which the Company and its subsidiaries are engaged.*

# BNC FINANCIAL GROUP, INC. AND ITS SUBSIDIARIES

## Financial Highlights

*(Unaudited/Dollar amounts in thousands, except per share data)*

	Twelve months ended December, 31 2011					
	The Bank of New Canaan			The Bank of Fairfield		
	2011	2010	% change	2011	2010	% change
<b>Balance Sheet</b>						
Total Assets	\$362,377	\$310,008	16.89%	\$114,683	\$85,401	34.29%
Gross Portfolio Loans (net of LHFS)	\$270,080	\$218,501	23.61%	\$99,257	\$70,006	41.78%
Loans Held for Sale (LHFS)	\$1,172	\$229	410.68%	\$0	\$3,375	-100.00%
Total Gross Loans	\$271,251	\$218,730	24.01%	\$99,257	\$73,381	35.26%
Investments	\$83,160	\$49,590	67.70%	11,844	\$8,593	37.82%
Total Earning Assets	\$356,215	\$300,305	18.62%	\$113,043	\$82,781	36.56%
Total Deposits	\$284,198	\$251,921	12.81%	\$87,368	\$62,316	40.20%
Shareholder's Equity	\$32,133	\$24,703	30.07%	\$12,803	\$10,744	19.17%
Per Share Basic (shares outstanding 2,758,000 and 2,756,200 respectively), excluding Preferred stock	N/A	N/A	N/A	N/A	N/A	N/A
Per Share Dilutive (shares outstanding 2,812,394 and 2,813,663 respectively), excluding Preferred stock	N/A	N/A	N/A	N/A	N/A	N/A

### Earnings

	Twelve months ended December, 31 2011					
	The Bank of New Canaan			The Bank of Fairfield		
	2011	2010	% change	2011	2010	% change
Pre-Tax Net Income (Loss)	\$4,128	\$1,751	135.70%	\$25	(\$527)	104.70%
Income Tax or (Benefit)	\$1,371	\$533	157.26%	(\$109)	(\$174)	37.52%
Net Income or (Loss)	\$2,757	\$1,219	126.28%	\$134	(\$353)	137.91%
Total Interest Income	\$15,506	\$13,046	18.85%	\$5,075	\$3,830	32.49%
Net Interest Income	\$13,361	\$10,570	26.40%	\$4,333	\$3,076	40.88%
Non Interest Income	\$893	\$1,035	-13.71%	\$240	\$659	-63.59%
Net Income or (Loss) Per Share Basic (shares outstanding 2,758,000 and 2,756,200 respectively)	N/A	N/A	N/A	N/A	N/A	N/A
Net Income or (Loss) Per Share Dilutive (shares outstanding 2,812,394 and 2,813,663 respectively)	N/A	N/A	N/A	N/A	N/A	N/A
Net Income or (Loss) Per Share Basic with TARP/SBLF dividend	N/A	N/A	N/A	N/A	N/A	N/A
Net Income or (Loss) Per Share Dilutive with TARP/SBLF dividend	N/A	N/A	N/A	N/A	N/A	N/A

### Financial Ratios

	Twelve months ended December, 31 2011					
	The Bank of New Canaan			The Bank of Fairfield		
	2011	2010	% change	2011	2010	% change
Earning Assets to Total Assets	98.30%	96.87%	1.48%	98.57%	96.93%	1.69%
Total Gross Loans to Total Deposits	95.44%	86.82%	9.93%	113.61%	117.76%	-3.52%
Tier 1 Capital to Total Assets	8.71%	8.15%	6.87%	11.30%	13.25%	-14.72%
Allowance for Loan Loss as a Percentage of Gross Portfolio Loans	1.78%	1.89%	-6.20%	1.64%	1.86%	-11.84%
Non Performing Assets as a Percentage of Assets (1)	1.03%	0.73%	40.59%	N/A	N/A	-
Net Interest Margin	4.21%	4.11%	2.58%	4.45%	4.20%	6.09%

1. Non Performing Assets include Loans non-performing as well as Other Real Estate Owned.

"Safe harbor" Statement under the Private Securities Litigation Reform Act of 1995: Statements in this communication regarding BNC Financial Group, Inc., The Bank of New Canaan, or The Bank of Fairfield's business that are not historical facts are "forward-looking statements" that involve risks and uncertainties. Such risks and uncertainties could cause actual results to differ from those contained in the forward-looking statements. When we use the words "believes", "expects" "anticipates" or similar expressions we are making forward looking statements. Readers are cautioned not to place undue reliance on any forward-looking statements, which reflect management's analysis of possible future events as of the date this document was written.