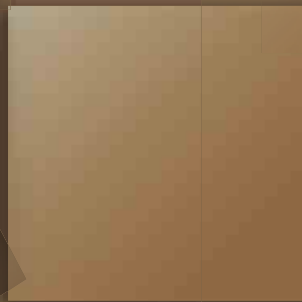




BNC Financial Group
2010
 ANNUAL REPORT





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“Safe harbor” Statement under the Private Securities Litigation Reform Act of 1995: Statements in this communication regarding BNC Financial Group, Inc. or any of its affiliates’ 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.

TO OUR VALUED SHAREHOLDERS

*I*n a year where economic uncertainty continued to prevail, BNC Financial Group achieved record earnings. The Organization's success is most dramatically evidenced by the Holding Company's consolidated profit of \$507 thousand, an increase of 161% over 2009. Despite another year of high unemployment, low interest rates and increased regulation, our assets increased by 20.58% to \$396 million, gross loans grew by 12.0% to \$288 million, and our net interest margin increased to 4.13%.

In virtually all aspects of our business, our Organization evidenced solid returns, steady growth and consistent performance. We believe this reflects the strength of our community banking model and our continued ability to provide needed financial services to the communities we serve. It is our goal to exceed all of our customers' expectations, help them to succeed financially, and establish our Organization as the preeminent financial services company in the markets we serve. At the same time, we feel that we have a responsibility, as leaders of community-based financial institutions, to help direct the course of the financial industry back to the center of economic vitality and drive global economic growth, one community at a time.

During 2010, The Bank of New Canaan, having solidly established its niche as the hometown bank, showed a steady increase in both loans and deposits. The Bank of Fairfield celebrated its second anniversary with growth significantly ahead of plan. The Bank of New Canaan's new division, Stamford First Bank, far exceeded our expectations, ending the year with gross loans of \$14 million, a significant pipeline and a thriving deposit base of \$51 million. The new Bank, which opened on July 26, 2010, represents the next step in the execution of our evolving strategy. With a talented sales and lending team that has years of experience in the local market, we anticipate that Stamford First Bank will become profitable in 2012.

In an ongoing effort to provide exceptional value to our customers, we launched several new products and services during the course of 2010. We introduced Remote Deposit Capture, a service that allows commercial customers to make deposits and manage ACH transactions from their place of business without coming into a branch. This new product launch has allowed us to attract customers who might otherwise not be able to bank with us, and as a



continued >

result, increased our commercial footprint. During the fourth quarter, we introduced “No Fee ATM Banking” – a service that automatically rebates all ATM fees nationwide, including those that customers may incur at other financial institutions, when they use our ATM or debit cards. We feel that this added value will continue to differentiate us in the marketplace and overcome the obstacle of a limited network of ATMs.

People have always been a very important factor in our success, and during 2010 our staff grew by 25%. Focusing on the quality of our expanding team, we renewed our commitment to strengthening our infrastructure by hiring the best available talent, and we added a new Director to each Bank’s board. We also formed an Advisory Board for Stamford First Bank, comprised of local business leaders and others who actively support the Bank’s launch and expansion in the community.

On the heels of our new bank opening, we completed a successful capital raise through a Private Placement offering that resulted in \$4.2 million in new capital. Our strategic initiatives revolve around our strong capital position and our commitment to the communities we serve. We will employ the additional capital for strategic opportunities which would benefit our Organization and our shareholders.

2010 has been a year of continuing change, but thanks to a strong vision, a clear strategy, ambitious financial targets and a commitment to our community bank model, we believe that our market presence will continue to grow. Our strategy is to continually enhance our relationship-based model, take advantage of our strong position in areas that have high growth potential, and further transform our operational model. While continuing to provide customers with exceptional banking services, we will adapt to the changing environment by focusing on improving our operational efficiency, further developing internal synergies and maintaining consistent vigilance about risk control.

As always, we are thankful to our customers, our shareholders and the communities we serve for their continued confidence and support.

Very truly yours,



Merrill “Jay” Forgotson

Chief Executive Officer

BNC Financial Group, Inc.

BNC FINANCIAL GROUP

Financial Highlights

(in 000's except where noted)

	2010	2009	2008	2007	2006	December 31,	
						2005	2004
STATEMENT OF CONDITION							
Cash and cash equivalents	\$39,448	\$27,780	\$13,545	\$14,136	\$7,837	\$7,023	\$4,124
Available for sale securities, at market	51,998	26,596	30,975	28,721	27,955	27,978	22,665
Held to maturity securities, at amortized cost	6,154	7,464	-	-	-	-	-
Loans held for sale (LHFS)	3,588	3,403	-	517	675	325	834
Loans (portfolio)	288,042	257,139	197,701	143,320	108,543	90,171	69,764
Allowance for loan losses (ALL)	(5,440)	(4,380)	(3,050)	(1,450)	(1,180)	(1,060)	(625)
Total assets	395,708	328,160	247,041	190,906	149,138	130,143	100,091
Noninterest bearing deposits	50,187	42,883	36,887	26,031	25,500	20,718	16,485
Interest bearing deposits	258,950	201,332	133,845	116,877	92,942	82,321	57,489
Total deposits	309,137	244,215	170,732	142,908	118,442	103,039	73,974
Capital	40,354	35,695	31,577	30,234	13,631	12,774	9,399
STATEMENT OF INCOME AND EXPENSE							
Interest and dividend income	\$16,860	\$13,920	\$12,313	\$10,107	\$8,385	\$6,093	\$3,838
Interest expense:							
Deposits	2,374	2,892	2,524	3,096	2,509	1,092	482
Borrowings	835	759	864	538	538	424	95
Net interest income	13,651	10,269	8,925	6,473	5,338	4,577	3,261
Provision for loan losses	1,311	1,741	1,618	257	142	464	225
Noninterest income	1,712	926	636	638	682	758	633
Noninterest expenses	13,331	10,555	8,385	5,745	4,973	4,368	4,049
Income (loss) before income tax or benefit	721	(1,101)	(442)	1,109	905	503	(380)
Net income (loss)	507	(830)	(443)	684	512	1,680	(380)
FINANCIAL RATIOS							
Capital to Assets (excluding unrealized gains)	10.15%	10.85%	12.81%	15.82%	9.30%	10.03%	9.37%
Tier I capital (BNC)	8.15%	8.48%	7.62%	8.91%	9.43%	10.59%	10.47%
Tier I capital (TBF)	13.25%	16.54%	58.87%	N/A	N/A	N/A	N/A
Tier I risk-based capital (BNC)	11.86%	12.24%	11.00%	12.89%	14.66%	16.48%	15.43%
Tier I risk-based capital (TBF)	16.41%	22.46%	73.22%	N/A	N/A	N/A	N/A
Total risk-based capital (BNC)	13.12%	13.50%	12.26%	14.00%	15.91%	17.73%	16.46%
Total risk-based capital (TBF)	17.10%	23.26%	74.48%	N/A	N/A	N/A	N/A
Yield on earning assets, tax equivalent basis	5.09%	5.07%	5.99%	6.35%	6.19%	5.57%	5.00%
Cost of funds	1.21%	1.71%	1.87%	2.62%	2.17%	1.33%	0.80%
Net interest margin, tax equivalent basis	4.13%	3.73%	4.25%	4.00%	3.87%	4.12%	4.20%
Earning assets to total assets	96.81%	96.10%	97.06%	97.68%	96.49%	94.57%	96.23%
ALL to gross portfolio loans (excluding LHFS)	1.89%	1.70%	1.54%	1.00%	1.07%	1.16%	0.89%

Results for 2007-2010 are consolidated numbers for BNC Financial Group, Inc. Previous years are for The Bank of New Canaan only. Capital ratios, excluding "Capital to asset" ratio — The Bank of New Canaan (BNC) and The Bank of Fairfield (TBF). TBF opened in 2008 so previous year comparisons are not applicable.

BNC FINANCIAL GROUP

Board of Directors



Blake S. Drexler
Chairman
 Partner
 Five Mile Ventures
 Rowayton, CT



James A. Fieber
Vice Chairman
 Managing Member
 Fieber Group, LLC;
 CEO and Managing Member
 FIEBRO Acquisitions, LLC
 New Canaan, CT



Eric J. Dale
 Partner
 Robinson & Cole, LLP
 Stamford, CT



Mark Fitzgibbon
 Principal/Director of Research
 Sandler O'Neill & Partners, L.P.
 New York, NY



William J. Fitzpatrick, III
 Member
 Fitzpatrick, Fray &
 Bologna, LLC
 Fairfield, CT



Merrill Jay Forgotson
 Chief Executive Officer
 BNC Financial Group, Inc.
 New Canaan, CT



Christopher Gruseke
 Private Investor
 New Canaan, CT



Daniel S. Jones
 President
 NewsBank, Inc.
 New Canaan, CT



Peter Kirk
 Retired
 Hurricane, UT



Carl R. Kuehner III
 Chief Executive Officer
 Building and Land Technology
 Stamford, CT



Todd Lampert
Corporate Secretary
 Managing Member
 Lampert, Toohey & Rucci, LLC
 New Canaan, CT



Victor S. Liss
 Retired
 Stratford, CT



Ron C. Miller
 President
 Miller's Hallmark
 Stratford, CT



T. Brock Saxe
 President
 Tombrock Corporation
 New Canaan, CT

BNC FINANCIAL GROUP



Ernie Verrico, Heidi DeWyngaert, Fred Reinhardt, Jay Forgotson, Bob Palermo

Executive Officers

Merrill Jay Forgotson
Chief Executive Officer

G. Frederick Reinhardt
Executive Vice President

Heidi S. DeWyngaert
Executive Vice President
Chief Lending Officer

Ernest J. Verrico
Senior Vice President
Chief Financial Officer
Chief Operating Officer

*Service Unit Officers and Managers**

Gary D'Andrea
Vice President
Loan Operations

Mary Lynn M. Drake
Vice President
Director of Human Resources

Christine M. Ericson
Vice President
Retail Lending

Shawn T. Gelin
Vice President
Deposit Operations

Michele Johnson
Vice President
Compliance

Diane Knetzger
Vice President
Marketing Director

Patrick Laffin
Vice President
Retail Operations

James Matthiessen
Vice President
Information Technology

Julie K. Turner
Vice President and
Controller

Armando Salvador
Assistant Vice President
Financial Analyst

Susan Waterbury
Assistant Vice President
Deposit Operations

Cynthia Swansiger
Assistant Treasurer
Loan Servicing

*Service Unit Employees**

Diana Arias
Jeffrey Boyle
Anthony Crowder
Carie Forlastro

Benjamin Fricks
Ilya Garkavy
Melissa Glab
Smita Kambli

Elena Lanni
Brandie Pineda
Virginia Robertson
Yola Salhab-Corbett

**Service Unit Officers, Managers and Employees serve BNC Financial Group, Inc., The Bank of New Canaan and The Bank of Fairfield and are considered employees of each company.*

The Company would like to acknowledge and thank its entire staff for their hard work and dedication this past year. We recognize that the success of any organization ultimately depends upon the quality and performance of its employees.

THE BANK OF NEW CANAAN

2010 Overview

The Bank of New Canaan had a very successful year across all areas in 2010. Our net income for the year was \$1.2 million, versus \$1.1 million for 2009, and we continued to see solid growth



Heidi DeWyngaert, Greg Pastor, Diane Bredehoft

in both deposits and loans. We ended the year with \$310 million in assets, \$252 million in deposits, \$218 million in loans, and a net interest margin of 4.11%.

As the year progressed, we saw improvements in the economy, which created a significant opportunity for us to leverage our strengths to attract new customers and enhance the relationships that we already have. While the economy

continues to remain uncertain, we recognize that the economic downturn over the last couple of years has provided our Organization with the opportunity to set ourselves apart from other banks. We are finding that families and businesses who previously banked with larger financial institutions and mortgage brokers are demonstrating a renewed interest in doing business with a local and well capitalized community bank.

Our key areas of differentiation continue to be our high level of service, our commitment to the community, and our products and services. In 2010 we rolled out our new “No Fee ATM Banking,” that enables customers to use their Bank of New Canaan ATM or debit card nationwide without incurring any fees. We also introduced Remote Deposit Capture. This service allows commercial customers to make deposits and manage ACH transactions from their place of business without coming into a branch.

We believe that personal service and the community reinvestment that we provide – through mortgages, business loans and active participation in the towns we serve – create long term value

for our customers. This fact is evidenced by the 2010 FDIC report that ranks banks by deposit market share. In 2010, The Bank of New Canaan continued to hold its position as second of nine banks in New Canaan, with 18.70% of the market. In addition, the report showed the Bank demonstrated the strongest growth of only three banks in town to show positive gains. That value, and the resulting growth of the Bank, in turn provides long-term value for our customers and shareholders. As a result of our ongoing commitment to support the lending needs of



Chieh Jen, Amy Gildea

the community, overall loans at the Bank grew significantly. Our credit quality remains excellent and we continue to review and revise our underwriting standards in order to take advantage of current opportunities while maintaining our high credit standards. Our level of charge-offs, non-performing and delinquent loans continues to be low relative to most other banks. The property which became an Other Real Estate Owned asset in September, at a book value of \$3.4 million, was subsequently sold prior to year end for \$3.3 million. In 2010 we added \$941 thousand to our



Patrick Laffin, David Klenk, Diana Koukides

allowance for loan loss, versus \$1.2 million in 2009. This increased the Bank's ALLL to \$4.14 million or 1.89% of portfolio loans. As part of our ongoing commitment to reinvest in the community, we financed the construction of the C. Anthony and Jean Whittingham Family Building, which is the American Cancer Society Regional Center in Norwalk. The Center, which formally opened on April 26, 2011, allows the American Cancer Society to deliver more services and programs

continued >



Mary Lynn Drake, Jim Matthiessen, Julie Turner, Shawn Gelin

to more people in Connecticut. The Bank also provided funding for the expansion of educational facilities that include a new Leadership Program at St. Luke's School in New Canaan.

In early 2011, we welcomed a new Director to our Board, Mr. Richard Castiglioni, a partner with the law firm, Diserio, Martin, O'Connor & Castiglioni, LLP. Mr. Castiglioni brings with him extensive experience in commercial lending and real estate, and with his strong ties to the community, we are confident that he will be a strong addition to our board.

We are excited about the reception that our new Bank, Stamford First Bank, received following just five months in the Stamford community. Stamford First Bank is a division of The Bank of New Canaan and opened its doors at 612 Bedford Street on July 26, 2010.



Elizabeth Buzzeo, David VanBuskirk

December 31, (in 000's) 2002 - 2010										
	2002	2003	2004	2005	2006	2007	2008	2009	2010	% Cumulative Growth
TOTAL LOANS (NET)	\$25,196	\$46,692	\$69,764	\$90,171	\$108,543	\$143,320	\$181,932	\$206,559	\$214,069	750%
TOTAL DEPOSITS	36,826	65,714	73,974	103,039	118,442	142,908	159,395	188,926	251,921	584%
TOTAL ASSETS	43,438	75,792	100,091	130,134	149,143	190,906	230,534	257,115	310,074	614%
										2005 -2010 Annual Growth
PRETAX NET	(\$1,666)	(\$870)	(\$380)	\$503	\$905	\$1,109	\$1,864	\$1,770	\$1,753	249%

STAMFORD FIRST BANK (A DIVISION OF THE BANK OF NEW CANAAN)

2010 Overview

*S*tamford First Bank was created as a division of The Bank of New Canaan, as part of our multi-bank strategy. Bob Palermo, most recently Vice President of Commercial Lending at The Bank of New Canaan, was named Divisional President, and by the end of 2010, Stamford First Bank had a staff of nine. In its first few months in business, the response to the new Bank far exceeded our expectations. By year end, Stamford First Bank had \$14.1 million in gross loans and \$51.2 million in deposits.



Bob Palermo, Linda West

Like The Bank of New Canaan, Stamford First Bank is positioned to meet the core banking and lending needs of local individuals, businesses and not-for-profit organizations. We believe that we create value by pursuing broad, deep and long-lasting relationships with our



*TOP: Bob Hagan, Neil Dickson;
BOTTOM, MacKenley Colinet, Giovanna Gomez,
Jennifer Burns*

customers and the community. To expand our footprint, we are working to leverage the local resources available to us, including a local Advisory Board for Stamford First Bank that includes business leaders and other supporters in the community.

By supporting the needs of local small businesses, which are the backbone of our economy, we are helping to create economic stability and job growth across the community. Our commitment to small businesses is strong, as evidenced by our rapid loan growth and our strong pipeline. However, we are not only supporting these businesses' borrowing needs, but also developing partnerships to better serve their long-term goals.

THE BANK OF NEW CANAAN

Board of Directors



Blake S. Drexler
Chairman
 Partner
 Five Mile Ventures
 Rowayton, CT



James A. Fieber
Vice Chairman
 Managing Member
 Fieber Group, LLC;
 CEO and Managing Member
 FIEBRO Acquisitions, LLC
 New Canaan, CT



Frederick R. Afragola
Chairman Emeritus
 The Bank of New Canaan;
 Founder, Frame Advisors
 New Canaan, CT



Thomas V. Ayoub, MD
 Chief of Medical Staff
 Norwalk Hospital
 Norwalk, CT



Judy S. Bentley
 Community Volunteer
 New Canaan, CT



Richard Castiglioni
 Partner
 Diserio, Martin, O'Connor
 & Castiglioni, LLP
 Stamford, CT



Heidi DeWynngaert
 President and
 Chief Lending Officer
 The Bank of New Canaan
 New Canaan, CT



Mark Fitzgibbon
 Principal/Director of Research
 Sandler O'Neill & Partners, L.P.
 New York, NY



Merrill Jay Forgotson
 Chief Executive Officer
 The Bank of New Canaan
 New Canaan, CT



Christopher Gruseke
 Private Investor
 New Canaan, CT



Hugh Halsell
 Real Estate Broker
 Brotherhood & Higley
 Real Estate
 New Canaan, CT



Daniel S. Jones
 President
 NewsBank, Inc.
 New Canaan, CT



Carl R. Kuehner III
 Chief Executive Officer
 Building and Land Technology
 Stamford, CT



Todd Lampert
Corporate Secretary
 Managing Member
 Lampert, Toohy
 & Rucci, LLC
 New Canaan, CT



Kathleen M. McShane
 Managing Director
 Ladies Who Launch
 Southwestern CT



T. Brock Saxe
 President
 Tombrock Corporation
 New Canaan, CT

THE BANK OF NEW CANAAN

Executive Officers

Merrill Jay Forgotson
Chief Executive Officer

Heidi S. DeWynngaert
President and
Chief Lending Officer

Ernest J. Verrico
Executive Vice President
Finance

Robert J. Palermo
Senior Vice President
Commercial Lending

Julie Turner
Senior Vice President and
Chief Financial Officer

Officers and Managers

Patrick Laffin
First Vice President
Retail Operations

Diane Bredehoff
Vice President
Commercial Lending

Gail Donovan
Vice President
Branch Manager
Elm Street

Mary Lynn Drake
Vice President
Director of Human Resources
Assistant Corporate Secretary

Greg Pastor
Vice President
Commercial Lending

David Van Buskirk
Vice President
Business Development Officer

Linda West
Vice President
Commercial Lending

Dolores Almeida
Assistant Vice President
Assistant Branch Manager
Elm Street

Elizabeth Buzzeo
Assistant Vice President
Assistant Branch Manager
Cherry Street

Diana Koukides
Assistant Branch Manager
Elm Street

David Klenk
Teller Supervisor
Cherry Street

Marisha Harold
Teller Supervisor
Elm Street

Employees

Nancy Brown
Ann Cotoia
Warren Dawkins
Amy Gildea
Mohammad Haque
Geri Hollyday
Chieh Jen
Azimuddin Kadri
Stacey Lambert
Mildred Martell
Malcolm Cameron Mason
Martha Melitsanopoulos
Yassine Zribi

STAMFORD FIRST BANK (A DIVISION OF THE BANK OF NEW CANAAN)

Executive Officers

Merrill Jay Forgotson
Chief Executive Officer

Heidi S. DeWynngaert
President and
Chief Lending Officer

Ernest J. Verrico
Executive Vice President
Finance

Robert J. Palermo
Divisional President

Julie Turner
Senior Vice President and
Chief Financial Officer

Officers and Managers

Patrick Laffin
First Vice President
Retail Operations

Mary Lynn Drake
Vice President
Director of Human Resources
Assistant Corporate Secretary

Linda West
Divisional Senior Vice President
Commercial Lending

Neil Dickson
Divisional Vice President
Branch Manager
Bedford Street

Robert Hagan
Divisional Vice President
Business Development Officer

Kate Fasciano
Divisional Assistant Treasurer
Commercial Mortgage Lending
Credit Analyst

Noel Pascarella
Teller Supervisor
Bedford Street

Employees

Jennifer Burns
Mackenzie Colinet
Giovanna Gomez
Alice Robinson

Since the success of any organization ultimately depends upon the quality and performance of its employees. The Bank would like to acknowledge and thank its entire staff for their hard work and dedication to providing our customers with the highest level of customer service.

THE BANK OF FAIRFIELD

2010 Overview

The Bank of Fairfield celebrated its second anniversary in 2010, and it continues to grow significantly ahead of plan. We ended the year with \$85.4 million in assets, \$69.8 million in gross loans and \$62.3 million in deposits.

The Bank's exceptional loan growth in 2010 reflected a high volume of construction-to-permanent financing, and a strong demand for our expertise in structuring commercial



Mike Pida, Fred Reinhardt, Bob Hojnacki

mortgages and credit lines for small and medium-sized businesses. Looking back over the last two years, we can say with certainty that although the fall of 2008 brought about a crisis in the financial markets and widespread economic instability, it was in fact a good time to start a community bank. Weakened economic conditions and credit tightening created the opportunity for a well capitalized hometown bank to reach out to the community and use our lending

power to provide credit to local small businesses in need. As a result of our expert lending services and local and timely decision-making, we have proven that we understand and can respond to the needs of small business owners in the community. In addition, we continue to provide support to local businesses and not-for-profit organizations through partnerships that include educational events and seminars, testimonial advertising and other marketing support.

In this year's FDIC ranking of financial institutions by deposit market share, The Bank of Fairfield more than doubled its share to 3.52% in Fairfield, and was one of very few banks in our market to show an increase. Unlike many of our competitors, we have emerged from the last several years stronger than ever and poised for additional market share growth. We attribute this to the fact that we stayed faithful to our vision of providing value to the communities we serve and helping our customers succeed.

As part of our strategic initiative to reinvest in the community, we funded the establishment of an outpatient surgical center with Norwalk Hospital, as well as real estate and equipment loans to physician groups throughout the community. Our organization is committed to providing an array of financial services tailored to medical



Jim Wood, Mary Jascha, Jeffrey Ruden

professionals and designed to attract and retain physician groups in our community.

In our role of providing value to not-for-profit organizations in the community, our management holds seats on the boards of Operation Hope, Connecticut Audubon Society, Housatonic Community College and Eagle Hill-Southport School. In addition, we are actively involved with a number of other not-for-profit organizations, including St. Catherine's Academy, the Bridgeport Rescue Mission, the Kennedy Center and the Fairfield Arts Center.

We are excited to be one of a small group of community banks that has adopted social media as a tool to share our community-minded philosophy, having launched The Bank of Fairfield *Facebook* page in January 2011. We believe that this foray into social media will support



Mark Abern, Vicky Maccaro, Jessica Shepard

our role as a local and involved hometown bank. We have already evidenced an increased response to the seminars and events that we host and sponsor, as well as positive feedback to the financial tips that we share. We have also used our *Facebook* page as a platform to disseminate information about our involvement at the state legislative level. Additionally, social media has provided a forum for partnerships with local

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Diane Knetzger, Michele Johnson

not-for-profit organizations. With its strong tracking and measurement capabilities, we see its potential to become a powerful tool to help us better understand and market to our customers and prospects.

In 2010 we welcomed a new Director to our Board, Mr. Christopher V. B. Smith. Chris is the President and Chief Executive Officer of H. J. Baker & Bro., Inc., headquartered in Westport. His considerable expertise and understanding of the economics of our local community, coupled with his long-time personal involvement in the Fairfield community, make him a valuable asset to the Bank. Although we were sorry to see the resignation of one of our original directors, Mary Margaret Weber, we wish her all the best in her new endeavors.

At the close of 2010, and in spite of the challenging environment, we continue to grow by selling what sets us apart – our customer service, including the willingness to listen to our customers and the ability to respond to their needs.



Cynthia Swansiger, Gary D'Andrea, Chris Ericson

THE BANK OF FAIRFIELD

Board of Directors



Victor S. Liss
Chairman
Retired
Stratford, CT



William J. Fitzpatrick, III
Vice Chairman
Member
Fitzpatrick, Fray &
Bologna, LLC
Fairfield, CT



Merle Berke-Schlessel
President and CEO
United Way of Coastal
Fairfield County
Bridgeport, CT



Scott K. Brooks
Real Estate Investor
Brooks, Torrey & Scott, Inc.
Norwalk, CT



Eric J. Dale
Partner
Robinson & Cole, LLP
Stamford, CT



Jeffrey Dunne
Vice Chairman
CB Richard Ellis, Inc.,
Stamford, CT



Frank J. Duzy
Realtor
The Higgins Group
Fairfield, CT



Merrill Jay Forgotson
Chief Executive Officer
The Bank of Fairfield
Fairfield, CT



Denise P. Griffin
V.P. Marketing, Communications
and Planning
The Workplace Inc.
Bridgeport, CT



Anthony F. Izzo
President
AFI Inc.
Fairfield, CT



Ron C. Miller
President
Miller's Hallmark
Stratford, CT



G. Frederick Reinhardt
President
The Bank of Fairfield
Fairfield, CT



Christopher V. B. Smith
President & CEO
H. J. Baker & Bro., Inc.
Westport, CT



Ernest J. Verrico
Corporate Secretary
Executive Vice President,
Finance
The Bank of Fairfield
Fairfield, CT

THE BANK OF FAIRFIELD

Executive Officers

Merrill Jay Forgotson
Chief Executive Officer

G. Frederick Reinhardt
President

Ernest J. Verrico
Executive Vice President
Finance

Julie Turner
Senior Vice President and
Chief Financial Officer

Officers and Managers

Robert Hojnacki
First Vice President
Business Development Officer

Patrick Laffin
First Vice President
Retail Operations

Mary Lynn Drake
Vice President
Director of Human Resources
Assistant Corporate Secretary

Mary Jascha
Vice President
Commercial Lending

Michael Pida
Vice President
Residential Sales Manager

Jeffrey Ruden
Vice President
Senior Commercial Lender

James Wood
Vice President
Commercial Lending

Mark Ahern
Divisional Vice President
Branch Manager
Post Road

Vittoria Lisanti-Maccaro
Assistant Vice President
Branch Manager
Black Rock

Jessica Shepard
Assistant Branch Manager
Post Road

Kristine Thiel
Teller Supervisor
Post Road

Employees

Barbara DeMarkey
Elizabeth Groves
Jennifer Kish
Juan Quiroga
Mary Rakos
Benjamin Stefan

Since the success of any organization ultimately depends upon the quality and performance of its employees, the Bank would like to acknowledge and thank its entire staff for their hard work and dedication to providing our customers with the highest level of customer service.

WHITTLESEY & HADLEY, P.C.

Certified Public Accountants/Consultants

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Report of Independent Auditors

To The Board of Directors and Stockholders
BNC Financial Group, Inc.
New Canaan, Connecticut

We have audited the accompanying consolidated balance sheets of BNC Financial Group, Inc. (the “Company”) and subsidiaries as of December 31, 2010 and 2009, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the years in the three year period ended December 31, 2010. These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of BNC Financial Group, Inc. and subsidiaries at December 31, 2010 and 2009, and the results of its operations and its cash flows for each of the years in the three year period ended December 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

Whittlesey & Hadley, P.C.

Hartford, Connecticut
April 21, 2011

Consolidated Balance Sheets

December 31, 2010 and 2009
(dollars in thousands, except share data)

	2010	2009
ASSETS		
Cash and due from banks (Note 3)	\$ 39,448	\$ 27,780
Available for sale securities (at fair value) (Note 4)	51,998	26,596
Held to maturity securities (at amortized cost) (Note 4)	6,154	7,464
Loans held for sale	3,588	3,403
Loans receivable (net of allowance for loan losses of \$5,440 in 2010 and \$4,380 in 2009) (Note 5)	282,602	252,759
Accrued interest receivable	1,570	1,302
Federal Home Loan Bank stock, at cost (Note 9)	3,324	2,789
Leasehold improvements and equipment, net (Note 6)	2,892	1,911
Deferred income taxes (Note 10)	2,462	2,042
Other assets	1,670	2,114
Total Assets	\$ 395,708	\$ 328,160
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Deposits (Note 7 and 16)		
Noninterest bearing deposits	\$ 50,187	\$ 42,883
Interest bearing deposits	258,950	201,332
Total Deposits	309,137	244,215
Advances from the Federal Home Loan Bank (Note 9)	44,000	46,000
Accrued expenses and other liabilities	2,217	2,250
Total Liabilities	355,354	292,465
Commitments and Contingencies (Note 8)		
Stockholders' Equity (Notes 2, 12 and 15)		
Preferred stock, fixed rate cumulative perpetual, Series A, no par; 4,797 shares issued in 2009; liquidation value of \$1,000 per share	4,797	4,797
Preferred stock, fixed rate cumulative perpetual, Series B, no par; 240 shares issued in 2009; liquidation value of \$1,000 per share	240	240
Common stock, no par value; 10,000,000 and 5,000,000 shares authorized; 2,756,200 and 2,450,349 shares issued and outstanding at December 31, 2010 and 2009, respectively	37,286	32,970
Accumulated deficit	(2,154)	(2,400)
Accumulated other comprehensive income - net unrealized gains on available for sale securities, net of taxes	185	88
Total Stockholders' Equity	40,354	35,695
Total Liabilities and Stockholders' Equity	\$ 395,708	\$ 328,160

The accompanying notes are an integral part of the financial statements.

Consolidated Statements of Operations

For the years ended December 31, 2010, 2009 and 2008
(dollars in thousands, except per share amounts)

	2010	2009	2008
Interest Income			
Interest and fees on loans	\$ 15,124	\$ 12,540	\$ 10,415
Interest and dividends on securities	1,650	1,246	1,759
Interest on cash and cash equivalents	86	134	139
Total interest income	<u>16,860</u>	<u>13,920</u>	<u>12,313</u>
Interest Expense			
Interest expense on deposits	2,374	2,892	2,524
Interest on Federal Home Loan Bank advances	835	759	864
Total interest expense	<u>3,209</u>	<u>3,651</u>	<u>3,388</u>
Net Interest Income	13,651	10,269	8,925
Provision for Loan Losses	<u>1,311</u>	<u>1,741</u>	<u>1,618</u>
Net Interest Income After Provision for Loan Losses	<u>12,340</u>	<u>8,528</u>	<u>7,307</u>
Noninterest Income			
Gains and fees from sales and referrals of loans	1,316	622	351
Service charges and fees	395	304	285
Net gain on sale of available for sale securities	1	-	-
Total noninterest income	<u>1,712</u>	<u>926</u>	<u>636</u>
Noninterest Expenses			
Salaries and employee benefits	7,856	6,061	4,339
Occupancy and equipment	1,997	1,770	1,195
Data processing	752	629	447
Professional services	576	502	372
FDIC insurance	471	372	104
Marketing	265	266	217
Organizational expenses	-	-	841
Loss on foreclosed real estate, net	284	-	-
Other	1,130	955	870
Total noninterest expenses	<u>13,331</u>	<u>10,555</u>	<u>8,385</u>
Income (Loss) Before Income Tax Expense (Benefit)	721	(1,101)	(442)
Income Tax Expense (Benefit)	<u>214</u>	<u>(271)</u>	<u>1</u>
Net Income (Loss)	<u>\$ 507</u>	<u>\$ (830)</u>	<u>\$ (443)</u>
Preferred stock dividends and net accretion	<u>(261)</u>	<u>(427)</u>	<u>-</u>
Net Income (Loss) Attributable to Common Shareholders	<u>\$ 246</u>	<u>\$ (1,257)</u>	<u>\$ (443)</u>
Earnings (loss) per common share - basic	\$ 0.10	\$ (0.51)	\$ (0.18)
Earnings (loss) per common share - diluted	0.09	(0.50)	(0.18)

The accompanying notes are an integral part of the financial statements.

Consolidated Statements of Stockholders' Equity

For the years ended December 31, 2010 and 2009

(in thousands)

	Preferred Stock		Common Stock	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total
	Series A	Series B				
Balance at December 31, 2008	\$ -	\$ -	\$32,773	\$ (1,123)	\$ (73)	\$ 31,577
Comprehensive loss:						
Net loss	-	-	-	(830)	-	(830)
Unrealized holding gain on available for sale securities	-	-	-	-	161	161
Total comprehensive loss						(669)
Issuance of preferred stock	4,506	291	-	(20)	-	4,777
Preferred stock dividends	-	-	-	(187)	-	(187)
Amortization (accretion) of discount (premium) on preferred stock	291	(51)	-	(240)	-	-
Capital from equity based compensation	-	-	177	-	-	177
Capital from exercise of stock options	-	-	20	-	-	20
Balance at December 31, 2009	4,797	240	32,970	(2,400)	88	35,695
Comprehensive income:						
Net income	-	-	-	507	-	507
Unrealized holding gain on available for sale securities	-	-	-	-	97	97
Total comprehensive income						604
Preferred stock dividends	-	-	-	(261)	-	(261)
Capital from private placement	-	-	4,158	-	-	4,158
Capital from equity based compensation	-	-	152	-	-	152
Capital from exercise of stock options	-	-	6	-	-	6
Balance at December 31, 2010	\$ 4,797	\$ 240	\$37,286	\$ (2,154)	\$ 185	\$ 40,354

The accompanying notes are an integral part of the financial statements.

Consolidated Statements of Cash Flows

For the years ended December 31, 2010, 2009 and 2008
(in thousands)

	2010	2009	2008
Cash Flows from Operating Activities			
Net income (loss)	\$ 507	\$ (830)	\$ (443)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:			
Net accretion (amortization) of premiums and discounts on investment securities	70	(46)	(2)
Provision for loan losses	1,311	1,741	1,618
Provision for deferred taxes	(482)	(503)	(987)
Net gain from sales of available for sale securities	(1)	-	-
Depreciation and amortization	452	374	242
Loans originated for sale	(115,279)	(64,046)	(30,781)
Proceeds from sales of loans	116,091	61,094	31,576
Net gain on sales of loans	(1,316)	(622)	(351)
Amortization of premium on acquired loans	-	16	20
Stock-based compensation	152	177	240
Exercise of options	6	20	5
Net change in:			
Deferred loan fees	215	104	(9)
Accrued interest receivable	(267)	(147)	(225)
Other assets	444	(1,767)	212
Accrued expenses and other liabilities	(33)	518	(1,078)
Net Cash Provided (Used) by Operating Activities	<u>1,870</u>	<u>(3,917)</u>	<u>37</u>
Cash Flows from Investing Activities			
Proceeds from principal repayments on available for sale securities	1,059	160	-
Proceeds from principal repayments on held to maturity securities	290	45	-
Net proceeds from sales and calls of available for sale securities	21,476	38,225	33,690
Net proceeds from maturities of held to maturity securities	1,000	-	-
Purchases of available for sale securities	(47,828)	(33,742)	(36,102)
Purchase of held to maturity securities	-	(7,464)	-
Net increase in loans receivable	(31,048)	(59,796)	(52,886)
Purchases of leasehold improvements and equipment	(1,434)	(255)	(1,113)
Purchase of Federal Home Loan Bank stock	(535)	(94)	(1,679)
Net Cash Used by Investing Activities	<u>(57,020)</u>	<u>(62,921)</u>	<u>(58,090)</u>
Cash Flows from Financing Activities			
Net change in time certificates of deposit	4,473	24,673	25,034
Net change in other deposits	60,448	48,810	2,789
Net proceeds (repayments) from FHLB advances	(2,000)	3,000	28,000
Proceeds from issuance of preferred stock	-	4,777	-
Proceeds from issuance of common stock	4,158	-	-
Dividends paid on preferred stock	(261)	(187)	-
Net proceeds from sale of common stock	-	-	1,639
Net Cash Provided by Financing Activities	<u>66,818</u>	<u>81,073</u>	<u>57,462</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>11,668</u>	<u>14,235</u>	<u>(591)</u>
Cash and cash equivalents			
Beginning of year	27,780	13,545	14,136
Ending of year	<u>\$ 39,448</u>	<u>\$ 27,780</u>	<u>\$ 13,545</u>
Supplemental disclosures of cash flows information:			
Cash paid for:			
Interest	\$ 3,318	\$ 3,798	\$ 3,489
Income taxes	590	295	849
Noncash investing and financing activities			
Unrealized gain (loss) on securities arising during the year	302	144	(161)
Loans transferred to foreclosed real estate	3,386	-	-

The accompanying notes are an integral part of the financial statements.

1. Nature of Operations and Summary of Significant Accounting Policies

BNC Financial Group, Inc. (the “Company”) is a federally-chartered bank holding company which operates two subsidiaries, The Bank of New Canaan (“BNC”) and The Bank of Fairfield (“TBF”), collectively referred to as “the Banks”. The Company is headquartered in New Canaan, Connecticut.

The Banks are state chartered commercial banks whose deposits are insured under the Deposit Insurance Fund administered by the Federal Deposit Insurance Corporation. The Banks provide a full range of banking services to commercial and consumer customers, primarily concentrated in the Fairfield County area of Connecticut. The Banks operate branch locations in New Canaan, Stamford and Fairfield, Connecticut. BNC and TBF received their Final Certificate of Authority from the Connecticut Chartering Authority and commenced business operations on April 22, 2002 and August 29, 2008, respectively.

Basis of consolidated financial statement presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and general practices within the banking industry. Such policies have been followed on a consistent basis.

Management has evaluated subsequent events for potential recognition or disclosure in the financial statements through April 21, 2011, the date upon which the Bank’s financial statements were available to be issued. No subsequent events were identified that would have required a change to the financial statements or disclosure in the notes to the financial statements.

Use of estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities as of the date of the balance sheet and revenue and expenses for the period. Actual results could differ from those estimates. A material estimate that is particularly susceptible to significant change in the near term relates to the determination of the allowance for loan losses. While management uses available information to recognize losses on loans, future additions to the allowance may be necessary based on changes in economic conditions, especially in the Fairfield County region of Connecticut.

Principles of consolidation

The consolidated financial statements include the accounts of the Company and the Banks. All significant intercompany accounts and transactions have been eliminated in consolidation.

Significant group concentrations of credit risk

Most of the Company’s activities are with customers located within the Fairfield County region of Connecticut. Note 4 discusses the types of investment securities that the Company invests in and Note 5 discusses the types of lending the Company engages in. The Company has a significant concentration of interest-only residential mortgage loans. These loans are underwritten to the same standards as its amortizing residential mortgage loans and generally have the same risk profile. Management does not believe they present any special risk. The Company does not have any significant concentrations in any one industry or customer.

The following is a summary of significant accounting policies:

Cash and cash equivalents and statement of cash flows

Cash and due from banks, and federal funds sold are recognized as cash equivalents in the consolidated statements of cash flows. Federal funds sold generally mature in one day. For purposes of reporting cash flows, all highly liquid debt instruments purchased with an original maturity of three months or less are considered to be cash equivalents. Cash flows from loans and deposits are reported net. The balances of cash and due from banks and federal funds sold, at times, may exceed federally insured limits. The Company has not experienced any losses from such concentrations.

Investment in debt and marketable equity securities

Management determines the appropriate classification of securities at the date individual investment securities are acquired, and the appropriateness of such classification is reaffirmed at each balance sheet date. At December 31, 2010 and 2009, the Company's investments were categorized as either available for sale or held to maturity. Held to maturity investments are recorded at amortized cost, and available for sale securities are recorded at fair value, with unrealized gains and losses excluded from earnings and reported in other comprehensive income as a separate component of capital, net of estimated income taxes.

Estimated fair value is determined by applying the valuation framework in accordance with GAAP, which specifies a hierarchy of valuation techniques based on whether the inputs to those techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Bank's market assumptions.

Investment securities are reviewed regularly for other-than-temporary impairment. An unrealized loss is generally deemed to be other-than-temporary and a credit loss is deemed to exist if the present value of the expected future cash flows is less than the amortized cost basis of the debt security. The credit loss component of an other-than-temporary impairment write-down is recorded in earnings, while the remaining portion of the impairment loss is recognized in other comprehensive income (loss), provided the Bank does not intend to sell the underlying debt security and it is more likely than not that the Bank will not be required to sell the debt security prior to recovery.

In determining whether a credit loss exists and the period over which the fair value of the debt security is expected to recover, management considers the following factors: the length of time and extent that fair value has been less than cost, the financial condition and near term prospects of the issuer, any external credit ratings, the level of excess cash flows generated from the underlying collateral supporting the principal and interest payments of the debt securities, the level of credit enhancement provided by the structure and the Bank's ability and intent to hold the security for a period sufficient to allow for any anticipated recovery in fair value.

The sale of a held to maturity security within three months of its maturity date or after collection of at least 85% of the principal outstanding at the time the security was acquired is considered a maturity for purposes of classification and disclosure.

Purchase premiums and discounts are recognized in interest income using the interest method over the terms of the securities. Gains or losses on the sales of securities are recognized at trade date utilizing the specific identification method.

Loans held for sale

Loans held for sale are those loans which management has the intent to sell in the foreseeable future, and are carried at the lower of aggregate cost or market value. Net unrealized losses, if any, are recognized by a valuation allowance through a charge to noninterest income. Realized gains and losses on the sale of mortgage loans are recognized on the settlement date and are determined by the difference between the sale proceeds and the carrying value of the loans.

Mortgage loans may be sold with servicing rights released or retained. At the time of the sale, management determines the value of any retained servicing rights, which represents the present value of the differential between the contractual servicing fee and adequate compensation, defined as the fee a sub-servicer would require to assume the role of servicer, after considering the estimated effects of prepayments. If material, a portion of the gain on the sale of the loan is recognized as due to the value of the servicing rights, and a servicing asset is recorded. There have been no loan sales to date where servicing rights have been retained.

Loans receivable

Loans receivable that management has the ability and intent to hold for the foreseeable future or until maturity or payoff are stated at their current unpaid principal balances, net of the allowance for loan losses, net deferred loan origination fees and unamortized loan premiums.

A loan is classified as a restructured loan when certain concessions have been made to the original contractual terms, such as a reduction in interest rate or deferral of interest or principal payments, due to the borrower's financial condition.

Impaired loans, if any, are measured based on the present value of expected future cash flows discounted at the loan's effective interest rate or, as a practical expedient, at the loan's observable market price or the fair value of the collateral, if the loan is collateral dependent. The amount of impairment, if any, and any subsequent changes are recorded as adjustments to the allowance for loan losses. A loan is considered impaired when it is probable that all contractual principal or interest payments due will not be collected in accordance with the terms of the loan agreement.

Management reviews all nonaccrual loans, other loans past due 90 days or more, and restructured loans for impairment. In most cases, loan payments that are past due less than 90 days are considered minor collection delays and the related loans are not considered to be impaired. Consumer installment loans are considered to be pools of small balance homogeneous loans, which are collectively evaluated for impairment.

Allowance for loan losses

The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses charged to earnings. Loan losses are charged against the allowance when management believes the non-collectability of a loan balance is confirmed. Subsequent recoveries, if any are credited to the allowance.

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral and prevailing economic conditions. This evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available.

The allowance consists of specific and general components. The specific component relates to loans that are classified as doubtful, substandard or special mention. For such loans that are also classified as impaired, an allowance is established when the discounted cash flows (or collateral value or observable market price) of the impaired loan is lower than the carrying value of that loan. The general component covers non-classified loans and is based on historical loss experience adjusted for qualitative factors, and includes unallocated components maintained to cover uncertainties that could affect management's estimation of probable losses, and reflects the margin of imprecision inherent in the underlying assumptions used in the methodologies for estimating specific and general losses in the portfolio.

The majority of loans are collateralized by real estate located within the Fairfield County region of Connecticut. Accordingly, the collateral value of a substantial portion of the loan portfolio and real estate acquired through foreclosure is susceptible to changes in market conditions.

Management believes the allowance for loan losses is adequate. While management uses available information to recognize losses on loans, future additions to the allowance may be necessary based on changes in economic conditions. In addition, various regulatory agencies, as an integral part of their examination process, periodically review the allowance for loan losses. Such agencies have the authority to require additions to the allowance or charge-offs based on the agencies' judgments about information available to them at the time of their examination.

Interest and fees on loans

Interest on loans is accrued and included in operating income based on contractual rates applied to principal amounts outstanding. Accrual of interest is discontinued when loan payments are 90 days or more past due, based on contractual terms, or when, in the judgment of management, collectability of the loan or loan interest becomes uncertain. When interest accrual is discontinued, all unpaid accrued interest is reversed against interest income. Subsequent recognition of income occurs only to the extent payment is received subject to management's assessment of the collectability of the remaining interest and principal. A nonaccrual loan is restored to accrual status when it is no longer delinquent and collectability of interest and principal is no longer in doubt.

Loan origination fees, net of direct loan origination costs, are deferred and amortized as an adjustment to the loan's yield generally over the contractual life of the loan, utilizing the interest method.

Leasehold improvements and equipment

Leasehold improvements and equipment are stated at cost, net of accumulated depreciation and amortization. Leasehold improvements are capitalized and amortized over the shorter of the terms of the related leases or the estimated economic lives of the improvements. Depreciation and amortization is charged to operations using the straight-line method over the estimated useful lives of the related assets which range from 3 to 30 years. Gains and losses on dispositions are recognized upon realization. Maintenance and repairs are expensed as incurred and improvements are capitalized.

Impairment of long-lived assets

Long-lived assets, including leasehold improvements and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If impairment is indicated, the asset is written down to its estimated fair value through a charge to noninterest expense.

Income taxes

The Company accounts for certain income and expense items differently for financial reporting purposes than for income tax purposes. Provisions for deferred taxes are being made in recognition of these temporary differences. It is the Company's policy to recognize interest and penalties related to unrecognized tax liabilities within income tax expense in the consolidated statements of income.

Related party transactions

The Company's Directors and Officers, and their affiliates, have been customers of and have had transactions with the Banks, and it is expected that such persons will continue to have such transactions in the future. Management believes that all deposits accounts, loans, services and commitments comprising such transactions were made in the ordinary course of business, and on substantially the same terms, including interest rates, as those prevailing at the time for comparable transactions with other customers who are not directors or officers. In the opinion of management, the transactions with related parties did not involve more than normal risks of collectability or favored treatment or terms, or present other unfavorable features. See Note 16.

Stock compensation

Stock-based compensation cost is measured at grant date, based on the fair value of the award, and is recognized as an expense over the employee requisite service period.

Comprehensive income

Accounting principles generally require that recognized revenue, expenses, gains and losses be included in net income. Although certain changes in assets and liabilities, such as unrealized gains and losses on available for sale securities, are reported as a separate component of the stockholders' equity section of the balance sheets, such items, along with net income, are components of comprehensive income.

Fair values of financial instruments

The following methods and assumptions were used by management in estimating the fair value of its financial instruments:

Cash and due from banks, federal funds sold, accrued interest receivable and mortgagors' escrow accounts: The carrying amount is a reasonable estimate of fair value.

Securities: Fair values, excluding restricted stock issued by the Federal Home Loan Bank of Boston ("FHLB"), are based on quoted market prices or dealer quotes, if available. If a quoted market price is not available, fair value is estimated using quoted market prices for similar securities. The fair value of securities is further classified in accordance with the framework specified in generally accepted accounting principles as discussed in Note 14. The carrying value of FHLB stock approximates fair value based on the redemption provisions of the FHLB.

Loans held for sale: The fair value is based upon prevailing market prices.

Loans receivable: For variable rate loans which reprice frequently and have no significant change in credit risk, fair values are based on carrying values. The fair value of fixed rate loans are estimated by discounting the future cash flows using the year end rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities.

Deposits: The fair value of demand deposits, regular savings and certain money market deposits is the amount payable on demand at the reporting date. The fair value of certificates of deposit and other time deposits is estimated using a discounted cash flow calculation that applies interest rates currently being offered for deposits of similar remaining maturities to a schedule of aggregated expected maturities on such deposits.

Advances from the Federal Home Loan Bank: The fair value of the advances is estimated using a discounted cash flow calculation that applies current Federal Home Loan Bank interest rates for advances of similar maturity to a schedule of maturities of such advances.

Off-balance-sheet instruments: Fair values for off-balance sheet lending commitments are based on fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements and the counterparties' credit standings.

Accounting standards update

On July 1, 2009, the Accounting Standards Codification ("ASC") became the Financial Accounting Standards Board's ("FASB") single source of authoritative U.S. accounting and reporting standards applicable to all public and non-public non-governmental entities, superseding existing FASB, American Institute of Certified Public Accountants ("AICPA"), Emerging Issues Task Force ("EITF") and related literature. The adoption of this ASC topic changed the applicable citations and naming conventions used when referencing generally accepted accounting principles.

In January 2010, the FASB issued Accounting Standards Update ("ASU") 2010-06, "*Improving Disclosures about Fair Value Measurements.*" The ASU requires disclosure of the amounts of significant transfers in and out of Levels 1 or 2 of the fair value hierarchy and describing the reasons for the transfers. The disclosures are effective for reporting periods beginning after December 15, 2009. Additionally, disclosures of the gross purchases, sales, issuances and settlements activity in the Level 3 of the fair value measurement hierarchy will be required for fiscal years beginning after December 15, 2010.

In July 2010, the FASB issued ASU 2010-20, "*Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses.*" This ASU is intended to provide additional information to assist financial statement users in assessing the entity's credit risk exposures and evaluating the adequacy of its allowance for credit losses. The new and amended disclosures that relate to information as of the end of a reporting period will be effective for the Company beginning December 31, 2011. However, the disclosures that include information for activity that occurs during a reporting period will be effective beginning January 1, 2012 for the Company. Those disclosures include (1) the activity in the allowance for credit losses for each period and (2) disclosures about modifications of financing receivables.

In January 2011, the FASB issued ASU 2011-01, "*Deferral of the Effective Date of Disclosures About Troubled Debt Restructurings in Update No. 2010-20*", which temporarily defers the effective date in ASU 2010-20 for disclosures about TDRs by creditors until the FASB finalizes its project on determining what constitutes a TDR for a creditor. Since the provisions of ASU 2010-20 are disclosure-related the Company's adoption of this guidance will not have an impact to its financial condition or results of operations.

In April 2011, the FASB issued 2011-02, "*A Creditor's Determination of Whether a Restructuring is a Troubled Debt Restructuring*", which will improve financial reporting by creating greater consistency in the way GAAP is applied for various types of debt restructurings. The ASU is intended to assist creditors in determining whether a modification of the terms of a receivable meets the criteria to be considered a TDR. The ASU is effective for annual periods ending on or after December 15, 2012, including interim periods within that annual period.

Management does not believe the adoption of these standards will have a significant impact on the Company's financial statements.

Reclassification

Certain 2009 and 2008 amounts have been reclassified to conform with the 2010 presentation. These reclassifications only changed the reporting categories but did not affect our results of operations or financial position.

2. Preferred and Common Stock

Preferred stock

On February 27, 2009, the Company entered into a Letter Agreement, which includes a Securities Purchase Agreement (together, the "Purchase Agreement"), with the United States Department of the Treasury ("Treasury Department") pursuant to which the Company has issued and sold to the Treasury Department (i) 4,797 shares of the Company's Fixed Rate Cumulative Perpetual Preferred Stock, Series A, no par (the "Series A Preferred Stock"), having a liquidation amount per share of \$1,000 for a total purchase price of \$4,797,000 and (ii) a warrant (the "Warrant") to purchase 240 shares of the Company's Fixed Rate Cumulative Perpetual Preferred Stock, Series B, no par (the "Series B Preferred Stock"), with a liquidation amount of \$1,000 per share, at an exercise price of \$.01. The Warrant had a ten-year term and was immediately exercisable. Immediately following the issuance of the Series A Preferred Stock and the Warrant, the Treasury Department exercised its rights under the Warrant to acquire 240 shares of the Series B Preferred Stock through a cashless exercise. The Series A Preferred Stock pays cumulative dividends at a rate of 5% per 360-day year for the first five years and thereafter at a rate of 9% per 360-day year. The Series A Preferred Stock and the Series B Preferred Stock may be redeemed by the Company upon payment of the liquidation amount plus accrued and unpaid dividends (the "Redemption Amount"). The Series A Preferred Stock is generally non-voting. The Series B Preferred Stock pays cumulative dividends at a rate of 9% per 360-day year. The Series B Preferred Stock generally has the same rights and privileges as the Series A Preferred Stock.

The Series A Preferred Stock and the Warrant were issued in a private placement exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, as amended. The Company has agreed to register for resale the Series A Preferred Stock and the Series B Preferred Stock upon request of the Treasury Department. The Purchase Agreement provides that neither the Series A Preferred Stock nor the Series B Preferred Stock will be subject to any contractual restrictions on transfer, except that the Treasury Department and its transferees may not effect any transfer of the Series A Preferred Stock or the Series B Preferred Stock that would cause the Company to otherwise become subject to the periodic reporting requirements of the Securities Exchange Act of 1934. The Purchase Agreement also provides for certain restrictions on dividend payments and stock repurchases by the Company. The Company has allocated the \$4,797,000 in proceeds received from the U.S. Treasury Department between Series A Preferred Stock and Series B Preferred Stock assuming that the Preferred Stock would be replaced with a qualifying equity offering and the Preferred Stock would therefore be redeemed at the end of five years. The allocation has been recorded assuming a discount rate of 12% on the cash flows of each instrument. The allocation of the proceeds was \$4,505,822 for Series A Preferred Stock and \$291,178 for Series B Preferred Stock, for total proceeds of \$4,797,000.

The Series A Preferred Stock and the Series B Preferred Stock were fully amortized and accreted during the year ended December 31, 2009.

Common stock

On March 23, 2007, BNC completed a secondary offering begun in October, 2006, and raised a total of \$15.52 million (\$15.42 million, net of expenses). The purpose of the offering was to capitalize the Company and through it, capitalize TBF during its de novo period, and allow for the continued growth of BNC.

On July 10, 2007, BNC began a Private Placement for the sale of Units similar to those offered in the secondary offering. The purpose of the Private Placement was to attract investors from the Town of Fairfield who would be willing to support TBF during its de novo period. The Private Placement raised a total of \$1,670,000 (\$1.64 million, net of expenses). The net proceeds of these funds were added to the Company's capital in the first quarter of 2008.

For both the 2006 Secondary Offering and the 2007 Private Placement, the Company issued 945,789 units and received \$17,191,202 in total capital (\$17.06 million, net of expenses).

On December 20, 2010, the Company completed a Private Placement for the sale of its common stock. The purpose of the offering was to raise additional capital for future growth. The Company issued 300,321 shares and received \$4,204,634 in total capital (\$4.16 million, net of expenses).

Dividends

The Company's shareholders are entitled to dividends when and if declared by the Board of Directors out of funds legally available. Connecticut law prohibits the Company from paying cash dividends except from its net profits, which are defined by state statutes.

In addition, on March 27, 2009, the Company issued 4,797 shares of Fixed Rate Cumulative Perpetual Preferred Stock, Series A, and 240 shares of Fixed Rate Cumulative Perpetual Preferred Stock, Series B, to the U.S. Treasury under the Troubled Asset Relief Program ("TARP") Capital Purchase Program. While these shares of Preferred Stock are outstanding to the U.S. Treasury, with limited exceptions, the U.S. Treasury's consent is required for: (i) any increase in dividends paid on the Company's common stock above a quarterly dividend of \$0.12 per share of common stock or (ii) the repurchase of common stock by the Company. The terms of the Preferred Stock also prohibit the payment of dividends on the Company's common stock unless all accrued and unpaid dividends on the Preferred Stock have been fully paid.

In 2010 and 2009, the Company declared and paid cash dividends on preferred stock of \$261,450 and \$187,373, respectively. For 2010, 2009 or 2008, the Company did not declare or pay dividends on its common stock. The Company did not repurchase any of its common stock or other securities during 2010 and 2009.

3. Restrictions on Cash and Due from Banks

BNC and TBF are required to maintain \$125,000 and \$25,000, respectively, in the Federal Reserve Bank for clearing purposes.

4. Investment Securities

The amortized cost, gross unrealized gains and losses and approximate fair values of available for sale and held to maturity securities at December 31, 2010 were as follows:

<i>(in thousands)</i>	Amortized Cost	December 31, 2010		Fair Value
		Gains	Losses	
Available for sale securities:				
U.S. Government agency obligations				
Due from one through five years	\$ 3,001	\$ -	\$ (39)	\$ 2,962
Due from five through ten years	10,490	28	(191)	10,327
Due after ten years	6,004	23	(95)	5,932
	<u>19,495</u>	<u>51</u>	<u>(325)</u>	<u>19,221</u>
State agency and municipal obligations				
Due from five through ten years	1,240	24	-	1,264
Due after ten years	8,985	47	(84)	8,948
	<u>10,225</u>	<u>71</u>	<u>(84)</u>	<u>10,212</u>
Corporate bonds				
Due from one through five years	10,038	284	(46)	10,276
Due from five through ten years	6,045	204	(43)	6,206
Due after ten years	1,990	72	-	2,062
	<u>18,073</u>	<u>560</u>	<u>(89)</u>	<u>18,544</u>
Mortgage backed securities	<u>3,903</u>	<u>118</u>	<u>-</u>	<u>4,021</u>
Total available for sale securities	\$ 51,696	\$ 800	\$ (498)	\$ 51,998
Held to maturity securities:				
State agency and municipal obligations				
Due after ten years	\$ 3,961	\$ -	\$ -	\$ 3,961
Corporate bonds				
Due from five through ten years	1,000	-	(120)	880
Mortgage backed securities	<u>1,193</u>	<u>36</u>	<u>-</u>	<u>1,229</u>
Total held to maturity securities	\$ 6,154	\$ 36	\$ (120)	\$ 6,070

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The amortized cost, gross unrealized gains and losses and approximate fair value of available for sale securities at December 31, 2009 were as follows:

<i>(in thousands)</i>	Amortized Cost	December 31, 2009		Fair Value
		Gains	Losses	
Available for sale securities:				
U.S. Government agency obligations				
Due from five through ten years	\$ 2,030	\$ -	\$ (47)	\$ 1,983
Due after ten years	8,813	-	(157)	8,656
	<u>10,843</u>	<u>-</u>	<u>(204)</u>	<u>10,639</u>
State agency and municipal obligations				
Due from five through ten years	623	30	-	653
Due after ten years	7,281	31	(54)	7,258
	<u>7,904</u>	<u>61</u>	<u>(54)</u>	<u>7,911</u>
Corporate bonds				
Due from one through five years	2,198	59	-	2,257
Due from five through ten years	1,551	263	-	1,814
	<u>3,749</u>	<u>322</u>	<u>-</u>	<u>4,071</u>
Mortgage backed securities	<u>3,956</u>	<u>19</u>	<u>-</u>	<u>3,975</u>
Total available for sale securities	\$ 26,452	\$ 402	\$ (258)	\$ 26,596
Held to maturity securities:				
U.S. Government agency obligations				
Due after ten years	\$ 1,000	\$ 1	\$ -	\$ 1,001
State agency and municipal obligations				
Due after ten years	3,960	-	-	3,960
Corporate bonds				
Due from five through ten years	1,000	-	-	1,000
Mortgage backed securities	<u>1,504</u>	<u>-</u>	<u>(13)</u>	<u>1,491</u>
Total held to maturity securities	\$ 7,464	\$ 1	\$ (13)	\$ 7,452

During 2010, gross gains of \$737 were realized on sales of investment securities. There were no gains realized in 2009 or 2008, nor any realized losses in 2010, 2009, or 2008.

At December 31, 2010 and 2009, securities with approximate fair values of \$1,510,000 and \$6,932,000, respectively, were pledged as collateral for public deposits.

The following is a summary of the fair value and related unrealized losses aggregated by investment category and length of time that individual securities had been in a continuous unrealized loss position as of December 31, 2010 and 2009:

<i>(in thousands)</i>	Length of Time in Continuous Unrealized Loss Position					
	Less Than 12 Months		12 Months or More		Total	
	Market Value	Unrealized Loss	Market Value	Unrealized Loss	Market Value	Unrealized Loss
2010						
U.S. Government agency obligations	\$ 11,677	\$ (325)	\$ -	\$ -	\$ 11,677	\$ (325)
Corporate bonds	4,930	(209)	-	-	4,930	(209)
State agency and municipal obligations	4,619	(84)	-	-	4,619	(84)
Total investment securities	\$ 21,226	\$ (618)	\$ -	\$ -	\$ 21,226	\$ (618)
2009						
U.S. Government agency obligations	\$ 10,639	\$ (204)	\$ -	\$ -	\$ 10,639	\$ (204)
State agency and municipal obligations	4,286	(54)	-	-	4,286	(54)
Mortgage backed securities	1,504	(13)	-	-	1,504	(13)
Total investment securities	\$ 16,429	\$ (271)	\$ -	\$ -	\$ 16,429	\$ (271)

At December 31, 2010 and 2009, there were 33 individual investment securities and 22 individual investment securities, respectively, in which the fair value of the security was less than the cost of the security. Management believes that these unrealized losses are temporary and are the result of recent market conditions.

As discussed in Note 1, the Bank evaluates its investment portfolio regularly to identify unrealized losses that are other than temporary at which time the unrealized loss will be recognized against current income. Included in available for sale securities are certain securities in which the fair value is less than the cost of the security. This can be from an increase in interest rates since the time of purchase or from deterioration in credit quality of the issuer. The U.S. government and agency obligations owned are either direct obligations of the U.S. government or are issued by one of the stockholder-owned corporations chartered by the U.S. government, whose debt obligations are rated AAA or better by one of the internationally recognized credit rating services. The state agency and municipal obligations, along with the mortgage backed securities, have experienced a decline due to general market and interest rate conditions. Management has determined that there has been no deterioration in credit quality subsequent to purchase and believes that unrealized losses are temporary and are the result of changes in market interest rates which over time can have both a positive and negative impact on the estimated fair value of the securities.

5. Loans Receivable and Allowance for Loan Losses

A summary of the loan portfolio at December 31, 2010 and 2009 was as follows:

<i>(in thousands)</i>	2010	2009
Real estate loans:		
Residential	\$ 104,053	\$ 117,386
Commercial	111,271	71,829
Construction	38,072	41,703
Home equity loans	16,657	17,091
	<u>270,053</u>	<u>248,009</u>
Commercial business loans	17,713	9,016
Consumer loans	659	243
Total loans	288,425	257,268
Allowance for loan losses	(5,440)	(4,380)
Deferred loan origination fees	(481)	(266)
Unamortized loan premiums	98	137
Loans receivable, net	<u>\$ 282,602</u>	<u>\$ 252,759</u>

Lending activities are conducted principally in the Fairfield County region of Connecticut, and consist of residential and commercial real estate loans, commercial business loans and a variety of consumer loans. Loans may also be granted for the construction of residential homes and commercial properties. All residential and commercial mortgage loans are collateralized by first or second mortgages on real estate.

The ability and willingness of borrowers to satisfy their loan obligations is dependent in large part upon the status of the regional economy and regional real estate market. Accordingly, the ultimate collectability of a substantial portion of any resulting real estate acquired is susceptible to changes in market conditions.

Management has established credit policies applicable to each type of lending activity in which it engages, evaluates the creditworthiness of each customer and, in most cases, extends credit of up to 80% of the market value of the collateral at the date of the credit extension, depending on the borrowers' creditworthiness and the type of collateral. Real estate is the primary form of collateral. Other important forms of collateral are business assets, time deposits and marketable securities. Except for speculative construction loans, collateral provides assurance as a secondary source of repayment and ordinarily the primary source of repayment is based on the borrower's ability to generate continuing cash flows.

Changes in the allowance for loan losses for the years ended December 31, 2010, 2009 and 2008 were as follows:

<i>(in thousands)</i>	2010	2009	2008
Balance, beginning of year	\$ 4,380	\$ 3,050	\$ 1,450
Provision for loan losses	1,311	1,741	1,618
Loans charged-off	(260)	(417)	(20)
Recoveries of loans previously charged-off	9	6	2
Balance, end of year	\$ 5,440	\$ 4,380	\$ 3,050

At December 31, 2010, there were three non-accrual loans and one accruing loan that were considered impaired. The total outstanding principal of these loans was \$4,818,059 and income contractually due but not recognized totaled \$158,507. In addition, at December 31, 2010, there was \$3,632,607 of restructured loans that were considered impaired. The restructured loans were performing in accordance with their modified terms. The amount of the allowance for loan losses related to impaired loans was \$457,733 and the average balance of impaired loans was \$8,562,651 during the year. The amount of actual interest income recognized on impaired loans was \$212,052 in 2010.

At December 31, 2010, there were no commitments to lend additional funds to any borrower on nonaccrual status.

At December 31, 2009, there were three loans accounted for on a non-accrual basis that were considered impaired. The total outstanding principal of these loans was \$2,463,076 and income contractually due but not recognized totaled \$87,373. In addition, At December 31, 2009, there was \$5,641,968 of restructured loans that were considered impaired. The restructured loans were performing in accordance with their modified terms. The amount of the allowance for loan losses related to impaired loans was \$493,624 and the average balance of impaired loans was \$5,497,677 during the year. The amount of actual interest income recognized on impaired loans was \$260,971 in 2009.

At December 31, 2009, there was a commitment to lend additional funds of \$147,562 to a borrower on nonaccrual status.

6. Leasehold Improvements and Equipment

At December 31, 2010 and 2009, leasehold improvements and equipment consisted of the following:

<i>(in thousands)</i>	2010	2009
Leasehold improvements	\$ 3,023	\$ 1,920
Furniture and fixtures	408	402
Equipment	1,412	1,088
	<u>4,843</u>	<u>3,410</u>
Accumulated depreciation and amortization	<u>(1,951)</u>	<u>(1,499)</u>
Leasehold improvements and equipment, net	\$ 2,892	\$ 1,911

For the years ended December 31, 2010, 2009 and 2008, depreciation and amortization expense related to leasehold improvements and equipment totaled \$452,401, \$373,813 and \$242,073, respectively.

7. Deposits

At December 31, 2010 and 2009, deposits consisted of the following:

<i>(in thousands)</i>	2010	2009
Noninterest bearing demand deposits	\$ 50,187	\$ 42,883
Interest bearing accounts:		
NOW and money market	70,028	44,269
Savings	67,379	39,993
Time certificates of deposit	121,543	117,070
	<u>258,950</u>	<u>201,332</u>
Total deposits	\$ 309,137	\$ 244,215

Time certificates of deposit in denominations of \$100,000 or more were approximately \$91,095,000, and \$89,415,000 as of December 31, 2010 and 2009, respectively. The aggregate amount of individual certificate accounts with balances of \$250,000 or more was approximately \$30,441,000 and \$49,629,000 at December 31, 2010 and 2009, respectively.

Contractual maturities of time certificates of deposit as of December 31, 2010 are summarized below:

<i>(in thousands)</i>	
2011	\$ 109,591
2012	10,265
2013	700
2014	279
2015	527
Thereafter	<u>181</u>
	\$ 121,543

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), signed into law on July 21, 2010, permanently raised the maximum deposit insurance amount to \$250,000, retroactive to January 1, 2008.

FDIC deposit insurance coverage excluded certain accounts including noninterest-bearing transaction accounts and Lawyer Trust Accounts (IOLTAs). However, in November 2010 and January 2011, the FDIC issued final rules to temporarily provide full coverage for noninterest-bearing transaction accounts and IOLTAs. The final rule indicates that all funds held in noninterest-bearing transaction accounts and IOLTAs are fully insured, without limit, and that this unlimited coverage is separate from, and in addition to, the coverage provided to depositors with respect to other accounts held at the Bank. This temporary coverage will expire December 31, 2012.

A summary of interest expense by account type for the years ended December 31, 2010, 2009 and 2008 was as follows:

<i>(in thousands)</i>	2010	2009	2008
NOW and money market	\$ 343	\$ 275	\$ 237
Savings	511	214	23
Time certificates of deposit	1,520	2,403	2,264
Total interest expense on deposits	\$ 2,374	\$ 2,892	\$ 2,524

8. Commitments and Contingencies

Leases

The Company leases its two main office locations, three branch locations and certain equipment under operating lease agreements which expire at various dates through 2020. In addition to rental payments, the leases require payment of property taxes and certain common area maintenance fees. At December 31, 2010, future minimum rental commitments under the terms of these leases by year were as follows:

<u>Years Ending December 31,</u>	
	<i>(in thousands)</i>
2011	\$ 1,151
2012	637
2013	426
2014	195
2015	188
Thereafter	847
	<u>\$ 3,444</u>

Total rental expense charged to operations for cancelable and noncancelable operating leases approximated \$1,048,000, \$922,000 and \$604,000 for the years ended December 31, 2010, 2009 and 2008, respectively.

Legal matters

The Bank is involved in various legal proceedings which have arisen in the normal course of business. Management believes that resolution of these matters will not have a material effect on the Bank's financial condition or results of operations.

Employment agreements

The Company and its subsidiaries have entered into employment agreements with certain executive officers. The agreements have different terms and provide each executive with a base salary, annual cash bonuses and other benefits as determined by the Personnel and Compensation Committee and approved by the Board of Directors.

Off-balance- sheet instruments

In the normal course of business, the Company is a party to financial instruments with off-balance-sheet risk to meet the financing needs of its customers. These financial instruments include commitments to extend credit and involve, to varying degrees, elements of credit and interest rate risk in excess of the amounts recognized in the financial statements. The contractual amounts of these instruments reflect the extent of involvement the Company has in particular classes of financial instruments.

The contractual amounts of commitments to extend credit represents the amounts of potential accounting loss should the contract be fully drawn upon, the customer's default, and the value of any existing collateral becomes worthless. Management uses the same credit policies in making commitments and conditional obligations as it does for on-balance-sheet instruments and evaluates each customer's creditworthiness on a case-by-case basis. Management believes that they control the credit risk of these financial instruments through credit approvals, credit limits, monitoring procedures and the receipt of collateral as deemed necessary.

Financial instruments whose contract amounts represented credit risk at December 31, 2010 and 2009 were as follows:

<i>(in thousands)</i>	2010	2009
Commitments to extend credit:		
Loan commitments	\$ 19,514	\$ 8,779
Undisbursed construction loans	27,471	11,443
Unused home equity lines of credit	<u>14,006</u>	<u>20,682</u>
	<u>\$ 60,991</u>	<u>\$ 40,904</u>

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments to extend credit generally have fixed expiration dates or other termination clauses and may require payment of a fee by the borrower. Since these commitments could expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The amount of collateral obtained, if deemed necessary by the Company upon extension of credit, is based on management's credit evaluation of the counter party. Collateral held varies, but may include residential and commercial property, deposits and securities.

9. Federal Home Loan Bank Advances and Other Borrowings

The following is a summary of FHLB advances with maturity dates and weighted average cost of funds at December 31, 2010 and 2009:

	2010		2009	
	Amount Due	Weighted Average Rate	Amount Due	Weighted Average Rate
<i>(dollars in thousands)</i>				
Year of Maturity:				
2010	\$ -	- %	\$ 14,000	0.23 %
2011	15,000	0.97	8,000	1.56
2012	9,000	1.75	4,000	2.58
2013	16,000	2.95	16,000	2.95
2014	2,000	3.24	2,000	3.24
2015	2,000	2.75	2,000	2.75
Total advances	\$ 44,000	2.03	\$ 46,000	1.85

The Banks have additional borrowing capacity at the FHLB, in excess of outstanding advances, up to a certain percentage of the value of their respective qualified collateral, as defined in the FHLB Statement of Products Policy, at the time of the borrowing. In accordance with an agreement with the FHLB, the qualified collateral must be free and clear of liens, pledges and encumbrances. There were no additional borrowings at December 31, 2010 and 2009.

Additionally, BNC has access to a pre-approved secured line of credit of \$450,000, none of which was outstanding at December 31, 2010 or 2009.

BNC and TBF have unsecured lines of credit of \$2,000,000 and \$500,000, respectively, with Bankers' Bank Northeast, none of which was outstanding at December 31, 2010 and 2009.

Federal Home Loan Bank stock

As members of the FHLB, BNC and TBF are required to maintain investments in their capital stock. BNC owned 26,953 shares at December 31, 2010 and 2009. TBF became a member of the FHLB during 2009 and owned 6,283 and 941 shares at December 31, 2010 and 2009, respectively. There is no ready market or quoted market values for the stock. The shares have a par value of \$100 and are carried on the consolidated balance sheets at cost, as the stock is only redeemable at par subject to the redemption practices of the FHLB. At December 31, 2010 and 2009, Management does not consider the investment in FHLB capital stock to be impaired.

10. Income Taxes

At December 31, 2010 and 2009, the components of deferred tax assets and liabilities were as follows:

<i>(in thousands)</i>	2010	2009
Deferred tax assets:		
Allowance for loan losses	\$ 2,119	\$ 1,706
Restricted stock options	76	76
State net operating loss carryforwards	194	167
Start-up costs	316	274
Premises and equipment	67	60
Deferred Fees	187	104
Unrealized loss on available for sale securities	-	-
Gross deferred tax assets	<u>2,959</u>	<u>2,387</u>
Valuation allowance	<u>(316)</u>	<u>(261)</u>
Deferred tax receivable, net of valuation allowance	<u>2,643</u>	<u>2,126</u>
Deferred tax liabilities:		
Tax bad debt reserve	63	28
Unrealized gain on available for sale securities	<u>118</u>	<u>56</u>
Gross deferred tax liabilities	<u>181</u>	<u>84</u>
Net deferred tax asset	\$ 2,462	\$ 2,042

At December 31, 2010, there were net operating loss carry forwards of approximately \$3,914,000 for state tax purposes that were available to reduce future state taxable income. A valuation allowance against deferred tax assets is required if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. At December 31, 2010, management recorded a valuation allowance against the deferred tax benefits of the state operating loss carry forwards and other state deferred tax assets for the bank holding company and TBF.

A reconciliation of the anticipated income tax expense (benefit), computed by applying the statutory federal income tax rate of 34% to the income (loss) before income taxes, to the amount reported in the statement of operations for the years ended December 31, 2010, 2009 and 2008 was as follows:

<i>(in thousands)</i>	2010	2009	2008
Expense (benefit) for income taxes at statutory federal rate	\$ 245	\$ (374)	\$ (150)
State tax expense (benefit), net of federal tax effect	36	(52)	(26)
Restricted stock options	51	11	20
Non-deductible expenses	4	3	-
Municipal interest income	(182)	(69)	(11)
Other	5	69	48
Income tax expense (benefit) before change in valuation allowance	159	(412)	(119)
Change in valuation allowance	55	141	120
Income tax expense (benefit)	\$ 214	\$ (271)	\$ 1

Management regularly analyzes their tax positions and at December 31, 2010, does not believe that the Company has taken any tax positions where future deductibility is not certain. As of December 31, 2010, the Company is subject to unexpired statutes of limitation for examination of its tax returns for U.S. federal and Connecticut income taxes for the years 2007 through 2009.

11. 401(k) Profit Sharing Plan

The Company's employees are eligible to participate in The BNC Financial Group, Inc. and its Subsidiaries and Affiliates 401(k) Plan (the "Plan"). The Plan covers substantially all employees who are 21 years of age. Under the terms of the Plan, participants can contribute up to a certain percentage of their compensation, subject to federal limitations. The Company matches eligible contributions and may make discretionary matching and/or profit sharing contributions. Participants are immediately vested in their contributions and become fully vested in the Company's contributions after completing six years of service. The Company contributed \$85,943, \$57,594 and \$107,341 to the Plan during the years ended December 31, 2010, 2009 and 2008, respectively.

12. Stockholders' Equity

On December 14, 2007, the Company and BNC completed the consummation of the Plan of Reorganization of BNC into a holding company structure. As a result of the reorganization, all of the outstanding common stock shares, units (shares with attached warrants), and options of BNC were exchanged for an equal number of common stock shares, units and options of the Company. The Company has three Stock Option and Equity award plans (shown below) which are collectively referred to as the "Plan".

On June 25, 2003, the Company's stockholders approved The Bank of New Canaan Bank Management, Director and Founder Stock Option Plan under which both incentive and non qualified common stock options may be granted. There are 152,200 shares of common stock reserved for issuance under this plan.

On June 26, 2006, the Company's stockholders approved The 2006 Bank of New Canaan Stock Option Plan under which both incentive and non qualified common stock options. There are 47,800 shares of common stock reserved for issuance under this plan.

On June 27, 2007, the Company's stockholders approved the 2007 Bank of New Canaan Stock Option and Equity Award Plan under which both incentive and non qualified common stock options and other equity awards may be granted. There are 165,244 shares of common stock reserved for issuance under this plan.

In 2008, the Company awarded two grants totaling 48,000 shares of restricted stock. One grant for 18,000 shares vests over three years and the other grant for 30,000 shares vests over five years. The vesting under both grants is subject to certain performance goals. These shares were granted at a price of \$16.92 per share. The Company's 2010, 2009 and 2008 restricted stock expense was \$93,156, \$118,452 and \$179,150, respectively. In 2009, 6,000 shares of unvested restricted stock were forfeited.

As discussed in Note 1, the Company accounts for stock options based on the fair value at the date of grant over the vesting period of such awards on a straight line basis. During the years ended December 31, 2010, 2009 and 2008, the Company recorded expense related to options granted under the Plan of approximately \$58,329, \$58,329 and \$59,003, respectively.

The weighted average fair value of the grants was \$5.91, \$4.26 and \$7.07 at December 31, 2010, 2009 and 2008, respectively, and was estimated at the grant date using the minimum value option-pricing model with the following weighted-average assumptions for the grants:

	2010	2009	2008
Risk-free interest rate	3.13%	3.37%	3.34%
Weighted average expected lives, in years	7.50	7.50	7.55

A summary of the status of outstanding stock options at December 31, 2010, 2009 and 2008 and changes during the year, were as follows:

	2010		2009		2008	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
<i>(dollars in thousands, except share data)</i>						
Options outstanding at beginning of year	262,998	\$ 14.74	252,788	\$ 14.84	242,358	\$ 14.97
Granted	12,250	11.00	14,950	12.64	30,850	20.61
Forfeited	(1,100)	14.56	(2,740)	16.31	(15,033)	20.76
Exercised	(520)	12.19	(2,000)	10.00	(387)	12.43
Expired	-	-	-	-	(5,000)	10.00
Options outstanding at end of year	<u>273,628</u>	14.58	<u>262,998</u>	14.74	<u>252,788</u>	14.84
Options exercisable at end of year	<u>236,832</u>	14.78	<u>229,412</u>	15.03	<u>216,341</u>	14.62
Weighted-average fair value of options granted during the year		\$ 5.91		\$ 4.26		\$ 7.07

Warrants

As discussed in Note 2, BNC's October 26, 2006 Stock Offering and the July 10, 2007 Private Placement (the "Offerings") call for the issuance of Units. Each Unit issued pursuant to the Offerings represented one share of common stock and one non-transferable Warrant. The Warrants were exercisable at any time from and including October 1, 2009 and prior to or on November 30, 2009, unless extended or accelerated by the Board of Directors in their discretion. On May 27, 2009, the Board of Directors extended the exercise period to October 1, 2012 through December 1, 2012. Each Warrant allows a holder to purchase .3221 shares of Common Stock at an exercise price of \$14.00 per share. A total of 945,789 units were sold generating gross capital of \$17,191,202. Assuming that all of the Warrants issued are exercised in full during the exercise period, the Company would receive \$4,264,941 in gross capital and issue 304,640 shares of common stock.

Earnings (loss) per share

The following is a reconciliation of earnings available to common shareholders:

<i>(dollars in thousands, except share data)</i>	For the years ended December 31,		
	2010	2009	2008
Net income (loss)	\$ 507	\$ (830)	\$ (443)
Preferred stock dividends and net accretion	(261)	(427)	-
Net income (loss) available to common shareholders	<u>\$ 246</u>	<u>\$ (1,257)</u>	<u>\$ (443)</u>
Weighted average shares outstanding, basic	2,531	2,447	2,435
Weighted average shares outstanding, diluted	2,588	2,492	2,524
Net earnings (loss) per common share:			
Basic earnings (loss) per common share	\$ 0.10	\$ (0.51)	\$ (0.18)
Diluted earnings (loss) per common share	\$ 0.09	\$ (0.50)	\$ (0.18)

13. Fair Value of Financial Instruments

GAAP requires disclosure of fair value information about financial instruments, whether or not recognized in the statements of condition, for which it is practicable to estimate that value. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rates and estimates of future cash flows. In that regard, the derived fair value estimates cannot be substantiated by comparisons to independent markets and, in many cases, could not be realized in immediate settlement of the instrument. GAAP excludes certain financial instruments from its disclosure requirements. Accordingly, the aggregate fair value amounts presented do not represent the underlying value of the Company.

Management uses its best judgment in estimating the fair value of the Company's financial instruments; however, there are inherent weaknesses in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented herein are not necessarily indicative of the amounts the Company could have realized in a sales transaction at either December 31, 2010 or 2009. The estimated fair value amounts for 2010 and 2009 have been measured as of their respective year-ends, and have not been reevaluated or updated for purposes of these financial statements subsequent to those respective dates. As such, the estimated fair values of these financial instruments subsequent to the respective reporting dates may be different than the amounts reported at each year-end.

The recorded book values and estimated fair values of the Company's financial instruments at December 31, 2010 and 2009 were as follows:

<i>(in thousands)</i>	2010		2009	
	Recorded Book Value	Fair Value	Recorded Book Value	Fair Value
Financial Assets:				
Cash and due from banks	\$ 39,448	\$ 39,448	\$ 27,780	\$ 27,780
Available for sale securities	51,998	51,998	26,596	26,596
Held to maturity securities	6,154	6,070	7,464	7,452
Loans held for sale	3,588	3,632	3,403	3,442
Loans receivable, net	282,602	295,153	252,759	276,756
Accrued interest receivable	1,570	1,570	1,302	1,302
FHLB stock	3,324	3,324	2,789	2,789
Financial Liabilities:				
NOW and money market	70,028	70,028	44,269	44,269
Savings	67,379	67,379	39,993	39,993
Demand deposits	50,187	50,187	42,883	42,883
Time deposits	121,543	122,309	117,070	105,858
Advances from the FHLB	44,000	44,852	46,000	47,194

14. Fair Value Measurements

As discussed in Note 1, the Company determines fair value in accordance with GAAP, which defines fair value and establishes a framework for measuring fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. GAAP establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair values:

- Level 1 — Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
- Level 2 — Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 — Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Valuation techniques based on unobservable inputs are highly subjective and require judgments regarding significant matters such as the amount and timing of future cash flows and the selection of discount rates that may appropriately reflect market and credit risks. Changes in these judgments often have a material impact on the fair value estimates. In addition, since these estimates are as of a specific point in time they are susceptible to material near-term changes.

Financial instruments measured at fair value on a recurring basis

The Company's available for sale securities that are traded on an active exchange, such as the New York Stock Exchange, are classified as Level 1 and reported at quoted market prices. Available for sale securities valued using matrix pricing, a mathematical technique widely used in the industry to value debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted securities, are classified as Level 2.

The following table summarizes the Bank's financial instruments measured on a recurring basis at December 31, 2010 and 2009:

<i>(in thousands)</i>	Available for Sale Investment Securities
Fair Value Measurements at December 31, 2010 Using:	
Quoted prices in active markets for identical assets (Level 1)	\$ -
Significant other observable inputs (Level 2)	51,998
Significant unobservable inputs (Level 3)	-
Carrying amount	\$ 51,998
Fair Value Measurements at December 31, 2009 Using:	
Quoted prices in active markets for identical assets (Level 1)	\$ -
Significant other observable inputs (Level 2)	26,596
Significant unobservable inputs (Level 3)	-
Carrying amount	\$ 26,596

Financial instruments measured at fair value on a nonrecurring basis

The Company's only financial instruments measured at fair value on a nonrecurring basis are impaired loans. Collateral dependent loans are considered Level 3, as the fair value is based on an appraisal and the adjustments to comparable sales made by the appraiser are unobservable. Non collateral dependent loans are measured using a discounted cash flow technique and are considered Level 3, as the inputs are the Bank's own assumptions. These assets are subject to periodic review and any applicable write-downs will be recognized when identified.

The following table summarizes the Bank's financial instruments measured on a nonrecurring basis at December 31, 2010:

<i>(in thousands)</i>	Impaired Loans
Fair Value Measurements at December 31, 2010 Using:	
Quoted prices in active markets for identical assets (Level 1)	\$ -
Significant other observable inputs (Level 2)	-
Significant unobservable inputs (Level 3)	8,451
Carrying amount	\$ 8,451
Fair Value Measurements at December 31, 2009 Using:	
Quoted prices in active markets for identical assets (Level 1)	\$ -
Significant other observable inputs (Level 2)	-
Significant unobservable inputs (Level 3)	8,105
Carrying amount	\$ 8,105

15. Regulatory Matters

The Banks are subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory – and possibly additional discretionary – actions by regulators that, if undertaken, could have a direct material effect on the Company’s financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company must meet specific capital guidelines that involve quantitative measures of the assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Banks to maintain minimum amounts and ratios of total and Tier I capital to risk-weighted assets and of Tier I capital to average assets, as defined by regulation. Management believes, as of December 31, 2010, the Banks meet all capital adequacy requirements to which they are subject.

As of December 31, 2010, the Banks were well capitalized under the regulatory framework for prompt corrective action, as shown in the following schedules. There are no conditions or events since then that management believes have changed the individual Bank's category.

The capital amounts and ratios for BNC at December 31, 2010 and 2009, were as follows:

<i>(dollars in thousands)</i>	Actual		For Capital Adequacy Purposes		To be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
2010						
Total Capital to Risk-Weighted Assets	\$ 27,168	13.12%	\$ 16,564	8.00%	\$ 20,705	10.00%
Tier I Capital to Risk-Weighted Assets	24,561	11.86%	8,282	4.00%	12,423	6.00%
Tier I Capital to Average Assets	24,561	8.15%	12,052	4.00%	15,065	5.00%
2009						
Total Capital to Risk-Weighted Assets	\$ 23,485	13.50%	\$ 13,914	8.00%	\$ 17,392	10.00%
Tier I Capital to Risk-Weighted Assets	21,295	12.24%	6,957	4.00%	10,435	6.00%
Tier I Capital to Average Assets	21,295	8.48%	10,049	4.00%	12,561	5.00%

The capital amounts and ratios for TBF at December 31, 2010 and 2009, were as follows:

<i>(dollars in thousands)</i>	Actual		For Capital Adequacy Purposes		To be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
2010						
Total Capital to Risk-Weighted Assets	\$ 11,154	17.10%	\$ 5,218	8.00%	\$ 6,523	10.00%
Tier I Capital to Risk-Weighted Assets	10,702	16.41%	2,609	4.00%	3,914	6.00%
Tier I Capital to Average Assets	10,702	13.25%	3,231	4.00%	4,038	5.00%
2009						
Total Capital to Risk-Weighted Assets	\$ 10,400	23.26%	\$ 3,577	8.00%	\$ 4,471	10.00%
Tier I Capital to Risk-Weighted Assets	10,044	22.46%	1,789	4.00%	2,683	6.00%
Tier I Capital to Average Assets	10,044	16.54%	2,430	4.00%	3,037	5.00%

Restrictions on dividends

The ability of the Company to pay dividends depends, in part, on the ability of the Banks to pay dividends to the Company. In accordance with State of Connecticut Banking Rules and Regulations, regulatory approval is required to pay dividends in excess of the individual Bank's earnings retained in the current year plus retained earnings from the previous two years. At December 31, 2009, no dividends may be declared by the Banks without prior regulatory approval. The Banks are also prohibited from paying dividends that would reduce its capital ratios below minimum regulatory requirements. See Note 2.

16. Related Party Transactions

In the normal course of business, the Company may grant loans to executive officers, directors and members of their immediate families, as defined, and to entities in which these individuals have more than a 10% equity ownership. Such loans are transacted at terms including interest rates, similar to those available to unrelated customers. Changes in loans outstanding to such related parties during 2010, 2009 and 2008 were as follows:

<i>(in thousands)</i>	2010	2009	2008
Balance, beginning of year	\$ 8,134	\$ 9,705	\$ 3,177
Additional loans	1,076	451	7,214
Repayments	<u>(3,895)</u>	<u>(2,022)</u>	<u>(686)</u>
Balance, end of year	\$ 5,315	\$ 8,134	\$ 9,705

Related party deposits aggregated approximately \$25,505,000, \$29,425,000 and \$18,323,000 at December 31, 2010, 2009 and 2008, respectively.

During 2010, 2009 and 2008, the Company paid approximately \$316,000, \$148,000 and \$68,000, respectively, to related parties for services provided to the Company. The payments were primarily for consulting and legal services, but in 2010 included property maintenance fees and a real estate commission in connection with the sale of foreclosed real estate.

The Company leases space and provides certain administrative services to the Banks, which the Company is compensated for. Additionally, BNCFG provides the operations and support for BNC and TBF's banking activities, which BNCFG is compensated for. All related intercompany accounts and transactions have been eliminated in consolidation.

17. Other Comprehensive Income

Other comprehensive income, which is comprised solely of the change in unrealized gains and losses on available for sale securities, was as follows for the years ended December 31, 2010, 2009 and 2008 (*in thousands*):

	Before-Tax Amount	Income Taxes	Net-of-Tax Amount
December 31, 2010			
Unrealized holding gains arising during period	\$ 160	\$ (62)	\$ 98
Less reclassification adjustment for losses (gains) recognized in net income	(1)	-	(1)
Unrealized holding gains on available for sale securities, net of tax	\$ 159	\$ (62)	\$ 97
December 31, 2009			
Unrealized holding losses arising during period	\$ 263	\$ (102)	\$ 161
Less reclassification adjustment for losses (gains) recognized in net income	-	-	-
Unrealized holding losses on available for sale securities, net of tax	\$ 263	\$ (102)	\$ 161
December 31, 2008			
Unrealized holding gains arising during period	\$ (161)	\$ 63	\$ (98)
Less reclassification adjustment for losses (gains) recognized in net income	-	-	-
Unrealized holding gains on available for sale securities, net of tax	\$ (161)	\$ 63	\$ (98)

18. Parent and Subsidiaries Financial Statements

The following table presents the condensed consolidating statement of condition of the Company and its subsidiaries, and the elimination entries required to produce the consolidated statement of condition at December 31, 2010:

**BNC Financial Group, Inc.
Condensed Consolidating Statement of Financial Condition
As of December 31, 2010**

<i>(in thousands)</i>	BNC FG Only	The Bank of New Canaan	The Bank of Fairfield	Combined Total	Elimination	Consolidated
<u>ASSETS</u>						
Cash and cash equivalents	\$ 4,782	\$ 37,515	\$ 2,251	\$ 44,548	\$ (5,100) ⁽¹⁾	\$ 39,448
Investment in subsidiary	35,447	-	-	35,447	(35,447) ⁽²⁾	-
Available for sale securities	-	44,598	7,400	51,998	-	51,998
Held to maturity securities	-	4,961	1,193	6,154	-	6,154
Loans held for sale	-	225	3,363	3,588	-	3,588
Loans receivable, net	-	214,069	68,533	282,602	-	282,602
Other assets	551	8,706	2,661	11,918	-	11,918
Total Assets	\$ 40,780	\$ 310,074	\$ 85,401	\$ 436,255	\$ (40,547)	\$ 395,708
<u>LIABILITIES AND EQUITY</u>						
Liabilities						
Deposits	\$ -	\$ 251,921	\$ 62,316	\$ 314,237	\$ (5,100) ⁽¹⁾	\$ 309,137
Borrowings	-	32,000	12,000	44,000	-	44,000
Other liabilities	426	1,450	341	2,217	-	2,217
Total liabilities	426	285,371	74,657	360,454	(5,100)	355,354
Stockholders' Equity	40,354	24,703	10,744	75,801	(35,447) ⁽²⁾	40,354
Total Liabilities and Stockholders' Equity	\$ 40,780	\$ 310,074	\$ 85,401	\$ 436,255	\$ (40,547)	\$ 395,708

⁽¹⁾ Elimination of intercompany cash accounts.

⁽²⁾ Elimination of the Company's investment in subsidiaries account.

The following table presents the condensed consolidating statement of operations of the Company and its subsidiaries, and the elimination entries required to produce the consolidated statement of operations for the year ended December 31, 2010:

BNC Financial Group
Condensed Consolidating Statement of Operations
For the Twelve Months Ended December 31, 2010

<i>(in thousands)</i>	BNC FG Only	The Bank of New Canaan	The Bank of Fairfield	Combined Total	Elimination	Consolidated
Interest Income	\$ 21	\$ 13,031	\$ 3,830	\$ 16,882	\$ (22) ⁽¹⁾	\$ 16,860
Interest Expense	-	2,476	755	3,231	(22) ⁽¹⁾	3,209
Net Interest Income	21	10,555	3,075	13,651	-	13,651
Provision for Loan Losses	-	941	370	1,311	-	1,311
Net Income After Provision for Loan Losses	21	9,614	2,705	12,340	-	12,340
Noninterest Income (Loss)	-	1,052	660	1,712	-	1,712
Noninterest Expenses	526	8,913	3,892	13,331	-	13,331
Income (Loss) Before Income Tax Expense (Benefit)	(505)	1,753	(527)	721	-	721
Income Tax Expense (Benefit)	(145)	533	(174)	214	-	214
<i>Net Income (Loss)</i>	\$ (360)	\$ 1,220	\$ (353)	\$ 507	\$ -	\$ 507

⁽¹⁾ Elimination of intercompany interest earned and paid on deposits and fed funds.

NOTES

CORPORATE INFORMATION

Shareholders

For help in transferring ownership, address changes, or lost or stolen stock certificates, please contact:

Registrar and Transfer Company
10 Commerce Drive, Cranford, NJ 07016-3572
(800) 368-5948
www.rtco.com

Stock Symbols

BNFI – Common Stock – Initial Offering

Stock Quotes

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Mr. Troy N. Carlson
Senior Vice President
787 Seventh Avenue, 4th Floor, New York, NY 10019
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Shareholder Contacts

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(203) 972-3838

Auditors

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Locations

The Bank of New Canaan

Main Office
208 Elm Street, New Canaan, CT 06840
(203) 972-3838

Cherry Street Branch
156 Cherry Street, New Canaan, CT 06840
(203) 966-7080

The Bank of Fairfield

Main Office
2150 Post Road, Fairfield CT 06824
(203) 659-7600

Black Rock Turnpike Branch
2248 Black Rock Turnpike, Fairfield, CT 06825
(203) 659-7610

Stamford First Bank

A Division of The Bank of New Canaan
612 Bedford Street, Stamford, CT 06901
(203) 391-5777



208 Elm Street, New Canaan, CT 06840

(203) 972-3838

The Bank of New Canaan and The Bank of Fairfield are Members of the FDIC and Equal Housing Lenders.