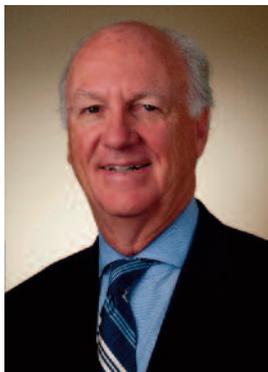




Fairfield County Bank

ANNUAL REPORT 2015

Chairman and CEO's Letter



Paul S. McNamara
Chairman of the Board



David A. Schneider
Chief Executive Officer

We are pleased to report Fairfield County Bank had another very good year. We had strong earnings, good growth and remain dedicated to our partnerships with several non-profit organizations in our market area.

The economy continues to grow at a limited pace and unemployment appears to have stabilized with real estate markets showing modest appreciation. Banks are still experiencing lower margins; a result of low interest rates, which are not predicted to rise until later this year. Shrinking margins have a profound impact on our balance sheet, causing us to focus on expense management and alternative ways to generate revenue. The Bank remains well-positioned for a modest rate increase, and we expect to leverage our local knowledge by building deeper customer relationships through a wider range of products and services.

Cultivating commercial relationships has proven to be a successful strategy. We have over \$700 million in commercial loans offset by nearly \$350 million in commercial deposits. The commercial lending market consistently provides additional opportunities for our financial subsidiaries; both our Insurance and Investment subsidiaries are generating record revenues. While we continue to have successful growth, we uphold our commitment to our communities by maintaining "a well-capitalized" status with our regulators with reported Tier 2 Capital in excess of 14%.

Our growth strategies remain focused on improving our customer service model. Our commitment to a new core operating system was to enhance our broad range of financial solutions in a cohesive and unified way. Our data management system now creates a comprehensive view of customers, business partners and employee activity. We believe the functionality of the new system driven by COCC will enhance our workflow, flexibility and productivity. Improving our technology by partnering with a provider able to customize solutions will improve our channel delivery and ability to provide innovative service and delivery in the coming years.

We stay focused on our communities' needs, through extended employee volunteerism and corporate contributions to many worthy charitable organizations throughout Fairfield County. This year we exceeded \$700,000 in financial support for such organizations.

We would be remiss if we did not thank every one of our employees for their devotion and dedication to the sizable and successful project of our core system upgrade, while at the same time maintaining exemplary service delivery standards in every area of our business.

We commend the dedication and devotion of our Board of Directors, Incorporators and Employees without whom such extraordinary success would be unimaginable.

Paul S. McNamara

A handwritten signature in black ink that reads "Paul S. McNamara".

Chairman of the Board

David A. Schneider

A handwritten signature in black ink that reads "David A. Schneider".

Chief Executive Officer

President's Report



Daniel L. Berta
President

As we reflect on the year past, we are proud of our progress, our employees, and our accomplishments. This past year has been an extraordinary one. We made the decision in 2013 to find a data service solution which would enable innovation and customization. We found our solution with COCC. Our core platform has integrated functionality, enabling our employees to have one system for all disciplines. We believe that without this change, we would have been unable to meet the service expectations of our customers going forward.

In April of this year, we successfully upgraded our operating platform and many additional service systems. This change required commitment and dedication to the project. To accomplish this without impacting our service standards, our employees came up with many innovative solutions to provide the manpower required for such an initiative. In mid-April, we completed the process and implemented a new operating system; one which has provided many enhancements to our products and services.

We have already experienced operating efficiencies in our branches, our staff has better insights into customer activity and needs, and our delivery channels are strengthening with new service components.

We introduced a debit card instant issue function deployed to date at eight of our branches. Using Card@Once, we are able to issue our customers a debit card right when they need it. Furthermore, our debit card system has enhanced fraud management and reporting capabilities.

Our on-line banking system provides state-of-the-art multifactor authentication which is a significant improvement over our previous offering as it relates to fraud management and risk. Customers are able to deactivate and reactivate their debit cards from within the on-line banking platform. In addition, we have added a Personal Money Management service and the ability to open new deposit accounts in the on-line banking platform. We offer a new design and improved e-statements.

We added messaging capability to On-line Banking, enabling users to send a secure message right from the application instead of having to close and open their email system. We will be adding Person-to-Person payment capability through Pay Pal, account aggregation and the ability to request card limit increase to name a few.

Mobile banking follows with improvements similar to on-line banking. Expanded mobile options include: fast balance, mobile check deposit, personal money management, transaction history and the ability to deactivate and reactivate your debit card.

Our business services have expanded as well. Today businesses have Wire Transfer capability, ACH origination, Remote Deposit, Positive Pay and Lockbox available to them. Users have the ability to upload files in a variety of formats. We look forward to adding Account Analysis, ACH Positive Pay with "white list" options and account reconciliation. The cyber fraud landscape continues to be a challenge. In all of our products' enhancements we have elevated fraud management and risk review to attempt to minimize the impact on our customers and our organization. Each year, we devote time and resources to educating our business customers on ways they can help reduce the risk of exposure to fraud and system hacks.

Our ATM network is expanding to standalone sites with deposit image capability. This gives our customers the opportunity to deposit checks at an ATM owned by the Bank but not located in a branch. This year we began operating an ATM at the Maritime Center in Norwalk; additionally, we are adding a new drive-up ATM to our Wilton Office and have other new locations in the works.

The redesign of our Federal Road office serves as a prototype for future branches. We believe as customer needs change, we will evaluate and renovate additional offices for digital interactive options and services.

The banking industry has changed a great deal over the past decade, and we believe it will change at a faster pace in the next five years. The endless evolution of banking requires all banks to add service and product options to meet client channel delivery expectations. Our new partnership with COCC gives us a great opportunity to innovate and change with demand. We are in a good position to meet change effectively and efficiently.

Daniel L. Berta

A handwritten signature in dark ink that reads "Daniel Berta". The signature is written in a cursive, slightly stylized font.

President

2015

Cash Management

With our comprehensive suite of Cash Management products and services, you can effectively and efficiently manage your business' finances. They are designed to provide you with the ability to automate and streamline your processes so that you can spend more time on what matters most, your business.

Deposit Express – Remotely scan and electronically submit checks for deposit to your account.

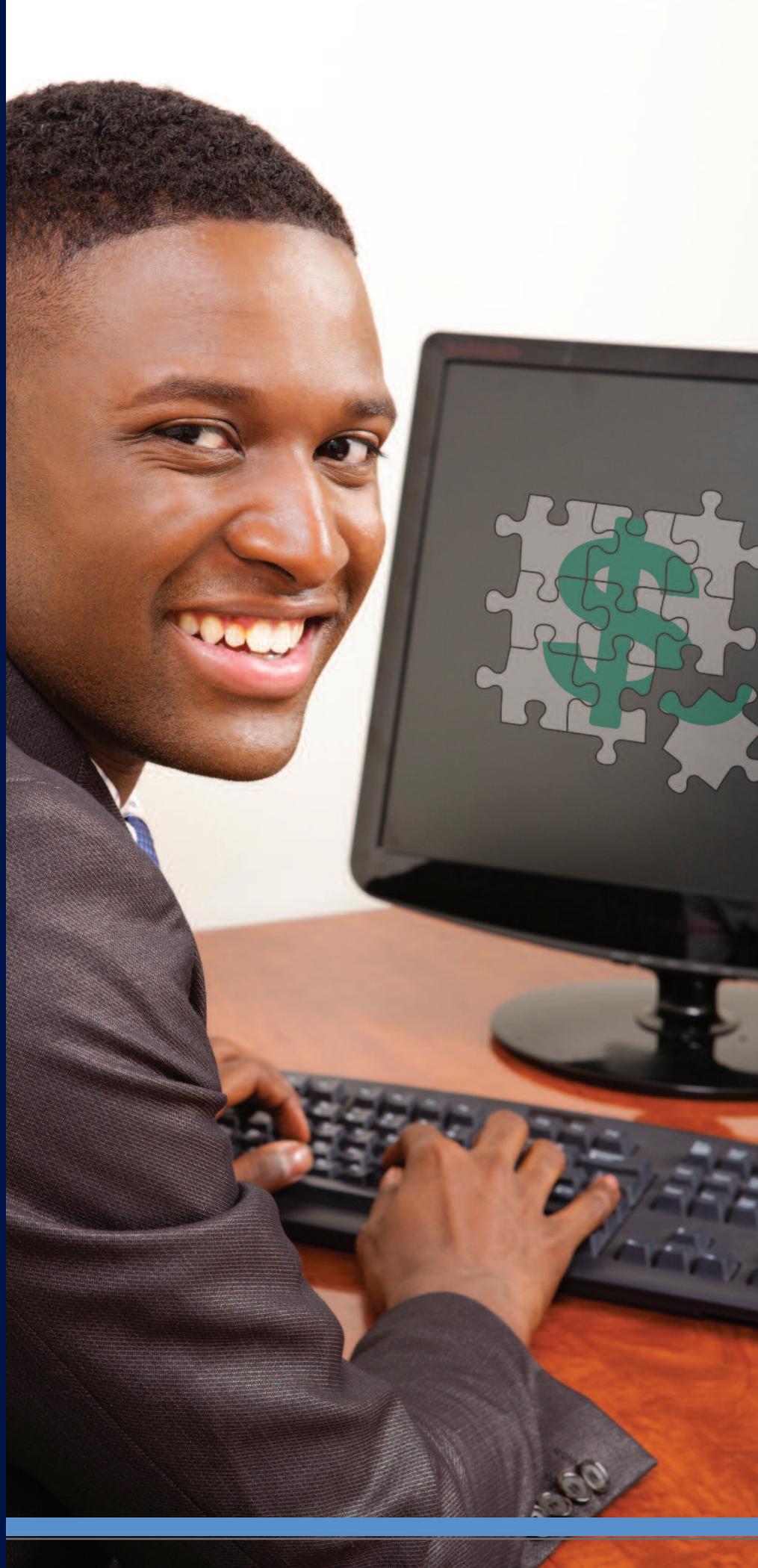
Positive Pay - Prevent check fraud by utilizing this monitoring tool that automatically matches check details against your issue file. ACH Positive Pay is coming soon.

Wires – Conveniently initiate secure and time sensitive transfers for processing through the activity section of your Online Business Banking portal.

Automated Clearing House (ACH) – Manage direct deposit of payroll, consumer credits and debits, and more through your Online Business Banking portal.

Lockbox – Accelerate the collection of your daily receivables and deposit processing by having customers send their payments directly to a P.O. Box. Funds are collected daily, processed, and deposited to your checking account according to your instructions.

Marble Cloud – (formerly IronKey™)
Protect your Online Cash Management services from risk of virus, malware, and cybercrime. Trusted Access provides our business banking clients an additional level of security.



Mobile Banking

Stay in control of your finances anytime, anywhere with our enhanced Mobile Banking App features:

Fast Balance – View your account balance and recent transactions without logging in.

Manage My Money – Review your expense and income categorization and manage your budget with our personal financial management tool.

Mobile Deposit Capture – Securely make a deposit directly into your eligible account by taking a picture of your check with the camera on your smartphone or tablet.

Transfers – Make a one-time transfer or schedule a recurring transfer between your accounts.

Location Services – Find your nearest Fairfield County Bank branch or ATM quickly and easily.

Increased Security – Activate or deactivate your ATM or Debit Card in the event of loss or theft or use the feature for extra security while traveling. View recent User Activity.

With our new Mobile Banking App, you can have the freedom to manage your money wherever it's most convenient for you.



2015

Commercial & Construction Loans

Owning your own business can be both rewarding and demanding. At Fairfield County Bank we recognize the complexity of running your own business, which is why our loan officers bring both the experience and expertise that is necessary to design a lending solution for your specific financial goals. We offer a full array of lending programs and can structure a competitively priced loan that will enable your business to grow and prosper. Our construction loans facilitate various types of construction projects, and you will find our terms are flexible and our interest rates competitive. Our trusted lenders understand their customers' industry backgrounds and have the desire to see their customers succeed.

Residential Lending

There are many necessary decisions to be made when purchasing a new home or refinancing your existing mortgage. Fairfield County Bank has the products and services to meet all your home financing needs. Utilize our online loan center to consult our home loan experts, check current mortgage rates, apply for a loan through our online loan applications, and more. Our Lenders are part of this community and can personalize our full range of residential loan options to your needs.

Community Support

For more than 140 years Fairfield County Bank has been giving back to our community to help build good places to live, work and raise our families. Community service and support are of the utmost importance to us; through employee volunteerism and financial contributions we have helped more than 300 non-profit and civic organizations throughout Fairfield County this past year.



How Do You Prefer To Bank?

2015



In Person

We are glad you are here!
Visit any of our 18 branch offices
located throughout Fairfield County.



Online

Connect24SM Online Banking
provides you with access to
your accounts 24/7!



Mobile

Always on the go?
Take advantage of the flexibility and ease
of being able to make transactions
from your smartphone or tablet.

Directors & Corporators

Directors

David Aitoro
Dan Bertram
Ralph DePanfilis, CPA
John Devine, Esq.
David Henry
Sue Manning
Paul S. McNamara, Esq. Chairman
Thomas Reynolds, CPA
William Rueckert
David Schneider, CEO
Gary Smith
Phyllis Zappala

Corporators

John Ancona
Sandra Anderson-Howell
Charles Balocca
Charles Bassos
Daniel Berta
Douglas Bora, Jr.
Lawrence Bossidy, Jr.
Douglas Brown
Christopher Carroll
Shane Casey
Allyson Catanzaro
Pat Cleary
Catherine Cody
Peter Coffin
Christopher Couri
William Craig
Robert Creamer, Esq.
Daniel Deering
Dan DiBuono
Gavin Donnelly
William Doty
Kevin Dumas
Stephen Epifano
Judge Joseph Egan
John Fallon, Esq.
Stephen Fogerty, Esq.
John Frey
Louis Froelich
Sam Gault
Phillip Goodwin
Rex Gustafson, Esq.
Debra Hayes

Casey Healy, Esq.
Stephen Hicks
Lawrence Hoyt
Michelle James
Kevin Jones
Thomas Kelly
Hal Kurfehs
Carl Lecher
Joyce Ligi
David Lyons
Sue Manning
Christopher McMahon
P. Kevin McNamara
Andrew Montanari, Jr.
Thomas Nash
Harry Neuman
Dan O'Grady, Esq.
Michelle Oliver
Theodore O'Neill
John Pambianchi
John D. Paul, Esq.
Terry Pellegrini, Esq.
John Pezzimenti
John Pinchbeck
John Piro
Margaret Price
Richard Ramey
Ronald Raymond
Steven Risbridger, CPA
Raymond Rizio, Esq.
Annemarie Roller
Thomas Ryan
Theresa Santoro
Violet Scala
Stephen Scala
Neil Schwimer
Jonathan Seaman
Barbara Serfilippi
John Simpson
Mario Smith
Greg Steiner
William Stephanak
James Sturges
Robert Van Houten
Carl Warren
Reed Whipple
David Woodward

Selected Financial Data

*Fairfield County Bank Statement of Condition Unaudited
June 30, 2013, 2014 and 2015 (Projected from May 31, 2015) (in 000's)*

ASSETS	2013 Actual	2014 Actual	2015 Projected
Cash and Due from Banks	\$ 167,559	\$ 43,541	\$68,397
Investments	125,427	150,177	158,471
Loans:			
Real Estate Loans 1-4 Family	367,384	350,399	365,059
Home Equity Loans	155,892	149,564	143,798
Construction Loans	70,321	97,840	112,915
Commercial Mortgages	428,242	424,802	456,073
Commercial Loans	113,028	111,138	102,019
US Government Agency Loans	1,531	1,271	744
Revolving Lines - Secured and Unsecured	54,949	52,149	51,864
Installment Loans	3,917	4,744	3,485
TOTAL LOANS	1,195,264	1,191,907	1,235,957
Allowance For Loan Loss	(17,469)	(16,079)	(15,913)
Fixed Assets	28,877	27,340	27,030
FHLB Stock	9,614	7,803	7,777
Investment in Subsidiary	13,768	12,340	12,425
Bank Owned Life insurance	35,484	35,579	35,663
Other Assets	27,975	28,982	29,645
TOTAL ASSETS	1,586,499	1,481,590	1,559,452
LIABILITIES			
Regular Savings	119,729	122,682	133,115
Money Market Accounts	253,023	225,500	225,115
Certificate of Deposits	249,683	216,716	172,035
NOW Accounts	331,777	326,085	323,402
Personal Checking Accounts	55,590	49,033	50,975
Business Checking Accounts	239,615	234,198	267,969
Municipal Deposits	36,778	44,197	50,034
Other Demand	18,408	23,209	14,411
TOTAL DEPOSITS	1,304,603	1,241,620	1,237,056
Mortgage Escrow	3,440	3,368	3,809
Other Borrowed Money	97,639	42,565	117,495
Other Liabilities	20,817	21,029	27,502
TOTAL LIABILITIES	1,426,499	1,308,582	1,385,862
EQUITY			
Surplus and Reserves	168,853	177,246	177,598
Other Comprehensive Income	(3,960)	(2,649)	(4,511)
Unrealized Gain/Loss FASB-115	(4,893)	(1,589)	503
TOTAL EQUITY	160,000	173,008	173,590
TOTAL LIABILITIES AND EQUITY	1,586,499	1,481,590	1,559,452

2015

Core Values

We have five core values that guide our actions.

- 1.** We will provide the highest level of customer service.
- 2.** We will provide our employees with meaningful careers and equitable compensation.
- 3.** We will make a reasonable and fair profit to ensure our long-term existence for future generations of customers and employees.
- 4.** We are committed to the highest ethical and professional standards in all our endeavors.
- 5.** We will invest our money and personnel in the communities that we serve.

Our Commitment

Fairfield County Bank prides itself on a strong tradition of service to our customers and a dedication to our communities for more than 140 years.

Our success is directly tied to the loyalty and support of our customers and communities. We are thankful and proud to be a trusted financial partner to the residents and businesses of Fairfield County and neighboring communities.

We remain committed to our mission to provide a broad spectrum of financial services to our customers, while sustaining our reputation as an exceptional service provider. Fairfield County Bank continues to be committed to protecting our customers' financial well-being for today and the future.

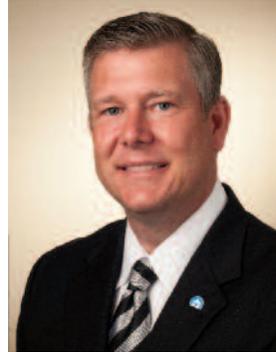
Executive Officers



Paul S. McNamara
Chairman of the Board



David Schneider
Chief Executive Officer



Daniel Berta
President



Charles Balocca
Executive Vice President,
Chief Credit Officer



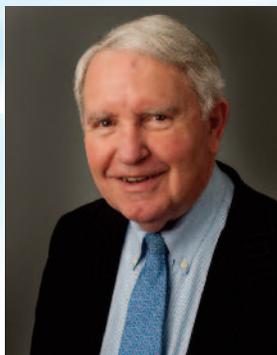
Marcie Coffin
Executive Vice President,
Risk Management Officer



Robert Connelly
Executive Vice President,
Chief Lending Officer



Karen Critelli
Executive Vice President,
Chief Financial Officer



Tim Kidman
Executive Vice President,
Human Resources



Frank Kunst
Executive Vice President,
Technology



Joyce Trombley
Executive Vice President,
Retail Lending

2015



Mark R. Connelly
President & CEO

Fairfield County Bank Insurance Services, LLC experienced record revenue in 2014. Insurance Services is an independent insurance agency providing commercial, personal, and life and health insurance products and services to approximately 9,000 customers in Connecticut, New York and 30 other states. Our growth in 2014 was achieved through the efforts of our experienced staff of licensed professionals and the financial strength of our carrier partners.

Our commercial insurance division experienced significant growth in specialty areas of practice. Large construction, energy, real estate operations and condominium associations were responsible for most of the commercial growth as we continue to provide valuable risk management services for those clients. Our small business unit, which includes our “main street” retail businesses, enjoyed strong growth as well. Our seasoned producers continue to leverage the broad appetite of our insurance carrier partners enabling us to match our customers with the right product and price. We opened an office in Springfield, Massachusetts which provides risk management and bonding services for both large construction and manufacturing accounts.

Fairfield County Bank Insurance Services offers a wide variety of personal insurance products including home, auto, umbrella and life insurance products from the nation’s highest rated insurance companies.

We have installed new rating software that allows us to compare the rates and coverage of each of the companies we represent, ultimately providing our customers with the ability to choose the product offering

that best suits their individual needs. That same comparative rating system for home, auto and life insurance will be available for consumer use on our Fairfield County Bank Insurance Services website by the end of 2015. Our clients will have the added convenience of purchasing online. As technology evolves, it is our intent to continually advance our on-line services.

Our benefits division offers employee benefit programs to a wide variety of small Connecticut businesses (under 100 Employees). Our team has the training and experience to assist this underserved group in navigating through the myriad of issues associated with providing an employee health plan under the new rules imposed by the Affordable Care Act (ACA). In addition to ACA compliant plans, they also offer a wide variety of life, disability and long term care insurance products.

Looking forward to 2015 and beyond, we are excited about our opportunities for growth. We look for strategic acquisitions and to grow organically by providing meaningful insurance solutions to our growing customer base. We strive to find new and innovative ways to provide great customer service to all customers of the Fairfield County Bank enterprise. Over the last year we have improved our communication infrastructure and are positioned to launch new web based features where our clients can purchase, service and communicate with us from their home computer or mobile device.

To learn more, call 203-438-0404 or visit us at www.fairfieldcountybankinsurance.com.

Mark R. Connelly

President & CEO
Fairfield County Bank Insurance Services, LLC

Fairfield County Bank Insurance Services, LLC is a wholly-owned subsidiary of Fairfield County Bank. Insurance products are not deposits or other obligations of, or guaranteed by, the Bank or an affiliate of the Bank, are not insured by the FDIC or any other agency of the United States, the Bank or an affiliate of the Bank and, in the case of an insurance product or annuity that involves investment risk, there is investment risk associated with the product, including the possible loss of value.

2015



Fairfield County Financial Services



Steve Nitz
Vice President, Fairfield County Financial Services,
CFP®, CRC®, MBA

Fairfield County Financial Services (FCFS) is the investment services group of Fairfield County Bank. We offer access to a wide variety of investment* products and services through Infinex Investments, Inc. FCFS' goal is to provide you with a personalized experience by taking the time to understand your individual financial needs. Our Financial Advisors create a strategy and package of investment products that allow you to plan for today and your financial future with confidence.

FCFS had its most successful year ever in 2014. Gross revenue exceeded \$2.4 million in 2014, and new assets exceeded \$45 million. FCFS finished as the #2 Infinex bank program out of the approximately 180 bank programs that Infinex supports. The FCFS program was the only Infinex bank investment program that had three of its Financial Advisors finish in the "Top 10" out of the 450 total Financial Advisors with Infinex. Total assets under management by FCFS now exceed \$325 million.

Through Infinex, FCFS can offer access to an array of investment products and services inclusive of: mutual funds, exchange-traded funds, fee-based money management programs, stocks, bonds, annuities, IRAs, small business retirement plans, and 529 college savings plans. We also offer access to financial planning services in retirement planning, estate planning and education planning.

We are committed to our partnership with Fairfield County Bank and Fairfield County Bank Insurance Services, LLC. Our mutual cooperation affords our customers the opportunity to achieve their financial goals through additional advice, products and solutions.

For more information please call 203-431-7530.

Stephen P. Nitz, CFP®, CRC®, MBA

Vice President
Fairfield County Bank Financial Services

*Investment and insurance products and services are offered through INFINEX INVESTMENTS, INC. Member FINRA/SIPC. Fairfield County Financial Services is a trade name of Fairfield County Bank. Infinex and the Bank are not affiliated. Products and services made available through Infinex are not insured by the FDIC or any other agency of the United States and are not deposits or obligations of nor guaranteed or insured by any bank or bank affiliate. These products are subject to investment risk, including the possible loss of value.

Locations

Fairfield County Bank

Bridgeport Office

1089 Madison Avenue
Bridgeport, CT 06606
203.331.0655

Broad River Office, Norwalk

121 New Canaan Avenue
Norwalk, CT 06850
203.857.5572

Compo Road Office, Westport

20 Compo Road South
Westport, CT 06880
203.221.3190

Cranbury Office, Norwalk

26 Chestnut Hill Road
Norwalk, CT 06851
203.857.5577

Darien Office

714 Post Road
Darien, CT 06820
203.656.2265

Fairfield Office

1312 Post Road
Fairfield, CT 06824
203.255.3222

Federal Road Office, Danbury

114 Federal Road
Danbury, CT 06811
203.791.1529

Georgetown Office

941 Danbury Road
Wilton, CT 06897
203.544.8075

Governor Street Drive-Up, Ridgefield

3 Governor Street
Ridgefield, CT 06877-0950
203.438.0500

Main Office, Ridgefield

150 Danbury Road
Ridgefield, CT 06877-0950
203.438.6518

Main Street Office, Ridgefield

374 Main Street
Ridgefield, CT 06877
203.438.0500

Rowayton Office

2 McKinley Street
Rowayton, CT 06853
203.857.5579

Stamford Office

850 East Main Street
Stamford, CT 06902
203.973.0002

Trumbull Office

915 White Plains Road
Trumbull, CT 06611
203.268.6152

Tunxis Hill Office, Fairfield

255 Tunxis Hill Road
Fairfield, CT 06825
203.333.0045

Wall Street Office, Norwalk

67 Wall Street
Norwalk, CT 06850
203.857.5560

Weston Office

190 Weston Road
Weston, CT 06883
203.319.7821

Wilton Office

190 Old Ridgefield Road
Wilton, CT 06897
203.762.8588



Fairfield County Bank



NMLS ID
#516624



MEMBER
FDIC