

**BNC Bancorp (NASDAQ: BNCN; High Point, NC) has agreed to acquire South Street Financial Corporation (OTCQB: SSFC; Albemarle, NC) and Community First Financial Group, Inc. (Private; Chapel Hill, NC)**

**Community First Financial Group, Inc. Deal Value: \$25 million**

**South Street Financial Corporation Deal Value: \$24 million**

Sandler O'Neill served as financial advisor to BNC Bancorp in connection with the Community First transaction, and served as strategic advisor to BNC Bancorp for both transactions. These transactions are Sandler O'Neill's 107<sup>th</sup> and 108<sup>th</sup> bank or thrift transactions nationwide since January 1, 2011, more than any other investment bank during that time period.<sup>1</sup> These transactions represent Sandler O'Neill's 10<sup>th</sup> and 11<sup>th</sup> bank and thrift transactions in North Carolina since January 1, 2011, more than any other investment bank during that time period.<sup>1</sup>

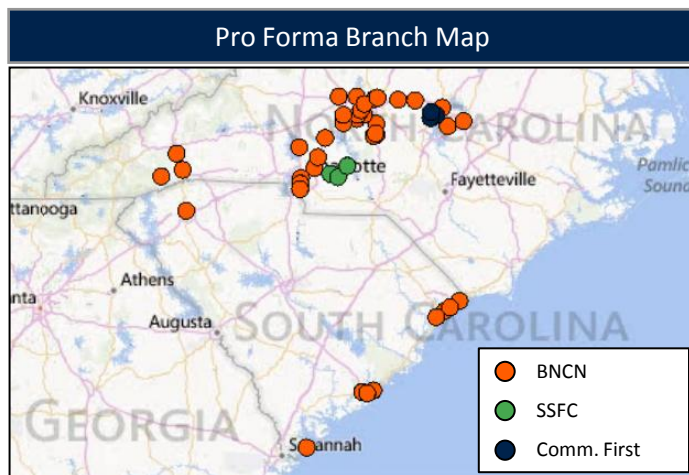
HIGH POINT, NC – December 18, 2013 – BNC Bancorp (NASDAQ: BNCN), the parent company of Bank of North Carolina (“BNC” or “the Bank”), today announced that it has signed an Agreement and Plan of Merger with both South Street Financial Corporation, the parent company of Home Savings Bank, FSB in Albemarle, North Carolina (“South Street”), and Community First Financial Group, Inc. (“Community First”), the parent company of Harrington Bank, FSB in Chapel Hill, North Carolina. These two transactions provide approximately \$275 million and \$228 million in assets in the Metro-Charlotte market and the Raleigh-Durham-Chapel Hill market, respectively.

Common shareholders of Community First may elect to receive 0.4069 shares of BNC common stock, or \$5.90 in cash, for each share of Community First common stock owned by them, subject to allocation and pro rata procedures to ensure 75% of Community First common shares receive BNC common stock in the transaction. Shares of preferred stock of Community First will be redeemed for \$850,000 in the aggregate. Common shareholders of South Street may elect to receive cash in an amount of \$8.85 per share or between 0.6000 and 0.6941 shares of BNC common stock, depending on the closing price of BNC common stock prior to closing of the merger. Eighty percent of the total consideration received by the South Street common shareholders will be BNC voting common stock and the remainder will be cash.

Commenting on these two transactions, BNC Bancorp President and CEO, Rick Callicutt, said, “The acquisition announcement this morning of both Home Savings Bank and Harrington Bank continue to demonstrate Bank of North Carolina’s commitment to growing shareholder and franchise value in the Carolinas. Each of these opportunities provides access to a larger base of very loyal customers that will enjoy a wider range of financial products and services while maintaining a culture of delivering service at a level that has separated the BNC franchise from our competitors.”

Financial Highlights		Comm.	
(Dollars in millions)	BNCN	SSFC	First
Total Assets	\$2,969	\$274	\$228
Gross Loans	\$2,118	\$195	\$179
Total Deposits	\$2,436	\$238	\$199
Total Equity	\$258	\$23	\$25
TCE / TA	7.71%	8.55%	10.73%

<sup>1</sup> Excludes terminated transactions and self-advisory roles  
 Note: Financial data as of 9/30/13  
 Source: SNL Financial



**Sandler O'Neill Contacts:**  
 1251 Avenue of the Americas, 6<sup>th</sup> Floor  
 New York, NY 10020

Scott Clark Principal (212) 466-7965	John Regan Associate Director (212) 466-7822	Reid Brewer Vice President (212) 466-8086	Davis Mangham Analyst (212) 466-7963
--	--	---	--