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CBT Announced Results for the First Quarter of 2005

Hartford, CT, April 21, 2005 -The Connecticut Bank and Trust Company, (OTC: CTBC),

As this quarter drew to a close, CBT marked its first anniversary. Since opening its doors on March 12, 2004, much has been achieved. With its three-branch network the Bank has accepted more than \$63 million in deposits, including \$14 million in demand and NOW accounts. Loans outstanding have exceeded \$30 million and the Bank's staff of professional bankers has grown to 29. CBT customers enjoy prompt response to their queries whether about a possible loan or other banking needs. They are getting timely statement deliveries, web based access to their account information and the ease of using their Visa® Debit Cards to shop or obtain cash virtually anywhere in the world.

Results of operations

During the quarter ended March 31, 2005, CBT reported a net loss from operations of \$964 thousand or \$0.51 per share compared to a net loss of \$989 thousand or \$0.52 per share in the prior quarter and \$670 thousand or \$0.82 per share in the same period in 2004.

When making comparisons to the first quarter of the previous year, it must be noted that CBT was granted its permanent charter and commenced operations on March 12, 2004. Expenses incurred prior to that date were related to organizing, outfitting and staffing CBT in preparation of that opening.

Balance sheet performance

At March 31, 2005, total assets were \$77.4 million, compared to \$78.3 million at December 31, 2004. Net loans outstanding increased \$9.4 million, or 44%, to \$30.4 million during the quarter. Total deposits were \$63.7 million at March 31, 2005, up slightly from \$63.5 million at December 31, 2004. Stockholders' equity at the end of the quarter was \$12.9 million, compared to \$14.1 million at the end of the prior quarter.

Asset quality

The allowance for loan losses at March 31, 2005 was \$359 thousand compared to \$239 thousand at December 31, 2004 and represented 1.2% and 1.1% of loans outstanding for

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CBT is a full service commercial bank headquartered in Hartford, CT, with branch offices conveniently located in Glastonbury and West Hartford.

the respective dates. There were no loans past due 30 days or more at March 31, 2005 and no loans have been classified as nonaccruing or nonperforming.

Revenues and expenses

Total revenues, consisting of net interest income and noninterest income, amounted to \$480 thousand, an increase of \$169 thousand or 54%, compared to \$311 thousand in the preceding quarter. Noninterest expenses were \$1.324 million compared to \$1.168 million, an increase of \$156 thousand or 13%, compared to the preceding quarter.

Provisions for loan losses during the quarter were \$120 thousand compared to \$132 thousand in the quarter ended December 31, 2004.

Net interest income

Total interest and dividend income increased \$198 thousand or 33% compared to the preceding quarter. This increase resulted primarily from an increase in interest and fees on loans. This increase reflected both the rapid growth in loans outstanding and the rising prime interest rate. Total interest expense for the quarter was \$334 thousand, an increase of \$19 thousand from the prior quarter, the result of a \$1.5 million increase in interest-bearing liabilities and a modest increase in market rates paid for deposits. The net interest margin for the quarter was 2.62% compared to 1.71% in the preceding quarter.

Noninterest expenses

Total expenses increased \$156 thousand or 13% in the quarter ended March 31, 2005 compared to the previous quarter. The largest change occurred in salaries and benefits which increased \$115 thousand, and resulted from staff additions and rate increases for employee benefits. Marketing expense increased \$96 thousand, reflecting production costs and media usage for the campaign utilizing Coach Geno Auriemma as CBT's spokesperson. All other expenses as a group declined \$55 thousand during the quarter.

See financial statements accompanying this release for additional data.

Statements contained in this release, which are not historical facts, may be considered forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties which could cause actual results to differ materially from those currently anticipated, due to a number of factors which include without limitation the effects of future economic conditions, governmental fiscal and monetary policies, legislative and regulatory changes, changes in the interest rates, the effects of competition, and other factors that could cause actual results to differ materially from those provided in any such forward-looking statements.

THE CONNECTICUT BANK AND TRUST COMPANY

BALANCE SHEETS

<i>(amounts in thousands)</i>	March 31, 2005 (Unaudited)	December 31, 2004 (Audited)	March 31, 2004 (Unaudited)
ASSETS			
Cash and due from banks	\$ 1,310	\$ 1,482	\$ 3,059
Federal Funds Sold	8,306	14,731	6,300
Cash & cash equivalents	<u>9,616</u>	<u>16,213</u>	<u>9,359</u>
Securities available for sale	34,167	37,927	8,992
Federal Reserve Bank stock, at cost	529	529	529
Loans	30,713	21,239	50
Allowance for loan losses	(359)	(239)	-
Loans, net	<u>30,354</u>	<u>21,000</u>	<u>50</u>
Premises and equipment, net	1,857	1,928	1,051
Accrued interest receivable	422	322	46
Other assets	412	369	187
Total assets	<u>\$ 77,357</u>	<u>\$ 78,288</u>	<u>\$ 20,214</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Deposits			
Demand deposits	\$ 10,722	\$ 12,027	\$ 2,173
NOW accounts	3,437	3,594	203
Savings	2,959	2,849	163
Time deposits	46,549	44,981	294
Total deposits	<u>63,667</u>	<u>63,451</u>	<u>2,833</u>
Repurchase agreements	266	302	-
Other liabilities	508	425	367
Total liabilities	<u>64,441</u>	<u>64,178</u>	<u>3,200</u>
Stockholders' equity			
Common Stock, \$1.00 par; 2,500,000 shares authorized and 1,888,550 shares issued and outstanding March 31, 2005 and December 31, 2004; 1,850,000 at March 31, 2004	1,889	1,889	1,850
Common stock warrants	853	853	853
Additional paid-in capital	16,178	16,178	15,690
Restricted stock unearned compensation	(378)	(407)	-
Retained deficit	(5,152)	(4,188)	(1,476)
Accumulated other comprehensive loss	(474)	(215)	97
Total stockholders' equity	<u>12,916</u>	<u>14,110</u>	<u>17,014</u>
Total liabilities and stockholders' equity	<u>\$ 77,357</u>	<u>\$ 78,288</u>	<u>\$ 20,214</u>

**THE CONNECTICUT
BANK AND TRUST COMPANY STATEMENTS OF LOSS
(unaudited)**

<i>(in thousands, except per share data)</i>	Three months ended		
	March 31, 2005	December 31, 2004	March 31, 2004
Interest and dividend income:			
Loans, including fees	\$ 389	\$ 192	\$ -
Debt securities	359	307	53
Dividends	8	9	-
Federal funds sold	47	97	14
Total interest and dividend income	803	605	67
Interest Expense:			
Deposits	333	311	-
Repurchase agreements	1	4	-
Total interest expense	334	315	-
Net interest income:	469	290	67
Provisions for loan losses	120	132	-
Net interest income, after provision for loan losses	349	158	67
Noninterest income			
Service charges and fees	11	21	-
Total noninterest Income	11	21	-
Subtotal	360	179	67
Noninterest expenses:			
Salaries and benefits	638	523	200
Occupancy and equipment	194	230	73
Data processing	36	24	-
Marketing	220	124	-
Professional services	150	103	37
Other operating expenses	86	164	427
Total expenses	1,324	1,168	737
Net loss	\$ (964)	\$ (989)	\$ (670)
Loss per share:			
Basic	\$ (0.51)	\$ (0.52)	\$ (0.82)
Diluted	\$ (0.51)	\$ (0.52)	\$ (0.82)
Average shares outstanding	1,889	1,887	820

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THE CONNECTICUT BANK AND TRUST COMPANY
Selected Performance Measures

<i>(amounts in dollars)</i>			
For the quarter ended or as of :	March 31, 2005	December 31, 2004	March 31, 2004
Net interest margin	2.62%	1.71%	1.75%
Equity/Assets	16.7%	18.0%	84.2%
Book value (per share)	\$ 6.84	\$ 7.49	\$ 9.21
Allowance for loan losses/total loans	1.2%	1.1%	N/A