



**Contact: David A. Lentini**  
**860-748-4250**  
**dlentini@thecht.com**

## **CBT Reports Results for the Quarter Ended September 30, 2004**

(Hartford, CT, October 25, 2004) The Connecticut Bank and Trust Company (OTC BB: CTBC)

At September 30, 2004, total assets of The Connecticut Bank and Trust Company ("CBT") were \$63.0 million, an increase of \$42.8 million from total assets at March 31, 2004. Total deposits at quarter end amounted to \$45.9 million following a successful consumer CD program in September and included core checking and savings deposits of \$8.7 million and time deposits of \$37.2 million. Total equity at September 30, 2004 was \$ 15.2 million.

Loans outstanding at September 30, 2004 amounted to \$9.9 million up from \$5.9 million at June 30, 2004. Additionally, CBT's loan officers are creating a new business pipeline that will cause the loan portfolio to grow in the coming months. Consistent with CBT's Loan Policy, Management has established an Allowance for Loan Losses. At September 30, 2004, the Allowance for Loan Losses was \$107,000 or 1.1% of loans outstanding.

In the quarter ended September 30, 2004, CBT reported a net loss of \$844,000 or \$0.46 per share on both a basic and fully diluted basis. Net interest income was \$181,000 and noninterest income was \$2,000. Operating expenses amounted to \$978,000 and the provision for loan losses was \$49,000.

Since opening its doors on March 12, 2004, net interest income and noninterest income were \$317,000 and \$4,000 respectively. Operating expenses were \$2,460 and provisions for loan losses were \$107,000. The net loss since opening was \$2,246,000 or \$1.21 per share.

Operating expenses since the March 12, 2004 opening of the Bank totaled \$2,460,000 and were comprised of compensation, occupancy and equipment, marketing and other costs associated with the Bank's operations. Of note is the action taken by CBT Directors in March to fulfill funding of the CBT Charitable Foundation, Inc. in the amount of \$360,000, representing 2% of the capital raised. The Foundation is a tax-exempt organization created to support worthy causes throughout CBT's market area.

During the period prior to opening, CBT incurred net expenses of \$963,000 for staff and the preparations for opening.

These results are consistent with the expectation of the Directors and management of CBT and the forecast estimates submitted to CBT's banking regulators prior to opening the Bank.

-more-

Chairman and CEO, David A. Lentini, noted that both consumers and business owners in the communities we serve have responded well to our marketing initiatives. “This has placed CBT among Connecticut’s fastest growing de novo banks” he said. “During the past quarter, we announced our intention, subject to the approval of the Connecticut Banking Department and the Federal Reserve Board, to add between nine and twelve branches to our three existing locations over the next several years. Together with CBT’s new marketing program, featuring Geno Auriemma as our spokesperson, I expect the growth trend to continue.”

In September, 2004, Common Stock and Surplus were increased \$34,600 and \$459,000 respectively with the issuance of 34,600 common shares. This included \$50,000 from exercise of a warrant for 5,000 shares by one of CBT’s founding investors and 29,600 shares of restricted stock issued to the nondirector employees of the Company. The vesting restrictions applicable to these employee shares will lapse on a pro rata basis over 3-5 years.

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 Sheet Statements (Unaudited)

(amounts in thousands except per share data)

	<b>September 30, 2004</b>	<b>March 31, 2004</b>
	<u>          </u>	<u>          </u>
<b>Assets:</b>		
Cash & Cash Equivalents		
Cash	\$ 520	\$ 406
Due from Banks	2,240	2,653
Federal Funds	29,637	6,300
Total	<u>32,397</u>	<u>9,359</u>
Investment Securities		
Federal Reserve Stock	529	529
US Gov & Agency Securities	17,692	8,992
Total	<u>18,221</u>	<u>9,521</u>
Loans Outstanding	9,909	50
Less: Allowance for Loan Losses	107	
Net Loans	<u>9,802</u>	<u>50</u>
Other Assets		
Interest Receivable	218	70
Furniture & Equipment	617	152
Leasehold Improvements	977	898
Other Assets	776	202
<b>Total Assets</b>	<b><u><u>\$ 63,008</u></u></b>	<b><u><u>\$ 20,252</u></u></b>
<b>Liabilities &amp; Shareholders' Equity</b>		
Deposits		
Transaction Accounts	\$ 6,757	\$ 2,376
Savings	1,973	163
Time Deposits	37,161	294
Total	<u>45,891</u>	<u>2,833</u>
Other Liabilities		
Securities Sold with Agreement to Repurchase	1,636	
Other Liabilities	268	360
Accrued Expenses	-	7
Total Liabilities	<u>47,795</u>	<u>3,200</u>
Shareholders' Equity		
Common Stock, par value \$1.00; authorized 2,500,000 shares; issued and outstanding September 30, 2004, 1,884,600 shares and March 31, 2004, 1,850,000 shares	1,885	1,850
Surplus	17,001	16,542
Accumulated Deficit	(3,209)	(1,437)
Accumulated Other Comprehensive Income (Loss)	(20)	97
Unearned Compensation	(444)	
Total	<u>15,213</u>	<u>17,052</u>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b><u><u>\$ 63,008</u></u></b>	<b><u><u>\$ 20,252</u></u></b>

**THE CONNECTICUT BANK AND TRUST COMPANY**  
**Statements of Operations**  
(Unaudited)

(amounts in thousands, except per share data)	Three Months Ended September 30	From March 12, 2004, Commencement of Operations Through September 30, 2004
<b>Interest Income</b>		
Interest & Dividends on Securities	\$ 86	\$ 168
Interest on Federal Funds Sold	33	68
Interest & Fees on Loans	119	150
Total Interest and Dividend Income	<u>238</u>	<u>386</u>
<b>Interest Expense</b>		
Interest on Deposits	50	61
Interest on Securities Sold with Agreements to Repurchase	7	7
Total Interest Expense	<u>57</u>	<u>69</u>
Net Interest and Dividend Income	181	317
Provision For Loan Losses	49	107
Net Interest and Dividend Income after Provision for Loan Losses	<u>132</u>	<u>210</u>
<b>Noninterest Income</b>		
Fees on Deposits	2	5
Loss on Sales of Securities		(2)
Other Noninterest Income		1
Total Noninterest Income	<u>2</u>	<u>4</u>
<b>Operating Expense</b>		
Salaries and Benefits	418	968
Occupancy and Equipment	136	316
Purchased Services	147	295
Marketing	101	247
Insurance	8	28
Printing & Supplies	21	50
Funding of Charitable Trust and other Contributions	5	372
Telephone	38	61
Other Expenses	104	123
Total Operating Expense	<u>978</u>	<u>2,460</u>
<b>Net Loss</b>	<u><b>\$ (844)</b></u>	<u><b>\$ (2,246)</b></u>
Net Loss per Share, Basic	\$ (0.46)	\$ (1.21)
Average Shares Outstanding, Basic	1,850	1,850
Net Loss per Share, Diluted	\$ (0.46)	\$ (1.21)
Average Shares Outstanding, Diluted	2,031	2,031