



April 18, 2011

Dear Stockholder:

We cordially invite you to attend the Annual Meeting of Stockholders of The Connecticut Bank and Trust Company (the "Bank"). The Annual Meeting will be held at The Hartford Golf Club, 134 Norwood Road, West Hartford, Connecticut, on Thursday, May 19, 2011, at 10:00 AM local time.

The enclosed Notice of Annual Meeting and Proxy Statement describe the formal business to be transacted at the Annual Meeting. After the Annual Meeting is adjourned, we will also report on the operations of the Bank. Directors and officers of the Bank, as well as a representative of Wolf & Company, P.C., the Bank's independent auditor, will be present to respond to your questions. Also, enclosed for your review is our Annual Report to Stockholders, which contains detailed information concerning the activities and performance of the Bank for the fiscal year ended December 31, 2010.

It is important that your shares are represented at the Annual Meeting, whether or not you attend the Annual Meeting in person and regardless of the number of shares you own. To make sure your shares are represented, we urge you to complete and mail the enclosed proxy card. If you attend the Annual Meeting, you may vote in person even if you have previously mailed a proxy card.

We look forward to seeing you at the Annual Meeting.

Sincerely,

A handwritten signature in cursive script that reads "David A. Lentini". The signature is written in black ink on a light-colored background.

David A. Lentini,  
*Chairman of the Board  
and Chief Executive Officer*

THIS PAGE INTENTIONALLY LEFT BLANK

**THE CONNECTICUT BANK AND TRUST COMPANY**  
**58 State House Square**  
**Hartford, Connecticut 06103-3902**  
**(860) 246-5200**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**  
**TO BE HELD ON MAY 19, 2011**

Notice is hereby given that on Thursday, May 19, 2011, The Connecticut Bank and Trust Company (the "Bank") will hold its Annual Meeting of Stockholders at The Hartford Golf Club, 134 Norwood Road, West Hartford, Connecticut, beginning at 10:00 AM, local time. At the Annual Meeting, the stockholders will consider and vote on the following matters:

1. The election of four Class I directors to serve for terms of three years;
2. The nonbinding approval of the compensation of the Bank's named executive officers as determined by the Compensation Committee; and
3. The transaction of any business that may properly come before the Annual Meeting.

Stockholders of record at the close of business on April 4, 2011 are entitled to receive notice of and to vote at the Annual Meeting and any adjournment or postponement of the Annual Meeting.

**WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE COMPLETE, SIGN AND DATE THE ENCLOSED FORM OF PROXY AND RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE.**

BY ORDER OF THE BOARD  
OF DIRECTORS



Anson C. Hall  
Secretary

Hartford, Connecticut  
April 18, 2011

THIS PAGE INTENTIONALLY LEFT BLANK

**PROXY STATEMENT  
OF  
THE CONNECTICUT BANK AND TRUST COMPANY  
58 STATE HOUSE SQUARE  
HARTFORD, CT 06103-3902**

**FOR ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD MAY 19, 2011**

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of The Connecticut Bank and Trust Company (“CBT,” the “Bank” or “we”) to be used at the 2011 Annual Meeting of Stockholders of the Bank (the “Annual Meeting”), and at any adjournment or postponement of the Annual Meeting. The Annual Meeting will be held at The Hartford Golf Club, 134 Norwood Road, West Hartford, Connecticut, on Thursday, May 19, 2011, at 10:00 AM, local time.

The Bank will pay the cost of this proxy solicitation. The Bank will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of common stock of the Bank. In addition to soliciting proxies by mail, directors, officers and regular employees of the Bank may solicit proxies personally or by telephone without receiving additional compensation.

We are mailing the Notice of Meeting, this Proxy Statement, the Proxy card and our Annual Report to Stockholders for 2010 (the “Annual Report”) to our stockholders on or about April 18, 2011. We will, upon written request and without charge, furnish you with additional copies of our Annual Report. Please address all such requests to us by mail to The Connecticut Bank and Trust Company, Attention: Anson C. Hall, Secretary, at the above address, or by e-mail to [ahall@theCBT.com](mailto:ahall@theCBT.com).

**IMPORTANT NOTICE REGARDING INTERNET AVAILABILITY OF PROXY MATERIALS FOR THE  
ANNUAL MEETING OF STOCKHOLDERS TO BE HELD MAY 19, 2011**

Under rules and regulations adopted by the Securities and Exchange Commission (the “SEC”), we are now furnishing proxy materials on the Internet in addition to mailing paper copies of the materials to our stockholders. The following proxy materials are available at <http://www.theCBT.com> under Investor Relations:

- Notice of Annual Meeting of Stockholders to be held May 19, 2011;
- Proxy Statement for the Annual Meeting of Stockholders to be held May 19, 2011; and
- Annual Report on Form 10-K for the year ended December 31, 2010.

**INFORMATION ABOUT SOLICITATION AND VOTING**

**What is the purpose of the Annual Meeting?**

At the Annual Meeting, stockholders will consider and vote on the following matters:

1. The election of four Class I members to our Board of Directors to hold office for terms of three years;
2. The nonbinding approval of the compensation of the Bank’s named executive officers as determined by the Compensation Committee; and
3. The consideration of any other business that may properly come before the Annual Meeting.

### **Who can vote at the Annual Meeting?**

Only stockholders of record at the close of business on April 4, 2011 (the “record date”) may vote at the Annual Meeting. This date is the record date for the Annual Meeting. On the record date, there were 3,620,950 outstanding shares of our common stock, \$1.00 par value per share, which we refer to in this Proxy Statement as our common stock.

### **How many votes do I have?**

Each share of our common stock that you own on the record date entitles you to one vote on each matter that is voted on.

### **Is my vote important?**

Your vote is important regardless of how many shares you own. Please take the time to vote. Take a moment to read the instructions below.

### **How can I vote?**

You can vote in two ways. You can vote by mail or you can vote in person at the Annual Meeting.

*You may vote by mail.* You may vote by completing and signing the proxy card that accompanies this Proxy Statement and promptly mailing it in the enclosed postage-prepaid envelope. You do not need to put a stamp on the enclosed envelope if you mail it in the United States. The shares you own will be voted according to the instructions on the proxy card you mail. If you return the proxy card, but do not give any instructions on a particular matter described in this Proxy Statement, the shares you own will be voted in accordance with the recommendations of our Board of Directors. The Board of Directors recommends that you vote: **FOR** the election of our four Class I director nominees to our Board of Directors in Proposal 1; and **FOR** the nonbinding approval of the compensation of the Bank’s named executive officers as determined by the Compensation Committee in Proposal 2.

*You may vote in person.* If you attend the Annual Meeting, you may vote by delivering your completed proxy card in person or you may vote by completing a ballot. Ballots will be available at the Annual Meeting.

### **May I change my vote after I have mailed my proxy card?**

Yes. You can change your vote and revoke your proxy at any time before the proxy is exercised at the Annual Meeting by doing any one of the following things:

- signing another proxy with a later date;
- giving our corporate secretary a written notice before or at the Annual Meeting prior to the exercise of the proxy that you want to revoke your proxy; or
- voting in person at the Annual Meeting.

Your attendance at the Annual Meeting alone will not revoke your proxy.

### **Can I vote if my shares are held in “street name”?**

If the shares you own are held in “street name” by a bank or brokerage firm, your bank or brokerage firm, as the record holder of your shares, is required to vote your shares according to your instructions. In order to vote your shares, you will need to follow the directions your bank or brokerage firm provides you. Many banks and brokerage firms also offer the option of voting over the Internet or by telephone. If Internet or telephone voting is available, instructions would be provided by your bank or brokerage firm on your vote instruction form.

If your shares are held in street name, you must bring an account statement or letter from your brokerage firm or bank showing that you are the beneficial owner of the shares as of the record date in order to be admitted to the Annual Meeting on the meeting date. To be able to vote your shares held in street name at the Annual Meeting, you will need to obtain a proxy card from the holder of record.

### **What will happen if I do not give my bank or brokerage firm instructions on how to vote my shares?**

With respect to the proposals at our Annual Meeting regarding the election of directors and the nonbinding approval of the compensation of the Bank's named executive officers, your broker is **NOT** entitled to use its discretion in voting your shares. Accordingly, your broker may vote on the two proposals only if it is provided with voting instructions from the beneficial owner of the shares.

### **What constitutes a quorum?**

In order for business to be conducted at the Annual Meeting, a quorum must be present. A quorum consists of the presence, in person or by proxy, of a majority of the shares of common stock issued, outstanding and entitled to vote at the Annual Meeting, or at least 1,810,476 shares.

Shares of common stock represented in person or by proxy (including broker non-votes and shares that abstain or do not vote with respect to one or more of the matters to be voted upon) will be counted for the purpose of determining whether a quorum exists.

If a quorum is not present, the Annual Meeting will be adjourned until a quorum is obtained.

### **What vote is required for each proposal, and how do abstentions and broker non-votes affect such votes?**

*Election of Directors.* The four nominees receiving the highest number of votes cast at the Annual Meeting will be elected, regardless of whether that number represents a majority of the votes cast. Abstentions and broker non-votes will have no effect on the outcome of this proposal. As noted above, brokers do not have discretion to vote on the election of directors.

*Nonbinding Approval of Compensation.* A majority of the votes cast at the Annual Meeting is required for the nonbinding approval of the compensation of the Bank's named executive officers as determined by the Compensation Committee. Abstentions and broker non-votes will have no impact on the approval of this advisory proposal. As noted above, brokers do not have discretion to vote on the nonbinding approval of the compensation of the Bank's named executive officers.

If a proposal is routine, a broker or other entity holding shares for an owner in "street name" may vote on the proposal without receiving voting instructions from the beneficial owner. If a proposal is not routine, the broker or other entity may vote on the proposal only if the beneficial owner has provided voting instructions. A broker non-vote occurs when the broker or other entity is unable to vote on a proposal because the proposal is not routine and the owner does not provide any instructions. The proposals regarding the election of directors and the nonbinding approval of compensation of the Bank's named executive officers are non-routine items.

If you hold your shares in a bank or brokerage account, you should be aware that if you fail to instruct your bank or broker how to vote within ten days of the Annual Meeting, the bank or broker is not permitted to vote your shares in its discretion on your behalf on non-routine items. If you want to assure that your shares are voted in accordance with your wishes on the non-routine matters in this Proxy Statement, you should complete and return your voting instruction form before May 5, 2011.

### **Is voting confidential?**

Our policy is to keep all the proxies, ballots and voting tabulations confidential. The Inspector of Election will forward to Management any written comments that you make on the proxy card without providing your name.

### **How will votes be counted?**

Each share of common stock will be counted as one vote according to the instructions contained on a proper proxy card, whether executed by you directly or on a ballot voted in person at the Annual Meeting.

### **Who will count the votes?**

The votes will be counted, tabulated and certified by the Bank's Inspector of Election, who shall be appointed by the Chairman of the Board of Directors at the 2011 Annual Meeting, and who shall serve at any and all adjournments or postponements thereof until his or her successor is duly appointed.

**How does the Board of Directors recommend that I vote on the proposals?**

The Board of Directors recommends that you vote:

**FOR** the election of the four Class I members to our Board of Directors to hold office for terms of three years; and

**FOR** the nonbinding approval of the compensation of the Bank’s named executive officers as determined by the Compensation Committee.

**Will any other business be conducted at the Annual Meeting, or will other matters be voted on?**

The Board of Directors does not know of any other matters that may come before the Annual Meeting. If any matter properly comes before the Annual Meeting, the persons named in the proxy card that accompanies this Proxy Statement will exercise their judgment in deciding how to vote, or otherwise act, at the Annual Meeting with respect to that matter or proposal.

**Where can I find the voting results?**

We will report the voting results in a current report on Form 8-K which we expect to file within four business days following the annual meeting with the Federal Reserve Board, the regulatory body that oversees our public filings under the Securities Exchange Act of 1934, as amended. We intend to post the Form 8-K on our website, [www.theCBT.com](http://www.theCBT.com).

**Whom should I contact if I have any questions?**

If you have any questions about the Annual Meeting or your ownership of our common stock, please contact Anson Hall, our corporate secretary, at 58 State House Square, Hartford, CT 06103-3902, (860) 748-4251 or [ahall@theCBT.com](mailto:ahall@theCBT.com).

**DISCUSSION OF PROPOSALS**

**Proposal 1: Election of Four Directors**

The first proposal on the agenda for the Annual Meeting is to elect four Class I directors for three-year terms beginning at this Annual Meeting and expiring at the 2014 Annual Meeting. For a description of the three classes of directors, see “Information about Our Directors” beginning on page 6.

Upon the recommendation of the Corporate Governance Committee, the Board of Directors has been set at thirteen members and the Board of Directors has nominated four current directors — P. Anthony Giorgio, Solomon Kerensky, Karl J. Krapek and Philip J. Schulz for new, three-year terms and recommends that you vote for their re-election. The recommendation that Messrs. Giorgio, Kerensky, Krapek and Schulz be renominated is based on the Corporate Governance Committee’s consideration of their individual credentials and experience, their prior service as directors, the contributions that they each have made to the work of the Board of Directors, their expected future contributions and their attendance records at meetings of the Board of Directors and its committees. The Corporate Governance Committee’s process for selecting and evaluating director nominees is described under “Information about the Corporate Governance Committee Procedures” beginning on page 22. There were no nominees for director proposed by the Bank’s stockholders.

Our nominees for Class I directors are listed below, with their principal occupation and business experience for at least the last five years, the names of other publicly-held companies of which they currently serve, or within the last five years have served, as a director and their age. Each nominee has served as a director of the Bank since its organization on March 12, 2004. For a description of their holdings of the Bank’s stock, see “Information about Stock Ownership” on page 11.

P. Anthony Giorgio, Ph.D., age 70, of Avon, Connecticut, serves as President and Chief Executive Officer of three companies in the management consulting and real estate fields, ARG Resource Management LLC, ARG Real Estate LLC, and ARG Development LLC. Dr. Giorgio is also a Co-Founder and Managing Director of The Keystone Companies LLC, a developer of commercial, retail and residential properties that was founded in 2002. He is a Director of St. Francis Care and St. Francis Hospital and Medical Center. Dr. Giorgio also serves as Director and Secretary of the Mt. Sinai Rehabilitation Hospital and as a Director on the Board of Visitors of Hillyer College of the University of Hartford. Dr. Giorgio brings years of experience and knowledge in management and real estate to the Board of Directors.

Solomon Kerensky, age 73, of Niantic, Connecticut, is a founding partner of Kahan, Kerensky & Capossela, LLP, a law firm of Vernon, Connecticut, that was founded in 1965. Mr. Kerensky is managing member of the Talcottville Development Company, LLC. He is a former director of Vernon National Bank and New England Community Bancorp. Mr. Kerensky's experience includes his organizational leadership skills and knowledge of regional businesses and municipal governments. He brings his managerial skills and local knowledge to the Board.

Karl J. Krapek, Lead Director, age 62, of Avon, Connecticut, is Co-Founder and Managing Director of The Keystone Companies LLC, a developer of commercial, retail and residential properties that was founded in 2002. He is Lead Director of Visteon Corporation, and a Director of both Prudential Financial, Inc., and Northrop Grumman Corporation. Mr. Krapek is a Director and Chair of the Strategic Planning Committee of Saint Francis Care and is an Overseer of The Bushnell. He has held directorships during the past five years with Delta Airlines, Inc. (March 2007) and Alcatel-Lucent (October 2008). Mr. Krapek brings significant skills to the Board including business operations, at both and large small companies, where he developed a keen knowledge of technology, finance, economics and risk management.

Philip J. Schulz, age 66, of Simsbury, Connecticut, retired as Managing Partner of the Hartford, Connecticut, office of PricewaterhouseCoopers in 2003 after serving as Managing Partner of the Hartford, Connecticut, office of PricewaterhouseCoopers from 1990 to 2003. Mr. Schulz is a Director of the Olin Corporation and serves as the Chairman of its Audit Committee and a member of its Governance and Executive Committees. He is a Trustee Emeritus of St. Joseph College; a Director of St. Francis Hospital and Medical Center and Chairman of its Finance Committee; serves on the Board of Lake Sunapee Protective Association; and serves on the Board of Directors of the McLean Trust. Mr. Schulz's public accounting background equips him with expert knowledge of finance and accounting.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE **FOR** THE ELECTION OF THE CLASS I DIRECTORS.

**Proposal 2: The Nonbinding Approval of the Compensation of the Bank's Named Executive Officers as Determined by the Compensation Committee**

The second proposal on the agenda for the Annual Meeting is the nonbinding approval of the compensation of the Bank's named executive officers (as defined in the next sentence) as determined by the Compensation Committee. "Named executive officers" are defined as the principal executive officer of the Bank and the next two highest paid employees of the Bank.

The Bank believes that its compensation policies and procedures are competitive, are focused on pay-for-performance principles and are strongly aligned with the long-term interests of the Bank's stockholders. The Bank also believes that both the Bank and its stockholders benefit from responsive corporate governance policies and constructive and consistent dialogue. The proposal described below, commonly known as a "Say on Pay" proposal, gives you as a stockholder the opportunity to endorse or not endorse the compensation for the Bank's named executive officers by voting to approve or not approve such compensation as described in this proxy statement.

Section 111 of the Emergency Economic Stabilization Act of 2008, as amended by the American Recovery and Reinvestment Act of 2009 (the "Stimulus Act"), requires, among other things, every participant in the Troubled Assets Relief Program ("TARP") Capital Purchase Program ("CPP") to permit a nonbinding stockholder vote to approve the compensation of the participant's executives. Accordingly, the stockholders of the Bank are being

asked to approve the compensation of the Bank's named executive officers as described under "Information About Compensation of Directors and Executive Officers" beginning on page 12. Under the Stimulus Act, your vote is advisory and will not be binding upon the Board of Directors of the Bank. However, the Compensation Committee will take into account the outcome of the vote when considering future executive compensation arrangements.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE **FOR** THE NONBINDING APPROVAL OF THE COMPENSATION OF THE BANK'S NAMED EXECUTIVE OFFICERS AS DETERMINED BY THE COMPENSATION COMMITTEE.

## INFORMATION ABOUT OUR DIRECTORS

Our Board of Directors is divided into three classes, with members of each class holding office for staggered three-year terms. There are currently four Class I directors, whose terms expire at this Annual Meeting (in all cases, subject to the election and qualification of their successors or their earlier death, resignation or removal), four Class II directors, whose terms expire in 2012 and five Class III directors, whose terms expire in 2013. The Class I directors, who are nominated for re-election at this Annual Meeting, are described on page 5.

Class II and Class III directors are listed below, with their principal occupation and business experience for at least the last five years, the names of other publicly-held companies of which they currently serve, or within the last five years have served, as a director and their age. All but one of our directors has served on our Board of Directors since the organization of the Bank on March 12, 2004. Director Auriemma was named a director in September 2005.

### Class II Directors

Anson C. Hall, age 73, of Ellington, Connecticut, is President, Secretary and Chief Operating Officer of CBT. The Board of Directors appointed Mr. Hall to the post of President at its January 25, 2011 meeting. Prior to that date he had served as the Bank's Treasurer & CFO, positions he has held since the Bank's organization on March 12, 2004. Mr. Hall also serves as CBT's Chief Risk Officer, a position he assumed in 2010. Mr. Hall serves as Treasurer and a director of the Connecticut Public Health Foundation and is a corporator of Eastern Connecticut Health Network. He serves as Executive Director of the CBT Charitable Foundation. Mr. Hall's executive management positions have provided him with expertise in the banking industry, as well as mergers and acquisitions experience.

Peter deWilde Shapiro, age 67, of Bloomfield, Connecticut, has been an attorney specializing in public affairs and real estate development since 1973. In 1991 he became the principal of Peter Shapiro & Associates, which does public affairs consulting; and he is a founder of ArtSpace Connecticut, LLC, which develops living and working space for artists. Mr. Shapiro was employed at The Connecticut Bank and Trust Company from 1973 through 1990 as Senior Vice President and Director of Public Affairs. He serves as a Director of the Northeastern Connecticut Community Development Corporation. Mr. Shapiro's qualifications and experience in business operation, the workings of state government and leadership in a community setting qualify him to serve on the Board.

J. Brian Smith, age 68, of West Hartford, Connecticut, is Co-Founder of Smith Brothers Insurance, Inc. ("SBI"). He served as President and CEO until his retirement from those duties in 2007. SBI is a multi-line agency located in Glastonbury and South Windsor, Connecticut, that was founded in 1971. Mr. Smith is a Director of the St. Francis Foundation and also the UConn Club. He had been President of the Nutmeg State Games and was a Director of New England Community Bancorp, Inc., from 1998 to 2000. As a former insurance brokerage executive, Mr. Smith brings his qualifications and experience including administration, insurance, and marketing/sales to the Board.

John M. Watkins, Jr., age 68, of Farmington, Connecticut, is President and Chief Operating Officer for Applied Quality Communications, Inc., of Oxon Hill, Maryland. From 2006 to 2008 Mr. Watkins was President and Chief Operating Officer of Ingenium Corporation in Maryland. Prior to that, from 2000 to 2005, he was Chief Information Officer of Fairchild Semiconductor, headquartered in South Portland, Maine. Mr. Watkins is Chairman of the Board for Akoura Biometrics of Portland, Maine; Chairman of the State of Maryland Governor's BRAC Commission; and a Director of PowerTek Corporation of Arlington, Virginia. Prior to his time in the private sector, he had a distinguished military career from which he retired as a General Officer of the United States Army in 1995. Mr.

Watkins is a past Director of the Connecticut Rivers Council, Boy Scouts of America. Mr. Watkins' military and private sector experience amply qualify him as an expert in technology, information management and security.

### **Class III Directors**

Geno Auriemma, age 57, of Manchester, Connecticut, has been head coach of the University of Connecticut women's basketball team since 1986, is a seven-time national Coach-of-the-Year and has won or shared the BIG EAST Coach-of-the-Year eight times. He serves as President of the Women's Basketball Coaches Association. An accomplished speaker, he is involved in numerous regional and state charitable and educational efforts including the national V Foundation for Cancer Research. Director Auriemma brings his skills in team building, organizational management and communication to the Board.

Frank A. Falvo, age 68, of Wethersfield, Connecticut, has been retired since 2000. Prior to his retirement, he was President and Chief Executive Officer of Equity Bank from 1987 to 1999. As a former President and Chief Executive Officer of a community bank, Mr. Falvo brings years of experience in banking and bank senior management skills to the Board of Directors.

John A. Green, age 55, of West Hartford, Connecticut, has been President and Chief Executive Officer of Lux Bond & Green, Inc., a high-fashion retail jeweler, since 1979. Mr. Green serves as Treasurer for both the Jewelers for Children and the Saint Francis Foundation. He is a Director of CBIA and a board member of the Connecticut Historical Society. Mr. Green serves as Governor of the Executive Committee of the Gemological Institute of America. He is past Chairman of both Jewelers of America and the Jewelry Information Center. Mr. Green's long history of entrepreneurship and managerial experience positions him well to serve on the Board of Directors.

David A. Lentini, age 64, of West Hartford, Connecticut, is Chairman and Chief Executive Officer of CBT. He is a Director of the Federal Reserve Bank of Boston and a Director of St. Francis Hospital and Medical Center. Mr. Lentini is Chairman of the Board of Trustees of the Renbrook School. He also serves as a Director of the Connecticut Water Service, Inc., and as a Director of the Cooper-Atkins Corporation. Mr. Lentini's extensive experience in banking for more than 40 years and his leadership ability make him a valuable member of the Board of Directors.

Joan L. Rusconi, age 69, of West Hartford, Connecticut, is part owner and Vice President of Finance of The Rusconi Company of Hartford, Connecticut, an investment banking financial advisory services firm that assists small- to medium-sized, closely held businesses. She has held such positions since 1985. She serves on the Boards of Directors of several privately held companies and has established an endowment at the University of Connecticut School of Business to provide scholarships to undergraduate students in the school's accounting department. Ms. Rusconi provides vast experience in finance and business to the Board of Directors. Her advisory work with small- to medium-sized, closely held businesses, which are the Bank's primary customers, also make her well suited to serve on the Board of Directors.

### **Independence**

All of our directors except Mr. Lentini, our Chairman and Chief Executive Officer, and Mr. Hall, our President and Chief Operating Officer, are "independent directors" as defined in the Nasdaq Stock Market listing standards.

### **Board of Directors Leadership and the Board of Directors' Role in Risk Oversight**

The Bank is led by Mr. Lentini, who has served as Chairman and Chief Executive Officer of CBT since the Bank's organization on March 12, 2004. The Board of Directors is comprised of Mr. Lentini and 12 other directors, of whom 11 are independent under Nasdaq Stock Market listing standards. The Board of Directors has three standing independent committees with separate chairpersons – the Audit Committee, Compensation Committee and Corporate Governance Committee. The Audit Committee is responsible for overseeing risk management, and the full Board of Directors regularly engages in discussions of risk management and receives reports on risk from our executive officers, other Bank officers and the chairman of the Audit Committee. Each of the other committees of the Board of Directors also considers the risk within its area of responsibilities.

The Bank has a Lead Director, who is presently Mr. Krapek. The responsibilities of the Lead Director include the following: (i) consulting with the Chairman in establishing the agenda for each meeting of the Board of Directors;

(ii) setting the agenda for, and leading, all executive sessions of nonmanagement members of the Board of Directors; (iii) when appropriate, discussing with the Chairman matters addressed at such executive sessions; (iv) facilitating discussions between meetings of the Board of Directors among the nonmanagement directors as appropriate; (v) serving as a liaison between the nonmanagement directors and the Chairman; and (vi) serving as a liaison between management and the Board of Directors.

The Bank has employed this same basic leadership structure since its organization on March 12, 2004. The Board of Directors believes that this leadership structure has been effective. The Bank's corporate leadership structure is commonly utilized by other public companies in the United States. The Board of Directors believes that having a combined Chairman/Chief Executive Officer, a Lead Director and independent chairpersons for each of the committees of our Board of Directors provides the right form of leadership. The Bank has a single leader who can present a consistent vision, and he is seen by the Bank's customers, business partners, investors and other stakeholders as providing strong leadership for the Bank. The Board of Directors believes that the Bank's Chairman/Chief Executive Officer, together with the Audit Committee and the full Board of Directors, provide effective oversight of the risk management function.

### **Meetings of the Board of Directors**

During the year ended December 31, 2010, the Board of Directors of the Bank held ten meetings. All directors attended at least 75% of the total meetings of the Board of Directors or committees on which he or she served.

**Attendance at the Annual Meeting.** The Board of Directors encourages directors to attend the Annual Meeting of stockholders. All directors attended the 2010 Annual Meeting of Stockholders.

**Meetings of Nonmanagement Directors.** Nonmanagement members of the Board of Directors generally conduct meetings in executive session, without members of management being present, immediately following the regularly-scheduled meetings of the full Board of Directors. Mr. Krapek, as Lead Director, serves as the presiding director of such meetings.

### **Committees of the Board of Directors**

**Audit Committee.** The Bank has a separately-designated standing Audit Committee established in accordance with the rules and regulations of the SEC. The Audit Committee, consisting of Philip J. Schulz (chair), P. Anthony Giorgio, Solomon Kerensky, Joan L. Rusconi and Peter deWilde Shapiro, meets periodically with our independent auditors and management to review accounting, auditing, internal audit and financial reporting matters. This Committee met seven times during the year ended December 31, 2010. Each member of the Audit Committee is independent in accordance with the listing standards of the Nasdaq Stock Market. The Board of Directors has determined that Philip J. Schulz is an audit committee financial expert under the rules and regulations of the SEC. The Audit Committee acts under a written charter adopted by the Board of Directors, a copy of which is available on CBT's website at [www.theCBT.com](http://www.theCBT.com). The report of the Audit Committee required by the rules and regulations of the SEC is included in this Proxy Statement on page 21.

**Compensation Committee.** During 2010, the Compensation Committee, consisting of Karl J. Krapek (chair), Geno Auriemma, John A. Green, Philip J. Schulz, and John M. Watkins, Jr., oversaw and made recommendations to the full Board of Directors on certain compensation matters. The Compensation Committee met three times during the year ended December 31, 2010. Each member of the Compensation Committee is independent in accordance with the listing standards of the Nasdaq Stock Market. The Compensation Committee operates under a written charter adopted by the Board of Directors, a copy of which is available on CBT's website at [www.theCBT.com](http://www.theCBT.com). The processes and procedures of the Compensation Committee required to be disclosed by the rules and regulations of the SEC are included in this Proxy Statement beginning on page 17.

**Corporate Governance Committee.** During 2010, the Corporate Governance Committee oversaw the broad range of issues regarding the Bank's governance policies and practices, including recommending to the Board of Directors the corporate governance policies and guidelines applicable to the Bank and monitoring compliance with these policies and guidelines. In addition, the Corporate Governance Committee is responsible for identifying individuals qualified to become members of our Board of Directors and recommending to the Board of Directors the director nominees for election at the next Annual Meeting of Stockholders. This Committee also led the Board of Directors in its annual review of the Board of Directors' performance and recommended director candidates for each

committee of the Board of Directors for appointment by the Board of Directors. The Corporate Governance Committee met three times during the year ended December 31, 2010. This Committee currently consists of John A. Green (chair), Frank A. Falvo, Solomon Kerensky, Karl J. Krapek, and J. Brian Smith. Each member of the Corporate Governance Committee is independent in accordance with the listing standards of the Nasdaq Stock Market. The Governance Committee operates under a written charter adopted by the Board of Directors, a copy of which is available on CBT's website at [www.theCBT.com](http://www.theCBT.com). The procedures of the Corporate Governance Committee required to be disclosed by the rules and regulations of the SEC are included in this Proxy Statement beginning on page 22.

### **Code of Ethics and Business Conduct**

The Bank has adopted a Code of Ethics and Business Conduct that is designed to promote the highest standards of ethical conduct by the Bank's directors, executive officers and employees. The Code of Ethics and Business Conduct requires that the Bank's directors, executive officers and employees avoid conflicts of interest, comply with all laws and other legal requirements, conduct business in an honest and ethical manner and otherwise act with integrity and in the Bank's best interest. Under the terms of the Code of Ethics and Business Conduct, directors, executive officers and employees are required to report any conduct that they believe in good faith to be an actual or apparent violation of the Code of Ethics and Business Conduct. The Code of Ethics and Business Conduct is available on the Bank's website at [www.theCBT.com](http://www.theCBT.com). Amendments to or waivers from the Code of Ethics and Business Conduct will be discussed in Current Reports on Form 8-K filed by the Bank and accessible on the Bank's website.

### **INFORMATION ABOUT NONDIRECTOR EXECUTIVE OFFICERS**

Lyle T. Fulton, age 46, of Wethersfield, Connecticut, is a CBT First Team Member and has been with the Bank since it was started in 2004. Mr. Fulton is the Bank's Executive Vice President and Chief Lending Officer, positions he has held since joining the Bank. He is a past President of the Wethersfield Historical Society.

Deborah S. Davis, age 55, of South Windsor, Connecticut, is also a member of CBT's First Team. She has been with the Bank since its inception in 2004. She has held a variety of duties as the Bank has grown and changed. Ms. Davis currently serves as Executive Vice President of the Bank and Chief Information Officer. Active in community affairs, she is a Director of and serves as Treasurer and Trustee of Connecticut Landmarks, a non-profit organization which provides children and adults with an opportunity to learn about American history through the preservation of historic structures.

Paul A. Granato, age 45, of Southington, Connecticut, was promoted to the position of Chief Financial Officer and Treasurer on January 25, 2011. He has held the position of Controller since joining CBT's growing team in August 2006, and was named Chief Accounting Officer in 2008. After beginning his career with a brief stint in the private sector, he joined the staff of the Connecticut Department of Banking in 1992 as an audit supervisor with responsibility for foreign banks doing business in Connecticut. A graduate of the Post University with a BS in Accounting, Mr. Granato is a Certified Public Accountant and a member of the Connecticut Society of CPAs.

## INFORMATION ABOUT STOCK OWNERSHIP

The following table provides information, as of the record date of April 4, 2011, with respect to persons believed by the Bank to be the beneficial owners of more than 5% of the Bank's outstanding common stock. A person may be considered to own any shares of common stock over which he or she has, directly or indirectly, sole or shared voting or investing power.

	Number of Shares Owned (1)	Percent of Common Stock Outstanding (2)
Northaven Management, Inc., et al 375 Park Avenue, Suite 2709 New York, NY 10152	352,400	9.73%
Sandler O'Neill Asset Management, LLC 780 Third Avenue, 5th Floor New York, NY 10017-2024	289,000	7.98%
Mendon Capital Advisors Corp 150 Allen's Creek Road Rochester, NY 14618	235,104	6.49%
Wellington Management Company, LLP 75 State Street Boston, MA 02109	232,800	6.43%

(1) Aggregate holdings have been confirmed via telephone with all listed stockholders.

(2) Percentages are based on a total of 3,620,950 shares of common stock outstanding on March 24, 2011.

The following table provides information about the shares of common stock of the Bank that may be considered to be owned by each director of the Bank, each of the executive officers named in the Summary Compensation Table, and by all directors and executive officers of the Bank as a group as of April 4, 2011. A person may be considered to own any shares of common stock over which he or she has, directly or indirectly, sole or shared voting or investment power. Unless otherwise indicated, each of the named individuals has sole voting and investment power with respect to the shares shown. The address for each director and officer is c/o The Connecticut Bank and Trust Company, 58 State House Square, Hartford, Connecticut 06103.

Name	Number of Shares Owned (excluding Options and Warrants)	Number of Shares That May Be Acquired Within 60 Days By Exercising Options/ Warrants	Percent of Common Stock Outstanding (1)
Geno Auriemma	33,026	5,000	1.05%
Frank A. Falvo	4,000	600	*
P. Anthony Giorgio	24,000 (3)	5,000	*
John A. Green	10,605	5,000	*
Anson C. Hall	50,526 (4)	23,000	2.02%
Solomon Kerensky	20,000 (5)	5,000	*
Karl J. Krapek	58,815 (6)	5,000	1.76%
David A. Lentini	64,226 (2)	32,000	2.63%
Joan L. Rusconi	31,426 (7)	5,000	1.00%
Philip J. Schulz	22,263	5,000	*
Peter D. Shapiro	3,200 (8)	1,000	*
J. Brian Smith	18,000	2,500	*
John M. Watkins, Jr.	17,632 (9)	5,000	*
Lyle T. Fulton	14,200 (10)	13,500	*
All Executive Officers and Directors as a Group (16 persons).	392,419	124,600	13.80%

- (1) Percentages are based on a total of 3,620,950 shares of common stock outstanding on April 4, 2011. For holders of options or warrants exercisable within 60 days after April 4, 2011, the number of shares so exercisable by each such holder has been added to the denominator for purposes of calculating such holder's percentage ownership.
- (2) Includes 1,000 shares held for the benefit of a child.
- (3) Includes 6,000 shares owned by Mr. Giorgio's spouse and for the benefit of his children.
- (4) Includes 36,026 shares owned jointly with Mr. Hall's spouse.
- (5) Includes 5,000 shares held by a partnership in which Mr. Kerensky has voting and investment power.
- (6) Includes 20,000 shares owned by two children.
- (7) Includes 19,426 shares owned by The Rusconi Co. Pension Plan, of which Ms. Rusconi is a co-trustee.
- (8) Includes 2,100 shares owned by Mr. Shapiro's spouse and 100 shares held for the benefit of a child, of which Mr. Shapiro disclaims beneficial ownership.
- (9) Includes 2,500 shares owned by each of Mr. Watkins' spouse and two children.
- (10) Includes 500 shares held for the benefit of minor children.

## Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires the Bank's executive officers, directors and 10% stockholders to file reports regarding initial ownership and changes in ownership with the Board of Governors of the Federal Reserve System and any exchange upon which the Bank's securities are listed. Executive officers, directors and 10% stockholders are required by SEC regulations to furnish the Bank with copies of all Section 16(a) forms they file. The Bank's information regarding compliance with Section 16(a) is based solely on a review of the copies of such reports furnished to the Bank by the Bank's executive officers, directors and 10% stockholders. Based on this review, the Bank believes that, during the fiscal year ending December 31, 2010, all of its executive officers, directors and 10% stockholders complied with all applicable Section 16(a) filing requirements.

### INFORMATION ABOUT COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

The following table provides information about the compensation paid to each of our outside directors for the year ended December 31, 2010.

Name	Director Compensation						Total
	Fees earned or paid in cash	Stock awards	Option awards	Non-equity incentive plan compensation	Non-qualified deferred compensation earnings	All other compensation	
Geno Auriemma	\$0	\$0	\$0	\$0	\$15,000	\$0	\$15,000
Frank A. Falvo	\$7,500	\$0	\$0	\$0	\$7,500	\$0	\$15,000
P. Anthony Giorgio	\$7,500	\$0	\$0	\$0	\$7,500	\$0	\$15,000
John A. Green	\$0	\$0	\$0	\$0	\$15,000	\$0	\$15,000
Solomon Kerensky	\$0	\$0	\$0	\$0	\$15,000	\$0	\$15,000
Karl J. Krapek	\$7,500	\$0	\$0	\$0	\$7,500	\$0	\$15,000
Joan L. Rusconi	\$3,750	\$0	\$0	\$0	\$11,250	\$0	\$15,000
Philip J. Schulz	\$0	\$0	\$0	\$0	\$15,000	\$0	\$15,000
Peter deWilde Shapiro	\$7,500	\$0	\$0	\$0	\$7,500	\$0	\$15,000
Brian Smith	\$7,500	\$0	\$0	\$0	\$7,500	\$0	\$15,000
John M. Watkins, Jr.	\$7,500	\$0	\$0	\$0	\$7,500	\$0	\$15,000

The fees paid by the Bank to its outside directors are consistent with norms established by banks of similar size and composition. In 2010, each outside director was paid a fee of \$15,000 applicable to a service period commencing on August 1, 2010 and running through May 31, 2011. The directors are eligible to participate in the Director's Non-qualified Deferred Compensation Plan adopted by the Bank in 2006. Under this Plan, directors must defer payment of not less than 50% of fees paid to them as directors. The amounts deferred under the Plan are payable to the director when he or she ceases service on our Board of Directors. Funds deferred may increase or decrease in value over time corresponding to the change in value resulting from a like sum invested in shares of common stock of CBT. The Bank's directors are also eligible to participate in the Bank's 2005 Stock Option and Award Plan. To date, no option grants or equity awards have been made to non-employee directors under this Plan.

## Executive Officer Compensation

The following table provides information about the compensation paid to each of our named executive officers for the years ended December 31, 2010 and 2009.

<u>Name and Principal Positions</u>	<u>Year</u>	<u>Salary</u>	<u>Bonus</u>	<u>Stock Awards</u>	<u>All Other Compensation</u>	<u>Total</u>
David A. Lentini	2010	\$ 239,621			\$ 33,371 <sup>2</sup>	\$ 272,993
<i>Chief Executive Officer</i>	2009	\$ 192,353		\$ 63,300 <sup>1</sup>	\$ 22,676 <sup>2</sup>	\$ 278,331
Anson C. Hall	2010	\$ 155,080			\$ 20,116 <sup>2</sup>	\$ 175,196
<i>Chief Operating Officer</i>	2009	\$ 143,020	\$ 20,000	\$ 50,640 <sup>1</sup>	\$ 16,796 <sup>2</sup>	\$ 230,458
Lyle T. Fulton	2010	\$ 133,008			\$ 8,629 <sup>3</sup>	\$ 141,637
<i>Chief Lending Officer</i>	2009	\$ 126,224	\$ 10,000	\$ 25,320 <sup>1</sup>	\$ 7,973 <sup>3</sup>	\$ 169,518

(1) *Stock Awards.* On February 1, 2010, the Compensation Committee approved restricted stock grants for each of the named executive officers. On the date of the awards, the closing market price of CBT common shares was \$4.22.

(2) Automobile, country club membership, 401(k) match and supplemental insurance.

(3) Automobile allowance and 401(k) match.

### Employment Agreements

At December 31, 2010, the Bank maintained employment agreements with Messrs. Lentini and Hall. Mr. Lentini's employment agreement, effective as of August 23, 2010, has a three-year term that expires on June 1, 2013. Mr. Hall's employment agreement, effective as of March 1, 2010, has an expiration date of June 1, 2012. Both agreements state that on June 1 of each year commencing in 2011, the term will be automatically extended for an additional year unless the Bank or the officer provides written notice to the other party at least 90 days prior to June 1 of its or his decision not to renew the agreement. Since neither the Bank nor the officer provided notice in early March 2011 to the other party of its or his decision not to renew the agreement, Mr. Lentini's employment agreement was automatically extended to June 1, 2014 and Mr. Hall's employment agreement was automatically extended to June 1, 2013. The continued success of the Bank depends to a significant degree on the skills and competence of Messrs. Lentini and Hall.

Mr. Lentini's employment agreement provides for a base salary of \$250,000 from August 23, 2010 to December 31, 2010 that increases to \$275,000 per year effective January 1, 2011 with a subsequent additional increase to \$295,000 per year effective January 1, 2012. In December 2010, Mr. Lentini voluntarily agreed to defer the \$25,000 increase in his annual base salary that was scheduled to become effective January 1, 2011. Accordingly, Mr. Lentini's base salary currently stands at \$250,000 per year. Mr. Hall's employment agreement provides for a base salary of \$145,755 per year from March 1, 2010 to July 31, 2010 that increases to \$170,000 per year beginning on August 1, 2010. The employment agreements further provide that the executive's annual base salary will be reviewed each year. In addition to the base salary, the employment agreements provide for, among other things, participation in various cash incentive plans and stock-based compensation programs in an amount and form set by the Compensation Committee, who may establish one or more individual or corporate goals for each year, the achievement of which may be a condition to payment of the incentive compensation. The agreements further provide for participation in various employee benefit plans as well as certain fringe benefits that include the use of a motor vehicle, a country club membership and coverage under certain insurance policies.

The employment agreements provide for termination by the Bank for cause, as defined in the employment agreements, at any time. In case of termination due to retirement, termination by the Bank for cause or termination by the executive, other than for special circumstances constituting constructive termination, the executive shall be entitled only to salary and reasonable expenses accrued through the date of termination. In the case of termination as a result of death or disability, base salary (or in the case of disability, only such excess of base salary over disability payments) shall be continued for six months. If the executive's employment is terminated by the Bank for reasons other than for cause, or disability, or if the executive resigns from the Bank after specified circumstances

that would constitute constructive termination, the executive would be entitled (i) to receipt of an amount equal to the base salary and incentive compensation payments at the then current rate for the remainder of the term, and, in any event, no less than one year, (ii) to acceleration of any unvested stock options and restricted stock awards as though the executive had continued service through the balance of the term of the employment agreement, (iii) to health benefits coverage for eighteen months following termination (or the applicable period prescribed by COBRA) with the executive paying the same portion of the cost for such benefits as he paid prior to termination, and (iv) at the Compensation Committee's sole discretion, to the continuation and/or payment for certain life, long term disability and other insurance coverages and fringe benefits for the remaining term of the employment agreement with, to the extent applicable, the executive paying the same portion of the cost for such benefits as he paid prior to termination. If termination is without cause or by the executive for circumstances constituting good reason after a change of control (as defined in the agreement), then the base salary payments described in the previous sentence shall be paid in a lump sum amount equal to base salary for a period of three years. The employment agreements restrict each executive's right to compete against the Bank for a period of three years from the date of termination if the executive voluntarily terminates employment or his or her employment is terminated for cause, and restricts each executive's right to compete against the Bank for a period of two years from the date of termination if the termination is under any other circumstance.

Prior to August 1, 2010, the Bank and Mr. Lentini were parties to an employment agreement covering the period from August 23, 2007 through August 22, 2010. That employment agreement provided for a base salary of \$187,500 per year, which was subsequently increased initially to \$191,250 per year effective October 12, 2008 and then to \$196,000 per year effective October 4, 2009. In addition, Mr. Lentini's prior employment agreement provided for participation in (i) various cash incentive plans and stock-based compensation programs in an amount and form set by the Compensation Committee and (ii) various employee benefit plans as well as certain fringe benefits that included the use of a motor vehicle, a country club membership and coverage under certain insurance policies.

Prior to March 1, 2010, the Bank and Mr. Hall were parties to an employment agreement covering the period from April 17, 2008 through April 30, 2010. That employment agreement provided for a base salary of \$139,500 per year, which was subsequently increased to \$142,290 per year effective October 12, 2008 and then to \$145,847 effective October 4, 2009. In addition, Mr. Hall's prior employment agreement provided for participation in (i) various cash incentive plans and stock-based compensation programs in an amount and form set by the Compensation Committee and (ii) various employee benefit plans as well as certain fringe benefits that included the use of a motor vehicle, a country club membership and coverage under certain insurance policies.

### **Effect of Participation in Treasury's Capital Purchase Program**

On December 19, 2008, the Bank entered into a Securities Purchase Agreement with the United States Department of the Treasury that provides for our participation in the Capital Purchase Program ("CPP") under the Treasury's Troubled Assets Relief Program ("TARP"). CPP participants must accept several named executive officer compensation-related limitations that are associated with this Program. On December 19, 2008, each of our named executive officers agreed in writing to accept the CPP compensation standards and thereby cap or eliminate some of their contractual or legal rights. The provisions agreed to were as follows:

- No Golden Parachute Payments. "Golden parachute payment" under the CPP means a severance payment resulting from involuntary termination of employment, or from bankruptcy of the employer, that exceeds three times the terminated employee's average annual base salary over the five years prior to termination. Our named executive officers have agreed to forego all golden parachute payments for as long as two conditions remain true: They remain "senior executive officers" (CEO and the next two highest-paid executive officers), and the Treasury continues to hold our equity or debt securities we issued to it under the CPP (the period during which the Treasury holds those securities is the "CPP Covered Period").
- Recovery of Bonus, Retention Awards, and Incentive Compensation if Based on Certain Material Inaccuracies. Our named executive officers have also agreed to a "clawback provision," which means that we can recover any bonus, retention award or incentive compensation paid during the CPP Covered Period that is later found to have been based on materially inaccurate financial statements or other materially inaccurate measurements of performance.

- No Compensation Arrangements that Encourage Excessive Risks. During the CPP Covered Period, we are not allowed to enter into compensation arrangements that encourage named executive officers to take “unnecessary and excessive risks that threaten the value” of the Bank. To make sure this does not happen, the Compensation Committee is required to meet at least once a year with our senior risk officers to review our executive compensation arrangements in the light of our risk management policies and practices.
- Limitation on Federal Income Tax Deductions. During the CPP Covered Period, we are not allowed to take federal income tax deductions for compensation paid to senior executive officers in excess of \$500,000 per year.

### **Effect of the Restrictions Added by 2009 Stimulus Act**

On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act of 2009 (the “Stimulus Act”) into law. The Stimulus Act modified the compensation-related limitations contained in the CPP, created additional compensation-related limitations and directed the Secretary of the Treasury to establish standards for executive compensation applicable to participants in the TARP. On June 10, 2009, the Secretary of the Treasury announced interim final rules to establish such standards. The compensation-related limitations modified by the Stimulus Act and the rules established by the Secretary of the Treasury are as follows:

- No Severance Payments. “Golden parachutes” were redefined as any payment for the departure from the Bank for any reason, or any payment due to a change in control of the Bank, except for (a) payments for services performed or benefits accrued, (b) payments due to the employee’s death or disability, (c) payments required to be made pursuant to state statutes or foreign laws, or (d) payments made pursuant to a qualified pension or retirement plan. Consequently, we are prohibited from making any severance payment during the CPP Covered Period to our “senior executive officers” (defined as the principal executive officer, the principal financial officer and the next three most highly compensated employees) and our next five most highly compensated employees (total of ten employees).
- Recovery of Bonus, Retention Awards and Incentive Compensation if Based on Certain Material Inaccuracies. The “clawback provision” discussed above was extended to apply to any bonus, retention award or awards and incentive compensation paid to any of our senior executive officers or our next 20 most highly compensated employees (total of 25 employees) during the CPP Covered Period that is later found to have been based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria. A financial statement or performance metric criteria will be treated as materially inaccurate with respect to any employee who knowingly engaged in providing inaccurate information (including knowingly failing to timely correct inaccurate information) relating to those financial statements or performance metrics.
- No Compensation Arrangements that Encourage Earnings Manipulation. During the CPP Covered Period, we are not allowed to enter into compensation arrangements that encourage manipulation of our reported earnings to enhance the compensation of any of our employees.
- Limit on Incentive Compensation. Effective June 15, 2009, the Bank is prohibited from making payments or accruals during the CPP Covered Period of any bonus, retention award or incentive compensation to our most highly compensated employee other than awards of long-term restricted stock that (i) do not fully vest during the CPP Covered Period, and (ii) have a value not greater than one-third of the total annual compensation of the award recipient. The prohibition on bonus, incentive compensation and retention awards does not preclude payments required under written employment contracts entered into on or prior to February 11, 2009.
- Compensation Committee Functions. The Compensation Committee is to be comprised solely of independent directors. The Compensation Committee must meet at least semiannually to review and evaluate (i) the compensation plans of the senior executive officers to ensure that these plans do not encourage the senior executive officers to take unnecessary and excessive risks, (ii) all employee compensation plans for risks posed by these plans and methods to reduce these risks, and (iii) all employee compensation plans to ensure that these plans do not encourage manipulation of the Bank’s earnings to enhance the compensation of any employee.

- Compliance Certifications. The Stimulus Act and rules also require written certification by our Chief Executive Officer and Chief Financial Officer of the Bank's compliance with the provisions of the Stimulus Act. These certifications must be contained in the Bank's Annual Report on Form 10-K beginning with the Annual Report on Form 10-K for the fiscal year ended December 31, 2009. The Compensation Committee must also provide to the U.S. Department of the Treasury and the Bank's primary regulator, within 120 days of the Bank's fiscal year end, (i) a certification that it has reviewed all senior executive officers compensation plans and employee plans and (ii) a narrative description identifying all senior executive officer compensation plans and all employee compensation plans and describing how unnecessary and excessive risks have been limited and how the plans do not encourage the manipulation of the Bank's earnings to enhance the compensation of any employee.
- Perquisite Disclosure. Within 120 days of its fiscal year end, the Bank must disclose any perquisite whose total value exceeds \$25,000 for our most highly compensated employee and provide a narrative description of the amount, nature and justification for the perquisite to the U.S. Department of the Treasury and the Bank's primary regulator.
- Compensation Consultant Disclosure. If the Bank, its Board of Directors or the Compensation Committee engaged a compensation consultant, the Bank must provide a narrative description describing all types of services provided by the compensation consultant over the past three years to the U.S. Department of the Treasury and the Bank's primary regulator within 120 days of its fiscal year end.
- Prohibition on Gross-Ups. The Bank is prohibited from providing (formally or informally) gross-ups to any of the senior executive officers and the next 20 most highly compensated employees.
- Excessive or Luxury Expenditures Policy. The Bank is required to establish and maintain an excessive or luxury expenditures policy and provide this policy to the U.S. Department of the Treasury and the Bank's primary regulator and post it on the Bank's website. The Bank's Excessive or Luxury Expenditures Policy can be viewed at [www.theCBT.com](http://www.theCBT.com).
- Treasury Review of Bonuses Previously Paid. The Stimulus Act directs the Secretary of the Treasury to review all compensation paid to our senior executive officers and our next 20 most highly compensated employees to determine whether any such payments were inconsistent with the purposes of the Stimulus Act or were otherwise contrary to the public interest. If the Secretary of the Treasury makes such a finding, the Secretary of the Treasury is directed to negotiate with the CPP recipient and the subject employee for appropriate reimbursements to the federal government with respect to compensation and bonuses found to be excessive.
- Say on Pay. Under the Stimulus Act, the SEC is required to promulgate rules and regulations requiring an advisory, non-binding say on pay vote by the stockholders on executive compensation at the annual meeting during the CPP Covered Period. The Bank has complied with the provisions of the Stimulus Act and its implementing regulations in all respect, which includes the submission of "Item 2: Non-Binding Vote on Compensation of named executive officers" set forth in this proxy statement.

The following table provides information about the outstanding equity awards of each of our named executive officers as of December 31, 2010.

### Outstanding Equity Awards at Fiscal Year End

Name	Date of award or Grant	Option Awards				Stock Awards	
		Number of securities underlying unexercised options exercisable	Number of securities underlying unexercised options unexercisable <sup>(1)</sup>	Option exercise price	Option expiration date	Number of shares that have not vested	Market value of shares of units of stock that have not vested at December 31, 2010
David A. Lentini <i>Chief Executive Officer</i>	2/1/2010					15,000	<sup>(2)</sup> \$ 84,000
	1/16/2007	12,000	3,000	\$ 7.70	1/16/2017		
	12/6/2005	15,000	-	\$ 9.25	12/6/2015		
Anson C. Hall <i>Chief Operating Officer</i>	2/1/2010					9,000	<sup>(3)</sup> \$ 50,400
	1/16/2007	8,000	2,000	\$ 7.70	1/16/2017		
	12/6/2005	10,000	-	\$ 9.25	12/6/2015		
Lyle T. Fulton <i>Chief Lending Officer</i>	2/1/2010					6,000	<sup>(3)</sup> \$ 33,600
	1/16/2007	6,000	1,500	\$ 7.70	1/16/2017		
	12/6/2005	7,500	-	\$ 9.25	12/6/2015		

(1) Stock options vest annually on the anniversary of the award at the rate of 20% per year.

(2) Mr. Lentini's award of restricted stock vests 66.67% on the second anniversary of the award and 33.33% on the third anniversary of the award. Notwithstanding the vesting of the restricted stock, Mr. Lentini may not sell, transfer or dispose of the restricted stock until such time that the Bank repurchases the preferred stock issued to the United States Department of the Treasury pursuant to the Bank's participation in the TARP CPP. If the Bank repurchases 25%, 50%, 75% or 100% of the original number of shares of preferred stock that was issued to the United States Department of the Treasury, Mr. Lentini will be permitted to sell, transfer or dispose of a corresponding 25%, 50%, 75% or 100% of his vested shares of restricted stock.

(3) Stock awards vest annually on the anniversary of the award at the rate of 25% per year.

### INFORMATION ABOUT THE COMPENSATION COMMITTEE PROCESSES AND PROCEDURES FOR CONSIDERATION AND DETERMINATION OF EXECUTIVE AND DIRECTOR COMPENSATION

The Compensation Committee is responsible for reviewing the Bank's overall compensation policies, setting the compensation of the Bank's Chief Executive Officer and, with the input of the Chief Executive Officer, setting the compensation of the Bank's other executive officers. The Compensation Committee has discretion to retain outside consultants from time to time to provide advice regarding trends in compensation practices and comparative benchmarking data.

#### Compensation Philosophies and Goals

The Bank's executive compensation program for 2010 consisted of a combination of base salary and restricted stock awards, and was designed in large part to align executive incentives with our strategic goals. The Compensation Committee may provide executives with an equity interest in the Bank through the granting of restricted common stock and/or stock options to align the executives' equity interests with those of the Bank's stockholders. The Compensation Committee will base its review of each of the recommended grants on its evaluation of the executive's responsibilities, the executive's present and expected future contributions to the Bank, the executive's current stock holdings and the equity awards made by comparable companies to their executive officers. In 2010, the Compensation Committee awarded restricted stock aggregating 30,000 to the Bank's named executive officers.

In addition to structuring its executive compensation program in a manner which will reward executives for the achievement of the Bank's objectives, we also seek to use our compensation program to attract and retain key executives.

### **Compensation in 2010**

The base salary parameters were established by the Compensation Committee through comparisons with organizations of similar size and complexity to CBT. Compensation levels were set with the objective of ensuring that executive officer base salaries, when considered as a part of total compensation, were adequate and competitive with peer organizations of CBT based on asset size, years in operation and business nature. For these purposes, the Committee utilized the Connecticut Bankers' Association Compensation Survey and American Bankers' Association 2010 Bank Compensation Report.

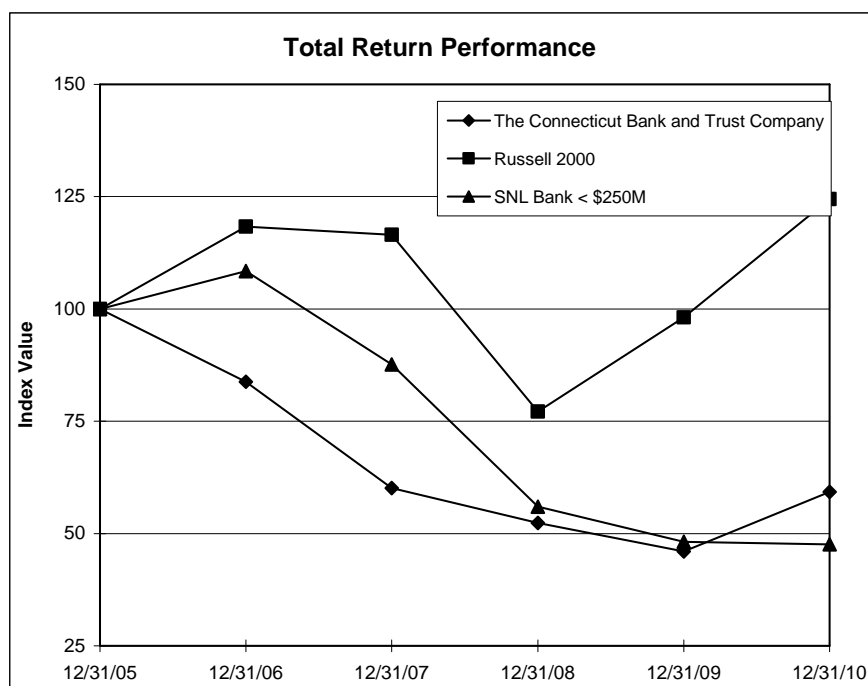
Bonus payments to our executive officers and other members of senior management are based on the achievement of the Bank's objectives relating to operating results. As the Bank grows, the Compensation Committee anticipates that the portion of compensation tied to performance may increase in keeping with the Bank's desire to create a performance-oriented environment through its compensation program.

On March 17, 2011, the Compensation Committee met to review the Bank's compensation plans and the compensation of the Bank's named executive officers.

## STOCK PERFORMANCE GRAPH

The following graph compares the cumulative total stockholder return on the Bank's common stock with the cumulative total return on the Russell 2000 Index and with the SNL Index of banks with assets under \$250 million. The graph assumes that \$100 was invested at the close of business on December 31, 2005. Total return assumes the reinvestment of all dividends. The performance shown in this graph is not necessarily indicative of future performance. To the extent that this Proxy Statement has been or will be specifically incorporated by reference into any filing by the Bank under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, this section of the Proxy Statement shall not be deemed to be so incorporated, unless specifically otherwise provided in any such filing.

### THE CONNECTICUT BANK AND TRUST COMPANY



<i>Index</i>	<i>Period Ending</i>					
	<b>12/31/05</b>	<b>12/31/06</b>	<b>12/31/07</b>	<b>12/31/08</b>	<b>12/31/09</b>	<b>12/31/10</b>
The Connecticut Bank and Trust Company	100.00	83.81	60.11	52.38	46.03	59.26
Russell 2000	100.00	118.37	116.51	77.15	98.11	124.46
SNL Bank < \$250M	100.00	108.45	87.62	55.99	48.15	47.59

## TRANSACTIONS WITH MANAGEMENT

The Sarbanes-Oxley Act of 2002 generally prohibits loans by a company to its executive officers and directors. However, the Sarbanes-Oxley Act contains a specific exemption from such prohibition for loans by organizations such as the Bank to its executive officers and directors in compliance with federal banking regulations. Federal regulations require that all loans or extensions of credit to executive officers and directors must be made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with the general public and must not involve more than the normal risk of repayment or present other unfavorable features. In addition, loans made to a director or executive officer in excess of the greater of \$25,000 or 5% of the Bank's capital and surplus (up to a maximum of \$500,000) must be approved in advance by a majority of the disinterested members of the Board of Directors.

The Bank currently makes loans to its directors on the same terms and conditions offered to the general public. The Bank's policy provides that all loans made by the Bank to its directors be made in the ordinary course of business on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with persons not related to the Bank and do not involve more than the normal risk of collectability or present other unfavorable features.

The Bank intends that all future transactions between the Bank and its executive officers, directors, holders of 10% or more of the shares of any class of its common stock, and their affiliates, will contain terms no less favorable to the Bank than could have been obtained by it in arms-length negotiations with unaffiliated persons and will be reviewed and approved by a majority of independent directors of the Bank not having any interest in the transaction. The Bank's policies and procedures for transactions between the Bank and its executive officers and directors are set forth in the Bank's Code of Ethics and Conflicts of Interest Policy.

## INFORMATION ABOUT OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Wolf & Company, P.C., an independent registered public accounting firm, served as the Bank's independent auditors for fiscal year 2010 and reported on our 2010 financial statements. The Audit Committee of the Board of Directors has reappointed Wolf & Company for fiscal year 2011. Representatives of Wolf & Company are expected to be present at the Annual Meeting. They will have the opportunity to make a statement if they so desire and will also be available to respond to appropriate questions from stockholders.

The following table sets forth the fees billed to the Bank for the years ended December 31, 2010 and 2009 by Wolf & Company, P.C.:

	<u>2010</u>	<u>2009</u>
Audit fees <sup>(1)</sup>	\$ 102,000	\$ 95,123
Tax fees <sup>(2)</sup>	10,500	11,500
All other fees <sup>(3)</sup>	16,280	8,640
Total	<u>\$ 128,780</u>	<u>\$ 115,263</u>

(1) Consists of financial statement audits and quarterly reviews.

(2) Consists of tax filings and tax related compliance and other advisory services.

(3) Consists of information technology testing.

The Audit Committee considered whether the provision of non-audit services by Wolf & Company is compatible with maintaining Wolf & Company's independence. The Audit Committee concluded that Wolf & Company's performance of such services in 2010 and 2009 did not affect Wolf & Company's independence in performing its function as auditor.

### Preapproval of Services by the Independent Auditor

The Audit Committee's policy is to preapprove all audit and non-audit services provided by the independent auditors. These services may include audit services, audit-related services, tax services and other services.

Preapproval is generally provided for up to one year and any preapproval is detailed as to particular services or category of services. The Audit Committee has delegated preapproval authority to any of its members when expedition of services is necessary, provided that any such preapproval granted by a member is reviewed by the Audit Committee at its next scheduled meeting. The independent auditors and management are required to periodically report to the full Audit Committee regarding the extent of services provided by the independent auditors in accordance with this preapproval, and the fees for the services performed to date.

All of the fees paid to Wolf & Company in 2010 were preapproved by the Audit Committee, and there were no services for which the de minimis exception permitted in certain circumstances under SEC rules and regulations was utilized.

### **AUDIT COMMITTEE REPORT**

The charter of the Audit Committee of the Board of Directors specifies that the purpose of such committee is to assist the Board of Directors in its oversight of:

- the integrity of the Bank's financial statements;
- the adequacy of the Bank's system of internal controls;
- the Bank's compliance with legal and regulatory requirements;
- the qualifications and independence of the Bank's independent registered public accountants; and
- the performance of the Bank's independent registered public accountants and of the Bank's internal audit function.

In carrying out these responsibilities, the Audit Committee, among other things:

- monitors preparation of quarterly and annual financial reports by the Bank's management; and
- supervises the relationship between the Bank and its independent registered public accountant, Wolf & Company, P.C., including: having direct responsibility for their appointment, compensation and retention; reviewing the scope of their audit services; approving audit and non-audit services; confirming the independence of the independent registered public accountants; and overseeing management's implementation and maintenance of effective systems of internal and disclosure controls, including review of the Bank's policies relating to legal and regulatory compliance, ethics and conflicts of interests and review of the Bank's internal auditing program.

The Audit Committee met seven times during 2010. The Audit Committee schedules its meetings with a view to ensuring that it devotes appropriate attention to all of its tasks. The Audit Committee's meetings include, whenever appropriate, executive sessions in which the Audit Committee meets separately with the Bank's independent registered public accountants, the Bank's internal auditors and the Bank's Chief Financial Officer.

As part of its oversight of the Bank's financial statements, the Audit Committee reviews and discusses with both management and the Bank's independent registered public accountants all annual and quarterly financial statements prior to their issuance. During fiscal year 2010, management advised the Audit Committee that each set of financial statements had been prepared in accordance with generally accepted accounting principles and reviewed significant accounting and disclosure issues with the Audit Committee. The Audit Committee met with management and the independent auditors to review and discuss the Bank's audited December 31, 2010 consolidated financial statements. The Audit Committee also discussed with the independent auditors the matters required by the Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1, AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T, including the quality of the Bank's accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements. The Audit Committee also received written disclosures and the letter from the independent auditors required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditors' communications with the Audit Committee concerning independence, and discussed with the independent auditors that firm's independence.

In addition, the Audit Committee reviewed key initiatives and programs aimed at maintaining the effectiveness of the Bank's internal and disclosure control structure. As part of this process, the Audit Committee continued to monitor the scope and adequacy of the Bank's internal auditing program, review internal audit staff qualifications and take steps to maintain the effectiveness of internal procedures and controls.

Taking all of these reviews and discussions into account, the undersigned Audit Committee members recommended to the Board of Directors that the Board of Directors approve the inclusion of the Bank's audited financial statements in the Bank's Annual Report on Form 10-K for the year ended December 31, 2010, for filing with the Federal Reserve Board.

**Members of the Audit Committee**

**Philip J. Schulz, Chair**

**P. Anthony Giorgio**

**Solomon Kerensky**

**Joan L. Rusconi**

**Peter deWilde Shapiro**

**INFORMATION ABOUT THE CORPORATE GOVERNANCE COMMITTEE PROCEDURES**

As noted under "Information about our Directors" on page 6 of this Proxy Statement, the functions of the Corporate Governance Committee include, among others:

- leading the search for individuals qualified to become members of the Board of Directors and selecting director nominees to be presented for stockholder approval;
- reviewing the committee structure and making recommendations to the Board of Directors regarding committee members; and
- evaluating the effectiveness of the operation of the Board of Directors and its compliance with relevant laws and corporate governance.

**Process for Identifying and Evaluating Nominees**

The Bank was founded in early 2003 and commenced operations in March 2004. The current Board of Directors includes only persons who were founders of the Bank and who invested capital to fund the organizational expenses of the Bank. However, the Corporate Governance Committee intends to follow the process described below to identify and evaluate individuals to be nominated for election to the Board of Directors in the future.

The Corporate Governance Committee identifies nominees by first evaluating the current members of the Board of Directors willing to continue in service. Current members of the Board of Directors with skills and experience that are relevant to the Bank's business and who are willing to continue in service are first considered for renomination, balancing the value of continuity of service by existing members of the Board of Directors with that of obtaining a new perspective. If any member of the Board of Directors does not wish to continue in service, or if the Corporate Governance Committee or the Board of Directors decides not to renominate a member for re-election, or if the size of the Board of Directors is increased, the Corporate Governance Committee would solicit suggestions for director candidates from all members of the Board of Directors. In addition, the Corporate Governance Committee is authorized by its charter to engage a third party to assist in the identification of director nominees. The Corporate Governance Committee would seek to identify a candidate who at a minimum satisfies the following criteria:

- has personal and professional ethics and integrity and whose values are compatible with the Bank's values;
- has had experiences and achievements that have given him or her the ability to exercise and develop good business judgment;
- is willing to devote the necessary time to the work of the Board of Directors and its committees, which includes being available for meetings of the Board of Directors and its committees;
- is familiar with the communities in which the Bank operates and/or is actively engaged in community activities;
- is involved in other activities or interests that do not create a conflict with his or her responsibilities to the Bank and its stockholders; and

- has the capacity and desire to represent the balanced, best interests of the stockholders of the Bank as a group, and not primarily a special interest group or constituency.

The Corporate Governance Committee has not adopted a formal diversity policy with regard to the selection of director nominees. However, the Corporate Governance Committee considers diversity as a factor in identifying director nominees.

The Corporate Governance Committee will also take into account whether a candidate satisfies the criteria for “independence” under the Nasdaq Stock Market corporate governance listing standards and, if a nominee is sought for service on the Audit Committee, the financial and accounting expertise of a candidate, including whether an individual qualifies as an audit committee financial expert.

### **Procedures to be Followed by Stockholders for the Nomination of Directors**

It is the policy of the Corporate Governance Committee of the Board of Directors of the Bank to consider director candidates who appear to be qualified to serve on the Bank’s Board of Directors and who are recommended by stockholders, using the same general criteria for, and in the same manner as, candidates recruited by the Corporate Governance Committee or recommended by members of the Board of Directors. The Corporate Governance Committee may choose not to consider an unsolicited recommendation if no vacancy exists on the Board of Directors and the Corporate Governance Committee does not perceive a need to increase the size of the Board of Directors. To avoid the unnecessary use of the Corporate Governance Committee’s resources, the Corporate Governance Committee will consider only those director candidates recommended in accordance with the procedures set forth below.

To submit a recommendation of a director candidate to the Corporate Governance Committee, a stockholder should submit the following information in writing, addressed to the Chairman of the Corporate Governance Committee, care of the Corporate Secretary, at the main office of the Bank:

1. The name of the person recommended as a director candidate;
2. All information relating to such person that is required to be disclosed in solicitations of proxies for election of directors pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (e.g., biographical information, stock ownership, and details of any business or significant relationship the candidate has ever had with the Bank);
3. A brief statement outlining the reasons the nominee would be an effective director for the Bank;
4. The written consent of the person being recommended as a director candidate to being named in the Proxy Statement as a nominee and to serving as a director if elected;
5. The name and address of the stockholder making the recommendation, as they each appear on the Bank’s books; provided, however, that if the stockholder is not a registered holder of the Bank’s common stock, the stockholder should submit his or her name and address along with a current written statement from the record holder of the shares that reflects ownership of the Bank’s common stock; and
6. A statement disclosing whether such stockholder is acting with or on behalf of any other person and, if applicable, the identity of such other person.

## **SUBMISSION OF BUSINESS PROPOSALS AND STOCKHOLDER NOMINATIONS**

The Bank must receive proposals that stockholders seek to include in the Proxy Statement for the Bank's next annual meeting no later than December 6, 2011. If next year's annual meeting is held on a date more than 30 calendar days from May 19, 2012, a stockholder proposal must be received within a reasonable time before the Bank begins to print and mail its proxy solicitation for such annual meeting. Any stockholder proposals will be subject to the requirements of the proxy rules and regulations adopted by the SEC. Pursuant to Rule 14a-4(c) of the Securities Exchange Act of 1934, as amended, if a stockholder who intends to present a proposal at the 2012 annual meeting does not notify us of such proposal on or prior to February 19, 2012, then management proxies will be allowed to use their discretionary voting authority to vote on the proposal when the proposal is raised at the 2012 annual meeting, even though there is no discussion of the proposal in the 2012 proxy statement.

Stockholder nominations for director must comply with the notice and informational requirements described above for other stockholder proposals, as well as additional information that is set forth under "Procedures to be Followed by Stockholders for the Nomination of Directors" above and that would be required under applicable SEC proxy rules and regulations.

Any proposals (other than nominations for director, which should be addressed to the Chairman of the Corporate Governance Committee, care of the Corporate Secretary, at the main office of the Bank) or notices should be sent to:

The Connecticut Bank and Trust Company  
58 State House Square  
Hartford, Connecticut 06103-3902  
Attention: Corporate Secretary

## **STOCKHOLDER COMMUNICATIONS**

The Bank encourages stockholder communications to the Board of Directors and/or individual directors. Stockholders who wish to communicate with the Board of Directors or an individual director should send their communications in care of Anson C. Hall, Corporate Secretary, The Connecticut Bank and Trust Company, 58 State House Square, Hartford, Connecticut 06103-3902. All communications received of a relevant nature will be forwarded to the Board of Directors or the appropriate individual director as directed. Communications regarding financial or accounting policies should be sent to the attention of the Chairman of the Audit Committee. All other communications should be sent to the attention of the Chairman of the Corporate Governance Committee.

## **MISCELLANEOUS**

*The report of the Audit Committee and the stock performance graph shall not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except as and to the extent that the Bank specifically incorporates this information by reference, and shall not otherwise be deemed filed under such Acts.*

The Bank's Annual Report to Stockholders has been mailed to persons who were stockholders as of the close of business on April 4, 2011. The Annual Report is not to be treated as part of the proxy solicitation material or as having been incorporated in this Proxy Statement by reference.

If you and others who share your address own your shares in street name, your broker or other holder of record may be sending only one Annual Report and Proxy Statement to your address. This practice, known as "householding," is designed to reduce our printing and postage costs. However, if a stockholder residing at such an address wishes to receive a separate Annual Report or Proxy Statement in the future, he or she should contact the broker or other holder of record. If you and others who share your address own your shares in street name and are receiving multiple copies of our Annual Report and Proxy Statement, you can request householding by contacting your broker or other holder of record.

The Bank will deliver promptly, upon written or oral request, a separate copy of this Proxy Statement and our Annual Report to a stockholder at a shared address to which a single copy of the documents was delivered. A stockholder who wishes to receive a separate copy of the Proxy Statement and Annual Report, now or in the future, should submit a request by writing to The Connecticut Bank and Trust Company, 58 State House Square, Hartford, Connecticut 06103, Attention: Corporate Secretary or calling (860) 748-4251 and asking for the Corporate Secretary.

Whether or not you plan to attend the Annual Meeting, please vote by marking, signing, dating and promptly returning the enclosed proxy card in the enclosed envelope.

BY ORDER OF THE BOARD  
OF DIRECTORS

A handwritten signature in cursive script that reads "Anson C. Hall".

*Anson C. Hall*  
*Secretary*

Hartford, Connecticut  
April 18, 2011