

**BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
Washington, D.C. 20551**

FORM 10-QSB

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2007

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

FDIC Certificate Number: 57690

THE CONNECTICUT BANK AND TRUST COMPANY

(Exact name of small business issuer as specified in its charter)

Connecticut

(State or other jurisdiction of incorporation or organization)

90-0115348

(I.R.S. Employer
Identification No.)

58 State House Square, Hartford, CT

(Address of principal executive offices)

06103-3902

(Zip Code)

(860) 246-5200

(Issuer's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check market whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Number of shares of the issuer's common stock, par value \$1.00 per share, outstanding as of May 1, 2007: 3,567,450 shares.

Transitional Small Business Disclosure Format (check one): Yes No

**THE CONNECTICUT BANK AND TRUST COMPANY
FORM 10-QSB**

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

THE CONNECTICUT BANK AND TRUST COMPANY Balance Sheets

	ASSETS		
	March 31, 2007	December 31, 2006	March 31, 2006
<i>(Dollars in thousands)</i>	(Unaudited)		(Unaudited)
Cash and due from banks	\$ 9,017	\$ 4,589	\$ 1,760
Federal funds sold	5,200	475	100
Cash and cash equivalents	<u>14,217</u>	<u>5,064</u>	<u>1,860</u>
Securities available for sale	20,857	20,738	22,888
Certificates of deposit	76	76	-
Federal Reserve Bank stock, at cost	675	693	766
Federal Home Loan Bank stock, at cost	914	728	534
Loans	116,627	106,910	70,550
Less: allowance for loan losses	(1,444)	(1,384)	(958)
Loans, net	<u>115,183</u>	<u>105,526</u>	<u>69,592</u>
Premises and equipment, net	2,137	2,217	2,059
Accrued interest receivable	700	613	529
Other assets	795	779	788
Total Assets	<u><u>\$ 155,554</u></u>	<u><u>\$ 136,434</u></u>	<u><u>\$ 99,016</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Deposits	\$ 114,156	\$ 99,745	\$ 64,371
Short term borrowings	6,722	1,453	7,758
Long term debt	12,450	12,450	2,450
Other liabilities	567	701	425
Total liabilities	<u>133,895</u>	<u>114,349</u>	<u>75,004</u>
Commitments and Contingencies (Note 4)			
Stockholders' equity;			
Common stock, \$1.00 par value; 10,000,000 shares authorized; 3,567,450 shares issued and outstanding at March 31, 2007 and 2006	3,567	3,567	3,567
Common stock warrants	853	853	853
Additional paid-in capital	29,600	29,582	29,545
Restricted stock unearned compensation	(379)	(426)	(569)
Retained deficit	(11,632)	(10,994)	(8,633)
Accumulated other comprehensive loss	(350)	(497)	(751)
Total stockholders' equity	<u>21,659</u>	<u>22,085</u>	<u>24,012</u>
Total Liabilities and Stockholders' Equity	<u><u>\$ 155,554</u></u>	<u><u>\$ 136,434</u></u>	<u><u>\$ 99,016</u></u>

The accompanying notes are an integral part of these unaudited financial statements.

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

	Three Months Ended	
	March 31,	
	<u>2007</u>	<u>2006</u>
<i>(Dollars in thousands except share data)</i>		
Interest and dividend income:		
Interest and fees on loans	\$ 2,031	\$ 1,147
Debt securities	250	261
Dividends	20	18
Federal funds sold	7	15
Total interest and dividend income	<u>2,308</u>	<u>1,441</u>
Interest expense:		
Deposits	904	418
Borrowed funds	191	85
Total interest expense	<u>1,095</u>	<u>503</u>
Net interest income	<u>1,213</u>	<u>938</u>
Provision for loan losses	60	82
Net interest income, after provision for loan losses	<u>1,153</u>	<u>856</u>
Non-interest income:		
Service charges and fees	40	18
Brokerage commissions	54	-
Net losses from sales of available-for-sale securities	(43)	-
Total non-interest income	<u>51</u>	<u>18</u>
Non-interest expenses:		
Salaries and benefits	1,060	906
Occupancy and equipment	336	276
Data processing	49	42
Marketing	115	272
Professional services	105	53
Telecommunications	47	45
Other general and administrative	130	157
Total non-interest expenses	<u>1,842</u>	<u>1,751</u>
Net loss	<u>\$ (638)</u>	<u>\$ (877)</u>
Net loss per share:		
Basic	\$ (0.18)	\$ (0.25)
Diluted	\$ (0.18)	\$ (0.25)

The accompanying notes are an integral part of these unaudited financial statements.

THE CONNECTICUT BANK AND TRUST COMPANY
Statements of Changes in Stockholders' Equity
Three Months Ended March 31, 2007 and 2006
(Unaudited)

<i>(Dollars in thousands)</i>	Common Stock	Common Stock Warrants	Additional Paid-in Capital	Unearned Compensation	Retained Deficit	Accumulated Other Comprehensive Loss	Total
Balance at December 31, 2005	\$3,567	\$ 853	\$ 29,536	\$ (618)	\$ (7,756)	\$ (537)	<u>\$ 25,045</u>
Comprehensive loss:							
Net loss	-	-	-	-	(877)	-	(877)
Change in net unrealized loss on securities available for sale	-	-	-	-	-	(214)	<u>(214)</u>
Total comprehensive loss							<u>(1,091)</u>
Activity related to stock option grants	-	-	9	-	-	-	9
Activity related to restricted stock awards	<u>-</u>	<u>-</u>	<u>-</u>	<u>49</u>	<u>-</u>	<u>-</u>	<u>49</u>
Balance at March 31, 2006	<u>\$3,567</u>	<u>\$ 853</u>	<u>\$ 29,545</u>	<u>\$ (569)</u>	<u>\$ (8,633)</u>	<u>\$ (751)</u>	<u>\$ 24,012</u>
Balance at December 31, 2006	\$3,567	\$ 853	\$ 29,582	\$ (426)	\$(10,994)	\$ (497)	<u>\$ 22,085</u>
Comprehensive loss:							
Net loss	-	-	-	-	(638)	-	(638)
Change in net unrealized loss on securities available for sale	-	-	-	-	-	147	<u>147</u>
Total comprehensive loss							<u>(491)</u>
Activity related to stock option grants	-	-	18	-	-	-	18
Activity related to restricted stock awards	<u>-</u>	<u>-</u>	<u>-</u>	<u>47</u>	<u>-</u>	<u>-</u>	<u>47</u>
Balance at March 31, 2007	<u>\$3,567</u>	<u>\$ 853</u>	<u>\$ 29,600</u>	<u>\$ (379)</u>	<u>\$(11,632)</u>	<u>\$ (350)</u>	<u>\$ 21,659</u>

The accompanying notes are an integral part of these unaudited financial statements.

THE CONNECTICUT BANK AND TRUST COMPANY
Statements of Cash Flows

	Three Months Ended March 31,	
	2007	2006
	(Unaudited)	
<i>(Dollars in thousands)</i>		
Cash flows used in operating activities:		
Net loss	\$ (638)	\$ (877)
Adjustment to reconcile net loss to net cash used in operating activities:		
Provision for loan losses	60	82
Net losses from sales of available-for-sale securities	43	-
Depreciation and amortization	76	92
Net amortization of premiums on available-for-sale securities	8	16
Amortization of deferred loan costs and fees	2	(8)
Amortization of stock-based compensation plans	65	58
Increase in accrued interest receivable	(87)	(139)
(Increase)decrease in other assets	(16)	122
Decrease in other liabilities	(134)	(223)
Net cash used in operating activities	(621)	(877)
Cash flows used in investing activities:		
Purchases of investment securities available for sale	(3,423)	-
Sales of investment securities available for sale	2,991	-
Principal payments on mortgage backed securities	409	290
Proceeds from maturities/calls of investment securities available for sale	-	500
Purchases of FRB stock	18	(409)
Purchases of FHLB stock	(186)	-
Net loan originations and purchases	(9,719)	(13,402)
Purchases of premises and equipment	4	(72)
Net cash used in investing activities	(9,906)	(13,093)
Cash flows from financing activities:		
Net increase (decrease) in deposits	14,411	(6,369)
Net increase in short-term borrowed funds	5,269	7,316
Proceeds from long-term borrowed funds	-	2,450
Net cash provided by financing activities	19,680	3,397
Net change in cash and cash equivalents	9,153	(10,573)
Cash and cash equivalents at beginning of period	5,064	12,433
Cash and cash equivalents at end of period	\$ 14,217	\$ 1,860
Supplemental disclosures of cash flow information:		
Interest paid	\$ 1,080	\$ 482

The accompanying notes are an integral part of these unaudited financial statements.

THE CONNECTICUT BANK AND TRUST COMPANY
Notes to Unaudited Financial Statements
March 31, 2007

(1) Organization

The Connecticut Bank and Trust Company (“CBT”) is a state chartered bank and trust company operating primarily in North Central Connecticut. CBT operates out of its main office at 58 State House Square, Hartford, Connecticut and branch offices at 7 Sycamore Street, Glastonbury, Connecticut; 66 Cedar Street, Newington, Connecticut; 435 Hartford Turnpike, Vernon, Connecticut; and 68 South Main Street, West Hartford, Connecticut. The Bank will open its branch office at 148 Broad Street, Windsor, Connecticut in April 2007. CBT is subject to competition from other financial institutions, including but not limited to commercial banks, savings banks, credit unions and mortgage banking companies. CBT is also subject to the regulations of, and periodic examinations by, the Connecticut Department of Banking (“DOB”) and the Board of Governors of the Federal Reserve System (“Fed”) through the Federal Reserve Bank of Boston (“FRBB”). The Bank’s deposits are insured up to the limits specified by the Federal Deposit Insurance Corporation (“FDIC”).

(2) Basis of Presentation

In the opinion of CBT’s management (“Management”), the accompanying unaudited financial statements contain all adjustments necessary to present fairly the financial position as of March 31, 2007, December 31, 2006, and March 31, 2006 and the results of operations for the three month period ending March 31, 2007 and 2006, and changes in stockholders’ equity and cash flows for the period ended March 31, 2007. These adjustments consist only of normal recurring adjustments. Certain amounts in prior periods have been reclassified to conform to the current presentation. The results of operations for the three month period are not necessarily indicative of the results to be expected for the full year. The statements should be read in conjunction with the financial statements and accompanying notes found on pages 25-56 of CBT’s Annual Report on Form 10-KSB for the year ended December 31, 2006, filed with the Board of Governors of the Federal Reserve System on March 30, 2007.

(3) Earnings (Loss) Per Share

Basic earnings (loss) per share represents income available to common stockholders divided by the weighted-average number of common shares outstanding during the period. Diluted earnings (loss) per share reflects additional common shares that would have been outstanding if dilutive potential common shares had been issued. Potential common shares that may be issued by CBT are primarily associated with outstanding warrants and stock options and are determined using the treasury stock method.

Loss per common share for the three months ended March 31, 2007 and 2006 have been computed based upon the following (dollars in thousands except per share amounts):

	Unaudited	
	Three Months Ended March 31,	
	<u>2007</u>	<u>2006</u>
Net loss	<u>\$ (638)</u>	<u>\$ (877)</u>
Average number of common shares outstanding	<u>3,540,695</u>	<u>3,534,260</u>
Average number of common shares outstanding used to calculate diluted loss per common share	<u>3,540,695</u>	<u>3,534,260</u>
Basic loss per share	<u>\$ (0.18)</u>	<u>\$ (0.25)</u>
Fully diluted loss per share	<u>\$ (0.18)</u>	<u>\$ (0.25)</u>

For the three months ended March 31, 2007 and 2006, common stock warrants and options were anti-dilutive and therefore not included in the earnings per share calculation.

(4) Loan Commitments

CBT is a party to credit related financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit. Such commitments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the balance sheets. CBT's commitments to extend credit include unfunded loans as well as unused lines of credit. CBT has commitments to originate loans totaling \$12.4 million at March 31, 2007 compared to \$21.1 million at December 31, 2006. CBT also has unfunded commitments under existing lines of credit aggregating \$29.5 million at March 31, 2007, and \$29.1 million at December 31, 2006.

(5) Allowance for Loan Losses

The allowance for loan losses is established through a provision for loan losses charged to expense. Loans are charged against the allowance for loan losses when Management believes that the collectibility of the principal is unlikely. The allowance is an amount that CBT's Management believes will be adequate to absorb losses inherent in existing loans and commitments to extend credit, based on evaluations of collectibility and prior loss experience of loans and commitments to extend credit. The evaluations take into consideration such factors as changes in the nature and volume of the portfolio, overall credit quality, industry concentrations, specific problem loans, commitments, current economic conditions that may affect the borrowers' ability to pay, and other economic factors related to the collectibility of loans in CBT's portfolio. Although Management reevaluates the allowance periodically, formal evaluations occur on a quarterly basis.

Recent Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement No. 157, "Fair Value Measurements." This Statement defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles, and expands disclosures about fair value measurements. This Statement is effective for the Bank on January 1, 2008 and is not expected to have a material impact on the Bank's consolidated financial statements.

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" ("SFAS 159"). This Statement provides companies with an option to report selected financial assets and liabilities at fair value. The Standard's objective is to reduce both the complexity in accounting for financial instruments and the volatility in earnings caused by measuring related assets and liabilities differently. SFAS 159 also establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types of assets and liabilities. This statement is effective as of the beginning of the entity's fiscal year beginning after November 15, 2007. Early adoption is permitted if the Company makes the choice in the first 120 days of that fiscal year and also elects to apply the provisions of SFAS 157. The Bank does not expect SFAS 159 to have a material impact on the Bank's consolidated financial statements.

Effective January 1, 2007, the bank adopted FASB interpretation No 48, "Accounting for Uncertainty in Income Taxes." FIN 48 provides guidance on financial statement recognition, measurement and disclosure of tax positions taken, or expected to be taken in the future, in the Bank's tax returns. The initial adoption of FIN 48 had no impact on the bank's financial statements. The Bank had no material uncertain tax positions as of March 31, 2007.

In accordance with the provisions of FIN 48, in future periods, the bank may record a liability for unrecognized tax benefits related to the recognition, derecognition or change in measurement of a tax position as a result of new tax positions, changes in management's judgment about the level of uncertainty of existing tax positions, expiration of open income tax returns due to the statute of limitation, status of examinations and litigation and legislative activity. The Bank has elected to report future interest and penalties related to unrecognized tax benefits, if any, as income tax expense in the Bank's Statement of Operations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis is designed to assist you in better understanding the financial condition, results of operations, liquidity and capital resources of CBT, as well as any significant changes and trends related thereto. This discussion should be read in conjunction with the accompanying unaudited financial statements and the notes appearing in Part I of this Form 10-QSB and the financial statements and accompanying notes found on pages 25 through 56 of CBT's Annual Report on Form 10-KSB for the year ended December 31, 2006, filed with the Board of Governors of the Federal Reserve System on March 30, 2007.

General

CBT provides a broad range of banking services to business enterprises and business sponsors as well as individual consumers in its market areas from its six banking centers and through its website, www.thecbt.com. CBT is a full service commercial bank providing a comprehensive set of loans and deposit services to local businesses, business owners, professionals, and other individuals. CBT actively seeks to finance the credit needs of local businesses and actively markets deposit and loan products to businesses and individuals. CBT also offers certain investment management products to its customers. An important dimension of CBT's strategy is to provide customers with access to well-trained, experienced bank personnel, including the senior management team.

Forward-Looking Statements Safe-harbor Statement

This report may contain forward-looking statements that are subject to numerous assumptions, risks and uncertainties. Statements pertaining to future periods are subject to numerous uncertainties because of the possibility of changes in underlying factors and assumptions. Actual results could differ materially from those contained in or implied by such forward-looking statements for a variety of factors including: sharp and rapid changes in interest rates; significant changes in the economic scenario from the current anticipated scenario which could materially change anticipated credit quality trends and the ability to generate loans; significant delay in or inability to execute strategic initiatives designed to grow revenues and/or control expenses; and significant changes in accounting, tax or regulatory practices or requirements. Because of the risks and uncertainties inherent in forward-looking statements, readers are cautioned not to place undue reliance on them, whether included in this report or made elsewhere from time to time by CBT or on its behalf. CBT does not undertake to update any forward-looking statements.

Critical Accounting Policies

In the ordinary course of business, Management makes a number of estimates and assumptions relating to reporting results of operations and financial condition in preparing its financial statements in conformity with accounting principals generally accepted in the United States. Actual results could differ significantly from those estimates under different assumptions and conditions. Management believes that two of CBT's critical accounting policies rely on material estimates that are susceptible to significant differences between actual results and estimates - determination of allowance for loan losses and valuation of deferred tax assets. Management believes its accounting policy and estimates relating to the provision and allowance for loan losses is very important to the portrayal of CBT's financial condition and results and requires its most difficult, subjective and complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. A detailed description of the estimation processes and methodology related to the allowance for loan losses and the valuation of deferred tax assets is included in CBT's accompanying unaudited financial statements and the notes appearing in Part I of this Form 10-QSB and the financial statements and accompanying notes of our Annual Report on Form 10-KSB for the year ended December 31, 2006, filed with the Board of Governors of the Federal Reserve System on March 30, 2007.

Comparison of Financial Condition at March 31, 2007 and December 31, 2006

Total assets increased \$19 million, or 14%, to \$155 million at March 31, 2007 from \$136 million at December 31, 2006 mainly reflecting continued growth in commercial and commercial real estate loans. Total loans expanded \$10 million, or 9.1%, to \$116.6 million reflecting CBT's strategy to focus its efforts on attracting and retaining business entrepreneurs

and merchants in the North-Central Connecticut market. Federal funds sold increased \$5 million and cash and due from banks increased \$4 million over the period to provide future funds for continued loan expansion.

Growth in loans was supported by deposit growth coupled with short-term borrowings from the Federal Home Loan Bank. Total deposit balances grew \$14.4 million, or 14.4%, to \$114.1 million at March 31, 2007, due in part to new balances gained from certificate of deposit promotions and through new account activity. CBT also purchased brokered certificate deposits totaling \$5 million from the wholesale market. Short term borrowings increased \$5.3 million to \$6.7 million as of March 31, 2007.

Investment securities

At March 31, 2007, CBT's investment securities portfolio, all of which was classified as available-for-sale, amounted to \$21.0 million, or 13.4% of assets. The following table sets forth at the dates indicated information regarding the amortized cost and market values of CBT's investment securities.

<i>(Dollars in thousands)</i>	March 31, 2007		December 31, 2006	
	Amortized		Amortized	
	Cost	Fair Value	Cost	Fair Value
Government-sponsored enterprises	\$ 15,379	\$ 15,153	\$ 16,378	\$ 16,023
Mortgage-backed securities	5,828	5,704	4,857	4,715
	<u>\$ 21,207</u>	<u>\$ 20,857</u>	<u>\$ 21,235</u>	<u>\$ 20,738</u>

The fair value of securities available-for-sale increased \$119,000 from December 31, 2006. The net unrealized loss on the portfolio was (\$350,000) as of March 31, 2007. The Bank realized (\$43,000) in losses on the sale of three securities. Proceeds were used to purchase additional investments with an improved yield and provide an overall higher coupon on the portfolio.

Loans

Because loans generally produce higher yields than investment securities and other interest-earning assets, it is CBT's strategy to use deposit balances to fund loans within its market area as soon as practicable. CBT has continued to grow its commercial and commercial real estate loan portfolios. At March 31, 2007, CBT's loan portfolio totaled \$116.6 million, or 75% of total assets.

The following table sets forth the composition of CBT's loan portfolio in dollar amounts and as a percentage of the respective portfolio at the dates indicated.

<i>Dollars in Thousands</i>	March 31, 2007		December 31, 2006	
	Balance	Percent of Total	Balance	Percent of Total
Mortgage Loans on Real Estate				
Commercial real estate	\$ 55,148	47.30 %	\$ 47,160	44.13 %
Construction	5,890	5.05	6,024	5.64
Home equity lines of credit	4,465	3.83	4,586	4.29
Total mortgage loans on real estate	65,503	56.18 %	57,770	54.06 %
Commercial	\$ 50,067	42.94 %	\$ 48,542	45.42 %
Consumer	1,033	0.88	554	0.52
Total loans	\$ 116,603	100.00 %	\$ 106,866	100.00 %
Net deferred loan costs	24		44	
Loans, net	116,627		106,910	

CBT's loan portfolio increased approximately \$10 million, or 9.1%, indicating strong loan originations somewhat mitigated by normal amortization and pay downs in the existing portfolio. New loan origination activity continues to be strong with robust loan pipeline activity.

Allowance for Loan Losses

The allowance for loan losses is established through provisions for loan losses charged to expense and represents a reserve for probable losses in the loan portfolio. Management regularly reevaluates the allowance, and a formal evaluation based on a review of significant loans, with a particular emphasis on non-accruing loans, past due and other loans that management believes require special attention is completed quarterly. The evaluations take into consideration such factors as changes in the nature and volume of the portfolio, overall portfolio credit quality, loan and/or industry concentration, specific problem loans, commitments, current economic conditions that may affect the borrowers' ability to pay, and other factors related to the collectibility of loans in CBT's portfolio.

Loans are charged against the allowance for loan losses when Management believes that the collectibility of the principal is unlikely. The allowance is an amount that CBT's Management believes will be adequate to absorb losses inherent in existing loans based on evaluations of collectibility and historical loan loss experience. The accrual of interest on loans is discontinued at the time the loan is 90 days past due unless the credit is well-secured and in process of collection. Loans are placed on nonaccrual or charged-off at an earlier date if collection of principal or interest is considered doubtful. All interest accrued but not collected for loans that are placed on nonaccrual or charged off is reversed against interest income. For the period ending March 31, 2007 CBT had two loans on nonaccrual status totaling \$597 thousand which is unchanged from December 31, 2006. There were no charged-off loans recorded for the quarter ending March 31, 2007 and 2006. There were no loans past due and none on nonaccrual as of March 31, 2006.

<i>(Dollars in thousands)</i>	Three months period ending	
	March 31, 2007	March 31, 2006
Balance, beginning of period	\$ 1,384	\$ 876
Provision for loan losses	60	82
Balance, end of period	\$ 1,444	\$ 958
Allowance for loan losses to total loans	1.24%	1.36%

Deposits

Deposits from our primary market have provided a relatively stable funding source for CBT's loan portfolio and other earning assets. We offer a full range of interest bearing and non-interest bearing accounts with a range of maturity date options. The sources of deposits are local businesses, including owners and employees of businesses and consumers of the North-Central Connecticut market area. The table below sets forth the composition of CBT's deposits in dollar amounts and as a percentage of total deposits.

<i>(Dollars in thousands)</i>	March 31, 2007		December 31, 2006	
	Balance	Percent of Total	Balance	Percent of Total
Demand	\$ 17,903	15.68 %	\$ 17,902	17.95 %
NOW accounts	8,206	7.19	3,453	3.46
Savings and money market	22,139	19.39	19,981	20.03
Certificates of deposit	65,908	57.74	58,409	58.56
Total deposits	<u>\$ 114,156</u>	<u>100.00 %</u>	<u>\$ 99,745</u>	<u>100.00 %</u>

Total deposits increased by \$14.4 million, or 14%, to \$114.1 million at March 31, 2007 from \$99.7 million at December 31, 2006. Demand balances remained flat, while NOW accounts rose \$4.8 million and savings and money market accounts grew \$2.2 million during the quarter.

Certificates of deposit expanded \$7.5 million or 12.8%, primarily due to the acquisition of \$5 million in brokered deposits through the wholesale market. In addition, the Bank began a promotional advertising campaign designed to retain existing customers while attracting new customers to the Bank. The campaign covered the period ending March 31, 2007 and continued through April 2007.

Comparison of Operating Results for the Three Months Ended March 31, 2007 and 2006

General

CBT reported a net loss of \$638,000 or \$0.18 per share in the first quarter of 2007, compared to \$877,000 or \$0.25 per share for the same period in the prior year, an improvement in the net loss of \$239,000. First quarter results for 2007 were favorably impacted by the increase in the loan portfolio, which added \$884 to interest income which was slightly offset by lower interest on investments and Fed funds. Interest expense more than doubled from \$503,000 for the period ending March 31, 2006 to \$1,095,000 for the period ending March 31, 2007. The increase in interest expense is attributable to the higher cost of funds on certificates of deposit and other borrowings. The resulting net interest income was \$1,213,000 at March 31, 2007, a \$275,000 increase from the comparable period a year earlier. The growth in yield on assets of 59 basis points was more than offset by the 92 basis point increase in cost of funds.

Net Interest Income

Net interest income is the difference between income on interest-earning assets and expense on interest-bearing liabilities. Net interest income depends on the relative amounts of interest-earning assets and interest-bearing liabilities and the interest rate earned or paid on them.

The following table depicts the condensed averages of the major balance sheet categories that generate interest income or interest expense and the resulting asset yields or cost of funds for the three month periods ending March 31, 2007 and 2006. The difference between asset yields and the cost of funds equals the net interest spread. The difference between interest income and interest expense equals net interest income, which is divided into the average balance of interest earning assets to arrive at the net interest margin. The total dollar amount of interest income from assets and the subsequent yields are calculated on a taxable equivalent basis.

	2007			2006		
	(Dollars in Thousands)					
	Average Balance	Interest Income/ Expense	Average Yield Rate	Average Balance	Interest Income/ Expense	Average Yield Rate
Interest-earning assets						
Loans	\$ 110,155	\$ 2,031	7.48 %	\$ 64,987	\$ 1,147	7.16 %
Investments	<u>22,961</u>	<u>277</u>	<u>4.89</u>	<u>25,768</u>	<u>294</u>	<u>4.63</u>
Total interest-earning assets	133,116	2,308	<u>7.03 %</u>	90,755	1,441	<u>6.44 %</u>
Allowance for loan losses	(1,411)			(965)		
Cash and due from banks	3,201			1,944		
Other assets	<u>3,601</u>			<u>3,372</u>		
Total assets	<u>\$ 138,507</u>			<u>\$ 95,106</u>		
Interest-bearing liabilities						
Savings, NOW and money market deposits	\$ 23,447	\$ 171	2.96 %	\$ 17,351	\$ 116	2.71 %
Time deposits	59,470	733	5.00	32,933	302	3.72
Borrowed funds	<u>16,575</u>	<u>191</u>	<u>4.67</u>	<u>7,356</u>	<u>85</u>	<u>4.69</u>
Total interest-bearing liabilities	99,492	1,095	4.46 %	57,640	503	3.54 %
Demand deposits	<u>16,797</u>			<u>12,646</u>		
Total deposits and borrowed funds	116,289			70,286		
Other liabilities	472			231		
Stockholders' equity	<u>21,746</u>			<u>24,589</u>		
Total liabilities and stockholders' equity	<u>\$ 138,507</u>			<u>\$ 95,106</u>		
Net interest income		<u>\$ 1,213</u>			<u>\$ 938</u>	
Interest rate spread			<u>2.57 %</u>			<u>2.90 %</u>
Net interest margin			<u>3.70 %</u>			<u>4.19 %</u>
Ratio of interest-earning assets to interest-bearing liabilities			<u>133.80 %</u>			<u>157.45 %</u>

(1) Net interest rate spread represents the difference between the weighted average yield on interest-earning assets and the weighted average cost of interest-bearing liabilities.

(2) Net interest margin represents annualized net interest income, based upon the actual number of days in the quarter and the year, divided by average interest-earning assets.

Rate/Volume Analysis

The following table presents the extent to which changes in interest rates and changes in the volume of interest-earning assets and interest-bearing liabilities have affected CBT's tax equivalent interest income and interest expense during the periods indicated. Information is provided in each category with respect to: (i) changes attributable to changes in volume (changes in volume multiplied by prior rate); (ii) changes attributable to changes in rate (changes in rate multiplied by prior volume); and (iii) the net change. The changes attributable to the combined impact of volume and rate have been allocated proportionately to the changes due to volume and the changes due to rate.

**Three Months Ended March 31,
2007 compared to 2006**

	Increase (Decrease)		
	Due to		
	Volume	Rate	Net
Interest-earning assets:			
Loans	\$ 831	\$ 53	\$ 884
Investments (including Fed funds)	(34)	17	(17)
Total interest-earning assets	797	70	867
 Interest-bearing liabilities:			
Savings, NOW and money market deposits	\$ 43	\$ 12	\$ 55
Time deposits	302	129	431
Borrowed funds	106	-	106
Total interest-bearing liabilities	451	141	592
Increase in net interest income	\$ 346	\$ (71)	\$ 275

The aggregate average balance of interest-earning assets increased \$42.3 million to \$133.1 million for the quarter ended March 31, 2007 compared to the same period in the preceding year. The increase is due to growth in the loan portfolio, which generates our highest yielding asset. Net interest income increased \$275,000 to \$1,213,000 for the three months ended March 31, 2007 from \$938,000 in the same period for the prior year. The table above denotes the increased volume of loans outstanding was the major contributor to the resulting net interest income. Higher volumes of interest bearing liabilities and increased rate variances reduced the effect of the higher yield on the loan portfolio.

Average loans increased \$45.2 million primarily due to continued loan origination volume and advances on new and existing lines of credit. Average investments declined \$2.8 million principally reflecting a call of a certain agency security and principal payments on mortgage-backed securities. The net interest margin compressed 49 basis points to 3.70% for the three months ended March 31, 2007 from 4.19% in 2006 primarily resulting from the growth in interest bearing deposit balances and short-term borrowed funds to support asset growth, concurrently with an increase in short-term interest rates.

Provision for Loan Losses

Provisions to the allowance for loan and lease losses are provided for loan growth as well as for the inherent risk in the loan portfolio. CBT's provision for loan losses was \$60,000 for the three month period ending March 31, 2007, compared to \$82,000 for the comparable period in the prior year. Management, based upon known circumstances and conditions related to individual loans, industry trends, and economic conditions, determines the necessary level of the allowance for loan losses, and makes provisions when necessary.

Non-Interest Income

CBT's non-interest income is derived from fees on deposit accounts and other banking-related services coupled with brokerage commissions derived from our relationship with Raymond James Financial Services. Service charges and fees increased to \$40,000 from \$18,000 a year earlier principally due to the expanded number of deposit accounts. Brokerage commission income was \$54,000 for the period ending March 31, 2007. There were no brokerage commissions in the comparable quarter a year earlier as this business had not yet commenced. Losses of \$43,000 resulting from the sales of investment securities reduced noninterest income to \$51,000 for the period ending March 31, 2007 compared to \$18,000 for the comparable period a year earlier.

Non-Interest Expenses

Non-interest expenses increased \$91,000, or 5.2%, to \$1,842,000 million for the first quarter of 2007 compared to \$1,751,000 million for the same period in 2006. Noninterest expenses, more particularly compensation and occupancy costs, are directly affected by the increased costs associated with the expansion of the branch network. Salaries and benefits increased \$154,000 and occupancy and equipment costs rose \$60,000 compared to the same period a year earlier. Marketing expenses declined \$157,000 as a result of a more seasoned business and more targeted advertising campaigns. Professional services expenses increased \$52,000 largely as a result of audit fees, management consulting fees and legal services. Other general and administrative expenses were lower by \$27,000 from the period a year earlier.

Liquidity

CBT closely monitors its liquidity position. Consistent with the requirements of prudent banking practices necessary to maintain liquidity, we seek to match maturities and rates of loans and the securities portfolio with those of deposits, although exact matching is not always possible. Our primary sources of liquidity are cash and cash equivalents and our securities portfolio. Our securities portfolio consists primarily of marketable securities of Government-sponsored enterprises and mortgage-backed securities, generally with varied maturities. Additional liquidity is provided by a Federal Funds line of credit, the authority to borrow from the Federal Home Loan Bank of Boston, and the Discount window of the Federal Reserve.

The primary investing activities of CBT are the origination of commercial loans and commercial mortgages. To a lesser extent, CBT invests in the origination of consumer loans, primarily home equity loans and lines of credit, and other types of loans, and investments in mortgage-backed and government-sponsored enterprise securities. To support the growth in lending and investment activities, CBT uses deposit balances and alternative funding sources as well as principal and interest payments on outstanding loans and investment securities. CBT experienced a \$14 million increase in total deposits during the three months ended March 31, 2007. Deposit flows are affected by the overall level of interest rates and products offered by CBT and its local competitors and other factors. CBT utilizes these cash flows to fund a large portion of its balance sheet growth.

While maturities and scheduled amortization of loans and securities are predictable sources of funds, deposit outflows and mortgage prepayments are greatly influenced by market interest rates and general economic conditions. When CBT requires funds beyond its ability to generate them internally, additional sources of funds are available through Federal Home Loan Bank of Boston ("FHLB-Boston") advances and a \$2.0 million Federal Funds borrowing line of credit from Bankers' Bank Northeast. At March 31, 2007, CBT had \$17.5 million of borrowings outstanding with the FHLB-Boston and had not drawn on the Federal Funds line of credit. CBT has approximately \$14 million of unused borrowing capacity at the FHLB.

CBT has unfunded commitments under existing lines of credit aggregating \$29.5 million at March 31, 2007. These commitments relate primarily to commercial and commercial real estate loans, including construction lines of credit. In addition, CBT has commitments to originate loans totaling \$12.4 million as of March 31, 2007. Management of CBT anticipates that it will have sufficient funds available to meet its current loan commitments. Management believes that, although it is not possible to predict future offering terms and conditions, a significant portion of its deposits will remain with CBT.

The ratio of gross loans to deposits, a key liquidity ratio, was 102.2% at March 31, 2007. Management believes that CBT's short-term assets, combined with access to alternative funding sources such as the FHLB and other short-term borrowing lines, provide sufficient liquidity to cover potential fluctuations in deposit accounts and loan demand and to meet other anticipated operating cash and investment requirements.

Interest Rate Sensitivity Management

CBT's asset liability management ("ALM") process consists of quantifying, analyzing and controlling interest rate risk ("IRR") to maintain stability in net interest income ("NII") under varying interest rate environments. The principal objective of ALM is to maximize net interest income while operating within acceptable limits established for interest rate risk and maintaining adequate levels of liquidity.

CBT's net earnings are dependent on its net interest income. Net interest income is susceptible to IRR to the degree that interest-bearing liabilities mature or reprice on a different basis and timing than interest-earning assets. This timing difference represents a potential risk to CBT's future earnings. When interest-bearing liabilities mature or reprice more quickly than interest-earning assets in a given period, a significant increase in market rates of interest could adversely affect CBT's NII. Similarly, when interest-earning assets mature or reprice more quickly than interest-bearing liabilities, falling interest rates could result in a decrease in CBT's NII.

Management is guided by a Risk Management policy that is designed to produce a stable net interest margin ("NIM") in periods of interest rate fluctuation. By adjusting CBT's asset/liability position, Management attempts to manage CBT's IRR while enhancing the NIM. At times, depending on the general level of interest rates, the relationship between long-term and short-term interest rates, market conditions and competitive factors, Management may establish and implement strategies that could add to the level of IRR in order to increase its NIM. Notwithstanding CBT's IRR management activities, the potential for changing interest rates is an uncertainty that can have an adverse effect on net earnings.

Interest-sensitive assets and liabilities are those that are subject to maturity or repricing within a given time period. Management attempts to administer this sensitivity through the development and implementation of investment, lending, funding and pricing strategies designed to achieve NII performance goals while minimizing the potential negative variations in NII under different interest rate scenarios. Investment strategies, including portfolio durations and cash flows, are formulated and continually adjusted during the implementation to assure attainment of objectives in the most effective manner. Loan and deposit pricing are adjusted as needed to reflect current interest rate and competitive market environments, with duration targets on both loan pricing and deposit pricing reviewed monthly.

NII at-risk measures the risk of a decline in earnings due to potential short-term and long-term changes in interest rates. The table below presents an analysis of the CBT's IRR as measured by the estimated changes in NII resulting from an instantaneous and sustained parallel shift in the yield curve (+ 200 and -200 basis points) at March 31, 2007 and December 31, 2006.

Net Interest Income At-Risk

Change in Interest Rates (Basis Points)	Estimated Increase (Decrease) in NII (March 31, 2007)	Estimated Increase (Decrease) in NII (December 31, 2006)
-200	(4.75)%	(7.82)%
+200	(1.10)%	1.96%

Off-Balance Sheet Arrangements

Information relating to Off-Balance Sheet Arrangements is presented in CBT's Annual Report on Form 10-KSB for the year ended December 31, 2006 (see Note 9 to the Consolidated Financial Statements). There have been no material changes in CBT's off-balance sheet arrangements since December 31, 2006.

Regulatory Capital

Federal law defines specific capital categories for depository institutions. The capital categories, in declining order, are: (i) well capitalized; (ii) adequately capitalized; (iii) undercapitalized; (iv) significantly undercapitalized; and (v) critically undercapitalized. To be considered "adequately capitalized," an institution must generally have a leverage ratio of at least 4%, a Tier 1 capital to risk-weighted assets ratio of at least 4% and total Tier 1 and Tier 2 capital to risk-weighted assets ratio of at least 8%. To be considered "well capitalized," an institution must generally have a leverage ratio of at least 8%, a Tier 1 capital to risk-weighted assets ratio of at least 6% and total Tier 1 and Tier 2 capital to risk-weighted assets ratio of at least 10%. As of March 31, 2007, the most recent notification from the FDIC categorized CBT as "well capitalized." To be categorized as "well capitalized," CBT must maintain minimum total risk-based, Tier 1 risk-based and Tier 1 leverage ratios as set forth in the table below.

At March 31, 2007, CBT's capital balances were in excess of current regulatory minimum requirements. As indicated in the following table, the actual regulatory capital ratios of CBT at March 31, 2007 exceeded the minimum required ratios. There are no conditions that Management believes have changed CBT's category since its March 31, 2007 notification from regulators that it is "well capitalized." CBT's actual capital amounts and ratios as of March 31, 2007 and December 31, 2006 are presented in the table.

	Actual		Minimum Capital Requirement		Minimum To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
(Dollars in Thousands)						
March 31, 2007						
Total capital (to risk weighted assets)	\$ 23,403	18.93%	\$ 9,892	8.00%	\$ 12,364	10.00%
Tier 1 capital (to risk weighted assets)	21,959	17.76%	4,946	4.00%	7,419	6.00%
Tier 1 capital (to average assets)	21,959	15.86%	11,076	8.00%	11,076	8.00%
December 31, 2006:						
Total capital (to risk weighted assets)	\$ 23,916	21.30%	\$ 8,976	8.00%	\$ 11,220	10.00%
Tier 1 capital (to risk weighted assets)	22,532	20.10%	4,488	4.00%	6,732	6.00%
Tier 1 capital (to average assets)	22,532	20.20%	8,538	9.00% *	8,538	9.00% *

* Although the minimum, as well as the minimum to be considered well capitalized under prompt corrective action provisions, Tier 1 capital to average assets ratios are generally 4% and 8%, respectively. Pursuant to CBT's charter and its de novo status, CBT has been subject to, and has complied with a 9% Tier 1 capital ratio. This requirement will be in effect for thirty-six months from the date of opening, March 12, 2004.

Item 3. Controls and Procedures

(a) Evaluation of disclosure controls and procedures

CBT's Management, including CBT's principal executive officer and principal financial officer, have evaluated the effectiveness of CBT's "disclosure controls and procedures," as such term is defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based upon their evaluation, the principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, CBT's disclosure controls and procedures were effective for the purpose of ensuring that the information required to be disclosed in the reports that CBT files or submits under the Exchange Act with the FRBB (1) is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and (2) is accumulated and communicated to CBT's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

As used herein, "disclosure controls and procedures" means controls and other procedures of CBT that are designed to ensure that information required to be disclosed by CBT in the reports that it files or submits pursuant to the Exchange Act is recorded, processed, summarized and reported, within the relevant time periods. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by CBT in the reports that it files or submits under the Exchange Act is accumulated and communicated to CBT's Management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decision regarding required disclosures.

(b) Changes in Internal Controls

There have been no significant changes in CBT's internal controls over financial reporting or in other factors identified in connection with the evaluation required by Rule 13a-15 that occurred during CBT's quarter ended March 31, 2007 that have materially affected, or are reasonably likely to materially affect, CBT's internal controls over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

CBT is not involved in any pending legal proceedings other than routine legal proceedings occurring in the ordinary course of business. Such routine legal proceedings, in the aggregate, are believed by Management to be immaterial to the financial condition and results of operations of CBT.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. Submission of Matters to a Vote of Security Holders.

Not applicable.

Item 5. Other Information.

Not applicable.

Item 6. Exhibits.

<u>No.</u>	<u>Description</u>
3(i)	Amended Certificate of Incorporation of The Connecticut Bank and Trust Company (incorporated by reference to Exhibit 3.1 to The Connecticut Bank and Trust Company's Registration Statement on Form 10-SB dated April 29, 2005)
3(ii)	Amended Bylaws of The Connecticut Bank and Trust Company (incorporated by reference to Exhibit 3.2 to The Connecticut Bank and Trust Company's Registration Statement on Form 10-SB dated April 29, 2005)
4.1	Form of Warrant of The Connecticut Bank and Trust Company (incorporated by reference to Exhibit 4.1 to The Connecticut Bank and Trust Company's Registration Statement on Form 10-SB dated April 29, 2005)
11.1	Statement Re: Computation of Per Share Earnings (incorporated by reference to Part 1 of this Quarterly Statement on Form 10-QSB – Earnings Per Share)
31.1	Rule 13a-14(a)/15d-14(a) Certification by Chairman and Chief Executive Officer
31.2	Rule 13a-14(a)/15d-14(a) Certification by Secretary and Chief Financial Officer
32.1	Section 1350 Certification by Chairman and Chief Executive Officer
32.2	Section 1350 Certification by Secretary and Chief Financial Officer

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE CONNECTICUT BANK AND TRUST COMPANY

Dated: May 9, 2007

By: /s/ David A. Lentini
David A. Lentini
Chairman of the Board, President and
Chief Executive Officer

Dated: May 9, 2007

By: /s/ Anson C. Hall
Anson C. Hall
Treasurer, Secretary and
Chief Financial Officer

EXHIBIT INDEX

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32.2	Section 1350 Certification by Secretary and Chief Financial Officer

EXHIBIT 31.1

CERTIFICATIONS PURSUANT TO RULE 13a-14(a)/15d-14(a)

CERTIFICATION

I, David A. Lentini, Chairman of the Board, President and Chief Executive Officer of The Connecticut Bank and Trust Company, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of The Connecticut Bank and Trust Company for the period ended March 31, 2007;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of The Connecticut Bank and Trust Company as of, and for, the periods presented in this report;
4. The Connecticut Bank and Trust Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for The Connecticut Bank and Trust Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to The Connecticut Bank and Trust Company is made known to us by others within The Connecticut Bank and Trust Company, particularly during the period in which this report is being prepared;
 - (b) Evaluated the effectiveness of The Connecticut Bank and Trust Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in The Connecticut Bank and Trust Company's internal control over financial reporting that occurred during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting; and
5. The Connecticut Bank and Trust Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to The Connecticut Bank and Trust Company's auditors and the audit committee of The Connecticut Bank and Trust Company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect The Connecticut Bank and Trust Company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in The Connecticut Bank and Trust Company's internal control over financial reporting.

Date: May 9, 2007

/s/ David A. Lentini
David A. Lentini
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Anson C. Hall, Treasurer, Secretary and Chief Financial Officer of The Connecticut Bank and Trust Company, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of The Connecticut Bank and Trust Company for the period ended March 31, 2007;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of The Connecticut Bank and Trust Company as of, and for, the periods presented in this report;
4. The Connecticut Bank and Trust Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for The Connecticut Bank and Trust Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to The Connecticut Bank and Trust Company is made known to us by others within The Connecticut Bank and Trust Company, particularly during the period in which this report is being prepared;
 - (b) Evaluated the effectiveness of The Connecticut Bank and Trust Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in The Connecticut Bank and Trust Company's internal control over financial reporting that occurred during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting; and
5. The Connecticut Bank and Trust Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to The Connecticut Bank and Trust Company's auditors and the audit committee of The Connecticut Bank and Trust Company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect The Connecticut Bank and Trust Company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in The Connecticut Bank and Trust Company's internal control over financial reporting.

Date: May 9, 2007

/s/ Anson C. Hall
Anson C. Hall
Chief Financial Officer

EXHIBIT 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2004**

In connection with the Quarterly Report of The Connecticut Bank and Trust Company (“CBT”) on Form 10-QSB for the period ending March 31, 2007 as filed with the Federal Reserve Bank of Boston (the “Report”), I, David A. Lentini, Chief Executive Officer of CBT, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of CBT as of and for the period covered by the Report.

/s/ David A. Lentini
David A. Lentini
Chief Executive Officer
May 9, 2007

EXHIBIT 31.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2004**

In connection with the Quarterly Report of The Connecticut Bank and Trust Company (“CBT”) on Form 10-QSB for the period ending March 31, 2007 as filed with the Federal Reserve Bank of Boston (the “Report”), I, Anson C. Hall, Chief Financial Officer of CBT, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of CBT as of and for the period covered by the Report.

/s/ Anson C. Hall
Anson C. Hall
Chief Financial Officer
May 9, 2007