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CBT Reports Continued Improvement in Quarterly Results

Hartford, CT, January 24, 2006 - The Connecticut Bank and Trust Company, (OTC: CTBC), reported the second consecutive improvement in quarterly results as net operating results improved by \$239,000. The net loss for the quarter ended December 31, 2005 was (\$622,000) or (\$0.17) per share compared to (\$861,000) or (\$0.44) per share in the quarter ended September 30, 2005. A noteworthy accomplishment during the quarter included the opening of CBT's fourth branch – in the important tri-town market of Vernon, Manchester and South Windsor. At December 31, 2005, loans outstanding had reached \$57 million, an increase of \$36 million for the year. For the year ended December 31, 2005 the net loss was (\$3,568,000) or (\$1.53) per share compared to (\$3,431,000) or (\$2.29) per share for year ended December 31, 2004. The loss per share for the quarter and year ended December 31, 2005 reflected the issuance of 1,650,000 shares of common stock in September of 2005.

Chairman and CEO David A. Lentini remarked, "We are all very excited to have our Vernon Branch up and running. Our people are working hard to bring our brand of personal service and quality products to the central Connecticut marketplace." He went on to note, "I am also pleased with our results. The improvements over the past several quarters convince me that we are making the right choices concerning growth and profitability."

Balance Sheet Performance. At December 31, 2005, total assets were \$96.9 million compared to \$78.3 million at December 31, 2004. During the year ended December 31, 2005, loans outstanding increased \$35.9 million, or 169.3%, to \$57.1 million. Total deposits were \$70.7 million at December 31, 2005, an increase of \$7.2 million or 11.5% from \$63.5 million at December 31, 2004. Stockholders' Equity at December 31, 2005 was \$25.0 million compared to \$14.1 million at December 31, 2004. This change results primarily from the increased deficit and the completion in September 2005 of the secondary offering of common stock in which CBT sold 1,650,000 shares for \$14.6 million.

Asset Quality. The allowance for loan losses at December 31, 2005 was \$876,000 compared to \$239,000 at December 31, 2004 and represented 1.53% and 1.13% of loans outstanding for the respective dates. There were no loans past due 30 days or more at December 31, 2005, other than one consumer loan (\$25,000) on nonaccrual.

Net Interest Income. During the quarter ended December 31, 2005, net interest income amounted to \$837,000 compared to \$625,000 in the quarter ended September 30, 2005. This increase reflected both the continued growth in loans outstanding and the modest but continuing rise in interest rates. The net interest margin for the quarter was 3.69% compared to 2.97% in the quarter ended September 30, 2005.

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For the year ended December 31, 2005, net interest income amounted to \$2,480,000 compared to \$640,000 for the year ended December 31, 2004. This marked increase reflects, in part, the fact that CBT began operation in March 2004. The net interest margin for the year ended December 31, 2005 was 3.08% compared to 1.94% for the previous year.

Noninterest Expenses. Total expenses increased \$88,000 or 7.1% in the quarter ended December 31, 2005, to \$1,335,000 from \$1,247,000 in the quarter ended September 30, 2005. The largest change occurred in salaries and benefits which increased \$99,000 and resulted principally from staff additions for the new Vernon Branch. Occupancy expense increased \$37,000 also chiefly related to the new branch. All other expenses as a group decreased \$48,000 during the quarter.

For the 12 months ended December 31, 2005, total expenses increased \$1,587,000 compared to the same period in 2004. This increase included the effect of a full period of operation in 2005. Expense increases included salaries and benefits, \$1,115,000; marketing, \$448,000; occupancy and equipment, \$236,000; data processing, \$93,000; and professional services, \$81,000. The \$360,000 contribution to the CBT Charitable Trust in 2004 did not recur and all other expenses as a group decreased \$26,000.

| Selected Performance Data | | | | | | | | |
|--|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Dollar values in thousands except per share | Three months ended | | | | Year ended | | | |
| | Sep 30, 2004 | Dec 31, 2004 | Mar 31, 2005 | Jun 30, 2005 | Sep 30, 2005 | Dec 31, 2005 | Dec 31, 2004 | Dec 31, 2005 |
| Total assets (EOP) | \$63,008 | \$78,288 | \$77,357 | \$86,132 | \$99,589 | \$96,875 | \$78,288 | \$96,875 |
| Net operating loss | (\$844) | (\$984) | (\$964) | (\$1,121) | (\$861) | (\$622) | (\$3,431) | (\$3,568) |
| Net interest margin | 2.53% | 1.58% | 2.62% | 2.95% | 2.97% | 3.69% | 1.94% | 3.08% |
| Ratio of total stockholders' equity to total assets (EOP) | 24.14% | 18.02% | 16.70% | 14.12% | 25.84% | 25.85% | 18.02% | 25.85% |
| Average shares outstanding (in thousands) | 1,850 | 1,887 | 1,889 | 1,905 | 1,968 | 3,567 | 1,501 | 2,336 |
| Loss per share | (\$0.46) | (\$0.52) | (\$0.51) | (\$0.59) | (\$0.44) | (\$0.17) | (\$2.29) | (\$1.53) |
| Book value per share (EOP) | \$8.07 | \$7.49 | \$6.84 | \$6.35 | \$7.21 | \$7.02 | \$7.47 | \$7.02 |
| Allowance for loan losses/total loans (EOP) | 1.08% | 1.13% | 1.17% | 1.33% | 1.45% | 1.53% | 1.13% | 1.53% |

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

See financial statements accompanying this release for additional data.

THE CONNECTICUT BANK AND TRUST COMPANY
BALANCE SHEETS
December 31, 2005 and 2004
(Dollars in Thousands)

| ASSETS | 2005 | 2004 |
|--|----------|----------|
| Cash and due from banks | \$ 1,406 | \$ 1,482 |
| Federal funds sold | 11,027 | 14,731 |
| Cash and cash equivalents | 12,433 | 16,213 |
| Securities available for sale, at fair value | 23,908 | 37,927 |
| Federal Reserve Bank stock, at cost | 766 | 529 |
| Federal Home Loan Bank stock, at cost | 125 | - |
| Loans | 57,140 | 21,239 |
| Allowance for loan losses | (876) | (239) |
| Loans, net | 56,264 | 21,000 |
| Premises and equipment, net | 2,079 | 1,928 |
| Accrued interest receivable | 390 | 322 |
| Other assets | 910 | 369 |
| | \$96,875 | \$78,288 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Deposits | \$70,740 | \$63,451 |
| Repurchase agreements | 442 | 302 |
| Other liabilities | 648 | 425 |
| Total liabilities | 71,830 | 64,178 |
| Stockholders' equity; | | |
| Common stock, \$1.00 par value; 10,000,000 shares authorized; shares issued and outstanding: 3,567,450 at December 31, 2005 and 1,888,550 at December 31, 2004 | 3,567 | 1,889 |
| Common stock warrants | 853 | 853 |
| Additional paid-in capital | 29,536 | 16,178 |
| Restricted stock unearned compensation | (618) | (407) |
| Retained deficit | (7,756) | (4,188) |
| Accumulated other comprehensive loss | (537) | (215) |
| Total stockholders' equity | 25,045 | 14,110 |
| | \$96,875 | \$78,288 |

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

THE CONNECTICUT BANK AND TRUST COMPANY
Statements of Operations

| | Three Months Ended | | | Year Ended | |
|--|--------------------------------|-------------------------------|--------------------------------|-------------------------------------|---------------------|
| | Dec 31, 2005 (Unaudited) | Sep 30 2005 (Unaudited) | Dec 31, 2004 (Unaudited) | December 31, 2005 (Unaudited) | 2004 (Unaudited) |
| <i>(Dollars in thousands except share data)</i> | | | | | |
| Interest and dividend income: | | | | | |
| Interest and fees on loans | \$ 896 | \$ 690 | \$ 190 | \$ 2,514 | \$ 340 |
| Debt securities | 231 | 290 | 278 | 1,197 | 490 |
| Dividends | 10 | 8 | 25 | 34 | 25 |
| Federal funds sold | 108 | 104 | 97 | 322 | 177 |
| Total interest and dividend income | <u>1,245</u> | <u>1,092</u> | <u>590</u> | <u>4,067</u> | <u>1,032</u> |
| Interest expense: | | | | | |
| Deposits | 405 | 465 | 316 | 1,581 | 382 |
| Borrowed funds | 3 | 2 | 7 | 6 | 10 |
| Total interest expense | <u>408</u> | <u>467</u> | <u>323</u> | <u>1,587</u> | <u>392</u> |
| Net interest income | 837 | 625 | 267 | 2,480 | 640 |
| Provision for loan losses | 159 | 211 | 132 | 637 | 239 |
| Net interest income, after provision for loan losses | <u>678</u> | <u>414</u> | <u>135</u> | <u>1,843</u> | <u>401</u> |
| Non-interest income (charges): | | | | | |
| Service charges and fees | 21 | 15 | 22 | 66 | 28 |
| Net gains on sales of loans | 14 | 2 | 2 | 16 | - |
| Net losses from sales of available-for-sale securities | - | (45) | (2) | (48) | (2) |
| Total non-interest income | <u>35</u> | <u>(28)</u> | <u>22</u> | <u>34</u> | <u>26</u> |
| Non-interest expenses: | | | | | |
| Salaries and benefits | 793 | 694 | 553 | 2,782 | 1,667 |
| Occupancy and equipment | 251 | 214 | 271 | 899 | 663 |
| Data processing | 61 | 49 | 24 | 183 | 90 |
| Marketing | 176 | 118 | 102 | 797 | 349 |
| Professional services | 21 | 57 | 75 | 395 | 314 |
| Other general and administrative | 33 | 115 | 116 | 389 | 775 |
| Total non-interest expenses | <u>1,335</u> | <u>1,247</u> | <u>1,141</u> | <u>5,445</u> | <u>3,858</u> |
| Net loss | <u>\$ (622)</u> | <u>\$ (861)</u> | <u>\$ (984)</u> | <u>\$ (3,568)</u> | <u>\$ (3,431)</u> |
| Net loss per share: | | | | | |
| Basic | \$ (0.17) | \$ (0.44) | \$ 0.52 | \$ (1.53) | \$ (2.29) |
| Diluted | \$ (0.17) | \$ (0.44) | \$ 0.52 | \$ (1.53) | \$ (2.29) |

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