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CBT Reports Results for First Quarter 2006

Hartford, CT, April 25, 2006 - The Connecticut Bank and Trust Company, (Nasdaq: CTBC), reported a loss for the quarter ended March 31, 2006 of \$877,000 or \$0.25 per share, compared to a loss of \$964,000 or \$0.51 per share for the same period in 2005. The per-share results for the first quarter of 2006 reflect the issuance of 1.65 million shares of CBT common stock issued in September 2005.

Chairman and CEO David A. Lentini remarked, "We were very excited to begin the new year with the grand opening of our Vernon Office on January 5th." He added "This office, located near the junction of Vernon, Manchester and South Windsor, is well situated to serve our customers from these communities. In this challenging interest rate environment, CBT's branch expansion program can provide lower cost funds to support our growth."

Results of Operations. The results for the first quarter of 2006 were impacted by growth in net interest income and to a lesser extent, an increase in noninterest income and a reduction in loan loss provision. Net interest income rose \$469,000, or 100%, to \$938,000 for the quarter ended March 31, 2006. Growth in loans, combined with an increase in the net interest margin, were the main drivers of this performance. The operating results also reflect an increase of \$427,000 in noninterest expenses to \$1,751,000 for the three months ended March 31, 2006 compared to \$1,324,000 in the first quarter of 2005. This increase includes investing in the costs related to the opening and operation of the new banking center in Vernon and staff additions in Lending, Operations and Administration.

President Lentini said "These investments will keep CBT on track with its planned branch expansion. In March, we submitted an application to Federal and State regulators for approval to open a banking center in Newington, Connecticut."

Balance Sheet Performance. Loans outstanding increased \$13.4 million to \$70.6 million at March 31, 2006, reflecting our most successful quarter of loan production to date. Total assets were \$99.0 million at the end of the quarter compared to \$96.9 million at December 31, 2005. Total deposits were \$64.4 million at March 31, 2006, declining \$6.3 million or 8.9% from \$70.7 million at December 31, 2005. During the quarter, normal seasonal outflows of commercial funds, coupled with the move of a major depositor's operation away from Connecticut, more than offset the early result of our entry into the Vernon Market. Stockholders' equity at March 31, 2006 was \$24.0 million compared to \$25.0 million at December 31, 2005 primarily reflecting the first quarter 2006 operating loss and a decrease in the estimated market value of the Bank's available for sale securities portfolio.

Asset Quality. The allowance for loan losses at March 31, 2006 was \$958,000 compared to \$876,000 at December 31, 2005 and represented 1.36% and 1.51% of loans outstanding for the respective dates. There were no loans past due 30 days or more at March 31, 2006 and none classified as nonaccrual or nonperforming.

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Selected Performance Data								
Dollar values in thousands except per share amounts	At or for the three months ended						At or for the year ended	
	Dec 31, 2004	Mar 31, 2005	Jun 30, 2005	Sep 30, 2005	Dec 31, 2005	Mar 31, 2006	Dec 31, 2004	Dec 31, 2005
Total assets (period end)	\$78,288	\$77,357	\$86,132	\$99,589	\$96,875	\$99,016	\$78,288	\$96,875
Net operating loss	(\$984)	(\$964)	(\$1,121)	(\$861)	(\$622)	(\$877)	(\$3,431)	(\$3,568)
Net interest margin	1.58%	2.62%	2.95%	2.97%	3.69%	4.19%	1.94%	3.08%
Ratio of total stockholders' equity to total assets (Period end)	18.02%	16.70%	14.12%	25.84%	25.85%	24.25%	18.02%	25.85%
Average shares outstanding (in thousands)	1,887	1,889	1,905	1,968	3,567	3,567	1,501	2,336
Loss per share	(\$0.52)	(\$0.51)	(\$0.59)	(\$0.44)	(\$0.17)	(\$0.25)	(\$2.29)	(\$1.53)
Book value per share (period end)	\$7.47	\$6.84	\$6.35	\$7.21	\$7.02	\$6.73	\$7.47	\$7.02
Allowance for loan losses /total loans (period end)	1.13%	1.17%	1.33%	1.45%	1.53%	1.36%	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.

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THE CONNECTICUT BANK AND TRUST COMPANY
BALANCE SHEETS
March 31, 2006
(Dollars in Thousands)

	Mar 31, 2006 <u>(unaudited)</u>	Dec 31, 2005 <u>(unaudited)</u>	Mar 31, 2005 <u>(unaudited)</u>
ASSETS			
Cash and due from banks	\$ 1,760	\$ 1,406	\$ 1,310
Federal funds sold	100	11,027	8,306
Cash and cash equivalents	<u>1,860</u>	<u>12,433</u>	<u>9,616</u>
Securities available for sale, at fair value	22,888	23,908	34,167
Federal Reserve Bank stock, at cost	766	766	529
Federal Home Loan Bank stock, at cost	534	125	-
Loans	70,550	57,140	30,713
Allowance for loan losses	(958)	(876)	(359)
Loans, net	<u>69,592</u>	<u>56,264</u>	<u>30,354</u>
Premises and equipment, net	2,059	2,079	1,857
Accrued interest receivable	529	390	422
Other assets	<u>788</u>	<u>910</u>	<u>412</u>
Total assets	<u>\$ 99,016</u>	<u>\$ 96,875</u>	<u>\$ 77,357</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Deposits	\$ 64,371	\$ 70,740	\$ 63,667
Short term borrowings	7,758	442	266
Long term debt	2,450	-	-
Other liabilities	425	648	508
Total liabilities	<u>75,004</u>	<u>71,830</u>	<u>64,441</u>
Stockholders' equity;			
Common stock, \$1.00 par value; 10,000,000 shares authorized; shares issued and outstanding: 3,567,450 at March 31, 2006 and December 31, 2005; 1,888,550 as of March 31, 2005	3,567	3,567	1,889
Common stock warrants	853	853	853
Additional paid-in capital	29,545	29,536	16,178
Restricted stock unearned compensation	(569)	(618)	(378)
Retained deficit	(8,633)	(7,756)	(5,152)
Accumulated other comprehensive loss	(751)	(537)	(474)
Total stockholders' equity	<u>24,012</u>	<u>25,045</u>	<u>12,916</u>
Total Liabilities and stockholders' equity	<u>\$ 99,016</u>	<u>\$ 96,875</u>	<u>\$ 77,357</u>

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THE CONNECTICUT BANK AND TRUST COMPANY
Statements of Operations

	Three Months Ended			Year Ended	
	Mar 31, 2006	Dec 31, 2005	March 31, 2005	December 31, 2005	2004
<i>(Dollars in thousands except share data)</i>	(Unaudited)	(Unaudited)	(Unaudited)		
Interest and dividend income:					
Interest and fees on loans	\$ 1,147	\$ 896	\$ 389	\$ 2,514	\$ 340
Debt securities	261	231	359	1,197	490
Dividends	18	10	8	34	25
Federal funds sold	15	108	47	322	177
Total interest and dividend income	<u>1,441</u>	<u>1,245</u>	<u>803</u>	<u>4,067</u>	<u>1,032</u>
Interest expense:					
Deposits	418	405	333	1,581	382
Borrowed funds	85	3	1	6	10
Total interest expense	<u>503</u>	<u>408</u>	<u>334</u>	<u>1,587</u>	<u>392</u>
Net interest income	<u>938</u>	<u>837</u>	<u>469</u>	<u>2,480</u>	<u>640</u>
Provision for loan losses	<u>82</u>	<u>159</u>	<u>120</u>	<u>637</u>	<u>239</u>
Net interest income, after provision for loan losses	<u>856</u>	<u>678</u>	<u>349</u>	<u>1,843</u>	<u>401</u>
Non-interest income (charges):					
Service charges and fees	18	21	11	66	28
Net gains on sales of loans	-	14	-	16	-
Net losses from sales of available-for-sale securities	-	-	-	(48)	(2)
Total non-interest income	<u>18</u>	<u>35</u>	<u>11</u>	<u>34</u>	<u>26</u>
Non-interest expenses:					
Salaries and benefits	906	793	638	2,782	1,667
Occupancy and equipment	276	251	194	899	663
Data processing	42	61	36	183	90
Marketing	272	176	220	797	349
Professional services	53	21	150	395	314
Other general and administrative	202	33	86	389	775
Total non-interest expenses	<u>1,751</u>	<u>1,335</u>	<u>1,324</u>	<u>5,445</u>	<u>3,858</u>
Net loss	<u>\$ (877)</u>	<u>\$ (622)</u>	<u>\$ (964)</u>	<u>\$ (3,568)</u>	<u>\$ (3,431)</u>
Net loss per share:					
Basic	\$ (0.25)	\$ (0.17)	\$ (0.51)	\$ (1.53)	\$ (2.29)
Diluted	\$ (0.25)	\$ (0.17)	\$ (0.51)	\$ (1.53)	\$ (2.29)

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