



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

CBT Tops \$150 million in Assets; Reports Results for the 1st Quarter

Hartford, CT, April 24, 2007 - The Connecticut Bank and Trust Company (Nasdaq: CTBC) reported total assets of \$155 million at March 31, 2007, an increase of \$19 million from \$136 million at December 31, 2006. The results of operations for the three months ended March 31, 2007 improved \$239,000 to a loss of \$638,000 or \$0.18 per share compared to a loss of \$877,000 or \$0.25 per share for the quarter ended March 31, 2006.

Chairman and CEO David A. Lentini remarked, "The improvement in result reflects both the continued growth in assets and the significant decrease in the rate of growth in expenses. The increase in assets is significantly related to the development of our branch network which now includes six banking centers in and around Hartford." He went on to note "Until now, we have been increasing the staff, facilities and resources necessary to meet our commitment to being a full service commercial bank. I believe we have reached a level that will permit continued growth without significant additional investment in these resources. Our prudent approach to loan origination and asset gathering has positioned the bank well for stability and future long-term profitability."

Result of Operations. The results of operations for quarter ended March 31, 2007 improved \$239,000 to a loss of \$638,000 compared to a loss of \$877,000 for the quarter ended March 31, 2006. Net interest income improved \$275,000 and non-interest income improved \$33,000. Noninterest expense increased \$91,000 and the provisions for loan losses decreased \$22,000.

The increase in net interest income attributable to growth in earning assets was \$347,000 while the effect of a 33 basis point decrease in the net interest spread reduced net interest income \$72,000. The net interest spread measures the difference between the average rate earned on earning assets and the average rate paid for interest bearing liabilities. Net interest income for the quarter was negatively affected by the flat yield curve, as it was throughout much of 2006.

Noninterest expenses increased \$91,000, or 5% to \$1,842,000 in the quarter ended March 31, 2007 compared to \$1,751,000 in the first quarter of 2006. The rate of increase in non-interest expenses has slowed significantly as the Bank nears the end of its build-out phase for the branch network and support areas. Included in this increase were the costs related to newly hired employees in anticipation of the April 2, 2007 opening of CBT's sixth banking center, in Windsor, CT and a \$157,000 decrease in marketing costs. The results also included price increases in many of the goods and services purchased by CBT.

Balance Sheet Performance. Total assets were \$155 million at March 31, 2007, an increase of \$19 million compared to \$136 million at December 31, 2006. The growth was led by a \$10 million increase in loans outstanding and also included a \$9 million increase cash and cash equivalents. This category includes the Bank's most liquid assets available to meet the needs of both borrowers and depositors.

Total deposits were \$114 million at March 31, 2007, an increase of \$14 million from December 31, 2006. The Bank also increased its short term borrowings \$5 million during the quarter. These two sources provided the funds for the growth in assets. Stockholders' equity at March 31, 2007 was \$21.7 million compared to \$22.1 million at December 31, 2006 primarily reflective of the operating losses for the quarter ended March 31, 2007 and somewhat mitigated by the improvement in the estimated market value of the Bank's available for sale securities portfolio.

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

Asset Quality. The allowance for loan losses at March 31, 2007 was \$1,444,000 compared to \$1,384,000 at December 31, 2006. This represented 1.24% and 1.29% of outstanding loans at the respective dates. There were no charge offs during the quarter.

At March 31, 2007, two loans totaling \$597,000 were classified as nonperforming loans. This was unchanged from December 31, 2006. The ratio of the allowance to nonperforming loans was 242% at March 31, 2007. There were no other loans past due 30 days or more and none classified as nonaccrual at March 31, 2006.

Selected Performance Data								
Dollar values in thousands except per share	Three months ended						Year ended	
	Dec. 31, 2005	March 31, 2006	June 30, 2006	Sept 30, 2006	Dec. 31, 2006	March 31, 2007	Dec. 31 2005	Dec. 31, 2006
Total assets (EOP)	\$ 96,875	\$ 99,016	\$112,462	\$123,325	\$136,434	\$ 155,554	\$ 96,875	\$136,434
Net operating loss	\$ (622)	\$ (877)	\$ (908)	\$ (844)	\$ (610)	\$ (638)	\$ (3,568)	\$ (3,238)
Net interest margin	3.69%	4.19%	3.86%	3.69%	3.74%	3.70%	3.08%	3.85%
Ratio of total stockholders' equity to total assets (EOP)	25.85%	24.25%	20.47%	18.35%	16.19%	13.92%	25.85%	16.19%
Weighted avg shrs outstanding	3,567	3,534	3,539	3,543	3,547	3,541	3,567	3,547
Loss per share	\$ (0.17)	\$ (0.25)	\$ (0.26)	\$ (0.24)	\$ (0.17)	\$ (0.18)	\$ (1.53)	\$ (0.91)
Book value per share (EOP)	\$ 7.02	\$ 6.73	\$ 6.45	\$ 6.34	\$ 6.19	\$ 6.07	\$ 7.02	\$ 6.19
Allowance for loan losses to total loans (EOP)	1.53%	1.36%	1.37%	1.34%	1.29%	1.24%	1.53%	1.29%

Caution concerning forward-looking statements:

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. CBT does not undertake to update its forward-looking statements.

See financial statements accompanying this release for additional data.

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	1,213	938
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)

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

THE CONNECTICUT BANK AND TRUST COMPANY
Balance Sheets

ASSETS

	March 31, 2007 <u>(Unaudited)</u>	December 31, 2006 <u></u>	March 31, 2006 <u>(Unaudited)</u>
<i>(Dollars in thousands)</i>			
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	<u>(1,444)</u>	<u>(1,384)</u>	<u>(958)</u>
Loans, net	115,183	105,526	69,592
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>
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	<u>(350)</u>	<u>(497)</u>	<u>(751)</u>
Total stockholders' equity	21,659	22,085	24,012
Total Liabilities and Stockholders' Equity	<u><u>\$ 155,554</u></u>	<u><u>\$ 136,434</u></u>	<u><u>\$ 99,016</u></u>

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