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CBT Posts Results for the Quarter Ended September 30, 2008 **- Assets Grow and Capital Remains Strong**

Hartford, CT, October 24, 2008 - The Connecticut Bank and Trust Company (Nasdaq: CTBC) ("CBT") reported a net loss of \$1,487,000, or \$0.42 per share, for the third quarter of 2008, compared to a \$530,000, or \$0.15 per share loss, for the quarter ended September 30, 2007. The Results included additions to the allowance for loan losses of \$1,316,000 in the quarter compared to \$111,000 in the third quarter of 2007. Chairman and CEO David A. Lentini remarked, "Banks in the United States have and will report some of the worst quarterly results in recent memory and many of these losses will come from the write-downs of the value of Fannie Mae and Freddie Mac securities they held for investment purposes. Even though CBT did not hold any of these securities, we were not immune to the recessionary pressures around us. The unusually large provision to the allowance for loan losses in this quarter is in direct response to those pressures and reflects both increases in recognition of a weakening economic outlook and for individual customers experiencing difficulty."

Lentini added, "Going forward we remain well capitalized and look forward to reaching profitability in the near future. Although it is hard to predict anything in these difficult times, it appears that on an operating level, we will get close to a break-even situation in the fourth quarter. Further Federal Reserve interest rate reductions or more weakening in our local economy, could adversely affect our results."

For the nine-month period ended September 30, 2008, CBT reported a net loss of \$2,178,000, or \$0.61 per share, compared to a loss of \$1,760,000, or \$0.50 per share, for the nine-month period ended September 30, 2007.

Quarterly Results of Operations. Net interest income rose \$256,000 to \$1,734,000 for the three-month period ended September 30, 2008 over the same period in the prior year. In the 12 months ended September 30, 2008, the Federal Open Market Committee acted seven times to lower the Fed Funds Target Rate and the Prime Rate a total of 2.75%. These unprecedented actions taken by the Federal Reserve will take time to work through the local economy. CBT's net interest income grew by increasing interest earning assets and lowering its costs of funding. Average interest earning assets grew \$40 million in the quarter ended September 30, 2008 over the same period in 2007. The net interest margin decreased 19 basis points to 3.39%, compared to 3.58% for the quarter ended September 30, 2007.

Noninterest income was \$146,000 in the quarter ended September 30, 2008, an increase of 33% compared to the same period a year earlier primarily due to the increase in fee based services.

Noninterest expense increased \$45,000 or 2%, to \$2,051,000 for the three-month period ending September 30, 2008, compared to the same period in the prior year. The increase is primarily the result of higher occupancy costs, including rent, taxes and utilities. CBT's efficiency ratio, which measures recurring operating expenses as a percentage of net interest income plus noninterest income, for the current quarter improved to 1.09%, compared to 1.26%, in the same period last year.

Balance Sheet Performance. Total assets grew \$44.8 million, or 25%, to \$223.5 million at September 30, 2008, compared to \$178.7 million at December 31, 2007. Total loans outstanding grew \$26.8 million to \$169.5 million and total investments grew \$8.5 million to \$28.4 million at September 30, 2008. Cash and cash equivalents increased \$7.6 million to \$19.1 million to ensure adequate liquidity and provide funding for future growth. Asset growth was funded through a combination of increased deposits and increased borrowings from the Federal Home Loan Bank of Boston. Total deposits were \$169.9 million at September 30, 2008, an increase of \$32.1 million from December 31, 2007. Borrowings from the Federal Home Loan Bank of Boston totaled \$30.5 million, increasing \$13.0 million from the \$17.5 million at December 31, 2007. The Bank continues to be well-capitalized with stockholders' equity of \$18.1 million at September 30, 2008. The ratio of stockholders' equity to total assets was 8.1%.

Asset Quality. Asset quality remains strong at CBT. Total nonaccrual loans were \$2.0 million and represented 1.21% of total loans outstanding at September 30, 2008. The allowance for loan losses is \$2.6 million at September 30, 2008, or 1.52% of outstanding loans, compared to \$1.7 million, or 1.19% of outstanding loans at December 31, 2007. The coverage ratio, which measures the ratio of allowance for loan losses to nonperforming loans, was 126% at September 30, 2008. CBT had no other loans that were past due 90 days or more.

CEO Lentini ended his remarks by saying, "The economic pressures affecting our customers have, in turn, affected CBT as well. The unprecedented actions taken by the Federal Reserve and other federal agencies will take time to work through the local economy. With our strong capital position, our outlook remains positive about our ability to meet the continuing financial needs of our marketplace."

Selected Performance Data								
Dollar values in thousands except per share	Three months ended				Nine months ended			
	June 30, 2007	Sept 30, 2007	Dec 31, 2007	Mar 31, 2008	June 30, 2008	Sept 30, 2008	Sept 30, 2007	Sept 30, 2008
Total assets (EOP)	\$ 169,816	\$ 181,457	\$ 178,739	\$ 204,205	\$ 200,128	\$ 223,465	\$ 181,457	\$ 223,465
Net operating loss	\$ (592)	\$ (530)	\$ (388)	\$ (396)	\$ (295)	\$ (1,487)	\$ (1,760)	\$ (2,178)
Net interest margin	3.46%	3.58%	3.64%	3.37%	3.43%	3.39%	3.57%	3.40%
Net interest spread	2.49%	2.54%	2.58%	2.45%	2.75%	2.79%	2.54%	2.67%
Ratio of total stockholders' equity to total assets (EOP)	12.25%	11.35%	11.44%	9.82%	9.65%	8.09%	11.35%	8.09%
Weighted avg shrs outstanding	3,534	3,534	3,537	3,545	3,550	3,552	3,534	3,548
Loss per share	\$ (0.17)	\$ (0.15)	\$ (0.11)	\$ (0.11)	\$ (0.08)	\$ (0.42)	\$ (0.50)	\$ (0.61)
Book value per share (EOP)	\$ 5.83	\$ 5.77	\$ 5.72	\$ 5.62	\$ 5.40	\$ 5.06	\$ 5.77	\$ 5.06
Allowance for loan losses to total loans (EOP)	1.22%	1.23%	1.19%	1.19%	1.21%	1.52%	1.23%	1.52%

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.

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

THE CONNECTICUT BANK AND TRUST COMPANY
STATEMENTS OF LOSS
(Unaudited)

<i>(Dollars in thousands, except share data)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
Interest and dividend income:				
Interest and fees on loans	\$ 2,651	\$ 2,423	\$ 7,805	\$ 6,708
Debt securities	356	254	938	749
Dividends	10	26	61	71
Federal funds sold/other	37	196	149	340
Total interest and dividend income	3,054	2,899	8,953	7,868
Interest expense:				
Deposits	1,039	1,236	3,282	3,325
Borrowed funds	281	185	781	528
Total interest expense	1,320	1,421	4,063	3,853
Net interest income	1,734	1,478	4,890	4,015
Provision for loan losses	1,316	111	1,537	238
Net interest income, after provisions	418	1,367	3,353	3,777
Noninterest income:				
Service charges and fees	69	44	172	127
Brokerage commissions	77	65	213	189
Gains(losses) from sales of available-for-sale	-	-	65	(42)
Total noninterest income	146	109	450	274
Noninterest expense:				
Salaries and benefits	1,102	1,104	3,244	3,276
Occupancy and equipment	467	386	1,333	1,067
Data processing	76	58	218	157
Marketing	90	118	230	339
Professional services	115	138	325	359
Other general and administrative	201	202	631	613
Total noninterest expense	2,051	2,006	5,981	5,811
Net loss	\$ (1,487)	\$ (530)	\$ (2,178)	\$ (1,760)
Net loss per share:				
Basic	\$ (0.42)	\$ (0.15)	\$ (0.61)	\$ (0.50)
Diluted	\$ (0.42)	\$ (0.15)	\$ (0.61)	\$ (0.50)

THE CONNECTICUT BANK AND TRUST COMPANY
BALANCE SHEETS
(Dollars in Thousands)

	ASSETS		
	September 30, 2008 (Unaudited)	December 31, 2007	September 30, 2007 (Unaudited)
Cash and due from banks	\$ 7,564	\$ 3,411	\$ 6,383
Federal funds sold	11,545	8,080	17,609
Cash and cash equivalents	19,109	11,491	23,992
Securities available for sale	28,381	19,894	21,089
Certificates of deposit	491	76	76
Federal Reserve Bank stock, at cost	585	635	635
Federal Home Loan Bank stock, at cost	1,585	945	914
Loans	169,467	142,686	132,172
Less: allowance for loan losses	(2,572)	(1,693)	(1,622)
Loans, net	166,895	140,993	130,550
Premises and equipment, net	2,710	3,053	2,652
Accrued interest receivable	867	830	820
Other assets	2,842	822	729
Total Assets	\$ 223,465	\$ 178,739	\$ 181,457
LIABILITIES AND STOCKHOLDERS' EQUITY			
Deposits	\$ 169,936	\$ 137,800	\$ 140,607
Short-term borrowings	2,529	2,255	2,028
Long-term debt	30,450	17,450	17,450
Other liabilities	2,480	793	777
Total liabilities	205,395	158,298	160,862
Stockholders' equity;			
Common stock, \$1.00 par value; 10,000,000 shares authorized; 3,572,450 shares issued and outstanding at September 30, 2008 and December 31, 2007	3,572	3,572	3,572
Common stock warrants	853	853	853
Additional paid-in capital	29,759	29,700	29,678
Restricted stock unearned compensation	(172)	(279)	(318)
Retained deficit	(15,320)	(13,142)	(12,754)
Accumulated other comprehensive loss	(622)	(263)	(436)
Total stockholders' equity	18,070	20,441	20,595
Total Liabilities and Stockholders' Equity	\$ 223,465	\$ 178,739	\$ 181,457