



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

CBT Reports 2010 Off to a Good Start

First Quarter Net Income \$246,000

Hartford, CT, April 28, 2010 - The Connecticut Bank and Trust Company ("CBT" or "Bank") (Nasdaq: CTBC) reported net income of \$246,000 for the first quarter of 2010 compared to \$27,000 for the comparable period a year earlier. For the three months ended March 31, 2010, after accounting for both dividends and accretion on preferred stock, the Bank reported net income attributable to common shareholders of \$149,000 or \$0.04 per share (basic and diluted) compared to a net loss attributable to common shareholders of (\$2,000), for the comparable period a year earlier. The Bank also reported that total assets exceeded \$266 million, up from \$260 million reported at year end 2009.

"It was a solid quarter for our bank", reported Chairman and CEO David A. Lentini. "We had growth in all the important metrics including loans, deposits and net income." Lentini added, "We continue to operate in one of the worst economic climates in my memory. The Bank continues to be well-positioned to help Connecticut's businesses and families with their financial needs".

Operating Results for the Quarter Ended March 31, 2010. Net interest income for the quarter ended March 31, 2010, increased \$541,000 or 28% over the same period in 2009. Growth in earning assets, despite a lower yield, and lower interest rates paid on average interest-bearing liabilities combined to lift the net interest margin 30 basis points to 3.97%.

Income from fee based services amounted to \$149,000 in the quarter, compared to \$125,000 in the first quarter of 2009. For the three month period ended March 31, 2009, the Bank also reported net gains on sales of securities of \$39,000. There have been no security sales reported in 2010.

First quarter operating expenses were \$2,223,000, an increase of \$239,000, from the same period last year. Compensation costs, including staff additions, benefits, and related taxes, rose \$148,000, for the three month period ended March 31, 2010. FDIC insurance premiums rose \$56,000, for the three month period ending March 31, 2010 compared to the prior year. Planned spending for marketing and other professional services was up \$13,000 and \$27,000 respectively, compared the same period in the prior year. Increases in all other general and administrative costs were offset by lower occupancy costs related to fully depreciated equipment and software.

Provision for Loan Losses. The provision for loan losses for the first quarter of 2010 was \$155,000. Growth in the loan portfolio and internally identified problem loans were the principal factors in determining the need for provisions. The reserve ratio stood at 1.37% of loans outstanding compared to 1.35% at December 31, 2009. Mr. Lentini stated, "Our additions to reserves continue to reflect our conservative nature and our consistent portfolio management. While there may be signs of the beginning of an economic recovery, this conservative approach in reserving for possible loan losses will continue throughout 2010". At March 31, 2010, the allowance was \$2.8 million compared to \$2.7 million at December 31, 2009.

Asset Quality. We closely monitor all loan relationships and identify problem loans through an internal risk rating system, which is independently reviewed on an annual basis. Charged-off loans amounted to \$48,000 for the quarter ended March 31, 2010 compared to \$29,000 for the comparable period a year earlier. Total nonaccrual loans were \$1.8 million and represented .87% of total loans outstanding at March 31, 2010, compared to \$1.6 million, or 1.08% of total loans at December 31, 2009. The ratio of the allowance for loan losses to nonperforming loans was 157% at March 31, 2010. CBT had no loans that were past due more than 90 days and still accruing as of March 31, 2010.

Balance Sheet Performance. Total assets were \$266.7 million at March 31, 2010, up \$6.4 million from December 31, 2009. The increase was centered on growth in the loan portfolio of \$4.4 million and increases in cash and cash equivalents of \$1.2 million compared to December 31, 2009. Securities available for sale declined \$1.5 million as a result of principal payments on mortgage-backed securities and sales of securities. Deposits increased \$7.0 million while short-term borrowings declined \$1.1 million. Borrowings from the Federal Home Loan Bank Boston remained consistent at \$30.5 million. The Bank is considered well-capitalized with stockholders' equity of \$24.7 million at March 31, 2010.

Selected Performance Data					
Quarter Ended					
Dollars in thousands, except per share data	Mar 31, 2009	Jun 30, 2009	Sept 30, 2009	Dec 31, 2009	Mar 31, 2010
Total assets (EOP)	\$ 223,420	\$ 241,645	\$ 238,263	\$ 260,254	\$ 266,661
Net income (loss)	\$ 27	\$ (106)	\$ 204	\$ 232	\$ 246
Net income (loss) available to common shareholders	\$ (2)	\$ (135)	\$ 176	\$ 135	\$ 149
Net interest margin	3.69%	3.80%	4.13%	4.06%	3.97%
Net interest spread	3.15%	3.41%	3.72%	3.77%	3.62%
Ratio of total stockholders' equity to total assets (EOP)	10.48%	9.69%	10.22%	9.24%	9.25%
Weighted avg shares outstanding ⁽¹⁾	3,572	3,572	3,572	3,572	3,604
Income (loss) per common share (basic and diluted)	\$ -	\$ (0.04)	\$ 0.05	\$ 0.04	\$ 0.04
Book value per common share (EOP)	\$ 5.19	\$ 5.19	\$ 5.44	\$ 5.36	\$ 5.43
Allowance for loan losses to total loans (EOP)	1.51%	1.56%	1.55%	1.35%	1.37%
Nonperforming loans to total loans	0.88%	2.03%	1.36%	1.08%	0.87%

(1) Prior periods restated in accordance with adoption of ASC 260-10-45-49A (Formerly EITF 06-3-1)

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,	
	2010	2009
<i>(Dollars in thousands; except per share data)</i>		
Interest and dividend income:		
Loans, including fees	\$ 3,048	\$ 2,703
Debt securities	268	358
Federal funds sold/other	19	6
Total interest and dividend income	<u>3,335</u>	<u>3,067</u>
Interest expense:		
Deposits	592	851
Borrowed funds	268	282
Total interest expense	<u>860</u>	<u>1,133</u>
Net interest income	2,475	1,934
Provision for loan losses	155	87
Net interest income, after provision for loan losses	<u>2,320</u>	<u>1,847</u>
Noninterest income:		
Service charges and fees	78	66
Brokerage commissions	71	59
Gains from sales of available-for-sale securities, net	-	39
Total noninterest income	<u>149</u>	<u>164</u>
Noninterest expenses:		
Salaries and benefits	1,171	1,023
Occupancy and equipment	435	468
Data processing	78	78
Marketing	93	80
Professional services	149	122
FDIC insurance premiums	97	41
Other general and administrative	200	172
Total noninterest expenses	<u>2,223</u>	<u>1,984</u>
Net income	246	27
Preferred stock dividend and accretion	(97)	(29)
Net income (loss) attributable to common shareholders	<u>\$ 149</u>	<u>\$ (2)</u>
Per share information:		
Basic	\$ 0.04	\$ -
Diluted	\$ 0.04	\$ -
Average common shares issued and outstanding (in thousands)	3,604	3,572
Average diluted common shares issued and outstanding (in thousands)	3,604	3,572

THE CONNECTICUT BANK AND TRUST COMPANY

Balance Sheets

(Unaudited)

ASSETS

	March 31, 2010	December 31, 2009	March 31, 2009
<i>(Dollars in thousands)</i>			
Cash and due from banks	\$ 4,314	\$ 4,317	\$ 8,268
Federal funds sold	24,000	22,800	-
Cash and cash equivalents	28,314	27,117	8,268
Certificates of deposit	78	78	78
Securities available for sale, at fair value	27,574	27,431	29,024
Federal Reserve Bank stock, at cost	724	724	710
Federal Home Loan Bank stock, at cost	2,057	2,057	2,057
Loans held for sale	-	-	402
Loans	205,228	200,780	181,552
Less: allowance for loan losses	(2,809)	(2,702)	(2,739)
Loans, net	202,419	198,078	178,813
Premises and equipment, net	2,005	2,096	2,433
Accrued interest receivable	1,095	933	944
Prepaid FDIC insurance	995	1,069	-
Other assets	1,400	671	691
	\$ 266,661	\$ 260,254	\$ 223,420

LIABILITIES AND STOCKHOLDERS' EQUITY

Noninterest-bearing deposits	\$ 30,294	\$ 34,442	\$ 27,116
Interest-bearing deposits	177,486	166,330	137,045
Short-term borrowings	2,893	3,988	4,667
Long-term debt	30,450	30,450	30,450
Other liabilities	874	991	722
Total liabilities	241,997	236,201	200,000
Stockholders' equity;			
Preferred stock, no par value; 1,000,000 shares authorized; 5,448 shares issued and outstanding; aggregate liquidation preference of \$5,448	5,448	5,448	5,448
Discount on preferred stock	(460)	(489)	(575)
Common stock, \$1.00 par value; 10,000,000 shares authorized; Issued and outstanding: 3,620,950 shares at March 31, 2010 and 3,572,450 at December 31, 2009 and March 31, 2009	3,621	3,572	3,572
Common stock warrants	1,405	1,405	1,405
Additional paid-in capital	30,032	29,858	29,801
Restricted stock unearned compensation	(207)	(29)	(110)
Retained deficit	(15,295)	(15,444)	(15,620)
Accumulated other comprehensive income (loss)	120	(268)	(501)
Total stockholders' equity	24,664	24,053	23,420
	\$ 266,661	\$ 260,254	\$ 223,420

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.