

## **SHAREHOLDER VOTE CLEARS THE WAY FOR THE CONNECTICUT BANK AND TRUST COMPANY TO PARTICIPATE IN U.S. DEPARTMENT OF TREASURY INVESTMENT PROGRAM**

**HARTFORD, CT, DEC 22, 2008** –The Connecticut Bank and Trust Company (NASDAQ:CTBC) has received \$5.4 million in new capital through participation in the Treasury Department's Capital Purchase Program. This follows a Special Meeting of Shareholders held last week during which the shareholders approved a change to CBT's Charter to allow it to issue preferred stock clearing the way for the Company to participate in the Program. The vote was necessary because the Treasury requires financial institutions to issue preferred stock.

On November 25, the U.S. Department of the Treasury gave preliminary approval for its investment in CBT. The Bank was one of Connecticut's early adopters of the Treasury's Program. The proceeds of the Program will strengthen the Company's already strong capital position.

"We are pleased with the confidence shown by our shareholders. With the added capital, CBT can increase support of local businesses and consumers throughout the Greater Hartford Market. During the uncertain times we face, our prudent lending practices will allow the CBT Team to work with both new and existing customers in meeting their legitimate needs for funds." said David A Lentini, CBT's Chairman and CEO.

CBT's total risk-based capital ratio of 11.52 percent as of September 30, 2008 is already well above the regulatory requirements of 10.0 percent for a "well-capitalized" institution. With this new capital, CBT's total risk-based capital ratio would increase to approximately 14.25 percent.

### **About the Treasury Program**

On October 14, 2008, the U.S. Government announced a series of initiatives to strengthen market stability, improve the strength of financial institutions, and enhance market liquidity. The Treasury's Capital Purchase Program was designed to encourage U.S. financial institutions to build capital, to increase the flow of financing to U.S. businesses and consumers and to support the U.S. economy. Under the Program, the Treasury will invest up to \$250 billion in senior preferred shares on standardized terms.

Under the Treasury Capital Purchase Program, eligible institutions like CBT can sell equity interest to the Treasury in amounts equal to one to three percent of their risk-weighted assets. These equity interests will constitute Tier 1 capital for the Bank.

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### **About CBT**

CBT is a Connecticut-based full-service commercial bank headquartered in Hartford, Connecticut. The Bank has branches in Hartford, Glastonbury, Newington, Rocky Hill, Vernon, West Hartford and Windsor. The Bank opened for business in March 2004 and reported total assets of \$223 million on September 30, 2008. To find out more about CBT, visit [www.thecbt.com](http://www.thecbt.com) or call the main number 860-246-5200.

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