

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If this form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. []

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. []

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer”, “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act (check one):

Large Accelerated Filer []

Accelerated Filer []

Non-Accelerated Filer []

Smaller Reporting Company [x]

CALCULATION OF REGISTRATION FEE

<u>TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED</u>	<u>AMOUNT TO BE REGISTERED</u>	<u>PROPOSED MAXIMUM OFFERING PRICE PER SHARE</u>	<u>PROPOSED MAXIMUM AGGREGATE OFFERING PRICE</u>	<u>AMOUNT OF REGISTRATION FEE</u>
Warrant to Purchase Common Stock, and Underlying Shares of Common Stock, par value \$1.00 per share	175,742 shares(1)	\$4.65(2)	\$817,200.30(2)	N/A

- (1) There are being registered hereunder (a) a warrant for the purchase of 175,742 shares of common stock with an initial per share exercise price of \$4.65 per share, (b) the 175,742 shares of common stock issuable upon exercise of such warrant and (c) such additional number of shares of common stock, of a currently indeterminable amount, as may from time to time become issuable by reason of stock splits, stock dividends and certain anti-dilution provisions set forth in such warrant, which shares of common stock are registered hereunder pursuant to Rule 416.
- (2) Calculated in accordance with Rule 457(i) with respect to the per share exercise price of the warrant of \$4.65.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OR UNTIL THE REGISTRATION STATEMENT

SHALL BECOME EFFECTIVE ON SUCH DATE AS THE FEDERAL RESERVE BOARD ACTING PURSUANT TO SAID SECTION 8(a) MAY DETERMINE.

THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. THE SELLING SECURITYHOLDERS MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE FEDERAL RESERVE BOARD IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES NOR IS IT A SOLICITATION OF AN OFFER TO BUY THESE SECURITIES IN ANY STATE IN WHICH THE OFFER OR SALE IS NOT PERMITTED.

SUBJECT TO COMPLETION, DATED JANUARY 15, 2009

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PROSPECTUS

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THE CONNECTICUT BANK AND TRUST COMPANY

Warrant to Purchase 175,742 Shares of Common Stock, Par Value \$1.00 per Share
175,742 Shares of Common Stock, Par Value \$1.00 per Share

This prospectus relates to the potential resale from time to time by selling securityholders of a warrant to purchase 175,742 shares of common stock, or the warrant, and any shares of common stock issuable from time to time upon exercise of the warrant. In this prospectus, we refer to the warrant and the shares of common stock issuable upon exercise of the warrant collectively as the securities. The warrant, along with 5,448 shares of our Fixed Rate Noncumulative Perpetual Preferred Stock, Series A (liquidation preference amount of \$1,000 per share), were originally issued by us pursuant to the Letter Agreement dated December 19, 2008, and the related Securities Purchase Agreement – Standard Terms, between us and the United States Department of the Treasury, which we refer to as the initial selling securityholder, in a transaction exempt from the registration requirements of the Securities Act of 1933, as amended, or the Securities Act.

The initial selling securityholder and its successors, including transferees, which we collectively refer to as the selling securityholders, may offer the securities from time to time directly or through underwriters, broker-dealers or agents and in one or more public or private transactions and at fixed prices, prevailing market prices, at prices related to prevailing market prices or at negotiated prices. If these securities are sold through underwriters, broker-dealers or agents, the selling securityholders will be responsible for underwriting discounts or commissions or agents' commissions.

We will not receive any proceeds from the sale of securities by the selling securityholders.

Our common stock is listed on the NASDAQ Capital Market under the symbol "CTBC". On January 14, 2009, the closing price for our common stock was \$4.11 per share. The warrant is not currently listed on any established securities exchange or quotation system and we do not intend to seek such a listing for the warrant unless we are requested to do so by the Treasury.

Investing in our securities involves risks. You should carefully review the information contained in this prospectus under the heading "Risk Factors" beginning on page 3 of this prospectus.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION, NOR ANY BANK REGULATORY AGENCY, NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES ARE NOT DEPOSITS OR ACCOUNTS OR OTHER OBLIGATIONS OF ANY BANK OR SAVINGS ASSOCIATION AND ARE NOT INSURED OR GUARANTEED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE CONNECTICUT DEPARTMENT OF BANKING OR ANY OTHER GOVERNMENTAL AGENCY.

Our principal executive offices are located at 58 State House Square, Hartford, Connecticut 06103 and our telephone number is (860) 246-5200.

The date of this prospectus is _____, 2009.

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ABOUT THIS PROSPECTUS

Unless this prospectus indicates otherwise or the context otherwise requires, the terms “we,” “our,” “us,” the “Bank” or “CBT” as used in this prospectus refer to The Connecticut Bank and Trust Company.

We have not authorized anyone to provide you with information different from that contained or incorporated by reference in this prospectus. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of the securities.

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. Because it is a summary, it does not contain all of the information that you should consider before investing in our securities. You should read the entire prospectus carefully, including the “Risk Factors” section and the other documents we refer to and incorporate by reference, in order to understand this offering fully. In particular, we incorporate important business and financial information into this prospectus by reference.

We are a Connecticut state bank and trust company which commenced banking operations in March 2004. We maintain our main office at 58 State House Square in Hartford, Connecticut and full-service branch offices at 7 Sycamore Street in Glastonbury, Connecticut, 68 South Main Street in West Hartford, Connecticut, 435 Hartford Turnpike in Vernon, Connecticut, 66 Cedar Street, Newington, Connecticut, 148 Broad Street, Windsor, Connecticut, and 396 Cromwell Avenue, Rocky Hill, Connecticut.

On December 19, 2008, we entered into a Letter Agreement and a Securities Purchase Agreement – Standard Terms with the Treasury, pursuant to which we agreed to issue and sell, and the Treasury agreed to purchase, (i) 5,448 shares of our Fixed Rate Noncumulative Perpetual Preferred Stock, Series A, having a liquidation preference of \$1,000 per share, and (ii) a ten-year warrant to purchase up to 175,742 shares of our common stock, par value \$1.00 per share, at an initial exercise price of \$4.65 per share. The warrant was immediately exercisable upon its issuance and will expire on December 19, 2018.

We are registering the warrant sold to the Treasury pursuant to the transaction described above and elsewhere in this prospectus, as well as the shares of our common stock to be issued upon the exercise of the warrant. We have filed with the Federal Reserve Board a registration statement on Form S-3 with respect to the securities offered under this prospectus.

Our common stock is listed on the NASDAQ Capital Market under the symbol “CTBC”. Our principal executive offices are located at 58 State House Square, Hartford, Connecticut 06103 and our telephone number is (860) 246-5200.

RISK FACTORS

An investment in our securities involves risks. The material risks and uncertainties that our management believes affect us are described below. Before making an investment decision, you should carefully consider the risks and uncertainties described below together with all of the other information included or incorporated by reference in this prospectus. The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties that management is not aware of or that management currently believes are immaterial may also impair our business operations. This prospectus is qualified in its entirety by these risk factors.

Recent negative developments in the financial services industry and U.S. and global credit markets may adversely impact our operations and results.

Negative developments in the latter half of 2007 and the year of 2008 in the capital markets have resulted in uncertainty in the financial markets in general with the expectation of the general economic downturn continuing in 2009. Loan portfolio performances have deteriorated at many institutions resulting from, amongst other factors, a weak economy and a decline in the value of the collateral supporting their loans. The competition for our deposits has increased significantly due to liquidity concerns at many of these same institutions. Stock prices of banks, like ours, have been negatively affected by the current condition of the financial markets, as has our ability, if needed, to raise capital or borrow in the debt markets compared to recent years. As a result, there is a potential for new federal or state laws and regulations regarding lending and funding practices and liquidity standards, and financial institution regulatory agencies are expected to be very aggressive in responding to concerns and trends identified in examinations, including the expected issuance of many formal enforcement actions. Negative developments in the financial services industry and the impact of new legislation in response to those developments could negatively impact our operations by restricting our business operations, including our ability to originate or sell loans, and adversely impact our financial performance.

We have a limited operating history.

We have been operating since March 12, 2004. Therefore, we have a limited operating history. Our prospects must be considered in light of the risks, expenses and difficulties frequently encountered by new business enterprises in early stages of development.

We do not have a history of profitability.

As of September 30, 2008, we recorded an accumulated deficit of \$15.3 million since commencing banking operations. The losses that we incurred resulted from anticipated start-up costs associated with developing our operating infrastructure, an initially low volume of earning assets, increasing provisions for loan losses and other non-interest expenses. Early losses are typical in new banks, and we expect to continue to incur losses as we grow our assets. Our operating losses have been significant and may occur for periods longer than planned, depending upon our ability to generate net interest income and non-interest income greater than operating expenses. If we do not increase revenues sufficiently to offset anticipated expense increases, we will continue to experience losses. There is no assurance that we will earn a profit in the future. Federal and state banking laws prevent us from paying dividends when we incur losses.

Our strategy involves risks that may have an adverse impact on our net income, and maintaining a high rate of growth may be difficult.

Generally, our ability to continue to grow successfully will depend on a variety of factors including the continued availability of desirable business opportunities, the competitive responses from other financial institutions in our market area and our ability to manage our growth. While we believe that we have the management resources and internal systems in place to manage our future growth successfully, there can be no assurance that growth opportunities will be available or growth will be successfully managed.

We cannot assure you that in future years we will continue to achieve results comparable to what has been accomplished to date. As our asset size and net interest income increase, it may become more difficult to achieve high rates of increase in assets and net interest income. Even if we successfully manage our continued growth, we may not be profitable.

Our new branches can be expected to have a negative impact on our earnings for some period of time until the branches reach certain economies of scale.

Our banking center offices required significant expenditures with investments in equipment, technology, and personnel resulting in increases to our noninterest expenses. The fixed costs related to operating the branches are significant and generally, new branches do not generate sufficient revenues to offset their costs until they have been in operation for at least a year or more. Accordingly, our new branches can be expected to have a negative impact on our earnings for some period of time until the branches reach certain economies of scale.

A relatively large percentage of our total loans and our total deposits originates from a relatively small number of borrowers and deposit accounts, respectively, and the loss of any one of these borrowers or deposit accounts could have an adverse impact on our operations.

A significant portion of our loan portfolio is comprised of a relatively small number of borrowers. The loss of even a few of these borrowers could have a material adverse effect on our business or results of operations. The deposits of our business customers constitute a relatively high percentage of overall deposits. Thus, the loss of even a small number of business depositors could have a material adverse effect on our business or results of operations.

Lack of seasoning of our loan portfolio may increase the risk of credit defaults in the future.

In general, loans do not begin to show signs of credit deterioration or default until they have been outstanding for some period of time, a process referred to as “seasoning.” As a result, a portfolio of older loans will usually behave more predictably than a newer portfolio. Because our loan portfolio is new, the current level of delinquencies and defaults may not be representative of the level that will prevail when the portfolio becomes more seasoned.

We could experience credit losses which exceed our allowance for loan losses.

The risk of credit losses on loans varies with, among other things, general economic conditions, the type of loan being made, the creditworthiness of the borrower, and, in the case of a collateralized loan, the value and marketability of the collateral. We maintain an allowance for loan losses based upon, among other things, historical experience, an evaluation of economic conditions and regular reviews of delinquencies and loan portfolio quality. Based upon such factors, we make various assumptions and determinations about the ultimate collectibility of our loan portfolio and provide an allowance for losses

based upon a percentage of the outstanding balances and for specific loans where their collectibility is considered to be questionable.

As of September 30, 2008, our allowance for loan losses was \$2.6 million, or 1.52% of gross outstanding loans. Although we believe that this allowance is currently adequate, we cannot assure you that it will be sufficient to cover probable loan losses. Although we use the best information available to make our determinations with respect to this allowance, future adjustments may be necessary if economic conditions change substantially from the assumptions used or if negative developments occur with respect to non-performing or performing loans. If our assumptions or conclusions prove to be incorrect and the allowance for loan losses is not adequate to absorb probable losses, or if bank regulatory agencies require us to increase our allowance, our earnings, and potentially our capital, could be significantly and adversely impacted.

A relatively high percentage of our loan portfolio consists of commercial loans, primarily to privately-owned businesses, which may be impacted more severely than larger businesses during periods of economic weakness.

A substantial focus of our marketing and business strategy is to serve privately-owned businesses located in the Greater Hartford Connecticut area. During periods of economic weakness, these businesses may be impacted more severely than larger businesses, and consequently the ability of such businesses to repay their loans may deteriorate. As a result, our results of operations and financial condition may be adversely affected.

Our lending limit is lower than many of our competitors which may discourage potential customers and restrict our growth.

Our legally mandated lending limit is lower than those of many of our competitors because we have less capital than those competitors. Currently, we have a legal lending limit for unsecured loans of approximately \$5.5 million to any one borrower and affiliated entities. In the early years of our operations, our actual lending limit will depend, to a significant extent, on the amount of capital that we raise. Our lower lending limit may discourage potential borrowers who have lending needs that exceed our limits, which may restrict our ability to grow. To date, we have served the needs of these borrowers by selling loan participations to other institutions and intend to continue to do so in the future, but this strategy may not always succeed.

Our business is concentrated in Greater Hartford Connecticut and adverse economic conditions in this region may adversely affect our business.

Our primary market is Greater Hartford Connecticut, including the communities of Hartford, Glastonbury, West Hartford, East Hartford, Manchester, Windsor, South Windsor, Bloomfield, Avon, Farmington, New Britain, Newington, Wethersfield and Vernon, Connecticut. As a result, our financial condition and results of operations may be affected by changes in the local economy. The economy of the State of Connecticut has been growing slowly for the past five years and a continuation of this slow rate of economic growth or other adverse economic conditions in Connecticut may result in decreases in demand for our services, increases in nonpayment of loans and decreases in the value of collateral securing loans. The occurrence of adverse economic conditions in the Hartford, Connecticut area could have a material adverse effect on our business, future prospects, financial condition or results of operations.

We compete in our market area with a number of larger financial institutions which have greater financial resources.

We compete with numerous other lenders and deposit-takers, including other commercial banks, savings and loan associations, Internet banks, credit unions, finance companies, mortgage companies, registered investment advisors, mutual funds, insurance companies and brokerage and investment banking firms. We have to attract our customer base primarily from current customers of other existing financial institutions. All of our local competitors actively solicit business from residents and businesses in our market area. Some of these competitors are not subject to the same degree of regulation as us, and most have greater resources than are available to us.

While we believe that we can and do compete successfully with these other financial institutions in our market area, we may face a competitive disadvantage as a result of our smaller size, lack of geographic diversification and inability to spread our marketing costs across a broader market. Although we compete by concentrating our marketing efforts with local advertisements, personal contacts and greater flexibility and responsiveness in working with local customers, we can give no assurance this strategy will be successful.

Departures of our key personnel may impair our profitability.

We are a relationship-driven organization. We depend upon the skills and reputations of our executive officers, key employees and directors for our future success. Our senior management has primary contact with our customers and is extremely important in maintaining personalized relationships with our customer base, in increasing our market presence and to key aspects of our business strategy. The loss of any of these key persons, including, without limitation, our Chairman, President and Chief Executive Officer, and our Chief Financial Officer, or the inability to attract and retain other key personnel, could adversely affect our results of operations. Although we have entered into employment agreements with our Chief Executive Officer and our Chief Financial Officer, we cannot be assured of their continued service. Additionally, our directors' community involvement, diverse backgrounds and extensive local business relationships are important to our success. Our growth could be adversely affected if the composition of our Board of Directors were to change significantly or if our directors were unable to devote sufficient time to our affairs.

Rapidly rising or falling interest rates could significantly reduce our profitability.

A rapid increase or decrease in interest rates could significantly reduce our net interest income, capital and liquidity. Our profitability depends substantially on our net interest income, which is the difference between the interest income earned on our interest-earning assets (such as loans and investment securities) and the interest expense paid on our interest-bearing liabilities (such as deposits and borrowings). To the extent that the maturities of these assets and liabilities differ, rapidly rising or falling interest rates could significantly and adversely affect our earnings and liquidity.

The price of our common stock may fluctuate.

The price of our common stock on the NASDAQ Capital Market constantly changes and recently, given the uncertainty in the financial markets, has fluctuated widely. We expect that the market price of our common stock will continue to fluctuate. Holders of our common stock will be subject to the risk of volatility and changes in prices.

Our common stock price can fluctuate as a result of a variety of factors, many of which are beyond our control. These factors include:

- quarterly fluctuations in our operating and financial results;
- operating results that vary from the expectations of management, securities analysts and investors;
- changes in expectations as to our future financial performance, including financial estimates by securities analysts and investors;
- events negatively impacting the financial services industry which result in a general decline in the market valuation of our common stock;
- announcements of material developments affecting our operations;
- future sales of our equity securities;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- changes in accounting standards, policies, guidance, interpretations or principles; and
- general domestic economic and market conditions.

In addition, recently the stock market generally has experienced extreme price and volume fluctuations, and industry factors and general economic and political conditions and events, such as economic slowdowns or recessions, interest rate changes or credit loss trends, could also cause our stock price to decrease regardless of our operating results.

We are subject to liquidity risk.

Liquidity risk is the potential that we will be unable to meet our obligations as they become due, capitalize on growth opportunities as they arise, or pay regular dividends because of an inability to liquidate assets or obtain adequate funding in a timely basis, at a reasonable cost and within acceptable risk tolerances.

Liquidity is required to fund various obligations, including credit commitments to borrowers, mortgage and other loan originations, withdrawals by depositors, repayment of borrowings, dividends to shareholders, operating expenses and capital expenditures.

Liquidity is derived primarily from retail deposit growth and retention; principal and interest payments on loans; principal and interest payments; sale, maturity and prepayment of investment securities; net cash provided from operations and access to other funding sources.

Our access to funding sources in amounts adequate to finance our activities could be impaired by factors that affect us specifically or the financial services industry in general. Factors that could detrimentally impact our access to liquidity sources include a decrease in the level of our business activity due to a market downturn or adverse regulatory action against us. Our ability to borrow could also be impaired by factors that are not specific to us, such as a severe disruption of the financial markets or negative views and expectations about the prospects for the financial services industry as a whole as the recent turmoil faced by banking organizations in the domestic and worldwide credit markets deteriorates.

Our preferred shares impact net income available to our common stockholders and our earnings per share.

As long as there are senior preferred shares outstanding, no dividends may be paid on our common stock unless all dividends on the senior preferred shares have been paid in full. The dividends declared on our fixed rate preferred shares will reduce the net income available to common shareholders and our earnings per common share. Additionally, the warrant to purchase CBT common stock issued to the Treasury, in conjunction with the preferred shares, may be dilutive to our earnings per share. The senior preferred shares will also receive preferential treatment in the event of liquidation, dissolution or winding up of CBT.

Moreover, holders of our common stock are entitled to receive dividends only when, as and if declared by our board of directors. We are not required to declare cash dividends on our common stock.

Future offerings of debt or other securities may adversely affect the market price of our stock.

In the future, we may attempt to increase our capital resources or, if our capital ratios fall below the required minimums, we could be forced to raise additional capital by making additional offerings of debt or preferred equity securities, including medium-term notes, trust preferred securities, senior or subordinated notes and preferred stock. Upon liquidation, holders of our debt securities and shares of preferred stock and lenders with respect to other borrowings will receive distributions of our available assets prior to the holders of our common stock. Additional equity offerings may dilute the holdings of our existing shareholders or reduce the market price of our common stock, or both. Holders of our common stock are not entitled to preemptive rights or other protections against dilution.

There may be changes in accounting policies or accounting standards.

Our accounting policies are fundamental to understanding our financial results and condition. Some of these policies require use of estimates and assumptions that may affect the value of our assets or liabilities and financial results. We identified our accounting policies regarding the allowance for loan losses, goodwill and other intangible assets, and income taxes to be critical because they require management to make difficult, subjective and complex judgments about matters that are inherently uncertain. Under each of these policies, it is possible that materially different amounts would be reported under different conditions, using different assumptions, or as new information becomes available.

From time to time the Financial Accounting Standards Board and the Securities and Exchange Commission change the financial accounting and reporting standards that govern the form and content of our external financial statements. In addition, accounting standard setters and those who interpret the accounting standards (such as the FASB, SEC, banking regulators and our outside auditors) may change or even reverse their previous interpretations or positions on how these standards should be applied. Changes in financial accounting and reporting standards and changes in current interpretations may be beyond our control, can be hard to predict and could materially impact how we report our financial results and condition. In certain cases, we could be required to apply a new or revised standard retroactively or apply an existing standard differently (also retroactively) which may result in us restating prior period financial statements in material amounts.

We are subject to extensive regulation and supervision.

We are subject to extensive federal and state regulation and supervision. Banking regulations are primarily intended to protect depositors' funds, federal deposit insurance funds and the banking system as a whole. Such laws are not designed to protect our shareholders. These regulations affect our lending

practices, capital structure, investment practices, dividend policy and growth, among other things. We are also subject to a number of federal laws, which, among other things, require us to lend to various sectors of the economy and population, and establish and maintain comprehensive programs relating to anti-money laundering and customer identification. Congress and federal regulatory agencies continually review banking laws, regulations and policies for possible changes. Changes to statutes, regulations or regulatory policies, including changes in interpretation or implementation of statutes, regulations or policies, could affect us in substantial and unpredictable ways. Such changes could subject us to additional costs, limit the types of financial services and products we may offer and/or increase the ability of non-banks to offer competing financial services and products, among other things. Failure to comply with laws, regulations or policies could result in sanctions by regulatory agencies, civil money penalties and/or reputation damage, which could have a material adverse effect on our business, financial condition and results of operations. While we have policies and procedures designed to prevent any such violations, there can be no assurance that such violations will not occur.

We encounter continuous technological change.

The financial services industry is continually undergoing rapid technological change with frequent introductions of new technology-driven products and services. The effective use of technology increases efficiency and enables financial institutions to better serve customers and to reduce costs. Our future success depends, in part, upon our ability to address the needs of our customers by using technology to provide products and services that will satisfy customer demands, as well as to create additional efficiencies in our operations. Many of our competitors have substantially greater resources to invest in technological improvements. We may not be able to effectively implement new technology-driven products and services or be successful in marketing these products and services to our customers. Failure to successfully keep pace with technological change affecting the financial services industry could have a material adverse impact on our business and, in turn, our financial condition and results of operations.

We are subject to operational risk.

We face the risk that the design of our controls and procedures, including those to mitigate the risk of fraud by employees or outsiders, may prove to be inadequate or are circumvented, thereby causing delays in detection of errors or inaccuracies in data and information. Management regularly reviews and updates our internal controls, disclosure controls and procedures, and corporate governance policies and procedures. Any system of controls, however well designed and operated, is based in part on certain assumptions and can provide only reasonable, not absolute, assurances that the objectives of the system are met. Any failure or circumvention of our controls and procedures or failure to comply with regulations related to controls and procedures could have a material adverse effect on our business, results of operations and financial condition.

We may also be subject to disruptions of our systems arising from events that are wholly or partially beyond our control (including, for example, computer viruses or electrical or telecommunications outages), which may give rise to losses in service to customers and to financial loss or liability. We are further exposed to the risk that our external vendors may be unable to fulfill their contractual obligations (or will be subject to the same risk of fraud or operational errors by their respective employees as we are) and to the risk that our (or our vendors') business continuity and data security systems prove to be inadequate.

There may be claims and litigation pertaining to fiduciary responsibility.

From time to time as part of our normal course of business, customers make claims and take legal action against us based on our actions or inactions. If such claims and legal actions are not resolved in a manner favorable to us, they may result in financial liability and/or adversely affect the market perception of us and our products and services. This may also impact customer demand for our products and services. Any financial liability or reputation damage could have a material adverse effect on our business, which, in turn, could have a material adverse effect on our financial condition and results of operations.

FORWARD-LOOKING STATEMENTS

This document contains and incorporates by reference certain forward-looking statements regarding our financial condition, results of operations and business. These statements are not historical facts and include expressions about our:

- confidence;
- strategies and expressions about earnings;
- new and existing programs and products;
- relationships;
- opportunities;
- technology; and
- market conditions.

You may identify these statements by looking for:

- forward-looking terminology, like “expect,” “believe” or “anticipate;”
- expressions of confidence like “strong” or “on-going;” or
- similar statements or variations of those terms.

These forward-looking statements involve certain risks and uncertainties. Actual results may differ materially from the results the forward-looking statements contemplate because of, among others, the following possibilities:

- unanticipated changes in the financial markets and the resulting unanticipated effects on financial instruments in our investment portfolio;
- volatility in earnings due to certain financial assets and liabilities held at fair value;
- the occurrence of an other-than-temporary impairment to investment securities classified as available for sale or held to maturity;

- unanticipated changes in the direction of interest rates;
- stronger than anticipated competition from banks, other financial institutions and other companies;
- changes in loan, investment and mortgage prepayment assumptions;
- insufficient allowance for credit losses;
- A higher level of net loan charge-offs and delinquencies than anticipated;
- material adverse changes in our operations or earnings;
- A decline in the economy in our primary market areas;
- changes in relationships with major customers;
- changes in effective income tax rates;
- higher or lower cash flow levels than anticipated;
- inability to hire or retain qualified employees;
- A decline in the levels of deposits or loss of alternate funding sources;
- A decrease in loan origination volume;
- a change in legal and regulatory barriers including issues related to compliance with anti-money laundering and bank secrecy act laws;
- adoption, interpretation and implementation of new or pre-existing accounting pronouncements;
- the development of new tax strategies or the disallowance of prior tax strategies;
- operational risks, including the risk of fraud by employees or outsiders and unanticipated litigation pertaining to our fiduciary responsibility; and
- the inability to successfully implement new lines of business or new products and services.

We assume no obligation for updating our forward-looking statements at any time.

INFORMATION ABOUT US

General

We are a state bank and trust company chartered under the laws of the state of Connecticut, based in Hartford, Connecticut with deposit accounts insured up to applicable limits by the FDIC. We received our Final Certificate of Authority from the State of Connecticut Department of Banking and commenced banking operations on March 12, 2004. We have varied banking products including a comprehensive set of loans, deposit services and investment management products for commercial and retail customers and cash management products for commercial customers.

As of September 30, 2008, we had:

- total assets of \$223.5 million;
- total deposits of \$169.9 million;
- total loans of \$169.5 million; and
- total shareholders' equity of \$18.1 million.

Our principal executive offices and telephone number are:

58 State House Square
Hartford, Connecticut 06103
(860) 246-5200

DESCRIPTION OF OUR CAPITAL STOCK

Our authorized capital stock presently consists of 10,000,000 shares of common stock and 1,000,000 shares of preferred stock, 5,448 of which have been designated Fixed Rate Noncumulative Perpetual Preferred Stock, Series A. As of January 14, 2009, 3,572,450 shares of our common stock and 5,448 shares of our preferred stock were outstanding.

The following is merely a summary of the terms of our capital stock. The full terms of our capital stock are set forth in Exhibit 3(i) and are incorporated by reference herein.

Common Stock

The following description describes certain general terms of our common stock.

Dividend Rights

Holders of our common stock are entitled to dividends when, as and if declared by our Board of Directors out of funds legally available for the payment of dividends.

As a bank and trust company chartered in the State of Connecticut and a member bank of the Federal Reserve System, we are subject to limitations on the amount of dividends we may pay to our shareholders. Prior approval of both the State of Connecticut Department of Banking and the Federal

Reserve Board is required to the extent the total dividends to be declared by us in any calendar year exceed net profits for that year combined with our retained net profits from the preceding two calendar years.

The dividend rights of holders of our common stock are qualified and subject to the dividend rights of holders of our preferred stock described below.

Voting Rights

Holders of our common stock are entitled to one vote per share on all matters submitted to the shareholders for action. The quorum for shareholders' meetings is a majority of the outstanding shares. Generally, actions and authorizations to be taken or given by shareholders require the approval of a majority of the votes cast by holders of our common stock at a meeting at which a quorum is present.

Liquidation Rights

In the event of our liquidation, dissolution or winding up, whether voluntary or involuntary, holders of our common stock are entitled to share equally and ratably in assets available for distribution after payment of debts and liabilities, subject to the rights of the holders of our preferred stock described below.

Assessment and Redemption

All outstanding shares of our common stock are fully paid and non-assessable. Our common stock is not redeemable at our option or the holders' option.

Other Matters

Registrar and Transfer Company is presently both the transfer agent and the registrar for our common stock. Our common stock is traded on the NASDAQ Capital Market under the symbol "CTBC", and is registered under Section 12(g) of the Exchange Act.

Fixed Rate Noncumulative Perpetual Preferred Stock, Series A

The following description of our preferred stock describes certain general terms of our Fixed Rate Noncumulative Perpetual Preferred Stock, Series A. Five thousand four hundred forty eight of these shares of preferred stock have been authorized, and all such shares of the senior preferred stock were issued as of December 19, 2008. These senior preferred shares have no maturity date. The remaining 994,552 shares of preferred stock remain unissued blank check preferred stock.

Dividend & Repurchase Rights

The Fixed Rate Noncumulative Perpetual Preferred Stock, Series A, is senior to our common stock and will pay noncumulative dividends at a rate of 5% per annum until the fifth anniversary of the date of the original investment of the Treasury, which is December 19, 2013, and subsequent to that date, at a rate of 9% per annum. Dividends will be payable quarterly on the fifteenth day of February, May, August, and November of each year.

As long as the senior preferred shares are outstanding, we would not be able to pay dividends on any shares of our common stock or any preferred shares ranking *pari passu* with the senior preferred shares, unless all dividends on the senior preferred shares have been paid in full. Dividends on the senior

preferred shares are noncumulative such that if our Board of Directors does not declare a dividend on the senior preferred shares for a given dividend period, the holders of the senior preferred shares have no right to receive any dividend for such dividend period whether or not dividends are declared for any subsequent dividend period with respect to the senior preferred stock.

Furthermore, until the earlier of the third anniversary of the Treasury's investment or the date on which the Treasury has transferred all of the senior preferred stock to unaffiliated third parties or such stock is redeemed in full, we may not, without the consent of the Treasury, pay a cash dividend on our common stock. The Treasury's consent is not required where dividends on common stock are payable solely in shares of our common stock.

The Treasury's consent will be required for any repurchase of our common stock or other capital stock or other equity securities, or any trust preferred securities, other than repurchases of the senior preferred shares and share repurchases in connection with any employee benefit plan in the ordinary course of business consistent with past practice, until the earlier of the third anniversary of the Treasury's investment or the date on which the senior preferred shares are redeemed in whole or the Treasury has transferred all of the senior preferred shares to unaffiliated third parties.

For as long as the Treasury continues to own any senior preferred shares, we may not repurchase any senior preferred shares from any other holder of such shares unless we offer to repurchase a ratable portion of the senior preferred shares then held by the Treasury on the same terms and conditions.

Conversion

Holders of the senior preferred shares have no right to exchange or convert such shares into any of our other securities.

Voting Rights

The senior preferred shares are non-voting shares, other than class voting rights granted under Connecticut law and class voting rights on (i) any authorization or issuance of shares ranking senior to the senior preferred shares; (ii) any amendment to the rights of the senior preferred shares, or (iii) any merger, exchange or similar transaction which would adversely affect the rights of the senior preferred shares. If dividends on the senior preferred shares as described above are not paid in full for six dividend periods, whether or not consecutive, the senior preferred shareholders would have the right to elect two directors. The right to elect directors would cease when full dividends have been paid on the senior preferred stock for at least four consecutive dividend periods.

Liquidation Rights

The senior preferred shares have a liquidation preference of \$1,000 per share. In the event of our liquidation, dissolution or winding up, holders of our preferred stock are entitled to receive full payment of the liquidation amount per share and the amount of any accrued and unpaid dividends, before any distribution of assets or proceeds is made to the holders of our common stock.

Redemption

We may redeem the senior preferred shares three years after the date of the Treasury's investment, or earlier if we raise in an equity offering net proceeds equal to the amount of the senior preferred shares to be redeemed. We must raise proceeds equal to at least 25% of the issue price of the senior preferred shares to redeem any senior preferred shares prior to the end of the third year. The

redemption price is equal to the sum of the liquidation amount per share and any accrued and unpaid dividends on the senior preferred shares up to, but excluding, the date fixed for redemption.

Other Matters

The senior preferred shares are freely transferable. The senior preferred shares are not subject to any mandatory redemption, sinking fund or other similar provisions.

Anti-Takeover Provisions

Certificate of Incorporation and Bylaws

Provisions of our certificate of incorporation and bylaws may have anti-takeover effects. These provisions may discourage attempts by others to acquire control of CBT without negotiation with our Board of Directors. The effect of these provisions is discussed briefly below.

1. Authorized Stock

The shares of our common stock authorized by our certificate of incorporation but not issued provide our Board of Directors with the flexibility to effect financings, acquisitions, stock dividends, stock splits and stock-based grants without the need for a stockholder vote. Our Board of Directors, consistent with its fiduciary duties, could also authorize the issuance of shares of preferred stock, and could establish the preferences, limitations and other rights for our preferred stock being issued, in an effort to deter attempts to gain control of CBT. For a further discussion, see “Anti-Takeover Provisions – Blank Check Preferred Stock.”

2. Classification of Board of Directors

Our certificate of incorporation and bylaws currently provide that our Board of Directors is divided into three classes of as nearly equal size as possible, with one class elected annually to serve for a term of three years. This classification of our Board of Directors has the effect of making it more difficult for shareholders to change the composition of the Board of Directors, whether or not a change in the Board of Directors would be beneficial to CBT. It may discourage a takeover of CBT because a shareholder with a majority interest in CBT would have to wait for at least two consecutive annual meetings of shareholders to elect a majority of the members of our Board of Directors.

“Blank Check” Preferred Stock

The remaining 994,552 unissued shares of preferred stock are typically referred to as “blank check” preferred stock. This term refers to stock for which the rights and restrictions are determined by the board of directors of a corporation. Our certificate of incorporation authorizes our Board of Directors to issue new shares of our preferred stock without further shareholder action.

Our certificate of incorporation gives the Board of Directors authority at any time to:

- issue the remaining authorized but unissued shares of preferred stock in one or more series; and
- determine the preferences, limitations and relative rights of any series of preferred stock prior to the issuance of such series.

The issuance of additional preferred stock may be viewed as having adverse effects upon the holders of common stock. Holders of our common stock will not have preemptive rights with respect to any newly issued stock. Our Board of Directors could adversely affect the voting power of holders of our common stock by issuing shares of preferred stock with certain voting, conversion and/or redemption rights. In the event of a proposed merger, tender offer or other attempt to gain control of us that our Board of Directors does not believe to be in the best interests of our shareholders, our Board of Directors could issue additional preferred stock which could make any such takeover attempt more difficult to complete. Blank check preferred stock may also be used in connection with the issuance of a shareholder rights plan, sometimes called a poison pill. Our Board of Directors has not approved any plan to issue preferred stock for this purpose. Our Board of Directors does not intend to issue any preferred stock except on terms that our Board of Directors deems to be in the best interests of us and our shareholders.

DESCRIPTION OF WARRANT

On December 19, 2008, we issued and sold to the Treasury a ten-year warrant to purchase up to 175,742 shares of our common stock, par value \$1.00 per share, in addition to the 5,448 shares of our Fixed Rate Noncumulative Perpetual Preferred Stock, Series A. The warrant was immediately exercisable by the holder and will expire on December 19, 2018. The warrant may be exercised in whole or in part.

The exercise price of the warrant is \$4.65 per share, determined by reference to the market price of our common stock on the date of the Treasury's approval of our application to sell to the Treasury the senior preferred shares (calculated on a 20-day trailing average of days on which our common stock was traded).

Exercise of Warrant

Without the consent of both the warrant holder and us, the warrant may only be exercised on a net basis. Therefore, the holder does not pay the exercise price but instead authorizes us to reduce the shares receivable on exercise of the warrant by the number of shares with a then current market value equal to the exercise price. To exercise the warrant, the holder must present and surrender the warrant and a notice of exercise to us.

Rights of Warrantholder

A holder of the warrant as such is not entitled to vote or exercise any of the rights as our stockholder until such time as such warrant has been duly exercised.

Transferability of Warrant

The warrant and all rights thereunder are transferable, in whole or in part, by a holder upon surrender of the warrant, duly endorsed, to our office or transfer agent. Thereafter, a new warrant registered in the name of the designated transferee or transferees will be made and delivered by us.

Share Adjustment

The warrant contains provisions that will adjust the exercise price of the warrant and the number of shares purchasable upon exercise of the warrant proportionally to reflect any share dividend or other distribution, share subdivision, combination or reclassification which affects holders of record of our common stock as of any date on or after the issuance date of the warrant. In the event of any merger, consolidation, or other business combination to which we are a party, the warrant holder's right to receive

shares of common stock upon exercise of the warrant will be converted into the right to exercise the warrant to acquire the number of shares of stock or other securities or property which the common stock issuable upon exercise of the warrant immediately prior to such business combination would have been entitled to receive upon consummation of the business combination.

If we raise equity capital on or before December 31, 2009 in aggregate gross proceeds of not less than 100% of the issue price of the senior preferred shares sold to the Treasury and if the Treasury is still the holder of the warrant, then the number of shares of our common stock underlying the warrant will be reduced by one half.

The foregoing is merely a summary of the terms of the warrant. The full terms of the warrant are set forth in Exhibit 4 and are incorporated by reference herein.

USE OF PROCEEDS

We will not receive any proceeds from any sale of the securities by the selling securityholders.

PLAN OF DISTRIBUTION

The selling securityholders and their successors, including their transferees, may sell the securities directly to purchasers or through underwriters, broker-dealers or agents, who may receive compensation in the form of discounts, concessions or commissions from the selling securityholders or the purchasers of the securities. These discounts, concessions or commissions as to any particular underwriter, broker-dealer or agent may be in excess of those customary in the types of transactions involved.

The securities may be sold in one or more transactions at fixed prices, at prevailing market prices at the time of sale, at varying prices determined at the time of sale or at negotiated prices. These sales may be effected in transactions, which may involve crosses or block transactions:

- on any national securities exchange or quotation service on which our common stock may be listed or quoted at the time of sale, including, as of the date of this prospectus, the NASDAQ Capital Market;
- in the over-the-counter market;
- in transactions otherwise than on these exchanges or services or in the over-the-counter market; or
- through the writing of options, whether the options are listed on an options exchange or otherwise.

In addition, any securities that qualify for sale pursuant to Rule 144 under the Securities Act may be sold under Rule 144 rather than pursuant to this prospectus.

In connection with the sale of the securities or otherwise, the selling securityholders may enter into hedging transactions with broker-dealers, which may in turn engage in short sales of our common stock issuable upon exercise of the warrant in the course of hedging the positions they assume. The selling securityholders may also sell short our common stock issuable upon exercise of the warrant and deliver our common stock to close out short positions, or loan or pledge our common stock issuable upon exercise of the warrant to broker-dealers that in turn may sell these securities.

The aggregate proceeds to the selling securityholders from the sale of the securities will be the purchase price of the securities less discounts and commissions, if any.

In effecting sales, broker-dealers or agents engaged by the selling securityholders may arrange for other broker-dealers to participate. Broker-dealers or agents may receive commissions, discounts or concessions from the selling securityholders in amounts to be negotiated immediately prior to the sale.

In offering the securities covered by this prospectus, the selling securityholders and any broker-dealers who execute sales for the selling securityholders may be deemed to be “underwriters” within the meaning of Section 2(a)(11) of the Securities Act in connection with such sales. Any profits realized by the selling securityholders and the compensation of any broker-dealer may be deemed to be underwriting discounts and commissions. Selling securityholders who are “underwriters” within the meaning of Section 2(a)(11) of the Securities Act will be subject to the prospectus delivery requirements of the Securities Act and may be subject to certain statutory and regulatory liabilities, including liabilities imposed pursuant to Sections 11, 12 and 17 of the Securities Act and Rule 10b-5 under the Securities Exchange Act of 1934, or the Exchange Act.

In order to comply with the securities laws of certain states, if applicable, the securities must be sold in such jurisdictions only through registered or licensed brokers or dealers. In addition, in certain states the securities may not be sold unless they have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with.

At the time a particular offer of securities is made, if required, a prospectus supplement will set forth the number and type of securities being offered and the terms of the offering, including the name of any underwriter, dealer or agent, the purchase price paid by any underwriter, any discount, commission and other item constituting compensation, any discount, commission or concession allowed or reallocated or paid to any dealer, and the proposed selling price to the public.

We have agreed to indemnify the selling securityholders against certain liabilities, including certain liabilities under the Securities Act. We have also agreed, among other things, to bear substantially all expenses (other than underwriting discounts and selling commissions) in connection with the registration and sale of the securities covered by this prospectus.

SELLING SECURITYHOLDERS

On December 19, 2008, we issued the securities covered by this prospectus to the United States Department of the Treasury, which is the initial selling securityholder under this prospectus, in a transaction exempt from the registration requirements of the Securities Act. The initial selling securityholder, or its successors, including transferees, may from time to time offer and sell, pursuant to this prospectus or a supplement to this prospectus, any or all of the securities they own. The securities to be offered under this prospectus for the account of the selling securityholders are:

- a warrant to purchase 175,742 shares of our common stock; and
- 175,742 shares of our common stock issuable upon exercise of the warrant, which shares, if issued, would represent ownership of approximately 4.92% of our common stock outstanding as of January 14, 2009.

For purposes of this prospectus, we have assumed that, after completion of the offering, none of the securities covered by this prospectus will be held by the selling securityholders.

Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to the securities. To our knowledge, the initial selling securityholder has sole voting and investment power with respect to the securities.

We do not know when or in what amounts the selling securityholders may offer the securities for sale. The selling securityholders might not sell any or all of the securities offered by this prospectus. Because the selling securityholders may offer all or some of the securities pursuant to this offering, and because currently no sale of any of the securities is subject to any agreements, arrangements or understandings, we cannot estimate the number of the securities that will be held by the selling securityholders after completion of the offering.

Other than with respect to the acquisition of the securities, the initial selling securityholder has not had a material relationship with us.

Information about the selling securityholders may change over time and changed information will be set forth in supplements to this prospectus if and when necessary.

LEGAL MATTERS

The validity of our securities by this prospectus will be passed upon for us by Day Pitney LLP, Hartford, Connecticut.

EXPERTS

The financial statements of The Connecticut Bank and Trust Company appearing in The Connecticut Bank and Trust Company's Annual Report (Form 10-KSB) for the year ended December 31, 2007 are incorporated by reference herein in reliance on the report of Wolf & Company, P.C., an independent registered public accounting firm, incorporated herein by reference herein, in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement on Form S-3 with the Federal Reserve Board covering the securities that may be sold under this prospectus. This prospectus summarizes material provisions of contracts and other documents that we refer you to. For further information on us and the securities, you should refer to our registration statement and its exhibits. As permitted by the rules and regulations of the SEC, the registration statement that contains this prospectus includes additional information not contained in this prospectus. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

We also file reports, proxy statements and other information with the Federal Reserve Board. These filings and the exhibits and schedules thereto may be inspected at the office of the Federal Reserve Board located at Room M-P-500, Martin Building, 20th & C Streets, N.W., Washington, D.C., and copies of the materials may be obtained from such office.

The SEC rules allow us to "incorporate by reference" the information we file with the Federal Reserve Board, which means:

- incorporated documents are considered part of the prospectus;

- we can disclose important information to you by referring you to those documents; and
- information that we file with the Federal Reserve Board will automatically update and supersede this incorporated information.

We incorporate by reference the following documents that we have filed with the Federal Reserve Board:

- Annual Report on Form 10-KSB for the year ended December 31, 2007;
- Quarterly Reports filed on Form 10-QSB for the quarters ended March 31, 2008, June 30, 2008, and September 30, 2008;
- Current Report filed on Form 8-K dated December 22, 2008;
- The definitive proxy statements for our 2008 annual meeting of shareholders and our 2008 special meeting of shareholders; and
- The description of the common stock which is contained in our Registration Statement on Form 10SB dated April 28, 2005 including any amendment or report filed for the purpose of updating such description.

We also incorporate by reference each of the following documents that we will file with the Federal Reserve Board after the date of this prospectus until this offering is completed:

- reports filed under Sections 13(a) and (c) of the Exchange Act;
- any document filed under Section 14 of the Exchange Act; and
- any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operation may have changed since that date.

To receive a free copy of any of the documents incorporated by reference in this prospectus (other than exhibits, unless they are specifically incorporated by reference in the documents), call or write our Shareholder Relations Department, as follows:

The Connecticut Bank and Trust Company
58 State House Square
Hartford, Connecticut 06103
Attention: Anson C. Hall, Corporate Secretary
Telephone: (860) 748-4251

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution

The following table sets forth the approximate expenses payable by CBT in connection with the sale of the securities being registered:

Legal fees and expenses	\$32,000
Accounting	\$10,000
Mailing & Handling	\$5,000
Materials & Printing	\$3,000
Filing fee	<u>\$2,000</u>
Total	<u>\$52,000</u>

Item 15. Indemnification of Directors and Officers

CBT's Restated and Amended Certificate of Incorporation provides that CBT will, in accordance with state and federal law and subject to the limitations on indemnification contained in Section 1828(k) of Chapter 12 of the United States Code and FDIC regulations, indemnify any director, officer or employee of CBT, or of any firm, corporation or organization which such person served in any such capacity at the request of CBT, for reasonable expenses actually incurred in connection with any action, suit or proceeding, civil or criminal. However, a director, officer or employee of CBT will not be indemnified relative to any matter: (1) as to which such person is finally adjudged to have been guilty or liable for willful or gross negligence, willful misconduct or criminal acts in the performance of such person's duties to CBT; or (2) which has been made the subject of a compromise settlement unless such settlement was made with the approval of a court of competent jurisdiction, holders or a majority of the outstanding shares of CBT, or CBT's Board of Directors acting by vote of the directors, not parties to the same or substantially the same action, suit or proceeding, constituting a majority of the full Board of Directors. The Connecticut Business Corporation Act requires that CBT indemnify any director who is wholly successful, on the merits or otherwise, in the defense of any proceeding to which such director was a party because he or she was a director of CBT against reasonable expense incurred in connection with the proceeding.

In addition, CBT's Restated and Amended Certificate of Incorporation limits the personal liability of any CBT director to CBT or to CBT shareholders for monetary damages for breach of duty to the amount of compensation received by the director during the year of the violation so long as the breach of duty did not: (1) involve a knowing and culpable violation of law; (2) enable the director or an associate of the director to receive improper personal economic gain; (3) show a lack of good faith and conscious disregard for the duty of the director to CBT under circumstances in which the director was aware that his or her conduct or omission created an unjustifiable risk of serious injury to CBT; (4) constitute a sustained and unexcused pattern of inattention that amounted to an abdication of the director's duty to CBT; or (5) create liability under Section 36a-58 of the Banking Law of Connecticut. Any lawful amendment, modification or repeal of the foregoing rights will not adversely affect any limitation of liability, right or protection of a director existing at the effective date of the amendment, modification or repeal.

Item 16. Exhibits

The following exhibits are filed herewith or incorporated by reference. The reference numbers correspond to the numbered paragraphs of Item 601 of Regulation S-K.

- 3(i) Restated and Amended Certificate of Incorporation of The Connecticut Bank and Trust Company (filed herewith).
- 4 Warrant, dated December 19, 2008, to purchase up to 175,742 shares of Common Stock (Incorporated by reference to Exhibit 3.3 of Form 8-K filed December 22, 2008).
- 5 Opinion of Day Pitney LLP as to the legality of the securities to be registered (filed herewith).
- 10.1 Letter Agreement, dated December 19, 2008, including Securities Purchase Agreement – Standard Terms incorporated by reference therein, between CBT and the Treasury (Incorporated by reference to Exhibit 10.1 of Form 8-K filed December 22, 2008).
- 10.2 Side Letter, dated December 19, 2008, between CBT and the Treasury amending the Letter Agreement (Incorporated by reference to Exhibit 10.2 of Form 8-K filed December 22, 2008).
- 23.1 Consent of Wolf & Company, P.C. (filed herewith).
- 23.2 Consent of Day Pitney LLP (incorporated in Exhibit 5).
- 24 Powers of Attorney (included on the signature page of the Registration Statement).

Item 17. Undertakings

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the SEC pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the “Calculation of Registration Fee” table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (a)(1)(i), (a)(1)(ii) and (a)(1)(iii) do not apply if the registration statement is on Form S-3 or Form F-3 and the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Federal Reserve Board by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement;

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof;

(3) To remove from registration by means of a post-effective amendment any of the securities being registered that remain unsold at the termination of the offering; and

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser, if the registrant is subject to Rule 430C, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness; provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Hartford, State of Connecticut, on the 14th day of January, 2009.

THE CONNECTICUT BANK AND TRUST COMPANY

By: /s/ David A. Lentini

David A. Lentini,
Chairman, President and Chief Executive
Officer

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints David A. Lentini and Anson C. Hall as attorneys-in-fact and agent, with full power of substitution and resubstitution, to sign on his or her behalf, individually and in any and all capacities, including the capacities stated below, any and all amendments (including post-effective amendments) to this Registration Statement and any registration statements filed by the registrant pursuant to Rule 462(b) of the Securities Act of 1933, as amended, relating thereto and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Federal Reserve Board, granting to said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his or her substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ David A. Lentini</u> David A. Lentini	Chairman, President and Chief Executive Officer and Director	January 13, 2009
<u>/s/ Anson C. Hall</u> Anson C. Hall	Treasurer, Secretary and Chief Financial Officer and Director	January 13, 2009
<u>/s/ Geno Auriemma</u> Geno Auriemma	Director	January 13, 2009
<u>/s/ Frank A. Falvo</u> Frank A. Falvo	Director	January 13, 2009
<u>/s/ P. Anthony Giorgio</u> P. Anthony Giorgio	Director	January 13, 2009

<u>/s/ John A. Green</u> John A. Green	Director	January 13, 2009
<u>Solomon Kerensky</u>	Director	January ____, 2009
<u>/s/ Karl J. Krapek</u> Karl J. Krapek	Director	January 13, 2009
<u>/s/ Joan L. Rusconi</u> Joan L. Rusconi	Director	January 13, 2009
<u>/s/ Philip J. Schulz</u> Philip J. Schulz	Director	January 13, 2009
<u>Peter D. Shapiro</u>	Director	January ____, 2009
<u>/s/ J. Brian Smith</u> J. Brian Smith	Director	January 13, 2009
<u>John M. Watkins, Jr.</u>	Director	January ____, 2009

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- 24 Powers of Attorney (included on the signature page of the Registration Statement).

**RESTATED AND AMENDED CERTIFICATE OF INCORPORATION
OF
THE CONNECTICUT BANK AND TRUST COMPANY**

1. The name of the state bank and trust company is The Connecticut Bank and Trust Company (the “Bank”).
2. The city in which the main office of the Bank is to be located is Hartford, Connecticut.
3. The nature of the business to be transacted and the purposes to be promoted or carried out by the Bank shall be the business of a state bank and trust company, including all incidental powers conferred in connection therewith, pursuant to and in accordance with the Banking Law of the State of Connecticut.
4. The number of shares of capital stock of the Bank hereby authorized is 11,000,000 shares, which shall be divided into classes as follows:

10,000,000 Shares of common stock, par value \$1.00 per share (“Common Stock”); and

1,000,000 Shares of preferred stock, no par value (“Preferred Stock”).

The following is a statement of the preferences, limitations and relative rights of each class of capital stock of the Bank.

A. Common Stock.

(1) General. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights of the holders of the Preferred Stock of any series as may be determined by the Board of Directors before the issuance of the Preferred Stock of any series.

(2) Voting. The holders of the Common Stock are entitled to one vote for each share held on all matters submitted to the shareholders for action.

(3) Dividends. Dividends may be declared and paid on the Common Stock from funds lawfully available therefor as and when determined by the Board of Directors and subject to any preferential dividend rights of any then outstanding Preferred Stock.

(4) Liquidation. Upon the dissolution or liquidation of the Bank, whether voluntary or involuntary, holders of Common Stock will be entitled to receive all assets of the Bank available for distribution to its shareholders, subject to any preferential rights of any then outstanding Preferred Stock.

B. Preferred Stock.

(1) General. Preferred Stock may be issued from time to time in one or more series, each to have such terms as are set forth herein and in the resolutions of the Board of Directors authorizing the issue of such series. Any shares of Preferred Stock which may be redeemed, purchased or otherwise acquired by the Bank may be reissued. Different series of Preferred Stock shall not be construed to constitute different classes of shares for the purposes of voting by classes unless expressly so provided.

(2) Authority of Board of Directors. The Board of Directors may from time to time issue the Preferred Stock in one or more series. The Board of Directors may, in connection with the creation of any such series, determine the preferences, limitations and relative rights of each such series before the issuance of such series. Without limiting the foregoing, the Board of Directors may fix the voting powers, dividend rights, conversion rights, redemption privileges and liquidation preferences, all as the Board of Directors deems appropriate, to the full extent now or hereafter permitted by the Act. The resolutions providing for issuance of any series of Preferred Stock may provide that such series shall be superior or rank equally or be junior to the Preferred Stock of any other series to the extent permitted by law. Except as otherwise provided in this Certificate of Incorporation, no vote of the holders of the Preferred Stock or Common Stock shall be a prerequisite to the designation or issuance of shares of any series of the Preferred Stock authorized by and complying with the conditions of this Certificate of Incorporation and the Act.

(3) Fixed Rate Non-Cumulative Perpetual Preferred Stock, Series A. A series of Preferred Stock of the Bank, no par value per share, is created, and the designation and amount thereof and the voting powers, preferences and relative, participating, optional and other special rights of the shares of such series, and the qualifications, limitations or restrictions thereof are as follows:

(i) Designation and Number of Shares. There is hereby created out of the authorized and unissued shares of preferred stock of the Bank a series of preferred stock designated as the “Fixed Rate Non-Cumulative Perpetual Preferred Stock, Series A” (the “Designated Preferred Stock”). The authorized number of shares of Designated Preferred Stock shall be 5,448.

(ii) Standard Provisions. The Standard Provisions contained in Annex A attached hereto are incorporated herein by reference in their entirety and shall be deemed to be a part of this resolution to the same extent as if such provisions had been set forth in full herein.

(iii) Definitions. The following terms are used in this resolution (including the Standard Provisions in Annex A hereto) as defined below:

(a) “Common Stock” means the common stock, \$1.00 par value per share, of the Bank.

(b) “Dividend Payment Date” means February 15, May 15, August 15 and November 15 of each year.

(c) “Junior Stock” means the Common Stock and any other class or series of stock of the Bank the terms of which expressly provide that it ranks junior to Designated Preferred Stock as to dividend rights and/or as to rights on liquidation, dissolution or winding up of the Bank.

(d) “Liquidation Amount” means \$1,000 per share of Designated Preferred Stock.

(e) “Minimum Amount” means \$1,362,000.

(f) “Parity Stock” means any class or series of stock of the Bank (other than Designated Preferred Stock) the terms of which do not expressly provide that such class or series will rank senior or junior to Designated Preferred Stock as to dividend rights and/or as to rights on liquidation, dissolution or winding up of the Bank (in each case without regard to whether dividends accrue cumulatively or non-cumulatively).

(g) “Signing Date” means the Original Issue Date.

(iv) Certain Voting Matters. Holders of shares of Designated Preferred Stock will be entitled to one vote for each such share on any matter on which holders of Designated Preferred Stock are entitled to vote, including any action by written consent.

5. The minimum amount of equity capital with which the Bank shall commence business is five million dollars (\$5,000,000).
6. The number of directors shall consist of not less than eleven (11) nor more than fifteen (15) directors and shall be fixed by resolution of the shareholders or by the full Board of Directors.
7. The Board of Directors shall be divided into three classes in respect of term of office, each class to contain as near as may be one-third (1/3) of the whole number of the Board. Of the first Board of Directors, the members of one class shall serve until the Annual Meeting of Shareholders held in the year following their election, the members of the second class shall serve until the Annual Meeting of Shareholders held two years following their election, and the members of the third class shall serve until the Annual Meeting of Shareholders held three years following their election; provided, however, that in each case directors shall continue to serve until their successors shall be elected and shall qualify. At each Annual Meeting of the Shareholders following election of the first Board of Directors, one class of directors shall be elected to serve until the Annual Meeting of Shareholders held three years next following and until their successors shall be elected and shall qualify.
8. The personal liability of any person who is or was a director of the Bank to the Bank or to the Bank’s shareholders for monetary damages for breach of duty as a director is hereby limited to the amount of compensation received by the director for serving the Bank

during the year of the violation if such breach did not (a) involve a knowing and culpable violation of law by the director, (b) enable the director or an associate, as defined in subdivision (3) of Section 33-843 of the Connecticut General Statutes (as from time to time amended) to receive an improper personal economic gain, (c) show a lack of good faith and conscious disregard for the duty of the director to the Bank under circumstances in which the director was aware that his or her conduct or omission created an unjustifiable risk of serious injury to the Bank, (d) constitute a sustained and unexcused pattern of inattention that amounted to an abdication of the director's duty to the Bank, or (e) create liability under Section 36a-58 of the Connecticut General Statutes (as from time to time amended). Any lawful amendment, modification, or repeal of this provision or the adoption of any provision inconsistent herewith shall not adversely affect any limitation of liability, right or protection of a director existing hereunder with respect to any breach of duty occurring prior to the effective date of such amendment, modification, repeal or adoption of a provision inconsistent herewith.

9. Any person, his or her heirs, executors, or administrators may be indemnified or reimbursed, in accordance with applicable federal and state law and subject to the limitations on indemnification contained in 12 U.S.C. Section 1828(k) and the regulations issued by the FDIC there under, by the Bank for reasonable expenses actually incurred in connection with any action, suit or proceeding, civil or criminal, to which he or she or they shall be made a party by reason of his or her being or having been a director, officer, or employee of the Bank or of any firm, corporation, or organization which he or she served in any such capacity at the request of the Bank; provided, however, that no person shall be so indemnified or reimbursed relative to any matter in such action, suit, or proceeding as to which he or she shall finally be adjudged to have been guilty of or liable for willful or gross negligence, willful misconduct or criminal acts in the performance of his or her duties to the Bank; and provided, further, that no person shall be so indemnified or reimbursed relative to any matter in such action, suit, or proceeding which has been made the subject of a compromise settlement except with the approval of a court of competent jurisdiction, or the holders of record of a majority of the outstanding shares of the Bank, or the Board of Directors, acting by vote of directors not parties to the same or substantially the same action, suit, or proceeding, constituting a majority of the whole number of directors. The foregoing right of indemnification or reimbursement shall not be exclusive of other rights of which such persons, his or her heirs, executors, or administrators, may be entitled as a matter of law.
10. The Bank may, upon the affirmative vote of a majority of its Board of Directors, purchase insurance to indemnify its directors, officers and other employees to the extent that such indemnification is allowed in Paragraph 9 of this Certificate of Incorporation. Such insurance may, but need not, be for the benefit of all directors, officers or employees.
11. The name, occupation and residence, post office or business address of each organizer and prospective initial director of the Bank is as follows:

<u>Name</u>	<u>Occupation</u>	<u>Address</u>
Frank A. Falvo	Banking	121 Broad Street, Wethersfield, CT 06109
P. Anthony Giorgio	Real Estate Development	35 Old Avon Village #123, Avon, CT 06001
John A. Green	Retail Sales	46 LaSalle Road, West Hartford, CT 06107
Anson C. Hall	Banking	53 Buff Cap Road, Ellington, CT 06029
Solomon Kerensky	Attorney	45 Hartford Turnpike, Vernon, CT 06066
Karl J. Krapek	Manufacturing	11 Pembroke Drive, Avon, CT 06001- 3970
David A. Lentini	Banking	70 Uplands Drive, West Hartford, CT 06107
Joan L. Rusconi	Financial Services	185 Asylum Street, Hartford, CT 06103
Philip J. Schulz	Accounting	3 Somerset Lane, Simsbury, CT 06070
Peter D. Shapiro	Attorney	555 Asylum Street, Hartford, CT 06105
J. Brian Smith	Insurance Sales	68 National Drive, Glastonbury, CT 06033
John M. Watkins	IT Management	11 Hinchley Wood, Farmington, CT 06032

12. The provisions of this Certificate of Incorporation may be amended or repealed, in whole or in part, by the affirmative vote of 80% of the Directors then in office cast at any regular or special meeting of the Board, provided that, in each such case, notice of the intention or proposal to vote, amend or repeal the Certificate of Incorporation previously shall have been given to each member of the Board. Such amendments also must be approved by the Bank's shareholders in accordance with applicable law.

ANNEX A

STANDARD PROVISIONS

Section 1. General Matters. Each share of Designated Preferred Stock shall be identical in all respects to every other share of Designated Preferred Stock. The Designated Preferred Stock shall be perpetual, subject to the provisions of Section 5 of these Standard Provisions that form a part of the Certificate of Designations. The Designated Preferred Stock shall rank equally with Parity Stock and shall rank senior to Junior Stock with respect to the payment of dividends and the distribution of assets in the event of any dissolution, liquidation or winding up of the Corporation.

Section 2. Standard Definitions. As used herein with respect to Designated Preferred Stock:

(a) “Applicable Dividend Rate” means (i) during the period from the Original Issue Date to, but excluding, the first day of the first Dividend Period commencing on or after the fifth anniversary of the Original Issue Date, 5% per annum and (ii) from and after the first day of the first Dividend Period commencing on or after the fifth anniversary of the Original Issue Date, 9% per annum.

(b) “Appropriate Federal Banking Agency” means the “appropriate Federal banking agency” with respect to the Corporation as defined in Section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. Section 1813(q)), or any successor provision.

(c) “Business Combination” means a merger, consolidation, statutory share exchange or similar transaction that requires the approval of the Corporation’s stockholders.

(d) “Business Day” means any day except Saturday, Sunday and any day on which banking institutions in the State of New York generally are authorized or required by law or other governmental actions to close.

(e) “Bylaws” means the bylaws of the Corporation, as they may be amended from time to time.

(f) “Certificate of Designations” means the Certificate of Designations or comparable instrument relating to the Designated Preferred Stock, of which these Standard Provisions form a part, as it may be amended from time to time.

(g) “Charter” means the Corporation’s certificate or articles of incorporation, articles of association, or similar organizational document.

(h) “Dividend Period” has the meaning set forth in Section 3(a).

(i) “Dividend Record Date” has the meaning set forth in Section 3(a).

(j) “Liquidation Preference” has the meaning set forth in Section 4(a).

(k) “Original Issue Date” means the date on which shares of Designated Preferred Stock are first issued.

(l) “Preferred Director” has the meaning set forth in Section 7(b).

(m) “Preferred Stock” means any and all series of preferred stock of the Corporation, including the Designated Preferred Stock.

(n) “Qualified Equity Offering” means the sale and issuance for cash by the Corporation to persons other than the Corporation or any of its subsidiaries after the Original Issue Date of shares of perpetual Preferred Stock, Common Stock or any combination of such stock, that, in each case, qualify as and may be included in Tier 1 capital of the Corporation at the time of issuance under the applicable risk-based capital guidelines of the Corporation’s Appropriate Federal Banking Agency (other than any such sales and issuances made pursuant to agreements or arrangements entered into, or pursuant to financing plans which were publicly announced, on or prior to October 13, 2008).

(o) “Share Dilution Amount” has the meaning set forth in Section 3(c).

(p) “Standard Provisions” mean these Standard Provisions that form a part of the Certificate of Designations relating to the Designated Preferred Stock.

(q) “Successor Preferred Stock” has the meaning set forth in Section 5(a).

(r) “Voting Parity Stock” means, with regard to any matter as to which the holders of Designated Preferred Stock are entitled to vote as specified in Sections 7(a) and 7(b) of these Standard Provisions that form a part of the Certificate of Designations, any and all series of Parity Stock upon which like voting rights have been conferred and are exercisable with respect to such matter.

Section 3. Dividends.

(a) Rate. Holders of Designated Preferred Stock shall be entitled to receive, on each share of Designated Preferred Stock if, as and when declared by the Board of Directors or any duly authorized committee of the Board of Directors, but only out of assets legally available therefor, non-cumulative cash dividends with respect to each Dividend Period (as defined below) at a rate per annum equal to the Applicable Dividend Rate on the Liquidation Amount per share of Designated Preferred Stock, and no more, payable quarterly in arrears on each Dividend Payment Date, commencing with the first such Dividend Payment Date to occur at least 20 calendar days after the Original Issue Date. In the event that any Dividend Payment Date would otherwise fall on a day that is not a Business Day, the dividend payment due on that date will be postponed to the next day that is a Business Day and no additional dividends will accrue as a result of that postponement. The period from and including any Dividend Payment Date to, but excluding, the next Dividend Payment Date is a “Dividend Period”, provided that the initial Dividend Period shall be the period from and including the Original Issue Date to, but excluding, the next Dividend Payment Date.

Dividends that are payable on Designated Preferred Stock in respect of any Dividend Period shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The amount of dividends payable on Designated Preferred Stock on any date prior to the end of a Dividend Period, and for the initial Dividend Period, shall be computed on the basis of a 360-day year consisting of twelve 30-day months, and actual days elapsed over a 30-day month.

Dividends that are payable on Designated Preferred Stock on any Dividend Payment Date will be payable to holders of record of Designated Preferred Stock as they appear on the stock register of the Corporation on the applicable record date, which shall be the 15th calendar day immediately preceding such Dividend Payment Date or such other record date fixed by the Board of Directors or any duly authorized committee of the Board of Directors that is not more than 60 nor less than 10 days prior to such Dividend Payment Date (each, a “Dividend Record Date”). Any such day that is a Dividend Record Date shall be a Dividend Record Date whether or not such day is a Business Day.

Holders of Designated Preferred Stock shall not be entitled to any dividends, whether payable in cash, securities or other property, other than dividends (if any) declared and payable on Designated Preferred Stock as specified in this Section 3 (subject to the other provisions of the Certificate of Designations).

(b) Non-Cumulative. Dividends on shares of Designated Preferred Stock shall be non-cumulative. If the Board of Directors or any duly authorized committee of the Board of Directors does not declare a dividend on the Designated Preferred Stock in respect of any Dividend Period, the holders of Designated Preferred Stock shall have no right to receive any dividend for such Dividend Period, and the Corporation shall have no obligation to pay a dividend for such Dividend Period, whether or not dividends are declared for any subsequent Dividend Period with respect to the Designated Preferred Stock.

(c) Priority of Dividends. So long as any share of Designated Preferred Stock remains outstanding, no dividend or distribution shall be declared or paid on the Common Stock or any other shares of Junior Stock (other than dividends payable solely in shares of Common Stock) or Parity Stock, subject to the immediately following paragraph in the case of Parity Stock, and no Common Stock, Junior Stock or Parity Stock shall be, directly or indirectly, purchased, redeemed or otherwise acquired for consideration by the Corporation or any of its subsidiaries unless full dividends on all outstanding shares of Designated Preferred Stock for the most recently completed Dividend Period have been or are contemporaneously declared and paid (or have been declared and a sum sufficient for the payment thereof has been set aside for the benefit of the holders of shares of Designated Preferred Stock on the applicable record date). The foregoing limitation shall not apply to (i) redemptions, purchases or other acquisitions of shares of Common Stock or other Junior Stock in connection with the administration of any employee benefit plan in the ordinary course of business (including purchases to offset the Share Dilution Amount (as defined below) pursuant to a publicly announced repurchase plan) and consistent with past practice, *provided* that any purchases to offset the Share Dilution Amount shall in no event exceed the Share Dilution Amount; (ii) purchases or other acquisitions by a broker-dealer subsidiary of the Corporation solely for the purpose of market-making, stabilization or customer facilitation transactions in Junior Stock or Parity Stock in the ordinary course of its business; (iii) purchases by a broker-dealer subsidiary of the Corporation of capital

stock of the Corporation for resale pursuant to an offering by the Corporation of such capital stock underwritten by such broker-dealer subsidiary; (iv) any dividends or distributions of rights or Junior Stock in connection with a stockholders' rights plan or any redemption or repurchase of rights pursuant to any stockholders' rights plan; (v) the acquisition by the Corporation or any of its subsidiaries of record ownership in Junior Stock or Parity Stock for the beneficial ownership of any other persons (other than the Corporation or any of its subsidiaries), including as trustees or custodians; and (vi) the exchange or conversion of Junior Stock for or into other Junior Stock or of Parity Stock for or into other Parity Stock (with the same or lesser aggregate liquidation amount) or Junior Stock, in each case, solely to the extent required pursuant to binding contractual agreements entered into prior to the Signing Date or any subsequent agreement for the accelerated exercise, settlement or exchange thereof for Common Stock. "Share Dilution Amount" means the increase in the number of diluted shares outstanding (determined in accordance with generally accepted accounting principles in the United States, and as measured from the date of the Corporation's consolidated financial statements most recently filed with the Securities and Exchange Commission prior to the Original Issue Date) resulting from the grant, vesting or exercise of equity-based compensation to employees and equitably adjusted for any stock split, stock dividend, reverse stock split, reclassification or similar transaction.

When dividends are not paid (or declared and a sum sufficient for payment thereof set aside for the benefit of the holders thereof on the applicable record date) on any Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within a Dividend Period related to such Dividend Payment Date) in full upon Designated Preferred Stock and any shares of Parity Stock, all dividends declared on Designated Preferred Stock and all such Parity Stock and payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) shall be declared *pro rata* so that the respective amounts of such dividends shall bear the same ratio to each other as all accrued but unpaid dividends per share on the Designated Preferred Stock and all Parity Stock payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) (subject to their having been declared by the Board of Directors or a duly authorized committee of the Board of Directors out of legally available funds and including, in the case of Parity Stock that bears cumulative dividends, all accrued but unpaid dividends) bear to each other. If the Board of Directors or a duly authorized committee of the Board of Directors determines not to pay any dividend or a full dividend on a Dividend Payment Date, the Corporation will provide written notice to the holders of Designated Preferred Stock prior to such Dividend Payment Date.

Subject to the foregoing, and not otherwise, such dividends (payable in cash, securities or other property) as may be determined by the Board of Directors or any duly authorized committee of the Board of Directors may be declared and paid on any securities, including Common Stock and other Junior Stock, from time to time out of any funds legally available for such payment, and holders of Designated Preferred Stock shall not be entitled to participate in any such dividends.

Section 4. Liquidation Rights.

(a) Voluntary or Involuntary Liquidation. In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, holders of Designated Preferred Stock shall be entitled to receive for each share of Designated Preferred Stock, out of the assets of the Corporation or proceeds thereof (whether capital or surplus) available for distribution to stockholders of the Corporation, subject to the rights of any creditors of the Corporation, before any distribution of such assets or proceeds is made to or set aside for the holders of Common Stock and any other stock of the Corporation ranking junior to Designated Preferred Stock as to such distribution, payment in full in an amount equal to the sum of (i) the Liquidation Amount per share and (ii) the amount of any declared and unpaid dividends on each such share (such amounts collectively, the “Liquidation Preference”).

(b) Partial Payment. If in any distribution described in Section 4(a) above the assets of the Corporation or proceeds thereof are not sufficient to pay in full the amounts payable with respect to all outstanding shares of Designated Preferred Stock and the corresponding amounts payable with respect of any other stock of the Corporation ranking equally with Designated Preferred Stock as to such distribution, holders of Designated Preferred Stock and the holders of such other stock shall share ratably in any such distribution in proportion to the full respective distributions to which they are entitled.

(c) Residual Distributions. If the Liquidation Preference has been paid in full to all holders of Designated Preferred Stock and the corresponding amounts payable with respect of any other stock of the Corporation ranking equally with Designated Preferred Stock as to such distribution has been paid in full, the holders of other stock of the Corporation shall be entitled to receive all remaining assets of the Corporation (or proceeds thereof) according to their respective rights and preferences.

(d) Merger, Consolidation and Sale of Assets Not Liquidation. For purposes of this Section 4, the merger or consolidation of the Corporation with any other corporation or other entity, including a merger or consolidation in which the holders of Designated Preferred Stock receive cash, securities or other property for their shares, or the sale, lease or exchange (for cash, securities or other property) of all or substantially all of the assets of the Corporation, shall not constitute a liquidation, dissolution or winding up of the Corporation.

Section 5. Redemption.

(a) Optional Redemption. Except as provided below, the Designated Preferred Stock may not be redeemed prior to the first Dividend Payment Date falling on or after the third anniversary of the Original Issue Date. On or after the first Dividend Payment Date falling on or after the third anniversary of the Original Issue Date, the Corporation, at its option, subject to the approval of the Appropriate Federal Banking Agency, may redeem, in whole or in part, at any time and from time to time, out of funds legally available therefor, the shares of Designated Preferred Stock at the time outstanding, upon notice given as provided in Section 5(c) below, at a redemption price equal to the sum of (i) the Liquidation Amount per share and (ii) except as otherwise provided below, the amount equal to any declared and unpaid dividends plus any dividends accrued but unpaid for the then current Dividend Period at the rate set forth in Section 3(a) to, but excluding, the date fixed for redemption (regardless of whether any dividends are actually declared for that Dividend Period).

Notwithstanding the foregoing, prior to the first Dividend Payment Date falling on or after the third anniversary of the Original Issue Date, the Corporation, at its option, subject to the approval of the Appropriate Federal Banking Agency, may redeem, in whole or in part, at any time and from time to time, the shares of Designated Preferred Stock at the time outstanding, upon notice given as provided in Section 5(c) below, at a redemption price equal to the sum of (i) the Liquidation Amount per share and (ii) except as otherwise provided below, an amount equal to any declared and unpaid dividends plus any dividends accrued but unpaid for the then current Dividend Period at the rate set forth in Section 3(a) to, but excluding, the date fixed for redemption (regardless of whether any dividends are actually declared for that Dividend Period); *provided* that (x) the Corporation (or any successor by Business Combination) has received aggregate gross proceeds of not less than the Minimum Amount (plus the “Minimum Amount” as defined in the relevant certificate of designations for each other outstanding series of preferred stock of such successor that was originally issued to the United States Department of the Treasury (the “Successor Preferred Stock”) in connection with the Troubled Asset Relief Program Capital Purchase Program) from one or more Qualified Equity Offerings (including Qualified Equity Offerings of such successor), and (y) the aggregate redemption price of the Designated Preferred Stock (and any Successor Preferred Stock) redeemed pursuant to this paragraph may not exceed the aggregate net cash proceeds received by the Corporation (or any successor by Business Combination) from such Qualified Equity Offerings (including Qualified Equity Offerings of such successor).

The redemption price for any shares of Designated Preferred Stock shall be payable on the redemption date to the holder of such shares against surrender of the certificate(s) evidencing such shares to the Corporation or its agent. Any declared but unpaid dividends for the then current Dividend Period payable on a redemption date that occurs subsequent to the Dividend Record Date for a Dividend Period shall not be paid to the holder entitled to receive the redemption price on the redemption date, but rather shall be paid to the holder of record of the redeemed shares on such Dividend Record Date relating to the Dividend Payment Date as provided in Section 3 above.

(b) No Sinking Fund. The Designated Preferred Stock will not be subject to any mandatory redemption, sinking fund or other similar provisions. Holders of Designated Preferred Stock will have no right to require redemption or repurchase of any shares of Designated Preferred Stock.

(c) Notice of Redemption. Notice of every redemption of shares of Designated Preferred Stock shall be given by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses appearing on the books of the Corporation. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Subsection shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Designated Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Designated Preferred Stock. Notwithstanding the foregoing, if shares of Designated Preferred Stock are issued in book-entry form through The Depository Trust Corporation or any other similar facility, notice of redemption may be given to the holders of Designated Preferred Stock at such time and in any

manner permitted by such facility. Each notice of redemption given to a holder shall state: (1) the redemption date; (2) the number of shares of Designated Preferred Stock to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (3) the redemption price; and (4) the place or places where certificates for such shares are to be surrendered for payment of the redemption price.

(d) Partial Redemption. In case of any redemption of part of the shares of Designated Preferred Stock at the time outstanding, the shares to be redeemed shall be selected either *pro rata* or in such other manner as the Board of Directors or a duly authorized committee thereof may determine to be fair and equitable. Subject to the provisions hereof, the Board of Directors or a duly authorized committee thereof shall have full power and authority to prescribe the terms and conditions upon which shares of Designated Preferred Stock shall be redeemed from time to time. If fewer than all the shares represented by any certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without charge to the holder thereof.

(e) Effectiveness of Redemption. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been deposited by the Corporation, in trust for the *pro rata* benefit of the holders of the shares called for redemption, with a bank or trust company doing business in the Borough of Manhattan, The City of New York, and having a capital and surplus of at least \$500 million and selected by the Board of Directors, so as to be and continue to be available solely therefor, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date dividends shall cease to accrue on all shares so called for redemption, all shares so called for redemption shall no longer be deemed outstanding and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from such bank or trust company, without interest. Any funds unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

(f) Status of Redeemed Shares. Shares of Designated Preferred Stock that are redeemed, repurchased or otherwise acquired by the Corporation shall revert to authorized but unissued shares of Preferred Stock (*provided* that any such cancelled shares of Designated Preferred Stock may be reissued only as shares of any series of Preferred Stock other than Designated Preferred Stock).

Section 6. Conversion. Holders of Designated Preferred Stock shares shall have no right to exchange or convert such shares into any other securities.

Section 7. Voting Rights.

(a) General. The holders of Designated Preferred Stock shall not have any voting rights except as set forth below or as otherwise from time to time required by law.

(b) Preferred Stock Directors. Whenever, at any time or times, dividends payable on the shares of Designated Preferred Stock have not been paid for an aggregate of six quarterly

Dividend Periods or more, whether or not consecutive, the authorized number of directors of the Corporation shall automatically be increased by two and the holders of the Designated Preferred Stock shall have the right, with holders of shares of any one or more other classes or series of Voting Parity Stock outstanding at the time, voting together as a class, to elect two directors (hereinafter the “Preferred Directors” and each a “Preferred Director”) to fill such newly created directorships at the Corporation’s next annual meeting of stockholders (or at a special meeting called for that purpose prior to such next annual meeting) and at each subsequent annual meeting of stockholders until full dividends have been paid on the Designated Preferred Stock for at least four consecutive Dividend Periods, at which time such right shall terminate with respect to the Designated Preferred Stock, except as herein or by law expressly provided, subject to revesting in the event of each and every subsequent default of the character above mentioned; *provided* that it shall be a qualification for election for any Preferred Director that the election of such Preferred Director shall not cause the Corporation to violate any corporate governance requirements of any securities exchange or other trading facility on which securities of the Corporation may then be listed or traded that listed or traded companies must have a majority of independent directors. Upon any termination of the right of the holders of shares of Designated Preferred Stock and Voting Parity Stock as a class to vote for directors as provided above, the Preferred Directors shall cease to be qualified as directors, the term of office of all Preferred Directors then in office shall terminate immediately and the authorized number of directors shall be reduced by the number of Preferred Directors elected pursuant hereto. Any Preferred Director may be removed at any time, with or without cause, and any vacancy created thereby may be filled, only by the affirmative vote of the holders a majority of the shares of Designated Preferred Stock at the time outstanding voting separately as a class together with the holders of shares of Voting Parity Stock, to the extent the voting rights of such holders described above are then exercisable. If the office of any Preferred Director becomes vacant for any reason other than removal from office as aforesaid, the remaining Preferred Director may choose a successor who shall hold office for the unexpired term in respect of which such vacancy occurred.

(c) Class Voting Rights as to Particular Matters. So long as any shares of Designated Preferred Stock are outstanding, in addition to any other vote or consent of stockholders required by law or by the Charter, the vote or consent of the holders of at least 66 2/3% of the shares of Designated Preferred Stock at the time outstanding, voting as a separate class, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(i) Authorization of Senior Stock. Any amendment or alteration of the Certificate of Designations for the Designated Preferred Stock or the Charter to authorize or create or increase the authorized amount of, or any issuance of, any shares of, or any securities convertible into or exchangeable or exercisable for shares of, any class or series of capital stock of the Corporation ranking senior to Designated Preferred Stock with respect to either or both the payment of dividends and/or the distribution of assets on any liquidation, dissolution or winding up of the Corporation;

(ii) Amendment of Designated Preferred Stock. Any amendment, alteration or repeal of any provision of the Certificate of Designations for the Designated Preferred Stock or the Charter (including, unless no vote on such merger or consolidation is required by Section 7(c)(iii) below, any amendment, alteration or repeal by means of a

merger, consolidation or otherwise) so as to adversely affect the rights, preferences, privileges or voting powers of the Designated Preferred Stock; or

(iii) Share Exchanges, Reclassifications, Mergers and Consolidations. Any consummation of a binding share exchange or reclassification involving the Designated Preferred Stock, or of a merger or consolidation of the Corporation with another corporation or other entity, unless in each case (x) the shares of Designated Preferred Stock remain outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (y) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions thereof, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of Designated Preferred Stock immediately prior to such consummation, taken as a whole;

provided, however, that for all purposes of this Section 7(c), any increase in the amount of the authorized Preferred Stock, including any increase in the authorized amount of Designated Preferred Stock necessary to satisfy preemptive or similar rights granted by the Corporation to other persons prior to the Signing Date, or the creation and issuance, or an increase in the authorized or issued amount, whether pursuant to preemptive or similar rights or otherwise, of any other series of Preferred Stock, or any securities convertible into or exchangeable or exercisable for any other series of Preferred Stock, ranking equally with and/or junior to Designated Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and the distribution of assets upon liquidation, dissolution or winding up of the Corporation will not be deemed to adversely affect the rights, preferences, privileges or voting powers, and shall not require the affirmative vote or consent of, the holders of outstanding shares of the Designated Preferred Stock.

(d) Changes after Provision for Redemption. No vote or consent of the holders of Designated Preferred Stock shall be required pursuant to Section 7(c) above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such Section, all outstanding shares of the Designated Preferred Stock shall have been redeemed, or shall have been called for redemption upon proper notice and sufficient funds shall have been deposited in trust for such redemption, in each case pursuant to Section 5 above.

(e) Procedures for Voting and Consents. The rules and procedures for calling and conducting any meeting of the holders of Designated Preferred Stock (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules of the Board of Directors or any duly authorized committee of the Board of Directors, in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Charter, the Bylaws, and applicable law and the rules of any national securities exchange or other trading facility on which Designated Preferred Stock is listed or traded at the time.

Section 8. Record Holders. To the fullest extent permitted by applicable law, the Corporation and the transfer agent for Designated Preferred Stock may deem and treat the record holder of any share of Designated Preferred Stock as the true and lawful owner thereof for all purposes, and neither the Corporation nor such transfer agent shall be affected by any notice to the contrary.

Section 9. Notices. All notices or communications in respect of Designated Preferred Stock shall be sufficiently given if given in writing and delivered in person or by first class mail, postage prepaid, or if given in such other manner as may be permitted in this Certificate of Designations, in the Charter or Bylaws or by applicable law. Notwithstanding the foregoing, if shares of Designated Preferred Stock are issued in book-entry form through The Depository Trust Corporation or any similar facility, such notices may be given to the holders of Designated Preferred Stock in any manner permitted by such facility.

Section 10. No Preemptive Rights. No share of Designated Preferred Stock shall have any rights of preemption whatsoever as to any securities of the Corporation, or any warrants, rights or options issued or granted with respect thereto, regardless of how such securities, or such warrants, rights or options, may be designated, issued or granted.

Section 11. Replacement Certificates. The Corporation shall replace any mutilated certificate at the holder's expense upon surrender of that certificate to the Corporation. The Corporation shall replace certificates that become destroyed, stolen or lost at the holder's expense upon delivery to the Corporation of reasonably satisfactory evidence that the certificate has been destroyed, stolen or lost, together with any indemnity that may be reasonably required by the Corporation.

Section 12. Other Rights. The shares of Designated Preferred Stock shall not have any rights, preferences, privileges or voting powers or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Charter or as provided by applicable law.



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January 13, 2009

The Connecticut Bank and Trust Company
58 State House Square
Hartford, Connecticut 06103

We refer to the Registration Statement on Form S-3 (the "Registration Statement") by The Connecticut Bank and Trust Company (the "Bank") relating to (1) a ten-year warrant to purchase 175,742 shares of the Bank's Common Stock, par value \$1.00 per share ("Warrant"), and (2) 175,742 shares of the Bank's Common Stock, par value \$1.00 per share, issuable upon the exercise of the Warrant ("Common Stock"). The Warrant was issued by the Bank to the U.S. Department of Treasury pursuant to a Letter Agreement and a Securities Purchase Agreement attached thereto, dated as of December 19, 2008, in connection with the Troubled Asset Relief Program Capital Purchase Program.

We have examined originals, or copies certified or otherwise identified to our satisfaction, of such corporate records, documents, agreements, instruments and certificates of public officials of the State of Connecticut and of officers of the Bank as we have deemed necessary or appropriate in order to express the opinion hereinafter set forth.

Based upon the foregoing, we are of the opinion that:

1. The Warrant has been duly authorized and constitutes a valid and binding obligation of the Bank; and
2. The Common Stock to be issued by the Bank upon the exercise of the Warrant has been duly authorized and, when issued in accordance with the terms of the Warrant dated December 19, 2008 and the Registration Statement, will be validly issued, fully paid and non-assessable.

The foregoing opinion is limited to the federal laws of the United States and the law of the State of Connecticut. We express no opinion as to the effect of the law of any other jurisdiction.

We hereby consent to the use of this opinion as an Exhibit to the Registration Statement. In giving such consent, we do not hereby concede that we are within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the Rules and Regulations of the Securities and Exchange Commission thereunder.

Very truly yours,

/s/ Day Pitney LLP

DAY PITNEY LLP

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in this Registration Statement (Form S-3) and related Prospectus of our report dated March 10, 2008, with respect to the financial statements of The Connecticut Bank and Trust Company, included in its Annual Report (Form 10-KSB) for the year ended December 31, 2007, filed with the Federal Reserve Board.

We also consent to the reference to our firm under the caption “Experts” in such Registration Statement and Prospectus.

/s/ Wolf & Company, P.C.

Boston, Massachusetts
January 12, 2009