



December 2, 2008

Dear Stockholder:

A Special Meeting of Stockholders of The Connecticut Bank and Trust Company (the "Bank") will be held at the Main Office of the Bank at 58 State House Square, Hartford, Connecticut, on Tuesday, December 16, 2008, at 8:30 AM, local time for the following purposes:

1. To approve an amendment to the Bank's Certificate of Incorporation to authorize a class of 1,000,000 shares of preferred stock, each without par value.
2. Such other business as may properly come before the Special Meeting or any adjournment thereof.

It is important that your shares are represented at this Meeting, whether or not you attend the Meeting in person and regardless of the number of shares you own. To make sure your shares are represented, we urge you to complete and mail the enclosed Proxy Card. If you attend the Meeting, you may vote in person even if you have previously mailed a Proxy Card.

Sincerely,

A handwritten signature in blue ink, reading "David A. Lentini", is positioned above the printed name and title.

David A. Lentini,
*Chairman of the Board, President
and Chief Executive Officer*

THE CONNECTICUT BANK AND TRUST COMPANY
58 State House Square
Hartford, Connecticut 06103-3902
(860) 246-5200

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON DECEMBER 16, 2008

Notice is hereby given that on Tuesday, December 16, 2008, The Connecticut Bank and Trust Company (the "Bank") will hold a Special Meeting of Stockholders at the Main Office of the Bank located at 58 State House Square, Hartford, Connecticut, beginning at 8:30 AM, local time. At the Meeting, the Stockholders will consider and vote on the following matters:

1. To approve an amendment to the Bank's Certificate of Incorporation to authorize a class of 1,000,000 shares of preferred stock, each without par value.
2. The transaction of any other business that may properly come before the Meeting.

Stockholders of record at the close of business on November 10, 2008 are entitled to receive notice of and to vote at the Meeting and any adjournment or postponement of the Meeting.

WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE COMPLETE, SIGN AND DATE THE ENCLOSED FORM OF PROXY AND RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE.

BY ORDER OF THE BOARD OF
DIRECTORS



Anson C. Hall
Secretary

Hartford, Connecticut
December 2, 2008

**PROXY STATEMENT
OF
THE CONNECTICUT BANK AND TRUST COMPANY
58 STATE HOUSE SQUARE
HARTFORD, CT 06103-3902**

**FOR SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD DECEMBER 16, 2008**

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of The Connecticut Bank and Trust Company (the “Bank” or “we”) to be used at a Special Meeting of Stockholders of the Bank (the “Special Meeting”), and at any adjournment or postponement of the Special Meeting. The Special Meeting will be held at the Main Office of the Bank at 58 State House Square, Hartford, Connecticut, on Tuesday, December 16, 2008, at 8:30 AM, local time.

We are mailing the Notice of Meeting, this Proxy Statement, and the Proxy to our Stockholders on or about December 2, 2008.

INFORMATION ABOUT SOLICITATION AND VOTING

What is the purpose of the Special Meeting?

At the Special Meeting, Stockholders will consider and vote on the following matters:

1. To approve an amendment to the Bank’s Certificate of Incorporation to authorize a class of 1,000,000 shares of preferred stock, each without par value. A copy of the proposed amendment to the Bank’s Certificate of Incorporation is set forth in Exhibit A to this Proxy Statement.
2. Such other business as may properly come before the Special Meeting or any adjournment thereof.

Who can vote at the Special Meeting?

Only Stockholders of record at the close of business on November 10, 2008 (the “Record Date”) may vote at the Special Meeting. This date is the Record Date for the Special Meeting. On the Record Date, there were 3,572,450 outstanding shares of our common stock, \$1.00 par value per share, which we refer to in this Proxy Statement as our common stock.

How many votes do I have?

Each share of our common stock that you own on the Record Date entitles you to one vote on each matter that is voted on.

Is my vote important?

Your vote is important regardless of how many shares you own. Please take the time to vote. Take a moment to read the instructions below.

How can I vote?

You can vote in two ways. You can vote by mail or you can vote in person at the Meeting.

You may vote by mail. You may vote by completing and signing the Proxy Card that accompanies this Proxy Statement and promptly mailing it in the enclosed postage-prepaid envelope. You do not need to put a stamp on the enclosed envelope if you mail it in the United States. The shares you own will be voted according to the instructions on the Proxy Card you mail. If you return the Proxy Card, but do not give any instructions on a particular matter described in this Proxy Statement, the shares you own will be voted in accordance with the recommendations of our Board of Directors. The Board of Directors recommends that you vote FOR Proposal 1.

You may vote in person. If you attend the Meeting, you may vote by delivering your completed Proxy Card in person or you may vote by completing a ballot. Ballots will be available at the Meeting.

May I change my vote after I have mailed my Proxy Card?

Yes. You can change your vote and revoke your Proxy at any time before the Proxy is exercised at the Special Meeting by doing any one of the following things:

- signing another Proxy with a later date;
- giving our Corporate Secretary a written notice before or at the Special Meeting prior to the exercise of the Proxy that you want to revoke your Proxy; or
- voting in person at the Special Meeting.

Your attendance at the Special Meeting alone will not revoke your Proxy.

Can I vote if my shares are held in “street name”?

If the shares you own are held in “street name” by a bank or brokerage firm, your bank or brokerage firm, as the record holder of your shares, is required to vote your shares according to your instructions. In order to vote your shares, you will need to follow the directions your bank or brokerage firm provides you. Many banks and brokerage firms also offer the option of voting over the Internet or by telephone. If Internet or telephone voting is available, instructions would be provided by your bank or brokerage firm on your vote instruction form.

If your shares are held in “street name”, you must bring an account statement or letter from your brokerage firm or bank showing that you are the beneficial owner of the shares as of the Record Date in order to be admitted to the Special Meeting on the Meeting date. To be able to vote your shares held in “street name” at the Special Meeting, you will need to obtain a Proxy Card from the holder of record.

What will happen if I do not give my bank or brokerage firm instructions on how to vote my shares?

With respect to the Proposal at our Special Meeting regarding the amendment to the Bank’s Certificate of Incorporation, your broker does not have discretionary voting power and accordingly may not vote your shares unless it has received voting instructions from you, the beneficial owner.

What constitutes a quorum?

In order for business to be conducted at the Meeting, a quorum must be present. A quorum consists of the presence, in person or by proxy, of a majority of the shares of common stock issued, outstanding and entitled to vote at the Meeting, or at least 1,786,226 shares.

Shares of common stock represented in person or by proxy (including broker non-votes and shares that abstain or do not vote with respect to one or more of the matters to be voted upon) will be counted for the purpose of determining whether a quorum exists.

If a quorum is not present, the Special Meeting will be adjourned until a quorum is obtained.

What vote is required for the Proposal, and how do abstentions and broker non-votes affect such vote?

The approval of a majority of the outstanding shares entitled to vote at the Meeting is required for approval of the Proposal to amend the Certificate of Incorporation.

If a proposal is routine, a broker or other entity holding shares for an owner in "street name" may vote on the proposal without receiving voting instructions from the owner. If a proposal is not routine, the broker or other entity may vote on the proposal only if the owner has provided voting instructions. A broker non-vote occurs when the broker or other entity is unable to vote on a proposal because the proposal is not routine and the owner does not provide any instructions. The proposed amendment to the Certificate of Incorporation is a non-routine item.

If you hold your shares in a bank or brokerage account you should be aware that if you fail to instruct your bank or broker how to vote within ten days of the Special Meeting, the bank or broker is not permitted to vote your shares in its discretion on your behalf on non-routine items. If you want to assure that your shares are voted in accordance with your wishes on the non-routine matters in this Proxy Statement, you should complete and return your voting instruction form before December 8, 2008.

Is voting confidential?

Our policy is to keep all the proxies, ballots and voting tabulations confidential. The Inspector of Election will forward to Management any written comments that you make on the Proxy Card without providing your name.

How will votes be counted?

Each share of common stock will be counted as one vote according to the instructions contained on a proper Proxy Card, whether executed by you directly or on a ballot voted in person at the Meeting.

Who will count the votes?

The votes will be counted, tabulated and certified by the Bank's Inspector of Election, who shall be appointed by the Chairman of the Board of Directors at the Special Meeting, and who shall serve at any and all adjournments or postponements thereof until his or her successor is duly appointed.

How does the Board of Directors recommend that I vote on the Proposals?

The Board of Directors recommends that you vote FOR the proposed amendment to the Certificate of Incorporation.

Will any other business be conducted at the Meeting, or will other matters be voted on?

The Board of Directors does not know of any other matters that may come before the Special Meeting. If any matter properly comes before the Meeting, the persons named in the Proxy Card that accompanies this Proxy Statement will exercise their judgment in deciding how to vote, or otherwise act, at the Special Meeting with respect to that matter or Proposal.

Where can I find the voting results?

We will report the voting results in a Form 8-K, which we expect to file on or about December 18, 2008 with the Federal Reserve Board, the regulatory body that oversees our public filings under the Securities Exchange Act of 1934, as amended. We also intend to post the Form 8-K on our website, www.thecbt.com.

Whom should I contact if I have any questions?

If you have any questions about the Special Meeting or your ownership of our common stock, please contact Anson Hall, our Corporate Secretary, at 58 State House Square, Hartford, CT 06103-3902, (860) 748-4251 or ahall@thecbt.com.

DISCUSSION OF PROPOSAL

Proposal 1: To approve an amendment to the Bank's Certificate of Incorporation to authorize a class of 1,000,000 shares of preferred stock, each without par value.

Description of the Proposal

The Board has adopted an amendment to the Bank's Certificate of Incorporation to authorize a class of 1,000,000 shares of preferred stock, each without par value (the "Preferred Stock"). A copy of the proposed amendment to the Bank's Certificate of Incorporation is set forth in Exhibit A to this Proxy Statement. The Bank's Certificate of Incorporation currently authorizes only the issuance of common stock. The amendment will vest in the Board the authority to determine by resolution the terms of one or more series of Preferred Stock, including the preferences, rights and limitations of each series. Provisions in a bank's certificate of incorporation authorizing preferred stock in this manner are often referred to as "blank check" provisions, as they give a board of directors the flexibility, at any time or from time to time, without further Shareholder approval (except as may be required by applicable laws, regulatory authorities or the rules of any stock exchange on which the bank's securities are then listed), to create one or more series of preferred stock and to determine by resolution the terms of each such series. The Board believes that authorization of the Preferred Stock in the manner proposed will provide the Bank with greater flexibility in meeting future capital requirements by creating series of Preferred Stock customized to meet the needs of particular transactions and then prevailing market conditions. Series of Preferred Stock would also be available for issuance from time to time for any other proper corporate purposes, including in connection with strategic alliances, joint ventures, or acquisitions.

The Board does not have any plans calling for the issuance of shares of Preferred Stock at the present time, other than the possible issuance of Preferred Stock to the U.S. Department of the Treasury (the "Treasury") in connection with the Treasury's recently announced Troubled Asset Relief Program ("TARP") Capital Purchase Program described below.

Discussion of the Capital Purchase Program

On October 14, 2008, the U.S. Department of the Treasury announced the TARP Capital Purchase Program. This Program encourages U.S. financial institutions to build capital to increase the flow of financing to U.S. businesses and consumers and to support the U.S. economy. Under the Program, the Treasury will purchase senior preferred shares from banks, bank holding companies, and other financial institutions. The senior preferred shares will qualify as Tier 1 capital for regulatory purposes and will rank senior to common stock and at an equal level in the capital structure with any existing preferred shares other than preferred shares which by their terms rank junior to any other existing preferred shares. The senior preferred shares purchased by the Treasury will pay a cumulative dividend rate of five percent per annum for the first five years they are outstanding and thereafter at a rate of nine percent per annum. The senior preferred shares will be non-voting, other than voting rights on matters that could adversely affect the shares. The shares will be callable at 100 percent of issue price plus any accrued and unpaid dividends after three years. Prior to the end of three years, the senior preferred shares may be redeemed with the proceeds from a qualifying equity offering of any Tier 1 perpetual preferred or common stock.

The holders of the senior preferred shares will have the right to elect two directors to the Bank's board of directors if the Bank fails to pay full dividends on the senior preferred shares for six dividend periods, whether or not consecutive. The right to elect directors will end when full dividends on the senior preferred shares have been paid for four consecutive dividend periods.

If the Bank participates in the Capital Purchase Program it must issue to the Treasury warrants to purchase common stock with an aggregate market price equal to 15 percent of the senior preferred stock purchased by the Treasury. The exercise price on the warrants will be the market price of the Bank's common stock at the time of issuance, calculated on a 20-trading day trailing average. If the Bank sells the

maximum amount of preferred stock authorized under the Capital Purchase Program, the Bank estimates that the ownership percentage of the current Shareholders would be diluted by approximately three percent if the warrants were exercised. The amount of dilution will depend on the actual amount of capital received and the average price of the Bank's stock for the 20-day period prior to receiving the capital.

As of November 26, 2008, the 20-trading day trailing average market price of the Bank's common stock was \$4.5855 per share, based on the limited securities trading information available to the Bank. Therefore, as an example, if the Bank sells between \$1.8 and \$5.4 million of preferred shares to the Treasury (the approximate minimum and maximum amounts that it expects to sell to the Treasury, if it participates in the Capital Purchase Program), and the 20-trading day trailing average market price of the Bank's common stock at the time of the Treasury's investment in the Bank is \$4.5855 per share, the Bank would be required to issue to the Treasury warrants to purchase a minimum of 58,881 and a maximum of 176,644 shares of the Bank's common stock.

If the Bank participates in the Capital Purchase Program it will be required to file a shelf registration statement with the Federal Reserve Board for the purpose of registering the senior preferred shares and warrants as promptly as practicable after the date of the Treasury's investment, and maintain the effectiveness of such registration statement. The Bank also will be required to use its reasonable best efforts to cause the senior preferred shares and the warrants to be listed on the NASDAQ stock market.

Banks and bank holding companies participating in the program also must comply with the executive compensation and corporate governance requirements of the Emergency Economic Stabilization Act of 2008 and the standards established by the Treasury for the period during which the Treasury holds equity issued under this program. These standards include: (i) ensuring that incentive compensation for senior executives does not encourage unnecessary and excessive risks that threaten the value of the Bank; (ii) requiring a clawback of any bonus or incentive compensation paid to a senior executive based on statements of earnings, gains or other criteria that are later proven to be materially inaccurate; (iii) prohibiting the Bank from making any golden parachute payment to a senior executive based on applicable Internal Revenue Code provisions; and (iv) agreeing not to deduct for tax purposes executive compensation in excess of \$500,000 for each senior executive.

We have reviewed our executive compensation arrangements and do not anticipate that it will be necessary to modify any employee plans or contracts to comply with the applicable limits on executive compensation described above.

Also, the Treasury's consent will be required for any increase in common dividends per share or certain repurchases of common stock until the third anniversary of the date of this investment, unless prior to such third anniversary the preferred stock issued to the Treasury is redeemed in whole or the Treasury has transferred all of the preferred stock to third parties.

See Exhibit B for the Summary of Senior Preferred Terms and Summary of Warrant Terms as published by the Treasury.

At September 30, 2008, the Bank had capital ratios in excess of those required to be considered well-capitalized under banking regulations. The Board believes it is prudent for the Bank to apply for capital available under this Program because (i) the Bank believes that the cost of capital under this Program may be significantly lower than the cost of capital otherwise available to the Bank at this time, and (ii) despite being well-capitalized, additional capital under the Treasury's Program would provide the Bank additional flexibility to meet future capital needs that may arise.

The Bank has filed an application to participate in the Capital Purchase Program prior to the November 14, 2008 deadline. The minimum subscription amount available to a participating institution is one percent of risk-weighted assets. The maximum subscription amount is the lesser of \$25 billion or three percent of risk-weighted assets. For the Bank, the minimum amount would be approximately \$1.8 million and the maximum amount would be approximately \$5.4 million. The Bank applied for the maximum amount available under the Capital Purchase Program. The Bank has been notified that the Treasury preliminarily approved the Bank's application on November 25, 2008 for the full subscription amount of \$5.448 million.

The Board believes that the flexibility to issue Preferred Stock can enhance the Board's arm's-length bargaining capability on behalf of the Bank's Shareholders in a takeover situation. However, under some circumstances, the ability to designate the rights of, and issue, Preferred Stock could be used by the Board to make a change in control of the Bank more difficult.

The rights of the holders of Common Stock will be subject to, and may be adversely affected by, the rights of the holders of any Preferred Stock that may be issued in the future. To the extent that dividends will be payable on any issued shares of Preferred Stock, the result would be to reduce the amount otherwise available for payment of dividends on outstanding shares of Common Stock and there might be restrictions placed on the Bank's ability to declare dividends on the Common Stock or to repurchase shares of Common Stock. The issuance of Preferred Stock having voting rights would dilute the voting power of the holders of Common Stock. To the extent that Preferred Stock is made convertible into shares of Common Stock, the effect, upon such conversion, would also be to dilute the voting power and ownership percentage of the holders of Common Stock. In addition, holders of Preferred Stock would normally receive superior rights in the event of any dissolution, liquidation, or winding up of the Bank, thereby diminishing the rights of the holders of Common Stock to distribution of the Bank's assets. Shares of Preferred Stock of any series would not entitle the holder to any pre-emptive right to purchase or subscribe for any shares of that or any other class.

Pro Forma Effect on the Bank's Financial Statements

The dilutive effect of the preferred shares and warrants on earnings per common share on a pro forma basis for the year ended December 31, 2007 and nine months ended September 30, 2008 is immaterial.

Approval Requirement and Board of Directors Recommendation

Approval of the proposed amendment to the Bank's Certificate of Incorporation requires the approval of at least a majority of the votes entitled to be cast at the Meeting.

The Board of Directors recommends that Stockholders vote **FOR** the proposed amendment to the Certificate of Incorporation.

INFORMATION ABOUT STOCK OWNERSHIP

The following table provides information, as of the Record Date of November 10, 2008, with respect to persons believed by the Bank to be the beneficial owners of more than five percent of the Bank's outstanding common stock. A person may be considered to own any shares of common stock over which he or she has, directly or indirectly, sole or shared voting or investing power.

	Number of Shares Owned	Percent of Common Stock Outstanding (1)
Sandler O'Neill Asset Management, LLC 780 Third Avenue, 5th Floor New York, NY 10017-2024	258,900	7.25%
Northaven Management, Inc., et al 375 Park Avenue, Suite 2709 New York, NY 10152	352,400	9.86%
Wellington Management Company, LLP 75 State Street Boston, MA 02109	232,800	6.52%

(1) Percentages are based on a total of 3,572,450 shares of common stock outstanding on November 10, 2008

The following table provides information about the shares of Bank common stock that may be considered to be owned by each Director of the Bank, by the Bank's Chief Executive Officer, Chief Financial Officer and two other most highly compensated Executive Officers, and by all Directors and Executive Officers of the Bank as a group as of November 10, 2008. A person may be considered to own any shares of common stock over which he or she has, directly or indirectly, sole or shared voting or investment power. Unless otherwise indicated, each of the named individuals has sole voting and investment power with respect to the shares shown. The address for each Director and Officer is c/o The Connecticut Bank and Trust Company, 58 State House Square, Hartford, Connecticut 06103.

Name	Number of Shares Owned (excluding Options and Warrants)	Number of Shares That May Be Acquired Within 60 Days By Exercising Options/ Warrants	Percent of Common Stock Outstanding (1)
Geno Auriemma	33,026	5,000 x	1.06%
Frank A. Falvo	4,000	600 x	0.13%
P. Anthony Giorgio	24,000 (4)	5,000 x	0.81%
John A. Green	10,605	5,000 x	0.44%
Anson C. Hall	36,526 (2) (5)	11,000 x	1.33%
Solomon Kerensky	20,000 (6)	5,000 x	0.70%
Karl J. Krapek	58,815 (7)	5,000 x	1.78%
David A. Lentini	49,226 (2) (3)	14,000 x	1.76%
Joan L. Rusconi	29,426 (8)	5,000 x	0.96%
Philip J. Schulz	22,263	5,000 x	0.76%
Peter D. Shapiro	3,200 (9)	1,000 x	0.12%
J. Brian Smith	18,000	2,500 x	0.57%
John M. Watkins, Jr.	17,632 (10)	5,000 x	0.63%
Deborah S. Davis	8,500 (2)	4,500 x	0.36%
Lyle T. Fulton	8,000 (2)	4,500 x	0.35%
All Executive Officers and Directors as a Group (15 persons).	343,219	78,100	11.54%

- (1) Percentages are based on a total of 3,572,450 shares of common stock outstanding on November 10, 2008. For holders of options or warrants exercisable within 60 days after November 10, 2008, the number of shares so exercisable by each such holder has been added to the denominator for purposes of calculating such holder's percentage ownership.
- (2) Includes all shares of restricted stock granted in 2005 and 2004.
- (3) Includes 22,000 shares owned jointly with Mr. Lentini's spouse and 1,000 shares for the benefit of a minor child.
- (4) Includes 5,000 shares owned by Mr. Giorgio's spouse and for the benefit of two minor children.
- (5) Owned jointly with Mr. Hall's spouse.
- (6) Includes 5,000 shares held by a partnership for which Mr. Kerensky is trustee with voting and investment power.
- (7) Includes 10,000 shares owned by each of two children.
- (8) Includes 5,000 shares owned by The Rusconi Company Pension Plan, of which Ms. Rusconi is a co-trustee.
- (9) Includes 2,000 shares owned by Mr. Shapiro's spouse and 100 shares held for the benefit of a minor child of which Mr. Shapiro disclaims beneficial ownership.
- (10) Includes 2,500 shares each owned by Mr. Watkins' spouse and two daughters.

SUBMISSION OF BUSINESS PROPOSALS AND STOCKHOLDER NOMINATIONS

The Bank must receive proposals that Stockholders seek to include in the Proxy Statement for the Bank's next Annual Meeting no later than December 5, 2008. If next year's Annual Meeting is held on a date more than 30 calendar days from May 20, 2009, a stockholder proposal must be received by a reasonable time before the Bank begins to print and mail its proxy solicitation for such Annual Meeting. Any stockholder proposals will be subject to the requirements of the proxy rules adopted by the Securities and Exchange Commission.

Pursuant to Rule 14a-4(c) of the Exchange Act, if a stockholder who intends to present a proposal at the 2009 Annual Meeting does not notify us of such proposal on or prior to February 25, 2009, then Management proxies would be allowed to use their discretionary voting authority to vote on the proposal when the proposal is raised at the 2009 Annual Meeting, even though there is no discussion of the proposal in the 2009 Proxy Statement.

Any proposals or notices should be sent to:

The Connecticut Bank and Trust Company
58 State House Square
Hartford, Connecticut 06103-3902
Attention: Corporate Secretary

STOCKHOLDER COMMUNICATIONS

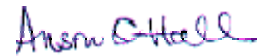
The Bank encourages stockholder communications to the Board of Directors and/or individual Directors. Stockholders who wish to communicate with the Board of Directors or an individual Director should send their communications in care of Anson C. Hall, Corporate Secretary, The Connecticut Bank and Trust Company, 58 State House Square, Hartford, Connecticut 06103-3902. Communications regarding financial or accounting policies should be sent to the attention of the Chairman of the Audit Committee. All other communications should be sent to the attention of the Chairman of the Corporate Governance Committee.

MISCELLANEOUS

The Bank will pay the cost of this proxy solicitation. The Bank will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of common stock of the Bank. In addition to soliciting proxies by mail, Directors, officers and regular employees of the Bank may solicit proxies personally or by telephone without receiving additional compensation.

Whether or not you plan to attend the Annual Meeting, please vote by marking, signing, dating and promptly returning the enclosed Proxy Card in the enclosed envelope.

BY ORDER OF THE BOARD OF
DIRECTORS



Anson C. Hall
Secretary

**PROPOSED AMENDMENT TO THE CERTIFICATE OF INCORPORATION
OF
THE CONNECTICUT BANK AND TRUST COMPANY**

Article 4 shall be amended and restated in its entirety as follows:

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.

**TARP Capital Purchase Program
Senior Preferred Stock and Warrants**

Summary of Senior Preferred Terms

Issuer: Qualifying Financial Institution (“QFI”) means (i) any U.S. bank or U.S. savings association not controlled by a Bank Holding Company (“BHC”) or Savings and Loan Holding Company (“SLHC”); (ii) any U.S. BHC, or any U.S. SLHC which engages only in activities permitted for financial holdings companies under Section 4(k) of the Bank Holding Company Act, and any U.S. bank or U.S. savings association controlled by such a qualifying U.S. BHC or U.S. SLHC; and (iii) any U.S. BHC or U.S. SLHC whose U.S. depository institution subsidiaries are the subject of an application under Section 4(c)(8) of the Bank Holding Company Act; except that QFI shall not mean any BHC, SLHC, bank or savings association that is controlled by a foreign bank or company. For purposes of this Program, “U.S. bank,” “U.S. savings association,” “U.S. BHC” and “U.S. SLHC” means a bank, savings association, BHC or SLHC organized under the laws of the United States or any State of the United States, the District of Columbia, any territory or possession of the United States, Puerto Rico, Northern Mariana Islands, Guam, American Samoa, or the Virgin Islands. **The United States Department of the Treasury will determine eligibility and allocation for QFIs after consultation with the appropriate Federal banking agency.**

Initial Holder: United States Department of the Treasury (the “UST”).

Size: QFIs may sell preferred to the UST subject to the limits and terms described below.

Each QFI may issue an amount of Senior Preferred equal to not less than one percent of its risk-weighted assets and not more than the lesser of (i) \$25 billion and (ii) three percent of its risk-weighted assets.

Security: Senior Preferred, liquidation preference \$1,000 per share. (Depending upon the QFI’s available authorized preferred shares, the UST may agree to purchase Senior Preferred with a higher liquidation preference per share, in which case the UST may require the QFI to appoint a depository to hold the Senior Preferred and issue depository receipts.)

Ranking: Senior to common stock and pari passu with existing preferred shares other than preferred shares which by their terms rank junior to any existing preferred shares.

Regulatory Capital Status: Tier 1.

Term: Perpetual life.

Dividend: The Senior Preferred will pay cumulative dividends at a rate of five percent per annum until the fifth anniversary of the date of this investment and thereafter at a rate of nine percent per annum. For Senior Preferred issued by banks which are not subsidiaries of holding companies, the Senior Preferred will pay non-cumulative dividends at a rate of five percent per annum until the fifth anniversary of the date of this investment and thereafter at a rate of nine percent per annum. Dividends will be payable quarterly in arrears on February 15, May 15, August 15 and November 15 of each year.

Redemption: Senior Preferred may not be redeemed for a period of three years from the date of this investment, except with the proceeds from a Qualified Equity Offering (as defined below) which results in aggregate gross proceeds to the QFI of not less than 25 percent of the issue price of the Senior Preferred. After the third anniversary of the date of this investment, the Senior Preferred may be redeemed, in whole or in part, at any time and from time to time, at the option of the QFI. All redemptions of the Senior Preferred shall be at 100 percent of its issue price, plus (i) in the case of cumulative Senior Preferred, any accrued and unpaid dividends and (ii) in the case of noncumulative Senior Preferred, accrued and unpaid dividends for the then current dividend period (regardless of whether any dividends are actually declared for such dividend period), and shall be subject to the approval of the QFI’s primary federal bank regulator.

“Qualified Equity Offering” shall mean the sale by the QFI after the date of this investment of Tier 1 qualifying perpetual preferred stock or common stock for cash.

Following the redemption in whole of the Senior Preferred held by the UST, the QFI shall have the right to repurchase any other equity security of the QFI held by the UST at fair market value.

Restrictions on Dividends: For as long as any Senior Preferred is outstanding, no dividends may be declared or paid on junior preferred shares, preferred shares ranking pari passu with the Senior Preferred, or common shares (other than in the case of pari passu preferred shares, dividends on a pro rata basis with the Senior Preferred), nor may the QFI repurchase or redeem any junior preferred shares, preferred shares ranking pari passu with the Senior Preferred or common shares, unless (i) in the case of cumulative Senior Preferred all accrued and unpaid dividends for all past dividend periods on the Senior Preferred are fully paid or (ii) in the case of non-cumulative Senior Preferred the full dividend for the latest completed dividend period has been declared and paid in full.

Common dividends: The UST’s consent shall be required for any increase in common dividends per share until the third anniversary of the date of this investment unless prior to such third anniversary the Senior Preferred is redeemed in whole or the UST has transferred all of the Senior Preferred to third parties.

Repurchases: The UST’s consent shall be required for any share repurchases (other than (i) repurchases of the Senior Preferred and (ii) repurchases of junior preferred shares or common shares in connection with any benefit plan in the ordinary course of business consistent with past practice) until the third anniversary of the date of this investment unless prior to such third anniversary the Senior Preferred is redeemed in whole or the UST has transferred all of the Senior Preferred to third parties. In addition, there shall be no share repurchases of junior preferred shares, preferred shares ranking pari passu with the Senior Preferred, or common shares if prohibited as described above under “Restrictions on Dividends.”

Voting rights: The Senior Preferred shall be non-voting, other than class voting rights on (i) any authorization or issuance of shares ranking senior to the Senior Preferred, (ii) any amendment to the rights of Senior Preferred, or (iii) any merger, exchange or similar transaction which would adversely affect the rights of the Senior Preferred. If dividends on the Senior Preferred are not paid in full for six dividend periods, whether or not consecutive, the Senior Preferred will have the right to elect two directors. The right to elect directors will end when full dividends have been paid for four consecutive dividend periods.

Transferability: The Senior Preferred will not be subject to any contractual restrictions on transfer. The QFI will file a shelf registration statement covering the Senior Preferred as promptly as practicable after the date of this investment and, if necessary, shall take all action required to cause such shelf registration statement to be declared effective as soon as possible. The QFI will also grant to the UST piggyback registration rights for the Senior Preferred and will take such other steps as may be reasonably requested to facilitate the transfer of the Senior Preferred including, if requested by the UST, using reasonable efforts to list the Senior Preferred on a national securities exchange. If requested by the UST, the QFI will appoint a depositary to hold the Senior Preferred and issue depositary receipts.

Executive Compensation: As a condition to the closing of this investment, the QFI and its senior executive officers covered by the Emergency Economic Stabilization Act (“EESA”) shall modify or terminate all benefit plans, arrangements and agreements (including golden parachute agreements) to the extent necessary to be in compliance with, and following the closing and for so long as UST holds any equity or debt securities of the QFI, the QFI shall agree to be bound by, the executive compensation and corporate governance requirements of Section 111 of the EESA and any guidance or regulations issued by the Secretary of the Treasury on or prior to the date of this investment to carry out the provisions of such subsection. As an additional condition to closing, the QFI and its senior executive officers covered by the EESA shall grant to the UST a waiver releasing the UST from any claims that the QFI and such senior executive officers may otherwise have as a result of the issuance of any regulations which modify the terms of benefits plans, arrangements and agreements to eliminate any provisions that would not be in compliance with the executive compensation and corporate governance requirements of Section 111 of the EESA and any guidance or regulations issued by the Secretary of the Treasury on or prior to the date of this investment to carry out the provisions of such subsection.

Summary of Warrant Terms

Warrant: The UST will receive warrants to purchase a number of shares of common stock of the QFI having an aggregate market price equal to 15 percent of the Senior Preferred amount on the date of investment, subject to reduction as set forth below under "Reduction." The initial exercise price for the warrants, and the market price for determining the number of shares of common stock subject to the warrants, shall be the market price for the common stock on the date of the Senior Preferred investment (calculated on a 20-trading day trailing average), subject to customary anti-dilution adjustments. The exercise price shall be reduced by 15 percent of the original price on each six-month anniversary of the issue date of the warrants if the consent of the QFI stockholders described below has not been received, subject to a maximum reduction of 45 percent of the original exercise price.

Term: Ten years.

Exercisability: Immediately exercisable, in whole or in part.

Transferability: The warrants will not be subject to any contractual restrictions on transfer; provided that the UST may only transfer or exercise an aggregate of one-half of the warrants prior to the earlier of (i) the date on which the QFI has received aggregate gross proceeds of not less than 100 percent of the issue price of the Senior Preferred from one or more Qualified Equity Offerings and (ii) December 31, 2009. The QFI will file a shelf registration statement covering the warrants and the common stock underlying the warrants as promptly as practicable after the date of this investment and, if necessary, shall take all action required to cause such shelf registration statement to be declared effective as soon as possible. The QFI will also grant to the UST piggyback registration rights for the warrants and the common stock underlying the warrants and will take such other steps as may be reasonably requested to facilitate the transfer of the warrants and the common stock underlying the warrants. The QFI will apply for the listing on the national exchange on which the QFI's common stock is traded of the common stock underlying the warrants and will take such other steps as may be reasonably requested to facilitate the transfer of the warrants or the common stock.

Voting: The UST will agree not to exercise voting power with respect to any shares of common stock of the QFI issued to it upon exercise of the warrants.

Reduction: In the event that the QFI has received aggregate gross proceeds of not less than 100 percent of the issue price of the Senior Preferred from one or more Qualified Equity Offerings on or prior to December 31, 2009, the number of shares of common stock underlying the warrants then held by the UST shall be reduced by a number of shares equal to the product of (i) the number of shares originally underlying the warrants (taking into account all adjustments) and (ii) 0.5.

Consent: In the event that the QFI does not have sufficient available authorized shares of common stock to reserve for issuance upon exercise of the warrants and/or stockholder approval is required for such issuance under applicable stock exchange rules, the QFI will call a meeting of its stockholders as soon as practicable after the date of this investment to increase the number of authorized shares of common stock and/or comply with such exchange rules, and to take any other measures deemed by the UST to be necessary to allow the exercise of warrants into common stock.

Substitution: In the event the QFI is no longer listed or traded on a national securities exchange or securities association, or the consent of the QFI stockholders described above has not been received within 18 months after the issuance date of the warrants, the warrants will be exchangeable, at the option of the UST, for senior term debt or another economic instrument or security of the QFI such that the UST is appropriately compensated for the value of the warrant, as determined by the UST.