



July 17, 2008

Dear Stockholder:

Enclosed are the financial results for the quarter and six months ended June 30, 2008 compared to the same periods of 2007.

The growth of Connecticut River Community Bank continues at a steady pace. Outstanding loans increased from \$97.4 million at June 30, 2007 to \$120.8 million at June 30, 2008, an increase of \$23.4 million or 24%.

The quality of the loan portfolio remains sound. As of June 30, 2008, non-performing loans totaled \$224,962 or 0.19% of outstanding loans. The Bank continues to add to its allowance for loan losses on a monthly basis, and as of June 30, 2008 the allowance for loan losses was \$1,759,553, representing 1.46% of total loans and 782% of non-performing loans. In light of the current state of the U.S. economy, the Bank has intensified monitoring of its loan portfolio and is being pro-active in dealing with any loan relationships that may be negatively impacted by current economic conditions.

Deposits increased from \$116.2 million as of June 30, 2007 to \$121.7 million as of June 30, 2008.

Net interest and dividend income increased to \$1,275,411 for the quarter ended June 30, 2008 from \$959,450 for the quarter ended June 30, 2007, an increase of 33%. Total operating expenses increased to \$1,026,405 for the quarter ended June 30, 2008 from \$879,926 for the quarter ended June 30, 2007, a year-to-year increase of 17%.

Net income before taxes increased from \$37,604 for the quarter ended June 30, 2007 to \$192,507 for the quarter ended June 30, 2008. Net profit after taxes increased from \$21,319 or \$0.02 per share for the second quarter of 2007, to \$111,457 or \$0.08 per share for the second quarter of 2008.

For the six months ended June 30, 2008, the Bank earned a net profit after taxes of \$197,913 or \$0.15 per share, compared to a net profit after taxes of \$28,976 or \$0.02 per share for the same period in 2007.

The net interest margin increased from 2.92% for the quarter ended June 30, 2007 to 3.33% for the quarter ended June 30, 2008, primarily due to a decrease in the cost of deposits over the past few quarters.

As a result of increasing profitability and the influx of new capital from the exercise of warrants held by stockholders that invested in our initial public offering, the Bank's total stockholders equity increased from \$11.7 million as of June 30, 2007 to \$13.5 million as of June 30, 2008. Book value per share increased from \$8.60 per share to \$9.08 per share over the same time period.

Recent economic uncertainties have caused many people to gravitate toward FDIC insured certificates of deposit ("CDs") as an alternative to riskier and more volatile investments. Connecticut River Community Bank now offers the Certificate of Deposit Account Registry Service ("CDARS") to allow our customers' CDs to be FDIC insured in denominations far beyond the maximums presently available at any single institution, without having to deal with multiple deposits at many banks to stay under the \$100,000 limit at each bank. Enclosed is a brochure explaining the CDARS program, which allows you to obtain FDIC insurance on multiple millions of dollars in CDs, while dealing only with Connecticut River Community Bank. Please contact any of our Personal Bankers at 860-513-1099 to inquire about the CDARS program.

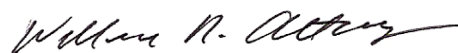
Finally, our plans to open our third banking office, at 970 Farmington Avenue in downtown West Hartford, are moving forward. A lease has been signed, renovation plans are completed, regulatory approvals and town permits have been requested, and banking equipment and furnishings have been ordered. Renovations of the somewhat unique office – full-service but efficiently sized – will begin as soon as all approvals are in hand. We are hoping to be open for business early in the third quarter.

We encourage all stockholders to utilize our full array of banking services. We look forward to letting you benefit from our continuing mission to provide "Banking the Way it Should Be".

Sincerely,



John R. Harvey  
Chairman



William R. Attridge  
President and CEO

**CONNECTICUT RIVER COMMUNITY BANK**  
**BALANCE SHEETS (Unaudited)**

	<b>June 30,</b>	<b>2007</b>	<b>March 31,</b>
	<b>2008</b>	<b>2007</b>	<b>2008</b>
<b><u>ASSETS</u></b>			
Cash and due from banks	\$ 1,286,623	\$ 1,518,446	\$ 2,051,033
Federal funds sold and interest-bearing deposits with other banks	4,762,709	3,910,634	3,893,076
Investments in available-for-sale securities (at fair value)	30,129,207	33,753,824	28,801,956
Investments in held-to-maturity securities	1,499,705	1,499,687	1,499,693
Federal Home Loan Bank stock, at cost	1,362,900	767,000	1,156,300
Loans	120,844,196	97,380,001	120,428,941
Allowance for loan losses	(1,759,553)	(1,215,544)	(1,647,873)
Loans, net	119,084,643	96,164,457	118,781,068
Premises and equipment, net	1,314,401	1,398,263	1,340,738
Accrued interest receivable	671,356	699,375	691,682
Other assets	991,832	1,139,860	821,122
<b>Total Assets</b>	<b><u>\$161,103,376</u></b>	<b><u>\$140,851,546</u></b>	<b><u>\$ 159,036,668</u></b>
<b><u>LIABILITIES AND STOCKHOLDERS' EQUITY</u></b>			
Deposits:			
Noninterest-bearing	\$ 12,861,582	\$ 9,821,876	\$ 12,393,556
Interest-bearing	108,805,046	106,393,567	112,032,239
Total deposits	121,666,628	116,215,443	124,425,795
Federal Home Loan Bank advances	25,443,895	12,563,704	20,474,696
Other liabilities	452,973	357,069	386,338
<b>Total liabilities</b>	<b><u>147,563,496</u></b>	<b><u>129,136,216</u></b>	<b><u>145,286,829</u></b>
Stockholders' equity:			
Common stock, \$.01 par value; authorized 2,500,000 shares; issued and outstanding 1,490,731 shares at 6/30/08 and 3/31/08 and 1,361,464 at 6/30/07	14,907	13,615	14,907
Paid-in capital	14,697,288	13,381,579	14,695,670
Accumulated deficit	(1,249,113)	(1,410,795)	(1,360,570)
Accumulated other comprehensive income (loss)	76,798	(269,069)	399,832
<b>Total stockholders' equity</b>	<b><u>13,539,880</u></b>	<b><u>11,715,330</u></b>	<b><u>13,749,839</u></b>
<b>Total Liabilities and Stockholders' Equity</b>	<b><u>\$161,103,376</u></b>	<b><u>\$140,851,546</u></b>	<b><u>\$ 159,036,668</u></b>

**CONNECTICUT RIVER COMMUNITY BANK**

**STATEMENTS OF INCOME (Unaudited)**

*June 30, 2008 and June 30, 2007*

	<i>Quarter Ended</i>		<i>Six Months Ended</i>	
	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Interest and dividend income:				
Interest and fees on loans	\$ 2,101,460	\$ 1,816,954	\$ 4,208,418	\$ 3,497,201
Interest and dividends on securities and interest-bearing deposits	388,758	451,764	841,772	843,635
Total interest and dividend income	<u>2,490,218</u>	<u>2,268,718</u>	<u>5,050,190</u>	<u>4,340,836</u>
Interest expense:				
Interest on deposits and borrowings	<u>1,214,807</u>	<u>1,309,268</u>	<u>2,578,384</u>	<u>2,468,764</u>
Net interest and dividend income	<u>1,275,411</u>	<u>959,450</u>	<u>2,471,806</u>	<u>1,872,072</u>
Provision for loan losses	<u>120,000</u>	<u>80,000</u>	<u>240,000</u>	<u>150,000</u>
Net interest and dividend income after provision for loan losses	<u>1,155,411</u>	<u>879,450</u>	<u>2,231,806</u>	<u>1,722,072</u>
Noninterest income:				
Residential mortgage referral fees	21,486	27,625	24,800	40,868
Service fees and charges	42,015	10,455	68,456	23,160
Total noninterest income	<u>63,501</u>	<u>38,080</u>	<u>93,256</u>	<u>64,028</u>
Noninterest expense:				
Salaries and employee benefits	602,336	482,753	1,154,505	959,668
Occupancy expense	91,278	87,661	187,620	174,014
Furniture and equipment expense	36,336	37,747	72,420	76,843
Data processing and outside service fees	49,340	74,911	111,027	152,366
Printing and supplies	19,483	15,427	41,855	32,863
Advertising and promotions	47,588	38,519	86,707	84,622
Professional fees	41,718	28,933	80,178	65,164
Insurance expense	12,377	7,981	18,725	15,373
Stockholder related costs	10,958	7,741	17,310	14,106
Other expense	114,991	98,253	215,716	161,070
Total noninterest expense	<u>1,026,405</u>	<u>879,926</u>	<u>1,986,063</u>	<u>1,736,089</u>
Net income before income tax expense	<u>192,507</u>	<u>37,604</u>	<u>338,999</u>	<u>50,011</u>
Income tax expense	<u>81,050</u>	<u>16,285</u>	<u>141,086</u>	<u>21,035</u>
Net income	<u><u>\$ 111,457</u></u>	<u><u>\$ 21,319</u></u>	<u><u>\$ 197,913</u></u>	<u><u>\$ 28,976</u></u>
Net income per common share basic and diluted	<u><u>\$ 0.08</u></u>	<u><u>\$ 0.02</u></u>	<u><u>\$ 0.15</u></u>	<u><u>\$ 0.02</u></u>

<b>KEY FINANCIAL RATIOS</b>	<i>Quarter Ended</i>		<i>Six Months Ended</i>	
	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Net Interest Income	\$ 1,275,411	\$ 959,450	\$ 2,471,806	\$ 1,872,072
Net Income	\$ 111,457	\$ 21,319	\$ 197,913	\$ 28,976
Net Income Per Common Share (basic and diluted)	\$ 0.08	\$ 0.02	\$ 0.15	\$ 0.02
Weighted average number of shares basic and diluted	1,361,464	1,346,579	1,361,464	1,321,012
Stockholders' Equity	\$ 13,539,880	\$ 11,715,330	\$ 13,539,880	\$ 11,715,330
Book Value Per Share	\$ 9.08	\$ 8.60	\$ 9.08	\$ 8.60
Tier 1 Capital Ratio	8.36%	8.51%	8.36%	8.51%
Net Interest Margin	3.33%	2.92%	3.25%	2.98%
Net Interest Spread	2.79%	2.30%	2.68%	2.34%
Efficiency Ratio	76.66%	88.21%	77.43%	89.67%
Return On Average Assets (annualized)	0.28%	0.06%	0.25%	0.04%
Return On Average Equity (annualized)	3.25%	0.73%	2.90%	0.50%
Non-Performing Loans	\$ 224,962	0	\$ 224,962	0