

PATRIOT NATIONAL BANCORP INC  
Form 10-Q  
May 10, 2010

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarter Ended March 31, 2010

Commission file number 000-29599

PATRIOT NATIONAL BANCORP, INC.  
(Exact name of registrant as specified in its charter)

Connecticut 06-1559137  
(State of incorporation) (I.R.S. Employer Identification Number)

900 Bedford Street, Stamford, Connecticut 06901  
(Address of principal executive offices)

(203) 324-7500  
(Registrant's telephone number)

Check whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days:

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company in Rule 12b-2 of the Exchange Act:

Large Accelerated Filer  Accelerated Filer  Non-Accelerated Filer  Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act):

Yes  No

State the number of shares outstanding of each of the registrant's classes of common equity, as of the latest practicable date.

Common stock, \$2.00 par value per share, 4,762,727 shares outstanding as of the close of business April 30, 2010.



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## PART I - FINANCIAL INFORMATION

## Item 1: Consolidated Financial Statements

PATRIOT NATIONAL BANCORP, INC.  
CONSOLIDATED BALANCE SHEETS

	March 31, 2010 (Unaudited)	December 31, 2009
<b>ASSETS</b>		
Cash and due from banks:		
Noninterest bearing deposits and cash	\$ 10,127,565	\$ 19,465,521
Interest bearing deposits	43,753,160	78,070,072
Federal funds sold	10,000,000	10,000,000
Short term investments	311,634	263,839
Cash and cash equivalents	64,192,359	107,799,432
Available for sale securities (at fair value)	63,000,520	48,829,981
Federal Reserve Bank stock	1,315,500	1,839,650
Federal Home Loan Bank stock	4,508,300	4,508,300
Loans receivable (net of allowance for loan losses: 2010 \$15,061,796; 2009 \$15,794,118)	624,941,545	645,205,943
Accrued interest and dividends receivable	3,228,539	3,236,252
Premises and equipment, net	6,230,846	6,595,727
Cash surrender value of life insurance	19,989,843	19,859,732
Other real estate owned	18,207,196	19,073,993
Other assets	9,134,612	9,467,911
Total assets	\$ 814,749,260	\$ 866,416,921
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Liabilities		
Deposits:		
Noninterest bearing deposits	\$ 49,314,543	\$ 49,755,521
Interest bearing deposits	662,526,332	711,578,771
Total deposits	711,840,875	761,334,292
Repurchase agreements	7,000,000	7,000,000
Federal Home Loan Bank borrowings	50,000,000	50,000,000
Junior subordinated debt owed to unconsolidated trust	8,248,000	8,248,000
Accrued expenses and other liabilities	4,586,265	3,973,319
Total liabilities	781,675,140	830,555,611
Shareholders' equity		
Preferred stock: no par value; 1,000,000 shares authorized; no shares issued	-	-
Common stock, \$2 par value: 60,000,000 shares authorized; shares issued 4,774,432; shares outstanding 4,762,727.	9,548,864	9,548,864
Additional paid in capital	49,651,534	49,651,534
Accumulated deficit	(27,131,966)	(24,000,400)

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Less: Treasury stock at cost: 11,705 shares	(160,025)	(160,025)
Accumulated other comprehensive income - net unrealized gain on available-for-sale securities, net	1,165,713	821,337
of taxes		
Total shareholders' equity	33,074,120	35,861,310
Total liabilities and shareholders' equity	\$ 814,749,260	\$ 866,416,921

See accompanying notes to consolidated financial statements.

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PATRIOT NATIONAL BANCORP, INC.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(Unaudited)

	Three Months Ended March 31,	
	2010	2009
<b>Interest and Dividend Income</b>		
Interest and fees on loans	\$ 9,096,489	\$ 11,774,941
Interest on investment securities	489,564	528,636
Dividends on investment securities	69,286	42,444
Interest on federal funds sold	3,361	12,922
Other interest income	31,815	291
Total interest and dividend income	9,690,515	12,359,234
<b>Interest Expense</b>		
Interest on deposits	3,117,316	6,242,773
Interest on Federal Home Loan Bank borrowings	418,875	418,876
Interest on subordinated debt	69,333	93,220
Interest on other borrowings	76,081	76,081
Total interest expense	3,681,605	6,830,950
Net interest income	6,008,910	5,528,284
Provision for Loan Losses	727,000	1,600,000
Net interest income after provision for loan losses	5,281,910	3,928,284
<b>Noninterest Income</b>		
Mortgage brokerage referral fees	26,884	2,495
Loan origination & processing fees	35,828	69,202
Fees and service charges	253,521	245,605
Gain on sale of investment securities	-	434,333
Earnings on cash surrender value of life insurance	130,111	189,013
Other income	92,124	82,006
Total noninterest income	538,468	1,022,654
<b>Noninterest Expenses</b>		
Salaries and benefits	3,361,284	2,991,181
Occupancy and equipment expense, net	1,416,150	1,405,223
Data processing	348,934	317,991
Professional services and other outside services	1,063,595	720,817
Advertising and promotional expenses	83,633	57,773
Loan administration and processing expenses	95,803	97,729
Regulatory assessments	694,843	279,374
Insurance expense	273,297	34,765
Other real estate operations	978,691	-