

PATRIOT NATIONAL BANCORP INC  
Form 10QSB  
November 15, 2004

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

**FORM 10-QSB**

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

For the Quarter Ended September 30, 2004

Commission file number 000-29599

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

Connecticut  
(State of incorporation)

06-1559137  
(I.R.S. Employer Identification Number)

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

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

Check whether the issuer (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

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

Common stock, \$2.00 par value per share, 2,486,391 shares issued and outstanding as of the close of business October 31, 2004.

Transitional Small Business Disclosure Format (check one): Yes  No

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PART I - FINANCIAL INFORMATION

**Item 1. Consolidated Financial Statements**  
**PATRIOT NATIONAL BANCORP, INC.**  
**CONSOLIDATED BALANCE SHEETS**

	September 30, 2004 (Unaudited)	December 31, 2003
<b>ASSETS</b>		
Cash and due from banks	\$ 6,943,834	\$ 4,023,732
Federal funds sold	11,000,000	15,000,000
Short term investments	5,271,755	10,430,939
<b>Cash and cash equivalents</b>	<b>23,215,589</b>	<b>29,454,671</b>
Available for sale securities (at fair value)	82,574,654	90,562,083
Federal Reserve Bank stock	692,600	691,150
Federal Home Loan Bank stock	1,296,700	1,077,300
Loans receivable (net of allowance for loan losses: 2004 \$3,382,245; 2003 \$2,934,675)	254,052,716	214,420,528
Accrued interest receivable	1,681,804	1,470,622
Premises and equipment, net	1,986,052	1,421,098
Deferred tax asset, net	1,562,287	1,524,125
Goodwill	930,091	930,091
Other assets	933,702	917,381
<b>Total assets</b>	<b>\$ 368,926,195</b>	<b>\$ 342,469,049</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Liabilities</b>		
Deposits:		
Noninterest bearing deposits	\$ 40,267,481	\$ 30,477,295
Interest bearing deposits	290,744,561	259,514,887
<b>Total deposits</b>	<b>331,012,042</b>	<b>289,992,182</b>
Securities sold under agreements to repurchase	-	5,700,000
Federal Home Loan Bank borrowings	8,000,000	17,000,000
Subordinated debt	8,248,000	8,248,000
Other borrowings	174,444	353,385
Accrued expenses and other liabilities	1,866,830	2,395,569
<b>Total liabilities</b>	<b>349,301,316</b>	<b>323,689,136</b>
<b>Shareholders' equity</b>		
Preferred stock: 1,000,000 shares authorized; no shares issued		
Common stock, \$2 par value: 30,000,000 shares authorized; shares issued and outstanding: 2004 - 2,486,391; 2003 - 2,408,607		
	4,972,782	4,817,214
Additional paid-in capital	11,830,173	11,519,037
Retained earnings	3,193,066	2,752,541
Accumulated other comprehensive loss - net unrealized loss on available for sale securities, net of tax	(371,142)	(308,879)
<b>Total shareholders' equity</b>	<b>19,624,879</b>	<b>18,779,913</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 368,926,195</b>	<b>\$ 342,469,049</b>

See accompanying notes to consolidated financial statements.



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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
<b>Interest and Dividend Income</b>				
Interest and fees on loans	\$ 4,107,029	\$ 3,331,853	\$ 11,236,459	\$ 9,270,207
Interest and dividends on investment securities	707,740	620,077	2,156,205	1,628,323
Interest on federal funds sold	40,335	20,993	81,145	77,748
<b>Total interest and dividend income</b>	<b>4,855,104</b>	<b>3,972,923</b>	<b>13,473,809</b>	<b>10,976,278</b>
<b>Interest Expense</b>				
Interest on deposits	1,564,253	1,285,471	4,400,680	3,517,217
Interest on Federal Home Loan Bank borrowings	96,192	95,943	298,891	223,315
Interest on subordinated debt	98,225	86,115	274,127	181,906
Interest on other borrowings	2,786	26,932	41,353	103,857
<b>Total interest expense</b>	<b>1,761,456</b>	<b>1,494,461</b>	<b>5,015,051</b>	<b>4,026,295</b>
<b>Net interest income</b>	<b>3,093,648</b>	<b>2,478,462</b>	<b>8,458,758</b>	<b>6,949,983</b>
Provision for Loan Losses	235,000	211,000	455,000	466,000
<b>Net interest income after provision for loan losses</b>	<b>2,858,648</b>	<b>2,267,462</b>	<b>8,003,758</b>	<b>6,483,983</b>
<b>Non-Interest Income</b>				
Mortgage brokerage referral fees	383,114	831,581	1,396,544	2,725,854
Loan processing fees	95,900	149,362	336,984	552,764
Fees and service charges	114,531	106,026	329,253	263,693
Gain on sale of investment securities	-	-	-	307,739
Other income	22,577	24,041		