

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

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2026

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 000-29599

PATRIOT NATIONAL BANCORP, INC.

(Exact name of registrant as specified in its charter)

Connecticut
(State or other jurisdiction of
incorporation or organization)

06-1559137
(I.R.S. Employer
Identification No.)

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

06901
(Zip Code)

(203) 252-5900
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	PNBK	NASDAQ Global Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 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, every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934

subsequent to the distribution of securities under a plan confirmed by a court. Yes ☐ No ☐

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

As of May 15, 2026, there were 117,669,652 shares of the registrant’s common stock outstanding.

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PART I- FINANCIAL INFORMATION
Item 1: Consolidated Financial Statements
PATRIOT NATIONAL BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	March 31, 2026	December 31, 2025
	Unaudited	
<i>(In thousands, except share data)</i>		
Assets		
Cash and due from banks:		
Noninterest bearing deposits and cash	\$ 5,187	\$ 2,411
Interest bearing deposits	88,226	183,980
Restricted cash	15,779	20,736
Total cash, cash equivalents and restricted cash	109,192	207,127
Available-for-sale securities, at fair value	243,304	224,677
Federal Reserve Bank (FRB) stock, at cost	3,053	2,961
Federal Home Loan Bank (FHLB) stock, at cost	982	679
Loans receivable (net of allowance for credit losses: 2026: \$(7,779) and 2025: \$(6,839))	751,213	585,723
Loans held for sale	20,154	24,513
Accrued interest and dividends receivable	6,272	4,869
Premises and equipment, net	28,456	28,116
Deferred tax asset	—	—
Core deposit intangible, net	97	109
Other assets	14,071	9,066
Total assets	\$ 1,176,794	\$ 1,087,840
Liabilities		
Deposits:		
Noninterest bearing deposits	\$ 82,332	\$ 106,766
Interest bearing deposits	966,094	859,020
Total deposits	1,048,426	965,786
FHLB, FRB and correspondent bank borrowings	10,000	—
Subordinated debt, net	8,295	8,289
Junior subordinated debt owed to unconsolidated trust, net	8,160	8,157
Advances from borrowers for taxes and insurance	2,181	893
Accrued expenses and other liabilities	9,525	10,035
Total liabilities	1,086,587	993,160
Shareholders' equity		
Common stock, \$0.01 par value; authorized 200,000,000 2026 issued shares 117,159,456; outstanding shares 117,085,715; 2025 issued shares 115,070,413 outstanding shares 114,996,672	1,172	1,151
Additional paid-in capital	205,923	206,446
Accumulated deficit	(101,374)	(99,619)
Treasury stock	(1,179)	(1,179)
Accumulated other comprehensive loss	(14,335)	(12,119)
Total shareholders' equity	90,207	94,680
Total liabilities and shareholders' equity	\$ 1,176,794	\$ 1,087,840

See Accompanying Notes to Consolidated Financial Statements.

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

	Three Months Ended March 31,	
	2026	2025
<i>(In thousands, except per share amounts)</i>		
Interest and Dividend Income		
Interest and fees on loans	\$ 10,030	\$ 9,980
Interest on investment securities	2,893	548
Dividends on investment securities	61	27
Other interest income	1,740	1,993
Total interest and dividend income	14,724	12,548
Interest Expense		
Interest on deposits	7,258	7,798
Interest on FHLB, FRB and correspondent bank borrowings	93	98
Interest on senior debt	—	322
Interest on subordinated debt	297	375
Interest on note payable	—	1
Total interest expense	7,648	8,594
Net interest income	7,076	3,954
(Recovery of) provision and credit loss expense	(181)	733
Net interest income after (recovery of) provision and credit loss expense	7,257	3,221
Non-interest Income		
Loan application, inspection and processing fees	115	211
Deposit fees and service charges	306	418
(Loss) gain on sales of loans, net	—	43
Loss on sale of investment securities, net	(11)	—
Digital Payments income	2,788	1,758
Other income	48	298
Total non-interest income	3,246	2,728
Non-interest Expense		
Salaries and benefits	6,820	4,511
Occupancy and equipment expense	910	748
Data processing expense	380	385
Professional and other outside services	1,570	1,081
Advertising and promotional expense	44	153
Loan administration and processing expense	27	104
Regulatory assessments	480	455
Insurance expense, net	247	70
Communications, stationary and supplies	415	228
Other operating expense	1,352	990
Total non-interest expense	12,245	8,725
Loss before income taxes	(1,742)	(2,776)
(Benefit) provision for income taxes	13	1
Net loss	\$ (1,755)	\$ (2,777)
Basic loss per share	\$ (0.02)	\$ (0.21)
Diluted loss per share	\$ (0.02)	\$ (0.21)

See Accompanying Notes to Consolidated Financial Statements.

PATRIOT NATIONAL BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (Unaudited)

(In thousands)

	Three Months Ended March 31,	
	2026	2025
Net loss	\$ (1,755)	\$ (2,777)
Other comprehensive income		
Unrealized holding gain (loss) on securities	(2,227)	1,449
Reclassification for realized loss (gain) on sale of investment securities	11	—
Net change in unrealized gain (loss)	(2,216)	1,449
Income tax (expense) benefit	—	—
Other comprehensive income, net of tax	(2,216)	1,449
Comprehensive loss	\$ (3,971)	\$ (1,328)

See Accompanying Notes to Consolidated Financial Statements.

PATRIOT NATIONAL BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (Unaudited)

	Three Months Ended March 31, 2026						
	Number of Shares	Common Stock	Additional Paid -in Capital	Accumulated Deficit	Treasury Stock	Accumulated Other Comprehensive (Loss) Income	Total
<i>(In thousands, except shares)</i>							
Balance at December 31, 2025	115,070,413	\$ 1,151	\$ 206,446	\$ (99,619)	\$ (1,179)	\$ (12,119)	\$ 94,680
Comprehensive (loss) income:							
Net loss	—	—	—	(1,755)	—	—	(1,755)
Unrealized holding loss on AFS securities, net of tax	—	—	—	—	—	(2,216)	(2,216)
Total comprehensive (loss) income	—	—	—	(1,755)	—	(2,216)	(3,971)
Common stock issuance	2,089,043	21	(21)	—	—	—	—
Share-based compensation expense	—	—	2,282	—	—	—	2,282
RSU settlement	—	—	(2,784)	—	—	—	(2,784)
Balance at March 31, 2026	117,159,456	\$ 1,172	\$ 205,923	\$ (101,374)	\$ (1,179)	\$ (14,335)	\$ 90,207

(In thousands, except shares)				Three Months Ended March 31, 2025					
	Number of Common Shares	Preferred Stock	Common Stock	Additional Paid -in Capital	Accumulated Deficit	Treasury Stock	Accumulated Other Comprehensive (Loss) Income	Total	
Balance at December 31, 2024	3,991,852	—	40	\$ 107,994	\$ (86,909)	\$ (1,179)	\$ (15,681)	\$ 4,265	
Comprehensive loss:									
Net loss	—	—	—	—	(2,777)	—	—	(2,777)	
Unrealized holding gain on available-for-sale securities, net of tax	—	—	—	—	—	—	1,449	1,449	
Total comprehensive loss	—	—	—	—	(2,777)	—	1,449	(1,328)	
Preferred stock issuance(1)	—	5,099	—	—	—	—	—	5,099	
Common stock issuance	69,733,440	—	697	48,232	—	—	—	48,929	
Share-based compensation expense	—	—	—	181	—	—	—	181	
Balance at March 31, 2025	73,725,292	5,099	737	\$ 156,407	\$ (89,685)	\$ (1,179)	\$ (14,232)	\$ 57,146	

(1) 90.832 preferred stock shares issued and outstanding as of March 31, 2025.

See Accompanying Notes to Consolidated Financial Statements.

PATRIOT NATIONAL BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In thousands)

	Three Months Ended March 31,	
	2026	2025
Cash Flows from Operating Activities:		
Net loss	\$ (1,755)	\$ (2,777)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Accretion of investment premiums and discounts, net	(920)	(37)
Amortization and accretion of purchase loan premiums and discounts, net	(1)	(37)
Amortization of debt issuance costs	9	106
Amortization of core deposit intangible	12	12
Amortization of servicing assets of sold SBA loans	9	28
(Credit) provision for credit losses	(181)	733
Depreciation and amortization	214	250
Loss on sales of available-for-sale securities	11	—
Share-based compensation	2,282	181
Increase in deferred tax liabilities	13	1
Originations of loans held for sale, net	(287,229)	(187,291)
Proceeds from sale of loans held for sale	291,588	181,109
Gain on sale of loans, net	—	(43)
Net gain on sale and write-down of other real estate owned	—	253
Changes in assets and liabilities:		
(Increase) decrease in accrued interest and dividends receivable	(1,403)	441
(Increase) decrease in other assets	(5,023)	795
(Decrease) increase in accrued expenses and other liabilities	(538)	465
Net cash used in operating activities	(2,912)	(5,811)
Cash Flows from Investing Activities:		
Proceeds from maturity or sales on available-for-sale securities	29,062	—
Principal repayments on available-for-sale securities	2,028	827
Purchases of available-for-sale securities	(51,024)	—
(Purchases) Redemptions of FRB stock	(92)	349
(Purchases) redemptions of FHLB stock	(303)	100
(Purchases of) payments received from loans receivable, net	(165,293)	33,055
Purchases of premises and equipment, net	(545)	(70)
Net cash (used in) provided by investing activities	(186,167)	34,261
Cash Flows from Financing Activities:		
Increase (decrease) in deposits, net	82,640	(104,163)
Proceeds from (repayments from) FHLB daily borrowing, net	10,000	(3,000)
Proceeds from FRB and correspondent bank borrowings	—	60,000
Repayments of FRB and correspondent bank borrowings	—	(60,000)
Principal repayments of note payable	—	(53)
Increase in advances from borrowers for taxes and insurance	1,288	1,957
Proceeds from preferred stock issuance	—	5,100
Proceeds from common stock issuance	—	45,300
Purchase of common stock for RSU settlements	(2,784)	—
Net cash provided by (used in) financing activities	91,144	(54,859)
Net decrease in cash, cash equivalents and restricted cash	(97,935)	(26,409)
Cash, cash equivalents and restricted cash at beginning of period	207,127	162,610
Cash, cash equivalents and restricted cash at end of period	\$ 109,192	\$ 136,201

PATRIOT NATIONAL BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited) (Continued)

(In thousands)

Three Months Ended March 31,

	2026		2025	
Supplemental Disclosures of Cash Flow Information:				
Cash paid for interest	\$	8,088	\$	9,133
Cash refund from income taxes, net		—		(18)
Net change in unrealized loss (gain) on available-for-sale securities		2,216		(1,449)
Transfers of loans held for sale to loans receivable		—		1,113
Operating lease right-of-use assets / liabilities		2,038		—
Increase (decrease) in interest rate swaps		5		—
Capitalized project costs		43		—
Retained beneficial interest		(93)		—
Deferred cost for capital raise		—		(120)
Deferred debt issuance costs		—		(23)
Private Placement Costs for preferred stock		—		(351)
Private Placement Costs for common stock		—		(3,371)
Subordinated debt conversion to common stock		—		(2,000)
Senior debt conversion to common stock		—		(5,000)
Accrued interest capitalized into principal		—		882

See Accompanying Notes to Consolidated Financial Statements.

PATRIOT NATIONAL BANCORP, INC. AND SUBSIDIARIES

Notes to consolidated financial statements (Unaudited)

Note 1. Basis of Financial Statement Presentation

The accompanying unaudited interim condensed Consolidated Financial Statements of Patriot National Bancorp, Inc. (the “Holding Company” or “PNBK”) and its wholly-owned subsidiaries, Patriot Bank, N.A. (the “Bank”), Patriot National Statutory Trust I and PinPat Acquisition Corporation (collectively, the “Company” or “Patriot”), have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) have been omitted. The accompanying unaudited interim condensed Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements and notes thereto included on the Annual Report on Form 10-K for the year ended December 31, 2025.

The preparation of consolidated financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and to disclose contingent assets and liabilities. Actual results could differ from those estimates. Management has identified accounting for the allowance for credit losses, the analysis and valuation of its investment securities, the valuation of deferred tax assets, the impairment of goodwill, the valuation of derivatives, and the valuation of servicing assets as certain of Patriot’s more significant accounting policies and estimates, in that they are critical to the presentation of Patriot’s financial condition and results of operations. As they concern matters that are inherently uncertain, these estimates require management to make subjective and complex judgments in the preparation of Patriot’s consolidated financial statements.

The information furnished reflects, in the opinion of management, all normal recurring adjustments necessary for a fair presentation of the results for the interim periods presented. The results of operations for the three months ended March 31, 2026 are not necessarily indicative of the results of operations that may be expected for the remainder of 2026.

Reclassification

Certain prior period amounts have been reclassified to conform to current year financial statement presentation. These reclassifications only change the reporting categories and do not affect the consolidated results of operations or consolidate financial position of the Company.

Note 2. Summary of Significant Accounting Policies and Transactions

Please refer to the summary of Significant Accounting Policies included in the Company’s 2025 Annual Report on Form 10-K for a list of all policies in effect as of December 31, 2025.

PATRIOT NATIONAL BANCORP, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Unaudited)

Recently issued Accounting Pronouncements not yet Adopted

The Company continues to monitor the potential impact of recently issued accounting standards, including ASU 2023-06, ASU 2024-01, and ASU 2024-03, as clarified by ASU 2025-01. The Company does not currently expect adoption of these standards to have a material effect on its consolidated financial statements, although they may affect future disclosures.

Recently adopted Accounting Pronouncements

ASU 2025-08

In November 2025, the FASB issued ASU 2025-08, Financial Instruments Credit Losses Topic 326 Purchased Loans. The update introduces a new category of acquired loans and requires an allowance for expected credit losses to be recorded at acquisition as an adjustment to the amortized cost basis rather than through provision expense. The amendments are intended to improve comparability in the accounting for acquired loans. The amendments are effective for fiscal years beginning after December 15, 2026, including interim periods within those fiscal years, and are to be applied prospectively. Early adoption is permitted. Effective January 1, 2026, the Company adopted ASU 2025-08, Financial Instruments Credit Losses Topic 326 Purchased Loans, on a prospective basis. The adoption did not impact the Company's opening retained earnings. For loans purchased during the first quarter of 2026, the Company recorded an initial allowance for credit losses as an adjustment to the amortized cost basis, consistent with the new standard.

Note 3. Available-for-Sale Securities

The amortized cost, gross unrealized gains, gross unrealized losses and fair values of available-for-sale securities at March 31, 2026 and December 31, 2025 are as follows:

(In thousands)

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Fair Value
<u>March 31, 2026:</u>				
U. S. Government agency and mortgage-backed securities	238,286	—	(15,229)	223,056
Corporate bonds	15,997	—	(2,648)	13,349
Subordinated notes	4,000	—	(269)	3,731
SBA loan pools	3,930	—	(763)	3,168
Total available-for-sale securities	<u>\$ 262,213</u>	<u>\$ —</u>	<u>\$ (18,909)</u>	<u>\$ 243,304</u>
<u>December 31, 2025:</u>				
U. S. Government agency and mortgage-backed securities	217,228	215	(13,375)	204,068
Corporate bonds	15,996	—	(2,533)	13,463
Subordinated notes	4,000	—	(248)	3,752
SBA loan pools	4,146	—	(752)	3,394
Total available-for-sale securities	<u>\$ 241,370</u>	<u>\$ 215</u>	<u>\$ (16,908)</u>	<u>\$ 224,677</u>

PATRIOT NATIONAL BANCORP, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Unaudited)

The following table presents the available-for-sale securities' gross unrealized losses and fair value, aggregated by the length of time the individual securities have been in a continuous loss position as of March 31, 2026 and December 31, 2025:

(In thousands)

	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized (Loss)	Fair Value	Unrealized (Loss)	Fair Value	Unrealized (Loss)
March 31, 2026:						
U. S. Government agency and mortgage-backed securities	\$ 163,978	\$ (2,405)	\$ 59,077	\$ (12,824)	\$ 223,056	\$ (15,229)
Corporate bonds	—	—	13,348	(2,648)	13,349	(2,648)
Subordinated notes	—	—	3,731	(269)	3,731	(269)
SBA loan pools	—	—	3,168	(763)	3,168	(763)
Total available-for-sale securities	\$ 163,978	\$ (2,405)	\$ 79,324	\$ (16,504)	\$ 243,304	\$ (18,909)
December 31, 2025:						
U. S. Government agency and mortgage-backed securities	\$ 124,222	\$ (917)	\$ 60,222	\$ (12,458)	\$ 184,443	\$ (13,375)
Corporate bonds	—	—	13,464	(2,533)	13,464	(2,533)
Subordinated notes	—	—	3,752	(248)	3,752	(248)
SBA loan pools	—	—	3,393	(752)	3,393	(752)
Total available-for-sale securities	\$ 124,222	\$ (917)	\$ 80,831	\$ (15,991)	\$ 205,052	\$ (16,908)

As of March 31, 2026, all fifty-eight available-for-sale securities were in an unrealized loss position, with an aggregate depreciation of 7.2% from amortized cost. As of December 31, 2025, fifty-five of sixty available-for-sale securities were in an unrealized loss position, with an aggregate depreciation of 7.6% from amortized cost.

At March 31, 2026 and December 31, 2025, no allowance for credit losses has been recognized on available-for-sale debt securities in an unrealized loss position as the Company does not believe any of the debt securities are credit impaired. This is based on the Company's analysis of the risk characteristics, including credit ratings, and other qualitative factors related to available-for-sale debt securities. The issuers of these debt securities continue to make timely principal and interest payments under the contractual terms of the securities. The Company does not intend to sell these debt securities and it is more likely than not that the Company will not be required to sell the debt securities before recovery of their amortized cost, which may be at maturity. The unrealized losses are due to increases in market interest rates over the yields available at the time the debt securities were purchased.

With regard to U.S. mortgage-backed securities and municipal bonds issued by the U.S. government, or agencies thereof, it is expected that the securities will not be settled at prices less than the amortized cost basis of the securities as such securities are backed by the full faith and credit of and/or guaranteed by the U.S. government. Accordingly, no allowance for credit losses has been recorded for these securities.

With regard to corporate bonds, management considers (i) issuer bond ratings, (ii) historical loss rates for given bond ratings, (iii) whether issuers continue to make timely principal and interest payments under the contractual terms of the securities, and (iv) internal forecasts. Securities under the U.S. Small Business Administration ("SBA") government guaranteed loan pools program were purchased at a premium and the impairment was attributable primarily to increased prepayment speeds. The timely payment of principal and interest on these securities is guaranteed by the U.S. Government agency. The contractual terms of the subordinated notes do not permit the issuer to settle the securities at a price less than the amortized cost bases of the investments. Furthermore, as of March 31, 2026, there were no past due principal or interest payments associated with these securities. Based upon (i) the issuer's strong bond ratings and (ii) a zero historical loss rate, no allowance for credit losses has been recorded for available-for-sale securities. All debt securities in an unrealized loss position continue to perform as scheduled and the Company does not believe there is a possible credit loss or that an allowance for credit loss on these debt securities is necessary.

PATRIOT NATIONAL BANCORP, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Unaudited)

As of March 31, 2026 and December 31, 2025, available-for-sale securities of \$113.8 million and \$15.1 million, respectively, were pledged to either the Federal Home Loan Bank (“FHLB”) or Federal Reserve Bank (“FRB”). The securities were pledged primarily to secure borrowings from the FHLB and FRB.

The following summarizes, by class and contractual maturity, the amortized cost and estimated fair value of available-for-sale debt securities held as of March 31, 2026 and December 31, 2025. The mortgages underlying the mortgage-backed securities are not due at a single maturity date. Additionally, these mortgages often are and generally may be pre-paid without penalty, creating a degree of uncertainty that such investments can be held until maturity. For convenience, mortgage-backed securities have been included in the summary as a separate line item.

(In thousands)

	Amortized Cost				Fair Value			
	Due Within 5 years	Due After 5 years through 10 years	Due After 10 years	Total	Due Within 5 years	Due After 5 years through 10 years	Due After 10 years	Total
March 31, 2026:								
Corporate bonds	\$ 13,997	\$ 2,000	\$ —	\$ 15,997	\$ 11,711	\$ 1,637	\$ —	\$ 13,349
Subordinated notes	3,000	1,000	—	4,000	2,788	943	—	3,731
SBA loan pools	—	—	3,930	3,930	—	—	3,168	3,168
Available-for-sale securities with stated maturity dates	16,997	3,000	3,930	23,927	14,499	2,580	3,168	20,248
U. S. Government agency and mortgage-backed securities	—	9,045	229,240	238,286	—	7,513	215,542	223,056
Total available-for-sale securities	\$ 16,997	\$ 12,045	\$ 233,170	\$ 262,213	\$ 14,499	\$ 10,093	\$ 218,710	\$ 243,304
December 31, 2025:								
Corporate bonds	\$ —	\$ 15,996	\$ —	\$ 15,996	\$ —	\$ 13,463	\$ —	\$ 13,463
Subordinated notes	3,000	1,000	—	4,000	2,807	945	—	3,752
SBA loan pools	—	—	4,146	4,146	—	—	3,394	3,394
Available-for-sale securities with stated maturity dates	3,000	16,996	4,146	24,142	2,807	14,408	3,394	20,609
U. S. Government agency and mortgage-backed securities	—	5,134	212,094	217,228	—	4,372	199,696	204,068
Total available-for-sale securities	\$ 3,000	\$ 22,130	\$ 216,240	\$ 241,370	\$ 2,807	\$ 18,780	\$ 203,090	\$ 224,677

Note 4. Loans Receivable and Allowance for Credit Losses

As of March 31, 2026 and December 31, 2025, loans receivable, net, consisted of the following:

(In thousands)

	March 31, 2026	December 31, 2025
Loan portfolio segment:		
Commercial Real Estate	\$ 422,368	\$ 346,191
Residential Real Estate	190,334	79,667
Commercial and Industrial	137,254	146,828
Consumer and Other	9,035	19,876
Loans receivable, gross	758,992	592,562
Allowance for credit losses	(7,779)	(6,839)
Loans receivable, net	\$ 751,213	\$ 585,723

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Existing Loan Portfolio

Patriot's lending activities have historically been conducted primarily in the Tri-State areas of Connecticut, New York and New Jersey.

The Bank's existing loan portfolio has consisted of commercial real estate ("CRE") loans, commercial and industrial loans, residential real estate loans (primarily purchased), consumer loans, and a limited volume of construction loans. Commercial and residential real estate loans are collateralized primarily by first or second mortgages on real estate. The ability and willingness of borrowers to satisfy their loan obligations can be dependent to some degree on the regional economy and real estate market conditions.

Patriot maintains credit policies applicable to each lending activity and evaluates the creditworthiness of every borrower. Unless mitigating factors exist, commercial real estate loans are generally limited to 75% of the market value of the underlying collateral; multifamily real estate loans are limited to 75% to 80% loan-to-value; and construction loans (none currently outstanding) were limited to 75% of "as-completed" appraised value. Real estate is the primary form of collateral, although other collateral types include accounts receivable, inventory, marketable securities, time deposits and other business assets.

Risk characteristics of the Company's portfolio classes include the following:

Commercial Real Estate Loans ("CRE" Loans)

CRE loans include both owner-occupied and non-owner-occupied properties. Non-owner-occupied CRE repayment depends primarily on rents from leases to third party tenants, successful management, marketing and expense supervision necessary to maintain the property. Repayment of these loans may be adversely affected by conditions in the real estate market or the general economy.

Owner-occupied CRE loans are utilized by a business for the purpose of providing the space needs for that business and the running of its operations. Owner-occupied CRE depends on the borrower's operating business cash flow. Repayment of these loans may be adversely affected by conditions in the specific owner's industry in addition to the general economy.

In underwriting CRE loans, Patriot evaluates both the prospective borrower's ability to make timely payments on the loan, the value of the property(ies) securing the loans and the net operating income generated by such property(ies). Repayment of such loans may be negatively impacted should the borrower default, the value of the property collateralizing the loan substantially declines, or there is deterioration in general economic conditions. Where the owner occupies the property, Patriot also evaluates the business' ability to repay the loan on a timely basis and may require personal guarantees, lease assignments, and/or the guarantee of the operating company.

No commercial real estate loans were purchased during the three months ended March 31, 2026.

Residential Real Estate Loans

The Bank's residential real estate portfolio consists largely of purchased loans. The repayment of residential real estate loans, as well as the loans secured by residential real estate, may be negatively impacted if borrowers experience financial difficulties, if there is a significant decline in the value of the property securing the loan, or if there are declines in general economic conditions. During the three months ended March 31, 2026 and 2025, Patriot purchased \$108 million and \$86 thousand residential real estate

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loans, respectively. The Bank did not sell any purchased residential real estate loans during the three months ended March 31, 2026 and 2025.

Commercial and Industrial Loans

Patriot's commercial and industrial loan portfolio consists primarily of commercial business loans and lines of credit to businesses and professionals. These loans are generally for the financing of accounts receivable, purchases of inventory, purchases of new or used equipment, or for other short- or long-term working capital purposes – and in some cases to finance the CRE and physical buildings used by companies to carry out their business activities. These loans are generally secured by business assets but are also occasionally offered on an unsecured basis. In granting these types of loans, Patriot considers the borrower's cash flow as the primary source of repayment, supported by the value of collateral, if any, and personal guarantees, as applicable. Repayment of commercial and industrial loans may be negatively impacted by adverse changes in economic conditions, ineffective management, claims on the borrower's assets by others that are superior to Patriot's claims, a loss of demand for the borrower's products or services, or the death or disability of the borrower or other key management personnel.

Commercial and industrial loans include risks associated with borrower's cash flow, debt service coverage and management's expertise. These loans are subject to the risk that the Company may have difficulty converting collateral to a liquid asset if necessary, as well as risks associated with degree of specialization, mobility and general collectability in a default situation. These commercial loans may be subject to many different types of risks, including fraud, bankruptcy, economic downturn, deteriorated or non-existent collateral, and changes in interest rates.

SBA Loans

Patriot originated SBA 7(a) loans, on which the SBA has historically provided guarantees of 75% of the principal balance. However, during the pandemic in 2020, the SBA temporarily increased the guarantees to 90% and reverted to 75% on October 1, 2021. The guaranteed portion of the Company's SBA loans is generally sold in the secondary market with the unguaranteed portion held in the portfolio as a loan held for investment. SBA loans are for the purpose of providing working capital, financing the purchase of equipment, inventory, or commercial real estate and for other business purposes. Loans are guaranteed by the businesses' major owners. SBA loans are made based primarily on the historical and projected cash flow of the business and secondarily on the underlying collateral provided. SBA loans held for investment are included in the commercial real estate loans and commercial and industrial loan classifications, which totaled \$18.2 million and \$18.4 million as of March 31, 2026 and December 31, 2025.

In the second quarter of 2025, the Bank made the decision to voluntarily suspend its status as a participant in SBA's Preferred Lender Program ("PLP"). This decision was made in response to the Bank's desire to temporarily exit the SBA lending business and the Bank's Definitive Agreement with the Office of the Comptroller of the Currency ("OCC"). It is possible that the Bank will determine in the future that it is prudent to petition to the SBA for reinstatement in the PLP.

Consumer Loans

Consumer loans carry a moderate degree of risk compared to other loans. They are generally more risky than traditional residential real estate loans, and carry generally low relative balances across a diverse borrowing pool. Probability of default is assessed based on FICO scores, debt to income ratios, historical loss rates other common consumer loan metrics.

In 2025, the Bank sold a portfolio of 1,092 individual unsecured consumer loans purchased under a program from a third party with unpaid principal balance of \$9.0 million. The sale reduced the Bank's consumer loan exposure and loans outstanding under this program at March 31, 2026 and December 31, 2025 to \$0.5 million and \$0.7 million respectively. No loans previously purchased under this program were sold during the three months ended March 31, 2026 and 2025.

The Company does not have any lending programs commonly referred to as subprime lending. Subprime lending generally targets borrowers with weakened credit histories that are typically characterized by payment delinquencies, previous charge-offs, judgments against the consumer, a history of bankruptcies, or borrowers with questionable repayment capacity as evidenced by low credit scores or high debt-burdened ratios.

During the three months ended March 31, 2026 and 2025, Patriot did not purchase or sell any home equity line of credit loans ("HELOC").

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No construction loans were outstanding at March 31, 2026. The Bank currently does not offer a construction lending product.

New Lending Programs

During the third quarter of 2025, the Bank re-started its loan origination activities and implemented three targeted lending initiatives designed to prudently diversify revenue and strengthen relationship banking among high-quality entrepreneurial borrowers. These programs are fully aligned with the Bank's credit risk appetite, underwriting standards, and its overall strategic plan. At this time, no other commercial loan products are offered to our customers. As the successful implementation of these new lending programs progresses and matures, the Bank continues to evaluate additional commercial lending products consistent with its strategic plan and risk appetite.

High Net Worth Line of Credit Program

The Bank introduced a tailored unsecured line of credit product for qualifying high net worth clients. The facility provides short-term liquidity for qualified borrowers with substantial financial strength and established deposit or relationship history with the Bank. The proceeds of the lines of credit are utilized for business and investment purposes. Although contractually unsecured for strong credits, the Bank may require a pledge of eligible assets—including cash, marketable securities, or other high-value property—on an “abundance-of-caution” basis. Lines typically range from \$250 thousand to \$5 million, with maturities of less than one year, and are renewable annually subject to the Bank's approval. The loans have prime-based interest rates with market origination fees.

Rediscount Line of Credit Program

The Bank launched a rediscount lending facility product that provides secured, revolving lines of credit to non-bank loan originators and private credit providers. Borrowers pledge single loans or pools of performing loans and leases. Typically, commercial real estate, residential real estate or equipment loans are provided as collateral, which may be replenished as the underlying loans pay down. Typical commitments range from \$1 million to \$15 million, with terms of 12 to 36 months and pricing on a floating rate basis. The facilities are full-recourse to the borrower and are governed by defined borrowing-base, collateral-performance, and reporting covenants.

Commercial Real Estate Program

The Bank also established a CRE-lending program to finance properties for depositor and relationship clients. Loans generally range from \$1 million to \$15 million, are secured by first mortgages, and are underwritten to maximum loan-to-value ratios and appropriate debt-service coverage metrics. Interest rates are typically floating rates with terms of 12 to 60 months, and may include extension options.

All three programs are subject to the Bank's existing credit policies, together with new, enhanced standards and underwriting guidelines. The new loan programs comply with the Bank's concentration limits, and risk-management controls, including heightened portfolio management routines, borrower and guarantor liquidity testing, and ongoing regulatory reporting. Early production volumes as of December 31, 2025 remain modest as the Bank completes pilot transactions and validates credit performance metrics. Each of the new loan products includes minimum deposit requirements designed to strengthen client relationships and promote additional business activities such as treasury management and card services.

Allowance for Credit Losses

The Company estimates expected credit losses under the current expected credit loss (“CECL”) methodology. Under the CECL, the ACL is measured on a collective basis for pools of loans with similar risk characteristics. For loans that do not share similar risk characteristics with the collectively evaluated pools, evaluations are performed on an individual basis. For all loan categories collectively evaluated, losses are estimated over a period of time determined to be reasonable and supportable, and at the end of the reasonable and supportable forecast period, loss estimates revert to long-term historical averages. Estimated credit losses are also adjusted for changes in qualitative factors not inherently considered in the quantitative analyses.

The Company estimates expected credit losses for pooled loans using a modeling method that incorporates probability of default (“PD”) and loss given default (“LGD”). The PD model employs a quarterly risk-rating transition method to estimate the probability of default by simulating loan downgrades and assigning increasing default probabilities to each loan. This captures the likelihood that borrowers will be unable to repay their loans according to the original terms. The LGD calculation considers

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characteristics such as collateral value and vintage, underlying collateral characteristics (e.g., CRE vs. residential, owner-occupied vs. investment), a floor for the LGD calculation (minimum loss in event of default regardless of collateral protection), and other relevant underwriting characteristics. Also calculated is the exposure at default. The probability of default is multiplied by the loss given default and the exposure at default. This calculation is forecasted for every year remaining in the life of each loan, and the results are aggregated to determine the necessary level of ACL for the pooled loans. Forecasted exposure at default can be influenced by prepayments speeds, which management adjusted in part to reflect the expectation of slower voluntary prepayments in the current interest rate environment. Estimated credit losses are also adjusted for qualitative factors not inherently captured in the quantitative analyses.

The Company also maintains an ACL on unfunded lending commitments and letters of credit to provide for the risk of loss inherent in these arrangements. The allowance is computed using a methodology similar to that used to determine the ACL for loans, modified to take into account the probability of a drawdown on the commitment. The ACL on unfunded loan commitments is classified as a liability account on the Consolidated Balance Sheets within other liabilities, while the corresponding provision for these credit losses is recorded as a component of provision for credit losses. The allowance for credit losses on unfunded commitments was \$95 thousand at March 31, 2026 and \$80 thousand at December 31, 2025.

Effective January 1, 2026, the Company adopted ASU 2025-08, Financial Instruments—Credit Losses (Topic 326): Purchased Loans, on a prospective basis. The adoption did not impact the Company's opening retained earnings. For loans purchased during the first quarter of 2026, the Company recorded an initial allowance for credit losses of \$925 thousand as an adjustment to the amortized cost basis, consistent with the new standard.

The following tables summarize the activity in the allowance for credit losses, allocated to across the loan portfolios, for the three months ended March 31, 2026 and 2025:

(In thousands)

	Commercial Real Estate	Residential Real Estate	Commercial and Industrial	Consumer and Other	Construction	Construction to Permanent - CRE	Total
Three Months Ended March 31, 2026							
Allowance for credit losses:							
December 31, 2025	\$ 2,340	\$ 753	\$ 3,305	\$ 441	\$ —	\$ —	\$ 6,839
Charge-offs	—	—	—	(44)	—	—	(44)
Recoveries	—	5	75	170	—	—	250
Provisions (credits)	263	597	153	(279)	—	—	734 ⁽¹⁾
March 31, 2026	<u>\$ 2,602</u>	<u>\$ 1,356</u>	<u>\$ 3,532</u>	<u>\$ 289</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 7,779</u>
Three Months Ended March 31, 2025							
Allowance for credit losses:							
December 31, 2024	\$ 2,241	\$ 596	\$ 1,077	\$ 3,386	\$ 5	\$ —	\$ 7,305
Charge-offs	(635)	—	(119)	(916)	—	—	(1,670)
Recoveries	—	—	86	252	—	—	338
Provisions (credits)	669	43	124	(115)	3	32	756 ⁽²⁾
March 31, 2025	<u>\$ 2,275</u>	<u>\$ 639</u>	<u>\$ 1,168</u>	<u>\$ 2,607</u>	<u>\$ 8</u>	<u>\$ 32</u>	<u>\$ 6,729</u>

(1) The provision on credit losses included in the above table for the three months ended March 31, 2026 does not include the credit on unfunded loan commitments of \$15 thousand.

(2) The provision on credit losses included in the above table for the three months ended March 31, 2025 does not include the credit on unfunded loan commitments of \$23 thousand.

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The following tables summarize, by loan portfolio, the amount of loans receivable evaluated individually and collectively for allowance for credit losses as of March 31, 2026 and December 31, 2025:

<i>(In thousands)</i>	Commercial Real Estate	Residential Real Estate	Commercial and Industrial	Consumer and Other	Total
March 31, 2026					
Allowance for credit losses:					
Individually evaluated loans	\$ 205	\$ —	\$ 2,120	\$ 1	\$ 2,327
Collectively evaluated loans	2,397	1,356	1,412	288	5,452
Total allowance for credit losses	\$ 2,602	\$ 1,356	\$ 3,532	\$ 289	\$ 7,779
Loans receivable, gross:					
Individually evaluated loans	\$ 13,131	\$ 345	\$ 10,244	\$ 1	\$ 23,721
Collectively evaluated loans	409,237	189,989	127,010	9,034	735,271
Total loans receivable, gross	\$ 422,368	\$ 190,334	\$ 137,254	\$ 9,035	\$ 758,992
<i>(In thousands)</i>	Commercial Real Estate	Residential Real Estate	Commercial and Industrial	Consumer and Other	Total
December 31, 2025					
Allowance for credit losses:					
Individually evaluated loans	\$ —	\$ —	\$ 2,100	\$ 1	\$ 2,101
Collectively evaluated loans	2,416	628	1,303	391	4,738
Total allowance for credit losses	\$ 2,416	\$ 628	\$ 3,403	\$ 392	\$ 6,839
Loans receivable, gross:					
Individually evaluated loans	\$ 7,240	\$ 57	\$ 5,197	\$ 1	\$ 12,495
Collectively evaluated loans	338,951	79,612	141,628	19,876	580,067
Total loans receivable, gross	\$ 346,191	\$ 79,669	\$ 146,825	\$ 19,877	\$ 592,562

Patriot monitors the credit quality of its loans on an ongoing basis. Credit quality is monitored by reviewing certain indicators, including covenant compliance, cash flow from business operations, loan to value ratios, debt service coverage ratios, and credit scores.

Patriot employs a risk rating system as part of the risk assessment of its loan portfolio. At origination, credit officers are required to assign a risk rating to each loan in their portfolio, which is ratified or modified by the Internal Asset Review Committee (“IARC”) to which the loan is submitted for approval. If developments occur on a loan that manifest as potential or well-defined weaknesses, the risk rating is reviewed and adjusted, as applicable. In carrying out its oversight responsibilities, the IARC can adjust a risk rating based on available information from the borrower and from asset valuations in the market. In addition, the risk ratings on all commercial loans over \$250,000 are reviewed by the IARC annually.

The IARC ensures the Bank identifies, monitors, and reports credit risk accurately and in a timely manner. IARC is charged with oversight of the Bank’s programs for monitoring, reviewing and dispositioning of the loan portfolio. IARC is responsible for ensuring that risk ratings are updated in a timely fashion, are accurate and that appropriate changes are made anytime there is a significant occurrence with a credit. IARC meets at least quarterly and reviews emerging risk trends with a focus toward the mitigation of risk, improvement of operations, and compliance with regulatory guidance and the Bank’s risk appetite.

Additionally, Patriot retains an independent third-party loan review firm to perform an annual analysis of the results of its risk rating process, among other credit and portfolio management functions. The semi-annual review is based on a randomly selected sample of loans within established parameters (e.g., value, concentration), in order to assess and validate the risk ratings assigned to individual loans. Any changes to the assigned risk ratings, based on the semi-annual review, are required to be reported to the IARC.

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When assigning a risk rating to a loan, management utilizes the Bank's internal eleven grade risk rating system. An asset is considered "special mention" when it has a potential weakness based on objective evidence, but does not currently expose the Company to sufficient risk to warrant classification in one of the following categories:

- Substandard: An asset is classified "substandard" if it is not adequately protected by the current net worth and paying capacity of the obligor or the collateral pledged, if any. Substandard assets have well defined weaknesses based on objective evidence, and are characterized by the distinct possibility that the Company will sustain some loss, if noted deficiencies are not corrected.
- Doubtful: Assets classified as "doubtful" have all of the weaknesses inherent in those classified as "substandard", with the added characteristic that the identified weaknesses make collection or liquidation-in-full improbable, on the basis of currently existing facts, conditions, and values.

Charge-offs of loans to reduce the loan to its recoverable value that are solely collateral dependent, generally occur immediately upon confirmation of the partial loss amount. Loans that are cash flow dependent are modeled to reflect the expected cash flows through expected loan maturity, including any proceeds from refinancing or principal curtailment. A specific reserve may be established for the amount by which the net investment in the loan exceeds the present value of discounted cash flows. Charge-offs on cash flow dependent loans also generally occur immediately upon confirmation of the partial loss amount. If either type of loan is classified as "Loss", meaning full loss on the loan is expected, the full balance of the loan receivable is charged off, regardless of the potential recovery from a sale of the underlying collateral. Any amount that may be recovered on the sale of collateral underlying a loan is recognized as a "recovery" in the period in which the collateral is sold. In accordance with Federal Financial Institutions Examination Council published policies establishing uniform criteria for the classification of retail credit based on delinquency status, "Open-end" credits are typically charged off once they reach 180 days past due and "Closed-end" credits are typically charged off once they reach 120 days past due, with limited exceptions for loans secured by 1-4 family residential real estate.

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Loan Portfolio Vintage Analysis

The following tables summarize loans by vintage, credit quality indicator, class of loans and charge-offs based on year of origination as of March 31, 2026:

	Rating of Loans by Origination Year								Total Loans Receivable Gross
As of March 31, 2026:	2026	2025	2024	2023	2022	Prior	Revolving		
Loan portfolio segment:									
Commercial Real Estate:									
Pass	\$ 76,585	\$ 45,350	\$ —	\$ 79,155	\$ 88,980	\$ 124,303	\$ 218	\$	414,591
Special mention	—	—	—	—	—	—	—		—
Substandard	—	—	—	116	2,664	4,947	50		7,777
Total	76,585	45,350	—	79,270	91,644	129,250	268		422,368
Current period gross charge-offs	—	—	—	—	—	—	—		—
Residential Real Estate:									
Pass	—	33,388	33,752	32,496	5,283	78,614	6,205		189,738
Special mention	—	—	—	—	—	—	—		—
Substandard	—	—	—	—	—	345	251		596
Total	—	33,388	33,752	32,496	5,283	78,959	6,456		190,334
Current period gross charge-offs	—	—	—	—	—	—	—		—
Commercial and Industrial:									
Pass	6,623	5,364	695	1,041	9,308	13,648	90,416		127,094
Special mention				2	16	379	706		1,103
Substandard				753	30	1,765	6,509		9,057
Total	6,623	5,364	695	1,796	9,355	15,792	97,630		137,254
Current period gross charge-offs	—	—	—	—	—	—	—		—
Consumer and Other:									
Pass	52	180	262	164	327	7,742	158		8,884
Substandard				2	4	144	1		150
Total	52	180	262	166	330	7,886	159		9,035
Current period gross charge-offs	—	—	—	—	44	—	—		44
Total loans	\$ 83,260	\$ 84,282	\$ 34,709	\$ 113,728	\$ 106,612	\$ 231,888	\$ 104,513	\$	758,992
Total Current period gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ 44	\$ —	\$ —	\$	44
Loans receivable, gross:									
Pass	\$ 83,260	\$ 84,282	\$ 34,709	\$ 112,856	\$ 103,897	\$ 224,308	\$ 96,996	\$	740,308
Special mention	—	—	—	2	16	379	706		1,103
Substandard	—	—	—	870	2,698	7,201	6,811		17,580
Total Loans receivable, gross	\$ 83,260	\$ 84,282	\$ 34,709	\$ 113,728	\$ 106,612	\$ 231,888	\$ 104,513	\$	758,992
Total Current period gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ 44	\$ —	\$ —	\$	44

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The following tables summarize loan amortized cost by vintage, credit quality indicator, class of loans and charge-offs based on year of origination as of December 31, 2025:

	Rating of Loans by Origination Year								Total Loans Receivable Gross
As of December 31, 2025:	2025	2024	2023	2022	2021	Prior	Revolving		
Loan portfolio:									
Commercial Real Estate:									
Pass	\$ 41,492	\$ —	\$ 78,914	\$ 89,538	\$ 72,868	\$ 48,983	\$ —	\$	331,795
Special mention	—	—	—	—	—	799	—		799
Substandard	—	—	117	4,258	4,479	4,742	—		13,596
Total	41,492	—	79,031	93,796	77,347	54,524	—		346,191
Current period gross charge-offs	—	—	—	547	232	—	—		778
Residential Real Estate:									
Pass	1,234	3,119	—	5,283	20,726	47,213	1,128		78,703
Special mention	—	—	—	—	—	907	—		907
Substandard	—	—	—	—	—	57	—		57
Total	1,234	3,119	—	5,283	20,726	48,178	1,128		79,667
Current period gross charge-offs	—	—	—	—	—	—	—		—
Commercial and Industrial:									
Pass	14,710	726	3,272	11,013	17,580	5,224	82,101		134,626
Special mention	—	—	2	17	34	392	4,206		4,651
Substandard	—	—	559	381	842	807	4,959		7,547
Total	14,710	726	3,833	11,410	18,457	6,422	91,266		146,825
Current period gross charge-offs	—	—	—	47	72	11	—		129
Consumer and Other:									
Pass	192	262	280	407	7	12,997	5,318		19,464
Substandard	—	—	9	7	—	144	252		413
Total	192	262	289	415	7	13,141	5,570		19,876
Current period gross charge-offs	—	—	93	1,744	232	—	—		2,069
Loans receivable, gross:									
Pass	\$ 57,628	\$ 4,107	\$ 82,467	\$ 106,242	\$ 111,182	\$ 114,417	\$ 88,547	\$	564,590
Special mention	—	—	2	17	34	2,099	4,206		6,358
Substandard	—	—	685	4,646	5,322	5,750	5,211		21,613
Loans receivable, gross	\$ 57,628	\$ 4,107	\$ 83,154	\$ 110,905	\$ 116,538	\$ 122,265	\$ 97,964	\$	592,562
Total Current period gross charge-offs(1)	\$ —	\$ —	\$ 93	\$ 2,337	\$ 578	\$ 11	\$ —	\$	3,020

(1) Total current period gross-charge offs includes \$43 thousand related to Construction to Permanent - CRE loan with an origination year of 2021.

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Loan Portfolio Aging Analysis

The following tables summarize performing and non-performing (i.e., non-accruing) loans receivable by portfolio, by aging category, by delinquency status as of March 31, 2026:

(In thousands)

(In thousands)	Performing (Accruing) Loans								
	30 - 59 Days Past Due	60 - 89 Days Past Due	90 Days or Greater Past Due	Total Past Due	Current	Total Performing Loans	Non- accruing Loans	Loans Receivable Gross	
As of March 31, 2026:									
Loan portfolio:									
Commercial Real Estate:									
Pass	\$ —	\$ —	\$ —	\$ —	\$ 410,278	\$ 410,278	\$ —	\$ 410,278	
Substandard	224	—	—	224	632	856	11,233	12,090	
	224	—	—	224	410,911	411,135	11,233	422,368	
Residential Real Estate:									
Pass	99	—	—	99	189,639	189,738	—	189,738	
Substandard	—	—	—	—	—	—	596	596	
	99	—	—	99	189,639	189,738	596	190,334	
Commercial and Industrial:									
Pass	—	—	—	—	124,986	124,986	—	124,986	
Special mention	16	—	—	16	1,087	1,103	—	1,103	
Substandard	—	—	—	—	275	275	10,890	11,165	
	16	—	—	16	126,348	126,364	10,890	137,255	
Consumer and Other:									
Pass	62	3	—	65	8,820	8,885	—	8,885	
Substandard	—	—	—	—	—	—	150	150	
	62	3	—	65	8,820	8,885	150	9,035	
Total	\$ 402	\$ 3	\$ —	\$ 404	\$ 735,717	\$ 736,121	\$ 22,870	\$ 758,992	
Loans receivable, gross:									
Pass	\$ 161	\$ 3	\$ —	\$ 164	\$ 733,723	\$ 733,887	\$ —	\$ 733,887	
Special mention	16	—	—	16	1,087	1,103	—	1,103	
Substandard	224	—	—	224	907	1,131	22,870	24,002	
Loans receivable, gross	\$ 402	\$ 3	\$ —	\$ 404	\$ 735,717	\$ 736,121	\$ 22,870	\$ 758,992	

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The following tables summarize performing and non-performing loans (i.e., non-accruing) receivable by portfolio, by aging category, by delinquency status as of December 31, 2025:

(In thousands)

(In thousands)	Performing (Accruing) Loans					Total Performing Loans	Non- accruing Loans	Loans Receivable Gross
	30 - 59 Days Past Due	60 - 89 Days Past Due	90 Days or Greater Past Due	Total Past Due	Current			
As of December 31, 2025:								
Loan portfolio:								
Commercial Real Estate:								
Pass	\$ —	\$ —	\$ —	\$ —	\$ 328,803	\$ 328,803	\$ 2,993	\$ 331,795
Special mention	—	—	—	—	799	799	—	799
Substandard	—	293	—	293	2,595	2,888	10,708	13,596
	—	293	—	293	332,197	332,489	13,701	346,191
Residential Real Estate:								
Pass	—	—	—	—	78,705	78,705	—	78,705
Special mention	—	—	—	—	907	907	—	907
Substandard	—	—	—	—	—	—	57	57
	—	—	—	—	79,612	79,612	57	79,669
Commercial and Industrial:								
Pass	1,600	—	—	1,600	129,767	131,367	3,255	134,622
Special mention	—	—	—	—	4,651	4,651	—	4,651
Substandard	—	468	—	468	157	624	6,927	7,551
	1,600	468	—	2,068	134,575	136,643	10,182	146,825
Consumer and Other:								
Pass	235	—	—	235	19,229	19,464	—	19,464
Substandard	—	—	—	—	—	—	413	413
	235	—	—	235	19,229	19,464	413	19,877
Total	\$ 1,835	\$ 760	\$ —	\$ 2,595	\$ 565,613	\$ 568,208	\$ 24,353	\$ 592,562
Loans receivable, gross:								
Pass	\$ 1,835	\$ —	\$ —	\$ 1,835	\$ 556,503	\$ 558,338	\$ 6,248	\$ 564,586
Special mention	—	—	—	—	6,358	6,358	—	6,358
Substandard	—	760	—	760	2,752	3,512	18,105	21,617
Loans receivable, gross	\$ 1,835	\$ 760	\$ —	\$ 2,595	\$ 565,613	\$ 568,208	\$ 24,353	\$ 592,562

PATRIOT NATIONAL BANCORP, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Unaudited)

The following tables summarize non-performing (i.e., non-accruing) loans by aging category and status, within the applicable loan portfolio as of March 31, 2026 and December 31, 2025:

(In thousands)

(In thousands)	Non-accruing Loans					Total Non-accruing Loans
	30 - 59 Days Past Due	60 - 89 Days Past Due	90 Days or Greater Past Due	Total Past Due	Current	
As of March 31, 2026:						
Loan portfolio:						
Commercial Real Estate:						
Substandard	—	—	11,233	11,233	—	11,233
Residential Real Estate:						
Substandard	—	—	596	596	—	596
Commercial and Industrial:						
Substandard	—	—	10,683	10,683	207	10,890
Consumer and Other:						
Substandard	—	—	147	147	4	150
Total non-accruing loans	\$ —	\$ —	\$ 22,659	\$ 22,659	\$ 211	\$ 22,870
As of December 31, 2025:						
Loan portfolio:						
Commercial Real Estate:						
Pass	\$ —	\$ —	\$ 2,993	\$ 2,993	\$ —	\$ 2,993
Substandard	—	—	10,708	10,708	—	10,708
Residential Real Estate:						
Substandard	—	—	57	57	—	57
Commercial and Industrial:						
Pass	—	159	3,096	3,255	—	3,255
Substandard	—	1,846	5,081	6,927	—	6,927
Consumer and Other:						
Substandard	—	—	397	397	16	413
Construction to permanent - CRE:						
Substandard				—		—
Total non-accruing loans	\$ —	\$ 2,005	\$ 22,332	\$ 24,337	\$ 16	\$ 24,353

The accrual of interest on loans is discontinued at the time the loan is 90 days past due for payment unless the loan is well-secured and in process of collection. Consumer installment loans are typically charged-off when they become 120 days past due (180 days for open ended consumer credit). Past due status is based on contractual terms of the loan. In all cases, loans are placed on non-accrual status or charged-off, at an earlier date, if collection of principal or interest is considered doubtful.

All interest accrued, but not collected for loans that are placed on non-accrual status or charged-off, is reversed against interest income. The interest on these loans is generally accounted for on the cash-basis method until qualifying for return to accrual status. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current, future payments are reasonably assured, after at least six months of timely payment history. The Bank considers loans under \$100,000 and consumer installment loans to be pools of smaller homogeneous loan balances, and therefore are collectively evaluated for credit losses, and not individually evaluated for credit losses.

If non-accrual loans had been performing in accordance with the original contractual terms, additional interest income (net of cash collected) of approximately \$1.0 million would have been recognized during the three months ended March 31, 2026. During the three months ended March 31, 2025, additional interest income (net of cash collected) of approximately \$1.2 million would have been recognized, respectively.

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Individually Evaluated Loans

The following table reflects information about the individually evaluated loans by class as of March 31, 2026 and December 31, 2025:

(In thousands)

	March 31, 2026			December 31, 2025		
	Recorded Investment	Principal Outstanding	Related Allowance	Recorded Investment	Principal Outstanding	Related Allowance
<u>With no related allowance recorded:</u>						
Commercial Real Estate	\$ 11,309	\$ 18,363	\$ —	\$ 7,240	\$ 22,657	\$ —
Residential Real Estate	345	347	—	57	58	—
Commercial and Industrial	5,306	5,889	—	291	288	—
	16,959	24,600	—	7,588	23,003	—
<u>With a related allowance recorded:</u>						
Commercial Real Estate	1,822	1,897	205	—	—	—
Commercial and Industrial	4,939	4,942	2,120	4,906	4,905	2,100
Consumer and Other	1	1	1	1	1	1
	6,762	6,840	2,327	4,907	4,906	2,101
<u>Individually evaluated loans, Total:</u>						
Commercial Real Estate	13,131	20,260	205	7,240	22,657	—
Residential Real Estate	345	347	—	57	58	—
Commercial and Industrial	10,244	10,831	2,120	5,197	5,193	2,100
Consumer and Other	1	1	1	1	1	1
Total	\$ 23,721	\$ 31,440	\$ 2,327	\$ 12,495	\$ 27,909	\$ 2,101

The following table summarizes additional information regarding individually evaluated loans by segment for the three months ended March 31, 2026 and 2025:

	Three Months Ended March 31,			
	2026		2025	
	Average Recorded Investment	Interest Income Recognized	Average Recorded Investment	Interest Income Recognized
<u>With no related allowance recorded:</u>				
Commercial Real Estate	\$ 11,334	\$ 119	\$ 17,696	\$ 18
Residential Real Estate	347	1	—	—
Commercial and Industrial	5,349	28	3,070	—
Construction to permanent - CRE	—	—	—	—
	17,030	149	20,766	18
<u>With a related allowance recorded:</u>				
Commercial Real Estate	1,823	3	6,688	—
Commercial and Industrial	4,939	—	—	—
Construction to permanent - CRE	—	—	2,357	—
	6,763	3	9,045	—
<u>Individually evaluated loans, Total:</u>				
Commercial Real Estate	13,157	123	24,384	18
Residential Real Estate	347	1	—	—
Commercial and Industrial	10,288	28	3,070	—
Construction to permanent - CRE	—	—	2,357	—
Total	\$ 23,793	\$ 152	\$ 29,811	\$ 18

PATRIOT NATIONAL BANCORP, INC. AND SUBSIDIARIES
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Credit losses for loans that no longer share similar risk characteristics with the collectively evaluated pools are excluded from the collective evaluation and estimated on an individual basis (individually evaluated loans). Individual evaluations are performed for non-accrual loans in excess of \$100,000 as well as selected substandard loans. Specific allowances were estimated based on one of several methods, including the estimated fair value of the underlying collateral, observable market value of similar debt or the present value of expected cash flows.

For collateral dependent loans, appraisal reports of the underlying collateral have been obtained from independent licensed appraisal firms. For non-performing loans, the independently determined appraised values were reduced by 8% in selling costs, in order to estimate the potential loss, if any, that may eventually be realized. Performing loans are monitored to determine when, if at all, additional credit loss reserves may be required for a loss of underlying collateral value. For cash flow dependent loans, the Bank determined the reserve based on the present value of expected future cash flows discounted at the loan's effective interest rate.

Loans not requiring specific reserves had fair values exceeding the total recorded investment, supporting the net investment in the loan which includes principal balance, unamortized fees and costs and accrued interest, if any. Once a borrower is in default, Patriot is under no obligation to advance additional funds on unused commitments.

Loan Modifications Made to Borrowers Experiencing Financial Difficulty

On a case-by-case basis, Patriot may agree to modify the contractual terms of a borrower's loan to assist customers who may be experiencing financial difficulty. Most loan modifications involve an extension of the term of the loan. In addition, when modifying commercial loans, Patriot frequently obtains additional collateral, principal curtailments and/or enhanced guarantor support. If the borrower has performed under the existing contractual terms of the loan and the Bank's underwriters determine that the borrower has the capacity to continue to perform under the terms of the loan, interest continues to be accrued. Non-accruing modified loans may be returned to accrual status when there has been a sustained period of performance (generally six consecutive months of payments) and both principal and interest are reasonably assured of collection.

During the three months ended March 31, 2026 and 2025, the Company modified certain loans made to borrowers experiencing financial difficulty, which modifications were comprised of non-material changes to loan terms such as covenant breach forbearance, and short term (six months or less) extensions of maturity. None of the modified loans had a payment default during the three months ended March 31, 2026, including all loans modified in the preceding twelve months. As of March 31, 2026 and December 31, 2025, there were no commitments to advance additional funds under the modified loans.

Note 5. Loans Held for Sale

SBA Loans held for sale

SBA Loans held for sale represent the guaranteed portion of SBA loans originated and are reflected at the lower of aggregate cost or market value. As of March 31, 2026 and December 31, 2025, there were no SBA loans held for sale. During the three months ended March 31, 2026 and 2025, no SBA loans previously classified as held for sale were transferred to held for investment.

The Company generally sells the guaranteed portion of its SBA loans to a third party and retains the servicing, holding the unguaranteed portion in its portfolio. When sales of SBA loans do occur, the premium received on the sale and the present value of future cash flows of the servicing assets, less the discount of the retained portion of the loan are recognized in income.

Servicing assets represent the estimated fair value of retained servicing rights, net of servicing costs, at the time loans are sold. Servicing assets are amortized in proportion to, and over the period of, estimated net servicing revenues. Impairment will be evaluated based on stratifying the underlying financial assets by date of origination and term. Fair value is determined using prices for similar assets with similar characteristics, when available, or based upon discounted cash flows using market-based assumptions. Any impairment, if temporary, would be reported as a valuation allowance.

Serviced loans sold to others are not included in the accompanying Consolidated Balance Sheets. The total amount of such loans serviced, but owned by a third party, amounted to approximately \$31.4 million and \$32.1 million at March 31, 2026 and December 31, 2025, respectively. As of March 31, 2026 and December 31, 2025, the servicing asset has a carrying value of \$0.6 million and \$0.6 million, respectively, and fair value of \$0.6 million and \$0.6 million, respectively. Income and fees collected for loan servicing are credited to non-interest income when earned, net of amortization on the related servicing assets. The servicing asset is included in other assets on the Consolidated Balance Sheets.

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In the second quarter of 2025, the Bank made the decision to voluntarily suspend its status as a participant in SBA's Preferred Lender Program ("PLP"). This decision was made in response to the Bank's desire to temporarily exit the SBA lending business and the Bank's Definitive Agreement with the OCC. It is possible that the Bank will determine in the future that it is prudent to petition to the SBA for reinstatement in the PLP.

Loans held for sale Residential Mortgage Loans

In the second quarter of 2025, the Bank suspended the residential mortgage origination business. As of March 31, 2026 and December 31, 2025, the Company reported residential mortgage loans held for sale totaling zero. As of March 31, 2026 and December 31, 2025, the Company reported a servicing asset related to sold mortgage loans of \$70 thousand and \$71 thousand, respectively. During the three months ended March 31, 2026 and 2025, zero and \$1.1 million of residential mortgage loans previously classified as held for sale were transferred to held for investment, respectively.

The following table presents an analysis of the activity in the servicing assets for SBA loans and residential mortgage loans for the three months ended March 31, 2026 and 2025:

(In thousands)	Three Months Ended March 31,	
	2026	2025
Beginning balance	\$ 660	\$ 766
Servicing rights capitalized	—	26
Servicing rights amortized	(10)	(14)
Servicing rights disposed	—	(14)
Ending balance	\$ 650	\$ 764

Loans held for sale - Credit Card Receivables

During the first quarter of 2026, Patriot was party to program management arrangements under which the Bank originates commercial credit card receivables for certain card programs. The applicable card program manager markets the program and purchases the related receivables from the Bank shortly after origination. These receivables are classified as loans held for sale. As of March 31, 2026 and December 31, 2025, the Bank had credit card loans held for sale totaling \$20.2 million and \$24.5 million, respectively. The credit card loans are sold to the buyer as a whole loan sale transaction, priced at par, thus there is no servicing asset or gain or loss on sale.

Note 6. Deposits

The following table presents the balance of deposits held, by category as of March 31, 2026 and December 31, 2025:

(In thousands)	March 31, 2026	December 31, 2025
Non-interest bearing	\$ 82,332	\$ 106,766
<u>Interest bearing:</u>		
Negotiable order of withdrawal accounts	25,311	24,281
Savings deposits	105,076	38,036
Interest bearing DDA	308,020	267,447
Money market	262,850	191,177
Certificates of deposit, \$250,000 or less	165,004	206,915
Certificates of deposit, more than \$250,000	67,926	76,480
Brokered deposits	31,907	54,683
Interest bearing, total	966,094	859,020
Total Deposits	\$ 1,048,426	\$ 965,786

PATRIOT NATIONAL BANCORP, INC. AND SUBSIDIARIES
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The Company's total deposits include deposits associated with prepaid debit cards for corporate, consumer and government clients administered by card program managers. These digital-payment-related deposits are included in the non-interest-bearing deposits, negotiable order of withdrawal accounts, interest bearing DDA and money market deposits, which totaled approximately \$295.0 million and \$297.7 million as of March 31, 2026 and December 31, 2025, respectively.

As of March 31, 2026, contractual maturities of Certificates of Deposit ("CDs"), and brokered deposits is summarized as follows:

<i>(In thousands)</i>	Certificates of Deposit \$250,000 or less		Certificates of Deposit more than \$250,000		Brokered Deposits		Total
1 year or less	\$	137,834	\$	65,100	\$	31,907	\$ 234,840
More than 1 year through 2 years		6,261		1,072		—	7,333
More than 2 years through 3 years		126		—		—	126
More than 3 years through 4 years		20,735		1,755		—	22,489
More than 4 years through 5 years		48		—		—	48
	\$	165,004	\$	67,926	\$	31,907	\$ 264,836

Note 7. Derivatives

Patriot is party to interest rate swap derivatives that are not designated as hedging instruments. Under a program, Patriot will execute interest rate swaps with commercial lending customers to facilitate their respective risk management strategies. These interest rate swaps with customers are simultaneously offset by interest rate swaps that Patriot executes with a third party, such that Patriot minimizes its net risk exposure resulting from such transactions. Because the interest rate swaps associated with this program do not meet the strict hedge accounting requirements, changes in the fair value of both the customer swaps and the offsetting swaps are recognized directly in earnings. The changes in the fair value of the swaps offset each other, except for the credit risk of the counterparties, which is determined by taking into consideration the risk rating, probability of default and loss given default for all counterparties.

As of March 31, 2026 and December 31, 2025, Patriot did not have any cash pledged for collateral on its interest rate swaps. No net gain or loss was recognized in other non-interest income on the Consolidated Statements of Operations during the three months ended March 31, 2026 and 2025.

Information about the valuation methods used to measure the fair value of derivatives is provided in Note 12 to the Consolidated Financial Statements.

The following table presents summary information regarding these derivatives for the periods presented (dollars in thousands):

<i>(In thousands)</i>	Notional Amount	Maturity (Years)	Fixed Rate	Variable Rate	Fair Value
March 31, 2026					
Classified in Other Assets:					
3rd party interest rate swap	\$ 1,241	3.25	4.38 %	1 Mo. SOFR + 2.00%	\$ 44
Classified in Other Liabilities:					
Customer interest rate swap	1,241	3.25	4.38 %	1 Mo. SOFR + 2.00%	(44)
December 31, 2025					
Classified in Other Assets:					
3rd party interest rate swap	1,251	3.50	4.38 %	1 Mo. SOFR + 2.00%	39
Classified in Other Liabilities:					
Customer interest rate swap	1,251	3.50	4.38 %	1 Mo. SOFR + 2.00%	(39)

PATRIOT NATIONAL BANCORP, INC. AND SUBSIDIARIES
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Note 8. Share-Based Compensation and Employee Benefit Plan

Below table summarizes the Company's share-based compensation activity for the three months ended March 31, 2026 and 2025:

	Amended and Restated 2022 Plan		2025 Plan	
	Number of Shares Awarded	Weighted Average Grant Date Fair Value	Number of Shares Awarded	Weighted Average Grant Date Fair Value
Unvested at December 31, 2025	8,129	\$4.37	8,044,611	\$1.16
Granted	0	\$—	453,852	\$1.35
Vested	0	\$—	1,454,198	\$1.11
Forfeited	0	\$—	0	\$—
Unvested at March 31, 2026	0	\$—	7,044,265	\$1.18
Unvested at December 31, 2024	146,185	\$2.87	0	\$—
Granted	0	\$—	4,049,593	\$1.00
Vested	0	\$—	0	\$—
Forfeited	0	\$—	0	\$—
Unvested at March 31, 2025	146,185	\$2.87	4,049,593	\$1.00

Awards granted under the 2025 Plan are in the form of Restricted Stock Units (RSUs). The share amounts presented in the table above reflect the number of RSUs granted and vested, where vested amounts represent RSUs for which the vesting conditions were satisfied during the period; RSUs granted under the 2025 Plan settled into shares of Common Stock totaling 2.1 million and zero for the three months ended March 31, 2026 and March 31, 2025, respectively.

The Company recognizes share based compensation expense on a straight-line basis over the vesting schedule of each award, for each vesting portion of an award equal to its grant date fair value. For the three months ended March 31, 2026 and 2025, the Company recognized total share-based compensation expense of \$2.3 million and \$181 thousand, respectively.

The share-based compensation expense attributable to the Company's Directors totaled \$247 thousand and \$9 thousand for the three months ended March 31, 2026 and 2025, respectively.

For the three months ended March 31, 2026 and 2025, share-based compensation expense attributable to employees of Patriot was \$2.0 million and \$172 thousand, respectively.

Unrecognized compensation expense attributable to the unvested restricted shares outstanding as of March 31, 2026 amounted to \$6.5 million, which amount is expected to be recognized over the weighted average remaining life of the awards of 1.9 years.

Stock Options

On June 26, 2025, the Company granted stock options to purchase 400,000 shares of Common Stock at an exercise price of \$1.40 per share. The options vest and become exercisable starting on the grant date, subject to the terms and conditions outlined in the 2025 Plan and award agreement, including any applicable acceleration provisions.

The Company accounts for stock-based compensation in accordance with ASC 718, "Compensation—Stock Compensation." The fair value of the stock options granted is estimated on the grant date using an appropriate valuation model, such as the Black-Scholes model, and is recognized as an expense over the vesting period. Key assumptions used in estimating the fair value of the options include the expected volatility of the Company's stock, the risk-free interest rate, the expected dividend yield, and the expected term of the options. These assumptions are based on historical data and market conditions at the time of the grant.

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Retirement Plan

Patriot offers employees participation in the Patriot Bank, N.A. 401(k) Savings Plan (the "401(k) Plan") under Section 401(k) of the Internal Revenue Code, along with the ROTH feature to the Plan. The 401(k) Plan covers substantially all employees who have completed one month of service, are 21 years of age and who elect to participate. Under the terms of the 401(k) Plan, participants can contribute up to the maximum amount allowed, subject to Federal limitations. At its discretion, Patriot may match eligible participating employee contributions at the rate of 50% of the first 6% of the participants' salary contributed to the 401(k) Plan. During the three months ended March 31, 2026 and 2025, Patriot made matching contributions to the 401(k) Plan of \$43 thousand and \$92 thousand, respectively.

Note 9. Earnings per share

The Company is required to present basic earnings per share and diluted earnings per share ("EPS") in its Consolidated Statements of Operations. Basic EPS amounts are computed by dividing net income by the weighted average number of shares of common stock outstanding. Diluted EPS reflects additional shares of common stock that would have been outstanding if potentially dilutive shares of common stock had been issued, as well as any adjustment to income that would result from the assumed issuance. Potential shares of common stock that may be issued by the Company relate to outstanding unvested RSAs and RSUs granted to directors and employees, and stock options. The dilutive effect resulting from these potential shares is determined using the treasury stock method. The Company is also required to provide a reconciliation of the numerator and denominator used in the computation of both basic and diluted EPS.

The following table summarizes the computation of basic and diluted loss per share for the three months ended March 31, 2026 and 2025.

(Net loss in thousands)

	Three Months Ended March 31,	
	2026	2025
Basic loss per share:		
Net loss attributable to Common shareholders	\$ (1,755)	\$ (2,777)
Divided by:		
Weighted average shares outstanding	115,275,211	13,289,644
Basic loss per share of common stock	<u>\$ (0.02)</u>	<u>\$ (0.21)</u>
Diluted loss per share:		
Net loss attributable to Common shareholders	\$ (1,755)	\$ (2,777)
Weighted average shares outstanding	115,275,211	13,289,644
Effect of potentially dilutive restricted shares of common stock	— ⁽¹⁾	— ⁽²⁾
Divided by:		
Weighted average diluted shares outstanding	115,275,211	13,289,644
Diluted loss per share of common stock	<u>\$ (0.02)</u>	<u>\$ (0.21)</u>

⁽¹⁾ The weighted average diluted shares outstanding does not include 2,868,184 anti-dilutive restricted shares of common stock for the three months ended March 31, 2026.

⁽²⁾ The weighted average diluted shares outstanding does not include 112,771 anti-dilutive restricted shares of common stock for the three months ended March 31, 2025.

Note 10. Commitments and Contingencies

Financial Instruments with Off-Balance Sheet Risk

In the normal course of business, Patriot is a party to financial instruments with off-balance-sheet risk to meet the financing needs of its customers. These financial instruments include commitments to extend credit and standby letters of credit and involve, to

PATRIOT NATIONAL BANCORP, INC. AND SUBSIDIARIES
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varying degrees, elements of credit and interest rate risk in excess of the amounts recognized in the balance sheet. The contractual amounts of these instruments reflect the extent of involvement Patriot has in particular classes of financial instruments.

The contractual amount of commitments to extend credit and standby letters of credit represents the maximum amount of potential accounting loss should: the contract be fully drawn upon; the customer default; and the value of any existing collateral become worthless. Patriot applies its credit policies to entering commitments and conditional obligations and, as with its lending activities, evaluates each customer's creditworthiness on a case-by-case basis. Management believes that it effectively mitigates the credit risk of these financial instruments through its credit approval processes, establishing credit limits, monitoring the on-going creditworthiness of recipients and grantees, and the receipt of collateral as deemed necessary.

Financial instruments with credit risk at March 31, 2026 and December 31, 2025 are as follows:

<i>(In thousands)</i>	March 31, 2026	December 31, 2025
<u>Commitments to extend credit:</u>		
Unused lines of credit	\$ 86,212	\$ 59,567
Home equity lines of credit	9,239	9,193
	<u>\$ 95,451</u>	<u>\$ 68,760</u>

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments to extend credit generally have fixed expiration dates or other termination clauses, and may require payment of a fee by the borrower. Since these commitments could expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The amount of collateral obtained, if deemed necessary upon extending credit, is based on management's credit evaluation of the customer. Collateral held varies, but may include commercial property, residential property, deposits and securities. Patriot has established an allowance for credit loss of \$95 thousand and \$80 thousand as of March 31, 2026 and December 31, 2025, respectively, which is included in accrued expenses and other liabilities.

Standby letters of credit are written commitments issued by Patriot to guarantee the performance of a customer to a third party. The credit risk involved in issuing standby letters of credit is essentially the same as that involved in extending loan facilities to customers. Guarantees that are not derivative contracts are recorded at fair value and included in the Consolidated Balance Sheet.

As of March 31, 2026, the Bank has an irrevocable stand-by letter of credit for a maximum of \$70.5 million, issued by the Federal Home Loan Bank of Boston on behalf of the Bank, with Mastercard as the beneficiary. This letter of credit was originally set to expire on April 30, 2026 but has been extended to April 30, 2027.

Legal Matters

Patriot is from time to time a party to legal proceedings arising in the ordinary course of business. Management believes that the ultimate disposition of all pending legal matters will not have a material adverse effect on the consolidated financial condition, results of operations, or liquidity of Patriot, however litigation is inherently uncertain and the outcome of such matters cannot be predicted with certainty.

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Note 11. Regulatory and Operational Matters

On January 14, 2025, the Bank entered into an agreement with the OCC (the "OCC Agreement"), pursuant to which the Bank agreed, through its board of directors to take certain actions in the areas of strategic planning, capital planning, Bank Secrecy Act / Anti-Money Laundering risk management, payment activities oversight, credit administration and concentrations risk management. The Bank's Board appointed a Compliance Committee in January 2025, as required, to oversee the progress and compliance with the OCC Agreement.

On January 17, 2025, the OCC notified the Bank that, in connection with the entry into the OCC Agreement, the individual minimum capital ratios previously established on April 17, 2024 for the Bank has been terminated. The same minimum capital ratios were re-established within the OCC Agreement under its Capital Plan and Higher Minimums Articles so that all capital requirements are governed by the OCC Agreement. Under these provisions, the Bank must maintain, on an ongoing basis, a common equity tier 1 capital ratio of 10.00%, a Tier 1 capital ratio of 10.00%, a Tier 1 leverage ratio of 9.00% and a total capital ratio of 11.50%.

As of March 31, 2026, the Bank's capital ratios remain in excess of the minimums required by the OCC Agreement. Although the Bank's capital ratios are exceeding both standard "well capitalized" levels and the higher minimums set forth in the OCC Agreement, the Bank remains classified as "adequately capitalized" rather than "well capitalized" due to the specific terms of that agreement.

The Company and Bank's regulatory capital amounts and ratios at March 31, 2026 and December 31, 2025 are summarized as follows:

	March 31, 2026				December 31, 2025			
	Patriot National Bancorp, Inc.		Patriot Bank, N.A.		Patriot National Bancorp, Inc.		Patriot Bank, N.A.	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
<i>(Dollar amounts in thousands)</i>								
Total Capital (to risk weighted assets):								
Actual	\$ 128,666	17.06 %	\$ 123,135	16.25 %	\$ 129,587	20.76 %	\$ 120,329	19.25 %
To be Well Capitalized ⁽¹⁾	—	—	75,782	10.00 %	—	—	62,516	10.00 %
For capital adequacy	60,328	8.00 %	60,626	8.00 %	49,934	8.00 %	50,013	8.00 %
OCC Agreement minimum	—	— %	87,149	11.50 %	—	— %	71,894	11.50 %
Tier 1 Capital (to risk weighted assets):								
Actual	112,445	14.91 %	115,261	15.21 %	117,567	18.84 %	116,657	18.66 %
To be Well Capitalized ⁽¹⁾	—	—	60,626	8.00 %	—	—	50,013	8.00 %
For capital adequacy	45,246	6.00 %	45,469	6.00 %	37,450	6.00 %	37,510	6.00 %
OCC Agreement minimum	—	— %	75,782	10.00 %	—	— %	62,516	10.00 %
Common Equity Tier 1 Capital (to risk weighted assets):								
Actual	104,445	13.85 %	115,261	15.21 %	109,567	17.55 %	116,657	18.66 %
To be Well Capitalized ⁽¹⁾	—	—	49,258	6.50 %	—	—	40,636	6.50 %
For capital adequacy	33,935	4.50 %	34,102	4.50 %	28,088	4.50 %	28,132	4.50 %
OCC Agreement minimum	—	— %	75,782	10.00 %	—	— %	62,516	10.00 %
Tier 1 Leverage Capital (to average assets):								
Actual	112,445	9.23 %	115,261	9.45 %	117,567	11.52 %	116,657	11.42 %
To be Well Capitalized ⁽¹⁾	—	—	61,002	5.00 %	—	—	51,097	5.00 %
For capital adequacy	48,742	4.00 %	48,802	4.00 %	40,835	4.00 %	40,878	4.00 %
OCC Agreement minimum	—	— %	109,804	9.00 %	—	— %	91,975	9.00 %

PATRIOT NATIONAL BANCORP, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Unaudited)

⁽¹⁾ Designation as "Well Capitalized" does not apply to bank holding companies - the Company. Such categorization of capital adequacy only applies to insured depository institutions - the Bank. Under the terms of the OCC Agreement, the Bank is not eligible to be "Well Capitalized" while the OCC Agreement continues in effect and is designated as "Adequately Capitalized" regardless of its capital ratios being in excess of the regulatory defined Well Capitalized ratios.

Note 12. Fair Value and Interest Rate Risk

Patriot measures the carrying value of certain financial assets and liabilities at fair value, as required by its policies as a financial institution and by US GAAP. The carrying values of certain assets and liabilities are measured at fair value on a recurring basis, such as available-for-sale securities; while other assets and liabilities are measured at fair value on a non-recurring basis due to external factors requiring management's judgment to estimate potential losses of value resulting in asset impairments or the establishment of valuation reserves. Measuring assets and liabilities at fair value may result in fluctuations to carrying value that have a significant impact on the results of operations or other comprehensive income for the period and period over period.

Following is a detailed summary of the guidance provided by US GAAP regarding the application of fair value measurements and Patriot's application thereof. Additionally, the following information includes detailed summaries of the effects fair value measurements have on the carrying amounts of asset and liabilities presented in the consolidated financial statements.

The objective of fair value measurement is to value an asset that may be sold or a liability that may be transferred at the estimated value which might be obtained in a transaction between unrelated parties under current market conditions. US GAAP establishes a framework for measuring assets and liabilities at fair value, as well as certain financial instruments classified in equity. The framework provides a fair value hierarchy, which prioritizes quoted prices in active markets for identical assets and liabilities and minimizes unobservable inputs, which are inputs for which market data are not available and that are developed by management using the best information available to develop assumptions about the value market participants might place on the asset to be sold or liability to be transferred.

The three levels of the fair value hierarchy consist of:

- Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets that the entity has ability to access at the measurement date (such as active exchange-traded equity securities and certain U.S. and government agency debt securities).
- Level 2 Observable inputs other than quoted prices included in Level 1, such as:
 - Quoted prices for similar assets or liabilities in active markets (such as U.S. agency and government sponsored mortgage-backed securities)
 - Quoted prices for identical or similar assets or liabilities in less active markets (such as certain U.S. and government agency debt securities, and corporate and municipal debt securities that trade infrequently)
 - Other inputs that are observable for substantially the full term of the asset or liability (i.e. interest rates, yield curves, prepayment speeds, default rates, etc.).
- Level 3 Valuation techniques that require unobservable inputs that are supported by little or no market activity and are significant to the fair value measurement of the asset or liability (such as pricing and discounted cash flow models that typically reflect management's estimates of the assumptions a market participant would use in pricing the asset or liability).

A description of the valuation methodologies used for assets and liabilities recorded at fair value, and for estimating fair value for financial and non-financial instruments not recorded at fair value, is set forth below.

Cash and due from banks, restricted cash, and accrued interest receivable and payable

The carrying amount is a reasonable estimate of fair value and accordingly these are classified as Level 1. These financial instruments are not recorded at fair value on a recurring basis.

Available-for-sale securities

The fair value of securities available-for-sale (carried at fair value) are determined by obtaining quoted market prices on nationally recognized securities exchanges (Level 1), or matrix pricing (Level 2), which is a mathematical technique used widely in the industry to value debt securities without relying exclusively on quoted market prices for the specific securities, but rather by

PATRIOT NATIONAL BANCORP, INC. AND SUBSIDIARIES
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relying on the securities' relationship to other benchmark quoted prices, or using unobservable inputs employing various techniques and assumptions (Level 3).

Federal Reserve Bank Stock and Federal Home Loan Bank Stock

Shares in the FRB and FHLB are purchased and redeemed based upon their \$100 par value. The stocks are non-marketable equity securities, and as such, are considered restricted securities that are carried at cost.

Loans

The fair value of loans are estimated by discounting the future cash flows using the rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities. We estimate the fair value of our loan portfolio using an exit price notion. The exit price notion requires determination of the price at which willing market participants would transact at the measurement date under current market conditions depending on facts and circumstances, such as origination rates, credit risk, transaction costs, liquidity, national and regional market trends and other adjustments, utilizing publicly available rates and indices. The application of an exit price notion requires the use of significant judgment.

Loans Held for Sale

The fair value of loans held for sale is estimated by using a market approach that includes prices for loans sold awaiting settlement and other observable inputs. The Company has determined that the inputs used to value the loans held for sale fall within Level 2 of the fair value hierarchy.

Servicing Asset

Servicing assets do not trade in an active, open market with readily observable prices. The Company estimates the fair value of servicing assets using discounted cash flow models incorporating numerous assumptions from the perspective of a market participant including market discount rates and prepayment speeds. Due to the significant unobservable input related to the servicing rights, the servicing asset is classified within Level 3 of the valuation hierarchy.

Retained Beneficial Interest

The Company retained its rights to sold loans under a loss share agreement and did not transfer such rights to the loan purchasers. Accordingly, the Company has continuing involvement in the transferred financial assets. The retained interest is recognized as a separate asset and represents the present value of expected future reimbursements. The fair value of this asset is estimated using a discounted cash flow methodology that incorporates significant unobservable inputs, including expected credit losses, timing of cash flows, and appropriate discount rates. Due to the use of these unobservable inputs, the asset is classified as a Level 3 measurement within the fair value hierarchy in accordance with ASC 820.

The Company evaluates the retained interest on a recurring basis for changes in expected cash flows and records adjustments to fair value as necessary. Changes in the fair value of the retained interest are recognized in earnings in the period in which they occur.

Derivative asset (liability) - Interest Rate Swaps

The Company's derivative assets and liabilities consist of transactions as part of management's strategy to manage interest rate risk. The valuation of interest rate swap agreements does not contain any counterparty risk. The valuation of the Company's interest rate swaps is obtained from a third-party pricing service and is determined using a discounted cash flow analysis on the expected cash flows of each derivative. The pricing analysis is based on observable inputs for the contractual terms of the derivatives, including the period to maturity and interest rate curves. The Company has determined that the inputs used to value its interest rate derivatives fall within Level 2 of the fair value hierarchy. See Note 7 for additional disclosures on derivatives.

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Deposits

The fair value of demand deposits, regular savings and certain money market deposits is the amount payable on demand at the reporting date.

The fair value of certificates of deposit and other time deposits is estimated using a discounted cash flow calculation that applies interest rates currently being offered for deposits of similar remaining maturities, estimated using local market data, to a schedule of aggregated expected maturities on such deposits. Patriot does not record deposits at fair value on a recurring basis.

Subordinated Notes and Junior Subordinated Debt

Patriot does not record subordinated notes at fair value on a recurring basis. The fair value of the subordinated notes was estimated by discounting future cash flows at rates at which similar notes would be made. The carrying value is considered comparable to fair value.

Patriot does not record junior subordinated debt at fair value on a recurring basis. Junior subordinated debt reprices quarterly, as a result, the carrying amount is considered a reasonable estimate of fair value.

The Company considers its own credit worthiness in determining the fair value of its subordinated notes, notes and junior subordinated debt.

Federal Home Loan Bank, Federal Reserve Bank and Correspondent Bank Borrowings

The fair value of FHLB advances, FRB and other correspondent bank borrowings are estimated using a discounted cash flow calculation that applies current interest rates for advances of similar maturity to a schedule of maturities of such advances. Patriot does not record FHLB advances, FRB and other correspondent bank borrowings at fair value on a recurring basis.

Off-balance-sheet financial instruments

Off-balance-sheet financial instruments are based on interest rate changes and fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements and the counterparties' credit standing. The off-balance-sheet financial instruments (i.e., commitments to extend credit) are insignificant and are not recorded on a recurring basis.

PATRIOT NATIONAL BANCORP, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Unaudited)

The following table provides a comparison of the carrying amounts and estimated fair values of Patriot's financial assets and liabilities as of March 31, 2026 and December 31, 2025:

(In thousands)

(In thousands)		March 31, 2026		December 31, 2025	
	Fair Value Hierarchy	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Financial Assets:					
Cash and noninterest bearing balances due from banks	Level 1	\$ 5,187	\$ 5,187	\$ 2,411	\$ 2,411
Interest-bearing deposits due from banks	Level 1	88,226	88,226	183,980	183,980
Restricted cash	Level 1	15,779	15,779	20,736	20,736
Available-for-sale securities	Level 2	231,701	231,701	212,950	212,950
Available-for-sale securities	Level 3	11,603	11,603	11,727	11,727
Federal Reserve Bank stock	Level 2	3,053	3,053	2,961	2,961
Federal Home Loan Bank stock	Level 2	982	982	679	679
Loans receivable, net	Level 3	751,213	737,490	585,723	571,015
Loans held for sale	Level 2	20,154	20,154	24,513	24,513
Servicing assets	Level 3	651	635	660	652
Accrued interest receivable	Level 2	6,272	6,272	4,869	4,869
Retained beneficial interest	Level 3	425	425	518	518
Interest rate swap receivable	Level 2	44	44	39	39
Financial assets, total		\$ 1,135,290	\$ 1,121,551	\$ 1,051,675	\$ 1,037,050
Financial Liabilities:					
Demand deposits	Level 2	\$ 82,332	\$ 82,332	\$ 106,766	\$ 106,766
Negotiable order of withdrawal accounts	Level 2	25,311	25,311	24,281	24,281
Savings deposits	Level 2	105,076	105,076	38,036	38,036
Interest bearing DDA	Level 2	308,020	308,020	172,527	172,527
Money market deposits	Level 2	262,850	262,850	191,177	191,177
Time deposits	Level 2	232,930	232,702	266,256	266,262
Brokered deposits	Level 1	31,907	31,952	150,502	144,556
FHLB, FRB and correspondent bank borrowings	Level 2	10,000	10,000	—	—
Subordinated debt	Level 2	8,295	8,078	8,289	8,102
Junior subordinated debt owed to unconsolidated trust	Level 2	8,160	8,160	8,157	8,157
Accrued interest payable	Level 2	166	166	615	615
Interest rate swap liability	Level 2	44	44	39	39
Financial liabilities, total		\$ 1,075,091	\$ 1,074,691	\$ 966,645	\$ 960,435

The carrying amount of cash and non-interest-bearing balances due from banks, interest-bearing deposits due from banks, and demand deposits approximates fair value, due to the short-term nature and high turnover of these balances. These amounts are included in the table above for informational purposes.

In the normal course of its operations, Patriot assumes interest rate risk (i.e., the risk that general interest rate levels will fluctuate). As a result, the fair value of Patriot's financial assets and liabilities are affected when interest market rates change, which change may be either favorable or unfavorable. Management attempts to mitigate interest rate risk by matching the maturities of its financial assets and liabilities. However, borrowers with fixed rate obligations are less likely to prepay their obligations in a rising interest rate environment and more likely to prepay their obligations in a falling interest rate environment. Conversely, depositors receiving fixed rates are more likely to withdraw funds before maturity in a rising interest rate environment and less likely to do so in a falling interest rate environment. Management monitors market rates of interest and the maturities of its financial assets and financial liabilities, adjusting the terms of new loans and deposits in an attempt to minimize interest rate risk. Additionally, management mitigates its overall interest rate risk through its available funds investment strategy.

PATRIOT NATIONAL BANCORP, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Unaudited)

The following tables detail the financial assets measured at fair value on a recurring basis and the valuation techniques utilized relative to the fair value hierarchy, as of March 31, 2026 and December 31, 2025:

(In thousands)	Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)		Total
March 31, 2026:							
U. S. Government agency and MBS	\$	—	\$	223,056	\$	—	\$ 223,056
Corporate bonds		—		1,746		11,603	13,349
Subordinated notes		—		3,731		—	3,731
SBA loan pools		—		3,168		—	3,168
Municipal bonds		—		—		—	—
Available-for-sale securities	\$	—	\$	231,701	\$	11,603	\$ 243,304
Retained beneficial interest							
	\$	—	\$	—	\$	425	\$ 425
Interest rate swap receivable							
	\$	—	\$	44	\$	—	\$ 44
Interest rate swap liability							
	\$	—	\$	44	\$	—	\$ 44
December 31, 2025:							
U. S. Government agency and MBS	\$	—	\$	204,068	\$	—	\$ 204,068
Corporate bonds		—		1,736		11,727	13,463
Subordinated notes		—		3,752		—	3,752
SBA loan pools		—		3,394		—	3,394
Municipal bonds		—		—		—	—
Available-for-sale securities	\$	—	\$	212,950	\$	11,727	\$ 224,677
Retained beneficial interest							
	\$	—	\$	—	\$	518	\$ 518
Interest rate swap receivable							
	\$	—	\$	39	\$	—	\$ 39
Interest rate swap liability							
	\$	—	\$	39	\$	—	\$ 39

Patriot measures certain financial assets and financial liabilities at fair value on a non-recurring basis. When circumstances dictate (e.g., impairment of long-lived assets, other than temporary impairment of collateral value), the carrying values of such financial assets and financial liabilities are adjusted to fair value or fair value less costs to sell, as may be appropriate.

As of March 31, 2026 and December 31, 2025, four corporate bonds were classified as Level 3 instruments. The fair values of these securities were determined using a present value approach. The discount rate assumed was determined based on unobservable inputs in a pricing model. During the three months ended March 31, 2026 and 2025, the Company had no transfers into or out of Levels 1, 2 or 3.

PATRIOT NATIONAL BANCORP, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Unaudited)

The reconciliation of the beginning and ending balances during the three months ended March 31, 2026 and 2025 for Level 3 available-for-sale securities is as follows:

<i>(In thousands)</i>	Three Months Ended March 31,	
	2026	2025
Level 3 fair value, beginning of period	\$ 11,727	\$ 11,123
Unrealized loss	(124)	(155)
Level 3 fair value, end of period	\$ 11,603	\$ 10,968

The table below presents the valuation methodology and unobservable inputs for level 3 assets measured at fair value on a non-recurring basis as of March 31, 2026 and December 31, 2025:

<i>(In thousands)</i>	Fair Value	Valuation Methodology	Unobservable Inputs	Range of Inputs
March 31, 2026:				
Individually evaluated loans, net	\$ 21,394	Real Estate Appraisals	Discount for appraisal type	8 % - 8%
Servicing assets	635	Discounted Cash Flows	Market discount rates	12.75 % - 12.75%
Retained beneficial interest(a)	425	Discounted Cash Flows	Market discount rates	10 % - 15%
			Loss projections (% exposure)	10 % - 20%
			Claim timing (months)	9 months - 18 months
December 31, 2025:				
Individually evaluated loans, net	\$ 10,394	Real Estate Appraisals	Discount for appraisal type	8 % - 14%
Servicing assets	652	Discounted Cash Flows	Market discount rates	10 % - 15%
Retained beneficial interest(a)	518	Discounted Cash Flows	Market discount rates	10 % - 15%
			Loss projections (% exposure)	10 % - 20%
			Claim timing (months)	9 months - 18 months

(a) Loss projections applied in the discounted cash flow analysis ranged from approximately 10% to 20%, with lower loss assumptions applied to stronger credits and higher loss assumptions applied to loans with elevated credit risk, weighted average of approximately 15%. Claim timing assumptions ranged from approximately 9 to 18 months, with shorter timeframes applied to loans expected to resolve more quickly and longer timeframes applied to loans requiring extended workout or recovery periods, weighted average of approximately 12 months.

Patriot discloses fair value information about financial instruments, whether or not recognized in the consolidated balance sheet, for which it is practicable to estimate that value. Certain financial instruments are excluded from disclosure requirements and, accordingly, the aggregate fair value amounts presented do not necessarily represent the complete underlying value of financial instruments included in the Consolidated Financial Statements.

The estimated fair value amounts have been measured as of March 31, 2026 and December 31, 2025, and have not been reevaluated or updated for purposes of these Consolidated Financial Statements subsequent to those respective dates. As such, the estimated fair values of the financial instruments measured may be different than if they had been subsequently valued.

The information presented should not be interpreted as an estimate of the total fair value of Patriot's assets and liabilities, since only a portion of Patriot's assets and liabilities are required to be measured at fair value for financial reporting purposes. Due to the wide range of valuation techniques and the degree of subjectivity used in making the estimates, comparisons between Patriot's fair value disclosures and those of other bank holding companies may not be meaningful.

PATRIOT NATIONAL BANCORP, INC. AND SUBSIDIARIES
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In the normal course of its operations, Patriot assumes interest rate risk (i.e., the risk that general interest rate levels will fluctuate). As a result, the fair value of Patriot's financial assets and liabilities are affected when interest market rates change, which change may be either favorable or unfavorable. Management attempts to mitigate interest rate risk by matching the maturities of its financial assets and liabilities. However, borrowers with fixed rate obligations are less likely to prepay their obligations in a rising interest rate environment and more likely to prepay their obligations in a falling interest rate environment. Conversely, depositors receiving fixed rates are more likely to withdraw funds before maturity in a rising interest rate environment and less likely to do so in a falling interest rate environment. Management monitors market rates of interest and the maturities of its financial assets and financial liabilities, adjusting the terms of new loans and deposits in an attempt to minimize interest rate risk. Additionally, management mitigates its overall interest rate risk through its available funds investment strategy.

PATRIOT NATIONAL BANCORP, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Unaudited)

Note 13. Leases

We have operating leases for offices, branches, equipment and other items.

In the first quarter of 2026, the Bank opened a leased banking office in Beverly Hills, California that supports relationship development and client coverage in the Los Angeles market.

The variable lease cost primarily represents variable payments such as common area maintenance and utilities, which are included in the occupancy and equipment expenses on the Consolidated Statements of Operations.

<i>(In thousands)</i>	Three Months Ended March 31,	
	2026	2025
Operating lease cost	\$ 141	\$ 108

Supplemental balance sheet information related to our operating lease arrangements is presented below:

<i>(In thousands)</i>	Three Months Ended March 31,	
	2026	2025
Operating Leases:		
Operating lease right-of-use assets	\$ 3,048	\$ 1,134
Operating lease liabilities	\$ 3,117	\$ 1,203
Weighted average remaining lease term	5.6 years	8.0 years
Weighted average discount rate %	3.9 %	3.7 %

The table below presents the supplemental cash flow information related to the leases:

<i>(In thousands)</i>	Three Months Ended March 31,	
	2026	2025
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 142	\$ 99

PATRIOT NATIONAL BANCORP, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Unaudited)

Note 14. Segment Information

The Company's Chief Executive Officer is the designated chief operating decision maker ("CODM"). The Company has one reportable segment, Banking, which reflects the manner in which the CODM reviews financial information and allocates resources.

The CODM evaluates performance and allocates resources on a consolidated basis using information about net interest income, provision for credit losses, non-interest income, non-interest expense, budget-to-actual results, and consolidated net income. Consolidated net income is also used by the CODM for benchmarking the Company's performance against peers and in assessing performance for compensation purposes.

Interest-earning assets within the Banking segment consist primarily of commercial and consumer loans, investment securities, and cash, which generate the substantial majority of interest income. Interest-bearing liabilities consist primarily of deposits, Federal Home Loan Bank and Federal Reserve borrowings, and other borrowings, which generate the substantial majority of interest expense. All of the Company's operations are domestic.

The accounting policies of the Banking segment are the same as those described in the summary of significant accounting policies. Segment assets for the Banking segment are the same as total assets presented in the Consolidated Balance Sheets.

The Company's segment assets represent its total assets as presented in the Consolidated Balance Sheet.

Note 15. Subsequent Events

Patriot evaluated subsequent events through May 15, 2026, the date the accompanying consolidated financial statements were available to be issued and determined that there were no subsequent events requiring recognition or disclosure in the accompanying consolidated financial statements.

Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations

"Safe Harbor" Statement Under Private Securities Litigation Reform Act of 1995

This Quarterly Report on Form 10-Q contains statements that relate to future events and expectations and, as such, constitute forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995. Certain statements, other than purely historical information, including estimates, projections, statements relating to our strategies, outlook, business and financial prospects, business plans, objectives, and expected operating results, and the assumptions upon which those statements are based, are "forward-looking statements." These forward-looking statements generally are identified by the words "believes," "project," "expects," "anticipates," "estimates," "intends," "strategy," "plan," "may," "will," "would," "will be," "will continue," "will likely result," and similar expressions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. Forward-looking statements are not guarantees of future performance. Although Patriot believes that the expectations reflected in any forward-looking statements are based on reasonable assumptions, these expectations may not be attained and it is possible that actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks, uncertainties and changes in circumstances, many of which are beyond Patriot's control.

For a discussion of certain factors that could cause actual results to differ materially from those anticipated in this report, refer to the disclosures in Part I, Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations," Part II, Item 1A, "Risk Factors," of this Quarterly Report on Form 10-Q, and Item 1A, "Risk Factors," in the Company's most recent Annual Report on Form 10-K. Patriot undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by applicable law.

Critical Accounting Policies

The preparation of consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and to disclose contingent assets and liabilities. Actual results could differ from those estimates. Management has identified the accounting for the allowance for credit losses as one of the Company's most critical accounting estimates because it is important to the portrayal of the Company's financial condition and results of operations and requires management to make subjective and complex judgments about matters that are inherently uncertain. See the Company's Annual Report on Form 10-K for the year ended December 31, 2025 for additional information regarding the Company's critical accounting policies and estimates.

SUMMARY OF RESULTS

During the first quarter of 2026, the Company continued to execute its strategic plan, emphasizing balance sheet management, capital and liquidity management, and risk mitigation in response to ongoing regulatory expectations and evolving market conditions. The Company remains subject to the OCC Agreement, which continues to influence its capital, compliance, and operational priorities.

For the three months ended March 31, 2026, the Company reported a net loss of \$1.8 million, or \$(0.02) per basic and diluted share, compared to a net loss of \$2.8 million, or \$(0.21) per share, for the same period in 2025. The improvement in net loss reflects higher net interest income, increased non-interest income, and a reversal of provision for credit losses, partially offset by higher non-interest expenses.

FINANCIAL CONDITION

Total assets increased to \$1.18 billion at March 31, 2026, from \$1.09 billion at December 31, 2025, primarily due to growth in loans receivable and investment securities.

Cash, cash equivalents and restricted cash

Cash, cash equivalents and restricted cash decreased from \$207.1 million at December 31, 2025 to \$109.2 million at March 31, 2026. The decrease was driven primarily by a strategic reallocation of liquidity into higher yielding asset classes, consistent with

the Company's strategic objectives and regulatory capital requirements. For further details, refer to the Consolidated Statements of Cash Flows.

Investment securities

Total investments increased by \$18.6 million, or 8.3%, to \$243.3 million at March 31, 2026, compared to \$224.7 million at December 31, 2025. The investment portfolio continues to be composed primarily of U.S. Government agency and mortgage-backed securities. The net increase was driven principally by \$51.0 million in purchases of available-for-sale securities during 2026, reflecting the Company's ongoing deployment of liquidity into investment securities as part of its balance sheet repositioning strategy. These purchases were partially offset by \$29.1 million in sales proceeds, \$2.0 million in principal paydowns, and a \$2.2 million increase in unrealized losses. During the first quarter of 2026, the Bank recognized a net loss on sales of \$34 thousand, compared to \$4.5 million of sales with no net gain or loss during the same period in 2025.

Loans held for investment

Loans receivable, net, increased to \$751.2 million from \$585.7 million at year-end, driven primarily by \$133.1 million of loan purchases concentrated primarily in residential and commercial real estate.

The following table provides the composition of the Company's loan held for investment portfolio as of March 31, 2026 and December 31, 2025:

(In thousands)

	March 31, 2026		December 31, 2025	
	Amount	%	Amount	%
Loan portfolio:				
Commercial Real Estate	\$ 422,368	55.65 %	346,191	58.42 %
Residential Real Estate	190,334	25.08 %	79,667	13.44 %
Commercial and Industrial	137,254	18.08 %	146,828	24.78 %
Consumer and Other	9,035	1.19 %	19,876	3.35 %
Loans receivable, gross	758,992	100.00 %	592,562	100.00 %
Allowance for credit losses	(7,779)		(6,839)	
Loans receivable, net	\$ 751,213		\$ 585,723	

Commercial real estate remained the largest loan category as of March 31, 2026, comprising 52.2% of total gross loans, compared to 58.4% at December 31, 2025. Residential real estate loans increased to 23.3% of total gross loans from 13.4% at year-end, driven primarily by loan purchases completed during the first quarter of 2026. SBA loans held for investment are included within the commercial real estate and commercial and industrial loan categories. As of March 31, 2026 and December 31, 2025, SBA loans classified as commercial real estate totaled \$9.7 million. SBA loans included in the commercial and industrial loan category totaled \$8.5 million at March 31, 2026, compared to \$8.7 million at December 31, 2025.

As of March 31, 2026, the Company's net loan-to-deposit ratio increased to 71.7% from 60.6% at December 31, 2025, while the net loan-to-total assets ratio increased to 63.8% from 53.8% over the period. These increases are consistent with the Company's balance sheet repositioning strategy.

Commercial Real Estate Loans ("CRE")

The following table provides the composition of the commercial real estate loan portfolio segment as of March 31, 2026 and December 31, 2025:

(In thousands)

	March 31, 2026		December 31, 2025	
	Amount	%	Amount	%
Commercial Real Estate				
CRE owner occupied	\$ 82,921	10 %	\$ 72,883	21 %
CRE multifamily	98,323	13 %	52,502	15 %
CRE office	23,760	5 %	26,347	8 %
CRE retail	38,508	11 %	42,953	12 %
Other CRE non-owner occupied	178,856	61 %	151,505	44 %
Total	\$ 422,368	100 %	\$ 346,191	100 %

The following table provides the commercial real estate loan portfolio segment by geographic concentrations as of March 31, 2026 and December 31, 2025:

(In thousands)

	March 31, 2026		December 31, 2025	
	Amount	%	Amount	%
New York	\$ 170,794	41 %	\$ 166,794	48 %
Connecticut	57,670	15 %	64,395	19 %
New Jersey	21,855	5 %	23,534	7 %
Outside Market (1)	172,050	39 %	91,468	26 %
Total Commercial Real Estate	\$ 422,368	100 %	\$ 346,191	100 %

(1) Outside Market consists of loans in all other states, none of which are greater than 5% of the total.

Commercial real estate and commercial and industrial loans represented approximately 74.3% of total gross loans at March 31, 2026. Accordingly, the Company's credit performance remains significantly influenced by borrower operating performance, collateral values, and economic conditions in the markets and customer segments served by the Bank. For purposes of internal and regulatory CRE concentration monitoring, including under OCC Bulletin 2006-46, owner-occupied CRE loans are excluded from CRE totals and classified as commercial and industrial loans, although owner-occupied CRE loans are included in the CRE portfolio presentation above.

As of March 31, 2026, the Bank's CRE concentration was 292% of Tier 1 capital plus allowance for credit loss, below the Bank's concentration policy limit of 350%. Exceeding this threshold would not, by itself, indicate unsafe or unsound banking practices; however, it subjects the Bank to heightened supervisory expectations for portfolio management, risk assessment, and capital planning. Management maintains portfolio management procedures, underwriting standards, and stress testing practices consistent with these regulatory expectations.

Allowance for Credit Losses ("ACL") on Loans

The Company estimates its ACL under the CECL methodology in ASC 326. The allowance for credit losses was \$7.8 million at March 31, 2026, compared to \$6.8 million at December 31, 2025. Based on management's evaluation of the loan portfolio at March 31, 2026, management believed the ACL of \$7.8 million, or 1.02% of gross loans, was appropriate to absorb expected credit losses in the loan portfolio as of that date. The increase from December 31, 2025 reflected, in part, the initial allowance recorded on loans purchased during the first quarter of 2026 under ASU 2025-08.

Effective January 1, 2026, the Company adopted ASU 2025-08, *Financial Instruments—Credit Losses (Topic 326): Purchased Loans*, on a prospective basis. The adoption did not impact the Company's opening retained earnings. For loans purchased during the first quarter of 2026, the Company recorded an initial allowance for credit losses of \$925 thousand as an adjustment to the amortized cost basis, consistent with the new standard.

The following table summarizes activity in the ACL:

(In thousands)	Three Months Ended March 31,	
	2026	2025
Balance at beginning of the period	\$ 6,839	\$ 7,305
Provision for credit losses	734	756
Net charge-offs	206	(1,332)
Balance at end of the period	<u>\$ 7,779</u>	<u>\$ 6,729</u>
Ratios:		
Net charge-offs to average loans	— %	(0.19)%
Allowance for credit losses to total loans	1.02 %	1.00 %
Allowance for credit losses to nonaccrual loans	34.01 %	22.65 %

The net charge-offs decreased \$1.5 million to \$0.2 million as of March 31, 2026 from \$(1.3) million as of March 31, 2025. Net charge-offs to average loans improved to a nominal net recovery for the three months ended March 31, 2026 from 0.19% for the period ended March 31, 2025. The decrease in net charge-offs in 2026 was primarily due to reductions and repositioning of the portfolio completed in 2025.

Average loans increased by \$18.2 million to \$728.7 million for the three months ended March 31, 2026 from \$710.5 million for the three months ended March 31, 2025. The net increase reflected the Company's repositioning efforts continuing in the first quarter of 2026, including restricted loan growth, portfolio runoff, and efforts to reduce risk and maintain liquidity.

Non-accrual loans

Non-accrual loans were \$22.9 million as of March 31, 2026, compared to \$29.7 million as of March 31, 2025. The ACL-to-non-accrual loans ratio was 34.01% as of March 31, 2026, compared to 22.65% as of March 31, 2025. The Company continues to actively manage and monitor credit risk, particularly in commercial real estate and consumer loan portfolios.

The following table presents non-accrual loans as of the dates indicated:

<i>(In thousands)</i>	March 31,	December 31,
	2026	2025
Non-accruing loans:		
Commercial Real Estate	\$ 11,233	\$ 13,701
Residential Real Estate	596	57
Commercial and Industrial	10,890	10,182
Consumer and Other	150	413
Total non-accruing loans	22,870	24,353
Loans past due over 90 days and still accruing	—	—
Total nonperforming assets	\$ 22,870	\$ 24,353
Nonperforming assets to total assets	1.94 %	2.24 %
Nonperforming loans to total loans, net	3.04 %	4.16 %

Non-accrual loans decreased \$1.5 million, to \$22.3 million at March 31, 2026 from \$24.4 million at December 31, 2025. At March 31, 2026, non-accrual loans were comprised of 71 loans, compared to 151 loans at December 31, 2025. At March 31, 2026, 35 loans were individually evaluated and a specific reserve of \$2.3 million was established, compared to 9 individually evaluated loans and a specific reserve of \$2.1 million at December 31, 2025. The increase in loan count and specific reserves on individually evaluated loans reflects continued enhanced loan-level analysis on certain credits within the portfolio, which resulted in refined reserve estimates for those loans. Individually evaluated loans are measured based on collateral value or discounted expected cash flows, as applicable.

Nonperforming assets to total assets improved to 1.94% at March 31, 2026 from 2.24% at December 31, 2025. Nonperforming loans to total loans, net decreased to 3.04% from 4.16%, primarily due to total loans increasing during the first quarter of 2026.

Loans held for sale

Loans held for sale totaled \$20.1 million at March 31, 2026, compared to \$24.5 million at December 31, 2025. These balances primarily consist of credit card receivables originated for certain digital payments customers and sold shortly after origination to third parties.

Deferred Taxes

As of March 31, 2026 and December 31, 2025 the carrying value of the deferred tax assets (“DTAs”) was zero because a full valuation allowance was maintained against all DTAs. Patriot evaluates the realizability of its deferred tax assets on a quarterly basis, considering all available evidence, both positive and negative, including recent operating results, cumulative earnings or losses, projections of future taxable income, reversal of existing taxable temporary differences, and tax planning strategies.

At March 31, 2026, the Company continued to maintain a full valuation allowance, primarily due to cumulative losses in recent years, which constituted significant negative evidence regarding realizability. Although the Bank returned to profitability at the bank level during 2025, the Company remained unprofitable on a consolidated basis for the three months ended March 31, 2026 and for the year ended December 31, 2025. Based on improved operating performance and current projections, the Company continues to evaluate whether a full valuation allowance will remain appropriate in future periods. If management concludes, based on sufficient positive evidence, that some or all of the valuation allowance is no longer necessary, the release of all or a portion of the valuation allowance could materially affect income tax expense and net income in the period of release.

As of March 31, 2026, Patriot had available approximately \$56.5 million of Federal net operating loss carryforwards (“NOL”), of which approximately \$15.5 million was subject to limitations under Internal Revenue Code §382. These amounts reflect the Company’s existing Section 382 analysis and do not reflect the effect, if any, of ownership changes or additional limitations that may have resulted from the Private Placement or the registered direct offerings completed during 2025, as no updated Section 382 analysis with respect to those transactions had been completed as of the date of these consolidated financial statements. Because the Company maintained a full valuation allowance against its deferred tax assets at March 31, 2026, management does not expect completion of such analysis to materially affect the net deferred tax asset balance reported as of that date, although it could affect the amount and availability of NOL carryforwards for future periods.

For the three months ended March 31, 2026, the Company recorded income tax expense of \$13 thousand.

Deposits

The following table is a summary of the Company's deposits at the dates shown:

(In thousands)	March 31, 2026	December 31, 2025
Non-interest bearing:		
Total non-interest bearing deposits	82,334	106,766
Interest bearing:		
Negotiable order of withdrawal accounts (NOW)	25,311	24,281
Savings	105,076	38,036
Interest bearing DDA	308,020	267,447
Money market	262,850	191,177
Certificates of deposit, \$250,000 or less	165,003	206,915
Certificates of deposit, more than \$250,000	67,926	76,480
Brokered deposits	31,907	54,683
Total interest bearing deposits	966,092	859,020
Total Deposits	\$ 1,048,426	\$ 965,786
Additional deposit metrics		
Deposits associated with digital payments customers	\$ 295,028	\$ 297,702
Total retail branch bank deposits	\$ 341,327	\$ 341,453
Total uninsured deposits	\$ 204,900	\$ 194,254

Total deposits increased to \$1.05 billion, with further reductions in brokered deposits. Brokered deposits decreased \$22.8 million to \$31.9 million at March 31, 2026 from \$54.7 million at December 31, 2025. These changes reflect the Company's ongoing efforts to manage liquidity, reduce certain deposit concentrations, and support its broader balance sheet repositioning.

Borrowings

Total borrowings were \$26.4 million at March 31, 2026, compared to \$16.4 million at December 31, 2025. The increase was primarily attributable to \$10.0 million of short-term Federal Home Loan Bank ("FHLB"), FRB and correspondent bank borrowings outstanding at quarter-end, while subordinated debt and junior subordinated debt remained substantially unchanged at \$8.3 million and \$8.2 million, respectively.

Shareholders' Equity

Equity decreased \$4.5 million to \$90.2 million at March 31, 2026 from \$94.7 million at December 31, 2025. The decrease was primarily driven by the change in unrealized loss on available for sale securities of \$2.2 million and a net loss of \$1.8 million,

Average Balances

The following tables present daily average balance sheets, interest income, interest expense and the corresponding yields earned and rates paid for the three months ended March 31, 2026 and 2025:

(In thousands)

	Three Months Ended March 31,					
	2026			2025		
	Average Balance	Interest	Yield	Average Balance	Interest	Yield
ASSETS						
Interest Earning Assets:						
Loans	\$ 728,652	\$ 10,030	5.58 %	\$ 710,481	\$ 9,980	5.70 %
Investments	242,592	2,954	4.87 %	86,594	575	2.66 %
Cash equivalents and other	193,785	1,740	3.64 %	180,402	1,993	4.48 %
Total interest earning assets	1,165,030	14,724	5.13 %	977,477	12,548	5.21 %
Cash and due from banks	2,898			2,693		
Allowance for credit losses	(6,972)			(10,108)		
OREO	—			2,840		
Other assets	41,770			42,806		
Total Assets	\$ 1,202,726			\$ 1,015,708		
Liabilities						
Interest bearing liabilities:						
Deposits	\$ 981,943	\$ 7,258	3.00 %	\$ 861,878	\$ 7,798	3.67 %
Borrowings	9,456	93	3.98 %	8,933	98	4.45 %
Senior notes	—	—	— %	11,207	322	11.49 %
Subordinated debt	16,449	297	7.32 %	17,782	375	8.55 %
Note Payable	—	—	— %	124	1	3.27 %
Total interest bearing liabilities	1,007,848	7,648	3.08 %	899,924	8,594	3.87 %
Demand deposits	88,576			94,074		
Other liabilities	10,842			9,521		
Total Liabilities	1,107,266			1,003,519		
Shareholders' equity	95,460			12,189		
Total Liabilities and Shareholders' Equity	\$ 1,202,726			\$ 1,015,708		
Net interest income		\$ 7,076			\$ 3,954	
Net interest margin			2.46 %			1.64 %
Net interest spread			2.05 %			1.34 %

The following table presents the change in interest-earning assets and interest-bearing liabilities by major category and the related change in the interest income earned and interest expense incurred thereon attributable to the change in transactional volume in the financial instruments and the rates of interest applicable thereto, comparing the three months ended March 31, 2026 and 2025.

(In thousands)	Three Months Ended March 31,		
	2026 compared to 2025		
	Increase/(Decrease)		
	Volume	Rate	Total
Interest earning assets:			
Loans	\$ 255	\$ (205)	\$ 50
Investments	1,036	1,343	2,379
Cash equivalents and other	148	(401)	(253)
Total interest earning assets	1,439	737	2,176
Interest bearing liabilities:			
Deposit	(1,086)	1,626	540
Borrowings	(6)	11	5
Senior notes	322	—	322
Subordinated debt	28	50	78
Note payable and other	1	—	1
Total interest bearing liabilities	(741)	1,687	946
Increase (decrease) in net interest income	\$ 698	\$ 2,424	\$ 3,122

Results of Operations

For the three months ended March 31, 2026, the Company reported a net loss of \$1.8 million, or \$(0.02) per basic and diluted share, compared to a net loss of \$2.8 million, or \$(0.21) per share, for the same period in 2025. The improvement in net loss reflects higher net interest income, increased non-interest income, and a reversal of provision for credit losses, partially offset by higher non-interest expenses.

Net interest income

Net interest income represents the difference between interest income earned on interest-earning assets and interest expense paid on interest-bearing liabilities. It is affected by the relative levels of interest-earning assets and interest-bearing liabilities, as well as the interest rates earned or paid on these balances.

Net interest income increased to \$7.1 million for the quarter, up from \$4.0 million in the prior year period, driven by higher yields on loans and investment securities, and a reduction in interest expense as deposit costs stabilized.

Interest expense decreased \$1.0 million, or 11.6%, to \$7.6 million for the period ended March 31, 2026, primarily reflecting lower average rates on interest-bearing deposit liabilities and the payoff of senior notes in 2025, which contributed \$322 thousand of the decrease.

Net interest margin increased to 2.46% for the quarter from 1.64% in the first quarter of 2025, reflecting higher earning asset yields and stabilized funding costs. Balance sheet optimization efforts, including the reduction of lower yielding assets and management of deposit costs, supported the margin expansion.

Provision (Credit) for credit losses

The Company recorded a net recovery of \$181 thousand in provision for credit losses for the three months ended March 31, 2026, compared to a \$733 thousand provision for the same period in the prior year. The net recovery in the current-year period reflected improved credit performance and reserve dynamics during the quarter. The increase in the ACL balance at March 31, 2026 from December 31, 2025 also reflected the initial allowance recorded on loans purchased during the first quarter of 2026 under ASU 2025-08; however, consistent with that standard, the initial allowance was recorded as an adjustment to amortized cost basis rather than through provision expense.

Non-interest income

Non-interest income increased to \$3.2 million, primarily due to growth in fee income from digital payments customers, partially offset by lower deposit and loan fee income.

Non-interest expense

Non-interest expense increased to \$12.2 million, reflecting higher salaries and benefits, professional services, and regulatory costs associated with operational and compliance and risk management initiatives.

LIQUIDITY AND CAPITAL RESOURCES

The Company monitors liquidity using, among other measures, on-hand liquidity to total liabilities, and total liquidity to total liabilities. On-hand liquidity is comprised of interest-bearing cash and cash equivalents and unpledged available-for-sale securities. Total liquidity includes on-hand liquidity plus unused borrowing capacity and other available contingent funding sources, including brokered deposit capacity subject to internal limits. The Company also monitors other metrics to manage liquidity and concentration risk in its funding base.

The Company's on-hand liquidity and total liquidity ratios for the year ended March 31, 2026 and December 31, 2025, are as follows:

(In thousands)	March 31, 2026	December 31, 2025
On-hand liquidity		
Interest-bearing cash and cash equivalents	\$ 88,226	\$ 183,980
Available-for-sale securities, at fair value	243,304	224,677
Less: pledged available-for-sale securities	(113,772)	(15,138)
Total on-hand liquidity	217,758	393,519
Borrowing capacity		
FHLB borrowing capacity	166,414	76,003
FRB borrowing capacity	26,360	26,357
Brokered deposit capacity	157,264	144,868
Total borrowing capacity	350,038	247,228
Less: used borrowing capacity		
FHLB capacity used (including the standby letter of credit)	(81,162)	(55,671)
FRB capacity used	—	—
Outstanding brokered deposits	(31,907)	(54,683)
Total used borrowing capacity	(113,069)	(110,354)
Total liquidity	\$ 454,727	\$ 530,393
Total liabilities	\$ 1,086,587	\$ 993,160
On-hand liquidity to total liabilities	20.04 %	39.62 %
Total liquidity to total liabilities	41.85 %	53.40 %

On-hand liquidity decreased by \$175.8 million from December 31, 2025 primarily reflecting the Company's reallocation of cash and cash equivalents to higher yielding assets, including the acquisition and originations of loan receivables, resulting in a net increase of \$165.5 million in the period. The Company also increased the amount of available-for-sale securities pledged to the FHLB during the quarter. Although that pledge reduced on-hand liquidity as defined for this measure, it increased immediately available borrowing capacity from the FHLB and improved the Company's contingent liquidity. On-hand liquidity to total liabilities was 20.0% at quarter-end.

Liquidity represents the Company's ability to meet its financial obligations as they come due, including deposit withdrawals, funding commitments, debt service, and other operating needs. Management believes the Company's liquidity position at March 31, 2026 was sufficient to meet expected funding needs and reasonably anticipated deposit fluctuations.

Net cash used in operating activities for the three months ended March 31, 2026 was \$2.9 million, representing an improvement of \$2.9 million compared to \$5.8 million used in the same period of 2025, primarily due to a lower net loss and more favorable working capital movements.

Net cash used in investing activities was \$186.2 million, compared to \$34.3 million provided by investing activities in the prior-year period. The primary drivers for the period-over-period change is the \$165.5 million in net new loan investments in residential and commercial real estate and the net purchase amount of available for sale securities of \$51 million.

Net cash provided by financing activities was \$91.1 million from \$54.9 million used in the prior-year period. Total deposits increased by \$82.6 million and The Company drew \$10.0 million in FHLB advances to manage short-term liquidity, with no new long-term debt issued during the quarter.

As a result of the foregoing, cash, cash equivalents and restricted cash decreased \$97.9 million during 2026, compared to an decrease of \$26.4 million for the same period in 2025. The decrease in cash and equivalents during the quarter primarily reflects the Company's strategic redeployment of liquidity into higher-yielding loans and securities, as well as the normalization of deposit flows and funding sources.

REGULATORY CAPITAL REQUIREMENTS

As of March 31, 2026, the Bank's regulatory capital ratios remained in excess of the minimum levels required under the OCC Agreement. Although the Bank's capital ratios exceeded both the standard "well capitalized" thresholds and the higher minimums established by the OCC Agreement, the Bank remained classified as "adequately capitalized" rather than "well capitalized" due to the terms of the OCC Agreement. At March 31, 2026, the Bank's total risk-based capital ratio was 16.25%, its Tier 1 risk-based capital ratio was 15.21%, its common equity Tier 1 capital ratio was 15.21%, and its Tier 1 leverage ratio was 9.45%. See Note 11 to the consolidated financial statements for additional information regarding the Company's and the Bank's regulatory capital amounts and ratios.

Item 3: Quantitative and Qualitative Disclosures about Market Risk

Market risk is the risk of loss from adverse changes in market prices and rates. The Bank's market risk is primarily limited to interest rate risk, which is the risk that changes in interest rates may adversely affect net interest income, capital, and the economic value of assets and liabilities.

The Bank seeks to manage interest rate risk while maintaining appropriate earnings performance and liquidity. Interest rate risk arises from differences in the timing of the repricing or maturity of assets and liabilities, the effect of embedded options, and changes in funding mix. In managing this risk, the Bank considers asset and liability structure, loan and investment repricing characteristics, deposit behavior, and wholesale funding sources.

Interest rate risk is monitored by Management's Asset and Liability Committee, which consists of senior management personnel. At the Board level, interest rate risk and related balance sheet exposures are reviewed through the Enterprise Risk Committee, which receives periodic reporting on interest rate risk, liquidity, and investment activities.

Management evaluates interest rate risk using net interest income simulation and net portfolio value analysis, each of which is prepared on a quarterly basis. These models estimate the effect of instantaneous changes in interest rates under a range of rate scenarios. The analyses incorporate assumptions regarding asset and liability repricing, prepayments, deposit behavior, and changes in spreads between market rates. Because these analyses are based on assumptions and estimates, actual results may differ materially from those reflected in the model outputs.

The tables below present estimated changes in net portfolio value and net interest income under selected instantaneous interest rate shock scenarios at March 31, 2026 and December 31, 2025.

(In thousands)	Net Portfolio Value - Performance Summary						
	As of March 31, 2026				As of December 31, 2025		
	Projected Interest Rate Scenario	Estimated Value	Change from Base (\$)	Change from Base (%)	Estimated Value	Change from Base (\$)	Change from Base (%)
	+200	\$ 120,170	\$ (29,112)	(19.50)%	\$ 118,478	\$ (25,935)	(17.96)%
	+100	136,866	(12,416)	(8.32)%	132,666	(11,747)	(8.13)%
	BASE	149,282	—	—	144,413	—	—
	-100	158,357	9,075	6.08 %	156,122	11,709	8.11 %
	-200	166,318	17,036	11.41 %	163,243	18,830	13.04 %

Net Interest Income - Performance Summary						
Projected Interest Rate Scenario	March 31, 2026			December 31, 2025		
	Estimated Value	Change from Base (\$)	Change from Base (%)	Estimated Value	Change from Base (\$)	Change from Base (%)
+200	\$ 29,912	\$ (3,660)	(10.90)%	\$ 24,099	\$ (2,580)	(9.67)%
+100	31,976	(1,596)	(4.80)%	25,470	(1,209)	(4.53)%
BASE	33,572	—	—	26,679	—	—
-100	35,248	1,676	5.00 %	28,374	1,695	6.35 %
-200	37,404	3,632	11.40 %	29,634	2,955	11.08 %

These measures are analytical tools used by management to assess interest rate risk exposure at a point in time and should not be viewed as forecasts. The results are subject to limitations, including the use of assumptions regarding balance sheet composition, pricing behavior, and customer response to changes in interest rates.

Impact of Inflation and Changing Prices

The Company's financial statements have been prepared in terms of historical dollars, without considering changes in relative purchasing power of money over time due to inflation. Because virtually all of the assets and liabilities of a financial institution are monetary in nature, interest rates generally have a more significant effect on the Bank's performance than the effect of general inflation. However, inflation may affect customer repayment capacity, funding costs, operating expenses, and the value of loan collateral, including real estate, and therefore could affect the Company's results of operations in future periods.

Item 4: Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of March 31, 2026, the Company carried out an evaluation, under the supervision and with the participation of its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were not effective as of March 31, 2026 because of the material weakness in internal control over financial reporting previously disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2025.

Internal Control Remediation Activities

As previously disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2025, management concluded that a material weakness existed in the Company's internal control over financial reporting related to deficiencies in documentation, evidential support, and consistent execution of controls, including information technology general controls, financial close and reconciliation controls, and controls over certain third party and digital payments activities.

During the quarter ended March 31, 2026, management continued to implement remediation measures designed to address the material weakness, including formalizing additional documentation protocols, enhancing evidence retention and monitoring, refining financial close and reconciliation review procedures, continuing implementation of information technology general control enhancements, and further clarifying control responsibilities and oversight. Many of these remediation measures remain in process, and the Company will not consider the material weakness remediated until the applicable remediated controls have operated effectively for a sufficient period of time and management has completed testing sufficient to conclude that the material weakness has been remediated.

Changes in Internal Control Over Financial Reporting

During the quarter ended March 31, 2026, the Company continued to implement remediation measures related to the previously disclosed material weakness, including enhancements to documentation, evidencing, monitoring, financial close and reconciliation procedures, information technology general controls, and controls over certain third party and digital payments activities. Other than such remediation measures, there were no changes in the Company's internal control over financial

reporting during the quarter ended March 31, 2026 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1: Legal Proceedings

Patriot is from time to time a party to legal proceedings arising in the ordinary course of business. Management believes that the ultimate disposition of all pending legal matters will not have a material adverse effect on the consolidated financial condition, results of operations, or liquidity of Patriot, however litigation is inherently uncertain and the outcome of such matters cannot be predicted with certainty.

On May 7, 2026, First-Citizens Bank & Trust Company d/b/a Silicon Valley Bank filed a complaint against Patriot Bank, N.A. in the United States District Court for the Southern District of New York (Case No. 1:26-cv-3810), alleging breach of contract and tortious interference with contract, and seeking declaratory and injunctive relief in connection with a credit card receivables program for which Patriot served as originating bank. Patriot believes the complaint is without merit and intends to defend the action vigorously.

Item 1A: Risk Factors

The following risk factor supplements the risk factors previously disclosed in Patriot's Annual Report on Form 10-K for the year ended December 31, 2025. There have been no other material changes to the risk factors disclosed therein.

Patriot's role as issuing bank under third-party credit and charge card programs exposes it to credit, counterparty, reputational, liquidity, regulatory, litigation, and other risks.

Patriot originates receivables under certain third-party credit and charge card programs that are expected to be purchased shortly after origination by the applicable program manager or other third parties. If those purchases are not completed as expected, or if a program manager or other counterparty becomes financially distressed, insolvent, or otherwise fails to perform its obligations, Patriot may face operational disruption, disputes with program participants and their financial partners, reputational harm, regulatory or supervisory scrutiny, increased costs, and litigation. Any such events could adversely affect Patriot's financial condition, results of operations, or liquidity.

Item 5: Other Information

None.

ITEM 6: Exhibits

The exhibits marked with the section symbol (#) are interactive data files.

No.	Description
3.1	Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on July 9, 2025)
3.2	Amended and Restated By-Laws (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on May 19, 2025)
31(1)	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer
31(2)	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer
32*	Section 1350 Certifications
101.INS#	Inline XBRL Instance Document
101.SCH#	Inline XBRL Schema Document
101.CAL#	Inline XBRL Calculation Linkbase Document
101.LAB#	Inline XBRL Labels Linkbase Document
101.PRE#	Inline XBRL Presentation Linkbase Document
101.DEF#	Inline XBRL Definition Linkbase Document
104	Cover Page Interactive Data File (embedded with the Inline XBRL and contained in Exhibit 101)

The exhibits marked with the section symbol (#) are interactive data files.

* The certification is being furnished and shall not be deemed filed.

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, the registrant has caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 15, 2026

Patriot National Bancorp, Inc. (Registrant)

By: /s/ Carlos P. Salas

Carlos P. Salas

Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

By: /s/ Steven Sugarman

Steven Sugarman

President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31 (1)

CERTIFICATION

BY CHIEF EXECUTIVE OFFICER

PURSUANT TO RULE 13A-14

I, Steven Sugarman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Patriot National Bancorp, Inc;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
 5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
-

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Steven Sugarman

Steven Sugarman

President and Chief Executive Officer

May 15, 2026

EXHIBIT 31 (2)

CERTIFICATION

**BY PRINCIPAL FINANCIAL OFFICER
PURSUANT TO RULE 13A-14**

I, Carlos P. Salas, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Patriot National Bancorp, Inc;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
 4. The registrant's other certifying officer and I, are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
 5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.
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/s/ Carlos P. Salas

Carlos P. Salas

Executive Vice President and Chief Financial Officer

(Principal Financial Officer)

May 15, 2026

EXHIBIT 32

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Patriot National Bancorp, Inc. (the “*Company*”) on Form 10-Q for the period ended March 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the “*Report*”), we, Steven Sugarman and Carlos P. Salas, the Chief Executive Officer and the Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Steven Sugarman

Steven Sugarman

President and Chief Executive Officer

/s/ Carlos P. Salas

Carlos P. Salas

Executive Vice President and Chief Financial Officer

May 15, 2026

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished to the Securities and Exchange Commission and shall not be considered filed as part of the Report.