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Item 1. Consolidated Financial Statements

3

2

PART I - FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

PATRIOT NATIONAL BANCORP, INC
 CONSOLIDATED BALANCE SHEETS

	June 30, 2002	Dec

	(Unaudited)	
ASSETS		
Cash and due from banks	\$ 10,960,941	\$
Federal funds sold	7,500,000	1
Short term investments	2,786,500	
	-----	---
Cash and cash equivalents	21,247,441	2
Available for sale securities (at fair value)	57,560,390	3
Federal Reserve Bank stock	481,050	
Federal Home Loan Bank stock	621,300	
Loans receivable (net of allowance for loan losses: 2002 \$2,062,454; 2001 \$1,894,454)	137,953,798	13
Accrued interest receivable	1,144,823	
Premises and equipment, net	945,157	
Deferred tax asset, net	618,774	
Goodwill	930,091	
Other assets	285,223	
	-----	---
Total assets	\$221,788,047	\$20
	=====	===
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Deposits:		
Noninterest bearing deposits	\$ 18,450,586	\$ 1
Interest bearing deposits	174,040,298	16
	-----	---
Total deposits	192,490,884	18
Securities sold under agreements to repurchase	5,700,000	
Federal Home Loan Bank borrowings	4,000,000	
Capital lease obligation	306,097	
Collateralized borrowings	399,444	
Accrued expenses and other liabilities	1,010,504	
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Total liabilities	203,906,929	18

Shareholders' equity		
Common stock, \$2 par value: 5,333,333 shares authorized; 2,400,525 shares issued and outstanding	4,801,050	
Additional paid-in capital	11,484,649	1
Retained earnings	1,242,678	
Accumulated other comprehensive income - net unrealized gain on available for sale securities, net of tax	352,741	

Total shareholders' equity	17,881,118	1

Total liabilities and shareholders' equity	\$221,788,047	\$20
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See accompanying notes to consolidated financial statements.

3

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

	Three Months Ended June 30,		Six
	2002	2001	2002
	-----	-----	-----
Interest and Dividend Income			
Interest and fees on loans	\$ 2,438,451	\$ 2,826,483	\$ 4,823,
Interest and dividends on investment securities	468,547	545,250	974,
Interest on federal funds sold	39,852	84,471	81,
-----			-----
Total interest and dividend income	2,946,850	3,456,204	5,879,
-----			-----
Interest Expense			
Interest on deposits	1,081,217	1,685,381	2,228,
Interest on other borrowings	39,934	--	40,
Interest on capital lease obligation	11,132	14,925	23,
Interest on collateralized borrowings	5,454	9,463	11,
-----			-----
Total interest expense	1,137,737	1,709,769	2,303,
-----			-----
Net interest income	1,809,113	1,746,435	3,575,
Provision for Loan Losses	84,000	58,500	158,
-----			-----
Net interest income after provision for loan losses	1,725,113	1,687,935	3,417,
-----			-----
Non-Interest Income			
Mortgage brokerage referral fees	671,229	764,009	1,327,
Loan processing fees	122,257	137,936	247,
Fees and service charges	70,949	61,707	143,
Gains and origination fees from loans sold	249,365	24,510	249,
Loss on impaired investment security	--	(117,678)	--

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Loss on sale of investment securities	--	--	(31,
Other income	18,965	2,155	40,
	-----	-----	-----
Total non-interest income	1,132,765	872,639	1,976,
7Non-Interest Expenses			
Salaries and benefits	1,502,206	1,344,595	2,910,
Occupancy and equipment expenses, net	242,816	232,482	504,
Data processing and other outside services	143,246	160,492	313,
Professional services	105,790	85,498	176,
Advertising and promotional expenses	98,442	70,078	155,
Forms, printing and supplies	41,925	39,090	78,
Regulatory assessments	24,324	22,889	48,
Directors' fees and expenses	50,900	17,000	75,
Other operating expenses	197,511	259,554	369,
	-----	-----	-----
Total non-interest expenses	2,407,160	2,231,678	4,633,
	-----	-----	-----
Income before income taxes	450,718	328,896	760,
	-----	-----	-----
Provision for Income Taxes	163,000	120,751	274,
	-----	-----	-----
Net income	\$ 287,718	\$ 208,145	\$ 486,
	=====	=====	=====
Basic income per share	\$ 0.120	\$ 0.090	\$ 0.
	=====	=====	=====
Diluted income per share	\$ 0.120	\$ 0.090	\$ 0.
	=====	=====	=====
Dividends per share	\$ 0.025	\$ 0.020	\$ 0.
	=====	=====	=====

See accompanying notes to consolidated financial statements

4

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

	Three Months Ended		Six
	June 30,		2002
	2002	2001	2002
	-----	-----	-----
Net income	\$ 287,718	\$ 208,145	\$ 486,
Unrealized holding gains (losses) on securities:			
Unrealized holding gains (losses) arising			
during the period, net of taxes	249,073	(37,503)	96,
	-----	-----	-----
Comprehensive income	\$ 536,791	\$ 170,642	\$ 583,
	=====	=====	=====

See accompanying notes to consolidated financial statements.

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

	Six Months En June 30, 2002	

Cash Flows from Operating Activities		
Net income	\$ 486,500	\$
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization and accretion of investment premiums and discounts, net	(9,737)	
Originations of loans held for sale	(208,000)	
Proceeds from sales of loans held for sale	208,000	
Gain on sale of loans	(249,365)	
Provision for loan losses	158,000	
Loss on impaired investment security	--	
Loss on sale of investment securities	31,275	
Depreciation and amortization	213,885	
Changes in assets and liabilities:		
Increase in deferred loan fees	164,343	
(Increase) decrease in accrued interest receivable	(65,373)	
Increase in other assets	(19,757)	
(Decrease) increase in accrued expenses and other liabilities ..	(61,722)	

Net cash provided by operating activities	648,049	

Cash Flows from Investing Activities		
Purchases of available for sale securities	(37,015,836)	
Proceeds from sales of available for sale securities	10,369,844	
Principal repayments on available for sale securities	2,922,141	
Proceeds from maturities of available for sale securities	1,000,000	
Proceeds from maturities of held to maturity securities	--	
Purchase of Federal Reserve Bank Stock	--	
Purchase of Federal Home Loan Bank Stock	(3,400)	
Net increase in loans	(3,896,104)	
Proceeds from sale of loan receivable	1,549,365	
Purchases of bank premises and equipment	(56,614)	

Net cash used in investing activities	(25,130,604)	

Cash Flows from Financing Activities		
Net increase in demand, savings and money market deposits	13,434,970	
Net decrease in time certificates of deposits	(4,208,025)	
Increase in FHLB borrowings	4,000,000	
Increase in securities sold under agreements to repurchase	5,700,000	
Principal payments on capital lease obligation	(58,739)	
Decrease in collateralized borrowings	(75,000)	
Dividends paid on common stock	(96,021)	
Proceeds from issuance of common stock	--	

Net cash provided by financing activities	18,697,185	

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Net decrease in cash and cash equivalents	(5,785,370)
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6

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

		Six Months En June 30, 2002
Cash and cash equivalents		
Beginning	27,032,811	
Ending	\$ 21,247,441	
	=====	
Supplemental Disclosures of Cash Flow Information		
Cash paid for:		
Interest	\$ 2,317,295	\$
	=====	
Income Taxes	\$ 347,146	\$
	=====	
Supplemental disclosure of noncash investing and financing activities:		
Transfer of held to maturity securities to available for sale securities	\$ --	\$
	=====	
Unrealized holding gain on available for sale securities arising during the period	\$ 140,147	\$
	=====	
Dividends declared on common stock	\$ 60,013	\$
	=====	

See accompanying notes to consolidated financial statements.

7

Notes to Consolidated Financial Statements

- (1) The Consolidated Balance Sheet at December 31, 2001 has been derived from the audited financial statements of Patriot National Bancorp, Inc. ("Bancorp") at that date, but does not include all of the information and footnotes required by accounting principles generally accepted in the

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United States of America for complete financial statements.

- (2) The accompanying unaudited financial statements and related notes have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. 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 have been omitted. The accompanying consolidated financial statements and related notes should be read in conjunction with the audited financial statements of Bancorp and notes thereto for the year ended December 31, 2001.

The information furnished reflects, in the opinion of management, all adjustments, consisting of normal recurring accruals, necessary for a fair presentation of the results of the interim periods presented. The results of operations for the three and six months ended June 30, 2002 are not necessarily indicative of the results of operations that may be expected for all of 2002.

- (3) Bancorp is required to present basic income per share and diluted income per share in its income statements. Basic income per share amounts are computed by dividing net income by the weighted average number of common shares outstanding. Diluted income per share assumes exercise of all potential common stock in weighted average shares outstanding, unless the effect is antidilutive. Bancorp is also required to provide a reconciliation of the numerator and denominator used in the computation of both basic and diluted income per share. The following is information about the computation of income per share for the three and six months ended June 30, 2002 and 2001.

Quarter ended June 30, 2002

	Net Income	Shares	Amount
Basic Income Per Share			
Income available to common shareholders	\$ 287,718	2,400,525	\$ 0.12
Effect of Dilutive Securities			
Warrants/Stock Options outstanding	-	25,398	-
Diluted Income Per Share			
Income available to common shareholders plus assumed conversions	\$ 287,718	2,425,923	\$ 0.12

8

Quarter ended June 30, 2001

	Net Income	Shares	Amount
Basic Income Per Share			
Income available to common shareholders	\$ 208,145	2,400,525	\$ 0.09
Effect of Dilutive Securities			
Warrants/Stock Options outstanding	-	24,621	-
Diluted Income Per Share			
Income available to common shareholders plus assumed conversions	\$ 208,145	2,425,146	0.09

Six months ended June 30, 2002

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	Net Income	Shares	Amount

Basic Income Per Share			
Income available to common shareholders	\$ 486,500	2,400,525	\$ 0.20
Effect of Dilutive Securities			
Warrants/Stock Options outstanding	-	25,114	-

Diluted Income Per Share			
Income available to common shareholders plus assumed conversions	\$ 486,500	2,425,639	\$ 0.20
=====			
Six months ended June 30, 2001			
	Net Income	Shares	Amount

Basic Income Per Share			
Income available to common shareholders	\$ 515,722	2,400,450	\$ 0.21
Effect of Dilutive Securities			
Warrants/Stock Options outstanding	-	27,112	-

Diluted Income Per Share			
Income available to common shareholders plus assumed conversions	\$ 515,722	2,427,562	\$ 0.21
=====			

- (4) Bancorp has two reportable segments, the commercial bank and the mortgage broker. The commercial bank provides its commercial customers with products such as commercial mortgage and construction loans, working capital loans, equipment loans and other business financing arrangements, and provides its consumer customers with residential mortgage loans, home equity loans and other consumer installment loans. The commercial bank segment also attracts deposits from both consumer and commercial customers, and invests such deposits in loans, investments and working capital. The commercial bank's revenues are generated primarily from net interest income from its lending, investment and deposit activities.

The mortgage broker solicits and processes conventional mortgage loan applications from consumers on behalf of permanent investors and originates loans for sale. Revenues are generated from loan brokerage and application processing fees received from permanent investors and gains and origination fees from loans sold.

9

Information about reportable segments and a reconciliation of such information to the consolidated financial statements for the three and six months ended June 30, 2002 and 2001 is as follows (in thousands):

Quarter ended June 30, 2002

	Bank	Mortgage Broker	Consolidated Totals

Net interest income	\$ 1,809	\$ --	\$ 1,809
Non-interest income	317	816	1,133
Non-interest expense	1,774	633	2,407
Provision for loan losses	84	--	84

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Income before taxes	268	183	451
Assets	220,791	997	221,788

Quarter ended June 30, 2001

	Bank	Mortgage Broker	Consolidated Totals

Net interest income	\$ 1,746	\$ --	\$ 1,746
Non-interest income	(74)	947	873
Non-interest expense	1,553	679	2,232
Provision for loan losses	58	--	58
Income before taxes	61	268	329
Assets	182,576	1,152	183,728

Six months ended June 30, 2002

	Bank	Mortgage Broker	Consolidated Totals

Net interest income	\$ 3,576	\$ --	\$ 3,576
Non-interest income	357	1,620	1,977
Non-interest expense	3,364	1,270	4,634
Provision for loan losses	158	--	158
Income before taxes	411	350	761
Assets	220,791	997	221,788

Six months ended June 30, 2001

	Bank	Mortgage Broker	Consolidated Totals

Net interest income	\$ 3,494	\$ --	\$ 3,494
Non-interest income	11	1,559	1,570
Non-interest expense	2,922	1,210	4,132
Provision for loan losses	102	--	102
Income before taxes	481	349	830
Assets	182,576	1,152	183,728

- (5) Certain 2001 amounts have been reclassified to conform with the 2002 presentation. Such reclassifications had no effect on net income.

10

- (6) In June 2001, the Financial Accounting Standards Board issued SFAS No. 142 "Goodwill and Other Intangible Assets." SFAS No. 142 no longer permits the amortization of goodwill and indefinite-lived intangible assets. Instead, these assets must be reviewed annually (or more frequently under prescribed conditions) for impairment in accordance with this statement. This impairment test uses a fair value approach rather than the undiscounted cash flows approach previously required by SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of." The goodwill impairment test under SFAS No. 142 requires a two-step approach, which is performed at the reporting unit level, as defined in SFAS No. 142. Step one identifies

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potential impairments by comparing the fair value of the reporting unit to its carrying amount. Step two, which is only performed if there is a potential impairment, compares the carrying amount of the reporting unit's goodwill to its implied value, as defined in SFAS No. 142. If the carrying amount of the reporting unit's goodwill exceeds the implied value of that goodwill, an impairment loss is recognized in an amount equal to that excess.

Bancorp adopted the provisions of SFAS No. 142 effective January 1, 2002 and, as a result, goodwill is no longer amortized, and is evaluated for impairment under SFAS No. 142. Based on Bancorp's initial goodwill impairment test, no impairment losses have been recognized related to goodwill upon the adoption of SFAS No. 142. Bancorp will perform the required annual impairment reviews as of October 31 of each year. In addition, the following represents the effect of adopting SFAS No. 142 on Bancorp's net income and earnings per share for all periods presented.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2001	2002	2001
Reported net income	\$ 287,718	\$ 208,145	\$ 486,500	\$ 515,722
Add goodwill amortization....	--	31,003	--	61,930
Adjusted net income	<u>\$ 287,718</u>	<u>\$ 239,148</u>	<u>\$ 486,500</u>	<u>\$ 577,652</u>
Basic earnings per share				
Reported net income	\$ 0.12	\$ 0.09	\$ 0.20	\$ 0.21
Goodwill amortization	--	0.01	--	0.03
Adjusted net income	<u>\$ 0.12</u>	<u>\$ 0.10</u>	<u>\$ 0.20</u>	<u>\$ 0.24</u>
Diluted earnings per share				
Reported net income	\$ 0.12	\$ 0.09	\$ 0.20	\$ 0.21
Goodwill amortization	--	0.01	--	0.03
Adjusted net income	<u>\$ 0.12</u>	<u>\$ 0.10</u>	<u>\$ 0.20</u>	<u>\$ 0.24</u>

11

- (7) Other comprehensive income which is comprised solely of the change in unrealized gains and losses on available for sale securities is as follows:

	Three Months Ended June 30, 2002			Six Months Ended June 30, 2002	
	Before Tax	Tax	Net of Tax	Before Tax	Tax

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	Amount	Effect	Amount	Amount	Effect
Unrealized holding gain arising during the period	\$ 395,375	\$ (146,302)	\$ 249,073	\$ 108,872	\$ (33,810)
Reclassification adjustment for losses recognized in income..	--	--	--	31,275	(9,711)
Unrealized holding gain on available for sale securities, net of taxes	\$ 395,375	\$ (146,302)	\$ 249,073	\$ 140,147	\$ (43,521)

	Three Months Ended June 30, 2002			Six Months Ended June 30, 2002	
	Before Tax Amount	Tax Effect	Net of Tax Amount	Before Tax Amount	Tax Effect
Unrealized holding loss arising during the period	\$ (334,614)	\$ 134,725	\$ (199,889)	\$ (119,617)	\$ 48,142
Adjustment for unrealized losses of held to maturity securities transferred to available for sale securities ...	154,147	(62,061)	92,086	154,147	(62,039)
Reclassification adjustment for losses recognized in income	117,679	(47,379)	70,300	117,679	(47,362)
Unrealized holding (loss) gain on available for sale securities, net of taxes	\$ (62,788)	\$ 25,285	\$ (37,503)	\$ 152,209	\$ (61,259)

(8) During the six months ended June 30, 2002 the Bank entered into the following borrowing transactions:

Amount	Rate	Maturity
Securities sold under agreements to repurchase:		
\$2,900,000	1.92%	08/23/2002
\$2,800,000	2.69%	05/23/2003
Federal Home Loan Bank Advances:		
\$2,000,000	4.48%	05/13/2005
\$2,000,000	5.11%	05/14/2004

SIGNATURES

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

PATRIOT NATIONAL BANCORP, INC.
(Registrant)

By: /s/ Robert F. O'Connell

Robert F. O'Connell,
Senior Executive Vice President
Chief Financial Officer

(On behalf of the registrant and as
chief financial officer)

August 15, 2002