



Patriot Bank President and CEO Steven Sugarman in his bank's Stamford boardroom. (HBJ Photo) | Steve Laschever

New Direction

Long-troubled CT bank, under new CEO, pivots from community model to wealthy clients, fintech payments

By Michael Juliano
mjuliano@hartfordbusiness.com

After recapitalizing Patriot Bank and overhauling much of its leadership team, **President and CEO Steven Sugarman** is pursuing a more fundamental change: reshaping the Stamford-based institution into a lender and payments bank focused on wealthy clients, family offices and financial technology firms — a sharp departure from the traditional community banking model that long defined the company.

"Patriot's a new bank," Sugarman said in a recent interview at the company's Stamford headquarters. "It's new in terms of its capital, it's new in terms of its team, it's new in terms of its strategy, it's new in terms of its technology."

The shift follows a turbulent stretch for Patriot National Bancorp, the publicly traded parent of Patriot Bank, which has \$951.6 million in assets and eight branches, primarily in Fairfield County, plus one in New York.

STEVEN SUGARMAN

Chairman, President & CEO
Patriot Bank
(Patriot National Bancorp)

Education: Bachelor's degree from Dartmouth College; law degree from Yale Law School
Age: 51

The bank reported losses in 2023 and 2024, replaced much of its senior leadership and completed a major capital raise in 2025. It also entered into an agreement with the Office of the Comptroller of the Currency (OCC) to submit a strategic plan aimed at improving its financial condition.

Sugarman said the recent changes — which began last year and continue to take shape in 2026 — have stabilized Patriot's balance sheet and allowed leadership to rethink the institution's role in a market dominated by larger regional and national banks.

Financial services background

Patriot Bank's overhaul follows years of financial and regulatory challenges. The OCC has designated the bank as being in "troubled condition" twice since 2018, most recently in early 2025.

There have been various efforts to reposition the company during that period. In 2022, Patriot National had an agreement to merge with financial technology firm American Challenger Development Corp., but the deal collapsed after both sides said they were unable to meet closing conditions.

Since then, the bank has explored other strategic options while working to stabilize operations.

Sugarman joined Patriot as president in late 2024. In early 2025, the company raised \$50 million in a private placement co-led by Sugarman and affiliates of FlyHouse Management LLC. Sugarman said he personally invested \$7 million in the deal. He was named CEO in April 2025 and added the title of board chairman in October.

Patriot Bank said it raised \$100 million in equity overall in 2025.

Sugarman has had a long career in financial services, including early roles at McKinsey & Co. and Lehman Brothers. He is the founder and CEO of The Change Company CDFI and previously led the recapitalization of COR Securities Holdings, a securities clearing firm that was later sold.

Sugarman also founded Banc of California, a commercial lender that grew into a publicly traded institution. He served in several leadership roles there, including CEO and board chair.

Sugarman left Banc of California in 2017 amid an SEC probe involving the company. He was not accused of wrongdoing and said he departed after disagreements with the board over the bank's direction.

Sugarman said Patriot Bank's repositioning reflects broader shifts in the industry following the failures of First Republic Bank, Signature Bank and Silicon Valley Bank — collapses he believes left a gap in services for entrepreneurs and family offices.

He also cited his experience at Banc of California as shaping his approach to Patriot's turnaround. He said a leadership team there — which included several current Patriot executives — grew assets from under \$2 billion to more than \$11 billion in less than five years.

Founders Club

For decades, Patriot operated largely as a conventional community bank, competing for retail deposits and consumer and commercial loans. Sugarman said that approach left the institution mismatched with the needs of many of its customers, particularly entrepreneurs, investors and business owners.

In many cases, he said, deposit customers weren't seeking loans, while borrowers kept their primary banking relationships elsewhere.

The bank is now targeting individuals and businesses that drive job creation and investment.

Instead of emphasizing mass-market retail and commercial banking, Patriot is concentrating on high-net-worth individuals, family offices and institutional clients. The bank has restructured its deposit strategy around those groups, introducing a concierge-style banking model and a relationship-based Founders Club program that offers preferred pricing and services to larger clients.

Founders Club deposit accounts average more than \$1 million, Sugarman said. Each concierge banker works with roughly two dozen clients, compared with the hundreds or thousands of customers a typical branch manager might oversee.

The model, he said, allows for more direct access and faster decision-making for clients with complex financial needs, from large credit facilities to specialized treasury services.

The shift also changes how the bank lends. Patriot has moved

away from legacy consumer and small-business loan programs and instead launched three lending lines focused on commercial real estate, high-net-worth credit lines and asset-backed rediscount loans — short-term loans secured by existing financial assets.

The bank is also expanding into more specialized financing, offering borrowing facilities backed by private credit and other alternative investment assets.

A growing fintech role

Another pillar of the strategy is institutional banking and payments services for fintech firms and non-depository financial institutions.

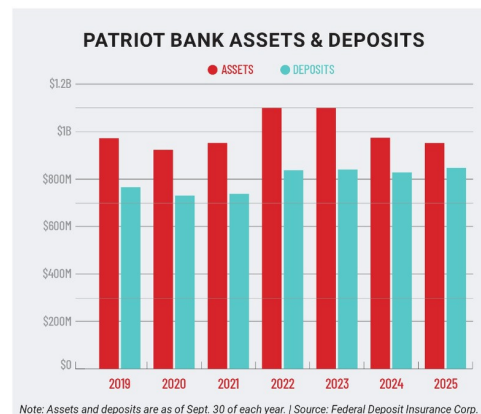
Sugarman said that business has become Patriot's largest source of non-interest income, with annualized digital payments revenue up more than 25% since the recapitalization.

Patriot provides banking infrastructure, payments processing and related services to financial technology companies, allowing it to generate fee income beyond traditional lending spreads, he noted.

John Carusone, president of the Hartford-based Banking Analysis Center, said Patriot has never established itself as a consistent, sustainable competitor in southern Fairfield County's community banking market. He said the bank's new focus



John Carusone



Note: Assets and deposits are as of Sept. 30 of each year. | Source: Federal Deposit Insurance Corp.

continues to place it in direct competition for wealthy clients in Connecticut's Gold Coast and other markets where large national and global banks already have a strong presence.

That's a challenge the bank will need to confront, Carusone said. "It's a daunting task for any financial institution in Fairfield County because there are so many highly qualified, financially well-muscle'd banks and advisory institutions in that geographical area," Carusone said. Sugarman acknowledged the

competitive landscape but said Patriot's smaller size and focused model will allow it to serve clients who may feel overlooked at larger institutions.

Beyond Connecticut

Meantime, Patriot Bank's strategy extends beyond Connecticut. The company plans to open a client-facing office in Beverly Hills, California, in the first quarter.

Management is also evaluating potential offices in Florida and Texas to serve what the bank describes as a

mobile, high-net-worth client base.

Sugarman said the goal is not to build a sprawling national branch network, but to establish offices in select markets where clients live and do business. He said his prior leadership role at Banc of California gave him familiarity with the Beverly Hills market and relationships with high-net-worth clients who maintain business and personal ties to the tri-state area.

To support that model, Patriot has implemented a digital-banking system designed for clients who split time between multiple states.

The bank, whose stock price has ranged between \$1 and \$2 over the past year, does not expect to raise additional common equity in the near term, Sugarman said, noting that he believes its current capital base could support roughly \$2 billion in assets over the next two years, assuming improved earnings.

He said Patriot returned to profitability late in 2025, may pursue acquisitions over time, and is maintaining a sizable liquidity cushion, with more than 30% of its balance sheet in cash and liquid securities.

"We have a lot of excess cash to lend to our clients, and to the extent that one of our counterparties stops growing or begins to shrink, we have the ability to manage our balance sheet and have the liquidity to deal with that," he said. "If we execute appropriately, you'll see meaningful growth." ◀

BEST PLACES TO WORK IN CONNECTICUT

2026 AWARDS

BACK TO THE 80'S EDITION

TICKETS AVAILABLE NOW!
THURSDAY MARCH 5, 2026
AQUA TURF CLUB | 5-8 PM

MAJOR SPONSOR



SUPPORTING SPONSOR



SCAN HERE FOR TICKETS AND DETAILS OR VISIT HARTFORDBUSINESS.COM/HBJ-EVENTS

