

1ST CONSTITUTION BANCORP
CONSOLIDATED BALANCE SHEETS
(unaudited)

ASSETS	September 30, 2014	December 31, 2013
CASH AND DUE FROM BANKS	\$ 20,371,823	\$ 69,267,345
FEDERAL FUNDS SOLD/SHORT TERM INVESTMENTS	-	11,426
Total cash and cash equivalents	20,371,823	69,278,771
INVESTMENT SECURITIES		
Available for sale, at fair value	103,959,466	99,198,807
Held to maturity (fair value of \$152,466,765 and \$153,629,773 at September 30, 2014 and December 31, 2013, respectively)	148,182,693	152,816,815
Total securities	252,142,159	252,015,622
LOANS HELD FOR SALE	9,459,172	10,923,689
LOANS	620,395,918	373,336,082
Less- Allowance for loan losses	(7,107,872)	(7,038,571)
Net loans	613,288,046	366,297,511
PREMISES AND EQUIPMENT, net	12,065,252	10,043,505
ACCRUED INTEREST RECEIVABLE	2,798,265	2,542,602
BANK-OWNED LIFE INSURANCE	21,074,473	16,183,574
OTHER REAL ESTATE OWNED	1,748,455	2,136,341
GOODWILL AND INTANGIBLE ASSETS	13,587,701	4,889,575
OTHER ASSETS	7,769,204	8,013,897
Total Assets	\$ 954,304,550	\$ 742,325,087
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
DEPOSITS		
Non-interest bearing	\$ 172,185,545	\$ 121,891,752
Interest bearing	651,379,201	516,660,278
Total deposits	823,564,746	638,552,030
BORROWINGS	20,798,473	10,000,000
REDEEMABLE SUBORDINATED DEBENTURES	18,557,000	18,557,000
ACCRUED INTEREST PAYABLE	802,851	883,212
ACCRUED EXPENSES AND OTHER LIABILITIES	6,105,078	5,974,531
Total liabilities	869,828,148	673,966,773
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY :		
Preferred stock, no par value; 5,000,000 shares authorized ; none issued	-	-
Common Stock, no par value; 30,000,000 shares authorized ; 7,165,084 and 6,081,961 shares issued and 7,134,774 and 6,065,123 shares outstanding as of September 30, 2014 and December 31, 2013, respectively	61,383,079	49,403,450
Retained earnings	23,714,254	21,374,381
Treasury Stock 30,310 shares and 16,838 shares at September 30, 2014 and December 31, 2013, respectively	(309,871)	(171,883)
Accumulated other comprehensive (loss)	(311,060)	(2,247,634)
Total shareholders' equity	84,476,402	68,358,314
Total liabilities and shareholders' equity	\$ 954,304,550	\$ 742,325,087

1ST Constitution Bancorp and Subsidiaries
Consolidated Statements Of Income
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
INTEREST INCOME:				
Loans, including fees	\$8,585,950	\$5,701,804	\$22,694,649	\$17,319,258
Securities:				
Taxable	961,043	980,004	3,141,787	2,818,800
Tax- exempt	575,977	575,301	1,745,708	1,633,799
Federal funds sold and short-term investments	10,184	81,745	110,892	221,087
Total interest income	<u>10,133,154</u>	<u>7,338,854</u>	<u>27,693,036</u>	<u>21,992,944</u>
INTEREST EXPENSE:				
Deposits	955,246	842,372	2,826,339	2,668,306
Borrowings	144,005	103,122	387,422	310,649
Redeemable subordinated debentures	86,534	88,338	257,314	263,982
Total interest expense	<u>1,185,785</u>	<u>1,033,832</u>	<u>3,471,075</u>	<u>3,242,937</u>
Net interest income	8,947,369	6,305,022	24,221,961	18,750,007
PROVISION FOR LOAN LOSSES				
Net interest income after provision for loan losses	<u>649,998</u>	<u>539,998</u>	<u>5,249,994</u>	<u>776,664</u>
	<u>8,297,371</u>	<u>5,765,024</u>	<u>18,971,967</u>	<u>17,973,343</u>
NON-INTEREST INCOME:				
Service charges on deposit accounts	267,625	231,169	753,976	675,839
Gain on sales of loans	556,054	641,966	1,562,790	1,852,821
Income on Bank-owned life insurance	143,884	115,840	422,022	348,206
Other income	514,279	627,573	1,640,068	1,796,104
Total non-interest income	<u>1,481,842</u>	<u>1,616,548</u>	<u>4,378,856</u>	<u>4,672,970</u>
NON-INTEREST EXPENSE:				
Salaries and employee benefits	3,922,104	3,060,143	11,194,732	9,458,247
Occupancy expense	833,813	629,922	2,498,903	1,930,227
Data processing expenses	313,237	273,272	941,046	868,960
FDIC insurance expenses	210,000	111,562	544,631	146,249
Other real estate owned expenses	131,973	176,796	272,014	770,858
Merger-related expenses	0	0	1,532,153	0
Other operating expenses	1,312,524	1,001,788	3,792,012	3,324,210
Total non-interest expenses	<u>6,723,651</u>	<u>5,253,483</u>	<u>20,775,491</u>	<u>16,498,751</u>
Income before income taxes	3,055,562	2,128,089	2,575,332	6,147,562
Income Taxes	917,483	604,851	235,459	1,741,974
Net Income	<u>\$2,138,079</u>	<u>\$1,523,238</u>	<u>\$2,339,873</u>	<u>\$4,405,588</u>
NET INCOME PER SHARE				
Basic	\$0.30	\$0.25	\$0.33	\$0.74
Diluted	<u>\$0.30</u>	<u>\$0.25</u>	<u>\$0.33</u>	<u>\$0.72</u>

See accompanying notes to consolidated financial statements