

1st Constitution Bancorp
Consolidated Balance Sheets
(Unaudited)

(Dollars in thousands)

	September 30, 2015	December 31, 2014
ASSETS		
CASH AND DUE FROM BANKS	\$ 14,865	\$ 14,545
FEDERAL FUNDS SOLD/SHORT TERM INVESTMENTS	-	-
Total cash and cash equivalents	14,865	14,545
INVESTMENT SECURITIES		
Available for sale, at fair value	74,557	80,161
Held to maturity (fair value of \$125,445 and \$148,476 at September 30, 2015 and December 31, 2014 , respectively)	121,025	143,638
Total investment securities	195,582	223,799
LOANS HELD FOR SALE	5,707	8,372
LOANS	709,398	654,297
Less- Allowance for loan losses	(7,132)	(6,925)
Net loans	702,266	647,372
PREMISES AND EQUIPMENT, net	11,289	11,373
ACCRUED INTEREST RECEIVABLE	2,644	3,096
BANK-OWNED LIFE INSURANCE	21,445	21,218
OTHER REAL ESTATE OWNED	4,927	5,710
GOODWILL AND INTANGIBLE ASSETS	13,391	13,711
OTHER ASSETS	8,334	7,583
Total Assets	\$ 980,450	\$ 956,779
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
DEPOSITS		
Non-interest bearing	\$ 170,255	\$ 162,281
Interest bearing	623,587	655,480
Total deposits	793,842	817,761
BORROWINGS	65,187	25,107
REDEEMABLE SUBORDINATED DEBENTURES	18,557	18,557
ACCRUED INTEREST PAYABLE	753	907
ACCRUED EXPENSES AND OTHER LIABILITIES	7,679	7,337
Total liabilities	886,018	869,669
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 ; 7,569,613 and 7,165,084 shares issued and 7,547,064 and 7,134,174 shares outstanding as of September 30, 2015 and December 31, 2014 , respectively	65,777	61,448
Retained earnings	28,773	25,730
Treasury Stock, 22,549 shares and 30,910 shares at September 30, 2015 and December 31, 2014, respectively	(258)	(316)
Accumulated other comprehensive income	140	248
Total shareholders' equity	94,432	87,110
Total liabilities and shareholders' equity	\$ 980,450	\$ 956,779

1ST Constitution Bancorp and Subsidiaries
Consolidated Statements Of Income
(Dollars in thousands, except per share data) (unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
INTEREST INCOME:				
Loans, including fees	\$ 9,527	\$ 8,586	\$ 27,054	\$ 22,695
Securities:				
Taxable	776	961	2,383	3,141
Tax- exempt	522	575	1,608	1,746
Federal funds sold and short-term investments	7	10	38	111
Total interest income	<u>10,832</u>	<u>10,132</u>	<u>31,083</u>	<u>27,693</u>
INTEREST EXPENSE:				
Deposits	921	955	2,765	2,827
Borrowings	159	144	438	387
Redeemable subordinated debentures	89	87	263	257
Total interest expense	<u>1,169</u>	<u>1,186</u>	<u>3,466</u>	<u>3,471</u>
Net interest income	9,663	8,946	27,617	24,222
PROVISION FOR LOAN LOSSES				
Net interest income after provision for loan losses	100	650	600	5,250
	9,563	8,296	27,017	18,972
NON-INTEREST INCOME:				
Service charges on deposit accounts	186	268	615	754
Gain on sales of loans, net	455	556	2,336	1,562
Income on Bank-owned life insurance	144	144	420	422
Other income	314	514	1,231	1,640
Total non-interest income	<u>1,099</u>	<u>1,482</u>	<u>4,602</u>	<u>4,378</u>
NON-INTEREST EXPENSE:				
Salaries and employee benefits	4,045	3,922	12,096	11,195
Occupancy expense	843	834	2,704	2,499
Data processing expenses	326	313	951	941
FDIC insurance expenses	160	210	530	545
Other real estate owned expenses	119	132	631	272
Merger-related expenses	0	0	0	1,532
Other operating expenses	1,559	1,312	4,355	3,791
Total non-interest expenses	<u>7,052</u>	<u>6,723</u>	<u>21,267</u>	<u>20,775</u>
Income before income taxes	3,610	3,055	10,352	2,575
Income Taxes	1,148	917	3,315	235
Net Income	<u>\$ 2,462</u>	<u>\$ 2,138</u>	<u>\$ 7,037</u>	<u>\$ 2,340</u>
NET INCOME PER SHARE				
Basic	\$ 0.33	\$ 0.29	\$ 0.94	\$ 0.32
Diluted	\$ 0.32	\$ 0.28	\$ 0.92	\$ 0.31
WEIGHTED AVERAGE SHARES OUTSTANDING				
Basic	7,543,040	7,475,069	7,517,828	7,364,465
Diluted	7,695,082	7,603,627	7,674,946	7,498,647