

1ST CONSTITUTION BANCORP
CONSOLIDATED BALANCE SHEETS
December 31, 2015 and 2014
(Dollars in thousands, except share data)

ASSETS	2015	2014
CASH AND DUE FROM BANKS	\$ 11,368	\$ 14,545
FEDERAL FUNDS SOLD/SHORT TERM INVESTMENTS	-	-
Total cash and cash equivalents	<u>11,368</u>	<u>14,545</u>
INVESTMENT SECURITIES		
Available for sale, at fair value	94,724	80,161
Held to maturity (fair value of \$127,157 and \$148,476 at December 31, 2015 and 2014, respectively)	<u>123,261</u>	<u>143,638</u>
Total investment securities	<u>217,985</u>	<u>223,799</u>
LOANS HELD FOR SALE	5,997	8,372
LOANS	682,121	654,297
Less- Allowance for loan losses	<u>(7,560)</u>	<u>(6,925)</u>
Net loans	674,561	647,372
PREMISES AND EQUIPMENT, net	11,109	11,373
ACCRUED INTEREST RECEIVABLE	2,853	3,096
BANK-OWNED LIFE INSURANCE	21,583	21,218
OTHER REAL ESTATE OWNED	966	5,710
GOODWILL AND INTANGIBLE ASSETS	13,284	13,711
OTHER ASSETS	<u>8,285</u>	<u>7,583</u>
Total Assets	<u>\$ 967,991</u>	<u>\$ 956,779</u>
 LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
DEPOSITS		
Non-interest bearing	\$ 159,918	\$ 162,281
Interest bearing	<u>626,839</u>	<u>655,480</u>
Total deposits	786,757	817,761
BORROWINGS	58,896	25,107
REDEEMABLE SUBORDINATED DEBENTURES	18,557	18,557
ACCRUED INTEREST PAYABLE	846	907
ACCRUED EXPENSES AND OTHER LIABILITIES	<u>6,975</u>	<u>7,337</u>
Total liabilities	<u>872,031</u>	<u>869,669</u>
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 ; 7,575,492 and 7,165,084 shares issued and 7,545,684 and 7,134,174 shares outstanding as of December 31, 2015 and 2014, respectively	70,845	61,448
Retained earnings	25,589	25,730
Treasury Stock 29,808 shares and 30,910 shares at December 31, 2015 and 2014, respectively	(344)	(316)
Accumulated other comprehensive (loss) income	<u>(130)</u>	<u>248</u>
Total shareholders' equity	<u>95,960</u>	<u>87,110</u>
Total liabilities and shareholders' equity	<u>\$ 967,991</u>	<u>\$ 956,779</u>

1ST CONSTITUTION BANCORP
CONSOLIDATED STATEMENTS OF INCOME
For the Years Ended December 31, 2015 and 2014
(Dollars in thousands, except per share data)

	<u>2015</u>	<u>2014</u>
INTEREST INCOME:		
Loans, including fees	\$ 35,597	\$ 30,879
Securities:		
Taxable	3,167	4,022
Tax-exempt	2,131	2,310
Federal funds sold and short-term investments	50	150
Total interest income	<u>40,945</u>	<u>37,361</u>
INTEREST EXPENSE:		
Deposits	3,704	3,799
Borrowings	577	515
Redeemable subordinated debentures	355	344
Total interest expense	<u>4,636</u>	<u>4,658</u>
Net interest income	36,309	32,703
PROVISION FOR LOAN LOSSES	<u>1,100</u>	<u>5,750</u>
Net interest income after provision for loan losses	<u>35,209</u>	<u>26,953</u>
NON-INTEREST INCOME:		
Service charges on deposit accounts	818	988
Loss on sales of securities available for sale	-	(1)
Gain on sales of loans, net	4,039	3,103
Income on Bank-owned life insurance	558	564
Other income	1,857	2,160
Total other income	<u>7,272</u>	<u>6,814</u>
NON-INTEREST EXPENSES:		
Salaries and employee benefits	17,232	16,117
Occupancy expense	3,461	3,355
Data processing expenses	1,211	1,264
FDIC insurance expense	660	715
Other real estate owned expenses	1,542	236
Merger-related expenses	-	1,532
Other operating expenses	5,649	5,119
Total other expenses	<u>29,755</u>	<u>28,338</u>
Income before income taxes	12,726	5,429
INCOME TAXES	<u>4,062</u>	<u>1,073</u>
Net Income	<u>\$ 8,664</u>	<u>\$ 4,356</u>
NET INCOME PER COMMON SHARE		
Basic	\$1.10	\$0.56
Diluted	<u>\$1.07</u>	<u>\$0.55</u>
WEIGHTED AVERAGE SHARES OUTSTANDING		
Basic	7,901,278	7,735,303
Diluted	<u>8,075,752</u>	<u>7,879,186</u>