

1st Constitution Bancorp
Consolidated Balance Sheets
(Dollars in Thousands)
(Unaudited)

ASSETS	June 30 2016	December 31, 2015
Cash and Due From Banks	\$ 13,650	\$ 11,368
Federal Funds Sold / Short Term Investments	-	-
Total cash and cash equivalents	13,650	11,368
Investment Securities:		
Available for sale, at fair value	111,327	91,422
Held to maturity (fair value of \$127,874 and \$127,157 at June 30, 2016 and December 31, 2015, respectively)	122,635	123,261
Total securities	233,962	214,683
Loans Held for Sale	3,228	5,997
Loans	761,572	682,121
Less- Allowance for loan losses	(7,482)	(7,560)
Net loans	754,091	674,561
Premises and Equipment (net)	10,845	11,109
Accrued Interest Receivable	3,051	2,853
Bank Owned Life Insurance	21,936	21,583
Other Real Estate Owned	166	966
Goodwill and Intangible Assets	13,082	13,284
Other Assets	14,727	11,587
Total Assets	\$ 1,068,736	\$ 967,991
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Deposits		
Non-interest bearing	\$ 170,793	\$ 159,918
Interest bearing	620,693	626,839
Total deposits	791,486	786,757
Borrowings	149,865	58,896
Redeemable Subordinated Debentures	18,557	18,557
Accrued Interest Payable	846	846
Accrued Expense and Other Liabilities	6,354	6,975
Total liabilities	967,108	872,031
SHAREHOLDERS EQUITY:		
Preferred stock, no par value; 5,000,000 shares authorized; none issued	-	-
Common Stock, no par value; 30,000,000 shares authorized; 7,985,937 and 7,575,492 shares issued and 7,952,639 and 7,545,684 shares outstanding as of June 30, 2016 and December 31, 2015, respectively	71,224	70,845
Retained earnings	30,125	25,589
Treasury Stock, 33,298 shares at June 30,2016 and 29,908 shares at December 31, 2015, respectively	(368)	(344)
Accumulated other comprehensive income (loss)	647	(130)
Total shareholders' equity	101,627	95,960
Total liabilities and shareholders' equity	\$ 1,068,736	\$ 967,991

1ST Constitution Bancorp
Consolidated Statements of Income
(Dollars in thousands, except per share data)
(Unaudited)

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
INTEREST INCOME:				
Loans, including fees	\$ 8,518	\$ 9,238	\$ 16,825	\$ 17,527
Securities:				
Taxable	815	790	1,632	1,607
Tax-exempt	520	530	1,040	1,086
Federal funds sold and short-term investments	18	6	67	31
Total interest income	<u>9,871</u>	<u>10,564</u>	<u>19,564</u>	<u>20,251</u>
INTEREST EXPENSE:				
Deposits	988	912	1,938	1,844
Borrowings	165	153	301	279
Redeemable subordinated debentures	104	88	203	174
Total interest expense	<u>1,257</u>	<u>1,153</u>	<u>2,442</u>	<u>2,297</u>
Net interest income	8,614	9,411	17,122	17,954
(CREDIT) PROVISION FOR LOAN LOSSES	<u>(100)</u>	<u>-</u>	<u>(300)</u>	<u>500</u>
Net interest income after (credit) provision for loan losses	<u>8,714</u>	<u>9,411</u>	<u>17,422</u>	<u>17,454</u>
NON-INTEREST INCOME:				
Service charges on deposit accounts	176	190	373	429
Gain on sales of loans	747	1,203	1,650	2,495
Income on Bank-owned life insurance	157	142	301	276
Other income	456	453	808	917
Total non-interest income	<u>1,536</u>	<u>1,988</u>	<u>3,132</u>	<u>4,117</u>
NON-INTEREST EXPENSES:				
Salaries and employee benefits	4,291	4,478	8,607	8,665
Occupancy expense	952	1,048	1,941	2,158
Data processing expenses	314	306	627	625
FDIC insurance expense	105	180	223	370
Other real estate owned expenses	35	416	65	513
Other operating expenses	1,126	1,544	2,394	2,498
Total non-interest expenses	<u>6,823</u>	<u>7,972</u>	<u>13,857</u>	<u>14,829</u>
Income before income taxes	3,427	3,427	6,697	6,742
INCOME TAXES	<u>1,113</u>	<u>1,112</u>	<u>2,161</u>	<u>2,167</u>
Net Income	<u>\$ 2,314</u>	<u>\$ 2,315</u>	<u>\$ 4,536</u>	<u>\$ 4,575</u>

NET INCOME PER COMMON SHARE

Basic	\$0.29	\$0.29	\$0.57	\$0.58
Diluted	\$0.28	\$0.29	\$0.56	\$0.57

WEIGHTED AVERAGE SHARES**OUTSTANDING**

Basic	7,947,146	7,881,626	7,944,069	7,880,270
Diluted	8,151,796	8,069,229	8,144,458	8,058,602