

**1<sup>st</sup> Constitution Bancorp**  
**Consolidated Balance Sheets**

(Dollars in Thousands)

(Unaudited)

<b>ASSETS</b>	<b>September 30 2016</b>	<b>December 31, 2015</b>
Cash and Due From Banks	\$ 16,947	\$ 11,368
Federal Funds Sold / Short Term Investments	-	-
Total cash and cash equivalents	16,947	11,368
Investment Securities:		
Available for sale, at fair value	103,114	91,422
Held to maturity (fair value of \$125,841 and \$127,157 at September 30, 2016 and December 31, 2015, respectively)	121,236	123,261
Total securities	224,350	214,683
Loans Held for Sale	10,416	5,997
Loans	749,436	682,121
Less- Allowance for loan losses	(7,486)	(7,560)
Net loans	741,950	674,561
Premises and Equipment (net)	10,760	11,109
Accrued Interest Receivable	2,855	2,853
Bank Owned Life Insurance	22,048	21,583
Other Real Estate Owned	166	966
Goodwill and Intangible Assets	12,981	13,284
Other Assets	12,835	11,587
Total Assets	\$ 1,055,308	\$ 967,991
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>LIABILITIES:</b>		
Deposits		
Non-interest bearing	\$ 173,946	\$ 159,918
Interest bearing	653,116	626,839
Total deposits	827,062	786,757
Borrowings	97,099	58,896
Redeemable Subordinated Debentures	18,557	18,557
Accrued Interest Payable	794	846
Accrued Expense and Other Liabilities	7,849	6,975
Total liabilities	951,361	872,031
<b>SHAREHOLDERS EQUITY:</b>		
Preferred stock, no par value; 5,000,000 shares authorized; none issued	-	-
Common Stock, no par value; 30,000,000 shares authorized; 8,016,592 and 7,575,492 shares issued and 7,983,294 and 7,545,684 shares outstanding as of September 30, 2016 and December 31, 2015, respectively	71,394	70,845
Retained earnings	32,420	25,589
Treasury Stock, 33,298 shares and 29,908 shares at September 30, 2016 and December 31, 2015, respectively	(368)	(344)
Accumulated other comprehensive income (loss)	501	(130)
Total shareholders' equity	103,947	95,960
Total liabilities and shareholders' equity	\$ 1,055,308	\$ 967,991

**1<sup>ST</sup> Constitution Bancorp**  
**Consolidated Statements of Income**  
(Dollars in thousands, except per share data)  
(Unaudited)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>INTEREST INCOME:</b>				
Loans, including fees	\$ 9,489	\$ 9,527	\$ 26,314	\$ 27,054
Securities:				
Taxable	827	776	2,459	2,383
Tax-exempt	514	522	1,554	1,608
Federal funds sold and short-term investments	13	7	79	38
Total interest income	<u>10,843</u>	<u>10,832</u>	<u>30,406</u>	<u>31,083</u>
<b>INTEREST EXPENSE:</b>				
Deposits	1,051	921	2,989	2,765
Borrowings	197	159	498	438
Redeemable subordinated debentures	107	89	311	263
Total interest expense	<u>1,355</u>	<u>1,169</u>	<u>3,798</u>	<u>3,466</u>
Net interest income	9,488	9,663	26,608	27,617
<b>(CREDIT) PROVISION FOR LOAN LOSSES</b>				
Net interest income after (credit) provision for loan losses	<u>-</u>	<u>100</u>	<u>(300)</u>	<u>600</u>
Net interest income after (credit) provision for loan losses	<u>9,488</u>	<u>9,563</u>	<u>26,908</u>	<u>27,017</u>
<b>NON-INTEREST INCOME:</b>				
Service charges on deposit accounts	185	186	558	615
Gain on sales of loans	876	783	2,525	3,278
Income on Bank-owned life insurance	113	144	414	420
Other income	586	314	1,392	1,231
Total non-interest income	<u>1,760</u>	<u>1,427</u>	<u>4,889</u>	<u>5,544</u>
<b>NON-INTEREST EXPENSES:</b>				
Salaries and employee benefits	4,532	4,373	13,138	13,037
Occupancy expense	1,006	963	2,946	3,121
Data processing expenses	314	326	941	951
FDIC insurance expense	105	160	328	530
Other real estate owned expenses	12	119	76	631
Other operating expenses	1,128	1,439	3,522	3,939
Total non-interest expenses	<u>7,097</u>	<u>7,380</u>	<u>20,951</u>	<u>22,209</u>
Income before income taxes	4,151	3,610	10,846	10,352
INCOME TAXES	1,456	1,148	3,616	3,315
Net Income	<u>\$ 2,695</u>	<u>\$ 2,462</u>	<u>\$ 7,230</u>	<u>\$ 7,037</u>
<b>NET INCOME PER COMMON SHARE</b>				
Basic	\$0.34	\$0.31	\$0.91	\$0.89
Diluted	<u>\$0.33</u>	<u>\$0.30</u>	<u>\$0.89</u>	<u>\$0.87</u>
<b>WEIGHTED AVERAGE SHARES OUTSTANDING</b>				
Basic	7,974,323	7,920,192	7,954,212	7,893,719
Diluted	8,185,840	8,079,836	8,159,419	8,058,693