

1st Constitution Bancorp
Consolidated Balance Sheets
(Dollars in thousands)

ASSETS	December 31, 2016	December 31, 2015
Cash and Due From Banks	\$ 14,886	\$ 11,368
Federal Funds Sold / Short Term Investments	-	-
Total cash and cash equivalents	<u>14,886</u>	<u>11,368</u>
Investment Securities:		
Available for sale, at fair value	103,794	91,422
Held to maturity (fair value of \$128,559 and \$127,157 at December 31, 2016 and December 31, 2015, respectively)	<u>126,810</u>	<u>123,261</u>
Total securities	<u>230,604</u>	<u>214,683</u>
Loans Held for Sale	14,829	5,997
Loans	724,808	682,121
Less- Allowance for loan losses	<u>(7,494)</u>	<u>(7,560)</u>
Net loans	<u>717,314</u>	<u>674,561</u>
Premises and Equipment (net)	10,673	11,109
Accrued Interest Receivable	3,095	2,853
Bank Owned Life Insurance	22,184	21,583
Other Real Estate Owned	166	966
Goodwill and Intangible Assets	12,880	13,284
Other Assets	<u>11,582</u>	<u>11,587</u>
Total Assets	<u>\$ 1,038,213</u>	<u>\$ 967,991</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Deposits		
Non-interest bearing	\$ 170,854	\$ 159,918
Interest bearing	<u>663,662</u>	<u>626,839</u>
Total deposits	<u>834,516</u>	<u>786,757</u>
Borrowings	73,050	58,896
Redeemable Subordinated Debentures	18,557	18,557
Accrued Interest Payable	866	846
Accrued Expense and Other Liabilities	<u>6,423</u>	<u>6,975</u>
Total liabilities	<u>933,412</u>	<u>872,031</u>
SHAREHOLDERS EQUITY:		
Preferred stock, no par value; 5,000,000 shares authorized; none issued	-	-
Common Stock, no par value; 30,000,000 shares authorized; 8,027,087 and 7,575,492 shares issued and 7,993,789 and 7,545,684 shares outstanding as of December 31, 2016 and December 31, 2015, respectively	71,695	70,845
Retained earnings	34,074	25,589
Treasury Stock, 33,298 shares and 29,908 shares at December 31, 2016 and December 31, 2015, respectively	(368)	(344)
Accumulated other comprehensive loss	<u>(600)</u>	<u>(130)</u>
Total shareholders' equity	<u>104,801</u>	<u>95,960</u>
Total liabilities and shareholders' equity	<u>\$ 1,038,213</u>	<u>\$ 967,991</u>

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

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2016	2015	2016	2015
INTEREST INCOME:				
Loans, including fees	\$ 9,115	\$ 8,543	\$ 35,429	\$ 35,597
Securities:				
Taxable	809	784	3,268	3,167
Tax-exempt	523	523	2,078	2,131
Federal funds sold/ interest earning deposits	9	12	88	50
Total interest income	<u>10,456</u>	<u>9,862</u>	<u>40,863</u>	<u>40,945</u>
INTEREST EXPENSE:				
Deposits	1,055	940	4,044	3,704
Borrowings	189	139	687	577
Redeemable subordinated debentures	116	91	427	355
Total interest expense	<u>1,360</u>	<u>1,170</u>	<u>5,158</u>	<u>4,636</u>
Net interest income	9,096	8,692	35,705	36,309
PROVISION (CREDIT) FOR LOAN LOSSES	<u>-</u>	<u>500</u>	<u>(300)</u>	<u>1,100</u>
Net interest income after provision (credit) for loan losses	<u>9,096</u>	<u>8,192</u>	<u>36,005</u>	<u>35,209</u>
NON-INTEREST INCOME:				
Service charges on deposit accounts	156	203	715	818
Gain on sales of loans	1,260	761	3,785	4,039
Income on Bank-owned life insurance	136	137	549	558
Other income	445	(181)	1,837	1,049
Total non-interest income	<u>1,997</u>	<u>920</u>	<u>6,886</u>	<u>6,464</u>
NON-INTEREST EXPENSES:				
Salaries and employee benefits	5,159	4,195	18,298	17,232
Occupancy expense	1,054	977	4,001	4,098
Data processing expenses	336	258	1,277	1,211
FDIC insurance expense	125	130	453	660
Other real estate owned expenses	5	103	81	734
Other operating expenses	1,352	1,074	4,873	5,011
Total non-interest expenses	<u>8,031</u>	<u>6,737</u>	<u>28,983</u>	<u>28,946</u>
Income before income taxes	3,062	2,375	13,908	12,727
INCOME TAXES	<u>1,007</u>	<u>747</u>	<u>4,623</u>	<u>4,062</u>
Net Income	<u>\$ 2,055</u>	<u>\$ 1,628</u>	<u>\$ 9,285</u>	<u>\$ 8,665</u>
NET INCOME PER COMMON SHARE				
Basic	\$0.26	\$0.21	\$1.17	\$1.10
Diluted	<u>\$0.25</u>	<u>\$0.20</u>	<u>\$1.14</u>	<u>\$1.07</u>
WEIGHTED AVERAGE SHARES OUTSTANDING				
Basic	7,985,677	7,923,018	7,962,121	7,901,278
Diluted	8,228,741	8,112,383	8,177,439	8,075,752