

1ST CONSTITUTION BANCORP
CONSOLIDATED BALANCE SHEETS
December 31, 2014 and 2013
(Dollars in thousands, except share data)

ASSETS	2014	2013
CASH AND DUE FROM BANKS	\$ 14,545	\$ 69,267
FEDERAL FUNDS SOLD/SHORT TERM INVESTMENTS	-	11
Total cash and cash equivalents	<u>14,545</u>	<u>69,278</u>
INVESTMENT SECURITIES		
Available for sale, at fair value	80,161	99,199
Held to maturity (fair value of \$148,476 and \$153,631 at December 31, 2014 and 2013, respectively)	143,638	152,817
Total securities	<u>223,799</u>	<u>252,016</u>
LOANS HELD FOR SALE	8,372	10,924
LOANS	654,297	373,336
Less- Allowance for loan losses	<u>(6,925)</u>	<u>(7,039)</u>
Net loans	647,372	366,297
PREMISES AND EQUIPMENT, net	11,373	10,044
ACCRUED INTEREST RECEIVABLE	3,096	2,543
BANK-OWNED LIFE INSURANCE	21,218	16,184
OTHER REAL ESTATE OWNED	5,710	2,136
GOODWILL AND INTANGIBLE ASSETS	13,711	4,889
OTHER ASSETS	<u>7,583</u>	<u>8,014</u>
Total Assets	<u>\$ 956,779</u>	<u>\$ 742,325</u>
 LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
DEPOSITS		
Non-interest bearing	\$ 162,281	\$ 121,892
Interest bearing	<u>655,480</u>	<u>516,660</u>
Total deposits	817,761	638,552
BORROWINGS	25,107	10,000
REDEEMABLE SUBORDINATED DEBENTURES	18,557	18,557
ACCRUED INTEREST PAYABLE	907	884
ACCRUED EXPENSES AND OTHER LIABILITIES	<u>7,337</u>	<u>5,975</u>
Total liabilities	<u>869,669</u>	<u>673,968</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 ; 7,165,084 and 6,033,683 shares issued and 7,134,174 and 6,016,845 shares outstanding as of December 31, 2014 and 2013, respectively	61,448	49,403
Retained earnings	25,730	21,374
Treasury Stock 30,910 shares and 16,838 shares at December 31, 2014 and 2013, respectively	(316)	(172)
Accumulated other comprehensive income (loss)	248	(2,248)
Total shareholders' equity	<u>87,110</u>	<u>68,357</u>
Total liabilities and shareholders' equity	<u>\$ 956,779</u>	<u>\$ 742,325</u>

1ST CONSTITUTION BANCORP
CONSOLIDATED STATEMENTS OF INCOME
For the Years Ended December 31, 2014 and 2013
(Dollars in thousands, except per share data)

	2014	2013
INTEREST INCOME:		
Loans, including fees	\$ 30,879	\$ 22,568
Securities:		
Taxable	4,022	3,915
Tax-exempt	2,310	2,209
Federal funds sold and short-term investments	150	300
Total interest income	37,361	28,992
INTEREST EXPENSE:		
Deposits	3,798	3,488
Borrowings	516	415
Redeemable subordinated debentures	344	352
Total interest expense	4,658	4,255
Net interest income	32,703	24,737
PROVISION FOR LOAN LOSSES	5,750	1,077
Net interest income after provision for loan losses	26,953	23,660
NON-INTEREST INCOME:		
Service charges on deposit accounts	988	920
Loss on sales of securities available for sale	(1)	-
Gain on sales of loans	2,052	2,064
Income on Bank-owned life insurance	564	457
Other income	2,160	2,386
Total other income	5,763	5,827
NON-INTEREST EXPENSES:		
Salaries and employee benefits	15,066	12,709
Occupancy expense	3,355	2,575
Data processing expenses	1,264	1,112
FDIC insurance expense	715	346
Other real estate owned expenses	236	353
Merger-related expenses	1,532	326
Other operating expenses	5,119	4,001
Total other expenses	27,287	21,422
Income before income taxes	5,429	8,065
INCOME TAXES	1,073	2,285
Net Income	\$ 4,356	\$ 5,780
NET INCOME PER COMMON SHARE		
Basic	\$0.62	\$0.97
Diluted	\$0.61	\$0.95
WEIGHTED AVERAGE SHARES OUTSTANDING		
Basic	7,016,148	5,973,323
Diluted	7,146,654	6,102,043