

1ST CONSTITUTION BANCORP
CONSOLIDATED BALANCE SHEETS
(unaudited)

ASSETS	June 30, 2014	December 31, 2013
CASH AND DUE FROM BANKS	\$ 23,149,148	\$ 69,267,345
FEDERAL FUNDS SOLD/SHORT TERM INVESTMENTS	-	11,426
Total cash and cash equivalents	<u>23,149,148</u>	<u>69,278,771</u>
INVESTMENT SECURITIES		
Available for sale, at fair value	110,878,312	99,198,807
Held to maturity (fair value of \$159,434,845 and \$153,629,773 at June 30, 2014 and December 31, 2013, respectively)	155,318,690	152,816,815
Total securities	<u>266,197,002</u>	<u>252,015,622</u>
LOANS HELD FOR SALE	9,877,863	10,923,689
LOANS	635,459,722	373,336,082
Less- Allowance for loan losses	<u>(7,418,379)</u>	<u>(7,038,571)</u>
Net loans	628,041,343	366,297,511
PREMISES AND EQUIPMENT, net	12,189,136	10,043,505
ACCRUED INTEREST RECEIVABLE	3,161,963	2,542,602
BANK-OWNED LIFE INSURANCE	20,932,291	16,183,574
OTHER REAL ESTATE OWNED	1,860,000	2,136,341
GOODWILL AND INTANGIBLE ASSETS	13,614,963	4,889,575
OTHER ASSETS	<u>6,946,521</u>	<u>8,013,897</u>
Total Assets	<u>\$ 985,970,231</u>	<u>\$ 742,325,087</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
DEPOSITS		
Non-interest bearing	\$ 166,866,851	\$ 121,891,752
Interest bearing	<u>653,000,478</u>	<u>516,660,278</u>
Total deposits	819,867,329	638,552,030
BORROWINGS	59,888,511	10,000,000
REDEEMABLE SUBORDINATED DEBENTURES	18,557,000	18,557,000
ACCRUED INTEREST PAYABLE	904,892	883,212
ACCRUED EXPENSES AND OTHER LIABILITIES	5,078,769	5,974,531
Total liabilities	<u>904,296,501</u>	<u>673,966,773</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 ; 7,136,984 and 6,033,683 shares issued and 7,116,055 and 6,016,845 shares outstanding as of June 30, 2014 and December 31, 2013, respectively	60,937,366	49,403,450
Retained earnings	21,576,175	21,374,381
Treasury Stock 20,729 shares and 16,838 shares at June 30, 2014 and December 31, 2013, respectively	(211,727)	(171,883)
Accumulated other comprehensive (loss)	<u>(628,084)</u>	<u>(2,247,634)</u>
Total shareholders' equity	<u>81,673,730</u>	<u>68,358,314</u>
Total liabilities and shareholders' equity	<u>\$ 985,970,231</u>	<u>\$ 742,325,087</u>

1ST Constitution Bancorp and Subsidiaries
Consolidated Statements Of Income
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
INTEREST INCOME:				
Loans, including fees	\$7,870,260	\$5,645,259	\$14,108,699	\$11,617,454
Securities:				
Taxable	1,059,160	901,711	2,180,744	1,838,796
Tax- exempt	588,750	545,620	1,169,731	1,058,498
Federal funds sold and short-term investments	45,417	89,662	100,708	139,342
Total interest income	<u>9,563,587</u>	<u>7,182,252</u>	<u>17,559,882</u>	<u>14,654,090</u>
INTEREST EXPENSE:				
Deposits	972,362	869,598	1,871,093	1,825,934
Borrowings	127,839	104,254	243,417	207,527
Redeemable subordinated debentures	85,673	87,771	170,780	175,644
Total interest expense	<u>1,185,874</u>	<u>1,061,623</u>	<u>2,285,290</u>	<u>2,209,105</u>
Net interest income	8,377,713	6,120,629	15,274,592	12,444,985
PROVISION FOR LOAN LOSSES	<u>4,099,998</u>	<u>236,666</u>	<u>4,599,996</u>	<u>236,666</u>
Net interest income after provision for loan losses	<u>4,277,715</u>	<u>5,883,963</u>	<u>10,674,596</u>	<u>12,208,319</u>
NON-INTEREST INCOME:				
Service charges on deposit accounts	267,235	221,604	486,351	444,670
Gain on sales of loans	267,155	479,146	1,006,736	1,210,855
Income on Bank-owned life insurance	148,987	119,758	278,138	232,366
Other income	576,655	627,351	1,125,789	1,168,531
Total non-interest income	<u>1,260,032</u>	<u>1,447,859</u>	<u>2,897,014</u>	<u>3,056,422</u>
NON-INTEREST EXPENSE:				
Salaries and employee benefits	3,684,723	3,045,241	7,272,628	6,398,104
Occupancy expense	838,895	622,499	1,665,090	1,300,305
Data processing expenses	311,760	294,306	627,809	595,688
FDIC insurance expenses	184,631	15,000	334,631	34,687
Other real estate owned expenses	98,609	48,557	140,041	594,062
Merger-related expenses	109,430	0	1,532,153	0
Other operating expenses	1,477,767	1,136,697	2,479,488	2,322,422
Total non-interest expenses	<u>6,705,815</u>	<u>5,162,300</u>	<u>14,051,840</u>	<u>11,245,268</u>
Income before income taxes	(1,168,068)	2,169,522	(480,230)	4,019,473
Income Taxes	<u>(728,150)</u>	<u>612,492</u>	<u>(682,024)</u>	<u>1,137,125</u>
Net Income	<u><u>(\$439,918)</u></u>	<u><u>\$1,557,030</u></u>	<u><u>\$201,794</u></u>	<u><u>\$2,882,348</u></u>
NET INCOME PER SHARE				
Basic	(\$0.06)	\$0.26	\$0.03	\$0.48
Diluted	<u>(\$0.06)</u>	<u>\$0.25</u>	<u>\$0.03</u>	<u>\$0.47</u>