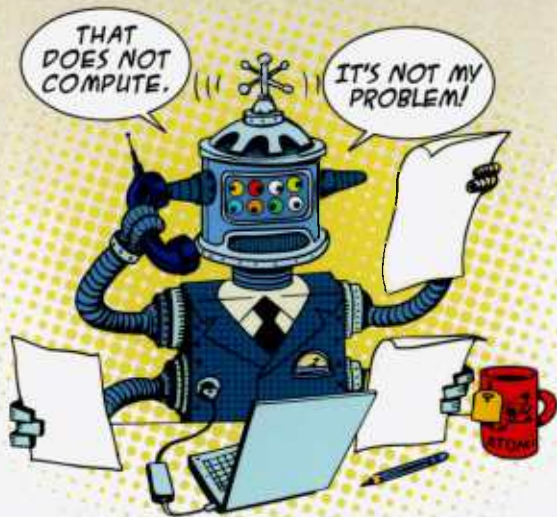


# Run By People. Not Machines.



If you want to talk to a machine, go to the Big Banks. If you want top quality service from people who know your name, come to 1st Colonial Community Bank. At 1st Colonial, our business is run by people not machines.

**1st Colonial Community Bank**

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**Collingswood**  
1040 Haddon Avenue  
856.858.1100

**Westville**  
321 Broadway  
856.456.6544

**Administrative Office &  
Residential Lending Division**  
210 Lake Drive E. • Cherry Hill  
856.869.3250

Equal Opportunity  
Lender



Shares of 1st Colonial Bancorp, Inc. common stock  
are publicly traded on the OTC Bulletin Board  
under the symbol FCOB.

**Collingswood**  
1040 Haddon Avenue  
856.858.1100

**Westville**  
321 Broadway  
856.456.6544

**Commercial Lending**  
210 Lake Drive East  
Suite 300  
Cherry Hill, NJ 08002  
856-858-8194

**Residential Lending**  
210 Lake Drive East  
Suite 300  
Cherry Hill, NJ 08002  
856-869-3250

[www.1stColonial.com](http://www.1stColonial.com)  
Trading Symbol: FCOB

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## THE Growth REPORT

**1st Quarter 2016**

**1st Colonial**  
COMMUNITY BANK  
Nice People with Money

[www.1stColonial.com](http://www.1stColonial.com)

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Dear Shareholders,

I would like to share with you the results of the 1st Quarter of 2016. Net income was \$883,000 (\$0.23 per share) compared to \$623,000 (\$0.16 per share) for the Quarter ending March 31, 2015.

Much has been said about the bleak future of community banking. Increasingly harsh government regulations, ill-afforded by smaller banks and intensive competition by the larger institutions are the primary reasons. A review of our recent performance, including this Quarter, stand in opposition to this prediction.

Thank you for your continued support.



Gerard M. Banmiller  
President & CEO

### Income Statement

3 months ended March 31

(Dollars in thousands, except share data)

(Unaudited)

	2016	2015
<b>INTEREST INCOME</b>		
Loans .....	\$3,545	\$2,861
Federal funds sold and interest-bearing deposits .....	53	2
Investments:		
Taxable .....	376	359
Nontaxable .....	74	76
Total interest income .....	4,048	3,298
<b>INTEREST EXPENSE</b>		
Demand deposits .....	208	135
Savings deposits .....	88	56
Time deposits .....	189	90
Other borrowings .....	6	8
Total interest expense .....	491	289
Net interest income .....	3,557	3,009
Provision for loan losses .....	300	307
Net interest income after provision for loan losses .....	3,257	2,702
<b>OTHER INCOME</b>		
Service charges on deposit accounts .....	87	82
Gain on sale of mortgage loans .....	562	430
Gain on sale of SBA loans .....	74	—
Mortgage fee income .....	35	16
Increase in cash value of bank owned life insurance .....	48	46
Other income, service charges and fees .....	44	56
Gain on sale of real estate owned .....	2	11
Total other income .....	852	641
<b>OTHER EXPENSES</b>		
Compensation and employee benefits .....	1,552	1,319
Occupancy and equipment expenses .....	236	213
Advertising expense .....	136	91
Data processing expense .....	192	172
Professional fees .....	122	122
Other operating expenses .....	505	457
Total other expenses .....	2,743	2,374
Income before income taxes .....	1,366	969
Income tax expense .....	483	346
Net income .....	<u>\$ 883</u>	<u>\$ 623</u>
Net income per share information:		
Basic earnings per share .....	\$0.23	\$0.16
Diluted earnings per share .....	\$0.22	\$0.15

Note: Earnings per share have been adjusted for 5% stock dividend paid 4/15/16.

### Balance Sheet

As of March 31

(Dollars in thousands)

(Unaudited)

	2016	2015
<b>ASSETS</b>		
Cash and due from banks .....	\$ 20,408	\$ 5,855
Federal funds sold .....	267	75
Investments held to maturity .....	37,514	39,106
Securities available-for-sale (amortized cost of \$97,764 at 3/31/2016; \$107,458 at 3/31/2015) .....	99,032	108,306
Mortgage loans available for sale .....	7,470	7,054
Loans .....	312,898	257,826
Less: Allowance for loan losses .....	(4,492)	(4,106)
Net loans .....	308,406	253,720
Bank premises and equipment, net .....	1,295	1,417
Bank owned life insurance .....	6,552	6,361
Other assets .....	4,873	6,177
Total assets .....	<u>\$485,817</u>	<u>\$428,071</u>
<b>LIABILITIES</b>		
Demand deposits .....	\$299,603	\$244,308
Savings deposits .....	79,258	79,787
Time deposits .....	69,593	56,377
Total deposits .....	448,454	380,472
Other borrowings .....	3,900	18,221
Other liabilities .....	1,698	1,260
Total liabilities .....	<u>454,052</u>	<u>399,953</u>
<b>SHAREHOLDERS' EQUITY</b>		
Common stock, \$0 par value		
Authorized 5,000,000 shares; issued and outstanding of 3,879,915 and 3,879,915 shares at March 31, 2016 and 2015, respectively .....		
Preferred stock, 1,000,000 shares authorized, no shares issued .....	—	—
Treasury stock at cost 137,876 shares .....	(848)	(848)
Additional paid in capital .....	26,763	25,377
Retained earnings .....	5,089	3,082
Accumulated other comprehensive income .....	761	507
Total shareholders' equity .....	<u>31,765</u>	<u>28,118</u>
Total liabilities and shareholders' equity .....	<u>\$485,817</u>	<u>\$428,071</u>