

1ST CONSTITUTION BANCORP

Form S-4/A

November 27, 2013

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As filed with the SEC on November 27, 2013

Registration No. 333-191841

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 1
to
FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

1ST CONSTITUTION BANCORP
(Exact name of registrant as specified in its charter)

| | | |
|--|--|---|
| New Jersey (State or other jurisdiction of incorporation or organization) | 6022 (Primary Standard Industrial Classification Code Number) | 22-3665653 I.R.S. Employer Identification Number) |
|--|--|---|

P.O. Box 634

Cranbury, New Jersey 18512

(609) 655-4500

(Address, including ZIP Code, and telephone number, including area code, of registrant's principal executive offices)

Mr. Robert F. Mangano

President and Chief Executive Officer

1st Constitution Bancorp

2650 Route 130

Cranbury, New Jersey 08512

(609) 655-4500

(Name, address, including ZIP Code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effectiveness of this registration statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☐ (Do not check if a smaller reporting company)

Smaller reporting company ☒

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) ☐

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) ☐

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| Title of each class of securities to be registered | Amount to be registered (1) | Proposed | Proposed | Amount of registration fee |
|---|------------------------------------|---|---|-----------------------------------|
| | | maximum offering price per share (1,2) | maximum aggregate offering price (2) | |
| Common stock, no par value | 1,032,835 | N/A | \$10,797,455.50 | \$1,390.71(3) |

- (1) Based on the maximum number of shares of the registrant's common stock that may be issued in connection with the proposed merger of Rumson-Fair Haven Bank and Trust Company with and into the registrant's primary subsidiary, 1st Constitution Bank, assuming that all stock options granted by Rumson-Fair Haven Bank and Trust Company and outstanding on the date hereof are exercised prior to the closing, which number is calculated as (A) the sum of (i) the number of shares of Rumson-Fair Haven Bank and Trust Company common stock outstanding plus (ii) the number of shares of Rumson-Fair Haven Bank and Trust Company common stock subject to currently outstanding stock options plus (iii) the number of unvested and unissued restricted shares of Rumson-Fair Haven Bank and Trust Company common stock that will vest upon closing of the proposed merger times (B)(i) the exchange ratio of 0.7772 shares of the registrant's common stock to be issued in the merger for each share of Rumson-Fair Haven Bank and Trust Company common stock times (ii) 40% (the merger agreement providing that 40% of the aggregate merger consideration will be paid in shares of the registrant's common stock). In accordance with Rule 416, this registration statement shall also register any additional shares of the registrant's common stock which may become issuable to prevent dilution resulting from stock splits, stock dividends or similar transactions, as provided by the merger agreement.
- (2) Estimated solely for the purpose of calculating the registration fee for the filing on Form S-4 pursuant to Rules 457(f)(1) and 457(f)(3) under the Securities Act. The proposed maximum aggregate offering price was calculated by multiplying (A) the average of the high and low prices per share of the common stock of Rumson-Fair Haven Bank and Trust Company as reported on the OTCBB on October 17, 2013, or \$7.75 per share (in accordance with Rule 457(c)) and (B) the maximum number of shares of Rumson-Fair Haven Bank and Trust Company common stock that are (i) outstanding, (ii) subject to outstanding stock options and (iii) restricted, unvested and unissued, each as of such date. Pursuant to Rule 457(f)(3) under the Securities Act, the amount of cash payable by the registrant in the merger has been deducted from the proposed maximum aggregate offering price (computed by multiplying (a) the cash consideration of \$7.50 per share of Rumson-Fair Haven Bank and Trust Company common stock by (b) sixty percent (60%) of the number of shares of Rumson-Fair Haven Bank and Trust Company common stock that are (i) outstanding, (ii) subject to outstanding stock options and (iii) restricted, unvested and unissued (the merger agreement providing that sixty percent (60%) of the aggregate merger consideration will be paid in cash)).
- (3) Previously paid.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as

amended, or until the registration statement shall become effective on such date as the SEC, acting pursuant to such Section 8(a), may determine.

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The information in this proxy statement and prospectus is not complete and may be changed. A registration statement relating to the shares of 1st Constitution Bancorp common stock to be issued in the merger has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This proxy statement and prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale is not permitted or would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY-SUBJECT TO COMPLETION

DATED NOVEMBER 27, 2013

[Rumson-Fair Haven Bank and Trust Company LOGO]

[1st Constitution Bancorp LOGO]

Proxy Statement of Rumson-Fair Haven Bank and Trust Company

Prospectus of 1st Constitution Bancorp

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

To the Shareholders of Rumson-Fair Haven Bank and Trust Company:

The Board of Directors of Rumson-Fair Haven Bank and Trust Company (referred to as Rumson) has approved an Agreement and Plan of Merger, as amended (referred to as the merger agreement) with 1st Constitution Bancorp (referred to as 1st Constitution) and 1st Constitution Bank pursuant to which Rumson will be merged with and into 1st Constitution Bank. If the merger contemplated by the merger agreement is completed, you will be entitled to receive, for each outstanding share of Rumson common stock that you own at the effective time of the merger, either 0.7772 shares of 1st Constitution common stock or \$7.50 in cash or a combination of cash and shares of 1st Constitution common stock. Assuming none of the outstanding options to purchase shares of Rumson common stock are exercised prior to the completion of the merger, 1st Constitution expects to pay an aggregate of \$14.8 million in cash to Rumson shareholders in the merger and issue approximately 1,014,972 shares of its common stock to Rumson shareholders in the merger.

1st Constitution's common stock is quoted on the NASDAQ Global Market under the symbol **FCCY**. On 2013, the date immediately preceding the printing of this proxy statement-prospectus, the closing price of 1st Constitution common stock was \$ per share.

The merger cannot be completed unless Rumson's shareholders approve the merger agreement. We have scheduled a special meeting so you can vote to approve the merger agreement. You will also be asked to approve the authorization of the Board of Directors to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly presented at the special meeting. The Rumson Board of Directors unanimously recommends that you vote to approve the merger agreement and vote to authorize the Board of Directors to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly presented at the special meeting.

The date, time and place of the meeting are as follows:

January 15, 2014

10:00 a.m. (local time)

Salt Creek Grille

4 Bingham Avenue

Rumson, New Jersey 07760

Only shareholders of record as of December 9, 2013 are entitled to attend and vote at the meeting.

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Your vote is very important. Approval of the merger agreement by Rumson shareholders requires the approval by holders of two-thirds of the shares of Rumson common stock outstanding. Whether or not you plan to attend the meeting, please take the time to vote by completing and mailing the enclosed proxy card to us. If you sign, date and mail your proxy card without indicating how you want to vote, your proxy will be counted as a vote in favor of the merger and in favor of authorization of the Board of Directors to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly presented at the special meeting. **If you do not vote by proxy, telephone or internet or vote in person at the Rumson special meeting, it will have the effect of a vote against the merger agreement, but will have no effect on the vote to authorize the Board of Directors to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement, or vote on other matters properly presented at the special meeting.**

This document describes the special meeting, the merger, the documents related to the merger and other related matters. **Please carefully read this entire document, including the RISK FACTORS beginning on page 29 for a discussion of the risks related to the proposed merger.** You can also obtain information about 1st Constitution from documents 1st Constitution has filed with the Securities and Exchange Commission. 1st Constitution's SEC filings are available over the Internet at the SEC's website at <http://www.sec.gov>. You may also read and copy any document 1st Constitution files by visiting the SEC's public reference room in Washington, D.C. The SEC's address in Washington, D.C. is 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room.

Joseph Castelluci, Esq.

James Aaron, Esq.

President, Chief Executive Officer and
General Counsel

Chairman of the Board

Rumson-Fair Haven Bank and Trust
Company

Rumson-Fair Haven Bank and
Trust Company

Neither the Securities and Exchange Commission, nor any bank regulatory agency, nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares of 1st Constitution common stock to be issued in the merger are not savings accounts, deposits or other obligations of a bank or depository institution and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

This proxy statement and prospectus is dated _____, 2013, and is first being mailed to Rumson shareholders on or about _____, 2013.

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RUMSON-FAIR HAVEN BANK AND TRUST COMPANY

20 Bingham Avenue

Rumson, New Jersey 07760

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To be Held January 15, 2014

At the direction of the Board of Directors of Rumson-Fair Haven Bank and Trust Company, NOTICE IS HEREBY GIVEN that a special meeting of shareholders of Rumson-Fair Haven Bank and Trust Company will be held at Salt Creek Grille, 4 Bingham Avenue, Rumson, New Jersey 07760, on January 15, 2014, at 10:00 a.m. (local time) to consider and vote upon the following matters:

- (1) Approval of the Agreement and Plan of Merger, dated as of August 14, 2013, by and between 1st Constitution Bancorp, 1st Constitution Bank and Rumson-Fair Haven Bank and Trust Company, as amended, pursuant to which Rumson-Fair Haven Bank and Trust Company will merge with and into 1st Constitution Bank; and
- (2) Authorization of the Board of Directors, in its discretion, to adjourn or postpone the special meeting, including, without limitation, on a motion to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly presented at the special meeting; and
- (3) Authorization of the Board of Directors, in its discretion, to vote on other matters properly presented at the special meeting.

The Board of Directors has fixed December 9, 2013, as the record date for the determination of shareholders entitled to notice of and to vote at the special meeting, and only shareholders of record on said date will be entitled to receive notice of and to vote at said meeting.

The Rumson-Fair Haven Bank and Trust Company Board of Directors recommends that shareholders vote:

- (1) FOR approval of the merger agreement; and
- (2) FOR approval of authorization of the Board of Directors to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly presented at the special meeting; and
- (3)

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FOR approval of authorization of the Board of Directors, in its discretion, to vote on other matters properly presented at the special meeting.

By Order of the Board of Directors,

President and Chief Executive Officer,

General Counsel and Secretary

Rumson, New Jersey

, 2013

IMPORTANT WHETHER YOU PLAN TO ATTEND THE MEETING IN PERSON OR NOT, PLEASE VOTE PROMPTLY BY SUBMITTING YOUR PROXY BY INTERNET, PHONE OR BY COMPLETING, SIGNING, DATING AND RETURNING YOUR PROXY CARD IN THE ENCLOSED ENVELOPE. RETURNING THE PROXY CARD WILL NOT PREVENT YOU FROM VOTING IN PERSON IF YOU ATTEND THE MEETING

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ADDITIONAL INFORMATION

The accompanying proxy statement and prospectus provides a detailed description of the merger and the merger agreement. We urge you to read the proxy statement and prospectus, including any documents referenced in the proxy statement and prospectus, and its appendices carefully and in their entirety. If you have any questions concerning the merger, the other meeting matters or the proxy statement and prospectus, or need assistance voting your shares, please contact Rumson-Fair Haven Bank and Trust Company's proxy solicitor, Eagle Rock Proxy Advisors, at 12 Commerce Drive, Cranford, New Jersey 07016, or toll-free at (888) 859-9315.

Neither Rumson-Fair Haven Bank and Trust Company (hereinafter "Rumson") nor 1st Constitution has authorized anyone to provide you with any information other than the information included in this document and the documents to which you are referred in this document. If someone provides you with other information, please do not rely on it as being authorized by Rumson or 1st Constitution.

This proxy statement and prospectus offers only the cash and shares of 1st Constitution common stock offered in the merger, and offers such shares only where it is legal to do so.

This proxy statement and prospectus has been prepared as of _____, 2013. Changes that may have occurred in the affairs of 1st Constitution or Rumson or their respective subsidiaries since that date are not reflected in this document.

The information contained in this document with respect to 1st Constitution was provided solely by 1st Constitution, and the information contained in this document with respect to Rumson was provided solely by Rumson.

Please do not send your stock certificates at this time. You will be sent separate instructions regarding the surrender of your stock certificates.

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE MEETING

Q: WHAT IS THE PURPOSE OF THIS DOCUMENT?

A: This document serves as both a proxy statement of Rumson and as a prospectus of 1st Constitution. As a proxy statement/prospectus, it is being provided to you by the Rumson Board of Directors in connection with the Board's solicitation of proxies for the Rumson special meeting at which Rumson shareholders will be asked (1) to approve the merger agreement by and between 1st Constitution, 1st Constitution Bank, and Rumson, as amended, and the merger between Rumson and 1st Constitution Bank, (2) to approve authorization of the Board of Directors to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly presented at the special meeting and (3) to approve authorization of the Board of Directors, in its discretion, to vote on other matters properly presented at the special meeting.

As a prospectus, this document is being provided to you because 1st Constitution is offering to exchange shares of its common stock and cash for shares of Rumson common stock upon completion of the merger.

Q: WHY ARE RUMSON, 1ST CONSTITUTION AND 1ST CONSTITUTION BANK PROPOSING TO MERGE?

A: The Boards of Directors of Rumson, 1st Constitution and 1st Constitution Bank are proposing to merge Rumson into 1st Constitution Bank because they believe that combining the strengths of these two financial institutions is in the best interests of Rumson, 1st Constitution and 1st Constitution Bank, their respective shareholders and the respective customers of Rumson and 1st Constitution Bank. Please see THE MERGER Rumson's Reasons for the Merger and THE MERGER Recommendation of the Rumson Board of Directors at page 45 for the various factors considered by the Rumson Board of Directors in recommending that Rumson's shareholders vote FOR the proposal to approve the merger agreement and the merger, FOR the proposal to approve authorization of the Board of Directors to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly presented at the special meeting and FOR the proposal to approve authorization of the Board of Directors of Rumson, in its discretion, to vote on other matters properly presented at the special meeting.

Q: WHAT WILL I RECEIVE IN THE MERGER?

A: Upon completion of the merger, you will receive, at your election and subject to the terms in the merger agreement, for each outstanding share of Rumson common stock that you own at the effective time of the merger, either 0.7772 shares of 1st Constitution common stock or \$7.50 in cash, or a combination of cash and 1st Constitution common stock.

Holders of Rumson's shares immediately prior to the effective time of the merger will be able to elect to receive cash, stock, a combination of cash and 1st Constitution stock, or to indicate that such holder has no preference as to the receipt of cash or 1st Constitution common stock. If the elections would result in other than 60% of the merger consideration to be paid by 1st Constitution equaling cash and 40% 1st Constitution common stock, then the Exchange Agent, described below, will designate, on a pro rata basis, from those holders electing to receive shares, those electing to receive cash, those electing a combination of cash and 1st Constitution common stock, and those indicating no preference, those holders who will receive shares or cash, as applicable, so that 60% of the outstanding shares of Rumson are exchanged for cash and 40% of the outstanding shares of Rumson are exchanged for shares of 1st Constitution common stock. In addition, each outstanding option, whether vested or unvested, to acquire shares of common stock of Rumson will be terminated and converted into the right to receive cash equal to the product of (i) the

aggregate number of shares of common stock of Rumson underlying such outstanding option multiplied by (ii) the excess, if any, of \$7.50 over the per share exercise price of such outstanding option. Each share of restricted stock, which is unvested and unissued, will be converted into the right to receive 0.7772 shares of 1st Constitution common stock. Each outstanding share of common stock of

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1st Constitution will remain outstanding and unaffected by the merger. See THE MERGER Terms of the Merger What Rumson Shareholders Will Receive in the Merger, beginning at page 53.

Q: WHAT ARE THE TAX CONSEQUENCES OF THE MERGER TO RUMSON S SHAREHOLDERS?

A: The obligation of 1st Constitution and Rumson to complete the merger is conditioned upon the receipt of a legal opinion from Day Pitney LLP, counsel to 1st Constitution, to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code.

The specific tax consequences of the merger to a Rumson shareholder will depend upon the form of consideration such Rumson shareholder receives in the merger.

If you receive solely shares of 1st Constitution common stock and cash instead of a fractional share of 1st Constitution common stock in exchange for your Rumson common stock, then you generally will not recognize any gain or loss, except with respect to the cash received instead of a fractional share of 1st Constitution common stock.

If you receive solely cash, then you generally will recognize gain or loss equal to the difference between the amount of cash you receive and your adjusted tax basis in your Rumson common stock. Generally, any gain recognized upon the exchange will be capital gain, and any such capital gain will be long-term capital gain if you have established a holding period of more than one year for your shares of Rumson common stock.

If you receive a combination of 1st Constitution common stock and cash, other than cash instead of a fractional share of 1st Constitution common stock, in exchange for your Rumson common stock, then you may recognize gain, but you will not recognize loss, upon the exchange of your shares of Rumson common stock for shares of 1st Constitution common stock and cash. If the sum of the fair market value of the 1st Constitution common stock and the amount of cash you receive in exchange for your shares of Rumson common stock exceeds the adjusted tax basis of your shares of Rumson common stock, you will recognize taxable gain equal to the lesser of the amount of such excess or the amount of cash you receive in the exchange. Generally, any gain recognized upon the exchange will be capital gain, and any such capital gain will be long-term capital gain if you have established a holding period of more than one year for your shares of Rumson common stock. Depending on certain facts specific to you, any gain could instead be characterized as ordinary dividend income.

See THE MERGER Material United States Federal Income Tax Consequences beginning on page 74.

Q: DO I HAVE RIGHTS TO DISSENT FROM THE MERGER?

A: Yes. Any holder of Rumson common stock who elects to dissent from the merger will be entitled to payment for its shares only to the extent permitted by and in accordance with the provisions of § 17:9A-140 through § 17:9A-146 of the New Jersey Banking Act of 1948, as amended. Under these statutes, shareholders of Rumson (i) who are entitled to vote at the special meeting of Rumson shareholders to be held on January 15, 2014, (ii) who serve a written notice of dissent from the merger agreement to Rumson at its principal office located at 20 Bingham Avenue, Rumson, New Jersey 07760, which may be made by registered mail or personally by the dissenting shareholder or his, her or its agent, no later than the third day prior to January 15, 2014, which is the date of the special meeting of Rumson

shareholders, and (iii) who do not vote to approve the merger agreement at the special meeting of Rumson shareholders or who abstain from voting to approve the merger agreement or who do not return their proxy card, may, within 30 days after the filing of the merger agreement with the New Jersey Department of Banking and Insurance on the date of the closing of the merger, serve a demand notice upon the surviving bank at its principal office located at 2650 Route 130, P.O. Box 634, Cranbury, New Jersey 08512, which may be made by registered mail or personally by the dissenting shareholder or its agent, for payment to the dissenting shareholder of the value of its shares of stock. **If you fail to act pursuant to § 17:9A-140, § 17:9A-141 and § 17:9A-146 of the New Jersey Banking Act of 1948, as**

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amended, you will be forever barred from bringing any action (i) to enforce its right to be paid the value of its shares or (ii) to enjoin, set aside or otherwise affect the merger. Consequently, if you wish to exercise your dissenters' rights, you are strongly urged to consult with your legal advisor before attempting to do so. See The MERGER Rights of Dissenting Shareholders, beginning at page 68 and the text of § 17:9A-140 through § 17:9A-146 of the New Jersey Banking Act of 1948, as amended, which is attached hereto as Annex C.

Q: ARE THERE ANY REGULATORY OR OTHER CONDITIONS TO THE MERGER OCCURRING?

A: Yes. The merger of Rumson into 1st Constitution Bank must be approved by the Federal Deposit Insurance Corporation (the FDIC) and the New Jersey Department of Banking and Insurance, and a waiver must be obtained from the Board of Governors of the Federal Reserve System. Applications were filed with the FDIC and the New Jersey Department of Banking and Insurance on October 4, 2013 and October 7, 2013, respectively. A request for a waiver from the Board of Governors of the Federal Reserve System will be made at a later date only after approval from the FDIC has been received. Approval of the application to the New Jersey Department of Banking and Insurance was received on or about November 7, 2013. Approval of the application to the FDIC is pending. In addition, the merger must be approved by the holders of at least two-thirds of the outstanding shares of Rumson common stock.

Completion of the merger is also subject to certain other conditions. See THE MERGER Conditions to the Merger, beginning at page 68.

Q: WHAT DOES THE BOARD OF DIRECTORS RECOMMEND?

A: The Rumson Board of Directors has unanimously approved the merger and the merger agreement and believes that the proposed merger is in the best interests of Rumson and its shareholders. Accordingly, the Rumson Board of Directors unanimously recommends that Rumson shareholders vote **FOR** approval of the merger agreement and the merger, **FOR** approval of authorization of the Board of Directors to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly presented at the special meeting and **FOR** approval of authorization of the Board of Directors, in its discretion, to vote on other matters properly presented at the special meeting.

Q: ARE THERE RISKS ASSOCIATED WITH 1ST CONSTITUTION'S COMMON STOCK OR THE MERGER?

A: Yes. For a description of some of the risks, see RISK FACTORS, beginning at page 25.

Q: WHAT DO I NEED TO DO NOW?

A: After you have carefully read this proxy statement and prospectus, you should indicate on your proxy card how you want your shares to be voted, then sign, date and mail the proxy card in the enclosed postage-paid envelope as soon as possible so that your shares may be represented and voted at the special meeting of Rumson's shareholders. You should also indicate on your proxy card how you want your shares voted on the other proposal to be considered at the special meeting of Rumson's shareholders. In addition, you may attend the special meeting of Rumson's shareholders in person and vote, whether or not you have signed and mailed your proxy card.

If you are a Rumson shareholder and you sign, date and mail your proxy card without indicating how you wish to vote, your proxy will be counted as a vote **FOR** approval of the merger agreement described in this proxy statement and prospectus, **FOR** approval of authorization of the Board of Directors to adjourn the special meeting to a later date,

if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly presented at the special meeting and **FOR** approval of authorization of the Board of Directors, in its discretion, to vote on other matters properly presented at the special meeting. **If you fail to return your proxy card or vote by telephone, on the internet or in person or fail to instruct your broker or other nominee to vote your shares, your shares will not be voted and this will have the same effect as a vote**

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against approval of the merger agreement but will have no effect on the proposal regarding approval of authorization of the Board of Directors to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly presented at the special meeting.

Q: HOW DO RUMSON SHAREHOLDERS REGISTER THEIR ELECTION TO RECEIVE CASH, 1ST CONSTITUTION STOCK OR A COMBINATION OF CASH OR 1ST CONSTITUTION STOCK?

A: Each Rumson shareholder should complete and return an election form, along with their Rumson stock certificate(s), according to the instructions included with the election form. The election form will be provided to Rumson shareholders in a mailing separate from this proxy statement and prospectus. If you own shares of Rumson common stock in street name through a broker or other nominee and you wish to make an election, you should obtain instructions from the broker or other nominee holding your shares concerning how to make your election. The election forms must be received by Register and Transfer Co., the Exchange Agent, no later than the close of business three business days prior to the date on which we consummate the merger. Assuming that all regulatory approvals are received (and the 15 to 30 day period following FDIC approval during which the Justice Department may file objections to the merger relating to competitive factors has passed) prior to the special meeting and assuming that Rumson shareholders approve the proposals described in this document, we hope to consummate the merger in the first calendar quarter of 2014. **Thus, if you are a Rumson shareholder, you should make sure that the Exchange Agent receives your election form at least three business days prior to the date on which we consummate the merger.** If you are a Rumson shareholder and you either do not submit an election form or you submit an election form after the deadline, your shares will be deemed to be No Election Shares for purposes of the allocation procedures described in this proxy statement and prospectus. We cannot tell you at this point whether No Election Shares will receive cash, 1st Constitution common stock, or a combination of cash and 1st Constitution common stock in the merger. See THE MERGER Terms of the Merger Election Form; Exchange of Shares beginning on page 61.

Q: MUST MY ELECTION FORM COVER ALL OF MY RUMSON SHARES?

A: Yes. Each holder of Rumson shares may submit only one election form. The only exception is for shareholders who hold shares on behalf of others or shareholders who hold shares in a retirement account. Shareholders who hold Rumson shares as nominees, trustees or in other representative capacities may submit multiple election forms, provided that each such election form covers all of the shares of Rumson common stock held by such representative for a particular beneficial owner. Shareholders who hold shares in a retirement account may also submit multiple election forms as long as each election form covers all of the shares held by such shareholder individually or in the retirement account.

Q: MAY I CHANGE MY VOTE AFTER I HAVE MAILED MY SIGNED PROXY CARD?

A: Yes. There are three ways for you to revoke your proxy and change your vote. First, you may send a later-dated, signed proxy card before the special meeting. Second, you may revoke your proxy by written notice (which you could personally deliver at the special meeting) to the Secretary of Rumson at any time prior to the vote being taken at the special meeting of Rumson's shareholders. Third, you may submit a new proxy via telephone or the Internet. If you have instructed a broker to vote your shares, you must follow directions received from your broker to change your vote. If you deliver such a notice or if you do not submit a proxy, you may vote your shares at the special meeting of Rumson's shareholders. If you wish to vote in person at the special meeting of Rumson's shareholders, you may deliver your completed proxy card in person or you may vote by completing a ballot, which will be available at the special meeting. Attendance at the special meeting of Rumson's shareholders will not by itself constitute a revocation of a proxy.

Q: MAY I CHANGE MY ELECTION FORM AFTER I HAVE MAILED IT TO THE EXCHANGE AGENT?

A: Yes, provided that you deliver a notice of revocation to the Exchange Agent prior to the election deadline, which will be the close of business on the third business day prior to the date on which the merger is

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consummated. You may deliver a new election form with your notice of revocation, provided that both documents are received prior to the election deadline.

Q: SHOULD I SEND IN MY STOCK CERTIFICATES NOW?

A: You should only submit your Rumson stock certificates when you submit your election form. If you do not submit an election form, 1st Constitution will mail to you instructions for exchanging your stock certificates promptly after the merger is consummated.

Q: HOW MANY SHARES OF 1ST CONSTITUTION COMMON STOCK ARE ISSUABLE PURSUANT TO THE MERGER?

A: If:

none of the outstanding Rumson stock options is exercised prior to the completion of the merger;

none of the unvested and unissued shares of Rumson restricted stock are cancelled prior to the completion of the merger; and

no adjustment is made in the exchange ratio because of a stock split, stock dividend or similar event affecting the stock price of 1st Constitution common stock, then, as result of the 40% stock/60% cash allocation of the merger consideration contained in the merger agreement, the maximum number of shares of 1st Constitution common stock issuable pursuant to the merger agreement, assuming none of the outstanding options to purchase shares of Rumson common stock are exercised prior to the completion of the merger, is 1,006,385 shares.

Q: WHERE CAN I FIND MORE INFORMATION?

A: You can find more information about 1st Constitution from the various sources described under **WHERE YOU CAN FIND MORE INFORMATION** beginning at page 189.

Q: WHAT IF THERE IS A CONFLICT BETWEEN DOCUMENTS?

A: You should rely on the later filed document. Information in this proxy statement and prospectus may update information contained in one or more of the 1st Constitution documents filed previously with Securities and Exchange Commission or contained in one or more of the Rumson documents previously furnished to Rumson shareholders.

Q: WHEN DO YOU EXPECT TO MERGE?

A: We are working toward completing the merger as quickly as possible and currently anticipate that the merger will be completed in the first calendar quarter of 2014. We cannot close the merger until (a) after we receive all necessary bank regulatory approvals and the 15 to 30 day period following FDIC approval during which the Justice Department may file objections to the merger relating to competitive factors has passed and (b) after the shareholders of Rumson have approved the merger agreement and the merger at the special meeting of Rumson shareholders.

Q: WHOM SHOULD I CALL WITH QUESTIONS OR TO OBTAIN ADDITIONAL COPIES OF THIS PROXY STATEMENT AND PROSPECTUS?

A: If you have any questions concerning the merger, would like additional copies of this proxy statement and prospectus or need help voting your shares of Rumson common stock, please contact **Rumson's proxy solicitor, Eagle Rock Proxy Advisors, at 12 Commerce Drive, Cranford, New Jersey 07016, or toll-free at (888) 859-9315.**

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SUMMARY

This summary highlights selected information from this proxy statement and prospectus. Because this is a summary, it does not contain all of the information that may be important to you. You should carefully read this entire document and the other documents we refer to in this document before you decide how to vote. These references will give you a more complete description of the merger agreement and the merger and the other matters to be considered at the special meetings. We have included page references in this summary to direct you to more complete descriptions of the topics provided elsewhere in this proxy statement and prospectus.

The Companies (See pages 134 to 158 for Rumson and pages 80 to 133 for 1st Constitution)

Rumson-Fair Haven Bank and Trust Company

20 Bingham Avenue

Rumson, New Jersey 07760

Telephone: (732) 933-4445

Rumson is a New Jersey State-chartered bank with five offices located in Monmouth County, New Jersey. Rumson's executive office is located at 20 Bingham Avenue, Rumson, New Jersey; its main office is located at 636 River Road, Fair Haven, New Jersey; and its branches are located at 511 Cookman Avenue, Asbury Park, New Jersey, 251 East Main Street, Oceanport, New Jersey, and 500 Broad Street, Shrewsbury, New Jersey. Rumson commenced business on July 17, 2000. The primary business of Rumson is to provide deposit and lending services for individuals, small to medium-sized businesses and professional practices in our market area.

As a community bank, Rumson's emphasis involves providing a broad range of products and services. These products and services offered by Rumson are designed to provide deposit and loan products that meet its customers' needs. Rumson offers the traditional range of banking products to its customers, including commercial loans, construction loans, residential loans, installment loans, checking accounts, savings accounts, certificates of deposit, safe deposit boxes, night depository and automated teller services, as well as internet banking, including electronic bill payment.

RFHB Investment Company (RFHBIC) was organized in 2009 under New Jersey law as a New Jersey Investment Company. The primary business of RFHBIC, a 100% owned subsidiary of Rumson, is to hold investment securities.

On June 1, 2012, Rumson entered into an agreement with Colonial Investments, LLC and formed RFH Title Agency, LLC, (RFH Title) a New Jersey limited liability company, whereby Rumson is a 49% owner. The purpose of the company is to act as title insurance agent for Chicago Title Insurance Company in insuring title insurance policies for real estate properties. An initial investment of \$1,000 was made. The newly organized title company is not consolidated for financial accounting purposes. Rumson accounts for this investment using the equity method of accounting. At December 31, 2012, the investment in the title company was \$1,000 and is recorded in assets in the accompanying consolidated statements of condition.

Rumson is subject to Federal and New Jersey statutes applicable to banks chartered under the New Jersey banking laws. Rumson's deposits are insured by the Federal Deposit Insurance Corporation (the FDIC). Accordingly, Rumson is subject to regulation, supervision and examination by the FDIC and the New Jersey State Department of Banking and Insurance.

1st Constitution Bancorp

2650 Route 130

Cranbury, New Jersey 08512

Telephone: (609) 655-4500

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1st Constitution is a bank holding company registered under the Bank Holding Company Act of 1956, as amended. 1st Constitution was organized under the laws of the State of New Jersey in February 1999 for the purpose of acquiring all of the issued and outstanding stock of 1st Constitution Bank, a full service commercial bank which began operations in August 1989, and thereby enabling 1st Constitution Bank to operate within a bank holding company structure. 1st Constitution became an active bank holding company on July 1, 1999. 1st Constitution Bank is a wholly-owned subsidiary of 1st Constitution. Other than its ownership interest in 1st Constitution Bank, 1st Constitution currently conducts no other significant business activities. 1st Constitution Bank operates fourteen branches, and manages an investment portfolio through its subsidiary, 1st Constitution Investment Company of New Jersey, Inc. FCB Assets Holdings, Inc., a subsidiary of 1st Constitution Bank is used by 1st Constitution Bank to manage and dispose of repossessed real estate. 1st Constitution Capital Trust II, a subsidiary of 1st Constitution, was created in May 2006 to issue trust preferred securities to assist 1st Constitution to raise additional regulatory capital.

The Merger (See page 46)

Pursuant to the merger agreement, Rumson will merge with and into 1st Constitution Bank, with 1st Constitution Bank as the surviving bank in the merger.

A copy of the merger agreement between 1st Constitution, 1st Constitution Bank and Rumson is attached to this proxy statement and prospectus as Annex A.

Rumson shareholders will receive either cash or stock, or a combination of cash and stock. Upon completion of the merger, the shareholders of Rumson will receive, at their election, for each outstanding share of Rumson common stock that they own at the effective time of the merger, either 0.7772 shares of 1st Constitution common stock or \$7.50 in cash or a combination of cash and 1st Constitution common stock, subject to proration as described in the merger agreement, so that 60% of the aggregate merger consideration will be cash and 40% will be shares of 1st Constitution common stock.

Holders of Rumson's stock immediately prior to the effective time of the merger will be able to elect to receive cash or stock, or a combination of cash and stock, or to indicate that such holder has no preference as to the receipt of cash or 1st Constitution common stock. If such election would result in other than 60% of the merger consideration to be paid in cash by 1st Constitution and other than 40% of the merger consideration to be paid in stock by 1st Constitution, then the Exchange Agent will designate, on a pro rata basis, from those holders electing to receive shares, those electing to receive cash, and those indicating no preference, those holders who will receive stock or cash, as applicable, so that 60% of the outstanding shares of Rumson will receive cash and 40% of the outstanding shares of Rumson will receive 1st Constitution common stock. See THE MERGER Terms of the Merger, beginning at page 60.

The exchange ratio will be adjusted proportionately if 1st Constitution makes any stock splits, stock dividends or similar distributions prior to the closing of the merger.

1st Constitution will not issue any fractions of a share of common stock. Rather, 1st Constitution will pay cash (without interest) for any fractional share interest that any Rumson shareholder would otherwise receive in the merger. All shares of Rumson common stock held by a shareholder immediately prior to the effective time of the merger will be aggregated before determining the need to pay cash in lieu of fractional shares to such former shareholder.

Tax Consequences (See pages 74 to 78)

The tax consequences of the merger are dependent on whether the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. The obligation of 1st Constitution and

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Rumson to complete the merger is conditioned upon the receipt of a legal opinion from Day Pitney LLP, counsel to 1st Constitution, to the effect that the merger will qualify as a reorganization. Provided that the merger qualifies as a reorganization for United States federal income tax purposes, the specific tax consequences of the merger to a Rumson shareholder will depend upon the form of consideration such Rumson shareholder receives in the merger.

If a Rumson shareholder receives solely shares of 1st Constitution common stock and cash instead of a fractional share of 1st Constitution common stock in exchange for Rumson common stock, then the shareholder generally will not recognize any gain or loss, except with respect to the cash received instead of a fractional share of 1st Constitution common stock.

If a Rumson shareholder receives solely cash, then the shareholder generally will recognize gain or loss equal to the difference between the amount of cash received and the shareholder's adjusted tax basis in their Rumson common stock. Generally, any gain recognized upon the exchange will be capital gain, and any such capital gain will be long-term capital gain if the shareholder has a holding period of more than one year for their shares of Rumson common stock.

If the shareholder receives a combination of 1st Constitution common stock and cash, other than cash instead of a fractional share of 1st Constitution common stock, in exchange for Rumson common stock, then the shareholder may recognize gain, but not loss, upon the exchange of shares of Rumson common stock for shares of 1st Constitution common stock and cash. If the sum of the fair market value of the 1st Constitution common stock and the amount of cash received in exchange for shares of Rumson common stock exceeds the adjusted tax basis of the shareholder's shares of Rumson common stock, taxable gain will be recognized equal to the lesser of the amount of such excess or the amount of cash received in the exchange. Generally, any gain recognized upon the exchange will be capital gain, and any such capital gain will be long-term capital gain if the shareholder has established a holding period of more than one year for their shares of Rumson common stock. Depending on certain facts specific to the shareholder, any gain could instead be characterized as ordinary dividend income.

If the merger does not qualify as a reorganization, then each holder of Rumson common stock will recognize capital gain or loss equal to the difference between (a) the sum of the fair market value of the shares of 1st Constitution common stock, as of the effective date of the merger, received by such holder pursuant to the merger and the amount of any cash received by such holder pursuant to the merger and (b) its adjusted tax basis in the shares of Rumson common stock surrendered in exchange therefor. Gain or loss will be computed separately with respect to each identified block of Rumson common stock exchanged in the merger.

Further, if the merger is not treated as a reorganization, Rumson will be subject to tax on the deemed sale of its assets to 1st Constitution, with gain or loss for this purpose measured by the difference between Rumson's tax basis in its assets and the fair market value of the consideration deemed to be received therefor or, in other words, the cash and shares of 1st Constitution common stock plus liabilities assumed in the merger, and 1st Constitution will become liable for any tax liability of Rumson resulting from the merger.

Rumson's Reasons for the Merger (See pages 49 to 51)

Rumson's Board of Directors has unanimously approved the merger and the merger agreement and believes that the proposed merger is in the best interests of Rumson and its shareholders. If the merger is consummated, Rumson

shareholders who receive 1st Constitution common stock in the merger will own stock in a larger and more diversified corporation.

In unanimously approving the merger agreement, Rumson's Board of Directors considered, among other things, the terms of the merger agreement, including the financial terms, the income tax consequences of the transaction, the historical market prices and liquidity of 1st Constitution common stock and Rumson common stock, the competitive environment facing Rumson, the business and prospects of 1st Constitution and such other reasons as set forth on pages 49 to 51.

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Rumson Board recommendation (See page 51)

Rumson's Board of Directors unanimously approved the merger agreement and the merger, and unanimously recommends that Rumson shareholders vote **FOR** approval of the merger agreement and the merger, **FOR** approval of authorization of the Board of Directors to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly presented at the special meeting and **FOR** approval of authorization of the Board of Directors, in its discretion, to vote on other matters properly presented at the special meeting.

Rumson's financial advisor has concluded that the consideration that Rumson shareholders will receive in the merger is fair. (See pages 51 to 60)

Keefe, Bruyette & Woods, Inc., financial advisor to Rumson, whom we refer to as KBW, has provided a written fairness opinion, dated as August 14, 2013, to Rumson's Board of Directors to the effect that, as of that date, the aggregate consideration to be paid in the merger is fair to Rumson's shareholders from a financial point of view. A copy of the fairness opinion is attached to this proxy statement and prospectus as Annex B.

You should read the fairness opinion in its entirety.

Pursuant to the KBW engagement agreement, Rumson agreed to pay KBW a cash fee of \$100,000 at the time of the signing of the merger agreement as well as a cash fee of \$300,000 to be paid at the time of the closing of the merger. In addition, Rumson also agreed to reimburse KBW for reasonable out-of-pocket expenses and disbursements up to \$10,000 incurred in connection with its engagement and to indemnify KBW and related parties against certain liabilities, including liabilities under the federal securities laws. During the two years preceding the date of its opinion to Rumson, KBW has not received compensation for investment banking services from Rumson, and KBW has not received compensation for investment banking services from 1st Constitution.

Special Meeting of Rumson's shareholders to be held on January 15, 2014 (See page 41)

The meeting of Rumson's shareholders will be held at Salt Creek Grille, 4 Bingham Avenue, Rumson, New Jersey 07760, at 10:00 a.m. (local time) on January 15, 2014. At the meeting, Rumson will ask its shareholders to consider and vote upon the following matters:

1. Approval of the Agreement and Plan of Merger, dated as of August 14, 2013, by and between 1st Constitution Bancorp, 1st Constitution Bank and Rumson, as amended, pursuant to which Rumson will merge with and into 1st Constitution Bank; and
2. Authorization of the Board of Directors, in its discretion, to adjourn or postpone the special meeting, including, without limitation, on a motion to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly presented at the special meeting; and
3. Authorization of the Board of Directors, in its discretion, to vote on other matters properly presented at the special meeting.

Who can vote (See page 41)

You are entitled to vote at the Rumson special meeting if you owned shares of Rumson common stock at the close of business on the record date of December 9, 2013. You will have one vote for each share of Rumson common stock that you owned on the applicable record date. On Rumson's record date, there were _____ shares of Rumson common stock outstanding.

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You may vote either by attending the special meeting of Rumson shareholders and voting your shares, or by completing the enclosed proxy card and mailing it to Rumson in the enclosed white envelope. Rumson shareholders may also vote by telephone or via the Internet, as described in the enclosed instructions for Rumson.

The Board of Directors of Rumson is seeking your proxy to use at the special meeting of Rumson shareholders. Rumson and 1st Constitution have prepared this proxy statement and prospectus to assist you in deciding how to vote and whether or not to grant your proxy. Please indicate on your proxy card how you want to vote and then sign, date and mail the proxy card as soon as possible so that your shares will be represented at the special meeting of Rumson shareholders.

If you are a Rumson shareholder and you sign, date and mail your proxy card without indicating how you wish to vote, your proxy will be counted as a vote **FOR** approval of the merger agreement and the merger, **FOR** approval of authorization of the Board of Directors to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly presented at the special meeting and **FOR** approval of authorization of the Board of Directors, in its discretion, to vote on other matters properly presented at the special meeting. **If you fail to return your proxy card or vote by telephone, on the internet or in person or fail to instruct your broker or other nominee to vote your shares, your shares will not be voted and this will have the same effect as a vote against approval of the merger agreement but will have no effect on the proposal regarding approval of authorization of the Board of Directors to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly presented at the special meeting.**

If you sign a proxy, you may revoke it by written notice to the Secretary of Rumson at any time before it is voted at the special meeting.

You cannot vote shares held by your broker in street name. Only your broker can vote those shares, with your instructions. If you do not provide your broker with instructions on how to vote your shares, your broker will not be permitted to vote them.

Voting matters (See pages 41 to 44)

The approval of the merger agreement and the merger will require the affirmative vote, in person or by proxy, of the holders of at least two-thirds of the shares of Rumson's common stock outstanding on the record date. The approval of authorization of the Board of Directors to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly presented at the special meeting will require that the votes cast in person or by proxy at the special meeting in favor of the proposal exceeds the votes cast against the proposal. Each holder of shares of Rumson common stock outstanding on the record date will be entitled to one vote for each share held of record. Abstentions and broker non-votes will be counted for purposes of determining whether a quorum is present. Abstentions and broker non-votes will have the same effect as a vote against the merger and merger agreement but will have no effect on the vote to approve authorization of the Board of Directors to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly presented at the special meeting.

Voting Agreements (See pages 42 and 79)

As of November 26, 2013, the directors of Rumson had sole or shared voting power over 385,138 shares of Rumson common stock, or approximately 11.33 % of the shares of Rumson common stock outstanding on November 26, 2013.

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Rumson's directors have entered into agreements with 1st Constitution in which they have agreed to vote all shares of Rumson common stock which they own on the record date in favor of the merger agreement and the merger.

To the best knowledge of 1st Constitution and Rumson:

1st Constitution holds no shares of Rumson common stock other than shares held in a fiduciary capacity for others.

As of November 26, 2013, Rumson's directors and executive officers, together with their affiliates, did not beneficially own any shares of 1st Constitution common stock.

Interests of Rumson directors and management in the merger (See pages 73 to 74)

The directors and executive officers of Rumson have interests in the merger as directors and employees that are different from the interests of the other Rumson shareholders. These interests include, among others:

The appointment of James G. Aaron (currently the Chairman of the Board and a director of Rumson) to the Board of Directors of 1st Constitution Bank. As a director of 1st Constitution Bank, Mr. Aaron will be entitled to compensation for services rendered to 1st Constitution Bank

If Joseph Castelluci (President and Chief Executive Officer) is terminated by 1st Constitution Bank after the merger or he terminates his employment after a change in control because his duties and responsibilities or his total annual compensation and/or benefits are materially changed or terminated, or he is not employed at his current level for a two year period, or he has to incur an unreasonable commuting distance of 30 miles or more from his home address, Joseph Castelluci will be entitled to receive a severance payment estimated to be approximately \$574,000, which is equal to his current base salary, bonus and the cash equivalent of his employee benefits for a period of two years. It is not anticipated that Mr. Castelluci will be required to commute more than 30 miles from his home address pursuant to his employment with 1st Constitution.

If Gayle S. Hoffman (Senior Vice President and Chief Financial Officer) or Thomas Sannelli (Senior Vice President of Retail Banking) is terminated without cause after the merger or if Gayle S. Hoffman or Thomas Sannelli is not employed by 1st Constitution Bank for a period of at least one year from the date of the merger pursuant to a written agreement providing that they each have (a) the same or substantially equal position with similar title and responsibilities and the same or greater salary, benefits and bonuses that they each respectively received immediately prior to the change in control and (b) no more than a 30 mile commute from their respective residence, they will each receive their current base salary for a period of one year, their largest annual cash bonus in the three year period between December 31, 2010 and December 31, 2012, and the cash equivalent of their employee benefits for a period of one year. Ms. Hoffman's payment is estimated to be approximately \$196,000 and Mr. Sannelli's payment is estimated to be approximately \$137,000. Pursuant to their employment with 1st Constitution, Ms. Hoffman and Mr. Sannelli may be required to commute more than 30 miles from their respective residences. In such event, Ms. Hoffman and Mr. Sannelli will each have the right to terminate their employment with 1st Constitution and receive the

above payments due under their respective change in control agreements.

Mr. Castelluci and Ms. Hoffman have 7,500 and 3,750 shares, respectively, of unvested and unissued restricted Rumson stock that will vest as a result of the merger. At the closing of the merger, each share of unvested and unissued Rumson restricted stock will be converted into the right to receive 0.7772 shares of 1st Constitution stock.

Mr. Castelluci, Ms. Hoffman, Edward S. Keller and Mr. Sannelli hold options to purchase 25,000, 20,000, 10,000 and 1,000 shares of Rumson common stock, respectively, at an exercise price of \$6.00 per share.

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In addition, other employees of Rumson hold options to purchase an aggregate of 1,900 shares of Rumson common stock at an exercise price of \$6.00 per share. At the closing of the merger, each of these options, whether vested or unvested, will be converted into the right to receive \$1.50 for each share underlying the options, which is the difference between the merger cash consideration of \$7.50 per share of Rumson common stock and the exercise price of \$6.00 per share set forth in the options.

Mr. Sannelli and Mr. Castelluci hold options to purchase 13,834 and 3,843 shares of Rumson common stock, respectively, at an exercise price of \$6.83 per share. At the closing of the merger, each of these options, whether vested or unvested, will be converted into the right to receive \$0.67 for each share underlying the options, which is the difference between the merger cash consideration of \$7.50 per share of Rumson common stock and the exercise price of \$6.83 per share set forth in the options.

Stephen A. Tyler, a director, and Mr. Castelluci hold options to purchase 8,389 and 1,117 shares of Rumson common stock, respectively, at exercise prices in excess of the merger cash consideration of \$7.50 per share of Rumson common stock. At the closing of the merger, neither Mr. Tyler nor Mr. Castelluci will receive any cash consideration for such options.

The merger agreement provides that 1st Constitution will (i) indemnify the directors and officers of Rumson against certain liabilities for a six-year period following completion of the merger and (ii) purchase directors and officers liability insurance for a period of six years after the closing, subject to a limitation on the amount which 1st Constitution must spend for this insurance.

Rumson's Board of Directors and 1st Constitution's Board of Directors were aware of these interests and considered them in approving and recommending the merger. For additional information on the benefits of the merger to Rumson's management, see pages 73 to 74.

Merger expected to occur in the first calendar quarter of 2014 (See page 63)

The merger of Rumson with and into 1st Constitution Bank will become final when a merger agreement attaching certifications by 1st Constitution Bank and Rumson as to the requisite shareholder approval having been obtained, is filed with the New Jersey Commissioner of Banking and Insurance. That certificate may not be filed until all bank regulatory approvals have been received, the 15 to 30 day period following FDIC approval during which the Justice Department may file objections to the merger relating to competitive factors has passed, and Rumson's shareholders approve the merger agreement and the merger. We currently anticipate that the merger will be completed in the first calendar quarter of 2014, although delays could occur.

We cannot assure you that we can obtain the necessary regulatory or shareholder approvals or that the other conditions precedent to the merger can or will be satisfied.

Regulatory approval must be obtained and other conditions must be satisfied before the merger will be completed (See pages 72 to 73 and pages 68 to 69)

Our obligation to complete the merger is subject to various conditions that are usual and customary for this kind of transaction, including obtaining approvals from the New Jersey Department of Banking and Insurance and the FDIC, and obtaining a waiver from the Board of Governors of the Federal Reserve System. Applications were filed with the FDIC and the New Jersey Department of Banking and Insurance on October 4, 2013 and October 7, 2013,

respectively. Approval of the application to the New Jersey Department of Banking and Insurance was received on or about November 7, 2013. Approval of the application to the FDIC is pending. A request for a waiver from the Board of Governors of the Federal Reserve System will be made at a later date only after approval from the FDIC has been received. In addition to the required regulatory approvals and waiver, the

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merger will only be completed if certain conditions, including the following, are met or, where permissible, waived:

Rumson shareholders must approve the merger agreement at the Rumson special meeting.

Rumson and 1st Constitution must each receive an opinion of 1st Constitution's counsel with respect to certain tax matters.

Rumson and 1st Constitution must not have breached any of their respective representations or obligations under the merger agreement, subject to certain materiality qualifications.

The merger agreement attached to this proxy statement and prospectus as Annex A describes other conditions that must be met or waived before the merger may be completed.

Amendment or termination of the merger agreement is possible (See pages 70 to 71)

1st Constitution and Rumson may agree to terminate the merger agreement and not complete the merger at any time before the merger is completed. We each can unilaterally terminate the merger in certain circumstances. These include a failure to complete the merger by August 14, 2014, unless the terminating party's breach is the reason that the merger has not been completed.

Rumson may terminate the merger agreement if:

during a specified 20 business day period, the average closing sale price of 1st Constitution common stock on the NASDAQ Global Market is less than \$6.755; and

such average closing sale price of 1st Constitution common stock under-performs the average stock price of the NASDAQ Bank Index by more than 30%, as measured in accordance with the merger agreement.

See THE MERGER Termination beginning at page 70 for additional information regarding this and other bases for terminating the merger agreement, including Rumson's fiduciary out.

Rights of 1st Constitution shareholders differ from those of Rumson shareholders (See pages 184 to 186)

When the merger is completed, each Rumson shareholder will automatically become a 1st Constitution shareholder unless such shareholder's shares of Rumson common stock are converted entirely into cash under the merger agreement. The rights of 1st Constitution shareholders differ from the rights of Rumson shareholders in certain ways, primarily as a result of certain provisions in 1st Constitution's Certificate of Incorporation and By-laws that differ from those of Rumson's Certificate of Incorporation and By-laws. Some of these provisions are intended to make a takeover of 1st Constitution harder if 1st Constitution's Board of Directors does not approve it.

Rumson's shareholders have dissenters' rights (See pages 78 to 79)

Dissenters' rights are statutory rights that enable shareholders to dissent from an extraordinary transaction, such as a merger, and to demand that Rumson pay the fair value for their shares instead of receiving the consideration offered to shareholders in connection with the merger.

Shareholders of Rumson are entitled to exercise their rights as dissenting shareholders under § 17:9A-140 through § 17:9A-146 of the New Jersey Banking Act of 1948, as amended, but only if they comply strictly with all of the procedural and other requirements of such statutes. Under these statutes, shareholders of Rumson (i) who are entitled to vote at the special meeting of Rumson shareholders to be held on January 15, 2014,

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(ii) who serve a written notice of dissent from the merger agreement to Rumson at its principal office located at 20 Bingham Avenue, Rumson, New Jersey 07760, which may be made by registered mail or personally by the dissenting shareholder or his, her or its agent, no later than the third day prior to January 15, 2014, which is the date of the special meeting of Rumson shareholders, and (iii) who do not vote to approve the merger agreement at the special meeting of Rumson shareholders or who abstain from voting to approve the merger agreement or who do not return their proxy card, may, within 30 days after the filing of the merger agreement with the New Jersey Department of Banking and Insurance on the date of the closing of the merger, serve a demand notice upon the surviving bank at its principal office located at 2650 Route 130, P.O. Box 634, Cranbury, New Jersey 08512, which may be made by registered mail or personally by the dissenting shareholder or its agent, for payment to the dissenting shareholder of the value of its shares of stock. The text of § 17:9A-140 through § 17:9A-146 of the New Jersey Banking Act of 1948, as amended, is attached to this proxy statement and prospectus as Annex C. For a summary of § 17:9A-140 through § 17:9A-146, please see pages 78 to 79.

Stock certificates to be submitted with the election forms or after the merger is complete (See page 72)

Rumson shareholders will be provided with an election form in a mailing separate from this proxy statement and prospectus prior to the consummation of the merger. In order to make an effective election to receive cash, stock or a combination of cash and stock in the merger, it will be necessary for such shareholders to submit their Rumson stock certificates to the Exchange Agent, together with their election forms, in the envelope provided to Rumson's shareholders. If such shareholders do not submit an election form, then, promptly after the merger is completed, they will receive a letter and instructions on how to surrender their Rumson stock certificates in exchange for 1st Constitution stock certificates and/or cash. Rumson shareholders will need to carefully review and complete these materials and return them as instructed along with their stock certificates for Rumson common stock.

If you do not have stock certificates but hold shares of Rumson common stock with your broker or other nominee in street name, you will need to provide your broker or other nominee with instructions regarding your election. If you do not instruct your broker or other nominee to make an election, your broker or other nominee will automatically exchange your shares upon completion of the merger.

If you or your broker or other nominee do not submit an election form covering your shares of Rumson common stock prior to the election deadline, which is the close of business on the third business days prior to the date the merger is consummated, then you will lose the opportunity to indicate your preference as to whether your shares will be converted into 1st Constitution common stock or cash in accordance with the terms of the merger agreement.

Table of Contents**MARKET PRICE AND DIVIDEND INFORMATION****Rumson**

The shares of Rumson common stock are traded on the OTCBB under the trading symbol RFHB. The following table sets forth the high and low bid quotations as reported on the OTCBB for shares of Rumson common stock for each quarter during 2013, 2012, and 2011. The quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission, and may not represent actual transactions.

| | 2013 | | 2012 | | 2011 (1) | |
|----------------|------------|------------|---------|---------|----------|---------|
| | High | Low | High | Low | High | Low |
| First Quarter | \$ 6.00 | \$ 5.40 | \$ 6.60 | \$ 5.55 | \$ 6.48 | \$ 6.14 |
| Second Quarter | \$ 6.05 | \$ 5.65 | \$ 6.55 | \$ 5.85 | \$ 6.60 | \$ 6.20 |
| Third Quarter | \$ 7.55 | \$ 6.03 | \$ 6.33 | \$ 5.53 | \$ 6.70 | \$ 6.25 |
| Fourth Quarter | \$ 7.55(2) | \$ 7.40(2) | \$ 6.18 | \$ 5.25 | \$ 6.60 | \$ 6.10 |

(1) Prices have been retroactively adjusted for the 5% stock dividend paid on June 22, 2011.

(2) Through November 22, 2013.

As of November 22, 2013, there were approximately 145 record holders of Rumson common stock.

Rumson paid a 5% stock dividend on June 22, 2011. Rumson has never paid a cash dividend on its common stock and there are no plans to pay a cash dividend on its common stock at this time.

1st Constitution

The common stock of 1st Constitution trades on the Nasdaq Global Market under the trading symbol FCCY. The following are the high and low sales prices per share for each quarter during 2013, 2012, and 2011, as reported on the Nasdaq Global Market.

| | 2013 (1) | | 2012 (1) | | 2011 (1) | |
|----------------|-------------|------------|----------|---------|----------|---------|
| | High | Low | High | Low | High | Low |
| First Quarter | \$ 9.10 | \$ 8.38 | \$ 8.16 | \$ 5.74 | \$ 8.61 | \$ 7.39 |
| Second Quarter | \$ 9.67 | \$ 8.50 | \$ 8.58 | \$ 7.03 | \$ 7.85 | \$ 6.57 |
| Third Quarter | \$ 11.33 | \$ 9.28 | \$ 8.62 | \$ 7.45 | \$ 7.70 | \$ 5.47 |
| Fourth Quarter | \$ 11.00(2) | \$ 9.70(2) | \$ 8.48 | \$ 7.80 | \$ 6.35 | \$ 4.99 |

(1) Prices have been retroactively adjusted for the 5% stock dividend declared December 20, 2012 and paid January 31, 2013 to shareholders of record on January 14, 2013.

(2) Through November 22, 2013.

As of November 22, 2013, there were approximately 262 record holders of 1st Constitution common stock.

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1st Constitution paid 5% stock dividends on January 31, 2013, and February 2, 2012. 1st Constitution has never paid a cash dividend on its common stock and there are no plans to pay a cash dividend on its common stock at this time.

On August 14, 2013, the last full trading day prior to announcement of the execution of the merger agreement, the reported high and low sales prices and the closing sale prices of 1st Constitution common stock on the Nasdaq Global Market and Rumson common stock on the OTCBB were as follows:

| | August 14, 2013 | | Closing Sale Price |
|------------------|------------------------|------------|---------------------------|
| | High | Low | |
| 1st Constitution | \$ 9.75 | \$ 9.73 | \$9.75 |
| Rumson | \$ 7.60 | \$ 7.60 | \$7.60 |

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On _____, 2013, the last full trading day prior to the date of this proxy statement and prospectus, the reported high and low sales prices and the closing sale prices of 1st Constitution common stock on the Nasdaq Global Market and Rumson common stock on the OTCBB were as follows:

| | | , 2013 | |
|------------------|-------------|---------------|---------------------------|
| | High | Low | Closing Sale Price |
| 1st Constitution | \$ | \$ | \$ |
| Rumson | \$ | \$ | \$ |

Shareholders are urged to obtain current market quotations for shares of 1st Constitution common stock and Rumson common stock.

Equivalent value per share

The following table shows the closing sale price of 1st Constitution common stock on the Nasdaq Global Market on August 14, 2013, the last full trading day prior to announcement of the execution of the merger agreement and on _____, 2013, the last full trading day prior to the date of this proxy statement and prospectus, the closing sale price of Rumson common stock on the OTCBB on the same two dates and the equivalent value per share of Rumson common stock on the same two dates. The equivalent value per share is calculated by multiplying the per share price of 1st Constitution common stock by the exchange ratio of 0.7772.

| | 1st Constitution Common Stock | Rumson Common Stock | Equivalent Value Per Share of Rumson Common Stock |
|------------------------|--|------------------------------------|--|
| August 14, 2013 | \$9.75 | \$7.60 | \$7.58 |
| , 2013 | \$ | \$ | \$ |

Table of Contents**SELECTED FINANCIAL DATA****1st Constitution Summary Historical Consolidated Financial Information**

The following table sets forth selected consolidated financial data for 1st Constitution for each of the periods and as of the dates indicated. The financial data as of and for the years ended December 31, 2008 through 2012 are derived from 1st Constitution's audited consolidated financial statements. The financial data as of September 30, 2013 and for the nine months ended September 30, 2013 and 2012 are derived from 1st Constitution's unaudited consolidated financial statements.

| | (Unaudited) Nine Months Ended | | Years Ended December 31, | | | | |
|---|--|-------------|---------------------------------|-------------|-------------|-------------|-------------|
| | September 30, | 2012 | 2012 | 2011 | 2010 | 2009 | 2008 |
| | 2013 | | | | | | |
| (In thousands, except per share data) | | | | | | | |
| Selected Operating Data: | | | | | | | |
| Total interest income | \$ 21,993 | \$ 24,428 | \$ 32,837 | \$ 29,857 | \$ 29,301 | \$ 30,136 | \$ 29,120 |
| Total interest expense | 3,243 | 3,925 | 5,151 | 6,787 | 8,819 | 12,255 | 12,732 |
| Net interest income | 18,750 | 20,503 | 27,686 | 23,070 | 20,482 | 17,881 | 16,388 |
| Provision for loan losses | 777 | 1,650 | 2,150 | 2,559 | 2,325 | 2,553 | 640 |
| Net interest income after provision for loan losses | 17,973 | 18,853 | 25,536 | 20,511 | 18,157 | 15,328 | 15,748 |
| Non-interest income | 4,673 | 3,670 | 5,268 | 4,516 | 4,237 | 4,505 | 3,280 |
| Non-interest expenses | 16,499 | 17,170 | 23,771 | 19,805 | 17,819 | 17,116 | 15,029 |
| Income before income taxes | 6,147 | 5,353 | 7,033 | 5,222 | 4,575 | 2,717 | 3,999 |
| Income tax expense | 1,742 | 1,533 | 1,972 | 1,291 | 1,267 | 156 | 1,240 |
| Net income | 4,405 | 3,820 | 5,061 | 3,931 | 3,308 | 2,561 | 2,759 |
| Dividends on preferred stock and accretion | | | | | 1,022 | 720 | |
| Net income available to common shareholders | \$ 4,405 | \$ 3,820 | \$ 5,061 | \$ 3,931 | \$ 2,286 | \$ 1,841 | \$ 2,759 |
| Basic earnings per common share | \$ 0.74 | \$ 0.71 | \$ 0.92 | \$ 0.74 | \$ 0.43 | \$ 0.34 | \$ 0.52 |
| Diluted earnings per common share | 0.72 | 0.70 | 0.90 | 0.74 | 0.43 | 0.34 | 0.51 |

Note: All per share data has been restated to reflect the 5% stock dividends declared in all periods.

| | | | | | | |
|----------------------|-------------|-------------|-------------|---------------------|-------------|--|
| (Unaudited) | | | | December 31, | | |
| September 30, | 2012 | 2011 | 2010 | 2009 | 2008 | |

2013**(Dollars in thousands)****Selected Financial Data:**

| | | | | | | |
|----------------------|------------|------------|------------|------------|------------|------------|
| Total Assets | \$ 790,169 | \$ 840,968 | \$ 791,727 | \$ 644,395 | \$ 677,996 | \$ 546,287 |
| Total Loans | 362,549 | 521,814 | 475,432 | 411,987 | 379,946 | 377,348 |
| Total Deposits | 686,944 | 707,689 | 623,862 | 543,735 | 572,155 | 414,685 |
| Shareholders' Equity | 67,152 | 65,054 | 55,000 | 49,681 | 57,401 | 55,620 |

Selected Financial Ratios:

| | | | | | | |
|----------------------------------|-------|-------|-------|-------|-------|-------|
| Return on Average Assets | 0.73% | 0.65% | 0.54% | 0.50% | 0.41% | 0.56% |
| Return on Average Equity | 8.96 | 8.63 | 7.60 | 5.78 | 4.52 | 6.52 |
| Tier 1 Capital to Average Assets | 10.36 | 9.29 | 8.82 | 9.63 | 10.99 | 14.05 |

Table of Contents**Rumson Summary Historical Consolidated Financial Information**

The following table sets forth selected consolidated financial data for Rumson for each of the periods and as of the dates indicated. The financial data are derived from Rumson's unaudited and audited consolidated financial statements.

| | (Unaudited) Nine Months Ended | | Years Ended December 31, | | | | |
|---|----------------------------------|----------|--------------------------|----------|----------|----------|----------|
| | September 30, 2013 | 2012 | 2012 | 2011 | 2010 | 2009 | 2008 |
| (In thousands, except per share data) | | | | | | | |
| Selected Operating Data: | | | | | | | |
| Total interest income | \$ 5,537 | \$ 5,428 | \$ 7,313 | \$ 6,787 | \$ 7,316 | \$ 7,097 | \$ 7,430 |
| Total interest expense | 1,035 | 1,307 | 1,696 | 1,888 | 2,148 | 2,853 | 3,192 |
| Net interest income | 4,502 | 4,121 | 5,617 | 4,899 | 5,168 | 4,244 | 4,238 |
| Provision for loan losses | 140 | 105 | 160 | 120 | 310 | 280 | 295 |
| Net interest income after provision for loan losses | 4,362 | 4,016 | 5,457 | 4,779 | 4,858 | 3,964 | 3,943 |
| Non-interest income | 803 | 1,167 | 1,336 | 776 | 871 | 1,456 | 461 |
| Non-interest expenses | 4,159 | 4,098 | 5,352 | 4,940 | 4,652 | 4,676 | 3,944 |
| Income before income taxes | 1,006 | 1,085 | 1,441 | 615 | 1,077 | 744 | 460 |
| Income tax expense | 386 | 363 | 480 | 163 | 331 | 251 | 155 |
| Net income | \$ 620 | \$ 722 | \$ 961 | \$ 452 | \$ 746 | \$ 493 | \$ 305 |
| Basic earnings per common share | \$ 0.19 | \$ 0.23 | \$ 0.31 | \$ 0.15 | \$ 0.25 | \$ 0.17 | \$ 0.10 |
| Diluted earnings per common share | 0.19 | 0.23 | 0.30 | 0.14 | 0.25 | 0.17 | 0.10 |

Note: Per share data has been restated to reflect stock dividends declared during the years 2008 through 2011.

| | (Unaudited) September 30, | | December 31, | | | |
|-----------------------------------|------------------------------|------------|--------------|------------|------------|------------|
| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| (Dollars in thousands) | | | | | | |
| Selected Financial Data: | | | | | | |
| Total Assets | \$ 215,842 | \$ 212,675 | \$ 227,160 | \$ 197,678 | \$ 168,106 | \$ 143,655 |
| Total Loans | 141,774 | 116,926 | 86,927 | 81,580 | 91,162 | 106,139 |
| Total Deposits | 186,073 | 181,550 | 197,667 | 168,311 | 138,714 | 114,390 |
| Shareholders' Equity | 19,152 | 18,478 | 16,485 | 15,561 | 14,896 | 13,919 |
| Selected Financial Ratios: | | | | | | |
| Return on Average Assets | 0.39% | 0.44% | 0.21% | 0.40% | 0.32% | 0.22% |
| Return on Average Equity | 4.40 | 5.52 | 2.82 | 4.85 | 3.42 | 2.22 |

| | | | | | | |
|----------------------------------|------|------|------|------|------|------|
| Tier 1 Capital to Average Assets | 8.76 | 8.68 | 7.40 | 8.15 | 8.55 | 9.98 |
|----------------------------------|------|------|------|------|------|------|

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PRO FORMA FINANCIAL DATA

The following unaudited pro forma condensed combined financial information is based on the historical financial statements of 1st Constitution and Rumson and has been prepared to illustrate the financial effect of 1st Constitution's merger with Rumson. The following unaudited pro forma condensed combined financial information combines the historical consolidated financial position and results of operations of 1st Constitution and its subsidiaries and Rumson and its subsidiaries, as an acquisition by 1st Constitution of Rumson using the acquisition method of accounting and giving effect to the related pro forma adjustments described in the accompanying notes. Under the acquisition method of accounting, the assets and liabilities of Rumson will be recorded by 1st Constitution at their respective fair values as of the date the merger is completed.

The unaudited pro forma condensed combined financial information set forth below assumes that the merger with Rumson was consummated on January 1, 2012 for purposes of the unaudited pro forma condensed combined statement of income for the year ended December 31, 2012 and for the nine months ended September 30, 2013, and on September 30, 2013 for purposes of the unaudited pro forma condensed combined balance sheet and gives effect to the merger.

These unaudited pro forma condensed combined financial statements reflect the Rumson merger based upon estimated preliminary acquisition accounting adjustments. Actual adjustments will be made as of the effective date of the merger and, therefore, may differ from those reflected in the unaudited pro forma condensed combined financial information.

The unaudited pro forma condensed combined financial statements included herein are presented for informational purposes only and do not necessarily reflect the financial results of the combined company had the companies actually been combined at the beginning of each period presented. The adjustments included in these unaudited pro forma condensed financial statements are preliminary and may be revised. This information also does not reflect the benefits of the expected cost savings and expense efficiencies, opportunities to earn additional revenue, potential impacts of current market conditions on revenues, or asset dispositions, among other factors, and includes various preliminary estimates and may not necessarily be indicative of the financial position or results of operations that would have occurred if the merger had been consummated on the date or at the beginning of the period indicated or which may be attained in the future. The unaudited pro forma combined condensed consolidated financial information has been derived from and should be read in conjunction with the historical consolidated financial statements and the related notes of 1st Constitution and Rumson, which are included elsewhere in this proxy statement and prospectus. See [Index to Financial Statements](#) beginning on page F-1.

Table of Contents**1st Constitution Bancorp****Pro Forma Condensed Combined Balance Sheet****As of September 30, 2013**

| | 1st Constitution | Rumson | Pro Forma Adjustments | Pro Forma Combined 1st Constitution |
|--|-----------------------------|-------------------|----------------------------------|--|
| <i>(Dollars in thousands, except shares and per share amounts)</i> | | | | |
| Assets | | | | |
| Cash and cash equivalents (1) | \$ 123,815 | \$ 22,086 | \$ (14,790) | \$ 131,111 |
| Investment securities | | | | |
| Available for sale (2) | 101,557 | 42,908 | | 144,465 |
| Held to maturity | 150,573 | | | 150,573 |
| Loans held for sale | 14,536 | 1,666 | | 16,202 |
| Total loans (3)(4) | 362,549 | 141,774 | (1,713) | 503,562 |
| | | | 952 | |
| Allowance for loan losses (5) | (6,820) | (1,734) | 1,734 | (6,820) |
| Net loans | 355,729 | 140,040 | 973 | 496,742 |
| Goodwill (6) | 3,764 | | 3,883 | 7,647 |
| Other intangibles (6) | 1,193 | | 3,200 | 4,393 |
| Other assets (7) | 39,002 | 9,142 | (1,071) | 47,073 |
| Total Assets | \$ 790,169 | \$ 215,842 | \$ (7,805) | \$ 998,206 |
| Liabilities and Shareholders' Equity | | | | |
| Liabilities | | | | |
| Deposits (8) | \$ 686,944 | \$ 186,073 | \$ 12 | \$ 873,029 |
| Other borrowings (9) | 28,557 | 10,000 | 1,179 | 39,736 |
| Other liabilities (10) | 7,516 | 617 | 515 | 8,648 |
| Total Liabilities | 723,017 | 196,690 | 1,706 | 921,413 |
| Total Shareholders' Equity (10)(11)(12) | 67,152 | 19,152 | (19,152) | 76,793 |
| | | | (154) | |
| | | | 9,795 | |
| Total Liabilities and Shareholders' Equity | \$ 790,169 | \$ 215,842 | \$ (7,805) | \$ 998,206 |
| Book value (13) | \$ 11.21 | \$ 5.89 | | \$ 10.96 |
| Tangible book value (13) | \$ 10.39 | \$ 5.89 | | \$ 9.25 |
| Common shares outstanding (14) | 5,988,867 | 3,253,585 | 1,014,972 | 7,003,839 |

See notes to the unaudited pro forma condensed combined financial information.

Table of Contents**1st Constitution Bancorp****Pro Forma Condensed Combined Statement of Income****Combining the Year Ended December 31, 2012**

| | 1st Constitution | Rumson | Pro Forma Adjustments | Pro Forma Combined 1st Constitution |
|--|--|---------------|----------------------------------|--|
| | <i>(Dollars in thousands, except shares and per share amounts)</i> | | | |
| Interest income | | | | |
| Loans, including fees (3)(4) | \$ 26,644 | \$ 5,364 | \$ (317) | \$ 31,691 |
| Securities and other (2) | 6,193 | 1,949 | (477) | 7,665 |
| Total interest income | 32,837 | 7,313 | (794) | 39,356 |
| Interest expense | | | | |
| Deposits (8) | 4,315 | 1,164 | (6) | 5,473 |
| Borrowings (9) | 836 | 532 | (368) | 1,000 |
| Total interest expense | 5,151 | 1,696 | (374) | 6,473 |
| Net interest income | 27,686 | 5,617 | (420) | 32,883 |
| Provision for loan losses | 2,150 | 160 | | 2,310 |
| Net interest income after provision for loan losses | 25,536 | 5,457 | (420) | 30,573 |
| Non-interest income (15) | 5,268 | 1,336 | | 6,604 |
| Non-interest expense (6)(15)(16) | 23,771 | 5,352 | 457 | 29,580 |
| Income before income taxes | 7,033 | 1,441 | (877) | 7,597 |
| Income tax expense (17) | 1,972 | 480 | (358) | 2,094 |
| Net income available to common shareholders | \$ 5,061 | \$ 961 | \$ (519) | \$ 5,503 |
| Earnings per common share | | | | |
| Basic (18) | \$ 0.92 | \$ 0.31 | | \$ 0.84 |
| Diluted (18) | \$ 0.90 | \$ 0.30 | | \$ 0.83 |
| Weighted average common shares outstanding | | | | |
| Basic (19) | 5,511,114 | 3,139,863 | 1,014,972 | 6,526,086 |
| Diluted (20) | 5,607,103 | 3,155,547 | 1,014,972 | 6,622,075 |

See notes to the unaudited pro forma condensed combined financial information.

Table of Contents**1st Constitution Bancorp****Pro Forma Condensed Combined Statement of Income****Combining the Nine Months Ended September 30, 2013**

| | 1st Constitution | Rumson | Pro Forma Adjustments | Pro Forma Combined 1st Constitution |
|--|--|---------------|----------------------------------|--|
| | <i>(Dollars in thousands, except shares and per share amounts)</i> | | | |
| Interest income | | | | |
| Loans, including fees (3)(4) | \$ 17,319 | \$ 4,646 | \$ (238) | \$ 21,727 |
| Securities and other (2) | 4,674 | 891 | (358) | 5,207 |
| Total interest income | 21,993 | 5,537 | (596) | 26,934 |
| Interest expense | | | | |
| Deposits (8) | 2,668 | 679 | (4) | 3,343 |
| Borrowings (9) | 575 | 356 | (276) | 655 |
| Total interest expense | 3,243 | 1,035 | (280) | 3,998 |
| Net interest income | 18,750 | 4,502 | (316) | 22,936 |
| Provision for loan losses | 777 | 140 | | 917 |
| Net interest income after provision for loan losses | 17,973 | 4,362 | (316) | 22,019 |
| Non-interest income (15) | 4,673 | 803 | | 5,476 |
| Non-interest expense (6)(15)(16) | 16,499 | 4,159 | 343 | 21,001 |
| Income before income taxes | 6,147 | 1,006 | (659) | 6,494 |
| Income tax expense (17) | 1,742 | 386 | (269) | 1,859 |
| Net income available to common shareholders | \$ 4,405 | \$ 620 | \$ (390) | \$ 4,635 |
| Earnings per common share | | | | |
| Basic (18) | \$ 0.74 | \$ 0.19 | | \$ 0.66 |
| Diluted (18) | \$ 0.72 | \$ 0.19 | | \$ 0.65 |
| Weighted average common shares outstanding | | | | |
| Basic (19) | 5,960,294 | 3,229,447 | 1,014,972 | 6,975,266 |
| Diluted (20) | 6,088,833 | 3,233,536 | 1,014,972 | 7,103,805 |

See notes to the unaudited pro forma condensed combined financial information.

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Notes to Unaudited Pro Forma Combined Financial Statements

General

The merger will be effected by the issuance of shares of 1st Constitution common stock and cash to Rumson shareholders. Each share of Rumson common stock will be exchanged for either 0.7772 shares of 1st Constitution common stock or \$7.50 in cash or a combination of cash and 1st Constitution common stock, subject to proration as described in the merger agreement, so that 60% of the aggregate merger consideration will be cash and 40% will be shares of 1st Constitution common stock. The shares of 1st Constitution common stock to be issued as illustrated in this pro forma were assumed to be recorded at \$9.65 per share for an estimated aggregate purchase price of \$24.6 million. The final accounting purchase price assigned to record the shares issued in the acquisition will be based on the closing price of 1st Constitution common stock on the closing date of the acquisition. 1st Constitution and Rumson cannot predict what the value or price of 1st Constitution's common stock will be at the closing of the transaction or how the value or price of 1st Constitution's stock may trade at any time, including the date hereof.

The final allocation of the purchase price will be determined after the acquisition is completed and additional analyses are performed to determine the fair values of Rumson's tangible and identifiable intangible assets and liabilities as of the date the acquisition is completed. Changes in the fair value of the net assets of Rumson as of the date of the acquisition will likely change the amount by which the fair value of the assets acquired exceeds the purchase price. The final adjustments may be materially different from the unaudited pro forma adjustments presented herein. The unaudited pro forma financial information has been prepared to include the estimated adjustments necessary to record the assets and liabilities of Rumson at their respective fair values and represents management's best estimate based upon the information available at this time. These pro forma adjustments included herein are subject to change as additional information becomes available and as additional analyses are performed. Such adjustments, when compared to the information shown in this document, may change the amount of the fair value of the assets acquired relative to the purchase price while changes to other assets and liabilities may impact the statement of income due to adjustments in the yield and/or amortization/accretion of the adjusted assets and liabilities.

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The estimated purchase accounting adjustments are as follows:

| | |
|--|---------------|
| <u>Calculation of Purchase Stock</u> | |
| Rumson shares outstanding | 3,253,585 |
| Unvested and unissued Rumson restricted shares | 11,250 |
| Shares subject to cash/stock election | 3,264,835 |
| <u>Shares to be Converted into Cash</u> | |
| Cash limitation | \$ 14,691,758 |
| Cash out of outstanding stock options | 98,694 |
| Cash consideration | \$ 14,790,452 |
| <u>Shares to be Converted into Stock</u> | |
| Shares subject to cash/stock election | 3,264,835 |
| Shares to be converted into cash (\$14,691,758 at \$7.50 per share) | 1,958,901 |
| Shares to be converted into stock | 1,305,934 |
| Shares of 1st Constitution to be issued | 1,014,972 |
| <u>Purchase Price</u> (in thousands) | |
| Fair value of 1st Constitution Shares to be issued (1,014,972 shares at \$9.65 per share) | \$ 9,795 |
| Cash consideration | 14,790 |
| Total Purchase Price | \$ 24,585 |
| Rumson net assets acquired at September 30, 2013 | \$ 19,152 |
| <u>Estimated adjustments to reflect fair value</u> | |
| Interest rate adjustment on loans | 952 |
| Credit adjustment on loans | (1,713) |
| Allowance for loan losses | 1,734 |
| Core deposit intangible | 3,200 |
| Borrowings | (1,179) |
| Deposits | (12) |
| Other liabilities | (300) |
| Total adjustments | 2,682 |
| Deferred taxes on purchase accounting adjustments (40.85% on taxable and tax deductible amounts) | 1,132 |
| Total net fair value adjustments | 1,550 |
| Adjusted net assets | \$ 20,702 |

The excess of the purchase price over the fair value of assets acquired is as follows:

| | |
|------------------------------|-----------|
| Total Purchase Price | \$ 24,585 |
| Adjusted Net Assets Acquired | 20,702 |
| Goodwill | \$ 3,883 |

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Notes to the Unaudited Pro Form Condensed Combined Balance Sheet as of September 30, 2013 and the Unaudited Pro Forma Condensed Combined Income Statement for the Year Ended December 31, 2012.

1. Reflects the use of \$14,790,000 in cash to fund the cash portion of the merger consideration to be paid to Rumson's shareholders at closing.
2. Since the carrying value of investment securities available for sale reflects fair value, no adjustment is required on the pro forma balance sheet. The excess of fair value over par value on these securities of \$625,000 will be amortized over the 1.31 year weighted average remaining life of these securities and is expected to decrease pretax interest income by \$477,000 for the year and by \$358,000 for nine months on a pro forma basis following the consummation of the transaction.
3. A \$952,000 adjustment was made to reflect the fair value of loans based on current interest rates on loans similar to those in Rumson's loan portfolio. This adjustment will be amortized over a preliminary estimated three-year weighted average life of the affected loans and is expected to decrease pretax interest income by \$317,000 for the year and by \$238,000 for the nine months on a pro forma basis following the consummation of the transaction.
4. A fair value adjustment of \$1,713,000 was made to reflect the credit risk in Rumson's loan portfolio, thereby reducing the outstanding loan balance.
5. An adjustment of \$1,734,000 was made to eliminate Rumson's allowance for loan losses.
6. Reflects an adjustment for goodwill arising from the transaction (see above discussion of the estimated purchase price adjustments arising from the transaction) and a core deposit intangible. A core deposit intangible arises from a financial institution having a deposit comprised for stable customer relationships. These deposits are generally at interest rates or on terms that are favorable to the financial institution. 1st Constitution considered recently completed transactions amid the current market environment and assigned a preliminary value of \$3,200,000 million to Rumson's core deposit accounts. The core deposit intangible will be amortized over its preliminary estimated life of seven years and increase non-interest expense \$457,000 for the year and \$343,000 for the nine months on a pretax basis following the consummation of the transaction.
7. This adjustment reflects deferred tax effect on the fair value adjustments related to the transaction. 1st Constitution is continuing to evaluate any potential adjustment involving any deferred tax asset valuation allowance. For purposes of these unaudited pro forma financial statements there are no adjustments involving any deferred tax asset valuation allowance.
8. An adjustment of \$12,000 to increase deposit balances was made to reflect the fair value of Rumson's interest-bearing time deposits. The fair value adjustment is based on current interest rates on deposits similar to Rumson's interest-bearing deposits. The adjustment will be amortized over the preliminary estimated two-year

weighted average life of the affected interest-bearing deposits and is expected to decrease pre-tax interest expense by \$6,000 for the year and \$4,000 for the nine months on a pro forma basis following the consummation of the transaction.

9. An adjustment of \$1,179,000 was made to reflect the fair value of Rumson's borrowings. The adjustment will be amortized over the estimated 3.2 year life of the remaining maturities and is expected to decrease pretax interest expense by \$368,000 for the year and \$276,000 for the nine months on a pro forma basis following the consummation of the transaction.
10. Reflects accrued investment advisory fees of 1st Constitution and Rumson.
11. Reflects the elimination of Rumson's equity accounts.
12. An adjustment of \$9,795,000 was made to reflect the issuance of 1,014,972 1st Constitution shares to Rumson's shareholders that receive stock as merger consideration.

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13. The book value per share and tangible book value per share for pro forma 1st Constitution reflect all fair value adjustments as applied and use the shares outstanding for pro forma 1st Constitution as described in Note 14.
14. The number of pro forma shares outstanding is calculated by adding 1st Constitution's 5,988,867 shares outstanding as of September 30, 2013 and the number of shares of 1,014,972 to be issued in connection with the merger. Rumson's shares outstanding are eliminated at consummation.
15. 1st Constitution expects that the merger with Rumson will provide the pro forma company with opportunities to realize reduced operating expenses. The adjustments do not reflect the benefits of expected cost savings or opportunities for the pro forma company to earn additional revenue.
16. Does not include transaction expenses that may be incurred by 1st Constitution after the closing of the transaction with Rumson. These expenses may include legal and accounting fees and other similar expenses. Any such transaction expense would generally increase non-interest expense on a pretax basis and are expected to be non-recurring.
17. Reflects a marginal Federal and New Jersey effective tax rate of 40.85% on taxable and tax deductible amounts for book tax expense.
18. The earnings per share-basic and earnings per share-diluted for pro forma 1st Constitution use the weighted average shares outstanding for pro forma 1st Constitution as described in Note 19 and 20.
19. The number of pro forma weighted average shares-basic outstanding for the year ended December 31, 2012 is calculated by adding 1st Constitution's 5,511,114 weighted average shares-basic outstanding and the number of shares to be issued in connection with the merger, which is calculated by multiplying Rumson's 3,264,835 shares subject to cash/stock election at September 30, 2013 by an exchange ratio of 0.7772; the product is multiplied by 40% to reflect that 40% of the total consideration will be in the form of 1st Constitution stock. The resultant additional shares are equal to 1,014,972 and are also added to 1st Constitution's 5,960,294 weighted average shares-basic outstanding for the nine months ended September 30, 2013 to arrive at the pro forma weighted average shares-basic for this period.
20. The number of pro forma weighted average shares-diluted outstanding for the year ended December 31, 2012 is calculated by adding 1st Constitution's 5,607,103 weighted average shares-basic outstanding and the number of shares to be issued in connection with the merger, which is calculated by multiplying Rumson's 3,264,835 shares subject to cash/stock election at September 30, 2013 by an exchange ratio of 0.7772; the product is multiplied by 40% to reflect that 40% of the total consideration will be in the form of 1st Constitution stock. The resultant additional shares are equal to 1,014,972 and are also added to 1st Constitution's 6,088,833 weighted average shares-diluted outstanding for the nine months ended September 30, 2013 to arrive at the pro forma weighted average shares-diluted for this period.

Table of Contents**COMPARATIVE PER SHARE INFORMATION**

1st Constitution and Rumson have set forth below information concerning earnings, cash dividends declared and book value per share for Rumson and 1st Constitution on both historical and pro forma combined bases and on a per share equivalent pro forma basis for Rumson. The pro forma combined diluted earnings of 1st Constitution common stock is based on the pro forma combined net income of 1st Constitution and Rumson, divided by total pro forma diluted common shares of the combined entity. The pro forma net income includes adjustments related to the estimated fair value of assets and liabilities and is subject to adjustment as additional information becomes available and as additional analysis is performed. Book value per share for the pro forma combined presentation is based upon outstanding shares of 1st Constitution common stock, adjusted to include the estimated number of shares of 1st Constitution common stock to be issued in the merger for outstanding shares of Rumson common stock at the time the merger is completed, assuming that 40% of Rumson's outstanding shares of common stock are converted into shares of 1st Constitution common stock, excluding stock options. The per share equivalent pro forma combined data for shares of Rumson common stock is also based on the assumed conversion of 40% of the outstanding shares of Rumson common stock into shares of 1st Constitution common stock based upon the exchange ratio of 0.7772 shares of 1st Constitution common stock for each share of Rumson common stock. The pro forma and pro forma equivalent data does not take into account any cost savings, revenue enhancements or synergies that may be achieved as a result of the merger. The following information is not necessarily indicative of future results. You should read the information set forth below in conjunction with the respective financial statements of 1st Constitution and Rumson included elsewhere in this proxy statement and prospectus.

| | Year Ended December 31, 2012 | Nine Months Ended September 30, 2013 |
|---|---|---|
| 1ST CONSTITUTION-HISTORICAL | | |
| Earnings per share-diluted | \$ 0.90 | \$ 0.72 |
| Cash dividends declared per share | | |
| Book value per share | 10.88 | 11.21 |
| RUMSON HISTORICAL | | |
| Earnings per share-diluted | 0.30 | 0.19 |
| Cash dividends declared per share | | |
| Book value per share | 5.74 | 5.89 |
| 1ST CONSTITUTION and RUMSON-PRO FORMA COMBINED | | |
| Earnings per share-diluted | 0.83 | 0.65 |
| Cash dividends declared per share | | |
| Book value per share | 10.68 | 10.96 |
| EQUIVALENT PRO FORMA COMBINED PER SHARE OF RUMSON COMMON STOCK | | |
| Earnings per share-diluted | 0.65 | 0.51 |
| Cash dividends declared per share | | |
| Book value per share | 8.30 | 8.52 |

By approving the merger, Rumson shareholders may, even if they elect to receive cash, ultimately receive 1st Constitution common stock and thus will be investing in 1st Constitution's common stock. An investment in 1st Constitution's common stock involves a degree of risk. In addition to the other information included in this document, including the matters addressed in FORWARD-LOOKING INFORMATION immediately following this section, you should carefully consider the matters described below in determining whether to approve the merger agreement.

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FORWARD-LOOKING INFORMATION

This proxy statement and prospectus contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward looking statements. When used in this and in future filings by 1st Constitution with the SEC, in press releases by 1st Constitution and in oral statements made with the approval of an authorized executive officer of 1st Constitution, the words or phrases will, will likely result, could, anticipates, believes, continues, expects, plans, will continue, anticipated, estimated, project or outlook or similar expressions (including confirmations by an authorized executive officer of 1st Constitution of any such expressions made by a third party with respect to 1st Constitution) are intended to identify forward-looking statements. 1st Constitution wishes to caution readers not to place undue reliance on any such forward-looking statements, each of which speaks only as of the date made. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical earnings and those presently anticipated or projected.

Factors that may cause actual results to differ from those results expressed or implied, include, but are not limited to, those listed under Business , Risk Factors and Management's Discussion and Analysis of Financial Condition and Results of Operations in 1st Constitution's Annual Report on Form 10-K filed with the Commission on March 22, 2013, such as the overall economy and the interest rate environment; the ability of customers to repay their obligations; the adequacy of the allowance for loan losses; competition; significant changes in accounting, tax or regulatory practices and requirements; certain interest rate risks; risks associated with investments in mortgage-backed securities; and risks associated with speculative construction lending. Although management has taken certain steps to mitigate any negative effect of the aforementioned items, significant unfavorable changes could severely impact the assumptions used and could have an adverse effect on profitability. Other factors that may cause actual results to differ from those contemplated by such forward-looking statements include, but are not limited to, the following: failure to obtain shareholder or regulatory approval for the proposed merger or to satisfy other conditions to the proposed merger on the proposed terms and within the proposed timeframe including, without limitation, the inability to realize expected cost savings and synergies from the proposed merger in the amounts or in the timeframe anticipated; changes in the estimate of non-recurring charges; costs or difficulties relating to integration matters might be greater than expected; and the inability to retain Rumson's customers and employees; and an increase in the share price of 1st Constitution's common stock from the date of the merger agreement until the closing of the proposed merger which, as a result of the fixed exchange ratio, will result in an increase in the cost of the proposed merger to 1st Constitution or requirements or conditions imposed by bank regulatory authorities approving the merger, including that 1st Constitution raise additional capital. 1st Constitution undertakes no obligation to publicly revise any forward-looking statements to reflect anticipated or unanticipated events or circumstances occurring after the date of such statements, except as required by law.

Additional factors that could cause 1st Constitution's results to differ materially from those described in the forward-looking statements can be found in 1st Constitution's filings with the SEC, including their Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC.

You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this proxy statement and prospectus. All subsequent written and oral forward-looking statements concerning the proposed merger or other matters addressed in this proxy statement and prospectus and attributable to 1st Constitution or Rumson or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except to the extent required by applicable law or regulation, 1st Constitution and Rumson undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this proxy statement and prospectus or to reflect the occurrence of unanticipated events.

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RISK FACTORS

By approving the merger, Rumson shareholders may, even if they elect to receive cash, ultimately receive 1st Constitution common stock and thus will be investing in 1st Constitution common stock. An investment in 1st Constitution common stock involves a degree of risk. In addition to the other information included in this document, including the matters addressed in **FORWARD-LOOKING INFORMATION** immediately preceding this section, you should carefully consider the matters described below in determining whether to approve the merger agreement.

Risks pertaining to the proposed merger:

If Rumson shareholders elect to receive cash in the merger, they may not exclusively receive cash.

Although Rumson shareholders will be given the right to elect to receive cash or 1st Constitution common stock or a combination of cash and 1st Constitution common stock in the merger, it is possible that if a shareholder elects to receive some or all of the merger consideration in the form of cash, that shareholder will not receive the form of consideration that was requested. To illustrate, the merger agreement provides that 60% of the merger consideration will be cash and 40% will be shares of 1st Constitution common stock. If Rumson shareholders' election forms in the aggregate provide for a different allocation of stock and cash, then the Exchange Agent will make pro rata adjustments so that 60% of the shares of Rumson common stock are converted into the right to receive cash and 40% of the shares of Rumson common stock are converted into the right to receive shares of 1st Constitution common stock. This is one factor that could cause a Rumson shareholder to receive a form of consideration other than what was chosen.

Since the exchange ratio is fixed, Rumson shareholders are at risk in the event that the market price of 1st Constitution common stock declines prior to the consummation of the merger.

The number of shares that 1st Constitution will issue for each share of Rumson common stock to be converted into 1st Constitution common stock—that is, 0.7772 shares—is fixed. If the market price of 1st Constitution common stock declines, the value of the stock consideration that Rumson shareholders will receive will decline. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in 1st Constitution's business, operations and prospects and regulatory considerations. Many of these factors are beyond 1st Constitution's control. The merger is not expected to close until the first calendar quarter of 2014. Moreover, Rumson shareholders can expect that there will be some delay after the merger is consummated before they will receive their 1st Constitution stock certificates. Thus, Rumson shareholders receiving stock in the merger will be subject to the risk of market declines in the value of 1st Constitution common stock for a substantial period of time.

Since the cash amount per share is fixed, Rumson shareholders are at risk in the event that the market price of 1st Constitution common stock increases prior to the consummation of the merger.

Those shareholders who receive cash in exchange for their shares of Rumson common stock will receive \$7.50 in cash for each such share. If the market price of 1st Constitution common stock increases, those Rumson shareholders who receive cash will receive less than the value of the 1st Constitution common stock that they would have received if they had elected to receive 1st Constitution common stock and had, in fact, received 1st Constitution common stock in the merger. **Rumson shareholders are urged to obtain current market quotations for 1st Constitution common stock.**

The Internal Revenue Service could challenge the treatment of the merger as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, which could result in adverse tax consequences.

1st Constitution and Rumson have structured the merger to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. In particular, 1st Constitution and Rumson believe the terms of the cash/stock mix of merger consideration to be received by Rumson common shareholders qualifies as fixed

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consideration for purposes of the required continuity of interest rule under Section 368(a) of the Internal Revenue Code. However, no ruling is being sought from the Internal Revenue Service (the IRS) on this issue, and it is possible that the IRS may challenge this position. If the IRS were to challenge successfully the treatment of the merger as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, there may be adverse tax consequences to holders of Rumson common stock. In addition, Rumson may be subject to additional tax, for which 1st Constitution will become liable as a result of the merger. These tax consequences are described more fully under **THE MERGER** Material United States Federal Income Tax Consequences Tax Consequences if the Merger Fails to Qualify as a Reorganization.

Rumson's shareholders will have less influence as a shareholder of 1st Constitution than as a shareholder of Rumson.

The shareholders of Rumson currently have the right to control Rumson through their ability to elect the Board of Directors of Rumson and to vote on other matters affecting Rumson. The merger will transfer control of Rumson to 1st Constitution. After completion of the merger, former Rumson shareholders will own less than 14.4% of 1st Constitution's outstanding common stock (excluding stock options). Consequently, the former Rumson shareholders will exercise much less influence over the management and policies of 1st Constitution than they currently exercise over the management and policies of Rumson.

If 1st Constitution Bank does not successfully integrate Rumson and any other banks that 1st Constitution or 1st Constitution Bank may acquire in the future, the combined bank may be adversely affected.

If the merger of Rumson into 1st Constitution Bank is completed, and if 1st Constitution or 1st Constitution Bank makes additional acquisitions in the future, 1st Constitution or 1st Constitution Bank will need to integrate the acquired entities into its existing business and systems. 1st Constitution or 1st Constitution Bank may experience difficulties in accomplishing this integration or in effectively managing the combined bank after the merger with Rumson, and after any future acquisition. Any actual cost savings or revenue enhancements that 1st Constitution or 1st Constitution Bank may anticipate from a future acquisition will depend on future expense levels and operating results, the timing of certain events and general industry and regulatory and business conditions. Many of these events will be beyond 1st Constitution or 1st Constitution Bank's control, and 1st Constitution and 1st Constitution Bank cannot assure you that if the merger is consummated or if 1st Constitution or 1st Constitution Bank makes any additional acquisitions in the future, it will be successful in integrating those businesses into its own.

1st Constitution may issue additional shares of common stock as a result of the merger or otherwise, which may dilute the ownership and voting power of its shareholders and the book value of its common stock.

1st Constitution is currently authorized to issue up to 30,000,000 shares of common stock of which 5,988,867 shares were outstanding on September 30, 2013 and an additional 1,006,385 shares are estimated to be issued in the merger (assuming no Rumson options are exercised prior to closing). Since 60% of the merger consideration will be paid in cash, 1st Constitution may decide to issue additional shares of common stock to replenish its cash position. In addition, 1st Constitution may decide to issue additional shares of common stock for any other corporate purposes. The Board of Directors of 1st Constitution has authority, without action or vote of 1st Constitution shareholders, to issue all or part of the authorized but unissued shares of common stock in public offerings or up to 20% of its outstanding common stock in non-public offerings. Any issuance of shares of 1st Constitution common stock will dilute the percentage ownership interest of 1st Constitution common shareholders and may dilute the book value of 1st Constitution common stock.

1st Constitution's future acquisitions could also dilute your ownership of 1st Constitution and may cause 1st Constitution to become more susceptible to adverse economic events.

1st Constitution may acquire or make investments in banks and other complementary businesses with its common stock in the future. 1st Constitution may issue additional shares of common stock to pay for those acquisitions, which would dilute your ownership interest in 1st Constitution. Future business acquisitions could

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be material to 1st Constitution, and the degree of success achieved in acquiring and integrating these businesses into 1st Constitution could have a material effect on the value of 1st Constitution common stock. In addition, any such acquisition could require 1st Constitution to use substantial cash or other liquid assets or to incur debt. In those events, 1st Constitution could become more susceptible to economic downturns and competitive pressures.

If the merger has not occurred by August 14, 2014, either 1st Constitution or Rumson is generally free to choose not to proceed with the merger.

Either 1st Constitution or Rumson may terminate the merger agreement if the merger has not been completed by August 14, 2014, unless such failure has resulted from the failure to perform by the party seeking to terminate the merger agreement. Although 1st Constitution and Rumson expect to close the merger in the first quarter of 2014, there can be no assurance that all conditions to the merger will have been satisfied by August 14, 2014.

The expected benefits of the merger may not be realized if the combined bank does not achieve certain cost savings and other benefits.

1st Constitution's belief that cost savings and revenue enhancements are achievable is a forward-looking statement that is inherently uncertain. The combined bank's actual cost savings and revenue enhancements, if any, cannot be quantified at this time. Any actual cost savings or revenue enhancements will depend on future expense levels and operating results, the timing of certain events and general industry, regulatory and business conditions. Many of these events will be beyond the control of the combined bank.

Rumson's officers and directors may have conflicts of interest and will receive benefits in the merger that other Rumson shareholders will not receive.

Rumson's directors and executive officers may have conflicts of interest with respect to the merger because they will receive benefits from the merger that other Rumson shareholders will not receive. See "The Merger—Interests of Management and Others in the Merger" beginning on page 73. Both Boards of Directors considered these interests, together with other relevant factors, in deciding whether to approve the merger.

The fairness opinion rendered to the Rumson Board of Directors by its financial advisor does not reflect changes in events or circumstances occurring after the date of the opinion.

The fairness opinion rendered to the Rumson Board of Directors by Keefe, Bruyette & Woods, Inc. was provided in connection with, and at the time of, the Rumson Board of Directors' evaluation of the merger and the merger agreement. This opinion was based on the financial analyses performed, which considered market and other conditions then in effect, and financial forecasts and other information made available to Keefe, Bruyette & Woods, Inc. as of the date of the opinion, which may have changed, or may change, after the date of the opinion. The Rumson Board of Directors has not obtained an updated opinion as of the date of this proxy statement and prospectus from Keefe, Bruyette & Woods, Inc., and it does not expect to obtain an updated opinion prior to completion of the merger. Changes in the operations and prospects of 1st Constitution or Rumson, general market and economic conditions and other factors which may be beyond the control of 1st Constitution and Rumson, and on which the fairness opinion was based, may have altered the value of 1st Constitution or Rumson or the prices of 1st Constitution common stock or Rumson common stock since the date of such opinion, or may alter such values and prices by the time the merger is completed. The opinion does not speak as of any date other than the date of the opinion. For a description of the opinion that the Rumson Board of Directors received from Keefe, Bruyette & Woods, Inc., please refer to "THE MERGER—Opinion of Rumson's Financial Advisor."

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Risks pertaining to 1st Constitution's business:

A prolonging of the economic downturn or the return of negative developments in the financial services industry could negatively impact 1st Constitution's operations.

The global and U.S. economic downturn has resulted in uncertainty in the financial markets in general with the possibility of a slow recovery or a fall back into recession. The Federal Reserve, in an attempt to help the overall economy, has kept interest rates low through its targeted federal funds rate, the purchase of mortgage-backed securities and the purchase of the Treasury securities. If the Federal Reserve increases the federal funds rate, overall interest rates will likely rise which may negatively impact the housing markets and the U.S. economic recovery. A prolonging of the economic downturn or the return of negative developments in the financial services industry could negatively impact 1st Constitution's operations by causing an increase in its provision for loan losses and a deterioration of its loan portfolio. Such a downturn may also adversely affect 1st Constitution's ability to originate or sell loans. The occurrence of any of these events could have an adverse impact on 1st Constitution's financial performance.

A prolonging or worsening of the downturn affecting the economy and/or the real estate market in 1st Constitution's primary market area would adversely affect its loan portfolio and growth potential.

Much of 1st Constitution's lending is in northern and central New Jersey. As a result of this geographic concentration, a further continued significant broad-based deterioration in economic conditions in the New Jersey metropolitan area could have a material adverse impact on the quality of 1st Constitution's loan portfolio, results of operations and future growth potential. A prolonged decline in economic conditions in 1st Constitution's market area could restrict borrowers' ability to pay outstanding principal and interest on loans when due, and consequently, adversely affect the cash flows and results of operation of 1st Constitution's business.

1st Constitution's loan portfolio is largely secured by real estate collateral located in the State of New Jersey. Conditions in the real estate markets in which the collateral for 1st Constitution's loans are located strongly influence the level of 1st Constitution's non-performing loans and results of operations. A continued decline in the New Jersey real estate markets could adversely affect 1st Constitution's loan portfolio. Decreases in local real estate values would adversely affect the value of property used as collateral for 1st Constitution's loans. Adverse changes in the economy also may have a negative effect on the ability of 1st Constitution's borrowers to make timely repayments of their loans, which would have an adverse impact on 1st Constitution's earnings.

1st Constitution faces significant competition.

1st Constitution faces significant competition from many other banks, savings institutions and other financial institutions which have branch offices or otherwise operate in 1st Constitution's market area. Non-bank financial institutions, such as securities brokerage firms, insurance companies and money market funds, engage in activities which compete directly with traditional bank business, which has also led to greater competition. Many of these competitors have substantially greater financial resources than 1st Constitution, including larger capital bases that allow them to attract customers seeking larger loans than 1st Constitution is able to accommodate and the ability to aggressively advertise their products and to allocate considerable resources to locations and products perceived as profitable. There can be no assurance that 1st Constitution and 1st Constitution Bank will be able to successfully compete with these entities in the future.

1st Constitution is subject to interest rate risk.

1st Constitution's earnings are largely dependent upon its net interest income. Net interest income is the difference between interest income earned on interest-earning assets such as loans and securities and interest expense paid on interest-bearing liabilities such as deposits and borrowed funds. Interest rates are highly sensitive to many factors that are beyond 1st Constitution's control, including general economic conditions and policies of various governmental and regulatory agencies and, in particular, the Federal Reserve Board. Changes

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in monetary policy, including changes in interest rates, could influence not only the interest 1st Constitution receives on loans and securities and the amount of interest it pays on deposits and borrowings, but such changes could also affect (i) 1st Constitution's ability to originate loans and obtain deposits, (ii) the fair value of 1st Constitution's financial assets and liabilities, and (iii) the average duration of 1st Constitution's mortgage-backed securities portfolio. If the spread between the interest rates paid on deposits and other borrowings and the interest rates received on loans and other investments narrows, 1st Constitution's net interest income, and therefore earnings, could be adversely affected. This also includes the risk that interest-earning assets may be more responsive to changes in interest rates than interest-bearing liabilities, or vice versa (repricing risk), the risk that the individual interest rates or rate indices underlying various interest-earning assets and interest bearing liabilities may not change in the same degree over a given time period (basis risk), and the risk of changing interest rate relationships across the spectrum of interest-earning asset and interest-bearing liability maturities (yield curve risk).

Although 1st Constitution's management believes it has implemented effective asset and liability management strategies to reduce the potential effects of changes in interest rates on 1st Constitution's results of operations, any substantial, unexpected, prolonged change in market interest rates could have a material adverse effect on 1st Constitution's financial condition and results of operations.

Historically low interest rates may adversely affect 1st Constitution's net interest income and profitability.

During the last five years it has been the policy of the Federal Reserve Board to maintain interest rates at historically low levels through its targeted federal funds rate and the purchase of mortgage-backed securities. As a result, yields have been at levels lower than were available prior to 2008 on securities 1st Constitution has purchased and loans it has originated. Consequently, the average yield on 1st Constitution's interest-earning assets has decreased during the recent low interest rate environment. As a general matter, 1st Constitution's interest-bearing liabilities re-price or mature more quickly than its interest-earning assets, which have contributed to increases in net interest income (the difference between interest income earned on assets and interest expense paid on liabilities) in the short term. However, 1st Constitution's ability to lower its interest expense is limited at these interest rate levels, while the average yield on its interest-earning assets may continue to decrease. The Federal Reserve Board has indicated its intention to maintain low interest rates in the near future. Accordingly, 1st Constitution's net interest income may decrease, which may have an adverse affect on its profitability.

1st Constitution is subject to risks associated with speculative construction lending.

The risks associated with speculative construction lending include the borrower's inability to complete the construction process on time and within budget, the sale of the project within projected absorption periods, the economic risks associated with real estate collateral, and the potential of a rising interest rate environment. Such loans may include financing the development and/or construction of residential subdivisions. This activity may involve financing land purchase, infrastructure development (i.e. roads, utilities, etc.), as well as construction of residences or multi-family dwellings for subsequent sale by developer/builder. Because the sale of developed properties is integral to the success of developer business, loan repayment may be especially subject to the volatility of real estate market values. 1st Constitution's management has established underwriting and monitoring criteria to minimize the inherent risks of speculative commercial real estate construction lending. Further, 1st Constitution's management concentrates lending efforts with developers demonstrating successful performance on marketable projects within 1st Constitution Bank's lending areas.

1st Constitution's mortgage warehouse lending business represents a significant portion of its overall lending activity and is subject to numerous risks.

1st Constitution's primary lending emphasis is the origination of commercial and commercial real estate loans and mortgage warehouse lines of credit. Based on the composition of 1st Constitution's loan portfolio, the inherent primary risks are deteriorating credit quality, a decline in the economy, and a decline in New Jersey real

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estate market values. Any one, or a combination, of these events may adversely affect the loan portfolio and may result in increased delinquencies, loan losses and increased future provision levels.

A significant portion of 1st Constitution's loan portfolio consists of the mortgage warehouse lines of credit. Risks associated with these loans include, without limitation, (i) credit risks relating to the mortgage bankers that borrow from 1st Constitution, (ii) the risk of intentional misrepresentation or fraud by any of such mortgage bankers, (iii) changes in the market value of mortgage loans originated by the mortgage banker, the sale of which is the expected source of repayment of the borrowings under a warehouse line of credit, due to changes in interest rates during the time in warehouse, or (iv) unsalable or impaired mortgage loans so originated, which could lead to decreased collateral value and the failure of a purchaser of the mortgage loan to purchase the loan from the mortgage banker.

The impact of interest rates on 1st Constitution's mortgage warehouse business can be significant. Changes in interest rates can impact the number of residential mortgages originated and initially funded under mortgage warehouse lines of credit and thus 1st Constitution's mortgage warehouse related revenues. A decline in mortgage rates generally increases the demand for mortgage loans. Conversely, in a constant or increasing rate environment, 1st Constitution would expect fewer loans to be originated. Although 1st Constitution uses models to assess the impact of interest rates on mortgage related revenues, the estimates of net income produced by these models are dependent on estimates and assumptions of future loan demand, prepayment speeds and other factors which may overstate or understate actual subsequent experience. Further, the concentration of 1st Constitution's loan portfolio on loans originated through its mortgage warehouse business increases the risk associated with 1st Constitution's loan portfolio because of the concentration of loans in a single line of business, namely one-to-four family residential mortgage lending, and in a particular segment of that business, namely mortgage warehouse lending.

If 1st Constitution's allowance for loan losses is not sufficient to cover actual loan losses, its earnings could decrease.

1st Constitution makes various assumptions and judgments about the collectability of its loan portfolio, including the creditworthiness of its borrowers and the value of the real estate and other assets serving as collateral for the repayment of many of its loans. In determining the amount of the allowance for loan losses, 1st Constitution's management reviews 1st Constitution's loans and loan delinquency experience and evaluates economic conditions. If assumptions by 1st Constitution's management are incorrect, 1st Constitution's allowance for loan losses may not be sufficient to cover losses inherent in its loan portfolio, resulting in additions to its allowance. Material additions to 1st Constitution's allowance would materially decrease its net income.

In addition, bank regulators periodically review 1st Constitution's loan portfolio and its allowance for loan losses and may require 1st Constitution to increase its provision for loan losses or recognize further loan charge-offs or reclassify loans. Any increase in 1st Constitution's allowance for loan losses or loan charge-offs or loan reclassifications as required by these regulatory authorities might have a material adverse effect on 1st Constitution's financial condition and results of operations.

Federal and state government regulation impacts 1st Constitution's operations.

The operations of 1st Constitution and 1st Constitution Bank are heavily regulated and will be affected by present and future legislation and by the policies established from time to time by various federal and state regulatory authorities. In particular, the monetary policies of the Federal Reserve Board have had a significant effect on the operating results of banks in the past and are expected to continue to do so in the future. Among the instruments of monetary policy used by the Federal Reserve Board to implement its objectives are changes in the discount rate charged on bank

borrowings. It is not possible to predict what changes, if any, will be made to the monetary policies of the Federal Reserve Board or to existing federal and state legislation or the effect that such changes may have on the future business and earnings prospects of 1st Constitution.

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1st Constitution and 1st Constitution Bank are subject to examination, supervision and comprehensive regulation by various federal and state agencies. Compliance with the rules and regulations of these agencies may be costly and may limit growth and restrict certain activities, including payment of dividends, investments, loans and interest rate charges, interest rates paid on deposits, and locations of offices. 1st Constitution Bank is also subject to capitalization guidelines set forth in federal legislation and regulations.

The laws and regulations applicable to the banking industry could change at any time, and 1st Constitution cannot predict the impact of these changes on its business and profitability. Because government regulation greatly affects the business and financial results of all commercial banks and bank holding companies, the cost of compliance could adversely affect 1st Constitution's result of operations.

Legislative and regulatory reforms may materially adversely impact 1st Constitution's financial condition, results of operation, liquidity, or stock price.

The Dodd-Frank Act restructures the regulation of depository institutions. The Dodd-Frank Act contains various provisions designed to enhance the regulation of depository institutions and prevent the recurrence of a financial crisis such as occurred in 2008-2009. Also included was the creation of the Consumer Financial Protection Bureau, a new federal agency administering consumer and fair lending laws, a function that was previously performed by the depository institution regulators. The federal preemption of state laws currently accorded federally chartered depository institutions has been reduced as well. 1st Constitution expects that many of the requirements called for in the Dodd-Frank Act will be implemented over time, and most will be subject to implementing regulations over the course of several years. Given the uncertainty associated with the manner in which the provisions of the Dodd-Frank Act will be implemented by the various regulatory agencies and through regulations, the full extent of the impact such requirements will have on financial institutions' operations is unclear. The changes resulting from the Dodd-Frank Act may impact the profitability of 1st Constitution's business activities, require changes to certain of its business practices, impose upon it more stringent capital, liquidity and leverage ratio requirements or otherwise adversely affect 1st Constitution's business. These changes may also require 1st Constitution to invest significant management attention and resources to evaluate and make necessary changes in order to comply with new statutory and regulatory requirements.

In addition, international banking industry regulators have largely agreed upon significant changes in the regulation of capital required to be held by banks and their holding companies to support their businesses. The new international rules, known as Basel III, generally increase the capital required to be held and narrow the types of instruments which will qualify as providing appropriate capital and impose a new liquidity measurement. The Basel III requirements are complex and will be phased in over many years.

The Basel III rules do not apply to U.S. banks or holding companies automatically. Among other things, the Dodd-Frank Act requires U.S. regulators to reform the system under which the safety and soundness of banks and other financial institutions, individually and systemically, are regulated. That reform effort will include the regulation of capital and liquidity.

On July 2, 2013, the Federal Reserve approved a final rule (the "Final Rule") to establish a new comprehensive regulatory capital framework for all U.S. banking organizations. On July 9, 2013, the Final Rule was approved as an interim final rule by the FDIC. These new requirements establish the following minimum capital ratios: (1) a common equity Tier 1 ("CET1") capital ratio of 4.5% of risk-weighted assets; (2) a Tier 1 capital ratio of 6.0% of risk-weighted assets; (3) a total capital ratio of 8.0% of risk-weighted assets; and (4) a leverage ratio of 4.0%. In addition, there is a new requirement to maintain a capital conservation buffer, comprised of CET1 capital, in an amount greater than 2.5% of risk-weighted assets over the minimum capital required by each of the minimum risk-based capital ratios in

order to avoid limitations on the organization's ability to pay dividends, repurchase shares or pay discretionary bonuses. The capital conservation buffer requirement will be phased in, beginning January 1, 2016, and initially require a buffer amount greater than 0.625% during 2016 in order to avoid these limitations. Following 2016, the required amount of the capital

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conservation buffer will continue to increase each year until January 1, 2019 when the buffer amount must be greater than 2.5% in order to avoid the above limitations.

The new regulations also change what qualifies as capital for purposes of meeting these various capital requirements, as well as the risk-weighted of certain assets for purposes of the risk-based capital ratios.

Under the new regulations, in order to be considered well-capitalized for prompt corrective action purposes, 1st Constitution Bank will be required to maintain the following ratios: (1) a CET1 ratio of at least 6.5% of risk-weighted assets; (2) a Tier 1 capital ratio of at least 8.0% of risk-weighted assets; (3) a total capital ratio of at least 10.0% of risk-weighted assets; and (4) a leverage ratio of at least 5.0%.

The application of these more stringent capital requirements could increase 1st Constitution's cost of capital, among other things. Any permanent significant increase in 1st Constitution's cost of capital could have significant adverse impacts on the profitability of many of its products, the types of products 1st Constitution could offer profitably, its overall profitability, and its overall growth opportunities, among other things. Implementation of changes to asset risk weightings for risk based capital calculations or items included or deducted in calculating regulatory capital and/or additional capital conservation buffers could also result in management modifying its business strategy and limiting its ability to repurchase 1st Constitution common stock. Furthermore, the imposition of liquidity requirements in connection with the implementation of Basel III could result in 1st Constitution having to lengthen the term of its funding, restructure its business models, and/or increase its holdings of liquid assets. Although most financial institutions would be affected, these business impacts could be felt unevenly, depending upon the business and product mix of each institution. Other potential effects could include higher dilution of common shareholders if 1st Constitution had to issue additional shares and a higher risk that 1st Constitution might fall below regulatory capital thresholds in an adverse economic cycle.

Any additional changes in the regulation and oversight of 1st Constitution, in the form of new laws, rules and regulations, could make compliance more difficult or expensive or otherwise materially adversely affect 1st Constitution's business, financial condition or prospects.

The price of 1st Constitution's common stock may fluctuate.

The price of 1st Constitution's common stock on the Nasdaq Global Market constantly changes and recently, given the uncertainty in the financial markets, has fluctuated widely. From the beginning of fiscal year 2011 through September 30, 2013, 1st Constitution's stock price fluctuated between a high of \$11.33 per share and a low of \$4.99 per share. 1st Constitution expects that the market closing price of its common stock will continue to fluctuate. Consequently, the current market price of 1st Constitution's common stock may not be indicative of future market prices, and 1st Constitution may be unable to sustain or increase the value of an investment in its common stock.

1st Constitution's common stock price can fluctuate as a result of a variety of factors, many of which are beyond its control. These factors include:

quarterly fluctuations in 1st Constitution's operating and financial results;

operating results that vary from the expectations of management, securities analysts and investors;

changes in expectations as to 1st Constitution's future financial performance, including financial estimates by securities analysts and investors;

events negatively impacting the financial services industry which result in a general decline in the market valuation of 1st Constitution's common stock;

announcements of material developments affecting 1st Constitution's operations or its dividend policy;

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future sales of 1st Constitution's equity securities;

new laws or regulations or new interpretations of existing laws or regulations applicable to our business;

changes in accounting standards, policies, guidance, interpretations or principles; and

general domestic economic and market conditions.

In addition, recently the stock market generally has experienced extreme price and volume fluctuations, and industry factors and general economic and political conditions and events, such as economic slowdowns or recessions, interest rate changes or credit loss trends, could also cause 1st Constitution's stock price to decrease regardless of its operating results.

1st Constitution Bank is subject to liquidity risk.

Liquidity risk is the potential that 1st Constitution Bank will be unable to meet its obligations as they become due, capitalize on growth opportunities as they arise, or pay regular dividends because of an inability to liquidate assets or obtain adequate funding in a timely basis, at a reasonable cost and within acceptable risk tolerances.

Liquidity is required to fund various obligations, including credit commitments to borrowers, mortgage and other loan originations, withdrawals by depositors, repayment of borrowings, dividends to shareholders, operating expenses and capital expenditures.

Liquidity is derived primarily from retail deposit growth and retention; principal and interest payments on loans; principal and interest payments; sale, maturity and prepayment of investment securities; net cash provided from operations and access to other funding sources.

1st Constitution's access to funding sources in amounts adequate to finance its activities could be impaired by factors that affect it specifically or the financial services industry in general. Factors that could detrimentally impact 1st Constitution's access to liquidity sources include a decrease in the level of its business activity due to a market downturn or adverse regulatory action against it. 1st Constitution's ability to borrow could also be impaired by factors that are not specific to it, such as a severe disruption of the financial markets or negative views and expectations about the prospects for the financial services industry as a whole. If 1st Constitution becomes unable to obtain funds when needed, it could have a material adverse effect on 1st Constitution's business and in turn, its consolidated financial condition and results of operations.

1st Constitution is subject to liquidity risk.

1st Constitution's recurring cash requirements, at the holding company level, primarily consist of interest expense on junior subordinated debentures issued to capital trusts. Holding company cash needs are routinely satisfied by dividends collected from 1st Constitution Bank.

While 1st Constitution expects that the holding company will continue to receive dividends from 1st Constitution Bank sufficient to satisfy holding company cash needs, in the event that 1st Constitution Bank has insufficient resources or is subject to legal or regulatory restrictions on the payment of dividends, 1st Constitution Bank may be unable to provide dividends or a sufficient level of dividends to the holding company; in that event, the holding

company may have insufficient funds to satisfy its obligations as they become due.

Future growth, operating results or regulatory requirements may require 1st Constitution to raise additional capital but that capital may not be available.

1st Constitution is required by federal and state regulatory authorities to maintain adequate levels of capital to support its operations. To the extent its future operating results erode capital or 1st Constitution elects to

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expand through loan growth or acquisition, 1st Constitution may be required to raise additional capital. 1st Constitution's ability to raise capital will depend on conditions in the capital markets, which are outside of its control, and on its financial performance. Accordingly, 1st Constitution cannot be assured of its ability to raise capital when needed or on favorable terms. If 1st Constitution cannot raise additional capital when needed, it will be subject to increased regulatory supervision and the imposition of restrictions on its growth and business. These actions could negatively impact 1st Constitution's ability to operate or further expand its operations and may result in increases in operating expenses and reductions in revenues that could have a material effect on its consolidated financial condition and results of operations.

Higher FDIC deposit insurance premiums and assessments could adversely affect 1st Constitution's financial condition.

In February 2011, the FDIC adopted final rules to implement changes required by the Dodd-Frank Act with respect to the FDIC assessment rules. In particular, the definition of an institution's deposit insurance assessment base is being changed from total deposits to total assets less tangible equity. In addition, the FDIC is revising the deposit insurance assessment rates down. The changes were effective April 1, 2011. The new initial base assessment rates range from 5 to 9 basis points for Risk Category I banks to 35 basis points for Risk Category IV banks. Risk Category II and III banks will have an initial base assessment rate of 14 or 23 basis points, respectively. The new rates and assessment base have reduced 1st Constitution Bank's current FDIC insurance assessment for 2012 compared to 2011. However, if the risk category of 1st Constitution Bank changes adversely, its FDIC insurance premiums could increase.

Recent insured depository institution failures, as well as deterioration in banking and economic conditions, have significantly increased the loss provisions of the FDIC, resulting in a decline in the designated reserve ratio of the Deposit Insurance Fund to historical lows. Effective January 1, 2011, the FDIC increased the designated reserve ratio from 1.25 to 2.00. In addition, the Dodd-Frank Act permanently increased the deposit insurance limit on FDIC deposit insurance coverage to \$250,000 per insured depositor, retroactive to January 1, 2008, which may result in even larger losses to the Deposit Insurance Fund.

The FDIC may further increase or decrease the assessment rate schedule in order to manage the Deposit Insurance Fund to prescribed statutory target levels. An increase in the risk category for 1st Constitution Bank or in the assessment rates could have an adverse effect on 1st Constitution Bank's earnings. The FDIC may terminate deposit insurance if it determines the institution involved has engaged in or is engaging in unsafe or unsound banking practices, is in an unsafe or unsound condition, or has violated applicable laws, regulations or orders.

Future offerings of debt or other securities may adversely affect the market price of 1st Constitution's stock.

In the future, 1st Constitution may attempt to increase its capital resources or, if 1st Constitution or 1st Constitution Bank's capital ratios fall below the required minimums, 1st Constitution or 1st Constitution Bank could be forced to raise additional capital by making additional offerings of debt or preferred equity securities, including medium-term notes, trust preferred securities, senior or subordinated notes and preferred stock. Upon liquidation, holders of 1st Constitution's debt securities and shares of preferred stock and lenders with respect to other borrowings will receive distributions of 1st Constitution's available assets prior to the holders of its common stock. Additional equity offerings may dilute the holdings of 1st Constitution's existing shareholders or reduce the market price of 1st Constitution's common stock, or both. Holders of 1st Constitution's common stock are not entitled to preemptive rights or other protections against dilution.

1st Constitution may lose lower-cost funding sources.

Checking, savings, and money market deposit account balances and other forms of customer deposits can decrease when customers perceive alternative investments, such as the stock market, as providing a better risk/

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return tradeoff. If customers move money out of bank deposits and into other investments, 1st Constitution could lose a relatively low-cost source of funds, increasing its funding costs and reducing its net interest income and net income.

There may be changes in accounting policies or accounting standards.

1st Constitution's accounting policies are fundamental to understanding its financial results and condition. Some of these policies require the use of estimates and assumptions that may affect the value of 1st Constitution's assets or liabilities and financial results. 1st Constitution identified its accounting policies regarding the allowance for loan losses, security impairment, goodwill and other intangible assets, and income taxes to be critical because they require management to make difficult, subjective and complex judgments about matters that are inherently uncertain. Under each of these policies, it is possible that materially different amounts would be reported under different conditions, using different assumptions, or as new information becomes available.

From time to time the Financial Accounting Standards Board and the SEC change the financial accounting and reporting standards that govern the form and content of 1st Constitution's external financial statements. Recently, FASB has proposed new accounting standards related to fair value accounting and accounting for leases that could materially change 1st Constitution's financial statements in the future. In addition, accounting standard setters and those who interpret the accounting standards (such as the FASB, SEC, banking regulators and 1st Constitution's independent registered auditors) may change or even reverse their previous interpretations or positions on how these standards should be applied. Changes in financial accounting and reporting standards and changes in current interpretations may be beyond 1st Constitution's control, can be hard to predict and could materially impact how 1st Constitution reports its financial results and condition. In certain cases, 1st Constitution could be required to apply a new or revised standard retroactively or apply an existing standard differently (also retroactively) which may result in it restating prior period financial statements in material amounts.

1st Constitution encounters continuous technological change.

The financial services industry is continually undergoing rapid technological change with frequent introductions of new technology-driven products and services. The effective use of technology increases efficiency and enables financial institutions to better serve customers and to reduce costs. 1st Constitution's future success depends, in part, upon its ability to address the needs of its customers by using technology to provide products and services that will satisfy customer demands, as well as to create additional efficiencies in 1st Constitution's operations. Many of 1st Constitution's competitors have substantially greater resources to invest in technological improvements. 1st Constitution may not be able to effectively implement new technology-driven products and services or be successful in marketing these products and services to its customers. Failure to successfully keep pace with technological change affecting the financial services industry could have a material adverse impact on 1st Constitution's business and, in turn, its financial condition and results of operations.

1st Constitution is subject to operational risk.

1st Constitution faces the risk that the design of its controls and procedures, including those to mitigate the risk of fraud by employees or outsiders, may prove to be inadequate or are circumvented, thereby causing delays in detection of errors or inaccuracies in data and information. Management regularly reviews and updates 1st Constitution's internal controls, disclosure controls and procedures, and corporate governance policies and procedures. Any system of controls, however well designed and operated, is based in part on certain assumptions and can provide only reasonable, not absolute, assurances that the objectives of the system are met. Any failure or circumvention of 1st Constitution's controls and procedures or failure to comply with regulations related to controls and procedures could have a material adverse effect on 1st Constitution's business, results of operations and financial condition.

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1st Constitution may also be subject to disruptions of its systems arising from events that are wholly or partially beyond its control (including, for example, computer viruses or electrical or telecommunications outages), which may give rise to losses in service to customers and to financial loss or liability. 1st Constitution is further exposed to the risk that its external vendors may be unable to fulfill their contractual obligations (or will be subject to the same risk of fraud or operational errors by their respective employees as is 1st Constitution) and to the risk that 1st Constitution's (or its vendors') business continuity and data security systems prove to be inadequate.

1st Constitution's performance is largely dependent on the talents and efforts of highly skilled individuals. There is intense competition in the financial services industry for qualified employees. In addition, 1st Constitution faces increasing competition with businesses outside the financial services industry for the most highly skilled individuals. 1st Constitution's business operations could be adversely affected if it were unable to attract new employees and retain and motivate its existing employees.

There may be claims and litigation.

From time to time as part of 1st Constitution's normal course of business, customers make claims and take legal action against 1st Constitution based on actions or inactions of 1st Constitution. If such claims and legal actions are not resolved in a manner favorable to 1st Constitution, they may result in financial liability and/or adversely affect the market perception of 1st Constitution and its products and services. This may also impact customer demand for 1st Constitution's products and services. Any financial liability or reputation damage could have a material adverse effect on 1st Constitution's business, which, in turn, could have a material adverse effect on its financial condition and results of operations.

Severe weather, acts of terrorism and other external events could significantly impact 1st Constitution's business.

A significant portion of 1st Constitution's primary markets are located near coastal waters which could generate naturally occurring severe weather, or in response to climate change, that could have a significant impact on our ability to conduct business. Additionally, surrounding areas, including New Jersey, may be central targets for potential acts of terrorism against the United States. Such events could affect the stability of 1st Constitution's deposit base, impair the ability of borrowers to repay outstanding loans, impair the value of collateral securing loans, cause significant property damage, result in loss of revenue and/or cause 1st Constitution to incur additional expenses. Although 1st Constitution has established disaster recovery policies and procedures, the occurrence of any such event in the future could have a material adverse effect on 1st Constitution's business, which, in turn, could have a material adverse effect on its financial condition and results of operations. On October 29, 2012, Hurricane Sandy caused destruction along the East Coast, including in New Jersey, and resulted in, among other things, severe property damage and the closure of many businesses and financial markets. The financial impact to 1st Constitution was minimal as its mortgage loan customers in the areas affected by Hurricane Sandy did not sustain severe damage to their real properties and 1st Constitution experienced no loan delinquencies specifically related to Hurricane Sandy.

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THE MEETING

When and Where the Special Meeting will be Held

Rumson will hold its special meeting of shareholders at Salt Creek Grille, 4 Bingham Avenue, Rumson, New Jersey 07760, commencing at 10:00 a.m., local time, on January 15, 2014.

What will be Voted on at the Shareholders Meeting

At the Rumson special meeting, Rumson shareholders will consider and vote upon the following matters:

1. Approval of the Agreement and Plan of Merger, dated as of August 14, 2013 as amended, by and between 1st Constitution Bancorp, 1st Constitution Bank and Rumson pursuant to which Rumson will merge with and into 1st Constitution Bank; and
2. Authorization of the Board of Directors (Board), in its discretion, to adjourn or postpone the special meeting, including, without limitation, on a motion to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly presented at the special meeting; and
3. Authorization of the Board, in its discretion, to vote on other matters properly presented at the special meeting.

If a quorum is not present, or if fewer shares of Rumson common stock are voted in favor of the merger agreement and the merger than the number required for approval, it is expected that the meeting will be adjourned to allow additional time for obtaining additional proxies. In that event, proxies will be voted to approve an adjournment, except for proxies as to which instructions have been given to vote against the merger agreement and the merger. Assuming a quorum is present, the holders of a majority of the shares present at the meeting would be required to approve any adjournment of the meeting.

Shareholders Entitled to Vote

Rumson has set December 9, 2013 as the record date to determine which Rumson shareholders will be entitled to vote at the special meeting. Only Rumson shareholders at the close of business on this record date will be entitled to vote at the special meeting. As of the record date, there were shares of Rumson common stock outstanding and entitled to be voted at the special meeting, held by approximately shareholders of record. Each holder of shares of Rumson common stock outstanding on the record date will be entitled to one vote for each share held of record.

Number of Shares that Must be Represented for a Vote to be Taken

In order to have a quorum at the shareholder meeting, a majority of the total outstanding shares of common stock entitled to vote at the meeting must be represented at the meeting in person or by proxy.

Rumson will count as present at the shareholder meeting, for purposes of determining the presence or absence of a quorum:

shares of common stock held by persons attending the shareholders meeting, whether or not they are voting, and

shares of common stock for which the applicable company has received proxies, including proxies with respect to which holders of those shares have abstained from voting.

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Vote Required; Voting Agreements

The approval of the merger agreement and the merger will require the affirmative vote, in person or by proxy, of the holders of at least two-thirds of the shares of Rumson's common stock outstanding on the record date. The authorization of the Board, in its discretion, to adjourn or postpone the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly presented at the special meeting will require that the votes cast in person or by proxy at the special meeting in favor of the proposal exceeds the votes cast against the proposal. Each holder of shares of Rumson common stock outstanding on the record date will be entitled to one vote for each share held of record. **Abstentions and broker non-votes will be counted for purposes of determining whether a quorum is present and will have the same effect as a vote against the merger and merger agreement.** Abstentions and broker non-votes will have no effect on the authorization of the Board, in its discretion, to adjourn or postpone the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly presented at the special meeting.

The directors of Rumson have agreed with 1st Constitution to vote all shares of Rumson common stock for which they have voting power on the record date in favor of the approval of the merger agreement and the merger. As of November 26, 2013, such directors had sole or shared voting power over 385,138 shares of Rumson common stock, or approximately 11.33% of the shares of Rumson common stock outstanding on November 26, 2013.

Voting your Shares

The Rumson Board is soliciting proxies from the Rumson shareholders. This will give you an opportunity to vote at the shareholders' meeting. When you deliver a valid proxy, the shares represented by that proxy will be voted by a named agent in accordance with your instructions.

If you are a Rumson shareholder and you sign, date and mail your proxy card without indicating how you wish to vote, your proxy will be counted as a vote **FOR** approval of the merger agreement and the merger, **FOR** approval of authorization of the Board to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly presented at the special meeting and **FOR** approval of authorization of the Board, in its discretion, to vote on other matters properly presented at the special meeting. **If you fail to return your proxy card or vote by telephone, on the internet or in person or fail to instruct your broker or other nominee to vote your shares, your shares will not be voted and this will have the same effect as a vote against approval of the merger agreement but will have no effect on the proposal regarding approval of authorization of the Board to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly presented at the special meeting.**

If you sign a proxy, you may revoke it by written notice to the Secretary of Rumson at any time before it is voted at the applicable special meeting.

You cannot vote shares held by your broker or other nominee in street name. Only your broker can vote those shares, with your instructions. If you do not provide your broker or other nominee with instructions on how to vote your shares, your broker or other nominee will not be permitted to vote those shares.

Rumson shareholders will have four alternative ways to vote:

by traditional paper proxy card;

by telephone;

via the Internet; or

in person at the applicable special meeting.

Please take a moment to read the instructions for Rumson, choose the way to vote that you find most convenient and cast your vote as soon as possible.

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Voting by Proxy Card. If proxy cards in the accompanying form are properly executed and returned, the shares represented thereby will be voted in the manner specified therein. As stated above, if you are a Rumson shareholder and you sign, date and mail your proxy card without indicating how you wish to vote, your proxy will be counted as a vote **FOR** approval of the merger agreement and the merger, **FOR** approval of authorization of the Board of Directors to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly presented at the special meeting and **FOR** approval of authorization of the Board of Directors, in its discretion, to vote on other matters properly presented at the special meeting.

Voting by Telephone. If you wish to vote by telephone and you are a shareholder of record of Rumson, use a touch-tone telephone to call toll-free (888) 859-9315 and follow the instructions. If you vote by telephone, you must have your control number and the proxy card available when you call.

Voting by the Internet. If you wish to vote through the Internet and you are a shareholder of record of Rumson, you can access the web page at <http://www.rtcoproxy.com/somh> and follow the on-screen instructions. If you vote through the Internet, you must have your control number and the proxy card available when you access the web page.

If your shares are registered in the name of a broker or other nominee, the voting form your broker or other nominee sent you will provide telephone and Internet voting instructions.

The deadline for voting by telephone or through the Internet as a shareholder of record of Rumson is 11:59 p.m., local time, on January 14, 2013. For shareholders whose shares are registered in the name of a broker or other nominee, please consult the voting instructions provided by your broker or other nominee for information about the deadline for voting by telephone or through the Internet.

Voting in Person. If you attend the Rumson special meeting, you may deliver your completed proxy card in person or you may vote by completing a ballot, which will be available at the meeting.

If you fail to return your proxy card or vote by telephone, on the internet or in person or fail to instruct your broker or other nominee to vote your shares, your shares will not be voted and this will have the same effect as a vote against approval of the merger agreement but will have no effect on the proposal regarding approval of authorization of the Board to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly presented at the special meeting.

Changing your Vote

As a Rumson shareholder, you will be able to change your vote as many times as you wish and the last vote received chronologically by any means will supersede your prior vote(s).

Any Rumson shareholder may revoke a proxy at any time before or at the Rumson special meeting in one or more of the following ways:

Delivering a written notice of revocation, bearing a later date than the proxy, at any time prior to the vote at the special meeting to Joseph Castelluci, Corporate Secretary; or

Submitting a later-dated proxy card; or

Submitting a new proxy via telephone or the Internet.

A Rumson shareholder should send any written notice of revocation or subsequent proxy to Rumson-Fair Haven Bank and Trust Company, Attention: Joseph Castelluci, 20 Bingham Avenue, Rumson, New Jersey 07760, or hand deliver the notice of revocation or subsequent proxy to Joseph Castelluci before the taking of the vote at the Rumson special meeting. Attendance at the Rumson special meeting will not by itself constitute a revocation of a proxy.

Table of Contents**Solicitation of Proxies and Costs**

The solicitation of proxies for the Rumson meeting is made on behalf of the Rumson Board. Rumson will pay the costs of soliciting proxies with respect to their separate meetings. In addition to solicitation by mail, directors, officers and employees acting on behalf of Rumson may solicit proxies for the special meetings in person or by telephone, telegraph, facsimile or other means of communication. Rumson will not pay any additional compensation to these directors, officers or employees for these activities, but may reimburse them for reasonable out-of-pocket expenses.

Rumson will each make arrangements with brokerage houses, custodians, nominees and fiduciaries for the forwarding of proxy solicitation materials to beneficial owners of shares held of record by these brokerage houses, custodians, nominees and fiduciaries, and Rumson will reimburse these brokerage houses, custodians, nominees and fiduciaries for their reasonable expenses incurred in connection with the solicitation.

Rumson has retained Eagle Rock Proxy Advisors, at an estimated cost of \$4,000 plus reimbursement of out of pocket expenses, including per call fees for each call made, to assist in the solicitation of proxies. Rumson also has agreed to indemnify Eagle Rock Proxy Advisors against certain liabilities in connection with this proxy solicitation.

Principal Shareholders of Rumson

The tables below provides certain information about beneficial ownership of Rumson common stock as of November 26, 2013. The table shows information for:

Each of Rumson's directors;

Each of Rumson's executive officers;

All of Rumson's directors and executive officers as a group; and

Each person, or group of affiliated person, who is known to Rumson to beneficially own more than 5% of Rumson common stock.

Except as otherwise noted, the persons or entities in the below tables have sole voting and investing power with respect to all shares of common stock beneficially owned by them, subject to community property laws, where applicable. In addition, except as otherwise noted, the address of each person or entity in the below tables is c/o Rumson-Fair Haven Bank and Trust Company, 20 Bingham Avenue, Rumson, New Jersey 07760.

| Beneficial Owner | Common Stock (1) | Common Stock Subject to Options (2) | Total | Percentage Ownership |
|--------------------------------|---------------------|---|---------|-------------------------|
| George E. Hall (3)(12) | 226,155 | | 226,155 | 6.9% |
| Stephen A. Tyler (3)(6) | 128,333 | 8,389 | 136,722 | 4.1% |
| Joseph Castelluci, Esq. (3)(5) | 18,775 | 11,210 | 29,985 | * |

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| | | | | |
|--|----------------|---------------|----------------|--------------|
| Gayle S. Hoffman (9) | 2,250 | 5,000 | 7,250 | * |
| Thomas Sannelli (7) | 3,722 | 14,834 | 18,556 | * |
| Stephen P. Kelleher C.P.A. (3) | 6,905 | | 6,905 | * |
| F. James Hutchinson (3) | 5,218 | | 5,218 | * |
| James G. Aaron (3) | 5,166 | | 5,166 | * |
| Janet W. Burpee (3) | 4,972 | | 4,972 | * |
| All Directors and Executive Officers (9 persons) | 401,496 | 39,433 | 440,929 | 13.2% |

* Indicates less than 1%.

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| Beneficial Owner of more than 5% of the Common Stock | Common Stock (1) | Total | Percentage Ownership |
|---|---------------------------------|--------------|---------------------------------|
| KLCC Investments, LLC (10) | 440,709 | 440,709 | 13.5% |
| William J. Barrett (4) | 424,105 | 424,105 | 13.0% |
| Steven D. Hovde (11) | 192,163 | 192,163 | 5.9% |
| Thomas I. Unterberg (8) | 174,635 | 174,635 | 5.4% |

- (1) In accordance with Rule 13d-3 of the Securities Exchange Act of 1934, as amended, a person is deemed to be the beneficial owner, for purposes of this table, of any shares of Common Stock if he or she has voting or investment power with respect to such security. This includes shares owned by spouses, other immediate family members in trust, shares held in retirement accounts or funds for the benefit of the named individuals, and other forms of ownership, over which shares the person named in the table may possess voting and/or investment power. Except as otherwise noted, all shares are owned of record or beneficially by the named person. The information provided in the above tables and in the footnotes below were provided by the individuals and entities referred to in the tables and while such information is believed to be correct by 1st Constitution, it cannot independently verify such information.
- (2) Includes, for purposes of this table, the number of shares of Common Stock subject to currently exercisable options and options exercisable within sixty (60) days of November 26, 2013.
- (3) As of November 27, 2013, such individual was serving as a member of Rumson's Board of Directors.
- (4) Includes 22,499 shares held by Mr. Barrett's wife, of which Mr. Barrett disclaims beneficial ownership, and 327,838 shares held in certain retirement accounts in Mr. Barrett's name.
- (5) Mr. Castelluci currently serves as President, Chief Executive Officer, General Counsel and Corporate Secretary of the Bank. Includes 7,627 shares held in Mr. Castelluci's IRA account.
- (6) Includes 3,409 shares held by Mr. Tyler's wife, of which Mr. Tyler disclaims beneficial ownership.
- (7) Mr. Sannelli currently serves as a Senior Vice President/Retail Banking of the Bank.
- (8) Includes 22,978 shares held in three separate Family Trust Accounts; whereby Thomas Unterberg is the trustee of two of the accounts and as the trustee he has full control. Mr. Unterberg disclaims beneficial ownership of the third trust account.
- (9) Gayle S. Hoffman currently serves as Senior Vice President and Chief Financial Officer of the Bank.
- (10) KLCC Investments, LLC maintains a mailing address at 1350 Broadway, Suite 1010, New York, New York 10018. The following natural persons have or share voting and investment power over the shares held by KLCC Investments, LLC: Ken Cayre, Jack Cayre, Nathan Cayre, Grace Cayre, Michelle Cayre and Raquel Cayre. None of these persons has any relationship with Rumson other than as a shareholder.
- (11) Steven D. Hovde maintains a mailing address at c/o Hovde Financial, LLC, 1629 Colonial Parkway, Inverness, Illinois 60067. Shares held jointly with Mr. Hovde's wife.
- (12) 224,088 shares are held in the name of SBAV, over which George E. Hall has control.

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PROPOSAL 1:

THE MERGER

The following information describes the material terms and provisions of the merger. This description is not complete. We qualify this discussion in its entirety by reference to the merger agreement which we incorporate by reference in this proxy statement and prospectus. A copy of the merger agreement is attached hereto as Annex A. We urge you to read the full text of the agreement carefully.

The merger agreement provides that Rumson will merge with and into 1st Constitution Bank, with 1st Constitution Bank as the surviving bank in the merger. Rumson shareholders will either receive cash or stock, or a combination of cash and stock. Upon completion of the merger, the shareholders of Rumson will receive, at their election, for each outstanding share of Rumson common stock that they own at the effective time of the merger, either 0.7772 shares of 1st Constitution common stock or \$7.50 in cash or a combination of cash and 1st Constitution common stock, subject to proration as described in the merger agreement, so that 60% of the aggregate merger consideration will be cash and 40% will be shares of 1st Constitution common stock.

Holders of Rumson stock immediately prior to the effective time of the merger will be able to elect to receive cash, stock, or a combination of cash and 1st Constitution common stock, or to indicate that such holder has no preference as to the receipt of cash or 1st Constitution common stock. If such election would result in other than 60% of the merger consideration to be paid by 1st Constitution equaling cash and 40% equaling stock, then the Exchange Agent will designate, on a pro rata basis, from those holders electing to receive shares, those electing to receive cash, and those indicating no preference, those holders who will receive shares or cash, as applicable, so that 60% of the outstanding shares of Rumson will receive cash and 40% of the outstanding shares of Rumson will receive 1st Constitution common stock. See Terms of the Merger What Rumson Shareholders Will Receive in the Merger, beginning at page 60.

The exchange ratio will be adjusted proportionately if 1st Constitution makes any stock splits, stock dividends or similar distributions prior to the closing of the merger.

1st Constitution will not issue any fractions of a share of common stock. Rather, 1st Constitution will pay cash (without interest) for any fractional share interest any Rumson shareholder would otherwise receive in the merger. All shares of Rumson common stock held by a shareholder immediately prior to the effective time of the merger will be aggregated before determining the need to pay cash in lieu of fractional shares to such former shareholder.

The Boards of Directors (Board) of Rumson, 1st Constitution, and 1st Constitution Bank have unanimously approved and adopted the merger agreement and believe that the merger is in the best interests of their respective shareholders. The Rumson Board unanimously recommends that Rumson shareholders vote **FOR** approval of the merger agreement and the merger, **FOR** approval of authorization of the Board to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly presented at the special meeting and **FOR** approval of authorization of the Board, in its discretion, to vote on other matters properly presented at the special meeting.

Each outstanding Rumson stock option, whether vested or unvested, to acquire shares of common stock of Rumson will be terminated at the effective time of the merger and converted into the right to receive cash equal to the product of (i) the aggregate number of shares of common stock of Rumson underlying such outstanding option multiplied by (ii) the excess, if any, of \$7.50 over the per share exercise price of such outstanding option. Each share of restricted stock, which is unvested and unissued, will be converted into the right to receive 0.7772 shares of 1st Constitution

common stock.

The directors of Rumson have interests in the merger as directors that are different from the interests of Rumson's shareholders in general. See Interests of Management and Others in the Merger beginning on page 73. These interests were considered by Rumson's Board and 1st Constitution's Board before approving and recommending the merger.

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Background of the Merger

The Board and senior management of Rumson had regularly engaged in assessments of its ability to best serve its shareholders, and considered various factors in pursuing strategic alternatives for Rumson, with the ultimate goal being the enhancement of shareholder value.

In the spring of 2012, a director of 1st Constitution Bank initiated contact with Rumson to determine if there was preliminary interest in a potential business transaction. The initial contact was followed up by Rumson's then Chairman of the Board, William J. Barrett. This led to preliminary discussions between Mr. Barrett and Robert F. Mangano, President and Chief Executive Officer of 1st Constitution, regarding a possible combination of the two institutions. No specific terms were discussed.

On June 28, 2012, Robert F. Mangano attended an informal meeting with representatives of Rumson's Board and senior management, for the purpose of exploring the level of interest, if any, in a possible transaction. No specific terms were discussed.

On November 26, 2012, representatives of Keefe, Bruyette & Woods, Inc. (KBW) attended the regular meeting of Rumson's Board to assist in the review of strategic alternatives, including the value of Rumson on a stand-alone basis and the valuation of Rumson in a sale. A discussion was also had as to a list of potential acquirers of Rumson based upon strategic fit in the event of a proposed sale of Rumson.

On November 29, 2012, Rumson engaged KBW as its exclusive financial advisor to explore the sale or merger. Rumson selected KBW because of its expertise, reputation and familiarity with Rumson and the financial services industry. Additionally, KBW enjoys an excellent reputation and substantial experience in transactions comparable to the proposed merger.

On December 17, 2012, at its regularly scheduled Board meeting, representatives of KBW attended and presented a proposed list of potential acquirers or merger partners. With the recommendation and input from the Board's strategic planning committee, a list of eighteen (18) potential strategic partners was finalized.

For each potential strategic partner on the list, the Board authorized KBW to enter into preliminary discussions provided each party executed a Non-Disclosure Agreement (NDA).

During January and early February, 2013, KBW worked with senior management of Rumson to acquire and compile financial and other information pertaining to Rumson for purposes of preparation and dissemination of a Confidential Information Memorandum.

On February 12, 2013, a Confidential Information Memorandum was forwarded to thirteen (13) parties on the list who had expressed an interest and executed an NDA.

On March 4, 2013, representatives of KBW forwarded to the Board preliminary indications of interest from four (4) parties.

On March 6, 2013, representatives of KBW made a formal presentation to the Rumson Board of the indications of interest, and discussed the terms and structure of each proposed transaction.

The Board authorized proceeding with what it believed to be the highest and best offer, submitted by Bank A, and authorized the commencement of due diligence. Rumson deemed the offer from Bank A to be the highest and best

offer considering the dollar amount of the consideration at \$7.00 per share, the form of the consideration being all cash, and the financial wherewithal of Bank A in its ability to consummate the transaction.

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After several weeks of negotiations, the negotiations with Bank A did not result in the execution of a definitive merger agreement. The negotiations between Bank A and Rumson broke off on May 30, 2013 due to the failure of the parties to come to agreement on several key terms of the merger agreement. The key terms of the merger agreement which Rumson and Bank A failed to agree upon included the amount of the termination fees and the several circumstances giving rise to payment of the termination fees.

Shortly after negotiations terminated with Bank A, Rumson was contacted by former Chairman and shareholder, William J. Barrett, who had a discussion with Robert Mangano, President and Chief Executive Officer of 1st Constitution, regarding a possible revision to the bid of 1st Constitution and the opportunity for a potential business transaction. Rumson decided to pursue a potential business transaction with 1st Constitution for the reasons expressed herein in the section titled "Rumson's Reasons for the Merger" that immediately follow this section. Rumson decided not to pursue a business combination with the other two parties (hereinafter, "Bank B" and "Bank C"). As to Bank B, Rumson declined to pursue a combination with Bank B due primarily to the lack of a publicly traded security (Bank B's common stock is not listed on a national securities exchange) and the amount of consideration expressed in the indication of interest. As to Bank C, Rumson declined to pursue a transaction with Bank C primarily due to the low bid expressed in the indication of interest as well as the lack of perceived synergies for the business and customers of Rumson.

In early June, representatives of KBW communicated with Mr. Mangano, who inquired into the status of the process and reiterated its interest in discussing a possible transaction with Rumson.

On June 4, 2013, the members of Rumson's strategic planning committee met and were advised by representatives of KBW of the proposed merger discussions with 1st Constitution. The strategic planning committee authorized a meeting to be scheduled with Mr. Mangano and Mr. Castelluci, then Executive Vice President and General Counsel of Rumson, representatives of KBW and Raymond James & Associates, Inc. ("Raymond James"), the financial advisor to 1st Constitution.

On June 12, 2013, representatives of KBW and Mr. Castelluci, met with Mr. Mangano and a representative from Raymond James. The meeting took place at the principal offices of 1st Constitution in Cranbury, New Jersey. The terms of a potential merger transaction were discussed.

On June 13, 2013, the directors of Rumson met and were advised by representatives of KBW and Mr. Castelluci of the discussions that took place at the June 12, 2013 meeting with 1st Constitution, and the terms and structure of a proposed merger transaction.

On June 17, 2013, Rumson received a non-binding indication of interest from 1st Constitution. The non-binding indication of interest provided that Rumson would be merged with and into 1st Constitution Bank, and that each shareholder of Rumson would receive the equivalent of \$7.50 per share, valuing the transaction at approximately \$24,000,000.00 (excluding options), with 60% of the aggregate merger consideration being provided in cash and 40% being provided in shares of 1st Constitution common stock.

On June 18, 2013, the Rumson Board conducted a special meeting to discuss the terms of the indication of interest with its legal and financial advisors, and the Board authorized senior management to negotiate the terms of a definitive agreement with 1st Constitution.

On June 19, 2013, Messrs. Mangano and Castelluci communicated to discuss the terms of the proposed transaction and the upcoming due diligence process.

On June 20, 2013, a due diligence meeting was conducted among Messrs. Castelluci and representatives of KBW, and Gayle Hoffman, Chief Financial Officer of Rumson.

From June 21 through June 28, 2013, 1st Constitution conducted due diligence on Rumson, with the 1st Constitution due diligence team performing onsite due diligence reviews of Rumson on June 26, 2013 and on June 27 and 28, 2013 and July 1, 2013 at Rumson's corporate headquarters in Rumson.

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Between June 2013 and August 2013, representatives of Sills Cummis & Gross, P.C., legal counsel to Rumson, and Day Pitney LLP, legal counsel to 1st Constitution, with input from their respective financial advisors negotiated the terms of a definitive merger agreement. The parties engaged in negotiations regarding several of the provisions of the merger agreement. In particular, Rumson was able to negotiate a \$50,000 reduction in out-of-pocket expenses to \$275,000 that would be due to 1st Constitution from Rumson in the event that the merger agreement was terminated as a result of the occurrence of certain events. The parties negotiated several other legal issues in connection with the merger agreement, including those related to tax issues, covenants of Rumson during the pendency of the merger and events triggering the payment of a break-up fee by Rumson to 1st Constitution.

On July 23, 2013, the status of the proposed merger, the progress of the negotiations of the definitive merger agreement, the status of the due diligence review, and scheduling of reverse due diligence was discussed at Rumson's regularly scheduled Board meeting.

During the week of July 29, 2013, Rumson's due diligence team conducted diligence on 1st Constitution at the corporate headquarters of 1st Constitution in Cranbury, New Jersey. The due diligence review was attended by Mr. Castelluci and Ms. Hoffman on behalf of Rumson, representatives of KBW, a representative of Sills Cummis & Gross, P.C., a representative of Green Bench Advisors, LLC, an external loan review consulting firm engaged by Rumson, a representative of Raymond James and a representative of Day Pitney LLP.

On August 9, 2013, a draft of the proposed final merger agreement was forwarded to the directors of Rumson. On August 12, 2013, a special meeting of the Board of Rumson was conducted for the purpose of reviewing the terms of the merger transaction and the merger agreement. At that time, representatives from Sills Cummis & Gross, P.C. advised the Board regarding the fiduciary duties to Rumson shareholders under relevant New Jersey law.

On August 14, 2013, the respective Boards of Rumson and 1st Constitution met separately and approved the definitive merger agreement. At the Rumson Board meeting, the results of the reverse due diligence was reviewed, and KBW provided its opinion that the merger consideration was fair to the shareholders of Rumson at that point in time from a financial point of view. A copy of the fairness opinion is attached to this proxy statement and prospectus as Exhibit B. The Board was also reminded of its fiduciary duties by Rumson's outside legal counsel. After the respective Board meetings were concluded, the definitive merger agreement was signed by Rumson, 1st Constitution and 1st Constitution Bank.

On August 15, 2013, a joint press release announcing the execution of the definitive merger agreement was disseminated by the parties prior to the opening of the financial markets.

Rumson's Reasons for the Merger

In the course of its deliberations on the proposed transaction with 1st Constitution, the Rumson Board consulted with its legal counsel with respect to its legal duties and the terms of the merger agreement. The Rumson Board consulted with its financial advisor with respect to the financial aspects of the transaction and the fairness of the consideration to be received by Rumson's shareholders from a financial point of view, and with senior management regarding, among other things, operational matters.

The following discussion of the information and factors considered by the Rumson Board is not intended to be exhaustive; it does, however, include all material factors considered by the board.

In reaching its decision to approve the merger agreement, the Rumson Board considered the following:

The current regulatory environment and low interest rate environment and its effect on smaller community banks like Rumson and how the regulatory requirements have made it increasingly difficult for smaller banks to manage their expenses and enhance their profitability; the Rumson Board believed

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the shareholders would be better served by receiving part cash for their stock, and by converting their remaining stock ownership into a larger institution which could spread these compliance and operating costs over a larger base of earning assets;

The anticipated pro forma impact of the merger on the combined company, including earnings and tangible equity per share and on regulatory capital levels;

Its understanding of the current and prospective environment in which Rumson operates, including local economic conditions, interest rate environment, the competitive and regulatory environments for financial institutions generally, and the likely effect of these factors on Rumson both with and without the merger;

The trading market for Rumson stock is somewhat illiquid and presents limited opportunities for shareholders to achieve liquidity. Providing Rumson shareholders with 60% cash for their stock, with the opportunity to exchange 40% into 1st Constitution stock presented a good balance of liquidity and opportunity for Rumson shareholders to participate in the future performance of the combined entity;

The implied value of the merger consideration at the time and the premium over the closing price of Rumson common stock and book value;

The lack of opportunity and potential risk involved for a company the size of Rumson to grow through acquisitions. Although the Rumson Board has looked at potential acquisition opportunities, most targets available to Rumson have asset quality issues that would increase the risk in any transaction and potentially distract management from growing the combined franchise. The Rumson Board also believed that a larger institution with a more liquid trading market for its stock would have a better opportunity to grow through acquisitions.

The terms of the merger agreement, including the financial terms and the fact that the transaction was structured in a manner intended to be treated for tax purposes as a tax free reorganization to the extent and for those Rumson shareholders receiving 1st Constitution stock, which makes up 40% of the merger consideration.

The financial condition, operating results and prospects of 1st Constitution.

The complementary nature of the business strategies, customers and geographic markets of the two entities, which management believes should provide the opportunity to mitigate integration risks and increase potential returns; including, in particular that the geographic scope of the two companies contains no overlap, enabling them both to expand their businesses and for Rumson to preserve retail jobs;

The similar culture of customer service, community banking and the focus on small to medium sized businesses and retail customers shared by Rumson and 1st Constitution, and the fact that Rumson customers would benefit from a higher lending limit, more diverse products and services, and larger branch network offered by the combined entity.

The fact that senior officers of Rumson, including its President, CEO and General Counsel Joseph Castelluci, will be offered the opportunity to continue to be employed by 1st Constitution, thereby minimizing the risk of customer defections, and strengthening the business prospects of the resulting entity.

The ability of Rumson shareholders to have continuing representation on the Board of 1st Constitution Bank through the appointment of one member of Rumson's Board to the 1st Constitution Bank Board.

The challenges presented in growing organically and the substantial management, financial and employee resources required to execute a stand-alone strategic plan;

There would be a measure of enhanced liquidity available to Rumson shareholders through ownership of 1st Constitution stock, as well as the potential opportunity for stock dividends;

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A review of comparable transactions, including a comparison of the price being paid in the merger with the prices paid in other comparable financial institution mergers, expressed as, among other things, multiples of book value and earnings; and

Rumson management's view based upon, among other things, the opinion of KBW described below, that the exchange ratio and cash consideration paid is fair to Rumson and its shareholders from a financial point of view.

All business combinations, including the merger, also include certain risks and disadvantages. The material potential risks and disadvantages to Rumson shareholders identified by the Rumson Board and management include the following material matters, the order of which does not necessarily reflect their relative significance:

There can be no assurance that the combined company will attain the type of revenue enhancements and cost savings necessary to cause the trading markets to consider the transaction a success, increasing the value of the stock of 1st Constitution received by Rumson shareholders;

Since the exchange ratio is fixed, Rumson shareholders will receive less value if the 1st Constitution common stock price declines prior to the closing; and

The fact that the termination fee provided for in the merger agreement and certain other provisions of the merger agreement might discourage third parties from seeking to acquire Rumson in light of the fact that 1st Constitution was unwilling to enter in to the merger agreement absent such provisions.

In reaching the determination to approve the merger agreement and the related transactions, the Rumson Board did not quantify or otherwise attempt to assign any relative weight to the various factors it considered, and individual directors may have viewed certain factors more positively or negatively than others. In addition, as in any business combination, there can be no assurance that the benefits of the merger perceived by the Rumson Board and described above will be realized or will outweigh the risks and uncertainties.

Recommendation of the Rumson Board of Directors

The Rumson Board has unanimously approved the merger and the merger agreement, and believes that the proposed merger is in the best interests of Rumson and its shareholders. Accordingly, the Rumson Board unanimously recommends that Rumson shareholders vote **FOR** approval of the merger agreement and the merger.

Opinion of Rumson's Financial Advisor

On November 29, 2012, Rumson entered into an engagement agreement with Keefe, Bruyette & Woods, Inc. to render financial advisory and investment banking services to Rumson. As part of its engagement, KBW agreed to provide the Rumson Board with an opinion as to the fairness, from a financial point of view, of the consideration in the proposed merger with 1st Constitution, to the shareholders of Rumson. Rumson engaged KBW because KBW is a nationally recognized investment banking firm with substantial experience in transactions similar to the merger and is familiar with Rumson and its business. As part of its investment banking business, KBW is continually engaged in the valuation of financial services companies and their securities in connection with mergers and acquisitions.

Representatives of KBW attended the meeting of the Rumson Board held on August 14, 2013, at which the Board evaluated the proposed merger with 1st Constitution. At this meeting, KBW rendered an opinion to the Rumson Board that, as of such date, the merger consideration was fair, from a financial point of view, to the holders of Rumson common stock. The Rumson Board approved the merger agreement at this meeting.

KBW's opinion was directed solely to the Rumson Board and addressed only the fairness, from a financial point of view, of the merger consideration to the holders of Rumson common stock. It does not address the

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underlying business decision of the Rumson Board to engage in the merger or enter into the merger agreement, or the relative merits of the merger as compared to any alternatives that are or may have been available to Rumson. Further, KBW's opinion does not constitute a recommendation to any Rumson shareholder as to how the shareholder should vote at the Rumson special meeting on the merger or on any related matter. The opinion speaks only as of the date of the opinion. The description of the opinion set forth herein is qualified in its entirety by reference to the full text of the opinion, which is attached as Annex B to this document and is incorporated herein by reference. Rumson shareholders are urged to read the opinion in its entirety. The Opinion describes the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW in preparing its opinion.

In connection with its opinion, KBW reviewed, among other things:

the merger agreement

Annual Reports to Shareholders of Rumson for the three years ended December 31, 2012;

Annual Reports on Form 10-K for the three years ended December 31, 2012 of 1st Constitution;

certain interim reports to shareholders and Quarterly Reports of Rumson, including the Quarterly Report for the three months ended March 31, 2013, and a draft Quarterly Report for the three (3) months ended June 30, 2013; and

certain interim reports to shareholders and Quarterly Reports of 1st Constitution, including the Quarterly Report on Form 10-Q of 1st Constitution for the three months ended March 31, 2013, and a draft Quarterly Report for the three (3) months ended June 30, 2013.

In addition, KBW reviewed and considered such other information as it deemed appropriate under the circumstances, including: (i) the historical and current financial position and results of operations of Rumson and 1st Constitution, (ii) the assets and liabilities of Rumson and 1st Constitution, (iii) the nature and financial terms of certain other merger transactions and business combinations in the banking industry, and (iv) a comparison of certain financial and stock market information for Rumson and 1st Constitution with similar information for certain other companies the securities of which are publicly traded. KBW also performed such other studies and analyses and reviewed such other financial information as it considered appropriate and took into account its assessment of general economic, market and financial conditions and KBW's experience in other transactions, as well as KBW's experience in securities valuation and knowledge of the banking industry generally. In addition, KBW held discussions with members of senior management of Rumson and 1st Constitution regarding past and current business operations, regulatory relations, financial condition and future prospects of their respective companies, and other matters KBW deemed relevant. KBW's opinion was necessarily based upon conditions as they existed and could be evaluated on the date of such opinion and the information made available to KBW through the date of such opinion.

In conducting its review and arriving at its opinion, KBW relied upon and assumed the accuracy and completeness of all of the financial and other information provided to it or publicly available, and did not independently verify the accuracy or completeness of any such information or assume any responsibility or liability for such verification, accuracy or completeness. KBW relied upon the management teams of Rumson and 1st Constitution as to the

reasonableness and achievability of the financial and operating forecasts and projections (and assumptions and bases therefor, including without limitation, potential cost savings and operating synergies) prepared by such management team and provided to KBW. KBW assumed at the direction of the management teams of Rumson and 1st Constitution, that such forecasts and projections were reasonably prepared on a basis that reflected the best currently available estimates and judgments of such management teams and that such forecasts and projections will be realized in the amounts and in the time periods that were estimated by such management teams. With respect to 1st Constitution forecasts and projections, KBW relied upon the determinations of 1st Constitution management as to the reasonability of 1st Constitution's publicly available consensus street estimates and the consistency of such estimates with 1st Constitution's internal projections. Such determinations regarding 1st Constitution's street estimates were confirmed by 1st Constitution management to KBW in the course of the discussion and review of such estimates by such parties, and such

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estimates were used by KBW with the consent of Rumson and 1st Constitution. KBW relied upon the management teams of Rumson and 1st Constitution that all such projections, forecasts and estimates provided a reasonable basis upon which KBW could form its opinion. As stated in its opinion, KBW is not an expert in the independent valuation of the adequacy of allowances for loan and lease losses and, without independent verification, assumed that the aggregate allowances for loan and lease losses for Rumson and 1st Constitution were adequate to cover those losses. In rendering its opinion, KBW did not make or obtain any evaluations or appraisals of the property, assets or liabilities of Rumson or 1st Constitution, nor did KBW examine or review any individual credit files.

The projections and associated assumptions furnished to and used by KBW in certain of its analyses (other than 1st Constitution's publicly available consensus street estimates referred to above) were prepared by Rumson's and 1st Constitution's senior management teams. Rumson and 1st Constitution do not publicly disclose internal management projections of the type provided to KBW in connection with its review of the merger. As a result, such projections were not prepared with a view towards public disclosure. The projections, including 1st Constitution's street estimates, were based on numerous variables and assumptions, which are inherently uncertain, including factors related to general economic and competitive conditions. Accordingly, actual results could vary significantly from those set forth in the projections and estimates. Any estimates or projections contained in the analyses performed by KBW are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by these analyses. Additionally, estimates or projections of the value of businesses or securities do not purport to be appraisals or to reflect the prices at which such businesses or securities might actually be sold. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty. KBW was not asked to, and it did not, offer any opinion as to the terms of the merger agreement or the form of the merger or any aspect of the merger, other than to the extent expressly specified in KBW's opinion. For purposes of its opinion and analyses, KBW assumed that, in all respects material to its analyses:

the merger would be completed substantially in accordance with the terms set forth in the merger agreement (the final terms of which would not differ in any respect material to KBW's analyses from the draft reviewed) with no additional payments or adjustments to the merger consideration;

the representations and warranties of each party in the merger agreement and in all related documents and instruments referred to in the merger agreement were true and correct;

each party to the merger agreement and all related documents would perform all of the covenants and agreements required to be performed by such party under such documents;

all conditions to the completion of the merger would be satisfied without any waivers or modifications to the merger agreement;

in the course of obtaining the necessary regulatory, contractual, or other consents or approvals for the merger, no restrictions, including any divestiture requirements, termination or other payments or amendments or modifications, would be imposed that would have a material adverse effect on the future results of operations or financial condition of the combined entity or the contemplated benefits of the merger, including the cost savings, revenue enhancements and related expenses expected to result from the

merger;

the merger would be consummated in a manner that complies with the applicable provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and all other applicable federal and state statutes, rules and regulations; and

Rumson relied upon the advice of its counsel, independent accountants and other advisors (other than KBW) as to all legal, financial reporting, tax, accounting and regulatory matters with respect to Rumson, the merger, and the merger agreement.

KBW further assumed that the merger will be accounted for as a purchase transaction under generally accepted accounting principles. KBW's opinion was not and is not an expression of an opinion as to: (i) the fairness of the amount or nature of any compensation to be received by any of Rumson's officers, directors or

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employees, or any class of such persons, in connection with the merger relative to the consideration to be received by the public shareholders of Rumson, (ii) the prices at which shares of Rumson common stock or shares of 1st Constitution common stock would trade following the announcement of the proposed merger, (iii) the actual value of the shares of common stock of 1st Constitution to be issued as a portion of the merger consideration in connection with the merger, or (iv) the prices at which the shares of common stock of 1st Constitution will trade following the completion of the merger.

In performing its analyses, KBW made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, which are beyond the control of KBW, Rumson and 1st Constitution. Any implied value reference ranges indicated by KBW's analyses are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by these analyses. Additionally, any analyses relating to estimates of the value of businesses or securities do not purport to be appraisals or to reflect the prices at which such businesses or securities might actually be sold. Much of the information used in, and accordingly the results of, these analyses and estimates are inherently subject to substantial uncertainty.

The merger consideration was determined through negotiation between Rumson and 1st Constitution and the Rumson's decision to enter into the merger agreement was solely that of Rumson's Board. KBW's opinion was among several factors taken into consideration by the Rumson's Board in making its determination to approve the merger agreement and the merger. Consequently, the analyses described below should not be viewed as determinative of the merger consideration provided for in the merger or the decision of the Rumson Board with respect to the approval of the merger agreement and the merger.

Summary of Analysis by KBW. The following is a summary of the material financial analyses performed by KBW and reviewed with the Rumson Board at its meeting on August 14, 2013 in connection with KBW's rendering of its fairness opinion. The following summary is not a complete description of the financial analyses performed by KBW opinion or the presentation made by KBW to the Rumson Board and is qualified in its entirety by reference to the written opinion of KBW attached as Annex B to this document. The preparation of an opinion of this nature is a complex analytic process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Therefore, such an opinion is not readily susceptible to partial analysis or summary description. Selecting portions of the analysis or of the summary set forth herein, without considering the analysis as a whole, could create an incomplete view of the processes underlying KBW's opinion. The order of analysis described in this summary does not represent relative importance or weight given to any particular analysis by KBW. In arriving at its opinion, KBW considered the results of its entire analysis and did not attribute any particular weight to any analysis or factor that it considered. Rather, KBW made its determination as to fairness on the basis of its experience and professional judgment after considering the results of its entire analysis. The financial analyses summarized below include information presented in tabular format. Accordingly, KBW's analyses and the summary of its analyses must be considered as a whole and selecting portions of its analyses and factors or focusing on the information presented below in tabular format, without considering all analyses and factors or the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the process underlying its analyses and opinion. The tables alone do not constitute a complete description of the financial analyses. No company, transaction or business used in KBW's analyses for comparative purposes is identical to Rumson, 1st Constitution, or the proposed merger. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies.

Summary of Proposal. Pursuant to the terms of the merger agreement, each share of common stock, par value \$2.00 per share, of Rumson not owned by Rumson or 1st Constitution or by any of their respective wholly-owned subsidiaries other than shares owned in a fiduciary capacity, will be converted into the right to receive 0.7772 shares

of common stock, no par value per share, of 1st Constitution (Stock Consideration) or cash in the amount of \$7.50 (Cash Consideration) or a combination of Stock and Cash Consideration as more fully

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described in the merger agreement. Based on 1st Constitution's closing price on August 13, 2013 of \$9.65, the Stock Consideration represented a price of \$7.50 per share to Rumson's shareholders.

Selected Companies Analysis. Using publicly available information, KBW compared the financial performance, financial condition and market performance of Rumson to the following publicly traded commercial banks headquartered in New Jersey, excluding mutual holding companies, with assets between \$100 million and \$600 million. Companies included in this group were:

Bancorp of New Jersey, Inc.
Sussex Bancorp
Hopewell Valley Community Bank
Pascack Bancorp, Inc.
First Bank
Cornerstone Financial Corp.
1st Colonial Bancorp, Inc.
Community Bank of Bergen County, NJ
Capital Bank of New Jersey

Highlands Bancorp, Inc.
Penn Bancshares, Inc.
Harvest Community Bank
New Millennium Bank
Liberty Bell Bank
Brunswick Bancorp
Absecon Bancorp
Harmony Bank
New Jersey Community Bank

Shore Community Bank

Enterprise National Bank N.J.

Elmer Bancorp, Inc.

To perform this analysis, KBW used financial information as of the last twelve months, most recently available quarter and market price information was as of August 13, 2013. Earnings estimates for 2013 and 2014 were taken from a nationally recognized earnings estimate consolidator for selected companies. Certain financial data prepared by KBW, and as referenced in the tables presented below, may not correspond to the data presented in Rumson's historical financial statements as a result of the different periods, assumptions and methods used by KBW to compute the financial data presented.

KBW's analysis showed the following concerning Rumson's financial condition:

| | RFHB | Peer Group Minimum | Peer Group Mean | Peer Group Median | Peer Group Maximum |
|--|-------------|-----------------------------------|--------------------------------|----------------------------------|-----------------------------------|
| LTM Core Return on Average Assets (1) | 0.29% | (0.40%) | 0.45% | 0.46% | 1.19% |
| LTM Core Return on Average Equity (1) | 3.40% | (4.72%) | 4.38% | 4.61% | 11.68% |
| LTM Net Interest Margin | 2.84% | 2.69% | 3.59% | 3.63% | 4.27% |
| LTM Fee Income / Operating Revenue Ratio | 12.9% | 1.0% | 10.6% | 6.9% | 25.7% |
| LTM Efficiency Ratio | 82.1% | 55.2% | 80.0% | 76.4% | 118.0% |
| Tangible Common Equity / Tangible Assets | 8.78% | 2.89% | 8.82% | 8.41% | 21.44% |
| Total Capital Ratio | 11.40% | 5.21% | 14.23% | 13.52% | 26.22% |
| Loans / Deposits | 72.1% | 31.9% | 76.6% | 78.1% | 104.7% |
| Loan Loss Reserve / Loans | 1.25% | 1.13% | 1.69% | 1.50% | 3.77% |
| Nonperforming Assets / Loans + OREO | 0.48% | 0.17% | 4.32% | 2.37% | 13.47% |

| | | | | | |
|---------------------------------|---------|---------|-------|-------|-------|
| Net Charge-Offs / Average Loans | (0.03%) | (0.13%) | 0.85% | 0.34% | 8.35% |
|---------------------------------|---------|---------|-------|-------|-------|

- (1) Core income defined as net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, the after-tax portion of income from investment securities and nonrecurring items.

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KBW's analysis showed the following concerning Rumson's market performance:

| | RFHB | Peer Group Minimum | Peer Group Mean | Peer Group Median | Peer Group Maximum |
|---|-------------|-----------------------------------|--------------------------------|----------------------------------|-----------------------------------|
| Stock Price / Book Value per Share | 1.31x | 0.34x | 0.76x | 0.79x | 1.49x |
| Stock Price / Tangible Book Value per Share | 1.31x | 0.34x | 0.77x | 0.84x | 1.49x |
| Stock Price / LTM EPS | 23.0x | 5.0x | 16.1x | 14.6x | 31.3x |
| Dividend Yield | 0.0% | 0.0% | 0.6% | 0.0% | 5.8% |
| LTM Dividend Payout Ratio | 0.0% | 0.0% | 8.3% | 0.0% | 73.8% |

Using publicly available information, KBW compared the financial performance, financial condition, and market performance of 1st Constitution to the following publicly traded commercial banks headquartered in the New York MSA, excluding mutual holding companies, with assets between \$300 million and \$2.5 billion. Companies included in this group were:

First of Long Island Corporation
 Bridge Bancorp, Inc.
 Suffolk Bancorp
 Peapack-Gladstone Financial Corporation
 Center Bancorp, Inc.
 Intervest Bancshares Corporation
 BCB Bancorp, Inc.
 ConnectOne Bancorp, Inc.
 Unity Bancorp, Inc.
 Berkshire Bancorp Inc.

Two River Bancorp
 Community National Bank
 Stewardship Financial Corporation
 Bancorp of New Jersey, Inc.
 Sussex Bancorp
 Empire National Bank
 Country Bank Holding Company, Inc.
 Pascack Bancorp, Inc.
 Community Bank of Bergen County, NJ

To perform this analysis, KBW used financial information as of the last twelve months, most recently available quarter and market price information was as of August 13, 2013. Earnings estimates for 2013 and 2014 were taken from a nationally recognized earnings estimate consolidator for selected companies. Certain financial data prepared by KBW, and as referenced in the tables presented below, may not correspond to the data presented in 1st Constitution's historical financial statements as a result of the different periods, assumptions and methods used by KBW to compute the financial data presented.

KBW's analysis showed the following concerning 1st Constitution's financial condition:

| | FCCY | Peer Group Minimum | Peer Group Mean | Peer Group Median | Peer Group Maximum |
|--|-------------|-----------------------------------|--------------------------------|----------------------------------|-----------------------------------|
| LTM Core Return on Average Assets (1) | 0.68% | (0.40%) | 0.53% | 0.58% | 1.32% |
| LTM Core Return on Average Equity (1) | 8.68% | (4.72%) | 5.33% | 6.37% | 10.81% |
| LTM Net Interest Margin | 3.78% | 2.36% | 3.49% | 3.43% | 4.30% |
| LTM Fee Income / Operating Revenue Ratio | 17.4% | 1.0% | 11.1% | 9.1% | 26.7% |
| LTM Efficiency Ratio | 70.9% | 37.9% | 66.2% | 69.7% | 87.7% |

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| | | | | | |
|--|---------|---------|--------|--------|--------|
| Tangible Common Equity / Tangible Assets | 7.53% | 5.11% | 8.82% | 8.36% | 17.17% |
| Total Capital Ratio | 16.42% | 10.16% | 15.88% | 14.63% | 37.74% |
| Loans / Deposits | 57.9% | 48.8% | 81.8% | 81.7% | 116.1% |
| Loan Loss Reserve / Loans | 1.44% | 1.07% | 1.74% | 1.53% | 3.60% |
| Nonperforming Assets / Loans + OREO | 2.48% | 0.35% | 3.23% | 2.37% | 8.06% |
| Net Charge-Offs / Average Loans | (0.01%) | (0.04%) | 0.38% | 0.15% | 4.41% |

- (1) Core income defined as net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, the after-tax portion of income from investment securities and nonrecurring items.

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KBW's analysis showed the following concerning 1st Constitution's market performance:

| | FCCY | Peer Group Minimum | Peer Group Mean | Peer Group Median | Peer Group Maximum |
|---|-------|--------------------------|-----------------------|-------------------------|--------------------------|
| Stock Price / Book Value per Share | 0.89x | 0.36x | 1.06x | 1.03x | 1.70x |
| Stock Price / Tangible Book Value per Share | 0.96x | 0.36x | 1.09x | 1.04x | 1.87x |
| Stock Price / LTM EPS | 10.5x | 7.6x | 17.1x | 15.2x | 31.3x |
| Stock Price / 2013 EPS (1) | 9.8x | 13.0x | 15.8x | 15.3x | 20.8x |
| Stock Price / 2014 EPS (1) | 9.2x | 12.3x | 13.7x | 13.4x | 15.9x |
| Dividend Yield | 0.0% | 0.0% | 1.6% | 1.1% | 6.7% |
| LTM Dividend Payout Ratio | 0.0% | 0.0% | 31.4% | 17.3% | 200.0% |

(1) Estimates per First Call consensus estimates

Selected Transactions Analysis. KBW reviewed publicly available information related to selected acquisitions of banks and bank holding companies as well as thrifts and thrift holding companies headquartered in the Mid-Atlantic region that were announced after January 1, 2011, with target assets between \$100 million and \$600 million. The transactions included in the group were:

Acquiror

First Bank
 Wilshire Bancorp, Inc.
 Haven Bancorp, MHC
 Riverview Financial Corporation
 Lakeland Bancorp, Inc.
 TF Financial Corporation
 F.N.B. Corporation
 Penns Woods Bancorp, Inc.
 Old Line Bancshares, Inc.
 Customers Bancorp, Inc.
 S&T Bancorp, Inc.
 Center Bancorp, Inc.
 Provident New York Bancorp
 ESSA Bancorp, Inc.
 Sandy Spring Bancorp, Inc.
 S&T Bancorp, Inc.
 BankUnited, Inc.
 BCB Bancorp, Inc.
 Ocean Shore Holding Co.

Acquiree

Heritage Community Bank
 BankAsiana
 Hilltop Community Bancorp, Inc.
 Union Bancorp, Inc.
 Somerset Hills Bancorp
 Roebling Financial Corp, Inc.
 Annapolis Bancorp, Inc.
 Luzerne National Bank Corporation
 WSB Holdings, Inc.
 CMS Bancorp, Inc.
 Gateway Bank of Pennsylvania
 Saddle River Valley Bank
 Gotham Bank of New York
 First Star Bancorp, Inc.
 CommerceFirst Bancorp, Inc.
 Mainline Bancorp, Inc.
 Herald National Bank
 Allegiance Community Bank
 CBHC Financialcorp, Inc.

Transaction multiples for the merger were derived from an offer price of \$7.50 per share for Rumson. For each transaction referred to above, KBW derived and compared, among other things, the following implied ratios:

price per common share paid for the acquired company to tangible book value per share of the acquired company based on the latest publicly available financial statements of the company available prior to the announcement of the acquisition;

tangible equity premium to core deposits (total deposits less time deposits greater than \$100,000) based on the latest publicly available financial statements of the acquired company prior to the announcement of the acquisition;

price per common share paid for the acquired company to last twelve months earnings per share of the acquired company;

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price per common share paid for the acquired company to closing price of the acquired company one day, 30 days, 60 days and 90 days prior to the announcement of the acquisition (expressed as a percentage and referred to as the 1-day, 30-day, 60-day and 90-day market premium).

The results of the analysis are set forth in the following table:

| | FCCY / RFHB Merger | Transactions Minimum | Transactions Mean | Transactions Median | Transactions Max |
|-----------------------------|-----------------------------------|---------------------------------|------------------------------|--------------------------------|-----------------------------|
| Price / Tangible Book Value | 1.29x | 0.50x | 1.14x | 1.12x | 1.65x |
| Core Deposit Premium | 3.7% | (3.7%) | 2.4% | 1.6% | 10.2% |
| Price / LTM EPS | 22.5x | 10.3x | 21.9x | 18.6x | 43.7x |
| 1-Day Market Premium (1) | (1.3%) | 0.1% | 69.7% | 53.7% | 191.4% |
| 30-Day Market Premium (2) | 23.0% | 32.3% | 93.5% | 75.8% | 204.3% |
| 60-Day Market Premium (3) | 24.4% | 40.1% | 95.3% | 82.9% | 204.3% |
| 90-Day Market Premium (4) | 24.0% | 43.5% | 92.4% | 77.9% | 204.3% |

(1) 1-day Market Premium based on RUMSON stock price of \$7.60 as of 8/13/2013

(2) 30-day Market Premium based on RUMSON stock price of \$6.10 as of 7/12/2013

(3) 60-day Market Premium based on RUMSON stock price of \$6.03 as of 6/14/2013

(4) 90-day Market Premium based on RUMSON stock price of \$6.05 as of 5/15/2013

No company or transaction used as a comparison in the above analysis is identical to Rumson, 1st Constitution or the merger. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies.

Discounted Cash Flow Analysis. KBW performed a discounted cash flow analysis to estimate a range of the present values of after-tax cash flows that Rumson could provide to equity holders through 2019 on a stand-alone basis. In performing this analysis, KBW used earnings estimates for Rumson for 2013 and 2014, and a growth rate range of 8.0% and 10% thereafter, from Rumson management, and assumed discount rates ranging from 12.0% to 16.0%. The range of values was determined by adding (1) the present value of projected cash flows to Rumson shareholders from 2013 to 2018 and (2) the present value of the terminal value of Rumson's common stock. In determining cash flows available to shareholders, KBW assumed balance sheet growth for 2013 and 2014, and a growth rate range of 8.0% to 10.0% thereafter, per Rumson management and assumed that Rumson would maintain a tangible common equity / tangible asset ratio of 7.50%, and would retain sufficient earnings to maintain these levels. Any earnings in excess of what would need to be retained represented dividendable cash flows for Rumson. In calculating the terminal value of Rumson, KBW applied multiples ranging from 12.0 times to 16.0 times 2019 forecasted earnings. This resulted in a range of values of Rumson from \$3.70 to \$6.10 per share. The discounted cash flow present value analysis is a widely used valuation methodology that relies on numerous assumptions, including asset and earnings growth rates, terminal values and discount rates. The analysis did not purport to be indicative of the actual values or expected values of Rumson.

Financial Impact Analysis. KBW performed pro forma merger analyses that combined projected income statement and balance sheet information of Rumson and 1st Constitution. Assumptions regarding the accounting treatment, acquisition adjustments and cost savings were used to calculate the financial impact that the merger would have on certain projected financial results of 1st Constitution. In the course of this analysis, KBW used earnings estimates for 1st Constitution for 2014 per First Call consensus and used earnings estimates for Rumson for 2014 from Rumson

management. This analysis indicated that the merger is expected to be accretive to 1st Constitution's estimated earnings per share in 2014. The analysis also indicated that the merger is expected to be dilutive to book value per share and tangible book value per share for 1st Constitution and that 1st Constitution would maintain well capitalized capital ratios. For all of the above analyses, the actual results achieved by 1st Constitution following the merger will vary from the projected results, and the variations may be material.

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The Rumson Board retained KBW as financial adviser regarding the merger. As part of its investment banking business, KBW is continually engaged in the valuation of bank and bank holding company securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for various other purposes. As specialists in the securities of banking companies, KBW has experience in, and knowledge of, the valuation of banking enterprises. In the ordinary course of its business as a broker-dealer, KBW may, from time to time, purchase securities from, and sell securities to, Rumson and 1st Constitution. As a market maker in securities KBW may from time to time have a long or short position in, and buy or sell, debt or equity securities of Rumson and 1st Constitution for KBW's own account and for the accounts of its customers. To the extent KBW held any such positions, it was disclosed to the Rumson Board.

KBW has acted exclusively for the Rumson Board in rendering its fairness opinion in connection with the merger. Pursuant to the KBW engagement agreement, Rumson agreed to pay to KBW a cash fee of \$100,000 at the time of signing of the merger agreement as well as a cash fee of \$300,000 to be paid at the time of the closing of the merger. In addition, pursuant to the engagement agreement, Rumson also agreed to reimburse KBW for all reasonable out-of-pocket expenses and disbursements incurred in connection with the engagement up to \$10,000 and to indemnify KBW and related parties against certain liabilities, including liabilities related to or arising out of KBW's engagement or KBW's role in connection with such engagement. During the two years preceding the date of its opinion to Rumson's Board, KBW has provided investment banking and financial advisory services to Rumson but did not receive compensation for such services, and during such time KBW did not perform investment banking and financial advisory services to 1st Constitution. KBW may in the future provide investment banking and financial advisory services to 1st Constitution and may receive compensation for such services.

Financial Projections

The financial projections on Rumson that were provided to KBW by the management team of Rumson and the publicly available consensus street estimates of 1st Constitution that were used by KBW are as follows:

Unaudited Prospective Financial Information for Rumson

| | | Annual Periods Ending | |
|--|----------------------------|------------------------------|---------------------|
| | | December 31, | December 31, |
| | | 2013 | 2014 |
| Street Estimates for 1st Constitution | Net Income (\$000s) | \$ 1,119 | \$ 1,399 |
| | Diluted Earnings per Share | \$ 0.34 | \$ 0.43 |

| | | Annual Periods Ending | |
|--|----------------------------|------------------------------|---------------------|
| | | December 31, | December 31, |
| | | 2013 | 2014 |
| | Net Income (\$000s) | \$ 6,010 | \$ 6,490 |
| | Diluted Earnings per Share | \$ 0.98 | \$ 1.05 |

Note: As available on 8/13/2013

The inclusion of these projections and estimates in this proxy statement and prospectus should not be regarded as a representation by Rumson, its board of directors, 1st Constitution, KBW or any other person that it considered, or now considers, any of the projections and estimates to be necessarily representative of actual future results.

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Rumson believes that the assumptions used by its management as a basis for the projections on Rumson were, in each case, reasonable and reflect the best currently available estimates and judgments of management and that such forecasts and projections will be realized in the amounts and in the time periods that were estimated by management. However, Rumson does not intend, and expressly disclaims any responsibility, to update or otherwise revise the projections to reflect circumstances existing after the date when prepared or to reflect the occurrence of future events even in the event that any of the assumptions underlying the projections are shown to be in error. The assumptions upon which these projections were based are subjective in many respects and are subject to various interpretations and there can be no assurance that actual results will not be significantly higher or lower than these projections.

The projections with respect to Rumson were not prepared with a view to public disclosure and were not prepared with a view to compliance with published guidelines of the SEC regarding projections, the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information, or United States generally accepted accounting principles (GAAP). Furthermore, Rumson's independent auditors have not examined, compiled or otherwise applied procedures to the projections and, accordingly, assume no responsibility for, and express no opinion on, them.

The publicly available consensus street estimates for 1st Constitution were not prepared by management of 1st Constitution. The management of 1st Constitution reviewed the publicly available consensus street estimates and determined that they were reasonably prepared on a basis that reflected the best currently available estimates and judgments of management and that such forecasts and projections will be realized in the amounts and in the time periods that were estimated by management. Although the street estimates on 1st Constitution set forth above were reasonable at the time, there can be no assurance that actual results will not be significantly higher or lower than these estimates.

Readers of this proxy statement and prospectus are cautioned not to place undue reliance on the projections or estimates set forth above. No one has made or makes any representation to you regarding the information included in the projections, estimates or the future financial results of Rumson or 1st Constitution.

Terms of the Merger

Effect of the Merger

Upon completion of the merger, the separate legal existence of Rumson will cease. All property, rights, powers, duties, obligations, debts and liabilities of Rumson will automatically be deemed transferred to 1st Constitution Bank, as the surviving bank in the merger.

What Rumson Shareholders Will Receive in the Merger

In the merger, 60% of the outstanding Rumson common stock will be exchanged for cash and 40% will be exchanged for stock. Shareholders receiving cash in the merger will receive \$7.50 for each share of Rumson common stock exchanged for cash in the merger. Rumson shareholders receiving 1st Constitution common stock in the merger will receive 0.7772 shares of 1st Constitution common stock for each share of Rumson common stock exchanged for stock in the merger. If there is a stock split, stock dividend or similar transaction affecting 1st Constitution common stock prior to the closing, appropriate changes will be made to the exchange ratio. In this document, we refer to the ratio of 0.7772 shares of 1st Constitution common stock to one share of Rumson common stock as the exchange ratio.

As described below under Election Form; Exchange of Shares, the Exchange Agent will modify on a pro rata basis, the elections of Rumson's shareholders so that 60% of the merger consideration will be cash and 40% will be stock.

The closing price of 1st Constitution common stock on _____, 2013, shortly before this proxy statement and prospectus was mailed to you, was \$ ____.

Certain shares of Rumson common stock held by Rumson or by 1st Constitution or its subsidiaries will be canceled in the merger and will not be converted into 1st Constitution common stock.

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If your Rumson shares are converted into 1st Constitution common stock, you will not receive any fractional shares of 1st Constitution common stock. Instead, you will receive, without interest, cash equal to the fractional share interest you otherwise would have received, multiplied by the average (rounded to four decimal places) of the daily closing sales prices of 1st Constitution common stock as reported on the Nasdaq Global Market for the 20 consecutive trading days ending on the date that all regulatory approvals are received. All shares of Rumson common stock held by a Rumson shareholder immediately prior to the effective time will be aggregated before determining the need to pay cash in lieu of fractional shares to such holder.

The price of 1st Constitution common stock at the time the merger takes effect may be higher or lower than the price: (1) when the merger agreement was signed; (2) when this proxy statement and prospectus was mailed; (3) when the Rumson shareholders meet to vote on the merger; or (4) when Rumson shareholders receive 1st Constitution stock certificates from the Exchange Agent following the merger. We urge you to obtain current market quotations for the 1st Constitution common stock and the Rumson common stock.

Election Form; Exchange of Shares

Each Rumson shareholder should complete and return an election form, along with their Rumson stock certificate(s), according to the instructions included with the election form. The election form will be provided to Rumson shareholders in a mailing separate from this proxy statement and prospectus. If you own shares of Rumson common stock in street name through a broker or other nominee and you wish to make an election, you should obtain instructions from the broker or other nominee holding your shares concerning how to make your election. We will make additional copies of the election form available upon request. Each Rumson shareholder should use the election form to tell the Exchange Agent such shareholder's preferences. Each Rumson shareholder may use the election form to elect to:

convert each of such shareholder's Rumson shares into 1st Constitution common stock;

convert each of such shareholder's Rumson shares into cash; or

convert a portion (in even 10% integrals) of such shareholder's Rumson shares into 1st Constitution common stock and convert the balance of such shareholder's Rumson shares into cash.

We will refer to all shares that are so designated for conversion into cash as Cash Election Shares and all shares that are so designated for conversion into 1st Constitution common stock as Stock Election Shares. Alternatively, each Rumson shareholder may indicate to the Exchange Agent that such shareholder has no preference as to whether such shareholder receives cash or 1st Constitution common stock pursuant to the merger. We will refer to these shares as

Non-Election Shares. If a Rumson shareholder either (i) does not submit a properly completed election form in a timely fashion or (ii) revokes such shareholder's election form and does not submit a new election form prior to the deadline for the submission of the election form, the shares of Rumson common stock held by such shareholder will be treated as Non-Election Shares. We refer to the number of shares equal to 60% of the shares of Rumson common stock outstanding immediately prior to the effective time of the merger as the Cash Number, and the number of shares equal to 40% of the shares of Rumson common stock outstanding immediately prior to the effective time of the merger as the Stock Number.

All elections must be made on an election form. To make an effective election, each Rumson shareholder must, in accordance with the election form, (i) complete properly and return the election form to the Exchange Agent in the enclosed envelope and (ii) deliver to the Exchange Agent such shareholder's Rumson stock certificates with respect to such shares and any other required documents, all prior to the election deadline, which will be the close of business on the third business day prior to the date on which the merger is consummated. The merger could close as soon as immediately after the Rumson shareholders' meeting. **Thus, you should assume that the election deadline may be as soon as the close of business on January 15, 2014.**

A holder of shares of Rumson common stock having a preference as to the form of consideration to be received for his or her shares should make an election because shares as to which an election has been made will

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be given priority in allocating such consideration over shares as to which an election is not received. Neither Rumson nor 1st Constitution nor their respective Boards will make any recommendation as to whether shareholders should elect to receive cash or stock in the merger. Each holder of Rumson common stock must make his or her own decision with respect to such election.

The cash and stock consideration payable in the merger will be allocated as follows:

Oversubscription for Stock. If the aggregate number of Stock Election Shares exceeds the Stock Number:

All Non-Election Shares and Cash Election Shares will be converted into the right to receive cash; and

The Stock Election Shares will be converted into the right to receive 1st Constitution common stock and cash in the following manner:

the Exchange Agent will select from among the holders of Stock Election Shares, on a pro rata basis, a sufficient number of those shares, referred to as Cash Designated Shares, so that the number of Cash Designated Shares will, when added to the number of Cash Election Shares and Non-Election Shares, equal as closely as practicable the Cash Number, and all of the Cash Designated Shares will be converted into the right to receive cash; and

the Stock Election Shares that are not selected as Cash Designated Shares will be converted into the right to receive shares of 1st Constitution common stock.

Oversubscription for Cash. If the aggregate number of Cash Election Shares exceeds the Cash Number:

all Non-Election Shares and Stock Election Shares will be converted into the right to receive 1st Constitution common stock; and

the Cash Election Shares will be converted into the right to receive 1st Constitution common stock and cash in the following manner:

the Exchange Agent will select from among the holders of Cash Election Shares, on a pro rata basis, a sufficient number of these shares, referred to as Stock Designated Shares, so that the number of Stock Designated Shares will, when added to the number of Stock Election Shares and Non-Election Shares, equal as closely as practicable the Stock Number, and all of the Stock Designated Shares will be converted into the right to receive 1st Constitution common stock; and

the Cash Election Shares not selected as Stock Designated Shares will be converted into the right to receive cash.

Other Outcomes. If the aggregate number of Cash Election Shares is equal to or less than the Cash Number and the aggregate number of Stock Election Shares is equal to or less than the Stock Number:

All Stock Election Shares will be converted into the right to receive 1st Constitution common stock;

All Cash Election Shares will be converted into the right to receive cash; and

All Non-Election Shares, if any, will be converted into the right to receive 1st Constitution common stock or the right to receive cash in the following manner:

The Exchange Agent will select from among the holders of Non-Election Shares, on a pro rata basis, a sufficient number of those shares, referred to as the Stock Exchanged Shares, so that the number of Stock Exchanged Shares will, when added to the number of Stock Election Shares, be equal as closely as practicable to the Stock Number, and all of those Stock Exchanged Shares will be converted into the right to receive 1st Constitution common stock; and

The Non-Election Shares not selected as Stock Exchanged Shares will be converted into the right to receive cash.

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The election form will also serve as a letter of transmittal, which is the form Rumson shareholders will use to send their stock certificates to the Exchange Agent to be exchanged in the merger. The election form will have explicit instructions on how to exchange Rumson stock certificates. Certificates representing shares of Rumson common stock MUST be sent in with your election form in the enclosed envelope. Rumson shareholders should not send their stock certificates with their proxy card.

After Rumson shareholders surrender their Rumson stock certificates to the Exchange Agent and after the time the merger takes effect, former Rumson shareholders will receive cash and/or a certificate representing their shares of 1st Constitution common stock. At the time any new stock certificate is issued, former Rumson shareholders will also receive a check for any fractional shares. All shares of Rumson common stock held by a shareholder immediately prior to the effective time of the merger will be aggregated before determining the need to pay cash in lieu of fractional shares to such former shareholder. No interest will be paid with respect to any cash payable in the merger.

Stock Options and Restricted Stock

As of November 26, 2013, various directors, officers and employees of Rumson held options to purchase a total of 85,082 shares of Rumson common stock, all granted under Rumson's equity compensation plans. At the effective time of the merger, all such options, whether vested or unvested, will be terminated and converted, without any action on the part of 1st Constitution, 1st Constitution Bank, Rumson or the holders of the options, into the right to receive cash equal to the product of (i) the aggregate number of shares of common stock of Rumson underlying such outstanding option multiplied by (ii) the excess, if any, of \$7.50 over the per share exercise price of such outstanding option. Holders of stock options with an exercise price of \$7.50 or above will receive no consideration in the merger.

As of November 26, 2013, various officers of Rumson held a total of 11,250 shares of unvested and unissued restricted stock. At the effective time of the merger, each share of unvested and unissued restricted stock will be converted, without any action on the part of 1st Constitution, 1st Constitution Bank, Rumson or the holders of the restricted stock, into the right to receive 0.7772 shares of 1st Constitution common stock.

1st Constitution Common Stock

Each share of 1st Constitution common stock outstanding immediately prior to completion of the merger will remain outstanding and unchanged by the merger.

Effective Date

The merger will take effect when all conditions to the merger, including obtaining shareholder and regulatory approval, have been fulfilled or waived or as soon as practicable thereafter as 1st Constitution and Rumson mutually select. Neither regulatory approval nor the required approvals of Rumson's shareholders can be waived. 1st Constitution and Rumson presently expect to close the merger during the first quarter of 2014. See "THE MERGER Conditions to the Merger" at page 68 and "THE MERGER Regulatory Approvals" at page 72.

Representations and Warranties

The merger agreement contains customary representations and warranties relating to, among other things:

Rumson

Organization of Rumson and its subsidiaries.

Capital structure of Rumson.

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Due authorization, execution, delivery, performance and enforceability of the merger agreement and interrelationship with other agreements.

Consents or approvals of regulatory authorities or third parties necessary to complete the merger.

Accuracy of reports filed with regulatory authorities.

Consistency of financial statements with generally accepted accounting principles and existence of suitable internal controls.

Liabilities incurred since March 31, 2013.

Brokers and other fees.

Absence of material adverse changes, since December 31, 2012, in Rumson's consolidated business, results of operations or financial condition.

Absence of undisclosed material pending or threatened legal proceedings.

Filing of tax returns and payment of taxes.

Retirement and other employee plans and matters relating to the Employee Retirement Income Security Act of 1974.

Accuracy of information supplied by Rumson for inclusion in the registration statement filed under the Securities Act of 1933 in connection with the issuance of 1st Constitution common stock in the merger, this proxy statement and prospectus, and all applications filed with regulatory authorities for approval of the merger.

Compliance with applicable laws and regulations.

Disclosure of material contracts.

Absence of regulatory orders.

Quality of title to assets and properties.

Maintenance of adequate insurance.

Absence of material environmental violations, actions or liabilities.

Rumson's receipt of an opinion from Keefe, Bruyette & Woods, Inc. that the consideration paid to Rumson's shareholders is fair.

Indemnification obligations of Rumson and its subsidiaries.

Validity and binding nature of loans reflected as assets in Rumson's financial statements.

Investment securities, deposits and other borrowings on Rumson's statement of condition.

Approval by two-thirds of the holders of Rumson's common stock is sufficient to approve the merger.

Intellectual property matters.

Absence of prior regulatory applications.

Conduct of the mortgage banking business.

1st Constitution

Organization of 1st Constitution and its subsidiaries.

Capital structure of 1st Constitution.

Due authorization, execution, delivery, performance and enforceability of the merger agreement and interrelationship with other agreements.

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Consents or approvals of regulatory authorities or third parties necessary to complete the merger.

Accuracy of reports filed with regulatory authorities.

Consistency of financial statements with generally accepted accounting principles and existence of suitable internal controls.

Accuracy of reports filed by 1st Constitution with the SEC.

Absence of material adverse changes, since December 31, 2012, in 1st Constitution's consolidated business, results of operations or financial condition.

Accuracy of information supplied by 1st Constitution for inclusion in the registration statement filed under the Securities Act of 1933 in connection with the issuance of 1st Constitution common stock in the merger, this proxy statement and prospectus, and all applications filed with regulatory authorities for approval of the merger.

Compliance with applicable laws and regulations.

Absence of regulatory orders.

Regulatory capital.

No ownership of Rumson capital stock.

Adequacy of loan loss provision and reserve for OREO properties.

Subsidiaries having a Community Reinvestment Act rating of at least satisfactory.

Absence of prior regulatory applications.

1st Constitution Bank having access to funds to pay cash portion of the merger consideration.

Conduct of Business Pending the Merger

In the merger agreement, 1st Constitution and Rumson each agreed to use commercially reasonable efforts to maintain and preserve intact its respective business organizations, properties, leases, employees and advantageous business relationships. 1st Constitution and Rumson each also agreed to not take any action which would adversely affect or delay their respective ability to perform their covenants and agreements set forth in the merger agreement on a timely basis or which would adversely affect or delay their respective ability to obtain any necessary approvals, waivers or consents of any governmental entity or third party to consummate the merger.

In addition, Rumson agreed to conduct its business and to engage in transactions only in the ordinary and usual course consistent with past practices and prudent banking practice, except as otherwise required by the merger agreement or consented to by 1st Constitution. Subject to certain exceptions referred to in the merger agreement, Rumson also agreed in the merger agreement that Rumson will not, without the written consent of 1st Constitution except as otherwise specifically provided in the merger agreement:

repurchase, redeem or otherwise acquire any of its capital stock;

issue any shares of its capital stock or any securities convertible into or exercisable for, or any rights, warrants or options to acquire, any such shares, except for the issuance of up to a total of 85,082 shares of Rumson common stock upon the exercise of stock options outstanding on the date of the merger agreement and 11,250 unvested shares of restricted Rumson common stock granted prior to the date of the merger agreement upon the vesting of such restricted Rumson common stock;

amend its Certificate of Incorporation or By-laws;

make any capital expenditures in excess of \$25,000 in the aggregate;

enter into any new line of business or offer any new products or services;

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acquire any business or any assets outside of the ordinary course of business;

take any action that is intended or may reasonably be expected to result in any of the conditions to closing the merger set forth in the merger agreement not being satisfied or not being satisfied prior to August 14, 2014;

change its methods of accounting, except as required by changes in generally accepted accounting principles or regulatory accounting principles as concurred with in writing by Rumson's independent auditors;

adopt, amend, or terminate any employee benefit plan;

increase the compensation or fringe benefits of any director, officer or employee, pay any benefit not required by any plan or agreement, pay any bonus or grant any stock options, stock appreciation rights, restricted stock, restricted stock units or performance units or shares;

other than in the ordinary course of business consistent with past practice, dispose of its material assets, properties or other rights or agreements;

other than in the ordinary course of business consistent with past practice, incur any indebtedness for borrowed money;

file any application to relocate or terminate the operations of any of its banking offices (except that Rumson may file an application to close its Oceanport, New Jersey branch);

create, renew, amend or terminate any material contract;

except in the ordinary course of business consistent with past practices and in amounts less than \$200,000, and other than investments for Rumson's portfolio that are permissible under the merger agreement, make any investment in any other individual, corporation or other entity;

except in the ordinary course of business consistent with past practices, make any investment in any debt security other than U.S. government and U.S. government agency securities with final maturities of five years or less or mortgage-backed or mortgage related securities that would not be considered high risk securities;

settle any claim in excess of \$10,000 or involving any material restrictions on Rumson's operations;

except in the ordinary course of business consistent with past practices and in amounts less than \$100,000, waive or release any material right;

make loans that fall outside of parameters set forth in the merger agreement;

make any investment or commitment to invest in real estate or in any real estate development project, other than real estate acquired in satisfaction of defaulted mortgage loans;

except pursuant to commitments existing on the date of the merger agreement and disclosed to 1st Constitution, make any construction loans outside the ordinary course of business consistent with past practices, make any real estate loans secured by undeveloped land or make any real estate loans secured by land located outside the States of New Jersey and New York;

establish any new branch or other office facilities;

elect to the Board any person who is not a current member of Rumson's Board;

change any method of tax accounting, make and change any tax election, file any amended tax return, settle any tax liability or surrender any right to claim a tax refund;

after an acquisition proposal (other than the proposed merger) has been (i) directly made to Rumson's shareholders, (ii) publicly disclosed or (iii) made known to senior management or the Board of Rumson, except to the extent permitted under the merger agreement, take any intentional act, or intentionally omit to take any act, that causes Rumson's representations in the merger agreement to be inaccurate in any material respect;

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take any other action outside of the ordinary course of business; or

agree to do any of the foregoing.

Rumson also agreed in the merger agreement, among other things:

to submit the proposed merger to its shareholders for approval at a shareholders' meeting to be held as soon as is reasonably practicable after the date on which the registration statement, of which this proxy statement and prospectus is a part, is declared effective by the SEC;

through the Rumson Board, subject to applicable fiduciary obligations, to recommend that Rumson's shareholders approve the merger agreement, and such other matters as are submitted to Rumson shareholders in connection with the merger agreement;

to provide 1st Constitution with certain financial statements as reasonably requested by 1st Constitution in order to enable 1st Constitution to comply with its reporting obligations under the Exchange Act;

to cooperate with 1st Constitution to conform certain policies and procedures to the policies and procedures followed by 1st Constitution; and

to provide 1st Constitution with any information about Rumson reasonably requested by 1st Constitution for use in any subsequent filings that 1st Constitution may be required to make in transactions unrelated to the merger.

Rumson has also agreed not to solicit any proposal from a third party with respect to a merger, consolidation or similar transaction involving, or any purchase of, all or more than 25% of the assets or voting power of Rumson or any of its subsidiaries. We refer to any such proposal as an acquisition proposal.

Similarly, Rumson has agreed not to participate in any negotiations concerning, or provide any confidential information with respect to, an acquisition proposal. These obligations are subject to certain exceptions in the merger agreement designed to assure that Rumson's Board may exercise its fiduciary responsibilities in the event that a third party, acting on an unsolicited basis, makes an acquisition proposal prior to the consummation of the merger. In the event that Rumson receives any such proposal, Rumson is required to promptly (and in any event within 48 hours of receipt) disclose to 1st Constitution the identity of the person making the proposal and the substance of such proposal.

1st Constitution and Rumson jointly agreed, among other things:

to cooperate in preparing all regulatory and other filings to be made in connection with the merger;

to provide access to each other and to each other's representatives;

subject to applicable provisions of the merger agreement, to use our reasonable best efforts to consummate the transactions contemplated by the merger agreement and to obtain any consent of any governmental entity or other third party which is required in connection with the merger;

to deliver to each other monthly, quarterly and, if applicable, annual financial statements; and

to agree upon the form and substance of any press release or public disclosure related to the proposed merger.

1st Constitution has agreed:

to use its reasonable best efforts to cause the 1st Constitution common stock to be issued in the merger to be approved for listing on the Nasdaq Global Market;

to permit the Rumson employees who remain in 1st Constitution's employ after the merger is consummated to participate in 1st Constitution's employee benefit plans to the same extent as similarly situated employees of 1st Constitution and generally to credit such employees with the years of service earned as employees of Rumson;

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to indemnify any current or former director or officer of Rumson against any claim, including any claim which relates in any way to the merger, this proxy statement and prospectus, the merger agreement, any of the transactions contemplated by the merger agreement, such person's service as a member of the Board of Rumson, the events leading up to the execution of the merger agreement, any statement, recommendation or solicitation made in connection with the merger and any breach of any duty in connection with any of the foregoing, in each case to the extent that indemnification would have been permitted under any applicable law and Rumson's Certificate of Incorporation and By-laws had the merger not occurred;

to cause the persons serving as officers and directors of Rumson immediately prior to the consummation of the merger to be covered by directors and officers liability insurance for a period of six years after the closing, subject to a limitation on the amount which 1st Constitution must spend for such insurance; and

to provide severance to any Rumson employee who is terminated by 1st Constitution Bank without cause following the effective time of the merger in accordance with 1st Constitution Bank's severance policy then in effect.

Conditions to the Merger

Our obligations to effect the merger are subject to various conditions, including the following:

Conditions Applicable to Rumson and 1st Constitution

Rumson's shareholders shall have approved the merger agreement and the transactions contemplated by that agreement;

the registration statement of which this proxy statement and prospectus is a part shall not be subject to an order typically referred to as a stop order demanding that we cease using these documents;

we shall have received all necessary approvals of governmental entities, such approvals shall not be subject to any material conditions, any conditions relating to such approvals shall have been satisfied and all statutory waiting periods shall have expired;

no order, judgment or decree shall be outstanding that would have the effect of preventing completion of the merger;

no suit, action or other proceeding shall be pending or threatened by any governmental entity seeking to restrain or prohibit the merger;

no suit, action or other proceeding shall be pending before any court or governmental entity seeking to restrain or prohibit the merger or obtain other substantial monetary or other relief against one or more of the

parties which 1st Constitution or Rumson determines in good faith, based upon the advice of their respective counsel, makes it inadvisable to proceed;

Rumson and 1st Constitution shall have received from 1st Constitution's counsel the tax opinion described under "THE MERGER - Material United States Federal Income Tax Consequences"; and

the shares of 1st Constitution common stock issuable in the merger shall have been authorized for listing on the NASDAQ Global Market, subject to official notice of issuance.

Additional Conditions Applicable to 1st Constitution

In addition to the foregoing, 1st Constitution's obligations to close the merger are also conditioned, among other things, on the following:

except for representations made as of a particular date, Rumson's representations shall be true and correct in all material respects (or in all respects for representations which are qualified as to materiality) at closing;

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Rumson representations made as of a particular date shall be true and correct in all material respects (or in all respects for representations which are qualified as to materiality) as of such date;

Rumson shall have performed in all material respects the covenants which it is required to perform under the merger agreement;

Rumson shall have obtained all consents of any third parties, other than governmental entities, which are necessary to permit the consummation of the merger, except for those which would not materially adversely affect Rumson or 1st Constitution if not obtained;

none of such consents shall contain any term or condition which would materially adversely affect 1st Constitution;

Rumson shall have taken all necessary corporate action to effectuate the merger of Rumson into 1st Constitution Bank immediately following the effective time of the merger and all conditions to the closing of the merger shall have been satisfied or waived;

no governmental entity has imposed a condition or requirement on 1st Constitution or 1st Constitution Bank (either before or after the effective time of the merger) that the Board of 1st Constitution reasonably determines (i) is onerous, (ii) reasonably likely to have a material imposition on their operations, business or prospects or (iii) will require 1st Constitution or 1st Constitution Bank to raise capital within one year of the effective time of the merger;

Rumson shall have satisfied, or be in the process of satisfying in a manner and under a timetable reasonably satisfactory to 1st Constitution, in all material respects the actions required to be taken by Rumson pursuant to findings of the FDIC and the New Jersey Department of Banking and Insurance in their respective examination reports; and

The indemnification agreements with each current director of Rumson shall have been amended to the satisfaction of 1st Constitution and 1st Constitution Bank.

Additional Conditions Applicable to Rumson

In addition to the foregoing, Rumson's obligations to close the merger are also conditioned, among other things, on the following:

except for representations made as of a particular date, 1st Constitution's representations shall be true and correct in all material respects (or in all respects for representations which are qualified as to materiality) at closing;

1st Constitution representations made as of a particular date shall be true and correct in all material respects (or in all respects for representations which are qualified as to materiality) as of such date;

1st Constitution shall have performed in all material respects the covenants which it is required to perform under the merger agreement;

1st Constitution Bank shall have taken all necessary corporate action to effectuate the merger and all conditions to the closing of the bank merger shall have been satisfied or waived; and

1st Constitution Bank shall have furnished Rumson with evidence of satisfactory directors and officers liability insurance coverage for persons serving as officers and directors of Rumson immediately prior to the consummation of the merger for a period of six years after the closing as required under the merger agreement.

Except for the requirements of Rumson shareholder approval, regulatory approvals and the absence of any order, decree, or injunction preventing the transactions contemplated by the merger agreement, we each may waive each of the conditions described above in the manner and to the extent described in THE MERGER Amendment; Waiver below. However, neither of us anticipates waiving the condition that a tax opinion be delivered by 1st Constitution's counsel.

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Amendment; Waiver

Subject to applicable law, at any time prior to completion of the merger, we may:

amend the merger agreement.

extend the time for the performance of any of the obligations or other acts of the other party required in the merger agreement.

waive any inaccuracies in the representations and warranties of the other party contained in the merger agreement.

waive compliance by the other party with any of the agreements or conditions contained in the merger agreement, except for the requirements of Rumson shareholder approval, regulatory approvals and the absence of any order, decree, or injunction preventing the transactions contemplated by the merger agreement.

Termination

Subject to certain qualifications described in the merger agreement, the merger agreement may be terminated under the following circumstances:

by agreement of 1st Constitution and Rumson;

by either 1st Constitution or Rumson:

if a required regulatory approval shall have been denied by final, non-appealable action, provided that the right to terminate will not be available to any party whose failure to comply with the merger agreement has been the cause of, or materially contributed to, such action;

if the merger is not consummated on or before August 14, 2014;

if Rumson's shareholders fail to approve the merger;

if there is a breach of the other party's representations in the merger agreement, and such breach is not cured within thirty days following written notice to the party committing such breach; provided, however, that neither party can terminate the merger agreement unless the breach, together with all other such breaches,

would constitute a failure to satisfy a condition of closing;

if the other party materially breaches any covenant in the merger agreement; or

if the conditions to such party's obligations to close are not capable of being satisfied on or before August 14, 2014.

by Rumson, if it approves an acquisition proposal, but only if:

at least four business days prior to entering into a definitive agreement relating to the acquisition proposal, Rumson provides 1st Constitution with a copy of that agreement;

Rumson's Board determines in good faith that approving that definitive agreement is legally necessary for the proper discharge of its fiduciary duties; and

after considering any response that 1st Constitution may have after reviewing that definitive agreement, the Rumson Board determines in good faith that the transactions contemplated by that definitive agreement are reasonably likely to be consummated and would, if consummated, be more favorable to Rumson's shareholders than the merger agreement and any transaction then being proposed by 1st Constitution.

We refer to this termination right as Rumson's fiduciary out.

In addition, Rumson will have the right to terminate the merger agreement in the event that both of the following events occur at any time during the five day period commencing on the date (referred to in this

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document as the Determination Date) on which all bank regulatory approvals for the merger have been received:

the average closing sales price of 1st Constitution common stock on the Nasdaq Global Market, an average price which we refer to as the 1st Constitution Average Closing Price is less than \$6.755; and

the number obtained by dividing the 1st Constitution Average Closing Price on the Determination Date by \$9.65 shall be less than the number obtained by dividing the average of the daily closing prices of the NASDAQ Bank Index for the 20 consecutive trading days immediately preceding the Determination Date by \$2,383.50 and subtracting 0.30 (this number is referred to as the Index Ratio).

The effect of this provision is to enable Rumson to terminate the merger agreement if the market price of 1st Constitution common stock falls substantially, both in absolute terms (that is, below \$6.755) and by comparison to the list of banking institutions that comprise the NASDAQ Bank Index.

Termination Fees

Rumson has agreed to pay a fee of \$1,000,000 to 1st Constitution and has agreed to reimburse 1st Constitution for up to \$275,000 in out-of-pocket expenses if:

(i) Rumson exercises its fiduciary out;

(ii) 1st Constitution terminates the merger agreement under circumstances where, prior to Rumson shareholder approval, Rumson refuses to recommend that its shareholders approve the merger or adopts an alternative acquisition proposal, breaches its non-solicitation obligations with respect to alternative acquisition proposals in any material respect adverse to 1st Constitution or recommends that Rumson shareholders tender their shares (or fail to reject) a tender offer or exchange offer for 25% or more of the Rumson common stock; or

(iii) Rumson or any of its subsidiaries enters into a definitive agreement with respect to, or consummates a transaction contemplated by a tender or exchange offer to acquire 50% or more of the voting power in Rumson or any of its subsidiaries, a proposal for a merger, consolidation or other business combination involving Rumson or any of its subsidiaries or any other proposal or offer to acquire in any manner 50% or more of the voting power in, or 50% or more of the business, assets or deposits of, Rumson or any of its subsidiaries (an Acquisition Proposal) within 12 months after any of the terminations referred to in subclause (B)(x), (y) or (z) of the paragraph immediately below this clause (iii).

In addition, Rumson has agreed to reimburse 1st Constitution for up to \$275,000 in out-of-pocket expenses (but does not have to pay a fee of \$1,000,000) if (A) an Acquisition Proposal shall have been made directly to Rumson shareholders or otherwise publicly disclosed or communicated or made known to any member of Rumson's senior management or Board and (B) the merger agreement is thereafter terminated (x) by 1st Constitution or Rumson if the merger has not been consummated by the one year anniversary of the merger agreement unless the failure to consummate the merger is due to the failure of the terminating party to perform its covenants and agreements under the merger agreement or if the approval of Rumson shareholders has not been obtained by reason of the failure to obtain the required vote at a duly held meeting or any adjournment or postponement thereof following the effectiveness of the registration statement of which this proxy statement and prospectus is a part, (y) by 1st Constitution as a result of its termination right in connection with a breach of any of the representations or warranties on the part of Rumson which breach, if curable prior to the one year anniversary of the merger agreement, is not cured

within 30 days following written notice, or (z) by 1st Constitution as a result of its termination right in connection with a material breach of any of the covenants or agreements on the part of Rumson, which breach, if curable prior to the one year anniversary of the merger agreement, is not cured within 30 days following written notice.

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Nasdaq Listing

Rumson's obligation to complete the merger is subject to the condition that the 1st Constitution common stock issuable in the merger be authorized for listing on the Nasdaq Global Market.

Expenses

Subject to expense reimbursement in connection with certain types of termination, 1st Constitution and Rumson will each pay their own costs and expenses incurred in connection with the transactions contemplated by the merger agreement, including fees and expenses of financial consultants, accountants and legal counsel.

Exchange of Rumson Stock Certificates and Payment of Consideration

The conversion of Rumson common stock into the right to receive 1st Constitution common stock or cash will occur automatically on the merger's effective date. As soon as possible after the effective date of the merger, the Exchange Agent designated by 1st Constitution will send, to those Rumson shareholders who have not already submitted their stock certificates and election forms, a transmittal form, along with instructions, to use in exchanging Rumson stock certificates for 1st Constitution stock certificates or the cash portion of the merger consideration, as well as for cash in lieu of fractional shares. The Exchange Agent will mail certificates representing shares of 1st Constitution common stock, checks for the cash consideration and checks for cash in lieu of fractional share interests to former shareholders of Rumson as soon as reasonably possible following the closing and its receipt of certificates representing former shares of Rumson common stock and other related documentation required by the Exchange Agent.

Rumson shareholders should not return their Rumson stock certificates with the enclosed proxy card. They should not send their Rumson stock certificates to the Exchange Agent until they are ready to submit their election forms or, if they do not submit an election form prior to the closing, until they receive the transmittal form after the closing.

Until the merger has been consummated and the certificates representing shares of Rumson common stock are surrendered for exchange, holders of such certificates will not receive the merger consideration or, in the case of former Rumson shareholders entitled to receive 1st Constitution common stock, dividends or distributions on the 1st Constitution common stock into which such shares have been converted. When such certificates are surrendered, any unpaid dividends or other distributions will be paid without interest. For all other purposes, however, each certificate representing shares of Rumson common stock outstanding at the merger's effective date will be deemed to evidence ownership of and the right to receive the shares of 1st Constitution common stock (and cash in lieu of fractional shares) and cash into which such shares have been converted.

None of the parties will be liable to any Rumson shareholder for any amount paid in good faith to a public official pursuant to any applicable abandoned property, escheat or similar law.

No fractional shares of 1st Constitution common stock will be issued to any shareholder of Rumson upon completion of the merger. For each fractional share that would otherwise be issued, 1st Constitution will pay by check an amount equal to the fractional share interest to which such holder would otherwise be entitled multiplied by the average (rounded to four decimal places) of the daily closing sales prices of 1st Constitution common stock as reported on the Nasdaq Global Market for the 20 consecutive trading days ending on the date that all regulatory approvals are received. All shares of Rumson common stock held by a Rumson shareholder immediately prior to the effective time will be aggregated before determining the need to pay cash in lieu of fractional shares to such holder.

Regulatory Approvals

Completion of the merger and the bank merger requires approval by the FDIC and the New Jersey Department of Banking and Insurance and may be subject to review and approval by the Federal Reserve Board.

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Approval by any of these bank regulators does not constitute an endorsement of the merger or a determination that the terms of the merger are fair to Rumson's shareholders. Applications were filed with the FDIC and the New Jersey Department of Banking and Insurance on October 4, 2013 and October 7, 2013, respectively. Approval of the application to the New Jersey Department of Banking and Insurance was received on or about November 7, 2013. Approval of the application to the FDIC is pending. A request for a waiver from the Board of Governors of the Federal Reserve System will be made at a later date only after approval from the FDIC has been received. We cannot assure you that the necessary regulatory approvals and waivers will be granted, or that they will be granted on a timely basis without conditions unacceptable to 1st Constitution.

Interests of Management and Others in the Merger

In considering the recommendation of the Rumson Board regarding the merger, Rumson shareholders should know that certain directors and officers of Rumson have interests in the merger in addition to their interests as shareholders of Rumson. All those additional interests are described below, to the extent they are material and are known to Rumson. The Rumson Board and the 1st Constitution and 1st Constitution Bank Boards were aware of these interests and considered them, among other matters, in approving the merger agreement.

The directors and executive officers of Rumson have interests in the merger as directors and employees that are different from the interests of the other Rumson shareholders. These interests include, among others:

Upon consummation of the merger, James G. Aaron (currently the Chairman of the Board and a director of Rumson) will be appointed to the Board of Directors of 1st Constitution Bank (if he is unable or unwilling to serve, another person from among the current Board of Directors of Rumson will be designated by 1st Constitution Bank to serve as a director of 1st Constitution Bank). Directors of 1st Constitution Bank receive compensation for services rendered in such capacity at the rate of \$500 per Board meeting and \$500 per Board committee meeting attended. In addition, directors of 1st Constitution Bank receive an annual award of 1st Constitution common stock. In 2013, the annual award was for 200 shares of 1st Constitution common stock.

Joseph Castelluci (President and Chief Executive Officer) has an existing employment agreement with Rumson and the merger will trigger a change in control. Following the change in control, if Mr. Castelluci is terminated by 1st Constitution Bank or if he terminates his employment after a change in control because his duties and responsibilities or his total annual compensation and/or benefits are materially changed or terminated, or he is not employed at his current level for a two year period, or he has to incur an unreasonable commuting distance of 30 miles or more from his home address, Joseph Castelluci will be entitled to receive a severance payment estimated to be approximately \$574,000, which is equal to his current base salary, bonus and the cash equivalent of his employee benefits for a period of two years. It is not anticipated that Mr. Castelluci will be required to commute more than 30 miles from his home address pursuant to his employment with 1st Constitution.

In addition to Mr. Castelluci's employment agreement, Gayle S. Hoffman (Senior Vice President and Chief Financial Officer) and Thomas Sannelli (Senior Vice President of Retail Banking) have change of control agreements. The merger will trigger a change in control and (i) if Gayle S. Hoffman or Thomas Sannelli is terminated without cause as a result of the merger or (ii) if Gayle S. Hoffman or Thomas Sannelli is not

employed by 1st Constitution Bank for a period of at least one year from the date of the merger pursuant to a written agreement providing that they each have (a) the same or substantially equal position with similar title and responsibilities and the same or greater salary, benefits and bonuses that they each respectively received immediately prior to the change in control and (b) no more than a 30 mile commute from their respective residence, they will each be entitled to receive a severance payment equal to their current base salary for a period of one year, their largest annual cash bonus in the three year period between December 31, 2010 and December 31, 2012, and the cash equivalent of their employee benefits for a period of one year. Ms. Hoffman's payment is estimated to be approximately \$196,000 and Mr. Sannelli's payment is estimated to be approximately

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\$137,000. Pursuant to their employment with 1st Constitution, Ms. Hoffman and Mr. Sannelli may be required to commute more than 30 miles from their respective residences. In such event, Ms. Hoffman and Mr. Sannelli will each have the right to terminate their employment with 1st Constitution and receive the above payments due under their respective change in control agreements.

Mr. Castelluci and Ms. Hoffman have 7,500 and 3,750 shares, respectively, of unvested and unissued restricted Rumson stock that will vest as a result of the merger. Upon consummation of the merger, each share of unvested and unissued Rumson restricted stock will be converted into the right to receive 0.7772 shares of 1st Constitution stock.

Mr. Castelluci, Ms. Hoffman, Edward S. Keller and Mr. Sannelli hold options to purchase 25,000, 20,000, 10,000 and 1,000 shares of Rumson common stock, respectively, at an exercise price of \$6.00 per share. In addition, other employees of Rumson hold options to purchase an aggregate of 1,900 shares of Rumson common stock at an exercise price of \$6.00 per share. Upon consummation of the merger, each of these options, whether vested or unvested, will be converted into the right to receive \$1.50 for each share underlying the options, which amount is equal to the difference between the merger cash consideration of \$7.50 per share of Rumson common stock and the exercise price of \$6.00 per share set forth in the options.

Mr. Sannelli and Mr. Castelluci hold options to purchase 13,834 and 3,843 shares of Rumson common stock, respectively, at an exercise price of \$6.83 per share. At the closing of the merger, each of these options, whether vested or unvested, will be converted into the right to receive \$0.67 for each share underlying the options, which is the difference between the merger cash consideration of \$7.50 per share of Rumson common stock and the exercise price of \$6.83 per share set forth in the options.

Stephen A. Tyler, a director, and Mr. Castelluci hold options to purchase 8,389 and 1,117 shares of Rumson common stock, respectively, at exercise prices in excess of the merger cash consideration of \$7.50 per share of Rumson common stock. At the closing of the merger, neither Mr. Tyler nor Mr. Castelluci will receive any cash consideration for such options.

The merger agreement provides that 1st Constitution will indemnify the directors and officers of Rumson against certain liabilities for a six-year period following completion of the merger. In addition, 1st Constitution has agreed to cause the persons serving as officers and directors of Rumson immediately prior to the merger to be covered by directors and officers liability insurance for a period of six years after the closing, subject to a limitation on the amount which 1st Constitution must spend for this insurance.

Accounting Treatment

The assets and liabilities of Rumson as of the effective date of the merger will be recorded at their respective estimated fair values and added to those of 1st Constitution. Any excess of purchase price over the net estimated fair values of the acquired assets and liabilities of Rumson will be allocated to all identifiable intangible assets. Any remaining excess will then be allocated to goodwill, the goodwill resulting from the merger will not be amortized to expense, but instead will be reviewed for impairment at least annually. To the extent goodwill is impaired, its carrying value would be written down to its implied fair value and a charge would be made to earnings. Core deposit intangibles and other intangibles with definite useful lives will be amortized to expense over their estimated useful

lives. 1st Constitution will include in its results of operations the results of Rumson's operations after completion of the merger.

Material United States Federal Income Tax Consequences

This section describes the material United States federal income tax consequences of the merger to U.S. holders of Rumson common stock who exchange shares of Rumson common stock for shares of 1st Constitution common stock, cash, or a combination of shares of 1st Constitution common stock and cash pursuant to the merger.

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For purposes of this discussion, a U.S. holder is a beneficial owner of Rumson common stock who for United States federal income tax purposes is:

An individual who is a citizen or resident of the United States;

a corporation, or other entity treated as a corporation for United States federal income tax purposes, created or organized in or under the laws of the United States or any state or political subdivision thereof;

a trust that (1) is subject to (A) the primary supervision of a court within the United States and (B) the authority of one or more United States persons to control all substantial decisions of the trust or (2) has a valid election in effect under applicable Treasury Regulations to be treated as a United States person; or

an estate that is subject to United States federal income tax on its income regardless of its source.

If a partnership (including for this purpose any entity treated as a partnership for United States federal income tax purposes) holds Rumson common stock, the tax treatment of a partner generally will depend on the status of the partner and the activities of the partner and the partnership. If you are a partner of a partnership holding Rumson common stock, you should consult your tax advisor.

This discussion addresses only those Rumson shareholders that hold their Rumson common stock as a capital asset within the meaning of Section 1221 of the Internal Revenue Code, and does not address all the United States federal income tax consequences that may be relevant to particular Rumson shareholders in light of their individual circumstances or to Rumson shareholders that are subject to special rules, such as:

financial institutions;

investors in pass-through entities;

insurance companies;

tax-exempt organizations;

dealers in securities;

traders in securities that elect to use a mark-to-market method of accounting;

persons that hold Rumson common stock as part of a straddle, hedge, constructive sale or conversion transaction;

certain expatriates or persons that have a functional currency other than the U.S. dollar;

persons who are not U.S. holders; and

shareholders who acquired their shares of Rumson common stock through the exercise of an employee stock option or otherwise as compensation or through a tax-qualified retirement plan.

In addition, the discussion does not address any alternative minimum tax or any state, local or foreign tax consequences of the merger, nor does it address any tax consequences arising under the unearned income Medicare contribution tax enacted pursuant to the Health Care and Education Reconciliation Act of 2010.

The following discussion is based on the Internal Revenue Code, its legislative history, existing and proposed regulations thereunder and published rulings and decisions, all as currently in effect as of the date hereof, and all of which are subject to change, possibly with retroactive effect. Any such change could affect the continuing validity of this discussion.

1st Constitution and Rumson have structured the merger to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. Assuming that the merger is completed according to the terms of the merger agreement and based upon facts, factual representations and assumptions contained in representation

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letters provided by 1st Constitution and Rumson, all of which must continue to be true and accurate in all material respects through the effective time of the merger, and subject to the assumptions and qualifications to be contained in the opinion of Day Pitney LLP to be delivered at closing and the assumptions and qualifications contained in this

Material United States Federal Income Tax Consequences section of this proxy statement and prospectus, it is the opinion of Day Pitney LLP, counsel to 1st Constitution, that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code.

The obligation of 1st Constitution and Rumson to complete the merger is conditioned upon the receipt at closing of an opinion from Day Pitney LLP, counsel to 1st Constitution, to the effect that the merger will for federal income tax purposes qualify as a reorganization based upon customary representations made by 1st Constitution and Rumson. This opinion will not be binding on the Internal Revenue Service or the courts. 1st Constitution and Rumson have not requested and do not intend to request any ruling from the Internal Revenue Service as to the United States federal income tax consequences of the merger. Accordingly, each Rumson shareholder should consult its tax advisor with respect to the particular tax consequences of the merger to such holder. In addition, because a Rumson shareholder may receive a mix of cash and stock despite having made a cash election or stock election, it will not be possible for holders of Rumson common stock to determine the specific tax consequences of the merger to them at the time of making the election.

Tax Consequences of the Merger Generally to Holders of Rumson Common Stock if the Merger Qualifies as a Reorganization Under Section 368(a) of the Code. If the merger is treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, the tax consequences are as follows:

gain or loss will be recognized by those holders receiving solely cash for Rumson common stock pursuant to the merger equal to the difference between the amount of cash received by a holder of Rumson common stock and such holder's adjusted tax basis in such holder's shares of Rumson common stock;

no gain or loss will be recognized by those holders receiving solely shares of 1st Constitution common stock in exchange for shares of Rumson common stock pursuant to the merger (except with respect to any cash received instead of fractional share interests in 1st Constitution common stock, as discussed in the section entitled "Cash Received Instead of a Fractional Share of 1st Constitution Common Stock" below);

gain (but not loss) will be recognized by those holders who receive shares of 1st Constitution common stock and cash in exchange for shares of Rumson common stock pursuant to the merger, in an amount equal to the lesser of (1) the amount by which the sum of the fair market value of the 1st Constitution common stock and cash received by a holder of Rumson common stock exceeds such holder's adjusted tax basis in its Rumson common stock, and (2) the amount of cash received by such holder of Rumson common stock (except with respect to any cash received instead of fractional share interests in 1st Constitution common stock, as discussed in the section entitled "Cash Received Instead of a Fractional Share of 1st Constitution Common Stock" below);

the aggregate basis of the 1st Constitution common stock received in the merger will be the same as the aggregate basis of the Rumson common stock for which it is exchanged, decreased by the amount of cash received in the merger (except with respect to any cash received instead of fractional share interests in 1st

Constitution common stock), decreased by any basis attributable to fractional share interests in 1st Constitution common stock for which cash is received, and increased by the amount of gain recognized on the exchange (regardless of whether such gain is classified as capital gain, or as ordinary dividend income, as discussed below, but excluding any gain or loss recognized with respect to fractional share interests in 1st Constitution common stock for which cash is received); and

the holding period of 1st Constitution common stock received in exchange for shares of Rumson common stock will include the holding period of the Rumson common stock for which it is exchanged.

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If holders of Rumson common stock acquired different blocks of Rumson common stock at different times or at different prices, any gain or loss will be determined separately with respect to each block of Rumson common stock and such holders' basis and holding period in their shares of 1st Constitution common stock may be determined with reference to each block of Rumson common stock. Any such holders should consult their tax advisors regarding the manner in which cash and 1st Constitution common stock received in the exchange should be allocated among different blocks of Rumson common stock and with respect to identifying the bases or holding periods of the particular shares of 1st Constitution common stock received in the merger.

Gain that holders of Rumson common stock recognize in connection with the merger generally will constitute capital gain and will constitute long-term capital gain if such holders have held (or are treated as having held) their Rumson common stock for more than one year as of the date of the merger. Long-term capital gain of non-corporate holders of Rumson common stock is generally taxed at preferential rates. In some cases, if a holder actually or constructively owns 1st Constitution stock other than 1st Constitution stock received pursuant to the merger, the recognized gain could be treated as having the effect of a distribution of a dividend under the tests set forth in Section 302, in which case such gain would be treated as dividend income. Because the possibility of dividend treatment depends primarily upon each holder's particular circumstances, including the application of the constructive ownership rules, holders of Rumson common stock should consult their tax advisors regarding the application of the foregoing rules to their particular circumstances.

Cash Received Instead of a Fractional Share of 1st Constitution Common Stock. A holder of Rumson common stock who receives cash instead of a fractional share of 1st Constitution common stock will generally be treated as having received the fractional share pursuant to the merger and then as having sold that fractional share of 1st Constitution common stock for cash. As a result, a holder of Rumson common stock will generally recognize gain or loss equal to the difference between the amount of cash received and the basis in his or her fractional share interest as set forth above. Except as described above, this gain or loss will generally be capital gain or loss, and will be long-term capital gain or loss if, as of the effective date of the merger, the holding period for such shares is greater than one year. The deductibility of capital losses is subject to limitations.

Backup Withholding and Information Reporting. Payments of cash to a holder of Rumson common stock may, under certain circumstances, be subject to information reporting and backup withholding, unless the holder provides proof of an applicable exemption satisfactory to 1st Constitution and the exchange agent or furnishes its taxpayer identification number, and otherwise complies with all applicable requirements of the backup withholding rules. Any amounts withheld from payments to a holder under the backup withholding rules are not additional tax and will be allowed as a refund or credit against the holder's United States federal income tax liability, provided the required information is furnished to the Internal Revenue Service.

Tax Consequences if the Merger Fails to Qualify as a Reorganization. If the merger does not qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, then each U.S. holder of Rumson common stock will recognize capital gain or loss equal to the difference between (a) the sum of the fair market value of the shares of 1st Constitution common stock, as of the effective date of the merger, received by such U.S. holder pursuant to the merger and the amount of any cash received by such U.S. holder pursuant to the merger and (b) its adjusted tax basis in the shares of Rumson common stock surrendered in exchange therefor. Gain or loss will be computed separately with respect to each identified block of Rumson common stock exchanged in the merger.

Further, if the merger is not treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, Rumson will be subject to tax on the deemed sale of its assets to 1st Constitution, with gain or loss for this purpose measured by the difference between Rumson's tax basis in its assets and the fair market value of the consideration deemed to be received therefor or, in other words, the cash and shares of 1st Constitution common stock

plus liabilities assumed in the merger, and 1st Constitution will become liable for any tax liability of Rumson resulting from the merger.

The preceding discussion is intended only as a summary of material United States federal income tax consequences of the merger. It is not a complete analysis or discussion of all potential tax effects that may

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be important to you. Thus, you are urged to consult your tax advisor as to the specific tax consequences resulting from the merger, including tax return reporting requirements, the applicability and effect of federal, state, local, and other tax laws and the effect of any proposed changes in the tax laws.

Rights of Dissenting Shareholders

The rights of dissenting shareholders are governed by § 17:9A-140 through § 17:9A-146 of the New Jersey Banking Act of 1948, as amended.

Under these statutes, shareholders of Rumson (i) who are entitled to vote at the special meeting of Rumson shareholders to be held on January 15, 2014, (ii) who serve a written notice of dissent from the merger agreement to Rumson at its principal office, located at 20 Bingham Avenue, Rumson, New Jersey 07760, which may be made by registered mail or personally by the dissenting shareholder or his, her or its agent, no later than the third day prior to January 15, 2014, which is the date of the special meeting of Rumson shareholders, and (iii) who do not vote to approve the merger agreement at the special meeting of Rumson shareholders, or who abstain from voting to approve the merger agreement or who do not return their proxy card, may, within 30 days after the filing of the merger agreement with the New Jersey Department of Banking and Insurance on the date of the closing of the merger, serve a demand notice upon the surviving bank at its principal office, located at 2650 Route 130, P.O. Box 634, Cranbury, New Jersey 08512, which may be made by registered mail or personally by the dissenting shareholder or its agent, for payment to the dissenting shareholder of the value of its shares of stock. The surviving bank may, within ten days after receipt of such demand notice, offer to pay the dissenting shareholder an amount which, in the opinion of the Board of the surviving bank, does not exceed the amount which would be paid for the shares of stock if the business and assets of Rumson were liquidated on the day of the filing of the merger agreement with the New Jersey Department of Banking and Insurance.

If the dissenting shareholder does not accept the amount offered by the surviving bank or if no offer is made by the surviving bank, it may institute an action in the Superior Court of New Jersey for the appointment of a board of three appraisers to determine the value of its stock as of the date of the filing of the merger agreement with the New Jersey Department of Banking and Insurance. The action must be instituted in the Superior Court of New Jersey within three weeks of the date on which the shareholder received the surviving bank's offer or, if no offer was made, within three weeks of the date on which the shareholder served a demand notice upon the surviving bank. Any other shareholder who has the right to institute a similar action may intervene and the Superior Court of New Jersey will appoint a single board of three appraisers to determine the value of the shares of all shareholders who are parties to the action. Compensation of the three appraisers will be determined by the Superior Court and paid by the surviving bank.

The board of three appraisers will give notice of their meetings and the surviving bank and shareholders who are party to the action may be represented by attorneys at the meetings and present evidence to the appraisers. The determination of any two of the appraisers will control and upon conclusion of the appraisers' deliberations, they will file a report and appraisal of the value of the shares of stock in the Superior Court and mail copies of the report and appraisal to the surviving bank and each shareholder who is party to the action. The surviving bank and the shareholders party to the action will have ten days after the filing of the report and appraisal in the Superior Court to object to the findings of the appraisers. If there are no objections, the report and appraisal will be binding upon the bank and the shareholders party to the action and the surviving bank will pay such shareholders the value of their shares as reported by the appraisers with interest from the date of the filing of the merger agreement with the New Jersey Department of Banking and Insurance calculated at an interest rate to be determined by the appraisers, which will not be in excess of the legal rate. If objections are made, the Superior Court will make a ruling on the objections.

An offer by the surviving bank and acceptance of such offer by a dissenting shareholder or a determination of the value of the shares of stock pursuant to the institution of an action will constitute a debt of the surviving bank for which an action can be brought for the recovery of such amount.

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In addition to the above described process, a shareholder may institute an action in the Superior Court of New Jersey not later than five days prior to the date of the special meeting of Rumson shareholders to enjoin the merger on the grounds that the merger agreement is unfair, inequitable or contrary to law. The Superior Court may proceed in the action in a summary manner or otherwise.

The text of § 17:9A-140 through § 17:9A-146 of the New Jersey Banking Act of 1948, as amended, is attached to this proxy statement and prospectus as Annex C.

A shareholder who fails to act pursuant to § 17:9A-140, § 17:9A-141 and § 17:9A-146 of the New Jersey Banking Act of 1948, as amended, will be forever barred from bringing any action (i) to enforce its right to be paid the value of its shares or (ii) to enjoin, set aside or otherwise affect the merger. Consequently, if you wish to exercise your dissenters' rights, you are strongly urged to consult with your legal advisor before attempting to do so.

Voting Agreements

As a condition to 1st Constitution's execution of the merger agreement, the directors of Rumson have entered into a voting agreement with 1st Constitution. A copy of the form of voting agreement is attached to this proxy statement and prospectus as Exhibit B to Annex A. Under the voting agreement, the directors who are parties to such agreement have agreed to vote in favor of the merger and against any competing proposal. This commitment, however, is subject to the fiduciary out provision of the merger agreement described above. As of November 26, 2013, such directors had sole or shared voting power over 385,138 shares of Rumson common stock, or approximately 11.33 % of the shares of Rumson common stock outstanding on November 26, 2013.

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INFORMATION ABOUT 1ST CONSTITUTION

Description of Business.

1st Constitution Bancorp

1st Constitution is a bank holding company registered under the Bank Holding Company Act of 1956, as amended. 1st Constitution was organized under the laws of the State of New Jersey in February 1999 for the purpose of acquiring all of the issued and outstanding stock of 1st Constitution Bank and thereby enabling 1st Constitution Bank to operate within a bank holding company structure. 1st Constitution became an active bank holding company on July 1, 1999. As of December 31, 2012, 1st Constitution has two employees, both of whom are full-time. 1st Constitution Bank is a wholly-owned subsidiary of 1st Constitution. Other than its investment in 1st Constitution Bank, 1st Constitution currently conducts no other significant business activities.

The main office of 1st Constitution and 1st Constitution Bank is located at 2650 Route 130 North, Cranbury, New Jersey 08512, and the telephone number is (609) 655-4500.

1st Constitution Bank

1st Constitution Bank is a commercial bank formed under the laws of the State of New Jersey and engages in the business of commercial and retail banking. As a community bank, 1st Constitution Bank offers a wide range of services (including demand, savings and time deposits and commercial and consumer/installment loans) to individuals, small businesses and not-for-profit organizations principally in the Fort Lee area of Bergen County and in Middlesex, Mercer and Somerset Counties, New Jersey. 1st Constitution Bank conducts its operations through its main office located in Cranbury, New Jersey, and operates thirteen additional branch offices in downtown Cranbury, Hamilton Square, Hightstown, Hillsborough, Hopewell, Jamesburg, Lawrenceville, Perth Amboy, Plainsboro, Skillman, West Windsor, Fort Lee and Princeton, New Jersey. 1st Constitution Bank's deposits are insured up to applicable legal limits by the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2012, 1st Constitution Bank had 150 employees, of which 134 were full-time employees.

Management efforts focus on positioning 1st Constitution Bank to meet the financial needs of the communities in Middlesex, Mercer and Somerset Counties and the Fort Lee area of Bergen County and to provide financial services to individuals, families, institutions and small businesses. To achieve this goal, 1st Constitution Bank is focusing its efforts on:

personal service;

expansion of its branch network;

innovative product offerings; and

technological advances and e-commerce.

Personal Service

1st Constitution Bank provides a wide range of commercial and consumer banking services to individuals, families, institutions and small businesses in central New Jersey and the Fort Lee area of Bergen County. 1st Constitution Bank's focus is to understand the needs of the community and the customers and tailor products, services and advice to meet those needs. 1st Constitution Bank seeks to provide a high level of personalized banking services, emphasizing quick and flexible responses to customer demands.

Expansion of Branch Network

On March 25, 2011, 1st Constitution Bank acquired certain deposit and other liabilities, real estate and related assets of the Rocky Hill, Hillsborough and Hopewell, New Jersey branch banking offices from another financial institution for a purchase price of \$9.85 million (the March 2011 Acquisition).

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As a result of the March 2011 Acquisition, the three branches became branches of 1st Constitution Bank. Included in the March 2011 Acquisition were the assumption of deposit liabilities of \$111.9 million, primarily consisting of demand deposits, and the acquisition of cash of approximately \$101.5 million, fixed assets of approximately \$4.6 million, which includes, without limitation, ownership of the real estate and improvements upon which the branches are situated, and loans of \$862,000. 1st Constitution Bank recorded goodwill of approximately \$3.2 million and a core deposit intangible asset of approximately \$1.7 million as a result of the March 2011 Acquisition.

1st Constitution Bank continually evaluates opportunities for branch bank expansion, either mini-branches or full service branches, to continue to grow and meet the needs of the community.

Innovative Product Offerings

1st Constitution Bank's Mortgage Warehouse Unit provides a revolving line of credit that is available to licensed mortgage banking companies (the Warehouse Line of Credit) and that has been successful since inception in 2008. The Warehouse Line of Credit is used by the mortgage banker to originate one-to-four family residential mortgage loans that are pre-sold to the secondary mortgage market, which includes state and national banks, national mortgage banking firms, insurance companies and government-sponsored enterprises, including the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and others. On average, an advance under the Warehouse Line of Credit remains outstanding for a period of less than 30 days, with repayment coming directly from the sale of the loan into the secondary mortgage market. Interest (the spread between our borrowing cost and the rate charged to the client) and a transaction fee are collected by 1st Constitution Bank at the time of repayment. Additionally, customers of the Warehouse Lines of Credit are required to maintain deposit relationships with 1st Constitution Bank that, on average, represent 10% to 15% of the loan balances. 1st Constitution Bank had outstanding Warehouse Line of Credit advances of \$284,127,530 at December 31, 2012.

Technological Advances and e-Commerce

1st Constitution Bank recognizes that customers want to receive service via their most convenient delivery channel, be it the traditional branch office, by telephone, ATM, or the internet. For this reason, 1st Constitution Bank continues to enhance its e-commerce capabilities. At www.1stconstitution.com, customers have easy access to online banking, including account access, and to 1st Constitution Bank's bill payment system. Consumers can apply online for loans and interact with senior management through the e-mail system. Business customers have access to cash management information and transaction capability through 1st Constitution Bank's online Cash Manager product which permits business customers to make deposits, originate ACH payments, initiate wire transfers, retrieve account information and place stop payment orders. This overall expansion in electronic banking offers 1st Constitution Bank's customers means to access 1st Constitution Bank's services easily and at their own convenience.

Competition

1st Constitution Bank experiences substantial competition in attracting and retaining deposits and in making loans. In attracting deposits and borrowers, 1st Constitution Bank competes with commercial banks, savings banks, and savings and loan associations, as well as regional and national insurance companies and non-bank financial institutions, regulated small loan companies and local credit unions, regional and national issuers of money market funds and corporate and government borrowers. Within the direct market area of 1st Constitution Bank, there are a significant number of offices of competing financial institutions. In New Jersey generally, and in 1st Constitution Bank's local market specifically, 1st Constitution Bank's most direct competitors are large commercial banks including Bank of America, PNC Bank, Wells Fargo and Sovereign Bank, as well as savings banks and savings and loan associations, including Provident Savings Bank and Hudson City Savings Bank.

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1st Constitution Bank is at a competitive disadvantage compared with these larger national and regional commercial and savings banks. By virtue of their larger capital, asset size or reserves, many of such institutions have substantially greater lending limits (ceilings on the amount of credit a bank may provide to a single customer that are linked to the institution's capital) and other resources than 1st Constitution Bank. Many such institutions are empowered to offer a wider range of services, including trust services, than 1st Constitution Bank and, in some cases, have lower funding costs (the price a bank must pay for deposits and other borrowed monies used to make loans to customers) than 1st Constitution Bank. In addition to having established deposit bases and loan portfolios, these institutions, particularly large national and regional commercial and savings banks, have the financial ability to finance extensive advertising campaigns and to allocate considerable resources to locations and products perceived as profitable.

In addition, non-bank financial institutions offer services that compete for deposits with 1st Constitution Bank. For example, brokerage firms and insurance companies offer such instruments as short-term money market funds, corporate and government securities funds, mutual funds and annuities. It is expected that competition in these areas will continue to increase. Some of these competitors are not subject to the same degree of regulation and supervision as 1st Constitution and 1st Constitution Bank and therefore may be able to offer customers more attractive products than 1st Constitution Bank.

However, management of 1st Constitution Bank believes that loans to small and mid-sized businesses and professionals, which represent the main commercial loan business of 1st Constitution Bank, are not always of primary importance to the larger banking institutions. 1st Constitution Bank competes for this segment of the market by providing responsive personalized services, making timely local decisions, and acquiring knowledge of its customers and their businesses.

Lending Activities

1st Constitution Bank's lending activities include both commercial and consumer loans. Loan originations are derived from a number of sources including real estate broker referrals, mortgage loan companies, direct solicitation by 1st Constitution Bank's loan officers, existing depositors and borrowers, builders, attorneys, walk-in customers and, in some instances, other lenders. 1st Constitution Bank has established disciplined and systematic procedures for approving and monitoring loans that vary depending on the size and nature of the loan.

Commercial Lending

1st Constitution Bank offers a variety of commercial loan services, including term loans, lines of credit, and loans secured by equipment and receivables. A broad range of short-to-medium term commercial loans, both secured and unsecured, are made available to businesses for working capital (including inventory and receivables), business expansion (including acquisition and development of real estate and improvements), and the purchase of equipment and machinery. 1st Constitution Bank also makes construction loans to real estate developers for the acquisition, development and construction of residential subdivisions.

Commercial loans are granted based on the borrower's ability to generate cash flow to support its debt obligations and other cash related expenses. A borrower's ability to repay commercial loans is substantially dependent on the success of the business itself and on the quality of its management. As a general practice, 1st Constitution Bank takes as collateral a security interest in any available real estate, equipment, inventory, receivables or other personal property of its borrowers, although occasionally 1st Constitution Bank makes commercial loans on an unsecured basis. Generally, 1st Constitution Bank requires personal guaranties of its commercial loans to offset the risks associated with such loans.

Residential Consumer Lending

A portion of 1st Constitution Bank's lending activities consists of the origination of fixed and adjustable rate residential first mortgage loans secured by owner-occupied property located in 1st Constitution Bank's primary market areas. Home mortgage lending is unique in that a broad geographic territory may be serviced by

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originators working from strategically placed offices either within 1st Constitution Bank's traditional banking facilities or from affordable storefront locations in commercial buildings. 1st Constitution Bank also offers construction loans, second mortgage home improvement loans and home equity lines of credit.

1st Constitution Bank finances the construction of individual, owner-occupied houses on the basis of written underwriting and construction loan management guidelines. First mortgage construction loans are made to contractors and are secured by real estate that is both a pre-sold and a speculation basis. Such loans are also made to qualified individual borrowers and are generally supported by a take-out commitment from a permanent lender. 1st Constitution Bank makes residential construction loans to individuals who intend to erect owner occupied housing on a purchased parcel of real estate. The construction phase of these loans has certain risks, including the viability of the contractor, the contractor's ability to complete the project and changes in interest rates.

In most cases, 1st Constitution Bank will sell its mortgage loans with terms of 15 years or more in the secondary market. The sale to the secondary market allows 1st Constitution Bank to hedge against the interest rate risks related to such lending operations. This brokerage arrangement allows 1st Constitution Bank to accommodate its clients demands while eliminating the interest rate risk for the 15- to 30- year period generally associated with such loans.

1st Constitution Bank in most cases requires borrowers to obtain and maintain title, fire, and extended casualty insurance, and, where required by applicable regulations, flood insurance. 1st Constitution Bank maintains its own errors and omissions insurance policy to protect against loss in the event of failure of a mortgagor to pay premiums on fire and other hazard insurance policies. Mortgage loans originated by 1st Constitution Bank customarily include a due on sale clause, which gives 1st Constitution Bank the right to declare a loan immediately due and payable in certain circumstances, including, without limitation, upon the sale or other disposition by the borrower of the real property subject to a mortgage. In general, 1st Constitution Bank enforces due on sale clauses. Borrowers are typically permitted to refinance or repay loans at their option without penalty.

Non-Residential Consumer Lending

Non-residential consumer loans made by 1st Constitution Bank include loans for automobiles, recreation vehicles, and boats, as well as personal loans (secured and unsecured) and deposit account secured loans. 1st Constitution Bank also conducts various indirect lending activities through established retail companies in its market areas. Non-residential consumer loans are attractive to 1st Constitution Bank because they typically have a shorter term and carry higher interest rates than are charged on other types of loans. Non-residential consumer loans, however, do pose additional risk of collectability when compared to traditional types of loans, such as residential mortgage loans.

Consumer loans are granted based on employment and financial information solicited from prospective borrowers as well as credit records collected from various reporting agencies. The stability of the borrower, willingness to pay and credit history are the primary factors to be considered. The availability of collateral is also a factor considered in making such a loan. 1st Constitution Bank seeks collateral that can be assigned and has good marketability with a clearly adequate margin of value. The geographic area of the borrower is another consideration, with preference given to borrowers in 1st Constitution Bank's primary market areas.

Supervision and Regulation

Banking is a complex, highly regulated industry. The primary goals of the bank regulatory scheme are to maintain a safe and sound banking system and to facilitate the conduct of monetary policy. In furtherance of those goals, Congress has created several largely autonomous regulatory agencies and enacted a myriad of legislation that governs banks, bank holding companies and the banking industry. This regulatory framework is

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intended primarily for the protection of depositors and not for the protection of 1st Constitution's shareholders or creditors. Descriptions of, and references to, the statutes and regulations below are brief summaries thereof, and do not purport to be complete. The descriptions are qualified in their entirety by reference to the specific statutes and regulations discussed.

State and Federal Regulations

1st Constitution is a bank holding company within the meaning of the Bank Holding Company Act of 1956, as amended (the "BHCA"). As a bank holding company, 1st Constitution is subject to inspection, examination and supervision by the Board of Governors of the Federal Reserve System (the "Federal Reserve Board") and is required to file with the Federal Reserve Board an annual report and such additional information as the Federal Reserve Board may require pursuant to the BHCA. The Federal Reserve Board may also make examinations of 1st Constitution and its subsidiaries. 1st Constitution is subject to capital standards similar to, but separate from, those applicable to 1st Constitution Bank.

Under the BHCA, bank holding companies that are not financial holding companies generally may not acquire the ownership or control of more than 5% of the voting shares, or substantially all of the assets, of any company, including a bank or another bank holding company, without the Federal Reserve Board's prior approval. 1st Constitution has not applied to become a financial holding company but did obtain such approval to acquire the shares of 1st Constitution Bank. A bank holding company that does not qualify as a financial holding company is generally limited in the types of activities in which it may engage to those that the Federal Reserve Board had recognized as permissible for bank holding companies prior to the date of enactment of the Gramm-Leach-Bliley Financial Services Modernization Act of 1999. For example, a holding company and its banking subsidiary are prohibited from engaging in certain tie-in arrangements in connection with any extension of credit or lease or sale of any property or the furnishing of services. At present, 1st Constitution does not engage in any significant activity other than owning 1st Constitution Bank.

In addition to federal bank holding company regulation, 1st Constitution is registered as a bank holding company with the New Jersey Department of Banking and Insurance (the "Department"). 1st Constitution is required to file with the Department copies of the reports it files with the federal banking and securities regulators.

The Federal Reserve Board has issued a supervisory letter to bank holding companies that contains guidance on when the board of directors of a bank holding company should eliminate or defer or severely limit dividends including, for example, when net income available for shareholders for the past four quarters net of previously paid dividends paid during that period is not sufficient to fully fund the dividends. The letter also contains guidance on the redemption of stock by bank holding companies which urges bank holding companies to advise the Federal Reserve of any such redemption or repurchase of common stock for cash or other value which results in the net reduction of a bank holding company's capital at the beginning of the quarter below the capital outstanding at the end of the quarter.

On July 21, 2010, President Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"). The Dodd-Frank Act has and will continue to have a broad impact on the financial services industry, including significant regulatory and compliance changes such as, among other things, (i) enhanced resolution authority of troubled and failing banks and their holding companies; (ii) increased capital and liquidity requirements; (iii) increased regulatory examination fees; (iv) changes to assessments to be paid to the FDIC for federal deposit insurance; and (v) numerous other provisions designed to improve supervision and oversight of, and strengthen safety and soundness for, the financial services sector. Additionally, the Dodd-Frank Act established a new framework for systemic risk oversight within the financial system to be distributed among new and existing federal regulatory agencies, including the Financial Stability Oversight Council, the Federal Reserve, the Office of the

Comptroller of the Currency, and the FDIC.

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Effective in July 2011, the Dodd-Frank Act eliminated federal prohibitions on paying interest on demand deposits, thus allowing businesses to have interest bearing checking accounts. This significant change to existing law has not had an adverse impact on our net interest margin for the years ended December 31, 2012 and 2011.

The Dodd-Frank Act also changed the base for FDIC deposit insurance assessments. Assessments are now based on average consolidated total assets less tangible equity capital of a financial institution, rather than on deposits. The Dodd-Frank Act also increased the maximum amount of deposit insurance for banks, savings institutions and credit unions to \$250,000 per account, retroactive to January 1, 2008, and non-interest bearing transaction accounts and Interest on Lawyer Trust Accounts (IOLTAs) where the accrued interest is paid to state bar associations or other organizations to fund legal assistance programs have unlimited deposit insurance through December 31, 2012. The legislation also increased the required minimum reserve ratio for the Deposit Insurance Fund, from 1.15% to 1.35% of insured deposits, and directed the FDIC to offset the effects of increased assessments on depository institutions with less than \$10 billion in assets, including 1st Constitution Bank.

The Dodd-Frank Act requires publicly traded companies to give their shareholders a non-binding vote on executive compensation (say on pay) and so-called golden parachute payments. It also provides that the listing standards of the national securities exchanges shall require listed companies to implement and disclose clawback policies mandating the recovery of incentive compensation paid to executive officers in connection with accounting restatements. Because 1st Constitution qualifies as a smaller reporting company under the rules of the Securities and Exchange Commission, the say on pay requirement will become applicable to 1st Constitution at 1st Constitution's 2013 annual meeting of shareholders.

The Dodd-Frank Act created a new Consumer Financial Protection Bureau with broad powers to supervise and enforce consumer protection laws. The Consumer Financial Protection Bureau has broad rule-making authority for a wide range of consumer protection laws that apply to all banks and savings institutions, including the authority to prohibit unfair, deceptive or abusive acts and practices. The Consumer Financial Protection Bureau has examination and enforcement authority over all banks and savings institutions with more than \$10 billion in assets, which authority does not extend to 1st Constitution Bank at this time since we do not meet the asset threshold.

The Dodd-Frank Act also weakens the federal preemption rules that have been applicable for national banks and federal savings associations, and gives state attorneys general the ability to enforce federal consumer protection laws. The Dodd-Frank Act requires minimum leverage (Tier 1) and risk based capital requirements for bank and savings and loan holding companies, which exclude certain instruments that previously have been eligible for inclusion by bank holding companies as Tier 1 capital, such as trust preferred securities; however, bank holding companies with assets of less than \$15 billion as of December 31, 2009 are permitted to include trust preferred securities that were issued before May 19, 2010 as Tier 1 capital and bank holding companies with assets of less than \$500 million are permitted to continue to issue trust preferred securities and have them count as Tier 1 capital.

It is difficult to predict at this time what specific impact the Dodd-Frank Act and certain yet to be written implementing rules and regulations will have on community banks. However, it is expected that at a minimum, they will increase our operating and compliance costs and could increase our interest expense.

Capital Adequacy

1st Constitution Bank is required to comply with minimum capital adequacy standards established by the Federal Reserve Board. There are two basic measures of capital adequacy for bank holding companies and the depository institutions that they own: a risk based measure and a leverage measure. All applicable capital standards must be satisfied for a bank holding company to be considered in compliance.

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The Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA) required each federal banking agency to revise its risk-based capital standards to ensure that those standards take adequate account of interest rate risk, concentration of credit risk and the risks of non-traditional activities. In addition, pursuant to FDICIA, each federal banking agency has promulgated regulations, specifying the levels at which a bank would be considered well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, or critically undercapitalized, to take certain mandatory and discretionary supervisory actions based on the capital level of the institution.

The regulations implementing these provisions of FDICIA provide that a bank will be classified as well capitalized if it (i) has a total risk-based capital ratio of at least 10.0 percent, (ii) has a Tier 1 risk-based capital ratio of at least 6.0 percent, (iii) has a Tier 1 leverage ratio of at least 5.0 percent, and (iv) meets certain other requirements. A bank will be classified as adequately capitalized if it (i) has a total risk-based capital ratio of at least 8.0 percent, (ii) has a Tier 1 risk-based capital ratio of at least 4.0 percent, (iii) has a Tier 1 leverage ratio of (a) at least 4.0 percent, or (b) at least 3.0 percent if the bank was rated 1 in its most recent examination and is not experiencing or anticipating significant growth, and (iv) does not meet the definition of well capitalized. A bank will be classified as undercapitalized if it (i) has a total risk-based capital ratio of less than 8.0 percent, (ii) has a Tier 1 risk-based capital ratio of less than 4.0 percent, or (iii) has a Tier 1 leverage ratio of (a) less than 4.0 percent, or (b) less than 3.0 percent if the bank was rated 1 in its most recent examination and is not experiencing or anticipating significant growth. A bank will be classified as significantly undercapitalized if it (i) has a total risk-based capital ratio of less than 6.0 percent, (ii) has a Tier 1 risk-based capital ratio of less than 3.0 percent, or (iii) has a Tier 1 leverage ratio of less than 3.0 percent. An institution will be classified as critically undercapitalized if it has a tangible equity to total assets ratio that is equal to or less than 2.0 percent. An insured depository institution may be deemed to be in a lower capitalization category if the FDIC has determined (i) that the insured depository institution is in unsafe or unsound condition or (ii) that, in the most recent examination of the insured depository institution, the insured depository institution received and has not corrected a less-than-satisfactory rating for any of the categories of asset quality, management, earnings, or liquidity.

As of December 31, 2012, 1st Constitution Bank's capital ratios exceed the requirements to be considered a well capitalized institution under these regulations.

The risk-based capital guidelines for bank holding companies such as 1st Constitution currently require a minimum ratio of total capital to risk-weighted assets (including off-balance sheet activities, such as standby letters of credit) of 8%. At least half of the total capital is required to be Tier 1 capital, consisting principally of common shareholders equity, non-cumulative perpetual preferred stock, a limited amount of cumulative perpetual preferred stock and minority interest in the equity accounts of consolidated subsidiaries, less goodwill. The remainder of the total capital (Tier 2 capital) may consist of a limited amount of subordinated debt and intermediate-term preferred stock, certain hybrid capital instruments and other debt securities, perpetual preferred stock and a limited amount of the general loan loss allowance. At December 31, 2012, 1st Constitution maintained a Tier 1 capital ratio of 11.84% and total qualifying capital ratio of 12.98%.

In addition to the risk-based capital guidelines, the federal banking regulators established minimum leverage ratio (Tier 1 capital to total assets) guidelines for bank holding companies. These guidelines provide for a minimum leverage ratio of 3% for those bank holding companies which have the highest regulatory examination ratings and are not contemplating or experiencing significant growth or expansion. All other bank holding companies are required to maintain a leverage ratio of at least 4%. Banking organizations with supervisory, financial, operational, or managerial weaknesses, as well as organizations that are anticipating or experiencing significant growth, are expected to maintain capital ratios well above the minimum levels. Moreover, higher capital ratios may be required for any bank holding company if warranted by its particular circumstances or risk profile. In all cases, bank holding companies should hold capital commensurate with the level and nature of the risks, including the volume and severity of problem loans, to which they are exposed. At December 31, 2012, 1st Constitution's leverage ratio was 9.29%.

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The current risk-based capital guidelines are based upon the 1988 capital accord of the International Basel Committee on Banking Supervision, a committee of central banks and bank supervisors and regulators from the major industrialized countries that develops broad policy guidelines for use by each country's supervisors in determining the supervisory policies they apply. A new international accord, referred to as Basel II, became mandatory for large or core international banks outside the U.S. in 2008 (total assets of \$250 billion or more or consolidated foreign exposures of \$10 billion or more) and emphasizes internal assessment of credit, market and operational risk, as well as supervisory assessment and market discipline in determining minimum capital requirements. It is optional for other banks. In December 2010, the Group of Governors and Heads of Supervisors of the Basel Committee on Banking Supervision, the oversight body of the Basel Committee, published its calibrated capital standards for major banking institutions, referred to as Basel III. Under these standards, when fully phased-in on January 1, 2019, banking institutions will be required to maintain heightened Tier 1 common equity, Tier 1 capital, and total capital ratios, as well as maintaining a capital conservation buffer. The Tier 1 common equity and Tier 1 capital ratio requirements will be phased-in incrementally between January 1, 2013 and January 1, 2015; the deductions from common equity made in calculating Tier 1 common equity will be phased-in incrementally over a four-year period commencing on January 1, 2014; and the capital conservation buffer will be phased-in incrementally between January 1, 2016 and January 1, 2019. The Basel Committee also announced that a countercyclical buffer of 0% to 2.5% of common equity or other fully loss-absorbing capital will be implemented according to national circumstances as an extension of the conservation buffer.

On July 2, 2013, the Federal Reserve approved a final rule (the Final Rule) to establish a new comprehensive regulatory capital framework for all U.S. banking organizations. On July 9, 2013, the Final Rule was approved as an interim final rule by the FDIC. The Final Rule implements the Basel III regulatory capital reforms and changes required by the Dodd-Frank Act.

Effective in 2015 (with some changes generally transitioned into full effectiveness over two to four years), 1st Constitution Bank will be subject to new capital requirements adopted by the FDIC. These new requirements create a new required ratio for common equity Tier 1 (CET1) capital, increases the leverage and Tier 1 capital ratios, changes the risk weights of certain assets for purposes of the risk-based capital ratios, creates an additional capital conservation buffer over the required capital ratios and changes what qualifies as capital for purposes of meeting these various capital requirements. Beginning in 2016, failure to maintain the required capital conservation buffer will limit the ability of 1st Constitution Bank to pay dividends, repurchase shares or pay discretionary bonuses.

When these new requirements become effective in 2015, 1st Constitution Bank's required leverage ratio of 4% of adjusted total assets and total capital ratio of 8% of risk-weighted assets will remain the same; however, the Tier 1 capital ratio requirement will increase from 4.0% to 6.5% of risk-weighted assets. In addition, 1st Constitution Bank will have to meet the new CET1 capital ratio of 4.5% of risk-weighted assets, with CET1 consisting of qualifying Tier 1 capital less all capital components that are not considered common equity.

For all of these capital requirements, there are a number of changes in what constitutes regulatory capital, some of which are subject to a two-year transition period. These changes include the phasing-out of certain instruments as qualifying capital. 1st Constitution Bank does not currently have any of these instruments that would be phased out. Under the new requirements for total capital, Tier 2 capital is no longer limited to the amount of Tier 1 capital included in total capital.

Mortgage servicing rights, certain deferred tax assets and investments in unconsolidated subsidiaries over designated percentages of common stock will be deducted from capital, subject to a two-year transition period. In addition, Tier 1 capital will include accumulated other comprehensive income, which includes all unrealized gains and losses on available for sale debt and equity securities, subject to a two-year transition period. Because of its asset size, 1st

Constitution Bank has the one-time option of deciding in the first quarter of 2015 whether to permanently opt-out of the inclusion of accumulated other comprehensive income in its capital calculations. 1st Constitution Bank is considering whether to take advantage of this opt-out to reduce the impact of market volatility on its regulatory capital levels.

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The new requirements also include changes in the risk-weights of assets to better reflect credit risk and other risk exposures. These include a 150% risk weight (up from 100%) for certain high volatility commercial real estate acquisition, development and construction loans and for non-residential mortgage loans that are 90 days past due or otherwise in nonaccrual status; a 20% (up from 0%) credit conversion factor for the unused portion of a commitment with an original maturity of one year or less that is not unconditionally cancellable (currently set at 0%); a 250% risk weight (up from 100%) for mortgage servicing and deferred tax assets that are not deducted from capital; and increased risk-weights (0% to 600%) for equity exposures.

In addition to the minimum CET1, Tier 1 and total capital ratios, 1st Constitution Bank will have to maintain a capital conservation buffer consisting of additional CET1 capital equal to 2.5% of risk-weighted assets above the required minimum levels in order to avoid limitations on paying dividends, engaging in share repurchases, and paying discretionary bonuses based on percentages of eligible retained income that could be utilized for such actions. This new capital conservation buffer requirement is being phased in, beginning in January 2016, at 0.625% of risk-weighted assets and increasing each year until fully implemented at 2.5% in January 2019.

The FDIC's prompt corrective action standards will change when these new capital ratios become effective. Under the new standards, in order to be considered well-capitalized, 1st Constitution Bank would have to have a CET1 ratio of 6.5% (new), a Tier 1 ratio of 8% (increased from 6%), a total capital ratio of 10% (unchanged) and a leverage ratio of 5% (unchanged).

The application of these more stringent capital requirements could increase 1st Constitution's cost of capital, among other things. Any permanent significant increase in 1st Constitution's cost of capital could have significant adverse impacts on the profitability of many of its products, the types of products 1st Constitution could offer profitably, its overall profitability, and its overall growth opportunities, among other things. Implementation of changes to asset risk weightings for risk based capital calculations or items included or deducted in calculating regulatory capital and/or additional capital conservation buffers could also result in management modifying its business strategy and limiting its ability to repurchase 1st Constitution common stock. Furthermore, the imposition of liquidity requirements in connection with the implementation of Basel III could result in 1st Constitution having to lengthen the term of its funding, restructure its business models, and/or increase its holdings of liquid assets. Although most financial institutions would be affected, these business impacts could be felt unevenly, depending upon the business and product mix of each institution. Other potential effects could include higher dilution of common shareholders if 1st Constitution had to issue additional shares and a higher risk that 1st Constitution might fall below regulatory capital thresholds in an adverse economic cycle.

On May 30, 2006, 1st Constitution established 1st Constitution Capital Trust II, a Delaware business trust and wholly-owned subsidiary of 1st Constitution (Trust II), for the sole purpose of issuing \$18 million of trust preferred securities (the Capital Securities). Trust II utilized the \$18 million proceeds along with \$557,000 invested in Trust II by 1st Constitution to purchase \$18,557,000 of floating rate junior subordinated debentures issued by 1st Constitution and due to mature on June 15, 2036. The Capital Securities were issued in connection with a pooled offering involving approximately 50 other financial institution holding companies. All of the Capital Securities were sold to a single pooling vehicle. The floating rate junior subordinated debentures are the only asset of Trust II and have terms that mirror the Capital Securities. These debentures are redeemable in whole or in part prior to maturity after June 15, 2011. Trust II is obligated to distribute all proceeds of a redemption of these debentures, whether voluntary or upon maturity, to holders of the Capital Securities. 1st Constitution's obligation with respect to the Capital Securities and the debentures, when taken together, provide a full and unconditional guarantee on a subordinated basis by 1st Constitution of the obligations of Trust II to pay amounts when due on the Capital Securities. Interest payments on the floating rate junior subordinated debentures flow through Trust II to the pooling vehicle.

On December 23, 2008, pursuant to the Troubled Asset Relief Program (TARP) Capital Purchase Program (the CPP) under the Emergency Economic Stabilization Act of 2008 (EESA), 1st Constitution entered into a Letter Agreement, including the Securities Purchase Agreement Standard Terms, with the United

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States Department of the Treasury (the Treasury), pursuant to which 1st Constitution issued and sold, and the Treasury purchased (i) 12,000 shares of 1st Constitution's Fixed Rate Cumulative Perpetual Preferred Stock, Series B (Preferred Stock Series B) and (ii) a ten-year warrant to purchase up to 200,222 shares of the 1st Constitution's common stock, no par value, at an initial exercise price of \$8.99 per share, for aggregate cash consideration of \$12 million. As a result of the declarations of stock dividends to holders of common stock since the issuance of the warrant, the shares of common stock underlying the two warrants issued as replacements to the original warrant have been adjusted to 255,540 shares and the initial exercise price has been adjusted to \$7.044 per share. On October 27, 2010, 1st Constitution repurchased all of the outstanding shares of the Preferred Stock Series B from the Treasury, and the warrant was sold by the Treasury on November 23, 2011 and bifurcated into two warrants that were issued to two affiliated purchasers. As of the date hereof, two warrants remain outstanding.

The two new warrants provide for the adjustment of the exercise price and the number of shares of 1st Constitution's common stock issuable upon exercise pursuant to customary anti-dilution provisions, such as upon stock splits or distributions of securities or other assets to holders of 1st Constitution's common stock. The outstanding two warrants are immediately exercisable and expire in December 2018.

Restrictions on Dividends

The primary source of cash to pay dividends, if any, to 1st Constitution's shareholders and to meet 1st Constitution's obligations is dividends paid to 1st Constitution by 1st Constitution Bank. Dividend payments by 1st Constitution Bank to 1st Constitution are subject to the New Jersey Banking Act of 1948 (the Banking Act) and the Federal Deposit Insurance Act (the FDIA). Under the Banking Act and the FDIA, 1st Constitution Bank may not pay any dividends if after paying the dividend, it would be undercapitalized under applicable capital requirements. In addition to these explicit limitations, the federal regulatory agencies are authorized to prohibit a banking subsidiary or bank holding company from engaging in an unsafe or unsound banking practice. Depending upon the circumstances, the agencies could take the position that paying a dividend would constitute an unsafe or unsound banking practice.

It is the policy of the Federal Reserve Board that bank holding companies should pay cash dividends on common stock only out of income available over the immediately preceding year and only if prospective earnings retention is consistent with the organization's expected future needs and financial condition. The policy provides that bank holding companies should not maintain a level of cash dividend that undermines the bank holding company's ability to serve as a source of strength to its banking subsidiary. A bank holding company may not pay dividends when it is insolvent.

1st Constitution has never paid a cash dividend and 1st Constitution's Board has no plans to pay a cash dividend in the foreseeable future.

Priority on Liquidation

1st Constitution is a legal entity separate and distinct from 1st Constitution Bank. The rights of 1st Constitution as the sole shareholder of 1st Constitution Bank, and therefore the rights of 1st Constitution's creditors and shareholders, to participate in the distributions and earnings of 1st Constitution Bank when 1st Constitution Bank is not in bankruptcy, are subject to various state and federal law restrictions as discussed above under the heading Restrictions on Dividends. In the event of a liquidation or other resolution of an insured depository institution such as 1st Constitution Bank, the claims of depositors and other general or subordinated creditors are entitled to a priority of payment over the claims of holders of an obligation of the institution to its shareholders (1st Constitution) or any shareholder or creditor of 1st Constitution. The claims on 1st Constitution Bank by creditors include obligations in respect of federal funds purchased and certain other borrowings, as well as deposit liabilities.

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Financial Institution Legislation

The Gramm-Leach-Bliley Financial Modernization Act of 1999 (the Modernization Act) became effective in early 2000. The Modernization Act:

allows bank holding companies meeting management, capital and Community Reinvestment Act standards to engage in a substantially broader range of non-banking activities than is permissible for a bank holding company, including insurance underwriting and making merchant banking investments in commercial and financial companies; if a bank holding company elects to become a financial holding company, it files a certification, effective in 30 days, and thereafter may engage in certain financial activities without further approvals;

allows banks to establish subsidiaries to engage in certain activities which a financial holding company could engage in, if the bank meets certain management, capital and Community Reinvestment Act standards;

allows insurers and other financial services companies to acquire banks and removes various restrictions that currently apply to bank holding company ownership of securities firms and mutual fund advisory companies; and establishes the overall regulatory structure applicable to financial holding companies that also engage in insurance and securities operations.

The Modernization Act modified other laws, including laws related to financial privacy and community reinvestment.

The Modernization Act also amended the BHCA and the Bank Merger Act to require the federal banking agencies to consider the effectiveness of a financial institution's anti-money laundering activities when reviewing an application under these acts.

Additional proposals to change the laws and regulations governing the banking and financial services industry are frequently introduced in Congress, in state legislatures and before the various bank regulatory agencies. The likelihood and timing of any such changes and the impact such changes might have on 1st Constitution cannot be determined at this time.

The Sarbanes-Oxley Act of 2002 (Sarbanes-Oxley Act), which became law on July 30, 2002, added new legal requirements affecting corporate governance, accounting and corporate reporting for companies with publicly traded securities.

The Sarbanes-Oxley Act provides for, among other things:

a prohibition on personal loans made or arranged by the issuer to its directors and executive officers (except for loans made by a bank subject to Regulation O of the Federal Reserve Board);

independence requirements for audit committee members;

disclosure of whether at least one member of the audit committee is a financial expert (as such term is defined by the Securities and Exchange Commission (SEC) and if not, why not;

independence requirements for outside auditors;

a prohibition by a company's registered public accounting firm from performing statutorily mandated audit services for the company if the company's chief executive officer, chief financial officer, comptroller, chief accounting officer or any person serving in equivalent positions had been employed by such firm and participated in the audit of such company during the one-year period preceding the audit initiation date;

certification of financial statements and annual and quarterly reports by the principal executive officer and the principal financial officer;

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the forfeiture of bonuses or other incentive-based compensation and profits from the sale of an issuer's securities by directors and senior officers in the twelve month period following initial publication of any financial statements that later require restatement due to corporate misconduct;

disclosure of off-balance sheet transactions;

two-business day filing requirements for insiders filing Forms 4;

disclosure of a code of ethics for financial officers and filing a Form 8-K for a change or waiver of such code;

real time filing of periodic reports;

posting of certain SEC filings and other information on the company's website;

the reporting of securities violations up the ladder by both in-house and outside attorneys;

restrictions on the use of non-GAAP financial measures;

the formation of a public accounting oversight board; and

various increased criminal penalties for violations of securities laws.

Additionally, Section 404 of the Sarbanes-Oxley Act requires that a public company subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the Exchange Act), include in its annual report (i) a management's report on internal control over financial reporting assessing the company's internal controls, and (ii) if the company is an accelerated filer or a large accelerated filer, an auditor's attestation report, completed by the registered public accounting firm that prepares or issues an accountant's report which is included in the company's annual report, attesting to the effectiveness of management's internal control assessment.

Each of the national stock exchanges, including the Nasdaq Global Market where 1st Constitution's common stock is listed, have in place corporate governance rules, including rules requiring director independence, and the adoption of charters for the nominating, corporate governance, and audit committees. These rules are intended to, among other things, make the board of directors independent of management and allow shareholders to more easily and efficiently monitor the performance of companies and directors. These burdens increase 1st Constitution's legal and accounting fees and the amount of time that the Board of Directors and management must devote to corporate governance issues.

Section 302(a) of Sarbanes-Oxley requires 1st Constitution's principal executive officer and principal financial officer to certify that 1st Constitution's Quarterly and Annual Reports do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of circumstances under which they were

made, not misleading. The rules have several requirements, including having these officers certify that: they are responsible for establishing, maintaining and regularly evaluating the effectiveness of 1st Constitution's disclosure controls and procedures and internal control over financial reporting; they have made certain disclosures to 1st Constitution's auditors and the audit committee of the Board of Directors about 1st Constitution's internal control over financial reporting; and they have included information in 1st Constitution's Quarterly and Annual Reports about their evaluation of disclosure controls and procedures and whether there have been significant changes in 1st Constitution's internal controls over financial reporting.

As part of the USA Patriot Act, signed into law on October 26, 2001, Congress adopted the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001 (the "Act"). The Act authorizes the Secretary of the Treasury, in consultation with the heads of other government agencies, to adopt special measures applicable to financial institutions such as banks, bank holding companies, broker-dealers and insurance companies. Among its other provisions, the Act requires each financial institution: (i) to establish an anti-money laundering program; (ii) to establish due diligence policies, procedures and controls that are reasonably designed to detect and report instances of money laundering in United States private banking accounts and correspondent

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accounts maintained for non-United States persons or their representatives; and (iii) to avoid establishing, maintaining, administering, or managing correspondent accounts in the United States for, or on behalf of, a foreign shell bank that does not have a physical presence in any country. In addition, the Act expands the circumstances under which funds in a bank account may be forfeited and requires covered financial institutions to respond under certain circumstances to requests for information from federal banking agencies within 120 hours.

The Department of Treasury has issued regulations implementing the due diligence requirements. These regulations require minimum standards to verify customer identity and maintain accurate records, encourage cooperation among financial institutions, federal banking agencies, and law enforcement authorities regarding possible money laundering or terrorist activities, prohibit the anonymous use of concentration accounts, and require all covered financial institutions to have in place an anti-money laundering compliance program.

As a New Jersey-chartered commercial bank, 1st Constitution Bank is subject to supervision and examination by the New Jersey Department of Banking and Insurance. 1st Constitution Bank is also subject to regulation by the FDIC, which is its principal federal bank regulator.

1st Constitution Bank must comply with various requirements and restrictions under federal and state law, including the maintenance of reserves against deposits, restrictions on the types and amounts of loans that may be granted and the interest that may be charged thereon, limitations on the types of investments that may be made and the services that may be offered, and restrictions on dividends as described in the preceding section. Consumer laws and regulations also affect the operations of 1st Constitution Bank. In addition to the impact of regulation, commercial banks are affected significantly by the actions of the Federal Reserve Board which influence the money supply and credit availability in the national economy.

Community Reinvestment Act

Under the Community Reinvestment Act (CRA), as implemented by FDIC regulations, a bank has a continuing and affirmative obligation, consistent with its safe and sound operation, to help meet the credit needs of its entire community, including low- and moderate-income neighborhoods. CRA does not establish specific lending requirements or programs for financial institutions nor does it limit an institution's discretion to develop the types of products and services that it believes are best suited to its particular community, consistent with CRA. CRA requires the FDIC to assess an institution's record of meeting the credit needs of its community and to take such record into account in its evaluation of certain applications by the applicable institution. The CRA requires public disclosure of an institution's CRA rating and requires that the FDIC provide a written evaluation of an institution's CRA performance utilizing a four-tiered descriptive rating system. An institution's CRA rating is considered in determining whether to grant charters, branches and other deposit facilities, relocations, mergers, consolidations and acquisitions. Performance less than satisfactory may be the basis for denying an application. At its last CRA examination, 1st Constitution Bank was rated satisfactory under CRA.

FIRREA

Under the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), a depository institution insured by the FDIC can be held liable for any loss incurred by, or reasonably expected to be incurred by, the FDIC in connection with (i) the default of a commonly controlled FDIC-insured depository institution or (ii) any assistance provided by the FDIC to a commonly controlled FDIC-insured depository institution in danger of default. These provisions have commonly been referred to as FIRREA's cross guarantee provisions. Further, under FIRREA, the failure to meet capital guidelines could subject a bank to a variety of enforcement remedies available to federal regulatory authorities.

FIRREA also imposes certain independent appraisal requirements upon a bank's real estate lending activities and further imposes certain loan-to-value restrictions on a bank's real estate lending activities. The bank regulators have promulgated regulations in these areas.

Table of Contents*Insurance of Deposits*

1st Constitution Bank's deposits are insured up to applicable limits by the Deposit Insurance Fund of the FDIC. Due to the recent difficult economic conditions, deposit insurance per account owner was raised to \$250,000. That limit was made permanent by the Dodd-Frank Act. The FDICIA is applicable to depository institutions and deposit insurance. The FDICIA requires the FDIC to establish a risk-based assessment system for all insured depository institutions. Under this legislation, the FDIC is required to establish an insurance premium assessment system based upon: (i) the probability that the insurance fund will incur a loss with respect to the institution, (ii) the likely amount of the loss, and (iii) the revenue needs of the insurance fund. In compliance with this mandate, the FDIC has developed a matrix that sets the assessment premium for a particular institution in accordance with its capital level and overall rating by the primary regulator. Under the matrix as currently in effect, the assessment rate ranges from 0 to 27 basis points of assessed deposits. The FDIC's Transaction Account Guarantee Program (the TAG Program), one of two components of the Temporary Liquidity Guarantee Program (the TLG Program), provided participating depository institutions full federal deposit insurance coverage for non-interest bearing transaction deposit accounts, regardless of dollar amount.

Under the TAG Program, effective December 5, 2008, insured depository institutions that have not opted out of the TAG Program were subject to a 0.10% surcharge applied to non-interest bearing transaction deposit account balances in excess of \$250,000, which surcharge was added to the institution's existing risk-based deposit insurance assessments. 1st Constitution Bank opted into the TAG Program, which was initially set to expire on December 31, 2009. On August 26, 2009, the FDIC extended the program until June 30, 2010, and revised the annualized assessment rate charged for the guarantee to between 15 and 25 basis points, depending on the institution's risk category, on balances in noninterest-bearing transaction accounts that exceed the existing deposit insurance limit of \$250,000. On April 13, 2010, the FDIC announced a second extension of the program until December 31, 2010. 1st Constitution Bank opted into the extensions.

The Dodd-Frank Act provides that non-interest bearing transaction accounts have unlimited deposit insurance coverage from December 31, 2010 through December 31, 2012. As of January 1, 2013, the maximum deposit insurance coverage per account holder was \$250,000 for all depository accounts, including non-interest bearing transaction accounts, money market accounts, NOW accounts and savings accounts. The temporary unlimited deposit insurance coverage had replaced the TAG Program that expired on December 31, 2010 and did not apply to all accounts covered under the TAG Program. It covered only noninterest-bearing transaction accounts and Interest on Lawyer Trust Accounts (IOLTAs) where the accrued interest is paid to state bar associations or other organizations to fund legal assistance programs. Beginning January 1, 2011, low-interest consumer checking accounts (NOW Accounts) and all other fiduciary accounts maintained by attorneys or other entities are no longer eligible for the unlimited deposit insurance coverage. Unlike the TAG Program, which allowed banks to opt in, the temporary unlimited insurance coverage applied at all FDIC-insured institutions and was no longer funded by separate premiums.

The second component of the Temporary Liquidity Guarantee Program, the Debt Guarantee Program, guarantees certain senior unsecured debt of participating organizations. 1st Constitution Bank opted not to participate in this component of the Temporary Liquidity Guarantee Program.

In February 2011, the FDIC adopted final rules to implement changes required by the Dodd-Frank Act with respect to the FDIC assessment rules. In particular, the definition of an institution's deposit insurance assessment base is being changed from total deposits to total assets less tangible equity. In addition, the FDIC is revising the deposit insurance assessment rates down. The changes were effective April 1, 2011. The new initial base assessment rates range from 5 to 9 basis points for Risk Category I banks to 35 basis points for Risk Category IV banks. Risk Category II and III banks will have an initial base assessment rate of 14 or 23 basis points, respectively. The new rates and assessment

base have reduced our current FDIC insurance assessment for 2012 compared to 2011. However, if the risk category of 1st Constitution Bank changes adversely, our FDIC insurance premiums could increase.

Table of Contents*Lending Limits*

In January 2013, the New Jersey Department of Banking and Insurance issued an order requiring a New Jersey chartered bank's calculation of lending limits to any person or entity to include credit exposure to such person or entity arising from a derivative transaction, repurchase agreement, reverse repurchase agreement, securities lending transaction or securities borrowing transaction. Previously, such credit exposure was not included in a New Jersey chartered bank's calculation of lending limits. New Jersey chartered banks had until July 1, 2013 to comply with the operative provisions of the order, which include compliance with all of the rules set forth in the Office of the Comptroller of the Currency's Interim Final Rule on Lending Limits (codified at 12 C.F.R. pts. 32, 159 and 160). 1st Constitution does not anticipate this change in the calculation of lending limits to have a significant impact on its operations.

Properties.

We currently operate 14 branch offices in New Jersey, which includes 1st Constitution Bank's main office in Cranbury, New Jersey. In addition, we have a Mortgage Warehousing Funding Office which we lease in Somerset, New Jersey and an Operations Center which we lease in Cranbury, New Jersey. The following table provides certain information with respect to our offices as of September 30, 2013:

| Location | Leased or Owned | Original Year Leased or Acquired | Year of Lease Expiration |
|--|------------------------|---|---------------------------------|
| Main Office 2650 Route 130 Cranbury, New Jersey | Leased | 1989 | 2017 |
| Village Office 74 North Main Street Cranbury, New Jersey | Owned | 2005 | |
| Plainsboro Office Plainsboro Village Center 11 Shalks Crossing Road Plainsboro, New Jersey | Leased | 1998 | 2021 |
| Hamilton Office 3659 Nottingham Way Hamilton, New Jersey | Leased | 1999 | 2014 |
| Princeton Office The Windrows at Princeton Forrestal 2000 Windrow Drive Princeton, New Jersey | Leased | 2001 | 2016 |
| Perth Amboy Office 145 Fayette Street Perth Amboy, New Jersey | Leased | 2003 | 2018 |
| Jamesburg Office | | | |

| | | | |
|---|--------|------|------|
| 1 Harrison Street Jamesburg, New Jersey | Owned | 2002 | |
| West Windsor Office 44 Washington Road Princeton Junction, New Jersey | Leased | 2004 | 2019 |

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| Location | Leased or Owned | Original Year Leased or Acquired | Year of Lease Expiration |
|--|------------------------|---|---------------------------------|
| Fort Lee Office 180 Main Street Fort Lee, New Jersey | Leased | 2006 | 2014 |
| Hightstown Office 140 Mercer Street Hightstown, New Jersey | Leased | 2007 | 2014 |
| Mortgage Warehouse Funding Office 285 Davidson Avenue Somerset, New Jersey | Leased | 2009 | 2015 |
| Lawrenceville Property 150 Lawrenceville-Pennington Road, Lawrenceville, New Jersey | Owned | 2009 | |
| South River Operations Center 1246 South River Road, Bldg. 2 Cranbury, New Jersey | Leased | 2010 | 2015 |
| Rocky Hill Office 995 Route 518 Skillman, New Jersey | Owned | 2011 | |
| Hopewell Office 86 East Broad Street Hopewell, New Jersey | Owned | 2011 | |
| Hillsborough Office 32 New Amwell Road Hillsborough, New Jersey | Owned | 2011 | |
| Management believes the foregoing facilities are suitable for 1st Constitution's and 1st Constitution Bank's present and projected operations. | | | |

Legal Proceedings.

1st Constitution may, in the ordinary course of business, become a party to litigation involving collection matters, contract claims and other legal proceedings relating to the conduct of its business. Management is not aware of any material pending legal proceedings against 1st Constitution which, if determined adversely, would have a material adverse effect on 1st Constitution's financial position or results of operations.

1st Constitution Management's Discussion and Analysis of Financial Condition and Results of Operations.

This discussion should be read in conjunction with the consolidated financial statements, notes and tables included elsewhere in this proxy statement and prospectus. The purpose of this discussion and analysis is to assist in the understanding and evaluation of 1st Constitution's financial condition, changes in financial condition and results of operations.

Critical Accounting Policies and Estimates

Management's Discussion and Analysis of Financial Condition and Results of Operation is based upon 1st Constitution's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements

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requires 1st Constitution to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Note 1 to 1st Constitution's Consolidated Financial Statements for the year ended December 31, 2012 contains a summary of 1st Constitution's significant accounting policies. Management believes 1st Constitution's policies with respect to the methodologies for the determination of the allowance for loan losses and for determining other-than-temporary security impairment involve a higher degree of complexity and requires management to make difficult and subjective judgments which often require assumptions or estimates about highly uncertain matters. Changes in these judgments, assumptions or estimates could materially impact results of operations. These critical policies and their application are periodically reviewed with the Audit Committee and the Board. The provision for loan losses is based upon management's evaluation of the adequacy of the allowance, including an assessment of known and inherent risks in the portfolio, giving consideration to the size and composition of the loan portfolio, actual loan loss experience, level of delinquencies, detailed analysis of individual loans for which full collectability may not be assured, the existence and estimated net realizable value of any underlying collateral and guarantees securing the loans, and current economic and market conditions. Although management uses the best information available to it, the level of the allowance for loan losses remains an estimate which is subject to significant judgment and short-term change. Various regulatory agencies, as an integral part of their examination process, periodically review 1st Constitution's allowance for loan losses. Such agencies may require 1st Constitution to make additional provisions for loan losses based upon information available to them at the time of their examination. Furthermore, the majority of 1st Constitution's loans are secured by real estate in the State of New Jersey. Accordingly, the collectability of a substantial portion of the carrying value of 1st Constitution's loan portfolio is susceptible to changes in local market conditions and may be adversely affected should real estate values decline or should the Central New Jersey area experience an adverse economic shock. Future adjustments to the allowance for loan losses may be necessary due to economic, operating, regulatory and other conditions beyond 1st Constitution's control.

Real estate acquired through foreclosure, or a deed-in-lieu of foreclosure, is recorded at fair value less estimated selling costs at the date of acquisition or transfer, and subsequently at the lower of its new cost or fair value less estimated selling costs. Adjustments to the carrying value at the date of acquisition or transfer are charged to the allowance for loan losses. The carrying value of the individual properties is subsequently adjusted to the extent it exceeds estimated fair value less estimated selling costs, at which time a provision for losses on such real estate is charged to operations. Appraisals are critical in determining the fair value of the other real estate owned amount. Assumptions for appraisals are instrumental in determining the value of properties. Overly optimistic assumptions or negative changes to assumptions could significantly affect the valuation of a property. The assumptions supporting such appraisals are carefully reviewed by management to determine that the resulting values reasonably reflect amounts realizable.

Management utilizes various inputs to determine the fair value of its investment portfolio. To the extent they exist, unadjusted quoted market prices in active markets (level 1) or quoted prices on similar assets (level 2) are utilized to determine the fair value of each investment in the portfolio. In the absence of quoted prices, valuation techniques would be used to determine fair value of any investments that require inputs that are both significant to the fair value measurement and unobservable (level 3). Valuation techniques are based on various assumptions, including, but not limited to cash flows, discount rates, rate of return, adjustments for nonperformance and liquidity, and liquidation values. A significant degree of judgment is involved in valuing investments using level 3 inputs. The use of different assumptions could have a positive or negative effect on consolidated financial condition or results of operations.

Management must periodically evaluate if unrealized losses (as determined based on the securities valuation methodologies discussed above) on individual securities classified as held to maturity or available for sale in the investment portfolio are considered to be other-than-temporary. The analysis of other-than-temporary impairment requires the use of various assumptions, including, but not limited to, the length of time an investment's book value is

greater than fair value, the severity of the investment's decline, as well as any credit deterioration of the investment. If the decline in value of an investment is deemed to be other-than-temporary, the investment is written down to fair value and a non-cash impairment charge is recognized in the period of such evaluation.

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Rights Offering to Existing Shareholders

During the third quarter of 2012, 1st Constitution launched a shareholders' common stock rights offering, which expired on October 5, 2012. 1st Constitution received gross proceeds of \$5.0 million from holders of subscription rights who exercised their basic subscription rights and from holders who exercised the over-subscription privilege. The rights offering was fully subscribed. Accordingly, 1st Constitution issued a total of 555,555 shares of common stock to the holders of subscription rights who validly exercised their subscription rights, including pursuant to the exercise of the over-subscription privilege.

Acquisition of Three Branches in 2011

On March 25, 2011, 1st Constitution Bank acquired certain deposit and other liabilities, real estate and related assets of the Rocky Hill, Hillsborough and Hopewell, New Jersey banking offices from another financial institution for a purchase price of \$9.85 million (the "March 2011 Acquisition").

1st Constitution accounted for the March 2011 Acquisition using applicable accounting guidance regarding business combinations. The fair value of savings and transaction deposit accounts acquired was assumed to approximate the carrying value as these accounts have no stated maturity and are payable on demand. A core deposit intangible was ascribed to the value of non-maturity deposits based upon an independent third party evaluation which was prepared using the actual characteristics of the deposits and assumptions we believe to be reasonable. Certificates of deposit accounts were valued utilizing a discounted cash flows analysis based upon the underlying accounts' contractual maturities and interest rates. The present value of the projected cash flow was then determined using discount rates based upon certificate of deposit interest rates available in the marketplace for accounts with similar terms. The fair value of the three branch buildings was determined via appraisals performed by qualified independent third party appraisers. The fair value of loans acquired, all of which were performing, was assumed to approximate amortized cost based upon the small size and nature of those loans.

As a result of the March 2011 Acquisition, the three branches became branches of 1st Constitution Bank. Included in the March 2011 Acquisition were the assumption of deposit liabilities of \$111.9 million, primarily consisting of demand deposits, and the acquisition of cash of approximately \$101.5 million, fixed assets of approximately \$4.6 million, which includes, without limitation, ownership of the real estate and improvements upon which the branches are situated, and loans of \$862,000. 1st Constitution Bank recorded goodwill of approximately \$3.2 million and a core deposit intangible asset of approximately \$1.7 million as a result of the March 2011 Acquisition.

Merger with Rumson

On August 14, 2013, 1st Constitution and 1st Constitution Bank entered into an Agreement and Plan of Merger with Rumson, providing for the merger of Rumson with and into 1st Constitution Bank, with 1st Constitution Bank as the surviving entity.

Subject to the terms and conditions of the merger agreement, upon consummation of the merger, each outstanding share of Rumson common stock will be converted into the right to receive, at the election of the holder of such Rumson common stock, (i) cash consideration of \$7.50 or (ii) 0.7772 of a share of common stock of 1st Constitution, or a combination of both, subject to the payment of cash in lieu of fractional shares and customary proration and allocation procedures, if necessary, to assure that 60% of the outstanding shares of Rumson common stock are exchanged for cash and 40% of the outstanding shares of Rumson common stock are exchanged for shares of common stock of 1st Constitution. In addition, each outstanding option to acquire shares of Rumson common stock will be terminated and converted to the right to receive cash equal to the product of (i) the aggregate number of shares of

Rumson common stock underlying such outstanding option multiplied by (ii) the excess, if any, of \$7.50 over the per share exercise price of such outstanding option. Stock awards will be converted into shares of common stock of 1st Constitution. Each outstanding share of common stock of 1st Constitution will remain outstanding and unaffected by the Merger.

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Under New Jersey banking law, Rumson shareholders can elect to dissent from the merger. Any shareholder electing to dissent shall be entitled to a cash payment for such shares only to the extent permitted by and in accordance with New Jersey banking law.

Nine Months Ended September 30, 2013 Compared to the Nine Months Ended September 30, 2012

Summary

The Company realized net income of \$4,405,588 for the nine months ended September 30, 2013, an increase of 15.3% from the \$3,819,759 reported for the nine months ended September 30, 2012. The increase was due primarily to an increase in non-interest income, a lower level of the provision for loan losses and a decrease in noninterest expenses which, in total, offset a decrease in net interest income for the nine months ended September 30, 2013 compared to the same period in 2012.

Diluted net income per share was \$0.72 for the nine months ended September 30, 2013 compared to diluted net income per share of \$0.70 for the nine months ended September 30, 2012. All prior year share information has been adjusted for the effect of a 5% stock dividend declared on December 20, 2012 and paid on January 31, 2013 to shareholders of record on January 14, 2013.

During the third quarter of 2012, the Company launched a shareholders' common stock rights offering, which expired on October 5, 2012. The Company received gross proceeds of \$5.0 million from holders of subscription rights who exercised their basic subscription rights and from holders who exercised the over-subscription privilege. The rights offering was fully subscribed. Accordingly, the Company issued a total of 555,555 shares of common stock to the holders of subscription rights who validly exercised their subscription rights, including pursuant to the exercise of the over-subscription privilege.

Return on average assets and return on average equity were 0.73% and 8.96%, respectively, for the nine months ended September 30, 2013 compared to 0.67% and 9.01%, respectively, for the nine months ended September 30, 2012. Return on average assets improved for the nine months ended September 30, 2013 as compared to the nine months ended September 30, 2012 due to the higher level of net income for the 2013 period and the slight reduction in return on average equity for the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012 was primarily due to the issuance of new shares in the Company's rights offering completed in October 2012.

The Bank's results of operations depend primarily on net interest income, which is primarily affected by the market interest rate environment, the shape of the U.S. Treasury yield curve, and the difference between the yield on interest-earning assets and the rate paid on interest-bearing liabilities. Other factors that may affect the Bank's operating results are general and local economic and competitive conditions, government policies and actions of regulatory authorities. The net interest margin for the nine months ended September 30, 2013 was 3.48% as compared to the 3.98% net interest margin recorded for the nine months ended September 30, 2012, a decrease of 50 basis points. This decrease in the Company's net interest margin for the nine months ended September 30, 2013 compared with the corresponding 2012 period was primarily due to two factors: (1) the decline in the balance of outstanding borrowings under mortgage warehouse lines and (2) the allocation of excess liquidity to much lower yielding overnight fund balances. The decline in borrowings under mortgage warehouse lines was due to the increase in long-term interest rates during the third quarter of 2013, which led to lower levels of mortgage refinancings, and the shift from borrowings for mortgage refinancings to borrowings for new mortgages to purchase real property, which typically require more time to document and close. The Company will continue to closely monitor the mix of earning assets and funding sources to maximize net interest income during this challenging interest rate environment.

Table of Contents*Earnings Analysis**Net Interest Income*

Net interest income, the Company's largest and most significant component of operating income, is the difference between interest and fees earned on loans and other earning assets and interest paid on deposits and borrowed funds. This component represented 80.0% of the Company's net revenues for the nine-month period ended September 30, 2013 and 84.8% of net revenues for the nine-month period ended September 30, 2012. Net interest income also depends upon the relative amount of interest-earning assets, interest-bearing liabilities, and the interest rate earned or paid on them, respectively.

The following table sets forth the Company's consolidated average balances of assets, liabilities and shareholders equity as well as interest income and expense on related items and the Company's average yield or rate for the nine month periods ended September 30, 2013 and 2012, respectively. The average rates are derived by dividing interest income and expense by the average balance of assets and liabilities, respectively.

Average Balance Sheets with Resultant Interest and Rates

| (yields on a tax-equivalent basis) | Nine months ended September 30, 2013 | | | Nine months ended September 30, 2012 | | |
|---------------------------------------|--------------------------------------|-------------------|--------------|--------------------------------------|-------------------|--------------|
| | Average | | Average | Average | | Average |
| | Balance | Interest | Yield | Balance | Interest | Yield |
| Assets: | | | | | | |
| Federal Funds | | | | | | |
| Sold/Short-Term Investments | \$ 112,351,662 | \$ 221,087 | 0.26% | \$ 28,950,888 | \$ 55,315 | 0.26% |
| Investment Securities: | | | | | | |
| Taxable | 156,884,880 | 2,818,801 | 2.40% | 171,836,158 | 3,430,770 | 2.66% |
| Tax-exempt | 67,610,995 | 2,418,022 | 4.77% | 50,443,281 | 1,837,521 | 4.86% |
| Total | 224,495,875 | 5,236,823 | 3.11% | 222,279,439 | 5,268,291 | 3.16% |
| Loan Portfolio: | | | | | | |
| Construction | 42,149,774 | 1,926,931 | 6.11% | 57,303,861 | 2,861,353 | 6.67% |
| Residential real estate | 11,057,154 | 430,207 | 5.20% | 11,920,919 | 463,905 | 5.20% |
| Home Equity | 9,208,816 | 373,778 | 5.43% | 10,529,455 | 445,123 | 5.65% |
| Commercial and commercial real estate | 143,067,333 | 7,838,953 | 7.33% | 145,668,346 | 8,013,835 | 7.35% |
| Mortgage warehouse lines | 166,142,165 | 5,808,889 | 4.67% | 198,007,591 | 7,060,451 | 4.76% |
| Installment | 254,238 | 12,284 | 6.46% | 356,875 | 18,221 | 6.82% |
| All Other Loans | 41,800,648 | 928,216 | 2.97% | 32,771,044 | 837,561 | 3.41% |
| Total | 413,680,128 | 17,319,258 | 5.60% | 456,558,091 | 19,700,449 | 5.76% |
| Total Interest-Earning Assets | 750,527,665 | 22,777,168 | 4.05% | 707,788,418 | 25,024,055 | 4.72% |

| | | |
|---------------------------|-------------|-------------|
| Allowance for Loan Losses | (6,777,671) | (6,150,075) |
| Cash and Due From Bank | 18,481,914 | 10,091,843 |
| Other Assets | 48,636,271 | 52,478,160 |

| | | |
|---------------------|-----------------------|-----------------------|
| Total Assets | \$ 810,868,179 | \$ 764,208,346 |
|---------------------|-----------------------|-----------------------|

Liabilities and**Shareholders Equity:**

Interest-Bearing Liabilities:

Money Market and NOW

| | | | | | | |
|----------------------------|----------------|------------|-------|----------------|------------|-------|
| Accounts | \$ 225,215,899 | \$ 579,798 | 0.34% | \$ 203,155,986 | \$ 762,799 | 0.50% |
| Savings Accounts | 202,754,977 | 676,979 | 0.45% | 192,802,238 | 894,090 | 0.62% |
| Certificates of Deposit | 141,258,225 | 1,411,530 | 1.34% | 147,548,296 | 1,634,787 | 1.48% |
| Other Borrowed Funds | 10,380,769 | 310,649 | 4.00% | 19,101,642 | 340,784 | 2.38% |
| Trust Preferred Securities | 18,557,000 | 263,982 | 1.90% | 18,557,000 | 292,759 | 2.11% |

Total Interest-Bearing

| | | | | | | |
|--------------------|--------------------|------------------|--------------|--------------------|------------------|--------------|
| Liabilities | 598,166,870 | 3,242,938 | 0.72% | 581,165,162 | 3,925,219 | 0.90% |
|--------------------|--------------------|------------------|--------------|--------------------|------------------|--------------|

| | | |
|----------------------------|--------------|--------------|
| Net Interest Spread | 3.33% | 3.82% |
|----------------------------|--------------|--------------|

| | | |
|-------------------|-------------|-------------|
| Demand Deposits | 139,542,141 | 117,413,216 |
| Other Liabilities | 7,394,439 | 8,790,417 |

| | | |
|---------------------|-------------|-------------|
| Total Liabilities | 745,103,450 | 707,368,795 |
| Shareholders Equity | 65,764,729 | 56,839,551 |

Total Liabilities and

| | | |
|----------------------------|-----------------------|-----------------------|
| Shareholders Equity | \$ 810,868,179 | \$ 764,208,346 |
|----------------------------|-----------------------|-----------------------|

| | | | | |
|----------------------------|----------------------|--------------|----------------------|--------------|
| Net Interest Margin | \$ 19,534,230 | 3.48% | \$ 21,098,837 | 3.98% |
|----------------------------|----------------------|--------------|----------------------|--------------|

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The Company's net interest income decreased by \$1,752,876, or 8.5%, to \$18,750,007 for the nine months ended September 30, 2013 from \$20,502,883 reported for the nine months ended September 30, 2012. The decrease in net interest income was attributable to a decreased volume of loans in the loan portfolio combined with lower rates earned on interest-earning assets, which more than offset the lower rates paid on a higher volume of interest-bearing liabilities.

Average interest-earning assets increased by \$42,739,247, or 6.0%, to \$750,527,665 for the nine-month period ended September 30, 2013 from \$707,788,418 for the nine-month period ended September 30, 2012. The average investment securities portfolio increased by \$2,216,436, or 1.0%, to \$224,495,875 for the nine-month period ended September 30, 2013 compared to \$222,279,439 for the nine-month period ended September 30, 2012. The average loan portfolio decreased by \$42,877,963, or 9.4%, to \$413,680,128 for the nine-month period ended September 30, 2013 compared to \$456,558,091 for the nine-month period ended September 30, 2012. The overall risk profile of the loan portfolio was reduced by a change in its composition via a reduction in average construction loans (which are generally riskier than other loans) of \$15,154,087, or 26.4%, to \$42,149,774 for the nine-month period ended September 30, 2013 compared to \$57,303,861 for the nine-month period ended September 30, 2012. In addition, the third quarter of 2013 saw an increase in long-term interest rates that accelerated the decrease in the balance of outstanding mortgage warehouse lines. The average balance of mortgage warehouse lines decreased by \$31,865,426, or 16.1%, to \$166,142,165 for the nine months ended September 30, 2013 compared to an average balance of \$198,007,591 for the nine months ended September 30, 2012. Overall, the yield on interest earning assets, on a tax-equivalent basis, decreased 67 basis points to 4.05% for the nine-month period ended September 30, 2013 compared to 4.72% for the nine-month period ended September 30, 2012.

Average interest-bearing liabilities increased by \$17,001,708, or 2.9%, to \$598,166,870 for the nine-month period ended September 30, 2013 from \$581,165,162 for the nine-month period ended September 30, 2012. Overall, the cost of total interest-bearing liabilities decreased 18 basis points to 0.72% for the nine months ended September 30, 2013 compared to 0.90% for the nine months ended September 30, 2012.

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The net interest margin, which is net interest income on a tax equivalent basis divided by average interest earning assets, was 3.48% for the nine months ended September 30, 2013 compared to 3.98% the nine months ended September 30, 2012.

Provision for Loan Losses

Management considers a complete review of the following specific factors in determining the provisions for loan losses: historical losses by loan category, non-accrual loans, problem loans as identified through internal classifications, collateral values, and the growth and size of the loan portfolio.

At September 30, 2013, the loan portfolio balance was \$362,549,473, which represented a decrease of \$159,264,637, or 30.5%, from the December 31, 2012 balance of \$521,814,110.

In addition to these factors, management takes into consideration current economic conditions and local real estate market conditions. Using this evaluation process, the Company's provision for loan losses was \$776,664 for the nine months ended September 30, 2013 compared to \$1,649,994 for the nine months ended September 30, 2012.

Non-Interest Income

Total non-interest income for the nine months ended September 30, 2013 was \$4,672,970, an increase of \$1,003,112, or 27.3%, over non-interest income of \$3,669,858 for the nine months ended September 30, 2012. This component represented 20.0% of the Company's net revenues for the nine-month period ended September 30, 2013 and 15.2% of net revenues for the nine-month period ended September 30, 2012.

Service charges on deposit accounts represent a significant source of non-interest income. Service charges on deposit accounts decreased by \$26,832, or 3.8%, to \$675,839 for the nine months ended September 30, 2013 from \$702,671 for the nine months ended September 30, 2012. The lower service charges were primarily the result of a decrease in the number of deposit accounts subject to service charges during the nine months ended September 30, 2013 compared to the prior-year period.

Gain on sales of loans increased by \$380,319, or 25.8%, to \$1,852,821 for the nine months ended September 30, 2013 compared to \$1,472,502 for the nine months ended September 30, 2012. The Bank sells both residential mortgage loans and SBA loans in the secondary market. The volume of mortgage loan sales increased for the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012.

Non-interest income also includes income from bank-owned life insurance (BOLI), which amounted to \$348,206 for the nine months ended September 30, 2013 compared to \$337,374 for the nine months ended September 30, 2012. The Bank purchased tax-free BOLI assets to partially offset the cost of employee benefit plans and reduce the Company's overall effective tax rate.

The Bank also generates non-interest income from a variety of fee-based services. These include safe deposit box rental, wire transfer service fees, cash counting fees and Automated Teller Machine fees for non-Bank customers. Greater customer demand for these services contributed to the other income component of non-interest income increasing to \$1,796,104 for the nine months ended September 30, 2013 compared to \$1,157,311 for the nine months ended September 30, 2012.

Non-Interest Expenses

Non-interest expenses decreased by \$670,914, or 3.9%, to \$16,498,751 for the nine months ended September 30, 2013 from \$17,169,665 for the nine months ended September 30, 2012. The current period decrease in other real estate owned expenses was the most significant factor contributing to the decrease in total

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non-interest expenses when compared with the corresponding prior year period's non-interest expenses. The following table presents the major components of non-interest expenses for the nine months ended September 30, 2013 and 2012.

Non-Interest Expenses

| | Nine months Ended September 30, | |
|---|--|----------------------|
| | 2013 | 2012 |
| Salaries and employee benefits | \$ 9,458,247 | \$ 9,156,318 |
| Occupancy expenses | 1,930,227 | 1,860,446 |
| Data processing services | 868,960 | 774,110 |
| Marketing | 219,326 | 145,793 |
| Regulatory, professional and other fees | 770,015 | 611,606 |
| FDIC insurance expense | 146,249 | 426,960 |
| Other real estate owned expenses | 770,858 | 2,128,771 |
| Amortization of intangible assets | 200,975 | 200,975 |
| Other expenses | 2,133,894 | 1,864,686 |
| | \$ 16,498,751 | \$ 17,169,665 |

Salaries and employee benefits, which represent the largest portion of non-interest expenses, increased by \$301,929, or 3.3%, to \$9,458,247 for the nine months ended September 30, 2013 compared to \$9,156,318 for the nine months ended September 30, 2012. The increase in salaries and employee benefits for the nine months ended September 30, 2013 was the result of regular merit increases and increased health care costs.

Occupancy expenses increased by \$69,781, or 3.8%, to \$1,930,227 for the nine months ended September 30, 2013 compared to \$1,860,446 for the nine months ended September 30, 2012. The increase in occupancy expenses for the current period was primarily attributable to increased maintenance costs related to the Bank's branch properties.

The cost of data processing services increased to \$868,960 for the nine months ended September 30, 2013 from \$774,110 for the nine months ended September 30, 2012 as additional expenses were incurred in connection with a 2013 initiative to upgrade the software capabilities in branch offices in order to fully implement the Bank's mobile banking system.

Regulatory, professional and other fees increased by \$158,409, or 25.9%, to \$770,015 for the nine months ended September 30, 2013 compared to \$611,606 for the nine months ended September 30, 2012. During the first nine months of 2013, the Company incurred professional fees in connection with consultants engaged to assess the Company's compliance with regulatory requirements and risk management programs. In addition, the increase in regulatory, professional and other fees for the nine months ended September 30, 2013 was partially due to the Company's incurrence of legal fees in connection with the proposed merger of Rumson-Fair Haven Bank & Trust Company with and into the Bank.

Other real estate owned expenses decreased by \$1,357,913 to \$770,858 for the nine months ended September 30, 2013 compared to \$2,128,771 for the nine months ended September 30, 2012 as the Company incurred a lower level of property tax, maintenance and other costs on fewer repossessed properties held as other real estate owned during the first nine months of 2013 compared to the first nine months of 2012. At September 30, 2013, the Bank held four properties with an aggregate value of \$2,808,554 as other real estate owned compared to nine properties with an

aggregate value of \$10,225,740 at September 30, 2012.

FDIC insurance expense decreased to \$146,249 for the nine months ended September 30, 2013 compared to \$426,960 for the nine months ended September 30, 2012 as a result of the changes required by the Dodd-Frank Act with respect to FDIC premium assessment rules.

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All other expenses increased by \$269,208 to \$2,133,894 for the nine months ended September 30, 2013 from \$1,864,686 for the nine months ended September 30, 2012 as a result of current year increases in payroll processing fees, ATM operation expenses and insurance premiums.

An important financial services industry productivity measure is the efficiency ratio. The efficiency ratio is calculated by dividing total operating expenses by the sum of net interest income on a tax-equivalent basis and non-interest income. An increase in the efficiency ratio indicates that more resources are being utilized to generate the same or greater volume of income, while a decrease would indicate a more efficient allocation of resources. The Company's efficiency ratio decreased to 68.2% for the nine months ended September 30, 2013 compared to 69.3% for the nine months ended September 30, 2012 primarily as a result of the \$1,357,913 decrease in other real estate owned expenses.

Income Taxes

The Company had income tax expense of \$1,741,974 for the nine months ended September 30, 2013 compared to income tax expense of \$1,533,323 for the nine months ended September 30, 2012. The increase in the income tax expense for the 2013 period was primarily due to the higher level of taxable interest income for the first nine months of 2013 compared to the first nine months of 2012.

Financial Condition

September 30, 2013 Compared with December 31, 2012

Total consolidated assets at September 30, 2013 were \$790,168,852, representing a decrease of \$50,799,530, or 6.0%, from total consolidated assets of \$840,968,382 at December 31, 2012.

Cash and Cash Equivalents

Cash and cash equivalents at September 30, 2013 totaled \$123,815,138 compared to \$14,044,921 at December 31, 2012. Cash and cash equivalents at September 30, 2013 consisted of cash and due from banks of \$123,803,713 and Federal funds sold/short term investments of \$11,425. The corresponding balances at December 31, 2012 were \$14,033,501 and \$11,420, respectively. The increase in long-term market interest rates that occurred during the third quarter of 2013 reduced the demand for mortgage refinancings, which led to a decrease in borrowings under mortgage warehouse lines extended to licensed mortgage banking companies by the Bank. To the extent that the Bank did not utilize the funds for loan originations or securities purchases, the cash inflows accumulated in cash and cash equivalents.

Loans Held for Sale

Loans held for sale at September 30, 2013 amounted to \$14,535,681 compared to \$35,960,262 at December 31, 2012. As indicated in the Consolidated Statements of Cash Flows, the amount of loans originated for sale was \$114,126,927 for the nine months ended September 30, 2013 compared to \$128,302,763 for the nine months ended September 30, 2012. The current period decrease was primarily due to the increase in long-term interest rates during the nine months ended September 30, 2013.

Investment Securities

Investment securities represented 31.9% of total assets at September 30, 2013 and 26.9% at December 31, 2012. Total investment securities increased \$26,261,268, or 11.6%, to \$252,130,133 at September 30, 2013 from \$225,868,865 at December 31, 2012. Purchases of investments totaled \$79,508,130 during the nine months ended September 30, 2013, and proceeds from calls and repayments totaled \$47,912,035 during the period.

Securities available for sale are investments that may be sold in response to changing market and interest rate conditions or for other business purposes. Activity in this portfolio is undertaken primarily to manage

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liquidity and interest rate risk and to take advantage of market conditions that create more economically attractive returns. At September 30, 2013, securities available for sale totaled \$101,557,211, which is a decrease of \$8,283,754, or 7.5%, from securities available for sale totaling \$109,840,965 at December 31, 2012.

At September 30, 2013, the securities available for sale portfolio had net unrealized losses of \$(2,659,220), compared to net unrealized gains of \$1,806,967 at December 31, 2012. These unrealized (losses)/gains are reflected, net of tax, in shareholders' equity as a component of accumulated other comprehensive income.

Securities held to maturity, which are carried at amortized historical cost, are investments for which there is the positive intent and ability to hold to maturity. At September 30, 2013, securities held to maturity were \$150,572,922, an increase of \$34,545,022, or 29.8%, from \$116,027,900 at December 31, 2012. The fair value of the held to maturity portfolio at September 30, 2013 was \$152,186,281.

Proceeds from maturities and prepayments of securities during the first nine months of 2013 were used primarily to reduce the Company's borrowings.

Loans

The loan portfolio, which represents our largest asset, is a significant source of both interest and fee income. Elements of the loan portfolio are subject to differing levels of credit and interest rate risk. The Bank's primary lending focus continues to be mortgage warehouse lines, construction loans, commercial loans, owner-occupied commercial mortgage loans and tenanted commercial real estate loans.

The following table sets forth the classification of loans by major category at September 30, 2013 and December 31, 2012.

| Loan Portfolio Composition Component | September 30, 2013 | | December 31, 2012 | |
|--|--------------------|------------|-------------------|------------|
| | Amount | % of total | Amount | % of total |
| Construction loans | \$ 43,233,737 | 12% | \$ 55,691,393 | 11% |
| Residential real estate loans | 11,656,190 | 3% | 10,897,307 | 2% |
| Commercial business | 65,724,407 | 18% | 57,865,436 | 11% |
| Commercial real estate | 96,490,718 | 27% | 102,412,694 | 20% |
| Mortgage warehouse lines | 134,534,202 | 37% | 284,127,530 | 54% |
| Loans to individuals | 9,847,383 | % | 9,643,385 | 2% |
| Deferred loan fees and costs | 905,896 | % | 987,086 | % |
| All other loans | 170,940 | % | 189,279 | % |
| | \$ 362,563,473 | 100% | \$ 521,814,110 | 100% |

The loan portfolio decreased by \$159,264,637, or 30.5%, to \$362,563,473 at September 30, 2013 compared to \$521,814,110 at December 31, 2012. This decrease in the loan portfolio was primarily the result of two factors: (1) the increase in long-term interest rates during the third quarter of 2013, which led to lower levels of mortgage refinancings, and (2) the shift from borrowings for mortgage refinancings to borrowings for new mortgages to purchase real property, which typically require more time to document and close.

The Mortgage warehouse lines component of the loan portfolio decreased by \$149,593,328, or 52.7%, to \$134,534,702 compared to \$284,127,530 at December 31, 2012.

The Bank's Mortgage Warehouse Funding Group offers a revolving line of credit that is available to licensed mortgage banking companies (the Warehouse Line of Credit) and that we believe has been successful from inception in 2008. The Warehouse Line of Credit is used by mortgage bankers to originate one-to-four family residential mortgage loans that are pre-sold to the secondary mortgage market, which includes state and national banks, national mortgage banking firms, insurance companies and government-sponsored enterprises, including the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and

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others. On average, an advance under the Warehouse Line of Credit remains outstanding for a period of less than 30 days, with repayment coming directly from the sale of the loan into the secondary mortgage market. Interest (the spread between our borrowing cost and the rate charged to the client) and a transaction fee are collected by the Bank at the time of repayment. Additionally, customers of the Warehouse Line of Credit are required to maintain deposit relationships with the Bank that, on average, represent 10% to 15% of the loan balances.

The Bank's Construction loans portfolio decreased by \$12,457,656 during the first nine months of 2013. The Bank received \$13,737,207 in prepayments for the Construction loan portfolio during the first nine months of 2013. In the current highly competitive marketplace for commercial and construction loans, developing new lending relationships and limiting the amount of loan prepayments will be essential for maintaining this portion of the Bank's loan portfolio.

The ability of the Company to enter into larger loan relationships and management's philosophy of relationship banking are key factors in the Company's strategy for loan growth. The ultimate collectability of the loan portfolio and recovery of the carrying amount of real estate are subject to changes in the Company's market region's economic environment and real estate market.

Non-Performing Assets

Non-performing assets consist of non-performing loans and other real estate owned. Non-performing loans are composed of (1) loans on a non-accrual basis, and (2) loans which are contractually past due 90 days or more as to interest and principal payments but that have not been classified as non-accrual. Included in non-accrual loans are loans whose terms have been restructured to provide a reduction or deferral of interest and/or principal because of deterioration in the financial position of the borrower and which have not performed in accordance with restructured terms.

The Bank's policy with regard to non-accrual loans is to generally place loans on a non-accrual status when they are 90 days past due unless these loans are well secured and in the process of collection or, regardless of the past due status of the loan, when management determines that the complete recovery of principal or interest is in doubt. Consumer loans are generally charged off after they become 120 days past due. Subsequent payments on loans in non-accrual status are credited to income only if collection of principal is not in doubt.

Non-performing loans increased by \$1,784,638 to \$7,748,140 at September 30, 2013 from \$5,963,502 at December 31, 2012. The major segment of non-accrual loans consist of commercial real estate loans, which are in the process of collection. The table below sets forth non-performing assets and risk elements in the Bank's portfolio for the periods indicated.

As the table demonstrates, while non-performing loans to total loans increased to 2.14% at September 30, 2013 from 1.14% at December 31, 2012, loan quality is still considered to be sound. This was accomplished through quality loan underwriting, a proactive approach to loan monitoring and aggressive workout strategies.

| | September 30, 2013 | December 31, 2012 |
|---|-----------------------|----------------------|
| Non-Performing Assets and Loans | | |
| Non-Performing loans: | | |
| Loans 90 days or more past due and still accruing | \$ 94,898 | \$ 84,948 |
| Non-accrual loans | 7,653,242 | 5,878,554 |
| Total non-performing loans | 7,748,140 | 5,963,502 |

| | | |
|--|---------------|---------------|
| Other real estate owned | 2,808,554 | 8,332,601 |
| Total non-performing assets | \$ 10,556,694 | \$ 14,296,103 |
| Non-performing loans to total loans | 2.14% | 1.14% |
| Non-performing loans to total loans excluding mortgage warehouse lines | 3.40% | 2.51% |
| Non-performing assets to total assets | 1.34% | 1.70% |
| Non-performing assets to total assets excluding mortgage warehouse lines | 1.61% | 2.57% |

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Non-performing assets decreased by \$3,739,409 to \$10,556,694 at September 30, 2013 from \$14,296,103 at December 31, 2012. Other real estate owned decreased by \$6,124,047 to \$2,208,554 at September 30, 2013 from \$8,332,601 at December 31, 2012. Since December 31, 2012, the Bank sold and transferred properties totaling approximately \$7,183,854 out of other real estate owned. In addition, during the nine months ended September 30, 2013, the Bank recorded a provision for loss on other real estate owned of \$662,918.

At September 30, 2013, the Bank had eight loans totaling \$4,248,442 that were classified as troubled debt restructurings. Two of these loans totaling \$374,173 are included in the above table as non-accrual loans. The remaining six loans totaling \$3,874,269 are considered performing loans.

Non-performing assets represented 1.34% of total assets at September 30, 2013 and 1.70% at December 31, 2012.

Management takes a proactive approach in addressing delinquent loans. The Company's President meets weekly with all loan officers to review the status of credits past-due 10 days or more. An action plan is discussed for delinquent loans to determine the steps necessary to induce the borrower to cure the delinquency and restore the loan to a current status. Also, delinquency notices are system generated when loans are five days past due and again at 15 days past due.

In most cases, the Company's collateral is real estate and when the collateral is foreclosed upon, the real estate is carried at the lower of fair market value less the estimated selling costs or the initially recorded amount. The amount, if any, by which the recorded amount of the loan exceeds the fair market value of the collateral, is a loss which is charged against the allowance for loan losses at the time of foreclosure or repossession. Resolution of a past-due loan can be delayed if the borrower files a bankruptcy petition because a collection action cannot be continued unless the Company first obtains relief from the automatic stay provided by the bankruptcy code.

Allowance for Loan Losses and Related Provision

The allowance for loan losses is maintained at a level sufficient to absorb estimated credit losses in the loan portfolio as of the date of the financial statements. The allowance for loan losses is a valuation reserve available for losses incurred or inherent in the loan portfolio and other extensions of credit. The determination of the adequacy of the allowance for loan losses is a critical accounting policy of the Company.

The Company's primary lending emphasis is the origination of commercial and commercial real estate loans and mortgage warehouse lines of credit. Based on the composition of the loan portfolio, the inherent primary risks are deteriorating credit quality, a decline in the economy, and a decline in New Jersey real estate market values. Any one, or a combination, of these events may adversely affect the loan portfolio and may result in increased delinquencies, loan losses and increased future provision levels.

All or part of the principal balance of commercial and commercial real estate loans and construction loans are charged off against the allowance as soon as it is determined that the repayment of all or part of the principal balance is highly unlikely. Consumer loans are generally charged off no later than 120 days past due on a contractual basis, earlier in the event of bankruptcy, or if there is an amount deemed uncollectible. Because all identified losses are immediately charged off, no portion of the allowance for loan losses is restricted to any individual loan or groups of loans, and the entire allowance is available to absorb any and all loan losses.

Management reviews the adequacy of the allowance on at least a quarterly basis to ensure that the provision for loan losses has been charged against earnings in an amount necessary to maintain the allowance at a level that is adequate based on management's assessment of probable estimated losses. The Company's methodology for assessing the

adequacy of the allowance for loan losses consists of several key elements. These elements may include a specific reserve for doubtful or high risk loans, an allocated reserve, and an unallocated portion.

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The Company consistently applies the following comprehensive methodology. During the quarterly review of the allowance for loan losses, the Company considers a variety of factors that include:

General economic conditions;

Trends in charge-offs;

Trends and levels of delinquent loans;

Trends and levels of non-performing loans, including loans over 90 days delinquent;

Trends in volume and terms of loans;

Levels of allowance for specific classified loans; and

Credit concentrations.

The methodology includes the segregation of the loan portfolio into loan types with a further segregation into risk rating categories. This allows for an allocation of the allowance for loan losses by loan type; however, the allowance is available to absorb any loan loss without restriction. Larger balance, non-homogeneous loans representing significant individual credit exposures are evaluated individually through the internal loan review process. It is this process that produces the watch list. The borrower's overall financial condition, repayment sources, guarantors and value of collateral, if appropriate, are evaluated. Based on these reviews, an estimate of probable losses for the individual larger-balance loans are determined, whenever possible, and used to establish loan loss reserves. In general, for non-homogeneous loans not individually assessed, and for homogeneous loans, such as residential mortgages and consumer credits, the loans are collectively evaluated based on delinquency status, loan type, and historical losses. These loan groups are then internally risk rated.

The watch list includes loans that are assigned a rating of special mention, substandard, doubtful and loss. Loans classified as special mention have potential weaknesses that deserve management's close attention. If uncorrected, the potential weaknesses may result in deterioration of the repayment prospects. Loans classified as substandard have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They include loans that are inadequately protected by the current sound net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans classified as doubtful have all the weaknesses inherent in loans classified substandard with the added characteristic that collection or liquidation in full, on the basis of current conditions and facts, is highly improbable. Loans rated as doubtful in whole or in part are placed in nonaccrual status. Loans classified as a loss are considered uncollectible and are charged against the allowance for loan losses.

The specific reserve for impaired loans is established for specific loans which have been identified by management as being high-risk loan assets. These impaired loans are assigned a doubtful risk rating grade because the loan has not performed according to payment terms and there is reason to believe that repayment of the loan principal in whole or

part is unlikely. The specific portion of the allowance is the total amount of potential unconfirmed losses for these individual doubtful loans. To assist in determining the fair value of loan collateral, the Company often utilizes independent third party qualified appraisal firms which, in turn, employ their own criteria and assumptions that may include occupancy rates, rental rates, and property expenses, among others.

The second category of reserves consists of the allocated portion of the allowance. The allocated portion of the allowance is determined by taking pools of outstanding loans that have similar characteristics and applying historical loss experience for each pool. This estimate represents the potential unconfirmed losses within the portfolio. Individual loan pools are created for commercial and commercial real estate loans, construction loans, and various types of loans to individuals. The historical estimation for each loan pool is then adjusted to account for current conditions, current loan portfolio performance, loan policy or management changes, or any other factors which may cause future losses to deviate from historical levels.

The Company also maintains an unallocated allowance. The unallocated allowance is used to cover any factors or conditions which may cause a potential loan loss but are not specifically identifiable. It is prudent to

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maintain an unallocated portion of the allowance because no matter how detailed an analysis of potential loan losses is performed, these estimates, by definition, lack precision. Management must make estimates using assumptions and information that is often subjective and changing rapidly.

Loans are placed in a non-accrual status when the ultimate collectability of principal or interest in whole or part is in doubt. Past-due loans contractually past-due 90 days or more for either principal or interest are also placed in non-accrual status unless they are both well secured and in the process of collection. Impaired loans are evaluated individually.

The following table presents, for the periods indicated, an analysis of the allowance for loan losses and other related data.

Allowance for Loan Losses

| | Nine Months Ended September 30, 2013 | Year Ended December 31, 2012 | Nine Months Ended September 30, 2012 |
|---|--|---------------------------------|--|
| Balance, beginning of period | \$ 7,151,212 | \$ 5,534,450 | \$ 5,534,451 |
| Provision charged to operating expenses | 776,664 | 2,149,992 | 1,649,994 |
| Loans charged off : | | | |
| Construction loans | (561,993) | (57,650) | (57,650) |
| Residential real estate loans | | (130,694) | (208,552) |
| Commercial and commercial real estate | (486,034) | (275,888) | (235,402) |
| Loans to individuals | (90,865) | (83,859) | |
| Lease financing | | | |
| All other loans | | | |
| | (1,138,892) | (548,091) | (501,604) |
| Recoveries | | | |
| Construction loans | 417 | 3,403 | 3,403 |
| Residential real estate loans | | | |
| Commercial and commercial real estate | 17,947 | 11,458 | 6,799 |
| Loans to individuals | 12,832 | | |
| Lease financing | | | |
| All other loans | | | |
| | 31,196 | 14,861 | 10,202 |
| Net (charge offs) / recoveries | (1,107,696) | (533,230) | (491,402) |
| Balance, end of period | \$ 6,820,180 | \$ 7,151,212 | \$ 6,693,043 |

Loans :

| | | | |
|--|----------------|----------------|----------------|
| At period end | \$ 362,549,473 | \$ 521,814,110 | \$ 497,247,199 |
| Average during the period | 386,475,158 | 444,064,283 | 438,292,781 |
| Net (charge offs)/recoveries to average loans outstanding (annualized) | (0.29)% | (0.12)% | (0.11)% |
| Allowance for loan losses to : | | | |
| Total loans at period end | 1.88% | 1.37% | 1.35% |
| Total loans at period end excluding mortgage warehouse lines | 2.99% | 3.01% | 2.72% |
| Non-performing loans | 88.02% | 119.92% | 139.47% |

The Company recorded a provision for loan losses of \$776,664 for the nine months ended September 30, 2013 compared to \$1,649,994 for the nine months ended September 30, 2012. In addition to the results of

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management's comprehensive review of the adequacy of the allowance, the decision for the reduced level of the current provision was further supported by the risk profile of the loan portfolio being reduced by a \$159,264,637, or 30.5%, decrease in the total loan portfolio at September 30, 2013 compared to the December 31, 2012 balance. Net charge offs/recoveries amounted to a net charge-off of \$1,107,696 for the nine months ended September 30, 2013.

At September 30, 2013, the allowance for loan losses was \$6,820,180 compared to \$7,151,212 at December 31, 2012, a decrease of \$331,032. The ratio of the allowance for loan losses to total loans was 1.88% and 1.37%, respectively, at September 30, 2013 and December 31, 2012. The allowance for loan losses as a percentage of non-performing loans was 88.02% at September 30, 2013 compared to 119.92% at December 31, 2012. Management believes that the quality of the loan portfolio remains sound considering the economic climate and economy in the State of New Jersey and that the allowance for loan losses is adequate in relation to credit risk exposure levels.

Deposits

Deposits, which include demand deposits (interest bearing and non-interest bearing), savings deposits and time deposits, are a fundamental and cost-effective source of funding. The flow of deposits is influenced significantly by general economic conditions, changes in market interest rates and competition. The Bank offers a variety of products designed to attract and retain customers, with the Bank's primary focus being on building and expanding long-term relationships.

The following table summarizes deposits at September 30, 2013 and December 31, 2012.

| | September 30, 2013 | December 31, 2012 |
|----------------------|-----------------------|----------------------|
| Demand | | |
| Non-interest bearing | \$ 147,179,144 | \$ 152,334,759 |
| Interest bearing | 207,300,503 | 211,475,765 |
| Savings | 191,785,124 | 202,261,035 |
| Time | 140,679,183 | 141,617,916 |
| | \$ 686,943,954 | \$ 707,689,475 |

At September 30, 2013, total deposits were \$686,943,954, a decrease of \$20,745,521, or 2.9%, from \$707,689,475 at December 31, 2012.

Borrowings

Borrowings are mainly comprised of Federal Home Loan Bank (FHLB) borrowings and overnight funds purchased. These borrowings are primarily used to fund asset growth not supported by deposit generation. The balance of borrowings was \$10,000,000 at September 30, 2013, consisting solely of FHLB long-term borrowings. The balance of borrowings at December 31, 2012 consisted of long-term FHLB borrowings of \$10,000,000 and overnight funds purchased of \$32,400,000.

The Bank has a fixed-rate convertible advance from the FHLB in the amount of \$10,000,000 that bears interest at the rate of 4.08%. This advance may be called by the FHLB quarterly at the option of the FHLB if rates rise and the rate earned by the FHLB is no longer a market rate. This advance is fully secured by marketable securities.

Shareholders Equity and Dividends

Shareholders equity increased by \$2,098,588 to \$67,152,120 at September 30, 2013 from \$65,053,532 at December 31, 2012. Tangible book value per common share increased by \$0.37, or 3.7%, to \$10.39 at

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September 30, 2013 from \$10.02 at December 31, 2012. The current period increase in tangible book value per common share was the result of net income of \$4,405,588 for the nine months ended September 30, 2013. The ratio of shareholders' equity to total assets was 8.50% and 7.74%, respectively, at September 30, 2013 and December 31, 2012. The increase in shareholders' equity was primarily the result of net income of \$4,405,588 for the nine months ended September 30, 2013, which was partially offset by the other comprehensive loss of \$2,869,839 for the nine-month period.

In lieu of cash dividends to common shareholders, the Company (and its predecessor, the Bank) has declared a stock dividend every year since 1992 and has paid such dividends every year since 1993. Five percent stock dividends were declared in 2012 and 2011 and paid in 2013 and 2012, respectively.

The Company's common stock is quoted on the Nasdaq Global Market under the symbol FCCY.

In 2005, the Company's Board of Directors authorized a common stock repurchase program that allows for the repurchase of a limited number of the Company's shares at management's discretion on the open market. The Company undertook this repurchase program in order to increase shareholder value. Disclosure of repurchases of Company shares, if any, made during the quarter ended September 30, 2013 is set forth under Part II, Item 2 of this report, Unregistered Sales of Equity Securities and Use of Proceeds.

Actual capital amounts and ratios for the Company and the Bank as of September 30, 2013 and December 31, 2012 were as follows:

| | | | To Be Well Capitalized | | | |
|--|---------------|--------|------------------------|-------|-------------------|-------|
| | | | Under Prompt | | | |
| | | | For Capital | | Corrective Action | |
| | | | Adequacy Purposes | | Provision | |
| | Actual | | Amount | Ratio | Amount | Ratio |
| | Amount | Ratio | | | | |
| As of September 30, 2013 | | | | | | |
| Company | | | | | | |
| Total Capital to Risk Weighted Assets | \$ 87,981,099 | 19.30% | \$ 36,455,840 | >8% | N/A | N/A |
| Tier 1 Capital to Risk Weighted Assets | 82,261,099 | 18.05% | 18,227,920 | >4% | N/A | N/A |
| Tier 1 Capital to Average Assets | 82,261,099 | 10.36% | 31,769,544 | >4% | N/A | N/A |
| Bank | | | | | | |
| Total Capital to Risk Weighted Assets | \$ 85,640,189 | 18.79% | \$ 36,455,840 | >8% | \$ 45,569,800 | >10% |
| Tier 1 Capital to Risk Weighted Assets | 79,930,189 | 17.54% | 18,227,920 | >4% | 27,341,880 | >6% |
| Tier 1 Capital to Average Assets | 79,930,189 | 10.06% | 31,769,440 | >4% | 39,711,800 | >5% |
| As of December 31, 2012 | | | | | | |
| Company | | | | | | |
| Total Capital to Risk Weighted Assets | \$ 81,213,909 | 12.98% | \$ 50,044,960 | >8% | N/A | N/A |
| Tier 1 Capital to Risk Weighted Assets | 74,062,697 | 11.84% | 25,022,480 | >4% | N/A | N/A |
| Tier 1 Capital to Average Assets | 74,062,697 | 9.29% | 31,881,576 | >4% | N/A | N/A |
| Bank | | | | | | |

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| | | | | | | |
|--|---------------|--------|---------------|-----|---------------|------|
| Total Capital to Risk Weighted Assets | \$ 78,621,740 | 12.57% | \$ 50,044,960 | >8% | \$ 62,556,200 | >10% |
| Tier 1 Capital to Risk Weighted Assets | 71,470,528 | 11.43% | 25,022,480 | >4% | 37,533,720 | >6% |
| Tier 1 Capital to Average Assets | 71,470,528 | 9.05% | 31,604,458 | >4% | 39,505,573 | >5% |

The minimum regulatory capital requirements for financial institutions require institutions to have a Tier 1 capital to average assets ratio of 4.0%, a Tier 1 capital to risk weighted assets ratio of 4.0% and a total capital to risk weighted assets ratio of 8.0%. To be considered well capitalized, an institution must have a minimum Tier 1 leverage ratio of 5.0%. At September 30, 2013, the ratios of the Company exceeded the ratios required to be considered well capitalized. It is management's goal to monitor and maintain adequate capital levels to continue to support asset growth and continue its status as a well-capitalized institution.

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In July 2013, the Federal Reserve Board and the FDIC approved revisions to their capital adequacy guidelines and prompt corrective action rules that implement the revised standards of the Basel Committee on Banking Supervision, commonly called Basel III, and address relevant provisions of the Dodd-Frank Act Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act). The Federal Reserve Board's final rules and the FDIC's interim final rules apply to all depository institutions, top-tier bank holding companies with total consolidated assets of \$500 million or more, and top-tier savings and loan holding companies (banking organizations). Among other things, the rules establish a new common equity Tier 1 minimum capital requirement (4.5% of risk-weighted assets) and increase the minimum Tier 1 capital to risk-based assets requirement (from 4% to 6% of risk-weighted assets). Banking organizations will also be required to have a total capital ratio of 8% (unchanged from current rules) and a Tier 1 leverage ratio of 4% (unchanged from current rules). The rules also limit a banking organization's ability to pay dividends, engage in share repurchases or pay discretionary bonuses if the banking organization does not hold a capital conservation buffer consisting of 2.5% of common equity Tier 1 capital to risk-weighted assets in addition to the amount necessary to meet its minimum risk-based capital requirements. The rules become effective for the Company and the Bank on January 1, 2015. The capital conservation buffer requirement will be phased in beginning in January 1, 2016 at 0.625% of common equity Tier 1 capital to risk-weighted assets and would increase by that amount each year until fully implemented in January 2019 at 2.5% of common equity Tier 1 capital to risk-weighted assets. Management is currently evaluating the provisions of these rules and their expected impact on the Company and the Bank.

Liquidity

At September 30, 2013, the amount of liquid assets remained at a level management deemed adequate to ensure that contractual liabilities, depositors' withdrawal requirements, and other operational and customer credit needs could be satisfied.

Liquidity management refers to the Company's ability to support asset growth while satisfying the borrowing needs and deposit withdrawal requirements of customers. In addition to maintaining liquid assets, factors such as capital position, profitability, asset quality and availability of funding affect a bank's ability to meet its liquidity needs. On the asset side, liquid funds are maintained in the form of cash and cash equivalents, Federal funds sold, investment securities held to maturity maturing within one year, securities available for sale and loans held for sale. Additional asset-based liquidity is derived from scheduled loan repayments as well as investment repayments of principal and interest from mortgage-backed securities. On the liability side, the primary source of liquidity is the ability to generate core deposits. Short-term borrowings are used as supplemental funding sources when growth in the core deposit base does not keep pace with that of earning assets.

The Bank has established a borrowing relationship with the FHLB which further supports and enhances liquidity. During 2010, FHLB replaced its Overnight Line of Credit and One-Month Overnight Repricing Line of Credit facilities available to member banks with a fully secured line of up to 50 percent of a bank's quarter-end total assets. Under the terms of this facility, the Bank's total credit exposure to FHLB cannot exceed 50 percent, or \$395,084,426, of its total assets at September 30, 2013. In addition, the aggregate outstanding principal amount of the Bank's advances, letters of credit, the dollar amount of the FHLB's minimum collateral requirement for off-balance sheet financial contracts and advance commitments cannot exceed 30 percent of the Bank's total assets, unless the Bank obtains approval from FHLB's Board of Directors or its Executive Committee. These limits are further restricted by a member's ability to provide eligible collateral to support its obligations to FHLB as well as the ability to meet the FHLB's stock requirement. The Bank also maintains an unsecured federal funds line of \$20,000,000 with a correspondent bank.

The Consolidated Statements of Cash Flows present the changes in cash from operating, investing and financing activities. At September 30, 2013, the balance of cash and cash equivalents was \$123,815,138.

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Net cash provided by operating activities totaled \$31,153,912 for the nine months ended September 30, 2013 compared to net cash provided by operations of \$5,307,557 for the nine months ended September 30, 2012. The primary source of funds is net income from operations adjusted for activity related to loans originated for sale, the provision for loan losses, depreciation expenses, and net amortization of premiums on securities.

Net cash provided by investing activities totaled \$131,274,935 for the nine months ended September 30, 2013 compared to net cash used in investing activities of \$6,864,102 for the nine months ended September 30, 2012. The increase for the 2013 period resulted from a reduction of \$155,845,716 in the loan portfolio primarily through repayments.

Net cash used in financing activities totaled \$52,658,630 for the nine months ended September 30, 2013 compared to net cash provided by financing activities of \$361,464 for the nine months ended September 30, 2012.

The securities portfolios are also a source of liquidity, providing cash flows from maturities and periodic repayments of principal. For the nine months ended September 30, 2013, prepayments and maturities of investment securities totaled \$47,912,035. Another source of liquidity is the loan portfolio, which provides a flow of payments and maturities.

Interest Rate Sensitivity Analysis

The largest component of the Company's total income is net interest income, and the majority of the Company's financial instruments are composed of interest rate-sensitive assets and liabilities with various terms and maturities. The primary objective of management is to maximize net interest income while minimizing interest rate risk. Interest rate risk is derived from timing differences in the repricing of assets and liabilities, loan prepayments, deposit withdrawals, and differences in lending and funding rates. Management actively seeks to monitor and control the mix of interest rate-sensitive assets and interest rate-sensitive liabilities.

The Company continually evaluates interest rate risk management opportunities, including the use of derivative financial instruments. Management believes that hedging instruments currently available are not cost-effective and, therefore, has focused its efforts on increasing the Bank's spread by attracting lower-cost retail deposits.

Comparison of Results of Operations for Fiscal Year Ended December 31, 2012 and Fiscal Year Ended December 31, 2011 and Financial Condition as of December 31, 2012 and December 31, 2011

Results of Operations

1st Constitution reported net income for the year ended December 31, 2012 of \$5,060,504, an increase of 28.7% from the \$3,931,443 reported for the year ended December 31, 2011. The increase was due primarily to increases in net interest income and noninterest income, which were partially offset by increases in non-interest expenses and income taxes during the year ended December 31, 2012 compared to the prior year.

Diluted net income per common share was \$0.90 for the year ended December 31, 2012 compared to \$0.74 reported for the year ended December 31, 2011. Basic net income per common share for the year ended December 31, 2012 was \$0.92 as compared to \$0.74 reported for the year ended December 31, 2011. All per share information has been restated for the effect of a 5% stock dividend declared on December 20, 2012 and paid on January 31, 2013 to shareholders of record on January 14, 2013.

Return on average assets (ROA) and return on average equity (ROE) were 0.65% and 8.63%, respectively, for the year ended December 31, 2012, compared to 0.54% and 7.60%, respectively, for the year ended December 31, 2011 and 0.50% and 5.78%, respectively, for the year ended December 31, 2010. Key performance ratios improved for the 2012 fiscal year as compared to the prior year due to the higher net income for the year ended December 31, 2012 as compared to the year ended December 31, 2011.

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1st Constitution Bank's results of operations depend primarily on net interest income, which is primarily affected by the market interest rate environment, the shape of the U.S. Treasury yield curve, and the difference between the yield on interest-earning assets and the rate paid on interest-bearing liabilities. Other factors that may affect 1st Constitution Bank's operating results are general and local economic and competitive conditions, government policies and actions of regulatory authorities. The net interest margin for the year ended December 31, 2012 was 3.98% as compared to the 3.55% net interest margin recorded for the year ended December 31, 2011, an increase of 43 basis points. 1st Constitution will continue to closely monitor the mix of earning assets and funding sources to maximize net interest income during this challenging interest rate environment.

Net Interest Income

Net interest income, 1st Constitution's largest and most significant component of operating income, is the difference between interest and fees earned on loans and other earning assets, and interest paid on deposits and borrowed funds. This component represented 84.0% of 1st Constitution's non-GAAP net revenues for the year ended December 31, 2012. Net interest income also depends upon the relative amount of average interest earning assets, average interest-bearing liabilities, and the interest rate earned or paid on them, respectively.

The following tables set forth 1st Constitution's consolidated average balances of assets and liabilities and shareholders equity as well as interest income and expense on related items, and 1st Constitution's average yield or rate for the years ended December 31, 2012, 2011 and 2010. The average rates are derived by dividing interest income and expense by the average balance of assets and liabilities, respectively.

Average Balance Sheets with Resultant Interest and Rates

| | 2012 | | | 2011 | | | 2010 | | |
|-------------------------|--------------------|-----------|------------------|--------------------|------------|------------------|--------------------|-----------|------------------|
| | Average Balance | Interest | Average Yield | Average Balance | Interest | Average Yield | Average Balance | Interest | Average Yield |
| Assets: | | | | | | | | | |
| General Funds | | | | | | | | | |
| Time/Short-Term | | | | | | | | | |
| Investments | \$ 31,405,164 | \$ 81,697 | 0.26% | \$ 49,462,259 | \$ 126,729 | 0.26% | \$ 18,009,601 | \$ 45,023 | 0.25% |
| Investment Securities: | | | | | | | | | |
| Available | 170,089,425 | 4,434,108 | 2.61% | 200,218,556 | 5,422,190 | 2.71% | 197,134,646 | 4,782,984 | 2.42% |
| Non-exempt (4) | 51,118,158 | 2,482,451 | 4.86% | 45,377,934 | 2,208,221 | 4.87% | 11,961,266 | 670,657 | 5.61% |
| Other | 221,207,583 | 6,916,559 | 3.13% | 245,596,490 | 7,630,411 | 3.11% | 209,095,912 | 5,453,641 | 2.61% |
| Loan Portfolio | | | | | | | | | |
| Construction | 56,802,621 | 3,673,709 | 6.47% | 60,260,579 | 3,865,334 | 6.41% | 71,590,569 | 4,373,609 | 6.11% |
| Residential Real Estate | 11,673,215 | 603,748 | 5.17% | 11,323,077 | 705,087 | 6.23% | 10,866,758 | 635,681 | 5.85% |
| Other Equity | 10,226,081 | 574,910 | 5.62% | 12,194,011 | 698,822 | 5.73% | 13,500,060 | 786,419 | 5.83% |

| | | | | | | | | | |
|---------------------------------------|----------------|------------|-------|----------------|------------|-------|----------------|------------|-------|
| Commercial and Commercial Real Estate | 145,308,719 | 10,873,003 | 7.48% | 134,446,807 | 10,153,005 | 7.55% | 139,672,655 | 10,456,470 | 7.49% |
| Mortgage | | | | | | | | | |
| Warehouse Lines | 204,852,547 | 9,734,919 | 4.75% | 131,955,449 | 6,459,208 | 4.89% | 139,430,511 | 6,707,820 | 4.89% |
| Callment | 341,400 | 23,419 | 6.86% | 452,504 | 31,342 | 6.93% | 523,354 | 39,409 | 7.52% |
| Other Loans | 34,382,628 | 1,159,794 | 3.37% | 24,052,479 | 903,288 | 3.76% | 30,644,358 | 1,020,458 | 3.33% |
| Total | 463,587,211 | 26,643,502 | 5.75% | 374,684,906 | 22,816,086 | 6.09% | 406,228,265 | 24,019,866 | 5.91% |
| Interest-Earning Assets | 716,199,958 | 33,641,758 | 4.70% | 669,743,655 | 30,573,226 | 4.56% | 633,333,778 | 29,518,530 | 4.66% |
| Provision for Loan Losses | (6,370,415) | | | (5,959,591) | | | (5,249,095) | | |
| Due on Banks | 12,570,141 | | | 13,136,295 | | | 9,468,512 | | |
| Other Assets | 52,092,249 | | | 44,527,891 | | | 29,680,680 | | |
| Total Assets | \$ 774,491,933 | | | \$ 721,448,250 | | | \$ 667,233,875 | | |

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Average Balance Sheets with Resultant Interest and Rates
 Held on a
 (k-equivalent
 basis)

| | 2012 | | | 2011 | | | 2010 | | |
|--|-----------------------|----------------------|------------------|-----------------------|----------------------|------------------|-----------------------|----------------------|------------------|
| | Average Balance | Interest | Average Yield | Average Balance | Interest | Average Yield | Average Balance | Interest | Average Yield |
| Liabilities and Shareholders Equity: | | | | | | | | | |
| Interest-Bearing Liabilities: | | | | | | | | | |
| Money Market and NOW Accounts | \$ 203,419,423 | \$ 988,999 | 0.49% | \$ 172,790,166 | \$ 1,703,342 | 0.99% | \$ 121,849,620 | \$ 1,705,233 | 1.40% |
| Savings Accounts | 192,958,737 | 1,163,967 | 0.60% | 179,903,197 | 1,387,585 | 0.77% | 177,605,496 | 1,896,323 | 1.07% |
| Certificates of Deposit under \$100,000 | 70,100,750 | 1,077,425 | 1.54% | 73,470,718 | 1,260,946 | 1.72% | 87,523,084 | 1,525,160 | 1.74% |
| Certificates of Deposit of \$100,000 and over | 76,526,600 | 1,084,312 | 1.42% | 79,898,632 | 1,308,249 | 1.64% | 73,573,668 | 1,521,153 | 2.07% |
| Other Borrowed Funds | 17,804,645 | 450,462 | 2.53% | 18,400,493 | 444,185 | 2.41% | 35,883,534 | 1,100,354 | 3.07% |
| Trust Preferred Securities | 18,557,000 | 385,977 | 2.08% | 18,557,000 | 683,057 | 3.68% | 18,557,000 | 1,071,275 | 5.69% |
| Total Interest-Bearing Liabilities | 579,367,155 | 5,151,142 | 0.89% | 543,020,206 | 6,787,364 | 1.25% | 514,992,402 | 8,819,498 | 1.71% |
| Net Interest Margin (2) | | | 3.81% | | | 3.31% | | | 2.95% |
| Demand Deposits | 127,558,073 | | | 117,876,295 | | | 87,482,143 | | |
| Other Liabilities | 8,912,516 | | | 8,800,907 | | | 7,497,664 | | |
| Total Liabilities | 715,837,744 | | | 669,697,408 | | | 609,972,209 | | |
| Shareholders Equity | 58,654,189 | | | 51,750,842 | | | 57,261,666 | | |
| Total Liabilities and Shareholders Equity | \$ 774,491,933 | | | \$ 721,448,250 | | | \$ 667,233,875 | | |
| Net Interest Margin (3) | | \$ 28,490,616 | 3.98% | | \$ 23,785,862 | 3.55% | | \$ 20,699,032 | 3.27% |

- (1) Loan origination fees are considered an adjustment to interest income. For the purpose of calculating loan yields, average loan balances include nonaccrual loans with no related interest income. Please refer to Management's Discussion and Analysis of Financial Condition and Results of Operations under the heading "Non-Performing Assets" for a discussion of 1st Constitution Bank's policy with regard to non-accrual loans.
- (2) The interest rate spread is the difference between the average yield on interest earning assets and the average rate paid on interest bearing liabilities.
- (3) The net interest margin is equal to net interest income divided by average interest earning assets.
- (4) Tax equivalent basis.

Changes in net interest income and margin result from the interaction between the volume and composition of interest earning assets, interest bearing liabilities, related yields, and associated funding costs. The Rate/Volume Table demonstrates the impact on net interest income of changes in the volume of interest earning assets and interest bearing liabilities and changes in interest rates earned and paid.

1st Constitution's net interest income increased on a tax equivalent basis by \$4,704,754, or 19.8%, to \$28,490,616 for the year ended December 31, 2012, from the \$23,785,862 reported for the year ended December 31, 2011. As indicated in the Rate/Volume Table, the principal factor contributing to the increase in net interest income for the year ended December 31, 2012 was an increase in interest income of \$3,068,532, resulting from increased volumes on the interest-earning loan portfolio.

1st Constitution's net interest income increased on a tax equivalent basis by \$3,086,830, or 14.9%, to \$23,785,862 for the year ended December 31, 2011, from the \$20,699,032 reported for the year ended December 31, 2010. As indicated in the Rate/Volume Table, the principal factor contributing to the increase in net interest income

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for the year ended December 31, 2011 was a decrease in the interest expense of \$2,032,134, resulting from decreased rates on the interest-bearing liability components, and an increase in interest income from investment securities.

Rate/Volume Table

| (Tax-equivalent basis) | Amount of Increase (Decrease) | | | | | |
|---------------------------------------|--------------------------------------|-----------|--------------|-------------------|------------|--------------|
| | 2012 versus 2011 | | | 2011 versus 2010 | | |
| | Due to Change in: | | | Due to Change in: | | |
| | Volume | Rate | Total | Volume | Rate | Total |
| Interest Income: | | | | | | |
| Loans: | | | | | | |
| Construction | \$ (224,718) | \$ 33,093 | \$ (191,625) | \$ (707,655) | \$ 199,380 | \$ (508,275) |
| Residential Real Estate | 20,250 | (121,589) | (101,339) | 27,403 | 42,003 | 69,406 |
| Home Equity | (111,632) | (12,280) | (123,912) | (75,120) | (12,477) | (87,597) |
| Commercial and Commercial Real Estate | 817,096 | (97,093) | 720,003 | (389,342) | | |