

OFFICERS

Executive Management

José B. Guerrero, President & CEO
Jane E. Allerman-Rey, Executive Vice President & COO
Robert L. Peacock, Chief Financial Officer
John C. Duncan, Sr. Vice President, Senior Lending Officer
John M. Fitzpatrick, Sr. Vice President, Retail Banking
Thomas Mathews, Sr. Vice President & Treasurer

Vice Presidents

William Callahan	Edward King
Vincent Caravello	Michael McGrover
Marizel Collazo	Kenneth Mosher
Robert Conley	Mercedes Pedrick
Andrew Coward	Douglas Rettew
Allison Danchak	John Somers
Robert DeStefano	Warren Valentovic
Kim Higgins	Charles Woehrle
Donald Jacquin	

Assistant Vice Presidents

Victor Amoroso	Robert Melchionne
Janel Bazih	David Oddo
Marzena Czachor	Elizabeth Perez-Serrano
Frank DeJuana	Kerry Reilly
George DiPasquale	Luz Romaine
Michael Fatovic	Robert Savarese
John Ingrassia	Jonathan Shachov
Michael Irslinger	William Smith
Edward Kurbansade	Paul Tone
Suzanne Marcialis	

Assistant Treasurers

Rula Abualhuda	Elizabeth Miazga
Marta Alexandre	Eugene Mitchell
Joseph Barbieri	Marie Odovardi
Christopher Burbach	Halina Qasem
Eileen Duess	Justin Shapiro
Emilia Kaminski	Elizabeth Shingelo
Jane Kasten	Vincent Spada
Claudette Lovely-Brown	Madeline Zega

Corporate Secretary

Yolanda Doerr

DIRECTORS

José B. Guerrero
Albert D. Chamberlain
Anthony S. Cicatiello
Peter Hayes
Nicholas Lorusso
Barry Minkin
John Sturges

AUDITOR

Grant Thornton LLP

COUNSELORS

Graham O. Jones, Esq.
Jones & Jones, Counselors-At-Law



CORPORATE HEADQUARTERS

611 River Drive
Elmwood Park, NJ 07407
(800) 363-8115

BRANCH OFFICES

Clifton

437 Piaget Avenue • (973) 478-4663
908 Van Houten Avenue • (973) 916-1892

Cranford

213 South Avenue • (908) 653-1720

Elizabeth

618 Bayway Avenue • (908) 289-8050

Elmwood Park

680 River Drive • (201) 791-3192

Garfield

34 Outwater Lane • (973) 772-6700
104 Passaic Street • (973) 472-2190
800 River Drive • (973) 478-5960

Garwood

329 North Avenue • (908) 889-6390

Lodi

107 South Main Street • (973) 472-1581

Lyndhurst

230 Ridge Road • (201) 460-8530

North Caldwell

9 Bloomfield Avenue • (973) 228-1992

Nutley

375 Franklin Avenue • (973) 661-1200

Roselle

220 Chestnut Street • (908) 298-0454

Saddle Brook

140 Market Street • (201) 843-3046
487 Market Street • (201) 843-2556

Union

1331 Magie Avenue • (908) 289-1770

Wallington

219 Maple Avenue • (973) 365-2516

Wayne

183 Hamburg Turnpike • (973) 942-6004



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A prime example of strength in numbers.

—OUR STATEMENT OF CONDITION & INCOME 2010—



STATEMENT OF CONDITION

	December 31, 2010 (in thousands)
ASSETS	
Cash and due from banks	\$12,796
Interest-bearing deposits with banks	25,000
Federal funds sold	6,810
Total cash and cash equivalents	<u>44,606</u>
Investment securities available for sale, at fair value	447,579
Investment securities held to maturity, at amortized cost, fair value of \$7,914	8,328
Loans, net of allowance for loan losses of \$12,119	1,188,190
Accrued interest receivable	5,761
Bank owned life insurance	45,798
Federal Home Loan Bank of New York (FHLB NY) stock - at cost	14,514
Deferred tax asset	25,974
Premises and equipment - net	19,925
Other assets	<u>7,778</u>
TOTAL ASSETS	<u>\$1,808,453</u>
LIABILITIES AND RETAINED EARNINGS	
Liabilities:	
Deposits	\$1,306,256
Borrowings	251,100
Advances from borrowers for taxes and insurance	7,849
Accounts payable and other liabilities	<u>18,903</u>
TOTAL LIABILITIES	<u>1,584,108</u>
Retained Earnings:	
Retained earnings, substantially restricted	249,835
Accumulated other comprehensive loss - net of taxes	<u>(25,490)</u>
TOTAL RETAINED EARNINGS	<u>224,345</u>
TOTAL LIABILITIES AND RETAINED EARNINGS	<u>\$1,808,453</u>

REGULATORY CAPITAL REQUIREMENTS

	December 31, 2010	
	Amount (in thousands)	Percent
Tangible Capital:		
Actual	\$250,267	13.70%
Required	<u>27,399</u>	<u>1.50%</u>
Excess	<u>\$222,868</u>	<u>12.20%</u>
Core Capital:		
Actual	\$250,267	13.70%
Required	<u>73,065</u>	<u>4.00%</u>
Excess	<u>\$177,202</u>	<u>9.70%</u>
Total Risked-based Capital:		
Actual	\$262,386	16.03%
Required	<u>130,987</u>	<u>8.00%</u>
Excess	<u>\$131,399</u>	<u>8.03%</u>

This statement has been prepared in accordance with regulatory reporting requirements of the Office of Thrift Supervision (OTS). Tangible, Core and Total Capital are the elements of regulatory capital determined under such reporting requirements. Regulatory capital is a basis by which the OTS determines whether a savings association is operating in a safe and sound manner.

I, José B. Guerrero, President and CEO of Spencer Savings Bank SLA, do hereby declare that this statement of condition has been prepared in conformance with the instructions issued by the OTS and is true to the best of my knowledge and belief.

President & CEO Spencer Savings Bank, SLA

STATEMENT OF INCOME

	December 31, 2010 (in thousands)
INTEREST INCOME	
Loans	\$ 63,797
Mortgage-backed securities	17,277
Investments and other	3,729
Total interest income	<u>84,803</u>
INTEREST EXPENSE	
Deposits	19,853
Borrowings	<u>13,013</u>
Total interest expense	<u>32,866</u>
Net interest income before provision for loan losses	51,937
Provision for loan losses	<u>8,153</u>
Net interest income after provision for loan losses	<u>43,784</u>
NON-INTEREST INCOME	
Service Charges	1,799
Income from bank-owned life insurance	1,771
Impairment losses on securities available for sale	(586)
Other Income	<u>912</u>
Total non-interest income	<u>3,896</u>
NON-INTEREST EXPENSE	
Compensation & employee benefits	19,205
Occupancy and equipment	5,493
Data processing	1,525
Professional and legal fees	1,599
FDIC deposit insurance premiums	1,895
Advertising	1,002
Other	<u>3,026</u>
Total non-interest expense	<u>33,745</u>
INCOME BEFORE INCOME TAXES	13,935
INCOME TAXES	<u>4,264</u>
NET INCOME	<u>\$9,671</u>