

STATEMENT OF CONDITION

ASSETS

	December 31, 2022 (in thousands)
Cash and due from banks	\$ 9,160
Interest-bearing deposits with banks	21,924
Total cash and cash equivalents	<u>31,084</u>
Investment securities available for sale, at fair value	382,739
Investment securities held to maturity, at amortized cost, fair value of \$15,412	15,482
Equity securities, at fair value	8,850
Loans, net of allowance for loan losses of \$30,188	3,125,544
Accrued interest receivable	12,244
Bank owned life insurance	99,214
Federal Home Loan Bank of New York (FHLBNY) stock - at cost	23,042
Deferred tax asset, net	26,789
Premises and equipment, net	16,056
Goodwill	33,375
Right of Use (ROU) Asset	19,782
Other assets	<u>18,312</u>
TOTAL ASSETS	\$ 3,812,513

LIABILITIES AND EQUITY

Liabilities:

	December 31, 2022
Deposits	\$ 2,901,224
Borrowings	413,546
Advances from borrowers for taxes and insurance	14,814
Lease liability	21,274
Accounts payable and other liabilities	59,295
TOTAL LIABILITIES	3,410,153

Equity:

	December 31, 2022
Retained Earnings, substantially restricted	424,436
Accumulated other comprehensive loss - net of taxes	(22,076)
TOTAL EQUITY	402,360

TOTAL LIABILITIES AND EQUITY

December 31, 2022
(in thousands)

\$ 9,160
21,924
31,084

382,739
15,482
8,850
3,125,544
12,244
99,214
23,042
26,789
16,056
33,375
19,782
18,312

\$ 3,812,513

REGULATORY CAPITAL REQUIREMENTS

	December 31, 2022	
	Amount	Percent
	(in thousands)	
Total Capital (to risk - weighted assets)		
Actual	\$ 420,310	15.52%
Required	210,397	8.00%
Excess	<u>\$ 209,913</u>	<u>7.52%</u>
Tier I Capital (to risk - weighted assets)		
Actual	\$ 390,122	14.41%
Required	157,798	6.00%
Excess	<u>\$ 232,324</u>	<u>8.41%</u>
Core Capital (to adjusted total assets)		
Actual	\$ 390,122	10.40%
Required	144,764	4.00%
Excess	<u>\$ 245,358</u>	<u>6.40%</u>

This statement has been prepared in accordance with regulatory reporting requirements of the Federal Deposit Insurance Company (FDIC). Total and Tier I Capital are the elements of regulatory capital determined under such reporting requirements. Regulatory capital is a basis by which the FDIC determines whether a savings association is operating in a safe and sound manner.

I, José B. Guerrero, Chairman 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 FDIC and is true to the best of my knowledge and belief.

José B. Guerrero

Chairman & CEO Spencer Savings Bank, SLA

STATEMENT OF INCOME

December 31, 2022
(in thousands)

INTEREST INCOME

Interest-bearing deposits with banks	\$ 1,027
Investment securities	9,986
Loans	125,576
Total interest income	<u>136,589</u>

INTEREST EXPENSE

Deposits	17,385
Borrowings	5,286
Total interest expense	<u>22,671</u>
Net interest income before provision for loan losses	113,918
Provision for loan losses	3,511
Net interest income after provision for loan losses	<u>110,407</u>

NON-INTEREST INCOME

Service charges	3,509
Income from bank-owned life insurance	2,490
Other income	(868)
Total non-interest income	<u>5,131</u>

NON-INTEREST EXPENSE

Compensation & employee benefits	44,041
Occupancy and equipment	8,630
Data processing	4,323
Professional and legal fees	6,308
FDIC deposit insurance premiums	1,034
Advertising	1,229
Other	6,856
Total non-interest expense	<u>72,421</u>

INCOME BEFORE INCOME TAXES

43,117

INCOME TAXES

12,412

NET INCOME

\$ 30,705