STATEMENT OF CONDITION  

December 31, 2018  (in thousands)

ASSETS
Cash and due from banks ................................................................. $ 8,110
Interest-bearing deposits with banks ........................................ 12,085
Total cash and cash equivalents .................................................. 20,195

Investment securities available for sale, at fair value .................. 504,406
Investment securities held to maturity, at amortized cost, fair value of $22,460 .......................................... 22,491
Loans, net of allowance for loan losses of $16,280 .................. 2,224,019
Accrued interest receivable ............................................................. 7,807
Bank owned life insurance ......................................................... 82,039
Federal Home Loan Bank of New York (FHLBNY) stock - at cost ....................................................... 25,915
Deferred tax asset .................................................................. 21,157
Premises and equipment - net ...................................................... 17,011
Goodwill .................................................................................. 17,317
Other assets ............................................................................... 5,238

TOTAL ASSETS ........................................................................ $ 2,947,595

LIABILITIES AND RETAINED EARNINGS
Liabilities:
Deposits .................................................................................. $ 2,050,057
Borrowings .............................................................................. 502,143
Advances from borrowers for taxes and insurance ................. 12,349
Accounts payable and other liabilities ................................... 59,850
TOTAL LIABILITIES ................................................................. 2,624,399

Equity:
Retained Earnings, substantially restricted ............................... 340,484
Accumulated other comprehensive loss - net of taxes ........... (17,288)
TOTAL RETAINED EARNINGS ...................................................... 323,196

TOTAL LIABILITIES AND RETAINED EARNINGS ................................. $ 2,947,595

REGULATORY CAPITAL REQUIREMENTS

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Capital (to risk-weighted assets)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actual</td>
<td>337,507</td>
<td>16.21%</td>
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<tr>
<td>Required</td>
<td>166,615</td>
<td>8.00%</td>
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<tr>
<td>Excess</td>
<td>170,892</td>
<td>8.21%</td>
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<tr>
<td>Tier I Capital (to risk-weighted assets)</td>
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<tr>
<td>Actual</td>
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<td>15.42%</td>
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<tr>
<td>Required</td>
<td>124,961</td>
<td>6.00%</td>
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<tr>
<td>Excess</td>
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<td>9.42%</td>
</tr>
<tr>
<td>Core Capital (to adjusted total assets)</td>
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<tr>
<td>Actual</td>
<td>321,226</td>
<td>11.26%</td>
</tr>
<tr>
<td>Required</td>
<td>114,088</td>
<td>4.00%</td>
</tr>
<tr>
<td>Excess</td>
<td>207,138</td>
<td>7.26%</td>
</tr>
</tbody>
</table>

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, 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 FDIC and is true to the best of my knowledge and belief.

José B. Guerrero  
Chairman, President & CEO Spencer Savings Bank, SLA

STATEMENT OF INCOME  

December 31, 2018  (in thousands)

INTEREST INCOME
Interest-bearing deposits with banks  .................................. $ 384
Investment securities ......................................................... 16,489
Loans ................................................................................. 84,557
Total interest income ......................................................... 101,430

INTEREST EXPENSE
Deposits ............................................................................... 19,771
Borrowings ......................................................................... 9,036
Total interest expense ......................................................... 28,807

NON-INTEREST INCOME
Service charges ..................................................................... 1,952
Income from bank-owned life insurance ................................. 2,268
Impairment losses on securities available for sale .................. (472)
Other income ........................................................................ 330
Total non-interest income ..................................................... 4,078

NON-INTEREST EXPENSE
Compensation & employee benefits ...................................... 34,366
Occupancy and equipment .................................................. 7,122
Data processing .................................................................... 2,265
Professional and legal fees ................................................... 2,512
FDIC deposit insurance premiums ........................................ 900
Advertising ........................................................................... 1,276
Other .................................................................................. 5,184
Total non-interest expense .................................................... 53,625

INCOME BEFORE INCOME TAXES ............................................. 21,076

INCOME TAXES .................................................................... 5,991

NET INCOME ....................................................................... $ 15,085