Each depositor insured to at least $250,000

FDIC

Federal Deposit Insurance Corporation-www.fdic.gov

ARUNDEL FEDERAL

SAVINGS BANK

AND SUBSIDIARY

EQUAL HOUSING LENDER

CONSOLIDATED STATEMENT OF FINANCIAL CONDITION
FOR YEAR ENDED DECEMBER 31, 2012

(prepared under generally accepted accounting principles)

ASSETS

Cash on Hand and in Banks	$9,803,881
Investments and Securities	20,471,798
Mortgage Backed Securities	184,472,597
Mortgage Loans	245,872,215
Home Equity Loans	5,461,793
All Other Loans	151,622
Fixed Assets (Less Depreciation)	4,834,937
Other Assets	3,355,385
Total Assets	$474,424,228

LIABILITIES AND RETAINED EARNINGS

Savings Accounts	$412,539,306
Advances from Federal Home Loan Bank	0
Other Borrowed Money	0
Mortgage Escrow Accounts	1,560,407
Other Liabilities	2,602,805
Retained Earnings	57,716,035
Unrealized Gain or <Loss> (Note 1)	5,675
Total Liabilities and Retained Earnings	$474,424,228

Note 1 – Accounting for certain securities as available for sale as per Accounting Standards Codification #320.

Regulatory Capital Requirements of the Office of the Comptroller of the Currency (OCC) require Arundel Federal Savings Bank to maintain certain minimum standards of core capital of 4% of adjusted total assets. Risked-Based Capital Requirements must be maintained at 8% of risk-weighted assets as of December 31, 2012. The Bank has the necessary regulatory capital to meet those requirements.

	Regulatory Capital Required	Actual Regulatory Capital	Excess Capital
Core Capital	$18,938,028	$56,748,185	$37,810,157
Risked-Based Capital	$14,582,436	$57,342,749	$42,760,313

This statement has been prepared in accordance with the regulatory reporting requirements of the Office of the Comptroller of the Currency (OCC). Core and Risk-Based Capital are the elements of regulatory capital determined under such reporting requirements. Regulatory capital is a basis by which the OCC determines whether a savings bank is operating in a safe and sound manner. Copies of the Annual Audited Financial Statements for December 31, 2012 will be available as of May 31, 2013. They may be obtained by writing Thomas N. Herpel, CFO/Treasurer, at 655 Crain Highway South, Glen Burnie, MD 21061.