



ARUNDEL FEDERAL SAVINGS BANK



AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL CONDITION FOR YEAR ENDED DECEMBER 31, 2008 (prepared under generally accepted accounting principles)

ASSETS	LIABILITIES AND RETAINED EARNINGS
Cash on Hand and in Banks	Savings Accounts
\$ 13,941,969	\$379,624,397
Investments and Securities	Advances from Federal Home Loan Bank
17,173,557	15,000,000
Mortgage Backed Securities	Other Borrowed Money
153,974,706	NONE
Mortgage Loans	Mortgage Escrow Accounts
252,655,594	1,671,594
Home Equity Loans	Other Liabilities
2,919,405	2,205,810
All Other Loans	Retained Earnings
474,723	48,678,052
Fixed Assets (Less Depreciation)	Unrealized Gain or Loss (Note 1)
3,541,855	96,600
Other Assets	
<u>2,594,644</u>	
Total Assets	Total Liabilities and Retained Earnings
<u>\$447,276,453</u>	<u>\$447,276,453</u>

Note 1 – Accounting for certain securities as available for sale as per Statement of Financial Accounting Standards #115.

Regulatory Capital Requirements of The Office of Thrift Supervision (OTS) 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, 2008. The Bank has the necessary regulatory capital to meet those requirements.

	Regulatory Capital Required	Actual Regulatory Capital	Excess Capital
Core Capital	\$17,856,895	\$47,974,156	\$30,117,261
Risked-Based Capital	\$13,979,807	\$48,475,572	\$34,495,765

This statement has been prepared in accordance with the regulatory reporting requirements of the Office of Thrift Supervision (OTS). Core and Risk-Based 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 bank is operating in a safe and sound manner.

I, Thomas N. Herpel, CFO/Treasurer, of the above named savings bank, do hereby declare that this statement of condition has been prepared in conformance with the instructions issued by the Office of Thrift Supervision and is true to the best of my knowledge and belief.