



**CONSOLIDATED STATEMENT OF FINANCIAL CONDITION
FOR YEAR ENDED DECEMBER 31, 2010
(prepared under generally accepted accounting principles)**

ASSETS		LIABILITIES AND RETAINED EARNINGS	
Cash on Hand and in Banks	\$ 15,757,555	Savings Accounts	\$430,737,330
Investments and Securities	20,082,516	Advances from Federal Home Loan Bank	5,000,000
Mortgage Backed Securities	159,408,340	Other Borrowed Money	NONE
Mortgage Loans	282,750,591	Mortgage Escrow Accounts	1,805,336
Home Equity Loans	4,855,001	Other Liabilities	2,261,814
All Other Loans	286,099	Retained Earnings	52,555,866
Fixed Assets (Less Depreciation)	5,252,358	Unrealized Gain or <Loss> (Note 1)	<u><6,600></u>
Other Assets	<u>3,961,286</u>		
Total Assets	<u>\$492,353,746</u>	Total Liabilities and Retained Earnings	<u>\$492,353,746</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, 2010. The Bank has the necessary regulatory capital to meet those requirements.

	Regulatory Capital Required	Actual Regulatory Capital	Excess Capital
Core Capital	\$19,662,908	\$51,761,697	\$32,098,789
Risked-Based Capital	\$15,961,347	\$52,238,400	\$36,277,053

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.