



CONSOLIDATED STATEMENT OF FINANCIAL CONDITION
FOR YEAR ENDED DECEMBER 31, 2009
 (prepared under generally accepted accounting principles)

ASSETS	LIABILITIES AND RETAINED EARNINGS
Cash on Hand and in Banks	Savings Accounts
\$ 19,737,504	\$422,745,461
Investments and Securities	Advances from Federal Home Loan Bank
22,690,921	5,000,000
Mortgage Backed Securities	Other Borrowed Money
152,925,134	NONE
Mortgage Loans	Mortgage Escrow Accounts
272,389,329	1,794,098
Home Equity Loans.....	Other Liabilities
4,606,942	2,121,537
All Other Loans	Retained Earnings
443,199	50,089,535
Fixed Assets (Less Depreciation).....	Unrealized Gain or Loss (Note 1).....
4,555,653	65,125
Other Assets.....	
4,467,074	
Total Assets	Total Liabilities and Retained Earnings
\$481,815,756	\$481,815,756

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, 2009. The Bank has the necessary regulatory capital to meet those requirements.

	Regulatory Capital Required	Actual Regulatory Capital	Excess Capital
Core Capital	\$19,240,624	\$49,353,135	\$30,112,511
Risked-Based Capital	\$15,427,872	\$49,823,461	\$34,395,589

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.

Copies of the Annual Audited Financial Statements for December 31, 2009 will be available as of May 31, 2010. They may be obtained by writing Thomas N. Herpel, CFO/Treasurer, at 655 Crain Highway South, Glen Burnie, MD 21061.

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.