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**Severn Savings Bank Receives
Perfect Score For Financial Condition**

ANNAPOLIS (October 9, 2007) -- Severn Savings Bank, FSB has once again received a perfect score for financial condition and stability. The ranking based on second quarter 2007 information was made by IDC Financial Publishing, a publishing firm that collects data and ranks quality for banks, bank holding companies, thrifts and credit unions. The rating continues a multi-year string for Severn of superior ratings for its financial condition, and it speaks to the continued financial soundness of the bank.

IDC Financial Publishing uses quarterly financial statements to calculate 35 key financial ratios to arrive at a one-number summary rank of quality. Rankings are based on financial data in the following categories: Capital Adequacy, Asset Quality, Margins, Earning Returns, and Leverage/Liquidity. Severn earned a perfect score with a score of 300 on a scale of 1 to 300. Severn was one of only two institutions in Maryland to receive perfect scores for the second quarter.

News of the ranking from IDC Financial was coupled with an earlier ranking from SNL Financial as the #2 rated thrift in the nation. "We are particularly proud of our repeat perfect score for the second quarter of this year. In the tough market and with many banks seeing their scores decline it is nice to receive recognition of Severn consistently displaying exceptional performance," stated Alan Hyatt, president of Severn Bancorp Inc., parent company of Severn Savings Bank.

Founded in 1946, Severn Savings Bank, FSB is a full-service community bank offering a wide array of personal and commercial banking products as well as residential and commercial mortgage lending. It has assets exceeding \$900 million and four branches located in Annapolis, Edgewater and Glen Burnie. The bank specializes in exceptional

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customer service and holds itself and its employees to a high standard of community contribution. Severn is on the Web at www.severnbank.com.

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