



Notes from the President

December 14, 2008

Dear Customer:

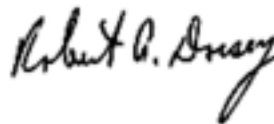
Since I last wrote to you on September 17, 2008, financial “gloom-and-doom” has spread to the broader economy. The National Bureau of Economic Research has officially declared that we are in a recession and have been in one since December 2007. Nevertheless, ASB continues to prosper. Over the last three months we have experienced strong earnings and lending activity has been robust. Despite what you might be hearing that “the banks aren’t lending” – ASB continues to make prudent loans to creditworthy individuals and businesses. There is no credit crunch at ASB.

Your deposits continue to be protected up to the extent of the FDIC insurance coverage. ASB recently elected to participate in the FDIC’s Transaction Account Guarantee Program. As a result, through December 31, 2009 the FDIC’s insurance coverage is now unlimited for all non-interest-bearing checking accounts. That means that those accounts are now fully guaranteed by the FDIC, regardless of amount. This coverage is in addition to and separate from the coverage available under the FDIC’s general deposit insurance rules, which has been expanded to \$250,000 from the previous \$100,000 level through December 31, 2009.

A dramatic change is taking place near our Audubon office. That’s because we’ve started construction on our new 17,000 square foot 3-story Administrative Headquarters building right next door to our Audubon office. The new Administrative HQ building will house Residential Lending on the first floor, Commercial Lending and other support staff on the second floor, and executive offices and the Board room on the 3rd floor. Occupancy is expected in the summer of 2009.

From all of us at ASB to all of you, our valued customers, warm wishes for a very merry Christmas and a happy holiday season!

Very truly yours,



Robert A. Dorsey
President/CEO