



Notes from the President

July 24, 2009

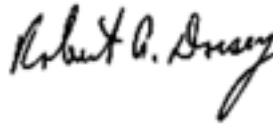
Dear Customer:

It has been awhile since I last communicated with you and I just wanted to give you a quick update on how things are going.

- ASB's new Administrative Headquarters Building in Audubon is moving along nicely, although the site is a bit of a mess! We apologize for this temporary inconvenience to our Audubon customers. Every effort is being made to minimize the disruption to you. We now expect to take occupancy in early September.
- ASB continues to be profitable and we have been very active making loans.
- ASB did not need and did not accept TARP money (capital) from the federal government.

I want to make you aware of recent revisions to the Truth-in-Lending Act that are going to have a significant impact on the way that ASB (and all other lenders) processes certain applications for residential mortgage loans and closed-end home equity loans. These revisions go into effect for loan applications taken on or after July 30, 2009. First, lenders will not be permitted to take an initial application fee for more than the cost of the credit report. The balance of the application fee (appraisal fee, flood hazard determination, processing, etc.) cannot be collected until after the applicant receives the required Truth-in-Lending early disclosures. This will necessitate a 2-step process for collecting the application fee and proceeding with loan processing. Second, the law will now require a minimum waiting period of seven (7) business days from the time that the required Truth-in-Lending early disclosures are issued and when a loan is permitted to close. This minimum waiting period will probably impact closed-end home equity loans more so than mortgage loans.

Very truly yours,



Robert A. Dorsey
President/CEO