



## STATEMENT REGARDING ADVANTAGE FEDERAL CREDIT UNION SAFETY AND SOUNDNESS

In this time of economic volatility, Advantage wants to reassure you that your money is safe with us. Banks, large investment firms and insurance companies have been failing, the stock market has been in turmoil and the mortgage business has been turned upside down. Based on these events, it is only natural that you may wonder about the safety of your money with your credit union.

To give some credibility to our statement of safety, consider how we are structured, how we are regulated and how we are performing financially.

- **Structure** – Credit Unions are “not-for-profit” financial cooperatives that work for their members. Banks are “for profit” corporations that work for their shareholders. Banks tend to be more aggressive in their lending and investment practices in order to maximize stockholder wealth. More aggressiveness means more risk. Credit unions are much more risk averse. Advantage does not participate in risky mortgage lending or risky investment practices.
- **Regulation** – Advantage is regulated by the National Credit Union Administration ([www.ncua.gov](http://www.ncua.gov)). The NCUA is similar to the FDIC for banks. We are audited on a regular basis and your deposits are insured by the National Credit Union Share Insurance Fund. In these difficult economic times, the conservative nature of Advantage and the NCUA has proven to be very prudent.
- **Financial Performance** – The staff, management and board of Advantage have worked very hard to control expenses while providing expanded products and services. This approach has resulted in very favorable growth and income trends.

Our income is measured by a ratio called return on average assets (ROA). The average ROA for similar credit unions so far in 2008 is .54%. Advantage, as of August 31, 2008, has an ROA of 1.12%. This should assure you that our income is very strong and is being put to good use as we look to expand branch facilities in the near future. Another key ratio is called our net worth ratio, or capital ratio. This ratio measures the adequacy of our reserves should we sustain losses. The NCUA considers a credit union well capitalized if they maintain this ratio at a minimum of 7%. As of August 31, 2008, Advantage’s capital ratio is 10.83%. This confirms that we are very well positioned to ride out the worst of economic times or catastrophic occurrences. The quality of our loan portfolio is measured by a delinquency ratio. This considers all loans, VISA credit cards and mortgages that are at least 60 days past their due date, compared to the total of all

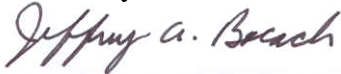
loan balances. Our peer group average is .96%, Advantage's is .32%. The fact that this ratio is so low indicates that loan losses should remain relatively low for the foreseeable future.

Our team is dedicated to providing excellent products, services and value for our members. As members, you own Advantage and should know that we are very strong financially. Your deposits are safe!!!

For further information regarding credit union financial trends and other operating information, you can visit the NCUA website at [www.ncua.gov](http://www.ncua.gov).

Thank you for your continued trust in Advantage. We look forward to serving all of your banking needs long into the future.

Sincerely,

A handwritten signature in cursive script that reads "Jeffrey A. Bocach". The signature is written in black ink and is positioned above a light blue horizontal line.

Jeffrey A. Bocach, CCE  
President/CEO  
Advantage FCU