



Chairman's Desk... JOHN C. DICUS, CHAIRMAN

While challenges continue, there is reason to be optimistic about the overall American economy. The Labor Department reported a 0.2 percent increase in the consumer price index in April following a 0.3 percent increase in March. Actions taken by the Federal Reserve, including the reduction of the Fed Funds rate, has helped in the process of trying to stimulate an economy that has been slowing since last fall. The last 25 basis point decrease was not a big surprise but served as a policy tool to stimulate the economy. This decrease in interest rates may be the last for awhile. Should inflation fears develop further, though, the Federal Reserve may increase interest rates to make consumption more expensive and slow down the economy. The Federal Reserve is working to balance economic growth objectives with concerns about inflation and unemployment.

The average family looks at its day-to-day expenses, concerned with the cost of energy, gasoline and food. While consumers have lived with the rising costs at the pump, the increase in food prices is a new concern. Families are becoming more prudent about what they buy, how often they drive to the market and how they can manage with what they have now. Businesses also are reviewing how these costs are affecting their future. They must stay in business. They are the sources of employment that keep the economy going.

With the subprime problem in different areas of the country, the Federal Reserve is working on regulatory changes to protect the consumer and strengthen liquidity requirements of banks. Thomas M. Hoenig, President and CEO of the Federal Reserve Bank of Kansas City, recently stated, "Indeed, I believe that major changes in industry practices and a significant rethinking of financial regulation will be required if we are to avoid similar problems in the future."

Customers may feel secure in the fact that Capitol Federal has continued to maintain adequate liquidity throughout the years. The strength of our assets and our determination to remain true to our principles has guided Capitol Federal through many historic crises. We are committed to our philosophy of Sound Lending Policies and dedicated to strong underwriting principles. These lending policies and underwriting principles protect not only the Bank, but more importantly, they protect our customers. By doing what we do best, Capitol Federal proudly announced its ratio of nonperforming loans for March 31, 2008 at only 0.16 percent. As our customers are able to make their monthly payments, the entire community will benefit with a stronger local economy. Capitol Federal will never stray from its mission of strong lending.

True Blue® Lending that Has Stood the Test of Time

Capitol Federal is proud of its history and proud that its strong lending has stood the test of time. Its founders took a leap of faith when they began the Savings and Loan Association of Topeka in 1893 during a depression. The small savings and loan, with a mission to help customers "achieve the habit of thrift and joy of home ownership", consistently grew until the Great Depression. At that time, as the Capitol Building and Loan Association, it ran into difficult times. With perseverance and purpose, the Association – which became known as Capitol Federal Savings and Loan Association in the late 1930s – survived and strengthened.

Through the leadership of Henry A. Bubb, Capitol Federal employees learned the importance of strong assets and capital. Mr. Bubb never wanted anyone to have to go through the financial fears brought on by the Great Depression again. He understood that a strong capital base was vital to this objective, and his plan was proved correct during

the 1980s' S&L crisis. Many savings and loans closed, but Capitol Federal remained – it had "weathered the storm" once again.

With the subprime lending crisis, Capitol Federal Savings Bank is proud that it continued to remain true to its original mission – to help customers "achieve the habit of thrift and joy of home ownership". It's that simple. Led by Chairman Dicus and President Dicus, the Bank continues to serve customers, providing the best in savings and residential real estate lending.

It's also our customers' trust in the strength of Capitol Federal that has led us through the years. We thank our many generations of customers for their loyalty and rededicate ourselves to the principles upon which our Bank was founded: Safety in Savings, Sound Lending Policies, Quality Customer Service and Commitment to Community. As tradition has proven, Capitol Federal will remain constant – performing sound financial practices and providing safe, True Blue® service for our customers.

CuttingEdge.

True Blue® Banking Winner Announced

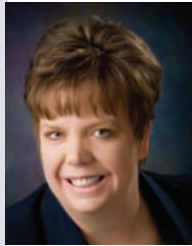
Congratulations to Dorsey Paul on winning Capitol Federal's "How Do You Bank True Blue?" photo contest. For receiving the most votes at



www.capfedcontests.com, Dorsey wins a new Apple iPhone and \$1,000 in AT&T credit. See Dorsey's winning picture online at www.capfed.com.

ANNOUNCING ... Hawes receives HAB Award

Capitol Federal Senior Vice President Frank H. Wright IV recently announced central region trainer Linda Hawes as the 2007 recipient of the Bank's highest recognition, the Henry A. Bubb Distinguished Service Award. This award, named in honor of Capitol Federal's longtime Chairman, is presented annually to one employee or officer who



demonstrates the leadership qualities of the late Mr. Bubb.

Hawes received nominations from fellow employees across the state, recognizing her exceptional dedication to Capitol Federal and its customers. All nominations expressed the same admiration for Hawes, identifying her expertise in teller training, its processes and procedures, plus her strong support of community volunteerism.

Jennifer Parker promoted

President Dicus announced the promotion of Jennifer Parker to Vice President-Branch Manager of the Bank's Northwest Wichita office, located at 10404 West Central. Parker joined Capitol Federal in April 2000 and served as teller, customer service representative and assistant branch manager prior to her recent promotion.



Parker graduated from Wichita State University in 2003 with a Bachelor of Science degree in Business Administration and a minor in Economics. She is a committee member for the American Heart Association, a United Way volunteer and Wichita State University Alumni guest speaker at senior breakfasts and luncheons.

True Blue

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A quarterly publication for Capitol Federal customers and communities.



True Blue® for over 110 years



Capitol Federal LOCATIONS

- | | | |
|--|---|--|
| TOPEKA
785-235-1341
700 South Kansas Avenue
Home Office
1201 Topeka Boulevard
2100 Fairlawn Road
2901 South Kansas Avenue
29th & Wanamaker Road
3540 Northwest 46th
3310 SE 29th Street | EMPORIA
620-342-0125
6th Avenue & Commercial | LAWRENCE
785-749-9000
Iowa & Harvard
11th & Vermont
3201 Iowa SuperTarget
1026 Westdale Road*
4701 West 6th Street Dillon's |
| GREATER KANSAS CITY
913-381-5400
95th & Nall
5251 Johnson Drive
75th & State Line
87th & Santa Fe
13500 Metcalf
5700 Nieman Road
10101 College Boulevard
15525 West 87th Street
Parkway
22400 Midland Drive
7734 State Avenue
Price Chopper
12200 Blue Valley Parkway
SuperTarget
15700 Shawnee Mission
Parkway SuperTarget
11700 West 135th Street
Price Chopper
4050 W. 83rd Street
Corinth Hen House
13351 Mission Road
Price Chopper
1223 NE Rice Road*
Lee's Summit MO
8560 N Green Hills Road*
N. Kansas City MO | MANHATTAN
785-537-4226
14th & Poyntz
705 Commons Place | OLATHE
913-381-5400
Santa Fe & Burch
2100 East 151st Street
15345 West 119th Street
SuperTarget |
| SALINA
785-825-7121
2550 South 9th Street | WICHITA
316-689-0200
8301 East 21st Street North
8040 East Douglas
4020 West Maple
10404 West Central
4000 East Harry
4616 East 13th Street | |

*Loan Production Office

Customer Service Center
1-888-8CAPFED (1-888-822-7333)
Monday - Friday 7am to 11pm
Saturday 9-6 & Sunday 12-5
capfed.com

Capitol Federal Foundation presents check

During a ceremony held at the Bethany Medical Clinic in Kansas City, Kansas, Capitol Federal Foundation representatives presented Swope Health Wyandotte with a \$90,000 large replica check. "We are grateful to Capitol Federal Foundation support," said Barrett Hatches, President of Swope Health Services. "The funding will allow us to purchase a much-needed van to transport portable dental equipment and will also assist in facility renovations, as well as securing medical equipment for our clinics."



Capitol Federal supports the Arts

On Earth Day, Chris Fritz, President of New West Presentations and conducting the revitalization of the former Sandstone, announced Capitol Federal as the new title sponsor of Sandstone, now to be called "Capitol Federal Park at Sandstone". Fritz remarked, "Capitol Federal's financial commitment provides the opportunity to enhance Sandstone in creating an all new concert experience to meet the social conscious awareness and philosophy of the world today."

awareness and education about Green Initiatives that will impact the local and global environment for years to come." The goal is to have Capitol Federal Park at Sandstone become "the first outdoor entertainment venue to be LEED Certified.

Capitol Federal also is pleased to announce its sponsorship of the Starlight Theatre Concert Series 2008. President Dicus said, "Our support of the Concert Series fits our commitment to enhancing the quality



President Dicus stated, "Capitol Federal is proud to partner with Sandstone to provide not only a venue for entertainment for our community, but also an opportunity to foster

of life within our communities. The variety of music offered will attract all for a fun family night out." Visit www.kcstarlight.com for a list of concerts and dates.

"The Client Always Comes First"

by Michael Tuma, OSJ, CMIC Financial Services

"The Client Always Comes First" is the motto CMIC Financial Services has mirrored from our Broker Dealer partner, Broker Dealer Financial Services Corp (BDFSC). We understand it is all about you – our client. This means we are here to listen to you – to get to know your individual circumstances and build a long term relationship. Everyone has different needs today and goals for the future. We want to help. We do that by offering many different types of investments and services to suit your individual risk level and investment objectives. Our goal is to help you meet your goals through all of your life stages.

Stop by or call your local Capitol Federal branch to meet with a CMIC Financial Services Representative and receive a complimentary "financial physical" of your current investments. Remember, "The Client Always Comes First" is more than just a motto – It's a way of doing business – It's what we stand for. We are here to serve you.

Securities offered through Broker Dealer Financial Services Corp, Member FINRA & SIPC. Broker Dealer Financial Services Corp, CMIC Financial Services, and Capitol Federal Savings Bank are separate and unrelated companies. Insurance products provided by CMIC Financial Services and securities offered through Broker Dealer Financial Services Corp are:

Not Insured By FDIC Or Any Federal Agency	May Lose Value	No Bank Guarantee Not a Bank Deposit
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HERITAGE TRAVEL CLUB 2008

Discover America and the World Together

❑ KU BOOSTER TOURS

August - November, 2008

Be a part of the excitement as KU plays Carleton, Ottawa University, and McGill in Ottawa, Ontario. How about some football? Join the Jayhawks as they play South Florida in Tampa, Florida, Iowa State in Ames, Iowa and Missouri at Arrowhead Stadium in Kansas City.

Ottawa: August 29 - September 1: \$1,659 per person, double occupancy (Valid U.S. Passport Required). (Tour #08031)

Tampa: September 11 - 13: \$795 per person, double occupancy. (Tour #08032)

Ames: October 4 : \$99 per person.

Arrowhead: November 29: \$59 per person.

❑ Davidson's KC TOUR OF HOMES OF THE RICH AND FAMOUS

September 10, 2008. With Don Davidson as your guide, see past and present KC homes of over 100 different people. Includes lunch at the Hometown Buffet. Approx. \$69 per person.

❑ NEW ENGLAND & CAPE COD

October 4-11, 2008. (Tour #08017)

This tour of five New England states continues to be one of our favorites. Experience the beauty of a New England Autumn and savor a traditional lobster bake. \$2,249 per person/double occupancy.

❑ N.Y. THANKSGIVING THEATRE TOUR

November 25-29, 2008 (Tour # 08014)

Don't miss our most popular tour. Enjoy the annual Macy's Thanksgiving Day Parade, Radio City Music Hall's *Christmas Spectacular*, two Broadway Shows and dinner at Tavern on the Green. Call now to make your reservation for next Thanksgiving. \$2,295 per person/double occupancy.

❑ OMAHA HOLIDAYS TOUR

December 7-8, 2008 (Tour #08018)

New to the tour! Enjoy a "Christmas in Germany" celebration and "The Christmas Carol" at the Omaha Community Playhouse. Experience an "Irish Christmas at Father Flanagan's House" with a tour of Boys & Girls Town. End the tour with an elegant Holiday Buffet at the Renaissance Mansion and a tour of the Gingerbread Village at the Mormon Trail Center. \$299.00 per person/double occupancy.

❑ NEW THEATRE

December 7-8, 2008 (Tour #08020)

Join us for a delicious lunch buffet and the hit production of "Boeing-Boeing, A Non-Stop Comedy" starring Marla Gibbs, well known for her comedic talent on *The Jeffersons*. After the performance, it's off to the Plaza to view the holiday lights. \$79.00 per person.

For more details, visit travellersinc.com and link to *Heritage Travel Club News* or CALL 1-800-382-6700 or 749-0711 (from Lawrence). Ask for the *Heritage Travel Club*. Space is limited, so make your reservations today. Prices, dates and shows subject to change without notice.

Nickels & Dimes

ANNUAL CAPITOL FEDERAL PRIVACY POLICY

Capitol Federal Savings Bank (referred to herein as "we") collects nonpublic personal information about you from the following sources:

- Information we receive from you on applications or other forms;
- Information about your transactions with us or others;
- Information we receive from a consumer reporting agency.

As a matter of policy and long time business practice, we do not sell customer information and we do not disclose any nonpublic personal information about you to anyone, except as permitted by law.

We may disclose all of the information we collect, as described above, to companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements.

If you decide to close your account(s) or become an inactive customer, we will adhere to the privacy policies and practices as described in this notice.

We restrict access to your personal and account information to those employees who need to know that information to provide products or services to you. We also maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic information.

This privacy disclosure does not expand legal obligations and is not intended to create any liability other than that found in law. We reserve the right to change our privacy policy at any time.

If you have any questions, please let us know by writing to us at:

Capitol Federal Savings Bank
Banking Services Department
700 S Kansas Ave
Topeka KS 66603

ON THE HOUSE:

2009 Calendar Photo Contest Winners Announced:



True Blue® for over 110 years

700 South Kansas Ave.
Topeka, KS 66603



Congratulations to the following winners of our Capitol Federal 2009 Calendar Photo Contest:

- | | |
|-----------------------|------------------------|
| <i>Cherry Ashley</i> | <i>Nancy Kishpaugh</i> |
| <i>Rosanne Ballou</i> | <i>Roger Olson</i> |
| <i>Tom Gdisis</i> | <i>Karen Piper</i> |
| <i>Trudy Hall</i> | <i>Ladeana Timmons</i> |
| <i>Shawn Harding</i> | <i>Valerie Wade</i> |

This has been another exciting and fun contest, featuring the talents of our customers. Thank you all for sharing your photos with us, and be sure to pick up your 2009 Capitol Federal calendar at Thanksgiving time.

Exciting News...Travelers Announces New Auto Insurance Program

Travelers recently introduced a new auto insurance program - Quantum - offering excellent savings. It also is beneficial to combine both one's homeowners and auto insurance into one program with Travelers. Since 1864, Travelers has been providing great policy coverage, and representing Travelers Property Casualty, Capitol Agency has the protection you need, when you need it.

Bringing an unsurpassed range of products and services to you, our customers, Travelers keeps you covered. Capitol Agency is proud to be a part of the Travelers' tradition.

Travelers has a rich history as the first to insure

against accidents in 1864, first to issue automobile insurance 100 years ago and first to open a school to train insurance agents. First in 1864, Travelers is still first today.



Travelers is a member of the St. Paul Travelers Group, with over \$112 billion in total assets and is #85 on the Fortune 500 list.

If you live in Kansas or Missouri, call your local Capitol Agency representative to receive a no-obligation proposal on your home and auto insurance needs. Keep your family safe through Travelers' new Quantum auto insurance program, combined with its homeowners program.

These products are offered by Capitol Agency, the insurance affiliate of Capitol Federal Savings Bank, Topeka, KS. These products are not obligations of Capitol Federal or any of its subsidiaries. The purchase of these products is not a condition for any loan, loan renewal or other products or services.

Not a Deposit	No Bank Guarantee	Not FDIC Insured
Not Insured by any Government Agency		May Lose Value



Call Your Capitol Agency Representative at 1-800-222-7312

Topeka, Lawrence, Emporia
Ed Cox, CPCU
785-231-6383
ecox@capfed.com

Wichita, Salina, Manhattan
Sue Crenshaw, 316-689-3189
screnshaw@capfed.com

Greater Kansas City
Mike Toledo, 913-652-2317
mtoledo@capfed.com

Greater Kansas City
Judy Bridge, AIS, API, AIP
Certified Insurance Counselor
913-652-2335
jbridge@capfed.com

Help For Homebuyers

Capitol Federal is proud to serve as a sponsor for the following homebuyer counseling agencies in our communities. Contact your nearest agency for assistance and/or seminar dates and reservations for buyer education classes.

- Greater Kansas City**
El Centro, Inc. – 913-677-0100
NHS of KCMO – 816-822-7703
Community Housing of Wyandotte Co. – 913-342-7580
Greater KC Housing Information Center – 816-931-0443
Harvest America – 913-342-2121

- Topeka**
Housing & Credit Counseling Inc. (HCCI) – 785-234-0217

- Wichita**
Community Housing Services – 316-685-2656
Mennonite Housing – 316-942-4848
Urban League of Kansas – 316-262-2463
Consumer Credit Counseling Service (CCCS) – 316-269-0755
Housing Service Department – 316-462-3766

- Lawrence**
HCCI – 785-749-4224
Tenants to Homeowners – 785-842-5494

- Manhattan**
HCCI – 785-539-6666

- Emporia**
HCCI – 620-342-7788

- Salina**
CCCS – 785-827-6731

