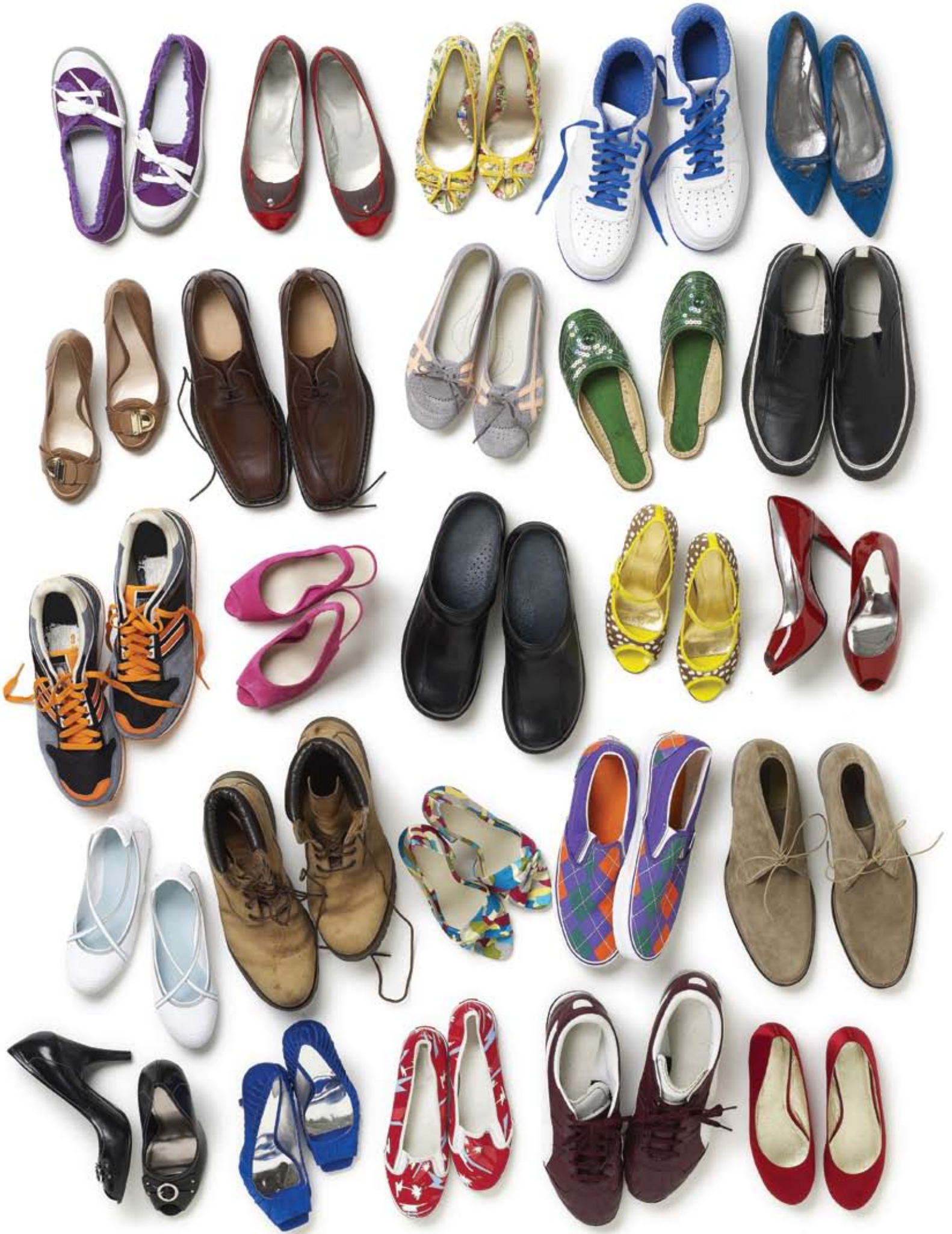




ADVANTA
ANNUAL REPORT 2007

Fits Perfectly



In business, there is only one size that matters – the right size.

That's why we go out of our way at Advanta to make sure that our credit card services are well-matched – and offer the perfect fit – to the needs of our small business customers throughout the United States.

Like your favorite pair of shoes, Advanta provides support, durability and dependability over the long run – not to mention the freedom to express your own particular style along the way.

Comfort. Style. Traction. Fit.

What could be better than a great pair of shoes?*

Advanta. We'll grow with you and never wear out.

Try us on.

2007 FINANCIAL HIGHLIGHTS

\$77.7

million of net income from Advanta Business Cards versus \$83.4 million in 2006.

\$1.61

diluted earnings per combined common share from continuing operations versus \$1.91 in 2006.

\$14.40

book value per combined common share versus \$13.77 at year end 2006.

3-for-2

stock split executed and a quarterly cash dividend rate increase of 25% on both Class A and Class B Common Stock.

1.5

million shares of Class B Common Stock repurchased.

\$6.3

billion in managed receivables at year end, up 22% from 2006, and \$1.0 billion in owned receivables, down 9%.

\$14.4

billion in transaction volume versus \$12.3 billion in 2006.

3.7%

managed net credit losses versus 3.4% in 2006, and 3.4% owned net credit losses versus 3.2%.

From the Office of the Chair

As of the summer of 2007, it looked like the U.S. financial sector would post another stellar year. Advanta was growing nicely and so was the stock price.

Unfortunately, the meltdown in the subprime market snowballed across the globe, resulting in a widespread credit crunch. The unwinding of the debt bubble happened with sudden speed as major financial institutions scrambled to raise billions to shore up their weakened balance sheets.

As of early 2008, it appears that the financial crisis is starting to weaken the real economy. Housing prices continue to fall; consumer sentiment is down; and unemployment has ticked up. In light of all this, it is no surprise that more of our 1.3 million small business customers are also feeling the pain and anxiety. As a result, this has flowed through to us in higher credit losses and elevated delinquencies thus far in 2008, which appears to be an industry-wide trend.

It's certainly easy to be gloomy and run scared. Although based on the past six decades of our business, we know this is the wrong approach. We understand that this is the time to continue to improve our relationships with our customers and provide the support they need.

Despite the challenging environment, we finished 2007 with 335,000 new customers and Advanta Business Cards pre-tax income of \$126.5 million. Then again, we have exercised discipline in our credit quality standards.

We have also built a diversified customer base that includes shopkeepers, florists, restaurateurs, remodelers and doctors that span across the country. We know that they will ultimately help to reignite economic growth and, accordingly, Advanta's.



OUR ADVANTAGE

While many financial institutions try to provide many disparate services, we believe that having a relentless focus is the right strategy. Every day we think about our small business customers. We listen to them and respond to their changing needs. This means having tailored rewards and card customization, among other features. We strive for the perfect fit.

The Advanta platform can scale with a wide array of customers and generate healthy profits. At the core is a state-of-the-art warehousing and statistical modeling system that incorporates knowledge gained from years of small business credit card experience. Combining our strong analytics capabilities with this, it allows for:

- Successfully identifying potential customers and target markets that fit our strategy
- Tailoring the right offers to the right customers

- Interacting with our existing customers in a manner that is comfortable for small businesses
- Acquiring and retaining customers

It's all a continual work in progress. After all, the profile of the typical small business owner is changing – in terms of gender, age and even lifestyle. To this end, we know we must work harder to use new approaches, such as online video, social networking, mobile phone capabilities, Internet search and blogs. Such things are becoming critical tools for our customers.

COMMITMENT TO COMMUNITY

We believe that running a business is more than income statements and margins. Our customers expect us to be an integral part of the community, providing support for worthy organizations and causes.

Across the nation, we continue to promote health and fitness through the Women's Sports Foundation. We provide free tennis racquets – 135,000 since 2003 – to all children at the Advanta-sponsored World TeamTennis Pro League matches.

Other initiatives include:

- The Advanta Foundation, which makes grants throughout the year to many worthy organizations and matches employee donations to qualifying nonprofit organizations
- The Advanta Small Arts Support program, which has awarded \$585,000 in grants over the last two years to 84 small arts and cultural organizations in the Greater Philadelphia region

LOOKING AHEAD

We have only scratched the surface of the tremendous market opportunity. Keep in mind that the U.S. small business market is roughly 30 million strong today.

Even though credit card use continues to grow, the small business market is underrepresented, with only about 10% of spend put on a card. There are also positive demographic trends, such as the Baby Boomers, who are entering the prime stage for starting businesses. So we are working hard to profitably increase our share of the small business opportunity. This means stressing important things like convenience and the simplification of records and payments.

It's going to be an exciting time – and it's up to Advanta to meet the needs of our current and future customers. At the same time, we will

need to pursue responsible decision making and focus on minimizing risk.

So while the past year has been tough, we remain optimistic. We are targeting a market with strong long-term growth prospects, and we expect that our experience and investments will pay off. Advantans throughout the company are committed to this success. And by providing a targeted credit card for our small business customers and value to our shareholders over the years, our commitment has been very clear.

Perfect fit for our customers, laser focus on the small business market and prudent decision making – this feels like a good combination to weather the current storm and land safely on shore.



DENNIS ALTER
Chief Executive Officer
Chairman of the Board



WILLIAM A. ROSOFF
President
Vice Chairman of the Board





All small businesses are **unique** in what they need, where they stand and where they want to go. Offering our customers the right services at the right time – including personalized and supplemental employee credit cards – begins with in-depth understanding. Advanta’s advanced analytics deliver more than raw demographic data.



They provide actionable **insights** on individual preferences, buying patterns and practical business solutions. Advanta understands that small business isn't a single segment – it is millions of discreet businesses, comprised of millions of distinctive dreams.*



Whether making donuts or arranging flowers, in the office or on the road, our customers count on their Advanta credit card to help keep their businesses running. Advanta strives to stay in stride with our customers, making sure their needs are met every step of the way. Our **customer-centric** approach has its rewards – for Advanta and the businesses we serve.



The **rewards** we offer are as diverse as they are plentiful – cash, gift cards, travel and more. As a result, our customers “pay us back” with loyalty over the long term. Who said walking a mile in customers’ shoes had to be all walking? Why not show some flair...and dance a little too?*



Don't get us wrong, there is nothing casual about our approach to business. We appreciate the passion and the drive it takes to run a small business. That's why we provide customers the **connectivity** to access their accounts anytime they wish, day or night. Through our secure website, Advanta offers 24/7 transaction capability and visibility – allowing our customers to actively manage their accounts in real time and at their **convenience**. Business owners can take advantage of online management tools to complete balance transfers or other transactions in just a few clicks. Whether a business is just getting started or has been with Advanta for years, we are committed to helping each customer put his or her best foot forward to succeed.*



At Advanta, our workplace values are at the heart of everything we do. We pursue personal excellence in an atmosphere of **collaboration**, open communication and mutual respect. Advantans act with integrity and embrace individual innovation, flexibility and adaptability. In serving our customers, we work as a **team** to reach our goal. We don't care who gets the credit. (Actually, we prefer that our customers receive all the credit.)*



So that's who we are and how we roll...always on our toes, yet with our feet firmly planted on the ground. We're intensely **focused** on our customers and providing them with exceptional service and ongoing support...giving small businesses a boost when they need it today – and the solid financial footing to chase down their **dreams** of tomorrow. We're Advanta. The small business champion.*



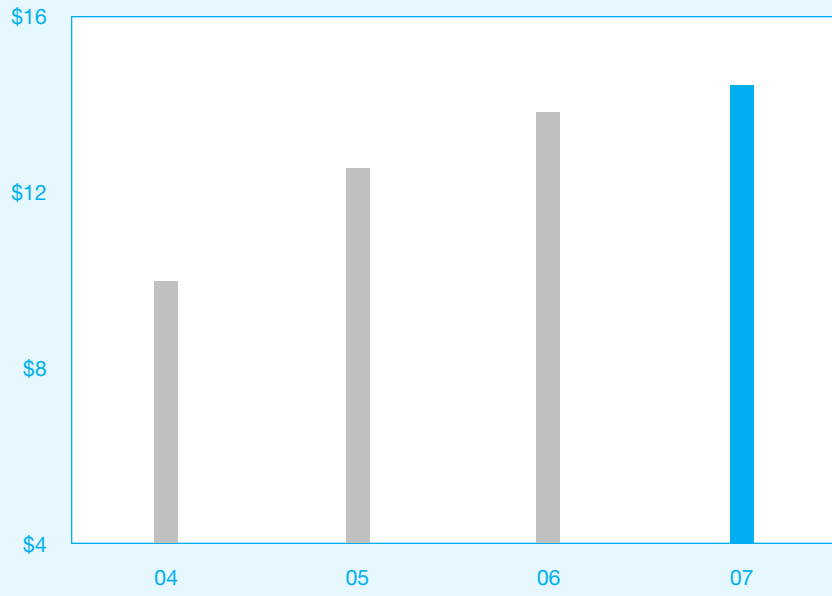


Financial and Portfolio Performance

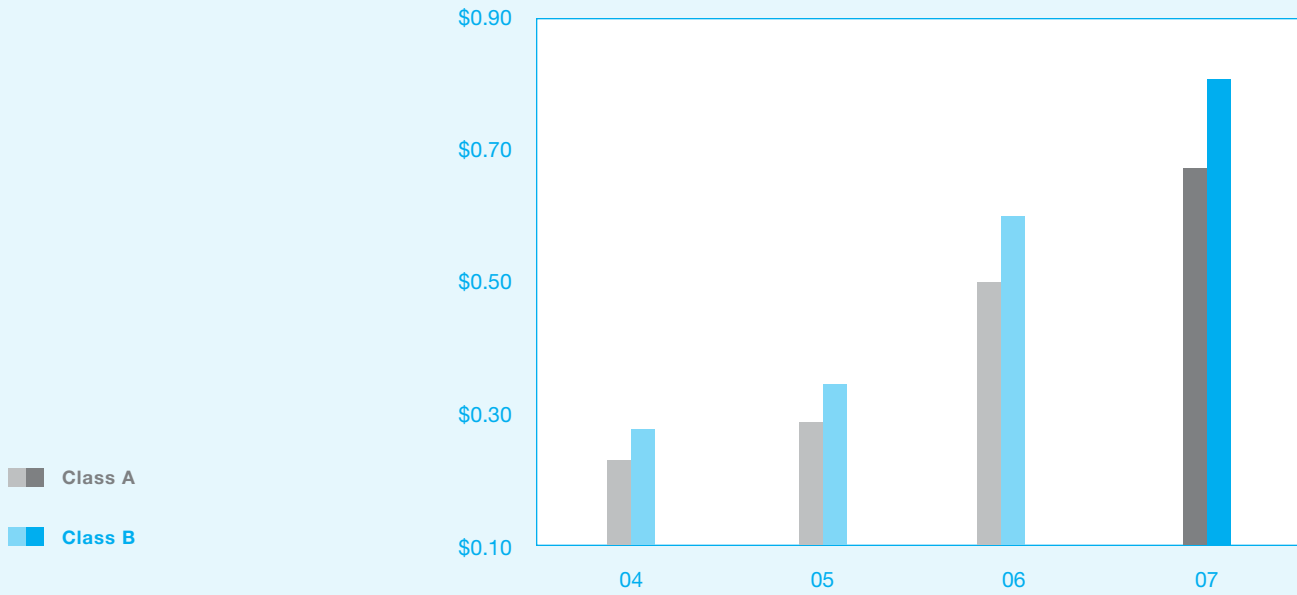
(\$ in millions, except per share amounts)	2007	2006	2005	2004
Advanta Business Cards				
Risk-adjusted Revenues ¹	\$ 402.9	\$ 391.8	\$ 329.9	\$ 306.5
Operating Expenses	\$ 276.4	\$ 256.2	\$ 241.0	\$ 231.4
Net Income	\$ 77.7	\$ 83.4	\$ 54.2	\$ 46.0
Earnings per Share from Continuing Operations ²				
Class A	\$ 1.55	\$ 1.88	\$ 2.66	\$ 1.04
Class B	\$ 1.64	\$ 1.92	\$ 2.69	\$ 1.08
Combined	\$ 1.61	\$ 1.91	\$ 2.68	\$ 1.07

Advanta Corp. is one of the nation's largest credit card issuers (through Advanta Bank Corp.) in the small business market today. Advanta's exclusive focus on this market, as well as its size, experience and commitment to developing meaningful product offerings and a high level of service tailored to the needs of small businesses, differentiates the company from other issuers. Founded in 1951, Advanta has long been an innovator in developing and introducing many of the marketing techniques that are common in the financial services industry today.

BOOK VALUE PER SHARE³

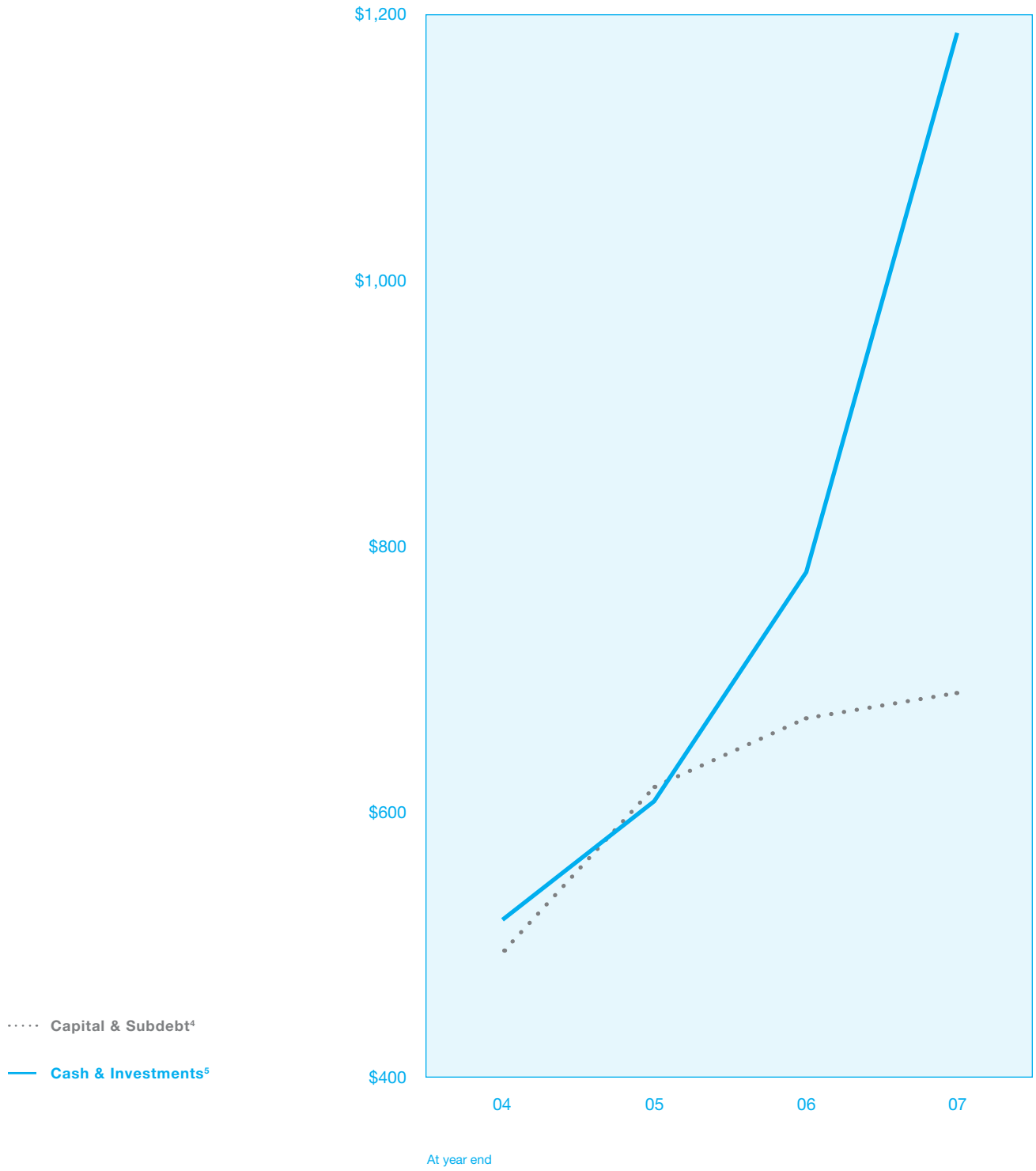


CASH DIVIDENDS DECLARED

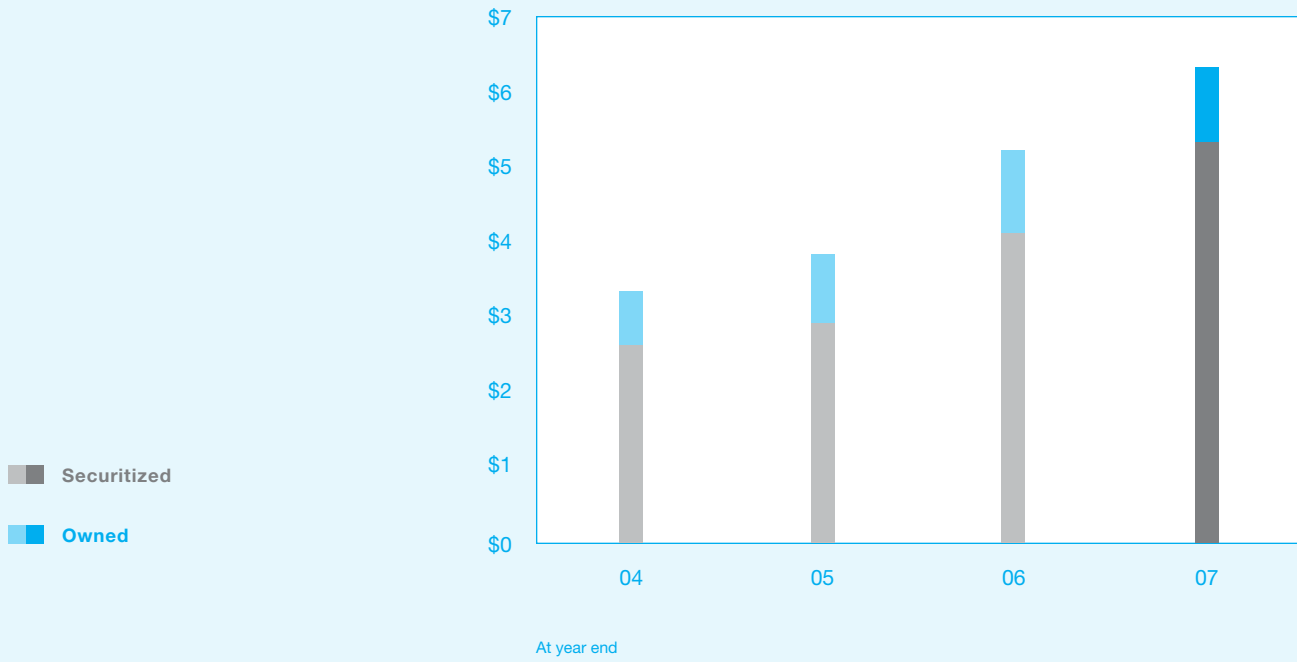


■ Class A
■ Class B

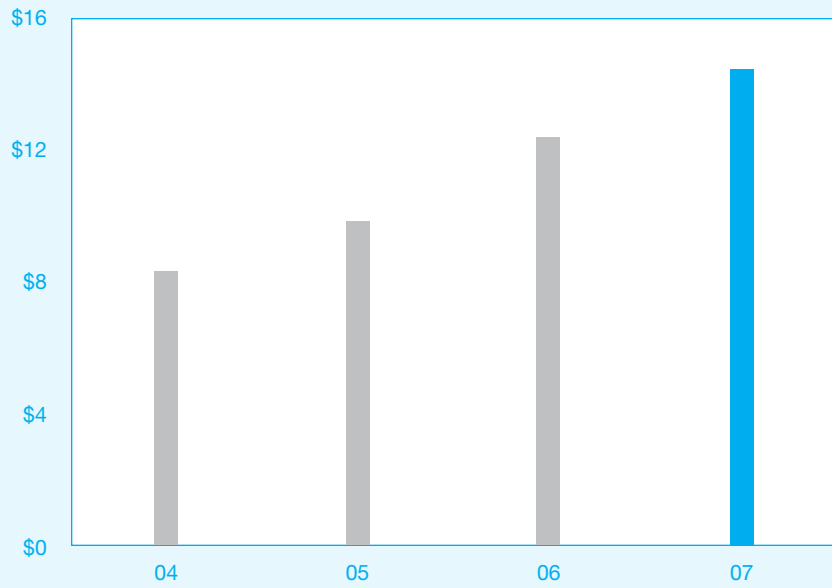
LIQUIDITY & CAPITAL (\$ Millions)



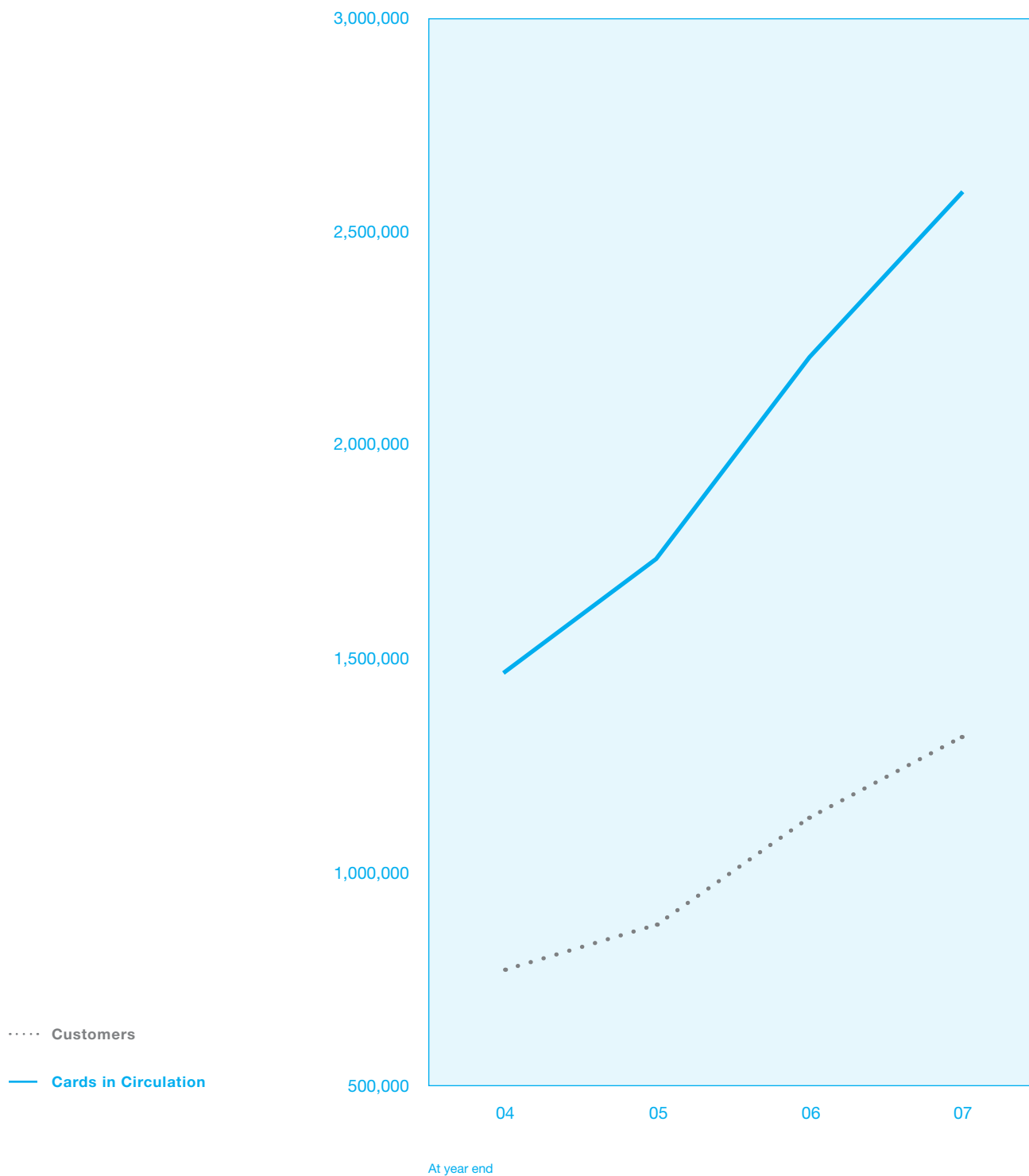
BUSINESS CARDS MANAGED RECEIVABLES⁶ (\$ Billions)



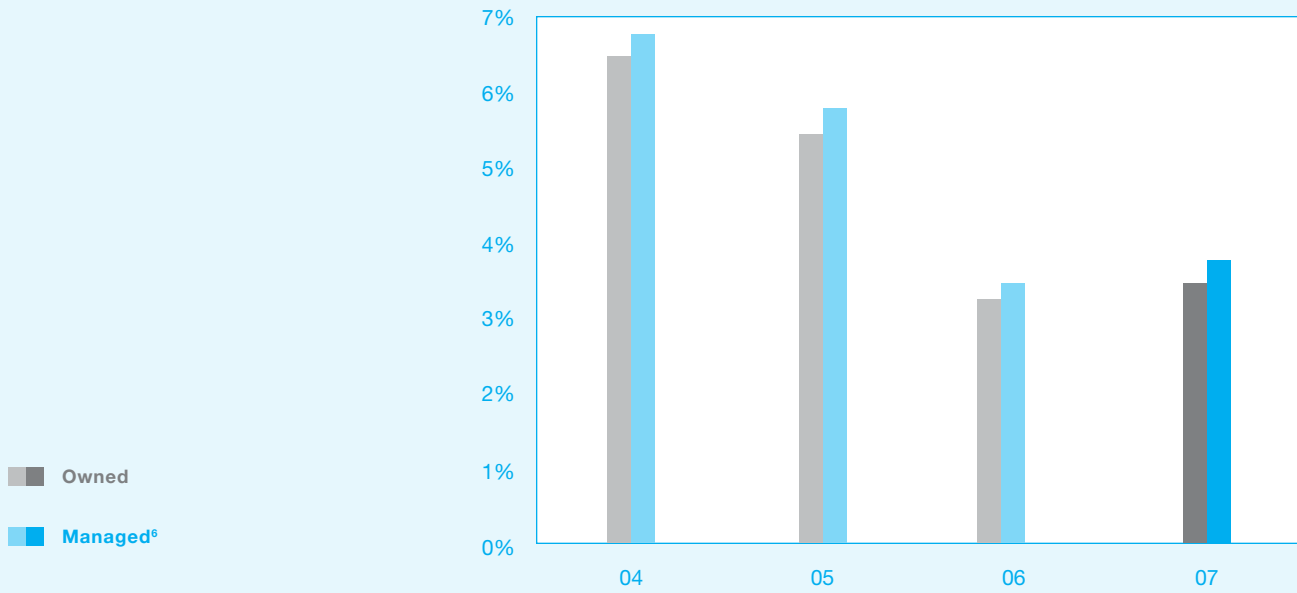
BUSINESS CARDS CUSTOMER TRANSACTION VOLUME (\$ Billions)



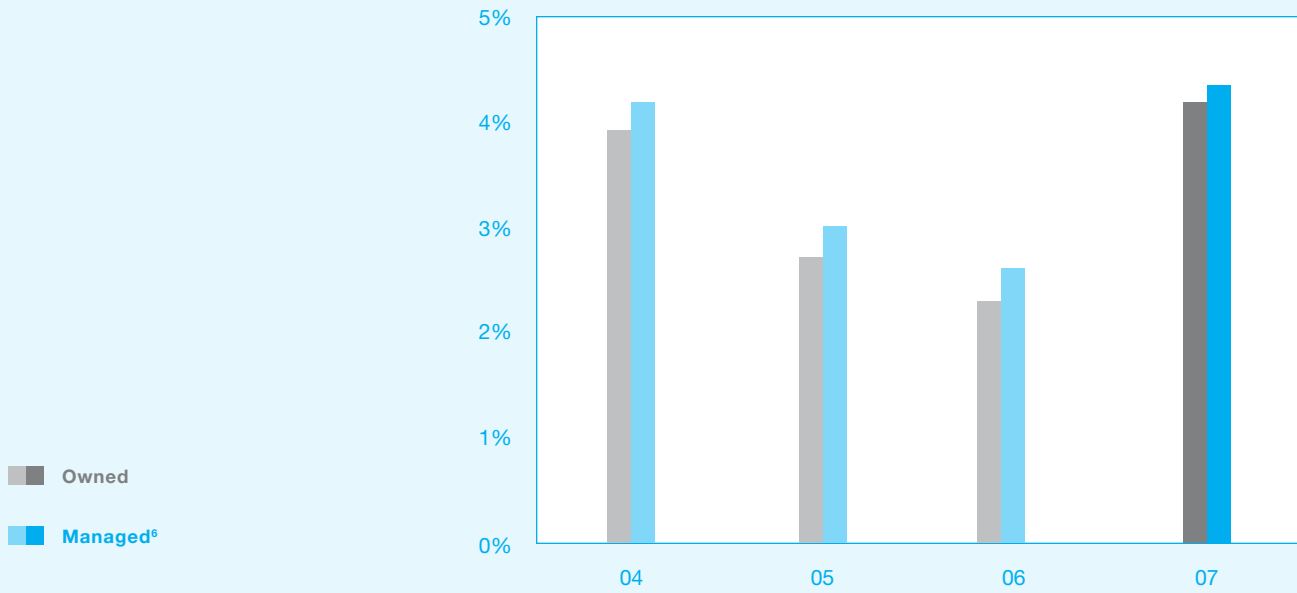
BUSINESS CARDS CUSTOMERS & CARDS IN CIRCULATION



BUSINESS CARDS NET CREDIT LOSSES

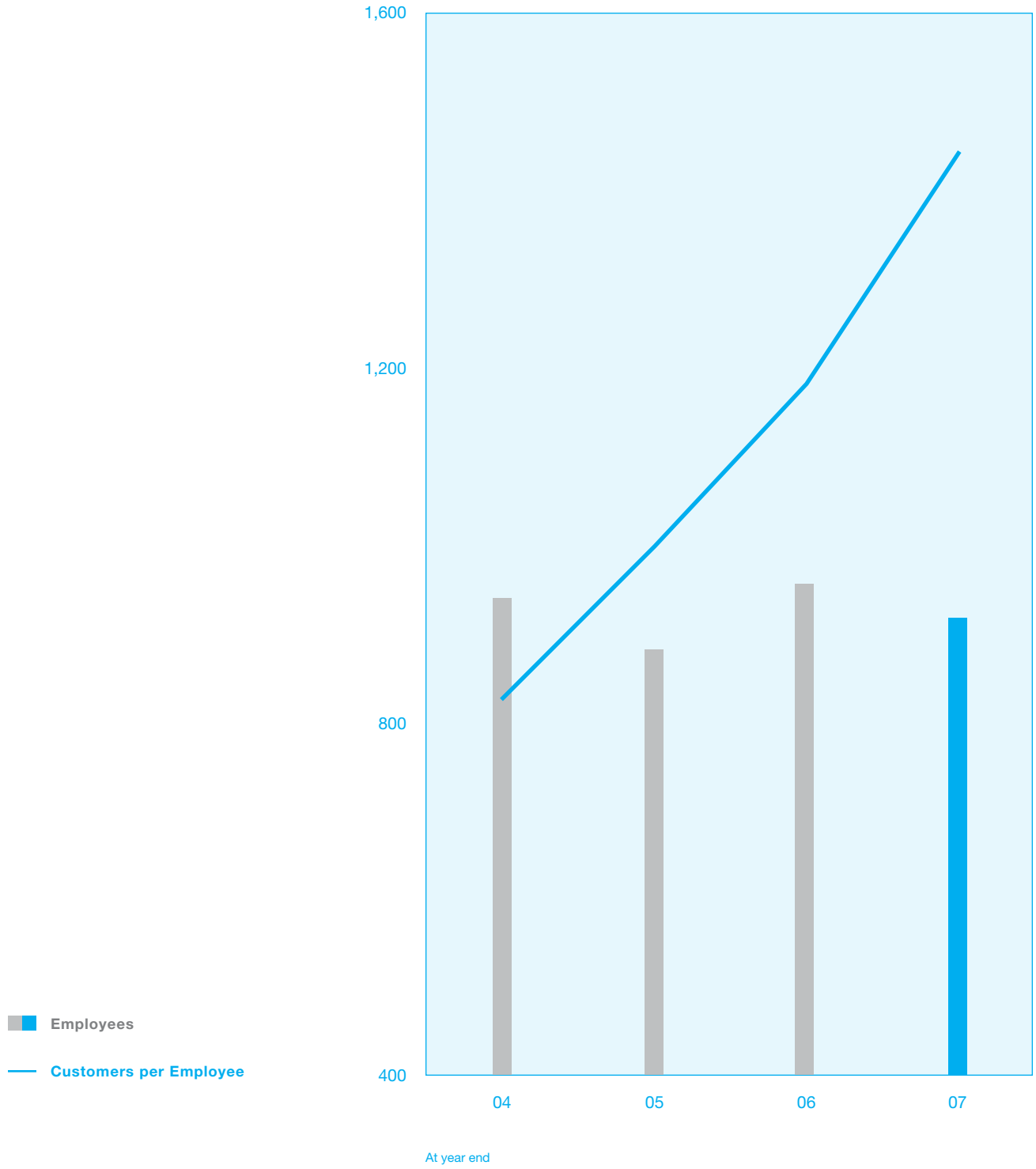


BUSINESS CARDS 30+ DAY DELINQUENCY



At year end

EMPLOYEES



Corporate and Investor Information

ADVANTA CORP. DIRECTORS

Dennis Alter
Chief Executive Officer and
Chairman of the Board
Advanta Corp.

William A. Rosoff
President and Vice Chairman
of the Board, Advanta Corp.

Dana Becker Dunn
Retired Vice President
U.S. Services of Avaya, Inc.
Basking Ridge, NJ

Max Botel
President, Botel Asset
Management, Bala Cynwyd, PA

Thomas P. Costello
Retired Firmwide Practice Director
Arthur Andersen LLP, Chicago, IL

Ronnie Lubner
Chairman, Belron International
Ltd., PGSI Ltd. and PG Group (Pty)
Ltd., Luxembourg and South Africa

Olaf Olafsson
Executive Vice President
Time Warner, Inc., New York, NY

Michael A. Stolper
General Partner, Veritable, LP
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Director, Real Estate Center
University of Utah
Salt Lake City, UT

Fred Gonzales
President, FPG Ventures
Salt Lake City, UT

William Wirthlin
President, The Associated Group
Salt Lake City, UT

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Battaglia, Wilmington, DE

Thomas P. Costello
Retired Firmwide Practice Director
Arthur Andersen LLP, Chicago, IL

Michael Ratchford
Associate, W.L. Gore &
Associates, Inc., Newark, DE

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ADVANTA ON THE WEB

www.advanta.com

STOCK LISTING AND SYMBOLS

The Company's common stock is traded on The NASDAQ Global Select Market. The trading symbol for Class B non-voting Common Stock is ADVNB, and Class A voting Common Stock is ADVNA.

TRANSFER AGENT, REGISTRAR AND DIVIDEND DISBURSEMENT AGENT

For information relating to stock certificates, change of address, dividend payments or transfer of ownership, please contact:
BNY Mellon Shareowner Services
480 Washington Boulevard
Jersey City, NJ 07310-1900
Phone: 800.851.9673
Web: www.bnymellon.com/shareowner/isd

Design: Paragraphs Design, Chicago
Photography: Trevor Dixon, Philadelphia
Printing: Innovation Printing Inc., Philadelphia

All per share amounts have been adjusted to reflect the three-for-two stock split effective June 15, 2007.

- 1) Risk-adjusted revenues represent net interest income and noninterest revenues, less provision for credit losses.
- 2) Reflects diluted income per share. Combined represents net income available to common stockholders divided by the combined total of Class A and Class B weighted average common shares outstanding.
- 3) Reflects the year end book value per common share for Class A and Class B shares combined.
- 4) Includes equity and subordinated debt payable to preferred securities trust at year end.
- 5) Includes cash, federal funds sold and investments at year end.
- 6) Managed statistics are non-GAAP financial measures. We believe that performance on a managed basis provides useful supplemental information to investors because we retain interests in the securitized receivables and, therefore, we have a financial interest in and exposure to the performance of the securitized receivables.

The following is a reconciliation of the owned and managed net credit loss ratios (\$ in millions):

	2007	2006	2005	2004
Owned:				
Net credit losses	\$ 41.6	\$ 33.8	\$ 44.9	\$ 39.9
Average receivables	\$ 1,228.0	\$ 1,059.6	\$ 835.1	\$ 626.4
Ratio	3.39%	3.19%	5.37%	6.38%
Securitized:				
Net credit losses	\$ 178.2	\$ 116.2	\$ 155.6	\$ 170.1
Average receivables	\$ 4,696.3	\$ 3,337.9	\$ 2,675.9	\$ 2,524.5
Managed:				
Net credit losses [†]	\$ 219.8	\$ 150.0	\$ 200.5	\$ 210.0
Average receivables [†]	\$ 5,924.3	\$ 4,397.5	\$ 3,511.0	\$ 3,150.9
Ratio	3.71%	3.41%	5.71%	6.66%

The following is a reconciliation of the owned and managed delinquency ratios (\$ in millions):

	2007	2006	2005	2004
Owned:				
Receivables 30 days or more delinquent	\$ 42.4	\$ 26.0	\$ 23.6	\$ 28.3
Receivables at year end	1,031.6	1,133.1	879.5	730.5
Ratio	4.11%	2.30%	2.68%	3.87%
Securitized:				
Receivables 30 days or more delinquent	\$ 229.8	\$ 108.2	\$ 87.6	\$ 107.5
Receivables at year end	5,315.4	4,073.1	2,880.4	2,564.1
Managed:				
Receivables 30 days or more delinquent [†]	\$ 272.2	\$ 134.2	\$ 111.2	\$ 135.8
Receivables at year end [†]	6,347.0	5,206.2	3,759.9	3,294.6
Ratio	4.29%	2.58%	2.96%	4.12%

[†] Represents the sum of owned (GAAP) and securitized statistics.

* Any trade names, trademarks, service marks, or trade dress (collectively, "Marks") contained in this Annual Report that are not Advanta's are the exclusive property of their respective owners. References that we may make to any specific Mark, product or service of a third party do not constitute or imply the third party's endorsement, sponsorship or recommendation of Advanta or our Marks, products or services, or our endorsement, sponsorship or recommendation of the third party's Marks, products or services, unless otherwise explicitly provided. Advanta and the Advanta logo are registered service marks of Advanta Corp.


ADVANTA