December 10, 2008

Dear Shareholder:

The past year has been challenging for any lender, especially one who focuses on real estate lending, and your company has not been an exception. I don't think it necessary for me to repeat the current problems associated with all types of real estate and the many ways that has impacted all banks.

While our results this year have been less than those of previous years, our model of making only loans with substantial equity and/or significant sponsorship, has proved to sustain our company in very stressful times. Our results were negatively impacted by a reduced net interest margin, as we were unable to reprice our liabilities as rapidly as the returns on our assets declined, and by a much larger than usual addition to loan loss reserves. Making statements such as "we are adequately reserved" implies that one can see well into the future. We do not have that crystal ball, but feel that at this time, under current market conditions, we have realistically assessed our need to recognize problems.

Despite the unprecedented problems suffered by our economy, and industry, NASB was profitable in each quarter of our fiscal year ending September 30, 2008. Net income, without the loss provisions, would have generated returns on assets and equity of approximately 1.00% and 10%. While the reserves were necessary, and were certainly self-inflicted wounds, I think these results, created in an environment such as the past year, validate our model and are indicative of what we can achieve in coming years.

While we are far from satisfied with the returns we achieved in fiscal 2008, I believe our managers did a superb job of making the best of difficult situations. I continue to have confidence in the long-term success of NASB Financial.

Sincerely,

David H. Hancock
Board Chairman

NASB Financial, Inc.
2008 Annual Report

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Financial Highlights

		2008	2007	2006	2005	2000	1990
		(Dollars in thousands, except per share data)					
For the year ended September 30:							
Net interest income	$	39,015	41,679	46,611	51,299	35,838	7,983
Net interest spread		2.36%	2.53%	2.87%	3.47%	3.71%	1.99%
Other income	$	18,407	21,198	24,524	28,512	9,409	2,774
General and administrative expenses		36,819	36,329	37,248	38,851	20,120	8,169
Net income (loss)		9,296	15,319	20,768	25,826	14,721	(369)
Basic earnings per share		1.18	1.89	2.47	3.06	1.66	(0.18)
Cash dividends paid		7,080	7,337	9,468	14,158	3,370	--
Dividend payout ratio		76.16%	47.90%	45.59%	54.82%	22.89%	--
At year end:							
Assets	$	1,516,761	1,506,483	1,524,796	1,556,344	984,525	388,477
Loans		1,344,520	1,316,592	1,338,171	1,320,644	914,012	180,348
Investment securities		60,059	80,881	97,634	129,970	20,451	179,599
Customer and brokered deposit accounts		769,379	855,536	851,042	802,694	621,665	333,634
Stockholders' equity		152,412	149,392	156,572	148,887	83,661	16,772
Book value per share		19.37	18.99	18.82	17.65	9.84	1.83
Basic shares outstanding (in thousands)		7,868	7,868	8,319	8,437	8,500	9,148
Other Financial Data							
Return on average assets		0.61%	1.01%	1.35%	1.77%	1.63%	(0.20)%
Return on average equity		6.16%	10.01%	13.60%	17.94%	18.12%	(2.50)%
Stockholders' equity to assets		10.05%	9.92%	10.27%	9.57%	8.50%	4.30%
Average shares outstanding (in thousands)		7,868	8,101	8,397	8,451	8,863	8,116
Selected year end information:							
Stock price per share: Bid	$	29.41	35.76	39.79	39.57	14.50	1.03
Ask		31.00	35.80	39.90	40.00	15.50	1.13

Per share amounts have been adjusted to give retroactive effect to the four-for-one stock split, which occurred during the fiscal year ended September 30, 1999.

Selected Consolidated Financial and Other Data

The following tables include selected information concerning the financial position of NASB Financial, Inc., (including consolidated data from the operations of subsidiaries) for the years ended September 30. Dollar amounts are expressed in thousands, except per share data.

SUMMARY STATEMENT OF OPERATIONS		2008	2007	2006	2005	2004
Interest income	$	95,521	103,818	99,132	83,773	73,128
Interest expense		56,506	62,139	52,521	32,474	20,084
Net interest income		39,015	41,679	46,611	51,299	53,044
Provision for loan losses		6,200	1,634	745	522	465
Net interest income after provision for loan losses		32,815	40,045	45,866	50,777	52,579
Other income		18,407	21,198	24,524	28,512	21,813
General and administrative expenses		36,819	36,329	37,248	38,851	34,602
Income before income tax expense		14,403	24,914	33,142	40,438	39,790
Income tax expense		5,107	9,595	12,374	14,612	14,634
Net income	$	9,296	15,319	20,768	25,826	25,156
Earnings per share:						
Basic	$	1.18	1.89	2.47	3.06	2.98
Diluted		1.18	1.88	2.46	3.05	2.97
Average shares outstanding (in thousands)		7,868	8,101	8,397	8,451	8,456

SUMMARY BALANCE SHEET		2008	2007	2006	2005	2004
Assets:						
Bank deposits	$	6,331	18,847	6,511	27,523	10,081
Stock in Federal Home Loan Bank		26,284	22,307	24,043	22,390	17,808
Securities		60,059	80,881	97,584	129,970	171,791
Loans receivable held for sale, net		64,030	47,233	50,462	94,130	246,468
Loans receivable held for investment, net		1,280,490	1,269,359	1,287,709	1,226,514	868,101
Non-interest earning assets		79,567	67,856	58,487	55,817	47,639
Total assets	$	1,516,761	1,506,483	1,524,796	1,556,344	1,361,888
Liabilities:						
Customer & brokered deposit accounts	$	769,379	855,536	851,042	802,694	683,740
Advances from Federal Home Loan Bank		550,091	458,933	499,357	465,907	367,341
Subordinated debentures		25,774	25,774	--	--	--
Securities sold under agreements to repurchase		--	--	--	122,000	159,100
Non-interest costing liabilities		19,105	16,848	17,825	16,856	12,716
Total liabilities		1,364,349	1,357,091	1,368,224	1,407,457	1,222,897
Stockholders' equity		152,412	149,392	156,572	148,887	138,991
Total liabilities and stockholders' equity	$	1,516,761	1,506,483	1,524,796	1,556,344	1,361,888
Book value per share	$	19.37	18.99	18.82	17.65	16.44

OTHER DATA		2008	2007	2006	2005	2004
Loans serviced for others	$	65,253	84,735	101,076	107,131	118,663
Number of full service branches		9	9	8	8	8
Number of employees (full-time equivalents)		322	312	362	441	429
Basic shares outstanding (in thousands)		7,868	7,868	8,319	8,437	8,455

General

NASB Financial, Inc. ("the Company") was formed in April 1998 to become a unitary thrift holding company of North American Savings Bank, F.S.B. ("the Bank" or "North American"). The Company's principal business is to provide banking services through the Bank. Specifically, the Bank obtains savings and checking deposits from the public, then uses those funds to originate and purchase real estate loans and other loans. The Bank also purchases mortgage-backed securities ("MBS") and other investment securities from time to time as conditions warrant. In addition to customer deposits, the Bank obtains funds from the sale of loans held-for-sale, the sale of securities available-for-sale, repayments of existing mortgage assets, and advances from the Federal Home Loan Bank ("FHLB"). The Bank's primary sources of income are interest on loans, MBS, and investment securities plus income from lending activities and customer service fees. Expenses consist primarily of interest payments on customer and brokered deposits and other borrowings and general and administrative costs.

The Bank operates nine deposit branch locations, three residential loan origination offices, and one residential construction loan origination office, primarily in the greater Kansas City area. The Bank also operates one commercial real estate loan origination office at its headquarters in Grandview, Missouri. Consumer loans are also offered through the Bank's branch network. Customer deposit accounts are insured up to allowable limits by the Deposit Insurance Fund ("DIF"), a division of the Federal Deposit Insurance Corporation ("FDIC"). The Bank is regulated by the Office of Thrift Supervision ("OTS") and the FDIC.

Forward-Looking Statements

We may from time to time make written or oral "forward-looking statements," including statements contained in our filings with the Securities and Exchange Commission ("SEC"). These forward-looking statements may be included in this annual report to shareholders and in other communications by the Company, which are made in good faith by us pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995.

These forward-looking statements include statements about our beliefs, plans, objectives, goals, expectations, anticipations, estimates and intentions, that are subject to significant risks and uncertainties, and are subject to change based on various factors, some of which are beyond our control. The words "may," "could," "should," "would," "believe," "anticipate," "estimate," "expect," "intend," "plan," and similar expressions are intended to identify forward-looking statements. The following factors, among others, could cause our financial performance to differ materially from the plans, objectives, goals, expectations, anticipations, estimates and intentions expressed in the forward-looking statements:

- the strength of the U.S. economy in general and the strength of the local economies in which we conduct operations;
- the effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Federal Reserve Board;
- the effects of, and changes in, foreign and military policy of the United States Government; inflation, interest rate, market and monetary fluctuations;
- the timely development and acceptance of our new products and services and the perceived overall value of these products and services by users, including the features, pricing and quality compared to competitors' products and services;
- the willingness of users to substitute competitors' products and services for our products and services;
- our success in gaining regulatory approval of our products, services and branching locations, when required;
- the impact of changes in financial services' laws and regulations, including laws concerning taxes, banking, securities and insurance;
- technological changes;
- acquisitions and dispositions;
- changes in consumer spending and saving habits; and
- our success at managing the risks involved in our business.

This list of important factors is not all-inclusive. We do not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by or on behalf of the Company or the Bank.

Financial Condition

Total assets as of September 30, 2008, were $1,516.8 million, an increase of $10.3 million from the prior year-end. Average interest-earning assets increased $10.1 million from the prior year to $1,472.1 million.

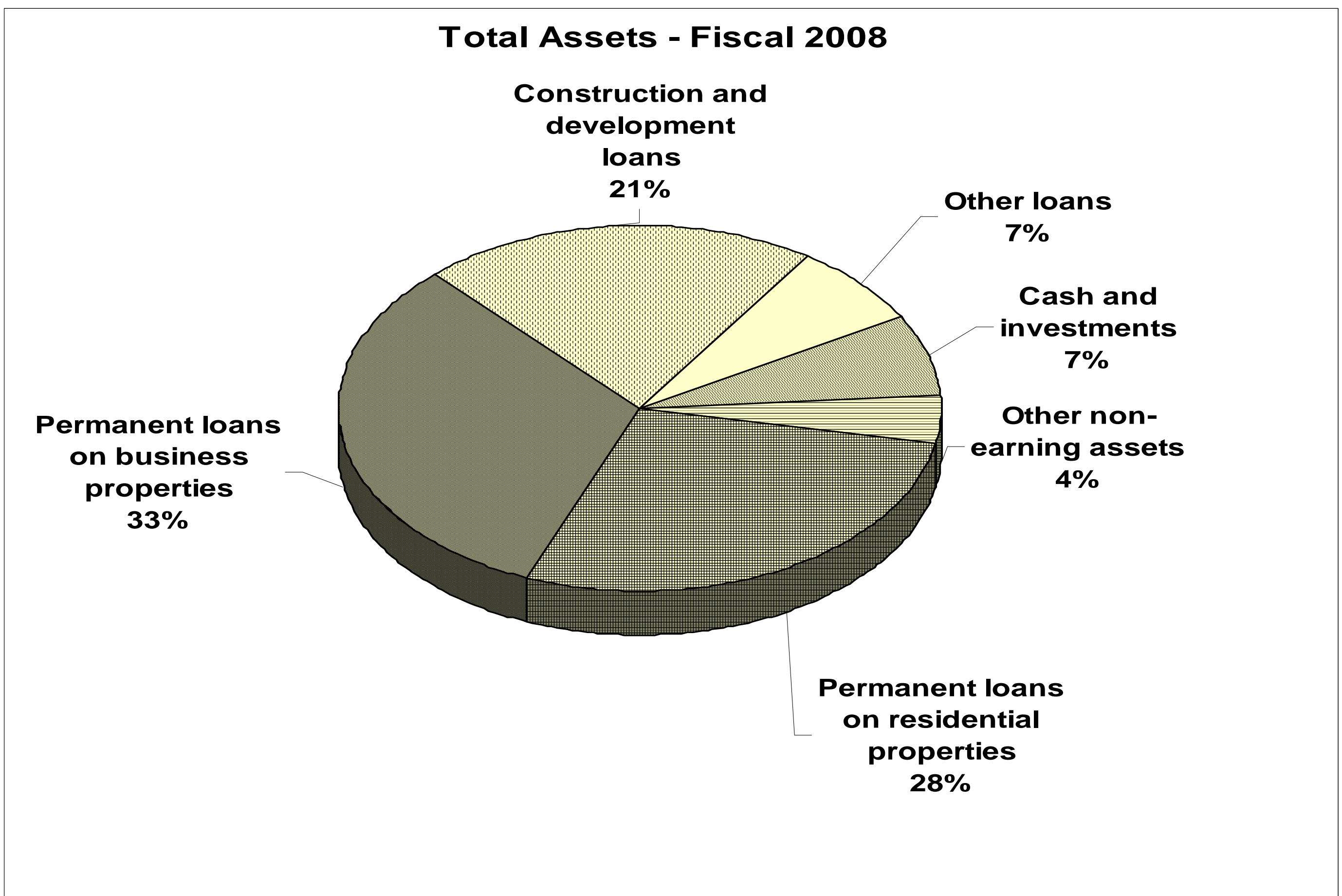
As the Bank originates loans each month, management evaluates the existing market conditions to determine which loans will be held in the Bank's portfolio and which loans will be sold in the secondary market. Loans sold in the secondary market are sold with servicing released or converted into mortgage-backed securities ("MBS") and sold with the servicing retained by the Bank. At the time of each loan commitment, a decision is made to either hold the loan for investment, hold it for sale with servicing retained, or hold it for sale with servicing released. Management monitors market conditions to decide whether loans should be held in the portfolio or sold and if sold, which method of sale is appropriate. During the year ended September 30, 2008, the Bank originated $884.7 million in mortgage loans held for sale, $342.2 million in mortgage loans held for investment, and $7.8 million in other loans. This total of $1,234.7 million in loan originations was a decrease of $177.6 million over the prior fiscal year.

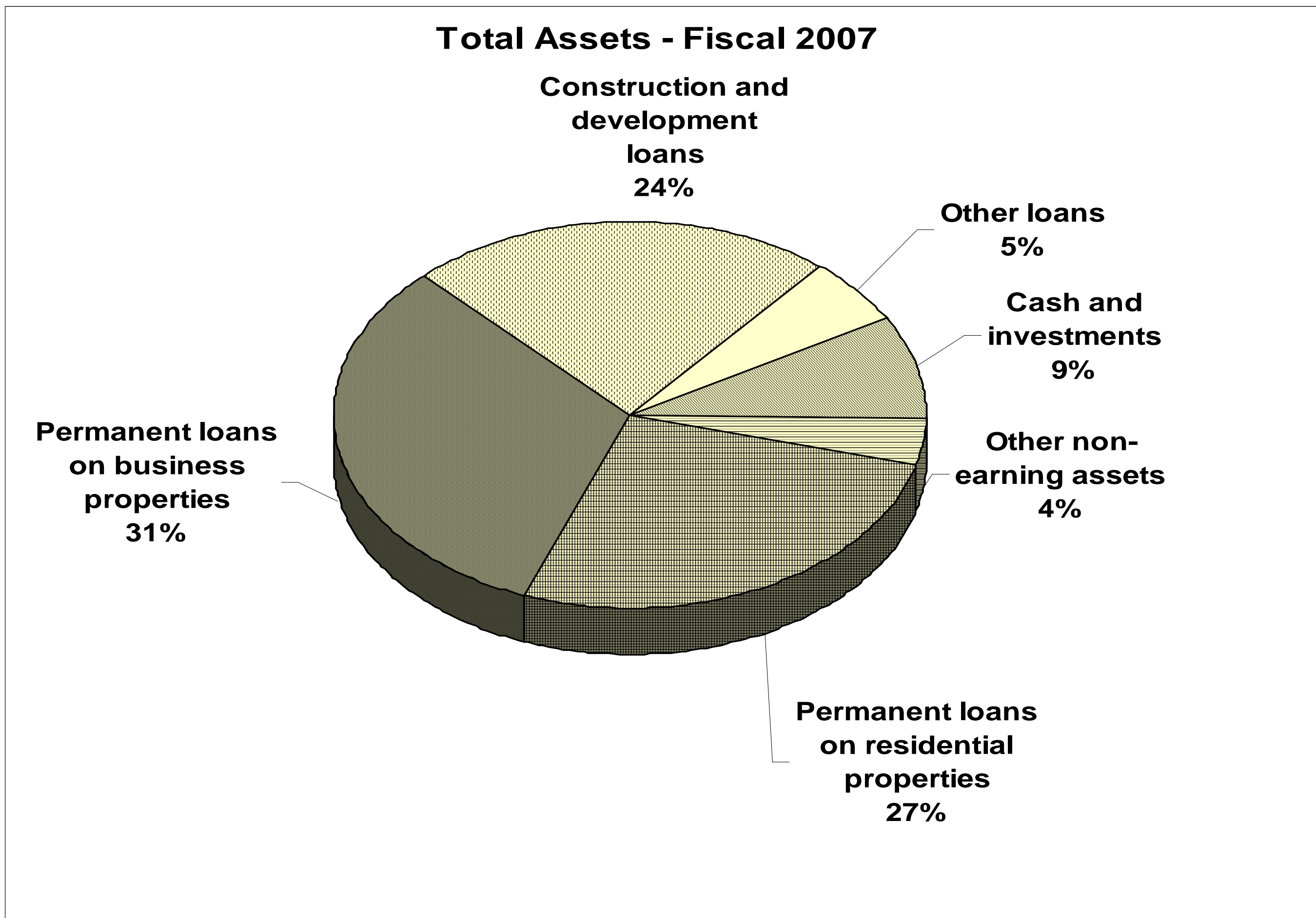
Included in the $64.0 million in loans held for sale as of September 30, 2008, were $46.5 million in residential mortgage loans held for sale with servicing released. All loans held for sale are carried at the lower of cost or fair value.

The balance of total loans held for investment at September 30, 2008, was $1,294.3 million, an increase of $16.8 million from September 30, 2007. This increase related primarily to the Bank's residential mortgage loan portfolio. During fiscal 2008, total originations and purchases of mortgage loans and other loans held for investment were $359.6 million. The gross balance of loans on business properties was $478.9 million at September 30, 2008, compared to $490.0 million as of the previous year-end. The gross balance of construction and development loans was $396.8 million at September 30, 2008, a decrease of $79.3 million.

The balance of mortgage servicing rights at September 30, 2008, was $716,000, a decrease of $195,000 from September 30, 2007. There were no new originated mortgage servicing rights capitalized during the year ended September 30, 2008. The total outstanding balance of mortgage loans serviced for others was $65.3 million, a decrease of $19.4 million from the prior fiscal year-end.

The following graphs summarize the Company's total assets as of September 30, 2008 and 2007.





Total liabilities were $1,364.3 million at September 30, 2008, an increase of $7.3 million from the previous year. Average interest-costing liabilities during fiscal year 2008 were $1,366.5 million, an increase of $6.8 million from fiscal 2007.

Total customer deposit accounts at September 30, 2008, were $691.6 million, a decrease of $30.5 million from the prior year-end. The total change in customer deposits was comprised of a decrease of $17.8 million in certificate of deposit accounts and a decrease of $16.8 million in demand deposit accounts, offset by increases of $3.0 million in money market demand accounts and $1.1 million in savings accounts. Additionally, the Company held a total of $77.8 million in brokered deposits at September 30, 2008, a decrease of $55.7 million from September 30, 2007. The average interest rate on customer and brokered deposits at September 30, 2008, was 3.38%, a decrease of 92 basis points from the prior year-end. The average balance of customer and brokered deposits during fiscal 2008 was $805.2 million, a decrease of $14.3 million from fiscal 2007.

Advances from the FHLB were $550.1 million at September 30, 2008, an increase of $91.2 million from the prior fiscal year-end. During fiscal year 2008, the Bank borrowed $378.0 million of new advances and made $286.7 million of repayments. Management continues to use FHLB advances as a primary funding source to provide operating liquidity and to fund the origination of mortgage loans.

Subordinated debentures were $25.8 million as of September 30, 2008. Such debentures resulted from the issuance of pooled Trust Preferred Securities through the Company's wholly owned statutory trust, NASB Preferred Trust I during fiscal 2007. The Trust used the proceeds from the offering to purchase a like amount of the Company's subordinated debentures. The debentures, which have a variable rate of 1.65% over the 3-month LIBOR and a 30-year term, are the sole assets of the Trust. The debentures are callable, in whole or in part, after five years of the issuance date.

During the year ended September 30, 2008, the Company paid a total of $7.1 million in cash dividends to its stockholders.

Net Interest Margin

The Bank’s net interest margin is comprised of the difference (“spread”) between interest income on loans, MBS, and investments and the interest cost of customer and brokered deposits, FHLB advances, and other borrowings. Management monitors net interest spreads and, although constrained by certain market, economic, and competition factors, it establishes loan rates and customer deposit rates that maximize net interest margin.

During fiscal year 2008, average interest-earning assets exceeded average interest-costing liabilities by $105.6 million, which was 6.9% of average total assets. In fiscal year 2007, average interest-earning assets exceeded average interest-costing liabilities by $102.3 million, which was 6.7% of average total assets.

The net interest spread (earning yield less costing rate) for the fiscal year ended September 30, 2008, was 2.36%, a decrease of 17 basis points from the prior year. The net interest spread for the fiscal year ended September 30, 2007, was 2.53%, a decrease of 34 basis points from the prior year.

The table below presents the total dollar amounts of interest income and expense on the indicated amounts of average interest-earning assets or interest-costing liabilities, with the average interest rates for the year and at the end of each year. Average yields reflect yield reductions due to non-accrual loans. Average balances and weighted average yields at year-end include all accrual and non-accrual loans. Dollar amounts are expressed in thousands.

	Fiscal 2008			As of 9/30/08	Fiscal 2007			As of 9/30/07	Fiscal 2006			As of 9/30/06
	Average Balance	Interest	Yield/ Rate	Yield/ Rate	Average Balance	Interest	Yield/ Rate	Yield/ Rate	Average Balance	Interest	Yield/ Rate	Yield/ Rate
Interest-earning assets:												
Loans receivable	$ 1,363,032	91,635	6.72%	6.49%	$ 1,339,370	99,067	7.40%	7.15%	$ 1,336,590	93,830	7.02%	7.16%
Mortgage-backed securities	71,196	2,546	3.58%	4.10%	89,972	3,157	3.51%	4.19%	112,201	4,163	3.71%	4.26%
Investments	25,909	1,086	4.19%	4.00%	25,145	1,254	4.99%	4.25%	23,417	900	3.84%	4.26%
Bank deposits	11,953	254	2.12%	1.22%	7,506	340	4.53%	4.27%	7,929	239	3.01%	4.81%
Total earning assets	1,472,090	95,521	6.49%	6.32%	1,461,993	103,818	7.10%	6.90%	1,480,137	99,132	6.70%	6.91%
Non-earning assets	61,057				63,799				57,259			
Total	$ 1,533,147				$ 1,525,792				$ 1,537,396			
Interest-costing liabilities:												
Customer checking and savings deposit accounts	$ 166,076	1,925	1.16%	1.01%	$ 169,264	2,036	1.20%	1.20%	$ 184,180	1,968	1.07%	1.05%
Customer and brokered certificates of deposit	639,113	28,814	4.51%	4.21%	650,273	31,476	4.84%	5.09%	683,167	27,978	4.10%	4.74%
FHLB advances	536,344	24,410	4.55%	4.07%	512,341	26,811	5.23%	5.08%	481,422	21,791	4.53%	5.21%
Subordinated debentures	25,000	1,357	5.43%	4.45%	20,269	1,421	7.01%	7.01%	--	--	--%	--%
Repurchase agreements	--	--	--%	--%	7,546	395	5.23%	--%	24,231	784	3.24%	--%
Total costing liabilities	1,366,533	56,506	4.13%	3.77%	1,359,693	62,139	4.57%	4.62%	1,373,000	52,521	3.83%	4.43%
Non-costing liabilities	15,291				12,668				12,468			
Stockholders’ equity	151,323				153,431				151,928			
Total	$ 1,533,147				$ 1,525,792				$ 1,537,396			
Net earning balance	$ 105,557				$ 102,300				$ 107,137			
Earning yield less costing rate			2.36%	2.55%			2.53%	2.28%			2.87%	2.48%
Avg. interest-earning assets	$ 1,472,090				$ 1,461,993				1,480,137			
Net interest		39,015				41,679				46,611		
Net yield spread on avg. interest-earning assets			2.65%				2.85%				3.15%	

The following tables set forth information regarding changes in interest income and interest expense. For each category of interest-earning asset and interest-costing liability, information is provided on changes attributable to (1) changes in rates (change in rate multiplied by the old volume), (2) changes in volume (change in volume multiplied by the old rate), and (3) changes in rate and volume (change in rate multiplied by the change in volume). Average balances, yields and rates used in the preparation of this analysis come from the preceding table. Dollar amounts are expressed in thousands.

	Year ended September 30, 2008 compared to year ended September 30, 2007			
	Rate	Volume	Rate/ Volume	Total
Components of interest income:				
Loans receivable	$ (9,108)	1,751	(75)	(7,432)
Mortgage-backed securities	63	(659)	(15)	(611)
Investments	(201)	38	(5)	(168)
Bank deposits	(181)	201	(106)	(86)
Net change in interest income	(9,427)	1,331	(201)	(8,297)
Components of interest expense:				
Customer and brokered deposit accounts	(2,213)	(587)	27	(2,773)
FHLB advances	(3,484)	1,255	(172)	(2,401)
Subordinated debentures	(320)	332	(76)	(64)
Repurchase agreements	--	--	(395)	(395)
Net change in interest expense	(6,017)	1,000	(616)	(5,633)
(Decrease) increase in net interest income	$ (3,410)	331	415	(2,664)

	Year ended September 30, 2007 compared to year ended September 30, 2006			
	Rate	Volume	Rate/ Volume	Total
Components of interest income:				
Loans receivable	$ 5,079	195	(37)	5,237
Mortgage-backed securities	(224)	(825)	43	(1,006)
Investments	269	66	19	354
Bank deposits	121	(13)	(7)	101
Net change in interest income	5,245	(577)	18	4,686
Components of interest expense:				
Customer and brokered deposit accounts	5,551	(1,649)	(336)	3,566
FHLB advances	3,370	1,401	249	5,020
Subordinated debentures	--	--	1,421	1,421
Repurchase agreements	482	(541)	(330)	(389)
Net change in interest expense	9,403	(789)	1,004	9,618
(Decrease) increase in net interest income	$ (4,158)	212	(986)	(4,932)

Comparison of Years Ended September 30, 2008 and 2007

For the fiscal year ended September 30, 2008, the Company had net income of $9.3 million, or $1.18 per share, compared to net income $15.3 million, or $1.89 per share in the prior year.

Total interest income for the year ended September 30, 2008, was $95.5 million, a decrease of $8.3 million from fiscal year 2007. The average yield on interest-earning assets decreased during fiscal 2008 to 6.49% from 7.10% during fiscal 2007, which resulted in a decrease in interest income of $9.4 million. The average balance of interest-earning assets increased from $1,462.0 million during fiscal 2007 to $1,472.1 million during fiscal 2008, resulting in an increase in interest income of $1.3 million.

Interest income on loans decreased $7.4 million to $91.6 million in fiscal 2008, compared to $99.1 million during fiscal 2007. A decrease of $9.1 million resulted from a 68 basis point decrease in the average yield on loans outstanding during the fiscal year. The weighted average rate on loans receivable at September 30, 2008, was 6.49%, a 66 basis point decrease from September 30, 2007. This decrease was partially offset by a $1.8 million increase in interest income on loans resulting from a $23.7 million increase in the average balance of loans outstanding over the prior year. Interest income on mortgage-backed securities decreased $611,000 to $2.5 million in fiscal 2008, compared to $3.2 million during fiscal 2007. A decrease of $659,000 resulted from a $18.8 million decrease in the average balance of mortgage-backed securities from the prior year. This decrease was partially offset by a 7 basis point increase in the average yield on mortgage-backed securities during the fiscal year.

Total interest expense during the year ended September 30, 2008, decreased $5.6 million from the prior year. Specifically, interest on customer and brokered deposit accounts decreased $2.8 million during fiscal 2008. Of that decrease, approximately $2.2 million resulted from a 27 basis point decrease in the average rate paid on such interest-costing liabilities, and a decrease of approximately $587,000 resulted from a $14.3 million decrease in the average balance of customer and brokered deposits accounts from the prior year. The average rate paid on FHLB advances decreased 68 basis points, which resulted in a decrease in interest on FHLB advances of approximately $3.5 million from fiscal year 2007. This decrease was partially offset by a $1.3 million increase, which resulted from a $24.0 million increase in the average balance of FHLB advances over the prior period. Management continues to use FHLB advances as a primary source of short-term financing. Interest expense on securities sold under agreements to repurchase decreased $395,000 from the prior year due to the fact that the Company had no such liabilities outstanding during fiscal 2008.

The Bank's net interest income is impacted by changes in market interest rates, which have varied greatly over time. Changing interest rates also affect the level of loan prepayments and the demand for new loans. Management monitors the Bank's net interest spreads (the difference between yields received on assets and paid on liabilities) and, although constrained by market conditions, economic conditions, and prudent underwriting standards, it offers deposit rates and loan rates that maximize net interest income. Management does not predict interest rates, but instead attempts to fund the Bank's assets with liabilities of a similar duration to minimize the impact of changing interest rates on the Bank's net interest margin. Since the relative spread between financial assets and liabilities is constantly changing, North American's current net interest spread may not be an indication of future net interest income.

The provision for losses on loans was $6.2 million during the year ended September 30, 2008, compared to $1.6 million during fiscal 2007. The allowance for loan losses was $13.8 million or 1.07% of the total loan portfolio held for investment and approximately 39% of total nonaccrual loans as of September 30, 2008. This compares with an allowance for loan losses of $8.1 million or 0.63% of the total loan portfolio held for investment and approximately 245% of the total nonaccrual loans as of September 30, 2007. The increase in the allowance for loan loss of $5.7 million was due to the aforementioned provision for loan loss resulting from management's analysis of the Bank's loan portfolios, which was partially offset by net charge-offs for the year of $490,000. The provision for loss on loans related primarily to the significant increase in loans secured by business and residential construction properties classified as substandard or loss over the prior year. Additionally, management determined that the significant increase in the allowance for loan loss was appropriate due to the continued deterioration in the residential housing market. With regard to loan portfolio concentrations at September 30, 2008, loans secured by business properties made up thirty-four percent of the Bank's total loans receivable, and forty-one percent of the allowance for loan losses was allocated to such loans. This compares to thirty-three percent of total loans receivable and fifty-three percent of the allowance at September 30, 2007. At September 30, 2008, loans secured by residential properties made up thirty-one percent of the Bank's total loans receivable, and nine percent of the allowance for loan losses was allocated to such loans. This compares to twenty-nine percent of total loans receivable and thirteen percent of the allowance at September 30, 2007. At September 30, 2008, construction and development loans made up twenty-seven percent of the Bank's total loans receivable, and forty-one percent of the allowance for loan losses was allocated to such loans. This compares to thirty-three percent of total loans receivable and twenty-one percent of the allowance at September 30, 2007. Management believes that the provision for loan losses is sufficient to provide for a level of loan loss allowance at year end that would adequately absorb all estimated credit losses on outstanding balances over the subsequent twelve-month period.

Total other income for fiscal year 2008 was $18.4 million, a decrease of $2.8 million from the amount earned in fiscal year 2007. Specifically, provision for loss on real estate owned increased $1.5 million due to increased charge-offs on residential construction and business properties. Customer service fees and charges decreased $270,000 due to a decrease in miscellaneous loan origination fees resulting from the decrease in mortgage banking volume, and a decrease in appraisal fee income resulting from the elimination of the Company's internal appraisal department in March 2008. Gain on sale of loans receivable held for sale decreased $375,000 due to a decrease in mortgage banking volume from the prior year. In addition, other income decreased $742,000 due to decreases in income received on foreclosed assets held for sale, loan prepayment penalties, official check processing fee income, and the effect of recording the net fair value of certain loan-related commitments in accordance with FASB Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities." These decreases were partially offset by a $122,000 increase in gain on sale of securities due to the redemption of Visa, Inc. common stock during their initial public offering in March 2008.

Total general and administrative expenses for fiscal 2008 were $36.8 million, an increase of $490,000 from the prior year. Specifically, compensation, fringe benefits, and commission-based mortgage banking compensation increased $158,000 due primarily to an increase in mortgage banking spreads over the prior year. Premises and equipment expense increased $510,000 due primarily to costs related to a new loan origination system implemented in fiscal 2007. Additionally, advertising and business promotion expense increased $127,000 due primarily to increased costs related to the mortgage banking operation. These increases were partially offset by a $306,000 decrease in other expense due to decreases in professional fees and other lending-related costs resulting from the consolidation of loan origination offices in fiscal 2007 and from the decrease in mortgage banking volume for the fiscal year.

Comparison of Years Ended September 30, 2007 and 2006

For the fiscal year ended September 30, 2007, the Company had net income of $15.3 million, or $1.89 per share, compared to net income $20.8 million, or $2.47 per share in the prior year.

Total interest income for the year ended September 30, 2007, was $103.8 million, an increase of $4.7 million from fiscal year 2006. The average yield on interest-earning assets increased during fiscal 2007 to 7.10% from 6.70% during fiscal 2006, which resulted in an increase in interest income of $5.2 million. The average balance of interest-earning assets decreased from $1,480.1 million during fiscal 2006 to $1,462.0 million during fiscal 2007, resulting in a decrease in interest income of $577,000.

Interest income on loans increased $5.2 million to $99.1 million in fiscal 2007, compared to $93.8 million during fiscal 2006. $5.1 million of that increase resulted from a 38 basis point increase in the average yield on loans outstanding during the fiscal year. The weighted average rate on loans receivable at September 30, 2007, was 7.15%, a one basis point decrease from September 30, 2006. $195,000 of the increase in interest on loans receivable resulted from a $2.8 million increase in the average balance of loans outstanding over the prior year. Interest income on mortgage-backed securities decreased $1.0 million to $3.2 million in fiscal 2007, compared to $4.2 million during fiscal 2006. Of that decrease, $825,000 resulted from a $22.2 million decrease in the average balance of mortgage-backed securities from the prior year and $224,000 resulted from a 20 basis point decrease in the average yield on mortgage-backed securities during the fiscal year.

Total interest expense during the year ended September 30, 2007, increased $9.6 million from the prior year. Specifically, interest on customer and brokered deposit accounts increased $3.6 million during fiscal 2007. Of that increase, approximately $5.6 million resulted from a 64 basis point increase in the average rate paid on such interest-costing liabilities. This increase was partially offset by an approximate $1.6 million decrease which resulted from a $47.8 million decrease in the average balance of customer and brokered deposits accounts from the prior year. The average rate paid on FHLB advances increased 70 basis points, which resulted in an increase in interest on FHLB advances of approximately $3.4 million from fiscal year 2006. An additional increase of approximately $1.4 million resulted from a $30.9 million increase in the average balance of FHLB advances over the prior period. Management continues to use FHLB advances as a primary source of short-term financing. Interest expense on subordinated debentures increased $1.4 million due to a $20.2 million increase in the average balance of such interest-costing liabilities, which were issued in December 2006.

The provision for losses on loans was $1.6 million during the year ended September 30, 2007, compared to $745,000 during fiscal 2006. The allowance for loan losses was $8.1 million or 0.63% of the total loan portfolio held for investment and approximately 245% of total nonaccrual loans as of September 30, 2007. This compares with an allowance for loan losses of $8.0 million or 0.62% of the total loan portfolio held for investment and approximately 125% of the total nonaccrual loans as of September 30, 2006. The relatively small increase in the allowance for loan loss of $106,000 was the result of the aforementioned provision for loan loss resulting from management's analysis of the Bank's loan portfolios, largely offset by net charge-offs for the year of $1.5 million. Although the balance of the Bank's loan portfolios decreased during fiscal 2007, management determined that the slight increase in the allowance for loan loss was appropriate due to deteriorating conditions in the residential housing market. The provision for loss on loans related primarily to the charge-off of loans secured by residential construction properties and business properties. With regard to loan portfolio concentrations at September 30, 2007, loans secured by business properties made up thirty-three percent of the Bank's total loans receivable, and fifty-three percent of the allowance for loan losses was allocated to such loans. This compares to thirty-two percent of total loans receivable and fifty-seven percent of the allowance at September 30, 2006. At September 30, 2007, loans secured by residential properties made up twenty-nine percent of the Bank's total loans receivable, and thirteen percent of the allowance for loan losses was allocated to such loans. This compares to twenty-nine percent of total loans receivable and ten percent of the allowance at September 30, 2006. At September 30, 2007, construction and development loans made up thirty-three percent of the Bank's total loans receivable, and twenty-one percent of the allowance for loan losses was allocated to such loans. This compares to thirty-four percent of total loans receivable and twenty-two percent of the allowance at September 30, 2006.

Total other income for fiscal year 2007 was $21.2 million, a decrease of $3.3 million from the amount earned in fiscal year 2006. Specifically, provision for loss on real estate owned increased $1.6 million due to increased charge-offs on residential construction and business properties. Customer service fees and charges decreased $372,000 due primarily to a decrease in overdraft fees and return item charges. Loan service fees decreased $271,000 due primarily to an increase in amortization of capitalized servicing. Gain on sale of securities available for sale decreased $258,000 due to the fact that no securities were sold during fiscal 2007. Additionally, other income decreased $935,000 due to decreases in loan prepayment penalties, income from foreclosed assets held for sale, and income from the Company's investment in LLCs.

Total general and administrative expenses for fiscal 2007 were $36.3 million, a decrease of $919,000 from the prior year. Specifically, compensation and fringe benefits decreased $1.1 million due primarily to a decrease in employee benefit related costs and the closing of a residential loan origination office located in St. Louis, Missouri during the third quarter of fiscal 2006. Other expense decreased $714,000 due primarily to a decrease in audit and consulting fees, as well as credit, appraisal, underwriting, legal and other costs related to mortgage banking operations and the construction and commercial real estate lending operations of the Bank. These decreases were offset by a $288,000 increase in commission-based mortgage banking compensations due primarily to an increase in mortgage-banking volume during fiscal 2007. Additionally, advertising and business promotion expense increased $565,000 due to increased costs related to the national mortgage banking operation and strategic direct marketing costs related to the retail banking operation.

Asset/Liability Management

Management recognizes that there are certain market risk factors present in the structure of the Bank's financial assets and liabilities. Since the Bank does not have material amounts of derivative positions, equity securities, or foreign currency positions, interest rate risk ("IRR") is the primary market risk that is inherent in the Bank's portfolio.

The objective of the Bank's IRR management process is to maximize net interest income over a range of possible interest rate paths. The monitoring of interest rate sensitivity on both the interest-earning assets and the interest-costing liabilities are key to effectively managing IRR. Management maintains an IRR policy, which outlines a methodology for monitoring interest rate risk. The Board of Directors reviews this policy and approves changes on a quarterly basis. The IRR policy also identifies the duties of the Bank's Asset/Liability Committee ("ALCO"). Among other things, the ALCO is responsible for developing the Bank's annual business plan and investment strategy, monitoring anticipated weekly cashflows, establishing prices for the Bank's various products, and implementing strategic IRR decisions.

On a quarterly basis, the Bank monitors the estimate of changes that would potentially occur to its net portfolio value ("NPV") of assets, liabilities, and off-balance sheet items assuming a sudden change in market interest rates. Management presents a NPV analysis to the Board of Directors each quarter and NPV policy limits are reviewed and approved.

The following table is an interest rate sensitivity analysis, which summarizes information provided by the OTS that estimates the changes in NPV of the Bank's portfolio of assets, liabilities, and off-balance sheet items given a range of assumed changes in market interest rates. These computations estimate the effect on the Bank's NPV of an instantaneous and sustained change in market interest rates of plus and minus 300 basis points, as well as the Bank's current IRR policy limits on such estimated changes. The computations of the estimated effects of interest rate changes are based on numerous assumptions, including a constant relationship between the levels of various market interest rates and estimates of prepayments of financial assets. The OTS compiled this information using data from the Bank's Thrift Financial Report as of September 30, 2008. The model output data associated with the -200 and -300 basis point scenarios was suppressed because of the relatively low current interest rate environment. Dollar amounts are expressed in thousands.

Changes in Market Interest rates	Net Portfolio Value			NPV as % of PV of Assets	
	$ Amount	$ Change	% Change	Actual	Board approved Minimum
+ 3%	144,742	(33,680)	-19%	9.9%	6%
+ 2%	158,672	(19,750)	- 11%	10.7%	6%
+ 1%	168,320	(10,103)	-6%	11.2%	7%
no change	178,422	--	--	11.7%	8%
- 1%	185,767	7,345	+4%	12.0%	8%
- 2%	--	--	--	--	8%
- 3%	--	--	--	--	8%

Management cannot predict future interest rates and the effect of changing interest rates on future net interest margin, net income, or NPV can only be estimated. However, management believes that its overall system of monitoring and managing IRR is effective.

Impact of Inflation and Changing Prices

The consolidated financial statements and related data presented have been prepared in accordance with accounting principles generally accepted in the United States of America, which require the measurement of financial position and operating results in terms of historical dollars without considering changes in the relative purchasing power of money over time due to inflation. Unlike most industrial companies, most of the Bank's assets and liabilities are monetary in nature. Except for inflation's impact on general and administrative expenses, interest rates have a more significant impact on the Bank's performance than do the effects of inflation. However, the level of interest rates may be significantly affected by the potential changes in the monetary policies of the Board of Governors of the Federal Reserve System in an attempt to impact inflation. Interest rates do not necessarily move in the same direction or in the same magnitude as the prices of goods and services.

Changing interest rates impact the demand for new loans, which affect the value and profitability of North American's loan origination department. Rate fluctuations inversely affect the value of the Bank's mortgage servicing portfolio because of their impact on mortgage prepayments. Falling rates usually stimulate a demand for new loans, which makes the mortgage banking operation more valuable, but also encourages mortgage prepayments, which depletes the value of mortgage servicing rights. Rising rates generally have the opposite effect on these operations.

Impact of Current Economic Conditions

The current economic environment presents financial institutions with unprecedented circumstances and challenges which in some cases have resulted in large declines in the fair values of investments and other assets, constraints on liquidity and significant credit quality problems, including severe volatility in the valuation of real estate and other collateral supporting loans. The financial statements have been prepared using values and information currently available to the Company.

Given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments in asset values, the allowance for loan losses, and capital that could negatively impact the Company's ability to meet regulatory capital requirements and maintain sufficient liquidity.

Liquidity and Capital Resources

Effective July 18, 2001, the OTS adopted a rule that removed the regulation to maintain a specific average daily balance of liquid assets, but retained a provision that requires institutions to maintain sufficient liquidity to ensure their safe and sound operation. North American maintains a level of liquid assets adequate to meet the requirements of normal banking activities, including the repayment of maturing debt and potential deposit withdrawals. The Bank's primary sources of liquidity are the sale and repayment of loans, retention of existing or newly acquired retail deposits, and FHLB advances. Management continues to use FHLB advances as a primary source of short-term funding. FHLB advances are secured by a blanket pledge agreement of the loan and securities portfolio, as collateral, supported by quarterly reporting of eligible collateral to FHLB. Available FHLB borrowings are limited based upon a percentage of the Bank's assets and eligible collateral, as adjusted by appropriate eligibility and maintenance levels. Management continually monitors the balance of eligible collateral relative to the amount of advances outstanding. At September 30, 2008, the Bank had available advances at FHLB of $586.0 million, and outstanding advances of $550.1 million. The Bank has established relationships with various brokers, and, as a secondary source of liquidity, the Bank may purchase brokered deposit accounts. At September 30, 2008, the Bank has $77.8 million in brokered deposits, and it could purchase up to an additional $278.3 million in brokered deposits and remain "well capitalized" as defined by the OTS.

Fluctuations in the level of interest rates typically impact prepayments on mortgage loans and mortgage related securities. During periods of falling rates, these prepayments increase and a greater demand exists for new loans. The Bank's ability to attract and retain customer deposits is partially impacted by area competition and by other alternative investment sources that may be available to the Bank's customers in various interest rate environments. Management is not currently aware of any other trends, market conditions, or other economic factors that could materially impact the Bank's primary sources of funding or affect its future ability to meet obligations as they come due. Although future changes to the level of market interest rates is uncertain, management believes its sources of funding will continue to remain stable during upward and downward interest rate environments. In the unlikely event of a significant change in the availability of the Bank's funding sources, the Bank could obtain funding through the various capital market alternatives available such as an issuance of corporate debt, commercial paper or fed funds.

The OTS also requires thrift institutions to maintain specified levels of regulatory capital. As of September 30, 2008, the Bank's regulatory capital exceeded all minimum capital requirements, which consist of three components: tangible, core, and risk-based. A schedule, which more fully describes the Bank's regulatory capital requirements, is provided in the notes to the consolidated financial statements.

Under OTS regulations, there is no limit to the amount of capital that the Bank may distribute to the Company in the form of dividends. However, each dividend distribution is subject to a thirty-day review by the OTS, who can take exception to any proposed dividend. Declared dividends remain unpaid until management receives written notification of "no exception" from the OTS.

Off Balance Sheet Arrangements and Contractual Obligations

Various commitments and contingent liabilities arise in the normal course of business, which are not required to be recorded on the balance sheet. The most significant of these are loan commitments and standby letters of credit. The bank had outstanding commitments to originate mortgage loans for its portfolio and standby letters of credit totaling $14.1 million and $7.3 million, respectively, at September 30, 2008. In addition, the Bank had outstanding commitments to originate mortgage loans totaling $89.1 million at September 30, 2008, which it had committed to sell to outside investors. Since commitments may expire unused or be only partially used, these totals do not necessarily reflect future cash requirements. Management does not anticipate any material losses arising from commitments and contingent liabilities and believes that there are no material commitments to extend credit that represent risk of an unusual nature.

Management anticipates that the Company will continue to have sufficient funds through repayments and maturities of loans and securities, deposits and borrowings, to meet its commitments.

The following table discloses payments due on the Company's contractual obligations at September 30, 2008:

	Total	Due in less than one year	Due from one to three years	Due from three to five years	Due in more than five years
Advances from FHLB	$ 550,091	234,065	316,026	--	--
Subordinated debentures	25,774	--	--	--	25,774
Operating leases	2,613	644	792	882	295
Total contractual obligations	$ 578,478	234,709	316,818	882	26,069

Critical Accounting Policies

The Company has identified the accounting policies below as critical to the Company's operations and to understanding the Company's consolidated financial statements. Following is an explanation of the methods and assumptions underlying their application.

Allowance for Loan and Lease Losses

Management records an Allowance for Loan and Lease Losses ("ALLL") sufficient to cover current net charge-offs and an estimate of probable losses based on an analysis of risks that management believes to be inherent in the loan portfolio. The ALLL recognizes the inherent risks associated with lending activities but, unlike a specific allowance, has not been allocated to particular problem assets but to a homogenous pool of loans. Management analyzes the adequacy of the allowance on a monthly basis and believes that the Bank's specific loss allowances and ALLL are adequate. While management uses information currently available to determine these allowances, they can fluctuate based on changes in economic conditions and changes in the information available to management. Also, regulatory agencies review the Bank's allowances for loan loss as part of their examination, and they may require the Bank to recognize additional loss provisions based on the information available at the time of their examinations.

Management estimates the required level of ALLL using a formula based on various subjective and objective factors. ALLL is established and maintained in the form of a provision on loss charged to earnings. Based on its analysis, management may determine that ALLL is above appropriate levels. If so, a negative loss provision would be recorded to reduce the ALLL. This could occur due to significant asset recoveries or significant reductions in the level of classified assets. Each quarter management assesses the risk of the assets in the loan portfolio using historical loss data and current economic conditions in order to determine impairment of the various loan portfolios and adjusts the level of ALLL. At any given time, the ALLL should be sufficient to absorb at least all estimated credit losses on outstanding balances over the next twelve months.

When considering the adequacy of ALLL, management's evaluation of the asset portfolio has two primary components: foreclosure probability and loss severity. Foreclosure probability is the likelihood of loans not repaying in accordance with their original terms, which would result in the foreclosure and subsequent liquidation of the property. Loss severity is any potential loss resulting from the loan's foreclosure and subsequent liquidation. Management calculates estimated foreclosure frequency and loss severity ratios for each homogenous loan pool based upon objective factors such as historical data and loan characteristics, plus an estimate of certain subjective factors including future market trends and economic conditions. These ratios are applied to the balances of the homogeneous loan pools to determine the adequacy of the ALLL each month.

In addition to analyzing homogenous pools of loans for impairment, management reviews individual loans for impairment each month. A loan becomes impaired when management believes it will be unable to collect all principal and interest due according to the contractual terms of the loan. If a loan is impaired, the Bank records a specific allowance equal to the excess of the loan's carrying value over the present value of the estimated future cash flows discounted at the loan's effective rate based on the loan's observable market price or the fair value of the collateral if the loan is collateral dependent. Loans on residential properties with greater than four units and loans on construction/development and commercial properties are evaluated for impairment on a loan by loan basis.

Valuation of Mortgage Servicing Rights

The Bank creates mortgage servicing rights ("MSRs") through the securitization and sale of residential mortgage loans. MSRs are recorded at cost based upon the relative fair values of the servicing rights on the underlying loans. The fair value is determined by discounting estimated future cash flows at the market rate of interest. These rights are amortized in proportion to and over the period of expected net servicing income or loss.

The Bank evaluates the carrying value of MSRs on a monthly basis based on their estimated fair value. For purposes of evaluating and measuring impairment of MSRs, the Bank stratifies the rights based on their predominant risk characteristics. Management considers the significant risks to be loan type, period of origination and stated interest rate. If the estimated fair value, using a discounted cash flow methodology, is less than the carrying amount of the portfolio, the portfolio is written down to the amount of the discounted expected cash flows utilizing a valuation allowance. The Bank utilizes consensus market prepayment assumptions and discount rates to evaluate its capitalized servicing rights, which considers the risk characteristics of the underlying servicing rights. Prepayment assumptions have the greatest impact on the market value of MSRs. Generally, if current rates are lower than the rates on the underlying loans, prepayments will accelerate, reducing the value of the MSRs. The Bank utilizes prepayment assumptions compiled by the mortgage research departments of several large broker/dealers. The measurement of the fair value of MSRs is limited by the conditions existing and the assumptions utilized as of a particular point in time, and those assumptions may not be appropriate if applied at a different point in time.

NASB Financial, Inc. and Subsidiary
Consolidated Balance Sheets

		September 30, 2008	September 30, 2007
ASSETS		(Dollars in thousands)	
Cash and cash equivalents	$	21,735	26,050
Securities available for sale, at fair value		35	42
Stock in Federal Home Loan Bank, at cost		26,284	22,307
Mortgage-backed securities:			
Available for sale, at fair value		59,889	80,622
Held to maturity, at cost		135	217
Loans receivable:			
Held for sale, at lower of amortized cost or fair value, net		64,030	47,233
Held for investment, net		1,294,297	1,277,456
Allowance for loan losses		(13,807)	(8,097)
Accrued interest receivable		6,886	8,398
Foreclosed assets held for sale, net		6,038	6,511
Premises and equipment, net		14,599	15,765
Investment in LLCs		20,683	19,058
Mortgage servicing rights, net		716	911
Deferred income tax asset, net		6,293	1,998
Other assets		8,948	8,012
	$	1,516,761	1,506,483
LIABILITIES AND STOCKHOLDERS' EQUITY			
Liabilities:			
Customer deposit accounts	$	691,615	722,102
Brokered deposit accounts		77,764	133,434
Advances from Federal Home Loan Bank		550,091	458,933
Subordinated debentures		25,774	25,774
Escrows		9,776	9,468
Income taxes payable		4,002	1,261
Liability for unrecognized tax benefits		850	--
Accrued expenses and other liabilities		4,477	6,119
Total liabilities		1,364,349	1,357,091
Stockholders' equity:			
Common stock of $0.15 par value: 20,000,000 authorized; 9,857,112 shares issued at September 30, 2008 and 2007		1,479	1,479
Additional paid-in capital		16,484	16,400
Retained earnings		172,612	170,613
Treasury stock, at cost; 1,989,498 shares at September 30, 2008 and 2007		(38,418)	(38,418)
Accumulated other comprehensive income (loss)		255	(682)
Total stockholders' equity		152,412	149,392
	$	1,516,761	1,506,483

See accompanying notes to consolidated financial statements.

NASB Financial, Inc. and Subsidiary
Consolidated Statements of Income

		Years Ended September 30,		
		2008	2007	2006
		(Dollars in thousands, except share data)		
Interest on loans receivable	$	91,635	99,067	93,830
Interest on mortgage-backed securities		2,546	3,157	4,163
Interest and dividends on securities		1,086	1,254	900
Other interest income		254	340	239
Total interest income		95,521	103,818	99,132
Interest on customer and brokered deposit accounts		30,739	33,512	29,946
Interest on advances from Federal Home Loan Bank		24,410	26,811	21,791
Interest on subordinated debentures		1,357	1,421	--
Interest on securities sold under agreements to repurchase		--	395	784
Total interest expense		56,506	62,139	52,521
Net interest income		39,015	41,679	46,611
Provision for loan losses		6,200	1,634	745
Net interest income after provision for loan losses		32,815	40,045	45,866
Other income (expense):				
Loan servicing fees, net		18	103	374
Impairment (loss) recovery on mortgage servicing rights		48	34	(10)
Customer service fees and charges		5,547	5,817	6,189
Provision for (loss) recovery on real estate owned		(2,050)	(595)	1,026
Gain on sale of securities available for sale		122	--	258
Gain on sale of loans receivable held for sale		14,043	14,418	14,331
Other		679	1,421	2,356
Total other income		18,407	21,198	24,524
General and administrative expenses:				
Compensation and fringe benefits		15,553	15,567	16,657
Commission-based mortgage banking compensation		7,482	7,310	7,022
Premises and equipment		4,147	3,637	3,600
Advertising and business promotion		4,305	4,178	3,613
Federal deposit insurance premiums		104	103	108
Other		5,228	5,534	6,248
Total general and administrative expenses		36,819	36,329	37,248
Income before income tax expense		14,403	24,914	33,142
Income tax expense (benefit):				
Current		9,989	9,429	12,836
Deferred		(4,882)	166	(462)
Total income tax expense		5,107	9,595	12,374
Net income	$	9,296	15,319	20,768
Basic earnings per share	$	1.18	1.89	2.47
Diluted earnings per share	$	1.18	1.88	2.46
Basic weighted average shares outstanding		7,867,614	8,100,904	8,396,552

See accompanying notes to consolidated financial statements.

NASB Financial, Inc. and Subsidiary
Consolidated Statements of Cash Flows

	Years ended September 30,		
	2008	2007	2006
Cash flows from operating activities:	(Dollars in thousands)		
Net income	$ 9,296	15,319	20,768
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	1,809	1,220	1,249
Amortization and accretion, net	(1,068)	(1,668)	(1,272)
Deferred income tax expense (benefit)	(4,882)	166	(462)
Gain on sale of securities available for sale	(122)	--	(258)
Loss (income) from investment in LLCs	265	197	(147)
Impairment (recovery) loss on mortgage servicing rights	(48)	(34)	10
Gain on sale of loans receivable held for sale	(14,043)	(14,418)	(14,331)
Provision for loan losses	6,200	1,634	745
Provision for loss (recovery) on real estate owned	2,050	595	(1,026)
Principal repayments of mortgage loans receivable held for sale	--	--	20
Origination of loans receivable held for sale	(884,725)	(1,001,663)	(951,335)
Sale of loans receivable held for sale	899,486	1,019,310	1,009,316
Stock based compensation – stock options	84	89	55
Changes in:			
Net fair value of loan-related commitments	31	(42)	58
Accrued interest receivable	1,512	(192)	(1,208)
Accrued expenses, other liabilities and income taxes payable	996	(529)	1,007
Net cash provided by operating activities	16,841	19,984	63,189
Cash flows from investing activities:			
Principal repayments of mortgage-backed securities:			
Held to maturity	82	108	106
Available for sale	21,972	17,887	32,302
Principal repayments of mortgage loans receivable held for investment	309,108	412,833	449,779
Principal repayments of other loans receivable	10,524	8,741	9,206
Principal repayments of securities available for sale	7	8	7
Loan origination - mortgage loans receivable held for investment	(342,219)	(401,520)	(516,072)
Loan origination - other loans receivable	(7,847)	(9,141)	(5,012)
Purchase of mortgage loans receivable held for investment	(9,500)	--	--
Proceeds from sale (purchase) of Federal Home Loan Bank stock	(3,977)	1,736	(1,653)
Proceeds from sale of securities available for sale	122	--	438
Proceeds from sale of real estate owned	5,427	6,785	5,623
Purchases of premises and equipment, net	(643)	(4,097)	(3,685)
Investment in LLC	(1,890)	(2,517)	(4,385)
Other	(330)	(2,261)	657
Net cash provided by (used in) investing activities	(19,164)	28,562	(32,689)

NASB Financial, Inc. and Subsidiary
Consolidated Statements of Cash Flows (continued)

	Years ended September 30,		
	2008	2007	2006
Cash flows from financing activities:	(Dollars in thousands)		
Net (decrease) increase in customer and brokered deposit accounts	(86,570)	3,622	48,022
Proceeds from advances from Federal Home Loan Bank	378,000	353,650	371,000
Repayment of advances from Federal Home Loan Bank	(286,650)	(393,848)	(337,324)
Proceeds from subordinated debentures	--	25,774	--
Proceeds from sale of securities under agreements to repurchase	--	30,900	--
Repayment of securities sold under agreements to repurchase	--	(30,900)	(122,000)
Cash dividends paid	(7,080)	(7,337)	(9,468)
Repurchase of common stock for treasury	--	(16,357)	(4,109)
Change in escrows	308	558	(513)
Net cash used in financing activities	(1,992)	(33,938)	(54,392)
Net (decrease) increase in cash and cash equivalents	(4,315)	14,608	(23,892)
Cash and cash equivalents at beginning of period	26,050	11,442	35,334
Cash and cash equivalents at end of period	$ 21,735	26,050	11,442
Supplemental disclosure of cash flow information:			
Cash paid for income taxes (net of refunds)	$ 6,613	10,771	11,027
Cash paid for interest	58,686	61,965	52,524
Supplemental schedule of non-cash investing and financing activities:			
Conversion of loans receivable to real estate owned	$ 10,465	13,690	3,450
Conversion of real estate owned to loans receivable	2,772	5,617	2,170
Capitalization of originated mortgage servicing rights	--	6	174
Transfer of loans from held for investment to held for sale	17,515	--	--

See accompanying notes to consolidated financial statements.

NASB Financial, Inc. and Subsidiary
Consolidated Statements of Stockholders' Equity

		Common Stock	Additional paid-in capital	Retained earnings	Treasury stock	Accumulated other comprehensive (loss) income	Total stockholders' equity
		(Dollars in thousands)					
Balance at October 1, 2005	$	1,479	16,256	151,331	(17,952)	(2,227)	148,887
Comprehensive income:							
Net income		--	--	20,768	--	--	20,768
Other comprehensive income, net of tax							
Unrealized loss on securities		--	--	--	--	439	439
Total comprehensive income							21,207
Cash dividends paid		--	--	(9,468)	--	--	(9,468)
Stock based compensation expense		--	55	--	--	--	55
Purchase of common stock for treasury		--	--	--	(4,109)	--	(4,109)
Balance at September 30, 2006	$	1,479	16,311	162,631	(22,061)	(1,788)	156,572
Comprehensive income:							
Net income		--	--	15,319	--	--	15,319
Other comprehensive income, net of tax							
Unrealized gain on securities		--	--	--	--	1,106	1,106
Total comprehensive income							16,425
Cash dividends paid		--	--	(7,337)	--	--	(7,337)
Stock based compensation expense		--	89	--	--	--	89
Purchase of common stock for treasury		--	--	--	(16,357)	--	(16,357)
Balance at September 30, 2007	$	1,479	16,400	170,613	(38,418)	(682)	149,392
Comprehensive income:							
Net income		--	--	9,296	--	--	9,296
Other comprehensive income, net of tax							
Unrealized gain on securities		--	--	--	--	937	937
Total comprehensive income							10,233
Cash dividends paid		--	--	(7,080)	--	--	(7,080)
Stock based compensation expense		--	84	--	--	--	84
Adjustment for the adoption of FIN 48		--	--	(217)	--	--	(217)
Balance at September 30, 2008	$	1,479	16,484	172,612	(38,418)	255	152,412

See accompanying notes to consolidated financial statements.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of NASB Financial, Inc. (the "Company"), its wholly-owned subsidiary, North American Savings Bank, F.S.B. (the "Bank"), and the Bank's wholly-owned subsidiary, Nor-Am Service Corporation. All significant inter-company transactions have been eliminated in consolidation. The consolidated financial statements do not include the accounts of our wholly owned statutory trust, NASB Preferred Trust I (the "Trust"). The Trust qualifies as a special purpose entity that is not required to be consolidated in the financial statements of NASB Financial, Inc. The Trust Preferred Securities issued by the Trust are included in Tier I capital for regulatory capital purposes.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand plus interest-bearing deposits in the Federal Home Loan Bank of Des Moines totaling $6.3 million and $18.8 million as of September 30, 2008 and 2007, respectively. The Federal Reserve Board ("FRB") requires federally chartered savings banks to maintain non-interest-earnings cash reserves at specified levels against their transaction accounts. Required reserves may be maintained in the form of vault cash, a non-interest-bearing account at a Federal Reserve Bank, or a pass-through account, as defined by FRB. At September 30, 2008, the Bank's reserve requirement was $4.7 million.

Securities and Mortgage-Backed Securities Available for Sale

Debt securities are classified as held to maturity when the Company has the positive intent and ability to hold the securities to maturity. Debt securities not classified as held to maturity or trading are classified as available for sale. As of September 30, 2008 and 2007, the Company had no assets designated as trading. Securities and mortgage-backed securities classified as available for sale are recorded at their fair values, with unrealized gains and losses, net of income taxes, reported as accumulated other comprehensive income or loss.

Premiums and discounts are recognized as adjustments to interest income over the life of the securities using a method that approximates the level yield method. Gains or losses on the disposition of securities are based on the specific identification method. Market prices are obtained from broker-dealers and reflect estimated offer prices.

To the extent management determines a decline in value in a security or mortgage-backed security available for sale to be other than temporary, the Bank will include such expense in the consolidated statements of income.

Mortgage-Backed Securities Held to Maturity

Mortgage-backed securities held to maturity are stated at cost, adjusted for amortization of premiums and discounts, which are recognized as adjustments to interest income over the life of the securities using the level-yield method.

To the extent management determines a decline in value in a mortgage-backed security held to maturity to be other than temporary, the Company will adjust the carrying value and include such expense in the consolidated statements of income.

Loans Receivable Held for Sale

As the Bank originates loans each month, management evaluates the existing market conditions to determine which loans will be held in the Bank's portfolio and which loans will be sold in the secondary market. Loans sold in the secondary market are sold with servicing released or converted into mortgage-backed securities ("MBS") and sold with the servicing retained by the Bank. At the time of each loan commitment, a decision is made to either hold the loan for investment, hold it for sale with servicing retained, or hold it for sale with servicing released. Management monitors market conditions to decide whether loans should be held in the portfolio or sold and if sold, which method of sale is appropriate.

Loans held for sale are carried at the lower of amortized cost (outstanding principal balance adjusted for unamortized deferred loan fees and costs) or fair value. Fair values for such loans are determined based on sale commitments or dealer quotations. Gains or losses on such sales are recognized using the specific identification method. Transfers of loan receivable held for sale are accounted for as sales when control over the asset has been surrendered. Interest, including amortization and accretion of deferred loan fees and costs, is included in interest income. The Bank issues various representations and warranties and standard recourse provisions associated with the sale of loans. The Bank has not experienced any significant losses during the years ended September 30, 2008, 2007 and 2006 regarding these provisions.

Loans Receivable Held for Investment, Net

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are stated at the amount of unpaid principal less an allowance for loan losses, undisbursed loan funds and unearned discounts and loan fees, net of certain direct loan origination costs. Interest on loans is credited to income as earned and accrued only when it is deemed collectible. Loans are placed on nonaccrual status when, in the opinion of management, the full timely collection of principal or interest is in doubt. The accrual of interest is discontinued when principal or interest payments become doubtful. As a general rule, this occurs when the loan becomes ninety days past due. When a loan is placed on nonaccrual status, previously accrued but unpaid interest is reversed against current income. Subsequent collections of cash may be applied as reductions to the principal balance, interest in arrears or recorded as income, depending on Bank management's assessment of the ultimate collectibility of the loan. Nonaccrual loans may be restored to accrual status when principal and interest become current and the full payment of principal and interest is expected.

Net loan fees and direct loan origination costs are deferred and amortized as yield adjustments to interest income using the level-yield method over the contractual lives of the related loans.

Allowance for Loan Losses

The Bank considers a loan to be impaired when management believes it will be unable to collect all principal and interest due according to the contractual terms of the loan. If a loan is impaired, the Bank records a loss valuation equal to the excess of the loan's carrying value over the present value of the estimated future cash flows discounted at the loan's initial effective rate based on the loan's observable market price or the fair value of the collateral if the loan is collateral dependent. One-to-four family residential loans and consumer loans are collectively evaluated for impairment. Loans on residential properties with greater than four units, on construction and development and commercial properties are evaluated for impairment on a loan by loan basis. The allowance for loan losses is increased by charges to income and decreased by charge-offs (net of recoveries). Management's periodic evaluation of the adequacy of the allowance is based on the Bank's past loan loss experience, known and inherent losses in the portfolio, adverse situations that may affect the borrower's ability to repay, the estimated value of any underlying collateral, and current economic conditions. Assessing the adequacy of the allowance for loan losses is inherently subjective as it requires making material estimates, including the amount and timing of future cash flows expected to be received on impaired loans, that may be susceptible to significant change. In management's opinion, the allowance, when taken as a whole, is adequate to absorb reasonable estimated loan losses inherent in the Bank's loan portfolio.

Foreclosed Assets Held for Sale

Foreclosed assets held for sale are initially recorded at fair value as of the date of foreclosure less any estimated selling costs (the "new basis") and are subsequently carried at the lower of the new basis or fair value less selling costs on the current measurement date. Adjustments for estimated losses are charged to operations when the fair value declines to an amount less than the carrying value. Costs and expenses related to major additions and improvements are capitalized, while maintenance and repairs that do not improve or extend the lives of the respective assets are expensed. Applicable gains and losses on the sale of real estate owned are realized when the asset is disposed depending on the adequacy of the down payment and other requirements.

Premises and Equipment

Premises and equipment are recorded at cost, less accumulated depreciation. Depreciation of premises and equipment is provided over the estimated useful lives (from three to forty years for buildings and improvements and from three to ten years for furniture, fixtures, and equipment) of the respective assets using the straight-line method. Maintenance and repairs are charged to expense. Major renewals and improvements are capitalized. Gains and losses on dispositions are credited or charged to earnings as incurred.

Investment in LLCs

The Company is a partner in two limited liability companies, which were formed for the purpose of purchasing and developing vacant land in Platte County, Missouri. These investments are accounted for using the equity method of accounting.

Stock Options

The Company has a stock-based employee compensation plan which is described more fully in Note 16. On October 1, 2005, the Company adopted SFAS 123(R), "Share Based Payment (Revised 2004)" ("SFAS 123(R)"), which requires that compensation costs relating to share-based payment transactions be recognized in the financial statements. The Company adopted SFAS 123(R) using the modified prospective method in which compensation cost is recognized over the service period for all awards granted subsequent to the adoption of SFAS 123(R) as well as for the unvested portion of awards outstanding as of the Company's adoption of SFAS 123(R). In accordance with the modified prospective, results for prior periods were not restated. Stock based compensation expense for stock options totaled $84 thousand ($52 thousand, net of tax), $89 thousand ($55 thousand, net of tax) and $55 thousand ($34 thousand, net of tax) during the years ended September 30, 2008, 2007 and 2006, respectively.

Income Taxes

The Company files a consolidated Federal income tax return with its subsidiaries using the accrual method of accounting.

The Company provides for income taxes using the asset/liability method. Deferred income taxes are recognized for the tax consequences of temporary differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities.

The Bank's bad debt deduction for the years ended September 30, 2008, 2007 and 2006, was based on the specific charge off method. The percentage method for additions to the tax bad debt reserve was used prior to the fiscal year ended September 30, 1997. Under the current tax rules, Banks are required to recapture their accumulated tax bad debt reserve, except for the portion that was established prior to 1988, the "base-year." The recapture of the excess reserve was completed over a six-year phase-in-period that began with the fiscal year ended September 30, 1999. A deferred income tax liability is required to the extent the tax bad debt reserve exceeds the 1988 base year amount. Retained earnings include approximately $3.7 million representing such bad debt reserve for which no deferred taxes have been provided. Distributing the Bank's capital in the form of stock redemptions caused the Bank to recapture a significant amount of its bad debt reserve prior to the phase-in period.

Mortgage Servicing Rights

Servicing assets and other retained interests in transferred assets are measured by allocating the previous carrying amount between the assets sold, if any, and retained interest, if any, based on their relative fair values at the date of the transfer, and servicing assets and liabilities are subsequently measured by (1) amortization in proportion to and over the period of estimated net servicing income or loss, and (2) assessment for asset impairment or increased obligation based on their fair values.

Originated mortgage servicing rights are recorded at cost based upon the relative fair values of the loans and the servicing rights. Servicing release fees paid on comparable loans and discounted cash flows are used to determine estimates of fair values. Purchased mortgage servicing rights are acquired from independent third-party originators and are recorded at the lower of cost or fair value. These rights are amortized in proportion to and over the period of expected net servicing income or loss.

Impairment Evaluation - The Bank evaluates the carrying value of capitalized mortgage servicing rights on a periodic basis based on their estimated fair value. For purposes of evaluating and measuring impairment of capitalized servicing rights, the Bank stratifies the rights based on their predominant risk characteristics. The significant risk characteristics considered by the Bank are loan type, period of origination and stated interest rate. If the fair value estimated, using a discounted cash flow methodology, is less than the carrying amount of the portfolio, the portfolio is written down to the amount of the discounted expected cash flows utilizing a valuation allowance. The Bank utilizes consensus market prepayment assumptions and discount rates to evaluate its capitalized servicing rights, which considers the risk characteristics of the underlying servicing rights. During the years ended September 30, 2008 and 2007, the value of mortgage servicing rights increased, which resulted in a recovery of valuation allowance of $48,000 and $34,000, respectively.

Derivative Instruments

The Bank regularly enters into commitments to originate and sell loans held for sale. Certain commitments are considered derivative instruments under Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 138 and SFAS No. 149. These statements require the Bank to recognize all derivative instruments in the balance sheet and to measure those instruments at fair value. As of September 30, 2008 and 2007, the fair value of loan related commitments resulted in a net asset of $8,000 and $39,000, respectively.

Revenue Recognition

Interest income, loan servicing fees, customer service fees and charges and ancillary income related to the Bank's deposits and lending activities are accrued as earned.

Earnings Per Share

Basic earnings per share is computed based upon the weighted-average common shares outstanding during the year. Diluted earnings per share is computed using the weighted average common shares and all potential dilutive common shares outstanding during the year. Dilutive securities consist entirely of stock options granted to employees as incentive stock options under Section 442A of the Internal Revenue Code as amended.

The computations of basic and diluted earnings per share are presented in the following table. Dollar amounts are expressed in thousands, except per share data.

		Year Ended September 30,		
		2008	2007	2006
Net income	$	9,296	15,319	20,768
Average common shares outstanding		7,867,614	8,100,904	8,396,552
Average common share stock options outstanding		--	66,970	47,467
Average diluted common shares		7,867,614	8,167,874	8,444,019
Earnings per share:				
Basic earnings per share	$	1.18	1.89	2.47
Diluted earnings per share		1.18	1.88	2.46

At September 30, 2008, options to purchase 72,038 shares of the Company's stock were outstanding. These options were not included in the calculated of diluted earnings per share, as they were considered anti-dilutive.

Recently Issued Accounting Standards

In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48 (FIN 48), "Accounting for Uncertainty in Income Taxes, an interpretation of SFAS No. 109, Accounting for Income Taxes." FIN 48 clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements, in accordance with SFAS No. 109. FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return. FIN 48 was effective for fiscal years beginning after December 15, 2006. The adopted of FIN 48 on October 1, 2007, resulted in a $217,000 decrease in retained earnings.

In September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 157 (SFAS No. 157), "Fair Value Measurements." SFAS No. 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 2, 2007, and interim periods within those fiscal years. The Company is currently evaluating the impact of SFAS No. 157 on the Company's financial statements.

In February 2007, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 159 (SFAS No. 159), "The Fair Value Option for Financial Assets and Financial Liabilities." SFAS No. 159 provides companies with an option to measure eligible financial assets and liabilities at fair value. The fair value option may be applied instrument by instrument and is irrevocable once made. If a company elects the fair value option for an eligible instrument, changes in fair value must be reported as unrealized gains and loses in earnings at each subsequent reporting date. SFAS No. 159 is effective for fiscal years beginning after November 15, 2007. The Company is currently evaluating the impact of SFAS No. 159 on the Company's financial statements, if implemented.

In December 2007, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 141R (SFAS No. 141R), "Business Combinations." SFAS No. 141R establishes principals and requirements for how an acquirer in a business combination recognizes and measures in its financial statements identifiable assets acquired and liabilities assumed. SFAS No. 141R also establishes requirements for determining what information should be disclosed to enable users of financial statements to evaluate the nature and financial effects of a business combination. SFAS 141R is effective for fiscal years beginning after December 15, 2008.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reported periods. Estimates were used to establish loss reserves, the valuation of mortgage servicing rights, and fair values of financial instruments. Actual results could differ from those estimates.

Reclassifications

Certain amounts for 2007 and 2006 have been reclassified to conform to the current year presentation.

Fair Value of Financial Instruments

Estimated fair value amounts have been determined using available market information and a selection from a variety of valuation methodologies. However, considerable judgment is required to interpret market data in developing the estimates of fair value. Accordingly, the estimates presented are not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and estimation methodologies may have a material effect on the estimated fair value amounts.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument presented as of September 30, 2008 and 2007:

Cash and cash equivalents
The carrying amount reported in the consolidated balance sheets is a reasonable estimate of fair value.

Securities available for sale
Fair values are based on quoted market prices, where available.

Mortgage-backed securities available for sale and held to maturity
Fair values are based on quoted market prices, where available. When quoted market prices are unavailable, fair values are computed using consensus estimates of prepayment speeds and market spreads to treasury securities.

Stock in Federal Home Loan Bank ("FHLB")
The carrying value of stock in Federal Home Loan Bank approximates its fair value.

Loans receivable held for sale
Fair values of mortgage loans held for sale are based on quoted market prices for loans with no current commitment to sell. Fair values of mortgage loans sold forward are based on the committed prices.

Loans receivable held for investment
Fair values are computed for each loan category using market spreads to treasury securities for similar existing loans in the portfolio and management's estimates of prepayments.

Mortgage servicing rights
The estimated fair values of mortgage servicing rights are determined by discounting estimated future cash flows using a market rate of interest and consensus estimates of prepayment speeds.

Customer and brokered deposit accounts
The estimated fair values of demand deposits and savings accounts are equal to the amount payable on demand at the reporting date. Fair values of certificates of deposit are computed at fixed spreads to treasury securities with similar maturities.

Advances from FHLB
The estimated fair values of advances from FHLB are determined by discounting the future cash flows of existing advances using rates currently available for new advances with similar terms and remaining maturities.

Subordinated debentures
The estimated fair values of subordinated debentures is determined by discounting the future cash flows of existing debentures using rates currently available for new debentures with similar terms and remaining maturities. As these are variable rate securities, cost approximates fair value.

Commitments to originate, purchase and sell loans
The estimated fair value of commitments to originate, purchase, or sell loans is based on the fees currently charged to enter into similar agreements and the difference between current levels of interest rates and the committed rates.

(2) MORTGAGE-BACKED SECURITIES AVAILABLE FOR SALE

The following tables present a summary of mortgage-backed securities available for sale. Dollar amounts are expressed in thousands.

	September 30, 2008			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Pass-through certificates guaranteed by GNMA – fixed rate	$ 130	--	(1)	129
Pass-through certificates guaranteed by FNMA – adjustable rate	7,762	58	--	7,820
FHLMC participation certificates:				
Fixed rate	741	--	(45)	696
Adjustable rate	50,841	461	(58)	51,244
Total	$ 59,474	519	(104)	59,889

	September 30, 2007			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Pass-through certificates guaranteed by GNMA – fixed rate	$ 181	3	--	184
Pass-through certificates guaranteed by FNMA – adjustable rate	11,267	--	(135)	11,132
FHLMC participation certificates:				
Fixed rate	967	--	(63)	904
Adjustable rate	69,316	--	(914)	68,402
Total	$ 81,731	3	(1,112)	80,622

There were no sales of mortgage-backed securities available for sale during the years ended September 30, 2008, 2007, or 2006.

The following tables present a summary of the fair value and gross unrealized losses of those mortgage-backed securities available for sale which had unrealized losses at September 30, 2008 and 2007. Dollar amounts are expressed in thousands.

	September 30, 2008			
	Less Than 12 Months		12 Months or Longer	
	Estimated fair value	Gross unrealized losses	Estimated fair value	Gross unrealized losses
Pass-through certificates guaranteed by GNMA – fixed rate	$ 129	1	$ --	--
FHLMC participation certificates:				
Fixed rate	--	--	696	45
Adjustable rate	--	--	9,685	58
Total	$ 129	1	$ 10,381	103

	September 30, 2007				
	Less Than 12 Months			12 Months or Longer	
	Estimated fair value	Gross unrealized losses		Estimated fair value	Gross unrealized losses
Pass-through certificates guaranteed by FNMA – adjustable rate	$ --	--		$ 11,132	135
FHLMC participation certificates:					
Fixed rate	--	--		904	63
Adjustable rate	--	--		68,402	914
Total	$ --	--		$ 80,438	1,112

Based upon evaluation of available evidence, including changes in market interest rates during fiscal years 2008 and 2007, management believes the declines in fair value of these securities, which consist almost exclusively of moderately-seasoned 5/1 adjustable rate mortgage-backed securities, are temporary. The decline in fair value is due to significant changes in interest rates and market conditions, which have occurred since these securities were purchased. However, management believes that as these securities approach their reset dates, they will no longer be impaired. Should the impairment of these securities become other than temporary, the cost basis of the investment will be reduced and the resulting loss recognized in net income in the period the other-than-temporary impairment is identified. Management has the ability to hold these securities to maturity.

The scheduled maturities of mortgage-backed securities available for sale at September 30, 2008, are presented in the following table. Dollar amounts are expressed in thousands.

	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Due from five to ten years	$ 741	--	(45)	696
Due after ten years	58,733	519	(59)	59,193
Total	$ 59,474	519	(104)	59,889

Actual maturities of mortgage-backed securities available for sale may differ from scheduled maturities depending on the repayment characteristics and experience of the underlying financial instruments, on which borrowers have the right to call or prepay certain obligations.

The principal balances of mortgage-backed securities available for sale that are pledged to secure certain obligations of the Bank as of September 30 are as follows. Dollar amounts are expressed in thousands.

	September 30, 2008			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Customer deposit accounts	$ 1,135	3	(9)	1,129
FHLB advances	56,232	513	(49)	56,696
Total	$ 57,367	516	(58)	57,825

	September 30, 2007			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Customer deposit accounts	$ 1,779	2	(32)	1,749
FHLB advances	77,280	--	(1,004)	76,276
Total	$ 79,059	2	(1,036)	78,025

(3) MORTGAGE-BACKED SECURITIES HELD TO MATURITY

The following tables present a summary of mortgage-backed securities held to maturity. Dollar amounts are expressed in thousands.

	September 30, 2008			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
FHLMC participation certificates:				
Fixed rate	$ 74	4	--	78
FNMA pass-through certificates:				
Fixed rate	13	--	--	13
Balloon maturity and adjustable rate	47	--	--	47
Pass-through certificates guaranteed by GNMA - fixed rate	1	--	--	1
Total	$ 135	4	--	139

	September 30, 2007			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
FHLMC participation certificates:				
Fixed rate	$ 88	3	--	91
FNMA pass-through certificates:				
Fixed rate	46	--	--	46
Balloon maturity and adjustable rate	70	--	--	70
Pass-through certificates guaranteed by GNMA - fixed rate	13	--	--	13
Total	$ 217	3	--	220

The scheduled maturities of mortgage-backed securities held to maturity at September 30, 2008, are presented in the following table. Dollar amounts are expressed in thousands.

	Amortized Cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Due from one to five years	$ 1	--	--	1
Due from five to ten years	13	--	--	13
Due after ten years	121	4	--	125
Total	$ 135	4	--	139

Actual maturities of mortgage-backed securities held to maturity may differ from scheduled maturities depending on the repayment characteristics and experience of the underlying financial instruments, on which borrowers have the right to call or prepay certain obligations.

The principal balances of mortgage-backed securities held to maturity that are pledged to secure certain obligations of the Bank as of September 30 are as follows. Dollar amounts are expressed in thousands.

	September 30, 2008			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Customer deposit accounts	$ 41	2	--	43

	September 30, 2007			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Customer deposit accounts	$ 164	2	--	166

All dispositions of mortgage-backed securities held to maturity during fiscal 2008, 2007, and 2006 were the result of maturities or calls.

(4) LOANS RECEIVABLE

The following table provides a detail of loans receivable as of September 30. Dollar amounts are expressed in thousands.

HELD FOR INVESTMENT	2008	2007
Mortgage loans:		
Permanent loans on:		
Residential properties	$ 384,258	357,896
Business properties	478,883	489,978
Partially guaranteed by VA or insured by FHA	2,812	1,541
Construction and development	396,777	476,081
Total mortgage loans	1,262,730	1,325,496
Commercial loans	93,600	63,801
Installment loans and lease financing to individuals	14,920	17,729
Total loans receivable held for investment	1,371,250	1,407,026
Less:		
Undisbursed loan funds	(69,300)	(124,184)
Unearned discounts and fees on loans, net of deferred costs	(7,653)	(5,386)
Net loans receivable held for investment	$ 1,294,297	1,277,456

HELD FOR SALE	2008	2007
Mortgage loans:		
Permanent loans on:		
Residential properties	$ 73,829	70,624
Business properties	17,788	--
Less:		
Undisbursed loan funds	(27,314)	(23,391)
Unearned discounts and fees on loans, net of deferred costs	(273)	--
Net loans receivable held for sale	$ 64,030	47,233

During the quarter ended September 30, 2008, the Bank transferred a permanent mortgage loan on a business property with an amortized cost of $17.5 million from the held for investment category to the held for sale category. The decision was made to transfer the loan after the borrower defaulted under the terms of the note and the Bank began foreclosure. The basis at which the loans were transferred was amortized cost, which was lower than market value at the time of transfer.

Included in the loans receivable balances are participating interests in mortgage loans and wholly owned mortgage loans serviced by other institutions of approximately $64,000 and $80,000 at September 30, 2008 and 2007, respectively.

Whole loans and participations serviced for others were approximately $65.3 million and $84.7 million at September 30, 2008 and 2007, respectively. Loans serviced for others are not included in the accompanying consolidated balance sheets.

First mortgage loans were pledged to secure FHLB advances in the amount of approximately $800.3 million and $785.6 million at September 30, 2008 and 2007, respectively.

Aggregate loans to executive officers, directors and their associates, including companies in which they have partial ownership interest, did not exceed 5% of equity as of September 30, 2008 and 2007. Such loans were made under terms and conditions substantially the same as loans made to parties not affiliated with the Bank.

As of September 30, 2008 and 2007, loans with an aggregate principal balance of approximately $35.1 million and $3.3 million, respectively, were on nonaccrual status. Gross interest income would have increased by $1.8 million, $167,000 and $255,000 for the years ended September 30, 2008, 2007 and 2006, respectively, if the nonaccrual loans had been performing.

The following table presents the activity in the allowance for losses on loans for 2008, 2007, and 2006. Allowance for losses on mortgage loans includes specific valuation allowances and valuation allowances associated with homogenous pools of loans. Dollar amounts are expressed in thousands.

		2008	2007	2006
Balance at beginning of year	$	8,097	7,991	7,536
Provisions		6,200	1,634	745
Charge-offs		(504)	(1,528)	(313)
Recoveries		14	--	23
Balance at end of year	$	13,807	8,097	7,991

The following tables provide a summary of information on impaired loans. Dollar amounts are expressed in thousands.

		September 30,	
		2008	2007
Impaired loans with a valuation allowance	$	10,287	122
Impaired loans without a valuation allowance		--	--
	$	10,287	122
Valuation applicable to impaired loans	$	1,383	122

		2008	2007	2006
Average balance of impaired loans	$	10,842	262	3,568
Interest income recognized on impaired loans		489	120	85
Interest income received on a cash basis on impaired loans		635	120	97

Although the Bank has a diversified loan portfolio, a substantial portion is secured by real estate. The following table presents information as of September 30 about the location of real estate that secures loans in the Bank's mortgage loan portfolio. The line item "Other" includes total investments in other states of less than $10 million each. Dollar amounts are expressed in thousands.

		2008				
		Residential			Construction	
		1-4	5 or more	Commercial	And	
State		Family	Family	real estate	development	Total
Missouri	$	179,167	30,470	74,592	177,373	461,602
Kansas		48,023	11,935	23,606	197,756	281,320
Colorado		5,557	4,089	63,463	--	73,109
Texas		13,708	9,329	42,804	4,648	70,489
Arizona		13,126	632	19,543	9,900	43,201
Florida		19,396	936	12,184	--	32,516
Oklahoma		2,314	3,046	21,627	--	26,987
North Carolina		6,137	3,648	16,255	--	26,040
California		14,679	--	4,500	--	19,179
Illinois		5,964	571	11,054	500	18,089
Indiana		2,610	--	15,016	--	17,626
Washington		4,950	--	10,576	--	15,526
Iowa		4,800	3,640	4,184	2,650	15,274
Ohio		2,887	--	9,618	--	12,505
Georgia		5,611	283	6,181	--	12,075
Michigan		752	--	10,181	--	10,933
New Jersey		5,180	--	5,441	--	10,621
Pennsylvania		2,403	--	7,871	--	10,274
Other		58,110	236	43,068	3,950	105,364
	$	395,374	68,815	401,764	396,777	1,262,730

		2007				
		Residential			Construction	
		1-4	5 or more	Commercial	And	
State		Family	Family	real estate	development	Total
Missouri	$	193,441	37,366	90,014	233,583	554,404
Kansas		51,719	11,489	24,019	223,334	310,561
Colorado		3,529	6,020	63,676	--	73,225
Texas		11,315	13,389	40,564	4,648	69,916
Florida		16,695	953	19,577	--	37,225
Arizona		11,105	677	16,062	8,110	35,954
North Carolina		4,230	3,720	14,050	4,160	26,160
Oklahoma		1,226	3,082	20,519	--	24,827
Iowa		5,958	3,650	4,395	1,276	15,279
Washington		3,332	--	10,852	--	14,184
Illinois		5,831	615	6,516	--	12,962
Ohio		2,214	--	9,900	--	12,114
Georgia		4,525	--	6,974	--	11,499
Pennsylvania		3,222	--	8,147	--	11,369
Indiana		2,198	--	8,093	970	11,261
Tennessee		924	--	9,468	--	10,392
Other		47,249	1,260	45,655	--	94,164
	$	368,713	82,221	398,481	476,081	1,325,496

Proceeds from the sale of loans receivable held for sale during fiscal 2008, 2007 and 2006, were $899.5 million, $1,019.3 million, and $1,009.3 million, respectively. In fiscal 2008, the Bank realized gross gains of $14.3 million and $312,000 of gross losses. In fiscal 2007, the Bank realized gross gains of $14.6 million and gross losses of $231,000 on those sales. In fiscal 2006, gross gains of $14.5 million and gross losses of $151,000 were realized.

(5) FORECLOSED ASSETS HELD FOR SALE

The following table presents real estate owned and other repossessed property as of September 30. Dollar amounts are expressed in thousands.

		2008	2007
Real estate acquired through (or deed in lieu of) foreclosure	$	6,707	6,715
Less: allowance for losses		(669)	(204)
Total	$	6,038	6,511

The allowance for losses on real estate owned includes the following activity for the years ended September 30. Dollar amounts are expressed in thousands.

		2008	2007	2006
Balance at beginning of year	$	204	275	195
Provision for loss (recovery)		2,050	595	(1,026)
Charge-offs		(1,819)	(1,222)	(356)
Recoveries		234	556	1,462
Balance at end of year	$	669	204	275

(6) PREMISES AND EQUIPMENT

The following table summarizes premises and equipment as of September 30. Dollar amounts are expressed in thousands.

		2008	2007
Land	$	4,308	4,308
Buildings and improvements		12,491	12,743
Furniture, fixtures and equipment		10,066	10,688
		26,865	27,739
Accumulated depreciation		(12,266)	(11,974)
Total	$	14,599	15,765

Certain facilities of the Bank are leased under various operating leases. Amounts paid for rent expense for the fiscal years ended September 30, 2008, 2007, and 2006, were approximately $622,000, $884,000, and $1.0 million, respectively.

Future minimum rental commitments under noncancelable leases are presented in the following table. Dollar amounts are expressed in thousands.

Fiscal year ended September 30,		Amount
2009	$	644
2010		549
2011		243
2012		441
2013		441
Thereafter		294

(7) INVESTMENT IN LLCs

During the year ended September 30, 2004, the Company became a partner in Central Platte Holdings, LLC, which was formed for the purpose of purchasing and developing eight hundred acres of vacant land in Platte County, Missouri for residential development. This investment is accounted for using the equity method of accounting. The company is owner of a fifty-percent (50%) membership interest in Central Platte Holdings, LLC. The Company's investment in this partnership was $18.2 million and $16.5 million at September 30, 2008 and 2007, respectively.

During the year ended September 30, 2002, the Company became a partner in NBH, LLC, which was formed for the purpose of purchasing and developing eighty-six acres of vacant land in Platte County, Missouri for residential and commercial development. This investment is accounted for using the equity method of accounting. The company is owner of a fifty-percent (50%) membership interest in NBH, LLC. The Company's investment in this partnership was $2.5 million and $2.6 million at September 30, 2008 and 2007, respectively.

(8) MORTGAGE SERVICING RIGHTS

The following provides information about the Bank's mortgage servicing rights for the years ended September 30. Dollar amounts are expressed in thousands.

		2008	2007	2006
Balance at beginning of year	$	911	1,089	911
Originated mortgage servicing rights		--	6	174
Amortization		(243)	(218)	14
Impairment (loss) recovery		48	34	(10)
Balance at end of year	$	716	911	1,089

(9) CUSTOMER AND BROKERED DEPOSIT ACCOUNTS

Customer and brokered deposit accounts as of September 30 are illustrated in the following table. Dollar amounts are expressed in thousands.

	2008			2007	
		Amount	%	Amount	%
Demand deposit accounts	$	76,621	10	93,451	11
Savings accounts		71,193	9	70,077	8
Money market demand accounts		13,352	2	10,323	1
Certificate accounts		530,449	69	548,251	64
Brokered accounts		77,764	10	133,434	16
	$	769,379	100	855,536	100
Weighted average interest rate		3.38%		4.30%	

The aggregate amount of certificate accounts in excess of $100,000 was approximately $105.9 million and $107.6 million as of September 30, 2008 and 2007, respectively.

The following table presents contractual maturities of certificate accounts as of September 30, 2008. Dollar amounts are expressed in thousands.

		Maturing during the fiscal year ended September 30,						
		2009	2010	2011	2012	2013	2014 and after	Total
Certificate accounts	$	363,753	83,094	25,669	40,463	15,349	2,121	530,449
Brokered accounts		77,764	--	--	--	--	--	77,764
Total	$	441,517	83,094	25,669	40,463	15,349	2,121	608,213

The following table presents interest expense on customer deposit accounts for the years ended September 30. Dollar amounts are expressed in thousands.

		2008	2007	2006
Savings accounts	$	1,123	1,231	1,265
Money market demand and demand deposit accounts		701	705	602
Certificate and brokered accounts		28,915	31,576	28,079
	$	30,739	33,512	29,946

(10) ADVANCES FROM FEDERAL HOME LOAN BANK

Advances from the FHLB are secured by all stock held in the FHLB, mortgage-backed securities and first mortgage loans with aggregate unpaid principal balances equal to approximately 140% of outstanding advances not secured by FHLB stock. The following table provides a summary of advances by year of maturity as of September 30. Dollar amounts are expressed in thousands.

	2008		2007	
Year ending September 30,	Amount	Weighted average rate	Amount	Weighted average rate
2008	$ --	--	$ 178,841	5.21%
2009	234,065	4.55%	175,066	4.97%
2010	130,026	2.89%	5,026	5.95%
2011	186,000	4.30%	100,000	5.01%
	$ 550,091	4.07%	$ 458,933	5.08%

The Bank's advances have a fixed interest rate and require monthly interest payments, with a single principal payment due at maturity. At September 30, 2008 and 2007, the Bank had advances totaling $5.0 million that are callable at the option of the Federal Home Loan Bank.

(11) SUBORDINATED DEBENTURES

On December 13, 2006, NASB Financial, Inc., through its wholly owned statutory trust, NASB Preferred Trust I (the "Trust"), issued $25 million of pooled Trust Preferred Securities. The Trust used the proceeds from the offering to purchase a like amount of NASB Financial Inc.'s subordinated debentures. The debentures, which have a variable rate of 1.65% over the 3-month LIBOR and a 30-year term, are the sole assets of the Trust. In exchange for the capital contributions made to the Trust by NASB Financial, Inc. upon formation, NASB Financial, Inc. owns all the common securities of the Trust.

In accordance with Financial Accounting Standards Board Interpretation No. 46R, *Consolidation of Variable Interest Entities* (FIN 46R), the Trust qualifies as a special purpose entity that is not required to be consolidated in the financial statements of the Company. The $25.0 million Trust Preferred Securities issued by the Trust will remain on the records of the Trust. The Trust Preferred Securities are included in Tier I capital for regulatory capital purposes.

The Trust Preferred Securities have a variable interest rate of 1.65% over the 3-month LIBOR, and are mandatorily redeemable upon the 30-year term of the dentures, or upon earlier redemption as provided in the Indenture. The debentures are callable, in whole or in part, after five years of the issuance date. The Company did not incur a placement or annual trustee fee related to the issuance. The securities are subordinate to all other debt of the Company and interest may be deferred up to five years.

(12) INCOME TAXES PAYABLE

The differences between the effective income tax rates and the statutory federal corporate tax rate for the years ended September 30 are as follows:

	2008	2007	2006
Statutory federal income tax rate	35.0%	35.0%	35.0%
State income taxes, net of federal benefit	3.0	3.0	3.0
Other, net	(2.5)	0.5	(0.7)
	35.5%	38.5%	37.3%

Deferred income tax expense (benefit) results from temporary differences in the recognition of income and expense for tax purposes and financial statement purposes. The following table lists these temporary differences and their related tax effect for the years ended September 30. Dollar amounts are expressed in thousands.

	2008	2007	2006
Deferred loan fees and costs	$ 101	34	30
Accrued interest receivable	(726)	--	(1)
Tax depreciation vs. book depreciation	80	209	(165)
Basis difference on investments	(5)	(15)	(20)
Loan loss reserves	(3,160)	961	(143)
Mark-to-market adjustment	(1,008)	(656)	(375)
Mortgage servicing rights	(51)	(49)	61
Other	(113)	(318)	151
	$ (4,882)	166	(462)

The tax effect of significant temporary differences representing deferred tax assets and liabilities are presented in the following table. Dollar amounts are expressed in thousands.

	2008	2007
Deferred income tax assets:		
Loan loss reserves	$ 5,588	2,428
Book depreciation in excess of tax depreciation	201	281
Accrued interest receivable	924	198
Mark-to-market adjustment	565	--
Unrealized loss on securities available for sale	--	428
	7,278	3,335
Deferred income tax liabilities:		
Mark-to-market adjustment	--	(443)
Mortgage servicing rights	(184)	(235)
Basis difference on investments	(23)	(28)
Deferred loan fees and costs	(400)	(298)
Unrealized gain on securities available for sale	(160)	--
Other	(218)	(333)
	(985)	(1,337)
Net deferred tax asset	$ 6,293	1,998

Effective October 1, 2007, the Company adopted Financial Accounting Standards Board Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (FIN 48). Upon adoption of FIN 48, the Company recognized a $217,000 increase in the liability for unrecognized tax benefits, which, as required, was accounted for as a decrease to the October 1, 2007 balance of retained earnings.

The following table reconciles the liability for unrecognized tax benefits from the beginning to the end of the fiscal year. Dollar amounts are expressed in thousands.

Balance at October 1, 2007	$	--
Reclassification of deferred tax liability		1,070
FIN 48 adoption adjustment to retained earnings		217
Adjusted balance at October 1, 2007		1,287
Increases attributable to tax positions taken during a prior period		872
Decreases attributable to lapse of statute of limitations		(1,309)
Liability for unrecognized tax benefits at September 30, 2008	$	850

The Company's liability for unrecognized tax benefit is expected to decrease in the next twelve months as a result of the settlements with various taxing authorities.

As of September 30, 2008, the Company's liability for unrecognized tax benefits included $149,000 of related interest and penalties. The Company's policy is to recognize interest and penalties related to unrecognized tax benefits within income tax expense in the consolidated statements of income

The Company's federal and state income tax returns for fiscal years 2005 through 2007 remain subject to examination by the Internal Revenue Service and various state jurisdictions, based on the statute of limitations.

(13) STOCKHOLDERS' EQUITY

During fiscal 2008, the Company paid quarterly cash dividends on common stock of $0.225 per share on November 30, 2007, February 22, 2008, May 23, 2008, and August 22, 2008.

During fiscal 2007, the Company paid quarterly cash dividends on common stock of $0.225 per share on November 24, 2006, February 23, 2007, May 25, 2007, and August 24, 2007.

During fiscal 2006, the Company paid quarterly cash dividends on common stock of $0.225 per share on February 24, 2006, May 26, 2006, and August 25, 2006, and $0.45 per share on November 25, 2005.

During fiscal 2007, the Company repurchased 451,028 shares of its own stock with a total value of $16.4 million at the time of repurchase. During fiscal 2006, the Company repurchased 118,800 shares of its own stock with a total value of $4.1 million at the time of repurchase. During fiscal 2008, the Company did not repurchase any shares of its own stock.

(14) REGULATORY CAPITAL REQUIREMENTS

The Bank is subject to various regulatory capital requirements as administered by Federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory, and possibly additional discretionary, actions by the regulators that, if undertaken, could have a direct material effect on the Bank's financial statements. Under the capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities, and certain off-balance sheet items as calculated under regulatory accounting practices. The Bank's capital amounts and classification are also subject to qualitative judgments by regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum capital amounts and ratios (set forth in the table below). The Bank's primary regulatory agency, the Office of Thrift Supervision ("OTS"), requires that the Bank maintain minimum ratios of tangible capital (as defined in the regulations) of 1.5%, core capital (as defined) of 4%, and total risk-based capital (as defined) of 8%. The Bank is also subject to prompt corrective action capital requirement regulations set forth by the FDIC. The FDIC requires the Bank to maintain a minimum of Tier 1, total and core capital (as defined) to risk-weighted assets (as defined), and of core capital (as defined) to adjusted tangible assets (as defined). Management believes that, as of September 30, 2008, the Bank meets all capital adequacy requirements, to which it is subject.

As of September 30, 2008 and 2007, the most recent guidelines from the OTS categorized the Bank as "well capitalized" under the regulatory framework for prompt corrective action. To be categorized as well capitalized, the Bank must maintain minimum total risk-based, Tier 1 risk-based, and Tier 1 leverage ratios as set forth in the table. Management does not believe that there are any conditions or events occurring since notification that would change the Bank's category.

The following tables summarize the relationship between the Bank's capital and regulatory requirements. Dollar amounts are expressed in thousands.

		September 30,	
		2008	2007
GAAP capital (Bank only)	$	153,460	152,330
Adjustment for regulatory capital:			
Intangible assets		(2,771)	(2,871)
Disallowed servicing and deferred tax assets		(6,293)	(1,998)
Reverse the effect of SFAS No. 115		(255)	682
Tangible capital		144,141	148,143
Qualifying intangible assets		--	--
Tier 1 capital (core capital)		144,141	148,143
Qualifying valuation allowance		12,366	7,790
Risk-based capital	$	156,507	155,933

		As of September 30, 2008					
		Actual		Minimum Required For Capital Adequacy Purposes		To Be "Well Capitalized" Under Prompt Corrective Action Provisions	
		Amount	Ratio	Amount	Ratio	Amount	Ratio
Total capital (to risk-weighted assets)	$	156,507	12.5%	100,470	≥8%	125,588	≥10%
Core capital (to adjusted tangible assets)		144,141	9.7%	59,397	≥4%	74,247	≥5%
Tangible capital (to tangible assets)		144,141	9.7%	22,274	≥1.5%	--	--
Tier 1 capital (to risk-weighted assets)		144,141	11.5%	--	--	75,353	≥6%

		As of September 30, 2007					
		Actual		Minimum Required For Capital Adequacy Purposes		To Be "Well Capitalized" Under Prompt Corrective Action Provisions	
		Amount	Ratio	Amount	Ratio	Amount	Ratio
Total capital (to risk-weighted assets)	$	155,933	12.7%	97,946	≥8%	122,432	≥10%
Core capital (to adjusted tangible assets)		148,143	10.0%	59,269	≥4%	74,086	≥5%
Tangible capital (to tangible assets)		148,143	10.0%	22,226	≥1.5%	--	--
Tier 1 capital (to risk-weighted assets)		148,143	12.1%	--	--	73,459	≥6%

(15) EMPLOYEES' RETIREMENT PLAN

Substantially all of the Bank's full-time employees participate in a 401(k) retirement plan (the "Plan"). The Plan is administered by Standard Insurance Company, through which employees can choose from a variety of retail mutual funds to invest their fund contributions. Under the terms of the Plan, the Bank makes monthly contributions for the benefit of each participant in an amount that matches one-half of the participant's contribution, not to exceed 3% of the participants' monthly base salary, provided that the participant makes a monthly contribution of at least 1% of his or her monthly base salary and no greater than 50%, subject to certain limitations. All contributions made by participants are immediately vested and cannot be forfeited. Contributions made by the Bank, and related earnings thereon, become vested to the participants according to length of service requirements as specified in the Plan. Any forfeited portions of the contributions made by the Bank and the allocated earnings thereon are used to reduce future contribution requirements of the Bank. The Plan may be modified, amended or terminated at the discretion of the Bank.

The Bank's contributions to the Plan amounted to $337,000, $324,000, and $342,000 for the years ended September 30, 2008, 2007, and 2006, respectively. These amounts have been included as compensation and fringe benefits expense in the accompanying consolidated statements of income.

(16) STOCK OPTION PLAN

During fiscal year 1986, the Company's stockholders approved a stock option plan ("1986 Option Plan") through which options to purchase up to 10% of the number of shares of common stock originally issued, as adjusted for a 4-for-1 stock split in March 1999 and stock dividends, were granted to officers and employees of the Bank. The time frame for issuing new options under the 1986 Option Plan has expired and, as of September 30, 2008, there are no options granted under this plan that remain outstanding. Options were granted for a period of ten years. The option price could not be less than 100% of the fair market value of the shares on the date of the grant.

On January 27, 2004, the Company's stockholders approved a new equity stock option plan ("2004 Option Plan") through which options to purchase up to 250,000 shares of common stock may be granted to officers and employees of the Company. Options may be granted over a period of ten years. The option price may not be less than 100% of the fair market value of the shares on the date of the grant.

The following table summarizes Option Plan activity during fiscal years 2008, 2007, and 2006. The number of shares and price per share have been adjusted to reflect the 4-for-1 stock split in fiscal 1999. All options outstanding at September 30, 2008, were granted under the 2004 Option Plan.

	Number of shares	Weighted avg. exercise price per share	Range of exercise price per share
Options outstanding at October 1, 2005	39,500	$ 39.95	$ 35.50-42.53
Granted	18,500	32.91	32.91
Options outstanding at September 30, 2006	58,000	37.70	32.91-42.53
Granted	21,657	32.82	30.33-39.33
Forfeited	(1,000)	42.17	42.17
Options outstanding at September 30, 2007	78,657	36.30	30.33-42.53
Forfeited	(6,619)	35.08	30.33-42.17
Options outstanding at September 30, 2008	72,038	$ 36.42	$ 30.33-42.53

The weighted average remaining contractual life of options outstanding at September 30, 2008, 2007, and 2006, were 5.8 years, 7.0 years and 7.0 years, respectively.

The following table provides information regarding the expiration dates of the stock options outstanding at September 30, 2008.

	Number of shares	Weighted average exercise price
Expiring on:		
July 27, 2009	10,000	$ 35.50
August 1, 2010	12,500	42.17
July 27, 2014	3,000	35.50
November 30, 2014	500	39.79
August 1, 2015	10,000	42.17
August 4, 2015	500	42.53
July 21, 2016	15,500	32.91
November 29, 2016	6,000	39.33
July 24, 2017	14,038	30.33
	72,038	$ 36.42

Of the options outstanding at September 30, 2008, 34,708 are immediately exercisable and 37,330 are exercisable at future dates in accordance with the vesting schedules outlined in each stock option agreement.

The following table illustrates the range of exercise prices and the weighted average remaining contractual lives for options outstanding under the Option Plan as of September 30, 2008.

	Options Outstanding			Options Exercisable	
Range of exercise prices	Number	Weighted avg. remaining contractual life	Weighted avg. exercise price	Number	Weighted avg. exercise Price
$ 35.50	10,000	0.8 years	$ 35.50	8,000	$ 35.50
42.17	12,500	1.8 years	42.17	7,500	42.17
35.50	3,000	5.8 years	35.50	2,400	35.50
39.79	500	6.2 years	39.79	300	39.79
42.17-42.53	10,500	6.8 years	42.18	6,300	42.18
32.91	15,500	7.8 years	32.91	6,200	32.91
39.33	6,000	8.2 years	39.33	1,200	39.33
30.33	14,038	8.8 years	30.33	2,808	30.33
	72,038			34,708	

(17) SEGMENT INFORMATION

In accordance with SFAS No. 131, “Disclosures about Segments of an Enterprise and Related Information,” the Company has identified two principal operating segments for purposes of financial reporting: Banking and Mortgage Banking. These segments were determined based on the Company’s internal financial accounting and reporting processes and are consistent with the information that is used to make operating decisions and to assess the Company’s performance by the Company’s key decision makers.

The Mortgage Banking segment originates mortgage loans for sale to investors and for the portfolio of the Banking segment. Effective October 1, 2007, the National Mortgage Banking and Local Mortgage Banking segments were combined for reporting purposes due to the consolidation of substantial operating and occupancy resources. The Banking segment provides a full range of banking services through the Bank’s branch network, exclusive of mortgage loan originations. A portion of the income presented in the Mortgage Banking segment is derived from sales of loans to the Banking segment based on a transfer pricing methodology that is designed to approximate economic reality. The Other and Eliminations segment includes financial information from the parent company plus inter-segment eliminations.

The following table presents financial information from the Company's operating segments for the years ended September 30, 2008, 2007, and 2006. Dollar amounts are expressed in thousands.

Year ended September 30, 2008	Banking	Mortgage Banking	Other and Eliminations	Consolidated
Net interest income	$ 40,299	--	(1,284)	39,015
Provision for loan losses	6,200	--	--	6,200
Other income	1,157	21,114	(3,864)	18,407
General and administrative expenses	17,494	20,159	(834)	36,819
Income tax expense	6,838	368	(2,099)	5,107
Net income (loss)	$ 10,924	587	(2,215)	9,296
Total assets	$ 1,494,589	2,617	19,555	1,516,761

Year ended September 30, 2007	Banking	Local Mortgage Banking	National Mortgage Banking	Other and Eliminations	Consolidated
Net interest income	$ 43,027	--	--	(1,348)	41,679
Provision for loan losses	1,634	--	--	--	1,634
Other income	4,035	6,608	13,022	(2,467)	21,198
General and administrative expenses	16,249	7,242	13,150	(312)	36,329
Income tax expense	11,234	(244)	(49)	(1,346)	9,595
Net income (loss)	$ 17,945	(390)	(79)	(2,157)	15,319
Total assets	$ 1,485,602	2,790	348	17,743	1,506,483

Year ended September 30, 2006	Banking	Local Mortgage Banking	National Mortgage Banking	Other and Eliminations	Consolidated
Net interest income	$ 46,538	--	--	73	46,611
Provision for loan losses	745	--	--	--	745
Other income	7,281	9,606	9,513	(1,876)	24,524
General and administrative expenses	15,992	10,046	11,596	(386)	37,248
Income tax expense	13,813	(164)	(776)	(499)	12,374
Net income (loss)	$ 23,269	(276)	(1,307)	(918)	20,768
Total assets	$ 1,506,910	502	242	17,142	1,524,796

(18) COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Bank has entered into financial agreements with off-balance-sheet risk to meet the financing needs of its customers. These financial instruments include commitments to extend credit, standby letters of credit and financial guarantees. Those instruments involve, to varying degrees, elements of credit risk, interest rate risk, and liquidity risk, which may exceed the amount recognized in the consolidated financial statements. The contract amounts or notional amounts of those instruments express the extent of involvement the Bank has in particular classes of financial instruments.

With regard to financial instruments for commitments to extend credit, standby letters of credit, and financial guarantees, the Bank's exposure to credit loss because of non-performance by another party is represented by the contractual amount of those instruments. The Bank uses the same credit policies in making commitments and conditional obligations as it does for on-balance-sheet instruments.

As of September 30, 2008, the Bank had outstanding commitments to originate $8.0 million in commercial real estate loans, $90.3 million of fixed rate residential first mortgage loans and $4.9 million of adjustable rate residential first mortgage loans. Commercial real estate loan commitments have approximate average committed rates of 6.9%. Residential mortgage loan commitments have an approximate average committed rate of 6.1% and approximate average fees and discounts of 0.7%. The interest rate commitments on residential loans generally expire 60 days after the commitment date. Interest rate commitments on commercial real estate loans have varying terms to expiration. As of September 30, 2008, the Bank had outstanding commitments related to stand-by letters of credit of $7.3 million.

As of September 30, 2007, the Bank had outstanding commitments to originate $14.0 million in commercial real estate loans, $60.9 million of fixed rate residential first mortgage loans and $16.7 million of adjustable rate residential first mortgage loans. Commercial real estate loan commitments have approximate average committed rates of 8.0%. Residential mortgage loan commitments have an approximate average committed rate of 6.7% and approximate average fees and discounts of 0.7%. The interest rate commitments on residential loans generally expire 60 days after the commitment date. Interest rate commitments on commercial real estate loans have varying terms to expiration. As of September 30, 2007, the Bank had outstanding commitments related to stand-by letters of credit of $10.5 million.

At September 30, 2008 and 2007, the Bank had commitments to sell loans of approximately $89.1 million and $74.6 million, respectively. These instruments contain an element of risk in the event that other parties are unable to meet the terms of such agreements. In such event, the Bank's loans receivable held for sale would be exposed to market fluctuations. Management does not expect any other party to default on its obligations and, therefore, does not expect to incur any costs due to such possible default.

(19) LEGAL CONTINGENCIES

Various legal claims arise from time to time within the normal course of business which, in the opinion of management, will have not material effect on the Company's consolidated financial statements.

(20) SIGNIFICANT ESTIMATES AND CONCENTRATIONS

The current economic environment presents financial institutions with unprecedented circumstances and challenges which in some cases have resulted in large declines in the fair values of investments and other assets, constraints on liquidity and significant credit quality problems, including severe volatility in the valuation of real estate and other collateral supporting loans. The financial statements have been prepared using values and information currently available to the Company.

Given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments in asset values, the allowance for loan losses, and capital that could negatively impact the Company's ability to meet regulatory capital requirements and maintain sufficient liquidity.

(21) FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents the carrying values and fair values of the Company's financial instruments presented in accordance with SFAS No. 107. Dollar amounts are expressed in thousands.

	September 30, 2008		September 30, 2007	
	Carrying value	Estimated fair value	Carrying value	Estimated fair value
Financial Assets:				
Cash and cash equivalents	$ 21,735	21,735	$ 26,050	26,050
Securities available for sale	35	35	42	42
Stock in Federal Home Loan Bank	26,284	26,284	22,307	22,307
Mortgage-backed securities:				
Available for sale	59,889	59,889	80,622	80,622
Held to maturity	135	139	217	220
Loans receivable:				
Held for sale	64,030	66,248	47,233	47,233
Held for investment	1,280,490	1,316,964	1,269,359	1,291,676
Mortgage servicing rights	716	716	911	911
Lending commitments on mortgage loans held for sale – fixed rate	578	578	40	40
Lending commitments on mortgage loans held for sale – floating rate	6	6	--	--
Commitments to sell loans	171	171	8	8
Financial Liabilities:				
Customer deposit accounts	691,615	691,915	722,102	724,228
Brokered deposit accounts	77,764	78,210	133,434	133,813
Advances from FHLB	550,091	556,370	458,933	464,138
Subordinated debentures	25,774	25,774	25,774	25,774
Lending commitments on mortgage loans held for sale – fixed rate	233	233	--	--
Lending commitments on mortgage loans held for sale – floating rate	24	24	--	--
Commitments to sell loans	490	490	9	9

	September 30, 2008		September 30, 2007	
	Contract or notional amount	Estimated unrealized gain	Contract or notional amount	Estimated unrealized gain
Unrecognized financial instruments:				
Lending commitments – fixed rate, net	$ 11,788	54	$ 17,161	(38)
Lending commitments – floating rate	2,290	1	3,237	73
Commitments to sell loans	--	--	--	--

The fair value estimates presented are based on pertinent information available to management as of September 30, 2008 and 2007. Although management is not aware of any factors that would significantly affect the estimated fair values, such amounts have not been comprehensively revalued for purposes of these consolidated financial statements since that date. Therefore, current estimates of fair value may differ significantly from the amounts presented above.

(22) PARENT COMPANY FINANCIAL INFORMATION

NASB Financial, Inc.
Balance Sheets

		September 30, 2008	September 30, 2007
ASSETS		(Dollars in thousands)	
Cash and cash equivalents	$	2,559	2,191
Loans receivable		890	1,165
Accrued interest receivable		3	4
Investment in subsidiary		153,460	152,329
Investment in LLC		20,683	19,058
Investment in NASB Trust Preferred I		774	774
	$	178,369	175,521
LIABILITIES AND STOCKHOLDERS' EQUITY			
Liabilities			
Subordinated debentures	$	25,774	25,774
Escrows		41	40
Accrued interest payable		195	306
Income taxes (receivable) payable		(53)	9
Total liabilities		25,957	26,129
Stockholders' equity			
Common stock		1,479	1,479
Additional paid-in capital		16,484	16,400
Retained earnings		172,612	170,613
Treasury stock		(38,418)	(38,418)
Accumulated other comprehensive income		255	(682)
Total stockholders' equity		152,412	149,392
	$	178,369	175,521

NASB Financial, Inc.
Statements of Income

		Years Ended September 30,		
		2008	2007	2006
		(Dollars in thousands)		
Income:				
Income from subsidiary	$	10,326	16,338	20,640
Interest and dividend income		73	72	73
Income (loss) from investment in LLC		(265)	(197)	147
Gain on sale of real estate owned		--	--	93
Total income		10,134	16,213	20,953
Expenses:				
Interest on subordinated debentures		1,357	1,421	--
Professional fees		63	75	57
Other expense		63	36	54
Total general expenses		1,483	1,532	111
Income before income tax expense		8,651	14,681	20,842
Income tax expense (benefit)		(645)	(638)	74
Net income	$	9,296	15,319	20,768

NASB Financial, Inc.
Statements of Cash Flows

	Years ended September 30,		
	2008	2007	2006
Cash flows from operating activities:		(Dollars in thousands)	
Net income	$ 9,296	15,319	20,768
Adjustments to reconcile net income to net cash provided by operating activities:			
Loss (income) from investment in LLC	265	197	(147)
Gain on sale of real estate owned	--	--	(93)
Equity in undistributed earnings of subsidiary	(326)	--	(2,540)
Change in income taxes payable	(62)	(42)	(137)
Change in accrued interest payable	(111)	306	--
Net cash proved by operating activities	9,062	15,780	17,851
Cash flows from investing activities:			
Distributions in excess of net income of subsidiary	--	11,662	--
Principal repayments of loans receivable	275	26	24
Proceeds from sale of real estate owned	--	--	93
Investment in subsidiary	--	(25,000)	--
Investment in NASB Trust Preferred I	--	(774)	--
Investment in LLC	(1,890)	(2,518)	(4,385)
Net cash used in investing activities	(1,615)	(16,604)	(4,268)
Cash flows from financing activities:			
Proceeds from subordinated debentures	--	25,774	--
Cash dividends paid	(7,080)	(7,337)	(9,468)
Repurchase of common stock	--	(16,357)	(4,109)
Change in escrows	1	--	(4)
Net cash provided by (used in) financing activities	(7,079)	2,080	(13,581)
Net increase in cash and cash equivalents	368	1,256	2
Cash and cash equivalents at beginning of period	2,191	935	933
Cash and cash equivalents at end of period	$ 2,559	2,191	935

Report of Independent Registered Public Accounting Firm

Audit Committee, Board of Directors and Stockholders
NASB Financial, Inc.
Grandview, Missouri

We have audited the accompanying consolidated balance sheets of NASB Financial, Inc. (the "Company") as of September 30, 2008 and 2007, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended September 30, 2008. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of NASB Financial, Inc. as of September 30, 2008 and 2007, and the results of its operations and its cash flows for each of the three years in the period ended September 30, 2008, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), NASB Financial, Inc.'s internal control over financial reporting as of September 30, 2008 based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and our report dated December 11, 2008 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

BKD, LLP

Kansas City, Missouri
December 11, 2008

Summary of Unaudited Quarterly Operating Results

The following tables include certain information concerning the quarterly consolidated results of operations of the Company at the dates indicated. Dollar amounts are expressed in thousands, except per share data.

2008		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Interest income	$	25,545	24,014	23,188	22,774	95,521
Interest expense		15,456	14,962	13,330	12,758	56,506
Net interest income		10,089	9,052	9,858	10,016	39,015
Provision for loan losses		700	700	1,600	3,200	6,200
Net interest income after provision for loan losses		9,389	8,352	8,258	6,816	32,815
Other income		2,288	5,390	6,772	3,957	18,407
General and administrative expenses		8,638	9,145	9,908	9,128	36,819
Income before income tax expense		3,039	4,597	5,122	1,645	14,403
Income tax expense		1,170	1,791	1,512	634	5,107
Net income	$	1,869	2,806	3,610	1,011	9,296
Earnings per share - basic	$	0.24	0.36	0.46	0.13	1.18
Average shares outstanding		7,868	7,868	7,868	7,868	7,868

2007		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Interest income	$	26,044	25,817	26,054	25,903	103,818
Interest expense		15,345	15,516	15,618	15,660	62,139
Net interest income		10,699	10,301	10,436	10,243	41,679
Provision for loan losses		126	633	175	700	1,634
Net interest income after provision for loan losses		10,573	9,668	10,261	9,543	40,045
Other income		5,495	5,411	5,858	4,434	21,198
General and administrative expenses		8,629	8,949	9,961	8,790	36,329
Income before income tax expense		7,439	6,130	6,158	5,187	24,914
Income tax expense		2,865	2,361	2,372	1,997	9,595
Net income	$	4,574	3,769	3,786	3,190	15,319
Earnings per share - basic	$	0.55	0.46	0.47	0.40	1.89
Average shares outstanding		8,319	8,202	7,987	7,897	8,101

Board of Directors of NASB Financial, Inc. and North American Savings Bank, F.S.B.

David H. Hancock
Chairman
Chief Executive Officer
NASB Financial, Inc. and
North American Savings Bank

Keith B. Cox
President
NASB Financial, Inc. and
North American Savings Bank

Paul L. Thomas
Vice President
NASB Financial, Inc.
Executive Vice President and
Chief Credit Officer
North American Savings Bank

Frederick V. Arbanas
Jackson County Legislature
Retired President, Fred Arbanas, Inc. –
National Yellow Pages Service
Kansas City, Missouri

Barrett Brady
Senior Vice President
Highwoods Properties, Inc.
Kansas City, Missouri

Laura Brady
Former Vice President and
General Manager
Wolferman's
Lenexa, Kansas

Linda S. Hancock
Linda Smith Hancock Interiors
Kansas City, Missouri

W. Russell Welsh
President & CEO
Polsinelli Shalton Flanigan Suelthaus
Kansas City, Missouri

Officers of NASB Financial, Inc.

David H. Hancock
Chairman
Chief Executive Officer

Keith B. Cox
President

Rhonda Nyhus
Vice President and Treasurer

Shauna Olson
Corporate Secretary

Mike Anderson
Vice President

Wade Hall
Vice President

John M. Nesselrode
Vice President

Dena Sanders
Vice President

Bruce Thielen
Vice President

Paul L. Thomas
Vice President

James A. Watson
Vice President

Officers of North American Savings Bank, F.S.B.

David H. Hancock
Chairman
Chief Executive Officer

Keith B. Cox
President

Paul L. Thomas
Executive Vice President
Chief Credit Officer

James A. Watson
Executive Vice President
Banking Compliance

Rhonda Nyhus
Senior Vice President
Chief Financial Officer

Shauna Olson
Corporate Secretary

Mike Anderson
Senior Vice President
Construction Lending

Wade Hall
Senior Vice President
Commercial Lending

John M. Nesselrode
Senior Vice President
Chief Investment Officer

Dena Sanders
Senior Vice President
Retail Banking

Bruce Thielen
Senior Vice President
Residential Lending

Phil Craven
Vice President
Commercial Lending

Sherrie Eimer
Vice President
Branch Administration

Martin Ford
Vice President
Residential Lending

Cathleen Gwin
Vice President
Residential Lending

Scott Haase
Vice President
Residential Lending

Jeff Jackson
Vice President
Information Technology

Karen Jacobson
Vice President
Branch Operations

Lisa Lillard
Vice President
Loan Servicing

Dan Morton
Vice President
Information Technology

Dan Reynoldson
Vice President
Residential Lending

Christine Schaben
Vice President
Human Resources

Rick Speciale
Vice President
Internal Audit

Ron Stafford
Vice President
Residential Lending

Christine Todd
Vice President
Risk Management

Drake Vidrine
Vice President
Construction Lending

Donna Williams
Vice President
Construction Lending

Other Disclosures regarding Directors, Officers and Employees of NASB Financial, Inc.

Audit Committee

Directors Barrett Brady, Fred Arbanas, and Laura Brady serve on the Company's audit committee. Director Barrett Brady serves as the audit committee chairman and financial expert. Director Barrett Brady meets the audit committee independence requirements as prescribed by provisions of the Sarbanes-Oxley Act.

Code of Ethics for Senior Financial Officers

All Senior Financial Officers are required to abide by a Code of Ethics, which meets the requirements of Section 406 of the Sarbanes-Oxley Act. A copy of the Company's Code of Ethics for Senior Financial Officers will be provided upon written request to: Keith B. Cox, NASB Financial, Inc., 12498 South 71 Highway, Grandview, Missouri 64030.

Procedure for Anonymous Complaints

The Company has procedures in place to receive, retain, and treat complaints received regarding accounting, internal controls, or auditing matters. These procedures allow for confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

Branch Offices

Headquarters
Grandview, Missouri
12498 South 71 Highway

Lee's Summit, Missouri
646 North 291 Highway

Excelsior Springs, Missouri
1001 North Jesse James Road

Kansas City, Missouri
8501 North Oak Trafficway
and
7012 NW Barry Road

Harrisonville, Missouri
2002 East Mechanic

St. Joseph, Missouri
920 North Belt

Independence, Missouri
11400 East 23rd Street

Platte City, Missouri
2707 NW Prairie View Road

Residential Lending
10950 El Monte, Suite 210
Overland Park, Kansas

789 NE Rice Road
Lee's Summit, Missouri

4350 S National, Suite A100
Springfield, Missouri

Construction Lending
12520 South 71 Highway
Grandview, Missouri

Loan Administration
12520 South 71 Highway
Grandview, Missouri

Investor Information

Annual Meeting of Stockholders:

The Annual Meeting of Stockholders will be held on Tuesday, January 27, 2009, at 8:30 a.m. in the lobby of North American Savings Bank, 12498 South 71 Highway, Grandview, Missouri.

Annual Report on 10-K:

Copies of NASB Financial, Inc. Form 10-K Report to the Securities and Exchange Commission are available without charge upon written request to Keith B. Cox, President, NASB Financial, Inc., 12498 South 71 Highway, Grandview, Missouri 64030.

Transfer Agent:

Registrar & Transfer Co., 10 Commerce Drive, Cranford, New Jersey 07016

Stock Trading Information:

The common stock of NASB Financial, Inc. and subsidiaries is traded in the over-the-counter market. The Company's symbol is **NASB.**

Independent Auditors:

BKD LLP, 120 West 12th Street, Suite 1200, Kansas City, Missouri 64105

Shareholder and Financial Information:

Contact Keith B. Cox, NASB Financial, Inc., 12498 South 71 Highway, Grandview, Missouri 64030, (816) 765-2200.

Common Stock Prices and Dividends

At September 30, 2008, stockholders held 7,867,614 outstanding shares of NASB Financial, Inc. common stock. The Company paid cash dividends of $0.225 per share in February, May, August, and November 2006. Cash dividends of $0.225 per share were paid in February, May, August, and November 2007. The Company paid cash dividends of $0.225 per share in February, May, and August 2008.

The table below reflects the Company's high and low bid prices. The quotations represent intra-dealer quotations without retail markups, markdowns or commissions, and do not necessarily represent actual transactions.

	Fiscal 2008		Fiscal 2007	
Quarter ended	High	Low	High	Low
December 31	$ 36.74	24.22	43.95	38.00
March 31	28.58	19.80	42.55	34.00
June 30	28.70	17.75	36.15	32.70
September 30	32.50	16.06	36.93	28.00