



Yufugawa Ravine(Yufu City)

ANNUAL REPORT 2009

THE OITA BANK,LTD.

OITA BANK PROFILE

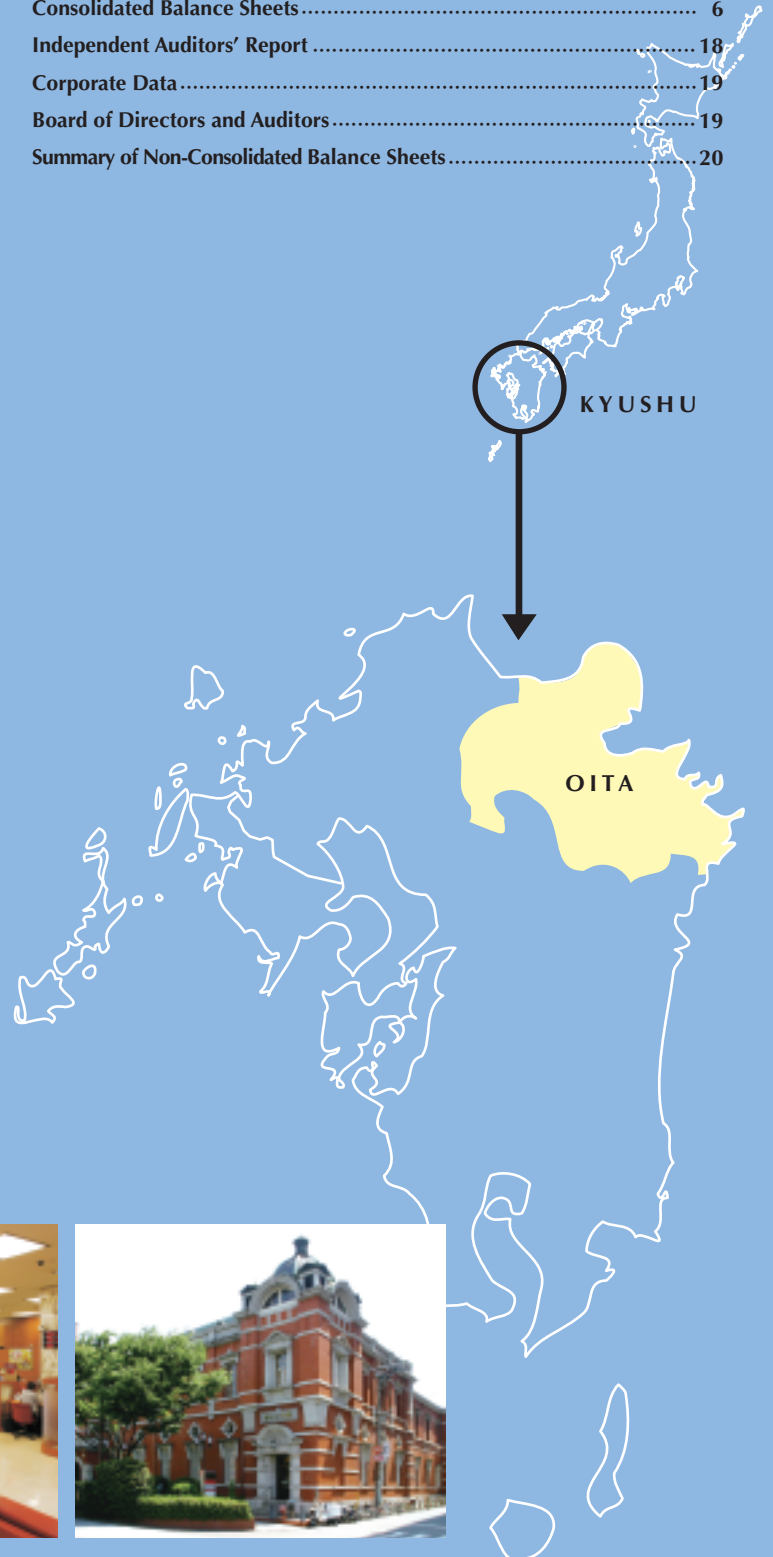
The Oita Bank, Ltd., was founded in 1893 in Oita Prefecture, Kyushu, in the southwest of the Japanese archipelago. For more than a century, the Bank has provided outstanding financial services to individual and corporate clients, contributing significantly to the economic growth and prosperity of Oita Prefecture and the greater Kyushu region.

Oita Prefecture attracts a steady stream of capital investment from some of the world's most prominent enterprises in the high-tech and automotive industries, which have a major impact on the local economy. At the same time, the prefecture continues to create infrastructure to support its emergence as a hub of international business.

As the leading bank native to Oita Prefecture, Oita Bank strives to enhance its management structure and extend its menu of financial services. In these ways, we seek to contribute to the region's development.

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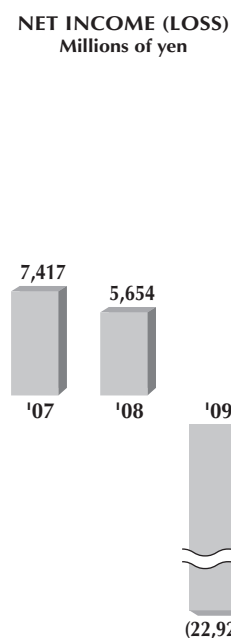
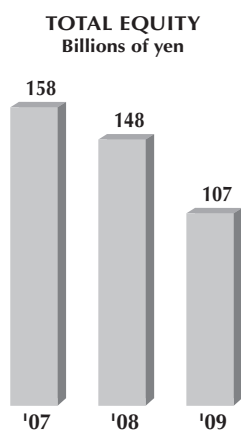
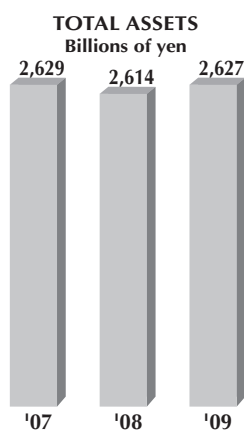
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CONSOLIDATED FINANCIAL HIGHLIGHTS

THE OITA BANK, LTD. and Subsidiaries
Years Ended March 31, 2009, 2008 and 2007

	Millions of Yen		
	2009	2008	2007
Deposits.....	¥2,369,177	¥2,327,067	¥2,329,049
Loans and bills discounted.....	1,659,842	1,617,927	1,604,680
Investment securities.....	752,120	768,212	769,206
Common stock.....	15,000	15,000	15,000
Total equity.....	107,659	148,564	158,813
Total assets.....	2,627,947	2,614,580	2,629,212
Net income(loss).....	(22,920)	5,654	7,417
Number of branches.....	103	103	103
Number of employees.....	1,562	1,501	1,445



Note: All graph figures are for the years ended March 31.

Introduction

We heartily thank you for the warm encouragement you have given Oita Bank since its founding in 1893. This support has allowed the Bank to establish a solid foundation as a regional financial institution.

We have created this publication, Annual Report 2009, to outline our management policies and foster an understanding of our recent operating performance and the status of our activities.

In FY 2008, ended March 31, 2009, against the backdrop of a simultaneous worldwide recession stemming from the subprime loan crisis, the Japanese economy experienced a downturn in corporate earnings prompted by such factors as a substantial falloff in exports. Deteriorating employment and personal income environment sapped personal consumption levels, exacerbating the economic malaise. In the fourth quarter of 2008, Japan's real gross domestic product (GDP) declined 12.11% year on year, chalking up the second-steepest decline since World War II and underscoring the sense of economic depression. We expect the Japanese economy to continue being affected by the growing severity of the worldwide financial crisis and the worsening of the global economy.

In the financial arena, the Nikkei stock average was ¥8,109.53 as of December 31, 2008, down 35.3% from its level one year earlier. This decline, the largest historical decline after the fall accompanying the bursting of the IT stock bubble in FY 2001, indicated the severity of the simultaneous global recession.

Looking at the economy of Oita Prefecture, manufacturers of machinery for export maintained high levels of production. Although past performance had been robust, in autumn of 2008 companies in the telecommunications and steel sectors began scaling back production in response to the global economic recession. The economy was marked by a growing tendency, centered on manufacturers, to suspend capital investments. This factor, coupled

with a downturn in personal consumption and falling consumer confidence owing to an increasingly opaque economic outlook, heightened the broad-based sense of economic recession.

Under these circumstances, the Bank posted losses in FY 2008, precipitated by such factors as exposure to the U.S. financial crisis, an increased allowance for client losses as business conditions worsened, expanded provisions to protect the Bank against risk of future defaults, and losses on marketable securities holdings owing to falling stock prices. The Bank will strive to move its operations back into the black in FY 2009. We recognize the need to create the business foundations that will enable us to make this turnaround and generate ongoing profits.

In addition, we are making a bankwide effort to generate the planned results of our business restructuring plans and enhance compliance. Through the successful introduction of initiatives designed to achieve these results, we are working toward the early resolution of a Ministry of Finance business improvement order, which we recognize as one of our topmost priorities.

We have revised our New Medium-Term Management Plan to support the sustained development of our region amid a rapidly changing operating environment. By marshalling the efforts of executives and regular employees throughout the Bank, we look forward to shoring up our management foundations and fulfilling the plan's objectives.

We thank you for your continued support of these endeavors.



Yasuchika Takahashi, Chairman



Yoshito Ogura, President

FY 2008 Operating Performance

In FY 2008, Oita Bank's executives and regular employees worked together in a challenging operating environment to deliver the following business results.

Deposits

As of March 31, 2009, total deposits, including negotiable certificates of deposit, came to ¥2,375.0 billion, up ¥44.0 billion from one year earlier. Despite our efforts to promote sales to individual customers by responding to their diverse investment needs, the balance of public bonds, mutual funds, foreign currency deposits and pension insurance funds for individuals was ¥362.1 billion, down ¥14.6 billion. We attribute this decline to the worsening market environment, provoked by the rapidly fluctuating financial environment.

Loans

Total loans outstanding totaled ¥1,667.8 billion on March 31, 2009, up ¥42.3 billion from one year earlier. Owing to the Bank's aggressive sales efforts, particularly in the area of housing loans, the fiscal year-end balance of consumer loans to individuals expanded ¥4.7 billion, to ¥435.7 billion as of March 31, 2009.

Marketable Securities

The Bank endeavored to build a portfolio designed to earn a stable rate of return. However, owing to the downturn in stock prices the balance of marketable securities fell ¥14.7 billion during the year, to ¥750.1 billion as of March 31, 2009.

Foreign Exchange

Foreign exchange transactions, including international trade transactions, overseas remittances and foreign currency deposits, totaled US\$2,382 million, \$346

million higher than at the previous fiscal year-end, owing to expanded international trade transactions.

Earnings

The Bank continued working to invest funds effectively, boost fee receipts and curtail various expenses. Nevertheless, we posted an ordinary loss of ¥24,262 million and a net loss of ¥23,207 million, owing to higher credit expenses and lower earnings on marketable securities.

To avoid carrying forward these losses into the upcoming fiscal year, we drew down separate reserves to offset the unappropriated deficit. In this way, we were able to avoid reducing common stock or capital surplus. Posting losses during the fiscal year under review enables us to take a more aggressive stance toward the risk of future losses so that we will be able to face such risks head-on in upcoming fiscal years, once operating performance recovers.

Dividend Policy

In due consideration of its responsibility to the public as a financial institution, the Bank's fundamental policy is to strengthen the long-term stability of its management base, improve management efficiency, build sufficient reserves and deliver consistent dividends. In FY 2008, the Bank's annual dividend was ¥6.00, (including an interim dividend of ¥3.00).

New Medium-Term Management Plan

- Themes: “dynamic, accessible banking: restructuring sales and operations”
- Period: April 2008 to March 2011 (three years)
- Goal: Evolve into a bank in which customers are confident, that is highly profitable and that is rewarding to its employees

In April 2008, the Bank inaugurated its New Medium-Term Management Plan, which incorporated four basic policies:1) strengthening internal control systems,2) strengthening sales capabilities,3) strengthening human resources and 4) strengthening the foundations for sustainable growth. However, the Bank’s operating environment has changed dramatically owing to such factors as economic recession due to international financial uncertainty, which commenced with the U.S. subprime loan crisis and with effects that have extended to include the prefectural economy, as well as worsening operating performance and corporate failure among the Bank’s clients. Consequently, we have revised the plan on three points. First, we added as a basic policy “raising the soundness of assets.” In line with this policy, we will address the pressing issue of enhancing credit risk management. Second, we augmented the basic policy of “strengthening the foundations for sustainable growth” by adding the objective of enhancing the Bank’s management of earnings and income, in an effort to raise profits. Third, we adopted a selection and focus approach to implementation, thereby accelerating the introduction of priority initiatives and hastening our response to an increasingly problematic management environment.

Through the firm implementation of the New Medium-Term Management Plan, we aim to earn the unwavering trust of members of our community and march resolutely toward the goal of being a bank that generates high profit levels.

Management Target Indices

	FY 2008 Target	FY 2008 Actual	FY 2010 Target (Revised)
Core operating income.....	¥13.2 billion	¥13.5 billion	¥11.4 billion
Net income.....	¥ 5.7 billion	(¥23.2 billion)	¥ 2.6 billion
ROE.....	4.88%	(22.38%)	2.75%
OHR.....	69.0%	68.1%	72.2%
Capital adequacy ratio.....	10.51%	8.71%	9.00%

Basic Policies

■ Basic policy 1: “strengthening internal control systems”

The Bank, which has adopted “strengthening internal control systems” as its most important policy, is steadily implementing a business improvement plan and enhancing its compliance system to prevent a recurrence of adverse events.

■ Basic policy 2: “strengthening sales capabilities”

The Bank will enhance its profitability by offering financial services that meet customer needs and establishing high-quality proposal-oriented sales solutions.

■ Basic policy 3: “raising the soundness of assets”

Credit expenses are trending upward as a result of deteriorating economic conditions. In response, this new basic policy was introduced to enhance credit risk management.

■ Basic policy 4: “strengthening human resources”

To prevent a recurrence of adverse events and improve profitability by offering better services to attain a higher level of customer satisfaction, it is necessary to develop personnel who are well-versed in internal controls and are capable of offering high-quality services. For this reason, we are actively investing in human resources to raise the standards of our employees.

■ Basic policy 5: “strengthening the foundations for sustainable growth”

This policy incorporates several initiatives: promoting community-based finance, enhancing management of earnings and income, encouraging corporate social responsibility (CSR) and furthering our IT strategy. Through this policy, we proactively promote community-based financing on an ongoing basis to offer high-quality financing services for the convenience of our customers.

The Bank is working aggressively to enhance its management of earnings and income, with the ultimate aim of boosting profitability, through the increased application of management accounting and stronger asset-liability management functions. We engage in bankwide efforts to promote CSR and earn the topmost level of trust among all our stakeholders, including shareholders, investors, customers, members of the local community and employees.

Furthermore, to achieve each of the measures outlined in the New Medium-Term Management Plan the Bank endeavors through an IT strategy that calls for stronger IT management.

Risk Management

With the increasing liberalization and internationalization of Japan's financial sector and continuing advances in information technology, the environment in which banks operate is changing dramatically. Accordingly, the risks affecting financial institutions are growing in both diversity and magnitude. For banks today, the accurate assessment and management of a wide variety of risks is more vital than ever.

Oita Bank fully recognizes these challenging conditions. To ensure sound financial management, stable earnings and lasting growth, the Bank is enhancing and reinforcing its risk management framework. Specifically, the Risk Supervisory Division manages a wide range of risks in each of the Bank's areas of operation. In addition, the Risk Management Committee works to strengthen centralized oversight and the comprehensive management of risk.

The Bank manages risk according to type in accordance with its General Risk Management Regulations and specific sets of risk management regulations.

Oita Bank discloses the amount of its risk-managed loans in accordance with the Banking Act. As of March 31, 2009, such loans totaled ¥86.7 billion, ¥33.3 billion higher than one year earlier. The ratio of risk-managed loans to total loans of ¥1,667.8 billion was 5.20%.

Turning to the assessment of assets under the Financial Reconstruction Act, total credit assets including loans at March 31, 2009, were ¥1,712.9 billion, 94.57% of which were normal loans that were collectible. The Bank has sufficient treasury stock, reserves for possible loan losses, collateral and guarantees to cover total bad loans.

Capital Adequacy Ratio

As of March 31, 2009, the Bank's capital adequacy ratio was 8.71% on a non-consolidated basis and 9.19% on a consolidated basis. These figures easily exceed the national standard of 4%. In the future, we will strive to further increase our capital adequacy and strengthen our management structure.

Credit Rating

On September 29, 2000, the Bank attained an A+ long-term preferred liabilities rating from the Japan Credit Rating Agency, Ltd. (JCR). In its review of March 17, 2009, JCR reaffirmed the Bank's A+ rating. The JCR rating attests to the stability and soundness of the Bank's management by according it the highest of the "A" rankings. However, JCR has revised the Bank's rating outlook from Stable to Negative.

Compliance

Compliance means abiding by laws, social codes and all other regulations whose observance is expected of a corporation as an active member of society. For a bank whose most important asset is trust, compliance is an absolute requirement for soundness of business and the confidence of society.

In the banking business, we must follow the Bank Law, Civil Code, the Companies Act, the Personal Information Protection Law, the Consumer Contract Law and the Financial Instruments and Exchange Law, as well as various others. Accordingly, we believe that as a financial institution we are required to comply with such laws, codes and regulations and to act on the principle of self-discipline in management.

Compliance is the bedrock on which all of our operations are built, as we strive to strengthen our sound operational base and continue to uphold the lasting trust of customers, investors and members of the community.

Conclusion

With the influx of some of the world's leading high-tech and automotive companies, Oita Prefecture is developing into an important business hub. In addition, since the opening of Ritsumeikan Asia Pacific University in April 2000 an increasing number of exchange students have begun flocking to this prefecture—a process that will drive the region's internationalization through an ongoing process of economic and cultural exchange.

As a bank firmly rooted in Oita Prefecture, Oita Bank is solidly committed to its role as an organization with the interests of the region at heart. In the exciting times that lie ahead, we will continue at all times to weigh our every action in terms of its contribution to the development of the local community.

The corporate philosophy of Oita Bank is "To make every effort to contribute to the prosperity of the local community through banking operations." This promise is the goal of all employees of Oita Bank and will always remain foremost in our thoughts.

August 2009

Yasuchika Takahashi
Chairman



Yoshito Ogura
President



Consolidated Balance Sheets

THE OITA BANK, LTD. and Consolidated Subsidiaries
March 31, 2009 and 2008

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
ASSETS:			
Cash and due from banks.....	¥ 38,655	¥ 39,532	\$ 394,435
Call loans.....	82,000	67,799	836,735
Commercial paper and other debt purchased (Note 3).....	4,988	6,145	50,898
Trading account securities (Note 3).....	181	204	1,847
Money held in trust (Note 4).....	6,114	8,646	62,392
Investment securities (Notes 3 and 11).....	752,120	768,212	7,674,692
Loans and bills discounted (Notes 5 and 12).....	1,659,842	1,617,927	16,937,159
Foreign exchange assets (Note 6).....	4,345	2,066	44,336
Lease receivables and eased investment assets (Note 2.m).....	16,453		167,891
Other assets (Note 7).....	24,741	28,869	252,460
Premises and equipment (Notes 2.m and 8).....	40,645	56,958	414,750
Intangible assets (Note 9).....	4,085	5,619	41,686
Deferred tax assets (Note 21).....	20,676	9,279	210,981
Customers' liabilities for acceptances and guarantees (Note 10).....	31,343	31,690	319,825
Reserve for possible loan losses.....	(58,241)	(28,366)	(594,297)
TOTAL.....	¥2,627,947	¥2,614,580	\$ 26,815,790
LIABILITIES:			
Deposits (Notes 11 and 13).....	¥2,369,177	¥2,327,067	\$24,175,275
Call money (Note 11).....	62,416	51,040	636,897
Borrowed money (Note 11).....	16,451	15,256	167,870
Foreign exchange liabilities.....	27	41	272
Other liabilities (Note 14).....	21,456	21,438	218,943
Liability for retirement benefits (Note 15).....	10,498	10,556	107,127
Reserve for reimbursement of deposits.....	543	505	5,543
Deferred tax liabilities for land revaluation excess.....	8,295	8,295	84,638
Negative goodwill.....	82	128	841
Acceptances and guarantees (Note 10).....	31,343	31,690	319,825
Total liabilities.....	2,520,288	2,466,016	25,717,231
EQUITY (Notes 16 and 27):			
Common stock, authorized, 300,000,000 shares in 2009 and 2008; issued, 144,486,342 shares in 2009 and 2008.....	15,000	15,000	153,061
Capital surplus.....	5,984	5,984	61,060
Retained earnings.....	75,155	98,948	766,883
Unrealized gain (loss) on available-for-sale securities (Note 3).....	(3,284)	13,796	(33,506)
Deferred loss on derivatives under hedge accounting.....	(608)	(332)	(6,204)
Land revaluation excess.....	10,344	10,333	105,546
Treasury stock-at cost, 1,822,394 shares in 2009 and 1,757,513 shares in 2008.....	(974)	(942)	(9,933)
Total.....	101,617	142,787	1,036,907
Minority interests.....	6,042	5,777	61,652
Total equity.....	107,659	148,564	1,098,559
TOTAL.....	¥2,627,947	¥2,614,580	\$26,815,790

See notes to consolidated financial statements.

Consolidated Statements of Operations

THE OITA BANK, LTD. and Consolidated Subsidiaries
Years Ended March 31, 2009 and 2008

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
INCOME:			
Interest on:			
Loans and discounts.....	¥ 34,207	¥ 34,422	\$ 349,050
Securities.....	11,557	12,166	117,926
Other.....	67	60	691
Total interest income.....	45,831	46,648	467,667
Fees and commissions.....	7,932	8,809	80,935
Other operating income (Note 17).....	9,122	9,727	93,082
Other income (Note 18).....	1,785	3,577	18,211
Total income.....	64,670	68,761	659,895
EXPENSES:			
Interest on:			
Deposits.....	5,835	5,607	59,543
Borrowings and rediscounts.....	885	1,308	9,029
Other.....	565	1,760	5,768
Total interest expenses.....	7,285	8,675	74,340
Fees and commissions.....	1,815	1,747	18,514
Other operating expenses (Note 19).....	9,980	9,830	101,839
General and administrative expenses.....	30,928	30,279	315,592
Provision for possible loan losses.....	32,979	7,299	336,521
Other expenses (Note 20).....	4,969	1,902	50,703
Total expenses.....	87,956	59,732	897,509
INCOME (LOSS) BEFORE INCOME TAXES AND MINORITY INTERESTS.....	(23,286)	9,029	(237,614)
INCOME TAXES (Note 21):			
Current.....	2,441	1,331	24,909
Deferred.....	(3,120)	2,118	(31,840)
Total income taxes.....	(679)	3,449	(6,931)
MINORITY INTERESTS IN NET INCOME (LOSS).....	313	(74)	3,199
NET INCOME (LOSS).....	¥(22,920)	¥ 5,654	\$ (233,882)
PER SHARE OF COMMON STOCK (Note 2.p):			
	Yen		U.S. dollars
	2009	2008	2009
Basic net income (loss).....	¥(160.61)	¥ 39.61	\$ (1.639)
Cash dividends applicable to the year.....	6.00	6.00	0.061

See notes to consolidated financial statements

Consolidated Statements of Changes in Equity

THE OITA BANK, LTD. and Consolidated Subsidiaries
Years Ended March 31, 2009 and 2008

	Thousands	Millions of Yen									
	Outstanding Number of Shares of Common Stock	Common Stock	Capital Surplus	Retained Earnings	Unrealized Gain (Loss) on Available-for-sale securities	Deferred Loss on Derivatives under Hedge Accounting	Land Revaluation Excess	Treasury Stock	Total	Minority Interests	Total Equity
BALANCE, APRIL 1, 2007	¥ 142,779	¥ 15,000	¥ 5,986	¥ 94,106	¥ 28,820	¥ (465)	¥ 10,378	¥ (907)	¥ 152,918	¥ 5,896	¥ 158,814
Net income				5,654					5,654		5,654
Cash dividends, ¥6.00 per share				(857)					(857)		(857)
Purchase of treasury stock	(66)							(48)	(48)		(48)
Disposal of treasury stock	16		(2)					13	11		11
Transfer from land revaluation excess				45		(45)					
Net change in the year					(15,024)	133			(14,891)	(119)	(15,010)
BALANCE, MARCH 31, 2008	142,729	15,000	5,984	98,948	13,796	(332)	10,333	(942)	142,787	5,777	148,564
Net loss				(22,920)					(22,920)		(22,920)
Cash dividends, ¥6.00 per share				(856)					(856)		(856)
Purchase of treasury stock	(88)							(52)	(52)		(52)
Disposal of treasury stock	23		(6)					20	14		14
Transfer from land revaluation excess				(11)		11					
Transfer to capital surplus from retained earnings			6	(6)							
Net change in the year					(17,080)	(276)			(17,356)	265	(17,091)
BALANCE, MARCH 31, 2009	¥ 142,664	¥ 15,000	¥ 5,984	¥ 75,155	¥ (3,284)	¥ (608)	¥ 10,344	¥ (974)	¥ 101,617	¥ 6,042	¥ 107,659
Thousands of U.S. Dollars (Note 1)											
BALANCE, MARCH 31, 2008		\$ 153,061	\$ 61,060	\$ 1,009,669	\$ 140,775	\$ (3,389)	\$ 105,438	\$ (9,602)	\$ 1,457,012	\$ 58,951	\$ 1,515,963
Net loss				(233,882)					(233,882)		(233,882)
Cash dividends, \$0.061 per share				(8,738)					(8,738)		(8,738)
Purchase of treasury stock								(528)	(528)		(528)
Disposal of treasury stock			(58)					197	139		139
Transfer from land revaluation excess				(108)			108				
Transfer to capital surplus from retained earnings			58	(58)							
Net change in the year					(174,281)	(2,815)			(177,096)	2,701	(174,395)
BALANCE, MARCH 31, 2009		\$ 153,061	\$ 61,060	\$ 766,883	\$ (33,506)	\$ (6,204)	\$ 105,546	\$ (9,933)	\$ 1,036,907	\$ 61,652	\$ 1,098,559

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

THE OITA BANK, LTD. and Consolidated Subsidiaries
Years Ended March 31, 2009 and 2008

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
OPERATING ACTIVITIES:			
Income (loss) before income taxes and minority interests.....	¥(23,286)	¥ 9,029	\$ (237,614)
Adjustments for:			
Income taxes paid.....	(338)	(3,205)	(3,444)
Depreciation and amortization.....	3,688	10,201	37,628
Impairment losses.....	9	37	87
Accumulation of negative goodwill.....	(45)	(45)	(457)
Increase (Decrease) in reserve for possible loan losses.....	29,875	(4,073)	304,848
Decrease in provision for retirement benefits.....	(58)	(164)	(590)
Increase in reserve for reimbursement of deposits.....	38	505	386
Interest income-accrued basis.....	(45,831)	(46,648)	(467,667)
Interest expenses-accrued basis.....	7,285	8,675	74,340
Net (gain) loss on investment securities.....	5,022	(1,287)	51,244
Net loss on money held in trust.....	171	196	1,749
Foreign exchange losses.....	12	19	123
Net loss on disposal of fixed assets.....	103	113	1,053
Net decrease (increase) in trading account securities.....	24	(14)	240
Net increase in loans and bills discounted.....	(41,915)	(13,246)	(427,704)
Net increase (decrease) in deposits.....	42,110	(1,982)	429,695
Net increase in borrowed money.....	1,196	3,869	12,199
Net increase in due from banks (excluding due from The Bank of Japan).....	(657)	(673)	(6,706)
Net (increase) decrease in call loans.....	(13,044)	29,959	(133,103)
Net increase in lease receivables and leased investment assets.....	(16,453)		(167,891)
Net decrease in payables under securities lending transaction.....		(26,315)	
Net increase in foreign exchanges assets.....	(2,279)	(430)	(23,258)
Net (decrease) increase in foreign exchanges liabilities.....	(15)	18	(150)
Interest income-cash basis.....	45,427	46,950	463,546
Interest expenses-cash basis.....	(6,996)	(7,925)	(71,392)
Other-net.....	18,979	(7,453)	193,668
Total adjustments.....	37,684	12,151	384,526
Net cash provided by operating activities.....	14,398	21,180	146,912
INVESTING ACTIVITIES:			
Purchase of investment securities.....	(157,221)	(165,086)	(1,604,295)
Proceeds from sales of investment securities.....	34,303	33,729	350,031
Proceeds from maturities of investment securities.....	108,778	108,496	1,109,976
Purchases of money held in trust.....	(1)		(10)
Proceeds from sales of money held in trust.....	2,343	1,474	23,912
Purchases of premises and equipment.....	(2,032)	(7,717)	(20,733)
Purchases of intangible assets.....	(1,401)	(1,481)	(14,299)
Proceeds from sales of premises and equipment.....	211	429	2,154
Proceeds from sales of intangible assets.....	2		24
Net cash used in investing activities.....	(15,018)	(30,156)	(153,240)
FORWARD	¥ (620)	¥ (8,976)	\$ (6,328)
FINANCING ACTIVITIES:			
Dividends paid by the parent.....	(856)	(857)	(8,738)
Dividends paid by consolidated subsidiaries to minority shareholders.....	(7)	(7)	(75)
Repayment of lease obligations.....	(1)		(5)
Purchases of treasury stock.....	(52)	(48)	(527)
Proceeds from sales of treasury stock.....	14	11	139
Net cash used in financing activities.....	(902)	(901)	(9,206)
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON			
CASH AND CASH EQUIVALENTS	(12)	(19)	(123)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,534)	(9,896)	(15,657)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	37,453	47,349	382,177
CASH AND CASH EQUIVALENTS, END OF YEAR (Note 22)	¥ 35,919	¥ 37,453	\$ 366,520

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

THE OITA BANK, LTD. and Consolidated Subsidiaries
Years Ended March 31, 2009 and 2008

1 BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of THE OITA BANK, LTD. (the "Bank") and its nine consolidated subsidiaries have been prepared in accordance with the provisions set forth in the Japanese Financial Instrument and Exchange Act and its related accounting regulations and the Enforcement Regulation for the Banking Law of Japan (the "Banking Law"), and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form, which is more familiar to readers outside Japan.

Certain reclassifications and rearrangements have been made in the 2008 consolidated financial statements to conform to the classifications and presentations used in 2009.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Bank is incorporated and operates. The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan and has been made at the rate of ¥98 to \$1, the approximate exchange rate prevailing on March 31, 2009. Such translation should not be construed as representation that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. **Consolidation** - The consolidated financial statements include the accounts of the Bank and its nine significant subsidiaries (together, "the Companies"). The fiscal periods of all consolidated subsidiaries end on March 31.

Under the control or influence concept, those companies in which the Bank, directly or indirectly, is able to exercise control over operations are fully consolidated.

Investments in the remaining unconsolidated subsidiaries are stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

Any material deficiency of the cost of the Bank's investments in subsidiaries over its equity in the net assets at the respective dates of acquisition is being amortized over a period of ten years. Other deficiencies or excesses are credited or charged to income when incurred.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Companies is eliminated.

b. **Cash and Cash Equivalents** - For the purpose of reporting cash flows, cash and cash equivalents represent cash and amounts due from the Bank of Japan.

c. **Trading Account Securities** - Trading account securities, which are held for the purpose of earning capital gains in the near term are reported at fair value, and the related unrealized gains and losses are included in earnings. The cost of trading account securities sold is determined by the moving-average method.

d. **Investment Securities and Money Held in Trust** - All applicable securities are classified and accounted for, depending on management's intent, as follows:

(i) held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity are reported at amortized cost, and (ii) available-for-sale securities,

which are not classified as either of trading account securities or held-to-maturity debt securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity. The cost of available-for-sale securities sold is determined based on the moving-average method.

Non-marketable available-for-sale securities are stated at cost or amortized cost determined by the moving-average method.

For other than temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

Securities managed through money held in trust accounts are reported at fair value, and the related unrealized gains and losses are included in earnings.

e. **Premises and Equipment** - Premises and equipment are stated at cost less accumulated depreciation. Depreciation of premises and equipment owned by the Bank is computed by the declining-balance method at rates based on the estimated useful lives of the assets. The range of useful lives is principally from 5 to 31 years for buildings and from 5 to 20 years for equipment and furniture.

Depreciation of premises and equipment owned by consolidated subsidiaries is principally computed using the declining-balance method over the estimated useful lives of the assets and depreciation of leased property and equipment is provided on the straight-line method over the lease periods.

f. **Software** - Cost of computer software obtained for internal use is amortized using the straight-line method over the estimated useful lives of five years.

g. **Long lived Assets** - The Companies review their long lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

h. **Land Revaluation** - Under the "Law of Land Revaluation", the Bank elected a one-time revaluation of its own-use land to a value based on real estate appraisal information as of March 31, 1998.

The resulting land revaluation excess represents unrealized appreciation of land and is stated, net of income taxes, as a component of equity. There was no effect on the statement of income. Continuous readjustment is not permitted unless the land value subsequently declines significantly such that the amount of the decline in value should be removed from the land revaluation excess account and related deferred tax liabilities.

As at March 31, 2009, the carrying amount of the land after the above one-time revaluation exceeded the market value by ¥13,147 million (\$134,149 thousand).

i. **Foreign Currency Items** - All assets and liabilities denominated in foreign currencies are translated into Japanese yen at the current exchange rates at each balance sheet date.

j. **Reserve for Possible Loan Losses** - The Bank determines the amount of the reserve for possible loan losses by means of management's judgment and assessment of future losses based on the self-assessment system. This system reflects past experience of credit losses, possible credit losses, business and economic conditions, the character, quality and performance of the portfolio, and other pertinent indicators.

The Bank implemented the self-assessment system for its asset quality. The quality of all loans are assessed by branches and the credit supervisory division with a subsequent audit by the Bank's asset review and inspection division in accordance with the Bank's policy and rules for self-assessment of asset quality.

The Bank has established a credit rating system under which its customers are classified into five categories. The credit rating system is used for self-assessment of asset quality. All loans are classified into five categories for self assessment purposes such as “normal,” “caution,” “possible bankruptcy,” “virtual bankruptcy” and “legal bankruptcy.”

Reserve for possible loan losses is calculated based on the actual past loss ratio for normal and caution categories, and the fair value of the collateral for collateral-dependent loans and other factors of solvency including value of future cash flows for other self assessment categories. For loans such as possible bankruptcy, the reserve for possible loan losses is provided for in an amount deemed necessary to cover possible losses on loans considering the customer's solvency and other factors, after the estimated fair value of the collateral real estate or guaranteed amount has been deducted. For loans such as virtual bankruptcy or legal bankruptcy, the reserve for possible loan losses is provided based upon the loan amount, after the estimated fair value of the collateral real estate or guaranteed amount has been deducted.

In addition, for loans which were mainly classified into possible bankruptcy and restructured loans as defined in Note 5 below, if the exposure to an obligor exceeds a certain specific amount and if future cash flows of the principal and interest can be reasonably estimated, the discounted cash flow method is used to calculate the reserve for possible loan losses, under which method the reserve is determined as the difference between the book value of the loan and the present value of future cash flows discounted using the contractual interest rate before the loan was classified as one of the above loans.

The consolidated subsidiaries determine the amount of the reserve for possible loan losses by a comparable self-assessment system as the Bank.

k. Retirement and Pension Plans - The Bank has a contributory funded pension plan and an unfunded retirement benefit plan. Consolidated subsidiaries have unfunded retirement benefit plans. Under most circumstances, employees terminating their employment are entitled to certain severance payments based on their rate of pay at the time of termination, years of service, and certain other factors. The amount of liability for employees' retirement benefit is determined based on the projected benefit obligations and the pension assets at the balance sheet date. Prior service cost is amortized using the straight-line method over ten years. Net actuarial gain or loss is amortized using the straight-line method over ten years commencing from the next fiscal year of incurrence.

Retirement benefits to directors and corporate auditors are provided at the amount, which would be required, if all directors and corporate auditors retired at the balance sheet date.

l. Reserve for reimbursement of deposits - Reserve for repayment for reimbursement of deposits is provided for the deposits derecognized from the liabilities at the estimated amount of future claims for withdrawal.

m. Leases - In March 2007, the Accounting Standards Board of Japan (“ASBJ”) issued ASBJ Statement No.13, “Accounting Standard for Lease Transactions”, which revised the previous accounting standard for lease transactions issued in June 1993. The revised accounting standard for lease transactions is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted for fiscal years beginning on or after April 1, 2007.

The Companies applied the revised accounting standard effective April 1, 2008. The effect of this change on the consolidated financial statement ended March 31, 2009 was immaterial.

Lessor

Under the previous accounting standard, finance leases that deem to transfer ownership of the leased property to the lessee were to be treated as sales. However, other finance leases were permitted to be

accounted for as operating lease transactions if certain “as if sold” information is disclosed in the note to the lessor's financial statements. The revised accounting standard requires that all finance leases that deem to transfer ownership of the leased property to the lessee should be recognized as lease receivables, and all finance leases that deem not to transfer ownership of the leased property to the lessee should be recognized as leased investment assets.

Lease revenue is recognized at the date of each lease payment according to the lease contracts.

Lessee

Under the previous accounting standard, finance leases that deem to transfer ownership of the leased property to the lessee were to be capitalized. However, other finance leases were permitted to be accounted for as operating lease transactions if certain “as if capitalized” information is disclosed in the note to the lessee's financial statements. The revised accounting standard requires that all finance lease transactions should be capitalized to recognize lease assets and lease obligations in the balance sheet. In addition, the revised accounting standard permits leases which existed at the transition date and do not transfer ownership of the leased property to the lessee to be accounted for as operating lease transactions.

The Bank accounted for leases which existed at the transition date and do not transfer ownership of the leased property to the lessee as operating lease transactions.

n. Derivatives and Method of Hedge accounting - It is the Bank's policy to use derivative financial instruments (“derivatives”) primarily for the purpose of reducing market risks associated with its assets and liabilities. The Bank also utilizes derivatives as a part of its trading activities. Consolidated subsidiaries do not utilize any derivatives.

The Bank enters into interest rate swaps and interest rate caps as a means of hedging its interest rate risk on certain loans and investment securities. The Bank also enters into foreign exchange forward contracts and currency swaps, futures and options to hedge exchange risk associated with its assets and liabilities denominated in foreign currencies. Furthermore, the Bank enters into futures and options as a part of its trading activities.

The Bank applies deferred hedge accounting, which is stipulated in the “Treatment of Accounting and Auditing of Application of Accounting Standard for Financial Instruments in the Banking Industry” (the Japanese Institute of Certified Public Accountants (the “JICPA”) Industry Audit Committee, Report the No.#24), to the interest risk caused by its financial assets and liabilities.

In evaluating the effectiveness of a hedge, the hedged item, such as loans and deposits, and the hedge instruments, such as interest rate swaps are specified and evaluated regarding the hedging approach. Effectiveness of the hedging approach is evaluated by verifying the correlation of the interest fluctuation factor of the hedged item and the hedge instruments.

o. Per Share Information - The computation of basic net income per share is based on the weighted average number of shares of common stock outstanding during the year. The average number of common shares used in the computation was 142,702 thousand shares and 142,752 thousand shares for the years ended March 31, 2009 and 2008, respectively.

Diluted net income per share is not disclosed for the years ended March 31, 2009 and 2008 because there are no dilutive securities.

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective year including dividends to be paid after the end of the year.

p. New Accounting Pronouncements

Asset Retirement Obligations - On March 31, 2008, the ASBJ published a new accounting standard for asset retirement obligations,

(ASBJ Statement No.18 “Accounting Standard for Asset Retirement Obligations” and ASBJ Guidance No.21 “Guidance on Accounting Standard for Asset Retirement Obligations”.) Under this accounting standard, an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development and the normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revision to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an increase or a decrease in the carrying amount of the liability and the capitalized amount of the related asset retirement cost. This standard is effective for fiscal years beginning on or after April 1, 2010 with early adoption permitted for fiscal years beginning on or before March 31, 2010.

3 TRADING ACCOUNT SECURITIES AND INVESTMENT SECURITIES

Trading account securities at March 31, 2009 and 2008 consisted of national government bonds and local government bonds.

Investment securities at March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
National government bonds..	¥ 257,584	¥ 281,120	\$ 2,628,412
Local government bonds.....	123,808	133,811	1,263,349
Debentures.....	199,681	176,654	2,037,556
Equity securities.....	40,657	61,503	414,864
Other securities.....	130,390	115,124	1,330,511
Total.....	¥ 752,120	¥ 768,212	\$ 7,674,692

The carrying amounts and aggregate fair values of securities at March 31, 2009 and 2008 were as shown in the table below. Securities below include trading account securities, investment securities and commercial paper within “Commercial paper and other debt purchased”:

March 31, 2009	Millions of Yen			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Trading:				¥ 181
Available-for-sale:				
Equity securities.....	¥ 36,120	¥ 6,049	¥ 4,018	38,151
Debt securities.....	565,448	5,072	3,832	566,688
Other.....	134,861	866	7,451	128,276
Held-to-maturity:				
Debt securities.....	3,117	23		3,140

March 31, 2008	Millions of Yen			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Trading:				¥ 204
Available-for-sale:				
Equity securities.....	¥ 38,255	¥ 21,935	¥ 1,614	58,576
Debt securities.....	570,603	6,269	3,162	573,710
Other.....	114,079	1,871	3,403	112,547
Held-to-maturity:				
Debt securities.....	8,423	46		8,469

March 31, 2009	Thousands of U.S. Dollars			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Trading:				\$ 1,847
Available-for-sale:				
Equity securities.....	\$ 368,576	\$ 61,720	\$ 41,003	389,293
Debt securities.....	5,769,882	51,755	39,105	5,782,532
Other.....	1,376,129	8,834	76,028	1,308,935
Held-to-maturity:				
Debt securities.....	31,807	239		32,046

Available-for-sale securities and held-to-maturity securities whose fair value was not readily determinable as of March 31, 2009 and 2008 were as follows:

Available-for-sale:	Carrying amount		
	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Debt securities.....	¥ 11,268	¥ 9,452	\$ 114,980
Equity securities.....	2,506	2,927	25,570
Other.....	765	775	7,806

Proceeds from sales of available-for-sale securities for the years ended March 31, 2009 and 2008 were ¥34,174 million (\$348,716 thousand) and ¥33,680 million, respectively. Gross realized gains and losses on these sales, computed on the moving average cost basis, were ¥956 million (\$9,759 thousand) and ¥1,338 million (\$13,653 thousand), for the year ended March 31, 2009 and ¥2,480 million and ¥597 million, for the year ended March 31, 2008, respectively.

The carrying values of debt securities and other by contractual maturities for securities classified as available-for-sale and held-to-maturity at March 31, 2009 and 2008 were as follows:

March 31, 2009	Millions of Yen		Thousands of U.S. Dollars	
	Debt Securities	Other	Debt Securities	Other
Due in one year or less.....	¥ 73,116	¥ 12,820	\$ 746,082	\$ 130,813
Due after one year through five years...	361,957	86,560	3,693,444	883,264
Due after five years through ten years..	138,194	19,457	1,410,139	198,538
Due after ten years.....	7,806	2,568	79,653	26,211
Total.....	¥ 581,073	¥ 121,405	\$ 5,929,318	\$ 1,238,826

March 31, 2008	Millions of Yen	
	Debt Securities	Other
Due in one year or less.....	¥ 77,501	¥ 7,596
Due after one year through five years.....	350,056	72,373
Due after five years through ten years.....	134,185	17,600
Due after ten years.....	29,843	3,846
Total.....	¥ 591,585	¥ 101,415

Net unrealized gain on available-for-sale securities for the years ended March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Valuation differences:			
Available-for-sale securities.....	¥ (3,315)	¥ 21,895	\$ (33,827)
Deferred tax liabilities.....	1	(8,088)	11
Minority interests.....	30	(11)	310
Net unrealized gain on available-for-sale securities.....	¥ (3,284)	¥ 13,796	\$ (33,506)

4 MONEY HELD IN TRUST

Money held in trust was all classified as trading, whose net unrealized losses of ¥25 million (\$255 thousand) and ¥265 million for the years ended March 31, 2009 and 2008, respectively, were recognized in the consolidated statements of operations.

5 LOANS AND BILLS DISCOUNTED

Loans and bills discounted as of March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Bills discounted.....	¥ 17,182	¥ 20,960	\$ 175,327
Loans on notes.....	101,803	107,210	1,038,805
Loans on deeds.....	1,331,860	1,273,274	13,590,404
Overdrafts.....	208,997	216,483	2,132,623
Total.....	¥ 1,659,842	¥ 1,617,927	\$ 16,937,159

Bills discounted are accounted for as financial transactions in accordance with "Treatment of Accounting and Auditing of Application of Accounting Standard for Financial Instruments in the Banking Industry" (JICPA Industry Audit Committee Report No.#24). The Bank has rights to sell or pledge these bills discounted. The total of the face value of bills discounted was ¥17,202 million (\$175,533 thousand) and ¥20,995 million at March 31, 2009 and 2008, respectively.

Loans and bills discounted as of March 31, 2009 and 2008 included the following loans:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Loans to obligor in bankruptcy.....	¥ 9,611	¥ 5,560	\$ 98,070
Past due loans.....	67,528	37,896	689,061
Accruing loans contractually past due three months or more			
Restructured loans.....	12,224	12,203	124,736
Total.....	¥ 89,363	¥ 55,659	\$ 911,867

Loans to obligor in bankruptcy represent nonaccrual loans to debtors who are legally bankrupt, which are defined in the Enforcement Ordinance for the Corporation Tax Law.

Past due loans are nonaccrual loans, which include loans classified as "possible bankruptcy" and "virtual bankruptcy".

Nonaccrual loans are defined as loans (after the partial charge-off of claims deemed uncollectible) in which the Companies discontinue the accruing of interest income when substantial doubt is judged to exist as

to the ultimate collectibility of either principal or interest if they are past due for a certain period or for other reasons.

Accruing loans contractually past due three months or more are loans in which the principal or interest is three months or more past due. The Companies do not have any such loans and bills discounted.

Restructured loans, designed to assist in the recovery of the financial health of debtors, are loans on which the Companies granted concessions (e.g., reduction of the stated interest rate, deferral of interest payment, extension of maturity date, reduction of the face amount). Loans classified as nonaccrual loans or accruing loans contractually past due three months or more are excluded.

6 FOREIGN EXCHANGES

Foreign exchange assets at March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Due from foreign banks.....	¥ 4,248	¥ 1,892	\$ 43,344
Foreign exchange bills bought...	20	35	206
Foreign exchange bills receivable.....	77	139	786
Total.....	¥ 4,345	¥ 2,066	\$ 44,336

7 OTHER ASSETS

Other assets at March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Accrued income.....	¥ 5,561	¥ 5,629	\$ 56,743
Prepaid expenses.....	27	31	276
Derivatives.....	1,973	5,514	20,128
Other.....	17,180	17,695	175,313
Total.....	¥ 24,741	¥ 28,869	\$ 252,460

8 PREMISES AND EQUIPMENT

Premises and equipment as of March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Buildings.....	¥ 6,946	¥ 7,705	\$ 70,874
Land.....	28,600	28,517	291,837
Leased assets.....	4	17,326	41
Construction in progress.....	76	188	776
Other.....	5,019	3,222	51,222
Total.....	¥ 40,645	¥ 56,958	\$ 414,750

Accumulated depreciation at March 31, 2009 and 2008 amounted to ¥36,130 million (\$368,669 thousand) and ¥66,913 million, respectively.

As of March 31, 2009 and 2008, deferred gains for tax purposes of ¥2,054 million (\$20,956 thousand), on premises and equipment sold and replaced with similar assets have been deducted from the cost of newly acquired premises and equipment.

Note: The effect of the change in the accounting for leases described in Note 2.m was to decrease leased assets for the year ended March 31, 2009.

9 INTANGIBLE ASSETS

Intangible assets as of March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Software.....	¥ 3,966	¥ 5,494	\$ 40,468
Other.....	119	125	1,218
Total.....	¥ 4,085	¥ 5,619	\$ 41,686

10 CUSTOMERS' LIABILITIES FOR ACCEPTANCES AND GUARANTEES

All contingent liabilities arising from acceptances and guarantees are reflected in "Acceptances and guarantees". As a contra account, "Customers' liabilities for acceptances and guarantees" are shown on the asset side representing the Bank's right of indemnity from the applicants.

11 ASSETS PLEDGED

Assets as collateral and their relevant liabilities at March 31, 2009 and 2008 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Assets pledged as collateral:			
Investment securities.....	¥ 103,833	¥ 68,042	\$ 1,059,519
Lease payment receivable....	9,994	9,377	101,976
Relevant liabilities to above assets:			
Call money	59,469	30,000	606,827
Deposits.....	33,307	26,572	339,868
Borrowed money.....	7,907	7,769	80,686

In addition, investment securities and others totaling ¥70,207 million (\$716,402 thousand) and ¥66,911 million were pledged as collateral for exchange settlement transactions or as substitute securities for future transaction initial margin and others at March 31, 2009 and 2008, respectively.

Guarantee deposits on office space amounting to ¥409 million (\$4,177 thousand) and ¥366 million were included in other assets at March 31, 2009 and 2008, respectively.

12 LOAN COMMITMENTS

Contracts of overdraft facilities and loan commitment limits are contracts where the Companies lend to customers up to the prescribed limits in response to customers' applications for loans as long as there is no violation of any conditions in the contracts. The unused amounts within the limits totaled ¥539,721 million (\$5,507,352 thousand) at March 31, 2009 and ¥553,639 million at March 31, 2008 for these contracts. Of the above, the amounts for which the original agreement period was within a year or agreements which the Companies could cancel at any time without penalty totaled ¥532,034 million (\$5,428,914 thousand) at March 31, 2009 and ¥546,444 million at March 31, 2008.

Since many of these commitments expire without being drawn upon, the unused amount does not necessarily represent a future cash requirement. Most of these contracts have conditions that the Companies can refuse a customers' application for loans or decrease the contract limits with proper reasons (e.g., changes in financial situation, deterioration in customers' creditworthiness). At the inception of the contracts, the Companies obtain real estate, securities, etc. as collateral if considered necessary. Subsequently, the Companies perform periodic reviews of the customers' business results based on internal rules, and take necessary measures to reconsider conditions in contracts and require additional collateral and guarantees, if necessary.

13 DEPOSITS

Deposits at March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Current deposits.....	¥ 68,129	¥ 78,225	\$ 695,194
Ordinary deposits.....	1,145,821	1,146,048	11,692,049
Savings at notice.....	38,869	42,330	396,624
Deposits at notice.....	3,947	4,480	40,273
Time deposits.....	946,478	907,633	9,657,940
Installment savings.....	9,938	10,786	101,409
Negotiable certificates of deposit..	95,946	83,374	979,044
Other deposits.....	60,049	54,191	612,742
Total.....	¥ 2,369,177	¥ 2,327,067	\$ 24,175,275

14 OTHER LIABILITIES

Other liabilities as of March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Domestic exchange unsettled.....	¥ 21	¥ 28	\$ 215
Income taxes payable.....	1,606	470	16,387
Accrued expenses.....	4,470	4,150	45,612
Unearned income.....	3,308	3,582	33,759
Derivatives.....	2,426	765	24,753
Other.....	9,625	12,443	98,217
Total.....	¥ 21,456	¥ 21,438	\$ 218,943

15 LIABILITY FOR RETIREMENT BENEFITS

The Bank and consolidated subsidiaries have severance payment plans for employees, directors and corporate auditors.

Under most circumstances, employees whose service with the Companies is terminated are entitled to retirement and pension benefits determined by reference to base rates of pay at the time of termination, length of service and conditions under which the termination occurs. If the termination is involuntary, caused by retirement at the mandatory retirement age or caused by death, the employee is entitled to greater payment than in the case of voluntary termination.

The liability for the employees' retirement benefits at March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Projected benefit obligation...	¥ 27,101	¥ 26,965	\$ 276,541
Fair value of plan assets.....	(18,558)	(21,662)	(189,368)
Unrecognized actuarial loss...	(6,483)	(2,582)	(66,150)
Unrecognized prior service cost	1,310	1,552	13,362
Net liability.....	3,370	4,273	34,385
Prepaid pension expense.....	6,626	5,810	67,616
Liability for employees' retirement benefits.....	¥ 9,996	¥ 10,083	\$ 102,001

The components of net periodic retirement benefit costs for the years ended March 31, 2009 and 2008 were follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Service cost.....	¥ 921	¥ 947	\$ 9,399
Interest cost.....	537	538	5,476
Expected return on plan assets	(324)	(341)	(3,310)
Amortization of prior service cost	(243)	(243)	(2,476)
Recognized actuarial loss.....	764	254	7,800
Net periodic retirement benefit costs.....	¥ 1,655	¥ 1,155	\$ 16,889

Assumptions used for the years ended March 31, 2009 and 2008 are set forth as follows:

	2009	2008
Discount rate	2.0%	2.0%
Expected rate of return on plan assets	3.0%	3.0%
Amortization period of prior service cost	10years	10years
Recognition period of actuarial gain / loss	10years	10years

The liability for retirement benefits at March 31, 2009 and 2008 for directors and corporate auditors is ¥502 million (\$5,126 thousand) and ¥473 million, respectively. The retirement benefits for directors and corporate auditors are paid subject to the approval of the shareholders.

16 EQUITY

Since May 1, 2006, Japanese companies have been subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

(a) Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders meeting. For companies that meet certain criteria such as; (1) having the Board of Directors, (2) having independent auditors, (3) having the Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends in kind) at anytime during the fiscal year if the company has prescribed so in its articles of incorporation. However, the Bank cannot do so because it does not meet all the above criteria. The Companies Act permits companies to distribute dividends-in-kind (non-cash assets) to shareholders subject to a certain limitation and additional requirements. Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act and the Banking Law provides certain limitations on the amounts available for dividends or the purchase of treasury stock.

(b) Increases/decreases and transfer of common stock, reserve and surplus

The Banking Law requires that an amount equal to 20% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of aggregate amount of legal reserve and additional paid-in capital equals 100% of the stated capital.

The Companies Act also provides that stated capital, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

(c) Treasury stock and treasury stock acquisition rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders, which is determined by a specific formula. Under the Companies Act, stock acquisition rights, are now presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights, are presented as a separate component of equity or deducted directly from stock acquisition rights.

17 OTHER OPERATING INCOME

Other operating income for the years ended March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Gain on sales and redemption of bonds and other securities	¥ 410	¥ 113	\$ 4,181
Lease revenue.....	6,884	7,687	70,250
Other.....	1,828	1,927	18,651
Total.....	¥ 9,122	¥ 9,727	\$ 93,082

18 OTHER INCOME

Other income for the years ended March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Gain on sales of stock and other securities.....	¥ 565	¥ 2,396	\$ 5,758
Gain on money held in trust	283	295	2,891
Other.....	937	886	9,562
Total.....	¥ 1,785	¥ 3,577	\$ 18,211

19 OTHER OPERATING EXPENSES

Other operating expenses for the years ended March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Loss on foreign exchange transactions.....	¥ 536	¥ 1,051	\$ 5,466
Loss on sales and redemption of bonds and other securities	627	449	6,395
Lease costs.....	6,356	7,026	64,856
Other.....	2,461	1,304	25,122
Total.....	¥ 9,980	¥ 9,830	\$ 101,839

20 OTHER EXPENSES

Other expenses for the years ended March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of
	2009	2008	U.S. Dollars
Loss on sales of stocks and other securities.....	¥ 711	¥ 148	\$ 7,258
Loss on devaluation of stocks and other securities.....	2,553	113	26,056
Write-down of loans.....	70	77	712
Loss on money held in trust.....	451	488	4,599
Loss on disposal of fixed assets...	108	127	1,101
Impairment losses.....	9	37	87
Provision for reimbursement of deposits	38	505	386
Other.....	1,029	407	10,504
Total.....	¥ 4,969	¥ 1,902	\$ 50,703

21 INCOME TAXES

The Companies are subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 40.4% for the years ended March 31, 2009 and 2008.

The tax effects of significant temporary differences which resulted in deferred tax assets and liabilities at March 31, 2009 and 2008 were as follows:

	Millions of Yen		Thousands of
	2009	2008	U.S. Dollars
Deferred tax assets:			
Reserve for possible loan losses	¥ 21,799	¥ 10,671	\$ 222,443
Liability for employees' retirement benefits.....	4,278	4,643	43,657
Depreciation.....	2,159	2,306	22,032
Other.....	4,544	3,221	46,364
Less valuation allowance.....	(9,916)	(1,284)	(101,193)
Total.....	22,864	19,557	233,303
Deferred tax liabilities:			
Unrealized gain on available -for-sale securities.....		8,088	
Unrealized gain on Employees' retirement benefit trust.....	2,124	2,124	21,668
Other.....	64	66	654
Total	2,188	10,278	22,322
Net deferred tax assets.....	¥ 20,676	¥ 9,279	\$ 210,981

A reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statements of operations for the years ended March 31, 2008 is as follows:

	2008
Normal effective statutory tax rate.....	40.4%
Expenses not deductible for income taxes purposes	1.1
Income not taxable for income tax purposes.....	(2.3)
Other-net.....	(1.0)
Actual effective tax rate.....	38.2%

A reconciliation for the year ended March 31, 2009 is not disclosed due to loss before income taxes and minority interests.

22 CASH AND CASH EQUIVALENTS

The reconciliation of cash and due from banks in the consolidated balance sheets to cash and cash equivalents, end of year was as follows:

	Millions of Yen		Thousands of
	2009	2008	U.S. Dollars
Cash and due from banks.....	¥ 38,655	¥ 39,532	\$ 394,435
Less deposits in other banks except for the Bank of Japan....	(2,736)	(2,079)	(27,915)
Cash and cash equivalents, end of year.....	¥ 35,919	¥ 37,453	\$ 366,520

23 RELATED PARTY TRANSACTIONS

Related party transactions for the year ended March 31, 2009 is not disclosed due to immaterial.

The Bank disbursed legal advisory fees to one of its external corporate auditors, the amount of which was ¥2 million (\$24 thousand) for the year ended March 31, 2008.

24 LEASES

Lessee

The Companies lease certain software and other assets.

Total lease payments under finance leases for the years ended March 31, 2009 and 2008 were ¥15 million (\$155 thousand) and ¥14 million, respectively.

As discussed in Note 2.m, the Companies accounts for leases which existed at the transition date and do not transfer ownership of the leased property to the lessee as operating lease transactions. Pro forma information of leased property such as acquisition cost, accumulated depreciation, obligations under finance leases, depreciation expense, interest expense of finance leases that do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis for the years ended March 31, 2009 and 2008 is as follows:

	Millions of Yen		Thousands of
	2009	2008	U.S. Dollars
Acquisition cost.....	¥ 77	¥ 76	\$ 782
Accumulated depreciation.....	34	19	342
Net leased property.....	¥ 43	¥ 57	\$ 440

Obligations under finance leases:

	Millions of Yen		Thousands of
	2009	2008	U.S. Dollars
Due within one year.....	¥ 14	¥ 14	\$ 144
Due after one year.....	30	44	308
Total.....	¥ 44	¥ 58	\$ 452

Depreciation expense and interest expense under finance leases:

	Millions of Yen		Thousands of
	2009	2008	U.S. Dollars
Depreciation expense.....	¥ 14	¥ 13	\$ 144
Interest expense.....	1	2	14

Depreciation expense and interest expense, which are not reflected in the accompanying consolidated statements of income, are computed by the straight-line method and the interest method, respectively.

Lessor

The subsidiary leases certain equipment and other assets.

Total lease revenue under finance leases for the years ended March 31, 2008 were ¥7,687 million.

Acquisition cost, accumulated depreciation, rights under finance leases and depreciation expense of finance leases that do not transfer ownership of the leased property to the lessee for the years ended March 31, 2008 were as follows:

	Millions of Yen
	2008
Acquisition cost.....	¥ 51,764
Accumulated depreciation....	34,233
Net leased property.....	¥ 17,531

Rights under finance leases:

	Millions of Yen
	2008
Due within one year.....	¥ 6,716
Due after one year.....	14,098
Total.....	¥ 20,814

Depreciation expense under finance leases:

	Millions of Yen
	2008
Depreciation expense.....	¥ 6,357

The amounts of rights under finance leases include the imputed interest income portion.

25 DERIVATIVES

It is the Bank's policy to use derivative financial instruments ("derivatives") primarily for the purpose of reducing market risks associated with its assets and liabilities. The Bank also utilizes derivatives as a part of its trading activities.

The Bank enters into interest rate swaps and interest rate caps as a means of hedging its interest rate risk on certain loans and investment securities. The Bank also enters into foreign exchange forward contracts, currency swaps, futures and options to hedge exchange risk associated with its assets and liabilities denominated in foreign currencies. Furthermore, the Bank enters into interest rate futures, bond futures and bond options as a part of its trading activities.

Derivatives are subject to market risk and credit risk. Market risk is the exposure created by potential fluctuations of market conditions, including interest and foreign exchange rates. Credit risk is the possibility that a loss may result from counterpart's failure to perform under a contract. Because the counterparties to those derivatives are limited to major financial institutions and securities companies, the Bank does not anticipate material losses arising from credit risk.

Concerning risk management associated with derivative transactions, the front and back offices of the trading divisions (International and Securities Division) are clearly separated, while the Asset and Liabilities Management Office synthetically manages the Bank's market risks. In this manner, an internal monitoring system is effectively secured. Derivative transactions entered into by the Bank have been made in

accordance with internal policies, which regulate the trading activities, and credit risk management has formal risk limits and credit lines. The Bank's positions gains-and-losses and other conditions are periodically reported to management.

The Bank had the following derivatives contracts, which are not quoted on listed exchanges, outstanding at March 31, 2009 and 2008.

	For the year ended March 31, 2009		Thousands of U.S. Dollars	
	Contract or Notional Amount	Fair Value	Contract or Notional Amount	Fair Value
Currency swaps.....	¥ 11,788	¥ 1,939	\$ 120,282	\$ 19,782
Foreign exchange forward contracts:				
Selling.....	25,151	(1,378)	256,646	(14,066)
Buying.....	55	1	563	11

	For the year ended March 31, 2008		Millions of Yen	
	Contract or Notional Amount	Fair Value	Contract or Notional Amount	Fair Value
Currency swaps.....			¥ 24,046	¥ 4,083
Foreign exchange forward contracts:				
Selling.....			30,762	1,193
Buying.....			1,008	(44)

Valuation gains (losses) for the years ended March 31, 2009 and 2008 were recognized in the consolidated statements of operations.

Derivatives that qualify for hedge accounting for the years ended March 31, 2009 and 2008 are not included in the above table.

26 SEGMENT INFORMATION

(1) Business Segment Information

Information about operations by business segments for the years ended March 31, 2009 and 2008 is as follows:

	For the year ended March 31, 2009				Millions of Yen	
	Banking	Lease	Other	Total	Elimination/Corporate	Consolidated
(a) Ordinary income:						
Ordinary income from outside customers.....	¥ 54,245	¥ 8,393	¥ 2,026	¥ 64,664		¥ 64,664
Inter segment ordinary income.....	285	884	706	1,875	¥ (1,875)	
Total.....	54,530	9,277	2,732	66,539	(1,875)	64,664
Ordinary expenses.....	78,703	9,085	2,335	90,123	(2,284)	87,839
Ordinary income (loss).....	¥ (24,173)	¥ 192	¥ 397	¥ (23,584)	¥ 409	¥ (23,175)
(b) Assets, depreciation, impairment losses and capital expenditures:						
Assets.....	¥ 2,608,596	¥ 24,731	¥ 12,416	¥ 2,645,743	¥ (17,796)	¥ 2,627,947
Depreciation.....	3,010	645	33	3,688		3,688
Impairment losses.....	9			9		9
Capital expenditures.....	3,032	184	226	3,442		3,442

For the year ended March 31, 2008		Millions of Yen				
	Banking	Lease	Other	Total	Elimination/ Corporate	Consolidated
(a) Ordinary income:						
Ordinary income from						
outside customers.....	¥ 57,488	¥ 9,129	¥ 2,137	¥ 68,754		¥ 68,754
Inter segment ordinary						
income.....	303	912	672	1,887	¥ (1,887)	
Total.....	57,791	10,041	2,809	70,641	(1,887)	68,754
Ordinary expenses.....	47,900	9,768	3,466	61,134	(1,969)	59,165
Ordinary income (loss)	¥ 9,891	¥ 273	¥ (657)	¥ 9,507	¥ 82	¥ 9,589
(b) Assets, depreciation, impairment losses and capital expenditures:						
Assets.....	¥2,590,880	¥24,577	¥13,336	¥2,628,793	¥(14,213)	¥2,614,580
Depreciation.....	3,100	7,078	23	10,201		10,201
Impairment losses.....	37			37		37
Capital expenditures.....	2,704	6,469	33	9,206		9,206

For the year ended March 31, 2009		Thousands of U.S. Dollars				
	Banking	Lease	Other	Total	Elimination/ Corporate	Consolidated
(a) Ordinary income:						
Ordinary income from						
outside customers.....	\$ 553,523	\$ 85,644	\$ 20,667	\$ 659,834		\$ 659,834
Inter segment ordinary						
income.....	2,908	9,018	7,207	19,133	\$(19,133)	
Total.....	556,431	94,662	27,874	678,967	(19,133)	659,834
Ordinary expenses.....	803,098	92,700	23,827	919,625	(23,305)	896,320
Ordinary income (loss).....	\$ (246,667)	\$ 1,962	\$ 4,047	\$ (240,658)	\$ 4,172	\$ (236,486)
(b) Assets, depreciation, impairment losses and capital expenditures:						
Assets.....	\$ 26,618,332	\$ 252,359	\$ 126,692	\$ 26,997,383	\$(181,593)	\$ 26,815,790
Depreciation.....	30,712	6,580	336	37,628		37,628
Impairment losses.....	87			87		87
Capital expenditures.....	30,941	1,876	2,309	35,126		35,126

- Note: 1. Other includes business segments of the credit card business and others.
2. Ordinary income represents total income less certain special income included in other income in the accompanying consolidated statements of income.
3. Ordinary expenses represent total expenses less certain special expenses included in other expenses in the accompanying consolidated statements of income.
4. The effect of change in the accounting for leases described in Note 2.m was to increase ordinary income of Lease for the year ended March 31, 2009, by ¥72 million (\$738 thousand), from segments in the prior year.

(2) *Geographic Segment Information*

As the Bank has neither branch offices nor subsidiaries in foreign countries, geographic segment information has not been provided.

(3) *Operating Income from International Operations*

As the operating income from international operations is not significant compared to the consolidated operating income, information about the operating income from international operations has not been provided.

27 SUBSEQUENT EVENT

At the Bank's general shareholders meeting held on June 25, 2009, the Bank's shareholders approved the following.

Appropriations of Retained Earnings

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥3.00 (\$0.03) per share.....	¥ 428	\$ 4,367



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**To the Board of Directors of
THE OITA BANK, LTD:**

We have audited the accompanying consolidated balance sheets of THE OITA BANK, LTD. (the “Company”) and consolidated subsidiaries as of March 31, 2009 and 2008, and the related consolidated statements of operations, changes in equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. 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 consolidated financial position of THE OITA BANK, LTD. and consolidated subsidiaries as of March 31, 2009 and 2008, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

A handwritten signature in black ink that reads "Deloitte Touche Tohmatsu". The signature is written in a cursive, flowing style.

June 25, 2009

CORPORATE DATA

HEAD OFFICE

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Telephone: (097) 534-1111

SECURITIES & INTERNATIONAL DIVISION

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Swift: OITA JPJT

Hong Kong Representative Office

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18 Chater Road,

Central, Hong Kong

Telephone: 852-2522-8862

Fax: 852-2522-7298

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2-7, Jyokanishimachi,

Saiki, Oita 876-0847

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Chuo-ku, Tokyo 103-0027

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Hakata-ku, Fukuoka 810-0801

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Kokura Branch

1-21, Komemachi 1-chome,

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Telephone: (093) 521-8336

Beppu Branch

18-21, Noguchinakamachi,

Beppu, Oita 874-0932

Telephone: (0977) 21-2121

Nakatsu Branch

2-10, Toyodamachi,

Nakatsu, Oita 871-0058

Telephone: (0979) 24-2211

Tsurusaki Branch

1-12, Minami-Tsurusaki 3-chome,

Oita 870-0104

Telephone: (097) 527-2121

Hita Branch

1-2, Sanbonmatsu 1-chome,

Hita, Oita 877-0016

Telephone: (0973) 23-2101

NUMBER OF MONEY EXCHANGE OFFICES

37

NUMBER OF OFFICES BY DISTRICT

Oita Prefecture.....	92
Miyazaki Prefecture.....	2
Kumamoto Prefecture.....	1
Fukuoka Prefecture.....	6
Osaka.....	1
Tokyo.....	1
Total.....	103

(As of June 30, 2009)

BOARD OF DIRECTORS AND AUDITORS

Chairman

Yasuchika Takahashi

President

Yoshito Ogura

Senior Managing Director

Shoji Himeno

Managing Directors

Shigenari Koganemaru

Tetsunori Goto

Youichi Miura

Directors

Ikuo Nonoshita

Issei Takahara

Takayuki Suzuki

Nobuhide Shimizu

Standing Auditors

Masatoshi Hino

Mitsumasa Nakamura

Auditors

Hiroshi Kawano

Taichirou Nishi

Kunio Toyama

(As of June 30, 2009)

Summary of Non-Consolidated Balance Sheets (Unaudited)

THE OITA BANK, LTD.
March 31, 2009 and 2008

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
ASSETS:			
Cash and due from banks.....	¥ 36,982	¥ 38,516	\$ 377,365
Call loans.....	82,000	67,799	836,735
Commercial paper and other debt purchased.....	4,988	6,145	50,898
Trading account securities.....	181	204	1,847
Money held in trust.....	6,115	8,646	62,392
Investment securities.....	750,180	764,748	7,654,898
Loans and bills discounted.....	1,667,897	1,625,572	17,019,358
Foreign exchange assets.....	4,345	2,066	44,336
Other assets.....	18,394	21,261	187,697
Premises and equipment.....	38,480	38,492	392,657
Intangible assets.....	3,944	3,883	40,245
Deferred tax assets.....	18,892	7,450	192,780
Customers' liabilities for acceptances and guarantees.....	31,078	31,384	317,123
Reserve for possible loan losses.....	(54,232)	(24,616)	(553,394)
TOTAL.....	¥ 2,609,244	¥ 2,591,550	\$ 26,624,937
LIABILITIES AND EQUITY			
LIABILITIES:			
Deposits.....	¥ 2,375,083	¥ 2,331,043	\$ 24,235,540
Call money.....	62,416	51,040	636,897
Borrowed money.....	6,858	6,080	69,980
Foreign exchange liabilities.....	27	41	272
Other liabilities.....	16,114	12,823	164,428
Liability for retirement benefits.....	10,315	10,383	105,255
Reserve for reimbursement of deposits.....	543	505	5,543
Deferred tax liabilities for land revaluation excess.....	8,294	8,295	84,638
Acceptances and guarantees.....	31,078	31,384	317,123
Total liabilities.....	2,510,728	2,451,594	25,619,676
EQUITY:			
Common stock.....	15,000	15,000	153,061
Capital surplus.....	5,984	5,984	61,060
Retained Earnings:			
Legal reserve.....	10,431	10,431	106,439
Unappropriated.....	62,124	86,204	633,914
Total retained earnings.....	72,555	96,635	740,353
Unrealized gain on available-for-sale securities.....	(3,272)	13,791	(33,382)
Deferred loss on derivatives under hedge accounting.....	(608)	(332)	(6,204)
Land revaluation excess.....	10,344	10,333	105,546
Treasury stock-at cost.....	(1,487)	(1,455)	(15,173)
Total equity.....	98,516	139,956	1,005,261
TOTAL.....	¥ 2,609,244	¥ 2,591,550	\$ 26,624,937

Note: 1: Amounts stated in U.S. dollars are translated from Japanese yen, solely for convenience, at the rate of ¥98=U.S. \$1, the approximate exchange rate prevailing at March 31, 2009.
2: Certain reclassifications have been made in the 2008 summary of non-consolidated balance sheet to conform to the classifications in 2009.

Summary of Non-Consolidated Statements of Operations (Unaudited)

THE OITA BANK, LTD.
Years Ended March 31, 2009 and 2008

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
INCOME:			
Interest on:			
Loans and discounts.....	¥ 33,345	¥ 33,515	\$ 340,249
Securities.....	11,517	12,130	117,526
Other.....	70	58	716
Total interest income.....	44,932	45,703	458,491
Fees and commissions.....	7,376	8,195	75,266
Other operating income.....	414	188	4,218
Other income.....	1,702	3,598	17,368
Total income.....	54,424	57,684	555,343
EXPENSES:			
Interest on:			
Deposits.....	5,842	5,614	59,615
Borrowings and rediscounts.....	714	1,177	7,284
Other.....	564	1,759	5,759
Total interest expenses.....	7,120	8,550	72,658
Fees and commissions.....	2,053	1,959	20,949
Other operating expenses.....	2,864	1,500	29,220
General and administrative expenses.....	29,723	29,060	303,289
Provision for possible loan losses.....	32,356	5,606	330,165
Other expenses.....	4,681	1,750	47,765
Total expenses.....	78,797	48,425	804,046
INCOME (LOSS) BEFORE INCOME TAXES.....	(24,373)	9,259	(248,703)
INCOME TAXES:			
Current.....	2,005	910	20,460
Deferred.....	(3,171)	2,704	(32,353)
Total income taxes.....	(1,166)	3,614	(11,893)
NET INCOME (LOSS).....	¥(23,207)	¥ 5,645	\$ (236,810)
PER SHARE OF COMMON STOCK:			
Basic net income (loss).....	¥(162.62)	¥ 39.55	\$ (1.659)
Cash dividends applicable to the year.....	6.00	6.00	0.061

Note: Amounts stated in U.S. dollars are translated from Japanese yen, solely for convenience, at the rate of ¥98=U.S. \$1, the approximate exchange rate prevailing at March 31, 2009.

Summary of Non-Consolidated Statements of Changes in Equity (Unaudited)

THE OITA BANK, LTD.
Years Ended March 31, 2009 and 2008

	Thousands	Millions of Yen								
	Outstanding Number of Shares of Common Stock	Common Stock	Capital Surplus	Retained Earnings		Unrealized Gain on Available- for-sale Securities	Deferred Loss on Derivatives under Hedge Accounting	Land Revaluation Excess	Treasury Stock	Total Equity
				Legal Reserve	Unappropriated					
BALANCE, APRIL 1, 2007	¥ 142,779	¥ 15,000	¥ 5,986	¥ 10,431	¥ 81,370	¥ 28,800	¥ (465)	¥ 10,378	¥(1,420)	¥150,080
Net income					5,645					5,645
Cash dividends, ¥6.00 per share					(856)					(856)
Purchase of treasury stock	(66)								(48)	(48)
Disposal of treasury stock	16		(2)						13	11
Transfer from land revaluation excess					45			(45)		
Net change in the year						(15,009)	133			(14,876)
BALANCE, MARCH 31, 2008	142,729	15,000	5,984	10,431	86,204	13,791	(332)	10,333	(1,455)	139,956
Net loss					(23,207)					(23,207)
Cash dividends, ¥6.00 per share					(856)					(856)
Purchase of treasury stock	(88)								(52)	(52)
Disposal of treasury stock	23		(6)						20	14
Transfer from land revaluation excess					(11)			11		
Transfer to capital surplus from retained earnings			6		(6)					
Net change in the year						(17,063)	(276)			(17,339)
BALANCE, MARCH 31, 2009	¥ 142,664	¥ 15,000	¥ 5,984	¥ 10,431	¥ 62,124	¥ (3,272)	¥ (608)	¥ 10,344	¥(1,487)	¥ 98,516
BALANCE, MARCH 31, 2008		Thousands of U.S. Dollars								
		\$ 153,061	\$ 61,060	\$ 106,439	\$ 879,629	\$ 140,728	\$ (3,389)	\$ 105,438	\$ (14,842)	\$ 1,428,124
Net loss					(236,810)					(236,810)
Cash dividends, \$0.061 per share					(8,738)					(8,738)
Purchase of treasury stock									(529)	(529)
Disposal of treasury stock			(58)						197	139
Transfer from land revaluation excess					(108)			108		
Transfer to capital surplus from retained earnings			58		(58)					
Net change in the year						(174,110)	(2,815)			(176,925)
BALANCE, MARCH 31, 2009		\$ 153,061	\$ 61,060	\$ 106,439	\$ 633,915	\$ (33,382)	\$ (6,204)	\$ 105,546	\$ (15,174)	\$ 1,005,261

Note: Amounts stated in U.S. dollars are translated from Japanese yen, solely for convenience, at the rate of ¥98=U.S. \$1, the approximate exchange rate prevailing at March 31, 2009.

