



**ANNUAL USE OF CAPITAL SURVEY - 2009**

**NAME OF INSTITUTION**

(Include Holding Company Where Applicable)

The Baraboo Bancorporation, Inc.

Person to be contacted regarding this report:	Jeff Blada
UST Sequence Number:	443
CPP Funds Received:	20,749,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	Jan 16, 2009
Date Repaid <sup>1</sup> :	N/A

RSSD: (For Bank Holding Companies)	1209248
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	
City:	Baraboo
State:	Wisconsin

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

*American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.*

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	The gross loan balances decreased by \$30,000,000 from Dec 31, 08 to Dec 31, 09. If BBC had not received the additional TARP capital, because of the severe recession and declining commercial and consumer real estate values, our total loans outstanding may have decreased even more.
<input type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	Total investments increased by about \$16,000,000 from Dec 31, 08 to Dec 31, 09. The \$20,749,000 of TARP funds received increased BBC's liquid assets during a time of severe recession.

<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	The total BBC provision for loan loss entries were about \$23,000,000 in 2009. The allowance for loan loss balance increased by about \$5,200,000 from Dec 31, 08 to Dec 31, 09. The TARP capital helped BBC maintain a Tier 1 capital ratio of 9.31% as of Dec 31, 09
<input checked="" type="checkbox"/>	Reduce borrowings	The FHLB borrowings decreased from \$32,600,000 as of Dec 31, 08 to \$7,600,000 as of Dec 31, 09. The three main reasons that the FHLB borrowings decreased were a small increase in deposits, the reduction in loan balances, and the receipt of the TARP funds.
<input checked="" type="checkbox"/>	Increase charge-offs	Because of the severe recession and the decrease in commercial and consumer real estate values, net charge-offs were \$17,900,000 in 2009. Without the TARP capital our Dec 31, 09 Tier 1 capital and Risk Based capital ratios would have been lower.
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	The TARP funds were not leveraged. Total loans decreased by \$30,000,000 from Dec 31, 08 to Dec 31, 09, and total assets decreased by about \$9,000,000 during the same period. BBC's Tier 1 capital ratio was 9.31% as of Dec 31, 09, it would have been about 6.76% without the TARP funds.

What actions were you able to avoid because of the capital infusion of CPP funds?

Because of the severe recession the value of commercial and residential real estate has fallen in 2008 and 2009. Because of the poor economy the amount of non-performing loans has increased at most banks across the nation. In general, bank regulators have asked banks to increase their loan reserves to protect against potential future losses. They have also asked banks to increase their capital ratios to levels that are higher than the required minimum or well capitalized ratios. The TARP capital allowed BBC to provide \$17,900,000 to provision for loan losses in 2009, and at the same time keep BBC's Tier 1 capital ratio at 9.31% as of December 31, 2009.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

From December 31, 2008 to December 31, 2009, the BBC loan balances outstanding decreased by about \$30,000,000. Without the \$20,749,000 of TARP capital BBC would probably have had to reduce the amount of loans on its balance sheet even further. The TARP funds helped BBC to continue to renew loans, and make new loans, in the local communities it serves.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.