



**ANNUAL USE OF CAPITAL SURVEY - 2009**

**NAME OF INSTITUTION**

(Include Holding Company Where Applicable)

OREGON BANCORP, INC

Person to be contacted regarding this report:	Neil D. Grossnicklaus
UST Sequence Number:	811
CPP Funds Received:	3,216,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	Apr 24, 2009
Date Repaid <sup>1</sup> :	N/A

RSSD: (For Bank Holding Companies)	3823198
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	
City:	Salem
State:	Oregon

<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.	Total loans and commitments increased \$2,836,000, or 2.65% from 2008. In addition, loans originated for sale increased from \$24,190,000 in 2008 to \$94,886,000 in 2009.
<input checked="" 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.).	The increase in outstanding loans was primarily related to commercial mortgage loans and commercial and industrial loans. The increase in loans originated for sale was in relation to residential mortgage loans.
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	

<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	The company's allowance for loan and lease losses increased from \$1,067,000 to \$1,761,000, or 65%.
<input checked="" type="checkbox"/>	Reduce borrowings	The company's total outstanding borrowings decreased from \$9,000,000 at December 31, 2008 to \$3,000,000 at December 31, 2009.
<input checked="" type="checkbox"/>	Increase charge-offs	The Company did not recognize a loan charge-off prior to 2009. In 2009, the Company charged-off \$812,000.
<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 Bank's total risk-based capital ratio increased from 12.19% in 2008 to 15.64% in 2009.

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

During 2009, the Bank was able to increase residential mortgage loan originations for sale by \$70,696,000 over 2008. It is possible the Bank may have curtailed residential mortgage loan originations if it did not receive CPP funds.

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

The Company is appreciative of the US Treasury's investment. In return, the Company has made a concerted effort to increase lending and aid the recovery of the local economy. To this end, Willamette Valley Bank continued to grow residential mortgage loan originations in 2009 to \$225,000,000 in total volume for more than 1,000 Oregon families. In addition, the Bank was able to continue lending to small and medium sized businesses.

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

Participation in the CPP enabled the Bank to open a new full-service branch in a nearby rural community.

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.