

Board of Directors

Robert King	Chairman of the Board Owner, R&R King Logging
Marteen Wick	Vice Chair of the Board Owner, Kitchen Klutter
Tricia Benetti	Owner, Benetti's Restaurant
A.J. Brauer, MD	Physician, retired
Lydia Brackney	Educator, retired
James Clark	President and CEO, Oregon Pacific Bank
Doug Feldkamp	President, Umpqua Dairy
Thomas Grove	Retired President/CEO, Oregon Pacific Bank
Jon Thompson	Owner, KCST Radio Station
Richard Yecny	CFO, PeaceHealth Siuslaw Region

Bank Executive Officers

James Clark	President and CEO
Don Mabry	EVP, Chief Operating Officer
Joanne Forsberg	EVP, Chief Financial Officer
Ron Green	EVP, Chief Credit Officer

Main Office

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P.O. Box 22000
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(541) 997-7121
Toll Free (800) 997-7121

Financial Center

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Toll Free (800) 997-7121

Coos Bay Branch

915 S. First Street
Coos Bay, Oregon 97420
(541) 269-7929
Toll Free (866) 269-7929

Roseburg Branch

2555 N.W. Edenbower Blvd.
Roseburg, Oregon 97471
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Toll Free (877) 730-5899

Safeway Branch

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Oregon Pacific Bank is a wholly owned subsidiary
of Oregon Pacific Bancorp. Stock is traded on the
Over-the-Counter Bulletin Board under symbol ORPB.

Oregon Pacific Bancorp

Consolidated Statement of Condition

September 30, 2009

Dear Shareholder:

At the October 20, 2009 meeting of the Board of Directors of Oregon Pacific Bancorp, holding company for Oregon Pacific Bank (the Bank), your board approved a quarterly dividend of one cent (\$0.01) per share. This is a continuation of the dividend paid at the previous quarter end. This payment represents the 98th consecutive quarterly dividend.

The third quarter of 2009 continued to present challenges for the Bank as unemployment remains high and we continue to see a decline in local business activity in our three market areas. These conditions have led Oregon Pacific Bank to add \$460,000 to the loan loss provision for the quarter or \$1.9 million year to date. Net charge offs for the quarter were \$838,947, and \$1.04 million year to date, representing 0.82% of average loans. As a positive way of navigating a difficult economy, management believes in the aggressive identification of problem loans with a reassessment of supporting collateral valuations that may lead to increased loan loss provision and charge off of loan amounts. These amounts are only estimates until the collateral for a loan is realized or the accommodation returns to a current status. Eighty-five percent of problem loans for Oregon Pacific Bank are concentrated in eight relationships that we are aggressively working to resolve.

On a positive note, our net-interest spread improved year to date to 4.80%, up from 4.64% a year ago. Also, operating expenses have been reduced 8.23% from the same period a year ago,

the result of all Bank staff working as a team towards this goal. Overall, after the provision for loan losses, Oregon Pacific Bancorp reported a modest net loss of \$20,175 for the quarter and a year-to-date loss of \$445,630.

The management at Oregon Pacific Bank remains committed to the highest possible return for our stockholders under these current economic conditions by prudently managing our loan portfolio, building our liquidity, and holding a conservative stance on expenses. The Bank continues to be a strong institution with 13.37% risk-based capital available to absorb unforeseen credit deterioration or to support growth in the loan portfolio. This level of capital exceeds the 10% level established by regulators for being classified as "well capitalized." We continue to be on the lookout for the right opportunity to grow the Bank in the near future as signs of an economic rebound become clearer.

For thirty years, Oregon Pacific Bank has met the borrowing needs of our communities with strong underwriting practices — this will not change. We remain committed to high ethical standards while continuing to lend to viable businesses and homeowners.

Respectfully Submitted,



James P. Clark
President & CEO

CONSOLIDATED BALANCE SHEETS

Unaudited
(Dollars in thousands)

	September 30,	
	2009	2008
ASSETS		
Cash and due from banks	\$ 3,283	\$ 3,154
Interest bearing deposits	9,610	5,974
Securities	10,469	9,010
Loans, net	125,156	127,343
Premises and equipment, net	7,343	7,819
Other assets	5,150	4,170
Total assets	\$ 161,011	\$ 157,470
LIABILITIES		
Deposits		
Demand - non-interest bearing	\$ 32,158	\$ 31,163
Demand - interest bearing	34,941	37,181
Savings	15,432	13,579
Certificates of deposit	41,869	40,270
Total deposits	124,400	122,193
Borrowings	20,292	18,693
Other liabilities	3,421	3,624
Total liabilities	148,113	144,510
STOCKHOLDERS' EQUITY		
Common stock	4,897	4,837
Retained earnings	7,847	8,181
Accumulated other comprehensive gain (loss), net of tax	154	(58)
Total stockholders' equity	12,898	12,960
Total liabilities & stockholders' equity	\$ 161,011	\$ 157,470

CONSOLIDATED STATEMENTS OF INCOME

Unaudited
(Dollars in thousands)

	NINE MONTHS ENDED	
	September 30,	September 30,
	2009	2008
INTEREST INCOME		
Loans	\$ 6,641	\$ 7,571
Securities	295	326
Other interest income	35	92
Total interest income	6,971	7,989
INTEREST EXPENSE		
Deposits	1,096	1,755
Borrowed funds	541	632
Total interest expense	1,637	2,387
NET INTEREST INCOME	5,334	5,602
Provision for credit losses	1,914	154
Net interest income after provision for credit losses	3,420	5,448
NONINTEREST INCOME		
Service charges	530	522
Other income	989	1,257
Total noninterest income	1,519	1,779
NONINTEREST EXPENSE		
Salaries and employee benefits	3,257	3,755
Occupancy & equipment	666	635
Outside services	618	590
Other operating expenses	1,247	1,327
Total noninterest expense	5,788	6,307
Income (loss) before taxes	(849)	920
Provision (benefit) for income taxes	(403)	281
NET INCOME	\$ (446)	\$ 639
STOCK INFORMATION		
	September 30,	September 30,
	2009	2008
Shares Outstanding	2,188,112	2,177,024
Book Value	\$ 5.89	\$ 5.95
Earnings per share	\$ (0.20)	\$ 0.29