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BEO Bancorp
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NEWS RELEASE

BEO Bancorp reports 1Q 2009 earnings

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Heppner, Oregon, (April 21, 2009) BEO Bancorp (OTCBB:BEOB) and its subsidiary, Bank of Eastern Oregon, announced today net income for first quarter of 2009 of \$179,000 or \$0.20 per share, compared to first quarter 2008 earnings of \$623,000 or \$0.71 per share. Total assets increased 8.6% year over year to \$227,938,000, while total loans grew 16.3% to \$177,205,000 and deposits increased 4.4% to \$181,705,000.

“Core earnings are strong and even with adding \$1,050,000 to the loan loss reserve during the first quarter, we continue to be profitable,” said President and CEO, Jeff Bailey. “First quarter results are influenced by the national and regional economy. We expect 2009 to be a challenging year. The board of directors and management continue to take sound steps to make sure the provision for loan loss is funded at an appropriate level to address potential future loan losses,” added Bailey.

Bailey went on to say, “The board of directors is continuing its long-held philosophy to increase capital and build reserves in turbulent economic times. In keeping with this conservative tact, the board has voted not to pay a cash dividend for first quarter 2009.”

For further information on the company or to access internet banking, please visit our website at <http://www.beobank.com>.

About BEO Bancorp

BEO Bancorp is the holding company for Bank of Eastern Oregon, which operates 12 branches and two loan production offices in nine eastern Oregon counties. Branches are located in Arlington, Ione, Heppner, Condon, Irrigon, Boardman, Burns, John Day, Prairie City, Fossil, Moro and Enterprise; loan production offices are located in Hermiston and Ontario. Bank of Eastern Oregon also operates a mortgage division and offers brokerage services through BEO Financial Services. The bank’s website is www.beobank.com.

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Forward-Looking Statements

The statements contained in this release that are not historical facts are forward-looking statements based upon management's current expectations and beliefs concerning future developments and their potential effect on BEO Bancorp. There can be no assurances that future developments affecting BEO Bancorp will be the same as those anticipated by management.

Actual results may differ from those projected in the forward-looking statements. These forward-looking statements involve risks and uncertainties. These risks and uncertainties include, but are not limited to:

- (1) Competitive pressures in the banking and financial industries.
- (2) Changes in interest rate environment.
- (3) General economic conditions, nationally, regionally, and in operating markets.
- (4) Changes in regulatory environment.
- (5) Changes in business conditions and inflation.
- (6) Changes in securities markets.
- (7) Future credit loss experience.