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BEO Bancorp
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BEO Bancorp Reports 1ST Quarter Earnings

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Heppner, Oregon, (April 12, 2023) BEO Bancorp (OTCBB:BEOB) and its subsidiary, Bank of Eastern Oregon, announced 1st quarter 2023 consolidated net income of \$3,313,000 or \$2.75 per share, compared to \$0.67 per share for first quarter 2022. Total assets were \$852.9 million, up 2.5% year over year. Net loans of \$479.5 million were up 1.9% from the same period in 2022, while deposits were at \$777.6 million up 1.5% year over year.

“During a time of increased attention on struggles within the financial services industry, I am pleased to report that BEO Bancorp and Bank of Eastern Oregon continues to add shareholder value by showing strong profits; more importantly our Bank has abundant liquidity and a strong equity position. The media has given a tremendous amount of attention to the bank failures in early March. It is important to note that our bank, as well as many of our peer banks have minimal similarities to Silicon Valley Bank and Signature Bank. The only similarities are that we are all called banks and deposits are FDIC insured up to program limits. That is where the similarities end. Those failed banks had a drastically different business model catering to a vastly different clientele. Their balance sheets were structured significantly different and risk profiles were completely opposite of most community based financial institutions,” said President and CEO Jeff Bailey.

Chief Financial Officer Mark Lemmon said, “Inflation has driven action by the Fed. This factor alone has driven income. We continue to have strong liquidity. Shareholder equity is up 13.3% over the past year; Return on Average Assets and Return on Average Equity are 1.52% and 25.58% respectively.”

Chief Operations Officer Becky Kindle said, “Deposit growth has moderated, but is still up slightly from a year ago. We appreciate the loyalty of customers and the faith they have in the bank.”

“Renewal season is winding down and overall credit quality looks good. 2022 was a good year for ag production and it shows up in increased margins for our producers,” said Chief Credit Officer Ed Rollins.

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Chief Lending Officer John Qualls added, “Similar to last year, rain and snow across much of our trade area has delayed spring field work. There has been an abundance of snow across SE Oregon. The moisture is welcome, but it has brought on changes to normal practices among producers.”

“Our business model is not complicated and our philosophy has not changed. We are true to our roots and here to serve the financial needs of our customers and provide the financial services they need. As our customers succeed, so does the bank. We are safe, sound, and have sufficient liquidity to continue serving our communities as we have for over 78 years,” concluded Bailey.

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

About BEO Bancorp

BEO Bancorp is the holding company for Bank of Eastern Oregon. It operates 20 branches and four loan production offices in 11 eastern Oregon and four eastern Washington counties, and one western Idaho county. Branches are located in Arlington, Ione, Heppner, Condon, Irrigon, Boardman, Burns, John Day, Prairie City, Fossil, Moro, Enterprise, Athena, Hermiston, and La Grande, OR; and Colfax, Dayton, LaCrosse, Pasco, and Pomeroy WA; loan production offices are located in Ontario, Pendleton, and Madras, OR, and Caldwell, ID. Bank of Eastern Oregon also operates a mortgage division and operates the Washington locations under the name of Bank of Eastern Washington. The bank’s website is <https://www.beobank.com>.

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.

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- (4) Changes in regulatory environment.
- (5) Changes in business conditions and inflation.
- (6) Changes in securities markets.
- (7) Future credit loss experience.