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BEO Bancorp
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NEWS RELEASE

BEO Bancorp Reports Second Quarter Earnings

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Heppner, Oregon, (July 9, 2024) BEO Bancorp (OTCBB:BEOB) and its subsidiary, Bank of Eastern Oregon, announced second quarter 2024 consolidated net income of \$3,755,000 or \$3.06 per share. Total assets were \$852.3 million; Net loans of \$563.3 million; Deposits were at \$754.7 million. Shareholder equity was at \$71.76 million.

“Second quarter earnings are up 13.1% compared to the same period in 2023; earnings per share increased 10.9%. Total assets increased 3.9%; deposits up 1.7%; net loans were up 11.5%,” said President and CEO Jeff Bailey.

EVP and Chief Financial Officer Mark Lemmon said, “Second quarter earnings track favorably compared to previous quarter with a 6.4% increase. Year to date results are up 9.8% year over year. Our annualized Return on Average Equity is 21.66% for the quarter and 21.44% YTD, while Return on Average Assets is 1.76% and 1.70% respectively. Shareholder equity at \$71.76 million is up 29.5% year over year.”

EVP and Chief Credit Officer Ed Rollins said, “We are approaching the time of year where loan volume historically peaks. Ag lines are borrowing up. Overall credit quality remains good. The \$450,000 added to provision for possible loan losses is volume related. Overall credit quality is holding up nicely.”

Chief Operations Officer and EVP Becky Kindle said, “The increase in deposits compared to last year comes from our newer markets, along with a few traditional markets where national banks have closed branches.”

“Harvest time is here. Spring rains and cooler temperatures helped crops as well as mountain grass conditions. Cattle prices remain strong, while hay and grain prices have weakened,” said John Qualls, EVP and Chief Lending Officer.

Bailey concluded by saying, “The market, as well as customers, await interest rate movement by the Federal Reserve. They appear to be continuing their data dependent approach. They have not yet achieved their goal of 2.0% inflation. We are also in a presidential election year, which adds another level of complication to the Fed’s task. I do not envy their position.”

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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 21 branches and three 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; Colfax, Dayton, LaCrosse, Pasco, and Pomeroy, WA; and Caldwell, ID. Loan production offices are located in Ontario, Pendleton, and Madras, OR.. 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.
- (4) Changes in regulatory environment.
- (5) Changes in business conditions and inflation.
- (6) Changes in securities markets.
- (7) Future credit loss experience.