

10/7/2024

BEO Bancorp
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NEWS RELEASE

BEO Bancorp Reports 3rd Quarter Earnings

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Heppner, Oregon, (October 7, 2024) BEO Bancorp (OTCBB:BEOB) and its subsidiary, Bank of Eastern Oregon, announced 3rd quarter 2024 consolidated net income of \$3.72 million or \$3.03 per share, compared to \$3.6 million or \$2.99 per share during the same period in 2023. Total assets were \$835.7 million, down 0.5% year over year; Net loans of \$557.2 million show an increase of 8.4% from last year; Deposits were at \$741.8 million, down 2.7% compared to the same period in 2023. Shareholders' equity is \$79.2 million, an increase of 38.2% year over year.

“We are pleased with continued solid financial performance of the Bank. While 3Q 2024 shows a 3.2% increase year over year, our YTD earnings are up 7.5% compared to 2023,” said President and CEO Jeff Bailey.

Chief Financial Officer Mark Lemmon said, “For the quarter, annualized Return on Average Assets is 1.76% and Return on Average Equity is 19.72%. It is also noteworthy that Other Comprehensive Income for the nine months ended 9/30/2024 was \$18.34 million compared to \$7.39 million for the nine months ended 9/30/2023. Compared to one year ago, our securities portfolio is down 3.5% due to maturities, providing additional liquidity to fund loans.”

Chief Operations Officer Becky Kindle said, “We have experienced a slight decrease in deposits since last year, but we expect deposits to have reached a seasonal low. As for upcoming projects, we recently received regulatory approval to open a full-service branch in Pendleton. We expect this to open in early December.”

“The 2024 harvest produced good yields, but grain and hay prices are down from 2023. The cattle markets are still very strong, with record low cattle inventories. The overall impact of the horrible PNW wildfires is yet to be determined. Our hearts go out to those impacted,” said Chief Lending Officer John Qualls.

Chief Credit Officer Ed Rollins added, “The quality of our loan portfolio remains good. The growth in loans has been across our system. We are just beginning our renewal season. We expect some tightening of margins, but nothing out of the ordinary.”

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In conclusion, Bailey said, “We appreciate the support of our customers and the work of our employees. We look forward to opening our Pendleton branch and expanding the services to our loyal customers of the loan production office, while welcoming new customers looking for a true community-based bank.”

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.