

1/27/2023

BEO Bancorp
PO Box 39
Heppner, OR 97836

NEWS RELEASE

BEO Bancorp Reports 2022 Earnings

CONTACT:

Jeff Bailey, President, and CEO (541) 676-0201

Mark Lemmon, EVP & CFO, (541) 676-0201

Heppner, Oregon, (January 27, 2023) BEO Bancorp (OTCBB:BEOB) and its subsidiary, Bank of Eastern Oregon, announced consolidated year end 2022 earnings of \$8,585,000; average earnings per share of \$7.13. Total assets were \$890.3 million; net loans were \$488.8 million, while deposits ended the year at \$819.8 million.

“By all typical financial measures, 2022 was a strong year. We ended 2021 in a very liquid and asset sensitive position. As 2022 unfolded, the tightening of fiscal policy and increasing interest rates by the Federal Reserve, added significantly to our interest income,” said President and CEO, Jeff Bailey.

According to Chief Financial Officer, Mark Lemmon. “Net income rose 24.1% year over year. Return on Average Assets is 1.00% compared to 0.93% in 2021. Return on Average Equity is at 17.54%, up from 15.42% in 2021. Our book value per share is \$41.51 up 4.3% from last year’s \$39.80; while shareholder equity increased 4.3% year over year.”

Chief Operations Officer, Becky Kindle said, “Deposits grew 8.8% year over year. Along with organic growth, we continue to gain new relationships in markets where bank consolidations and branch closures have occurred. Our team of bankers have done a fabulous job in navigating another interesting year.”

“Loan volume increased 4.8% year over year. We have expanded our lending teams in strategic locations and those efforts are paying off,” said Chief Lending Officer, John Qualls.

Chief Credit Officer, Ed Rollins commented “Our loan portfolio has performed exceptionally well over the past year, with improved asset quality we did not add to our provision for possible loan losses during 2022, this compared to a provision of \$840,000 in 2021.”

Bailey concluded, “Given our rural footprint, it should come as no surprise that as agriculture goes, so goes our bank. Timely rains in the late winter and spring turned what could have been a poor crop into an above average crop in most of our trade area. Higher input costs were made up for by strong production and decent prices across the various

1/27/2023

BEO Bancorp
PO Box 39
Heppner, OR 97836

NEWS RELEASE

commodities. Renewal season has revealed strong margins as we head into 2023, but as last year proved, timely rains make all the difference in the world.”

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