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BEO Bancorp
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BEO Bancorp Reports 3rd Quarter Earnings

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Heppner, Oregon, (October 21, 2022) BEO Bancorp (OTCBB:BEOB) and its subsidiary, Bank of Eastern Oregon, announced 3rd quarter 2022 consolidated net income of \$2.439 million or \$2.02 per share, similar to 3Q2021 levels of \$2.465 million or \$2.05 per share. Total assets were \$871.0 million, up 13.0% year over year; Net loans of \$487.0 million show an increase of 3.7% from last year; Deposits were at \$803.2 million, compared to \$705.7 million for the same period in 2021. Shareholders' equity is \$47.858 million.

“2022 has been a very tumultuous year from a national economy perspective. The Federal Reserve has taken center stage with numerous interest rate increases, with more increases to come, as they try and combat inflation. The goal of a soft landing will be an impressive performance if they can pull it off,” said President and CEO Jeff Bailey.

Chief Financial Officer Mark Lemmon said, “We have a very strong liquidity position at our bank. Deposits are up \$98 million year over year. We have been able to invest this liquidity in fed funds and securities which are providing a return to the bank. Fed action against inflation that was deemed “transitory” a year ago, reflect a much more aggressive tone this year.”

“While inflation and supply chain issues continue to impact all, commodity prices have been fairly strong and yields for much of our trade area were above average. Fall seeding has progressed nicely, but timely rains are key,” said Chief Lending Officer John Qualls. He continued, “Net loans show a modest increase year over year, even with pay downs of our ag operating lines of credit indicative of a good harvest.”

Chief Credit Officer Ed Rollins added, “While we continue to monitor the effects of increasing interest rates on our loan portfolio, overall credit quality has improved since last year. Troubled assets are at the lowest level in recent memory. Good ag production and relatively good prices are helpful. Early renewals indicate better margins and repayment capacities.”

Chief Operations Officer Becky Kindle said, “Our banking teams continue to perform at exceptional levels, as indicated by our increasing deposit levels and overall growth of our

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bank. We appreciate the dedication of our employees in providing the customer service and banking products that our customers expect and deserve”.

Bailey concluded, “The economy will continue to be the focal point as we navigate what most economists define as a recession. We are pleased with our 3Q2022 results but understand that there will be continued challenges as all of us navigate the economic risks and uncertainty that lies ahead”.

About BEO Bancorp

BEO Bancorp is the holding company for Bank of Eastern Oregon, which operates 20 branches and four loan production offices in twelve eastern Oregon counties, five eastern Washington counties, and one western Idaho county. Branch locations include Arlington, Ione, Heppner, Condon, Irrigon, Boardman, Burns, John Day, Prairie City, Fossil, Moro, Enterprise, Athena, Hermiston, and LaGrande, OR; and Colfax, Dayton, LaCrosse, Pasco, and Pomeroy WA; loan production offices are located in Ontario, Pendleton, 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.