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BEO Bancorp
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NEWS RELEASE

BEO Bancorp Reports 3rd Quarter Earnings

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Heppner, Oregon, (October 18, 2017) BEO Bancorp (OTCBB:BEOB) and its subsidiary, Bank of Eastern Oregon, announced 3rd quarter 2017 consolidated net income of \$816,000 or \$0.69 per share compared to \$735,000 or \$0.60 per share for third quarter 2016. Year to date earnings were \$2,359,000 up 1.2% year over year. Total assets were \$403.8 million, up 7.3% year over year. Net loans of \$327.0 million were up 12.3% from the same period in 2016, while deposits were at \$359.5 million, up 7.6% year over year.

“Third quarter net income is up 11.0% from last year and year to date profits are in line with 2016; even with a reasonable provision for possible loan losses of \$500,000 for the year, brought on by strong growth in the portfolio as well as dealing with a few legacy problem credits,” said President and CEO Jeff Bailey.

Chief Financial Officer Mark Lemmon said, “Our shareholder equity is up 7.6% year over year, while our book value per share is up 10.3%. Return on Average Assets for the quarter was 0.82% and Return on Average Equity was 10.33% compared to 0.81% and 10.04% respectively year over year”.

Chief Operations Officer Gary Prophter said, “The Federal Reserve continues to talk increased interest rates, but the effect on deposit rates has been minimal. We continue to see strong growth in deposits across our system.”

“We are an agricultural based bank, improved yields in dryland crops along with steady to increasing commodity prices across the board make us cautiously optimistic about a better renewal season for our agricultural producers. On a national and even global level, it will be interesting to see what the rest of the year brings in terms of the economy with potential tax and regulatory reform,” concluded Bailey.

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

About BEO Bancorp

BEO Bancorp is the holding company for Bank of Eastern Oregon, which operates 14 branches and 6 loan production offices in twelve eastern Oregon and 2 eastern

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Washington counties. Branches are located in Arlington, Ione, Heppner, Condon, Irrigon, Boardman, Burns, John Day, Prairie City, Fossil, Moro, Enterprise, Athena, OR, and Pasco, WA; loan production offices are located in Ontario, Pendleton, Island City, Lakeview, Madras, OR and Pomeroy, WA. Bank of Eastern Oregon also operates a mortgage division, and operates the Pasco branch and Pomeroy office under the name of Bank of Eastern Washington. The bank's website is 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.