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BEO Bancorp
PO Box 39
Heppner, OR 97836

NEWS RELEASE

BEO Bancorp Reports 1ST Quarter Earnings

CONTACT:
Jeff Bailey, President and CEO (541) 676-0201
Mark Lemmon, EVP & CFO, (541) 676-0201

Heppner, Oregon, (April 12, 2019) BEO Bancorp (OTCBB:BEOB) and its subsidiary, Bank of Eastern Oregon, announced 1st quarter 2019 consolidated net income of $1,094,000 or $0.92 per share, compared to $758,000 or $0.64 per share for first quarter 2018. Total assets were $468.2 million, up 19.9% year over year. Net loans of $340.1 million were up 8.7% from the same period in 2018, while deposits were at $421.6 million up 20.6% year over year.

“There were a few non-ordinary events that occurred during the quarter. The purchase of the four former-Umpqua branches in Washington was completed, and expenses associated with that transaction hit the books. This was offset by a substantial recovery of a troubled asset. The bottom line is that 1st quarter was a very good start to 2019 from a net income standpoint,” said President and CEO Jeff Bailey.

Chief Financial Officer Mark Lemmon said, “Earnings per share was in line with 4Q2018, but up dramatically year over year at $0.92 per share. Shareholder equity is up 9.7% over the past year. We are also pleased with our Return on Average Assets and Return on Average Equity numbers which are 0.99% and 12.47% respectively.” Lemmon added, “The interest rate environment has been interesting. While the US economy seems to be doing relatively well, the world economy raises some concerns. The Federal reserve has gone from an expectation of continued rate increases in 2019 to a wait and see approach. Deferred rates have dropped dramatically over the past few months.”

Chief Operations Officer Gary Propheter said, “Even without the bump in deposits associated with the new branches, which amounted to approximately $40 million, our organic growth would have been just over 8% year over year. Loans purchased with the branch relationships amounted to about $3 million, so organic growth in loans was also up about 8.5%.”

“The late spring snows in much of our trade area delayed spring field work, but the moisture is welcomed. This, coupled with a better renewal season for our ag customers than we have seen for the past few years, makes me cautiously optimistic about our ag areas for 2019,” said Bailey. “In conclusion we welcome our new customers and

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employees in our new Washington branches, and we look forward to providing banking services to eastern Oregon and Washington for many years to come."

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 18 branches and 6 loan production offices in twelve eastern Oregon and 5 eastern Washington counties. Branches are located in Arlington, Ione, Heppner, Condon, Irrigon, Boardman, Burns, John Day, Prairie City, Fossil, Moro, Enterprise, Athena, OR, and Colfax, Dayton, LaCrosse, Pasco, and Pomeroy 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 Washington locations 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.