

10/18/2019

**BEO Bancorp**  
PO Box 39  
Heppner, OR 97836

# NEWS RELEASE

## **BEO Bancorp Reports 3<sup>rd</sup> Quarter Earnings**

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**Heppner, Oregon, (October 17, 2019)** BEO Bancorp (OTCBB:BEOB) and its subsidiary, Bank of Eastern Oregon, announced 3<sup>rd</sup> quarter 2019 consolidated net income of \$1,229,000 or \$1.04 per share compared to \$1,196,000 or \$1.01 per share for third quarter 2018. Year to date earnings were \$2,973,000 up 5.2% year over year. Total assets were up 20.4% year over year at \$483.3 million. Net loans of \$401.5 million were up 24.0% from the same period in 2018, while deposits were at \$432.6 million, also up 21.6% year over year.

“The expansion projects announced earlier in the year are translating into significant growth in deposits, loans and assets. The expansion has resulted in additional overhead costs, but these costs are now translating into increased revenue. Earnings for the quarter are up 2.76% year over year. Year to date results show a 5.2% increase from 2018,” said President and CEO Jeff Bailey.

Chief Financial Officer Mark Lemmon said, “Our shareholder equity is up 9.0% year over year, while our book value per share is up 9.3%. Return on Average Assets for the quarter was 1.03% and Return on Average Equity was 13.28% compared to 1.19% and 14.12% respectively year over year”.

Chief Operations Officer Gary Prophetter said, “We have had tremendous reception from our new communities in southeast Washington, and the expanded locations in Hermiston, LaGrande, and Pendleton have also exceeded our expectations. We look forward to expanding our market share across our footprint in years to come”.

“The 2019 wheat harvest was at least average in most of our trade area, and better than average in many regions. Cattle producers are reporting good weight gains on their calves as they come off of summer grazing. All of these factors bode well for producers, but the volatility of input costs and commodity prices brought about by global and political pressures have swayed the commodity markets and provide an extra level of angst for our producers. On the bright side, decent soil moisture has provided better fall seeding conditions than we have seen for a number of years,” concluded Bailey.

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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 7 loan production offices in 12 eastern Oregon and 4 eastern Washington counties. Branches are located in Arlington, Ione, Heppner, Condon, Irrigon, Boardman, Burns, John Day, Prairie City, Fossil, Moro, Enterprise, Athena, OR; and Pasco, LaCrosse, Colfax, Pomeroy, and Dayton, WA; loan production offices are located in Ontario, Pendleton, La Grande, Lakeview, Madras, Hermiston, OR; and Pomeroy, WA. Bank of Eastern Oregon also operates a mortgage division and operates the Washington branches and loan production office under the name of Bank of Eastern Washington. The bank's website is [www.beobank.com](http://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.