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BEO Bancorp
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NEWS RELEASE

BEO Bancorp Reports 2nd Quarter Earnings

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Heppner, Oregon, (July 21, 2020) BEO Bancorp (OTCBB:BEOB) and its subsidiary, Bank of Eastern Oregon, announced 2nd quarter 2020 consolidated net income of \$1,401,000 or \$1.18 per share. Total assets were \$651.6 million; Net loans of \$517.0 million; Deposits were at \$526.8 million. Shareholders' equity was at \$38.2 million.

“It is hard to fathom what we all have witnessed thus far in 2020. The COVID-19 pandemic has touched all aspects of our lives. We have seen the best in people, and sadly we have also seen the worst. One thing is certain, we are reminded what is truly important. In rural America, we stick together and simply do what we have always done, we help each other, our friends, neighbors and businesses get through difficult times. This event is different, it is unlike anything we have witnessed before, but the resolve of our people is the same,” said President and CEO Jeff Bailey.

Chief Financial Officer Mark Lemmon said, “The Federal Reserve, SBA, U.S. Treasury, Congress and the President have all taken aggressive steps to, hopefully, minimize the long-lasting economic effects of the pandemic. Interest rates are at very low levels. The bank has excellent liquidity and is in a strong capital position”.

Chief Operations Officer Gary Prophet said, “The SBA PPP loans have translated into increased deposits as well as loans. We appreciate the hard work of our banking teams during this pandemic situation”. Bailey added, “I am so very proud of our employees that put in countless hours to make sure our existing, and in many cases, new customers were able to access the SBA PPP loan programs. We were able to process over 770 loans totaling \$84.7 million, approved through the SBA system and into the hands of our customers”.

“We continue to monitor the pandemic situation and will take the necessary steps to promote the health and well-being of our employees and customers. As we monitor the situation, we may find it necessary to limit branch lobby or office access. Please check with your local branch on any possible access restrictions and thank you for your patience during these strange times,” said Bailey.

Bailey concluded, “These are truly unusual economic times. With the interest rate environment such as it is, we are seeing margin compression. We are also taking steps to

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make sure that our loan loss reserve is funded appropriately. Supply chain issues brought on by COVID will continue to hamper the economy. The question is for how long? On a positive note, wheat harvest is under way and we are hearing reports of average to slightly above average yields. The spring rains proved beneficial to crops and grazing conditions in the mountains are very good”.

About BEO Bancorp

BEO Bancorp is the holding company for Bank of Eastern Oregon, which operates 20 branches and four loan production offices in 12 eastern Oregon and five eastern Washington counties. Branches are located in 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 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.