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BEO Bancorp
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NEWS RELEASE

BEO Bancorp Reports Second Quarter Earnings

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Heppner, Oregon, (July 11, 2025) BEO Bancorp (OTCBB:BEOB) and its subsidiary, Bank of Eastern Oregon, announced second quarter 2025 consolidated net income of \$4,113,000 or \$3.36 per share. Total assets were \$883.3 million; Net loans of \$618.2 million; Deposits were at \$776.4 million. Shareholders' equity was at \$89.48 million.

“Second quarter earnings are up 9.5% compared to the same period in 2024; earnings per share increased 9.8%. Total assets increased 3.6%; deposits up 2.9%; net loans were up 9.7%,” said President and CEO Jeff Bailey.

EVP and Chief Financial Officer Mark Lemmon said, “Second quarter earnings track favorably compared to previous quarter with a 5.1% increase. Year to date results are up 10.2% year over year. Our annualized Return on Average Equity is 18.75% for the quarter and 18.8% YTD while Return on Average Assets is 1.85% and 1.83% respectively. Shareholder equity at \$89.58 million is up 24.8% year over year.”

EVP and Chief Credit Officer Ed Rollins said, “As an ag based bank, we are witnessing our typical increase in ag loans as harvest begins. Overall loan quality is good. Thus far in 2025 we have not seen a need to increase our provision for possible loan losses.”

Chief Operations Officer and EVP Becky Kindle said, “Our increase in deposits is attributable to our newer branches and areas where we have gained market share from the disruption people realized in northeast Oregon, from the sale of Community Bank to Spokane Teachers Credit Union.”

“Harvest time is here. Some areas look very good, while others show stress from drought. Cattle prices are still very strong, with good mountain grass conditions,” said John Qualls, EVP and Chief Lending Officer.

Bailey concluded by saying, “Inflation in general has moderated, but the Federal Reserve remains data dependent when it comes to interest rates and any anticipated drop. Market unrest, tariff discussions, and potential effects will continue to drive headlines, as well as dictate the Fed's actions.”

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About BEO Bancorp

BEO Bancorp is the holding company for Bank of Eastern Oregon, which operates 22 branches and two loan production offices in eleven eastern Oregon, four eastern Washington, and one western Idaho county. Branch locations include Arlington, Ione, Heppner, Condon, Irrigon, Boardman, Burns, John Day, Prairie City, Fossil, Moro, Enterprise, Athena, Hermiston, LaGrande, and Pendleton OR; Colfax, Dayton, LaCrosse, Pasco, and Pomeroy WA; and Caldwell, ID. Loan production offices are located in Ontario, and Madras, OR. 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.