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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 13, 2026) BEO Bancorp (OTCBB:BEOB) and its subsidiary, Bank of Eastern Oregon, announced second quarter 2026 consolidated net income of $4,942,000 or $2.01 per share. Total assets were $932.0 million; Net loans of $677.0 million; Deposits of $810.7 million. Shareholders' equity was at $102.8 million.

"Second quarter earnings are up 10.2% compared to the same period in 2025; earnings per share increased 12.3%. Total assets increased 5.5%; deposits up 4.4%; net loans were up 9.5%," said President and CEO Jeff Bailey. He continued, "We realized approximately $650,000 after tax non-recurring income during second quarter. Without that, the quarter would have shown about 4.4% net income increase compared to 2Q2025."

EVP and Chief Financial Officer Mark Lemmon said, "During second quarter, we completed a stock split accomplished via a 1:1 stock dividend. Shareholder equity increased 14.8% year over year. Annualized Return on Average Equity is 19.61% for the quarter and 17.78% YTD while Return on Average Assets is 2.09% and 1.87% respectively."

Chief Operations Officer and EVP Becky Kindle said, "We are experiencing our normal seasonal swing in deposits but are still significantly above last year's levels."

"We are seeing a typical seasonal increase in loan volume with harvest starting and peak ag borrowing season upon us. Drought conditions impact much of our trade area, but the wheat crop looks decent by most reports. While wheat prices remain stagnant, cattle prices remain very strong," said John Qualls, EVP and Chief Lending Officer.

EVP and Chief Credit Officer Ed Rollins said, "During second quarter we opened a new loan production office in Sheridan, MT. We look forward to welcoming new customers. Our Sheridan loan officers have many years of experience in that market".

Bailey concluded by saying, "The Federal Reserve held rates steady at their last meeting. Overall economic data still show mixed results. It appears the Fed will continue their data dependent approach for interest rate decisions. This coupled with the ongoing Iranian war make for a complex situation for the Fed."

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About BEO Bancorp

BEO Bancorp is the holding company for Bank of Eastern Oregon, which operates twenty-two branches and three loan production offices in eleven eastern Oregon, four eastern Washington, one western Idaho, and one western Montana counties. 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.