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BEO Bancorp
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NEWS RELEASE

BEO Bancorp Reports 3rd Quarter Earnings

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Heppner, Oregon, (October 27, 2025) BEO Bancorp (OTCBB:BEOB) and its subsidiary, Bank of Eastern Oregon, announced 3rd quarter 2025 consolidated net income of \$3.64 million or \$2.98 per share, compared to \$3.72 million or \$3.03 per share during the same period in 2024. Total assets were \$908.7 million, up 8.7% year over year; Net loans of \$611.4 million show an increase of 9.7% from last year; Deposits were at \$800.8 million, up 7.9% compared to the same period in 2024. Shareholders' equity is \$94.4 million, an increase of 19.2% year over year.

“We are pleased with the continued strong financial performance of our Bank. Third quarter 2025 net income is down a modest 2.1% from 2024, but YTD results are still up 6.0% from last year,” said President and CEO Jeff Bailey.

Chief Financial Officer Mark Lemmon said, “For the quarter, annualized Return on Average Assets is 1.63% and Return on Average Equity is 15.83%, both factors well above peer group. Our securities portfolio is down 6.5% year over year, as investments mature, they are used to fund loans, which have shown good growth over the past 12 months. With the recent decrease in interest rates by the Fed, we are seeing a slight tightening of our net interest margin.”

Chief Operations Officer Becky Kindle said, “As we have strategically expanded our footprint, we are seeing an increase in deposits. These contribute to strong liquidity and are a testament to the work of our employees.”

“Timely spring rains contributed to a good wheat harvest across most of our trade area. While yields were good, prices are low. The only truly bright spot in ag lending is cattle, as prices keep climbing higher; most other crops are struggling with low prices. We are expecting very tight margins in this renewal season. The question on most producer's minds is what kind of assistance will come from various government programs,” said Chief Lending Officer John Qualls.

Chief Credit Officer Ed Rollins added, “This will make a second year of tight margins as we enter our renewal season. Currently the quality of our loan portfolio is steady, and I don't expect that to change dramatically.”

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In conclusion, Bailey said, “Between government shutdowns, tariff impacts, various jobs reports and inflation still above the Fed’s 2.0% goal, it remains murky as to what the Fed will do in the coming months in relation to monetary policy. Most expect we will see a continued push toward lower interest rates. The question remains how quickly and how far will rates move. Time will tell. In the meantime, we will continue to serve the banking needs of our existing and new customers across our trade area.”

About BEO Bancorp

BEO Bancorp is the holding company for Bank of Eastern Oregon, which operates 22 branches and two loan production offices in 11 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.