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BEO Bancorp
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NEWS RELEASE

BEO Bancorp Reports 2024 Earnings

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Heppner, Oregon, (January 16, 2025) BEO Bancorp (OTCBB:BEOB) and its subsidiary, Bank of Eastern Oregon, announced consolidated year end 2024 earnings of \$16,489,000; Total assets were \$867.6 million; net loans were \$580.0 million, while deposits ended the year at \$770.9 million.

“We are pleased with the 2024 results. It is important to note that a one-time non-recurring collection of secondary accrual interest and recovered collection expenses pertaining to a legacy problem credit had a positive effect of approximately \$950,000 after taxes. Even without this non-recurring event, 2024 would still be our best net income in the history of our Bank,” said president and CEO, Jeff Bailey.

“Shareholder equity increased 26.1% over the past year, with Return on Average Equity at 22.71% and Return on Average Assets of 1.91%. Earnings per share was \$13.40 and we paid our highest dividend ever at \$1.25 per share,” said Chief Financial Officer, Mark Lemmon. “Book value per share increased 24.6% year over year ending at \$65.09.”

Chief Operations Officer, Becky Kindle said, “Our deposits decreased 0.7%, which is often just a day’s swing in activity. In December we opened our Pendleton branch. We are pleased to increase our banking services in Pendleton, where we’ve maintained a loan production office since 2012.”

“We have witnessed good growth in our loan portfolio over the past year, with an increase of 11.1%. The increase came predominantly in our newer markets,” said Chief Lending Officer, John Qualls.

Chief Credit Officer, Ed Rollins commented “Lower commodity prices in grains, and hay are translating to tighter margins in our ag portfolio as we end 2024. As a prudent measure, and with realized loan growth, we added \$700,000 to our Allowance for possible credit losses. Cattle prices continue to amaze. The weather thus far has been decent with above normal snowpack in the mountains and welcome rains across our footprint.”

Bailey concluded, “Along with paying our highest dividend ever, we also paid down \$3.7 million in subordinated debt in 2024, all while growing capital. We are quite pleased with

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the earnings of the Bank in 2024, but the overall financial stability of our institution is even more noteworthy. 2025 we will mark our 80th anniversary. While other Banks in our trade area have consolidated or sold out to credit unions, we are going strong.”

For further information on the Company or to access internet banking, please visit our website at <https://www.beobank.com>.

About BEO Bancorp

BEO Bancorp is the holding company for Bank of Eastern Oregon. It operates 22 branches and two loan production offices in 11 eastern Oregon and four eastern Washington counties, and one western Idaho county. Branches are located in Arlington, Ione, Heppner, Condon, Irrigon, Boardman, Burns, John Day, Prairie City, Fossil, Moro, Enterprise, Athena, Hermiston, Pendleton, and La Grande, 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 <https://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.