

# 2026

## FIRST QUARTER REPORT



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(509) 525-2000

### BOARD OF DIRECTORS

Megan F. Clubb, Chair

Carrie Asprinio	Mark H. Kajita
Edward Chvatal Jr.	J. Eric Kimball
Riley B. Clubb	Clifford "Kip" Kontos
Russell S. Colombo	Michael J. Mahoney
Jim Edmunds	Jason H. Pratt
Martha C. Huber	



## BAKER BOYER

FAMILY LEGACIES GROWN LOCALLY

*Tri-Cities Yakima Walla Walla*

Dear Baker Boyer Shareholder:

April 10, 2026

Spring is here in Eastern Washington, and it is giving us beautiful weather and sunny days. This is in contrast to a disappointing winter of very little precipitation. We will have to wait and see what is in store for the rest of the wheat growing season and the final harvest in fall. A positive for our farmers is that more of them have received Department of Agriculture assistance payments due to market disruptions in the sale of their commodities. This will be welcome help for those whose 2025 crop year was slim in margin.

At the Bank, the first quarter of 2026 was a strong start for the year. Net income was \$1.1 million, which is nearly a 26% increase over the first quarter of 2025. Much of this was due to net interest income being over 13% higher for the first quarter of 2026 over the same time period in 2025. In addition, Wealth Management fees were also nearly 8% higher than the first quarter of 2025.

We continue to see strengthening in our loan portfolio as some loans that we have been tracking for possible losses have paid off in full. This will add to the long-term stability of our loan portfolio.

Finally, the Bank will continue to strategically grow our loan portfolio. This will increase our reliance on capital and our need to grow capital and retain it.

We will be hosting the Shareholder Meeting at our Walla Walla Headquarters office on Thursday April 23, 2026 at 4:30 pm. We hope to see you there, but if you can't make it in person, we are streaming it live on Zoom. In order to sign up for the meeting, please contact Lacey Braswell at (509) 526-1393 or [braswell@bakerboyer.com](mailto:braswell@bakerboyer.com) to RSVP. We look forward to seeing you either in person or over Zoom.

Thank you again for your continued support.

Respectfully,

A handwritten signature in black ink, appearing to read "Mark H. Kajita".

Mark H. Kajita, CPA  
President & CEO

## Consolidated Balance Sheet - Average YTD

(Unaudited)

	March 31,		% Chg.
	2026	2025	
	<i>(dollars in thousands)</i>		
<b>Assets</b>			
Cash and noninterest bearing due from banks	\$ 10,068	\$ 8,008	25.7
Int-bearing deposits at other financial institutions	80,818	34,033	137.5
Total cash and cash equivalents	90,886	42,041	116.2
Debt securities available-for-sale, at fair value	189,227	203,686	(7.1)
Debt securities held-to-maturity	254	494	(48.6)
Other investments, at cost	1,076	1,183	(9.0)
Total investments	190,557	205,363	(7.2)
Loans	386,178	393,884	(2.0)
Allowance for credit losses	(4,164)	(3,941)	5.7
Net loans	382,014	389,943	(2.0)
Bank premises and equipment, net	18,815	19,362	(2.8)
Accrued interest receivable	3,752	3,675	2.1
Other assets	4,550	4,933	(7.8)
<b>Total assets</b>	<b>\$ 690,574</b>	<b>\$ 665,317</b>	<b>3.8</b>
<b>Liabilities and Shareholders' Equity</b>			
Liabilities:			
Demand deposits- noninterest bearing	\$ 209,125	\$ 214,503	(2.5)
Interest bearing deposits	418,365	367,302	13.9
Total deposits	627,490	581,805	7.9
Securities sold under agreements to repurchase	0	25,430	(100.0)
Borrowed funds	0	1,867	(100.0)
Accrued interest payable	476	464	2.6
Other liabilities	2,124	1,434	48.1
<b>Total liabilities</b>	<b>630,090</b>	<b>611,000</b>	<b>3.1</b>
Shareholders' equity			
Common stock (no par value, stated value \$3.125 per share)			
4,000,000 shares authorized			
March 31, 2026 - 1,319,121 shares issued and outstanding;			
March 31, 2025 - 1,315,711 shares issued and outstanding	4,113	4,100	0.3
Additional paid-in capital	1,485	1,278	16.2
Retained earnings	58,935	58,250	1.2
Accumulated other comprehensive loss	(4,049)	(9,311)	(56.5)
<b>Total shareholders' equity</b>	<b>60,484</b>	<b>54,317</b>	<b>11.4</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 690,574</b>	<b>\$ 665,317</b>	<b>3.8</b>

## Consolidated Statements of Income

(Unaudited)

	Three Months Ending March 31,		% Chg.
	2026	2025	
	<i>(dollars in thousands, except per share amounts)</i>		
<b>Interest income</b>			
Interest and fees on loans	\$ 5,519	\$ 5,567	(0.9)
Interest on deposits in other banks	740	302	145.0
Interest on taxable debt securities	799	658	21.4
Interest on debt securities exempt from federal taxes	187	112	67.0
Interest income on other investments	18	22	(18.2)
<b>Total interest income</b>	<b>7,263</b>	<b>6,661</b>	<b>9.0</b>
<b>Interest expense</b>			
Interest on deposits	1,324	1,203	10.1
Interest on securities sold under agreements to repurchase	0	188	(100.0)
Interest on borrowings	0	25	(100.0)
<b>Total interest expense</b>	<b>1,324</b>	<b>1,416</b>	<b>(6.5)</b>
<b>Net interest income</b>	<b>5,939</b>	<b>5,245</b>	<b>13.2</b>
<b>Provision for credit losses-loans</b>	<b>0</b>	<b>0</b>	<b>-</b>
<b>Net interest income after provision for credit losses</b>	<b>5,939</b>	<b>5,245</b>	<b>13.2</b>
<b>Non-interest income</b>			
Wealth Management fees	3,156	2,927	7.8
Service charges on deposit accounts	104	109	(4.6)
Other service charges and fees	294	305	(3.6)
Other operating (loss) income	38	32	18.8
<b>Total non-interest income</b>	<b>3,592</b>	<b>3,373</b>	<b>6.5</b>
<b>Non-interest expense</b>			
Salaries, wages, and other compensation	4,139	3,913	5.8
Retirement and employee benefits	1,321	1,170	12.9
Net occupancy expense	391	390	0.3
Furniture and equipment expense	167	169	(1.2)
Other operating expense	2,194	1,935	13.4
<b>Total non-interest expense</b>	<b>8,212</b>	<b>7,577</b>	<b>8.4</b>
<b>Income before provision for income taxes</b>	<b>1,319</b>	<b>1,041</b>	<b>26.7</b>
<b>Provision for income taxes</b>	<b>255</b>	<b>196</b>	<b>30.1</b>
<b>Net income</b>	<b>\$ 1,064</b>	<b>\$ 845</b>	<b>25.9</b>
<b>Basic earnings per common share</b>	<b>\$ 0.82</b>	<b>\$ 0.65</b>	<b>25.6</b>
<b>Weighted average number of shares outstanding</b>	<b>1,295,255</b>	<b>1,291,615</b>	