

# Annual Report 2025



# Chairman's Letter

Dear Customers and Friends:

As we reflect on 2025, I am proud of the meaningful progress the Bank made in restoring earnings performance and meeting our customers' needs. The year represented an important step forward, as our teams executed and continued building momentum across our markets.

For the full year, net income totaled \$95.1 million, or an increase of 66% over 2024. Return on assets improved to 1.13% in the fourth quarter, reflecting the steady rebuilding of earnings power throughout the year. These results mark a return toward the historic performance levels that have long defined the Bank.

The primary driver of improvement in 2025 was the continued expansion of our net interest margin. Thoughtful balance sheet management, stable earning asset yields, and disciplined funding cost control contributed to margin expansion. As the Federal Reserve reduced rates during the year, we remained focused on pricing discipline and relationship-based deposit management. In addition, the ongoing repositioning of lower-yielding securities into higher-yielding loans supported revenue growth and strengthened the overall earning asset mix. The result was a \$76 million, or 27%, increase in net interest revenue compared to 2024.

Loan growth of 7% and deposit growth of 1% for the year reflected solid demand across our footprint and the strength of our customer relationships. At the same time, credit quality remained healthy. Net charge-offs were low, classified assets declined, and we recognized a net release in the allowance for credit losses during the year. Our allowance ended 2025 at 2.10% of loans, providing a strong reserve position aligned with the quality of the portfolio. Capital levels also improved, with equity to assets reaching 9.05% at year-end. Maintaining strong capital and reserves continues to be foundational to our strategy, ensuring resilience while preserving flexibility to support growth initiatives.

Non-interest revenue remained a steady and important contributor to overall performance. Fiduciary income and investment services fees led results, while card fees and deposit service charges demonstrated healthy year-over-year growth. These diversified revenue streams reflect the value of our full-service model and the deep relationships we maintain with our clients.

Expense discipline remained a priority throughout the year. While we continue to invest in talent, technology, and new locations to support long-term growth, we are doing so in a measured and thoughtful manner. Strong revenue growth combined with controlled expense levels drove a meaningful improvement in our efficiency ratio compared to 2024, demonstrating the operating leverage embedded within our model as volumes increase.

Beyond the financial metrics, 2025 was a year of continued normalization and strategic positioning. Newer locations across our footprint are gaining traction, and we believe they will contribute meaningfully to growth and profitability in the coming years. In 2025, we entered the Tacoma and Bellingham markets, and we continue to evaluate opportunities for further geographic expansion. Our customer-centric approach continues to differentiate us in competitive markets, allowing us to attract high-quality relationships while deepening existing ones.



Even as economic and political uncertainty remains elevated, we enter 2026 with momentum. Our balance sheet is stronger, earnings power has improved, and our teams remain focused on disciplined loan and deposit growth, superior service, and long-term value creation. We believe the Bank is well positioned to perform across a range of economic scenarios.

On behalf of our Board of Directors and our entire organization, thank you for your continued trust and support. We remain committed to delivering sustainable performance and creating long-term value for our shareholders. For additional information, we invite you to visit our Investor Relations webpage at [watrust.com/about/investor-relations](http://watrust.com/about/investor-relations).

Warm Regards,

A handwritten signature in blue ink that reads "Peter F. Stanton". The signature is fluid and cursive, with a light blue shadow effect behind the text.

Peter F. Stanton  
Executive Chairman of the Board



# Statements of Financial Condition

(unaudited)

(dollars in thousands)

	December 31, 2025	December 31, 2024
<b>ASSETS</b>		
Cash and due from banks	\$ 131,177	\$ 129,585
Interest-bearing deposits with banks	580,152	445,384
Securities available for sale, at fair value	159,426	300,438
Securities held to maturity, at amortized cost	2,195,115	2,736,717
Federal Home Loan Bank and PCBB stock, at cost	17,747	29,422
Loans receivable	7,358,093	6,892,693
Allowance for credit losses on loans	(154,789)	(153,558)
Loans, net of allowance for credit losses on loans	7,203,304	6,739,135
Premises and equipment, net	94,767	83,993
Other real estate	543	83
Accrued interest receivable	32,905	32,501
Other assets	267,854	230,310
Total assets	<u>\$ 10,682,990</u>	<u>\$ 10,727,568</u>
<b>LIABILITIES</b>		
Deposits:		
Noninterest-bearing	\$ 3,243,331	\$ 3,237,240
Interest-bearing	5,703,248	5,587,004
Total deposits	8,946,579	8,824,244
Securities sold under agreements to repurchase	328,017	327,224
Other borrowings	250,000	500,000
Accrued interest payable	6,485	9,319
Other liabilities	184,603	162,189
Total liabilities	9,715,684	9,822,976
<b>SHAREHOLDER'S EQUITY</b>		
Common stock	7,535	7,535
Surplus	35,664	35,664
Undivided profits	947,524	896,393
	990,723	939,592
Accumulated other comprehensive loss, net of tax	(23,417)	(35,000)
Total shareholder's equity	967,306	904,592
Total liabilities and shareholder's equity	<u>\$ 10,682,990</u>	<u>\$ 10,727,568</u>

# Statements of Income

(unaudited)

	(dollars in thousands)	
	Years Ended December 31,	
	2025	2024
<b>INTEREST REVENUE</b>		
Loans, including fees	\$ 429,983	\$ 391,917
Deposits with banks	16,332	31,775
Securities	48,924	63,069
Other interest and dividend income	2,542	2,977
Total interest revenue	<u>497,781</u>	<u>489,738</u>
<b>INTEREST EXPENSE</b>		
Deposits	113,573	130,319
Funds purchased and other borrowings	28,217	79,503
Total interest expense	<u>141,790</u>	<u>209,822</u>
Net interest revenue	355,991	279,916
(Recapture of) provision for credit losses on loans	(1,980)	9,210
Recapture of credit losses on off-balance sheet credit exposures	(75)	(750)
Total (recapture of) provision for credit losses	<u>(2,055)</u>	<u>8,460</u>
Net interest revenue after provision for credit losses	<u>358,046</u>	<u>271,456</u>
<b>NONINTEREST REVENUE</b>		
Fiduciary and investment services income	35,991	34,541
Bank and credit card fees	10,670	9,808
Service charges on deposits	6,772	6,198
Mortgage banking revenue, net	2,709	2,618
Other income	10,376	21,003
Total noninterest revenue	<u>66,518</u>	<u>74,168</u>
<b>NONINTEREST EXPENSE</b>		
Salaries and benefits	182,145	164,852
Occupancy, furniture and equipment expense	23,800	24,585
Software and data processing expense	31,052	28,551
Professional fees	6,167	6,553
Other expense	59,365	48,430
Total noninterest expense	<u>302,529</u>	<u>272,971</u>
Income before provision for income taxes	122,035	72,653
Provision for income taxes	26,938	15,455
<b>NET INCOME</b>	<u>\$ 95,097</u>	<u>\$ 57,198</u>

# Directors and Officers

## Board of Directors

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**Peter F. Stanton**

*Executive Chairman of the Board*

**John E. (Jack) Heath, III**

*Chief Executive Officer*

**Christopher H. Ackerley**

*Managing Partner, Ackerley Partners, LLC*

**Craig O. Dawson**

*CEO and President, Retail Lockbox, Inc.*

**Jinyoung L. Englund**

*Digital Service Expert, U.S. Department of Defense*

**Steven M. Helmbrecht**

*President and CEO, Treasury 4, Inc.*

**Michael J. Lee**

*President, Lakeside Industries, Inc.*

**John J. Luger**

*Managing Member, JDL Enterprises, LLC*

**Dennis P. Murphy**

*Chief Executive Officer, Hayden Homes, LLC*

**Peter D. Nickerson**

*Co-founder and Principal, Chinus Asset Management*

**Jeffrey J. Wright**

*Chairman, Space Needle Corporation*

## Administration

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**Peter F. Stanton**

*Executive Chairman of the Board*

**John E. (Jack) Heath, III**

*Chief Executive Officer*

**Kevin L. Blair**

*President*

**Jim D. Branson**

*Senior Vice President and Chief Operating Officer*

## Client Experience Administration

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**Tami T. Ferguson**

*Senior Vice President and Chief Client Experience Officer*

## Commercial Banking

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**Andy G. Beita**

*Senior Vice President and Chief Lending Officer*

## Compliance

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**Shannon M. Cowley**

*Senior Vice President and Chief Compliance Officer*

## Credit Administration

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**Steven K. Roberts**

*Senior Vice President and Chief Credit Officer*

## Finance

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**Benjamin R. Richardson**

*Senior Vice President and Chief Financial Officer*

**Nicholas K. Olsen**

*Vice President and Chief Accounting Officer*

## Human Resources

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**Katy J. Bruya**

*Senior Vice President and Chief Human Resources Officer*

## Information Technology

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**Michael A. Slama**

*Senior Vice President and Chief Information Officer*

## Internal Audit

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**Johanne Lapointe**

*Senior Vice President and Chief Auditor*

## Legal

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**Benjamin J. Loewen**

*Senior Vice President, General Counsel and Assistant Secretary*

## Wealth Management & Advisory Services

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**Alicia C. O'Mary**

*Senior Vice President and Managing Director of WMAS*



# Locations

## Washington

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### Bellevue

10500 Northeast 8th Street, Suite 1100

### Bellingham

2210 Rimland Drive, Suite 101

### Deer Park

903 South Main Street

### Ephrata

261 Basin Street Northwest

### Liberty Lake

1427 North Liberty Lake Road

### Marysville

Smokey Point – 2437 172nd Street Northeast, Suite L103

### Moses Lake

402 South Ash Street

### Pullman

670 Southeast Bishop Boulevard

### Quincy

509 Central Avenue South

### Seattle

601 Union Street, Suite 3100

### Spokane

Airway Heights – 10609 West State Route 2

East Sprague – 3510 East Sprague Avenue

Five Mile – 1906 West Francis Avenue

Indiana – 27 East Indiana Avenue

Lincoln Heights – 2415 East 29th Avenue

Main – 717 West Sprague Avenue

Manito – 3103 South Grand Boulevard

Maple & Garland – 3810 North Maple Street

Medical Center – 105 West 8th Avenue

Northgate – 7815 North Division Street

Second & Wall – 706 West 2nd Avenue

Wandermere – 438 East Hastings Road

### Spokane Valley

Sullivan – 407 North Sullivan Road

Valley Financial Center – 310 North Argonne Road

### Tacoma

950 Pacific Avenue, Suite 105

### Tri-Cities

Kennewick – 3250 West Clearwater Avenue

### Vancouver

1400 Washington Street, Suite 200

### Wenatchee

East Wenatchee – 523 Valley Mall Parkway

North Wenatchee – 1851 North Wenatchee Avenue

South Wenatchee – 759 South Wenatchee Avenue

## Idaho

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### Boise

Downtown – 901 West Bannock Avenue

Overland – 7802 West Overland Road

### Coeur d'Alene

218 East Lakeside Avenue

### Garden City

7309 West State Street

### Hayden

8050 North Government Way

### Lewiston

1518 21st Street

### Meridian

Meridian Financial Center – 3251 East Presidential Drive

### Moscow

222 East Troy Road

### Nampa

Idaho Center – 6010 East Franklin Road

Nampa – 2200 North Cassia Street

### Post Falls

1601 East Seltice Way

### Sandpoint

509 North 5th Avenue, Suite E

## Oregon

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### Bend

Bend Financial Center – 1219 NE 3rd Street, Suite 120

### Portland

760 Southwest 9th Avenue, Suite 1900

