

2026 Director's Roundtable

Risk Management 101 for Directors

Ojai, CA

June 10th, 2026



The
BakerGroup

Member: FINRA and SIPC
www.GoBaker.com | 800.937.2257

Oklahoma City, OK | Austin, TX | Long Island, NY | Salt Lake City, UT | Springfield, IL

Presented By:

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President and CEO
American Riviera Bank

ICBA Securities Announcement & Welcome Jim Reber!

Proudly Announcing

**The Baker Group Named Exclusive Endorsed
Broker-Dealer Provider for ICBA Securities**



**Welcoming *Jim Reber* to
The Baker Group**

Click link for more information.



The Baker Group
www.GoBaker.com

PLATFORM OF STRATEGIC SERVICES

Fixed Income Investing

- Strategic security selection process
- Full service broker-dealer

Education

- Timely topics and fundamental concepts
- Seminars and speaking events across the U.S.
- Quarterly strategy webinars
- Client specific training and education

Baker Funding Solutions

- Quick access to short- and long-term deposits
- No risk of core deposit cannibalization
- Efficient: single certificate per maturity
- No collateral required

Financial Strategies Group

- Decades of experience managing depositories
- Develop and implement custom solutions
- Executable strategies with step-by-step guidance

Asset Liability Management

- Industry leading, proprietary open model system
- Full regulatory and strategic support
- Risk mitigating strategies for managing interest rate risk
- Board/ALCO presentations

Baker Loan Solutions

- Loan participations and sales
- Enhance loan portfolio performance
- Improve liquidity
- Relieve concentration issues

Regulatory Support

- Policy reviews and development
- Exam prep and support
- Board/ALCO education and training

Public Finance

- Municipal advisory
- Competitive and negotiable underwriting
- Continuing disclosure service

PROPRIETARY PLATFORM AND TOOLS

Interest Rate Risk Monitor (IRRM®)

- Asset/liability management and IRR reporting system

Dynamic Liquidity Monitor (DLM)

- Interactive sources and uses reporting and modeling

Advanced Portfolio Monitor (APM®)

- Investment portfolio analytics and risk management



Baker Bond Accounting® (BBA)

- All accounting entries for investment portfolio and call report

Balance Sheet Overview and Peer Analysis

- Strategic planning document that highlights trends and opportunities utilizing call report data

Municipal Credit Regulatory Packet

- Performs required regulatory credit analysis on all municipal holdings in the portfolio

6-Month Free Trial

In today's volatile rate environment, effective tools and services are critical—our solutions equip your management team with the clarity, controls, and analytics needed to **manage risk and protect earnings**. That's why The Baker Group is offering community bankers a **six-month free trial** of our powerful Software Solutions* service package.

During your free trial you'll gain full access to tools and expertise designed to help you manage risk, optimize yield, and support strategic planning. You'll also have access to the latest market research and insight from our Financial Strategies Group. In addition, we'll invite you to participate in our seminars, webinars, and events to stay informed on the latest economic trends and understand how they may impact your balance sheet and investment portfolio.

Experience the difference. Start your free six-month trial and see how The Baker Group can help your institution perform at its best.

Baker's Software Solutions Service Package Includes:



Asset/Liability Analysis – Interest Rate Risk Monitor (IRR^M)

Your management team will find that The Baker Group's quarterly review of the loan and deposit information outlined in the Interest Rate Risk Monitor and Asset Liability Analysis is an effective tool in managing your risk and performance.

To obtain the resources you need to maximize the performance of your financial institution, contact our Financial Strategies Group at **800.937.2257**, or **FreeTrial@GoBaker.com**.



Bond Accounting – Baker Bond Accounting[®] (BBA)

The Baker Group will provide you with accurate, easy-to-read reports delivered electronically to you each month.



Investment Analysis – Advanced Portfolio Monitor (APM[®])

The Advanced Portfolio Monitor is a key monthly report that we utilize to help you measure, monitor, and manage the overall risk and performance of your investments.



Balance Sheet Liquidity – Dynamic Liquidity Monitor (DLM)

The Dynamic Liquidity Monitor allows users to simulate multiple “what if” scenarios to assess impacts on balance sheet liquidity. It is effectively a dynamic “sources and uses” model that enables you to adjust assumptions on a variety of things.



Jumpstart 2026 with The Baker Group

What can you expect from our team?

1st Quarter



We want to be an extension of the ALCO/bank to help achieve maximum balance sheet potential.

Economic Conditions & Federal Reserve Policy Outlook

Stagflation? Slow Growth, Weak Employment & Red Hot Inflation

- GDP grew 1.6% in Q1, while job growth has collapsed to a 5-year low
- The War in Iran pushed oil to \$100/bbl and inflation is spiking
- The Fed will be unwilling to cut rates this year despite slowing growth and weak employment as inflation is expected to rise sharply in the near-term

Employment

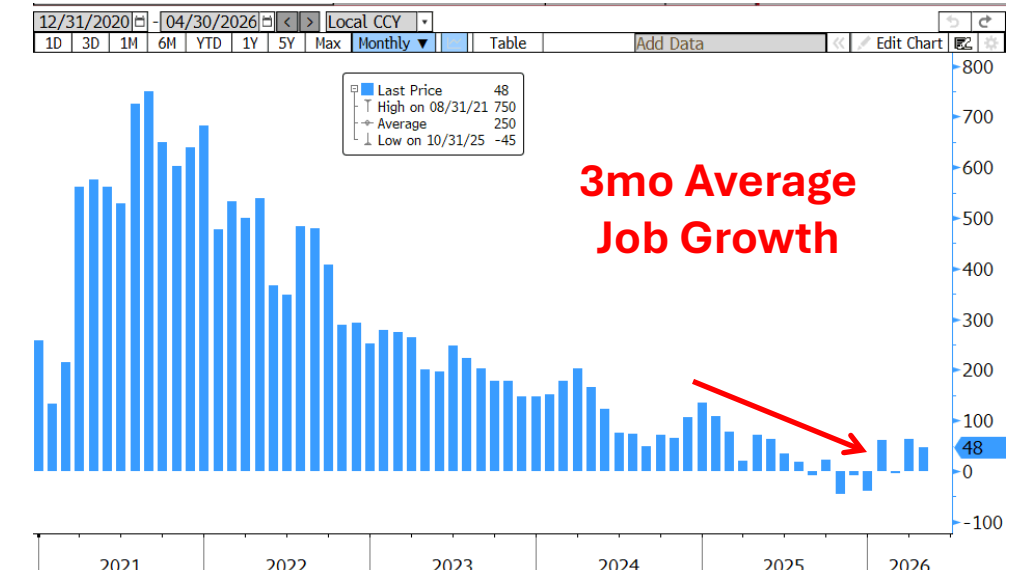
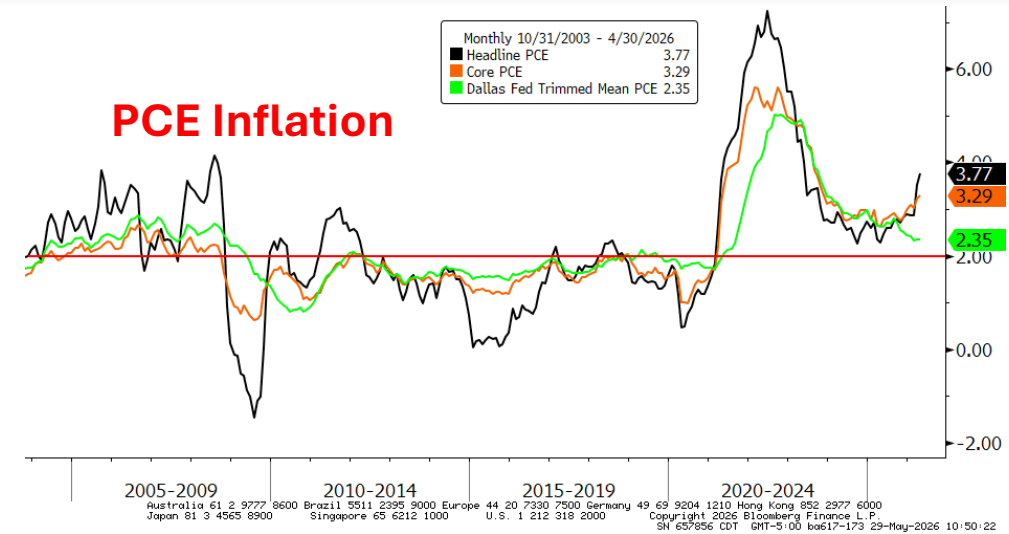
- There has been a marked slowdown in both the supply of and demand for labor
- The economy has lost jobs in 5 out of the last 11 months
- But labor force participation has fallen 0.7% since November, keeping the unemployment rate relatively steady

Inflation

- Headline CPI = 3.8%, Core CPI = 2.8%
- NY Fed 1-Year Inflation Expectation: 3.6%
- 10yr Breakeven Inflation = 2.5%

Federal Reserve Monetary Policy

- **The Fed remains divided between those that see employment as the greatest risk and those that see inflation as the greatest risk so the Fed will most likely be on hold indefinitely and assess the incoming data.**
- March FOMC: *"The implications of developments in the Middle East for the U.S. economy are uncertain."*
- Mar Dot Plot shows 25bp rate cut in 2026, 25bp in 2027
- Market is now pricing in 1 rate hike



A Fed in Transition

Who leads the Fed shapes how it balances its dual mandate.

Jerome Powell

FORMER FED CHAIR

- Data-dependent, gradual approach to rate decisions
- Prioritizes Fed credibility and institutional stability
- Cautious on rate cuts while inflation remains above 2% PCE target
- Prefers to see sustained disinflation before easing
- September 2024: began cutting — reversed course as inflation re-emerged
- First Chair to remain on the board since 1948.

VS

Kevin Warsh

NEW FED CHAIRMAN

- Favors faster, more decisive policy moves
- Markets-forward lens — believes Fed acts too slowly
- Critic of prolonged accommodative stance post-GFC
- Would likely prioritize price stability over employment in current environment
- Appointment would signal a more hawkish Fed posture

The Board's Role

Interest Rate Risk

Liquidity Risk

Credit Risk

Thank you!

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