

Client Since: 2009 | Asset Size: \$1.9B | Branches: 16

Net Interest Margin Performance:
Averaged **27 bps** above UBPR peer group each quarter since 2012.

CONSULTANTS

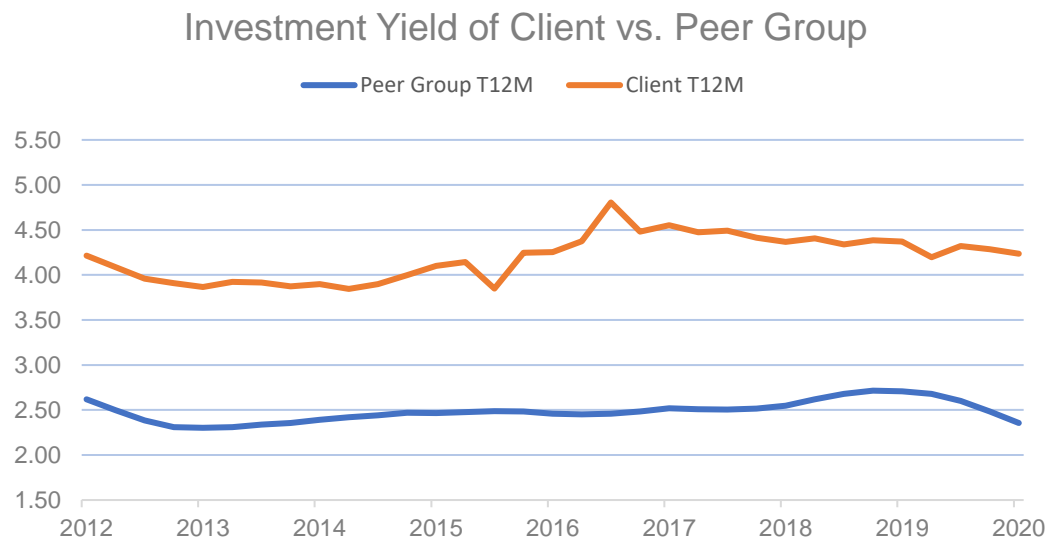


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Investment Yield Performance:
4.20% Investment Yield in 4Q2020, ranking in the **97th** percentile of the UBPR peer group.



The client's stock price increased **542%** from its IPO on October 6, 2008 through February 8th, 2021



We were a small bank with a small amount of investments and a large amount of cash on our balance sheet. Taylor Advisors helped us deploy our excess cash in investments, increase our net interest margin, and balance interest rate risk of our portfolio over a longer duration. As a result, we had a more balanced asset liability structure and we've increased earnings substantially.

Taylor Advisors Solutions

The bank and its subsidiaries initially utilized Taylor Advisors for investment advisory services. Goals were established regarding the credit quality of investments, duration of the portfolio, maximum allocation for various sectors of the fixed income market, and procedures for security execution. Over time, the bank's goals expanded to focus on increasing net interest margin and manage risks as the bank grew from \$200 million to \$1.9 billion in assets.



Investments

Taylor Advisors upgraded the bank's investment process through investment management from a whole-bank perspective, relative value analysis, access to exclusive new issue deals, and better execution, all while acting transparently as a fiduciary and enabling the bank to maintain control of the portfolio. **At the end of 2020, the bank's portfolio yield was 4.20% versus its peer group of 2.12%.**



Deposit Pricing

Implementing a tactical, research-based approach, Taylor Advisors created customized tools and strategies relating to non-maturity deposit accounts and stable funding sources. At the same time, benchmarking CD pricing for new customers while rewarding core relationships enabled the bank to achieve low funding costs.



Liquidity and Funding

Taylor Advisors introduced dynamic forecasting and stress testing tools to the bank, along with a comprehensive view of overall liquidity under various economic conditions, enabling the bank to gain confidence in proactive decision making. It is not only knowing what to invest in, but how much to invest.



Interest Rate Risk Management

As the bank grew and its asset liability mix changed, Taylor Advisors tailored the bank's pricing discussions to develop a profile that achieved high, stable margins regardless of the path of interest rates. Strategies relating to the mix, selection, and pricing of assets and liabilities were essential, along with recalibrating assumptions to ensure the bank did not overstate or understate its interest rate risk.



Capital Planning

Capital planning is a key focus for the bank as it has grown from \$200 million in assets to \$1.9 billion. Capital pro-formas and quarterly stress testing became key components of the bank's ALCO process, in addition to updating Capital Plans for strategic purposes. Taylor Advisors also provided feedback and recommendations on the appropriate capital structure to minimize shareholder dilution and maximize the use of capital, with levels appropriate for the bank's risk profile and strategic objectives.

Results

Since engaging with Taylor Advisors, the bank has transformed itself from a sleepy thrift to a darling on Wall Street. Through the engagement, Taylor Advisors has helped the bank with capital planning and stress testing, wholesale funding strategies, liquidity optimization, and sustained outperformance. The bank's investment portfolio initially was virtually non-existent, and Taylor Advisors helped construct the portfolio over time to its current attributes and superior performance.