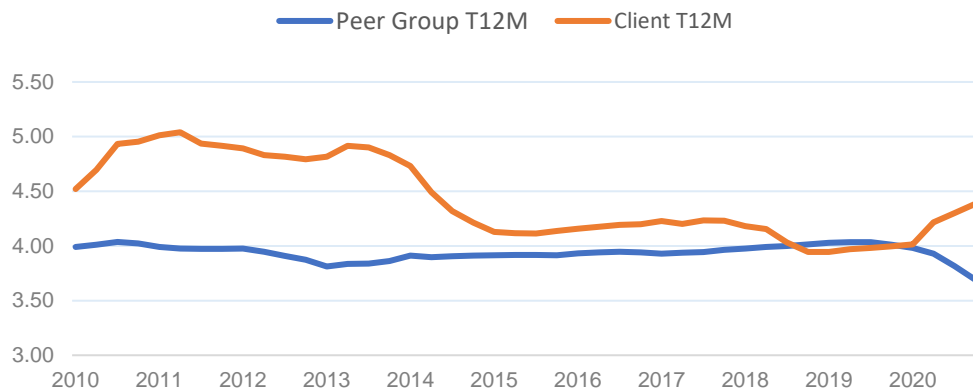


Client Since: 2010 | Asset Size: \$310M | Branches: 9

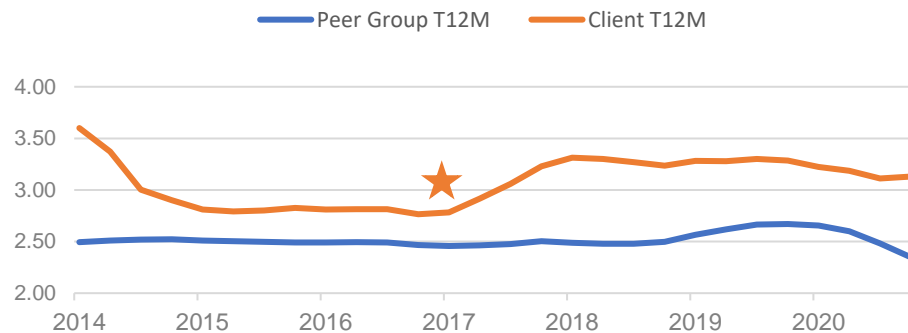
Net Interest Margin Improvement: 23 bps after working with Taylor Advisors for 1 year

Net Interest Margin of Client vs. Peer Group



The client's investment yield outperformed its UBPR peer group by an average of 72 bps per quarter over a 4-year period.

Investment Yield of Client vs. Peer Group



TA became client's investment advisor in Q1 2017

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Banks are awash with information – but what do we do with that information? And what Taylor Advisors does for us, is they help us understand the information and give us ideas and strategies based on that information. It's more than just investment advice and balance sheet management – we leverage that relationship to get ideas on how better to run the bank.

Taylor Advisors Solutions

Coming out of the Great Recession, improving profitability and growing were two primary goals of the bank. There were a number of challenges facing the bank in its efforts to achieve these goals.



Deposit Pricing | Goal: Maintain discipline in 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 | Goal: Manage liquidity, cash inflows, and cash outflows

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.



Interest Rate Risk | Goal: Monitor IRR and develop assumptions

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 Management | Goal: Manage and monitor capital to support growth

When the bank was preparing to conduct an acquisition and later, expand into a new state, Taylor Advisors developed pro formas to stress test the combined entity for credit deterioration and future balance sheet growth. 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.



Investment Portfolio | Goal: Grow and improve yield while managing risk

The bank's investment portfolio tripled in size from 2010 to 2020. 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 3.29% versus its peer group of 2.08%.**

Results

In the ten years that the bank has worked with Taylor Advisors, total assets have grown four times in size, the bank expanded into new states, and completed an acquisition. At the same time, the bank has maintained a net interest margin that outperformed its UBPR peer group by an average of 49 bps per quarter. With Taylor Advisors' help, the bank was able to achieve its goals of growing and improving net interest margin over time.

49

bps better than
UBPR peer