ALERUS FINANCIAL CORPORATION Q2 2026 EARNINGS CALL

JULY 30, 2026

Participants

Executives

Katie Lorenson, President, Chief Executive Officer and Director
Alan Villalon, Executive Vice President and Chief Financial Officer
James Collins, Executive Vice President and Chief Banking and Revenue Officer
Karin Taylor, Executive Vice President and Chief Operating Officer
Forrest Wilson, Executive Vice President and Chief Retirement Services Officer

Analysts

Jeff Rulis, Analyst; D.A. Davidson
Brendan Nosal, Analyst; Hovde Group
Damon Del Monte, Analyst; KBW
Nathan Race, Analyst; Piper Sandler
Kenneth Kohut, Analyst; Raymond James & Associates

Presentation

Operator

Good morning. And welcome to the Alerus Financial Corporation Earnings Conference Call.

Today's call will reference slides that can be found on Alerus' Investor Relations website. You can also view the presentation slides directly within the website platform.

Please note this event is being recorded.

This call may contain forward-looking statements. And the company's actual results may differ materially from those indicated in any forward-looking statements. Important factors that could cause actual results to differ materially from those indicated in the forward-looking statements are listed in the earnings release and the company's SEC filings.

I would like to turn the conference over to Alerus Financial Corporation President and CEO Katie O'Neill Lorenson. Please go ahead.

Katie Lorenson

Thank you. Good morning everyone. And thank you for joining us.

Joining me today on the call and in the Twin Cities is Forrest Wilson, Chief Retirement Services Officer; Al Villalon, Chief Financial Officer; Jim Collins, Chief Banking and Revenue Officer; and Karin Taylor, our Chief Operating Officer.

We are pleased with our second quarter performance and believe the results further demonstrate the strength of the Alerus franchise and the benefits of the diversified business model we have purposely built over many years.

Our second quarter results reflect disciplined execution across the organization with continued net interest margin expansion, solid performance from our fee-based businesses and a significant improvement in credit quality.

We generated earnings per diluted share of $0.81, delivered a return on assets of 1.6% and a return on tangible common equity of nearly 20%, underscoring the earnings power of our company.

The most significant highlight was the favorable resolution of the largest nonperforming loan and significantly improved credit quality metrics. Criticized loans have decreased over 60% from a year ago, with nonperforming loans now less than 20 basis points.

In addition, we maintained robust reserves at 1.2%, strong capital levels with TCE exceeding 9% and continue to return capital to shareholders through buybacks and dividends.

Importantly, this quarter highlights the advantages of a business model designed to generate balanced, sustainable growth, with noninterest income again representing more than 40% of total revenue.

Our commercial banking, wealth advisory and retirement and benefit services businesses continue to work together to create value for clients while producing recurring revenue to allow for consistent returns to shareholders.

While Al will provide additional detail on the quarterly financial results, we continue to measure our progress through the lens of long-term value creation and strategic execution. We are seeing the benefits of our shift towards full relationship commercial and private banking. We grew commercial relationships by more than 20%, expanded our core deposit franchise, increased fee-based revenues, and retirement and wealth assets reached record levels exceeding $50 billion.

We also continued to reduce commercial real estate concentrations and improve the overall quality of the balance sheet.

Most importantly, we see evidence that the evolution of our strategy is working. Since the launch of our IPO, we are increasingly gaining awareness from stakeholders that we are much more than just a traditional bank and instead a highly diversified financial institution with multiple engines for capital accretion and client growth. The performance demonstrates the durability of our earnings profile, the quality of our revenue streams and the advantages of a strategy designed to create long-term value.

The driver behind our performance is the talented team we have assembled across Alerus. We are fortunate to have hundreds of dedicated long-tenured team members alongside exceptional new talent that continues to strengthen our organization. Together, they have played a critical role in the evolution of our company and the execution of our strategic plan.

During the quarter, we continued to invest in leadership, growth markets, client-facing talent and technology capabilities. We announced the appointment of Dan Schrader as our permanent Chief Credit Officer. We expanded our commercial banking leadership and production talent in Arizona. We added new wealth management advisors in the Twin Cities and welcomed another class of interns.

Lastly, we landed an experienced technology leader from FIS to help accelerate the overhaul of our retirement platform. These additions are not isolated hires. They reflect our continued ability to attract and retain the best in the business professionals and support our belief that talent, leadership and culture are among the most sustainable competitive advantages in our industry.

As we look ahead, our priorities remain unchanged. We continue to position Alerus as a leading commercial wealth bank and a national retirement plan provider.

Our improved balance sheet profile, reduced CRE concentration, strong capital position and diversified earnings streams provide flexibility to pursue organic growth while maintaining our disciplined approach to risk management.

Investments in talent and technology will continue to drive operational efficiency, automation and scalability throughout our enterprise.

Within our retirement division, we believe the technology transformation currently underway will further strengthen our position as a consolidator of choice for subscale operators across the industry.

At the same time, our commercial and private banking teams continue to see attractive opportunities to deepen middle market relationships, grow treasury management, explore opportunities for wealth and retirement and add HSA and other synergistic deposits.

We remain confident in our efforts and believe Alerus is uniquely positioned as very few organizations of our size operate with the same level of diversification, recurring revenue and relationship-driven growth.

We believe those advantages will continue to differentiate Alerus with clients, future acquisition targets and investors. Thank you again for your continued trust and support. And with that I'll turn the call over to Al to review the quarter in more detail.

Alan Villalon
Thanks, Katie.

Let's start on Page 9 of our investor deck which is posted on the Investor Relations section of our website.

Before I begin, I want to emphasize three themes that define the quarter: durable earnings, significant credit improvement and continued shareholder value creation.

In the second quarter, we delivered another exceptionally strong quarter, highlighted by strong profitability, improving balance sheet quality, stable core margin performance and continued capital generation.

We generated adjusted diluted EPS of $0.80 and reported EPS of $0.81, while repurchasing $6.8 million of common stock during the quarter.

Profitability remained strong with a return on average tangible common equity of 19.33% and a return on average assets of 1.6%. Adjusted pre-provision net revenue continued to improve.

We also grew tangible book value per share -- we also grew tangible book value per share of 3.2% from the prior quarter to $18.73 and improved tangible common equity to tangible assets to 9.05%. These are high-quality results, and we believe the quarter demonstrates the strength of the franchise.

While earnings remained strong, the most important financial takeaway was balance sheet quality, reduced nonperforming assets by 68.3%, increased tangible book value per share and returned meaningful capital to shareholders through dividend increases and share repurchases.

We are proud of our over forty-year history of returning capital to our shareholders, especially in the form of dividends.

Let's turn to Page 16 to talk about earning assets. Loans were stable during the quarter as new production offset planned balance sheet actions and reductions in nonperforming loans. We continue to see healthy client activity and pipelines remain robust. The investment portfolio increased $5.9 million or 0.8% from the prior quarter as paydowns and maturities were replaced with new investments. We continue to benefit from reinvesting paydowns at higher front book yields.

Our balance sheet is positioned neutrally for interest rates due to strategic loan and investment portfolio repositioning. In a 100 basis point increase or decrease scenario, we do not expect NII to be significantly impacted.

While future rates remain uncertain, we believe that the balance sheet is positioned appropriately across a range of rate scenarios.

Turning to deposits on Page 17.

Total deposits decreased $156 million or 3.6% from March 31, 2026. The decrease was primarily driven by seasonal outflows of public depositor funds. Despite the seasonal outflows, our loan-to-deposit ratio was 96.2%. Deposit costs remain stable, and the mix of relationship-based deposits remains a key strength of the franchise.

Synergistic deposits now represent 22.6% of total deposits and continue to provide a meaningful funding advantage. Those synergistic deposits grew 3.3% over the prior year, primarily from low-cost HSA deposits. Their continued contribution reinforces the strategic value of our integrated banking, wealth, retirement and benefit services model.

Our synergistic deposit franchise remains one of the strongest competitive differentiators in our business model and continues to provide a funding advantage that is difficult for many peers to replicate. This matters in the current environment where deposit quality, stability and cost discipline remain top priorities.

Turning to Page 18.

Net interest income increased 6.2% to $47.7 million and reported net interest margin increased to 3.97%. Core margin remained stable from the prior quarter which we view as a strong outcome given the current operating environment. Reported results benefit from purchase accounting accretion and the resolution of a nonperforming loan.

But overall, we continue to feel good about the positioning of the balance sheet and our margin outlook.

Turning to Page 19.

Adjusted noninterest income increased to $32.3 million, up 4.6% from the prior quarter and up 8.6% from the second quarter of last year. Adjusted banking fees and other income increased 16.3% linked quarter, primarily driven by higher swap fee income and mutual fund investment gains related to deferred compensation plan assets, partially offset by lower mortgage banking revenue.

Retirement and benefit service revenue was also -- was essentially stable, while wealth revenue increased 6.5% due to higher asset-based fees tied to equity markets and an increase in transaction-based fees. These businesses continue to demonstrate the strategic value of the Alerus model by generating stable recurring fee income and attracting low-cost relationship deposits and diversifying earnings. That diversification continues to lower our dependence on spread income and remains a meaningful differentiator for our company.

On Page 20, banking services noninterest income increased $1.7 million or 27.2% from the prior -- from the first quarter. Other income increased meaningfully primarily due to higher swap fee income which totaled $738,000 in the quarter.

As we noted before swap fee revenue can be variable based on client timing and activity. Mortgage revenue decreased to $0.3 million or 9.6% from the first quarter, primarily driven by lower gain-on-sale margins from product mix changes and increased competition.

Turning to Page 21.

Retirement and benefit services continues to be one of Alerus' most significant differentiators. It generates recurring fee income, low-cost deposits and long-term client relationships while supporting more stable performance across economic cycles.

During the quarter, market appreciation supported higher retirement assets and continued growth in our HSA deposit base which remains an attractive source of funding.

On Page 22, our wealth business continues to produce strong results while supporting broader client relationships across the organization. Wealth contributes meaningful recurring fee income and relationship-based deposits while helping diversify earnings beyond traditional spread revenue. Alerus' wealth business is differentiated with nearly 90% of the revenue coming from advisory services.

Turning to Page 23.

Adjusted non-interest expense increased $2.4 million or 4.8% compared to the first quarter. The increase was primarily driven by compensation and benefits including annual merit increases, talent additions and deferred compensation plan liabilities tied to market gains.

Other expense increased due to higher other real estate owned balances and related holding costs as well as higher corporate insurance costs.

Business services, software and technology expense declined due to lower core processing expenses and lower IT hardware expense. We continue to manage expenses carefully while investing in growth areas that support long-term scalability.

Turning to Page 24.

Asset quality is one of the strongest parts of the quarter. Credit quality improved significantly during the quarter. Nonperforming assets declined over 68%, criticized loans declined meaningfully and charge-offs were substantially lower than the first quarter. Overall, we made significant progress improving balance sheet quality and reducing risk.

On Page 25. Capital and liquidity remained strong. Tangible book value per share increased to $18.73, and tangible common equity to tangible assets improved to 9.05%.

CET1 increased to 10.81%, and total risk-based capital remained comfortably above regulatory requirements. Total liquidity was approximately $2.6 billion at the end of June 30 or approximately $1.5 billion, excluding brokered CD capacity.

During the quarter, we repurchased $6.8 million of common stock at an average price of $27.10 per share, reducing common shares outstanding by 250,000 shares at the end of the quarter.

We also increased the quarterly dividend by 4.76% to $0.22 per share. Through the first six months of 2026, we returned $23.6 million to shareholders through dividends and repurchases.

We are pleased to simultaneously increase tangible book value, repurchase shares, increase the dividend and strengthen regulatory capital ratios during the quarter. The increase in tangible book value per share, combined with share repurchase and dividend growth demonstrates our continued focus on disciplined shareholder value creation.

Our capital allocation priorities remain consistent, support organic growth, return capital opportunistically when it creates value and maintain flexibility for strategic opportunities.

Turning to Page 26.

Our 2026 guidance framework has improved and reflects continued disciplined growth, stable core margin trends and positive operating leverage.

As we enter the second half of the year, we remain encouraged by our performance in the first six months and believe Alerus is well positioned to achieve our full year objectives. We continue to expect mid-single-digit loan growth and low single-digit deposit growth.

We now expect full year reported net interest margin of approximately 3.7% to 3.8%. Our confidence in the outlook is supported by stable core margin trends, favorable loan and investment repricing and the overall positioning of the balance sheet. We expect revenues to be up mid-single digits.

Within that guide, we do anticipate lower mortgage originations with the market currently pricing in potential rate hikes. Noninterest expenses will increase low to mid-single digits as we anticipate more strategic hirings. Lastly, we continue to expect full-year ROA to be above 1.25%.

In summary, the second quarter reinforced what makes Alerus unique. We generated strong returns, credit quality improved, we grew tangible book value, strengthened capital and leveraged a diversified business model that continues to differentiate us from many of our peers. We entered the second half of 2026 with strong momentum, strong capital and confidence in our ability to continue creating long-term value for shareholders.

With that, let's go to Q&A.

Questions and Answers

Operator

(Operator Instructions) And the first question is coming from the line of Jeff Rulis of D.A. Davidson.

Jeff Rulis
Al, I guess on the margin, the full year guide, I guess, would reflect or imply a pullback of reported in the 3.60% range. Do you have the -- sorry, hopping at loan yields a little bit, 6.24%. Do you have that x recovery for the quarter? And as well as do you have the spot loan yields at the quarter end?

Alan Villalon
So Jeff, can you just help me understand the question a little bit further? So our guidance has the recovery. It's a full-year guide with the recovery already in there.

Jeff Rulis
Right. And I hopped then to loan yields, sorry for the transition.

Well one, I was just -- I guess, the first question is implying that the reported 3.60% range in the back half of the year is -- would get you in that midpoint of the range for the year. Is that fair?

Alan Villalon
If I'm understanding the question correctly, yes. I mean we're looking -- I mean our core margins have remained stable at end of June. We're in the mid-3s right now. Is that helpful?

Jeff Rulis
Got you. Maybe switch gears, Al, on the expected accretion in the second half of this year and '27 if you have that.

Alan Villalon
Yes. I have that. The expected accretion is going to decrease to roughly a couple of hundred thousand dollars in each quarter.

So last quarter, we had -- that's anticipated paydowns. This quarter, we had over $3 million of total accretion. But on a contractual basis, we're expecting around $1.9 million for 3Q.

Jeff Rulis
Okay. Appreciate it.

Well you had got enough guide there that we can get back into a couple of those. Maybe on the -- switching gears to the -- just the loan pace, given the -- I guess, the full year would assume that net growth really gained some steam ahead and maybe that -- the assumptions behind that, do you expect sort of payoffs to slow and begin to show a little bit more net growth in the second half?

James Collins
Yes. I would say -- this is Jim Collins. The pipeline right now is the largest and most robust since I've been here in four years. Like we discussed in the first quarter, the growth would really happen in the back half of this year.

We worked really hard the last eight months with credit and the line, working through some credit issues, kind of cleaning up the portfolio and really building that C&I pipeline.

Second quarter, we put on 30 full mid-market C&I relationships. One of those was a regional nonprofit that is bringing 40 accounts with an average collected balance of about $30 million. Once all those deposits flow in which hasn't happened yet, about half of those have come in.

Just this week, we approved a loan package of $28 million for a new client, and that client will walk in with $30 million in deposits. So just a couple of examples of what we are doing.

So the strategy is working. We're staying the course. We're working on full C&I relationships. We brought in a team that is focused on C&I relationships. They're a little harder. It's a longer lead time for C&I. But as you see, we are bringing down the CRE, growing C&I. That was the plan. That's the strategy. It is working. But I will tell you that, that was the plan, and we will have more growth in the back half of this year.

Jeff Rulis
And just one follow-on is just the, I guess, the earning asset balance, do we expect that to match really loan growth? I thought I heard some, you expect to reinvest in the securities portfolio, but the -- I guess, the growth of the earning asset base, do we think that's going to match the loan growth pace for the second half?

Alan Villalon
Yes. We do believe that. This is Al.

Operator
The next question is coming up from the line of Brendan Nosal of Hovde Group.

Brendan Nosal
Maybe to start off here on kind of capital and M&A. Stock as a currency, again, capital is a lot stronger than it had been a year ago. Can you just update us on your appetite for whole bank M&A at this point and perhaps walk through what would be of interest in terms of size, geography, business characteristics, anything like that?

Katie Lorenson
Sure. I'll take that.

As we have talked about, the capital priorities remain the same. We are very focused on organic growth, client selection, investing -- reinvesting in ourselves in terms of talent, technology and capabilities that really strengthen our franchise for the long term. Capital commitments or returning to shareholders has been very clearly demonstrated over many decades of this franchise.

But strategic acquisitions are also a very enterprise strength of ours, and we remain committed to pursuing those that fit our culture, enhance our capabilities and meet our return thresholds. And so when we look strategically for acquisitions, those are the three buckets. And again, retirement, we're agnostic to location because it's a national business.

We believe we are viewed as a consolidator of choice for those subscale operators. From a banking franchise standpoint, we look for -- again, middle of the country is kind of our geographic focus.

From a size standpoint, we're more so looking at the client base and what it can bring to us in terms of enhancing our franchise.

Brendan Nosal
Okay. Maybe turning back to the outlook, a little bit more top level.

So you're adding 15 basis points to the full year margin outlook. You maintained the other components of revenue including loan growth and fee income, but you're keeping the same revenue outlook. So help us understand why the margin outlook is better, but the revenue outlook is unchanged.

Alan Villalon
Yes. That's pretty simple, Brendan. Basically, we're forecasting lower originations from our mortgage business, given there's a higher probability of a rate hike coming in September. We are seeing a slowdown in our pipelines right now. So that's kind of the offset that we're anticipating for the back half of the year.

Hopefully, it will be better than that. But right now we're just trying to be -- given the market prediction for more rate hikes in September, we just wanted to give the more cautious guidance on that.

Operator
The next question is coming from the line of Damon Del Monte of KBW.

Damon Del Monte
I just had a question on the paydowns that occurred this quarter. How much of that was just normal CRE paydowns like we're seeing across the industry? And how much of it was sort of like Alerus-specific targeted where you're looking to maybe exit some credits that you weren't comfortable with?

Alan Villalon
So what I can tell you right now on -- we had total pays, Damon, of overall -- the total purchase accounting accretion about $3.8 million, okay? And $2.1 million of it was base. The regular payoffs -- the accelerated payoffs of $1.8 million, I would say, it is a broad mix.

Damon Del Monte
Got it. Okay. And then a little bit more specifically, are you guys kind of going through the portfolio and exiting certain credits that maybe aren't meeting your standards today versus when they were originated? Did that also contribute to the paydowns in the quarter?

Karin Taylor
Yes, Damon, this is Karin.

It did. As Jim mentioned, our teams in credit and banking have worked very hard to identify credits that either had deteriorated or just weren't core to our business going forward. And we feel really good about the progress those teams have made.

James Collins
And that will be a standard culture of ours going forward for the portfolio.

Damon Del Monte
Got it. Okay. And then the loan guidance for mid-single digits, I mean pretty much flat for the first half of the year. So I mean that would kind of imply close to 10% linked quarter annualized for each of the next two quarters. Is that a reasonable way to look at it? Or do you think that it's maybe a little less in the third quarter and then a really strong finish to year end?

James Collins
Yes. I think that's a way to look at it. We have a pretty good solid pipeline, but we'll have a good solid push at the end of the third quarter, and we should have a good push in the fourth quarter.

Damon Del Monte
Got it. Okay. And then I guess just lastly on like the provision outlook, Al, any guidance on kind of what you think a normalized provision level would be?

Alan Villalon
I don't want to step on Karin's toes, so I'll let you take that one.

Karin Taylor
The provision is going to be driven by loan growth at this point. And I think the level that we're at now is probably reasonably where we're going to be.

Operator
Our next question is coming from the line of Nathan Race of Piper Sandler.

Nathan Race
While Karin has the microphone, curious how you're thinking about kind of the normalized charge-off trajectory for Alerus going forward. Obviously some meaningful credit cleanup occurred in the quarter.

So just curious how you are looking at kind of what loss content could look like, just given all the enhancements across the franchise over the last several years and particularly just given the cleanup here in 2Q?

Karin Taylor
Sure. Certainly, the back half of this year, we'll see reduced levels. I think back to our long history, probably 25 years plus, our average charge-off rate was in that 25 to 27 basis points range. And I think ultimately, that's where we're going to end up going into the future.

Nathan Race
Okay. Great. And then just going back to the margin, Al, just hoping to unpack some of the moving pieces on the right side of the balance sheet that you expect in the back half of the year. It looked like borrowings were up on both an average and period basis in the quarter.

So just curious what you guys are seeing in terms of kind of the core deposit gathering pipeline to fund that growth? Or do you anticipate kind of working on wholesale funding which maybe kind of aligns with kind of your margin guide of kind of in the mid-350s for the back half of the year which is kind of consistent with what we saw here in 2Q when you strip out the recoveries and accretion? So I just want to make sure I'm thinking about those moving pieces properly.

Alan Villalon
Yes. Thanks for that question, Nate. I'll take the first part, and Jim can comment on the pipelines.

In terms of what we're seeing in the back half of the year, we are anticipating a little bit more rising cost on our deposit costs given the rate hikes. We're hoping to lag it some, but we know that deposit competition is pretty intense right now.

With that being said too, we did refinance our sub debt recently too, which put a little bit more pressure on our funding costs, but we do not anticipate too much use of wholesale funding to fund our loan growth here because we do believe that our deposits -- we should have deposit growth to offset it, but we have plenty of liquidity to offset too to fund that growth if we need to tap into it.

James Collins
Yes. And getting to the deposit pipeline, as I said, the full pipeline is pretty robust. That does still include the deposit pipeline. So that still goes to the forecast of deposit growth in the low single digits.

Our government nonprofit group is certainly trucking along really nicely on deposits. But again, those mid-market clients carry some decent deposits to fund part of that loan growth as well.

Nathan Race
Okay. Got it. And then maybe I can sneak one last one in for Katie. You guys and Alerus have always been quite proactive investing in technology, of course. With all the AI chatter out there these days, I imagine that's going to create some incremental opportunities going forward.

So just curious kind of where you're seeing some early applications for AI and maybe what that can mean for some improvement in terms of just the optimization of some areas of the franchise going forward.

Katie Lorenson
Yes, great question. And that is -- that has been a huge focus of us and particularly one of our top priorities in 2026. We are making investments. And we're making them in some very targeted areas where we have a really long-term high conviction for future returns, particularly as we've discussed in modernizing the retirement platform.

And so as I mentioned in my opening remarks, it's -- the technology is great, but it's all about the talent leading the technology. And so a big win for us to land one of the professionals from FIS, who has -- will be instrumental in that modernization of retirement platform which we think is one of the areas that has the most opportunity in terms of AI, automation, scalability and all of which we believe results in improving margins and improving scalability in every one of our divisions.

So those investments are ongoing, and we are running pretty fast and hard, and I'm really pleased with the success that I'm seeing the teams have early on.

Nathan Race
Okay. That's really helpful.

I'm sorry, Al, if I could just sneak one more in on expenses. The other line was up about $900,000 quarter-over-quarter. Anything to call out there?

Alan Villalon
Yes. Part of that other line on expenses that we have a deferred comp plan where there's an increase in liabilities that gets booked as an expense, but are offsetting other revenues that also flows through too.

Operator
Next questions come from the line of Ken Kohut of Raymond James.

Kenneth Kohut
Maybe starting out with asset quality. I'm just wondering if -- do you expect any more charge-offs related to that one C&I credit that drove the elevated charge-offs in 1Q and a little bit more in 2Q? Or do you think you have a good handle on that one right now?

Karin Taylor
Well we could see some. I think they're going to be at a much lower level. We do have -- continue to have about $1 million reserve on that.

So as I said earlier, the charge-off level in the back half of the year is going to be quite a bit lower.

Kenneth Kohut
Okay, great. And then regarding the residential property and apartment complex that was moved to OREO during the quarter, how long do you expect these assets to remain on the balance sheet? And then what are the associated costs with managing these properties in the meantime? I believe you called that out in the press release regarding the increase in other expenses. But any color would be great.

Karin Taylor
Sure. The residential property we expect to resolve by the end of the year and some of the holding costs associated with that were just some minor improvements that needed to be made.

So I don't expect that to be ongoing. The apartment building is actually in receivership, so there are costs related to the receiver with that building. And that one will more likely be resolved in the first half of '27.

Operator
This concludes today's Q&A session. I would now like to turn the call back over to Katie for closing remarks.

Katie Lorenson
Thank you. Thank you to our shareholders, our analysts and our Board of Directors for your ongoing confidence and support. Most importantly, thank you to all of our team members across Alerus. The results that we discussed today are a direct reflection of their commitment to our clients, our strategy and to one another. And while we are proud of our performance, we also recognize that success is never final.

We remain committed to balancing strong financial performance today with thoughtful investments in talent, technology and growth opportunities that will strengthen Alerus for the future. That discipline has helped us to build a more diversified, resilient company, and we believe positions us well to continue creating long-term value for our shareholders. Thank you again for joining us today.

Operator
This now concludes today's presentation. Thank you so much for joining. And you may now disconnect.