



ALERUS FINANCIAL CORPORATION Q4 2025 EARNINGS CALL

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Participants

Executives

Katie Lorensen, 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

Brendan Nosal, Analyst; Hovde Group
Jeff Rulis, Analyst; D.A. Davidson
Nathan Race, Analyst; Piper Sandler
Damon Del Monte, Analyst; KBW
David Long, Analyst; Raymond James

Presentation

Operator

Good morning. And welcome to the Alerus Financial Corporation Earnings Conference Call (Operator Instructions) 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 webcast platform. (Operator Instructions)

Please note this event is being recorded. This call may include 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 in the company's SEC filings. I would now like to turn the conference over to Alerus Financial Corporation President and CEO, Katie Lorensen. Please go ahead.

Katie Lorensen

Thank you. And good morning, everyone. Thank you for joining us. I appreciate this opportunity to share reflections on the year and offer some perspective of the strategic position and momentum of our company as we enter into 2026.

Joining me today is Alerus CFO, Al Villalon; COO, Karin Taylor; Chief Banking and Revenue Officer, Jim Collins; and Alerus Chief Retirement Services Officer, Forrest Wilson.

2025 was a milestone year for Alerus in which we demonstrated not only strong core financial performance but significant execution of major strategic initiatives that positions the company for sustainable organic growth and a return to top-tier profitability and performance.

I'm incredibly proud of the team, not just for the financial results including posting a core ROA of 1.62% this quarter, but for the collaborative efforts to accomplish these initiatives during the year.

It is evident through our ability to set goals, hold each other accountable and exceed expectations that the leadership team and the talent throughout this company is exceptionally strong indeed.

One of the most notable accomplishments of 2025 was delivering results well above our committed targets, both financial and nonfinancial in our first full year of operating as a combined organization with Home Federal.

We delivered an adjusted ROA of 1.35% and an adjusted efficiency ratio of 64.45%, in addition to a net retention rate of deposits close to 95% and critical retention of key talent throughout the organization. These results solidify our integration capabilities of aligning people, systems, resources, and culture quickly and effectively.

Our focus in 2025 was to continue to enhance our commercial bank and to sustainably improve returns while focusing on our long-term strategy.

In the back half of the year, we executed a purposeful deleveraging plan, actively managing loan paydowns and pruning marginal credits to strengthen our balance sheet and improve our flexibility.

As we saw success in these initiatives, we took disciplined action to sell our legacy low-yielding available-for-sale securities portfolio. This balance sheet repositioning improved our earnings power going forward, reduces our AOCI volatility, enhances capital generation capacity and gives us greater flexibility for lending in our markets.

The deliberate steps we took position Alerus for stronger performance and tangible book value growth in 2026 and beyond and demonstrates our commitment to creating long-term sustainable value for our clients, our communities, and our shareholders.

On the banking side, we saw a steady build in momentum throughout 2025, especially in the second half of the year. Excluding the purposeful reductions in CRE, the targeted loan sales, and our selective managing of renewals, organic loan growth for the year would have been closer to mid-single digits.

Of note, our strategic entry into the mid-market C&I space gained real traction as we move through the year, and we enter 2026 with strong pipeline.

Organic core deposit growth also picked up momentum in the back half of the year with the focus shifting from attention as the team members work through the deposit systems conversion.

We are seeing some nice large opportunities for mid-market and government after-profit treasury management in early 2026 which should enhance our deposit growth through the year.

From a margin perspective, strong pricing discipline on both sides of the balance sheet throughout the organization drove the core NIM higher. Nonperforming loans ticked up higher with the migration of an acquired purchase participation that was previously identified as a problem loan. This is a multifamily property in the Twin Cities with a 15% reserve and it should resolve relatively quickly.

Our largest nonperforming exposure continues to be a large multifamily loan in the Twin Cities with a book balance of approximately \$32 million. This property now has multiple offers and is currently 74% leased.

We are reserved at about 17% and continue to expect resolution by midyear. Leading credit indicators showed meaningful improvement over the second half of 2025 including a 30% reduction in criticized asset levels.

While we had another quarter of net recoveries and a slight reserve release, the allowance for loan losses remained robust at 1.53% of total loans.

In addition, capital accretion boosted the TCE ratio to 8.72% putting the balance sheet in a strong position for organic loan growth. Moving on to our ultimate differentiator, our fee income businesses, where we grew core revenues 7% year-over-year.

Although our most recent acquisitions have been strategic bank additions in key markets like Rochester, Minnesota and Phoenix, Arizona, we have maintained fee income at over 40% of total revenues, almost three times the average of most financial institutions. Notably, we ended the year with assets in our retirement and wealth divisions at nearly \$50 billion or ten times the assets in our Banking division.

Our retirement division delivered strong results including robust sales, continued better-than-industry client retention and growth in plans and participants. We ended 2025 with the strongest revenue momentum this division has seen. Momentum, we believe, will continue into 2026 and beyond.

Our retirement business remains integral to our overall success, providing over a quarter of the company's funding and serving as a powerful internal source of wealth management opportunities.

In 2025, we continue to expand our national presence through partnerships anchored in our distinguished reputation for outstanding client service. As the 25th largest provider in the country and with a new leadership team in place, we will continue to invest in technology and AI to enhance scalability and improve margins.

During the year, we successfully converted our entire wealth business onto a new system, achieving 100% client retention thanks to excellent execution by our support teams and the high-touch service delivered by our wealth advisers.

This reinvestment strengthens our foundation and positions us to advance our strategic plan to double the number of advisors across the Alerus franchise with the aspirational goal of growing our wealth assets at the same pace as our banking assets.

Earlier this month, we finalized the first step in building our next-generation team with a selection of our new wealth management leader, an experienced professional with deep expertise in wealth, trust, and institutional advisory and a proven ability to recruit talent and drive key strategic initiatives.

On a core and reported basis, we saw strong operating leverage even as we modernize our systems, implemented new core platforms and strengthened our digital capabilities, while we produced record levels of sales throughout many of our business lines.

We did this all while managing our head count down over 6% from its peak in October 2024. These upgrades allow us to move faster, create more consistency in client experience and operate with greater scalability. They also ensure we're building a future-ready organization, one that is ready to embed AI and automation where it improves quality, efficiency, and client insights.

CET1 capital levels ended the year at 10.28%, up from 9.91% a year ago, giving us ample flexibility to support growth, sustain our dividend and selectively pursue opportunities.

Our primary focus remains on organic growth and strategic hiring as we continue to see meaningful talent and market share opportunities stemming from recent M&A disruption in the Twin Cities.

As the second largest locally-led financial institution in the market with \$55 billion in banking wealth and retirement assets, nearly \$300 million in adjusted revenue and over \$600 million in market cap, Alerus is well positioned to capture this momentum.

Over the past several years, we have successfully listed out high-performing teams and professionals, leveraging our deep expertise in C&I, private banking and wealth management.

The strong synergies across these business lines, combined with our expanding physical and brand presence in the Twin Cities position us to continue attracting top talent, growing C&I relationships and serving more high net worth clients. As we enter 2026, we do so from a position of strength and are set for continued momentum.

We have a unified and clearly defined strategy, a modernized operating environment, a derisked future-ready balance sheet, durable, diversified revenue engines across banking, wealth and retirement, strong capital liquidity, a deep leadership team built for the next chapter and a culture centered on accountability to each other, our shareholders, our clients and our communities.

We expect to continue generating positive core operating leverage, expanding tangible book value and delivering top-tier long-term returns. The work we did in 2025, integrating, modernizing, derisking and aligning creates the conditions for stronger and more consistent performance in the years ahead. With that, I will hand it over to Al Villalon.

Alan Villalon

Thanks, Katie. Before I start, let's recap at a high level, 2025, as you can see on Page 8 of our investor deck that is posted on the Investor Relations part of our website.

We just posted record adjusted earnings and over 21% adjusted return on tangible equity after the biggest acquisition in company history. Also we continued our strategic balance sheet repositioning to ensure continued success in driving shareholder value creation.

For the past several years, the company's risk and return profile has dramatically improved for the better. Change takes time and change will continue as the environment changes. I will now jump to Page 11 of our investor deck to go over our financials in more detail.

On a reported basis, net interest income increased 4.7% over the prior quarter, while adjusted noninterest income increased 8.3% which excludes the loss on securities and other one-time items. Net interest income grew due to a decrease in our cost of funds. Fee income grew as revenues grew both in our retirement and wealth segments.

Overall, fee income, excluding the loss on securities, continues to remain over 40% of revenues and over double the industry average.

Let's dive into drivers of net interest income on the next slide. Turning to Page 12 in the fourth quarter. Net interest income continued to reach new heights at \$45.2 million, and our reported net interest margin increased to 3.69%. Total cost of funds decreased 16 basis points to 2.18%.

We also had 52 basis points related to purchase accounting accretion and nonrecurring items in the quarter. Excluding these 52 basis points, core interest margin was 3.17%, a 12 basis point improvement from the third quarter. We continue to remain disciplined in pricing on both loans and deposits.

In the fourth quarter, we saw new loan spreads of 258 basis points over Fed funds while deposit costs were coming out of 116 basis points below Fed funds. These spreads make up what we call a new business margin of 374 basis points.

This is a very strong margin which we continue to expect to build core net interest income and will replace purchase accounting accretion. Let's turn to Page 13 to talk about our earning assets.

At the end of the fourth quarter, loans decreased 1.3% over the previous quarter. The decrease in loans was driven by strategic downsizing of the loan portfolio to help improve our overall risk profile. As previously mentioned, we pushed out credit risk from noncore loans and did not renew certain relationships.

Overall, our loan mix remains around 50% fixed and 50% floating. On investments, we sold \$360 million of available-for-sale securities which represented over 68% of total AFS securities. The securities sold had an average weighted yield of 1.7% and a weighted average duration of 5.1 years.

Proceeds on the securities sale were reinvested into new investment securities with a weighted average yield of 4.7% and a weighted average duration of just over three years. Excluding balance sheet derivatives, we remain slightly liability sensitive. Any 25 basis point cut in Fed funds should help improve our net interest margin around 5 basis points. Turning to Page 14.

On a period ending basis, deposits declined 5%, mainly due to calling in of over \$165 million in broker deposits and the running off of another \$45 million in other wholesale funding to optimize our cost of funds. Excluding the intentional optimizations, deposits declined approximately only \$10 million or 0.2% from the prior quarter. Despite the overall decline in deposits, our loan-to-deposit ratio was 96.6%.

Lastly, since the close of the acquisition of Home Federal, our deposit retention rate remains close to 95%. Turning to Page 15.

I will now talk about our banking segment which also includes our mortgage business. I will focus on the fee income components now since net interest income was previously discussed. Mortgage saw only a 4.2% decrease in originations during the quarter.

We usually see a bigger seasonal slowdown in mortgage, but we saw refi activity pick up in the fourth quarter. Currently, we are seeing the usual slowdown in originations as January is off to a slower start. Lastly, we saw approximately \$1 million in swap fee income this quarter.

As a reminder, swap fee income tends to be lumpy from quarter-to-quarter. On Page 16, I'll provide some highlights on our Retirement business.

Total revenue from the business increased to \$17.3 million, a 4.6% increase over the prior quarter. Most of the increase was driven by growth in both asset and transaction-based fees.

Assets under administration and management increased 2.1% due to market performance and net positive asset flows into our Retirement business during the quarter. Synergistic deposits within our

Retirement segment grew 5.6% over the prior quarter. HSA deposits grew over the prior quarter to over \$203 million.

HSA deposits continue to remain a strong source of funding for us as these deposits only carry a cost of 10 basis points. These deposits are a valuable source of funding for the bank which are not reflected in the margin information in this slide. Turning to Page 17, you can see highlights for our Wealth Management business.

On a linked quarter basis, revenues increased 13.4% to \$7.4 million, while end-of-quarter assets under management increased 0.8%, mainly due to market performance. Revenue increased due to an increase in asset-based fees.

Page 18 provides an overview of our noninterest expense. During the quarter, noninterest expense increased 2.7%. The increase was partially driven by an increase related to the opening of a new facility in Fargo, North Dakota.

We also saw an increase in technology expenses driven by new core systems such as our wealth and online banking platforms. Professional fees increased related to the balance sheet restructuring that occurred at the end of 2025. Turning to Page 19, you can see our credit metrics.

During the quarter, we had net recoveries of 3 basis points. The quarter-over-quarter decrease was primarily driven by \$1.9 million recovery in the third quarter of 2025 related to a loan that had previously been charged off. Nonperforming assets were 1.27%, an increase of 14 basis points from the prior quarter, driven by a slight increase in nonperforming assets and a decrease in overall assets.

I'll discuss our capital liquidity on Page 20. Our tangible common equity ratio improved to 8.72% versus 8.24% in the prior quarter. We continue to have close to \$2.8 billion of liquidity to help support loan growth in any liquidity events.

We remain committed to driving tangible book value growth with excess capital being used to support organic loan growth, our dividend payout and share repurchases. Now turning to Page 21. I'll update you on our guidance for 2026.

We expect the following: for 2026, we expect loans to continue to grow at a mid-single-digit growth rate. We expect to grow deposits in the low single digits. As previously mentioned, we have ample liquidity to meet any loan growth in excess of deposit growth.

For 2026, we're expecting our net interest margin to be around 3.5% to 3.6% which will include about 16 basis points or just over \$8 million of purchase accounting accretion and no early payoffs. This is close to a 60% reduction of purchase accounting accretion from 2025.

You'll continue to see improvement in core net interest margin replacing purchase accounting accretion for 2026. As a reminder, improvement is not linear. With the aforementioned guidance, net interest income is projected to grow low to mid-single digits for 2026.

We expect our adjusted noninterest income to grow in the mid-single digits driven by continued core growth in our wealth and retirement businesses. No swap fee income is included in this guidance as it tends to be difficult to estimate and dependent on client demand.

Overall, net revenue is poised to grow mid-single digits. Noninterest expense is expected to grow low single digits which shows our commitment to driving positive operating leverage.

For 2026, we expect our ROA to exceed 1.2% for the year. We do not have any further Fed cuts in our expectations for 2026. And again, for every 25 basis points cut in rates, we expect NIM to improve about 5 basis points.

While we showed the underlying potential is better and bigger company in 2025, 2026 is about continued improvement of our core businesses to drive higher return -- to drive returns higher. So get on the bus and buy some Alerus. With that, I'll open up Q&A.

Questions and Answers

Operator

The first question comes from Brendan Nosal of Hovde Group.

Brendan Nosal

Maybe just starting off here on kind of balance sheet dynamics for '26 with the mid-single-digit loan guide and then the deposit guide for low single -- totally get that you had the liquidity to fund the loan growth that you're seeing coming through. Maybe just speak to your comfort bringing up the loan-to-deposit ratio from current levels? And is there any kind of internal ceiling that you want to manage around from here?

Alan Villalon

Brendan, I'll take this, this is AI. We try to manage around a 95% loan-to-deposit ratio, but we also acknowledge that we typically see that tick up as we see some outflows from our public funds, especially in the second and third quarter of every year. But we look to usually have around a 95% to 96% loan-to-deposit ratio.

Brendan Nosal

Okay. Maybe turning to expenses. Just kind of curious what you have underlying that outlook in terms of tech investments or room for team ads across the year kind of baked into that outlook?

Alan Villalon

So in terms of team ads, I'll let Jim talk about that, but we do have adds incorporated into net guidance. Also from a tech standpoint too, we've incorporated our contracts that have some variable costs going up over the year and also the new platforms we've just implemented.

James Collins

We have ads for -- specifically in the wealth areas embedded in the expenses in '26 and a number of adds in Commercial Banking embedded in the expenses for '26.

Operator

Our next question comes from the line of Jeff Rulis of D.A. Davidson.

Jeff Rulis

A question on the loan growth expectations and even the fourth quarter runoff. I want to get a read on a portion of which was credit trimming maybe in the -- take it, the fourth quarter first and any idea of kind of the portion of that runoff that was maybe driven by you or credit trimming?

James Collins

I'll take that. This is Jim. A fair amount of it was designed, right? We certainly wanted to run out some of the marginal credits or the credits that were credit related. But we also wanted to drive out orphan credits or non-full relationship credits and pair down our CRE concentrations and really build up our C&I.

So as we look at our portfolio, and know that the profitability of C&I is a lot higher than our CRE and changing our mix. We're pairing down our CRE. We're building up C&I, we don't want orphan relationships.

We want full relationships, and we want to push out any marginal credits that we think might end up in the credit box. And we will continue that philosophy in '26. That's why we're looking at a mid percentage of loan growth in '26.

Jeff Rulis

And Jim, if I were to look at kind of year-over-year low single digit in '25, mid in '26 and understand the mix focus there. But would it fair to say the sort of targeted or designed runoff in '26 that's less of a headwind than you saw in '25?

James Collins

Yes. I would.

Jeff Rulis

Okay. Great. And somewhat related on the -- Katie, I think you touched on the linked quarter nonaccrual lift. Again, what was that in terms of type and segment?

Karin Taylor

Sure, Jeff. This is Karin. I can take that. The increase was related to multifamily loans that we acquired. It is here in the Twin Cities. We've got a 15% reserve on it. There are already offers on the property. And so we expect that, that will resolve certainly in the first half of this year.

Jeff Rulis

That's great. And last one for me on the margin. The trajectory of that through the year is a 10 basis point range, 350 to 360.

But -- and again, does not assume rate cuts, I appreciate the language there. But through the course of the year, is it kind of steady state 355 or kind of do you see it building throughout the year? Any color on the pace of the margin over the year?

Alan Villalon

Yes. Thanks for the question, Jeff. It's going to be gradual. And the way I determine it is it's going to be really dependent on how our deposit flows ebb and flow, especially as we see those summer months come in and our public funds go out.

So I would expect some gradual improvement in there, but that's why I made the comment, it's not really linear.

Operator

Our next question comes from the line of Nathan Race of Piper Sandler.

Nathan Race

Just going back to the margin discussion, Al, I was wondering if you had the dollar amount of accretion in the quarter. And maybe what's a good starting point for the core margin ex accretion just given the full benefit of the securities portfolio repositioning that you'll have in the first quarter?

Alan Villalon

Yes. So last year, we had approximately about \$20 million of purchase accounting accretion from 2025. This year, we're looking for about \$8 million and I would say that, that \$8 million is pretty evenly spread out.

So it's a little bit -- just a little bit over \$2 million in the first quarter and kind of scaling down to just right at \$2 million in the fourth quarter. And then I think a good exit rate right now is looking at the 317 that we had in the fourth quarter and growing it from that.

Nathan Race

Okay. Great. Really helpful. And then Katie, your comments around kind of trying to double the wealth management advisors across the franchise going forward.

I was wondering if you could just speak to kind of the timeline and kind of where you're at in terms of that head count and then kind of where you're looking to add additional depth to the wealth management team going forward across the...

James Collins

This is Jim. I'll take that one. We have 26 advisors now in all the markets. We certainly want to add more advisors in our larger markets, the Twin Cities, Phoenix and Wisconsin. We've already added one this year which will start here in a couple of weeks. We've had slated for another six or seven the rest of this year, spread out throughout the markets.

We will take the opportunity to add talent where we find it. So I'm not exactly sure at this point where we're going to find it, but we plan to actively recruit. We are actively recruiting in all markets.

So it depends on where we find it, but we are actively recruiting in all markets. We plan to add those throughout the year. But again, it's all dependent on when we find the right talent at the right time.

Nathan Race

Okay. Perfect. That's helpful. And then I would just be curious to get an update. You guys still -- even with the balance sheet repositioning in the quarter, still have nice excess capital position and that should continue to build just given the profitability improvement that was alluded to in the guidance.

So maybe just curious to get an update from Katie in terms of if you're feeling more optimism these days in terms of the opportunities set out there to perhaps augment the retirements platform via acquisition?

Katie Lorensen

Sure. Thanks, Nate. I would -- on the capital front, priorities remain consistent with what they've been over the course of the past several quarters and years.

So organic growth, number one, team lift-outs, market share opportunities, dividends, buybacks and obviously on the M&A front in that retirement and HSA space continues to be a priority for us. We continue to expand and deepen the conversations that we're in with potential partners.

And those that -- again, that's agnostic to location in the country, we will remain selective and disciplined and make sure that there are good matches. But I would say overall, yes, we continue to build our pipeline of potential partners in that space.

Nathan Race

Okay. Great. Very helpful. I'm sorry, if I could just sneak one last one in for AI. On the expense -- on the occupancy expenses, I appreciate that, that included the costs with the location in Fargo. Does the increase from 3Q to 4Q, does that kind of come out starting the first quarter?

Alan Villalon

There is some of that in the fourth quarter, but then we had actually some -- there's going to be a tick up in occupancy because we did have opening of a new facility as well.

Nathan Race

Okay. So any thoughts on just a better run rate for that number going forward?

Alan Villalon

Well I mean we're still looking at, again, low single digits for expenses over the year. I mean we exited the quarter roughly around \$51 million. I mean I would just grow it from that.

Operator

Our next question comes from the line of Damon Del Monte of KBW.

Damon Del Monte

First question as it relates to the loan growth. How much of your view on the growth is being driven just by continued strong underlying economic trends versus opportunities that are being created through like market disruption from M&A?

James Collins

I would say what I see going into '26, it's probably for us, it's probably mostly market disruption and market share from the talent that we've acquired over the last three years.

So if I was to guess, it's probably going to be 70-30, 70% from the talent and the relationships that they know at other banks and market disruption and 30% of just economic growth. That's my best guess rolling into '26 at this point.

But talking to business owners, it feels like '26 is going to be a good year for a lot of businesses.

Damon Del Monte

Great. I appreciate that color. And then with respect to credit and trying to think about provision, AI, any thoughts on kind of how you see the provision playing out over the upcoming quarters?

Karin Taylor

Yes. Damon, this is Karin. I'll take that. I think the provision in '26 is going to be driven by loan growth and macroeconomic factors. We feel that we're adequately reserved on those nonperforming deals. And with improving credit metrics, we think the primary growth in reserve will be loan growth.

Damon Del Monte

Great. And I may have missed this earlier, but are you guys anticipating some of those nonperformers moving off here in the upcoming quarters to kind of lower some of those ratios?

Karin Taylor

Yes. We've got several in that bucket where we expect resolution in the first half of the year.

Damon Del Monte

Okay. Great. And then just last question on the tax rate. What's a good tax rate we should think about here for 2026?

Alan Villalon

24% Damon.

Operator

Our next question comes from the line of David Long of RJ.

David Long

On the deposit side, just curious what you're seeing on competition both from your retail deposits, from the HSA deposits, does it differ across the different platforms? And is the pricing that you're seeing, do you feel like it's rational?

James Collins

This is Jim. I think it's very competitive. I think in all markets, it's competitive. It's competitive on the retail side. It's competitive on the commercial side. I think we have a fairly good strategy in place for 2026, but it will be, again, very competitive across the board.

Is it rational? Generally speaking, yes. I think in pockets, you'll find some banks that are being aggressive. You can say that's a little irrational sometimes. But generally speaking, I think I would just put it as very competitive.

So '26 will be very competitive for deposits. That's Al's comment earlier, that will be the kind of the part of the NIM that will be how we'll be affected throughout the year on where that kind of levels out throughout the year. So we're going to work extremely hard on that piece throughout the entire year, but it's going to be very competitive.

David Long

Great. And then just a follow-up to that. As you're thinking about the loan growth into the next year, how will the mix look differently with your guide at the end of '26 versus what we're looking at here at the end of '25?

James Collins

As I commented earlier, we're really focused on full C&I relationships. So the portfolio in '26 is really gearing up like we've trended towards the end of '25 is really full C&I relationships.

So we're trying to change the mix to more full C&I and less CRE. So the goal at the end of '26 is to change that mix to more C&I, more mid-market C&I. Hopefully, that answers your question.

David Long

Yes. No. That's definitely helpful. And looking at the deposit side too, how do you see the concentration on the deposit side changing?

Alan Villalon

David, before I answer that question, first, I just want to congratulate you on your Indiana Hoosiers on winning the national title. I hope to feel that euphoria someday with Notre Dame.

But to answer your deposit question, I mean we are seeing some -- we continue to see some erosion on the noninterest-bearing side because the environment is still very competitive.

We're still seeing our non-maturity deposit rates around the 2% to 3% level in terms of new rates -- for new accounts coming in. So we're still going to see some shift from noninterest-bearing to interest-bearing.

David Long

Great. And unfortunately, I did not take up your advice and purchased the options for tickets using the CFP website, but I was able to attend the game in [Atlanta Beach Ball]. So it was a ton of fun. Thanks.

Operator

And I'm showing no further questions. This concludes our question and answer session. I will now like to turn the conference back over to Katie Lorensen for any closing remarks.

Katie Lorensen

Thank you. And thank you everyone, for your time today. Thank you to all of our team members across this great company. The progress we've made together reflects the team's hard work, the strength of our strategy and the resilience of our diversified business model.

I also want to thank our shareholders, our clients and our communities for their trust and partnership. We're excited about our outlook as we enter 2026 with confidence, momentum and a clear vision for the future. Thank you, everyone.

Operator

The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.