Byline Bancorp, Inc.

Q1 2019 Earnings Conference Call

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CORPORATE PARTICIPANTS

Allyson Pooley – *Senior Vice President, Financial Profiles Inc.*

Alberto Paracchini - *President and Chief Executive Officer*

Lindsay Corby – *Chief Financial Officer*

Tim Hadro - *Chief Credit Officer*

PRESENTATION

Operator
Good morning and welcome to the First Quarter 2019 Byline Bancorp Incorporated Earnings Conference Call. All participants will be in listen-only mode. Should you need assistance, please signal a conference specialist by pressing the star key followed by zero. After today's presentation, there will be an opportunity to ask questions. To ask a question, you may press the star, then one on your telephone keypad. To withdraw your question, please press star, and then two. Please note this event is being recorded.

I would like to now turn the conference over to Allyson Pooley of Financial Profiles. Please go ahead.

Allyson Pooley
Thank you, Jake. Good morning, everyone, and thank you for joining us today for the Byline Bancorp First Quarter 2019 Earnings Call. We'll be using a slide presentation as part of the discussion this morning. Please visit the Events and Presentations page of Byline Investor Relations website for access to the presentation.

Before we begin, I'd like to remind you that this conference call contains forward-looking statements with respect to the future performance and financial condition of Byline Bancorp that involves risks and uncertainties. Various factors could cause actual results to be materially different from any future results expressed or implied by such forward-looking statements. These factors are discussed in the company's SEC filings, which are available on the company's website. The Company disclaims any obligation to update any forward-looking statements made during the call.

Management may also refer to non-GAAP measures, which are intended to supplement but not substitute for the most directly comparable GAAP measures. The press release available on the website contains the financial and other quantitative information to be discussed today as well as the reconciliation of the GAAP to non-GAAP measures.

With that, I'd like to turn the call over to Alberto Paracchini, President and CEO.

Alberto Paracchini
Thank you, Allyson. Good morning and welcome to our first quarter earnings call. I appreciate all of you joining us this morning. With me are Lindsay Corby, our CFO; and Tim Hadro, our Chief Credit Officer.

As is our practice, I'll start by discussing our performance and key highlights for the quarter before passing the call over to Lindsay, who will go over our financial results in more detail. After that I'll come back and give closing remarks before opening the call for questions. I want to remind you that you can follow our comments this morning with the help of a presentation that you can find on the Investor Relations section of our website.

Starting on slide 3 of that deck. Overall, we had a good quarter, characterized by solid loan growth, continued improvement in our operating performance, stable credit quality, and consistent with the seasonality we normally experience at the beginning of the year. This quarter we also completed an important system conversion and navigated through some bumps in the operating environment. All in all, we're very pleased with our results.

Earnings came in at $12.6 million, or $0.34 per diluted share, which included conversion and merger-related charges as well as a write-down on a property that we held for sale. Excluding these items amounting to $0.04 per share, adjusted earnings were $0.38 per diluted share.

With respect to returns, adjusted ROAA came in at 114 basis points, which was a bit lower in a linked quarter basis reflecting lower revenue, but up 40 basis points from the year-ago period, which reflects the progress we've made in growing the earnings power of the Company. Adjusted ROTCE came in at 12.45%, reflective of higher capital levels and materially higher than the year ago level of 6.96%.

On the revenue front, our net interest margin remains strong at 4.43% on a reported basis and excluding accretion income came in at just under 4%, consistent with our expectations. This reflects a higher level of average loans for the quarter offset by a lower number of accrual based fees and higher deposit costs. Business development activity was solid, with loan originations coming in at $131.4 million, while payoffs were somewhat muted during the quarter and below our expectations.

Net loans grew by $65.9 million, or 7.6%, with strong contributions coming from our commercial banking and small business capital units. Demand for credit remains healthy and competition for strong borrowers intense. That said, we continue to see good opportunities to grow our business.

On the deposit front, balances remain stable, with deposits increasing by $59 million, with growth coming primarily in our time deposit portfolio. This is reflective of both customer preference for certainty, higher yields and competition for the deposits in the market.

With respect to expense levels and efficiency, we continue to demonstrate solid progress in both of these areas. Our overall expense levels remain relatively flat with the prior quarter and our adjusted efficiency ratio improved by 9 percentage points from the year ago period, which paints a more accurate picture of the improvements we've made to operating leverage.

Asset quality was stable in the quarter, with a slight increase in our NPLs, while our net charge-offs and provision expense were relatively unchanged from the prior quarter and in line with our expectations.

Strategically, we achieved several key milestones. First, we successfully completed our core system conversion, and I want to thank all of our colleagues for the hard work they put into this project. This was a significant undertaking, and we're all well positioned to realize the benefits of our new platform.

Second, we continue to move forward with our acquisition of Oak Park River Forest Bankshares. The shareholders of Oak Park River Forest Bankshares recently approved the transaction, which we expect to close this quarter.

We remain excited about the benefits of this combination, which will enhance our position in an attractive Chicago market, provide us with an important source of low cost deposits, and add a talented group of employees to the organization. We look forward to welcoming both customers and new colleagues from Community Bank of Oak Park River Forest to Byline.

And with that, I'll pass the call over to Lindsay.

Lindsay Corby
Thanks, Alberto. Good morning, everyone. I will start on slide 4, with a review of our loan and lease portfolio. Our total loans and leases held for investments were $3.6 billion at March 31, a net increase of $65.9 million from the end of the prior quarter.

Our originated loan portfolio increased approximately $250 million net. This increase was offset by a decline of approximately $184 million in our acquired portfolio. Pay-offs were less of a headwind in this quarter, as we had $82 million in payoffs, down from $111 million in the prior quarter.

Moving onto deposits. On slide 5, our total deposits increased $59 million to $3.8 billion at March 31. We are seeing some migration of deposits from low cost, interest-bearing categories into CDs as well as bringing new customers into the bank, which drove the growth we saw in the time deposits this quarter.

Elements of seasonality, such as property tax and other commercial fluctuations, had an impact on deposit flows in the first quarter. Despite, the lower non-interest bearing balances at the end of the quarter, average non-interest bearing balances remained stable during the quarter, as we expect deposit flows to balance out over the coming quarters as the impact of seasonality dissipates. So far in April we are seeing the seasonal flows move in a more favorable direction, as some of our commercial customers have started to rebuild their non-interest bearing deposit balances.

Due to the growth in time deposits that we saw, our cost of interest-bearing deposits increased 18 basis points compared to the prior quarter. We remain focused on growing our core deposit franchise, despite the headwinds from the competitive landscape in Chicago.

Moving to slide 6, I'll discuss our net interest income and margin. Our net interest income was lowered by $3.2 million. The increase in average loans and leases was offset by fewer days in the quarter, a decline in net accretion income and higher deposit costs. Accretion income decreased by $1.2 million from the prior quarter. Yields on earning assets declined 13 basis points, from 5.54% to 5.41%, while our cost of deposits increased 12 basis points, resulting in a 26 basis points decline in our reported net interest margin.

When the impact of accretion income is excluded, our net interest margin decreased 16 basis points to 3.97%. The decrease was primarily due to the increase in CD comp contributing approximately 7 basis points of this decrease. The previous quarter also included a recovery that accounted for approximately 7 basis points of the decrease, and lower loan fees accounted for approximately 3 basis points of the decrease.

The yield on loans and leases, excluding accretion income, declined to 5.64% from 5.75% the previous quarter. Excluding the impact of the lower level of recoveries and lower loan fees recognized, the yield on loans and leases slightly expanded during the quarter.

Turning to non-interest income on slide 7. I want to note that at the beginning of the year we adopted ASC 606, revenue from contracts with customers, and applied a modified retrospective approach. As a result, we reclassified certain ATM debit card expenses from non-interest expense to non-interest income for both current and prior periods. All of the impacted ratios have been adjusted to reflect the adoption of this revenue recognition standard.

In the first quarter, our non-interest income decreased by $2.3 million from the prior quarter. This was primarily due to a $3.1 million decrease in our net gains on government-guaranteed loan sales. This was the result of a lower volume of loans sold as well as a decline in the average premiums due to the mix of loans sold. The higher interest rate environment continues to drive increased prepayment fees that are reducing the value of our servicing asset, although not to the same degree that we have experienced over the previous two quarters.

During the first quarter, we recorded a $1.3 million fair value adjustment to reflect the reevaluation of our servicing assets. Most of other major non-interest income items were relatively stable with the prior quarter.

Moving to slide 8, let's look at our non-interest expense. Our first quarter expenses include $1.5 million related to the core system conversion and $392,000 of an impairment charge on an asset held for sale. Adjusting for these items as well as a modest amount of merger-related expenses in each quarter, our total non-interest expense was essentially unchanged from the prior quarter. While we saw the seasonal impact of higher payroll taxes, this was offset by lower professional fees, a decrease in loan and lease related expenses and a decrease in regulatory assessments.

Now that we have completed the system conversion, we expect to begin seeing the full run rate of efficiencies, including the elimination of duplicate systems costs from the First Evanston acquisition. However, this will be offset by the additional expenses related to Oak Park River Forest Bankshares during the second quarter. We continue to expect the second half of 2019 to be more reflective of the ongoing core expense run rate.

Turning to slide 9, we'll take a look at asset quality. Our non-performing assets increased to 70 basis points of total assets from 67 basis points at the end of the prior quarter, primarily due to inflow into non-performing loans and leases. The government guaranteed balances and our non-performing assets increased to $5.1 million from $4.6 million at the end of the prior quarter. We continue to do a good job of resolving problem loans once they are moved into non-performing status.

Despite inflows into NPAs each quarter, largely driven by government guaranteed business, our total NPAs are at approximately the same level as they were a year ago, and as a percentage of total assets, they have declined to 70 basis points from 101 basis points last year. Excluding government guaranteed NPLs, our non-performing loans to total loans was 71 basis points, up from 66 basis points at the end of the prior quarter, but down from 81 basis points a year ago.

Our net charge-offs were $2.1 million, or 24 basis points of average loans and leases for the quarter, the same as in the prior quarter. Charge-offs were primarily related to the unguaranteed portion of SBA loans. Provision expense for the first quarter was $4 million, reflecting strong charge-off coverage and relatively unchanged from the prior quarter. The first quarter provision included allocations of $2 million for originated loans and leases, $1.6 million for acquired non-impaired loans, and $354,000 for acquired-impaired loans.

Our provision for the first quarter increased our allowance for loan and lease losses to 76 basis points of total loans and leases, from 72 basis points at the end of the prior quarter, and our coverage of NPLs excluding the government guaranteed portion was 107 basis points.

In addition to the traditional allowance as a percentage of loan and lease metrics, we also analyzed the allowance in conjunction with the acquisition accounting adjustments impacting our acquired portfolio. At March 31 the acquisition accounting adjustments, plus our allowance for loan and lease losses, represented 157 basis points of total loans and leases.

With that, I would like to pass the call back to Alberto.

Alberto Paracchini
Thank you, Lindsay. In closing, we remain optimistic about our outlook for the remainder of 2019. We have an excellent franchise, a strong balance sheet, a great team of employees, and a unique position in the marketplace. We continue to see opportunities to add customers as well as talent to the organization, and continue to evaluate M&A opportunities. I would like to thank our employees for all their hard work during the system conversion and for serving clients on a daily basis. We also look

forward to welcoming our new colleagues from Community Bank of Oak Park River Forest to Byline.

That concludes our remarks. Operator, we can now open the call for questions.

QUESTIONS AND ANSWERS

Operator
We will now begin the question-and-answer session. To ask a question, you may press star, then one on your telephone keypad. If you are using a speakerphone, please pick up your handset before pressing the keys. To withdraw your question, please press star, then two. At this time we will pause momentarily to assemble our roster.

The first question comes from Terry McEvoy with Stephens. Please go ahead.

Terry McEvoy
Alberto, you mentioned in your prepared remarks, you said the word “bumps,” and it was right after you were talking about the conversion and before you were just talking about the operating market. So were you mentioning something with the conversion and some bumps or were you just talking about kind of the market itself?

Alberto Paracchini
In general. There was a lot of stuff that happened in the first quarter. Obviously you go through a conversion and that's something that always heightens your focus. The other thing I was mentioning is, as you know, there was a government shutdown. So I was just talking generally about the operating environment during the quarter.

Terry McEvoy
Thanks for clearing that up. And then maybe just a question on the cost of funds, 87 basis points in the first quarter. I'm not sure if you've done any historical work on when you would expect deposit costs to kind of peak out from here, assuming the Fed has done raising rates, and any kind of anticipated level that would occur.

Lindsay Corby
In terms of leveling out, we do think that we’ll see one more quarter really of an additional increase, albeit less than what we saw this quarter. And then, from there we do think it'll begin leveling out, assuming the interest rate environment stays where it's at right now.

Operator
The next question comes from Nathan Race with Piper Jaffray. Please go ahead.

Nathan Race
I wanted to maybe start on the core NIM outlook from here. Lindsay, just curious, with the rise in core loan yields that we saw in the fourth quarter and then they kind of came back down here in the first quarter, just curious maybe how we should think about core loan yields and kind of thinking about the trajectory of the core NIM going forward?

Lindsay Corby
Sure. The core NIM, Nate, if you look at our slide deck on page 6, you see that we've kind of hovered between, call it the 4.14% and 3.97%, somewhere in between there. When it spikes up to the 4.14% range what you saw was that there were some one-time recoveries in there that caused it to spike

slightly higher. So when you take those out, it's hovering right around that 4% range, and we think that that's going to be pretty consistent going forward.

With the loan yields, we do believe that we'll see slight expansion, depending on the mix of loans that we put on the balance sheet here going forward. But we do see that we'll have a similar slight expansion going forward, based upon the mix.

Nathan Race
And then if I could just ask on SBA gain on sale margins going forward, it looks like they were fairly stable year-over-year and then down sequentially, so just curious what you guys are seeing in terms of secondary SBA premiums at this point.

Alberto Paracchini
The market remains healthy. Premium levels remain attractive. As we've stated before, Nate, sometimes on a quarter-over-quarter basis, depending on the mix of loans that we sell that quarter, particularly between, call it, SBA loans and USDA loans that can add a little bit of volatility to the margin. As you know, on USDA loans we don't share the premium above a certain level like we do on SBA loans. So that has an impact. But all in all as far as the market and kind of bidding activity in terms of where loans are trading, the market remains pretty good.

Nathan Race
And if I could just ask one more on the timing of the close of OPRF, just any thoughts on maybe perhaps the precise timing of when you expect that to close in the second quarter.

Alberto Paracchini
It will be, I would say, in the first half of the second quarter, Nate. So it'll be in the end of April kind of mid-May timeframe.

Nathan Race
And then just remind us when you guys plan to convert the system. I imagine by 4Q we should have a pretty clean operating expense run rate, Lindsay.

Lindsay Corby
Yes, really the cleanest period, honestly, Nate, is going to be that first quarter of 2020 once everything flushes through. So we're planning on the conversion right now right at the end of the third quarter, beginning of fourth.

Operator
The next question comes from Michael Perito with KBW. Please go ahead.

Michael Perito
Alberto, I want to maybe just start the Fifth Third MBFI deal is closed, and you mentioned that you're still on the lookout for some new talent and stuff of that nature. Can you maybe just give us a kind of an updated view -- high level viewpoint of the status of the Chicago market and whether you're seeing any increased opportunities as a result of local disruption?

Alberto Paracchini
We are, Mike. As you pointed out, that transaction closed. We have done some hires, both on the lending front as well as in other areas of the organization, so we are and have been able to take advantage of, call it the disruption in the marketplace and we also continue to see good opportunities on the customer front as well. And I would say it's not just the particular transaction that you

mentioned, there's also been some other announcements in the market that are creating some opportunities, and they're more so on the customer side than from a talent sampling.

Michael Perito
And as we think about those opportunities and where you guys stand today on a capital standpoint. I mean, obviously Chicago still has a lot of small banks that could be acquired, and there's other probably somewhat bigger opportunities out there. But you're at a point here where it seems to be almost three quarters or four quarters in a row your accreting capital from retained earnings and growth was good in the quarter, but still not double-digits. Can you just talk about maybe where your updated head is at in terms of the capital plan for Byline moving forward given the recent trend of building capital ratio?

Alberto Paracchini
Yes, it's been nice to see, if you look at ROTCE, it's actually been building up quite nicely, which, as you point out, creates good flexibility. Right now we kind of like having that flexibility in terms of what we're seeing, both from the organic front it gives us flexibility to add people, add teams. As you well know, when you do that, that's not immediately evident, because it takes a while for people to get settled, it takes a while for pipelines to be built. Usually there is a non-solicitation in place that you have to let it expire. But it just certainly gives us flexibility to pursue those opportunities.

So, right now I think our perspective there in addition to potentially looking at some M&A down the road, we like having that flexibility there. But that being said, obviously it gives us adjust flexibility organically and from an M&A standpoint, but also to look at potentially doing something on the capital front down the road.

Michael Perito
And then lastly, sorry if I missed it, but, Lindsay, on the expenses, in the slide deck and in your remarks I think you mentioned that some of the higher salaries in Q1 seasonal payroll stuff was all incorporated in that $40.7 million run rate. It does sound like, though, maybe there was a little hiring activity recently. Can you maybe give us a little bit more specific commentary about where you kind of expect expenses to trend and also more broadly speaking just where you guys kind of see yourselves at in terms of right-sizing the expense base of the overall institution?

Lindsay Corby
Yes, sure. So in terms of the salaries and benefits you're spot-on, there was some seasonality there in regard to that, the hirings are coming on, but you'll start seeing those here in the subsequent quarters. In terms of the go forward run rate, Q2 is going to still be a little noisy. You'll have Oak Park River Forest Bankshares closing. You'll also have just some trailing items from the core systems conversion as well.

So Q2, I expect to see pretty similar and then going from there forward should be a little bit cleaner, other than the integration of the Community Bank of Oak Park River Forest team. So I think in terms of the long-term if you go forward, I'm hesitant to give an exact range, but I'll throw one out there here, and knowing that it could change because we haven't closed yet with marks and things like that, but in terms of where we're looking at it's going to be somewhere between kind of $42 million to $44 million we think going forward 2020 and beyond.

Operator
The next question comes from Andrew Liesch with Sandler O'Neill. Please go ahead.

Andrew Liesch

Focus on some of the loan growth here just looking at page 8 of the press release, the commercial real estate originated up about $85 million in the quarter, that's some pretty impressive growth there. Just kind of curious of where that's coming from. Is it market share gains? Is it new economic activity going on? And then I also saw that C&I is up, I figure that's probably from the First Evanston lending team, but just kind of curious what's driving this CRE growth?

Alberto Paracchini
Yes, I think a little bit of all of the variables that you mentioned there, Andrew. The other thing is, as we commented, and I don't know if you're looking at net or gross, but assuming that you're looking at net, we were a little bit surprised at payoffs this quarter, they came in obviously lower than last quarter. We were expecting payoffs to be a bit higher, so certainly that helped.

So I think it's a combination of all of the above. Then on the commercial front, you're spot-on is, just our lending team on the commercial banking side continues to do well, and certainly SBC continues to see good opportunities to grow the business. Another thing on the commercial real estate side, it's not just, call it CRE, you have an owner occupied component there as well, which is, I would view that more as commercial in nature as opposed to true commercial real estate lending.

Andrew Liesch
Certainly, okay.

Tim Hadro
I would add just one thing in terms of product type, in terms of our commercial real estate originations, we have pivoted a little bit in the last couple quarters. We are now doing more industrial and distribution warehouse financing than we had in the past. That has been a source of significant new business.

Andrew Liesch
And then do you have handy what the amount of the FDIC credit this quarter was?

Lindsay Corby
So, essentially what you saw is that we really took nothing here in this quarter, and then it will basically hover back out, once we get through it here at about that $150,000 [ph] to $500,000 range, depending on all the various factors that the FDIC uses to calculate that.

Operator
The next question comes from Ebrahim Poonawala with Bank of America Merrill Lynch. Please go ahead.

Ebrahim Poonawala
So just a quick question. One, I'm not sure if you've disclosed sponsor book in the release, I didn't see that. What was the balance at the end of the quarter and just color around like growth prospects for that book going forward?

Lindsay Corby
We didn't include that in there. We'll have to—

Ebrahim Poonawala
But you had mentioned $230 million last quarter here?

Lindsay Corby

Yes. And it's pretty consistent. I mean, there has been some paydowns, but not a whole lot of—

Alberto Paracchini
Still hovering around that level, Ebi, and I would say usually in that business activity tends to be pretty muted in the first quarter—actually to take a step back, Ebi, the book stood at $224 million as of the end of the quarter, so just right around where it was the previous quarter. Activity, as I was saying, tends to be more muted in the first quarter. You typically have people looking at their portfolios and figuring out what they want to do with portfolio companies and then looking at additional opportunities.
So we anticipate that. We're seeing good business activity there, a lot of conversations. As you know, it's a business where you have to plod through a lot of transactions in our space and we're getting good at bats and opting to swing at the opportune time.

Ebrahim Poonawala
And just separately, I think you mentioned about the market share opportunities coming from the disruption in the markets, both M&A and I think some personnel changes at some of the other lenders, including some of the foreign banks I think. But just on M&A, once you close this transaction if you could remind us in terms of, one, the pipeline of potential deals and the size of the kind of target that you would like to acquire. I'm assuming it's all end market, trying to consolidate market share, but would love to get your updated thoughts there.

Alberto Paracchini
Yes, correct. I think we remain pretty steady in terms of the target opportunities there, Ebi. I think what we've commented on previously, there's about 35, 36 institutions in the Greater Chicago MSA that are hovering somewhere between $300 million to about $1 billion, $1.5 billion, and that's kind of the sweet spot for us. And as you pointed out, that would be essentially the Greater Chicago MSA.

Operator
Again, if you have a question, please press star, then one.

The next question comes from Brian Martin with FIG Partners. Please go ahead.

Brian Martin
Alberto, can you just talk, was there much of an impact with the government shutdown on the SBA business as you guys looked at it, or was that not that impacted, given what we see in the numbers this quarter?

Alberto Paracchini
Not really. It's one of those things that it kind of had the potential, but it ended up really not being—our team there was able to anticipate what to do well during that period. And so all in all, at the end of the day it really didn't impact our business that much.

Brian Martin
I just want to make sure looking at the numbers. And then maybe just one for Lindsay, just on the big picture on the fee income outlook. If you look at the couple of items that were in there in the quarter, the valuation adjustment on the MSR and then that the fair value of the equity securities, just kind of thinking of broadly about the run rate in fees is, how is it best to look at it outside of the Oak Park deal going forward? Just kind of the core level this quarter.

Lindsay Corby
Sure. So outside of the Oak Park deal, we always do see that dip from a seasonality standpoint on some of the fee income there, Brian, so that was to be expected. In terms of the servicing asset, we

did take less of an impairment this quarter than we have in the prior two quarters, so that was good news and we do see that stabilizing.

So where that ultimately ends is, it is factored by multiple inputs depending on what happens here in the interest rate environment. But assuming all things equal, we think that's going to stabilize and you'll see pretty consistent performance to what you saw this quarter. I think in terms of our outlook here going forward, I think that there is that typical dip on non-interest income for the first quarter and slowly rising throughout the year.

Brian Martin
So then that's consistent. All right, that's helpful. Thanks, Lindsay. The other two things, on the loan payoffs this quarter, it sounds like that was a bit of a surprise, and it's a wild card going forward, but any trends you're seeing on the payoffs, as far as that slowing maybe being the way you think about the balance of the year or is it just too unknown on the payoffs?

Alberto Paracchini
No. We would expect that payoffs would be higher than what we saw this quarter. Again, we were surprised in the sense that in some cases these were known payoffs that we were expecting that for one reason or another just got pushed out. So we anticipate that we will see those perhaps in the second quarter or perhaps later, but we're not changing our view there. I think activity remains robust, and that's a headwind that I think is impacting us and others in the marketplace.

Brian Martin
And the last one guys from me was just, Lindsay, you talked about the core margin and just kind of the accretion and just how we think about it more broadly, maybe what was scheduled versus what's accelerated or just how to think about it, the trend definitely seems lower, all else equal, but I don't know if you can offer anything on either schedules or the accelerated versus what was legacy, what's Evanston, and kind of how that all flows through. But whatever thoughts you have on that would be helpful.

Lindsay Corby
So the one thing that I will tell you with accretion is it's not perfect, and whatever I tell you it will ebb and flow depending on the performance of the portfolio. So, you're right it is slowing, Brian, we did see that this quarter at $1.2 million, and again this is all the legacy acquisitions that we've done here in the past.

And so our view here going forward from a scheduling standpoint, and again, I give you this with a little bit of hesitation here, Brian, because if there is a recovery or other things like that, it can move, but the decrease in scheduled accretion is somewhere between 400 to 700 thousand per quarter. So I'd say going forward that's expected, but it can ebb and flow. That does not include Community Bank of Oak Park River Forest. So we're finalizing here going into the closing and we'll have marks and more updates here in the next quarter for you on that.

CONCLUSION

Operator
This concludes our question-and answer-session. I would like to turn the conference back over to management for any closing remarks.

Alberto Paracchini
Great. Thank you, Jake. Thank you all for joining us today and for your interest in Byline. We look forward to speaking with you again next quarter. Thank you.

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