



July 21, 2016

Dear Fellow Shareholders,

Attached are our second quarter results. The 2nd Quarter was another solid quarter, with earnings up 55% over the first quarter and 33% over 2<sup>nd</sup> quarter of last year. Earnings for the trailing 12 months are up 5% over the previous 12 months.

If you look at our results under 'Trailing 12 Months,' you will see that our assets are up \$53 million from June 30, 2015 which is an increase of 10.75%. Loans are up \$38 million from June 30, 2015 or 9.53%. We are a little behind budget on loans, but we expect to be closer to budget by year-end.

Our Net Interest Income for the Trailing 12 months is up 2.57%. Our non-interest income is up 29% due to strong growth in our Mortgage Division and increased fees in Asset Based Lending (ABL) and Banking Divisions. We had a 10.83% increase in Non-Interest Expenses due to expenses for the new Germantown branch and increased staffing in Mortgage & ABL Divisions. We had a 65% reduction in Loan Loss Provision. Income before Tax increased 8.0% and net income after tax was up 4.97% for the trailing 12 months ending June 2016.

We are also pleased to report to our shareholders that Tangible Book Value per share fully diluted has increased from \$11.21 to \$12.32 over the last 12 months, which is an increase of 10.0%. This is one of the most important numbers for our shareholders as it shows how the value of our stock is increasing on our books. Our Return on Average Assets was .96% which is slightly under our current goal of 1% and we expect this to improve as our year progresses.

Credit Quality is critical as we all know. We continue to have very good loan quality. We did end June with an increase in past due loans over 30 days but by industry standards our past dues are very low.

In the last quarter, Triumph Bancshares had a successful buyback of 181,782 shares at \$15. Also there were a few trades known to us at \$15. We issued 330,600 shares to shareholders who exercised options and warrants in the quarter. Total shares outstanding was 4,382,376 and 4,442,360 if fully diluted for the options outstanding. As mentioned previously, we have no established market for trading our stock. However, we do have an established policy regarding the matching of buyers and sellers of its common stock. If you are interested in buying or selling, please contact Zora Pannell at (901)333-8819 or [zpannell@triumphbank.com](mailto:zpannell@triumphbank.com). Neither Triumph Bancshares, Inc. nor the Bank makes any recommendations on whether to buy or sell and makes no recommendations on pricing.

Thanks, as always, for your support and hope you are pleased with our growth.

Sincerely,  
Triumph Bancshares, Inc.

A handwritten signature in black ink, appearing to read "Hilliard Crews".

Hilliard Crews  
Chairman