



February 9, 2017

Dear Fellow Shareholders,

As shown on the attached report, we had another good year.

Our Bank had an increase in Assets of 13.16% and an increase in loans of 7.38%. For the calendar year, we had an increase in Net Interest Income of only 3.96% which is a result of competitive pressure on our loan interest rates combined with a higher cost of funds. The very substantial increase of 37.27% in Non-Interest Income is mostly due to our Mortgage Division growth with contributions in increased fees from our Banking and Asset Based Lending Divisions. We had a 10.68% increase in our Non-Interest Expenses which seems high until you understand it is mostly a result of the growth of our Mortgage Division with some near-normal increase in our Banking Divisions expenses. We had a very low Provision for Loan Losses due to the high quality of our loans. This resulted in a 10.63% increase in Net Income for the year which is, as I mentioned above, another good year.

The 4th quarter was a solid quarter when we compare to the same quarter in 2015 as our Net Income was up 13.35% over the same quarter last year. Quarterly results compared to last quarter were not so impressive but this was due to two reasons:

1. Seasonality of our Mortgage Division which has normal slow months in November and December.
2. Competitive pressure on our loan interest rates combined with a higher cost of funds.

Triumph Bancshares' Tangible Book Value per share fully diluted increased from \$11.71 to \$12.75 over the last 12 months, which is an increase of almost 9%. Our Return on Average Assets was 1.01% and our Return on Equity was 10.7% which are good results when compared to our peers.

We expect 2017 to be a challenging year for growth. Our growth has slowed the last few years due to the increased competition from banks that were hit hard in the recession but have worked through their loan quality problems and now are pushing hard for growth. We have added new lenders to our highly thought of existing lending team to increase our growth in 2017. We do expect continued pressure on our net interest margin, and we will continue to insist on high loan quality.

We know of no trades of our stock in the last quarter. If you are interested in buying or selling, please contact Jessica Bridges at (901)333-8805 or jessica.bridges@triumphbank.com. As mentioned previously, the bank maintains a list of potential buyers and will notify them of any shareholders wishing to sell. Neither Triumph Bancshares, Inc. nor the Bank makes any recommendations on whether to buy or sell and makes no recommendations on pricing.

Thank you, as always, for your continued support in helping us grow Triumph.

Sincerely,
Triumph Bancshares, Inc.

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

Hilliard Crews
Chairman