



May 20, 2014

Dear Partners and Friends,

Despite the terrible weather and chilly temps we had a good 1Q2014. During 1Q2014, our total assets grew \$36,400,000 over 1Q2013. The growth in our loan portfolio made up majority of the increase. As we had projected, our mortgage division was not accretive for 1Q2014, but this is consistent with the seasonality of that line of business. Additionally, the unseasonably bad weather had an even more negative effect on the mortgage division's results.

Turning to our income statement, our net income was less than 1Q2013 by 11%, in large part due to the start-up expenses related to the mortgage division acquisition. Income was higher than last year but operating expenses increased at a faster rate. However, net interest income increased \$228,000 or 5% over 1Q2013. We are pleased with our growth for 1Q2014 and look forward to it accelerating as the year goes along.

Our asset quality continued to hold up as we recovered more money on previously charged off loans than we had in new charge offs. This resulted in a smaller provision expense than the prior year.

During the quarter, we also started an Asset Based Lending division. While we have always extended loans secured by accounts receivable and inventory, we will now be able to extend credit to companies with more financial leverage or a concentration of assets in accounts receivable due to our enhanced monitoring systems.

We want to make you aware of two other great things which happened at Triumph in the first quarter. First, Triumph has received the 2013 Tennessee Community Bank of the Year Award from the Small Business Administration. Triumph has been the largest lender by dollar volume in Shelby County the past two years and one of the largest in the State of Tennessee. Secondly, Triumph was awarded the Business of the Year in the 61+ employee category in the 34th Annual Memphis Business Journal Awards competition on May 22nd. We are grateful for this recognition of our team's efforts to serve our customers. We believe this level of service will continue to provide long term benefits for our partners in Triumph.

Thank you for your confidence and support. Please call us when we can be of service to you, your family or friends.

All my best,
Triumph Bancshares

A handwritten signature in black ink, appearing to read "Will", is written over a vertical line.

William J. Chase, Jr.
President and CEO