Triumph Annual Report

2014

Triumph

April 15, 2015

Dear Shareholder:

Recently, we were reviewing some historical financial information from the 2012 Annual Report and it was extremely gratifying to see the progress we had made since 2012. 2012 was the first year in which we became a 'tax paying citizen.' This meant that we had not only earned a profit for that year, but we had earned back all of the start-up losses of the Bank. That year, we made $1,986,084 in after tax income. In 2014, two years later, our income was $3,878,090 or roughly double.

As you can see in the numbers on the following pages, we experienced another year of good growth and record profitability. In 2014 our assets grew 18% and our loans grew 11%. We had projected a larger increase in loans so we fell a little short of our goal in 2014. The loan market has become more competitive and in the future, we will have to be more innovative to keep our loan increases in double digits. We were pleased with our increase in checking and savings deposits of 17% and the increase in overall deposits of 23%.

As compared to last year, our net interest income increased from $16,189,759 to $17,692,313 or 9%. This income represents the "spread" between our interest income and interest expense. The increase in net interest income was lower than our increase in loans due to lower interest rates to meet competition. Our non-interest income increased 83% which is primarily attributable to our purchase of M&P Mortgage on August 31, 2013. In 2013, we had 4 months of activity for this mortgage division as opposed to 12 months in 2014. The mortgage division added to our income in 2014 and we expect it to further enhance our income in 2015. Additionally, we formed a new division of the Bank during the 1st quarter of 2014 when we entered the Asset Based Lending business. This division is off to a good start and had a small income in 2014. We expect it will make a larger contribution to our income in 2015.

Our operating expenses grew 21% which is reflective of the additions of the Asset Based Lending and Mortgage divisions. Our allowance for loan losses increased only 8% due to excellent asset quality so we were able to record a 14% increase in net income. Our return on equity increased to approximately 9% for 2014.

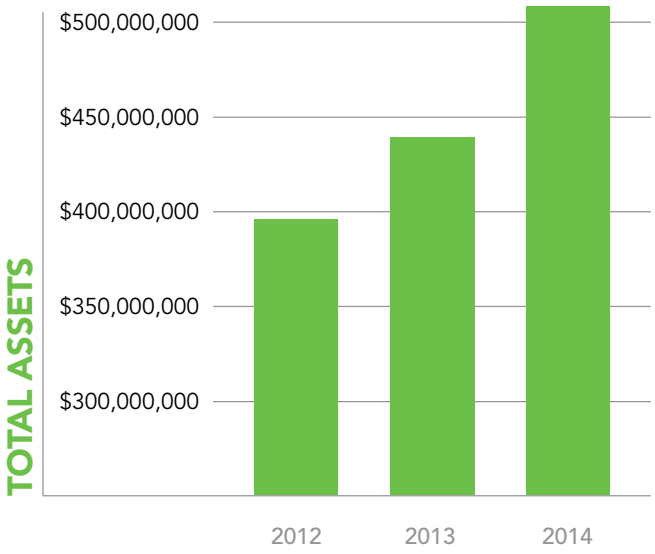
We want to continue to grow the value of your investment in Triumph. We hope you will continue to refer your business and your family's and friend's business to us.

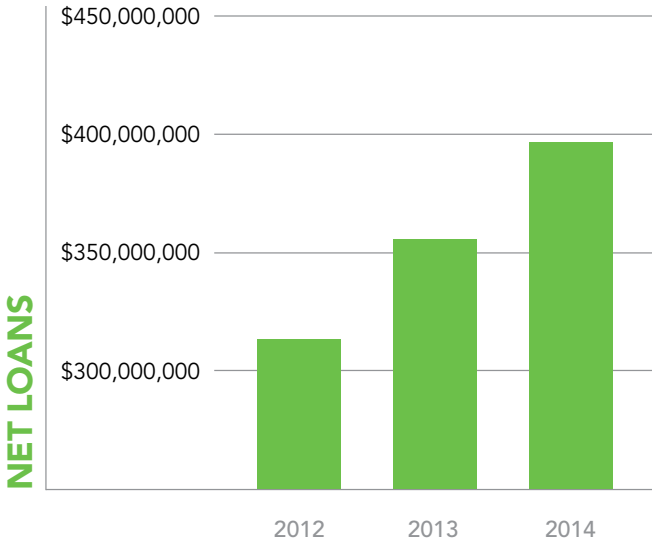
Thanks for your support and confidence.

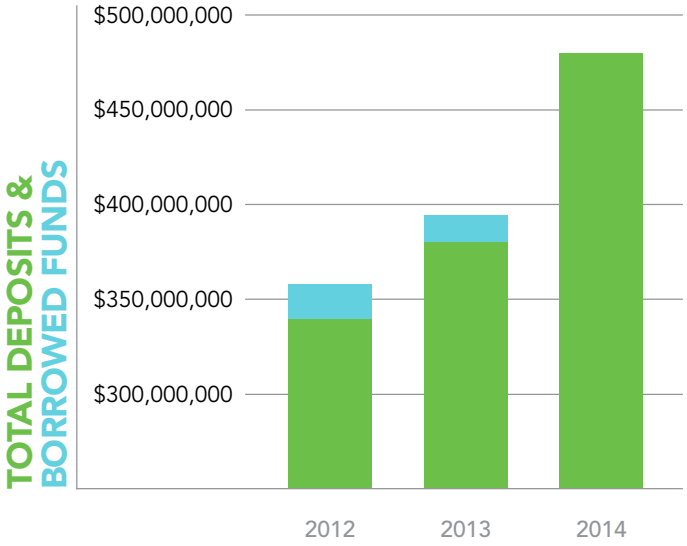
Sincerely,

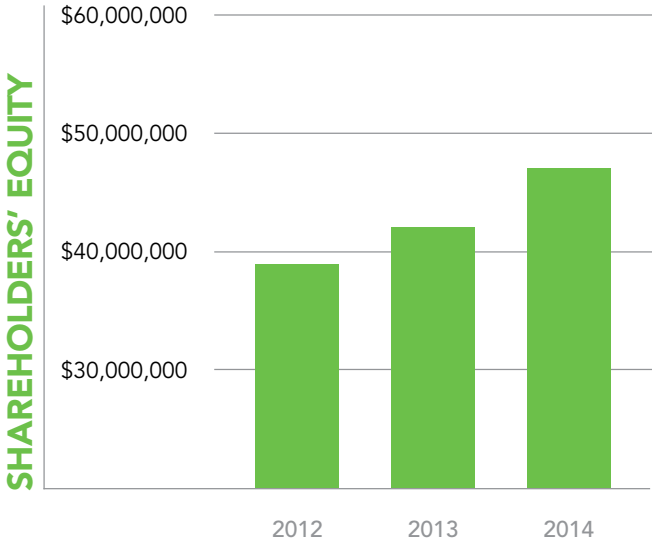
Hilliard R. Crews
CHAIRMAN OF THE BOARD

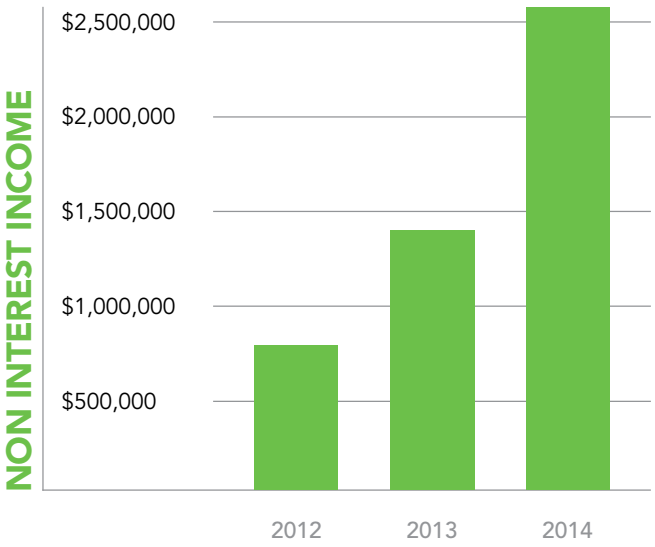
William J. Chase, Jr.
PRESIDENT AND CHIEF EXECUTIVE OFFICER

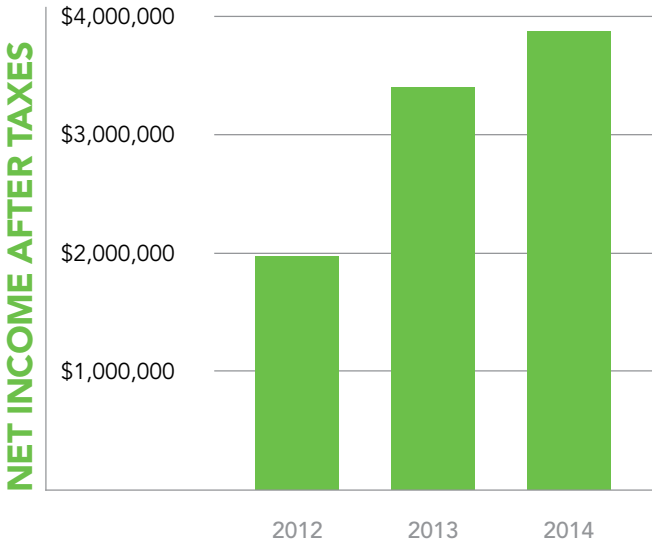

TOTAL ASSETS
$500,000,000
$450,000,000
$400,000,000
$350,000,000
$300,000,000
2012
2013
2014


NET LOANS
$450,000,000
$400,000,000
$350,000,000
$300,000,000
2012
2013
2014


TOTAL DEPOSITS &
BORROWED FUNDS
$500,000,000
$450,000,000
$400,000,000
$350,000,000
$300,000,000
2012
2013
2014


SHAREHOLDERS' EQUITY
$60,000,000
$50,000,000
$40,000,000
$30,000,000
2012
2013
2014


NON INTEREST INCOME
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
2012
2013
2014


NET INCOME AFTER TAXES
$4,000,000
$3,000,000
$2,000,000
$1,000,000
2012
2013
2014

Consolidated Balance Sheet

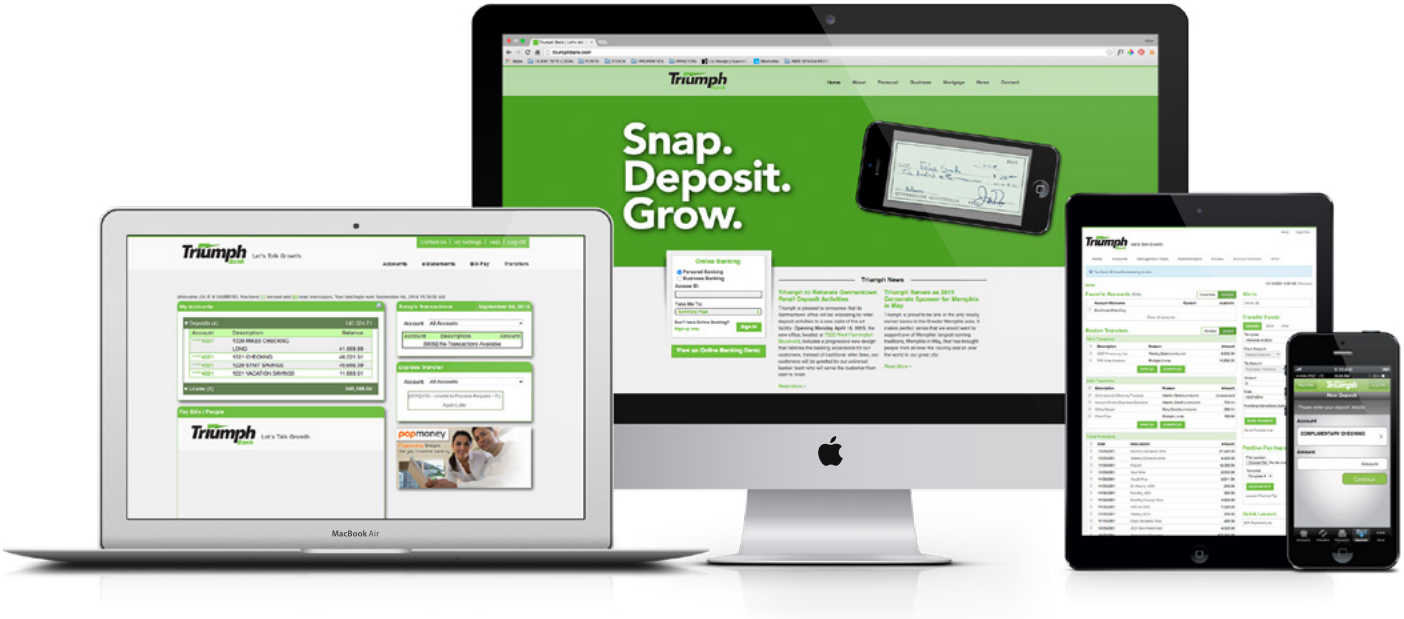
PERIOD ENDING 12/31/2014

ASSETS	**2014**	**2013**	**2012**
Cash and Cash Equivalents	29,780,295	9,881,829	9,012,435
Securities Available for Sale	73,227,763	56,682,383	63,116,259
Loans Held for Sale	9,061,920	3,061,953	1,764,117
Loans, Net of Deferred Fees and Allowance for Loan Losses	392,480,731	354,929,170	313,627,988
Premises and Equipment, Net of Accumulated Depreciation	3,203,881	3,306,270	3,475,742
Other Assets	10,134,441	9,578,567	8,048,476
Total Assets	**517,889,031**	**437,440,172**	**399,045,017**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits	468,778,643	380,257,481	340,221,235
Other Borrowings	-00	13,000,000	18,000,000
Other Liabilities	1,890,372	2,188,077	1,530,214
Total Liabilities	470,669,015	395,445,558	359,751,449
Preferred Stock: 1,000,000 Shares Authorized			
Class A - 295,500 Shares Issued and Outstanding			3,546,000
Class B - 12,167 Shares Issued and Outstanding			146,004
Common Stock: 5,000,000 Shares Authorized			
4,137,929 Shares Issued	4,137,929	4,115,708	3,629,311
4,105,912 Shares Outstanding			
Capital Surplus and Additional Paid-In Capital	35,417,726	35,126,606	31,846,582
Treasury Stock: 32,017 Shares Redeemed	(360,191)	(490,500)	(490,500)
Accumulated Other Comprehensive Income	225,780	(677,881)	91,563
Retained Earnings (Accumulated Deficit)	7,798,772	3,920,681	524,608
Total Shareholders' Equity	47,220,016	41,994,614	39,293,568
Total Liabilities and Shareholders' Equity	**517,889,031**	**437,440,172**	**399,045,017**

Consolidated Income Statement

PERIOD ENDING 12/31/2014

INTEREST INCOME	2014	2013	2012
Loan Interest Income	18,527,035	16,841,698	14,291,471
Fee Income	711,339	648,195	568,860
Investment	1,443,319	1,210,595	1,209,260
Fed Funds Sold	7,049	9,665	20,212
Other Income	121,116	114,396	75,260
Total Interest and Fee Income	**20,809,858**	**18,824,549**	**16,165,063**
INTEREST EXPENSE			
Checking	958,797	957,503	982,271
Savings	15,050	14,946	20,620
CD	2,114,978	1,622,239	1,937,211
Borrowed Funds	28,720	40,102	103,012
Total Interest Expenses	**3,117,545**	**2,634,790**	**3,043,114**
Net Interest Income	**17,692,313**	**16,189,759**	**13,121,949**
Non-Interest Income	**2,578,810**	**1,410,630**	**808,901**
NON-INTEREST EXPENSE			
Employee	7,460,059	6,006,723	5,060,613
Occupancy	1,122,669	1,151,371	1,046,580
F.F. & E. and D.P.	1,466,657	1,323,741	1,075,362
Other	2,944,254	2,295,383	2,136,289
Total Non-Interest Expenses	**12,993,639**	**10,777,218**	**9,318,844**
Allowance for Loan Losses	**1,145,000**	**1,065,000**	**1,281,000**
Net Income Before Taxes	**6,132,484**	**5,758,171**	**3,331,006**
Income Tax	**2,254,394**	**2,358,450**	**1,344,922**
Net Income	**3,878,090**	**3,399,721**	**1,986,084**



Triumph underwent a branding transformation in 2014 as our advertisements, billboards and bank materials were created to reflect Triumph's new logo and tagline, "Let's talk growth."

Our new website, launched in late June, provides easier navigation and access to the information our customers need. Within the site, we developed an education center that features various training videos on both our products and services as well as safety and protection features. Both our personal and business online banking sites had facelifts later in the year to match the look and ease of our website.

We are pleased to announce continued improvements to Triumph's suite of mobile banking products. Our new personal banking Apps for both smartphones and tablets were launched in 2014. The feature that has seemed to grab most customers' attention is our Mobile Deposit Capture products. This allows the customer to simply take a picture of the front and back of checks and have them deposited into their accounts, wherever they are, without having to come into the branch. We call this "Snap. Deposit. Grow." We look forward to releasing mobile Apps for our business customers in 2015 and being one of the first banks in the region to do so.

Another very important facet of our "Let's talk growth" tagline is our involvement in the greater Memphis community as a team. Triumph adopted Binghampton Christian Academy as a community partner and in 2014 alone, we were able to donate a school shirt to each of the 120+ students and also provided funds for the school to expand and improve their wireless internet system. Our community involvement is continuing to grow in 2015.

FINANCIAL SERVICES

Commercial Lending Services
Commercial Real Estate Loans
Residential Real Estate Loans
Accounts Receivable, Inventory, & Equipment Loans
Small Business "SBA" Loans

Commercial Deposit Services
Business Analysis Accounts
Business Checking
Business Savings
Business Wealth Money Market Accounts
Certificates of Deposit
Business Remote Deposit Capture
Lock Box Services
Business Online Banking
Business Mobile Banking
Business Mobile Deposit
Zero Balance Accounts
Event Manager
ACH & Wire Transfer Services
Night Depository
Business Credit Cards
Business Bill Payment
Positive Pay
eStatements
Investment / Loan Sweep

Consumer Lending Services
Home Equity Lines of Credit
Automobile Loans
Loans for Personal Expenditures
Mortgage Origination Loans

Consumer Deposit Services
Complimentary Checking
Performance Checking
Prime Timer Checking
Classic Savings
Junior Banker Savings
Consumer Wealth Money Market Accounts
Certificates of Deposit
Individual Retirement Accounts (IRAs)
Online Banking & Bill Pay Services
Mobile Banking
Mobile Deposit Capture
Telephone Banking
Safe Deposit Boxes
ATMs Including nationwide networks
eStatements

BOARD OF DIRECTORS

Hilliard R. Crews
CHAIRMAN OF THE BOARD OF TRIUMPH BANCSHARES, INC
CHAIRMAN, SHELBY GROUP INTERNATIONAL, INC

William J. Chase, Jr.
PRESIDENT & CEO, TRIUMPH BANK

Michael J. McCarver
EVP & COO, TRIUMPH BANK

A. Douglas Collins
PRESIDENT & CEO, COLDWELL BANKER COLLINS-MAURY, INC REALTORS
FOUNDER & CEO, SOVEREIGN HOMES, LLC

Jason L. Crews
CHIEF MANAGER, CREWS REALTY, LLC

Mark J. Halperin
EVP & COO, BOYLE INVESTMENT COMPANY

Rick C. Masson
SENIOR DIRECTOR, CAISSA PUBLIC STRATEGY
SPECIAL MASTER, OVERSEEING SCHOOLS MERGER

Joseph W. Mirabile, Ph.D.
CEO, MIRABILE INVESTMENT CORPORATION

Larry W. Papasan
RETIRED PRESIDENT OF MLG&W, SMITH & NEPHEW ORTHOPAEDICS

David C. Perdue
CEO, ASENTINEL

Richard L. Powell
PRINCIPAL, HMP INSURANCE

King W. Rogers, III
ATTORNEY OF COUNSEL, GLANKLER BROWN, PLLC

Mitchell D. Spurlock
CHAIRMAN, AQUA CHEMPACS

Thomas G. Stovall, M.D., MBA
PHYSICIAN & PARTNER, WOMEN'S HEALTH SPECIALISTS, INC

Triumph

triumphbank.com
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