



October 25, 2017

Dear Fellow Shareholders,

The third quarter was not a great quarter for the bank when compared to last quarter or the same quarter a year ago. Our Bank's Net Interest Income was up 11.4% but our Non-interest income was down 12.0% over same quarter last year, and Expenses were up 15.8%. This resulted in our Operating Income being down 11.9% from same quarter last year. Also we had a Provision for Loan Losses of \$250,000 in the third quarter but none for the same quarter a year ago. Net Income after Provision and Tax was \$1,361,537 but this was 21.5% lower than same quarter last year.

For the last 12 months, we had an increase in Net Interest Income of 8.3%. Non-Interest Income increased 22.6%, largely due to our Mortgage Division growth. We had a 13.6% increase in our Non-Interest Expenses which is also due to growth in our Mortgage Division. This resulted in a 7.7% increase in Net Operating Income. Provision for Loan Losses in last 12 months was \$735,000 which is lower than normal but not near as low as the previous 12 months. In addition, last year we had a gain of \$300,000 from a tradename infringement. All of this calculated to a small increase of 3.2% increase in Net Income for the last 12 months. When compared to same time last year, our assets increased 22.5% and loans increased 21.7%, which should help give us a larger increase in Net Income in coming months. Our loan quality continues to be very good compared to our peers.

Triumph Bancshares' Tangible Book Value per share fully diluted increased from \$12.68 to \$13.72 over the last 12 months, which is an increase of 8.2%. With the lower Net Income of the third quarter Return on Average Assets was 0.9% and Return on Equity was 9.8% versus a Return on Average Assets of 1.0% and Return on Equity of 10.7% in the previous 12 months. We need a good fourth quarter to get these returns back up and the increased loans in last quarter should help us with this.

In the last quarter several shares traded at \$16. If you are interested in buying or selling, please contact Jessica Bridges at (901)333-8805 or [jessica.bridges@triumphbank.com](mailto: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.

Your help in mentioning us to your friends and family will help us continue our growth. Thanks for your support.

Sincerely,  
Triumph Bancshares, Inc.

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

Hilliard Crews  
Chairman