



July 19, 2018

Dear Fellow Shareholders,

In the Second Quarter, Triumph's Assets grew \$80 million (11.5%), Loans grew \$76 million (14.1%), and our Net Income for the quarter was up 27.7% from last quarter. When compared to same quarter last year, our Assets grew \$135 million (21.1%), Loans grew \$104 million (20.4%) and Net Income was up 20.2%. We did realize a big benefit to Net Income over same quarter last year from the tax decrease.

In the last 12 months ending in June, we increased our Net Interest Income (Interest Income less Interest Expense) by 12.5%. This increase is good but would have been better if we had been able to pass on all our interest expense increase, but, unfortunately, we are in a very competitive environment. We have had a 15.2% increase in expenses in the last 12 months, but as a reminder, I mentioned earlier that we added lenders and mortgage personnel to our team in late 2017, and in early 2018, we launched our Nashville market presence by opening our office in Brentwood. These additions have all been very positive and will be paying for themselves as we near year end. As shown on the Q2 Shareholder Report, we had higher Provision for Loan Losses in the last 12 months. This is mainly due to our large increase in loans as we must reserve for any increase in our loans. As I mentioned in my last quarterly letter, we roughly breakeven on our increase in loans in the first 12 months with all the income benefit from these loans occurring in the second 12 months, which in this case is July 2018- June 2019.

Our loan quality remains very good. Due to the competition on loans, the increased operating expenses, increased Provision for Loan Losses, and deferred tax asset write-downs, our income for the last 12 months is down 9.3% from the previous 12 months. However, we do expect to have a good increase in income in 2018 over 2017 as personnel additions are starting to pay off in the second half of the year.

Additionally, Tangible Book Value has increased to \$14.18 from \$13.50, and more importantly, our stock is being traded at \$18.50 versus \$17.75, so we continue to see good appreciation in our stock.

As always, we appreciate your support and your referrals which will help us grow Triumph.

Sincerely,  
Triumph Bancshares, Inc.

A handwritten signature in black ink, appearing to read "Hilliard Crews", is written over a light blue horizontal line.

Hilliard Crews  
Chairman