



October 31, 2018

Dear Fellow Shareholders,

Our Third Quarter saw growth of \$8.1 million in Assets and \$13.3 million in Loans. We are up 14.7% in Assets and 15.2% in Loans over the Third Quarter 2017. Our Net Income for the quarter was down from the second quarter of this year, but our second quarter was an usually good quarter. Our Net Income for the quarter was up 13.6% over the same quarter last year; however, this increase includes some gain from the lower tax rates. On a before tax basis, our Third Quarter Net Income was up 4.5%.

In the last 12 months ending in September, we increased our Net Interest Income (Interest Income less Interest Expense) by 11.2% and our non-interest income 4.9%. The increase in Net Interest Income is good considering the very competitive environment. We have had a 15% increase in expenses in the last 12 months, but as a reminder, I mentioned earlier this year that we added a Medical and Professional Private Banking team and mortgage personnel in late 2017, and in early 2018, we launched our Nashville market presence by opening our office in Brentwood. These personnel additions have greatly helped our loan growth this year and will contribute to our earnings growth by the end of 2019. Provision for loan losses have increased some but are still very good versus our peers. Please note that most of the increase in Provision is due to the 15% increase in Loans. Our loan quality remains very good.

Our Net Income for the Trailing 12 Months is only up 0.7%. However, excluding the \$731,000 in after-tax start-up losses for Nashville, the Net Income is up 13.9%. When we finish the year, we expect to have an increase in Net Income substantially above 2017.

Our stock traded at \$19.00 in the 3rd Quarter versus \$16.00 in 3rd Quarter 2017. The Bank is also currently doing a Stock Buyback at \$19.00, so we are seeing good growth in the value of our stock.

Thanks, as always, for your support and continued confidence in 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