



February 11, 2019

Dear Fellow Shareholders,

Our bank did not see much growth in the 4th Quarter, but, for the year 2018, we saw good growth of \$65.4 million in Assets and \$78.7 million in Loans. This was an increase of 9.1% in Assets and a sizeable 14.5% increase in Loans for 2018.

In the last 12 months ending in December, we increased our Net Interest Income (Interest Income less Interest Expense) by 7.8% which did not keep pace with our loan growth as we were unable to pass on all the increased cost of funds in higher loan interest rates due to competition. We had an increase of 12.4% in our non-interest income due to increased mortgage origination income and additional fees in our Asset Based Loan Division. We had an 11.4% increase in expenses in the last 12 months which reflected the addition of a Medical and Professional Banking team and additional mortgage personnel in late 2017, as well as the March launch into the Nashville market with the opening of our Brentwood branch. These personnel additions greatly contributed to our loan growth this year, and we expect these investments to strongly contribute to our earnings growth in 2019. Our Net Operating Income was up only 3.5% due to the increased cost of funds and increased operating expenses. Provision for loan losses decreased \$190,750 or 16.7% due to the exceptional quality of our loan portfolio. 2018 Net Income before tax was up 6.5%, and after-tax income was up 30.0%. We benefited substantially from the lower tax rates in 2018.

We had a 10.1% Return on Beginning Tangible Equity and the Tangible Book Value of our stock increased from \$13.70 to \$14.96. Our stock traded at \$19.00 in the 4th Quarter versus 17.00 in late 2017. The Bank also completed a Stock Buyback at \$19.00 in November 2018.

In 2019, we expect to see increased earnings due to increased loans and mortgage production from the investments we made in people over the last 12-15 months.

As always, we need both your business and your referrals so we can continue to grow the bank. Thanks for your ongoing confidence and support of 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

P.S. Please mark your calendars for our Annual Shareholder Meeting that will be held on April 25th at our 5904 Ridgeway Center Parkway office. You will be receiving an invite soon, and we look forward to seeing you then.