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As confidentially submitted to the Securities and Exchange Commission on August 8, 2014

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

TRIUMPH BANCORP, INC.
(Exact name of registrant as specified in its charter)

Texas	6712	20-0477066
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

12700 Park Central Drive, Suite 1700
Dallas, Texas 75251
(214) 365-6900
(Address, including zip code and telephone number, including area code, of registrant's principal executive offices)

Aaron P. Graft
President and Chief Executive Officer
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12700 Park Central Drive, Suite 1700
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Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price[(1)(2)]	Amount of Registration Fee
Common stock, par value $0.01 per share		

(1) Includes shares of common stock that the underwriters have the option to purchase pursuant to their purchase option.
(2) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(o) under the Securities Act of 1933. This amount represents the proposed maximum aggregate offering price of the securities registered hereunder to be sold by the Registrant.

The Registrant hereby amends this Registration Statement on such date as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the Registration Statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED AUGUST 8, 2014

Shares

PRELIMINARY PROSPECTUS

Common Stock

This is the initial public offering of Triumph Bancorp, Inc., a financial holding company registered under the Bank Holding Company Act of 1956, as amended. We are offering shares of our common stock.

Prior to this offering, there has been no public market for our common stock. We anticipate that the initial public offering price per share of our common stock will be between $ and $ per share.

We intend to apply to list our common stock on the under the symbol " ."

Investing in our common stock involves risk. See "Risk Factors" beginning on page 15.

We are an "emerging growth company" under the federal securities laws and will be subject to reduced public company reporting requirements.

	Per Share	Total
Initial public offering price	$	$
Underwriting discounts[1]	$	$
Proceeds to us, before expenses	$	$

(1) See "Underwriting" for additional information regarding the underwriting discount and certain expenses payable to the underwriters by us.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The shares of our common stock that you purchase in this offering will not be savings accounts, deposits or other obligations of any of our bank or non-bank subsidiaries and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

Delivery of the shares of our common stock is expected to be made on or about , 2014. We have granted the underwriters an option for a period of 30 days from the date of this prospectus to purchase an additional shares of our common stock.

SANDLER O'NEILL + PARTNERS, L.P. EVERCORE

Prospectus dated , 2014

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ABOUT THIS PROSPECTUS

You should rely only on the information contained in this prospectus or in any free writing prospectus we may authorize to be delivered to you. We have not, and the underwriters have not, authorized anyone to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. We are not, and the underwriters are not, making an offer of these securities in any jurisdiction where the offer is not permitted. The information contained in this prospectus is accurate only as of the date of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

MARKET AND INDUSTRY DATA

Although we are responsible for all of the disclosures contained in this prospectus, this prospectus contains industry, market and competitive position data and forecasts that are based on industry publications and studies conducted by third parties. The industry publications and third-party studies generally state that the information that they contain has been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. While we believe that the market position, market opportunity and market size information included in this prospectus is generally reliable, such information is inherently imprecise. The industry forward-looking statements included in this prospectus may be materially different than actual results.

IMPLICATIONS OF BEING AN EMERGING GROWTH COMPANY

As a company with less than $1.0 billion in revenue during our last fiscal year, we qualify as an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012 (or the “JOBS Act”). We will continue to be an emerging growth company until the earliest to occur of:

- the last day of the fiscal year following the fifth anniversary of this offering;
- the last day of the fiscal year in which we have more than $1.0 billion in annual revenues;
- the date on which we have more than $700 million in market value of our common shares held by nonaffiliates; or
- the date on which we issue more than $1.0 billion of nonconvertible debt over a three-year period.

Until we cease to be an emerging growth company, we may take advantage of specified reduced reporting and other regulatory requirements generally unavailable to other public companies. Those provisions allow us to:

- present only two years of audited financial statements;
- discuss only our results of operations for two years in related Management’s Discussions and Analyses;
- provide less than five years of selected financial data in an initial public offering registration statement;
- to not provide an auditor attestation of our internal control over financial reporting;
- to choose not to adopt new or revised financial accounting standards until they would apply to private companies;
- to choose not to comply with any new requirements adopted by the Public Company Accounting Oversight Board (“PCAOB”) requiring mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and our audited financial statements;
- to provide reduced disclosure regarding our executive compensation arrangements pursuant to the rules applicable to smaller reporting companies, which means we do not have to include a compensation discussion and analysis and certain other disclosure regarding our executive compensation; and
- to not seek a nonbinding advisory vote on executive compensation or golden parachute arrangements.

We have elected to adopt the reduced disclosure requirements described above for purposes of the registration statement of which this prospectus is a part. In addition, we expect to take advantage of certain of the reduced reporting and other requirements of the JOBS Act with respect to the periodic reports we will file with the SEC and proxy statements that we use to solicit proxies from our stockholders.

We have elected to not take advantage of the extended transition period that allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies, which means that the financial statements included in this prospectus, as well as financial statements we file in the future, will be subject to all new or revised accounting standards generally applicable to public companies. Our election not to take advantage of the extended transition period is irrevocable.

PROSPECTUS SUMMARY

This summary highlights selected information contained in this prospectus and may not contain all of the information that you need to consider in making your investment decision. To understand this offering fully, you should carefully read this summary together with the more detailed information contained in this prospectus. You should carefully consider the section titled "Risk Factors" in this prospectus and our consolidated financial statements. Unless we state otherwise or the context otherwise requires, references in this prospectus to "Triumph," "we," "our," "us," "ourselves," "our Company" and the "Company" refer to Triumph Bancorp, Inc., a Texas corporation, and, unless the context requires otherwise, its subsidiaries.

Overview

We are a financial holding company headquartered in Dallas, Texas and registered under the Bank Holding Company Act of 1956, as amended (the "BHC Act"). Through our two wholly owned bank subsidiaries, Triumph Savings Bank, SSB ("Triumph Savings Bank") and Triumph Community Bank, N.A. ("Triumph Community Bank"), we offer traditional banking products as well as commercial finance products to businesses that require specialized and tailored financial solutions. Our banking operations include a full suite of lending and deposit products and services focused on our local market areas. These activities generate a stable source of core deposits and a diverse asset base to support our overall operations. Our commercial finance products include factoring, asset-based lending, equipment lending and healthcare lending products offered on a nationwide basis. These product offerings supplement the asset generation capacity in our community banking markets and enhance the overall yield of our loan portfolio, enabling us to earn attractive risk-adjusted net interest margins. We believe our integrated business model distinguishes us from other banks and non-bank financial services companies in the markets in which we operate. As of March 31, 2014, we had consolidated total assets of $1.3 billion, total loans held for investment of $801 million, total deposits of $1.1 billion and total stockholders' equity of $137 million.

Our Corporate Structure

We operate our business through several corporate entities:

- Triumph Community Bank is our community banking platform and operates a network of 18 branches and one loan production office throughout Iowa and Illinois. Through this network, we offer our customers a variety of financial products and services, including checking and savings accounts, debit cards, electronic banking, trust services and treasury management, as well as a full range of commercial and retail lending products focused on our local market areas. Triumph Community Bank also maintains a loan production office in Portland, Oregon through which we originate our healthcare asset-based loans under our Triumph Healthcare Finance brand.
- Triumph Savings Bank operates two branches in Dallas, Texas, including our corporate office and an additional branch that is dedicated to deposit gathering activities. Triumph Savings Bank is responsible for a significant portion of the origination activity for our specialized commercial finance products, including the asset-based loans and equipment loans we originate under our Triumph Commercial Finance brand and our factoring activities offered principally through its subsidiary Advance Business Capital LLC, which operates under the Triumph Business Capital brand ("Triumph Business Capital").
- Triumph Capital Advisors, LLC ("Triumph Capital Advisors") is a registered investment advisor through which we conduct all of our asset management operations.

See "Business—Our Corporate Structure."

Lending and Factoring Activities

Our primary lending and factoring activities include the following:

Commercial Real Estate Loans. We originate real estate loans to finance commercial property that is owner-occupied as well as commercial property owned by real estate investors. The real estate securing our existing commercial real estate loans includes a wide variety of property types, such as office buildings, warehouses, production facilities, hotels and mixed-use residential/commercial and multifamily properties. The total amount of our commercial real estate loans outstanding as of March 31, 2014 was $268.7 million (or 34% of our total loan portfolio), of which $145.1 million was owner occupied and $123.6 million was non-owner occupied.

Commercial Loans. We strive to meet the specific commercial-lending needs of small-to mid-sized companies, primarily through lines of credit for working capital needs and term loans. Our commercial loans are typically secured by various types of business assets, including receivables, inventory and equipment. As of March 31, 2014, our commercial loans totaled $235.0 million (or 29% of our total loan portfolio).

A portion of our commercial loan portfolio consists of specialty commercial finance products including asset-based loans and equipment loans, originated under our Triumph Commercial Finance brand. As of March 31, 2014, these product lines in aggregate totaled $95.7 million (or 41% of our total commercial loan portfolio). In addition, in June 2014 we acquired a healthcare asset-based lending business with a portfolio of loans with an outstanding balance of $46.7 million. A more detailed description of these product lines is set forth below:

- *Asset-Based Loans*. We originate asset-based loans under our Triumph Commercial Finance brand. These asset-based loans focus on clients undergoing rapid growth as well as those with financial profiles without the operating history, cash flows or balance sheet profile that traditional banks generally require. We target facilities up to $10 million in size and structure transactions so that we typically control the borrowers' cash. We believe we are well-positioned in the asset-based lending market between non-bank lenders with higher costs of funds and larger banks which tend to focus on larger transactions.
- *Equipment Loans*. We originate equipment loans under our Triumph Commercial Finance brand. These equipment loans focus primarily on the construction, transportation and waste management industries. Equipment used in these industries is not subject to rapid technological obsolescence, has economic life beyond our financing period and has large and liquid resale markets. We believe that our competitive advantage in this niche is our knowledge of the collateral and our deep relationships with customers and service providers within the industries we serve. To best leverage these advantages, we employ a territory-focused, direct sales approach.
- *Healthcare Loans*. In June 2014, we acquired an asset-based lending business dedicated exclusively to the healthcare industry. The focus of this product line, which now operates under the Triumph Healthcare Finance brand, is on secured credit facilities of $1 million to $15 million for healthcare service providers in the areas of skilled nursing, home healthcare, physical therapy and pharmacy delivery. We acquired a portfolio of loans with an outstanding balance of $46.7 million in the acquisition, as well as a team of lenders with significant experience in this specialized asset class.

Factored Receivables. We provide working capital financing through the purchase of accounts receivable at a discount to face value (which we refer to as "factoring"), primarily in the transportation sector. Our factoring business utilizes a targeted marketing approach, a disciplined credit process and a focus on operational efficiency. Based on data compiled by the International Factoring Association and the Commercial Finance Association in 2013, we believe that our annual volume of purchased receivables is among the largest in the

United States for bank or non-bank financial services companies with a primary focus on invoice factoring. As of March 31, 2014, our gross factored receivables outstanding totaled $129.5 million (or 16% of our total loan portfolio).

Commercial Construction, Land and Land Development Loans. We offer loans to small-to-mid-sized businesses to construct owner-user properties, as well as loans to developers of commercial real estate investment properties and residential developments. These loans are typically disbursed as construction progresses and carry interest rates that vary with the prime rate. As of March 31, 2014, the outstanding balance of our construction loans was $39.2 million (or 5% of our total loan portfolio).

Residential Real Estate Loans. We offer first and second mortgage loans to our individual customers primarily for the purchase of primary and secondary residences. As of March 31, 2014, the outstanding balance of our one-to-four family real estate secured loans, including home equity loans and lines of credit, was $79.5 million (or 10% of our total loan portfolio). As of March 31, 2014, the substantial majority of our residential real estate loans were originated in our community banking markets in Iowa and Illinois.

Other Products and Services

Asset Management Services. Triumph Capital Advisors is a registered investment adviser that provides fee-based asset management services primarily for institutional clients. Triumph Capital Advisors is principally engaged in the origination and management of collateralized loan obligations (“CLOs”). Triumph Capital Advisors closed its first CLO offering in May 2014 and closed its second CLO offering in August 2014, each with an approximate total size of $400 million. We anticipate that Triumph Capital Advisors will originate one to two additional CLOs per year, which we expect will provide us a recurring source of noninterest fee income. As of August 8, 2014, Triumph Capital Advisors had assets under management of approximately $800 million.

Additional Products and Services. We offer a full range of commercial and retail banking services to our customers, including checking and savings accounts, debit cards, electronic banking and trust services. These products both augment our revenue and help us expand our core deposit network. A number of our additional products and services focus on providing turnkey solutions to the commercial clients that comprise a key component of our lending growth strategy. For example, we provide comprehensive treasury management services for commercial clients to manage their cash and liquidity, including lock box, accounts receivable collection services, electronic payment solutions, fraud protection, information reporting, reconciliation and data integration and balance optimization solutions. In June 2014, we established Triumph Insurance Group, an insurance brokerage agency initially focused on meeting the insurance needs of our commercial clients, particularly our factoring clients in the transportation industry and our equipment lending clients. We believe these ancillary product offerings have the ability to diversify our revenue and increase customer retention for our primary lending products.

Our History and Growth

We commenced operations in November 2010 when an investor group, led by our Chief Executive Officer Aaron Graft, raised approximately $45 million to acquire and recapitalize Dallas-based Equity Bank, SSB (“Equity Bank”) (now known as Triumph Savings Bank). We believed that the economic downturn experienced in 2008 would provide opportunities within the banking industry to build a diversified financial enterprise through the acquisition of banking assets and management talent at a time when many banking competitors were working through credit and capital challenges. This platform provided us the foundation from which, through a combination of acquisitions and de novo growth, we have been able to grow and expand into both commercial finance products (factoring, asset-based lending, equipment lending and healthcare lending) and community banking. From our beginnings in 2010, we have:

- expanded our assets from $251 million as of December 31, 2010 to $1.3 billion as of March 31, 2014;

- increased our loans from $144 million as of December 31, 2010 to $801 million as of March 31, 2014;
- increased our deposits from $212 million as of December 31, 2010 to $1.1 billion as of March 31, 2014; and
- grown our employee base from 29 full-time employees following our first acquisition to 422 full-time equivalent employees as of March 31, 2014.

Our Competitive Strengths

We attribute our success to the following competitive strengths:

Scalable Product Platforms Positioned for Growth. We have invested substantially in people, processes and procedures in order to facilitate the recent growth in our key product lines and to position such product lines for additional growth in the future. We have made considerable investments to integrate Triumph Business Capital's operations into a banking environment, enhance its technology platform and expand our staff during a period of significant growth in gross receivables purchased. In each of our asset-based lending, equipment lending and asset management businesses, we hired experienced executive teams to establish de novo product lines which have only recently become profitable on a run rate basis, and which we believe have significant remaining growth potential. Finally, our acquisition of Triumph Community Bank in October 2013 provided us with a management team experienced in the operation of a community banking franchise that can be leveraged for future acquisitions. We believe that the scalable platforms created by these investments position us for substantial growth in our key product lines and have laid the groundwork for our ability to operate as a larger financial institution.

Diversified Business Model. We believe that the combination of our community banking operations and our commercial finance product lines allows us to grow in varied economic conditions and across business cycles. Our community banking operations provide us asset diversity and a favorable cost of funds, especially when competing against the wholesale banks and non-bank finance companies that offer many of our commercial finance products. Deposits represented 93% of our total funding and had an average cost of 50 basis points for the quarter ended March 31, 2014. Our commercial finance product lines enhance the overall yield of our loan portfolio and are offered on a nationwide basis, mitigating our exposure to stagnant loan demand or yield compression in our community banking markets. Additionally, the depth of our product offerings enhances our ability to serve our clients' needs as they continue to grow and evolve over time. For example, we are able to offer our commercial finance clients a full suite of banking products and services (such as treasury management, deposit products, and insurance), and also offer them appropriate financing products for each stage in the life cycle of their business (such as factoring or asset-based lending options during the startup phase of their operations, graduating to cash flow working capital lines or other lending products as their businesses mature).

Focused Risk Mitigation Practices. We have developed underwriting and credit management processes tailored to each of the product lines we offer, allowing us to construct a diversified asset portfolio across a variety of industries, geographies and loan types, including in several specialized markets not typically served by community banks. We believe that our industry experience and product knowledge has allowed us to develop processes, procedures and structural features in connection with offering specialized products that enable us to appropriately identify and mitigate the risks associated therewith.

Experienced Management Team. Our leadership team consists of senior executives with an average of over 20 years of experience in the banking and non-banking financial services industries. Although Triumph is a relatively new organization, we have 20 senior executives, representing the majority of executives at the senior vice president level or above, who come from multi-billion dollar financial institutions, where they managed and grew similar operations. We believe this group represents a deep management bench for a financial institution of our size. We believe the experience and relationships of these senior executives, combined with our resources and entrepreneurial culture, have been key drivers of our growth.

Acquisition and Investment Expertise. We began operations in 2010 with the acquisition of Equity Bank, a distressed bank in Dallas, Texas with no internal loan origination or transactional deposit generating capacity. Since then, we have developed both of these capabilities by identifying and executing on a series of acquisition and investment opportunities, and transformed our company in the process. These transactions have included acquisitions of a bank (Triumph Community Bank) and commercial finance companies (such as our factoring and healthcare lending businesses), as well as investments in proven management teams to develop and grow businesses on a de novo basis where we identify market opportunities (such as our asset-based lending, equipment lending and asset management businesses). We believe that our demonstrated experience in successfully identifying acquisition and investment opportunities in a broad range of industries, executing on their implementation and integrating them into our combined business will continue to serve us well as we grow and expand our operations.

Access to Texas Economy. Our corporate headquarters and the bulk of our commercial finance operations are located in the Dallas, Texas metropolitan area. We believe that our presence in Texas gives us an opportunity to continue to capitalize on the positive economic and demographic trends within the state as we execute on our growth strategy. Six of the largest 25 United States cities by population are located in Texas, and economic growth within the state has exceeded that of the national average since January 1, 2011. Texas' economy has been one of the fastest growing and healthiest in the country, with estimated population growth of 5.5% since the 2010 census, real GDP growth of 3.7% in 2013, an unemployment rate of 5.1% as of June 2014 and the largest job growth rate of any state for each of the last four years. We believe these economic conditions are particularly conducive to growth in the small-to-mid-sized businesses that constitute our target client base. As of March 31, 2014, 14% of our loan portfolio is tied to Texas. We intend to continue to capitalize on our Texas presence as we grow and expand our operations.

Our Strategy

We believe that our model of community banking with a focus on niche commercial finance products provides us with differentiated advantages when compared to our competitors, including a strong deposit franchise, a more complete set of product offerings and the ability to earn attractive risk-adjusted net interest margins. Our strategy is to generate stockholder value through the following initiatives:

Increase Market Share Across Core Products. We see opportunities to generate additional revenue growth across our product offerings, particularly in our commercial finance operations. The pool of potential commercial finance clients is a substantial and permanent part of the economy, yet the specialized lending markets that serve them remain highly fragmented. Many of our commercial finance product lines were established as de novo units, which we believe are poised to capture additional market share as they mature. We expect that we will continue to capture market share because we provide clients with turnkey solutions through the breadth of our banking products and because our balance sheet allows us to make investments in technology, personnel, marketing and systems not available to smaller non-bank commercial lenders.

Expand and Diversify Commercial Finance Products. We believe the acquisition of additional commercial finance businesses and the expansion into additional commercial finance product lines provides us opportunities to increase the total size and percentage of our loan portfolio represented by these assets. Our existing commercial finance products give us insight into numerous opportunities to acquire existing competitors and to expand into adjacent product lines. The growth of our commercial finance product lines to date demonstrates our willingness to acquire or build these capabilities depending on the particular opportunity.

Pursue Strategic Community Bank Acquisitions. We plan to be a strategic acquirer of additional community banks to increase the size, efficiency and ultimately the value of our franchise. We evaluate numerous criteria related to screening acquisition opportunities, but foremost among them are the existence of a strong deposit franchise and the opportunity to be a local market leader. We believe that additional community

banking acquisitions will further improve our deposit mix and asset diversification. Our acquisition of Triumph Community Bank provided us with a management team experienced in the operation of a community banking franchise that can be leveraged and provide efficiencies in connection with additional community banking acquisitions.

Summary Risk Factors

There are a number of risks that you should consider before investing in our common stock. These risks are discussed more fully in the section titled "Risk Factors," beginning on page 15.

Corporate Information

Our principal executive offices are located at 12700 Park Central Drive, Suite 1700, Dallas, Texas 75251 and our telephone number is 214-365-6900. We maintain a website at www.triumphbancorp.com. Neither this website nor the information on this website is included or incorporated in, or is a part of, this prospectus.

THIS OFFERING

Common stock offered by us	shares.
Option to purchase additional shares of common stock	shares.
Common stock to be outstanding after this offering	shares (shares if the underwriters exercise in full their purchase option).
Use of proceeds	Assuming an initial public offering price of $ per share, which is the midpoint of the offering price range set forth on the cover page of this prospectus, we estimate that the net proceeds to us from the sale of our common stock in this offering will be $ million (or $ million if the underwriters exercise in full their purchase option), after deducting estimated underwriting discounts and offering expenses. We intend to use: • approximately $25.9 million of the net proceeds to us generated by this offering to redeem, as promptly as practicable following the completion of this offering, the outstanding 24,664 shares of Senior Preferred Stock, Series T-1 and 1,233 shares of Senior Preferred Stock, Series T-2 (collectively, the "TARP preferred stock") currently outstanding at National Bancshares, Inc. (the parent company of Triumph Community Bank, which we acquired on October 15, 2013 ("NBI")) issued to the U.S. Department of the Treasury ("U.S. Treasury") in February 2009 under the TARP Capital Purchase Program ("CPP"); • approximately $12.3 million of the net proceeds of this offering to retire, as promptly as practicable following the completion of this offering, our senior secured indebtedness; and • any remainder of the net proceeds of this offering (which will be approximately $ million) to support our organic growth and other general corporate purposes, including potential future acquisitions of bank and non-bank financial services companies that we believe are complementary to our business and consistent with our growth strategy. See "Use of Proceeds."
Dividends	We have not historically declared or paid cash dividends on our common stock and we do not expect to pay cash dividends on our common stock in the foreseeable future. Instead, we anticipate that all of our future earnings will be retained to support our operations and finance the growth and development of our business. Any future determination to pay dividends on our common stock will be made by our board of directors and will depend upon our results of operations, financial condition, capital requirements, regulatory and contractual restrictions, our business strategy and other factors that our board of directors deems relevant. See "Dividend Policy."

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Rank	Our common stock is subordinate to our Series A Preferred Stock and Series B Preferred Stock with respect to the payment of dividends and the distribution of assets upon liquidation. In addition, our common stock will be subordinate to our junior subordinated debentures, our TARP preferred stock (which we plan to redeem, as promptly as practicable following the completion of this offering, with the net proceeds of this offering), any debt that we have outstanding and any debt that we may issue in the future and may be subordinate to any new series of preferred stock that we may issue in the future.
Listing	We intend to apply to list our common stock on the under the trading symbol " ."
Directed Share Program	At our request, the underwriters have reserved for sale, at the initial public offering price, up to shares of common stock offered by this prospectus for sale to our directors, officers, employees, business associates and related persons. We will offer these shares to the extent permitted under applicable regulations in the United States through a directed share program. Reserved shares purchased by our directors and officers will be subject to the lock-up provisions described in "Underwriting—Lock-Up Agreements." The number of shares of our common stock available for sale to the general public will be reduced to the extent these persons purchase the reserved shares. Any reserved shares of our common stock that are not so purchased will be offered by the underwriters to the general public on the same terms as the other shares of our common stock offered by this prospectus.
Risk factors	Investing in our common stock involves risks. See "Risk Factors," beginning on page 15, for a discussion of certain factors that you should carefully consider before making an investment decision.

References in this section to the number of shares of our common stock outstanding after this offering are based on 9,886,334 shares of our common stock issued and outstanding as of August 8, 2014. Unless otherwise noted, these references exclude:

- 315,773 shares of our common stock reserved for issuance upon conversion of our Series A Preferred Stock. See "Description of Capital Stock—Series A and Series B Preferred Stock";
- 360,578 shares of our common stock reserved for issuance upon conversion of our Series B Preferred Stock. See "Description of Capital Stock—Series A and Series B Preferred Stock";
- 259,067 shares of our common stock reserved for issuance upon exercise of the warrant (the "TCC Warrant") held by Triumph Consolidated Cos., LLC ("TCC"). See "Description of Capital Stock—Warrant"; and
- shares of our common stock reserved for issuance under the Triumph Bancorp, Inc. 2014 Omnibus Equity Incentive Plan (the "2014 Omnibus Plan"). See "Executive Compensation."

Unless otherwise indicated, the information contained in this prospectus is as of the date set forth on the cover page of this prospectus, assumes that the underwriters' option to purchase additional shares is not exercised and assumes that the common stock to be sold in this offering is sold at $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The following table summarizes our consolidated financial data for the periods presented. You should read the following information together with "Risk Factors," "Capitalization" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and notes thereto included elsewhere in this prospectus.

The selected historical consolidated statements of operations and cash flow data for the three months ended March 31, 2014 and 2013 and the selected historical consolidated balance sheet information as of March 31, 2014 and 2013 have been derived from our unaudited historical consolidated financial statements, included elsewhere in this prospectus. The selected historical consolidated statements of operations and cash flow data for the years ended December 31, 2013 and 2012 and the selected historical consolidated balance sheet information as of December 31, 2013 and 2012 have been derived from our audited historical consolidated financial statements, included elsewhere in this prospectus. Average balances have been computed using daily averages, except for average total assets, which is computed using beginning and end of month average balances. The comparability of our consolidated results of operations and our consolidated financial condition presented herein is significantly affected by our acquisition of Triumph Community Bank in October 2013. Our consolidated results of operations for the three months ended March 31, 2014 fully reflect the impact of the acquisition. However, our consolidated results of operations for the fiscal year ended December 31, 2013 show the effect of the acquisition only for the period between October 15, 2013, the closing date of the acquisition and December 31, 2013. As a result, the average balances, average income and average expenses for the fiscal year ended December 31, 2013 reflect a partial, but not full, effect of the changes to our assets, liabilities and operations resulting from the acquisition. Our consolidated results of operations for the three months ended March 31, 2013 and fiscal year ended December 31, 2012 are unaffected by the acquisition. Additionally, our historical results may not be indicative of our future performance.

(dollars in thousands, except share data)	As of and for the three months ended March 31,		As of and for the year ended December 31,	
	2014	2013	2013	2012
	(Unaudited)			
Income Statement Data:				
Interest income	$20,379	$6,821	$42,630	$26,952
Interest expense	1,524	767	3,947	3,715
Net interest income	18,855	6,054	38,683	23,237
Provision for loan losses	925	379	3,412	1,739
Net interest income after provision	17,930	5,675	35,271	21,498
Bargain purchase gain	—	—	9,014	—
Other noninterest income	2,609	445	3,999	2,661
Noninterest income	2,609	445	13,013	2,661
Noninterest expense	14,896	5,347	32,724	18,479
Income before income taxes	5,643	773	15,560	5,680
Income tax expense (benefit)	1,916	117	2,133	(5,394)
Net income	3,727	656	13,427	11,074
Effects of noncontrolling interests and preferred shares	(579)	(953)	(1,588)	(993)
Net income (loss) available to common stockholders	$ 3,148	$ (297)	$11,839	$10,081

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(dollars in thousands, except share data)	As of and for the three months ended March 31, 2014	2013	As of and for the year ended December 31, 2013	2012
	(Unaudited)			
Period-End Balance Sheet Data:				
Cash and Cash Equivalents	$ 106,951	$ 25,490	$ 85,797	$ 15,784
Investment securities	166,020	41,668	185,397	43,645
Loans held for sale	4,902	—	5,393	—
Branch assets held for sale	88,692	—	—	—
Loans held for investment	800,667	233,508	881,099	211,249
Allowance for loan and lease losses (“ALLL”)	(4,631)	(2,214)	(3,645)	(1,926)
Total assets	1,297,110	329,977	1,288,239	301,462
Noninterest-bearing deposits	155,879	11,701	150,238	10,323
Interest-bearing deposits	894,433	211,683	894,616	215,376
Senior Secured Note	12,259	—	12,573	—
Junior Subordinated Debentures	24,233	—	24,171	—
Noncontrolling interests(1)	26,997	1,600	26,997	6,962
Preferred stockholders’ equity	9,746	4,550	9,746	5,000
Common stockholders’ equity(2)	127,438	98,394	123,854	51,512
Total stockholders’ equity	137,184	102,944	133,600	56,512
Per Share Data:				
Basic earnings per share	$ 0.32	$ (0.04)	$ 1.40	$ 2.24
Diluted earnings per share	$ 0.32	$ (0.04)	$ 1.39	$ 2.24
Book value per share	$ 12.94	$ 11.35	$ 12.60	$ 11.23
Tangible book value per share(2)	$ 10.12	$ 9.73	$ 9.70	$ 8.17
Shares outstanding end of period	9,846,096	8,668,956	9,832,585	4,586,356
Weighted average common shares outstanding—basic	9,832,735	6,681,262	8,481,137	4,502,595
Weighted average common shares outstanding—diluted	10,544,904	6,681,262	8,629,611	4,502,595
Performance Ratios:				
Return on average assets(3)	1.19%	0.84%	2.40%	3.82%
Return on average common equity(2)(3)	10.10%	(1.58)%	11.98%	23.02%
Return on average tangible common equity (“ROATCE”)(2)(3)	13.00%	(1.94)%	14.50%	33.17%
Return on average total equity(3)	9.26%	3.16%	12.13%	20.31%
Net interest margin(2)	6.85%	8.75%	7.77%	8.93%
Efficiency ratio(2)	69.40%	81.12%	73.11%	71.15%
Asset Quality Ratios:				
Past due to total loans	2.99%	5.42%	2.78%	6.81%
Nonperforming loans to total loans	1.32%	4.68%	1.41%	4.77%
Nonperforming assets to total assets	1.86%	4.78%	2.03%	4.92%
ALLL to nonperforming loans	43.92%	20.26%	29.41%	19.12%
ALLL to total loans	0.58%	0.95%	0.41%	0.91%
Net charge-offs to average loans	(0.01)%	0.04%	0.45%	0.12%
Capital Ratios:				
Tier 1 capital to average assets	11.89%	28.64%	12.87%	16.15%
Tier 1 capital to risk-weighted assets	14.32%	34.22%	14.11%	19.77%
Total capital to risk-weighted assets	14.78%	35.10%	14.52%	20.62%
Total equity to total assets	12.66%	31.68%	12.47%	21.06%
Tangible common equity to tangible assets(2)	7.85%	26.70%	7.57%	13.04%

(1) $25.9 million of our noncontrolling interests is related to our TARP preferred stock, which we plan to redeem as promptly as practicable following the closing of this offering. See "Use of Proceeds." The remainder of our noncontrolling interests are Class B Units of Triumph Commercial Finance, LLC ("Triumph Commercial Finance"), which were redeemed in June 2014.

(2) We have presented certain information in the table that does not conform to generally accepted accounting principles ("GAAP") in the United States. We believe that these non-GAAP ratios, when taken together with the corresponding ratios calculated in accordance with GAAP, provide meaningful supplemental information regarding our performance for the periods presented. Reconciliations for all non-GAAP measures included in the table above are provided in "Management's Discussion and Analysis of Financial Condition and Results of Operations—GAAP Reconciliation and Management Explanation of Non-GAAP Financial Measures."

- "Common stockholders' equity" is defined as total stockholders' equity at end of period less the liquidation preference value of the preferred stock;
- "Net interest margin" is defined as net interest income divided by average interest-earning assets;
- "Tangible common stockholders' equity" is common stockholders' equity less goodwill and other intangible assets;
- "Total tangible assets" is defined as total assets less goodwill and other intangible assets;
- "Tangible book value per share" is defined as tangible common stockholders' equity divided by total common shares outstanding. This measure is important to investors interested in changes from period-to-period in book value per share exclusive of changes in intangible assets;
- "Tangible common stockholders' equity ratio" is defined as the ratio of tangible common stockholders' equity divided by total tangible assets. We believe that this measure is important to many investors in the marketplace who are interested in relative changes from period-to period in common equity and total assets, each exclusive of changes in intangible assets;
- "Return on Average Tangible Common Equity" is defined as net income available to common stockholders divided by average tangible common stockholders' equity; and
- "Efficiency ratio" is defined as noninterest expenses divided by our operating revenue, which is equal to net interest income plus noninterest income. Also excluded are one-time gains and expenses related to merger and acquisition-related activities. In our judgment, the adjustments made to operating revenue allow management and investors to better assess our performance in relation to our core operating revenue by removing the volatility associated with certain one-time items and other discrete items that are unrelated to our core business.

(3) Quarterly amounts have been annualized.

SELECTED SUMMARY UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined statements of operations for the year ended December 31, 2013 have been derived from and should be read in conjunction with our audited financial statements as of and for the year ended December 31, 2013, and the audited financial statements of NBI as of and for the period ended October 14, 2013, included elsewhere in this prospectus. The summary unaudited pro forma condensed combined statements of operations set forth below are presented to give effect to and show the pro forma impact on our historical financial statements of (1) our acquisition of NBI and its subsidiary Triumph Community Bank on October 15, 2013, (2) $42,402,000 in capital that we raised during 2013, the majority of the proceeds of which were used to fund our acquisition of NBI, (3) the sale of the common stock offered hereby; the receipt of the estimated net proceeds from this offering, after deducting the underwriting discounts and commissions and offering expenses, and (4) the use of the estimated net proceeds from this offering, as described under "Use of Proceeds," as if each of these events had occurred on January 1, 2013.

The assumptions underlying the pro forma adjustments are described in the accompanying notes, which should be read in conjunction with this unaudited pro forma condensed combined financial information. In the opinion of management, all adjustments and/or disclosures necessary for a fair statement of the pro forma data have been made. The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and does not necessarily reflect what our results of operations and financial condition would have been if we had operated as a stand-alone company during all periods presented, and, accordingly, such information should not be relied upon as an indicator of our future performance, financial condition or liquidity. The unaudited pro forma condensed combined financial information also does not consider any potential impact of current market conditions on revenues, potential revenue enhancements, anticipated cost savings and expense efficiencies, among other factors.

These unaudited pro forma condensed combined financial statements and the notes thereto should be read together with our audited consolidated financial statements and the notes thereto as of and for the year ended December 31, 2013 and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," which are included elsewhere in this prospectus.

Pro Forma Income Statement
Year Ended
December 31, 2013

(Dollars in thousands, except per share data)	Triumph Bancorp, Inc. Year Ended December 31, 2013 (As Reported)	National Bancshares, Inc. Year-to-date Period Ending October 14, 2013	National Bancshares, Inc. Adjustments	Triumph Bancorp, Inc. Year Ended December 31, 2013 (Combined)	Proposed Capital Raise Adjustment	Triumph Bancorp, Inc. Year Ended December 31, 2013 (Pro forma)
Interest and fees on loans and factored receivables	$ 41,200	$ 23,277	$ 5,661(3)	$ 70,138		
Interest on securities	1,225	2,582	(862)(3)	2,945		
Other interest income	205	278	—	483		
Total Interest income	42,630	26,137	4,799	73,566	—	
Interest expense	3,947	4,744	(1,109)(4)	7,582	—	
Net interest income	38,683	21,393	5,908	65,984	—	
Provision for loan losses	3,412	1,000	—	4,412		
Net interest income after provision for loan losses	35,271	20,393	5,908	61,572	—	
Gain on bargain purchase	9,014	—	(9,014)(2)	—	—	
Other noninterest income	3,999	8,944	8	12,951		
Total noninterest income	13,013	8,944	(9,006)	12,951		
Salaries and employee benefits	20,737	12,710	—	33,447		
Other noninterest expense	11,987	12,491	(1,136)(5)	23,342		
Total noninterest expense	32,724	25,201	(1,136)	56,789	—	
Income before income taxes	15,560	4,136	(1,962)	17,734	—	
Income tax	2,133	1,446	2,499(6)	6,078	—	
Net Income	13,427	2,690	(4,461)	11,656	—	
Effect of noncontrolling interest and preferred shares	(1,588)	(1,591)	(327)(7)	(3,506)	—	
Net income-common stockholders	$ 11,839(1)	$ 1,099	$ (4,788)	$ 8,150	$ —	
Earnings per share:						
Basic	$ 1.40		$ (0.57)	$ 0.83		
Diluted	$ 1.39		$ (0.57)	$ 0.83		
Average shares outstanding:						
Basic	8,481,137		1,351,448	9,832,585		
Diluted	8,629,611		1,351,448	9,837,702		

(1) Includes the results of operations of NBI and the effect of business combination-related adjustments recorded from the NBI acquisition date of October 15, 2013 through December 31, 2013.

(2) Noninterest income excludes the bargain purchase gain of $9.0 million recorded in conjunction with the acquisition of NBI, representing the amount that the fair value of net assets acquired exceeded the consideration paid.

(3) Adjustment of $5.7 million to reflect the net accretion to loan interest income for the period ending October 15, 2013 assuming the loans would have been acquired as of January 1, 2013, and to record additional premium amortization on securities of ($0.9) million. The amounts estimated are based on the premium/discount being amortized/accreted over the remaining life of the instrument on a level yield basis.

(4) Adjustment primarily reflects the change in deposit interest expense for the period ending October 14, 2013 assuming the deposits would have been acquired as of January 1, 2013. The change in deposit interest expense is due to premium/amortization of $1.1 million. The deposit mark adjustment is being amortized over the remaining term of the acquired deposits as a yield adjustment.

(5) Adjustment for nine and a half months to other noninterest expense includes ($1.5) million amortization of the core deposit intangible under an accelerated method over 10 years, a depreciation adjustment on premises and equipment of $0.1 million, and an adjustment to exclude acquisition-related expenses of $2.5 million.

(6) Income tax expense is based on statutory rates during the pro forma periods. The bargain purchase gain is non-taxable and considered a permanent difference between book and tax income.

(7) Adjustment reflects nine and a half months of dividends on the Series B Preferred Stock issued as part of the acquisition.

RISK FACTORS

Investment in our common stock involves risks. In addition to other information contained in this prospectus, you should carefully consider the following factors before acquiring shares of our common stock offered by this prospectus. The occurrence of any of the following risks might cause you to lose all or a part of your investment. Some statements in this prospectus, including statements in the following risk factors, constitute forward-looking statements. Please refer to "Cautionary Note Regarding Forward-Looking Statements."

Risks Relating to Our Business

Our limited operating history as an integrated company and our recent acquisitions, and in particular the impact of the acquisition method of accounting on our financial statements, may make it difficult for investors to evaluate our business, financial condition and results of operations and also impairs our ability to accurately forecast our future performance.

Our limited operating history as an integrated company may not provide an adequate basis for investors to evaluate our business, financial condition and results of operations. We have launched various new product lines over the past few years, and we acquired Triumph Community Bank, which represents a significant portion of our total operations, on October 15, 2013. Our future operating results depend upon a number of factors, including our ability to manage our growth, retain our customer base and successfully identify and respond to emerging trends in our primary product lines and markets. It may also be difficult for us to evaluate trends that may affect our business and to determine whether our expansion may be profitable. Thus, any predictions about our future revenue and expenses may not be as accurate as they would be if we had a longer operating history or operated in a more predictable market.

New lines of business or new products and services may subject us to additional risks. A failure to successfully manage these risks may have a material adverse effect on our business.

As part of our growth strategy, we have implemented and may continue to implement new lines of business, offer new products and services within our existing lines of business or shift the focus to our asset mix. There are substantial risks and uncertainties associated with these efforts, particularly in instances where such product lines are not fully mature. In developing and marketing new lines of business and/or new products and services and/or shifting the focus of asset mix, we may invest significant time and resources. Initial timetables for the introduction and development of new lines of business and/or new products or services may not be achieved and price and profitability targets may not prove feasible. External factors, such as compliance with regulations, competitive alternatives and shifting market preferences, may also impact the successful implementation of a new line of business or a new product or service. Furthermore, any new line of business and/or new product or service could have a significant impact on the effectiveness of our system of internal controls. Failure to successfully manage these risks in the development and implementation of new lines of business or new products or services could have an adverse effect on our business, financial condition and results of operations.

We have incurred, and expect to continue incurring, substantial expenses related to our recent acquisitions.

We have incurred and expect to continue incurring, substantial expenses in connection with completing our recent acquisitions and integrating the operations of the acquired businesses with our operations. There are a number of factors beyond our control that could affect the total amount or the timing of our transaction and integration expenses and such expenses may exceed our initial projections. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at the present time. As a result, the transaction and integration expenses associated with our recent acquisitions could, particularly in the near term, exceed the savings that we expect to achieve from the elimination of duplicative expenses and the realization of economies of scale and cost savings related to the integration of the acquired businesses following the completion of our recent acquisitions.

Acquisitions may disrupt our business and dilute stockholder value. We may not be able to overcome the integration and other risks associated with acquisitions, which could adversely affect our growth and profitability.

Our business strategy focuses on both organic growth and targeted acquisitions. An example of this was our recent acquisition of Triumph Community Bank in October 2013. We may fail to realize some or all of the anticipated benefits of these acquisitions if the integration process takes longer or is more costly than expected or otherwise fails to meet our expectations. In addition, we anticipate that the overall integration of Triumph Community Bank and the other acquired businesses will be a time-consuming and expensive process that could significantly disrupt our existing services, even if it is effectively and efficiently planned and implemented, particularly given the size of Triumph Community Bank relative to our size and the fact that we have made multiple acquisitions in a short period of time.

In addition, our acquisition activities could be material to our business and involve a number of risks, including the following:

- incurring time and expense associated with identifying and evaluating potential acquisitions and negotiating potential transactions, resulting in our attention being diverted from the operation of our existing business;
- using inaccurate estimates and judgments to evaluate credit, operations, management and market risks with respect to the target institution or assets;
- exposure to potential asset quality issues of the target company;
- intense competition from other banking organizations and other acquirers for acquisitions;
- potential exposure to unknown or contingent liabilities of banks and businesses we acquire, including, without limitation, liabilities for regulatory and compliance issues;
- inability to realize the expected revenue increases, cost savings, increases in geographic or product presence and other projected benefits of the acquisition;
- the time and expense required to integrate the operations and personnel of the combined businesses;
- experiencing higher operating expenses relative to operating income from the new operations;
- creating an adverse short-term effect on our results of operations;
- losing key employees and customers;
- significant problems relating to the conversion of the financial and customer data of the entity;
- integration of acquired customers into our financial and customer product systems;
- potential changes in banking or tax laws or regulations that may affect the target company; or
- risks of impairment to goodwill or other than temporary impairment of investment securities.

Depending on the condition of any institution or assets or liabilities that we may acquire, that acquisition may, at least in the near term, adversely affect our capital and earnings and, if not successfully integrated with our organization, may continue to have such effects over a longer period. We may not be successful in overcoming these risks or any other problems encountered in connection with potential acquisitions and any acquisition we may consider will be subject to prior regulatory approval. Our inability to overcome these risks could have an adverse effect on our profitability, return on equity and return on assets, our ability to implement our business strategy and enhance stockholder value, which, in turn, could have an adverse effect on our business, financial condition and results of operations.

As a business operating in the bank and non-bank financial services industries, our business and operations may be adversely affected in numerous and complex ways by weak economic conditions.

As a business operating in the bank and non-bank financial services industries, our business and operations are sensitive to general business and economic conditions in the United States. If the U.S. economy weakens, our growth and profitability from our lending, deposit and asset management services could be constrained. Uncertainty about the federal fiscal policymaking process, the medium and long-term fiscal outlook of the federal and state governments (including possible ratings downgrades) and future tax rates (or other amendments to the Internal Revenue Code of 1986, as amended (the "Code") or to state tax laws) is a concern for businesses, consumers and investors in the United States. In addition, economic conditions in foreign countries, including uncertainty over the stability of the Euro and Chinese Yuan currencies, could affect the stability of global financial markets, which could hinder U.S. economic growth. Weak national economic conditions are characterized by deflation, fluctuations in debt and equity capital markets, a lack of liquidity and/or depressed prices in the secondary market for mortgage loans, increased delinquencies on mortgage, consumer and commercial loans, residential and commercial real estate price declines and lower home sales and commercial activity. The current economic environment is also characterized by interest rates at historically low levels, and our ability to retain or grow our deposit base could be hindered by higher market interest rates in the future. All of these factors may be detrimental to our business and the interplay between these factors can be complex and unpredictable. Our business is also significantly affected by monetary and related policies of the U.S. federal government and its agencies. Changes in any of these policies are influenced by macroeconomic conditions and other factors that are beyond our control. Adverse economic conditions and government policy responses to such conditions could have an adverse effect on our business, financial condition and results of operations.

We may be adversely affected by the soundness of other financial institutions.

Our ability to engage in routine funding transactions could be adversely affected by the actions and commercial soundness of other financial institutions. Bank and non-bank financial services companies are interrelated as a result of trading, clearing, counterparty and other relationships. We have exposure to different industries and counterparties and through transactions with counterparties in the bank and non-bank financial services industries, including brokers and dealers, commercial banks, investment banks and other institutional clients. As a result, defaults by, or even rumors or questions about, one or more bank or non-bank financial services companies, or the bank or non-bank financial services industries generally, have led to market-wide liquidity problems and could lead to losses or defaults by us or by other institutions. These losses or defaults could have an adverse effect on our business, financial condition and results of operations.

We rely heavily on our management team and could be adversely affected by the unexpected loss of key officers.

We are led by an experienced core management team with substantial experience in the markets that we serve and the financial products that we offer. Our operating strategy focuses on providing products and services through long-term relationship managers. Accordingly, our success depends in large part on the performance of our key personnel, as well as on our ability to attract, motivate and retain highly qualified senior and middle management. Competition for employees is intense, and the process of locating key personnel with the combination of skills and attributes required to execute our business plan may be lengthy. We may not be successful in retaining our key employees and the unexpected loss of services of one or more of our key personnel could have a material adverse effect on our business because of their skills, knowledge of our market and financial products, years of industry experience, long-term customer relationships and the difficulty of promptly finding qualified replacement personnel. If the services of any of our key personnel should become unavailable for any reason, we may not be able to identify and hire qualified persons on terms acceptable to us, which could have an adverse effect on our business, financial condition and results of operations.

We are subject to interest rate risk, which could adversely affect our financial condition and profitability.

The majority of our banking assets and liabilities are monetary in nature and subject to risk from changes in interest rates. Like most financial institutions, our earnings are significantly dependent on our net interest income, the principal component of our earnings, which is the difference between interest earned by us from our interest-earning assets, such as loans and investment securities, and interest paid by us on our interest-bearing liabilities, such as deposits and borrowings. We expect that we will periodically experience “gaps” in the interest rate sensitivities of our assets and liabilities, meaning that either our interest-bearing liabilities will be more sensitive to changes in market interest rates than our interest-earning assets, or vice versa. In either event, if market interest rates should move contrary to our position, this “gap” will negatively impact our earnings. The impact on earnings is more adverse when the slope of the yield curve flattens, that is, when short-term interest rates increase more than long-term interest rates or when long-term interest rates decrease more than short-term interest rates. Many factors impact interest rates, including governmental monetary policies, inflation, recession, changes in unemployment, the money supply and international disorder and instability in domestic and foreign financial markets.

Interest rate increases often result in larger payment requirements for our borrowers, which increases the potential for default. At the same time, the marketability of the property securing a loan may be adversely affected by any reduced demand resulting from higher interest rates. In a declining interest rate environment, there may be an increase in prepayments on loans as borrowers refinance their loans at lower rates. Changes in interest rates also can affect the value of loans, securities and other assets. An increase in interest rates that adversely affects the ability of borrowers to pay the principal or interest on loans may lead to an increase in nonperforming assets and a reduction of income recognized, which could have a material adverse effect on our results of operations and cash flows. Further, when we place a loan on nonaccrual status, we reverse any accrued but unpaid interest receivable, which decreases interest income. At the same time, we continue to have a cost to fund the loan, which is reflected as interest expense, without any interest income to offset the associated funding expense. Thus, an increase in the amount of nonperforming assets would have an adverse impact on net interest income. If short-term interest rates continue to remain at their historically low levels for a prolonged period and assuming longer-term interest rates fall further, we could experience net interest margin compression as our interest-earning assets would continue to reprice downward while our interest-bearing liability rates could fail to decline in tandem. Such an occurrence would have an adverse effect on our net interest income and could have an adverse effect on our business, financial condition and results of operations.

Our factoring services are concentrated in the transportation industry and economic conditions or other factors negatively impacting the transportation industry could adversely affect our factoring business.

Factoring for small-to-mid-sized trucking businesses constituted approximately 95% of our total factoring portfolio as of March 31, 2014, calculated based on the gross receivables from the purchase of invoices from such trucking businesses compared to our total gross receivables in the purchase of factored receivables as of such date. Given the concentration of our factoring business in the transportation industry, economic conditions or other factors that negatively impact the transportation industry could impact our factoring revenues, as the revenues we earn from purchasing transportation invoices are directly correlated with the amount of transportation activity generated by our factoring clients (*i.e.*, the volume of transportation invoices they are able to generate by providing their services). Reductions in economic activity will typically cause a decrease in the volume of goods in commerce available to be transported by our factoring clients. Increased costs associated with operating a trucking business, such as may be caused by increases in prices of oil and diesel fuel, may cause a diminished demand for trucking services as our clients pass those costs along to their customers. Additionally, the factoring industry may not continue its historical growth and we may face increased competition. Our failure to compete effectively in our market could restrain our growth or cause us to lose market share. Any of such events could impact the returns we realize on our factoring activity or result in a decrease in the overall amount of our factoring activity and could have an adverse effect on our business, financial condition and results of operations.

Additional regulations and rule making impacting the transportation industry may have a disproportionate impact on the small-to-mid-sized trucking businesses that comprise our primary transportation factoring clients and adversely affect our factoring business.

Our primary transportation factoring clients are small-to-mid-sized owner-operators and trucking fleets. Recently implemented federal regulations and regulations proposed to be implemented in the future, may significantly increase the costs and expenses associated with owning or operating a trucking fleet. These regulations include rule making proposed by the Federal Motor Carrier Safety Administration of the United States Department of Transportation ("FMCSA") under the Compliance, Safety, Accountability ("CSA") initiative, maximum hours of service limitations imposed the FMCSA, electronic log requirements, regulations proposed by the federal Food and Drug Administration ("FDA") requiring increased labeling and monitoring by carriers of any commodity transported that is regulated by the FDA and proposed increases in the amount of combined single limit liability insurance coverage required of a carrier from $750,000 to $3.2 million. The costs and burdens of compliance with these requirements will have a disproportionate impact on the small-to-mid-sized trucking businesses that comprise our client base and may force some or all of these businesses out of the market. Such an occurrence could impact the returns we realize on our factoring activity or result in a decrease in the overall amount of our factoring activity and could have an adverse effect on our business, financial condition and results of operations.

Our asset-based lending and factoring products may expose us to an increased risk of fraud.

We rely on the structural features embedded in our asset-based lending and factoring products to mitigate the credit risk associated with such products. With respect to our asset-based loans, we limit our lending to a percentage of the customer's borrowing base assets that we believe can be readily liquidated in the event of financial distress of the borrower. With respect to our factoring products, we purchase the underlying invoices of our customers and become the direct payee under such invoices, thus transferring the credit risk in such transactions from our customers to the underlying account debtors on such invoices. In the event one or more of our customers fraudulently represents the existence or valuation of borrowing base assets in the case of an asset-based loan, or the existence or validity of an invoice we purchase in the case of a factoring transaction, we may advance more funds to such customer than we otherwise would and lose the benefit of the structural protections of our products with respect to such advances. In such event we could be exposed to material additional losses with respect to such loans or factoring products. Although we believe we have controls in place to monitor and detect fraud with respect to our asset-based lending and factoring products, there is no guarantee such controls will be effective. We have experienced fraud with respect to these products in the past and we anticipate that we will experience such fraud in the future. Losses from such fraudulent activity could have a material impact on our business, financial condition and results of operations.

Our commercial finance clients, particularly with respect to our factoring and asset-based lending product lines, may lack the operating history, cash flows or balance sheet necessary to support other financing options and may expose us to additional credit risk, especially if our additional controls for such products are ineffective in mitigating such additional risks.

A significant portion of our loan portfolio consists of commercial finance products. Some of these commercial finance products, particularly the asset-based loans originated under our Triumph Commercial Finance brand (which totaled $39.5 million, or 5% of our total loan portfolio as of March 31, 2014) and our factoring receivables (which totaled $129.5 million, or 16% of our total loan portfolio as of March 31, 2014) arise out relationships with clients who lack the operating history, cash flows or balance sheet necessary to qualify for other financing options. We attempt to control for the additional credit risk in these relationships through credit management processes employed in connection with these transactions. See "Business—Credit Risk Management." However, if such controls are ineffective in controlling this additional risk or if we fail to follow the procedures we have established for managing this additional risk, we could be exposed to additional losses with respect to such product lines that could have an adverse effect on our business, financial condition and results of operations.

Our healthcare asset-based lending product line may expose us to additional risks associated with the U.S. healthcare industry.

The U.S. healthcare industry is currently undergoing significant regulatory changes, both at the federal and state level, including changes associated with the adoption and implementation of the Patient Protection and Affordable Care Act of 2010. Such changes could negatively impact our existing healthcare asset-based loan portfolio or our ability to grow our healthcare asset-based loan portfolio in the future. For example, changes in reimbursement rates for healthcare receivables could impact the value and collectability of our healthcare loans, as such reimbursement obligations constitute the borrowing base collateral for such loans. While we believe our healthcare asset-based loans have features in place to protect against such risks (including the ability to reduce the available borrowing base or cease advances in the event of regulatory changes that jeopardize the collectability or valuation of the collateral), there is no guarantee that such protections will be effective. In addition, changes in the regulatory landscape for healthcare may cause certain service providers to leave the industry or cause consolidation in the industry that will decrease demand for our healthcare lending products. Any of such changes or occurrences could have an adverse effect on our business, financial condition and results of operations.

Lack of seasoning in portions of our loan portfolio could increase risk of credit defaults in the future.

As a result of our growth over the past three years, certain portions of our loan portfolio, such as the asset- based loans and equipment loans originated under our Triumph Commercial Finance brand, are of relatively recent origin. In general, loans do not begin to show signs of credit deterioration or default until they have been outstanding for some period of time, a process referred to as “seasoning.” As a result, a portfolio of older loans will usually behave more predictably than a newer portfolio. Because such portions of our portfolio are relatively new, the current level of delinquencies and defaults may not represent the level that may prevail as the portfolio becomes more seasoned. If delinquencies and defaults increase, we may be required to increase our provision for loan losses, which could have an adverse effect on our business, financial condition and results of operations.

We may not be able to adequately measure and limit the credit risk associated with our loan portfolio, our business and financial condition, which could adversely affect profitability.

As a part of our products and services, we make commercial and commercial real estate loans. The principal economic risk associated with each class of loans is the creditworthiness of the borrower, which is affected by the strength of the relevant business market segment, local market conditions and general economic conditions. Additional factors related to the credit quality of commercial loans include the quality of the management of the business and the borrower’s ability both to properly evaluate changes in the supply and demand characteristics affecting our market for products and services and to effectively respond to those changes. Additional factors related to the credit quality of commercial real estate loans include tenant vacancy rates and the quality of management of the property. A failure to effectively measure and limit the credit risk associated with our loan portfolio could have an adverse effect on our business, financial condition and results of operations.

The small-to-mid-sized businesses that comprise a material portion of our loan portfolio may have fewer resources to weather a downturn in the economy, which may impair a borrower’s ability to repay a loan to us, which could materially harm our operating results.

A significant element of our growth strategy involves offering our specialized commercial finance products to small-to-mid-sized businesses. These small-to-mid-sized businesses frequently have smaller market share than their competition, may be more vulnerable to economic downturns, often need substantial additional capital to expand or compete and may experience significant volatility in operating results. Any one or more of these factors may impair the borrower’s ability to repay a loan. In addition, the success of a small-to-mid-sized business often depends on the management talents and efforts of one or two persons or a small group of persons and the death, disability or resignation of one or more of these persons could have a material adverse impact on

the business and its ability to repay a loan. Economic downturns and other events that negatively impact our market areas could cause us to incur substantial credit losses that could have an adverse effect our business, financial condition and results of operations.

Our concentration of large loans to certain borrowers may increase our credit risk.

Our growth over the last several years has been partially attributable to our ability to originate and retain large loans. Many of these loans have been made to a small number of borrowers, resulting in a concentration of large loans to certain borrowers. As of March 31, 2014, our ten largest borrowing relationships ranged from approximately $10.6 million to $29.7 million (including unfunded commitments) and averaged approximately $137 million in total commitments (representing, in the aggregate, 13.8% of our total outstanding commitments as of March 31, 2014). Each of the loans associated with these relationships has been underwritten in accordance with our underwriting policies and limits. Along with other risks inherent in these loans, such as the deterioration of the underlying businesses or property securing these loans, this concentration of borrowers presents a risk to our lending operations. If any one of these borrowers becomes unable to repay their loan obligations as a result of economic or market conditions, or personal circumstances, such as divorce or death, our nonperforming loans and our provision for loan losses could increase significantly, which could have an adverse effect on our business, financial condition and results of operations.

The amount of nonperforming and classified assets may increase significantly, resulting in additional losses and costs and expenses that will negatively affect our operations.

At March 31, 2014, we had a total of approximately $24.1 million of nonperforming assets or approximately 1.86% of total assets. Total assets classified as “substandard” or “doubtful” as of March 31, 2014 were approximately $31.0 million (or approximately 2.39% of total assets). An asset is considered “substandard” if it is inadequately protected by the current net worth and paying capacity of the borrower or of the collateral pledged, if any. “Substandard” assets include those characterized by the “distinct possibility” that we will sustain “some loss” if the deficiencies are not corrected. Assets classified as “doubtful” have all of the weaknesses inherent in those classified “substandard” with the added characteristic that the weaknesses present make “collection or liquidation in full,” on the basis of currently existing facts, conditions and values, “highly questionable and improbable.” Assets classified as “loss” are those considered “uncollectible” and of such little value that their continuance as assets without the establishment of a specific loss reserve is not warranted.

Should the amount of nonperforming assets increase in the future, we may incur losses and the costs and expenses to maintain such assets likewise can be expected to increase and potentially negatively affect earnings. Any additional increase in losses due to such assets could have an adverse effect on our business, financial condition and results of operations. Such effects may be particularly pronounced in a market of reduced real estate values and excess inventory.

The amount of other real estate owned (“OREO”) may increase significantly, resulting in additional losses and costs and expenses that will negatively affect our operations.

At March 31, 2014, the amount of OREO we held totaled $13.6 million. In the event the amount of OREO should increase due to an increase in defaults on bank loans, our losses and the costs and expenses to maintain the real estate, likewise would increase. Any additional increase in losses and maintenance costs and expenses due to OREO may have material adverse effects on our business, financial condition and results of operations. Such effects may be particularly pronounced in a market of reduced real estate values and excess inventory, which may make the disposition of OREO properties more difficult, increase maintenance costs and expenses and may reduce our ultimate realization from any OREO sales, which could have an adverse effect on our business, financial condition and results of operations.

Nonperforming assets take significant time and resources to resolve and adversely affect our results of operations and financial condition.

Nonperforming assets adversely affect our net income in various ways. We generally do not record interest income on nonperforming loans or OREO, thereby adversely affecting our income and increasing loan administration costs. When we take collateral in foreclosures and similar proceedings, we are required to mark the related asset to the then fair value of the collateral less estimated selling costs, which may ultimately result in a loss. An increase in the level of nonperforming assets increases our risk profile and may impact the capital levels regulators believe are appropriate in light of the ensuing risk profile. While we reduce problem assets through loan workouts, restructurings and otherwise, decreases in the value of the underlying collateral, or in these borrowers' performance or financial condition, whether or not due to economic and market conditions beyond our control, could have an adverse effect on our business, financial condition and results of operations. In addition, the resolution of nonperforming assets requires significant commitments of time from management, which may materially and adversely impact their ability to perform their other responsibilities. There can be no assurance that we will not experience future increases in nonperforming assets.

Our ALLL and fair value adjustments for purchase of impaired loans acquired in acquisitions may prove to be insufficient to absorb potential losses in our loan portfolio, which may adversely affect our business, financial condition and results of operations.

ALLL is a valuation allowance for probable incurred credit losses. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance. Management estimates the allowance balance required using past loan loss experience, the nature and volume of the portfolio, information about specific borrower situations and estimated collateral values, economic conditions and other factors. The provision for loan losses is charged against earnings in order to maintain our ALLL and reflects management's best estimate of probable losses inherent in our loan portfolio at the balance sheet date.

As of March 31, 2014, our ALLL as a percentage of total loans was 0.58% and as a percentage of total nonperforming loans was 43.0%. Additional loan losses will likely occur in the future and may occur at a rate greater than we have previously experienced. We may be required to take additional provisions for loan losses in the future to further supplement our ALLL, either due to management's decision to do so or requirements by our banking regulators. In addition, bank regulatory agencies will periodically review our ALLL and the value attributed to nonaccrual loans or to real estate acquired through foreclosure. Such regulatory agencies may require us to recognize future charge-offs. These adjustments could have an adverse effect on our business, financial condition and results of operations.

The application of the acquisition method of accounting in our acquisitions has impacted our allowance. Under the acquisition method of accounting, all loans acquired in acquisitions were recorded in our consolidated financial statements at their fair value at the time of acquisition and the related allowance was eliminated because credit quality, among other factors, was considered in the determination of fair value. To the extent that our estimates of fair value are too high, we could incur losses associated with the acquired loans. The allowance associated with our purchased credit impaired loans reflects deterioration in cash flows since acquisition resulting from our quarterly re-estimation of cash flows, which involves cash flow projections and significant judgment on timing of loan resolution.

A lack of liquidity could adversely affect our operations and jeopardize our business, financial condition and results of operations.

Liquidity is essential to our business. We rely on our ability to generate deposits and effectively manage the repayment and maturity schedules of our loans and investment securities, respectively, to ensure that we have adequate liquidity to fund our operations. An inability to raise funds through deposits, borrowings, the sale of our investment securities, Federal Home Loan Bank advances, the sale of loans and other sources could have a

substantial negative effect on our liquidity. Our most important source of funds consists of deposits. Deposit balances can decrease when customers perceive alternative investments as providing a better risk/return tradeoff. If customers move money out of bank deposits and into other investments, we would lose a relatively low-cost source of funds, increasing our funding costs and reducing our net interest income and net income.

Other primary sources of funds consist of cash flows from operations, investment maturities and sales of investment securities and proceeds from the issuance and sale of our equity and debt securities to investors. Additional liquidity is provided by the ability to borrow from the Federal Reserve Bank and the Federal Home Loan Bank and our ability to raise brokered deposits. We also may borrow funds from third-party lenders, such as other financial institutions. Our access to funding sources in amounts adequate to finance or capitalize our activities, or on terms that are acceptable to us, could be impaired by factors that affect us directly or the bank or non-bank financial services industries or economy in general, such as disruptions in the financial markets or negative views and expectations about the prospects for the bank or non-bank financial services industries.

As of March 31, 2014, approximately $351.7 million, or 33.5%, of our deposits consisted of interest-bearing demand deposits and money market accounts. Based on past experience, we believe that our deposit accounts are relatively stable sources of funds. If we increase interest rates paid to retain deposits, our earnings may be adversely affected, which could have an adverse effect on our business, financial condition and results of operations.

Any decline in available funding could adversely impact our ability to originate loans, invest in securities, meet our expenses, pay dividends to our stockholders or to fulfill obligations such as repaying our borrowings or meeting deposit withdrawal demands, any of which could have a material adverse impact on our liquidity, business, financial condition and results of operations.

The fair value of our investment securities can fluctuate due to factors outside of our control.

As of March 31, 2014, the fair value of our investment securities portfolio was approximately $165.3 million. Factors beyond our control can significantly influence the fair value of securities in our portfolio and can cause potential adverse changes to the fair value of these securities. These factors include, but are not limited to, rating agency actions in respect to the securities, defaults by the issuer or with respect to the underlying securities and changes in market interest rates and instability in the capital markets. Any of these factors, among others, could cause other-than-temporary impairments and realized and/or unrealized losses in future periods and declines in other comprehensive income, which could have an adverse effect on our business, financial condition and results of operations. The process for determining whether impairment of a security is other-than-temporary usually requires complex, subjective judgments about the future financial performance and liquidity of the issuer and any collateral underlying the security to assess the probability of receiving all contractual principal and interest payments on the security.

Impairment of investment securities, goodwill, other intangible assets or deferred tax assets could require charges to earnings, which could result in a negative impact on our results of operations.

In assessing whether the impairment of investment securities is other-than-temporary, management considers the length of time and extent to which the fair value has been less than cost, the financial condition and near-term prospects of the issuer and the intent and ability to retain our investment in the security for a period of time sufficient to allow for any anticipated recovery in fair value in the near term.

Under current accounting standards, goodwill is not amortized but, instead, is subject to impairment tests on at least an annual basis or more frequently if an event occurs or circumstances change that reduce the fair value of a reporting unit below its carrying amount. A decline in our stock price or occurrence of a triggering event following any of our quarterly earnings releases and prior to the filing of the periodic report for that period could, under certain circumstances, cause us to perform a goodwill impairment test and result in an impairment charge being recorded for that period which was not reflected in such earnings release. In the event that we conclude that

all or a portion of our goodwill may be impaired, a non-cash charge for the amount of such impairment would be recorded to earnings. Such a charge would have no impact on tangible capital. At March 31, 2014, we had goodwill of $14.0 million, representing approximately 9% of equity.

In assessing the potential for realization of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. Assessing the need for, or the sufficiency of, a valuation allowance requires management to evaluate all available evidence, both negative and positive, including the recent trend of quarterly earnings. Positive evidence necessary to overcome the negative evidence includes whether future taxable income in sufficient amounts and character within the carryback and carryforward periods is available under the tax law, including the use of tax planning strategies. When negative evidence (*e.g.*, cumulative losses in recent years, history of operating loss or tax credit carryforwards expiring unused) exists, more positive evidence than negative evidence will be necessary. We have concluded that, based on the level of positive evidence, it is more likely than not that at March 31, 2014 all but $1.6 million which is recorded as a valuation allowance of the deferred tax asset will be realized. At March 31, 2014, net deferred tax assets were approximately $20.4 million. The impact of each of these impairment matters could have a material adverse effect on our business, results of operations and financial condition.

Our asset management business, specifically our acting as the asset manager for one or more CLOs, may expose us to multiple additional risks.

As part of our growth strategy, we formed Triumph Capital Advisors to provide institutional asset management services, primarily as the asset manager for CLO vehicles. This product line is subject to numerous additional risks and uncertainties that have the potential to limit or eliminate the noninterest income we expect to generate from this activity, expose us to direct losses with respect to amounts we invest in any CLO vehicles that we manage and cause us reputational risk, including the following:

- a downturn in the global credit markets could cause defaults in the loans that comprise the collateral assets of the CLOs we manage, exposing the investors in such CLOs to loss and exposing us to reputational risk;
- we will be in a first-loss risk position with respect to any amounts we invest directly into the equity of any CLOs or CLO warehousing arrangements we manage and therefore could incur substantial losses on our investments in such vehicles, which could have a material adverse effect on our business, financial condition or results of operations;
- the risk-retention requirements proposed under Section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), if adopted as currently proposed, may require us to invest in any new CLOs we issue at levels that would be infeasible or impracticable for us, thus limiting this business as a growth strategy for us;
- as a banking entity, our ability to sponsor the CLOs we manage within the meaning of the so-called “Volcker Rule” provisions of the Dodd-Frank Act requires us to limit our activity with respect to our CLOs so that they qualify for the “loan-securitization exemption” set forth in the implementing regulations of such rule, which may make our CLOs less attractive than CLOs managed by investment managers that do not have to qualify for such exemption and limit our ability to issue new CLOs and execute on our growth strategy;
- the asset management agreements we enter into with respect to our CLOs have provisions that allow for our removal as asset manager and/or the deferral of fee income payable to us upon the occurrence of certain events and/or the performance of the CLO portfolio, which could limit the income from our asset management business that is a part of our growth strategy;
- our asset management business’s failure to comply with investment guidelines set by its clients or the provisions of the management agreement and other agreements to which it is a party could result in damage awards against our asset management business and a loss of assets under management, either of which could cause our earnings to decline; and
- our asset management business may face risks relating to undiversified investments.

We may be required to consolidate the CLOs we manage on our balance sheet, which would adversely affect our capital ratios.

Under GAAP, if we are deemed to be the "primary beneficiary" of a variable interest entity such as the CLOs we manage, we would be required to consolidate the assets of such entity on our balance sheet even though we are not entitled to the benefits from, nor do we bear the risk associated with, the assets held by such entities beyond any direct investment we have made and our rights to any management fees. Such an event would require us to include all of the assets of such CLO as assets of the Company for purposes of calculating our regulatory capital ratios. Furthermore, under the new bank capital requirements described below under "Risk Factors—Regulatory initiatives regarding bank capital requirements may require heightened capital" any minority interest we have in the preference shares or subordinated notes of a consolidated CLO would not be considered Common Equity Tier 1 capital, would be subject to the general limitations under such new requirements for the amount of minority interest permitted to be included in our Tier 1 capital and, depending on the structure of such interests, might not constitute Tier 1 capital at all.

Although we do not believe we are required to consolidate any of the CLOs we currently manage, it is possible that the accounting guidance regarding consolidation of such entities could change such that we would be required to consolidate such entities in the future. In addition, in the event proposed risk retention rules under the Dodd-Frank Act require us to make greater investments in the CLOs we manage, we may be required to consolidate such entities in order to meet such requirements. Such events could have an adverse effect on our capital ratios or limit the number of new CLOs we are able to issue as part of our growth strategy.

Our asset manager has entered into agreements with affiliated entities which may create conflicts of interest.

Triumph Capital Advisors shares office space with certain of its affiliated entities, including the Company and Triumph Savings Bank, and operates under a shared services agreement whereby Triumph Capital Advisors and such affiliated entities share a common infrastructure, including facilities, information technology, and human resources. In addition, certain supervised persons of Triumph Capital Advisors are also officers and/or directors of certain of its affiliated entities. Triumph Capital Advisors has entered into, and may enter into in the future, arrangements whereby Triumph Capital Advisors may offer its affiliated entities opportunities to invest in senior secured loans or other assets after a determination that such loans or other assets would not be appropriate for its CLO clients due to indenture restrictions, yield constraints or other factors. Under such arrangements, Triumph Capital Advisors may make offers of such opportunities to such affiliated entities, and provide to such affiliated entities its work product and other materials regarding such opportunity, but all decisions regarding the acquisition, disposition and management of the loan or other asset remain the responsibility of the applicable affiliated entity. Such arrangements may also contemplate that, to the extent that an affiliated entity acquires a loan or other asset as a result of an offer from Triumph Capital Advisors, Triumph Capital Advisors may provide monitoring services whereby Triumph Capital Advisors will monitor such loan or other asset in a manner similar to the manner in which it would monitor such loan or other asset for its CLO clients, and provide such monitoring materials to the applicable affiliated entity to assist such affiliated entity in their management of such loan or other asset.

Triumph Capital Advisors' affiliations with its affiliated entities as described herein might create conflicts of interest for its clients, including:

- Triumph Capital Advisors' affiliated entities acquiring senior secured loans or other assets (whether as a result of offers from Triumph Capital Advisors or otherwise) that comprise the primary investment strategy of Triumph Capital Advisors' CLO clients;
- conflicts created in the event Triumph Capital Advisors' affiliated entities and its CLO clients hold different interests (*e.g.*, different tranches or series of a loan) in the same issuer; and
- the time and efforts expended by Triumph Capital Advisors personnel in their roles as officers and directors for, or otherwise providing services to, such affiliated entities distracting such personnel from the services they provide to its CLO clients.

Our risk management strategies may not be fully effective in mitigating our risk exposures in all market environments or against all types of risk.

We have devoted significant resources to develop our risk management policies and procedures and expect to continue to do so in the future. Nonetheless, our risk management strategies may not be fully effective in mitigating our risk exposure in all market environments or against all types of risk, including risks that are unidentified or unanticipated. As our products and services change and grow and the markets in which we operate evolve, our risk management strategies may not always adapt to those changes. Some of our methods of managing risk are based upon our use of observed historical market behavior and management's judgment. As a result, these methods may not predict future risk exposures, which could be significantly greater than the historical measures indicate. In addition, our limited operating history reduces the historical information on which to predict future results or trends. Management of market, credit, liquidity, operational, legal, regulatory and compliance risks requires, among other things, policies and procedures to record properly and verify a large number of transactions and events and these policies and procedures may not be fully effective. While we employ a broad and diversified set of risk monitoring and risk mitigation techniques, those techniques and the judgments that accompany their application cannot anticipate every economic and financial outcome or the timing of such outcomes. Any of these circumstances could have an adverse effect on our business, financial condition and results of operations.

Risks for environmental liability apply to the properties under consideration as well as properties that are contiguous or upgradiant to the subject properties.

In the course of our business, we may purchase real estate in connection with our acquisition and expansion efforts, or we may foreclose on and take title to real estate that serves as collateral on loans we make. As a result, we could be subject to environmental liabilities with respect to those properties. We may be held liable to a governmental entity or to third parties for property damage, personal injury, investigation and clean-up costs incurred by these parties in connection with environmental contamination, or we may be required to investigate or clean up hazardous or toxic substances or chemical releases at a property. The costs associated with investigation or remediation activities could be substantial. In addition, if we are the owner or former owner of a contaminated site, we may be subject to common law claims by third parties based on damages and costs resulting from environmental contamination emanating from the property.

The cost of removal or abatement may not substantially exceed the value of the affected properties or the loans secured by those properties, that we may not have adequate remedies against the prior owners or other responsible parties and we may not be able to resell the affected properties either before or after completion of any such removal or abatement procedures. If material environmental problems are discovered before foreclosure, we generally will not foreclose on the related collateral or will transfer ownership of the loan to a subsidiary. It should be noted, however, that the transfer of the property or loans to a subsidiary may not protect us from environmental liability. Furthermore, despite these actions on our part, the value of the property as collateral will generally be substantially reduced and, as a result, we may suffer a loss upon collection of the loan. Currently, we are not a party to any legal proceedings involving potential liability to us under applicable environmental laws. Any significant environmental liabilities could have an adverse effect on our business, financial condition and results of operations.

We face significant competition to attract and retain customers, which could adversely affect our growth and profitability.

We operate in the highly competitive bank and non-bank financial services industries and face significant competition for customers from bank and non-bank competitors, particularly regional and nationwide institutions, including U.S. banks, mortgage banking companies, consumer finance companies, credit unions, insurance companies and other institutional lenders and purchasers of loans in originating loans, attracting deposits and providing other financial services. Many of our competitors are significantly larger and have

significantly more resources, greater name recognition and more extensive and established branch networks than we do. Because of their scale, many of these competitors can be more aggressive than we can on loan and deposit pricing. Also, many of our non-bank competitors have fewer regulatory constraints and may have lower cost structures. We expect competition to continue to intensify due to financial institution consolidation; legislative, regulatory and technological changes; and the emergence of alternative banking sources.

Our ability to compete successfully will depend on a number of factors, including, among other things:

- our ability to build and maintain long-term customer relationships while ensuring high ethical standards and safe and sound banking practices;
- the scope, relevance and pricing of products and services that we offer;
- customer satisfaction with our products and services;
- industry and general economic trends; and
- our ability to keep pace with technological advances and to invest in new technology.

Increased competition could require us to increase the rates that we pay on deposits or lower the rates that we offer on loans, which could reduce our profitability. Our failure to compete effectively in our market could restrain our growth or cause us to lose market share, which could have an adverse effect on our business, financial condition and results of operations.

The obligations associated with being a public company will require significant resources and management attention, which will increase our costs of operations and may divert focus from our business operations.

We have not been required in the past to comply with the requirements of the SEC, to file periodic reports with the SEC or to have our consolidated financial statements completed, reviewed or audited and filed within a specified time. As a public company following completion of this offering, we will be required to file periodic reports containing our consolidated financial statements with the SEC within a specified time following the completion of quarterly and annual periods. As a public company, we will also incur significant legal, accounting, insurance and other expenses. Compliance with these reporting requirements and other rules of the SEC and the rules of the   will increase our legal and financial compliance costs and make some activities more time consuming and costly. Furthermore, the need to establish the corporate infrastructure demanded of a public company may divert management's attention from implementing our growth strategy, which could prevent us from successfully implementing our strategic initiatives and improving our business, results of operations and financial condition. We have made and will continue to make, changes to our internal controls and procedures for financial reporting and accounting systems to meet our reporting obligations as a public company. However, we cannot predict or estimate the amount of additional costs we may incur in order to comply with these requirements. We anticipate that these costs will materially increase our general and administrative expenses.

The accuracy of our financial statements and related disclosures could be affected if the judgments, assumptions or estimates used in our critical accounting policies are inaccurate.

The preparation of financial statements and related disclosure in conformity with GAAP requires us to make judgments, assumptions and estimates that affect the amounts reported in our consolidated financial statements and accompanying notes. Our critical accounting policies, which are included in the section captioned "Management's Discussion and Analysis of Results of Operations and Financial Condition" in this prospectus, describe those significant accounting policies and methods used in the preparation of our consolidated financial statements that we consider "critical" because they require judgments, assumptions and estimates that materially affect our consolidated financial statements and related disclosures. As a result, if future events differ significantly from the judgments, assumptions and estimates in our critical accounting policies, those events or assumptions could have a material impact on our consolidated financial statements and related disclosures.

Additionally, as a result of our recent acquisitions, our financial results are heavily influenced by the application of the acquisition method of accounting. The acquisition method of accounting requires management to make assumptions regarding the assets purchased and liabilities assumed to determine their fair value. If our assumptions are incorrect, any resulting change or modification could have an adverse effect on our business, financial condition and results of operations.

If we fail to correct any material weakness that we identify in our internal control over financial reporting or otherwise fail to maintain effective internal control over financial reporting, we may not be able to report our financial results accurately and timely, in which case our business may be harmed, investors may lose confidence in the accuracy and completeness of our financial reports and the price of our common stock may decline.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting and for evaluating and reporting on our system of internal control. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. As a public company, we will be required to comply with the Sarbanes-Oxley Act and other rules that govern public companies. In particular, we will be required to certify our compliance with Section 404 of the Sarbanes-Oxley Act beginning with our second annual report on Form 10-K, which will require us to furnish annually a report by management on the effectiveness of our internal control over financial reporting. In addition, unless we remain an emerging growth company and elect additional transitional relief available to emerging growth companies, our independent registered public accounting firm will be required to report on the effectiveness of our internal control over financial reporting, beginning as of that second annual report.

If we identify material weaknesses in our internal control over financial reporting in the future, if we cannot comply with the requirements of the Sarbanes-Oxley Act in a timely manner or attest that our internal control over financial reporting is effective, or if our independent registered public accounting firm cannot express an opinion as to the effectiveness of our internal control over financial reporting when required, we may not be able to report our financial results accurately and timely. As a result, investors, counterparties and customers may lose confidence in the accuracy and completeness of our financial reports; our liquidity, access to capital markets and perceptions of our creditworthiness could be adversely affected; and the market price of our common stock could decline. In addition, we could become subject to investigations by the stock exchange on which our securities are listed, the SEC, the Board of Governors of the Federal Reserve System (the “Federal Reserve”), the FDIC, the OCC or other regulatory authorities, which could require additional financial and management resources. These events could have an adverse effect on our business, financial condition and results of operations.

We face significant operational risks due to the high volume and the high dollar value nature of transactions we process.

We operate in many different businesses in diverse markets and rely on the ability of our employees and systems to process transactions. Operational risk is the risk of loss resulting from our operations, including but not limited to, the risk of fraud by employees or persons outside our Company, the execution of unauthorized transactions, errors relating to transaction processing and technology, breaches of our internal control systems, compliance failures, business continuation and disaster recovery issues and other external events. Insurance coverage may not be available for such losses, or where available, such losses may exceed insurance limits. This risk of loss also includes the potential legal actions that could arise as a result of an operational deficiency or as a result of noncompliance with applicable regulatory standards, adverse business decisions or their implementation and customer attrition due to potential negative publicity. In the event of a breakdown in the internal control system, improper operation of systems or improper employee actions, we could suffer financial loss, face regulatory action and suffer damage to our reputation.

To the extent we engage in derivative transactions, we will be exposed to credit and market risk, which could adversely affect our profitability and financial condition.

While we do not currently engage in significant derivative or hedging activity, we may in the future manage interest rate risk by, among other things, utilizing derivative instruments to minimize significant unplanned fluctuations in earnings that are caused by interest rate volatility. To the extent we engage in derivative transactions, we will be exposed to credit and market risk. If the counterparty fails to perform, credit risk exists to the extent of the fair value gain in the derivative. Market risk exists to the extent that interest rates change in ways that are significantly different from what we expect when we enter into the derivative transaction. The existence of credit and market risk associated with any derivative instruments we enter into could adversely affect our net interest income and, therefore, could have an adverse effect on our business, financial condition and results of operations.

System failure or cyber security breaches of our network security could subject us to increased operating costs as well as litigation and other potential losses.

The computer systems and network infrastructure we use could be vulnerable to hardware and cyber security issues. Our operations are dependent upon our ability to protect our computer equipment against damage from fire, power loss, telecommunications failure or a similar catastrophic event. We could also experience a breach by intentional or negligent conduct on the part of employees or other internal sources. Any damage or failure that causes an interruption in our operations could have an adverse effect on our financial condition and results of operations. In addition, our operations are dependent upon our ability to protect the computer systems and network infrastructure utilized by us, including our Internet banking activities, against damage from physical break-ins, cyber security breaches and other disruptive problems caused by the Internet or other users. Such computer break-ins and other disruptions would jeopardize the security of information stored in and transmitted through our computer systems and network infrastructure, which may result in significant liability, damage our reputation and inhibit the use of our Internet banking services by current and potential customers. We regularly add additional security measures to our computer systems and network infrastructure to mitigate the possibility of cyber security breaches, including firewalls and penetration testing. However, it is difficult or impossible to defend against every risk being posed by changing technologies as well as criminal intent on committing cyber-crime. Increasing sophistication of cyber criminals and terrorists make keeping up with new threats difficult and could result in a breach. Controls employed by our information technology department and cloud vendors could prove inadequate. A breach of our security that results in unauthorized access to our data could expose us to a disruption or challenges relating to our daily operations, as well as to data loss, litigation, damages, fines and penalties, significant increases in compliance costs and reputational damage, any of which could have an adverse effect on our business, financial condition and results of operations.

We are subject to litigation, which could result in substantial judgment or settlement costs.

We are regularly involved in litigation matters in the ordinary course of business. We believe that these litigation matters should not have a material adverse effect on our business, financial condition, results of operations or future prospects. We cannot assure you, however, that we will be able to successfully defend or resolve any current or future litigation matters, in which case those litigation matters could have an adverse effect on our business, financial condition and results of operations.

Risks Relating to the Regulation of Our Industry

Our business, financial condition, results of operations and future prospects could be adversely affected by the highly regulated environment in which we operate.

As a financial holding company, we are subject to federal supervision and regulation. Federal regulation of the banking industry, along with tax and accounting laws, regulations, rules and standards, may limit our operations significantly and control the methods by which we conduct business, as they limit those of

other banking organizations. Many of these regulations are intended to protect depositors, the public or the FDIC insurance funds, not stockholders. Regulatory requirements affect our lending practices, capital structure, investment practices, dividend policy and many other aspects of our business. There are laws and regulations which restrict transactions between us and our subsidiaries. These requirements may constrain our operations and the adoption of new laws and changes to or repeal of existing laws may have a further impact on our business, financial condition, results of operations and future prospects. Also, the burden imposed by those federal and state regulations may place banks in general and us in particular, at a competitive disadvantage compared to less regulated competitors.

We are also subject to requirements with respect to the confidentiality of information obtained from clients concerning their identity, business, personal financial information, employment and other matters. We require our personnel to agree to keep all such information confidential and we monitor compliance. Failure to comply with confidentiality requirements could result in material liability and adversely affect our business, financial condition, results of operations and future prospects.

In conjunction with our 2010 acquisition of EJ Financial Corporation and Equity Bank (now known as Triumph Savings Bank), we made certain commitments to the Federal Reserve Bank of Dallas, including a commitment to maintain Triumph Savings Bank's leverage capital ratio, as defined in 12 C.F.R. 325.2(m), at 12% or higher until January 1, 2015. In addition, in connection with our acquisition of Triumph Community Bank in October 2013, we agreed to maintain a minimum 8% Tier 1 leverage ratio and a minimum 10% total risk-based capital ratio at Triumph Community Bank. While we currently meet, and while it is expected that we will continue to meet, all regulatory capital requirements in the future, we cannot assure you in this regard and any failure to meet any of these requirements could have a material adverse effect on our stockholders.

Bank holding companies and financial institutions are extensively regulated and currently face an uncertain regulatory environment. Applicable laws, regulations, interpretations, enforcement policies and accounting principles have been subject to significant changes in recent years and may be subject to significant future changes. We cannot assure our stockholders that such future changes will not have an adverse effect on our business, financial condition and results of operations.

Federal and state regulatory agencies may adopt changes to their regulations or change the manner in which existing regulations are applied. We cannot predict the substance or effect of pending or future legislation or regulation or the application of laws and regulations to our Company. Compliance with current and potential regulation and scrutiny may significantly increase our costs, impede the efficiency of our internal business processes, require us to increase our regulatory capital and limit our ability to pursue business opportunities in an efficient manner by requiring us to expend significant time, effort and resources to ensure compliance. Additionally, evolving regulations and guidance concerning executive compensation may impose limitations on us that affect our ability to compete successfully for executive and management talent.

The Consumer Financial Protection Bureau ("CFPB"), was created under the Dodd-Frank Act to centralize responsibility for consumer financial protection with broad rulemaking authority to administer and carry out the purposes and objectives of the "Federal consumer financial laws and to prevent evasions thereof," with respect to all financial institutions that offer financial products and services to consumers. The CFPB is also authorized to prescribe rules applicable to any covered person or service provider, identifying and prohibiting acts or practices that are "unfair, deceptive, or abusive" in connection with any transaction with a consumer for a consumer financial product or service, or the offering of a consumer financial product or service ("UDAAP authority"). The ongoing broad rulemaking powers of the CFPB and its UDAAP authority have potential to have a significant impact on the operations of financial institutions offering consumer financial products or services. The CFPB has indicated that they are examining proposing new rules on overdrafts and other consumer financial products or services and if any such rule limits our ability to provide such financial products or services it may have an adverse effect on our business.

In addition, given the current economic and financial environment, regulators may elect to alter the standards or the interpretation of the standards used to measure regulatory compliance or used to determine the adequacy of liquidity, certain risk management or other operational practices for bank or non-bank financial services companies. Such actions may impact our ability to implement our strategy and could affect us in substantial and unpredictable ways and could have an adverse effect on our business, financial condition and results of operations. Furthermore, the regulatory agencies have extremely broad discretion in their interpretation of the regulations and laws and their interpretation of the quality of our loan portfolio, securities portfolio and other assets. If any regulatory agency's assessment of the quality of our assets differs from our assessment, we may be required to take additional charges that would have the effect of materially reducing our earnings, capital ratios and share price.

Legislative and regulatory actions taken now or in the future may increase our costs and impact our business, governance structure, financial condition or results of operations.

We are subject to extensive regulation by multiple regulatory bodies. These regulations may affect the manner and terms of delivery of our services. If we do not comply with governmental regulations, we may be subject to fines, penalties, lawsuits or material restrictions on our businesses in the jurisdiction where the violation occurred, which may adversely affect our business operations. Changes in these regulations can significantly affect the services that we provide as well as our costs of compliance with such regulations. In addition, adverse publicity and damage to our reputation arising from the failure or perceived failure to comply with legal, regulatory or contractual requirements could affect our ability to attract and retain customers.

Current economic conditions, particularly in the financial markets, have resulted in government regulatory agencies and political bodies placing increased focus and scrutiny on the bank or non-bank financial services industries. The Dodd-Frank Act significantly changed the regulation of financial institutions and the bank and non-bank financial services industries. The Dodd-Frank Act and the regulations thereunder affect large and small financial institutions alike, including several provisions that will affect how community banks, thrifts and small bank and thrift holding companies will be regulated in the future.

The Dodd-Frank Act, among other things, imposes new capital requirements on bank holding companies; changes the base for FDIC insurance assessments to a bank's average consolidated total assets minus average tangible equity, rather than upon its deposit base and permanently raises the current standard deposit insurance limit to $250,000 and expands the FDIC's authority to raise insurance premiums. The legislation also calls for the FDIC to raise the ratio of reserves to deposits from 1.15% to 1.35% for deposit insurance purposes by September 30, 2020 and to "offset the effect" of increased assessments on insured depository institutions with assets of less than $10 billion. The Dodd-Frank Act also limits interchange fees payable on debit card transactions. The Dodd-Frank Act establishes the Consumer Financial Protection Bureau as an independent entity within the Federal Reserve, which will have broad rulemaking, supervisory and enforcement authority over consumer financial products and services, including deposit products, residential mortgages, home-equity loans and credit cards and contains provisions on mortgage-related matters, such as steering incentives, determinations as to a borrower's ability to repay and prepayment penalties. The Dodd-Frank Act also includes provisions that affect corporate governance and executive compensation at all publicly traded companies and allows financial institutions to pay interest on business checking accounts. Although the applicability of certain elements of the Dodd-Frank Act is limited to institutions with more than $10 billion in assets, there can be no guarantee that such applicability will not be extended in the future or that regulators or other third parties will not seek to impose such requirements on institutions with less than $10 billion in assets.

New proposals for legislation continue to be introduced in the U.S. Congress that could further substantially increase regulation of the bank and non-bank financial services industries, impose restrictions on the operations and general ability of firms within the industry to conduct business consistent with historical practices, including in the areas of compensation, interest rates, financial product offerings and disclosures and have an effect on bankruptcy proceedings with respect to consumer residential real estate mortgages, among other things. Federal and state regulatory agencies also frequently adopt changes to their regulations or change the manner in which

existing regulations are applied. Certain aspects of current or proposed regulatory or legislative changes to laws applicable to the financial industry, if enacted or adopted, may impact the profitability of our business activities, require more oversight or change certain of our business practices, including the ability to offer new products, obtain financing, attract deposits, make loans and achieve satisfactory interest spreads and could expose us to additional costs, including increased compliance costs. These changes also may require us to invest significant management attention and resources to make any necessary changes to operations to comply and could have an adverse effect on our business, financial condition and results of operations.

Federal and state regulators periodically examine our business and we may be required to remediate adverse examination findings.

The Federal Reserve, the FDIC, the Office of the Comptroller of the Currency ("OCC") and the Texas Department of Savings and Mortgage Lending (the "TDSML") periodically examine our business, including our compliance with laws and regulations. If, as a result of an examination, a banking agency were to determine that our financial condition, capital resources, asset quality, earnings prospects, management, liquidity or other aspects of any of our operations had become unsatisfactory, or that we were in violation of any law or regulation, they may take a number of different remedial actions as they deem appropriate. These actions include the power to enjoin "unsafe or unsound" practices, to require affirmative action to correct any conditions resulting from any violation or practice, to issue an administrative order that can be judicially enforced, to direct an increase in our capital, to restrict our growth, to assess civil money penalties, to fine or remove officers and directors and, if it is concluded that such conditions cannot be corrected or there is an imminent risk of loss to depositors, to terminate our deposit insurance and place us into receivership or conservatorship. Any regulatory action against us could have an adverse effect on our business, financial condition and results of operations.

Our FDIC deposit insurance premiums and assessments may increase.

The deposits of our bank subsidiaries are insured by the FDIC up to legal limits and, accordingly, subject our bank subsidiaries to the payment of FDIC deposit insurance assessments. The banks' regular assessments are based on our bank subsidiaries' average consolidated total assets minus average tangible equity as well as by risk classification, which includes regulatory capital levels and the level of supervisory concern. High levels of bank failures since the beginning of the financial crisis and increases in the statutory deposit insurance limits have increased resolution costs to the FDIC and put significant pressure on the Deposit Insurance Fund ("DIF"). In order to maintain a strong funding position and restore the reserve ratios of the Deposit Insurance Fund, the FDIC has, in the past, increased deposit insurance assessment rates and charged a special assessment to all FDIC-insured financial institutions. Further increases in assessment rates or special assessments may occur in the future, especially if there are significant additional financial institution failures. Any future special assessments, increases in assessment rates or required prepayments in FDIC insurance premiums could reduce our profitability or limit our ability to pursue certain business opportunities, which could have an adverse effect on our business, financial condition and results of operations.

Our bank subsidiaries are subject to "cross-guarantee liability" in the event of a default by either bank and such liability may have an adverse effect on our financial condition, results of operations and future prospects.

Under the Federal Deposit Insurance Act, a depository institution, the deposits of which are insured by the FDIC, can be held liable for any loss incurred by, or reasonably expected to be incurred by, the FDIC in connection with (i) the default of a commonly controlled FDIC-insured depository institution or (ii) any assistance provided by the FDIC to any commonly controlled FDIC-insured depository institution "in danger of default." "Default" is defined generally as the appointment of a conservator or a receiver and "in danger of default" is defined generally as the existence of certain conditions indicating that default is likely to occur in the absence of regulatory assistance.

Our bank subsidiaries are affiliated FDIC-insured depository institution subsidiaries. In some circumstances (depending upon the amount of the loss or anticipated loss suffered by the FDIC), cross-guarantee liability may result in the ultimate failure or insolvency of one or more insured depository institutions in a holding company structure. Any obligation or liability owed by a subsidiary bank to its parent company is subordinated to the subsidiary bank's cross-guarantee liability with respect to commonly controlled insured depository institutions. If cross-guarantee liability was imposed by the FDIC, such liability could have an adverse effect on our business, financial condition and results of operations.

The Federal Reserve may require us to commit capital resources to support our subsidiary banks.

As a matter of policy, the Federal Reserve expects a bank holding company to act as a source of financial and managerial strength to a subsidiary bank and to commit resources to support such subsidiary bank. The Dodd-Frank Act codified the Federal Reserve's policy on serving as a source of financial strength. Under the "source of strength" doctrine, the Federal Reserve may require a bank holding company to make capital injections into a troubled subsidiary bank and may charge the bank holding company with engaging in unsafe and unsound practices for failure to commit resources to a subsidiary bank. A capital injection may be required at times when the holding company may not have the resources to provide it and therefore may be required to borrow the funds or raise capital. Any loans by a holding company to its subsidiary banks are subordinate in right of payment to deposits and to certain other indebtedness of such subsidiary bank. In the event of a bank holding company's bankruptcy, the bankruptcy trustee will assume any commitment by the holding company to a federal bank regulatory agency to maintain the capital of a subsidiary bank. Moreover, bankruptcy law provides that claims based on any such commitment will be entitled to a priority of payment over the claims of the institution's general unsecured creditors, including the holders of its note obligations. Thus, any borrowing that must be done by the bank holding company to make a required capital injection becomes more difficult and expensive and could have an adverse effect on our business, financial condition and results of operations.

Future acquisitions generally will require regulatory approvals and failure to obtain them would restrict our growth.

We intend to explore complementing and expanding our products and services by pursuing strategic acquisitions. Generally, any acquisition of target financial institutions, banking centers or other banking assets by us will require approval by and cooperation from, a number of governmental regulatory agencies, possibly including the Federal Reserve, the OCC and the FDIC, as well as state banking regulators. In acting on applications, federal banking regulators consider, among other factors:

- the effect of the acquisition on competition;
- the financial condition, liquidity, results of operations, capital levels and future prospects of the applicant and the bank(s) involved;
- the quantity and complexity of previously consummated acquisitions;
- the managerial resources of the applicant and the bank(s) involved;
- the convenience and needs of the community, including the record of performance under the Community Reinvestment Act of 1977 (the "CRA");
- the effectiveness of the applicant in combating money-laundering activities;
- the applicant's regulatory compliance record; and
- the extent to which the acquisition would result in greater or more concentrated risks to the stability of the United States banking or financial system.

Such regulators could deny our application based on the above criteria or other considerations, which would restrict our growth, or the regulatory approvals may not be granted on terms that are acceptable to us. For

example, we could be required to sell banking centers as a condition to receiving regulatory approvals and such a condition may not be acceptable to us or may reduce the benefit of any acquisition.

Future legislation or actions could harm our competitive position.

In addition to the enactment of the Dodd-Frank Act, various legislative bodies have also recently been considering altering the existing framework governing creditors' rights, including legislation that would result in or allow loan modifications of various sorts. Such legislation may change banking statutes and the operating environment in substantial and unpredictable ways. If enacted, such legislation could increase or decrease the cost of doing business; limit or expand permissible activities; or affect the competitive balance among banks, savings associations, credit unions and other financial institutions. We cannot predict whether new legislation will be enacted and, if enacted, the effect that it or any regulations would have on our activities, financial condition or results of operations.

We are subject to commercial real estate lending guidance issued by the federal banking regulators that impacts our operations and capital requirements.

The federal banking regulators have issued final guidance regarding concentrations in commercial real estate lending directed at institutions that have particularly high concentrations of commercial real estate loans within their lending portfolios. This guidance suggests that institutions whose commercial real estate loans exceed certain percentages of capital should implement heightened risk management practices appropriate to their concentration risk and may be required to maintain higher capital ratios than institutions with lower concentrations in commercial real estate lending. Based on our commercial real estate concentration as of March 31, 2014, we believe that we are operating within the guidelines. However, increases in our commercial real estate lending could subject us to additional supervisory analysis. We cannot guarantee that any risk management practices we implement will be effective to prevent losses relating to our commercial real estate portfolio. Management has implemented controls to monitor our commercial real estate lending concentrations, but we cannot predict the extent to which this guidance will continue to impact our operations or capital requirements.

Regulatory initiatives regarding bank capital requirements may require heightened capital.

New regulatory capital rules, released in July 2013, implement higher minimum capital requirements for bank holding companies and banks. The new rules include a new common equity Tier 1 capital requirement and establish criteria that instruments must meet to be considered common equity Tier 1 capital, additional Tier 1 capital or Tier 2 capital. These enhancements are expected to both improve the quality and increase the quantity of capital required to be held by banking organizations, better equipping the U.S. banking system to deal with adverse economic conditions. The revised capital rules require banks and bank holding companies to maintain a minimum common equity Tier 1 capital ratio of 4.5%, a total Tier 1 capital ratio of 6%, a total capital ratio of 8% and a leverage ratio of 4%. Bank holding companies are also required to hold a capital conservation buffer of common equity Tier 1 capital of 2.5% to avoid limitations on capital distributions and executive compensation payments. The revised capital rules also require banks and bank holding companies to maintain a common equity Tier 1 capital ratio of 6.5%, a total Tier 1 capital ratio of 8%, a total capital ratio of 10% and a leverage ratio of 5% to be deemed "well capitalized" for purposes of certain rules and prompt corrective action requirements.

The Federal Reserve may also set higher capital requirements for holding companies whose circumstances warrant it. For example, holding companies experiencing internal growth or making acquisitions are expected to maintain strong capital positions substantially above the minimum supervisory levels, without significant reliance on intangible assets. At this time, the bank regulatory agencies are more inclined to impose higher capital requirements to meet well-capitalized standards and future regulatory change could impose higher capital standards as a routine matter. The Company's and its subsidiaries' regulatory capital ratios currently are in excess of the levels established for "well-capitalized" institutions.

These new standards may require the Company or our bank subsidiaries to maintain materially more capital, with common equity as a more predominant component, or manage the configuration of our assets and liabilities to comply with formulaic liquidity requirements. Such regulation could significantly impact our return on equity, financial condition, operations, capital position and ability to pursue business opportunities which could have an adverse effect on our business, financial condition and results of operations.

We are subject to numerous laws designed to protect consumers, including the CRA and fair lending laws and failure to comply with these laws could lead to a wide variety of sanctions.

The CRA, the Equal Credit Opportunity Act, the Fair Housing Act and other fair lending laws and regulations impose nondiscriminatory lending requirements on financial institutions. The Department of Justice and other federal agencies, including the CFPB, are responsible for enforcing these laws and regulations. A successful regulatory challenge to an institution's performance under the CRA or fair lending laws and regulations could result in a wide variety of sanctions, including damages and civil money penalties, injunctive relief, restrictions on mergers and acquisitions activity, restrictions on expansion and restrictions on entering new product lines. Private parties may also have the ability to challenge an institution's performance under fair lending laws in private class action litigation. Such actions could have an adverse effect on our business, financial condition and results of operations.

Federal, state and local consumer lending laws may restrict our ability to originate certain mortgage loans or increase our risk of liability with respect to such loans and could increase our cost of doing business.

Federal, state and local laws have been adopted that are intended to eliminate certain lending practices considered "predatory." These laws prohibit practices such as steering borrowers away from more affordable products, selling unnecessary insurance to borrowers, repeatedly refinancing loans and making loans without a reasonable expectation that the borrowers will be able to repay the loans irrespective of the value of the underlying property. It is our policy not to make predatory loans, but these laws create the potential for liability with respect to our lending and loan investment activities. They increase our cost of doing business and, ultimately, may prevent us from making certain loans and cause us to reduce the average percentage rate or the points and fees on loans that we do make.

We face a risk of noncompliance and enforcement action with the Bank Secrecy Act and other anti-money laundering statutes and regulations.

The Bank Secrecy Act, the USA PATRIOT Act of 2001 (the "Patriot Act") and other laws and regulations require financial institutions, among other duties, to institute and maintain an effective anti-money laundering program and file suspicious activity and currency transaction reports as appropriate. The federal Financial Crimes Enforcement Network is authorized to impose significant civil money penalties for violations of those requirements and has recently engaged in coordinated enforcement efforts with the individual federal banking regulators, as well as the U.S. Department of Justice, Drug Enforcement Administration and Internal Revenue Service. We are also subject to increased scrutiny of compliance with the rules enforced by the Office of Foreign Assets Control. If our policies, procedures and systems are deemed deficient, we would be subject to liability, including fines and regulatory actions, which may include restrictions on our ability to pay dividends and the necessity to obtain regulatory approvals to proceed with certain aspects of our business plan, including our acquisition plans. Failure to maintain and implement adequate programs to combat money laundering and terrorist financing could also have serious reputational consequences for us. Any of these results could have an adverse effect on our business, financial condition and results of operations.

There are substantial regulatory limitations on changes of control of a bank holding company.

With certain limited exceptions, federal regulations prohibit a person, a company or a group of persons deemed to be "acting in concert" from, directly or indirectly, acquiring more than 10% (5% if the acquirer is a

bank holding company) of any class of our voting stock or obtaining the ability to control in any manner the election of a majority of our directors or otherwise direct the management or policies of our Company without prior notice or application to and the approval of the Federal Reserve. Companies investing in banks and bank holding companies receive additional review and may be required to become bank holding companies, subject to regulatory supervision. Accordingly, prospective investors must be aware of and comply with these requirements, if applicable, in connection with any purchase of shares of our common stock. These provisions effectively inhibit certain mergers or other business combinations, which, in turn, could adversely affect the market price of our common stock.

Risks Relating to an Investment in Our Common Stock

There is currently no public market for our common stock. An active, liquid market for our common stock may not develop or be sustained upon completion of this offering, which may impair your ability to sell your shares.

Before this offering, there has been no public market for our common stock. We intend to list our common stock on the , but an active, liquid trading market for our common stock may not develop or be sustained following this offering. A public trading market having the desired characteristics of depth, liquidity and orderliness depends upon the presence in the marketplace and independent decisions of willing buyers and sellers of our common stock, over which we have no control. Without an active, liquid trading market for our common stock, stockholders may not be able to sell their shares at the volume, prices and times desired. Moreover, the lack of an established market could materially and adversely affect the value of our common stock. The market price of our common stock could decline significantly due to actual or anticipated issuances or sales of our common stock in the future.

The market price of our common stock may be subject to substantial fluctuations, which may make it difficult for you to sell your shares at the volume, prices and times desired.

The market price of our common stock may be highly volatile, which may make it difficult for you to resell your shares at the volume, prices and times desired. There are many factors that may impact the market price and trading volume of our common stock, including, without limitation:

- actual or anticipated fluctuations in our operating results, financial condition or asset quality;
- changes in economic or business conditions;
- the effects of and changes in, trade, monetary and fiscal policies, including the interest rate policies of the Federal Reserve;
- publication of research reports about us, our competitors or the bank and non-bank financial services industries generally, or changes in, or failure to meet, securities analysts’ estimates of our financial and operating performance, or lack of research reports by industry analysts or ceasing of coverage;
- operating and stock price performance of companies that investors deem comparable to us;
- future issuances of our common stock or other securities;
- additions or departures of key personnel;
- proposed or adopted changes in laws, regulations or policies affecting us;
- perceptions in the marketplace regarding our competitors and/or us;
- our treatment as an “emerging growth company” under federal securities laws;
- changes in accounting principles, policies and guidelines;
- rapidly changing technology;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving our competitors or us;

- other economic, competitive, governmental, regulatory and technological factors affecting our operations, pricing, products and services; and
- other news, announcements or disclosures (whether by us or others) related to us, our competitors, our core market or the bank and non-bank financial services industries.

The stock market and, in particular, the market for financial institution stocks, have experienced substantial fluctuations in recent years, which in many cases have been unrelated to the operating performance and prospects of particular companies. In addition, significant fluctuations in the trading volume in our common stock may cause significant price variations to occur. Increased market volatility may materially and adversely affect the market price of our common stock, which could make it difficult to sell your shares at the volume, prices and times desired.

Securities analysts may not initiate or continue coverage on our common stock, which could adversely affect the market for our common stock.

The trading market for our common stock will depend in part on the research and reports that securities analysts publish about us and our business. We do not have any control over these securities analysts and they may not cover our common stock. If securities analysts do not cover our common stock, the lack of research coverage may adversely affect our market price. If we are covered by securities analysts and our common stock is the subject of an unfavorable report, the price of our common stock may decline. If one or more of these analysts cease to cover us or fail to publish regular reports on us, we could lose visibility in the financial markets, which could cause the price or trading volume of our common stock to decline.

We are an "emerging growth company," and the reduced reporting requirements applicable to emerging growth companies may make our common stock less attractive to investors.

We are an "emerging growth company," as defined in the JOBS Act. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We could be an emerging growth company for up to five years, although we could lose that status sooner if our gross revenues exceed $1.0 billion, if we issue more than $1.0 billion in nonconvertible debt in a three-year period or if the fair value of our common stock held by non-affiliates exceeds $700 million as of any June 30 before that time, in which case we would no longer be an emerging growth company as of the following December 31. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions, or if we choose to rely on additional exemptions in the future. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

Investors in this offering will experience immediate and substantial dilution.

The initial public offering price is expected to be substantially higher than the net tangible book value per share of our common stock immediately following this offering. Therefore, if you purchase shares in this offering, you will experience immediate and substantial dilution in net tangible book value per share in relation to the price that you paid for your shares. We expect the dilution as a result of this offering to be $ per share, based on an assumed initial offering price of $ per share (the midpoint of the range set forth on the cover page of this prospectus) and our pro forma net tangible book value of $ per share as of March 31, 2014. Accordingly, if we were liquidated at our pro forma net tangible book value, you would not receive the full amount of your investment.

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We have pledged all of the stock of our subsidiary banks as collateral for a loan and if the lender forecloses, you could lose your investment.

We have pledged all of the stock of our subsidiary banks to secure our senior indebtedness, which had a balance of $12.3 million as of March 31, 2014. Although we anticipate repaying this indebtedness in full with a portion of the offering proceeds, we may elect not to repay this indebtedness. If we do not repay this indebtedness, or if in the future we incur indebtedness and secure it with our subsidiary banks' stock and if we were to default on any such indebtedness, the lender could foreclose on our subsidiary banks' stock and we would lose our principal asset. In that event, if the value of our subsidiary banks' stock is less than the amount of the indebtedness, you would lose the entire amount of your investment.

Future equity issuances could result in dilution, which could cause our common stock price to decline and future sales of our common stock could depress the market price of our common stock.

As of August 8, 2014, we had 9,886,334 issued and outstanding shares of our common stock. Following the completion of this offering, we will have issued and outstanding shares of our common stock (shares if the underwriters elect to exercise in full their purchase options). Actual or anticipated issuances or sales of substantial amounts of our common stock following this offering could cause the market price of our common stock to decline significantly and make it more difficult for us to sell equity or equity-related securities in the future at a time and on terms that we deem appropriate. The issuance of any shares of our common stock in the future also would and equity-related securities could, dilute the percentage ownership interest held by stockholders prior to such issuance. All of the shares of common stock sold in this offering will be freely tradable, except that any shares purchased by "affiliates" (as that term is defined in Rule 144 under the Securities Act of 1933, as amended (the "Securities Act")) may be sold publicly only in compliance with the limitations described under "Shares Eligible For Future Sale." The remaining 9,886,334 outstanding shares of our common stock, or % of our outstanding shares, will be deemed to be "restricted securities" as that term is defined in Rule 144 and may be sold in the market over time in private transactions or future public offerings. We may issue all of these shares without any action or approval by our stockholders and these shares, once issued (including upon exercise of outstanding options), will be available for sale into the public market, subject to the restrictions described above, if applicable, for affiliate holders.

Sales of a substantial number of shares of our common stock in the public market following this offering, or the perception that large sales could occur, could cause the market price of our common stock to decline or limit our future ability to raise capital through an offering of equity securities.

We have broad discretion in the use of the net proceeds from this offering and our use of those proceeds may not yield a favorable return on your investment.

We intend to use approximately $25.9 million of the net proceeds to us generated by this offering to redeem, as promptly as practicable following the completion of this offering, our TARP preferred stock, and approximately $12.3 million of the net proceeds of this offering to retire, as promptly as practicable following the completion of this offering, our senior secured indebtedness, which had a balance outstanding of $12.3 million as of March 31, 2014. Any remainder of the net proceeds of this offering (which will be approximately $ million) will be used to support our organic growth and other general corporate purposes, including potential future acquisitions of bank and non-bank financial services companies that we believe are complementary to our business and consistent with our growth strategy.

Our management has broad discretion over how these proceeds are used and could spend the proceeds in ways with which you may not agree. In addition, we may not use the proceeds of this offering effectively or in a manner that increases our fair value or enhances our profitability. We have not established a timetable for the effective deployment of the proceeds and we cannot predict how long it will take to deploy the proceeds. Investing the offering proceeds in securities until we are able to deploy the proceeds will provide lower margins than we generally earn on loans, potentially adversely affecting stockholder returns, including earnings per share, return on assets and return on equity.

The rights of our common stockholders are subordinate to the rights of the holders of our Series A Preferred Stock and Series B Preferred Stock and any debt securities that we may issue and may be subordinate to the holders of any other class of preferred stock that we may issue in the future.

We have issued 97,456 shares of our Series A Preferred Stock and Series B Preferred Stock. These shares have rights that are senior to our common stock. As a result, we must make payments on the preferred stock before any dividends can be paid on our common stock and, in the event of our bankruptcy, dissolution or liquidation, the holders of the Series A Preferred Stock and Series B Preferred Stock must be satisfied in full before any distributions can be made to the holders of our common stock. Our board of directors has the authority to issue in the aggregate up to 1,000,000 shares of preferred stock and to determine the terms of each issue of preferred stock without stockholder approval. Accordingly, you should assume that any shares of preferred stock that we may issue in the future will also be senior to our common stock and could have a preference on liquidating distributions or a preference on dividends that could limit our ability to pay dividends to the holders of our common stock. Because our decision to issue debt or equity securities or incur other borrowings in the future will depend on market conditions and other factors beyond our control, the amount, timing, nature or success of our future capital-raising efforts is uncertain. Thus, common stockholders bear the risk that our future issuances of debt or equity securities or our incurrence of other borrowings will negatively affect the market price of our common stock.

We depend on the profitability of our bank subsidiaries.

Our principal source of funds to pay dividends on our common and preferred stock and service any of our obligations are dividends received directly from our subsidiaries. A substantial percentage of our current operations are currently conducted through our two bank subsidiaries. As is the case with all financial institutions, the profitability of our bank subsidiaries is subject to the fluctuating cost and availability of money, changes in interest rates and in economic conditions in general. In addition, various federal and state statutes limit the amount of dividends that our bank subsidiaries may pay to us, with or without regulatory approval.

We do not intend to pay dividends in the foreseeable future and our future ability to pay dividends is subject to restrictions.

We have not historically declared or paid any cash dividends on our common stock since inception. Holders of our common stock are entitled to receive only such cash dividends as our board of directors may declare out of funds legally available for such payments. Any declaration and payment of dividends on common stock will depend upon our earnings and financial condition, liquidity and capital requirements, the general economic and regulatory climate, our ability to service any equity or debt obligations senior to the common stock and other factors deemed relevant by the board of directors. Furthermore, consistent with our business plans, growth initiatives, capital availability, projected liquidity needs and other factors, we have made and will continue to make, capital management decisions and policies that could adversely impact the amount of dividends, if any, paid to our common stockholders. We are also restricted from paying dividends on our common stock if we do not pay dividends on our Series A Preferred Stock and Series B Preferred Stock for the same dividend period.

Our board of directors intends to retain all of our earnings to promote growth and build capital. Accordingly, we do not expect to pay dividends in the foreseeable future. In addition, we are subject to certain restrictions on the payment of cash dividends as a result of banking laws, regulations and policies. Further, the Federal Reserve issued Supervisory Letter SR 09-4 on February 24, 2009 and revised as of March 27, 2009, which provides guidance on the declaration and payment of dividends, capital redemptions and capital repurchases by bank holding companies. Supervisory Letter SR 09-4 provides that, as a general matter, a financial holding company should eliminate, defer or significantly reduce its dividends, if: (1) the financial holding company's net income available to stockholders for the past four quarters, net of dividends previously paid during that period, is not sufficient to fully fund the dividends; (2) the financial holding company's prospective rate of earnings retention is not consistent with the financial holding company's capital needs and overall current and prospective financial

condition; or (3) the financial holding company will not meet, or is in danger of not meeting, its minimum regulatory capital adequacy ratios. Failure to do so could result in a supervisory finding that the financial holding company is operating in an unsafe and unsound manner.

Our ability to pay dividends on common stock is also limited by contractual restrictions under our trust preferred securities and our TARP preferred stock. The trust preferred securities are in a superior ownership position compared to common stock. Interest must be paid on the trust preferred securities before dividends may be paid to the common stockholders. The Company is current in its interest and dividend payments on the trust preferred securities; however, it has the right to defer distributions on these instruments, during which time no dividends may be paid on its common stock. If the Company does not have sufficient earnings in the future and begins to defer distributions on the trust preferred securities, it will be unable to pay dividends on its common stock until it becomes current on those distributions.

Finally, our ability to pay dividends to our stockholders depends on our receipt of dividends from our two bank subsidiaries, which are also subject to restrictions on dividends as a result of banking laws, regulations and policies. Accordingly, if the receipt of dividends over the near term is important to you, you should not invest in our common stock. See “Dividend Policy.”

Our corporate governance documents and certain corporate and banking laws applicable to us, could make a takeover more difficult.

Certain provisions of our articles of incorporation and bylaws and corporate and federal banking laws and regulations could delay, defer or prevent a third party from acquiring control of our organization or conducting a proxy contest, even if those events were perceived by many of our stockholders as beneficial to their interests. These provisions, laws and regulations applicable to us:

- enable our board of directors to issue additional shares of authorized but unissued capital stock;
- enable our board of directors to issue “blank check” preferred stock with such designations, rights and preferences as may be determined from time to time by our board of directors;
- enable our board of directors to increase the size of our board of directors and fill the vacancies created by the increase;
- enable our board of directors to serve for three-year terms;
- provide for a plurality voting standard in the election of directors;
- do not provide for cumulative voting in the election of directors;
- enable our board of directors to amend our bylaws without stockholder approval;
- do not allow for the removal of directors without cause;
- limit the right of stockholders to call a special meeting;
- do not allow stockholder action by less than unanimous written consent;
- require the affirmative vote of two-thirds of the outstanding shares of common stock to approve all amendments to our charter and approve mergers and similar transactions;
- require advance notice for director nominations and other stockholder proposals; and
- require prior regulatory application and approval of any transaction involving control of our organization.

These provisions may discourage potential acquisition proposals and could delay or prevent a change in control, including under circumstances in which our stockholders might otherwise receive a premium over the market price of our shares. See “Description of Capital Stock.”

Our current board and management have significant control over our business.

As of August 8, 2014, our directors and executive officers beneficially owned, directly or indirectly, in the aggregate, 1,431,579 shares of our common stock, or approximately 14.28% of the outstanding shares of our common stock. As a result, in addition to their day-to-day management roles, our executive officers and directors will be able to exercise significant influence on our business as stockholders, including influence over election of members of the board of directors and the authorization of other corporate actions requiring stockholder approval.

An investment in our common stock is not an insured deposit and is subject to risk of loss.

Your investment in our common stock will not be a bank deposit and will not be insured or guaranteed by the FDIC or any other government agency. Your investment will be subject to investment risk and you must be capable of affording the loss of your entire investment.

The return on your investment in our common stock is uncertain.

We cannot provide any assurance that an investor in our common stock will realize a substantial return on his or her investment, or any return at all. Further, as a result of the uncertainty and risks associated with our operations, many of which are described in this "Risk Factors" section, it is possible that an investor could lose his or her entire investment.

Certain of our officers and directors have the right to receive shares of our common stock from TCC, the original investment vehicle for our operations and a significant stockholder of the Company, based on the value of our shares as of and following the closing of this offering, which may incentivize them to manage our operations in a manner that incurs more risk to receive the full amount of shares that may be distributed to them.

TCC is a Texas limited liability company that served as the investment vehicle for our original acquisition of Equity Bank in 2010. As of August 8, 2014, TCC owned 4,500,000 shares of our common stock and a warrant to purchase an additional 259,067 shares of our common stock at a price of $11.58 per share. In connection with the formation and funding of TCC, TLCM Investments, LLC ("TLCM") was granted a profits interest. The profits interest entitled TLCM to receive distributions from TCC after specified distribution targets, including a multiple of capital originally invested and an internal rate of return, were met with respect to the members of TCC other than TLCM. The percentage of such distributions to which TLCM would be entitled increases upon the achievement of additional distribution targets. In connection with this offering, TCC's limited liability company agreement is expected to be amended such that, following the completion of this offering, the profits interest will entitle TLCM to periodic distributions of our common stock based on the market price of our common stock on a quarterly basis for a three year period following the closing of this offering. The ultimate beneficial owners of TLCM include certain of our directors and executive officers including our Chief Executive Officer, Aaron P. Graft, our executive chairman, Carlos Sepulveda, Jr., Charles A. Anderson, Justin M. Trail, C. Todd Sparks, Raymond W. Sperring III and Adam D. Nelson. Pursuant to the amendment, TLCM will be entitled to receive up to an aggregate of 1,250,000 shares of our common stock out of the 4,500,000 shares owned by TCC as of August 8, 2014. The number of shares of our common stock that TCC may distribute to TLCM will be based on a schedule agreed to by TCC and TLCM and depends upon the trading price of our common stock over the three year period following the closing of this offering. The higher the trading price of our common stock following this offering, the more shares TCC will distribute to TLCM. Accordingly, certain members of our board of directors and management may be incentivized to produce a higher price for our shares of common stock than they otherwise would be and may be prone to take risks that they otherwise would not in an effort to support a higher stock price. If the Company incurs additional risk or unduly focuses on the price of our common shares following this offering, it may have an adverse effect on our financial condition and results of operations. See "Security Ownership of Beneficial Owners and Management."

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements within the meaning of section 27A of the Securities Act and 21E of the Securities Exchange Act of 1934 (the "Exchange Act"). These forward-looking statements reflect our current views with respect to, among other things, future events and our financial performance. These statements are often, but not always, made through the use of words or phrases such as "may," "should," "could," "predict," "potential," "believe," "will likely result," "expect," "continue," "will," "anticipate," "seek," "estimate," "intend," "plan," "projection," "would" and "outlook," or the negative version of those words or other comparable of a future or forward-looking nature. These forward-looking statements are not historical facts and are based on current expectations, estimates and projections about our industry, management's beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements.

There are or will be important factors that could cause our actual results to differ materially from those indicated in these forward-looking statements, including, but are not limited to, the following:

- our limited operating history as an integrated company and our recent acquisitions;
- business and economic conditions generally and in the bank and non-bank financial services industries, nationally and within our local market area;
- our ability to mitigate our risk exposures;
- our ability to maintain our historical earnings trends;
- risks related to the integration of acquired businesses and any future acquisitions;
- changes in management personnel;
- interest rate risk;
- concentration of our factoring services in the transportation industry;
- credit risk associated with our loan portfolio;
- lack of seasoning in our loan portfolio;
- deteriorating asset quality and higher loan charge-offs;
- time and effort necessary to resolve nonperforming assets;
- inaccuracy of the assumptions and estimates we make in establishing reserves for probable loan losses and other estimates;
- lack of liquidity;
- fluctuations in the fair value and liquidity of the securities we hold for sale;
- impairment of investment securities, goodwill, other intangible assets or deferred tax assets;
- risks related to our acting as the asset manager for one or more CLOs;
- our risk management strategies;
- environmental liability associated with our lending activities;
- increased competition in the bank and non-bank financial services industries, nationally, regionally or locally, which may adversely affect pricing and terms;

- the obligations associated with being a public company;
- the accuracy of our financial statements and related disclosures;
- material weaknesses in our internal control over financial reporting;
- system failures or failures to prevent breaches of our network security;
- the institution and outcome of litigation and other legal proceedings against us or to which we become subject;
- changes in carry-forwards of net operating losses;
- changes in federal tax law or policy;
- the impact of recent and future legislative and regulatory changes, including changes in banking, securities and tax laws and regulations, such as the Dodd-Frank Act and their application by our regulators;
- governmental monetary and fiscal policies;
- changes in the scope and cost of FDIC, insurance and other coverages;
- failure to receive regulatory approval for future acquisitions;
- increases in our capital requirements;
- risk retention requirements under the Dodd-Frank Act; and
- risks related to this offering.

The foregoing factors should not be construed as exhaustive and should be read together with the other cautionary statements included in this prospectus. If one or more events related to these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may differ materially from what we anticipate. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made and we do not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. New factors emerge from time to time and it is not possible for us to predict which will arise. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

USE OF PROCEEDS

We estimate that the net proceeds to us from the sale of our common stock in this offering will be approximately $ million, or approximately $ million if the underwriters elect to exercise in full their purchase option, assuming an initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus and after deducting estimated underwriting discounts and offering expenses. Each $1.00 increase (decrease) in the assumed initial public offering price would increase (decrease) the net proceeds to us of this offering by $ million, or $ million if the underwriters elect to exercise in full their purchase option, after deducting estimated underwriting discounts and offering expenses.

We intend to use approximately $25.9 million of the net proceeds to us generated by this offering to redeem, as promptly as practicable following the completion of this offering, our TARP preferred stock; approximately $12.3 million of the net proceeds of this offering to retire, as promptly as practicable following the completion of this offering, our senior secured indebtedness, consisting of a senior secured note with a principal amount of $12.3 million as of March 31, 2014, which has an interest rate based at the prime rate with a minimum interest rate of 4.5%, and matures on October 15, 2018; and any remainder of the net proceeds of this offering (which will be approximately $ million) to support our organic growth and other general corporate purposes, including potential future acquisitions of bank and non-bank financial services companies that we believe are complementary to our business and consistent with our growth strategy. We do not currently have any plans to acquire specific depository institutions, either on an assisted or unassisted basis, or specific bank or non-bank financial services companies, assets or franchises.

DIVIDEND POLICY

We have not historically declared or paid cash dividends on our common stock since inception and we do not intend to pay dividends on our common stock for the foreseeable future. Instead, we anticipate that all of our future earnings will be retained to support our operations and to finance the growth and development of our business. Any future determination relating to our dividend policy will be made by our board of directors and will depend on a number of factors, including:

- our historic and projected financial condition, liquidity and results of operations;
- our capital levels and needs;
- tax considerations;
- any acquisitions or potential acquisitions that we may examine;
- statutory and regulatory prohibitions and other limitations;
- the terms of any credit agreements or other borrowing arrangements that restrict our ability to pay cash dividends;
- general economic conditions; and
- other factors deemed relevant by our board of directors.

We are not obligated to pay dividends on our common stock.

As a Texas corporation, we are subject to certain restrictions on dividends under the Texas Business Organizations Code (the "TBOC"). Generally, a Texas corporation may pay dividends to its stockholders out of its surplus (the excess of its assets over its liabilities and stated capital) or out of its net profits for the then-current and preceding fiscal year unless the corporation is insolvent or the dividend would render the corporation insolvent. In addition, we are subject to certain restrictions on the payment of cash dividends as a result of banking laws, regulations and policies. See "Supervision and Regulation—Bank Regulation; Standards for Safety and Soundness."

Because we are a financial holding company and do not engage directly in business activities of a material nature, our ability to pay dividends to our stockholders depends, in large part, upon our receipt of dividends from our bank subsidiaries, which are also subject to numerous limitations on the payment of dividends under federal and state banking laws, regulations and policies. The present and future dividend policy of our bank subsidiaries are subject to the discretion of their respective board of directors. Our subsidiary banks are not obligated to pay dividends.

CAPITALIZATION

The following table shows our capitalization, including regulatory capital ratios, on a consolidated basis, as of March 31, 2014, on an actual basis and on an as adjusted basis after giving effect to the net proceeds from the sale by us of shares at an initial offering price of $ per share, the midpoint of the offering price range on the cover page of this prospectus, after deducting estimated underwriting discounts and offering expenses. You should read the following table in conjunction with the sections titled "Selected Historical Consolidated Financial Information," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes appearing elsewhere in this prospectus.

	As of March 31, 2014	
	Actual	As adjusted for the offering(1)
	(dollars in thousands)	
Senior secured note	$ 12,259	
Junior subordinated debentures	24,233	
Stockholders' Equity:		
Common stock, par value $0.01 per share, 50,000,000 shares authorized, 9,846,096 shares issued and outstanding; and shares issued and outstanding, as adjusted	$ 98	$
Preferred stock, par value $0.01 per share, 1,000,000 shares authorized		
Series A, 50,000 shares authorized, 45,500 shares issued and outstanding; and 45,500 shares issued and outstanding, as adjusted	4,550	
Series B, 115,000 shares authorized, 51,956 shares issued and outstanding; and 51,956 shares issued and outstanding, as adjusted	5,196	
Additional paid-in capital	104,744	
Retained earnings	22,111	
Accumulated other comprehensive income, net	485	
Total stockholders' equity	137,184	
Noncontrolling interest(2)	26,997	
Total equity	$164,181	$
Capital ratios:		
Total equity to average assets	12.66%	%
Tangible common equity to tangible assets(3)	7.85%	
Tier 1 capital to average assets	11.89%	
Tier 1 capital to risk-weighted assets	14.32%	
Total capital to risk-weighted assets	14.78%	

(1) Unless otherwise indicated, the information contained in this prospectus is as of the date set forth on the cover page of this prospectus, assumes that the underwriters' option to purchase additional shares is not exercised and assumes that the common stock to be sold in this offering is sold at $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and offering expenses.

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share (which is the midpoint of the price range on the cover page of this prospectus) would increase (decrease) each of cash, cash equivalents and marketable securities, additional paid-in capital, total stockholders' equity and total capitalization by $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions. If the underwriters' option to purchase additional shares to cover over-allotments is exercised in full, the pro forma as adjusted amount of each of cash, cash equivalents and marketable securities,

additional paid-in capital, total equity and total capitalization would increase by approximately $ million, after deducting estimated underwriting discounts and commissions.

(2) $25.9 million of our noncontrolling interests is related to our TARP preferred stock which we plan to redeem as promptly as practicable following the closing of this offering. See "Use of Proceeds." The $1.1 million remainder of our noncontrolling interests is Class B Units of Triumph Commercial Finance, which were redeemed in June 2014.

(3) Tangible common equity to tangible assets is a non-GAAP financial measure. Tangible common equity is computed as total stockholders' equity, excluding preferred stock, less intangible assets and tangible assets are calculated as total assets less intangible assets. We believe that the most directly comparable GAAP financial measure is total stockholders' equity to assets. For a reconciliation of the non-GAAP measure to the most directly comparable GAAP financial measure, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—GAAP Reconciliation and Management Explanation of Non-GAAP Financial Measures."

DILUTION

If you invest in our common stock, your ownership interest will be diluted to the extent that the initial public offering price per share of our common stock exceeds the tangible book value per share of our common stock immediately following this offering. Tangible book value per common share is equal to our total stockholders' equity, excluding preferred stock and noncontrolling interests, less intangible assets, divided by the number of common shares outstanding. As of March 31, 2014, the tangible book value of our common stock was $ million, or $ per share.

After giving effect to our sale of shares of common stock in this offering (assuming the underwriters do not exercise their purchase option) at an assumed initial public offering price of $ per share (which is the midpoint of the price range on the cover page of this prospectus) and after deducting estimated underwriting discounts and offering expenses, the pro forma net tangible book value of our common stock at March 31, 2014 would have been approximately $ million, or $ per share. Therefore, this offering will result in an immediate increase of $ in the tangible book value per share of our common stock of existing stockholders and an immediate dilution of $ in the tangible book value per share of our common stock to investors purchasing shares in this offering, or approximately % of the assumed public offering price of $ per share (which is the midpoint of the price range on the cover page of this prospectus).

The following table illustrates the calculation of the amount of dilution per share that a purchaser of our common stock in this offering will incur given the assumptions above:

Assumed initial public offering price per share		$
Net tangible book value per common share at March 31, 2014	$	
Increase in net tangible book value per common share attributable to new investors	$	
Pro forma tangible book value per common share upon completion of this offering		$
Dilution per common share to new investors from offering		$

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share of common stock would increase (decrease) our net tangible book value as of March 31, 2014 by approximately $ million, or approximately $ per share, and the pro forma dilution per share to new investors in this offering by approximately $ per share, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and offering expenses payable by us. The number of shares offered by us in this offering may be increased or decreased from the number of shares on the cover page of this prospectus. Each increase (decrease) of 1.0 million shares in the number of shares offered by us, together with a $1.00 increase in the assumed offering price of $ per share, would increase (decrease) our net tangible book value as of March 31, 2014 by approximately $ million, or approximately $ per share, and the pro forma dilution per share to new investors in this offering by approximately $ per share, assuming the assumed initial public offering price per share of $ per share, the midpoint of the offering price range set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and offering expenses. Similarly, a decrease of 1.0 million shares in the number of shares of common stock offered by us, together with a $1.00 decrease in the assumed public offering price of $ per share, would result in our net tangible book value, as of March 31, 2014, of approximately $ million, or approximately $ per share, and the pro forma dilution per share to investors in this offering would be approximately $ per share. The as adjusted information discussed above is illustrative only and will adjust based on the actual initial public offering price and other terms of this offering determined at pricing.

The following table summarizes, as of March 31, 2014, the total consideration paid to us and the average price paid per share by existing stockholders and investors purchasing common stock in this offering after giving effect to the sale of the common stock offered hereby; the receipt of the estimated net proceeds from this

offering, after deducting the underwriting discounts and commissions and offering expenses; the use of the estimated net proceeds from this offering, as described under “Use of Proceeds”; our acquisition of Triumph Community Bank on October 15, 2013; and $42,402,000 in capital that we raised during 2013, the majority of the proceeds of which were used to fund our acquisition of Triumph Community Bank.

	Shares Purchased/Issued		Total Consideration		Average Price
	Number	Percent	Amount	Percent	Per Share
Stockholders as of March 31, 2014					
New investors in this offering					
Total					

The table above excludes 259,067 shares of common stock issuable upon exercise of the TCC Warrant at a weighted average exercise price of $11.58 per share. To the extent that the TCC Warrant is exercised, investors participating in this offering will experience further dilution.

PRICE RANGE OF OUR COMMON STOCK

Prior to this offering, our common stock has not been traded on an established public trading market and quotations for our common stock were not reported on any market. As a result, there has been no regular market for our common stock. Although our shares may have been sporadically traded in private transactions, the prices at which such transactions occurred may not necessarily reflect the price that would be paid for our common stock in an active market. As of March 31, 2014, there were approximately 272 holders of record of our common stock.

We anticipate that this offering and the listing of our common stock on will result in a more active trading market for our common stock. However, we cannot assure you that a liquid trading market for our common stock will develop or be sustained after this offering. You may not be able to sell your shares quickly or at the market price if trading in our common stock is not active. See “Underwriting” for more information regarding our arrangements with the underwriters and the factors considered in setting the initial public offering price.

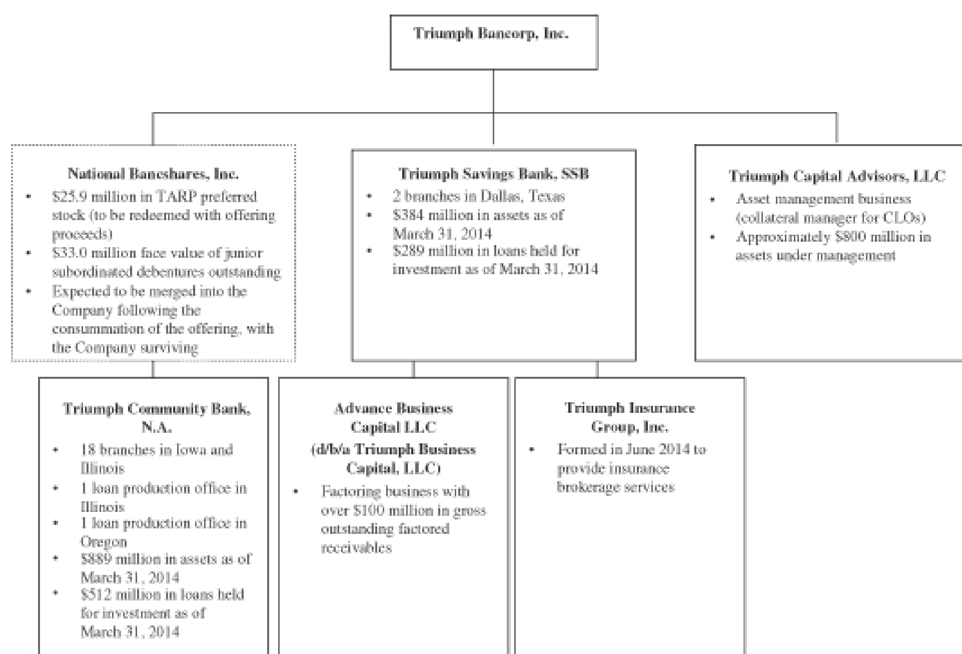
BUSINESS

Overview

We are a financial holding company headquartered in Dallas, Texas and registered under the BHC Act. Through our two wholly owned bank subsidiaries, Triumph Savings Bank and Triumph Community Bank, we offer traditional banking products as well as commercial finance products focused on businesses that require specialized and tailored financial solutions. Our banking operations include a full suite of lending and deposit products and services focused on our local market areas. These activities generate a stable source of core deposits and a diverse asset base to support our overall operations. Our commercial finance products include factoring, asset-based lending, equipment lending and healthcare lending products offered on a nationwide basis. These product offerings supplement the asset generation capacity in our community banking markets and enhance the overall yield of our loan portfolio, enabling us to earn attractive risk-adjusted net interest margins. We believe our integrated business model distinguishes us from other banks and non-bank financial services companies in the markets in which we operate. As of March 31, 2014, we had consolidated total assets of $1.3 billion, total loans held for investment of $801 million, total deposits of $1.1 billion and total stockholders' equity of $137 million.

Our Corporate Structure

We operate our business through several corporate entities.



- *Triumph Community Bank, N.A.* is a national bank headquartered in Moline, Illinois. As of August 8, 2014, Triumph Community Bank operates ten branches in the Quad Cities Metropolitan Area of Iowa and Illinois, seven other branches throughout central and northwestern Illinois and one branch and one loan production office in northeastern Illinois. Through this branch network, we offer our customers a variety of financial products and services that both augment our revenue (fee and interest income) and help us expand and retain our core deposit network, including checking and savings accounts, debit

cards, electronic banking, trust services and treasury management. Triumph Community Bank also originates a full suite of commercial and retail loans including commercial real estate, general commercial, one-to-four family residential and construction and development loans, focused on customers in and around its primary market areas. In addition, Triumph Community Bank originates our healthcare asset-based loans from an additional loan production office in Portland, Oregon operating under our Triumph Healthcare Finance brand. A portion of Triumph Community Bank's loan portfolio consists of participations of our asset-based loans and equipment loans originated at Triumph Savings Bank, and factoring relationships originated by Triumph Business Capital. As of March 31, 2014, Triumph Community Bank had total assets of $889 million, total deposits of $757 million and total loans held for investment of $512 million.

- *Triumph Savings Bank, SSB* is a Texas state savings bank. Triumph Savings Bank originates asset-based loans, equipment loans and general factoring products under our Triumph Commercial Finance brand. It also originates commercial real estate, construction and development, mortgage warehouse and general commercial loans. Triumph Savings Bank operates two branches in Dallas, Texas, consisting of our corporate office and an additional branch that is dedicated to deposit gathering activities. As of March 31, 2014, Triumph Savings Bank had consolidated total assets of $384 million, total deposits of $293 million and total loans held for investment of $289 million (including the gross receivables held by its subsidiary, Triumph Business Capital).

- *Triumph Business Capital, LLC* is a Delaware limited liability company and wholly owned subsidiary of Triumph Savings Bank that focuses on providing working capital financing through the purchase of accounts receivable, a product known as factoring. Substantially all of Triumph Business Capital's factoring relationships are currently originated with small-to-mid-sized owner-operators, trucking fleets and freight brokers in the transportation industry, though it has recently expanded into non-transportation factoring markets as well. As of March 31, 2014, Triumph Business Capital's purchased gross receivables outstanding totaled $119.7 million.

- *Triumph Insurance Group, Inc.* is a Texas corporation and a wholly owned subsidiary of Triumph Savings Bank. Triumph Insurance Group was formed to provide insurance brokerage services, initially focused on the insurance needs of our factoring, asset-based lending and equipment lending clients. Triumph Insurance Group was formed in June 2014 and has yet to commence any material operations or activity.

- *Triumph Capital Advisors, LLC* is a Texas limited liability company and registered investment advisor that provides investment management services for primarily institutional clients, principally focused on the origination and management of collateralized loan obligations. Triumph Capital Advisors closed its first CLO offering in May 2014 and closed its second CLO offering in August 2014, each with an approximate total size of $400 million. We anticipate that Triumph Capital Advisors will originate one to two additional CLOs per year, which we expect will provide us a recurring source of noninterest fee income. As of August 8, 2014, Triumph Capital Advisors had assets under management of approximately $800 million.

We may in the future implement transactions to streamline our operations and corporate structure, including a potential merger of our two banking subsidiaries. We believe such a transaction has the potential to provide us operational and economic efficiencies as we continue to grow and expand our operations.

Lending and Factoring Activities

We offer a broad range of lending and factoring products. Our business lending categories include commercial real estate, commercial, factoring and construction and development. Our retail lending consists primarily of residential first and second mortgage loans and a small portfolio of additional consumer loans.

Our strategy is to maintain a broadly diversified loan portfolio by type and location. Within this general strategy, we intend to focus on growth in the commercial finance lending areas where we believe we have

expertise and market insights, including our factoring operations, and the asset-based loans and equipment loans we originate under our Triumph Commercial Finance brand. As of March 31, 2014, these product lines in aggregate totaled $225.2 million (or 28% of our loan portfolio). In addition, in June 2014 we acquired a healthcare asset-based lending business with a portfolio of loans with an outstanding balance of $46.7 million.

A majority of our current loans are in the areas surrounding our community banking operations in Illinois (34%) and Iowa (16%). We expect that we will continue to focus on the commercial and personal credit needs of businesses and individuals in these markets. We also have a significant concentration of loans in Texas (14%), the home of our corporate headquarters and a significant portion of our commercial finance operations. With respect to our commercial finance products, including our factoring, asset-based lending, equipment lending and healthcare lending product lines, we also seek out customers on a nationwide basis. In connection therewith, we maintain loan production offices or sales personnel for such product lines in Tennessee, North Carolina, Florida, Oregon, New York and Utah. As this portion of our portfolio grows, we expect that the geographic exposure of our loans will shift accordingly.

The following is a discussion of our major types of lending activity:

Commercial Real Estate Loans. We originate real estate loans to finance commercial property that is owner-occupied as well as commercial property owned by real estate investors. The real estate securing our existing commercial real estate loans includes a wide variety of property types, such as office buildings, warehouses, production facilities, hotels and mixed-use residential/commercial and multifamily properties. The total amount of our commercial real estate loans outstanding as of March 31, 2014, was $268.7 million (or 34% of our total loan portfolio), of which $145.1 million (or 18% of our total portfolio) was owner-occupied and $123.6 million (or 16% of our total portfolio) was non-owner occupied.

Commercial Loans**s**. We offer commercial loans to small-to-mid-sized businesses across a variety of industries. These loans include general commercial and industrial loans, loans to purchase capital equipment and business loans for working capital and operational purposes. In the aggregate, our commercial loans as of March 31, 2014 totaled $235.0 million (or 29% of our total loan portfolio)

A portion of our commercial loan portfolio consists of specialty commercial finance products including asset-based loans and equipment loans, originated under our Triumph Commercial Finance brand. As of March 31, 2014, these product lines in aggregate totaled $95.7 million (or 41% of our total commercial loan portfolio). In addition, in June 2014 we acquired a healthcare asset-based lending business with a portfolio of loans with an outstanding balance of $46.7 million. A more detailed description of these product lines is set forth below:

- *Asset-Based Loans*. Under our Triumph Commercial Finance brand, we originate asset-based loans to borrowers to support general working capital needs. Our asset-based loan structure involves advances of loan proceeds against a “borrowing base,” which typically consists of accounts receivable, identified readily marketable inventory or other collateral of the borrower. The maximum amount a customer may borrow at any time is fixed as a percentage of the borrowing base outstanding at any time. These loans typically bear interest at a floating rate comprised of LIBOR or the prime rate plus a premium and include certain other transaction fees, like origination and unused line fees. We target asset-based loan facilities between $1 million and $10 million for borrowers with annual net revenues between $4 million and $60 million. We originate asset-based loans across a variety of industries including manufacturing, distribution and energy services.

  A significant portion of our asset-based lending portfolio consists of loans made to borrowers without the operating history, cash flows or balance sheet necessary to support other credit options, and therefore require careful analysis and oversight of the borrowing base collateral and the borrower’s activity to ensure sale and liquidation of the borrowing base collateral and application to the loan.

These policies and procedures are described in more detail under "Credit Risk Management." As of March 31, 2014, the asset-based loans originated under our Triumph Commercial Finance brand totaled $39.5 million (or 5% of our total portfolio).

- *Equipment Loans*. We originate equipment loans under our Triumph Commercial Finance brand. These equipment loans focus primarily on the construction, transportation and waste management industries. Equipment in these industries is essential use and has a broad resale market. Our equipment loans are typically fully amortizing, fixed rate loans secured by the underlying collateral with a term of three to five years. As of March 31, 2014, the equipment loans originated by Triumph Savings Bank under our Triumph Commercial Finance brand totaled $56.2 million (or 7% of our total loan portfolio).
- *Healthcare Loans*. In June 2014, we acquired an asset-based lending business dedicated exclusively to the healthcare industry. The focus of this product line, which now operates under the Triumph Healthcare Finance brand, is on secured credit facilities of $1 million to $15 million for healthcare service providers in the areas of skilled nursing, home healthcare, physical therapy and pharmacy delivery. We acquired a portfolio of loans with an outstanding balance of $46.7 million in the acquisition, as well as a team of lenders with significant experience in this specialized asset class.

Factored Receivables. We offer factoring services to our customers, primarily in the transportation sector, with an increasing focus on other industries. In contrast to a lending relationship, in a factoring transaction we directly purchase the receivables generated by our clients at a discount to their face value. These transactions are structured to provide our clients with immediate liquidity to meet operating expenses when there is mismatch between payments to our client for a good or service and the incurrence of operating costs required to provide such good or service. For example, in the transportation industry, invoices are typically paid 30 to 60 days after delivery whereas the truckers providing such transportation services require immediate funds to pay for fuel and other operating costs.

Our transportation factoring clients include small owner-operator trucking companies (one-to-four trucks) mid-sized fleets (5-to-50 trucks) and freight broker relationships whereby we manage all carrier payments on behalf of a broker client. The features and pricing of our transportation factoring relationships vary by client type. Typically our smaller owner-operator relationships are structured as "non-recourse" relationships (*i.e.*, we retain the credit risk associated with the ability of the account debtor on an invoice we purchase to ultimately make payment) and our larger relationships are structured as "recourse" relationships (*i.e.*, our client agrees to repurchase from us any invoices for which payment is not ultimately received by the account debtor). Transportation factoring comprised approximately 95% of our total factoring portfolio as of March 31, 2014, calculated based on outstanding gross receivables purchased as of such date.

Our non-transportation factoring business targets small businesses with annual sales between $1 million and $10 million in industries such as manufacturing, distribution, energy services and staffing.

We purchased $952.6 million of invoices pursuant to our factoring relationships during our fiscal year ended December 31, 2013. As of March 31, 2014, our gross outstanding factored receivables purchased totaled $129.5 million (or 16% of our total loan portfolio).

Commercial Construction, Land and Land Development Loans. We offer loans to small-to-mid-sized businesses to construct owner-user properties, as well as loans to developers of commercial real estate investment properties and residential developments. These loans are typically disbursed as construction progresses and carry interest rates that vary with the prime rate. As of March 31, 2014, the outstanding balance of our construction loans was $39.2 million (or 5% of our total loan portfolio).

Residential Real Estate Loans. We offer first and second mortgage loans to our individual customers primarily for the purchase of primary and secondary residences. As of March 31, 2014, the outstanding balance

of one-to-four family real estate secured loans, including home equity loans and lines of credit, was $79.5 million (or 10% of our total loan portfolio). As of March 31, 2014, the substantial majority of our residential real estate loans were originated in our community banking markets in Iowa and Illinois.

Agriculture Loans. A portion of our loan portfolio consists of loans secured by farmland. These loans originate primarily in the areas surrounding our community banking markets in Iowa and Illinois. As of March 31, 2014, the outstanding balance of our loans secured by farmland was $20.1 million (or 2% of our loan portfolio).

Mortgage Warehouse Loans. We enter into mortgage warehouse arrangements whereby we directly fund the origination of one-to-four family residential mortgage loans on behalf of our mortgage banker clients. These arrangements provide our mortgage banker clients with the resources to fund their mortgage originations more quickly and efficiently than they could by using their own balance sheet. As of March 31, 2014, the outstanding balance of our mortgage warehouse loans was $14.9 million (or 2% of our loan portfolio).

Consumer Loans. In addition to our one-to-four family residential real estate loans as described above, we also originate personal loans for our retail banking customers. These loans originate exclusively out of our community banking operations in Iowa and Illinois. As of March 31, 2014, the outstanding balance of our consumer loans was $13.5 million (or 2% of our loan portfolio).

Other Products and Services

Asset Management Services. Triumph Capital Advisors is a registered investment adviser that provides fee-based asset management services primarily for institutional clients. We formed Triumph Capital Advisors in 2013 with the intent of it being a repeat issuer and manager of CLO vehicles, with a secondary focus on separately managed accounts. In establishing this business, we hired a team of executives with significant experience in the asset management industry generally, and with CLO vehicles specifically. We view this business as being a natural extension of our credit focus that will allow us to generate a recurring stream of noninterest fee income.

In general, a CLO is an investment fund whose assets are comprised primarily of senior secured corporate loans. A CLO issues its investors securities in a series of tranches, typically ranging from an AAA-rated debt tranche to an unrated subordinated or equity tranche. The payment rate on each security is linked to such security's payment priority (*e.g.*, the AAA-rated tranche of a CLO will receive all interest payments before any payments are made to the next most junior tranche of security issued by such CLO, but will pay a lower interest rate). The sole source of payment for the securities issued by the CLO consists of interest, fee and principal payments from its underlying senior secured loan assets.

Triumph Capital Advisors earns asset management fees for selecting and continuously managing the underlying assets of CLOs. In general, these management fees are calculated as percentage of eligible assets within each fund. A portion of these fees are payable as senior fees (*i.e.*, payable before any payments to the subordinated debt investors in such fund) and a portion of these fees are payable as subordinated fees (*i.e.*, payable only in the event interest payments are made to the debt investors in such CLO for such payment period). Such asset management fees typically range from 0.30% to 0.50% per annum of the total eligible assets of the fund, but may also be higher or lower depending on market conditions or the requirements of the investors in each specific CLO. In certain cases, we may offer a portion of our asset management fees to investors in a CLO as an inducement to get such investor to invest in the transaction. In addition, we may earn performance fees in the event the return of the subordinated or equity investors in a CLO exceeds a specified return threshold. We are currently focusing on CLOs with $300 million to $500 million in total assets.

Triumph Capital Advisors closed its first CLO offering in May 2014 and closed its second CLO offering in August 2014, each with an approximate total size of $400 million. We anticipate that Triumph Capital Advisors

will originate one to two additional CLOs per year, which we anticipate will provide us a recurring source of noninterest fee income. As of August 8, 2014, Triumph Capital Advisors had assets under management of approximately $800 million.

Additional Products and Services. We offer a full range of commercial and retail banking services to our customers, including checking and savings accounts, debit cards, electronic banking, and trust services. These products both augment our revenue and help us expand our core deposit network. A number of our additional products and services focus on providing turnkey solutions to the commercial clients that comprise a key component of our lending growth strategy. For example, we provide comprehensive treasury management services for commercial clients to manage their cash and liquidity, including lock box, accounts receivable collection services, electronic payment solutions, fraud protection, information reporting, reconciliation and data integration and balance optimization solutions. In June 2014, we established Triumph Insurance Group, an insurance brokerage agency initially focused on meeting the insurance needs of our commercial clients, particularly our factoring clients in the transportation industry and our equipment lending clients. We believe these ancillary product offerings have the ability to diversify our revenue and increase customer retention for our primary product lines.

Our History and Growth

We commenced operations in November 2010, when an investor group, led by our Chief Executive Officer Aaron Graft, raised approximately $45 million to acquire and recapitalize Dallas-based Equity Bank (now known as Triumph Savings Bank). We believed that the economic downturn experienced in 2008 would provide opportunities within the banking industry to build a diversified financial enterprise through the acquisition of banking assets and management talent at a time when many banking competitors were working through credit and capital challenges. This platform provided us the foundation from which, through a combination of acquisitions and de novo growth, we have been able to grow and expand into both commercial finance products (factoring, asset-based lending, equipment lending and healthcare lending) and community banking. From our beginnings in 2010, we have:

- expanded our assets from $251 million as of December 31, 2010 to $1.3 billion as of March 31, 2014;
- increased our loans from $144 million as of December 31, 2010 to $801 million as of March 31, 2014;
- increased our deposits from $212 million as of December 31, 2010 to $1.1 billion as of March 31, 2014; and
- grown our employee base from 29 full-time employees following our first acquisition to 422 full-time equivalent employees as of March 31, 2014.

Our Competitive Strengths

We attribute our success to the following competitive strengths:

Scalable Product Platforms Positioned for Growth. We have invested substantially in people, processes and procedures in order to facilitate the recent growth in our key product lines and to position such product lines for additional growth in the future. We have made considerable investments to integrate Triumph Business Capital’s operations into a banking environment, enhance its technology platform and expand our staff during a period of significant growth in gross receivables purchased. In each of our asset-based lending, equipment lending and asset management businesses, we hired experienced executive teams to establish de novo product lines which have only recently become profitable on a run rate basis, and which we believe have significant remaining growth potential. Finally, our acquisition of Triumph Community Bank in October 2013 provided us with a management team experienced in the operation of a community banking franchise that can be leveraged for future acquisitions. We believe that the scalable platforms created by these investments position us for substantial growth in our key product lines and have laid the groundwork for our ability to operate as a larger financial institution.

Diversified Business Model. We believe that the combination of our community banking operations and our commercial finance product lines allows us to grow in varied economic conditions and across business cycles. Our community banking operations provide us asset diversity and a favorable cost of funds, especially when competing against the wholesale banks and non-bank finance companies that offer many of our commercial finance products. Deposits represented 93% of our total funding and had an average cost of 50 basis points for the quarter ended March 31, 2014. Our commercial finance product lines enhance the overall yield of our loan portfolio and are offered on a nationwide basis, mitigating our exposure to stagnant loan demand or yield compression in our community banking markets. Additionally, the depth of our product offerings enhances our ability to serve our clients' needs as they continue to grow and evolve over time. For example, we are able to offer our commercial finance clients a full suite of banking products and services (such as treasury management, deposit products, and insurance), and also offer them appropriate financing products for each stage in the life cycle of their business (such as factoring or asset-based lending options during the startup phase of their operations, graduating to cash flow working capital lines or other lending products as their businesses mature).

Focused Risk Mitigation Practices. We have developed underwriting and credit management processes tailored to each of the product lines we offer, allowing us to construct a diversified asset portfolio across a variety of industries, geographies and loan types, including in several specialized markets not typically served by community banks. We believe that our industry experience and product knowledge has allowed us to develop processes, procedures and structural features in connection with offering specialized products that enable us to appropriately identify and mitigate the risks associated therewith.

Experienced Management Team. Our leadership team consists of senior executives with an average of over 20 years of experience in the banking and non-banking financial services industries. Although Triumph is a relatively new organization, we have 20 senior executives, representing the majority of executives at the senior vice president level or above, who come from multi-billion dollar financial institutions, where they managed and grew similar operations. We believe this group represents a deep management bench for a financial institution of our size. We believe the experience and relationships of these senior executives, combined with our resources and entrepreneurial culture, have been key drivers of our growth.

Acquisition and Investment Expertise. We began operations in 2010 with the acquisition of a distressed bank in Dallas, Texas with no internal loan origination or transactional deposit generating capacity. Since then, we have developed both of these capabilities by identifying and executing on a series of acquisition and investment opportunities, and transformed our company in the process. These transactions have included acquisitions of a bank (Triumph Community Bank) and commercial finance companies (such as our factoring and healthcare lending businesses), as well as investments in proven management teams to develop and grow businesses on a de novo basis where we identify market opportunities (such as our asset-based lending, equipment lending and asset management businesses). We believe that our demonstrated experience in successfully identifying acquisition and investment opportunities in a broad range of industries, executing on their implementation and integrating them into our combined business will continue to serve us well as we grow and expand our operations.

Access to Texas Economy. Our corporate headquarters and the bulk of our commercial finance operations are located in the Dallas, Texas metropolitan area. We believe that our presence in Texas gives us an opportunity to continue to capitalize on the positive economic and demographic trends within the state as we execute on our growth strategy. Six of the largest 25 United States cities by population are located in Texas, and economic growth within the state has exceeded that of the national average since January 1, 2011. Texas' economy has been one of the fastest growing and healthiest in the country, with estimated population growth of 5.5% since the 2010 census, real GDP growth of 3.7% in 2013, an unemployment rate of 5.1% as of June 2014 and the largest job growth rate of any state for each of the last four years. We believe these economic conditions are particularly conducive to growth in the small-to-mid-sized businesses that constitute our target client base. As of March 31, 2014, 14% of our loan portfolio is tied to Texas. We intend to continue to capitalize on our Texas presence as we grow and expand our operations.

Our Strategy

We believe that our model of community banking with a focus on niche commercial finance products provides us with differentiated advantages when compared to our competitors, including a strong deposit franchise, a more complete set of product offerings and the ability to earn attractive risk-adjusted net interest margins. Our strategy is to generate stockholder value through the following initiatives:

Increase Market Share Across Core Products. We see opportunities to generate additional revenue growth across our product offerings, particularly in our commercial finance operations. The pool of potential commercial finance clients is a substantial and permanent part of the economy, yet the specialized lending markets that serve them remain highly fragmented. Many of our commercial finance product lines were established as de novo business lines and which we believe are poised to capture additional market share as they mature. We expect that we will continue to capture market share because we provide clients with turnkey solutions through the breadth of our banking products and because our balance sheet allows us to make investments in technology, personnel, marketing and systems not available to smaller non-bank commercial lenders.

Expand and Diversify Commercial Finance Products. We believe the acquisition of additional commercial finance businesses and the expansion into additional commercial finance product lines provides us opportunities to increase the total size and percentage of our loan portfolio represented by these assets. Our existing commercial finance products give us insight into numerous opportunities to acquire existing competitors and to expand into adjacent product lines. The growth of our commercial finance product lines to date demonstrates our willingness to acquire or build these capabilities depending on the particular opportunity.

Pursue Strategic Community Bank Acquisitions. We plan to be a strategic acquirer of additional community banks to increase the size, efficiency and ultimately the value of our franchise. We evaluate numerous criteria related to screening acquisition opportunities, but foremost among them are the existence of a strong deposit franchise and the opportunity to be a local market leader. We believe that additional community banking acquisitions will further improve our deposit mix and asset diversification. Our acquisition of Triumph Community Bank provided us with a management team experienced in the operation of a community banking franchise that can be leveraged and provide efficiencies in connection with additional community banking acquisitions.

Credit Risk Management

We control credit risk both through disciplined underwriting of each transaction we originate, as well as active credit management processes and procedures to manage risk and minimize loss throughout the life of a transaction. We seek to maintain a broadly diversified loan portfolio in terms of type of customer, type of loan product, geographic area and industries in which our business customers are engaged. We have developed tailored underwriting criteria and credit management processes for each of the various loan product types we offer our customers.

Underwriting

In evaluating each potential loan relationship, we adhere to a disciplined underwriting evaluation process including the following:

- understanding of the customer’s financial condition and ability to repay the loan;
- verifying that the primary and secondary sources of repayment are adequate in relation to the amount and structure of the loan;
- observing appropriate loan to value guidelines for collateral secured loans;
- maintaining our targeted levels of diversification for the loan portfolio, both as to type of borrower and geographic location of collateral; and
- ensuring that each loan is properly documented with perfected liens on collateral.

Our non-owner occupied commercial real estate loans are generally secured by well-managed income producing property with adequate margins, supported by a history of profitable operations and cash flows and proven operating stability in the case of commercial loans. Except in very limited circumstances, our commercial real estate loans and commercial loans are supported by personal guarantees from the principals of the borrower.

With respect to our asset-based loans, in addition to an overall evaluation of the borrower and transaction considering the applicable criteria set forth above, we also engage in a detailed evaluation of the assets comprising the borrowing base for such loans, to confirm that such assets are readily recoverable and recoverable at rates in excess of the advance rate for such loan. With respect to our healthcare asset-based loans, this process requires a detailed analysis of the payment rates applied to the reimbursement obligations payable to our customers by applicable payees.

Our factoring relationships in particular require a specialized underwriting process. For each factoring transaction, in addition to a credit evaluation of our client, we also evaluate the creditworthiness of all underlying account debtors, as such account debtors represent the substantive underlying credit risk to us. Transportation factoring also presents the additional challenge of underwriting high volumes of invoices (over 60,000 invoices per month as of March 31, 2014) of predominantly low value per invoice (generally under $2,000 per invoice as of March 31, 2014) and managing credit requests for a large industry pool (over 30,000 as of March 31, 2014) of account debtors. We facilitate this process through a proprietary web-based “Online Broker Credit” application, which processes invoice purchase approval requests for our clients through an online proprietary scoring model and delivers either preliminary responses for small dollar requests or immediate referral to our servicing personnel for larger dollar requests. We also set and monitor concentration limits for individual account debtors that are tracked across all of our clients (as multiple clients may have outstanding invoices from a particular account debtor).

Each of our banks implements its underwriting evaluation and approval process through a tiered system of loan authorities. Under these authorities, transactions at certain identified levels are eligible to be approved by a designated officer or a combination of designated officers. Transactions above such individual thresholds require approval of a management-level loan committee. Our management-level loan committee is a joint committee that reviews and approves credits for both banks. Transactions above the approval levels for our management-level loan committee must be approved by an executive loan committee comprised of directors of the applicable bank.

We employ limits we believe to be appropriate on our overall loan portfolio and requirements with respect to certain types of lending. As of March 31, 2014, our legal lending limit to any one customer was $14.1 million at Triumph Community Bank and $12.5 million at Triumph Savings Bank. As of March 31, 2014, our house limit to any one customer was $10.0 million at Triumph Community Bank and $7.5 million at Triumph Savings Bank, both subject to approval from the respective Executive Loan Committee of each bank.

Ongoing Credit Risk Management

In addition to the tailored underwriting process described above, we perform ongoing risk monitoring and review processes for all credit exposures. Although we grade and classify our loans internally, we have an independent third party contractor perform regular loan reviews to confirm loan classification. We strive to identify potential problem loans early in an effort to aggressively seek resolution of these situations before the loans create a loss, record any necessary charge-offs promptly and maintain adequate allowance levels for probable loan losses incurred in the loan portfolio.

In general, whenever a particular loan or overall borrower relationship is downgraded to pass-watch or substandard based on one or more standard loan grading factors, our credit officers engage in active evaluation of the asset to determine the appropriate resolution strategy. Management of each bank regularly reviews the status of the watch list and classified assets portfolio as well as the larger credits in the portfolio.

In addition to our general credit risk management processes, we employ specialized risk management processes and procedures for certain of our commercial finance products, in particular our asset-based lending and factoring products. With respect to our asset-based lending relationships, we require dominion over the borrower's cash accounts in order to actively control and manage the cash flows from the conversion of borrowing base collateral into cash and its application to the loan. We also engage in active review and monitoring of the borrowing base collateral itself, including field audits typically conducted on a 90-180 day cycle.

With respect to our factoring operations, we employ a proprietary risk management program whereby each client is assigned a risk score based on measurable criteria. Our risk model is largely geared toward early detection and mitigation of fraud, which we believe represents the most material risk of loss in this asset class. Risk scores are presented on a daily basis through a proprietary software application. These risk scores are then used to assign such client into a particular classification level. The classification level is not a predictor of loss exposure but rather the determinant for monitoring levels and servicing protocols, such as the percentage requirements for collateral review and invoice verification prior to purchase. This scoring and risk allocation methodology allows us to effectively manage and control fraud and credit risk.

Marketing

We market our loans and other products and services through a variety of channels. Fundamentally, we focus on a high-touch direct sales model, building long-term relationships with our customers. In our community banking markets, our lending officers actively solicit new and existing businesses in the communities we serve. For our commercial finance product lines, we typically maintain sales personnel across the country with designated regional responsibilities for clients within their territories.

Triumph Business Capital, our factoring business, also actively markets its products and services through secondary channels, including e-marketing and search engine optimization, as well as key strategic sourcing relationships. Triumph Business Capital has an exclusive relationship with the largest transportation freight matching service in the United States, where we are identified as the sole preferred factoring provider on its freight matching boards, which links directly to our web services to provide credit scoring on over 250,000 loads per day. We also recently launched a sourcing and participation program with the nation's largest equipment lender to provide factoring services to its clients.

Importantly, while we seek to ensure that the pricing on all of our loans and factoring products is competitive, we also attempt to distinguish ourselves with our clients on criteria other than price, including service, industry knowledge and a more complete value proposition than our competitors. We believe that our suite of complementary commercial finance product options and our other available banking services, including treasury management services and our newly launched insurance brokerage initiatives allows us to offer full-service banking relationships to clients and industries that have historically been served by smaller non-bank commercial finance companies. It is our strategy to deepen our customer relationships and increase retention by cross-marketing all of these products to our clients in an effort to be a "one-stop" financial services provider, particularly in our niche industries.

Investments

We manage our investments primarily for liquidity purposes, with a secondary focus on returns. Each of our banks maintains a separate investment portfolio in which substantially all of our investments are classified as available-for-sale and can be used for pledging as collateral for borrowings on public deposits, selling under repurchase agreements and meeting liquidity needs. Each investment portfolio consists of a variety of high-grade securities, including government agency securities, government and government agency guaranteed mortgage-backed securities, highly rated corporate bonds and municipal securities. We regularly evaluate the composition

of our investment portfolios as changes occur with respect to the interest rate yield curve. Although we may sell investment securities from time to time to take advantage of changes in interest rate spreads or to adjust our exposure to changes in interest rates, it is our policy not to sell investment securities unless we can reinvest the proceeds at a similar or higher spread, so as not to take gains to the detriment of future income.

Deposits

Deposits are our primary source of funds to support our earning assets. We offer depository products, including checking, savings, money market and certificates of deposit with a variety of rates. Deposits at our bank subsidiaries are insured by the FDIC up to statutory limits. We price our deposit products with a view to maximizing our share of each customer's financial services business. In addition, required deposit balances associated with our commercial loan arrangements and treasury management relationships maintained by our commercial lending clients provide an additional source of deposits.

In our community banking markets, we have a network of 18 deposit-taking branch offices and have attracted significant transaction account business through our relationship-based approach. We rank in the top five in deposit market share in each of our primary community banking counties (Rock Island County and Carroll County, Illinois and Scott County, Iowa). Triumph Savings Bank also maintains a branch office in Dallas, Texas, dedicated to deposit generation activities. As a result of our significant deposit growth in transaction accounts (which we define as demand, Negotiable Order of Withdrawal ("NOW") and money market deposits) in connection with the Triumph Community Bank acquisition we believe that we have achieved a substantially improved deposit mix between transaction accounts and certificates of deposit. We intend to continue to improve our deposit mix through organic growth and targeted acquisitions.

Competitors

The bank and non-bank financial services industries in our markets and the surrounding areas is highly competitive. We compete with a wide range of regional and national banks located in our market areas as well as non-bank commercial finance and factoring companies on a nationwide basis. We experience competition in both lending and attracting funds from commercial banks, savings associations, credit unions, consumer finance companies, pension trusts, mutual funds, insurance companies, mortgage bankers and brokers, brokerage and investment banking firms, non-bank lenders, government agencies and certain other non-financial institutions. Many of these competitors have more assets, capital and lending limits, and resources than we do and may be able to conduct more intensive and broader-based promotional efforts to reach both commercial and individual customers. Competition for deposit products can depend heavily on pricing because of the ease with which customers can transfer deposits from one institution to another.

Enterprise Risk Management

We place significant emphasis on risk mitigation as an integral component of our organizational culture. We believe that our emphasis on risk management is manifested in our solid asset quality statistics and our credit risk management procedures discussed above.

We also focus on risk management in numerous other areas throughout our organization, including with respect to asset/liability management, regulatory compliance and internal controls. We have implemented an extensive asset/liability management process aided by simulation models provided by reputable third parties. We engage in ongoing internal audit and review of all areas of our operations and regulatory compliance.

We are implementing management assessment and testing of internal controls consistent with the Sarbanes-Oxley Act and have engaged an experienced independent public accounting firm to assist us with respect to compliance.

Employees

As of March 31, 2014, we had approximately 422 full-time equivalent employees. None of our employees are represented by any collective bargaining unit or is a party to a collective bargaining agreement.

Properties

Our corporate office is located at 12700 Park Central Drive, Suite 1700, Dallas, Texas 75251.

As of August 8, 2014, Triumph Community Bank operates ten branches in the Quad Cities Metropolitan Area of Iowa and Illinois, seven other branches throughout central and northwestern Illinois, one branch and one loan production office in northeastern Illinois and one loan production office in Portland, Oregon. We lease five of these offices and own the remaining 15. Our owned offices are freestanding permanent facilities; the leased offices are part of larger retail facilities. Most of Triumph Community Bank's branches are equipped with automated teller machines ("ATM") and drive-through facilities.

Triumph Savings Bank operates from our corporate office in Dallas, Texas and from one additional branch office also located in Dallas, Texas. The corporate office houses Triumph Savings Bank's loan operations and the branch office is limited to deposit gathering activities. Triumph Savings Bank does not offer any ATM or drive-through facilities.

Triumph Business Capital operates from a leased facility within a larger business park located in Coppell, Texas.

Legal Proceedings

From time to time we are a party to various litigation matters incidental to the conduct of our business. We are not presently party to any legal proceedings the resolution of which we believe would have a material adverse effect on our business, prospects, financial condition, liquidity, results of operation, cash flows or capital levels.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This section presents management's perspective on our financial condition and results of operations. The following discussion and analysis is intended to highlight and supplement data and information presented elsewhere in this prospectus, including the consolidated financial statements and related notes and should be read in conjunction with the accompanying tables and our annual audited financial statements and unaudited interim financial statements. To the extent that this discussion describes prior performance, the descriptions relate only to the periods listed, which may not be indicative of our future financial outcomes. In addition to historical information, this discussion contains forward-looking statements that involve risks, uncertainties and assumptions that could cause results to differ materially from management's expectations. Factors that could cause these differences are discussed in the sections titled "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors."

Overview

We are a financial holding company headquartered in Dallas, Texas and registered under the BHC Act. Through our two wholly owned bank subsidiaries, Triumph Savings Bank and Triumph Community Bank, we offer traditional banking products as well as commercial finance product lines focused on businesses that require specialized and tailored financial solutions. Our banking operations include a full suite of lending and deposit products and services focused on our local market areas. These activities generate a stable source of core deposits and a diverse asset base to support our overall operations. Our commercial finance product lines include factoring, asset-based lending, equipment lending and healthcare lending products offered on a nationwide basis. These product offerings supplement the asset generation capacity in our community banking markets and enhance the overall yield of our loan portfolio, enabling us to earn attractive risk-adjusted net interest margins. We believe our integrated business model distinguishes us from other banks and non-bank financial services companies in the markets in which we operate. As of March 31, 2014, we had consolidated total assets of $1.3 billion, total loans held for investment of $801 million, total deposits of $1.1 billion and total stockholders' equity of $137 million.

Most of our products and services share basic processes and have similar economic characteristics. However, our factoring subsidiary operates in a highly specialized niche and earns substantially higher yields on its factored accounts receivable portfolio than our other lending products. This business also has a legacy and structure as a standalone company. As a result, we have determined our reportable segments are Banking, Factoring and Corporate. Our segment reporting is discussed in further detail in the Notes to the Consolidated Financial Statements included elsewhere in this prospectus.

History & Background

Pre-2012 Highlights

We commenced operations in November 2010 when an investor group, led by our Chief Executive Officer Aaron Graft, raised approximately $45 million to acquire and recapitalize Dallas-based Equity Bank and its holding company, EJ Financial Corp. (which were subsequently renamed Triumph Savings Bank, SSB and Triumph Bancorp, Inc., respectively). We believed that the economic downturn experienced in 2008 would provide opportunities within the banking industry to build a diversified financial enterprise through the acquisition of banking assets and management talent at a time when many banking competitors were working through credit and capital challenges. Though at the time of the acquisition Equity Bank's primary assets consisted of real estate loans acquired in the secondary market, its deposits consisted exclusively of time deposits and money market accounts, and it was operating under a regulatory enforcement order, this acquisition provided the banking charter and operating platform from which these opportunities could be pursued. We resolved the majority of Equity Bank's troubled assets, and after one year we were released from all regulatory enforcement orders, allowing us to more aggressively pursue new opportunities.

2012 Highlights

In 2012, we established the foundation of several of our commercial finance product lines we see as key elements of our growth strategy. In January 2012, we acquired Triumph Business Capital, one of the nation's leading transportation factoring companies. Triumph Business Capital began operations in 2004 and had established an impressive track record, with a seasoned management team that had grown the company to $55.9 million in outstanding gross receivables purchased from small-to-mid-sized trucking companies and brokers in the trucking industry.

Also during the second half of 2012, we established our asset-based lending and equipment lending platforms. We made the decision to grow these product lines organically as start-up operations through the hiring of teams of experienced executives who had grown similar product lines at larger financial institutions.

The establishment of these product lines required us to make substantial upfront investments. In the case of Triumph Business Capital, we made significant investments in processes, people and infrastructure to integrate its operations into a banking environment and to support future growth. In the case of our asset-based lending and equipment lending product lines, we incurred upfront noninterest expense as staff was hired and processes were established several months in advance of the start of lending activity and several years before such products would be fully mature.

2013 Highlights

2013 was marked by continued investment but also significant growth both at Triumph Business Capital and in our newly established asset-based lending and equipment lending product lines. As of December 31, 2013, we had $117.4 million in outstanding purchased gross receivables, compared to $75.7 million as of December 31, 2012. Our asset-based loans and equipment loans originated under our Triumph Commercial Finance brand grew to $30.6 million and $46.7 million, respectively, as of December 31, 2013, compared to $2.0 million and $4.1 million as of December 31, 2012, respectively.

In March 2013, we announced the formation of our asset management subsidiary, Triumph Capital Advisors, a registered investment advisor focused on institutional credit management. As with the initial investments in our commercial finance product lines in previous years, this product line required considerable initial investments in people and processes in advance of earning revenues or ultimately reaching maturity.

Also in 2013, we announced and completed the acquisition of NBI, parent company of THE National Bank (now known as Triumph Community Bank), a community bank with $936.7 million in assets and branches in Iowa, Illinois and Wisconsin as of October 2013. The Triumph Community Bank acquisition fundamentally transformed our institution. As a result of the acquisition:

- we increased our total assets from $393 million at September 30, 2013 to $1.3 billion at December 31, 2013;
- we substantially changed our asset mix, combining Triumph Community Bank's commercial and retail loan portfolio with the commercial finance product lines being originated at Triumph Savings Bank;
- we added new fee-generating products and services through Triumph Community Bank's retail branch network;
- we significantly altered the manner in which we fund our operations, adding a core deposit franchise of transactional savings and checking accounts to our existing liability structure concentrated in money market accounts and time deposits, lowering our overall cost of funds; and
- we added a management team experienced in the operation of a community banking franchise that can be leveraged to support future growth and bank acquisitions.

We believe that the pairing of Triumph Community Bank's operations with the asset-generation capacity we have developed organically and through acquisitions in select specialized product lines creates a dynamic banking platform that positions us for future growth.

Recent Developments

In May 2014, Triumph Capital Advisors completed the issuance of the first CLO for which it will act as investment advisor. The total size of the transaction was $400 million. Upon consummation of the transaction, Triumph Capital Advisors began earning management fees for its services as asset manager for this vehicle. Triumph Capital Advisors completed the issuance of a second CLO in August 2014, with an approximate total size of $400 million. We anticipate that Triumph Capital Advisors will originate one to two additional CLOs per year, which we anticipate will provide us a recurring source of noninterest fee income. As of August 8, 2014, Triumph Capital Advisors had assets under management of approximately $800 million.

In June 2014, we acquired an asset-based lending business focused exclusively on the healthcare industry, further expanding our reach in commercial finance. We acquired a portfolio of loans with an outstanding balance of $46.7 million in the acquisition. As part of the acquisition we also hired the executive team responsible for the portfolio, who as a group have focused primarily on this market for an average of over 15 years. This acquisition further augments our asset-generation capacity and fits into our strategy of continuing to grow our commercial finance platform through targeted acquisitions that are complementary to our existing product lines.

In July 2014, we sold our operating branch in Pewaukee, Wisconsin, which constituted our sole branch in the state, to a third party. Under the terms of the agreement, the acquirer assumed branch deposits ($36.0 million), purchased selected loans in the local market (approximately $78.0 million) and acquired the premises and equipment associated with the branch.

Triumph Community Bank Acquisition Affects Year-over-Year Comparability

The comparability of our consolidated results of operations and our consolidated financial condition presented herein is significantly affected by the Triumph Community Bank acquisition in October 2013. Our consolidated results of operations for the three months ended March 31, 2014 fully reflect the impact of the acquisition. However, our consolidated results of operations for the fiscal year ended December 31, 2013 show the effect of the acquisition only for the period between October 15, 2013, the closing date of the acquisition and December 31, 2013. As a result, the average balances, average income and average expenses for the fiscal year ended December 31, 2013 reflect a partial, but not full, effect of the changes to our assets, liabilities and operations resulting from the acquisition. Our consolidated results of operations for the three months ended March 31, 2013 and fiscal year ended December 31, 2012 are unaffected by the acquisition.

Financial statements and related notes of NBI, for the nine and one-half months ended October 14, 2013 (the date immediately prior to the closing date of the acquisition) and fiscal year ended December 31, 2012 are contained in the financial statements included in this prospectus. Included in this section under "—Summary Discussion of Results of Operations and Financial Condition of National Bancshares, Inc. for its Fiscal Year Ended December 31, 2012 and its Period Ended October 14, 2013" is a summary presentation and analysis of such financial statements for the periods indicated.

Results of Operations

Net Income

Three months ended March 31, 2014 compared with three months ended March 31, 2013. We earned net income of $3.7 million for the three months ended March 31, 2014 compared to $0.7 million for the three months ended March 31, 2013, an increase of $3.0 million. The increase was the result of a $12.8 million increase in net interest income and a $2.2 million increase in noninterest income, partially offset by a $0.5 million increase in the provision for loan losses, a $9.5 million increase in noninterest expense and a $1.8 million increase in income tax expense. Generally, these results reflect both the impact of the acquisition of Triumph Community Bank, whose operations contributed significant additional revenue and added significant additional expense to our operations on a period over period basis, as well as growth in our factoring operations and asset-based lending

and equipment lending product lines. In the case of our asset-based lending and equipment lending product lines, such categories grew substantially from start-up operations on a period over period basis, beginning to offset the upfront costs we incurred in establishing such operations.

Fiscal year ended December 31, 2013 compared with fiscal year ended December 31, 2012. We earned net income of $13.4 million for our fiscal year ended December 31, 2013 compared to $11.1 million for our fiscal year ended December 31, 2012, an increase of $2.3 million. Our results for our fiscal year ended December 31, 2013 were impacted by a $9.0 million bargain purchase gain realized in connection with the Triumph Community Bank acquisition, offset by $1.5 million of merger and integration expenses incurred in connection with the Triumph Community Bank acquisition. Our results for our fiscal year ended December 31, 2012 were positively impacted by an income tax benefit of $7.4 million realized by removing all of the valuation allowance that had been previously established against our deferred tax asset. In addition, the comparability of our two fiscal periods was impacted by the Triumph Community Bank acquisition, which resulted in the reflection of a partial, but not full, effect of such acquisition for our results for the period ended December 31, 2013.

Net Interest Income

Our operating results depend primarily on our net interest income, which is the difference between interest income on interest-earning assets, including loans and securities and interest expense incurred on interest-bearing liabilities, including deposits and other borrowed funds. Interest rate fluctuations, as well as changes in the amount and type of interest-earning assets and interest-bearing liabilities, combine to affect net interest income. Our net interest income is affected by changes in the amount and mix of interest-earning assets and interest-bearing liabilities, referred to as a “volume change.” It is also affected by changes in yields earned on interest-earning assets and rates paid on interest-bearing deposits and other borrowed funds, referred to as a “rate change.”

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Three months ended March 31, 2014 compared with three months ended March 31, 2013. The following table presents the distribution of average assets, liabilities and equity, as well as interest income and fees earned on average interest-earning assets and interest expense paid on average interest-bearing liabilities for the three-month periods ended March 31, 2014 and 2013:

	For the three months ended March 31,					
	2014			2013		
(Dollars in thousands)	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
Earning assets:						
Interest-earning balances	$ 65,334	$ 58	0.36%	$ 20,261	$ 21	0.42%
Investment securities:						
Taxable	169,072	605	1.45%	42,029	224	2.16%
Tax-exempt	7,499	16	0.87%	—	—	—
FHLB & Fed Reserve Stock	5,324	52	3.96%	488	1	0.83%
Total Loans(1)	868,505	19,648	9.17%	217,766	6,575	12.24%
Total earning assets	1,115,734	20,379	7.41%	280,544	6,821	9.86%
Non-earning assets:						
Cash due from banks	27,651			5,432		
Premises and equipment	23,153			2,988		
Investment security fair value adjustment	752			740		
Goodwill and intangible assets	28,267			14,047		
Other real estate owned	13,664			4,733		
Bank-owned life insurance	28,602			—		
Other non-earning assets	37,306			9,278		
Allowance for loan losses	(3,994)			(1,992)		
Total assets	$1,271,135			$315,770		
Interest-bearing liabilities:						
Deposits:						
Interest-bearing deposits	$ 206,230	$ 32	0.06%	$ —	$ —	0.00%
Individual retirement accounts	53,295	141	1.07%	28,076	131	1.89%
Money market	144,656	81	0.23%	21,326	25	0.48%
Savings deposits	71,944	9	0.05%	—	—	—
Time deposits	356,135	789	0.90%	163,572	609	1.51%
Other brokered funds	58,436	56	0.39%	—	—	—
Total Deposits	890,696	1,108	0.50%	212,974	765	1.46%
Short-term borrowings	26,954	5	0.08%	3,053	2	0.27%
Senior Secured Bank Stock Notes	12,308	140	4.61%	—		—
Junior Subordinated Debentures	24,194	271	4.54%	—	—	—
Total interest-bearing liabilities	$ 954,152	$ 1,524	0.65%	$216,027	$ 767	1.44%
Noninterest-bearing liabilities and equity:						
Noninterest-bearing demand deposits	143,808			10,450		
Other liabilities	9,967			5,042		
Noncontrolling interest	26,997			3,387		
Common stockholders' equity	126,465			76,163		
Preferred stockholders' equity	9,746			4,700		
Total equity	163,208			84,250		
Total liabilities and equity	$1,271,135			$315,769		
Net interest income		$18,855			$6,054	
Interest spread(2)			6.76%			8.42%
Net interest margin on a fully tax-equivalent basis(3)			6.85%			8.75%

1. Balance totals include respective nonaccrual assets.
2. Net interest spread is the yield on average interest-earning assets less the rate on interest-bearing liabilities.
3. Net interest margin is the ratio of net interest income to average interest-earning assets.

We earned net interest income of $18.9 million for the three months ended March 31, 2014 compared to $6.1 million for the three months ended March 31, 2013, an increase of $12.8 million, or 209.8%. This increase was driven by a significant increase in the average volume of our interest-earning assets, which was attributable both to the loan portfolio and other interest-earning assets acquired in the Triumph Community Bank acquisition and organic growth in our factored receivables, asset-based lending and equipment lending product lines. Average total interest-earning assets increased to $1.1 billion as of March 31, 2014 from $280.6 million as of March 31, 2013.

The growth in net interest income attributable to increases in our average interest-earning assets was offset in part by a decrease in our net interest margin, as the Triumph Community Bank acquisition significantly changed the composition of both our asset and liability portfolio. Net interest margin decreased to 6.85% for the period ended March 31, 2014 from 8.75% for the period ended March 31, 2013, a decrease of 190 basis points, or change of 21.7%.

The decline in our net interest margin resulted from a decrease in yield on our interest-earning assets, partially offset by a decrease in rates paid on our interest-bearing liabilities. In general, the assets acquired in the Triumph Community Bank acquisition had lower yields than our Triumph Savings Bank loan portfolio, which consisted of organic origination activity as well as the legacy loan portfolio we acquired in the Equity Bank transaction in 2010. The volumes of our organically generated loans at Triumph Savings Bank, particularly our factoring receivables and the asset-based loans and equipment loans originated under our Triumph Commercial Finance brand, have continued to increase on a period over period basis as a result of the continued execution of our growth strategy for such products, but following the Triumph Community Bank acquisition these higher yielding product lines represented a smaller portion of our larger, more diversified, asset base. See “Financial Condition—Assets” for a description of the changes in our asset mix in the periods following the Triumph Community Bank acquisition. This lowered our average yield on our earning assets to 7.41% for the three months ended March 31, 2014 from 9.86% for the three months ended March 31, 2013, a decrease of 245 basis points, or change of 24.8%.

A component of the yield on our loan portfolio consists of discount accretion on the Triumph Savings Bank legacy portfolio acquired in connection with our original acquisition of Equity Bank in 2010 and the portfolio acquired in the Triumph Community Bank acquisition. The aggregate increased yield on our portfolio attributable to this discount accretion was 169 basis points for the three-month period ended March 31, 2014 and 167 basis points for the three-month period ended March 31, 2013. We anticipate that the contribution of this discount accretion to our interest income will decline over time, but that any resulting decreases in aggregate yield on our loan portfolio will be offset in part by continued growth in our higher yielding specialized commercial finance product lines, increasing the percentage of our total loan portfolio represented by such assets.

The decreases in our net interest margin resulting from changes in the average yield in our loan portfolio discussed above were offset in part by a reduction in our average cost of funds as we realized the benefits of the lower rate structure of deposits present at Triumph Community Bank. Our average cost of interest-bearing liabilities fell to 0.65% in for the three months ended March 31, 2014 from 1.44% for the three months ended March 31, 2013, a decrease of 79 basis points, or 54.9%.

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The following table shows the effects changes in average balances (volume) and average interest rates (rate) had on the interest earned in our interest-earning assets and the interest incurred on our interest-bearing liabilities for the three-month periods ended March 31, 2014 and 2013:

	For the three months ended March 31, 2014 vs. 2013		
	Increase (Decrease) Due to:		
(Dollars in thousands)	Rate	Volume	Net Increase (Decrease)
Interest-earning assets:			
Interest-earning balances	$ (3)	$ 40	$ 37
Investment securities:			
Taxable	(74)	455	381
Tax-exempt	—	16	16
FHLB & Fed Reserve Stock	4	47	51
Total Loans	(1,649)	14,722	13,073
Total interest income	(1,722)	15,280	13,558
Interest-bearing liabilities:			
Interest-bearing deposits	—	32	32
Individual retirement accounts	(57)	67	10
Money market	(13)	69	56
Savings deposits	—	9	9
Time deposits	(247)	427	180
Other brokered funds	—	56	56
Total Deposits	(317)	660	343
Short-term borrowings	(1)	4	3
Senior Secured Bank Stock Notes	—	140	140
Junior Subordinated Debentures	—	271	271
Total interest expense	(318)	1,075	757
Change in net interest income	$ (1,404)	$ 14,205	$ 12,801

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Fiscal year ended December 31, 2013 compared with fiscal year ended December 31, 2012. The following table presents the distribution of average assets, liabilities and equity, as well as interest income and fees earned on average interest-earning assets and interest expense paid on average interest-bearing liabilities for our fiscal years ended December 31, 2013 and 2012:

	For the years ended December 31,					
	2013			2012		
(Dollars in thousands)	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
Earnings assets:						
Interest-earning balances	$ 44,996	$ 166	0.37%	$ 12,923	$ 52	0.40%
Investment securities:						
Taxable	71,386	1,178	1.65%	47,455	1,008	2.12%
Tax-exempt	1,745	39	2.23%	—	—	
FHLB & Fed Reserve Stock	1,678	47	2.80%	571	5	0.88%
Total Loans(1)	377,891	41,200	10.90%	199,336	25,887	12.99%
Total Earning Assets	497,696	42,630	8.57%	260,285	26,952	10.35%
Non-earning assets:						
Cash due from banks	11,484			1,991		
Premises and equipment	7,166			1,919		
Investment security fair value adjustment	632			626		
Goodwill and intangible assets	17,228			13,397		
Other real estate owned	6,894			2,295		
Bank-owned life insurance	6,084			—		
Other non-earning assets	14,439			11,275		
Allowance for loan losses	(2,677)			(1,579)		
Total assets	$558,946			$290,209		
Interest-bearing liabilities:						
Deposits:						
Interest-bearing Deposits	$ 44,116	$ 23	0.05%	$ —	$ —	0.00%
Individual retirement accounts	34,568	560	1.62%	28,222	555	1.97%
Money market	58,911	154	0.26%	27,439	167	0.61%
Savings deposits	14,925	7	0.05%	—	—	0.00%
Time deposits	221,538	2,760	1.25%	157,192	2,619	1.67%
Other brokered funds	12,586	56	0.44%	—	—	0.00%
Total Deposits	386,644	3,560	0.92%	212,853	3,341	1.57%
Short-term borrowings	12,297	17	0.14%	11,605	374	3.22%
Senior Secured Bank Stock Notes	2,687	123	4.58%	—	—	0.00%
Junior Subordinated Debentures	5,158	247	4.79%	—	—	0.00%
Total interest-bearing liabilities	$406,786	$ 3,947	0.97%	$224,458	$ 3,715	1.66%
Noninterest-bearing liabilities and equity:						
Noninterest-bearing demand deposits	34,659			8,395		
Other liabilities	6,795			2,822		
Noncontrolling interest	7,226			6,960		
Common stockholders' equity	98,864			43,790		
Preferred stockholders' equity	4,616			3,784		
Total equity	110,706			54,534		
Total liabilities and equity	$558,946			$290,209		
Net interest income		$38,683			$23,237	
Interest spread(2)			7.60%			8.69%
Net interest margin on a fully tax-equivalent basis(3)			7.77%			8.93%

1. Balance totals include respective nonaccrual assets.
2. Net interest spread is the yield on average interest-earning assets less the rate on interest-bearing liabilities.
3. Net interest margin is the ratio of net interest income to average interest-earning assets.

We earned net interest income of $38.7 million for our year ended December 31, 2013, compared with $23.2 million for our year ended December 31, 2012, an increase of $15.5 million, or 66.8%. The increase in net interest income was driven by increases in average interest-earning assets, which was attributable both to the presence of the loans and other interest-earning assets acquired in the Triumph Community Bank acquisition in our portfolio for the last two and one-half months of 2013, as well as increases in our factored receivables, asset-based lending and equipment lending portfolios as we continued to execute on our growth strategy for such products. The average balance of our interest-earning assets was $497.7 million for our year ended December 31, 2013 compared to $260.3 million for year ended December 31, 2012, an increase of $237.4 million, or 91.2%.

The growth in net interest income attributable to increases in our average interest-earning assets was offset in part by a decrease in our net interest margin, as the Triumph Community Bank acquisition significantly changed the composition of both our asset and liability portfolio during the last two and one-half months of 2013. Net interest margin decreased to 7.77% for our year ended December 31, 2013 from 8.93% for our fiscal year ended December 31, 2012, a decrease of 116 basis points, or 13.0%.

The decline in our net interest margin resulted from a decrease in yields on our interest-bearing assets, driven by the same general factors impacting our average yields for the three-month periods ended March 31, 2014 and March 31, 2013. Specifically, the impact of the lower yielding assets acquired in the Triumph Community Bank acquisition for the last two and one-half months of 2013 more than offset the growth in our higher yielding organically generated factoring, asset-based lending and equipment lending product lines. Our average yield on earning assets decreased to 8.57% for our year ended December 31, 2013 from 10.35% for our year ended December 31, 2012, a decrease of 178 basis points, or 17.2%.

A component of the yield of our loan portfolio consists of discount accretion on the Triumph Savings Bank legacy portfolio acquired in connection with our original acquisition of Equity Bank in 2010 and the portfolio acquired in the Triumph Community Bank acquisition. The aggregate increased yield on our portfolio attributable to this discount accretion was 229 basis points for the year ended December 31, 2013 and 159 basis points for the year ended December 31, 2012. We anticipate that the contribution of this discount accretion to our interest income will decline over time, but that any resulting decreases in aggregate yield on our loan portfolio will be offset in part by continued growth in our higher yielding specialized commercial finance product lines, increasing the percentage of our total loan portfolio represented by such assets.

The decreases in our net interest margin resulting from changes in the average yield in our loan portfolio discussed above were offset in part by a reduction in our average cost of funds as we realized the benefits of the lower rate structure of deposits present at Triumph Community Bank during the last two and one-half months of 2013. Our average cost of interest-bearing liabilities fell to 0.97% for our year ended December 31, 2013 from 1.66% for our year ended December 31, 2012, a decrease of 69 basis points, or 41.6%.

The following table shows the effects changes in average balances (volume) and average interest rates (rate) had on the interest earned in our interest-earning assets and the interest incurred on our interest-bearing liabilities for the years ended December 31, 2013 and 2012:

	For the twelve months ended December 31, 2013 vs. 2012		
	Increase (Decrease) Due to:		Net Increase (Decrease)
(Dollars in thousands)	Rate	Volume	
Interest-earning assets:			
Interest-earning balances	$ (4)	$ 118	$ 114
Investment securities:			
Taxable	(225)	395	170
Tax-exempt	—	39	39
FHLB & Fed Reserve Stock	11	31	42
Total Loans	(4,154)	19,467	15,313
Total interest income	(4,372)	20,050	15,678
Interest-bearing liabilities:			
Interest-bearing Deposits	—	23	23
Individual Retirement Accounts	(98)	103	5
Money market	(95)	82	(13)
Savings deposits	—	7	7
Time deposits	(661)	802	141
Other brokered funds	—	56	56
Total Deposits	(854)	1,073	219
Short-term borrowings	(358)	1	(357)
Senior Secured Bank Stock Notes	—	123	123
Junior Subordinated Debentures	—	247	247
Total interest expense	(1,212)	1,444	232
Change in net interest income	$ (3,160)	$ 18,606	$ 15,446

Provision for Loan Losses

The provision for loan losses is the amount of expense that, based on our judgment, is required to maintain the allowance for loan and lease losses at an adequate level to absorb probable losses inherent in the loan portfolio at the balance sheet date and that, in management's judgment, is appropriate under GAAP. The determination of the amount of the allowance is complex and involves a high degree of judgment and subjectivity.

Under accounting standards for business combinations, acquired loans are recorded at fair value with no loan loss allowance on the date of acquisition. The fair value of the loan portfolio acquired in the Triumph Community Bank acquisition was $568.4 million (compared to an acquired book balance of $592.6 million). A provision for loan losses will be recorded for the emergence of new probable and estimable losses on acquired loans after the acquisition date.

The provision for loan losses was $0.9 million for the three months ended March 31, 2014 compared to $0.4 million for the three months ended March 31, 2013. We experienced net recoveries of $61 thousand in the first three months of 2014 compared to net charge-offs of $91 thousand for the same period in 2013. Our ALLL was $4.6 million as of March 31, 2014 versus $3.6 million as of December 31, 2013.

The provision for loan losses was $3.4 million for the year ended December 31, 2013 compared to $1.7 million for the year ended December 31, 2012. Net charge-offs were $1.7 million in 2013 and $0.2 million in 2012. Our ALLL was $3.6 million as of December 31, 2013 versus $1.9 million as of December 31, 2012.

Noninterest Income

The following table presents the major categories of noninterest income for the three-month periods ended March 31, 2014 and 2013 and our years ended December 31, 2013 and 2012:

	Three Months Ended March 31,			Years Ended December 31,		
(Dollars in thousands)	2014	2013	% Change	2013	2012	% Change
Service charges on deposits	$ 769	$ —	—	$ 733	$ —	—
Card income	490	—	—	405	—	—
Net realized gains and valuation adjustments on OREO	(77)	77	(200.0)%	154	1,379	(88.8)%
Net gains on sale of loans	255	—	—	846	132	540.9%
Fee income	398	231	72.3%	1,189	860	38.3%
Gain on bargain purchase	—	—	—	9,014	—	—
Other	774	137	465.0%	672	290	131.7%
Total noninterest income	$ 2,609	$ 445	486.3%	$13,013	$2,661	389.0%

Three months ended March 31, 2014 compared with three months ended March 31, 2013. We earned noninterest income of $2.6 million for the three months ended March 31, 2014, compared to $0.4 million for the three months ended March 31, 2013, an increase of $2.2 million, or 486.3%.

This increase was due primarily to noninterest income earned with respect to new products and services added as part of the Triumph Community Bank acquisition, including service charges on deposit accounts, card income, net gains on sale of residential mortgages originated for sale and other miscellaneous fees and income earned by Triumph Community Bank associated with its trust activities, bank-owned life insurance, check cashing and wire transfer fees. Service charges on deposit accounts, including overdraft and non-sufficient fund fees, increased from zero for the period ended March 31, 2013 to $0.8 million for the three months ended March 31, 2014. Income from credit and debit card accounts increased from zero for the period ended March 31, 2013 to $0.5 million for the period ended March 31, 2014. Gains realized from the sale of residential mortgages were $0.3 million for the period ending March 31, 2014. Other income increased from $0.1 million for the three-month period ended March 31, 2013 to $0.8 million for the three-month period ended March 31, 2014, primarily due to new income for check cashing and wire transfer fees at Triumph Community Bank retail branches being reflected in this category, as well as income associated with Triumph Community Bank's trust activities and bank-owned life insurance acquired as part of the Triumph Community Bank acquisition.

Fee income, comprised primarily of fees and services charges earned from services provided to our factoring clients, increased 72% due to the growth experienced in our factored accounts receivable portfolio.

Fiscal year ended December 31, 2013 compared with fiscal year ended December 31, 2012. We earned noninterest income of $13.0 million for our fiscal year ended December 31, 2013 compared to $2.7 million for our fiscal year ended December 31, 2012, an increase of $10.3 million. The increase was primarily due to $9.0 million of bargain purchase gain we recorded in connection with the Triumph Community Bank acquisition (see Note 2—"Business Combinations," of the Notes to Consolidated Financial Statements included elsewhere in this prospectus).

Removing the bargain purchase gain, we earned noninterest income of $4.0 million for our fiscal year ended December 31, 2013 compared to $2.7 million for our fiscal year ended December 31, 2012, an increase of $1.3 million or 48.1%. This increase was largely due to noninterest income earned with respect to new products and services added as part of the Triumph Community Bank acquisition during the last two and one-half months of 2013, including transactional deposit account fees and charges, debit and credit card fee revenue and wire transfer and check cashing fee income.

Service charges on deposit accounts, including overdraft and non-sufficient fund fees, increased from zero for our fiscal year ended December 31, 2012 to $0.7 million for our fiscal year ended December 31, 2013. Income from credit and debit card accounts increased from zero for our fiscal year ended December 31, 2012 to $0.4 million for our fiscal year ended December 31, 2013. Other income increased from $0.3 million for our fiscal year ended December 31, 2012 to $0.7 million for our fiscal year ended December 31, 2013, primarily due to new income for check cashing and wire transfer fees at Triumph Community Bank retail branches being reflected in this category, as well as income associated with Triumph Community Bank's trust activities and bank-owned life insurance acquired as part of the Triumph Community Bank acquisition.

Noninterest Expense

The following table presents the major categories of noninterest expense for the three-month periods ended March 31, 2014 and 2013 and our fiscal years ended December 31, 2013 and 2012:

	Three Months Ended March 31,			Years Ended December 31,		
(Dollars in thousands)	2014	2013	% Change	2013	2012	% Change
Salaries and employee benefits	$ 8,876	$3,754	136.4%	$20,737	$11,739	76.7%
Occupancy, furniture and equipment	1,332	427	211.9%	2,465	1,308	88.5%
Acquisition-related expenses	—	75	—	1,521	52	2825.0%
Communications and technology	888	212	318.9%	1,412	546	158.6%
Professional fees	592	42	1309.5%	1,003	1,120	(10.4)%
Advertising and promotion	443	183	142.1%	682	621	9.8%
Amortization of intangible assets	726	—	—	620	948	(34.9)%
FDIC insurance	261	72	2632.5%	499	241	107.1%
Carrying costs for OREO	132	57	131.6%	233	240	(2.9)%
Other	1,646	525	213.5%	3,552	1,664	113.5%
Total noninterest expense	$14,896	$5,347	178.6%	32,724	18,479	77.1%

N/M indicates result is not meaningful.

Three months ended March 31, 2014 compared with three months ended March 31, 2013. Noninterest expense totaled $14.9 million for the three months ended March 31, 2014 compared to $5.3 million for the three months ended March 31, 2013, an increase of $9.6 million, or 179%. This increase is attributable both to the costs of the significant personnel, facilities and infrastructure acquired in the Triumph Community Bank acquisition, as well as continuing investments made in personnel and infrastructure to support growth in organically generated product lines and other strategic initiatives.

- *Salaries and Employee Benefits.* Salaries and employee benefits expenses have historically been our largest category of noninterest expense. Salaries and employee benefits expenses were $8.9 million for the three months ended March 31, 2014 compared to $3.8 million for the three months ended March 31, 2013, an increase of $5.1 million, or 136%. This increase is primarily attributable to a significant increase in the total size of our workforce between these periods. Our full-time equivalent employees totaled 422.0 and 120.5 at March 31, 2014 and 2013, respectively. Sources of this increased headcount include employees hired as part of the Triumph Community Bank acquisition (approximately 290 additional full-time equivalent employees), as well as additional employees hired to support growth in our commercial finance product lines and other strategic initiatives, including the establishment of our asset management business. Other factors contributing to this increase include merit increases for existing employees, higher health insurance benefit costs, incentive compensation and 401(k) expense.
- *Occupancy, Furniture and Equipment.* Occupancy, furniture and equipment expenses were $1.3 million for the three months ended March 31, 2014 compared to $0.4 million for the three months

ended March 31, 2013, an increase of $0.9 million, or 212%. This increase is primarily attributable to the cost of the retail branches acquired in the Triumph Community Bank acquisition including utilities, rent, depreciation and other occupancy expenses.

- *Communications and Technology.* Communications and technology expenses were $0.9 million for the three months ended March 31, 2014 compared to $0.2 million for the three months ended March 31, 2013, an increase of $0.7 million, or 319%. This increase is attributed both to the communications and technology expense associated with our larger workforce generally and additional hardware and software expenses acquired as part of the Triumph Community Bank acquisition.
- *Additional Items of Noninterest Expense.* Increases experienced in other noninterest expense items in the first quarter of 2014 versus the first quarter of 2013 are largely attributable to the impact of incurring the routine expenses of Triumph Community Bank which was acquired in October 2013, and the amortization expense incurred for the core deposit intangible acquired in that acquisition. Professional fees were $0.6 million for the three months ended March 31, 2014 compared to $0.1 million for the three months ended March 31, 2013, an increase of $0.5 million. Advertising and promotion expenses increased $0.3 million for the three months ended March 31, 2014 compared to the three months ended March 31, 2013. Amortization of core deposit intangible assets was $0.7 million for the three months ended March 31, 2014 compared to zero for the three months ended March 31, 2013. Increases in other expenses, loan-related expenses, utilities, postage and subscription expenses totaling $1.1 million for the three months ended March 31, 2014, are largely attributable to the impact of the Triumph Community Bank acquisition, and continued growth in our commercial finance products.

Fiscal year ended December 31, 2013 compared with fiscal year ended December 31, 2012. Noninterest expense totaled $32.7 million for our fiscal year ended December 31, 2013 compared to $18.5 million for our fiscal year ended December 31, 2012, an increase of $14.2 million, or 77%. This increase is attributable both to the costs of the significant personnel, facilities and infrastructure acquired in the Triumph Community Bank acquisition for the last two and one-half months of 2013, as well as continued investments we made in personnel and infrastructure to support growth in our commercial finance product lines and other strategic initiatives over the course of the fiscal year. Noninterest expense for our fiscal year ended December 31, 2013 and 2012 also included $1.5 million and $0.1 million of direct merger and integration costs related to the Triumph Community Bank acquisition, respectively. Excluding these direct merger and integration costs, noninterest expense increased $12.8 million or 69% in 2013 compared to 2012.

- *Salaries and Employee Benefits.* Salaries and employee benefits expenses have historically been our largest category of noninterest expense. Salaries and employee benefits expenses were $20.7 million for our fiscal year ended December 31, 2013 compared to $11.7 million for our fiscal year ended December 31, 2012, an increase of $9.0 million, or 77%. This increase is primarily attributable to a significant increase in the total size of our workforce between the periods. Our full-time equivalent employees totaled 427.0 and 108.5 at December 31, 2013 and 2012, respectively. Sources of this increased headcount include employees hired as part of the Triumph Community Bank acquisition (approximately 290 additional full-time equivalent employees), as well as additional employees hired to support growth in our commercial finance product lines and other strategic initiatives, including the establishment of our asset management business. Other factors contributing to this increase include merit increases for existing employees, higher health insurance benefit costs, incentive compensation and 401(k) expense.
- *Occupancy, Furniture and Equipment.* Occupancy, furniture and equipment expense was $2.5 million for our fiscal year ended December 31, 2013 compared to $1.3 million for our fiscal year ended December 31, 2012, an increase of $1.2 million, or 88.5%. This increase was primarily attributable to a an additional $0.6 million of occupancy expenses related to the operation of Triumph Community Bank's offices and retail branch network for the last two and one-half months of 2013 and a $0.3 million increase attributable to a full year of lease expense cost for Triumph's corporate headquarters, which moved to a larger facility in June 2012.

- *Communications and Technology.* Communications and technology expenses were $1.4 million for our year ended December 31, 2013, compared to $0.5 million for our year ended December 31, 2012, an increase of $0.9 million, or 159%. This increase is attributed both to the communication and technology expense associated with our larger workforce generally and additional hardware and software expenses for the last two and one-half months of 2013 acquired as part of the Triumph Community Bank acquisition.
- *Amortization of Intangible Assets.* Amortization of intangible assets decreased $0.3 million for our year ended December 31, 2013 compared to our year ended December 31, 2012. In 2013, we amortized $0.6 million of the core deposit intangibles acquired in the Triumph Community Bank acquisition. During the year ended December 31, 2012, we fully amortized the $0.9 million of the intangible asset representing customer relationships acquired in the Triumph Business Capital acquisition in January 2012.
- *Other.* Other expenses, including loan-related expenses, utilities, postage and subscription expenses, were $3.6 million for our fiscal year ended December 31, 2013 compared to $1.7 million for our fiscal year ended December 31, 2012, an increase of $1.9 million, or 117%. Our other expenses increased as a result of the impact of the Triumph Community Bank acquisition for the last two and one-half months of 2013.

Income Taxes

The amount of income tax expense is influenced by the amount of pre-tax income, the amount of tax-exempt income and the effect of changes in valuation allowances maintained against deferred tax benefits. Income tax expense for the three months ended March 31, 2014 was $1.9 million compared to $0.1 million for the three months ended March 31, 2013. The effective tax rate for the three months ended March 31, 2014 was 34% and was 15% for the three months ended March 31, 2013. The effective tax rate for the period ended March 31, 2013 was lowered by permanent differences attributable to the tax treatment of the initial distributions made to our Triumph Commercial Finance Class B security holders included in noncontrolling interest. Income tax expense for our fiscal year ended December 31, 2013 was $2.1 million compared to $5.4 million benefit for the year ended December 31, 2012. During the period ended December 31, 2013, the effective tax rate was 13.7% which reflects the increase in nontaxable income attributed to the $9.0 million bargain purchase gain associated with the Triumph Community Bank acquisition. The Triumph Community Bank acquisition included $28.4 million of bank-owned life insurance. The periodic increases in cash surrender value of those policies are tax-exempt and therefore contribute to a larger permanent difference between book income and taxable income. Triumph Community Bank is subject to income tax in the States of Illinois, Iowa, Wisconsin and Florida. During the year ended December 31, 2012, we removed the $7.4 million valuation allowance that had previously reduced the carrying amount of the deferred tax asset to zero, as it was more likely than not that we would realize this asset in future years. This adjustment resulted in an income tax benefit of $5.4 million in 2012, and accounts for the variance from the statutory rate.

See Note 13 of the Consolidated Financial Statements included elsewhere in this prospectus for further information regarding income taxes.

Operating Segment Results

Our reportable segments are Banking, Factoring and Corporate. As discussed in Note 23 of the Consolidated Financial Statements included elsewhere in this prospectus, our reportable segments have been determined based upon their business processes and economic characteristics. This determination also gave consideration to the structure and management of various product lines. The factoring segment includes the operations of Triumph Business Capital since its acquisition on January 13, 2012 with revenue derived from factoring services. The banking segment includes the operations of Triumph Savings Bank, and since October 15, 2013 includes the operations of Triumph Community Bank. Our banking segment derives its revenue principally from investments in interest-earning assets as well as noninterest income typical for the banking industry. The banking segment

also includes certain factored receivables which are originated through the commercial finance division of Triumph Savings Bank instead of Triumph Business Capital. Corporate includes holding company financing and investment activities, management and administrative expenses to support the overall operations of the Company, and the operations of Triumph Capital Advisors.

Our segment financial information was compiled utilizing the accounting policies described in Note 1, "Summary of Significant Accounting Policies," and Note 23, "Segment Reporting," of the Notes to Consolidated Financial Statements included elsewhere in this prospectus. As a result, reported segments and the financial information of the reported segments are not necessarily comparable with similar information reported by other financial institutions. Furthermore, changes in management structure or allocation methodologies and procedures may result in future changes to previously reported segment financial data. Transactions between segments consist primarily of borrowed funds. Intersegment interest expense is allocated to the factoring segment based on the Company's prime rate. The provision for loan loss is allocated based on the segment's ALLL determination which considers the effects of charge-offs. Noninterest income and expense directly attributable to a segment are assigned to it. Taxes are paid on a consolidated basis and are not allocated for segment purposes. Certain factored receivables not originated through Triumph Business Capital are included in the Banking segment.

Three months ended March 31, 2014 compared with three months ended March 31, 2013. The following tables present our primary operating results for our operating segments for the three-month periods ended March 31, 2014 and 2013, respectively.

Three Months Ended March 31, 2014 *(Dollars in thousands)*	**Factoring**	**Banking**	**Corporate**	**Consolidated TBI**
Total interest income	$ 5,105	$ 15,260	$ 14	$ 20,379
Intersegment interest allocations	(571)	571	—	—
Total interest expense	—	1,114	410	1,524
Net interest income (expense)	4,534	14,717	(396)	18,855
Provision for loan losses	390	535	—	925
Net interest income after provision	4,144	14,182	(396)	17,930
Noninterest income	383	1,966	260	2,609
Noninterest expense	2,936	10,865	1,095	14,896
Operating income (loss)	$ 1,591	$ 5,283	$ (1,231)	$ 5,643
Total assets	$137,774	$1,133,436	$ 25,900	$1,297,110
Gross loans	$119,733	$ 680,934	$ —	$ 800,667

Three Months Ended March 31, 2013 *(Dollars in thousands)*	**Factoring**	**Banking**	**Corporate**	**Consolidated TBI**
Total interest income	$ 3,458	$ 3,363	$ —	$ 6,821
Intersegment interest allocations	(408)	408	—	—
Total interest expense	1	766	—	767
Net interest income	3,049	3,005	—	6,054
Provision for loan losses	124	255	—	379
Net interest income after provision	2,925	2,750	—	5,675
Noninterest income	229	205	11	445
Intercompany expense allocations	47	(47)	—	—
Noninterest expense	2,188	2,816	343	5,347
Operating income (loss)	$ 919	$ 186	$ (332)	$ 773
Total assets	$ 89,962	$ 239,199	$ 816	$ 329,977
Gross loans	$ 77,796	$ 155,712	$ —	$ 233,508

Banking. Our banking segment's operating income totaled $5.3 million for the three months ended March 31, 2014 compared to $0.2 million for the three months ended March 31, 2013. This increase was due primarily to increases in interest income and noninterest income attributable the Triumph Community Bank acquisition, as well as growth in our asset-based lending and equipment lending portfolios, which had just commenced de novo operations during the second half of 2012. These increases more than offset the increased operating expenses in personnel, facilities and infrastructure incurred in connection with the Triumph Community Bank acquisition and to support the growth in our asset-based lending and equipment lending. Net interest income was $14.7 million for the three months ended March 31, 2014, compared to $3.0 million for the three months ended March 31, 2013, an increase of $11.7 million, or 390%, reflecting both the interest income from the loan portfolio acquired in the Triumph Community Bank acquisition and growth in our asset-based lending and equipment lending portfolios as discussed above, offset in part by increases in our interest expense associated with the larger total pool of interest-bearing liabilities acquired as part of the Triumph Community Bank acquisition. Growth in these interest-bearing liabilities was mitigated in part by changes in our liability mix as a result for the Triumph Community Bank acquisition, which lowered our overall cost of funds. Noninterest income was $2.0 million for the three months ended March 31, 2014 compared to $0.2 million for the three months ended March 31, 2013. This increase was due primarily to income from the fee-generating transaction products and services acquired as part of the Triumph Community Bank acquisition, most notably service charges, credit fees and debit card fees. Noninterest expense was $10.9 million for the three months ended March 31, 2014, compared with $2.8 million for the three months ended March 31, 2013, an increase of $8.1 million, driven primarily by increased expenses in personnel, facilities and infrastructure incurred in connection with the Triumph Community Bank acquisition, as well as increased costs incurred in connection with the growth of our asset-based lending and equipment lending. Our provision for loan losses was $0.5 million for the period ended March 31, 2014 compared with $0.3 million for the period ended March 31, 2013.

Factoring. Our factoring segment's operating income for the three months ended March 31, 2014 was $1.6 million, compared with $0.9 million for the three months ended March 31, 2013, an increase of $0.7 million, or 78%. This increase was due to growth in interest and noninterest income as gross loans or factored receivables in our factoring segment grew from $77.8 million as of March 31, 2013 to $119.7 million as of March 31, 2014. Growth experienced in our factoring portfolio resulted from increased marketing efforts and growth initiatives during 2013 as well as favorable economic conditions driving increased activity generally in the transportation sector. This increase in income from the growth in our portfolio more than offset the increased variable expenses associated with this growth, mostly personnel costs required to service our larger portfolio. Net interest income was $4.5 million for the three months ended March 31, 2014 compared to $3.0 million for the three months ended March 31, 2013, an increase of 50%, driven by growth in our portfolio which more than offset the increased intersegment interest allocation attributable to this growth. Noninterest expense was $2.9 million for the three months ended March 31, 2014 compared with $2.2 million for the three months ended March 31, 2013, driven primarily by increased personnel costs incurred in connection with growth in our factoring portfolio. Our provision for loan losses was $0.4 million for the three months ended March 31, 2014 compared with $0.1 million for the three months ended March 31, 2013.

Corporate. The Corporate segment's operating loss totaled $1.2 million for the three months ended March 31, 2014, compared with $0.3 million for the three months ended March 31, 2013. Included in this result is an increase in interest expense of $0.4 million for the three months ended March 31, 2014 related to the junior subordinated debentures issued by NBI, which we acquired as part of the Triumph Community Bank acquisition, and the senior secured bank loan entered into in connection with the Triumph Community Bank acquisition, also included an increase of $0.8 million in operating expenses for the three months ended March 31, 2014, related primarily to increases in management and administrative expenses at the holding company level not attributable to an operating segment, as well as increases in personnel and operating expenses related to the company's asset management operations. These items were offset in part by other income of $0.3 million, related primarily to income recognized on a short-term investment by the Company in the CLO warehouse vehicle established by Triumph Capital Advisors, the Company's wholly owned subsidiary, in connection with the anticipated offering of its first CLO vehicle.

Fiscal year ended December 31, 2013 compared with fiscal year end December 31, 2012. The following tables present our primary operating results for our operating segments for our fiscal years ended December 31, 2013 and 2012, respectively.

Year Ended December 31, 2013 *(Dollars in thousands)*	Factoring	Banking	Corporate	Consolidated TBI
Total interest income	$ 17,388	$ 25,184	$ 58	$ 42,630
Intersegment interest allocations	(2,155)	2,155	—	—
Total interest expense (expense)	1	3,577	369	3,947
Net interest income	15,232	23,762	(311)	38,683
Provision for loan losses	881	2,531	—	3,412
Net interest income after provision	14,351	21,231	(311)	35,271
Noninterest income	1,042	2,674	283	3,999
Gain on bargain purchase	—	—	9,014	9,014
Intercompany expense allocations	104	(104)	—	—
Noninterest expense	9,938	18,191	4,595	32,724
Operating income	$ 5,351	$ 5,818	$ 4,391	$ 15,560
Total assets	$122,279	$1,129,962	$ 35,998	$1,288,239
Gross loans	$106,575	$ 774,524	$ —	$ 881,099

Year Ended December 31, 2012 *(Dollars in thousands)*	Factoring	Banking	Corporate	Consolidated TBI
Total interest income	$ 14,434	$ 12,518	$ —	$ 26,952
Intersegment interest allocations	(1,596)	1,596	—	—
Total interest expense	360	3,355	—	3,715
Net interest income	12,478	10,759	—	23,237
Provision for loan losses	1,334	405	—	1,739
Net interest income after provision	11,144	10,354	—	21,498
Noninterest income	967	1,687	7	2,661
Intercompany expense allocations	201	(201)	—	—
Noninterest expenses	8,511	9,548	420	18,479
Operating income (loss)	$ 3,399	$ 2,694	$ (413)	$ 5,680
Total assets	$ 85,974	$ 215,225	$ 263	$ 301,462
Gross loans	$ 71,223	$ 140,026	$ —	$ 211,249

Banking. Our banking segment's operating income totaled $5.8 million for our fiscal year ended December 31, 2013 compared to $2.7 million for our fiscal year ended December 31, 2012. This increase was due both to increases in interest income and noninterest income attributable to the Triumph Community Bank acquisition for the last two and one-half months of 2013, as well as growth in our asset-based lending and equipment lending portfolios experienced during 2013 as we continued to execute on our growth strategy for such products. These increases more than offset the increased operating expenses in personnel, facilities and infrastructure incurred in connection with the Triumph Community Bank acquisition for the last two and one-half months of 2013, as well as increased costs and expenses incurred to support the growth in our asset-based lending and equipment lending. Net interest income was $23.8 million for our fiscal year ended December 31, 2013, compared to $10.8 million for our fiscal year ended December 31, 2012, an increase of $13.0 million, or 120%, reflecting both the interest income from the loan portfolio acquired in the Triumph Community Bank acquisition for the last two and one-half months of 2013 as well as growth in our asset-based lending and equipment lending portfolios as discussed above. Interest income was offset in part by increases in our interest expense associated with the larger total pool of interest-bearing liabilities acquired as part of the Triumph

Community Bank acquisition for the last two and one-half months of 2013; however, this increase was largely offset by changes in our liability mix as a result of the Triumph Community Bank acquisition, which lowered our overall cost of funds. Noninterest income was $2.7 million for our fiscal year ended December 31, 2013 compared to $1.7 million for our fiscal year ended December 31, 2012, attributable primarily to the addition of fee-generating products and services acquired as part of the Triumph Community Bank acquisition, most notably, service charges, credit fees and debit card fees, for the last two and one-half months of 2013. Noninterest expense was $18.2 million for our fiscal year ended December 31, 2013, compared with $9.5 million for our fiscal year ended December 31, 2012, an increase of $8.7 million, driven both by increased expenses in personnel, facilities and infrastructure incurred in connection with the Triumph Community Bank acquisition for the last two and one-half months of 2013 as well as increased costs incurred in connection with the growth of our asset-based lending and equipment lending. Our provision for loan losses was $2.5 million for our fiscal year ended December 31, 2013, compared with $0.4 million for our fiscal year ended December 31, 2012, driven primarily by growth in our equipment lending product lines.

Factoring. Our factoring segment's operating income for our fiscal year ended December 31, 2013 was $5.4 million, compared with $3.4 million for our fiscal year ended December 31, 2012, an increase of $2.0 million, or 59%. This increase was due to growth in interest and noninterest income as gross loans in our factoring segment grew from $71.2 million as of December 31, 2012 to $106.6 million as of December 31, 2014. Growth experienced in our factoring portfolio resulted from execution on our growth strategy for such product, increased marketing efforts and initiatives during 2013 as well as favorable economic conditions driving increased activity generally in the transportation sector. This increase in income from the growth in our portfolio more than offset the increased variable expenses associated with this growth, mostly personnel costs required to service our larger portfolio. Net interest income was $15.2 million for our fiscal year ended December 31, 2013, compared to $12.5 million for our fiscal year ended December 31, 2012, an increase of 22%, driven by growth in our portfolio which more than offset the increased intersegment interest allocation attributable to this growth. Noninterest expense was $9.9 million for our fiscal year ended December 31, 2013, compared with $8.5 million for our fiscal year ended December 31, 2012, an increase of $1.4 million, or 16%, driven primarily by increased personnel costs incurred in connection with growth in our factoring portfolio. Our provision for loan losses was $0.9 million for our fiscal year ended December 31, 2013, compared with $1.3 million for our fiscal year ended December 31, 2012. The larger provision expense in 2012 is largely attributable to application of business combination accounting to the acquisition of Triumph Business Capital in early 2012. The purchased accounts receivable were recorded at fair value at the date of acquisition without carryover of the seller's ALLL. We subsequently established an appropriate ALLL on new receivables purchased by recording a provision for loan losses. Due to the rapid turnover of this receivables portfolio, the result was a large provision expense being recorded. Provision expense recognized since that time has been at more normalized levels driven primarily by portfolio growth.

Corporate. The Corporate segment's operating income totaled $4.4 million for our fiscal year ended December 31, 2013, compared with $(0.4) million for our fiscal year ended December 31, 2012. This result includes $9.0 million of bargain purchase gain recorded in connection with the Triumph Community Bank acquisition. Excluding this bargain purchase gain, operating loss totaled $4.6 million for our fiscal year ended December 31, 2013. Included in this result is an increase in interest expense of $0.4 million in our fiscal year ended December 31, 2013 related to the junior subordinated debentures assumed and the senior secured bank loan entered into in connection with the Triumph Community Bank acquisition for the last two and one-half months of 2013, and an increase of $4.2 million in operating expenses for our fiscal year ended December 31, 2013, related primarily to increases in management and administrative expenses at the holding company level not attributable to the banking and factoring operating segments, as well as increases in personnel and operating expenses related to the company's asset management operations. These items were offset in part by other income of $0.3 million, related primarily to income recognized on a short-term investment by the Company in the CLO warehouse vehicle established by Triumph Capital Advisors, the Company's wholly owned subsidiary, in connection with the anticipated offering of its first CLO vehicle.

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Financial Condition

Assets

Total assets were $1.3 billion at March 31, 2014 and December 31, 2013, an increase of $1.0 billion over $301.5 million at December 31, 2012, principally due to the Triumph Community Bank acquisition, which added approximately $936.7 million in assets at the date of acquisition, as well as growth in our commercial finance product lines during 2013.

Loan Portfolio

Loans held for investment were $800.5 million at March 31, 2014, compared with $880.9 million at December 31, 2013. This decrease was primarily due to the classification of $86.4 million of loans included in branch assets held for sale due to our agreement to sell our Pewaukee, Wisconsin branch (see "Recent Developments"), offset in part by continued growth in our commercial loans and factored receivables.

Our loans held for investment outstanding of $880.9 million at December 31, 2013 represented an increase of $669.7 million from our loans held for investment outstanding at December 31, 2012 of $211.2 million. This increase was due both to the $568.4 million in fair value of loans acquired in connection with the Triumph Community Bank acquisition, as well as organic growth, primarily with respect to factored receivables as well as the asset-based loans and equipment loans that make up a portion of our commercial loan portfolio.

We offer a broad range of lending and credit products. Our primary lending categories include commercial real estate, construction and development, commercial and factoring. Our retail lending consists primarily of residential first and second mortgage loans and a small portfolio of additional consumer loans. Within our commercial lending category, we offer a number of specialized commercial finance loans, including asset-based lending and equipment lending. See "Business—Lending and Factoring Activities" for further information about the types of loans we offer.

The following table shows our loan portfolio by portfolio segments as of March 31, 2014 and December 31 for each of the past two years:

	March 31,		December 31,			
(Dollars in thousands)	2014	% of Total	2013	% of Total	2012	% of Total
Real estate:						
Commercial	$268,688	34%	$331,271	38%	$104,271	49%
Construction, land development, land	39,230	5%	37,626	4%	3,964	2%
Residential real estate	79,542	10%	91,301	10%	4,084	2%
Farmland	20,114	2%	20,294	2%	786	0%
Total real estate	**407,574**	**51%**	**480,492**	**54%**	**113,105**	**53%**
Commercial	234,986	29%	255,655	29%	22,425	11%
Factored receivables	129,531	16%	117,370	13%	75,719	36%
Consumer	13,515	2%	13,878	2%	—	0%
Mortgage warehouse	14,886	2%	13,513	2%	—	0%
Total Loans	**$800,492**	**100%**	**$880,908**	**100%**	**$211,249**	**100%**

Commercial Real Estate Loans. Our commercial real estate loans were $268.7 million at March 31, 2014, a decrease of $62.6 million from $331.3 million at December 31, 2013, due primarily to the classification of $41.0 million of these loans as branch assets held for sale in connection with our agreement to sell the Pewaukee, Wisconsin branch. The remainder of the decrease was driven by several large paydowns that offset new loan

activity for the period. Our commercial real estate loans of $331.3 million at December 31, 2013 increased $227.0 million from $104.3 million at December 31, 2012, primarily as a result of the loans acquired as part of the Triumph Community Bank acquisition.

Construction and Development Loans. Our construction and development loans were $39.2 million at March 31, 2014, an increase of $1.6 million from $37.6 million at December 31, 2013, due primarily to growth from continued strength of this category in our markets, offset by the classification of $8.4 million of these loans as branch assets available for sale in connection with our agreement to sell our Pewaukee, Wisconsin branch. Our construction and development loans of $37.6 million at December 31, 2013 increased $33.6 million from $4.0 million at December 31, 2012, primarily as a result of the loans acquired as part of the Triumph Community Bank acquisition.

Residential Real Estate Loans. Our one-to-four family residential loans were $79.5 million at March 31, 2014, a decrease of $11.8 million from $91.3 million at December 31, 2013, due primarily to the classification of $12.7 million of these loans as branch assets available for sale in connection with our agreement to sell our Pewaukee, Wisconsin branch. Our residential real estate loans of $91.3 million at December 31, 2013 increased $87.2 million from $4.1 million at December 31, 2012, primarily as a result of the loans acquired as part of the Triumph Community Bank acquisition.

Commercial Loans. Our commercial loans held for investment were $235.0 million at March 31, 2014, a decrease of $20.7 million from $255.7 million at December 31, 2013. These results were significantly impacted by the classification of $24.4 million of commercial loans as available for sale in connection with our agreement to sell our Pewaukee, Wisconsin branch. Outside of this classification change, our commercial loans increased in the aggregate, driven by increases in our asset-based lending and equipment lending portfolios originated under our Triumph Commercial Finance brand as we continue to execute on our growth strategy for such products. These loans were $95.7 million in aggregate as of March 31, 2014 compared to $77.3 million in aggregate as of December 31, 2013. The increases in these product lines were offset in part by decreases in other components of our commercial loan portfolio, as we continue to experience pricing pressure and flat loan demand for general commercial lending in our community banking markets.

Our commercial loans of $255.7 million at December 31, 2013 increased $233.3 million from $22.4 million at December 31, 2012, primarily as a result of the loans acquired in the Triumph Community Bank acquisition. We acquired commercial loans totaling $164.7 million in the Triumph Community Bank acquisition on October 15, 2013. These loans included general commercial and industrial loans, equipment loans, asset-based loans, and assignments of syndicated national credits. These loans augmented our existing commercial loans at the time of acquisition, which consisted of the asset-based loans and equipment loans originated under our Triumph Commercial Finance brand, additional commercial loans originated by us at Triumph Savings Bank, and legacy commercial loans acquired by us in the Equity Bank transaction in 2010.

In addition to the growth in our commercial loan portfolio attributable to the loans acquired in the Triumph Community Bank acquisition, we also experienced significant organic growth in our commercial loan portfolio, particularly with respect to the asset-based loans and equipment loans originated under our Triumph Commercial Finance brand, as we grew these businesses from de novo startup operations. These loans were $77.3 million in aggregate as of December 31, 2013 compared to $6.1 million in aggregate as of December 31, 2012.

Factored Receivables. Our factored receivables were $129.5 million at March 31, 2014, an increase of $12.1 million from $117.4 million at December 31, 2013. Our factored receivables of $117.4 million at December 31, 2013 increased $41.7 million, or 55%, from $75.7 million at December 31, 2012. The growth across all periods was primarily due to execution of growth strategy and continued strength in our target markets, particularly in the transportation sector.

Other Loans. Our portfolio also includes real estate loans secured by farmland, consumer loans and mortgage warehouse loans. All of these categories of loans were less than 3% of our total loan portfolio as of March 31, 2014, December 31, 2013 and December 31, 2012.

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The following tables set forth the contractual maturities, including scheduled principal repayments, of our loan portfolio and the distribution between fixed and floating interest rate loans as of March 31, 2014 and December 31, 2013.

	March 31, 2014			
(Dollars in thousands)	One Year or Less	After One but within Five Years	After Five Years	Total
Commercial real estate	$ 50,526	$ 179,927	$ 38,235	$268,688
Construction, land development, land	23,934	12,209	3,087	39,230
Residential real estate	16,864	29,784	32,894	79,542
Farmland	2,456	12,128	5,530	20,114
Commercial	87,104	132,431	15,451	234,986
Factored receivables	129,531	—	—	129,531
Consumer	3,832	7,766	1,917	13,515
Mortgage warehouse	14,886	—	—	14,886
	$ 329,133	$ 374,245	$ 97,114	$800,492
Sensitivity of loans to changes in interest rates:				
Predetermined (fixed) interest rates		$ 271,458	27,238	
Floating interest rates		102,787	69,876	
Total		$ 374,245	$ 97,114	

	December 31, 2013			
(Dollars in thousands)	One Year or Less	After One but within Five Years	After Five Years	Total
Commercial real estate	$ 61,607	$ 219,100	$ 50,564	$331,271
Construction, land development, land	17,862	15,729	4,035	37,626
Residential real estate	19,779	32,358	39,164	91,301
Farmland	1,640	12,881	5,773	20,294
Commercial	108,131	129,517	18,007	255,655
Factored receivables	117,370	—	—	117,370
Consumer	3,928	7,848	2,102	13,878
Mortgage warehouse	13,513	—	—	13,513
	$ 343,830	$ 417,433	$119,645	$880,908
Sensitivity of loans to changes in interest rates:				
Predetermined (fixed) interest rates		302,355	37,691	
Floating interest rates		115,078	81,954	
Total		$ 417,433	$119,645	

As of March 31, 2014, most of the Company’s business activity is with customers located within certain states. The states of Illinois (34%), Iowa (16%) and Texas (14%) make up 64% of the Company’s gross loans. Therefore, the Company’s exposure to credit risk is significantly affected by changes in the economies in these states.

Further, a significant majority (95%) of our factored receivables, representing approximately 16% of our total loan portfolio as of March 31, 2014, are receivables purchased from trucking fleets and owner-operators in the transportation industry. Although such concentration may cause our future interest income with respect to our factoring operations to be correlated with demand for the transportation industry in the United States generally,

and small-to-mid-sized operators in such industry specifically, we feel the credit risk with respect to our outstanding portfolio is appropriately mitigated as we limit the amount of receivables acquired from individual debtors thereby achieving diversification across a number of companies and industries.

In addition, large credit relationships greater than $10 million represent 17% of the Company's gross loans while credit relationships between $5 million and $10 million represent 16% of the Company's gross loans. There are no significant concentrations of these loans to any one industry.

As of March 31, 2014, loans to our ten largest individual borrowers ranged from $10.6 million to $29.7 million (including unfunded commitments) and comprised 13.8% of our total loans (including unfunded commitments).

Nonperforming Assets

We have established procedures to assist us in maintaining the overall quality of our loan portfolio. In addition, we have adopted underwriting guidelines to be followed by our lending officers and require significant senior management review of proposed extensions of credit exceeding certain thresholds. When delinquencies exist, we rigorously monitor them for any negative or adverse trends. Our loan review procedures include approval of lending policies and underwriting guidelines by the Board of Directors of our bank subsidiaries, independent loan review, approval of large credit relationships by our bank subsidiaries' Management Loan Committees and loan quality documentation procedures. We, like other financial institutions, are subject to the risk that our loan portfolio will be subject to increasing pressures from deteriorating borrower credit due to general economic conditions.

The accrual of interest income on loans is discontinued at the time the loan is 90 days delinquent unless the loan is well-secured and in process of collection, or at an earlier date if full collection of interest or principal becomes doubtful. Past due status is based on the contractual terms of the loan. In all cases, loans are placed on nonaccrual or charged-off at an earlier date if collection of principal or interest is considered doubtful. All interest accrued but not received for a loan placed on nonaccrual is excluded from interest income. Interest received on these loans is accounted for on the cash-basis or cost recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured. We had $10.5 million, $12.4 million and $10.1 million in loans on nonaccrual status as of March 31, 2014, December 31, 2013, and December 31, 2012, respectively. As of March 31, 2014, we have $21.4 million of loans internally classified as either substandard or special mention that are not on nonaccrual status.

Our loans on nonaccrual status increased from December 31, 2012 to December 31, 2013 by $2.3 million on a net basis. This net increase is a result of the nonaccrual loans acquired in the Triumph Community Bank acquisition offset by the reduction in nonaccrual loans at Triumph Savings Bank during this time period. Nonaccrual loans acquired from Triumph Community Bank as of December 31, 2013 were $3.2 million. Nonaccrual loans at Triumph Savings Bank declined from $10.1 million as of December 31, 2012 to $9.2 million at the end of 2013, as a result of collections of loans by means of foreclosures and reductions in nonperforming loans by other means, including payoffs. Nonaccrual loans declined $1.9 million from December 31, 2013 to March 31, 2014, comprised of a decline of $1.9 million at Triumph Savings Bank.

OREO acquired as a result of foreclosure or as part of an acquisition are held for sale and are initially recorded at fair value less estimated cost to sell at the date of acquisition, establishing a new cost basis. Subsequent to foreclosure, valuations are periodically performed by management and the assets are carried at the lower of carrying amount or fair value less cost to sell. At the time of acquisition of properties not acquired as part of an acquisition, losses are charged against the ALLL, and gains are realized to the extent fair value exceeds the carrying amount of the foreclosed loan. Improvements to the value of the properties are capitalized, but not in excess of the net realizable value of the property.

We obtain appraisals or other valuations of real property and other collateral which secure loans, and may update these valuations of collateral securing loans categorized as nonperforming loans and potential problem loans. In instances where updated valuations reflect reduced collateral values, an evaluation of the borrower's overall financial condition is made to determine the need, if any, for possible write-downs or appropriate additions to the ALLL.

Our OREO as of March 31, 2014 totaled $13.6 million, a decrease of $0.2 million from the $13.8 million as of December 31, 2013. The OREO as of December 31, 2013 was an increase of $9.1 million over $4.7 million as of December 31, 2012, primarily attributable to assets acquired in the Triumph Community Bank acquisition.

The following table sets forth the allocation of our nonperforming assets among our different asset categories as of the dates indicated. We classify nonperforming loans as nonaccrual loans, loans modified under restructurings as a result of the borrower experiencing financial difficulties, and OREO. The balances of nonperforming loans reflect the recorded investment in these assets, including deductions for purchase discounts.

Nonperforming Assets

(Dollars in thousands)	At March 31, 2014	At December 31, 2013	At December 31, 2012
Nonaccrual loans:			
Commercial real estate	$ 3,896	$ 5,417	$ 4,086
Construction, land development, land	—	—	—
Residential real estate	1,320	1,392	722
Farmland	—	—	—
Commercial	5,269	5,494	5,267
Factored receivables	58	89	—
Consumer	—	—	—
Mortgage Warehouse	—	—	—
Total nonaccrual loans	10,543	12,392	10,075
OREO acquired through foreclosure, net	13,575	13,783	4,749
Total nonperforming assets	$ 24,118	$26,175	$14,824
Nonperforming assets to total assets	1.86%	2.03%	4.92%
Nonaccrual loans to total loans	1.32%	1.41%	4.77%
Total past due loans to total loans	2.99%	2.78%	6.81%
Accruing loans 90 days or more past due	237	79	64

Allowance for Loan and Lease Losses

ALLL is a valuation allowance for probable incurred credit losses. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance. Management estimates the allowance balance required using past loan loss experience, the nature and volume of the portfolio, information about specific borrower situations and estimated collateral values, economic conditions and other factors. Allocations of the allowance may be made for specific loans, but the entire allowance is available for any loan that, in management's judgment, should be charged off.

The allowance consists of specific and general components. The specific component relates to loans that are individually classified as impaired when, based on current information and events, it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the loan agreement. Loans for which the terms have been modified resulting in a concession, and for which the borrower is experiencing financial difficulties, are considered troubled debt restructurings ("TDRs") and classified as impaired.

Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed.

All loans are subject to being individually evaluated for impairment. If a loan is impaired, a portion of the allowance is allocated so that the loan is reported, net, at the present value of estimated future cash flows using the loan's existing rate or at the fair value of collateral if repayment is expected solely from the collateral. Large groups of smaller balance homogeneous loans are collectively evaluated for impairment, and accordingly, they are not separately identified for impairment disclosures.

TDRs are separately identified for impairment disclosures and are measured at the present value of estimated future cash flows using the loan's effective rate at inception. If a TDR is considered to be a collateral dependent loan, the loan is reported, net, at the fair value of the collateral. For TDRs that subsequently default, the Company determines the amount of reserve in accordance with the accounting policy for the ALLL.

The general component covers non-impaired loans and is based on historical loss experience adjusted for current factors. The historical loss experience is determined by portfolio segment and is based on the actual loss history experienced by the Company since acquisition. This actual loss experience is supplemented with other economic factors based on the risks present for each portfolio segment. These economic factors include consideration of the following: levels of and trends in delinquencies and impaired loans; levels of and trends in charge-offs and recoveries; trends in volume and terms of loans; effects of any changes in risk selection and underwriting standards; other changes in lending policies, procedures, and practices; experience, ability, and depth of lending management and other relevant staff; national and local economic trends and conditions; industry conditions; and effects of changes in credit concentrations.

Analysis of the Allowance for Loan and Lease Losses

The following table sets forth the ALLL by category of loan:

	March 31, 2014			December 31, 2013			December 31, 2012		
(Dollars in thousands)	Allocated Allowance	% of Loan Portfolio	ALLL to Loans	Allocated Allowance	% of Loan Portfolio	ALLL to Loans	Allocated Allowance	% of Loan Portfolio	ALLL to Loans
Balance at end of each period applicable to:									
Commercial real estate	$ 402	33.6%	0.15%	$ 348	37.6%	0.11%	$ 261	49.4%	0.25%
Construction, land development, land	194	4.9%	0.49%	110	4.3%	0.29%	40	1.9%	1.01%
Residential real estate	203	9.9%	0.26%	100	10.4%	0.11%	227	1.9%	5.56%
Farmland	7	2.5%	0.03%	7	2.3%	0.03%	5	0.4%	0.64%
Commercial	1,519	29.4%	0.65%	1,145	29.0%	0.45%	172	10.6%	0.77%
Factored receivables	2,173	16.2%	1.68%	1,842	13.3%	1.57%	1,221	35.8%	1.61%
Consumer	75	1.7%	0.55%	49	1.6%	0.35%	—	0.00%	0.00%
Mortgage Warehouse	58	1.9%	0.39%	44	1.5%	0.33%	—	0.00%	0.00%
Total Loans	$ 4,631	100.00%	0.58%	$ 3,645	100.00%	0.41%	$ 1,926	100.00%	0.91%

Purchased loans are recorded at fair value at the date of acquisition without carryover of the seller's ALLL. Therefore we maintain an ALLL on purchased loans based on credit deterioration subsequent to the acquisition date. Our ALLL as of December 31, 2012 was $1.9 million or 0.91% of total loans. Total loans as of that date

were $211.2 million, which generally consists of $93.9 million of legacy loans purchased from Equity Bank in November 2010, $72.4 million of factored accounts receivable outstanding in our factoring subsidiary, and $44.9 million of new loans originated by Triumph Savings Bank since the acquisition of Equity Bank. As of December 31, 2012 we had established an ALLL of (i) $289,000, or 0.31%, of the legacy Equity Bank portfolio to account for estimated credit deterioration since acquisition, (ii) $1.2 million, or 1.62% on factored accounts receivable, and (iii) $461,000, or 1.03%, on new loans originated by Triumph Savings Bank since November 2010. Due to the fact that much of the new lending since November 2010 involved new products without significant historical loss experience available to the company, management made estimates of the amount of needed allowance on these loans based on the experience of the lending teams hired to build these lending programs and peer analysis.

From December 31, 2012 to December 31, 2013, we increased our ALLL from $1.9 million to $3.6 million, while for the same year over year period the ALLL as a percentage of total loans decreased from 0.91% to 0.41%. The increase in the dollar amount of the ALLL was largely driven by continued growth in the outstanding balance of both the gross receivables in the factored accounts receivable portfolio owned by our factoring subsidiary which increased to $88.9 million, and new loans originated by Triumph Savings Bank. The new loans originated by Triumph Savings Bank totaled $112.0 million, with an ALLL of $1.1 million or 0.99% at the end of 2013. The decrease in the ALLL as a percentage of total loans is materially due to the addition of the purchased loan portfolio of Triumph Community Bank in October 2013, which totaled $594.6 million at the end of 2013 with none of the seller's related ALLL carried over in purchase accounting.

From December 31, 2013 to March 31, 2014, the ALLL increased from $3.6 million or 0.41% of total loans to $4.6 million and 0.58% of total loans. The increase was principally driven by an increase in the Company's allowance for collectively evaluated loans. The allowance associated with collectively evaluated loans increased to $4.1 million at March 31, 2014 from $3.2 million at December 31, 2013. The increase was driven by growth in factored receivables as well as changes in the mix of collectively evaluated loans. Additionally, non-purchased credit impaired loans acquired in the Triumph Community Bank acquisition that matured and were renewed during the quarter, which previously maintained discounts associated with fair value adjustments recorded at acquisition, required allowance allocations.

The following table presents the unpaid principal and recorded investment for loans at March 31, 2014. The difference between the unpaid principal balance and recorded investment is principally associated with (1) previous charge-offs and (2) premiums and discounts associated with acquired loans. The net difference can provide protection from credit loss in addition to the ALLL as future potential charge-offs for an individual loan is limited to the recorded investment plus unpaid accrued interest.

(Dollars in thousands)

As of March 31, 2014	Recorded Investment	Unpaid Principal	Net
Real estate:			
Commercial real estate	$268,688	$286,122	$(17,424)
Construction, land development, land	39,230	41,567	(2,337)
Residential real estate	79,542	83,842	(4,300)
Farmland	20,114	19,981	133
Total real estate	407,574	431,502	(23,928)
Commercial	234,986	238,148	(3,162)
Factored receivables	129,531	130,451	(920)
Consumer	13,515	13,611	(96)
Mortgage warehouse	14,886	14,886	—
	$800,492	$828,598	$(28,106)

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At March 31, 2014, December 31, 2013 and 2012, we had on deposit $10.4 million, $10.7 million and $6.0 million, respectively, of customer reserves associated with factored receivables. These deposits represent customer reserves held to settle any payment disputes or collection shortfalls and are reported as deposits on our consolidated balance sheets.

The following table provides an analysis of the provisions for loan losses, net charge-offs and recoveries for the years ended December 31, 2013 and 2012, and for the three months ended March 31, 2014 and 2013, and the effects of those items on our ALLL:

	Three Months Ended		Years Ended	
	March 2014	March 2013	December 2013	December 2012
(Dollars in thousands)				
Balance at beginning of year	$ 3,645	$ 1,926	$ 1,926	$ 423
Loans charged-off:				
Commercial real estate	—	(40)	(156)	(169)
Construction, land development, land	—	—	—	—
Residential real estate	(145)	(38)	(94)	(116)
Farmland	—	—	—	(48)
Commercial	(12)	—	(1,515)	—
Factored receivables	(40)	(42)	(226)	(212)
Consumer	(141)	—	(113)	—
Mortgage warehouse	—	—	—	—
Total loans charged-off	$ (338)	$ (120)	$ (2,104)	$ (545)
Recoveries of loans charged-off:				
Commercial real estate	1	—	129	37
Construction, land development, land	—	—	12	—
Residential real estate	99	2	133	107
Farmland	—	—	—	—
Commercial	212	4	14	111
Factored receivables	14	23	64	53
Consumer	73	—	59	1
Mortgage warehouse	—	—	—	—
Total loans recoveries	$ 399	$ 29	$ 411	$ 309
Net loans charged-off	$ 61	$ (91)	$ (1,693)	$ (236)
Provision for (reversal of) loan losses:				
Commercial real estate	53	223	114	359
Construction, land development, land	84	(40)	58	40
Residential real estate	149	(75)	(166)	104
Farmland	—	—	2	53
Commercial	174	164	2,474	61
Factored receivables	357	107	783	1,380
Consumer	94	—	103	(1)
Mortgage warehouse	14	—	44	—
Unallocated	—	—	—	(257)
Total provision for (reversal of) loan losses	$ 925	$ 379	$ 3,412	$ 1,739
Balance at end of year	$ 4,631	$ 2,214	$ 3,645	$ 1,926
Average total loans	$ 865,268	$ 217,766	$ 376,797	$ 199,336
Net charge-offs to average loans outstanding	–0.01%	0.04%	0.45%	0.12%
Allowance to total loans	0.58%	0.95%	0.41%	0.91%

Net loans charged off for the year ended December 31, 2013 were $1.7 million, up from $0.2 million for the year ended December 31, 2012. During 2013, the significant increase was due primarily to a loss incurred on a $1.5 million charge off on a floor plan loan. Net loans charged off for the three-month periods ended March 31, 2014 and 2013 were at modest levels of a net recovery of $61 thousand and net charge off of $91 thousand, respectively.

Assets Held for Sale

At March 31, 2014 and December 31, 2013, loans held for sale were $4.9 million and $5.4 million, respectively. At March 31, 2014 we held approximately $88.7 million of branch assets expected to be sold upon sale of our Pewaukee, Wisconsin branch that we reclassified as Branch Assets Held for Sale from Loans Held for Investment during the March 31, 2014 quarter. Of the $88.7 million now classified as Branch Assets Held for Sale, $86.4 million was composed of loans. Loan sales of $12.2 million and zero dollars occurred during the three months ended March 31, 2014 and 2013, respectively, and resulted in recognized gains on sale of $0.3 million and zero dollars in the respective periods. Loan sales of $15.3 million occurred during the year ended December 31, 2013 and resulted in recognized gains on sale of $0.9 million, compared with the year ended December 31, 2012 sales of $4.0 million that resulted in recognized gains on sale of $0.1 million. At March 31, 2014 and December 31, 2013, no loans held for sale or branch assets held for sale were on nonaccrual status.

Securities

Our investment strategy is oriented towards maintaining liquidity in securities with minimal credit risk. As of March 31, 2014, we have one investment classified as held to maturity with an amortized cost of $0.7 million. The remaining $164.5 million, or 99.6% of our investments, are classified as available for sale and can be used for pledging to secure FHLB advances, borrowings on public deposits, or can be sold to meet liquidity needs.

The following tables set forth the amortized cost and average yield of our securities, by type and contractual maturity as of March 31, 2014 and December 31, 2013 and 2012:

	Maturity as of March 31, 2014									
	1 Year or Less		1 to 5 Years		5 to 10 Years		Over 10 Years		Total	
(Dollars in thousands)	Amortized Cost	Average Yield	Amortized Cost	Average Yield	Amortized Cost	Average Yield	Amortized Cost	Average Yield	Amortized Cost	Average Yield
U.S. Government agency obligations	$ —	—	$ 66,576	1.05%	$ 16,856	2.27%	$ 1,676	0.46%	$ 85,108	1.29%
Mortgage-backed securities	—	—	148	1.89%	2,503	1.96%	28,753	2.33%	31,404	2.30%
Asset-backed securities	—	—	—	—	4,846	1.17%	13,915	1.83%	18,761	1.66%
State and municipal	1,339	1.29%	3,709	2.16%	1,909	3.22%	1,250	4.40%	8,207	2.60%
Corporate bonds	1,499	0.65%	17,267	1.52%	1,371	1.95%	671	5.82%	20,808	1.62%
Trust preferred	—	—	—	—	—	—	—	—	—	—
SBA pooled securities	1	1.24%	9	1.79%	178	2.24%	41	2.75%	229	2.31%
Total securities available for sale	$ 2,839	0.95%	$ 87,709	1.19%	$ 27,663	2.10%	$ 46,306	2.21%	$ 164,517	1.63%
Security held-to-maturity	$ 150	1.70%	$ 594	2.16%	$ —	—	$ —	—	$ 744	2.07%

(Dollars in thousands)	Maturity as of December 31, 2013									
	1 Year or Less		1 to 5 Years		5 to 10 Years		Over 10 Years		Total	
	Amortized Cost	Average Yield	Amortized Cost	Average Yield	Amortized Cost	Average Yield	Amortized Cost	Average Yield	Amortized Cost	Average Yield
U.S. Government agency obligations	$ 18,060	0.29%	$ 61,714	1.00%	$ 14,341	2.35%	$ 1,852	0.47%	$ 95,967	1.07%
Mortgage-backed securities	—	—	933	1.91%	5,139	2.17%	29,859	2.33%	35,931	2.30%
Asset-backed securities	—	—	—	—	4,838	1.17%	13,973	1.88%	18,811	1.70%
State and municipal	1,601	1.14%	4,048	2.13%	2,089	3.20%	1,251	4.40%	8,989	2.51%
Corporate bonds	1,498	0.66%	17,280	1.52%	1,368	1.96%	671	5.82%	20,817	1.63%
Trust preferred	—	—	—	—	—	—	3,706	2.37%	3,706	2.37%
SBA pooled securities	2	1.42%	9	1.79%	95	2.50%	138	2.68%	244	2.57%
Total securities available for sale	$ 21,161	1.00%	$ 83,984	1.17%	$ 27,869	2.15%	$ 51,451	2.24%	$ 184,465	1.53%
Security held-to-maturity	$ 150	1.71%	$ 593	2.16%	$ —	—	$ —	—	$ 743	2.07%

(Dollars in thousands)	Maturity as of December 31, 2012									
	1 Year or Less		1 to 5 Years		5 to 10 Years		Over 10 Years		Total	
	Amortized Cost	Average Yield	Amortized Cost	Average Yield	Amortized Cost	Average Yield	Amortized Cost	Average Yield	Amortized Cost	Average Yield
U.S. Government agency obligations	$ —	—	$ —	—	$ —	—	$ 2,909	0.52%	$ 2,909	0.52%
Mortgage-backed securities	—	—	—	—	2,607	0.84%	35,112	2.19%	37,719	2.10%
Corporate bonds	—	—	—	—	1,351	2.05%	672	5.82%	2,023	3.18%
SBA pooled securities	1	2.13%	30	1.75%	27	1.94%	245	2.64%	303	2.48%
Total securities available for sale	$ 1	2.13%	30	1.75%	$ 3,985	1.30%	$ 38,938	2.13%	$ 42,954	2.05%

The following table sets forth the amortized cost, fair value adjustment and yield for the securities classified as available for sale, by security type as of March 31, 2014 and December 31, 2013 and 2012:

(Dollars in thousands)	March 31, 2014	Yield to Maturity	December 31, 2013	Yield to Maturity	December 31, 2012	Yield to Maturity
U.S. Government agency obligations	$ 85,108	1.29%	$ 95,967	1.07%	$ 2,909	0.52%
Mortgage-backed securites	31,404	2.05%	35,931	2.30%	37,719	2.10%
Asset-backed securities	18,761	1.66%	18,811	2.51%	—	—
State and municipal	8,207	2.60%	8,989	2.51%	—	—
Corporate bonds	20,808	1.62%	20,817	1.63%	2,023	3.18%
Trust preferred	—	—	3,706	2.37%	—	—
SBA pooled securities	229	2.31%	244	2.57%	303	2.48%
Total available for sale before market adjustment	164,517	1.63%	184,465	1.53%	42,954	2.05%
Unrealized gain	759		189		691	
Total securities available for sale	$165,276		$ 184,654		$ 43,645	

We held $165.3 million in securities classified as available for sale as of March 31, 2014, a decrease of $19.4 million, or 10.5%, from $184.7 million at December 31, 2013. This decrease is attributable to normal portfolio management activities, with the net reduction being utilized for general liquidity purposes as overall loan portfolio growth has continued.

We held $184.7 million in securities classified as available for sale as of December 31, 2013, an increase of $141.1 million, or 323.6%, from $43.6 million at December 31, 2012. This increase was a result of $159.7 million in securities assumed in the Triumph Community Bank acquisition, followed by reductions of our overall securities holdings during the balance of 2013 as part of the ordinary course of operations.

Liabilities

Our total liabilities were $1.1 billion as of March 31, 2014, materially unchanged from December 31, 2013. Though the balance remained constant, the composition of our liabilities shifted somewhat during the quarter, as a $6.3 million increase in customer repurchase agreements was offset by a $6.0 million decrease in other liabilities. The decrease in other liabilities was due mainly to the payment of accrued interest and dividends on subordinated debt and TARP preferred stock.

Our total liabilities were $1.1 billion as of December 31, 2013, an increase of $890.0 million, or 374.0%, over $238.0 million as of December 31, 2012, primarily due to liabilities acquired or assumed in connection with the Triumph Community Bank acquisition, including deposit liabilities of $793.3 million, customer repurchase agreements of $19.9 million, FHLB advances of $5.0 million, junior subordinated debentures of $24.1 million, other liabilities of $15.3 million, and a senior secured note of $11.9 million at December 31, 2013.

Deposits

Deposits represent our primary source of funds. We acquired a $793.3 million deposit franchise in connection with the Triumph Community Bank acquisition, which reoriented our deposit mix towards lower-cost transactional deposits and away from higher-cost time deposits. We intend to continue to focus on growth in transactional deposit accounts as part of our growth strategy, both in our existing branch networks and through targeted acquisitions.

Our total deposits were $1.1 billion as of March 31, 2014, materially unchanged from December 31, 2013. As of March 31, 2014, interest-bearing demand deposits, noninterest-bearing deposits, money market deposits and savings deposits accounted for 55.3% of our total deposits, while individual retirement accounts and certificates of deposit made up 44.7% of total deposits. The average cost of interest-bearing deposits was 50 basis points for the quarter on an annualized basis.

Our total deposits were $1.0 billion as of December 31, 2013, an increase of $774.3 million, or 343.1%, over $225.7 million as of December 31, 2012. Noninterest-bearing, interest-bearing demand, money market deposits and savings deposits accounted for 55.2% of our total deposits as of December 31, 2013, compared with 15.0% as of December 31, 2012. Individual retirement accounts and certificates of deposit made up 44.8% of total deposits as of December 31, 2013, compared with 85.0% as of December 31, 2012. The average cost of interest-bearing deposits was 0.92% per annum for fiscal 2013 compared with 1.57% for fiscal 2012. All of these shifts reflect the acquisition of the Triumph Community Bank deposit franchise in October 2013, which added $793.3 million in deposits, of which 17% were noninterest-bearing and 83% were money market deposits and savings deposits with a lower relative cost than our other types of deposits.

The following table summarizes our average deposit balances and weighted average rates as of the three-month periods ended March 31, 2014 and the years ended December 31, 2013 and 2012:

	Three Months Ended March 31, 2014			For the Year Ended December 31, 2013			For the Year Ended December 31, 2012		
(Dollars in thousands)	Average Balance	Weighted Avg Yields	% of Total	Average Balance	Weighted Avg Yields	% of Total	Average Balance	Weighted Avg Yields	% of Total
Deposits:									
Noninterest-bearing demand	$ 143,808	0.00%	14%	$ 34,659	0.00%	8%	$ 8,395	0.00%	4%
Interest-bearing demand	206,230	0.06%	20%	44,116	0.05%	10%	—	0.00%	0%
Individual retirement accounts	53,295	1.07%	5%	34,568	1.62%	8%	28,222	1.97%	13%
Money market	144,656	0.23%	14%	58,911	0.26%	14%	27,439	0.61%	12%
Savings	71,944	0.05%	7%	14,925	0.05%	4%	—	0.00%	0%
Time	356,135	0.90%	34%	221,538	1.25%	53%	157,192	1.67%	71%
Other brokered funds	58,436	0.39%	6%	12,586	0.44%	3%	—	0.00%	0%
Total	$1,034,504	0.43%	100%	$421,303	0.84%	100%	$221,248	1.51%	100%

The following table provides information on the maturity distribution of time deposits of $100,000 or more as of the three-month period ended March 31, 2014 and the year ended December 31, 2013:

(Dollars in thousands)	March 31, 2014	December 31, 2013
Maturity		
3 months or less	$ 68,489	$ 16,167
Over 3 through 6 months	50,107	68,146
Over 6 through 12 months	45,029	71,723
Over 12 months	57,515	63,350
	$221,140	$ 219,386

Short-Term Borrowings

Customer Repurchase Agreements

Our customer repurchase agreements have maturities that fall within two years. We held no customer repurchase agreements prior to the Triumph Community Bank acquisition. Customer repurchase agreements outstanding totaled $17.7 million at March 31, 2014, which was also the maximum amount outstanding of these agreements at any month end during the quarter. Customer repurchase agreements outstanding totaled $11.3 million at December 31, 2013, and the maximum amount outstanding of these agreements at any month end during the last two and one-half months of the fiscal year following the Triumph Community Bank acquisition was $21.7 million.

FHLB Advances

As part of our overall funding and liquidity management program, from time to time we borrow from the Federal Home Loan Banks of Dallas and Des Moines (“FHLB”). Our FHLB advances are collateralized by assets, including a blanket pledge of certain loans. Generally, our FHLB borrowings are short term in nature, maturing within one month. Our FHLB borrowings totaled $20.8 million as of March 31, 2014, $21.0 million as of December 31, 2013 and $10.5 million as of December 31, 2012. The $10.5 million increase in borrowings during fiscal year 2013 resulted from our assumption of $5.0 million in FHLB advances as a part of the Triumph Community Bank acquisition, with the remainder reflecting increased advances to fund growth in the ordinary course of our business. As of March 31, 2014 and December 31, 2013 and 2012, we had $111.2 million, $110.3 million and $41.9 million, respectively, in unused and available advances from the FHLB.

The following table provides a summary of our short-term borrowings at the dates indicated:

(Dollars in thousands) **As of and for the period ending:**	**March 31, 2014**	**December 31, 2013**	**December 31, 2012**
Average amount outstanding during the period	$ 18,323	$ 7,919	$ 8,921
Amount outstanding at end of period	20,750	21,000	10,500
Highest month end balance during the period	20,750	25,500	18,500
Weighted average interest rate at end of period	0.08%	0.06%	0.11%
Weighted average interest rate during the period	0.12%	0.12%	0.15%

Long-Term Debt

Senior Secured Note

In conjunction with the financing of the Triumph Community Bank acquisition, we entered into a secured note payable to an unaffiliated bank, secured by the common stock of Triumph Community Bank and Triumph Savings Bank. The note had an outstanding principal balance of $12.3 million and $12.6 million as of March 31, 2014 and December 31, 2013, respectively. The principal balance is due in full at maturity on October 15, 2018. The note bears interest at a variable rate based at the prime rate with a minimum interest rate of 4.50%, and terms of the note require quarterly principal payments of $0.3 million plus accrued interest. We intend to repay and terminate our senior secured note with the proceeds from the offering as soon as practicable following its consummation. See “Use of Proceeds.”

Junior Subordinated Debentures

NBI, which became our wholly owned subsidiary as part of the Triumph Community Bank acquisition, has two junior subordinated debentures outstanding with a combined face value of $33.0 million. These debentures are unsecured obligations and were issued to two trusts that are unconsolidated subsidiaries of NBI. The trusts in turn issued trust preferred securities with identical payment terms to unrelated investors. The debentures mature in September 2033 and July 2036 and may be called at par plus any accrued but unpaid interest; however, we have no current plans to redeem them prior to maturity. Interest on the debentures is calculated quarterly, based on a rate equal to three month LIBOR plus a weighted average spread of 2.28%. As part of the purchase accounting adjustments made with the Triumph Community Bank acquisition, we adjusted the carrying value of the junior subordinated debentures to fair value as of October 15, 2013. The junior subordinated debentures had a combined carrying value of $24.2 million as of March 31, 2014 and December 31, 2013, and the discount will be amortized through maturity and recognized as a component of interest expense.

The debentures are included on our consolidated balance sheet as liabilities; however, for regulatory purposes, these obligations are eligible for inclusion in regulatory capital, subject to certain limitations. All of the carrying value of $24.2 million was allowed in the calculation of Tier I capital as of March 31, 2014 and December 31, 2013. For more details, see Note 11—“Borrowings and Borrowing Capacity,” of the Notes to Consolidated Financial Statements, shown elsewhere in this prospectus.

We expect to liquidate NBI following the consummation of this offering whereby the Company will assume the junior subordinated debentures.

Capital Resources and Liquidity Management

Capital Resources

Our stockholders’ equity totaled $137.2 million as of March 31, 2014, an increase of $3.6 million from $133.6 million as of December 31, 2013. Stockholders’ equity increased during this period due to net income for the period of $3.7 million, the grant of 4,809 shares of our common stock to our board of directors with a fair

value of $69,971, and the effect of recording stock based compensation. These increases were partially offset during the period by preferred dividends paid on our Series A and Series B preferred stock, Series T-1 and T-2 preferred stock, and Triumph Commercial Finance Class B Units.

Our stockholders' equity totaled $133.6 million as of December 31, 2013, an increase of $77.1 million from $56.5 million as of December 31, 2012. Stockholders' equity increased during this period due to net income for the period of $13.4 million, the issuance of 3,672,115 shares of our common stock for cash of $42.4 million, the issuance of 1,029,045 shares of our common stock in the Triumph Community Bank acquisition at fair value of $11.9 million and the effect of recording stock based compensation. These increases were partially offset during the period by the effect of preferred dividends paid on our Series A and B Preferred Stock, Series T-1 and T-2 preferred stock, and Triumph Commercial Finance Class B Units.

Liquidity Management

We define liquidity as our ability to generate sufficient cash to fund current loan demand, deposit withdrawals, or other cash demands and disbursement needs, and otherwise to operate on an ongoing basis.

We manage liquidity at the holding company level as well as that of our bank subsidiaries. The management of liquidity at both levels is critical, because the holding company and our bank subsidiaries have different funding needs and sources, and each are subject to regulatory guidelines and requirements which require minimum levels of liquidity. We believe that our liquidity ratios meet or exceed those guidelines and our present position is adequate to meet our current and future liquidity needs.

Our liquidity requirements are met primarily through cash flow from operations, receipt of pre-paid and maturing balances in our loan and investment portfolios, debt financing and increases in customer deposits. Our liquidity position is supported by management of liquid assets and liabilities and access to other sources of funds. Liquid assets include cash, interest-bearing deposits in banks, federal funds sold, securities available for sale and maturing or prepaying balances in our investment and loan portfolios. Liquid liabilities include core deposits, federal funds purchased, securities sold under repurchase agreements and other borrowings. Other sources of funds include the sale of loans, brokered deposits, the issuance of additional collateralized borrowings such as FHLB advances, the issuance of debt securities, borrowings through the Federal Reserve's discount window and the issuance of common securities. For additional information regarding our operating, investing and financing cash flows, see the Consolidated Statements of Cash Flows provided in our consolidated financial statements.

In addition to the liquidity provided by the sources described above, our subsidiary banks maintain correspondent relationships with other banks in order to sell loans or purchase overnight funds should additional liquidity be needed. As of March 31, 2014, Triumph Savings Bank had unsecured federal funds lines of credit with an unaffiliated bank totaling $8.0 million, and Triumph Community Bank had unsecured federal funds lines of credit with five unaffiliated banks totaling $75.0 million, with no amounts advanced against those lines at that time.

Regulatory Capital Requirements

Our capital management consists of providing equity to support our current and future operations. We are subject to various regulatory capital requirements administered by federal and state banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company's, Triumph Savings Bank's or Triumph Community Bank's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company, Triumph Savings Bank and Triumph Community Bank each must meet specific capital guidelines that involve quantitative measures of their assets, liabilities and certain off balance sheet items as calculated under regulatory accounting practices. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

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Quantitative measures established by regulations to ensure capital adequacy require the Company, Triumph Savings Bank and Triumph Community Bank to maintain minimum amounts and ratios of total and Tier 1 capital to risk weighted assets, and of Tier 1 capital to average assets. These amounts and ratios as of March 31, 2014 are set forth in the table below.

In conjunction with the acquisitions of Triumph Savings Bank and Triumph Community Bank, we also made further commitments to maintain certain capital levels. With regard to Triumph Savings Bank, we made certain commitments to the Federal Reserve Bank, including to maintain Triumph Savings Bank's leverage capital ratio (Tier 1 capital to average assets) at no less than 12.0% until January 1, 2015. In the case of Triumph Community Bank, we have agreed to maintain a minimum Tier 1 capital to average assets ratio of 8.0% of adjusted average assets and total risk-based ratio of 10.0%.

(Dollars in thousands)	Actual		To Be Adequately Capitalized Under Prompt Corrective Action Provisions		To Be Well Capitalized Under Prompt Corrective Action Provisions	
As of March 31, 2014	**Amount**	**Ratio**	**Amount**	**Ratio**	**Amount**	**Ratio**
Total capital (to risk weighted assets)						
Triumph Bancorp, Inc.	$150,991	14.8%	³ $ 81,617	³ 8.0%	N/A	N/A
Triumph Savings Bank, SSB	$ 53,124	16.9%	³ $ 25,147	³ 8.0%	³ $ 31,434	³ 10.0%
Triumph Community Bank, N.A.	$ 94,329	13.5%	³ $ 55,899	³ 8.0%	³ $ 69,873	³ 10.0%
Tier 1 capital (to risk weighted assets)						
Triumph Bancorp, Inc.	$146,285	14.3%	³ $ 40,919	³ 4.0%	N/A	N/A
Triumph Savings Bank, SSB	$ 49,935	15.9%	³ $ 12,562	³ 4.0%	³ $ 18,843	³ 6.0%
Triumph Community Bank, N.A	$ 92,813	13.3%	³ $ 27,914	³ 4.0%	³ $ 41,871	³ 6.0%
Tier 1 capital (to average assets)						
Triumph Bancorp, Inc.	$146,285	11.9%	³ $ 49,171	³ 4.0%	N/A	N/A
Triumph Savings Bank, SSB	$ 49,935	14.1%	³ $ 14,166	³ 4.0%	³ $ 17,707	³ 5.0%
Triumph Community Bank, N.A	$ 92,813	10.9%	³ $ 34,060	³ 4.0%	³ $ 42,575	³ 5.0%

As of March 31, 2014, Triumph Savings Bank's and Triumph Community Bank's capital ratios exceeded those levels necessary to be categorized as "well capitalized" under the regulatory framework for prompt corrective action. To be categorized as "well capitalized" they must maintain minimum total risk based, Tier 1 risk based, and Tier 1 leverage ratios as set forth in the table. At March 31, 2014, the most recent notification categorized Triumph Savings Bank and Triumph Community Bank as "well capitalized" under the regulatory framework for prompt corrective action. There are no conditions or events since March 31, 2014 that management believes would change either institution's category.

Contractual Obligations

The following table summarizes our contractual obligations and other commitments to make future payments as of March 31, 2014 excluding purchase accounting adjustments for our junior subordinated debentures and deposits. The amount of the obligations presented in the table reflects principal amounts only and excludes the amount of interest we are obligated to pay. Also excluded from the table are a number of obligations to be settled in cash. These excluded items are reflected in our consolidated balance sheet and include deposits with no stated maturity, trade payables, accrued interest payable and securities sold under repurchase agreements.

	Payments Due by Period – March 31, 2014				
(Amounts in thousands)	Total	Less Than 1 Year	1 – 3 Years	4 – 5 Years	After 5 Years
Contractual Obligations:					
Customer repurchase agreements	$ 17,670	$ 17,670	$ —	$ —	$ —
FHLB advances	20,750	20,750	—	—	—
Senior secured note	12,259	1,257	2,515	8,487	—
Junior subordinated debentures	32,990	—	—	—	32,990
Operating lease agreements	10,742	1,522	3,228	1,563	4,429
Time deposits with stated maturity dates	469,730	322,728	124,497	22,505	—
Total contractual obligations	$564,141	$363,927	$130,240	$ 32,555	$37,419

Off Balance Sheet Arrangements

In the normal course of business, we enter into various transactions, which, in accordance with GAAP, are not included in our consolidated balance sheets. We enter into these transactions to meet the financing needs of our customers. These transactions include commitments to extend credit and standby and commercial letters of credit, which involve, to varying degrees, elements of credit risk and interest rate risk in excess of the amounts recognized in the consolidated balance sheets.

The following table details our commitments associated with outstanding standby and commercial letters of credit and commitments to extend credit. Since commitments associated with letters of credit and commitments to extend credit may expire unused, the amounts shown do not necessarily reflect actual future cash funding requirements.

(Dollars in thousands)	March 31, 2014	December 31, 2013
Other Commitments:		
Commitments to make loans	$ 29,998	$ 12,260
Unused lines of credit	158,135	138,367
Standby letters of credit	3,966	4,044
Total other commitments	$192,099	$ 154,671

Asset/Liability Management and Interest Rate Risk

The principal objective of our asset and liability management function is to evaluate the interest rate risk within the balance sheet and pursue a controlled assumption of interest rate risk while maximizing net income and preserving adequate levels of liquidity and capital. The Board of Directors of each of our subsidiary banks has oversight of our asset and liability management function, which is managed by our Chief Financial Officer. Our Chief Financial Officer meets with our senior executive management team regularly to review, among other things, the sensitivity of our assets and liabilities to market interest rate changes, local and national market conditions and market interest rates. That group also reviews our liquidity, capital, deposit mix, loan mix and investment positions.

As a financial institution, our primary component of market risk is interest rate volatility. Fluctuations in interest rates will ultimately impact both the level of income and expense recorded on most of our assets and liabilities, and the fair value of all interest-earning assets and interest-bearing liabilities, other than those which have a short term to maturity. Interest rate risk is the potential of economic losses due to future interest rate changes. These economic losses can be reflected as a loss of future net interest income and/or a loss of current fair values. The objective is to measure the effect on net interest income and to adjust the balance sheet to minimize the inherent risk while at the same time maximizing income.

We manage our exposure to interest rates primarily by structuring our balance sheet in the ordinary course of business. We do not typically enter into derivative contracts for the purpose of managing interest rate risk, but we may elect to do so in the future. Based upon the nature of our operations, we are not subject to foreign exchange or commodity price risk. We do not own any trading assets.

We use an interest rate risk simulation model to test the interest rate sensitivity of net interest income and the balance sheet. Instantaneous parallel rate shift scenarios are modeled and utilized to evaluate risk and establish exposure limits for acceptable changes in net interest margin. These scenarios, known as rate shocks, simulate an instantaneous change in interest rates and use various assumptions, including, but not limited to, prepayments on loans and securities, deposit decay rates, pricing decisions on loans and deposits, reinvestment and replacement of asset and liability cash flows. We also analyze the economic value of equity as a secondary measure of interest rate risk. This is a complementary measure to net interest income where the calculated value is the result of the fair value of assets less the fair value of liabilities. The economic value of equity is a longer term view of interest rate risk because it measures the present value of all future cash flows. The impact of changes in interest rates on this calculation is analyzed for the risk to our future earnings and is used in conjunction with the analyses on net interest income. The following table summarizes simulated change in net interest income versus unchanged rates as of March 31, 2014 and December 31, 2013:

	March 31, 2014		December 31, 2013	
	Following 12 Months	Months 13-24	Following 12 Months	Months 13-24
+400 basis points	-0.4%	-1.6%	1.5%	0.4%
+300 basis points	-0.3%	-1.1%	0.9%	0.3%
+200 basis points	-0.3%	-0.6%	0.5%	0.3%
+100 basis points	-0.1%	-0.2%	0.1%	0.2%
Flat rates	0.0%	0.0%	0.0%	0.0%
-100 basis points	0.1%	-1.2%	-0.8%	-1.8%

The following table presents the change in our economic value of equity as of March 31, 2014 and December 31, 2013, assuming immediate parallel shifts in interest rates:

	Economic Value of Equity at Risk (%)	
	March 31, 2014	December 31, 2013
+400 basis points	4.5%	3.3%
+300 basis points	3.7%	2.7%
+200 basis points	2.8%	2.1%
+100 basis points	1.6%	1.2%
Flat rates	0.0%	0.0%
-100 basis points	-4.3%	-3.1%

Many assumptions are used to calculate the impact of interest rate fluctuations. Actual results may be significantly different than our projections due to several factors, including the timing and frequency of rate changes, market conditions and the shape of the yield curve. The computations of interest rate risk shown above do not include actions that our management may undertake to manage the risks in response to anticipated changes in interest rates, and actual results may also differ due to any actions taken in response to the changing rates.

As part of our asset/liability management strategy, our management has emphasized the origination of shorter duration loans as well as variable rate loans to limit the negative exposure to a rate increase. The Triumph Community Bank acquisition was in large part a result of management's desire to acquire their deposit transaction accounts, particularly noninterest or low interest-bearing non-maturity deposit accounts, whose cost is less sensitive to changes in interest rates. We intend to focus our strategy on utilizing this acquired deposit base and operating platform to increase these deposit transaction accounts.

Critical Accounting Policies and Estimates

The preparation of our consolidated financial statements in accordance with U.S. generally accepted accounting principles, or GAAP, requires us to make estimates and judgments that affect our reported amounts of assets, liabilities, income and expenses and related disclosure of contingent assets and liabilities. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under current circumstances, results of which form the basis for making judgments about the carrying value of certain assets and liabilities that are not readily available from other sources. We evaluate our estimates on an ongoing basis. Actual results may differ from these estimates under different assumptions or conditions.

Accounting policies, as described in detail in the notes to our consolidated financial statements are an integral part of our financial statements. A thorough understanding of these accounting policies is essential when reviewing our reported results of operations and our financial position. We believe that the critical accounting policies and estimates discussed below require us to make difficult, subjective or complex judgments about matters that are inherently uncertain. Changes in these estimates that are likely to occur from period to period, or the use of different estimates that we could have reasonably used in the current period, would have a material impact on our financial position, results of operations or liquidity.

Purchased Loans. Purchased loans are recorded at fair value at the date of acquisition based on a discounted cash flow methodology that considered various factors including the type of loan and related collateral, classification status, fixed or variable interest rate, term of loan and whether or not the loan was amortizing, and a discount rate reflecting the Company's assessment of risk inherent in the cash flow estimates. Larger purchased loans are individually evaluated while smaller purchased loans are grouped together according to similar characteristics and were treated in the aggregate when applying various valuation techniques. These cash flow evaluations are inherently subjective as they require material estimates, all of which may be susceptible to significant change.

The cash flows anticipated to be collected on purchased credit impaired ("PCI") loans are estimated based upon the expected remaining life of the underlying loans, which includes the effects of estimated prepayments. Purchased loans are considered credit impaired if there is evidence of credit deterioration at the date of purchase and if it is probable that not all contractually required payments will be collected. Interest income, through accretion of the difference between the carrying value of the loans and the expected cash flows is recognized on all PCI loans. Expected cash flows are re-estimated quarterly. A decline in the present value of current expected cash flows compared to the previously estimated expected cash flows, due in any part to change in credit, is referred to as credit impairment and recorded as provision for loan losses during the period. Declines in the present value of expected cash flows only from the expected timing of such cash flows is referred to as timing impairment and recognized prospectively as a decrease in yield on the loan. Improvement in expected cash flows is recognized prospectively as an adjustment to the yield on the loan once any previously recorded impairment is recaptured.

Purchased loans that were not considered PCI at acquisition have premiums or discounts. Premiums and discounts recorded when the loans were recorded at their estimated fair values at acquisition are amortized or accreted over the remaining term of the loan as an adjustment to the related loan's yield. Loans are considered past due or delinquent when the contractual principal or interest due in accordance with the terms of the loan agreement or any portion thereof remains unpaid after the due date of the scheduled payment. The subsequent accounting for acquired non-PCI loans follows the accounting for originated loans.

Originated Loans. Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at the principal balance outstanding, net of unearned income, deferred loan fees and costs, and any direct principal charge-offs. Interest income is accrued on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, are deferred and recognized in interest income over the remaining life of the loan without anticipating prepayments. Loans are considered past due or delinquent when the contractual principal or interest due in accordance with the terms of the loan agreement or any portion thereof remains unpaid after the due date of the scheduled payment. Loans are classified as nonaccrual when, in the opinion of management, collection of principal or interest is doubtful. Generally, loans are placed in nonaccrual status due to the continued failure to adhere to contractual payment terms by the borrower coupled with other pertinent factors, such as insufficient collateral value.

The accrual of interest income on single family residential mortgage, commercial and commercial real estate loans is discontinued at the time the loan is 90 days delinquent unless the loan is well-secured and in process of collection, or if full collection of interest or principal becomes uncertain. Consumer loans are typically charged off no later than 120 days past due. Past due status is based on the contractual terms of the loan. In all cases, loans are placed on nonaccrual or charged-off at an earlier date if collection of principal or interest is considered doubtful. All interest accrued but not received for a loan placed on nonaccrual is charged against interest income. Interest received on such loans is accounted for on the cash-basis or cost recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

ALLL. The ALLL is a reserve for probable incurred credit losses. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance. Management estimates the allowance balance required using past loan loss experience, the nature and volume of the portfolio, information about specific borrower situations and estimated collateral values, economic conditions and other factors. Allocations of the allowance may be made for specific loans, but the entire allowance is available for any loan that, in management’s judgment, should be charged off.

The allowance consists of specific and general components. The specific component relates to loans that are individually classified as impaired when, based on current information and events, it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the loan agreement. Loans for which the terms have been modified resulting in a concession, and for which the borrower is experiencing financial difficulties, are considered TDRs and classified as impaired.

Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower’s prior payment record, and the amount of the shortfall in relation to the principal and interest owed.

All loans are subject to being individually evaluated for impairment. If a loan is impaired, a portion of the allowance is allocated so that the loan is reported, net, at the present value of estimated future cash flows using the loan’s existing rate or at the fair value of collateral if repayment is expected solely from the collateral. Large groups of smaller balance homogeneous loans are collectively evaluated for impairment and, accordingly, they are not separately identified for impairment disclosures.

TDRs are separately identified for impairment disclosures and are measured at the present value of estimated future cash flows using the loan’s effective rate at inception. If a TDR is considered to be a collateral dependent loan, the loan is reported, net, at the fair value of the collateral. For TDRs that subsequently default, the Company determines the amount of reserve in accordance with the accounting policy for the ALLL.

The general component covers non-impaired loans and is based on historical loss experience adjusted for current factors. The historical loss experience is determined by portfolio segment and is based on the actual loss history experienced by the Company since acquisition. This actual loss experience is supplemented with other economic factors based on the risks present for each portfolio segment. These economic factors include consideration of the following: levels of and trends in delinquencies and impaired loans; levels of and trends in charge-offs and recoveries; trends in volume and terms of loans; effects of any changes in risk selection and underwriting standards; other changes in lending policies, procedures, and practices; experience, ability, and depth of lending management and other relevant staff; national and local economic trends and conditions; industry conditions; and effects of changes in credit concentrations.

Goodwill and Core Deposit Intangibles. Goodwill resulting from business combinations is determined as the excess of the fair value of the consideration transferred, plus the fair value of any noncontrolling interests in the acquiree, over the fair value of the net assets acquired and liabilities assumed as of the acquisition date. In the event the fair value of the net assets acquired and liabilities assumed exceeds the consideration transferred, plus the fair value of any noncontrolling interests in the acquiree, a bargain purchase gain is recognized.

Goodwill and intangible assets acquired in a purchase business combination and determined to have an indefinite useful life are not amortized, but tested for impairment at least annually or more frequently if events and circumstances exist that indicate that a goodwill impairment test should be performed. Intangible assets with definite useful lives are amortized over their estimated useful lives to their estimated residual values. Goodwill is the only intangible asset with an indefinite life on the Company's balance sheet.

Other intangible assets consist of core deposit intangible assets representing the estimated value of acquired relationships with deposit customers arising from whole bank acquisitions and are amortized on an accelerated method over their estimated useful lives. The estimated fair value of core deposit intangible assets is based on a discounted cash flow methodology that considers customer attrition rates, cost of the deposit base and maintenance cost.

Fair Values of Financial Instruments: In general, fair values of financial instruments are based upon quoted market prices, where available. If such quoted market prices are not available, fair value is based upon internally developed models that primarily use, as inputs, observable market-based parameters. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. These adjustments may include amounts to reflect counterparty credit quality and/or the Company's creditworthiness, among other things, as well as unobservable parameters. Any such valuation adjustments are applied consistently over time.

In the ordinary course of business, the Company generally does not sell or transfer non-impaired loans and deposits. As such, the disclosures that present the December 31, 2013 and 2012 estimated fair value for non-impaired loans and deposits are highly judgmental and may not represent amounts to be received if the Company were to sell or transfer such items.

Emerging Growth Company. The JOBS Act permits us, as an "emerging growth company," to take advantage of an extended transition period to comply with new or revised accounting standards and not commence complying with new or revised accounting standards until private companies must do so.

We have elected to not take advantage of the extended transition period that allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies, which means that the financial statements included in this prospectus, as well as financial statements we file in the future, will be subject to all new or revised accounting standards generally applicable to public companies. Our election not to take advantage of the extended transition period is irrevocable.

Recently Issued Accounting Pronouncements

On January 1, 2013, the Company adopted Accounting Standards Update (ASU) 2013-02, "Comprehensive Income: Reporting of Amounts Reclassified out of Accumulated Other Comprehensive Income" ("ASU 2013-02"). Issued in February 2013, ASU 2013-02 requires the Company to report the effect of significant reclassifications out of accumulated other comprehensive income on the respective line items in the Company's consolidated statement of comprehensive income if the amount being reclassified is required under GAAP to be reclassified in its entirety to net income. The adoption of this ASU is reflected in the accompanying consolidated statements of comprehensive income.

On January 1, 2015, the Company will adopt Accounting Standards Update (ASU) 2014-04, "Receivables— Troubled Debt Restructurings by Creditors" ("ASU 2014-04"). Issued in January 2014, ASU 2014-04 affects all creditors when an in substance repossession or foreclosure of residential real estate property collateralizing a consumer mortgage loan in satisfaction of a receivable has occurred. The ASU is effective for fiscal periods beginning after December 15, 2014. Adoption of this ASU is not expected to have a material impact on the Company's financial statements.

On May 28, 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers" ("ASU 2014-09"), which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. ASU 2014-09 will replace most existing revenue recognition guidance in GAAP when it becomes effective. The new standard is effective for the Company on January 1, 2017. Early application is not permitted. The standard permits the use of either the retrospective or cumulative effect transition method. The Company is evaluating the effect that ASU 2014-09 will have on its consolidated financial statements and related disclosures. The Company has not yet selected a transition method nor has it determined the effect of the standard on its ongoing financial reporting.

GAAP Reconciliation and Management Explanation of Non-GAAP Financial Measures

Some of the financial data included in our selected historical consolidated financial information are not measures of financial performance recognized by GAAP. Our management uses these non-GAAP financial measures in its analysis of our performance:

- "Common stockholders' equity" is defined as total stockholders' equity at end of period less the liquidation preference value of the preferred stock;
- "Net interest margin" is defined as net interest income divided by average interest-earning assets;
- "Tangible common stockholders' equity" is common stockholders' equity less goodwill and other intangible assets;
- "Total tangible assets" is defined as total assets less goodwill and other intangible assets;
- "Tangible book value per share" is defined as tangible common stockholders' equity divided by total common shares outstanding. This measure is important to investors interested in changes from period-to-period in book value per share exclusive of changes in intangible assets;
- "Tangible common stockholders' equity ratio" is defined as the ratio of tangible common stockholders' equity divided by total tangible assets. We believe that this measure is important to many investors in the marketplace who are interested in relative changes from period-to period in common equity and total assets, each exclusive of changes in intangible assets;
- "Return on Average Tangible Common Equity" is defined as net income available to common stockholders divided by average tangible common stockholders' equity; and
- "Efficiency ratio" is defined as noninterest expenses divided by our operating revenue, which is equal to net interest income plus noninterest income. Also excluded are gains and expenses related to merger

and acquisition-related activities. In our judgment, the adjustments made to operating revenue allow management and investors to better assess our performance in relation to our core operating revenue by removing the volatility associated with certain acquisition-related items and other discrete items that are unrelated to our core business.

We believe these non-GAAP financial measures provide useful information to management and investors that is supplementary to our financial condition, results of operations and cash flows computed in accordance with GAAP; however, we acknowledge that our non-GAAP financial measures have a number of limitations. As such, you should not view these disclosures as a substitute for results determined in accordance with GAAP, and they are not necessarily comparable to non-GAAP financial measures that other companies use. The following reconciliation table provides a more detailed analysis of these non-GAAP financial measures:

(dollars in thousands, except share data)	As of or for the Three Months Ended March 31,		As of or for the Year Ended December 31,	
	2014	2013	2013	2012
	(Unaudited)			
Total stockholders' equity	$ 137,184	$ 102,944	$ 133,600	$ 56,512
Less: Preferred stock liquidation preference	9,746	4,550	9,746	5,000
Total common stockholders' equity	127,438	98,394	123,854	51,512
Less: Goodwill and other intangibles	27,792	14,047	28,518	14,047
Tangible common stockholders' equity	$ 99,646	$ 84,347	$ 95,336	$ 37,465
Common shares outstanding	9,846,096	8,668,956	9,832,585	4,586,356
Tangible book value per share	$ 10.12	$ 9.73	$ 9.70	$ 8.17
Total assets at end of period	$1,297,110	$ 329,977	$1,288,239	$ 301,462
Less: Goodwill and other intangibles	27,792	14,047	28,518	14,047
Total tangible assets at period end	1,269,318	315,930	1,259,721	287,415
Tangible common stockholders' equity ratio	7.85%	26.70%	7.57%	13.04%
Net income available to common stockholders	$ 3,148	$ (297)	$ 11,839	$ 10,081
Average tangible common equity	98,198	62,115	81,636	30,393
ROATCE	13.00%	(1.94)%	14.50%	33.17%
Efficiency Ratio:				
Net interest income	$ 18,855	$ 6,054	$ 38,683	$ 23,237
Noninterest income	2,609	445	13,013	2,661
Operating revenue	21,464	6,499	51,696	25,898
Less: bargain purchase gain	—	—	9,014	—
Total adjusted revenue	$ 21,464	$ 6,499	$ 42,682	$ 25,898
Expenses:				
Total noninterest expenses	$ 14,896	$ 5,347	$ 32,724	$ 18,479
Less: merger and acquisition expenses	—	75	1,521	52
Adjusted noninterest expenses	$ 14,896	$ 5,272	$ 31,203	$ 18,427
Efficiency ratio	69.40%	81.12%	73.11%	71.15%

Summary Discussion of Results of Operation and Financial Condition of National Bancshares, Inc. for its Fiscal Year Ended December 31, 2012 and its Period Ended October 14, 2013

Overview

NBI is a bank holding company engaged in commercial banking and bank related services through its wholly owned subsidiary, Triumph Community Bank (f/k/a THE National Bank). Triumph Community Bank provides financial services to individuals and businesses primarily in the Quad Cities Metropolitan Area of Iowa and Illinois, as well as central and northwestern Illinois. It operates a network of 18 branches in and around its market area. Triumph Community Bank's primary lending products are consumer, residential, mortgage and commercial loans. Its primary deposit products are checking, savings and term certificate accounts.

We acquired NBI on October 15, 2013. The following discussion and analysis presents the results of operations and financial conditions of NBI for its fiscal year ended December 31, 2012 and for the period commencing January 1, 2013 and ending on October 14, 2013 (the date immediately prior to its acquisition by the Company). The preparation of financial results for NBI's period commencing January 1, 2013 and ending on October 14, 2013 prevents direct comparability of certain elements of NBI's results of operations for the periods indicated. Where applicable, we have included analysis of certain items on an annualized basis for the period ended October 14, 2013 for the purposes of comparison to the year ended December 31, 2012.

History & Background

Pre-2012

Triumph Community Bank (then operating as THE National Bank) was established in 2001 and operated historically in the Quad Cities Metropolitan Area of Iowa and Illinois and regions of rural Illinois. Its growth was fueled by a series of acquisitions including the acquisition of Metro Bank in 2006 which more than doubled its size. During 2008, it embarked on a series of branch expansions and acquisitions seeking to expand its footprint into Wisconsin and the suburbs of the Chicago Metropolitan Area. Beginning in early 2009, NBI began to experience significant asset quality issues due to both deterioration in real estate development projects it had financed and fraud losses from participated loans it had purchased. These asset quality issues resulted in significant operating losses for NBI of approximately $15 million in 2009 and $10 million in 2010.

During this period, in an effort to address its ongoing credit issues, NBI curtailed many of its lending activities and commenced shrinking the overall size of the institution. As a result of these efforts, NBI reduced its total assets to $1.183 billion as of December 31, 2010 (down from $1.235 billion as of December 31, 2008) and its total loans to $642 million as of December 31, 2010 (down from $790 million as of December 31, 2008). The bank's nonperforming assets reached a peak in September 2010 at $73.1 million. Primarily as a result of these non-performing assets, the bank entered into a formal consent agreement with the OCC on January 11, 2011.

During 2011, NBI continued its efforts to rehabilitate the bank, shrink its overall balance sheet and resolve problem assets. In connection therewith, it offered a number of its branches for sale, culminating in the sale of a branch in Illinois during 2011. As of December 31, 2011, NBI had total assets $1.055 billion, total loans of $583 million and had reduced the bank's non-performing assets to $38.8 million. Also in 2011, NBI recorded a pre-tax charge of $43.7 million to write off its remaining goodwill. In connection therewith, NBI recorded a net loss for 2011 of $40.4 million.

2012 Highlights

During 2012, NBI continued its efforts to stabilize its operations and improve asset quality. In connection therewith, NBI closed four additional branches, reduced its focus on attracting and retaining higher cost public deposits and resolved additional classified assets on its balance sheet. As of December 31, 2012, NBI had $950.6 million in total assets, total loans of $571.2 million, and had reduced the bank's non-performing assets to $28.3

million. As a result of such efforts, the OCC terminated its formal consent agreement with the bank entered in January 2011. NBI recorded net income of $7.6 million in 2012, which included the reversal of a $4.3 million deferred tax asset valuation allowance related to federal net operating loss carry forwards as a result of its improved financial condition and operating results. Despite its successes in such efforts, NBI continued to experience declining loan demand and interest margin compression in its target markets and struggled to meet the debt service and cumulative interest and preferred dividends requirements resulting from its holding company capital structure. Consequently, NBI began to consider strategic alternatives including a potential sale and commenced conversations with us regarding a possible acquisition during the second half of 2012.

2013 Highlights

In 2013, NBI continued to improve asset quality (reducing total non-performing assets at the bank to $14.9 million as of September 30, 2013), but also experienced continued pressure on loan demand and interest margin compression in its target markets. In April of 2013 we executed a definitive agreement to acquire NBI, which closed on October 15, 2013. We believe that our acquisition of NBI provided us the ability to acquire a stabilized banking franchise with a strong presence in its traditional markets that would diversify and add scope to our operations, as well as reduce the overall cost of our liabilities through the addition of NBI's core deposits. Our existing asset generation capacity in turn provides augmentation to NBI's loan portfolio, addressing its continued issues with loan demand and net interest margin compression in its target markets. This was evidenced by our participation of $11.8 million of our existing credits to NBI in the months preceding the closing of the Triumph Community Bank acquisition, a trend that continued following the acquisition. NBI recorded net income of $2.7 million for the period ending October 14, 2013.

Results of Operations

NBI's net income totaled $2.7 million for its period ended October 14, 2013 and $7.6 million for its fiscal year ended December 31, 2012. NBI's operating income for the year ended December 31, 2012 included the reversal of a $4.3 million deferred tax asset valuation allowance as a result of its improved operating results compared to its 2011 fiscal year. Not including the impact of this reversal, NBI's net income for its fiscal year ended December 31, 2012 would have been $3.4 million.

NBI's interest income was $26.1 million for its period ended October 14, 2013 and $37.3 million for its fiscal year ended December 31, 2012. These results reflect continued declines in NBI's interest-earning assets, as both its total loan and securities portfolios continued to contract during the applicable periods, as well as decreased yield on its loan portfolio resulting from increased margin compression. These trends were offset in part by participations of loans sold to NBI from Triumph Savings Bank in the amount of $11.8 million during the latter half of 2013 in anticipation of the Company's acquisition of NBI. NBI's declines in interest income on an annualized basis were offset in part by improvements in its interest expense and its provision for loan losses. Interest expense was $4.7 million for the period ended October 14, 2013 and $8.4 million for its fiscal year ended December 31, 2012. NBI's interest expense associated with its deposit liabilities was $3.3 million for the period ended October 14, 2013 and $6.3 million for its fiscal year ended December 31, 2012. This decrease on an annualized basis was driven primarily by a reduction in the overall size of NBI's outstanding deposits as well as reductions in interest rates being offered to customers. NBI's provision for loan losses was $1.0 million for the period ended October 14, 2013 and $2.2 million for the year ended December 31, 2012, resulting from a reduction in the overall size of NBI's total loans held for sale and overall continued improvements in its performance. NBI recorded net interest income after provision for loan losses of $20.4 million for the period ended October 14, 2013 and $26.6 million for the year ended December 31, 2012.

NBI's noninterest income was $8.9 million for the period ended October 14, 2013 and $10.5 million for the period ended December 31, 2012. NBI's primary components of noninterest income include service charges on its deposit accounts, including overdraft and non-sufficient funds fees, net gains (losses) on the sale of loans from its mortgage operations, periodic sales securities, increase in the cash surrender value of bank-owned life insurance, gains/losses from the disposal of OREO and other income items including trust operations, ATM

operations and debit/credit card fee income. While NBI recorded several noncore items in noninterest income in both periods (including gains from the sale of loans and investment securities as it continued to shrink its total asset size, as well as gains/losses on the disposal of OREO), recurring items such as service charges on deposit accounts and debit/credit card fee income remained largely flat on an annualized basis.

NBI's noninterest expense was $25.2 million for the period ended October 14, 2013 and $32.6 million for the period ended December 31, 2012. NBI's primary component of noninterest expense is salaries and employee benefits, which were $12.7 million for the period ended October 14, 2013 and $16.4 million for the period ended December 31, 2012, remaining largely flat on an annualized basis between the two periods. Other components of NBI's recurring noninterest expense include premises and equipment, data processing and loan operations. NBI also incurred legal and professional fees of $1.6 million for the period ended October 14, 2013, of which $1.0 million were fees and expenses incurred in connection with NBI's sale process and its ultimate acquisition by the Company. Legal and professional fees were $1.0 million for the year ending December 31, 2012.

Financial Condition

NBI's total assets were $939.7 million as of October 14, 2013 and $950.6 million as of December 31, 2012. This decrease was due primarily to the sale of securities in NBI's investment portfolio as part of the shrinking of its overall balance sheet and improving credit quality.

NBI's total loans held for investment were $587.1 million as of October 14, 2013 and $571.2 million as of December 31, 2012. NBI's aggregate increase in loans held for investment was due primarily to increases in its commercial lending portfolio, including $11.8 million of participations acquired from Triumph Savings Bank in anticipation of the acquisition as well as nominal net growth in its lending activities. The following table shows NBI's loan portfolio by category as of October 14, 2013 and December 31, 2012:

(Dollars in millions)	October 14, 2013	% of Total	December 31, 2012	% of Total
Commercial and industrial	$ 241.3	41.1%	$ 253.5	44.4%
Commercial real estate	173.2	29.5%	142.9	25.0%
Construction and development	29.8	5.1%	30.2	5.3%
Residential real estate	92.7	15.8%	84.7	14.8%
Agricultural	35.5	6.0%	42.9	7.5%
Consumer	14.6	2.5%	17.0	3.0%
Total Loans	$ 587.1	100.0%	$ 571.2	100.0%

NBI's primary loan categories are commercial and industrial lending, commercial real estate, including owner occupied and non-owner occupied, construction and development, residential real estate, agriculture and consumer. Commercial real estate loans were $241.3 million as of October 14, 2013 and $253.5 million as of December 31, 2012, decreasing as a result of increasingly competitive pricing with declining demand. Commercial and industrial lending totaled $173.2 million as of October 14, 2013 and $142.9 million as of December 31, 2012, increasing both due to the $11.8 million in participations of commercial credits acquired from Triumph Savings Bank prior to the acquisition as well as general growth in its existing portfolio. Residential real estate lending totaled $92.7 million as of October 14, 2013 and $84.7 million as of December 31, 2012, increasing primarily as a result of the retention of adjustable rate mortgages originated by its mortgage department. NBI's construction and development loans totaled $29.8 million as of October 14, 2013 and $30.2 million as of December 31, 2012. NBI's agriculture loans totaled $35.5 million as of October 14, 2013 and $42.9 million as of December 31, 2012. NBI's consumer loans totaled $14.6 million as of October 14, 2013 and $17.0 million as of December 31, 2012. As a result of the Triumph Community Bank acquisition on October 15, 2013, we valued NBI's loan portfolio at its fair value, resulting in a reduction in the aggregate carrying amount of the portfolio of $24.0 million.

NBI's ALLL was $9.7 million as of October 14, 2013 and $10.1 million as of December 31, 2012. This represented an ALLL as a percentage of total loans of 1.65% and 1.77% respectively. This decrease was primarily attributable to NBI's continued efforts to improve the overall credit quality of its portfolio for the periods indicated. As a result of our acquisition of NBI on October 15, 2013 we valued NBI's loan portfolio at its fair value without carryover of its existing ALLL as of October 14, 2013. The bank's non-performing assets were $14.9 million as of September 30, 2013 and $28.3 million as of December 31, 2012. This decrease was also primarily attributable to NBI's continued efforts to improve the overall credit quality of its loan portfolio for the periods indicated.

As of October 14, 2013, NBI's securities portfolio totaled $159.7 million compared to $179.7 million as of December 31, 2012, all of which were classified as held for sale with the exception of multiple issues of an investment classified as held to maturity in both periods with an amortized cost of $0.8 million. The reduction of NBI's securities portfolio for the periods indicated was primarily due to NBI's general efforts to shrink the overall size of its balance sheet for the periods indicated. For each of these periods, NBI's securities portfolio consisted primarily of liquid securities with minimal credit risk including U.S Government agency obligations, agency mortgage-backed securities, local, state and municipal bonds and corporate bonds. As a result of our acquisition of NBI on October 15, 2013, we valued NBI's securities portfolio at its fair value, which approximated its carrying value.

NBI's total liabilities were $873.3 million as of October 14, 2013 and $883.4 million as of December 31, 2012. Deposits were $788.1 million as of October 14, 2013, of which $131.3 million were noninterest-bearing and $656.7 million were interest-bearing, and $799.9 million as of December 31, 2012, of which $139.7 were noninterest-bearing and $660.3 million of which were interest-bearing. NBI's total deposits decreased for the periods indicated primarily as a result of NBI's continued efforts to shrink its overall balance sheet during the periods indicated. For each of the periods indicated, NBI maintained short-term borrowing capacity under customer repurchase agreements secured by mortgage-backed securities and Federal Home Loan Bank advances, all of which we assumed as part of our acquisition of NBI on October 15, 2013 (see "Management Discussion and Analysis of Financial Condition and Results of Operations—Financial Condition—Liabilities—Short-Term Borrowings"). In addition NBI maintained a senior secured note payable and senior convertible notes that we repaid and terminated in connection with the acquisition.

NBI's common and Class A convertible preferred securities were terminated in connection with the acquisition and converted into the right to receive either cash or Company common or Class B convertible preferred stock, as applicable. The Company's TARP Class B Preferred Stock, consisting of 24,664 shares of Series T-1preferred stock and 1,233 shares of Series T-2 preferred stock, remained outstanding following the acquisition.

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MANAGEMENT

Executive Officers

The following table sets forth information as of August 8, 2014 regarding individuals who are our executive officers.

Name	Age	Position
Aaron P. Graft	36	Director, Vice Chairman, Chief Executive Officer & President
R. Bryce Fowler	60	Executive Vice President, Chief Financial Officer, Treasurer
Raymond W. Sperring III	36	Executive Vice President
Gail Lehmann	56	Vice President, Secretary
Adam D. Nelson	36	Senior Vice President, General Counsel
Patricia L. Pittman	49	Assistant Vice President, Controller

Aaron P. Graft is our founder, vice chairman and Chief Executive Officer. He also serves as the Chief Executive Officer and a director of Triumph Savings Bank, is the Chairman of Triumph Business Capital and is a director of Triumph Community Bank. Prior to establishing Triumph Bancorp, Mr. Graft served as the founder and President of Triumph Land and Capital Management, LLC, where he oversaw the management of several multifamily and commercial real estate projects in receivership and led the acquisition of multiple pools of distressed debt secured by multifamily projects. Prior to Triumph, Mr. Graft worked for Fulbright & Jaworski, LLP (now Norton Rose Fulbright LLP) where he focused on distressed loan workouts. Mr. Graft received a bachelor of arts, *cum laude*, and a juris doctorate, *cum laude*, from Baylor University. Mr. Graft is a member of Young Presidents' Organization, and in 2014 he was recognized by the Dallas Business Journal with the "40 Under 40" award.

R. Bryce Fowler has served as our executive vice president, chief financial officer and treasurer since 2010. He also serves as chief executive officer, president and public information officer of Triumph Savings Bank. Previously, Mr. Fowler was a partner in Cyma Fund Advisors, which managed a $100 million capital investment in a leveraged mortgage-backed securities portfolio. He also served as a director, president and chief financial officer of Bluebonnet Savings Bank, FSB, a $3+ billion Southwest Plan institution formed from the acquisition of 15 failed institutions in 1988. He was a member of the executive committee that led Bluebonnet through the acquisition and consolidation of these institutions, implemented and managed the government assistance agreement, expanded its state-wide lending operations to be national in scope and was one of the principal architects in the development and implementation of Bluebonnet's transition to a wholesale institution focused primarily in MBS investment strategies. Prior to that, Mr. Fowler was an auditor for David, Kinard & Company, working primarily on financial institution clients. Mr. Fowler received a bachelor of business administration from the University of Texas—Arlington and is a certified public accountant in Texas (license inactive).

Raymond W. Sperring III has served as executive vice president since 2012. Previously, Mr. Sperring served as partner and chief investment officer for ten years at TriVest Residential LLC, a real estate investment firm. While at TriVest, he was directly responsible for over $850 million in capital transactions. Prior to TriVest, he worked in the development and asset management groups at the Archon Group, a real estate investment subsidiary of Goldman Sachs. Mr. Sperring received a bachelor of arts in finance and management information systems from Baylor University and is a chartered financial analyst (CFA) charter holder.

Gail Lehmann has served as our vice president and secretary since 2010. She also serves as executive vice president, chief operating officer, chief information officer and secretary of Triumph Savings Bank. Previously, Ms. Lehmann served as corporate compliance officer and senior vice president of risk management for Bluebonnet Savings Bank, FSB, a $3 billion wholesale thrift. Ms. Lehmann has been in the banking industry for more than 30 years and has experience in all facets of banking operations with particular emphasis on regulatory compliance, risk management, information technology and venture capital environments. She also has expertise in the area of property and subsidiary management. Ms. Lehmann received a bachelor of science, with a major in public administration/political science and a minor in criminal justice, from the University of Illinois.

Adam D. Nelson has served as our Senior Vice President and General Counsel since 2013. He also serves as Senior Vice President and General Counsel of Triumph Savings Bank and Senior Vice President, General Counsel and Chief Compliance Officer of Triumph Capital Advisors. Previously, Mr. Nelson served as Vice President and Deputy General Counsel of ACE Cash Express, Inc., a financial services retailer. Prior to that, Mr. Nelson was an attorney with the firm of Weil Gotshal & Manges, LLP, where he focused on mergers and acquisitions, management led buyouts and private equity transactions. Mr. Nelson received a bachelor of arts in economics, *magna cum laude*, from Baylor University and a juris doctorate, *cum laude*, from Harvard Law School.

Patricia L. Pittman has served as our assistant vice president and controller since 2012 and previously served as executive vice president and chief financial officer of Triumph Savings Bank. Prior to this, she served as vice president of treasury for Lanelogic, Inc. (Caroffer), where she was responsible for the management of the company's accounting, finance and cash management functions, as well as human resources. Ms. Pittman also served as controller for Cyma Fund Advisors, an investment fund with $100 million of capital under management with a $1.3 billion leverage investment portfolio. Her banking experience also includes 15 years with Bluebonnet Savings, FSB, where her responsibilities included management of the accounting and back office operations in support of investment portfolio, funding and hedging activities. She has direct experience in preparation of interest rate risk measurements, financial forecasts and budgets, cash management, wholesale funding and reporting for the board of directors. Ms. Pittman received a bachelor of business administration in accounting from the University of Texas—Arlington. She is also a certified public accountant.

Board of Directors

The following table sets forth information as of August 8, 2014 regarding individuals who are members of our board of directors.

Name	Age	Position
Charles A. Anderson	53	Director
Richard Davis	60	Director
Robert Dobrient	52	Director
Aaron P. Graft	36	Director, Vice Chairman, Chief Executive Officer & President
Douglas M. Kratz	63	Director
Maribess L. Miller	61	Director
Michael P. Rafferty	59	Director
Carlos M. Sepulveda, Jr.	57	Director and Executive Chairman
C. Todd Sparks	46	Director
Justin N. Trail	43	Director

Charles A. Anderson has served on our board of directors since 2010. In 2003, Mr. Anderson co-founded Bandera Ventures, Ltd., a firm focused on industrial development and acquisitions, distressed office acquisitions and long-term lease opportunities. Prior to that, Mr. Anderson was associated with the Trammell Crow Company where he served as senior executive director, responsible for the Development and Investment Group for the Western half of the United States. He earned his bachelor of business administration and masters of business administration from Southern Methodist University, where he graduated *summa cum laude*. Mr. Anderson's extensive experience in business and finance qualify him to serve on our board of directors.

Richard Davis has served on our board of directors since 2010. He is founder and chief executive officer of Dallas-based DAVACO, Inc., a leading provider of retail, restaurant and hospitality service solutions. In 2000 and 2006, Mr. Davis was a finalist for the Ernst & Young Entrepreneur of the Year award and in 2006, he was inducted into the Retail Construction Hall of Fame. Mr. Davis currently serves on The Salvation Army's Dallas/Fort Worth Metroplex Advisory Board and The Board of Advisors of the Baylor Angel Network with the Hankamer School of Business of Baylor University. Mr. Davis' extensive experience in business qualifies him to serve on our board of directors.

Robert Dobrient has served on our board of directors since 2010. He is currently chairman and chief executive officer of Savoya, an industry-leading provider of chauffeured ground transportation services. Prior to establishing Savoya in 2000, Mr. Dobrient was cofounder and president of Max America, a same-day delivery and logistics firm that won Inc. "500" honors for three consecutive years in the early 1990s. He serves on the board of the Murphy Center for Entrepreneurship at University of North Texas, where he earned his bachelor of business administration. Mr. Dobrient also serves as a mentor and director at Mercy Street, a program supporting inner-city youth in West Dallas. Mr. Dobrient's extensive business experience qualifies him to serve on our board of directors.

Douglas M. Kratz has served on our board of directors since 2013. Prior to the Company's October 2013 Triumph Community Bank acquisition, Mr. Kratz served as chairman of the board and CEO of National Bancshares, Inc. and vice chairman of Triumph Community Bank in Bettendorf, Iowa since 2001. Over the past 30 years, Mr. Kratz has been a director and a principal investor in numerous community banking organizations and privately-held non-financial services related entities. Mr. Kratz's extensive business and banking experience, as well as his long-standing community business and banking relationships in the Quad Cities Metropolitan Area, qualify him to serve on our board of directors.

Maribess L. Miller was elected to our board of directors in July 2014. Ms. Miller was a member of the public accounting firm PricewaterhouseCoopers LLP from 1975 until 2009, including serving as the North Texas Market Managing Partner from 2001 until 2009; as Southwest Region Consumer, Industrial Products and Services Leader from 1998 until 2001; and as Managing Partner of that firm's U.S. Healthcare Audit Practice from 1995 to 1998. Since 2010, Ms. Miller has served as a member of the board of directors and chair of the audit committee for Zix Corporation (NASDAQ: ZIXI). Ms. Miller is also a member of the board of directors and chair of the audit committee for Midmark Corp., a privately-held medical supply company. She was appointed in 2009 by Governor Rick Perry to the Texas State Board of Public Accountancy and serves on the behavioral enforcement (chair), rules and executive committees. She is past Board Chair for the Texas Health Institute and serves on the boards of the TCU Neeley School of Business and the North Texas Chapter of the National Association of Corporate Directors. She graduated *cum laude* with a bachelor's degree in Accounting from Texas Christian University. Ms. Miller is a Certified Public Accountant. Ms. Miller's extensive business experience qualifies her to serve on our board of directors.

Michael P. Rafferty was elected to our board of directors in July 2014 and serves as Chairman of the Audit Committee. Mr. Rafferty was a member of the public accounting firm Ernst & Young LLP from 1975 until 2013, was admitted as Partner of the Firm in 1988, and served as the Audit Practice Leader for the Southwest Region from 2004 to 2013. During his career with Ernst & Young, he primarily served clients in the financial services and healthcare industries. Mr. Rafferty graduated with a Bachelor of Science degree in Accounting from the University of New Orleans. Mr. Rafferty is a Certified Public Accountant and is licensed in Texas and Louisiana. Mr. Rafferty's extensive experience in the financial services industry qualifies him to serve on our board of directors.

Carlos M. Sepulveda, Jr. has served on our board of directors since 2010 and became executive chairman in 2013. He was also named vice chairman of Triumph Community Bank in 2013. Since March 2014, Mr. Sepulveda has served on the board of directors of Savoya, a chauffeured ground transportation service provider. Since 2013, Mr. Sepulveda has served as a director and chairman of the audit committee at of the Matador Resources Company (NYSE: MTDR) and since 2007, he has served as a director and chairman of the audit committee at for Cinemark Holdings, Inc., (NYSE: CNK). Mr. Sepulveda joined Interstate Battery System International, Inc. in 1990, served on its board of directors since 1995 and as its president and chief executive officer from 2004 until 2013. Prior to joining Interstate Battery, Mr. Sepulveda gained more than 10 years of audit experience with KPMG, including a concentration in community banks. Mr. Sepulveda received a bachelor of business administration with highest honors from the University of Texas at Austin. He is a certified public accountant (CPA) and is a member of the American Institute of CPAs and Texas Society of CPAs. Mr. Sepulveda's extensive experience in business and finance qualify him to serve on our board of directors.

C. Todd Sparks has served on our board of directors since 2010. He is vice president and chief financial officer of Discovery Operating Inc., where he has been employed since 1992. He currently serves on the board of directors for Patriot Drilling, LLC, FirstCapital Bank of Texas, First Bank of Texas (Holding Company), Trace Engines, LLC and High Sky Children's Ranch. Mr. Sparks received a bachelor of business administration from Baylor University in 1989 and a master of business administration from Texas A&M University in 1992. Mr. Spark's extensive business and banking experience, as well as his long-standing business and banking relationships in the community, qualify him to serve on our board of directors.

Justin N. Trail has been a member of our board of directors since 2010. He is the founder and president of Commercial Insurance Solutions Group, LLC, a national retail insurance brokerage company specializing in the risk management of real estate investment portfolios, founder and CEO of C1 Insurance Group and cofounder and director of Spicewood Funding Group, a specialty finance company. Mr. Trail serves as a director at Triumph Business Capital, chairman at Triumph Insurance Group and chairman of the Personnel Committee and director at Triumph Savings Bank. He also serves as a director at the NMHC and numerous non-profit organizations and is currently president-elect of The Feed Store. Mr. Trail graduated from Texas A&M University with a bachelor of science in 1994 and a master's degree in 1996. Mr. Trail's extensive business and banking experience qualify him to serve on our board of directors.

Election and Classification of Directors

In accordance with the terms of our charter, our board of directors is divided into three classes, Class I, Class II and Class III, with each class serving staggered three-year terms and is divided as follows:

- The Class I directors are and their term will expire at the annual meeting of stockholders expected to be held in 2015;
- The Class II directors are and their term will expire at the annual meeting of stockholders expected to be held in 2016; and
- The Class III directors are and their term will expire at the annual meeting of stockholders expected to be held in 2017.

At each annual meeting of stockholders, upon the expiration of the term of a class of directors, the successor to each such director in the class will be elected to serve from the time of election and qualification until the third annual meeting following his or her election and until his or her successor is duly elected and qualifies, in accordance with our charter. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist, as nearly as possible, of one-third of the directors.

Director Independence

Under the rules of the , independent directors must comprise a majority of our board of directors within a specified period of time of this offering. The rules of the , as well as those of the SEC, also impose several other requirements with respect to the independence of our directors. Our board of directors has evaluated the independence of its members based upon the rules of the and the SEC. Applying these standards, our board of directors has affirmatively determined that, with the exception of , each of our current directors is an independent director, as defined under the applicable rules. The board of directors determined that do not qualify as independent directors. are employees of and .

Leadership Structure

Different individuals serve as our Chief Executive Officer and Executive Chairman because our board of directors has determined that the separation of these offices enhances our board of directors' independence and oversight. Moreover, the separation of these roles allows our Chief Executive Officer to better focus on his

growing responsibilities of running the Company, enhancing stockholder value and expanding and strengthening the Company's franchise while allowing the Chairman to lead our board of directors in its fundamental role of providing advice to and independent oversight of management. Consistent with this determination, Carlos M. Sepulveda, Jr., serves as Executive Chairman of our Board of Directors, and Aaron P. Graft serves as our Chief Executive Officer and President.

Compensation Committee Interlocks and Insider Participation

Upon completion of this offering,   members of our Compensation Committee will be or will have been an officer or employee of the Company or any of our subsidiaries. In addition, none of our executive officers serves or has served as a member of the board of directors, compensation committee or other board committee performing equivalent functions of any entity that has one or more executive officers serving as one of our directors or on our Compensation Committee.

Board Committees

Our board of directors has established standing committees in connection with the discharge of its responsibilities. These committees include the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. Our board of directors also may establish such other committees as it deems appropriate, in accordance with applicable law and regulations and our corporate governance documents.

Audit Committee. The Audit Committee assists the board of directors in fulfilling its responsibilities for general oversight of the integrity of our financial statements, compliance with legal and regulatory requirements, the independent auditors' qualifications and independence, the performance of our internal audit function and independent auditors and risk assessment and risk management. Among other things, the Audit Committee:

- annually reviews the Audit Committee charter and the committee's performance;
- appoints, evaluates and determines the compensation of our independent auditors;
- reviews and approves the scope of the annual audit, the audit fee and the financial statements;
- reviews disclosure controls and procedures, internal controls, internal audit function and corporate policies with respect to financial information;
- oversees investigations into complaints concerning financial matters, if any; and
- reviews other risks that may have a significant impact on our financial statements.

The Audit Committee works closely with management as well as our independent auditors. The Audit Committee has the authority to obtain advice and assistance from and receive appropriate funding to engage outside legal, accounting or other advisors as the Audit Committee deems necessary to carry out its duties.

Upon completion of this offering, the Audit Committee will be composed solely of members who satisfy the applicable independence and other requirements of the SEC and the   for Audit Committees and at least one of its members will be an "audit committee financial expert." Before completion of this offering, the Audit Committee will adopt a written charter that among other things, specifies the scope of its rights and responsibilities. The charter will be available on our website at www.triumphbancorp.com.

Compensation Committee. The Compensation Committee is responsible for discharging the board of directors' responsibilities relating to compensation of the executives and directors. Among other things, the Compensation Committee:

- evaluates human resources and compensation strategies;
- reviews and approves objectives relevant to executive officer compensation;

- evaluates performance and determines the compensation of the Chief Executive Officer in accordance with those objectives;
- approves any changes to non-equity based benefit plans involving a material financial commitment;
- recommends to the board of directors compensation for directors;
- prepares the compensation committee report required by SEC rules to be included in our annual report; and
- evaluates performance in relation to the Compensation Committee charter.

Upon completion of this offering, the Compensation Committee will be composed solely of members who satisfy the applicable independence requirements of the SEC and the . Before completion of this offering, the Compensation Committee will adopt a written charter that, among other things, specifies the scope of its rights and responsibilities. The charter will be available on our website at www.triumphbancorp.com.

Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee is responsible for making recommendations to our board of directors regarding candidates for directorships and the size and composition of our board of directors. In addition, the Nominating and Corporate Governance Committee is responsible for overseeing our corporate governance guidelines and reporting and making recommendations to our board of directors concerning governance matters. Among other things, the Nominating and Corporate Governance Committee will:

- identify individuals qualified to be directors consistent with the criteria approved by the board of directors and recommending director nominees to the full board of directors;
- ensure that the Audit and Compensation Committees have the benefit of qualified “independent” directors;
- oversee management continuity planning;
- lead the board of directors in its annual performance review; and
- take a leadership role in shaping the corporate governance of our organization.

The members of our Nominating and Corporate Governance Committee will be designated prior to the closing of this offering. The written charter for our Nominating and Corporate Governance Committee will be available on our website at www.triumphbancorp.com.

Code of Business Conduct and Ethics

Our board of directors has adopted a code of business conduct and ethics (our “Code of Ethics”) that applies to all of our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer and persons performing similar functions. The Code of Ethics is available upon written request to Corporate Secretary, Triumph Bancorp, Inc., 12700 Park Central Drive, Suite 1700, Dallas, Texas 75251. If we amend or grant any waiver from a provision of our Code of Ethics that applies to our executive officers, we will publicly disclose such amendment or waiver on our website and as required by applicable law, including by filing a Current Report on Form 8-K.

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EXECUTIVE COMPENSATION

Our named executive officers for the fiscal year ended December 31, 2013, which consist of our principal executive officer and the two other most highly compensated executive officers, are: (i) Aaron P. Graft, Director, Vice Chairman, Chief Executive Officer and President; (ii) R. Bryce Fowler, Executive Vice President, Chief Financial Officer and Treasurer; and (iii) Gail Lehmann, Vice President and Secretary.

Summary Compensation Table for 2013

The following summary compensation table provides information regarding the compensation paid, awarded to or earned for our fiscal years ended December 31, 2013 and 2012 for our principal executive officer during fiscal years 2013 and 2012 and our two other most highly compensated executive officers who were serving as executive officers on December 31, 2013 and 2012, as applicable.

Name and Principal Position	Year	Salary ($)(1)	Bonus(2)	Stock Awards ($)(3)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings ($)	All Other Compensation ($)(4)	Total ($)
Aaron P. Graft	2013	245,000	159,150	44,375	—	—	—	21,011	469,536
Director, Vice Chairman, CEO & President.	2012	225,000	88,750	—	—	—	—	20,811	334,561
R. Bryce Fowler	2013	235,000	98,700	49,375	—	—	—	10,200	393,275
Executive Vice President, CFO & Treasurer	2012	225,000	98,750	—	—	—	—	10,000	333,750
Gail Lehmann	2013	220,000	77,000	42,250	—	—	—	10,200	349,450
Vice President & Secretary	2012	215,000	84,500	—	—	—	—	8,600	308,100

(1) Reflects actual base compensation paid through the end of the applicable fiscal year.

(2) Reflects a cash amount with respect to discretionary cash bonus earned with respect to fiscal year 2012 and 2013.

(3) The value of the stock awards included in the Summary Compensation Table is based on the aggregate grant date fair value computed in accordance with ASC 718. For assumptions used in determining these values, see "—Determination of the Fair Value of Stock-Based Compensation Grants." See "Outstanding Equity Awards at Fiscal Year 2013 Year End" table for additional information regarding the vesting parameters that are applicable to these awards.

(4) Includes the following amounts paid to or on behalf of the named executive officers in fiscal year 2013:

Name	Triumph Savings Bank Contribution to Defined Contribution Plan ($)	Car Allowance ($)	Club Memberships ($)	Total ($)
Aaron P. Graft	10,200	6,000	4,811	21,011
R. Bryce Fowler	10,200	—	—	10,200
Gail Lehmann	10,200	—	—	10,200

Outstanding Equity Awards at Fiscal Year-End for 2013

The following table shows the number of restricted shares of our common stock held by our named executive officers as of December 31, 2013. All of the awards shown in the table below were granted under the Triumph Bancorp, Inc. 2014 Amended and Restated Restricted Stock Plan (the "Restricted Stock Plan").

Name	Grant Date	Number of Shares or Units That Have Not Vested (#)(1)	Market Value of Shares or Units of Stock That Have Not Vested ($)(2)
Aaron P. Graft	3/31/2013	4,120	59,946
R. Bryce Fowler	3/31/2013	4,584	66,698
Gail Lehmann	3/31/2013	3,923	57,080

(1) Restricted stock granted under the Restricted Stock Plan vest ratably over three years on each anniversary of the date of grant, subject to continued employment. Vesting may be accelerated upon retirement, termination of employment due to death or disability or upon a change in control. On March 31, 2014, one-third of these shares or units vested, and on July 22, 2014 the Board of Directors accelerated the vesting of the remainder of these shares or units effective as of August 1, 2014. As of August 1, 2014 all shares or units have vested.

(2) Valuation based on a per share price of our common stock on December 31, 2013 of $14.55, computed in accordance with ASC 718. For assumptions used in determining these values, see "—Determination of the Fair Value of Stock-Based Compensation Grants."

Employment Agreements

Triumph Savings Bank has entered into employment agreements with each of our named executive officers. The following is a summary of the material terms of such agreements.

The employment agreements provide for three-year terms, subject to automatic renewal for additional one-year terms, unless any party to the agreement provides no less than 60 days' notice prior to the expiration of the applicable term or unless terminated earlier pursuant to the terms of the applicable employment agreement.

The employment agreements provide for an annual base salary of $245,000, $225,000 and $215,000 (which have been increased in the discretion of the Board of Directors to the salaries set forth in the table above) for Mr. Graft, Mr. Fowler and Ms. Lehmann, respectively. Subject to the final absolute discretion of the Personnel Committee and/or Triumph Savings Bank's Board of Directors, the named executive officers may be entitled to a discretionary cash bonus. The cash bonus is allocated such that 50% is paid in the form of cash and 50% is paid in the form of restricted stock awarded under the Restricted Stock Plan, as amended, in which the named executive officers are eligible to participate (which is subject to adjustment by the Board of Directors and has historically been paid 70% cash and 30% restricted stock). The named executive officers are also eligible to participate in employee benefits plans as determined by Triumph Savings Bank. Mr. Graft is further entitled to a company automobile or monthly car allowance, dues and costs for professional organizations in which Mr. Graft's participation enhances the reputation of the Company, and monthly dues for a membership at a country club of Mr. Graft's choice, all as approved by the Personnel Committee. Ms. Lehmann is entitled to reimbursement for any out-of-pocket premiums paid by Ms. Lehmann to maintain her private health insurance, capped at the amount that Triumph Savings Bank would have paid if Ms. Lehmann had participated in the health plan provided to all employees of Triumph Savings Bank.

If any of the named executive officers' employment is terminated by Triumph Savings Bank other than for cause (as defined below), due to death or total disability (as defined below), due to resignation as a result of a reduction in annual base salary of more than 20% (unless such reduction is applied to all executive officers, or alternatively is suggested by the executive), as a result of the expiration of the applicable term of employment due to non-renewal by Triumph Savings Bank, for any reason concurrent with a change of control (as defined below), or if, in connection with a change of control, the named executive officer is not offered substantially the same position, duties, compensation, and benefits as exist as of the date of a change of control by a successor then such named executive officer is entitled to (i) accrued expenses, (ii) an amount equal to one times base salary, payable in a lump sum, and (iii) twelve months of welfare benefit continuation. Receipt of severance is subject to execution (and non-revocation) of a general release of claims and is subject to regulations regarding employee compensation promulgated by any regulatory agency having jurisdiction over Triumph Savings Bank and its affiliates (including 12 C.F.R. Part 359).

In the event that, in connection with a change of control, Mr. Fowler or Ms. Lehmann is offered a position by a successor with substantially the same position, duties, compensation, and benefits as exist as of the date of a change of control, but the applicable named executive officer elects not to continue employment with such successor, such named executive officer is entitled to (i) accrued expenses, (ii) an amount equal to one-half times base salary, payable in a lump sum, and (iii) six months of welfare benefit continuation.

Upon termination of employment by Triumph Savings Bank for cause, the named executive officers are entitled to accrued expenses only.

In the event that any of the named executive officers receives payments or benefits in connection with a change in control such that an excise tax imposed by Section 4999 of the Code applies, such named executive officer is entitled to a gross-up payment in an amount such that, after payment of all taxes (including interest and penalties imposed with respect thereto), such named executive officer retains an amount as if the excise tax did not apply.

The employment agreements provide for certain restrictive covenants including a perpetual confidentiality covenant, a return of company property covenant, and a one-year employee, supplier, material business relationship, investor (Mr. Fowler only) and contractor non-solicitation covenant.

"Change of Control" is defined in the employment agreements as: (i) a reorganization, merger, consolidation or other corporate transaction involving Triumph Savings Bank, with respect to which the holders of the voting securities of Triumph Savings Bank immediately prior to such transaction do not, immediately after the transaction, own more than 50% of the combined voting power of the reorganized, merged or consolidated entity's then outstanding voting securities; (ii) the sale, transfer or assignment of all or substantially all of the assets of Triumph Savings Bank; or (iii) the acquisition by any individual, entity or "group," within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act (a "Person"), or beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of voting securities of Triumph Savings Bank where such acquisition causes any such Person to own 50% or more of the combined voting power of Triumph Savings Bank's then outstanding voting securities; *provided however*, that a change of control will not be deemed to have occurred if a Person becomes the beneficial owner of 50% of the combined voting power of Triumph Savings Bank's then outstanding voting securities solely as a result of the repurchase of voting securities by Triumph Savings Bank. An issuance of common stock by the Triumph Consolidated Cos., LLC and Triumph Bancorp, Inc., or any issuance of equity or debt by an affiliate of Triumph Consolidated Cos., LLC and Triumph Bancorp, Inc. (including an issuance that is registered with the SEC and any state securities board, or that is exempt from registration with the SEC and/or any state securities board pursuant to any federal or state law or regulation), including, but not limited to Triumph Consolidated Cos., LLC, Triumph Savings Bank, or any subsidiary thereof, to new investors pursuant to a plan adopted by the Board of Directors of Triumph Consolidated Cos., LLC and Triumph Bancorp, Inc., as part of its overall growth plan for Triumph Consolidated Cos., LLC and Triumph Bancorp, Inc., and wherein a majority of the persons who were members of the Board of Directors of Triumph Consolidated Cos., LLC and Triumph Bancorp, Inc., preceding such capital offering remain after its completion will not constitute a change of control.

"Cause," as defined in the employment agreements, is a good faith determination that the applicable named executive officer: (i) has misappropriated, stolen or embezzled funds or property from Triumph Savings Bank or an affiliate, or secured or attempted to secure personally any profit in connection with any transaction entered into on behalf of Triumph Savings Bank or any affiliate, (ii) has been convicted of a felony or entered a plea of 'nolo contendere' which in the reasonable opinion of Triumph Savings Bank brings the executive into disrepute or is likely to cause material harm to Triumph Savings Bank's (or any of its affiliate's) business, customer or supplier relations, financial condition or prospects, (iii) has neglected his duties hereunder, (iv) has materially violated the confidentiality covenant in his employment agreement or (v) has willfully violated or breached any material provision of his employment agreement in any material respect or violated any material law or regulation.

"Total Disability" is defined in the employment agreements as the inability of the named executive officer, due to a physical or a mental condition, to perform the essential functions of such named executive officer's job, with or without accommodation, for any period of 180 consecutive days; *provided* that the return of the named executive officer to his or her duties for periods of 15 days or less will not interrupt such 180-day period.

2013 Director Compensation

In 2013, we paid each of our non-employee directors (other than Douglas M. Kratz) a quarterly cash retainer of $900. In addition, each of our non-employee directors (other than Mr. Kratz) received a monthly cash retainer of $300 for service on the board of directors of Triumph Savings Bank. Mr. Kratz did not receive a cash retainer for service on either our board of directors or the board of directors of Triumph Savings Bank; however, he received a pro-rata portion of his annual compensation in respect of his service on the board of directors of Triumph Community Bank attributable to the two and one-half months following our acquisition of Triumph Community Bank on October 15, 2013. During 2013, all director compensation was paid cash. Our employee and non-employee directors have been and will continue to be reimbursed for travel, food, lodging and other expenses directly related to their activities as directors, and are also entitled to the protection provided by the indemnification provisions in our charter and bylaws.

We are in the process of adopting a new director compensation policy for our non-employee directors that we expect will provide for compensation in the form of annual grants of stock as well as cash retainers. Such arrangements, once adopted, will be described in subsequent amendments to this prospectus.

In the interim, in connection with their service on our board of directors in 2014, we granted each of our directors (other than Aaron Graft, our Chief Executive Officer, and each of Michael Rafferty and Maribess Miller, who were elected to our board of directors in July 2014) shares of our common stock with a grant date fair value equal to $10,000 (687 shares based on a grant date price per share of $14.55, rounded down to the nearest whole share). Ms. Miller will receive a $10,000 cash retainer for her service on our board of directors in 2014 and Mr. Rafferty will receive a $35,000 cash retainer for his service on our board of directors as chairman of our Audit Committee in 2014. In addition, in 2014, those of our directors who also serve on the boards of directors of Triumph Savings Banks and Triumph Community Bank will receive compensation for such service, consisting of an annual cash retainer of $16,000 for service on the boards of directors of both banks, an additional annual cash retainer of $3,000 for service as chair of the board of directors of either bank, and additional cash retainers for service on committees ($2,500 for being a member of the Audit or Executive Loan Committees, $2,500 for being an Audit or Executive Loan Committee chair, $1,500 for being a member of the ALCO Committee and an additional $1,000 for being an ALCO Committee chair).

The following table sets forth compensation paid, earned or awarded during 2013 to each of our directors. The table also includes compensation earned by each director that is attributable to such director's service on the board of directors of Triumph Savings Bank or Triumph Community Bank, as applicable.

Name	Fees Earned or Paid in Cash ($)	All Other Compensation ($)(1)	Total Compensation ($)
Charles A. Anderson, Richard Davis, Robert Dobrient, C. Todd Sparks, Justin N. Trail	3,600	3,600	7,200
Aaron P. Graft(2)	—	—	—
Douglas M. Kratz	—	1,813	1,813
Carlos M. Sepulveda, Jr.(3)	1,800	1,500	3,300

(1) Reflects cash retainers received for service on the boards of directors of our subsidiary banks. Our non-employee directors other than Mr. Kratz each received a monthly cash retainer of $300 for service on the board of directors of Triumph Savings Bank. Mr. Kratz received a pro-rata portion of his annual compensation in respect of his service on the board of directors of Triumph Community Bank attributable to the two and one-half months following our acquisition of Triumph Community Bank on October 15, 2013.

(2) Mr. Graft was not compensated for his services as a director in 2013.

(3) In May 2013, when Mr. Sepulveda became our executive chairman, he ceased receiving non-employee director board fees. Accordingly, the above table reflects cash retainers for two quarters of service on our board of directors and cash retainers for five months of service on the board of directors of Triumph Savings Bank.

2014 Equity Incentive Plan

We intend to adopt an equity incentive plan (the 2014 Omnibus Plan) prior to and in connection with this offering. The terms of this plan will be described in subsequent amendments to this prospectus.

2014 Annual Bonus Plan

We intend to adopt an annual bonus plan prior to and in connection with this offering. The terms of this plan will be described in subsequent amendments to this prospectus.

IPO Equity Grants

In connection with this offering, we intend to grant equity-based awards under the 2014 Omnibus Plan described above. The terms of these grants will be described in subsequent amendments to this prospectus.

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SECURITY OWNERSHIP OF BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth the beneficial ownership of our common stock immediately prior to and immediately after the completion of this offering by:

- each of our directors and director nominees;
- each of our executive officers;
- all of our directors, director nominees and executive officers as a group; and
- each person known by us to be the beneficial owner of 5% or more of our outstanding common stock.

To our knowledge, each person named in the table has sole voting and investment power with respect to all of the securities shown as beneficially owned by such person, except as otherwise set forth in the notes to the table. The number of securities shown represents the number of securities the person "beneficially owns," as determined by the rules of the SEC, subject to applicable community property laws. The SEC has defined "beneficial" ownership of a security to mean the possession, directly or indirectly, of voting power and/or investment power. A security holder is also deemed to be, as of any date, the beneficial owner of all securities that such security holder has the right to acquire within 60 days after that date through (i) the exercise of any option, warrant or right, (ii) the conversion of a security, (iii) the power to revoke a trust, discretionary account or similar arrangement or (iv) the automatic termination of a trust, discretionary account or similar arrangement.

The percentages give effect to the distribution of certain shares of our common stock by TCC to its members in connection with this offering and reflect beneficial ownership immediately prior to and immediately after the completion of this offering as determined in accordance with Rule 13d-3 under the Exchange Act and are based on 9,886,334 shares of our common stock outstanding as of August 8, 2014 and shares of our common stock outstanding after the completion of this offering. The percentages assume no exercise by the underwriters of their option to purchase additional shares. Unless otherwise noted, the address for each stockholder listed on the table below is: c/o Triumph Bancorp, Inc., 12700 Park Central Drive, Suite 1700, Dallas, Texas 75251.

	Prior to this Offering(1)		After this Offering	
	Number of Shares	Percent of Class	Number of Shares	Percent of Class
Name of Beneficial Owner				
Greater than 5% stockholders				
Triumph Consolidated Cos., LLC(2)	1,509,067	14.87%		
R-J Real Estate (GP) LLC(3)	710,072	7.18%		
Directors and Executive Officers				
Carlos M. Sepulveda, Jr.(4)	424,991	4.30%		
Aaron P. Graft	44,794	*		
Richard L. Davis(5)	180,115	1.82%		
C. Todd Sparks(6)	232,902	2.36%		
Justin Trail(7)	45,688	*		
Robert Dobrient	39,421	*		
Charles Anderson(8)	154,278	1.56%		
Douglas M. Kratz(9)	287,517	2.87%		
Maribess L. Miller	—	*		
Michael P. Rafferty	—	*		
R. Bryce Fowler	7,634	*		
Gail Lehmann	4,981	*		
Raymond W. Sperring III	1,593	*		
Adam D. Nelson	882	*		
Patricia L. Pittman	6,783	*		
All directors and executive officers, as a group (15 persons)	1,431,579	14.28%		

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* Indicates less than 1%.

(1) The beneficial ownership calculations set forth below give effect to the distribution of 3,250,000 shares of our common stock to the members of TCC (other than TLCM) prior to completion of this offering as described in note (2) below.

(2) Certain of our directors and executive officers, including Aaron P. Graft, Carlos M. Sepulveda, Jr., Charles A. Anderson, Justin M. Trail, C. Todd Sparks, Raymond W. Sperring III and Adam D. Nelson have a direct or indirect interest in TLCM, which holds a profits interest in TCC. The profits interest originally entitled TLCM to certain distributions of our common stock, depending on the internal rate of return to the members of TCC (other than TLCM). In connection with this offering, TCC's limited liability company agreement is being amended such that, following the completion of this offering, the profits interest will entitle TLCM to distributions of our common stock based on the market price of our common stock. On or about the closing date of this offering, TCC will distribute approximately 3,250,000 shares of our common stock to its members (other than TLCM) and will hold back approximately 1,250,000 shares of our common stock (the "Hold Back Shares") and the TCC Warrant to purchase 259,067 shares of our common stock with an exercise price of $11.58. For the first 180 days following the completion of this offering (the "TCC Lock-Up Period"), TCC will not make any distributions. During the period commencing upon the completion of this offering until the 36-month anniversary of the completion of this offering (the "Hold Back Period"), TCC may distribute the Hold Back Shares to TLCM based on the volume weighted average price ("VWAP") of our common stock during any of the eleven consecutive three-month periods during the Hold Back Period ending on or after the TCC Lock-Up Period exceeds a whole number from $15.00 to $50.00 according to a fixed schedule. That schedule is designed to deliver to TLCM a value equal to the amount the existing profits interest would have been entitled under the distribution provisions of TCC's limited liability company agreement at each such TBI common stock price assuming a liquidation of TCC and its current holdings of our common stock (including exercise of the TCC Warrant) at such price on   (approximately two years after the closing of this offering). The TCC board of directors will meet shortly following the end of each of the eleven consecutive three-month periods after the TCC Lock-Up Period to determine and approve the VWAP calculation and number of Hold Back Shares to be distributed in respect of such three-month period. At the expiration of the Hold Back Period, TCC will make a final distribution based on our common stock VWAP during the three months preceding the expiration date (which distribution will be determined and approved by the TCC board of directors). Any remaining Hold Back Shares not distributed to TLCM and the TCC Warrant (or the shares issued upon exercise of the TCC Warrant) will be distributed to the members of TCC other than TLCM at the end of the Hold Back Period. Additionally, each Hold Back Share distributed to the ultimate underlying owners of TLCM will be locked up for a period of 180 days following the date such shares are distributed. However, if a change in control of our Company occurs at any time during the Hold Back Period, any outstanding lockups will expire and a number of Hold Back Shares will be distributed at such time to TLCM based on the implied price of the change in control. Any remaining Hold Back Shares not so distributed to TLCM will be distributed to TCC members other than TLCM.

(3) Consists of (i) 321,470 shares held by CP Triumph, LP for which R-J Real Estate (GP) LLC has voting and dispositive control and (ii) 388,602 shares held by CP Triumph II, LP for which R-J Real Estate (GP) LLC has voting and dispositive control. The address of R-J Real Estate (GP) LLC is 5956 Sherry Lane, Suite 1250, Dallas, Texas 75225.

(4) Consists of (i) 202,784 shares of common stock held by Mr. Sepulveda directly, (ii) 155,026 shares of common stock held Mr. Sepulveda together with his spouse, Susan M. Sepulveda and (iii) 67,141 shares of common stock beneficially owned by Mr. Sepulveda as manager of Sepulveda & Sons Investment Group, LLC and for which Mr. Sepulveda exercises voting and dispositive control. Mr. Sepulveda disclaims beneficial ownership of such shares, except to the extent of his pecuniary interest therein.

(5) Consists of (i) 687 shares of common stock held by Mr. Davis directly, (ii) 46,998 shares of common stock held by Mr. Davis together with his spouse, Sheree Davis, (iii) 66,215 shares of common stock beneficially owned by Mr. Davis as trustee of the Rick Davis 2006 Family Trust and (iv) 66,215 shares of common stock beneficially owned by Mr. Davis as trustee of the Sheree Davis 2006 Children's Trust. Mr. Davis disclaims beneficial ownership of such shares of common stock except to the extent of his pecuniary interest therein.

(6) Consists of (i) 9322 shares of common stock held by Mr. Sparks directly, (ii) 77,721 shares of common stock beneficially owned by Mr. Sparks through SBS Equity, LLC, (iii) 128,588 shares of common stock beneficially owned by Mr. Sparks through Sparco Holdings, LLC and (iv) 17,271 shares of common stock beneficially owned by Mr. Sparks through The Sparks Foundation, Inc. Mr. Sparks exercises voting and dispositive control over the shares of common stock held by each of SBS Equity, LLC, Sparco Holdings, LLC and The Sparks Foundation, Inc. Mr. Sparks disclaims beneficial ownership of such shares of common stock, except to the extent of his pecuniary interest therein.

(7) Consists of (i) 687 shares of common stock held by Mr. Trail directly, (ii) 12,858 additional shares of common stock beneficially owned by Mr. Trail through Equity Trust Company Custodian FBO Justin Trail Sep IRA and (iii) 32,143 shares of common stock beneficially owned by Mr. Trail through JTHT Enterprises, Ltd. Mr. Trail exercises voting and dispositive control over the shares of common stock held by JTHT Enterprises, Ltd. Mr. Trail disclaims beneficial ownership of such shares of common stock, except to the extent of his pecuniary interest therein.

(8) Consists of (i) 687 shares of common stock held by Mr. Anderson directly and (ii) 153,591 shares of common stock beneficially owned by Mr. Anderson through BV Investments, LP. Mr. Anderson exercises voting and dispositive control over the shares of common stock held by BV Investments, LP. Mr. Anderson disclaims beneficial ownership of such shares of common stock, except to the extent of his pecuniary interest therein.

(9) Consists of (i) 138,662 shares of common stock held by Mr. Kratz directly, (ii) 7,798 shares of common stock held for the benefit of Mr. Kratz by Wells Fargo Bank, National Association, pursuant to a holdback escrow agreement entered into in connection with the Company's acquisition of Triumph Community Bank in October 2013 and (iii) 141,057 shares of common stock Mr. Kratz has the right to acquire within 60 days through the conversion of 20,325 shares of our Series B Preferred Stock currently held by Mr. Kratz.

DESCRIPTION OF CAPITAL STOCK

The following discussion summarizes some of the important rights of our stockholders. This discussion does not purport to be a complete description of these rights and may not contain all of the information regarding our capital stock that is important to you. These rights can be determined in full only by reference to federal and state banking laws and regulations, the TBOC and our certificate of formation (our "charter") and bylaws, copies of which are filed with the SEC as exhibits to the registration statement of which this prospectus is a part and applicable law.

General

Our authorized capital stock consists of 50,000,000 shares of common stock, par value of $0.01 per share and 1,000,000 shares of preferred stock, par value of $0.01 per share, of which 50,000 shares have been designated as Series A Non-Cumulative Non-Voting Preferred Stock (the "Series A Preferred Stock") and 115,000 shares have been designated as Series B Non-Cumulative Non-Voting Preferred Stock (the "Series B Preferred Stock"). As of August 8, there were 9,886,334 shares of common stock issued and outstanding, 45,500 shares of Series A Preferred Stock issued and outstanding and 51,956 shares of Series B Preferred Stock issued and outstanding.

Common Stock

All issued and outstanding shares of common stock are duly authorized, validly issued, fully paid and nonassessable. All authorized but unissued shares of common stock will be available for issuance by our board of directors without any further stockholder action.

Voting Rights. Each holder of common stock is entitled to one vote for each share held on all matters on which our stockholders are entitled to vote. Directors are elected by a plurality vote standard and no stockholder has the right to cumulative voting with respect to the election of directors.

With respect to any matter other than the election of directors or a matter for which the affirmative vote of the holders of a specified portion of the shares entitled to vote is required by Texas law or our charter, the act of the stockholders will be the affirmative vote of the holders of a majority of the shares entitled to vote on, and voted for or against, the matter at a meeting of stockholders at which a quorum is present.

Dividend Rights. Subject to the prior rights of holders of any then outstanding shares of our preferred stock, each share of common stock has equal rights to participate in dividends when, as and if declared by our board of directors out of funds legally available therefor. For a discussion of our dividend policies and dividend history, see "Dividend Policy."

Liquidation Rights. Subject to the prior rights of our creditors and the satisfaction of any liquidation preference granted to the holders of any then-outstanding shares of our preferred stock, in the event of our liquidation, the holders of our common stock will be entitled to share ratably in any assets remaining after payment of all debts and other liabilities.

Other. Our stockholders have no subscription, sinking fund, conversion or preemptive rights.

Preferred Stock

Upon authorization of our board of directors, we may issue shares of one or more series of our preferred stock from time to time. Our board of directors may, without any action by holders of common stock or, except as may be otherwise provided in the terms of any series of preferred stock of which there are shares outstanding, adopt resolutions to designate and establish a new series of preferred stock. Upon establishing such a series of

preferred stock, the board will determine the number of shares of preferred stock of that series that may be issued and the rights and preferences of that series of preferred stock. The rights of any series of preferred stock may include, among others:

- general or special voting rights;
- preferential liquidation or preemptive rights;
- preferential cumulative or noncumulative dividend rights;
- redemption or put rights; and
- conversion or exchange rights.

We may issue shares of, or rights to purchase shares of, one or more series of our preferred stock that have been designated from time to time, the terms of which might:

- adversely affect voting or other rights evidenced by, or amounts otherwise payable with respect to, the common stock or other series of preferred stock;
- discourage an unsolicited proposal to acquire us; or
- facilitate a particular business combination involving us.

Any of these actions could have an anti-takeover effect and discourage a transaction that some or a majority of our stockholders might believe to be in their best interests or in which our stockholders might receive a premium for their stock over our then market price.

Series A and Series B Preferred Stock

There are 50,000 shares of the Series A Preferred Stock authorized, of which 45,500 are issued and outstanding and there are 115,000 shares of the Series B Preferred Stock authorized, of which 51,956 are issued and outstanding.

The holders of the Series A Preferred Stock and Series B Preferred Stock are not entitled to vote or consent on any matter submitted to our stockholders for a vote or consent, except to the extent separate voting of the Series A or Series B Preferred Stock is required by Section 21.364(d) through (g) of the TBOC and, under certain circumstances, with respect to any amendment to the statement of designation that materially and adversely affects the rights of such stockholders.

Each holder of the outstanding shares of Series A Preferred Stock is entitled to receive, when and if authorized by our board of directors, out of funds legally available for the payment of dividends, noncumulative preferential cash dividends accruing at the Prime Rate (as defined in the statement of designations for the Series A Preferred Stock) plus 2%, subject to a minimum rate of 8% per annum, on the amount of $100 per share of Series A Preferred Stock owned by such holder.

Each holder of the outstanding shares of Series B Preferred Stock is entitled to receive, when and if authorized by our board of directors, out of funds legally available for the payment of dividends, noncumulative preferential cash dividends accruing at a rate of 8% per annum, on the amount of $100 per share of Series B Preferred Stock owned by such holder.

Such dividends shall accrue on a daily basis and shall be payable quarterly in arrears on or before March 31, June 30, September 30 or December 31 of each year. Dividends are paid to the holders pro rata based on the number of shares of Series A or Series B Preferred Stock then outstanding and owned by each such holder. Any dividends that are not paid with respect to a dividend period will not cumulate but will be waived and not payable by the Company.

Subject to regulatory approval, the holders of the Series A Preferred Stock have the right to receive a special, one-time dividend with respect to their respective shares of Series A Preferred Stock within 30 days after the occurrence of any of the following events: (i) the sale of all of the limited liability company interests of Triumph Commercial Finance in Triumph Business Capital, (ii) a merger of Triumph Business Capital resulting in Triumph Commercial Finance no longer owning any limited liability company interests in Triumph Business Capital or (iii) the sale of all or substantially all of the assets of Triumph Business Capital, subject to certain organizational restructuring exceptions.

The Series A Preferred Stock and Series B Preferred Stock have the following conversion rights:

- Subject to the terms and conditions set forth in the respective statement of designation for the Series A Preferred Stock and Series B Preferred Stock, the holders of shares of Series A Preferred Stock or Series B Preferred Stock shall have the right, at her/his option at any time, to convert all or any portion of such shares of Series A Preferred Stock or Series B Preferred Stock into shares of common stock at a rate of 6.94008 shares of common stock for every one share of Series A Preferred Stock or Series B Preferred Stock being converted, as such rate may be adjusted from time to time.
- Upon receipt of a redemption notice for the Series A Preferred Stock or Series B Preferred Stock from the Company, the holders of shares of Series A Preferred Stock or Series B Preferred Stock shall have the right, subject to the terms and conditions of the respective Series A Preferred Stock or Series B Preferred Stock statement of designation, to convert all or any portion of such shares of Series A Preferred Stock or Series B Preferred Stock into shares of common stock at a rate of 6.94008 shares of common stock for every one share of Series A Preferred Stock or Series B Preferred Stock being converted, as such rate may be adjusted from time to time.
- If any capital reorganization or reclassification of our common stock shall be effected while shares of the Series A Preferred Stock or Series B Preferred Stock are outstanding in such a way that holders of common stock shall be entitled to receive stock, securities or assets with respect to or in exchange for common stock, then, as a condition of such reorganization or reclassification, lawful and adequate provisions shall be made whereby each holder of shares of Series A Preferred Stock or Series B Preferred Stock shall thereupon have the right to receive, upon the terms and conditions specified in the respective Series A Preferred Stock or Series B Preferred Stock statement of designation and in lieu of the shares of common stock immediately theretofore receivable upon the conversion of such share or shares of Series A Preferred Stock or Series B Preferred Stock, such shares of stock, securities or assets as may be issued or payable with respect to or in exchange for a number of outstanding shares of such common stock equal to the number of shares of such common stock immediately theretofore receivable upon such conversion had such reorganization or reclassification not taken place and in any such case appropriate provisions shall be made with respect to the rights and interests of such holder to the end that the provisions hereof (including without limitation provisions for adjustments of the Series A Preferred Stock or Series B conversion rate) shall thereafter be applicable, as nearly as may be, in relation to any shares of stock, securities or assets thereafter deliverable upon the exercise of such conversion rights.

In addition, the Series A Preferred Stock and Series B Preferred Stock have a liquidation preference equal to the sum of $100 per share and the unpaid accrued dividend per share for the then current dividend period, in the event of liquidation.

The Company has a 30-day right of first refusal to purchase any Series A Preferred Stock or Series B Preferred Stock for which a stockholder receives a bona fide offer to purchase. In addition, any proposed transfer of Series A Preferred Stock or Series B Preferred Stock must be approved in advance by the Company unless the transfer occurs by reason of the death of the holder and each transferee is a member of such holder’s immediate family.

The Company has the right, subject to obtaining regulatory approval, to redeem Series A Preferred Stock and Series B Preferred Stock after October 15, 2018 at a cash price of $100 per share, plus accrued unpaid dividends to the date fixed for redemption with respect to the dividend period in which the redemption occurs.

The Series A Preferred Stock and Series B Preferred Stock have not been registered under the Securities Act or any state securities laws. Stockholders may not make any sale, assignment or other transfer of Series A Preferred Stock or Series B Preferred Stock except pursuant to an offering of such securities duly registered under the Securities Act and registered or qualified under applicable state securities laws, or under such other circumstances as in the opinion of counsel for (or counsel satisfactory to) the Company shall not at the time require registration under the Securities Act or under such state laws.

All issued and outstanding shares of Series A Preferred Stock and Series B Preferred Stock are duly authorized, validly issued, fully paid and nonassessable. All authorized but unissued shares of preferred stock will be available for issuance by our board of directors without any further stockholder action.

Warrant

On December 12, 2012, we issued the TCC Warrant to TCC for the purchase of 259,067 shares of our common stock. The TCC Warrant allows TCC to acquire common stock for $11.58 per share, subject to certain adjustments for the issuance of stock dividends on our common stock or any transaction resulting in a reclassification, exchange or similar effect on our common stock. The TCC Warrant is exercisable for a period of ten years from the date of issuance of the TCC Warrant. The TCC Warrant also provides TCC with certain registration rights with respect to the shares such that TCC can generally cause us to register the shares represented by the TCC Warrant if we propose to register any of our capital stock in a public offering. TCC has waived all of its registration rights under the TCC Warrant in connection with this offering.

Senior Preferred Stock Series T-1 and T-2

In February 2009, as part of the U.S. Treasury's CPP, NBI entered into a letter agreement with the U.S. Treasury pursuant to which NBI sold 24,664 shares of Senior Preferred Stock, Series T-1, having a liquidation preference of $1,000 per share, for a total face value of $24.7 million and 1,233 shares of Senior Preferred Stock, Series T-2, with a liquidation preference of $1,000 per share, for a total face value of $1.2 million. The TARP preferred stock accrues cumulative compounding dividends at a rate of 9% per annum and qualifies as Tier 1 capital. On February 20, 2013, all of the TARP preferred stock originally issued to the U.S. Treasury as part of the CPP was sold by the U.S. Treasury to new owners, eliminating certain restrictions put in place by the U.S. Treasury on TARP recipients, including restrictions on executive compensation agreements for senior executive officers.

Triumph Community Bank may redeem shares of the TARP preferred stock for the per share liquidation preference of $1,000 plus any accrued and unpaid dividends, subject to consultation with the appropriate federal banking agency.

As long as any TARP preferred stock is outstanding, Triumph Community Bank may not, without the approval by the holders thereof, pay quarterly common stock dividends, nor redeem or repurchase its common stock, unless all accrued and unpaid dividends for all past dividend periods on the TARP preferred stock are fully paid. The TARP preferred stock is nonvoting except for class voting rights on matters that would adversely affect the rights of the holders of the TARP preferred stock.

We intend to use approximately $25.9 million of the net proceeds to us generated by this offering to redeem, as promptly as practicable following the completion of this offering, the TARP preferred stock.

Anti-Takeover Effects of Certain Provisions of Texas Law, our Charter and Bylaws

Protective Provisions. Texas law and certain provisions of our charter and bylaws may be deemed to have anti-takeover effects and may delay, prevent, discourage or make more difficult unsolicited tender offers or takeover attempts that a stockholder may consider to be in the stockholder's best interest, including those attempts that might result in a premium over the market price for the shares of common stock held by stockholders. These provisions, summarized below, are intended to encourage persons seeking to acquire control of us to first negotiate with our board of directors. These provisions may also have the effect of making it more difficult for third parties to cause the replacement of our current management. We believe that these provisions are beneficial because the negotiation they encourage could result in improved terms of any unsolicited proposal. These provisions include:

- *No action by written consent without unanimous consent*: Under our charter and bylaws, any action required or permitted to be taken at an annual or special meeting of stockholders may be taken by written consent in lieu of a meeting of stockholders only with the unanimous written consent of our stockholders;
- *Business combinations with certain persons*: We are subject to the provisions of Title 2, Chapter 21, Subchapter M of the TBOC, or the Texas Business Combination Law, which provides that, subject to certain exceptions, a Texas corporation such as us may not engage in certain business combinations, including mergers, consolidations and asset sales, with a person, or an affiliate or associate of such person, who is an "Affiliated Stockholder" (generally defined as the holder of 20% or more of the corporation's voting shares) for a period of three years from the date such person became an Affiliated Stockholder unless: (1) the business combination or purchase or acquisition of shares made by the Affiliated Stockholder was approved by the board of directors of the corporation before the Affiliated Stockholder became an Affiliated Stockholder or (2) the business combination was approved by the affirmative vote of the holders of at least two-thirds of the outstanding voting shares of the corporation not beneficially owned by the Affiliated Stockholder, at a meeting of stockholders called for that purpose (and not by written consent), not less than six months after the Affiliated Stockholder became an Affiliated Stockholder. Neither our charter nor our bylaws contain any provision expressly providing that we will not be subject to the Texas Business Combination Law. This law may have the effect of inhibiting a non-negotiated merger or other business combination involving us, even if such event would be beneficial to our stockholders;
- *Authorized but unissued capital stock*: We have authorized but unissued shares of preferred stock and common stock and our board of directors may authorize the issuance of one or more series of preferred stock without stockholder approval. These shares could be used by our board of directors to make it more difficult or to discourage an attempt to obtain control of us through a merger, tender offer, proxy contest or otherwise;
- *Limitation on right to call a special meeting of stockholders*: Our charter and bylaws provide that a special meeting of stockholders may be called only by our board of directors or the chairman of the board (with three directors) or upon the written request of the holders of not less than 50% of the voting power represented by all the shares issued, outstanding and entitled to be voted at the proposed special meeting;
- *Board Vacancies*: Our charter and bylaws enable the board of directors to increase, between annual meetings, the number of persons serving as directors and to fill the vacancies created as a result of the increase by a majority vote of the directors then in office;
- *Bylaw Amendments*: Provisions in our charter and bylaws allow our board of directors to amend or repeal the bylaws by a majority vote of the directors present at a meeting;
- *Charter Amendments*: Texas law requires that stockholders representing two-thirds of the outstanding shares of common stock approve all amendments to our charter and approve mergers and similar transactions;

- *Advance Notice*: The requirement that any stockholders that wish to bring business before our annual meeting of stockholders or nominate candidates for election as directors at our annual meeting of stockholders must provide advance notice of their intent in writing;
- *Removal of Directors*: The vote of no less than 50% of stockholders will be required for stockholders to remove from office a member of our board of directors with cause; and
- *Our Board of Directors is classified*: Our charter and bylaws provide that our board of directors is classified into three classes of directors, with the members of one class to be elected each year. Our charter and bylaws also provide for noncumulative voting and a plurality voting standard in the election for directors.

Although our charter and bylaws do not give our board of directors any power to approve or disapprove stockholder nominations for the election of directors or proposals for action, they may have the effect of precluding a contest for the election of directors or the consideration of stockholders proposals if the established procedures are not followed and of discouraging or deterring a third party from conducting a solicitation of proxies to elect its own slate of directors or to approve its proposals without regard to whether consideration of the nominees or proposals might be harmful or beneficial to the Company or its stockholders.

Indemnification. Our charter and bylaws provide that, to the fullest extent and under the circumstances permitted by Texas law, (i) we must indemnify and advance expenses to any present or former director, officer or delegate and (ii) we may purchase and maintain insurance on behalf of our directors, officers or delegates; *provided*, that we will have no obligation to indemnify any present or former director, officer, or delegate with respect to any proceeding in which (i) such person was, is, or is threatened to be made a named defendant or respondent, (ii) the Company is a claimant and (iii) a majority of the board of directors authorizes the Company to act in the capacity of a claimant with respect to such person.

Listing and Trading

Our common stock is currently not listed on any securities exchange. We intend to apply to have our common stock approved for listing on the under the symbol " ."

Transfer Agent and Registrar

Upon completion of this offering, the transfer agent and registrar for our common stock will be .

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock. Future sales of substantial amounts of our common stock in the public market could adversely affect prevailing market prices. Furthermore, since only a limited number of shares will be available for sale shortly after this offering because of contractual and legal restrictions on resale described below, sales of substantial amounts of shares of common stock in the public market after the restrictions lapse could adversely affect the prevailing market price for shares of our common stock as well as our ability to raise equity capital in the future.

Upon completion of this offering, we will have shares of common stock issued and outstanding (shares if the underwriters exercise in full their purchase option). In addition, 259,067 shares of our common stock are issuable upon the exercise of the TCC Warrant. Of these shares, the shares sold in this offering (or shares, if the underwriters exercise their option in full) will be freely tradable without further restriction or registration under the Securities Act, except that any shares purchased by our affiliates may generally only be sold in compliance with Rule 144, which is described below. The remaining 9,886,334 outstanding shares will be deemed “restricted securities” under the Securities Act. Restricted securities may be sold in the public market only if they qualify for an exemption from registration under Rule 144 or any other applicable exemption.

Lock-Up Agreements

In connection with this offering, our executive officers and directors and certain other stockholders, who will own in the aggregate approximately shares of our common stock, shares of our Series A Preferred Stock and shares of our Series B Preferred Stock after this offering, have entered into lock-up agreements under which they have generally agreed not to sell or otherwise transfer their shares for a period of 180 days after the completion of this offering. These lock-up restrictions may be extended in specified circumstances and are subject to certain exceptions. See “Underwriting—Lock-Up Agreements.” As a result of these contractual restrictions, shares of our common stock subject to lock-up agreements will not be eligible for sale until these agreements expire or the restrictions are waived by the underwriters. Additionally, subject to the occurrence of a change in control event, any shares (other than shares distributed in respect of prices in excess of the price of this offering) distributed by TCC to TLCM and TLCM’s members will be subject to lock-up restrictions under which the shares may generally not be sold or otherwise transferred without the Company’s consent for a period of 180 days following their distribution to TLCM and TLCM’s members.

Rule 144

All shares of our common stock held by our “affiliates,” as that term is defined in Rule 144 under the Securities Act, generally may be sold in the public market only in compliance with Rule 144. Rule 144 defines an affiliate as any person who directly or indirectly controls, or is controlled by, or is under common control with, the issuer, which generally includes our directors, executive officers, 10% stockholders and certain other related persons. Upon completion of this offering, we expect that approximately % of our outstanding common stock (% of our outstanding common stock if the underwriters exercise in full their purchase option) will be held by “affiliates.”

Under Rule 144 under the Securities Act, a person (or persons whose shares are aggregated) who is deemed to be an “affiliate” of ours would be entitled to sell within any three-month period a number of shares that does not exceed the greater of 1% of the then outstanding shares of our common stock, which would be approximately common shares immediately after this offering (assuming the underwriters do not elect to exercise their purchase option), or the average weekly trading volume of our common stock on the during the four calendar weeks preceding such sale; *provided*, in each case, that we have been subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale. Sales under Rule 144 are also subject to a six-month holding period and requirements relating to manner of sale, notice and the availability of current public information about us.

Rule 144 also provides that a person who is not deemed to have been an affiliate of ours at any time during the three months preceding a sale and who has for at least six months beneficially owned shares of our common stock that are restricted securities, will be entitled to freely sell such shares of our common stock subject only to the availability of current public information regarding us. A person who is not deemed to have been an affiliate of ours at any time during the three months preceding a sale and who has beneficially owned for at least one year shares of our common stock that are restricted securities, will be entitled to freely sell such shares of our common stock under Rule 144 without regard to the current public information requirements of Rule 144.

2014 Omnibus Plan

We intend to file with the SEC a registration statement on Form S-8 covering the shares of common stock reserved for issuance upon the exercise of stock options under the 2014 Omnibus Plan that we plan to adopt in connection with this offering. That registration statement is expected to be filed and become effective as soon as practicable after the closing of this offering. Upon effectiveness, the shares of common stock covered by that registration statement will be eligible for sale in the public market, subject to the lock-up agreements and Rule 144 restrictions described above.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

In addition to the compensation arrangements with directors and executive officers described in "Executive Compensation" above, the following is a description of each transaction since January 1, 2013 and each proposed transaction in which:

- we have been or are to be a participant;
- the amount involved exceeds or will exceed $120,000; and
- any of our directors, executive officers or beneficial holders of more than 5% of our capital stock, or any immediate family member of or person sharing the household with any of these individuals (other than tenants or employees), had or will have a direct or indirect material interest.

Registration Rights

The TCC Warrant provides TCC with certain registration rights if we propose to register any of our capital stock in a public offering. See "Description of Capital Stock—Warrant." Under the terms of the TCC Warrant, we are required to provide written notice to TCC following our filing of a registration statement that provides for the initial public offering of our common stock. TCC will have "piggy-back" registration rights that permit them to have shares of our common stock owned by them included in this Registration Statement, upon written notice to us within the prescribed time limit. We are not required to include these securities in any underwriting of shares, unless TCC accepts the terms of the underwriting agreed upon between the Company and its underwriters and in the quantity as the underwriters determine in their sole discretion will not jeopardize the success of this offering by the Company. TCC has waived all of its registration rights under the TCC Warrant in connection with this offering.

Ordinary Banking Relationships

Certain of our officers, directors and 5% stockholders, as well as their immediate family members and affiliates, are customers of, or have or have had transactions with, our bank subsidiaries or the Company in the ordinary course of business. These transactions include deposits, loans, wealth management products and other financial services related transactions. Related party transactions are made in the ordinary course of business, on substantially the same terms, including interest rates and collateral (where applicable), as those prevailing at the time for comparable transactions with persons not related to us and do not involve more than normal risk of collectability or present other features unfavorable to us. As of the date of this prospectus, no related party loans were categorized as nonaccrual, past due, restructured or potential problem loans. We expect to continue to enter into transactions in the ordinary course of business on similar terms with our officers, directors and 5% stockholders, as well as their immediate family members and affiliates.

Policies and Procedures Regarding Related Party Transactions

Transactions by the Company or our subsidiaries with related parties are subject to a formal written policy, as well as regulatory requirements and restrictions. These requirements and restrictions include Sections 23A and 23B of the Federal Reserve Act (which govern certain transactions by our bank subsidiaries with their respective affiliates) and the Federal Reserve's Regulation O (which governs certain loans by our bank subsidiaries to their respective executive officers, directors and principal stockholders). We have adopted policies to comply with these regulatory requirements and restrictions.

In addition, prior to completion of this offering, our board of directors will adopt a written policy governing the approval of related party transactions that complies with all applicable requirements of the SEC and the concerning related party transactions. Related party transactions are transactions in which we are a participant, the amount involved exceeds $120,000 and a related party has or will have a direct or indirect material interest. Related parties of the Company include directors (including nominees for election as directors),

executive officers, 5% stockholders and the immediate family members of these persons. Our General Counsel, in consultation with management and outside counsel, as appropriate, will review potential related party transactions to determine if they are subject to the policy. If so, the transaction will be referred to the Nominating and Corporate Governance Committee for approval. In determining whether to approve a related party transaction, the Nominating and Corporate Governance Committee will consider, among other factors, the fairness of the proposed transaction, the direct or indirect nature of the related party's interest in the transaction, the appearance of an improper conflict of interests for any director or executive officer taking into account the size of the transaction and the financial position of the related party, whether the transaction would impair an outside director's independence, the acceptability of the transaction to our regulators and the potential violations of other corporate policies. Upon completion of this offering, our Related Party Transactions Policy will be available on our website at www.triumphbancorp.com, as an annex to our Corporate Governance Guidelines.

SUPERVISION AND REGULATION

Banking is a complex, highly regulated industry. Consequently, our growth and earnings performance can be affected, not only by management decisions and general and local economic conditions, but also by the statutes administered by and the regulations and policies of, various governmental regulatory authorities. These authorities include, but are not limited to, the Federal Reserve, the FDIC, the OCC, the TDSML, the IRS and state taxing authorities. The effect of these statutes, regulations and policies and any changes to any of them can be significant and cannot be predicted.

The primary goals of the bank regulatory scheme are to maintain a safe and sound banking system and to facilitate the conduct of sound monetary policy. In furtherance of those goals, the U.S. Congress and the individual states have created numerous regulatory agencies and enacted numerous laws, such as the Dodd-Frank Act, that govern banks and the banking industry. The system of supervision and regulation applicable to the Company establishes a comprehensive framework for our operations and is intended primarily for the protection of the FDIC's deposit insurance funds, our depositors and the public, rather than the stockholders and creditors.

New regulations and statutes are regularly proposed that contain wide-ranging proposals for altering the structures, regulations and competitive relationships of financial institutions operating in the United States. The federal banking agencies have issued a number of significant new regulations as a result of the Dodd-Frank Act and a number of additional regulations are pending or may be proposed. We cannot predict whether or in what form any proposed regulation or statute will be adopted or the extent to which of our businesses may be affected by any new regulation or statute.

The following is an attempt to summarize some of the relevant laws, rules and regulations governing banks and bank holding companies, but does not purport to be a complete summary of all applicable laws, rules and regulations governing banks. The descriptions are qualified in their entirety by reference to the specific statutes and regulations discussed.

Bank Holding Company Regulation

The Company is a financial holding company registered under the BHC Act and is subject to supervision and regulation by the Federal Reserve. Federal laws subject bank holding companies to particular restrictions on the types of activities in which they may engage and to a range of supervisory requirements and activities, including regulatory enforcement actions, for violation of laws and policies.

Activities Closely Related to Banking

The BHC Act prohibits a bank holding company, with certain limited exceptions, from acquiring direct or indirect ownership or control of any voting shares of any company that is not a bank or from engaging in any activities other than those of banking, managing or controlling banks and certain other subsidiaries or furnishing services to or performing services for its subsidiaries. Bank holding companies also may engage in or acquire interests in companies that engage in a limited set of activities that are closely related to banking or managing or controlling banks. If a bank holding company has become a financial holding company (an "FHC"), as we have, it may engage in a broader set of activities, including insurance underwriting and broker-dealer services as well as activities that are jointly determined by the Federal Reserve and the U.S. Treasury to be financial in nature or incidental to such financial activity. FHCs may also engage in activities that are determined by the Federal Reserve to be complementary to financial activities. The Company has elected to be an FHC. To maintain FHC status, the bank holding company and all subsidiary depository institutions must be well managed and "well capitalized." Additionally, all subsidiary depository institutions must have received at least a "Satisfactory" rating on its most recent CRA examination. Failure to meet these requirements may result in limitations on activities and acquisitions.

Safe and Sound Banking Practices

Bank holding companies are not permitted to engage in unsafe and unsound banking practices. The Federal Reserve may order a bank holding company to terminate an activity or control of a non-bank subsidiary if such activity or control constitutes a significant risk to the financial safety, soundness or stability of a subsidiary bank and is inconsistent with sound banking principles. Regulation Y also requires a holding company to give the Federal Reserve prior notice of any redemption or repurchase of its own equity securities if the consideration to be paid, together with the consideration paid for any repurchases or redemptions in the preceding year, is equal to 10% or more of the company's consolidated net worth.

Consistent with the Dodd-Frank Act codification of the Federal Reserve's policy that bank holding companies must serve as a source of financial strength for their subsidiary banks, the Federal Reserve has stated that, as a matter of prudence, a bank holding company generally should not maintain a rate of distributions to stockholders unless its available net income has been sufficient to fully fund the distributions and the prospective rate of earnings retention appears consistent with a bank holding company's capital needs, asset quality and overall financial condition. In addition, we are subject to certain restrictions on the making of distributions as a result of the requirement that our subsidiary banks maintain an adequate level of capital as described below.

In addition, the Federal Reserve Supervisory Letter SR 09-4 provides guidance on the declaration and payment of dividends, capital redemptions and capital repurchases by a bank holding company. Supervisory Letter SR 09-4 provides that, as a general matter, a bank holding company should eliminate, defer or significantly reduce its dividends if: (i) the bank holding company's net income available to stockholders for the past four quarters, net of dividends previously paid during that period, is not sufficient to fully fund the dividends, (ii) the bank holding company's prospective rate of earnings retention is not consistent with the bank holding company's capital needs and overall current and prospective financial condition or (iii) the bank holding company will not meet, or is in danger of not meeting, its minimum regulatory capital adequacy ratios. Failure to do so could result in a supervisory finding that the bank holding company is operating in an unsafe and unsound manner.

Limitations on our subsidiary banks paying dividends could, in turn, affect our ability to pay dividends to its stockholders. For more information concerning our subsidiary banks' ability to pay dividends, see below.

The Federal Reserve has broad authority to prohibit activities of bank holding companies and their non-banking subsidiaries which represent unsafe and unsound banking practices or which constitute violations of laws or regulations. Notably, the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") provides that the Federal Reserve Board can assess civil money penalties for such practices or violations which can be as high as $1 million per day. FIRREA contains expansive provisions regarding the scope of individuals and entities against which such penalties may be assessed.

Annual Reporting and Examinations

The Company is required to file annual and quarterly reports with the Federal Reserve and such additional information as the Federal Reserve may require pursuant to the BHC Act. The Federal Reserve may examine a bank holding company or any of its subsidiaries and charge the company for the cost of such an examination. The Company is also subject to reporting and disclosure requirements under state and federal securities laws.

New Rules on Regulatory Capital

New regulatory capital rules pursuant to the Basel III requirements, released in July 2013, implement higher minimum capital requirements for bank holding companies and banks. The new rules include a new common equity Tier 1 capital requirement and establish criteria that instruments must meet to be considered common equity Tier 1 capital, additional Tier 1 capital or Tier 2 capital. These enhancements are designed to both

improve the quality and increase the quantity of capital required to be held by banking organizations, better equipping the U.S. banking system to deal with adverse economic conditions. The revised capital rules require banks and bank holding companies to maintain a minimum common equity Tier 1 (“CET1”) capital ratio of 4.5%, a total Tier 1 capital ratio of 6%, a total capital ratio of 8% and a leverage ratio of 4%. Bank holding companies are also required to hold a capital conservation buffer of CET1 capital of 2.5% to avoid limitations on capital distributions and executive compensation payments. Under the revised rules, bank holding companies must maintain a total risk-based capital ratio of 10% and a total Tier 1 risk-based capital ratio of 6% to be considered “well capitalized” for purposes of certain rules and requirements.

The revised capital rules also require banks to maintain a CET1 capital ratio of 6.5%, a total Tier 1 capital ratio of 8%, a total capital ratio of 10% and a leverage ratio of 5% to be deemed “well capitalized” for purposes of certain rules and prompt corrective action requirements. The risk-based ratios include a “capital conservation buffer” of 2.5%. The new capital conservation buffer requirement is to be phased in beginning in January 2016 at 0.625% of risk-weighted assets and will increase by that amount each year until fully implemented in January 2019. An institution would be subject to limitations on certain activities including payment of dividends, share repurchases and discretionary bonuses to executive officers if its capital level is below the buffer amount.

The new rule attempts to improve the quality of capital by implementing changes to the definition of capital. Among the most important changes are stricter eligibility criteria for regulatory capital instruments that would disallow the inclusion of instruments, such as trust preferred securities, in Tier 1 capital going forward and new constraints on the inclusion of minority interests, mortgage-servicing assets, deferred tax assets and certain investments in the capital of unconsolidated financial institutions. In addition, the new rule requires that most regulatory capital deductions be made from common equity Tier 1 capital.

Under the new rule, to avoid limitations on capital distributions, including dividend payments and certain discretionary bonus payments to executive officers, a banking organization must hold a capital conservation buffer composed of common equity Tier 1 capital above its minimum risk-based capital requirements. This buffer will help to ensure that banking organizations conserve capital when it is most needed, allowing them to better weather periods of economic stress. The buffer is measured relative to risk-weighted assets.

The new minimum capital requirements are effective on January 1, 2015, whereas the capital conservation buffer and the deductions from common equity Tier 1 capital phase in over time. Phase-in of the capital conservation buffer requirements will begin on January 1, 2016. Although these new capital ratios do not become effective until 2015 and 2016, the banking regulators will expect bank holding companies and banks to meet these requirements well ahead of that date.

The Federal Reserve may also set higher capital requirements for holding companies whose circumstances warrant it. For example, holding companies experiencing internal growth or making acquisitions are expected to maintain strong capital positions substantially above the minimum supervisory levels, without significant reliance on intangible assets. At this time, the bank regulatory agencies are more inclined to impose higher capital requirements to meet well-capitalized standards and future regulatory change could impose higher capital standards as a routine matter. The Company’s regulatory capital ratios and those of its subsidiary banks are in excess of the levels established for “well-capitalized” institutions under the new rules.

The new rules also set forth certain changes in the methods of calculating certain risk-weighted assets, which in turn will affect the calculation of risk based ratios. Under the new rules, higher or more sensitive risk weights would be assigned to various categories of assets, including, certain credit facilities that finance the acquisition, development or construction of real property, certain exposures or credits that are 90 days past due or on non-accrual, foreign exposures and certain corporate exposures. In addition, the new rules include (i) alternative standards of credit worthiness consistent with the Dodd-Frank Act, (ii) greater recognition of collateral and guarantees and (iii) revised capital treatment for derivatives and repo-style transactions.

In addition, the new rules include certain exemptions to address concerns about the regulatory burden on community banks. For example, banking organizations with less than $15 billion in consolidated assets as of December 31, 2009 are permitted to include in Tier 1 capital trust preferred securities and cumulative perpetual preferred stock issued and included in Tier 1 capital prior to May 19, 2010 on a permanent basis, without any phase out. Community banks may also elect on a one time basis in their March 31, 2015 quarterly filings to opt-out of the requirement to include most accumulated other comprehensive income ("AOCI") components in the calculation of CET1 capital and, in effect, retain the AOCI treatment under the current capital rules. Under the new rules, we may make a one-time, permanent election to continue to exclude accumulated other comprehensive income from capital. If we do not make this election, unrealized gains and losses would be included in the calculation of our regulatory capital.

Imposition of Liability for Undercapitalized Subsidiaries

The Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA") required each federal banking agency to revise its risk-based capital standards to ensure that those standards take adequate account of interest rate risk, concentration of credit risk and the risks of nontraditional activities, as well as reflect the actual performance and expected risk of loss on multifamily mortgages.

As discussed above, in accordance with the law, each federal banking agency has specified, by regulation, the levels at which an insured institution would be considered "well capitalized," adequately capitalized, undercapitalized, significantly undercapitalized and critically undercapitalized. As of March 31, 2013, the Company's subsidiary banks exceeded the capital levels required to be deemed "well capitalized."

Additionally, FDICIA requires bank regulators to take prompt corrective action to resolve problems associated with insured depository institutions. In the event an institution becomes undercapitalized, it must submit a capital restoration plan.

Under these prompt corrective action provisions of FDICIA, if a controlled bank is undercapitalized, then the regulators could require the bank to submit a capital restoration plan. If an institution becomes significantly undercapitalized or critically undercapitalized, additional and significant limitations are placed on the institution. The capital restoration plan of an undercapitalized institution will not be accepted by the regulators unless each company having control of the undercapitalized institution guarantees the subsidiary's compliance with the capital restoration plan until it becomes adequately capitalized. The Company has control of its subsidiary banks for the purpose of this statute.

Further, by statute and regulation, a bank holding company must serve as a source of financial and managerial strength to each bank that it controls and, under appropriate circumstances, may be required to commit resources to support each such controlled bank. This support may be required at times when the bank holding company may not have the resources to provide the support. In addition, if the Federal Reserve believes that a bank holding company's activities, assets or affiliates represent a significant risk to the financial safety, soundness or stability of a controlled bank, then the Federal Reserve could require the bank holding company to terminate the activities, liquidate the assets or divest the affiliates. The regulators may require these and other actions in support of controlled banks even if such actions are not in the best interests of the bank holding company or its stockholders.

Acquisitions by Bank Holding Companies

The BHC Act requires every bank holding company to obtain the prior approval of the Federal Reserve before it may acquire all or substantially all of the assets of any bank or ownership or control of any voting shares of any bank if after such acquisition it would own or control, directly or indirectly, more than 5% of the voting shares of such bank. In approving bank acquisitions by bank holding companies, the Federal Reserve is required to consider the financial and managerial resources and future prospects of the bank holding company

and banks concerned, the convenience and needs of the communities to be served, the effect on competition as well as the financial stability of the United States. The Attorney General of the United States may, within 30 days after approval of an acquisition by the Federal Reserve, bring an action challenging such acquisition under the federal antitrust laws, in which case the effectiveness of such approval is stayed pending a final ruling by the courts. Under certain circumstances, the 30-day period may be shortened to 15 days.

Control Acquisitions

The Change in Bank Control Act ("CBCA") prohibits a person or group of persons from acquiring "control" of a bank holding company unless the Federal Reserve has been notified and has not objected to the transaction. Under a rebuttable presumption established by the Federal Reserve, the acquisition of 10% or more of a class of voting stock of a bank holding company with a class of securities registered under Section 12 of the Exchange Act, such as the Company, would, under the circumstances set forth in the presumption, constitute acquisition of control of the Company.

In addition, the CBCA prohibits any entity from acquiring 25% (the BHC Act has a lower limit for acquirers that are existing bank holding companies) or more of a bank holding company's or bank's voting securities, or otherwise obtaining control or a controlling influence over a bank holding company or bank without the approval of the Federal Reserve. On September 22, 2008, the Federal Reserve Board issued a policy statement on equity investments in bank holding companies and banks, which states the Federal Reserve generally will not consider an entity's investment to be "controlling" if the entity owns or controls less than 25% of the voting shares and 33% total equity of the bank holding company or bank and has limited business relationships, director representation or other indicia of control. Depending on the nature of the overall investment and the capital structure of the banking organization, the Federal Reserve will permit, based on the policy statement, noncontrolling investments in the form of voting and nonvoting shares that represent in the aggregate (i) less than one-third of the total equity of the banking organization (and less than one-third of any class of voting securities, assuming conversion of all convertible nonvoting securities held by the entity) and (ii) less than 15% of any class of voting securities of the banking organization.

Interstate Acquisitions

The Dodd-Frank Act permits a national or state bank, with the approval of its regulator, to open a branch in any state if the law of the state in which the branch is located would permit the establishment of the branch if the bank were a bank chartered in that state. National banks may provide trust services in any state to the same extent as a trust company chartered by that state.

Anti-tying Restrictions

Bank holding companies and their affiliates are prohibited from tying the provision of certain services, such as extensions of credit, to other services offered by a holding company or its affiliates.

Bank Regulation

Triumph Savings Bank

Triumph Savings Bank is a Texas state savings bank and is subject to various requirements and restrictions under the laws of the United States and Texas and to regulation, supervision and regular examination by the FDIC and the TDSML. Triumph Savings Bank is required to file reports with the FDIC and the TDSML concerning its activities and financial condition in addition to obtaining regulatory approvals before entering into certain transactions such as mergers with, or acquisitions of, other financial institutions. The regulators have the power to enforce compliance with applicable banking statutes and regulations. Those regulations include requirements to maintain reserves against deposits, restrictions on the nature and amount of loans that may be made and the interest that may be charged on loans and restrictions relating to investments and other activities of Triumph Savings Bank.

Triumph Community Bank

Triumph Community Bank is a national bank, which is subject to regulation and supervision primarily by the OCC and secondarily by the FDIC. Triumph Community Bank is subject to requirements and restrictions under federal law, including requirements to maintain reserves against deposits, restrictions on the types and amounts of loans that may be granted and the interest that may be charged thereon and limitations on the types of investments that may be made and the types of services that may be offered. Various consumer laws and regulations also affect the operations of Triumph Community Bank.

The OCC regularly examines Triumph Community Bank and its records. The FDIC may also periodically examine and evaluate insured banks.

Standards for Safety and Soundness

As part of FDICIA's efforts to promote the safety and soundness of depository institutions and their holding companies, appropriate federal banking regulators are required to have in place regulations specifying operational and management standards (addressing internal controls, loan documentation, credit underwriting and interest rate risk), asset quality and earnings. As discussed above, the Federal Reserve, the OCC and the FDIC have extensive authority to police unsafe or unsound practices and violations of applicable laws and regulations by depository institutions and their holding companies. For example, the FDIC may terminate the deposit insurance of any institution that it determines has engaged in an unsafe or unsound practice. The agencies can also assess civil money penalties of up to $1 million per day, issue cease-and-desist or removal orders, seek injunctions and publicly disclose such actions.

The ability of Triumph Savings Bank, as a Texas state savings bank, to pay dividends is restricted under the Texas Finance Code. Pursuant to the Texas Finance Code, a Texas state savings bank may declare and pay a dividend out of current or retained earnings, in cash or additional stock, to the holders of record of the stock outstanding on the date the dividend is declared. However, without the prior approval of the TDSML, a cash dividend may not be declared by the board of a Texas state savings bank that the TDSML considers to be in an unsafe condition or to have less than zero total retained earnings on the date of the dividend declaration.

Triumph Savings Bank is also subject to certain restrictions on the payment of dividends as a result of the requirement that it maintain an adequate level of capital in accordance with guidelines promulgated from time to time by the federal regulators.

The OCC also has restrictions on the payment of dividends by national banks. Triumph Community Bank may not, without the prior approval of the OCC, declare a dividend if the total amount of dividends declared by the national bank in the current year, including the proposed dividend, exceeds certain levels of net income and retained earnings. Similar to Triumph Savings Bank, Triumph Community Bank is also subject to certain restrictions on the payment of dividends as a result of the requirement that it maintain an adequate level of capital in accordance with guidelines promulgated from time to time by the federal regulators.

The present and future dividend policy of Triumph Savings Bank and Triumph Community Bank is subject to the discretion of its boards of directors. In determining whether to pay dividends to Triumph and, if made, the amount of the dividends, the boards of directors of Triumph Savings Bank and Triumph Community Bank considers many of the same factors discussed above. Triumph Savings Bank and Triumph Community Bank cannot guarantee that they will have the financial ability to pay dividends to Triumph, or if dividends are paid, that they will be sufficient for Triumph to make distributions to stockholders. Neither Triumph Savings Bank nor Triumph Community Bank is obligated to pay dividends.

Restrictions on Transactions with Affiliates

Section 23A of the Federal Reserve Act imposes quantitative and qualitative limits on transactions between a bank and any affiliate and requires certain levels of collateral for such loans. It also limits the amount of

advances to third parties which are collateralized by the securities or obligations of the Company. Section 23B requires that certain transactions between the Company's subsidiary banks and their affiliates must be on terms substantially the same, or at least as favorable, as those prevailing at the time for comparable transactions with or involving other nonaffiliated companies. In the absence of such comparable transactions, any transaction between the banks and their affiliates must be on terms and under circumstances, including credit standards, which in good faith would be offered to or would apply to nonaffiliated companies.

Capital Adequacy

In addition to the capital rules applicable to both banks and bank holding companies discussed above, under the prompt corrective action regulations, the federal bank regulators are required and authorized to take supervisory actions against undercapitalized banks. For this purpose a bank is placed in one of the following five categories based on the bank's capital (as of the new capital rules discussed above):

- well-capitalized (at least 5% leverage capital, 6.5% common equity Tier 1 risk-based capital, 8% Tier 1 risk-based capital and 10% total risk-based capital);
- adequately capitalized (at least 4% leverage capital, 4.5% common equity Tier 1 risk-based capital, 6% Tier 1 risk-based capital and 8% total risk-based capital);
- undercapitalized (less than 4% leverage capital, 4.5% common equity Tier 1 risk-based capital, 6% Tier 1 risk-based capital and 8% total risk-based capital);
- significantly undercapitalized (less than 3% leverage capital, 3% common equity Tier 1 risk-based capital, 4% Tier 1 risk-based capital and 6% total risk-based capital); and
- critically undercapitalized (less than 2% tangible capital).

Federal banking regulators are required to take various mandatory supervisory actions and are authorized to take other discretionary actions with respect to institutions in the three undercapitalized categories. The severity of the action depends upon the capital category in which the institution is placed. Generally, subject to a narrow exception, banking regulators must appoint a receiver or conservator for an institution that is "critically undercapitalized." The federal banking agencies have specified by regulation the relevant capital level for each category. An institution that is categorized as "undercapitalized," "significantly undercapitalized," or "critically undercapitalized" is required to submit an acceptable capital restoration plan to its appropriate federal banking agency.

Failure to meet capital guidelines could subject our subsidiary banks to a variety of enforcement remedies, including issuance of a capital directive, the termination of deposit insurance by the FDIC, a prohibition on accepting brokered deposits and other restrictions on our business.

Deposit Insurance

The FDIC insures the deposits of federally insured banks up to prescribed statutory limits for each depositor, through the DIF and safeguards the safety and soundness of the banking and thrift industries. The Dodd-Frank Act permanently raised the standard maximum deposit insurance amount to $250,000. The amount of FDIC assessments paid by each insured depository institution is based on its relative risk of default as measured by regulatory capital ratios and other supervisory factors.

In connection with the Dodd Frank Act's requirement that insurance assessments be based on assets, the FDIC has redefined its deposit insurance premium assessment base to be an institution's average consolidated total assets minus average tangible equity and revised its deposit insurance assessment rate schedule in light of this change to the assessment base. The revised rate schedule and other revisions to the assessment rules became effective April 1, 2011.

We are generally unable to control the amount of premiums that we are required to pay for FDIC insurance. At least semi-annually, the FDIC will update its loss and income projections for the DIF and, if needed, will increase or decrease assessment rates, following notice-and-comment rulemaking, if required. If there are additional bank or financial institution failures or if the FDIC otherwise determines to increase assessment rates, the Bank may be required to pay higher FDIC insurance premiums. Any future increases in FDIC insurance premiums may have a material and adverse effect on our earnings.

In addition, all FDIC-insured institutions are required to pay assessments to the FDIC to fund interest payments on bonds issued by the Financing Corporation ("FICO"), an agency of the federal government established to recapitalize the predecessor to the DIF. These assessments, which are included in Deposit Insurance Premiums on the Consolidated Statements of Income, will continue until the FICO bonds mature between 2017 and 2019.

Consumer Financial Protection Bureau

The Dodd-Frank Act created CFPB, which is granted broad rulemaking, supervisory and enforcement powers under various federal consumer financial protection laws, including the Equal Credit Opportunity Act, Truth in Lending Act, Real Estate Settlement Procedures Act, Fair Credit Reporting Act, Fair Debt Collection Act, the Consumer Financial Privacy provisions of the Gramm-Leach-Bliley Act and certain other statutes. The CFPB has examination and primary enforcement authority with respect to depository institutions with $10 billion or more in assets. Depository institutions with less than $10 billion in assets, such as our subsidiary depository institutions, are subject to rules promulgated by the CFPB, which may increase their compliance risk and the costs associated with their compliance efforts, but the banks will continue to be examined and supervised by federal banking regulators for consumer compliance purposes. The CFPB has authority to prevent unfair, deceptive or abusive practices in connection with the offering of consumer financial products.

The Dodd-Frank Act authorizes the CFPB to establish certain minimum standards for the origination of residential mortgages, including a determination of the borrower's ability to repay. In addition, the Dodd-Frank Act allows borrowers to raise certain defenses to foreclosure if they receive any loan other than a "qualified mortgage" as defined by the CFPB. The CFPB has opened inquiries into whether additional rule-making would be appropriate for overdraft protection programs.

The CFPB has issued a number of regulations related to the origination of mortgages, foreclosure, and overdrafts as well as many other consumer issues. Additionally, the CFPB has proposed, or will be proposing, additional regulations on issues that directly relate to our business. Although it is difficult to predict at this time the extent to which the CFPB's final rules impact the operations and financial condition of the banks, such rules may have a material impact on the banks' compliance costs, compliance risk and fee income.

Privacy

Under the Right to Financial Privacy Act, which imposes a duty to maintain confidentiality of consumer financial records and prescribes procedures for complying with administrative subpoenas of financial records, financial institutions are required to disclose their policies for collecting and protecting confidential information. Customers generally may prevent financial institutions from sharing personal financial information with nonaffiliated third parties except for third parties that market the institutions' own products and services. Additionally, financial institutions generally may not disclose consumer account numbers to any nonaffiliated third party for use in telemarketing, direct mail marketing or other marketing through electronic mail to consumers.

The Patriot Act, International Money Laundering Abatement and Financial Anti-Terrorism Act and Bank Secrecy Act

A major focus of governmental policy on financial institutions has been aimed at combating money laundering and terrorist financing. The Patriot Act and the International Money Laundering and Financial Anti-

Terrorism Act of 2001 substantially broadened the scope of U.S. anti-money laundering laws and penalties, specifically related to the Bank Secrecy Act and expanded the extra-territorial jurisdiction of the United States. The U.S. Treasury has issued a number of implementing regulations which apply various requirements of the Patriot Act to financial institutions such as Triumph Savings Bank and Triumph Community Bank. These regulations impose obligations on financial institutions to maintain appropriate policies, procedures and controls to detect, prevent and report money laundering and terrorist financing and to verify the identity of their customers.

Failure of a financial institution and its holding company to maintain and implement adequate programs to combat money laundering and terrorist financing, or to comply with relevant laws and regulations, could have serious legal, reputational and financial consequences for the institution. Because of the significance of regulatory emphasis on these requirements, Triumph Savings Bank and Triumph Community Bank will continue to expend significant staffing, technology and financial resources to maintain programs designed to ensure compliance with applicable laws and regulations and an effective audit function for testing of the banks' compliance with the Bank Secrecy Act on an ongoing basis.

Community Reinvestment Act

The CRA requires that, in connection with examinations of financial institutions within its jurisdiction, the FDIC and the state banking regulators, as applicable, evaluate the record of each financial institution in meeting the credit needs of its local community, including low and moderate-income neighborhoods. These facts are also considered in evaluating mergers, acquisitions and applications to open a branch or facility. Failure to adequately meet these criteria could impose additional requirements and limitations on us. Additionally, we must publicly disclose the terms of various CRA-related agreements.

Other Regulations

Interest and other charges that our subsidiary banks collect or contract for are subject to state usury laws and federal laws concerning interest rates. Our banks' loan operations are also subject to federal laws applicable to credit transactions, such as:

- the federal Truth-In-Lending Act, governing disclosures of credit terms to consumer borrowers;
- the Home Mortgage Disclosure Act, requiring financial institutions to provide information to enable the public and public officials to determine whether a financial institution is fulfilling its obligation to help meet the housing needs of the community it serves;
- the Equal Credit Opportunity Act, prohibiting discrimination on the basis of race, creed or other prohibited factors in extending credit;
- the Fair Credit Reporting Act, governing the use and provision of information to credit reporting agencies;
- the Fair Debt Collection Act, governing the manner in which consumer debts may be collected by collection agencies; and
- the rules and regulations of the various governmental agencies charged with the responsibility of implementing these federal laws.

In addition, our subsidiary banks' deposit operations are subject to the Electronic Funds Transfer Act and Regulation E issued by the Federal Reserve to implement that act, which govern automatic deposits to and withdrawals from deposit accounts and customers' rights and liabilities arising from the use of automated teller machines and other electronic banking services.

Concentrated Commercial Real Estate Lending Regulations

The Federal Reserve and other federal banking regulatory agencies promulgated guidance governing financial institutions with concentrations in commercial real estate lending. The guidance provides that a bank has a concentration in commercial real estate lending if (i) total reported loans for construction, land development and other land represent 100% or more of total capital or (ii) total reported loans secured by multifamily and non-farm residential properties and loans for construction, land development and other land represent 300% or more of total capital and the bank's commercial real estate loan portfolio has increased 50% or more during the prior 36 months. If a concentration is present, management must employ heightened risk management practices including board and management oversight and strategic planning, development of underwriting standards, risk assessment and monitoring through market analysis and stress testing and increasing capital requirements.

All of the above laws and regulations add significantly to the cost of operating the Company and our subsidiary depository institutions and thus have a negative impact on profitability. We would also note that there has been a tremendous expansion experienced in recent years by certain financial service providers that are not subject to the same rules and regulations as the Company and our subsidiary depository institutions. These institutions, because they are not so highly regulated, have a competitive advantage over us and our subsidiary depository institutions and may continue to draw large amounts of funds away from banking institutions, with a continuing adverse effect on the banking industry in general.

Effect of Governmental Monetary Policies

The commercial banking business is affected not only by general economic conditions but also by both U.S. fiscal policy and the monetary policies of the Federal Reserve. Some of the instruments of fiscal and monetary policy available to the Federal Reserve include changes in the discount rate on member bank borrowings, the fluctuating availability of borrowings at the "discount window," open market operations, the imposition of and changes in reserve requirements against member banks' deposits and assets of foreign branches, the imposition of and changes in reserve requirements against certain borrowings by banks and their affiliates and the placing of limits on interest rates that member banks may pay on time and savings deposits. Such policies influence to a significant extent the overall growth of bank loans, investments and deposits and the interest rates charged on loans or paid on time and savings deposits. We cannot predict the nature of future fiscal and monetary policies and the effect of such policies on the future business and our earnings.

CERTAIN MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES FOR NON-U.S. HOLDERS OF COMMON STOCK

The following is a summary of certain material United States federal income tax consequences relevant to non-U.S. holders, as defined below, of the purchase, ownership and disposition of our common stock purchased in this offering. The following summary is based on current provisions of the Code, U.S. Treasury regulations and judicial and administrative authority, all of which are subject to change, possibly with retroactive effect. We have not sought any ruling from the U.S. Internal Revenue Service ("IRS"), with respect to the statements made and the conclusions reached in the following summary and there can be no assurance that the IRS would not assert, or that a court would not sustain, a position contrary to such statements and conclusions. This section does not consider state, local, estate or foreign tax consequences, nor does it address tax consequences to special classes of investors including, but not limited to, tax-exempt organizations, insurance companies, banks or other financial institutions, partnerships or other entities classified as partnerships for United States federal income tax purposes, U.S. expatriates and certain former long-term residents of the United States, dealers in securities, persons liable for the alternative minimum tax, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, persons who have acquired our common stock as compensation or otherwise in connection with the performance of services or persons that will hold our common stock as a position in a hedging transaction, "straddle," "conversion transaction" or other risk reduction transaction. Tax consequences may vary depending upon the particular status of an investor. The summary is limited to non-U.S. holders who will hold our common stock as "capital assets" (generally, property held for investment). Each potential investor should consult its own tax advisor as to the United States federal, state, local, foreign and any other tax consequences of the purchase, ownership and disposition of our common stock.

You are a non-U.S. holder if you are a beneficial owner of our common stock for United States federal income tax purposes that is (1) a nonresident alien individual, (2) a corporation (or other entity that is taxable as a corporation) not created or organized in the United States or under the laws of the United States or of any State (or the District of Columbia), (3) an estate whose income falls outside of the federal income tax jurisdiction of the United States, regardless of the source of such income or (4) a trust unless (a) both (i) a court within the United States is able to exercise primary supervision over the administration of the trust and (ii) one or more "United States Persons," as defined under Section 7701 of the Code, have the authority to control all substantial decisions of the trust or (b) such trust has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

If an entity or arrangement treated as a partnership for United States federal income tax purposes holds our common stock, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. If you are treated as a partner in such an entity holding our common stock, you should consult your tax advisor as to the United States federal income tax consequences applicable to you.

Distributions

Distributions with respect to our common stock will be treated as dividends when paid to the extent of our current or accumulated earnings and profits as determined for United States federal income tax purposes. Except as described below, if you are a non-U.S. holder of our shares, dividends paid to you are subject to withholding of United States federal income tax at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate. Even if you are eligible for a lower treaty rate, we and other payors will generally be required to withhold at a 30% rate (rather than the lower treaty rate) on dividends paid to you, unless you have furnished to us or another payor:

- a valid Internal Revenue Service Form W-8BEN or an acceptable substitute form upon which you certify, under penalties of perjury, your status as a non-United States person and your entitlement to the lower treaty rate with respect to such payments, or

- in the case of payments made outside the United States to an offshore account (generally, an account maintained by you at an office or branch of a bank or other financial institution at any location outside the United States), other documentary evidence establishing your entitlement to the lower treaty rate in accordance with U.S. Treasury regulations.

If you are eligible for a reduced rate of U.S. withholding tax under a tax treaty, you may obtain a refund of any amounts withheld in excess of that rate by timely filing a refund claim with the IRS.

If dividends paid to you are "effectively connected" with your conduct of a trade or business within the United States and, if required by a tax treaty, the dividends are attributable to a permanent establishment that you maintain in the United States, we and other payors generally are not required to withhold tax from the dividends, *provided*, that you have furnished to us or another payor a valid Internal Revenue Service Form W-8ECI or an acceptable substitute form upon which you represent, under penalties of perjury, that:

- you are a non-United States person and
- the dividends are effectively connected with your conduct of a trade or business within the United States and are includible in your gross income.

"Effectively connected" dividends are taxed at rates applicable to United States citizens, resident aliens and domestic United States corporations. If you are a corporate non-U.S. holder, "effectively connected" dividends that you receive may, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

Sale or Redemption

If you are a non-U.S. holder, you generally will not be subject to United States federal income or withholding tax on gain realized on the sale, exchange or other disposition of our common stock unless:

- you are an individual, you hold our shares as a capital asset, you are present in the United States for 183 or more days in the taxable year of the sale and certain other conditions exist,
- the gain is "effectively connected" with your conduct of a trade or business in the United States and the gain is attributable to a permanent establishment that you maintain in the United States, if that is required by an applicable income tax treaty as a condition to subjecting you to United States taxation on a net income basis or
- our common stock constitutes a U.S. real property interest by reason of our status as a "United States real property holding corporation" or USRPHC at any time within the shorter of the five-year period preceding the disposition or the non-U.S. holder's holding period of our common stock.

We believe that we are not currently and will not become a USRPHC. However, because the determination of whether we are a USRPHC depends on the fair market value of our U.S. real property relative to the fair market value of our other business assets, there can be no assurance that we will not become a USRPHC in the future. Even if we become a USRPHC, however, as long as our common stock is regularly traded on an established securities market, such common stock will be treated as U.S. real property interests only if the non-U.S. holder actually or constructively held more than five percent of our common stock at any time during the shorter of the five-year period preceding the disposition or the non-U.S. holder's holding period for our common stock.

A non-U.S. holder that is an individual and who is present in the U.S. for 183 days or more in the taxable year of such sale or disposition, if certain other conditions are met, will be subject to tax at a gross rate of 30% on the amount by which such non-U.S. holder's taxable capital gains allocable to U.S. sources, including gain from the sale or other disposition of shares of our common stock, except capital losses allocable to U.S. sources, except as otherwise provided in an applicable income tax treaty.

Information Reporting and Backup Withholding

Payment of dividends and the tax withheld on those payments, are subject to information reporting requirements. These information reporting requirements apply regardless of whether withholding was reduced or eliminated by an applicable income tax treaty. Under the provisions of an applicable income tax treaty or agreement, copies of the information returns reporting such dividends and withholding may also be made available to the tax authorities in the country in which the non-U.S. holder resides. U.S. backup withholding will generally apply on payment of dividends to non-U.S. holders unless such non-U.S. holders furnish to the payor a Form W-8BEN (or other applicable form), or otherwise establish an exemption and the payor does not have actual knowledge or reason to know that the holder is a U.S. person, as defined under the Code, that is not an exempt recipient.

Payment of the proceeds of a sale of our common stock within the United States or conducted through certain U.S.-related financial intermediaries is subject to information reporting and, depending on the circumstances, backup withholding, unless the non-U.S. holder, or beneficial owner thereof, as applicable, certifies that it is a non-U.S. holder on Form W-8BEN (or other applicable form), or otherwise establishes an exemption and the payor does not have actual knowledge or reason to know the holder is a U.S. person, as defined under the Code, that is not an exempt recipient.

Any amount withheld under the backup withholding rules from a payment to a non-U.S. holder is allowable as a credit against the non-U.S. holder's United States federal income tax, which may entitle the non-U.S. holder to a refund, *provided*, that the non-U.S. holder timely provides the required information to the Internal Revenue Service. Moreover, certain penalties may be imposed by the Internal Revenue Service on a non-U.S. holder who is required to furnish information but does not do so in the proper manner. Non-U.S. holders should consult their tax advisors regarding the application of backup withholding in their particular circumstances and the availability of and procedure for obtaining an exemption from backup withholding under current U.S. Treasury regulations.

Recent Legislation Relating to Foreign Accounts

Under legislation enacted in 2010, certain payments that are made to certain foreign financial institutions, investment funds and other non-United States persons that fail to comply with information reporting requirements in respect of their direct and indirect U.S. stockholders will be subject to withholding at a rate of 30%. These payments would include dividends and the gross proceeds from the sale or other disposition of our shares. Under current U.S. Treasury regulations, withholding would only apply to payments of dividends made on or after July 1, 2014 and to payments of gross proceeds from a sale or other disposition of our shares made on or after January 1, 2017.

Non-U.S. Holders are encouraged to consult with their tax advisors regarding the possible implications of the legislation on their investment in our common stock.

UNDERWRITING

We are offering the shares of our common stock described in this prospectus through several underwriters for whom Sandler O'Neill & Partners, L.P. and Evercore Group L.L.C. are acting as representatives. We have entered into an underwriting agreement dated , with Sandler O'Neill & Partners, L.P. and Evercore Group L.L.C., as representatives of the underwriters. Subject to the terms and conditions of the underwriting agreement, each of the underwriters has severally agreed to purchase the number of shares of common stock listed next to its name in the following table:

Underwriter	Number of Shares
Sandler O'Neill & Partners, L.P.	
Evercore Group L.L.C.	
Total	

Our common stock is offered subject to a number of conditions, including receipt and acceptance of the common stock by the underwriters.

In connection with this offering, the underwriters or securities dealers may distribute offering documents to investors electronically.

Commission and Discounts

Shares of common stock sold by the underwriters to the public will initially be offered at the public offering price set forth on the cover page of this prospectus. Any shares of common stock sold by the underwriters to securities dealers may be sold at a discount of up to $ per share from the public offering price. Any of these securities dealers may resell any shares of common stock purchased from the underwriters to other brokers or dealers at a discount of up to $ per share from the public offering price. If all of the shares of common stock are not sold at the public offering price, the representatives may change the offering price and the other selling terms. Sales of shares of common stock made outside of the United States may be made by affiliates of the underwriters.

The following table shows the public offering price, underwriting discount and proceeds before expenses to us. The information assumes either no exercise or full exercise by the underwriters of their option to purchase an additional shares:

	Per Share	No Exercise	Full Exercise
Public offering price	$	$	$
Underwriting discount	$	$	$
Proceeds to us, before expenses	$	$	$

Option to Purchase Additional Shares

We have granted the underwriters an option to buy up to additional shares of our common stock, at the public offering price less underwriting discounts. The underwriters may exercise this option, in whole or from time to time in part, solely for the purpose of covering over allotments, if any, made in connection with this offering. The underwriters have days from the date of this prospectus to exercise this option. If the underwriters exercise this option, each underwriter will be obligated, subject to the conditions in the underwriting agreement, to purchase a number of additional shares of our common stock proportionate to such underwriter's initial amount relative to the total amount reflected in the table above.

Lock-Up Agreements

We, our executive officers and directors, certain executive officers and directors of our subsidiaries and certain other stockholders, have entered into lock-up agreements with the underwriters. Under these agreements, we and each of these persons may not, without the prior written approval of the representatives, subject to limited exceptions,

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of, or otherwise dispose of or transfer any shares of our common stock or any securities convertible into or exchangeable or exercisable for our common stock, whether now owned or hereafter acquired or with respect to which such person has or hereafter acquires the power of disposition, or file any registration statement under the Securities Act with respect to any of the foregoing; or
- enter into any swap, hedge or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the shares of our common stock, whether any such swap, hedge or transaction is to be settled by delivery of shares of our common stock or other securities, in cash or otherwise.

These restrictions will be in effect for a period of 180 days after the date of the underwriting agreement. At any time and without public notice, the representatives may, in their sole discretion, release all or some of the securities from these lock-up agreements.

These restrictions also apply to securities convertible into or exchangeable or exercisable for or repayable with common stock to the same extent as they apply to our common stock. They also apply to common stock owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition.

The 180-day restricted period described above is subject to extension under limited circumstances. In the event that either (1) during the period that begins on the date that is 15 calendar days plus three business days before the last day of the 180-day restricted period and ends on the last day of the 180-day restricted period, we issue an earnings release or material news or a material event relating to us occurs; or (2) prior to the expiration of the 180-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 180-day restricted period, then the restricted period will continue to apply until the expiration of the date that is 15 calendar days plus three business days after the date on which the earnings release is issued or the material news or material event relating to us occurs.

Additionally, subject to the occurrence of a change in control event, any shares (other than shares distributed in respect of prices in excess of the price of this offering) distributed by TCC to TLCM and TLCM’s members will be subject to lock-up restrictions under which the shares may generally not be sold or otherwise transferred without the Company’s consent for a period of 180 days following their distribution to TLCM and TLCM’s members.

Pricing of this Offering

Prior to this offering, there has been no established public trading market for our common stock. The initial public offering price will be negotiated between us and the representatives of the underwriters. In addition to prevailing market conditions, among the factors to be considered in determining the initial public offering price of the common stock will be our historical performance, estimates of our business potential and our earnings prospects, an assessment of our management and the consideration of the above factors in relation to market valuation of companies in related businesses. An active trading market for the shares may not develop. It is also possible that the shares will not trade in the public market at or above the initial public offering price following the completion of this offering.

We intend to apply to have our common stock approved for listing on the under the symbol " ."

Indemnification and Contribution

We have agreed to indemnify the underwriters and their affiliates, selling agents and controlling persons against certain liabilities, including under the Securities Act. If we are unable to provide this indemnification, we will contribute to the payments the underwriters and their affiliates, selling agents and controlling persons may be required to make in respect of those liabilities.

Price Stabilization, Short Positions and Penalty Bids

To facilitate the offering of our common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the common stock, including:

- stabilizing transactions;
- short sales; and
- purchases to cover positions created by short sales.

Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of our common stock while this offering is in progress. These transactions may also include making short sales of our common stock, which involve the sale by the underwriters of a greater number of shares of common stock than they are required to purchase in this offering. Short sales may be "covered short sales," which are short positions in an amount not greater than the underwriters' purchase option referred to above, or may be "naked short sales," which are short positions in excess of that amount.

The underwriters may close out any covered short position either by exercising their purchase option, in whole or in part, or by purchasing shares in the open market. In making this determination, the underwriters will consider, among other things, the price of shares available for purchase in the open market compared to the price at which they may purchase shares through the purchase option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market that could adversely affect investors who purchased in this offering.

As a result of these activities, the price of our common stock may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time without notice. The underwriters may carry out these transactions on the , in the over-the-counter market or otherwise.

Passive Market Making

In connection with this offering, the underwriters and selling group members may engage in passive market making transactions in our common stock on the in accordance with Rule 103 of Regulation M under the Exchange Act during a period before the commencement of offers or sales of common stock and extending through the completion of the distribution of this offering. A passive market maker must display its bid at a price not in excess of the highest independent bid of that security. However, if all independent bids are lowered below the passive market maker's bid, that bid must then be lowered when specified purchase limits are exceeded. Passive market making may cause the price of our common stock to be higher than the price that otherwise would exist in the open market in the absence of those transactions. The underwriters and dealers are not required to engage in a passive market making and may end passive market making activities at any time.

Electronic Distribution

A prospectus in electronic format may be made available by e-mail or on the websites or through online services maintained by one or more of the underwriters or their affiliates. In those cases, prospective investors may view offering terms online and may be allowed to place orders online. The underwriters may agree with us to allocate a specific number of shares for sale to online brokerage account holders. Any such allocation for online distributions will be made by the underwriters on the same basis as other allocations. Other than the prospectus in electronic format, the information on the underwriters' websites and any information contained on any other website maintained by any of the underwriters is not part of this prospectus, has not been approved and/or endorsed by the underwriters or us and should not be relied upon by investors.

Directed Share Program

At our request, the underwriters have reserved for sale, at the initial public offering price, up to shares of common stock offered by this prospectus for sale to our directors, officers, employees, business associates and related persons. Reserved shares purchased by our directors and officers will be subject to the lock-up provisions described above. The number of shares of our common stock available for sale to the general public will be reduced to the extent these persons purchase the reserved shares. Any reserved shares of our common stock that are not so purchased will be offered by the underwriters to the general public on the same terms as the other shares of our common stock offered by this prospectus.

Affiliations

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing, valuation and brokerage activities. From time to time, the underwriters and/or their respective affiliates have directly and indirectly engaged, or may engage, in various financial advisory, investment banking and commercial banking services for us and our affiliates, for which they received, or may receive, customary compensation, fees and expense reimbursement. In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and those investment and securities activities may involve securities and/or instruments of ours. The underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of those securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in those securities and instruments.

LEGAL MATTERS

Adam D. Nelson, who is our General Counsel, or another of our lawyers will issue an opinion about the validity of the securities offered in this offering. Mr. Nelson owns, or has the right to acquire, a number of shares of our common stock which represents less than 0.1% of the total outstanding common stock. Certain other legal matters in connection with this offering will be passed upon for us by Wachtell, Lipton, Rosen & Katz, New York, New York and for the underwriters by Hunton & Williams LLP, Dallas, Texas.

EXPERTS

The consolidated financial statements of Triumph Bancorp, Inc. and its subsidiaries at December 31, 2013 and 2012 and the consolidated financial statements of National Bancshares, Inc. for the period between January 1, 2013 and October 14, 2013, in this Prospectus and Registration Statement have been audited by Crowe Horwath LLP, an independent registered public accounting firm, as set forth in their reports thereon appearing elsewhere herein and are included in reliance upon such reports given on the authority of that firm as experts in accounting and auditing. The consolidated financial statements of National Bancshares, Inc. at December 31, 2012 have been audited by Plante & Moran, PLLC, an independent auditing firm, as set forth in their report thereon appearing elsewhere herein and are included in reliance upon such report given on the authority of that firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

This prospectus, which constitutes a part of a Registration Statement on Form S-1 filed with the SEC, does not contain all of the information set forth in the Registration Statement and the related exhibits and schedules. Some items are omitted in accordance with the rules and regulations of the SEC. Accordingly, we refer you to the complete Registration Statement, including its exhibits and schedules, for further information about us and the shares of common stock to be sold in this offering. Statements or summaries in this prospectus as to the contents of any contract or other document referred to in this prospectus are not necessarily complete and, where that contract or document is filed as an exhibit to the Registration Statement, each statement or summary is qualified in all respects by reference to the exhibit to which the reference relates. You may read and copy the Registration Statement, including the exhibits and schedules to the Registration Statement, at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Information about the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. Our filings with the SEC, including the Registration Statement, are also available to you for free on the SEC's Internet website at www.sec.gov.

Upon completion of this offering, we will become subject to the informational and reporting requirements of the Exchange Act and, in accordance with those requirements, will file reports and proxy and information statements with the SEC. You will be able to inspect and copy these reports and proxy and information statements and other information at the addresses set forth above. We intend to furnish to our stockholders our annual reports containing our audited consolidated financial statements certified by an independent public accounting firm.

We also maintain a website at www.triumphbancorp.com. Information on or accessible through our website is not part of this prospectus.

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TRIUMPH BANCORP, INC.
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CONSOLIDATED BALANCE SHEETS
March 31, 2014 and 2013
(Dollar amounts in thousands, except per share amounts)

	March 31, 2014 (Unaudited)	December 31, 2013
ASSETS		
Cash and due from banks	$ 28,882	$ 25,352
Interest-bearing deposits with other banks	78,069	60,445
Total cash and cash equivalents	106,951	85,797
Securities — available for sale	165,276	184,654
Securities — held to maturity, fair value of $750 and $745, respectively	744	743
Loans held for sale	4,902	5,393
Loans	800,667	881,099
Allowance for loan losses	(4,631)	(3,645)
Loans, net	796,036	877,454
Branch assets held for sale	88,692	—
FHLB and Federal Reserve Bank stock, at cost	5,233	5,802
Premises and equipment, net	20,502	23,344
Other real estate owned	13,575	13,783
Goodwill and intangible assets, net	27,792	28,518
Bank-owned life insurance	28,695	28,554
Other assets	38,712	34,197
	$ 1,297,110	$ 1,288,239
LIABILITIES AND EQUITY		
Liabilities		
Deposits:		
Noninterest bearing	$ 155,879	$ 150,238
Interest bearing	894,433	894,616
Total deposits	1,050,312	1,044,854
Customer repurchase agreements	17,670	11,330
Federal Home Loan Bank advances	20,750	21,000
Senior secured note	12,259	12,573
Junior subordinated debentures	24,233	24,171
Other liabilities	7,705	13,714
Total liabilities	1,132,929	1,127,642
Commitments and contingencies — See Note 9		
Equity — See Note 12		
Stockholders' equity		
Preferred Stock Series A	4,550	4,550
Preferred Stock Series B	5,196	5,196
Common stock	98	98
Additional paid-in-capital	104,744	104,631
Retained earnings	22,111	18,992
Accumulated other comprehensive income	485	133
Total stockholders' equity	137,184	133,600
Noncontrolling interests	26,997	26,997
Total equity	164,181	160,597
	$ 1,297,110	$ 1,288,239

See accompanying condensed notes to consolidated financial statements.

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TRIUMPH BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
For the Three Months Ended March 31, 2014 and 2013
(Dollar amounts in thousands, except per share amounts)
(Unaudited)

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013
Interest income:		
Interest and fees on loans	$ 14,376	$ 3,043
Interest and fees on factored receivables	5,272	3,532
Interest and dividends on securities	657	225
Interest and dividends on tax exempt securities	16	—
Interest on cash deposits	58	21
Total interest income	20,379	6,821
Interest expense:		
Deposits	1,108	765
Federal Home Loan Bank advances	4	1
Senior secured note	140	—
Junior subordinated debentures	271	—
Other	1	1
Total interest expense	1,524	767
Net interest income	18,855	6,054
Provision for loan losses	925	379
Net interest income after provision for loan losses	17,930	5,675
Noninterest income:		
Service charges on deposits	769	—
Card income	490	—
Net realized gains (losses) and valuation adjustments on OREO	(77)	77
Net gains on sale of loans	255	—
Fee income	398	231
Other	774	137
Total noninterest income	2,609	445
Noninterest expense:		
Salaries and employee benefits	8,876	3,754
Occupancy, furniture and equipment	1,332	427
FDIC insurance assessment	261	72
Carrying costs for OREO	132	57
Professional fees	592	114
Amortization of intangible assets	726	—
Advertising and promotion	443	183
Communications and technology	888	212
Other	1,646	528
Total noninterest expense	14,896	5,347
Net income before income tax	5,643	773
Income tax expense	1,916	117
Net income	3,727	656
Effect of noncontrolling interests and preferred shares	(579)	(953)
Net income (loss) to common stockholders	$ 3,148	$ (297)
Earnings (loss) per share		
Basic	$ 0.32	$ (0.04)
Diluted	$ 0.32	$ (0.04)

See accompanying condensed notes to consolidated financial statements.

TRIUMPH BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Three Months Ended March 31, 2014 and 2013
(Dollar amounts in thousands, except per share amounts)
(Unaudited)

	March 31, 2014	March 31, 2013
Net income	$ 3,727	$ 656
Other comprehensive income:		
Unrealized gains on securities:		
Unrealized holding gains arising during the period	586	40
Reclassification of amount realized through sale of securities	(16)	—
Tax effect	(218)	(14)
Total other comprehensive income	352	26
Comprehensive income	4,079	682
Income attributable to noncontrolling interests	(579)	(953)
Comprehensive income (loss) attributable to common stockholders	$ 3,500	$ (271)

See accompanying condensed notes to consolidated financial statements.

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TRIUMPH BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Three Months Ended March 31, 2014 and 2013
(Dollar amounts in thousands, except per share amounts)
(Unaudited)

	Preferred Stock – Series A		Preferred Stock – Series B		Common Stock						
	Shares Outstanding	Liquidation Preference Amount	Shares Outstanding	Liquidation Preference Amount	Shares Outstanding	Par Amount	Additional Paid-in-Capital	Retained Earnings	Accumulated Other Comprehensive Income	Non-Controlling Interest	Total Equity
Balance, January 1, 2013	50,000	5,000	—	—	4,586,356	46	43,924	7,086	456	6,962	63,474
Exchange offer	(4,500)	(450)	—	—	501,891	5	5,807	(454)	—	(5,362)	(454)
Common stock issuance, net of costs	—	—	—	—	3,580,709	36	41,306	—	—	—	41,342
TBI Series A Preferred dividends	—	—	—	—	—	—	—	(356)	—	—	(356)
TCF Class B distributions	—	—	—	—	—	—	—	(144)	—	—	(144)
Net income	—	—	—	—	—	—	—	656	—	—	656
Other comprehensive income	—	—	—	—	—	—	—	—	26	—	26
Balance, March 31, 2013	45,500	$ 4,550	—	$ —	8,668,956	$ 87	$ 91,037	$ 6,788	$ 482	$ 1,600	$104,544
Balance, January 1, 2014	45,500	4,550	51,956	5,196	9,832,585	98	104,631	18,992	133	26,997	160,597
Vesting of restricted stock	—	—	—	—	13,511	—	—	—	—	—	—
Stock based compensation	—	—	—	—	—	—	113	—	—	—	113
Series T-1 and T-2 dividends	—	—	—	—	—	—	—	(394)	—	—	(394)
TBI Series A Preferred dividends	—	—	—	—	—	—	—	(90)	—	—	(90)
TBI Series B Preferred dividends	—	—	—	—	—	—	—	(102)	—	—	(102)
TCF Class B distributions	—	—	—	—	—	—	—	(22)	—	—	(22)
Net income	—	—	—	—	—	—	—	3,727	—	—	3,727
Other comprehensive income	—	—	—	—	—	—	—	—	352	—	352
Balance, March 31, 2014	45,500	$ 4,550	51,956	$ 5,196	9,846,096	$ 98	$ 104,744	$ 22,111	$ 485	$ 26,997	$164,181

See accompanying condensed notes to consolidated financial statements.

TRIUMPH BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2014 and 2013
(Dollar amounts in thousands, except per share amounts)
(Unaudited)

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013
Cash flows from operating activities:		
Net income	$ 3,727	$ 656
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	464	132
Net accretion on loans and deposits	(3,176)	(655)
Amortization of junior subordinated debentures	62	—
Net amortization on securities	70	99
Amortization of intangible assets	726	—
Deferred taxes	(15)	23
Provision for loan losses	925	379
Stock based compensation	113	—
Origination of loans held for sale	(11,453)	—
Proceeds from loan sales	12,204	—
Net (gain) on sales of securities	(16)	—
Net (gain) on sales of loans	(255)	—
Net loss/(gain) on transfers and sales of other real estate owned	77	(77)
(Increase) decrease in other assets	153	727
Increase (decrease) in other liabilities	(6,009)	251
Net cash (used in) provided by operating activities	(2,403)	1,535
Cash flows from investing activities:		
Purchases of securities available for sale	(7,504)	—
Proceeds from sales of securities available for sale	6,777	—
Proceeds from maturities, calls, and pay downs of securities available for sale	20,593	1,918
Net originations of loans	(2,918)	(21,772)
Sales (purchases) of premises and equipment	91	(86)
Net proceeds from sale of other real estate owned	229	—
Investment in Trinitas CLO I, Ltd.	(5,000)	—
Sale of FHLB and Federal Reserve Bank stock	569	458
Net cash (used in) provided by investing activities	12,837	(19,482)
Cash flows from financing activities:		
Net increase (decrease) in deposits	5,552	(2,235)
Exchange offer	—	(454)
Proceeds from issuance of common stock	—	41,342
Distributions on noncontrolling interest and preferred stock	(608)	(500)
Increase in customer repurchase agreements	6,340	—
Decrease in Federal Home Loan Bank advances	(250)	(10,500)
Repayment of senior secured note	(314)	—
Net cash provided by financing activities	10,720	27,653
Net increase in cash and cash equivalents	21,154	9,706
Cash and cash equivalents at beginning of period	85,797	15,784
Cash and cash equivalents at end of year	$ 106,951	$ 25,490
Supplemental cash flow information:		
Interest paid	$ 3,342	$ 766
Income taxes paid	$ 966	$ 180
Supplemental noncash disclosures:		
Transfers from loans to other real estate owned	$ 98	$ 480
Loan transfers to branch assets held for sale	$ 86,405	$ —
Premises and equipment transfered to branch assets held for sale	$ 2,287	$ —

See accompanying condensed notes to consolidated financial statements.

TRIUMPH BANCORP, INC. AND SUBSIDIARIES
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months Ended March 31, 2014 and 2013
(Dollar amounts in thousands, except per share amounts)
(Unaudited)

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations. Triumph Bancorp, Inc. (TBI or Triumph) and Subsidiaries (collectively the Company) is a financial holding company headquartered in Dallas, Texas. The accompanying consolidated financial statements include the accounts of TBI and its wholly owned subsidiaries Triumph Capital Advisors, LLC (TCA), Triumph CRA Holdings, LLC (TCRA), National Bancshares, Inc. (NBI), NBI's wholly owned subsidiary THE National Bank, subsequently renamed Triumph Community Bank (TCB), Triumph Savings Bank, SSB (TSB), TSB's majority owned subsidiary Triumph Commercial Finance LLC (TCF) and its wholly owned subsidiary Advance Business Capital LLC subsequently re-branded as Triumph Business Capital (ABC). In addition, TSB does business under the Triumph Commercial Finance name with respect to its commercial finance business, including Asset Based Lending, Equipment Lending and General Factoring.

Basis of Presentation. The accompanying unaudited consolidated financial statements of the Company have been prepared in accordance with United States Generally Accepted Accounting Principles (GAAP) for interim financial information and in accordance with guidance provided by the Securities and Exchange Commission. Accordingly, the condensed financial statements do not include all of the information and footnotes required by GAAP for complete financial statements. The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

In the opinion of management, the accompanying unaudited consolidated financial statements reflect all adjustments considered necessary for a fair presentation. Transactions between the subsidiaries have been eliminated. These consolidated financial statements should be read in conjunction with the audited consolidated financial statements and footnotes thereto included in the Company's S-1 for the fiscal year ended December 31, 2013. Operating results for the three months ended March 31, 2014 are not necessarily indicative of the results that may be expected for the year ending December 31, 2014. Furthermore, the acquisition of National Bancshares, Inc. during the fourth quarter of 2013 may impact the comparability of first quarter 2014 versus first quarter 2013 comparable information. The Company has three reportable segments consisting of Factoring, Banking, and Corporate. The Company's Chief Executive Officer uses segment results to make operating and strategic decisions.

Adoption of New Accounting Standards:

On January 1, 2013 the Company adopted Accounting Standards Update (ASU) 2013-02, "Comprehensive Income: Reporting of Amounts Reclassified out of Accumulated Other Comprehensive Income." ASU 2013-02 requires the Company to report the effect of significant reclassifications out of accumulated other comprehensive income on the respective line items in the Company's consolidated statement of comprehensive income if the amount being reclassified is required under U.S. GAAP to be reclassified in its entirety to net income. The adoption of this ASU is reflected in the accompanying consolidated statements of comprehensive income.

Newly Issued, But Not Yet Effective Accounting Standards:

In January of 2014, FASB issued ASU 2014-04, "Receivables — Troubled Debt Restructurings by Creditors." ASU 2014-04 affects all creditors when an in substance repossession or foreclosure of residential real estate property collateralizing a consumer mortgage loan in satisfaction of a receivable has occurred. The ASU is effective for fiscal periods beginning after December 15, 2014. Adoption of this ASU is not expected to have a material impact on the Company's financial statements.

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

On May 28, 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers", which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in GAAP when it becomes effective. The new standard is effective for the Company on January 1, 2017. Early application is not permitted. The standard permits the use of either the retrospective or cumulative effect transition method. The Company is evaluating the effect that ASU 2014-09 will have on its consolidated financial statements and related disclosures. The Company has not yet selected a transition method nor has it determined the effect of the standard on its ongoing financial reporting.

NOTE 2 — BUSINESS COMBINATIONS

Effective October 15, 2013, TBI acquired 100% of NBI, and thereby acquired THE National Bank due to NBI's 100% ownership of THE National Bank. During 2014, THE National Bank was renamed Triumph Community Bank. The primary benefits of the acquisition are to (i) provide the Company with increased access to low cost stable core deposit funding and (ii) create the opportunity to achieve improved operating efficiency through the scale provided by a larger consolidated balance sheet.

The Company recorded the assets acquired and the liabilities assumed in the acquisition of NBI at their respective fair values as of the acquisition date with the related acquisition and restructuring costs expensed in the current period. In conjunction with the acquisition, the Company recognized a bargain purchase gain of $9,014.

TCB's results of operations are included in the Company's results since the acquisition date.

TRIUMPH BANCORP, INC. AND SUBSIDIARIES
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months Ended March 31, 2014 and 2013
(Dollar amounts in thousands, except per share amounts)
(Unaudited)

NOTE 2 — BUSINESS COMBINATIONS (Continued)

A summary of the fair values of assets acquired, liabilities assumed, consideration paid and the resulting bargain purchase gain is as follows:

Assets:	
Cash and cash equivalents	$ 89,990
Securities	160,450
Loans	568,358
FHLB and Federal Reserve Bank stock	4,507
Premises and equipment	19,358
Other real estate owned	11,285
Intangible assets	15,091
Bank-owned life insurance	28,435
Deferred income taxes	17,237
Other assets	22,023
	936,734
Liabilities:	
Deposits	793,256
Customer repurchase agreements	19,927
Senior secured note	11,858
Junior subordinated debentures	24,120
Federal Home Loan Bank advances	5,003
Accrued interest and dividends payable	7,282
Other liabilities	7,988
	869,434
Fair value of net assets acquired	67,300
Cash paid to NBI common and preferred shareholders	15,277
Common stock issued by TBI (1,029,045 shares)	11,916
TBI Preferred stock Series B Issued	5,196
Senior Preferred Stock, Series T-1 and T-2 assumed	25,897
Consideration paid	58,286
Bargain Purchase Gain	$ (9,014)

The consideration paid was comprised of a combination of cash and TBI common and preferred stock to all NBI stockholders, and the assumption of NBI's Senior Preferred Stock, Series T-1 and T-2, classified as noncontrolling interest in the consolidated statements of changes in equity.

In addition to the consideration paid TBI (i) retired the outstanding balance of NBI's $11,858 senior secured note and (ii) retired all $3,640 of NBI's senior convertible notes outstanding with cash.

NOTE 2 — BUSINESS COMBINATIONS (Continued)

As of the date of acquisition, NBI had been in deferral on payments due for interest and dividends on its junior subordinated debentures and Senior Preferred Stock, Series T-1 and T-2. The total amounts due on these instruments for periods prior to acquisition have been brought current by Triumph on the first contractually available payment dates post-acquisition.

NOTE 3 — SECURITIES

Securities have been classified in the financial statements as available for sale or held to maturity. The carrying amount of securities and their approximate fair values at March 31, 2014 and December 31, 2013 are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
March 31, 2014				
Available for sale securities:				
U.S. Government agency obligations	$ 85,108	$ 98	$ (82)	$ 85,124
Mortgage-backed securities, residential	31,404	453	(4)	31,853
Asset backed securities	18,761	86	(12)	18,835
State and municipal	8,207	100	—	8,307
Corporate bonds	20,808	138	(21)	20,925
SBA pooled securities	229	3	—	232
Total available for sale securities	$164,517	$ 878	$ (119)	$165,276

	Amortized Cost	Gross Unrecognized Gains	Gross Unrecognized Losses	Fair Value
Held to maturity securities:				
Other — State of Israel bonds	$ 744	$ 6	$ —	$750

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
December 31, 2013				
Available for sale securities:				
U.S. Government agency obligations	$ 95,967	$ 91	$ (224)	$ 95,834
Mortgage-backed securities, residential	35,931	355	(1)	36,285
Asset backed securities	18,811	34	(6)	18,839
State and municipal	8,989	20	(4)	9,005
Corporate bonds	20,817	62	(36)	20,843
Trust preferred	3,706	—	(106)	3,600
SBA pooled securities	244	4	—	248
Total available for sale securities	$184,465	$ 566	$ (377)	$184,654

TRIUMPH BANCORP, INC. AND SUBSIDIARIES
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months Ended March 31, 2014 and 2013
(Dollar amounts in thousands, except per share amounts)
(Unaudited)

NOTE 3 — SECURITIES (Continued)

	Amortized Cost	Gross Unrecognized Gains	Gross Unrecognized Losses	Fair Value
Held to maturity securities:				
Other — State of Israel bonds	$ 743	$ 2	$ —	$745

The amortized cost and estimated fair value of securities at March 31, 2014, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Securities Available for Sale		Held to Maturity	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	$ 3,283	$ 3,286	$ 150	$150
Due from one year to five years	88,509	88,645	594	600
Due from five years to ten years	20,410	20,445	—	—
Due after ten years	1,921	1,980	—	—
	114,123	114,356	744	750
Mortgage-backed securities, residential	31,404	31,853	—	—
Asset Backed Securities	18,761	18,835	—	—
SBA pooled securities	229	232	—	—
	$ 164,517	$ 165,276	$ 744	$750

For the quarter ended March 31, 2014, securities were sold resulting in proceeds of $6,777, gross gains of $25, and gross losses of $9. The tax impact of the security sales was immaterial. There were no sales of securities for the quarter ended March 31, 2013.

NOTE 3 — SECURITIES (Continued)

Information pertaining to securities with gross unrealized losses at March 31, 2014 and December 31, 2013, aggregated by investment category and length of time that individual securities have been in a continuous loss position, are summarized as follows:

	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
March 31, 2014						
U.S. Government agency obligations	$27,248	$ (82)	$ 1	$ —	$27,249	$ (82)
Mortgage-backed securities, residential	2,502	(4)	—	—	2,502	(4)
Asset-backed securities	4,920	(12)	—	—	4,920	(12)
State and municipal	—	—	—	—	—	—
Corporate bonds	1,350	(21)	—	—	1,350	(21)
SBA pooled securities	—	—	—	—	—	—
	$36,020	$ (119)	$ 1	$ —	$36,021	$ (119)
December 31, 2013						
U.S. Government agency obligations	$38,890	$ (222)	$1,849	$ (2)	$40,739	$ (224)
Mortgage-backed securities, residential	800	(1)	—	—	800	(1)
Asset-backed securities	4,913	(6)	—	—	4,913	(6)
State and municipal	1,481	(4)	—	—	1,481	(4)
Corporate bonds	8,419	(36)	—	—	8,419	(36)
Trust preferred	3,600	(106)	—	—	3,600	(106)
SBA pooled securities	—	—	—	—	—	—
	$58,103	$ (375)	$1,849	$ (2)	$59,952	$ (377)

As of March 31, 2014, management does not have the intent to sell any of the securities classified as available for sale in the table above and believes that it is more likely than not that the Company will not have to sell any such securities before a recovery of cost. The fair value is expected to recover as the bonds approach their maturity date or repricing date or if market yields for such investments decline. Management does not believe any of the securities are impaired due to reasons of credit quality. Accordingly, as of March 31, 2014, management believes the unrealized losses detailed in the previous table are temporary and no other than temporary impairment loss has been recognized in the Company's consolidated statements of income.

TRIUMPH BANCORP, INC. AND SUBSIDIARIES
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months Ended March 31, 2014 and 2013
(Dollar amounts in thousands, except per share amounts)
(Unaudited)

NOTE 4 — LOANS AND ALLOWANCE FOR LOAN AND LEASE LOSSES

Loans at March 31, 2014 and December 31, 2013 consisted of the following:

	March 31, 2014	December 31, 2013
Real estate:		
Commercial	$268,688	$ 331,271
Construction, land development, land	39,230	37,626
1-4 family residential properties	79,542	91,301
Farmland	20,114	20,294
Total real estate	407,574	480,492
Commercial	234,986	255,655
Factored receivables	129,531	117,370
Consumer	13,515	13,878
Mortgage warehouse	14,886	13,513
Total	800,492	880,908
Deferred origination fees and costs, net	175	191
Allowance for loan losses	(4,631)	(3,645)
	$796,036	$ 877,454

The first quarter 2014 decline in loan balances was the result of the transfer of certain loans to branch assets held for sale as of March 31, 2014. Additional information related to the subsequent sale of those assets is more fully described in Note 16.

TRIUMPH BANCORP, INC. AND SUBSIDIARIES
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months Ended March 31, 2014 and 2013
(Dollar amounts in thousands, except per share amounts)
(Unaudited)

NOTE 4 — LOANS AND ALLOWANCE FOR LOAN AND LEASE LOSSES (Continued)

Allowance for Loan and Lease Losses: The activity in the allowance for loan and lease losses (ALLL) during the quarter ended March 31, 2014 and 2013 is as follows:

Three months ended March 31, 2014	Beginning Balance	Provision	Charge-offs	Recoveries	Ending Balance
Real estate:					
Commercial	$ 348	$ 53	$ —	$ 1	$ 402
Construction, land development, land	110	84	—	—	194
1-4 family residential properties	100	149	(145)	99	203
Farmland	7	—	—	—	7
Total real estate	565	286	(145)	100	806
Commercial	1,145	174	(12)	212	1,519
Factored receivables	1,842	357	(40)	14	2,173
Consumer	49	94	(141)	73	75
Mortgage warehouse	44	14	—	—	58
	$ 3,645	$ 925	$ (338)	$ 399	$4,631

Three months ended March 31, 2013	Beginning Balance	Provision	Charge-offs	Recoveries	Ending Balance
Real estate:					
Commercial	$ 261	$ 223	$ (40)	$ —	444
Construction, land development, land	40	(40)	—	—	—
1-4 family residential properties	227	(75)	(38)	2	116
Farmland	5	—	—	—	5
Total real estate	533	108	(78)	2	565
Commercial	172	164	—	4	340
Factored receivables	1,221	107	(42)	23	1,309
Consumer	—	—	—	—	—
Mortgage warehouse	—	—	—	—	—
	$ 1,926	$ 379	$ (120)	$ 29	$2,214

The following table presents loans individually and collectively evaluated for impairment, as well as purchase credit impaired (PCI) loans, and their respective allowance allocations:

March 31, 2014	Loan Evaluation				ALLL Allocations			
	Individually	Collectively	PCI	Total loans	Individually	Collectively	PCI	Total ALLL
Real estate:								
Commercial	$ 3,877	$250,090	$14,721	$268,688	$ —	$ 402	$—	$ 402
Construction, land development, land	—	37,235	1,995	39,230	—	194	—	194
1-4 family residential properties	1,155	75,944	2,443	79,542	—	197	6	203
Farmland	—	20,114	—	20,114	—	7	—	7
Total real estate	5,032	383,383	19,159	407,574	—	800	6	806
Commercial	5,269	228,062	1,655	234,986	—	1,519	—	1,519
Factored receivables	668	128,863	—	129,531	558	1,615	—	2,173
Consumer	—	13,515	—	13,515	—	75	—	75
Mortgage warehouse	—	14,886	—	14,886	—	58	—	58
	$ 10,969	$768,709	$20,814	$800,492	$ 558	$ 4,067	$ 6	$ 4,631

TRIUMPH BANCORP, INC. AND SUBSIDIARIES
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months Ended March 31, 2014 and 2013
(Dollar amounts in thousands, except per share amounts)
(Unaudited)

NOTE 4 — LOANS AND ALLOWANCE FOR LOAN AND LEASE LOSSES (Continued)

December 31, 2013	Loan Evaluation				ALLL Allocations			
	Individually	Collectively	PCI	Total loans	Individually	Collectively	PCI	Total ALLL
Real estate:								
Commercial	$ 4,489	$308,135	$18,647	$331,271	$ —	$ 348	$—	$ 348
Construction, land development, land	—	35,585	2,041	37,626	—	110	—	110
1-4 family residential properties	842	87,987	2,472	91,301	14	79	7	100
Farmland	—	20,294	—	20,294	—	7	—	7
Total real estate	5,331	452,001	23,160	480,492	14	544	7	565
Commercial	5,495	248,129	2,031	255,655	15	1,130	—	1,145
Factored receivables	763	116,607	—	117,370	417	1,425	—	1,842
Consumer	—	13,878	—	13,878	—	49	—	49
Mortgage warehouse	—	13,513	—	13,513	—	44	—	44
	$ 11,589	$844,128	$25,191	$880,908	$ 446	$ 3,192	$ 7	$ 3,645

The following is a summary of information pertaining to impaired loans at March 31, 2014 and December 31, 2013:

March 31, 2014	Impaired Loans and Purchased Credit Impaired Loans With a Valuation Allowance			Impaired Loans Without a Valuation Allowance		Three Months Ended March 31, 2014	
	Recorded Investment	Unpaid Principal	Related Allowance	Recorded Investment	Unpaid Principal	Average Impaired Loans	Interest Recognized
Real estate:							
Commercial	$ —	$ —	$ —	$ 3,877	$ 14,411	$ 4,183	$ 975
Construction, land development, land	—	—	—	—	—	—	—
1-4 family residential properties	13	42	6	1,155	1,618	1,161	3
Farmland	—	—	—	—	—	—	—
Total real estate	13	42	6	5,032	16,029	5,344	978
Commercial	—	—	—	5,269	5,712	5,489	13
Factored receivables	668	668	558	—	—	715	—
Consumer	—	—	—	—	—	—	—
Mortgage warehouse	—	—	—	—	—	—	—
	$ 681	$ 710	$ 564	$ 10,301	$ 21,741	$ 11,548	$ 991

December 31, 2013	Impaired Loans and Purchased Credit Impaired Loans With a Valuation Allowance			Impaired Loans Without a Valuation Allowance		Year Ended December 31, 2013	
	Recorded Investment	Unpaid Principal	Related Allowance	Recorded Investment	Unpaid Principal	Average Impaired Loans	Interest Recognized
Real estate:							
Commercial	$ —	$ —	$ —	$ 4,489	$ 16,841	$ 5,975	$ 625
Construction, land development, land	—	—	—	—	—	—	—
1-4 family residential properties	127	169	21	1,054	1,869	1,201	32
Farmland	—	—	—	—	—	—	—
Total real estate	127	169	21	5,543	18,710	7,176	657
Commercial	215	215	15	5,280	5,748	2,811	24
Factored receivables	762	762	417	1	—	632	—
Consumer	—	—	—	—	—	—	—
Mortgage warehouse	—	—	—	—	—	—	—
	$ 1,104	$ 1,146	$ 453	$ 10,824	$ 24,458	$ 10,619	$ 681

TRIUMPH BANCORP, INC. AND SUBSIDIARIES
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months Ended March 31, 2014 and 2013
(Dollar amounts in thousands, except per share amounts)
(Unaudited)

NOTE 4 — LOANS AND ALLOWANCE FOR LOAN AND LEASE LOSSES (Continued)

Loans included in the above table are impaired loans and PCI loans that have deteriorated subsequent to acquisition and as a result have been deemed impaired and an allowance recorded. PCI loans that have not deteriorated subsequent to acquisition are not considered impaired and therefore do not require an allowance and are excluded from the table above.

The recorded investment is the carrying amount of the loan excluding deferred costs and accrued interest which are immaterial. Interest recognized was substantially earned on the cash basis excluding any deferred loan origination fees normally recognized as yield.

The following table presents the unpaid principal and recorded investment for loans at March 31, 2014 and December 31, 2013. The difference between the unpaid principal balance and recorded investment is principally associated with (1) premiums and discounts associated with acquisition date fair value adjustments on acquired loans (both PCI and non-PCI) and (2) previous charge-offs. Accrued interest, which is immaterial, has not been included in the recorded investment balance.

March 31, 2014	Recorded Investment	Unpaid Principal	Net
Real estate:			
Commercial	$268,688	$286,112	$(17,424)
Construction, land development, land	39,230	41,567	(2,337)
1-4 family residential properties	79,542	83,842	(4,300)
Farmland	20,114	19,981	133
Total real estate	407,574	431,502	(23,928)
Commercial	234,986	238,148	(3,162)
Factored receivables	129,531	130,451	(920)
Consumer	13,515	13,611	(96)
Mortgage warehouse	14,886	14,886	—
	$800,492	$828,598	$(28,106)

December 31, 2013	Recorded Investment	Unpaid Principal	Net
Real estate:			
Commercial	$331,271	$351,521	$(20,250)
Construction, land development, land	37,626	41,034	(3,408)
1-4 family residential properties	91,301	96,742	(5,441)
Farmland	20,294	20,145	149
Total real estate	480,492	509,442	(28,950)
Commercial	255,655	260,384	(4,729)
Factored receivables	117,370	118,057	(687)
Consumer	13,878	14,006	(128)
Mortgage warehouse	13,513	13,513	—
	$880,908	$915,402	$(34,494)

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NOTE 4 — LOANS AND ALLOWANCE FOR LOAN AND LEASE LOSSES (Continued)

At March 31, 2014 and December 31, 2013, the Company has on deposit $10,445 and $10,653, respectively, of customer reserves associated with factored receivables. These deposits represent customer reserves held to settle any payment disputes or collection shortfalls and are reported as deposits in the consolidated balance sheets.

Past Due Loans: The following is a summary of past due and non-accrual loans at March 31, 2014 and December 31, 2013:

March 31, 2014	30-89 Days Past Due	Past Due 90 Days or More Still Accruing	Non-accrual	Total Past Due
Real estate:				
Commercial	$ 7,783	$ —	$ 3,896	$11,679
Construction, land development, land	634	—	—	634
1-4 family residential properties	1,305	233	1,320	2,858
Farmland	—	—	—	—
Total real estate	9,722	233	5,216	15,171
Commercial	557	—	5,269	5,826
Factored receivables	2,437	—	58	2,495
Consumer	421	4	—	425
Mortgage warehouse	—	—	—	—
	$ 13,137	$ 237	$ 10,543	$23,917

December 31, 2013	30-89 Days Past Due	Past Due 90 Days or More Still Accruing	Non-accrual	Total Past Due
Real estate:				
Commercial	$ 2,959	$ 47	$ 5,417	$ 8,423
Construction, land development, land	690	—	—	690
1-4 family residential properties	1,803	19	1,392	3,214
Farmland	—	—	—	—
Total real estate	5,452	66	6,809	12,327
Commercial	2,155	11	5,494	7,660
Factored receivables	3,836	—	89	3,925
Consumer	591	2	—	593
Mortgage warehouse	—	—	—	—
	$ 12,034	$ 79	$ 12,392	$24,505

Credit Quality Information: The Company categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt, including: current collateral and financial information, historical payment experience, credit documentation, public information, and current economic trends, among other factors. The Company analyzes loans individually by classifying the loans as to credit risk. This analysis includes every loan and is performed on a semi-annual basis at TSB and every eighteen months for loans greater

NOTE 4 — LOANS AND ALLOWANCE FOR LOAN AND LEASE LOSSES (Continued)

than $500 at TCB. Large groups of smaller balance homogeneous loans, such as consumer loans, are analyzed primarily based on payment status. The Company uses the following definitions for risk ratings:

Pass:

Loans classified as pass are loans with low to average risk and not otherwise classified as special mention, substandard or doubtful.

Special Mention:

Loans classified as special mention have low to acceptable risks. Liquidity, asset quality, and debt service coverage are as a whole satisfactory and performance is generally as agreed.

Substandard:

Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the repayment of the debt. They are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.

Doubtful:

Loans classified as doubtful have all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

As of March 31, 2014 and December 31, 2013 based on the most recent analysis performed, the risk category of loans is as follows:

March 31, 2014	Pass	Special Mention	Substandard	Doubtful	Total
Real estate:					
Commercial	$248,880	$1,233	$ 18,575	$ —	$268,688
Construction, land development, land	37,235	—	1,995	—	39,230
1-4 family residential	76,676	154	2,712	—	79,542
Farmland	20,114	—	—	—	20,114
Total real estate	382,905	1,387	23,282	—	407,574
Commercial	227,865	60	7,061	—	234,986
Factored receivables	128,863	—	127	541	129,531
Consumer	13,515	—	—	—	13,515
Mortgage warehouse	14,886	—	—	—	14,886
	$768,034	$1,447	$ 30,470	$ 541	$800,492

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NOTE 4 — LOANS AND ALLOWANCE FOR LOAN AND LEASE LOSSES (Continued)

December 31, 2013	Pass	Special Mention	Substandard	Doubtful	Total
Real estate:					
Commercial	$309,173	$1,156	$ 20,942	$ —	$331,271
Construction, land development, land	35,585	2,041	—	—	37,626
1-4 family residential	88,387	155	2,759	—	91,301
Farmland	20,294	—	—	—	20,294
Total real estate	453,439	3,352	23,701	—	480,492
Commercial	248,001	6	7,648	—	255,655
Factored receivables	116,607	—	336	427	117,370
Consumer	13,878	—	—	—	13,878
Mortgage warehouse	13,513	—	—	—	13,513
	$845,438	$3,358	$ 31,685	$ 427	$880,908

Troubled Debt Restructurings

Troubled debt restructurings and their effects were immaterial for the three months ending March 31, 2014 and 2013.

NOTE 5 — PURCHASED CREDIT IMPAIRED LOANS

The Company has loans that were acquired, for which there was, at acquisition, evidence of deterioration of credit quality since origination and for which it was probable, at acquisition, that all contractually required payments would not be collected. The outstanding contractually required principal and interest and the carrying amount of these loans included in the balance sheet amounts of loans at March 31, 2014 and December 31, 2013, are as follows:

	March 31, 2014	December 31, 2013
Contractually required principal and interest:		
Real estate loans	$31,807	$ 35,584
Commercial, financial and agricultural	2,656	2,795
Outstanding contractually required principal and interest	$34,463	$ 38,379
Gross carrying amount included in receivable	$20,814	$ 25,190

NOTE 5 — PURCHASED CREDIT IMPAIRED LOANS (Continued)

The changes in accretable yield during the quarters ended March 31, 2014 and March 31, 2013 in regard to loans transferred at acquisition for which it was probable that all contractually required payments would not be collected is as follows:

	March 31, 2014	March 31, 2013
Balance, beginning of period	$ 4,000	$ 4,244
Additions	—	—
Accretion	(1,758)	(568)
Reclassification from nonaccretable to accretable yield	3,922	—
Disposals	(89)	—
Balance, end of period	$ 6,075	$ 3,676

NOTE 6 — VARIABLE INTEREST ENTITY

Variable Interest Entity: During 2013, the Company, through its subsidiary, Triumph Capital Advisors, LLC (TCA), formed Trinitas CLO I, LTD (Trinitas I). Trinitas I is a collateralized loan obligation (CLO) fund and TCA serves as its asset manager. At March 31, 2014, Trinitas I was in a “warehouse” phase whereby it was acquiring senior secured corporate loans in anticipation of the securities offering that completed the final CLO securitization structure. The purchases of these initial warehouse assets was funded by the proceeds from third party debt financing and equity investments made by both the Company and other third parties. During the second quarter of 2014, Trinitas I used the proceeds of the debt and equity interests sold in the offering for the final CLO securitization structure to repay the initial warehouse phase debt and equity holders. In the final CLO securitization structure, interest and principal repayment of the leveraged loans held by Trinitas I will be used to repay debt holders with any excess cash flows used to provide a return on capital to equity investors. TCA will earn a management fee as the asset manager for Trinitas I that commenced upon the issuance of the final CLO securitization structure, but did not earn management or other fees from Trinitas I during the “warehouse” phase.

As more fully disclosed in the Company’s annual financial statements, the Company was not determined to be the primary beneficiary of Trinitas I at December 31, 2013 and therefore the assets, liabilities, and equity of Trinitas I were not consolidated by the Company. No conditions changed during the first quarter of 2014 and therefore, the Company has not consolidated Trinitas I as of March 31, 2014. At March 31, 2014 and December 31, 2013, the Company had a $7,409 and $2,170 equity investment, respectively in Trinitas I which is classified as other assets within the Company’s consolidated balance sheets. These investments represented a 34.8% and 13.2% ownership of Trinitas I as of March 31, 2014 and December 31, 2013, respectively. The maximum exposure to loss for the Company is limited to the Company’s equity investment in Trinitas I. No management fees were earned or accrued as of and for the quarter-ending March 31, 2014. See Note 16 for subsequent events related to Trinitas I.

NOTE 7 — DEPOSITS

Deposits at March 31, 2014 and December 31, 2013 are summarized as follows:

	March 31, 2014	December 31, 2013
Noninterest bearing demand	$ 155,879	$ 150,238
Interest-bearing demand	209,170	199,826
Individual Retirement Accounts	54,709	54,512
Money Market	142,522	157,406
Savings	73,011	69,336
Time, $100,000 and greater	144,852	138,000
Time, less than $100,000	211,992	216,940
Other brokered funds	58,177	58,596
Total Deposits	$ 1,050,312	$ 1,044,854

At March 31, 2014, scheduled maturities of time deposits, individual retirement accounts and brokered deposits are as follows:

	March 31, 2014
Within one year	$ 322,731
After one but within two years	79,214
After two but within three years	45,281
After three but within four years	10,571
After four but within five years	11,933
Total	$ 469,730

NOTE 8 — LEGAL CONTINGENCIES

Various legal claims arise from time to time in the normal course of business which, in the opinion of management, will have no material effect on the Company's consolidated financial statements. The Company does not anticipate any material losses as a result of commitments and contingent liabilities.

NOTE 9 — OFF-BALANCE SHEET LOAN COMMITMENTS

From time to time, the Company is a party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit. Those instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized in the balance sheet. The Company's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit and standby letters of credit is represented by the contractual amount of those instruments.

The Company uses the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments.

NOTE 9 — OFF-BALANCE SHEET LOAN COMMITMENTS (Continued)

The contractual amounts of financial instruments with off-balance-sheet risk were as follows:

	March 31, 2014		December 31, 2013	
	Fixed Rate	Variable Rate	Fixed Rate	Variable Rate
Commitments to make loans	$ 29,998	$ —	$12,260	$ —
Unused lines of credit	114,866	43,269	94,953	43,414
Standby letters of credit	3,256	710	3,829	215

Commitments to make loans are generally made for periods of 90 days or less. The fixed rate loan commitments have interest rates ranging from 4% to 5.5% and maturities ranging from 3 years to 5 years. Certain commitments and lines of credit will expire unused.

NOTE 10 — FAIR VALUE DISCLOSURES

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1 — Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 — Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 — Significant unobservable inputs that reflect a company’s own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The methods of determining the fair value of assets and liabilities presented in this note are consistent with our methodologies disclosed in our annual financial statements.

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NOTE 10 — FAIR VALUE DISCLOSURES (Continued)

Assets measured at fair value on a recurring basis are summarized in the table below. There were no liabilities measured at fair value on a recurring basis at March 31, 2014 and December 31, 2013.

	Fair Value Measurements Using		
	Level 1	Level 2	Level 3
March 31, 2014:			
Securities available for sale			
U.S. Government agency obligations	$ —	$ 85,124	$ —
Mortgage-backed securities-residential	—	31,853	—
Asset backed securities	—	18,835	—
State and municipal	—	4,734	3,573
Corporate bonds	—	20,925	—
SBA pooled securities	—	232	—
	$ —	$161,703	$3,573
Loans held for sale			
Mortgages	—	4,902	—
	$ —	$ 4,902	$ —
December 31, 2013:			
Securities available for sale			
U.S. Government agency obligations	$ —	$ 95,834	$ —
Mortgage-backed securities-residential	—	36,285	—
Asset-backed securities	—	18,839	—
State and municipal	—	5,423	3,582
Corporate bonds	—	20,843	—
SBA pooled securities	—	248	—
Trust preferred	—	3,600	—
	$ —	$181,072	$3,582
Loans held for sale			
Mortgages	—	5,393	—
	$ —	$ 5,393	$ —

There were no transfers between levels during 2014 or 2013. The level 3 securities presented above were acquired in the acquisition of NBI. The only activity related to the above level 3 securities during the three months ended March 31, 2014 was associated with immaterial contractual payments and changes in fair value that were recorded in other comprehensive income.

NOTE 10 — FAIR VALUE DISCLOSURES (Continued)

Assets measured at fair value on a non-recurring basis are summarized in the table below. There were no liabilities measured at fair value on a non-recurring basis at March 31, 2014 and December 31, 2013.

	Fair Value Measurements Using		
	Level 1	Level 2	Level 3
March 31, 2014:			
Impaired loans			
1-4 family residential properties	$ —	$ —	$ 7
Commercial	—	—	—
Factored receivables	—	—	110
Other real estate owned:			
1-4 family residential properties	—	—	1,487
Commercial	—	—	5,133
Construction, land development, land	—	—	6,955
	$ —	$ —	$13,692

	Level 1	Level 2	Level 3
December 31, 2013:			
Impaired loans			
1-4 family residential properties	$ —	$ —	106
Commercial	—	—	200
Factored receivables	—	—	345
Other real estate owned:			
1-4 family residential properties	—	—	1,358
Commercial	—	—	5,197
Construction, land development, land	—	—	7,228
	$ —	$ —	$14,434

	March 31, 2014	March 31, 2013
Provision recorded for loans classified as impaired	$ 2	$ 219
Valuation adjustments recorded on other real estate owned	$ 135	$ —

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NOTE 10 — FAIR VALUE DISCLOSURES (Continued)

The estimated fair values of the Company's financial instruments not previously presented at March 31, 2014 and December 31, 2013 were as follows:

	March 31, 2014				
	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets:					
Cash and cash equivalents	$ 106,951	$106,951	$ —	$ —	$ 106,951
Securities — Held to maturity	744	—	750	—	750
Loans, net	796,036	—	—	807,504	807,504
FHLB and Federal Reserve Bank stock	5,233	—	N/A	—	N/A
Accrued interest receivable	3,736	—	3,736	—	3,736
Financial liabilities:					
Deposits	1,050,312	—	1,051,141	—	1,051,141
Customer repurchase agreements	17,670	—	17,670	—	17,670
Federal Home Loan Bank advances	20,750	—	20,750	—	20,750
Senior secured note	12,259	—	12,071	—	12,071
Junior subordinated debentures	24,233	—	24,233	—	24,233
Accrued interest payable	818	—	818	—	818

	December 31, 2013				
	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets:					
Cash and cash equivalents	$ 85,797	$85,797	$ —	$ —	$ 85,797
Securities — Held to maturity	743	—	745	—	745
Loans, net	877,454	—	—	884,307	884,307
FHLB and Federal Reserve Bank stock	5,802	—	N/A	—	N/A
Accrued interest receivable	3,748	—	3,748	—	3,748
Financial liabilities:					
Deposits	1,044,854	—	1,046,226	—	1,046,226
Customer repurchase agreements	11,330	—	11,329	—	11,329
Federal Home Loan Bank advances	21,000	—	21,000	—	21,000
Senior secured note	12,573	—	12,379	—	12,379
Junior subordinated debentures	24,171	—	24,171	—	24,171
Accrued interest payable	816	—	816	—	816

At March 31, 2014, the Company has classified certain assets as "branch assets held for sale" which includes loans totaling $86,405 that were subsequently sold in July 2014. The loans are considered financial instruments. The Company has not presented the estimated fair value of these loans in the above table; however, the impact of the sale has been more fully disclosed in the subsequent event note.

NOTE 11 — REGULATORY MATTERS

The Company (on a consolidated basis), TSB and TCB are subject to various regulatory capital requirements administered by federal and state banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company's, TSB's, or TCB's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company, TSB, and TCB must meet specific capital guidelines that involve quantitative measures of their assets, liabilities, and certain off balance sheet items as calculated under regulatory accounting practices. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulations to ensure capital adequacy require the Company, TSB, and TCB to maintain minimum amounts and ratios (set forth in the table below) of total and Tier 1 capital to risk weighted assets, and of Tier 1 capital to average assets.

As of March 31, 2014, TSB's and TCB's capital ratios exceeded those levels necessary to be categorized as "well capitalized" under the regulatory framework for prompt corrective action. To be categorized as "well capitalized" they must maintain minimum total risk based, Tier 1 risk based, and Tier 1 leverage ratios as set forth in the table. At March 31, 2014, the most recent notification categorized TSB and TCB as well capitalized under the regulatory framework for prompt corrective action. There are no conditions or events since March 31, 2014 that management believes would change either institution's category.

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NOTE 11 — REGULATORY MATTERS (Continued)

The actual capital amounts and ratios for the Company, TSB, and TCB are presented in the following table as of March 31, 2014 and December 31, 2013:

	Actual			To Be Adequately Capitalized Under Prompt Corrective Action Provisions				To Be Well Capitalized Under Prompt Corrective Action Provisions		
	Amount	Ratio		Amount		Ratio		Amount		Ratio
As of March 31, 2014										
Total capital (to risk weighted assets)										
Triumph Bancorp, Inc.	$150,991	14.8%	³	$ 81,617	³	8.0%		N/A		N/A
Triumph Savings Bank, SSB	$ 53,124	16.9%	³	$ 25,147	³	8.0%	³	$ 31,434	³	10.0%
Triumph Community Bank	$ 94,329	13.5%	³	$ 55,899	³	8.0%	³	$ 69,873	³	10.0%
Tier 1 capital (to risk weighted assets)										
Triumph Bancorp, Inc.	$146,285	14.3%	³	$ 40,919	³	4.0%		N/A		N/A
Triumph Savings Bank, SSB	$ 49,935	15.9%	³	$ 12,562	³	4.0%	³	$ 18,843	³	6.0%
Triumph Community Bank	$ 92,813	13.3%	³	$ 27,914	³	4.0%	³	$ 41,871	³	6.0%
Tier 1 capital (to average assets)										
Triumph Bancorp, Inc.	$146,285	11.9%	³	$ 49,171	³	4.0%		N/A		N/A
Triumph Savings Bank, SSB	$ 49,935	14.1%	³	$ 14,166	³	4.0%	³	$ 17,707	³	5.0%
Triumph Community Bank	$ 92,813	10.9%	³	$ 34,060	³	4.0%	³	$ 42,575	³	5.0%
As of December 31, 2013										
Total capital (to risk weighted assets)										
Triumph Bancorp, Inc.	$145,722	14.5%	³	$ 80,398	³	8.0%		N/A		N/A
Triumph Savings Bank, SSB	$ 50,985	16.4%	³	$ 24,871	³	8.0%	³	$ 31,088	³	10.0%
Triumph Community Bank	$ 89,690	13.0%	³	$ 55,194	³	8.0%	³	$ 68,992	³	10.0%
Tier 1 capital (to risk weighted assets)										
Triumph Bancorp, Inc.	$142,077	14.1%	³	$ 40,306	³	4.0%		N/A		N/A
Triumph Savings Bank, SSB	$ 48,064	15.5%	³	$ 12,404	³	4.0%	³	$ 18,605	³	6.0%
Triumph Community Bank	$ 88,921	12.9%	³	$ 27,572	³	4.0%	³	$ 41,359	³	6.0%
Tier 1 capital (to average assets)										
Triumph Bancorp, Inc.	$142,077	12.9%	³	$ 44,055	³	4.0%		N/A		N/A
Triumph Savings Bank, SSB	$ 48,064	13.6%	³	$ 14,136	³	4.0%	³	$ 17,671	³	5.0%
Triumph Community Bank	$ 88,921	10.1%	³	$ 35,216	³	4.0%	³	$ 44,020	³	5.0%

In conjunction with Triumph's acquisition of EJ Financial Corp. on November 5, 2010, Triumph made certain commitments to the Federal Reserve Bank, including to maintain TSB's leverage capital ratio (Tier 1 capital to average assets) at no less than 12.0% until January 1, 2015.

TCB's board of directors has agreed to maintain a minimum Tier 1 capital to average assets ratio of 8.0% of adjusted average assets and total risk-based ratio of 10.0%.

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NOTE 11 — REGULATORY MATTERS (Continued)

Dividends paid by banks are limited to, without prior regulatory approval, current year earnings and earnings less dividends paid during the preceding two years.

NOTE 12 — EQUITY AND NONCONTROLLING INTERESTS

The following summarizes the capital structure of Triumph Bancorp, Inc.

	Preferred Stock				Common Stock	
	Series A		Series B			
	March 2014	December 2013	March 2014	December 2013	March 2014	December 2013
Number of shares authorized	50,000	50,000	115,000	115,000	50,000,000	50,000,000
Number of shares issued	45,500	45,500	51,956	51,956	9,846,096	9,832,585
Number of shares outstanding	45,500	45,500	51,956	51,956	9,846,096	9,832,585
Par value per share	$ 0.01	$ 0.01	$ 0.01	$ 0.01	$ 0.01	$ 0.01
Liquidation preference per share	$ 100	$ 100	$ 100	$ 100		
Dividend rate	Prime + 2%	Prime + 2%	Prime + 2%	Prime + 2%		
Dividend rate — floor	8.00%	8.00%	8.00%	8.00%		
Initial dividend payment date	3/31/2013	3/31/2013	12/31/2013	12/31/2013		
Subsequent dividend payment dates	Quarterly	Quarterly	Quarterly	Quarterly		
Convertible to common stock	Yes	Yes	Yes	Yes		
Conversion period	Anytime	Anytime	Anytime	Anytime		
Conversion ratio — preferred to common	6.94008	6.94008	6.94008	6.94008		

NOTE 13 — STOCK-BASED COMPENSATION

The Company's Amended and Restricted Stock Plan (the Plan) provides for the issuance of up to 750,000 shares of restricted TBI common stock to officers, directors and employees of the Company and its subsidiaries. As of March 31, 2014, 53,035 shares had been issued pursuant to the Plan, of which 13,511 had vested. Compensation expense for shares granted under the Plan is recognized over the vesting period of the awards based on the fair value of the stock at the issue date. The fair value of the stock is determined by the Company considering applicable discounts for, among other things, a repurchase option granted to the Company in certain circumstances. Shares granted to employees under the Plan typically vest one third each year over three years, and therefore fully vest on the third anniversary of the grant date. Included in the 2014 grant were 4,809 shares granted and immediately vested to Directors in lieu of cash director fees.

Stock based compensation expense that has been charged against income for restricted stock awards was $113 and $0 for the three month periods ended March 31, 2014 and 2013, respectively.

NOTE 13 — STOCK-BASED COMPENSATION (Continued)

During the period ended March 31, 2013, the Company had no outstanding shares. A summary of changes in the Company's nonvested shares for the three months ended March 31, 2014 and year ended December 31, 2013 were as follows:

Nonvested Shares	Shares	Weighted-Average Grant-Date Fair Value
Nonvested at January 1, 2013	—	$ —
Granted	26,120	10.77
Vested	—	—
Forfeited	—	—
Nonvested at December 31, 2013	26,120	$ 10.77
Granted	26,915	13.99
Vested	13,511	12.12
Forfeited	—	—
Nonvested at March 31, 2014	39,524	$ 12.50

As of March 31, 2014, there was $490 of total unrecognized compensation cost related to nonvested shares granted under the Plan. However, in August 2014, the Company approved the immediate and full acceleration of vesting on all 39,524 remaining nonvested shares depicted above. As a result, the Company recognized additional compensation cost of approximately $468 associated with these shares during the third quarter of 2014.

TRIUMPH BANCORP, INC. AND SUBSIDIARIES
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months Ended March 31, 2014 and 2013
(Dollar amounts in thousands, except per share amounts)
(Unaudited)

NOTE 14 — EARNINGS PER SHARE

Basic and diluted earnings per share are calculated as follows:

	Three Months Ending March 31, 2014	Three Months Ending March 31, 2013
Basic		
Net income (loss) to common stockholders	$ 3,148	$ (297)
Weighted average common shares outstanding	9,832,735	6,681,262
Basic earnings (loss) per common share	$ 0.32	$ (0.04)
Diluted		
Net income (loss) to common stockholders	$ 3,148	$ (297)
Dilutive effect of preferred stock	192	0
Net income (loss) to common stockholders — diluted	$ 3,340	$ (297)
Weighted average common shares outstanding for basic earnings per common share	9,832,735	6,681,262
Add: Dilutive effects of restricted stock	6,370	—
Add: Dilutive effects of assumed exercises of stock warrants	29,446	—
Add: Dilutive effects of assumed conversion of Preferred A	315,774	—
Add: Dilutive effects of assumed conversion of Preferred B	360,579	—
Average shares and dilutive potential common shares	10,544,904	6,681,262
Dilutive earnings (loss) per common share	$ 0.32	$ (0.04)

Shares that were not considered in computing diluted earnings per common share for 2013 and 2012 because they were antidilutive are as follows:

	March 31, 2014	March 31, 2013
Restricted stock	—	26,120
Warrants	—	259,067
Shares assumed to be converted from Preferred Stock Series A	—	N/A
Shares assumed to be converted from Preferred Stock Series B	—	N/A

TRIUMPH BANCORP, INC. AND SUBSIDIARIES
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months Ended March 31, 2014 and 2013
(Dollar amounts in thousands, except per share amounts)
(Unaudited)

NOTE 15 — BUSINESS SEGMENT INFORMATION

The following presents the Company's operating segments. Transactions between segments consist primarily of borrowed funds. Intersegment interest expense is allocated to the factoring segment based on the Company's prime rate. The provision for loan loss is allocated based on the segment's allowance for loan loss determination which considers the effects of charge-offs. Noninterest income and expense directly attributable to a segment are assigned to it. Taxes are paid on a consolidated basis but not allocated for segment purposes. For the three months ended March 31, 2014 and 2013, Corporate includes expenses related to the acquisition of NBI of $75 and $52, respectively. The Factoring segment includes only factoring originated by ABC. General factoring services not originated through ABC are included in the Banking segment.

	Factoring	Banking	Corporate	Consolidated TBI
Three Months Ended March 31, 2014				
Total interest income	$ 5,105	$ 15,260	$ 14	$ 20,379
Intersegment interest allocations	(571)	571	—	—
Total interest expense	—	1,114	410	1,524
Net interest income (expense)	4,534	14,717	(396)	18,855
Provision for loan losses	390	535	—	925
Net interest income after provision	4,144	14,182	(396)	17,930
Noninterest income	383	1,966	260	2,609
Noninterest expense	2,936	10,865	1,095	14,896
Operating income (loss)	1,591	5,283	(1,231)	5,643
Total assets	$137,774	$1,133,436	$ 25,900	$1,297,110
Gross loans	$119,733	$ 680,934	$ —	$ 800,667

	Factoring	Banking	Corporate	Consolidated TBI
Three Months Ended March 31, 2013				
Total interest income	$ 3,458	$ 3,363	$ —	$ 6,821
Intersegment interest allocations	(408)	408	—	—
Total interest expense	1	766	—	767
Net interest income	3,049	3,005	—	6,054
Provision for loan losses	124	255	—	379
Net interest income after provision	2,925	2,750	—	5,675
Noninterest income	229	205	11	445
Intercompany expense allocations	47	(47)	—	—
Noninterest expense	2,188	2,816	343	5,347
Operating income (loss)	919	186	(332)	773
Total assets	$ 89,962	$ 239,199	$ 816	$ 329,977
Gross loans	$ 77,796	$ 155,712	$ —	$ 233,508

NOTE 16 — SUBSEQUENT EVENTS

Sale of Pewaukee Branch

On April 7, 2014, Triumph Community Bank entered into a Branch Purchase and Assumption Agreement to sell its sole operating branch in the state of Wisconsin. Terms of the Agreement provided for the assumption of the branch deposits and repurchase agreements (approximately $41,657 as of the end of March 2014); purchase of selected loans in the local marketplace (approximately $86,405 as of the end of March 2014 subject to the acquirers right to exclude selected loans from the purchase) and the purchase of the branch premises and equipment. In addition, the acquirer paid a premium to the carrying amount of the loans in the amount of $10,500 to TCB. The transaction was completed on July 11, 2014 by TCB consistent with the terms outlined, with loans of approximately $78,000 sold subject to the assumption of approximately $36,000 in deposits. The actual balances of transferred assets differed in presentation as of March 31, 2014 due to payments and advances between March 31, 2014 and the closing date.

Doral Healthcare Acquisition

Triumph Bancorp, Inc., through its subsidiary, Triumph Community Bank, on May 15, 2014 announced the signing of a definitive agreement to acquire the lending platform and certain assets of Doral Healthcare Finance (DHF), an asset based lender focused exclusively on the healthcare industry. DHF is a division of Doral Money, which is a subsidiary of Doral Bank. The purpose of the acquisition is to enhance the Company's commercial finance offerings.

Triumph Community Bank completed its acquisition of DHF on June 13, 2014. Triumph acquired loans for a purchase price of $49,506 with a contractual value of $46,689, fixed assets and prepaid expenses net of customer deposit liabilities. In conjunction with the acquisition, Doral Healthcare Finance has been rebranded Triumph Healthcare Finance. The initial accounting for the business combination has not been completed as the Company is currently in the process of determining the fair value of the acquired assets.

Trinitas CLO I, Ltd and Trinitas CLO II, Ltd

Trinitas I:

On May 1, 2014, Trinitas I completed its CLO securities offering. Trinitas I issued $400,000 in face amount of CLO securities in the offering. In connection with the offering, Trinitas I redeemed the equity securities issued as part of its warehouse phase and repaid and terminated its warehouse credit facility. TBI earned total income on its equity investment in Trinitas I of approximately $554 (including $384 for the period from January 1, 2014 through the May 1, 2014 redemption date).

The securities sold in the CLO offering were issued in a series of tranches ranging from an AAA rated debt tranche to an unrated tranche of subordinated notes. Neither the Company nor any of its related persons acquired or holds any of the securities issued by Trinitas I in the offering. Effective as of May 1, 2014, TCA began earning asset management fees in accordance the terms of its asset management agreement with Trinitas I.

As part of the consummation of the CLO offering by Trinitas I, the Company performed a consolidation analysis to confirm, as of the effective date of the offering, whether the Company was required to consolidate the assets,

NOTE 16 — SUBSEQUENT EVENTS (Continued)

liabilities, equity or operations of Trinitas I in its financial statements. The Company concluded that (a) Trinitas I remained a variable interest entity as of the May 1, 2014 date of consummation of the offering, and (b) the Company, through TCA, held variable interests in the entity due to the subordinated and incentive fees payable to TCA under its asset management agreement. However, the Company also concluded that it was not the "primary beneficiary" of Trinitas I as (x) neither it nor any of its related persons held any investment or interest in the entity outside of the management fees payable to TCA under its asset management agreement and (y) such management fees constituted standard third party agency fees at prevailing market rates for transactions of this type that could not potentially be significant to the entity. Consequently, the Company concluded that it was not required to consolidate the assets, liabilities, equity or operations of Trinitas I in its financial statements from and after the May 1, 2014 date of the offering.

Trinitas II:

Also in May 2014, Trinitas CLO II, Ltd. (Trinitas II) was formed to be the issuer of a second CLO offering to be managed by TCA. On May 20, 2014, Trinitas II was capitalized with initial third party equity investments and entered into a warehouse credit agreement in order to begin acquiring senior secured loan assets that would comprise the initial collateral pool of the CLO once issued. On August 4, 2014, Trinitas II completed its CLO securities offering at which time the initial amounts invested in Trinitas II were redeemed and the existing warehouse credit facility repaid and terminated.

The Company performed a consolidation analysis of Trinitas II for its warehouse phase and concluded that Trinitas II was a Variable Interest Entity and that it or its related persons held variable interests in the entity that could potentially be significant to it in the form of equity investments in the entity. However, the Company also concluded that due to certain approval and denial powers available to the lender under the warehouse credit facility for Trinitas II which provide for shared decision-making powers, the Company was not the primary beneficiary and therefore is not required to consolidate the assets, liabilities, equity or operations of the entity in its financial statements As part of the consummation of the CLO offering by Trinitas II, the Company performed an updated consolidation analysis to confirm, as of the effective date of the offering, whether the Company was required to consolidate the assets, liabilities, equity or operations of Trinitas II in its financial statements. The Company concluded that (a) Trinitas II remained a variable interest entity as of the August 4, 2014 date of consummation of the offering, and (b) the Company, through TCA, held variable interests in the entity due to the subordinated and incentive fees payable to TCA under its asset management agreement. However, the Company also concluded that it was not the "primary beneficiary" of Trinitas II as (x) neither it nor any of its related persons held any investment or interest in the entity outside of the management fees payable to TCA under its asset management agreement and (y) such management fees constituted standard third party agency fees at prevailing market rates for transactions of this type that could not potentially be significant to the entity. Consequently, the Company concluded that it was not required to consolidate the assets, liabilities, equity or operations of Trinitas II in its financial statements from and after the August 4, 2014 date of the offering.

TRIUMPH BANCORP, INC.
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013 and 2012

TRIUMPH BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013 and 2012

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Crowe Horwath LLP
Independent Member Crowe Horwath International

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Shareholders
Triumph Bancorp, Inc. and subsidiaries
Dallas, Texas

We have audited the accompanying consolidated balance sheets of Triumph Bancorp, Inc. and Subsidiaries as of December 31, 2013 and 2012, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Triumph Bancorp, Inc. and Subsidiaries as of December 31, 2013 and 2012, and the results of their operations and their cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

/s/ *Crowe Horwath LLP*
Crowe Horwath, LLP

Dallas, Texas
August 7, 2014

TRIUMPH BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2013 and 2012
(Dollar amounts in thousands, except per share amounts)

	2013	2012
ASSETS		
Cash and due from banks	$ 25,352	$ 6,303
Interest-bearing deposits with other banks	60,445	9,481
Total cash and cash equivalents	85,797	15,784
Securities — available for sale	184,654	43,645
Securities — held to maturity, fair value of $745 and $0, respectively	743	—
Loans held for sale	5,393	—
Loans	881,099	211,249
Allowance for loan losses	(3,645)	(1,926)
Loans, net	877,454	209,323
FHLB and Federal Reserve Bank stock, at cost	5,802	793
Premises and equipment, net	23,344	2,985
Other real estate owned, net	13,783	4,749
Goodwill and intangible assets	28,518	14,047
Bank-owned life insurance	28,554	—
Deferred income taxes, net	20,807	5,291
Other assets	13,390	4,845
	$1,288,239	$301,462
LIABILITIES AND EQUITY		
Liabilities		
Deposits:		
Noninterest bearing	$ 150,238	$ 10,323
Interest bearing	894,616	215,376
Total deposits	1,044,854	225,699
Customer repurchase agreements	11,330	—
Federal Home Loan Bank advances	21,000	10,500
Senior secured note	12,573	—
Junior subordinated debentures	24,171	—
Other liabilities	13,714	1,789
Total liabilities	1,127,642	237,988
Commitments and contingencies — See Note 15		
Equity — See Note 19		
Stockholders' equity		
Preferred Stock Series A	4,550	5,000
Preferred Stock Series B	5,196	—
Common stock	98	46
Additional paid-in-capital	104,631	43,924
Retained earnings	18,992	7,086
Accumulated other comprehensive income	133	456
Total stockholders' equity	133,600	56,512
Noncontrolling interests	26,997	6,962
Total equity	160,597	63,474
	$1,288,239	$301,462

See accompanying notes to consolidated financial statements.

TRIUMPH BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
Years Ended December 31, 2013 and 2012
(Dollar amounts in thousands, except per share amounts)

	2013	2012
Interest income:		
Interest and fees on loans	$23,262	$11,429
Interest and fees on factored receivables	17,938	14,458
Interest and dividends on securities	1,225	1,013
Interest and dividends on tax exempt securities	39	—
Interest on cash deposits	166	52
Total interest income	42,630	26,952
Interest expense:		
Deposits	3,560	3,341
Federal Home Loan Bank advances	14	14
Senior secured note	123	—
Junior subordinated debentures	247	—
Other	3	360
Total interest expense	3,947	3,715
Net interest income	38,683	23,237
Provision for loan losses	3,412	1,739
Net interest income after provision for loan losses	35,271	21,498
Noninterest income:		
Service charges on deposits	733	—
Card income	405	—
Net realized gains and valuation adjustments on OREO	154	1,379
Net gains on sale of loans	846	132
Fee income	1,189	860
Gain on bargain purchase	9,014	—
Other	672	290
Total noninterest income	13,013	2,661
Noninterest expense:		
Salaries and employee benefits	20,737	11,739
Occupancy, furniture and equipment	2,465	1,308
FDIC insurance assessment	499	241
Carrying costs for OREO	233	240
Professional fees	2,460	1,169
Amortization of intangible asset	620	948
Advertising and promotion	682	621
Communications and technology	1,412	546
Other	3,616	1,667
Total noninterest expense	32,724	18,479
Net income before income tax	15,560	5,680
Income tax expense (benefit)	2,133	(5,394)
Net income	13,427	11,074
Effect of noncontrolling interests and preferred shares	(1,588)	(993)
Net income to common stockholders	$11,839	$10,081
Earnings per share		
Basic	$ 1.40	$ 2.24
Diluted	$ 1.39	$ 2.24

See accompanying notes to consolidated financial statements.

TRIUMPH BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Years Ended December 31, 2013 and 2012
(Dollar amounts in thousands, except per share amounts)

	2013	2012
Net income	$13,427	$11,074
Other comprehensive income:		
Unrealized gains/losses on securities:		
Unrealized holding gains (losses) arising during the period	(502)	387
Tax effect	179	(235)
Total other comprehensive income	(323)	152
Comprehensive income	13,104	11,226
Income attributable to noncontrolling interests	(1,588)	(993)
Comprehensive income attributable to Company	$11,516	$10,233

See accompanying notes to consolidated financial statements.

TRIUMPH BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Years Ended December 31, 2013 and 2012
(Dollar amounts in thousands, except per share amounts)

	Preferred Stock — Series A		Preferred Stock — Series B		Common Stock				Accumulated Other Comprehensive Income	Non-Controlling Interest	Total Equity
	Shares Outstanding	Liquidation Preference Amount	Shares Outstanding	Liquidation Preference Amount	Shares Outstanding	Par Amount	Additional Paid-in-Capital	Retained Earnings/ (Deficit)			
Balance, January 1, 2012	—	$ —	—	$ —	1,000	$ 1	$ 42,969	$ (2,995)	$ 304	$ —	$ 40,279
Preferred stock issuances-Series A	50,000	5,000	—	—	—	—	—	—	—	—	5,000
Common stock dividend	—	—	—	—	4,499,000	44	(44)	—	—	—	—
Common stock issuance	—	—	—	—	86,356	1	999	—	—	—	1,000
TCF Class B issuances	—	—	—	—	—	—	—	—	—	3,750	3,750
TCF Class C issuances	—	—	—	—	—	—	—	—	—	4,122	4,122
TCF Class C redemptions	—	—	—	—	—	—	—	(190)	—	(1,713)	(1,903)
TCF Class C to Class B conversion	—	—	—	—	—	—	—	(803)	—	803	—
Net income	—	—	—	—	—	—	—	11,074	—	—	11,074
Other comprehensive income	—	—	—	—	—	—	—	—	152	—	152
Balance, December 31, 2012	50,000	5,000	—	—	4,586,356	46	43,924	7,086	456	6,962	63,474
Exchange offer	(4,500)	(450)	—	—	545,069	5	6,307	(461)	—	(5,862)	(461)
Common stock issuance	—	—	—	—	3,672,115	37	42,365	—	—	—	42,402
Stock issued and assumed in NBI acquisition	—	—	51,956	5,196	1,029,045	10	11,906	—	—	25,897	43,009
Stock based compensation	—	—	—	—	—	—	129	—	—	—	129
Series T-1 and T-2 dividends	—	—	—	—	—	—	—	(130)	—	—	(130)
TBI Series A Preferred dividends	—	—	—	—	—	—	—	(632)	—	—	(632)
TBI Series B Preferred dividends	—	—	—	—	—	—	—	(89)	—	—	(89)
TCF Class B distributions	—	—	—	—	—	—	—	(209)	—	—	(209)
Net income	—	—	—	—	—	—	—	13,427	—	—	13,427
Other comprehensive income	—	—	—	—	—	—	—	—	(323)	—	(323)
Balance, December 31, 2013	45,500	$ 4,550	51,956	$ 5,196	9,832,585	$ 98	$ 104,631	$ 18,992	$ 133	$ 26,997	$160,597

See accompanying notes to consolidated financial statements.

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TRIUMPH BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2013 and 2012
(Dollar amounts in thousands, except per share amounts)

	December 2013	December 2012
Cash flows from operating activities:		
Net income	$ 13,427	$ 11,074
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	786	568
Accretion on loans and deposits	(4,880)	(3,269)
Amortization of junior subordinated debentures	51	—
Net amortization on securities	386	437
Amortization of intangible assets	620	948
Deferred taxes	1,891	(5,526)
Provision for loan losses	3,412	1,739
Stock based compensation	129	—
Origination of loans held for sale	(20,358)	—
Proceeds from loan sales	15,317	3,996
Net (gain) on sales of loans	(846)	(132)
Net (gain) on transfers and sales of other real estate owned	(154)	(1,379)
Bargain purchase gain	(9,014)	—
(Increase) decrease in other assets	11,455	(1,224)
Increase (decrease) in other liabilities	(3,356)	(2,930)
Net cash provided by operating activities	8,866	4,302
Cash flows from investing activities:		
Proceeds from maturities, calls, and pay downs of securities available for sale	17,810	7,720
Net originations of loans	(98,114)	(27,380)
Payments for purchased but unsettled loans	—	(6,200)
Additions in premises and equipment	(1,404)	(2,753)
Net proceeds from sale of other real estate owned	3,937	1,691
Purchase of FHLB and Federal Reserve Bank stock	(502)	—
Net cash from acquisitions	74,713	(15,451)
Net cash used in investing activities	(3,560)	(42,373)
Cash flows from financing activities:		
Net increase in deposits	26,211	16,821
Exchange offer	(461)	—
Proceeds from issuance of common stock	42,402	1,000
Proceeds from issuance of preferred stock	—	5,000
Noncontrolling interests issuances, net	—	6,962
Distributions on noncontrolling interest and preferred stock	(1,060)	(993)
Repayment of borrowings assumed in acquisition	—	(42,831)
Increase (decrease) in customer repurchase agreements	(8,597)	—
Increase (decrease) in Federal Home Loan Bank advances	5,497	10,500
Repayment of senior secured note	(11,858)	—
Issuance of senior secured note	12,573	—
Net cash provided by (used in) financing activities	64,707	(3,541)
Net increase (decrease) in cash and cash equivalents	70,013	(41,612)
Cash and cash equivalents at beginning of year	15,784	57,396
Cash and cash equivalents at end of year	$ 85,797	$ 15,784
Supplemental cash flow information:		
Interest paid	$ 1,549	$ 3,769
Income taxes paid	966	—
Supplemental noncash disclosures:		
Transfers from loans to other real estate owned	$ 1,532	$ 3,206
Stock issued and assumed in NBI acquisition	$ 43,009	$ —

Noncash assets acquired, liabilities assumed, and consideration paid in a business combination is included in the notes to the financial statements.

See accompanying notes to consolidated financial statements.

TRIUMPH BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013 and 2012
(Dollar amounts in thousands, except per share amounts)

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation and Basis of Presentation: The accompanying consolidated financial statements include the accounts of Triumph Bancorp, Inc. (TBI or Triumph) and its wholly owned subsidiaries Triumph Capital Advisors, LLC (TCA), Triumph CRA Holdings, LLC (TCRA), National Bancshares, Inc. (NBI), NBI's wholly owned subsidiary THE National Bank, subsequently renamed Triumph Community Bank (TCB), Triumph Savings Bank, SSB (TSB), TSB's majority owned subsidiary Triumph Commercial Finance LLC (TCF) and its wholly owned subsidiary Advance Business Capital LLC subsequently re-branded as Triumph Business Capital (ABC) (collectively the Company). In addition, TSB does business under the Triumph Commercial Finance name with respect to its commercial finance business, including Asset Based Lending, Equipment Lending and General Factoring.

The Company consolidates subsidiaries in which it holds, directly or indirectly, a controlling financial interest. In consolidation, all significant intercompany accounts and transactions are eliminated. Investments in unconsolidated entities are accounted for using the equity method of accounting when the Company has the ability to exercise significant influence over operating and financing decisions. Investments that do not meet the criteria for equity method accounting are accounted for using the cost method of accounting.

The accounting and reporting policies of the Company and its subsidiaries conform to U.S. generally accepted accounting principles (GAAP) and general practice within the banking industry. Certain reclassifications have been made to prior year amounts to conform to the current year presentation. The Company uses the accrual basis of accounting for financial reporting purposes.

Organization: TBI began operations effective November 5, 2010, when Triumph Consolidated Cos., LLC (TCC), through an acquisition subsidiary, acquired 100% of the outstanding stock of EJ Financial Corp. (EJ) and its wholly owned subsidiary, EJ Delaware Bancshares (Delaware) and its wholly owned subsidiary, Equity Bank. Pursuant to the terms of the Agreement and Plan of Reorganization, the acquisition subsidiary was merged into EJ and the name changed to TBI. Subsequent to the acquisition, Delaware was merged into TBI and Equity Bank changed its name to Triumph Savings Bank, SSB. TCC owned and controlled 100% of the common stock of TBI until December 2012 when TBI commenced a common stock offering whereby shares were sold to holders other than TCC. As of December 31, 2013, TCC holds 45.8% of the outstanding common stock of TBI.

The Company provides certain banking and financial services to individual and corporate customers and is subject to competition from other local, regional, and national financial institutions. The Company is subject to the regulations of certain state and federal agencies and undergoes periodic examinations by those regulatory authorities.

Use of Estimates: To prepare financial statements in conformity with GAAP management makes estimates and assumptions based on available information. These estimates and assumptions affect the amounts reported in the financial statements and the disclosures provided, and actual results could differ. The allowance for loan losses, valuation of other real estate owned, fair values of financial instruments, assumptions used in the calculation of income taxes, measurements associated with goodwill and other intangible asset impairment assessments, and the future cash flows of purchased credit-impaired (PCI) loans are particularly subject to change, and such change may be material.

Additionally, the fair values associated with assets acquired and liabilities assumed in a business combination are estimates which require significant judgment, and may be adjusted during the preliminary measurement period.

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents: For the purposes of reporting cash flows, cash and cash equivalents include cash on hand, amounts due from banks, other short-term investments and federal funds sold. All highly liquid investments with an initial maturity of less than ninety days are considered to be cash equivalents. Net cash flows are reported for customer loan and deposit transactions.

Securities: Debt securities that management has the positive intent and ability to hold to maturity are classified as held to maturity and recorded at amortized cost. Trading securities are recorded at fair value with changes in fair value included in earnings. Securities not classified as held to maturity or trading, are classified as available for sale and recorded at fair value, with unrealized gains and losses excluded from earnings and reported in other comprehensive income, net of tax.

Purchase premiums and discounts are recognized in interest income using the interest method over the terms of the securities. Management evaluates securities for other-than-temporary impairment (OTTI) on a quarterly basis, and more frequently when economic or market conditions warrant such an evaluation. For securities in an unrealized loss position, management considers the extent and duration of the unrealized loss, and the financial condition and near-term prospects of the issuer. Management also assesses whether it intends to sell, or it is more likely than not that it will be required to sell, a security in an unrealized loss position before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the entire difference between amortized cost and fair value is recognized as impairment through earnings. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific-identification method.

Loans Held for Sale: Mortgage loans originated and intended for sale in the secondary market are carried at fair value, as determined by outstanding commitments from investors to purchase such loans and upon prevailing market rates. Increases or decreases in the fair value of these loans held for sale, if any, are charged to earnings. Mortgage loans held for sale are generally sold with servicing rights released. Gains and losses on sales of mortgage loans are based on the difference between the final selling price and the fair value of the related loan sold.

Loans:

Purchased Loans: Purchased loans are recorded at fair value at the date of acquisition based on a discounted cash flow methodology that considers various factors including the type of loan and related collateral, classification status, fixed or variable interest rate, term of loan and whether or not the loan was amortizing, and a discount rate reflecting the Company's assessment of risk inherent in the cash flow estimates. Larger purchased loans are individually evaluated while smaller purchased loans are grouped together according to similar characteristics and are treated in the aggregate when applying various valuation techniques. These cash flow evaluations are inherently subjective as they require material estimates, all of which may be susceptible to significant change.

The cash flows expected to be collected on PCI loans are estimated based upon the expected remaining life of the underlying loans, which includes the effects of estimated prepayments. Purchased loans are considered credit impaired if there is evidence of credit deterioration at the date of purchase and if it is probable that not all contractually required payments will be collected. Interest income, through accretion of the difference between the carrying value of the loans and the expected cash flows is recognized on all PCI loans. Expected cash flows are re-estimated quarterly. A decline in the present value of current expected cash flows compared to the previously estimated expected cash flows, due in any part to change in credit, is referred to as credit impairment

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

and recorded as provision for loan losses during the period. Declines in the present value of expected cash flows only from the expected timing of such cash flows are recognized prospectively as a decrease in yield on the loan. Improvement in expected cash flows is recognized prospectively as an adjustment to the yield on the loan once any previously recorded impairment is recaptured.

Purchased loans that are not considered PCI at acquisition have premiums or discounts. Premiums and discounts recorded when the loans are recorded at their estimated fair values at acquisition are amortized or accreted over the remaining term of the loan as an adjustment to the related loan's yield. The subsequent accounting for acquired non-PCI loans follows the accounting for originated loans.

Originated Loans: Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at the principal balance outstanding, net of unearned income, deferred loan fees and costs, and any direct principal charge-offs. Interest income is accrued on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, are deferred and recognized in interest income over the remaining life of the loan without anticipating prepayments. Loans are considered past due or delinquent when the contractual principal or interest due in accordance with the terms of the loan agreement or any portion thereof remains unpaid after the due date of the scheduled payment. Loans are classified as nonaccrual when, in the opinion of management, collection of principal or interest is doubtful. Generally, loans are placed in nonaccrual status due to the continued failure to adhere to contractual payment terms by the borrower coupled with other pertinent factors, such as insufficient collateral value.

The accrual of interest income on single family residential mortgage, commercial and commercial real estate loans is discontinued at the time the loan is 90 days delinquent unless the loan is well-secured and in process of collection, or if full collection of interest or principal becomes uncertain. Consumer loans are typically charged off no later than 120 days past due. Past due status is based on the contractual terms of the loan. In all cases, loans are placed on nonaccrual or charged-off at an earlier date if collection of principal or interest is considered doubtful. All interest accrued but not received for a loan placed on nonaccrual is charged against interest income. Interest received on such loans is accounted for on the cash-basis or cost recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Concentration of Credit Risk: Most of the Company's business activity is with customers located within certain states. The states of Illinois (34%), Iowa (16%), Texas (14%) and Wisconsin (8%) make up 72% of the Company's gross loans. Therefore, the Company's exposure to credit risk is significantly affected by changes in the economies in these states. In addition, large credit relationships greater than $10,000 represent 17% of the Company's gross loans while credit relationships between $5,000 and $10,000 represent 16% of the Company's gross loans. There are no significant concentrations of loans to any one industry.

Allowance for Loan and Lease Losses: The allowance for loan and lease losses is a valuation allowance for probable incurred credit losses. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance. Management estimates the allowance balance required using past loan loss experience, the nature and volume of the portfolio, information about specific borrower situations and estimated collateral values, economic conditions, and other factors. Allocations of the allowance may be made for specific loans, but the entire allowance is available for any loan that, in management's judgment, should be charged off.

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The allowance consists of specific and general components. The specific component relates to loans that are individually classified as impaired when, based on current information and events, it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the loan agreement. Loans for which the terms have been modified resulting in a concession, and for which the borrower is experiencing financial difficulties, are considered troubled debt restructurings (TDRs) and classified as impaired.

Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed.

All loans are subject to being individually evaluated for impairment. If a loan is impaired, a portion of the allowance is allocated so that the loan is reported, net, at the present value of estimated future cash flows using the loan's existing rate or at the fair value of collateral if repayment is expected solely from the collateral. Large groups of smaller balance homogeneous loans are collectively evaluated for impairment, and accordingly, they are not separately identified for impairment disclosures.

Troubled debt restructurings are separately identified for impairment disclosures and are measured at the present value of estimated future cash flows using the loan's effective rate at inception. If a troubled debt restructuring is considered to be a collateral dependent loan, the loan is reported, net, at the fair value of the collateral. For troubled debt restructurings that subsequently default, the Company determines the amount of reserve in accordance with the accounting policy for the allowance for loan losses.

The general component covers non-impaired loans and is based on historical loss experience adjusted for current factors. The historical loss experience is determined by portfolio segment and is based on the actual loss history experienced by the Company since acquisition. This actual loss experience is supplemented with other economic factors based on the risks present for each portfolio segment. These economic factors include consideration of the following: levels of and trends in delinquencies and impaired loans; levels of and trends in charge-offs and recoveries; trends in volume and terms of loans; effects of any changes in risk selection and underwriting standards; other changes in lending policies, procedures, and practices; experience, ability, and depth of lending management and other relevant staff; national and local economic trends and conditions; industry conditions; and effects of changes in credit concentrations.

The following loan portfolio segments have been identified:

- *Commercial Real Estate* — This category of loans consists of the following loan types:

  Commercial owner occupied — Owner occupied commercial real estate loans are primarily secured by commercial office or industrial buildings, warehouses or retail buildings where the owner of the building occupies the property. Repayment terms vary considerably, interest rates are fixed or variable, and are structured for full, partial, or no amortization of principal.

  Commercial non-owner occupied — Investment real estate loans are primarily secured by non-owner occupied apartment, office and industrial buildings, warehouses, small retail shopping centers and

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

various special purpose properties. These loans have similar terms and amortization periods as owner occupied commercial real estate loans. Generally, these types of loans are thought to involve a greater degree of credit risk than owner occupied commercial real estate as they are more sensitive to adverse economic conditions.

Multi-family residential — Investment real estate loans are primarily secured by non-owner occupied apartment or multifamily residential buildings. These loans have similar terms and amortization periods as owner occupied commercial real estate loans. Generally, these types of loans are thought to involve a greater degree of credit risk than owner occupied commercial real estate as they are more sensitive to adverse economic conditions.

- *Construction, land development, land* —This category of loans consists of loans to finance the ground up construction, improvement and/or carrying for sale after the completion of construction of owner occupied and non-owner occupied residential and commercial properties, and loans secured by raw or improved land. The repayment of construction loans is generally dependent upon the successful completion of the improvements by the builder for the end user, or sale of the property to a third party. Repayment of land secured loans are dependent upon the successful development and sale of the property, the sale of the land as is, or the outside cash flow of the owners to support the retirement of the debt.
- *1-4 family residential properties* — This category of loans includes both first and junior liens on residential real estate. Home equity revolving lines of credit and home equity term loans are included in this group of loans.
- *Farmland* — These loans are principally loans to purchase farmland.
- *Commercial* — Commercial loans are loans for commercial, corporate and business purposes not otherwise disclosed separately. The Company's commercial business loan portfolio is comprised of loans for a variety of purposes and generally is secured by accounts receivable, inventory and other business assets. Commercial loans consist principally of the following:

  Equipment — Equipment finance loans are commercial loans primarily secured by new or used revenue producing, essential-use equipment from major manufacturers that is movable, can be used in more than one type of business, and has broad resale markets. Core markets include construction, road, transportation, oil and gas, waste, forestry and machine tool. Loan terms do not exceed the economic life of the equipment and typically are sixty months or less.

  Agricultural — These loans are primarily operating lines subject to annual farming revenues including productivity and yield of the farm products and market pricing at time of sale.

  Syndicated Loans — Commercial loans offered by a group of lenders to provide funds for a single borrower. These loans are typically bought and sold by institutional investors in individually negotiated private transactions that function in many respects like an over-the-counter market.
- *Factored Receivables* — ABC operates as a factor serving the transportation industry by purchasing accounts receivable from its clients, then collecting the receivable from the account debtor. Advances initially made to the client to acquire the receivables are typically at a discount to the invoice value. The discount balance is held in client reserves, net of ABC's compensation, to settle any payment disputes or

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NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

collection shortfalls. Upon collection of the invoice and subsequent settlement of any additional client obligations, outstanding client reserves are remitted to the client. TSB also provides factoring services to non-transportation industry clients.

- *Consumer* — Personal loans used for personal use usually on an unsecured basis.
- *Mortgage Warehouse* — Mortgage Warehouse loans are commercial loans to independent mortgage origination companies collateralized by 1-4 family residential loans and the financial capacity of the borrower. The originator closes new mortgage loans with the intent to sell these loans to third party investors for a profit. The Company provides funding to the mortgage companies for the period between the origination and their sale of the loan. The Company separately validates that each residential mortgage loan was underwritten consistent with the underwriting requirements of the final investor or market standards prior to advancing funds. The Company is repaid with the proceeds received from sale of the mortgage loan to the final investor.

Federal Home Loan Bank (FHLB) Stock and Federal Reserve Bank (FRB) Stock: The Company, through its banking subsidiaries, is a member of the FHLB system and regional Federal Reserve Banks. Members of Banks. Members of the FHLB are required to own a certain amount of stock based on the level of borrowings and other factors, and may invest in additional amounts. FHLB and FRB stock is carried at cost, classified as a restricted security, and periodically evaluated for impairment based on ultimate recovery of par value. Both cash and stock dividends are reported as income.

Premises and Equipment: Depreciable assets are stated at cost less accumulated depreciation. Depreciation is charged to expense using the straight-line method over the estimated useful lives of the assets ranging from one to thirty years. Leasehold improvements are capitalized and depreciated using the straight-line method over the terms of the respective leases or the estimated useful lives of the improvements, whichever is shorter. Buildings and related components are depreciated using the straight-line method with useful lives ranging from ten to thirty years. Furniture, fixtures and equipment are depreciated using the straight-line method over five years.

Other Real Estate Owned (OREO): Assets acquired as part of an acquisition or through loan foreclosure are held for sale and are initially recorded at fair value less estimated cost to sell at the date of acquisition, establishing a new cost basis. Subsequent to foreclosure, valuations are periodically performed by management and the assets are carried at the lower of carrying amount or fair value less cost to sell. At the time of acquisition of properties not acquired as part of an acquisition, losses are charged against the allowance for loan losses, and gains are realized to the extent fair value exceeds the carrying amount of the foreclosed loan. Improvements to the value of the properties are capitalized, but not in excess of the net realizable value of the property.

Goodwill and Other Intangible Assets: Goodwill resulting from business combinations is determined as the excess of the fair value of the consideration transferred, plus the fair value of any noncontrolling interests in the acquiree, over the fair value of the net assets acquired and liabilities assumed as of the acquisition date. In the event the fair value of the net assets acquired and liabilities assumed exceeds the consideration transferred, plus the fair value of any noncontrolling interests in the acquiree, a bargain purchase gain is recognized.

Goodwill and intangible assets acquired in a purchase business combination and determined to have an indefinite useful life are not amortized, but tested for impairment at least annually or more frequently if events and circumstances exists that indicate that a goodwill impairment test should be performed. Intangible assets with definite useful lives are amortized over their estimated useful lives to their estimated residual values. Goodwill is the only intangible asset with an indefinite life on the Company’s balance sheet.

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other intangible assets consist of core deposit intangible assets representing the estimated value of acquired relationships with deposit customers arising from whole bank acquisitions and are amortized on an accelerated method over their estimated useful lives. The estimated fair value of core deposit intangible assets is based on a discounted cash flow methodology that considers customer attrition rates, cost of the deposit base, and maintenance cost.

Bank Owned Life Insurance: In conjunction with the acquisition of NBI, the Company acquired life insurance policies on certain key executives of TCB. Bank owned life insurance is recorded at the amount that can be realized under the insurance contract at the balance sheet date, which is the cash surrender value adjusted for other charges or other amounts due that are probable at settlement.

Income Taxes: TBI files a consolidated tax return with its subsidiaries and is taxed as a C corporation. Deferred tax assets and liabilities are reflected at currently enacted income tax rates applicable to the period in which the deferred tax assets and liabilities are expected to be realized or settled. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

A tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit is recorded. No interest or penalties have been incurred for 2013 or 2012.

Fair Values of Financial Instruments: In general, fair values of financial instruments are based upon quoted market prices, where available. If such quoted market prices are not available, fair value is based upon internally developed models that primarily use, as inputs, observable market-based parameters. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. These adjustments may include amounts to reflect counterparty credit quality and/or the Company’s creditworthiness, among other things, as well as unobservable parameters. Any such valuation adjustments are applied consistently over time.

In the ordinary course of business, the Company generally does not sell or transfer non-impaired loans and deposits. As such, the disclosures that present the December 31, 2013 and 2012 estimated fair value for non-impaired loans and deposits are highly judgmental and may not represent amounts to be received if the Company were to sell or transfer such items.

Operating Segments: The Company’s reportable segments are comprised of strategic business units primarily based upon industry categories and to a lesser extent, the core competencies relating to product origination, distribution methods, operations and servicing. Segment determination also considered organizational structure and our segment reporting is consistent with the presentation of financial information to the chief operating decision maker to evaluate segment performance, develop strategy, and allocate resources. Our chief operating decision maker is the Chief Executive Officer of Triumph Bancorp, Inc. The factoring segment includes the operations of Advance Business Capital since its acquisition January 13, 2012 with revenue derived from factoring services. The banking segment includes the operation of TSB, and since October 15, 2013 includes the operations of TCB. Our banking segment derives its revenue principally from investments in interest earning assets as well as noninterest income typical for the banking industry. The banking segment also includes

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

commercial factoring services which are originated through the commercial finance division of TSB. Corporate includes holding company financing and investment activities, management and administrative expenses to support the overall operations of the Company, the operations of TCA and TCRA.

Comprehensive Income: Comprehensive income consists of net income and other comprehensive income. Other comprehensive income includes unrealized gains and losses on securities available for sale.

Loss Contingencies: Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated. Management does not believe there now are such matters that will have a material effect on the financial statements.

Transfers of Financial Assets: Transfers of financial assets are accounted for as sales, when control over the assets has been relinquished. Control over transferred assets is deemed to be surrendered when the assets have been isolated from the Company, the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Stock-Based Compensation: Compensation cost is recognized for restricted stock awards issued to employees, based on the fair value of these awards at the date of grant. The fair value of the Company's common stock, as estimated by the Company, at the date of grant is used for restricted stock awards. Compensation cost is recognized over the required service period, generally defined as the vesting period.

Earnings Per Common Share: Basic earnings per common share is net income less effects of noncontrolling interests and preferred shares divided by the weighted average number of common shares outstanding during the period. Diluted earnings per common share includes the dilutive effect of additional potential common shares issuable under stock warrants, restricted stock awards, and preferred shares that are convertible to common.

Dividend Restriction: Banking regulations require maintaining certain capital levels and may limit the dividends paid by the banks to the holding company or by the holding company to shareholders.

New Accounting Standards:

On January 1, 2013 the Company adopted Accounting Standards Update (ASU) 2013-02, "Comprehensive Income: Reporting of Amounts Reclassified out of Accumulated Other Comprehensive Income" ("ASU 2013-02"). ASU 2013-02 requires the Company to report the effect of significant reclassifications out of accumulated other comprehensive income on the respective line items in the Company's consolidated statement of comprehensive income if the amount being reclassified is required under GAAP to be reclassified in its entirety to net income. The adoption of this ASU is reflected in the accompanying consolidated statements of comprehensive income.

Issued in January 2014, ASU 2014-04 "Receivables — Troubled Debt Restructurings by Creditors" affects all creditors when an in substance repossession or foreclosure of residential real estate property collateralizing a consumer mortgage loan in satisfaction of a receivable has occurred. The ASU is effective for fiscal periods beginning after December 15, 2014. Adoption of this ASU is not expected to have a material impact on the Company's financial statements.

NOTE 2 — BUSINESS COMBINATIONS

Effective October 15, 2013, TBI acquired 100% of NBI, and thereby acquired THE National Bank due to NBI's 100% ownership of THE National Bank. During 2014, THE National Bank was renamed Triumph Community Bank. The primary benefits of the acquisition are to (i) provide the Company with increased access to low cost stable core deposit funding and (ii) create the opportunity to achieve improved operating efficiency through the scale provided by a larger consolidated balance sheet.

The Company recorded the assets acquired and the liabilities assumed in the acquisition of NBI at their respective fair values as of the acquisition date with the related acquisition and restructuring costs expensed in the current period. In conjunction with the acquisition, the Company recognized a bargain purchase gain of $9,014.

The period during which the initial fair value adjustments may be revised is generally referred to as the measurement period. During the measurement period, the Company also shall recognize additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date that, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the Company receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period shall not exceed one year from the acquisition date. The Company has finalized its fair value estimates for the acquisition. TCB's results of operations are included in the Company's results since the acquisition date.

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NOTE 2 — BUSINESS COMBINATIONS (Continued)

A summary of the fair values of assets acquired, liabilities assumed, consideration paid and the resulting bargain purchase gain is as follows:

Assets:	
Cash and cash equivalents	$ 89,990
Securities	160,450
Loans	568,358
FHLB and Federal Reserve Bank stock	4,507
Premises and equipment	19,358
Other real estate owned	11,285
Intangible assets	15,091
Bank-owned life insurance	28,435
Deferred income taxes	17,237
Other assets	22,023
	936,734
Liabilities:	
Deposits	793,256
Customer repurchase agreements	19,927
Senior secured note	11,858
Junior subordinated debentures	24,120
Federal Home Loan Bank advances	5,003
Accrued interest and dividends payable	7,282
Other liabilities	7,988
	869,434
Fair value of net assets acquired	67,300
Cash paid to NBI common and preferred shareholders	15,277
Common stock issued by TBI (1,029,045 shares)	11,916
TBI Preferred stock Series B Issued	5,196
Senior Preferred Stock, Series T-1 and T-2 assumed	25,897
Consideration paid	58,286
Bargain Purchase Gain	$ (9,014)

The consideration paid was comprised of a combination of cash and TBI common and preferred stock to all NBI shareholders, and the assumption of NBI's Senior Preferred Stock, Series T-1 and T-2, classified as noncontrolling interest in the consolidated statements of changes in equity.

In addition to the consideration paid TBI (i) retired the outstanding balance of NBI's $11,858 senior secured note and (ii) retired all $3,640 of NBI's senior convertible notes outstanding with cash.

As of the date of acquisition, NBI had been in deferral on payments due for interest and dividends on its junior subordinated debentures and Senior Preferred Stock, Series T-1 and T-2. The total amounts due on these instruments for periods prior to acquisition have been brought current by Triumph on the first contractually available payment dates post-acquisition.

NOTE 2 — BUSINESS COMBINATIONS (Continued)

The following presents information for non-purchase credit impaired loans acquired as part of the acquisition.

	Contractual Balance	Fair Value	Estimated Contractual Cash Flows Not Expected to be Collected
Real estate:			
Commercial	$ 223,477	$ 217,711	$ (6,567)
Construction, land development, land	25,844	23,474	(1,585)
1-4 family residential properties	93,868	89,822	(2,520)
Farmland	35,502	35,634	(74)
Total real estate	378,691	366,641	(10,746)
Commercial	170,070	164,855	(3,914)
Factored receivables	—	—	—
Consumer	13,897	13,750	(638)
Mortgage warehouse	—	—	—
	$ 562,658	$ 545,246	$ (15,298)

The estimated contractual cash flows not expected to be collected on non-PCI loans indicated in the table above include contractual principal balances only. Contractual interest not expected to be collected on non-PCI loans is not material.

Information about the acquired loan portfolio subject to purchase credit impaired (PCI) accounting guidance as of October 15, 2013 is as follows:

	PCI
Contractual balance at acquisition	$29,970
Contractual cash flows not expected to be collected (nonaccretable discount)	(5,141)
Expected cash flows at acquisition	24,829
Interest component of expected cash flows (accretable discount)	(1,717)
Fair value of acquired loans	$23,112

The following table presents pro forma information as if the NBI acquisition had occurred at the beginning of 2012.

	Year Ended	
	2013	2012
Net interest income	$60,685	$60,831
Net income before tax	$12,719	$17,398
Tax (expense) benefit	(4,244)	5,825
Net income	8,475	23,223
Effect of noncontrolling interests	(3,506)	(3,011)
Net income to common stockholders	$ 4,969	$20,212
Basic earnings per share	$ 0.51	$ 2.06
Diluted earnings per share	$ 0.51	$ 2.00

NOTE 2 — BUSINESS COMBINATIONS (Continued)

Since the acquisition date of October 15, 2013 through December 31, 2013, revenues and earnings recorded by the Company related to the acquired operations approximated $12,014 and $2,834, respectively. To determine pro forma information, the Company adjusted Triumph's 2013 and 2012 historical results to include the historical results for NBI for the period January 1, 2013 to October 14, 2013 and the year ended December 31, 2012. These amounts were $1,099 and $5,916, respectively.

Pro forma adjustments include adjustments for interest income on loans and securities acquired, amortization of intangibles arising from the transaction, depreciation expense on property acquired, interest expense on deposits acquired, interest expense on junior subordinated debentures assumed, interest expense on senior secured notes paid off, the related income tax effects, and the impact of noncontrolling interest and preferred stock.

Expenses and income related to the acquisition including professional fees and integration costs, as well as the bargain purchase gain, are also excluded from the period in which the amounts were recognized. In 2013 and 2012, expenses amounted to $2,500 and $52, respectively, and in 2013 the bargain purchase gain totaled $9,014.

The year over year pro forma decline in net income to common shareholders was principally driven by $11,700 of tax benefits recognized in 2012 that were not duplicated in 2013. During 2012, TBI and NBI reversed certain valuation allowances on deferred taxes in the amounts of $7,400 and $4,300, respectively.

The pro forma financial information is not necessarily indicative of the results of operations that would have occurred had the transactions been effected on the assumed dates.

On January 13, 2012, Triumph Commercial Finance LLC acquired 100% of Advance Business Capital LLC. The acquisition is intended to diversify the Company's loan portfolio.

Assets and liabilities assumed were initially measured at fair value and are summarized as follows:

Assets:	
Cash and cash equivalents	$ 4,937
Loans	55,367
Premises and equipment	354
Intangible asset	948
Other assets	91
	61,697
Liabilities:	
Deposits	6,056
Borrowings	42,831
Other liabilities	1,268
	50,155
Fair value of net assets acquired	11,542
Cash paid for Advance Business Capital LLC	(20,388)
Goodwill	$ 8,846

NOTE 2 — BUSINESS COMBINATIONS (Continued)

Goodwill of $8,846 was recognized and consisted largely of expected synergies resulting from the benefits of uniting ABC with Triumph. The intangible asset represents acquired customer relationships and was fully amortized at December 31, 2012. Goodwill and the intangible asset will be amortized for tax purposes. Loans acquired in the acquisition consist primarily of secured factored receivables and deposits represent customer reserves held to settle any payment disputes or collection shortfalls.

The fair value of net assets acquired includes fair value adjustments to certain loans that were not considered impaired as of the acquisition date. The fair value adjustments were determined using discounted contractual cash flows. No receivables were considered impaired at the acquisition date.

ABC's results of operations were included in the Company's results since the acquisition date.

NOTE 3 — SECURITIES

Securities have been classified in the financial statements as available for sale or held to maturity. The carrying amount of securities and their approximate fair values at December 31, 2013 and 2012 are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
December 31, 2013				
Available for sale securities:				
U.S. Government agency obligations	$ 95,967	$ 91	$ (224)	$ 95,834
Mortgage-backed securities, residential	35,931	355	(1)	36,285
Asset-backed securities	18,811	34	(6)	18,839
State and municipal	8,989	20	(4)	9,005
Corporate bonds	20,817	62	(36)	20,843
Trust preferred	3,706	—	(106)	3,600
SBA pooled securities	244	4	—	248
Total available for sale securities	$184,465	$ 566	$ (377)	$184,654

	Amortized Cost	Gross Unrecognized Gains	Gross Unrecognized Losses	Fair Value
Held to maturity securities:				
Other — State of Israel bonds	$ 743	$ 2	$ —	$745

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
December 31, 2012				
Available for sale securities:				
U.S. Government agency obligations	$ 2,909	$ 6	$ —	$ 2,915
Mortgage-backed securities, residential	37,719	748	—	38,467
Corporate bonds	2,023	52	(121)	1,954
SBA pooled securities	303	6	—	309
Total available for sale securities	$ 42,954	$ 812	$ (121)	$43,645

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NOTE 3 — SECURITIES (Continued)

The amortized cost and estimated fair value of debt securities at December 31, 2013, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Securities Available for Sale		Held to Maturity	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	$ 21,627	$ 21,630	$ 150	$150
Due from one year to five years	84,079	84,118	593	595
Due from five years to ten years	18,146	17,994	—	—
Due after ten years	5,627	5,540	—	—
	129,479	129,282	743	745
Mortgage-backed securities, residential	35,931	36,285	—	—
Asset-backed securities	18,811	18,839	—	—
SBA pooled securities	244	248	—	—
	$ 184,465	$ 184,654	$ 743	$745

For the years ended December 31, 2013 and 2012, there were no sales of securities.

Certain investment securities were pledged to secure securities sold under agreements to repurchase, Federal Home Loan Bank advances, and for other purposes required or permitted by law. The carrying value of these pledged investment securities as of December 31, 2013 and 2012 was approximately $87,434 and $0, respectively.

Information pertaining to securities with gross unrealized losses at December 31, 2013 and 2012, aggregated by investment category and length of time that individual securities have been in a continuous loss position, are summarized as follows:

	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
December 31, 2013						
U.S. Government agency obligations	$38,890	$ (222)	$1,849	$ (2)	$40,739	$ (224)
Mortgage-backed securities, residential	800	(1)	—	—	800	(1)
Asset-backed securities	4,913	(6)	—	—	4,913	(6)
State and municipal	1,481	(4)	—	—	1,481	(4)
Corporate bonds	8,419	(36)	—	—	8,419	(36)
Trust preferred	3,600	(106)	—	—	3,600	(106)
SBA pooled securities	—	—	—	—	—	—
	$58,103	$ (375)	$1,849	$ (2)	$59,952	$ (377)
December 31, 2012						
U.S. Government agency obligations	$ —	$ —	$ —	$ —	$ —	$ —
Mortgage-backed securities, residential	—	—	—	—	—	—
Corporate bonds	—	—	1,231	(121)	1,231	(121)
SBA pooled securities	—	—	—	—	—	—
	$ —	$ —	$1,231	$ (121)	$ 1,231	$ (121)

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NOTE 3 — SECURITIES (Continued)

As of December 31, 2013, management does not have the intent to sell any of the securities classified as available for sale in the table above and believes that it is more likely than not that the Company will not have to sell any such securities before a recovery of cost. The unrealized losses are largely due to increases in market interest rates over the yields available at the time the underlying securities were acquired. The fair value is expected to recover as the bonds approach their maturity date or repricing date or if market yields for such investments decline. Management does not believe any of the securities are impaired due to reasons of credit quality. Accordingly, as of December 31, 2013, management believes the unrealized losses detailed in the previous table are temporary and no other than temporary impairment loss has been recognized in the Company's consolidated statements of income.

NOTE 4 — LOANS AND ALLOWANCE FOR LOAN AND LEASE LOSSES

Loans at December 31, 2013 and 2012 consisted of the following:

	2013	2012
Real estate:		
Commercial	$331,271	$104,271
Construction, land development, land	37,626	3,964
1-4 family residential properties	91,301	4,084
Farmland	20,294	786
Total real estate	480,492	113,105
Commercial	255,655	22,425
Factored receivables	117,370	75,719
Consumer	13,878	—
Mortgage warehouse	13,513	—
Total	880,908	211,249
Deferred origination fees and costs, net	191	—
Allowance for loan losses	(3,645)	(1,926)
	$877,454	$209,323

NOTE 4 — LOANS AND ALLOWANCE FOR LOAN AND LEASE LOSSES (Continued)

Allowance for Loan and Lease Losses: The activity in the allowance for loan and lease losses (ALLL) during the years ended December 31, 2013 and 2012 is as follows:

Year ended December 31, 2013	Beginning Balance	Provision	Charge-offs	Recoveries	Ending Balance
Real estate:					
Commercial	$ 261	$ 114	$ (156)	$ 129	$ 348
Construction, land development, land	40	58	—	12	110
1-4 family residential properties	227	(166)	(94)	133	100
Farmland	5	2	—	—	7
Total real estate	533	8	(250)	274	565
Commercial	172	2,474	(1,515)	14	1,145
Factored receivables	1,221	783	(226)	64	1,842
Consumer	—	103	(113)	59	49
Mortgage warehouse	—	44	—	—	44
	$ 1,926	$ 3,412	$ (2,104)	$ 411	$3,645

Year ended December 31, 2012	Beginning Balance	Provision	Charge-offs	Recoveries	Ending Balance
Real estate:					
Commercial	34	359	(169)	37	261
Construction, land development, land	—	40	—	—	40
1-4 family residential properties	132	104	(116)	107	227
Farmland	—	53	(48)	—	5
Total real estate	166	556	(333)	144	533
Commercial	—	61	—	111	172
Factored receivables	—	1,380	(212)	53	1,221
Consumer	—	(1)	—	1	—
Mortgage warehouse	—	—	—	—	—
Unallocated	257	(257)	—	—	—
	$ 423	$ 1,739	$ (545)	$ 309	$1,926

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NOTE 4 — LOANS AND ALLOWANCE FOR LOAN AND LEASE LOSSES (Continued)

The following table presents loans individually and collectively evaluated for impairment and their respective allowance allocations:

December 31, 2013	Loan Evaluation				ALLL Allocations			
	Individually	Collectively	PCI	Total loans	Individually	Collectively	PCI	Total ALLL
Real estate:								
Commercial	$ 4,489	$308,135	$18,647	$331,271	$ —	$ 348	$—	$ 348
Construction, land development, land	—	35,585	2,041	37,626	—	110	—	110
1-4 family residential properties	842	87,987	2,472	91,301	14	79	7	100
Farmland	—	20,294	—	20,294	—	7	—	7
Total real estate	5,331	452,001	23,160	480,492	14	544	7	565
Commercial	5,495	248,129	2,031	255,655	15	1,130	—	1,145
Factored receivables	763	116,607	—	117,370	417	1,425	—	1,842
Consumer	—	13,878	—	13,878	—	49	—	49
Mortgage warehouse	—	13,513	—	13,513	—	44	—	44
	$ 11,589	$844,128	$25,191	$880,908	$ 446	$ 3,192	$ 7	$ 3,645

December 31, 2012	Loan Evaluation				ALLL Allocations			
	Individually	Collectively	PCI	Total loans	Individually	Collectively	PCI	Total ALLL
Real estate:								
Commercial	$ 4,757	$ 94,452	$5,062	$104,271	$ —	$ 261	$—	$ 261
Construction, land development, land	—	3,964	—	3,964	—	40	—	40
1-4 family residential properties	216	3,565	303	4,084	98	122	7	227
Farmland	—	786	—	786	—	5	—	5
Total real estate	4,973	102,767	5,365	113,105	98	428	7	533
Commercial	42	22,286	97	22,425	—	172	—	172
Factored receivables	501	75,218	—	75,719	187	1,034	—	1,221
Consumer	—	—	—	—	—	—	—	—
Mortgage warehouse	—	—	—	—	—	—	—	—
	$ 5,516	$200,271	$5,462	$211,249	$ 285	$ 1,634	$ 7	$ 1,926

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NOTE 4 — LOANS AND ALLOWANCE FOR LOAN AND LEASE LOSSES (Continued)

The following is a summary of information pertaining to impaired loans at December 31, 2013 and 2012:

December 31, 2013	Impaired Loans and Purchased Credit Impaired Loans With a Valuation Allowance			Impaired Loans Without a Valuation Allowance		Average Impaired Loans	Interest Recognized
	Recorded Investment	Unpaid Principal	Related Allowance	Recorded Investment	Unpaid Principal		
Real estate:							
Commercial	—	—	—	4,489	16,841	5,975	625
Construction, land development, land	—	—	—	—	—	—	—
1-4 family residential properties	127	169	21	1,054	1,869	1,201	32
Farmland	—	—	—	—	—	—	—
Total real estate	127	169	21	5,543	18,710	7,176	657
Commercial	215	215	15	5,280	5,748	2,811	24
Factored receivables	762	762	417	1	—	632	—
Consumer	—	—	—	—	—	—	—
Mortgage warehouse	—	—	—	—	—	—	—
	$ 1,104	$ 1,146	$ 453	$ 10,824	$ 24,458	$10,619	$ 681

December 31, 2012	Impaired Loans and Purchased Credit Impaired Loans With a Valuation Allowance			Impaired Loans Without a Valuation Allowance		Average Impaired Loans	Interest Recognized
	Recorded Investment	Unpaid Principal	Related Allowance	Recorded Investment	Unpaid Principal		
Real estate:							
Commercial	—	—	—	4,757	9,767	8,080	1,118
Construction, land development, land	—	—	—	—	—	—	—
1-4 family residential properties	219	278	105	12	389	322	45
Farmland	—	—	—	—	—	—	—
Total real estate	219	278	105	4,769	10,156	8,402	1,163
Commercial	—	—	—	42	425	351	49
Factored receivables	501	501	187	—	—	—	—
Consumer	—	—	—	—	—	—	—
Mortgage warehouse	—	—	—	—	—	—	—
	$ 720	$ 779	$ 292	$ 4,811	$ 10,581	$ 8,753	$ 1,212

Loans included in the above table are impaired loans and PCI loans that have deteriorated subsequent to acquisition and as a result have been deemed impaired and an allowance recorded. Purchased credit impaired loans that have not deteriorated subsequent to acquisition are not considered impaired and therefore do not require an allowance and are excluded from the table above.

NOTE 4 — LOANS AND ALLOWANCE FOR LOAN AND LEASE LOSSES (Continued)

The recorded investment is the carrying amount of the loan excluding deferred costs and accrued interest which are immaterial. Interest recognized was substantially earned on the cash basis excluding any deferred loan origination fees normally recognized as yield.

The following table presents the unpaid principal and recorded investment for loans at December 31, 2013 and 2012. The difference between the unpaid principal balance and recorded investment is principally associated with (1) premiums and discounts associated with acquisition date fair value adjustments on acquired loans (both PCI and non-PCI) and (2) previous charge-offs. Accrued interest, which is immaterial, has not been included in the recorded investment balance.

December 31, 2013	Recorded Investment	Unpaid Principal	Net
Real estate:			
Commercial	$331,271	$351,521	$(20,250)
Construction, land development, land	37,626	41,034	(3,408)
1-4 family residential properties	91,301	96,742	(5,441)
Farmland	20,294	20,145	149
Total real estate	480,492	509,442	(28,950)
Commercial	255,655	260,384	(4,729)
Factored receivables	117,370	118,057	(687)
Consumer	13,878	14,006	(128)
Mortgage warehouse	13,513	13,513	—
	$880,908	$915,402	$(34,494)

December 31, 2012	Recorded Investment	Unpaid Principal	Net
Real estate:			
Commercial	$104,271	$115,029	$(10,758)
Construction, land development, land	3,964	4,000	(36)
1-4 family residential properties	4,084	5,500	(1,416)
Farmland	786	642	144
Total real estate	113,105	125,171	(12,066)
Commercial	22,425	22,981	(556)
Factored receivables	75,719	76,187	(468)
Consumer	—	—	—
Mortgage warehouse	—	—	—
	$211,249	$224,339	$(13,090)

At December 31, 2013 and 2012, the Company has on deposit $10,653 and $6,001, respectively, of customer reserves associated with factored receivables. These deposits represent customer reserves held to settle any payment disputes or collection shortfalls and are reported as deposits in the consolidated balance sheets.

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NOTE 4 — LOANS AND ALLOWANCE FOR LOAN AND LEASE LOSSES (Continued)

Past Due Loans: The following is a summary of past due and non-accrual loans at December 31, 2013 and 2012:

Year ended December 31, 2013	30-59 Days Past Due	60-89 Days Past Due	Past Due 90 Days or More Still Accruing	Non-accrual	Total Past Due
Real estate:					
Commercial	$ 435	$ 2,524	$ 47	$ 5,417	$ 8,423
Construction, land development, land	493	197	—	—	690
1-4 family residential properties	1,376	427	19	1,392	3,214
Farmland	—	—	—	—	—
Total real estate	2,304	3,148	66	6,809	12,327
Commercial	1,554	601	11	5,494	7,660
Factored receivables	3,836	—	—	89	3,925
Consumer	463	128	2	—	593
Mortgage warehouse	—	—	—	—	—
	$ 8,157	$ 3,877	$ 79	$ 12,392	$24,505

Year ended December 31, 2012	30-59 Days Past Due	60-89 Days Past Due	Past Due 90 Days or More Still Accruing	Non-accrual	Total Past Due
Real estate:					
Commercial	$ 1,544	$ —	$ —	$ 4,086	$ 5,630
Construction, land development, land	—	—	—	—	—
1-4 family residential properties	271	—	—	722	993
Farmland	261	—	—	—	261
Total real estate	2,076	—	—	4,808	6,884
Commercial	—	—	—	5,267	5,267
Factored receivables	2,166	—	64	—	2,230
Consumer	—	—	—	—	—
Mortgage warehouse	—	—	—	—	—
	$ 4,242	$ —	$ 64	$ 10,075	$14,381

Credit Quality Information: The Company categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt, including: current collateral and financial information, historical payment experience, credit documentation, public information, and current economic trends, among other factors. The Company analyzes loans individually by classifying the loans as to credit risk. This analysis includes every loan and is performed on a semi-annual basis at TSB and every eighteen months for loans greater than $500 at TCB. Large groups of smaller balance homogeneous loans, such as consumer loans, are analyzed primarily based on payment status. The Company uses the following definitions for risk ratings:

Pass:

Loans classified as pass are loans with low to average risk and not otherwise classified as special mention, substandard or doubtful.

NOTE 4 — LOANS AND ALLOWANCE FOR LOAN AND LEASE LOSSES (Continued)

Special Mention:

Loans classified as special mention have low to acceptable risks. Liquidity, asset quality, and debt service coverage are as a whole satisfactory and performance is generally as agreed.

Substandard:

Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the repayment of the debt. They are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.

Doubtful:

Loans classified as doubtful have all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

As of December 31, 2013 and 2012 based on the most recent analysis performed, the risk category of loans is as follows:

December 31, 2013	Pass	Special Mention	Substandard	Doubtful	Total
Real estate:					
Commercial	$309,173	$1,156	$ 20,942	$ —	$331,271
Construction, land development, land	35,585	2,041	—	—	37,626
1-4 family residential	88,387	155	2,759	—	91,301
Farmland	20,294	—	—	—	20,294
Total real estate	453,439	3,352	23,701	—	480,492
Commercial	248,001	6	7,648	—	255,655
Factored receivables	116,607	—	336	427	117,370
Consumer	13,878	—	—	—	13,878
Mortgage warehouse	13,513	—	—	—	13,513
	$845,438	$3,358	$ 31,685	$ 427	$880,908

December 31, 2012	Pass	Special Mention	Substandard	Doubtful	Total
Real estate:					
Commercial	$ 97,282	$ —	$ 6,821	$ 168	$104,271
Construction, land development, land	3,964	—	—	—	3,964
1-4 family residential	3,355	—	729	—	4,084
Farmland	786	—	—	—	786
Total real estate	105,387	—	7,550	168	113,105
Commercial	17,159	—	5,266	—	22,425
Factored receivables	75,218	—	501	—	75,719
Consumer	—	—	—	—	—
Mortgage warehouse	—	—	—	—	—
	$197,764	$ —	$ 13,317	$ 168	$211,249

NOTE 4 — LOANS AND ALLOWANCE FOR LOAN AND LEASE LOSSES (Continued)

Troubled Debt Restructurings

As of December 31, 2013 and 2012, the Company has recorded investments in troubled debt restructurings of $336 and $330, respectively. The Company has allocated $6 and $3 of specific reserves for those loans at December 31, 2013 and 2012, respectively, and has not committed to lend any additional amounts related to loans classified as troubled debt restructurings as of December 31, 2013 and 2012.

The modification of the terms of such loans performed during the year ended December 31, 2013 and 2012 included a permanent reduction of the recorded investment in the loans in the amount of $1 and $14, respectively. The modification of an owner occupied commercial real estate loan performed during the year ended December 31, 2012 included a modification of the interest rate from 10.21% to a stated rate of 6.50% which was lower than the current market rate. The other three loans modified during 2012 and 2013 were all due to bankruptcies with no changes to rates or terms. However, they did result in higher payment amounts than the contractually required amounts.

The troubled debt restructurings described above increased the allowance for loan and lease losses by $7 and $4 at December 31, 2013 and 2012, respectively. No charge offs resulted from the troubled debt restructurings during the years ending December 31, 2013 and 2012, respectively.

The following is a summary of information pertaining only to troubled debt restructurings modified during the years ending December 31, 2013 and 2012, respectively.

	December 31, 2013			
	Number of Loans	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment	Permanent Reduction of Recorded Investment
Real Estate:				
Commercial owner occupied	—	$ —	$ —	$ —
1-4 family residential properties	1	55	54	1
	1	$ 55	$ 54	$ 1

	December 31, 2012			
	Number of Loans	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment	Permanent Reduction of Recorded Investment
Real Estate:				
Commercial owner occupied	3	$ 275	$ 261	$ 14
1-4 family residential properties	—	—	—	—
	3	$ 275	$ 261	$ 14

NOTE 4 — LOANS AND ALLOWANCE FOR LOAN AND LEASE LOSSES (Continued)

The following table presents the recorded investment of troubled debt restructurings that have subsequently defaulted as of December 31, 2013 and 2012.

Troubled Debt Restructurings That Subsequently Defaulted	December 31, 2013		December 31, 2012	
	Number of Loans	Recorded Investment	Number of Loans	Recorded Investment
1-4 family residential properties	3	$ 73	2	$ 34

The troubled debt restructurings that subsequently defaulted described above increased the allowance for loan and lease losses by $7 and $3 during the years ending December 31, 2013 and 2012, respectively. No charge offs resulted from the troubled debt restructurings during the years ending December 31, 2013 and 2012.

In order to determine whether a borrower is experiencing financial difficulty, an evaluation is performed of the probability that the borrower will be in payment default on any of its debt in the foreseeable future without the modification.

NOTE 5 — PURCHASED CREDIT IMPAIRED LOANS

The Company has loans that were acquired for which there was, at acquisition, evidence of deterioration of credit quality since origination and for which it was probable, at acquisition, that all contractually required payments would not be collected. The outstanding contractually required principal and interest and the carrying amount of these loans included in the balance sheet amounts of loans receivable at December 31, 2013 and 2012, are as follows:

	2013	2012
Contractually required principal and interest:		
Real estate loans	$35,584	$12,347
Commercial, financial and agricultural	2,795	496
Outstanding contractually required principal and interest	$38,379	$12,843
Gross carrying amount included in loans receivable	$25,190	$ 5,462

The changes in accretable yield during the years ended December 31, 2013 and 2012 in regard to loans transferred at acquisition for which it was probable that all contractually required payments would not be collected is as follows:

	2013	2012
Balance at January 1	$ 4,244	$ 1,627
Additions	1,717	—
Accretion	(2,812)	(2,124)
Reclassification from nonaccretable to accretable yield	1,461	5,129
Disposals	(23)	(388)
Balance at December 31	$ 4,587	$ 4,244

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NOTE 6 — OTHER REAL ESTATE OWNED

Other real estate owned activity was as follows:

	2013	2012
Beginning balance	$ 4,749	$ 1,859
Acquired through business acquisition	11,285	—
Loans transferred to real estate owned	1,532	3,206
Net realized gains on OREO	154	1,379
Payments received	—	(4)
Sales of real estate owned	(3,937)	(1,691)
Ending balance	$13,783	$ 4,749

Operating expenses related to foreclosed assets include:

	2013	2012
Net realized gains on OREO	$ 154	$1,379
Carrying costs for OREO	(233)	(240)
	$ (79)	$1,139

There was no valuation allowance associated with other real estate owned at December 31, 2013 and 2012.

Rental income on OREO properties of $166 and $145, respectively, for years ended December 31, 2013 and 2012, is reported on the consolidated statements of income in the noninterest income section as Other.

NOTE 7 — PREMISES AND EQUIPMENT

Premises and equipment at December 31, 2013 and 2012 consisted of the following:

	2013	2012
Land	$ 5,511	$ —
Buildings	12,911	—
Leasehold improvements	2,452	1,888
Furniture, fixtures and equipment	4,258	2,607
	25,132	4,495
Accumulated depreciation	(1,788)	(1,510)
	$23,344	$ 2,985

Depreciation expense was $786 and $568 for the years ended December 31, 2013 and 2012, respectively.

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NOTE 7 — PREMISES AND EQUIPMENT (Continued)

The Company leases certain properties under operating leases. Rent expense was $963 and $690 for the years ended December 31, 2013 and 2012, respectively. Rent commitments at December 31, 2013, before considering renewal options that generally are present, were as follows:

2014	$ 1,462
2015	1,583
2016	1,630
2017	1,581
2018	1,470
Thereafter	3,344
	$11,070

NOTE 8 — GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangible assets consist of the following at December 31:

	2013	2012
Goodwill	$14,047	$14,047
Core deposit intangible	14,471	—
	$28,518	$14,047

The changes in goodwill and intangible assets during the year are as follows:

	2013	2012
Beginning of year	$14,047	$ 5,201
Acquired goodwill	—	8,846
Acquired intangibles	15,091	948
Amortization	(620)	(948)
End of year	$28,518	$14,047
By operating segment:		
Factoring		
Beginning of year	$ 8,846	$ —
Acquired goodwill	—	8,846
Acquired intangibles	—	948
Amortization	—	(948)
End of year	$ 8,846	$ 8,846
Banking		
Beginning of year	$ 5,201	$ 5,201
Acquired goodwill	—	—
Acquired intangibles	15,091	—
Amortization	(620)	—
End of year	$19,672	$ 5,201

NOTE 8 — GOODWILL AND INTANGIBLE ASSETS (Continued)

No goodwill or intangibles have been assigned to the Corporate operating segment.

Impairment exists when a reporting unit's carrying value of goodwill exceeds its fair value. The goodwill assessed for impairment was at TSB and ABC. At the measurement date, these subsidiaries had positive equity and the Company elected to perform qualitative assessments to determine if it was more likely than not that the fair value of the reporting units exceeded their carrying values, including goodwill. The qualitative assessment indicated that it was more likely than not that the fair value of the reporting unit exceeded its carrying value, resulting in no impairment.

Acquired intangible assets recognized as part of the NBI acquisition are being amortized utilizing an accelerated method over 10 years. The future amortization schedule for the core deposit intangible is as follows:

2014	$ 2,794
2015	2,494
2016	2,195
2017	1,896
2018	1,596
Thereafter	3,496
	$14,471

NOTE 9 — VARIABLE INTEREST ENTITY

During 2013, the Company, through its subsidiary, Triumph Capital Advisors, LLC (TCA), formed Trinitas CLO I, LTD (Trinitas I). Trinitas I is a collateralized loan obligation (CLO) fund and TCA serves as its asset manager. At December 31, 2013, Trinitas I was in a "warehouse" phase whereby it was acquiring senior secured corporate loans in anticipation of the securities offering that completed the final CLO securitization structure. The purchases of these initial warehouse assets was funded by the proceeds from third party debt financing and equity investments made by both the Company and other third parties. During the second quarter of 2014, Trinitas I used the proceeds of the debt and equity interests sold in the offering for the final CLO securitization structure to repay the initial warehouse phase debt and equity holders. In the final CLO securitization structure, interest and principal repayment of the leveraged loans held by Trinitas I will be used to repay debt holders with any excess cash flows used to provide a return on capital to equity investors. TCA will earn a management fee as the asset manager for Trinitas I that commenced upon the issuance of the final CLO securitization structure, but did not earn management or other fees from Trinitas I during the "warehouse" phase.

At December 31, 2013, the Company performed a consolidation analysis of Trinitas I and concluded that Trinitas I was a variable interest entity (VIE) and that the Company had a variable interest via its investment in Trinitas I's preferred shares. VIEs are legal entities in which equity investors do not have sufficient equity at risk for the legal entity to finance its activities without additional subordinated financial support or, as a group, the holders of the equity investment at risk lack any one of the following three characteristics: (i) the power, through voting rights or similar rights, to direct the activities of a legal entity that most significantly impact the entity's economic performance; (ii) the obligation to absorb the expected losses of the legal entity; (iii) or the right to receive the expected residual returns of the legal entity. A variable interest is defined as contractual, ownership, or other pecuniary interest in a VIE that change with changes in the fair value of the VIE's net assets exclusive of variable interests.

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NOTE 9 — VARIABLE INTEREST ENTITY (Continued)

The Company concluded that due to certain approval and denial powers available to Trinitas I's debt holder which provide for shared decision-making powers, the Company was not the primary beneficiary of Trinitas I and therefore did not consolidate the assets, liabilities, equity and operations. The Company does not have any implicit or explicit contractual requirements to financially support Trinitas I. At December 31, 2013, the Company's maximum exposure to loss is limited to its investment in Trinitas I. No assets or liabilities were transferred from the Company to Trinitas I during 2013.

The Company re-assesses its consolidation conclusion to determine if it meets the primary beneficiary definition for VIEs on a continuous basis. In the event the Company is subsequently determined to be the primary beneficiary, the Company will be required to consolidate the assets, liabilities, and minority interest of Trinitas I and present Trinitas I's results of operations in the Company's consolidation financial statements.

As of and for the period ending December 31, 2013, the following is a condensed balance sheet and statement of income for Trinitas I:

Total assets	$101,080
Total liabilities	84,668
Equity	16,412
Income	$ 1,383
Expense	95
Net income	$ 1,288

At December 31, 2013, the Company has a $2,170 equity investment in Trinitas I which is classified as other assets within the Company's consolidated balance sheets. No management fees were earned or accrued as of and for the year-ending December 31, 2013. Income allocable to the Company for the period ending December 31, 2013 was immaterial.

NOTE 10 — DEPOSITS

Deposits at December 31, 2013 and 2012 are summarized as follows:

	2013	2012
Noninterest bearing demand	$ 150,238	$ 10,323
Interest-bearing demand	199,826	—
Individual Retirement Accounts	54,512	27,637
Money Market	157,406	23,517
Savings	69,336	—
Time, $100,000 and greater	138,000	47,420
Time, less than $100,000	216,940	116,802
Other brokered funds	58,596	—
Total Deposits	$ 1,044,854	$ 225,699

NOTE 10 — DEPOSITS (Continued)

At December 31, 2013, scheduled maturities of time deposits, individual retirement accounts and brokered deposits are as follows:

	2013
Within one year	$314,867
After one but within two years	84,697
After two but within three years	42,140
After three but within four years	15,120
After four but within five years	11,224
Total	$468,048

NOTE 11 — BORROWINGS AND BORROWING CAPACITY

Customer Repurchase Agreements:

Short-term borrowings are summarized as follows as of December 31:

	2013	2012
Sweep repurchase agreements	$10,006	$—
Term repurchase agreements	1,324	—
Total	$11,330	$—

Securities sold under agreements to repurchase are secured by securities with a carrying amount of $11,330 and $0 at December 31, 2013 and 2012, respectively.

Securities sold under agreements to repurchase are financing arrangements that mature within two years. At maturity, the securities underlying the agreements are returned to the Company. Information concerning securities sold under agreements to repurchase is summarized as follows:

	2013	2012
Average daily balance during the year	$15,160	$—
Average interest rate during the year	0.05%	—
Maximum month-end balance during the year	$16,681	$—
Weighted average interest rate at December 31	0.06%	—

The Company had no federal funds purchased at December 31, 2013 or 2012. However, TSB had unsecured federal funds lines of credit with an unaffiliated bank totaling $8,000, and TCB had unsecured federal funds lines of credit with five unaffiliated banks totaling $75,000.

Senior Secured Note: At December 31, 2013, the Company has a $12,573 secured note payable to an unaffiliated bank, secured by the common stock of TCB and TSB. The note bears interest at a variable rate based at the prime rate, with a minimum interest rate of 4.50%. Terms of the note require quarterly principal payments of $314 plus accrued interest. The principal balance is due in full at maturity on October 15, 2018. At December 31, 2013, the note had a rate of 4.50%.

NOTE 11 — BORROWINGS AND BORROWING CAPACITY (Continued)

FHLB Advances: TCB is a member of the FHLB of Des Moines, and TSB is a member of the FHLB of Dallas. Collectively at December 31, 2013, TCB and TSB have borrowings and unused borrowing capacity with the FHLB as follows:

	2013	2012
Borrowing capacity	$131,300	$52,358
Borrowings outstanding	21,000	10,500
Unused borrowing capacity	110,300	41,858
Average rate	0.06%	0.11%

All FHLB borrowings are short term in nature, maturing within one month.

Federal Reserve Bank: The Company has unused overnight borrowings secured by investment securities and commercial real estate loans available from the Federal Reserve Bank of approximately $209 and $164 at December 31, 2013 and 2012, respectively.

Junior Subordinated Debentures and Capital Securities: As of the date of the Company's acquisition of NBI, NBI had junior subordinated debentures with a face value of $32,990 outstanding. The application of business combination accounting to the NBI acquisition resulted in an adjustment to cause the carrying value of these debt obligations to be adjusted to their fair value of $24,120 as of that date. The discount to face value will be amortized over the remaining life of these obligations as an adjustment increasing the interest cost of these instruments to market rates as of the acquisition date, and increasing their carrying amount to face value at their maturity

The debentures are included on the consolidated balance sheet as liabilities; however, for regulatory purposes, the related capital securities are eligible for inclusion in regulatory capital, subject to certain limitations. All of the carrying value of $24,171 was allowed in the calculation of Tier I capital as of December 31, 2013.

The junior subordinated debentures are due to National Bancshares Capital Trusts II and III, 100% owned nonconsolidated subsidiaries of NBI. The debentures were issued by NBI in 2003 ($15,464 Capital Trust II) and 2006 ($17,526 Capital Trust III) in conjunction with the trusts' issuances of NBI obligated capital securities of $15,000 and $17,000, respectively. The trusts used the proceeds from the issuances of their capital securities to buy floating rate junior subordinated deferrable interest debentures issued by NBI. These debentures are the trusts' only assets and the interest payments from the debentures finance the distributions paid on the capital securities. These debentures are unsecured, rank junior, and are subordinate in the right of payment to all senior debt of NBI.

The debentures bear the same interest rate and terms as the capital securities, detailed as follows.

Capital Trust II — The amount of interest for any period shall be computed at a variable per annum rate of interest, reset quarterly, equal to the three-month LIBOR, as determined on the LIBOR determination date immediately preceding each distribution payment date, plus 3.00%. As of December 31, 2013, the rate was 3.24%. The debentures mature on September 15, 2033. Since September 15, 2008, NBI has had the right to call the debentures at par.

NOTE 11 — BORROWINGS AND BORROWING CAPACITY (Continued)

Capital Trust III — The amount of interest for any period shall be computed at a variable per annum rate of interest, reset quarterly, equal to the three-month LIBOR, as determined on the LIBOR determination date immediately preceding each distribution payment date, plus 1.64%. As of December 31, 2013, the rate was 1.88%. The debentures mature on July 7, 2036. Since July 7, 2011, NBI has had the right to call the debentures at par.

The distribution rate payable on the capital securities is cumulative and payable quarterly in arrears. NBI has the right, subject to events in default, to defer payments on interest on the debentures at any time by extending the interest payment period for a period not exceeding 20 consecutive quarters with respect to each deferral period, provided that no extension period may extend beyond the redemption or maturity date of the debentures. NBI informed the trustees that it would be deferring payments beginning in March 2011 as permitted under the provisions of the respective agreements. As of December 31, 2013, NBI had notified the trustees that it would cause all previously deferred payments to be paid and would no longer be in deferral. All deferred quarterly payments on Trust II were paid in December 2013, and all deferred quarterly payments on Trust III were paid in January of 2014.

NOTE 12 — OTHER BENEFIT PLANS

401(k) Plan: A 401(k) benefit plan allows employee contributions up to 15% of their compensation, which are matched equal to 100% of the first 4% of the compensation contributed. Expense for 2013 and 2012 was $482 and $175, respectively.

NOTE 13 — INCOME TAXES

Income tax expense (benefit) for the years ended December 31, 2013 and 2012 consisted of the following:

	2013	2012
Income tax expense (benefit):		
Current	$ 242	$ 132
Deferred	1,884	1,846
Change in valuation allowance for deferred tax asset	7	(7,372)
Income tax expense (benefit):	$2,133	$(5,394)

Effective tax rates differ from federal statutory rate of 34% applied to income before income taxes due to the following:

	2013	2012
Tax provision computed at federal statutory rate	$ 5,290	$ 1,931
Effect of:		
State taxes, net	148	85
Bargain purchase gain	(3,065)	—
Transaction costs	259	—
Noncontrolling interest in subsidiary	(215)	—
Change in valuation allowance	7	(7,372)
Other	(291)	(38)
Total	$ 2,133	$(5,394)

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NOTE 13 — INCOME TAXES (Continued)

Deferred income taxes reflect the net tax effects of temporary differences between the recorded amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of TBI's deferred tax assets and liabilities as of December 31, 2013 and 2012 are as follows:

	2013	2012
Deferred tax assets:		
Net operating loss carryforwards	$15,407	$2,752
Capital loss carryforwards	379	—
Acquired loan basis	8,876	1,627
Other real estate owned	1,684	221
AMT credit carry forward	1,768	107
Goodwill and intangibles	141	158
Acquired deposit basis	633	86
Allowance for loan losses	564	255
Other	2,595	518
Total deferred tax assets	32,047	5,724
Deferred tax liabilities:		
Acquisition Intangible assets	5,276	—
Fair value adjustment on junior subordinated debentures	3,451	—
Unrealized gain on securities available for sale	56	235
Other	858	198
Total deferred tax liabilities	9,641	433
Net deferred tax asset	22,406	5,291
Valuation allowance	(1,599)	—
Net deferred tax asset	$20,807	$5,291

The Company's federal net operating loss carryforwards as of December 31, 2013 and 2012 were $37,048 and $8,095, respectively. These net operating loss carryforwards begin to expire in 2029. At December 31, 2013 the Company had state net operating loss carryforwards in Illinois, Iowa and Wisconsin of $22,141, $33,189 and $2,799, respectively. These net operating loss carryforwards expire beginning in 2021 through 2033. The Company has a valuation allowance on the net operating loss carryforwards for certain states, capital loss carryforwards, and certain other investments that are not more likely than not to be realized before expiration.

An Internal Revenue Code Section 382 (Section 382) ownership change was triggered during 2013. A significant portion of the deferred tax asset relating to the Company's net operating loss and Alternative Minimum Tax credit carry-forwards are subject to the annual limitation rules under Section 382 from the EJ and NBI acquisitions and the 2013 share exchange. The utilization of tax carryforward attributes acquired from the EJ acquisition is subject to an annual limitation of $341. The utilization of tax carryforward attributes acquired from the NBI acquisition is subject to an annual limitation of $2,040. Any remaining tax attribute carryforwards generated prior to the 382 ownership change in 2013 are subject to an annual limitation of $3,700.

NOTE 13 — INCOME TAXES (Continued)

At December 31, 2013 and 2012, the Company had no amounts recorded for uncertain tax positions and does not expect any material changes in uncertain tax benefits during the next 12 months. The Company recognizes interest and penalties related to income tax matters in income tax expense. The Company is subject to U.S. federal income tax as well as income tax of the state of Illinois, Iowa, Wisconsin and Florida. The Company is not subject to examination by taxing authorities for years prior to 2010.

NOTE 14 — LEGAL CONTINGENCIES

Various legal claims arise from time to time in the normal course of business which, in the opinion of management, will have no material effect on the Company's consolidated financial statements. The Company does not anticipate any material losses as a result of commitments and contingent liabilities.

NOTE 15 — OFF-BALANCE SHEET LOAN COMMITMENTS

From time to time, the Company is a party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit. Those instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized in the balance sheet. The Company's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit and standby letters of credit is represented by the contractual amount of those instruments.

The Company uses the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments.

The contractual amounts of financial instruments with off-balance-sheet risk at year end were as follows:

	2013		2012	
	Fixed Rate	Variable Rate	Fixed Rate	Variable Rate
Commitments to make loans	$12,260	$ —	$—	$ —
Unused lines of credit	94,953	43,414	—	2,814
Standby letters of credit	3,829	215	—	—

Commitments to make loans are generally made for periods of 90 days or less. The fixed rate loan commitments have interest rates ranging from 4% to 5.5% and maturities ranging from 3 years to 5 years. Certain commitments and lines of credit will expire unused.

NOTE 16 — FAIR VALUE DISCLOSURES

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1 — Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 — Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

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NOTE 16 — FAIR VALUE DISCLOSURES (Continued)

Level 3 — Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The Company used the following methods and assumptions to estimate fair value of financial instruments that are measured at fair value on a recurring basis:

Securities available for sale — The fair values of securities available for sale are determined by matrix pricing, which is a mathematical technique widely used in the industry to value debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted securities (Level 2 inputs).

Loans held for sale — Loans held for sale represent mortgage loan originations intended to be sold in the secondary market. Loans held for sale are valued using commitments on hand from investors or prevailing market prices and are classified in Level 2 of the valuation hierarchy.

Assets measured at fair value on a recurring basis are summarized in the table below. There were no liabilities measured at fair value on a recurring basis at December 31, 2013 and 2012.

	Fair Value Measurements Using		
	Level 1	Level 2	Level 3
December 31, 2013:			
Securities available for sale			
U.S. Government agency obligations	$ —	$ 95,834	$ —
Mortgage-backed securities-residential	—	36,285	—
Asset-backed securities	—	18,839	—
State and municipal	—	5,423	3,582
Corporate bonds	—	20,843	—
SBA pooled securities	—	248	—
Trust preferred	—	3,600	—
	$ —	$181,072	$3,582
Loans held for sale	$ —	$ 5,393	$ —
December 31, 2012:			
Securities available for sale			
U.S. Government agency obligations	$ —	$ 2,915	$ —
Mortgage-backed securities-residential	—	38,467	—
State and municipal	—	—	—
Corporate bonds	—	1,954	—
SBA pooled securities	—	309	—
Trust preferred	—	—	—
	$ —	$ 43,645	$ —

There were no transfers between levels for the years ended December 31, 2013 and 2012. The level 3 securities presented above were acquired in the acquisition of NBI. The only activity related to the above level 3 securities, since the date of acquisition, was associated with immaterial contractual payments and changes in fair value.

Our non-rated level 3 state and municipal securities are supported by analysis prepared by an independent third party. Their approach to determining fair value involves using recently executed transactions for similar

NOTE 16 — FAIR VALUE DISCLOSURES (Continued)

securities and market quotations for similar securities. As these securities are not typically rated by the rating agencies and trading volumes are thin, it was determined that these were valued using Level 3 inputs. The significant unobservable inputs used in the fair value measurement of these securities are discount rates and credit spreads that the market would require for securities with similar maturities and risk characteristics. Significant increases/(decreases) in any of those inputs in isolation would result in a significantly lower/(higher) fair value measurement.

Assets measured at fair value on a non-recurring basis are summarized in the table below. There were no liabilities measured at fair value on a non-recurring basis at December 31, 2013 and 2012.

The fair value of impaired loans with specific allocations of the allowance for loan losses and other real estate owned is generally based on recent real estate appraisals or discounted cash flows. These appraisals may utilize a single valuation approach or a combination of approaches including comparable sales and the income approach. Adjustments are routinely made in the appraisal process by the appraisers to adjust for differences between the comparable sales and income data available. Such adjustments are typically significant and result in a Level 3 classification of the inputs for determining fair value.

	Fair Value Measurements Using		
	Level 1	Level 2	Level 3
December 31, 2013:			
Impaired loans			
1-4 family residential properties	$ —	$ —	$ 106
Commercial	—	—	200
Factored receivables	—	—	345
Other real estate owned:			
1-4 family residential properties	—	—	1,358
Commercial	—	—	5,197
Construction, land development, land	—	—	7,228
	$ —	$ —	$14,434
	Level 1	Level 2	Level 3
December 31, 2012:			
Impaired loans			
1-4 family residential properties	$ —	$ —	$ 114
Factored receivables	—	—	314
Other real estate owned:			
1-4 family residential properties	—	—	1,042
Commercial	—	—	3,669
Construction, land development, land	—	—	38
	$ —	$ —	$ 5,177

	2013	2012
Provision recorded for loans classified as impaired	$ 14	$ 83
Valuation adjustments recorded on other real estate owned	$144	$164

NOTE 16 — FAIR VALUE DISCLOSURES (Continued)

For the years ending December 31, 2013 and 2012, the only Level 3 asset with material unobservable inputs is associated with other real estate owned (construction, land development, land) as of December 31, 2013. The Company typically outsources valuation of other real estate owned with material balances to third party appraisers. For this asset class, the actual valuation method (income, sales comparable, or cost) vary based on the status of the project. For example, land is generally based on the sales comparable method while construction is based on the income and/or sales comparable methods. The unobservable inputs may vary significantly depending on the individual assets with no one of the three methods being the predominant approach. The Company reviews the third party appraiser for appropriateness and adjusts the value downward to consider selling cost, which typically ranges from 7-10% of the appraised value.

The estimated fair values of the Company's financial instruments not recorded at fair value on a recurring or non-recurring basis at December 31, 2013 and 2012 were as follows:

	2013				
	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets:					
Cash and cash equivalents	$ 85,797	$85,797	$ —	$ —	$ 85,797
Securities — Held to maturity	743	—	745	—	745
Loans, net	877,454	—	—	884,307	884,307
FHLB and Federal Reserve Bank stock	5,802	—	N/A	—	N/A
Accrued interest receivable	3,748	—	3,748	—	3,748
Financial liabilities:					
Deposits	1,044,854	—	1,046,226	—	1,046,226
Customer repurchase agreements	11,330	—	11,329	—	11,329
Federal Home Loan Bank advances	21,000	—	21,000	—	21,000
Senior secured note	12,573	—	12,379	—	12,379
Junior subordinated debentures	24,171	—	24,171	—	24,171
Accrued interest payable	816	—	816	—	816

	2012				
	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets:					
Cash and cash equivalents	$ 15,784	$15,784	$ —	$ —	$ 15,784
Securities — Held to maturity	—	—	—	—	—
Loans, net	209,323	—	—	209,033	209,033
FHLB and Federal Reserve Bank stock	793	—	N/A	—	N/A
Accrued interest receivable	756	—	756	—	756
Financial liabilities:					
Deposits	225,699	—	230,012	—	230,012
Customer repurchase agreements	—	—	—	—	—
Federal Home Loan Bank advances	10,500	—	10,500	—	10,500
Senior secured note	—	—	—	—	—
Junior subordinated debentures	—	—	—	—	—
Accrued interest payable	340	—	340	—	340

NOTE 16 — FAIR VALUE DISCLOSURES (Continued)

For those assets not previously described, the following methods and assumptions were used by the Company in estimating the fair values of financial instruments as disclosed herein:

Cash and Cash Equivalents: For financial instruments with a shorter-term or with no stated maturity, prevailing market rates, and limited credit risk, the carrying amounts approximate fair value and are considered a Level 1 classification.

Loans: For variable-rate loans that reprice frequently and have no significant changes in credit risk, fair values are based on carrying values resulting in a Level 3 classification. Fair values for fixed-rate loans are estimated using discounted cash flow analyses, using interest rates currently being offered for loans with similar terms to borrowers of similar credit quality resulting in a Level 3 classification.

FHLB and Federal Reserve Bank stock: The fair value of Federal Home Loan Bank (FHLB) stock and the Federal Reserve Bank stock was not practicable to determine due to restrictions placed on its transferability.

Deposits: The fair values disclosed for demand deposits and non-maturity transaction accounts are, by definition, equal to the amount payable on demand at the reporting date (that is, their carrying amounts) resulting in a Level 2 classification. Fair values for fixed-rate CD's are estimated using a discounted cash flow calculation that applies interest rates currently being offered on certificates to a schedule of aggregated expected monthly maturities on time deposits resulting in a Level 2 classification.

Customer repurchase agreements: The carrying amount approximates fair value due to their short-term nature resulting in a Level 2 classification.

Federal Home Loan Bank advances: The advances have a maturity of less than one month at December 31, 2013. As such, fair value materially approximates carrying value resulting in a Level 2 classification.

Senior secured note: The carrying amount of the senior secured note approximates fair value because the terms are estimated to be market terms for similar instruments resulting in a Level 2 classification.

Junior subordinated debentures: The fair value as of December 31, 2013, is materially the same as their fair value assigned at their acquisition date resulting in a Level 2 classification. The junior subordinated debentures were valued at their acquisition date by discounting future cash flows using current interest rates for similar financial instruments.

Accrued Interest: The carrying amounts of accrued interest approximate their fair values given the short-term nature of the receivables resulting in a Level 2 classification.

NOTE 17 — RELATED-PARTY TRANSACTIONS

At December 31, 2013 and 2012, the Company held deposits for TCC in the amount of $61 and $131, respectively. At December 31, 2013 and 2012, the Company had a receivable recorded for the amount of $13 and $1, respectively, which were due from TCC. These amounts are included in other assets in the accompanying consolidated balance sheets.

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NOTE 17 — RELATED-PARTY TRANSACTIONS (Continued)

Loans to principal officers, directors, and their affiliates during 2013 were as follows:

Beginning balance	$ —
Acquired in acquisition	17,112
New loans	9,459
Effect of changes in composition of related parties	—
Repayments	(8,324)
Ending balance	$18,247

During 2012 there were no funded related party loans.

Related party deposits at December 31, 2013 and 2012 were $5,743 and $1,300, respectively.

NOTE 18 — REGULATORY MATTERS

The Company (on a consolidated basis), TSB and TCB are subject to various regulatory capital requirements administered by federal and state banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company's, TSB's, or TCB's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company, TSB, and TCB must meet specific capital guidelines that involve quantitative measures of their assets, liabilities, and certain off balance sheet items as calculated under regulatory accounting practices. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulations to ensure capital adequacy require the Company, TSB, and TCB to maintain minimum amounts and ratios (set forth in the table below) of total and Tier 1 capital to risk weighted assets, and of Tier 1 capital to average assets.

As of December 31, 2013, TSB's and TCB's capital ratios exceeded those levels necessary to be categorized as "well capitalized" under the regulatory framework for prompt corrective action. To be categorized as "well capitalized" they must maintain minimum total risk based, Tier 1 risk based, and Tier 1 leverage ratios as set forth in the table. At December 31, 2013, the most recent notification categorized TSB and TCB as well capitalized under the regulatory framework for prompt corrective action. There are no conditions or events since December 31, 2013 that management believes would change either institution's category.

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NOTE 18 — REGULATORY MATTERS (Continued)

The actual capital amounts and ratios for the Company, the Bank, and TCB are presented in the following table as of December 31, 2013 and 2012:

	Actual		To Be Adequately Capitalized Under Prompt Corrective Action Provisions		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of December 31, 2013						
Total capital (to risk weighted assets)						
Triumph Bancorp, Inc.	$145,722	14.5%	≥ $80,398	≥ 8.0%	N/A	N/A
Triumph Savings Bank, SSB	$ 50,985	16.4%	≥ $24,871	≥ 8.0%	≥ $31,088	≥ 10.0%
Triumph Community Bank	$ 89,690	13.0%	≥ $55,194	≥ 8.0%	≥ $68,992	≥ 10.0%
Tier 1 capital (to risk weighted assets)						
Triumph Bancorp, Inc.	$142,077	14.1%	≥ $40,306	≥ 4.0%	N/A	N/A
Triumph Savings Bank, SSB	$ 48,064	15.5%	≥ $12,404	≥ 4.0%	≥ $18,605	≥ 6.0%
Triumph Community Bank	$ 88,921	12.9%	≥ $27,572	≥ 4.0%	≥ $41,359	≥ 6.0%
Tier 1 capital (to average assets)						
Triumph Bancorp, Inc.	$142,077	12.9%	≥ $44,055	≥ 4.0%	N/A	N/A
Triumph Savings Bank, SSB	$ 48,064	13.6%	≥ $14,136	≥ 4.0%	≥ $17,671	≥ 5.0%
Triumph Community Bank	$ 88,921	10.1%	≥ $35,216	≥ 4.0%	≥ $44,020	≥ 5.0%
As of December 31, 2012						
Total capital (to risk weighted assets)						
Triumph Savings Bank, SSB	$ 44,183	19.5%	≥ $18,126	≥ 8.0%	≥ $22,658	≥ 10.0%
Tier 1 capital (to risk weighted assets)						
Triumph Savings Bank, SSB	$ 42,257	18.7%	≥ $ 9,039	≥ 4.0%	≥ $13,558	≥ 6.0%
Tier 1 capital (to average assets)						
Triumph Savings Bank, SSB	$ 42,257	15.2%	≥ $11,113	≥ 4.0%	≥ $13,891	≥ 5.0%

In conjunction with Triumph’s acquisition of EJ Financial Corp. on November 5, 2010, Triumph made certain commitments to the Federal Reserve Bank, including to maintain TSB’s leverage capital ratio (Tier 1 capital to average assets) at no less than 12.0% until January 1, 2015.

TCB’s board of directors has agreed to maintain a minimum Tier 1 capital to average assets ratio of 8.0% of adjusted average assets and total risk-based ratio of 10.0%.

Dividends paid by banks are limited to, without prior regulatory approval, current year earnings and earnings less dividends paid during the preceding two years.

NOTE 19 — EQUITY AND NONCONTROLLING INTERESTS

The following summarizes the capital structure of Triumph Bancorp, Inc.

	Preferred Stock			Common Stock	
	Series A		Series B		
	2013	2012	2013	2013	2012
Number of shares authorized	50,000	50,000	115,000	50,000,000	50,000,000
Number of shares issued	45,500	50,000	51,956	9,832,585	4,586,356
Number of shares outstanding	45,500	50,000	51,956	9,832,585	4,586,356
Par value per share	$ 0.01	$ 0.01	$ 0.01	$ 0.01	$ 0.01
Liquidation preference per share	$ 100	$ 100	$ 100		
Dividend rate	Prime + 2%	Prime + 2%	Prime + 2%		
Dividend rate — floor	8.00%	8.00%	8.00%		
Initial dividend payment date	3/31/2013	3/31/2013	3/31/2013		
Subsequent dividend payment dates	Quarterly	Quarterly	Quarterly		
Convertible to common stock	Yes	No	Yes		
Conversion period	Anytime		Anytime		
Conversion ratio — preferred to common	6.94008		6.94008		

TBI Common Stock:

As of January 1, 2012, the Company was authorized to issue 1,000 shares of $0.01 par value common stock, of which 1,000 shares were issued and outstanding. During 2012, the Company amended its certificate of formation to allow for 50,000,000 shares of common stock, the par value of the common stock was not changed. At such time, the Company declared and issued a stock dividend to accordingly adjust the number of shares outstanding, resulting in the issuance of an additional 4,499,000 common shares.

At December 31, 2012, total common stock included 86,356 shares sold during 2012 to parties other than TCC. The remaining 4,500,000 were held by TCC.

During 2013, the Company issued additional common shares in conjunction with (i) a voluntary Exchange Offer to holders of the Company's Series A Preferred Stock and TCF Class B Units to exchange their holdings for common shares at a price of $11.58 per share, (ii) common stock issued at a price of $11.58 per share for cash to accumulate capital needed to close the acquisition of NBI, and (iii) shares at a price of $11.93 per share issued to the selling NBI common shareholders who elected to receive TBI common stock. As of December 31, 2013, total shares issued and outstanding were 9,832,585.

Total shares issued and outstanding include 54,977 shares held in escrow pursuant to a holdback escrow agreement executed in conjunction with the acquisition of NBI. These shares will be distributed to the selling NBI shareholders in 2014 should the Company not make a claim for breach of representations and warranties provided the Company pursuant to the acquisition agreement.

TBI Warrants:

During 2012, TBI issued a warrant to TCC to purchase 259,067 shares of TBI common stock. The warrant has an exercise price of $11.58 per share, is immediately exercisable and has an expiration date of December 12, 2022. At December 31, 2013, the warrant remains outstanding and unexercised.

NOTE 19 — EQUITY AND NONCONTROLLING INTERESTS (Continued)

Preferred Stock Series A:

The following summarizes the outstanding shares and terms of the Company's Series A Non-Cumulative Non-Voting Preferred Stock (the Preferred Stock Series A) as of December 31, 2013 and 2012.

Series A holders are entitled to quarterly cash dividends accruing at the rate per annum set forth above. Any dividends not paid shall not accumulate but will be waived and not payable by TBI. Payments of dividends are subject to declaration by the board of TBI. Subject to regulatory approval, Series A holders have the right to receive a special, one-time dividend with respect to their respective shares within 30 days after the occurrence of any of the following events: (i) the sale of all of the limited liability company interests of TCF in ABC, (ii) a merger of ABC resulting in TCF no longer owning any limited liability company interests in ABC or (iii) the sale of all or substantially all of the assets of ABC, subject to certain organizational restructuring exceptions. The Company paid all dividends when due on these shares during 2013. The Preferred Stock Series A is not redeemable by the holder, ranks pari passu with the Company's Preferred Stock Series B (as described below), and senior to the Company's common stock.

As of December 31, 2012, the Company had redemption rights allowing the Preferred Stock Series A shares to be redeemed at any time, subject to obtaining prior regulatory approval, at redemption price in excess of their liquidation preference if redeemed prior to January 2013, and at par thereafter. During 2013, in addition to the modifications of the Preferred Stock Series A identified in the table above, the Company's redemption rights were modified such that the shares cannot be redeemed until after October 15, 2018, and can be redeemed subject to obtaining prior regulatory approval at par thereafter. These terms were modified so that these preferred shares will satisfy newly revised criteria for the qualification of preferred stock as tier 1 capital adopted by federal bank regulatory authorities that will be effective January 1, 2015.

Preferred Stock Series B:

The following summarizes the outstanding shares and terms of the Company's Series B Non-Cumulative Non-Voting Preferred Stock (the Preferred Stock Series B) as of December 31, 2013.

Series B holders are entitled to quarterly cash dividends accruing at the rate per annum set forth above. Any dividends not paid shall not accumulate but will be waived and not payable by TBI. Payments of dividends are subject to declaration by the board of TBI. The Company paid all dividends when due on these shares during 2013. The Preferred Stock Series B is not redeemable by the holder, ranks pari passu with the Company's Preferred Stock Series A, and senior to the Company's common stock.

The Preferred Stock Series B are redeemable by the Company subject to regulatory approval at any time on or after October 15, 2018.

Exchange Offer:

During 2013, the Company consummated a voluntary exchange offer whereby the holders of the Series A Preferred and TCF Class B Units could elect to exchange their holdings for common stock. Holders of 4,500 shares of Series A Preferred and 58,620 shares of TCF Class B Units elected to receive 545,069 shares of common stock, plus a cash payment for accrued but unpaid dividends at a rate of 8% per annum through the date of the exchange.

NOTE 19 — EQUITY AND NONCONTROLLING INTERESTS (Continued)

Noncontrolling Interests:

The components and description of the Company's noncontrolling interests as of December 31, 2013 and 2012 are presented below.

	2013	2012
Noncontrolling interest:		
TCF Class B units	$ 1,100	$6,962
Senior Preferred Stock, Series T-1 and T-2	25,897	—
Total noncontrolling interests	$26,997	$6,962

TCF Class B Units:

The capital structure of TCF as a Limited Liability Company includes B units representing non-voting interest in TCF. The Class B units are structured with terms comparable to a non-cumulative, non-voting, perpetual preferred stock. Holders are entitled to quarterly distributions accruing at the Wall Street Journal Prime Rate plus 2%, subject to a minimum rate of 8% per annum. Subject to regulatory approval, TCF Class B holders have the right to receive a special, one-time dividend with respect to their respective units within 30 days after the occurrence of any of the following events: (i) the sale of all of the limited liability company interests of TCF in ABC, (ii) a merger of ABC resulting in TCF no longer owning any limited liability company interests in ABC or (iii) the sale of all or substantially all of the assets of ABC, subject to certain organizational restructuring exceptions. Holders of Class B Units are allocated taxable income from TCF to the extent cash distributions are made. The Company has redemption rights, subject to regulatory approval, to redeem the Class B Units. All B units are held by third parties and are considered non-controlling interest to Triumph. As of December 31, 2013, and December 31, 2012, TCF had 11,000 and 69,620 Class B Units with a $100 liquidation value per unit outstanding, respectively.

Senior Preferred Stock Series T-1 and T-2:

In February 2009, as part of the United States Treasury Department's (the UST) Capital Purchase Plan (CPP), NBI entered into a Letter Agreement with the UST. Pursuant to the Security Purchase Agreement Standard Terms (the Securities Purchase Agreement) attached to the Letter Agreement, NBI sold 24,664 shares of Senior Preferred Stock, Series T-1 (the Series T-1 Stock), having a liquidation preference of $1,000 per share, for a total face value of $24,664, and 1,233 shares of Senior Preferred Stock, Series T-2, (the Series T-2 Stock and, together with the Series T-1 Stock, the NBI Senior Preferred Stock) with a liquidation preference of $1,000 per share, for a total face value of $1,233. The Series T-1 Stock pays cumulative compounding dividends at a rate of 5.00% per annum for the period from the original issue date of the Series T-1 Stock to, but excluding, the first day of the first dividend period commencing on or after the fifth anniversary of such original issue date, and 9.00% per annum thereafter. The Series T-2 Stock pays cumulative compounding dividends at a rate of 9.00% per annum. The NBI Senior Preferred Stock qualifies as Tier 1 capital. In 2011, NBI informed the UST it would begin deferring quarterly dividend payments on the NBI Senior Preferred Stock beginning the first quarter of 2011 as permitted under the provisions of the respective agreements. On February 20, 2013, the $25,897 of NBI Senior Preferred Stock originally issued to the UST as part of the CPP was sold by the UST as part of its efforts to

NOTE 19 — EQUITY AND NONCONTROLLING INTERESTS (Continued)

manage and recover its investments under the Troubled Asset Relief Program (TARP). The sale of NBI Senior Preferred Stock to new owners eliminated certain restrictions put in place by the UST on TARP recipients, including restrictions on executive compensation agreements for Senior Executive Officers.

NBI had not paid dividends totaling $4,343 on the NBI Senior Preferred Stock as of December 31, 2013. NBI made all accumulated contractual payments due on the NBI Senior Preferred Stock in February 2014.

NBI may redeem shares of the NBI Senior Preferred Stock for the per share liquidation preference of $1,000 plus any accrued and unpaid dividends, subject to consultation with the appropriate federal banking agency.

As long as any NBI Senior Preferred Stock is outstanding, NBI may not, without the approval by the holders, pay quarterly common stock dividends, nor redeem or repurchase its common stock, unless all accrued and unpaid dividends for all past dividend periods on the NBI Senior Preferred Stock are fully paid. The NBI Senior Preferred Stock is nonvoting except for class voting rights on matters that would adversely affect the rights of the holders of the NBI Senior Preferred Stock.

For accounting purposes, the fair value assigned to the NBI Senior Preferred Stock at the acquisition date was their total liquidation value of $25,897.

NOTE 20 — STOCK-BASED COMPENSATION

The Company’s Amended and Restricted Stock Plan (the Plan) provides for the issuance of up to 750,000 shares of restricted TBI common stock to officers, directors and employees of the Company and its subsidiaries. As of December 31, 2013, 26,120 shares had been issued pursuant to the Plan, none of which had vested. Compensation expense for shares granted under the Plan is recognized over the vesting period of the awards based on the fair value of the stock at the issue date. The fair value of the stock is determined by the Company considering applicable discounts for, among other things, a repurchase option granted to the Company in certain circumstances. Shares granted to employees under the Plan typically vest one third each year over three years, and therefore fully vest on the third anniversary of the grant date.

A summary of changes in the Company’s nonvested shares for the year follows (there were no shares issued under the Plan in 2012):

Nonvested Shares	Shares	Weighted-Average Grant-Date Fair Value
Nonvested at January 1, 2013	—	$ —
Granted	26,120	10.77
Vested	—	—
Forfeited	—	—
Nonvested at December 31, 2013	26,120	$ 10.77

As of December 31, 2013, there was $152 of total unrecognized compensation cost related to nonvested shares granted under the Plan. The cost is expected to be recognized over an average period of 2.25 years. There were no shares that vested during the years ended December 31, 2013.

TRIUMPH BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013 and 2012
(Dollar amounts in thousands, except per share amounts)

NOTE 21 — PARENT COMPANY ONLY CONDENSED FINANCIAL INFORMATION

	2013	2012
ASSETS		
Cash and cash equivalents	$ 23,009	$ 2,551
Investment in subsidiaries	148,675	60,628
Other assets	4,751	441
Total assets	$176,435	$63,620
LIABILITIES AND EQUITY		
Senior secured note	$ 12,573	$ —
Accrued expenses and other liabilities	3,265	146
Shareholders' equity	133,600	56,512
Noncontrolling interests	26,997	6,962
Total liabilities and equity	$176,435	$63,620

	2013	2012
Interest income	$ 58	$ 8
Interest expense	(123)	—
Bargain purchase gain	9,014	—
Other expense	(4,262)	(412)
Income before income tax and undistributed subsidiary income	4,687	(404)
Income tax expense (benefit)	(1,360)	(262)
Equity in undistributed subsidiary income	7,380	11,216
Net income	13,427	11,074
Effect of noncontrolling interests and preferred shares	(1,588)	(993)
Net income to common stockholders	$ 11,839	$10,081
Comprehensive income attributable to Company	$ 11,516	$10,233

TRIUMPH BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013 and 2012
(Dollar amounts in thousands, except per share amounts)

NOTE 21 — PARENT COMPANY ONLY CONDENSED FINANCIAL INFORMATION (Continued)

	2013	2012
Cash flows from operating activities		
Net income	$ 13,427	$ 11,074
Adjustments		
Equity in undistributed subsidiary income	(7,380)	(11,216)
Bargain purchase gain	(9,014)	—
Change in other assets	(4,310)	(441)
Change in accrued expenses and other liabilities	3,119	142
Net cash used in operating activities	(4,158)	(441)
Cash flows from investing activities		
Investment in subsidiaries	(14,324)	(9,006)
Cash used in acquisition of subsidiary	(15,277)	—
Net cash used in investing activities	(29,601)	(9,006)
Cash flows from financing activities		
Issuance of senior secured note	12,573	—
Noncontrolling interests issuance	—	6,962
Proceeds from issuance of common stock	42,402	1,000
Exchange offer	(38)	—
Proceeds from issuance of preferred stock	—	5,000
Distributions to noncontrolling interest	(720)	(993)
Net cash from financing activities	54,217	11,969
Net change in cash and cash equivalents	$ 20,458	$ 2,522
Beginning cash and cash equivalents	$ 2,551	$ 29
Ending cash and cash equivalents	$ 23,009	$ 2,551

NOTE 22 — EARNINGS PER SHARE

Basic and diluted earnings per share are calculated as follows:

	2013	2012
Basic		
Net income to common stockholders	$ 11,839	$ 10,081
Weighted average common shares outstanding	8,481,137	4,502,595
Basic earnings per common share	$ 1.40	$ 2.24
Diluted		
Net income to common stockholders	$ 11,839	$ 10,081
Dilutive effect of preferred stock	167	—
Net income to common stockholders — diluted	$ 12,006	$ 10,081
Weighted average common shares outstanding for basic earnings per common share	8,481,137	4,502,595
Add: Dilutive effects of restricted stock	5,117	—
Add: Dilutive effects of assumed exercises of stock warrants	—	—
Add: Dilutive effects of assumed conversion of Preferred A	66,930	—
Add: Dilutive effects of assumed conversion of Preferred B	76,427	—
Average shares and dilutive potential common shares	8,629,611	4,502,595
Dilutive earnings per common share	$ 1.39	$ 2.24

Shares that were not considered in computing diluted earnings per common share for 2013 and 2012 because there were antidilutive are as follows:

	2013	2012
Restricted stock	—	N/A
Warrants	259,067	259,067
Shares assumed to be converted from Preferred Stock Series A	—	N/A
Shares assumed to be converted from Preferred Stock Series B	—	N/A

NOTE 23 — BUSINESS SEGMENT INFORMATION

The following presents the Company's operating segments as previously described. Transactions between segments consist primarily of borrowed funds. Intersegment interest expense is allocated to the factoring segment based on the Company's prime rate. The provision for loan loss is allocated based on the segment's allowance for loan loss determination which considers the effects of charge-offs. Noninterest income and expense directly attributable to a segment are assigned to it. Taxes are paid on a consolidated basis but not allocated for segment purposes. In 2013, Corporate includes the bargain purchase gain and expenses related to the acquisition of NBI of $9,014 and $1,361, respectively. The Factoring segment includes only factoring originated by ABC. General factoring services not originated through ABC are included in the Banking segment.

Year Ended December 31, 2013	Factoring	Banking	Corporate	Consolidated TBI
Total interest income	$ 17,388	$ 25,184	$ 58	$ 42,630
Intersegment interest allocations	(2,155)	2,155	—	—
Total interest expense	1	3,577	369	3,947
Net interest income (expense)	15,232	23,762	(311)	38,683
Provision for loan losses	881	2,531	—	3,412
Net interest income after provision	14,351	21,231	(311)	35,271
Noninterest income	1,042	2,674	283	3,999
Gain on bargain purchase	—	—	9,014	9,014
Intercompany expense allocations	104	(104)	—	—
Noninterest expense	9,938	18,191	4,595	32,724
Operating income	5,351	5,818	4,391	15,560
Total assets	$122,279	$1,129,962	$ 35,998	$1,288,239
Gross loans	$106,575	$ 774,524	$ —	$ 881,099

Year Ended December 31, 2012	Factoring	Banking	Corporate	Consolidated TBI
Total interest income	$ 14,434	$ 12,518	$ —	$ 26,952
Intersegment interest allocations	(1,596)	1,596	—	—
Total interest expense	360	3,355	—	3,715
Net interest income	12,478	10,759	—	23,237
Provision for loan losses	1,334	405	—	1,739
Net interest income after provision	11,144	10,354	—	21,498
Noninterest income	967	1,687	7	2,661
Intercompany expense allocations	201	(201)	—	—
Noninterest expense	8,511	9,548	420	18,479
Operating income (loss)	3,399	2,694	(413)	5,680
Total assets	$ 85,974	$ 215,225	$ 263	$ 301,462
Gross loans	$ 71,223	$ 140,026	$ —	$ 211,249

TRIUMPH BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013 and 2012
(Dollar amounts in thousands, except per share amounts)

NOTE 24 — QUARTERLY FINANCIAL DATA (UNAUDITED)

The following presents quarterly financial data for the years ended December 31, 2013 and 2012. The net income for the fourth quarter of 2013 reflects the bargain purchase gain and the third quarter of 2012 includes the reversal of the Company's valuation allowance on its deferred tax assets.

	Interest Income	Net Interest Income	Net Income	Net Income Available to Common Shareholders	Earnings Per Share	
					Basic	Diluted
2013						
First quarter	$ 6,821	$ 6,054	$ 656	$ (297)	$(0.04)	$(0.04)
Second quarter	7,945	7,142	701	582	0.07	0.07
Third quarter	9,021	8,128	353	237	0.03	0.03
Fourth quarter	18,843	17,359	11,717	11,317	1.17	1.10
2012						
First quarter	$ 6,326	$ 5,081	$ 745	$ (108)	$(0.02)	$(0.02)
Second quarter	7,567	6,654	2,264	2,124	0.47	0.47
Third quarter	6,333	5,541	6,217	6,217	1.38	1.38
Fourth quarter	6,726	5,961	1,848	1,848	0.41	0.41

National Bancshares, Inc. & Subsidiary

Consolidated Financial Statements

October 14, 2013 and December 31, 2012

National Bancshares, Inc. & Subsidiary

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Crowe Horwath LLP
Independent Member Crowe Horwath International

INDEPENDENT AUDITOR'S REPORT

Board of Directors
National Bancshares, Inc.
and Subsidiary
Bettendorf, Iowa

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of National Bancshares, Inc. and Subsidiary, which comprise the consolidated balance sheet as of October 14, 2013, and the related consolidated statement of income, comprehensive income, stockholders' equity, and cash flows for the period January 1, 2013 to October 14, 2013, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of National Bancshares, Inc. and Subsidiary as of October 14, 2013, and the results of their operations and their cash flows for the period January 1, 2013 to October 14, 2013 in accordance with accounting principles generally accepted in the United States of America.

/s/ Crowe Horwath LLP
Crowe Horwath LLP

Dallas, Texas
August 6, 2014

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Independent Auditor's Report

To the Board of Directors
National Bancshares, Inc. & Subsidiary

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheet of National Bancshares, Inc. & Subsidiary (the "Company") as of December 31, 2012 and the related consolidated statement of income, comprehensive income, stockholders' equity, and cash flows for the year then ended.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of National Bancshares, Inc. & Subsidiary as of December 31, 2012 and the consolidated results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

/s/ Plante & Moran, PLLC
Plante & Moran, PLLC

Chicago, Illinois
March 29, 2013

National Bancshares, Inc. & Subsidiary

Consolidated Balance Sheets
(Dollar amounts in thousands)

	October 14, 2013	December 31, 2012
Assets		
Cash and due from banks	$ 16,721	$ 22,929
Interest—bearing deposits in banks	70,206	53,588
Total cash and cash equivalents	86,927	76,517
Investment securities—Available for sale (Note 2)	159,706	179,680
Investment securities—Held to maturity (Note 2)	750	750
Loans held for sale	5,006	30,468
Loans—Net of allowance for loan losses of $9,673 and $10,093 in 2013 and 2012, respectively (Note 3)	577,705	561,330
Premises and equipment—Net (Note 4)	22,232	23,143
Intangible assets (Note 5)	2,277	3,030
Other investment securities—At cost (Note 2)	4,507	4,745
Cash surrender value of bank—owned life insurance	28,435	30,733
Other real estate owned (Note 6)	11,441	14,064
Deferred income taxes (Note 13)	18,375	17,948
Other assets	22,385	8,164
Total assets	**$939,746**	**$ 950,572**
Liabilities and Stockholders' Equity		
Liabilities		
Deposits (Note 7):		
Noninterest—bearing	$131,342	$ 139,662
Interest—bearing	656,748	660,256
Total deposits	788,090	799,918
Short-term borrowings (Note 8)	19,927	19,974
Federal Home Loan Bank advances (Note 9)	5,000	5,000
Note payable (Note 10)	11,858	13,039
Senior convertible notes (Note 11)	3,640	3,640
Junior subordinated debentures (Note 12)	32,990	32,990
Accrued and other liabilities	11,761	8,866
Total liabilities	873,266	883,427
Stockholders' Equity (Note 16)		
Preferred stock—Class A convertible preferred stock; 30,000,000 shares of no par authorized; 11,540,640 shares issued; 11,404,890 shares outstanding at October 14, 2013 and December 31, 2012 (Note 14)	11,541	11,541
Preferred stock—Class B preferred stock; 20,000,000 shares of $0.01 par value authorized; 25,897 shares issued and outstanding at October 14, 2013 and December 31, 2012 (Note 14)		
Senior preferred stock—Series T-1; 24,664 shares issued and outstanding at October 14, 2013 and December 31, 2012, $1,000 liquidation value (Note 15)	24,592	24,397
Senior preferred stock—Series T-2; 1,233 shares issued and outstanding at October 14, 2013 and December 31, 2012, respectively, $1,000 liquidation value (Note 15)	1,233	1,233
Common stock—150,000,000 shares of no par authorized at October 14, 2013 and December 31, 2012; 41,933,852 shares issued; 39,949,688 shares outstanding at October 14, 2013 and December 31, 2012	43,748	43,748
Additional paid-in capital	34,647	34,647
Accumulated deficit	(46,514)	(47,613)
Accumulated other comprehensive income	184	2,108
Treasury stock—At cost, 135,750 of preferred stock at October 14, 2013 and December 31, 2012; 1,984,164 shares of common stock at October 14, 2013 and December 31, 2012	(2,951)	(2,916)
Total stockholders' equity	66,480	67,145
Total liabilities and stockholders' equity	**$939,746**	**$ 950,572**

See Notes to Consolidated Financial Statements.

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National Bancshares, Inc. & Subsidiary

Consolidated Statements of Income
(Dollar amounts in thousands)

	Period Ended October 14, 2013	Year Ended December 31, 2012
Interest Income		
Loans—Including fees	$ 23,277	$ 32,490
Investment securities	2,582	4,270
Federal funds sold	87	226
Other investment securities	168	234
Other	23	33
Total interest income	26,137	37,253
Interest Expense		
Deposits	3,294	6,260
Short-term borrowings	11	182
Other borrowings and senior convertible notes	618	848
Federal Home Loan Bank advances	94	126
Junior subordinated debentures	727	965
Total interest expense	4,744	8,381
Net Interest Income	21,393	28,872
Provision for Loan Losses (Note 3)	1,000	2,225
Net Interest Income After Provision for Loan Losses	20,393	26,647
Noninterest Income		
Service charges—Deposits	2,397	3,027
Net gain on sale of loans	3,215	4,641
Net gain on sale of investment securities (Note 2)	658	97
Increase in cash surrender value of bank—owned life insurance	659	945
Net loss on sale of other real estate owned (Note 6)	(116)	(55)
Write down on other real estate owned (Note 6)	(884)	(1,782)
Other	3,015	3,625
Total noninterest income	8,944	10,498
Noninterest Expense		
Salaries and employee benefits	12,710	16,408
Premises and equipment	2,805	3,768
Data processing	1,460	1,793
Loan operations	1,407	2,319
Business development expense	465	511
Insurance and assessments	1,466	2,506
Amortization expense	753	987
Legal and professional fees	1,579	1,012
Other	2,556	3,246
Total noninterest expense	25,201	32,550
Income—Before income taxes	4,136	4,595
Income Tax (Expense) Benefit (Note 13)	(1,446)	3,012
Net Income	**$ 2,690**	**$ 7,607**
Preferred stock dividends	(1,396)	(1,444)
Accretion of discount on preferred stock	(195)	(247)
Net Income Available to Common Stockholders	**$ 1,099**	**$ 5,916**

See Notes to Consolidated Financial Statements.

National Bancshares, Inc. & Subsidiary

Consolidated Statements of Comprehensive Income
(Dollar amounts in thousands)

	Period Ended October 14, 2013	Year Ended December 31, 2012
Net Income	$ 2,690	$ 7,607
Other Comprehensive Income (Loss)		
Available for sale securities:		
Unrealized holding gains (losses)	(2,496)	1,869
Reclassification adjustment for gains recognized in income	(658)	(97)
Total available for sale securities	(3,154)	1,772
Tax (expense) benefit	1,230	(759)
Other Comprehensive Income (Loss)	(1,924)	1,013
Comprehensive Income	**$ 766**	**$ 8,620**

See Notes to Consolidated Financial Statements.

National Bancshares, Inc. & Subsidiary

Consolidated Statements of Stockholders' Equity
(Dollar amounts in thousands)

	Preferred Stock Class A	Senior Preferred Stock Series T-1	Senior Preferred Stock Series T-2	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Treasury Stock	Total
Balance—January 1, 2012	$ 11,541	$ 24,150	$ 1,233	$43,748	$ 34,647	$ (53,529)	$ 1,095	$(2,916)	$59,969
Net income		—	—	—	—	7,607	—	—	7,607
Unrealized gain on investment securities	—	—	—	—	—	—	1,013	—	1,013
Accretion of the senior preferred stock series T-1	—	247	—	—	—	(247)	—	—	—
Dividends declared 5% (per annum) on the senior preferred stock, series T-1	—	—	—	—	—	(1,320)	—	—	(1,320)
Dividends declared 9% (per annum) on the senior preferred stock, series T-2	—	—	—	—	—	(124)	—	—	(124)
Balance—December 31, 2012	11,541	24,397	1,233	43,748	34,647	(47,613)	2,108	(2,916)	67,145
Net income	—	—	—	—	—	2,690	—	—	2,690
Unrealized (loss) on investment securities	—	—	—	—	—	—	(1,924)	—	(1,924)
Accretion of the senior preferred stock series T-1	—	195	—	—	—	(195)	—	—	—
Dividends declared and accrued 5% (per annum) on the senior preferred stock, series T-1	—	—	—	—	—	(1,289)	—	—	(1,289)
Dividends declared and accrued 9% (per annum) on the senior preferred stock, series T-2	—	—	—	—	—	(107)	—	—	(107)
Acquisition of common and preferred shares by subsidiary in partial satisfaction of loan to customer	—	—	—	—	—	—	—	(35)	(35)
Balance—October 14, 2013	**$ 11,541**	**$ 24,592**	**$ 1,233**	**$43,748**	**$ 34,647**	**$ (46,514)**	**$ 184**	**$(2,951)**	**$66,480**

See Notes to Consolidated Financial Statements.

National Bancshares, Inc. & Subsidiary

Consolidated Statements of Cash Flows
(Dollar amounts in thousands)

	Period Ended October 14, 2013	Year Ended December 31, 2012
Cash Flows from Operating Activities		
Net income	$2,690	$7,607
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation	1,071	1,559
Provision for loan losses	1,000	2,225
Deferred income taxes	803	(3,100)
Amortization of intangible assets	753	987
Amortization on securities—Net	607	954
Gain on sale of investment securities—Net	(658)	(97)
Net loss on other real estate owned	116	55
Write-downs on other real estate owned	884	1,782
(Gain) loss on sale of fixed assets and other assets	(17)	5
Increase in cash surrender value of bank-owned life insurance	(659)	(945)
Loans originated for sale	(160,229)	(237,603)
Proceeds on sales of loans	188,906	216,094
Gains on sale of loans	(3,215)	(4,641)
Net change in:		
Other assets	1,080	1,497
Accrued and other liabilities	1,499	213
Net cash provided by (used in) provided by operating activities	34,631	(13,408)
Cash Flows from Investing Activities		
Activity in investment securities portfolio:		
Purchases	(32,486)	(82,398)
Paydowns and maturities	13,652	116,643
Proceeds from sales of investment securities—Available for sale	20,034	25,483
Net change in loans	(18,487)	8,583
Purchases of property and equipment	(165)	(419)
Proceeds from the sale of property, equipment and other assets	357	19
Proceeds from sales of other real estate owned	2,744	7,190
Capitalized costs on other real estate owned	(9)	(139)
Redemption of other investment securities	238	1,181
Proceeds from termination of bank-owned life insurance	2,957	—
Net cash provided by (used in) investing activities	(11,165)	76,143
Cash Flows from Financing Activities		
Net decrease in deposits	(11,828)	(114,142)
Net decrease in short-term borrowings	(47)	(14)
Repayment of note payable	(1,181)	—
Proceeds of senior convertible notes	—	750
Net cash used in financing activities	(13,056)	(113,406)
Net Increase (Decrease) in Cash and Cash Equivalents	10,410	(50,671)
Cash and Cash Equivalents—Beginning of year	76,517	127,188
Cash and Cash Equivalents—End of period	**$86,927**	**$76,517**
Supplemental Cash Flow Information		
Cash paid for:		
Interest	$4,074	$7,924
Income tax payments (refund)—Net	510	(46)
Supplemental Schedule of Noncash Activities		
Loans transferred to other real estate	$1,112	$10,620
Trade date receivables (included in other assets)	15,671	—
Accrual of dividends on Class B preferred stock	1,396	1,444
Accretion of discount on preferred stock	195	247

See Notes to Consolidated Financial Statements.

Note 1—Nature of Business and Significant Accounting Policies

Nature of Business—National Bancshares, Inc. (the "Company") is a bank holding company engaged in commercial banking and bank-related services to individual and corporate customers through its wholly owned subsidiary, THE National Bank. During 2014, THE National Bank was renamed Triumph Community Bank, N.A. Throughout this report, THE National Bank and Triumph Community Bank, N.A. are referred to as "the Bank." The Bank provides financial services to individuals and businesses primarily in Carroll, Cook, Rock Island, Jo Daviess, Mason, Fulton, Henry, Kane, Kendall, and Whiteside Counties in Illinois, Scott County in Iowa, and Waukesha County in Wisconsin. The Bank's primary lending products are consumer, residential, mortgage, and commercial loans. Its primary deposit products are checking, savings, and term certificate accounts.

The Company also owns all of the outstanding common stock of National Bancshares Capital Trusts II and III which were capitalized for the purpose of issuing company-obligated capital securities.

Use of Estimates—In preparing consolidated financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the consolidated balance sheet and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for loan losses, valuation of other real estate owned, fair value of securities and the determination of other-than-temporary impairment, valuation of deferred taxes, and the fair value of financial instruments.

Basis of Presentation and Consolidation—The consolidated financial statements include the accounts of the Company and it's wholly owned subsidiary, except National Bancshares Capital Trusts II and III, which under current accounting rules do not meet the criteria for consolidation. All significant intercompany balances and transactions have been eliminated in consolidation.

Cash and Cash Equivalents—For the purpose of the consolidated statement of cash flows, cash and cash equivalents include cash and balances due from banks and federal funds sold which mature within 90 days.

The Bank was required to keep $500 on deposit with another financial institution at October 14, 2013 and December 31, 2012 as collateral for letters of credit issued to the Bank's customers.

As part of the borrowing agreement with another financial institution, the Company was required to keep $1,000 on deposit at December 31, 2012. These funds were released in 2013. (see Note 10).

Investment Securities—Investment securities that management has the positive intent and ability to hold to maturity are classified as held to maturity and recorded at amortized cost. Investment securities not classified as held to maturity, including equity securities with readily determinable fair values, are classified as available for sale and are recorded at estimated fair value, with unrealized gains and losses excluded from earnings and reported in other comprehensive income.

Purchase premiums and discounts are recognized in interest income using the interest method over the terms of the investment securities. Declines in the estimated fair value of held to maturity and available-for-sale securities below their cost that are deemed to be other than temporary are reflected in earnings as realized losses. In estimating other than temporary impairment losses, management considers (1) the length of time and the extent to which the estimated fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Company to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in estimated fair value. Gains and losses on the sale of investment securities are recorded on the trade date and are determined using the specific identification method.

Note 1—Nature of Business and Significant Accounting Policies (Continued)

Loans Held for Sale—Loans held for sale represents mortgage loans intended to be sold in the secondary market. Loans held for sale are carried at fair value in the aggregate. At October 14, 2013 and December 31, 2012, the fair value adjustment to loans amounted to $257 and $803, respectively, and is included in net gain on sale of loans in the consolidated statement of income. Fair value is determined on an aggregate basis based on commitments from investors to purchase such loans and upon prevailing market rates.

Mortgage loans held for sale are generally sold with servicing rights released.

Loans—The Company grants mortgage, commercial, agriculture and consumer loans to customers. A portion of the loan portfolio is represented by mortgage loans throughout Illinois, Iowa, and Wisconsin. The ability of the Company's debtors to honor their contracts is dependent upon the real estate and general economic conditions in these areas.

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at their outstanding unpaid principal balances adjusted for charge-offs, the allowance for loan losses, and any deferred fees or costs on originated loans. Interest income is accrued on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, are deferred and recognized as an adjustment of the related loan yield using the interest method.

The accrual of interest on loans is discontinued at the time the loan is 90 days delinquent unless the credit is well-secured and in process of collection. In all cases, loans are placed on nonaccrual or charged off at an earlier date if collection of principal or interest is considered doubtful.

All interest accrued but not collected for loans that are placed on nonaccrual or charged off is reversed against interest income or charged against the allowance for loan losses as appropriate. The interest on these loans is accounted for on the cash basis or cost-recovery method until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Allowance for Loan Losses—The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses charged to earnings. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectibility of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

The allowance consists of specific and general components. The specific component relates to loans that are individually classified as impaired when, based on current information and events, it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the loan agreement. Loans for which the terms have been modified resulting in a concession, and for which the borrower is experiencing financial difficulties, are considered troubled debt restructurings ("TDRs") and classified as impaired.

A loan is considered impaired when, based on current information and events, it is probable that the Company will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment

Note 1—Nature of Business and Significant Accounting Policies (Continued)

include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed.

All loans are subject to being individually evaluated for impairment. If a loan is impaired, a portion of the allowance is allocated so that the loan is reported, net, at the present value of estimated future cash flows using the loan's existing rate or at the fair value of collateral if repayment is expected solely from the collateral. Large groups of smaller balance homogeneous loans are collectively evaluated for impairment, and accordingly, they are not separately identified for impairment disclosures.

Troubled debt restructurings are separately identified for impairment disclosures and are measured at the present value of estimated future cash flows using the loan's effective rate at inception. If a troubled debt restructuring is considered to be a collateral dependent loan, the loan is reported, net, at the fair value of the collateral. For troubled debt restructurings that subsequently default, the Company determines the amount of reserve in accordance with the accounting policy for the allowance for loan losses.

The general component covers non-impaired loans and is based on historical loss experience adjusted for current factors. The historical loss experience is determined by portfolio segment and is based on the actual loss history experienced by the Company. This actual loss experience is supplemented with other economic factors based on the risks present for each portfolio segment. These economic factors include consideration of the following: levels of and trends in delinquencies and impaired loans; levels of and trends in charge-offs and recoveries; trends in volume and terms of loans; effects of any changes in risk selection and underwriting standards; other changes in lending policies, procedures, and practices; experience, ability, and depth of lending management and other relevant staff; national and local economic trends and conditions; industry conditions; and effects of changes in credit concentrations.

The following portfolio segments have been identified:

- *Commercial and industrial*—Commercial loans are loans for commercial, corporate and business purposes. The Company's commercial business loan portfolio is comprised of loans for a variety of purposes and generally is secured by accounts receivable, inventory, equipment and other business assets.
- *Commercial real estate owner-occupied*—Owner occupied commercial real estate loans are primarily secured by commercial office or industrial buildings, warehouses or retail buildings where the owner of the building occupies the property. Although terms vary, commercial real estate owner-occupied loans generally are amortizing loans with terms while the payment amortization schedules for these terms are normally over longer periods.
- *Commercial real estate non-owner occupied*—Investment real estate loans are primarily secured by non-owner occupied apartment or multifamily residential buildings, office and industrial buildings, warehouses, small retail shopping centers and various special purpose properties. These loans have similar terms and amortization periods as owner occupied commercial real estate loans. Generally, these types of loans are thought to involve a greater degree of credit risk than owner occupied commercial real estate as they are more sensitive to adverse economic conditions.

Note 1—Nature of Business and Significant Accounting Policies (Continued)

- *Construction and development*—This category of loans consists of loans to finance the ground up construction, improvement and/or carrying for sale after the completion of construction of owner occupied and non-owner occupied residential and commercial properties, and loans secured by raw or improved land. The repayment of construction loans is generally dependent upon the successful completion of the improvements by the builder for the end user, or sale of the property to a third party. Repayment of land secured loans are dependent upon the successful development and sale of the property, the sale of the land as is, or the outside cash flow of the owners to support the retirement of the debt.
- *Residential real estate*—This category of loans includes both first and junior liens on residential real estate. Home equity revolving lines of credit and home equity term loans are included in this group of loans.
- *Agriculture related*—These loans are primarily farmland and operating lines subject to annual farming revenues including productivity and yield of the farm products and market pricing at time of sale.
- *Consumer*—These loans are typically secured by deposit accounts and in some instances are unsecured. At the time of origination the Company evaluates the borrower's repayment ability and the adequacy of collateral.

Restructuring of loans is undertaken to improve the likelihood that the loan will be repaid in full under the modified terms in accordance with a reasonable repayment schedule. All modified loans are evaluated to determine whether the loans should be reported as a Troubled Debt Restructure (TDR). A loan is a TDR when the Company, for economic or legal reasons related to the borrower's financial difficulties, grants a concession to the borrower by modifying or renewing a loan that the Company would not otherwise consider. To make this determination, the Company must determine whether (a) the borrower is experiencing financial difficulties and (b) the Company granted the borrower a concession. This determination requires consideration of all of the facts and circumstances surrounding the modification.

Banking Premises and Equipment—Land is carried at cost. Buildings and equipment are carried at cost, less accumulated depreciation, computed on the straight-line method over the estimated useful lives of the assets.

Bank-owned Life Insurance—The Bank has purchased life insurance policies on certain key officers. Bank-owned life insurance is recorded at its cash surrender value, or the amount that can be realized.

Intangible Assets—Identifiable intangible assets with definite useful lives are being amortized on a straight-line basis over periods ranging from 7 to 10 years from the date of acquisition.

Other Investment Securities—Other investment securities represent Federal Home Loan Bank and Federal Reserve Bank common stock. The stock is carried at cost.

Other Real Estate Owned—Assets acquired through, or in lieu of, loan foreclosure are held for sale and are initially recorded at fair value at the date of the foreclosure, establishing a new cost basis. Subsequent to foreclosure, valuations are periodically performed by management and the assets are carried at the lower of carrying amount or fair value less cost to sell. Revenue and expenses from operations are included in loan operations expense. Changes in the valuation allowance are included in write downs on other real estate owned.

Employee Benefit Plan—The Company has a defined contribution plan covering substantially all of its employees. Employees are allowed to make voluntary contributions of up to $17 ($23 for participants over

Note 1—Nature of Business and Significant Accounting Policies (Continued)

50 years of age) of their annual compensation subject to certain limits based on federal tax laws. The Company will provide a matching contribution of 100 percent of the first 4 percent of compensation contributed by employees. Employer matching contributions vest immediately. For the period ended October 14, 2013 and year ended December 31, 2012, expense attributable to the plan amounted to approximately $332 and $406, respectively.

Income Taxes—Income tax expense is the total of the current year income tax due or refundable and the change in deferred tax assets and liabilities. Deferred tax assets and liabilities are the expected future tax amounts for the temporary differences between carrying amounts and tax bases of assets and liabilities, computed using enacted tax rates. A valuation allowance, if needed, reduces deferred tax assets to the amount expected to be realized. Deferred income tax assets and liabilities are determined using the liability (or balance sheet) method. Under this method, the net deferred tax asset or liability is determined based on the tax effects of the various temporary differences between the book and tax basis of assets and liabilities and gives current recognition to changes in tax rates and laws.

A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded.

The Company recognizes interest and/or penalties related to income tax matters in income tax expense.

Comprehensive Income—Accounting principles generally require that recognized revenue, expenses, gains, and losses be included in net income. Although certain changes in assets and liabilities, such as unrealized gains and losses on available for sale securities, are reported as a separate component of the equity section of the consolidated balance sheet, such items, along with net income, are components of comprehensive income.

Off-balance-sheet Instruments—In the ordinary course of business, the Company has entered into commitments under commercial letters of credit and standby letters of credit. Such financial instruments are recorded when they are funded.

Transfers of Financial Assets—Transfers of financial assets are accounted for as sales when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Company, (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of the right) to pledge or exchange the transferred assets, and (3) the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Subsequent Events—The consolidated financial statements and related disclosures include evaluation of events up through and including August 6, 2014, which is the date the consolidated financial statements were available to be issued.

Reclassification—Certain amounts appearing in the prior year's consolidated financial statements have been reclassified to conform to the current year's consolidated financial statements.

Note 2—Investment Securities

The amortized cost and estimated fair value of investment securities, with gross unrealized gains and losses, are as follows:

	October 14, 2013			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Available for sale securities:				
U.S. government and federal agency	$103,127	$ 459	$ (768)	$102,818
Mortgage and asset-backed	23,505	882	(7)	24,380
State and municipal	9,458	558	—	10,016
Corporate bonds	18,805	104	(117)	18,792
Trust preferred	4,509	—	(809)	3,700
Total available for sale securities	$159,404	$ 2,003	$ (1,701)	$159,706

	Amortized Cost	Gross Unrecognized Gains	Gross Unrecognized Losses	Estimated Fair Value
Held to maturity securities:				
State of Israel bonds	$ 750	$ —	$ (6)	$ 744

	December 31, 2012			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Available for sale securities:				
U.S. government and federal agency	$ 98,965	$ 1,458	$ —	$100,423
Mortgage and asset-backed	29,086	948	(149)	29,885
State and municipal	10,641	978	(3)	11,616
Corporate bonds	33,031	925	—	33,956
Trust preferred	4,501	—	(701)	3,800
Total available for sale securities	$176,224	$ 4,309	$ (853)	$179,680

	Amortized Cost	Gross Unrecognized Gains	Gross Unrecognized Losses	Estimated Fair Value
Held to maturity securities:				
State of Israel bonds	$ 750	$ —	$ (1)	$ 749

Note 2—Investment Securities (Continued)

The amortized cost and estimated fair value of investment securities by contractual maturity at October 14, 2013 are as follows:

	Available for Sale		Held to Maturity	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Due in 1 year or less	$ 24,640	$ 24,720	$ 150	$ 150
Due in 1 through 5 years	88,390	88,788	600	594
Due after 5 years through 10 years	17,184	16,866	—	—
Due after 10 years	5,685	4,952	—	—
Total	135,899	135,326	750	744
Mortgage and asset-backed	23,505	24,380	—	—
Total	$159,404	$159,706	$ 750	$ 744

For the period ended October 14, 2013 and year ended December 31, 2012, proceeds from sales of securities available for sale amounted to $20,034 and $25,483, respectively; and gross realized gains amounted to $658 and $97, respectively. Included in other assets at October 14, 2013 was $15,671 of trade date receivables associated with sales of available for sales securities that did not settle until after October 14, 2013. There were no gross realized losses in the same periods.

Certain investment securities were pledged to secure securities sold under agreements to repurchase, Federal Home Loan Bank advances, and for other purposes required or permitted by law. The carrying value of these pledged investment securities as of October 14, 2013 and December 31, 2012 was approximately $117,277 and $101,564, respectively.

Information pertaining to investment securities with gross unrealized losses at October 14, 2013 and December 31, 2012, aggregated by investment category and length of time that individual investment securities have been in a continuous loss position, follows:

	October 14, 2013			
	Less Than 12 Months		Over 12 Months	
	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value
Available for sale securities:				
U.S. government and federal agency	$ (768)	$29,817	$ —	$ —
Mortgage and asset-backed	—	—	(7)	4,398
State and municipal	—	—	—	—
Corporate bonds	(117)	11,525	—	—
Trust preferred	—	—	(809)	3,700
Total available for sale securities	$ (885)	$41,342	$ (816)	$ 8,098
Held to maturity securities—				
State of Israel bonds	$ (6)	$ 376	$ —	$ —

Note 2—Investment Securities (Continued)

	December 31, 2012			
	Less Than 12 Months		Over 12 Months	
	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value
Available for sale securities:				
Mortgage and asset-backed	$ —	$ —	$ (149)	$ 9,321
State and municipal	(3)	171	—	—
Trust preferred	—	—	(701)	3,800
Total available for sale securities	$ (3)	$ 171	$ (850)	$ 13,121
Held to maturity securities—				
State of Israel bonds	$ (1)	$ 224	$ —	$ —

Unrealized losses on investment securities have not been recognized into income because the issuers' bonds are of high credit quality, the Company has the intent and ability to hold the investment securities for the foreseeable future, and the decline in estimated fair value is primarily due to increased market interest rates and/or decreased market liquidity for the issuance. The estimated fair value is expected to recover as the bonds approach the maturity date.

Other investment securities, totaling $4,507 and $4,745 at October 14, 2013 and December 31, 2012, respectively, consist of restricted Federal Home Loan Bank of Des Moines stock and Federal Reserve Bank stock. These stocks are carried at cost.

Note 3—Loans

A summary of the balances of loans follows:

	October 14, 2013	December 31, 2012
Commercial and industrial	$173,208	$ 142,887
Commercial real estate	241,296	253,527
Construction and development	29,805	30,194
Residential real estate	92,667	84,676
Agriculture related	35,477	42,926
Consumer	14,580	16,989
Total loans	587,033	571,199
Less allowances for loan losses	9,673	10,093
Net deferred loan costs	(345)	(224)
Net loans	$577,705	$ 561,330
Allowance for loan losses as a percent of loans	1.65%	1.77%

In the ordinary course of business, the Bank has granted loans to principal officers and directors and their affiliates with outstanding balances of $17,112 at October 14, 2013 and $14,762 at December 31, 2012.

Note 3—Loans (Continued)

The following tables detail the activity in the allowance for loan losses by portfolio segment for the period ended October 14, 2013 and year ended December 31, 2012:

	Period Ended October 14, 2013						
	Commercial and Industrial	Commercial Real Estate	Construction and Development	Residential Real Estate	Agriculture Related	Consumer	Total
Beginning balance	$ 1,204	$ 4,208	$ 3,118	$ 1,112	$ 66	$ 385	$ 10,093
Charge-offs	(205)	(880)	(125)	(278)	—	(486)	(1,974)
Recoveries	192	12	93	12	—	245	554
Provision	187	390	(100)	255	—	268	1,000
Ending balance	$ 1,378	$ 3,730	$ 2,986	$ 1,101	$ 66	$ 412	$ 9,673
Ending allowance balance attributable to loans:							
Individually evaluated for impairment	$ 215	$ 380	$ —	$ 56	$ —	$ —	$ 651
Collectively evaluated for impairment	1,163	3,350	2,986	1,045	66	412	9,022
Ending allowance balance	$ 1,378	$ 3,730	$ 2,986	$ 1,101	$ 66	$ 412	$ 9,673
Loans:							
Individually evaluated for impairment	$ 343	$ 7,986	$ 297	$ 2,027	$ —	$ —	$ 10,653
Collectively evaluated for impairment	172,865	233,310	29,508	90,640	35,477	14,580	576,380
Ending loans	$173,208	$241,296	$ 29,805	$ 92,667	$ 35,477	$14,580	$587,033

Note 3—Loans (Continued)

	Year Ended December 31, 2012						
	Commercial and Industrial	Commercial Real Estate	Construction and Development	Residential Real Estate	Agriculture Related	Consumer	Total
Beginning balance	$ 1,897	$ 4,904	$ 3,192	$ 1,601	$ —	$ 503	$ 12,097
Charge-offs	(1,812)	(534)	(1,957)	(491)	—	(761)	(5,555)
Recoveries	142	50	543	143	—	448	1,326
Provision	977	(212)	1,340	(141)	66	195	2,225
Ending balance	$ 1,204	$ 4,208	$ 3,118	$ 1,112	$ 66	$ 385	$ 10,093
Ending allowance balance attributable to loans:							
Individually evaluated for impairment	$ 21	$ 1,716	$ 116	$ 69	$ —	$ —	$ 1,922
Collectively evaluated for impairment	1,183	2,492	3,002	1,043	66	385	8,171
Ending allowance balance	$ 1,204	$ 4,208	$ 3,118	$ 1,112	$ 66	$ 385	$ 10,093
Loans:							
Individually evaluated for impairment	$ 1,096	$ 14,234	$ 2,523	$ 2,615	$ —	$ —	$ 20,468
Collectively evaluated for impairment	141,791	239,293	27,671	82,061	42,926	16,989	550,731
Ending loans	$142,887	$253,527	$ 30,194	$ 84,676	$ 42,926	$16,989	$571,199

Credit Risk Grading

The following table represents risk grades and classified loans by class of loans as of October 14, 2013 and December 31, 2012:

	October 14, 2013				
	Pass	Watch	Substandard—Accrual	Substandard—Nonaccrual	Total
Commercial and industrial	$170,158	$ —	$ 2,755	$ 295	$173,208
Commercial real estate:					
Owner-occupied	90,812	936	4,670	506	96,924
Nonowner-occupied	131,312	183	10,822	2,055	144,372
Construction and development	25,844	3,664	—	297	29,805
Residential real estate	89,456	176	1,830	1,205	92,667
Agriculture related	35,477	—	—	—	35,477
Consumer	14,580	—	—	—	14,580
Total	$557,639	$4,959	$ 20,077	$ 4,358	$587,033

Note 3—Loans (Continued)

	December 31, 2012				
	Pass	Watch	Substandard — Accrual	Substandard — Nonaccrual	Total
Commercial and industrial	$140,235	$ 219	$ 2,138	$ 295	$142,887
Commercial real estate:					
Owner-occupied	81,716	1,822	3,181	564	87,283
Nonowner-occupied	149,477	341	7,621	8,805	166,244
Construction and development	23,156	4,393	1,071	1,574	30,194
Residential real estate	79,807	1,081	2,042	1,746	84,676
Agriculture related	42,926	—	—	—	42,926
Consumer	16,989	—	—	—	16,989
Total	$534,306	$7,856	$ 16,053	$ 12,984	$571,199

The Company categorizes each loan, excluding consumer loans, into credit risk categories based on current financial information, overall debt service coverage, comparison against industry averages, collateral coverage, historical payment experience, and current trends as follows:

Pass—Loans classified as pass credits have low to acceptable risks. Liquidity, asset quality, and debt service coverage are as a whole satisfactory and performance is generally as agreed.

Watch—Loans classified as watch have a potential weakness or weaknesses that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date.

Substandard—Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution may sustain some loss if the deficiencies are not corrected. Substandard loans are classified as accrual or nonaccrual based on the individual payment history and expected future performance of the borrowers.

Doubtful—Loans classified as doubtful have all the weaknesses inherent in those classified as substandard, with the added characteristics that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable. There were no loans classified as doubtful at October 14, 2014 and December 31, 2012.

Note 3—Loans (Continued)

Age Analysis of Past Due Loans

An aging analysis of the loan portfolio as of October 14, 2013 and December 31, 2012 are as follows:

	October 14, 2013						
	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Loans	Recorded Investment > 90 Days and Accruing
Commercial and industrial	$ 223	$ —	$ 295	$ 518	$172,690	$173,208	$ —
Commercial real estate:							
Owner-occupied	76	—	506	582	96,342	96,924	—
Nonowner-occupied	1,764	—	2,131	3,895	140,477	144,372	76
Construction and development	215	—	297	512	29,293	29,805	—
Residential real estate	963	804	1,206	2,973	89,694	92,667	1
Agriculture related	—	—	—	—	35,477	35,477	—
Consumer	665	198	30	893	13,687	14,580	30
Total	$ 3,906	$ 1,002	$4,465	$ 9,373	$577,660	$587,033	$ 107

	December 31, 2012						
	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Loans	Recorded Investment > 90 Days and Accruing
Commercial and industrial	$ 510	$ 146	$ 295	$ 951	$141,936	$142,887	$ —
Commercial real estate:							
Owner-occupied	112	—	564	676	86,607	87,283	—
Nonowner-occupied	—	—	10,568	10,568	155,676	166,244	1,763
Construction and development	396	68	1,884	2,348	27,846	30,194	310
Residential real estate	790	1,007	1,759	3,556	81,120	84,676	13
Agriculture related	—	—	—	—	42,926	42,926	—
Consumer	689	185	3	877	16,112	16,989	3
Total	$ 2,497	$ 1,406	$15,073	$18,976	$552,223	$571,199	$ 2,089

Note 3—Loans (Continued)

Impaired Loans

Impaired loans as of October 14, 2013 and December 31, 2012 are set forth in the following tables:

	As of and For the Period Ended October 14, 2013				
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment for the Period	Interest Income Recognized for the Period
With no related allowance recorded:					
Commercial and industrial	$ 81	$ 88	$ —	$ 274	$ —
Commercial real estate:					
Owner-occupied	506	506	—	687	—
Nonowner-occupied	859	3,598	—	3,496	—
Construction and development	297	2,707	—	946	—
Residential real estate	1,204	1,338	—	1,578	—
Subtotal	2,947	8,237	—	6,981	—
With an allowance recorded:					
Commercial and industrial	$ 262	$ 269	$ 215	$ 792	$ 39
Commercial real estate—					
Nonowner-occupied	6,621	6,700	380	8,352	135
Construction and development	—	—	—	—	—
Residential real estate	823	823	56	825	25
Subtotal	7,706	7,792	651	9,969	199
Total	$ 10,653	$16,029	$ 651	$ 16,950	$ 199

	As of and For the Year Ended December 31, 2012				
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment for the Year	Interest Income Recognized for the Year
With no related allowance recorded:					
Commercial and industrial	$ 893	$ 893	$ —	$ 617	$ 16
Commercial real estate:					
Owner-occupied	564	727	—	720	—
Nonowner-occupied	3,428	6,905	—	3,878	2
Construction and development	1,417	5,138	—	1,411	—
Residential real estate	1,706	1,848	—	4,153	—
Subtotal	8,008	15,511	—	10,779	18
With an allowance recorded:					
Commercial and industrial	$ 203	$ 203	$ 21	$ 638	$ 5
Commercial real estate—					
Nonowner-occupied	10,242	10,242	1,716	10,087	184
Construction and development	1,106	4,158	116	896	—
Residential real estate	909	909	69	1,874	32
Subtotal	12,460	15,512	1,922	13,495	221
Total	$ 20,468	$31,023	$ 1,922	$ 24,274	$ 239

Note 3—Loans (Continued)

No additional funds are committed to be advanced in connection with impaired loans.

Nonaccrual Loans

Nonaccrual loans are as follows as of October 14 and December 31, respectively:

	2013	2012
Commercial and industrial	$ 295	$ 295
Commercial real estate:		
Owner-occupied	506	564
Nonowner-occupied	2,055	8,805
Construction and development	297	1,574
Residential real estate	1,205	1,746
Total	$4,358	$12,984

Troubled Debt Restructurings

As of October 14, 2013 and December 31, 2012, the Company has a recorded investment in troubled debt restructurings of $6,296 and $7,484, respectively. The Company has allocated $181 and $246 of specific reserves for those loans at October 14, 2013 and December 31, 2012 and has not committed to lend additional amounts to borrowers whose loans are considered to be troubled debt restructuring.

A modification of a loan constitutes a troubled debt restructuring when a borrower is experiencing financial difficulty and the modification constitutes a concession. The Company offers various types of concessions when modifying a loan; however, forgiveness of principal is rarely granted.

The following table presents information related to loans modified in a TDR during the year December 31, 2012. There were no loans modified in 2013.

	Number of Contracts	Pre-modification Outstanding Recorded Investment	Post-modification Outstanding Recorded Investment
Construction and development	2	$ 889	$ 889
Residential real estate	3	2,687	2,687
Total	5	$ 3,576	$ 3,576

None of the troubled debt restructurings modified during the year ended December 31, 2012 subsequently defaulted within 12 months.

Note 4—Premises and Equipment

A summary of the cost and accumulated depreciation of premises and equipment follows as of October 14 and December 31, respectively:

	2013	2012
Land	$ 6,531	$ 6,531
Buildings and building improvements	24,988	24,879
Furniture, fixtures, and equipment	7,910	7,912
Total	39,429	39,322
Accumulated depreciation	(17,197)	(16,179)
Net	$ 22,232	$ 23,143

Depreciation expense for the period ended October 14, 2013 and year ended December 31, 2012 amounted to $1,071 and $1,559, respectively.

During 2012, the Bank closed three retail branches. At October 14, 2013, the book value of these assets was $1,308, which approximated fair value and is included in premises and equipment. The three branches are classified as held for sale and are being actively marketed.

Pursuant to the terms of noncancelable lease agreements in effect at October 14, 2013 pertaining to banking premises and equipment, future minimum rent commitments under various operating leases are as follows:

Remainder of 2013	$ 121
2014	534
2015	517
2016	486
2017	429
2018	385
Thereafter	946
Total	$3,418

Total rent expense for the period ended October 14, 2013 and year ended December 31, 2012 amounted to $397 and $552, respectively.

Note 5—Intangible Assets

As of October 14, 2013 and December 31, 2012, the Company had $10,426 recorded as a core deposit intangible. Accumulated amortization was $8,149 and $7,396 as of October 14, 2013 and December 31, 2012, respectively.

Amortization expense for other intangible assets totaled $753 and $987 for the period ended October 14, 2013 and year ended December 31, 2012, respectively.

Note 5—Intangible Assets (Continued)

Estimated amortization expense for the periods ending subsequent to October 14 is expected to be as follows as of October 14:

Remainder of 2013	$ 179
2014	802
2015	766
2016	407
2017	63
2018	60
Total	$2,277

Note 6—Other Real Estate Owned

Other real estate owned is presented net of a valuation allowance. An analysis of the other real estate owned is as follows as of October 14 and December 31, respectively:

	2013	2012
Balance—Beginning of period	$14,064	$ 12,332
Transfers into other real estate owned from loans	1,112	10,620
Capitalized costs to complete properties	9	139
Proceeds on the sale of other real estate owned	(2,744)	(7,190)
Net loss on sale of other real estate owned	(116)	(55)
Write-downs on other real estate owned	(884)	(1,782)
Balance—At end of period	$11,441	$ 14,064

Expenses applicable to other real estate owned include the following for the period ended October 14 and year ended December 31, respectively:

	2013	2012
Net losses on other real estate owned	$ 116	$ 55
Write-downs on other real estate owned	884	1,782
Operating expenses	463	871
Total	$1,463	$2,708

Note 7—Deposits

The aggregate amount of time deposits in denominations of $100,000 or more at October 14, 2013 and December 31, 2012 was $62,162 and $53,889, respectively.

At October 14, 2013, the scheduled maturities of time deposits are as follows:

12 months	$188,342
24 months	26,382
36 months	15,972
48 months	5,734
60 months	1,203
Total	$237,633

Note 7—Deposits (Continued)

The Company has brokered deposits of $57,815, which mature in the next twelve months.

Deposits of principal stockholders, directors, and executive officers of the Company (related parties) totaled approximately $6,312 and $6,818 as of October 14, 2013 and December 31, 2012, respectively.

Note 8—Short-term Borrowings

Short-term borrowings are summarized as follows as of October 14 and December 31, respectively:

	2013	Weighted Interest Rate	2012	Weighted Interest Rate
Sweep repurchase agreements	$18,104	0.01%	$15,245	0.03%
Term repurchase agreements	1,823	0.30%	4,729	0.26%
Total	$19,927		$19,974	

At October 14, 2013, $1,500 of term repurchase agreements mature within 12 months and $323 of term repurchase agreements mature in 2015.

The sweep and term repurchase agreements are secured by pledged investment securities (see Note 2).

The Company had no federal funds purchased at October 14, 2013 and December 31, 2012.

Note 9—Federal Home Loan Bank Advances

The Company had one FHLB advance outstanding at October 14, 2013 and December 31, 2012 in the amount of $5,000. The advance was refinanced during January 2012 to extend the maturity and lower the interest rate. The refinanced FHLB advance now matures on December 27, 2013. The advance has a stated interest rate of 0.78 percent. To refinance the advance, the Company paid a prepayment fee of $159. The amount is being amortized into interest expense through maturity. The effective interest rate on the refinanced advance is 2.37 percent.

The Company is required to pledge certain unencumbered mortgage loans as collateral against FHLB advances and letters of credit issued on its behalf from the FHLB of Des Moines. Advances are also collateralized by the shares of capital stock of the FHLB of Des Moines that are owned by the Company. As of October 14, 2013 and December 31, 2012, the Company has pledged loans totaling $139,164 and $133,878, respectively. The Company has $75,716 of borrowing capacity with the FHLB of Des Moines as of October 14, 2013.

As of October 14, 2013 and December 31, 2012, the Bank had letters of credit and commitments totaling $2,376 and $26,725, respectively, with the Federal Home Loan Bank, securing public deposits and other commitments. There were no letters of credit to the Federal Home Loan Bank that were funded as of October 14, 2013 and December 31, 2012. The letters of credit outstanding at October 14, 2013 ($2,000) mature at various dates to June 2014 and may be renewed as necessary to meet the pledging requirements of the Bank. One commitment of $376 extends to December of 2022. In the event that a letter of credit would be redeemed, the Company would either need to remit funds to the Federal Home Loan Bank or execute an advance, at which time the rate and term would be established. The letters of credit are secured by the FHLB stock and qualifying commercial and residential mortgage loans (discussed above).

Note 10—Note Payable

At October 14, 2013 and December 31, 2012, the Company had an $11,858 and $13,039, respectively, note payable with a bank.

On April 3, 2012, the Company entered into a second amended and restated promissory note to extend this existing promissory note until March 31, 2013. Terms of the note require quarterly interest only payments on the then current outstanding principal balance of $13,039 at an interest rate based on the 30-day LIBOR plus 3.00 percent with a minimum rate of 5.00 percent. The principal balance was due in full at maturity on March 31, 2013. The amended note was subject to joint restrictive covenants measured on a quarterly basis. The covenants require (a) the Company to maintain "adequately capitalized" regulatory capital ratios, (b) the Bank maintain certain regulatory capital ratios, (c) the Bank maintain certain nonperforming asset ratios, and (d) quarterly earnings requirements. The amended note was secured by 100 percent of the stock of the Bank and $1,000 in restricted cash.

On March 29, 2013, the Company entered into a third amended and restated promissory note to extend the existing promissory note until June 30, 2014. Terms of the note require quarterly interest payments together with principal payments of $466 commencing in June of 2013. The interest rate is the 30-day LIBOR plus 3.50 percent with a minimum interest rate of 4.00 percent (4.00 percent at October 14, 2013). The principal balance is due in full at maturity on June 30, 2014. The existing financial covenants, as modified by this extension, will continue. The extension remains secured by 100 percent of the stock of the Bank and $1,000 in restricted cash subject to conditions for the potential release of the restricted cash based on the Company's ongoing performance.

In 2013, the Company satisfied the performance requirements to release the $1,000 restricted cash. Concurrently with the release of the cash, the Company reduced the principal balance on the loan by $250. At October 14, 2013, the Company is in compliance with the covenants. (see Note 20).

Note 11—Senior Convertible Notes

Senior convertible notes are summarized as follows as of October 14 and December 31, respectively:

	2013	2012
2011 issue	$2,890	$2,890
2012 issue	750	750
Total	$3,640	$3,640

During 2011, the Company raised $2,890 from the proceeds of a 6 percent convertible senior notes offering. The notes matured on September 25, 2012, subject to the right, at the Company's option, to extend the terms of the notes for two additional six-month terms, which the Company has exercised. The Company extended the notes to September 25, 2013 based on these extensions. The Company paid interest on the notes at a rate of 6 percent until September 25, 2012 (the original maturity date). The notes bear interest at the rate of prime plus 3 percent, subject to a minimum rate of 7 percent until September 25, 2013 (see Note 20). The notes were not renewed subsequent to September 25, 2013 as the notes were repaid on October 15, 2013 in conjunction with the acquisition of the Company by Triumph Bancorp, Inc. on October 15, 2013.

Holders of the notes may convert their notes at any time prior to the final maturity date into shares of the Company common stock at a conversion rate of $.50 per common share. The Company may redeem all or a

Note 11—Senior Convertible Notes (Continued)

portion of the outstanding notes for cash at any time after issuance (subject to receipt of necessary regulatory approvals) at a redemption price equal to 100 percent of the principal amount plus accrued and unpaid interest. The notes are secured on a second-priority basis by a lien on all present and future shares of the Bank. The second priority lien is subject to the priority lien noted in Note 10.

During 2012, the Company raised $750 from the proceeds of 3 percent mandatorily convertible senior notes offering. The notes mature on September 25, 2014. The Company will pay interest on the notes at a rate of 3 percent with interest payable on September 25, 2013 and 2014 subject to the receipt of necessary regulatory approvals (see Note 20).

Holders of the notes are required to convert their notes and any unpaid interest to common stock upon maturity if the Company does not receive prior regulatory approval to repay the notes. The conversion rate is based on 90 percent of the per share value of the common stock of the Company as determined by an independent third-party appraiser. If the Company is party to a consolidation, merger, share exchange, sale of all or substantially all of its properties and assets or similar transaction, in each case pursuant to which shares of Company stock are converted into cash, securities, or other property, the holders will have the right to convert the notes and any unpaid interest into common stock at the conversion rate noted above. The notes are secured by a second priority basis pari passu with the notes issued in 2011 on all present or future shares of the Bank. The second priority lien is subject to the priority lien noted in Note 10.

Note 12—Junior Subordinated Debentures and Capital Securities

On October 14, 2013 and December 31, 2012, junior subordinated debentures were due to National Bancshares Capital Trusts II and III, 100 percent owned nonconsolidated subsidiaries of the Company. The debentures were issued in 2003 ($15,464 Capital Trust II) and 2006 ($17,526 Capital Trust III) in conjunction with the trusts' issuances of Company obligated capital securities. The debentures bear the same interest rate and terms as the capital securities, detailed as follows.

In 2003 and 2006, newly established companies (National Bancshares Capital Trust II and National Bancshares Capital Trust III) issued $15,000 and $17,000, respectively, of capital securities which are guaranteed by the Company.

As of October 14, 2013, the Company owned all of the outstanding common stock of National Bancshares Capital Trusts II and III. The trusts used the proceeds from the issuances of their capital securities to buy floating rate junior subordinated deferrable interest debentures issued by the Company. These debentures are the trusts' only assets and the interest payments from the debentures finance the distributions paid on the capital securities. These debentures are unsecured, rank junior, and are subordinate in the right of payment to all senior debt of the Company.

The debentures are included on the consolidated balance sheet as liabilities; however, for regulatory purposes, the related capital securities are eligible for inclusion in regulatory capital, subject to certain limitations. Approximately $21,305 and $20,669 was allowed in the calculation of Tier I capital as of September 30, 2013 (most recent regulatory report filing date) and December 31, 2012, respectively.

Note 12—Junior Subordinated Debentures and Capital Securities (Continued)

The capital securities of National Bancshares Capital Trusts II and III are summarized as follows as of October 14 and December 31, respectively:

	2013	2012
National Bancshares Capital Trust II(A)	$15,000	$15,000
National Bancshares Capital Trust III(B)	17,000	17,000

(A) The amount of interest for any period shall be computed at a variable per annum rate of interest, reset quarterly, equal to the three-month LIBOR, as determined on the LIBOR determination date immediately preceding each distribution payment date, plus 3.00 percent. As of October 14, 2013 and December 31, 2012, the rate was 3.25 percent and 3.39 percent, respectively. The debentures mature on September 15, 2033. Since September 15, 2008, the Company has the right to call the debentures.

(B) The amount of interest was computed at a fixed per annum rate of interest through July 7, 2011, which then switched to be computed at a variable rate of interest, reset quarterly, equal to the three-month LIBOR, as determined on the LIBOR determination date immediately preceding each distribution payment date, plus 1.64 percent. As of October 14, 2013 and December 31, 2012, the rate was 1.88 percent and 1.98 percent, respectively. The debentures mature on July 7, 2036. Since July 7, 2011, the Company has the right to call the debentures.

The distribution rate payable on the capital securities is cumulative and payable quarterly in arrears. The Company has the right, subject to events in default, to defer payments of interest on the debentures at any time by extending the interest payment period for a period not exceeding 20 consecutive quarters with respect to each deferral period, provided that no extension period may extend beyond the redemption or maturity date of the debentures. The Company informed the trustees that it would be deferring payments beginning in March 2011 as permitted under the provisions of the respective agreements. As of October 14, 2013, the Company has deferred quarterly payments totaling $1,513 (eleven quarters deferred) on Trust II and $1,504 (eleven quarters deferred) on Trust III. The Company will continue to defer quarterly payments until such time that cash flow will permit payments (see Note 20).

The capital securities are subject to mandatory redemption upon payment of the debentures. The maturity dates and early maturity dates are set forth in the preceding paragraphs. If the debentures are redeemed before they mature, the redemption price will be the principal amount plus any accrued but unpaid interest. The Company has the right to terminate National Bancshares Capital Trusts II and III and cause the debentures to be distributed to the holders of the capital securities in liquidation of such trusts. Each issue of capital securities carries an interest rate identical to that of the related debenture and the dividends paid on such are tax deductible.

Note 13—Income Taxes

The components of the net deferred tax assets are as follows as of October 14, 2013 and December 31, 2012, respectively:

	2013	2012
Deferred tax assets:		
Allowance for loan losses	$ 3,638	$ 3,748
AMT credit carryforward	1,634	1,456
Nonaccrual loan interest	206	175
Other real estate owned valuation	1,679	1,513
Capital loss carryforward	418	526
Net operating loss carryforward—Federal	9,891	11,274
Net operating loss carryforward—States	2,892	2,884
Amortization of intangible assets	796	773
Other	623	742
Total deferred tax assets	21,777	23,091
Deferred tax liabilities:		
Property and equipment	1,306	1,378
Net unrealized gain on securities available for sale	118	1,348
Other	387	463
Total deferred tax liabilities	1,811	3,189
Net deferred tax asset before valuation allowance	19,966	19,902
Deferred tax asset valuation allowance	1,591	1,954
Net deferred tax assets	$18,375	$17,948

As of October 14, 2013 and December 31, 2012, the Company has a $1,591 and $1,954 valuation reserve recorded against net deferred tax assets, respectively. Each reporting period, the Company evaluates positive and negative evidence to determine if it will more likely than not utilize the deferred tax asset before any assets expire. The Company evaluates positive and negative evidence including historical performance, asset quality trends, future projections of earnings, and the expiration date of specific deferred tax assets. During the period ended October 14, 2013 and the year ended December 31, 2012, the Company determined that based on the overall improvement of the financial condition of the Company, the current valuation allowance should be reduced by $363 and $4,250, respectively. The remaining valuation allowance was adequate based on the analysis of positive and negative evidence. The remaining valuation allowance at October 14, 2013 is related to capital loss carryforwards and a portion of state tax net operating loss carryforwards that the Company estimates it will not be able to use before those assets expire.

The Company has previously generated AMT credit carryforwards, capital loss carryforwards, and net operating loss carryforwards. AMT credit carryforwards do not expire; capital loss carryforwards can only be used to offset capital gains and may be carried back three years or carried forward five years to the extent there are capital gains in those years; net operating losses expire if unused within 20 years for federal purposes and varies by state as to the length of the carryforward period (12 to 20 years). The Company's capital loss carryforwards begin to expire in 2013; federal net operating losses begin to expire in 2028; and certain state net operating losses begin to expire in 2021. In addition, the State of Illinois has currently limited the use of net operating loss carryforwards pending an improvement in the State's fiscal condition.

Note 13—Income Taxes (Continued)

Allocation of income taxes between current and deferred portions is as follows for the period ended October 14, 2013 and year ended December 31, 2012:

	2013	2012
Current	$ 643	$ 88
Deferred	1,166	1,150
Change in deferred tax asset valuation allowance	(363)	(4,250)
Total income tax expense (benefit)	$1,446	$(3,012)

The reasons for the differences between the income tax expense at the federal statutory income tax rate and the recorded income tax expense are summarized as follows for the period ended October 14, 2013 and year ended December 31, 2012, respectively:

	2013	2012
Income before income taxes	$4,136	$ 4,595
Income tax expense at federal statutory rate of 34 percent	$1,406	$ 1,562
State income taxes, net of federal benefit	232	225
Increase in cash surrender value of bank-owned life insurance	(257)	(368)
Decreases resulting from nontaxable income	(166)	(247)
Expiration of capital loss carry forwards	108	—
Termination of life insurance policies	218	—
Nondeductible transaction costs	168	—
Decrease in deferred tax asset valuation allowance	(363)	(4,250)
Other	100	66
Total income tax expense (benefit)	$1,446	$(3,012)

Note 14—Preferred Stock

Class A preferred stock has no par and a stated value of $1 per share. Noncumulative quarterly dividends at the rate of 8 percent per annum are paid on the basis of a 360-day year. The holders of the preferred shares may convert their preferred shares into shares of common stock at a conversion rate of one share of preferred stock for 1.2 shares of common stock. Each share of preferred stock shall entitle the holder thereof to such a number of votes as shall equal the number of shares of common stock into which each share of preferred stock is convertible.

Class B preferred stock has $0.01 par value. At October 14, 2013 and December 31, 2012, 25,897 shares of Class B preferred stock had been issued.

In the event of a liquidation or dissolution of the Company, the preferred stock then outstanding takes precedence over the Company's common stock for the payment of dividends and distribution of assets.

Note 15—United States Treasury Department's Capital Purchase Plan

In February 2009, as part of the United States Treasury Department's (the "UST") Capital Purchase Plan (CPP), the Company entered into a Letter Agreement with the UST. Pursuant to the Security Purchase

Note 15—United States Treasury Department's Capital Purchase Plan (Continued)

Agreement Standard Terms (the "Securities Purchase Agreement") attached to the Letter Agreement, the Company sold 24,664 shares of the Company's Senior Preferred Stock, Series T-1 (the "Senior Preferred Stock"), having a liquidation preference of $1,000 per share, for a total price of $24,664. The Senior Preferred Stock qualify as Tier 1 capital and pay cumulative compounding dividends at a rate of 5 percent per year for the first five years and 9 percent per year thereafter. In 2011, the Company informed the UST it would begin deferring quarterly dividend payments beginning the first quarter of 2011 as permitted under the provisions of the respective agreements. The Company has accrued for dividends not paid totaling $3,920 and $2,688 as of October 14, 2013 and December 31, 2012 and has accrued dividends on these unpaid dividends of approximately $292 and $129. The Company will continue to defer payment of these dividends until such time that cash flow will permit payments (see Note 20).

As long as any Senior Preferred Stock is outstanding, the Company may not, without the approval by the UST, pay quarterly common stock dividends, nor redeem or repurchase its common stock, or pay dividends on its Class A Preferred Stock unless all accrued and unpaid dividends for all past dividend periods on the Senior Preferred Stock are fully paid. The Senior Preferred Stock will be nonvoting except for class voting rights on matters that would adversely affect the rights of the holders of the Senior Preferred Stock.

As a condition to participating in the CPP, the Company issued to the UST a warrant (the "Warrant") to purchase 1,233 shares (the "Warrant Shares") of the Company's Senior Preferred Stock, Series T-2, with a liquidation preference of $1,000 per share, at no cost. The UST exercised the warrant immediately upon entering into the agreement. The Class T-2 Preferred Stock pays cumulative compounding dividends at a rate of 9 percent per year.

For accounting purposes, the proceeds of the $24,664 were allocated between the Senior Preferred Stock and the Warrant based on their relative fair values. The initial value assigned to the Warrant, which is classified as equity, was $1,233. The entire discount on the Senior Preferred Stock, created from the initial value assigned to the Warrant, will be accreted over a five-year period in a manner that produces a level preferred stock dividend yield, which is 6.18 percent. At the end of the fifth year, the carrying amount of the Senior Preferred Stock will equal its liquidation value.

On February 20, 2013, the Company's $25,897 of senior preferred stock with a liquidation value of $1,000 per share originally issued to the UST as part of the CPP was sold by the UST as part of its efforts to manage and recover its investments under the Troubled Asset Relief Program (TARP). While the sale of these preferred shares to new owners did not result in any proceeds to the Company, did not change the Company's capital position or accounting for these securities, it did eliminate certain restrictions put in place by the UST on TARP recipients.

Note 16—Minimum Regulatory Capital Requirements

The Company (on a consolidated basis) and the Bank are subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company's and the Bank's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company and the Bank must meet specific capital guidelines that involve quantitative measures of their assets, liabilities, and certain off balance sheet items as calculated under regulatory accounting practices. The capital amounts and classifications are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors. Prompt corrective action provisions are not applicable to bank holding companies.

Note 16—Minimum Regulatory Capital Requirements (Continued)

Quantitative measures established by regulation to ensure capital adequacy require the Company and the Bank to maintain minimum amounts and ratios (set forth in the following table) of Total and Tier 1 capital (as defined in the regulations) to risk-weighted assets (as defined) and of Tier 1 capital to average assets (as defined). Management believes, as of October 14, 2013 and year ended December 31, 2012, that the Company and the Bank met all capital adequacy requirements to which they are subject under the capital adequacy guidelines and the regulatory framework for prompt corrective action.

As of September 30, 2013, the most recent notification from the Bank's primary regulator characterized the Bank as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, an institution must maintain Total risk-based, Tier 1 risk-based, and Tier 1 leverage ratios as set forth in the following table. There are no conditions or events since the notification that management believes have changed the Bank's category.

The actual capital amounts and ratios as of September 30, 2013 (date of most recent regulatory reporting filing date) and December 31, 2012 are as follows:

	Actual		For Capital Adequacy Purposes		To be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of September 30, 2013						
Total capital to risk-weighted assets:						
National Bancshares, Inc.	$ 91,721	12.8%	$ 57,466	8.0%	N/A	N/A
Bank level	109,744	15.3%	57,310	8.0%	71,638	10.0%
Tier 1 capital to risk-weighted assets:						
National Bancshares, Inc.	72,037	10.0%	28,733	4.0%	N/A	N/A
Bank level	100,780	14.1%	28,655	4.0%	42,983	6.0%
Tier 1 capital to average assets:						
National Bancshares, Inc.	72,037	8.1%	35,510	4.0%	N/A	N/A
Bank level	100,780	11.5%	35,086	4.0%	43,857	5.0%
As of December 31, 2012						
Total capital to risk-weighted assets:						
National Bancshares, Inc.	$ 90,331	12.6%	$ 57,316	8.0%	N/A	N/A
Bank level	110,409	15.5%	57,126	8.0%	71,408	10.0%
Tier 1 capital to risk-weighted assets:						
National Bancshares, Inc.	70,029	9.8%	28,658	4.0%	N/A	N/A
Bank level	101,468	14.2%	28,563	4.0%	42,845	6.0%
Tier 1 capital to average assets:						
National Bancshares, Inc.	70,029	7.4%	37,831	4.0%	N/A	N/A
Bank level	101,468	10.7%	37,907	4.0%	47,383	5.0%

In June 2012, the United States federal banking agencies issued three notices of proposed rulemaking that would revise and replace current regulatory capital rules. Subsequently, the agencies determined that these proposed rules would not become effective on January 1, 2015. The Company and Bank are assessing what the impact of the final rules will have on either entities' respective capital requirements.

Note 17—Off-balance-sheet Activities

Credit-related Financial Instruments—The Bank is a party to credit-related financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit, standby letters of credit, and commercial letters of credit. Such commitments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the consolidated balance sheet.

The Bank's exposure to credit loss is represented by the contractual amount of these commitments. The Bank follows the same credit policies in making commitments as it does for on-balance-sheet instruments.

At October 14, 2013 and year ended December 31, 2012, the following financial instruments were outstanding whose contract amounts represent credit risk:

	Contract Amount	
	2013	2012
Commitments to grant loans	$ 32,753	$60,655
Unfunded commitments under lines of credit	105,183	82,021
Commercial and standby letters of credit	4,103	5,505

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. The commitments for equity lines of credit may expire without being drawn upon. Therefore, the total commitment amounts do not necessarily represent future cash requirements. The amount of collateral obtained, if it is deemed necessary by the Bank, is based on management's credit evaluation of the customer.

Unfunded commitments under commercial lines of credit and revolving credit lines are commitments for possible future extensions of credit to existing customers. These lines of credit are collateralized and usually contain a specified maturity date and may not be drawn upon to the total extent to which the Bank is committed.

Commercial and standby letters of credit are conditional commitments issued by the Bank to guarantee the performance of a customer to a third party. Those letters of credit are used primarily to support public and private borrowing arrangements. Essentially all letters of credit issued have expiration dates within one year. The credit risk involved is extending loan facilities to customers. The Bank generally holds collateral supporting those commitments if deemed necessary.

Collateral Requirements—To reduce credit risk related to the use of credit-related financial instruments, the Bank might deem it necessary to obtain collateral. The amount and nature of the collateral obtained are based on the Bank's credit evaluation of the customer. Collateral held varies but may include cash, securities, accounts receivable, inventory, equipment, and real estate.

If the counterparty does not have the right and ability to redeem the collateral or the Bank is permitted to sell or repledge the collateral on short notice, the Company records the collateral in its consolidated balance sheet at fair value with a corresponding obligation to return it.

Legal Contingencies—Various legal claims also arise from time to time in the normal course of business which, in the opinion of management, will have no material effect on the Company's consolidated financial statements.

Note 18—Fair Value of Financial Instruments

The fair value of a financial instrument is the current amount that would be exchanged between willing parties, other than in a forced liquidation. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for the Company's various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument. Certain financial instruments and all nonfinancial instruments are excluded from disclosure requirements. Accordingly, the aggregate fair value amounts presented may not necessarily represent the underlying fair value of the Company.

The following methods and assumptions were used by the Company in estimating fair value disclosures for financial instruments:

Cash and Cash Equivalents—The carrying amounts of cash and cash equivalents approximate fair values.

Investment Securities—Fair values of investment securities are based on quoted market prices. If a quoted market price is not available, fair value is estimated using quoted market prices for similar investment securities.

Loans Held for Sale—Fair values of loans held for sale are based on commitments on hand from investors or prevailing market prices.

Loans—For variable-rate loans that reprice frequently and with no significant change in credit risk, fair values are based on carrying values. Fair values for other loans are estimated using discounted cash flow analyses, using interest rates currently being offered for loans with similar terms to borrowers of similar credit quality.

Other Investment Securities—The carrying value of Federal Home Loan Bank and Federal Reserve Bank stock approximates fair value based on the redemption provisions of the issuers.

Deposit Liabilities—The fair values disclosed for demand deposits are, by definition, equal to the amount payable on demand at the reporting date (i.e., their carrying amounts). The carrying amounts of variable-rate, fixed-term money market accounts and certificates of deposit approximate their fair values at the reporting date. Fair values for fixed-rate certificates of deposit are estimated using a discounted cash flow calculation that applies interest rates currently being offered on certificates to a schedule of aggregated expected monthly maturities on time deposits.

Short-term Borrowings—The carrying amounts of borrowings under repurchase agreements and other short-term borrowings maturing within 90 days approximate their fair values. Fair values of other short-term borrowings are estimated using discounted cash flow analyses based on the Company's current incremental borrowing rates for similar types of borrowing arrangements.

Federal Home Loan Bank Advances—The fair values of the Company's advances are estimated using discounted cash flow analyses based on current incremental borrowing rates.

Note Payable—The fair values of the Company's note payable is estimated using discounted cash flow analyses based on the Company's current incremental borrowing rates for similar types of borrowing arrangements.

Senior Convertible Notes—The carrying amount of the convertible notes approximate fair value because their terms are estimated to be market terms for similar instruments.

Note 18—Fair Value of Financial Instruments (Continued)

Junior Subordinated Debentures—The fair values of the Company's junior subordinated debentures are estimated using discounted cash flow analyses based on the estimated market borrowing rates for similar types of debenture arrangements.

Accrued Interest—The carrying amounts of accrued interest approximate fair value with the exception of accrued interest payable on borrowings that are in deferral at December 31, 2012. The accrued interest in deferral is estimated using discounted cash flow analyses based on the same estimated borrowing rates of the securities in deferral. As noted in Note 20, the Company will bring the deferred interest current subsequent to the acquisition. As a result, the carrying amount of accrued interest at October 14, 2013 represents fair value.

Other Financial Instruments—The fair value of other financial instruments, including loan commitments and unfunded letters of credit, based on discounted cash flow analyses, is not material.

The estimated fair values and related carrying or notional amounts of the Company's financial instruments are as follows as of October 14, 2013 and December 31, 2012 respectively:

	2013		2012	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Financial assets:				
Cash and cash equivalents	$ 86,927	$ 86,927	$ 76,517	$ 76,517
Investment securities—Available for sale	159,706	159,706	179,680	179,680
Investment securities—Held to maturity	750	744	750	749
Loans held for sale	5,006	5,006	30,468	30,468
Loans—Net	577,705	563,352	561,330	569,872
Other investment securities	4,507	4,507	4,745	4,745
Accrued interest receivable	3,269	3,269	3,365	3,365
Financial liabilities:				
Deposits	788,090	793,256	799,918	786,509
Short-term borrowings	19,927	19,927	19,974	19,972
Federal Home Loan Bank advances	5,000	5,003	5,000	5,096
Note payable	11,858	11,858	13,039	13,039
Senior convertible notes	3,640	3,640	3,640	3,590
Junior subordinated debentures	32,990	24,120	32,990	14,663
Accrued interest payable	3,579	3,579	2,910	2,450

Note 19—Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Company's assets and liabilities measured at fair value on a recurring basis at October 14, 2013 and year ended December 31, 2012 and the valuation techniques used by the Company to determine those fair values.

Note 19—Fair Value Measurements (Continued)

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Company's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The Company's policy is to recognize transfers between levels of the fair value hierarchy as of the end of the reporting period. There were no significant transfers between levels of the fair value hierarchy during 2013 or 2012.

Assets Measured at Fair Value on a Recurring Basis at October 14, 2013

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at October 14, 2013
Investment securities available for sale:				
U.S. government and federal agency	$ —	$102,818	$ —	$102,818
Mortgage and asset backed	—	24,380	—	24,380
State and municipal	—	10,016	—	10,016
Corporate bonds	—	18,792	—	18,792
Trust preferred	—	3,700	—	3,700
Total investment securities available for sale	—	159,706	—	159,706
Loans held for sale	—	5,006	—	5,006

Note 19—Fair Value Measurements (Continued)

Assets Measured at Fair Value on a Recurring Basis at December 31, 2012

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at October 14, 2013
Investment securities available for sale:				
U.S. government and federal agency	$ —	$100,423	$ —	$100,423
Mortgage and asset backed	—	29,885	—	29,885
State and municipal	—	11,616	—	11,616
Corporate bonds	—	33,956	—	33,956
Trust preferred	—	3,800	—	3,800
Total investment securities available for sale	—	179,680	—	179,680
Loans held for sale	—	30,468	—	30,468

The fair value of investment securities and loans held for sale at October 14, 2013 and December 31, 2012 were determined primarily based on Level 2 inputs.

The Company also has assets that under certain conditions are subject to measurement at fair value on a non-recurring basis. These assets include impaired loans and other real estate owned. The Company has estimated the fair values of these assets based primarily on Level 3 inputs as described above. The Company generally estimates the value of the assets using a discounted cash flow methodology or expected realizable value of the collateral. The expected realizable value is estimated using an appraisal or other valuation source less the estimated costs to sell the property.

Assets Measured at Fair Value on a Nonrecurring Basis at October 14, 2013

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at October 14, 2013
Impaired loans				
Commercial and Industrial	$ —	$ —	$ 47	$ 47
Commercial real estate—nonowner-occupied	—	—	6,241	6,241
Residential real estate	—	—	767	767
Other real estate owned				
Commercial real estate—nonowner-occupied	—	—	812	812
Construction and development	—	—	9,929	9,929
Residential real estate	—	—	700	700

Note 19—Fair Value Measurements (Continued)

Assets Measured at Fair Value on a Nonrecurring Basis at December 31, 2012

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2012
Impaired loans				
Commercial and industrial	$ —	$ —	$ 35	$ 35
Commercial real estate—nonowner-occupied	—	—	2,924	2,924
Construction and development	—	—	990	990
Residential real estate	—	—	60	60
Other real estate owned				
Commercial real estate—nonowner-occupied	—	—	1,293	1,293
Construction and development	—	—	11,328	11,328
Residential real estate	—	—	1,443	1,443

For the period ending October 14, 2013 and year ending December 31, 2012, the only Level 3 assets with material unobservable inputs are associated with impaired loans and other real estate owned as of October 14, 2013. The Company typically outsources valuation of loans and other real estate owned with material balances to third party appraisers. For this asset class, the actual valuation method (income, sales comparable, or cost) vary based on the status of the project. For example, land is generally based on the sales comparable method while construction is based on the income and/or sales comparable methods.

The unobservable inputs may vary significantly depending on the individual assets with no one of the three methods being the predominant approach. The Company reviews the third party appraiser for appropriateness and adjusts the value downward to consider selling costs, which typically ranges from 7-10% of the appraised value.

Note 20—Acquisition

Effective October 15, 2013, the Company was acquired by Triumph Bancorp, Inc., a Texas corporation ("TBI") and its newly formed subsidiary The Acquisition Sub, Inc. pursuant to terms of the Agreement and Plan of Merger dated April 19, 2013 (the "Agreement"). The terms of the Agreement provided for the acquisition of 100% of the issued and outstanding shares of the Company's Class A Convertible Preferred stock and common stock and thereby the Company's 100% ownership of the Bank. Existing shareholders of the Company at closing received a combination of cash ($15,277) and TBI preferred stock (valued at $5,196) and TBI common stock (valued at $11,916). In addition, TBI assumed the Company's Senior Preferred Stock, Series T-1 and T-2.

In addition to the consideration paid TBI (i) retired the outstanding balance of the Company's $11,858 senior note payable (Note 10) and (ii) retired all $3,640 of the Company's senior convertible notes (Note 11).

As of the date of acquisition, the Company had been in deferral on payments due for interest and dividends on its junior subordinated debentures (Note 12) and Senior Preferred Stock, Series T-1 and T-2 (Note 15). The total amounts due on these instruments for periods prior to the acquisition have been brought current by TBI on the first contractually available payment dates post-acquisition. In addition, TBI caused a $1,000 contribution of capital to the Bank post acquisition.

As of October 14, 2013, the Company has recognized $964 of costs associated with the transaction and accrued additional dividends of $259 on the Senior Preferred Stock, Series T-1 and T-2 from the date of the last quarterly deferral period of August 15, 2013 through October 14, 2013.

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Shares

Common Stock

PRELIMINARY PROSPECTUS

, 2014

SANDLER O'NEILL + PARTNERS, L.P.

EVERCORE

Until (25 days after the date of this prospectus), all dealers that buy, sell or trade shares of our common stock, whether or not participating in our initial public offering, may be required to deliver a prospectus. This delivery requirement is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

Estimated expenses, other than underwriting discounts and commissions, of the sale of the Registrant's common stock, $0.01 par value, are as follows:

SEC registration fee	$	*
FINRA filing fee	$	*
Listing fees and expenses	$	*
Transfer agent and registrar fees and expenses	$	*
Printing fees and expenses	$	*
Legal fees and expenses	$	*
Accounting expenses	$	*
Miscellaneous expenses	$	*
Total	$	*

* To be furnished by amendment.

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The TBOC permits a corporation to indemnify a director who was, is or is threatened to be a named defendant or respondent in a proceeding as a result of the performance of his duties if such person acted in good faith and, in the case of conduct in the person's official capacity as a director, in a manner he reasonably believed to be in the best interests of the corporation and, in all other cases, that the person's conduct was not opposed to the best interests of the corporation and with respect to any criminal action or proceeding, that such person had no reasonable cause to believe his conduct was unlawful. The TBOC further permits a corporation to eliminate in its charter all monetary liability of the corporation's directors to the corporation or its stockholders for conduct in performance of such director's duties. Our charter provides that a director of the corporation will not be liable to the corporation or its stockholders for monetary damages for any act or omission by the director in the performance of his duties, except that there will be no limitation of liability to the extent the director has been found liable under applicable law for: (i) breach of the director's duty of loyalty owed to the corporation or its stockholders; (ii) an act or omission not in good faith that constitutes a breach of duty of the director to the corporation or that involves intentional misconduct or a knowing violation of the law; (iii) a transaction from which the director received an improper benefit, regardless of whether the benefit resulted from an action taken within the scope of the director's duties; or (iv) an act or omission for which the liability of the director is expressly provided for by an applicable statute.

Sections 8.101 and 8.103 of the TBOC provide that a corporation may indemnify a person who was, is or is threatened to be a named defendant or respondent in a proceeding because the person is or was a director only if a determination is made that such indemnification is permissible under the TBOC: (i) by a majority vote of the directors who at the time of the vote are disinterested and independent, regardless of whether such directors constitute a quorum; (ii) by a majority vote of a board committee designated by a majority of disinterested and independent directors and consisting solely of disinterested and independent directors; (iii) by special legal counsel selected by the board of directors or a committee of the board of directors as set forth in (i) or (ii); (iv) by the stockholders in a vote that excludes the shares held by directors who are not disinterested and independent; or (v) by a unanimous vote of the stockholders.

Section 8.104 of the TBOC provides that the corporation may pay or reimburse, in advance of the final disposition of the proceeding, reasonable expenses incurred by a present director who was, is or is threatened to be made a named defendant or respondent in a proceeding after the corporation receives a written affirmation by

the director of his good faith belief that he has met the standard of conduct necessary for indemnification under Section 8.101 and a written undertaking by or on behalf of the director to repay the amount paid or reimbursed if it is ultimately determined that he has not met that standard or if it is ultimately determined that indemnification of the director is not otherwise permitted under the TBOC. Section 8.105 also provides that reasonable expenses incurred by a former director or officer, or a present or former employee or agent of the corporation, who was, is or is threatened to be made a named defendant or respondent in a proceeding may be paid or reimbursed by the corporation, in advance of the final disposition of the action, as the corporation considers appropriate.

Section 8.105 of the TBOC provides that a corporation may indemnify and advance expenses to a person who is not a director, including an officer, employee or agent of the corporation as provided by: (i) the corporation's governing documents; (ii) an action by the corporation's governing authority; (iii) resolution by the stockholders; (iv) contract; or (v) common law. As consistent with Section 8.105, a corporation may indemnify and advance expenses to persons who are not directors to the same extent that a corporation may indemnify and advance expenses to directors.

Further, our charter and bylaws provide that we must indemnify our directors and officers to the fullest extent authorized by law. We are also expressly required to advance certain expenses to our directors and officers and carry directors' and officers' insurance providing indemnification for our directors and officers for some liabilities. We believe that these indemnification provisions and the directors' and officers' insurance are useful to attract and retain qualified directors and executive officers.

We have also entered into, or will enter into prior to the completion of this offering, indemnification agreements with each of our directors and officers. The indemnification agreements provide, among other things, for indemnification to the fullest extent permitted by law and our charter and bylaws against (i) any and all expenses and liabilities, including judgments, fines, penalties, interest and amounts paid in settlement of any claim with our approval and counsel fees and disbursements, (ii) any liability pursuant to a loan guarantee, or otherwise, for any of our indebtedness and (iii) any liabilities incurred as a result of acting on behalf of us (as a fiduciary or otherwise) in connection with an employee benefit plan. The indemnification agreements also provide for, or will provide for, the advancement or payment of expenses to the indemnitee and for reimbursement to us if it is found that such indemnitee is not entitled to such indemnification under applicable law and our charter and bylaws.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us under any of the foregoing provisions, in the opinion of the SEC, that indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. Finally, our ability to provide indemnification to our directors and officers is limited by federal banking laws and regulations, including, but not limited to, 12 U.S.C. 1828(k).

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES.

Within the past three years, we have engaged in the following transactions that were not registered under the Securities Act.

Common Stock Offering

Beginning on December 13, 2012 and extending into 2013, we issued an aggregate of 3,667,065 shares of our common stock at the price of $11.58 per share, for net consideration of approximately $42.4 million. The net proceeds were used primarily to capitalize the Company to complete acquisitions. Subsequent to the closing of the offering, we issued an additional 91,406 shares of our common stock to six investors in privately negotiated transactions between April and July 2013 at prices between $11.58 and $11.93 per share.

Exchange Offer to Holders of Class B Units

Beginning in January 2012, Triumph Commercial Finance raised approximately $7 million through the private placement of Class B Units. Concurrently with the December 13, 2012 offering, Triumph Savings Bank

made an offer to the holders of those Class B Units to transfer and re-issue 8.6356 shares of our common stock for each outstanding Class B Unit and to make a cash payment equal to the accrued, but unpaid distributions at a rate of 8% per annum on such Class B Unit through January 30, 2013, in exchange for the Class B Units. We issued 506,209 shares of our common stock in connection with the offering.

Exchange Offer to Holders of Series A Preferred Stock

Beginning in January 2012, we raised approximately $5 million through the private placement of 50,000 units of Series A Preferred Stock. Concurrently with the December 13, 2012 offering, the Company made an offer to the holders of the Series A Preferred Stock to issue 8.6356 shares of our common stock for each outstanding share of Series A Preferred Stock and to make a cash payment equal to the accrued, but unpaid dividends at a rate of 8% per annum. We issued 38,860 shares of our common stock in connection with the offering.

Issuance of Warrant to TCC

On December 12, 2012, we issued a warrant to TCC for the purchase of 259,067 shares of our common stock. The TCC Warrant allows TCC to acquire common stock for $11.58 per share, subject to certain adjustments for the issuance of stock dividends on our common stock or any transaction resulting in a reclassification, exchange or similar effect on our common stock. The TCC warrant is exercisable for a period of ten years from the date of issuance. The TCC Warrant also provides TCC with certain registration rights with respect to the shares such that TCC can generally cause us to register the shares represented by the warrant if we propose to register any of our capital stock in a public offering. TCC has waived all of its registration rights under the TCC Warrant in connection with this offering.

Triumph Community Bank Acquisition

In October 2013, we issued an aggregate of 1,029,045 shares of our common stock and 51,956 shares of Series B Preferred Stock as stock consideration in connection with the completion of our acquisition of Triumph Community Bank.

The issuances of securities described above were made in reliance upon exemptions from federal securities registration under Section 4(2) of the Securities Act, including the safe harbors established in Regulation D, for transactions by an issuer not involving a public offering.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Exhibits: The list of exhibits set forth under “Exhibit Index” at the end of this Registration Statement is incorporated herein by reference.

ITEM 17. UNDERTAKINGS.

The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to

a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The Registrant hereby further undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424 (b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective; and

(2) For purposes of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in Dallas, Texas, on the th day of , 2014.

TRIUMPH BANCORP, INC.

By: ____________________________
Aaron P. Graft
President and Chief Executive Officer

SIGNATURES AND POWERS OF ATTORNEY

Pursuant to the requirements of the Securities Act, as amended, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated below.

Each of the undersigned officers and directors of Triumph Bancorp, Inc. does hereby severally constitute and appoint Aaron P. Graft, R. Bryce Fowler and Adam D. Nelson and each of them acting alone, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution in each of them for him or her and in his or her name, place and stead and in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement and to file the same, with all exhibits thereto and other documents in connection therewith, with the SEC and any applicable securities exchange or securities self-regulatory body, granting to said attorneys-in-fact and agents and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agent, or his or her substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title
By: ____________ Aaron P. Graft	President and Chief Executive Officer (Principal Executive Officer)
By: ____________ R. Bryce Fowler	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)
By: ____________ Carlos M. Sepulveda, Jr.	Director and Chairman
By: ____________ Charles A. Anderson	Director
By: ____________ Richard Davis	Director

Signature	Title
By: ______________________ Robert Dobrient	Director
By: ______________________ Douglas M. Kratz	Director
By: ______________________ Maribess L. Miller	Director
By: ______________________ Michael P. Rafferty	Director
By: ______________________ C. Todd Sparks	Director
By: ______________________ Justin N. Trail	Director

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EXHIBIT INDEX

NUMBER	DESCRIPTION
1.1	Form of Underwriting Agreement*
3.1	Second Amended and Restated Certificate of Formation of Triumph Bancorp, Inc.*
3.2	Second Amended and Restated Bylaws*
4.1	Specimen common stock certificate of Triumph Bancorp, Inc.*
5.1	Opinion of Adam D. Nelson*
10.1†	Employment Agreement of Aaron P. Graft dated January 1, 2013
10.2†	Employment Agreement of R. Bryce Fowler dated September 6, 2012
10.3†	Employment Agreement of Davis Deadman dated May 8, 2012
10.4†	Employment Agreement of Ray Sperring dated July 1, 2012
10.5†	Employment Agreement of Gail Lehmann dated August 16, 2012
10.6†	Employment Agreement of Tricia Pittman dated September 20, 2012
10.7†	Employment Agreement of Adam D. Nelson dated April 15, 2013
10.8†	Triumph Bancorp, Inc. Amended and Restated Restricted Stock Plan dated January 1, 2014
10.9†	Form of Triumph Bancorp, Inc. Amended and Restated Restricted Stock Plan Award Agreement
10.10†	Triumph Bancorp, Inc. Long-Term Incentive Compensation Plan*
10.11†	Form of Triumph Bancorp, Inc. 2014 Omnibus Equity Incentive Plan*
10.12†	Form of Stock Option Award Agreement under Triumph Bancorp, Inc. 2014 Omnibus Equity Incentive Plan*
10.13†	Form of Indemnification Agreement*
10.14	Triumph Bancorp, Inc. Warrant to Triumph Consolidated Cos., LLC for the Purchase of Common Shares dated December 12, 2012
21.1	Subsidiaries of Triumph Bancorp, Inc.
23.1	Consent of Adam D. Nelson (contained in Exhibit 5.1)*
23.2	Consent of Crowe Horwath LLP*
23.3	Consent of Plante & Moran, PLLC*

* To be filed by amendment.
† Management contract or compensatory plan or arrangement.

Exhibit 10.1

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into as of January 1, 2013, by and between TRIUMPH SAVINGS BANK SSB, (the "Bank"), and AARON P. GRAFT ("Executive").

RECITALS

WHEREAS, the Bank is the wholly-owned subsidiary of Triumph Consolidated Cos., LLC and Triumph Bancorp, Inc. (collectively, the "Company"); and

WHEREAS, Executive has agreed to serve as the Chief Executive Officer of the Bank; and

WHEREAS, in addition to his service as Chief Executive Officer of the Bank, Executive also agrees to serve as the Chief Executive Officer of Triumph Consolidated Cos., LLC and Triumph Bancorp, Inc.; and

WHEREAS, the Parties to this Agreement wish to memorialize their employment relationship in writing by this instrument; and

WHEREAS, Executive is willing to enter into this Agreement in consideration of his employment by the Bank and the benefits that Executive will receive under the terms hereof.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. **EMPLOYMENT OF EXECUTIVE.**

Duties and Status. The Bank hereby engages Executive as Chief Executive Officer ("CEO") of the Bank for the Term (as defined in Section 3.1 hereof), and Executive accepts such employment, on the terms and subject to the conditions set forth in this Agreement. During the Term, Executive will faithfully exercise such authority and perform such duties on behalf of the Bank as are normally associated with his title and position as CEO and such other duties or positions as Executive and the Bank will mutually determine from time to time. In the capacity defined in this Section 1, Executive will report to the Chairman of the Board of the Bank.

1.1. **Services for Holding Company.** During the Term hereof, Executive will also serve as the Chief Executive Officer of Triumph Consolidated Cos., LLC and Triumph Bancorp, Inc. (collectively, the "Company"). During the Term, Executive will faithfully exercise such authority and perform such duties on behalf of the Company as are normally associated with his title and position as Chief Executive Officer and such other duties or positions as Executive and the Company will mutually determine from time to time. In the capacity defined in this Section 1.1, Executive will report to the Chairman of the Board of the Company.

1.2. **Time and Effort.** During the Term, Executive will devote his full working time, energy, skill and commercially reasonable best efforts to the performance of his duties hereunder in a manner which will faithfully and diligently further the business and interests of the Bank and the Company. Notwithstanding the foregoing, Executive may participate fully in social, charitable, civic activities and such other personal affairs of Executive as do not interfere with performance of his duties hereunder. Executive may serve as a director for other entities, and may from time to time provide consulting services for remuneration unrelated to his services to the Bank and the Company; however, as an express condition thereto, Executive will be required to fully disclose for consent all such directorships and consulting engagements to the Board of Directors of the Bank and the Company in advance, and acknowledges and agrees that such consent may be withheld in the sole discretion of the Bank and/or the Company.

2. **COMPENSATION AND BENEFITS.**

2.1. **Annual Base Salary.** For all of the employment rendered by Executive to the Bank and to the Company, the Bank will pay Executive an annual base salary of $245,000 (the "Annual Base Salary"). Executive's Annual Base Salary will be payable in equal installments in accordance with the practice of the Bank in effect from time to time for the payment of salaries to officers of the Bank and may be increased or decreased during the Term.

2.2. **Expenses.** The Bank will timely pay or reimburse Executive for all reasonable travel, entertainment and other business expenses actually paid or incurred by Executive during the Term in the performance of Executive's duties under this Agreement in accordance with the Bank's employee business expense reimbursement policies in effect from time to time, but in no event less than monthly. The Bank will provide Executive with a mobile phone and data/voice service for the same.

2.3. **Restricted Stock Plan.** During the Term, Executive will be eligible to participate in the Triumph Bancorp, Inc. Restricted Stock Plan (the "Plan") and will be awarded restricted stock shares pursuant to the terms of such Plan. Although participation in the Plan is governed in accordance with the terms of the Plan and any agreement awarding participating shares under the Plan, attached as Schedule A to this Agreement is a pro forma Plan participation outline.

2.4. **Additional Discretionary Bonuses.** During the Term, subject to the recommendation of the Board of Directors of the Bank or Company, and in the final absolute discretion of the Personnel Committee and/or the Bank's Board of Directors, the Executive may be entitled to a discretionary cash bonus in recognition of superior fulfillment of his duties to the Bank, the Company or its Affiliates.

2.5. **Benefits.** To the extent the Bank provides employee benefits plans including, without limitation, any pension, disability, group life, sickness, accident and health and dental insurance plans or programs, Executive will be entitled to participate in such employee benefit plans on such terms as determined by the Bank. For the avoidance of doubt, Executive will not be reimbursed by the Bank for any health-related expenses, unless otherwise agreed to by the Bank.

2.6. **Paid Time Off.** During the Term, Executive will be entitled to four weeks paid time off per calendar year and leave of absence and leave for illness or temporary disability in accordance with the policies of the Bank in effect from time to time. Executive's paid time off entitlement will be prorated in any calendar year in which Executive does not work the entire calendar year. To the extent Executive has not used all paid time off allotted hereunder, Executive is entitled to carry over a maximum of five days into the next calendar year, in accordance with the policies of the Bank.

2.7. **Indemnification.** During the Term, the Bank agrees to maintain one or more directors and officers liability insurance policies covering Executive pursuant to the terms of such policies.

2.8 **Fringe Benefits.** During the period of employment, the Bank shall provide to Executive (i) a company automobile or a monthly car allowance (including fuel and insurance to the extent the automobile is used for business purposes), (ii) dues and costs for professional organizations such as Young Presidents' Organization and other organizations in which Executive's participation enhances the reputation of the Company, and (iii) the monthly dues for a membership at a country club of Executive's choice, all as approved by the Personnel Committee.

3. TERM AND TERMINATION.

3.1. **Term.** Executive's employment per the terms of this Agreement will commence on the date hereof (the "Effective Date") and will terminate on the earlier of (a) the close of business on the third anniversary of the Effective Date (the "Original Term") or (b) the termination of this Agreement pursuant to Section 3.2 hereof. Thereafter, unless written notification is given at least sixty (60) days before the expiration of the Original Term or any subsequent renewal term, this Agreement will automatically renew for successive one year periods (each, a "Renewal Term"). For purposes of this Agreement, when the word "Term" is used alone, it shall collectively refer to the Original Term and all Renewal Term(s). The Bank's decision not to extend the Term of this Agreement will not be considered termination of Executive's employment, whether with or without Cause, as defined below. For purposes of this Agreement, any reference to the Term will include the initial three-year Term and any successive automatic one year extension thereof.

3.2. **Termination of Employment.** Each party will have the right to terminate Executive's employment hereunder before the Term expires to the extent, and only to the extent, permitted by this Section.

(a) **By the Bank for Cause.** The Bank will have the right to terminate Executive's employment at any time upon delivery of written notice of termination for Cause (as defined below) to Executive (which notice will specify in reasonable detail the basis upon which such termination is made), such employment to terminate immediately upon delivery of such notice unless otherwise specified by the Bank, if the Bank (excluding Executive) determines in good faith that Executive: (i) has misappropriated, stolen or embezzled funds or property from the Bank or an affiliate of the Bank or secured or attempted to secure personally any profit in connection with any transaction entered into on behalf of the Bank or any affiliate of the Bank,

(ii) has been convicted of a felony or entered a plea of "*nolo contendre*" which in the reasonable opinion of the Bank brings Executive into disrepute or is likely to cause material harm to the Bank's (or any of its affiliate's) business, customer or supplier relations, financial condition or prospects, (iii) has neglected his duties hereunder, (iv) has materially violated a provision of Section 4 hereof, or (v) has willfully violated or breached any material provision of this Agreement in any material respect or violated any material law or regulation (collectively, "Cause"). In the event that Executive's employment is terminated for Cause, Executive will be entitled to receive only the payments referred to in Section 3.3(e) hereof.

(b) **By the Bank Upon Total Disability.** The Bank will have the right to terminate Executive's employment on ten days' prior written notice to Executive if the Bank determines in good faith that Executive is unable to perform his duties by reason of Total Disability, but any termination of employment pursuant to this subsection (b) will obligate the Bank to make the payments referred to in Section 3.3(a) hereof. As used herein, "Total Disability" will mean the inability of Executive, due to a physical or a mental condition, to perform the essential functions of Executive's job, with or without accommodation, for any period of 180 consecutive days; *provided* that the return of Executive to his duties for periods of 15 days or less will not interrupt such 180-day period.

(c) **By the Bank Other Than for Cause, Death or Total Disability.** The Bank will have the right to terminate Executive's employment, other than for Cause, death or Total Disability, on 60 days' prior written notice to Executive in the Bank's sole discretion, but any termination of employment pursuant to this subsection (c) will obligate the Bank to make the payments referred to in Section 3.3(b)(b) hereof.

(d) **By Executive.** Executive will have the right to terminate his employment hereunder: (i) upon 60 days' written notice, or (ii) upon 30 days' written notice because of a reduction in Executive's Annual Base Salary of more than twenty percent (20%), with the exception of compensation reductions that are applied to all executive officers of the Bank, or in the event such reduction is suggested and/or championed by Executive. In the event that Executive elects to terminate his employment pursuant to subsection (i) hereof, Executive will be entitled to receive only the payments referred to in Section 3.3(d) hereof. In the event Executive elects to terminate his employment pursuant to subsection (ii) hereof, Executive will be entitled to the payments referred to in Section 3.3(c) hereof.

(e) **By the Expiration of this Agreement.** Executive's employment hereunder will terminate upon the expiration of the Term pursuant to Section 3.1. In the event the employment of Executive is terminated by the expiration of the Term, Executive will be entitled to receive the payments referred to in Section 3.3(f) hereof.

(f) **Death of Executive.** Executive's employment hereunder will terminate upon the death of Executive. In such an event, Executive's estate will be entitled to receive the payments referred to in Section 3.3(a) hereof.

3.3. **Compensation and Benefits Following Termination.** Except as specifically provided in this Section, any and all obligations of the Bank to make payments to Executive under this Agreement will cease as of the date the Term expires pursuant to Section 3.1 or as of

the date Executive's employment is terminated pursuant to Section 3.2, as the case may be. Executive will be entitled to receive only the following compensation and benefits following the termination of his employment hereunder:

(a) **Upon Death.** In the event that the Term terminates pursuant to Section 3.2(f) on account of the death of Executive, (i) the Bank will pay to Executive's surviving spouse or, if none, his estate, a lump-sum amount equal to the sum of Executive's earned and unpaid salary through the date of his termination, any bonus definitively granted to Executive by the Bank but not yet paid to Executive, additional salary in lieu of Executive's accrued and unused vacation, any unreimbursed business and entertainment expenses in accordance with the Bank's policies, and any unreimbursed employee benefit expenses that are reimbursable in accordance with the Bank's employee benefit plans through the date of termination (collectively, the "Standard Termination Payments") and (ii) death benefits, if any, under the Bank's employee benefit plans will be paid to Executive's beneficiaries as properly designated in writing by Executive. For the avoidance of doubt, the Standard Termination Payments do not include any unvested portion of any annual incentive compensation or bonus.

(b) **Upon Termination for Total Disability.** In the event that the Bank elects to terminate the employment of Executive pursuant to Section 3.2(b) because of his Total Disability, (i) the Bank will pay to Executive a lump-sum amount equal to the Standard Termination Payments and (ii) Executive will be entitled to such disability and other employee benefits as may be provided under the terms of the Bank's employee benefit plans.

(c) **Upon Termination Other Than for Cause, Death or Total Disability.** In the event that the Bank elects to terminate the employment of Executive pursuant to Section 3.2(c), (i) the Bank will pay to Executive within the later of 30 days after his termination of employment or 14 days after the Bank's receipt of the irrevocable release described in this Section 3.3(c), by certified check or wire transfer of immediately available funds in U.S. dollars, a lump-sum amount equal to the sum of (A) the Standard Termination Payments plus (B) an amount equal to the Annual Base Salary as then in effect in accordance with Section 2.1 for a period equal to twelve (12) months, and (ii) the Bank will also be obligated to provide coverage, at the Bank's expense (through the payment of amounts in connection with Executive's election under the Consolidated Omnibus Reconciliation Act, if applicable), under the Bank's medical, dental, life insurance and total disability benefit plans or arrangements with respect to Executive for a period equal to twelve (12) months (collectively, the "Severance Benefits"). If and to the extent that any benefit described in this Section 3.3(c)(ii) is not or cannot be paid or provided under a Bank plan or arrangement, then the Bank will pay or provide for the payments to the Executive of such employee benefits. From the date of such notice of termination other than for Cause or upon death or Total Disability through the last date of Executive's employment hereunder, Executive will continue to perform the normal duties of his employment hereunder (unless waived by the Bank), and will be entitled to receive when due all compensation and benefits applicable to Executive hereunder. Executive will have no duty to mitigate his damages and the amounts due Executive under this Section 3.3(c) will not be reduced by any payments received from other sources. As a condition of receiving any severance or rights or entitlements for which Executive otherwise qualifies under this Section 3.3(c) (other than with respect to the Standard Termination Payments), Executive agrees to execute, deliver and not revoke (within the time period permitted by applicable law) a general

release of the Bank and its subsidiaries and affiliates and their respective officers, directors, employees and owners from any and all claims, obligations and liabilities of any kind whatsoever arising from or in connection with the Executive's employment or termination of employment with the Bank or this Agreement (including, without limitation, civil rights claims), in such form as is reasonably requested by the Bank. The irrevocable release will be completed prior to the sixtieth (60th) day following Executive's termination in order for Executive to be eligible to receive the benefits described in this Section 3.3(c). Notwithstanding anything in this Agreement to the contrary, the Company will not be required to pay any benefit under this Agreement if the Company reasonably determines that the payment of such benefit would be prohibited by 12 C.F.R. Part 359 or any successor regulations regarding employee compensation promulgated by any regulatory agency having jurisdiction over the Company or its affiliates. In the event Company makes such a determination pursuant to Part 359, the Company shall file a complete and accurate request to make such payment with the appropriate regulatory agency within 30 days of such determination.

(d) **By Executive.** In the event Executive elects to terminate his employment pursuant to Section 3.2(d), (i) the Bank will pay to Executive a lump-sum amount equal to the Standard Termination Payments and (ii) Executive will be entitled to such disability and other employee benefits as may be provided under the terms of the Bank's employee benefit plans for the time period provided for in such plans. In the event Executive elects to terminate his employment pursuant to Section 3.2(d)(ii), the Executive will be entitled to the payments referred to in Section 3.3(c) hereof.

(e) **For Cause.** In the event that the Bank terminates the employment of Executive pursuant to Section 3.2(a) for Cause, Executive will be entitled to receive a lump-sum amount equal to the Standard Termination Payments.

(f) **By the Expiration of this Agreement.** In the event that this Agreement expires at the end of the Original Term or any Renewal Term and is not renewed by the Bank, the Bank will pay to Executive within the later of 30 days after his termination of employment or 14 days after the Bank's receipt of the irrevocable release described in Section 3.3(c), by certified check or wire transfer of immediately available funds in U.S. dollars, a lump-sum amount equal to the sum of (A) the Standard Termination Payments plus (B) an amount equal to the Annual Base Salary as then in effect in accordance with Section 2.1 for a period equal to twelve (12) months, and the Bank will also be obligated to provide coverage, at the Bank's expense (through the payment of amounts in connection with Executive's election under the Consolidated Omnibus Reconciliation Act, if applicable), under the Bank's medical, dental, life insurance and total disability benefit plans or arrangements with respect to Executive for a period equal to twelve (12) months.

(g) **Following Change of Control.** In the event that his employment and this Agreement are terminated concurrent with a Change of Control (as defined below), or Executive is not offered substantially the same position, duties, compensation and benefits as exist as of the date of such Change of Control by a successor, the Bank will pay Executive, as his exclusive right and remedy in respect of such termination a lump sum payment within 60 days of Executive's termination of employment, by certified check or wire transfer of immediately available funds, in an amount equal to the sum of (A) the Standard Termination Payments plus

(B) an amount equal to the Annual Base Salary as then in effect in accordance with Section 2.1 for a period equal to twelve (12) months, and the Bank will also be obligated to provide coverage, at the Bank's expense (through the payment of amounts in connection with Executive's election under the Consolidated Omnibus Reconciliation Act, if applicable), under the Bank's medical, dental, life insurance and total disability benefit plans or arrangements with respect to Executive for a period equal to twelve (12) months (the amounts described in this clause collectively are the "CIC Severance Benefits").

Notwithstanding anything in this Agreement to the contrary, the Bank will not be required to pay any benefit under this Agreement if the Bank reasonably determines that the payment of such benefit would be prohibited by 12 C.F.R. Part 359 or any successor regulations regarding employee compensation promulgated by any regulatory agency having jurisdiction over the Bank or its affiliates. In the event Company makes such a determination pursuant to Part 359, the Company shall file a complete and accurate request to make such payment with the appropriate regulatory agency within 30 days of such determination. The Bank's obligation to pay the CIC Severance Benefits, as the case may be, under this Section 3.3(h) is contingent upon and subject to Executive's execution and non-revocation of a general release of the Bank, its successor(s) and their respective subsidiaries and affiliates and their respective officers, directors, employees and owners from any and all claims, obligations and liabilities from any and all claims, obligations and liabilities of any kind whatsoever arising from or in connection with the Executive's employment or termination of employment with the Bank or this Agreement (including, without limitation, civil rights claims), in such form as is reasonably requested by the Bank. The irrevocable release will be completed prior to the sixtieth (60th) day following Executive's termination in order for Executive to be eligible to receive the benefits described in this Section 3.3(g). For the avoidance of doubt, if Executive is entitled to receive payment pursuant to Section 3.3(g), then Executive will not also be entitled to receive any severance payment pursuant to any other section of this Agreement.

As used in this Agreement, a "Change of Control" will be deemed to have occurred in each of the following instances: (i) a reorganization, merger, consolidation or other corporate transaction involving the Bank, with respect to which the holders of the voting securities of the Bank immediately prior to such transaction do not, immediately after the transaction, own more than fifty percent (50%) of the combined voting power of the reorganized, merged or consolidated entity's then outstanding voting securities; (ii) the sale, transfer or assignment of all or substantially all of the assets of the Bank; or (iii) the acquisition by any individual, entity or "group," within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act (a "Person"), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of voting securities of the Bank where such acquisition causes any such Person to own fifty percent (50%) or more of the combined voting power of the Bank's then outstanding voting securities; provided however, that a Change of Control will not be deemed to have occurred if a Person becomes the beneficial owner of fifty percent of the combined voting power of the Bank's then outstanding voting securities solely as a result of the repurchase of voting securities by the Bank. Notwithstanding the preceding provisions of this Section, a "Planned Capital Offering" shall not constitute a Change of Control. A Planned Capital Offering means an issuance of common stock by the Company or any issuance of equity or debt by an affiliate of the Company, including, but not limited to Triumph Consolidated Cos., LLC, the Bank or any subsidiary thereof, to new investors pursuant to a plan adopted by the Board of Directors of the

Company as part of its overall growth plan for the Company and wherein a majority of the persons who were members of the Board preceding such capital offering remain after its completion. A Planned Capital Offering may include the issuance Common Stock that is registered with the Securities and Exchange Commission ("SEC") and any state securities board, or that is exempt from registration with the SEC and/or any state securities board pursuant to any federal or state law or regulation.

3.4. **Excise Taxes; Gross Up.** In the event that any compensation payable under this Section is determined to be a "parachute payment" subject to the excise tax imposed by Section 4999 of the Code or any successor provision (the "Excise Tax"), the Bank agrees to pay to Executive an additional sum (the "Gross Up") in an amount such that the net amount retained by Executive, after receiving both the payment and the Gross Up and after paying: (i) any Excise Tax on the payment and the Gross Up, and (ii) any federal, state, and local income taxes on the Gross Up, is equal to the amount of the payment. For purposes of determining the Gross Up, Executive will be deemed to pay federal, state, and local income taxes at the highest marginal rate of taxation in his filing status for the calendar year in which the payment is to be made based upon Executive's domicile on the date of the event that triggers the Excise Tax. The determination of whether such Excise Tax is payable and the amount of such Excise Tax will be based upon the opinion of tax counsel selected by the Bank, subject to the reasonable approval of Executive. If such opinion is not finally accepted by the Internal Revenue Service, then appropriate adjustments will be calculated (with additional Gross Up determined based on the principals outlined in the previous paragraph, if applicable) by such tax counsel based upon the final amount of Excise Tax so determined together with any applicable penalties and interest. The final amount will be paid, if applicable, within thirty (30) days after such calculations are completed, but in no event later than April 1st of the year following the event that triggers the Excise Tax. Notwithstanding the preceding sentence, or any provision in this Agreement to the contrary, in accordance with Section 409A of the Code, the Excise Tax Gross Up will be paid not later than December 31 of the calendar year following the calendar year in which the related Excise Tax or income tax is remitted to the applicable taxing authority.

3.5. **All Payments.** All payments made to Executive upon the termination of Executive's employment will be made in U.S dollars and are in lieu of all other termination or severance payments available at law or otherwise.

4. CONFIDENTIALITY AND NONDISCLOSURE.

4.1. **Access to Confidential Information.** Executive understands and agrees that in the course of performing work on behalf of the Bank, he will continue to have access to, and will continue to be given Confidential Information relating to the business of the Bank. Executive acknowledges and agrees that such Confidential Information includes, but is not limited to financial information pertinent to the Bank and its customers, and investors, customer lists, customer and investor identities and their preferences, confidential banking and financial information of both the Bank and its customers and investors, and information that Executive may create or prepare certain information related to his duties. Executive hereby expressly agrees to maintain in strictest confidence and not to access without proper business purposes (including repetitive unnecessary access), use (including without limitation in any future business or personal relationship of Executive), publish, disclose or in any way authorize anyone

else to use, publish or disclose in any way, any Confidential Information relating in any manner to the business or affairs of the Bank and its customers and investors, except for legitimate business-related reasons while performing duties on behalf of the Bank. Executive agrees further not to remove or retain any figures, financial information, personnel data, calculations, letters, documents, lists, papers, or copies thereof, which embody Confidential Information of the Bank, and to return any such information in Executive's possession at the conclusion of Executive's use of such information and at the conclusion of Executive's employment with the Bank.

For purposes of this Agreement, "Confidential Information" includes, but is not limited to, information in the possession of, prepared by, obtained by, compiled by, or that is used by Bank, its customers, investors and/or vendors, or is prepared by, obtained by, compiled by or that is used by Executive in conjunction with his duties, and (1) is proprietary to, about, or created by the Bank, its customers, investors and/or vendors; (2) is information the disclosure of which might be detrimental to the interest of the Bank, its investors or customers; or (4) is not typically disclosed by the Bank, its customers, investors and/or vendors, or known by persons who are not associated with the Bank.

4.2. **Non-Solicitation of Executives.** Executive agrees that during the Term or any extension thereof, and for a period of one year following the termination of Executive's employment for any reason, Executive will not (i) offer employment to, enter into a contract for the employment of, or attempt to entice away from the Bank, any individual who is at the time of such offer or attempt, one of the employees holding an officer or director with the Bank or the Company, (ii) interfere with the material business relationships of the Bank or the Company and its subsidiaries, or entice away any material suppliers or contractors, or (iii) procure or facilitate the making of any such offer or attempt by any other Person.

4.3. **Intellectual Property.** Executive agrees to disclose and assign to the Bank any and all material of a proprietary nature, particularly including, without limitation, material subject to protection as trade secrets or as patentable ideas or copyrightable works, that Executive may conceive, invent, author or discover, either solely or jointly with another or others during Executive's employment and that relates to or is capable of use in connection with the business of the Bank or any employment or products offered, manufactured, used, sold or being developed by the Bank at the time said material is developed. Executive will, upon request of the Bank, either during or at any time after Executive's employment ends, regardless of how or why Executive's employment ends, execute and deliver all papers, including applications for patents and registrations for copyrights, and do such other legal acts (entirely at the Bank' expense) as may be necessary to obtain and maintain proprietary rights in any and all countries and to vest title thereto in the Bank.

4.4. **Remedy.** Executive understands and acknowledges that the Bank has a legitimate business interest in preventing Executive from taking any actions in violation of this Section 4 and that this Section 4 is intended to protect the business and goodwill of the Bank. Executive further acknowledges that a breach of this Section 4 will irreparably and continually damage the Bank and that monetary damages alone will be inadequate to compensate the Bank for such breach. Executive therefore agrees that in the event Executive violates any of the terms of this Section 4, the Bank will be entitled to, in addition to any other remedies available to it in law or in equity, seek temporary, preliminary and permanent injunctive relief and specific performance

to enforce the terms of Section 4 without the necessity of proving inadequacy of legal remedies or irreparable harm or posting bond. If Executive does take actions in violation of Section 4 of this Agreement, Executive understands that the time periods set forth in those paragraphs will run from the date on which Executive's violations of those sections, whether by injunction or otherwise, ends and not from the date that Executive's employment ends. In the event any lawsuit, claim or other proceeding is brought to enforce the terms of this Section 4, or to determine the validity of its terms, then the prevailing party will be entitled to recover from the non-prevailing party its reasonable attorneys' fees and court costs incurred in obtaining enforcement of, or determining the validity of, this Section 4.

4.5. **Waiver.** Executive understands and agrees that in the event the Bank waives or allows any breach of this Section 4, such waiver or allowance will not constitute a waiver or allowance of any future breach, whether of a similar or dissimilar nature.

4.6. **Tolling.** If the Bank files a lawsuit in any court of competent jurisdiction alleging a breach of the non-disclosure or non-solicitation provisions of this Agreement by Executive, then any time period set forth in this Agreement relating to the post-termination restrictions on the activities of Executive will be deemed tolled as of the time the lawsuit is filed and will remain tolled until the dispute is finally resolved, either by written settlement agreement resolving all claims raised in the lawsuit, or by entry of a final judgment and final resolution of any post-judgment appellate proceedings.

5. MISCELLANEOUS.

5.1. **Governing Law; Dispute Resolution.** This Agreement will be governed by and construed in accordance with the laws of the State of Texas excluding that body of law known as conflicts of law. The Parties will endeavor to settle amicably by mutual discussions any disputes or claims related to this Agreement ("Dispute"). Failing such settlement, and excepting such claims as may be brought pursuant to Section 4 hereof in a state or federal court having jurisdiction, any other Dispute will finally be settled by arbitration in accordance with the rules of the American Arbitration Association then applicable to employment-related disputes. The Parties will agree upon a single arbitrator. The Arbitrator will not have authority to award punitive damages to either Party. Each Party will bear its own expenses, but the Bank will bear the fees and expenses of the arbitrator. This Agreement will be enforceable, and any arbitration award will be final. In any such arbitration, the decision in any prior arbitration under this Agreement will not be deemed conclusive of the rights as among themselves of the Parties hereunder. The arbitration will be held in Dallas, Texas. Any notices, including a demand for arbitration will be deemed served when delivered to the address indicated in Section 5.3.

5.2. **Code Section 409A.** It is the intent of the parties that this Agreement be interpreted and administered in compliance with the requirements of section 409A of the Internal Revenue Code of 1986, as amended (the "Code") to the extent applicable. In this connection, the Bank will have authority to take any action, or refrain from taking any action, with respect to this Agreement that is reasonably necessary to ensure compliance with Code section 409A (provided that the Bank will choose the action that best preserves the value of the payments and benefits provided to Executive under this Agreement), and the parties agree that this Agreement will be interpreted in a manner that is consistent with Code section 409A. In furtherance, but not in

limitation of the foregoing: (a) in the event that Executive is a "specified employee" within the meaning of Code section 409A, payments which constitute a "deferral of compensation" under Code section 409A and which would otherwise become due during the first six (6) months following Executive's termination of employment will be delayed and all such delayed payments will be paid in full in the seventh (7th) month after the Executive's termination of employment, and all subsequent payments will be paid in accordance with their original payment schedule, provided that the above delay will not apply to any payments that are excepted from coverage by Code section 409A, such as those payments covered by the short-term deferral exception described in Treasury Regulations section 1.409A-1(b)(4); (b) notwithstanding any other provision of this Agreement, a termination of Executive's employment hereunder will mean, and be interpreted consistent with, a "separation from service" within the meaning of Code section 409A; and (c) with respect to the reimbursement of fees and expenses provided for herein, the following will apply: (i) unless a specific time period during which such expense reimbursements and tax gross-up payments may be incurred is provided for herein, such time period will be deemed to be Executive's lifetime; (ii) the amount of expenses eligible for reimbursement hereunder in any particular year will not affect the expenses eligible for reimbursement in any other year; (iii) the right to reimbursement of expenses will not be subject to liquidation or exchange for any other benefit; and (iv) the reimbursement of an eligible expense or a tax gross-up payment will be made on or before the last day of the calendar year following the calendar year in which the expense was incurred or the tax was remitted, as the case may be

5.3. **Headings.** The headings and captions set forth herein are for convenience of reference only and will not affect the construction or interpretation hereof.

5.4. **Notices.** Any notice or other communication required, permitted, or desirable hereunder will be hand delivered (including delivery by a commercial courier service) or sent by United States registered or certified mail, postage prepaid, by facsimile or by electronic mail addressed as follows:

If to the Bank: Triumph Savings Bank, SSB

Physical address: 12700 Park Central Drive, Suite 1700
Dallas, Texas 75251

Attn: Gail Lehmann, Secretary

If to Executive: Aaron P. Graft

Physical address: 3817 Bryn Mawr Drive
Dallas, Texas 75225

or such other addresses as will be furnished in writing by the parties. Any such notice or communication will be deemed to have been given as of the date so delivered in person or three business days after so mailed.

5.5. **Successors and Assigns.** Subject to the terms of Section 3.3(g), the Bank may assign its rights under this Agreement to any successor to its business (by merger, acquisition of substantially all of the Bank's assets or otherwise), provided that such successor entity expressly assumes, in a writing reasonably acceptable to Executive, this Agreement and all obligations and undertakings of the Bank hereunder. Executive may not assign his rights or delegate his duties under this Agreement without the prior written consent of the Bank. Executive understands and agrees that this Agreement will be binding upon and inure to the benefit of the Bank and its legal representatives, successors and assigns. Executive also understands and agrees that this Agreement will be binding upon and inure to the benefit of Executive's heirs and executors or administrators.

5.6. **Entire Agreement; Amendments.** This Agreement sets forth the entire agreement and understanding of the parties with respect to the subject matter hereof, and there are no other contemporaneous written or oral agreements, undertakings, promises, warranties or covenants not specifically referred to or contained herein. This Agreement specifically supersedes any and all prior agreements and understandings of the parties with respect to the subject matter hereof, all of which prior agreements and understandings (if any) are hereby terminated and of no further force and effect. This Agreement may be amended, modified or terminated only by a written instrument signed by the parties hereto.

5.7. **Execution of Counterparts.** This Agreement may be executed in one or more counterparts (including by facsimile or portable document format (.pdf)) for the convenience of the parties hereto, each of which will be deemed an original, but all of which together will constitute one and the same instrument. No signature page to this Agreement evidencing a party's execution hereof will be deemed to be delivered by such party to any other party hereto until such delivering party has received signature pages from all parties signatory to this Agreement.

5.8. **Severability.** If any provision, clause or part of this Agreement, or the applications thereof under certain circumstances, is held invalid or unenforceable for any reason, the remainder of this Agreement, or the application of such provision, clause or part under other circumstances, will not be affected thereby.

5.9. **Incorporation of Recitals.** The Recitals to this Agreement are an integral part of, and by this reference are hereby incorporated into, this Agreement.

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IN WITNESS WHEREOF, the parties have executed this Employment Agreement as of the day and year first above written.

TRIUMPH SAVINGS BANK, SSB

By: *__/s/ Carlos M. Sepulveda, Jr.__*
Name: Carlos M. Sepulveda, Jr.
Title: Chairman of the Board

EXECUTIVE: AARON P. GRAFT

__/s/ Aaron P. Graft__

[Signature Page to Employment Agreement]

Schedule A

BONUS SCHEDULE

TBI Return on Equity	Total Bonus (as % of base salary	Stock/Cash Allocation
8%	20%	50%/50%
10%	50%	50%/50%
12%	60%	50%/50%
14%	70%	50%/50%
16%	80%	50%/50%
18%	90%	50%/50%
20%	100%	50%/50%

As specified in the Triumph Bancorp, Inc. Restricted Stock Plan and the Executive's Employment Agreement, the final discretion on any bonus awarded is vested in the Personnel Committee of the Bank. This Schedule A is for informational purposes only; provided, however, that in light of information currently available to the Personnel Committee, this bonus schedule is considered reasonable in relation to the indicated return on equity for the Bank. The Personnel Committee will make the final decision on bonus awards on an annual basis in light of several factors, both quantitative and qualitative, and per the direction of the Board of Directors, will consider the overall financial health of the Company and/or Bank in arriving at any final decision.

Exhibit 10.2

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into as of September 6, 2012 by and between TRIUMPH SAVINGS BANK SSB, (the "Bank"), and R. BRYCE FOWLER ("Executive").

RECITALS

WHEREAS, the Bank is the wholly-owned subsidiary of Triumph Consolidated Cos., LLC and Triumph Bancorp, Inc. (collectively, the "Company"); and

WHEREAS, Executive has agreed to serve as the President and Chief Financial Officer of the Bank; and

WHEREAS, in addition to his service as President and Chief Financial Officer of the Bank, Executive also agrees to serve as the Chief Financial Officer of Triumph Consolidated Cos., LLC and Triumph Bancorp, Inc.; and

WHEREAS, the Parties to this Agreement wish to memorialize their employment relationship in writing by this instrument; and

WHEREAS, Executive is willing to enter into this Agreement in consideration of his employment by the Bank and the benefits that Executive will receive under the terms hereof.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. **EMPLOYMENT OF EXECUTIVE.**

Duties and Status. The Bank hereby engages Executive as President and Chief Financial Officer ("CFO") of the Bank for the Term (as defined in Section 3.1 hereof), and Executive accepts such employment, on the terms and subject to the conditions set forth in this Agreement. During the Term, Executive will faithfully exercise such authority and perform such duties on behalf of the Bank as are normally associated with his title and position as President/CFO and such other duties or positions as Executive and the Bank will mutually determine from time to time. By way of example, Executive's primary responsibilities to the Bank include, but are not limited to strategic management of the Bank's balance sheet, having primary contact with regulatory agencies, managing regulatory and policy compliance for the Bank's Asset-Liability Committee, sourcing and evaluating investment opportunities for the Bank, serving on the Bank's executive committee (which duties include evaluate merger and acquisition opportunities for the Bank and the Company), and serving on the Board of Directors and various management committees and committees of the board of directors. In the capacity defined in this Section 1.1, Executive will report to the Chief Executive Officer of the Bank.

1.1. **Services for Holding Company.** During the Term hereof, Executive will also serve as the Chief Financial Officer of Triumph Consolidated Cos., LLC and Triumph Bancorp, Inc. (collectively, the "Company"). During the Term, Executive will faithfully exercise such authority and perform such duties on behalf of the Company as are normally associated with his title and position as Chief Financial Officer and such other duties or positions as Executive and the Company will mutually determine from time to time. By way of example, Executive's

primary responsibilities to the Company will include, but are not limited to advisory operational supervision of acquired subsidiaries and affiliates, and leading or co-leading the acquisition of other bank and specialty finance institutions. In the capacity defined in this Section 1.2, Executive will report to the Chief Executive Officer of the Company.

1.2. **Time and Effort.** During the Term, Executive will devote his full working time, energy, skill and commercially reasonable best efforts to the performance of his duties hereunder in a manner which will faithfully and diligently further the business and interests of the Bank and the Company. Notwithstanding the foregoing, Executive may participate fully in social, charitable, civic activities and such other personal affairs of Executive as do not interfere with performance of his duties hereunder. The Parties have also agreed that Executive may continue to serve as a director for other entities, and may from time to time provide consulting services for remuneration unrelated to his services to the Bank and the Company; however, as an express condition thereto, Executive will be required to fully disclose for consent all such directorships and consulting engagements to the Chief Executive Officer of the Bank and the Company in advance, and acknowledges and agrees that such consent may be withheld in the sole discretion of the Bank and/or the Company.

2. **COMPENSATION AND BENEFITS.**

2.1. **Annual Base Salary.** For all of the employment rendered by Executive to the Bank and to the Company, the Bank will pay Executive an annual base salary of $225,000.00 (the "Annual Base Salary"). Executive's Annual Base Salary will be payable in equal installments in accordance with the practice of the Bank in effect from time to time for the payment of salaries to officers of the Bank, but in no event less than bi-monthly, and may be increased or decreased during the Term.

2.2. **Expenses.** The Bank will timely pay or reimburse Executive for all reasonable travel, entertainment and other business expenses actually paid or incurred by Executive during the Term in the performance of Executive's duties under this Agreement in accordance with the Bank's employee business expense reimbursement policies in effect from time to time, but in no event less than monthly.

2.3. **Restricted Stock Plan.** During the Term, Executive will be eligible to participate in the Triumph Bancorp, Inc. Restricted Stock Plan (the "Plan") and will be awarded restricted stock shares pursuant to the terms of such Plan. Although participation in the Plan is governed in accordance with the terms of the Plan and any agreement awarding participating shares under the Plan, attached as Schedule A to this Agreement is a pro forma Plan participation outline.

2.4. **Additional Discretionary Bonuses.** During the Term, subject to the recommendation of the Chief Executive Officer of the Bank or Company, and in the final absolute discretion of the Personnel Committee and/or the Bank's Board of Directors, the Executive may be entitled to a discretionary cash bonus in recognition of superior fulfillment of his duties to the Bank, the Company or its Affiliates.

2.5. **Benefits.** To the extent the Bank provides employee benefits plans including, without limitation, any pension, disability, group life, sickness, accident and health and dental

insurance plans or programs, Executive will be entitled to participate in such employee benefit plans on such terms as determined by the Bank. For the avoidance of doubt, Executive will not be reimbursed by the Bank for any health-related expenses, unless otherwise agreed to by the Bank.

2.6. **Paid Time Off.** During the Term, Executive will be entitled to four weeks paid time off per calendar year and leave of absence and leave for illness or temporary disability in accordance with the policies of the Bank in effect from time to time. Executive's paid time off entitlement will be prorated in any calendar year in which Executive does not work the entire calendar year. To the extent Executive has not used all paid time off allotted hereunder, Executive is entitled to carry over a maximum of five days into the next calendar year, in accordance with the policies of the Bank.

2.7. **Indemnification.** During the Term, the Bank agrees to maintain one or more directors and officers liability insurance policies covering Executive pursuant to the terms of such policies.

3. TERM AND TERMINATION.

3.1. **Term.** Executive's employment per the terms of this Agreement will commence on the date hereof (the "Effective Date") and will terminate on the earlier of (a) the close of business on the third anniversary of the Effective Date (the "Original Term") or (b) the termination of this Agreement pursuant to Section 3.2 hereof. Thereafter, unless written notification is given at least sixty (60) days before the expiration of the Original Term or any subsequent renewal term, this Agreement will automatically renew for successive one year periods (each, a "Renewal Term"). For purposes of this Agreement, when the word "Term" is used alone, it shall collectively refer to the Original Term and all Renewal Term(s). The Bank's decision not to extend the Term of this Agreement will not be considered termination of Executive's employment, whether with or without Cause, as defined below. For purposes of this Agreement, any reference to the Term will include the initial three-year Term and any successive automatic one year extension thereof.

3.2. **Termination of Employment.** Each party will have the right to terminate Executive's employment hereunder before the Term expires to the extent, and only to the extent, permitted by this Section.

(a) **By the Bank for Cause.** The Bank will have the right to terminate Executive's employment at any time upon delivery of written notice of termination for Cause (as defined below) to Executive (which notice will specify in reasonable detail the basis upon which such termination is made), such employment to terminate immediately upon delivery of such notice unless otherwise specified by the Bank, if the Bank (excluding Executive) determines in good faith that Executive: (i) has misappropriated, stolen or embezzled funds or property from the Bank or an affiliate of the Bank or secured or attempted to secure personally any profit in connection with any transaction entered into on behalf of the Bank or any affiliate of the Bank, (ii) has been convicted of a felony or entered a plea of "*nolo contendre*" which in the reasonable opinion of the Bank brings Executive into disrepute or is likely to cause material harm to the Bank's (or any of its affiliate's) business, customer or supplier relations, financial condition or

prospects, (iii) has neglected his duties hereunder, (iv) has materially violated a provision of Section 4 hereof, or (v) has willfully violated or breached any material provision of this Agreement or the Profits Interest Agreement in any material respect or violated any material law or regulation (collectively, "Cause"). In the event that Executive's employment is terminated for Cause, Executive will be entitled to receive only the payments referred to in Section 3.3(e) hereof.

(b) **By the Bank Upon Total Disability.** The Bank will have the right to terminate Executive's employment on ten days' prior written notice to Executive if the Bank determines in good faith that Executive is unable to perform his duties by reason of Total Disability, but any termination of employment pursuant to this subsection (b) will obligate the Bank to make the payments referred to in Section 3.3(a) hereof. As used herein, "Total Disability" will mean the inability of Executive, due to a physical or a mental condition, to perform the essential functions of Executive's job, with or without accommodation, for any period of 180 consecutive days; *provided* that the return of Executive to his duties for periods of 15 days or less will not interrupt such 180-day period.

(c) **By the Bank Other Than for Cause, Death or Total Disability.** The Bank will have the right to terminate Executive's employment, other than for Cause, death or Total Disability, on 60 days' prior written notice to Executive in the Bank's sole discretion, but any termination of employment pursuant to this subsection (c) will obligate the Bank to make the payments referred to in Section 3.3(b) hereof.

(d) **By Executive.** Executive will have the right to terminate his employment hereunder: (i) upon 60 days' written notice, or (ii) upon 30 days' written notice because of a reduction in Executive's Annual Base Salary of more than twenty percent (20%), with the exception of compensation reductions that are applied to all executive officers of the Bank, or in the event such reduction is suggested and/or championed by Executive. In the event that Executive elects to terminate his employment pursuant to subsection (i) hereof, Executive will be entitled to receive only the payments referred to in Section 3.3(d) hereof. In the event Executive elects to terminate his employment pursuant to subsection (ii) hereof, Executive will be entitled to the payments referred to in Section 3.3(c) hereof.

(e) **By the Expiration of this Agreement.** Executive's employment hereunder will terminate upon the expiration of the Term pursuant to Section 3.1. In the event the employment of Executive is terminated by the expiration of the Term, Executive will be entitled to receive the payments referred to in Section 3.3(f) hereof.

(f) **Death of Executive.** Executive's employment hereunder will terminate upon the death of Executive. In such an event, Executive's estate will be entitled to receive the payments referred to in Section 3.3(a) hereof.

3.3. **Compensation and Benefits Following Termination.** Except as specifically provided in this Section, any and all obligations of the Bank to make payments to Executive under this Agreement will cease as of the date the Term expires pursuant to Section 3.1 or as of the date Executive's employment is terminated pursuant to Section 3.2, as the case may be.

Executive will be entitled to receive only the following compensation and benefits following the termination of his employment hereunder:

(a) **Upon Death.** In the event that the Term terminates pursuant to Section 3.2(f) on account of the death of Executive, (i) the Bank will pay to Executive's surviving spouse or, if none, his estate, a lump-sum amount equal to the sum of Executive's earned and unpaid salary through the date of his termination, any bonus definitively granted to Executive by the Bank but not yet paid to Executive, additional salary in lieu of Executive's accrued and unused vacation, any unreimbursed business and entertainment expenses in accordance with the Bank's policies, and any unreimbursed employee benefit expenses that are reimbursable in accordance with the Bank's employee benefit plans through the date of termination (collectively, the "Standard Termination Payments") and (ii) death benefits, if any, under the Bank's employee benefit plans will be paid to Executive's beneficiaries as properly designated in writing by Executive. For the avoidance of doubt, the Standard Termination Payments do not include any unvested portion of any annual incentive compensation or bonus.

(b) **Upon Termination for Total Disability.** In the event that the Bank elects to terminate the employment of Executive pursuant to Section 3.2(b) because of his Total Disability, (i) the Bank will pay to Executive a lump-sum amount equal to the Standard Termination Payments and (ii) Executive will be entitled to such disability and other employee benefits as may be provided under the terms of the Bank's employee benefit plans.

(c) **Upon Termination Other Than for Cause, Death or Total Disability.** In the event that the Bank elects to terminate the employment of Executive pursuant to Section 3.2(c), (i) the Bank will pay to Executive within the later of 30 days after his termination of employment or 14 days after the Bank's receipt of the irrevocable release described in this Section 3.3(c), by certified check or wire transfer of immediately available funds in U.S. dollars, a lump-sum amount equal to the sum of (A) the Standard Termination Payments plus (B) an amount equal to the Annual Base Salary as then in effect in accordance with Section 2.1 for a period equal to twelve (12) months, and (ii) the Bank will also be obligated to provide coverage, at the Bank's expense (through the payment of amounts in connection with Executive's election under the Consolidated Omnibus Reconciliation Act, if applicable), under the Bank's medical, dental, life insurance and total disability benefit plans or arrangements with respect to Executive for a period equal to twelve (12) months (collectively, the "Severance Benefits"). If and to the extent that any benefit described in this Section 3.3(c)(ii) is not or cannot be paid or provided under a Bank plan or arrangement, then the Bank will pay or provide for the payments to the Executive of such employee benefits. From the date of such notice of termination other than for Cause or upon death or Total Disability through the last date of Executive's employment hereunder, Executive will continue to perform the normal duties of his employment hereunder (unless waived by the Bank), and will be entitled to receive when due all compensation and benefits applicable to Executive hereunder. Executive will have no duty to mitigate his damages and the amounts due Executive under this Section 3.3(c) will not be reduced by any payments received from other sources. As a condition of receiving any severance or rights or entitlements for which Executive otherwise qualifies under this Section 3.3(c) (other than with respect to the Standard Termination Payments), Executive agrees to execute, deliver and not revoke (within the time period permitted by applicable law) a general release of the Bank and its subsidiaries and affiliates and their respective officers, directors, employees and owners from any and all claims,

obligations and liabilities of any kind whatsoever arising from or in connection with the Executive's employment or termination of employment with the Bank or this Agreement (including, without limitation, civil rights claims), in such form as is reasonably requested by the Bank. The irrevocable release will be completed prior to the sixtieth (60th) day following Executive's termination in order for Executive to be eligible to receive the benefits described in this Section 3.3(c). Notwithstanding anything in this Agreement to the contrary, the Company will not be required to pay any benefit under this Agreement if the Company reasonably determines that the payment of such benefit would be prohibited by 12 C.F.R. Part 359 or any successor regulations regarding employee compensation promulgated by any regulatory agency having jurisdiction over the Company or its affiliates. However in the event Company makes such a determination pursuant to Part 359, the Company shall file a complete and accurate request to make such payment with the appropriate regulatory agency within 30 days of such determination.

(d) **By Executive.** In the event Executive elects to terminate his employment pursuant to Section 3.2(d), (i) the Bank will pay to Executive a lump-sum amount equal to the Standard Termination Payments and (ii) Executive will be entitled to such disability and other employee benefits as may be provided under the terms of the Bank's employee benefit plans for the time period provided for in such plans. In the event Executive elects to terminate his employment pursuant to Section 3.2(d)(ii), the Executive will be entitled to the payments referred to in Section 3.3(c) hereof.

(e) **For Cause.** In the event that the Bank terminates the employment of Executive pursuant to Section 3.2(a) for Cause, Executive will be entitled to receive a lump-sum amount equal to the Standard Termination Payments.

(f) **By the Expiration of this Agreement.** In the event that this Agreement expires at the end of the Original Term or any Renewal Term and is not renewed by the Bank, the Bank will pay to Executive within the later of 30 days after his termination of employment or 14 days after the Bank's receipt of the irrevocable release described in this Section 3.3(c), by certified check or wire transfer of immediately available funds in U.S. dollars, a lump-sum amount equal to the sum of (A) the Standard Termination Payments plus (B) an amount equal to the Annual Base Salary as then in effect in accordance with Section 2.1 for a period equal to twelve (12) months, and the Bank will also be obligated to provide coverage, at the Bank's expense (through the payment of amounts in connection with Executive's election under the Consolidated Omnibus Reconciliation Act, if applicable), under the Bank's medical, dental, life insurance and total disability benefit plans or arrangements with respect to Executive for a period equal to twelve (12) months In the event that this Agreement expires at the end of any Renewal Term and is not renewed by the Bank, Executive will be entitled to receive a lump-sum amount equal to the Standard Termination Payments. For the avoidance of doubt, if Executive is entitled to receive a payment pursuant to this Section 3.3(f), he is ineligible to receive a payment pursuant to Section 3.3(c) hereof.

(g) **Following Change of Control.** In the event that his employment and this Agreement are terminated concurrent with a Change of Control (as defined below), or Executive is not offered substantially the same position, duties, compensation and benefits as exist as of the date of such Change of Control by a successor, the Bank will pay Executive, as his exclusive

right and remedy in respect of such termination a lump sum payment within 60 days of Executive's termination of employment, by certified check or wire transfer of immediately available funds, in an amount equal to the sum of (A) the Standard Termination Payments plus (B) an amount equal to the Annual Base Salary as then in effect in accordance with Section 2.1 for a period equal to twelve (12) months, and the Bank will also be obligated to provide coverage, at the Bank's expense (through the payment of amounts in connection with Executive's election under the Consolidated Omnibus Reconciliation Act, if applicable), under the Bank's medical, dental, life insurance and total disability benefit plans or arrangements with respect to Executive for a period equal to twelve (12) months (the amounts described in this clause collectively are the "CIC Severance Benefits").

In the event that Executive is offered a position by the successor with substantially the same position, duties, compensation and benefits as exist as of the date of a Change of Control and Executive elects not to continue employment with such successor, the Bank will pay Executive, as his exclusive right and remedy in respect of such termination a lump sum payment within 60 days of Executive's termination of employment, by certified check or wire transfer of immediately available funds, in an amount equal to the sum of (A) the Standard Termination Payments plus (B) an amount equal to one half (1/2) the Annual Base Salary as then in effect in accordance with Section 2.1, and the Bank will also be obligated to provide coverage, at the Bank's expense (through the payment of amounts in connection with Executive's election under the Consolidated Omnibus Reconciliation Act, if applicable), under the Bank's medical, dental, life insurance and total disability benefit plans or arrangements with respect to Executive for a period equal to six (6) months (the amounts described in this clause collectively are the "CIC Resignation Benefits").

(h). Notwithstanding anything in this Agreement to the contrary, the Bank will not be required to pay any benefit under this Agreement if the Bank reasonably determines that the payment of such benefit would be prohibited by 12 C.F.R. Part 359 or any successor regulations regarding employee compensation promulgated by any regulatory agency having jurisdiction over the Bank or its affiliates. However in the event Company makes such a determination pursuant to Part 359, the Company shall file a complete and accurate request to make such payment with the appropriate regulatory agency within 30 days of such determination. The Bank's obligation to pay the CIC Severance Benefits or the CIC Resignation Benefits, as the case may be, under this Section 3.3(g) is contingent upon and subject to Executive's execution and non-revocation of a general release of the Bank, its successor(s) and their respective subsidiaries and affiliates and their respective officers, directors, employees and owners from any and all claims, obligations and liabilities from any and all claims, obligations and liabilities of any kind whatsoever arising from or in connection with the Executive's employment or termination of employment with the Bank or this Agreement (including, without limitation, civil rights claims), in such form as is reasonably requested by the Bank. The irrevocable release will be completed prior to the sixtieth (60th) day following Executive's termination in order for Executive to be eligible to receive the benefits described in this Section 3.3(g). For the avoidance of doubt, if Executive is entitled to receive payment pursuant to this Section 3.3(g), then Executive will not also be entitled to receive any severance payment pursuant to any other section of this Agreement.

As used in this Agreement, a "Change of Control" will be deemed to have occurred in each of the following instances: (i) a reorganization, merger, consolidation or other corporate transaction involving the Bank, with respect to which the holders of the voting securities of the Bank immediately prior to such transaction do not, immediately after the transaction, own more than fifty percent (50%) of the combined voting power of the reorganized, merged or consolidated entity's then outstanding voting securities; (ii) the sale, transfer or assignment of all or substantially all of the assets of the Bank; or (iii) the acquisition by any individual, entity or "group," within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act (a "Person"), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of voting securities of the Bank where such acquisition causes any such Person to own fifty percent (50%) or more of the combined voting power of the Bank's then outstanding voting securities; provided however, that a Change of Control will not be deemed to have occurred if a Person becomes the beneficial owner of fifty percent of the combined voting power of the Bank's then outstanding voting securities solely as a result of the repurchase of voting securities by the Bank. Notwithstanding the preceding provisions of this Section, a "Planned Capital Offering" shall not constitute a Change of Control. A Planned Capital Offering means an issuance of common stock by the Company or any issuance of equity or debt by an affiliate of the Company, including, but not limited to Triumph Consolidated Cos., LLC, the Bank or any subsidiary thereof, to new investors pursuant to a plan adopted by the Board of Directors of the Company as part of its overall growth plan for the Company and wherein a majority of the persons who were members of the Board preceding such capital offering remain after its completion. A Planned Capital Offering may include the issuance Common Stock that is registered with the Securities and Exchange Commission ("SEC") and any state securities board, or that is exempt from registration with the SEC and/or any state securities board pursuant to any federal or state law or regulation.

3.4. **Excise Taxes; Gross Up.** In the event that any compensation payable under this Section is determined to be a "parachute payment" subject to the excise tax imposed by Section 4999 of the Code or any successor provision (the "Excise Tax"), the Bank agrees to pay to Executive an additional sum (the "Gross Up") in an amount such that the net amount retained by Executive, after receiving both the payment and the Gross Up and after paying: (i) any Excise Tax on the payment and the Gross Up, and (ii) any federal, state, and local income taxes on the Gross Up, is equal to the amount of the payment. For purposes of determining the Gross Up, Executive will be deemed to pay federal, state, and local income taxes at the highest marginal rate of taxation in his filing status for the calendar year in which the payment is to be made based upon Executive's domicile on the date of the event that triggers the Excise Tax. The determination of whether such Excise Tax is payable and the amount of such Excise Tax will be based upon the opinion of tax counsel selected by the Bank, subject to the reasonable approval of Executive. If such opinion is not finally accepted by the Internal Revenue Service, then appropriate adjustments will be calculated (with additional Gross Up determined based on the principals outlined in the previous paragraph, if applicable) by such tax counsel based upon the final amount of Excise Tax so determined together with any applicable penalties and interest. The final amount will be paid, if applicable, within thirty (30) days after such calculations are completed, but in no event later than April 1st of the year following the event that triggers the Excise Tax. Notwithstanding the preceding sentence, or any provision in this Agreement to the contrary, in accordance with Section 409A of the Code, the Excise Tax Gross Up will be paid not later than December 31 of the calendar year following the calendar year in which the related Excise Tax or income tax is remitted to the applicable taxing authority.

3.5. **All Payments.** All payments made to Executive upon the termination of Executive's employment will be made in U.S dollars and are in lieu of all other termination or severance payments available at law or otherwise.

4. **CONFIDENTIALITY AND NONDISCLOSURE.**

4.1. **Access to Confidential Information.** Executive understands and agrees that in the course of performing work on behalf of the Bank, he will continue to have access to, and will continue to be given Confidential Information relating to the business of the Bank. Executive acknowledges and agrees that such Confidential Information includes, but is not limited to financial information pertinent to the Bank and its customers, and investors, customer lists, customer and investor identities and their preferences, confidential banking and financial information of both the Bank and its customers and investors, and information that Executive may create or prepare certain information related to his duties. Executive hereby expressly agrees to maintain in strictest confidence and not to access without proper business purposes (including repetitive unnecessary access), use (including without limitation in any future business or personal relationship of Executive), publish, disclose or in any way authorize anyone else to use, publish or disclose in any way, any Confidential Information relating in any manner to the business or affairs of the Bank and its customers and investors, except for legitimate business-related reasons while performing duties on behalf of the Bank. Executive agrees further not to remove or retain any figures, financial information, personnel data, calculations, letters, documents, lists, papers, or copies thereof, which embody Confidential Information of the Bank, and to return any such information in Executive's possession at the conclusion of Executive's use of such information and at the conclusion of Executive's employment with the Bank.

For purposes of this Agreement, "Confidential Information" includes, but is not limited to, information in the possession of, prepared by, obtained by, compiled by, or that is used by Bank, its customers, investors and/or vendors, or is prepared by, obtained by, compiled by or that is used by Executive in conjunction with his duties, and (1) is proprietary to, about, or created by the Bank, its customers, investors and/or vendors; (2) is information the disclosure of which might be detrimental to the interest of the Bank, its investors or customers; or (4) is not typically disclosed by the Bank, its customers, investors and/or vendors, or known by persons who are not associated with the Bank.

4.2. **Non-Solicitation of Executives and Investors.** Executive agrees that during the Term or any extension thereof, and for a period of one year following the termination of Executive's employment for any reason, Executive will not (i) offer employment to, enter into a contract for the employment of, or attempt to entice away from the Bank, any individual who is at the time of such offer or attempt, one of the employees holding an officer or director with the Bank or the Company, (ii) interfere with the material business relationships of the Bank or the Company and its subsidiaries, or entice away any material suppliers or contractors, (iii) procure or facilitate the making of any such offer or attempt by any other Person, or (iv) solicit, directly or through any other Person, any investor of the Bank or the Company for purposes of facilitating any investment, partnership or business opportunity unrelated to the Bank or the Company. This restriction in Section 4.2(iv) shall not apply to any investor with which the Executive had a preexisting relationship prior to becoming employed by the Bank.

4.3. **Intellectual Property.** Executive agrees to disclose and assign to the Bank any and all material of a proprietary nature, particularly including, without limitation, material subject to protection as trade secrets or as patentable ideas or copyrightable works, that Executive may conceive, invent, author or discover, either solely or jointly with another or others during Executive's employment and that relates to or is capable of use in connection with the business of the Bank or any employment or products offered, manufactured, used, sold or being developed by the Bank at the time said material is developed. Executive will, upon request of the Bank, either during or at any time after Executive's employment ends, regardless of how or why Executive's employment ends, execute and deliver all papers, including applications for patents and registrations for copyrights, and do such other legal acts (entirely at the Bank' expense) as may be necessary to obtain and maintain proprietary rights in any and all countries and to vest title thereto in the Bank.

4.4. **Remedy.** Executive understands and acknowledges that the Bank has a legitimate business interest in preventing Executive from taking any actions in violation of this Section 4 and that this Section 4 is intended to protect the business and goodwill of the Bank. Executive further acknowledges that a breach of this Section 4 will irreparably and continually damage the Bank and that monetary damages alone will be inadequate to compensate the Bank for such breach. Executive therefore agrees that in the event Executive violates any of the terms of this Section 4, the Bank will be entitled to, in addition to any other remedies available to it in law or in equity, seek temporary, preliminary and permanent injunctive relief and specific performance to enforce the terms of Section 4 without the necessity of proving inadequacy of legal remedies or irreparable harm or posting bond. If Executive does take actions in violation of Section 4 of this Agreement, Executive understands that the time periods set forth in those paragraphs will run from the date on which Executive's violations of those sections, whether by injunction or otherwise, ends and not from the date that Executive's employment ends. In the event any lawsuit, claim or other proceeding is brought to enforce the terms of this Section 4, or to determine the validity of its terms, then the prevailing party will be entitled to recover from the non-prevailing party its reasonable attorneys' fees and court costs incurred in obtaining enforcement of, or determining the validity of, this Section 4.

4.5. **Waiver.** Executive understands and agrees that in the event the Bank waives or allows any breach of this Section 4, such waiver or allowance will not constitute a waiver or allowance of any future breach, whether of a similar or dissimilar nature.

4.6. **Tolling.** If the Bank files a lawsuit in any court of competent jurisdiction alleging a breach of the non-disclosure or non-solicitation provisions of this Agreement by Executive, then any time period set forth in this Agreement relating to the post-termination restrictions on the activities of Executive will be deemed tolled as of the time the lawsuit is filed and will remain tolled until the dispute is finally resolved, either by written settlement agreement resolving all claims raised in the lawsuit, or by entry of a final judgment and final resolution of any post-judgment appellate proceedings.

5. **MISCELLANEOUS.**

5.1. **Governing Law; Dispute Resolution.** This Agreement will be governed by and construed in accordance with the laws of the State of Texas excluding that body of law known as conflicts of law. The Parties will endeavor to settle amicably by mutual discussions any disputes or claims related to this Agreement ("Dispute"). Failing such settlement, and excepting such claims as may be brought pursuant to Section 4 hereof in a state or federal court having jurisdiction, any other Dispute will finally be settled by arbitration in accordance with the rules of the American Arbitration Association then applicable to employment-related disputes. The Parties will agree upon a single arbitrator. The Arbitrator will not have authority to award punitive damages to either Party. Each Party will bear its own expenses, but the Bank will bear the fees and expenses of the arbitrator. This Agreement will be enforceable, and any arbitration award will be final. In any such arbitration, the decision in any prior arbitration under this Agreement will not be deemed conclusive of the rights as among themselves of the Parties hereunder. The arbitration will be held in Dallas, Texas. Any notices, including a demand for arbitration will be deemed served when delivered to the address indicated in Section 5.3.

5.2. **Code Section 409A.** It is the intent of the parties that this Agreement be interpreted and administered in compliance with the requirements of section 409A of the Internal Revenue Code of 1986, as amended (the "Code") to the extent applicable. In this connection, the Bank will have authority to take any action, or refrain from taking any action, with respect to this Agreement that is reasonably necessary to ensure compliance with Code section 409A (provided that the Bank will choose the action that best preserves the value of the payments and benefits provided to Executive under this Agreement), and the parties agree that this Agreement will be interpreted in a manner that is consistent with Code section 409A. In furtherance, but not in limitation of the foregoing: (a) in the event that Executive is a "specified employee" within the meaning of Code section 409A, payments which constitute a "deferral of compensation" under Code section 409A and which would otherwise become due during the first six (6) months following Executive's termination of employment will be delayed and all such delayed payments will be paid in full in the seventh (7th) month after the Executive's termination of employment, and all subsequent payments will be paid in accordance with their original payment schedule, provided that the above delay will not apply to any payments that are excepted from coverage by Code section 409A, such as those payments covered by the short-term deferral exception described in Treasury Regulations section 1.409A-1(b)(4); (b) notwithstanding any other provision of this Agreement, a termination of Executive's employment hereunder will mean, and be interpreted consistent with, a "separation from service" within the meaning of Code section 409A; and (c) with respect to the reimbursement of fees and expenses provided for herein, the following will apply: (i) unless a specific time period during which such expense reimbursements and tax gross-up payments may be incurred is provided for herein, such time period will be deemed to be Executive's lifetime; (ii) the amount of expenses eligible for reimbursement hereunder in any particular year will not affect the expenses eligible for reimbursement in any other year; (iii) the right to reimbursement of expenses will not be subject to liquidation or exchange for any other benefit; and (iv) the reimbursement of an eligible expense or a tax gross-up payment will be made on or before the last day of the calendar year following the calendar year in which the expense was incurred or the tax was remitted, as the case may be

5.3. **Headings.** The headings and captions set forth herein are for convenience of reference only and will not affect the construction or interpretation hereof.

5.4. **Notices.** Any notice or other communication required, permitted, or desirable hereunder will be hand delivered (including delivery by a commercial courier service) or sent by United States registered or certified mail, postage prepaid, by facsimile or by electronic mail addressed as follows:

If to the Bank:		Triumph Savings Bank, SSB
	Physical address:	
	Attn:	Aaron P. Graft / Chief Executive Officer
If to Executive:		
	Physical address:	

or such other addresses as will be furnished in writing by the parties. Any such notice or communication will be deemed to have been given as of the date so delivered in person or three business days after so mailed.

5.5. **Successors and Assigns.** Subject to the terms of Section 3.3(g), the Bank may assign its rights under this Agreement to any successor to its business (by merger, acquisition of substantially all of the Bank's assets or otherwise), provided that such successor entity expressly assumes, in a writing reasonably acceptable to Executive, this Agreement and all obligations and undertakings of the Bank hereunder. Executive may not assign his rights or delegate his duties under this Agreement without the prior written consent of the Bank. Executive understands and agrees that this Agreement will be binding upon and inure to the benefit of the Bank and its legal representatives, successors and assigns. Executive also understands and agrees that this Agreement will be binding upon and inure to the benefit of Executive's heirs and executors or administrators.

5.6. **Entire Agreement; Amendments.** This Agreement sets forth the entire agreement and understanding of the parties with respect to the subject matter hereof, and there are no other contemporaneous written or oral agreements, undertakings, promises, warranties or covenants not specifically referred to or contained herein. This Agreement specifically supersedes any and all prior agreements and understandings of the parties with respect to the subject matter hereof, all of which prior agreements and understandings (if any) are hereby terminated and of no further force and effect. This Agreement may be amended, modified or terminated only by a written instrument signed by the parties hereto.

5.7. **Execution of Counterparts.** This Agreement may be executed in one or more counterparts (including by facsimile or portable document format (.pdf)) for the convenience of the parties hereto, each of which will be deemed an original, but all of which together will constitute one and the same instrument. No signature page to this Agreement evidencing a party's execution hereof will be deemed to be delivered by such party to any other party hereto until such delivering party has received signature pages from all parties signatory to this Agreement.

5.8. **Severability.** If any provision, clause or part of this Agreement, or the applications thereof under certain circumstances, is held invalid or unenforceable for any reason, the remainder of this Agreement, or the application of such provision, clause or part under other circumstances, will not be affected thereby.

5.9. **Incorporation of Recitals.** The Recitals to this Agreement are an integral part of, and by this reference are hereby incorporated into, this Agreement.

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IN WITNESS WHEREOF, the parties have executed this Employment Agreement as of the day and year first above written.

TRIUMPH SAVINGS BANK, SSB

By: */s/ Aaron P. Graft*
Name: Aaron P. Graft
Title: Chief Executive Officer

EXECUTIVE:

/s/ R. Bryce Fowler

[Signature Page to Employment Agreement]

Schedule A

INITIAL BONUS SCHEDULE

TBI Return on Equity	Total Bonus (as % of base salary	Stock/Cash Allocation
8%	20%	50%/50%
10%	50%	50%/50%
12%	60%	50%/50%
14%	70%	50%/50%
16%	80%	50%/50%
18%	90%	50%/50%
20%	100%	50%/50%

As specified in the Triumph Bancorp, Inc. Restricted Stock Plan and the Executive's Employment Agreement, the final discretion on any bonus awarded is vested in the Personnel Committee of the Bank. This Schedule A is for informational purposes only; provided, however, that in light of information currently available to the Personnel Committee, this bonus schedule is considered reasonable in relation to the indicated return on equity for the Bank. The Personnel Committee will make the final decision on bonus awards on an annual basis in light of several factors, both quantitative and qualitative, and per the direction of the Board of Directors, will consider the overall financial health of the Company and/or Bank in arriving at any final decision.

Exhibit 10.3

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into as of May 8, 2012, by and between TRIUMPH SAVINGS BANK SSB, (the "Bank"), and DAVIS DEADMAN ("Executive").

RECITALS

WHEREAS, the Bank is the wholly-owned subsidiary of Triumph Consolidated Cos., LLC and Triumph Bancorp, Inc.; and

WHEREAS, in addition to his agreeing to serve as Executive Vice President and Chief Lending Officer of the Bank, Executive also serves as the President of Triumph Consolidated Cos., LLC ("Company"); and

WHEREAS, in conjunction with his service as President of the Company, Executive has agreed that this Agreement will memorialize the profits sharing interest between himself and the Bank for non-banking opportunities; and

WHEREAS, the Parties to this Agreement wish to memorialize their employment relationship in writing by this instrument; and

WHEREAS, Executive is willing to enter into this Agreement in consideration of his employment by the Bank and the benefits that Executive will receive under the terms hereof.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. EMPLOYMENT OF EXECUTIVE.

1.1. **Duties and Status**. The Bank hereby engages Executive as Executive Vice President and Chief Lending Officer of the Bank for the Term (as defined in Section 3.1 hereof), and Executive accepts such employment, on the terms and subject to the conditions set forth in this Agreement. During the Term, Executive will faithfully exercise such authority and perform such duties on behalf of the Bank as are normally associated with his title and position as Executive Vice President and Chief Lending Officer and such other duties or positions as Executive and the Bank will mutually determine from time to time. By way of example, Executive's primary responsibilities to the Bank include, but are not limited to building and managing lending team(s) to meet the Bank's lending objectives; sourcing and evaluating new loan origination and acquisition, including senior secured loans; managing regulatory and policy compliance for the Bank's lending operations; directing operational supervision of acquired subsidiaries; serving on the Bank and the Company's executive committee, which service will include evaluating merger and acquisition opportunities; at the discretion of the Bank's directors, serving on such Board of Directors; and serving on various management committees. In the capacity defined in this Section 1.1, Executive will report to the Chief Executive Officer of the Bank.

1.2. **Services for Holding Company.** During the Term hereof and upon final approval by the Board, Executive will also serve as the President of the Company. During the Term, Executive will faithfully exercise such authority and perform such duties on behalf of the Company as are normally associated with his title and position as President and such other duties or positions as Executive and the Company will mutually determine from time to time. By way of example, Executive's primary responsibilities to the Company will include, but are not limited to enhancing brand reputation of the Company and the Bank; generating revenue through outside investment management; sourcing capital opportunities for the Bank; and leading or co-leading the acquisition of other bank and specialty finance institutions. In the capacity defined in this Section 1.2, Executive will report to the Chief Executive Officer of the Company.

1.3. **Time and Effort**. During the Term, Executive will devote his full working time, energy, skill and commercially reasonable best efforts to the performance of his duties hereunder in a manner which will faithfully and diligently further the business and interests of the Bank and the Company. Notwithstanding the foregoing, Executive may participate fully in social, charitable, civic activities and such other personal affairs of Executive as do not interfere with performance of his duties hereunder. The Parties have also agreed that Executive may continue to serve as a director for other entities, and may from time to time provide consulting services for remuneration unrelated to his services to the Bank and the Company; however, as an express condition thereto, Executive will be required to fully disclose for consent all such directorships and consulting engagements to the Chief Executive Officer of the Bank and the Company in advance, and acknowledges and agrees that such consent may be withheld in the sole discretion of the Bank and/or the Company.

2. COMPENSATION AND BENEFITS.

2.1. **Annual Base Salary**. For all of the employment rendered by Executive to the Bank and to the Company, the Bank will pay Executive an annual base salary of $215,000.00 (the "Annual Base Salary"). Executive's Annual Base Salary will be payable in equal installments in accordance with the practice of the Bank in effect from time to time for the payment of salaries to officers of the Bank, but in no event less than bi-monthly, and may be increased or decreased during the Term.

2.2. **Expenses**. The Bank will timely pay or reimburse Executive for all reasonable travel, entertainment and other business expenses actually paid or incurred by Executive during the Term in the performance of Executive's duties under this Agreement in accordance with the Bank's employee business expense reimbursement policies in effect from time to time, but in no event less than monthly.

2.3. **Restricted Stock Plan**. During the Term, Executive will be eligible to participate in the Triumph Bancorp, Inc. Restricted Stock Plan (the "Plan") and will be awarded restricted stock shares pursuant to the terms of such Plan. Participation in the Plan is governed in accordance with the terms of the Plan and any agreement awarding participating shares under the Plan.

2.4. **Additional Discretionary Bonuses.** During the Term, subject to the recommendation of the Chief Executive Officer of the Bank or Company, and in the final absolute discretion of the personnel committee of the Bank's board of directors, the Executive may be entitled to a discretionary cash bonus in recognition of superior fulfillment of his duties to the Bank, the Company or its affiliates. For the calendar year 2012 and as part of an inducement to hiring Executive, as a result of work performed for the Bank prior to the date of this Agreement, Executive will be entitled to a discretionary bonus of $25,000 payable on June 30, 2012. In addition, in the event that Executive sources $20 million of new loan originations and $10 million of senior secured loan acquisitions between January 1 and December 31, 2012, he will be entitled to an additional discretionary bonus of at least $25,000, which shall be paid at such time the Bank pays its annual bonuses.

2.5. **Profits Interest in Outside Investment Management.** During the Term, the Parties have agreed that Executive will have the authority to enter certain non-Bank investment transactions, with the Parties hereto agreeing to share a profits interest in the proceeds of such transactions. The terms of such profits interest shall be governed in accordance with the terms of the attached Schedule B, the execution of which is a material inducement for the Bank's willingness to enter into this Agreement.

2.6. **Benefits.** Executive will be entitled to participate in Bank's employee benefit plans on such terms as determined by the Bank. For the avoidance of doubt, Executive will not be reimbursed by the Bank for any health-related expenses, unless otherwise agreed to by the Bank.

2.7. **Paid Time Off.** During the Term, Executive will be entitled to four weeks paid time off per calendar year and leave of absence and leave for illness or temporary disability in accordance with the policies of the Bank in effect from time to time. Executive's paid time off entitlement will be prorated in any calendar year in which Executive does not work the entire calendar year. To the extent Executive has not used all paid time off allotted hereunder, Executive is entitled to carry over a maximum of five days into the next calendar year, in accordance with the policies of the Bank.

2.8. **Indemnification.** During the Term, the Bank agrees to maintain one or more directors and officers liability insurance policies covering Executive pursuant to the terms of such policies.

3. TERM AND TERMINATION.

3.1. **Term.** Executive's employment per the terms of this Agreement will commence on the date hereof (the "Effective Date") and will terminate on the earlier of (a) the close of business on the second anniversary of the Effective Date (the "Original Term") or (b) the termination of this Agreement pursuant to Section 3.2 hereof. Thereafter, unless written notification is given at least sixty (60) days before the expiration of the Original Term or any subsequent renewal term, this Agreement will automatically renew for successive one year periods (each, a "Renewal Term"). For purposes of this Agreement, when the word "Term" is used alone, it shall collectively refer to the Original Term and all Renewal Term(s). The Bank's decision not to extend the Term of this Agreement will not be considered termination of Executive's employment, whether with or without Cause, as defined below. For purposes of this Agreement, any reference to the Term will include the initial two-year Term and any successive automatic one year extension thereof.

3.2. **<u>Termination of Employment</u>.** Each party will have the right to terminate Executive's employment hereunder before the Term expires to the extent, and only to the extent, permitted by this Section.

(a) **<u>By the Bank for Cause</u>.** The Bank will have the right to terminate Executive's employment at any time upon delivery of written notice of termination for Cause (as defined below) to Executive (which notice will specify in reasonable detail the basis upon which such termination is made), such employment to terminate immediately upon delivery of such notice unless otherwise specified by the Bank, if the Bank (excluding Executive) determines in good faith that Executive: (i) has misappropriated, stolen or embezzled funds or property from the Bank or an affiliate of the Bank or secured or attempted to secure personally any profit in connection with any transaction entered into on behalf of the Bank or any affiliate of the Bank, (ii) has been convicted of a felony or entered a plea of "*nolo contendre*" which in the reasonable opinion of the Bank brings Executive into disrepute or is likely to cause material harm to the Bank's (or any of its affiliate's) business, customer or supplier relations, financial condition or prospects, (iii) has neglected his duties hereunder, (iv) has materially violated a provision of <u>Section 4</u> hereof, or (v) has willfully violated or breached any material provision of this Agreement or the Profits Interest Agreement in any material respect or violated any material law or regulation (collectively, "<u>Cause</u>"). In the event that Executive's employment is terminated for Cause, Executive will be entitled to receive only the payments referred to in <u>Section 3.3(e)</u> hereof.

(b) **<u>By the Bank Upon Total Disability</u>.** The Bank will have the right to terminate Executive's employment on ten days' prior written notice to Executive if the Bank determines in good faith that Executive is unable to perform his duties by reason of Total Disability, but any termination of employment pursuant to this subsection (b) will obligate the Bank to make the payments referred to in <u>Section 3.3(a)</u> hereof. As used herein, "<u>Total Disability</u>" will mean the inability of Executive, due to a physical or a mental condition, to perform the essential functions of Executive's job, with or without accommodation, for any period of 180 consecutive days; *provided* that the return of Executive to his duties for periods of 15 days or less will not interrupt such 180-day period.

(c) **<u>By the Bank Other Than for Cause, Death or Total Disability</u>.** The Bank will have the right to terminate Executive's employment, other than for Cause, death or Total Disability, on 60 days' prior written notice to Executive in the Bank's sole discretion, but any termination of employment pursuant to this subsection (c) will obligate the Bank to make the payments referred to in <u>Section 3.3(c)</u> hereof.

(d) **<u>By Executive</u>.** Executive will have the right to terminate his employment hereunder: (i) upon 60 days' written notice, or (ii) upon 30 days' written notice because of a reduction in Executive's Annual Base Salary of more than twenty percent (20%), with the exception of compensation reductions that are applied to all executive officers of the Bank, or in the event such reduction is suggested and/or championed by Executive. In the event that

Executive elects to terminate his employment pursuant to subsection (i) hereof, Executive will be entitled to receive only the payments referred to in Section 3.3(d) hereof. In the event Executive elects to terminate his employment pursuant to subsection (ii) hereof, Executive will be entitled to the payments referred to in Section 3.3(c) hereof.

(e) **By the Expiration of this Agreement.** Executive's employment hereunder will terminate upon the expiration of the Term pursuant to Section 3.1. In the event the employment of Executive is terminated by the expiration of the Term, Executive will be entitled to receive the payments referred to in Section 3.3(f) hereof.

(f) **Death of Executive.** Executive's employment hereunder will terminate upon the death of Executive. In such an event, Executive's estate will be entitled to receive the payments referred to in Section 3.3(a) hereof.

3.3. **Compensation and Benefits Following Termination.** Except as specifically provided in this Section, any and all obligations of the Bank to make payments to Executive under this Agreement will cease as of the date the Term expires pursuant to Section 3.1 or as of the date Executive's employment is terminated pursuant to Section 3.2, as the case may be. Executive will be entitled to receive only the following compensation and benefits following the termination of his employment hereunder:

(a) **Upon Death.** In the event that the Term terminates pursuant to Section 3.2(g) on account of the death of Executive, (i) the Bank will pay to Executive's surviving spouse or, if none, his estate, a lump-sum amount equal to the sum of Executive's earned and unpaid salary through the date of his termination, any bonus definitively granted to Executive by the Bank but not yet paid to Executive, additional salary in lieu of Executive's accrued and unused vacation, any unreimbursed business and entertainment expenses in accordance with the Bank's policies, and any unreimbursed employee benefit expenses that are reimbursable in accordance with the Bank's employee benefit plans through the date of termination (collectively, the "Standard Termination Payments") and (ii) death benefits, if any, under the Bank's employee benefit plans will be paid to Executive's beneficiaries as properly designated in writing by Executive. For the avoidance of doubt, the Standard Termination Payments do not include any unvested portion of any annual incentive compensation or bonus.

(b) **Upon Termination for Total Disability.** In the event that the Bank elects to terminate the employment of Executive pursuant to Section 3.2(b) because of his Total Disability, (i) the Bank will pay to Executive a lump-sum amount equal to the Standard Termination Payments and (ii) Executive will be entitled to such disability and other employee benefits as may be provided under the terms of the Bank's employee benefit plans.

(c) **Upon Termination Other Than for Cause, Death or Total Disability**. In the event that the Bank elects to terminate the employment of Executive pursuant to Section 3.2(c), (i) the Bank will pay to Executive within the later of 30 days after his termination of employment or 14 days after the Bank's receipt of the irrevocable release described in this Section 3.3(c), by certified check or wire transfer of immediately available funds in U.S. dollars, a lump-sum amount equal to the sum of (A) the Standard Termination Payments plus (B) an amount equal to the Annual Base Salary as then in effect in accordance with Section 2.1 for a

period equal to twelve (12) months, and (ii) the Bank will also be obligated to provide coverage, at the Bank's expense (through the payment of amounts in connection with Executive's election under the Consolidated Omnibus Reconciliation Act, if applicable), under the Bank's medical, dental, life insurance and total disability benefit plans or arrangements with respect to Executive for a period equal to twelve (12) months (collectively, the "Severance Benefits"). If and to the extent that any benefit described in this Section 3.3(c)(ii) is not or cannot be paid or provided under a Bank plan or arrangement, then the Bank will pay or provide for the payments to the Executive of such employee benefits. From the date of such notice of termination other than for Cause or upon death or Total Disability through the last date of Executive's employment hereunder, Executive will continue to perform the normal duties of his employment hereunder (unless waived by the Bank), and will be entitled to receive when due all compensation and benefits applicable to Executive hereunder. Executive will have no duty to mitigate his damages and the amounts due Executive under this Section 3.3(c) will not be reduced by any payments received from other sources. As a condition of receiving any severance or rights or entitlements for which Executive otherwise qualifies under this Section 3.3(c) (other than with respect to the Standard Termination Payments), Executive agrees to execute, deliver and not revoke (within the time period permitted by applicable law) a general release of the Bank and its subsidiaries and affiliates and their respective officers, directors, employees and owners from any and all claims, obligations and liabilities of any kind whatsoever arising from or in connection with the Executive's employment or termination of employment with the Bank or this Agreement (including, without limitation, civil rights claims), in such form as is reasonably requested by the Bank. The irrevocable release will be completed prior to the sixtieth (60th) day following Executive's termination in order for Executive to be eligible to receive the benefits described in this Section 3.3(c). Notwithstanding anything in this Agreement to the contrary, the Company will not be required to pay any benefit under this Agreement if the Company reasonably determines that the payment of such benefit would be prohibited by 12 C.F.R. Part 359 or any successor regulations regarding employee compensation promulgated by any regulatory agency having jurisdiction over the Company or its affiliates.

(d) **By Executive.** In the event Executive elects to terminate his employment pursuant to Section 3.2(d), (i) the Bank will pay to Executive a lump-sum amount equal to the Standard Termination Payments and (ii) Executive will be entitled to such disability and other employee benefits as may be provided under the terms of the Bank's employee benefit plans for the time period provided for in such plans.

(e) **For Cause.** In the event that the Bank terminates the employment of Executive pursuant to Section 3.2(a) for Cause, Executive will be entitled to receive a lump-sum amount equal to the Standard Termination Payments.

(f) **By the Expiration of this Agreement.** In the event that this Agreement expires at the end of the Original Term and is not renewed by the Bank, the Bank will pay to Executive within the later of 30 days after his termination of employment or 14 days after the Bank's receipt of the irrevocable release described in this Section 3.3(c), by certified check or wire transfer of immediately available funds in U.S. dollars, a lump-sum amount equal to the sum of (A) the Standard Termination Payments plus (B) an amount equal to the Annual Base Salary as then in effect in accordance with Section 2.1 for a period equal to twelve (12) months, and the Bank will also be obligated to provide coverage, at the Bank's expense (through the

payment of amounts in connection with Executive's election under the Consolidated Omnibus Reconciliation Act, if applicable), under the Bank's medical, dental, life insurance and total disability benefit plans or arrangements with respect to Executive for a period equal to twelve (12) months In the event that this Agreement expires at the end of any Renewal Term and is not renewed by the Bank, Executive will be entitled to receive a lump-sum amount equal to the Standard Termination Payments. For the avoidance of doubt, if Executive is entitled to receive a payment pursuant to this Section 3.3(f), he is ineligible to receive a payment pursuant to Section 3.3(c) hereof.

(g) **Following Change of Control.** In the event that his employment and this Agreement are terminated concurrent with a Change of Control (as defined below), or Executive is not offered substantially the same position, duties, compensation and benefits as exist as of the date of such Change of Control by a successor, the Bank will pay Executive, as his exclusive right and remedy in respect of such termination a lump sum payment within 60 days of Executive's termination of employment, by certified check or wire transfer of immediately available funds, in an amount equal to the sum of (A) the Standard Termination Payments plus (B) an amount equal to the Annual Base Salary as then in effect in accordance with Section 2.1 for a period equal to twelve (12) months, and the Bank will also be obligated to provide coverage, at the Bank's expense (through the payment of amounts in connection with Executive's election under the Consolidated Omnibus Reconciliation Act, if applicable), under the Bank's medical, dental, life insurance and total disability benefit plans or arrangements with respect to Executive for a period equal to twelve (12) months (the amounts described in this clause collectively are the "CIC Severance Benefits").

In the event that Executive is offered a position by the successor with substantially the same position, duties, compensation and benefits as exist as of the date of a Change of Control and Executive elects not to continue employment with such successor, the Bank will pay Executive, as his exclusive right and remedy in respect of such termination a lump sum payment within 60 days of Executive's termination of employment, by certified check or wire transfer of immediately available funds, in an amount equal to the sum of (A) the Standard Termination Payments plus (B) an amount equal to one half (1/2) the Annual Base Salary as then in effect in accordance with Section 2.1, and the Bank will also be obligated to provide coverage, at the Bank's expense (through the payment of amounts in connection with Executive's election under the Consolidated Omnibus Reconciliation Act, if applicable), under the Bank's medical, dental, life insurance and total disability benefit plans or arrangements with respect to Executive for a period equal to six (6) months (the amounts described in this clause collectively are the "CIC Resignation Benefits").

Notwithstanding anything in this Agreement to the contrary, the Bank will not be required to pay any benefit under this Agreement if the Bank reasonably determines that the payment of such benefit would be prohibited by 12 C.F.R. Part 359 or any successor regulations regarding employee compensation promulgated by any regulatory agency having jurisdiction over the Bank or its affiliates. The Bank's obligation to pay the CIC Severance Benefits or the CIC Resignation Benefits, as the case may be, under this Section 3.3(g) is contingent upon and subject to Executive's execution and non-revocation of a general release of the Bank, its successor(s) and their respective subsidiaries and affiliates and their respective officers, directors, employees and owners from any and all claims, obligations and liabilities from any and

all claims, obligations and liabilities of any kind whatsoever arising from or in connection with the Executive's employment or termination of employment with the Bank or this Agreement (including, without limitation, civil rights claims), in such form as is reasonably requested by the Bank. The irrevocable release will be completed prior to the sixtieth (60th) day following Executive's termination in order for Executive to be eligible to receive the benefits described in this Section 3.3(g). For the avoidance of doubt, (i) if Executive accepts a position offered by the successor with substantially the same duties, compensation and benefits as exist as of the date of a Change of Control, he shall not be entitled to any payments under this Section and (ii) if Executive is entitled to receive payment pursuant to this Section 3.3(g), then Executive will not also be entitled to receive any severance payment pursuant to any other section of this Agreement.

As used in this Section, "Company" shall mean (i) the Bank, (ii) a financial or bank holding company controlling 50% of the stock of the Bank, and (iii) any subsidiary of (i) or (ii) in which Executive has direct and ongoing involvement as of the date of the Change of Control (defined below). As used in this Agreement, a "Change of Control" will be deemed to have occurred in each of the following instances: (i) a reorganization, merger, consolidation or other corporate transaction involving the Company, with respect to which the holders of the voting securities of the Company immediately prior to such transaction do not, immediately after the transaction, own more than fifty percent (50%) of the combined voting power of the reorganized, merged or consolidated entity's then outstanding voting securities; (ii) the sale, transfer or assignment of all or substantially all of the assets of the Company; or (iii) the acquisition by any individual, entity or "group," within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act (a "Person"), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of voting securities of the Company where such acquisition causes any such Person to own fifty percent (50%) or more of the combined voting power of the Company's then outstanding voting securities; provided however, that a Change of Control will not be deemed to have occurred if a Person becomes the beneficial owner of fifty percent (50%) of the combined voting power of the Company's then outstanding voting securities solely as a result of the repurchase of voting securities by the Company. Notwithstanding the preceding provisions of this Section, a "Planned Capital Offering" shall not constitute a Change of Control. A Planned Capital Offering means an issuance of equity, debt or any hybrid thereof by the Company to new investors pursuant to a plan adopted by the Company's board of directors of such entity as part of its overall growth plan for the Company and wherein a majority of the persons who were members of the Company's board of directors preceding such capital offering remain after its completion. A Planned Capital Offering may include the issuance Common Stock that is registered with the Securities and Exchange Commission ("SEC") and any state securities board, or that is exempt from registration with the SEC and/or any state securities board pursuant to any federal or state law or regulation

3.4. **Excise Taxes; Gross Up.** In the event that any compensation payable under this Section is determined to be a "parachute payment" subject to the excise tax imposed by Section 4999 of the Code or any successor provision (the "Excise Tax"), the Bank agrees to pay to Executive an additional sum (the "Gross Up") in an amount such that the net amount retained by Executive, after receiving both the payment and the Gross Up and after paying: (i) any Excise Tax on the payment and the Gross Up, and (ii) any federal, state, and local income taxes on the Gross Up, is equal to the amount of the payment. For purposes of determining the Gross Up,

Executive will be deemed to pay federal, state, and local income taxes at the highest marginal rate of taxation in his filing status for the calendar year in which the payment is to be made based upon Executive's domicile on the date of the event that triggers the Excise Tax. The determination of whether such Excise Tax is payable and the amount of such Excise Tax will be based upon the opinion of tax counsel selected by the Bank, subject to the reasonable approval of Executive. If such opinion is not finally accepted by the Internal Revenue Service, then appropriate adjustments will be calculated (with additional Gross Up determined based on the principals outlined in the previous paragraph, if applicable) by such tax counsel based upon the final amount of Excise Tax so determined together with any applicable penalties and interest. The final amount will be paid, if applicable, within thirty (30) days after such calculations are completed, but in no event later than April 1st of the year following the event that triggers the Excise Tax. Notwithstanding the preceding sentence, or any provision in this Agreement to the contrary, in accordance with Section 409A of the Code, the Excise Tax Gross Up will be paid not later than December 31 of the calendar year following the calendar year in which the related Excise Tax or income tax is remitted to the applicable taxing authority.

3.5. **All Payments.** All payments made to Executive upon the termination of Executive's employment will be made in U.S. dollars and are in lieu of all other termination or severance payments available at law or otherwise.

4. CONFIDENTIALITY AND NONDISCLOSURE.

4.1. **Access to Confidential Information.** Executive understands and agrees that in the course of performing work on behalf of the Bank, he will continue to have access to, and will continue to be given Confidential Information relating to the business of the Bank. Executive acknowledges and agrees that such Confidential Information includes, but is not limited to financial information pertinent to the Bank and its customers, and investors, customer lists, customer and investor identities and their preferences, confidential banking and financial information of both the Bank and its customers and investors, and information that Executive may create or prepare certain information related to his duties. Executive hereby expressly agrees to maintain in strictest confidence and not to access without proper business purposes (including repetitive unnecessary access), use (including without limitation in any future business or personal relationship of Executive), publish, disclose or in any way authorize anyone else to use, publish or disclose in any way, any Confidential Information relating in any manner to the business or affairs of the Bank and its customers and investors, except for legitimate business-related reasons while performing duties on behalf of the Bank. Executive agrees further not to remove or retain any figures, financial information, personnel data, calculations, letters, documents, lists, papers, or copies thereof, which embody Confidential Information of the Bank, and to return any such information in Executive's possession at the conclusion of Executive's use of such information and at the conclusion of Executive's employment with the Bank.

For purposes of this Agreement, "Confidential Information" includes, but is not limited to, information in the possession of, prepared by, obtained by, compiled by, or that is used by Bank, its customers, investors and/or vendors, or is prepared by, obtained by, compiled by or that is used by Executive in conjunction with his duties, and (1) is proprietary to, about, or created by the Bank, its customers, investors and/or vendors; (2) is information the disclosure of which might be detrimental to the interest of the Bank, its investors or customers; or (4) is not typically disclosed by the Bank, its customers, investors and/or vendors, or known by persons who are not associated with the Bank.

4.2. **Non-Solicitation of Executives and Investors.** Executive agrees that during the Term or any extension thereof, and for a period of one year following the termination of Executive's employment for any reason, Executive will not (i) offer employment to, enter into a contract for the employment of, or attempt to entice away from the Bank, any individual who is at the time of such offer or attempt, one of the employees holding an officer or director with the Bank or the Company, (ii) interfere with the material business relationships of the Bank or the Company and its subsidiaries, or entice away any material suppliers or contractors, (iii) procure or facilitate the making of any such offer or attempt by any other Person, or (iv) solicit, directly or through any other Person, any investor of the Bank or the Company for purposes of facilitating any investment, partnership or business opportunity unrelated to the Bank or the Company. This restriction in Section 4.2(iv) shall not apply to any investor with which the Executive had a preexisting relationship prior to becoming employed by the Bank.

4.3. **Intellectual Property.** Executive agrees to disclose and assign to the Bank any and all material of a proprietary nature, particularly including, without limitation, material subject to protection as trade secrets or as patentable ideas or copyrightable works, that Executive may conceive, invent, author or discover, either solely or jointly with another or others during Executive's employment and that relates to or is capable of use in connection with the business of the Bank or any employment or products offered, manufactured, used, sold or being developed by the Bank at the time said material is developed. Executive will, upon request of the Bank, either during or at any time after Executive's employment ends, regardless of how or why Executive's employment ends, execute and deliver all papers, including applications for patents and registrations for copyrights, and do such other legal acts (entirely at the Bank' expense) as may be necessary to obtain and maintain proprietary rights in any and all countries and to vest title thereto in the Bank.

4.4. **Remedy.** Executive understands and acknowledges that the Bank has a legitimate business interest in preventing Executive from taking any actions in violation of this Section 4 and that this Section 4 is intended to protect the business and goodwill of the Bank. Executive further acknowledges that a breach of this Section 4 will irreparably and continually damage the Bank and that monetary damages alone will be inadequate to compensate the Bank for such breach. Executive therefore agrees that in the event Executive violates any of the terms of this Section 4, the Bank will be entitled to, in addition to any other remedies available to it in law or in equity, seek temporary, preliminary and permanent injunctive relief and specific performance to enforce the terms of Section 4 without the necessity of proving inadequacy of legal remedies or irreparable harm or posting bond. If Executive does take actions in violation of Section 4 of this Agreement, Executive understands that the time periods set forth in those paragraphs will run from the date on which Executive's violations of those sections, whether by injunction or otherwise, ends and not from the date that Executive's employment ends. In the event any lawsuit, claim or other proceeding is brought to enforce the terms of this Section 4, or to determine the validity of its terms, then the prevailing party will be entitled to recover from the non-prevailing party its reasonable attorneys' fees and court costs incurred in obtaining enforcement of, or determining the validity of, this Section 4.

4.5. **Waiver.** Executive understands and agrees that in the event the Bank waives or allows any breach of this Section 4, such waiver or allowance will not constitute a waiver or allowance of any future breach, whether of a similar or dissimilar nature.

4.6. **Tolling.** If the Bank files a lawsuit in any court of competent jurisdiction alleging a breach of the non-disclosure or non-solicitation provisions of this Agreement by Executive, then any time period set forth in this Agreement relating to the post-termination restrictions on the activities of Executive will be deemed tolled as of the time the lawsuit is filed and will remain tolled until the dispute is finally resolved, either by written settlement agreement resolving all claims raised in the lawsuit, or by entry of a final judgment and final resolution of any post-judgment appellate proceedings.

5. MISCELLANEOUS.

5.1. **Governing Law; Dispute Resolution.** This Agreement will be governed by and construed in accordance with the laws of the State of Texas excluding that body of law known as conflicts of law. The Parties will endeavor to settle amicably by mutual discussions any disputes or claims related to this Agreement ("Dispute"). Failing such settlement, and excepting such claims as may be brought pursuant to Section 4 hereof in a state or federal court having jurisdiction, any other Dispute will finally be settled by arbitration in accordance with the rules of the American Arbitration Association then applicable to employment-related disputes. The Parties will agree upon a single arbitrator. The Arbitrator will not have authority to award punitive damages to either Party. Each Party will bear its own expenses, but the Bank will bear the fees and expenses of the arbitrator. This Agreement will be enforceable, and any arbitration award will be final. In any such arbitration, the decision in any prior arbitration under this Agreement will not be deemed conclusive of the rights as among themselves of the Parties hereunder. The arbitration will be held in Dallas, Texas. Any notices, including a demand for arbitration will be deemed served when delivered to the address indicated in Section 5.3.

5.2. **Code Section 409A.** It is the intent of the parties that this Agreement be interpreted and administered in compliance with the requirements of section 409A of the Internal Revenue Code of 1986, as amended (the "Code") to the extent applicable. In this connection, the Bank will have authority to take any action, or refrain from taking any action, with respect to this Agreement that is reasonably necessary to ensure compliance with Code section 409A (provided that the Bank will choose the action that best preserves the value of the payments and benefits provided to Executive under this Agreement), and the parties agree that this Agreement will be interpreted in a manner that is consistent with Code section 409A. In furtherance, but not in limitation of the foregoing: (a) in the event that Executive is a "specified employee" within the meaning of Code section 409A, payments which constitute a "deferral of compensation" under Code section 409A and which would otherwise become due during the first six (6) months following Executive's termination of employment will be delayed and all such delayed payments will be paid in full in the seventh (7th) month after the Executive's termination of employment, and all subsequent payments will be paid in accordance with their original payment schedule, provided that the above delay will not apply to any payments that are excepted from coverage by Code section 409A, such as those payments covered by the short-term deferral exception described in Treasury Regulations section 1.409A-1(b)(4); (b) notwithstanding any other provision of this Agreement, a termination of Executive's employment hereunder will mean, and

be interpreted consistent with, a “separation from service” within the meaning of Code section 409A; and (c) with respect to the reimbursement of fees and expenses provided for herein, the following will apply: (i) unless a specific time period during which such expense reimbursements and tax gross-up payments may be incurred is provided for herein, such time period will be deemed to be Executive’s lifetime; (ii) the amount of expenses eligible for reimbursement hereunder in any particular year will not affect the expenses eligible for reimbursement in any other year; (iii) the right to reimbursement of expenses will not be subject to liquidation or exchange for any other benefit; and (iv) the reimbursement of an eligible expense or a tax gross-up payment will be made on or before the last day of the calendar year following the calendar year in which the expense was incurred or the tax was remitted, as the case may be.

5.3. **Headings.** The headings and captions set forth herein are for convenience of reference only and will not affect the construction or interpretation hereof.

5.4. **Notices.** Any notice or other communication required, permitted, or desirable hereunder will be hand delivered (including delivery by a commercial courier service) or sent by United States registered or certified mail, postage prepaid, by facsimile or by electronic mail addressed as follows:

If to the Bank:		Triumph Savings Bank, SSB
	Physical address:	5220 Spring Valley Road Suite 415 Dallas, Texas 75254
	Attn:	Aaron P. Graft / Chief Executive Officer
If to Executive:		Davis Deadman
	Physical address:	4001 Centenary Avenue Dallas, Texas 75225

or such other addresses as will be furnished in writing by the parties. Any such notice or communication will be deemed to have been given as of the date so delivered in person or three business days after so mailed.

5.5. **Successors and Assigns.** Subject to the terms of Section 3.3(g), the Bank may assign its rights under this Agreement to any successor to its business (by merger, acquisition of substantially all of the Bank’s assets or otherwise), provided that such successor entity expressly assumes, in a writing reasonably acceptable to Executive, this Agreement and all obligations and undertakings of the Bank hereunder. Executive may not assign his rights or delegate his duties under this Agreement without the prior written consent of the Bank. Executive understands and agrees that this Agreement will be binding upon and inure to the benefit of the Bank and its legal representatives, successors and assigns. Executive also understands and agrees that this Agreement will be binding upon and inure to the benefit of Executive’s heirs and executors or administrators.

5.6. **Entire Agreement; Amendments.** This Agreement sets forth the entire agreement and understanding of the parties with respect to the subject matter hereof, and there are no other contemporaneous written or oral agreements, undertakings, promises, warranties or covenants not specifically referred to or contained herein. This Agreement specifically supersedes any and all prior agreements and understandings of the parties with respect to the subject matter hereof, all of which prior agreements and understandings (if any) are hereby terminated and of no further force and effect. This Agreement may be amended, modified or terminated only by a written instrument signed by the parties hereto.

5.7. **Execution of Counterparts.** This Agreement may be executed in one or more counterparts (including by facsimile or portable document format (.pdf)) for the convenience of the parties hereto, each of which will be deemed an original, but all of which together will constitute one and the same instrument. No signature page to this Agreement evidencing a party's execution hereof will be deemed to be delivered by such party to any other party hereto until such delivering party has received signature pages from all parties signatory to this Agreement.

5.8. **Severability.** If any provision, clause or part of this Agreement, or the applications thereof under certain circumstances, is held invalid or unenforceable for any reason, the remainder of this Agreement, or the application of such provision, clause or part under other circumstances, will not be affected thereby.

5.9. **Incorporation of Recitals.** The Recitals to this Agreement are an integral part of, and by this reference are hereby incorporated into, this Agreement.

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IN WITNESS WHEREOF, the parties have executed this Employment Agreement as of the day and year first above written.

TRIUMPH SAVINGS BANK, SSB

By: *[/s/ Aaron P. Graft]*
Name: Aaron P. Graft
Title: Chief Executive Officer

EXECUTIVE:

[/s/ Davis Deadman]
DAVIS DEADMAN

[Signature Page to Employment Agreement]

INITIAL BONUS SCHEDULE

TBI Return on Equity	Total Bonus (as % of base salary)	Stock/Cash Allocation
8%	20%	50%/50%
10%	40%	50%/50%
12%	45%	50%/50%
14%	55%	50%/50%
16%	65%	50%/50%
18%	75%	50%/50%
20%	85%	50%/50%

As specified in the Triumph Bancorp, Inc. Restricted Stock Plan and the Executive's Employment Agreement, the final discretion on any bonus awarded is vested in the Personnel Committee of the Bank. This Schedule A is for informational purposes only; provided, however, that in light of information currently available to the Personnel Committee, this bonus schedule is considered reasonable in relation to the indicated return on equity for the Bank. The Personnel Committee will make the final decision on bonus awards on an annual basis in light of several factors, both quantitative and qualitative, and per the direction of the Board of Directors, will consider the overall financial health of the Company and/or Bank in arriving at any final decision.

PROFITS INTEREST AGREEMENT

This Profits Interest Grant Agreement (this "Agreement") is entered into as of May 8, 2012, by and between TRIUMPH SAVINGS BANK SSB, (the "Bank"), TRIUMPH CONSOLIDATED COS., LLC and TRIUMPH BANCORP, INC. (collectively, "the Company") and DAVIS DEADMAN ("Executive").

RECITALS

A. Executive is employed as the Executive Vice President of the Bank and President of Triumph Consolidated Cos., LLC.

B. In consideration of Executive's employment with the Company and Bank, and in accordance with the Employment Agreement between the Company and Executive, dated as of the date of this Agreement (the "Employment Agreement"), the Executive desires to grant to the Company a profits interest (the "Company Interest") in the non-bank investment opportunities identified, developed or procured (the "Investment Opportunity") by the Executive, in accordance with the terms hereof.

AGREEMENTS

In consideration of the mutual covenants in this Agreement, the Company and Executive agree as follows:

1. Duty to Inform Company of Investment Opportunities. Executive agrees that he will inform the Company of all Investment Opportunities that the Executive identifies, procures, or develops, and agrees that each Investment Opportunity so identified, procured or developed by the Executive shall be subject to the terms and requirements of this Agreement. Failure of the Executive to inform the Company of any Investment Opportunity shall result in the Executive's immediate termination of employment for Cause under the terms of the Employment Agreement.

2. Grant of Company Interest. The Executive hereby grants the Company Interest to Company. Company shall not be obligated, and is not expected, to contribute any funds of any nature toward any Investment Opportunity in return for the grant of the Company Interest. Except as otherwise provided herein, the Executive shall retain the balance of the interest (the "Executive Interest") with respect to the Investment Opportunity. The Company and Executive acknowledge that the Company Interest is designed and intended to be a "profits interest" as that term is defined in IRS Revenue Procedure 93-27, 1993-2 C.B. 343, as clarified by IRS Revenue Procedure 2001-43, 2001-2 C.B. 191.

3. Amount of Company Interest. The amount of the Company Interest shall vary based upon the type or nature of the Investment Opportunity presented by Executive to the Company, as follows.

a. If the Investment Opportunity consists of acquisition or development of self- storage facilities to which Executive devoted time following the date of this Agreement, the Company Interest shall be equal to 50%, and the Executive Interest shall be equal to 50% of the profits interest Executive would have received otherwise.

b. If the Investment Opportunity is any other type of Investment Opportunity, the parameters for the Executive Interest shall be between 25%-40% as determined by the Personnel Committee or Board of Directors of the Company in consultation with the Chief Executive Officer of the Company, and the remainder shall be the Company Interest. Factors relevant in this determination will be the sourcing of the Investment Opportunity, the investment of capital by investors in the Company in the Investment Opportunity, and the amount of time required by other persons affiliated with or employed by the Company in completing the transaction.

c. Notwithstanding the preceding Section 3(b) of this Agreement, if the Investment Opportunity is an opportunity identified, developed or procured by multiple persons in the Company or Bank or requires the efforts of multiple persons within the Company, the Chief Executive Officer of the Company may allocate the Executive Interest in that Investment Opportunity among the Executive, any shareholders of the Company investing in the Investment Opportunity (e.g., a general partner co-investment), and any other executives, employees or officers of the Company who the Chief Executive Officer, in his sole discretion, directs to work on such transaction. In no event will the Chief Executive Officer participate in the Executive Interest regardless of his involvement in the Investment Opportunity.

4. Terms and Conditions of Company Interest and Executive Interest. The terms and conditions of the Company Interest and Executive Interest with respect to an Investment Opportunity will be set forth in a separate agreement concerning each respective Investment Opportunity (the "Investment Agreement") for which a Company Interest and Executive Interest will be granted. The Company and the Executive hereby agree to negotiate the terms of such Investment Agreement in good faith.

5. Transfer and Termination of Company Interests.

a. Except as set forth herein, Company Interests, once granted, are perpetual and do not terminate, and, except in connection with a change in control, merger or consolidation of the Company, are non-transferrable by the Company.

b. Upon termination of Executive's employment with the Company and the Bank in the manner provided under the terms of the Employment Agreement, all outstanding Company Interests with respect to consummated Investment Opportunities, and all potential Company Interest with respect to Investment Opportunities already identified but not yet consummated, shall remain outstanding and held by the Company. Notwithstanding the preceding, if Executive's termination of employment is for any reason other than for Cause, the Executive's shall have the right (but not obligation) to request that the Company sell one or more of such Company Interests to the Executive at the then Fair Market Value (defined below) of such Company Interest (the "Purchase Price"). For this purposes, "Fair Market Value" shall be determined on a going concern basis as if the Investment Opportunity were sold as an entirety in an arm's length transaction with neither the buyer nor the seller under a compulsion to buy or sell.

c. If the Executive wishes to exercise such option, the Executive shall give Company a written statement of the Executive's election, including the Executive's good faith determination of the Purchase Price (the "Purchase Price Statement"), within ninety (90) days following the effective date of termination of Executive's employment. If Company disputes the Executive's determination of the Purchase Price, it shall within thirty (30) days following its receipt of the Purchase Price Statement, provide to the Executive a written certification of the Company's determination of the Purchase Price (a "Dispute Notice"). If Company fails to timely deliver a Dispute Notice, the Purchase Price shall be the amount stated in the Purchase Price Statement. The Company and the Executive shall endeavor in good faith expeditiously to agree upon the amount of the Purchase Price. If the Company and the Executive shall not have agreed upon the Purchase Price within thirty (30) days following the date of the Dispute Notice, the Company and the Executive shall cause the Purchase Price to be determined by a qualified third party appraiser selected by and acceptable to the Company and the Executive (the "Appraiser"). If the Company and Executive are unable to agree upon the Appraiser within sixty (60) days following the date of the Dispute Notice, then within seventy-five (75) days following the date of the Dispute Notice, the Company and Executive each shall appoint a qualified third party appraiser, and cause the two appraisers selected to jointly selected a third, which shall be the Appraiser.

d. The Company and the Executive each shall submit to the Appraiser their respective final determinations of Fair Market Value (which shall be the same as set forth in the Purchase Price Statement and the Dispute Notice, each a "Final Valuation"). The Appraiser shall resolve the disagreement as to Fair Market Value, considering all information such Appraiser deems appropriate; p*rovided*, *however*, that in rendering its determination the Appraiser shall be limited to electing between the Final Valuation of Fair Market Value tendered to the Appraiser by the Company and that tendered to the Appraiser by the Executive. The determination of the Appraiser shall be in writing and shall be conclusive and binding on the Company and the Executive. All fees and expenses of the Appraiser shall be borne equally by the Company and the Executive.

e. The Purchase Price shall be paid in cash at closing of the Executive's purchase of the Company Interest.

6. Investment Representations.

a. This Agreement is made in reliance upon Company's representation to the Executive, which by its acceptance hereof Company hereby confirms, that the Company Interest will be acquired for its own account, not as a nominee or agent, and not with a view to the sale or distribution of any part thereof, and that it has no present intention of selling, granting participation in, or otherwise distributing the same, but subject nevertheless to any requirement of law that the disposition of his property shall at all times be within its control.

b. Company understands that the Company Interest is not registered under the Securities Act of 1933, as amended (the "Securities Act").

c. Company understands that the Company Interest may not be sold, transferred, or otherwise disposed of without registration under the Securities Act or an exemption therefrom, and that in the absence of an effective registration statement covering the Company Interest or an available exemption from registration under the Securities Act, the Company Interest must be held indefinitely. In particular, Company is aware that the Company Interest may not be sold pursuant to Rule 144 promulgated under the Securities Act unless all of the conditions of the applicable Securities Act rules are met.

d. Company acknowledges that, because of the substantial restrictions on the transferability of the Company Interest pursuant to this Agreement, and because there is no public market for the Company Interest and none is expected to develop, it may not be possible for Company to liquidate the Company Interest.

e. Company acknowledges that the tax consequences to Company resulting from the issuance of the Company Interest will depend on Company's particular circumstances, and neither the Executive nor any other person will be responsible or liable for the tax consequences to Company of a grant of the Company Interest. Company shall look solely to, and rely upon, Company's own advisers with respect to the tax consequences of this grant.

7. NO EFFECT ON TERMS OF SERVICE. THIS AGREEMENT SHALL NOT CONFER UPON EXECUTIVE ANY RIGHT WITH RESPECT TO CONTINUATION OF EXECUTIVE'S ENGAGEMENT BY THE COMPANY OR BANK, NOR SHALL IT INTERFERE IN ANY WAY WITH THE RIGHT OF EXECUTIVE OR THE COMPANY TO TERMINATE THE EMPLOYMENT RELATIONSHIP AT ANY TIME FOR ANY REASON WITH OR WITHOUT CAUSE, NOR SHALL IT INTERFERE WITH THE COMPANY'S OR BANK'S ABILITY TO CHANGE THE TERMS OF EXECUTIVE'S EMPLOYMENT BY THE COMPANY AND BANK.

8. Successors; Transfers. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

9. Severability; Enforcement. If any provision of this Agreement, or its application to any person, place or circumstance, is held by an arbitrator or a court of competent jurisdiction to be invalid, unenforceable, or void, such provision shall be enforced (by blue-penciling or otherwise) to the greatest extent permitted by law, and the remainder of this agreement and such provision as applied to other persons, places and circumstances shall remain in full force and effect.

10. Complete Agreement; Execution. This Agreement and the Employment Agreement represent the complete and final agreement and understanding of the parties hereto with respect to their subject matter and supersede all prior or contemporaneous oral or written agreements or understandings with respect to such subject matter. This Agreement may be executed by facsimile signature and may be executed in two or more counterparts, each of which, when taken together, shall constitute one and the same instrument.

11. Governing Law; Venue. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Texas without giving effect to any conflict of laws principles thereof. Each of the parties hereto irrevocably and unconditionally submits to the non-exclusive general jurisdiction of any state or federal court of competent jurisdiction in Dallas, Texas.

12. Specific Performance. The parties hereto intend that each of the parties have the right to seek damages or specific performance in the event that any other party hereto fails to perform such party's obligations hereunder. Consequently, each of the Company and the Executive agree that specific performance of the terms of this Agreement is a proper remedy for the breach of its provisions. Each of the parties agrees to waive any requirement for the securing or posting of any bond in connection with such remedy. If the parties to this Agreement are forced to institute legal proceedings to enforce their rights in accordance with the provisions of this Agreement, the prevailing party shall be entitled to recover his, her or its reasonable attorneys' fees and court costs incurred in enforcing such rights.

The parties hereto have duly executed this Agreement as of the date first above written.

TRIUMPH CONSOLIDATED COS., LLC:

By: * /s/ Aaron P. Graft*
Name: Aaron P. Graft
Title: Chief Executive Officer

EXECUTIVE:

/s/ Davis Deadman
Davis Deadman

Exhibit 10.4

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into as of May 8, 2012 to become effective as of July 1, 2012, by and between TRIUMPH SAVINGS BANK SSB, (the "Bank"), and RAY SPERRING ("Executive").

RECITALS

WHEREAS, the Bank is the wholly-owned subsidiary of Triumph Consolidated Cos., LLC and Triumph Bancorp, Inc.; and

WHEREAS, in addition to his agreeing to serve as Executive Vice President of the Bank, Executive will also serve as the Chief Investment Officer of Triumph Consolidated Cos., LLC ("Company"); and

WHEREAS, in conjunction with his service as Chief Investment Officer of the Company, Executive has agreed that this Agreement will memorialize the profits sharing interest between himself and the Bank for non-banking opportunities; and

WHEREAS, the Parties to this Agreement wish to memorialize their employment relationship in writing by this instrument; and

WHEREAS, Executive is willing to enter into this Agreement in consideration of his employment by the Bank and the benefits that Executive will receive under the terms hereof.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. **EMPLOYMENT OF EXECUTIVE.**

1.1. **Duties and Status.** The Bank hereby engages Executive as Executive Vice President of the Bank for the Term (as defined in Section 3.1 hereof), and Executive accepts such employment, on the terms and subject to the conditions set forth in this Agreement. During the Term, Executive will faithfully exercise such authority and perform such duties on behalf of the Bank as are normally associated with his title and position as Executive Vice President and such other duties or positions as Executive and the Bank will mutually determine from time to time. By way of example, Executive's primary responsibilities to the Bank include, but are not limited to financial modeling of new investment opportunities and strategic initiatives for the Bank, serving on various management committees, and participating in executive committee discussions regarding new strategic initiatives for the Bank. In the capacity defined in this Section 1.1, Executive will report to the Chief Executive Officer of the Bank.

1.2. **Services for Holding Company.** During the Term hereof, Executive will also serve as the Executive Vice President and Chief Investment Officer of the Company. During the Term, Executive will faithfully exercise such authority and perform such duties on behalf of the Company as are normally associated with his title and position as Executive Vice President and Chief Investment Officer and such other duties or positions as Executive and the Company will mutually determine from time to time. By way of example, Executive's primary responsibilities to the Company will include, but are not limited to enhancing brand reputation of the Company and the Bank; generating revenue through outside investment management; sourcing capital opportunities for the Bank; and leading or co-leading the acquisition of other bank and specialty finance institutions. In the capacity defined in this Section 1.2, Executive will report to the Chief Executive Officer of the Company.

1.3. **Time and Effort.** During the Term, Executive will devote his full working time, energy, skill and commercially reasonable best efforts to the performance of his duties hereunder in a manner which will faithfully and diligently further the business and interests of the Bank and the Company. Notwithstanding the foregoing, Executive may participate fully in social, charitable, civic activities and such other personal affairs of Executive as do not interfere with performance of his duties hereunder. The Parties have also agreed that Executive may continue to serve as a director for other entities, and may from time to time provide consulting services for remuneration unrelated to his services to the Bank and the Company; however, as an express condition thereto, Executive will be required to fully disclose for consent all such directorships and consulting engagements to the Chief Executive Officer of the Bank and the Company in advance, and acknowledges and agrees that such consent may be withheld in the sole discretion of the Bank and/or the Company.

2. **COMPENSATION AND BENEFITS.**

2.1. **Annual Base Salary.** For all of the employment rendered by Executive to the Bank and to the Company, the Bank will pay Executive an annual base salary of $185,000.00 (the "Annual Base Salary"). Executive's Annual Base Salary will be payable in equal installments in accordance with the practice of the Bank in effect from time to time for the payment of salaries to officers of the Bank, but in no event less than bi-monthly, and may be increased or decreased during the Term.

2.2. **Expenses.** The Bank will timely pay or reimburse Executive for all reasonable budgeted travel, entertainment and other business expenses actually paid or incurred by Executive during the Term in the performance of Executive's duties under this Agreement in accordance with the Bank's employee business expense reimbursement policies in effect from time to time, but in no event less than monthly.

2.3. **Restricted Stock Plan.** During the Term, Executive will be eligible to participate in the Triumph Bancorp, Inc. Restricted Stock Plan (the "Plan") and will be awarded restricted stock shares pursuant to the terms of such Plan. Participation in the Plan is governed in accordance with the terms of the Plan and any agreement awarding participating shares under the Plan.

2.4. **Long-Term Incentive Compensation**. Executive shall be awarded 400 Class B Units of TLCM Investments, LLC. These units shall vest over a five-year period (i.e., 80 units per year). The first vesting will be on the one year anniversary of the Effective Date of this Agreement. The terms and conditions of this grant will be detailed in a separate long term incentive plan adopted by Triumph Consolidated Cos., LLC.

2.5. **Additional Discretionary Bonuses.** During the Term, subject to the recommendation of the Chief Executive Officer of the Bank or Company, and in the final absolute discretion of the personnel committee of the Bank's board of directors, the Executive may be entitled to a discretionary cash bonus in recognition of superior fulfillment of his duties to the Bank, the Company or its affiliates.

2.6. **Profits Interest in Outside Investment Management.** During the Term, the Parties have agreed that Executive will have the authority to enter certain non-Bank investment transactions, with the Parties hereto agreeing to share a profits interest in the proceeds of such transactions. The terms of such profits interest shall be governed in accordance with the terms of the attached Schedule B, the execution of which is a material inducement for the Bank's willingness to enter into this Agreement.

2.7. **Benefits.** Executive will be entitled to participate in Bank's employee benefit plans on such terms as determined by the Bank. For the avoidance of doubt, Executive will not be reimbursed by the Bank for any health-related expenses, unless otherwise agreed to by the Bank.

2.8. **Paid Time Off.** During the Term, Executive will be entitled to four weeks paid time off per calendar year and leave of absence and leave for illness or temporary disability in accordance with the policies of the Bank in effect from time to time. Executive's paid time off entitlement will be prorated in any calendar year in which Executive does not work the entire calendar year. To the extent Executive has not used all paid time off allotted hereunder, Executive is entitled to carry over a maximum of five days into the next calendar year, in accordance with the policies of the Bank.

2.9. **Indemnification.** During the Term, the Bank agrees to maintain one or more directors and officers liability insurance policies covering Executive pursuant to the terms of such policies.

3. **TERM AND TERMINATION.**

3.1. **Term.** Executive's employment per the terms of this Agreement will commence on the date hereof (the "Effective Date") and will terminate on the earlier of (a) the close of business on the second anniversary of the Effective Date (the "Original Term") or (b) the termination of this Agreement pursuant to Section 3.2 hereof. Thereafter, unless written notification is given at least sixty (60) days before the expiration of the Original Term or any subsequent renewal term, this Agreement will automatically renew for successive one year periods (each, a "Renewal Term"). For purposes of this Agreement, when the word "Term" is used alone, it shall collectively refer to the Original Term and all Renewal Term(s). The Bank's decision not to extend the Term of this Agreement will not be considered termination of Executive's employment, whether with or without Cause, as defined below. For purposes of this Agreement, any reference to the Term will include the initial two-year Term and any successive automatic one year extension thereof.

3.2. **Termination of Employment.** Each party will have the right to terminate Executive's employment hereunder before the Term expires to the extent, and only to the extent, permitted by this Section.

(a) **By the Bank for Cause.** The Bank will have the right to terminate Executive's employment at any time upon delivery of written notice of termination for Cause (as defined below) to Executive (which notice will specify in reasonable detail the basis upon which such termination is made), such employment to terminate immediately upon delivery of such notice unless otherwise specified by the Bank, if the Bank (excluding Executive) determines in good faith that Executive: (i) has misappropriated, stolen or embezzled funds or property from the Bank or an affiliate of the Bank or secured or attempted to secure personally any profit in connection with any transaction entered into on behalf of the Bank or any affiliate of the Bank, (ii) has been convicted of a felony or entered a plea of "*nolo contendre*" which in the reasonable opinion of the Bank brings Executive into disrepute or is likely to cause material harm to the Bank's (or any of its affiliate's) business, customer or supplier relations, financial condition or prospects, (iii) has neglected his duties hereunder, (iv) has materially violated a provision of Section 4 hereof, or (v) has willfully violated or breached any material provision of this Agreement or the Profits Interest Agreement in any material respect or violated any material law or regulation (collectively, "Cause"). In the event that Executive's employment is terminated for Cause, Executive will be entitled to receive only the payments referred to in Section 3.3(e) hereof.

(b) **By the Bank Upon Total Disability.** The Bank will have the right to terminate Executive's employment on ten days' prior written notice to Executive if the Bank determines in good faith that Executive is unable to perform his duties by reason of Total Disability, but any termination of employment pursuant to this subsection (b) will obligate the Bank to make the payments referred to in Section 3.3(a) hereof. As used herein, "Total Disability" will mean the inability of Executive, due to a physical or a mental condition, to perform the essential functions of Executive's job, with or without accommodation, for any period of 180 consecutive days; *provided* that the return of Executive to his duties for periods of 15 days or less will not interrupt such 180-day period.

(c) **By the Bank Other Than for Cause, Death or Total Disability.** The Bank will have the right to terminate Executive's employment, other than for Cause, death or Total Disability, on 60 days' prior written notice to Executive in the Bank's sole discretion, but any termination of employment pursuant to this subsection (c) will obligate the Bank to make the payments referred to in Section 3.3(c) hereof.

(d) **By Executive.** Executive will have the right to terminate his employment hereunder: (i) upon 60 days' written notice, or (ii) upon 30 days' written notice because of a reduction in Executive's Annual Base Salary of more than twenty percent (20%), with the exception of compensation reductions that are applied to all executive officers of the Bank, or in the event such reduction is suggested and/or championed by Executive. In the event that Executive elects to terminate his employment pursuant to subsection (i) hereof, Executive will be entitled to receive only the payments referred to in Section 3.3(d) hereof. In the event Executive elects to terminate his employment pursuant to subsection (ii) hereof, Executive will be entitled to the payments referred to in Section 3.3(c) hereof.

(e) **By the Expiration of this Agreement.** Executive's employment hereunder will terminate upon the expiration of the Term pursuant to Section 3.1. In the event the employment of Executive is terminated by the expiration of the Term, Executive will be entitled to receive the payments referred to in Section 3.3(f) hereof.

(f) **Death of Executive.** Executive's employment hereunder will terminate upon the death of Executive. In such an event, Executive's estate will be entitled to receive the payments referred to in Section 3.3(a) hereof.

3.3. **Compensation and Benefits Following Termination.** Except as specifically provided in this Section, any and all obligations of the Bank to make payments to Executive under this Agreement will cease as of the date the Term expires pursuant to Section 3.1 or as of the date Executive's employment is terminated pursuant to Section 3.2, as the case may be. Executive will be entitled to receive only the following compensation and benefits following the termination of his employment hereunder:

(a) **Upon Death.** In the event that the Term terminates pursuant to Section 3.2(g) on account of the death of Executive, (i) the Bank will pay to Executive's surviving spouse or, if none, his estate, a lump-sum amount equal to the sum of Executive's earned and unpaid salary through the date of his termination, any bonus definitively granted to Executive by the Bank but not yet paid to Executive, additional salary in lieu of Executive's accrued and unused vacation, any unreimbursed business and entertainment expenses in accordance with the Bank's policies, and any unreimbursed employee benefit expenses that are reimbursable in accordance with the Bank's employee benefit plans through the date of termination (collectively, the "Standard Termination Payments") and (ii) death benefits, if any, under the Bank's employee benefit plans will be paid to Executive's beneficiaries as properly designated in writing by Executive. For the avoidance of doubt, the Standard Termination Payments do not include any unvested portion of any annual incentive compensation or bonus.

(b) **Upon Termination for Total Disability.** In the event that the Bank elects to terminate the employment of Executive pursuant to Section 3.2(b) because of his Total Disability, (i) the Bank will pay to Executive a lump-sum amount equal to the Standard Termination Payments and (ii) Executive will be entitled to such disability and other employee benefits as may be provided under the terms of the Bank's employee benefit plans.

(c) **Upon Termination Other Than for Cause, Death or Total Disability.** In the event that the Bank elects to terminate the employment of Executive pursuant to Section 3.2(c), (i) the Bank will pay to Executive within the later of 30 days after his termination of employment or 14 days after the Bank's receipt of the irrevocable release described in this Section 3.3(c), by certified check or wire transfer of immediately available funds in U.S. dollars, a lump-sum amount equal to the sum of (A) the Standard Termination Payments plus (B) an amount equal to the Annual Base Salary as then in effect in accordance with Section 2.1 for a period equal to twelve (12) months, and (ii) the Bank will also be obligated to provide coverage, at the Bank's expense (through the payment of amounts in connection with Executive's election under the Consolidated Omnibus Reconciliation Act, if applicable), under the Bank's medical, dental, life insurance and total disability benefit plans or arrangements with respect to Executive for a period equal to twelve (12) months (collectively, the "Severance Benefits"). If and to the

extent that any benefit described in this Section 3.3(c)(ii) is not or cannot be paid or provided under a Bank plan or arrangement, then the Bank will pay or provide for the payments to the Executive of such employee benefits. From the date of such notice of termination other than for Cause or upon death or Total Disability through the last date of Executive's employment hereunder, Executive will continue to perform the normal duties of his employment hereunder (unless waived by the Bank), and will be entitled to receive when due all compensation and benefits applicable to Executive hereunder. Executive will have no duty to mitigate his damages and the amounts due Executive under this Section 3.3(c) will not be reduced by any payments received from other sources. As a condition of receiving any severance or rights or entitlements for which Executive otherwise qualifies under this Section 3.3(c) (other than with respect to the Standard Termination Payments), Executive agrees to execute, deliver and not revoke (within the time period permitted by applicable law) a general release of the Bank and its subsidiaries and affiliates and their respective officers, directors, employees and owners from any and all claims, obligations and liabilities of any kind whatsoever arising from or in connection with the Executive's employment or termination of employment with the Bank or this Agreement (including, without limitation, civil rights claims), in such form as is reasonably requested by the Bank. The irrevocable release will be completed prior to the sixtieth (60th) day following Executive's termination in order for Executive to be eligible to receive the benefits described in this Section 3.3(c). Notwithstanding anything in this Agreement to the contrary, the Company will not be required to pay any benefit under this Agreement if the Company reasonably determines that the payment of such benefit would be prohibited by 12 C.F.R. Part 359 or any successor regulations regarding employee compensation promulgated by any regulatory agency having jurisdiction over the Company or its affiliates.

(d) **By Executive.** In the event Executive elects to terminate his employment pursuant to Section 3.2(d), (i) the Bank will pay to Executive a lump-sum amount equal to the Standard Termination Payments and (ii) Executive will be entitled to such disability and other employee benefits as may be provided under the terms of the Bank's employee benefit plans for the time period provided for in such plans.

(e) **For Cause.** In the event that the Bank terminates the employment of Executive pursuant to Section 3.2(a) for Cause, Executive will be entitled to receive a lump-sum amount equal to the Standard Termination Payments.

(f) **By the Expiration of this Agreement**. In the event that this Agreement expires at the end of the Original Term and is not renewed by the Bank, the Bank will pay to Executive within the later of 30 days after his termination of employment or 14 days after the Bank's receipt of the irrevocable release described in this Section 3.3(c), by certified check or wire transfer of immediately available funds in U.S. dollars, a lump-sum amount equal to the sum of (A) the Standard Termination Payments plus (B) an amount equal to the Annual Base Salary as then in effect in accordance with Section 2.1 for a period equal to six (6) months, and the Bank will also be obligated to provide coverage, at the Bank's expense (through the payment of amounts in connection with Executive's election under the Consolidated Omnibus Reconciliation Act, if applicable), under the Bank's medical, dental, life insurance and total disability benefit plans or arrangements with respect to Executive for a period equal to six (6) months. In the event that this Agreement expires at the end of any Renewal Term and is not renewed by the Bank, Executive will be entitled to receive a lump-sum amount equal to the Standard Termination Payments. For the avoidance of doubt, if Executive is entitled to receive a payment pursuant to this Section 3.3(f), he is ineligible to receive a payment pursuant to Section 3.3(c) hereof.

(g) **Following Change of Control**. In the event that his employment and this Agreement are terminated concurrent with a Change of Control (as defined below), or Executive is not offered substantially the same position, duties, compensation and benefits as exist as of the date of such Change of Control by a successor, the Bank will pay Executive, as his exclusive right and remedy in respect of such termination a lump sum payment within 60 days of Executive's termination of employment, by certified check or wire transfer of immediately available funds, in an amount equal to the sum of (i) the Standard Termination Payments plus (ii) an amount equal to the Annual Base Salary as then in effect in accordance with Section 2.1 for a period equal to twelve (12) months, and the Bank will also be obligated to provide coverage, at the Bank's expense (through the payment of amounts in connection with Executive's election under the Consolidated Omnibus Reconciliation Act, if applicable), under the Bank's medical, dental, life insurance and total disability benefit plans or arrangements with respect to Executive for a period equal to twelve (12) months (the amounts described in this clause collectively are the "CIC Severance Benefits").

In the event that Executive is offered a position by the successor with substantially the same position, duties, compensation and benefits as exist as of the date of a Change of Control and Executive elects not to continue employment with such successor, the Bank will pay Executive, as his exclusive right and remedy in respect of such termination a lump sum payment within 60 days of Executive's termination of employment, by certified check or wire transfer of immediately available funds, in an amount equal to the sum of (A) the Standard Termination Payments plus (B) an amount equal to one half (1/2) the Annual Base Salary as then in effect in accordance with Section 2.1, and the Bank will also be obligated to provide coverage, at the Bank's expense (through the payment of amounts in connection with Executive's election under the Consolidated Omnibus Reconciliation Act, if applicable), under the Bank's medical, dental, life insurance and total disability benefit plans or arrangements with respect to Executive for a period equal to six (6) months (the amounts described in this clause collectively are the "CIC Resignation Benefits").

Notwithstanding anything in this Agreement to the contrary, the Bank will not be required to pay any benefit under this Agreement if the Bank reasonably determines that the payment of such benefit would be prohibited by 12 C.F.R. Part 359 or any successor regulations regarding employee compensation promulgated by any regulatory agency having jurisdiction over the Bank or its affiliates. The Bank's obligation to pay the CIC Severance Benefits or the CIC Resignation Benefits, as the case may be, under this Section 3.3(g) is contingent upon and subject to Executive's execution and non-revocation of a general release of the Bank, its successor(s) and their respective subsidiaries and affiliates and their respective officers, directors, employees and owners from any and all claims, obligations and liabilities from any and all claims, obligations and liabilities of any kind whatsoever arising from or in connection with the Executive's employment or termination of employment with the Bank or this Agreement (including, without limitation, civil rights claims), in such form as is reasonably requested by the Bank. The irrevocable release will be completed prior to the sixtieth (60th) day following Executive's termination in order for Executive to be eligible to receive the benefits described in

this Section 3.3(g). For the avoidance of doubt, (i) if Executive accepts a position offered by the successor with substantially the same duties, compensation and benefits as exist as of the date of a Change of Control, he shall not be entitled to any payments under this Section and (ii) if Executive is entitled to receive payment pursuant to this Section 3.3(g), then Executive will not also be entitled to receive any severance payment pursuant to any other section of this Agreement.

As used in this Section, "Company" shall mean (i) the Bank, (ii) a financial or bank holding company controlling 50% of the stock of the Bank, and (iii) any subsidiary of (i) or (ii) in which Executive has direct and ongoing involvement as of the date of the Change of Control (defined below). As used in this Agreement, a "Change of Control" will be deemed to have occurred in each of the following instances: (i) a reorganization, merger, consolidation or other corporate transaction involving the Company, with respect to which the holders of the voting securities of the Company immediately prior to such transaction do not, immediately after the transaction, own more than fifty percent (50%) of the combined voting power of the reorganized, merged or consolidated entity's then outstanding voting securities; (ii) the sale, transfer or assignment of all or substantially all of the assets of the Company; or (iii) the acquisition by any individual, entity or "group," within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act (a "Person"), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of voting securities of the Company where such acquisition causes any such Person to own fifty percent (50%) or more of the combined voting power of the Company's then outstanding voting securities; provided however, that a Change of Control will not be deemed to have occurred if a Person becomes the beneficial owner of fifty percent (50%) of the combined voting power of the Company's then outstanding voting securities solely as a result of the repurchase of voting securities by the Company. Notwithstanding the preceding provisions of this Section, a "Planned Capital Offering" shall not constitute a Change of Control. A Planned Capital Offering means an issuance of equity, debt or any hybrid thereof by the Company to new investors pursuant to a plan adopted by the Company's board of directors of such entity as part of its overall growth plan for the Company and wherein a majority of the persons who were members of the Company's board of directors preceding such capital offering remain after its completion. A Planned Capital Offering may include the issuance Common Stock that is registered with the Securities and Exchange Commission ("SEC") and any state securities board, or that is exempt from registration with the SEC and/or any state securities board pursuant to any federal or state law or regulation.

3.4. **Excise Taxes; Gross Up**. In the event that any compensation payable under this Section is determined to be a "parachute payment" subject to the excise tax imposed by Section 4999 of the Code or any successor provision (the "Excise Tax"), the Bank agrees to pay to Executive an additional sum (the "Gross Up") in an amount such that the net amount retained by Executive, after receiving both the payment and the Gross Up and after paying: (i) any Excise Tax on the payment and the Gross Up, and (ii) any federal, state, and local income taxes on the Gross Up, is equal to the amount of the payment. For purposes of determining the Gross Up, Executive will be deemed to pay federal, state, and local income taxes at the highest marginal rate of taxation in his filing status for the calendar year in which the payment is to be made based upon Executive's domicile on the date of the event that triggers the Excise Tax. The determination of whether such Excise Tax is payable and the amount of such Excise Tax will be based upon the opinion of tax counsel selected by the Bank, subject to the reasonable approval of

Executive. If such opinion is not finally accepted by the Internal Revenue Service, then appropriate adjustments will be calculated (with additional Gross Up determined based on the principals outlined in the previous paragraph, if applicable) by such tax counsel based upon the final amount of Excise Tax so determined together with any applicable penalties and interest. The final amount will be paid, if applicable, within thirty (30) days after such calculations are completed, but in no event later than April 1st of the year following the event that triggers the Excise Tax. Notwithstanding the preceding sentence, or any provision in this Agreement to the contrary, in accordance with Section 409A of the Code, the Excise Tax Gross Up will be paid not later than December 31 of the calendar year following the calendar year in which the related Excise Tax or income tax is remitted to the applicable taxing authority.

3.5. **All Payments.** All payments made to Executive upon the termination of Executive’s employment will be made in U.S. dollars and are in lieu of all other termination or severance payments available at law or otherwise.

4. **CONFIDENTIALITY AND NONDISCLOSURE.**

4.1. **Access to Confidential Information.** Executive understands and agrees that in the course of performing work on behalf of the Bank, he will continue to have access to, and will continue to be given Confidential Information relating to the business of the Bank. Executive acknowledges and agrees that such Confidential Information includes, but is not limited to financial information pertinent to the Bank and its customers, and investors, customer lists, customer and investor identities and their preferences, confidential banking and financial information of both the Bank and its customers and investors, and information that Executive may create or prepare certain information related to his duties. Executive hereby expressly agrees to maintain in strictest confidence and not to access without proper business purposes (including repetitive unnecessary access), use (including without limitation in any future business or personal relationship of Executive), publish, disclose or in any way authorize anyone else to use, publish or disclose in any way, any Confidential Information relating in any manner to the business or affairs of the Bank and its customers and investors, except for legitimate business-related reasons while performing duties on behalf of the Bank. Executive agrees further not to remove or retain any figures, financial information, personnel data, calculations, letters, documents, lists, papers, or copies thereof, which embody Confidential Information of the Bank, and to return any such information in Executive’s possession at the conclusion of Executive’s use of such information and at the conclusion of Executive’s employment with the Bank.

For purposes of this Agreement, “Confidential Information” includes, but is not limited to, information in the possession of, prepared by, obtained by, compiled by, or that is used by Bank, its customers, investors and/or vendors, or is prepared by, obtained by, compiled by or that is used by Executive in conjunction with his duties, and (1) is proprietary to, about, or created by the Bank, its customers, investors and/or vendors; (2) is information the disclosure of which might be detrimental to the interest of the Bank, its investors or customers; or (4) is not typically disclosed by the Bank, its customers, investors and/or vendors, or known by persons who are not associated with the Bank.

4.2. **Non-Solicitation of Executives and Investors**. Executive agrees that during the Term or any extension thereof, and for a period of one year following the termination of Executive's employment for any reason, Executive will not (i) offer employment to, enter into a contract for the employment of, or attempt to entice away from the Bank, any individual who is at the time of such offer or attempt, one of the employees holding an officer or director with the Bank or the Company, (ii) interfere with the material business relationships of the Bank or the Company and its subsidiaries, or entice away any material suppliers or contractors, (iii) procure or facilitate the making of any such offer or attempt by any other Person, or (iv) solicit, directly or through any other Person, any investor of the Bank or the Company for purposes of facilitating any investment, partnership or business opportunity unrelated to the Bank or the Company. This restriction in Section 4.2(iv) shall not apply to any investor with which the Executive had a preexisting relationship prior to becoming employed by the Bank.

4.3. **Intellectual Property**. Executive agrees to disclose and assign to the Bank any and all material of a proprietary nature, particularly including, without limitation, material subject to protection as trade secrets or as patentable ideas or copyrightable works, that Executive may conceive, invent, author or discover, either solely or jointly with another or others during Executive's employment and that relates to or is capable of use in connection with the business of the Bank or any employment or products offered, manufactured, used, sold or being developed by the Bank at the time said material is developed. Executive will, upon request of the Bank, either during or at any time after Executive's employment ends, regardless of how or why Executive's employment ends, execute and deliver all papers, including applications for patents and registrations for copyrights, and do such other legal acts (entirely at the Bank' expense) as may be necessary to obtain and maintain proprietary rights in any and all countries and to vest title thereto in the Bank.

4.4. **Remedy.** Executive understands and acknowledges that the Bank has a legitimate business interest in preventing Executive from taking any actions in violation of this Section 4 and that this Section 4 is intended to protect the business and goodwill of the Bank. Executive further acknowledges that a breach of this Section 4 will irreparably and continually damage the Bank and that monetary damages alone will be inadequate to compensate the Bank for such breach. Executive therefore agrees that in the event Executive violates any of the terms of this Section 4, the Bank will be entitled to, in addition to any other remedies available to it in law or in equity, seek temporary, preliminary and permanent injunctive relief and specific performance to enforce the terms of Section 4 without the necessity of proving inadequacy of legal remedies or irreparable harm or posting bond. If Executive does take actions in violation of Section 4 of this Agreement, Executive understands that the time periods set forth in those paragraphs will run from the date on which Executive's violations of those sections, whether by injunction or otherwise, ends and not from the date that Executive's employment ends. In the event any lawsuit, claim or other proceeding is brought to enforce the terms of this Section 4, or to determine the validity of its terms, then the prevailing party will be entitled to recover from the non-prevailing party its reasonable attorneys' fees and court costs incurred in obtaining enforcement of, or determining the validity of, this Section 4.

4.5. **Waiver.** Executive understands and agrees that in the event the Bank waives or allows any breach of this Section 4, such waiver or allowance will not constitute a waiver or allowance of any future breach, whether of a similar or dissimilar nature.

4.6. **Tolling.** If the Bank files a lawsuit in any court of competent jurisdiction alleging a breach of the non-disclosure or non-solicitation provisions of this Agreement by Executive, then any time period set forth in this Agreement relating to the post-termination restrictions on the activities of Executive will be deemed tolled as of the time the lawsuit is filed and will remain tolled until the dispute is finally resolved, either by written settlement agreement resolving all claims raised in the lawsuit, or by entry of a final judgment and final resolution of any post-judgment appellate proceedings.

5. **MISCELLANEOUS.**

5.1. **Governing Law; Dispute Resolution.** This Agreement will be governed by and construed in accordance with the laws of the State of Texas excluding that body of law known as conflicts of law. The Parties will endeavor to settle amicably by mutual discussions any disputes or claims related to this Agreement ("Dispute"). Failing such settlement, and excepting such claims as may be brought pursuant to Section 4 hereof in a state or federal court having jurisdiction, any other Dispute will finally be settled by arbitration in accordance with the rules of the American Arbitration Association then applicable to employment-related disputes. The Parties will agree upon a single arbitrator. The Arbitrator will not have authority to award punitive damages to either Party. Each Party will bear its own expenses, but the Bank will bear the fees and expenses of the arbitrator. This Agreement will be enforceable, and any arbitration award will be final. In any such arbitration, the decision in any prior arbitration under this Agreement will not be deemed conclusive of the rights as among themselves of the Parties hereunder. The arbitration will be held in Dallas, Texas. Any notices, including a demand for arbitration will be deemed served when delivered to the address indicated in Section 5.3.

5.2. **Code Section 409A**. It is the intent of the parties that this Agreement be interpreted and administered in compliance with the requirements of section 409A of the Internal Revenue Code of 1986, as amended (the "Code") to the extent applicable. In this connection, the Bank will have authority to take any action, or refrain from taking any action, with respect to this Agreement that is reasonably necessary to ensure compliance with Code section 409A (provided that the Bank will choose the action that best preserves the value of the payments and benefits provided to Executive under this Agreement), and the parties agree that this Agreement will be interpreted in a manner that is consistent with Code section 409A. In furtherance, but not in limitation of the foregoing: (a) in the event that Executive is a "specified employee" within the meaning of Code section 409A, payments which constitute a "deferral of compensation" under Code section 409A and which would otherwise become due during the first six (6) months following Executive's termination of employment will be delayed and all such delayed payments will be paid in full in the seventh (7th) month after the Executive's termination of employment, and all subsequent payments will be paid in accordance with their original payment schedule, provided that the above delay will not apply to any payments that are excepted from coverage by Code section 409A, such as those payments covered by the short-term deferral exception described in Treasury Regulations section 1.409A-1(b)(4); (b) notwithstanding any other provision of this Agreement, a termination of Executive's employment hereunder will mean, and be interpreted consistent with, a "separation from service" within the meaning of Code section 409A; and (c) with respect to the reimbursement of fees and expenses provided for herein, the following will apply: (i) unless a specific time period during which such expense reimbursements and tax gross-up payments may be incurred is provided for herein, such time

period will be deemed to be Executive’s lifetime; (ii) the amount of expenses eligible for reimbursement hereunder in any particular year will not affect the expenses eligible for reimbursement in any other year; (iii) the right to reimbursement of expenses will not be subject to liquidation or exchange for any other benefit; and (iv) the reimbursement of an eligible expense or a tax gross-up payment will be made on or before the last day of the calendar year following the calendar year in which the expense was incurred or the tax was remitted, as the case may be.

5.3. **Headings.** The headings and captions set forth herein are for convenience of reference only and will not affect the construction or interpretation hereof.

5.4. **Notices.** Any notice or other communication required, permitted, or desirable hereunder will be hand delivered (including delivery by a commercial courier service) or sent by United States registered or certified mail, postage prepaid, by facsimile or by electronic mail addressed as follows:

If to the Bank:		Triumph Savings Bank, SSB
	Physical address:	5220 Spring Valley Road Suite 415 Dallas, Texas 75254
	Attn:	Aaron P. Graft / Chief Executive Officer
If to Executive:		Ray Sperring
	Physical address:	6804 Woodland Drive Dallas, Texas 75225

or such other addresses as will be furnished in writing by the parties. Any such notice or communication will be deemed to have been given as of the date so delivered in person or three business days after so mailed.

5.5. **Successors and Assigns.** Subject to the terms of Section 3.3(g), the Bank may assign its rights under this Agreement to any successor to its business (by merger, acquisition of substantially all of the Bank’s assets or otherwise), provided that such successor entity expressly assumes, in a writing reasonably acceptable to Executive, this Agreement and all obligations and undertakings of the Bank hereunder. Executive may not assign his rights or delegate his duties under this Agreement without the prior written consent of the Bank. Executive understands and agrees that this Agreement will be binding upon and inure to the benefit of the Bank and its legal representatives, successors and assigns. Executive also understands and agrees that this Agreement will be binding upon and inure to the benefit of Executive’s heirs and executors or administrators.

5.6. **Entire Agreement; Amendments**. This Agreement sets forth the entire agreement and understanding of the parties with respect to the subject matter hereof, and there are no other contemporaneous written or oral agreements, undertakings, promises, warranties or

covenants not specifically referred to or contained herein. This Agreement specifically supersedes any and all prior agreements and understandings of the parties with respect to the subject matter hereof, all of which prior agreements and understandings (if any) are hereby terminated and of no further force and effect. This Agreement may be amended, modified or terminated only by a written instrument signed by the parties hereto.

5.7. **Execution of Counterparts.** This Agreement may be executed in one or more counterparts (including by facsimile or portable document format (.pdf)) for the convenience of the parties hereto, each of which will be deemed an original, but all of which together will constitute one and the same instrument. No signature page to this Agreement evidencing a party's execution hereof will be deemed to be delivered by such party to any other party hereto until such delivering party has received signature pages from all parties signatory to this Agreement.

5.8. **Severability.** If any provision, clause or part of this Agreement, or the applications thereof under certain circumstances, is held invalid or unenforceable for any reason, the remainder of this Agreement, or the application of such provision, clause or part under other circumstances, will not be affected thereby.

5.9. **Incorporation of Recitals.** The Recitals to this Agreement are an integral part of, and by this reference are hereby incorporated into, this Agreement.

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IN WITNESS WHEREOF, the parties have executed this Employment Agreement as of the day and year first above written.

TRIUMPH SAVINGS BANK, SSB

By: *_/s/ Aaron P. Graft_*
Name: Aaron P. Graft
Title: Chief Executive Officer

EXECUTIVE:

/s/ Ray Sperring
RAY SPERRING

[Signature Page to Employment Agreement]

Schedule A

INITIAL BONUS SCHEDULE

TBI Return on Equity	Total Bonus (as % of base salary)	Stock/Cash Allocation
8%	17.5%	50%/50%
10%	30%	50%/50%
12%	35%	50%/50%
14%	40%	50%/50%
16%	45%	50%/50%
18%	50%	50%/50%
20%	60%	50%/50%

As specified in the Triumph Bancorp, Inc. Restricted Stock Plan and the Executive's Employment Agreement, the final discretion on any bonus awarded is vested in the Personnel Committee of the Bank. This Schedule A is for informational purposes only; provided, however, that in light of information currently available to the Personnel Committee, this bonus schedule is considered reasonable in relation to the indicated return on equity for the Bank. The Personnel Committee will make the final decision on bonus awards on an annual basis in light of several factors, both quantitative and qualitative, and per the direction of the Board of Directors, will consider the overall financial health of the Company and/or Bank in arriving at any final decision.

Schedule B

PROFITS INTEREST AGREEMENT

This Profits Interest Grant Agreement (this "Agreement") is entered into as of May 8, 2012, to be effective as of July 1, 2012, by and between TRIUMPH SAVINGS BANK SSB, (the "Bank"), TRIUMPH CONSOLIDATED COS., LLC and TRIUMPH BANCORP, INC. (collectively, "the Company") and RAY SPERRING ("Executive").

RECITALS

A. Executive is employed as the Executive Vice President of the Bank and Chief Investment Officer of Triumph Consolidated Cos., LLC.

B. In consideration of Executive's employment with the Company and Bank, and in accordance with the Employment Agreement between the Company and Executive, dated as of the date of this Agreement (the "Employment Agreement"), the Executive desires to grant to the Company a profits interest (the "Company Interest") in the non-bank investment opportunities identified, developed or procured (the "Investment Opportunity") by the Executive, in accordance with the terms hereof.

AGREEMENTS

In consideration of the mutual covenants in this Agreement, the Company and Executive agree as follows:

1. Duty to Inform Company of Investment Opportunities. Executive agrees that he will inform the Company of all Investment Opportunities that the Executive identifies, procures, or develops, and agrees that each Investment Opportunity so identified, procured or developed by the Executive shall be subject to the terms and requirements of this Agreement. Failure of the Executive to inform the Company of any Investment Opportunity shall result in the Executive's immediate termination of employment for Cause under the terms of the Employment Agreement.

2. Grant of Company Interest. The Executive hereby grants the Company Interest to Company. Company shall not be obligated, and is not expected, to contribute any funds of any nature toward any Investment Opportunity in return for the grant of the Company Interest. Except as otherwise provided herein, the Executive shall retain the balance of the interest (the "Executive Interest") with respect to the Investment Opportunity. The Company and Executive acknowledge that the Company Interest is designed and intended to be a "profits interest" as that term is defined in IRS Revenue Procedure 93-27, 1993-2 C.B. 343, as clarified by IRS Revenue Procedure 2001-43, 2001-2 C.B. 191.

3. Amount of Company Interest. The amount of the Company Interest shall vary based upon the type or nature of the Investment Opportunity presented by Executive to the Company, as follows.

a. If the Investment Opportunity is an Investment Opportunity sourced by the Executive, the Executive Interest shall be 40% and the Company Interest shall be 60%. For clarity, an investment fitting this category would be a real estate transaction that was identified and acquired by the Executive without assistance from Company or Bank personnel.

b. Notwithstanding the preceding Section 3(a) of this Agreement, if the Investment Opportunity is an opportunity identified, developed or procured by multiple persons in the Company or Bank, requires the efforts of multiple persons within the Company, or requires the investment of capital by investors in the Company in the Investment Opportunity, the Chief Executive Officer of the Company may allocate the Executive Interest in that Investment Opportunity among the Executive, any shareholders of the Company investing in the Investment Opportunity (e.g., a general partner co-investment), and any other executives, employees or officers of the Company who the Chief Executive Officer, in his sole discretion, directs to work on such transaction. In no event will the Chief Executive Officer participate in the Executive Interest regardless of his involvement in the Investment Opportunity.

4. Terms and Conditions of Company Interest and Executive Interest. The terms and conditions of the Company Interest and Executive Interest with respect to an Investment Opportunity will be set forth in a separate agreement concerning each respective Investment Opportunity (the "Investment Agreement") for which a Company Interest and Executive Interest will be granted. The Company and the Executive hereby agree to negotiate the terms of such Investment Agreement in good faith.

5. Transfer and Termination of Company Interests.

a. Except as set forth herein, Company Interests, once granted, are perpetual and do not terminate, and, except in connection with a change in control, merger or consolidation of the Company, are non-transferrable by the Company.

b. Upon termination of Executive's employment with the Company and the Bank in the manner provided under the terms of the Employment Agreement, all outstanding Company Interests with respect to consummated Investment Opportunities, and all potential Company Interest with respect to Investment Opportunities already identified but not yet consummated, shall remain outstanding and held by the Company. Notwithstanding the preceding, if Executive's termination of employment is for any reason other than for Cause, the Executive's shall have the right (but not obligation) to request that the Company sell one or more of such Company Interests to the Executive at the then Fair Market Value (defined below) of such Company Interest (the "Purchase Price"). For this purposes, "Fair Market Value" shall be determined on a going concern basis as if the Investment Opportunity were sold as an entirety in an arm's length transaction with neither the buyer nor the seller under a compulsion to buy or sell.

c. If the Executive wishes to exercise such option, the Executive shall give Company a written statement of the Executive's election, including the Executive's good faith determination of the Purchase Price (the "Purchase Price Statement"), within ninety (90) days following the effective date of termination of Executive's employment. If Company disputes the Executive's determination of the Purchase Price, it shall within thirty (30) days following its receipt of the Purchase Price Statement, provide to the Executive a written certification of the Company's determination of the Purchase Price (a "Dispute Notice"). If Company fails to timely deliver a Dispute Notice, the Purchase Price shall be the amount stated in the Purchase Price Statement. The Company and the Executive shall endeavor in good faith expeditiously to agree upon the amount of the Purchase Price. If the Company and the Executive shall not have agreed upon the Purchase Price within thirty (30) days following the date of the Dispute Notice, the Company and the Executive shall cause the Purchase Price to be determined by a qualified third party appraiser selected by and acceptable to the Company and the Executive (the "Appraiser"). If the Company and Executive are unable to agree upon the Appraiser within sixty (60) days following the date of the Dispute Notice, then within seventy-five (75) days following the date of the Dispute Notice, the Company and Executive each shall appoint a qualified third party appraiser, and cause the two appraisers selected to jointly selected a third, which shall be the Appraiser.

d. The Company and the Executive each shall submit to the Appraiser their respective final determinations of Fair Market Value (which shall be the same as set forth in the Purchase Price Statement and the Dispute Notice, each a "Final Valuation"). The Appraiser shall resolve the disagreement as to Fair Market Value, considering all information such Appraiser deems appropriate; provided, however, that in rendering its determination the Appraiser shall be limited to electing between the Final Valuation of Fair Market Value tendered to the Appraiser by the Company and that tendered to the Appraiser by the Executive. The determination of the Appraiser shall be in writing and shall be conclusive and binding on the Company and the Executive. All fees and expenses of the Appraiser shall be borne equally by the Company and the Executive.

e. The Purchase Price shall be paid in cash at closing of the Executive's purchase of the Company Interest.

6. Investment Representations.

a. This Agreement is made in reliance upon Company's representation to the Executive, which by its acceptance hereof Company hereby confirms, that the Company Interest will be acquired for its own account, not as a nominee or agent, and not with a view to the sale or distribution of any part thereof, and that it has no present intention of selling, granting participation in, or otherwise distributing the same, but subject nevertheless to any requirement of law that the disposition of his property shall at all times be within its control.

b. Company understands that the Company Interest is not registered under the Securities Act of 1933, as amended (the "Securities Act").

c. Company understands that the Company Interest may not be sold, transferred, or otherwise disposed of without registration under the Securities Act or an exemption therefrom, and that in the absence of an effective registration statement covering the Company Interest or an available exemption from registration under the Securities Act, the Company Interest must be held indefinitely. In particular, Company is aware that the Company Interest may not be sold pursuant to Rule 144 promulgated under the Securities Act unless all of the conditions of the applicable Securities Act rules are met.

d. Company acknowledges that, because of the substantial restrictions on the transferability of the Company Interest pursuant to this Agreement, and because there is no public market for the Company Interest and none is expected to develop, it may not be possible for Company to liquidate the Company Interest.

f. Company acknowledges that the tax consequences to Company resulting from the issuance of the Company Interest will depend on Company's particular circumstances, and neither the Executive nor any other person will be responsible or liable for the tax consequences to Company of a grant of the Company Interest. Company shall look solely to, and rely upon, Company's own advisers with respect to the tax consequences of this grant.

7. NO EFFECT ON TERMS OF SERVICE. THIS AGREEMENT SHALL NOT CONFER UPON EXECUTIVE ANY RIGHT WITH RESPECT TO CONTINUATION OF EXECUTIVE'S ENGAGEMENT BY THE COMPANY OR BANK, NOR SHALL IT INTERFERE IN ANY WAY WITH THE RIGHT OF EXECUTIVE OR THE COMPANY TO TERMINATE THE EMPLOYMENT RELATIONSHIP AT ANY TIME FOR ANY REASON WITH OR WITHOUT CAUSE, NOR SHALL IT INTERFERE WITH THE COMPANY'S OR BANK'S ABILITY TO CHANGE THE TERMS OF EXECUTIVE'S EMPLOYMENT BY THE COMPANY AND BANK.

8. Successors; Transfers. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

9. Severability; Enforcement. If any provision of this Agreement, or its application to any person, place or circumstance, is held by an arbitrator or a court of competent jurisdiction to be invalid, unenforceable, or void, such provision shall be enforced (by blue-penciling or otherwise) to the greatest extent permitted by law, and the remainder of this agreement and such provision as applied to other persons, places and circumstances shall remain in full force and effect.

10. Complete Agreement; Execution. This Agreement and the Employment Agreement represent the complete and final agreement and understanding of the parties hereto with respect to their subject matter and supersede all prior or contemporaneous oral or written agreements or understandings with respect to such subject matter. This Agreement may be executed by facsimile signature and may be executed in two or more counterparts, each of which, when taken together, shall constitute one and the same instrument.

11. Governing Law; Venue. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Texas without giving effect to any conflict of laws principles thereof. Each of the parties hereto irrevocably and unconditionally submits to the non-exclusive general jurisdiction of any state or federal court of competent jurisdiction in Dallas, Texas.

12. Specific Performance. The parties hereto intend that each of the parties have the right to seek damages or specific performance in the event that any other party hereto fails to perform such party's obligations hereunder. Consequently, each of the Company and the Executive agree that specific performance of the terms of this Agreement is a proper remedy for the breach of its provisions. Each of the parties agrees to waive any requirement for the securing or posting of any bond in connection with such remedy. If the parties to this Agreement are forced to institute legal proceedings to enforce their rights in accordance with the provisions of this Agreement, the prevailing party shall be entitled to recover his, her or its reasonable attorneys' fees and court costs incurred in enforcing such rights.

The parties hereto have duly executed this Agreement as of the date first above written.

TRIUMPH CONSOLIDATED COS., LLC:

By: *__/s/ Aaron P. Graft__*
Name: Aaron P. Graft
Title: Chief Executive Officer

EXECUTIVE:

__/s/ Ray Sperring__
RAY SPERRING

Exhibit 10.5

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into as of 16 August 2012, by and between TRIUMPH SAVINGS BANK SSB, (the "Bank"), and GAIL LEHMANN ("Executive").

RECITALS

WHEREAS, the Bank is the wholly-owned subsidiary of Triumph Consolidated Cos., LLC and Triumph Bancorp, Inc. (collectively, the "Company"); and

WHEREAS, Executive has agreed to serve as the Executive Vice President and Chief Operating Officer of the Bank; and

WHEREAS, the Parties to this Agreement wish to memorialize their employment relationship in writing by this instrument; and

WHEREAS, Executive is willing to enter into this Agreement in consideration of her employment by the Bank and the benefits that Executive will receive under the terms hereof.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. EMPLOYMENT OF EXECUTIVE.

1.1. **Duties and Status**. The Bank hereby engages Executive as Executive Vice President / Chief Operating Officer of the Bank for the Term (as defined in Section 3.1 hereof), and Executive accepts such employment, on the terms and subject to the conditions set forth in this Agreement. During the Term, Executive will faithfully exercise such authority and perform such duties on behalf of the Bank as are normally associated with her title and position as Executive Vice President / Chief Operating Officer and such other duties or positions as Executive and the Bank will mutually determine from time to time. By way of example, Executive's primary responsibilities to the Bank include, but are not limited to, supervision of (i) risk management for Bank, the Company, its subsidiaries and affiliates, (ii) information technology and facilities management services for the Company, (iii) and shared management of loan and deposit servicing. Executive's secondary responsibilities including acting as secretary of the board of directors for the Company and Bank and management of operational components of any merger/acquisition transactions. In the capacity defined in this Section 1.1, Executive will report to the Chief Executive Officer of the Bank.

1.2. **Time and Effort**. During the Term, Executive will devote her full working time, energy, skill and commercially reasonable best efforts to the performance of her duties hereunder in a manner which will faithfully and diligently further the business and interests of the Bank and the Company. Notwithstanding the foregoing, Executive may participate fully in social,

charitable, civic activities and such other personal affairs of Executive as do not interfere with performance of her duties hereunder. The Parties have also agreed that Executive may continue to serve as a director for other entities, and may from time to time provide consulting services for remuneration unrelated to her services to the Bank and the Company; however, as an express condition thereto, Executive will be required to fully disclose for consent all such directorships and consulting engagements to the Chief Executive Officer of the Bank and the Company in advance, and acknowledges and agrees that such consent may be withheld in the sole discretion of the Bank and/or the Company.

2. **COMPENSATION AND BENEFITS.**

2.1. **Annual Base Salary**. For all of the employment rendered by Executive to the Bank and to the Company, the Bank will pay Executive an annual base salary of $215,000.00 (the "Annual Base Salary"). Executive's Annual Base Salary will be payable in equal installments in accordance with the practice of the Bank in effect from time to time for the payment of salaries to officers of the Bank, but in no event less than bi-monthly, and may be increased or decreased during the Term.

2.2. **Expenses**. The Bank will timely pay or reimburse Executive for all reasonable travel, entertainment and other business expenses actually paid or incurred by Executive during the Term in the performance of Executive's duties under this Agreement in accordance with the Bank's employee business expense reimbursement policies in effect from time to time, but in no event less than monthly.

2.3. **Restricted Stock Plan**. During the Term, Executive will be eligible to participate in the Triumph Bancorp, Inc. Restricted Stock Plan (the "Plan") and will be awarded restricted stock shares pursuant to the terms of such Plan. Although participation in the Plan is governed in accordance with the terms of the Plan and any agreement awarding participating shares under the Plan, attached as Schedule A to this Agreement is a pro forma Plan participation outline.

2.4. **Additional Discretionary Bonuses**. During the Term, subject to the recommendation of the Chief Executive Officer of the Bank or Company, and in the final absolute discretion of the Personnel Committee and/or the Bank's Board of Directors, the Executive may be entitled to a discretionary cash bonus in recognition of superior fulfillment of her duties to the Bank, the Company or its Affiliates.

2.5. **Benefits**. To the extent the Bank provides employee benefits plans including, without limitation, any pension, disability, group life, sickness, accident and health and dental insurance plans or programs, Executive will be entitled to participate in such employee benefit plans on such terms as determined by the Bank. For the avoidance of doubt, Executive will not be reimbursed by the Bank for any health-related expenses, unless otherwise agreed to by the Bank. Notwithstanding the foregoing, as long as Executive maintains her own health insurance and does not participate in the Bank's plan, the Bank will reimburse Executive for the monthly premium for Executive's private health insurance. The Bank's obligation to provide this reimbursement to Executive shall terminate upon the termination of this Agreement or Executive's employment, as the case may be, subject to in-kind payments due pursuant to Sections 3.3(c) and or (f) (Non-Cobra reimbursement). In the event that the premium for

Executive's private health insurance exceeds the cost of the premium the Bank would pay for Executive under the plan provided to all employees of the Bank, the amount of the Bank's reimbursement to Executive shall be equal to the amount the Bank would have paid if Executive had participated in the plan provided to all employees of the Bank.

2.6. **Paid Time Off**. During the Term, Executive will be entitled to four weeks paid time off per calendar year and leave of absence and leave for illness or temporary disability in accordance with the policies of the Bank in effect from time to time. Executive's paid time off entitlement will be prorated in any calendar year in which Executive does not work the entire calendar year. To the extent Executive has not used all paid time off allotted hereunder, Executive is entitled to carry over a maximum of five days into the next calendar year, in accordance with the policies of the Bank.

2.7. **Indemnification**. During the Term, the Bank agrees to maintain one or more directors and officers liability insurance policies covering Executive pursuant to the terms of such policies.

3. **TERM AND TERMINATION.**

3.1. **Term.** Executive's employment per the terms of this Agreement will commence on the date hereof (the "Effective Date") and will terminate on the earlier of (a) the close of business on the third anniversary of the Effective Date (the "Original Term") or (b) the termination of this Agreement pursuant to Section 3.2 hereof. Thereafter, unless written notification is given at least sixty (60) days before the expiration of the Original Term or any subsequent renewal term, this Agreement will automatically renew for successive one year periods (each, a "Renewal Term"). For purposes of this Agreement, when the word "Term" is used alone, it shall collectively refer to the Original Term and all Renewal Term(s). The Bank's decision not to extend the Term of this Agreement will not be considered termination of Executive's employment, whether with or without Cause, as defined below. For purposes of this Agreement, any reference to the Term will include the initial three-year Term and any successive automatic one year extension thereof.

3.2. **Termination of Employment**. Each party will have the right to terminate Executive's employment hereunder before the Term expires to the extent, and only to the extent, permitted by this Section.

(a) **By the Bank for Cause**. The Bank will have the right to terminate Executive's employment at any time upon delivery of written notice of termination for Cause (as defined below) to Executive (which notice will specify in reasonable detail the basis upon which such termination is made), such employment to terminate immediately upon delivery of such notice unless otherwise specified by the Bank, if the Bank (excluding Executive) determines in good faith that Executive: (i) has misappropriated, stolen or embezzled funds or property from the Bank or an affiliate of the Bank or secured or attempted to secure personally any profit in connection with any transaction entered into on behalf of the Bank or any affiliate of the Bank, (ii) has been convicted of a felony or entered a plea of "*nolo contendre*" which in the reasonable opinion of the Bank brings Executive into disrepute or is likely to cause material harm to the Bank's (or any of its affiliate's) business, customer or supplier relations, financial condition or

prospects, (iii) has neglected her duties hereunder, (iv) has materially violated a provision of Section 4 hereof, or (v) has willfully violated or breached any material provision of this Agreement in any material respect or violated any material law or regulation (collectively, "Cause"). In the event that Executive's employment is terminated for Cause, Executive will be entitled to receive only the payments referred to in Section 3.3(e) hereof. Notwithstanding the foregoing to the contrary, prior to any termination pursuant to clause (iii) above, the Bank shall provide Executive with (A) prior written notice describing in reasonable detail the facts and circumstances surrounding each such alleged breach, and (B) an opportunity to cure such alleged breach within ten (10) days after Executive's receipt of such written notice from the Bank.

(b) **By the Bank Upon Total Disability**. The Bank will have the right to terminate Executive's employment on ten days' prior written notice to Executive if the Bank determines in good faith that Executive is unable to perform her duties by reason of Total Disability, but any termination of employment pursuant to this subsection (b) will obligate the Bank to make the payments referred to in Section 3.3(a) hereof. As used herein, "Total Disability" will mean the inability of Executive, due to a physical or a mental condition, to perform the essential functions of Executive's job, with or without accommodation, for any period of 180 consecutive days; *provided* that the return of Executive to her duties for periods of 15 days or less will not interrupt such 180-day period.

(c) **By the Bank Other Than for Cause, Death or Total Disability**. The Bank will have the right to terminate Executive's employment, other than for Cause, death or Total Disability, on 60 days' prior written notice to Executive in the Bank's sole discretion, but any termination of employment pursuant to this subsection (c) will obligate the Bank to make the payments referred to in Section 3.3(c) hereof.

(d) **By Executive.** Executive will have the right to terminate her employment hereunder: (i) upon 60 days' written notice, or (ii) upon 30 days' written notice because of a reduction in Executive's Annual Base Salary of more than twenty percent (20%), with the exception of compensation reductions that are applied to all executive officers of the Bank, or in the event such reduction is suggested and/or championed by Executive. In the event that Executive elects to terminate her employment pursuant to subsection (i) hereof, Executive will be entitled to receive only the payments referred to in Section 3.3(d) hereof. In the event Executive elects to terminate her employment pursuant to subsection (ii) hereof, Executive will be entitled to the payments referred to in Section 3.3(c) hereof.

(e) **By the Expiration of this Agreement**. Executive's employment hereunder will terminate upon the expiration of the Term pursuant to Section 3.1. In the event the employment of Executive is terminated by the expiration of the Term, Executive will be entitled to receive the payments referred to in Section 3.3(f) hereof.

(f) **Death of Executive**. Executive's employment hereunder will terminate upon the death of Executive. In such an event, Executive's estate will be entitled to receive the payments referred to in Section 3.3(a) hereof.

3.3. **Compensation and Benefits Following Termination**. Except as specifically provided in this Section, any and all obligations of the Bank to make payments to Executive under this Agreement will cease as of the date the Term expires pursuant to Section 3.1 or as of the date Executive's employment is terminated pursuant to Section 3.2, as the case may be. Executive will be entitled to receive only the following compensation and benefits following the termination of her employment hereunder:

(a) **Upon Death.** In the event that the Term terminates pursuant to Section 3.2(g) on account of the death of Executive, the Bank will pay to Executive's surviving spouse or, if none, her estate, a lump-sum amount equal to the sum of Executive's earned and unpaid salary through the date of her termination, any bonus definitively granted to Executive by the Bank but not yet paid to Executive, additional salary in lieu of Executive's accrued and unused vacation, any unreimbursed business and entertainment expenses in accordance with the Bank's policies, and any unreimbursed employee benefit expenses that are reimbursable in accordance with the Bank's employee benefit plans through the date of termination (collectively, the "Standard Termination Payments") and death benefits, if any, under the Bank's employee benefit plans will be paid to Executive's beneficiaries as properly designated in writing by Executive. For the avoidance of doubt, the Standard Termination Payments do not include any unvested portion of any annual incentive compensation or bonus.

(b) **Upon Termination for Total Disability**. In the event that the Bank elects to terminate the employment of Executive pursuant to Section 3.2(b) because of her Total Disability, the Bank will pay to Executive a lump-sum amount equal to the Standard Termination Payments and Executive will be entitled to such disability and other employee benefits as may be provided under the terms of the Bank's employee benefit plans.

(c) **Upon Termination Other Than for Cause, Death or Total Disability**. In the event that the Bank elects to terminate the employment of Executive pursuant to Section 3.2(c), the Bank will pay to Executive within the later of 30 days after her termination of employment or 14 days after the Bank's receipt of the irrevocable release described in this Section 3.3(c), by certified check or wire transfer of immediately available funds in U.S. dollars, a lump-sum amount equal to the sum of (A) the Standard Termination Payments plus (B) an amount equal to the Annual Base Salary as then in effect in accordance with Section 2.1 for a period equal to twelve (12) months, and the Bank will also be obligated to provide coverage, at the Bank's expense (through the payment of amounts in connection with Executive's election under the Consolidated Omnibus Reconciliation Act, if applicable), under the Bank's medical, dental, life insurance and total disability benefit plans or arrangements with respect to Executive for a period equal to twelve (12) months (collectively, the "Severance Benefits"). If and to the extent that any benefit described in this Section 3.3(c)(ii) is not or cannot be paid or provided under a Bank plan or arrangement, then the Bank will pay or provide for the payments to the Executive of such employee benefits. From the date of such notice of termination other than for Cause or upon death or Total Disability through the last date of Executive's employment hereunder, Executive will continue to perform the normal duties of her employment hereunder (unless waived by the Bank), and will be entitled to receive when due all compensation and benefits applicable to Executive hereunder. Executive will have no duty to mitigate her damages and the amounts due Executive under this Section 3.3(c) will not be reduced by any payments received from other sources. As a condition of receiving any severance or rights or entitlements for which Executive otherwise qualifies under this Section 3.3(c) (other than with respect to the Standard Termination Payments), Executive agrees to execute, deliver and not revoke (within the

time period permitted by applicable law) a general release of the Bank and its subsidiaries and affiliates and their respective officers, directors, employees and owners from any and all claims, obligations and liabilities of any kind whatsoever arising from or in connection with the Executive's employment or termination of employment with the Bank or this Agreement (including, without limitation, civil rights claims), in such form as is reasonably requested by the Bank. The irrevocable release will be completed prior to the sixtieth (60th) day following Executive's termination in order for Executive to be eligible to receive the benefits described in this Section 3.3(c). Notwithstanding anything in this Agreement to the contrary, the Company will not be required to pay any benefit under this Agreement if the Company reasonably determines that the payment of such benefit would be prohibited by 12 C.F.R. Part 359 or any successor regulations regarding employee compensation promulgated by any regulatory agency having jurisdiction over the Company or its affiliates. However in the event Company makes such a determination that said payment is prohibited pursuant to Part 359, the Company shall file a complete and accurate request to make such payment with the appropriate regulatory agency within 30 days of such determination.

(d) **By Executive.** In the event Executive elects to terminate her employment pursuant to Section 3.2(d) (i), the Bank will pay to Executive a lump-sum amount equal to the Standard Termination Payments and Executive will be entitled to such disability and other employee benefits as may be provided under the terms of the Bank's employee benefit plans for the time period provided for in such plans. In the event Executive elects to terminate her employment pursuant to Section 3.2(d)(ii), the Executive will be entitled to the payments referred to in Section 3.3(c) hereof.

(e) **For Cause.** In the event that the Bank terminates the employment of Executive pursuant to Section 3.2(a) for Cause, Executive will be entitled to receive a lump-sum amount equal to the Standard Termination Payments.

(f) **By the Expiration of this Agreement**. In the event that this Agreement expires at the end of the Original Term or any Renewal Term and is not renewed by the Bank, the Bank will pay to Executive within the later of 30 days after her termination of employment or 14 days after the Bank's receipt of the irrevocable release described in this Section 3.3(c), by certified check or wire transfer of immediately available funds in U.S. dollars, a lump-sum amount equal to the sum of (A) the Standard Termination Payments plus (B) an amount equal to the Annual Base Salary as then in effect in accordance with Section 2.1 for a period equal to twelve (12) months, and the Bank will also be obligated to provide coverage, at the Bank's expense (through the payment of amounts in connection with Executive's election under the Consolidated Omnibus Reconciliation Act, if applicable), under the Bank's medical, dental, life insurance and total disability benefit plans or arrangements and or in accordance with Section 2.5 hereof with respect to Executive for a period equal to twelve (12) months. For the avoidance of doubt, if Executive is entitled to receive a payment pursuant to this Section 3.3(f), he is ineligible to receive a payment pursuant to Section 3.3(c) hereof.

(g) **Following Change of Control**. In the event that her employment and this Agreement are terminated concurrent with a Change of Control (as defined below), or Executive is not offered substantially the same position, duties, compensation and benefits as exist as of the date of such Change of Control by a successor, the Bank will pay Executive, as her exclusive

right and remedy in respect of such termination a lump sum payment within 60 days of Executive's termination of employment, by certified check or wire transfer of immediately available funds, in an amount equal to the sum of (A) the Standard Termination Payments plus (B) an amount equal to the Annual Base Salary as then in effect in accordance with Section 2.1 for a period equal to twelve (12) months, and the Bank will also be obligated to provide coverage, at the Bank's expense (through the payment of amounts in connection with Executive's election under the Consolidated Omnibus Reconciliation Act, if applicable), under the Bank's medical, dental, life insurance and total disability benefit plans or arrangements and or in accordance with Section 2.5 hereof with respect to Executive for a period equal to twelve (12) months (the amounts described in this clause collectively are the "CIC Severance Benefits").

In the event that Executive is offered a position by the successor with substantially the same position, duties, compensation and benefits as exist as of the date of a Change of Control and Executive elects not to continue employment with such successor, the Bank will pay Executive, as her exclusive right and remedy in respect of such termination a lump sum payment within 60 days of Executive's termination of employment, by certified check or wire transfer of immediately available funds, in an amount equal to the sum of (A) the Standard Termination Payments plus (B) an amount equal to one half (1/2) the Annual Base Salary as then in effect in accordance with Section 2.1, and the Bank will also be obligated to provide coverage, at the Bank's expense (through the payment of amounts in connection with Executive's election under the Consolidated Omnibus Reconciliation Act, if applicable), under the Bank's medical, dental, life insurance and total disability benefit plans or arrangements and or in accordance with Section 2.5 hereof with respect to Executive for a period equal to six (6) months (the amounts described in this clause collectively are the "CIC Resignation Benefits").

(h) Notwithstanding anything in this Agreement to the contrary, the Bank will not be required to pay any benefit under this Agreement if the Bank reasonably determines that the payment of such benefit would be prohibited by 12 C.F.R. Part 359 or any successor regulations regarding employee compensation promulgated by any regulatory agency having jurisdiction over the Bank or its affiliates. However in the event Company makes such a determination that said payment is prohibited pursuant to Part 359, the Company shall file a complete and accurate request to make such payment with the appropriate regulatory agency within 30 days of such determination. The Bank's obligation to pay the CIC Severance Benefits or the CIC Resignation Benefits, as the case may be, under this Section 3.3(g) is contingent upon and subject to Executive's execution and non-revocation of a general release of the Bank, its successor(s) and their respective subsidiaries and affiliates and their respective officers, directors, employees and owners from any and all claims, obligations and liabilities from any and all claims, obligations and liabilities of any kind whatsoever arising from or in connection with the Executive's employment or termination of employment with the Bank or this Agreement (including, without limitation, civil rights claims), in such form as is reasonably requested by the Bank. The irrevocable release will be completed prior to the sixtieth (60th) day following Executive's termination in order for Executive to be eligible to receive the benefits described in this Section 3.3(g). For the avoidance of doubt, if Executive is entitled to receive payment pursuant to this Section 3.3(g), then Executive will not also be entitled to receive any severance payment pursuant to any other section of this Agreement.

As used in this Agreement, a "Change of Control" will be deemed to have occurred in each of the following instances: (i) a reorganization, merger, consolidation or other corporate transaction involving the Bank, with respect to which the holders of the voting securities of the Bank immediately prior to such transaction do not, immediately after the transaction, own more than fifty percent (50%) of the combined voting power of the reorganized, merged or consolidated entity's then outstanding voting securities; (ii) the sale, transfer or assignment of all or substantially all of the assets of the Bank; or (iii) the acquisition by any individual, entity or "group," within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act (a "Person"), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of voting securities of the Bank where such acquisition causes any such Person to own fifty percent (50%) or more of the combined voting power of the Bank's then outstanding voting securities; provided however, that a Change of Control will not be deemed to have occurred if a Person becomes the beneficial owner of fifty percent of the combined voting power of the Bank's then outstanding voting securities solely as a result of the repurchase of voting securities by the Bank. Notwithstanding the preceding provisions of this Section, a "Planned Capital Offering" shall not constitute a Change of Control. A Planned Capital Offering means an issuance of common stock by the Company or any issuance of equity or debt by an affiliate of the Company, including, but not limited to Triumph Consolidated Cos., LLC, the Bank or any subsidiary thereof, to new investors pursuant to a plan adopted by the Board of Directors of the Company as part of its overall growth plan for the Company and wherein a majority of the persons who were members of the Board preceding such capital offering remain after its completion. A Planned Capital Offering may include the issuance Common Stock that is registered with the Securities and Exchange Commission ("SEC") and any state securities board, or that is exempt from registration with the SEC and/or any state securities board pursuant to any federal or state law or regulation.

3.4. **Excise Taxes; Gross Up**. In the event that any compensation payable under this Section is determined to be a "parachute payment" subject to the excise tax imposed by Section 4999 of the Code or any successor provision (the "Excise Tax"), the Bank agrees to pay to Executive an additional sum (the "Gross Up") in an amount such that the net amount retained by Executive, after receiving both the payment and the Gross Up and after paying: (i) any Excise Tax on the payment and the Gross Up, and (ii) any federal, state, and local income taxes on the Gross Up, is equal to the amount of the payment. For purposes of determining the Gross Up, Executive will be deemed to pay federal, state, and local income taxes at the highest marginal rate of taxation in her filing status for the calendar year in which the payment is to be made based upon Executive's domicile on the date of the event that triggers the Excise Tax. The determination of whether such Excise Tax is payable and the amount of such Excise Tax will be based upon the opinion of tax counsel selected by the Bank, subject to the reasonable approval of Executive. If such opinion is not finally accepted by the Internal Revenue Service, then appropriate adjustments will be calculated (with additional Gross Up determined based on the principals outlined in the previous paragraph, if applicable) by such tax counsel based upon the final amount of Excise Tax so determined together with any applicable penalties and interest. The final amount will be paid, if applicable, within thirty (30) days after such calculations are completed, but in no event later than April 1st of the year following the event that triggers the Excise Tax. Notwithstanding the preceding sentence, or any provision in this Agreement to the contrary, in accordance with Section 409A of the Code, the Excise Tax Gross Up will be paid not later than December 31 of the calendar year following the calendar year in which the related Excise Tax or income tax is remitted to the applicable taxing authority.

3.5. **All Payments**. All payments made to Executive upon the termination of Executive's employment will be made in U.S. dollars and are in lieu of all other termination or severance payments available at law or otherwise.

4. **CONFIDENTIALITY AND NONDISCLOSURE.**

4.1. **Access to Confidential Information**. Executive understands and agrees that in the course of performing work on behalf of the Bank, he will continue to have access to, and will continue to be given Confidential Information relating to the business of the Bank. Executive acknowledges and agrees that such Confidential Information includes, but is not limited to financial information pertinent to the Bank and its customers, and investors, customer lists, customer and investor identities and their preferences, confidential banking and financial information of both the Bank and its customers and investors, and information that Executive may create or prepare certain information related to her duties. Executive hereby expressly agrees to maintain in strictest confidence and not to access without proper business purposes (including repetitive unnecessary access), use (including without limitation in any future business or personal relationship of Executive), publish, disclose or in any way authorize anyone else to use, publish or disclose in any way, any Confidential Information relating in any manner to the business or affairs of the Bank and its customers and investors, except for legitimate business-related reasons while performing duties on behalf of the Bank. Executive agrees further not to remove or retain any figures, financial information, personnel data, calculations, letters, documents, lists, papers, or copies thereof, which embody Confidential Information of the Bank, and to return any such information in Executive's possession at the conclusion of Executive's use of such information and at the conclusion of Executive's employment with the Bank.

For purposes of this Agreement, "Confidential Information" includes, but is not limited to, information in the possession of, prepared by, obtained by, compiled by, or that is used by Bank, its customers, investors and/or vendors, or is prepared by, obtained by, compiled by or that is used by Executive in conjunction with her duties, and (1) is proprietary to, about, or created by the Bank, its customers, investors and/or vendors; (2) is information the disclosure of which might be detrimental to the interest of the Bank, its investors or customers; or (4) is not typically disclosed by the Bank, its customers, investors and/or vendors, or known by persons who are not associated with the Bank.

4.2. **Non-Solicitation of Executives and Investors**. Executive agrees that during the Term or any extension thereof, and for a period of one year following the termination of Executive's employment for any reason, Executive will not (i) offer employment to, enter into a contract for the employment of, or attempt to entice away from the Bank, any individual who is at the time of such offer or attempt, one of the employees holding an officer or director with the Bank or the Company, (ii) interfere with the material business relationships of the Bank or the Company and its subsidiaries, or entice away any material suppliers or contractors, (iii) procure or facilitate the making of any such offer or attempt by any other Person, or (iv) solicit, directly or through any other Person, any investor of the Bank or the Company for purposes of facilitating any investment, partnership or business opportunity unrelated to the Bank or the Company. This restriction in Section 4.2(iv) shall not apply to any investor with which the Executive had a preexisting relationship prior to becoming employed by the Bank.

4.3. **Intellectual Property**. Executive agrees to disclose and assign to the Bank any and all material of a proprietary nature, particularly including, without limitation, material subject to protection as trade secrets or as patentable ideas or copyrightable works, that Executive may conceive, invent, author or discover, either solely or jointly with another or others during Executive's employment and that relates to or is capable of use in connection with the business of the Bank or any employment or products offered, manufactured, used, sold or being developed by the Bank at the time said material is developed. Executive will, upon request of the Bank, either during or at any time after Executive's employment ends, regardless of how or why Executive's employment ends, execute and deliver all papers, including applications for patents and registrations for copyrights, and do such other legal acts (entirely at the Bank' expense) as may be necessary to obtain and maintain proprietary rights in any and all countries and to vest title thereto in the Bank.

4.4. **Remedy.** Executive understands and acknowledges that the Bank has a legitimate business interest in preventing Executive from taking any actions in violation of this Section 4 and that this Section 4 is intended to protect the business and goodwill of the Bank. Executive further acknowledges that a breach of this Section 4 will irreparably and continually damage the Bank and that monetary damages alone will be inadequate to compensate the Bank for such breach. Executive therefore agrees that in the event Executive violates any of the terms of this Section 4, the Bank will be entitled to, in addition to any other remedies available to it in law or in equity, seek temporary, preliminary and permanent injunctive relief and specific performance to enforce the terms of Section 4 without the necessity of proving inadequacy of legal remedies or irreparable harm or posting bond. If Executive does take actions in violation of Section 4 of this Agreement, Executive understands that the time periods set forth in those paragraphs will run from the date on which Executive's violations of those sections, whether by injunction or otherwise, ends and not from the date that Executive's employment ends. In the event any lawsuit, claim or other proceeding is brought to enforce the terms of this Section 4, or to determine the validity of its terms, then the prevailing party will be entitled to recover from the non-prevailing party its reasonable attorneys' fees and court costs incurred in obtaining enforcement of, or determining the validity of, this Section 4.

4.5. **Waiver.** Executive understands and agrees that in the event the Bank waives or allows any breach of this Section 4, such waiver or allowance will not constitute a waiver or allowance of any future breach, whether of a similar or dissimilar nature.

4.6. **Tolling**. If the Bank files a lawsuit in any court of competent jurisdiction alleging a breach of the non-disclosure or non-solicitation provisions of this Agreement by Executive, then any time period set forth in this Agreement relating to the post-termination restrictions on the activities of Executive will be deemed tolled as of the time the lawsuit is filed and will remain tolled until the dispute is finally resolved, either by written settlement agreement resolving all claims raised in the lawsuit, or by entry of a final judgment and final resolution of any post-judgment appellate proceedings.

5. **MISCELLANEOUS.**

5.1. **Governing Law; Dispute Resolution**. This Agreement will be governed by and construed in accordance with the laws of the State of Texas excluding that body of law known as conflicts of law. [The Parties will endeavor to settle amicably by mutual discussions any disputes or claims related to this Agreement ("Dispute"). Failing such settlement, and excepting such claims as may be brought pursuant to Section 4 hereof in a state or federal court having jurisdiction, any other Dispute will finally be settled by arbitration in accordance with the rules of the American Arbitration Association then applicable to employment-related disputes. The Parties will agree upon a single arbitrator. The Arbitrator will not have authority to award punitive damages to either Party. Each Party will bear its own expenses, but the Bank will bear the fees and expenses of the arbitrator. This Agreement will be enforceable, and any arbitration award will be final. In any such arbitration, the decision in any prior arbitration under this Agreement will not be deemed conclusive of the rights as among themselves of the Parties hereunder. The arbitration will be held in Dallas, Texas. Any notices, including a demand for arbitration will be deemed served when delivered to the address indicated in Section 5.3.

5.2. **Code Section 409A**. It is the intent of the parties that this Agreement be interpreted and administered in compliance with the requirements of section 409A of the Internal Revenue Code of 1986, as amended (the "Code") to the extent applicable. In this connection, the Bank will have authority to take any action, or refrain from taking any action, with respect to this Agreement that is reasonably necessary to ensure compliance with Code section 409A (provided that the Bank will choose the action that best preserves the value of the payments and benefits provided to Executive under this Agreement), and the parties agree that this Agreement will be interpreted in a manner that is consistent with Code section 409A. In furtherance, but not in limitation of the foregoing: (a) in the event that Executive is a "specified employee" within the meaning of Code section 409A, payments which constitute a "deferral of compensation" under Code section 409A and which would otherwise become due during the first six (6) months following Executive's termination of employment will be delayed and all such delayed payments will be paid in full in the seventh (7th) month after the Executive's termination of employment, and all subsequent payments will be paid in accordance with their original payment schedule, provided that the above delay will not apply to any payments that are excepted from coverage by Code section 409A, such as those payments covered by the short-term deferral exception described in Treasury Regulations section 1.409A-1(b)(4); (b) notwithstanding any other provision of this Agreement, a termination of Executive's employment hereunder will mean, and be interpreted consistent with, a "separation from service" within the meaning of Code section 409A; and (c) with respect to the reimbursement of fees and expenses provided for herein, the following will apply: (i) unless a specific time period during which such expense reimbursements and tax gross-up payments may be incurred is provided for herein, such time period will be deemed to be Executive's lifetime; (ii) the amount of expenses eligible for reimbursement hereunder in any particular year will not affect the expenses eligible for reimbursement in any other year; (iii) the right to reimbursement of expenses will not be subject to liquidation or exchange for any other benefit; and (iv) the reimbursement of an eligible expense or a tax gross-up payment will be made on or before the last day of the calendar year following the calendar year in which the expense was incurred or the tax was remitted, as the case may be.

5.3. **Headings**. The headings and captions set forth herein are for convenience of reference only and will not affect the construction or interpretation hereof.

5.4. **Notices**. Any notice or other communication required, permitted, or desirable hereunder will be hand delivered (including delivery by a commercial courier service) or sent by United States registered or certified mail, postage prepaid, by facsimile or by electronic mail addressed as follows:

If to the Bank:		Triumph Savings Bank, SSB
	Physical address:	12700 Park Central Drive Suite 1700 Dallas, TX 75251
	Attn:	Aaron P. Graft / Chief Executive Officer
If to Executive:		Gail Lehmann
	Physical address:	3407 Beech Street Rowlett, TX 75089

or such other addresses as will be furnished in writing by the parties. Any such notice or communication will be deemed to have been given as of the date so delivered in person or three business days after so mailed.

5.5. **Successors and Assigns**. Subject to the terms of Section 3.3(g), the Bank may assign its rights under this Agreement to any successor to its business (by merger, acquisition of substantially all of the Bank's assets or otherwise), provided that such successor entity expressly assumes, in a writing reasonably acceptable to Executive, this Agreement and all obligations and undertakings of the Bank hereunder. Executive may not assign her rights or delegate her duties under this Agreement without the prior written consent of the Bank. Executive understands and agrees that this Agreement will be binding upon and inure to the benefit of the Bank and its legal representatives, successors and assigns. Executive also understands and agrees that this Agreement will be binding upon and inure to the benefit of Executive's heirs and executors or administrators.

5.6. **Entire Agreement; Amendments**. This Agreement sets forth the entire agreement and understanding of the parties with respect to the subject matter hereof, and there are no other contemporaneous written or oral agreements, undertakings, promises, warranties or covenants not specifically referred to or contained herein. This Agreement specifically supersedes any and all prior agreements and understandings of the parties with respect to the subject matter hereof, all of which prior agreements and understandings (if any) are hereby terminated and of no further force and effect. This Agreement may be amended, modified or terminated only by a written instrument signed by the parties hereto.

5.7. **Execution of Counterparts**. This Agreement may be executed in one or more counterparts (including by facsimile or portable document format (.pdf)) for the convenience of the parties hereto, each of which will be deemed an original, but all of which together will constitute one and the same instrument. No signature page to this Agreement evidencing a party's execution hereof will be deemed to be delivered by such party to any other party hereto until such delivering party has received signature pages from all parties signatory to this Agreement.

5.8. **Severability**. If any provision, clause or part of this Agreement, or the applications thereof under certain circumstances, is held invalid or unenforceable for any reason, the remainder of this Agreement, or the application of such provision, clause or part under other circumstances, will not be affected thereby.

5.9. **Incorporation of Recitals**. The Recitals to this Agreement are an integral part of, and by this reference are hereby incorporated into, this Agreement.

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IN WITNESS WHEREOF, the parties have executed this Employment Agreement as of the day and year first above written.

TRIUMPH SAVINGS BANK, SSB

By: *_/s/ Aaron P. Graft_*
Name: Aaron P. Graft
Title: Chief Executive Officer

EXECUTIVE:

/s/ Gail Lehmann
Name: Gail Lehmann

[Signature Page to Employment Agreement]

INITIAL BONUS SCHEDULE

TBI Return on Equity	Total Bonus (as % of base salary)	Stock/Cash Allocation
8%	20%	50%/50%
10%	40%	50%/50%
12%	50%	50%/50%
14%	60%	50%/50%
16%	70%	50%/50%
18%	80%	50%/50%
20%	90%	50%/50%

As specified in the Triumph Bancorp, Inc. Restricted Stock Plan and the Executive's Employment Agreement, the final discretion on any bonus awarded is vested in the Personnel Committee of the Bank. This Schedule A is for informational purposes only; provided, however, that in light of information currently available to the Personnel Committee, this bonus schedule is considered reasonable in relation to the indicated return on equity for the Bank. The Personnel Committee will make the final decision on bonus awards on an annual basis in light of several factors, both quantitative and qualitative, and per the direction of the Board of Directors, will consider the overall financial health of the Company and/or Bank in arriving at any final decision.

Exhibit 10.6

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into as of September 20, 2012, by and between TRIUMPH SAVINGS BANK SSB, (the "Bank"), and TRICIA PITTMAN ("Executive").

RECITALS

WHEREAS, the Bank is the wholly-owned subsidiary of Triumph Consolidated Cos., LLC and Triumph Bancorp, Inc. (collectively, the "Company"); and

WHEREAS, Executive has agreed to serve as the Executive Vice President and Controller of the Bank; and

WHEREAS, the Parties to this Agreement wish to memorialize their employment relationship in writing by this instrument; and

WHEREAS, Executive is willing to enter into this Agreement in consideration of her employment by the Bank and the benefits that Executive will receive under the terms hereof.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. EMPLOYMENT OF EXECUTIVE.

1.1. **Duties and Status**. The Bank hereby engages Executive as Executive Vice President of the Bank for the Term (as defined in Section 3.1 hereof), and Executive accepts such employment, on the terms and subject to the conditions set forth in this Agreement. During the Term, Executive will faithfully exercise such authority and perform such duties on behalf of the Bank as are normally associated with her title and position as Executive Vice President / Controller and such other duties or positions as Executive and the Bank will mutually determine from time to time. In the capacity defined in this Section 1.1, Executive will report to the Chief Financial Officer of the Bank.

1.2. **Time and Effort**. During the Term, Executive will devote her full working time, energy, skill and commercially reasonable best efforts to the performance of her duties hereunder in a manner which will faithfully and diligently further the business and interests of the Bank and the Company. Notwithstanding the foregoing, Executive may participate fully in social, charitable, civic activities and such other personal affairs of Executive as do not interfere with performance of her duties hereunder. The Parties have also agreed that Executive may continue to serve as a director for other entities, and may from time to time provide consulting services for remuneration unrelated to her services to the Bank and the Company; however, as an express condition thereto, Executive will be required to fully disclose for consent all such directorships and consulting engagements to the Chief Executive Officer of the Bank and the Company in advance, and acknowledges and agrees that such consent may be withheld in the sole discretion of the Bank and/or the Company.

2. COMPENSATION AND BENEFITS.

2.1. **Annual Base Salary**. For all of the employment rendered by Executive to the Bank and to the Company, the Bank will pay Executive an annual base salary of $170,000.00 (the "Annual Base Salary"). Executive's Annual Base Salary will be payable in equal installments in accordance with the practice of the Bank in effect from time to time for the payment of salaries to officers of the Bank, but in no event less than bi-monthly, and may be increased or decreased during the Term.

2.2. **Expenses**. The Bank will timely pay or reimburse Executive for all reasonable travel, entertainment and other business expenses actually paid or incurred by Executive during the Term in the performance of Executive's duties under this Agreement in accordance with the Bank's employee business expense reimbursement policies in effect from time to time, but in no event less than monthly.

2.3. **Restricted Stock Plan**. During the Term, Executive will be eligible to participate in the Triumph Bancorp, Inc. Restricted Stock Plan (the "Plan") and will be awarded restricted stock shares pursuant to the terms of such Plan. Although participation in the Plan is governed in accordance with the terms of the Plan and any agreement awarding participating shares under the Plan, attached as Schedule A to this Agreement is a pro forma Plan participation outline.

2.4. **Additional Discretionary Bonuses**. During the Term, subject to the recommendation of the Chief Executive Officer of the Bank or Company, and in the final absolute discretion of the Personnel Committee and/or the Bank's Board of Directors, the Executive may be entitled to a discretionary cash bonus in recognition of superior fulfillment of her duties to the Bank, the Company or its Affiliates.

2.5. **Benefits**. To the extent the Bank provides employee benefits plans including, without limitation, any pension, disability, group life, sickness, accident and health and dental insurance plans or programs, Executive will be entitled to participate in such employee benefit plans on such terms as determined by the Bank. For the avoidance of doubt, Executive will not be reimbursed by the Bank for any health-related expenses, unless otherwise agreed to by the Bank.

2.6. **Paid Time Off**. During the Term, Executive will be entitled to four weeks paid time off per calendar year and leave of absence and leave for illness or temporary disability in accordance with the policies of the Bank in effect from time to time. Executive's paid time off entitlement will be prorated in any calendar year in which Executive does not work the entire calendar year. To the extent Executive has not used all paid time off allotted hereunder, Executive is entitled to carry over a maximum of five days into the next calendar year, in accordance with the policies of the Bank.

2.7. **Indemnification**. During the Term, the Bank agrees to maintain one or more directors and officers liability insurance policies covering Executive pursuant to the terms of such policies.

3. TERM AND TERMINATION**.**

3.1. **Term.** Executive's employment per the terms of this Agreement will commence on the date hereof (the "Effective Date") and will terminate on the earlier of (a) the close of business on the first anniversary of the Effective Date (the "Original Term") or (b) the termination of this Agreement pursuant to Section 3.2 hereof. Thereafter, unless written notification is given at least sixty (60) days before the expiration of the Original Term or any subsequent renewal term, this Agreement will automatically renew for successive one year periods (each, a "Renewal Term"). For purposes of this Agreement, when the word "Term" is used alone, it shall collectively refer to the Original Term and all Renewal Term(s). The Bank's decision not to extend the Term of this Agreement will not be considered termination of Executive's employment, whether with or without Cause, as defined below. For purposes of this Agreement, any reference to the Term will include the initial one-year Term and any successive automatic one year extension thereof.

3.2. **Termination of Employment**. Each party will have the right to terminate Executive's employment hereunder before the Term expires to the extent, and only to the extent, permitted by this Section.

(a) **By the Bank for Cause**. The Bank will have the right to terminate Executive's employment at any time upon delivery of written notice of termination for Cause (as defined below) to Executive (which notice will specify in reasonable detail the basis upon which such termination is made), such employment to terminate immediately upon delivery of such notice unless otherwise specified by the Bank, if the Bank (excluding Executive) determines in good faith that Executive: (i) has misappropriated, stolen or embezzled funds or property from the Bank or an affiliate of the Bank or secured or attempted to secure personally any profit in connection with any transaction entered into on behalf of the Bank or any affiliate of the Bank, (ii) has been convicted of a felony or entered a plea of "*nolo contendre*" which in the reasonable opinion of the Bank brings Executive into disrepute or is likely to cause material harm to the Bank's (or any of its affiliate's) business, customer or supplier relations, financial condition or prospects, (iii) has neglected her duties hereunder, (iv) has materially violated a provision of Section 4 hereof, or (v) has willfully violated or breached any material provision of this Agreement or the Profits Interest Agreement in any material respect or violated any material law or regulation (collectively, "Cause"). In the event that Executive's employment is terminated for Cause, Executive will be entitled to receive only the payments referred to in Section 3.3(e) hereof.

(b) **By the Bank Upon Total Disability**. The Bank will have the right to terminate Executive's employment on ten days' prior written notice to Executive if the Bank determines in good faith that Executive is unable to perform her duties by reason of Total Disability, but any termination of employment pursuant to this subsection (b) will obligate the Bank to make the payments referred to in Section 3.3(b) hereof. As used herein, "Total Disability" will mean the inability of Executive, due to a physical or a mental condition, to perform the essential functions of Executive's job, with or without accommodation, for any period of 180 consecutive days; *provided* that the return of Executive to her duties for periods of 15 days or less will not interrupt such 180-day period.

(c) **By the Bank Other Than for Cause, Death or Total Disability**. The Bank will have the right to terminate Executive's employment, other than for Cause, death or Total Disability, on 60 days' prior written notice to Executive in the Bank's sole discretion, but any termination of employment pursuant to this subsection (c) will obligate the Bank to make the payments referred to in Section 3.3(b) hereof.

(d) **By Executive.** Executive will have the right to terminate her employment hereunder: (i) upon 60 days' written notice, or (ii) upon 30 days' written notice because of a reduction in Executive's Annual Base Salary of more than twenty percent (20%), with the exception of compensation reductions that are applied to all executive officers of the Bank, or in the event such reduction is suggested and/or championed by Executive. In the event that Executive elects to terminate her employment pursuant to subsection (i) hereof, Executive will be entitled to receive only the payments referred to in Section 3.3(d) hereof In the event Executive elects to terminate her employment pursuant to subsection (ii) hereof; Executive will be entitled to the payments referred to in Section 3.3(c) hereof

(e) **By the Expiration of this Agreement**. Executive's employment hereunder will terminate upon the expiration of the Term pursuant to Section 3.1. In the event the employment of Executive is terminated by the expiration of the Term, Executive will be entitled to receive the payments referred to in Section 3.3(f) hereof.

(f) **Death of Executive**. Executive's employment hereunder will terminate upon the death of Executive. In such an event, Executive's estate will be entitled to receive the payments referred to in Section 3.3(a) hereof.

3.3. **Compensation and Benefits Following Termination**. Except as specifically provided in this Section, any and all obligations of the Bank to make payments to Executive under this Agreement will cease as of the date the Term expires pursuant to Section 3.1 or as of the date Executive's employment is terminated pursuant to Section 3.2, as the case may be. Executive will be entitled to receive only the following compensation and benefits following the termination of her employment hereunder:

(a) **Upon Death.** In the event that the Term terminates pursuant to Section 3.2(f) on account of the death of Executive, (i) the Bank will pay to Executive's surviving spouse or, if none, her estate, a lump-sum amount equal to the sum of Executive's earned and unpaid salary through the date of her termination, any bonus definitively granted to Executive by the Bank but not yet paid to Executive, additional salary in lieu of Executive's accrued and unused vacation, any unreimbursed business and entertainment expenses in accordance with the Bank's policies, and any unreimbursed employee benefit expenses that are reimbursable in accordance with the Bank's employee benefit plans through the date of termination (collectively, the "Standard Termination Payments") and (ii) death benefits, if any, under the Bank's employee benefit plans will be paid to Executive's beneficiaries as properly designated in writing by Executive. For the avoidance of doubt, the Standard Termination Payments do not include any unvested portion of any annual incentive compensation or bonus.

(b) **Upon Termination for Total Disability**. In the event that the Bank elects to terminate the employment of Executive pursuant to Section 3.2(b) because of her Total Disability, (i) the Bank will pay to Executive a lump-sum amount equal to the Standard Termination Payments and (ii) Executive will be entitled to such disability and other employee benefits as may be provided under the terms of the Bank's employee benefit plans.

(c) **Upon Termination Other Than for Cause, Death or Total Disability**. In the event that the Bank elects to terminate the employment of Executive pursuant to Section 3.2(c), (i) the Bank will pay to Executive within the later of 30 days after her termination of employment or 14 days after the Bank's receipt of the irrevocable release described in this Section 3.3(c), by certified check or wire transfer of immediately available funds in U.S. dollars, a lump-sum amount equal to the sum of (A) the Standard Termination Payments plus (B) an amount equal to the Annual Base Salary as then in effect in accordance with Section 2.1 for a period equal to six (6) months, and (ii) the Bank will also be obligated to provide coverage, at the Bank's expense (through the payment of amounts in connection with Executive's election under the Consolidated Omnibus Reconciliation Act, if applicable), under the Bank's medical, dental, life insurance and total disability benefit plans or arrangements with respect to Executive for a period equal to six (6) months (collectively, the "Severance Benefits"). If and to the extent that any benefit described in this Section 3.3(c)(ii) is not or cannot be paid or provided under a Bank plan or arrangement, then the Bank will pay or provide for the payments to the Executive of such employee benefits. From the date of such notice of termination other than for Cause or upon death or Total Disability through the last date of Executive's employment hereunder, Executive will continue to perform the normal duties of her employment hereunder (unless waived by the Bank), and will be entitled to receive when due all compensation and benefits applicable to Executive hereunder. Executive will have no duty to mitigate her damages and the amounts due Executive under this Section 3.3(c) will not be reduced by any payments received from other sources. As a condition of receiving any severance or rights or entitlements for which Executive otherwise qualifies under this Section 3.3(c) (other than with respect to the Standard Termination Payments), Executive agrees to execute, deliver and not revoke (within the time period permitted by applicable law) a general release of the Bank and its subsidiaries and affiliates and their respective officers, directors, employees and owners from any and all claims, obligations and liabilities of any kind whatsoever arising from or in connection with the Executive's employment or termination of employment with the Bank or this Agreement (including, without limitation, civil rights claims), in such form as is reasonably requested by the Bank. The irrevocable release will be completed prior to the sixtieth (60th) day following Executive's termination in order for Executive to be eligible to receive the benefits described in this Section 3.3(c). Notwithstanding anything in this Agreement to the contrary, the Company will not be required to pay any benefit under this Agreement if the Company reasonably determines that the payment of such benefit would be prohibited by 12 C.F.R. Part 359 or any successor regulations regarding employee compensation promulgated by any regulatory agency having jurisdiction over the Company or its affiliates.

(d) **By Executive.** In the event Executive elects to terminate her employment pursuant to Section 3.2(d), (i) the Bank will pay to Executive a lump-sum amount equal to the Standard Termination Payments and (ii) Executive will be entitled to such disability and other employee benefits as may be provided under the terms of the Bank's employee benefit plans for the time period provided for in such plans.

(e) **For Cause.** In the event that the Bank terminates the employment of Executive pursuant to Section 3.2(a) for Cause, Executive will be entitled to receive a lump-sum amount equal to the Standard Termination Payments.

(f) **By the Expiration of this Agreement**. In the event that this Agreement expires at the end of the Original Term and is not renewed by the Bank, the Bank will pay to Executive within the later of 30 days after her termination of employment or 14 days after the Bank's receipt of the irrevocable release described in this Section 3.3(c), by certified check or wire transfer of immediately available funds in U.S. dollars, a lump-sum amount equal to the sum of (A) the Standard Termination Payments plus (B) an amount equal to the Annual Base Salary as then in effect in accordance with Section 2.1 for a period equal to six (6) months, and the Bank will also be obligated to provide coverage, at the Bank's expense (through the payment of amounts in connection with Executive's election under the Consolidated Omnibus Reconciliation Act, if applicable), under the Bank's medical, dental, life insurance and total disability benefit plans or arrangements with respect to Executive for a period equal to six (6) months In the event that this Agreement expires at the end of any Renewal Term and is not renewed by the Bank, Executive will be entitled to receive a lump-sum amount equal to the Standard Termination Payments. For the avoidance of doubt, if Executive is entitled to receive a payment pursuant to this Section 3.3(f), he is ineligible to receive a payment pursuant to Section 3.3(c) hereof.

(g) **Following Change of Control**. In the event that her employment and this Agreement are terminated concurrent with a Change of Control (as defined below), or Executive is not offered substantially the same position, duties, compensation and benefits as exist as of the date of such Change of Control by a successor, the Bank will pay Executive, as her exclusive right and remedy in respect of such termination a lump sum payment within 60 days of Executive's termination of employment, by certified check or wire transfer of immediately available funds, in an amount equal to the sum of (A) the Standard Termination Payments plus (B) an amount equal to the Annual Base Salary as then in effect in accordance with Section 2.1 for a period equal to twelve (12) months, and the Bank will also be obligated to provide coverage, at the Bank's expense (through the payment of amounts in connection with Executive's election under the Consolidated Omnibus Reconciliation Act, if applicable), under the Bank's medical, dental, life insurance and total disability benefit plans or arrangements with respect to Executive for a period equal to twelve (12) months (the amounts described in this clause collectively are the "CIC Severance Benefits").

In the event that Executive is offered a position by the successor with substantially the same position, duties, compensation and benefits as exist as of the date of a Change of Control and Executive elects not to continue employment with such successor, the Bank will pay Executive, as her exclusive right and remedy in respect of such termination a lump sum payment within 60 days of Executive's termination of employment, by certified check or wire transfer of immediately available funds, in an amount equal to the sum of (A) the Standard Termination Payments plus (B) an amount equal to one half (1/2) the Annual Base Salary as then in effect in accordance with Section 2.1, and the Bank will also be obligated to provide coverage, at the Bank's expense (through the payment of amounts in connection with Executive's election under the Consolidated Omnibus Reconciliation Act, if applicable), under the Bank's medical, dental, life insurance and total disability benefit plans or arrangements with respect to Executive for a period equal to six (6) months (the amounts described in this clause collectively are the "CIC Resignation Benefits").

Notwithstanding anything in this Agreement to the contrary, the Bank will not be required to pay any benefit under this Agreement if the Bank reasonably determines that the payment of such benefit would be prohibited by 12 C.F.R. Part 359 or any successor regulations regarding employee compensation promulgated by any regulatory agency having jurisdiction over the Bank or its affiliates. The Bank's obligation to pay the CIC Severance Benefits or the CIC Resignation Benefits, as the case may be, under this Section 3.3(g) is contingent upon and subject to Executive's execution and non-revocation of a general release of the Bank, its successor(s) and their respective subsidiaries and affiliates and their respective officers, directors, employees and owners from any and all claims, obligations and liabilities from any and all claims, obligations and liabilities of any kind whatsoever arising from or in connection with the Executive's employment or termination of employment with the Bank or this Agreement (including, without limitation, civil rights claims), in such form as is reasonably requested by the Bank. The irrevocable release will be completed prior to the sixtieth (60th) day following Executive's termination in order for Executive to be eligible to receive the benefits described in this Section 3.3(g). For the avoidance of doubt, if Executive is entitled to receive payment pursuant to this Section 3.3(g), then Executive will not also be entitled to receive any severance payment pursuant to any other section of this Agreement.

As used in this Agreement, a "Change of Control" will be deemed to have occurred in each of the following instances: (i) a reorganization, merger, consolidation or other corporate transaction involving the Bank, with respect to which the holders of the voting securities of the Bank immediately prior to such transaction do not, immediately after the transaction, own more than fifty percent (50%) of the combined voting power of the reorganized, merged or consolidated entity's then outstanding voting securities; (ii) the sale, transfer or assignment of all or substantially all of the assets of the Bank; or (iii) the acquisition by any individual, entity or "group," within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act (a "Person"), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of voting securities of the Bank where such acquisition causes any such Person to own fifty percent (50%) or more of the combined voting power of the Bank's then outstanding voting securities; provided however, that a Change of Control will not be deemed to have occurred if a Person becomes the beneficial owner of fifty percent of the combined voting power of the Bank's then outstanding voting securities solely as a result of the repurchase of voting securities by the Bank. Notwithstanding the preceding provisions of this Section, a "Planned Capital Offering" shall not constitute a Change of Control. A Planned Capital Offering means an issuance of common stock by the Company or any issuance of equity or debt by an affiliate of the Company, including, but not limited to Triumph Consolidated Cos., LLC, the Bank or any subsidiary thereof, to new investors pursuant to a plan adopted by the Board of Directors of the Company as part of its overall growth plan for the Company and wherein a majority of the persons who were members of the Board preceding such capital offering remain after its completion. A Planned Capital Offering may include the issuance Common Stock that is registered with the Securities and Exchange Commission ("SEC") and any state securities board, or that is exempt from registration with the SEC and/or any state securities board pursuant to any federal or state law or regulation.

3.4. **Excise Taxes; Gross Up**. In the event that any compensation payable under this Section is determined to be a "parachute payment" subject to the excise tax imposed by Section 4999 of the Code or any successor provision (the "Excise Tax"), the Bank agrees to pay to Executive an additional sum (the "Gross Up") in an amount such that the net amount retained by Executive, after receiving both the payment and the Gross Up and after paying: (i) any Excise Tax on the payment and the Gross Up, and (ii) any federal, state, and local income taxes on the Gross Up, is equal to the amount of the payment. For purposes of determining the Gross Up, Executive will be deemed to pay federal, state, and local income taxes at the highest marginal rate of taxation in her filing status for the calendar year in which the payment is to be made based upon Executive's domicile on the date of the event that triggers the Excise Tax. The determination of whether such Excise Tax is payable and the amount of such Excise Tax will be based upon the opinion of tax counsel selected by the Bank, subject to the reasonable approval of Executive. If such opinion is not finally accepted by the Internal Revenue Service, then appropriate adjustments will be calculated (with additional Gross Up determined based on the principals outlined in the previous paragraph, if applicable) by such tax counsel based upon the final amount of Excise Tax so determined together with any applicable penalties and interest. The final amount will be paid, if applicable, within thirty (30) days after such calculations are completed, but in no event later than April 1st of the year following the event that triggers the Excise Tax. Notwithstanding the preceding sentence, or any provision in this Agreement to the contrary, in accordance with Section 409A of the Code, the Excise Tax Gross Up will be paid not later than December 31 of the calendar year following the calendar year in which the related Excise Tax or income tax is remitted to the applicable taxing authority.

3.5. **All Payments**. All payments made to Executive upon the termination of Executive's employment will be made in U.S. dollars and are in lieu of all other termination or severance payments available at law or otherwise.

4. CONFIDENTIALITY AND NONDISCLOSURE.

4.1. **Access to Confidential Information**. Executive understands and agrees that in the course of performing work on behalf of the Bank, he will continue to have access to, and will continue to be given Confidential Information relating to the business of the Bank. Executive acknowledges and agrees that such Confidential Information includes, but is not limited to financial information pertinent to the Bank and its customers, and investors, customer lists, customer and investor identities and their preferences, confidential banking and financial information of both the Bank and its customers and investors, and information that Executive may create or prepare certain information related to her duties. Executive hereby expressly agrees to maintain in strictest confidence and not to access without proper business purposes (including repetitive unnecessary access), use (including without limitation in any future business or personal relationship of Executive), publish, disclose or in any way authorize anyone else to use, publish or disclose in any way, any Confidential Information relating in any manner to the business or affairs of the Bank and its customers and investors, except for legitimate business-related reasons while performing duties on behalf of the Bank. Executive agrees further not to remove or retain any figures, financial information, personnel data, calculations, letters, documents, lists, papers, or copies thereof, which embody Confidential Information of the Bank, and to return any such information in Executive's possession at the conclusion of Executive's use of such information and at the conclusion of Executive's employment with the Bank.

For purposes of this Agreement, "Confidential Information" includes, but is not limited to, information in the possession of, prepared by, obtained by, compiled by, or that is used by Bank, its customers, investors and/or vendors, or is prepared by, obtained by, compiled by or that is used by Executive in conjunction with her duties, and (1) is proprietary to, about, or created by the Bank, its customers, investors and/or vendors; (2) is information the disclosure of which might be detrimental to the interest of the Bank, its investors or customers; or (4) is not typically disclosed by the Bank, its customers, investors and/or vendors, or known by persons who are not associated with the Bank.

4.2. **Non-Solicitation of Executives and Investors**. Executive agrees that during the Term or any extension thereof, and for a period of one year following the termination of Executive's employment for any reason, Executive will not (i) offer employment to, enter into a contract for the employment of, or attempt to entice away from the Bank, any individual who is at the time of such offer or attempt, one of the employees holding an officer or director with the Bank or the Company, (ii) interfere with the material business relationships of the Bank or the Company and its subsidiaries, or entice away any material suppliers or contractors, (iii) procure or facilitate the making of any such offer or attempt by any other Person, or (iv) solicit, directly or through any other Person, any investor of the Bank or the Company for purposes of facilitating any investment, partnership or business opportunity unrelated to the Bank or the Company. This restriction in Section 4.2(iv) shall not apply to any investor with which the Executive had a preexisting relationship prior to becoming employed by the Bank.

4.3. **Intellectual Property**. Executive agrees to disclose and assign to the Bank any and all material of a proprietary nature, particularly including, without limitation, material subject to protection as trade secrets or as patentable ideas or copyrightable works, that Executive may conceive, invent, author or discover, either solely or jointly with another or others during Executive's employment and that relates to or is capable of use in connection with the business of the Bank or any employment or products offered, manufactured, used, sold or being developed by the Bank at the time said material is developed. Executive will, upon request of the Bank, either during or at any time after Executive's employment ends, regardless of how or why Executive's employment ends, execute and deliver all papers, including applications for patents and registrations for copyrights, and do such other legal acts (entirely at the Bank' expense) as may be necessary to obtain and maintain proprietary rights in any and all countries and to vest title thereto in the Bank.

4.4. **Remedy.** Executive understands and acknowledges that the Bank has a legitimate business interest in preventing Executive from taking any actions in violation of this Section 4 and that this Section 4 is intended to protect the business and goodwill of the Bank. Executive further acknowledges that a breach of this Section 4 will irreparably and continually damage the Bank and that monetary damages alone will be inadequate to compensate the Bank for such breach. Executive therefore agrees that in the event Executive violates any of the terms of this Section 4, the Bank will be entitled to, in addition to any other remedies available to it in law or in equity, seek temporary, preliminary and permanent injunctive relief and specific performance to enforce the terms of Section 4 without the necessity of proving inadequacy of legal remedies or irreparable harm or posting bond. If Executive does take actions in violation of Section 4 of this Agreement, Executive understands that the time periods set forth in those paragraphs will run from the date on which Executive's violations of those sections, whether by injunction or

otherwise, ends and not from the date that Executive's employment ends. In the event any lawsuit, claim or other proceeding is brought to enforce the terms of this Section 4, or to determine the validity of its terms, then the prevailing party will be entitled to recover from the non-prevailing party its reasonable attorneys' fees and court costs incurred in obtaining enforcement of, or determining the validity of, this Section 4.

4.5. **Waiver.** Executive understands and agrees that in the event the Bank waives or allows any breach of this Section 4, such waiver or allowance will not constitute a waiver or allowance of any future breach, whether of a similar or dissimilar nature.

4.6. **Tolling**. If the Bank files a lawsuit in any court of competent jurisdiction alleging a breach of the non-disclosure or non-solicitation provisions of this Agreement by Executive, then any time period set forth in this Agreement relating to the post-termination restrictions on the activities of Executive will be deemed tolled as of the time the lawsuit is filed and will remain tolled until the dispute is finally resolved, either by written settlement agreement resolving all claims raised in the lawsuit, or by entry of a final judgment and final resolution of any post-judgment appellate proceedings.

5. MISCELLANEOUS.

5.1. **Governing Law; Dispute Resolution**. This Agreement will be governed by and construed in accordance with the laws of the State of Texas excluding that body of law known as conflicts of law. The Parties will endeavor to settle amicably by mutual discussions any disputes or claims related to this Agreement ("Dispute"). Failing such settlement, and excepting such claims as may be brought pursuant to Section 4 hereof in a state or federal court having jurisdiction, any other Dispute will finally be settled by arbitration in accordance with the rules of the American Arbitration Association then applicable to employment-related disputes. The Parties will agree upon a single arbitrator. The Arbitrator will not have authority to award punitive damages to either Party. Each Party will bear its own expenses, but the Bank will bear the fees and expenses of the arbitrator. This Agreement will be enforceable, and any arbitration award will be final. In any such arbitration, the decision in any prior arbitration under this Agreement will not be deemed conclusive of the rights as among themselves of the Parties hereunder. The arbitration will be held in Dallas, Texas. Any notices, including a demand for arbitration will be deemed served when delivered to the address indicated in Section 5.3.

5.2. **Code Section 409A**. It is the intent of the parties that this Agreement be interpreted and administered in compliance with the requirements of section 409A of the Internal Revenue Code of 1986, as amended (the "Code") to the extent applicable. In this connection, the Bank will have authority to take any action, or refrain from taking any action, with respect to this Agreement that is reasonably necessary to ensure compliance with Code section 409A (provided that the Bank will choose the action that best preserves the value of the payments and benefits provided to Executive under this Agreement), and the parties agree that this Agreement will be interpreted in a manner that is consistent with Code section 409A. In furtherance, but not in limitation of the foregoing: (a) in the event that Executive is a "specified employee" within the meaning of Code section 409A, payments which constitute a "deferral of compensation" under Code section 409A and which would otherwise become due during the first six (6) months following Executive's termination of employment will be delayed and all such delayed payments

will be paid in full in the seventh (7th) month after the Executive's termination of employment, and all subsequent payments will be paid in accordance with their original payment schedule, provided that the above delay will not apply to any payments that are excepted from coverage by Code section 409A, such as those payments covered by the short-term deferral exception described in Treasury Regulations section 1.409A-1(b)(4); (b) notwithstanding any other provision of this Agreement, a termination of Executive's employment hereunder will mean, and be interpreted consistent with, a "separation from service" within the meaning of Code section 409A; and (c) with respect to the reimbursement of fees and expenses provided for herein, the following will apply: (i) unless a specific time period during which such expense reimbursements and tax gross-up payments may be incurred is provided for herein, such time period will be deemed to be Executive's lifetime; (ii) the amount of expenses eligible for reimbursement hereunder in any particular year will not affect the expenses eligible for reimbursement in any other year; (iii) the right to reimbursement of expenses will not be subject to liquidation or exchange for any other benefit; and (iv) the reimbursement of an eligible expense or a tax gross-up payment will be made on or before the last day of the calendar year following the calendar year in which the expense was incurred or the tax was remitted, as the case may be.

5.3. **Headings**. The headings and captions set forth herein are for convenience of reference only and will not affect the construction or interpretation hereof.

5.4. **Notices**. Any notice or other communication required, permitted, or desirable hereunder will be hand delivered (including delivery by a commercial courier service) or sent by United States registered or certified mail, postage prepaid, by facsimile or by electronic mail addressed as follows:

If to the Bank:		Triumph Savings Bank, SSB
	Physical address:	
	Attn:	Aaron P. Graft / Chief Executive Officer
If to Executive:		
	Physical address:	22 Wimberley Ct Dallas, Texas 75225

or such other addresses as will be furnished in writing by the parties. Any such notice or communication will be deemed to have been given as of the date so delivered in person or three business days after so mailed.

5.5. **Successors and Assigns.** Subject to the terms of Section 3.3(g), the Bank may assign its rights under this Agreement to any successor to its business (by merger, acquisition of substantially all of the Bank's assets or otherwise), provided that such successor entity expressly assumes, in a writing reasonably acceptable to Executive, this Agreement and all obligations and undertakings of the Bank hereunder. Executive may not assign her rights or delegate her duties under this Agreement without the prior written consent of the Bank. Executive understands and

agrees that this Agreement will be binding upon and inure to the benefit of the Bank and its legal representatives, successors and assigns. Executive also understands and agrees that this Agreement will be binding upon and inure to the benefit of Executive's heirs and executors or administrators.

5.6. **Entire Agreement; Amendments**. This Agreement sets forth the entire agreement and understanding of the parties with respect to the subject matter hereof, and there are no other contemporaneous written or oral agreements, undertakings, promises, warranties or covenants not specifically referred to or contained herein. This Agreement specifically supersedes any and all prior agreements and understandings of the parties with respect to the subject matter hereof, all of which prior agreements and understandings (if any) are hereby terminated and of no further force and effect. This Agreement may be amended, modified or terminated only by a written instrument signed by the parties hereto.

5.7. **Execution of Counterparts**. This Agreement may be executed in one or more counterparts (including by facsimile or portable document format (.pdf)) for the convenience of the parties hereto, each of which will be deemed an original, but all of which together will constitute one and the same instrument. No signature page to this Agreement evidencing a party's execution hereof will be deemed to be delivered by such party to any other party hereto until such delivering party has received signature pages from all parties signatory to this Agreement.

5.8. **Severability**. If any provision, clause or part of this Agreement, or the applications thereof under certain circumstances, is held invalid or unenforceable for any reason, the remainder of this Agreement, or the application of such provision, clause or part under other circumstances, will not be affected thereby.

5.9. **Incorporation of Recitals**. The Recitals to this Agreement are an integral part of, and by this reference are hereby incorporated into, this Agreement.

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IN WITNESS WHEREOF, the parties have executed this Employment Agreement as of the day and year first above written.

TRIUMPH SAVINGS BANK, SSB

By: */s/ Aaron P. Graft*
Name: Aaron P. Graft
Title: Chief Executive Officer

EXECUTIVE:

/s/ Tricia Pittman

[Signature Page to Employment Agreement]

Schedule A

INITIAL BONUS SCHEDULE

TBI Return on Equity	Total Bonus (as % of base salary)	Stock/Cash Allocation
8%	17.5%	50%/50%
10%	30%	50%/50%
12%	35%	50%/50%
14%	40%	50%/50%
16%	45%	50%/50%
18%	50%	50%/50%
20%	60%	50%/50%

As specified in the Triumph Bancorp, Inc. Restricted Stock Plan and the Executive's Employment Agreement, the final discretion on any bonus awarded is vested in the Personnel Committee of the Bank. This Schedule A is for informational purposes only; provided, however, that in light of information currently available to the Personnel Committee, this bonus schedule is considered reasonable in relation to the indicated return on equity for the Bank. The Personnel Committee will make the final decision on bonus awards on an annual basis in light of several factors, both quantitative and qualitative, and per the direction of the Board of Directors, will consider the overall financial health of the Company and/or Bank in arriving at any final decision.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into as of April 15, 2013, by and between TRIUMPH SAVINGS BANK SSB, (the "Bank"), and ADAM D. NELSON ("Executive").

RECITALS

WHEREAS, the Bank is the wholly-owned subsidiary of Triumph Consolidated Cos., LLC and Triumph Bancorp, Inc., (collectively, the "Company"); and

WHEREAS, Executive has agreed to serve as the Senior Vice President, General Counsel of the Bank; and

WHEREAS, the Parties to this Agreement wish to memorialize their employment relationship in writing by this instrument; and

WHEREAS, Executive is willing to enter into this Agreement in consideration of his employment by the Bank and the benefits that Executive will receive under the terms hereof.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. **EMPLOYMENT OF EXECUTIVE.**

1.1. **Duties and Status.** The Bank hereby engages Executive as Senior Vice President of the Bank for the Term (as defined in Section 3.1 hereof), and Executive accepts such employment, on the terms and subject to the conditions set forth in this Agreement. During the Term, Executive will faithfully exercise such authority and perform such duties on behalf of the Bank as are normally associated with his title and position as Senior Vice President and such other duties or positions as Executive and the Bank will mutually determine from time to time. In the capacity defined in this Section 1.1, Executive will report to the Chief Executive Officer and to the EVP, Chief Operating Officer of the Bank.

1.2. **Time and Effort.** During the Term, Executive will devote his full working time, energy, skill and commercially reasonable best efforts to the performance of his duties hereunder in a manner which will faithfully and diligently further the business and interests of the Bank and the Company. Notwithstanding the foregoing, Executive may participate fully in social, charitable, civic activities and such other personal affairs of Executive as do not interfere with performance of his duties hereunder. The Parties have also agreed that Executive may continue to serve as a director for other entities, and may from time to time provide consulting services for remuneration unrelated to his services to the Bank and the Company; however, as an express condition thereto, Executive will be required to fully disclose for consent all such directorships and consulting engagements to the Chief Executive Officer of the Bank and the Company in advance, and acknowledges and agrees that such consent may be withheld in the sole discretion of the Bank and/or the Company.

2. COMPENSATION AND BENEFITS.

2.1. **Annual Base Salary.** For all of the employment rendered by Executive to the Bank and to the Company, the Bank will pay Executive the gross annual base salary of $215,000.00 (the "Annual Base Salary"). Executive's Annual Base Salary will be payable in equal installments in accordance with the practice of the Bank in effect from time to time for the payment of salaries to officers of the Bank, but in no event less than bi-monthly, and may be increased or decreased during the Term. Required taxes and legal deductions will be applied at the time of payment.

2.2. **Expenses.** The Bank will timely pay or reimburse Executive for all reasonable travel, entertainment and other business expenses actually paid or incurred by Executive during the Term in the performance of Executive's duties under this Agreement in accordance with the Bank's employee business expense reimbursement policies in effect from time to time, but in no event less than monthly.

2.3. **Restricted Stock Plan.** During the Term, Executive will be eligible to participate in the Triumph Bancorp, LLC Restricted Stock Plan (the "Plan") and will be awarded restricted stock shares pursuant to the terms of such Plan. Although participation in the Plan is governed in accordance with the terms of the Plan and any agreement awarding participating shares under the Plan, attached as Schedule A to this Agreement is a pro forma Plan participation outline.

2.4. **Long-Term Incentive Compensation.** Executive shall be awarded 50 Class B Units of TLCM Investments, LLC. These units shall vest over a five-year period (i.e., 10 Units per year). The first vesting will be on the one-year anniversary of the Effective Date of this Agreement. The terms and conditions of the grant will be detailed in a separate long term incentive plan adopted by TLCM Investments, LLC.

2.5. **Additional Discretionary Bonuses.** During the Term, subject to the recommendation of the Chief Executive Officer of the Bank or Company, and in the final absolute discretion of the Personnel Committee and/or the Bank's Board of Directors, the Executive may be entitled to a discretionary cash bonus in recognition of superior fulfillment of his duties to the Bank, the Company or its Affiliates. Executive shall be entitled to payment of a discretionary bonus of $30,000.00 (gross) after the completion of thirty (30) days of employment; additionally, Executive shall be entitled to payment of a discretionary bonus of $35,000.00 (gross) after the completion of one hundred-twenty (120) days of employment. Required taxes and legal deductions will be applied at the time of payment of bonuses.

2.6. **Benefits.** To the extent the Bank provides employee benefits plans including, without limitation, any pension, disability, group life, sickness, accident and health and dental insurance plans or programs, Executive will be entitled to participate in such employee benefit plans on such terms as determined by the Bank. For the avoidance of doubt, Executive will not be reimbursed by the Bank for any health-related expenses, unless otherwise agreed to by the Bank.

2.7. **Paid Time Off.** During the Term, Executive will be entitled to four weeks paid time off per calendar year and leave of absence and leave for illness or temporary disability in accordance with the policies of the Bank in effect from time to time. Executive's paid time off entitlement will be prorated in any calendar year in which Executive does not work the entire calendar year. To the extent Executive has not used all paid time off allotted hereunder, Executive is entitled to carry over a maximum of five days into the next calendar year, in accordance with the policies of the Bank.

2.8. **Indemnification.** During the Term, the Bank agrees to maintain one or more directors and officers liability insurance policies covering Executive pursuant to the terms of such policies.

3. TERM AND TERMINATION.

3.1. **Term.** Executive's employment per the terms of this Agreement will commence on the date hereof (the "Effective Date") and will terminate on the earlier of (a) the close of business on the second anniversary of the Effective Date (the "Original Term") or (b) the termination of this Agreement pursuant to Section 3.2 hereof. Thereafter, unless written notification is given at least sixty (60) days before the expiration of the Original Term or any subsequent renewal term, this Agreement will automatically renew for successive one year periods (each, a "Renewal Term"). For purposes of this Agreement, when the word "Term" is used alone, it shall collectively refer to the Original Term and all Renewal Term(s). The Bank's decision not to extend the Term of this Agreement will not be considered termination of Executive's employment, whether with or without Cause, as defined below. For purposes of this Agreement, any reference to the Term will include the initial two-year Term and any successive automatic one year extension thereof.

3.2. **Termination of Employment.** Each party will have the right to terminate Executive's employment hereunder before the Term expires to the extent, and only to the extent, permitted by this Section.

(a) **By the Bank for Cause.** The Bank will have the right to terminate Executive's employment at any time upon delivery of written notice of termination for Cause (as defined below) to Executive (which notice will specify in reasonable detail the basis upon which such termination is made), such employment to terminate immediately upon delivery of such notice unless otherwise specified by the Bank, if the Bank (excluding Executive) determines in good faith that Executive: (i) has misappropriated, stolen or embezzled funds or property from the Bank or an affiliate of the Bank or secured or attempted to secure personally any profit in connection with any transaction entered into on behalf of the Bank or any affiliate of the Bank, (ii) has been convicted of a felony or entered a plea of "*nolo contendre*" which in the reasonable opinion of the Bank brings Executive into disrepute or is likely to cause material harm to the Bank's (or any of its affiliate's) business, customer or supplier relations, financial condition or prospects, (iii) has neglected his duties hereunder, (iv) has materially violated a provision of Section 4 hereof, or (v) has willfully violated or breached any material provision of this Agreement in any material respect or violated any material law or regulation (collectively, "Cause"). In the event that Executive's employment is terminated for Cause, Executive will be

entitled to receive only the payments referred to in Section 3.3(e) hereof. Notwithstanding the foregoing, if termination is pursuant to (iii) above, Bank shall provide Executive a written notice describing in detail the alleged neglected duties and Executive will be provided 10 business days to defend and/or cure such alleged breach.

(b) **By the Bank Upon Total Disability.** The Bank will have the right to terminate Executive's employment on ten days' prior written notice to Executive if the Bank determines in good faith that Executive is unable to perform his duties by reason of Total Disability, but any termination of employment pursuant to this subsection (b) will obligate the Bank to make the payments referred to in Section 3.3(b) hereof. As used herein, "Total Disability" will mean the inability of Executive, due to a physical or a mental condition, to perform the essential functions of Executive's job, with or without accommodation, for any period of 180 consecutive days; *provided* that the return of Executive to his duties for periods of 15 days or less will not interrupt such 180-day period.

(c) **By the Bank Other Than for Cause, Death or Total Disability.** The Bank will have the right to terminate Executive's employment, other than for Cause, death or Total Disability, on 60 days' prior written notice to Executive in the Bank's sole discretion, but any termination of employment pursuant to this subsection (c) will obligate the Bank to make the payments referred to in Section 3.3(c) hereof.

(d) **By Executive.** Executive will have the right to terminate his employment hereunder: (i) upon 60 days' written notice, or (ii) upon 30 days' written notice because of a reduction in Executive's Annual Base Salary of more than twenty percent (20%), with the exception of compensation reductions that are applied to all executive officers of the Bank, or in the event such reduction is suggested and/or championed by Executive. In the event that Executive elects to terminate his employment pursuant to subsection (i) hereof, Executive will be entitled to receive only the payments referred to in Section 3.3(d) hereof. In the event Executive elects to terminate his employment pursuant to subsection (ii) hereof, Executive will be entitled to the payments referred to in Section 3.3(c) hereof.

(e) **By the Expiration of this Agreement.** Executive's employment hereunder will terminate upon the expiration of the Term pursuant to Section 3.1. In the event the employment of Executive is terminated by the expiration of the Term, Executive will be entitled to receive the payments referred to in Section 3.3(f) hereof.

(f) **Death of Executive.** Executive's employment hereunder will terminate upon the death of Executive. In such an event, Executive's estate will be entitled to receive the payments referred to in Section 3.3(a) hereof.

3.3. **Compensation and Benefits Following Termination.** Except as specifically provided in this Section, any and all obligations of the Bank to make payments to Executive under this Agreement will cease as of the date the Term expires pursuant to Section 3.1 or as of the date Executive's employment is terminated pursuant to Section 3.2, as the case may be. Executive will be entitled to receive only the following compensation and benefits following the termination of his employment hereunder:

(a) **Upon Death.** In the event that the Term terminates pursuant to Section 3.2(f) on account of the death of Executive, (i) the Bank will pay to Executive's surviving spouse or, if none, his estate, a lump-sum amount equal to the sum of Executive's earned and unpaid salary through the date of his termination, any bonus definitively granted to Executive by the Bank but not yet paid to Executive, additional salary in lieu of Executive's accrued and unused vacation, any unreimbursed business and entertainment expenses in accordance with the Bank's policies, and any unreimbursed employee benefit expenses that are reimbursable in accordance with the Bank's employee benefit plans through the date of termination (collectively, the "Standard Termination Payments") and (ii) death benefits, if any, under the Bank's employee benefit plans will be paid to Executive's beneficiaries as properly designated in writing by Executive. For the avoidance of doubt, the Standard Termination Payments do not include any unvested portion of any annual incentive compensation or bonus.

(b) **Upon Termination for Total Disability.** In the event that the Bank elects to terminate the employment of Executive pursuant to Section 3.2(b) because of his Total Disability, (i) the Bank will pay to Executive a lump-sum amount equal to the Standard Termination Payments and (ii) Executive will be entitled to such disability and other employee benefits as may be provided under the terms of the Bank's employee benefit plans.

(c) **Upon Termination other Than for Cause, Death or Total Disability.** In the event that the Bank elects to terminate the employment of Executive pursuant to Section 3.2(c), (i) the Bank will pay to Executive within the later of 30 days after his termination of employment or 14 days after the Bank's receipt of the irrevocable release described in this Section 3.3(c), by certified check or wire transfer of immediately available funds in U.S. dollars, a lump-sum amount equal to the sum of (A) the Standard Termination Payments plus (B) an amount equal to the Annual Base Salary as then in effect in accordance with Section 2.1 for a period equal to nine (9) months, and (ii) the Bank will also be obligated to provide coverage, at the Bank's expense (through the payment of amounts in connection with Executive's election under the Consolidated Omnibus Reconciliation Act, if applicable), under the Bank's medical, dental, life insurance and total disability benefit plans or arrangements with respect to Executive for a period equal to nine (9) months (collectively, the "Severance Benefits"). If and to the extent that any benefit described in this Section 3.3(c)(ii) is not or cannot be paid or provided under a Bank plan or arrangement, then the Bank will pay or provide for the payments to the Executive of such employee benefits. From the date of such notice of termination other than for Cause or upon death or Total Disability through the last date of Executive's employment hereunder, Executive will continue to perform the normal duties of his employment hereunder (unless waived by the Bank), and will be entitled to receive when due all compensation and benefits applicable to Executive hereunder. Executive will have no duty to mitigate his damages and the amounts due Executive under this Section 3.3(c) will not be reduced by any payments received from other sources. As a condition of receiving any severance or rights or entitlements for which Executive otherwise qualifies under this Section 3.3(c) (other than with respect to the Standard Termination Payments), Executive agrees to execute, deliver and not revoke (within the time period permitted by applicable law) a general release of the Bank and its subsidiaries and affiliates and their respective officers, directors, employees and owners from any and all claims, obligations and liabilities of any kind whatsoever arising from or in connection with the Executive's employment or termination of employment with the Bank or this Agreement (including, without limitation, civil rights claims), in such form as is reasonably requested by the

Bank. The irrevocable release will be completed prior to the sixtieth (60th) day following Executive's termination in order for Executive to be eligible to receive the benefits described in this Section 3.3(c). Notwithstanding anything in this Agreement to the contrary, the Company will not be required to pay any benefit under this Agreement if the Company reasonably determines that the payment of such benefit would be prohibited by 12 C.F.R. Part 359 or any successor regulations regarding employee compensation promulgated by any regulatory agency having jurisdiction over the Company or its affiliates.

(d) **By Executive.** In the event Executive elects to terminate his employment pursuant to Section 3.2(d) (i), (i) the Bank will pay to Executive a lump-sum amount equal to the Standard Termination Payments and (ii) Executive will be entitled to such disability and other employee benefits as may be provided under the terms of the Bank's employee benefit plans for the time period provided for in such plans.

(e) **For Cause.** In the event that the Bank terminates the employment of Executive pursuant to Section 3.2(a) for Cause, Executive will be entitled to receive a lump-sum amount equal to the Standard Termination Payments.

(f) **By the Expiration of this Agreement.** In the event that this Agreement expires at the end of the Original Term and is not renewed by the Bank, the Bank will pay to Executive within the later of 30 days after his termination of employment or 14 days after the Bank's receipt of the irrevocable release described in this Section 3.3(c), by certified check or wire transfer of immediately available funds in U.S. dollars, a lump-sum amount equal to the sum of (A) the Standard Termination Payments plus (B) an amount equal to the Annual Base Salary as then in effect in accordance with Section 2.1 for a period equal to six (6) months, and the Bank will also be obligated to provide coverage, at the Bank's expense (through the payment of amounts in connection with Executive's election under the Consolidated Omnibus Reconciliation Act, if applicable), under the Bank's medical, dental, life insurance and total disability benefit plans or arrangements with respect to Executive for a period equal to six (6) months. In the event that this Agreement expires at the end of any Renewal Term and is not renewed by the Bank, Executive will be entitled to receive a lump-sum amount equal to the Standard Termination Payments. For the avoidance of doubt, if Executive is entitled to receive a payment pursuant to this Section 3.3(f), he is ineligible to receive a payment pursuant to Section 3.3(c) hereof.

(g) **Following Change of Control.** In the event that his employment and this Agreement are terminated concurrent with a Change of Control (as defined below), or Executive is not offered substantially the same position, duties, compensation and benefits as exist as of the date of such Change of Control by a successor, the Bank will pay Executive, as his exclusive right and remedy in respect of such termination a lump sum payment within 60 days of Executive's termination of employment, by certified check or wire transfer of immediately available funds, in an amount equal to the sum of (A) the Standard Termination Payments plus (B) an amount equal to the Annual Base Salary as then in effect in accordance with Section 2.1 for a period equal to nine (9) months, and the Bank will also be obligated to provide coverage, at the Bank's expense (through the payment of amounts in connection with Executive's election under the Consolidated Omnibus Reconciliation Act, if applicable), under the Bank's medical, dental, life insurance and total disability benefit plans or arrangements with respect to Executive for a period equal to nine (9) months (the amounts described in this clause collectively are the "CIC Severance Benefits").

In the event that Executive is offered a position by the successor with substantially the same position, duties, compensation and benefits as exist as of the date of a Change of Control and Executive elects not to continue employment with such successor, the Bank will pay Executive, as his exclusive right and remedy in respect of such termination a lump sum payment within 60 days of Executive's termination of employment, by certified check or wire transfer of immediately available funds, in an amount equal to the sum of (A) the Standard Termination Payments plus (B) an amount equal to one half (1/2) of the Annual Base Salary as then in effect in accordance with Section 2.1, and the Bank will also be obligated to provide coverage, at the Bank's expense (through the payment of amounts in connection with Executive's election under the Consolidated Omnibus Reconciliation Act, if applicable), under the Bank's medical, dental, life insurance and total disability benefit plans or arrangements with respect to Executive for a period equal to six (6) months (the amounts described in this clause collectively are the "CIC Resignation Benefits").

Notwithstanding anything in this Agreement to the contrary, the Bank will not be required to pay any benefit under this Agreement if the Bank reasonably determines that the payment of such benefit would be prohibited by 12 C.F.R. Part 359 or any successor regulations regarding employee compensation promulgated by any regulatory agency having jurisdiction over the Bank or its affiliates. The Bank's obligation to pay the CIC Severance Benefits or the CIC Resignation Benefits, as the case may be, under this Section 3.3(g) is contingent upon and subject to Executive's execution and non-revocation of a general release of the Bank, its successor(s) and their respective subsidiaries and affiliates and their respective officers, directors, employees and owners from any and all claims, obligations and liabilities from any and claims, obligations and liabilities of any kind whatsoever arising from or in connection with the Executive's employment or termination of employment with the Bank or this Agreement (including, without limitation, civil rights claims), in such form as is reasonably requested by the Bank. The irrevocable release will be completed prior to the sixtieth (60th) day following Executive's termination in order for Executive to be eligible to receive the benefits described in this Section 3.3(g). For avoidance of doubt, if Executive is entitled to receive payment pursuant to this Section 3.3(g), then Executive will not also be entitled to receive any severance payment pursuant to any other section of this Agreement.

As used in this Agreement, a "Change of Control" will be deemed to have occurred in each of the following instances: (i) a reorganization, merger, consolidation or other corporate transaction involving the Bank, with respect to which the holders of the voting securities of the Bank immediately prior to such transaction do not, immediately after the transaction, own more than fifty percent (50%) of the combined voting power of the reorganized, merged or consolidated entity's then outstanding voting securities; (ii) the sale, transfer or assignment of all or substantially all of the assets of the Bank; or (iii) the acquisition by any individual, entity or "group", within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act (a "Person"), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of voting securities of the Bank where such acquisition causes any such Person to own fifty percent (50%) or more of the combined voting power of the Bank's then outstanding

voting securities; provided however, that a Change of Control will not be deemed to have occurred if a Person becomes the beneficial owner of fifty percent of the combined voting power of the Bank's then outstanding voting securities solely as a result of the repurchase of voting securities by the Bank. Notwithstanding the preceding provisions of this Section a "Planned Capital Offering" shall not constitute a Change of Control. A Planned Capital Offering means any issuance of common stock by the Company or any issuance of equity or debt by an affiliate of the Company, including, but not limited to Triumph Consolidated Cos, LLC, Triumph Bancorp, Inc., the Bank or any subsidiary thereof, to new investors pursuant to a plan adopted by the Board of Directors of the Company as part of its overall growth plan for the Company and wherein a majority of the persons who were members of the Board preceding such capital offering remain after its completion. A Planned Capital Offering may include the issuance of Common Stock that is registered with the Securities and Exchange Commission ("SEC") and any state securities board, or that is exempt from registration with the SEC and/or any state securities board pursuant to any federal or state law or regulation.

3.4. **Excise Taxes; Gross Up.** In the event that any compensation payable under this Section is determined to be a "parachute payment" subject to the excise tax imposed by Section 4999 of the Code or any successor provision (the "Excise Tax"), the Bank agrees to pay to Executive an additional sum (the "Gross Up") in an amount such that the net amount retained by Executive, after receiving both the payment and the Gross Up and after paying: (i) any Excise Tax on the payment and the Gross Up, and (ii) any federal, state, and local income taxes on the Gross Up, is equal to the amount of the payment. For purposes of determining the Gross Up, Executive will be deemed to pay federal, state, and local income taxes at the highest marginal rate of taxation in his filing status for the calendar year in which the payment is to be made based upon Executive's domicile on the date of the event that triggers the Excise Tax. The determination of whether such Excise Tax is payable and the amount of such Excise Tax will be based upon the opinion of tax counsel selected by the Bank, subject to the reasonable approval of Executive. If such opinion is not finally accepted by the Internal Revenue Service, then appropriate adjustments will be calculated (with additional Gross Up determined based on the principals outlined in the previous paragraph, if applicable) by such tax counsel based upon the final amount of Excise Tax so determined together with any applicable penalties and interest. The final amount will be paid, if applicable, within thirty (30) days after such calculations are completed, but in no event later than April 1st of the year following the event that triggers the Excise Tax. Notwithstanding the preceding sentence, or any provision in this Agreement to the contrary, in accordance with Section 409A of the Code, the Excise Tax Gross Up will be paid not later than December 31 of the calendar year following the calendar year in which the related Excise Tax or income tax is remitted to the applicable taxing authority.

3.5. **All Payments.** All payments made to Executive upon the termination of Executive's employment will be made in U.S dollars and are in lieu of all other termination or severance payments available at law or otherwise.

4. CONFIDENTIALITY AND NONDISCLOSURE.

4.1. **Access to Confidential Information.** Executive understands and agrees that in the course of performing work on behalf of the Bank, he will continue to have access to, and will continue to be given Confidential Information relating to the business of the Bank.

Executive acknowledges and agrees that such Confidential Information includes, but is not limited to financial information pertinent to the Bank and its customers, and investors, customer lists, customer and investor identities and their preferences, confidential banking and financial information of both the Bank and its customers and investors, and information that Executive may create or prepare certain information related to his duties. Executive hereby expressly agrees to maintain in strictest confidence and not to access without proper business purposes (including repetitive unnecessary access), use (including without limitation in any future business or personal relationship of Executive), publish, disclose or in any way authorize anyone else to use, publish or disclose in any way, any Confidential Information relating in any manner to the business or affairs of the Bank and its customers and investors, except for legitimate business-related reasons while performing duties on behalf of the Bank. Executive agrees further not to remove or retain any figures, financial information, personnel data, calculations, letters, documents, lists, papers, or copies thereof, which embody Confidential Information of the Bank, and to return any such information in Executive's possession at the conclusion of Executive's use of such information and at the conclusion of Executive's employment with the Bank.

For purposes of this Agreement, "Confidential Information" includes, but is not limited to, information in the possession of, prepared by, obtained by, compiled by, or that is used by Bank, its customers, investors and/or vendors, or is prepared by, obtained by, compiled by or that is used by Executive in conjunction with his duties, and (1) is proprietary to, about, or created by the Bank, its customers, investors and/or vendors; (2) is information the disclosure of which might be detrimental to the interest of the Bank, its investors or customers; or (4) is not typically disclosed by the Bank, its customers, investors and/or vendors, or known by persons who are not associated with the Bank.

4.2. **Non-Solicitation of Executives and Investors.** Executive agrees that during the Term or any extension thereof, and for a period of one (1) year following the termination of Executive's employment for any reason, Executive will not (i) offer employment to, enter into a contract for the employment of, or attempt to entice away from the Bank, any individual who is at the time of such offer or attempt, one of the employees holding an officer or director with the Bank or the Company, (ii) interfere with the material business relationships of the Bank or the Company and its subsidiaries, or entice away any material suppliers or contractors, (iii) procure or facilitate the making of any such offer or attempt by any other Person, or (iv) solicit, directly or through any other Person, any investor of the Bank or the Company for purposes of facilitating any investment, partnership or business opportunity unrelated to the Bank or the Company. This restriction in Section 4.2 (iv) shall not apply to any investor with which the Executive had a preexisting relationship prior to becoming employed by the Bank.

4.3. **Intellectual Property.** Executive agrees to disclose and assign to the Bank any and all material of a proprietary nature, particularly including, without limitation, material subject to protection as trade secrets or as patentable ideas or copyrightable works, that Executive may conceive, invent, author or discover, either solely or jointly with another or other during Executive's employment and that relates to or is capable of use in connection with the business of the Bank or any employment or products offered, manufactured, used, sold or being developed by the Bank at the time said material is developed. Executive will, upon request of the Bank, either during or at any time after Executive's employment ends, regardless of how or why Executive's employment ends, execute and deliver all papers, including applications for

patents and registrations for copyrights, and do such other legal acts (entirely at the Bank' expense) as may be necessary to obtain and maintain proprietary rights in any and all countries and to vest title thereto in the Bank.

4.4. **Remedy.** Executive understands and acknowledges that the Bank has a legitimate business interest in preventing Executive from taking any actions in violation of this Section 4 and that this Section 4 is intended to protect the business and goodwill of the Bank. Executive further acknowledges that a breach of this Section 4 will irreparably and continually damage the Bank and that monetary damages alone will be inadequate to compensate the Bank for such breach. Executive therefore agrees that in the event Executive violates any of the terms of this Section 4, the Bank will be entitled to, in addition to any other remedies available to it in law or in equity, seek temporary, preliminary and permanent injunctive relief and specific performance to enforce the terms of Section 4 without the necessity of proving inadequacy of legal remedies or irreparable harm or posting bond. If Executive does take actions in violation of Section 4 of this Agreement, Executive understands that the time periods set forth in those paragraphs will run from the date on which Executive's violations of those sections, whether by injunction or otherwise, ends and not from the date that Executive's employment ends. In the event any lawsuit, claim or other proceeding is brought to enforce the terms of this Section 4, or to determine the validity of its terms, then the prevailing party will be entitled to recover from the non-prevailing party its reasonable attorneys' fees and court costs incurred in obtaining enforcement of, or determining the validity of, this Section 4.

4.5. **Waiver.** Executive understands and agrees that in the event the Bank waives or allows any breach of this Section 4, such waiver or allowance will not constitute a waiver or allowance of any future breach, whether of a similar or dissimilar nature.

4.6. **Tolling.** If the Bank files a lawsuit in any court of competent jurisdiction alleging a breach of the non-disclosure or non-solicitation provisions of this Agreement by Executive, then any time period set forth in this Agreement relating to the post-termination restrictions on the activities of Executive will be deemed tolled as of the time the lawsuit is filed and will remain tolled until the dispute is finally resolved, either by written settlement agreement resolving all claims raised in the lawsuit, or by entry of a final judgment and final resolution of any post-judgment appellate proceedings.

5. MISCELLANEOUS.

5.1. **Governing Law; Dispute Resolution.** This Agreement will be governed by and construed in accordance with the laws of the State of Texas excluding that body of law known as conflicts of law. The Parties will endeavor to settle amicably by mutual discussions any disputes or claims related to this Agreement ("Dispute"). Failing such settlement, and excepting such claims as may be brought pursuant to Section 4 hereof in a state or federal court having jurisdiction, any other Dispute will finally be settled by arbitration in accordance with the rules of the American Arbitration Association then applicable to employment-related disputes. The Parties will agree upon a single arbitrator. The Arbitrator will not have authority to award punitive damages to either Party. Each Party will bear its own expenses, but the Bank will bear the fees and expenses of the arbitrator. This Agreement will be enforceable, and any arbitration award will be final. In any such arbitration, the decision in any prior arbitration under this

Agreement will not be deemed conclusive of the rights as among themselves of the Parties hereunder. The arbitration will be held in Dallas, Texas. Any notices, including a demand for arbitration will be deemed served when delivered to the address indicated in Section 5.3.

5.2. **Code Section 409A.** It is the intent of the parties that this Agreement be interpreted and administered in compliance with the requirements of section 409A of the Internal Revenue Code of 1986, as amended (the "Code") to the extent applicable. In this connection, the Bank will have authority to take any action, or refrain from taking any action, with respect to this Agreement that is reasonably necessary to ensure compliance with Code section 409A (provided that the Bank will choose the action that best preserves the value of the payments and benefits provided to Executive under this Agreement), and the parties agree that this Agreement will be interpreted in a manner that is consistent with Code section 409A. In furtherance, but not in limitation of the foregoing: (a) in the event that Executive is a "specified employee" within the meaning of Code section 409A, payments which constitute a "deferral of compensation" under Code section 409A and which would otherwise become due during the first six (6) months following Executive's termination of employment will be delayed and all such delayed payments will be paid in full in the seventh (7th) month after the Executive's termination of employment, and all subsequent payments will be paid in accordance with their original payment schedule, provided that the above delay will not apply to any payments that are excepted from coverage by Code section 409A, such as those payments covered by the short-term deferral exception described in Treasury Regulations section 1.409A-1(b)(4); (b) notwithstanding any other provision of this Agreement, a termination of Executive's employment hereunder will mean, and be interpreted consistent with, a "separation from service" within the meaning of Code section 409A; and (c) with respect to the reimbursement of fees and expenses provided for herein, the following will apply: (i) unless a specific time period during which such expense reimbursements and tax gross-up payments may be incurred is provided for herein, such time period will be deemed to be Executive's lifetime; (ii) the amount of expenses eligible for reimbursement hereunder in any particular year will not affect the expenses eligible for reimbursement in any other year; (iii) the right to reimbursement of expenses will not be subject to liquidation or exchange for any other benefit; and (iv) the reimbursement of an eligible expense or a tax gross-up payment will be made on or before the last day of the calendar year following the calendar year in which the expense was incurred or the tax was remitted, as the case may be.

5.3. **Headings.** The headings and captions set forth herein are for convenience of reference only and will not affect the construction or interpretation hereof.

5.4. **Notices.** Any notice or other communication required, permitted, or desirable hereunder will be hand delivered (including delivery by a commercial courier service) or sent by United States registered or certified mail, postage prepaid, by facsimile or by electronic mail addressed as follows:

If to the Bank:	Triumph Savings Bank, SSB	
	Physical address:	12700 Park Central Dr., Ste. 1700 Dallas, TX 75251

Attn: Gail Lehmann

If to Executive: Adam Nelson
1615 Pecos Drive
Southlake, TX 76092

or such other addresses as will be furnished in writing by the parties. Any such notice or communication will be deemed to have been given as of the date so delivered in person or three business days after so mailed.

5.5. **Successors and Assigns.** Subject to the terms of Section 3.3(g), the Bank may assign its rights under this Agreement to any successor to its business (by merger, acquisition of substantially all of the Bank's assets or otherwise), provided that such successor entity expressly assumes, in a writing reasonably acceptable to Executive, this Agreement and all obligations and undertakings of the Bank hereunder. Executive may not assign his rights or delegate his duties under this Agreement without the prior written consent of the Bank. Executive understands and agrees that this Agreement will be binding upon and inure to the benefit of the Bank and its legal representatives, successors and assigns. Executive also understands and agrees that this Agreement will be binding upon and inure to the benefit of Executive's heirs and executors or administrators.

5.6. **Entire Agreement; Amendments.** This Agreement sets forth the entire agreement and understanding of the parties with respect to the subject matter hereof, and there are no other contemporaneous written or oral agreements, undertakings, promises, warranties or covenants not specifically referred to or contained herein. This Agreement specifically supersedes any and all prior agreements and understandings of the parties with respect to the subject matter hereof, all of which prior agreements and understandings (if any) are hereby terminated and of no further force and effect. This Agreement may be amended, modified or terminated only by a written instrument signed by the parties hereto.

5.7. **Execution of Counterparts.** This Agreement may be executed in one or more counterparts (including by facsimile or portable document format (.pdf)) for the convenience of the parties hereto, each of which will be deemed an original, but all of which together will constitute one and the same instrument. No signature page to this Agreement evidencing a party's execution hereof will be deemed to be delivered by such party to any other party hereto until such delivering party has received signature pages from all parties signatory to this Agreement.

5.8. **Severability.** If any provision, clause or part of this Agreement, or the applications thereof under certain circumstances, is held invalid or unenforceable for any reason, the remainder of this Agreement, or the application of such provision, clause or part under other circumstances, will not be affected thereby.

5.9. **Incorporation of Recitals.** The Recitals to this Agreement are an integral part of, and by this reference are hereby incorporated into, this Agreement.

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IN WITNESS WHEREOF, the parties have executed this Employment Agreement as of the day and year first above written.

TRIUMPH SAVINGS BANK, SSB

By: *\/s/ Aaron P. Graft*
Name: Aaron P. Graft
Title: Chief Executive Officer

EXECUTIVE:

\/s/ Adam D. Nelson
Adam D. Nelson

[Signature Page to Employment Agreement]

Schedule A

INITIAL BONUS SCHEDULE

TBI Return on Equity	Total Bonus (as % of base salary)	Stock/Cash Allocation
8%	17.5%	50%/50%
10%	30%	50%/50%
12%	35%	50%/50%
14%	40%	50%/50%
16%	45%	50%/50%
18%	50%	50%/50%
20%	60%	50%/50%

As specified in the Triumph Bancorp, Inc. Restricted Stock Plan and the Executive's Employment Agreement, the final discretion on any bonus awarded is vested in the Personnel Committee of the Bank. This Schedule A is for informational purposes only; provided, however, that in light of information currently available to the Personnel Committee, this bonus schedule is considered reasonable in relation to the indicated return on equity for the Bank. The Personnel Committee will make the final decision on bonus awards on an annual basis in light of several factors, both quantitative and qualitative, and per the direction of the Board of Directors, will consider the overall financial health of the Company and/or Bank in arriving at any final decision.

Exhibit 10.8

TRIUMPH BANCORP, INC. AMENDED AND RESTATED RESTRICTED STOCK PLAN

Section 1 Purpose

1.1 Triumph Bancorp, Inc. (the "Company") hereby adopts this Amended and Restated Restricted Stock Plan of the Company, to be effective as of January 1, 2014. This Amended and Restated Restricted Stock Plan amends and restates in its entirety the original Restricted Stock Plan of the Company effective as of November 15, 2012, as amended. The primary purpose of the Plan is to promote the interests of the Company and its shareholders through the (i) attraction and retention of executive officers and employees and (ii) enabling of such persons to share in the long-term growth and success of the Company through the granting of Restricted Stock Shares.

Section 2 Definitions

2.1 When used in the Plan, the following terms shall have the meanings set forth below:

2.2 "Affiliate" means an entity that would be treated as a single employer with the Company under Section 414 of the Code.

2.3 "Agreement" or "Award Agreement" means a written agreement between the Company and a Grantee implementing an award of Restricted Stock Shares and setting forth the particular terms, conditions and restrictions thereof.

2.4 "Award" means a grant under the Plan of Restricted Stock Shares.

2.5 "Board" or "Board of Directors" means the Board of Directors of the Company.

2.6 "Change in Control" shall be deemed to have occurred if the conditions set forth in any one of the following paragraphs shall have been satisfied:

(a) a change in the ownership of the Company whereby a person, or more than one person acting as a group (within the meaning of Code section 409A and the regulations thereunder) (a "Person"), acquires, directly or indirectly, ownership of a number of shares of capital stock of the Company which, together with capital stock already held by such Person, constitutes more than fifty percent (50%) of the total fair market value or of the combined voting power of the Company's outstanding capital stock; but if a Person already owns more than fifty percent (50%) of the total fair market value or of the combined voting power of the Company's outstanding capital stock, the acquisition of additional capital stock by such Person is not considered a Change of Control of the Company; or

(b) a change in the effective control of the Company whereby a majority of the persons who were members of the Board are, within a twelve (12) month period, replaced by individuals whose appointment or election to the Board is not endorsed by a majority of the Board prior to such appointment or election; or

(c) a change in the ownership of the assets of the Company, whereby a Person acquires (or has acquired during a twelve (12) month period ending on the date of the most recent acquisition by such Person) assets of the Company that have a total gross fair market value equal to or greater than fifty percent (50%) of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; but there is no Change of Control

if assets are transferred to an entity that is controlled by the shareholders of the Company immediately after the transfer, nor is it a Change of Control if the Company transfers assets to:

(i) a shareholder of the Company (immediately before the asset transfer) in exchange for or with respect to the shareholder's capital stock in the Company;

(ii) an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by the Company;

(iii) a Person that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding capital stock of the Company; or

(iv) an entity, at least fifty percent (50%) of the total value or voting power of which is owned, directly or indirectly, by a Person described in subparagraph (iii) of subparagraph (c).

(d) Notwithstanding the preceding provisions of this Section, a "Planned Capital Offering" shall not constitute a Change of Control Event. A Planned Capital Offering means an issuance of Common Stock by the Company or any issuance of equity or debt by an affiliate of the Company, including, but not limited to Triumph Consolidated Cos., LLC, Triumph Savings Bank, SSB, THE National Bank, Triumph Capital Advisors, LLC or any subsidiary or subsidiaries thereof, to new investors pursuant to a plan adopted by the Board as part of its overall growth plan for the Company and wherein a majority of the persons who were members of the Board preceding such capital offering remain after its completion. A Planned Capital Offering may include the issuance Common Stock that is registered with the Securities and Exchange Commission ("SEC") and any state securities board, or that is exempt from registration with the SEC and/or any state securities board pursuant to any federal or state law or regulation.

2.7 "Code" means the Internal Revenue Code of 1986 and the rules and regulations promulgated thereunder, or any successor law, as amended from time to time.

2.8 "Committee" means the Compensation and Corporate Governance Committee of the Board, or, if there is no such committee, the Board, or their appointee(s).

2.9 "Common Stock" or "Stock" means the Company's common stock, par value $0.01 per share.

2.10 "Company" means Triumph Bancorp, Inc. or any successor thereto.

2.11 "Disability" means (i) the inability of the Grantee to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of more than twelve (12) months, or (ii) the receipt of income replacement benefits for a period of more than three (3) months under a accident and health plan sponsored by the Company or one of its Affiliates and covering the Grantee due to medically determinable physical or mental impairment which is expected to result in death or is expected to last for a continuous period of more than twelve (12) months.

2.12 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

2.13 “Established Securities Market” means

(a) a national securities exchange registered under section 6 of the Securities Exchange Act of 1934 (“1934 Act”);

(b) a national securities exchange not registered under the 1934 Act because of the limited volume of transactions;

(c) a foreign securities exchange satisfying regulatory requirements analogous to those of the 1934 Act; or

(d) a regional or local exchange.

2.14 “Grantee” means a person to whom an Award is made under the Plan.

2.15 “Normal Retirement Age” means age sixty-five (65).

2.16 “Plan” means the Triumph Bancorp, Inc. Restricted Stock Plan as herein established and as hereafter amended from time to time.

2.17 “Restricted Stock Shares” means Stock that is granted to an individual under the Plan.

2.18 “Retirement” means the Grantees Termination of Employment after attainment of Normal Retirement Age.

2.19 “Vested” means that the Restricted Stock Shares subject to an Award have become vested as set forth in the applicable Award Agreement for such Restricted Stock Shares as a result of satisfaction of any minimum age or minimum number of years (or additional years) of employment or performance or other criteria imposed by the Plan or the Award Agreement. “Vesting” means the process of becoming Vested.

2.20 “Termination of Employment” means the Grantee’s separation from service from the Company and/or an Affiliate of the Company for reasons other than Disability or death.

Section 3 Administration

3.1 Administration of the Plan.

(a) The Plan shall be administered and interpreted by the Committee, which shall have full authority, discretion and power necessary or desirable for such administration and interpretation. Subject to the express provisions of the Plan, the Committee shall have complete authority, in its discretion, to determine:

(i) the individuals to whom Awards will be made, and the timing and terms of Awards;

(ii) the total number of Awards to be made to an individual;

(iii) the number of years of employment, minimum age or performance criteria required for Vesting;

(iv) the number of shares of Stock subject to, or represented by, each Award; and

(v) all other terms and conditions of each Award.

(b) The Committee shall have complete and conclusive authority to (i) interpret the Plan, (ii) prescribe, amend and rescind rules and regulations relating to it, (iii) determine the terms and provisions of the agreements that the Company makes with Grantees with respect to Awards, (iv) accelerate the time at which Awards may become Vested, and (v) make all other determinations necessary or advisable for the administration of the Plan.

(c) If any Award Agreement requires continued employment or service as a condition to Vesting, the Committee may decide to what extent a leave of absence for government or military service, illness, temporary disability or other reason shall not be deemed interruptions of continuous employment. In addition, unless otherwise provided in an Award Agreement, if Vesting is conditioned on the continued employment or service, a Grantee whose employment is terminated shall forfeit all unvested Awards; except that any Awards outstanding to a Grantee shall become fully Vested upon such Grantee's termination of employment due to death or Disability.

(d) In administering the Plan, the Committee may, to the extent permitted by law, rely conclusively on all tables, valuations, certificates, opinions and information furnished by accountants, legal counsel, or other experts employed or engaged by or on behalf of the Company.

3.2 Appointment of Committee Members. Each member of the Committee shall serve at the pleasure of the Board, which may fill any vacancy on the Committee. The Committee shall select one of its members as a chairman and shall hold meetings at the times and in the places as it may deem advisable. The Committee shall take all actions by majority decision. Any action evidenced by a written instrument that the majority of the members of the Committee sign shall be as fully effective as if the Committee had taken the action by majority vote at a meeting duly called and held. A dissenting member of the Committee who, within a reasonable time after he has knowledge of any action or failure to act by the majority, registers his dissent in writing delivered to the other Committee members and the Company shall not be responsible for any such action or failure to act.

3.3 Determination of Fair Market Value. On an annual basis, the Committee shall review the audited financial statements of the Company and consider such other factors and data as the Committee deems, in good faith, to be pertinent to the decision, to determine the fair market value of the Stock for purposes of determining the tax consequences to Grantees and to the Company of grants of Awards, or the Vesting of an Award, including the tax consequences of a Grantee's election to be taxed under Section 83(b) of the Code (as applicable).

3.4 No Liability. No member of the Committee appointed hereunder shall be liable for any action taken or omitted to be taken by him or her or by any other member of the Committee with respect to the Plan. To the extent of liabilities not otherwise insured under a policy purchased by the Company, the Company will indemnify, defend and hold harmless any member of the Committee with respect to any liabilities asserted or incurred in connection with the exercise and performance of his or her powers and duties hereunder to the same extent as the directors of the Company are indemnified. Nothing herein is deemed to limit the Company's ability to insure itself with respect to its obligations hereunder.

3.5 Finality of Decisions. Unless strictly and expressly prohibited by law, all determinations and decisions made by the Committee pursuant to the provisions of the Plan shall be final, conclusive, and binding upon all persons, including Grantees, the Company, its Affiliates, shareholders and employees.

3.6 Administration by Board. In lieu of appointing a Committee, the Board may directly administer the Plan. In that event, the Board shall have the authority granted to the Committee or the Board under the Plan and any authority of the Board under the Articles of Incorporation and Bylaws of the Company.

Section 4 Grants of Awards

4.1 Number of Shares Subject to Plan. The maximum aggregate number of shares of Stock that may be granted under the Plan shall be 750,000. Such number shall be reduced by the number of Restricted Stock Shares granted under the Plan that are not forfeited. Such number may be increased or decreased (but not below the number of shares of Stock subject to outstanding Awards) at any time by action of the Board.

4.2 Grant of Awards. Subject to the terms of the Plan and applicable law, the Committee, at any time and from time to time, may grant Awards of Restricted Stock Shares under the Plan to one or more persons. Grantees may be directors, employees or officers of the Company or any of its Affiliates. An Award made to a Grantee as identified above may be issued to or registered in the name of a personal investment or estate-planning vehicle established for the benefit of such Grantee and members of his or her immediate family; provided, however, that with respect to any such Award, all tax consequences associated with the grant of the Award and all underlying vesting and other requirements with respect to such Award shall be calculated and determined by reference to the applicable Grantee. Nothing contained in the Plan shall be construed to restrict the right of the Board to grant any equity-based compensation to persons outside of the Plan.

4.3 Notification and Acceptance of Award. After the Committee makes an Award, it shall promptly notify the Grantee. The Grantee so notified must indicate his or her acceptance of the Award by delivering to the Company an executed Award Agreement consistent with Section 4.4 and such other documents and instruments as the Committee may require, within 30 days after receipt of notification of the Award or such longer time as specified by the Committee. The Award otherwise granted shall automatically lapse at the expiration of such period if the documents required by the Committee have not been executed and returned.

4.4 Award Agreements.

(a) Each Award hereunder shall be evidenced by an Award Agreement in the form and containing such terms and conditions as the Committee from time to time may determine, provided that each Agreement shall specify:

(i) the number of Restricted Stock Shares to which it pertains;

(ii) the price, if any, the Grantee must pay for any Restricted Stock Shares (the "Grant Price");

(iii) the number of years of employment, minimum age or performance criteria, if any, required for Vesting;

(iv) any other the terms and conditions of the grant of Restricted Stock Shares; and

(v) such other provisions as the Committee shall determine.

(b) Each Award Agreement shall be subject to the provisions of the Plan (which shall be deemed to be incorporated in each Agreement); provided, that any conflict between the terms of an Award Agreement and the Plan shall be resolved in favor of the Plan, unless the context clearly indicates otherwise. An Award Agreement may (i) require continuation in employment or in a particular position with the Company or any Affiliate, (ii) impose performance criteria related to the Grantee, the Company, any Affiliate of the Company, or any combination or division thereof, (iii) impose requirements for post-employment competition or confidentiality of information, (iv) require the Grantee to provide assurance of compliance with applicable state or federal securities and banking laws, (v) require the Grantee to make an affirmative election under Section 83(b) Code, or (vi) impose any other restrictions or limitations determined by the Committee.

(c) An Award hereunder shall be forfeitable until all Vesting conditions are satisfied.

4.5 No Voting Rights Until Vested. Grantees will have no voting rights with respect to the Restricted Stock Shares awarded to them until such Restricted Stock Shares shall become Vested.

4.6 Dividends and Other Distributions. Grantees shall be entitled to receive all dividends and other distributions paid with respect to Restricted Stock Shares awarded to them and which have become Vested. If any such dividends or distributions are paid in shares of Stock, such Stock shall be subject to all terms and conditions of the Plan and applicable Award Agreement as if such Stock was part of the original Award of Restricted Stock with respect to which it was distributed.

4.7 [Intentionally Omitted].

4.8 Lapsed Awards or Forfeited Shares. If any shares of Stock issued pursuant to an Award are canceled or forfeited for any reason, the number of shares of Stock subject to such Award shall thereafter be again available for grant under the Plan.

4.9 Capital Adjustments. The number and class of shares of Stock subject to or underlying each outstanding Award and the aggregate number, type and class of shares of Stock with respect to which Awards thereafter may be made shall be subject to such adjustment, if any, as the Committee deems appropriate, based on the occurrence of events specified below or such other events which the Committee determines necessitates an adjustment.

(a) If the outstanding shares of Stock are increased, decreased or exchanged through merger, consolidation, sale of all or substantially all of the property of the Company, reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other distribution in respect to such Stock, for a different number or type of shares of Stock, or if additional shares of Stock or new or different shares of Stock are distributed with respect to such shares of Stock, an appropriate and proportionate adjustment shall be made in: (i) the maximum number of shares of Stock available for the Plan as provided in Section 4.1 herein; (ii) the type of shares or other securities available for the Plan; and (iii) the number of shares of Stock subject to any then outstanding Awards under the Plan.

(b) If events not specified above in this Section, such as any extraordinary cash dividend, split-up, reverse split, spin-off, combination, exchange of shares, warrants or rights offering to purchase Stock, or other similar corporate event, materially affect the Stock, the Committee in its discretion may make adjustments to the number shares of Stock subject to or underlying the then outstanding Awards if it determines such adjustment to be necessary to maintain the benefits or potential benefits intended to be provided under any Award.

(c) Any adjustment made by the Committee pursuant to the provisions of this Section shall be final, binding and conclusive. A notice of such adjustment, including identification of the event causing such adjustment, the calculation method of such adjustment, and the change in price and the number of shares of Stock subject to or underlying each Award shall be sent to each Grantee. No fractional shares shall be issued under the Plan based on such adjustments.

Section 5 Change in Control

Provided that the Grantee has not previously incurred a Termination of Employment (other than Retirement or due to Disability), in the event of a Change in Control, all Restricted Stock Shares granted hereunder shall be deemed to be fully Vested, and all Restricted Stock Shares shall be converted into an equivalent number of shares of Common Stock.

Section 6 Restrictions on Transfer of Shares; Treatment of Restricted Stock Shares Upon Termination of Employment.

6.1 Nontransferability of Shares. Except as otherwise provided in the Plan, Restricted Stock Shares granted under the Plan may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated prior to the time that such Restricted Stock Shares are Vested or upon earlier satisfaction of other conditions as specified by the Committee in its sole discretion and set forth in the applicable Award Agreement.

6.2 Certificates for Shares. Certificates evidencing Restricted Stock Shares will be deposited with, and held by, the Company for the benefit of the Grantee until such Restricted Stock Shares become Vested or are forfeited. Upon Vesting, subject to this Section 6, the Company shall issue and deliver to the Grantee a stock certificate or certificates evidencing the Vested shares of Stock. If any unvested Restricted Stock Shares are forfeited, the certificate or certificates evidencing any such Restricted Stock Shares shall be cancelled, and the shares of Stock represented thereby shall be returned to the Company's treasury.

6.3 Stock Legend. All certificates representing of Restricted Stock Shares that at any time are subject to the provisions of this Plan will have endorsed upon them a legend substantially in the following form:

THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, ENCUMBERED OR IN ANY MANNER DISPOSED OF, EXCEPT IN COMPLIANCE WITH THE TERMS OF A RESTRICTED STOCK AWARD AGREEMENT BETWEEN THE COMPANY AND THE INITIAL HOLDER OF THE RESTRICTED STOCK. THE RESTRICTED STOCK AWARD AGREEMENT PROVIDES FOR FORFEITURE OF THE STOCK IN CERTAIN CIRCUMSTANCES AND IMPOSES RESTRICTIONS ON THE TRANSFER OF THESE SHARES. COPIES OF THE RESTRICTED STOCK AWARD AGREEMENT ARE ON DEPOSIT AT THE PRINCIPAL OFFICE OF THE COMPANY AND WILL BE FURNISHED BY THE COMPANY TO THE REGISTERED HOLDER HEREOF UPON WRITTEN REQUEST.

6.4 Treatment of Restricted Stock Shares Upon Termination of Employment. Upon a Grantee's Termination of Employment for any reason other than Retirement, death or Disability, the Company has the right, but not the obligation, to repurchase any Restricted Stock Shares from the Grantee, and the Grantee shall be obligated to sell the Restricted Stock Shares to the Company. Should the Company elect to repurchase the Restricted Stock Shares, the Company shall complete such repurchase within ninety (90) days of the Grantee's Termination of Employment or the Company shall forfeit its repurchase right under this Section 6.4. The purchase price for the Restricted Stock Shares repurchased pursuant to this Section 6.4 shall be (i) to the extent that the Common Stock is traded on an Established Securities Market, the price of such Common Stock as of the date of such repurchase, or (ii) to the extent the Common Stock is not publicly traded on an Established Securities Market, one hundred ten percent (110%) of the book value of the Stock, determined as of the end of the quarter that immediately precedes the applicable repurchase date.

6.5 [Intentionally Omitted]

6.6 Right of First Refusal.

(a) To the extent that the Common Stock is not publicly traded on an Established Securities Market, the Company shall have and retain a Right of First Refusal exercisable in connection with any proposed transfer of Restricted Stock Shares that have become Vested. For purposes of this Section 6.6 the term "transfer" shall include any sale, assignment, pledge, encumbrance or other disposition of the Restricted Stock Shares intended to be made by Grantee.

(b) In the event the Grantee of Vested Restricted Stock Shares desires to accept a bona fide third-party offer for the transfer of any or all of such Vested Restricted Stock Shares (hereinafter referred to as the "Target Shares"), Grantee shall promptly (i) deliver to the Company written notice (the "Disposition Notice") of the terms of the offer, including the purchase price and the identity of the third-party offeror, and (ii) provide satisfactory proof that the disposition of the Target Shares to such third-party offeror would not be in contravention of any provisions of this Plan.

(c) The Company, or its assignee, shall, for a period of forty-five (45) days following receipt of the Disposition Notice, have the right to repurchase all (but not less than all) of the Target Shares subject to the Disposition Notice upon the same terms as those specified therein or upon such other terms (not materially different from those specified in the Disposition Notice) to which Grantee and Company agree. Such right shall be exercisable by delivery of written notice (the "Exercise Notice") to Grantee prior to the expiration of the forty-five (45)-day exercise

period. If such right is exercised with respect to all the Target Shares, then the Company, or its assignee, shall effect the repurchase of such shares, including payment of the purchase price, not more than fifteen (15) business days after delivery of the Exercise Notice; and at such time the certificates representing the Target Shares shall be delivered to the Company, or its assignee.

(d) In the event the Exercise Notice is not given to Grantee prior to the expiration of the forty-five (45) day exercise period, Grantee shall have a period of thirty (30) days thereafter in which to sell or otherwise dispose of the Target Shares to the third-party offeror identified in the Disposition Notice upon terms (including the purchase price) no more favorable to such third-party offeror than those specified in the Disposition Notice; provided, however, that any such sale or disposition must not be effected in contravention of the provisions of this Plan. The third-party offeror shall acquire the Target Shares free and clear of the Right of First Refusal. In the event Grantee does not effect such sale or disposition of the Target Shares within the specified thirty (30) day period, the Right of First Refusal shall continue to be applicable to any subsequent disposition of the Vested Restricted Stock Shares (including, without limitation, the Target Shares) by Grantee.

Section 7 General Provisions

7.1 Withholding. Whenever any Restricted Stock Shares become Vested or the Grantee makes a Code Section 83(b) election with respect to any Restricted Stock Shares, the Company shall have the right to require the Grantee to remit to the Company an amount sufficient to satisfy any federal, state or local withholding tax requirements before the delivery of any certificate or certificates for such Stock or recognition of the holder of such Stock as the owner thereof. A Grantee shall pay the withholding taxes by making payment in cash. Notwithstanding the foregoing, Stock may not be used to pay any required withholding taxes in excess of the amount of the minimum required withholding taxes without the consent of the Grantee.

7.2 No Right to Employment. Neither the Plan, nor any Award made, or any other action taken, hereunder shall be construed as giving any Grantee or other person any right of employment or continued employment or service with the Company or any Affiliate.

7.3 Construction of the Plan. The Plan and all Award Agreements shall be governed, construed, interpreted and administered in accordance with the laws of the State of Texas, except to the extent preempted by Federal law. In the event any provision of the Plan or any Agreement shall be held invalid, illegal or unenforceable, in whole or in part, for any reason, such determination shall not affect the validity, legality or enforceability of any remaining provision, portion of provision or Plan overall, which shall remain in full force and effect as if the Plan had been absent the invalid, illegal or unenforceable provision or portion thereof.

7.4 Amendment of Plan. The Board may amend, suspend, or terminate the Plan or any portion thereof at any time, provided such amendment may not adversely affect any outstanding Award without the consent of the affected Grantee unless such amendment is necessary to comply with any legal requirement.

7.5 Amendment of Award. In its sole and complete discretion, the Board may at any time amend any Award for the following reasons: (i) additions and/or changes are made to the Code, any federal or state securities law, or other law or regulations applicable to the Award; or (ii) any other event not described in clause (i) occurs and the Grantee gives his or her consent to such amendment.

7.6 Exemption from Computation of Compensation for Other Purposes. Neither Awards nor any amount payable under an Award (as cash or property), nor the value thereof, shall be included as “earnings,” “wages,” “salary” or “compensation” in any pension, disability, welfare, life insurance, or other employee benefit arrangement of the Company unless expressly provided otherwise in one or more of such arrangements.

7.7 Unfunded Plan. The Plan shall at all times be unfunded, and is not intended to be a plan of deferred compensation subject to ERISA, nor to provide for a deferral of compensation that would be subject to the requirements of Section 409A of the Code.

7.8 Interpretation. When a reference is made in this Plan to a Section, such reference will be to a Section of this Plan unless otherwise indicated. The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Plan will refer to this Plan as a whole and not to any particular provision in this Plan. In interpreting this Plan, the following rules of interpretation shall apply: (i) headings are for convenience of reference only and will not affect in any way the meaning or interpretation of this Plan; (ii) whenever the words “include,” “includes” or “including” appear, they will be deemed to be followed by the words “without limitation”; (iii) each use of the masculine, neuter or feminine gender will be deemed to include the other genders; (iv) each use of the plural will include the singular and vice versa, in each case as the context requires or as is otherwise appropriate; (v) the word “or” is used in the inclusive sense; (vi) any agreement, instrument or statute defined or referenced means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein; (vii) references to a person are also to its permitted successors or assigns. No provision of this Plan is to be construed to require, directly or indirectly, any person to take any action, or omit to take any action, which action or omission would violate applicable law (whether statutory or common law), rule or regulation.

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EXECUTED to be effective as of the 1st day of January 2012.

TRIUMPH BANCORP, INC.

By: /s/ Aaron P. Graft
Aaron P. Graft
Title: President and Chief Executive Officer

Exhibit 10.9

TRIUMPH BANCORP, INC.

AMENDED AND RESTATED RESTRICTED STOCK PLAN

AWARD AGREEMENT

RESTRICTED STOCK SHARES

This **Restricted Stock Shares Award Agreement** ("Agreement"), dated as of April 1, 2014 ("Grant Date"), is entered into by and between Triumph Bancorp, Inc. (the "Company"), a Texas corporation, and **[__________]** (the "Grantee").

1. Number of Shares Awarded: **[________]**

2. Grant Price. The amount to be paid by the Grantee for the Restricted Stock, if any: $0.

3. Grant of Shares. The Company hereby grants to Grantee the number of shares of Common Stock of the Company set forth above pursuant to the terms of the Triumph Bancorp, Inc. Amended and Restated Restricted Stock Plan (the "Plan"), which shall be subject to the conditions and restrictions set forth in this Agreement and the Plan ("Restricted Stock Shares"). The number of Shares granted hereby is subject to adjustment as provided in the Plan.

4. Grant Price. The amount per share that the Grantee is required to pay for the Restricted Stock granted hereby is the Grant Price set forth above.

5. Review of the Plan. Grantee has been provided a copy of the Plan and has had an opportunity to review it to the extent desired. The terms of the Plan are incorporated by reference herein. Capitalized terms used in this Agreement and not otherwise defined shall have be meanings provided in the Plan.

6. Vesting, Forfeiture and Transfer Restrictions. The Shares of Restricted Stock Shares granted under this Agreement are subject to the Vesting conditions and restrictions set forth below.

(a) Vesting. Unless earlier Vested or forfeited in accordance with this Agreement, the Restricted Stock Shares shall Vest in accordance with the following schedule:

Date	Restricted Stock Shares Vested
March 31, 2015	[__________]
March 31, 2016	[__________]
March 31, 2017	[__________]

(b) Accelerated Vesting. All unvested Restricted Stock Shares will immediately become Vested upon the Grantee's Retirement, Termination of Employment due to death or Disability, or upon a Change in Control.

(c) Forfeiture. Upon the termination of Grantee's employment by the Company for any reason (except for such terminations as would cause accelerated Vesting of Grantee's shares as set forth in Section 6(b) above), the Grantee will forfeit all unvested Restricted Stock Shares, without the payment of any consideration by the Company. Upon forfeiture, neither the Grantee,

nor any successors, heirs, assigns, or legal representatives of Grantee shall thereafter have any rights or interest in the unvested Restricted Stock Shares or certificates therefor, which shall terminate on the date of forfeiture.

7. Non-Solicitation Agreements. Grantee agrees that, for consideration including but not limited to (i) the Restricted Stock Shares awarded to Grantee under this Agreement, and (ii) the provision to Grantee of certain proprietary and confidential information of the Company and its subsidiaries in the course of Grantee's employment with the Company, in addition to any other obligations Grantee may have to the Company at law or in equity, the Grantee shall not, directly or indirectly, on his/her own behalf or on behalf of others:

(a) for a period of four (4) months following the termination of Grantee's employment with the Company for any reason, solicit business from, do any work for, or provide any goods or services to, any customer of the Company or any of its subsidiaries for whom Grantee did work or had contact with during his/her employment with the Company or any of its subsidiaries, or any prospective customer that Grantee was involved in soliciting work or business from on behalf of the Company or any of its subsidiaries at any time during the twelve month period preceding the date of the termination of Grantee's employment;

(b) for a period of twelve (12) months following the termination of Grantee's employment with the Company for any reason, (A) induce or attempt to induce any employee, officer or director of the Company or any of its subsidiaries to terminate his/her employment or directorship with the Company; (B) induce or attempt to induce any consultant or independent contractor to the Company or any of its subsidiaries to terminate his, her or its consultancy or contractual relationship with the Company; and/or (C) employ or retain, or attempt to employ or retain, any employee, officer or director of the Company or any of its subsidiaries, or any person who was an employee, officer or director of the Company or any of its subsidiaries during the twelve month period preceding the date of the termination of Grantee's employment; or

(c) for a period of twelve (12) months following the termination of Grantee's employment with the Company for any reason, solicit, directly or through any other person, any person known by Grantee to be an investor in the Company or any Affiliate of the Company, for purposes of facilitating any investment, partnership or business opportunity unrelated to the Company or its Affiliates.

8. Prohibition of Transfer Before Vesting. Restricted Stock Shares granted under this Agreement may not be sold, assigned, transferred, pledged or otherwise encumbered, whether voluntarily or involuntarily, by operation of law or otherwise, from the date of Grant until such Shares have become Vested and the restrictions have lapsed. Any attempt to sell, assign, transfer, pledge or otherwise encumber the unvested Restricted Stock Shares shall be null and void. Transfer of any Vested Restricted Stock Shares shall be subject to the terms and conditions set forth in the Plan

9. Securities Law Compliance. The Restricted Stock Shares granted under this Agreement have not been registered under the Securities Act of 1933, as amended, or any other applicable federal or state securities laws or regulations. As a result, as a condition of the award granted hereunder, the Company may require that Grantee enter into such written representations, warranties and agreements as the Company may reasonably request in order to comply with applicable securities laws or with this Agreement.

10. Section 83(b) Election. Grantee understands that the Grant made hereby has tax consequences and has had an opportunity to review those consequences with his tax adviser to the extent

that the Grantee desires to do so. The Grantee acknowledges that, under Section 83 of the Internal Revenue Code of 1986, as amended ("Code"), the difference between Grant Price and the Fair Market Value of the Restricted Stock Shares at the time any forfeiture restrictions applicable to such Restricted Stock Shares lapse, is reportable as ordinary income and as wages at the time the forfeiture restrictions lapse (i.e., upon Vesting). Notwithstanding the preceding, the Grantee understands that the Grantee may elect to be taxed at the time the Restricted Stock Shares are granted hereunder, rather than when and as such Restricted Stock Shares cease to be subject to such forfeiture restrictions, by filing an election under Section 83(b) of the Code with the Internal Revenue Service within 30 days after the Grant Date. If the Fair Market Value of the Restricted Stock Shares at the time any forfeiture restrictions lapse exceeds the Grant Price, the election will cause the increase in value occurring after the Grant Date to be treated as capital gain for income tax purposes. The Grantee understands that the failure to make this filing within said 30 day period will result in the recognition of ordinary income by the Grantee in an amount equal to the excess (if any) of the Fair Market Value of the Restricted Stock Shares over the Grant Price as of the date the forfeiture restrictions lapse. The Grantee acknowledges that (i) it is the Grantee's sole responsibility, and not the Company's, to file a timely election under Section 83(b) and (ii) the Grantee is not relying on the Company for advice with respect to the federal income tax consequences associated with the Section 83(b) election or any other matter.

11. Taxes. To the extent that the Vesting or receipt of Restricted Stock Shares or the lapse of any restrictions results in income to Grantee for federal or state tax purposes, Grantee shall deliver to the Company at the time of such receipt or lapse, as the case may be, such amount of money or shares of common stock of the Company received upon Vesting of Restricted Stock Shares or other shares of Common Stock of the Company owned by Grantee, at Grantee's election, as the Company may require to meet its obligation under applicable tax laws or regulations. If Grantee fails to do so, the Company is authorized to withhold from the shares of Common Stock deliverable as a result of the Vesting of the Restricted Stock Shares or from any cash or other form of remuneration then or thereafter payable to Grantee an amount equivalent to any tax required to be withheld by reason of such resulting compensation income.

12. Notices. Any notice or other communication required or permitted to be made hereunder or by reason of the provisions of this Agreement shall be in writing, duly signed by the party giving such notice or communication and shall be deemed to have been properly delivered if delivered personally or by a recognized overnight courier service, or sent by first-class certified or registered mail, postage prepaid, as follows (or at such other address for a party as shall be specified by like notice): (i) if given to the Company, at its principal place of business, and (ii) if to the Grantee, as set forth on the signature page to this Agreement. Any notice properly given hereunder shall be effective on the date on which it is actually received by the party to whom it was addressed.

13. Governing Law. The validity, construction and effect of this Agreement and any Restricted Stock Shares granted hereunder shall be governed, construed, interpreted and administered in accordance with the laws of the State of Texas, except to the extent preempted by Federal law.

14. Severability. If any term or other provision of this Agreement is held to be illegal, invalid or unenforceable by any rule of law or public policy, such term or provision shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision were not a part hereof, and all other conditions and provisions shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or unenforceable, there shall be substituted automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and still be legal, valid and enforceable. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only as broad as is enforceable.

15. Waiver. The failure of Grantee or the Company to insist upon strict compliance with any provision of this Agreement or the failure to assert any right Grantee or the Company may have under this Agreement shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

16. Interpretation. Capitalized words not otherwise defined herein have the meaning ascribed to them in the Plan. When a reference is made in this Agreement to a Section, such reference will be to a Section of this Agreement unless otherwise indicated. The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement will refer to this Agreement as a whole and not to any particular provision in this Agreement. In interpreting this Agreement, the following rules of interpretation shall apply: (i) headings are for convenience of reference only and will not affect in any way the meaning or interpretation of this Agreement; (ii) whenever the words "include," "includes" or "including" appear, they will be deemed to be followed by the words "without limitation"; (iii) each use of the masculine, neuter or feminine gender will be deemed to include the other genders; (iv) each use of the plural will include the singular and vice versa, in each case as the context requires or as is otherwise appropriate; (v) the word "or" is used in the inclusive sense; (vi) any agreement, instrument or statute defined or referenced means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein; (vii) references to a person are also to its permitted successors or assigns. No provision of this Agreement is to be construed to require, directly or indirectly, any person to take any action, or omit to take any action, which action or omission would violate applicable law (whether statutory or common law), rule or regulation.

17. Entire Agreement. The parties acknowledge that there are no written or oral agreements between the Grantee and the Company regarding restricted stock grants other than this Agreement. This Agreement may not be amended or supplemented except by written instrument executed by the parties.

18. Successors. This Agreement shall be binding upon the Grantee, his legal representatives, heirs, legatees, distributees, and shall be binding upon the Company and its successors and assigns.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the date first set forth above.

TRIUMPH BANCORP, INC.

By: ________________________________
Title: ________________________________

GRANTEE:

____
Printed Name

Grantee's Address:

____

____

Exhibit 10.14

THIS WARRANT AND THE SHARES ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY APPLICABLE U.S. STATE SECURITIES LAWS. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO DISTRIBUTION OR RESALE, AND MAY NOT BE MORTGAGED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT FOR SUCH SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT.

THIS WARRANT SHALL BE VOID AFTER 5:00 P.M., CENTRAL TIME, ON THE DATE THAT THE WARRANT IS NO LONGER EXERCISABLE WITH RESPECT TO ANY WARRANT SHARES AS PROVIDED IN SECTION 1 OF THIS WARRANT (THE "EXPIRATION DATE").

TRIUMPH BANCORP, INC.
Warrant for the Purchase of Common Shares
par value $0.01 per Share

No. W-1 259,067 Shares

Issuance Date: December 12, 2012

THIS CERTIFIES that, for and in consideration of the payment of $100.00, the receipt and sufficiency of which are hereby acknowledged, Triumph Consolidated Cos., LLC, a Texas limited liability company, whose address is 3 Park Central, Suite 1700, 12700 Park Central Drive, Dallas, Texas 75251, or its registered permitted assigns (the "Holder"), is entitled to subscribe for and purchase from Triumph Bancorp, Inc., a Texas corporation (the "Company"), upon the terms and conditions set forth herein, 259,067 common shares, par value $0.01 per share, of the Company (the "Common Shares"), at a price of $11.58 per share, subject to adjustment as provided herein (the "Exercise Price"). As used herein, the term "this Warrant" means and includes this Warrant, and any and all Warrants or other securities hereinafter issued as a consequence of the exercise or transfer of this Warrant in whole or in part, or adjustments as provided herein. As used herein, the term "Holder" means the original Holder and any and all holder(s) of this Warrant or a portion thereof, and any and all holder(s) of any Warrant Shares, in all cases, pursuant to the exercise of this Warrant or a portion thereof or a transfer of this Warrant or the Warrant Shares as permitted by this Warrant.

The number of Common Shares issuable upon exercise of this Warrant (the "Warrant Shares") and the Exercise Price may be adjusted from time to time as hereinafter set forth.

1. Exercise Price and Exercise Period. This Warrant may be exercised at any time or from time to time during the period commencing on the Issuance Date and ending at 5:00 P.M. Central time on December 12, 2022 (the "Expiration Date" and the period from the Issuance Date to the Expiration Date, the "Exercise Period").

2. Procedure for Exercise; Effect of Exercise.

a. Cash Exercise. This Warrant may be exercised, in whole or in part, by the Holder during normal business hours on any business day during the Exercise Period by (i) the delivery to the Company at its corporate offices in Dallas, Texas, of a duly executed Notice of Exercise (in the form attached to this Agreement) specifying the number of Warrant Shares to be purchased, (ii) delivery of payment to the Company of the Exercise Price for the number of Warrant Shares specified in the Notice of Exercise by cash, wire transfer of immediately available funds to a bank account specified by the Company, or by certified or bank cashier's check (the "Aggregate Exercise Price"), and (iii) the surrender of this Warrant to the Company (or an indemnification undertaking with respect to this Warrant in the case of its loss, theft or destruction), at its corporate offices in Dallas, Texas.

b. Effect of Exercise. Upon receipt by the Company of a Notice of Exercise, and proper payment of the Exercise Price, as provided in this Section 2, the Company agrees that such Warrant Shares shall be deemed to be issued to the Holder as the record holder of such Warrant Shares as of the close of business on the date of receipt by the Company of the Notice of Exercise; provided payment has been made for such Warrant Shares in accordance with this Agreement, and the Holder shall be deemed to be the holder of record of the Warrant Shares, notwithstanding that certificates representing such Warrant Shares shall not then be actually delivered to the Holder. After the Company shall have received a Notice of Exercise, the Aggregate Exercise Price and this Warrant (or an indemnification undertaking with respect to this Warrant in the case of its loss, theft or destruction) (the "Exercise Delivery Documents"), the Company shall within seven (7) business days, issue and deliver or cause to be issued and delivered to the address as specified in the Notice of Exercise, a certificate, registered in the name of the Holder or its permitted designee, for the number of Common Shares to which the Holder is entitled pursuant to such exercise. If this Warrant should be exercised in part only, the Company shall, upon surrender of this Warrant for cancellation (or an indemnification undertaking with respect to this Warrant in the case of its loss, theft or destruction) to the Company at its corporate offices in Dallas, Texas, execute and deliver a new Warrant evidencing the right of the Holder to purchase the balance of the Warrant Shares subject to purchase hereunder within ten (10) business days of receipt of this Warrant.

3. Warrant Register; Transfer of Warrants.

a. Any Warrants issued upon the transfer or exercise in part of this Warrant shall be numbered and shall be registered in a Warrant Register (herein so called) as they are issued. The Company shall be entitled to treat the registered holder of any Warrant on the Warrant Register as the owner in fact thereof for all purposes and shall not be bound to recognize any equitable or other claim to or interest in such Warrant on the part of any other person, and shall not be liable for any registration or transfer of Warrants which are registered or to be registered in the name of a fiduciary or the nominee of a fiduciary.

b. Subject to compliance with applicable state and federal securities laws, this Warrant and the rights hereunder shall not be transferable except to a TCC Party (defined below) in accordance with the provisions of this Section 3(b); *provided, however*, it is agreed and acknowledged by the Company that upon registration of the Warrant Shares in accordance with Section 7 below, the Warrant Shares shall be freely transferable. Subject to the foregoing, this Warrant and the rights hereunder may be transferred, in whole or in part, upon surrender of this Warrant at the principal office of the Company, together with a written assignment of this Warrant (in the form attached to this Agreement) duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees and in the denomination or denominations specified in such assignment form, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. This Warrant, if properly assigned, may be exercised by a new Holder for the purchase of Warrant Shares without having a new warrant issued. For purposes hereof, "TCC Party" means (i) any partner, member, stockholder or owner of Triumph Consolidated Cos., LLC or Triumph Bancorp, Inc., (ii) any employee of Triumph Consolidated Cos, LLC, Triumph Bancorp, Inc. or Triumph Savings Bank, ssb, or (iii) a pension, profit-sharing fund or other plan established and maintained for employees of Triumph Consolidated Cos., LLC or Triumph Bancorp, Inc.

4. Reservation of Shares; Preservation of Rights. The Company shall at all times during the Exercise Period reserve and keep available out of its authorized and unissued Common Shares, solely for the purpose of providing for the exercise of the rights to purchase all Warrant Shares granted pursuant to this Warrant, such number of Common Shares as shall, from time to time, be sufficient therefor. The Company covenants that all Common Shares issuable upon exercise of this Warrant, upon receipt by the Company of the full Exercise Price therefor shall be validly issued, fully paid, non-assessable, and free of preemptive rights.

5. Exercise Price Adjustments.

a. In the event that the Company shall (i) pay a dividend or make a distribution, in Common Shares, on any class of capital stock of the Company, (ii) split or subdivide its outstanding Common Shares into a greater number of shares, or (iii) combine its outstanding Common Shares into a smaller number of shares, then in each such case the Exercise Price in effect immediately prior thereto shall be adjusted so that the Holder of this Warrant shall be entitled to receive the number of Common Shares that such Holder would have owned or would have been entitled to receive after the occurrence of any of the events described above had this Warrant been exercised immediately prior to the occurrence of such event. An adjustment made pursuant to this Section 5(a) shall become effective immediately after the close of business on the dividend or distribution date in the case of a dividend or distribution and shall become effective immediately after the close of business on the effective date in the case of such subdivision, split or combination, as the case may be. Any Common Shares issuable in payment of a dividend shall be deemed to have been issued immediately prior to the close of business on the payment date for such dividend for purposes of calculating the number of outstanding Common Shares under clauses (b) and (c) below.

b. No adjustment in the Exercise Price shall be required unless the adjustment would require an increase or decrease of at least 5% in the Exercise Price then in effect; *provided, however,* that any adjustments that by reason of this Section 5(b) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section 5 shall be made to the nearest cent or nearest 1/100th of a share.

c. In the event that, at any time as a result of an adjustment made pursuant to Section 5(a) above, the Holder of this Warrant shall become entitled to receive any shares of the Company other than Common Shares, thereafter the number of such other shares so receivable upon exercise of this Warrant shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Common Shares contained in this Section 5.

d. In case of any reclassification of the Common Shares (other than in a transaction to which Section 5(a) applies), any consolidation of the Company with, or merger of the Company into, any other entity, any merger of another entity into the Company (other than a merger that does not result in any reclassification, conversion, exchange or cancellation of outstanding Common Shares of the Company), any sale or transfer of all or substantially all of the assets of the Company, any tender offer or any share exchange, pursuant to which the Common Shares are converted into other securities, cash or other property, then lawful provision shall be made as part of the terms of such transaction whereby the Holder shall have the right, during the Exercise Period, at the Holder's option, (i) to exercise this Warrant for the kind and amount of securities, cash and other property receivable upon the reclassification, consolidation, merger, sale, transfer, tender offer or share exchange by a holder of the number of Common Shares of the Company into which this Warrant might have been exercisable immediately prior to the reclassification, consolidation, merger, sale, transfer, tender offer or share exchange, assuming that such holder of Common Shares failed to exercise rights of election, if any, as to the kind or amount of securities, cash or other property receivable upon consummation of such transaction, or (ii) if the Company is acquired in an all cash transaction, to receive cash equal to the difference between the aggregate value of the cash consideration to be received had this Warrant been fully exercised immediately prior to the closing of such transaction and the aggregate exercise price of the Warrant Shares immediately prior to the closing of such transaction. The provisions of this Section 5(d) shall similarly apply to successive reclassifications, consolidations, mergers, sales, transfers, tender offers or share exchanges.

e. If the Company shall take any action set forth in Section 5(a) or 5(d), then the Company shall cause to be filed with the transfer agent for this Warrant and shall cause to be mailed to the Holder at such Holder's address as shown on the books of the transfer agent for this Warrant, as promptly as possible, but at least 20 days prior to the applicable date hereinafter specified, a notice stating the date on which such dividend payment, other distribution, adjustment, reclassification, change, consolidation, merger, tender offer, statutory share exchange, sale, transfer, dissolution, liquidation or winding-up is expected to become effective or occur, and the date as of which it is expected that holders of Common Shares of record shall be entitled to receive the dividend payment or other distribution, or exchange their Common Shares for securities, cash or other property deliverable upon such adjustment, reclassification, change, consolidation, merger, statutory share exchange, sale, transfer, dissolution, liquidation or winding up. Failure to give such notice or any defect therein shall not affect the legality or validity of the proceedings described in this Section 5(e).

f. Whenever the Exercise Price is adjusted as herein provided, the Company shall promptly file with the transfer agent for this Warrant a certificate of an officer of the Company setting forth the Exercise Price after the adjustment and setting forth a brief statement of the facts requiring such adjustment and a computation thereof. The Company shall within 30 days of an adjustment to the Exercise Price cause a notice of the adjusted Exercise Price to be mailed to the Holder. Failure to give such notice or any defect therein shall not affect the legality or validity of the proceedings described in this Section 5(f).

g. Upon each adjustment of the Exercise Price, this Warrant shall thereafter evidence the right to purchase, at the adjusted Exercise Price, that number of shares (calculated to the nearest thousandth) obtained by dividing (i) the product obtained by multiplying the number of shares purchasable upon exercise of this Warrant prior to adjustment of the number of shares by the Exercise Price in effect prior to adjustment of the Exercise Price, by (ii) the Exercise Price in effect after such adjustment of the Exercise Price.

h. The Company shall not be required to issue fractions of Common Shares or other capital stock of the Company upon the exercise of this Warrant. If any fraction of a share would be issuable on the exercise of this Warrant (or specified portions thereof), the Company shall purchase such fraction for an amount in cash equal to the same fraction of the Current Market Price of such share of Common Shares on the date of exercise of this Warrant.

6. Beneficial Ownership. The Company shall not effect the exercise of this Warrant, and no person who is a Holder shall have the right to exercise this Warrant, to the extent that after giving effect to such exercise, such person (together with such person's affiliates) would beneficially own in excess of 9.99% (4.99% if such person is a bank holding company) of the Common Shares outstanding immediately after giving effect to such exercise; unless the Holder has previously been approved by the applicable regulatory authorities having jurisdiction over the Company to own or control in excess of 9.99% of the outstanding Common Shares. For purposes of the foregoing sentence, the aggregate number of Common Shares beneficially owned by such person and its affiliates shall include the number of Common Shares issuable upon exercise of this Warrant and issuable upon exercise or conversion of the unexercised or unconverted portion of any other securities of the Company beneficially owned by such person and its affiliates (including, without limitation, any debentures, convertible notes or convertible preferred stock or warrants). For purposes of this Warrant, in determining the number of outstanding Common Shares, the Holder may rely on the number of outstanding Common Shares as reflected in (1) the Company's most recent Form 10-Q, Form 10-K or other public filing with the Securities and Exchange Commission, as the case may be, (2) a more recent public announcement by the Company or (3) any other notice by the Company or its transfer agent setting forth the number of Common Shares outstanding. For any reason at any time, upon the written request of the Holder, the Company shall, within a reasonable period, confirm to the Holder the number of Common Shares then outstanding. In any case, the number of outstanding Common Shares shall be determined after giving effect to the conversion or exercise of securities of the Company by the Holder and its affiliates since the date as of which such number of outstanding Common Shares was reported. In effecting the exercise of this Warrant, the

Company shall be entitled to rely on a representation by the Holder as to the number of shares that it beneficially owns for purposes of the above 9.99% (or 4.99% if such person is a bank holding company) limitation calculation.

7. Registration Rights. If the Company files a registration statement for an initial public offering ("IPO") in the United States, the Holder shall be entitled to the benefit of the registration rights as specified in Appendix A, the provisions of which are hereby incorporated by reference.

8. Transfer Taxes. The issuance of any shares or other securities upon the exercise of this Warrant, and the delivery of certificates or other instruments representing such shares or other securities, shall be made without charge to the Holder for any transfer taxes. The Company shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than that of the Holder and the Company shall not be required to issue or deliver any such certificate unless and until the person or persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid.

9. Loss or Mutilation of Warrant. Upon receipt of evidence reasonably satisfactory to the Company (which shall not include the posting of any bond) of the loss, theft, destruction, or mutilation of any Warrant (and upon surrender of any Warrant if mutilated), and upon reimbursement of the Company's reasonable incidental expenses, the Company shall execute and deliver to the Holder thereof a new Warrant of like date, tenor, and denomination.

10. No Rights as a Shareholder. The Holder shall not have, solely on account of such status, any rights of a shareholder of the Company, either at law or in equity, or to any notice of meetings of shareholders or of any other proceedings of the Company, except as provided in this Warrant.

11. Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of the Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. If the Company willfully and knowingly fails to comply with any provision of this Warrant, as determined by the final non-appealable decision of a court of competent jurisdiction, which results in any material damages to the Holder, the Company shall pay to Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

12. Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, may be entitled to specific performance of its rights under this Warrant.

13. Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors of the Company and the successors and permitted assigns of the Holder. The provisions of this Warrant are intended to be for the benefit of all Holders from time to time of this Warrant and shall be enforceable by any such Holder of Warrant Shares.

14. Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

15. Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

16. Notices. All notices, requests and other communications hereunder shall be in writing and shall be given and shall be deemed to have been duly given if delivered personally or via a messenger service (notice deemed given upon receipt), telecopied or faxed (notice deemed given upon confirmation of receipt), sent by a nationally recognized overnight courier service such as Federal Express (notice deemed given upon receipt of proof of delivery) or mailed by registered or certified mail, return receipt requested (notice deemed given upon receipt) to the respective parties' corporate addresses or other addresses on record with the other parties.

17. Governing Law. This Warrant shall be construed in accordance with the laws of the State of Texas applicable to contracts made and performed within such state, without regard to principles of conflicts of law.

TRIUMPH BANCORP, INC.

By: /s/ Aaron Graft
Aaron Graft
President and Chief Executive Officer

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer the attached Warrant.)

FOR VALUE RECEIVED, _____________hereby sells, assigns, and transfers unto ___________a Warrant to purchase ______Common Shares, par value $0.01 per share, of Triumph Bancorp, Inc. (the "Company"), together with all right, title, and interest therein, and does hereby irrevocably constitute and appoint _______________attorney to transfer such Warrant on the books of the Company, with full power of substitution.

Dated: ______________________________

By: ______________________________
Signature

The signature on the foregoing Assignment must correspond to the name as written upon the face of this Warrant in every particular, without alteration or enlargement or any change whatsoever.

To: Triumph Bancorp, Inc.
3 Park Central
Suite 1700
Dallas, Texas 75251
Attention: Chief Financial Officer

NOTICE OF EXERCISE

The undersigned hereby exercises his or its rights to purchase ______Warrant Shares covered by the attached Warrant and tenders payment herewith in the amount of $ ______by tendering cash or delivering a certified check or bank cashier's check in such amount, payable to the order of the Company.

The undersigned requests that certificates for such securities be issued in the name of, and delivered or credited to:

____

____

____

____
(Print Name, Address and Social Security
or Tax Identification Number)

and, if such number of Warrant Shares shall not be all the Warrant Shares covered by the attached Warrant, that a new Warrant for the balance of the Warrant Shares covered by the attached Warrant be registered in the name of, and delivered to, the undersigned at the address stated below.

Dated: ______________________________

By: ______________________________

Print Name: ______________________________

Address: ______________________________

____

____

APPENDIX A

Registration Rights

The Company covenants and agrees as follows:

1. Defined Terms. As used herein, capitalized terms that are defined in the Warrant to which this Appendix is attached shall have the meanings ascribed to them in the Warrant. In addition, the following terms, unless the context otherwise requires, have the following respective meanings:

a. The term "Blue Sky Laws" means any applicable state securities laws and the rules and regulations promulgated thereunder.

b. The term "Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

c. The term "Registrable Securities" means (i) the Common Shares issuable or issued upon exercise of this Warrant, and (ii) any Common Shares of the Company issued or issuable upon the conversion or exercise of any warrant, right or other security which is issued as a dividend or other distribution with respect to, or in exchange for or in replacement of the shares referenced in clause (i) above, excluding in all cases, however, any Registrable Securities sold by a person in a transaction in which his rights under Appendix A hereof are not assigned or any such shares which have been sold to the public.

d. The term "SEC" means the Securities and Exchange Commission.

e. The term "SEC Rule 144" means Rule 144 promulgated by the SEC under the Securities Act.

f. The term "SEC Rule 145" means Rule 145 promulgated by the SEC under the Securities Act.

g. The term "Violation" means losses, claims, damages, or liabilities (joint or several) to which a party hereto may become subject under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations: (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by any other party hereto, of the Securities Act, the Exchange Act, any state securities law or any rule or regulation promulgated under the Securities Act, the Exchange Act or any Blue Sky Laws.

2. Company Registration. If the Company proposes to register (including for this purpose a registration effected by the Company for shareholders other than the Holder) any of its capital stock under the Securities Act in connection with the public offering of such securities solely for cash (other than a registration statement relating either to the sale of securities to employees of the Company pursuant to a stock option, stock purchase or similar plan or an SEC Rule 145 transaction, a registration on any form which does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities or a registration in which the only Common Shares being registered are Common Shares issuable upon conversion of debt securities which are also being registered), the Company shall, at such time, promptly give the Holder written notice of such registration. Upon the written request of the Holder given within thirty (30) days after mailing of such notice by the Company in accordance with Section 16 of the Warrant, the Company shall, subject to the provisions of this Appendix A, Section 6, cause to be registered under the Securities Act all of the Registrable Securities that the Holder has requested to be registered. The Company shall have the right to terminate or withdraw any registration initiated by it under this Appendix A, Section 2 prior to the effectiveness of such registration whether or not the Holder has elected to include securities in such registration. The expenses of such withdrawn registration shall be borne by the Company in accordance with this Appendix A, Section 5 hereof.

3. Obligations of the Company. Whenever required under this Appendix A to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

a. prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its reasonable best efforts to cause such registration statement to become effective, and, upon the request of the Holder, keep such registration statement effective for a period of up to one hundred twenty (120) days or, if earlier, until the distribution contemplated in the Registration Statement has been completed; *provided*, *however*, that such 120-day period shall be extended for a period of time equal to the period the Holder refrains from selling any securities included in such registration at the request of an underwriter of Common Shares (or other securities) of the Company;

b. prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement;

c. furnish to the Holder such numbers of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by it;

d. use its reasonable best efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky Laws of such U.S. jurisdictions as shall be reasonably requested by the Holder; provided that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

e. in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter of such offering. The Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement;

f. cause all such Registrable Securities registered pursuant to this Agreement hereunder to be listed on a national securities exchange or trading system and each securities exchange and trading system on which similar securities issued by the Company are then listed;

g. provide a transfer agent and registrar for all Registrable Securities registered pursuant hereunder and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration; and

h. use its reasonable best efforts to furnish, at the request of the Holder requesting registration of Registrable Securities pursuant to this Appendix A, on the date on which such Registrable Securities are sold to the underwriter, (i) an opinion, dated such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters, if any, and (ii) a "comfort" letter dated such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the underwriters, if any.

4. Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Appendix A with respect to the Registrable Securities of the selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as shall be reasonably required to effect the registration of such Holder's Registrable Securities.

5. Expenses of Company Registration. The Company shall bear and pay all expenses incurred in connection with any registration, filing or qualification of Registrable Securities with respect to the registration pursuant to this Appendix A, Section 2 hereof for the Holder, including (without limitation) all registration, filing, and qualification fees, printers and accounting fees relating or apportionable thereto and the fees and disbursements of one counsel for the selling Holder selected by it, but excluding underwriting discounts and commissions relating to Registrable Securities.

6. Underwriting Requirements. In connection with any offering involving an underwriting of shares of the Company's capital stock pursuant to this Appendix A, the Company shall not be required to include any of the Holder's securities in such underwriting unless the Holder accepts the terms of the underwriting as agreed upon between the Company

and its underwriters, and then only in such quantity as the underwriters determine in their sole discretion will not jeopardize the success of the offering by the Company. If the total number of securities, including Registrable Securities, requested by shareholders to be included in such offering exceeds the amount of securities to be sold other than by the Company that the underwriters determine in their reasonable discretion is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, which the underwriters and the Company determine in their sole discretion will not jeopardize the success of the offering. In the event that the underwriters determine that less than all of the Registrable Securities requested to be registered can be included in such offering, then the Registrable Securities that are included in such offering shall be apportioned pro rata among the Holder and any other selling Holders based on the number of Registrable Securities held by all selling Holders or in such other proportions as shall mutually be agreed to by all such selling Holders (including the Holder).

7. Indemnification. In the event any Registrable Securities are included in a registration statement under this Appendix A:

a. To the extent permitted by law, the Company will indemnify and hold harmless the Holder, all partners, members, officers, directors and stockholders of the Holder, legal counsel and accountants for the Holder, any underwriter (as defined in the Securities Act) for the Holder and each person, if any, who controls the Holder within the meaning of the Securities Act or the Exchange Act, against any Violation and the Company will pay to each such Holder, underwriter, controlling person or other aforementioned person, any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability, or action as such expenses are incurred; *provided, however*, that the indemnity agreement contained in this Appendix A, subsection 7(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability, or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld), nor shall the Company be liable in any such case for any such loss, claim, damage, liability, or action to the extent that it arises out of or is based upon a Violation which occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by any such Holder, underwriter, controlling person or other aforementioned person.

b. To the extent permitted by law, the selling Holder will indemnify and hold harmless the Company, each of its directors, each of its officers who has signed the registration statement, each person, if any, who controls the Company within the meaning of the Securities Act, legal counsel and accountants for the Company, any underwriter, any other Holder selling securities in such registration statement and any controlling person of any such underwriter or other Holder, against any losses, claims, damages, or liabilities (joint or several) to which any of the foregoing persons may become subject, under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages, or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by the Holder expressly for use in connection with such registration; and the Holder will pay, any legal or other expenses reasonably incurred by any person intended to be

indemnified pursuant to this Appendix A, subsection 7(b), in connection with investigating or defending any such loss, claim, damage, liability, or action; *provided*, *however*, that the indemnity agreement contained in this Appendix A, subsection 7(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; provided, further, that, in no event shall any indemnity under this Appendix A, subsection 7(b) exceed the net proceeds from the offering received the Holder, except in the case of fraud or willful misconduct by the Holder.

c. Promptly after receipt by an indemnified party under this Appendix A, Section 6 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Appendix A, Section 7, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; *provided, however*, that an indemnified party (together with all other indemnified parties which may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if prejudicial to its ability to defend such action, shall relieve such indemnifying party of any liability to the indemnified party under this Appendix A, Section 7, but the omission so to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Appendix A, Section 7.

d. In order to provide for just and equitable contribution to joint liability under the Securities Act in any case in which either (i) the Holder exercising rights under this Agreement, or any controlling person of the Holder, makes a claim for indemnification pursuant to this Appendix A, Section 7 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case notwithstanding the fact that this Appendix A, Section 7 provides for indemnification in such case, or (ii) contribution under the Securities Act may be required on the part of the selling Holder or any controlling person in circumstances for which indemnification is provided under this Appendix A, Section 7, then, and in each such case, the Company and the Holder will contribute to the aggregate losses, claims, damages or liabilities to which they may be subject (after contribution from others) in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage, or expense as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or by the

indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission; *provided*, *however*, that, in any such case, (I) the Holder will not be required to contribute any amount in excess of the public offering price of all such Registrable Securities offered and sold by the Holder pursuant to such registration statement, and (II) no person or entity guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any person or entity who was not guilty of such fraudulent misrepresentation; provided further, that in no event shall the Holder's liability pursuant to this Appendix A, subsection 7(d), when combined with the amounts paid or payable by the Holder pursuant to Appendix A, subsection 7(b), exceed the proceeds from the offering (net of any underwriting discounts or commissions) received by the Holder, except in the case of willful fraud by the Holder.

e. The obligations of the Company and the Holder under this Appendix A, Section 7 shall survive the completion of any offering of Registrable Securities in a registration statement under this Appendix A, and otherwise and shall survive the termination or exercise of this Warrant.

8. Reports Under Exchange Act. With a view to making available to the Holder the benefits of SEC Rule 144 promulgated under the Securities Act and any other rule or regulation of the SEC that may at any time permit the Holder to sell securities of the Company to the public without registration, the Company agrees, at all times after the effective date of the first registration statement filed by the Company for the offering of its capital stock to the general public so long as the Company is subject to the periodic reporting requirements under Sections 13 or 15(d) of the Exchange Act, to:

a. make and keep public information available, as those terms are understood and defined in SEC Rule 144;

b. file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act; and

c. furnish to the Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 and the Exchange Act (at any time after it has become subject to such reporting requirements), (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company, and (iii) such other information as may be reasonably requested in availing the Holder of any rule or regulation of the SEC which permits the selling of any such securities without registration.

Exhibit 21.1

Subsidiaries of the Registrant

The following is a list of the consolidated subsidiaries of Triumph Bancorp, Inc., the names under which such subsidiaries do business and the state in which each was organized, as of August 8, 2014.

Name	State of Organization
Triumph Capital Advisors, LLC	Texas
Triumph Savings Bank, SSB	Texas
National Bancshares, Inc.	Iowa
Triumph Community Bank, N.A.(1)	Not Applicable
Triumph Commercial Finance, LLC(2)	Texas
Advance Business Capital LLC (d/b/a Triumph Business Capital, LLC)(3)	Delaware

(1) Subsidiary of National Bancshares, Inc.
(2) Subsidiary of Triumph Savings Bank, SSB
(3) Subsidiary of Triumph Commercial Finance, LLC

The names of particular subsidiaries may be omitted if the unnamed subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary as of the end of the year covered by this report. (See the definition of “significant subsidiary” in Rule 1-02(w) of Regulation S-X.) The names of consolidated wholly owned multiple subsidiaries carrying on the same line of business, such as chain stores or small loan companies, may be omitted, provided the name of the immediate parent, the line of business, the number of omitted subsidiaries operating in the United States and the number operating in foreign countries are given. This instruction shall not apply, however, to banks, insurance companies, savings and loan associations or to any subsidiary subject to regulation by another Federal agency.