Triumph Bancorp, Inc.

Fourth Quarter and Full Year 2019 Earnings Conference Call

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CORPORATE PARTICIPANTS

Aaron Graft - *Vice Chairman, Chief Executive Officer*

Bryce Fowler - *Chief Financial Officer*

Todd Ritterbusch - *Chief Lending Officer*

Luke Wyse - *Senior Vice President of Finance and Investor Relations*

PRESENTATION

Operator
Good day, and welcome to the Triumph Bancorp Incorporated Fourth Quarter and Full Year 2019 Earnings Conference Call. All participants will be in a listen-only mode. Should you need assistance, please signal a conference specialist by pressing the star key followed by zero. After today's presentation, there will be an opportunity to ask questions. To ask a question, you may press star then one on your telephone keypad, to withdraw your question, please press star then two. Please note, this event is being recorded.

I would now like to turn the conference over to Luke Wyse, Senior Vice President of Finance and Investor Relations. Please go ahead.

Luke Wyse
Good evening. Welcome to the Triumph Bancorp conference call to discuss our fourth quarter 2019 financial results. Before we get started, I'd like to remind you that this presentation may include forward-looking statements. Those statements are subject to risks and uncertainties that could cause actual and anticipated results to differ. The company undertakes no obligation to publicly revise any forward-looking statement.

If you are logged into our webcast, please refer to the slide presentation available online, including our 'safe harbor' statement on slide two. For those joining by phone, please note that the 'safe harbor' statement and presentation are available on our website at www.triumphbancorp.com. All comments made during today's call are subject to that 'safe harbor' statement.

I'm joined this evening by Triumph's Vice Chairman and CEO, Aaron Graft, our Chief Financial Officer, Bryce Fowler and Todd Ritterbusch, our Chief Lending Officer. After the presentation, we will be happy to address any questions you may have.

At this time, I'd like to turn the call over to Aaron. Aaron.

Aaron Graft
Thank you, Luke. Good evening. I will jump right in with the review of the quarter and then follow with some general comments.

For the fourth quarter we earned net income to common stockholders of $16.7 million or $0.66 per diluted share. Q4 demonstrated strong financial performance, but it is fair to point out a few items to provide context as well as insight on new items for 2020.

During Q4, we sold two loans acquired in a previous bank acquisition. The sales generated a gain on sale of $1.4 million reflected in the other income line item on our statement of income.

Provision expense for the quarter was modest at $382,000, as a result of a slight decline in total loans and a change in the mix of total loans. The mix change reflected reductions in commercial real estate, agriculture and asset based lending and growth of mortgage warehouse. In November, we issued $39.5 million of fixed to floating subordinated notes due 2029. The notes initially bear interest at 4.875%. We expect to use most of the net proceeds to repurchase shares of our common stock.

During the fourth quarter, we repurchased 393,000 shares of our common stock at an average price of $36.69 per share. At yearend we had $35 million of capacity remaining under the $50 million share repurchase program authorized by our board in October 2019.

CECL adoption is a big topic for publicly traded banks this quarter. We plan to disclose the impact of CECL adoption in our 10-K. Our preliminary model which has not been fully vetted through our internal control and review processes, estimates the allowance on the funded loan portfolio will increase approximately $300,000 and the reserve for off balance sheet exposure will increase by approximately $1.6 million. Again, these are estimates at this time and the final numbers will be in the 10-K.

Our credit quality for the quarter and for the year 2019 was good. Net charge offs were 8 basis points in the fourth quarter and 17 basis points for the full year 2019. Past due loans decreased 28 basis points from Q3 to 2.19% of total loans while non-performing assets to total assets decreased by 4 basis points to 87 basis points.

We will continue our focus on credit discipline and improving our risk profile. I cannot predict when or where we might experience a spike in credit stress, but what I do know is that our credit standards have tightened in the last 12 months. We are diligently working to insulate the balance sheet in the event of a downturn and even if that causes our asset growth to slow, we think it's prudent.

I will turn to deposits next; this was a bright spot for us in Q4. Non-interest bearing deposits grew $55 million in Q4 and are up $125 million since we increased our deposit gathering efforts at the end of the second quarter. We have moved from talking about our investments in this area to actually doing it. We still have a long way to go to get where we would like to be. Nevertheless, we are seeing incremental progress and I expect we will continue to see that next year. We also anticipate seeing a boost in deposit growth when our Dallas branch opens in the first quarter.

Operating efficiency remains an area for improvement and will remain so through at least 2020. The operating efficiency of our community banking lines of business is actually similar to the efficiency of our peer group. What moves us outside of peers is the cost of our factoring operations and the continued investment in our transportation fintech platform which is a substantial part of our story going forward. We believe those investments will pay off handsomely for investors and our team in the future.

Turning to the largest part of our business, our Community Bank, I would like to turn the call over to Todd Ritterbusch, our Chief Lending Officer to point out a few highlights in our Community Banking performance for the quarter. In this business, we define success by maintaining excellent credit quality, operating efficiently and growing core deposits. Todd.

Todd Ritterbusch
Thanks, Aaron. As noted on our third quarter call, there's a lot to like about our Community Bank and our focus on building full banking relationships with our Community Bank lending clients is bearing fruit. As Aaron mentioned at the outset of the call deposit growth was a bright spot for us during the fourth quarter.

We've hired a terrific group of treasury management specialists to work with our relationship managers and leverage our enhanced product set and treasury services capabilities. Their pipelines are full of cross serve opportunities and we are winning attractive new relationships.

The best example of this is in our Western Division. Our Western Division leadership, bankers and treasury management specialists have been leading the way in increasing our share of wallet with existing clients and adding new clients. To further enhance their efforts, we are excited about the planned conversion of our Colorado Springs loan production office or LPO into a full service branch in the coming quarter.

This expansion will allow us to provide existing lending clients and new prospects with a full array of treasury services capabilities and expertise for the first time and further accelerates our deposit and fee growth in this key market. We're also making significant progress in improving the risk profile of our Community Bank. We have reduced exposure to high risk credits and we're becoming more proactive in anticipating and addressing potential issues with our clients.

In the fourth quarter, we reduced Community Bank past due credits by $21 million and NPLs by $2 million. There's still a lot of work to do in this regard that we are very proud of and grateful for the effort of our bankers, investing in mitigating risks while maintaining our relationships and presence in our community markets.

Back to you, Aaron.

Aaron Graft
Thank you, Todd. As our investors know, we generate approximately one-third of our revenues from the transportation industry. This includes our factoring business, equipment finance, our insurance brokerage and TriumphPay. We touched the transportation industry specifically over the road trucking in more ways than any other financial institution I know of. It is the most profitable differentiated and defensible area of our business.

During the fourth quarter, TriumphPay processed 442,000 invoices paid 41,000 distinct carriers. Payments process totaled $475 million, a 150% increase over the prior quarter and a 286% increase from Q4, 2018. The growth in Q4 brought TriumphPay's run rate payment volume to $1.9 billion. Considering the schedule of integrations in our 2020 pipeline, we expect to add several billion dollars of run rate payment volume this year.

We continue to invest in TriumphPay to prepare for the growth we are experiencing. The increase in the expenses for TriumphPay includes both continued investment in personnel and business development, as well as, expenses associated with integrations and onboarding new clients. Those integration costs include IT expenses, referral fees and commission bonuses, among other items.

Total factoring revenue at Triumph Business Capital was relatively flat quarter-over-quarter at $26 million. This was primarily the result of average transportation invoice prices remaining flat, rising less than 1% to $1,507.

The dollar volume of invoice purchased was also flat holding at $1.5 billion during Q4. We purchased 896,000 invoices during the fourth quarter an increase of 6,000 invoices or less than 1%. As it was throughout all of 2019 growth remained slower this quarter versus 2018 overall, which as we have noted multiple times was a record year for transportation.

Beginning this quarter, we will no longer report net clients for Triumph Business Capital and TriumphPay. We have pointed to this number in the past as an indicator of our market penetration and a proxy for how effectively we are growing the business. While that is true it has become much less indicative and we believe it has led to investor confusion.

For example, we recently added a client at Triumph business capital that generates volume equal to approximately 500 small truckers. When we talk about net client growth, we treat that large fleet the same as an independent owner operator, although clearly their impact to our business is vastly different. We believe that purchases and invoice volume are much better metrics to focus on.

The same dynamic is true for TriumphPay; our client account treats a tier 1 broker which we define as one of the 20th largest brokers in the country, the same as a small broker. In Q4, our client growth was very modest, but as mentioned earlier, our payment volume was up 150% from Q3. Thus, going forward for TriumphPay we will only disclose new clients who are either tier 1 brokers or Fortune 1000 shippers.

For Triumph Business Capital and TriumphPay, the number of invoices purchased and paid, whether from small clients or large are the bottom line. We will continue to give specific information with regard to these metrics.

On that note, and as we've reported previously, we do believe truckers have left and will continue to leave the market rather than operate below breakeven. We maintain this is causally [ph] linked to spot rate declines that have occurred in 2019 versus 2018. Our attrition analysis continues to suggest that the vast majority of those exiting are the most vulnerable competitively and the most sensitive to spot market fluctuations and insurance premium spikes that being the small trucking segment.

Looking into 2020, we believe the transportation market will continue to work through excess carrier capacity created in 2018 and that there will be further attrition within the small segment well into the first half of the year.

In the first quarter of 2020, we anticipate a 4% to 6% decline in total revenue from Q4 2019, consistent with patterns in prior years. This is due mainly to the annual cyclical nature of our transportation business.

In the first quarter of 2020, non-interested expense will increase over the prior quarter due to the annual reset of payroll taxes and 401(k) contributions, the full quarter impact of Q4 hiring, an increase in our medical benefits costs and the cost of operating our new Dallas branch and the expected resumption of FDIC insurance premiums. We anticipate non-interest expense in the first quarter to be approximately $55 million.

With that, we will turn the call over for questions.

QUESTION AND ANSWER

Operator
Thank you. We will now begin the question and answer session. To ask a question, you may press star then one on your telephone keypad. If you are using a speakerphone, please pickup your handset before pressing the keys, to withdraw your question, please press star then two.

Our first question will come from Jared Shaw with Wells Fargo. Please go ahead.

Jared Shaw
Hi, good afternoon.

Aaron Graft
Hi, Jared.

Jared Shaw
If we could start just on the margin, how are you thinking about that as we go further out into the year with more of a normalized factor business, I saw that the factor yields were lower this quarter. Is that really just a function of the average ticket size or is there some other pricing dynamics that impacted that yield this quarter?

Aaron Graft
Well, let me answer that question from a mix perspective. The reason you saw NIM compression in Q4 was you saw mortgage warehouse grow disproportionately to anything else and mortgage warehouse while a very efficient business for us is a lower margin business. Our thesis still holds true, we expect NIM expansion over the course of the year as our factoring volume and our TriumphPay volume contributes the majority of our growth that may be weighted in the back half of the year but that's still where we expect to see the growth. That would be true even if factoring yields drop. And I would say factoring is a very competitive market. I don't see us expanding our pricing power in that market, but even at 17%...even if we're 5% to 7% off yields where they were a year or two ago, that business growing more than other lines of business will contribute to NIM expansion and that's what we expect to achieve by the end of the year.

Jared Shaw
Okay. Sticking with the mortgage warehouse business that growth there. How much of that is gaining market share versus just the overall market doing better. And if we see a slowdown or a pullback in certain mortgage, broader mortgage volume, where do you think that that can stabilize in terms of a more normal environment...business line?

Aaron Graft
Yes. When you think about our market share or penetration in the mortgage warehouse, it's important to recognize that many of our customers have several mortgage warehouse lines. With the clients that we have, we are getting a larger share of their business. We have not had a significant increase in the number of relationships we're serving. From one perspective, we are increasing share from the other maybe not. But I do think that there is a move towards us being more of the preferred partner for our mortgage warehouse clients.

In terms of the overall volume, we saw the spike at the end of the year which occurred at the time of year when you wouldn't necessarily expect a lot of mortgage volume. That was a pleasant surprise for us. Since the end of the year, we've seen the same sort of monthly and seasonal dynamics that we've seen in the past. We see balances are off today, about $200 million from where they were at the end of the year. That's perfectly normal, still at an elevated level and the mortgage warehouse is still about twice the size of where it was a year ago. We expect to continue to serve our clients. If mortgage activity remains strong, we will continue to see balances at about the same level as we have them today. If we were to see something change in the rate environment and mortgage activity decline, of course our business will decline as well.

Jared Shaw
Okay. Just looking at TriumphPay, in your slide there, what percentage of those invoices or invoices processed were processed under QuickPay versus not using QuickPay. And as the

percentage sort of stayed stable or even though it seemed a big growth this quarter, is that the ratios holding steady?

Aaron Graft
Jared, we do not and have not disclosed QuickPay penetration. I will tell you that what you would expect is when you onboard a large new relationship, a tier one broker, there is a lag between that onboarding and then when the QuickPay process picks up. I will tell you our long-term goal of a 20% QuickPay penetration is what we've used as a metric when we've tried to direct investors to where we think the profitability of this business lies. Of course, to the extent we're able to structure it where we exceed that 20% number to a higher number the profitability of this business goes up exceptionally. We're not at that number now, and I don't think we will be until at least a year or two out. As we continue to onboard new clients it drags you back down and then as the client relationship seasons the QuickPay penetration goes up.

Jared Shaw
Okay, thanks. I'll hop out. Let someone else in.

Operator
Our next question will come from Brady Gailey with KBW. Please go ahead.

Brady Gailey
Hey, thanks. Good afternoon, guys.

Aaron Graft
Hi, Brady.

Brady Gailey
Well, I know 90 days ago, Aaron you talked about 2020 EPS in a range of $2.25 to $2.50. Is that that's still the right way to think about earnings for this year?

Aaron Graft
I would say our belief is the bottom end of that range, it all depends upon what transportation does. There is a bunch of different opinions, I personally have a somewhat gloomy outlook for the first two quarters. I think there is still excess capacity in the market, 2018 was a party, 2019 was the hangover, and 2020 everybody is trying to figure out what the appropriate balance is. There is some rationale that you can see some strength in the back half of the year. But all that being said as clear as our crystal ball is, that range is what we gave, and if I, were prognosticating today, I would be at the bottom end of that range.

Brady Gailey
Okay, that's, helpful. On the buyback, you brought back a lot of stock last year in 2019. But the stock recently has done pretty well. It's now trading around 38.50. I think, on average you repurchased stock a little below 31 last years. How does the price per share impact how aggressive you are going to be on the buyback front in 2020?

Aaron Graft
Yes, that's a great question. First thing for everyone to understand, our share buyback program is not just to defend the stock price, you always, want to buy when the prices are in your favor. But if you believe what we believe about where we're going as a company, the pipeline we have in TriumphPay and some of the things we are going to do in Triumph Business Capital, then there is no higher internal rate of return investment, we could make them buying back our

shares at these prices or even higher than these prices, which is why as we've talked about, I don't think you will see material growth of our balance sheet. We're churning our balance sheet and we intend to use excess capital to steadily repurchase shares. Now, there is a threshold and we talk about it with our board and should the stock run up significantly that may give us pause. But our long term plan to over the next three years where we think we are going to demonstrate that we're accomplishing all the things we told you we intend to accomplish and we want to buy as much stock back in the front end that three year plan as we can because if we are right, everyone's going to be well rewarded.

Brady Gailey
Alright. And then finally from me, just an update on TriumphPay. Have you all had a lot of success, bringing on some of the top 20 nationwide guys now, not like, if you look at the top 20, how many are on the TriumphPay platform now?

Aaron Graft
There's one who is live now. There are several more in the queue to come on. As I've guided to previously, I would view a successful year, if we were at four to five of the top 20 or what we call the tier one brokers at the end of this year, that would be a wild success because you would have 25% of that set of the market. That's what we're pursuing. The timing of these integrations is not just driven by us. It's driven by the needs of our clients and what they have going on, but we know we will onboard multiple this year. The question is whether it will get all the way to five, and then within their they'll be some shipper clients as well that come on. As those large clients, as we talked about as a tier one broker comes on, or a fortune 1000 company that, that uses TriumphPay will disclose those and all I can say right now is that the pipeline is very, very full for us from this day pretty much all the way through the rest of the year.

Brady Gailey
Thanks, Aaron.

Operator
Our next question will come from Brad Milsaps with Piper Sandler. Please go ahead.

Brad Milsaps
Hey, good evening guys.

Aaron Graft
Hey, Brad.

Brad Milsaps
Aaron, I was writing quickly, but it sounds like you are trying to pace at a run rate of about $2 billion in volume on an annualized basis. Is that correct?

Aaron Graft
Correct.

Brad Milsaps
Okay. You've touched on this a bit, but I know previously you talked about a $4 billion run rate by the end of the first quarter, and then hopefully $10 million by the end of the year. You approached it differently by saying, the number of clients you addressed in Brady's questions, but would those be in the realm of the volumes that you are looking for as you move through the year?

Aaron Graft
Yes, I don't want to give specifics about Q1, because companies are doing a lot of things in Q1, including us and managing through those integrations. I would say this, Brad, it would be by all accounts a successful year, if we exited 2020 at over $5 billion run rate. I think we have a potential if everything goes perfectly to be higher than that. I do not think it's foreseeable that we would exceed $10 billion, but we're a growth company and we take these opportunities as they come. None of this is ironclad. I'm just trying to forecast what the pipeline looks like. There is an outside chance we could get to that 10 number by the end of this year or it could spill over into Q1 of 2021. I think what I am focused on and encouraged about is what's in the pipeline is several billion dollars which is a multiple of what our current run rate is, and the pipeline continues to fill in. That's what's exciting to me. I can tell you, I think you will see progress every single quarter. You can see the effect of adding a tier one broker, how much it moves purchases in a single quarter. As you continue to add those you can appreciate how much it would move the total purchases.

Brad Milsaps
Okay, great. that's helpful. Then in your transportation factoring. I appreciate your comments around the first couple of quarters. Do you think the improvement that you expect in the back half, is that more volume driven or I know you've got a modest increase in the average invoice this quarter? Do you think that's going to be the bigger driver? Just curious what are the moving parts to get your growth reaccelerated in that segment?

Aaron Graft
Yes, there are a lot of moving parts. The part we can't control is of course what the spot market does. Look a lot of carriers are leaving the industry statistically not a lot, but there's an anecdotal story every week of the 30 and 40 year old trucking companies leaving the industry because they can no longer haul [ph] in the spot market at a breakeven rate given where insurance prices are and how soft that market is. Every time those people leave and then there's a lot more of the independents who are leaving the market, you are sucking capacity out. If you look towards the back half of the year at the economic factors we look at, you can see some strengthening in the spot market in the back half of the year. But that also presumes a lot of things we don't know about geopolitical events and other things that can affect transportation and freight tonnage.

On as to the part we can control. I think what you are seeing is and what I expect you'll see for us this year is through the bundled services we're offering. I think you will see us onboard more large factoring clients, which will have the effect of bringing yields down on the total number because large clients sell you large batches of invoices and the yields are lower. But they're also much more efficient to administer. We will take client growth in all segments, but given some of the things we're working on, I expect that growth primarily to come in that larger fleet segment. We're excited about that. We think we have as good a product as anyone in the industry, a bundled service offering that meets truckers' needs. We're well known, and we expect to continue to take market share.

Brad Milsaps
Okay, just any information that your load and mid single-digit growth…loan growth guidance you gave last quarter, it's still basically plus or minus a couple percent at the Community Bank, and then something in that 15-ish percent range in your specialty finance type businesses?

Aaron Graft
Correct.

Brad Milsaps
Okay. Alright. Thank you, guys.

Operator
Our next question will come from Matt Olney with Stephens. Please go ahead.

Matt Olney
Hey, thanks, guys. Good evening.

Aaron Graft
Good evening.

Matt Olney
Hey, I want to piggyback on Brad's question, as far as the mix shift of the loan balances. I think in the past there was expectations for 2020, outflows of commercial real estate, ABL and warehouse. The inflows would be in T-Pay and Triumph Business Capital. Did I get that correct or any updates on that?

Aaron Graft
Well, I think you are directionally correct, Matt. As Todd alluded to, our mortgage warehouse business, we serve as a limited number of clients. We have less than 20 clients in that business, but when they grow, we grow with them. We don't control that as much. But yes, for the year I expect you'll see a contraction in CRE, a contraction in agriculture, and a contraction or flat in ABL. For the year I think you will see growth in transportation, specifically in the factory business, and then the receivables generated from TriumphPay.

Matt Olney
Okay, got it. That's helpful. With that, obviously a pretty big mix shift and de-risking the portfolio. What's the right way to think about net charge off for you guys on a more normalized basis? I would assume with de-risking it would be well below where you've run in the past, but that's something we're trying to figure out now.

Aaron Graft
Yes, on the whole, the last three years have been decent. For us, they've actually been really good, marred by some single one-off events that we've had to deal with. That's when I said why our loan underwriting is tighter now than it's probably ever been. I suspect it will stay that way partially because we're driving growth to transportation and partially because we think some of these businesses, wherever we're at in the cycle, there's a little more risk being taken than then we're comfortable with. I would say if 17 basis points was the number for this year, again my crystal ball is not super clear for 2020. There's no problem with using that number. We don't have a materially different view of 2020 as far as expecting deterioration in credit quality. We may have to work through some equipment loans, but on the whole, we feel like, as we sit today, we de-risked our balance sheet and our loan portfolio quite a bit relative to last year. You would hope to see that bear out in our net charge-offs for 2020.

Matt Olney
Okay, switching over to TriumphPay, I'm curious when you onboard a new company on the TriumphPay platform, can you talk about the average time period that it takes before you see

any meaningful revenue and then is there any way you help quantify what the initial expense is as you onboard a larger new client?

Aaron Graft
Sure. One of the expenses that showed up in Q4 and that you're going to see, I hope throughout all of 2020 and 2021 and beyond is the incentive compensation for our team is front-loaded on these relationships. We think that's healthy, it's good for the team who's building the relationships. We also think that these relationships will last a really long time, that the operating efficiency or the profitability of these relationships over a five and ten year period will just continue to improve. You've got some compensation tied to on-boarding the client that comes on the front end of the revenue.

The second piece is it's hard to answer this exactly, Matt, because this is not a mature business. For example, when we're on-boarding new freight brokers now and we're getting a download of the carriers that are in their system, each time we do that we're starting to see repetitive carriers show up who now have profiles built at TriumphPay. Well, the revenue comes much more quickly when the carrier has an active profile built in TPay if they want to take a quick payment or however they choose to use TriumphPay for their benefit.

I would say that time period, it's shrinking, but I can't tell you what it is at an exact point in time. It would certainly be within the first 90 days you start to see revenue come in and then almost immediately when these clients are boarded, you start to see some improvement…that there is a flow component to this that is beneficial to us, that happens almost immediately. I'm not trying to be evasive on the answer, I'm just saying it's a business that is growing so rapidly that I can't give you a specific answer that would be true today, that I think would be true nine months from now.

Matt Olney
Yes, understood, okay. Very helpful. Thank you.

Operator
As a reminder, if you would like to ask a question please press star then one. Our next question will come from Gary Tenner with DA Davidson. Please go ahead.

Gary Tenner
Thanks, good afternoon.

Aaron Graft
Hi, Gary.

Gary Tenner
Most of my questions were actually answered already. But Aaron, I think I missed in your prepared comments, the revenue outlook that you would suggest for the first quarter.

Aaron Graft
Yes, we're calling for a 4% to 6% contraction in revenue in Q1, tied to seasonal patterns and consistent with prior years.

Gary Tenner
Okay, thanks. One additional question on TriumphPay. To be clear, you've gone through a question about when revenue is generated, today most of the revenue generating from

TriumphPay is just fee on payments, it's not much in the way of any yield from receivables down [ph] in balance sheet.

Aaron Graft
I would say there's a mix. There is a revenue component tied to receivables, although it's immaterial in light of the size of what Triumph business capital is on our balance sheet. I would say it's equally weighted to both right now.

Gary Tenner
Okay. Thank you.

Operator
Our next question is a follow-up from Brady Gailey with KBW. Please go ahead.

Brady Gailey
Hey, thanks, guys. Just to be clear on M&A, in the past, you guys have downplayed M&A, even buying back your own stock and investing in TriumphPay, is that still the right way to think about M&A, it's not likely for you guys in the near term.

Aaron Graft
That would be correct. The only caveat to that is to the extent there are technology solutions providers or companies that are helpful to our transportation FinTech platform, that gives us an expanded product suite or help us penetrate a market more deeply, we would certainly look at those. As for traditional bank M&A, it is highly improbable that that would happen in the year 2020.

Brady Gailey
Alright. The 2% plus ROA goal, if you look at the lower end of the guidance range this year, I think that suggests an ROA closer to like 110, any idea roughly how many years it'll take you to get to the 2% ROA?

Aaron Graft
That is where we think we exit this. That ROA is our exit point for this three year plan. And if we do everything perfectly in this three year plan that's calling for TriumphPay to be between $20 billion and $25 billion in payments for the net income of Triumph Business Capital over the next three years to double through operating efficiencies from the technology investments we're making and increase marketing. If we do those two things and keep everything else the same, and we see marginal loan growth in our other lines and improvement in our deposit franchise, then in our numbers, that's where we're exiting 2022 at. I know it feels like we're far away from there now. But if you could see, how the investments we're making in these businesses and the immediate payoffs we're seeing, we think that we will have realized enough of that by 2022 for it to fall into that range.

Brady Gailey
Got it. Alright, thanks, Aaron.

Operator
This will conclude today's question and answer session. I would now like to turn the conference back over to Aaron Graft for any closing remarks.

CONCLUSION

Aaron Graft
Thank you all for joining us. We look forward to speaking with you again in the future.

Operator
This will conclude today's presentation. Thank you for attending today's conference and you may now disconnect.