

HELPING businesses TRIUMPH  
HELPING customers TRIUMPH  
HELPING communities TRIUMPH  
HELPING team members TRIUMPH  
HELPING people TRIUMPH

**January 20, 2022**

Q4 2021 Earnings Release



# DISCLAIMER



## FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements. Any statements about our expectations, beliefs, plans, predictions, forecasts, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. You can identify forward-looking statements by the use of forward-looking terminology such as “believes,” “expects,” “could,” “may,” “will,” “should,” “seeks,” “likely,” “intends,” “plans,” “pro forma,” “projects,” “estimates” or “anticipates” or the negative of these words and phrases or similar words or phrases that are predictions of or indicate future events or trends and that do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions. Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods that may be incorrect or imprecise and we may not be able to realize them. We do not guarantee that the transactions and events described will happen as described (or that they will happen at all). The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements: business and economic conditions generally and in the bank and non-bank financial services industries, nationally and within our local market areas; the impact of COVID-19 on our business, including the impact of the actions taken by governmental authorities to try and contain the virus or address the impact of the virus on the United States economy (including, without limitation, the CARES Act), and the resulting effect of all of such items on our operations, liquidity and capital position, and on the financial condition of our borrowers and other customers; our ability to mitigate our risk exposures; our ability to maintain our historical earnings trends; changes in management personnel; interest rate risk; concentration of our products and 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; risks related to the integration of acquired businesses (including our acquisition of HubTran Inc. and developments related to our acquisition of Transport Financial Solutions and the related over-formula advances) and any future acquisitions; our ability to successfully identify and address the risks associated with our possible future acquisitions, and the risks that our prior and possible future acquisitions make it more difficult for investors to evaluate our business, financial condition and results of operations, and impairs our ability to accurately forecast our future performance; 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; 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 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 (including related to our pending litigation with the United States Postal Service and a counterparty relating to certain misdirected payments) 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 Wall Street Reform and Consumer Protection Act (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; and increases in our capital requirements.

While forward-looking statements reflect our good-faith beliefs, they are not guarantees of future performance. All forward-looking statements are necessarily only estimates of future results. Accordingly, actual results may differ materially from those expressed in or contemplated by the particular forward-looking statement, and, therefore, you are cautioned not to place undue reliance on such statements. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events or circumstances, except as required by applicable law. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see “Risk Factors” and the forward-looking statement disclosure contained in Triumph’s Annual Report on Form 10-K, filed with the Securities and Exchange Commission on February 12, 2021.

## Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures intended to supplement, not substitute for, comparable GAAP measures. Reconciliations of non-GAAP financial measures to GAAP financial measures are provided at the end of the presentation. Numbers in this presentation may not sum due to rounding.

Unless otherwise referenced, all data presented is as of December 31, 2021.

# Q4 2021 CONSOLIDATED RESULTS



- Diluted earnings per share of \$1.02 for the quarter
- TriumphPay:
  - Added 3 factors<sup>4</sup> to the TriumphPay Audit (formerly HubTran) platform in Q4
    - Triumph has grown factors by 14, or 25% since the announcement of the HubTran acquisition.
  - Added 22 freight brokers
  - Paid 4.0 million invoices for a total of \$5.2 billion
  - Run rate payment volume entering 1Q2022 of over \$21.0 billion
  - Revenue increased 15.4% over 3Q21 and 253.1% over 4Q20
- Triumph Business Capital:
  - Purchased \$4.0 billion in invoices:
    - @ an average transportation invoice price of \$2,291
    - as invoice volume increased 40.4% over 4Q20 & revenue increased 64.0% over the same period

**\$25.8 million**

Net income to common stockholders

**TRIUMHPAY  
PAYMENT  
VOLUME<sup>1</sup>**

**\$21.0B**

**NIM**

**7.66%**

Net Interest  
Margin<sup>2</sup>

**TBC  
PURCHASED  
INVOICES**

**1.7 MM**

**ROATCE**

**19.41%**

Return on Average  
Tangible Common  
Equity<sup>3</sup>

<sup>1</sup> Annualized

<sup>2</sup> Includes discount accretion on purchased loans of \$1,674 in Q4 2021 (dollars in thousands)

<sup>3</sup> Reconciliations of non-GAAP financial measures can be found at the end of the presentation

<sup>4</sup> Two TriumphPay factoring customers have announced their intent to merge with two other existing TriumphPay factoring customers. While this could impact future client counts, if the mergers proceed as announced, it will have no impact on TriumphPay expected volumes.

# TRIUMPH BUSINESS CAPITAL FACTORING

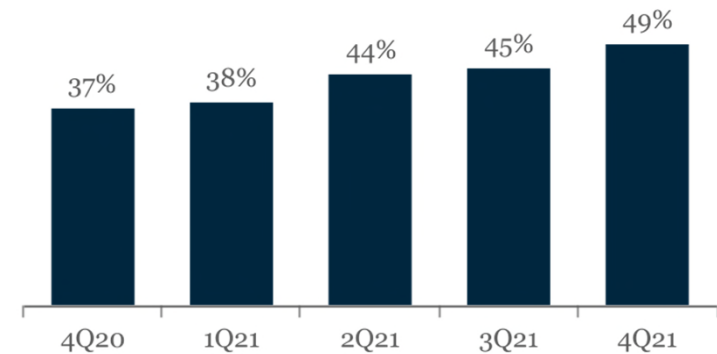


By proudly serving over-the-road trucking, Triumph Business Capital has become a leading player in a large and profitable sector of the industry.

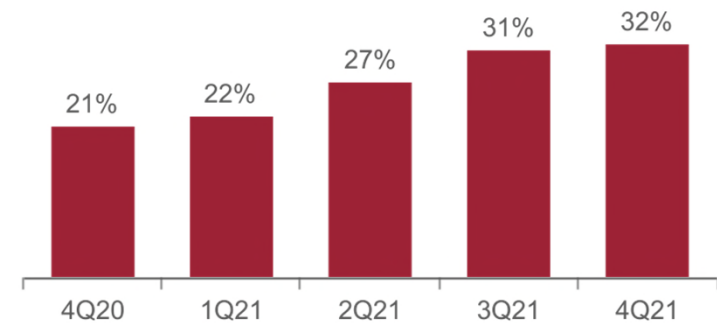
Enterprise products we offer to transportation clients include:

- Factoring & working capital
- Equipment finance
- Fuel cards
- Insurance brokerage
- Checking
- Treasury management
- Commercial lending

Triumph Business Capital Revenue as a % of Total Gross Revenue



Triumph Business Capital Accounts Receivable as a % of Total Loans

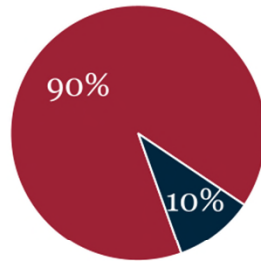


Triumph Business Capital and Total Gross Revenue adjusted for revaluing the indemnification asset and the difference between the value of the stock issued to CVLG and the value returned in the TFS amended transaction agreement.

# TRIUMPH BUSINESS CAPITAL FACTORING

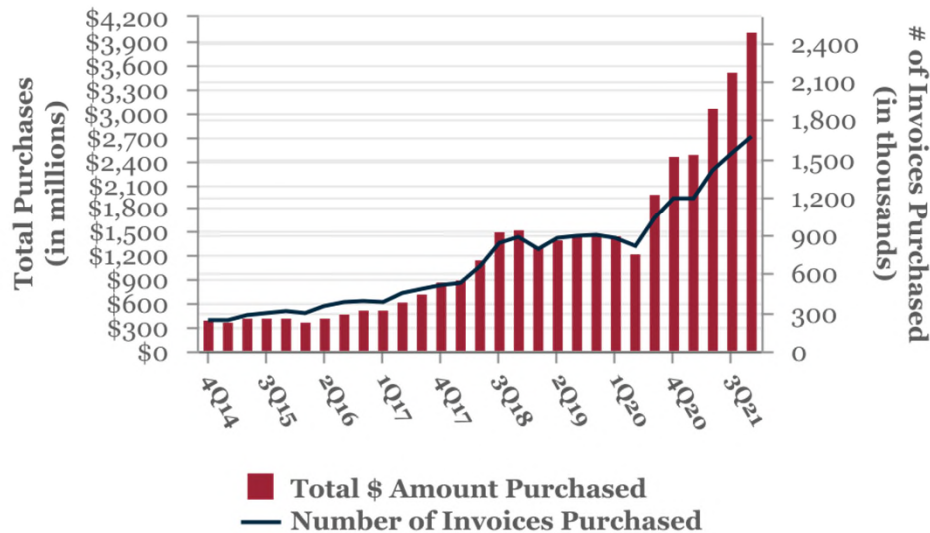


## CLIENT PORTFOLIO MIX



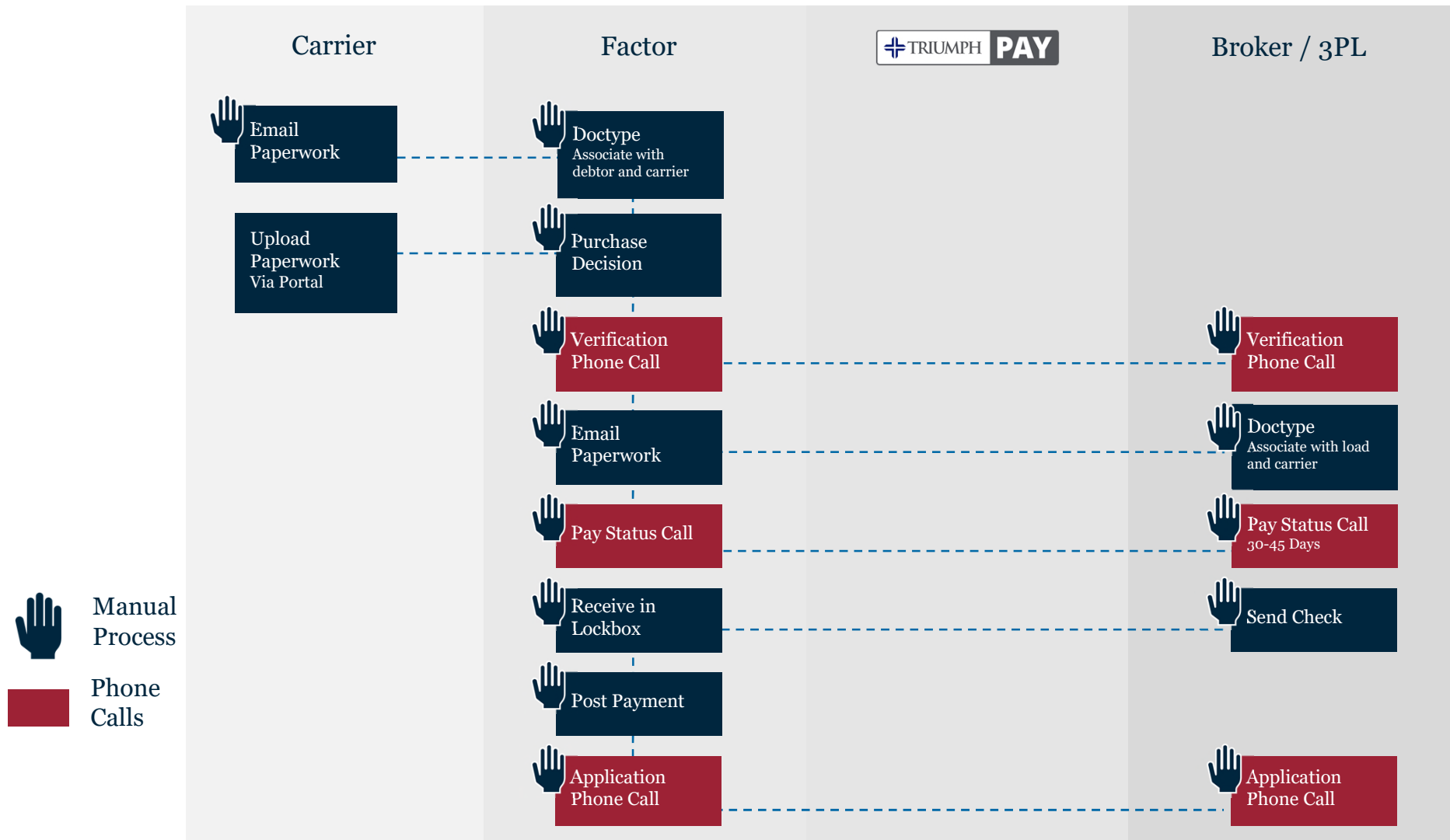
- Yield of 14.42% in the current quarter
- Net charge-off rate of 0.01% in the current quarter

■ Transportation ■ Non-Transportation

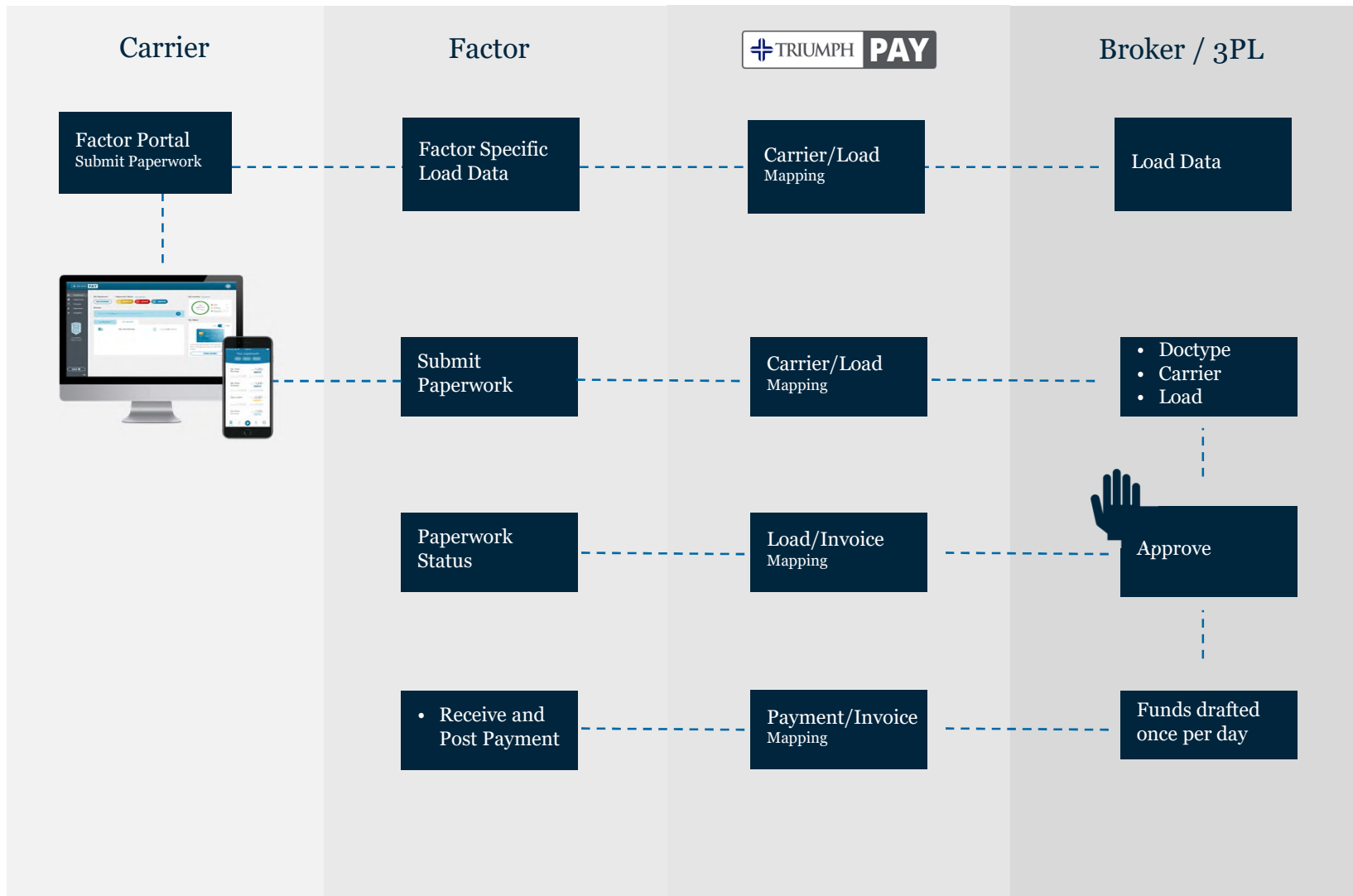


On July 8, 2020, we acquired \$107.5 million of factored receivables from Transport Financial Solutions. On June 2, 2018, we acquired \$131.0 million of transportation factoring assets via the acquisition of Interstate Capital Corporation and certain of its affiliates

# HOW BROKERED FREIGHT PAYMENTS OCCUR: CURRENT MANUAL PROCESS



# HOW BROKERED FREIGHT PAYMENTS OCCUR: THE PAYMENTS NETWORK FOR TRUCKING



# TRIUMHPAY: CONFIRMING TRANSACTION



**“MR. WATSON. COME HERE. I WANT TO SEE YOU.”**

```
irb(main):186:0> puts initial_transactions.map(&:to_json).join("\n\n")
{"id":53,"external_id":"1f4c57bc-4d0e-4da1-971e-a47257b9f21f","status":"submitted","amount":null,"payment_date":null,"reference_number":null,"customer_invoice_id":26955706,"created_at":"2022-01-10T23:00:02.642Z","reasons":null}

{"id":58,"external_id":"d4ffa79b-4a3e-4836-9bcf-e4d9657a9da0","status":"received","amount":null,"payment_date":null,"reference_number":null,"customer_invoice_id":26955706,"created_at":"2022-01-10T23:15:02.290Z","reasons":null}

{"id":61,"external_id":"647bbaf6-e9e4-4280-8d03-046a58dc2c98","status":"approved","amount":"2300.0","payment_date":null,"reference_number":null,"customer_invoice_id":26955706,"created_at":"2022-01-11T13:45:02.772Z","reasons":null}

{"id":62,"external_id":"1e4a74f2-3ded-4330-b2a0-5ec87a80527f","status":"payment_scheduled","amount":"2300.0","payment_date":"2022-01-11T00:00:00.000Z","reference_number":null,"customer_invoice_id":26955706,"created_at":"2022-01-11T14:40:02.338Z","reasons":null}

{"id":65,"external_id":"85a61e3a-a59b-4422-ac1d-aa07817fc6","status":"paid","amount":"2300.0","payment_date":"2022-01-11T00:00:00.000Z","reference_number":"C3683186","customer_invoice_id":26955706,"created_at":"2022-01-11T17:00:02.803Z","reasons":null}
=> nil
```

Screenshot of the raw version of the first payment status update for a conforming transaction completed on the TriumphPay network.  
January 11, 2022.



# TRIUMHPAY: INTEGRATIONS ARE THE FOCUS



Brokers  
**554**

Factors  
**69**

Carriers\*  
**189K+**

Payment Volume\*\*  
**\$21.0 Billion**



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\*Unique carriers paid since inception

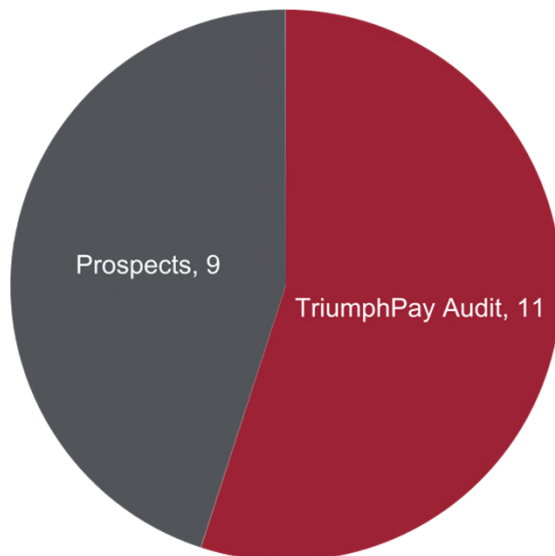
\*\*Annualized payment volume of TriumphPay in 4Q21 \$21.0B.

# TRIUMHPAY INTEGRATIONS ARE THE FOCUS KEY PERFORMANCE INDICATORS

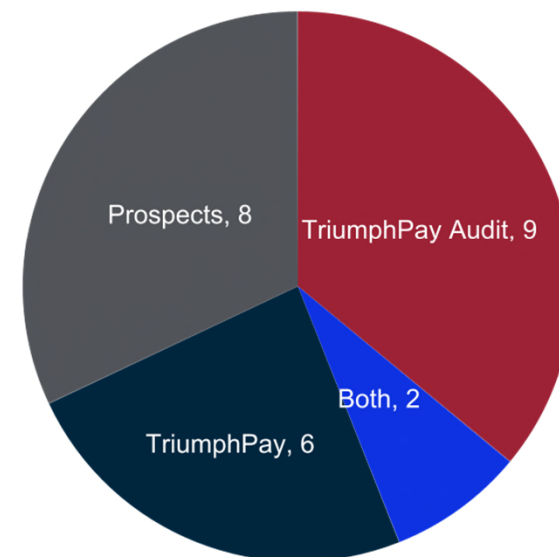


Top 20 Factors Represent 75% of the Factor Industry  
Top 25 Brokers Represent 40% of the Broker Industry

Top 20 Factors



Top 25 Brokers



# TOTAL ADDRESSABLE MARKET



**FOR-HIRE TRUCKING**  
~\$420 Billion\*



**BROKERED FREIGHT**  
~\$170 Billion\*

**CONTRACT SHIPPING**  
~\$250 Billion\*

**In 4Q21, TriumphPay paid an annualized**

\$18.1 billion on behalf of 279 freight broker clients

**In 4Q21, TriumphPay paid an annualized**

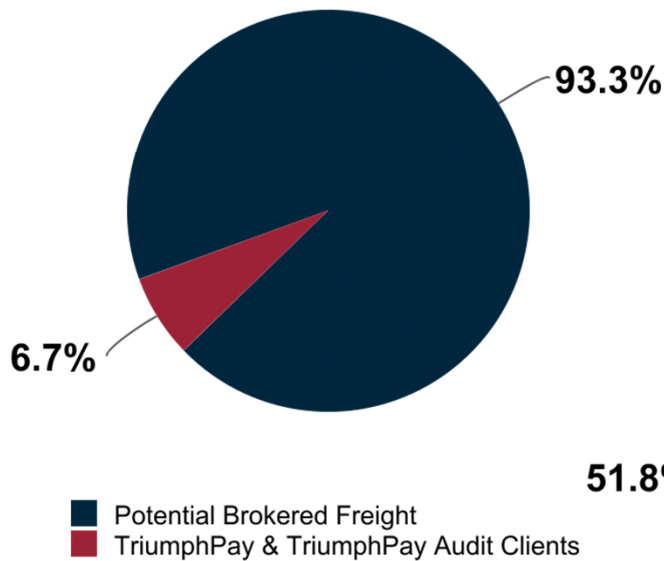
\$2.9 billion on behalf of 40 contract shipping clients

\*This data utilizes high-level estimates from multiple data sources including ATA industry reports (2019), FMCSA authority registrations, carrier reported numbers of power units, mercantile credit bureau reports, Broughton Capital reports and Triumph's own portfolio data.

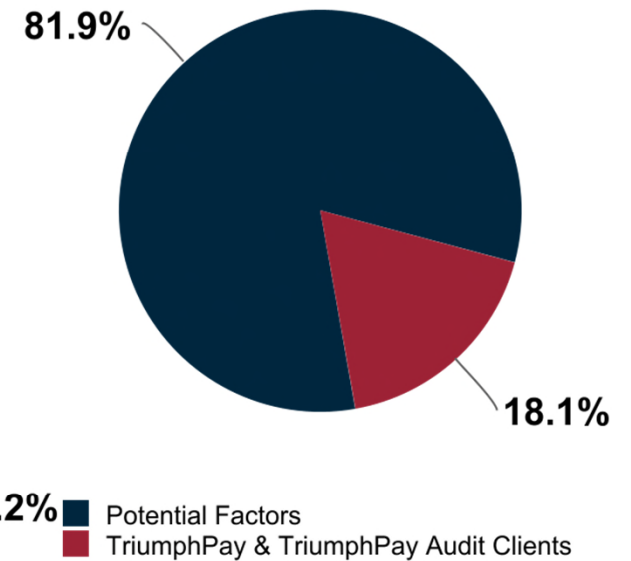
# TOTAL ADDRESSABLE MARKET: PARTICIPANTS



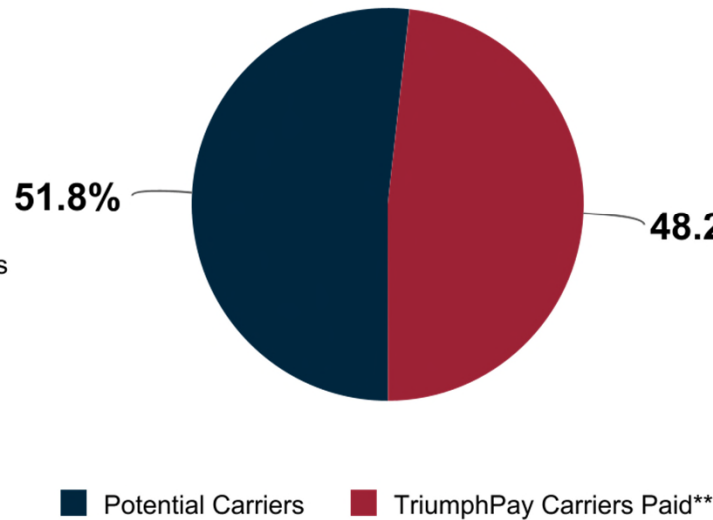
**Brokered Freight  
(8,300 Freight Brokers\*)**



**Factors  
(382 Factors\*)**



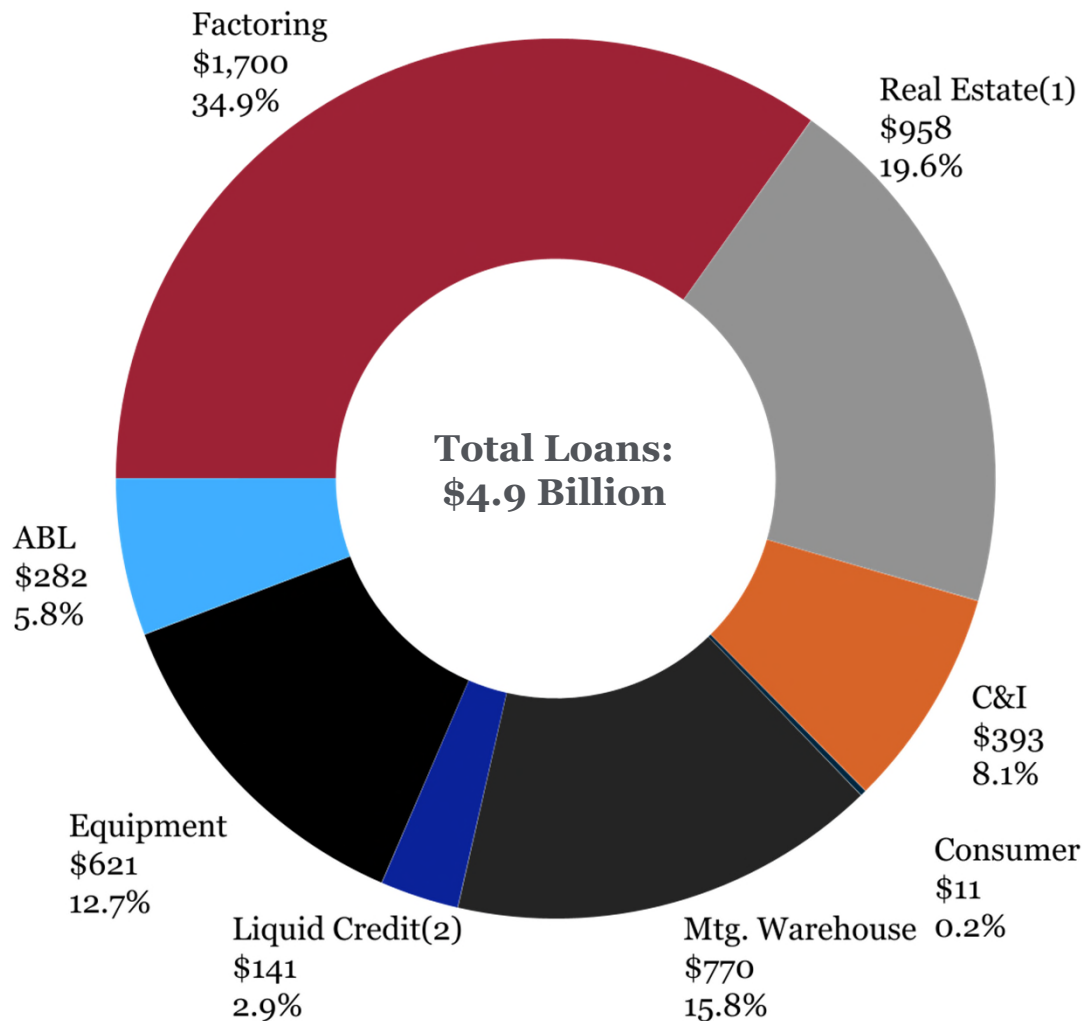
**Carriers  
(250,000\*)**



\*This data utilizes high-level estimates from multiple data sources including ATA industry reports (2019), FMCSA authority registrations, carrier reported numbers of power units, mercantile credit bureau reports, Broughton Capital reports and Triumph's own portfolio data.

\*\*Unique carriers paid in the last quarter.

# TBK LOAN PORTFOLIO DETAIL



## Select Commentary (as of 12/31/2021)

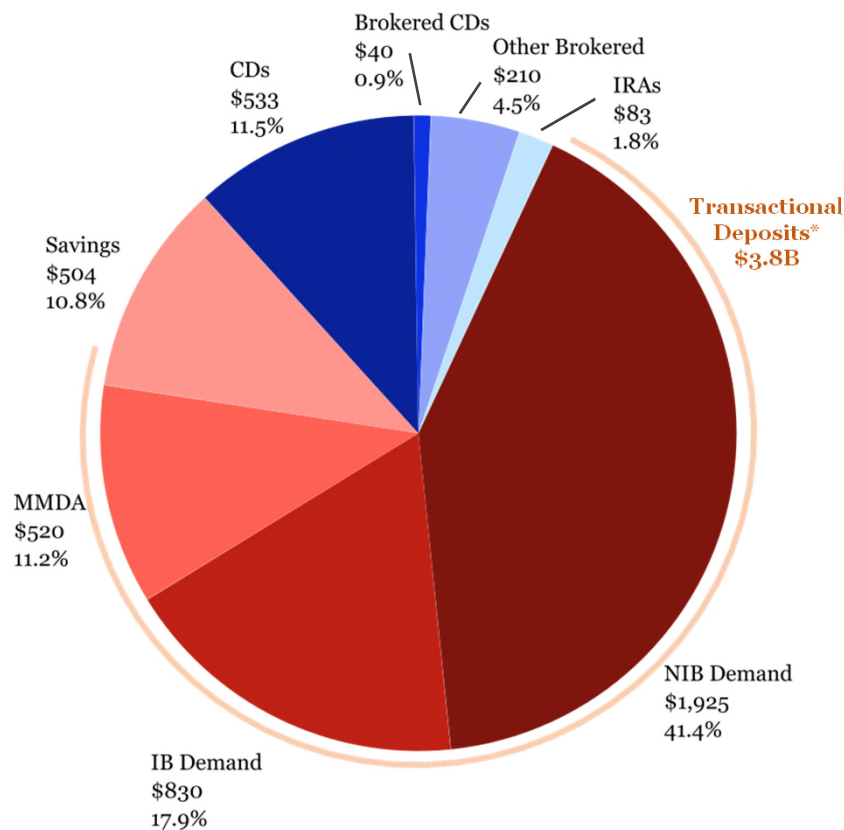
- Total loans held for investment increased \$84.8 million from the previous quarter
- Total Loan Yield of 8.68%
- Covid-19 deferrals remaining: \$31.9 million
- Triumph Business Capital operations comprise 32% of the portfolio

# TBK DEPOSIT SUCCESS



## Current as of December 31, 2021 and Changes From June 30, 2019<sup>(1)</sup>:

Deposit Composition (\$ in millions)



(in billions)



Transactional Deposits ↑

Transactional deposits up 82.2%

Non-Interest Bearing Deposits ↑

Non-interest bearing demand up \$1.2 billion from 19% to 41% of deposit base

Cost of Deposits ↓

Cost of total deposits down by 86% from 1.14% to 0.16%

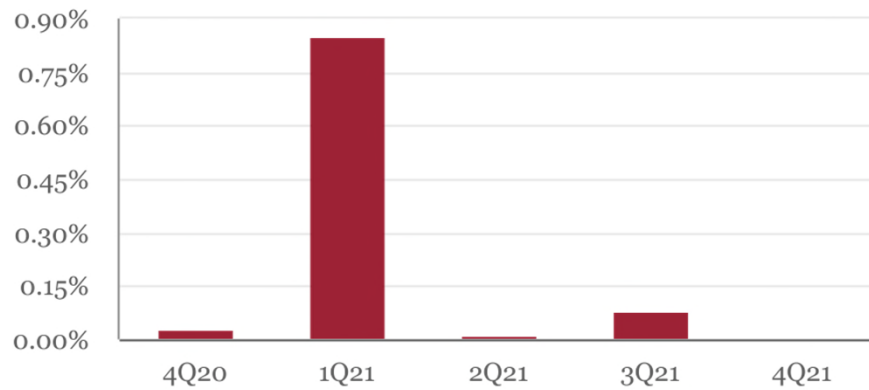
(1) June 30, 2019 is the quarter end prior to the strategic shift we announced during the second half of 2019.

\*Transactional deposits defined as noninterest and interest bearing checking, money market and savings deposits.

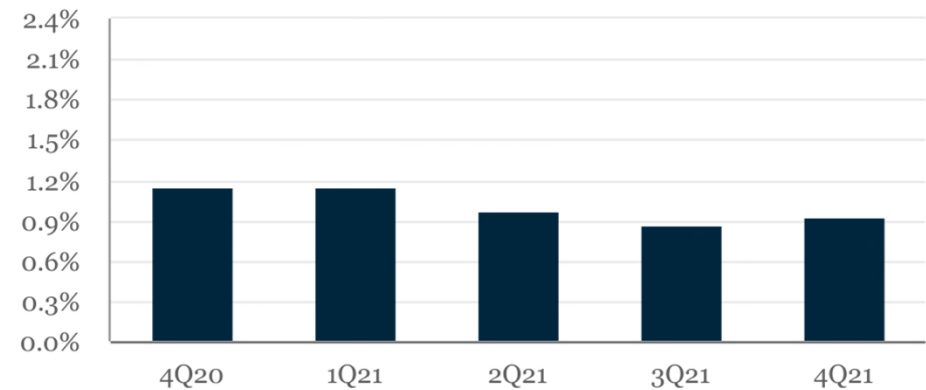
# TBK ASSET QUALITY



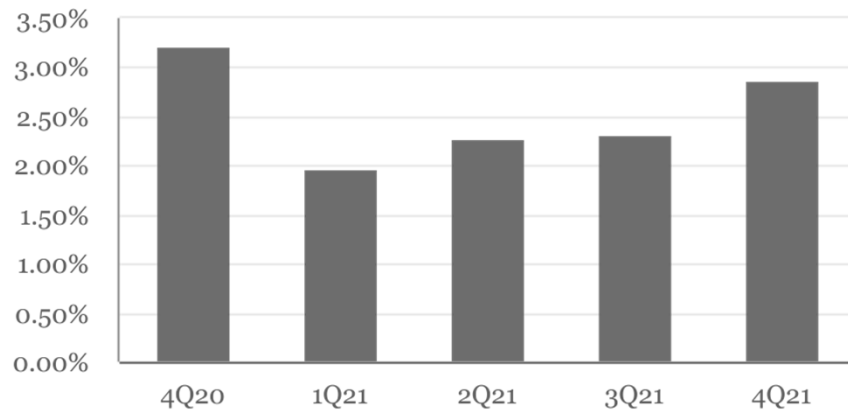
### NCOs / AVERAGE LOANS\*



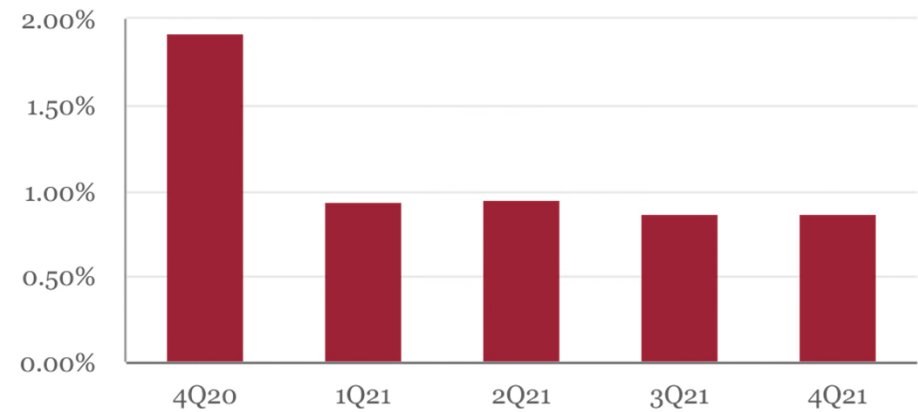
### NPAs / TOTAL ASSETS



### PAST DUE / TOTAL LOANS



### ACL / TOTAL LOANS



# FINANCIAL HIGHLIGHTS



Key Metrics	As of and for the Three Months Ended				
	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
<b>Performance ratios - annualized</b>					
Return on average assets	1.77%	1.61%	1.84%	2.29%	2.21%
Return on average tangible common equity (ROATCE) <sup>(1)</sup>	19.41%	19.21%	20.92%	26.19%	25.70%
Yield on loans <sup>(2)</sup>	8.68%	7.92%	7.77%	7.24%	7.20%
Cost of total deposits	0.16%	0.16%	0.20%	0.28%	0.38%
Net interest margin <sup>(2)</sup>	7.66%	6.69%	6.47%	6.06%	6.20%
Net non-interest expense to average assets	4.56%	4.00%	3.75%	3.14%	2.54%
Adjusted net non-interest expense to average assets <sup>(1)</sup>	4.56%	4.00%	3.55%	3.14%	2.54%
Efficiency ratio	70.16%	70.13%	67.96%	62.57%	55.95%
Adjusted efficiency ratio <sup>(1)</sup>	70.16%	70.13%	65.09%	62.57%	55.95%
<b>Asset Quality<sup>(3)</sup></b>					
Non-performing assets to total assets	0.92%	0.86%	0.97%	1.15%	1.15%
ACL to total loans	0.87%	0.86%	0.95%	0.94%	1.92%
Net charge-offs to average loans	—%	0.08%	0.01%	0.85%	0.03%
<b>Capital<sup>(4)</sup></b>					
Tier 1 capital to average assets	11.11%	10.43%	9.73%	10.89%	10.80%
Tier 1 capital to risk-weighted assets	11.51%	11.06%	10.33%	11.28%	10.60%
Common equity tier 1 capital to risk-weighted assets	9.94%	9.45%	8.74%	9.72%	9.05%
Total capital to risk-weighted assets	14.10%	13.69%	12.65%	13.58%	13.03%
<b>Per Share Amounts</b>					
Book value per share	\$ 32.35	\$ 30.87	\$ 29.76	\$ 28.90	\$ 27.42
Tangible book value per share <sup>(1)</sup>	\$ 21.34	\$ 19.73	\$ 18.35	\$ 21.34	\$ 19.78
Basic earnings per common share	\$ 1.04	\$ 0.95	\$ 1.10	\$ 1.34	\$ 1.27
Diluted earnings per common share	\$ 1.02	\$ 0.94	\$ 1.08	\$ 1.32	\$ 1.25
Adjusted diluted earnings per common share <sup>(1)</sup>	\$ 1.02	\$ 0.94	\$ 1.17	\$ 1.32	\$ 1.25

1) Reconciliations of non-GAAP financial measures can be found at the end of the presentation. Adjusted metrics exclude material gains and expenses related to acquisition-related activities, net of tax where applicable.  
 2) Includes discount accretion on purchased loans of \$1,674 in 4Q21, \$1,953 in 3Q21, \$2,161 in 2Q21, \$3,501 in 1Q21, and \$2,334 in 4Q20 (dollars in thousands). 3) Asset quality ratios exclude loans held for sale, except for nonperforming assets. 4) Current quarter ratios are preliminary



# NON-GAAP FINANCIAL RECONCILIATION



Metrics and non-GAAP financial reconciliation

As of and for the Three Months Ended

*(Dollars in thousands, except per share amounts)*

	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
Net income available to common stockholders	\$ 25,839	\$ 23,627	\$ 27,180	\$ 33,122	\$ 31,328
Transaction costs	—	—	2,992	—	—
Tax effect of adjustments	—	—	(715)	—	—
Adjusted net income available to common stockholders	\$ 25,839	\$ 23,627	\$ 29,457	\$ 33,122	\$ 31,328
Weighted average shares outstanding - diluted (in thousands)	25,391	25,228	25,209	25,171	25,053
Adjusted diluted earnings per common share	\$ 1.02	\$ 0.94	\$ 1.17	\$ 1.32	\$ 1.25
Average total stockholders' equity	\$ 851,683	\$ 818,022	\$ 786,404	\$ 746,849	\$ 720,892
Average preferred stock liquidation preference	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)
Average total common stockholders' equity	806,683	773,022	741,404	701,849	675,892
Average goodwill and other intangibles	(278,528)	(284,970)	(220,310)	(188,980)	(191,017)
Average tangible common stockholders' equity	\$ 528,155	\$ 488,052	\$ 521,094	\$ 512,869	\$ 484,875
Net income	\$ 25,839	\$ 23,627	\$ 27,180	\$ 33,122	\$ 31,328
Average tangible common equity	528,155	488,052	521,094	512,869	484,875
Return on average tangible common equity	19.41 %	19.21 %	20.92 %	26.19 %	25.70 %
Adjusted efficiency ratio:					
Net interest income	\$ 104,057	\$ 91,771	\$ 90,282	\$ 83,020	\$ 83,598
Non-interest income	14,259	12,055	13,896	14,291	22,386
Operating revenue	118,316	103,826	104,178	97,311	105,984
Non-interest expenses	\$ 83,004	\$ 72,813	\$ 70,798	\$ 60,892	\$ 59,298
Transaction costs	—	—	(2,992)	—	—
Adjusted non-interest expense	\$ 83,004	\$ 72,813	\$ 67,806	\$ 60,892	\$ 59,298
Adjusted efficiency ratio	70.16 %	70.13 %	65.09 %	62.57 %	55.95 %

# NON-GAAP FINANCIAL RECONCILIATION



Metrics and non-GAAP financial reconciliation (cont'd)

*(Dollars in thousands, except per share amounts)*

	As of and for the Three Months Ended				
	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
Adjusted net non-interest expense to average assets ratio:					
Non-interest expenses	\$ 83,004	\$ 72,813	\$ 70,798	\$ 60,892	\$ 59,298
Transaction costs	—	—	(2,992)	—	—
Adjusted non-interest expense	83,004	72,813	67,806	60,892	59,298
Total non-interest income	14,259	12,055	13,896	14,291	22,386
Adjusted net non-interest expenses	\$ 68,745	\$ 60,758	\$ 53,910	\$ 46,601	\$ 36,912
Average total assets	\$ 5,979,762	\$ 6,020,631	\$ 6,093,805	\$ 6,013,668	\$ 5,788,549
Adjusted net non-interest expense to average assets ratio	4.56%	4.00%	3.55%	3.14%	2.54%
Total stockholders' equity	\$ 858,864	\$ 820,674	\$ 792,388	\$ 764,004	\$ 726,781
Preferred stock liquidation preference	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)
Total common stockholders' equity	813,864	775,674	747,388	719,004	681,781
Goodwill and other intangibles	(276,856)	(280,055)	(286,567)	(188,006)	(189,922)
Tangible common stockholders' equity	\$ 537,008	\$ 495,619	\$ 460,821	\$ 530,998	\$ 491,859
Common shares outstanding at end of period (in thousands)	25,159	25,123	25,110	24,883	24,868
Tangible book value per share	\$ 21.34	\$ 19.73	\$ 18.35	\$ 21.34	\$ 19.78