

Triumph Bancorp, Inc.  
Form 10-Q  
July 20, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2018

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 001-36722

TRIUMPH BANCORP, INC.

(Exact name of registrant as specified in its charter)

Texas 20-0477066  
(State or other jurisdiction of (I.R.S. Employer

incorporation or organization) Identification No.)

12700 Park Central Drive, Suite 1700

Dallas, Texas 75251

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(Address of principal executive offices)

(214) 365-6900

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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 the 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

(Do not check if a smaller reporting company) Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock — \$0.01 par value, 26,265,983 shares, as of July 17, 2018.

TRIUMPH BANCORP, INC.

FORM 10-Q

June 30, 2018

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PART I – FINANCIAL INFORMATION

ITEM 1

FINANCIAL STATEMENTS

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## TRIUMPH BANCORP, INC. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

June 30, 2018 and December 31, 2017

(Dollar amounts in thousands, except per share amounts)

	June 30, 2018 (Unaudited)	December 31, 2017
<b>ASSETS</b>		
Cash and due from banks	\$ 56,029	\$ 59,114
Interest bearing deposits with other banks	77,336	75,015
Total cash and cash equivalents	133,365	134,129
Securities - available for sale	183,184	250,603
Securities - equity investments	5,025	5,006
Securities - held to maturity, fair value of \$8,093 and \$7,527, respectively	8,673	8,557
Loans, net of allowance for loan and lease losses of \$24,547 and \$18,748, respectively	3,171,915	2,792,108
Assets held for sale	—	71,362
Federal Home Loan Bank stock, at cost	19,223	16,006
Premises and equipment, net	68,313	62,861
Other real estate owned, net	2,528	9,191
Goodwill	86,668	44,126
Intangible assets, net	31,109	19,652
Bank-owned life insurance	40,168	44,364
Deferred tax assets, net	8,810	8,959
Other assets	35,650	32,109
Total assets	\$ 3,794,631	\$ 3,499,033
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Liabilities</b>		
<b>Deposits</b>		
Noninterest bearing	\$ 561,033	\$ 564,225
Interest bearing	2,063,909	2,057,123
Total deposits	2,624,942	2,621,348
Customer repurchase agreements	10,509	11,488
Federal Home Loan Bank advances	420,000	365,000
Subordinated notes	48,878	48,828
Junior subordinated debentures	38,849	38,623
Other liabilities	44,228	22,048
Total liabilities	3,187,406	3,107,335
Commitments and contingencies - See Note 8 and Note 9		
Stockholders' equity - See Note 12		
Preferred Stock	9,658	9,658
Common stock	264	209

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Additional paid-in-capital	457,980	264,855
Treasury stock, at cost	(2,254 )	(1,784 )
Retained earnings	143,426	119,356
Accumulated other comprehensive income (loss)	(1,849 )	(596 )
Total stockholders' equity	607,225	391,698
Total liabilities and stockholders' equity	\$ 3,794,631	\$ 3,499,033

See accompanying condensed notes to consolidated financial statements.

## TRIUMPH BANCORP, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF INCOME

For the Three and Six Months Ended June 30, 2018 and 2017

(Dollar amounts in thousands, except per share amounts)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
<b>Interest and dividend income:</b>				
Loans, including fees	\$38,148	\$30,663	\$75,031	\$55,848
Factored receivables, including fees	20,791	10,812	36,094	19,979
Securities	1,179	1,738	2,489	3,349
FHLB stock	101	36	206	78
Cash deposits	1,030	289	1,547	616
<b>Total interest income</b>	<b>61,249</b>	<b>43,538</b>	<b>115,367</b>	<b>79,870</b>
<b>Interest expense:</b>				
Deposits	4,631	3,057	8,908	5,926
Subordinated notes	838	836	1,675	1,671
Junior subordinated debentures	713	475	1,310	940
Other borrowings	1,810	613	3,087	957
<b>Total interest expense</b>	<b>7,992</b>	<b>4,981</b>	<b>14,980</b>	<b>9,494</b>
<b>Net interest income</b>	<b>53,257</b>	<b>38,557</b>	<b>100,387</b>	<b>70,376</b>
<b>Provision for loan losses</b>	<b>4,906</b>	<b>1,447</b>	<b>7,454</b>	<b>9,125</b>
<b>Net interest income after provision for loan losses</b>	<b>48,351</b>	<b>37,110</b>	<b>92,933</b>	<b>61,251</b>
<b>Noninterest income:</b>				
Service charges on deposits	1,210	977	2,355	1,957
Card income	1,394	917	2,638	1,744
Net OREO gains (losses) and valuation adjustments	(528 )	(112 )	(616 )	(101 )
Net gains (losses) on sale of securities	—	—	(272 )	—
Fee income	1,121	637	1,921	1,220
Insurance commissions	819	708	1,533	1,299
Asset management fees	—	—	—	1,717
Gain on sale of subsidiary or division or division	—	—	1,071	20,860
Other	929	2,075	1,487	3,791
<b>Total noninterest income</b>	<b>4,945</b>	<b>5,202</b>	<b>10,117</b>	<b>32,487</b>
<b>Noninterest expense:</b>				