

Triumph Bancorp, Inc.  
Form 10-Q  
July 31, 2015

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, 2015

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

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Dallas, Texas 75251

(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

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, 18,041,072 shares, as of July 31, 2015

TRIUMPH BANCORP, INC.

FORM 10-Q

June 30, 2015

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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, 2015 and December 31, 2014

(Dollar amounts in thousands, except per share amounts)

	June 30, 2015 (Unaudited)	December 31, 2014
<b>ASSETS</b>		
Cash and due from banks	\$ 27,678	\$ 21,312
Interest bearing deposits with other banks	72,036	139,576
Total cash and cash equivalents	99,714	160,888
Securities - available for sale	158,693	162,024
Securities - held to maturity, fair value of \$744 and \$750, respectively	746	745
Loans held for sale, at fair value	4,096	3,288
Loans, net of allowance for loan and lease losses of \$11,462 and \$8,843, respectively	1,141,217	997,035
Federal Home Loan Bank and Federal Reserve Bank stock, at cost	5,707	4,903
Premises and equipment, net	21,677	21,933
Other real estate owned, net	6,322	8,423
Goodwill	15,968	15,968
Intangible assets, net	14,206	13,089
Bank-owned life insurance	29,295	29,083
Deferred tax assets, net	15,582	15,956
Other assets	16,036	14,563
<b>Total assets</b>	<b>\$ 1,529,259</b>	<b>\$ 1,447,898</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
<b>Deposits</b>		
Noninterest bearing	\$ 164,560	\$ 179,848
Interest bearing	1,024,699	985,381
<b>Total deposits</b>	<b>1,189,259</b>	<b>1,165,229</b>
Customer repurchase agreements	13,011	9,282
Federal Home Loan Bank advances	19,000	3,000
Junior subordinated debentures	24,553	24,423
Other liabilities	25,957	8,455
<b>Total liabilities</b>	<b>1,271,780</b>	<b>1,210,389</b>
<b>Commitments and contingencies - See Note 8 and Note 9</b>		
<b>Stockholders' equity - See Note 12</b>		
Preferred Stock Series A	4,550	4,550
Preferred Stock Series B	5,196	5,196
Common stock	181	180
Additional paid-in-capital	192,605	191,049

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Treasury stock, at cost	(170 )	(161 )
Retained earnings	54,053	35,744
Accumulated other comprehensive income	1,064	951
Total stockholders' equity	257,479	237,509
Total liabilities and stockholders' equity	\$ 1,529,259	\$ 1,447,898

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, 2015 and 2014

(Dollar amounts in thousands, except per share amounts)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
<b>Interest and dividend income:</b>				
Loans, including fees	\$17,158	\$13,860	\$30,397	\$28,236
Factored receivables, including fees	8,654	6,838	16,163	12,110
Taxable securities	659	663	1,337	1,319
Tax exempt securities	16	15	28	31
Cash deposits	110	77	251	135
<b>Total interest income</b>	<b>26,597</b>	<b>21,453</b>	<b>48,176</b>	<b>41,831</b>
<b>Interest expense:</b>				
Deposits	1,667	1,141	3,237	2,249
Senior secured note	—	137	—	276
Junior subordinated debentures	278	272	550	543
Other	7	22	19	28
<b>Total interest expense</b>	<b>1,952</b>	<b>1,572</b>	<b>3,806</b>	<b>3,096</b>
<b>Net interest income</b>	<b>24,645</b>	<b>19,881</b>	<b>44,370</b>	<b>38,735</b>
<b>Provision for loan losses</b>	<b>2,541</b>	<b>1,747</b>	<b>3,186</b>	<b>2,672</b>
<b>Net interest income after provision for loan losses</b>	<b>22,104</b>	<b>18,134</b>	<b>41,184</b>	<b>36,063</b>
<b>Noninterest income:</b>				
Service charges on deposits	666	813	1,278	1,552
Card income	578	548	1,101	1,037
Net OREO gains (losses) and valuation adjustments	52	(252 )	78	(329 )
Net gains on sale of securities	242	—	242	16
Net gains on sale of loans	491	319	1,033	575
Fee income	502	421	924	819
Bargain purchase gain	—	—	12,509	—
Asset management fees	1,274	129	2,232	129
Other	964	655	2,031	1,444
<b>Total noninterest income</b>	<b>4,769</b>	<b>2,633</b>	<b>21,428</b>	<b>5,243</b>
<b>Noninterest expense:</b>				
Salaries and employee benefits	12,042	9,471	25,311	18,347
Occupancy, furniture and equipment				