

HELPING businesses TRIUMPH

HELPING customers TRIUMPH

HELPING communities TRIUMPH

HELPING team members TRIUMPH

HELPING people TRIUMPH

## FORWARD-LOOKING STATEMENTS

This document 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; 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 business 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 and any future acquisitions; 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 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 “DoddFrank Act”) and their application by our regulators; governmental monetary and fiscal policies; changes in the scope and cost of the Federal Deposit Insurance Corporation 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.

# TABLE OF CONTENTS

- MESSAGE FROM OUR CEO .....4**
- THE COMPANY .....5**
  - Triumph at a Glance .....5
  - Our Core Values .....6
  - Relations with Stakeholders.....6
- DIVERSITY & INCLUSION .....7**
  - Anti-Discrimination .....7
  - Anti-Harassment .....7
  - Board and Leadership Diversity .....7
- INVESTING IN OUR TEAM MEMBERS .....8**
  - Training & Educational Assistance..... 8
  - Team Member Satisfaction ..... 8
  - Labor Practices ..... 8
- RESPONSIBLE BUSINESS .....9**
  - Data Privacy & Security .....9
  - Bank Secrecy Act/Anti-Money Laundering and Office of Foreign Assets Control .....10
  - Respecting Human Rights ..... 11
- SUSTAINABILITY/ENVIRONMENT ..... 13**
  - Sustainable Environmental Practices.....13
  - Environmental Lending and Community Reinvestment .....14
- COMMUNITY ENGAGEMENT & DEVELOPMENT ..... 16**
  - The Mission is More than Money .....16
  - Service .....16
  - Non-profit/Charitable Initiatives .....16
  - Current Major Charitable Initiatives .....17
- CONTACT TRIUMPH..... 19**
  - Investor Relations.....19
  - Communication & Media Relations.....19

# MESSAGE FROM OUR CEO

From our inception, the Triumph organization was built on fundamental values such as transparency, respect, and humility. These principles, which have guided us over the last decade, continue to stand the test of time. We have carried our values into our communities, into our relationships with customers, and into our conversations with stakeholders. We believe our values create a culture that rewards integrity, works towards fairness, and has an overarching responsibility to do the right thing. We also steadfastly hold to principles that allow us to maintain a robust risk management process, ensuring that our control environments are tight and that how we do business in our communities is as important as the business we do in those communities.

In this document, our first corporate sustainability report, we focus on concepts of sustainability, fairness, community, and risk management. We are communicating with our stakeholders through this report, not because these ideas are new or somehow fashionable. These are the core traits of our enterprise. We believe these values mirror your expectations and feel our stakeholders will appreciate precisely how deeply this incorporates into our business's very DNA.

This report also focuses on diversity and inclusion, our team members, operating a responsible business, sustainable practices, and how we engage with our communities. This last year demonstrated why such a functional approach is essential. I am proud of our response to COVID-19. As the novel coronavirus impacted our communities, we worked closely with customers to waive fees, defer loans, and

participate in the Payment Protection Program ("PPP") and the Main Street Lending Program ("MSLP"). We also continued our charitable and community investment programs, which, of course, required some modifications. While the unfortunate consequences of social distancing in some cases limited our volunteer abilities this year, I am incredibly proud of our team members who continued to serve their customers, friends, neighbors, and communities.

What we saw this year is precisely why these ideas are essential. It is what allows us to band together, face a challenge and overcome it. Aside from the impacts of COVID-19, 2020 highlighted other challenges still facing us as a nation. Whether it is equality in opportunity, access to capital, or environmental impacts, there are real issues that must be addressed. We are committed to maintaining a culture that values all people, serves others with humility, and operates prudently, working to protect our stakeholders.

We've always said the "Mission Is More Than Money." As you review this document, I trust that you find this theme woven throughout who we are. We look forward to continuing to serve you and thank you for the trust you place in us.

Respectfully,



Aaron P. Graft  
Vice Chairman and Chief Executive Officer

# THE COMPANY

## TRIUMPH AT A GLANCE

Triumph Bancorp, Inc. (Nasdaq: TBK) is a diversified financial service company providing community banking, national lending, and commercial finance solutions. We are a leading provider of factoring services and innovator of payment solutions for the transportation industry. Our focus on creating value helps our team members thrive, our customers succeed, and our communities prosper.

### *Five Brands – One Purpose: Helping People Triumph*



TBK Bank, SSB<sup>1</sup> is a Texas state savings bank that offers commercial and consumer banking products focused on meeting client needs in Colorado, Illinois, Iowa, Kansas, New Mexico, and Texas.



Triumph Business Capital<sup>2</sup> is a provider of invoice factoring for industries including transportation, oil and gas, manufacturing, staffing, security, wholesalers, distributors, and business services.



TriumphPay<sup>3</sup> is the nexus of billing and payments in the transportation industry. Shippers and freight brokers use its payment platform to process, settle, and manage carrier payments across all modes of transportation.



Triumph Commercial Finance<sup>4</sup> is a provider of asset-based lending and equipment finance solutions for small- to mid-sized businesses nationwide.



Triumph Insurance Group, Inc.<sup>5</sup> is an insurance agency specializing in transportation, offering customized coverage and flexible payment options.

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<sup>1</sup> TBK Bank, SSB, Member FDIC and Equal Housing Lender

<sup>2</sup> Advance Business Capital LLC d/b/a Triumph Business Capital

<sup>3</sup> TBK Bank, SSB d/b/a TriumphPay

<sup>4</sup> Triumph Commercial Finance is a division of TBK B, Member FDIC and Equal Housing Lender, ank, SSB

<sup>5</sup> Triumph Insurance Group d/b/a in CA Triumph Risk and Insurance Solutions

## OUR CORE VALUES

We base our core values on biblical principles and sound business practices.



### Transparency

Communicate the truth consistently, directly, and professionally. Open communication is the foundation of strong relationships.



### Respect

Treat others as you want to be treated. Put the needs of others and the needs of the team before promoting your own agenda.



### Invest for the Future

Do not allow the immediate to crowd out the important. Success that endures is built upon a long-term perspective.



### Unique Is Good

Be aware of following the crowd. Being unique can be difficult, but if it were easy, everyone would do it.



### Mission Is More than Money

Make everything you're involved in better. This includes doing good in the areas of greatest need — in your community and around the world.



### People Make the Difference

In any situation, the most important criteria for success are the quality of people and the quality of their thinking.



### Humility

Model humility in all that you do. Humility is not passivity, as it requires the courage to prefer others' needs over your own.

## RELATIONS WITH STAKEHOLDERS

Triumph endeavors to engage all stakeholders — shareholders, team members, customers, and our communities — transparently and respectfully. Our goal is to understand their concerns and identify emerging trends that may affect operations, team member health and welfare, and shareholder value.

We work to identify potential social and environmental risks that we can mitigate through our programs or policies. We employ several intake points for issues, including Human Resources, Investor Relations, and Corporate Communication.

# DIVERSITY & INCLUSION

The diversity of Triumph's team members is a tremendous asset. Based on current census data and team member demographics, females represent 65% of the Company's population compared to a 50% female representation in the related communities in which our businesses reside. As for minority representation across the Company, we mirror the relevant surrounding communities at approximately 34%. We are firmly committed to providing equal employment and advancement opportunities to all qualified individuals and will not tolerate any illegal discrimination or harassment of any kind. We expect team members to immediately report any improper discrimination or harassment to the appropriate supervisor and Human Resources.

In August 2020, our CEO directed the formation of the CEO's Council on Diversity & Inclusion ("The Council") at Triumph. The Council consists of a diverse group of team members — 51% females and 49% males and various experience, races, and ethnicities. The members come from all levels of the organization. The Council's focus is on diversity and inclusion in our workforce, workplace, community, and suppliers. They are responsible for connecting our diversity and inclusion activities with our broader business strategies. Additionally, we created a Leader of Diversity & Inclusion position to provide direction and leadership as we build processes, initiatives, and special programs aimed at diversity and inclusion.

## ANTI-DISCRIMINATION

Triumph complies with all laws and regulations prohibiting discrimination in all personnel activities. Every team member is charged with the responsibility of adhering to this anti-discrimination policy. Discrimination against any individual on the basis of race, color, religion, gender, sex, national origin, age, marital status, pregnancy, physical or mental disability, genetics, veteran status, sexual orientation, or any other characteristic protected by applicable law will not be tolerated. And we believe it is the duty and responsibility of each team member to report conduct they believe violates this policy to their supervisor or the Human Resources Department.

## ANTI-HARASSMENT

Triumph takes the anti-discrimination policy one step further, stating the Company will not tolerate any form of harassment of team members, whether imposed by a team member, independent contractor, vendor, customer, or visitor. This policy is intended

to be interpreted as broadly as possible. While an action may not be so severe as to constitute harassment in the legal sense, it is commonly understood to be abusive or disrespectful towards others. Triumph is particularly aware that some issues are more pressing than others and that some groups are more vulnerable than others — for example, women and equal pay. We actively work to combat such inequalities.

## BOARD AND LEADERSHIP DIVERSITY

We are proud of the diversity of our leadership team. Our Board of Directors consists of 10 members — 90% of whom are independent; 30% of our board members are women, and 20% are minorities. We also strive for diversity in our management structure. The percentage of women and minorities on our senior management team are as follows: VP and above — 37.7% are female/13.7% are minorities; SVP and above — 23.3% are female/7.9% are minorities.



# INVESTING IN OUR TEAM MEMBERS

Our success at Triumph is a direct reflection of our ability to attract and retain the best, most diverse, and highest-performing talent. To do this, we make substantial investments in our team members, providing them with opportunities to learn, develop and advance their careers. We believe in fostering a strong culture based on our core values, which creates an impact at work, generates long-term value for our stakeholders, and makes lasting contributions to our communities.

## TRAINING & EDUCATIONAL ASSISTANCE

Triumph Bancorp and all subsidiaries support team members who want to continue their education in subjects and fields directly related to the Company's operations, activities, and objectives. We encourage our team members to pursue educational opportunities that will help improve job performance and professional development. We reimburse tuition and specific fees for satisfactory completion of approved academic courses and certain certifications to further this goal. Included are college credit courses at accredited colleges and universities, continuing education courses, and certification exams. To be eligible for reimbursement, Triumph must approve all courses and certifications before enrollment. Team members are encouraged to contact the Human Resources Department for details, enrollment, and to learn about the approval process.

## TEAM MEMBER SATISFACTION

Triumph employs Gallup Engagement Surveys to gauge employee satisfaction and solicit feedback from team members on ways management can improve team members' working environment and development. Management has specific goals developed through these surveys and is incentivized to continually improve the work environment and team member satisfaction.

## LABOR PRACTICES

At Triumph, how we do business in our communities is as important to us as the business we do in those

communities. In keeping with that philosophy, Triumph made the decision in 2021 to support a living wage, moving all employees to a minimum wage of no less than \$15.00 per hour. We did this without exception for location, in both our urban and rural communities.

We are proud to be an Equal Opportunity Employer and enforce those values throughout all of our operations. We prohibit discrimination in hiring or advancement against any individual on the basis of race, color, religion, gender, sex, national origin, age, marital status, pregnancy, physical or mental disability, genetics, veteran status, sexual orientation, or any other characteristic protected by applicable law.

We strive to ensure our team members have access to working conditions that provide a safe and healthy environment, free from work-related injuries and illnesses. Our locations employ badges and keypads to enter or to enter restricted areas of locations that have a public presence. Triumph also employs a security team, to track and remediate vulnerabilities in our physical, transactional, and team member security. We encourage team members to raise concerns about actual or suspected misconduct. Triumph provides comprehensive medical, dental, and vision plans, health savings accounts, PTO and sick time, long-term disability, term life, dependent life, AD&D insurance, childcare and dependent care programs, flexible spending accounts, FMLA, and employee assistance and wellness programs. We also maintain an employee stock purchase program. We are committed to providing our team members with certain rights and freedoms, such as good working conditions, open communication, reasonable job security, personal growth opportunities, training and education, and communication of job expectations.



# RESPONSIBLE BUSINESS

Triumph's commitment to responsible business practices is fundamental to our success. We strive to exemplify our core values in our daily interactions with customers and work to maintain high standards of ethics and accountability in our Board, leadership, and team members. Our day-to-day operations closely link to our corporate responsibility efforts through our focus on ethics and good governance. As part of delivering on that purpose responsibly, we understand the importance of managing risk effectively. Ethical business practices guide us and enable responsible, sustainable growth. We accomplish this through effective internal controls, our code of business conduct and ethics, and robust data protection practices.

## ENTERPRISE RISK MANAGEMENT (“ERM”)

The Board of Directors of Triumph Bancorp, Inc. maintains a standing Risk Management Committee

to oversee the assessment of risk across the Company and its subsidiaries. The Committee's function is to provide an enterprise-wide review and evaluation of a broad range of risks, including environmental and social risks and risk trends impacting, or potentially impacting, Triumph and our stakeholders.

## DATA PRIVACY & SECURITY

We strive to protect customer, team member, and third-party data. We do this through technology, training, and policies and procedures that are in place to prevent unauthorized access or use, prevent and detect fraud, and prevent improper disclosure of sensitive information.

Triumph performs a risk assessment process to identify threats and vulnerabilities to data security. Risk assessments are regularly updated and assessed to maintain oversight. Information Security also applies a layered security strategy to mitigate data security risks, including but not limited to vulnerability assessments, prevention and detection controls, and audit. Independent third-party auditors perform security control testing to validate the Company's Information Security controls and the program's effectiveness.

### Addressing Data Security Risks and Vulnerabilities

The following are ways in which Triumph identifies and addresses data security risks and vulnerabilities:

- Information Security performs vulnerability assessments regularly to identify network vulnerabilities. Vulnerabilities are continuously tracked and remediated. External vulnerability scans are also performed.

- Triumph partners with a cybersecurity firm to help detect cyber intrusions. The network is monitored 24/7 for suspicious network activity. Threat intelligence is leveraged to correlate suspicious activity. The Company uses endpoint detection response (“EDR”) to identify, block, and remediate malware on systems.
- Email security blocks malicious attachments and phishing emails. Emails containing confidential data are encrypted.
- Triumph utilizes a next-generation firewall to detect and block threats, incorporating GEO-blocking. Internet filtering is used to stop team members from visiting malicious websites.
- Access rights to financial systems are regularly reviewed.
- Remote access requires multi-factor authentication to gain access to a virtual desktop. The virtual desktop is isolated from team members' personal computers, and data cannot leave the virtual desktop and is self-contained.
- Information Security has an incident response policy, plan, and playbook.
- All team members perform annual information security training. Team members are also tested monthly with phishing tests. Team members who fail phishing tests are required to take mandatory training.

## Trends in Attacks to Data Security and Information

Triumph observed trends in type, frequency, and origination of attacks to its data security and information systems. Phishing attacks from many countries continue to rise. Triumph blocks approximately 50,000 emails per week from known malicious IP addresses, emails containing viruses or spam, and spoofing attempts.

## Disclosure of Customer Information Breaches

Triumph has policies and procedures in place for the timely disclosure of events related to customer information breaches. When Triumph becomes aware of an incident of unauthorized access to customer information and, after a reasonable investigation, it is determined that misuse of the data has occurred, notice is provided to the affected customers in a timely manner. Customer notice may be delayed if an appropriate law enforcement agency determines that notification will interfere with a criminal investigation and provides the Company with a written request for delay. In the case of delay, pursuant to such written notice, Triumph will notify its affected customers as soon as notification no longer interferes with the investigation.

If customer notification is not required, it may be prudent to issue a general statement, either in a regular customer mailing or a notice on the website, or both, about the possible exposure of some customer information. This notice should remind customers of the importance of monitoring their account activity.

## New and Emerging Cyber Threats to the Financial Service Industry

Triumph has multiple data and system security efforts related to addressing new and emerging cyber threats and attack vectors facing the financial services industry:

- Triumph takes a layered security approach to combat ransomware. The use of EDR detects and blocks ransomware from running on computer systems. The email security system and firewall perform security checks and block malicious files from entering the network.

- Multi-factor authentication is used to prevent unauthorized access to the corporate network.
- Mobile banking is monitored for fraud and requires customers to answer security questions when log-on attempts occur during irregular times or different geographic locations.

Triumph operates under the regulatory environment provided by the Federal Financial Institutions Examination Council (“FFIEC”), Sarbanes-Oxley Act (“SOX”), and interagency state guidelines.

Triumph’s cybersecurity program aligns with the cybersecurity assessment tool provided by the FFIEC.

- The number of data security breaches?  
*See below.*
- The number of data security breaches involving CIP?  
*See below.*
- The number of customers affected by data security breaches?  
*See below.*

*In 2020 there were no data security breaches impacting the network environments maintained by Triumph and its subsidiaries. There was a single successful email phishing attack impacting the Office 365 platform at Advance Business Capital LLC, a subsidiary of the Company. Response protocols were followed and a total of three customers were determined to have been affected with no monetary loss.*

## BANK SECRECY ACT/ANTI-MONEY LAUNDERING AND OFFICE OF FOREIGN ASSETS CONTROL

As outlined in our subsidiary TBK Bank’s Bank Secrecy Act/Anti-Money Laundering (“BSA”/“AML”), Customer Identification Program (“CIP”), Beneficial Ownership, and Office of Foreign Asset Control (“OFAC”) Program, all team members are required to refer potentially suspicious

situations, activity, or transactions to their manager or the BSA Officer in a timely manner. The Board of Directors is responsible for, and committed to, establishing a program designed to effectively combat money-laundering and ensure that the Company properly identifies its customer. The policy's purpose is to guard against fraud (impersonation and identity theft) and prevent money laundering or the handling of criminal or terrorist property. This policy will comply with all relevant legislation and regulation requirements, and the Company will assist law enforcement by providing information on customers being investigated following a Suspicious Activity Report ("SARs"). Management is responsible for monitoring applicable reports and activity within their respective business lines for suspicious activity, ensuring SARs are filed within required timeframes and that all team members are familiar with and adhering to said policy's requirements. Each team member is responsible for compliance with Triumph's BSA/AML and OFAC programs. Compliance training is required annually for all team members, enterprise-wide, including the board of directors. Additional training is provided to those job roles that have increased exposure to identifying suspicious activity. This training is tailored to job role(s).

Examples of compliance include, among other items, immediately:

- Referring potentially suspicious activity as soon as a team member becomes aware of the activity.
- Referring potentially suspicious criminal or fraudulent activity that may be detected through direct customer interaction or by another team member.

Team members are expected to adhere to the CIP principles of "Know Your Customer" and should never disclose to a customer or third party that Triumph is considering filing or has filed a SAR.

Triumph uses several methods including, but not limited to, Financial Crime Risk Manager ("FCRM") automated alerts, currency aggregation reports, quarterly trend reviews for Monetary Instrument Sales, and Cross-Border ACHs to detect suspicious activity inclusive of Marijuana-Related Business

("MRB") activity. Triumph expects the Management of each Company, division, department ("line of business") to oversee portfolios, customers, accounts, and relationships in a manner by which the respective risks are adequately monitored, and detection of suspicious activity is promptly reported to the BSA/AML Department.

The commercial credit process does not utilize any automated approval or origination processes. Each loan request is vetted through our lending team, underwriting processes, and due diligence. These include collecting financial information to evaluate the history of the business and the capacity to repay, reviewing the purpose of the loan, and the quality of the collateral. The applicant's entity formation documentation is reviewed, and identification is obtained per the CIP and Beneficial Ownership policies and procedures. All of this mitigates the risk of stacking and other fraud attempts prior to loan origination.

## RESPECTING HUMAN RIGHTS

At Triumph, we are focused on "Helping People Triumph." It's our brand purpose, and our core values align with that purpose. We believe that our customers, team members, communities, and shareholders benefit from it. As a result, how we do business is as important to us as what is achieved through our efforts. That belief forms the basis of the core values that our team members honor. They carry those values into the communities where they live and work.

The Board of Directors and management are committed to maintaining a work environment where every team member is treated with dignity and respect, free from the threat of discrimination and harassment. As stated in our Board-approved code of business conduct and ethics, we expect these same standards to apply to all stakeholders, and to our interactions with customers, vendors, and independent contractors. Triumph expects these values to be applied globally and that those we do business with similarly respect individual human rights and conduct their business operations free from human rights abuses, including human trafficking, child labor, and slavery.

Honoring protections for human rights is consistent with these values. We intend our support for these measures to apply broadly to all persons. It is embodied in our company culture, core values, and our code of business conduct and ethics. We have a responsibility to our customers, communities, and each other as team members. Our employees, vendors, business partners, and our Board of Directors are held to the highest standards of ethics. They are responsible for demonstrating behaviors consistent with those high standards and our core values. Compliance with laws, rules, and regulations is only the beginning. We encourage our team members to obey the law, both in letter and in spirit. This forms the foundation on which our ethical

standards are built. All of our team members, officers, and directors must respect and obey the laws and regulations of the United States, as well as the cities and states in which we serve our customers. Although not all team members are expected to know the details of all of these laws, it is essential to know enough to determine when to seek advice from supervisors, managers, or other appropriate resources.

Triumph requires team members, and the board of directors, to annually complete training on our code of business conduct and ethics, certifying that they have read and understand Triumph's policies and principles on the subject of human rights.

# SUSTAINABILITY/ENVIRONMENT

Triumph knows that we are responsible for protecting our planet and understands that reducing our business's carbon footprint is key to a sustainable future. We are committed to measuring and minimizing our collective impact on the environment while contributing to environmental stewardship and responsible business operations. We have embedded environmental sustainability throughout our products, services, operations, and culture to drive efficiencies and responsible resource use while creating comfortable, safe, and healthy workplaces for our stakeholders.

## SUSTAINABLE ENVIRONMENTAL PRACTICES

Triumph impacts the environment through our operations and through the financing of the operations of other companies that could pose risks to the environment. To manage this impact, we manage our environmental impact according to sustainability principles and consider the environmental impacts of our business activities, ensuring that our lending activities do not encourage business activities that could cause irreparable damage to the environment.

### Operational Efficiency

- Where appropriate, we prefer environmentally friendly products and services and actively recycle in all of our facilities.
- Our Elgin location is LEED Gold Certified.
- We use Fiserv's "Director" software for document imaging to reduce paper usage.
- Our newest branch in Dallas, Texas, has solar panels, and another has geothermal heat and heat pumps.
- Newly constructed offices use LED lighting and occupancy sensor lighting, and several existing branches have been similarly upgraded, and more are in process.

### Sustainable Finance

Triumph works hard to ensure that its lending activities do not encourage business activities that

could cause irreparable damage to its reputation or the environment. As a result, we try to conduct business responsibly and actively work with stakeholders to serve our various constituents best.

We monitor the environmental, social, and human rights risks of our customers along with credit risks. This process involves management and Board oversight and controls such as enhanced due diligence and a reputation risk review.

Triumph has established governance controls to identify and monitor high-risk businesses and prevent doing business with prohibited businesses. Our internal policies and procedures define these and how to identify and recognize them during the onboarding process. We are committed to continuously evaluating and improving governance controls. Triumph has identified the following sorts of business activities it will not knowingly participate with in any way, including:

- Bribery — offering, receiving, or requesting bribes
- Human trafficking — child and forced labor or slavery
- Marijuana-related businesses or other illicit drug enterprises — Triumph Bancorp is a federally regulated financial institution and is bound by federal laws, including federal criminal laws. As a result, we are expressly prohibited from directly banking or lending to marijuana-related businesses. To protect the Company, we have created credit and account policies to identify and insulate the Company from marijuana-related businesses.



- Other business activities are not illegal but are considered high risk. These require further review to be sure they align with our stated values. For example, certain lending sectors require greater due diligence than others. We recognize that our lending activities can have environmental risks, and those may be elevated in certain sectors. Energy lending may carry social risks, and those issues may include, among others: local community engagement (including indigenous peoples), water rights, and social perceptions. Triumph supports small to medium enterprises with ancillary ties to the energy industry, mostly in the transportation space. We provide equipment loans (e.g., trucks and trailers) and working capital to customers servicing this sector.

## ENVIRONMENTAL LENDING AND COMMUNITY REINVESTMENT

Triumph recognizes the importance of meeting the credit needs of the communities in which it operates, including low-to-moderate income (“LMI”) individuals and geographies. In compliance with the Community Reinvestment Act (“CRA”), the Company seeks to serve the members of its communities through its lending, investment, and service.

### Environmental Lending

- Small businesses/farm/ag or SBA 7(a) (working capital loans) or 504 (CRE) loans
  - Renewable energy (such as Solar/PACE, wind turbine, hydro)
    - Nine Loans — \$3.0 million — Alternative energy such as geothermal, solar, and wind generation
  - Recycling centers, chemical remediation centers
    - Five loans — \$546 thousand — recycling including remediation services for chemical products
  - 13,936 loans totaling \$1.45 billion

- SBA — 1,951 loans totaling \$202.0 million
- Ag — 800 loans totaling \$85.8 million
- Farmland — 368 loans totaling \$112.5 million
- Small Business (Premier) — 2,287 loans totaling \$422.6 million
  - Of the total above, 1,913 loans totaling \$189.9 million were PPP loans
- Small Business — 8,530 loans totaling \$631.8 million
  - Includes Triumph Business Capital — 8,489 factoring relationships totaling \$629.4 million

- Student/education
  - Schools, education programs, support services — 51 loans totaling \$25.0 million
- Affordable housing and Low/Moderate Income housing tax credits (LIHTC)
  - Triumph has originated \$11.5 million in affordable housing loans since 2019
- Loans to non-profits
  - Tax-exempt loans — 17 loans totaling \$6.5 million

### Community Reinvestment

Currently \$24.6 million in CRA-qualifying investments, including:

- \$9.3 million of MBS secured by loans to low-to-moderate income (“LMI”) borrowers or in LMI geographies within the communities the Company serves
- \$1.75 million committed to Small Business Investment Companies (“SBICs”)
- \$5 million invested in a CRA Shares Fund, which invests in affordable housing, community services, economic development, and the revitalization and stabilization of LMI geographies in communities served by Triumph

- \$2 million invested in a Community Development Financial Institution (“CDFI”) created to make homeownership available to the Hispanic community by offering first-lien residential mortgages in underserved, LMI communities throughout Texas
- \$250,000 equity investment in a public benefit corporation was created to empower at-risk women in Uganda and Dallas, Texas, by offering employment and personal development programs. Triumph also originated and renewed a two-year \$800,000 loan at 0.1% interest to the PBC.
- In July 2020, Triumph committed to a \$3 million investment in an SBIC focused on investing in small businesses with a positive social impact on workforce engagement and well-being, thriving communities, environmental services, health, and wellness education and training, resource conservation, and healthy foods.
- Approximately \$3.25 million currently invested in bonds benefiting LMI individuals or geographies in communities served by Triumph
- Since 2017, Triumph has participated in the Federal Home Loan Bank of Dallas’s Partnership Grant Program, which will increase a company’s donation made to a qualifying non-profit organization. Each year, Triumph has nominated an organization that meets the home repair needs of LMI seniors and employs formerly incarcerated individuals. During that time, the \$21,000 donated by Triumph has been increased by the Partnership Grant Program to a total of \$70,000.



# COMMUNITY ENGAGEMENT & DEVELOPMENT

We encourage corporate social responsibility and urge our team members to be actively involved in their communities through volunteerism and philanthropy. Triumph supports team members' efforts in this area whenever possible through our philanthropic practices, volunteer hours, and matching donations. As a general rule, Triumph does not donate to political parties or lobby groups, preferring to focus our support through charitable activities that directly benefit causes in which we, and our team members, believe.

## THE MISSION IS MORE THAN MONEY

We focus on doing the most good in the areas of greatest need through our philanthropic endeavors. When we make our communities around us better, we all Triumph. Our Philanthropic Vision is focused on four key areas that we support at home and around the world:

- Training Future Leaders
- Giving People a Second Chance
- Serving the Less Fortunate
- Establishing Viable Communities

## SERVICE

- Since the beginning of 2019:
  - Triumph team members have served a total of 13,167 volunteer hours.
  - Team members have performed a total of 1,102 volunteer hours focused on financial literacy training.
  - Triumph has also donated over \$16,000 to financial literacy efforts such as Junior Achievement.
- TBK Bank hosted a virtual Junior Achievement Job Shadow Day in December 2020 for students from two Dallas high schools to learn about TBK Bank as an organization and careers in the banking industry. Seventeen team members volunteered to share about their career path and their roles within the bank.

- Triumph is in the process of creating a financial literacy video library to assist our team members to virtually serve their communities while they are unable to gather in-person physically. These videos will allow our team members to teach financial literacy concepts virtually while also completing activities virtually with attendees. These videos can be used to train elementary to high school students or adults.
- TBK Bank made 155 face shields at The Workshop by TBK Bank, its makerspace, and donated them to hospitals, small businesses, and families across our banking communities.
- A donation of \$25,000 was made to the Dallas Small Business Relief Fund, which offers forgivable loans to support primarily minority- and women-owned small businesses and entrepreneurs negatively affected by the COVID-19 crisis.

## NON-PROFIT/CHARITABLE INITIATIVES

- Triumph has committed to donating at least 1% of the organization's net earnings each year back into our communities. The total amount given in 2019 and 2020 was \$1.66 million.
- Triumph employs a Director of Community Engagement who manages the philanthropic efforts of the organization. This position also leads the Philanthropy Committee, a diverse group of team members who meet quarterly to make recommendations regarding the Company's involvement with non-profit

organizations, fundraising events, and service opportunities.

- Through the Matching Gift Program, Triumph supports organizations that are important to team members by matching their charitable contributions to qualified organizations, dollar-for-dollar, up to \$500 for each employee, each calendar year.
- Triumph encourages team members to serve their communities by offering 24 hours of paid time away from work each year to volunteer at approved charitable organizations meaningful to them.

## CURRENT MAJOR CHARITABLE INITIATIVES

### The Workshop by TBK Bank

In February 2021, the Company opened The Workshop by TBK Bank, a makerspace, or a shared community location, where members of the community can learn about, be trained on, and operate tools for woodworking, welding, machining, 3D printing, and other uses. It is where individuals can learn new and valuable skills, share knowledge, collaborate with others, and create. The Workshop provides a physical location within a moderate-income area of Dallas, Texas where lives can be changed through training, education, and encouragement, leading to a revitalization of the entire neighborhood. The Company has spent over \$1.5 million in construction, equipment and furniture purchase, and operational costs to date on the project. The Workshop will offer workforce development courses to LMI individuals sourced through our non-profit partners, education programs for surrounding students and teachers at Dallas ISD schools, and support for entrepreneurs. In 2020, in partnership with other organizations, The Workshop hosted training for 57 area teachers regarding the operation and maintenance of a 3D printer. After the training session, all teachers left with a free 3D printer to take back to their school for their students.

### TBK Scholars Program

In February 2021, TBK will launch the 3rd annual TBK Bank Scholars Program, awarding ten \$1,000 scholarships to high school seniors from LMI families in the communities the bank serves. Applicants are required to live in a county where TBK has a presence, have a low or moderate family income level, and complete an essay on how they plan to use their education to give back to their communities.

### TBK Bank Plaza

TBK Bank partnered with the US Department of Justice, Better Block, and Dallas City Council to create a community space designed to decrease crime in an LMI area of Dallas, Texas. Better Block is a non-profit organization committed to reshaping and reactivating built environments to promote the growth of healthy and vibrant neighborhoods. In 2020, bank team members promoted our service of free stimulus check cashing in the Plaza and hosted a financial education event for students after school. At the event, team members distributed piggy banks and taught financial literacy concepts related to savings, wants and needs, and currency counting. Five team members attended the event to engage with students and engage with parents about our banking services.

### Watermark Community Development Corporation

TBK has donated over \$70,000 to this organization since 2018 for matching funds of an Individual Development Account program to benefit LMI individuals in Dallas, Texas. Participants, many of whom have never had a bank account before, can save toward purchasing a home, transportation, education, or assets for a small business. By meeting the requirements of consistent saving, completion of a 10-week financial literacy course, and committing to meeting regularly with a mentor, participants can have their personal savings matched 4:1 toward their asset purchase. The bank has committed an additional \$30,000 to this program for 2021.

## **Donations of Former TBK Branch Locations**

- A former branch in Granada, Colorado, was donated to the Granada School District. The property will be repurposed as a museum.
- A former branch in downtown East Moline, Illinois, was donated to the East Moline Public Library for conversion into a state-of-the-art library to benefit the community, revitalize the downtown area, and spur additional economic development



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