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PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to the Triumph Bancorp, Inc. second-quarter 2016 earnings conference call. (Operator Instructions). I would now like to introduce your host for today's conference call, Mr. Luke Wyse. You may begin, sir.

Luke Wyse - *Triumph Bancorp, Inc. - VP, Finance & IR*

Good morning. Welcome to the Triumph Bancorp conference call to discuss our 2016 second-quarter financial results. I am Luke Wyse, Vice President of Finance and Investor Relations at Triumph, and I would like to thank you for joining us this morning. I will go over a few housekeeping items and then hand it over to Aaron Graft, our CEO, to lead the presentation.

Triumph Bancorp filed its second-quarter earnings release last evening as well as a slide deck and these items will form the substance of our call this morning. If needed, copies of the earnings release and slide deck are available on the Investor Relations section of our website at www.triumphbancorp.com, or by calling our Investor Relations department at 214-365-6936.

To begin I would like to offer a few reminders. Some of the remarks made today will constitute forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. We intend such statements to be covered by the Safe Harbor provisions for forward-looking statements contained in the Act.

We caution you that forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results or events may differ materially from those expressed in or suggested by the forward-looking statements.

Any forward-looking statement made by Triumph on this conference call speaks only as of the date hereof and new risks and uncertainties come up from time to time and it is impossible for Triumph to predict these events or how they may affect it. Triumph has no obligation and does not intend to update forward-looking statements after the date hereof except as required by applicable law.

On this call we may discuss a number of financial measures considered to be non-GAAP under SEC rules. Reconciliations of these financial measures with GAAP are included in the earnings release and slide deck filed last evening. At the conclusion of our remarks we will open the telephone lines for Q&A. With those reminders I would like to turn the call over to Aaron. Aaron?

Aaron Graft - *Triumph Bancorp, Inc. - Vice Chairman & CEO*

Thank you, Luke. Simply put, many of our key metrics improved this quarter for Triumph, our loan growth, loan yields, net interest margin and asset quality ratios are all better than last quarter. As disclosed in our earnings release, Triumph earned net income to common stockholders of $4.4 million or $0.25 per diluted share.

Our annualized year-to-date return on common equity is 7.01%, and our tangible common equity to assets ratio is 13.88%. Our loan growth was $164.7 million or 13% linked from last quarter end. This brings our loan portfolio to a record high of over $1.4 billion at June 30, 2016.

Our commercial finance portfolio experienced net growth of $78.8 million, or 15% for the second quarter, and has experienced growth in every consecutive quarter since we became a public Company.

Approximately $57.7 million of loan growth is attributable to our mortgage warehouse business. In addition, our Community Bank portfolio grew $28.2 million during the second quarter as we were able to capitalize on lending opportunities in our Iowa, Illinois and Texas markets.

We didn't give away our balance sheet to bring in loan growth. Our adjusted yield on loans, which excludes the impact of purchased loan discount accretion, was 7.81%. Adjusted net interest margin was 5.98%. These metrics improved over the prior quarter and remain near the top of our industry.

One of my few complaints about the second quarter is that the majority of our loan growth came near the end, so our income is burdened with full effect of increasing the ALLL. We recorded a $1.9 million provision for loan losses in the quarter, but we did not realize the full amount of interest income growth. That will show up in quarter three and beyond.

On our last call we addressed the seasonal slowdown we typically experience in the first quarter and the impact of lower oil and diesel prices on Triumph Business Capital, our factoring subsidiary.

As anticipated, we rebounded from the first-quarter seasonality and this quarter the balance of outstanding receivables at Triumph Business Capital increased $40.5 million or 24% to $206.3 million. This increase represented 51% of the overall growth in our commercial finance portfolio previously mentioned.

Despite average invoice size as of June 30, 2016 being 17% lower than a year ago, the balance of outstanding receivables at Triumph Business Capital is at record levels at the end of this quarter.

The average invoice size purchased this quarter was still down slightly to $1,259 versus $1,295 in the prior quarter, a decline of 3%, but the number of invoices purchased increased from 295,000 to 345,000 in the current quarter, an increase of just over 17%.

In addition, the dollar value of invoices purchased this quarter increased $53 million over the prior quarter to $434 million and we continue to gain market share as we added 82 net new clients in the second quarter and 145 net new clients year to date in 2016.

Regarding overall credit quality, our ratios of past due and nonperforming loans to total loans improved this quarter and we continue to see strong credit performance in our portfolio. When we evaluate our past due loans it is important to also consider the impact of purchased factored invoices outstanding.

As of June 30, $12.7 million, or 64%, of our loans that are reported 30 to 89 days past due were comprised of unpaid invoices in our factored receivable portfolio. We typically view those aged balances as customary due to the invoice payment terms our clients negotiate with their customers and thus are not generally indicative of a payment default or material weakness from Triumph's perspective.

Overall our charge-off activity has remained minimal as we recorded net charge-offs in the second quarter of only $260,000, or 2 basis points of average loans. Bryce will provide further details related to this.

The pending acquisition of Colorado East is progressing as expected at this point and we have received all regulatory approvals for the transaction. We expect to close the transaction on August 1 and our staff has been focused on planning the effective integration of Colorado East into Triumph with an anticipated core system conversion scheduled for early November.

This acquisition will improve our deposit mix, materially increase our operational efficiency, deploy our excess capital, create a foothold in new markets and diversify our loan portfolio. This transaction will also deepen and broaden our experience and opportunities in the agricultural lending sector.

The Colorado East agricultural portfolio is split nearly equally between real estate and non real estate loans. The balance of the loan portfolio is consistent with our lending platform in the Midwest, which focuses on meeting the lending needs of the residents and businesses in our local communities.

Moreover, this is an all cash transaction so it will be accretive to our shareholders in short order. We expect the transaction to be accretive $0.08 for the remainder of 2016 and $0.34 for 2017.

Our asset management business currently manages four CLOs and in the second quarter we were named staff and services provider to a new asset manager, Trinitas Capital Management, upon the issuance of its first $407 million CLO in June, which will create fee income starting in the third quarter.

Getting this first staff and services provider agreement put into place, after talking about our plans to get this done over the last few quarters, is very encouraging. We remain committed to growing this segment of our business which provides a steady source of fee revenue.

We had two unusual events this quarter that I want to call to your attention. First, on the positive side we realized $1.2 million of loan discount accretion on a legacy purchased credit impaired loan that we were able to successfully resolve for a payoff in excess of our carrying amount. This $1.2 million is included in our loan interest income.

On the negative side we recognized a non-cash $1.2 million write-down of one of our branch facilities that was transferred from fixed assets to OREO at the end of the last quarter as it was no longer operating as an active banking branch. The current quarter write-down was the result of obtaining an updated appraisal on the property.

While these two events added noise to our income statement for the quarter, they effectively canceled each other out for purposes of calculating overall net income.

As we prepare for the closing and integration of Colorado East, we continue to evaluate additional acquisition opportunities. These include traditional depository institutions in and adjacent to our existing markets, as well as a few opportunistic scenarios to enter new markets. We are also evaluating acquisitions that would strengthen our commercial finance lines of business.

We look at every new opportunity through the lens of achieving our long-term goal of being a geographically diversified community bank with approximately 40% of our lending distributed through our commercial finance channels.

We are committed to serving our community banking customers in a nationwide network of small businesses focused on the transportation, healthcare, manufacturing, distribution and staffing industries.

With respect to transportation, our goal is to be the leading financial services provider to small businesses in the lower end of the middle market. We recently announced several additional steps to accomplish that goal.

One, Triumph Business Capital's technology solution to provide instant cash funding to truckers via integration into Ascend TMS logistic software.

And two, Triumph Insurance Group's asset acquisition of Southern Transportation Insurance Agency, which will add important new transportation insurance markets.

In addition to that, we also believe that our transactional deposit accounts create enterprise value, so we are focused on acquiring those as well as growing them organically.

At this point I would like to turn the call over to Bryce to provide his thoughts on our financial performance in the second quarter. Bryce?

Bryce Fowler - *Triumph Bancorp, Inc. - CFO*

Thank you, Aaron. Slides 7 and 8, as well as the tables attached to the earnings release, present the current and historic mix of the loan portfolio.

Total loans increased $164.7 million or 13.2% this quarter. This increase included a $57.7 million increase in our mortgage warehouse portfolio as our clients increased the utilization of their facilities during the quarter, and a $40.5 million increase to the balance of factored receivables at our transportation factoring subsidiary, Triumph Business Capital.

In addition, the period end balances of our remaining loans increased $66.5 million or 6.6% this quarter driven primarily by new originations in our asset-based lending and equipment finance portfolios and other commercial loan growth. Average total loans outstanding this quarter increased $59.6 million or 4.9% versus the first quarter of 2016.

Year over year from June 30, 2015 to June 30 this year, total loans increased $258 million or 22%. The commercial finance portfolio was up $139 million or 30% year-over-year and our community banking products are up 17% year-over-year.

On the funding side, in anticipation of our pending acquisition of Colorado East and their excess liquidity and deposit base, we have purposefully slowed our acquisition of relatively higher cost time deposits in favor of Federal Home Loan Bank borrowings.

Combined with the strong loan growth this quarter our loan to deposit ratio increased to 110% as of June 30. We expect, with or without closing the Colorado East acquisition, to bring this ratio back down below 100% in the third quarter.

Slides 8 through 10 present trend information for net interest margin. Yield on loans this quarter was 8.5%, an increase of 66 basis points from the first quarter. The adjusted yield on loans, which excludes the impact of approximately $2.2 million of purchased loan discount accretion recorded in the second quarter, was up 34 basis points to 7.81%.

As of June 30, 2016, we had $7.3 million of remaining loan purchase discount of which we expect $4.2 million to accrete into income over the remaining lives of the associated loans. The increase in adjusted loan yield was substantially due to the increase in our higher yielding commercial finance products this quarter. Our commercial finance portfolio as a percentage of total loans increased to 43% at June 30 compared to 42% at March 31.

On the funding side the cost of total deposits and total funds remained relatively flat decreasing by 1 basis point each this quarter to 63 basis points and 68 basis points respectively.

Net interest margin remained strong at 6.53% for the quarter. Adjusted net interest margin, which excludes the loan discount accretion, was 5.98% for the quarter, an increase of 37 basis points from the previous quarter due to the factors I just mentioned.

We earned non-interest income of $3.7 million for the quarter ended June 30, 2016. Excluding the impact of gains and losses on sale of loans, securities and REO adjustments, non-interest income declined $107,000 from the prior quarter.

Non-interest income includes $1.6 million in asset management fees earned by Triumph Capital Advisors. TCA now manages approximately $1.49 billion of CLO assets earning approximately 31 basis points on average in management fees. Managed CLO assets were reduced by approximately $329 million in the current quarter as one of the managed CLOs assumed in the Doral Money acquisition was called.

As Aaron referenced, TCA was also named as staff and services provider to a new asset manager, Trinitas Capital Management, which was the named asset manager for a $407 million CLO issued in June. As staff and services provider TCA will perform certain middle and back office functions and earn a 26 basis point fee on assets in that CLO.

TCA now has approximately $1.9 billion in fee generating CLO assets consisting of both CLOs for which we are asset manager and CLOs for which we provide staff and services for a fee. Our annualized revenue earned from these fee generating CLO assets equals approximately 30 basis points of such assets.

Triumph also made an investment of $1.8 million in the subordinated notes issued by the Trinitas Capital Management CLO. At June 30 Triumph holds a $17.3 million equity investment in two CLO warehouses, down from $21.5 million as of March 31. These CLO warehouse investments earned non-interest income of $774,000 in the second quarter and $984,000 in the first quarter of this year.

For the second quarter of 2016, non-interest expense increased only $253,000 from the prior quarter to $20.3 million. Our non-interest expense this quarter includes $221,000 of expenses associated with the Colorado East acquisition activities; we incurred $138,000 of such expenses last quarter.

We have not presented an adjusted earnings per share for these initial costs as the majority of call lease transaction expenses will be incurred and reported after closing the acquisition in the third quarter.

As a result of revenue growth our efficiency ratio improved over 4% from prior quarter. A ratio of net non-interest expense to average assets, which includes a $1.2 million write-down of the carrying value of our closed branch facility carried in OREO, increased 24 basis points from the prior quarter to 3.85%.

Slide 13 presents our asset quality issues all of which improved quarter over quarter. Nonperforming assets declined $600,000 to $28.5 million this quarter and, as a percent of total assets, improved 12 basis points to 1.6% at June 30.

Nonperforming loans increased $800,000 but as a percent of total loans improved 14 basis points to 1.56% at June 30. Past due to total loans decreased 81 basis points to 2.8% at June 30. Most of this decrease was due to one $10.5 million loan reported past due at March 31.

A payment due to us at its renewal was not received until a couple of days after March quarter end and the loan was previously reported as delinquent. The loan is now current at June 30.

Our provision for loan loss expense this quarter was $1.9 million due primarily to general reserves for loan growth experienced during the quarter and specific applications on impaired loans. For the June quarter gross charge-offs were $700,000 and charge-offs net of recoveries were $260,000 or 2 basis points of average loans.

Our allowance for loan loss as a percentage of total loans increased 1 basis point this quarter to 98 basis points as of June 30. With that I would like to turn the call back over to Aaron.

Aaron Graft - *Triumph Bancorp, Inc. - Vice Chairman & CEO*

Thank you, Bryce. At this time we would like to turn the call back over to the operator for questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions). Brad Milsaps, Sandler O'Neill.

Brad Milsaps - *Sandler O'Neill & Partners - Analyst*

Hey, Aaron, in addition to the nice growth you had in factory receivables you also had some nice growth in asset based lending. Can you talk a little bit about there -- what you saw there and kind of your outlook for future growth in that category and others?

Aaron Graft - *Triumph Bancorp, Inc. - Vice Chairman & CEO*

Sure, I'm going to have Dan Karas, our Chief Lending Officer, take that. He is in the room.

Dan Karas - *Triumph Bancorp, Inc. - EVP & Chief Lending Officer*

Good morning, Brad. As Aaron mentioned, we are pretty pleased with the growth in the quarter in all of commercial finance and in particular picking up some additional volume in the ABL sector.

I think I have mentioned in prior quarters that pipelines have been healthy, the challenge we have had is that they tend to be back ended in the quarter in terms of closings. So our average loans for second quarter, as Aaron mentioned, were up about $60 million, but we'll get the carrying benefit of that in the third quarter.

So, overall pipelines are still healthy across all the platforms. I feel pretty good about the outlook. I think $164 million is a tough number to meet again. But in general I feel pretty good about all of the business lines including the ABL and then our factoring businesses.

Brad Milsaps - *Sandler O'Neill & Partners - Analyst*

Great. And I know there will be a fair amount of noise with Colorado East in the third quarter. But given the timing of kind of how the loans close in the quarter it would seem that your margin ex Colorado East would stay stable if not go up excluding the impact of the purchase accounting.

Is that kind of how you guys are thinking about it or are there other kind of puts and takes? I know the warehouse is in there too which can kind of move things around. But just any thoughts on your NIM.

Aaron Graft - *Triumph Bancorp, Inc. - Vice Chairman & CEO*

Well, yes. So setting aside Colorado East, as Triumph Business Capital grows as a percentage of that portfolio, which you saw of the commercial finance over the overall loan portfolio, when that happens it obviously puts upward momentum behind net interest margin.

Mortgage warehouse lending has a much lower net interest margin, but I think on the whole I don't see any trends for the third quarter or the fourth quarter ex Colorado East that would pull down our net interest margin.

Once we bring Colorado East in that probably is going to -- and their portfolio yields less than ours, so just the math would tell you there would be some pull back there. But we think more than offset with the operational efficiencies and some of that of course will come back through the accretion on the purchase discount.

Brad Milsaps - *Sandler O'Neill & Partners - Analyst*

Sure, great. Thank you, guys.

Operator

Jared Shaw, Wells Fargo.

Jared Shaw - *Wells Fargo Securities - Analyst*

Just first on the growth in advances on the FHLB advance side. Are those short terms just pre-positioning for the expected deposit inflow or should we expect to see this continue to run at these levels and then be supplemented with the deposit growth from Colorado East?

Bryce Fowler - *Triumph Bancorp, Inc. - CFO*

Sure, Jared, this is Bryce, I will take that one. Yes, they are short-term. I mean there are some of those that are longer-term maturities on them. But they are all floating-rate and pre-payable without penalty.

So we have the ability to reduce those as liquidity comes available to us to do that. So we would expect to, through the Colorado acquisition, through here, those balances may go up a little bit just due to the initial funding, but we will be paying those down over the next few quarters.

Jared Shaw - *Wells Fargo Securities - Analyst*

Okay. And then when you look at the expectation for after the deal is closed for deposit growth, what are you expecting or looking for out of deposit growth once you have that platform on?

Aaron Graft - *Triumph Bancorp, Inc. - Vice Chairman & CEO*

Yes, Jared, I mean as far as the most valuable of all deposits, transactional deposit growth, I think the expectations will be roughly what they have been for us in the past, which is 3 -- maybe 3%.

Colorado East much like Triumph Community Bank, in some of the markets in which it operates, has 100% of the deposit market share. That is something we have always focused on because we think, while you don't get the rooftop creation and fast organic deposit growth, if there really is such a thing, in those markets you do -- it is a very efficient operation with sticky deposits. So in many of those markets you can't take additional share.

Now there are other markets on the front range, Pueblo, etc., where we have a great opportunity to take more market share. And then on top of all that, across our franchise I think one of the greatest opportunities for deposit growth is continuing to bring clients, including our commercial finance clients, into our treasury management system.

And that is something we have invested in heavily and we think will grow. But I don't have any belief that this -- that our -- with Colorado East that we will be able to grow transactional deposits at the same rate at which our loan portfolio is growing.

Jared Shaw - *Wells Fargo Securities - Analyst*

Okay, thanks, that is good color. And then on the -- shifting a little bit to the CLO side and the staffing and servicing agreement with Trinitas. Is that -- as more CLOs come out do you have to negotiate for each one of those individually? Or is this agreement in place now that as future CLOs are issued you are already in place as that staffing and services provider?

Aaron Graft - *Triumph Bancorp, Inc. - Vice Chairman & CEO*

No, that has to be negotiated on a deal-by-deal basis.

Jared Shaw - *Wells Fargo Securities - Analyst*

Okay. And then as we look out over the future here, what pace should we expect to see the CLOs -- additional CLO relationships potentially coming on? Has it moderated a little bit just given the rate environment? Or now that there is a framework in place for potentially having that staffing and services agreement we could see it pick back up a little bit?

Aaron Graft - *Triumph Bancorp, Inc. - Vice Chairman & CEO*

Well, first of all I don't expect -- now things could change, but I don't expect to see Triumph named as staff and services provider for multiple different issuers anytime in the near future. It could happen but that is not something in the near future that I expect.

As we look at the overall CLO market, which Trinitas is the entity that just issued the most recent CLO that we are staff and services provider for, I think if we do our job well there is a very good chance that they will come back to us in the future.

As we look at the market overall it is healthier than it was at the first of the year. So, I am hopeful that we will be named staff and services provider on another CLO before year end. I doubt it will be two, but if it did that would be great. But my general expectation was you could see a pickup of one more assignment before year end.

Jared Shaw - *Wells Fargo Securities - Analyst*

Great, thank you.

Operator

(Operator Instructions). Steve Moss, Evercore ISI.

Steve Moss - *Evercore ISI - Analyst*

Just want to think about Triumph's margin on a standalone basis before Colorado East. Looking at the end of period deposit loan growth here, especially with the factored receivables coming in where they came in. It looks like there should be a decent upward bias to your core margin assuming those balances are fairly sticky. Is that a fair statement?

Aaron Graft - *Triumph Bancorp, Inc. - Vice Chairman & CEO*

Yes, that is a fair statement. Again, the biggest -- if you think about our transportation factored receivables, the yield on those is around 18%.

So any increase in that, which generally, if you look back over time, those increases have been sticky especially ex-seasonality because we are adding new clients, our invoices per client purchased is going up, invoice prices are still 20% lower than they were a year ago, no way to predict the future, a lot of it is correlated to oil and gas. But on the whole that is a sticky part of the portfolio.

Well, at 18% yield, more or less, that is going to pull up our net interest margin. The other growth we are seeing in asset based lending and equipment finance is also among our more higher earning or higher net interest margin products and those have historically been sticky.

Mortgage warehouse lending, which is a little lower net interest -- lower from a margin perspective but also much more efficient, there is more volatility in that loan mix, so it is impossible to predict where we will be one to two quarters from now.

But I agree with your underlying assessment that so long as commercial finance as a whole is staying at 40% or growing with the rest of our portfolio, it should continue to at least hold our net interest margin where it is if not pull it higher depending on the underlying composition of assets within that portfolio.

Steve Moss - *Evercore ISI - Analyst*

Right. With regard to the yield on the factored receivables, that seems a little bit lighter than what I believe it was before. Is that a function of just slower payment terms or how should we think about that?

Aaron Graft - *Triumph Bancorp, Inc. - Vice Chairman & CEO*

It is a function of also a diversifying of the -- that is not just transportation. There is also some what we call general factoring where you are going to have slower turns, lower yields and larger invoice sizes. So that is going to have an effect on that.

We are not seeing any holistic shift in the -- if you just zero in on the transportation piece only, it has stayed roughly the same. It's we have added -- we have gone up-market a little bit and brought in a small portfolio of non-transportation, which has affected that.

Steve Moss - *Evercore ISI - Analyst*

Got you.

Bryce Fowler - *Triumph Bancorp, Inc. - CFO*

This is Bryce. I might just add onto that that the yield that he is referring to is kind of the gross receivables. And sometimes we will talk about that yield in terms of on an NFE basis net of the client reserves and that yield is more like 21. That remains stable at Triumph Business Capital, that has not been declining really materially at all.

Steve Moss - *Evercore ISI - Analyst*

Right, okay. And then in terms of -- on expenses, Bryce, I know you said there was -- I think you quantified there was a small amount of expenses associated with Colorado East. I missed that number. But more importantly, just thinking about Triumph on a standalone basis with regard to the Trinitas agreement and expenses going forward.

I am assuming you guys are expecting a third-quarter issuance of -- a third-quarter CLO issuance. I was just wondering if you could give color if that is going to happen and how we should think about your expense base?

Aaron Graft - *Triumph Bancorp, Inc. - Vice Chairman & CEO*

Well, let me -- so I will take first of all the CLO issuance. It is impossible for us to know. We would have thought there would have been one in the first quarter. Obviously market conditions were such that it didn't happen until the second.

It could well happen in the third; if it does happen in the third it could be very late in the quarter or it could roll into the fourth. We won't have any expense really associated with that, it will just, again, increase the size of the fee income stream.

With respect to our overall non-interest expenses this quarter, I don't -- if you strip out Colorado I don't see any material increases. I think, as Bryce said, we had approximately $200,000 in expenses this quarter that are associated with the Colorado East acquisition. We didn't present adjusted numbers on that because we expect the primary expense to come in the third quarter.

So expenses ex Colorado East are relatively flat to slightly increasing. But as I have said before, at a much lower rate than revenue growth. And I don't see any short-term changes in that. And of course with Colorado East we expect our operational efficiency to get much better as we -- as that transaction is phased in it should really improve things in that area.

Steve Moss - *Evercore ISI - Analyst*

Perfect, thank you very much.

Operator

Jefferson Harralson, KBW.

Jefferson Harralson - *Keefe, Bruyette & Woods - Analyst*

I hopped on a little bit late, you may have said this. But have you talked about your average invoice price in the factoring and how has that changed versus the last quarter?

Aaron Graft - *Triumph Bancorp, Inc. - Vice Chairman & CEO*

Sure. Jefferson, the average invoice price this quarter was $1,259. And I believe last quarter it was $1,295. So it surprised me a bit, it actually trended down just a little bit, but was more than compensated for by the average purchases per client and the new clients that we added so that our volumes were up substantially from the first quarter.

Jefferson Harralson - *Keefe, Bruyette & Woods - Analyst*

Got you. And the other one is also kind of hypothetical. Have you guys talk about when Colorado East closes in the third quarter, is it -- should we expect early, mid or late quarter close of Colorado East?

Aaron Graft - *Triumph Bancorp, Inc. - Vice Chairman & CEO*

It closes in five days.

Jefferson Harralson - *Keefe, Bruyette & Woods - Analyst*

All right, excellent.

Aaron Graft - *Triumph Bancorp, Inc. - Vice Chairman & CEO*

August 1.

Jefferson Harralson - *Keefe, Bruyette & Woods - Analyst*

All right.

Aaron Graft - *Triumph Bancorp, Inc. - Vice Chairman & CEO*

8 AM is what I am aiming for.

Jefferson Harralson - *Keefe, Bruyette & Woods - Analyst*

All right, we will adjust the model for the timing then. Thanks a lot, guys.

Aaron Graft - *Triumph Bancorp, Inc. - Vice Chairman & CEO*

You can hold me accountable on that one, Jefferson, August 1.

Jefferson Harralson - *Keefe, Bruyette & Woods - Analyst*

You got it, you got it, thanks.

Operator

Christopher Nolan, FBR & Company.

Christopher Nolan - *FBR & Company - Analyst*

Hi, did you guys say that the projected earnings accretion from Colo East is $0.08 in 2016 and $0.34 in 2017, is that correct?

Aaron Graft - *Triumph Bancorp, Inc. - Vice Chairman & CEO*

Yes sir, that is correct.

Christopher Nolan - *FBR & Company - Analyst*

That is a little bit below the $0.10 and $0.35 when you announced the deal. What is the difference?

Aaron Graft - *Triumph Bancorp, Inc. - Vice Chairman & CEO*

The $0.10 -- the adjustment in 2016 is purely a timing difference the $0.10 would have been projected with a June 30 closing, of course not it has slid to August 1. I think for 2017 we said $0.35 previously.

Look, I think there is a good chance we could even outperform what we are saying here. But we have a model that we have tried to stick to and be conservative just with a variety of adjustments upwards and some downwards as we come to the end of this process and dialing in our numbers we -- our base case model spits out something one penny less than what we told you six months ago.

Christopher Nolan - *FBR & Company - Analyst*

Got it. And then are you still targeting a TCE ratio of 9% at the close?

Aaron Graft - *Triumph Bancorp, Inc. - Vice Chairman & CEO*

Yes.

Christopher Nolan - *FBR & Company - Analyst*

Where are you thinking about capital given your interest in doing further acquisitions? I mean, what level do you start thinking about having -- raising additional capital?

Aaron Graft - *Triumph Bancorp, Inc. - Vice Chairman & CEO*

That is a great question. And so let me preface that with I have told you all in the past and I stick to our belief that our quarterly run rate by Q4 of 2017 will be $0.50 a share. And if we believe that, which we do, it makes -- even with the recent price increase it makes our stock still in my view very undervalued.

So one of the things -- the positions we are in after this transaction is of course we have the opportunity to go to the market and obtain sub debt, which would give us the ability to support asset growth, do additional acquisitions. But as we look at M&A acquisitions that would require us to issue stock, we have to think long and hard about that.

Because of what we believe we have built here, the seeds that have been sown and the opportunity for earnings growth, we are going to want to either have negotiated very good terms in the acquisition itself, or continue to see some appreciation in our stock price before we are really going to be in a mood to dilute our existing shareholders through the issuance of new stock given the earnings growth we project.

Christopher Nolan - *FBR & Company - Analyst*

Great. Okay, thanks for taking my questions.

Aaron Graft - *Triumph Bancorp, Inc. - Vice Chairman & CEO*

Sure.

Operator

And I am not showing any further questions at this time. I would like to turn the call back over to our host.

Aaron Graft - *Triumph Bancorp, Inc. - Vice Chairman & CEO*

The second quarter was a very good quarter; the third quarter will be a transformational quarter for us obviously with the acquisition of Colorado East. We are excited about where things are going and we look forward to speaking with you all down the road. Thank you.

Operator

Ladies and gentlemen, this does conclude today's presentation. You may now disconnect and have a wonderful day.