

**TRIUMPH BANCORP, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2021, in addition to the impact of changes to the ACL on acquired PCD Over-Formula Advances previously discussed, changes in projected loss drivers and assumptions over the reasonable and supportable forecast period decreased the required ACL by \$10,408,000. Further, the Company experienced a net reserve release of specific reserves on non-PCD loans. Changes in loan volume and mix during the year ended December 31, 2021 increased the required ACL slightly during the period. Non-PCD-related net charge-offs were \$4,298,000 during the year ended December 31, 2021.

The following table presents the amortized cost basis of collateral dependent loans, which are individually evaluated to determine expected credit losses, and the related ACL allocated to these loans:

<i>(Dollars in thousands)</i>						
<u>December 31, 2021</u>	<u>Real Estate</u>	<u>Accounts Receivable</u>	<u>Equipment</u>	<u>Other</u>	<u>Total</u>	<u>ACL Allocation</u>
Commercial real estate . . . . .	\$2,143	\$ —	\$ —	\$ 155	\$ 2,298	\$ 283
Construction, land development, land . . . . .	987	—	—	—	987	—
1-4 family residential . . . . .	1,583	—	—	116	1,699	39
Farmland . . . . .	1,803	—	126	116	2,045	—
Commercial . . . . .	254	—	5,598	3,017	8,869	1,733
Factored receivables . . . . .	—	42,863	—	—	42,863	12,640
Consumer . . . . .	—	—	—	240	240	21
Mortgage warehouse . . . . .	—	—	—	—	—	—
<b>Total . . . . .</b>	<b><u>\$6,770</u></b>	<b><u>\$42,863</u></b>	<b><u>\$5,724</u></b>	<b><u>\$3,644</u></b>	<b><u>\$59,001</u></b>	<b><u>\$14,716</u></b>

At December 31, 2021 the balance of the Over-Formula Advance Portfolio included in factored receivables \$10,077,000 and was fully reserved. At December 31, 2021 the balance of Misdirected Payments included in factored receivables was \$19,361,000 and carried no ACL allocation.

<i>(Dollars in thousands)</i>						
<u>December 31, 2020</u>	<u>Real Estate</u>	<u>Accounts Receivable</u>	<u>Equipment</u>	<u>Other</u>	<u>Total</u>	<u>ACL Allocation</u>
Commercial real estate . . . . .	\$12,454	\$ —	\$ —	\$ 162	\$ 12,616	\$ 1,334
Construction, land development, land . . . . .	2,317	—	—	—	2,317	271
1-4 family residential . . . . .	1,948	—	—	248	2,196	34
Farmland . . . . .	2,189	—	143	198	2,530	—
Commercial . . . . .	1,813	—	5,842	9,352	17,007	5,163
Factored receivables . . . . .	—	92,437	—	—	92,437	51,371
Consumer . . . . .	—	—	—	253	253	37
Mortgage warehouse . . . . .	—	—	—	—	—	—
<b>Total . . . . .</b>	<b><u>\$20,721</u></b>	<b><u>\$92,437</u></b>	<b><u>\$5,985</u></b>	<b><u>\$10,213</u></b>	<b><u>\$129,356</u></b>	<b><u>\$58,210</u></b>