

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

Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs that reflect a company’s own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Assets and liabilities measured at fair value on a recurring basis are summarized in the table below.

<i>(Dollars in thousands)</i>	<u>Fair Value Measurements Using</u>			<u>Total</u>
<u>December 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Assets measured at fair value on a recurring basis				
Securities available for sale				
Mortgage-backed securities, residential	\$ —	\$ 37,449	\$ —	\$ 37,449
Asset-backed securities	—	6,764	—	6,764
State and municipal	—	26,825	—	26,825
CLO Securities	—	106,634	—	106,634
Corporate bonds	—	2,056	—	2,056
SBA pooled securities	—	2,698	—	2,698
	<u>\$ —</u>	<u>\$182,426</u>	<u>\$ —</u>	<u>\$182,426</u>
Equity securities				
Mutual fund	<u>\$5,504</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 5,504</u>
Loans held for sale	<u>\$ —</u>	<u>\$ 7,330</u>	<u>\$ —</u>	<u>\$ 7,330</u>
Indemnification asset	<u>\$ —</u>	<u>\$ —</u>	<u>\$4,786</u>	<u>\$ 4,786</u>
Derivative financial instruments (cash flow hedges)				
Interest rate swap	<u>\$ —</u>	<u>\$ 6,164</u>	<u>\$ —</u>	<u>\$ 6,164</u>

<i>(Dollars in thousands)</i>	<u>Fair Value Measurements Using</u>			<u>Total</u>
<u>December 31, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Assets measured at fair value on a recurring basis				
Securities available for sale				
U.S. Government agency obligations	\$ —	\$ 15,088	\$ —	\$ 15,088
Mortgage-backed securities, residential	—	27,684	—	27,684
Asset-backed securities	—	7,039	—	7,039
State and municipal	—	37,395	—	37,395
CLO Securities	—	122,204	—	122,204
Corporate bonds	—	11,573	—	11,573
SBA pooled securities	—	3,327	—	3,327
	<u>\$ —</u>	<u>\$224,310</u>	<u>\$ —</u>	<u>\$224,310</u>
Equity securities				
Mutual fund	<u>\$5,826</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 5,826</u>
Loans held for sale	<u>\$ —</u>	<u>\$ 24,546</u>	<u>\$ —</u>	<u>\$ 24,546</u>
Indemnification asset	<u>\$ —</u>	<u>\$ —</u>	<u>\$36,225</u>	<u>\$ 36,225</u>
Derivative financial instruments (cash flow hedges)				
Interest rate swap	<u>\$ —</u>	<u>\$ 816</u>	<u>\$ —</u>	<u>\$ 816</u>