



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, DC 20551

February 18, 2015

Mr. Adam D. Nelson
Senior Vice President and General Counsel
Triumph Bancorp, Inc.
12700 Park Central Drive, Suite 1700
Dallas, Texas 75251

Dear Mr. Nelson:

This is in response to your request on behalf of Triumph Bancorp, Inc. (“Triumph”), Dallas, Texas, for an exemption from a prohibition of the Depository Institution Management Interlocks Act (“Interlocks Act”)¹ and the Board’s Regulation L.² Triumph requests, under the general exemption provision of Regulation L, that the Board permit Mr. Derek McClain to serve as a director on the board of Triumph and as a member of Triumph’s Compensation and Audit committees while continuing to serve as a management official of Mutual of Omaha Insurance Company (“Mutual of Omaha”) and United of Omaha Life Insurance Company, both of Omaha, Nebraska.

The Interlocks Act and Regulation L prohibit a management official of a depository institution or depository holding company (“depository organization”) with total assets exceeding \$2.5 billion (or of any affiliate of such organization) from serving at the same time as a management official of an unaffiliated depository organization with total assets exceeding \$1.5 billion (or of any affiliate of such organization), regardless of the location of the two depository organizations.³ Although Triumph does not yet have total assets exceeding \$1.5 billion, Triumph anticipates that its assets will exceed this threshold in the near future. Once Triumph’s assets exceed \$1.5 billion, Triumph and Mutual of Omaha would each have assets that exceed the applicable thresholds.

¹ 12 U.S.C. § 3201 *et seq.*

² 12 CFR part 212.

³ 12 U.S.C. § 3203; 12 CFR 212.3(c).

Under the general exemption provision of Regulation L, the Board may permit an interlock that otherwise would be prohibited by the Interlocks Act if the Board determines that the interlock would not result in a monopoly or in a substantial lessening of competition and would not present safety and soundness concerns.⁴ The Board applies a strong presumption against granting a general exemption, and a general exemption request will only be granted in limited situations where warranted by the particular facts of the request.

The proposed interlock between Triumph and Mutual of Omaha would not result in a monopoly or in a substantial lessening of competition. In the relevant banking markets, there is minimal geographic overlap between the depository institutions controlled by these two firms.⁵ If the proposed interlock were evaluated as if Triumph and Mutual of Omaha were merging, the increase in market concentration, as measured by the Herfindahl-Hirschman Index (“HHI”), and the combined market share in those markets would remain consistent with Board precedent and within the thresholds of the Department of Justice Bank Merger Competitive Review guidelines (“DOJ Guidelines”).⁶ In addition, numerous competitors would remain in the markets. The interlock also would not have any substantial effect on competition with respect to the nonbanking activities of Triumph and Mutual of Omaha.

In addition, the interlock does not present safety and soundness concerns. Mr. McClain appears to have the background and experience to serve on Triumph’s board.

⁴ 12 CFR 212.6(a).

⁵ Triumph’s depository institutions are located in Dallas, Texas, and Moline, Illinois, with 20 branches in Texas, Illinois, and Iowa. Mutual of Omaha Bank has 35 branches throughout the United States, including 2 branches in Dallas, Texas. Mutual of Omaha Bank has no branches in Illinois or Iowa.

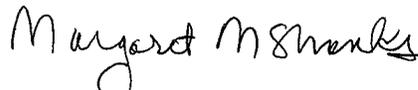
⁶ See 49 Federal Register 26823 (1984). Under the DOJ Guidelines for bank mergers and acquisitions, a market is considered unconcentrated if the post-merger HHI is under 1000, moderately concentrated if the post-merger HHI is between 1000 and 1800, and highly concentrated if the post-merger HHI exceeds 1800. The Department of Justice has informed the Board that a bank merger or acquisition generally will not be challenged (in the absence of other factors indicating anticompetitive effects) unless the post-merger HHI is at least 1800 and the merger increases the HHI by more than 200 points.

Moreover, the interlock involves a relatively small banking organization, on the one hand, and a large organization predominately engaged in insurance activities that controls a relatively small depository institution, on the other. Mr. McClain would not serve on the board of the insured depository institution owned by Mutual of Omaha.

Mr. McClain was vetted through a competitive process and determined to be a uniquely suitable candidate. Triumph seeks to retain Mr. McClain as a director because of the combination of his experiences as a corporate attorney and as the general counsel and chief financial officer of a public company; his experience with public company boards and their committees; his service on the board of a depository holding company; and his familiarity with Triumph as a shareholder of the company. Triumph believes this combination of attributes would be particularly valuable in assisting Triumph with its relatively new status as a public company, following the completion of its initial public offering in November 2014.

Based on all the facts of this case and for the reasons discussed above, the Board has granted an exemption to allow Mr. McClain to serve as a director on the board of Triumph while also serving as a management official of Mutual of Omaha for so long as it does not result in a monopoly or substantially lessen competition and is not unsafe and unsound.⁷

Sincerely yours,



Margaret McCloskey Shanks
Deputy Secretary of the Board

cc: Robert Mahalik, Director
Federal Reserve Bank of Dallas

⁷ 12 CFR 212.6(c).