

April, 2011

Dear Shareholders:

Touchmark completed 2010 resolutely focused on protecting and growing our franchise. We accepted the constraints of the complex and difficult environment in the financial industry, which spared no bank in the Atlanta market, but we are staying on course to strengthen our position to deliver growth and profitability in the long term.

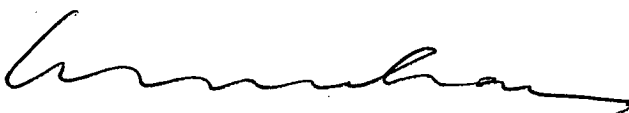
The achievement of 2010 reflects the steps we have taken to strengthen our core earning ability. Focusing on managed growth, managed risks, and maximizing revenue, we favored loans to owner managed businesses that are more prone to give us their total banking relationships as well as lower concentration risks. As a result, we were able to improve not only our loan yield, from 5.87% to 6.34%, but our non-interest bearing demand deposits more than doubled as of December 31, 2010 from the same time a year ago. Total core deposits grew 38% and total deposits reached \$107 million while loans grew 25% to \$83.2 million.

Interest income in 2010 totaled \$6.8 million compared to \$4.5 million the year before; interest income, net of interest paid on deposits, increased by 65.4% to \$4.65 million. This result was accomplished by a 50% growth in average earning assets as well as a 72 basis point or 29% increase in net interest spread, from 2.46% to 3.18%, resulting in a net interest margin of 3.45%, compared to 3.15% a year ago. Non-interest income significantly improved, up 45.7% to \$2.1 million, due to our award-winning SBA lending program.

All of these improvements would have produced a good result for us were it not for the \$5.1 million allocation for loan loss reserve, including \$4.62 million of additional reserves or charges allocated to a handful of loans requiring write down or specific reserve for performance or collateral valuation issues. We believe that we have identified all the existing problem loans and reserved conservatively for them. Allowance for loan losses is strong at 3.99% and we are working diligently to resolve the handful of non-performing loans. Nevertheless, if the economy does not improve and the real estate market continues to underperform, the legacy portfolio may continue to affect our performance. The loss for the year was \$4.03 million or \$1.16 per share. We will be reporting profits for the first quarter of 2011.

We are pleased to report that we have made satisfactory progress in implementing our strategic initiatives along our business plan. This includes initiating international trade services for domestic customers which will improve our fee income and differentiate us from other community banks.

Given our well capitalized position and our team of dedicated and talented employees, I am confident that Touchmark will continue to make excellent progress. I would like to take this opportunity to thank you, our shareholders, for your continued support.



Pin Pin Chau,
President and CEO