



TOUCHMARK
BANCSHARES, INC.

April 2009

Dear Shareholder,

Touchmark recently completed a successful first year of operation despite turbulent times in the economy and historic disruptions in the financial services industry. Our mantra: *soundness, profitability and growth* is piloting us through an economy that has created challenges for all, disaster for some...and opportunity for a resourceful few.

We opened our doors in January 2008 after completing one of the most successful community bank capital raises in Georgia's history. Our significant capital base, coupled with sound lending and investment strategies, has enabled Touchmark to maintain a "do business" attitude in serving our community. It's no surprise that people are searching for solid, secure institutions in which to place their trust and savings. We are attracting new clients who want strength and stability in their bank. The investment business calls this a "flight to quality". We call it "sound growth" and we carefully guard our distinction as a well-capitalized institution. Touchmark has assembled an outstanding team of banking professionals that is winning new relationships every day. We are actively pursuing lending opportunities, building our deposit base and adding to our client list with increasing momentum.

Enclosed you will find our 2008 audited financial statements. Loans grew by 35% in the fourth quarter and amounted to \$32 million at year-end. Our loan portfolio is sound, with no non-performing assets and no real estate owned through foreclosure. Deposits grew by 150% to \$27.8 million and our December marketing campaign brought nearly 200 new clients to Touchmark. We ended 2008 with \$71.2 million in assets. Despite the challenges of the financial markets, our operating revenues and expenses finished 2008 within budget and on track of our five year plan. We are proud of our accomplishments and our activity level has carried into 2009.

We frequently receive questions about the U.S. Treasury's Troubled Asset Relief Program (TARP). While Touchmark completed the TARP application process, our board has not determined whether or not we will participate if offered capital funds. Touchmark is already among the strongest capitalized banks in the United States, with 12/31/08 total risk-based capital of 53.84%, compared to a regulatory minimum of 10% for well-capitalized institutions. While we are grateful that the federal government is helping to stabilize the troubled financial sector, we are fortunate that we do not require any such assistance.

Thank you once again for your investment and for your trust in us.

Thomas E. Persons, Sr.
Chairman
Touchmark Bancshares, Inc.

William R. Short
President & CEO
Touchmark Bancshares, Inc.