



November 10, 2015

To our shareholders:

Touchmark Bancshares, Inc., continues to perform solidly through the third quarter of the year. Net interest income after provisions for loan losses increased by 37% to \$4.2 million since the prior year, resulting in net income after taxes of \$1.06 million. This equates to a 300% increase in net income after tax as compared to the \$264 thousand earned as of 9/30/14. Total assets increased by \$38 million or 23% while net loans and deposits increased by 34% and 17%, respectively since year end. Book value per share increased by \$0.54 to \$9.16 since the prior year.

Touchmark National Bank – 3rd Quarter Financial Highlights:

- **Net interest income before provision for loan losses increased 41%** to \$4.6 million year over year while the net interest margin improved by 18bp to 3.76%.
- **Non-interest income increased by 128% to \$2.3 million** year over year primarily from SBA related fees.
- **Non-interest expense increased by 39%** due to increased staffing costs, Other Real Estate Owned related expenses and SBA referral fees.
- **Gross loan balances increased \$58 million or 58%**, year over year.
 - **Deposits increased 18% to \$143 million.** The overall cost of funds decreased by 1bp to 0.90% during the current period as compared to 0.91% the previous year.
- **The Allowance for Loan Losses was \$2.3 million or 1.48% of total loans** compared to \$1.5 million or 1.51% of total loans a year earlier. Non-performing assets remain manageable at \$591 thousand or 0.30% of total assets. There were no charge offs during the quarter.

You may view our unaudited third quarter financial statements by visiting the investor relations section on our website at www.touchmarknb.com.

We remain focused on leveraging capital in order to maximize shareholder value and we believe our performance to date reflects the fruits of these efforts. Despite the strong growth we remain committed to credit quality as evidenced by the manageable level of non-performing assets. Loan demand remains strong so we are optimistic about a strong finish to 2015.

Thank you for your continued support and I welcome your questions, comments, or suggestions.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Forment", written in a cursive style.

Jorge L. Forment
President & CEO