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TOUCHMARK BANCSHARES, INC. REPORTS SECOND QUARTER RESULTS

Alpharetta, Ga. (August 6, 2025) – Touchmark Bancshares, Inc. (OTC Pink: TMAK), the holding company for Touchmark National Bank, today reported financial results for the second quarter of 2025.

Key highlights of Touchmark Bancshares’ results for the second quarter of 2025 include:

- Reduced cost of deposits by 27 basis;
- Unexpected loan payoffs impacted net income by \$466,000;
- One new Commercial Banker was added; and
- Solid new customer balance growth.

“During the second quarter, we experienced pressure on earnings related to unexpected loan payoffs of more than \$28 million and the acceleration of loan purchase premiums offset by loan prepayment revenue,” said Bobby Krimmel, President and CEO of Touchmark National Bank. “The cost of deposits was reduced during the quarter by 27 basis points and core deposit growth was used to repay non-core deposits at higher interest rates. We anticipate new loan growth to continue building momentum throughout the year and the net loan growth pace to turn positive during the first quarter of 2026.”

Krimmel continued, “A solid level of new customer balance growth within our primary service area was recorded during the quarter with loans totaling \$4.4 million and deposits totaling \$13.1 million. Additionally, our active loan pipeline improved to \$11.3 million in new opportunities for the third quarter. During the second quarter, we hired two local bankers to help us grow our technology capabilities and to manage our compliance risk and anticipate adding additional revenue and credit administration support during the third quarter. Finally, we continue to make progress on the Formal Agreement with the OCC and are committed to addressing all regulatory concerns.”

Second Quarter 2025 Results of Operations

- Net income decreased 66% to \$370,000 for the second quarter of 2025 compared to the same period for 2024 and decreased 50% from the sequential quarter driven by lower loan balances and \$1.1 million in loan purchase premium write-offs offset in part by early loan prepayment revenue of \$466,000 and lower deposit cost of \$348,000;
- Net interest income decreased 33% to \$1.9 million for the second quarter of 2025 compared to the same period for 2024 and decreased by \$1.0 million, or 35%, from the sequential quarter driven by \$1.1 million in loan purchase premium write-offs during the second quarter of 2025 and lower loan interest income of \$299,000 offset by reduced deposit cost of \$348,000;

- Non-interest income decreased 49% to \$604,000 for the second quarter of 2025 compared to the same period for 2024 but increased by \$442,000, or 273%, from the sequential quarter driven by \$466,000 of early loan prepayment revenue during the second quarter of 2025; and
- Non-interest expense decreased 22% to \$1.9 million compared to the same period for 2024 but increased by \$15,000 from the sequential quarter.

Balance Sheet and Capital

- Total loans declined by \$78 million, or 19%, to \$332 million during the second quarter of 2025 compared to the same period in 2024 and decreased by \$31 million, or 8%, from the sequential quarter driven by the unexpected loan payoffs from 12 loan relationships totaling \$28.1 million, normal amortization of the loan portfolio of \$6.9 million partially offset by new loan growth of \$4.5 million;
- Total deposits declined by \$51 million, or 13%, to \$348 million during the second quarter of 2025 compared to the same period in 2024 and decreased by \$6 million, or 2%, from the sequential quarter driven by a reduction in non-core deposits of \$7.0 million and lower retail time deposits of \$12.0 million offset by growth in checking and money market balances of \$13.9 million. New customer balance growth during the second quarter of 2025 was \$13.1 million; and
- As of June 30, 2025, book value per share decreased 1% to \$16.22 compared to the same period in 2024 but increased by \$0.08 compared to the sequential quarter.

Asset Quality

- Nonperforming assets, net of government guarantees, for the second quarter of 2025 decreased to \$7.4 million, or 1.74% of total assets, compared to \$13.5 million, or 2.80% of total assets, for the same period in 2024 and declined by \$131,000 compared to the sequential quarter driven by the resolution of two nonperforming loans at no loss;
- Net recoveries to average loans improved to 0.01% for the second quarter of 2025 compared to 0.01% for the same period in 2024 and net charge-offs of 0.60% for the sequential quarter; and
- Allowance for credit losses represented 0.68% of total loans outstanding as of the second quarter of 2025, down from 1.18% for the same period in 2024 but up from 0.58% for the sequential quarter.

About Touchmark Bancshares, Inc. and Touchmark National Bank

Touchmark Bancshares, Inc. is the holding company for Touchmark National Bank, a community bank founded in 2008 and headquartered in Alpharetta, Georgia, serving Cobb, Dekalb, Forsyth, Gwinnett, and North Fulton counties. As of June 30, 2025, Touchmark reported total assets of \$426 million and total shareholders' equity of \$73 million. For more information about Touchmark, visit us at www.touchmarknb.com under Investor Relations.

Cautionary Note Regarding Forward Looking Statements

This news release may contain certain “forward-looking statements” that represent Touchmark’s expectations or beliefs concerning future events and often use words or phrases such as “opportunities,” “prospects,” “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” “intends” or similar expressions. Such forward-looking statements contained herein represent the current expectations, plans or forecast of Touchmark and are about matters that are inherently subject to risks and uncertainties. These statements are not guarantees of future results or performance and readers are cautioned not to place undue reliance on them, whether included in this news release or made elsewhere from time to time by Touchmark or on its behalf. Touchmark disclaims any obligation to update such forward-looking statements.

TOUCHMARK BANCSHARES, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS

		(unaudited) June 30, 2025	December 31, 2024 ⁽¹⁾
<i>(dollars in thousands, except per share data)</i>			
ASSETS			
	Cash and due from banks	\$ 704	\$ 1,184
	Interest-bearing deposits	65,967	41,408
	Federal funds sold	5,175	5,175
	Total cash and cash equivalents	71,846	47,767
	Securities:		
	Available-for-sale	9,475	10,019
	Equity securities	1,598	1,654
	Loans, net of deferred fees	332,335	379,419
	Allowance for credit losses	(2,249)	(2,358)
	Net loans	330,086	377,061
	Bank premises and equipment, net	1,247	1,217
	Other Real Estate	6,888	6,888
	Deferred tax asset	1,088	1,112
	Other assets	3,779	4,573
	TOTAL ASSETS	\$ 426,007	\$ 450,291
LIABILITIES			
	Deposits:		
	Noninterest-bearing	\$ 17,753	\$ 16,957
	Interest-bearing	330,311	352,590
	Total deposits	348,064	369,547
	Accounts payable and accrued liabilities	5,350	9,331
	TOTAL LIABILITIES	353,414	378,878
SHAREHOLDERS' EQUITY			
	Common stock - \$0.01 par value per share, 50,000,000 shares authorized; 4,475,891 shares issued and outstanding as of the periods presented	45	45
	Additional paid-in capital	46,885	46,881
	Retained earnings	26,370	25,266
	Accumulated other comprehensive loss	(707)	(779)
	TOTAL SHAREHOLDERS' EQUITY	72,593	71,413
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 426,007	\$ 450,291

⁽¹⁾ Derived from audited financial statements as of December 31, 2024.

TOUCHMARK BANCSHARES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME
(unaudited)

		Three Months Ended June 30,		Six Months Ended June 30,	
		2025	2024	2025	2024
<i>(dollars in thousands, except per share data)</i>					
INTEREST AND DIVIDEND INCOME	Interest and fees on loans	\$ 4,673	\$ 7,058	\$ 10,876	\$ 14,962
	Income on investment securities				
	Taxable interest	685	111	1,220	229
	Interest from federal funds sold and other	57	663	113	1,462
	Total interest income	<u>5,415</u>	<u>7,832</u>	<u>12,209</u>	<u>16,653</u>
INTEREST EXPENSE	Interest on deposits	3,507	4,885	7,363	10,274
	Interest on borrowings	-	94	-	94
	Total interest expense	<u>3,507</u>	<u>4,979</u>	<u>7,363</u>	<u>10,368</u>
	Net interest income	1,908	2,853	4,846	6,285
	Provision for credit losses	150	186	445	186
	Net interest income after provision	<u>1,758</u>	<u>2,667</u>	<u>4,401</u>	<u>6,099</u>
NONINTEREST INCOME	Service fees on deposit accounts	2	5	3	9
	Loan servicing fees	130	134	240	258
	Other noninterest income	472	1050	524	1,440
	Total noninterest income	<u>604</u>	<u>1,189</u>	<u>767</u>	<u>1,707</u>
NONINTEREST EXPENSE	Salaries and employee benefits	1,028	1,056	2,011	2,112
	Net occupancy expense	50	66	118	135
	Foreclosed Real Estate Expenses	79	249	132	491
	Data processing expense	91	86	185	171
	Referral Fees for Gov't Guaranteed Loans	5	99	32	99
	Loan Collection Expense	59	100	64	265
	Audits and exams expense	45	42	90	84
	Board Expenses	85	75	258	137
	Supervisory Assessments	95	230	188	376
	Other noninterest expense	314	389	609	592
	Total noninterest expense	<u>1,851</u>	<u>2,392</u>	<u>3,687</u>	<u>4,462</u>
	Income before provision for income taxes	511	1,464	1,481	3,344
	Provision for income taxes	141	363	377	823
	Net income	<u>\$ 370</u>	<u>\$ 1,101</u>	<u>\$ 1,104</u>	<u>\$ 2,521</u>
	Weighted average shares outstanding - basic	4,475,891	4,475,891	4,475,891	4,475,891
	Weighted average shares outstanding - diluted	4,583,737	4,583,737	4,583,737	4,583,737
	Earnings per share	\$ 0.08	\$ 0.25	\$ 0.25	\$ 0.56
	Diluted earnings per share	\$ 0.08	\$ 0.24	\$ 0.24	\$ 0.55

TOUCHMARK BANCSHARES, INC. AND SUBSIDIARY
CONSOLIDATED FINANCIAL HIGHLIGHTS
(unaudited)

For the Three Months Ended

<i>(dollars in thousands, except per share data)</i>	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Results of Operations:					
Interest income	\$ 5,415	\$ 6,793	\$ 7,301	\$ 7,873	\$ 7,832
Interest expense	3,507	3,855	4,285	4,697	4,979
Net interest income	1,908	2,938	3,016	3,176	2,853
Provision for credit losses	150	295	2,240	150	186
Non-interest income	604	162	4	884	1,189
Non-interest expense	1,851	1,836	1,256	1,908	2,392
Income (loss) before income taxes	511	969	(476)	2,002	1,464
Income taxes (benefit)	141	236	(184)	491	363
Net income (loss)	<u>\$ 370</u>	<u>\$ 733</u>	<u>\$ (292)</u>	<u>\$ 1,511</u>	<u>\$ 1,101</u>
Per Share Data:					
Basic earnings per share	\$ 0.08	\$ 0.16	\$ (0.07)	\$ 0.34	\$ 0.25
Diluted earnings per share	\$ 0.08	\$ 0.16	\$ (0.07)	\$ 0.33	\$ 0.24
Book value per share	\$ 16.22	\$ 16.14	\$ 15.95	\$ 16.72	\$ 16.32
Weighted average shares outstanding per quarter - basic	4,475,891	4,475,891	4,475,891	4,475,891	4,475,891
Weighted average shares outstanding per quarter - diluted	4,583,737	4,583,737	4,583,737	4,583,737	4,583,737
Financial Condition Data and Ratios:					
Loans, net of deferred fees	\$ 332,335	\$ 362,836	\$ 379,419	\$ 389,679	\$ 410,711
Allowance for credit losses	\$ (2,249)	\$ (2,092)	\$ (2,358)	\$ (4,673)	\$ (4,858)
Total assets	\$ 426,007	\$ 432,421	\$ 450,291	\$ 464,973	\$ 480,229
Total deposits	\$ 348,064	\$ 354,099	\$ 369,547	\$ 382,641	\$ 398,841
Net interest margin	1.83%	2.71%	2.72%	2.75%	2.35%
Efficiency	70.65%	58.68%	44.81%	46.56%	57.36%
Asset Quality Data and Ratios:					
Total nonperforming assets	\$ 22,409	\$ 23,042	\$ 23,039	\$ 27,735	\$ 30,089
Total nonperforming assets, net of government guarantees	7,422	7,553	7,552	11,059	13,450
Nonperforming assets to total assets	5.26%	5.33%	5.13%	5.95%	6.26%
Nonperforming assets to total assets, net of government guarantees	1.74%	1.75%	1.68%	2.37%	2.80%
Allowance for credit losses to total loans	0.68%	0.58%	0.62%	1.20%	1.18%
Net (recoveries) charge-offs to average loans (annualized)	(0.01%)	0.60%	4.74%	0.34%	(0.01%)

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