

**TOUCHMARK BANCSHARES, INC.  
AND SUBSIDIARY**

**Consolidated Balance Sheet  
December 31, 2013 and 2012**

<u>ASSETS</u>	<u>2013</u>	<u>2012</u>
Cash and due from banks	\$ 1,083,304	\$ 2,020,540
Federal funds sold	-	125,000
Interest-bearing accounts with other banks	3,333,058	4,342,125
Investment securities:	22,166,375	28,887,181
Restricted stock	1,871,300	1,635,450
Loan held for sale	78,429	148,658
Loans	93,940,625	79,979,877
Allowance for loan losses	(1,264,381)	(1,787,109)
Accrued interest receivable	377,612	429,459
Premises and equipment	1,666,776	2,326,270
Foreclosed real estate	2,029,407	3,861,419
Land held for sale	2,409,023.00	2,409,023
Deferred Tax	5,209,588	4,027,360
Other assets		
Total assets	<u>\$ 132,901,116</u>	<u>\$ 128,405,253</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
Liabilities:		
Deposits:		
Non-interest bearing demand	\$ 8,266,217	\$ 9,040,274
Interest-bearing	72,338,292	71,769,626
Total deposits	80,604,509	80,809,900
Accrued interest payable	14,766	19,477
Federal Home Loan Bank advances	19,750,000	14,750,000
Federal funds purchased	2,988,000	3,019,000
Other liabilities	148,806	257,529
Total liabilities	103,506,081	98,855,906
Shareholders' Equity		
Preferred stock, no par value, 10,000,000 shares authorized, none issued	-	-
Common stock	34,654	34,654
Paid in capital	36,251,896	36,230,955
Accumulated deficit	(6,526,065)	(7,063,950)
Accumulated other comprehensive income	(365,450)	347,688
Total shareholders' equity	29,395,035	29,549,347
Total liabilities and shareholders' equity	<u>\$ 132,901,116</u>	<u>\$ 128,405,253</u>

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AND SUBSIDIARY**

**Condensed Statement of Income  
For the Years Ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Total interest income	4,984,559	5,514,641
Total interest expense	765,825	1,042,028
Net interest income	4,218,734	4,472,613
Provision for loan losses	(200,000)	525,000
Net interest income after provision for loan losses	4,418,734	3,947,613
Total noninterest income	1,697,742	2,382,328
Total noninterest expense	5,351,740	5,981,138
Net income before taxes	764,736	348,803
Income tax benefit (expense)	(226,851)	4,015,765
Net income	<u>537,885</u>	<u>4,364,568</u>

**Key Ratios**

Basic Earnings Per Share	\$ 0.16	\$ 1.26
Diluted Earnings Per Share	\$ 0.16	\$ 1.26
Dividends Per Share	\$ -	\$ -
Book Value Per Share	\$ 8.48	\$ 8.53
Return on Average Assets	0.41%	6.80%
Return on Average Equity	1.83%	29.54%
Efficiency Ratio	90.45%	87.25%