

**TOUCHMARK BANCSHARES, INC.
AND SUBSIDIARY**

**Consolidated Balance Sheet
June 30, 2018 and December 31, 2017
(Unaudited)**

| <u>ASSETS</u> | <u>2018</u> | <u>2017</u> |
|---|-----------------------|-----------------------|
| Cash and due from banks | \$ 11,036,365 | \$ 2,438,577 |
| Federal funds sold | 4,275,000 | 3,742,085 |
| Interest-bearing accounts with other banks | 8,423,207 | 1,368,556 |
| Investment securities | 20,323,109 | 21,526,587 |
| Restricted stock | 2,279,500 | 2,561,400 |
| Loans | 343,701,198 | 346,746,535 |
| Premises and equipment | 1,490,579 | 1,481,117 |
| Other assets | 3,817,722 | 3,246,250 |
| Total assets | <u>\$ 395,346,680</u> | <u>\$ 383,111,107</u> |
| <u>LIABILITIES AND SHAREHOLDERS' EQUITY</u> | | |
| Liabilities: | | |
| Deposits: | | |
| Non-interest bearing demand | \$ 20,545,511 | \$ 24,634,285 |
| Interest-bearing | 310,002,792 | 283,527,387 |
| Total deposits | 330,548,303 | 308,161,672 |
| Federal Home Loan Bank advances | 15,500,000 | 27,500,000 |
| Federal funds purchased | - | - |
| Other liabilities | 1,244,530 | 2,098,279 |
| Total liabilities | <u>\$ 347,292,833</u> | <u>\$ 337,759,951</u> |
| Shareholders' Equity | | |
| Preferred stock, no par value, 10,000,000 shares authorized, none issued | - | - |
| Common stock | 44,759 | 44,684 |
| Paid in capital | 46,588,973 | 46,426,170 |
| Retained Earnings | 1,980,564 | (920,643) |
| Accumulated other comprehensive income | (560,449) | (199,055) |
| Total shareholders' equity | <u>\$ 48,053,847</u> | <u>\$ 45,351,156</u> |
| Total liabilities and shareholders' equity | <u>\$ 395,346,680</u> | <u>\$ 383,111,107</u> |

Condensed Statement of Income
For the Six Months Ended June 30, 2018 and 2017
(Unaudited)

| | 2018 | 2017 |
|---|-------------|-------------|
| Net interest income | 6,021,749 | 5,319,522 |
| Provision for loan losses | 100,000 | 150,000 |
| Net interest income after provision for loan losses | 5,921,749 | 5,169,522 |
| Total noninterest income | 2,072,106 | 2,004,397 |
| Total noninterest expense | 4,095,546 | 4,800,168 |
| Net income before taxes | 3,898,309 | 2,373,751 |
| Income tax benefit (expense) | (972,750) | (880,000) |
| Net income | 2,925,559 | 1,493,751 |

Key Ratios

| | | |
|----------------------------|----------|----------|
| Basic Earnings Per Share | \$ 0.65 | \$ 0.43 |
| Diluted Earnings Per Share | \$ 0.65 | \$ 0.43 |
| Book Value Per Share | \$ 10.74 | \$ 10.32 |
| Return on Average Assets | 1.50% | 1.01% |
| Return on Average Equity | 12.53% | 8.56% |
| Efficiency Ratio | 50.60% | 65.54% |