

**TOUCHMARK BANCSHARES, INC.
AND SUBSIDIARY**

**Consolidated Balance Sheet
March 31, 2016 and December 31, 2015
(Unaudited)**

<u>ASSETS</u>	<u>2016</u>	<u>2015</u>
Cash and due from banks	\$ 8,986,055	\$ 2,299,497
Federal funds sold	4,000,000	-
Interest-bearing accounts with other banks	7,714,613	2,836,603
Investment securities	23,101,977	28,479,841
Restricted stock	1,875,000	1,968,300
Loans	166,413,540	153,791,891
Premises and equipment	1,499,225	1,510,988
Foreclosed real estate	525,000	525,000
Land held for sale	1,500,000	1,650,000
Deferred Tax	3,731,906	3,894,399
Total assets	\$ 219,347,316	\$ 196,956,519
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
Liabilities:		
Deposits:		
Non-interest bearing demand	\$ 16,423,035	\$ 12,898,398
Interest-bearing	150,259,107	129,046,218
Total deposits	166,682,142	141,944,616
Federal Home Loan Bank advances	19,500,000	21,750,000
Federal funds purchased	-	408,000
Other liabilities	376,754	552,446
Total liabilities	\$ 186,558,896	\$ 164,655,062
Shareholders' Equity		
Preferred stock, no par value, 10,000,000 shares authorized, none issued	-	-
Common stock	34,654	34,654
Paid in capital	36,260,695	36,260,695
Accumulated deficit	(3,615,954)	(3,984,427)
Accumulated other comprehensive income	109,025	(9,465)
Total shareholders' equity	\$ 32,788,420	\$ 32,301,457
Total liabilities and shareholders' equity	\$ 219,347,316	\$ 196,956,519

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AND SUBSIDIARY**

**Condensed Statement of Income
For the Three Months Ended March 30, 2016 and 2015
(Unaudited)**

	2016	2015
Total interest income	2,220,091	1,737,940
Total interest expense	393,301	311,139
Net interest income	1,826,790	1,426,801
Provision for loan losses	50,000	125,000
Net interest income after provision for loan losses	1,776,790	1,301,801
Total noninterest income	307,309	643,889
Total noninterest expense	1,526,884	1,782,277
Net income before taxes	557,215	163,413
Income tax benefit (expense)	(195,000)	(57,000)
Net income	<u>362,215</u>	<u>106,413</u>

Key Ratios

Basic Earnings Per Share	\$ 0.10	\$ 0.03
Diluted Earnings Per Share	\$ 0.10	\$ 0.03
Dividends Per Share	\$ -	\$ -
Book Value Per Share	\$ 9.46	\$ 8.90
Return on Average Assets	0.70%	0.26%
Return on Average Equity	4.45%	1.39%
Efficiency Ratio	71.55%	86.07%