



August 7, 2015

To our shareholders:

Touchmark National Bank's growth and performance remains strong through the second quarter of the year. Net interest income after provisions for loan losses increased by 35% to \$2.6 million year over year, resulting in net income after taxes of \$785 thousand and represents a 76% increase from the prior period.

Touchmark National Bank – 2nd Quarter Financial Highlights:

- **Net interest income before provision for loan losses increased 33 %** to \$2.9 million year over year while the net interest margin remained unchanged at 3.73%.
- **Non-interest income increased by 74% to \$1.5 million** year over year primarily from SBA related fees.
- **Non-interest expense increased by 37%** due to increased staffing costs and Other Real Estate Owned related expenses.
- **Gross loan balances increased \$41 million or 42%,** year over year.
- **Deposits increased 26.5% to \$139.6 million.** The overall cost of funds was 0.91% during the current period as compared to 0.89% the previous year.
- **The Allowance for Loan Losses was \$2.2 million or 1.56% of total loans** compared to \$1.52 million or 1.55% of total loans a year earlier. Non-performing assets remain manageable at \$525 thousand or 0.30% of total assets. We experienced no charge offs during the quarter.

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

We are focused on leveraging capital in order to maximize shareholder value. This requires investing in human capital in order to accelerate the pace of growth and new business. We remain committed to this strategy in order to achieve our growth objectives and our performance to date reflects the fruits of these efforts. Our loan pipeline remains strong, our credit quality is good and our non-performing assets are at a manageable level. All this gives us optimism about our future prospects.

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

Sincerely,

A handwritten signature in dark ink, appearing to read "J. Forment", with a stylized flourish at the end.

Jorge L. Forment
President & CEO