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TOUCHMARK BANCSHARES, INC. REPORTS THIRD QUARTER 2026 RESULTS

Net Income Jumps 39%

Alpharetta, Georgia (October 26, 2026) – Touchmark Bancshares, Inc. (OTCID: TMAK), the holding company for Touchmark National Bank, today reported net income of $849,000, or $0.19 per diluted share, for the third quarter of 2026, compared with $609,000, or $0.13 per diluted share, for the third quarter of 2025. For the nine months ended September 30, 2026, net income was $1.70 million, or $0.37 per diluted share, compared with $1.71 million, or $0.37 per diluted share, for the same period in 2025.

Quarterly Highlights

- Net income increased 39% from the same period last year;
- Net interest margin expanded to 2.81%;
- Efficiency dropped to 60.64%;
- Nonperforming assets decreased 15% from the prior quarter; and
- The Company repurchased 15,000 shares of common stock in the open market.

"We made significant progress during the third quarter optimizing our balance sheet to support growth in net income, net interest margin and efficiency," said Bobby Krimmel, President and Chief Executive Officer of Touchmark Bancshares, Inc. "Net income reached the highest level in two years while efficiency improved to an 18-month low. We experienced a slowdown in lending activity during the quarter with $2.7 million in new loan commitments as many of the companies we were working with turned cautious because of higher interest rates and inflation. However, we anticipate the slowdown to be temporary with a return to organic loan growth during the fourth quarter at a similar pace experienced earlier this year."

Krimmel continued, "During the quarter we welcomed 28 new loan and deposit customers to Touchmark and continued to experience growth in our relationship banking model. We made significant progress in resolving our nonperforming assets which dropped by $3.3 million to a three-year low. Interest expense declined for the 10th consecutive quarter as we continued our strategy to exit non-relationship deposit customers. We replaced our Company's website with a new modern look with more information about Touchmark National Bank and changed the website domain to TouchmarkBank.com to make it easier for new prospects to find us. The Company continued its stock repurchase program during the quarter, buying 15,000 shares in the open market at a 35% discount to book value."

Third Quarter 2026 Results of Operations

- Net income increased 39% to $849,000 for the third quarter of 2026, compared with $609,000 for the third quarter of 2025, and increased from $752,000 in the prior quarter. The sequential-quarter increase was driven primarily by a $132,000 increase in net interest income, a $170,000 decrease in the provision for credit losses, and a $44,000 decrease in noninterest expense. These improvements were partially offset by a $219,000 gain recognized in the prior quarter from the recovery of a loan guaranty.

- Net interest income increased 4.2% to $2.8 million for the third quarter of 2026, compared with $2.7 million for the third quarter of 2025, and increased $132,000, or 4.9%, from the prior quarter. The sequential-quarter increase reflected continued margin expansion from funding-cost management and the addition of higher-yielding assets. It also included $203,000 of interest income recognized on a government-guaranteed nonperforming loan, partially offset by an $89,000 prepayment penalty recognized in the second quarter of 2026.

- Year-to-date loan production totaled $26.5 million, compared with $11.5 million for the same period in 2025. Excluding loan premium amortization, the yield on loans increased 37 basis points to 7.21% from 6.84% in the prior quarter, while the cost of funds improved by 3 basis points to 3.05% from 3.08%. These factors contributed to an increase in the Bank's net interest margin to 2.81%, its highest level since 2024.

- Noninterest income was $102,000 for the third quarter of 2026, compared with $110,000 for the third quarter of 2025 and $329,000 in the prior quarter. The higher level in the prior quarter primarily reflected a $219,000 gain from the recovery of a government loan guaranty.

- Noninterest expense decreased 3.0% to $1.8 million for the third quarter of 2026, compared with the third quarter of 2025, and decreased $44,000, or 2.4%, from the prior quarter. The decrease primarily reflected lower compensation and employee benefit expenses, partially offset by higher other real estate and loan collection expenses. The efficiency ratio improved to 60.64% for the quarter, compared with 64.26% in the third quarter of 2025 and 64.00% from the prior quarter.

Balance Sheet and Capital

- Total assets decreased $12.5 million, or 3.0%, during the third quarter of 2026 to $403.6 million compared to the sequential quarter. The decrease primarily reflected a reduction of $12.6 million in net deposit outflows while loan balances declined $10.0 million and the securities portfolio increased $8.3 million.

- Total loans decreased $10.0 million, or 3.2%, to $307.4 million during the third quarter of 2026 compared to the sequential quarter. The decrease from the prior quarter reflected $12.4 million in loan payoffs and principal repayments along with $1.3 million of loan premium amortization on government-guaranteed purchased loans, partially offset by $3.7 million of new loan growth.

- Total deposits decreased $12.6 million, or 3.7%, to $325.5 million during the third quarter of 2026 compared to the sequential quarter. The decrease from the prior quarter primarily reflected declines of $14.3 million in time deposits and $1.2 million in demand deposits, partially offset by $2.9 million growth in money market deposits.

- Book value per share was $16.16 at September 30, 2026, compared with $16.39 at September 30, 2025 and $16.03 at June 30, 2026; and

- The Bank remained well-capitalized as of September 30, 2026, with a leverage ratio of 13.39% and tier 1 risk-based capital ratio of 45.92%.

Asset Quality

- Total nonperforming assets decreased $3.3 million, or 15%, from the prior quarter and $3.6 million, or 16%, from the third quarter of 2025. Nonperforming assets, net of government guarantees, were $6.3 million, or 1.56% of total assets, at September 30, 2026, compared with $6.4 million, or 1.54% of total assets, at June 30, 2026 and $6.5 million, or 1.55% of total assets, at September 30, 2025.

- Net charge-offs were 0.26% of average loans during the third quarter of 2026, primarily reflecting charge-offs of premiums associated with legacy government-guaranteed purchased loans that paid off during the quarter. This compared with no charge-offs in the third quarter of 2025 and net recoveries of 0.05% in the prior quarter; and

- The allowance for credit losses represented 0.79% of total loans at September 30, 2026, compared with 0.73% at September 30, 2025 and 0.83% at June 30, 2026.

Capital Management Initiatives

During the third quarter of 2026, the Company repurchased 15,000 shares of common stock in the open market at an average price of $10.51 per share, representing a 35.0% discount to book value per share at September 30, 2026. The current program has remaining authorization to repurchase 170,000 shares and is scheduled to expire on May 26, 2027, unless extended or completed earlier.

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. The Bank serves Cherokee, Cobb, DeKalb, Forsyth, Gwinnett, and North Fulton counties. As of September 30, 2026, Touchmark reported total assets of $404 million and total shareholders' equity of $72 million. For more information, visit www.TouchmarkBank.com and select 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

	(dollars in thousands, except per share data)	(unaudited) September 30, 2026	December 31, 2025[1]
ASSETS	Cash and due from banks	$ 1,440	$ 607
	Interest-bearing deposits	59,504	65,041
	Federal funds sold	5,175	5,175
	Total cash and cash equivalents	66,119	70,823
	Available-for-sale securities	19,353	10,806
	Equity securities	1,577	1,598
	Loans, net of deferred fees and purchased premiums	307,376	324,725
	Allowance for credit losses	(2,425)	(2,543)
	Net loans	304,951	322,182
	Bank premises and equipment, net	1,370	1,490
	Other real estate	5,826	5,826
	Other assets	4,434	4,912
	TOTAL ASSETS	$ 403,630	$ 417,637
LIABILITIES	Deposits:		
	Noninterest bearing demand	$ 16,916	$ 17,722
	Interest-bearing demand	1,916	1,867
	Savings	102	46
	Money market	155,539	95,941
	Time deposits	151,039	223,119
	Total deposits	325,512	338,694
	Accounts payable and accrued liabilities	6,248	8,027
	TOTAL LIABILITIES	331,760	346,721
SHAREHOLDERS' EQUITY	Common stock - $0.01 par value, 50,000,000 shares authorized; 4,446,890 shares issued and outstanding as of September 30, 2026, and 4,476,891 shares issued and outstanding as of December 31, 2025	44	45
	Additional paid-in capital	46,895	46,895
	Retained earnings	25,920	24,523
	Accumulated other comprehensive loss	(989)	(547)
	TOTAL SHAREHOLDERS' EQUITY	71,870	70,916
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 403,630	$ 417,637

[1] Derived from audited financial statements as of December 31, 2025.

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

		Three Months Ended September 30,		Nine Months Ended September 30,	
	(dollars in thousands, except per share data)	2026	2025	2026	2025
INTEREST AND DIVIDEND INCOME	Interest and fees on loans	$ 4,646	$ 5,144	$ 13,500	$ 16,529
	Income on investment securities	157	112	358	322
	Interest from federal funds sold and other	676	812	1,854	1,935
	Total interest income	5,479	6,068	15,712	18,786
INTEREST EXPENSE	Interest on deposits	2,671	3,374	8,166	10,736
	Interest on borrowings	-	-	-	-
	Total interest expense	2,671	3,374	8,166	10,736
	Net interest income	2,808	2,694	7,546	8,050
	Provision for credit losses	-	150	320	595
	Net interest income after provision	2,808	2,544	7,226	7,455
NONINTEREST INCOME	Service fees on deposit accounts	2	3	7	6
	Loan servicing fees	90	98	290	337
	Gain on asset sales	-	-	219	-
	Other noninterest income	10	9	30	24
	Total noninterest income	102	110	546	367
NONINTEREST EXPENSE	Salaries and employee benefits	983	926	3,112	2,937
	Net occupancy expense	71	75	215	193
	Foreclosed real estate expenses	66	173	258	305
	Data processing expense	105	95	300	280
	Loan collection expense	55	65	57	129
	Audits and exams expense	65	45	165	135
	Board expenses	95	91	306	382
	Supervisory assessments	47	75	215	263
	Other noninterest expense	299	295	879	904
	Total noninterest expense	1,786	1,840	5,507	5,528
	Income before provision for income taxes	1,124	814	2,265	2,294
	Provision for income taxes	275	205	570	582
	Net income	$ 849	$ 609	$ 1,695	$ 1,712
	Weighted average shares outstanding - basic	4,454,879	4,475,891	4,468,246	4,475,891
	Weighted average shares outstanding - diluted	4,561,725	4,583,737	4,575,092	4,583,737
	Earnings per share	$ 0.19	$ 0.14	$ 0.38	$ 0.38
	Diluted earnings per share	$ 0.19	$ 0.13	$ 0.37	$ 0.37

Certain prior-year accounts were reclassified to conform to the current year presentation.

TOUCHMARK BANCSHARES, INC. AND SUBSIDIARY
FINANCIAL HIGHLIGHTS
(Unaudited)

(dollars in thousands except per share data)	For the Three Months Ended				
	September 30, 2026	**June 30, 2026**	**March 31, 2026**	**December 31, 2025**	**September 30, 2025**
Results of Operations:					
Interest income	$ 5,479	$ 5,363	$ 4,871	$ 5,513	$ 6,067
Interest expense	2,671	2,687	2,808	3,091	3,373
Net interest income	2,808	2,676	2,063	2,422	2,694
Provision for credit losses	-	170	150	150	150
Non-interest income	102	329	115	112	110
Non-interest expense	1,786	1,830	1,892	1,941	1,840
Income before income taxes	1,124	1,005	136	443	814
Income taxes	275	253	42	4	205
Net income	$ 849	$ 752	$ 94	$ 439	$ 609
Return on average assets	0.83%	0.73%	0.09%	0.42%	0.58%
Return on average equity	4.74%	4.22%	0.53%	2.43%	3.34%
Per Share Data:					
Basic earnings per share	$ 0.19	$ 0.17	$ 0.02	$ 0.10	$ 0.14
Diluted earnings per share	$ 0.19	$ 0.16	$ 0.02	$ 0.10	$ 0.13
Book value per share	$ 16.16	$ 16.03	$ 15.85	$ 15.84	$ 16.39
Weighted average shares outstanding per quarter - basic	4,454,879	4,473,209	4,476,891	4,476,630	4,475,891
Weighted average shares outstanding per quarter - diluted	4,561,725	4,580,055	4,583,737	4,583,737	4,583,737
Financial Condition Data and Ratios:					
Loans, net of deferred fees and purchased premiums	$ 307,376	$ 317,376	$ 320,708	$ 324,725	$ 329,437
Allowance for credit losses	$ (2,425)	$ (2,629)	$ (2,436)	$ (2,543)	$ (2,398)
Total assets	$ 403,630	$ 416,170	$ 410,201	$ 417,637	$ 417,756
Total deposits	$ 325,512	$ 338,159	$ 332,939	$ 338,694	$ 339,032
Total equity	$ 71,870	$ 71,535	$ 70,953	$ 70,916	$ 73,347
Net interest margin	2.81%	2.61%	1.94%	2.32%	2.58%
Efficiency	60.64%	64.00%	85.05%	75.08%	64.26%
Common equity tier 1 ratio (bank)	45.92%	42.68%	42.09%	46.00%	48.54%
Tier 1 leverage ratio (bank)	13.39%	13.15%	12.88%	12.62%	12.71%
Tier 1 risk-based capital ratio (bank)	45.92%	42.69%	42.09%	46.00%	45.84%
Asset Quality Data and Ratios:					
Total nonperforming assets	$ 18,708	$ 22,010	$ 22,590	$ 25,080	$ 22,323
Total nonperforming assets, net of government guarantees	$ 6,293	$ 6,424	$ 6,483	$ 6,521	$ 6,478
Total nonperforming assets to total assets	4.63%	5.29%	5.51%	6.01%	5.34%
Total nonperforming assets to total assets, net of government guarantees	1.56%	1.54%	1.58%	1.56%	1.55%
Allowance for credit losses to total loans	0.79%	0.83%	0.76%	0.78%	0.73%
Net charge-offs (recoveries) to average loans	0.26%	-0.05%	0.32%	0.01%	0.00%