



**2013
ANNUAL REPORT**

STATE OF TENNESSEE, DEPARTMENT OF FINANCIAL INSTITUTIONS

COMMISSIONER GREG GONZALES

February 25, 2014

Dear Governor Haslam and Citizens of the State of Tennessee:

I am pleased to present the 39th Annual Report of the Department of Financial Institutions.

The Department regulates banks, credit unions, trust companies, business and industrial development corporations, industrial loan and thrift companies, insurance premium finance companies, mortgage lenders, brokers, servicers and originators, title pledge lenders, check cashers, deferred presentment services companies and money transmitters.

We play a vital role in regulating and supporting the financial services industry and ensuring that Tennessee financial institutions remain fiscally strong and comply with governing authority.

The Department's mission is to ensure a safe and sound system of state-chartered and licensed institutions for Tennessee citizens. The condition of the Tennessee banking system remains sound despite challenging economic times. Tennessee state-chartered depository institutions remain well positioned to continue serving their communities, and have shown slow but steady improvement.

Although consolidation within the banking industry is anticipated in 2014, total loans and assets continue to increase and the complexity and breadth of operations continue to grow. There have been no applications for a state bank charter filed since 2007, but there has been a significant number of conversions from a federal charter to a state banking charter.

The Department recommends legislation in 2014. We recommend legislation to amend the Tennessee Banking Act regarding the formation and regulation of trust companies. We also recommend legislation providing for a more stable funding mechanism for the regulation of nonbank financial institutions.

While a general economic recovery continues, general expectations are that the recovery will continue to be slow. Since financial institutions are, in many respects, a mirror of the local economy, we expect financial institutions to continue to deal with challenges. Besides the economy, financial institutions and state regulators will need to adapt to a changing federal regulatory landscape as well.

Our experience indicates that financial literacy is one of the keys to dealing with the economic issues facing us today. The Department has initiated a number of activities in recent years. Public service announcements, workshops, consumer alerts, panel discussions and an effort to reach Tennessee teachers and students were all a part of this effort. I serve on the board of the Tennessee Financial Literacy Commission. The mission of the Tennessee Financial Literacy Commission is to equip Tennesseans to make sound financial decisions when it comes to planning, saving and investing.

Throughout this report you will find additional information related to the work of this agency, as well as the condition of the entities the Department regulates. As you read this report, you will notice that Tennessee remains a premier state for banking and financial services companies. On behalf of the employees of the Department, this report is respectfully submitted.

Sincerely,

A handwritten signature in blue ink that reads "Greg Gonzales". The signature is written in a cursive, flowing style.

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DEPARTMENT OVERVIEW



OUR MISSION

The primary statutory mission of the Department of Financial Institutions is to provide the people of Tennessee with a safe and sound system of banks and other institutions by ensuring safety and soundness and compliance with governing law, while giving institutions the opportunity to contribute to the economic progress of Tennessee and the nation.

OUR VISION

Our vision is the establishment of a regulatory program that provides for a sound state financial services system within which well-meaning institutions have the opportunity to succeed and serve their communities by encouraging commerce while there is strong enforcement of laws and regulations to protect citizens.

Commissioner Greg Gonzales

Greg Gonzales is the 18th commissioner of the Tennessee Department of Financial Institutions, who began serving in this role in 2005, and was reappointed by Governor Bill Haslam. He has served in the department since 1986. In this position, Gonzales serves as Tennessee's chief regulatory officer of all state-chartered depository and licensed non-depository financial institutions. Additionally, he has served as assistant commissioner and general counsel for the department.

Commissioner Gonzales is the immediate past Chairman of the Conference of State Bank Supervisors (CSBS), which is the professional organization of state banking commissioners in the United States. Commissioner Gonzales, for a number of years, served as a member of the Board of Directors of the Money Transmitter Regulators Association (MTRA), an organization of a majority of the states that regulate funds transfer companies. He continues to be engaged with the MTRA. He served on the U.S. Treasury's Bank Secrecy Act Advisory Group. Commissioner Gonzales also currently serves on the Board of Directors of the Tennessee Financial Literacy Commission.

Commissioner Gonzales was born in Cookeville, Tennessee and graduated Cum Laude in Cursu Honorum with a bachelor's degree from Tennessee Technological University in 1980. He earned a law degree from the University of Tennessee in 1984.

DEPARTMENT OVERVIEW

Total Number of State-Chartered Institutions

Fiscal Year June 30, 2012 vs. Fiscal Year June 30, 2013

CHARTERS	June 30, 2012	June 30, 2013
Commercial Banks/Savings Banks	156	156
Trust Companies	8	8
BIDCOs	2	2
Credit Unions	100	96
TOTAL NUMBER OF CHARTERS	266	261

Total Number of Licensed or Registered Non-Depository Financial Institutions and Individuals

Fiscal Year June 30, 2012 vs. Fiscal Year June 30, 2013

LICENSEES / REGISTRANTS	June 30, 2012	June 30, 2013
Industrial Loan and Thrift Companies	1,043	1,054
Insurance Premium Finance Companies	54	51
Mortgage Companies	516	530
Mortgage Branches	813	1,050
Mortgage Loan Originators	4,843	5,729
Money Transmitters	67	71
Deferred Presentment	1,218	1,246
Check Cashers	670	655
Title Pledge Lenders	864	985
TOTAL NUMBER OF LICENSEES / REGISTRANTS	10,088	11,371

Total Refunded to Consumers per Industry

Fiscal Year ending June 30, 2013

LICENSEES / REGISTRANTS	TOTAL
Industrial Loan and Thrift Companies	\$533,732.13
Mortgage Companies	\$1,754,459.47
Deferred Presentment	\$42,823.44
Title Pledge Lenders	\$88,772.34
Check Cashers	\$4,475.15
Insurance Premium Finance Companies	\$58.28
TOTAL REFUNDED	\$2,424,320.81

2013 FISCAL REVIEW

FUNDING SOURCES

REVENUE SOURCE	AMOUNT (ROUNDED TO NEAREST HUNDRED DOLLARS)
Appropriations-Bank Assessment Fees	\$8,829,500
Other Bank Fees	\$243,200
BIDCO's & Trust Company Fees	\$83,800
Credit Union Supervision Fees	\$2,415,900
Non-Depository Fees	\$4,872,200
Money Transmitter Fees	\$218,800
Inter-Departmental Revenue	\$1,800
Nationwide Settlement Funds	\$1,000,000.00
TOTAL REVENUES	\$17,665,200

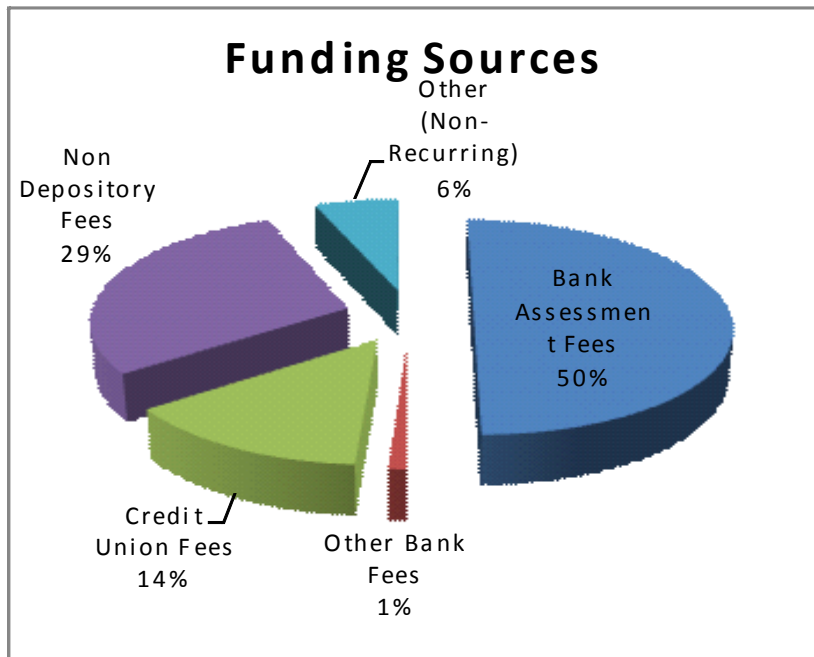
FISCAL NUMBERS AT A GLANCE

The Department of Financial Institutions receives no federal or state taxpayer funds and is fully funded by the fees assessed to the financial institutions regulated and supervised by the department.

In late FY 2012, the Department received one time settlement funds totaling \$1,000,000 from a nationwide settlement. These funds were carried forward to FY 2013.

The Department's regulatory oversight includes:

- State-Chartered Banks
- State-Chartered Credit Unions
- Business and Industrial Development Corporations (BIDCOS)
- Trust Companies
- Industrial Loan and Thrift Companies
- Check Cashing Companies
- Deferred Presentment Companies
- Money Transmitters
- Mortgage Companies and Mortgage Loan Originators
- Insurance Premium Finance Companies
- Title Pledge Lenders



2013 FISCAL REVIEW

EXPENDITURES

EXPENDITURE CLASSIFICATIONS	AMOUNT (ROUNDED TO NEAREST HUNDRED DOLLARS)
Personal Services	\$8,203,100
Employee Benefits	\$3,334,000
TOTAL PAYROLL	\$11,537,100
Travel	\$399,700
Printing and Duplicating	\$8,800
Communication & Shipping Costs	\$30,500
Maintenance & Repairs	\$400
Professional & Administrative Services	\$1,778,500
Supplies	\$15,600
Rentals and Insurance	\$29,900
Motor Vehicle Maintenance	\$900
Awards & Indemnities	\$5,400
Grants	\$125,000
Unclassified	\$5,600
Training	\$70,800
Equipment	\$33,500
Data Processing	\$127,000
TOTAL OPERATIONAL	\$2,631,600
TOTAL EXPENDITURES	\$14,168,700
Excess of Revenue Over Expenditures	\$3,496,500
Rebated to Banks	\$841,800
Reverted to the State's General Fund	\$1,805,500
Nationwide Settlement Carry Forward to FY2014	\$849,200

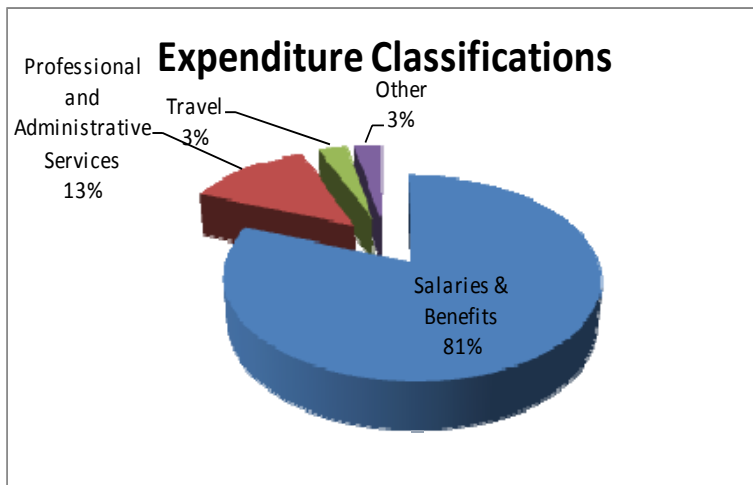
2013 TECHNOLOGICAL ADVANCEMENTS

The Department revamped the Information Technology (IT) division in February of 2013 by hiring a new Information Systems Director who brought on two full-time Advanced Developers. During that time the department also underwent an assessment from an outside vendor hired to assess State agencies' IT needs. The Department is in the process of incorporating many of the suggestions made by the outside vendor.

The Advanced Developers worked on the remaining requirements for the Deferred Presentment (DP) profession to get fully on the Financial Institutions Regulatory System of Tennessee (FIRST) and completely out of the aging Regulatory Board System (RBS). Although the DP licensing portion was moved to the FIRST system last fiscal year, the examination and fee modules had to be completed in FY 2013.

The Department continues to look for ways to strengthen our data integrity and authenticity. The Department is in the process of upgrading servers that will allow us to improve security by taking advantage of more current technology. In addition, the Department is updating policies and procedures to establish standards for operations and development.

The Department is reevaluating an imaging solution that is cost effective, efficient, secure, and easy to use.



ADMINISTRATIVE DIVISION



HEADQUARTERS

Greg Gonzales, Commissioner

COMMISSIONER'S OFFICE

Christopher Lundeen, Administrative Services Assistant 2

Tom R. Hughes, Administrative Services Assistant 5

Herb Kraycirik, CPA, CGFM, Audit Director 2

Joyce Simmons, CPA, CGMA, FI Chief Financial Officer

ADMINISTRATIVE DIVISION

Tina G. Miller, Assistant Commissioner 2

Michelle Berry, Budget Analysis Director 1

Leslie Yanez, SPHR, Executive Administrative Assistant 3

Johna Fort, Administrative Services Assistant 2

Kelley Cole, Administrative Services Assistant 2

Mary Jane Friedmann, Accountant 2

Barbara Jones, Administrative Services Assistant 3

Christy Adams, Bank Financial Analyst

Flora McCarty, Executive Administrative Assistant 1

Tracy White, Information Systems Director 2

Charles Ingram, Information Systems Analyst 4

Michael Burns, Information Resource Support Specialist 2

Jeremy Wilberger, Programmer Analyst 4

Kenneth Weems, Programmer Analyst 4

The **Administrative Division** manages the Department's budget and oversees fiscal services, human resources, training and development, legal, information systems, and consumer resources.

TDFI continues to work with both the Department of Human Resources and the Department of Finance and Administration to develop and improve examiner career path with salary progression.

Training is another integral part of developing and maintaining a qualified staff. To ensure value, the Department's training needs are annually assessed and budgeted. The majority of the structured training curriculum is acquired through external training sources such as the Federal Deposit Insurance Corporation, National Credit Union Administration, Board of Governors of the Federal Reserve System, Educational Foundation of the Conference of State Bank Supervisors, National Association of State Credit Union Supervisors, Federal Financial Institutions Examination Council, National Association of Consumer Credit Administrators, Money Transmitter Regulators Association and others.

Marsha Anderson, Attorney 4

Eric Rogers, Attorney 4

Mark Kilpatrick, Attorney 3

Denise Cole, Attorney 3

Brandi Snow, Attorney 3

Paula Cagle, Administrative Services Assistant 5

Alan Smith, Consumer Resources Director

Alicia Gay, Administrative Services Assistant 3

Bettye Osborne, Administrative Services Assistant 3

LEGAL SECTION

The Legal Section provides legal advice and representation for the Department. It is comprised of a General Counsel, six staff attorneys and one Legal Assistant.

The Department's lawyers advise the Commissioner and departmental personnel in all legal matters affecting the Department. They work closely with regulated entities and the general public in addressing legal issues. They also work with the Governor's Office and the Tennessee General Assembly on legislative issues affecting financial institutions.

The Legal Section assists in the coordination of enforcement initiatives with other federal and state regulators as well as with various law enforcement agencies. The Section represents the Department in all administrative enforcement actions initiated by the various divisions in the Department.

The Legal Section was heavily involved in the 2013 Legislative session by tracking bills, working closely with the Governor's Office, the General Assembly, and other groups sponsoring legislation which impacted the Department. It provided assistance to operating divisions on issues involving title pledge lenders, mortgage loan originator registration, predatory lending, bank and trust company operations including interstate transactions, bank and credit union applications, money transmission, Bank Secrecy Act compliance, check cashing, deferred presentment, mortgage companies, and credit union fields of membership, as well as other areas requiring legal expertise.

2013 LEGISLATION

Public Chapter 70 - Amends T.C.A. Title 45, Chapter 15**Effective Date: April 1, 2013**

Public Chapter 70 amends the Tennessee Title Pledge Act, specifically, T.C.A. Section 45-15-115(8), to allow title pledge lenders to accept payments after general business hours of operation.

Public Chapter 104 - Amends T.C.A. Title 45, Chapter 13**Effective Date: April 11, 2013**

Public Chapter 104 amends the Tennessee Residential Lending, Brokerage and Servicing Act, to remove or modify certain exemptions from mortgage loan originator (MLO) licensing. MLOS are licensed by the Department. A MLO is an individual who, for compensation or gain, takes a residential mortgage loan application or offers or negotiates terms of a residential mortgage loan. This Chapter amends the MLO exemptions contained in T.C.A. 45-13-210 by incorporating federal law into the exemption for licensed attorneys, removing the blanket exemption for seller-financiers of vacant land, removing the exemption for commercial lenders (who have never been subject to licensing and would still not as a result of this Chapter), and adding language to the exemptions for real estate brokers and title insurance agents to clarify that those persons cannot offer or negotiate terms of a residential mortgage loan.

Public Chapter 36 - Amends T.C.A. Title 45, Chapter 2**Effective Date: March 22, 2013**

Public Chapter 36 amends T.C.A. Section 45-2-1603 to add the Consumer Financial Protection Bureau to the list of agencies with whom the Department of Financial Institutions can share confidential bank examination information. This Chapter also deleted the reference to the Office of Thrift Supervision because the OTS no longer exists. Finally, this Chapter added language to T.C.A. Section 45-2-1603 to clarify that the Department's authority to share bank examination information with the Federal Reserve when the Commissioner believes that sharing such information would be in the best interest of sound banking regulation.

LEGAL SECTION**Public Chapter 103 - Amends T.C.A. Title 45, Chapter 7****Effective Date: July 1, 2013**

Public Chapter 103 amends the Money Transmitter Act by authorizing the Commissioner to require persons subject to the Money Transmitter Act to be licensed through an automated multi-state licensing system. Other changes include changing the license expiration date to December 31 of each year and requiring money transmitter licensees to submit completed renewal applications between November 1 and December 31 of each year; authorizing the Commissioner to release to the public a list of money transmitter licensees, a list of authorized agents, a list of authorized locations and to release aggregated financial data on money transmitter licensees and authorized agents; and, preserving the confidentiality and privileges associated with any information or material the Department discloses on a multi-state automated licensing system.

Public Chapter 102 - Amends T.C.A. Title 45, Chapter 1**Effective Date: April 11, 2013**

Public Chapter 102 amends T.C.A. Section 45-1-107 of the Tennessee Banking Act by adding a new subsection that authorizes the Commissioner to accept electronic payments from depository and non-depository financial institutions. This Chapter also gives the Commissioner the authority to establish policies and rules governing acceptance of electronic payments. This Chapter also allows the Department to enter into agreements with card issuers to impose a convenience fee on persons that pay electronically to offset any actual administrative fees and costs incurred. Finally, this Chapter allows the Department to enter into agreements with third party service providers to allow those providers to impose a convenience fee on persons making electronic payments to the Department.

Public Chapter 59 - Amends T.C.A. Title 45, Chapter 4**Effective Date: July 1, 2013**

Public Chapter 59 amends T.C.A. Section 45-4-205 of the Credit Union Act to allow a credit union to compensate the members of its Board of Directors at a rate approved by a majority of the Board subject to approval by the Commissioner of the Department of Financial Institutions, as the Commissioner deems appropriate.

Public Chapter 233 - Amends T.C.A. Title 45, Chapter 2**Effective Date: April 19, 2013**

Public Chapter 233 amends the Tennessee Banking Act, specifically T.C.A. Section 45-2-607, pertaining to the limitations on a bank for holding real property, acquired by a bank to satisfy or protect a loan previously made by the bank. This Chapter provides that a bank may hold real property acquired to satisfy or protect a loan for 10 years without making a written request to the Commissioner after the 5th year. A bank must write off 20% of the appraised value of the real property each year the real property is held, beginning with the 6th year. Finally, this Chapter specifies when and/or if appraisals or evaluations are needed.

LEGAL SECTION**Public Chapter 119 - Amends T.C.A. Title 45, Chapter 2****Effective Date: July 1, 2013**

Public Chapter 119 amends the Tennessee Banking Act by adding a new section, T.C.A. Section 45-2-303, that would allow a bank to include in its charter a prohibition on disclosing shareholder information (name, address and number of shares held) to other shareholders unless required by the Tennessee Financial Records Privacy Act. This Chapter also would allow a bank to include in its charter or bylaws a requirement that no person shall solicit a proxy or written consent from any shareholder unless certain information identified in the bylaws is first provided to the bank and its shareholders. Finally, this Chapter would provide, in cases where a bank's charter or bylaws authorize a shareholder action by written consent, for any shareholder to be informed in writing of the number of shares counted towards a quorum, a vote, or an action taken by written consent.

Public Chapter 121 - Amends T.C.A. Title 56, Chapter 37**Effective Date: April 12, 2013**

Public Chapter 121 amends the Premium Finance Company Act, specifically, T.C.A. Section 56-37-112, which grants a lender or seller a perfected security interest in any insurance premiums financed, if the buyer or borrower signs a written agreement assigning such security interest. No filing of the premium finance agreement is necessary. This Chapter adds premium finance companies to the types of lenders granted a perfected security interest under T.C.A. Section 56-37-112, and also applies the priority rules of the Tennessee Uniform Commercial Code at Title 47, Chapter 9, to any competing security interests in financed premiums.

Rulemaking

No rules or amendments were filed in 2013.

CONSUMER RESOURCES SECTION

The Consumer Resources Section handles and tracks consumer complaints, fosters community outreach and encourages financial literacy in Tennessee.

Since its creation in 2004, the Consumer Resources Section has obtained refunds of more than \$400,000 on behalf of consumers who formally filed complaints with the Department.

In 2013, refunds from the consumer complaint process totaled \$16,565.02.

CONSUMER PROTECTION

The Section's key responsibility is to receive and process consumer complaints. The Department of Financial Institutions is the primary state agency that has statutory jurisdiction to handle consumer concerns and complaints involving financial institutions operating under the various laws the Department administers in the state of Tennessee. The Consumer Resources Section processes all complaints related to financial institutions that are chartered and/or licensed by the Department. If the Department receives information that does not fall within the Department's jurisdiction, those inquiries or complaints are forwarded to the appropriate agency and the consumer is advised accordingly.

The Section's routine practice is to submit the consumer's written complaint to the financial institution for response. Within its jurisdiction, the Section serves as an intermediary between the consumer and the institution against which the complaint is filed.

The Section processed a total of 512 formally filed consumer complaints throughout calendar year 2013. These were received from 72 of the state's 95 counties (75.79%).

Shelby County residents had the highest number of complaints filed with 72 (14.06% of total). Of the total consumer complaints filed in 2013, 304, or 59.38% came from the state's four largest metropolitan areas and their surrounding counties. Out of this total, Nashville-Davidson County and surrounding county residents provided 128, or 25.00% of all consumer complaints received in 2013.

In 2013, the Consumer Resources Section placed two consumer notices on the Department's web site related to Phishing scams. Phishing is the use of electronic communication technology by entities purporting to be trustworthy in an attempt to lure unsuspecting victims into providing information such as usernames, passwords and bank account or credit card personal identifying data. The first notice was posted on March 14, 2013 and the second notice was posted on May 29, 2013.

CONSUMER RESOURCES SECTION

CONSUMER EDUCATION

A key strategy in helping protect consumers is to develop and coordinate educational resources that can assist consumers in making informed financial decisions. Education is a powerful financial literacy tool. Consumers who understand their rights and responsibilities are better equipped to make sound financial decisions. The staff essentially provides one-on-one personal financial education on a daily basis through phone calls, letters and e-mail correspondence with consumers.

One of the goals of the Section is to ensure that all Tennesseans have access to financial literacy programs that will help them make more sound money management decisions. The Commissioner is a board member of the Tennessee Financial Literacy Commission, which is to act as a clearing house for financial literacy activity in Tennessee and is to give input to the effort to increase financial literacy in elementary schools. We were privileged to present at two of a number of Financial Literacy Commission K-8 Teacher’s Summits held in 2013. One of these was in Savannah, Tennessee and the second one was in Dyersburg, Tennessee. Throughout calendar year 2013, the section continued its partnership with Tennessee Jumpstart, A Coalition for Personal Financial Literacy. We also served on the Advisory Council for Bank On Music City, which is an initiative to reach the un-banked and under-banked in Nashville-Davidson County and the surrounding counties.

CONSUMER COMPLAINTS BY INDUSTRY

INDUSTRY	TOTAL
Bank*	141
Check Casher	0
Credit Union	35
Default**	35
Deferred Presentment	92
Industrial Loan and Thrift (TILT)***	49
Money Transmitter	14
Mortgage	114
Mortgage Loan Originator	3
Premium Finance	0
Title Pledge	29
TOTAL COMPLAINTS	512

Calendar year ending December 31, 2013

*Bank and credit union data includes federally-chartered, other state-chartered and Tennessee state-chartered institutions.

**DEFAULT category contains complaints against financial institutions and/or companies that were not subject to the Department’s regulation and the complaint was referred to the correct agency holding jurisdiction or regulatory authority.

***Tennessee Industrial Loan and Thrift Companies

TOP TEN CONSUMER COMPLAINT ALLEGATIONS

RANK	ALLEGATION	#
1	Statutory Violations	67
2	Customer Service Issues	51
3	Payment/Payment History Disputes	32
4	Modification or Deferral Fees	27
5	Fair Debt Collection Practices Act Violations	22
6	Scams	20
7	Misrepresentation	19
8	Fraud	17
9	Unwarranted Foreclosure	15
10	Credit Bureau Reporting Information	15

FINANCIAL EDUCATION OUTREACH

The following is a listing of the presentations made to various groups during 2013.

- ◇ 25th Annual Conference on Aging
- ◇ Ft. Campbell Army Community Services-Financial Readiness Counselors
- ◇ Tennessee Jump\$tart 9th Annual Personal Finance Educators Conference
- ◇ Career and Technical Educators Conference
- ◇ Parent University Conference
- ◇ Nashville Financial Empowerment Center
- ◇ Tennessee Financial Literacy Commission K-8 Teacher Training-Savannah and Dyersburg
- ◇ Room in the Inn Financial Education Program

CONSUMER RESOURCES SECTION

Total Complaints by County

County	Total Complaints	Percent %	County	Total Complaints	Percent %	County	Total Complaints	Percent %
Out of State	69	13.48%	HAMBLEN	4	0.78%	MOORE	0	0.0%
ANDERSON	4	0.78%	HAMILTON	23	4.49%	MORGAN	2	0.39%
BEDFORD	3	0.59%	HANCOCK	0	0.0%	OBION	1	0.20%
BENTON	1	0.20%	HARDEMAN	2	0.39%	OVERTON	3	0.59%
BLEDSON	1	0.20%	HARDIN	0	0.0%	PERRY	1	0.20%
BLOUNT	7	1.37%	HAWKINS	2	0.39%	PICKETT	1	0.20%
BRADLEY	5	0.98%	HAYWOOD	2	0.39%	POLK	0	0.0%
CAMPBELL	0	0.0%	HENDERSON	0	0.0%	PUTNAM	4	0.78%
CANNON	1	0.20%	HENRY	2	0.39%	RHEA	1	0.20%
CARROLL	1	0.20%	HICKMAN	1	0.20%	ROANE	5	0.98%
CARTER	4	0.78%	HOUSTON	0	0.0%	ROBERTSON	5	0.98%
CHEATHAM	4	0.78%	HUMPHREYS	5	0.98%	RUTHERFORD	25	4.88%
CHESTER	1	0.20%	JACKSON	0	0.0%	SCOTT	0	0.0%
CLAIBORNE	2	0.39%	JEFFERSON	3	0.59%	SEQUIATCHIE	0	0.0%
CLAY	0	0.0%	JOHNSON	1	0.20%	SEVIER	9	1.76%
COCKE	0	0.0%	KNOX	26	5.08%	SHELBY	72	14.06%
COFFEE	2	0.39%	LAKE	0	0.0%	SMITH	0	0.0%
CROCKETT	1	0.20%	LAUDERDALE	2	0.39%	STEWART	3	0.59%
CUMBERLAND	4	0.78%	LAWRENCE	1	0.20%	SULLIVAN	7	1.37%
DAVIDSON	67	13.09%	LEWIS	1	0.20%	SUMNER	7	1.37%
DECATUR	1	0.20%	LINCOLN	1	0.20%	TIPTON	10	1.95%
DEKALB	0	0.0%	LOUDON	1	0.20%	TROUSDALE	0	0.0%
DICKSON	1	0.20%	MCMINN	2	0.39%	UNICOI	0	0.0%
DYER	7	1.37%	MCNAIRY	6	1.17%	UNION	0	0.0%
FAYETTE	3	0.59%	MACON	0	0.0%	VAN BUREN	2	0.39%
FENTRESS	1	0.20%	MADISON	7	1.37%	WARREN	3	0.59%
FRANKLIN	4	0.78%	MARION	1	0.20%	WASHINGTON	7	1.37%
GIBSON	2	0.39%	MARSHALL	0	0.0%	WAYNE	1	0.20%
GILES	1	0.20%	MAURY	11	2.15%	WEAKLEY	0	0.0%
GRAINGER	4	0.78%	MEIGS	1	0.20%	WHITE	0	0.0%
GREENE	4	0.78%	MONROE	1	0.20%	WILLIAMSON	9	1.76%
GRUNDY	0	0.0%	MONTGOMERY	12	2.34%	WILSON	11	2.15%
TOTAL							512	100.0%

BANK DIVISION

The Bank Division has legal responsibility for ensuring that the Tennessee state-chartered banking system runs on a safe and sound basis. In its supervisory role, the Bank Division periodically examines the financial soundness of all state-chartered banks, savings banks and independent non-depository trust companies.

The Department met the statutory obligation of examining all institutions within a 12-month or an 18-month basis. This was accomplished through coordination with federal banking regulators.

Bank examiners perform evaluations of each institution's assets, liabilities, income and expenses; monitor compliance with governing laws and regulations; and rate the effectiveness of the institution's management. The adequacy of capital is assessed to ensure the protection of deposits. In addition, examiners review the Information Technology (IT) functions of state-chartered institutions for compliance with generally accepted IT practices and adherence to Departmental regulations.

Since 2005, the Bank Division has been incorporating Bank Secrecy Act (BSA) reviews into its independent examination to determine compliance with federal BSA/Anti-Money Laundering regulations. Bank Division staff also examines Business and Industrial Development Companies (BIDCOs) for compliance with governing statutes and evaluates applications for new institutions, branches, expanded financial activities and corporate reorganizations. Additionally, effective January 1, 2009, the licensing and regulation of Tennessee-licensed money transmitters became the responsibility of the Bank Division.

As a whole, state-chartered banks are capably positioned both strategically and financially to meet new opportunities in changing economic and regulatory environments.

HEADQUARTERS PERSONNEL-NASHVILLE

Tod Trulove, CEM, Assistant Commissioner 2
 Tony Matthews, Safety and Soundness Chief Administrator
 Debra Grissom, FI Program Administrator 2
 Justin McClinton, FI Program Administrator 2
 Derek Church, FI Program Administrator 1
 Philip Ruffin, FI Safety and Soundness Administrator
 Ekaette Udoumana, FI Safety and Soundness Administrator
 William Cook, FI Safety and Soundness Administrator
 Memory Barber, Executive Administrative Assistant I
 Gina Tarolli, Administrative Services Assistant 3

EXAMINATION PERSONNEL

West Tennessee Division

Danny Nolen, Bank Division Manager
 Phillip Stafford, Bank Regional Supervisor
 Timothy Runions, Bank Regional Supervisor
 Roxanne Taylor, CEIC, FI Special Examiner Trust
 Vicki Ivey, CEIC, Bank Examiner 4
 Robert Prather, Bank Examiner 4
 Toniece Johnson, COE, Bank Examiner 4
 Grant Castleberry, Bank Examiner 3
 Kenneth Oliver, Bank Examiner 2
 Steven Barry Koffman, Bank Examiner 2
 Jeffrey Rial, Bank Examiner 2
 Alisa Logan, Bank Examiner 2
 Teresa Curtis, Bank Examiner 1
 Holly Ragan, Bank Examiner 1

Middle Tennessee Division

Todd Rice, Bank Division Manager
 Mike Sisk, Bank Regional Supervisor
 Joanne Schumann, Bank Regional Supervisor
 Storm Miller, CEM, Bank Regional Supervisor
 Sherri Cassetty, CEIC, CFE, FI Special Examiner Trust
 Clyde McClaran, Bank Examiner 4
 Edward Black, Bank Examiner 4
 Alan Kirkwood, Bank Examiner 2
 Chrystine Dobbs, Bank Examiner 2
 Gerald Proby, Bank Examiner 2
 Darnell Tate, Bank Examiner 2
 Kimberly Morrow, Bank Examiner 2
 Mark Herren, Bank Examiner 2
 Michael Glaser, Bank Examiner 2
 Kamela Settles, Bank Examiner 2
 John Tubb, Bank Examiner 1

East Tennessee Division

Louella McElroy, Bank Division Manager
 Wade McCullough, Bank Regional Supervisor
 Jonathan Piper, Bank Regional Supervisor
 Chad Holbert, FI Special Examiner Trust
 Robert Broshears, Bank Examiner 4
 Jessica Huff, Bank Examiner 4
 Kenneth Kelley, Bank Examiner 4
 James Matt Curtis, Bank Examiner 4
 Anthony Valentino, Bank Examiner 4
 Joshua Robertson, Bank Examiner 2
 Jamice Lane-Washburn, Bank Examiner 2
 Joy Seaver, Bank Examiner 2
 James Jordan, Bank Examiner 2
 Penny Peterson, Bank Examiner 2
 Lassiter Hurst, Bank Examiner 1

****Examination Personnel Designation:**

CEM, Certified Examinations Manager; CEIC, Certified Examiner-in-Charge; CFE, Certified Fraud Examiner; COE, Certified Operations Examiner

BANK DIVISION

BANK DIVISION APPLICATION ACTIVITIES FY 12-13

NEW BANKS OPEN

- There were no new bank openings in fiscal year 2012-13

BANK MERGERS

- Community Bank of the Cumberland, Jamestown, TN merged with and into Southeast Bank & Trust Company, Athens, TN under the charter and title of Southeast Bank & Trust Company (February 2013)
- Carter County Bank, Elizabethton, TN merged with and into Bank of Tennessee, Kingsport, TN under the charter and title of Bank of Tennessee (December 2012)
- Gateway Bank & Trust, Ringgold, GA merged with and into First Volunteer Bank, Chattanooga, TN under the charter and title of First Volunteer Bank (September 2012)
- American Security Bank & Trust Company, Hendersonville, TN merged with and into CapStar Bank, Nashville, TN under the charter and title of CapStar Bank (July 2012)

BANK CONVERSIONS

- Security Federal Bank, Elizabethton, TN (converted from a federally chartered savings association to a state chartered savings bank) (May 2013)
- Financial Federal Bank, Memphis, TN (converted from a federally chartered savings bank to a state chartered commercial bank) (November 2012)
- Pinnacle Bank, Nashville, TN (converted from a national bank to a state chartered commercial bank) (September 2012)

BANK CLOSURES

- No bank closures

BIDCO TRANSACTIONS

- There were no BIDCO application transactions in fiscal year 2012-13

NEW TRUST COMPANIES OPEN

- There were no new public trust companies opened in FY 2012-13
- There were two new private trust company opened in FY 2012-13

MONEY TRANSMITTER TRANSACTIONS

NEW LICENSE ISSUED

- NetSpend Corporation, Austin, TX (August 2012)
- Western Africa Corp, Newark, NJ (August 2012)
- IntelliSpend Prepaid Solutions, LLC, Fenton, MO (October 2012)
- Facebook Payments, Inc., Menlo Park, CA (November 2012)
- Unidos Financial Services, Inc., New York, NY (January 2013)
- Bancomer Transfer Services, Inc., Houston, TX (February 2013)

VOLUNTARY CORPORATE TRANSACTIONS

- PNS Partners, LLC, Murfreesboro, TN (July 2012)
- Stewart Pharmacy, McMinnville, TN (November 2012)

BANK DIVISION INFORMATION
AT A GLANCE

(AS OF JUNE 30, 2013)

BANK REGULATED INSTITUTIONS:

156 Banks
2 BIDCOs
8 Independent non-depository trust companies
71 Money Transmitters

BANK DATA

CONSOLIDATED TOTAL ASSETS:

\$50.5 billion, representing a \$6.93 billion or 15.90 percent change since June 30, 2012

CONSOLIDATED CAPITAL:

\$5.4 billion, representing 10.83 percent of total assets

RETURN ON AVERAGE ASSETS (ROAA):

Median ROAA of 0.76 percent with a median Net Interest Margin of 3.92percent (includes all banks)

ALLOWANCE FOR LOAN AND LEASE LOSSES (ALL):

Median ALLL to total loans and leases ratio of 1.61

PAST DUE RATIO:

Median past due ratio of 3.46 percent

TRUST COMPANY DATA

TOTAL CONSOLIDATED CORPORATE ASSETS:

\$99.7 million, representing an 11 percent increase compared to the same period in 2012

AGGREGATED NET INCOME FOR TRUST COMPANIES:

\$4.9 million representing a 19.51 percent increase compared to the same period in 2012

TRUST ASSETS UNDER MANAGEMENT AND/OR CUSTODY:

Reflect an increase of 3 percent from \$16.2 billion to \$16.7 billion, inclusive of assets invested in common/collective trust funds. Note that the 2012 annual report incorrectly listed \$20.2 billion in total AUM, whereas it should have listed \$16.2 billion. The 20.2 figure resulted from an incorrect reporting by a trust company in the filing of its 6/30/12 call report.

BANK DIVISION

UPDATE ON SENTINEL TRUST COMPANY STATUS

On December 21, 2012, the Commissioner-in-Possession and Sentinel Trust Receiver filed a Notice of Filing with the Chancery Court for Hickman County, Tennessee, as its last act regarding the Sentinel Trust Company Receivership. The Notice of Filing included a copy of the Articles of Termination of Sentinel Trust Company that were filed with the Tennessee Secretary of State's office on December 20, 2012. The Articles of Termination indicate that all assets of the Corporation have been distributed to its creditors pursuant to the priorities set forth in Tennessee Code Annotated Section 45-2-1504(h). These actions effectively ended the receivership and corporate existence of Sentinel Trust Company.

MONEY TRANSMITTERS

The activities of Money Transmitter companies are governed by the "Tennessee Money Transmitter Act of 1994", codified at Tennessee Code Annotated Title 45, Chapter 7. There are exemptions that apply to certain government agencies, as well as business organizations. See Tennessee Code Annotated Section 45-7-204.

The Bank Division continues to enhance its policies and procedures to ensure that they efficiently and effectively facilitate the Department's statutory responsibility to ensure certain consumer protections as well as to help provide a good business environment for legitimate industry. The Department also continues to be an active participant in the Money Transmitter Regulatory Association to facilitate fulfillment of its responsibilities with respect to money transmission licensing and regulation.

Effective October 1, 2013 the Tennessee Department of Financial Institutions (TDFI) began using the National Mortgage Licensing System (NMLS) to manage money transmitter licenses. Through NMLS, entities are now able to apply for, amend, and renew their Tennessee money transmitter license authority conveniently and safely online.

NMLS is a secure, web-based system created by state regulators to provide efficiencies in the processing of state

licenses and to improve supervision of state regulated industries. Through NMLS, companies maintain a single record which they use to apply for, maintain, renew, and surrender licenses in one or more states.

More information about NMLS can be found at: <http://mortgage.nationwidelicensingsystem.org/Pages/default.aspx>

LICENSING

Each applicant for a license must demonstrate, and each licensee must maintain, a net worth of not less than \$100,000 computed according to generally accepted accounting principles. Persons transmitting, or proposing to transmit, money shall have an additional net worth of \$25,000 per additional location or agent located in Tennessee, as applicable, to a maximum of \$500,000. The applicant must demonstrate such experience, character, and general fitness as to command the confidence of the public and warrant the belief that the business will be operated lawfully and fairly. As of June 30, 2013, there were 71 licensed money transmitters.

BUSINESS AND INDUSTRIAL DEVELOPMENT CORPORATION (BIDCOS)

Tennessee Code Annotated, Section 45-8-225 (Report of Accomplishments) requires a report to be published annually that summarizes the accomplishments of the various BIDCOs operating in Tennessee. The two BIDCOs licensed for the calendar year 2012 provided financing totaling \$3,750,000 to two small businesses, preserving and/or creating an estimated 105 jobs. No loans were made to a minority owned business or to businesses owned by female proprietors. The summary analysis of the number and dollar amount of loans extended to certain broad categories is detailed as follows:

CATEGORY	NUMBER	AMOUNT
Manufacturing/Service	2	\$3,750,000
TOTAL	2	\$3,750,000

TENNESSEE STATE-CHARTERED BANKS

CONSOLIDATED BALANCE SHEET (IN MILLIONS)

As of June 30, 2013 and June 30, 2012

ASSETS	June 30, 2013	June 30, 2012	\$ Change	% Change
Cash and Due From Banks	3028	2762	266	9.63%
Securities	10529	9707	822	8.47%
Federal Funds Sold and Securities Purchased Under Agreement to Resell	551	618	-67	-10.84%
Loans and Leases Held for Sale	595	633	-38	-6.00%
Loans and Leases, Net of Unearned income	32802	27462	5340	19.45%
Allowance for Loan and Lease Losses	-598	-550	-48	8.73%
Assets held in Trading Accounts	4	7	-3	-42.86%
Premises and Fixed Assets	1118	1022	96	9.39%
Other Real Estate Owned	537	557	-20	-3.59%
Investments in Unconsolidated Subsidiaries	21	11	10	90.91%
Intangible Assets	438	178	260	146.07%
Other Assets	1492	1178	314	26.66%
TOTAL ASSETS	50517	43585	6932	15.90%
LIABILITIES				
Non-Interest Bearing Deposits	6445	4627	1818	39.29%
Interest Bearing Deposits	36033	32287	3746	11.60%
TOTAL DEPOSITS	42478	36914	5564	15.07%
Federal Funds Purchased and Securities Sold Under Repurchase Agreement	587	346	241	69.65%
Trading Liabilities	4	7	-3	-42.86%
Other Borrowed Money	1593	1381	212	15.35%
Other Liabilities	375	317	58	18.30%
TOTAL LIABILITIES	45037	38965	6072	15.58%
Minority Interests in Unconsolidated Subsidiaries	7	7	0	0.00%
EQUITY CAPITAL				
Preferred Stock	100	100	0	0.00%
Common Stock	325	287	38	13.24%
Surplus	2897	2200	697	31.68%
Undivided Profits	2211	1886	325	17.23%
Accumulated other Comprehensive Income	-51	150	-201	-134.00%
Other Equity Capital Components	-9	-10	1	-10.00%
TOTAL EQUITY CAPITAL	5473	4613	860	18.64%
TOTAL LIABILITIES AND EQUITY CAPITAL	50517	43585	6932	15.90%

TENNESSEE STATE-CHARTERED BANKS

CONSOLIDATED INCOME STATEMENT (IN MILLIONS)

Six months ending June 30, 2013 and June 30, 2012

	June 30, 2013	June 30, 2012
Interest Income	1027	947
Interest Expenses	143	177
NET INTEREST INCOME	884	770
Non-Interest Income	230	183
Non-Interest Expense	764	660
Provision for Loan and Lease Losses	58	82
Securities Gains/Losses	11	32
Pre-Tax Net Income	303	243
Applicable Income Taxes	76	46
NET OPERATING INCOME	227	197
Extraordinary Gains/Losses	0	0
NET INCOME	227	197
TOTAL CASH DIVIDENDS	61	58

TENNESSEE STATE-CHARTERED BANKS

SUMMARY OF INDIVIDUAL BANKS (IN THOUSANDS)

City	Institution	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	
		Cash	Invest	Total Loans	Loan Loss Reserve	Other Assets	Total Assets	Deposits	Other Liabilities	MIUS	Capital	Net Income
ADAMSVILLE	Farmers & Merchants Bank	5949	9214	18037	315	1458	34343	29063	1555	0	3725	-228
ASHLAND CITY	Community Bank & Trust	3852	85743	97796	3200	19516	203707	175614	8772	0	19321	138
ATHENS	SouthEast Bank	47075	14748	368160	3162	36124	462945	405106	2935	0	54904	2212
ATWOOD	Citizens Bank & Trust Company	1769	12191	11993	110	519	26362	24083	92	0	2187	60
BARTLETT	Bank of Bartlett	23835	122724	167949	3136	49769	361141	313323	25501	0	22317	685
BELLS	Bank of Crockett	5736	79796	42015	1056	10403	136894	120747	977	0	15170	652
BOLIVAR	Merchants & Planters Bank	7747	14273	60550	543	8960	90987	76123	4576	0	10288	365
BRENTWOOD	Reliant Bank	17296	58570	284791	8088	21355	373924	309812	25898	0	38214	1413
BRIGHTON	Brighton Bank	1592	10804	42242	502	4441	58577	53748	945	0	3884	-349
BROWNSVILLE	INSOUTH Bank	30561	66681	178691	4061	15910	287782	263659	2496	0	21627	839
BYRDSTOWN	People's Bank and Trust Company of Pickett County	9895	14438	85189	3077	7754	114199	104167	384	0	9648	322
CAMDEN	Bank of Camden	3572	33797	206164	4771	24171	262933	204949	18276	0	39708	3780
CARTHAGE	Citizens Bank	15886	279053	217413	5143	14953	522162	433993	1740	0	86429	5973
CHATTANOOGA	First Volunteer Bank	143115	90018	588913	9015	67964	880995	779045	11850	0	90100	5147
CHATTANOOGA	Cornerstone Community Bank	25574	99817	276062	5095	35399	431757	340126	54161	0	37470	1013
CHATTANOOGA	CapitalMark Bank & Trust	31651	196344	518351	6441	34704	774609	668712	23129	0	82768	2388
CLARKSVILLE	F&M Bank	16137	71074	657387	7374	68243	805467	663568	68473	7391	66034	2802
CLARKSVILLE	First Advantage Bank	10478	48986	311095	5719	16046	380886	289373	35152	0	56361	1096
CLARKSVILLE	Legends Bank	8639	76780	258735	3074	24088	365168	306204	25456	0	33508	1808
CLARKSVILLE	Cumberland Bank and Trust	14181	15215	127337	1641	6791	161883	144570	2011	0	15302	927
CLEVELAND	Bank of Cleveland	18864	4998	180759	3360	10146	211407	173765	954	0	36688	1744
CLEVELAND	Southern Heritage Bank	12068	73729	145842	2219	8916	238336	207999	1051	0	29286	1557
CLIFTON	Peoples Bank	12818	16536	91179	1435	14842	133940	115104	7003	0	11833	228
COLLIERVILLE	BankTennessee	8747	19650	190913	3675	27033	242668	212946	1211	0	28511	1318
COLLIERVILLE	Landmark Community Bank	4918	91735	336261	3863	9952	439003	343738	51930	0	43335	1856
COLUMBIA	First Farmers and Merchants Bank	21832	387184	580438	8662	79074	1059866	921762	33400	95	104609	5525
COLUMBIA	Community First Bank & Trust	66053	66920	294901	9054	47151	465971	426598	4123	88	35162	957
COLUMBIA	Heritage Bank & Trust	5616	16164	79806	3389	8036	106233	96990	2651	0	6592	11
COOKEVILLE	Bank of Putnam County	61067	134801	178247	1281	12312	385146	350361	4696	0	30089	1928
COOKEVILLE	Putnam 1st Mercantile Bank	2145	18809	68467	1232	4554	92743	81962	438	0	10343	387
CORDOVA	First Alliance Bank	5339	9479	94040	1918	12206	119146	99077	8492	0	11577	64
CROSSVILLE	Cumberland County Bank	68570	88575	114630	1743	13758	283790	260208	2706	0	20876	1066
DECATURVILLE	Decatur County Bank	6082	22795	53318	766	7908	89337	74641	7884	0	6812	530
DECHERD	Franklin County United Bank	6017	15870	64397	3544	5857	88597	77785	243	0	10569	223
DICKSON	Bank of Dickson	10749	76390	125452	1653	6500	217438	182897	7381	0	27160	842
DICKSON	TriStar Bank	7010	91994	99807	1101	16203	213913	182207	13188	0	18518	560
DUNLAP	Mountain Valley Bank	4655	19678	64138	1210	6846	94107	85338	409	0	8361	-54
DUNLAP	Citizens Tri-County Bank	46918	222665	292516	6487	45729	601341	536140	4344	0	60857	4059
DYER	The Farmers & Merchants Bank	6927	48714	39202	248	9790	104385	88726	7246	0	8413	339
ELIZABETHTON	Citizens Bank	30483	170054	394713	5558	25477	615169	497795	26307	0	91067	5030
ELIZABETHTON	Security Federal Bank	12682	3864	38237	710	2187	56260	42967	817	0	12476	295
ERIN	Traditions First Bank	3418	34264	69240	916	6134	112140	96400	4075	0	11665	446
ERWIN	Mountain Commerce Bank	9853	25674	260749	5550	20796	311522	273648	10442	0	27432	1190
FAYETTEVILLE	Bank of Lincoln County	18690	18587	79785	1162	13871	129771	113372	654	0	15745	195
FRANKEWING	Bank of Frankewing	44849	28938	128701	3020	16490	215958	192892	2227	0	20839	590
FRANKLIN	Franklin Synergy Bank	17986	233996	347065	4279	23051	617819	536243	31762	0	49814	2259
GALLATIN	Sumner Bank & Trust	13631	52270	110022	1495	9913	184341	159027	9141	0	16173	256
GATES	Gates Banking and Trust Company	975	24476	14084	308	2046	41273	36346	226	0	4701	220
GERMANTOWN	First Capital Bank	1116	36134	165073	2440	8632	208515	168147	20697	0	19671	975

TENNESSEE STATE-CHARTERED BANKS

SUMMARY OF INDIVIDUAL BANKS (IN THOUSANDS)

City	Institution	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	
		Cash	Invest	Total Loans	Loan Loss Reserve	Other Assets	Total Assets	Deposits	Other Liabilities	MIUS	Capital	Net Income
GLEASON	Bank of Gleason	5027	76690	37164	1149	3256	120988	99680	340	0	20968	652
GREENEVILLE	Andrew Johnson Bank	17324	23803	238465	4766	10440	285266	257130	1356	0	26780	1387
GREENEVILLE	American Patriot Bank	8357	3140	48324	1313	18246	76754	74079	502	0	2173	253
GREENEVILLE	Heritage Community Bank	4506	10354	73194	1910	12273	98417	88329	4922	0	5166	-506
GREENFIELD	Greenfield Banking Company	5111	5995	38568	415	1806	51065	41781	3110	0	6174	177
HALLS	Bank of Halls	2307	32582	25625	525	3780	63769	55341	602	0	7826	405
HALLS	The Lauderdale County Bank	6187	16300	23764	309	2108	48050	43122	602	0	4326	163
HARROGATE	Commercial Bank	51062	126179	520459	8938	72956	761718	622515	64641	0	74562	2307
HARTSVILLE	Citizens Bank	9001	33930	114564	1587	7622	163530	144045	5491	0	13994	556
HENDERSON	Chester County Bank	13194	24577	29212	356	1759	68386	61544	990	0	5852	314
HUNTINGDON	Carroll Bank and Trust	15276	57729	167651	1675	23777	262758	234163	1563	0	27032	881
JACKSON	First South Bank	14629	136081	245319	3764	33611	425876	355048	20542	0	50286	3638
JACKSON	The Bank of Jackson	4863	70652	60577	1023	8676	143745	123115	6108	0	14522	-33
JAMESTOWN	Union Bank	11602	54122	117222	1791	21605	202760	181465	1638	0	19656	82
JAMESTOWN	Progressive Savings Bank	25132	42096	162414	1672	33010	260980	236699	1453	0	22828	542
JASPER	Citizens State Bank	15021	21769	79492	532	13395	129145	116842	1367	0	10936	217
JEFFERSON CITY	First Peoples Bank of Tennessee	4461	28877	89560	502	13862	136258	120392	4497	0	11369	310
JELICO	UBank	4117	16330	38242	805	3716	61600	52730	725	0	8145	426
KINGSPORT	Bank of Tennessee	21238	203395	618559	9703	69450	902939	753218	70989	0	78732	3298
KINGSPORT	TriSummit Bank	7447	73687	156186	1672	16320	251968	203649	15565	0	32754	430
KNOXVILLE	American Trust Bank of East Tennessee	6269	24565	98180	4558	5111	129567	110644	6371	0	12552	440
KNOXVILLE	Clayton Bank and Trust	25517	97168	583635	21783	34751	719288	567952	40030	0	111306	14413
LA FOLLETTE	Peoples Bank of the South	21502	4956	116433	2312	8131	148710	128118	1014	0	19578	1084
LAFAYETTE	Citizens Bank of Lafayette	13324	202270	237408	4485	25655	474172	384555	42767	0	46850	2231
LAFAYETTE	Macon Bank and Trust Company	13472	171275	140556	2668	16428	339063	293926	4527	0	40610	1444
LAWRENCEBURG	Lawrenceburg Federal Bank	3577	0	46269	164	2801	52483	38997	1203	0	12283	264
LEBANON	Wilson Bank and Trust	70188	324088	1240955	25841	83829	1693219	1503156	19485	0	170578	7350
LEBANON	CedarStone Bank	2607	49100	103535	1428	11670	165484	144616	6527	0	14341	400
LEBANON	First Freedom Bank	33382	9634	204432	2748	24974	269674	235681	4846	0	29148	1141
LEWISBURG	First Commerce Bank	24343	60479	172258	2601	18035	272514	239774	6969	0	25771	1390
LEXINGTON	Community Bank	1853	22573	73481	771	4664	101800	86745	4884	0	10173	669
LEXINGTON	First Bank	38533	708923	1363221	33591	142292	2219378	1783645	220234	-1	215500	12117
LIBERTY	Liberty State Bank	9586	59122	84502	1670	7876	159416	138905	5629	0	14882	408
LIVINGSTON	Union Bank & Trust Company	2903	19235	54412	931	3545	79164	69800	289	0	9075	788
LIVINGSTON	American Bank & Trust of the Cumberland	7772	28298	109343	1461	7294	151246	137087	1370	0	12790	1070
LOBELVILLE	Bank of Perry County	13517	6487	122920	1967	8897	149854	123356	12175	0	14323	1331
MADISONVILLE	Volunteer Federal Savings Bank	33694	1000	129599	673	12469	176089	128441	24822	0	22826	540
MADISONVILLE	Peoples Bank of East Tennessee	11442	35099	140632	1854	31535	216854	196704	1336	0	18814	255
MANCHESTER	Peoples Bank & Trust Company	7649	26421	45173	1084	7901	86060	72323	5550	0	8187	205
MANCHESTER	Coffee County Bank	9278	11508	94977	2857	7362	120268	103794	1713	0	14761	1361
MARYVILLE	Citizens Bank of Blount County	76014	65624	178215	4101	12806	328558	275304	1842	0	51412	1925
MARYVILLE	Foothills Bank & Trust	5986	37725	125019	2385	7761	174106	143320	13187	0	17599	351
MASON	Trust Company Bank	10721	1300	18065	161	5688	35613	29850	2714	0	3049	-960
MC KENZIE	McKenzie Banking Company	50384	16780	48855	1560	6469	120928	104467	780	0	15681	986
MC MINNVILLE	Security Federal Savings Bank of McMinnville	8518	26612	119924	1051	8272	162275	143827	2464	0	15984	587
MC MINNVILLE	Homeland Community Bank	11920	29733	89705	2647	9275	137986	125101	1107	0	11778	297
MEDINA	Medina Banking Co.	3434	23336	11727	213	3204	41488	34928	153	0	6407	236
MEMPHIS	Tri-State Bank of Memphis	19342	55032	73520	1846	8382	154430	138078	2374	0	13978	-247
MEMPHIS	Financial Federal Bank	12616	6000	305567	7979	8476	324680	201986	68645	0	54049	2933

TENNESSEE STATE-CHARTERED BANKS

SUMMARY OF INDIVIDUAL BANKS (IN THOUSANDS)

City	Institution	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	
		Cash	Invest	Total Loans	Loan Loss Reserve	Other Assets	Total Assets	Deposits	Other Liabilities	MIUS	Capital	Net Income
MEMPHIS	Independent Bank	54515	16177	691916	7127	70986	826467	717179	6975	0	102313	3887
MEMPHIS	Magna Bank	9029	68111	392898	5598	31166	495606	380649	50301	0	64656	2954
MEMPHIS	Triumph Bank	24844	58005	331462	4798	11723	421236	356382	25293	0	39562	1611
MILAN	The Bank of Milan	2980	25893	29861	560	3574	61748	55448	757	0	5543	423
MILLINGTON	Patriot Bank	8875	103878	145864	2998	20225	275844	237847	15048	0	22949	1377
MORRISTOWN	Jefferson Federal Bank	24446	96024	327056	5660	61475	503341	400651	45637	0	57053	1048
MOUNT JULIET	Southern Bank of Tennessee	17734	37970	74930	860	8919	138693	115042	1957	0	21694	-1268
MOUNTAIN CITY	Farmers State Bank	3314	45647	76554	1760	13971	137726	111970	7433	0	18323	352
MOUNTAIN CITY	Johnson County Bank	23260	23959	65622	959	7335	119217	98150	5412	0	15655	454
MURFREESBORO	MidSouth Bank	22655	66689	156296	3243	15703	258100	229314	1094	0	27692	968
NASHVILLE	Avenue Bank	30074	234904	510505	7189	42561	810855	666924	61344	0	82587	2314
NASHVILLE	Citizens Savings Bank and Trust Company	12863	13272	64283	1031	3787	93174	83432	1928	0	7814	19
NASHVILLE	InsBank	20734	18216	156480	2678	14128	206880	152183	34766	0	19931	805
NASHVILLE	Pinnacle Bank	232014	729869	3953328	68695	508220	5354736	4107722	481850	100	765064	29359
NASHVILLE	Truxton Trust Company	15376	81869	193647	2911	11347	299328	252580	18052	0	28697	1529
NASHVILLE	Civic Bank & Trust	6246	54494	70114	3546	9230	136538	107410	11401	0	17727	824
NASHVILLE	CapStar Bank	79639	284808	653840	8307	31835	1041815	916617	27674	0	97524	3470
NEWBERN	Security Bank	8115	89698	62586	1395	14192	173196	140667	13484	0	19045	765
NEW TAZEWELL	Citizens Bank	15573	20291	102751	1207	7949	145357	131483	2353	0	11521	554
NOLENSVILLE	Peoples State Bank of Commerce	17622	26671	87780	1549	13185	143709	134647	284	0	8778	4
OAK RIDGE	TNBANK	5472	40847	111187	1310	13001	169197	138053	13464	0	17680	123
ONEIDA	First Trust and Savings Bank, Oneida, Tennessee	13187	33000	91017	1821	8710	144093	123073	5979	0	15041	453
OLTEWAH	Community Trust & Banking Company	25773	12338	86924	2176	7725	130584	116633	1017	0	12934	437
PARIS	Commercial Bank & Trust Co.	14712	156225	448217	6690	34409	646873	566430	11005	0	69438	4631
PARIS	Security Bank and Trust Company	8865	25407	125074	622	10867	169591	149532	4082	0	15976	1862
PARSONS	Farmers Bank	13176	2433	18892	330	1337	35508	30990	181	0	4337	87
PARSONS	Community South Bank	45793	6423	266810	7896	75778	386908	377672	4120	0	5116	-5936
PIGEON FORGE	SmartBank	59218	89093	309001	3821	21604	475095	417624	6930	0	50541	984
PIGEON FORGE	Tennessee State Bank	38499	160623	431985	12005	69675	688777	590604	32081	0	66092	1444
PIPERTON	The Bank of Fayette County	3968	49332	251591	3854	21103	322140	285351	7854	0	28935	1211
PORTLAND	The Farmers Bank	28536	154442	313387	5284	23063	514144	440980	20485	0	52679	1488
PORTLAND	Volunteer State Bank	30402	23749	313421	3556	45087	409103	340595	28903	0	39605	4614
RIPLEY	Bank of Ripley	8703	101319	85264	788	13580	208078	177158	1734	0	29186	502
ROGERSVILLE	The Citizens Bank of East Tennessee	10659	10687	85547	1066	13963	119790	110484	3305	0	6001	353
ROGERSVILLE	First Community Bank of East Tennessee Citizens Bank and Trust Company of Grainger County	31341	41354	101260	3935	28024	198044	161751	17758	0	18536	-2097
RUTLEDGE	Grainger County	5930	103935	69043	1260	10946	188594	156323	921	0	31350	938
SARDIS	The Peoples Bank	1868	26142	39727	640	4509	71606	64810	878	0	5918	493
SAVANNAH	The Hardin County Bank	9835	38480	325168	3915	34827	404395	351820	18787	0	33788	1864
SAVANNAH	Central Bank	11241	15221	95130	3225	11782	130149	120359	3651	0	6139	333
SELMER	Home Banking Company	3502	38373	34025	476	6856	82280	73907	896	0	7477	130
SEVIERVILLE	Sevier County Bank	35982	26380	183371	6116	65429	305046	279360	1544	0	24142	-1045
SHELBYVILLE	First Community Bank of Bedford County	20466	77398	186689	2217	36420	318756	226964	45303	0	46489	3532
SHELBYVILLE	PEOPLES BANK OF BEDFORD COUNTY	5187	25627	64812	976	6968	101618	89063	962	0	11592	394
SOMERVILLE	The Somerville Bank & Trust Company	4407	98312	90144	1092	8898	200669	178029	494	0	22146	607
SPRING CITY	First Bank of Tennessee	19904	20223	189797	3980	12625	238569	209840	3321	0	25408	1974
SPRINGFIELD	Commerce Union Bank	5716	23585	198800	2728	9742	235115	181142	20255	0	33719	945
TAZEWELL	First Century Bank	15952	47754	167883	4448	21691	248832	214736	5707	0	28389	922
TREZEVANT	Farmer's and Merchants Bank	10481	10630	253578	3742	17868	288815	247206	16839	0	24770	1539

TENNESSEE STATE-CHARTERED BANKS

SUMMARY OF INDIVIDUAL BANKS (IN THOUSANDS)

City	Institution	(A) Cash	(B) Invest	(C) Total Loans	(D) Loan Loss Reserve	(E) Other Assets	Total Assets	(F) Deposits	(G) Other Liabilities	(H) MIUS	(I) Capital	(J) Net Income
TULLAHOMA	American City Bank of Tullahoma	22381	21981	184495	2813	18019	244063	178528	25070	0	40465	2481
TULLAHOMA	Southern Community Bank	4317	32635	98482	783	13372	148023	127646	3557	0	16820	94
TULLAHOMA	First Vision Bank of Tennessee	6829	15058	118215	1495	9453	148060	123400	5941	0	18719	713
UNION CITY	First State Bank	36327	670406	1014401	15774	103287	1808647	1508462	118157	100	181928	9075
UNION CITY	Reelfoot Bank	28432	47352	77064	1459	10651	162040	146164	1910	0	13966	390
WARTBURG	Citizens First Bank	13402	18565	107820	1629	14211	152369	137127	2523	0	12718	553
WAYNESBORO	The Bank of Waynesboro	10142	24415	101979	2275	9956	144217	124689	905	0	18622	834
WAYNESBORO	Wayne County Bank	25831	19739	241994	7280	27473	307757	259129	14995	0	33632	924
WINCHESTER	Citizens Community Bank	10886	30597	125453	3002	14504	178438	155773	2503	0	20161	1363
WOODLAND MILLS	The Farmers Bank, Woodland Mills, Tennessee	1162	5998	3928	108	146	11126	9153	8	0	1964	-3
TOTAL		3028215	11080363	33397279	598256	3610269	50517870	42477890	2559155	7773	5473052	226802

A) Cash - Includes currency/coin, both interest-bearing and non-interest bearing balances due from depository institutions

(B) Investments – Investments owned: Includes securities, federal funds sold, , and securities purchased under agreements to resell

(C) Total Loans – Includes all loans and lease financing receivables, net of unearned income

(D) Loan Loss Reserve – Allowance for Loan and Lease Losses

(E) Other Assets – Includes premises and fixed assets, trading assets, other real estate owned, investments in unconsolidated subsidiaries and associated companies, customer’s liability to bank on acceptances outstanding, intangible assets, and assets not reportable elsewhere.

(F) Deposits – Includes all interest bearing and non-interest bearing customer deposits held.

(G) Other Liabilities – Includes federal funds purchased, securities sold under agreements to repurchase, demand notes issued to U.S. Treasury, mortgage indebtedness, obligations under capital leases, bank’s liability on acceptances outstanding, and all other liabilities

(H) Minority Interest in Unconsolidated Subsidiaries

(I) Equity Capital – Includes preferred stock, common stock, surplus, undivided profits, and accumulated other comprehensive income

(J) Net Income – Income earned after all expenses, taxes, and extraordinary items

TENNESSEE STATE-CHARTERED BANKS

KEY BANK RATIOS AS OF JUNE 30, 2013

CITY	INSTITUTION	NET INCOME TO AVG TOTAL ASSETS RATIO	NET LOANS TO ASSETS RATIO	ALLOWANCE FOR LOAN LOSSES RATIO	CORE CAPITAL (LEVERAGE) RATIO	NET LOANS TO DEPOSITS RATIO	NET INCOME TO AVG TOTAL EQUITY RATIO
ADAMSVILLE	Farmers & Merchants Bank	-1.34	51.6	1.75	10.56	60.98	-11.69
ASHLAND CITY	Community Bank & Trust	0.13	46.44	3.27	9.95	53.87	1.35
ATHENS	SouthEast Bank	0.95	78.84	0.86	10.79	90.1	8.13
ATWOOD	Citizens Bank & Trust Company	0.44	45.08	0.92	8.39	49.34	0
BARTLETT	Bank of Bartlett	0.38	45.64	1.87	5.4	52.6	5.68
BELLS	Bank of Crockett	0.97	29.92	2.51	10.53	33.92	5.84
BOLIVAR	Merchants & Planters Bank	0.8	65.95	0.9	10.77	78.83	7.11
BRENTWOOD	Reliant Bank	0.76	74	2.84	10	89.31	7.36
BRIGHTON	Brighton Bank	-1.12	71.26	1.19	6.32	77.66	-16.67
BROWNSVILLE	INSOUTH Bank	0.57	60.68	2.27	8.06	66.23	7.48
BYRDSTOWN	People's Bank and Trust Company of Pickett County	0.56	71.9	3.61	8.53	78.83	6.58
CAMDEN	Bank of Camden	2.94	76.59	2.31	11.9	98.26	19.99
CARTHAGE	Citizens Bank	2.31	40.65	2.37	16.94	48.91	14.15
CHATTANOOGA	First Volunteer Bank	1.16	65.82	1.53	9.39	74.44	6.4
CHATTANOOGA	Cornerstone Community Bank	0.48	62.76	1.85	8.42	79.67	5.4
CHATTANOOGA	CapitalMark Bank & Trust	0.61	66.09	1.24	10.86	76.55	5.43
CLARKSVILLE	F&M Bank	0.71	80.7	1.12	9.26	97.96	4.09
CLARKSVILLE	First Advantage Bank	0.6	80.18	1.84	14.82	105.53	3.89
CLARKSVILLE	Legends Bank	0.99	70.01	1.19	9.31	83.49	10.58
CLARKSVILLE	Cumberland Bank and Trust	1.16	77.65	1.29	9.47	86.94	11.71
CLEVELAND	Bank of Cleveland	1.62	83.91	1.86	17.46	102.09	3.54
CLEVELAND	Southern Heritage Bank	1.29	60.26	1.52	12.76	69.05	6.12
CLIFTON	Peoples Bank	0.34	67	1.57	8.62	77.97	3.82
COLLIERVILLE	BankTennessee	1.03	77.16	1.93	10.17	87.93	2.92
COLLIERVILLE	Landmark Community Bank	0.88	75.72	1.15	10.18	96.7	8.63
COLUMBIA	First Farmers and Merchants Bank	1.01	53.95	1.49	9.17	62.03	2.82
COLUMBIA	Community First Bank & Trust	0.39	61.34	3.07	7.44	67.01	5.35
COLUMBIA	Heritage Bank & Trust	0.02	71.93	4.25	6.4	78.79	0.32
COOKEVILLE	Bank of Putnam County	1.01	45.95	0.72	7.8	50.51	4.17
COOKEVILLE	Putnam 1st Mercantile Bank	0.83	72.5	1.8	12.11	82.03	7.16
CORDOVA	First Alliance Bank	0.11	77.32	2.04	8.6	92.98	1.1
CROSSVILLE	Cumberland County Bank	0.75	39.78	1.52	7.33	43.38	3.43
DECATURVILLE	Decatur County Bank	1.2	58.82	1.44	8.84	70.41	14.83
DECHERD	Franklin County United Bank	0.49	68.69	5.5	11.62	78.23	3.36
DICKSON	Bank of Dickson	0.79	56.94	1.32	11.99	67.69	3.19
DICKSON	TriStar Bank	0.52	46.14	1.1	8.3	54.17	5.81
DUNLAP	Mountain Valley Bank	-0.11	66.87	1.89	8.87	73.74	-1.27
DUNLAP	Citizens Tri-County Bank	1.33	47.57	2.22	9.13	53.35	8.13
DYER	The Farmers & Merchants Bank	0.65	37.32	0.63	9.73	43.9	4.12
ELIZABETHTON	Citizens Bank	1.62	63.26	1.41	14.04	78.18	10.99
ELIZABETHTON	Security Federal Bank	1.05	66.7	1.86	22.19	87.34	4.78
ERIN	Traditions First Bank	0.79	60.93	1.32	10.02	70.88	7.64
ERWIN	Mountain Commerce Bank	0.78	81.92	2.13	8.79	93.26	8.78
FAYETTEVILLE	Bank of Lincoln County	0.3	60.59	1.46	11.93	69.35	2.48
FRANKEWING	Bank of Frankewing	0.55	58.2	2.35	9.99	65.16	-1.25
FRANKLIN	Franklin Synergy Bank	0.75	55.48	1.23	8.47	63.92	8.95
GALLATIN	Sumner Bank & Trust	0.28	58.87	1.36	8.96	68.24	3.04
GATES	Gates Banking and Trust Company	1.09	33.38	2.19	10.69	37.9	9.24
GERMANTOWN	First Capital Bank	0.95	78	1.48	9.8	96.72	9.22

TENNESSEE STATE-CHARTERED BANKS

KEY BANK RATIOS AS OF JUNE 30, 2013

CITY	INSTITUTION	NET INCOME TO AVG TOTAL ASSETS RATIO	NET LOANS TO ASSETS RATIO	ALLOWANCE FOR LOAN LOSSES RATIO	CORE CAPITAL (LEVERAGE) RATIO	NET LOANS TO DEPOSITS RATIO	NET INCOME TO AVG TOTAL EQUITY RATIO
GLEASON	Bank of Gleason	1.06	29.77	3.09	16.61	36.13	1.73
GREENEVILLE	Andrew Johnson Bank	0.97	81.92	2	9.25	90.89	10.51
GREENEVILLE	American Patriot Bank	0.64	61.25	2.72	2.83	63.46	23.5
GREENEVILLE	Heritage Community Bank	-1	72.43	2.61	5.23	80.7	-18.12
GREENFIELD	Greenfield Banking Company	0.69	74.71	1.08	12.09	91.32	5.29
HALLS	Bank of Halls	1.27	39.36	2.05	11.57	45.36	10.35
HALLS	The Lauderdale County Bank	0.66	48.81	1.3	8.94	54.39	5.49
HARROGATE	Commercial Bank	0.59	67.15	1.72	9.48	82.17	6.15
HARTSVILLE	Citizens Bank	0.67	69.09	1.39	8.63	78.43	7.95
HENDERSON	Chester County Bank	0.91	42.2	1.22	8.71	46.89	9.6
HUNTINGDON	Carroll Bank and Trust	0.66	63.17	1	9.81	70.88	0.17
JACKSON	First South Bank	1.69	56.72	1.53	10.09	68.03	6.19
JACKSON	The Bank of Jackson	-0.05	41.43	1.69	9.81	48.37	-0.44
JAMESTOWN	Union Bank	0.08	56.93	1.53	10.1	63.61	0.81
JAMESTOWN	Progressive Savings Bank	0.43	61.59	1.03	8.69	67.91	3.83
JASPER	Citizens State Bank	0.33	61.14	0.67	7.49	67.58	3.98
JEFFERSON CITY	First Peoples Bank of Tennessee	0.47	65.36	0.56	9.31	73.97	1.82
JELICO	UBank	1.37	60.77	2.11	12.91	71	2.77
KINGSPORT	Bank of Tennessee	0.72	67.43	1.57	8.69	80.83	-0.13
KINGSPORT	TriSummit Bank	0.33	61.32	1.07	12.13	75.87	1.43
KNOXVILLE	American Trust Bank of East Tennessee	0.69	72.26	4.64	9.85	84.62	7.02
KNOXVILLE	Clayton Bank and Trust	4.06	78.11	3.73	15.58	98.93	27.41
LA FOLLETTE	Peoples Bank of the South	1.48	76.74	1.99	13.17	89.07	3.1
LAFAYETTE	Citizens Bank of Lafayette	0.94	49.12	1.89	9.24	60.57	9.34
LAFAYETTE	Macon Bank and Trust Company	0.85	40.67	1.9	11.93	46.91	5.27
LAWRENCEBURG	Lawrenceburg Federal Bank	1.01	87.85	0.35	23.4	118.23	4.35
LEBANON	Wilson Bank and Trust	0.87	71.76	2.08	9.96	80.84	8.67
LEBANON	CedarStone Bank	0.48	61.7	1.38	8.31	70.61	3.29
LEBANON	First Freedom Bank	0.86	74.79	1.34	10.96	85.58	4.63
LEWISBURG	First Commerce Bank	1.03	62.26	1.51	9.32	70.76	10.83
LEXINGTON	Community Bank	1.3	71.42	1.05	9.38	83.82	13.18
LEXINGTON	First Bank	1.1	59.91	2.46	7.46	74.55	4.06
LIBERTY	Liberty State Bank	0.51	51.96	1.98	9.08	59.63	3.64
LIVINGSTON	Union Bank & Trust Company	1.98	67.56	1.71	11.16	76.62	17.59
LIVINGSTON	American Bank & Trust of the Cumberland	1.42	71.33	1.34	8.86	78.7	-0.84
LOBELVILLE	Bank of Perry County	1.78	80.71	1.6	9.52	98.05	3.54
MADISONVILLE	Volunteer Federal Savings Bank	0.62	73.22	0.52	12.96	100.38	4.79
MADISONVILLE	Peoples Bank of East Tennessee	0.23	64	1.32	8.87	70.55	2.04
MANCHESTER	Peoples Bank & Trust Company	0.48	51.23	2.4	9.87	60.96	4.79
MANCHESTER	Coffee County Bank	2.25	76.6	3.01	12.31	88.75	5.46
MARYVILLE	Citizens Bank of Blount County	1.17	52.99	2.3	15.85	63.24	7.52
MARYVILLE	Foothills Bank & Trust	0.42	70.44	1.91	10.33	85.57	2.65
MASON	Trust Company Bank	-5.6	50.27	0.89	4.42	59.98	-85.85
MC KENZIE	McKenzie Banking Company	1.63	39.11	3.19	13.27	45.27	12.89
MC MINNVILLE	Security Federal Savings Bank of McMinnville	0.72	73.25	0.88	9.97	82.65	2.48
MC MINNVILLE	Homeland Community Bank	0.43	63.09	2.95	9	69.59	4.83
MEDINA	Medina Banking Co.	1.09	27.75	1.82	15.25	32.97	6.83
MEMPHIS	Tri-State Bank of Memphis	-0.35	46.41	2.51	8.26	51.91	-3.8
MEMPHIS	Financial Federal Bank	1.86	91.66	2.61	16.99	147.33	8.3

TENNESSEE STATE-CHARTERED BANKS

KEY BANK RATIOS AS OF JUNE 30, 2013

CITY	INSTITUTION	NET INCOME TO AVG TOTAL ASSETS RATIO	NET LOANS TO ASSETS RATIO	ALLOWANCE FOR LOAN LOSSES RATIO	CORE CAPITAL (LEVERAGE) RATIO	NET LOANS TO DEPOSITS RATIO	NET INCOME TO AVG TOTAL EQUITY RATIO
MEMPHIS	Independent Bank	0.99	82.86	1.03	12.99	95.48	2.72
MEMPHIS	Magna Bank	1.23	78.15	1.42	13.06	101.75	8.59
MEMPHIS	Triumph Bank	0.78	77.55	1.45	9.38	91.66	8.26
MILAN	The Bank of Milan	1.32	47.45	1.88	9.8	52.84	6.29
MILLINGTON	Patriot Bank	1	51.79	2.06	8.03	60.07	11.94
MORRISTOWN	Jefferson Federal Bank	0.41	63.85	1.73	9.21	80.22	3.66
MOUNT JULIET	Southern Bank of Tennessee	-1.98	53.41	1.15	15.45	64.39	-11.13
MOUNTAIN CITY	Farmers State Bank	0.5	54.31	2.3	12.37	66.8	3.77
MOUNTAIN CITY	Johnson County Bank	0.76	54.24	1.46	13.2	65.88	5.81
MURFREESBORO	MidSouth Bank	0.77	59.3	2.07	11.24	66.74	6.79
NASHVILLE	Avenue Bank	0.61	62.07	1.41	9.94	75.47	5.26
NASHVILLE	Truxton Trust Company	0.04	67.89	1.6	8.97	75.81	0.46
NASHVILLE	InsBank	0.79	74.34	1.71	9.73	101.06	8.18
NASHVILLE	Pinnacle Bank	1.15	72.55	1.74	10.48	94.57	6.7
NASHVILLE	Nashville Bank and Trust Company	1.02	63.72	1.5	9.69	75.52	9
NASHVILLE	Civic Bank & Trust	1.21	48.75	5.06	13.15	61.98	9.03
NASHVILLE	CapStar Bank	0.69	61.96	1.27	9.26	70.43	6.96
NEWBERN	Security Bank	0.9	35.33	2.23	10.72	43.5	3.74
NEW TAZEWELL	Citizens Bank	0.75	69.86	1.17	8.23	77.23	9.42
NOLENSVILLE	Peoples State Bank of Commerce	0.01	60	1.76	6.23	64.04	0.09
OAK RIDGE	TNBANK	0.14	64.94	1.18	9.37	79.59	1.36
ONEIDA	First Trust and Savings Bank, Oneida, Tennessee	0.62	61.9	2	10.42	72.47	5.98
OOLTEWAH	Community Trust & Banking Company	0.64	64.9	2.5	9.56	72.66	6.75
PARIS	Commercial Bank & Trust Co.	1.39	68.26	1.49	10.21	77.95	9.06
PARIS	Security Bank and Trust Company	2.19	73.38	0.5	9.7	83.23	4.47
PARSONS	Farmers Bank	0.48	52.28	1.75	12.1	59.9	3.08
PARSONS	Community South Bank	-2.98	66.92	2.96	0.56	68.56	-141.46
PIGEON FORGE	SmartBank	0.45	64.24	1.24	11.61	73.08	3.86
PIGEON FORGE	Tennessee State Bank	0.4	60.97	2.78	9.48	71.11	4.34
PIPERTON	The Bank of Fayette County	0.78	76.9	1.53	9.46	86.82	6.67
PORTLAND	The Farmers Bank	0.57	59.93	1.69	10.08	69.87	2.62
PORTLAND	Volunteer State Bank	2.3	75.74	1.13	9.57	90.98	-5.33
RIPLEY	Bank of Ripley	0.47	40.6	0.92	13.31	47.68	3.32
ROGERSVILLE	The Citizens Bank of East Tennessee	0.57	70.52	1.25	5.21	76.46	11.92
ROGERSVILLE	First Community Bank of East Tennessee Citizens Bank and Trust Company of Grainger County	-2.12	49.14	3.89	9.07	60.17	-20.9
RUTLEDGE	The Peoples Bank	1.38	54.59	1.61	8.28	60.31	15.82
SAVANNAH	The Hardin County Bank	0.94	79.44	1.2	8.7	91.31	11.3
SAVANNAH	Central Bank	0.49	70.62	3.39	4.62	76.36	11.03
SELMER	Home Banking Company	0.32	40.77	1.4	8.94	45.39	2.57
SEVIERVILLE	Sevier County Bank	-0.68	58.11	3.34	4.45	63.45	-8.57
SHELBYVILLE	First Community Bank of Bedford County	2.19	57.87	1.19	13.7	81.28	9.95
SHELBYVILLE	PEOPLES BANK OF BEDFORD COUNTY	0.77	62.82	1.51	11.53	71.68	2.9
SOMERVILLE	The Somerville Bank & Trust Company	0.61	44.38	1.21	9.16	50.02	0.97
SPRING CITY	First Bank of Tennessee	1.65	77.89	2.1	10.68	88.55	5.75
SPRINGFIELD	Commerce Union Bank	0.82	83.39	1.37	14.5	108.24	5.58
TAZEWELL	First Century Bank	0.73	65.68	2.65	10.27	76.11	6.54
TREZEVANT	Farmer's and Merchants Bank	1.09	86.5	1.48	8.29	101.06	2.73

TENNESSEE STATE-CHARTERED BANKS

KEY BANK RATIOS AS OF JUNE 30, 2013

CITY	INSTITUTION	NET INCOME TO AVG TOTAL ASSETS RATIO	NET LOANS TO ASSETS RATIO	ALLOWANCE FOR LOAN LOSSES RATIO	CORE CAPITAL (LEVERAGE) RATIO	NET LOANS TO DEPOSITS RATIO	NET INCOME TO AVG TOTAL EQUITY RATIO
TULLAHOMA	American City Bank of Tullahoma	2.03	74.44	1.52	13.23	101.77	12.53
TULLAHOMA	Southern Community Bank	0.13	66	0.8	10.22	76.54	1.11
TULLAHOMA	First Vision Bank of Tennessee	0.98	78.83	1.26	12.82	94.59	7.71
UNION CITY	First State Bank	1.03	55.21	1.56	10.31	66.2	9.79
UNION CITY	Reelfoot Bank	0.51	46.66	1.89	9.84	51.73	4.21
WARTBURG	Citizens First Bank	0.74	69.69	1.51	8.31	77.44	8.75
WAYNESBORO	The Bank of Waynesboro	1.14	69.13	2.23	12.9	79.96	2.49
WAYNESBORO	Wayne County Bank	0.6	76.27	3.01	10.95	90.58	5.56
WINCHESTER	Citizens Community Bank	1.52	68.62	2.39	11.18	78.61	8.47
WOODLAND MILLS	The Farmers Bank, Woodland Mills, Tennessee	-0.05	34.33	2.75	17.33	41.74	-0.31
	Median including All Institutions	0.76	63.49	1.61	9.83	74.21	5.28

TENNESSEE STATE-CHARTERED TRUST COMPANIES

CONSOLIDATED BALANCE SHEET (TO NEAREST THOUSAND)

	June 30, 2013	June 30, 2012	\$ Change	% Change
ASSETS				
Cash and Due from Banks	45,240	35,538	9,702	27.30%
Securities and Investments	2,213	2,225	-12	-0.54%
Premises and Fixed Assets	1,729	1,792	-63	-3.52%
Intangible Assets	37,232	38,191	-959	-2.51%
Other Assets	13,565	12,188	1,377	11.30%
TOTAL ASSETS	99,979	89,934	10,045	11.17%
LIABILITIES				
Other Liabilities	15,821	13,462	2,359	17.52%
TOTAL LIABILITIES	15,821	13,462	2,359	17.52%
NET ASSETS				
Unrestricted Assets	0	43	-43	-100.00%
Temporarily Restricted Assets	0	5	-5	-100.00%
Permanently Restricted Assets	0	0	0	0.00%
EQUITY CAPITAL				
Common Stock	4,790	3,252	1,538	47.29%
Less: Treasury Stock	856	844	12	1.42%
Surplus	5,326	4,813	513	10.66%
Additional Paid-in Capital	63,303	61,627	1,676	2.72%
Undivided Profits	11,597	7,576	4,021	53.08%
Unrealized Gains and (Losses)	0	0	0	0.00%
TOTAL EQUITY CAPITAL	84,160	76,424	7,736	10.12%
TOTAL LIABILITIES AND EQUITY CAPITAL	99,981	89,934	10,047	11.17%

Note: Guardianship and Trust Company was removed from the June 30, 2013 balance sheet as it no longer files semi-annual call reports (but it is included in the June 30, 2012 totals).

TENNESSEE STATE-CHARTERED TRUST COMPANIES

CONSOLIDATED INCOME STATEMENT (TO NEAREST THOUSAND)

	June 30, 2013	June 30, 2012	\$ Change	% Change
Fee Income	57,870	53,005	4,865	9.2%
NET FEE INCOME	57,870	53,005	4,865	9.2%
Other Income	144	182	-38	-20.9%
TOTAL INCOME	58,014	53,187	4,827	9.1%
Operating Expenses	30,066	28,676	1,390	4.9%
Advisor/Consulting Fees	16,303	16,358	-55	-0.3%
Inter-Company Expense (Credit)	327	353	-26	-7.4%
Securities (Gains) and Losses	0	0	0	0.0%
TOTAL OPERATING EXPENSES	46,696	45,387	1,309	2.9%
Pre-Tax Net Operating Income	11,318	7,800	3,518	45.1%
Less:				
Applicable Income Taxes	1728	1,388	340	24.5%
Non-Operating Expenses	4695	2,315	2,380	102.8%
NET OPERATING INCOME	4,895	4,097	798	19.5%
Extraordinary Gains/Losses	0	0	0	0.0%
NET INCOME	4,895	4,097	798	19.5%

TENNESSEE STATE-CHARTERED TRUST COMPANIES

STATEMENT OF CONDITION (TO NEAREST THOUSAND)

		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Institution	City	Cash	Invest	Other Assets	Total Assets	Other Liabilities	Equity Capital	Net Income	TAUM	Common/Collective Funds	No. of Funds
Meridian Trust and Investment Company	Knoxville	61	695	1008	1,764	108	1,656	653	536,323	0	0
The Trust Company of Knoxville	Knoxville	1003	490	1,122	2,615	442	2,172	105	2,167,412	57,023	1
Argent Trust and Investment Company	Memphis	541	0	2476	3,017	313	2,704	-47	630,861	0	0
Diversified Trust Company	Memphis	5,834	0	3,990	9,824	5,660	4,165	0	5,268,291	1,688,201	13
First Mercantile Trust Company	Memphis	35,397	0	41,370	76,767	8,500	68,268	2,412	4,702,414	4,059,939	202
Cumberland Trust and Investment Company	Nashville	677	0	2,227	2,904	258	2,647	640	1,678,333	0	0
Equitable Trust Company	Nashville	1,727	1,028	333	3,088	540	2,548	1,132	1,702,466	0	0
Totals		45,240	2,213	52,526	99,979	15,821	84,160	4,895	16,686,100	5,805,163	216

FOOTNOTE:

(A) Cash - Includes currency and coin, and both interest bearing and non-interest bearing balances due from depository institutions

(B) Investments - Investments Owned

(C) Other Assets - Includes premises and fixed assets, investments in unconsolidated subsidiaries, intangible assets, and all other assets

(D) Total Assets - The sum of (A) through (C)

(E) Other Liabilities - Includes all liabilities

(F) Equity Capital - Includes preferred stock, common stock, treasury stock, debt capital, surplus, undivided profits, and all other capital reserves net of any unrealized holding gains (losses) on available for sale securities

(G) Net Income - Income earned after all expenses, taxes, and extraordinary items

(H) Total Assets Under Management - Total Discretionary and Non-Discretionary Assets Under Management and/or Custody inclusive of funds held in Common/Collective Funds

(I) Common/Collective Funds - Assets held in Common and/or Collective Investment Funds trustee by company at market value

(J) Number of Funds - Number of Common/Collective Funds

Note: Guardianship and Trust Company was removed from this balance sheet as it no longer files semi-annual call reports (but it is still included in the June 30, 2012 totals).

COMPLIANCE DIVISION

**HEADQUARTERS
PERSONNEL-NASHVILLE**

Mike Igney, Assistant Commissioner 1
 David Axford, JD, Safety and Soundness Chief Administrator
 Melody Johnson, Bank Financial Analyst
 Steffany Daniel, Administrative Services Assistant 3
 Melanie Harper, Administrative Services Assistant 3
 Carmen McCreedy, Executive Secretary 1

APPLICATIONS***MORTGAGE, INDUSTRIAL LOAN & THRIFT, AND INSURANCE******PREMIUM FINANCE***

Carl Scott, CFSA, Loan Examination Director
 David Gaines, Bank Financial Analyst
 Harvie Franklin, III, Bank Financial Analyst

***CHECK CASHING, DEFERRED PRESENTMENT, AND TITLE
PLEDGE***

Stephen Henley, CPA, Loan Examination Director
 Mandy Heady, Bank Financial Analyst

The Compliance Division is responsible for the licensing and regulatory supervision of the following types of non-depository financial institutions and individuals operating in Tennessee:

- Industrial Loan & Thrift Companies
- Insurance Premium Finance Companies
- Check Cashing Companies
- Deferred Presentment Services Companies
- Title Pledge Lenders
- Residential Mortgage Lenders, Brokers and Servicers
- Mortgage Loan Originators

REGULATORY OVERSIGHT

Through a comprehensive examination program, licensed or registered entities are subject to periodic examination by the Division's compliance examiners. The Compliance Division's examinations are designed to test and enforce compliance with Tennessee laws, as well as certain Federal regulations such as the Real Estate Settlement Procedures Act and Truth in Lending Act. These laws were written in order to protect the consumer by limiting the amount of interest, loan charges, and insurance charges that can be imposed, as well as providing for specific disclosures to the consumer regarding loan provisions. The compliance examiners also investigate consumer complaints and allegations of consumer fraud and usury.

Through 3,216 on-site examinations and other regulatory oversight of non-depository financial institutions, the Department returned refunds in the amount of \$2,352,276.49 to consumers for the calendar year ending December 31, 2013. In addition, administrative enforcement actions initiated by the Department resulted in civil monetary penalties of \$195,224.61.

Federal legislation in the form of The Secure & Fair Enforcement for Mortgage Licensing Act of 2008 ("S.A.F.E. Act") established new licensing standards related to mortgage industry supervision. The Act requires the Department's Compliance Division to investigate the criminal background of each individual applying for a license as a Mortgage Loan Originator. Other licensing requirements under the S.A.F.E. Act must be met by each applicant including pre-licensing education and testing, continuing education, and demonstrated financial responsibility through submission of a credit report to the Department.

COMPLIANCE DIVISION

MILESTONES AND ACCOMPLISHMENTS

MORTGAGE ACCREDITATION

On November 29, 2010, the Department received accreditation by The Conference of State Bank Supervisors and The American Association of Residential Mortgage Regulators having met the standards established by these organizations in regulation of the mortgage industry. Tennessee was the fifth state in the nation to have satisfied this regulatory standard and achieved this recognition and remains among a minority of states having satisfied the standards for accreditation. The Department mortgage accreditation is subject to reaccreditation in 2014.

RISK-FOCUSED EXAMINATION PROGRAM

On July 1, 2013, the Department implemented a risk-focused examination program that is designed and intended to optimize the use of examiner resources by focusing regulatory efforts on the institutions and locations that are determined to pose the greatest risk to consumers. The initial roll-out of the program was for non-mortgage licensees to include deferred presentment services companies, check cashers, and title pledge lenders. The implementation of the program for mortgage brokers, lenders, and servicers, consumer finance companies, and insurance premium finance companies is scheduled for July 1, 2014.

NATIONWIDE MORTGAGE LICENSING SYSTEM AND REGISTRY FOR THE RESIDENTIAL MORTGAGE INDUSTRY (NMLS)

The Conference of State Bank Supervisors and American Association of Residential Mortgage Regulators developed a national licensing system and database intended to provide uniform license application forms for residential mortgage lenders, brokers, servicers, and mortgage loan originators as well as a central repository of information about licensing and publicly adjudicated enforcement actions. The Department deployed to the system February 1, 2009, after which all licensing of mortgage companies and individuals has been managed online through the NMLS. In 2012, the Department transitioned Deferred Presentment Services Company licensees to the NMLS. Between November 1, and December 31, 2013, the Mortgage Company, Mortgage Loan Originators, and Deferred Presentment Services Company licensees renewed their licenses electronically through the NMLS.

EXAMINATION PERSONNEL

Nicole Chamblee, CFE, Safety and Soundness
Chief Administrator

Jack Lay, FI Safety and Soundness Manager

David Kelly, Compliance Examination Supervisor

Patrick Somers, Compliance Examination
Supervisor

Cathy Wilkerson, Compliance Examination
Supervisor

Elizabeth Harrell, Compliance Examination
Supervisor

Examiners

Chad Haney, Loan Examiner 4

Robert Campbell, Loan Examiner 4

Robert Walker, Loan Examiner 4

Steve Cranor, Loan Examiner 4

Gerald Gouveia, Loan Examiner 4

Robert Doyle, Loan Examiner 4

Frank Barnes, Loan Examiner 4

Kevin Hicks, Loan Examiner 3

Marcia Jenkins, Loan Examiner 3

Robert Hornbeak, Loan Examiner 3

Jim Worley, Loan Examiner 3

Kerry Rial, Loan Examiner 3

Keith Sharp, Loan Examiner 3

James Simmons, Loan Examiner 3

Calvin Stout, Loan Examiner 3

Mike Wiggins, Loan Examiner 3

Stephanie Dunn, Loan Examiner 2

****Examination Personnel Designation:**
CFE, Certified Fraud Examiner

COMPLIANCE DIVISION**MILESTONES AND ACCOMPLISHMENTS (continued)****NATIONAL UNIFORM STATE TEST**

On July 1, 2013, the Department adopted the use of the Uniform State Test (“UST”) developed under the auspices of the Conference of State Bank Supervisors (“CSBS”). The UST is a pre-licensing test required of applicants for state licensing as mortgage loan originators (“MLO”). The UST was designed to replace individual state-specific tests in order to further streamline the pre-licensing testing requirements for the mortgage industry thereby reducing regulatory burden. In order to ensure that applicants for MLO licensing have adequate knowledge of Tennessee law, the Department worked with CSBS to develop a two-hour pre-licensing course specific to Tennessee requirements which was also implemented July 1, 2013.

ELECTRONIC LICENSING

The Division has implemented processes that now enable various types of licensees to submit license renewals, and/or accompanying annual report information, electronically to the Department. The implementation of this method of electronic licensing has improved the turn around time for processing license renewal applications and resulted in increased efficiencies.

COMPLIANCE DIVISION**RESIDENTIAL MORTGAGE LENDERS, BROKERS AND SERVICERS**

The activities of residential mortgage lending, brokering, and servicing companies are governed by the “Tennessee Residential Lending, Brokerage and Servicing Act,” codified as T.C.A. Title 45, Chapter 13. T.C.A. § 45-13-201(a) provides that “no person shall act as a mortgage lender, mortgage loan broker or mortgage loan servicer in this state without first obtaining a license under this chapter.” Additionally, in accordance with T.C.A. § 45-13-301(a) “An individual, unless specifically exempted under subsection (b), shall not engage in the business of a mortgage loan originator with respect to any dwelling located in this state without first obtaining and maintaining annually a license issued by the commissioner and without first being sponsored in accordance with T.C.A. § 45-13-303.” If the applicant proposes to broker, make or service mortgage loans, a surety bond is required in an amount graduated according to Department Rule 0180-17-.08 and reflective of the dollar amount of loan originations.

LICENSING

To obtain a license, an applicant must maintain a net worth of at least \$25,000 and an additional net worth of \$25,000 for each additional branch office within Tennessee. The applicant must demonstrate the financial responsibility, experience and character to command the confidence of the public and warrant the belief that the applicant will operate its business lawfully and fairly. As of December 31, 2013, there were 555 mortgage companies and 6,944 mortgage loan originators licensed under the Act.

With passage of federal legislation (the 2008 “S.A.F.E.” Act), and amendments made to the Tennessee Residential Lending, Brokerage and Servicing Act effective July 31, 2009, all mortgage lenders, mortgage loan brokers, mortgage loan servicers and mortgage loan originators now make application for and renew licenses online through the Nationwide Mortgage Licensing System and Registry.

EXAMINATIONS

The Department is authorized to conduct periodic examinations pursuant to T.C.A. § 45-13-404. For calendar year ending December 31, 2013, the Compliance Division conducted 108 examinations of mortgage companies that resulted in 495 refunds totaling \$1,710,175.30. Special examinations are also conducted as a result of consumer complaints forwarded from the Department’s Consumer Resources Section.

COMPLIANCE DIVISION**INDUSTRIAL LOAN AND THRIFT COMPANIES (TILT)**

Consumer loan companies operate under the “Industrial Loan and Thrift Companies Act”, (TILT Act), codified as T.C.A. Title 45, Chapter 5. The stated purpose of the Act is to allow citizens to have the services of regulated lending institutions at rates and charges reasonably commensurate with economic realities. This Act authorizes those companies that obtain a certificate of registration to charge rates and fees somewhat higher than that which may be charged under the State’s general usury statutes. While the Act allows higher interest rates, it also contains many consumer protection provisions particularly with respect to loan charges. TILT companies registered under this Act are required to secure a surety bond. The bonding requirements are as follows: If the applicant proposes to make loans secured by a mortgage, the surety bond shall be in an amount graduated according to Department Rule 0180-32-.02 and reflective of the dollar amount of loan originations. Otherwise, the surety bond shall be in the amount of \$50,000. In addition, as of July 30, 2009, mortgage loan originators affiliated with the TILT companies, must comply with all provisions of the S.A.F.E. Act, including fingerprint-based criminal background checks, pre-licensure education and testing, and continuing education.

REGISTRATION

To obtain a certificate of registration, an applicant must maintain a net worth of at least \$25,000 and demonstrate financial responsibility, integrity, character, and business experience to command the confidence of the public and warrant the belief that the applicant will operate its business lawfully and fairly. As of December 31, 2013, there were 1,239 locations registered under the Act.

Pursuant to T.C.A. § 45-5-501, the Department conducts periodic examinations of all registered TILT locations to ensure compliance with the Act. For calendar year ending December 31, 2013, the Department conducted 925 examinations that resulted in 17,364 refunds totaling \$516,272.87.

COMPLIANCE DIVISION

INDUSTRIAL LOAN AND THRIFT COMPANIES

Composite Annual Report
(Year Ending December 31, 2012)

Number of Companies Included in this Report	160
Number of Offices included in this report	836
Number of Employees included in this report	2,952

REGULATED ENTITIES PROFIT PERCENTAGE**RATE OF RETURN**

Average Net Receivable (Industry)	\$1,956,457,527
Average Net Receivable (Location)	\$2,340,260
Net Income (Industry)	\$68,797,969
Net Income (Location)	\$82,294
Rate of Return on Outstanding Receivables (Location)	3.5%

ANALYSIS OF ACCOUNTS OUTSTANDING

Average Number of Accounts Outstanding (Industry)	511,730
Average Number of Accounts Outstanding (Company)	3,198
Average Number of Accounts Outstanding (Location)	612

OTHER INFORMATION

Number of Loans Outstanding at Beginning of Year	667,723
Dollar Amount of Loans Outstanding at Beginning of Year	\$2,382,648,630
Average Amount per Loan Outstanding at Beginning of Year	\$3,568

Number of Loans Made During the Year	2,326,636
Dollar Amount of Loans Made During the Year	\$1,880,558,746
Average Amount per Loan Made	\$808

Number of Loans Charged Off During the Year	132,012
Dollar Amount of Loans Charged Off During the Year	\$112,278,607
Average Account Balance Charged Off	\$851

Number of Loans Outstanding at Year End	686,461
Dollar Amount of Loans Outstanding at Year End	\$2,163,181,318
Average Account Balance per Loan Outstanding at Year End	\$3,151

COMPLIANCE DIVISION

INDUSTRIAL LOAN AND THRIFT COMPANIES

Composite Annual Report
(Year Ending December 31, 2012)

-Page 2-

ANALYSIS OF LOANS RECEIVABLE

Gross Loan Receivables Outstanding – January	\$1,692,977,159
Gross Loan Receivables Outstanding – February	\$1,934,163,141
Gross Loan Receivables Outstanding – March	\$1,933,073,754
Gross Loan Receivables Outstanding – April	\$1,940,913,198
Gross Loan Receivables Outstanding – May	\$1,938,967,735
Gross Loan Receivables Outstanding – June	\$1,949,985,399
Gross Loan Receivables Outstanding – July	\$2,212,313,022
Gross Loan Receivables Outstanding – August	\$1,960,203,306
Gross Loan Receivables Outstanding – September	\$1,948,541,795
Gross Loan Receivables Outstanding – October	\$1,957,109,793
Gross Loan Receivables Outstanding – November	\$1,971,094,438
Gross Loan Receivables Outstanding – December	\$2,038,147,589

COMPLIANCE DIVISION

INSURANCE PREMIUM FINANCE COMPANIES

The activities of Insurance Premium Finance Companies are governed by the “Premium Finance Company Act of 1980”, (“Act”), codified as T.C.A. Title 56, Chapter 37. “Premium Finance Company” means a person engaged in the business of entering into premium finance agreements or acquiring premium finance agreements from other premium finance companies. “Premium finance agreement” means an agreement by which an insured, or prospective insured, promises to pay to a premium finance company, the amount advanced, or to be advanced under the agreement to an insurer or to an insurance agent or producing agent in payment of premiums of an insurance contract, together with interest and a service charge as authorized and limited by the “Act.”

LICENSING

To obtain a license, an applicant must, pursuant to T.C.A. § 56-37-104(b), be competent and trustworthy, act in good faith, have a good business reputation, experience, training or education in this business. As of December 31, 2013, there were 50 premium finance companies licensed to conduct business in Tennessee.

EXAMINATIONS

The majority of the insurance premium finance companies licensed are domiciled outside of Tennessee. Examinations of licensed Insurance Premium Finance Companies are conducted pursuant to § 56-37-101 *et seq.* For the calendar year ending December 31, 2013, 40 licensed premium finance companies were examined resulting in refunds to consumers of \$3,229.23.

CHECK CASHING COMPANIES

The activities of check cashing companies are governed by the “Check Cashing Act of 1997” (“Act”) codified as T.C.A. Title 45, Chapter 18. A “check casher” is a person who, for compensation, provides currency in exchange for a payment instrument received (a “check”). Retailers who cash checks incidental to their retail operations are exempt from the Act under T.C.A. § 45-18-103(3), if the compensation for cashing checks does not exceed five percent (5%) of the gross receipts from the retail sale of goods or services.

LICENSING

To obtain a check cashing license, an applicant must maintain a minimum net worth of \$25,000 per location and demonstrate experience, character, and general fitness to command the confidence of the public and warrant the belief that the applicant will operate its business lawfully and fairly. As of December 31, 2013, there were 624 licensed check casher locations in Tennessee.

EXAMINATIONS

Examinations of licensed check cashers are conducted pursuant to T.C.A. § 45-18-113. For the calendar year ending December 31, 2013, the Compliance Division conducted 454 check cashing examinations resulting in 272 refunds totaling \$2,924.93.

DEFERRED PRESENTMENT SERVICES COMPANIES

The activities of deferred presentment services companies are governed by the “Deferred Presentment Services Act” codified as T.C.A. Title 45, Chapter 17. “Deferred Presentment Services” is defined to mean a transaction pursuant to a written agreement involving the following combination of activities in exchange for a fee: (a) accepting a check dated on the date it was written; and (b) holding the check for a period of time prior to presentment for payment or deposit.

The Act was amended by Public Chapter Number 205, effective May 20, 2011. Among other requirements of the amendment, the Act requires that all deferred presentment lenders be licensed regardless of the manner of service delivery including via the internet. Additionally “payment instrument” was defined to mean a check, draft, warrant, money order, traveler’s check, or other instrument for payment of money, whether or not negotiable, and also includes any authorization for electronic payment of money.

COMPLIANCE DIVISION

DEFERRED PRESENTMENT SERVICES COMPANIES, CONTINUED

LICENSING

To obtain a deferred presentment services license, an applicant must maintain a minimum net worth of \$25,000 per location and demonstrate the financial responsibility, financial condition, business experience, character, and general fitness to reasonably warrant the belief that the applicant will operate its business lawfully and fairly. As of December 31, 2013, there were 1,299 Deferred Presentment locations licensed in Tennessee. These locations represent 329 companies with the distribution of business structure as: 116 corporations; 122 limited liability companies; 15 partnerships; 76 sole proprietorships.

EXAMINATIONS

For calendar year ending December 31, 2013, the Compliance Division conducted 974 examinations of deferred presentment locations. Typically, the Department's compliance examiners review a sample of the licensee's transactions by looking at the fees charged and the disclosures provided the consumers. As a result of examinations conducted, pursuant to T.C.A. § 45-17-115, licensees made 650 refunds totaling \$28,918.65.

ANNUAL REPORT INFORMATION

By December 31st of each year, licensees are required by T.C.A. § 45-17-119 to file with the Commissioner of Financial Institutions an Annual Report covering the licensee's business activities as of the close of business on December 31st of the prior year. These reports include a balance sheet, statement of income and expense, as well as other statistical data. Following is a recapitulation of the 2012 annual reports, submitted by licensees with renewal applications, for the purpose of reflecting the general results of operations for the calendar year ending December 31, 2012. Note: In accordance with the requirements set forth in Public Chapter 679, effective April 12, 2012, the licensing year was changed to January 1st through December 31st of each year.

ANNUAL REPORT INFORMATION FOR CALENDAR YEAR ENDING DECEMBER 31, 2012

The following tabulation represents aggregate information from reports filed by 323 licensed companies. The Department did not require an annual report from companies that opened after December, 2012.

STATEMENT OF ASSETS, LIABILITIES, AND EQUITY

The following information was compiled from the statements of assets, liabilities, and equity as of December 31, 2012.

Total Assets	\$1,143,313,797
Total Liabilities	\$581,908,100
Net Worth	\$561,405,697

As of December 31, 2012, five (5) companies owned 83% of the industry's assets. This accounts for \$945,877,991 of the total reported assets of \$1,143,313,797. Sixty-seven companies reported assets greater than \$500,000; 153 companies had assets of between \$100,000 and \$500,000; and the remaining 103 showed total assets of less than \$100,000.

STATEMENT OF INCOME AND EXPENSES

The following information was compiled from the statements of income and expenses for the period of January 1, 2012 to December 31, 2012.

Total Operating Income	\$256,559,644
Salary Expense	\$66,425,400
Bad Debt Expense	\$45,616,746
Owners' Compensation	\$23,598,055
Net Income*	\$30,826,948

*excluding Owner's Compensation

Of the 323 reporting companies, 52 reported operating losses and 46 reported net income of over \$100,000 for the period ending December 31, 2012. The average company made a profit of \$95,439. Salaries are a major company expense, amounting to about 26% of total operating income. The average salary expense for a reporting company was \$205,651. Losses on receivables constitute another major industry expense. Bad debt expense represented approximately 18% of total operating income.

COMPLIANCE DIVISION**DEFERRED PRESENTMENT SERVICES COMPANIES, CONTINUED****TRANSACTIONAL DATA**

The following transactional data were reported for the reporting period ending December 31, 2012:

Number of Transactions	4,575,385
Dollar Amount of Transactions During the Year	\$1,048,769,474
Average Size of Receivable Transactions	\$229

Number of transactions by size of check:

\$1 - \$150	594,247
\$151 - \$250	2,090,261
\$251 - \$500	1,890,877

TITLE PLEDGE LENDERS

The activities of title pledge lenders are governed by the Tennessee Title Pledge Act codified as T.C.A. Title 45, Chapter 15. A "Title Pledge Lender" is any person engaged in the business of making a written title pledge agreement for a "fee," whereby the lender agrees to make a loan of money to a customer in exchange for a security interest in the unencumbered titled personal property owned by the customer (or "pledgor"). In Tennessee, the most common titled personal property pledged is an automobile. The pledgor has the exclusive right to redeem the certificate of title by repaying the loan in full, including fees and interest charges, according to the agreement. When the loan is paid off, the lender then releases the security interest in the titled personal property and returns the title to the customer. The title pledge agreements are initially written for a 30-day period but can be renewed for additional 30-day periods.

LICENSING

To obtain a title pledge lender license, an applicant must maintain a minimum net worth of \$75,000 per location and demonstrate financial responsibility, financial condition, business experience, character, and general fitness to reasonably warrant the belief that the applicant will operate its business lawfully and fairly. As of December 31, 2013, there were 1,017 licensed title pledge lender locations. These locations represent 171 companies with the distribution by business structure as: 74 corporations; 65 limited liability companies; 5 partnerships; 25 sole proprietorships and 2 limited liability partnerships.

EXAMINATIONS

For calendar year ending December 31, 2013, pursuant to T.C.A. § 45-15-108, the Compliance Division conducted 715 examinations of title pledge lender offices resulting in refunds totaling \$90,755.51.

ANNUAL REPORT INFORMATION FOR CALENDAR YEAR ENDING DECEMBER 31, 2012

The following tabulation represents aggregate information from reports filed by 171 licensed companies. The Department did not require an annual report from companies that opened after December 2012.

Total Assets	\$339,085,584
Total Liabilities	\$61,215,425
Net Worth	\$277,870,159

As of December 31, 2012, five (5) companies owned 59% of the industry's assets. This accounts for \$198,659,724 of the total reported assets of \$339,085,584. Fifty-six companies reported assets greater than \$500,000; one-hundred companies had assets of between \$100,000 and \$500,000; and the remaining 15 reflected total assets of less than \$100,000.

COMPLIANCE DIVISION

TITLE PLEDGE LENDERS, CONTINUED

STATEMENT OF INCOME AND EXPENSES

The following information was compiled from the statements of income and expenses for the period of January 1, 2012 to December 31, 2012.

Total Operating Income	\$168,787,232
Salary Expense	\$38,039,275
Bad Debt Expense	\$25,480,575
Owners' Compensation	\$9,109,841
Net Income*	\$42,488,118

(*Included Owner's Compensation)

Of the 171 reporting companies, 47 reported operating losses and 20 reported net income of over \$100,000 for the period ending December 31, 2012. The average company made a profit of \$248,469.

Salaries are a major company expense, amounting to about 23% of total operating income. The average salary expense for a reporting company was \$222,452. Losses on receivables constitute another major industry expense. Bad debt expense represented approximately 15% of total operating income.

TRANSACTIONAL DATA

The following transactional data were reported for the reporting period ending December 31, 2012:

Number of New Agreements Entered Into for 2012	233,486
Dollar Amount of New Agreements During 2012	\$201,179,023
Number of Defaults	68,438
Number of Repossessions	21,947
Total Surplus Amount Returned to Customers after Sale of Repossessed Vehicles	\$996,749

Distribution of 2012 New Agreements by Dollar Amount: (Maximum agreement amt. = \$2,500)

\$1000 or less	179,360
\$1001 - \$2,000	40,002
\$2001 - \$2,500	14,124

Number of Customers Holding Agreements Outstanding as of December 31, 2012	195,215
Number of Customers who Deferred a Principal Payment Reduction in 2011	25,153

CREDIT UNION DIVISION

CREDIT UNION DIVISION PERSONNEL

Central Office – Downtown Nashville

Harry P. Murphy, MBA, CFE, Assistant Commissioner 1
 Anthony Rogers, FI Safety and Soundness Manager
 Alica Owen, Executive Administrative Assistant 3

Examination Field Personnel

West Tennessee District

Randall Means, CSCUES, Credit Union Examiner 5
 Dana R. Owen, CFE, CEIC, CISE, Credit Union Examiner 4

Middle Tennessee District

Steve Eddings, CFE, CSCUE, CEIC, V, Credit Union Examiner 5
 Jim Eller, Credit Union Examiner 3
 Matthew Adkison, Credit Union Examiner 2
 Ryan Cole, Credit Union Examiner 1
 Marck Parris, Credit Union Examiner 1

East Tennessee District

Brian Williams, Bank Division Manager
 Shane Hardin, CFE, CSCUE, Credit Union Examiner 5
 Dwight Ward, Credit Union Examiner 4
 William Justice, Credit Union Examiner 3
 George Goodwin, Credit Union Examiner 2
 Josh Evans, Credit Union Examiner 2

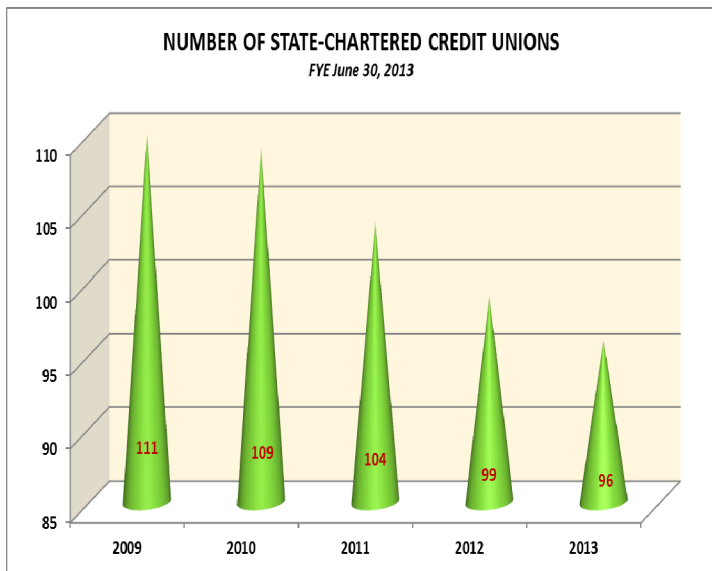
The Credit Union Division is responsible for the supervision and examination of state-chartered natural-person and corporate credit unions. Credit union examiners perform safety and soundness examinations for each state-chartered credit union and Volunteer Corporate Credit Union to determine compliance with governing laws and regulations. Evaluations of each credit union’s assets, liabilities, income and expenses are performed to assess the solvency of the institution. They also perform investigations as a result of complaints filed with the Department’s Consumer Resources Section.

Collectively, the 96 natural-person credit unions and 1 corporate credit union regulated by the Credit Union Division have assets of approximately \$10 billion. The return on average assets was 0.85%. Individually, the institutions present a vast array of asset sizes, fields of membership and services.

Volunteer Corporate Credit Union, located in Nashville, TN, continues to meet the financial service needs of the natural-persons credit unions, whether state or federally-chartered. VolCorp is a \$1.2 billion corporate credit union that serves more than 317 member credit unions in Tennessee and other states. Primary offerings include traditional correspondent services such as investments, item processing, security safekeeping, consulting services and Web design.

The Credit Union Division remains accredited by the National Association of State Credit Union Supervisors (NASCUS). The NASCUS accreditation was re-certified during 2010 (for another five-year period). Additionally, eligible division examiners and supervisors have met comprehensive criteria for NASCUS examination certifications. This certification program provides recognition to superior state credit union examiners and encourages continued professional development through the certification’s required continuing education hours.

Number of State-Chartered Natural-Person
 Credit Unions in Tennessee
 (Fiscal Year Ending 2013)



****Examination Personnel Designation:**

CEIC, Certified Examiner-in-Charge; CFE, Certified Fraud Examiner; CISE, Certified Information Systems Examiner; CSCUE, Certified State Credit Union Examiner; CSCUES, Certified State Credit Union Examiner Supervisor

CREDIT UNION DIVISION**CREDIT UNION CHANGES AND REORGANIZATIONS****July 01, 2012 – June 30, 2013****Mergers**

8/17/2012	Memphis Chapter Federal CU (Memphis) merged into City of Memphis CU (Memphis).
10/9/2012	CCA Knoxville Federal CU (Knoxville) merged into New South CU (Knoxville).
11/5/2012	First Community CU (Columbia) merged into Listerhill CU (Muscle Shoals, AL).
2/19/2013	Covenant Health Federal CU (Knoxville) merged into Consumer CU (Greeneville).
3/31/2013	City Employees CU (Chattanooga) merged into Tennessee Valley Federal CU (Chattanooga).
4/1/2013	Sears Federal CU (Bartlett) merged into Leaders CU (Jackson).

Charter Changes/Conversions/Field of Membership Additions

7/10/2012	Employee Resources CU (Lawrenceburg) added Henderson County, TN as a separate community group after the merger with LMPCO Employees CU (Lexington) in February 2012.
8/15/2012	Cornerstone Financial CU (Nashville) added an underserved area in Rutherford County, TN.
4/5/2013	Life CU (Nashville) converted to a Trade, Industry, & Profession (TIP) type charter.

Name Changes

9/26/2012	City of Memphis CU changed its name to Memphis City Employees CU.
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Branches

The following credit unions have opened, plan to open or relocated a branch office to the location listed.

Credit Union	Location
First Choice Credit Union	Seymour, TN
Knoxville TVA Employees CU	New branch on Parkside Dr., Knoxville, TN; relocate current branch in Kingston, TN to Harriman, TN.
Employee Resources CU	Relocate current branch in Lexington, TN; relocate current branch in Waynesboro, TN; to build a new main office in Lawrenceburg, TN.

TENNESSEE STATE-CHARTERED CREDIT UNIONS

CREDIT UNION KEY RATIOS

	FYE 6/30/2013	FYE 6/30/2012
CAPITAL ADEQUACY		
Net Worth/Total Assets	12.49%	12.28%
Net Worth/Total Assets--Including Optional Total Assets Election (if used)	12.51%	12.29%
Total Delinquent Loans / Net Worth	3.78%	2.96%
Solvency Evaluation (Estimated)	114.22%	114.16%
Classified Assets (Estimated) / Net Worth	6.22%	6.33%
ASSET QUALITY		
Delinquent Loans / Total Loans	0.73%	0.57%
*Net Charge-Offs / Average Loans	0.33%	0.43%
Fair (Market) HTM Invest Value/Book Value HTM Investment	98.68%	97.25%
Accum Unreal G/L On AFS/Cost Of AFS	(1.21)%	0.61%
Delinquent Loans / Assets	0.47%	0.36%
EARNINGS		
*Return On Average Assets	0.85%	0.86%
*Gross Income/Average Assets	4.89%	5.24%
*Yield on Average Loans	5.19%	5.70%
*Yield on Average Investments	0.75%	1.00%
* Fee & Other Operating Income / Avg. Assets	1.30%	1.29%
*Cost of Funds / Avg. Assets	0.55%	0.71%
*Net Margin / Avg. Assets	4.34%	4.53%
*Operating Exp./ Avg. Assets	3.27%	3.34%
*Provision For Loan & Lease Losses / Average Assets	0.26%	0.37%
*Net Interest Margin/Avg. Assets	3.05%	3.23%
Operating Exp./Gross Income	66.74%	63.80%
Fixed Assets & Foreclosed & Repossessed Assets / Total Assets	2.90%	2.85%
*Net Operating Exp. /Avg. Assets	2.51%	2.46%
ASSET / LIABILITY MANAGEMENT		
Net Long-Term Assets / Total Assets	36.19%	36.53%
Reg. Shares / Total Shares. & Borrowings	29.10%	27.35%
Total Loans / Total Shares	75.96%	74.60%
Total Loans / Total Assets	64.96%	63.69%
Cash + Short-Term Investments / Assets	19.17%	16.31%
Total Shares, Dep. & Borr. / Earning Assets	91.43%	91.44%
Reg Shares + Share Drafts / Total Shares & Borr.	42.20%	39.68%
Borrowings / Total Shares & Net Worth	1.47%	1.58%
Supervisory Interest Rate Risk Threshold/Net Worth	258.53%	255.26%
PRODUCTIVITY		
Members / Potential Members	7.44%	8.02%
Borrowers / Members	50.94%	50.26%
Members / Full-Time Employees	365.97%	361.37%
Avg. Shares Per Member	\$8,402	\$8,202
Avg. Loan Balance	\$12,528	\$12,173
* Salary And Benefits / Full-Time Empl.	\$59,875	\$58,265
OTHER RATIOS		
* Net Worth Growth	8.31%	8.78%
* Market (Share) Growth	9.32%	10.27%
* Loan Growth	8.61%	9.16%
* Asset Growth	8.71%	10.19%
* Investment Growth	9.94%	12.94%
* Membership Growth	4.17%	6.26%
* Annualized ratios		

TENNESSEE STATE-CHARTERED CREDIT UNIONS

CONSOLIDATED BALANCE SHEET

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ASSETS	FYE 6/30/2013	FYE 6/30/2012	% Change
CASH:			
Cash on Hand	93,860,856	86,946,576	7.95%
Cash on Deposit	862,098,048	591,013,162	45.87%
Cash Equivalents	104,818,314	138,193,388	-24.15%
Total Cash	\$1,060,777,218	\$816,153,126	29.97%
INVESTMENTS:			
Trading Securities	0	0	N/A
Available for Sale Securities	451,141,436	655,353,797	-31.16%
Held-to-Maturity Securities	469,729,245	517,330,047	-9.20%
Deposits in Commercial Banks, S & Ls, Savings Banks	607,576,867	566,514,544	7.25%
Loans to, Deposits in, & Investments in Natural Person CUs	19,747,616	12,930,643	52.72%
Total MCSD and PIC in Corporate	28,716,405	28,026,018	2.46%
All Other Investments in Corporate Credit Unions	51,607,043	58,030,784	-11.07%
All Other Investments	72,013,216	69,937,430	2.97%
Total Investments	\$1,700,531,828	\$1,908,123,263	-10.88%
LOANS HELD FOR SALE	\$1,785,324	\$2,419,160	-26.20%
Loans and Leases:			
Unsecured Credit Card Loans	209,919,547	198,469,176	5.77%
All Other Unsecured loans	243,714,193	237,026,748	2.82%
Non-Federally Guaranteed Student Loans	59,109,459	54,555,533	8.35%
New Auto Loans	693,744,569	616,432,893	12.54%
Used Auto Loans	1,118,185,970	1,034,068,894	8.13%
First Mortgage Real Estate Loans	2,692,002,723	2,478,939,551	8.59%
Other Real Estate Loans	339,273,612	369,946,879	-8.29%
Leases Receivable	0	0	N/A
All Other Loans/Lines of Credit	390,803,576	365,788,558	6.84%
Total Loans	\$5,746,753,649	\$5,355,228,232	7.31%
ALLOWANCE FOR LOAN & LEASE LOSSES	(68,792,641)	(65,370,610)	5.23%
Total Foreclosed and Repossessed Assets	9,736,795	13,310,127	-26.85%
Land and Building (Net of Depreciation)	209,478,694	190,203,213	10.13%
Other Fixed Assets	32,473,985	32,514,262	-0.12%
NCUA Share Insurance Capitalization Deposit	69,208,790	65,688,256	5.36%
Total Intangible Assets	653,947	458,438	42.65%
Total Other Assets	83,735,572	89,951,873	-6.91%
Total Assets	\$8,846,343,161	\$8,408,679,340	5.20%
TOTAL CREDIT UNIONS	96	99	-3.03%

TENNESSEE STATE-CHARTERED CREDIT UNIONS

CONSOLIDATED BALANCE SHEET

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	As of 6/30/2013	As of 6/30/2012	% Change
LIABILITIES, SHARES AND EQUITY			
LIABILITIES:			
Other Notes, Promissory Notes, Interest Payable & Draws Against LOC	127,247,107	129,580,857	-1.80%
Borrowing Repurchase Transactions		0	
Subordinated Debt	30,000	0	
Subordinated Debt Included in Net Worth (Uninsured Secondary Capital)	85,000	115,000	-26.09%
Accrued Dividends and Interest Payable	1,523,926	2,000,754	-23.83%
Accounts Payable and Liabilities	75,822,656	81,777,322	-7.28%
Total Liabilities	\$204,708,689	\$213,473,933	-4.11%
SHARES and DEPOSITS:			
Share Drafts	1,008,023,613	901,090,066	11.87%
Regular Shares	2,238,520,674	1,998,687,455	12.00%
All Other Shares and Deposits	4,319,157,631	4,279,123,500	0.94%
Total Shares/Deposits	\$7,565,701,918	\$7,178,901,021	5.39%
EQUITY:			
Undivided Earnings	727,023,959	688,425,594	5.61%
Regular Reserves	313,788,266	290,280,051	8.10%
Appropriations for Non-Conforming Investments	0	0	N/A
Other Reserves	35,677,551	35,283,251	1.12%
Equity Acquired in Merger	18,242,667	11,749,298	55.27%
Miscellaneous Equity	800	800	0.00%
Accumulated Unrealized Gains/Losses on AFS Securities	(5,543,346)	3,974,634	-239.47%
Unrealized Losses for OTTI (due to other factors) on HTM Debt Securities	0	0	N/A
Accumulated Unrealized Gains/Losses on Cash Flow Hedges	0	0	N/A
Other Comprehensive	(20,592,733)	(20,441,480)	8.66%
Net Income	10,907,091	7,029,577	55.16%
Equity Total	\$1,079,504,255	\$1,016,301,725	6.22%
TOTAL SAVINGS/EQUITY	\$8,645,206,173	\$8,195,202,746	5.49%
TOTAL LIABILITIES/SAVINGS/EQUITY	\$8,849,914,862	\$8,408,676,679	5.25%
NATIONAL CREDIT UNION ADMINISTRATION INSURED SAVINGS:			
Uninsured Shares	353,233,582	301,521,925	17.15%
Uninsured Non-Member Deposits	5,575,075	23,390,399	-76.17%
Total Uninsured Shares and Deposits	358,808,657	324,912,324	10.43%
Insured Shares and Deposits	7,206,893,261	6,853,988,697	5.15%
TOTAL NET WORTH	\$1,105,724,534	\$1,032,882,771	7.05%

TENNESSEE STATE-CHARTERED CREDIT UNIONS

CONSOLIDATED INCOME STATEMENT

INCOME AND EXPENSE	As of 6/30/2013	As of 6/30/2012	% Change
Interest Income			
Interest on Loans	145,999,028	149,235,947	-2.17%
Less Interest Refund	(74)	(4,427)	-98.33%
Income from Investments	9,771,809	12,757,961	-23.41%
Income from Trading	0	0	N/A
Total Interest Income	\$155,770,763	\$161,989,481	-3.84%
Interest Expense			
Dividends	9,501,958	11,866,076	-19.92%
Interest on Deposits	13,210,935	15,996,365	-17.41%
Interest on Borrowed Money	1,011,338	1,418,913	-28.72%
Total Interest Expense	\$23,724,231	\$29,281,354	-18.98%
Provision for Loan and Lease Losses (PLLL)	11,199,310	15,337,525	-26.98%
Net Interest Income after PLLL	\$120,847,222	\$117,370,602	2.96%
Non-Interest Income			
Fee Income	32,673,560	36,410,574	-10.26%
Other Operating Income	23,447,528	16,639,450	40.92%
Gain (Loss) on Investments	526,309	523,562	0.52%
Gain (Loss) on Disposition of Assets	(23,788)	16,987	-240.04%
Gain from Bargain Purchase (Merger)	624,134	36,267	N/A
Other Non-Operating Income/Expense	97,051	1,597,076	-93.92%
Total Non-Interest Income	\$57,344,794	\$55,223,916	3.84%
Non-Interest Expense			
Employee Compensation and Benefits	73,660,766	70,559,200	4.40%
Travel/Conference Expense	1,293,975	1,407,333	-8.05%
Office Occupancy	9,063,032	8,971,854	1.02%
Office Operation Expense	29,144,376	28,278,179	3.06%
Education and Promotion	4,156,968	4,192,180	-0.84%
Loan Servicing Expense	6,124,833	5,830,914	5.04%
Professional/Outside Service	9,792,980	9,187,041	6.60%
Member Insurance	N/A	N/A	
Member Insurance - NCUSIF Premium	200,123	495,799	
Member Insurance - Temporary Corporate CU Stabilization Fund	781,704	3,858,026	
Member Insurance - Other	828,347	1,037,001	
Operating Fees	1,310,310	1,283,122	2.12%
Miscellaneous Operating Expense	5,128,172	2,103,079	143.84%
Total Non-Interest Expense	\$141,485,586	\$137,203,728	3.12%
Net Income Before Stabilization Expense	\$37,688,257	\$39,744,615	-5.17%
Net Income (Loss)	\$36,706,430	\$35,390,790	3.72%
Transfer to Regular Reserve	\$5,317,459	\$11,095,203	-52.07%

TENNESSEE STATE-CHARTERED CREDIT UNIONS

STATEMENT OF CHANGES IN EQUITY
FOR FISCAL YEAR ENDED JUNE 30, 2013

BALANCE AT JUNE 30, 2012	1,016,304,386
Net Income FYE June 30, 2013	3,877,514
Changes in Undivided Earnings FYE June 30, 2013	38,598,365
Changes in Regular Reserves FYE June 30, 2013	23,508,215
Changes in Other Reserves FYE June 30, 2013	394,300
Changes in Equity Acquired in Merger FYE June 30, 2013	6,490,708
Changes in Miscellaneous Equity FYE June 30, 2013	-
Unrealized Gains/Losses on AFS Securities FYE June 30, 2013	(9,517,980)
Unrealized Losses for OTTI (due to other factors) on HTM Debt Securities FYE June 30, 2013	-
Unrealized Gains/Losses on Cash Flow Hedges FYE June 30, 2013	-
Other Comprehensive Income FYE June 30, 2013	(151,253)
BALANCE AT JUNE 30, 2013	1,079,504,255

TENNESSEE STATE-CHARTERED CREDIT UNIONS

TENNESSEE STATE-CHARTERED CREDIT UNION ASSETS

(As of June 30, 2013)

CREDIT UNION	YEAR EST.	ADDRESS	CITY	COUNTY	ZIP	ASSETS
A.U.B. EMPLOYEES'	1965	100 NEW ENGLEWOOD ROAD	ATHENS	McMINN	37303	\$1.4M
AGC	1932	1440 LINCOLN STREET	KINGSPORT	SULLIVAN	37660	\$15.9M
AGILITY FINANCIAL	1964	495 UNION AVENUE	MEMPHIS	SHELBY	38103	\$10.0M
APPLIANCE	1972	640 KING EDWARD AVENUE SE	CLEVELAND	BRADLEY	37311	\$11.4M
ASSOCIATED EMPLOYEES	1971	3003 AIRWAYS BLVD., SUITE #709	MEMPHIS	SHELBY	38131	\$3.0M
BCBST EMPLOYEES	1971	1 CAMERON HILL CIRCLE	CHATTANOOGA	HAMILTON	37402	\$10.1M
BOWATER EMPLOYEES	1954	454 HIGHWAY 163	CALHOUN	McMINN	37309	\$142.4M
BRADLEY INITIATIVE	2003	1075 BLYTHE AVENUE SE	CLEVELAND	BRADLEY	37311	\$2.0M
CEMC EMPLOYEES	1959	1940 MADISON STREET	CLARKSVILLE	MONTGOMERY	37043	\$3.0M
CHATTANOOGA FEDERAL EMPLOYEES	1925	2011 STEIN DRIVE	CHATTANOOGA	HAMILTON	37421	\$51.1M
CITY EMPLOYEES	1932	1720 WESTERN AVENUE	KNOXVILLE	KNOX	37921	\$68.0M
CN/IC EMPLOYEES	1928	2005 NONCONNAH BLVD. SUITE 7	MEMPHIS	SHELBY	38132	\$8.5M
COLLEGEDALE	1952	5046 UNIVERSITY DRIVE	COLLEGEDALE	HAMILTON	37315	\$36.7M
CONSUMER	1953	3634 E ANDREW JOHNSON HIGHWAY	GREENEVILLE	GREENE	37745	\$333.4M
CORNERSTONE FINANCIAL	1962	1701 21st AVENUE S	NASHVILLE	DAVIDSON	37212	\$259.7M
CREDIT UNION FOR ROBERTSON COUNTY	1968	2416 MEMORIAL BLVD	SPRINGFIELD	ROBERTSON	37172	\$40.7M
DIXIE LINE	1932	567 VERITAS STREET	NASHVILLE	DAVIDSON	37211	\$7.9M
DUPONT COMMUNITY	1967	4503 HIXSON PIKE	HIXSON	HAMILTON	37343	\$109.2M
DUPONT MEMPHIS PLANT EMPLOYEES	1967	2521 FITE ROAD	MEMPHIS	SHELBY	38127	\$16.1M
EASTMAN	1934	2021 MEADOWVIEW LANE	KINGSPORT	SULLIVAN	37662	\$2,795.4M
ELECTRIC SERVICE	1951	2340 JACKSON DOWNS BOULEVARD	NASHVILLE	DAVIDSON	37214	\$58.6M
EMPLOYEE RESOURCES	1964	1604 REMKE AVENUE	LAWRENCEBURG	LAWRENCE	38464	\$47.5M
EMPLOYEES CREDIT UNION	1934	1415 MURFREESBORO PIKE SUITE 148	NASHVILLE	DAVIDSON	37217	\$31.8M
EMPLOYMENT SECURITY	1955	220 FRENCH LANDING DR	NASHVILLE	DAVIDSON	37243	\$13.3M
EPB EMPLOYEES	1954	1500 McCALLIE AVE	CHATTANOOGA	HAMILTON	37404	\$29.1M
FIRST CHOICE COMMUNITY	1934	100 N. 17TH STREET	KNOXVILLE	KNOX	37921	\$37.6M
FIRST KINGSPORT	1932	408 CLAY STREET	KINGSPORT	SULLIVAN	37660	\$27.8M
FIRST SOUTH FINANCIAL	1957	6471 STAGE ROAD, SUITE 200	BARTLETT	SHELBY	38134	\$456.4M
GALLATIN STEAM PLANT	1956	1499 STEAM PLANT ROAD	GALLATIN	SUMNER	37066	\$5.4M
GATEWAY	1959	100 OTIS SMITH DRIVE	CLARKSVILLE	MONTGOMERY	37043	\$14.3M
GREATER EASTERN	1952	2110 MOUNTCASTLE DRIVE	JOHNSON CITY	WASHINGTON	37604	\$49.9M
GREENEVILLE CITY EMPLOYEES'	1965	310 SOUTH MAIN STREET, SUITE 3	GREENEVILLE	GREENE	37743	\$8.8M
GREENEVILLE WORKS EMPLS. SAVINGS ASSOCIATION	1976	2745 SNAPPS FERRY ROAD	GREENEVILLE	GREENE	37745	\$2.1M
HAPPY VALLEY	1933	210 EAST C STREET	ELIZABETHTON	CARTER	37643	\$29.8M
HARDIN COUNTY HOSPITAL EMPLOYEES	1964	935 WAYNE ROAD	SAVANNAH	HARDIN	38372	\$1.5M
HEALTH SYSTEMS	1953	4005 N. BROADWAY STREET	KNOXVILLE	KNOX	37917	\$7.2M
HEALTHCARE SERVICES	1952	946 EAST THIRD STREET	CHATTANOOGA	HAMILTON	37403	\$18.1M

TENNESSEE STATE-CHARTERED CREDIT UNIONS

TENNESSEE STATE-CHARTERED CREDIT UNION ASSETS

(As of June 30, 2013)

- Page 2 -

CREDIT UNION	YEAR EST.	ADDRESS	CITY	COUNTY	ZIP	ASSETS
HERITAGE SOUTH COMMUNITY	1957	763 NORTH MAIN STREET	SHELBYVILLE	BEDFORD	37160	\$158.6M
HOLLEY	1952	1107 MINERAL WELLS AVENUE	PARIS	HENRY	38242	\$42.2M
HURD EMPLOYEES	1968	200 W CHURCH STREET	GREENEVILLE	GREENE	37745	\$2.7M
JACK DANIEL EMPLOYEES	1987	488 MAJORS BOULEVARD	LYNCHBURG	MOORE	37352	\$24.1M
JOHNSONVILLE TVA EMPLOYEES	1952	209 HIGHWAY 641 NORTH	CAMDEN	BENTON	38320	\$79.7M
KIMBERLY CLARK	1971	1520 N SECOND ST	MEMPHIS	SHELBY	38107	\$104.0M
KINGSPORT PRESS CU	1930	528 W. CENTER STREET	KINGSPORT	SULLIVAN	37660	\$62.1M
KINGSTON TVA EMPLOYEES	1954	714 SWAN POND RD.	HARRIMAN	ROANE	37748	\$2.0M
KNOX CO. EMPLOYEES	1974	400 MAIN AVENUE, ROOM 355	KNOXVILLE	KNOX	37902	\$9.0M
KNOXVILLE NEWS-SENTINEL EMPLOYEES	1935	2332 NEWS SENTINEL DRIVE	KNOXVILLE	KNOX	37921	\$8.3M
KNOXVILLE POST OFFICE EMP	1924	6211 MIDDLEBROOK PIKE	KNOXVILLE	KNOX	37909	\$45.6M
KNOXVILLE TVA EMPLOYEES	1934	301 WALL AVENUE	KNOXVILLE	KNOX	37902	\$1,196.5M
LAKESIDE EMPLS.	1965	1008 BROADWAY AVENUE	NEW JOHNSONVILLE	HUMPHREYS	37134	\$36.6M
LANGSTON BAG CO. EMPLS. SAV. ASSN.	1964	1760 SOUTH 3RD STREET	MEMPHIS	SHELBY	38109	\$45.5K
LEADERS CREDIT UNION	1957	214 OIL WELL ROAD	JACKSON	MADISON	38305	\$208.7M
LIFE	1958	2010 CHURCH STREET, SUITE 204	NASHVILLE	DAVIDSON	37203	\$29.6M
LIFEWAY	1954	ONE LIFEWAY PLAZA	NASHVILLE	DAVIDSON	37234	\$48.9M
LOWLAND	1953	622 WEST 1ST NORTH STREET	MORRISTOWN	HAMBLEN	37814	\$79.7M
M.P.D. COMMUNITY	1966	2711 OLD LEBANON ROAD	NASHVILLE	DAVIDSON	37214	\$25.6M
MARYVILLE MUNICIPAL	1971	321 W BROADWAY AVENUE	MARYVILLE	BLOUNT	37801	\$13.8M
MCKEE	1963	9525 APISON PIKE	COLLEGEDALE	HAMILTON	37315	\$14.0M
MCNAIRY COUNTY EMPLOYEES	1980	105 N OAK STREET	ADAMSVILLE	McNAIRY	38310	\$1.3M
MEDED	1965	156 WALKER HILL STREET	CROSSVILLE	CUMBERLAND	38555	\$13.4M
MEMBERS FIRST	1956	1007 KEITH STREET NW	CLEVELAND	BRADLEY	37311	\$5.3M
MEMORIAL	1959	6800 LONGVIEW ROAD	CHATTANOOGA	HAMILTON	37421	\$8.0M
MEMPHIS CITY EMPLOYEES	1959	2608 AVERY AVENUE	MEMPHIS	SHELBY	38112	\$237.2M
METROPOLITAN TEACHERS	1957	1605 JEFFERSON STREET	NASHVILLE	DAVIDSON	37208	\$3.5M
MID-EAST TENNESSEE COMMUNITY	2009	17640 STATE HIGHWAY 58N	DECATUR	MEIGS	37322	\$8.9M
MOUNTAIN STATES	1953	408 N. STATE OF FRANKLIN ROAD	JOHNSON CITY	WASHINGTON	37604	\$15.7M
N M H CREDIT UNION	1966	3443 DICKERSON PK # G-10	NASHVILLE	DAVIDSON	37207	\$15.0M
N.G.H.	1959	1818 ALBION STREET	NASHVILLE	DAVIDSON	37208	\$7.7M
NASHVILLE FIREMEN'S	1932	908 WOODLAND STREET	NASHVILLE	DAVIDSON	37206	\$19.5M
NASHVILLE POST OFFICE	1925	10 RACHEL DRIVE	NASHVILLE	DAVIDSON	37214	\$71.4M
NEW SOUTH CREDIT UNION	1952	3261 N. MALL ROAD	KNOXVILLE	KNOX	37924	\$39.3M
NEWSPAPER AND PRINTERS	1932	1100 BROADWAY	NASHVILLE	DAVIDSON	37203	\$1.4M
NORTHEAST COMMUNITY	1952	980 JASON WITTEN WAY	ELIZABETHTON	CARTER	37643	\$95.8M
O.M.C. EMPLOYEES'	1969	1186 LOWER RIVER ROAD NW	CHARLESTON	BRADLEY	37310	\$28.8M

TENNESSEE STATE-CHARTERED CREDIT UNIONS

TENNESSEE STATE-CHARTERED CREDIT UNION ASSETS

(As of June 30, 2013)

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CREDIT UNION	YEAR EST.	ADDRESS	CITY	COUNTY	ZIP	ASSETS
OLD HICKORY	1934	1000 INDUSTRIAL DRIVE	OLD HICKORY	DAVIDSON	37138	\$208.1M
OLIVET BAPTIST	1978	3084 SOUTHERN AVENUE	MEMPHIS	SHELBY	38111	\$391K
P.I.A.S.	1961	305 PLUS PARK BLVD	NASHVILLE	DAVIDSON	37217	\$5.1M
PARKRIDGE	1972	2337 McCALLIE AVENUE, STE 408	CHATTANOOGA	HAMILTON	37257	\$3.5M
PATHWAY	1967	2751 RALPH BUCKNER BLVD NE	CLEVELAND	BRADLEY	37311	\$5.4M
PATRIOT EQUITY	1929	1450 UNION UNIVERSITY DRIVE	JACKSON	MADISON	38305	\$23.8M
RIVER CITY UNITED	1964	1740 DAYTON BOULEVARD	CHATTANOOGA	HAMILTON	37405	\$10.4M
ROHM & HAAS EMPLOYEES	1949	500 N 21st STREET	KNOXVILLE	KNOX	37921	\$16.7M
SMITH & NEPHEW EMPLOYEES	1968	1450 E BROOKS ROAD	MEMPHIS	SHELBY	38116	\$9.3M
SOUTHEAST FINANCIAL	2010	220 S ROYAL OAKS BLVD	FRANKLIN	RUTHERFORD	37064	\$473.0M
SOUTHERN	1933	508 NATIONAL AVENUE	CHATTANOOGA	HAMILTON	37404	\$20.7M
ST. THOMAS	1959	4230 HARDING PIKE, STE. 103	NASHVILLE	DAVIDSON	37205	\$24.6M
TENNESSEE DEPARTMENT OF SAFETY	1971	1150 FOSTER AVENUE	NASHVILLE	DAVIDSON	37349	\$8.6M
TENNESSEE EMPLOYEES	1969	400 DEADERICK STREET	NASHVILLE	DAVIDSON	37243	\$17.3M
THE TENNESSEE	1950	1400 8TH AVENUE S	NASHVILLE	DAVIDSON	37203	\$271.5M
TIMES FREE PRESS	1966	400 EAST 11TH ST	CHATTANOOGA	HAMILTON	37403	\$2.4M
U. S. COMMUNITY	1968	2622 OLD LEBANON ROAD, STE 100	NASHVILLE	DAVIDSON	37214	\$149.1M
U. S. T. C. EMPLOYEES	1973	800 HARRISON STREET	NASHVILLE	DAVIDSON	37203	\$2.2M
UPS EMPLOYEES	1980	1814 E. BROOKS ROAD	MEMPHIS	SHELBY	38116	\$15.7M
VANDERBILT UNIVERSITY EMPLOYEES	1959	1313 21st AVENUE S, 107 OXFORD HOUSE	NASHVILLE	DAVIDSON	37232	\$32.8M
VOLUNTEER CORPORATE	1981	2460 ATRIUM WAY	NASHVILLE	DAVIDSON	37214	\$1,195.5M
WCG EMPLOYEES	1962	11181 HIGHWAY 22	MARTIN	WEAKLEY	38237	\$1.0M
WILLIS CREDIT UNION	1967	26 CENTURY BOULEVARD, SUITE 101	NASHVILLE	DAVIDSON	37214	\$12.0M