



**2012
ANNUAL REPORT**

STATE OF TENNESSEE, DEPARTMENT OF FINANCIAL INSTITUTIONS

COMMISSIONER GREG GONZALES

February 25, 2013

Dear Governor Haslam and Citizens of the State of Tennessee:

I am pleased to present the 38th 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, which have contributed to the first bank failures in Tennessee in nearly a decade. As an industry, though, Tennessee state-chartered depository institutions remain well positioned to continue serving their communities and contributing to the State's economic progress.

Although some consolidation within the banking industry is anticipated in 2013, total loans and assets continue to increase and the complexity and breadth of operations continue to grow. The formation of de novo banks has stopped at this time. There have been no applications for a state bank charter filed since 2007.

The Department recommends legislation in 2013. We recommend legislation to amend the Tennessee Banking Act regarding the sharing of information. We also recommend legislation modifying the licensing exemptions under the Residential Lending, Brokerage and Servicing Act in order to ensure compliance with the federal Secure and Fair Enforcement for Mortgage Licensing Act. We also suggest legislation to provide financial institutions chartered and licensed by the Department with the option to make payments to the Department electronically. Finally, we recommend legislation to place money transmitter licensees on the nationwide licensing system developed by states originally for nonbank mortgage licensees.

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 under the leadership of Treasurer David Lillard. 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 currently serves as 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.

TDFI'S 100 YEAR ANNIVERSARY



In 2013, the Department of Financial Institutions commemorates one hundred years of serving Tennesseans by fostering a growing and trustworthy financial system while promoting effective supervision. On March 20, 1913, then Governor Ben W. Hooper, signed into law the Act that created the “Banking Department”. The Tennessee Bankers Association was instrumental in getting the bill passed. The Department was initially headed by a Superintendent of Banks. While the Department was created by a bill signed into law on March 20, 1913, the Department did not officially begin operations until January 1, 1914. The first Bulletin issued by the Department on January 6, 1914 states that there were 401 state-chartered banks. Interestingly, this first bulletin included a “Roll of Honor” that identified 27 banks whose surplus and undivided profits was equal to its capital. In the Department’s first year of operations it employed 5 examiners as well as the Superintendent and the Superintendent’s assistant. There have been eighteen Superintendents or Commissioners of the Department (or Division) of Banking. They include: J.L. Hutton; J. Luther Emerson; S. S. McConnell; H.L. Grigsby; D.D. Robertson; Homar Clark; Marvin A. Bryan; Hugh F Sinclair; Thomas C. Mottern; W.C. Adams; Dennis R Phillips; Jeff H. Dyer; Talmadge B. Gilley; Bill C. Houston; Fred R. Lawson; Kevin P. Lavender, and Greg Gonzales.

In 1923, the Department began regulating the Credit Union industry. However it was not until 1951 that the Department listed in its annual report that it had a separately titled Credit Union Examiner. The annual report issued on June 30, 1949 notes that 1949 was the first year since the Department was formed that it was entirely free of any receiverships/liquidations even though there had not been a bank failure for the previous ten years. The late seventies and early eighties proved to be tough economic times. As a result, thirty-five banks failed between 1979 and 1986. However, thirty-two of those failed banks were purchased by other Tennessee Banks and only three required liquidation.

The Department would have celebrated its 50th anniversary in 1963. At that time, there were 218 state chartered banks. By 1988, the Department celebrated its 75th anniversary and supervised 228 banks; 241 credit unions; 61 insurance premium finance companies, and; 474 industrial loan and thrift companies. For our 100th anniversary edition of the Annual Report, we are reporting that the Department supervises 156 banks; 8 trust companies; 2 BIDCOs; 100 Credit Unions; 1,043 Industrial Loan and Thrift Companies; 54 Insurance Premium Finance Companies; 516 Mortgage Companies; 813 Mortgage Branches; 4,843 Mortgage Loan Originators; 1218 Deferred Presentment Services Companies; 670 Check Cashers; 67 Money Transmitters, and 864 Title Pledge Companies. This means that the Department currently regulates 10,354 financial institutions. It should be noted that in 1983 the Department’s name was changed from the Department of Banking to the Department of Financial Institutions in recognition of the various types of financial institutions regulated by the Department.

For many years, the Department has been statutorily charged to provide the citizens of Tennessee with a sound system of state chartered financial institutions by providing for and encouraging the development of those financial institutions while restricting their activities to the extent necessary to safeguard the interests of their depositors/customers and to give those institutions the opportunity to contribute to the economic progress of Tennessee and the Nation. As the Department enters its second century, its commitment to excellence remains unchanged as it upholds its primary mission of ensuring all financial institutions in Tennessee operate in a safe and sound manner and comply with applicable law so that they have the opportunity to contribute to economic progress.

DEPARTMENT OVERVIEW

Total Number of State-Chartered Institutions

Fiscal Year June 30, 2011 vs. Fiscal Year June 30, 2012

CHARTERS	June 30, 2011	June 30, 2012
Commercial Banks/Savings Banks	157	156
Trust Companies	9	8
BIDCOs	2	2
Credit Unions	104	100
TOTAL NUMBER OF CHARTERS	272	266

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

Fiscal Year June 30, 2011 vs. Fiscal Year June 30, 2012

LICENSEES / REGISTRANTS	June 30, 2011	June 30, 2012
Industrial Loan and Thrift Companies	1,025	1,043
Insurance Premium Finance Companies	53	54
Mortgage Companies	521	516
Mortgage Branches*	705	813
Mortgage Loan Originators	4,291	4,843
Money Transmitters	65	67
Deferred Presentment	1,217	1218
Check Cashers	635	670
Title Pledge Lenders	852	864
TOTAL NUMBER OF LICENSEES / REGISTRANTS	9,364	10,088

*TDFI began recording mortgage branches in February 2009

Total Refunded to Consumers per Industry

Fiscal Year ending June 30, 2012

LICENSEES / REGISTRANTS	TOTAL
Industrial Thrift and Loan Companies	\$185,531.35
Mortgage Companies	\$1,196,800.95
Deferred Presentment	\$52,895.48
Title Pledge Lenders	\$80,484.78
Check Cashers	\$8,925.06
Insurance Premium Finance Companies	\$3,173.53
TOTAL REFUNDED	\$1,527,811.15

2012 FISCAL REVIEW

FUNDING SOURCES

REVENUE SOURCE	AMOUNT
Appropriations-Bank Assessment Fees	\$8,672,200.00
Other Bank Fees	\$247,383.00
BIDCO's & Trust Company Fees	\$113,091.40
Credit Union Supervision Fees	\$2,304,819.42
Money Transmitter Fees	\$192,206.00
Loan Company Fees	\$811,555.00
Insurance Premium Finance Company Fees	\$45,000.00
Mortgage Company Fees	\$1,641,140.00
Check Casher Fees	\$463,550.00
Deferred Presentment Fees	\$875,423.52
Title Pledge Lender Fees	\$1,033,896.49
Inter-Departmental Revenue	\$2,033.52
TOTAL REVENUES	\$16,402,298.35

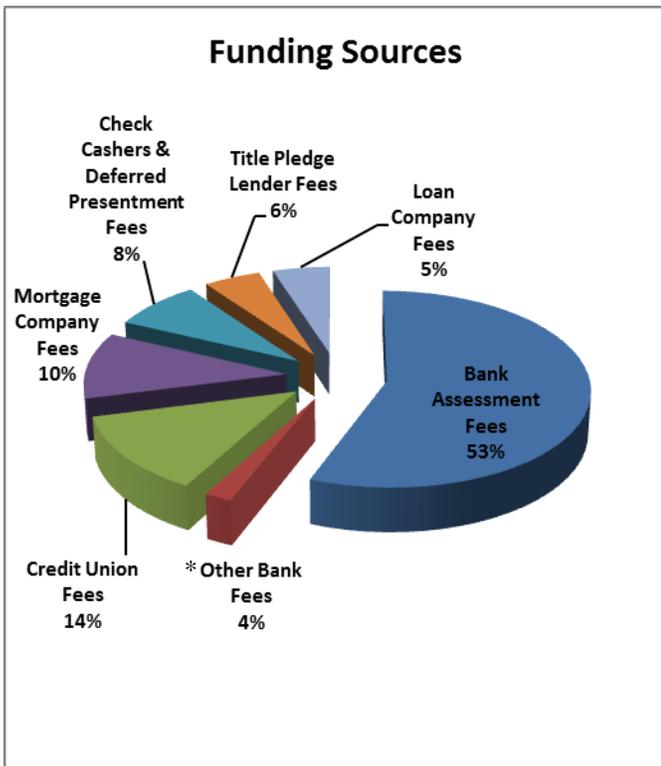
FISCAL NUMBERS AT A GLANCE

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.

At the end of Fiscal Year 2012, the department rebated \$926,718.50 to state banks in accordance with TCA section 45-1-118(a)(2) while \$1,382,868.20 was reverted to the state's general fund from surplus funds not associated with the bank assessment fees.

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



*Includes BIDCO and Trust Company fees, money transmitter fees, and miscellaneous revenues.

2012 FISCAL REVIEW

EXPENDITURES

XPENDITURE CLASSIFICATIONS	AMOUNT
Personal Services	\$7,782,128.24
Employee Benefits	\$3,217,647.25
TOTAL PAYROLL	\$10,999,775.49
Travel	\$470,067.43
Printing and Duplicating	\$7,507.18
Communication & Shipping Costs	\$39,472.71
Maintenance & Repairs	\$65.00
Professional and Administrative Services	\$2,397,494.31
Supplies	\$23,889.03
Rentals and Insurance	\$33,374.46
Awards & Indemnities	\$467.92
Unclassified	\$4,800.00
Training	\$50,566.50
Computer Related Items	\$64,447.64
TOTAL OPERATIONAL	\$3,092,936.16
TOTAL EXPENDITURES	\$14,092,711.65
Excess of Revenue Over Expenditures	\$2,309,586.70
Rebated to Banks	\$926,718.50
Reverted to the State's General Fund	\$1,382,868.20

2012 TECHNOLOGICAL ADVANCEMENTS

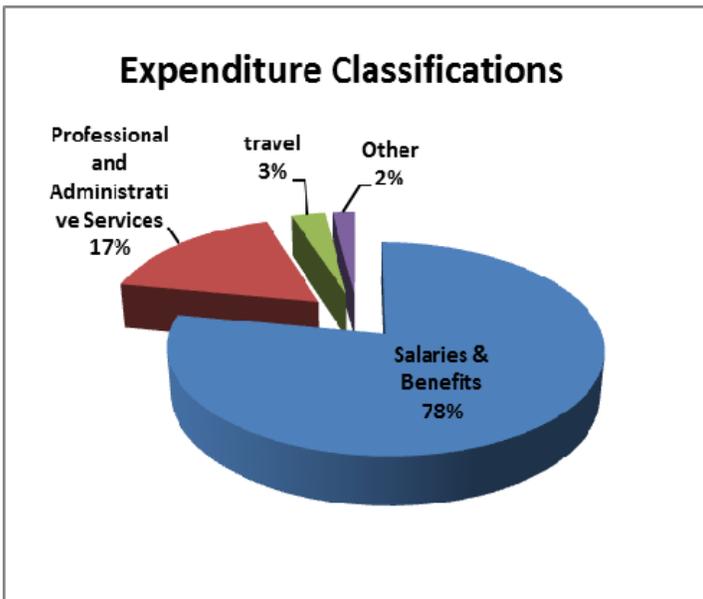
The Department completed the second phase of the Financial Institutions Regulatory System of Tennessee (FIRST) project which moved the Deferred Presentment profession from the aging Regulatory Board System (RBS) in the 4th quarter of calendar year 2012. The third phase of the project, which covers all remaining business functionality currently supplied by the RBS system, will begin in the 2nd quarter of 2013 with implementation currently planned in the 1st quarter of 2014.

To provide our financial institution examiners with the technology they need to efficiently and effectively perform their job, the Department's IT personnel have completed the project of upgrading our office suite from Microsoft Office XP to Microsoft Office 2010. We are also on target to complete our project to upgrade our operating system from Microsoft Windows XP to Microsoft Windows 7, with completion currently planned for 3rd quarter of calendar year 2013.

The Department has started a project to get all divisions onto the State's Enterprise Content Management (ECM) system by 4th quarter 2013. This will allow the department to manage the lifecycle of its documents and to reduce the amount of paper it generates as well as decrease document retrieval time which should improve our customer service. This will allow us to save on paper, printer and toner costs as well as improve staff productivity.

The Department continues the implementation of the progressive information security plan that began implementation in Fiscal Year 2005 with a goal of continually looking for ways to minimize the risk of loss or exposure of sensitive personal and financial data, better ensure data integrity and authenticity, and facilitate compliance with state and federal laws requiring the protection of such data.

Fiscal year ending June 30, 2011



ADMINISTRATIVE DIVISION



HEADQUARTERS

Greg Gonzales, Commissioner

COMMISSIONER'S OFFICE

Neil MacDonald, Information Officer

Ryan Hughes, Administrative Services Assistant V, Legislative Liaison

Herb Kraycirik, CPA, Audit Director II

Joyce Simmons, CPA, FI Chief Financial Officer

ADMINISTRATIVE DIVISION

Tina G. Miller, Assistant Commissioner/General Counsel

Tommie Pendergrass, CPA, Fiscal Director I

Leslie Yanez, Executive Administrative Assistant III

Kelley Cole, Human Resources Assistant II

Mary Jane Friedmann, Accountant II

Ashley Priest, Administrative Services Assistant II

Barbara Jones, Administrative Services Assistant III

Kayce Cawthon-Stoker, Executive Administrative Assistant I

Johanna Thompson, Administrative Assistant I

Robert Eddy, Information Systems Director II

Charles Ingram, Information Resource Support Specialist IV

Michael Burns, Information Resource Support Specialist II

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 IV

Eric Rogers, Attorney III

Joseph Schmidt, Attorney III

Derek Church, Attorney III

Denise Cole, Attorney III

Brandi Snow, Attorney III

Paula Cagle, Legal Assistant

Alan Smith, Consumer Resources Director

Alicia Gay, Administration Assistant III

Diedre Coleman, Administration Assistant III

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 2012 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.

2012 LEGISLATION

Public Chapter 534 - Amends T.C.A. Title 45, Chapter 5**Effective Date: July 1, 2012**

Public Chapter 534 amends the Tennessee Industrial Loan and Thrift Act, specifically T.C.A. § 45-5-403 (b), by increasing the loan acquisition and installment account handling charges for loans in specified loan amount categories. Public Chapter 534 also creates new loan principal amount categories for assessing acquisition charges and monthly installment handling charges and increases the minimum term from three (3) months to twelve (12) months and the maximum term from twelve (12) to twenty-five (25) months.

Public Chapter 634 - Amends T.C.A. Title 45, Chapter 2**Effective Date: January 1, 2013; March 30, 2012**

Public Chapter 634 amends the Tennessee Banking Act, specifically TCA § 45-2-1102, by requiring that the loan limit provision include consideration of credit exposure arising from derivative transactions.

Public Chapter 646 - Amends T.C.A. Title 45, Chapter 2**Effective Date: June 30, 2012**

Public Chapter 646 amends T.C.A. § 45-2-1902, the Credit Card State Bank Act, by modifying the definition of a domestic holding company to include any company that is under common control with another company that meets the requirements of controlling a domestic or foreign lender and has its principal place of business in Tennessee; or is licensed as a money transmitter, has a net worth, as of January 1, 2007, of at least \$25 million and has had its principal place of business in Tennessee for at least five consecutive years. This bill extended the date at which the definition of "domestic holding company" will no longer be effective from July 1, 2012 to July 1, 2015.

LEGAL SECTION

Public Chapter 679 - Amends T.C.A. Title 45, Chapter 17**Effective Date: April 4, 2012**

Public Chapter 679 amends the Deferred Presentment Services Act by authorizing the commissioner to require persons subject to the Deferred Presentment Services Act to be licensed through an automated multi-state licensing system. Other changes include authorizing the commissioner to review and approve the competence, experience, integrity and financial ability of any person who is a 10 percent (10%) or more shareholder of an applicant; changing the license expiration date from September 30 to December 31 of each year; changing the annual report due date from September 1 to November 1 of each year; requiring licensees to notify the Department five (5) days prior to any change in licensee's principal place of business, branch office or name; and, requiring the commissioner to mail a copy of any adopted rule or regulation to the licensee's principal place of business at least thirty (30) days before the adopted rule or regulation takes effect.

Public Chapter 729 - Amends T.C.A. Title 45, Chapter 13**Effective Date: April 11, 2012**

Public Chapter 729 amends the Residential Lending, Brokerage and Servicing Act (Mortgage Act) by permitting the Department to establish a fee by rule for conducting an off-site examination/investigation of a licensee under the Mortgage Act.

Rulemaking

No new rules or amendments were filed in 2012.

The Legal Section was heavily involved in the 2012 Legislative session by tracking bills and working closely with the Governor's Office, the General Assembly as well as other groups sponsoring legislation which impacted the Department.

It provided assistance to operating sections 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.

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 \$384,000 on behalf of consumers who formally filed complaints with the Department.

In 2012, refunds from the consumer complaint process totaled \$37,079.95.

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 498 formally filed consumer complaints throughout calendar year 2012. These were received from 75 of the state's 95 counties (78.95%). There were also 60 (12.05%) complaints filed by out-of-state residents.

Shelby County residents had the highest number of complaints filed with 70 (15.26% of total). However, the majority (262 or 52.6% of the total complaints filed) of the consumer complaints 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 108, or 21.7% of all consumer complaints received in 2012.

In 2012, the Consumer Resources Section placed two consumer notices on the Department's web site. The first notice was to alert consumers who had suffered damage to their property and have to deal with their homeowners insurance claims process as well as their mortgage lending/servicing institution's processes. The notice provided certain documents that may be involved in this process and items to check during this time. The second notice was an advisory notice concerning the Department's regulatory authority over Internet based Deferred Presentment Services, or Payday lenders. This notice advised of statutory changes that took effect in May, 2011 and the requirement that these types of institutions needed to be licensed, if conducting business with residents of the state.

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, such as statutory information, as well as, links and contacts to other resources, 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 the first Financial Literacy Commission Teacher's Conference held in Nashville at the War Memorial Auditorium and Legislative Plaza in June 2012. Throughout calendar year 2012, 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	1
Credit Union	21
Default**	54
Deferred Presentment	76
Industrial Loan and Thrift (TILT)***	42
Money Transmitter	5
Mortgage	120
Mortgage Loan Originator	7
Premium Finance	0
Title Pledge	31
TOTAL COMPLAINTS	498

Calendar year ending December 31, 2012

*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	Customer Service Issues	67
2	Statutory Violations	33
3	Payment/Payment History Disputes	29
4	Fair Debt Collection Practices Act Violations	29
5	Modification or Deferral Fees	25
6	Misrepresentation	26
7	Unwarranted Foreclosure	19
8	Unlicensed Company	13
9	Foreclosure Issues	14
10	Account Balance Discrepancy	12

FINANCIAL EDUCATION OUTREACH

The following is a listing of the presentations made to various groups during 2012.

- ◇ Homeland Community Bank Youth Advisory Board
- ◇ Tennessee Financial Literacy Commission Teacher's Summit
- ◇ Apprisen Financial Consultants
- ◇ New Transitions
- ◇ Federal Reserve Bank Atlanta-Nashville Branch Consumer Protection Workshop
- ◇ Northeast Tennessee Vulnerable Adult Coalition
- ◇ Tennessee Center for Refugees and Immigrants

CONSUMER RESOURCES SECTION

Total Complaints by County

County	Total Complaints	Percent %	County	Total Complaints	Percent %	County	Total Complaints	Percent %
Out of State	60	12.05%	HAMBLEN	1	0.2%	MOORE	0	0.0%
ANDERSON	2	0.4%	HAMILTON	23	4.62%	MORGAN	0	0.0%
BEDFORD	2	0.4%	HANCOCK	0	0.0%	OBION	4	0.8%
BENTON	0	0.0%	HARDEMAN	1	0.2%	OVERTON	1	0.2%
BLED SOE	2	0.4%	HARDIN	1	0.2%	PERRY	1	0.2%
BLOUNT	8	1.61%	HAWKINS	5	1.0%	PICKETT	0	0.0%
BRADLEY	6	1.2%	HAYWOOD	1	0.2%	POLK	6	1.2%
CAMPBELL	0	0.0%	HENDERSON	1	0.2%	PUTNAM	7	1.41%
CANNON	1	0.2%	HENRY	1	0.2%	RHEA	1	0.2%
CARROLL	1	0.2%	HICKMAN	2	0.4%	ROANE	3	0.6%
CARTER	2	0.4%	HOUSTON	0	0.0%	ROBERTSON	6	1.2%
CHEATHAM	3	0.6%	HUMPHREYS	0	0.0%	RUTHERFORD	20	4.02%
CHESTER	0	0.0%	JACKSON	0	0.0%	SCOTT	0	0.0%
CLAIBORNE	2	0.4%	JEFFERSON	3	0.6%	SEQUATCHIE	2	0.4%
CLAY	1	0.2%	JOHNSON	1	0.2%	SEVIER	5	1.0%
COCKE	3	0.6%	KNOX	23	4.62%	SHELBY	70	14.06%
COFFEE	3	0.6%	LAKE	0	0.0%	SMITH	3	0.6%
CROCKETT	1	0.2%	LAUDERDALE	1	0.2%	STEWART	0	0.0%
CUMBERLAND	2	0.4%	LAWRENCE	2	0.4%	SULLIVAN	10	2.01%
DAVIDSON	55	11.4%	LEWIS	0	0.0%	SUMNER	10	2.01%
DECATUR	1	0.2%	LINCOLN	5	1.0%	TIPTON	4	0.8%
DEKALB	0	0.0%	LOUDON	4	0.8%	TROUSDALE	0	0.0%
DICKSON	5	1.0%	MCMINN	1	0.2%	UNICOI	0	0.0%
DYER	4	0.8%	MCNAIRY	13	2.61%	UNION	0	0.0%
FAYETTE	2	0.4%	MACON	1	0.2%	VAN BUREN	1	0.2%
FENTRESS	1	0.2%	MADISON	3	0.6%	WARREN	3	0.6%
FRANKLIN	6	1.2%	MARION	0	0.0%	WASHINGTON	6	1.2%
GIBSON	4	0.8%	MARSHALL	1	0.2%	WAYNE	0	0.0%
GILES	3	0.6%	MAURY	9	1.81%	WEAKLEY	2	0.4%
GRAINGER	1	0.2%	MEIGS	1	0.2%	WHITE	1	0.2%
GREENE	7	1.41%	MONROE	8	1.61%	WILLIAMSON	10	2.01%
GRUNDY	1	0.2%	MONTGOMERY	13	2.61%	WILSON	4	0.8%
TOTAL							498	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
- Tony Matthews, Chief Administrator
- Debra Grissom, Program Administrator– Applications
- Justin McClinton, Program Administrator– Money Transmitters
- Philip Ruffin, Financial Analyst
- Ekaette Udoumana, Financial Analyst
- William Cook, Financial Analyst
- Memory Barber, Executive Administrative Assistant I
- Gina Tarolli, Administrative Services Assistant III

EXAMINATION PERSONNEL

Middle Tennessee District

- Todd Rice, CEM, District Manager
- Mike Sisk, CEIC, Supervisor
- Storm Miller, CEIC, Supervisor
- Jo Ann Schumann, Off-Site Monitoring Supervisor, IV
- Sherri Cassetty, CEIC, Trust Specialist, IV
- Clyde McClaran, IT Specialist, IV
- Edward Black, III
- Alan Kirkwood, II
- Chrystine Dobbs, II
- Gerald Proby, II
- Darnell Tate, II
- Kimberly Morrow, II
- Kamela Settles, I
- Mark Herren, I
- Michael Glaser, I

East Tennessee District

- Louella McElroy, CEM, District Manager
- Wade McCullough, CEIC, CFE, Supervisor
- Jonathan Piper, CEIC, Off-Site Monitoring Supervisor, IV
- Chad Holbert, Trust Specialist, IV
- Robert Broshears, IT Specialist, IV
- Jessica Huff, IV
- James Curtis, IV
- Anthony Valentino, IV
- Josh Robertson, II
- Jamice Lane-Washburn, II
- Richard Reagan, II
- Joy Seaver, II
- James Jordan, II
- Penny Peterson, II

West Tennessee District

- Danny Nolen, CEM, District Manager
- Terry Warren, CEIC, Supervisor
- Phil Stafford, CEIC, Supervisor
- Timothy Runions, CEIC, Off-Site Monitoring Supervisor, IV
- Roxanne Taylor, CEIC, Trust Specialist, IV
- Vicki Ivey, CEIC, IV
- Robert Prather, CEIC, IV
- Toniece Johnson, COE, IV
- Grant Casselberry, III
- Stephen Koffman, II
- Kenneth Oliver, II
- Jeffery Rial, II
- Alisa Logan, II

****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 11-12

NEW BANKS OPEN

- There were no new bank openings in fiscal year 2011-12

BANK MERGERS

- Citizens Bank, Spencer, TN, merged with and into Citizens Tri-County Bank, Dunlap, TN (July 2011)
- GreenBank, Greeneville, TN, merged with and into Capital Bank, National Association, Miami, FL (September 2011)

BANK CONVERSIONS

- First Advantage Bank, Clarksville, TN, converted from a federal savings bank to a state-chartered commercial bank (February 2012)
- Magna Bank, Memphis, TN, converted from a federal savings bank to a state chartered commercial bank (May 2012)
- Lawrenceburg Federal Bank, Lawrenceburg, TN, converted from a federal savings bank to a state chartered savings bank (May 2012)
- Volunteer Federal Savings Bank, Madisonville, TN, converted from a federal savings bank to a state chartered savings bank (June 2012)

BANK CLOSURES

- Tennessee Commerce Bank, Franklin, TN, closed on January 27, 2012
- BankEast, Knoxville, TN, closed on January 27, 2012
- The Farmers Bank of Lynchburg, Lynchburg, TN, closed on June 15, 2012

BIDCO TRANSACTIONS

- There were no BIDCO application transactions in fiscal year 2011-12

NEW TRUST COMPANIES OPEN

- There were no new public trust companies opened in FY 2011-12
- There was one new private trust company opened in FY 2011-12

MONEY TRANSMITTER TRANSACTIONS

NEW LICENSE ISSUED

- PNS Partners, LLC (formerly Moneybookers USA, Inc.), Murfreesboro, TN (February 2012)
- Skrill USA, Inc., New York, NY (February 2012)
- JPay, Inc., Miami, FL (May 2012)

VOLUNTARY CORPORATE TRANSACTIONS

- Smart Plus USA, LLC (formerly Qaran Express US, Inc.), Minneapolis, MN (March 2012)

BANK DIVISION INFORMATION AT A GLANCE

(AS OF JUNE 30, 2012)

BANK REGULATED INSTITUTIONS:

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

BANK DATA

CONSOLIDATED TOTAL ASSETS:

- \$43.6 billion, representing a \$1.26 billion or 2.81 percent change since June 30, 2011

CONSOLIDATED CAPITAL:

- \$4.6 billion, representing 10.58 percent of total assets

RETURN ON AVERAGE ASSETS (ROAA):

- Median ROAA of 0.82 percent with a median Net Interest Margin of 4.06 percent (includes all banks)

ALLOWANCE FOR LOAN AND LEASE LOSSES (ALL):

- Median ALLL to total loans and leases ratio of 1.69

PAST DUE RATIO:

- Median past due ratio of 1.86 percent

TRUST COMPANY DATA

TOTAL CONSOLIDATED CORPORATE ASSETS:

- \$89.9 million, representing a 5.11 percent increase compared to the same period in 2011

AGGREGATED NET INCOME FOR TRUST COMPANIES:

- \$4.1 million representing a 34.59 percent increase compared to the same period in 2011

TRUST ASSETS UNDER MANAGEMENT AND/OR CUSTODY:

- Reflect an increase of 33.73 percent from \$15.1 billion to \$20.2 billion, inclusive of assets invested in common/collective trust funds

NOTE: Trust Company data covers a six-month period from January 1, 2012 through June 30, 2012

BANK DIVISION

**UPDATE ON SENTINEL TRUST COMPANY STATUS
(CURRENTLY IN LIQUIDATION)**

As of June 30, 2012, the Department continued to oversee the liquidation of Sentinel Trust Company, Hohenwald, TN, subject to a Notice of Liquidation issued on June 18, 2004.

Pursuant to Tennessee Code Annotated Section 45-2-1504 et seq., former Commissioner Kevin P. Lavender took possession of Sentinel on May 18, 2004. Immediately thereafter, pursuant to Tennessee Code Annotated Section 45-2-1502(b)(2), the Commissioner issued an Order appointing a Receiver. These actions were prompted because it had been determined that the Company was engaging in unsafe and unsound fiduciary practices. These practices had caused a shortage in the fiduciary cash position for which Sentinel's capital was insufficient to cover the shortfall.

On March 7, 2007, pursuant to Court Order, the Receiver made an initial partial distribution of \$3,650,492, pro rata, to approved claimants. This represented a 37% distribution of approved claims.

In May 2009, pursuant to Court Order, the Receiver made a second partial distribution of \$1,028,074, pro rata, to approved claimants. There were no distributions during fiscal year 2012.

As of June 30, 2012, the Receiver held corporate assets totaling \$770,731.35, with total corporate liabilities of \$677,560.87, and the Receiver held fiduciary assets totaling \$895,902.33, with total fiduciary liabilities of \$163,823.28. A sale of the final parcel of real property owned by Sentinel occurred in April, 2012, and the amount of net proceeds realized from the sale is included in the foregoing corporate asset total above. The Chancery Court for Hickman County, Tennessee directed that a final accounting, as required by Tennessee Code Annotated Section 45-2-1504(k), be filed with the Court on November 5, 2012.

**MONEY TRANSMITTERS
REGULATION**

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.

Effective January 1, 2009, the licensing and regulation of Tennessee-licensed money transmitters became the responsibility of the Department's Bank Division. Consequently, the Bank Division has been working 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.

LICENSING

Each applicant for a license must demonstrate, and each licensee must maintain, a net worth of at least \$100,000 computed according to generally accepted accounting principles. Persons transmitting, or proposing to transmit, money shall have an additional net worth of at least \$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, 2012, the division licensed 67 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 2011 provided financing totaling \$2,150,000 to two small businesses, preserving and/or creating an estimated 29 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	1	\$1,700,000
Service	1	\$450,000
TOTAL	2	\$2,150,000

TENNESSEE STATE-CHARTERED BANKS

CONSOLIDATED BALANCE SHEET (IN MILLIONS)

ASSETS	June 30, 2012	June 30, 2011	\$ Charge	% Change
Cash and Due From Banks	2762	2757	5	0.18%
Securities	9707	8664	1043	12.04%
Federal Funds Sold and Securities Purchased Under Agreement to Resell	618	668	-50	-7.49%
Loans and Leases Held for Sale	633	391	242	61.89%
Loans and Leases, Net of Unearned income	27462	29750	-2288	-7.69%
Allowance for Loan and Lease Losses	-550	-654	104	-15.90%
Assets held in Trading Accounts	7	5	2	40.00%
Premises and Fixed Assets	1022	1115	-93	-8.34%
Other Real Estate Owned	557	652	-95	-14.57%
Investments in Unconsolidated Subsidiaries	11	12	-1	-8.33%
Intangible Assets	178	202	-24	-11.88%
Other Assets	1178	1283	-105	-8.18%
TOTAL ASSETS	43585	44845	-1260	-2.81%
LIABILITIES				
Non-Interest Bearing Deposits	4627	4285	342	7.98%
Interest Bearing Deposits	32287	34034	-1747	-5.13%
TOTAL DEPOSITS	36914	38319	-1405	-3.67%
Federal Funds Purchased and Securities Sold Under Repurchase Agreement	346	320	26	8.13%
Trading Liabilities	7	5	2	40.00%
Other Borrowed Money	1381	1494	-113	-7.56%
Other Liabilities	317	299	18	6.02%
TOTAL LIABILITIES	38965	40437	-1472	-3.64%
Minority Interests in Unconsolidated Subsidiaries	7	7	0	0.00%
EQUITY CAPITAL				
Preferred Stock	100	41	59	143.90%
Common Stock	287	286	1	0.35%
Surplus	2200	2549	-349	-13.69%
Undivided Profits	1886	1438	448	31.15%
Accumulated other Comprehensive Income	150	83	67	80.72%
Other Equity Capital Components	-10	4	-14	-350.00%
TOTAL EQUITY CAPITAL	4613	4401	212	4.82%
TOTAL LIABILITIES AND EQUITY CAPITAL	43585	44845	-1260	-2.81%

TENNESSEE STATE-CHARTERED BANKS

CONSOLIDATED INCOME STATEMENT (IN MILLIONS)

	June 30, 2012	June 30, 2011
Interest Income	947	1048
Interest Expenses	177	255
NET INTEREST INCOME	770	793
Non-Interest Income	183	142
Non-Interest Expense	660	694
Provision for Loan and Lease Losses	82	243
Securities Gains/Losses	32	12
Pre-Tax Net Income	243	10
Applicable Income Taxes	46	31
NET OPERATING INCOME	197	-21
Extraordinary Gains/Losses	0	0
NET INCOME	197	-21
TOTAL CASH DIVIDENDS	58	43

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	4786	9800	16602	409	1456	32235	25907	2261	0	4067	64
ASHLAND CITY	Community Bank & Trust	4435	68924	125715	3252	18157	213979	179489	12631	0	21859	241
ATHENS	SouthEast Bank & Trust	18561	19581	204732	2865	18927	258936	228331	4372	0	26233	1073
ATWOOD	Citizens Bank & Trust Company	1411	12413	13098	123	583	27382	24970	121	0	2291	110
BARTLETT	Bank of Bartlett	13992	140867	168974	4562	42229	361500	318681	26773	0	16046	3000
BELLS	Bank of Crockett	4948	81108	40651	1030	10575	136252	117156	3139	0	15957	679
BOLIVAR	Merchants & Planters Bank	4794	18804	65888	930	8764	97320	82768	4320	0	10232	131
BRENTWOOD	Reliant Bank	29412	41890	286701	8770	22522	371755	318732	15679	0	37344	1051
BRIGHTON	Brighton Bank	2337	13501	44930	1037	5149	64880	58066	2808	0	4006	-53
BROWNSVILLE	INSOUTH Bank	28046	61078	186388	5515	18904	288901	264978	2006	0	21917	1069
BYRDSTOWN	People's Bank and Trust Company of	3435	24378	92511	2958	8952	126318	115415	555	0	10348	65
CAMDEN	Bank of Camden	4435	27434	169318	2800	24060	222447	167101	19066	0	36280	3541
CARTHAGE	Citizens Bank	15704	251890	227975	5397	15457	505629	417708	1777	0	86144	4414
CHATTANOOGA	First Volunteer Bank	87841	52093	468702	6665	51369	653340	577727	12129	0	63484	3571
CHATTANOOGA	Cornerstone Community Bank	36879	86595	263749	6029	38886	420080	323983	59722	0	36375	869
CHATTANOOGA	CapitalMark Bank & Trust	63343	265836	402672	6193	13993	739651	642924	20099	0	76628	3403
CLARKSVILLE	F&M Bank	16927	76231	669664	7022	63828	819628	637383	110093	7391	64761	5598
CLARKSVILLE	First Advantage Bank	16573	70782	263466	4369	19050	365502	255577	54883	0	55042	1571
CLARKSVILLE	Legends Bank	26021	89422	232453	3256	17869	362509	310624	19427	0	32458	1421
CLARKSVILLE	Cumberland Bank and Trust	7538	14775	124069	1338	7496	152540	133875	4623	0	14042	846
CLEVELAND	Bank of Cleveland	32918	4007	189902	3600	11580	234807	188596	10995	0	35216	2115
CLEVELAND	Southern Heritage Bank	11600	62348	144488	1749	10066	226753	194270	2764	0	29719	1445
CLIFTON	Peoples Bank	10067	25372	91006	1199	14056	139302	120236	7008	0	12058	300
COLLIERVILLE	BankTennessee	7104	21767	183033	4060	24100	231944	204431	982	0	26531	1082
COLLIERVILLE	Landmark Community Bank	9122	46936	309133	3375	9417	371233	281753	53243	0	36237	1092
COLUMBIA	First Farmers and Merchants Bank	38002	411964	519872	8772	81126	1042192	887571	44218	95	110308	4448
COLUMBIA	Community First Bank & Trust	99656	64105	372193	14672	51305	572587	513771	23439	88	35289	2700
COLUMBIA	Heritage Bank & Trust	3970	16012	90783	4415	8847	115197	104834	3085	0	7278	24
COOKEVILLE	Bank of Putnam County	62032	123700	173267	1512	13451	370938	337071	5192	0	28675	2150
COOKEVILLE	Putnam 1st Mercantile Bank	1611	24786	61079	1025	6210	92661	81503	424	0	10734	388
CORDOVA	First Alliance Bank	9575	13948	90406	2199	12930	124660	103625	8680	0	12355	61
CROSSVILLE	Cumberland County Bank	71294	75532	122255	1957	13924	281048	257717	2487	0	20844	1145
DECATURVILLE	Decatur County Bank	7304	21532	53661	702	7023	88818	75552	6697	0	6569	543
DECHERD	Franklin County United Bank	6391	17244	66285	2268	6836	94488	82675	242	0	11571	294
DICKSON	Bank of Dickson	4257	84838	114336	1618	7373	209186	173708	8063	0	27415	902
DICKSON	TriStar Bank	6942	69869	81218	1078	12151	169102	138127	13789	0	17186	1048
DUNLAP	Mountain Valley Bank	9410	20129	67443	1587	5521	100916	92022	406	0	8488	118
DUNLAP	Citizens Tri-County Bank	73752	184897	297643	7386	48258	597164	529619	4261	0	63284	2797
DYER	The Farmers & Merchants Bank	4714	50354	40047	233	7792	102674	84977	6398	0	11299	793
ELIZABETHTON	Citizens Bank	42711	152761	404999	6345	28078	622204	499906	32508	0	89790	6046
ELIZABETHTON	Carter County Bank of Elizabethton, Ten-	14496	69534	171319	3495	18549	270403	209609	34776	0	26018	727
ERIN	Traditions First Bank	2770	31126	70898	887	5805	109712	93217	5231	0	11264	581
ERWIN	Mountain Commerce Bank	6306	30086	251733	6743	24332	305714	269701	10114	0	25899	1279
FAYETTEVILLE	Bank of Lincoln County	22270	19765	72509	859	16519	130204	113884	716	0	15604	301
FRANKEWING	Bank of Frankewing	31260	24317	139012	3165	17189	208613	184405	2138	0	22070	758
FRANKLIN	Franklin Synergy Bank	24290	209845	282336	3388	16342	529425	468028	14358	0	47039	1598
GALLATIN	Sumner Bank & Trust	4758	41387	111028	1458	9200	164915	139237	9297	0	16381	395
GATES	Gates Banking and Trust Company	957	24421	13851	308	2110	41031	34363	1703	0	4965	226

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
GERMANTOWN	First Capital Bank	955	38602	149791	2109	10713	197952	153819	20308	0	23825	228
GERMANTOWN	Triumph Bank	5547	64042	271711	4056	10736	347980	308807	2425	0	36748	770
GLEASON	Bank of Gleason	5014	76760	38379	1117	4212	123248	99136	1958	0	22154	605
GREENEVILLE	Andrew Johnson Bank	13390	27863	229396	3895	12208	278962	252595	1100	0	25267	1233
GREENEVILLE	American Patriot Bank	7783	5371	56230	1359	18739	86764	84204	647	0	1913	-152
GREENEVILLE	Heritage Community Bank	6866	13391	76476	1562	13600	108771	97065	4865	0	6841	-436
GREENFIELD	Greenfield Banking Company	5282	5962	38359	353	1774	51024	41141	3712	0	6171	182
HALLS	Bank of Halls	2591	36251	26292	527	3700	68307	58681	1490	0	8136	434
HALLS	The Lauderdale County Bank	5143	16071	22917	277	1913	45767	40671	598	0	4498	173
HARROGATE	Commercial Bank	46419	137899	557123	10053	72093	803481	647760	82259	0	73462	391
HARTSVILLE	Citizens Bank	4658	34530	106626	1658	7540	151696	137402	447	0	13847	779
HENDERSON	Chester County Bank	12515	22530	28781	529	1475	64772	57246	1402	0	6124	300
HENDERSONVILLE	American Security Bank and Trust Company	15439	39676	104478	1713	8055	165935	144654	3220	0	18061	-901
HUNTINGDON	Carroll Bank and Trust	15324	67888	162663	1347	21529	266057	236528	1756	0	27773	868
JACKSON	First South Bank	19384	134556	258106	4043	31866	439869	351532	34034	0	54303	3751
JACKSON	The Bank of Jackson	3033	64120	58744	930	8875	133842	112679	5749	0	15414	222
JAMESTOWN	Union Bank	17649	43156	120507	2308	20219	199223	177036	1657	0	20530	629
JAMESTOWN	Progressive Savings Bank	31634	29551	160501	1670	32027	252043	228257	1131	0	22655	558
JAMESTOWN	COMMUNITY BANK OF THE CUMBERLANDS	5241	15880	144191	1769	11158	174701	154387	1596	0	18718	1277
JASPER	Citizens State Bank	8602	5336	51808	473	7607	72880	66749	643	0	5488	350
JEFFERSON CITY	First Peoples Bank of Tennessee	4444	27904	89814	669	10950	132443	116345	3945	0	12153	317
JELICO	Union Bank	4872	14041	40007	590	4011	62341	53352	713	0	8276	510
KINGSPORT	Bank of Tennessee	34578	118460	437505	7505	57042	640080	525352	56699	0	58029	3182
KINGSPORT	TriSummit Bank	18499	103867	142585	1471	17320	280800	222181	25412	0	33207	636
KNOXVILLE	Clayton Bank and Trust	58963	128738	550519	22252	33956	749924	615639	38697	0	95588	7664
KNOXVILLE	American Trust Bank of East Tennessee	7780	27738	90107	2946	6610	129289	110510	5289	0	13490	820
LA FOLLETTE	Peoples Bank of the South	11215	10529	121240	2075	8759	149668	128668	1451	0	19549	915
LAFAYETTE	Citizens Bank of Lafayette	8717	208961	224540	3601	21671	460288	379175	34561	0	46552	2368
LAFAYETTE	Macon Bank and Trust Company	20945	158967	137870	2285	14556	330053	284587	4034	0	41432	1707
LAWRENCEBURG	Lawrenceburg Federal Bank	4983	200	41574	165	2917	49509	36595	1146	0	11768	299
LEBANON	Wilson Bank and Trust	37036	380508	1140647	25267	84755	1617679	1440422	15019	0	162238	6103
LEBANON	CedarStone Bank	2799	52447	102399	1638	11085	167092	134486	17591	0	15015	1229
LEBANON	First Freedom Bank	18933	15330	202995	4484	18691	251465	214813	7044	0	29608	924
LEWISBURG	First Commerce Bank	20099	64547	158357	2159	16748	257592	224935	7615	0	25042	1232
LEXINGTON	First Bank	32419	757574	1255463	38378	148151	2155229	1794755	102947	-1	257528	12988
LEXINGTON	Community Bank	1705	25886	78807	528	4754	110624	91583	7986	0	11055	622
LIBERTY	Liberty State Bank	10885	42969	89282	1819	7105	148422	131964	1767	0	14691	606
LIVINGSTON	Union Bank & Trust Company	3533	21379	50870	844	3358	78296	68392	387	0	9517	919
LIVINGSTON	American Bank & Trust of the Cumberlands	10462	21332	108136	1708	6990	145212	131474	1296	0	12442	1031
LOBELVILLE	Bank of Perry County	9496	6639	120033	1686	9524	144006	117163	12677	0	14166	1325
MADISONVILLE	Volunteer Federal Savings Bank	29408	2800	136431	669	12739	180709	131050	27806	0	21853	625
MADISONVILLE	Peoples Bank of East Tennessee	17437	34174	148500	2300	32619	230430	207468	4323	0	18639	322
MANCHESTER	Peoples Bank & Trust Company	4040	24422	47178	1044	7426	82022	67751	5526	0	8745	198
MANCHESTER	Coffee County Bank	13095	10077	94676	2487	8384	123745	107160	3233	0	13352	758
MARYVILLE	Citizens Bank of Blount County	64721	82237	194663	3747	13601	351475	291890	2706	0	56879	601
MARYVILLE	Foothills Bank & Trust	3480	36000	107776	1398	7859	153717	125920	10264	0	17533	330
MASON	Trust Company Bank	3525	2135	22497	344	6360	34173	28963	1168	0	4042	-638
MC KENZIE	McKenzie Banking Company	49119	8305	54304	1666	6305	116367	99517	731	0	16119	539

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
MC MINNVILLE	Security Federal Savings Bank of	7475	29092	116706	1317	8163	160119	139156	5589	0	15374	584
MC MINNVILLE	Homeland Community Bank	11214	21830	95720	2570	8389	134583	121318	991	0	12274	667
MEDINA	Medina Banking Co.	4243	23155	12223	208	941	40354	33090	156	0	7108	131
MEMPHIS	Tri-State Bank of Memphis	13788	38418	77814	2274	6788	134534	118164	988	0	15382	-172
MEMPHIS	Independent Bank	76647	18380	702659	8187	54590	844089	733134	6425	0	104530	4269
MEMPHIS	Magna Bank	13916	66970	367347	5762	29457	471928	348987	60800	0	62141	1599
MILAN	The Bank of Milan	5385	22574	32480	499	3542	63482	55431	1855	0	6196	339
MILLINGTON	Patriot Bank	7276	87912	149258	2733	21364	263077	223266	17154	0	22657	1414
MORRISTOWN	Jefferson Federal Bank	56625	83481	328732	5852	60400	523386	424593	42503	0	56290	723
MOUNT JULIET	The Community Bank of East Tennessee	26175	6491	30846	760	3795	66547	56719	3066	0	6762	542
MOUNTAIN CITY	Farmers State Bank	2841	41077	83801	4050	13817	137486	111842	6744	0	18900	-696
MOUNTAIN CITY	Johnson County Bank	19496	20240	71894	1070	8118	118678	96283	6789	0	15606	531
MURFREESBORO	MidSouth Bank	13130	76250	143120	3268	13494	242726	213417	1759	0	27550	770
NASHVILLE	Avenue Bank	11301	198521	423921	6327	43911	671327	520022	67873	0	83432	1303
NASHVILLE	Citizens Savings Bank and Trust Company	11121	14605	64830	1054	3107	92609	81567	2380	0	8662	103
NASHVILLE	InsBank	10238	19708	127200	2838	10843	165151	108994	37513	0	18644	762
NASHVILLE	Nashville Bank and Trust Company	26302	67599	177222	2680	3893	272336	227274	18297	0	26765	1215
NASHVILLE	Civic Bank & Trust	4872	49456	72608	3929	8910	131917	106926	7347	0	17644	401
NASHVILLE	CapStar Bank	34515	291752	437887	7082	14945	772017	677967	10225	0	83825	8474
NEW TAZEVELL	Citizens Bank	12260	28698	106612	1412	8005	154163	139762	927	0	13474	258
NEWBERN	Security Bank	9312	82237	67356	1433	13819	171291	141381	10182	0	19728	812
NOLENSVILLE	Peoples State Bank of Commerce	30322	35905	122012	2450	20618	206407	193500	522	0	12385	-425
OAK RIDGE	TNBANK	4821	37107	113511	1323	13304	167420	133734	14798	0	18888	204
ONEIDA	First Trust and Savings Bank, Oneida,	18850	21143	102445	2439	6899	146898	124703	7043	0	15152	555
OLTEWAH	Community Trust & Banking Company	14165	9407	99159	2198	8861	129394	116107	1037	0	12250	142
PARIS	Commercial Bank & Trust Co.	20812	176062	433153	7241	36641	659427	570489	18769	0	70169	4926
PARIS	Security Bank and Trust Company	18232	27445	107969	616	10739	163769	146102	1609	0	16058	2138
PARSONS	Farmers Bank	7182	8988	17910	355	1411	35136	30605	267	0	4264	120
PARSONS	Community South Bank	45470	22230	369019	8409	69104	497414	464097	15808	0	17509	-932
PIGEON FORGE	Tennessee State Bank	66658	154832	468694	15250	75408	750342	651604	32682	0	66056	4789
PIGEON FORGE	SmartBank	35141	47040	239677	3915	13686	331629	276564	9443	0	45622	1019
PIPERTON	The Bank of Fayette County	8216	34065	244535	3143	17388	301061	246140	26187	0	28734	1203
PORTLAND	The Farmers Bank	22893	155482	313805	6343	24225	510062	423318	32377	0	54367	1506
PORTLAND	Volunteer State Bank	11446	26006	328716	3764	31488	393892	319294	39803	0	34795	5121
RIPLEY	Bank of Ripley	8621	98352	87860	900	14706	208639	175118	1609	0	31912	907
ROGERSVILLE	The Citizens Bank of East Tennessee	9216	22839	84101	2259	13669	127566	116200	6059	0	5307	-238
ROGERSVILLE	First Community Bank of East Tennessee	36540	37364	121016	6157	23139	211902	174491	14588	0	22823	561
RUTLEDGE	Citizens Bank and Trust Company of	7327	102325	68675	1258	10794	187863	154514	1483	0	31866	1059
SARDIS	The Peoples Bank	1580	32273	37252	641	4286	74750	67628	1043	0	6079	181
SAVANNAH	The Hardin County Bank	13446	46788	293782	2681	30870	382205	340659	9674	0	31872	2046
SAVANNAH	Central Bank	6851	15341	128454	2992	14923	162577	143014	9383	0	10180	-3129
SELMER	Home Banking Company	6493	34810	31175	510	6294	78262	69718	800	0	7744	153
SEVIERVILLE	Sevier County Bank	44934	25987	192550	8797	64311	318985	293756	1493	0	23736	-1079
SHELBYVILLE	First Community Bank of Bedford County	15608	86006	202925	2917	27423	329045	241527	43330	0	44188	3709
SHELBYVILLE	PEOPLES BANK OF BEDFORD COUNTY	3626	25888	66406	1204	7130	101846	89249	1018	0	11579	498
SOMERVILLE	The Somerville Bank & Trust Company	4939	91650	90097	1319	10030	195397	173017	432	0	21948	608
SPRING CITY	First Bank of Tennessee	21256	21857	185965	3144	14059	239993	210476	6018	0	23499	1496
SPRINGFIELD	Commerce Union Bank	4016	34410	170876	2445	9026	215883	164558	18419	0	32906	809

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
TAZEWELL	First Century Bank	15712	66156	160186	5421	22434	259067	223938	7967	0	27162	1127
TREZEVANT	Farmer's and Merchants Bank	9620	11126	239432	3051	17048	274175	234255	16320	0	23600	1419
TULLAHOMA	American City Bank of Tullahoma	6056	33106	175288	3336	18290	229404	177282	14125	0	37997	2194
TULLAHOMA	Southern Community Bank	4395	37552	95785	869	10129	146992	124503	5561	0	16928	371
TULLAHOMA	First Vision Bank of Tennessee	5771	15197	108789	1332	9303	137728	114550	5677	0	17501	818
UNION CITY	First State Bank	32792	647711	955127	18044	96046	1713632	1446262	87771	100	179499	8230
UNION CITY	Reelfoot Bank	13488	54141	76994	1466	10457	153614	136944	2318	0	14352	481
WARTBURG	Citizens First Bank	9698	23859	111239	2144	14925	157577	141291	3363	0	12923	-34
WAYNESBORO	The Bank of Waynesboro	15691	26891	96170	2443	10185	146494	126751	1306	0	18437	760
WAYNESBORO	Wayne County Bank	22598	15745	231349	7459	27025	289258	241200	15931	0	32127	726
WINCHESTER	Citizens Community Bank	8069	29916	122868	2496	13828	172185	150333	2377	0	19475	1183
WOODLAND MILLS	The Farmers Bank, Woodland Mills,	915	6097	3921	108	181	11006	9018	13	0	1975	-20
TOTAL		2762212	10325130	28094970	550192	2953175	43585295	36914064	2050714	7673	4612844	196644

(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) Total 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, 2012

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	0.4	50.23	2.46	11.65	62.5	3.2
ASHLAND CITY	Community Bank & Trust	0.22	57.23	2.59	9.72	68.23	2.23
ATHENS	SouthEast Bank & Trust	0.81	77.96	1.4	9.66	88.41	8.29
ATWOOD	Citizens Bank & Trust Company	0.81	47.39	0.94	8.32	51.96	4.45
BARTLETT	Bank of Bartlett	1.64	45.48	2.7	4.37	51.59	41.75
BELLS	Bank of Crockett	0.99	29.08	2.53	10.25	33.82	8.72
BOLIVAR	Merchants & Planters Bank	0.27	66.75	1.41	9.46	78.48	2.55
BRENTWOOD	Reliant Bank	0.59	74.76	3.06	9.31	87.2	6.05
BRIGHTON	Brighton Bank	-0.16	67.65	2.31	5.89	75.59	-2.63
BROWNSVILLE	INSOUTH Bank	0.72	62.61	2.96	7.33	68.26	10.02
BYRDSTOWN	People's Bank and Trust Company of Pickett County	0.1	70.89	3.2	7.64	77.59	1.25
CAMDEN	Bank of Camden	3.27	74.86	1.65	12.35	99.65	20.4
CARTHAGE	Citizens Bank	1.75	44.02	2.37	17.08	53.29	-6.49
CHATTANOOGA	First Volunteer Bank	1.11	70.72	1.42	9	79.98	-9.54
CHATTANOOGA	CapitalMark Bank & Trust	0.98	53.6	1.54	10.42	61.67	8.27
CHATTANOOGA	Cornerstone Community Bank	0.42	61.35	2.29	8.24	79.55	4.86
CLARKSVILLE	First Advantage Bank	0.87	70.89	1.66	14.45	101.38	5.75
CLARKSVILLE	F&M Bank	1.42	80.85	1.05	9.02	103.96	12.6
CLARKSVILLE	Cumberland Bank and Trust	1.1	80.46	1.08	8.84	91.68	9.12
CLARKSVILLE	Legends Bank	0.79	63.23	1.4	8.46	73.79	8.98
CLEVELAND	Bank of Cleveland	1.81	79.34	1.9	15.14	98.78	6.14
CLEVELAND	Southern Heritage Bank	1.29	62.95	1.21	12.79	73.47	10
CLIFTON	Peoples Bank	0.43	64.47	1.32	8.48	74.69	5.04
COLLIERVILLE	BankTennessee	0.92	77.16	2.22	10.54	87.55	8.35
COLLIERVILLE	Landmark Community Bank	0.65	82.36	1.09	10.09	108.52	0.57
COLUMBIA	First Farmers and Merchants Bank	0.86	49.04	1.69	9.52	57.58	4.53
COLUMBIA	Heritage Bank & Trust	0.04	74.97	4.86	5.88	82.39	0.66
COLUMBIA	Community First Bank & Trust	0.87	62.44	3.94	5.65	69.59	15.66
COOKEVILLE	Bank of Putnam County	1.16	46.3	0.87	7.76	50.96	4.81
COOKEVILLE	Putnam 1st Mercantile Bank	0.86	64.81	1.68	11.52	73.68	7.44
CORDOVA	First Alliance Bank	0.1	70.76	2.43	8.58	85.12	0.99
CROSSVILLE	Cumberland County Bank	0.83	42.8	1.6	7.42	46.68	3.56
DECATURVILLE	Decatur County Bank	1.22	59.63	1.31	8.12	70.1	17.02
DECHERD	Franklin County United Bank	0.62	67.75	3.42	11.93	77.43	5.16
DICKSON	Bank of Dickson	0.89	53.88	1.42	12.18	64.89	4
DICKSON	TriStar Bank	1.25	47.39	1.33	9.34	58.02	7.77
DUNLAP	Citizens Tri-County Bank	0.95	48.61	2.48	8.98	54.8	6.12
DUNLAP	Mountain Valley Bank	0.24	65.26	2.35	8.45	71.57	2.8
DYER	The Farmers & Merchants Bank	1.56	38.78	0.58	9.64	46.85	11.93
ELIZABETHTON	Carter County Bank of Elizabethton, Tennessee	0.53	62.06	2.04	9.24	80.07	1.01
ELIZABETHTON	Citizens Bank	1.92	64.07	1.57	13.06	79.75	14.05
ERIN	Traditions First Bank	1.05	63.81	1.25	9.67	75.11	10.62
ERWIN	Mountain Commerce Bank	0.81	80.14	2.68	8.09	90.84	10.2
FAYETTEVILLE	Bank of Lincoln County	0.47	55.03	1.18	11.61	62.91	3.89
FRANKEWING	Bank of Frankewing	0.73	65.12	2.28	10.37	73.67	7.01
FRANKLIN	Franklin Synergy Bank	0.64	52.69	1.2	8.81	59.6	6.84
GALLATIN	Sumner Bank & Trust	0.5	66.44	1.31	9.62	78.69	4.94
GATES	Gates Banking and Trust Company	1.1	33.01	2.22	10.36	39.41	9.36

TENNESSEE STATE-CHARTERED BANKS

KEY BANK RATIOS AS OF JUNE 30, 2012

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
GERMANTOWN	Triumph Bank	0.47	76.92	1.49	10.68	86.67	5.14
GERMANTOWN	First Capital Bank	0.24	74.61	1.41	12.33	96.01	-1.45
GLEASON	Bank of Gleason	1	30.23	2.91	16.06	37.59	1.34
GREENEVILLE	Andrew Johnson Bank	0.9	80.84	1.7	8.92	89.27	10.02
GREENEVILLE	American Patriot Bank	-0.33	63.24	2.42	2.13	65.16	-15.04
GREENEVILLE	Heritage Community Bank	-0.78	68.87	2.04	6.08	77.18	-12.18
GREENFIELD	Greenfield Banking Company	0.72	74.49	0.92	12.21	92.38	5.45
HALLS	The Lauderdale County Bank	0.76	49.47	1.21	9.14	55.67	6.27
HALLS	Bank of Halls	1.27	37.72	2	10.75	43.91	11.02
HARROGATE	Commercial Bank	0.1	68.09	1.8	8.42	84.46	1.07
HARTSVILLE	Citizens Bank	1.04	69.2	1.56	9.01	76.39	11.65
HENDERSON	Chester County Bank	0.93	43.62	1.84	8.65	49.35	8.6
HENDERSONVILLE	American Security Bank and Trust Company	-1.08	61.93	1.64	10.66	71.04	-9.64
HUNTINGDON	Carroll Bank and Trust	0.65	60.63	0.83	9.66	68.2	3.03
JACKSON	First South Bank	1.73	57.76	1.57	9.92	72.27	7.1
JACKSON	The Bank of Jackson	0.34	43.2	1.58	10.66	51.31	-0.04
JAMESTOWN	Union Bank	0.64	59.33	1.92	10.38	66.77	4.3
JAMESTOWN	Progressive Savings Bank	0.45	63.02	1.04	8.56	69.58	1.84
JAMESTOWN	COMMUNITY BANK OF THE CUMBERLANDS	1.51	81.52	1.23	9.97	92.25	14.14
JASPER	Citizens State Bank	0.98	70.44	0.91	7.53	76.91	5.61
JEFFERSON CITY	First Peoples Bank of Tennessee	0.48	67.31	0.74	8.98	76.62	5.3
JELICO	UBank	1.63	63.23	1.47	12.5	73.88	3.01
KINGSPORT	Bank of Tennessee	1.01	67.18	1.72	8.61	81.85	3.26
KINGSPORT	TriSummit Bank	0.46	50.25	1.03	11.25	63.51	2.68
KNOXVILLE	Clayton Bank and Trust	2.47	70.44	4.04	14.97	85.81	16.74
KNOXVILLE	American Trust Bank of East Tennessee	1.23	67.42	3.27	10	78.87	12.44
LA FOLLETTE	Peoples Bank of the South	1.21	79.62	1.71	12.78	92.61	3.38
LAFAYETTE	Citizens Bank of Lafayette	1.05	48	1.6	8.93	58.27	8.82
LAFAYETTE	Macon Bank and Trust Company	1.05	41.08	1.66	11.81	47.64	6.73
LAWRENCEBURG	Lawrenceburg Federal Bank	1.22	83.64	0.4	23.76	113.15	5.11
LEBANON	Wilson Bank and Trust	0.76	68.95	2.22	9.67	77.43	7.69
LEBANON	CedarStone Bank	1.52	60.3	1.6	8.27	74.92	15.86
LEBANON	First Freedom Bank	0.76	78.94	2.21	11.83	92.41	4.74
LEWISBURG	First Commerce Bank	0.97	60.64	1.36	9.25	69.44	10.1
LEXINGTON	Community Bank	1.14	70.76	0.67	9.22	85.47	11.77
LEXINGTON	First Bank	1.24	56.47	3.06	8.84	67.81	6.97
LIBERTY	Liberty State Bank	0.84	58.93	2.04	9.47	66.28	6.54
LIVINGSTON	Union Bank & Trust Company	2.32	63.89	1.66	11.24	73.15	16.72
LIVINGSTON	American Bank & Trust of the Cumberlands	1.47	73.29	1.58	8.54	80.95	10.5
LOBELVILLE	Bank of Perry County	1.85	82.18	1.4	9.92	101.01	2.91
MADISONVILLE	Volunteer Federal Savings Bank	0.71	75.13	0.49	12.09	103.6	5.76
MADISONVILLE	Peoples Bank of East Tennessee	0.28	63.45	1.55	7.78	70.47	3.49
MANCHESTER	Coffee County Bank	1.25	74.5	2.63	10.84	86.03	5.73
MANCHESTER	Peoples Bank & Trust Company	0.49	56.25	2.21	10.34	68.09	4.59
MARYVILLE	Citizens Bank of Blount County	0.34	54.32	1.92	15.86	65.41	2.13
MARYVILLE	Foothills Bank & Trust	0.43	69.2	1.3	11.33	84.48	2.67
MASON	Trust Company Bank	-3.58	64.83	1.53	8.06	76.49	-29.09
MC KENZIE	McKenzie Banking Company	0.89	45.23	3.07	13.25	52.89	2.37

TENNESSEE STATE-CHARTERED BANKS

KEY BANK RATIOS AS OF JUNE 30, 2012

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
MC MINNVILLE	Security Federal Savings Bank of McMinnville	0.73	72.06	1.13	9.53	82.92	3.06
MC MINNVILLE	Homeland Community Bank	0.99	69.21	2.68	8.73	76.78	11.17
MEDINA	Medina Banking Co.	0.66	29.77	1.7	15.4	36.31	-0.54
MEMPHIS	Magna Bank	0.72	76.62	1.57	13.24	103.61	3.28
MEMPHIS	Tri-State Bank of Memphis	-0.26	56.15	2.92	10.98	63.93	-2.59
MEMPHIS	Independent Bank	1.07	82.27	1.17	13.05	94.73	2.43
MILAN	The Bank of Milan	1.06	50.38	1.54	9.07	57.7	7.75
MILLINGTON	Patriot Bank	1.09	55.7	1.83	7.92	65.63	12.92
MORRISTOWN	Jefferson Federal Bank	0.27	61.69	1.78	8.23	76.04	2.6
MOUNT JULIET	The Community Bank of East Tennessee	1.86	45.21	2.46	11.72	53.04	16.66
MOUNTAIN CITY	Farmers State Bank	-1	58.01	4.83	12.6	71.31	-10.92
MOUNTAIN CITY	Johnson County Bank	0.9	59.68	1.49	12.99	73.56	6.91
MURFREESBORO	MidSouth Bank	0.65	57.62	2.28	11.1	65.53	5.68
NASHVILLE	Avenue Bank	0.4	62.2	1.49	10.95	80.3	2.9
NASHVILLE	Citizens Savings Bank and Trust Company	0.23	68.87	1.63	9.27	78.19	2.4
NASHVILLE	CapStar Bank	2.24	55.8	1.62	9.86	63.54	21.2
NASHVILLE	InsBank	0.94	75.3	2.23	11.08	114.1	8.34
NASHVILLE	Nashville Bank and Trust Company	0.95	64.09	1.51	9.88	76.8	9.35
NASHVILLE	Civic Bank & Trust	0.6	52.06	5.41	12.24	64.23	4.65
NEW TAZEWELL	Citizens Bank	0.33	68.24	1.32	8.38	75.27	3.85
NEWBERN	Security Bank	0.95	38.49	2.13	10.33	46.63	3.19
NOLENSVILLE	Peoples State Bank of Commerce	-0.4	57.93	2.01	4.69	61.79	-6.72
OAK RIDGE	TNBANK	0.24	67.01	1.17	9.71	83.89	2.19
ONEIDA	First Trust and Savings Bank, Oneida, Tennessee	0.75	68.08	2.38	10.02	80.2	7.45
OOLTEWAH	Community Trust & Banking Company	0.21	74.93	2.22	9.04	83.51	2.34
PARIS	Commercial Bank & Trust Co.	1.51	64.59	1.67	9.67	74.66	9.5
PARIS	Security Bank and Trust Company	2.55	65.55	0.57	9.63	73.48	4.67
PARSONS	Farmers Bank	0.66	49.96	1.98	11.68	57.36	5.69
PARSONS	Community South Bank	-0.35	72.5	2.28	3.26	77.7	-10.27
PIGEON FORGE	Tennessee State Bank	1.3	60.43	3.25	8.69	69.59	14.98
PIGEON FORGE	SmartBank	0.65	71.09	1.63	14.33	85.25	4.51
PIPERTON	The Bank of Fayette County	0.81	80.18	1.29	9.66	98.07	8.57
PORTLAND	The Farmers Bank	0.58	60.28	2.02	9.87	72.63	2.6
PORTLAND	Volunteer State Bank	2.83	82.5	1.15	9.2	101.77	7.42
RIPLEY	Bank of Ripley	0.87	41.68	1.02	14.06	49.66	3.38
ROGERSVILLE	The Citizens Bank of East Tennessee	-0.37	64.16	2.69	4.29	70.43	-8.74
ROGERSVILLE	First Community Bank of East Tennessee Citizens Bank and Trust Company of Grainger County	0.51	54.2	5.09	10.07	65.83	4.95
RUTLEDGE		1.16	35.89	1.83	16.56	43.63	2.64
SARDIS	The Peoples Bank	0.48	48.98	1.72	7.08	54.14	6.14
SAVANNAH	Central Bank	-3.74	77.17	2.33	6.23	87.73	-50.65
SAVANNAH	The Hardin County Bank	1.09	76.16	0.91	8.12	85.45	13.31
SELMER	Home Banking Company	0.39	39.18	1.64	9.44	43.98	4.05
SEVIERVILLE	Sevier County Bank	-0.67	57.61	4.57	4.44	62.55	-8.94
SHELBYVILLE	First Community Bank of Bedford County	2.32	60.78	1.44	12.67	82.81	17.64
SHELBYVILLE	PEOPLES BANK OF BEDFORD COUNTY	0.98	64.02	1.81	11.02	73.06	4.83
SOMERVILLE	The Somerville Bank & Trust Company	0.62	45.43	1.46	9.21	51.31	2.13
SPRING CITY	First Bank of Tennessee	1.27	76.18	1.69	9.6	86.86	7.55
SPRINGFIELD	Commerce Union Bank	0.75	78.02	1.43	14.85	102.35	4.67

TENNESSEE STATE-CHARTERED BANKS

KEY BANK RATIOS AS OF JUNE 30, 2012

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
TAZEWELL	First Century Bank	0.87	59.74	3.38	9.09	69.11	8.47
TREZEVANT	Farmer's and Merchants Bank	1.06	86.22	1.27	8.22	100.91	7.31
TULLAHOMA	American City Bank of Tullahoma	1.84	74.96	1.9	12.28	96.99	11.92
TULLAHOMA	Southern Community Bank	0.6	64.57	0.91	11.42	76.24	4.44
TULLAHOMA	First Vision Bank of Tennessee	1.25	78.02	1.22	13.05	93.81	6.36
UNION CITY	First State Bank	0.98	54.68	1.89	9.86	64.79	9.49
UNION CITY	Reelfoot Bank	0.63	49.17	1.9	9.01	55.15	4.1
WARTBURG	Citizens First Bank	-0.04	69.23	1.93	8.04	77.21	-0.52
WAYNESBORO	The Bank of Waynesboro	1.06	63.98	2.54	12.66	73.95	1.74
WAYNESBORO	Wayne County Bank	0.51	77.4	3.22	11.05	92.82	3.28
WINCHESTER	Citizens Community Bank	1.39	69.91	2.03	11	80.07	7.64
WOODLAND MILLS	The Farmers Bank, Woodland Mills, TN	-0.35	34.64	2.75	17.35	42.28	-2.02
	Median including All Institutions	0.82	63.94	1.69	9.67	74.31	5.08

TENNESSEE STATE-CHARTERED TRUST COMPANIES

CONSOLIDATED BALANCE SHEET (TO NEAREST THOUSAND)

	June 30,2012	June 30, 2011	\$ Change	% Change
ASSETS				
Cash and Due from Banks	35,538	28,382	7,156	25.21%
Securities and Investments	2,225	3,166	-941	-29.72%
Premises and Fixed Assets	1,792	2,382	-590	-24.77%
Intangible Assets	38,191	34,324	-3,867	11.27%
Other Assets	12,188	18,310	6,122	-33.44%
TOTAL ASSETS	89,934	86,564	4,370	5.11%
LIABILITIES				
Other Liabilities	13,462	15,637	-2,175	-13.91%
TOTAL LIABILITIES	13,462	15,637	-2,175	-13.91%
NET ASSETS				
Unrestricted Assets	43	42	1	2.38%
Temporarily Restricted Assets	5	5	0	0.00%
Permanently Restricted Assets	0	0	0	0.00%
EQUITY CAPITAL				
Common Stock	3,252	4,797	-1,545	-32.21%
Less: Treasury Stock	844	869	-25	-2.88%
Surplus	4,813	12,705	-7,892	-62.12%
Additional Paid-in Capital	61,627	51,201	10,426	20.36%
Undivided Profits	7,576	3,046	4,530	148.72%
Unrealized Gains and (Losses)	0	0	0	0.00%
TOTAL EQUITY CAPITAL	76,424	70,880	5,544	7.82%
TOTAL LIABILITIES AND EQUITY CAPITAL	89,934	86,564	3,370	3.89%

TENNESSEE STATE-CHARTERED TRUST COMPANIES

CONSOLIDATED INCOME STATEMENT (TO NEAREST THOUSAND)

	June 30, 2012	June 30, 2011	\$ Change	% Change
Fee Income	53,005	51,750	1,255	2.4%
NET FEE INCOME	53,005	51,750	1,255	2.4%
Other Income	182	104	78	75.0%
TOTAL INCOME	53,187	51,854	1,333	2.6%
Operating Expenses	28,676	31,148	-2,472	-7.9%
Advisor/Consulting Fees	16,358	14,234	2,124	14.9%
Inter-Company Expense (Credit)	353	368	-15	-4.1%
Securities (Gains) and Losses	0	0	0	0.0%
TOTAL OPERATING EXPENSES	45,387	45,750	-363	-0.8%
Pre-Tax Net Operating Income	7,800	6,104	1,696	27.8%
Less:				
Applicable Income Taxes	1,388	768	620	80.7%
Non-Operating Expenses	2,315	1,704	611	35.9%
NET OPERATING INCOME	4,097	3,632	465	12.8%
Dividends and/or Distributions to Shareholders	0	588	-588	-100.0%
Extraordinary Gains/Losses	0	0	0	0.0%
NET INCOME	4,097	3,044	1,053	34.6%

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	Tot Assets	Other Liabilities	Equity Capital	Net Income	TAUM	Common/Collective Funds	No. of Funds
Meridian Trust and Investment Company	Knoxville	140	690	729	1,559	105	1,454	568	518,740	0	0
The Trust Company of Knoxville	Knoxville	509	501	1,528	2,538	281	2,257	272	5,682,052	44,579	1
Argent Trust and Investment Company	Memphis	344	0	977	1,321	138	1,183	-212	335,938	0	0
Diversified Trust Company	Memphis	4,418	0	3,820	8,238	4,629	3,608	0	6,314,546	1,525,411	13
First Mercantile Trust Company	Memphis	28,759	0	42,639	71,398	7,789	63,609	2,100	4,469,997	3,869,198	204
Cumberland Trust and Investment Company	Nashville	200	0	1,820	2,020	52	1,934	451	1,316,219	0	0
Equitable Trust Company	Nashville	1,160	1,029	606	2,795	417	2,378	969	1,586,684	0	0
Guardianship and Trusts Corporation (K, L)	Nashville	8	5	51	64	16	48(M)	0	12,608	0	0
Total		35,538	2,225	52,170	89,933	13,427	76,423	4,148	20,236,784	5,439,188	218
Total		28,382	3,166	55,016	86,564	15,637	70,880	3,632	15,132,565		

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 trusted by company at market value

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

(K) Not-for-profit trust company

(L) Operates on a fiscal year ending 6-30

(M) Net Assets; Not included in the Equity Capital Total

COMPLIANCE DIVISION

**HEADQUARTERS
PERSONNEL-NASHVILLE**

Mike Igney, Assistant Commissioner
 Joseph Schmidt, JD, Chief Administrator
 Mandy Heady, Project Manager
 Melody Johnson, Supervisor, Administrative Services
 Steffany Daniel, Administrative Services Assistant III
 Melanie Harper, Administrative Services Assistant III
 Carmen McCreedy, Executive Secretary
 Bettye Osborne, Administrative Services Assistant III

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

Carl Scott, CFSA, Director
 David Gaines, Financial Analyst
 Tat Mysayphonh, CPA, CFE, Financial Analyst
 Harvie Franklin, III, Financial Analyst

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

Stephen Henley, CPA, Director, Licensing
 Sharon Barnard, CPA, 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 Service 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 3,229 on-site examinations and other regulatory oversight of non-depository financial institutions, the Department returned refunds in the amount of \$804,987.67 to consumers for the calendar year ending December 31, 2012. In addition, administrative enforcement actions initiated by the Department resulted in civil monetary penalties of \$156,415.52 for the 2012 calendar year.

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 legislation 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.

The Consumer Financial Protection Bureau ("CFPB") was established through the Dodd-Frank Wall Street Reform and Consumer Protection Act and, as a result, various consumer protection responsibilities transferred to CFPB effective July 21, 2011 including oversight of the requirements under the S.A.F.E. Act.

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.

NATIONWIDE MORTGAGE LICENSING SYSTEM 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, 2012, Deferred Presentment Services Company licensees renewed their licenses electronically through the NMLS. The transition was in accordance with requirements set forth under Public Chapter 679, effective April 12, 2012.

Electronic Licensing

The Division has implemented processes that now enable various types of licensees to submit license renewals, and 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 application and resulted in increased efficiencies.

EXAMINATION PERSONNEL

Nicole Chamblee, CFE, Chief Administrator

Jack Lay, Manager Examinations

David Kelly, Supervisor

Patrick Somers, Supervisor

Cathy Wilkerson, Supervisor

Chad Haney

Elizabeth Harrell

Robert Campbell

Michael Cranor

Robert Doyle

Stephanie Dunn

Grant Gouveia, CFE

Kevin Hicks

Robert Hornbeak

Marcia Jenkins, CFE

James Worley

Kerry Rial

Keith Sharp

James Simmons

Calvin Stout

Robert Walker

Mike Wiggins

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

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, 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, 2012, there were 536 mortgage companies and 5,424 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, 2012, the Compliance Division conducted 117 examinations of mortgage companies that resulted in 2193 refunds totaling \$503,896.43. 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, 2012, there were 1064 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, 2012, the Department conducted 644 examinations that resulted in 36972 refunds totaling \$178,827.30.

COMPLIANCE DIVISION

INDUSTRIAL LOAN AND THRIFT COMPANIES

Composite Annual Report
(Year Ending December 31, 2011)

Number of Companies Included in this Report	136
Number of Offices included in this report	788
Number of Employees included in this report	2,468

REGULATED ENTITIES PROFIT PERCENTAGE**RATE OF RETURN**

Average Net Receivable (Industry)	\$2,266,096,291
Average Net Receivable (Location)	\$2,875,757
Net Income* (Industry)	\$42,210,857
Net Income (Location)	\$53,567
Rate of Return on Outstanding Receivables (Location)	1.86%

ANALYSIS OF ACCOUNTS OUTSTANDING

Average Number of Accounts Outstanding (Industry)	489,723
Average Number of Accounts Outstanding (Company)	3,601
Average Number of Accounts Outstanding (Location)	621

OTHER INFORMATION

Number of Loans Outstanding at Beginning of Year	581,982
Dollar Amount of Loans Outstanding at Beginning of Year	\$1,934,101,695
Average Amount per Loan Outstanding at Beginning of Year	\$3,323

Number of Loans Made During the Year	1,522,299
Dollar Amount of Loans Made During the Year	\$1,527,199,593
Average Amount per Loan Made	\$1,003

Number of Loans Charged Off During the Year	115,951
Dollar Amount of Loans Charged Off During the Year	\$156,651,958
Average Account Balance Charged Off	\$1,351

Number of Loans Outstanding at Year End	593,780
Dollar Amount of Loans Outstanding at Year End	\$1,730,506,146
Average Account Balance per Loan Outstanding at Year End	\$2,914

*excluding Owner's Compensation

COMPLIANCE DIVISION

INDUSTRIAL LOAN AND THRIFT COMPANIES

Composite Annual Report
 (Year Ending December 31, 2011)
 -Page 2-

ANALYSIS OF LOANS RECEIVABLE

Gross Loan Receivables Outstanding – January	\$2,101,573,350
Gross Loan Receivables Outstanding – February	\$2,025,015,211
Gross Loan Receivables Outstanding – March	\$2,013,056,788
Gross Loan Receivables Outstanding – April	\$2,014,461,592
Gross Loan Receivables Outstanding – May	\$1,993,589,065
Gross Loan Receivables Outstanding – June	\$1,997,606,337
Gross Loan Receivables Outstanding – July	\$1,986,629,767
Gross Loan Receivables Outstanding – August	\$1,991,111,009
Gross Loan Receivables Outstanding – September	\$1,991,451,135
Gross Loan Receivables Outstanding – October	\$1,962,872,383
Gross Loan Receivables Outstanding – November	\$1,978,123,943
Gross Loan Receivables Outstanding – December	\$1,983,485,803

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, 2012, there were 52 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.* In calendar years 2011 and 2012, thirty licensed premium finance companies were examined resulting in refunds to consumers of \$3,173.53.

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, 2012, there were 626 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, 2012, the Compliance Division conducted 588 check cashing examinations resulting in 1013 refunds totaling \$6,863.20.

DEFERRED PRESENTMENT SERVICE 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 SERVICE 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, 2012, there were 1,178 Deferred Presentment locations licensed in Tennessee. These locations represent 332 companies with the distribution of business structure as: 108 corporations; 118 limited liability companies; 33 partnerships; 73 sole proprietorships.

EXAMINATIONS

For calendar year ending December 31, 2012, the Compliance Division conducted 1063 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 908 refunds totaling \$51,544.47.

ANNUAL REPORT INFORMATION

By September 1st 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, 2011. 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, 2011

The following tabulation represents aggregate information from reports filed by 315 licensed companies. The Department did not require an annual report from companies that opened after December, 2011.

Total Assets	\$1,012,335,440
Total Liabilities	\$600,676,182
Net Worth	\$411,659,258

As of December 31, 2011, five (5) companies owned 84% of the industry's assets. This accounts for \$852,974,041 of the total reported assets of \$1,012,335,440. Seventy-seven companies reported assets greater than \$500,000; 154 companies had assets of between \$100,000 and \$500,000; and the remaining 84 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, 2011 to December 31, 2011

Total Operating Income	\$177,712,409
Salary Expense	\$43,594,138
Bad Debt Expense	\$32,730,314
Owners' Compensation	\$11,003,852
Net Income*	\$28,138,513

*excluding Owner's Compensation

Of the 315 reporting companies, 62 reported operating losses and 41 reported net income of over \$100,000 for the period ending December 31, 2011. The average company made a profit of \$89,046. Salaries are a major company expense, amounting to about 24% of total operating income. The average salary expense for a reporting company was \$137,956. Losses on receivables constitute another major industry expense. Bad debt expense represented approximately 18% of total operating income.

COMPLIANCE DIVISION

DEFERRED PRESENTMENT SERVICE COMPANIES, CONTINUED

TRANSACTIONAL DATA

The following transactional data were reported for the reporting period ending December 31, 2011:

Number of Transactions	4,598,842
Dollar Amount of Transactions During the Year	\$1,124,696,366
Average Size of Receivable Transactions	\$245

Number of transactions by size of check:

\$1 - \$150	531,099
\$151 - \$250	2,627,859
\$251 - \$500	1,439,884

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, 2012, there were 874 licensed title pledge lender locations. These locations represent 187 companies with the distribution by business structure as: 79 corporations; 69 limited liability companies; 6 partnerships; 33 sole proprietorships.

EXAMINATIONS

For calendar year ending December 31, 2012, pursuant to T.C.A. § 45-15-108, the Compliance Division conducted 813 examinations of title pledge lender offices resulting in 506 refunds totaling \$63,823.13.

ANNUAL REPORT INFORMATION FOR CALENDAR YEAR ENDING DECEMBER 31, 2011

The following tabulation represents aggregate information from reports filed by 183 licensed companies. The Department did not require an annual report from companies that opened after December 2011.

Total Assets	\$298,498,981
Total Liabilities	\$104,000,921
Net Worth	\$194,498,060

As of December 31, 2011, five (5) companies owned 63% of the industry's assets. This accounts for \$187,975,211 of the total reported assets of \$298,498,981. Sixty-three companies reported assets greater than \$500,000; 104 companies had assets of between \$100,000 and \$500,000; and the remaining 16 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, 2011 to December 31, 2011.

Total Operating Income	\$157,542,750
Salary Expense	\$37,349,409
Bad Debt Expense	\$30,738,525
Owners' Compensation	\$8,199,326
Net Income	\$21,216,973

Of the 183 reporting companies, 52 reported operating losses and 19 reported net income of over \$100,000 for the period ending December 31, 2011. The average company made a profit of \$115,940.

Salaries are a major company expense, amounting to about 24% of total operating income. The average salary expense for a reporting company was \$204,095. Losses on receivables constitute another major industry expense. Bad debt expense represented approximately 19% of total operating income.

TRANSACTIONAL DATA

The following transactional data were reported for the reporting period ending December 31, 2011:

Number of New Agreements Entered Into for 2011	224,010
Dollar Amount of New Agreements During 2011	\$184,835,853
Number of Defaults	98,948
Number of Repossessions	19,229
Total Surplus Amount Returned to Customers after Sale of Repossessed Vehicles	\$1,230,348

Distribution of 2011 New Agreements by Dollar Amount: (Maximum agreement amt. = \$2,500)

\$1000 or less	151,861
\$1001 - \$2,000	42,211
\$2001 - \$2,500	29,938

Number of Customers Holding Agreements Outstanding as of December 31, 2011	194,110
Number of Customers who Deferred a Principal Payment Reduction in 2011	23,233

CREDIT UNION DIVISION

HEADQUARTERS PERSONNEL-NASHVILLE

Harry P. Murphy, M.B.A, CFE, Assistant Commissioner
 Anthony Rogers, Safety and Soundness Manager
 Alica (Ali) Owen, Division Financial Analyst

EXAMINATION PERSONNEL

West Tennessee District

Randall Means, CSCUES, CUE-V, Supervisor
 Dana R. Owen, CFE, CEIC, CISE, CUE-IV
 Josh Evans, CUE-II

Middle Tennessee District

Steve Eddings, CFE, CSCUE, CEIC, V, Supervisor
 Jim Eller, CUE-II
 Matthew Atkinson, CUE-II

East Tennessee District

Brian Williams, Division Manager
 Shane Hardin, CFE, CSCUE, CUE-V, Supervisor
 Dwight Ward, CUE-IV
 William Justice, CUE-II
 George Goodwin, CUE-I

The Credit Union Division is responsible for the supervision and examination of state-chartered natural-person credit unions and one corporate credit union. 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.

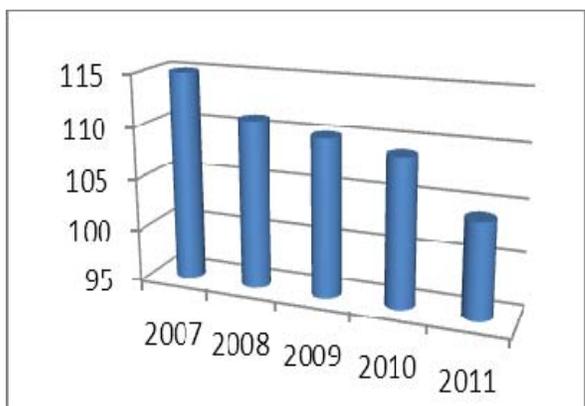
The financial health of Tennessee’s credit union industry remains strong. Collectively, the 99 natural-person credit unions and one corporate credit union regulated by the Credit Union Division have assets of approximately \$9.7 billion. Net worth totaled 12.29% of total assets. Individually, the institutions 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-person credit unions, whether state or federally-chartered. VolCorp is a \$1.3 billion corporate credit union that serves more than 330 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.

Credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF).

Number of State-Chartered Natural-Person
 Credit Unions in Tennessee
 (Fiscal Year Ending 2011)



***Natural-person credit union** refers to a consumer based credit union that allows individual consumers to utilize its services as members. A **corporate credit union** provides service only to member credit unions and does not allow consumer memberships.

****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 CORPORATE REORGANIZATIONS

July 01, 2011 – June 30, 2012

Mergers

09/07/2011	DREMCO Credit Union in Nashville, TN merged into Ascend Federal Credit Union in Tullahoma, TN.
10/01/2011	Dyersburg Credit Union in Dyersburg, TN merged into First South Financial Credit Union in Memphis, TN.
11/01/2011	People's Choice Credit Union in Union City, TN merged into Leaders Credit Union in Jackson, TN.
12/16/2011	Postal Employees' Credit Union in Memphis, TN merged into Southern Security Federal Credit Union in Memphis, TN.
01/01/2012	First Ohio Credit Union in Fostoria, OH merged into Southeast Financial Credit Union in Franklin, TN.
02/01/2012	L.M.P.C.O. Credit Union in Lexington, TN merged into Employee Resources Credit Union in Lawrenceburg, TN.
02/01/2012	West Virginia Corporate Federal Credit Union in Charleston, WV merged into Volunteer Corporate Credit Union in Nashville, TN.
06/30/2012	Olan Mills Savings Association Credit Union in Chattanooga, TN merged into Trust Federal Credit Union also in Chattanooga, TN.

Charter Changes/Conversions/Field of Membership Additions

03/30/2012	Mid-East Tennessee Community Credit Union in Decatur, TN expanded their community-based charter to include McMinn and Rhea counties in Tennessee to their field of membership.
05/25/2012	Members First Credit Union in Cleveland, TN converted to a community-based charter to serve Bradley County, TN.

Name Changes

08/16/2011	St. Thomas Hospital Employees' Credit Union in Nashville, TN changed its name to St. Thomas Credit Union.
09/27/2011	Illinois Central Employees' Credit Union in Memphis, TN changed its name to CN/IC Employees' Credit Union.

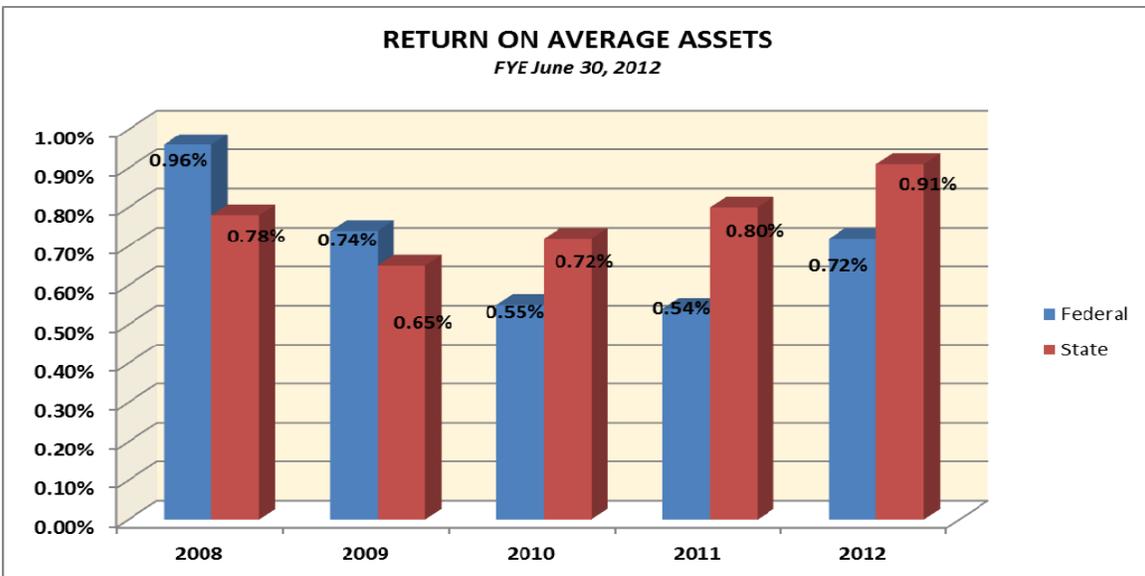
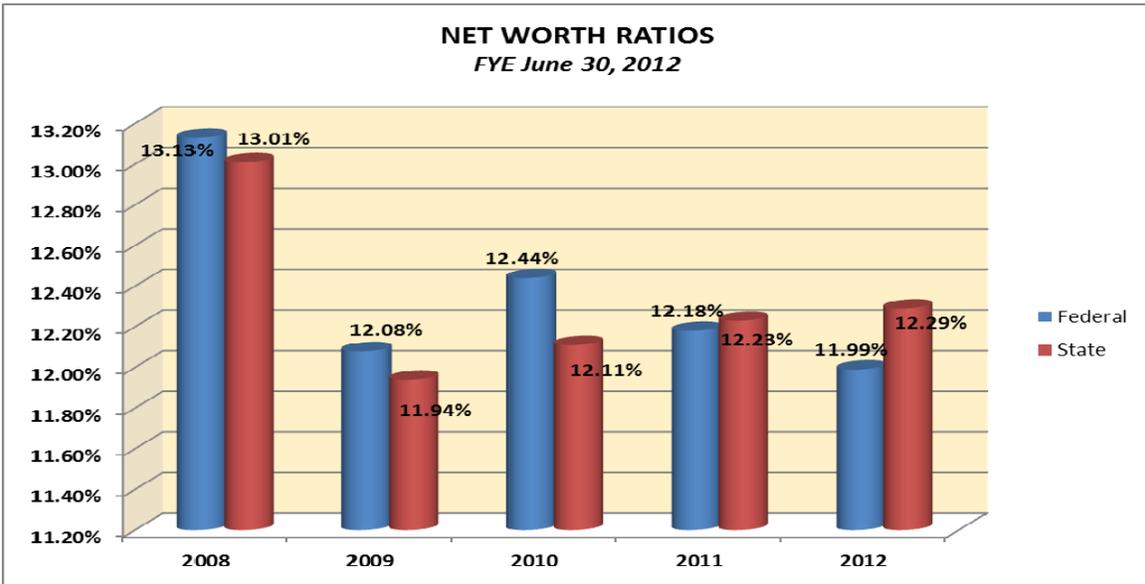
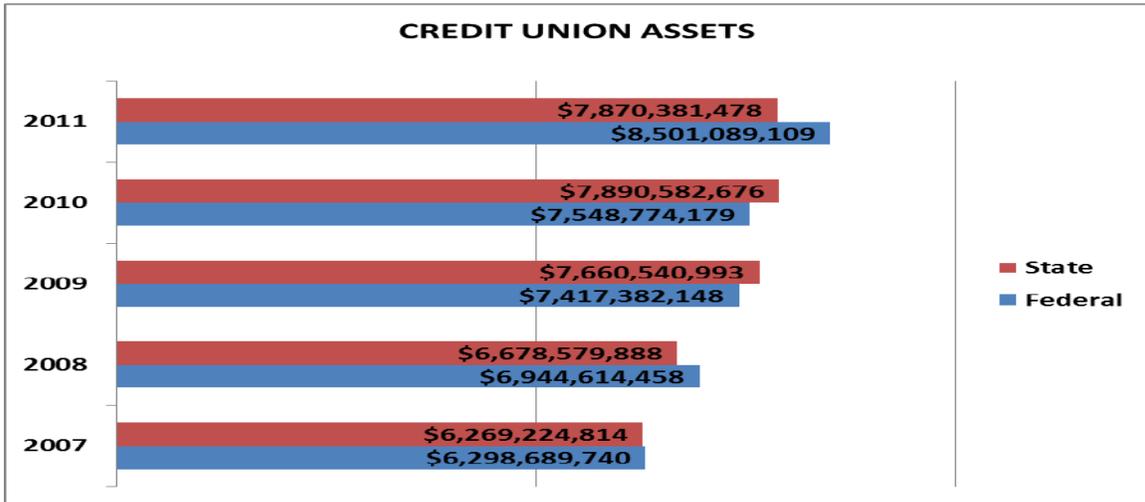
Branches

The following is a list of credit unions that have opened a new branch location between July 1, 2011 and June 30, 2012.

Credit Union	Location
U.S. Community	Lebanon, Tennessee
Eastman	Bristol, Virginia
Eastman	Johnson City, Tennessee
Eastman	Longview, Texas
Eastman	Abingdon, Virginia
Greater Eastern	Fall Branch, Tennessee
NUCOR Employee's (Florence, SC)	Memphis, Tennessee
Appliance	Cleveland, Tennessee

CREDIT UNION DIVISION

As of June 30, 2012



TENNESSEE STATE-CHARTERED CREDIT UNIONS

CREDIT UNION KEY RATIOS

	FYE 6/30/2012	FYE 6/30/2011
CAPITAL ADEQUACY		
Net Worth/Total Assets	12.29	12.23
Net Worth/Total Assets--Including Optional Total Assets Election (if used)	12.30	12.23
Total Delinquent Loans / Net Worth	2.96	4.28
Solvency Evaluation (Estimated)	114.18	114.16
Classified Assets (Estimated) / Net Worth	6.23	6.50
ASSET QUALITY		
Delinquent Loans / Total Loans	0.57	0.83
*Net Charge-Offs / Average Loans	0.39	0.54
Fair (Market) HTM Invest Value/Book Value HTM Invest.	97.27	101.23
Accum Unreal G/L On AFS/Cost Of AFS	0.61	0.68
Delinquent Loans / Assets	0.36	0.52
EARNINGS		
*Return On Average Assets	0.91	0.80
*Gross Income/Average Assets	5.24	5.60
*Yield on Average Loans	5.70	6.10
*Yield on Average Investments	1.00	1.31
* Fee & Other Op.Income / Avg. Assets	1.29	1.26
*Cost of Funds / Avg. Assets	0.72	0.99
*Net Margin / Avg. Assets	4.52	4.60
*Operating Exp./ Avg. Assets	3.34	3.43
*Provision For Loan & Lease Losses / Average Assets	0.28	0.36
*Net Interest Margin/Avg. Assets	3.23	3.34
Operating Exp./Gross Income	63.75	61.27
Fixed Assets & Foreclosed & Repossessed Assets / Total Assets \1	2.86	2.85
*Net Operating Exp. /Avg. Assets	2.45	2.55
ASSET / LIABILITY MANAGEMENT		
FYE 6/30/2012		
FYE 6/30/2011		
Net Long-Term Assets / Total Assets	36.53	34.12
Reg. Shares / Total Shares. & Borrowings	27.35	25.87
Total Loans / Total Shares	74.61	74.11
Total Loans / Total Assets	63.69	63.35
Cash + Short-Term Investments / Assets	16.30	18.19
Total Shares, Dep. & Borr. / Earning Assets	91.43	91.53
Reg Shares + Share Drafts / Total Shares & Borr.	39.68	37.16
Borrowings / Total Shares & Net Worth	1.58	1.47
Supervisory Interest Rate Risk Threshold/Net Worth	254.92	247.16
PRODUCTIVITY		
Members / Potential Members	8.02	8.33
Borrowers / Members	50.26	50.14
Members / Full-Time Employees	361.37	361.18
Avg. Shares Per Member	\$8,202	\$8,013
Avg. Loan Balance	\$12,174	\$11,844
* Salary And Benefits / Full-Time Empl.	\$58,265	\$57,342
OTHER RATIOS		
* Net Worth Growth	9.05	6.77
* Market (Share) Growth	10.26	10.61
* Loan Growth	9.19	2.77
* Asset Growth	10.22	10.08
* Investment Growth	12.93	26.12
* Membership Growth	6.26	2.54
* Annualized ratios		

TENNESSEE STATE-CHARTERED CREDIT UNIONS

CONSOLIDATED BALANCE SHEET

-Page 1-

ASSETS	As of 6/30/2012	As of 6/30/2011	% Change
CASH:			
Cash on Hand	86,946,576	84,394,753	3.02%
Cash on Deposit	591,013,162	675,182,932	-12.47%
Cash Equivalents	138,193,388	108,375,322	27.51%
Total Cash	\$816,153,126	\$867,953,007	-5.97%
INVESTMENTS:			
Trading Securities	0	0	N/A
Available for Sale Securities	655,353,797	531,577,019	23.28%
Held-to-Maturity Securities	517,233,795	375,176,477	37.86%
Deposits in Commercial Banks, S & Ls, Savings Banks	566,499,820	548,998,312	3.19%
Loans to, Deposits in, & Investments in Natural Person CUs	12,930,643	14,381,039	-10.09%
Total MCSD and PIC in Corporate	28,026,018	26,358,544	6.33%
All Other Investments in Corporate Credit Unions	58,030,784	142,225,002	-59.20%
All Other Investments	69,937,430	65,493,999	6.78%
Total Investments	\$1,908,012,287	\$1,704,210,392	11.96%
LOANS HELD FOR SALE	\$2,419,160	\$0	100.00%
Loans and Leases:			
Unsecured Credit Card Loans	198,537,948	187,919,077	5.65%
All Other Unsecured loans	237,038,398	226,030,293	4.87%
Non-Federally Guaranteed Student Loans	54,555,533	45,984,915	18.64%
New Auto Loans	616,370,754	523,876,745	17.66%
Used Auto Loans	1,034,005,853	1,012,701,210	2.10%
First Mortgage Real Estate Loans	2,478,861,025	2,258,227,289	9.77%
Other Real Estate Loans	369,995,969	400,921,880	-7.71%
Leases Receivable	0	0	N/A
All Other Loans/Lines of Credit	366,503,255	329,957,411	11.08%
Total Loans	\$5,355,868,735	\$4,985,618,820	7.43%
ALLOWANCE FOR LOAN & LEASE LOSSES	(64,455,110)	(62,543,357)	3.06%
Total Foreclosed and Repossessed Assets	13,312,699	12,807,945	3.94%
Land and Building (Net of Depreciation)	190,368,995	176,636,762	7.77%
Other Fixed Assets	32,514,262	30,070,300	8.13%
NCUA Share Insurance Capitalization Deposit	65,688,256	60,504,132	8.57%
Total Intangible Assets	201,612	201,612	0.00%
Total Other Assets	89,835,272	94,921,865	-5.36%
Total Assets	\$8,409,919,294	\$7,870,381,478	6.86%
TOTAL CREDIT UNIONS	99	104	-4.81%

TENNESSEE STATE-CHARTERED CREDIT UNIONS

CONSOLIDATED BALANCE SHEET

-Page 2-

	As of 6/30/2012	As of 6/30/2011	% Change
LIABILITIES, SHARES AND EQUITY			
LIABILITIES:			
Other Notes, Promissory Notes, Interest Payable & Draws Against LOC	129,580,857	113,212,361	14.46%
Borrowing Repurchase Transactions	0	0	N/A
Subordinated Debt	0	10,000	-100.00%
Subordinated Debt Included in Net Worth (Uninsured Secondary Capital)	115,000	15,000	100.00%
Accrued Dividends and Interest Payable	2,000,754	3,116,668	-35.80%
Accounts Payable and Liabilities	81,996,810	74,341,987	10.30%
Total Liabilities	\$213,693,421	\$190,696,016	12.06%
SHARES and DEPOSITS:			
Share Drafts	901,087,075	771,834,857	16.75%
Regular Shares	1,998,706,734	1,769,853,721	12.93%
All Other Shares and Deposits	4,278,798,242	4,185,296,943	2.23%
Total Shares/Deposits	\$7,178,592,051	\$6,726,985,521	6.71%
EQUITY:			
Undivided Earnings	690,374,689	643,675,722	7.26%
Regular Reserves	290,360,593	272,498,848	6.55%
Appropriations for Non-Conforming Investments	0	0	N/A
Other Reserves	35,283,251	35,149,150	0.38%
Equity Acquired in Merger	11,051,758	2,472,306	100.00%
Miscellaneous Equity	800	2,800	-71.43%
Accumulated Unrealized Gains/Losses on AFS Securities	3,974,634	3,594,149	10.59%
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	(20,441,480)	(13,429,683)	8.66%
Net Income	7,029,577	8,736,649	-19.54%
Equity Total	\$1,017,633,822	\$952,699,941	6.82%
TOTAL SAVINGS/EQUITY	\$8,196,225,873	\$7,679,685,462	6.73%
TOTAL LIABILITIES/SAVINGS/EQUITY	\$8,409,919,294	\$7,870,381,478	6.86%
NATIONAL CREDIT UNION ADMINISTRATION INSURED SAVINGS:			
Uninsured Shares	301,521,925	261,012,147	15.52%
Uninsured Non-Member Deposits	23,390,399	20,951,446	11.64%
Total Uninsured Shares and Deposits	324,912,324	281,963,593	15.23%
Insured Shares and Deposits	6,853,679,727	6,445,021,928	6.34%
TOTAL NET WORTH	\$1,034,214,868	\$ 962,547,675	7.45%

TENNESSEE STATE-CHARTERED CREDIT UNIONS

CONSOLIDATED INCOME STATEMENT

INCOME AND EXPENSE	FYE June 30, 2012	FYE June 30, 2011	% Change
Interest Income			
Interest on Loans	149,227,492	151,119,494	-1.25%
Less Interest Refund	(4,427)	(5,154)	-14.11%
Income from Investments	12,780,892	15,341,420	-16.69%
Income from Trading	0	0	N/A
Total Interest Income	\$162,003,957	\$166,455,760	-2.67%
Interest Expense			
Dividends	12,083,336	15,771,071	-23.38%
Interest on Deposits	15,996,365	20,593,231	-22.32%
Interest on Borrowed Money	1,418,913	1,800,788	-21.21%
Total Interest Expense	\$29,498,614	\$38,165,090	-22.71%
Provision for Loan and Lease Losses (PLLL)	11,449,832	13,828,370	-17.20%
Net Interest Income after PLLL	\$121,055,511	\$114,462,300	5.76%
Non-Interest Income			
Fee Income	36,410,574	33,615,942	8.31%
Other Operating Income	16,636,231	14,843,144	12.08%
Gain(Loss) on Investments	523,562	493,135	6.17%
Gain(Loss) on Disposition of Assets	16,987	(339,809)	-105.00%
Gain from Bargain Purchase (Merger)	0	0	N/A
Other Non-Operating Income/Expense	(246,803)	(664,334)	-62.85%
Total Non-Interest Income	\$53,340,551	\$47,948,078	11.25%
Non-Interest Expense			
Employee Compensation and Benefits	70,559,200	66,645,261	5.87%
Travel/Conference Expense	1,407,333	1,308,611	7.54%
Office Occupancy	8,979,840	8,291,541	8.30%
Office Operation Expense	28,278,179	25,474,310	11.01%
Education and Promotion	4,192,180	3,680,915	13.89%
Loan Servicing Expense	5,830,914	5,161,499	12.97%
Professional/Outside Service	9,187,041	8,922,302	2.97%
Member Insurance	N/A	N/A	
Member Insurance - NCUSIF Premium	495,799	1,735,673	
Member Insurance - Temporary Corporate CU Stabilization Fund	3,858,026	5,540,505	
Member Insurance - Other	1,037,001	1,826,452	
Operating Fees	1,283,122	1,157,213	10.88%
Miscellaneous Operating Expense	1,991,050	1,926,049	3.37%
Total Non-Interest Expense	\$137,099,685	\$131,670,331	4.12%
Net Income Before Stabilization Expense			
NCUSIF Stabilization Expense	\$41,650,202	\$38,016,225	9.56%
Net Income	\$37,296,377	\$30,740,047	21.33%
Transfer to Regular Reserve	\$11,095,203	\$6,212,883	78.58%

TENNESSEE STATE-CHARTERED CREDIT UNIONS

TENNESSEE STATE-CHARTERED CREDIT UNION ASSETS

(As of June 30, 2012)

CHARTER #	YR Chartered	NAME	CITY	ASSETS	Members	FT	PT
68161	1965	A.U.B. EMPLOYEES'	Athens	\$1,252,146	248	0	2
60692	1932	AGC	Kingsport	\$16,156,630	1,959	7	1
67989	1940	AGILITY FINANCIAL	Memphis	\$9,362,925	1,326	2	2
67976	1972	APPLIANCE	Cleveland	\$10,363,043	2,113	4	0
61932	1971	ASSOCIATED EMPLOYEES	Memphis	\$4,937,916	680	2	0
67738	1971	BCBST EMPLOYEES	Chattanooga	\$10,082,222	2,793	5	1
67970	1954	BOWATER EMPLOYEES	Calhoun	\$138,625,154	13,889	33	5
68513	2003	BRADLEY INITIATIVE	Cleveland	\$2,172,433	1,355	2	1
68149	1959	CEMC EMPLOYEES	Clarksville	\$3,095,967	575	1	2
62537	1925	CHATTANOOGA FEDERAL EMPLOYEES	Chattanooga	\$47,292,354	3,148	8	1
67778	1954	CITY EMPLOYEES	Knoxville	\$66,293,180	8,484	21	1
68091	1932	CITY EMPLOYEES	Chattanooga	\$9,376,499	2,451	4	0
60239	1959	CITY OF MEMPHIS	Memphis	\$224,240,144	25,474	59	18
68167	1952	CN/IC EMPLOYEES	Memphis	\$8,720,616	1,659	3	0
60056	1953	COLLEGEDALE	Collegedale	\$35,557,122	5,253	15	5
67972	1962	CONSUMER	Greeneville	\$278,124,084	36,547	50	14
67741	1968	CORNERSTONE FINANCIAL	Nashville	\$247,486,684	28,809	93	8
67937	1932	CREDIT UNION FOR ROBERTSON COUNTY	Springfield	\$39,099,809	5,979	21	10
68067	1958	DIXIE LINE	Nashville	\$9,070,459	1,223	4	0
67747	1954	DUPONT COMMUNITY	Hixson	\$103,997,451	13,316	36	6
60726	1967	DUPONT MEMPHIS PLANT EMPLOYEES	Memphis	\$16,277,431	1,192	4	1
68095	1934	EASTMAN	Kingsport	\$2,633,843,724	135,972	467	26
68148	1951	ELECTRIC SERVICE	Nashville	\$56,619,080	3,775	19	3
67789	1964	EMPLOYEE RESOURCES	Lawrenceburg	\$43,623,301	7,601	17	2
60505	1934	EMPLOYEES CREDIT UNION	Nashville	\$30,944,812	5,435	12	0
68074	1955	EMPLOYMENT SECURITY	Nashville	\$12,540,767	1,552	4	0
60619	1954	EPB EMPLOYEES	Chattanooga	\$30,072,372	2,444	7	0
67185	1934	FIRST CHOICE COMMUNITY	Knoxville	\$38,391,872	4,869	19	2
67777	1974	FIRST COMMUNITY CREDIT UNION	Columbia	\$23,969,261	4,166	9	2
68138	1932	FIRST KINGSFORT	Kingsport	\$27,234,204	3,245	12	1
68084	1957	FIRST SOUTH FINANCIAL	Bartlett	\$430,456,287	50,116	105	0
63868	1956	GALLATIN STEAM PLANT	Gallatin	\$5,644,242	675	1	1
68171	1959	GATEWAY	Clarksville	\$12,809,103	2,131	7	0
67701	1952	GREATER EASTERN	Johnson City	\$55,573,458	4,225	21	0
68127	1965	GREENEVILLE CITY EMPLOYEES'	Greeneville	\$8,212,125	1,145	2	1
68126	1976	GREENEVILLE WORKS EMPLS. SAV. ASSN.	Greeneville	\$2,383,798	518	1	0

TENNESSEE STATE-CHARTERED CREDIT UNIONS

TENNESSEE STATE-CHARTERED CREDIT UNION ASSETS

(As of June 30, 2012)

- Page 2 -

CHARTER #	YR Chartered	NAME	CITY	ASSETS	Members	FT	PT
68097	1933	HAPPY VALLEY	Elizabethton	\$31,300,252	4,512	11	1
68120	1964	HARDIN COUNTY HOSPITAL EMPLOYEES	Savannah	\$1,428,056	476	0	2
67736	1953	HEALTH SYSTEMS	Knoxville	\$7,263,982	1,350	3	2
68173	1952	HEALTHCARE SERVICES	Chattanooga	\$16,915,117	4,135	9	2
67748	1957	HERITAGE SOUTH COMMUNITY CU	Shelbyville	\$152,367,170	21,337	52	5
68073	1952	HOLLEY	Paris	\$40,153,188	5,183	12	1
68144	1968	HURD EMPLOYEES	Greeneville	\$2,578,415	494	1	1
67197	1987	JACK DANIELS EMPLOYEES	Lynchburg	\$21,453,012	1,649	5	1
60345	1952	JOHNSONVILLE TVA EMPLOYEES	Camden	\$77,809,667	8,949	24	3
60928	1971	KIMBERLY CLARK	Memphis	\$101,509,262	10,890	24	3
68104	1930	KINGSPORT PRESS CU	Kingsport	\$60,977,724	7,186	20	3
68098	1954	KINGSTON TVA EMPLOYEES	Harriman	\$2,042,207	602	1	1
67793	1974	KNOX CO. EMPLOYEES	Knoxville	\$8,510,199	1,835	4	2
67947	1935	KNOXVILLE NEWS-SENTINEL EMPLOYEES	Knoxville	\$8,144,225	734	3	0
67666	1924	KNOXVILLE POST OFFICE	Knoxville	\$44,922,998	6,716	20	4
68085	1934	KNOXVILLE TVA EMPLOYEES	Knoxville	\$1,071,914,758	125,776	279	32
67713	1965	LAKESIDE EMPLS.	New Johnsonville	\$37,237,865	3,716	13	0
68164	1964	LANGSTON BAG CO. EMPLS. SAV. ASSN.	Memphis	\$45,441	49	0	1
61185	1957	LEADERS	Jackson	\$170,286,140	26,630	67	5
67689	1958	LIFE	Nashville	\$27,173,790	4,373	14	0
68172	1954	LIFEWAY	Nashville	\$47,726,962	4,797	9	0
60527	1953	LOWLAND	Morristown	\$79,257,324	12,143	31	4
67979	1966	M.P.D. COMMUNITY	Nashville	\$24,422,111	3,141	10	1
68077	1971	MARYVILLE MUNICIPAL	Maryville	\$14,146,311	1,163	3	0
67917	1963	MCKEE	Collegedale	\$13,330,529	4,520	6	0
67791	1980	MCNAIRY COUNTY EMPLOYEES	Adamsville	\$1,406,311	560	2	0
68096	1965	MEDED	Crossville	\$12,756,919	2,060	7	1
61687	1956	MEMBERS FIRST	Cleveland	\$5,241,937	919	2	0
63802	1959	MEMORIAL	Chattanooga	\$8,277,329	2,513	6	1
68135	1957	METROPOLITAN TEACHERS	Nashville	\$3,461,257	907	0	4
68590	2008	MID EAST TENNESSEE COMMUNITY	Decatur	\$7,791,339	1,642	4	3
67776	1953	MOUNTAIN STATES	Johnson City	\$15,272,026	2,945	8	4
68100	1966	N M H	Nashville	\$15,030,937	2,047	3	3
67990	1959	N.G.H.	Nashville	\$8,072,079	3,462	6	0
60483	1932	NASHVILLE FIREMEN'S	Nashville	\$19,107,203	2,201	7	1
67922	1925	NASHVILLE POST OFFICE	Nashville	\$73,496,600	4,857	17	1
60645	1952	NEW SOUTH CREDIT UNION	Knoxville	\$36,810,335	5,073	14	3
68075	1932	NEWSPAPER AND PRINTERS	Nashville	\$1,252,634	335	1	1

TENNESSEE STATE-CHARTERED CREDIT UNIONS

TENNESSEE STATE-CHARTERED CREDIT UNION ASSETS

(As of June 30, 2012)

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CHARTER #	YR Chartered	NAME	CITY	ASSETS	Members	FT	PT
67021	1952	NORTHEAST COMMUNITY	Elizabethton	\$79,823,445	8,996	30	2
67946	1969	O.M.C. EMPLOYEES'	Charleston	\$29,795,183	1,992	4	1
68106	1959	OLAN MILLS SAVINGS ASSOCIATION	Chattanooga	\$3,809,420	548	2	0
67982	1934	OLD HICKORY	Old Hickory	\$203,604,543	27,167	68	8
68165	1978	OLIVET BAPTIST	Memphis	\$427,899	1,396	0	5
67779	1961	P.I.A.S.	Nashville	\$5,171,954	1,683	3	0
68080	1972	PARKRIDGE	Chattanooga	\$3,599,162	928	2	1
68124	1967	PATHWAY	Cleveland	\$5,542,574	1,175	2	2
60082	1929	PATRIOT EQUITY	Jackson	\$24,472,718	3,669	11	1
67948	1964	RIVER CITY UNITED	Chattanooga	\$10,124,451	966	3	0
68092	1949	ROHM AND HAAS EMPLOYEES	Knoxville	\$16,469,888	510	0	3
67755	1968	SMITH & NEPHEW EMPLOYEES	Memphis	\$9,016,157	1,514	3	0
68599	2009	SOUTHEAST FINANCIAL	Franklin	\$514,286,755	76,446	182	7
66980	1933	SOUTHERN	Chattanooga	\$20,843,001	3,065	8	1
68071	1959	ST. THOMAS HOSPITAL EMPLOYEES	Nashville	\$25,246,780	3,149	9	1
67971	1971	TENNESSEE DEPARTMENT OF SAFETY	Nashville	\$8,298,756	1,458	2	0
68101	1969	TENNESSEE EMPLOYEES	Nashville	\$17,699,332	3,151	5	1
66886	1950	THE TENNESSEE CREDIT UNION	Nashville	\$260,147,931	23,866	79	2
68093	1966	TIMES FREE PRESS	Chattanooga	\$2,341,080	436	1	0
68145	1973	U. S. T. C. EMPLOYEES	Nashville	\$2,099,402	339	1	1
67608	1980	UPS EMPLOYEES	Memphis	\$14,479,117	3,055	6	0
67720	1968	US COMMUNITY	Nashville	\$146,231,209	21,047	71	33
68119	1959	VANDERBILT UNIVERSITY EMPLOYEES	Nashville	\$28,860,908	7,256	8	1
68054	1981	VOLUNTEER CORPORATE CREDIT UNION	Nashville	\$1,307,333,790	331	49	3
68153	1962	WCG EMPLOYEES	Martin	\$967,385	286	0	2
67757	1967	WILLIS CREDIT UNION	Nashville	\$11,763,958	2,933	5	0
TOTAL:				\$8,409,919,294	875,250	2,280	284

PT-Part Time Employees
 FT-Full Time Employees
 S.A.* = Savings Association