

**Tennessee State-Chartered Trust Companies**  
**CONSOLIDATED BALANCE SHEET (To the nearest thousand)**

	30-Jun-08	30-Jun-07	\$ Change	% Change
--	-----------	-----------	-----------	----------

**ASSETS**

Cash and Due from Banks	17,395	14,217	3,178	22.35%
Securities and Investments	2,279	3,061	-782	-25.55%
Premises and Fixed Assets	2,271	2,446	-175	-7.15%
Other Assets	56,634	13,865	42,769	308.47%
<b>TOTAL ASSETS</b>	<b>78,579</b>	<b>33,589</b>	<b>44,990</b>	<b>133.94%</b>

**LIABILITIES**

Other Liabilities	9,976	10,196	-220	-2.16%
<b>TOTAL LIABILITIES</b>	<b>9,976</b>	<b>10,196</b>	<b>-220</b>	<b>-2.16%</b>

Unrestricted Assets	214	216	-2	-0.93%
Temporarily Restricted Assets	6	10	-4	-40.00%
Permanently Restricted Assets	8	8	0	0.00%

**EQUITY CAPITAL**

Common Stock	4,773	4,739	34	0.72%
Less: Treasury Stock	756	756	0	0.00%
Surplus	62,808	17,085	45,723	267.62%
Undivided Profits	1,504	2,047	-543	-26.53%
Stock Options	23	0	23	100.00%
Deferred Compensation	0	0	0	0.00%
Unrealized Gains and (Losses)	23	44	-21	-47.73%
<b>TOTAL EQUITY CAPITAL</b>	<b>68,375</b>	<b>23,159</b>	<b>45,216</b>	<b>195.24%</b>

<b>TOTAL LIABILITIES AND EQUITY CAPITAL</b>	<b>78,579</b>	<b>33,589</b>	<b>44,990</b>	<b>133.94%</b>
---	---------------	---------------	---------------	----------------

**TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS**

**STATE-CHARTERED TRUST COMPANIES**

**Consolidated Income Statement**

(TO NEAREST THOUSAND, for six months ending)

	30-Jun-08	30-Jun-07	\$ Change	% Change
Fee Income	47,102	46,178	924	2.0%
<b>NET FEE INCOME</b>	<b>47,102</b>	<b>46,178</b>	<b>924</b>	<b>2.0%</b>
Other Income	142	236	-94	-39.8%
<b>TOTAL INCOME</b>	<b>47,244</b>	<b>46,414</b>	<b>830</b>	<b>1.8%</b>
Operating Expenses	26,433	33,766	-7,333	-21.7%
Advisor/Consulting Fees	15,057	5,019	10,038	200.0%
Inter-Company Expense (Credit)	680	852	-172	-20.2%
Securities (Gains) and Losses	2	1	1	100.0%
<b>TOTAL OPERATING EXPENSES</b>	<b>42,172</b>	<b>39,638</b>	<b>2,534</b>	<b>6.4%</b>
Pre-Tax Net Operating Income	5,072	6,776	-1,704	-25.1%
Applicable Income Taxes	507	645	-138	-21.4%
Non-Operating Expenses	1,731	2,847	-1,116	-39.2%
<b>NET OPERATING INCOME</b>	<b>2,834</b>	<b>3,284</b>	<b>-450</b>	<b>-13.7%</b>
Extraordinary Gains/Losses	0	0	0	0.0%
<b>NET INCOME</b>	<b>2,834</b>	<b>3,284</b>	<b>-450</b>	<b>-13.7%</b>
<b>TOTAL DIVIDENDS AND/OR DISTRIBUTIONS</b>	<b>302</b>	<b>235</b>	<b>67</b>	<b>28.5%</b>

Tennessee Chartered Trust Companies  
Statement of Condition 6-30-2008  
(To nearest thousand)

		A	B	C	D	E	F	G	H	I	J
		Cash	Invest	Other Assets	Tot Assets	Other Liabilities	Equity Ca	Net Incom	TAUM	Com/col fd	# of fds
<b>Meridian Trust and Investment Company</b>	Knoxville	395	487	528	1,410	77	1,333	431	442,955		
<b>The Trust Company of Knoxville</b>	Knoxville	1,265	607	458	2,330	270	2,061	417	1,215,098	27,518	2
<b>Diversified Trust Company</b>	Memphis	1,523	0	3,901	5,424	4,359	1,063	4	4,041,533	1,266,905	12
<b>First Mercantile Trust Company</b>	Memphis	12,897	0	51,836	64,733	5,028	59,706	765	4,348,679	3,913,573	212
<b>Investment Counsel and Trust Company</b>	Memphis	375	126	158	659	75	584	-39	107,158		
<b>Cumberland Trust and Investment Company</b>	Nashville	261	0	981	1,242	16	1,226	232	786,459		
<b>Equitable Trust Company</b>	Nashville	594	1,051	892	2,537	135	2,402	1,033	1,246,430		
<b>Guardianship and Trusts Corporation (K, L)</b>	Nashville	85	8	151	244	16	228(M)	-9	11,550		
<b>Total</b>		<b>17,395</b>	<b>2,279</b>	<b>58,905</b>	<b>78,579</b>	<b>9,976</b>	<b>68,375</b>	<b>2,834</b>	<b>12,199,862</b>		

**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, 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 inclusive of funds held in Common/Collective Funds at market value;

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

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

(K) Not-for-profit trust company;

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

(M) Net Assets.