



**2011
ANNUAL REPORT**

STATE OF TENNESSEE, DEPARTMENT OF FINANCIAL INSTITUTIONS

February 25, 2012



Dear Governor Haslam and Citizens of the State of Tennessee:

I am pleased to present the 37th 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. As an industry, Tennessee state-chartered depository institutions remain well positioned to continue serving their communities and contributing to the State's economic progress.

Although we see consolidation within the banking industry and expect that to accelerate in 2012, total loans and assets continue to increase and the complexity and breadth of operations continues 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 2012. We recommend legislation as required by the federal Dodd Frank regulatory reform law to codify the current capacity of State banks to engage in derivative transactions. We also suggest legislation to allow the department to be reimbursed for specific costs and share in the savings we are creating for the nonbank mortgage industry through offsite examinations. Finally, we recommend legislation to place deferred presentment licensees on the nationwide licensing system developed by states originally for nonbank mortgage licensees.

While a general economic recovery is underway, 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. With the formation of the Consumer Financial Protection Bureau, financial institutions will also face a changing regulatory environment as federal regulatory reform is implemented.

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,
Greg Gonzales

A handwritten signature in black 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 citizens of Tennessee with a sound system of state-chartered and licensed financial institutions by providing for and encouraging the development of depository financial institutions while restricting their activities to the extent necessary to safeguard the interests of depositors; and seeking to ensure compliance by both depository and non-depository financial institutions with governing law and regulations.

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.

WHO WE ARE

Our History

The Department of Financial Institutions was established in 1913 and originally known as the Banking Department. At this time, the Department was headed by the Superintendent of Banks.

Ten years later, the Department gained more responsibilities as state-chartered credit unions came under its supervision.

Over the next 70 years, the Department witnessed more changes, including a final name change to the Tennessee Department of Financial Institutions, and added regulatory oversight to include:

- Trust Companies
- Business and Industrial Development Corporations (BIDCOs)
- Industrial Loan & Thrift Companies
- Insurance Premium Finance Companies
- Mortgage Companies and Mortgage Loan Originators
- Check Cashers
- Deferred Presentment Service Companies
- Money Transmitters
- Title Pledge Companies

As of June 30, 2011 the Department has 143 employees throughout offices in East, Middle and West Tennessee.

DEPARTMENT OVERVIEW

Total Number of State-Chartered Institutions

Fiscal Year June 30, 2010 vs. Fiscal Year June 30, 2011

CHARTERS	June 30, 2010	June 30, 2011
Commercial Banks/Savings Banks	156	157
Trust Companies	9	9
BIDCOs	2	2
Credit Unions	109	104
TOTAL NUMBER OF CHARTERS	276	272

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

Fiscal Year June 30, 2010 vs. Fiscal Year June 30, 2011

LICENSEES / REGISTRANTS	June 30, 2010	June 30, 2011
Industrial Loan and Thrift Companies	980	1112
Insurance Premium Finance Companies	59	53
Mortgage Companies	596	504
Mortgage Branches*	680	705
Mortgage Loan Originators	5,776	4291
Money Transmitters	61	65
Deferred Presentment	1,276	1217
Check Cashers	628	635
Title Pledge Lenders	835	852
TOTAL NUMBER OF LICENSEES / REGISTRANTS	10,891	9434

*TDFI began recording mortgage branches in February 2009

Total Refunded to Consumers per Industry

Fiscal Year ending June 30, 2011

LICENSEES / REGISTRANTS	TOTAL
Industrial Thrift and Loan Companies	\$269,992.83
Mortgage Companies	\$1,981,832.65
Deferred Presentment	\$43,815.20
Title Pledge Lenders	\$91,311.60
Check Cashers	\$6,664.29
TOTAL REFUNDED	\$2,393,616.57

2011 FISCAL REVIEW

FUNDING SOURCES

REVENUE SOURCE	AMOUNT
Appropriations-Bank Assessment Fees	\$10,343,685.80
Other Bank Fees	\$290,772.00
BIDCO's & Trust Company Fees	\$24,178.25
Credit Union Supervision Fees	\$2,329,584.99
Money Transmitter Fees	\$170,410.00
Loan Company Fees	\$880,175.00
Insurance Premium Finance Company Fees	\$22,400.00
Mortgage Company Fees	\$2,050,358.34
Check Cashier Fees	\$475,480.00
Deferred Presentment Fees	\$939,134.56
Title Pledge Lender Fees	\$984,510.29
TOTAL REVENUES	\$18,510,689.23

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.

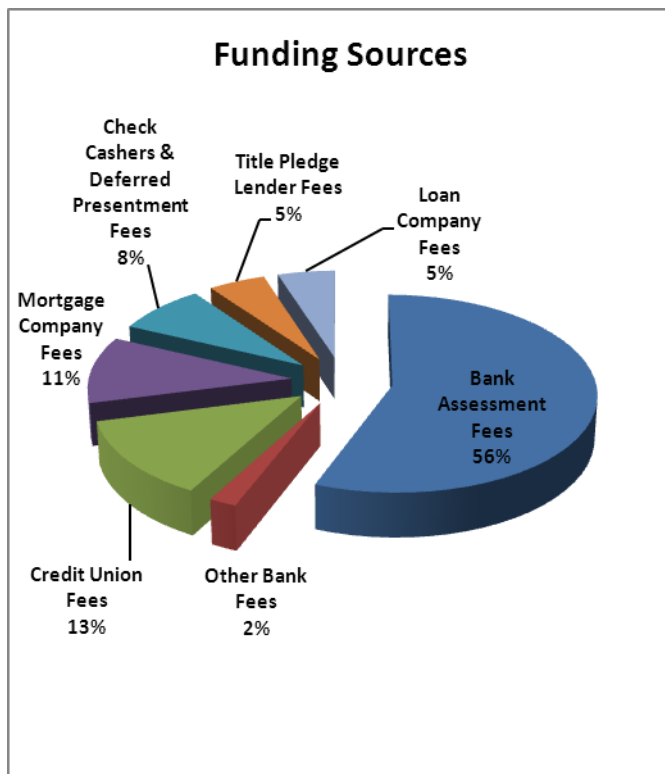
During Fiscal Year 2011, the department returned \$1,709,385.80 classified "Grants & Subsidies." These expenditures represent the Fiscal Year 2009 Bank Surplus, which was returned during Fiscal Year 2011. Public Chapter 1203 of the Public Acts of 2008, Section 67, Item 2, appropriated the Fiscal Year 2008 and Fiscal Year 2009 Bank Surplus to the State's general fund in order to help close those fiscal years. During Fiscal Year 2011, the Department of Finance and Administration notified the Department of Financial Institutions that the Fiscal Year 2009 Bank Surplus was not needed to close that fiscal year, and that the Department of Financial Institutions should return the Surplus to state chartered banks as is normally rebated on an annual basis.

At the end of Fiscal Year 2011, the department reverted \$1,394,978.32 to the state's general fund. Most of this surplus is due to the department having some vacant examiner positions during Fiscal Year 2011, resulting in savings for payroll and operational costs associated with examiner positions.

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

Fiscal year ending June 30, 2011



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

2011 FISCAL REVIEW

EXPENDITURES

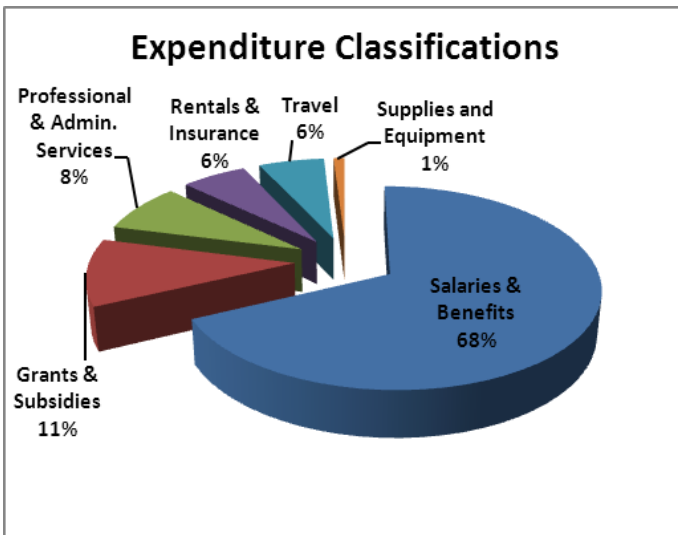
EXPENDITURE CLASSIFICATIONS	AMOUNT
Personal Services	\$7,837,299.16
Employee Benefits	\$3,120,463.25
TOTAL PAYROLL	\$10,957,762.41
Travel	\$930,798.13
Printing and Duplicating	\$51,131.61
Communication & Shipping Costs	\$51,353.96
Professional and Administrative Services	\$1,238,759.94
Supplies	\$35,969.31
Rentals and Insurance	\$945,223.20
Awards & Indemnities	\$214.95
Grants & Subsidies	\$1,709,385.80
Unclassified	\$5,200.00
Training	\$49,305.54
Computer Related Items	\$83,042.43
TOTAL OPERATIONAL	\$5,100,384.87
TOTAL EXPENDITURES	\$16,058,147.28
Excess of Revenue Over Expenditures	\$2,452,541.95
Rebated to Banks	\$1,057,563.63
Reverted to the State's General Fund	\$1,394,978.32

2011 TECHNOLOGICAL ADVANCEMENTS

In order to meet the requirements legislated by Congress in the Secure and Fair Enforcement for Mortgage Licensing Act of 2008, we began requiring mortgage licensees to register on the Nationwide Mortgage Licensing System (NMLS) in February 2009. The Department has acquired a business application that will replace the aging Regulatory Board System and interface with NMLS. The initial phase of the new application (FIRST) was implemented in May 2011. The second phase of the project, which covers Deferred Presentment, will begin in January 2012 with implementation currently planned in the 3rd quarter of 2012. The third phase of the project, which covers all remaining business functionality currently supplied by the RBS system, will begin in the 4th quarter of 2012 with implementation currently planned in the 3rd quarter of 2013.

To provide our financial institution examiners with the technology they need to efficiently and effectively perform their job, the Department's IT personnel have started the process of upgrading the Department's operating system and office suite. We have started the project of upgrading our office suite from Microsoft Office XP to Microsoft Office 2010, with completion currently planned in 1st quarter 2012. We have also started the project to upgrade our operating system from Microsoft Windows XP to Microsoft Windows 7, with completion currently planned for 3rd quarter 2013.

Fiscal year ending June 30, 2011



The Department continued 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.

ADMINISTRATIVE DIVISION



HEADQUARTERS PERSONNEL-NASHVILLE

Greg Gonzales, Commissioner

COMMISSIONER'S OFFICE

Neil MacDonald, Information Officer

Ryan Hughes, Legislative Liaison

Herb Kraycirik, CPA, Audit Director

Joyce Simmons, CPA, Chief Regulatory Accountant

ADMINISTRATIVE DIVISION

Tina G. Miller, Assistant Commissioner/General Counsel

Tommie Pendergrass, CPA, Fiscal Director

Leslie Yanez, Human Resources Director

Kelley Cole, Human Resources Assistant I

Mary Jane Friedmann, Accountant II

Ashley Priest, Accounting Technician I/Cashiering

Barbara Jones, Administrative Services Assistant III

Christy Beadle Adams, Cashiering Supervisor

Kayce Cawthon-Stoker – Administrative Assistant I

Johanna Thompson, Administrative Assistant I/Cashiering

Nick Ragsdale, Administrative Assistant II/Cashiering

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

Whitney Stone, Attorney II

Jera Bradshaw, Attorney (Until May, 2011)

Trey Tally, Attorney (Until May, 2011)

Paula Cagle, Legal Assistant

Alan Smith, CRS, Director

Alicia Gay, Administration Assistant III

Diedre Coleman, Admin Assistant III

LEGAL SECTION

2011 LEGISLATION

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 sections in the Department.

Public Chapter 26 - Amends T.C.A. Title 45, Chapter 2**Effective Date: March 31, 2011**

Public Chapter 26 amends T.C.A § 45-2-2001 (b)(i) to provide that lineal descendants of the original owners of a private trust company may control a private trust company. The involvement of the lineal descendants of the original owners of a private trust company providing fiduciary activities as a private trust company will not be considered to be transacting business with the general public.

Public Chapter 89 - Amends T.C.A. Titles 39, 45, 47 and 56**Effective Date: April 4, 2011**

Public Chapter 89 amends TCA § 45-2-1709 to make it unlawful for a person to use a trade name, trademark, or confusingly similar trade name or trademark of a bank, savings and loan association, savings bank or subsidiary in a solicitation that is likely to cause confusion, mistake or deception as to the origin affiliation or sponsorship of the product being solicited. Public Chapter 89 also makes it a criminal offense to use a bank trade name, trademark, or confusingly similar trade name or trademark in any manner in a solicitation unless the solicitation contains certain disclosures in bold-face type on the front page of the solicitation. Public Chapter 89 also added a new provision to T.C.A § 45-2-1709 that prohibits the use of a bank trade name or trademark in any manner in a solicitation unless the solicitation contains certain disclosures in bold face type. Finally, Public Chapter 89 made amendments to T.C.A. 47-25-512 (Tennessee Trademark Act).

Public Chapter 100 - Amends T.C.A. Title 45, Chapter 7**Effective Date: April 21, 2011**

Public Chapter 100 amends the Tennessee Money Transmitter Act, specifically T.C.A. § 45-7-216, by authorizing the commissioner to share money transmitter examination reports and information regarding money transmission licensing applications, audits and investigations with the Money Transmitter Regulators Association (MTRA) and the Conference of State Bank Supervisors (CSBS), provided these associations have entered into confidentiality agreements with the Department. This Act allows the Department to fully partner with the MTRA, CSBS and other state regulatory agencies in their cooperative efforts to promote uniform examination standards, examination reports as well as the coordination of multi state examinations of money transmitter businesses.

LEGAL SECTION

Public Chapter 122 - Amends T.C.A. Title 35, Chapter 5

Effective Date: April 7, 2011 and January 1, 2013

Public Chapter 122 amends multiple sections of T.C.A. § 35-5-117 relative to the notice of the right to foreclose. The 60-day advance notice of foreclosure was removed provided that the lender, trustee, or agent has met in person with the principal debtor to review and discuss the mortgage within 180 days prior to publishing the notice of foreclosure. A sworn affidavit from the lender, trustee, or agent stating the time and place of the meeting with the debtor will serve as conclusive proof that the meeting has occurred. In lieu of the affidavit, a document signed by the lender, trustee, or agent and the debtor evidencing that the meeting occurred will also serve as conclusive proof that the meeting has occurred. Public Chapter 122 also provides that the advance notice of foreclosure is not required to be sent if the borrower has obtained a prior loan modification after July 1, 2010.

Public Chapter 205 - Amends T.C.A. Title 45, Chapter 17

Effective Date: 5/20/11

Public Chapter 205 amends the Deferred Presentment Services Act, T.C.A. §§ 45-17-101, *et seq.* Below is a summary of the changes made to the Act:

Redefines the term “check” to mean any payment instrument, including any customer authorization for electronic payment.

Prohibits a person from engaging in the business of deferred presentment services in this state through the use of the internet, facsimile, telephone, or other means without having first obtained a license. A person engages in the business of deferred presentment services if the person induces a consumer, while located in this state, to enter into a deferred presentment services transaction in this state.

Requires any nonresident person applying for a license to furnish the Commissioner with the name and address of a resident of this state upon whom notices or orders issued by the Commissioner (or process affecting a licensee under the Act) may be served.

Requires any person applying for a license to state on the application the location at which the registered agent of the applicant shall be located.

Requires licensees and unlicensed persons subject to the Act to pay the reasonable and actual expenses of an examination or investigation.

Authorizes licensees, after receiving the prior written approval of the Commissioner, to maintain records at a location within or outside of this state.

Authorizes licensees to charge a fee not to exceed fifteen percent (15%) of the face amount of the check.

Prohibits licensees from assessing a handling charge if a check is returned to a licensee due to insufficient funds, closed account, or a stop-payment order.

Prohibits provisions in deferred presentment services agreements that provide that the law of a jurisdiction other than Tennessee applies, provide that the customer consents to the jurisdiction of another state or foreign country, fix venue, or waive any provision of the Act. The preceding prohibited provisions are void and not enforceable as a matter of public policy.

The Legal Section was heavily involved in the 2011 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.

LEGAL SECTION

Public Chapter 228 - Amends T.C.A. Title 45,**Effective 5/2/11**

Public Chapter 228 amends the Tennessee Residential Lending, Brokerage and Servicing Act, T.C.A. §§ 45-13-101, *et seq.* Public Chapter 228 retains the requirement that no person shall act as a mortgage lender, mortgage loan broker, or mortgage loan servicer in this state without having first obtained a license. In addition, Public Chapter 228 retains the exemptions that existed under the prior chapter and establishes new exemptions concerning the following:

Any person, who, as seller, receives or makes in any consecutive twelve-month period five (5) or fewer residential mortgage loans and does not hold themselves out to the public as being in the residential mortgage lending business.

A person engaged solely in commercial real estate lending or a person who provides financing on property which is not and is not intended to be owner-occupied by the person receiving the financing (including a person who provides financing for a property which will be subsequently leased or sold to a third party).

Any person who makes a mortgage loan to an employee as an employment benefit, employment incentive, or relocation package.

Any person doing any act related to mortgage loans pursuant to an order of a court of competent jurisdiction.

A person that performs only real estate brokerage activities and is licensed pursuant to the Tennessee Real Estate Broker License Act of 1973, compiled in Title 62, Chapter 13.

A person that performs land title insurance services in connection with a closing of a sale transaction and is licensed pursuant to the provisions of Title 56, Chapter 6, and the rules of the Tennessee Department of Commerce and Insurance compiled in Chapter 0780-1-56.

Neither the existing exemptions under the prior chapter nor the new exemptions established by Public Chapter 228 are applicable if the United States Department of Housing and Urban Development (or its duly designated successor) expressly determines that a person is subject to licensure as a “mortgage loan originator” as the term is defined in the Secure and Fair Enforcement for Mortgage Licensing Act of 2008, compiled in 12 U.S.C. § 5101, *et seq.*

Rulemaking

No new rules or amendments were filed in 2011.

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 \$350,000 on behalf of consumers who formally filed complaints with the Department.

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 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 472 formally filed consumer complaints throughout calendar year 2011. These were received from 72 of the state's 95 counties (75.79%).

The majority (56.1%) of the consumer complaints came from the state's four largest metropolitan areas and surrounding counties. Out of this total, Nashville-Davidson County and surrounding counties provided 111, or 20.9% of all consumer complaints received in 2011.

The Section received 19 scam-related complaints. These ranged from advance fee loan scams (5) to mystery-shopper scams (1). Additionally, the Section continued to receive a number of complaints on foreclosure rescue, or loan modification scams (9).

In 2011, the Section learned of one reported company that claimed to have been located in the state and offering consumer loans. Jacobi Financing Company ("Jacobi") was identified as not being located in Tennessee, nor were they a licensed company with the Department. A Consumer Alert was issued on Jacobi since they were an advance fee loan scam operation where consumers were being required to send up-front payments to individuals in Jamaica for "security collateral payments", or for an insurance premium for a policy that was supposed to be collateralizing the loan requested. In all of the reported cases that were brought to our attention, the consumers never received the loan they applied to receive. The Section received numerous calls from consumers thanking the Section for posting the alert.

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. Throughout calendar year 2011, the section continued its partnership with Tennessee Jumpstart, A Coalition for Personal Financial Literacy. Through this partnership, financial literacy presentations were given at the 2011 Jumpstart Annual Personal Financial Education Teacher's Conference and at the Tennessee Career and Technical Education Conference. Additionally, a member of the section participated in the LifeSmarts state competition conducted through UT Extension Services. We also serve 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*	166
Check Casher	1
Credit Union	27
Default**	102
Deferred Presentment	15
Industrial Loan and Thrift (TILT)***	23
Money Transmitter	4
Mortgage	100
Mortgage Loan Originator	6
Premium Finance	0
Title Pledge	28
TOTAL COMPLAINTS	472

TOP TEN CONSUMER COMPLAINT ALLEGATIONS

RANK	ALLEGATION	#
1	Customer Service Issues	60
2	Foreclosure Issues	42
3	Modification/Deferral Issues	31
4	Document Copy Request	26
5	Payment/Payment History Disputes	25
6	Misrepresentation	16
7	Internet Payday ACH/Withdrawal Issues	14
8	Application Processing Issues	13
9	Fair Debt Collection Practices Act Violations	13
10	Internet Payday Rate/Fees Issues	12

Calendar year ending December 31, 2011

*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

CONSUMER RESOURCES SECTION

Total Complaints by County

County	Total Complaints	Percent %	County	Total Complaints	Percent %	County	Total Complaints	Percent %
Out of State	77	16.3%	HAMBLEN	4	0.8%	MOORE	0	0.0%
ANDERSON	2	0.4%	HAMILTON	27	5.7%	MORGAN	1	0.2%
BEDFORD	3	0.6%	HANCOCK	0	0.0%	OBION	2	0.4%
BENTON	1	0.2%	HARDEMAN	1	0.2%	OVERTON	3	0.6%
BLED SOE	1	0.2%	HARDIN	1	0.2%	PERRY	0	0.0%
BLOUNT	6	1.3%	HAWKINS	2	0.4%	PICKETT	0	0.0%
BRADLEY	6	1.3%	HAYWOOD	0	0.0%	POLK	0	0.0%
CAMPBELL	2	0.4%	HENDERSON	4	0.8%	PUTNAM	4	0.8%
CANNON	0	0.0%	HENRY	0	0.0%	RHEA	2	0.4%
CARROLL	1	0.2%	HICKMAN	2	0.4%	ROANE	1	0.2%
CARTER	3	0.6%	HOUSTON	0	0.0%	ROBERTSON	8	1.7%
CHEATHAM	4	0.8%	HUMPHREYS	3	0.6%	RUTHERFORD	20	4.2%
CHESTER	0	0.0%	JACKSON	0	0.0%	SCOTT	0	0.0%
CLAIBORNE	2	0.4%	JEFFERSON	6	1.3%	SEQUATCHIE	0	0.0%
CLAY	0	0.0%	JOHNSON	0	0.0%	SEVIER	6	1.3%
COCKE	3	0.6%	KNOX	26	5.5%	SHELBY	52	11.0%
COFFEE	4	0.8%	LAKE	0	0.0%	SMITH	1	0.2%
CROCKETT	1	0.2%	LAUDERDALE	1	0.2%	STEWART	0	0.0%
CUMBERLAND	2	0.4%	LAWRENCE	2	0.4%	SULLIVAN	11	2.3%
DAVIDSON	54	11.4%	LEWIS	0	0.0%	SUMNER	7	1.5%
DECATUR	1	0.2%	LINCOLN	3	0.6%	TIPTON	3	0.6%
DEKALB	0	0.0%	LOUDON	2	0.4%	TROUSDALE	1	0.2%
DICKSON	4	0.8%	MCMINN	5	1.1%	UNICOI	2	0.4%
DYER	1	0.2%	MCNAIRY	0	0.0%	UNION	1	0.2%
FAYETTE	1	0.2%	MACON	1	0.2%	VAN BUREN	1	0.2%
FENTRESS	2	0.4%	MADISON	3	0.6%	WARREN	0	0.0%
FRANKLIN	3	0.6%	MARION	2	0.4%	WASHINGTON	6	1.3%
GIBSON	3	0.6%	MARSHALL	2	0.4%	WAYNE	2	0.4%
GILES	0	0.0%	MAURY	6	1.3%	WEAKLEY	1	0.2%
GRAINGER	2	0.4%	MEIGS	3	0.6%	WHITE	1	0.2%
GREENE	5	1.1%	MONROE	1	0.2%	WILLIAMSON	11	2.3%
GRUNDY	0	0.0%	MONTGOMERY	9	1.9%	WILSON	15	3.2%
TOTAL							472	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
 Philip Ruffin, Financial Analyst
 Justin Cary, Financial Analyst (Until Sept, 2011)
 Gina Tarolli, Administrative Services Assistant III
 Memory Barber, Administrative Services Assistant II

Applications

Debra Grissom, Program Administrator

Trust

Vivian Lamb, CEM, Program Administrator

Money Transmission

Justin McClinton, Program Administrator

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
 Ekaette Udoumana, IV
 William Cook, III
 Edward Black, III
 Alan Kirkwood, II
 Chrystine Dobbs, II
 Gerald Proby, II
 Darnell Tate, II
 Kimberly Morrow, I
 Kamela Settles, I
 Mark Herren, I

East Tennessee District

Kenneth Kelley, CEM, District Manager
 Louella McElroy, CEM, Supervisor
 Wade McCullough, CEIC, CFE, Supervisor
 Jonathan Piper, CEIC, Off-Site Monitoring Supervisor, IV
 Robert Broshears, IT Specialist, IV
 Chad Hölbert, IV
 Jessica Huff, IV
 James Curtis, IV
 Anthony Valentino, III
 Josh Robertson, II
 Jamice Lane Washburn, II
 Richard Reagan, II
 Joy Seaver, II
 James Jordan, 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
 Jerry Davis, CEIC, IT Specialist, IV
 Vicki Ivey, CEIC, IV
 Robert Prather, CEIC, IV
 Judy Morgan, COE, IV
 Toniece Johnson, COE, IV
 Grant Casselberry, III
 Stephen Koffman, II
 Kenneth Oliver, II

****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

BANK DIVISION

BANK DIVISION APPLICATION ACTIVITIES FY 10-11

NEW BANKS OPEN

- There were no new bank openings in fiscal year 2010-11

BANK MERGERS

- Civic Bancorp (Holding Company) Merged with and into Civic Bank & Trust, Nashville, TN (August 2010)

BANK CONVERSIONS

- Progressive Savings Bank, FSB, Jamestown, TN converted from a federal savings bank to a state-chartered commercial bank called Progressive Savings Bank (November 2010)

BIDCO TRANSACTIONS

- There were no BIDCO application transactions in fiscal year 2010-11

NEW TRUST COMPANIES OPEN

- There were no new trust companies opened in FY 2010-11

MONEY TRANSMITTER TRANSACTIONS

New License Issued

- Golden Money Transfer, San Diego, CA, (August, 2010)
- Petro Express Properties, Nashville, TN, (August, 2010)
- Tempo Financial US Corporation dba I-Transfer, Greenwood Village, CO, (November 2010)
- Blackhawk Network California, Inc., Pleasanton, CA, (November 2010)
- Keefe Commissary Network, LLC, St. Louis, MO, (December 2010)
- Sigue Corporation, Sylmar, CA, (March 2011)
- Meracord, LLC, Tacoma, WA, (April 2011)
- Tempus Consulting, Inc., Washington, DC, (May 2011)
- American Express Prepaid Card Management, Phoenix, AZ (May 2011)
- Custom House (USA) Ltd. Corporation, Victoria, BC, (June 2011)

Voluntary Corporate Transactions

- AAA Financial Corporation, Coral Springs, Florida, (April 2010)
- Mapco Express, Inc., Brentwood, TN, (September 2010)
- Budgetline Cash Advance, LLC dba Cash Choice, Atlanta, GA, (October 2010)
- Maniflo Money Exchange, Inc., National City, CA, (April 2011)
- Envios Los Rios, Inc., Memphis, TN (May 2011)
- Sigue, LLC, Sylmar, CA, (May 2011)

BANK DIVISION INFORMATION
AT A GLANCE

(AS OF JUNE 30, 2011)

BANK REGULATED INSTITUTIONS:

157 Banks
2 BIDCOs
9 Independent non-depository trust companies
65 Money Transmitters

BANK DATA

CONSOLIDATED TOTAL ASSETS:

- \$44.8 billion, representing a \$574 million or 1.3 percent change since June 30, 2010

CONSOLIDATED CAPITAL:

- \$4.4 billion, representing 9.81 percent of total assets

RETURN ON AVERAGE ASSETS (ROAA):

- Median ROAA of 0.63 percent with a median net interest margin of 3.95 percent (includes all banks)

ALLOWANCE FOR LOAN AND LEASE LOSSES (ALL):

- Median ALLL to total loans and lease ratio of 1.63

PAST DUE RATIO:

- Median past due ratio of 3.43 percent

TRUST COMPANY DATA

TOTAL CONSOLIDATED CORPORATE ASSETS:

- \$86.6 million, representing a 8.70 percent increase compared to the same period in 2010

AGGREGATED NET INCOME FOR TRUST COMPANIES:

- \$3.0 million representing a 61.4 percent increase compared to the same period in 2010

TRUST ASSETS UNDER MANAGEMENT AND/OR CUSTODY:

- Reflect an increase of 23.1 percent from \$12.3 billion to \$15.1 billion, inclusive of assets invested in common/collective trust funds

NOTE: Trust Company data covers a six-month period from January 1, 2011 through June 30, 2011.

BANK DIVISION

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

As of June 30, 2011, 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 45-2-1501 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.

On March 7, 2007, the Receiver, pursuant to Court Order, 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, the Receiver, pursuant to Court Order, made a second partial distribution of \$1,028,074, pro rata, to approved claimants. No decision regarding another distribution has been made pending further legal actions.

As of June 30, 2011, the Sentinel Estate held corporate assets and liabilities totaling \$138,925 and \$54,718, respectively. The Receiver also held fiduciary assets and liabilities totaling \$170,366 and \$130,840, respectively. The Chancery Court of Hickman County, Tennessee has granted the Receiver permission to move forward with the marketing and sale of certain properties owned by the Sentinel Estate. No value for these properties is included in the June 30, 2011 Net Assets. There are expenses related to these properties (e.g. property taxes, insurance and property maintenance) which have been deducted to arrive at the June 30, 2011 Net Assets. These expenses will continue to be incurred and deducted from Net Assets until the properties are sold. Consistent with the recognition of funds from the sale of other Sentinel Estate properties, the funds from these unsold properties will be included in Net Assets when the properties are sold and funds are received.

**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, 2011, the division licensed 65 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 \$7,821,500 to five small businesses, preserving and/or creating an estimated 114 jobs. No loans were made to a minority owned business, and two of these loans totaling \$16,500 were made to businesses owned by female proprietors. The summary analysis of the number and dollar amount of loans extended to certain

CATEGORY	NUMBER	AMOUNT
Manufacturing	2	\$7,800,000
Service	3	\$21,500
TOTAL	5	\$7,821,500

TENNESSEE STATE-CHARTERED BANKS

CONSOLIDATED BALANCE SHEET (IN MILLIONS)

As of June 30, 2011 and June 30, 2010

	June 30, 2011	June 30, 2010	\$ Change	% Change
Assets				
Cash and Due From Banks	2757	2323	434	18.68%
Securities	8664	7450	1214	16.30%
Federal Funds Sold and Securities Purchased Under Agreement to Resell	668	636	32	5.03%
Loans and Leases Held for Sale	391	504	-113	-22.42%
Loans and Leases, Net of Unearned income	29750	30674	-924	-3.01%
Allowance for Loan and Lease Losses	-654	-584	-70	11.99%
Assets held in Trading Accounts	5	4	1	25.00%
Premises and Fixed Assets	1115	1116	-1	-0.09%
Other Real Estate Owned	652	573	79	13.79%
Investments in Unconsolidated Subsidiaries	12	14	-2	-14.29%
Intangible Assets	202	229	-27	-11.79%
Other Assets	1283	1332	-49	-3.68%
TOTAL ASSETS	44845	44271	574	1.30%
Liabilities				
Non-Interest Bearing Deposits	4285	3492	793	22.71%
Interest Bearing Deposits	34034	33792	242	0.72%
TOTAL DEPOSITS	38319	37284	1035	2.78%
Federal Funds Purchased and Securities Sold Under Repurchase Agreement	320	388	-68	-17.53%
Trading Liabilities	5	0	5	
Other Borrowed Money	1494	1746	-252	-14.43%
Other Liabilities	299	294	5	1.70%
TOTAL LIABILITIES	40437	39712	725	1.83%
Minority Interests in Unconsolidated Subsidiaries	7	7	0	0.00%
EQUITY CAPITAL				
Preferred Stock	41	40	1	2.50%
Common Stock	286	283	3	1.06%
Surplus	2549	2502	47	1.88%
Undivided Profits	1438	1615	-177	-10.96%
Accumulated other Comprehensive Income	83	100	-17	-17.00%
Other Equity Capital Components	4	12	-8	-66.67%
TOTAL EQUITY CAPITAL	4401	4552	-151	-3.32%
TOTAL LIABILITIES AND EQUITY CAPITAL	44845	44271	574	1.30%

TENNESSEE STATE-CHARTERED BANKS

CONSOLIDATED INCOME STATEMENT (IN MILLIONS)

Six months ending June 30, 2011 and June 30, 2010

	June 30, 2011	June 30, 2010
Interest Income	1048	1110
Interest Expenses	255	331
NET INTEREST INCOME	793	779
Non-Interest Income	142	165
Non-Interest Expense	694	673
Provision for Loan and Lease Losses	243	164
Securities Gains/Losses	12	24
Pre-Tax Net Income	10	131
Applicable Income Taxes	31	49
NET OPERATING INCOME	-21	82
Extraordinary Gains/Losses	0	0
NET INCOME	-21	82
TOTAL CASH DIVIDENDS	43	48

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	4101	9261	15541	293	1581	30191	24222	2178	0	3791	-135
ASHLAND CITY	Community Bank & Trust	4117	48998	147167	1866	17915	216331	179723	13722	0	22886	544
ATHENS	SouthEast Bank & Trust	29255	22467	204292	4154	20726	272586	241220	7331	0	24035	596
ATWOOD	Citizens Bank & Trust Company	1061	10923	13527	135	642	26018	23677	119	0	2222	92
BARTLETT	Bank of Bartlett	14699	132819	189839	7031	43502	374041	321992	40956	213	11093	-15607
BELLS	Bank of Crockett	3291	72693	46300	932	7559	128911	112853	1342	0	14716	808
BOLIVAR	Merchants & Planters Bank	5498	17696	61934	695	7998	92431	78510	4243	0	9678	332
BRENTWOOD	Reliant Bank	40249	41748	292461	12527	30730	392661	343569	17117	0	31975	-2639
BRIGHTON	Brighton Bank	1698	13670	49123	1417	6282	69356	62079	2827	0	4450	-434
BROWNSVILLE	INSOUTH Bank	54801	57744	207728	7578	17781	331475	307495	2267	999	21713	-1240
BYRDSTOWN	People's Bank and Trust Company of Pickett County	7722	18995	101807	2163	9296	135657	121738	1759	0	12160	137
CAMDEN	Bank of Camden	7578	36078	127052	2651	22470	190527	138204	20775	0	31548	1909
CARTHAGE	Citizens Bank	18155	222542	249649	3569	16024	502863	417667	1532	62	83664	5703
CHATTANOOGA	First Volunteer Bank of Tennessee	85396	69217	460735	6437	55054	663965	583876	13693	0	66396	1921
CHATTANOOGA	Cornerstone Community Bank	29905	109413	270171	6814	37599	440274	337273	73526	0	29475	605
CHATTANOOGA	CapitalMark Bank & Trust	8361	147635	320493	4111	16086	488464	426716	10763	0	50985	1665
CLARKSVILLE	F&M Bank	16934	85885	615754	5599	68182	781156	646017	66829	0	68310	2485
CLARKSVILLE	Legends Bank	11592	77011	239857	3390	15215	340285	278526	28448	0	33311	1429
CLARKSVILLE	Cumberland Bank and Trust	11405	12317	118998	1260	7933	149393	129901	7066	0	12426	720
CLEVELAND	Bank of Cleveland	24249	9255	207487	4750	12185	248426	209514	5882	0	33030	2005
CLEVELAND	Southern Heritage Bank	12110	59593	137898	2549	11389	218441	188634	3085	0	26722	1238
CLIFTON	Peoples Bank	10071	20080	93628	1803	13568	135689	117196	7051	145	11442	135
CLINTON	The Community Bank of East Tennessee	7390	12364	35308	983	3685	57764	48516	3140	0	6108	191
COLLIERVILLE	BankTennessee	6283	38603	180834	3482	23095	245333	219559	1048	0	24726	84
COLLIERVILLE	Landmark Community Bank	4474	54048	200044	2501	6944	263009	202403	35315	0	25291	1074
COLUMBIA	First Farmers and Merchants Bank	50165	295591	546079	8004	79946	963777	814984	43766	0	105027	3595
COLUMBIA	Community First Bank & Trust	57384	62776	490785	18897	46011	640244	572478	26431	2185	41335	-3922
COLUMBIA	Heritage Bank & Trust	5978	13898	108778	7584	9146	130216	119998	3215	0	7003	247
COOKEVILLE	Bank of Putnam County	58626	113623	170084	1541	13285	354077	322108	4963	0	27006	1587
COOKEVILLE	Putnam 1st Mercantile Bank	1008	16949	63971	832	7916	89118	78778	428	106	9912	103
CORDOVA	First Alliance Bank	5197	16479	95984	3270	13560	127950	103945	11585	0	12420	76
CROSSVILLE	Cumberland County Bank	58711	79864	126322	2090	14316	277123	255555	2809	0	18759	906
DECATURVILLE	Decatur County Bank	3409	23840	54514	1101	7803	88465	74310	7041	0	7114	137
DECHERD	Franklin County United Bank	5550	19261	68424	1979	8376	99632	88227	397	0	11008	215
DICKSON	Bank of Dickson	11383	74257	108176	1785	7453	199484	165133	7439	0	26912	848
DICKSON	TriStar Bank	6895	56705	87099	1050	12576	162225	132156	14962	0	15107	655
DUNLAP	Mountain Valley Bank	5308	17845	68103	1525	5725	95456	86772	364	0	8320	129
DUNLAP	Citizens Tri-County Bank	51889	129474	298910	7298	47396	520371	461514	4398	0	54459	2069
DYER	The Farmers & Merchants Bank	5041	48101	40245	275	6501	100094	82339	8677	481	9078	492
ELIZABETHTON	Citizens Bank	23698	140072	423569	7157	28336	608537	496070	31790	19	80677	5458
ELIZABETHTON	Carter County Bank of Elizabethton, Tennessee	3698	64117	188566	3319	18645	271707	211585	34691	0	25431	865
ERIN	Traditions First Bank	1031	29567	70175	877	5731	105627	90415	5145	0	10067	450
ERWIN	Mountain Commerce Bank	21542	30418	281901	4310	29990	359541	314929	12724	0	31888	192
FAYETTEVILLE	Bank of Lincoln County	14684	21345	81535	1573	15120	131111	114612	786	0	15713	270
FRANKEWING	Bank of Frankewing	27778	21905	141481	2847	16343	204660	179636	4181	0	20843	716
FRANKLIN	Tennessee Commerce Bank	10773	250084	1080514	34929	78040	1384482	1348824	6904	0	28754	-98192
FRANKLIN	Franklin Synergy Bank	13417	140366	206129	3158	10424	367178	327239	5764	0	34175	910
GALLATIN	Sumner Bank & Trust	4587	49582	81722	1179	7838	142550	118934	12284	0	11332	171

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
GATES	Gates Banking and Trust Company	1405	24725	15193	308	2288	43303	38210	489	0	4604	237
GERMANTOWN	First Capital Bank	811	34098	138467	3250	9026	179152	135037	20370	0	23745	487
GERMANTOWN	Triumph Bank	5372	45787	230322	3178	8758	287061	257477	4785	0	24799	1016
GLEASON	Bank of Gleason	4901	66540	43808	1458	4022	117813	97269	627	0	19917	787
GREENEVILLE	Andrew Johnson Bank	11275	22015	224125	3343	12440	266512	242614	1170	0	22728	693
GREENEVILLE	American Patriot Bank	10044	5058	68204	2543	15044	95807	92643	906	0	2258	-883
GREENEVILLE	Heritage Community Bank	11839	15429	83181	1355	12699	121793	104404	7407	0	9982	-59
GREENEVILLE	GreenBank	339242	222579	1561120	62728	230651	2290864	1896378	184257	0	210229	-20473
GREENFIELD	Greenfield Banking Company	5556	7675	36371	379	1946	51169	41337	3781	0	6051	104
HALLS	Bank of Halls	1573	33156	27883	440	3760	65932	55673	2655	0	7604	417
HALLS	The Lauderdale County Bank	4289	14997	22635	239	2051	43733	38902	582	0	4249	135
HARROGATE	Commercial Bank	38162	128766	573937	11147	93873	823591	643233	92954	0	87404	-67
HARTSVILLE	Citizens Bank	2850	30571	105176	1372	7429	144654	131505	503	0	12646	587
HENDERSON	Chester County Bank	8422	21416	27591	487	1642	58584	50919	2186	0	5479	258
HENDERSONVILLE	American Security Bank and Trust Company	3977	44372	105644	1713	8286	160566	138988	2340	0	19238	-589
HUNTINGDON	Carroll Bank and Trust	11788	59932	158473	1201	21769	250761	222596	4466	0	23699	864
JACKSON	First South Bank	21383	106223	264691	4259	31738	419776	352892	17435	0	49449	2886
JACKSON	The Bank of Jackson	3428	41523	70118	1099	8055	122025	102347	4630	0	15048	248
JAMESTOWN	Union Bank	15701	37320	118704	917	20310	191118	167794	2610	0	20714	576
JAMESTOWN	Progressive Savings Bank	31257	25088	164417	1517	32566	252144	228976	1482	333	21686	600
JAMESTOWN	COMMUNITY BANK OF THE CUMBERLANDS	6380	14645	104494	1885	10249	133888	116117	1610	5	16161	815
JASPER	Citizens State Bank	9207	6862	48864	408	6072	70597	62689	2721	0	5187	170
JEFFERSON CITY	First Peoples Bank of Tennessee	2236	28435	85740	479	11346	127278	112116	3437	0	11725	146
JELICO	Union Bank	2003	14584	40101	491	3994	60191	51663	686	0	7842	539
KINGSPORT	Bank of Tennessee	40620	93809	457475	6898	57285	645550	533832	56508	3259	55210	2606
KINGSPORT	TriSummit Bank	13372	110309	136168	1474	19033	277409	219601	28405	1	29403	57
KNOXVILLE	Clayton Bank and Trust	6996	113274	524852	19698	30355	655779	525250	42615	0	87914	4721
KNOXVILLE	BankEast	36724	13619	191572	8910	47669	280674	272878	1632	0	6164	-671
KNOXVILLE	American Trust Bank of East Tennessee	10404	33327	87077	1758	7231	136281	117398	5192	0	13691	277
LA FOLLETTE	Peoples Bank of the South	9316	13145	124948	1856	7981	153534	130854	3541	0	19139	740
LAFAYETTE	Citizens Bank of Lafayette	13895	185252	211610	3310	22263	429814	365050	24062	104	40702	2365
LAFAYETTE	Macon Bank and Trust Company	14544	149001	142083	1930	14488	318186	276617	3595	0	37974	1916
LEBANON	Wilson Bank and Trust	31841	286271	1127474	23429	77377	1499534	1337324	12877	0	149333	5225
LEBANON	CedarStone Bank	2164	32499	107204	2100	8948	148715	118332	17158	0	13225	444
LEBANON	First Freedom Bank	12579	23780	174023	4764	14899	220517	180805	10697	0	29015	949
LEWISBURG	First Commerce Bank	11509	63548	154163	1949	16574	243845	213646	7285	0	22914	1180
LEXINGTON	First Bank	92637	615385	1238330	46616	153232	2052968	1728749	82981	0	241238	8634
LEXINGTON	Community Bank	2502	25941	72904	761	4885	105471	87397	8616	0	9458	537
LIBERTY	Liberty State Bank	2846	40879	87665	1684	7023	136878	121069	2238	149	13571	613
LIVINGSTON	Union Bank & Trust Company	3684	27197	49892	745	2208	82644	70539	3436	408	8669	963
LIVINGSTON	American Bank & Trust of the Cumberlands	5265	16302	103248	1450	7026	130391	118416	1198	0	10777	409
LOBELVILLE	Bank of Perry County	7309	8740	112944	1560	10292	137725	108032	15818	0	13875	1308
LYNCHBURG	The Farmers Bank of Lynchburg	20003	12814	118278	4179	32570	179486	158324	538	0	20624	-743
MADISONVILLE	Peoples Bank of East Tennessee	14585	28512	149493	3142	34273	223721	199911	5712	0	18098	461
MANCHESTER	Peoples Bank & Trust Company	5104	22084	46094	1058	7605	79829	65680	5613	0	8536	193
MANCHESTER	Coffee County Bank	9644	13258	97673	2611	7428	125392	106921	6008	0	12463	467
MARYVILLE	Citizens Bank of Blount County	48744	62165	206625	3314	17283	331503	266536	9746	0	55221	851
MARYVILLE	Foothills Bank & Trust	4386	35564	94002	1478	7322	139796	112266	10197	0	17333	241
MASON	Trust Company Bank	2853	2430	25549	255	4136	34713	28752	943	0	5018	-305

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 McMinnville	7352	28036	118175	1409	7549	159703	136492	8662	0	14549	496
MC MINNVILLE	Homeland Community Bank	11507	17229	94261	1230	6129	127896	112264	3922	0	11710	561
MEDINA	Medina Banking Co.	4340	21123	11642	178	786	37713	30990	171	0	6552	173
MEMPHIS	Tri-State Bank of Memphis	12366	28412	83755	1866	6490	129157	106502	4913	0	17742	88
MEMPHIS	Independent Bank	50841	25193	701117	7912	50377	819616	722088	23690	0	73838	3998
MILAN	The Bank of Milan	4535	21746	35196	413	3708	64772	57961	1342	0	5469	307
MILLINGTON	Patriot Bank	6617	66604	143496	2771	17333	231279	199028	11863	0	20388	882
MORRISTOWN	Jefferson Federal Bank	40479	74778	386768	8181	67913	561757	454715	47705	0	59337	-504
MOSCOW	The Bank of Fayette County	6602	43619	227808	3381	17735	292383	234067	31026	0	27290	1005
MOUNTAIN CITY	Farmers State Bank	3274	39442	86711	2552	11551	138426	111408	6903	0	20115	252
MOUNTAIN CITY	Johnson County Bank	24130	15885	75136	1131	8954	122974	99483	8390	0	15101	467
MURFREESBORO	MidSouth Bank	8144	64243	144952	4389	13439	226389	195185	5228	0	25976	365
NASHVILLE	Avenue Bank	20556	147425	373468	5678	36159	571930	460392	61078	0	50460	1072
NASHVILLE	Citizens Savings Bank and Trust Company	10131	13960	65298	984	3274	91679	80944	2498	0	8237	44
NASHVILLE	InsBank	10164	22485	104265	2881	7950	141983	95369	32387	0	14227	488
NASHVILLE	Nashville Bank and Trust Company	31630	25926	162705	2495	3287	221053	182029	15295	0	23729	823
NASHVILLE	Civic Bank & Trust	3486	43568	76843	3854	3969	124012	100494	7699	0	15819	512
NASHVILLE	CapStar Bank	35724	240595	332807	5361	8842	612607	528898	13100	0	70609	1138
NEW TAZEVELL	Citizens Bank	8573	31357	107908	1016	7781	154603	139581	1471	0	13551	262
NEWBERN	Security Bank	5816	72935	71925	1309	13505	162872	133646	10050	0	19176	775
NOLENSVILLE	Peoples State Bank of Commerce	16600	38211	163400	4640	28512	242083	200288	13377	0	28418	-1188
OAK RIDGE	TNBANK	10569	32193	117661	1530	14359	173252	136255	19090	0	17907	104
ONEIDA	First Trust and Savings Bank, Oneida, Tennessee	11850	15191	115036	3048	6827	145856	122540	8981	0	14335	-62
OOLTEWAH	Community Trust & Banking Company	16262	9741	107893	2939	10142	141099	128180	1089	0	11830	-553
PARIS	Commercial Bank & Trust Co.	12850	156480	435025	8223	32473	628605	546533	19749	0	62323	4407
PARIS	Security Bank and Trust Company	27487	12758	114247	706	10651	164437	140558	8293	0	15586	2192
PARSONS	Farmers Bank	5410	9722	19813	361	1587	36171	31609	257	0	4305	92
PARSONS	Community South Bank	59891	23847	467331	6679	67906	612400	560945	19617	104	31838	-3073
PIGEON FORGE	Tennessee State Bank	36215	144957	502649	15468	72256	740609	651090	33712	0	55807	-2507
PIGEON FORGE	SmartBank	17082	38012	236600	3677	14100	302117	261896	7432	0	32789	906
PORTLAND	The Farmers Bank	12301	154039	347007	6778	24289	532365	446775	32110	1507	53480	1675
PORTLAND	Volunteer State Bank	39119	26561	280955	3381	28520	371774	327169	13484	0	31121	1609
RIPLEY	Bank of Ripley	5680	81684	91002	951	14975	192390	161914	1271	0	29205	686
ROGERSVILLE	The Citizens Bank of East Tennessee	7642	13833	100093	1968	12946	132546	115388	9292	0	7866	242
ROGERSVILLE	First Community Bank of East Tennessee	30300	35861	140086	4735	22278	223790	170927	28867	0	23996	-1580
RUTLEDGE	Citizens Bank and Trust Company of Grainger County	5991	87932	72531	1125	11397	176726	144427	1425	0	30874	1092
SARDIS	The Peoples Bank	10002	24467	36353	393	5045	75474	68856	1048	0	5570	233
SAVANNAH	The Hardin County Bank	12597	50144	271840	1952	30313	363087	319460	13843	145	29784	1944
SAVANNAH	Central Bank	4958	21579	139352	1709	12477	176657	153259	7567	0	15831	563
SELMER	Home Banking Company	2936	28960	34155	492	5795	71354	63412	770	0	7172	313
SEVIERVILLE	Sevier County Bank	20311	44328	219617	8803	70524	345977	313324	1382	0	31271	-2442
SHELBYVILLE	First Community Bank of Bedford County	21255	98583	178497	2518	25188	321005	240323	42352	0	38330	1339
SHELBYVILLE	PEOPLES BANK OF BEDFORD COUNTY	1953	25948	67755	1040	7274	101890	90366	858	0	10666	422
SOMERVILLE	The Somerville Bank & Trust Company	4744	80471	94669	1418	10739	189205	167444	516	0	21245	457
SPENCER	Citizens Bank of Spencer	2192	14940	26247	1160	2117	44336	42113	278	0	1945	44
SPRING CITY	First Bank of Tennessee	14993	18069	182442	3518	12005	224893	197580	5737	902	21576	1331
SPRINGFIELD	Commerce Union Bank	2448	47222	147248	2016	9129	204031	147013	25163	0	31855	340
TAZEVELL	First Century Bank	16956	64456	158426	3267	23850	260421	226799	6637	0	26985	544

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
TREZEVANT	Farmer's and Merchants Bank	15794	11789	217719	2178	19381	262505	229427	11328	0	21750	794
TULLAHOMA	American City Bank of Tullahoma	6641	34571	176172	2174	18869	234079	184067	14879	0	35133	1163
TULLAHOMA	Southern Community Bank	1406	28304	76300	765	5099	110344	87531	6876	0	15937	388
TULLAHOMA	First Vision Bank of Tennessee	5045	15981	91432	1171	8756	120043	99607	4069	0	16367	561
UNION CITY	First State Bank	27469	472346	974558	20004	98968	1553346	1317239	85560	9	150547	5826
UNION CITY	Reelfoot Bank	17732	38899	81991	1327	11290	148585	132568	2584	0	13433	367
WARTBURG	Citizens First Bank	9411	18253	111520	1680	15164	152687	136214	3952	19	12521	-182
WAYNESBORO	The Bank of Waynesboro	13854	16968	106405	2235	9950	144942	125943	1195	0	17804	975
WAYNESBORO	Wayne County Bank	15238	17979	215090	6234	25236	267650	223921	13666	341	30063	846
WINCHESTER	Citizens Community Bank	7977	26466	125380	3082	14315	171056	150767	2065	0	18224	827
WOODLAND MILLS	The Farmers Bank, Woodland Mills, Tennessee	994	5545	3822	108	197	10450	8418	22	0	2010	-19
TOTAL		2756211	9331486	30141033	654425	3259639	44845440	38320422	2122062	11496	4402956	-21006

(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, 2011

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	-0.9	50.51	1.89	11.83	62.95	-7.12
ASHLAND CITY	Community Bank & Trust	0.5	67.17	1.27	9.74	80.85	4.87
ATHENS	SouthEast Bank & Trust	0.43	73.42	2.03	8.32	82.97	5.06
ATWOOD	Citizens Bank & Trust Company	0.69	51.47	1	8.29	56.56	8.45
BARTLETT	Bank of Bartlett	-8.05	48.87	3.76	2.74	56.77	-151.01
BELLS	Bank of Crockett	1.3	35.19	2.01	10.38	40.2	11.6
BOLIVAR	Merchants & Planters Bank	0.71	66.25	1.15	10.05	78	7.03
BRENTWOOD	Reliant Bank	-1.41	71.29	4.29	6.94	81.48	-15.83
BRIGHTON	Brighton Bank	-1.2	68.78	2.88	6.21	76.85	-18.85
BROWNSVILLE	INSOUTH Bank	-0.71	60.38	3.65	6.37	65.09	-11.51
BYRDSTOWN	People's Bank and Trust Company of Pickett County	0.2	73.45	2.14	8.84	81.85	2.28
CAMDEN	Bank of Camden	2.05	65.29	2.09	11.51	90.01	12.55
CARTHAGE	Citizens Bank	2.26	48.94	1.43	16.62	58.92	13.73
CHATTANOOGA	First Volunteer Bank of Tennessee	0.57	68.42	1.4	8.85	77.81	5.84
CHATTANOOGA	Cornerstone Community Bank	0.27	59.82	2.53	6.09	78.08	4.22
CHATTANOOGA	CapitalMark Bank & Trust	0.69	64.77	1.29	10.38	74.14	6.91
CLARKSVILLE	F&M Bank	0.63	78.11	0.94	8.55	94.45	8.29
CLARKSVILLE	Legends Bank	0.84	69.49	1.42	9.41	84.9	8.93
CLARKSVILLE	Cumberland Bank and Trust	0.99	78.81	1.07	8.31	90.64	12.03
CLEVELAND	Bank of Cleveland	1.59	81.61	2.31	13.07	96.77	12.31
CLEVELAND	Southern Heritage Bank	1.17	61.96	1.88	12.15	71.75	9.69
CLIFTON	Peoples Bank	0.2	67.67	1.93	8.56	78.35	2.4
CLINTON	The Community Bank of East Tennessee	0.65	59.42	2.78	10.61	70.75	6.49
COLLIERVILLE	BankTennessee	0.07	72.29	1.95	9.13	80.78	0.68
COLLIERVILLE	Landmark Community Bank	0.84	75.11	1.25	8.9	97.6	8.95
COLUMBIA	First Farmers and Merchants Bank	0.75	55.83	1.47	10.01	66.02	6.92
COLUMBIA	Community First Bank & Trust	-1.19	73.7	3.85	6.11	82.43	-18.25
COLUMBIA	Heritage Bank & Trust	0.38	77.71	6.97	5.1	84.33	7.38
COOKEVILLE	Bank of Putnam County	0.9	47.6	0.91	7.82	52.33	11.88
COOKEVILLE	Putnam 1st Mercantile Bank	0.23	70.85	1.3	11.41	80.15	2.14
CORDOVA	First Alliance Bank	0.12	72.46	3.41	8.7	89.19	1.26
CROSSVILLE	Cumberland County Bank	0.67	44.83	1.65	6.93	48.61	9.75
DECATURVILLE	Decatur County Bank	0.32	60.38	2.02	9.51	71.88	4.24
DECHERD	Franklin County United Bank	0.43	66.69	2.89	10.92	75.31	3.96
DICKSON	Bank of Dickson	0.88	53.33	1.65	12.76	64.43	6.47
DICKSON	TriStar Bank	0.83	53.04	1.21	8.85	65.11	9.09
DUNLAP	Mountain Valley Bank	0.27	69.75	2.24	8.6	76.73	3.14
DUNLAP	Citizens Tri-County Bank	0.79	56.04	2.44	8.85	63.19	7.82
DYER	The Farmers & Merchants Bank	0.99	39.93	0.68	8.71	48.54	12.16
ELIZABETHTON	Citizens Bank	1.81	68.43	1.7	12.75	83.94	14.35
ELIZABETHTON	Carter County Bank of Elizabethton, Tennessee	0.63	68.18	1.76	9.06	87.55	7.01
ERIN	Traditions First Bank	0.87	65.61	1.25	9.19	76.64	9.3
ERWIN	Mountain Commerce Bank	0.11	77.21	1.53	8.02	88.14	1.24
FAYETTEVILLE	Bank of Lincoln County	0.39	60.99	1.93	11.25	69.77	3.48
FRANKEWING	Bank of Frankewing	0.7	67.74	2.01	10.07	77.18	7.08
FRANKLIN	Tennessee Commerce Bank	-12.92	75.52	3.23	1.95	77.52	-214.13
FRANKLIN	Franklin Synergy Bank	0.51	55.28	1.57	9.01	62.03	5.54
GALLATIN	Sumner Bank & Trust	0.24	56.5	1.49	7.59	67.72	3.23

TENNESSEE STATE-CHARTERED BANKS

KEY BANK RATIOS AS OF JUNE 30, 2011

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
GATES	Gates Banking and Trust Company	1.13	34.37	2.03	9.73	38.96	10.93
GERMANTOWN	First Capital Bank	0.55	75.48	2.35	13.09	100.13	4.15
GERMANTOWN	Triumph Bank	0.77	79.13	1.38	9.02	88.22	8.84
GLEASON	Bank of Gleason	1.37	35.95	3.33	16.18	43.54	8.23
GREENEVILLE	Andrew Johnson Bank	0.52	82.84	1.49	8.4	91	6.25
GREENEVILLE	American Patriot Bank	-1.79	68.53	3.73	2.32	70.88	-64.55
GREENEVILLE	Heritage Community Bank	-0.1	67.18	1.63	8.16	78.37	-1.18
GREENEVILLE	GreenBank	-1.72	65.41	4.02	8.47	79.01	-18.63
GREENFIELD	Greenfield Banking Company	0.42	70.34	1.04	12	87.07	3.46
HALLS	Bank of Halls	1.27	41.62	1.58	10.56	49.29	11.6
HALLS	The Lauderdale County Bank	0.62	51.21	1.06	9.23	57.57	6.55
HARROGATE	Commercial Bank	-0.02	68.33	1.94	8.36	87.49	-0.15
HARTSVILLE	Citizens Bank	0.83	71.76	1.3	8.58	78.94	9.6
HENDERSON	Chester County Bank	0.92	46.27	1.77	8.86	53.23	9.82
HENDERSONVILLE	American Security Bank and Trust Company	-0.71	64.73	1.62	11.6	74.78	-6.15
HUNTINGDON	Carroll Bank and Trust	0.7	62.72	0.76	8.72	70.65	7.52
JACKSON	First South Bank	1.37	62.04	1.61	9.51	73.8	12.12
JACKSON	The Bank of Jackson	0.41	56.56	1.6	11.52	67.44	3.34
JAMESTOWN	Union Bank	0.62	61.63	0.77	10.71	70.2	5.67
JAMESTOWN	Progressive Savings Bank	0.47	64.61	0.92	8.05	71.14	5.52
JAMESTOWN	COMMUNITY BANK OF THE CUMBERLANDS	1.26	76.64	1.8	11.04	88.37	10.46
JASPER	Citizens State Bank	0.51	68.64	0.84	7.71	77.3	6.57
JEFFERSON CITY	First Peoples Bank of Tennessee	0.22	66.99	0.56	8.72	76.05	2.6
JELICO	Union Bank	1.8	65.81	1.22	12.5	76.67	14.09
KINGSPORT	Bank of Tennessee	0.81	69.8	1.51	8.28	84.4	9.59
KINGSPORT	TriSummit Bank	0.04	48.55	1.08	10.15	61.34	0.4
KNOXVILLE	Clayton Bank and Trust	1.44	77.03	3.75	13.06	96.17	11.16
KNOXVILLE	BankEast	-0.48	65.08	4.68	2.05	66.94	-20.65
KNOXVILLE	American Trust Bank of East Tennessee	0.42	62.61	2.02	10.02	72.68	4.22
LA FOLLETTE	Peoples Bank of the South	0.96	80.17	1.49	12.19	94.07	7.79
LAFAYETTE	Citizens Bank of Lafayette	1.11	48.46	1.57	8.57	57.06	12.29
LAFAYETTE	Macon Bank and Trust Company	1.21	44.05	1.36	11.29	50.67	10.47
LEBANON	Wilson Bank and Trust	0.7	73.63	2.09	9.72	82.56	7.2
LEBANON	CedarStone Bank	0.6	70.67	1.96	8.7	88.82	6.8
LEBANON	First Freedom Bank	0.85	76.76	2.74	12.48	93.61	6.67
LEWISBURG	First Commerce Bank	0.97	62.42	1.26	8.93	71.25	10.79
LEXINGTON	First Bank	0.84	58.05	3.82	8.77	68.94	7.46
LEXINGTON	Community Bank	1.04	68.4	1.04	8.76	82.55	12.01
LIBERTY	Liberty State Bank	0.9	62.82	1.92	9.54	71.02	9.2
LIVINGSTON	Union Bank & Trust Company	2.32	59.47	1.49	9.87	69.67	23.65
LIVINGSTON	American Bank & Trust of the Cumberlands	0.66	78.07	1.41	8.39	85.97	7.84
LOBELVILLE	Bank of Perry County	1.93	80.87	1.38	10.11	103.1	18.93
LYNCHBURG	The Farmers Bank of Lynchburg	-0.76	63.57	3.53	4.74	72.07	-7.06
MADISONVILLE	Peoples Bank of East Tennessee	0.42	65.42	2.1	8.18	73.21	5.25
MANCHESTER	Peoples Bank & Trust Company	0.48	56.42	2.3	10.25	68.57	4.65
MANCHESTER	Coffee County Bank	0.74	75.81	2.67	9.77	88.91	7.68
MARYVILLE	Citizens Bank of Blount County	0.53	61.33	1.6	16.76	76.28	3.13
MARYVILLE	Foothills Bank & Trust	0.36	66.19	1.57	12.47	82.42	2.82
MASON	Trust Company Bank	-1.85	72.87	1	10.97	87.97	-12.6

TENNESSEE STATE-CHARTERED BANKS

KEY BANK RATIOS AS OF JUNE 30, 2011

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 KENZIE	McKenzie Banking Company	1	48.4	2.77	12.7	56.06	8.06
MC MINNVILLE	Security Federal Savings Bank of McMinnville	0.63	73.11	1.19	9.25	85.55	6.99
MC MINNVILLE	Homeland Community Bank	0.9	72.74	1.31	8.83	82.87	9.96
MEDINA	Medina Banking Co.	0.92	30.4	1.53	16.08	36.99	5.48
MEMPHIS	Tri-State Bank of Memphis	0.14	63.4	2.23	13.55	76.89	1
MEMPHIS	Independent Bank	1.02	84.58	1.13	9.34	96	11.15
MILAN	The Bank of Milan	0.98	53.7	1.17	8.2	60.01	12.02
MILLINGTON	Patriot Bank	0.75	60.85	2.01	8.01	70.71	9
MORRISTOWN	Jefferson Federal Bank	-0.17	67.39	2.12	8.5	83.26	-1.7
MOSCOW	The Bank of Fayette County	0.68	76.76	1.48	9.25	95.88	7.58
MOUNTAIN CITY	Farmers State Bank	0.37	60.8	2.94	14.56	75.54	2.52
MOUNTAIN CITY	Johnson County Bank	0.78	60.18	1.51	12.46	74.39	6.27
MURFREESBORO	MidSouth Bank	0.32	62.09	3.05	10.99	72.02	2.96
NASHVILLE	Avenue Bank	0.38	64.31	1.53	8.55	79.89	4.4
NASHVILLE	Citizens Savings Bank and Trust Company	0.1	70.15	1.51	9.09	79.45	1.09
NASHVILLE	InsBank	0.71	71.41	2.76	9.63	106.31	7.05
NASHVILLE	Nashville Bank and Trust Company	0.74	72.48	1.53	10.53	88.01	7.11
NASHVILLE	Civic Bank & Trust	0.82	58.86	5.02	12.62	72.63	7.02
NASHVILLE	CapStar Bank	0.41	53.45	1.61	11.82	61.91	3.34
NEW TAZEWELL	Citizens Bank	0.34	69.14	0.94	8.39	76.58	4.02
NEWBERN	Security Bank	0.94	43.36	1.82	10.86	52.84	8.44
NOLENSVILLE	Peoples State Bank of Commerce	-0.94	65.58	2.84	8.51	79.27	-8.15
OAK RIDGE	TNBANK	0.12	67.03	1.31	8.96	85.23	1.19
ONEIDA	First Trust and Savings Bank, Oneida, Tennessee	-0.08	76.78	2.65	9.56	91.39	-0.85
OOLTEWAH	Community Trust & Banking Company	-0.76	74.38	2.72	7.98	81.88	-9.16
PARIS	Commercial Bank & Trust Co.	1.41	67.9	1.89	9.32	78.09	14.49
PARIS	Security Bank and Trust Company	2.74	69.05	0.62	9.31	80.78	28.45
PARSONS	Farmers Bank	0.49	53.78	1.82	11.33	61.54	4.33
PARSONS	Community South Bank	-0.95	75.22	2.53	4.96	82.12	-20.22
PIGEON FORGE	Tennessee State Bank	-0.67	65.78	3.08	7.44	74.83	-9.06
PIGEON FORGE	SmartBank	0.62	77.1	1.55	11.01	88.94	5.64
PORTLAND	The Farmers Bank	0.61	63.91	1.95	9.21	76.15	6.44
PORTLAND	Volunteer State Bank	0.85	74.66	1.44	8.1	84.84	10.25
RIPLEY	Bank of Ripley	0.72	46.81	1.05	14.47	55.62	4.86
ROGERSVILLE	The Citizens Bank of East Tennessee	0.36	74.03	1.97	5.76	85.04	6.23
ROGERSVILLE	First Community Bank of East Tennessee Citizens Bank and Trust Company of Grainger County	-1.41	60.48	3.38	10.53	79.19	-12.87
RUTLEDGE		1.26	40.4	1.55	16.9	49.44	7.22
SARDIS	The Peoples Bank	0.61	47.65	1.08	6.5	52.22	9.04
SAVANNAH	The Hardin County Bank	1.08	74.33	0.72	8.05	84.48	13.69
SAVANNAH	Central Bank	0.65	77.92	1.23	9.24	89.81	7.26
SELMER	Home Banking Company	0.93	47.18	1.44	10.1	53.09	9.07
SEVIERVILLE	Sevier County Bank	-1.38	60.93	4.01	7.44	67.28	-15.05
SHELBYVILLE	First Community Bank of Bedford County	0.84	54.82	1.77	11.23	73.23	7.23
SHELBYVILLE	PEOPLES BANK OF BEDFORD COUNTY	0.82	65.48	1.53	10.23	73.83	8.13
SOMERVILLE	The Somerville Bank & Trust Company	0.48	49.29	1.5	9.01	55.69	4.33
SPENCER	Citizens Bank of Spencer	0.19	56.58	4.42	3.9	59.57	4.96
SPRING CITY	First Bank of Tennessee	1.18	79.56	1.93	9.37	90.56	12.67
SPRINGFIELD	Commerce Union Bank	0.35	71.18	1.37	15.64	98.79	2.17

TENNESSEE STATE-CHARTERED BANKS

KEY BANK RATIOS AS OF JUNE 30, 2011

CITY	INSTITUTION	NET INCOME TO	NET LOANS	ALLOWANCE	CORE CAPITAL	NET LOANS	NET INCOME
		AVG TOTAL	TO ASSETS	FOR LOAN	(LEVERAGE)	TO DEPOSITS	TO AVG TOTAL
		ASSETS RATIO	RATIO	LOSSES RATIO	RATIO	RATIO	EQUITY RATIO
TAZEWELL	First Century Bank	0.42	59.58	2.07	9.1	68.41	4.08
TREZEVANT	Farmer's and Merchants Bank	0.61	82.11	1	7.83	93.95	7.42
TULLAHOMA	American City Bank of Tullahoma	0.99	74.33	1.23	11.04	94.53	6.74
TULLAHOMA	Southern Community Bank	0.71	68.45	1.01	14.18	86.3	5
TULLAHOMA	First Vision Bank of Tennessee	0.93	75.19	1.28	13.63	90.62	6.98
UNION CITY	First State Bank	0.76	61.45	2.07	9.14	72.47	8.08
UNION CITY	Reelfoot Bank	0.5	54.29	1.63	8.66	60.85	5.62
WARTBURG	Citizens First Bank	-0.23	71.94	1.51	8.01	80.64	-2.91
WAYNESBORO	The Bank of Waynesboro	1.34	71.87	2.1	12.26	82.71	11.17
WAYNESBORO	Wayne County Bank	0.63	78.03	2.9	11.05	93.27	5.69
WINCHESTER	Citizens Community Bank	0.98	71.5	2.46	10.37	81.12	9.2
WOODLAND MILLS	The Farmers Bank, Woodland Mills, Tennessee	-0.34	35.54	2.83	18.64	44.12	-1.88
Median including All Institutions		0.63	65.81	1.63	9.25	76.89	6.55

TENNESSEE STATE-CHARTERED TRUST COMPANIES

CONSOLIDATED BALANCE SHEET (TO NEAREST THOUSAND)

Six months ending June 30, 2011 and June 30, 2010

	June 30,2011	June 30, 2010	\$ Change	% Change
ASSETS				
Cash and Due from Banks	28,382	22,089	6,293	28.49%
Securities and Investments	3,166	2,684	482	17.96%
Premises and Fixed Assets	2,382	1,339	1,043	77.89%
Intangible Assets	34,324	36,368	-2,044	-5.62%
Other Assets	18,310	17,156	1,154	6.73%
TOTAL ASSETS	86,564	79,636	6,928	8.70%
LIABILITIES				
Other Liabilities	15,637	11,174	4,463	39.94%
TOTAL LIABILITIES	15,637	11,174	4,463	39.94%
NET ASSETS				
Unrestricted Assets	42	167	-125	-74.85%
Temporarily Restricted Assets	5	5	0	0.00%
Permanently Restricted Assets		8	-8	-100.00%
EQUITY CAPITAL				
Common Stock	4,797	4,780	17	0.36%
Less: Treasury Stock	869	831	38	4.57%
Surplus	12,705	13,156	-451	-3.43%
Additional Paid-in Capital	51,201	50,351	850	1.69%
Undivided Profits	3,046	826	2,220	268.77%
Unrealized Gains and (Losses)	0	0	0	N/A
TOTAL EQUITY CAPITAL	70,880	68,282	2,598	3.80%
TOTAL LIABILITIES AND EQUITY CAPITAL	86,564	79,636	6,928	8.70%
TOTAL LIABILITIES AND EQUITY CAPITAL	79,636	75,689	3,947	5.21%

TENNESSEE STATE-CHARTERED TRUST COMPANIES

CONSOLIDATED INCOME STATEMENT (TO NEAREST THOUSAND)

Six months ending June 30, 2011 and June 30, 2010

	June 30, 2011	June 30, 2010	\$ Change	% Change
Fee Income	51,750	45,662	6,088	13.3%
NET FEE INCOME	51,750	45,662	6,088	13.3%
Other Income	104	204	-100	-49.0%
TOTAL INCOME	51,854	45,866	5,988	13.1%
Operating Expenses	31,148	28,176	2,972	10.5%
Advisor/Consulting Fees	14,234	13,210	1,024	7.8%
Inter-Company Expense (Credit)	368	256	112	43.8%
Securities (Gains) and Losses	0	0	0	NA
TOTAL OPERATING EXPENSES	45,750	41,642	4,108	9.9%
Pre-Tax Net Operating Income	6,104	4,224	1,880	44.5%
Less:				
Applicable Income Taxes	768	298	470	
Non-Operating Expenses	1,704	1,476	228	15.4%
NET OPERATING INCOME	3,632	2,450	1,182	48.2%
Dividends and/or Distributions to Shareholders	588	564	24	4.3%
Extraordinary Gains/Losses	0	0	0	NA
NET INCOME	3,044	1,886	1,158	61.4%

TENNESSEE STATE-CHARTERED TRUST COMPANIES

STATEMENT OF CONDITION (TO NEAREST THOUSAND)

As of June 30, 2011

		A	B	C	D	E	F	G	H	I	J
		Cash	Invest	Other Assets	Tot Assets	Other Liabilities	Equity Ca	Net Income	TAUM	Common/Collective Funds	No. of Funds
Meridian Trust and Investment Company	Knoxville	142	615	746	1,503	103	1,400	525	511,605		
The Trust Company of Knoxville	Knoxville	554	1,254	1,276	3,084	337	2,747	777	1,601,001	33,697	1
Argent Trust and Investment Company	Memphis	358	0	782	1,140	94	1,046	-150	78,071		
Boyle Trust and Investment Company	Memphis	517	0	201	718	204	514	2	169,207		
Diversified Trust Company	Memphis	555	0	4,872	5,427	4,365	1,062	0	5,300,720	1,432,677	11
First Mercantile Trust Company	Memphis	25,050	0	45,033	70,083	10,146	59,937	922	4,707,197	4,089,708	197
Cumberland Trust and Investment Company	Nashville	2	259	1,387	1,648	50	1,598	371	1,227,045		
Equitable Trust Company	Nashville	1,196	1,033	659	2,888	312	2,576	1,173	1,524,184		
Guardianship and Trusts Corporation (K, L)	Nashville	8	5	60	73	26	47(M)	12	13,535		
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
 David Axford, JD, Chief Administrator
 Mandy Heady, Project Manager
 Melody Johnson, Supervisor, Administrative Services
 Steffany Daniel, Administrative Services Assistant III
 George Goodwin, Administrative Services Assistant II
 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

The United States Congress responded to the residential mortgage crisis by passing new federal legislation in the form of The Secure & Fair Enforcement for Mortgage Licensing Act of 2008 (“S.A.F.E. Act”). 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 to conduct business in Tennessee. Other 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.

At the time of enactment, the Department of Housing and Urban Development (“HUD”) was charged with administration of the enforcement provisions under the S.A.F.E. Act. Subsequently, 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 from HUD to CFPB effective July 21, 2011.

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 4,073 on-site examinations and other regulatory oversight of non-depository financial institutions, the Department returned refunds in the amount of \$2,439,318.42 to consumers for the calendar year ending December 31, 2011. In addition, the Department initiated 223 administrative enforcement actions resulting in civil monetary penalties of \$159,229.68 for the 2011 calendar year.

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.

EXAMINATION PERSONNEL

Chris Adams, Chief Administrator

Nicole Chamblee, CFE, Regional Manager

Chad Haney, Supervisor

David Kelly, Supervisor

Jack Lay, CFE, Supervisor

Patrick Somers, Supervisor

Cathy Wilkerson, Supervisor

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

Dennis Woodmore, CFSA

**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

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 § 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 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, 2011, there were 503 mortgage companies and 4843 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, 2011, the Compliance Division conducted 138 examinations of mortgage companies that resulted in 1020 refunds totaling \$1,862,441.68. 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, 2011, there were 1053 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, 2011, the Department conducted 1177 examinations that resulted in 7406 refunds totaling \$421,231.03.

COMPLIANCE DIVISION

INDUSTRIAL LOAN AND THRIFT COMPANIES

Composite Annual Report
(Year Ending December 31, 2010)

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Number of Companies Included in this Report	152
Number of Offices included in this report	948
Number of Employees included in this report	3190

REGULATED ENTITIES PROFIT PERCENTAGE**RATE OF RETURN**

Average Net Receivable (Industry)	\$2,329,935,965
Average Net Receivable (Location)	\$2,457,738
Net Income (Industry)	\$34,997,963
Net Income (Location)	\$36,917
Rate of Return on Outstanding Receivables (Location)	1.5%

ANALYSIS OF ACCOUNTS OUTSTANDING

Average Number of Accounts Outstanding (Industry)	601,065
Average Number of Accounts Outstanding (Company)	3,954
Average Number of Accounts Outstanding (Location)	634

OTHER INFORMATION

Number of Loans Outstanding at Beginning of Year	613,102
Dollar Amount of Loans Outstanding at Beginning of Year	\$2,501,619,844
Average Amount per Loan Outstanding at Beginning of Year	\$4,080

Number of Loans Made During the Year	1,362,019
Dollar Amount of Loans Made During the Year	\$1,395,814,893
Average Amount per Loan Made	\$1,024

Number of Loans Charged Off During the Year	109,950
Dollar Amount of Loans Charged Off During the Year	\$219,354,964
Average Account Balance Charged Off	\$1,995

Number of Loans Outstanding at Year End	1,031,481
Dollar Amount of Loans Outstanding at Year End	\$2,106,041,048
Average Account Balance per Loan Outstanding at Year End	\$2,041

COMPLIANCE DIVISION

INDUSTRIAL LOAN AND THRIFT COMPANIES

Composite Annual Report
 (Year Ending December 31, 2010)

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ANALYSIS OF LOANS RECEIVABLE

Gross Loan Receivables Outstanding – January	\$2,835,390,497
Gross Loan Receivables Outstanding – February	\$2,687,163,206
Gross Loan Receivables Outstanding – March	\$2,657,309,370
Gross Loan Receivables Outstanding – April	\$2,634,314,370
Gross Loan Receivables Outstanding – May	\$2,608,927,502
Gross Loan Receivables Outstanding – June	\$2,593,925,316
Gross Loan Receivables Outstanding – July	\$2,588,277,595
Gross Loan Receivables Outstanding – August	\$2,567,006,863
Gross Loan Receivables Outstanding – September	\$2,544,968,155
Gross Loan Receivables Outstanding – October	\$2,524,938,950
Gross Loan Receivables Outstanding – November	\$2,464,045,284
Gross Loan Receivables Outstanding – December	\$2,339,233,675

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, 2011, there were 54 premium finance companies licensed to conduct business in Tennessee.

Examinations

Examinations of licensed Insurance Premium Finance Companies are conducted pursuant to T.C.A. § 56-37-101 et seq. For calendar year ending December 31, 2011, the Department conducted 26 examinations of Insurance Premium Finance Companies that resulted in 133 refunds totaling \$3,140.39.

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, 2011, there were 693 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, 2011, the Compliance Division conducted 633 check cashing examinations resulting in 316 refunds totaling \$8,797.15.

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, 2011, there were 1,208 Deferred Presentment locations licensed in Tennessee. These locations represent 362 companies with the distribution of business structure as: 123 corporations; 122 limited liability companies; 21 partnerships; 96 sole proprietorships.

Examinations

For calendar year ending December 31, 2011, the Compliance Division conducted 1247 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 1250 refunds totaling \$44,540.63.

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 2011 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, 2010:

Annual Report Information for Calendar Year ending December 31, 2010

The following tabulation represents aggregate information from reports filed by 362 licensed companies. The Department did not require an annual report from companies that opened after December, 2010.

Total Assets	\$967,282,669
Total Liabilities	\$599,921,374
Net Worth	\$407,361,295

As of December 31, 2010, five (5) companies owned 80% of the industry's assets. This accounts for \$770,549,536 of the total reported assets of \$967,282,669. Seventy-three companies reported assets greater than \$500,000; 184 companies had assets of between \$100,000 and \$500,000; and the remaining 105 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, 2010 to December 31, 2010

Total Operating Income	\$157,156,699
Salary Expense	\$38,543,410
Bad Debt Expense	\$23,782,046
Owners' Compensation	\$9,458,955
Net Income*	\$14,965,013

*excluding Owner's Compensation

Of the 362 reporting companies, 82 reported operating losses and 37 reported net income of over \$100,000 for the period ending December 31, 2010. The average company made a profit of \$41,340. Salaries are a major company expense, amounting to about 25% of total operating income. The average salary expense for a reporting company was \$106,473. Losses on receivables constitute another major industry expense. Bad debt expense represented approximately 15% 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, 2010:

Number of Transactions	4,579,726
Dollar Amount of Transactions During the Year	\$1,011,775,137
Average Size of Receivable Transactions	\$221

Number of transactions by size of check:

\$1 - \$150	533,617
\$151 - \$250	3,076,796
\$251 - \$500	969,313

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, 2011, there were 834 licensed title pledge lender locations. These locations represent 179 companies with the distribution by business structure as: 72 corporations; 64 limited liability companies; 6 partnerships; 37 sole proprietorships.

Examinations

For calendar year ending December 31, 2011, pursuant to T.C.A. § 45-15-108, the Compliance Division conducted 852 examinations of title pledge lender offices resulting in 969 refunds totaling \$99,167.54.

Annual Report Information for Calendar Year Ending December 31, 2010

The following tabulation represents aggregate information from reports filed by 179 licensed companies. The Department did not require an annual report from companies that opened after December 2010.

Total Assets	\$239,545,690
Total Liabilities	\$77,530,156
Net Worth	\$162,015,534

As of December 31, 2010, five (5) companies owned 62% of the industry's assets. This accounts for \$148,026,138 of the total reported assets of \$239,545,690. Fifty-one companies reported assets greater than \$500,000; 117 companies had assets of between \$100,000 and \$500,000; and the remaining 11 showed 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, 2010 to December 31, 2010.

Total Operating Income	\$127,369,178
Salary Expense	\$29,058,158
Bad Debt Expense	\$18,488,686
Owners' Compensation	\$7,311,660
Net Income	\$17,501,251

Of the 179 reporting companies, 53 reported operating losses and 15 reported net income of over \$100,000 for the period ending December 31, 2010. The average company made a profit of \$97,772.

Salaries are a major company expense, amounting to about 23% of total operating income. The average salary expense for a reporting company was \$162,336. Losses on receivables constitute another major industry expense. Bad debt expense represented approximately 14% of total operating income.

Transactional Data

The following transactional data were reported for the reporting period ending December 31, 2010:

Number of New Agreements Entered Into for 2010	209,155
Dollar Amount of New Agreements During 2010	\$158,647,157
Number of Defaults	82,692
Number of Repossessions	17,140
Total Surplus Amount Returned to Customers after Sale of Repossessed Vehicles	\$996,982

Distribution of 2010 New Agreements by Dollar Amount: (Maximum agreement amt. = \$2,500)

\$1000 or less	169,050
\$1001 - \$2,000	29,225
\$2001 - \$2,500	10,880

Number of Customers Holding Agreements Outstanding as of December 31, 2010	149,908
Number of Customers who Deferred a Principal Payment Reduction in 2010	21,378

CREDIT UNION DIVISION

HEADQUARTERS PERSONNEL-NASHVILLE

Harry P. Murphy, Assistant Commissioner
Alica C. Owen, Financial Analyst
Johna Fort, Administrative Assistant II

EXAMINATION PERSONNEL**

West Tennessee District

Randall Means, CSCUES, V, Supervisor
Dana Owen, CFE, CEIC, ACISE, IV
Tony Bentley, II
Josh Evans, II

Middle Tennessee District

Steve Eddings, CFE, CSCUE, CEIC, V, Division Manager
Jim Eller, II
Anthony Rodgers, IV

East Tennessee District

Lance Hogelin, CFE, CSCUE, IV, Supervisor
Brian Williams, Safety and Soundness Manager
Shane Hardin, CFE, CSCUE, IV
Dwight Ward, IV

The Credit Union Division is responsible for the supervision and examination of state-chartered natural-person credit unions and 1 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.

As of June 30, 2011 the financial health of Tennessee's credit union industry remains strong. Collectively, the 104 natural-person credit unions and 1 corporate credit union regulated by the Credit Union Division have assets of approximately \$9.2 billion. Capitalization remains strong, with net worth totaling 12.23% of total assets. Individually, the institutions present a vast array of asset sizes, fields of membership and services.

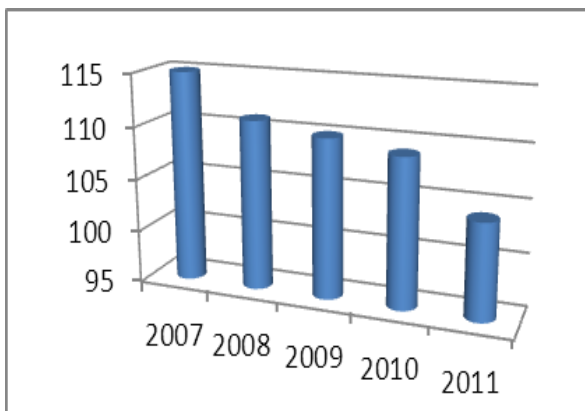
Volunteer Corporate Credit Union, located in Nashville, TN, continues to meet the financial service needs of the state-chartered credit unions, whether state or federally-chartered. VolCorp is a \$1.3 billion corporate credit union that serves more than 250 member credit unions in Tennessee and other states. Primary offerings include traditional correspondent services such as investments, item processing, security safekeeping, consulting services and Web design.

A voluntary survey is conducted at the conclusion of each credit union examination to measure the efficiency and effectiveness of the examination and to determine the adequacy of examiners' communication skills. To ensure the confidentiality and integrity of this process, data accumulation and summary reports are prepared by an independent third party. The results of the survey reveal that Tennessee state-chartered credit unions agree that the examination process continues to meet its goals.

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 1, 2010 – June 30, 2011

MERGERS

Aug. 1, 2010	Porter-Cable Employees Credit Union in Jackson, TN merged into Leaders Credit Union also in Jackson, TN.
Nov. 17, 2010	Electrical Products Employees Federal Credit Union in Athens, TN merged into Bowater Employees Credit Union in Calhoun, TN.
Dec. 29, 2010	Co-op Employees Credit Union in LaVergne, TN merged into Ascend Federal Credit Union in Tullahoma, TN.
Dec. 31, 2010	DOT Credit Union in Nashville merged into Southeast Financial Credit Union in Franklin, TN.
Apr. 29, 2011	Holston Valley Credit Union in Kingsport, merged into Eastman Credit Union also of Kingsport, TN.

CHARTER CONVERSIONS

Sept. 27, 2010	Electric Service Credit Union in Nashville Tennessee converted to a community-based charter to serve Davidson and Sumner counties in Tennessee.
Oct. 29, 2010	Patriot Equity Credit Union in Jackson converted to a community-based charter to serve Madison County in Tennessee

NAME CHANGES

Jul. 1, 2010	Baptist Credit Union in Nashville changed its name to Life Credit Union.
Sept. 21, 2010	First South Credit Union in Memphis changed its name to First South Financial Credit Union.
Mar. 18, 2011	Vanderbilt University Employees Credit Union changed its name to Vanderbilt University Credit Union.

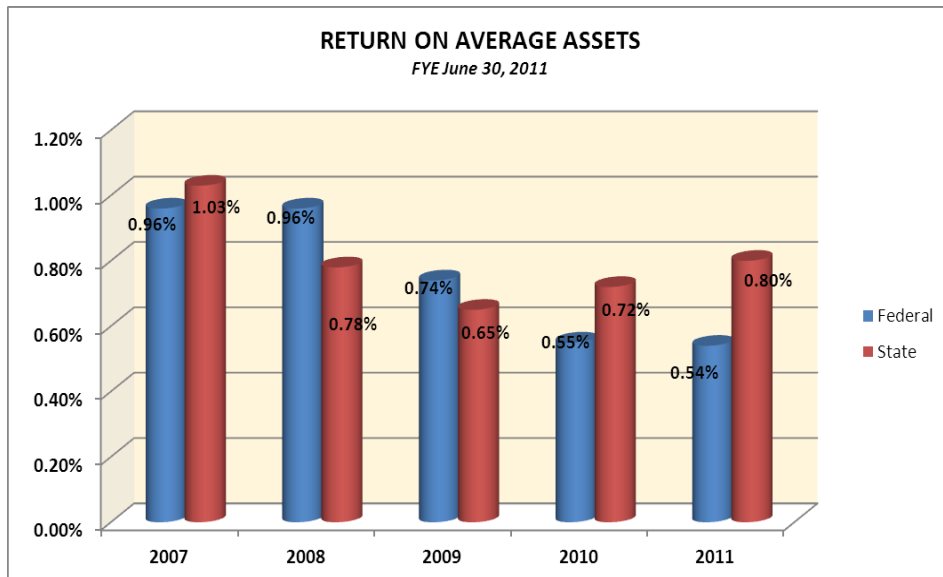
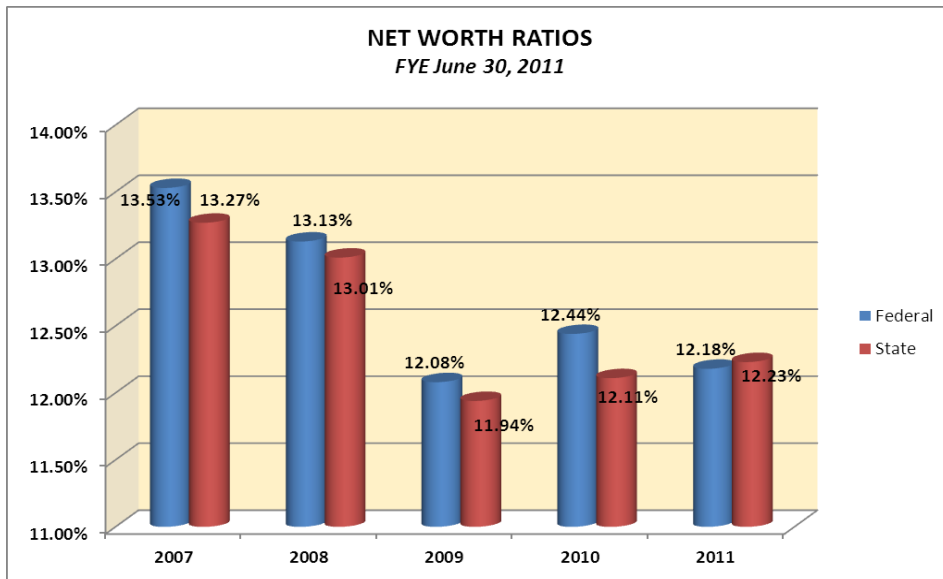
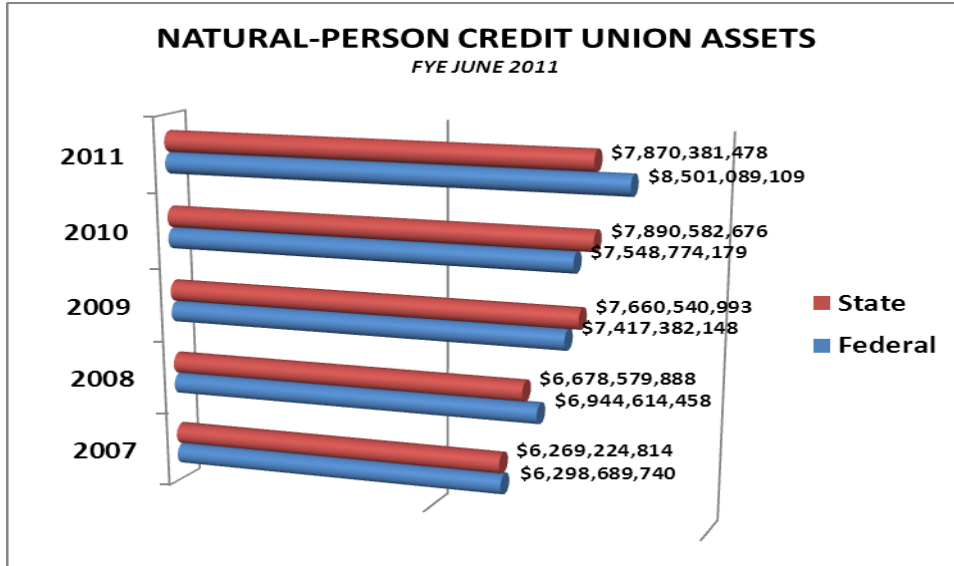
BRANCHES

Oct. 29, 2010	U.S. Community Credit Union opened a new branch office in Lebanon, Tennessee.
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FIELD OF MEMBERSHIP EXPANSIONS

Mar. 25, 2011	U.S. Community Credit Union in Nashville, expanded its community based charter to include Sumner and Williamson counties.
May. 6, 2011	First South Financial Credit Union added Madison County as a new community to its community based charter type field of membership.
Aug. 25, 2010	Consumer Credit Union in Greeneville, Tennessee added Sullivan County, Tennessee to their field of membership.

CREDIT UNION DIVISION



TENNESSEE STATE-CHARTERED CREDIT UNIONS

CREDIT UNION KEY RATIOS

	FYE 6/30/2011	FYE 6/30/2010
CAPITAL ADEQUACY		
Net Worth/Total Assets	12.23	12.11
Net Worth/Total Assets--Including Optional Total Assets Election (if used)	12.23	12.12
Total Delinquent Loans / Net Worth	4.29	5.45
Solvency Evaluation (Estimated)	114.16	114.16
Classified Assets (Estimated) / Net Worth	6.5	7.47
ASSET QUALITY		
Delinquent Loans / Total Loans	0.83	1.05
*Net Charge-Offs / Average Loans	0.54	0.68
Fair (Market) HTM Invest Value/Book Value HTM Invest.	101.23	102.68
Accumulated Unreal G/L On AFS/Cost Of AFS	0.68	1.67
Delinquent Loans / Assets	0.52	0.66
EARNINGS		
*Return On Average Assets	0.8	0.72
*Gross Income/Average Assets	5.59	5.86
*Yield on Average Loans	6.1	6.41
*Yield on Average Investments	1.31	1.85
* Fee & Other Op.Income / Avg. Assets	1.26	1.24
*Cost of Funds / Avg. Assets	0.99	1.25
*Net Margin / Avg. Assets	4.6	4.57
*Operating Exp./ Avg. Assets	3.42	3.39
*Provision For Loan & Lease Losses / Average Assets	0.36	0.46
*Net Interest Margin/Avg. Assets	3.34	3.33
Operating Exp./Gross Income	61.21	57.76
Fixed Assets & Foreclosed & Repossessed Assets / Total Assets \1	2.85	2.93
*Net Operating Exp. /Avg. Assets	2.55	2.42
ASSET / LIABILITY MANAGEMENT		
	FYE 6/30/2011	FYE 6/30/2010
Net Long-Term Assets / Total Assets	34.13	33.52
Reg. Shares / Total Shares. & Borrowings	25.87	24.8
Total Loans / Total Shares	74.11	73.88
Total Loans / Total Assets	63.35	63.12
Cash + Short-Term Investments / Assets	18.19	17.23
Total Shares, Dep. & Borrs / Earning Assets	91.53	91.41
Reg Shares + Share Drafts / Total Shares & Borrs	37.16	35.54
Borrowings / Total Shares & Net Worth	1.47	1.62
PRODUCTIVITY		
Members / Potential Members	8.33	8.26
Borrowers / Members	50.14	49.87
Members / Full-Time Employees	361.18	361.45
Avg. Shares Per Member	\$8,013	\$7,722
Avg. Loan Balance	\$11,844	\$11,439
* Salary And Benefits / Full-Time Empl.	\$57,239	\$54,642
OTHER RATIOS		
* Net Worth Growth	6.74	6.34
* Market (Share) Growth	10.61	8.73
* Loan Growth	2.77	2
* Asset Growth	10.07	-0.59
* Investment Growth	26.13	-6.81
* Membership Growth	2.54	2.52
* Annualized ratios		

TENNESSEE STATE-CHARTERED CREDIT UNIONS

CONSOLIDATED BALANCE SHEET

-Page 1-

ASSETS	As of 6/30/2011	As of 6/30/2010	% Change
CASH:			
Cash on Hand	84,344,020	90,125,317	-6.41%
Cash on Deposit	675,224,030	410,397,862	64.53%
Cash Equivalents	108,375,322	120,945,534	-10.39%
Total Cash	\$867,943,372	\$621,468,713	39.66%
INVESTMENTS:			
Trading Securities	0	0	N/A
Available for Sale Securities	531,577,019	662,274,228	-19.73%
Held-to-Maturity Securities	375,176,477	365,685,894	2.60%
Deposits in Commercial Banks, S & Ls, Savings Banks	548,998,312	629,861,634	-12.84%
Loans to, Deposits in, & Investments in Natural Person CUs	14,381,039	14,021,860	2.56%
Total MCSD and PIC in Corporate	26,358,544	26,486,028	-0.48%
All Other Investments in Corporate Credit Unions	142,225,002	238,003,641	-40.24%
All Other Investments	65,493,999	63,062,146	3.86%
Total Investments	\$1,704,210,392	\$1,999,395,431	-14.76%
LOANS HELD FOR SALE	\$0	\$0	N/A
Loans and Leases:			
Unsecured Credit Card Loans	187,919,077	176,327,945	6.57%
All Other Unsecured loans	226,030,293	242,730,800	-6.88%
Non-Federally Guaranteed Student Loans	45,984,915	0	N/A
New Auto Loans	523,876,745	571,362,558	-8.31%
Used Auto Loans	1,012,701,210	1,041,838,551	-2.80%
First Mortgage Real Estate Loans	2,258,227,289	2,132,684,546	5.89%
Other Real Estate Loans	400,921,880	464,877,798	-13.76%
Leases Receivable	0	558,893	-100.00%
All Other Loans/Lines of Credit	329,957,411	350,402,574	-5.83%
Total Loans	\$4,985,618,820	\$4,980,783,665	0.10%
ALLOWANCE FOR LOAN & LEASE LOSSES	-62,542,749	-71,421,229	-12.43%
Total Foreclosed and Repossessed Assets	12,807,945	13,396,553	-4.39%
Land and Building (Net of Depreciation)	176,636,762	179,927,051	-1.83%
Other Fixed Assets	30,070,300	32,111,780	-6.36%
NCUA Share Insurance Capitalization Deposit	60,504,132	61,829,089	-2.14%
Total Intangible Assets	201,612	121,575	65.83%
Total Other Assets	94,930,892	72,970,048	30.10%
Total Assets	\$7,870,381,478	\$7,890,582,676	-0.26%
TOTAL CREDIT UNIONS	104	109	-0.0459

TENNESSEE STATE-CHARTERED CREDIT UNIONS

CONSOLIDATED BALANCE SHEET

-Page 2-

	As of 6/30/2011	As of 6/30/2010	% Change
LIABILITIES, SHARES AND EQUITY			
Liabilities:			
Other Notes, Promissory Notes, Interest Payable & Draws Against LOC	113,212,361	124,415,860	-9.00%
Borrowing Repurchase Transactions	0	0	N/A
Subordinated Debt	10,000	5,000	100.00%
Subordinated Debt Included in Net Worth (Uninsured Secondary Capital)	15,000	20,000	100.00%
Accrued Dividends and Interest Payable	3,116,668	4,012,572	-22.33%
Accounts Payable and Liabilities	74,341,987	65,438,941	13.61%
Total Liabilities	\$190,696,016	\$193,892,373	-1.65%
SHARES and DEPOSITS:			
Share Drafts	771,834,857	737,356,248	4.68%
Regular Shares	1,769,853,721	1,703,036,814	3.92%
All Other Shares and Deposits	4,185,296,943	4,301,454,828	-2.70%
Total Shares/Deposits	\$6,726,985,521	\$6,741,847,890	-0.22%
EQUITY:			
Undivided Earnings	643,754,913	645,701,297	-0.30%
Regular Reserves	272,498,848	267,504,781	1.87%
Appropriations for Non-Conforming Investments	0	0	N/A
Other Reserves	35,149,150	34,963,625	0.53%
Equity Acquired in Merger	2,472,306	0	100.00%
Miscellaneous Equity	2,800	2,800	0.00%
Accumulated Unrealized Gains/Losses on AFS Securities	3,594,149	10,847,885	-66.87%
Accumulated Unrealized Gains/Losses on Cash Flow Hedges	0	-382,979	-100.00%
Other Comprehensive Income	-13,429,683	-11,601,741	8.66%
Net Income	8,657,458	7,806,745	10.90%
Equity Total	\$952,699,941	\$954,842,413	-0.22%
TOTAL SAVINGS/EQUITY	\$7,679,685,462	\$7,696,690,303	-0.22%
TOTAL LIABILITIES/SAVINGS/EQUITY	\$7,870,381,478	\$7,890,582,676	-0.26%
LIABILITIES, SHARES AND EQUITY			
Uninsured Shares	261,012,147	288,979,844	-9.68%
Uninsured Non-Member Deposits	20,951,446	15,576,856	34.50%
Total Uninsured Shares and Deposits	281,963,593	304,556,700	-7.42%
Insured Shares and Deposits	6,445,021,928	6,437,291,190	0.12%
TOTAL NET WORTH	\$665,484,380	\$634,104,556	4.95%

TENNESSEE STATE-CHARTERED CREDIT UNIONS

CONSOLIDATED INCOME STATEMENT

INCOME AND EXPENSE	As of June 30, 2011	As of June 30, 2010	% Change
Interest Income			
Interest on Loans	151,039,849	158,854,174	-4.92%
Less Interest Refund	(5,154)	(7,678)	-32.87%
Income from Investments	15,338,580	23,630,163	-35.09%
Income from Trading	0	252,096	-100.00%
Total Interest Income	\$166,373,275	\$182,728,755	-8.95%
Interest Expense			
Dividends	15,754,431	20,527,780	-23.25%
Interest on Deposits	20,593,231	27,866,501	-26.10%
Interest on Borrowed Money	1,800,788	2,615,089	-31.14%
Total Interest Expense	\$38,148,450	\$51,009,370	-25.21%
Provision for Loan and Lease Losses (PLLL)	13,816,370	18,189,657	-24.04%
Net Interest Income after PLLL	\$114,408,455	\$113,529,728	0.77%
Non-Interest Income			
Fee Income	33,592,301	38,094,090	-11.82%
Other Operating Income	14,821,338	10,854,726	36.54%
Gain(Loss) on Investments	493,135	521,369	-5.42%
Gain(Loss) on Disposition of Assets	(339,809)	(112,079)	203.19%
Gain from Bargain Purchase (Merger)	0	0	N/A
Other Non-Operating Income/Expense	(664,334)	(462,544)	43.63%
Total Non-Interest Income	\$47,902,631	\$48,895,562	-2.03%
Non-Interest Expense			
Employee Compensation and Benefits	66,525,528	65,993,603	0.81%
Travel/Conference Expense	1,307,442	1,307,125	0.02%
Office Occupancy	8,287,613	9,091,405	-8.84%
Office Operation Expense	25,398,147	26,178,450	-2.98%
Education and Promotion	3,676,986	3,686,672	-0.26%
Loan Servicing Expense	5,159,807	5,110,495	0.96%
Professional/Outside Service	8,934,571	9,273,148	-3.65%
Member Insurance	N/A	1,275,902	
Member Insurance - NCUSIF Premium	1,735,673	N/A	
Member Insurance - Temporary Corporate CU Stabilization Fund	5,531,925	8,465,802	-34.66%
Member Insurance - Other	1,826,452	N/A	
Operating Fees	1,154,622	1,101,306	4.84%
Miscellaneous Operating Expense	1,924,612	2,329,901	-17.40%
Total Non-Interest Expense	\$131,463,378	\$133,813,809	-1.76%
Net Income Before Stabilization Expense	\$36,379,633	\$37,077,283	-1.88%
NCUSIF Stabilization Expense	5,531,925	8,465,802	-34.66%
Net Income	\$ 30,847,708	\$ 28,611,481	7.82%
Transfer to Regular Reserve	\$6,212,883	\$3,909,256	58.93%

TENNESSEE STATE-CHARTERED CREDIT UNIONS

TENNESSEE STATE-CHARTERED CREDIT UNION ASSETS

(As of June 30, 2011)

CHARTER #	YR Chartered	NAME	CITY	ASSETS	Members	FT	PT
68161	1965	A.U.B. EMPLOYEES'	Athens	\$1,190,075	255	0	2
60692	1932	AGC	Kingsport	\$16,480,921	2,468	7	1
67989	1940	AGILITY FINANCIAL	Memphis	\$9,485,130	1,194	3	0
67976	1972	APPLIANCE	Cleveland	\$10,275,897	1,961	4	0
61932	1971	ASSOCIATED EMPLOYEES	Memphis	\$5,711,933	677	2	0
67738	1971	BCBST EMPLOYEES	Chattanooga	\$9,815,400	2,769	4	1
67970	1954	BOWATER EMPLOYEES	Calhoun	\$134,022,353	13,011	30	4
68513	2003	BRADLEY INITIATIVE	Cleveland	\$2,155,806	1,402	2	1
68149	1959	CEMC EMPLOYEES	Clarksville	\$3,257,835	579	1	2
62537	1925	CHATTANOOGA FEDERAL EMPLOYEES	Chattanooga	\$41,331,700	3,162	5	1
67778	1954	CITY EMPLOYEES (Knoxville)	Knoxville	\$62,784,252	8,322	21	1
68091	1932	CITY EMPLOYEES (Chattanooga)	Chattanooga	\$8,935,524	2,373	5	0
60239	1959	CITY OF MEMPHIS	Memphis	\$227,782,809	23,808	58	23
68167	1952	COLLEGEDALE	Collegedale	\$34,782,132	5,259	12	7
60056	1953	CONSUMER	Greeneville	\$263,213,793	35,237	50	17
67972	1962	CORNERSTONE FINANCIAL	Nashville	\$226,779,474	27,676	96	0
67741	1968	CREDIT UNION FOR ROBERTSON COUNTY	Springfield	\$35,864,500	5,421	22	8
67937	1932	DIXIE LINE	Nashville	\$8,227,723	1,189	4	0
68067	1958	DREMCO	Shelbyville	\$1,875,910	420	0	2
67747	1954	DUPONT COMMUNITY	Hixson	\$95,227,094	13,073	32	3
60726	1967	DUPONT MEMPHIS PLANT EMPLOYEES	Memphis	\$15,505,479	1,211	4	0
68078	1964	DYERSBURG	Dyersburg	\$12,015,362	3,381	9	0
68095	1934	EASTMAN	Kingsport	\$2,503,449,587	125,347	424	38
68148	1951	ELECTRIC SERVICE	Nashville	\$52,178,290	3,455	16	2
67789	1964	EMPLOYEE RESOURCES	Lawrenceburg	\$34,411,614	6,002	13	1
60505	1934	EMPLOYEES CREDIT UNION	Nashville	\$28,209,706	5,612	14	1
68074	1955	EMPLOYMENT SECURITY	Nashville	\$12,533,770	1,624	4	0
60619	1954	EPB EMPLOYEES	Chattanooga	\$30,241,705	2,385	7	0
67185	1934	FIRST CHOICE COMMUNITY	Knoxville	\$38,143,604	4,965	21	1
67777	1974	FIRST COMMUNITY CREDIT UNION	Columbia	\$25,585,865	5,251	11	0
68138	1932	FIRST KINGSFORT	Kingsport	\$25,068,014	3,203	10	1
68084	1957	FIRST SOUTH FINANCIAL	Bartlett	\$385,347,399	46,221	98	0
63868	1956	GALLATIN STEAM PLANT	Gallatin	\$5,843,930	684	1	1
68171	1959	GATEWAY	Clarksville	\$12,842,432	2,085	7	0
67701	1952	GREATER EASTERN	Johnson City	\$48,515,815	4,012	14	1
68127	1965	GREENEVILLE CITY EMPLOYEES'	Greeneville	\$7,802,835	1,099	2	1
68126	1976	GREENEVILLE WORKS EMPLS. SAV. ASSN.	Greeneville	\$2,369,270	507	1	0

TENNESSEE STATE-CHARTERED CREDIT UNIONS

TENNESSEE STATE-CHARTERED CREDIT UNION ASSETS

(As of June 30, 2011)

- Page 2 -

CHARTER #	YR Chartered	NAME	CITY	ASSETS	Members	FT	PT
68097	1933	HAPPY VALLEY	Elizabethton	\$32,586,540	4,640	13	1
68120	1964	HARDIN COUNTY HOSPITAL EMPLOYEES	Savannah	\$1,451,761	429	0	1
67736	1953	HEALTH SYSTEMS	Knoxville	\$6,178,656	1,453	3	2
68173	1952	HEALTHCARE SERVICES	Chattanooga	\$15,455,561	4,191	9	1
67748	1957	HERITAGE SOUTH COMMUNITY CU	Shelbyville	\$148,716,028	20,401	52	7
68073	1952	HOLLEY	Paris	\$36,952,775	5,286	13	1
68144	1968	HURD EMPLOYEES	Greeneville	\$2,667,850	452	1	1
68069	1928	ILLINOIS CENTRAL EMPLOYEES	Memphis	\$8,636,134	1,705	3	0
67197	1987	JACK DANIELS EMPLOYEES	Lynchburg	\$18,390,178	1,506	5	0
60345	1952	JOHNSONVILLE TVA EMPLOYEES	Camden	\$73,631,847	8,681	25	2
60928	1971	KIMBERLY CLARK	Memphis	\$96,388,830	10,585	23	2
68104	1930	KINGSPORT PRESS CU	Kingsport	\$63,900,585	7,470	22	1
68098	1954	KINGSTON TVA EMPLOYEES	Harriman	\$2,080,986	608	0	1
67793	1974	KNOX CO. EMPLOYEES	Knoxville	\$8,577,018	1,871	5	2
68070	1963	L.M.P.C.O. EMPLOYEES CREDIT ASSN.	Lexington	\$406,886	325	0	1
67713	1965	LAKESIDE EMPLS.	New Johnsonville	\$37,489,253	3,740	13	0
68164	1964	LANGSTON BAG CO. EMPLS. SAV. ASSN.	Memphis	\$52,671	51	0	1
61185	1957	LEADERS	Jackson	\$142,242,275	21,797	55	3
67689	1958	LIFE	Nashville	\$24,209,961	4,293	14	1
68172	1954	LIFEWAY	Nashville	\$45,038,372	4,682	9	0
60527	1953	LOWLAND	Morristown	\$74,489,851	11,812	29	4
67979	1966	M.P.D. COMMUNITY	Nashville	\$23,484,267	3,029	10	2
68077	1971	MARYVILLE MUNICIPAL	Maryville	\$12,165,028	1,176	3	0
67917	1963	MCKEE	Collegedale	\$13,305,219	4,671	7	0
67791	1980	MCNAIRY COUNTY EMPLOYEES	Adamsville	\$1,446,632	586	2	1
68096	1965	MEDED	Crossville	\$12,305,289	2,094	7	1
61687	1956	MEMBERS FIRST	Cleveland	\$5,027,971	969	2	0
63802	1959	MEMORIAL	Chattanooga	\$8,489,340	2,543	6	1
68135	1957	METROPOLITAN TEACHERS	Nashville	\$3,296,167	926	0	5
68590	2008	MID EAST TENNESSEE COMMUNITY	Decatur	\$6,199,441	1,198	4	1
67776	1953	MOUNTAIN STATES	Johnson City	\$14,041,757	2,954	7	3
68100	1966	N M H	Nashville	\$14,976,185	2,101	3	3
67990	1959	N.G.H.	Nashville	\$7,616,167	3,759	6	1
60483	1932	NASHVILLE FIREMEN'S	Nashville	\$18,137,402	2,097	7	0
67922	1925	NASHVILLE POST OFFICE	Nashville	\$71,408,433	4,846	17	1
60645	1952	NEW SOUTH CREDIT UNION	Knoxville	\$35,395,586	4,948	14	2
68075	1932	NEWSPAPER AND PRINTERS	Nashville	\$1,434,338	305	1	1

TENNESSEE STATE-CHARTERED CREDIT UNIONS

TENNESSEE STATE-CHARTERED CREDIT UNION ASSETS

(As of June 30, 2011)

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CHARTER #	YR Chartered	NAME	CITY	ASSETS	Members	FT	PT
67021	1952	NORTHEAST COMMUNITY	Elizabethton	\$73,046,615	8,349	28	2
67946	1969	O.M.C. EMPLOYEES'	Charleston	\$28,110,517	1,991	5	0
68106	1959	OLAN MILLS SAVINGS ASSOCIATION	Chattanooga	\$4,254,505	678	1	1
67982	1934	OLD HICKORY	Old Hickory	\$184,555,294	25,633	74	10
68165	1978	OLIVET BAPTIST	Memphis	\$368,265	1,361	5	0
67779	1961	P.I.A.S.	Nashville	\$5,128,554	1,799	3	0
68080	1972	PARKRIDGE	Chattanooga	\$3,524,914	930	2	0
68124	1967	PATHWAY	Cleveland	\$5,452,048	1,219	2	1
60082	1929	PATRIOT EQUITY	Jackson	\$24,797,624	3,776	14	3
67997	1971	PEOPLES CHOICE	Union City	\$13,706,835	3,371	7	0
68065	1927	POSTAL EMPLOYEES	Memphis	\$21,165,673	4,080	7	0
67948	1964	RIVER CITY UNITED	Chattanooga	\$10,739,615	1,017	3	0
68092	1949	ROHM AND HAAS EMPLOYEES	Knoxville	\$15,773,558	545	0	3
67755	1968	SMITH & NEPHEW EMPLOYEES	Memphis	\$9,223,087	1,510	4	0
68599	2009	SOUTHEAST FINANCIAL	Franklin	\$424,903,851	63,898	155	5
66980	1933	SOUTHERN	Chattanooga	\$21,375,369	3,196	9	0
68071	1959	ST. THOMAS HOSPITAL EMPLOYEES	Nashville	\$19,198,549	3,096	9	2
67971	1971	TENNESSEE DEPARTMENT OF SAFETY	Nashville	\$8,024,032	1,516	2	0
68101	1969	TENNESSEE EMPLOYEES	Nashville	\$17,270,997	3,162	5	1
66886	1950	THE TENNESSEE	Nashville	\$241,199,771	23,467	78	2
68093	1966	TIMES FREE PRESS	Chattanooga	\$2,691,737	429	1	0
68145	1973	U. S. T. C. EMPLOYEES	Nashville	\$2,056,790	342	1	0
67608	1980	UPS EMPLOYEES	Memphis	\$13,687,546	2,691	6	0
67720	1968	US COMMUNITY	Nashville	\$135,376,803	20,289	66	24
68119	1959	VANDERBILT UNIVERSITY EMPLOYEES	Nashville	\$25,035,412	6,852	8	1
68153	1962	WCG EMPLOYEES	Martin	\$931,517	282	0	2
67757	1967	WILLIS	Nashville	\$10,354,728	2,581	4	0
TOTAL:				\$7,870,381,478	709,540	1903	231

PT-Part Time Employees

FT-Full Time Employees

S.A.* = Savings Association