



**2009
ANNUAL REPORT**

STATE OF TENNESSEE, DEPARTMENT OF FINANCIAL INSTITUTIONS



2009
ANNUAL REPORT

Tennessee Department of Financial Institutions
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COMMISSIONER GREG GONZALES

February 26, 2010

**Dear Governor Bredesen and Citizens of the State of Tennessee:**

I am pleased to present the 35th Annual Report of the Department of Financial Institutions for fiscal year 2009.

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. Depository institutions remain well capitalized, profitable as a whole and innovative in their diverse offerings of products and services. Although we continue to see consolidation within the banking industry and expect that to accelerate in 2010, total loans and assets continue to increase and the complexity and breadth of operations continues to grow. Tennessee state-chartered banks remain able and willing to lend to qualified borrowers and are suitably positioned to do their part in helping to return their local communities and the state as a whole to a stronger economic environment. The formation of de novo banks has stopped at this time. There have been no applications for a state bank charter filed since 2007. One federal savings bank did convert to a state bank and one federal credit union converted to a state credit union in 2009.

The Department does not recommend any legislation for 2010.

In 2008 and 2009, a great deal of media attention was placed on systemic issues in the banking industry and efforts by Congress to stabilize the financial services industry. In response, the Department initiated outreach events across the state to respond to public questions concerning the state of the Tennessee banking system. While a general economic recovery may be underway, general expectations are that the recovery will be slow. Since financial institutions are, in many respects, a mirror of the local economy, we expect financial institutions to continue to deal with economic challenges.

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. The Department is partnered with the SmartTennessee program out of the University of Memphis to reach schools throughout Tennessee, and has an ongoing relationship with the JumpStart Coalition in this regard as well.

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 peruse 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 cursive script that reads "Greg Gonzales".

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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 spread 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 Loan Companies

Currently, the Department has 153 employees throughout offices in East, Middle and West Tennessee.

DEPARTMENT OVERVIEW

Total Number of State-Chartered Institutions

Fiscal Year June 30, 2009 vs. Fiscal Year June 30, 2008

CHARTERS	June 30, 2008	June 30, 2009
Commercial Banks/Savings Banks	160	160
Trust Companies	8	9
BIDCOs	2	2
Credit Unions	112	110
TOTAL NUMBER OF CHARTERS	282	281

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

Fiscal Year June 30, 2009 vs. Fiscal Year June 30, 2008

LICENSEES / REGISTRANTS	June 30, 2008	June 30, 2009
Industrial Loan and Thrift Companies	1,011	985
Insurance Premium Finance Companies	71	67
Mortgage Companies	1,277	857
Mortgage Branches*	NA	585
Mortgage Loan Originators	12,464	7,510
Money Transmitters	58	60
Deferred Presentment	1,481	1,358
Check Cashers	699	661
Title Pledge Lenders	790	768
TOTAL NUMBER OF LICENSEES / REGISTRANTS	17,851	12,851

*TDFI began recording mortgage branches in February 2009

Total Refunded to Consumers per Industry

LICENSEES / REGISTRANTS	TOTAL
Industrial Thrift and Loan Companies	\$402,843
Mortgage Companies	\$1,116,053
Deferred Presentment	\$84,373
Title Pledge Lenders	\$64,815
Check Cashers	\$8,039
TOTAL REFUNDED	\$1,676,123

Calendar year ending December 31, 2009

2009 FISCAL REVIEW

FUNDING SOURCES AND EXPENDITURE CLASSIFICATION

REVENUE SOURCE	AMOUNT
Appropriations-Bank Assessment Fees	\$8,295,800.00
Other Banking Fees	\$274,152.02
BIDCO's and Trust Company Fees	\$47,356.29
Credit Union Fees	\$2,014,441.94
Money Transmitter Fees	\$163,466.33
Loan Company Fees	\$711,125.00
Insurance Premium Finance Company Fees	\$33,025.00
Mortgage Company Fees	\$2,117,011.28
Deferred Presentment Fees	\$1,091,838.73
Title Pledge Lenders Fees	\$790,285.00
Check Cashers Fees	\$482,700.00
Miscellaneous	\$1,800.00
TOTAL REVENUES	\$16,023,001.59

Fiscal year ending June 30, 2009

FISCAL NUMBERS AT A GLANCE

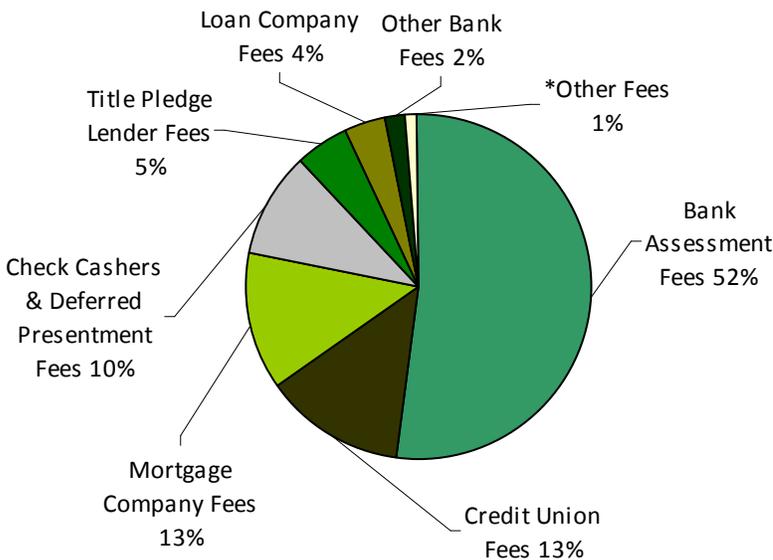
The Department of Financial Institutions receives no federal or state taxpayer funds and is fully funded by the fees assessed to the financial institutions regulated and supervised by the department.

At the end of fiscal year 2009, the Department reverted \$2,368,245.29 to the state's general fund. Most of this surplus is due to the Department maintaining some vacant examiner positions during fiscal year 2009, 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
- Check Cashing Companies
- Deferred Presentment Companies
- Money Transmitters
- Mortgage Companies and Mortgage Loan Originators
- Insurance Premium Finance Companies
- Title Pledge Lenders

FUNDING SOURCES

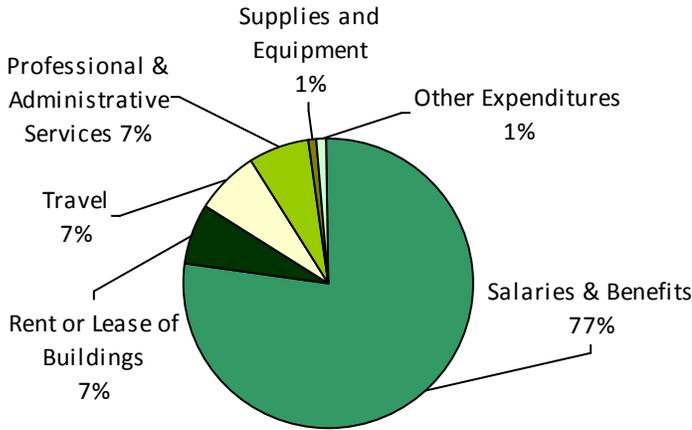


*Includes BIDCO's and Trust Company fees, money transmitter fees, Insurance Premium Finance Company fees and miscellaneous revenues.

We must maintain and budget for an adequate number of available examiner positions to be able to respond to industry trends as required.

2009 FISCAL REVIEW

EXPENDITURE CLASSIFICATIONS



EXPENDITURES

EXPENDITURE CLASSIFICATIONS	AMOUNT
Personal Services	\$7,689,981.47
Employee Benefits	\$2,790,418.85
TOTAL PAYROLL	\$10,480,400.32
Travel	\$959,249.95
Printing, Duplicating and Film Processing	\$9,029.05
Communication and Shipping Cost	\$59,554.68
Maintenance, Repair and Services	\$1,644.56
Professional and Administrative Services	\$903,165.66
Supplies	\$119,346.34
Rentals and Insurance	\$38,597.15
Awards and Indemnities	\$774.06
Grants and Subsidies	\$1,000.00
Unclassified	\$5,200.00
Training	\$49,075.10
Computer-related Items	\$44,870.43
Rent or Lease of Buildings	\$982,849.00
TOTAL OPERATIONAL	\$3,174,355.98
TOTAL EXPENDITURES	\$13,654,756.30
EXCESS OF REVENUE OVER EXPENDITURES	\$2,368,245.29
REVERTED TO THE STATE'S GENERAL FUND	\$2,368,245.29

Fiscal year ending June 30, 2009

2009 TECHNOLOGICAL ADVANCEMENTS

EDISON

During fiscal year 2009, the Department implemented the state's *Edison System*. The *Edison System* is Tennessee's Enterprise Resources Planning (ERP) system. An ERP system is an integrated software package that is used to perform administrative business functions such as financials and accounting, procurement, payroll, benefits, and personnel administration.

Edison modules use a common database that allows the system to share information between business functions within an agency and across agencies statewide. In other words, human resources, financials and procurement/logistics staff will now work under a common system and share common data. This integration enhances the integrity of information by greatly decreasing the need to re-key data and gives managers access to real-time information when making business decisions.

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.

NATIONWIDE MORTGAGE LICENSING SYSTEM

In order to meet the requirements enacted by Congress in the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 ("SAFE Act"), we began requiring mortgage licensees to register on the Nationwide Mortgage Licensing System (NMLS) in February 2009.

The Department was able to find and acquire a business application that will replace the aging Regulatory Board System. The Department's IT personnel have been involved in planning the implementation of the new system, which will occur throughout fiscal year 2010.

ADMINISTRATIVE DIVISION



HEADQUARTERS PERSONNEL-NASHVILLE

Greg Gonzales, Commissioner

COMMISSIONER'S OFFICE

Debbie Curry, Executive Assistant

Katie Hitt, Legislative Liaison

Herb Kraycirik, CPA, Audit Director

Joyce Simmons, CPA, Chief Regulatory Accountant

Natalie Townsend, Communications Officer

ADMINISTRATIVE DIVISION

Tommie Pendergrass, CPA, Acting Assistant Commissioner/Fiscal Director

Leslie Yanez, Human Resources Director

Maria Broussard, Human Resources Technician

Mary Jane Friedman, Accountant

Sandra Janus, Accountant

Barbara Jones, Administrative Services Assistant

Steve Asper, Information Systems Director

Robert Eddy, Information Systems Consultant

Charles Ingram, Information Resource Support Specialist

Son Nguyen, Information Resource Support Specialist

Christy Beadle Adams, Analyst

Memory Barber, Administrative Services Assistant

Nicholas Ragsdale, Administrative Services Assistant

Ashley Priest, Data Entry Operator

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

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

Training is another integral part of developing and maintaining a qualified examiner 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 the State Credit Union Supervisors, Federal Financial Institutions Examinations Council, National Association of Consumer Credit Administrators, Money Transmitter Regulator Association and others.

LEGAL DIVISION

**HEADQUARTERS
PERSONNEL-NASHVILLE**

Tina Miller, General Counsel

Marsha Anderson, Attorney

Jera Bradshaw, Attorney

Derek Church, Attorney

Eric Rogers, Attorney

Joseph Schmidt, Attorney

Paula Cagle, Legal Assistant

Kelley Cole, Administrative Assistant

The Legal Division provides legal advice and representation for the Department. It is comprised of a general counsel, five staff attorneys, one legal assistant and an administrative assistant.

The Department's attorneys advise the commissioner and Department 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 Tennessee General Assembly on legislative issues affecting financial institutions.

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

2009 LEGISLATION**PUBLIC CHAPTER 137**

Effective Date: May 5, 2009

Public Chapter 137 extends the department of financial institutions until June 30, 2013.

PUBLIC CHAPTER 198

Effective Date: May 13, 2009

Public Chapter 198 makes it an unfair or deceptive act under the Consumer Protection Act to charge a fee for engaging in foreclosure-related rescue services before completing or performing all services related to any such foreclosure-related transaction. It prohibits the attempted charge, receipt, or collection of payment for foreclosure-related rescue consultant services prior to the completion of all services of the foreclosure-related transaction. A violation of this part is an unfair or deceptive act under the Tennessee Consumer Protection Act of 1977.

PUBLIC CHAPTER 499

Effective Date: June 23, 2009

The primary purpose of Public Chapter 499 is to implement the federal "Secure and Fair Enforcement for Mortgage Licensing of 2008" (SAFE Act) by amending the Residential Lending, Brokerage and Servicing Act (Mortgage Act) and the Industrial Loan and Thrift Companies Act (TILT Act). The purpose of the SAFE Act is to increase uniformity of state mortgage regulation, enhance consumer protection, and reduce fraud in the mortgage industry. Below is a summary of changes made to the Acts:

Provides that, as of July 31, 2009, no individual shall act as a mortgage loan originator without a license from the Department of Financial Institutions. To obtain a license, an individual must file an application through the Nationwide Mortgage Licensing System and Registry (NMLSR), pass a fingerprint background check showing no felony in the last seven (7) years and no financial-related felony ever, never have had a mortgage license revoked, pass an NMLSR-approved test, and complete twenty (20) hours of NMLSR-approved education.

Prohibits licensed mortgage loan originators from originating loans for a company until the company has first sponsored the originator by filing a form and paying a one-time \$100 sponsorship fee to the Department. An

LEGAL DIVISION

PUBLIC CHAPTER 499, CONTINUED

originator can be sponsored by only one (1) company at a time, whether a lender or broker under the Mortgage Act or a lender under the TILT Act.

Eliminates the "registrant" option for federally approved companies under the Mortgage Act, and will require that all mortgage companies under both the Mortgage and TILT Acts maintain a surety bond that covers each mortgage loan originator and is scaled based on the company's loan volume.

Subject all persons under the Mortgage Act, and mortgage lenders under the TILT Act, to an enhanced list of prohibited acts and practices, more detailed investigation and examination, and filing a mortgage loan call report with the NMLSR.

Eliminates several exemptions for companies under the Mortgage Act because the SAFE Act only permits exemptions for depository institutions, their subsidiaries, close family members, certain seller-financing, and attorneys otherwise involved in the real-estate transaction.

Adds provisions to the TILT Act that were added to the Mortgage Act in 2008, namely, (1) authority for the Department to require all new applicants to undergo a fingerprint background check, and (2) rulemaking authority for the Department to implement pre-registration and continuing education requirements for TILT Act mortgage lenders.

Amends Title 45, Chapter 1 to authorize fingerprinting of certain department job applicants.

The Legal Division was heavily involved in the 2009 Legislative session by tracking bills and working closely with the Governor's Office, General Assembly as well as other groups sponsoring legislation that impacted the Department.

It provided assistance to operating divisions on issues involving title pledge lenders, mortgage loan originator registration, predatory lending, bank and trust company operations including interstate transactions, bank and credit union applications, money transmission, Bank Secrecy Act compliance, check cashing, deferred presentment, mortgage companies and credit union fields of membership, as well as other areas requiring legal expertise.

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, our state-chartered banks are capably positioned both strategically and financially to meet new opportunities in the changing economic and regulatory environments and continuing technological and financial innovation.

HEADQUARTERS PERSONNEL-NASHVILLE

Tod Trulove, CEM, Assistant Commissioner
 Tony Matthews, Chief Administrator
 Justin Cary, Financial Analyst
 Justin McClinton, Financial Analyst
 Philip Ruffin, Financial Analyst
 Joyce Walker, Administrative Services Assistant 1

APPLICATIONS

Debra Grissom, Program Administrator

TRUST

Vivian Lamb, CEM, Program Administrator

EXAMINATION PERSONNEL

Middle Tennessee District

Todd Rice, CEM, District Manager
 John Hudson, CEIC, Supervisor
 Mike Sisk, CEIC, Supervisor
 Storm Miller, Off-Site Monitoring Supervisor, IV
 Sherri Cassetty, CEIC, Trust Specialist, IV
 Clyde McClaran, IT Specialist, IV
 JoAnn Schumann, III
 Ekaette Udoumana, III
 William Cook, II
 Alan Kirkwood, II
 Edward Black, II
 Chrystine Glaze, II
 Darnell Tate, II
 Gerald Proby, I
 Alisa Howard, I

West Tennessee District

Danny Nolen, 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
 Toniece Johnson, COE, III
 Judy Morgan, COE III
 Grant Casselberry, II

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
 Brooke Roberson, IV
 Chad Holbert, III
 Robert Stanton, III
 Jessica Huff, III
 James M. Curtis, II
 Brian Carl, II
 Anthony Valentino, II

*Roman numerals reflect bank examiner position.

BANK DIVISION

BANK DIVISION APPLICATION ACTIVITIES FY 08-09

NEW BANKS OPEN

- CapStar Bank, Nashville, Tennessee (July 2008)

BANK MERGERS

- Home Banking Company, Selmer, TN, merged with and into Community Bank, Meridian, MS, under the title of Home Banking Company (July 2008)
- Cohutta Banking Company, Chatsworth, GA merged with and into Cohutta Banking Company of Tennessee, Chattanooga, TN under the title of Cohutta Banking Company of Tennessee and changed its name to Cohutta Banking Company (July 2008)
- Union National Bank of Barbourville, Barbourville, KY merged with and into Commercial Bank, Harrogate, TN under the title of Commercial Bank (September 2008)
- Benton Banking Company, Benton, TN merged with and into First Volunteer Bank of Tennessee, Chattanooga, TN under the title of First Volunteer Bank of Tennessee (October 2008)
- Bank of Bradford, Bradford, TN merged with and into Carroll Bank & Trust, Huntingdon, TN under the title of Carroll Bank & Trust (December 2008)

BANK CONVERSIONS

- Security Federal Savings Bank of McMinnville, Tennessee converted from a federally-chartered savings bank to a state-chartered commercial bank to be called Security Federal Savings Bank of McMinnville (February 2009)

BIDCO TRANSACTIONS

There were no BIDCO application transactions in fiscal year 2008-09

TRUST COMPANY TRANSACTIONS

- First Mercantile Trust Company, Cordova, TN, ownership was transferred from Massachusetts Mutual Life Insurance Company, Springfield, MA to MassMutual Holdings, LLC, Springfield, MA, subsidiary company (July 2008)

MONEY TRANSMITTER TRANSACTIONS

NEW LICENSE ISSUED

- NFINANSE Payments, Inc., Tampa, FL, (December 2008)
- Kwik Dollar, LLC (DBA Dinex), Houston, TX (January 2009)

VOLUNTARY CORPORATE TRANSACTIONS

- Vigo Remittance Corp., Sunrise, FL, voluntary surrender of license to operate under the license of parent company, Western Union Financial Services, Inc., Englewood, CA (April 2009)
- Orlandi Valuta, Inc., Englewood, CO, voluntary surrender of license to operate under the license of parent company, Western Union Financial Services, Inc., Englewood, CO (April 2009)

BANK DIVISION INFORMATION AT A GLANCE

(AS OF JUNE 30, 2009)

BANK REGULATED INSTITUTIONS:

160 Banks
2 BIDCOs
8 Independent non-depository trust companies

BANK DATA

CONSOLIDATED TOTAL ASSETS:

- \$44.2 billion, representing a \$3.3 billion increase since June 30, 2008

CONSOLIDATED CAPITAL:

- \$4.4 billion, representing 10.06 percent of total assets

RETURN ON AVERAGE ASSETS (ROAA):

- Median ROAA of 0.41 percent with a median net interest margin of 3.78 percent (includes all banks)

ALLOWANCE FOR LOAN AND LEASE LOSSES (ALLL):

- Median ALLL to total loans and lease ratio of 1.31

PAST DUE RATIO:

- Median past due ratio of 3.48 percent

TRUST COMPANY DATA

TOTAL CONSOLIDATED CORPORATE ASSETS:

- \$75.7 million, representing a 3.68 percent decrease compared to the same period in 2008

AGGREGATED NET INCOME FOR TRUST COMPANIES:

- (\$114,000) representing a 104 percent decline compared to the same period in 2008

TRUST ASSETS UNDER MANAGEMENT AND/OR CUSTODY:

- Reflect a decrease of 13.72 percent from \$12.2 billion to \$10.5 billion, inclusive of assets invested in common/collective trust funds

NOTE: Trust Company data covers a six-month period from January 1, 2009 through June 30, 2009.

BANK DIVISION

UPDATE ON SENTINEL TRUST COMPANY STATUS (CURRENTLY IN LIQUIDATION)

As of June 30, 2009, 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, 2009, the Sentinel estate held corporate assets and liabilities totaling \$416,463 and \$41,269, respectively. The Receiver also held fiduciary cash and liabilities totaling \$439,009 and \$405,331, respectively.

MONEY TRANSMITTERS

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

REGULATION

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 no less than \$100,000 computed according to generally accepted accounting principles. Persons transmitting, or proposing to transmit, money shall have an additional net worth of \$25,000 per additional location or agent located in Tennessee, as applicable, to a maximum of \$500,000. The applicant must demonstrate such experience, character, and general fitness as to command the confidence of the public and warrant the belief that the business will be operated lawfully and fairly. As of June 30, 2009, the division licensed 60 money transmitters.

BUSINESS AND INDUSTRIAL DEVELOPMENT CORPORATION (BIDCOS)

Tennessee Code Annotated, Section 45-8-225, requires a report to be published annually that summarizes the accomplishments of the various BIDCOs operating in Tennessee. The two BIDCOs licensed during calendar year 2009 provided financing totaling \$5,873,430 to nine small businesses, preserving and/or creating an estimated 88 jobs. No loans were made to a minority-owned business, and one of these loans totaling \$100,000 was made to a female-owned business. The summary analysis of the number and dollar amount of loans extended to certain broad categories is detailed as follows:

CATEGORY	NUMBER	AMOUNT
Finance, Insurance and Real Estate	7	\$4,273,430
Manufacturing	1	\$700,000
Service	1	\$100,000
TOTAL	9	\$5,073,430

TENNESSEE STATE-CHARTERED BANKS

CONSOLIDATED BALANCE SHEET (IN MILLIONS)

As of June 30, 2009 and June 30, 2008

	June 30, 2009	June 30, 2008	\$ Change	% Change
ASSETS				
Cash and Due from Banks	1775	1005	770	76.62%
Securities	6853	6704	149	2.22%
Federal Funds Sold and Securities Purchased Under Agreement to Resell	682	657	25	3.81%
Loans and Leases Held for Sale	494	425	69	16.24%
Loans and Leases, Net of Unearned Income	32043	29720	2323	7.82%
Allowance for Loan & Lease Losses	-494	-374	120	32.09%
Assets held in Trading Accounts	4	27	-23	-88.90%
Premises and Fixed Assets	1140	1036	104	10.04%
Other Real Estate Owned	338	169	169	100.00%
Investments in Unconsolidated Subsidiaries	15	15	0	0.00%
Intangible Assets	88	459	-371	-80.83%
Other Assets	1326	1060	266	25.09%
TOTAL ASSETS	44264	40903	3361	8.22%
LIABILITIES				
Non-Interest Bearing Deposits	3291	3230	61	1.89%
Interest Bearing Deposits	33404	30176	3228	10.70%
TOTAL DEPOSITS	36695	33406	3289	9.85%
Federal Funds Purchased and Securities Sold Under Repurchase Agreement	475	836	-361	-43.18%
Trading Liabilities	0	0	0	
Other Borrowed Money	2298	2074	224	10.80%
Other Liabilities	337	318	19	5.97%
TOTAL LIABILITIES	39805	36634	3171	8.66%
Minority Interests in Consolidated Subsidiaries	7	2	5	250.00%
EQUITY CAPITAL				
Preferred Stock	30	4	26	650.00%
Common Stock	314	265	49	18.49%
Surplus	2584	2155	429	19.91%
Undivided Profits	1521	1900	-379	-19.95%
Accumulated Other Comprehensive Income	9	-56	65	-116.07%
Other Equity Capital Components	-6	-1	-5	-500.00%
TOTAL EQUITY CAPITAL	4452	4267	185	4.34%
TOTAL LIABILITIES AND EQUITY CAPITAL	44264	40903	3361	8.22%

TENNESSEE STATE-CHARTERED BANKS

CONSOLIDATED INCOME STATEMENT (IN MILLIONS)

Six months ending June 30, 2009 and June 30, 2008

	June 30, 2009	June 30, 2008
Interest Income	1171	1244
Interest Expense	448	551
NET INTEREST INCOME	723	693
Non-Interest Income	167	175
Non-Interest Expense	812	629
Provision for Loan Losses	201	84
Securities Gains/Losses	10	8
Pre-Tax Net Income	-113	163
Applicable Income Taxes	3	60
NET OPERATING INCOME	-116	103
Extraordinary Gains/Losses	0	0
NET INCOME	-116	103
TOTAL CASH DIVIDENDS	49	75

TENNESSEE STATE-CHARTERED BANKS

SUMMARY OF INDIVIDUAL BANKS

City	Institution	FDIC Cert #	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	
			Cash	Invest	Total Loans	Loan Loss Reserve	Other Assets	Total Assets	Deposits	Other Liabilities	IIUS	Capital	Net Income
ADAMSVILLE	Farmers & Merchants Bank	9188	3056	10029	14995	383	1681	29378	23901	1651	0	3826	105
ASHLAND CITY	Community Bank & Trust	35258	4772	49699	148651	1946	15382	216558	179272	18484	0	20734	770
ATHENS	SouthEast Bank & Trust	57348	6858	18085	213541	2539	15126	251071	220160	11024	0	19887	-97
ATWOOD	Citizens Bank & Trust Company	6100	911	8204	12650	93	667	22339	20102	190	0	2047	90
BARTLETT	Bank of Bartlett	23123	10434	129232	263441	6985	47873	443995	351722	66723	246	25796	-3131
BELLS	Bank of Crockett	1468	7034	57387	46074	961	6318	115852	97238	5450	0	13164	796
BOLIVAR	Merchants & Planters Bank	8665	3833	21436	54211	603	8757	87634	72919	5188	0	9527	169
BRENTWOOD	Reliant Bank	58209	2718	51478	274131	3426	16258	341159	279276	29425	0	32458	1638
BRIGHTON	Brighton Bank	9189	1571	7389	56232	662	6584	71114	59188	4268	0	7658	-7
BROWNSVILLE	INSOUTH Bank	22020	21167	67164	296568	6519	38640	417020	367805	13027	1537	37725	-6210
BYRDSTOWN	People's Bank and Trust Company of Pickett County	22756	12330	9224	94461	1589	8428	122854	108968	2937	0	10949	76
CAMDEN	Bank of Camden	9176	2912	40403	99691	1464	22110	163652	119931	17830	0	25891	475
CARTHAGE	Citizens Bank	893	13129	203344	266675	2599	13211	493760	416078	2802	57	74937	3835
CHAPEL HILL	First State Bank	2383	7645	7533	31965	289	49581	96435	44072	207	0	5311	3080
CHATTANOOGA	First Volunteer Bank of Tennessee	10307	37111	61571	501171	6202	27768	621419	559987	18580	0	64665	-2887
CHATTANOOGA	Cornerstone Community Bank	26256	34307	45853	360615	7383	21376	454768	337400	89179	0	34581	-252
CHATTANOOGA	Cohutta Banking Company	57913	16513	53116	283952	4164	8833	358250	320383	18837	0	31574	727
CHATTANOOGA	CapitalMark Bank & Trust	58507	11090	45585	315847	3937	2736	371321	323415	17637	0	36366	-7
CLARKSVILLE	F&M Bank	9963	22656	76414	608334	4725	57693	760372	623345	70604	0	58832	567
CLARKSVILLE	Legends Bank	34936	7676	89346	187016	2257	17065	298846	224815	47253	0	26778	604
CLARKSVILLE	Cumberland Bank and Trust	57091	3862	13839	98878	1037	7677	123219	105670	8047	0	9502	223
CLEVELAND	Bank of Cleveland	26955	6540	7048	240072	3500	12018	262178	226554	6060	0	29564	1592
CLEVELAND	Southern Heritage Bank	35093	4518	61367	150611	3826	13714	226384	194695	9256	0	22433	503
CLIFTON	Peoples Bank	9489	3136	9913	102814	1807	11982	126038	107763	7253	131	11153	510
CLINTON	The Community Bank of East Tennessee	34847	2347	18516	53424	758	6387	79916	70154	3228	0	6534	-1219
COLLIERVILLE	BankTennessee	29177	6072	41675	216001	3425	25735	286058	238493	21808	0	25757	-1935
COLLIERVILLE	Landmark Community Bank	34982	7503	18381	69260	1869	4335	97610	72613	5180	0	19817	-3496
COLUMBIA	First Farmers and Merchants Bank	1487	46312	235944	600235	8210	65541	939822	786650	51675	0	101402	4460
COLUMBIA	Community First Bank & Trust	35165	24732	102021	565815	10696	50985	732857	634005	33343	2015	67436	-1609
COLUMBIA	Heritage Bank & Trust	58220	4300	14240	112174	1727	10208	139195	121104	5892	0	12200	-85
COOKEVILLE	Bank of Putnam County	8432	27039	122752	176581	1542	13064	337894	307498	5571	0	24825	1419
COOKEVILLE	Putnam 1st Mercantile bank	58079	1231	17420	59378	756	4895	82168	72142	571	0	9455	-1755
CORDOVA	First Alliance Bank	35245	10938	12408	107227	2283	11392	139682	112079	15060	0	12543	-583
CROSSVILLE	Cumberland County Bank	18364	30242	56847	144868	1195	11674	242436	222748	2589	0	17099	991
DECATURVILLE	Decatur County Bank	6101	4754	29415	52925	405	6005	92694	72653	10878	0	9163	-241
DECHERD	Franklin County United Bank	57851	6052	13771	68927	1112	5408	93046	80624	332	0	12090	152
DICKSON	Bank of Dickson	17327	9903	64829	101849	1889	7343	182035	150799	7020	0	24216	770
DICKSON	TriStar Bank	35417	4177	32457	91246	916	11512	138476	111249	15577	0	11649	487
DUNLAP	Mountain Valley Bank	1705	3044	13518	76920	841	4624	97265	88308	647	0	8310	326
DUNLAP	Citizens Tri-County Bank	20818	22309	116910	327978	4827	41105	503475	453267	5356	0	44852	2533
DYER	The Farmers & Merchants Bank	1480	4135	36781	41011	326	6913	88514	72962	8470	296	7378	449
ELIZABETHTON	Citizens Bank	14851	25224	125945	446333	6019	28927	620410	487197	67380	2955	68788	2906
ELIZABETHTON	Carter County Bank of Elizabethton, Tennessee	15685	3932	46432	224001	3083	16255	287537	227036	38377	0	22124	1376
ERIN	Traditions First Bank	57092	1467	21508	66080	792	5581	93844	77285	8388	0	8170	111
ERWIN	Mountain Commerce Bank	4931	25665	30323	259978	4304	24225	335887	291642	13719	0	30526	376
FAYETTEVILLE	Bank of Lincoln County	57396	11480	23515	122583	1873	10904	166609	150436	1172	0	15001	169
FRANKEWING	Bank of Frankewing	1484	20469	17557	159067	2129	11816	206780	172294	16945	0	17541	401
FRANKLIN	Tennessee Commerce Bank	35296	15900	106604	1147119	18938	78692	1329377	1205425	10906	0	113046	-7389

TENNESSEE STATE-CHARTERED BANKS

SUMMARY OF INDIVIDUAL BANKS

City	Institution	FDIC Cert #	(A)	(B)	(C)	(D)	(E)	Total Assets	Deposits	(G)	(H)	(I)	(J)
			Cash	Invest	Total Loans	Loan Loss Reserve	Other Assets			Other Liabilities	IIUS	Capital	Net Income
FRANKLIN	Franklin Synergy Bank	58714	7683	83532	138050	2074	7738	234929	189454	20401	0	25074	362
GALLATIN	Sumner Bank & Trust	57954	4651	31073	70522	1057	5214	110403	92247	7313	0	10843	-251
GATES	Gates Banking and Trust Company	10306	1427	20187	14272	310	1879	37455	33048	402	0	4005	215
GERMANTOWN	First Capital Bank	57552	900	38083	148635	3400	10825	195043	149331	20773	0	24939	-1488
GERMANTOWN	Triumph Bank	58227	11190	21917	149547	2025	5267	185896	168546	1133	0	16217	394
GLEASON	Bank of Gleason	2379	3932	42150	45461	643	3587	94487	76082	346	0	18059	759
GREENEVILLE	GreenBank	895	103454	172619	2187388	50157	213226	2626530	2043761	270067	0	312702	-143825
GREENEVILLE	Andrew Johnson Bank	22015	3882	5681	226486	2000	11452	245501	221190	3847	0	20464	672
GREENEVILLE	American Patriot Bank	57169	4596	13737	103656	3027	12946	131908	117602	6471	0	7835	-1443
GREENEVILLE	Heritage Community Bank	57656	6898	6755	96617	1106	9969	119133	91365	18479	0	9289	-134
GREENFIELD	Greenfield Banking Company	15255	1199	13352	34108	372	1816	50103	41512	2516	0	6075	132
HALLS	Bank of Halls	10315	2184	24439	27983	303	3530	57833	47056	4007	0	6770	306
HALLS	The Lauderdale County Bank	22835	4398	13638	20182	266	2309	40261	35594	712	0	3955	42
HARROGATE	Commercial Bank	22354	23982	95085	554023	4839	81537	749788	567668	98419	0	83701	2436
HARTSVILLE	Citizens Bank	6103	2497	28242	98315	1333	4837	132558	116284	4533	0	11741	302
HENDERSON	Chester County Bank	19813	5968	16247	22398	534	1549	45628	39402	1748	0	4478	246
HENDERSONVILLE	American Security Bank and Trust Company	57636	3775	44321	126535	2416	7563	179778	139558	17857	0	22363	-1223
HUNTINGDON	Carroll Bank and Trust	2380	9072	59304	142713	944	18950	229095	203998	3458	0	21639	488
JACKSON	First South Bank	9170	22994	78112	280568	3704	29548	407518	336396	29803	0	42823	1601
JACKSON	The Bank of Jackson	34457	3220	32085	85119	1193	8076	127307	104064	9090	0	14153	299
JAMESTOWN	Union Bank	6088	7238	44466	96674	921	14333	161790	140932	1490	0	19368	521
JAMESTOWN	COMMUNITY BANK OF THE CUMBERLANDS	57111	4214	10882	102552	2656	8316	123308	116967	1195	5	5151	-2165
JASPER	Citizens State Bank	20100	3366	7499	47437	376	5748	63674	56361	2217	0	5096	162
JEFFERSON CITY	First Peoples Bank of Tennessee	21874	5148	21511	95409	706	4984	126346	108113	9077	0	9156	140
JELICO	Union Bank	1693	3649	17194	37383	366	3725	61585	53734	750	0	7102	556
KINGSPORT	Bank of Tennessee	21573	20533	105007	490077	5961	51301	660957	481626	129213	3078	53196	4055
KINGSPORT	TriSummit Bank	58467	7884	107557	94827	1185	14932	224015	167331	33440	1	23245	-1617
KNOXVILLE	Clayton Bank and Trust	6104	11202	88210	466498	9272	30091	586729	480795	40656	0	65278	2234
KNOXVILLE	BankEast	19869	13930	25073	270252	3929	54322	359648	313752	9273	0	36623	-324
KNOXVILLE	American Trust Bank of East Tennessee	57689	21312	25914	104001	2087	4303	153443	119833	19998	0	13612	322
LA FOLLETTE	Peoples Bank of the South	4945	2798	14583	128586	1080	5769	150656	119714	12350	0	18592	756
LAFAYETTE	Citizens Bank of Lafayette	1711	13249	131129	177301	2252	15305	334732	291596	10076	95	33155	881
LAFAYETTE	Macon Bank and Trust Company	6091	9582	141647	131610	1718	14347	295468	259739	3275	0	32454	1187
LEBANON	Wilson Bank and Trust	26962	10876	268129	1107553	13956	61016	1433618	1272529	27968	0	133121	6646
LEBANON	CedarStone Bank	57684	4842	27313	110809	1402	8532	150094	122909	14782	0	12403	-3622
LEBANON	First Freedom Bank	58208	9776	42385	160858	2648	10672	221043	194647	5003	0	21392	-1107
LEWISBURG	First Commerce Bank	57465	5031	48480	147435	1726	12715	211935	179286	12470	0	20179	563
LEXINGTON	First Bank	8663	43349	410417	1631173	25639	136249	2195549	1855889	119866	0	213796	1472
LEXINGTON	Community Bank	31272	2054	17164	56828	576	4552	80022	65277	8526	0	6219	435
LIBERTY	Liberty State Bank	11881	5138	30922	82854	1237	6247	123924	109796	2027	111	12212	566
LIVINGSTON	Union Bank & Trust Company	9179	1884	25945	46201	667	1865	75228	67046	672	413	7923	905
LIVINGSTON	American Bank & Trust of the Cumberlands	31980	1557	18630	73216	958	6636	99081	87150	4102	0	7829	-653
LOBELVILLE	Bank of Perry County	1713	6667	12360	107494	1284	8164	133401	110267	10980	119	12273	-237
LYNCHBURG	The Farmers Bank of Lynchburg	1690	6804	6066	39605	858	4505	56122	48350	374	0	7398	114
MADISONVILLE	Peoples Bank of East Tennessee	34517	11483	25516	132743	1452	13842	182132	161932	4211	0	15989	-148
MANCHESTER	Peoples Bank & Trust Company	1475	3096	16832	48316	656	7599	75187	61397	5884	0	7906	1
MANCHESTER	Coffee County Bank	22090	6295	13615	103340	1339	6272	128183	104596	10306	0	13281	1111
MARYVILLE	Citizens Bank of Blount County	21227	52095	35449	244925	3428	16094	345135	263506	27353	0	54276	1392

TENNESSEE STATE-CHARTERED BANKS

SUMMARY OF INDIVIDUAL BANKS

City	Institution	FDIC Cert #	(A)	(B)	(C)	(D)	(E)	Total Assets	Deposits	(G)	(H)	(I)	(J)
			Cash	Invest	Total Loans	Loan Loss Reserve	Other Assets			Other Liabilities	IIUS	Capital	Net Income
MARYVILLE	Foothills Bank & Trust	58591	7346	22729	54976	691	2980	87340	62316	8249	0	16775	-297
MASON	The Bank of Mason	9956	616	3211	7954	34	2878	14625	10494	589	0	3542	-156
MC KENZIE	McKenzie Banking Company	13955	49342	2059	53875	1428	4438	108286	94463	561	0	13262	521
MC MINNVILLE	Security Federal Savings Bank of McMinnville	31146	6877	14600	115424	1157	7425	143169	112647	17505	0	13017	437
MC MINNVILLE	Homeland Community Bank	57632	6674	22040	67006	676	2763	97807	86980	710	0	10117	40
MEDINA	Medina Banking Co.	10316	3592	17534	10995	219	726	32628	26708	207	0	5713	92
MEMPHIS	Tri-State Bank of Memphis	16511	11477	29042	89291	1330	4844	133324	108710	6876	0	17738	-92
MEMPHIS	Trust One Bank	34059	7027	48380	335026	9494	36884	417823	345124	31579	0	41120	-2408
MEMPHIS	Independent Bank	34728	22156	37819	624038	7309	29859	706563	581321	54575	0	60667	1808
MILAN	The Bank of Milan	33851	12119	14730	32278	407	3651	62371	51673	5407	0	5291	-13
MILLINGTON	Patriot Bank	57416	6064	30217	152164	1839	15448	202054	171097	13564	0	17393	461
MORRISTOWN	Jefferson Federal Bank	34137	29066	51510	503710	4722	83779	663343	483189	98118	0	82036	1579
MOSCOW	The Bank of Fayette County	10308	12968	28852	222493	2702	13685	275296	212876	40784	0	21636	485
MOUNTAIN CITY	Farmers State Bank	13775	3211	33893	82635	1394	9552	127897	98854	9159	0	19884	345
MOUNTAIN CITY	Johnson County Bank	22070	12170	12160	88472	1273	7793	119322	88207	17150	0	13965	693
MURFREESBORO	MidSouth Bank	57659	6974	24553	221768	5541	13689	261443	229044	6198	0	26201	-1942
NASHVILLE	Avenue Bank	6106	3043	134787	292668	4548	31582	457532	349685	55611	0	52236	-2664
NASHVILLE	Citizens Savings Bank and Trust Company	10319	7144	8010	60558	693	1682	76701	66783	2359	0	7560	74
NASHVILLE	The Bank of Nashville	32713	8239	94855	657468	15758	27472	772276	541445	159009	0	71822	-3804
NASHVILLE	InsBank	35521	10136	21786	98985	1087	6052	135872	86491	35072	0	14309	-88
NASHVILLE	Nashville Bank and Trust Company	57825	27271	6105	133108	1657	3145	167972	138343	8797	0	20832	245
NASHVILLE	Civic Bank & Trust	58040	9916	32266	90335	2479	2521	132559	95030	24474	0	13055	31
NASHVILLE	CapStar Bank	58823	36870	54445	138109	1732	7261	234953	157642	3541	0	73770	-4418
NEW TAZEWELL	Citizens Bank	1695	10395	30373	97532	1456	8048	144892	132723	602	0	11567	-1373
NEWBERN	Security Bank	2391	5850	51228	78715	1211	12598	147180	116532	13238	0	17410	703
NOLENSVILLE	Peoples State Bank of Commerce	1701	13389	49490	162446	1314	26793	250804	207016	15669	0	28119	187
OAKLAND	Oakland Deposit Bank	34023	18815	6722	78142	772	22035	124942	159449	26034	0	18167	-121
OAK RIDGE	TNBANK	10320	10894	47828	132953	1709	13683	203649	113812	918	0	10212	-2317
ONEIDA	First Trust and Savings Bank, Oneida, Tennessee	6109	5120	19931	98193	1104	5075	127215	107408	6392	0	13415	923
OOLTEWAH	Community Trust & Banking Company	35138	2223	21294	123775	1225	7340	153407	134649	6708	0	12050	-320
PARIS	Commercial Bank & Trust Co.	8660	11342	119709	451121	7092	30859	605939	529873	22569	0	51497	2734
PARIS	Security Bank and Trust Company	9172	26049	12436	111457	693	7821	157070	127778	14172	0	15120	1646
PARSONS	Farmers Bank	8661	1882	10619	19749	327	1877	33800	29018	377	0	4405	70
PARSONS	Community South Bank	19849	28225	13783	603674	4800	58184	699066	621871	24837	505	52863	2176
PIGEON FORGE	Tennessee State Bank	20720	38981	91028	569935	10019	57327	747252	640665	47388	0	59199	5408
PIGEON FORGE	SmartBank	58463	12014	32912	205312	2566	8662	256334	218265	11489	0	26580	-5
PORTLAND	The Farmers Bank	1696	11324	95902	340798	3677	21161	465508	377680	43147	1378	46059	2000
PORTLAND	Volunteer State Bank	22451	327	25526	271657	3058	22826	317278	266580	25406	0	25292	1212
RIPLEY	Bank of Ripley	15673	3502	74623	83612	855	13674	174556	146345	2092	0	26119	155
ROGERSVILLE	The Citizens Bank of East Tennessee	9499	2217	23828	109591	1075	8009	142570	122125	8371	0	12074	194
ROGERSVILLE	First Community Bank of East Tennessee Citizens Bank and Trust Company of Grainger County	33794	9298	17325	198274	2476	17663	240084	183737	31895	0	24452	636
RUTLEDGE		10317	4354	67586	74126	1105	10347	155308	126122	1253	0	27933	941
SARDIS	The Peoples Bank	6110	8766	26032	33908	485	4615	72836	66423	1071	1	5343	-265
SAVANNAH	The Hardin County Bank	20993	6538	44490	229986	1830	24488	303672	251771	31154	678	21425	1060
SAVANNAH	Central Bank	31545	5436	11114	119990	1058	7014	142496	111513	16749	0	14235	751
SELMER	Home Banking Company	9196	3337	15934	35929	526	4869	59543	52820	795	0	5928	287
SEVIERVILLE	Sevier County Bank	10318	7332	92052	284418	3647	42263	422418	374050	3982	0	44386	-590
SHELBYVILLE	First Community Bank of Bedford County	27211	11968	77405	166727	2373	20832	274559	195125	47833	0	31601	1778

TENNESSEE STATE-CHARTERED BANKS

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City	Institution	FDIC Cert #	(A)	(B)	(C)	(D)	(E)	Total Assets	(F)	(G)	(H)	(I)	(J)
			Cash	Invest	Total Loans	Loan Loss Reserve	Other Assets		Deposits	Other Liabilities	IIUS	Capital	Net Income
SHELBYVILLE	PEOPLES BANK OF BEDFORD COUNTY	35604	5901	12153	73950	754	5513	96763	86855	981	0	8927	255
SOMERVILLE	The Somerville Bank & Trust Company	9174	6644	66707	105101	1897	9272	185827	164970	1071	0	19786	523
SPENCER	Citizens Bank of Spencer, Tenn.	6092	2079	10555	30124	421	2406	44743	38556	425	0	5762	219
SPRING CITY	First Bank of Tennessee	10693	6075	24464	181150	1475	10445	220659	197254	6674	800	17531	1429
SPRINGFIELD	Commerce Union Bank	58366	7304	39848	82829	1050	7018	135949	89637	17766	0	28547	32
TAZEWELL	First Century Bank	1700	14254	48227	180720	4857	18863	257207	227713	1269	0	28225	-129
TREZEVANT	Farmer's and Merchants Bank	8439	6705	3053	169819	1654	14867	192790	159729	14594	0	18467	189
TULLAHOMA	American City Bank of Tullahoma	21663	7034	30657	165247	2345	18361	218954	174830	11736	0	32388	934
TULLAHOMA	The Bank of Tullahoma	58105	2119	19853	54418	554	4338	80174	59893	6225	0	14056	92
TULLAHOMA	First Vision Bank of Tennessee	58201	2138	12686	86045	1096	7962	107735	85533	7150	0	15051	59
UNION CITY	First State Bank	1479	23928	284202	1030282	20526	94685	1412571	1178176	123911	11	110395	-7389
UNION CITY	Reelfoot Bank	9199	11251	32610	85156	1011	10912	138918	124417	2452	0	12049	231
WARTBURG	Citizens First Bank	34311	9293	21135	120250	1550	14171	163299	146859	5251	70	11259	-487
WAYNESBORO	The Bank of Waynesboro	2375	11868	16071	107351	2357	9357	142290	124278	3114	0	14898	781
WAYNESBORO	Wayne County Bank	9168	5149	16366	201342	5182	22703	240378	190227	22402	466	28215	1263
WINCHESTER	Citizens Community Bank	33739	4362	21617	122742	1490	11458	158689	131848	9669	0	17172	1039
WOODLAND MILLS	The Farmers Bank, Woodland Mills, Tennessee	15205	1365	5393	4037	108	227	10914	8797	22	0	2095	3
TOTALS			1775305	7535232	32538030	493799	2909988	44264756	36694594	3109852	14968	4452845	-116338

- (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) Investment in Unconsolidated Subsidiaries
- (I) 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, 2009

CITY	INSTITUTION	CERT #	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	9188	0.7	49.74	2.55	12.48	61.14	5.52
ASHLAND CITY	Community Bank & Trust	35258	0.71	67.14	1.31	8.69	81.83	7.54
ATHENS	SouthEast Bank & Trust	57348	-0.08	84.04	1.19	7.38	95.84	-0.97
ATWOOD	Citizens Bank & Trust Company	6100	0.8	56.21	0.74	9.01	62.47	8.93
BARTLETT	Bank of Bartlett	23123	-1.31	57.73	2.65	4.4	72.91	-21.78
BELLS	Bank of Crockett	1468	1.4	38.94	2.09	10.81	46.39	12.52
BOLIVAR	Merchants & Planters Bank	8665	0.38	61.17	1.11	10.69	73.52	3.78
BRENTWOOD	Reliant Bank	58209	0.97	79.35	1.25	9.14	96.93	10.22
BRIGHTON	Brighton Bank	9189	-0.02	78.14	1.18	10.44	93.89	-0.18
BROWNSVILLE	INSOUTH Bank	22020	-2.71	69.3	2.2	6.97	78.86	-30.66
BYRDSTOWN	People's Bank and Trust Co. of Pickett Co.	22756	0.13	75.6	1.68	9.02	85.23	1.38
CAMDEN	Bank of Camden	9176	0.58	60.02	1.47	9.51	81.9	3.73
CARTHAGE	Citizens Bank	893	1.55	53.48	0.97	15.15	63.47	10.19
CHAPEL HILL	First State Bank	2383	-0.03	63.88	0.9	10.35	71.87	-0.26
CHATTANOOGA	First Volunteer Bank of Tennessee	10307	0.95	76.95	1.24	8.88	88.39	9.77
CHATTANOOGA	Cornerstone Community Bank	26256	-1.25	76.6	2.05	7.56	104.69	-16.47
CHATTANOOGA	Cohutta Banking Company	57913	-0.14	75.46	1.47	8.29	87.33	-1.58
CHATTANOOGA	CapitalMark Bank & Trust	58507	0.4	82.64	1.25	9.74	96.44	4.3
CLARKSVILLE	F&M Bank	9963	0.15	79.38	0.78	8.68	96.83	2
CLARKSVILLE	Legends Bank	34936	0.41	61.82	1.21	9.66	82.18	4.96
CLARKSVILLE	Cumberland Bank and Trust	57091	0.36	79.4	1.05	7.73	92.59	4.73
CLEVELAND	Bank of Cleveland	26955	1.19	90.23	1.46	10.99	104.42	10.89
CLEVELAND	Southern Heritage Bank	35093	0.46	64.84	2.54	10	75.39	5.3
CLIFTON	Peoples Bank	9489	0.8	80.06	1.76	9.01	93.73	9.33
CLINTON	The Community Bank of East Tennessee	34847	-3.01	65.9	1.42	8.62	75.07	-34.02
COLLIERVILLE	BankTennessee	29177	-1.32	74.31	1.59	7.51	89.13	-15.39
COLLIERVILLE	Landmark Community Bank	34982	-9.29	69.04	2.7	25.63	92.81	-55.24
COLUMBIA	First Farmers and Merchants Bank	1487	0.98	62.99	1.37	10.41	75.26	8.62
COLUMBIA	Community First Bank & Trust	35165	-0.45	75.54	1.89	8.52	87.56	-4.88
COLUMBIA	Heritage Bank & Trust	58220	-0.13	79.35	1.54	8.58	91.2	-1.45
COOKEVILLE	Bank of Putnam County	8432	0.83	51.8	0.87	7.39	56.92	11.59
COOKEVILLE	Putnam 1st Mercantile bank	58079	-4.39	71.34	1.27	11.55	81.26	-34.01
CORDOVA	First Alliance Bank	35245	-0.87	75.13	2.13	9.12	93.63	-10.59
CROSSVILLE	Cumberland County Bank	18364	0.84	59.26	0.82	7.17	64.5	11.77
DECATURVILLE	Decatur County Bank	6101	-0.54	56.66	0.77	12.81	72.29	-4.97
DECHERD	Franklin County United Bank	57851	0.34	72.88	1.61	13.22	84.11	2.57
DICKSON	Bank of Dickson	17327	0.86	54.91	1.85	13.08	66.29	6.38
DICKSON	TriStar Bank	35417	0.72	65.23	1	8.67	81.2	8.56
DUNLAP	Mountain Valley Bank	1705	0.66	78.22	1.09	8.47	86.15	7.85
DUNLAP	Citizens Tri-County Bank	20818	1.01	64.18	1.47	7.65	71.29	11.32
DYER	The Farmers & Merchants Bank	1480	0.99	45.81	0.79	8.38	55.76	11.93
ELIZABETHTON	Citizens Bank	14851	0.92	70.64	1.35	10.99	90.38	8.54
ELIZABETHTON	Carter County Bank of Elizabethton, Tennessee	15685	0.98	76.83	1.38	7.9	97.31	12.23
ERIN	Traditions First Bank	57092	0.24	69.57	1.2	8.95	84.48	2.72
ERWIN	Mountain Commerce Bank	4931	0.22	76.12	1.66	8.11	87.67	2.48
FAYETTEVILLE	Bank of Lincoln County	57396	0.2	72.45	1.53	8.75	80.24	2.25
FRANKEWING	Bank of Frankewing	1484	0.39	75.9	1.34	8.6	91.09	4.58
FRANKLIN	Tennessee Commerce Bank	35296	-1.17	84.87	1.65	8.79	93.59	-13.37

TENNESSEE STATE-CHARTERED BANKS

KEY BANK RATIOS AS OF JUNE 30, 2009

CITY	INSTITUTION	CERT #	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
FRANKLIN	Franklin Synergy Bank	58714	0.33	57.88	1.5	10.27	71.77	2.88
GALLATIN	Sumner Bank & Trust	57954	-0.48	62.92	1.5	9.86	75.3	-4.52
GATES	Gates Banking and Trust Company	10306	1.19	37.28	2.17	10.39	42.25	11.08
GERMANTOWN	First Capital Bank	57552	-1.5	74.46	2.29	11.85	97.26	-13.31
GERMANTOWN	Triumph Bank	58227	0.46	79.36	1.35	9.11	87.53	4.89
GLEASON	Bank of Gleason	2379	1.64	47.43	1.41	18.99	58.91	8.47
GREENEVILLE	GreenBank	895	-10.2	81.37	2.29	10.85	104.57	-69.75
GREENEVILLE	Andrew Johnson Bank	22015	0.55	91.44	0.88	8.31	101.49	6.61
GREENEVILLE	American Patriot Bank	57169	-2.28	76.29	2.92	4.87	85.57	-33.48
GREENEVILLE	Heritage Community Bank	57656	-0.23	80.17	1.14	7.73	104.54	-2.88
GREENFIELD	Greenfield Banking Company	15255	0.53	67.33	1.09	12.1	81.27	4.39
HALLS	Bank of Halls	10315	1.05	47.86	1.08	11.28	58.82	9.28
HALLS	The Lauderdale County Bank	22835	0.2	49.47	1.32	9.42	55.95	2.1
HARROGATE	Commercial Bank	22354	0.66	73.25	0.87	9.01	96.74	5.87
HARTSVILLE	Citizens Bank	6103	0.46	73.16	1.36	8.85	83.4	5.19
HENDERSON	Chester County Bank	19813	1.1	47.92	2.38	9.54	55.49	11.08
HENDERSONVILLE	American Security Bank and Trust Company	57636	-1.41	69.04	1.91	12.69	88.94	-10.46
HUNTINGDON	Carroll Bank and Trust	2380	0.43	61.88	0.66	8.72	69.5	4.51
JACKSON	First South Bank	9170	0.79	67.69	1.32	8.62	82.3	7.45
JACKSON	The Bank of Jackson	34457	0.48	65.92	1.4	10.99	80.65	4.27
JAMESTOWN	Union Bank	6088	0.64	59.18	0.95	11.78	67.94	5.36
JAMESTOWN	COMMUNITY BANK OF THE CUMBERLANDS	57111	-3.43	81.01	2.59	4.08	85.41	-67.03
JASPER	Citizens State Bank	20100	0.5	73.91	0.79	7.89	83.5	6.35
JEFFERSON CITY	First Peoples Bank of Tennessee	21874	0.23	74.96	0.74	7.56	87.6	2.89
JELICO	Union Bank	1693	1.84	60.11	0.98	11.51	68.89	15.73
KINGSPORT	Bank of Tennessee	21573	1.2	72.91	1.22	7.6	100.52	15.42
KINGSPORT	TriSummit Bank	58467	-1.79	41.8	1.25	11.28	55.96	-14.26
KNOXVILLE	Clayton Bank and Trust	6104	0.79	77.93	1.99	11.15	95.1	6.96
KNOXVILLE	BankEast	19869	-0.18	74.05	1.45	9.44	84.88	-1.8
KNOXVILLE	American Trust Bank of East Tennessee	57689	0.42	66.42	2.01	8.75	85.05	4.72
LA FOLLETTE	Peoples Bank of the South	4945	1.02	84.63	0.84	12.26	106.51	8.05
LAFAYETTE	Citizens Bank of Lafayette	1711	0.56	52.28	1.27	10.9	60.03	5.32
LAFAYETTE	Macon Bank and Trust Company	6091	0.81	43.96	1.31	10.83	50.01	7.37
LEBANON	Wilson Bank and Trust	26962	0.93	76.28	1.26	8.97	85.94	10.14
LEBANON	CedarStone Bank	57684	-4.82	72.89	1.27	8.06	89.01	-59.81
LEBANON	First Freedom Bank	58208	-1.05	71.57	1.65	9.4	81.28	-10.83
LEWISBURG	First Commerce Bank	57465	0.52	68.75	1.17	9.47	81.27	5.83
LEXINGTON	First Bank	8663	0.14	73.13	1.57	6.91	86.51	1.37
LEXINGTON	Community Bank	31272	1.12	70.3	1.01	8.13	86.17	14.01
LIBERTY	Liberty State Bank	11881	0.93	65.8	1.49	9.75	74.34	9.46
LIVINGSTON	Union Bank & Trust Company	9179	2.34	60.2	1.44	10.1	67.91	24.39
LIVINGSTON	American Bank & Trust of the Cumberlands	31980	-1.37	72.93	1.31	8.04	82.91	-17.59
LOBELVILLE	Bank of Perry County	1713	-0.35	79.55	1.19	9.03	96.32	-3.63
LYNCHBURG	The Farmers Bank of Lynchburg	1690	0.41	69.04	2.17	13.33	80.14	3.05
MADISONVILLE	Peoples Bank of East Tennessee	34517	-0.17	72.09	1.09	9.07	81.08	-1.97
MANCHESTER	Peoples Bank & Trust Company	1475	0	63.39	1.36	10.54	77.63	0.02
MANCHESTER	Coffee County Bank	22090	1.74	79.57	1.3	10.3	97.52	17.21
MARYVILLE	Citizens Bank of Blount County	21227	0.83	69.97	1.4	15.98	91.65	5.19

TENNESSEE STATE-CHARTERED BANKS

KEY BANK RATIOS AS OF JUNE 30, 2009

CITY	INSTITUTION	CERT #	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
MARYVILLE	Foothills Bank & Trust	58591	-0.77	62.15	1.26	20.39	87.11	-3.51
MASON	The Bank of Mason	9956	-2.44	54.15	0.43	19.79	75.47	-8.51
MCKENZIE	McKenzie Banking Company	13955	0.97	48.43	2.65	12.25	55.52	8
MCMINNVILLE	Security Federal Savings Bank of McMinnville	31146	0.64	79.81	1	9.35	101.44	6.77
MCMINNVILLE	Homeland Community Bank	57632	0.09	67.82	1.01	10.6	76.26	0.79
MEDINA	Medina Banking Co.	10316	0.57	33.03	1.99	16.92	40.35	3.24
MEMPHIS	Tri-State Bank of Memphis	16511	-0.15	65.98	1.49	13.66	80.91	-1.14
MEMPHIS	Trust One Bank	34059	-1.14	77.91	2.83	8.57	94.32	-11.33
MEMPHIS	Independent Bank	34728	0.53	87.29	1.17	8.79	106.09	6.06
MILAN	The Bank of Milan	33851	-0.04	51.1	1.26	8.14	61.68	-0.47
MILLINGTON	Patriot Bank	57416	0.47	74.4	1.21	8.44	87.86	5.38
MORRISTOWN	Jefferson Federal Bank	34137	0.48	75.22	0.94	7.85	103.27	3.91
MOSCOW	The Bank of Fayette County	10308	0.37	79.84	1.21	8.09	103.25	4.51
MOUNTAIN CITY	Farmers State Bank	13775	0.55	63.52	1.69	15.59	82.18	3.46
MOUNTAIN CITY	Johnson County Bank	22070	1.16	73.08	1.44	11.53	98.86	10.18
MURFREESBORO	MidSouth Bank	57659	-1.45	82.71	2.5	9.81	94.4	-14.39
NASHVILLE	Avenue Bank	6106	-1.22	62.97	1.55	10.91	82.39	-9.86
NASHVILLE	Citizens Savings Bank and Trust Company	10319	0.2	78.05	1.14	9.64	89.64	1.96
NASHVILLE	The Bank of Nashville	32713	-0.95	83.09	2.4	8.16	118.52	-10.29
NASHVILLE	InsBank	35521	-0.13	72.05	1.1	10.05	113.19	-1.22
NASHVILLE	Nashville Bank and Trust Company	57825	0.3	78.26	1.24	12.57	95.02	2.37
NASHVILLE	Civic Bank & Trust	58040	0.05	66.28	2.74	10.2	92.45	0.47
NASHVILLE	CapStar Bank	58823	-5.17	58.04	1.25	36.05	86.51	-11.67
NEW TAZEWELL	Citizens Bank	1695	-1.87	66.31	1.49	7.75	72.39	-22.31
NEWBERN	Security Bank	2391	0.98	52.66	1.54	11.8	66.51	8.25
NOLENSVILLE	Peoples State Bank of Commerce	1701	0.15	64.25	0.81	7.35	77.84	1.3
OAKLAND	Oakland Deposit Bank	10320	-3.75	61.92	0.99	2.91	67.98	-41.35
OAK RIDGE	TNBANK	34023	-0.12	64.45	1.29	9.19	82.31	-1.31
ONEIDA	First Trust and Savings Bank, Oneida, Tennessee	6109	1.48	76.32	1.12	10.3	90.39	14.07
OOLTEWAH	Community Trust & Banking Company	35138	-0.45	79.89	0.99	8.12	91.01	-5.17
PARIS	Commercial Bank & Trust Co.	8660	0.93	73.28	1.57	7.88	83.8	10.86
PARIS	Security Bank and Trust Company	9172	2.2	70.52	0.62	9.75	86.68	21.78
PARSONS	Farmers Bank	8661	0.4	57.46	1.66	12.42	66.93	3.19
PARSONS	Community South Bank	19849	0.62	85.61	0.8	7.55	96.3	8.87
PIGEON FORGE	Tennessee State Bank	20720	1.5	74.93	1.76	8.06	87.4	19.16
PIGEON FORGE	SmartBank	58463	0	79.09	1.25	10.65	92.89	-0.04
PORTLAND	The Farmers Bank	1696	0.86	72.21	1.08	9.64	89.26	8.78
PORTLAND	Volunteer State Bank	22451	0.73	84.66	1.13	7.44	100.76	9.76
RIPLEY	Bank of Ripley	15673	0.18	47.41	1.02	14.99	56.55	1.18
ROGERSVILLE	The Citizens Bank of East Tennessee	9499	0.28	76.11	0.98	8.18	88.86	3.23
ROGERSVILLE	First Community Bank of East Tennessee	33794	0.53	81.55	1.25	10.22	106.56	5.2
RUTLEDGE	Citizens Bank and Trust Co. of Grainger Co.	10317	1.22	47.02	1.49	17.49	57.9	6.8
SARDIS	The Peoples Bank	6110	-0.72	45.89	1.43	6.05	50.32	-9.14
SAVANNAH	The Hardin County Bank	20993	0.71	74.97	0.8	7.4	90.62	10.18
SAVANNAH	Central Bank	31545	1.08	83.46	0.88	10.55	106.65	10.54
SELMER	Home Banking Company	9196	0.96	59.46	1.46	10.19	67.03	9.97
SEVIERVILLE	Sevier County Bank	10318	-0.28	66.47	1.28	10.49	75.06	-2.63
SHELBYVILLE	First Community Bank of Bedford County	27211	1.32	59.86	1.42	11.21	84.23	11.48

TENNESSEE STATE-CHARTERED BANKS

KEY BANK RATIOS AS OF JUNE 30, 2009

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SHELBYVILLE	PEOPLES BANK OF BEDFORD COUNTY	35604	0.53	75.64	1.02	9.18	84.27	5.63
SOMERVILLE	The Somerville Bank & Trust Company	9174	0.57	55.54	1.8	8.47	62.56	5.3
SPENCER	Citizens Bank of Spencer, Tenn.	6092	0.96	66.39	1.4	12.29	77.04	7.65
SPRING CITY	First Bank of Tennessee	10693	1.3	81.13	0.81	7.92	91.09	16.68
SPRINGFIELD	Commerce Union Bank	58366	0.05	60.15	1.27	21.28	91.23	0.22
TAZEWELL	First Century Bank	1700	-0.1	68.37	2.69	10.24	77.23	-0.91
TREZEVANT	Farmer's and Merchants Bank	8439	0.21	87.23	0.97	9.55	105.28	2.22
TULLAHOMA	American City Bank of Tullahoma	21663	0.85	74.4	1.42	10.19	93.18	5.87
TULLAHOMA	The Bank of Tullahoma	58105	0.24	67.18	1.02	17.68	89.93	1.36
TULLAHOMA	First Vision Bank of Tennessee	58201	0.11	78.85	1.27	14.21	99.32	0.81
UNION CITY	First State Bank	1479	-1.06	71.48	1.99	7.54	85.71	-13.58
UNION CITY	Reelfoot Bank	9199	0.33	60.57	1.19	8.56	67.63	3.82
WARTBURG	Citizens First Bank	34311	-0.59	72.66	1.29	6.78	80.83	-8.45
WAYNESBORO	The Bank of Waynesboro	2375	1.11	73.79	2.2	10.46	84.48	10.72
WAYNESBORO	Wayne County Bank	9168	1.08	81.45	2.57	11.9	103.12	9.11
WINCHESTER	Citizens Community Bank	33739	1.33	76.41	1.21	10.82	91.96	12.34
WOODLAND MILLS	The Farmers Bank, Woodland Mills, Tennessee	15205	0.05	36	2.68	19.38	44.66	0.29
Median Including All Institutions			0.41	71.34	1.31	9.51	84.88	3.91

TENNESSEE STATE-CHARTERED TRUST COMPANIES

CONSOLIDATED BALANCE SHEET (TO NEAREST THOUSAND)

As of June 30, 2009 and June 30, 2008

	June 30, 2009	June 30, 2008	\$ Change	% Change
ASSETS				
Cash and Due from Banks	18,392	17,395	997	5.73%
Securities and Investments	1,786	2,279	-493	-21.63%
Premises and Fixed Assets	1,272	2,271	-999	-43.99%
Other Assets	54,239	56,634	-2,395	-4.23%
TOTAL ASSETS	75,689	78,579	-2,890	-3.68%
LIABILITIES				
Other Liabilities	9,234	9,976	-742	-7.44%
TOTAL LIABILITIES	9,234	9,976	-742	-7.44%
NET ASSETS				
Unrestricted Assets	185	214	-29	-13.55%
Temporarily Restricted Assets	6	6	0	0.00%
Permanently Restricted Assets	8	8	0	0.00%
EQUITY CAPITAL				
Common Stock	4,773	4,773	0	0.00%
Less: Treasury Stock	756	756	0	0.00%
Surplus	12,731	62,808	-50,077	-79.73%
Additional Paid-in Capital	50,102	0	50,102	NA
Undivided Profits	-605	1,504	-2,109	-140.23%
Stock Options	23	23	0	0.00%
Unrealized Gains and (Losses)	-12	23	57	-152.17%
TOTAL EQUITY CAPITAL	66,256	68,375	-2,119	-3.10%
TOTAL LIABILITIES AND EQUITY CAPITAL	75,689	78,579	-2,890	-3.68%

TENNESSEE STATE-CHARTERED TRUST COMPANIES

CONSOLIDATED INCOME STATEMENT (TO NEAREST THOUSAND)

Six months ending June 30, 2009 and June 30, 2008

	June 30, 2009	June 30, 2008	\$ Change	% Change
Fee Income	36,433	47,102	-10,669	-22.7%
NET FEE INCOME	36,433	47,102	-10,669	-22.7%
Other Income	114	142	-28	-19.7%
TOTAL INCOME	36,547	47,244	-10,697	-22.6%
Operating Expenses	23,041	26,433	-3,392	-12.8%
Advisor/Consulting Fees	12,845	15,057	-2,212	-14.7%
Inter-Company Expense (Credit)	376	680	-304	-44.7%
Securities (Gains) and Losses	0	2	-2	NA
TOTAL OPERATING EXPENSES	36,262	42,172	-5,910	-14.0%
Pre-Tax Net Operating Income	285	5,072	-4,787	-94.4%
Applicable Income Taxes	-709	507	-1,216	-239.8%
Non-Operating Expenses	1,063	1,731	-668	-38.6%
NET OPERATING INCOME	-69	2,834	-2,903	-102.4%
Dividends and/or Distributions to Shareholders	45	0	45	NA
Extraordinary Gains/Losses	0	0	0	0.0%
NET INCOME	-114	2,834	-2,948	-104.0%
TOTAL DIVIDENDS AND/OR DISTRIBUTIONS	168	302	-134	-44.4%

TENNESSEE STATE-CHARTERED TRUST COMPANIES

STATEMENT OF CONDITION (TO NEAREST THOUSAND)

As of June 30, 2009

		A	B	C	D	E	F	G	H	I	J
		Cash	Invest	Other Assets	Total Assets	Other Liabilities	Equity Capital	Net Income	TAUM	Common/Collective Funds	No. of Funds
Meridian Trust and Investment Company	Knoxville	118	610	607	1,335	85	1,250	234	387,360	NA	NA
The Trust Company of Knoxville	Knoxville	1,738	5	458	2,201	171	2,030	223	1,091,116	29,778,688	2
Diversified Trust Company	Memphis	953	0	3,313	4,266	3,199	1,067	6	3,667,049	914,335,734	12
First Mercantile Trust Company	Memphis	14,684	0	48,846	63,530	5,442	58,088	-1,337	3,525,000	3,148,056,441	204
Investment Counsel and Trust Company	Memphis	278	124	170	572	48	524	-44	83,663	NA	NA
Cumberland Trust and Investment Company	Nashville	154	0	1,057	1,211	91	1,120	34	713,270	NA	NA
Equitable Trust Company	Nashville	442	1,033	887	2,362	185	2,177	795	1,047,963	NA	NA
Guardianship and Trusts Corporation (K, L)	Nashville	25	14	173	212	13	199(M)	-25	10,679	NA	NA
Total		18,392	1,786	55,511	75,689	9,234	66,256	-114	10,526,100		

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
 Chris Adams, Chief Administrator
 David Axford, JD, Chief Administrator
 Trey Talley, JD, Legal Liaison
 Mandy Jones, Project Manager
 Melody Johnson, Supervisor, Administrative Services
 Steffany Daniel, Administrative Services Assistant 3
 George Goodwin, Administrative Services Assistant 2
 Melanie Harper, Administrative Services Assistant 3
 Carmen McCreedy, Executive Secretary 1
 Bettye Osborne, Administrative Services Assistant 3
 Gina Tarolli, Administrative Services Assistant 2

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 federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (the "SAFE Act"), which was enacted into law on July 30, 2008 as part of the Housing and Economic Recovery Act of 2008, directs states to adopt licensing and registration requirements for residential mortgage loan originators ("MLOs") that meet specified minimum standards. The SAFE Act also encourages the establishment of a nationwide mortgage licensing system and registry ("NMLS") for the purpose of providing uniform state licensing and reporting requirements for MLOs. The Department began participating in NMLS on February 1, 2009. During its 2009 session, the General Assembly passed a bill, assigned Public Chapter 499, which substantially amended the Tennessee Residential Lending, Brokerage and Servicing Act (the "Mortgage Act"), effective July 31, 2009. One of the stated purposes for the amendments is to be compliant with the SAFE Act.

The SAFE Act and amended Mortgage Act increase the Department's responsibilities for the regulatory supervision of state-licensed MLOs and the institutions with which they are affiliated. As of January 1, 2009, the Department was already compliant with some mandates of the SAFE Act, such as conducting fingerprint-based criminal history background checks, but there are some new requirements for obtaining and maintaining an MLO license which will require additional oversight by the Department. These include completing pre-licensure education and testing which must be completed by July 30, 2010. In addition, beginning in 2011, all MLOs will be required to complete continuing education on an annual basis.

Through a comprehensive examination program, licensed and regulated 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. 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.

With the Department's commitment to increased regulatory oversight, additional examiners were added to the division beginning in 2004. As a result, examination penetration has increased across industry types, particularly in the mortgage area.

As a result of 4,429 on-site examinations and other regulatory oversight of non-depository financial institutions, the Department returned refunds in excess of \$1.6 million to consumers for the calendar year ending December 31, 2009. In addition, the Compliance Division initiated 138 administrative enforcement actions during calendar year 2009.

COMPLIANCE DIVISION

MILESTONES AND ACCOMPLISHMENTS**THE SECURE AND FAIR ENFORCEMENT FOR MORTGAGE LICENSING ACT OF 2008**

The Secure and Fair Enforcement for Mortgage Licensing Act of 2008 ("SAFE Act") was signed into law by the President on July 30, 2008, and became effective July 30, 2009. The SAFE Act sets forth objectives for uniform mortgage licensing and specifies the use of the Nationwide Mortgage Licensing System ("NMLS") through which all mortgage loan originators are registered or licensed. The SAFE Act also requires that mortgage loan originators submit to fingerprinting for the purpose of a criminal background check, demonstrate professional proficiency by taking pre-licensing education and passing pre-licensing tests, and meeting continuing education requirements. Since the effective date of the SAFE Act, the Department has worked diligently to ensure that Tennessee meets all of the federal mandates for SAFE Act compliance and that the requirements are fulfilled in a timely manner. The Department implemented fingerprint-based background checks on January 1, 2009 for all applicants for a mortgage loan originator registration certificate or license, and certain principals of applicants for a broker, lender or servicer license. As of December 31, 2009, 6,773 individuals applying for a license were fingerprinted for a criminal background check.

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 applications for residential mortgage lenders, brokers, servicers, and loan originators as well as a central repository of information about licensing and publicly adjudicated enforcement actions. The internet-based system was launched on January 1, 2008. The primary objectives of the system are to protect consumers, increase accountability among industry professionals, and streamline the licensing process for mortgage regulators and the mortgage industry.

The Department has been supportive of the project since inception and has served on a national task force involved in the creation and development of the NMLS licensing forms. The Department deployed to the system February 1, 2009, after which all licensing of mortgage companies and individuals has been managed online through the NMLS.

In addition, the Department is one of 10 state departments serving on the national Mortgage Licensing Policy Committee which is the steering and oversight body for the Nationwide Mortgage Licensing System.

EXAMINATION PERSONNEL

Brian Williams, Regional Manager

Nicole Chamblee, CFE, Regional Manager

Chad Haney, Supervisor

David Kelly, Supervisor

Jack Lay, CFE, Supervisor

Patrick Somers, Supervisor

Cathy Wilkerson, Supervisor

Frank Barnes, CFSA

Brian Bjork

Robert Cambell

Brian Caroland

Michael Cranor

Robert Doyle

Stephanie Dunn

Joshua Evans

Grant Gouveia, CFE

Elizabeth Harrell

Kevin Hicks

Robert Hornbeak

Marcia Jacks, CFE

William Justice

Alisa Logan

Wes Martin

Rich Regan

Kerry Rial

Marilyn Schroepfel, CFSA

Kamela Settles

Keith Sharp

James Simmons

Calvin Stout

Robert Walker

Mike Wiggins

Dennis Woodmore, CFSA

James Worley

COMPLIANCE DIVISION**MILESTONES AND ACCOMPLISHMENTS****MULTI-STATE MORTGAGE SUPERVISION**

In July 2008, the Department entered into the Nationwide Cooperative Agreement for Mortgage Supervision and the Nationwide Cooperative Protocol for Mortgage Supervision under the auspices of the Conference of State Bank Supervisors and American Association of Residential Mortgage Regulators. The purpose of the agreements is to assist state mortgage regulators by outlining a framework for the coordinated supervision of multi-state mortgage entities. Among the goals are to: protect consumers, identify and prevent mortgage fraud, supervise and examine in a uniform manner across state jurisdictions, and foster consistency, coordination and communication among state regulators.

MULTI-STATE MORTGAGE COOPERATIVE

The Department continues to participate in a multi-state regulatory initiative; the purpose of which is to identify and share information about issues and concerns related to mortgage companies and individuals that engage in the business of mortgage brokerage or lending in multiple states. The cooperative effort among state regulators is an effective method by which individual state regulatory authorities can coordinate their efforts to deal more effectively with issues related to common licensees.

MULTI-AGENCY MORTGAGE FRAUD TASK FORCE

The Department is represented on a joint-agency task force that includes representatives of the U.S. Attorneys Office, Federal Bureau of Investigation, Internal Revenue Service, U.S. Secret Service, Immigration Customs Enforcement, Alcohol, Tobacco, and Firearms, and Postal Inspector General's Office. The purpose of the task force initiative is to share information regarding alleged mortgage fraud and to discuss and respond to Suspicious Activity Reports (SAR).

TITLE PLEDGE REPORT TO GOVERNOR'S OFFICE AND GENERAL ASSEMBLY

Beginning November 1, 2005, pursuant to Chapter 440 of the Public Acts of 2005, the Department was charged with the enforcement of the Tennessee Title Pledge Act. Since that time, at the request of the General Assembly, the Department has issued written reports to the Governor's Office and General Assembly in 2006, 2007, and 2008 for the purpose of analyzing the rates and terms of title pledge loans and the reasonableness and appropriateness of the rates and terms. Pursuant to T.C.A. § 45-15-109, a similar analysis and report for calendar year 2008 will be issued in 2010.

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 at T.C.A. Title 45, Chapter 13. T.C.A. § 45-13-201(a) expands this further by stating “no person shall act as a mortgage lender, mortgage loan broker or mortgage loan servicer in this state without first obtaining a license under this chapter.”

LICENSING

To obtain a license, 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, 2009, there were 896 companies licensed under the Act.

Additionally, with passage of amendments to the Tennessee Residential Mortgage Lending, Brokerage and Servicing Act during the 2004 session of the General Assembly, the Department began registering individual mortgage loan originators effective January 1, 2005. With recent passage of federal legislation (2008 “SAFE” Act), all mortgage loan originators now make application for and renew licenses online through the Nationwide Mortgage Licensing System. As of December 31, 2009, there were 7,513 mortgage loan originators actively licensed or registered.

EXAMINATIONS

The Department is authorized to conduct periodic examinations pursuant to T.C.A. § 45-13-404. For calendar year ending December 31, 2009, the Compliance Division conducted 361 examinations of mortgage companies that resulted in refunds of \$1,116,053 to 2,128 consumers and civil money penalties totaling \$243,000. Special examinations are also conducted as a result of consumer complaints forwarded from the Department’s Consumer Resources Division.

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

Consumer loan companies operate under the “Industrial Loan and Thrift Act” (“Act”), codified at 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.

While the Act allows higher interest rates, it also contains many consumer protection provisions particularly with respect to loan charges. Since 2001, legislation was enacted that requires (“TILT”) companies registered under this Act 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 or letter of credit shall be in the amount of \$200,000. Otherwise, the bond or letter of credit shall be in the amount of \$50,000. Only one bond or letter of credit is required for any registrant, irrespective of the number of employees or offices of such registrant. In addition, as of July 30, 2009, mortgage loan originators affiliated with TILT companies, must comply with all provisions of the SAFE Act, including fingerprint-based background checks, pre-licensure 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, 2009, there were 1,008 locations registered under the Act.

EXAMINATIONS

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, 2009, the Department conducted 1,023 examinations that resulted in refunds of \$402,843 to 5,494 consumers and civil money penalties totaling \$59,100.

COMPLIANCE DIVISION

INDUSTRIAL LOAN AND THRIFT COMPANIES

Composite Annual Report
(Year Ending December 31, 2008)

-Page 1-

Number of Offices Included in this Report	995
Number of Employees in State at Year End	3,955

REGULATED ENTITIES PROFIT PERCENTAGE

RATE OF RETURN

Average Net Receivable (Industry)	\$3,292,659,920
Average Net Receivable (Location)	\$3,309,206
Net Income (Industry)	(\$40,715,695)
Net Income (Location)	(\$40,920)
Rate of Return on Outstanding Receivables (Location)	-1.24%

ANALYSIS OF ACCOUNTS OUTSTANDING

Average Number of Accounts Outstanding (Industry)	790,107
Average Number of Accounts Outstanding (Company)	4,907
Average Number of Accounts Outstanding (Location)	794

OTHER INFORMATION

Number of Loans Outstanding at Beginning of Year	650,738
Dollar Amount of Loans Outstanding at Beginning of Year	\$3,727,491,318
Average Amount per Loan Outstanding at Beginning of Year	\$5,728
Number of Loans Made During the Year	1,321,269
Dollar Amount of Loans Made During the Year	\$2,328,406,280
Average Amount per Loan Made	\$1,762
Number of Loans Charged Off During the Year	132,623
Dollar Amount of Loans Charged Off During the Year	\$212,124,044
Average Account Balance Charged Off	\$1,599
Number of Loans Outstanding at Year End	644,527
Dollar Amount of Loans Outstanding at Year End	\$3,188,266,388
Average Account Balance per Loan Outstanding at Year End	\$4,947

COMPLIANCE DIVISION

INDUSTRIAL LOAN AND THRIFT COMPANIES

Composite Annual Report
 (Year Ending December 31, 2008)

-Page 2-

ANALYSIS OF LOANS RECEIVABLE

Gross Loan Receivables Outstanding - January	\$4,204,016,173
Gross Loan Receivables Outstanding - February	\$4,121,988,636
Gross Loan Receivables Outstanding - March	\$4,194,397,904
Gross Loan Receivables Outstanding - April	\$4,196,609,722
Gross Loan Receivables Outstanding - May	\$4,180,432,205
Gross Loan Receivables Outstanding - June	\$4,172,176,414
Gross Loan Receivables Outstanding - July	\$4,152,100,480
Gross Loan Receivables Outstanding - August	\$4,136,063,912
Gross Loan Receivables Outstanding - September	\$4,105,395,640
Gross Loan Receivables Outstanding - October	\$3,822,245,364
Gross Loan Receivables Outstanding - November	\$4,026,677,598
Gross Loan Receivables Outstanding - December	\$4,023,626,432

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 at 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, 2009, there were 63 premium finance companies licensed in Tennessee.

EXAMINATIONS

For calendar year ending December 31, 2009, the Compliance Division conducted one examination of a Premium Finance Company.

CHECK CASHING COMPANIES

The activities of Check Cashing Companies are governed by the "Check Cashing Act of 1997" ("Act") codified at T.C.A. Title 45, Chapter 18. A "Check Cashing Company" is one which receives a "fee" or compensation when providing 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(5), if their compensation for cashing checks does not exceed five percent (5%) of their 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 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, 2009, there were 611 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, 2009, the Compliance Division conducted 674 check cashing examinations resulting in refunds of \$8,039 to 224 consumers and civil money penalties totaling \$5,050.

DEFERRED PRESENTMENT SERVICE COMPANIES

The activities of the Deferred Presentment Services Companies are governed by the "Deferred Presentment Services Act" codified at T.C.A. Title 45, Chapter 17.

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, 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, 2009, there were 354 licensed deferred presentment companies in Tennessee with 1,267 locations.

COMPLIANCE DIVISION

DEFERRED PRESENTMENT SERVICE COMPANIES, CONTINUED

EXAMINATIONS

For calendar year ending December 31, 2009, the Compliance Division conducted 1,558 examinations of deferred presentment offices. 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 total refunds of \$84,373 to 2,284 consumers and civil money penalties totaling \$90,877.

ANNUAL REPORT INFORMATION

By September 1 of each year, licensees are required by T.C.A. § 45-17-119 to file with the Department of Financial Institutions' commissioner an annual report covering the licensee's business activities as of the close of business on December 31 of the prior year. These reports include a balance sheet, statement of income and expense, as well as other statistical data. Below is a recapitulation of the 2008 annual reports for the purpose of reflecting the general results of the operations for the calendar year ending December 31, 2008.

ANNUAL REPORT INFORMATION FOR CALENDAR YEAR ENDING DECEMBER 31, 2008

The following tabulation represents aggregate information from reports filed by 352 licensed companies. The Department did not require an annual report from companies that opened after December, 2008.

Total Assets	\$2,047,972,442
Total Liabilities	\$1,534,297,546
Net Worth	\$513,674,896

As of December 31, 2008, the average assets of a deferred presentment company operating in Tennessee were \$5,818,104. Eighty-five companies reported assets greater than \$500,000; 155 companies had assets of between \$100,000 and \$500,000; and the remaining 112 showed total assets of less than \$100,000. Of the 352 reporting entities, five companies had assets totaling \$1,870,014,786. These companies accounted for 91 percent of the industry's total assets of \$2,047,972,442.

The following information was compiled from the statements of income and expenses for the period of January 1, 2008 through December 31, 2008.

STATEMENT OF INCOME AND EXPENSES

Total Operating Income	\$177,345,828
Salary Expense	\$49,490,925
Bad Debt Expense	\$25,667,895
Net Income	\$9,008,404

Of the 352 reporting companies, 95 reported operating losses and 34 reported net income of more than \$100,000 for the period ending December 31, 2008. The average company made a profit of \$25,592.

Salaries are a major company expense, amounting to about 28 percent of total operating income. The average salary expense for reporting companies was \$140,599.

Losses on receivables constitute another major industry expense. Bad debt expense represented approximately 14 percent 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, 2008:

Number of Transactions	4,882,065
Dollar Amount of Transactions During the Year	\$1,139,099,115
Average Size of Receivable Transactions	\$233.32

Number of transactions by size of check:

\$1 - \$150	532,760
\$151 - \$250	3,339,227
\$251 - \$500	1,010,078

TITLE PLEDGE LENDERS

The activities of Title Pledge Lenders are governed by the "Tennessee Title Pledge Act," codified at 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 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 title back to the customer. These 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, 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, 2009, there were 765 licensed title pledge lenders.

EXAMINATIONS

For calendar year ending December 31, 2009, pursuant to T.C.A. § 45-15-108, the Compliance Division conducted 812 examinations of title pledge lender offices resulting in refunds of \$64,815 to 582 consumers and civil money penalties totaling \$7,276.

CREDIT UNION DIVISION

**HEADQUARTERS
PERSONNEL-NASHVILLE**

Trevor Williams, Assistant Commissioner
Alica Owen, Financial Analyst
Kayce Cawthon Stoker, Executive
Administrative Assistant

EXAMINATION PERSONNEL*****West Tennessee District***

Randall Means, CSCUES, V, Supervisor
Dana Owen, CFE, CEIC, ACISE, IV
Tony Bentley, I

Middle Tennessee District

Steve Eddings, CRE, CSCUE, CEIC, V, Supervisor
Thomas Harper, CSCUE, IV
Harry Murphy, CFE, CSCUE, IV

East Tennessee District

John Shires, CSCUES, V, Supervisor
William Cave, CFE, CEIC, CSCUE, IV
Lance Hogelin, CFE, CSCUE, IV
Shane Hardin, CFE, CSCUE, IV
Dwight Ward, IV

The **Credit Union Division** is responsible for the supervision and examination of 110 state-chartered natural-person credit unions and one corporate credit union.* Credit Union Examiners perform safety and soundness examinations for each state-chartered credit union and Volunteer Corporate Credit Union to determine compliance with governing laws and regulations. Credit union examiners perform evaluations of each credit union's assets, liabilities, income and expenses in order to assess the solvency of the credit union. They also perform investigations as a result of complaints filed with the Department's Consumer Resources Division.

The financial health of Tennessee's credit union industry remains strong. The Credit Union Division regulates 110 natural-person credit unions. As of June 30, 2009, these credit unions, collectively, have assets of approximately \$7.7 billion which grew 14.7 percent throughout the fiscal year June 30, 2008 to June 30, 2009. Capitalization remains strong, with net worth totaling 11.94 percent of assets. Delinquency and charge-offs remain manageable and the return on assets was 0.65 percent. Individually, the institutions present a vast array of asset sizes, fields of membership and services.

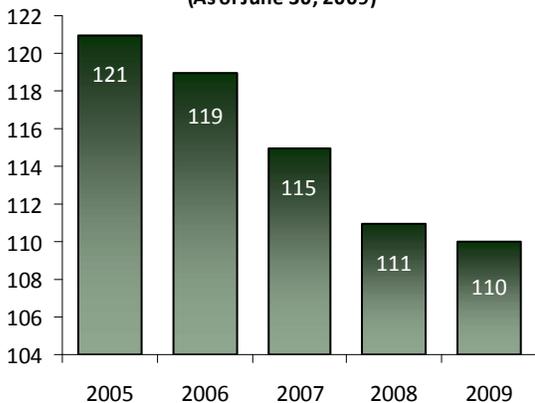
Volunteer Corporate Credit Union, located in Nashville, Tenn., continues to meet the financial service needs of the state's natural-person credit unions whether state-chartered or federally-chartered. VolCorp is a \$1.3 billion corporate credit union that serves more than 260 member credit unions in 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 overall efficiency and effectiveness of the examination and to determine the adequacy of examiner's 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 recertified during 2005 (for another five-year period). Additionally, eligible division examiners and supervisors have met the 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.

In summary, the state-chartered credit union system is healthy and credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF).

**NUMBER OF STATE-CHARTERED CREDIT UNIONS
IN TENNESSEE**
(As of June 30, 2009)



***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, 2008 – June 30, 2009

MERGERS

October 27, 2008 Columbia Regional Credit Union, Columbia, Tennessee, merged into First Community Credit Union, Columbia, Tennessee

December 31, 2008 American Savings Credit Union, Memphis, Tennessee, merged into Hope Community Credit Union, Jackson, Mississippi

April 23, 2009 McNairy County Educational Credit Union, Selmer, Tennessee merged into Aqua Glass Employees' Credit Union, Selmer, Tennessee

NAME CHANGES

April 28, 2009 Aqua Glass Employees' Credit Union changed its name to McNairy County Employees' Credit Union

June 2, 2009 DHS Credit Union changed its name to Tennessee Employees' Credit Union

CHARTER CONVERSIONS

December 16, 2008 City Employees' Credit Union, Knoxville, Tennessee, converted to a community charter to serve the Knoxville MSA

February 25, 2009 Gateway Credit Union, Clarksville, Tennessee, converted to a community charter to serve Montgomery County in Tennessee

March 11, 2009 Holston Valley Credit Union, Kingsport, Tennessee, converted to a TIP charter covering 18 counties in Tennessee and Virginia

June 4, 2009 Southeast Financial Federal Credit Union, Franklin, Tennessee, converted to a Tennessee state charter

FIELD OF MEMBERSHIP EXPANSIONS

October 29, 2008 Approved "spin-off" application for Johnson City between Consumer Credit Union, Greeneville, Tennessee, and NationsHeritage, Attleboro, Massachusetts

December 31, 2008 Cornerstone Credit Union, Nashville, Tennessee, added Montgomery County Government and Mid-South Maintenance of TN, Incorporated

January 28, 2009 Peoples Choice Credit Union, Union City, Tennessee, added Lake County in Tennessee

February 25, 2009 Lowland Credit Union, Morristown, Tennessee, added City of Greeneville only

November 30, 2009 Consumer Credit Union, Greeneville, Tennessee, added Sullivan County in Tennessee

CREDIT UNION ASSETS (millions)

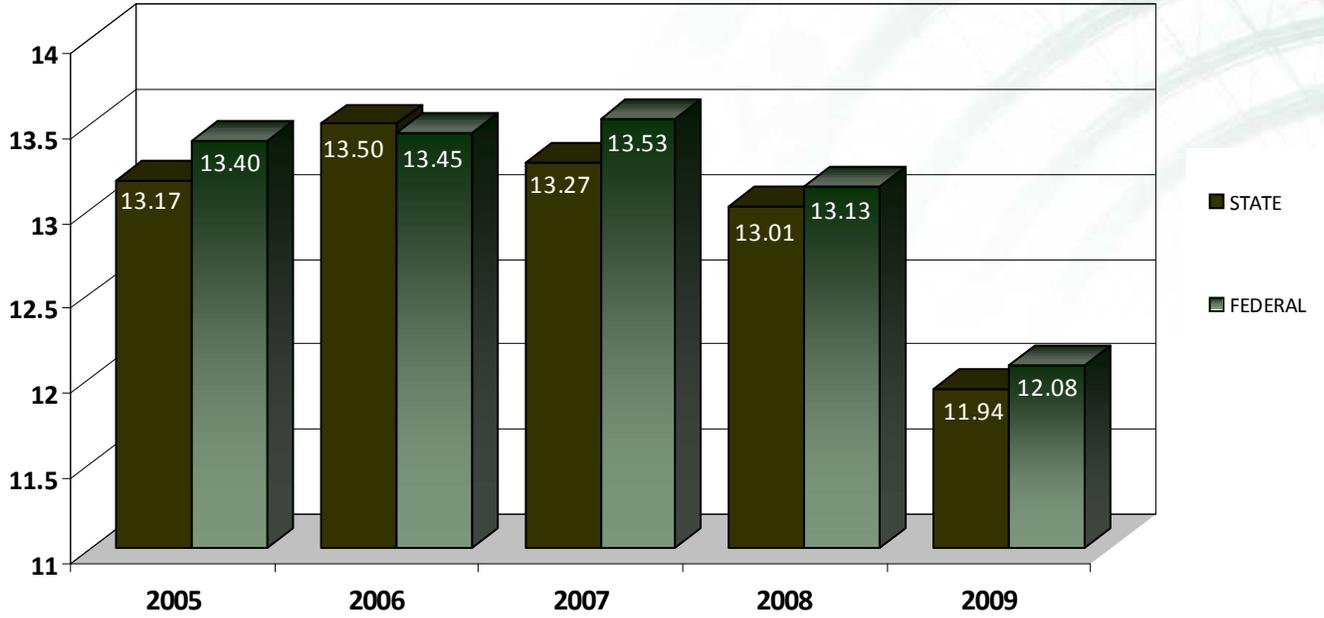
(As of June 30, 2009)



CREDIT UNION DIVISION

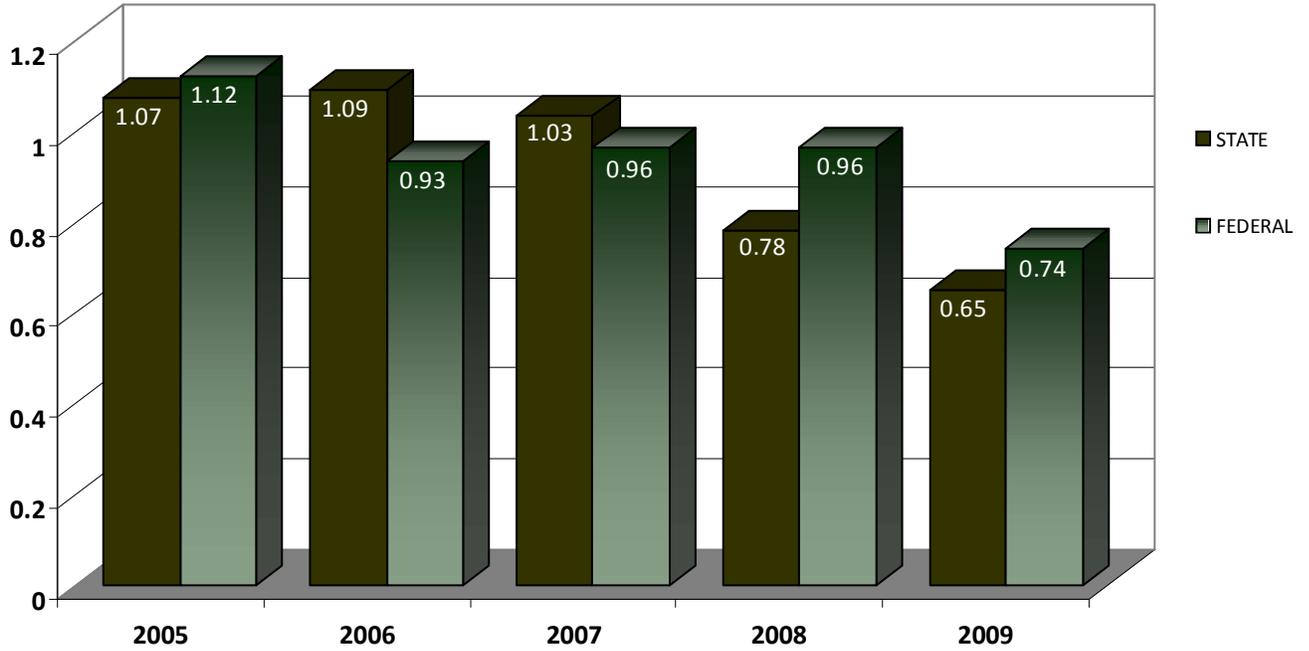
NET WORTH RATIOS

(As of June 30, 2009)



RETURN ON ASSETS

(As of June 30, 2009)



TENNESSEE STATE-CHARTERED CREDIT UNIONS

CREDIT UNION KEY RATIOS

RATIO DESCRIPTION	FYE June 30, 2009	FYE June 30, 2008
CAPITAL ADEQUACY		
Net Worth / Total Assets	11.94	13.01
Net Worth / Total Assets Including Optional Total Assets Election (if used)	11.94	13.03
Total Delinquent Loans / Net Worth	5.33	3.76
Solvency Evaluation (Estimated)	114.54	115.37
Classified Assets (Estimated) / Net Worth	6.68	4.43
ASSET QUALITY		
Delinquent Loans / Total Loans	1.02	0.76
*Net Charge-Offs / Average Loans	0.89	0.61
Fair (Market) HTM Invest Value/Book Value HTM Invest	99.65	103.37
Accum Unreal G/L On AFS/Cost Of AFS	1.56	-0.38
Delinquent Loans / Assets	0.64	0.49
EARNINGS		
*Return On Average Assets	0.65	0.78
*Gross Income / Average Assets	6.78	7.16
*Yield on Average Loans	6.92	7.12
*Yield on Average Investments	2.73	3.78
*Fee & Other Op. Income / Average Assets	1.49	1.39
*Cost of Funds / Average Assets	1.87	2.50
*Net Margin / Average Assets	4.91	4.67
*Operating Exp. / Average Assets	4.18	3.43
*Provision For Loan & Lease Losses / Average Assets	0.77	0.49
*Net Interest Margin / Average Assets	3.42	3.28
Operating Exp./Gross Income	61.69	47.87
Fixed Assets & Foreclosed & Repossessed Assets / Total Assets	2.87	2.60
*Net Operating Exp. / Average Assets	3.25	2.38
ASSET / LIABILITY MANAGEMENT		
Net Long-Term Assets / Total Assets	30.98	29.88
Reg. Shares / Total Shares & Borrowings	23.27	24.37
Total Loans / Total Shares	76.21	76.74
Total Loans / Total Assets	62.43	64.65
Cash + Short-Term Investments / Assets	22.03	19.38
Total Shares, Dep. & Borrowings / Earning Assets	91.26	90.46
Reg. Shares + Share Drafts / Total Shares & Borrowings	33.37	35.07
Borrowings / Total Shares & Net Worth	5.49	1.90
PRODUCTIVITY		
Members / Potential Members	8.26	9.10
Borrowers / Members	49.34	47.51
Members / Full-Time Employees	342.88	340.43
Avg. Shares Per Member	\$7,332	\$7,068
Avg. Loan Balance	\$11,326	\$11,415
*Salary And Benefits / Full-Time Employees	\$52,012	\$50,167
OTHER RATIOS		
*Net Worth Growth	14.52	5.87
*Market (Share) Growth	23.10	14.02
*Loan Growth	15.38	6.30
*Asset Growth	28.80	10.71
*Investment Growth	63.25	21.96
*Membership Growth	12.93	3.71

* Symbol represents ratios that have been annualized

TENNESSEE STATE-CHARTERED CREDIT UNIONS

CONSOLIDATED BALANCE SHEET (IN MILLIONS)

-Page 1-

	As of June 30, 2009	As of June 30, 2008	% Change
ASSETS			
Cash:			
Cash on Hand	81,769,071	69,153,483	18.24%
Cash on Deposit	459,292,340	451,174,598	1.80%
Cash Equivalents	109,156,382	94,680,949	15.29%
Total Cash	\$650,217,793	\$615,009,030	5.72%
Investments:			
Trading Securities	16,100,000	29,030,564	N/A
Available for Sale Securities	569,471,533	407,686,430	39.68%
Held-to-Maturity Securities	218,169,018	180,328,402	20.98%
Deposits in Commercial Banks, S & Ls, Savings Banks	547,046,473	436,439,833	25.34%
Loans to, Deposits in, & Investments in Natural Person CUs	14,815,467	16,856,237	-12.11%
Total MCSD and PIC in Corporate	27,094,273	30,333,969	-10.68%
All Other Investments in Corporate Credit Unions	471,438,916	361,099,061	30.56%
All Other Investments	93,494,313	31,197,351	199.69%
Total Investments	\$1,957,629,993	\$1,492,971,847	31.12%
LOANS HELD FOR SALE	\$0	\$0	N/A
Loans and Leases:			
Unsecured Credit Card Loans	156,994,530	125,917,875	24.68%
All Other Unsecured loans	280,066,828	275,953,905	1.49%
New Auto Loans	657,898,612	662,467,866	-0.69%
Used Auto Loans	1,050,421,306	1,007,499,190	4.26%
First Mortgage Real Estate Loans	1,997,584,137	1,686,618,693	18.44%
Other Real Estate Loans	409,087,696	370,782,723	10.33%
Leases Receivable	713,365	1,540,968	-53.71%
Other Member Loans	229,583,384	186,770,662	22.92%
Total Loans	\$4,782,349,858	\$4,317,551,882	10.77%
ALLOWANCE FOR LOAN AND LEASE LOSSES	(61,076,884)	(38,479,278)	58.73%
Foreclosed and Repossessed Assets	6,880,722	3,904,253	76.24%
Land and Building (Net of Depreciation)	171,903,092	133,355,971	28.91%
Other Fixed Assets	35,810,344	32,381,999	10.59%
NCUA Share Insurance Capitalization Deposit	51,520,342	45,918,904	12.24%
Total Other Assets	65,305,733	75,965,280	-14.03%
Total Assets	\$7,660,560,993	\$6,678,579,888	14.70%
TOTAL CREDIT UNIONS	110	111	-0.90%

TENNESSEE STATE-CHARTERED CREDIT UNIONS

CONSOLIDATED BALANCE SHEET (IN MILLIONS)

-Page 2-

	As of June 30, 2009	As of June 30, 2008	% Change
LIABILITIES, SHARES AND EQUITY			
Liabilities:			
Promissory and Other Notes Payable	394,862,551	123,624,246	219.41%
Borrowing Repurchase Transactions	0	0	N/A
Uninsured Second Capital	0	0	N/A
Dividend and Interest Payable	5,321,142	6,527,120	-18.48%
Accounts Payable and Liabilities	72,819,380	57,055,499	27.61%
Total Liabilities	\$473,003,073	\$187,206,865	152.66%
Savings/Deposits:			
Share Drafts	673,859,008	615,172,713	9.54%
Regular Shares	1,551,927,327	1,401,332,250	10.75%
All Other Shares and Deposits	4,049,338,512	3,610,006,312	12.17%
Total Savings/Deposits	\$6,275,124,847	\$5,626,511,275	11.53%
Equity:			
Undivided Earnings	613,013,691	596,698,952	2.74%
Regular Reserves	261,016,042	238,020,255	9.66%
Appropriations for Non-Conforming Investments	0	0	N/A
Other Reserves	34,500,185	28,381,466	21.56%
Miscellaneous Equity	65,438	51,865	26.17%
Unrealized Gains/Losses Average For Sale Securities	8,750,353	(1,549,000)	-664.90%
Other Comprehensive Income	(11,029,118)	(2,778,751)	296.91%
Net Income	6,096,482	6,036,961	0.99%
Equity Total	\$912,413,073	\$864,861,748	5.50%
TOTAL SAVINGS/EQUITY	\$7,187,537,920	\$6,491,373,023	10.72%
TOTAL LIABILITIES/SAVINGS/EQUITY	\$7,660,540,993	\$6,678,579,888	14.70%
NATIONAL CREDIT UNION ADMINISTRATION INSURED SAVINGS:			
Uninsured Shares	230,283,340	761,340,828	-69.75%
Uninsured Non-Member Deposits	11,408,437	621,058	1736.94%
Total Uninsured Shares and Deposits	241,691,777	761,961,886	-68.28%
Insured Shares and Deposits	6,033,433,070	4,864,549,389	24.03%
TOTAL NET WORTH	\$914,700,537	\$869,137,634	5.24%

TENNESSEE STATE-CHARTERED CREDIT UNIONS

CONSOLIDATED INCOME STATEMENT (IN MILLIONS)

	FYE June 30, 2009	FYE June 30, 2008	% Change
INCOME AND EXPENSE			
Interest Income			
Interest on Loans	159,702,331	151,330,571	5.53%
Less Interest Refund	(28,227)	(12,546)	124.99%
Income from Investments	29,685,580	38,084,850	-22.05%
Income from Trading	616,482	(1,464,586)	-142.09%
Total Interest Income	\$189,976,166	\$187,938,289	1.08%
Interest Expense			
Dividends	25,279,977	33,395,619	-24.30%
Interest on Deposits	38,544,768	44,518,015	-13.42%
Interest on Borrowed Money	3,425,897	3,308,125	3.56%
Total Interest Expense	\$67,250,642	\$81,221,759	-17.20%
Provision for Loan and Lease Losses (PLLL)	27,653,638	15,839,863	74.58%
Net Interest Income after PLLL	\$95,071,886	\$90,876,667	4.62%
Non-Interest Income			
Fee Income	33,683,319	34,097,084	-1.21%
Other Operating Income	19,824,380	11,141,290	77.94%
Gain (Loss) on Investments	(411,093)	444,186	-192.55%
Gain (Loss) on Disposition of Assets	(24,149)	(100,340)	-75.93%
Gain from Bargain Purchase (Merger)	12,433	N/A	
Other Non-Operating Income/Expense	25,414,297	514,442	4831.77%
Total Non-Interest Income	\$78,499,187	\$46,096,662	70.20%
Non-Interest Expense			
Employee Compensation and Benefits	64,911,068	58,658,015	10.66%
Travel/Conference Expense	1,290,613	1,645,316	-21.56%
Office Occupancy	9,606,296	8,562,878	12.19%
Office Operation Expense	24,376,892	20,775,996	17.33%
Education and Promotion	3,805,819	4,276,910	-11.01%
Loan Servicing Expense	5,436,944	4,610,461	17.93%
Professional/Outside Service	8,688,798	8,821,424	-1.50%
Member Insurance	2,022,975	752,505	168.83%
Operating Fees	1,101,250	1,027,898	7.14%
Miscellaneous Operating Expense	1,593,250	2,499,624	-36.26%
Total Non-Interest Expense	\$122,833,905	\$111,631,027	10.04%
Net Income Before Stabilization Expense	\$50,737,168	\$25,342,302	100.04%
NCUSIF Stabilization Expense	27,366,446	N/A	
Net Income	\$23,370,722	\$25,342,302	-7.91%
Reserve Transfers			
Transfer to Regular Reserve	\$2,083,395	\$4,369,643	-52.32%

TENNESSEE STATE-CHARTERED CREDIT UNIONS

TENNESSEE STATE-CHARTERED CREDIT UNION ASSETS

(As of June 30, 2009)

CHARTER NUMBER	CREDIT UNION NAME	CITY	ASSETS	MEMBERS	FT	PT
68161	A.U.B. EMPLOYEES'	Athens	\$1,067,487	240	0	1
60692	AGC	Kingsport	\$16,332,851	2,694	8	2
67989	AGILITY FINANCIAL	Memphis	\$10,185,737	1,243	3	0
67976	APPLIANCE	Cleveland	\$9,170,963	1,878	5	0
61932	ASSOCIATED EMPLOYEES'	Memphis	\$5,419,842	654	2	0
67689	BAPTIST HOSPITAL	Nashville	\$27,091,383	3,757	14	0
67738	BCBST EMPLOYEES'	Chattanooga	\$8,316,592	2,758	4	0
67970	BOWATER EMPLOYEES'	Calhoun	\$120,900,573	11,271	31	2
68513	BRADLEY INITIATIVE	Cleveland	\$2,109,739	1,213	1	2
68149	CEMC EMPLOYEES'	Clarksville	\$3,369,966	569	0	3
62537	CHATTANOOGA FEDERAL EMPLOYEES'	Chattanooga	\$42,006,960	2,867	8	0
67778	CITY EMPLOYEES' (KNOXVILLE)	Knoxville	\$58,980,104	8,397	18	1
68091	CITY EMPLOYEES' (CHATTANOOGA)	Chattanooga	\$8,258,047	2,796	4	0
60239	CITY OF MEMPHIS	Memphis	\$211,108,314	22,557	58	20
68167	COLLEGEDALE	Collegedale	\$27,713,355	5,413	16	5
60056	CONSUMER	Greeneville	\$211,265,078	33,378	51	11
68151	CO-OP EMPLOYEES'	LaVergne	\$3,288,435	937	1	0
67972	CORNERSTONE FINANCIAL	Nashville	\$258,577,533	26,206	99	1
67741	CREDIT UNION FOR ROBERTSON COUNTY	Springfield	\$35,714,311	5,042	18	7
67719	D.O.T.	Nashville	\$3,828,527	1,998	3	0
67937	DIXIE LINE	Nashville	\$7,188,134	1,200	4	0
68067	DREMCO	Shelbyville	\$2,066,857	491	0	2
67747	DUPONT COMMUNITY	Hixson	\$83,304,807	13,476	36	3
60726	DUPONT MEMPHIS PLANT EMPLOYEES'	Memphis	\$14,979,758	1,328	3	0
68078	DYERSBURG	Dyersburg	\$15,082,042	3,490	10	2
68095	EASTMAN	Kingsport	\$2,180,443,750	110,982	367	32
68148	ELECTRIC SERVICE	Nashville	\$63,432,684	3,149	14	0
67789	EMPLOYEE RESOURCES	Lawrenceburg	\$20,489,589	4,583	11	1
60505	EMPLOYEES'	Nashville	\$29,838,217	5,853	15	2
68074	EMPLOYMENT SECURITY	Nashville	\$12,315,783	1,741	4	0
60619	EPB EMPLOYEES'	Chattanooga	\$27,176,228	2,305	7	1
67185	FIRST CHOICE COMMUNITY	Knoxville	\$36,435,478	6,095	25	0
67777	FIRST COMMUNITY	Columbia	\$29,439,138	4,961	14	3
68138	FIRST KINGSFORT	Kingsport	\$21,640,811	3,270	9	1
68084	FIRST SOUTH	Bartlett	\$344,530,678	48,427	98	0
63868	GALLATIN STEAM PLANT	Gallatin	\$5,414,879	706	1	1
68171	GATEWAY	Clarksville	\$15,757,395	2,059	7	0
67701	GREATER EASTERN	Johnson City	\$45,206,347	3,971	15	1
68127	GREENEVILLE CITY EMPLOYEES'	Greeneville	\$6,631,655	1,050	2	1
68126	GREENEVILLE WORKS EMPLOYEES' S.A.*	Greeneville	\$2,745,189	518	1	0
68097	HAPPY VALLEY	Elizabethton	\$27,955,341	4,343	11	0
68120	HARDIN COUNTY HOSPITAL EMPLOYEES'	Savannah	\$1,184,057	429	0	1
67736	HEALTH SYSTEMS	Knoxville	\$5,818,607	1,516	4	1
68173	HEALTHCARE SERVICES	Chattanooga	\$15,481,354	4,108	10	0
67748	HERITAGE SOUTH COMMUNITY	Shelbyville	\$137,360,962	19,239	53	6
68073	HOLLEY	Paris	\$31,276,625	5,334	13	2
68132	HOLSTON VALLEY	Kingsport	\$11,588,163	2,115	4	2

TENNESSEE STATE-CHARTERED CREDIT UNIONS

TENNESSEE STATE-CHARTERED CREDIT UNION ASSETS

(As of June 30, 2009)

CHARTER NUMBER	CREDIT UNION NAME	CITY	ASSETS	MEMBERS	FT	PT
68144	HURD EMPLOYEES'	Greeneville	\$2,531,095	487	1	1
68069	ILLINOIS CENTRAL EMPLOYEES'	Memphis	\$8,023,093	1,671	3	0
67197	JACK DANIELS EMPLOYEES'	Lynchburg	\$18,608,466	1,309	5	0
60345	JOHNSONVILLE TVA EMPLOYEES'	Camden	\$66,888,854	8,249	23	3
60928	KIMBERLY CLARK	Memphis	\$91,106,562	10,383	22	2
68104	KINGSPORT PRESS	Kingsport	\$63,756,794	7,541	24	0
68098	KINGSTON TVA EMPLOYEES'	Harriman	\$2,144,696	612	1	1
67793	KNOX CO. EMPLOYEES'	Knoxville	\$8,069,979	1,959	4	2
67947	KNOXVILLE NEWS-SENTINEL EMPLOYEES'	Knoxville	\$8,429,560	768	3	0
67666	KNOXVILLE POST OFFICE	Knoxville	\$40,785,660	7,361	26	3
68085	KNOXVILLE TVA EMPLOYEES'	Knoxville	\$745,353,915	107,830	241	26
68070	L.M.P.C.O. EMPLOYEES' CREDIT ASSOC	Lexington	\$489,759	413	0	1
67713	LAKESIDE EMPLOYEES'	New Johnsonville	\$36,454,377	3,756	13	0
68164	LANGSTON BAG COMPANY EMPLOYEES' S.A.*	Memphis	\$53,103	53	0	1
61185	LEADERS	Jackson	\$124,847,437	19,401	51	8
68172	LIFEWAY	Nashville	\$37,795,834	4,328	10	0
60527	LOWLAND	Morristown	\$65,394,648	11,354	25	6
67979	M.P.D. COMMUNITY	Nashville	\$20,443,645	2,573	9	1
68077	MARYVILLE MUNICIPAL	Maryville	\$10,800,447	1,219	3	0
67917	MCKEE	Collegedale	\$11,085,725	4,916	7	0
67791	MCNAIRY COUNTY EMPLOYEES'	Adamsville	\$1,325,833	672	2	1
68096	MEDED	Crossville	\$12,241,981	2,177	7	1
61687	MEMBERS FIRST	Cleveland	\$7,081,894	1,133	3	0
63802	MEMORIAL	Chattanooga	\$8,403,047	2,737	7	1
60117	MEMPHIS AREA TEACHERS'	Memphis	\$543,704,275	53,202	216	32
68135	METROPOLITAN TEACHERS'	Nashville	\$3,122,736	948	0	5
68590	MID EAST TENNESSEE COMMUNITY	Decatur	\$984,874	190	1	0
67776	MOUNTAIN STATES	Johnson City	\$13,123,683	3,189	8	5
68100	N M H	Nashville	\$14,500,704	2,226	4	2
67990	N.G.H.	Nashville	\$8,041,733	2,932	7	0
60483	NASHVILLE FIREMEN'S	Nashville	\$16,477,665	1,945	5	0
67922	NASHVILLE POST OFFICE	Nashville	\$93,730,900	5,026	17	1
60645	NEW SOUTH	Knoxville	\$35,026,537	4,771	16	2
68075	NEWSPAPER AND PRINTERS	Nashville	\$1,459,512	411	1	1
67021	NORTHEAST COMMUNITY	Elizabethton	\$61,803,329	7,295	24	3
67946	O.M.C. EMPLOYEES'	Charleston	\$27,733,391	1,963	5	0
68106	OLAN MILLS S.A.	Chattanooga	\$4,656,127	751	2	1
67982	OLD HICKORY	Old Hickory	\$155,437,328	24,311	73	12
68165	OLIVET BAPTIST	Memphis	\$321,111	1,242	0	5
67779	P.I.A.S.	Nashville	\$6,897,929	2,135	3	0
68080	PARKRIDGE	Chattanooga	\$3,860,040	918	2	1
68124	PATHWAY	Cleveland	\$5,239,980	1,256	2	1
60082	PATRIOT EQUITY	Jackson	\$27,022,614	4,007	15	1
67997	PEOPLES CHOICE	Union City	\$15,787,901	3,485	11	1
67969	PORTER-CABLE EMPLOYEES'	Jackson	\$1,166,714	486	1	0
68065	POSTAL EMPLOYEES'	Memphis	\$22,360,129	4,323	14	0
67948	RIVER CITY UNITED	Chattanooga	\$11,537,606	1,093	3	0

TENNESSEE STATE-CHARTERED CREDIT UNIONS

TENNESSEE STATE-CHARTERED CREDIT UNION ASSETS

(As of June 30, 2009)

CHARTER NUMBER	CREDIT UNION NAME	CITY	ASSETS	MEMBERS	FT	PT
68092	ROHM AND HAAS EMPLOYEES'	Knoxville	\$14,115,088	648	0	4
68086	SIGNAL CEMENT WORKERS'	Chattanooga	\$1,487,848	533	0	2
67755	SMITH & NEPHEW EMPLOYEES'	Memphis	\$9,282,225	1,471	4	0
68599	SOUTHEAST FINANCIAL	Franklin	\$418,148,249	59,448	153	12
66980	SOUTHERN	Chattanooga	\$20,348,612	3,878	9	0
68071	ST. THOMAS HOSPITAL EMPLOYEES'	Nashville	\$19,408,475	2,732	7	2
67971	TENNESSEE DEPARTMENT OF SAFETY	Nashville	\$7,605,887	1,517	2	0
68101	TENNESSEE EMPLOYEES'	Nashville	\$16,129,864	3,066	5	1
66886	THE TENNESSEE CREDIT UNION	Nashville	\$215,645,924	25,295	85	4
68093	TIMES FREE PRESS	Chattanooga	\$2,471,695	458	1	0
68145	U. S. T. C. EMPLOYEES'	Nashville	\$1,842,699	326	0	1
67608	UPS EMPLOYEES'	Memphis	\$11,908,498	2,644	5	0
67720	US COMMUNITY	Nashville	\$163,797,101	21,148	67	10
68119	VANDERBILT UNIVERSITY EMPLOYEES'	Nashville	\$20,473,012	6,218	7	1
68153	WCG EMPLOYEES	Martin	\$871,656	320	0	2
67757	WILLIS	Nashville	\$11,420,031	2,521	5	1
	TOTAL		\$7,660,560,411	855,837	2352	288

PT-Part Time

FT-Full Time

S.A.* = Savings Association

CONSUMER RESOURCES DIVISION

HEADQUARTERS PERSONNEL-NASHVILLE

Alan Smith, Assistant Commissioner
Alicia Gay, Consumer Resources Specialist
Diedre Nation, Consumer Resources Specialist

The Consumer Resources Division

handles and tracks consumer complaints, fosters community outreach and encourages financial literacy in Tennessee. The creation of this division was approved by Governor Phil Bredesen in March 2004, and the division has since embraced its charge to provide meaningful consumer protection and educational services statewide.

Since its creation in 2004, the Consumer Resources Division has obtained refunds of more than \$205,000 or nearly \$34,000 per year from consumer complaints.

TOP TEN COMPLAINT ALLEGATIONS

INDUSTRY	TOTAL
1. Customer Service Issues	93
2. Account Fees	54
3. Payment Processing / Payment History Disputes	31
4. Modification / Deferral Fees	27
5. Misrepresentation	21
6. Excessive Fees	16
7. Application Processing Issues	15
8. Foreclosure Issues	14
9. Advance Payments	12
10. Credit Card Issues	11

Calendar year ending December 31, 2009

CONSUMER PROTECTION

The division's key responsibility is to receive and process consumer complaints. The Department of Financial Institutions is the only 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 Division 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 division's routine practice is to submit the consumer's written complaint to the financial institution for response. Within its jurisdiction, the division serves as a medium between the consumer (complainant) and the institution (respondent) in which the complaint is filed.

The division processed a total of 495 formally filed consumer complaints throughout calendar year 2009. These were received from 72 of the state's 95 counties. The division's assistance in these complaints led to consumer refunds totaling \$11,045.23.

The division received complaints on three companies offering consumer loans that claimed to be located in the state. The division confirmed that the companies: Cumberland Lending Services, Greystone Financial Group and Hampton Bay Financial Services were neither located in Tennessee nor licensed with the Department. All three were alleged advance fee loan scam operations which required consumers to send up front payments to individuals in Canada 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 the division processed, consumers never received the loan they applied to receive.

CONSUMER RESOURCES DIVISION

CONSUMER EDUCATION

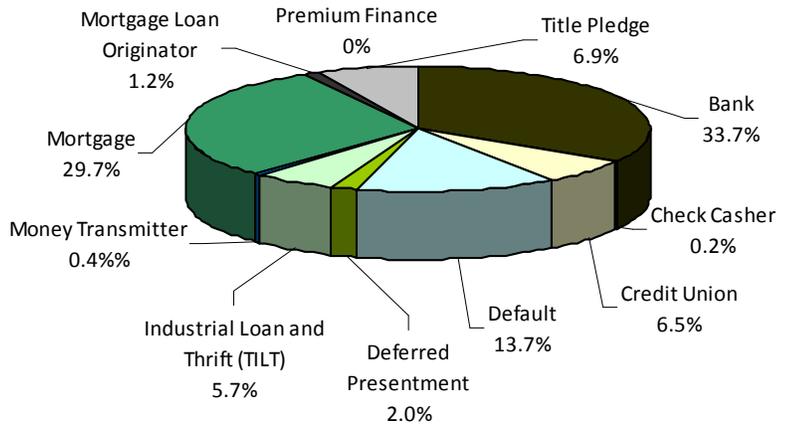
A key strategy in helping protect consumers is to develop and coordinate educational resources that can assist consumers in making informed financial decisions. Education is a powerful financial literacy tool. Consumers who understand their rights and responsibilities are better equipped to make sound financial decisions.

One of the goals of the division is to ensure that all Tennesseans have access to financial literacy programs that will help them make more sound money management decisions. Throughout calendar year 2009, the division continued its partnership with Tennessee Jumpstart, A Coalition for Personal Financial Literacy. Through this partnership, financial literacy presentations were given at the 2009 Jumpstart Annual Personal Financial Education Teacher’s Conference and at the Tennessee Career and Technical Education Conference. In addition, TDFI has partnered with the University of Memphis’ Smart Tennessee initiative since 2006. Smart Tennessee provides professional teacher development and financial literacy curriculum to students in kindergarten through eighth grade and has administered the program to more than 70 schools and 15,000 students.

CONSUMER COMPLAINTS BY INDUSTRY

INDUSTRY	TOTAL
Bank*	167
Check Casher	1
Credit Union	32
Default**	68
Deferred Presentment	10
Industrial Loan and Thrift (TILT)***	28
Money Transmitter	2
Mortgage	147
Mortgage Loan Originator	6
Premium Finance	0
Title Pledge	34
TOTAL COMPLAINTS	495

CONSUMER COMPLAINTS BY INDUSTRY



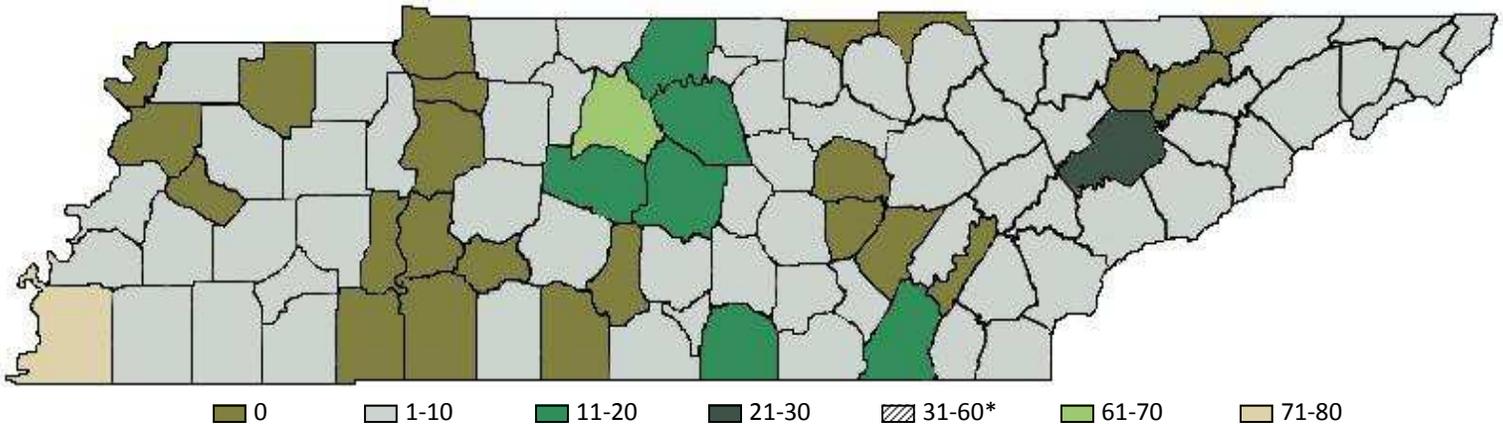
Calendar year ending December 31, 2009

*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

NUMBER OF CONSUMER COMPLAINTS BY COUNTY



*No consumer complaints within this range