



TN

Department of
Financial Institutions



2018 Annual Report

Tennessee Department of Financial Institutions | 44th Annual Report |





Bill Lee

Governor of Tennessee





Dear Governor Lee and Citizens of the State of Tennessee:

I am pleased to present the 44th Annual Report of the Department of Financial Institutions.

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

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 institutions for Tennessee citizens, while giving institutions the opportunity to contribute to economic progress. In short, we seek to find balanced regulation. The condition of the Tennessee banking system continues to be strong. Tennessee state-chartered depository institutions remain well positioned to continue serving their communities.

Although continued consolidation within the banking industry is anticipated in 2019, total loans and assets continue to increase and the complexity and breadth of operations continue to grow. The first state banking charter since 2008 was approved and issued in 2017. The Department also received a second application for a new Tennessee state bank in 2017, which was approved in 2018.

The Department recommends no legislation in 2019.

The Department continues to develop and implement its Regulatory Balance mission for depository institutions. Department examiners seek to right size regulation to the merits of each institution and avoid a one size fits all approach in order to support the Governor's economic goals for Tennessee. The Tennessee banking system is critical to the state's economic vitality and the Department's balanced regulatory approach supports economic progress. In particular, balanced regulation helps rural institutions support their local communities.

With respect to non-deposit companies, the Department has established a risk-focused examination program that establishes a risk profile on licensed locations so that we can focus more resources on companies that are high risk. The goal is to improve the risk profile and operations of non-deposit companies by sharing risk assessment information with each licensee.

In an effort to support the efficient and effective regulation of financial institutions, the Department implemented Alternative Workplace Solutions to reduce the office space that the Department is assigned by nearly 75%, avoiding over \$400,000 in annual cost. Approximately 90% of Department staff are mobile and can work at an institution, home or at various locations in state offices. The

expectation is to better retain employees and create more experience to further help us find regulatory balance.

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

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

Sincerely,

A handwritten signature in cursive script, appearing to read "Greg George".

TABLE OF CONTENTS

Department Overview

Mission and Vision Statements	6
Commissioner Greg Gonzales Bio	7
Department Overview	8

Administrative Division

Commissioner's Office, Administrative Division Narrative and Personnel	9
Fiscal Review	10-11
Cybersecurity Program	12
Human Resources and Training Section Narrative	13-15
Legal Section Narrative	16-17
Consumer Resources Section Narrative	18
Consumer Complaints Information	19-22
Consumer Education and Financial Outreach	22-23

Bank Division

Bank Division Narrative and Personnel	24-27
Application Activities	28-29
Information at a Glance and BIDCO Data	30
Additional Financial Information for State-Chartered Banks	31-43
Additional Financial Information for State-Chartered Trust Companies	44-46

Compliance Division

Compliance Division Narrative and Personnel	47
Regulatory Oversight	48
Division Highlights	49-51
Check Cashing Companies	52
Deferred Presentment Services Providers	52-54
Flexible Credit Lenders	54-56
Home Equity Conversion Mortgage Lenders	56
Industrial Loan and Thrift Companies (TILT)	57-58
Insurance Premium Finance Companies	58
Money Transmitters	59
Residential Mortgage Lenders, Brokers and Servicers	59-60
Residential Mortgage Loan Originators	60
Title Pledge Lenders	60-62

Credit Union Division

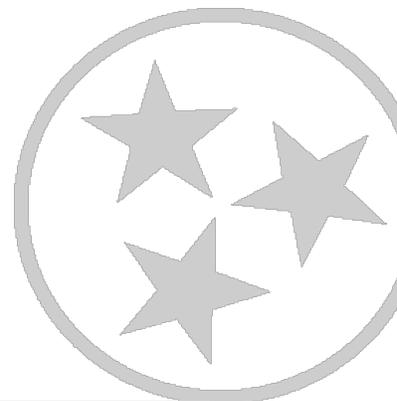
Credit Union Narrative and Personnel	63-64
Transactions and Financial Information for State-Chartered Credit Unions	65-75

OUR MISSION:

The primary statutory mission of the Department of Financial Institutions is to provide the people of Tennessee with a safe and sound system of banks and other institutions by ensuring safety and soundness and compliance with governing law, while giving institutions the opportunity to contribute to the economic progress of Tennessee and the nation. Furthermore, with respect to non-deposit companies, our mission is to seek the greatest access to credit for consumers within the bounds of the law and prudent operations by licensed companies.

OUR VISION:

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



Commissioner Greg Gonzales

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

Gonzales is a past Chairman of the Conference of State Bank Supervisors (CSBS), which is the professional organization of state banking commissioners in the United States. Commissioner Gonzales, for a number of years, served as a member of the Board of Directors of the Money Transmitter Regulators Association (MTRA), an organization of a majority of the states that regulate funds transfer companies. He serves as Chairman of the State Liaison Committee that incorporates the state supervisory perspective into the Federal Financial Institutions Examination Council (FFIEC). The FFIEC affects regulatory guidance on all depository financial institutions in the United States. He served on the U.S. Treasury's Bank Secrecy Act Advisory Group. Commissioner Gonzales currently serves on the Board of Directors of the Tennessee Financial Literacy Commission and the Tennessee Collateral Pool Board. Gonzales also currently serves on a national task force studying how new technologies are affecting the U.S. payment systems.

Commissioner Gonzales was born in Cookeville, Tennessee and graduated Cum Laude in Cursu Honorum with a bachelor's degree from Tennessee Technological University in 1980. Gonzales served as a research assistant in 1980 to Sir Patrick Cormack, a Conservative Party member of the British Parliament. He earned a law degree from the University of Tennessee in 1984.



**Members of the FFIEC's State Liaison Committee
of which Commissioner Gonzales is Chairman**

DEPARTMENT OVERVIEW

TOTAL NUMBER OF STATE-CHARTERED INSTITUTIONS Fiscal Year June 30, 2017 vs. Fiscal Year June 30, 2018

CHARTERS	June 30, 2017	June 30, 2018
Commercial Banks/Savings Banks	138	130
Trust Companies	10	12
Credit Unions	85	81
TOTAL NUMBER OF CHARTERS	233	223

TOTAL NUMBER OF LICENSED OR REGISTERED NON-DEPOSITORY FINANCIAL INSTITUTIONS AND INDIVIDUALS Fiscal Year June 30, 2017 vs. Fiscal Year June 30, 2018

LICENSEES/REGISTRANTS	June 30, 2017	June 30, 2018
Business and Industrial Development Corporations	1	1
Check Cashing Companies	550	556
Deferred Presentment Services Providers	961	926
Flexible Credit Lenders	568	653
Insurance Premium Finance Companies	50	44
Industrial Loan and Thrift Companies	1,102	1,097
Money Transmitters	114	129
Mortgage Companies	620	653
Mortgage Loan Originators	11,966	13,277
Title Pledge Lenders	830	745
TOTAL NUMBER OF LICENSEES/REGISTRANTS	16,762	18,081

TOTAL REFUNDED TO CONSUMERS PER INDUSTRY Fiscal Year Ending June 30, 2018

LICENSEES / REGISTRANTS	TOTAL
Check Cashing Companies	\$16,954.17
Deferred Presentment Services Providers	\$63,187.99
Flexible Credit Lenders	\$19,110.25
Mortgage Companies	\$21,594.68
Industrial Loan and Thrift Companies	\$1,264,751.97
Insurance Premium Finance Companies	\$21,760.37
Title Pledge Lenders	\$99,240.16
Money Transmitters	\$844,155.43
TOTAL REFUNDED	\$2,350,755.02

ADMINISTRATIVE DIVISION

The Administrative Division manages the Department's budget and oversees fiscal services, human resources, training and development, legal, information systems, and consumer resources. Therefore, the Administrative Division provides support to the three regulatory divisions.

COMMISSIONER'S OFFICE

Greg Gonzales, Commissioner
Alica Owen, Executive Assistant/Public Information Officer
Josh Robertson, Chief Administrator-Regulatory Cybersecurity

FISCAL SECTION

Michelle Berry, Budget/Fiscal Director, CPA
Tommie Pendergrass, Fiscal Operations & Administrative Support Analyst, CPA
Kenneth Weems, Chief Administrator, Administrative Division/Fiscal
James Stack, Budget Analyst

ADMINISTRATIVE DIVISION

Tina G. Miller, Deputy Commissioner
Christy Adams, Administrative Services Manager
Joyce Simmons, Chief Regulatory Accountant
Herb Kraycirik, Audit Director, CPA, CGFM
Memory Little, Executive Assistant to the Deputy Commissioner

CONSUMER RESOURCES SECTION

Alan Smith, Consumer Resources Director
Alicia Gay, Administrative Services Assistant
Bettye Osborne, Administrative Services Assistant

HUMAN RESOURCES SECTION

Leslie Yanez, HR & Training Director, M.S., SPHR, SHRM-SCP
Teri Crow, HR Analyst
Carmen McCreedy, Administrative Services Assistant
Kelley Murray, HR Assistant

LEGAL SECTION

Marsha Anderson, General Counsel
Sarah Branch, Assistant General Counsel
Paula Cagle, Executive Administrative Assistant
Denise Cole, Deputy General Counsel
Daniel Espensen, Assistant General Counsel
Rachel Gatlin, Assistant General Counsel
Mark Kilpatrick, Assistant General Counsel
Troy McPeak, Assistant General Counsel
Eric Rogers, Chief Legal Counsel-Compliance Division
Todd Staley, Legislative Liaison/Assistant General Counsel



Personnel Designation: M.S., Master's Degree; SPHR, Senior Professional of Human Resources; SHRM-SCP, Society of Human Resource Management-Senior Certified Professional; CPA, Certified Public Accountant, CGFM; Certified Government Financial Manager

FISCAL REVIEW

2018 FUNDING SOURCES

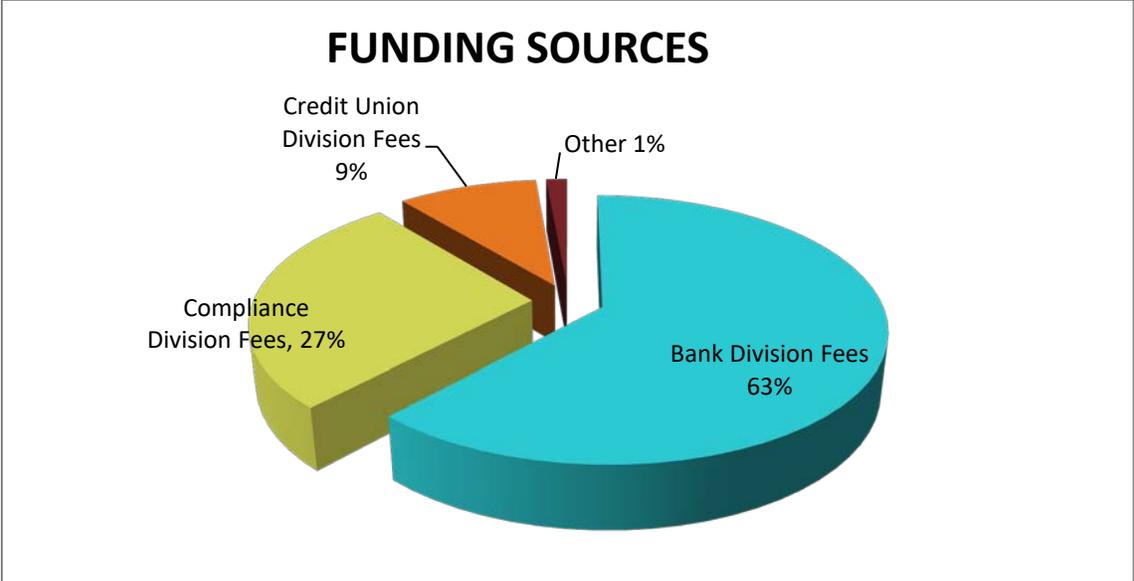
REVENUE SOURCES	AMOUNT (ROUNDED TO NEAREST HUNDRED DOLLARS)	PERCENT OF TOTAL REVENUE COLLECTED
Bank Division Fees	\$14,306,400	63%
Compliance Division Fees	\$6,074,100	27%
Credit Union Division Fees	\$2,141,700	9%
Other	\$331,500	1%
TOTAL REVENUES	\$22,853,700	100%

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

In addition to the 2018 revenue source chart, in late FY2012, the Department received one time settlement funds totaling \$1,000,000 from a nationwide settlement. At June 30, 2017, the remaining balance of these funds totaled \$567,200 and was carried forward to FY2018.

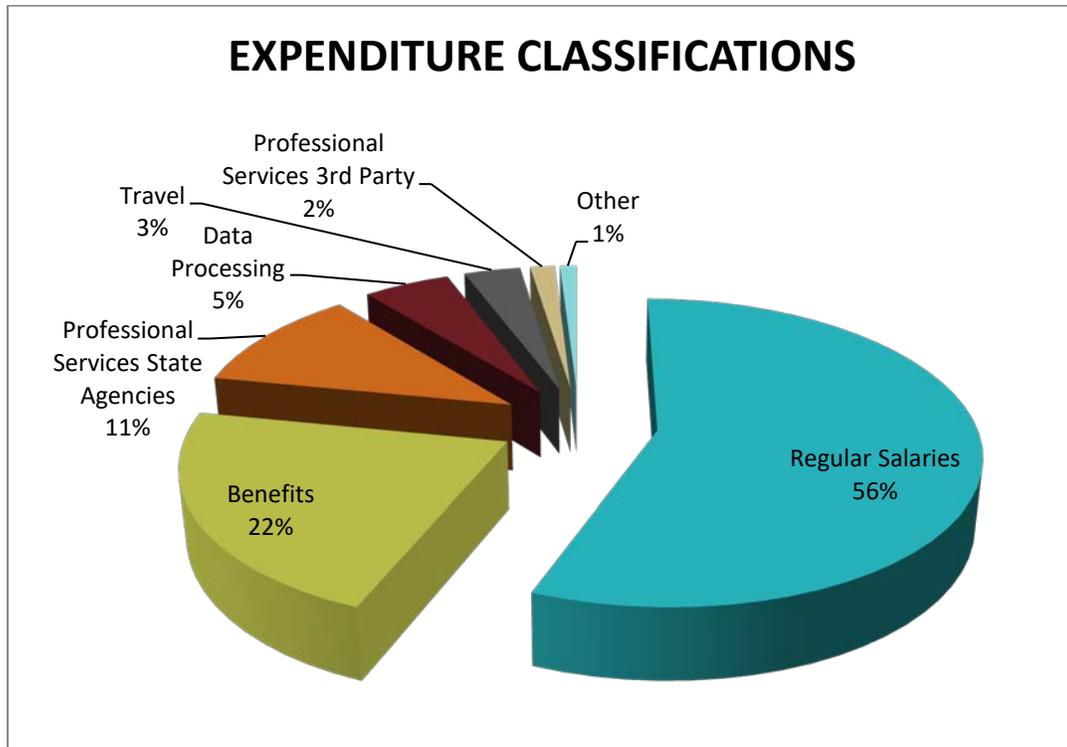
The Department’s regulatory oversight includes:

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



2018 EXPENDITURES

EXPENDITURE CATEGORY	AMOUNT (ROUNDED TO NEAREST HUNDRED DOLLARS)	PERCENT OF TOTAL EXPENDITURES
Regular Salaries	\$10,949,300	56%
Benefits	\$4,292,000	22%
Professional Services State Agencies	\$2,150,500	11%
Data Processing	\$1,002,700	5%
Travel	\$652,800	3%
Professional Services Third Party	\$283,700	2%
Other	\$191,600	1%
TOTAL EXPENDITURES	\$19,522,600	100%



HUMAN RESOURCES AND TRAINING SECTION

The Human Resources and Training Section in the TDFI Administrative Division coordinates and provides customer service to employees on issues/matters related to benefits, time and labor processing, policy clarification, personnel file management, recruitment and hiring, performance management, employee relations, worker's compensation, Family Medical Leave, ADA/AACAA Accommodations and other matters related to an employee's welfare and/or job performance. We also provide Edison support by ensuring employees' personnel records and training records are updated in Edison. In addition to supporting our employees, the Human Resources and Training Section staff works collectively with department management and leadership to provide reports and data related to turnover, demographics, staffing, leave accruals and other information related to personnel and staffing. We also work collectively with management to establish appropriate position classifications to ensure we maintain a qualified, experienced staff able to carry out the Department's regulatory responsibilities.

Over the past few years, the State of Tennessee has worked to develop and improve a performance management system that directs employee performance through SMART work outcomes. Department management has worked diligently to ensure that Individual Performance Plans have work outcomes that meet the SMART format criteria. Following an audit conducted by the Department of Human Resources, TDFI continues to demonstrate compliance with the SMART format. With the addition of competencies as part of the performance management process, management was able to provide appropriate feedback to staff to ensure we are continually striving to provide



good customer service to internal and external customers. Department management has also participated in training on the State of Tennessee Talent Management process to further support our efforts to develop a qualified workforce and assist us in our succession planning efforts.

During the past few years, greater emphasis has been placed on employee development. As a Certified Learning Facilitator, the Human Resources Director facilitates training for staff and management related to state and department policies as well as Department of Human Resources curricula. Having our own certified Learning Facilitator has afforded the Department greater flexibility to ensure staff and management are able to participate in required and requested training in a manner that can accommodate their regulatory and examination responsibilities.

TDFI is dedicated to developing a competent leadership team and has embraced the mindset of continuous learning. In that effort, department management has been working to complete the learning modules in the State of Tennessee Management and Leadership Learning Pyramid.

As of June 30, 2018, 93% of the Department's management staff completed level one; 90% have completed level two; 97% have completed level three; and 7% have completed level four of the learning pyramid.

In addition to the examiner training that many of our staff participates in each year, leadership development has become increasingly important to TDFI. During this past year, one employee participated in and graduated from Tennessee Government Executive Institute; one employee participated in and graduated from Tennessee Government Management Institute; two employees participated in and graduated from LEAD Tennessee; one employee participated in and graduated from Accelerated Leadership Institute and twenty employees participated in and graduated from our own Commissioner's Leadership Academy, developed in consultation with the Department of Human Resources. The Commissioner's philosophy that all employees have the opportunity to be a leader in their current position has resulted in staff from all position classifications in all divisions being afforded the chance to participate in the Commissioner's Leadership Academy. The Department has also made efforts to afford administrative staff additional development opportunities this past year. Nine (9) trainings were facilitated for administrative staff to further assist them in building on their knowledge, skills, abilities and competencies.

The Department's efforts to participate in the state's Alternative Workplace Solutions (AWS) program continues to be successful and staff have worked to embrace available technology for meetings and some training that can be accomplished outside of a classroom setting. As of June 30, 2018, only fourteen (14) department employees are permanently assigned work on a daily basis in the Nashville office. 90% of our department employees are classified as either mobile workers or work at home. Mobile workers generally report on a daily basis to a financial institution to participate in an examination. On days when they do not report to a financial institution, they work at home. Employees classified as work at home, generally work at home a minimum of three (3) days per week and work at the office on an average of two (2) days per week. Implementation of AWS has reduced office expenses, decreased employee travel and parking in the Nashville area as well as increased productivity and improved morale. The ability to work at home has resulted in lower utilization of sick leave as well as enabled staff to work at home in lieu of utilizing Administrative Leave with Pay when inclement weather has resulted in the closing of state offices.

2017-2018 Commissioner's Leadership Academy Participants at Montgomery Bell State Park



2017-2018 Commissioner's Leadership Academy Graduates

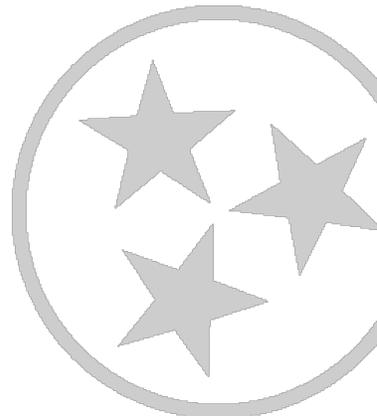


Pictured above left to right, top row: William Cook-Applications; Joy Seavers-Bank Division; Eric Rogers-Administrative Division/Legal; Kevin Hicks-Compliance Division; Todd Staley-Administrative Division/Legal; Troy McPeak-Administrative Division/Legal;

2nd Row: Memory Little-Administrative; Matt Adkinson-Credit Union Division; JoAnn Schumann-Bank Division; Jessica Huff-Bank Division; Kelley Murray-Administrative Division/HR & Training; Jordan Brown-Bank Division;

Front row: Commissioner Hunter-DOHR; Trish Holliday-DOHR; Rob Campbell-Compliance Division; Patrick Sommers-Compliance Division; Jamice Lane-Washburn-Bank Division; Alica Owen-Commissioner's Office; John Tubb-Bank Division; Commissioner Gonzales-TDFI. Not pictured: Steffany Daniel-Compliance Division; Alan Kirkwood & Todd Rice-Bank Division.

Commissioner Gonzales Speaks to Community Leadership Groups



LEGAL SECTION

The Legal Section provides legal advice and representation for the Department. It is comprised of a general counsel, nine (9) staff attorneys and one (1) legal assistant.

The Legal Section advises 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 the Tennessee General Assembly on legislative issues affecting financial institutions.

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

The Legal Section was heavily involved in the 2018 legislative session by analyzing and tracking bills, working closely with the Governor's Office, the General Assembly, and other groups sponsoring legislation which impacted the Department. The Legal Section provided assistance to divisions on a myriad of legal issues, ranging from issues pertaining to bank, trust company and credit union applications and operations, consumer lenders, including industrial loan and thrift companies, title pledge lenders, deferred presentment services providers, and flexible credit lenders, to issues involving mortgage companies, mortgage loan originator registration, money transmitter licensing, and check cashers, as well as other areas requiring legal expertise.



2018 LEGISLATION

Public Chapter 550 – Amends T.C.A. Title 45, Chapter 2, Part 19 Effective Date: March 9, 2018.

Public Chapter 550 amends the provisions of the Tennessee Banking Act relating to credit card state banks, specifically T.C.A. §§ 45-2-1901 and 45-2-1902, by extending, from July 1, 2018 to July 1, 2020, the date upon which (i) the definition of “domestic holding company” (for purposes of organizing a credit card state bank) will no longer include certain entities and (ii) a credit card state bank may no longer engage in debit card operations.

Public Chapter 600 – Amends T.C.A. Title 45, Chapter 5 Effective Date: March 23, 2018

Public Chapter 600 amends certain provisions in the Industrial Loan and Thrift Companies Act relating to interest rates that may be charged by registrants under the Act. Specifically, Public Chapter 600 adds a new defined term, “amount financed,” to T.C.A. § 45-5-102 and changes references in T.C.A. §§ 45-5-301(2)(A)(i)-(iii) regarding the applicable dollar amount for determining permissible interest rates, from the term “total amount of the loan” to the term “amount financed.”

Public Chapter 600 further amends T.C.A. §§ 45-5-301(2)(A)(i)-(iii) to indicate that the interest rates set forth therein apply to the principal. In addition, Public Chapter 600 changes references in T.C.A. §§ 45-5-401(a) and (c) regarding the applicable dollar amount for determining methods of contracting for interest, from the term “total amount of the loan” to the term “amount financed.”

Public Chapter 600 also amends T.C.A. § 45-5-401(c) to provide that interest may be contracted for on the unpaid balance due after the maturity date of the loan, at a rate not to exceed thirty-percent (30%) per annum where the amount financed is one hundred dollars (\$100) or more, up to five thousand dollars (\$5,000), and at a rate not to exceed twenty-four percent (24%) per annum where the amount financed is more than five thousand dollars (\$5,000).

Public Chapter 632 – Amends T.C.A. Title 45, Chapter 2, Part 20

Effective Date: July 1, 2018

Public Chapter 632 amends the provisions in the Tennessee Banking Act governing private trust companies at T.C.A. Title 45, Chapter 2, Part 20. Specifically, Public Chapter 632 amends the definition of “family client” in T.C.A. § 45-2-2001(b)(2)(D), expanding the scope of persons that may be served by a private trust company to include a maximum of 35 individuals who are full-time employees of a family affiliate. In addition, Public Chapter 632 adds a new section, T.C.A. § 45-2-2005, which allows the Commissioner to change an exemption granted to a private trust company under T.C.A. § 45-2-2001 only in certain circumstances, requires the Commissioner to provide 30 days advance notice of the change and allows the private trust company to request a hearing before the change becomes effective.

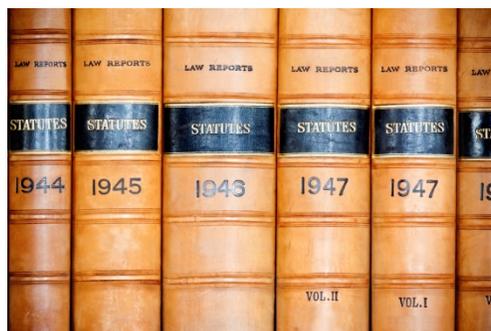
Public Chapter 741 – Amends T.C.A. Title 45, Chapter 11

Effective Date: April 18, 2018

Public Chapter 741 amends the Financial Institutions Conversion Act of 1985, specifically by expanding the definition of “financial institution” at T.C.A. § 45-11-101(3) to include an out-of-state, state or federally-chartered financial institution, which allows such an institution to apply to convert to a Tennessee state-chartered financial institution under the Act. Public Chapter 741 further clarifies that the term “financial institution” at T.C.A. § 45-11-103(3) includes a trust company.

RULEMAKING

No rules or amendments were adopted in 2018.



CONSUMER RESOURCES SECTION

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

Since the development of the Consumer Resources Section in 2004, the Section has processed 7,196 total complaint files and it has also exceeded over \$697,000 in total refunds and/or waived fees through the consumer complaint process, over the 15 years of its existence.



CONSUMER PROTECTION

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

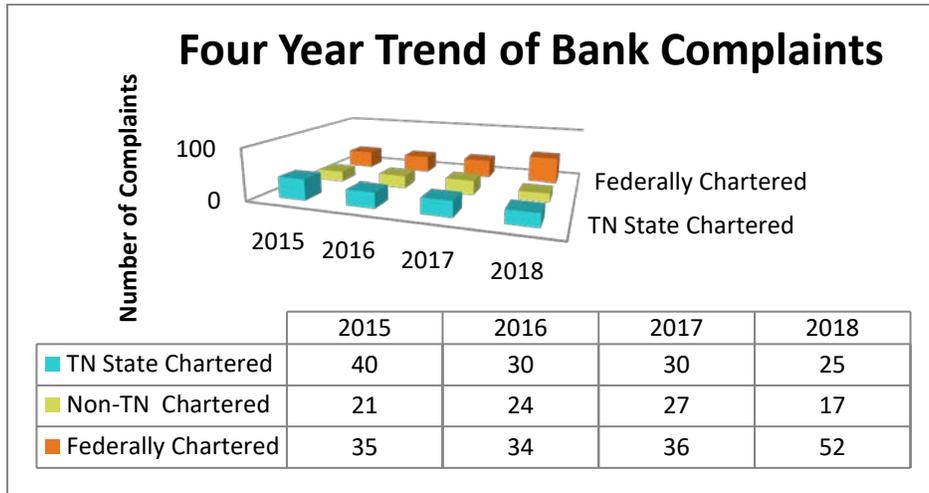
inquiries or complaints are forwarded to the appropriate agency and the consumer is advised accordingly.

Within its jurisdiction, the Section serves as an intermediary between the consumer and the institution against which the complaint is filed. The Section's routine practice is to submit the consumer's written complaint to the financial institution for response. Additionally, the standard is to allow a regulated institution 15 business days to reply to a consumer complaint against them, which is approximately 22 calendar days. In 2018, the average processing time of all complaint files reviewed was 13.96 calendar days.

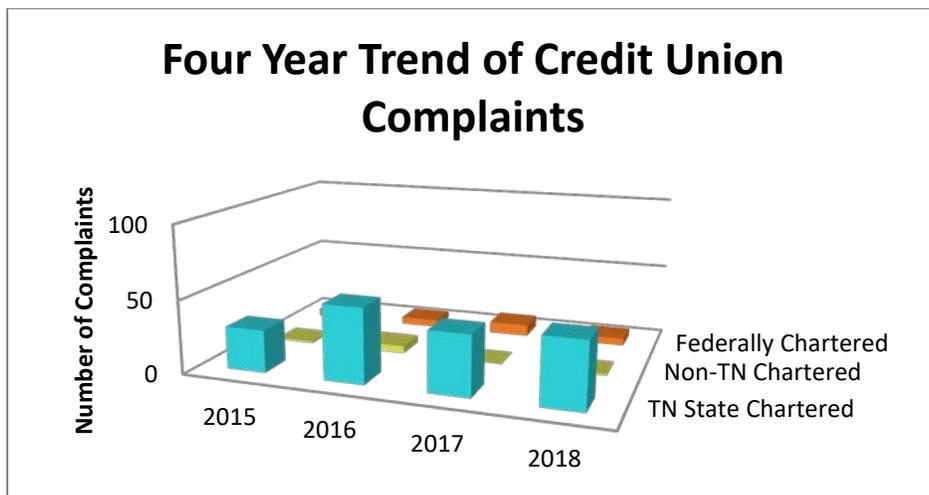
The Section processed a total of 331 formally filed consumer complaints throughout calendar year 2018. These were received from 60 of the state's 95 counties (63.16%). A total of 47 (14.20%) complaints were filed by out of state residents. Additionally, of the total number of complaints that were filed, 161 or 48.64% were submitted using the department's online consumer complaint form.

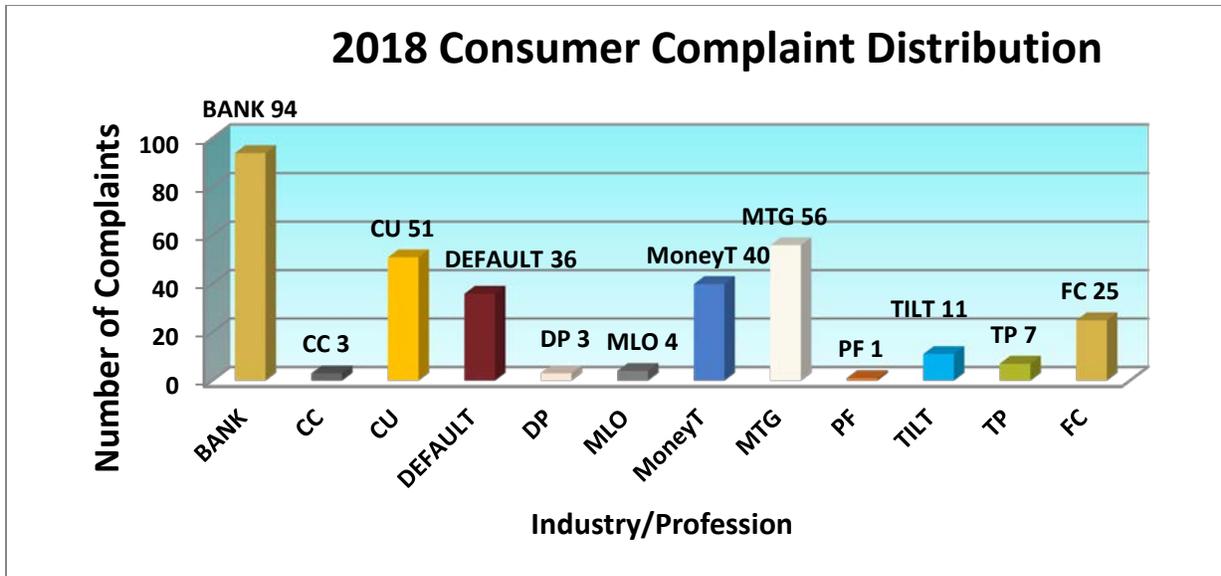
Shelby County residents had the highest number of complaints filed with 40 (14.08% of total Tennessee resident filed complaints). Complainants from the four largest counties in the state-Davidson, Shelby, Knox and Hamilton, comprised 37.68% of all of the complaints filed by Tennessee citizens with 107. The complete county listing of consumer complaints filed in 2018 appears later in this report on Page 21.

The following graphic shows the four-year (4-Year) trend for bank complaints the Section has received based on the specific charter type of the institution named in the complaint. Complaints against federally-chartered and non-Tennessee state banks have increased slightly during this time period; while Tennessee chartered banks have trended lower the past three years.



The next graphic shows the four-year (4-Year) trend for the various credit union complaints the Section has received. This is also based on whether the credit union is federally-chartered, non-Tennessee state-chartered or a Tennessee chartered credit union. All three charter types have fluctuated over the past four years.





*Calendar year ending December 31, 2018

*Bank and credit union data includes federally-chartered, out-of-state and Tennessee 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

**** Flexible Credit Loans became effective January 1, 2015

While some of the complaints received may have more than one allegation mentioned by the consumer, the following listing contains the Top Ten most frequently alleged situations:

TOP TEN CONSUMER COMPLAINT ALLEGATIONS

RANK	ALLEGATION	#
1	Foreclosure Issues	28
2	Unapproved Account Withdrawal	20
3	Payment Processing-Payment History Dispute	19
4	Refund Issues	19
5	Customer Service Issues	18
6	Attorney/Legal Issues	17
7	Credit Bureau Reporting Information	16
8	Application Processing Issues	12
9	Loan Modification Issues	11
10	Account Hold Issues	11

From the complaints reviewed and processed in 2018, consumers received \$173,380.87 in the form of direct credits, refunds to their accounts, physical checks made payable to the complainant or waived fees on their account.

There were also a number of accounts that resulted in some form of a workout payment arrangement in an effort to assist the complainant in making their payments on their loans, which may have been in dispute when they submitted their complaint. The complete refunds by industry type are shown below:

REFUND/WAIVED FEE AMOUNT	PROFESSION CODE	INDUSTRY
	1	Default
\$1000.00	100	TILT
\$3933.68	150	Flexible Credit
\$1736.59	200	Mortgage
	220	MLO
	300	Deferred Presentment
\$361.83	350	Title Pledge
\$440.75	400	Premium Finance
	500	Check Casher
\$164,676.88	600	Money Transmitter
\$1231.14	700	Credit Union
	800	Bank
\$173,380.87	Total Refunds	2018

TOTAL COMPLAINTS BY COUNTY

County	Total Complaints	Percent %	County	Total Complaints	Percent %	County	Total Complaints	Percent %
Out of State	47	14.20%	Hamblen	2	0.60%	Moore	0	0.00%
Anderson	10	3.02%	Hamilton	17	5.14%	Morgan	0	0.00%
Bedford	2	0.60%	Hancock	0	0.00%	Obion	0	0.00%
Benton	0	0.00%	Hardeman	1	0.30%	Overton	0	0.00%
Bledsoe	0	0.00%	Hardin	1	0.30%	Perry	0	0.00%
Blount	5	1.51%	Hawkins	0	0.00%	Pickett	0	0.00%
Bradley	9	2.72%	Haywood	2	0.60%	Polk	0	0.00%
Campbell	3	0.91%	Henderson	0	0.00%	Putnam	1	0.30%
Cannon	0	0.00%	Henry	0	0.00%	Rhea	0	0.00%
Carroll	2	0.60%	Hickman	1	0.30%	Roane	1	0.30%
Carter	4	1.21%	Houston	0	0.00%	Robertson	1	0.30%
Cheatham	0	0.00%	Humphreys	0	0.00%	Rutherford	18	5.44%
Chester	2	0.60%	Jackson	0	0.00%	Scott	0	0.00%
Claiborne	2	0.60%	Jefferson	2	0.60%	Sequatchie	1	0.30%
Clay	1	0.30%	Johnson	2	0.60%	Sevier	7	2.11%

County	Total Complaints	Percent %	County	Total Complaints	Percent %	County	Total Complaints	Percent %
Cocke	2	0.60%	Knox	23	6.95%	Shelby	40	12.08%
Coffee	1	0.30%	Lake	0	0.00%	Smith	1	0.30%
Crockett	0	0.00%	Lauderdale	2	0.60%	Stewart	1	0.30%
Cumberland	4	1.21%	Lawrence	1	0.30%	Sullivan	2	0.60%
Davidson	27	8.16%	Lewis	1	0.30%	Sumner	10	3.02%
Decatur	0	0.00%	Lincoln	0	0.00%	Tipton	0	0.00%
Dekalb	2	0.60%	Loudon	4	1.21%	Trousdale	0	0.00%
Dickson	1	0.30%	McMinn	1	0.30%	Unicoi	0	0.00%
Dyer	1	0.30%	McNairy	1	0.30%	Union	0	0.00%
Fayette	1	0.30%	Macon	0	0.00%	Van Buren	0	0.00%
Fentress	1	0.30%	Madison	5	1.51%	Warren	0	0.00%
Franklin	2	0.60%	Marion	1	0.30%	Washington	3	0.91%
Gibson	0	0.00%	Marshall	2	0.60%	Wayne	1	0.30%
Giles	2	0.60%	Maury	4	1.21%	Weakley	1	0.30%
Grainger	0	0.00%	Meigs	0	0.00%	White	1	0.30%
Greene	5	1.51%	Monroe	3	0.91%	Williamson	9	2.72%
Grunddy	0	0.00%	Montgomery	15	4.53%	Wilson	6	1.81%
						Total	331	100.0%

CONSUMER EDUCATION

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



One of the goals of the Section is to ensure that all Tennesseans have access to financial literacy programs that will help them make better money management decisions. The Commissioner is a board member of the Tennessee Financial Literacy Commission, which is to act as a clearing house for financial literacy activity in Tennessee and is to give input to the effort to increase financial literacy in elementary schools. We were privileged to partner with a number of agencies to promote savings in conjunction with

America Saves Week. Throughout calendar year 2018, the Section continued its partnership with Tennessee Jumpstart, A Coalition for Personal Financial Literacy.

We also continued to serve on the Advisory Council for Bank on Music City, which is an initiative to reach the un-banked and under-banked in Nashville-Davidson County and the surrounding counties. The Section strengthened its relationship with the Nashville Alliance for Financial Independence.

FINANCIAL EDUCATION OUTREACH

The following is a listing of the presentations made or brochures provided to various groups during 2018:

- Woodbine Community Organization-Nashville
- Nashville Financial Empowerment Centers-Nashville
- Consumer Protection Day on the Hill-Nashville
- 3rd Annual Tennessee Jump\$tart Personal Finance Video of the Year Awards-Nashville
- Consumer Protection Day at Ft. Campbell-Ft. Campbell, KY
- Pellissippi State Community College-Financial Fairs-(4 Knoxville area campuses)
- Tennessee Jump\$tart Personal Finance Educator Conference-Gatlinburg



BANK DIVISION

The Bank Division has legal responsibility for ensuring that the Tennessee state-chartered banking system runs on a safe and sound basis. The division's risk-focused approach seeks to achieve the Department's mission of balancing safety and soundness with affording institutions the opportunity to contribute to economic development. 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 agencies.

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 depositors. 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.



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.

The Bank Division is accredited by the Conference of State Bank Supervisors.

ADMINISTRATION

Tod Trulove, Assistant Commissioner, CEM
Todd Rice, Chief Administrator – Examinations
Debra Grissom, Chief Administrator – Applications
Wade McCullough, Chief Administrator – Trust, CEIC
Chad Holbert, Program Administrator - Trust
Clyde McClaran, Division Training Director
James Dewhirst, Consumer Compliance Liaison
William Cook, Application Analyst
Justin McClinton, Safety & Soundness Administrator
Philip Ruffin, Chief Administrator – Large Banks
Ekaette Udoumana, Safety & Soundness Administrator
Grant Casselberry, Program Administrator – Large Banks
JoAnn Schumann, Safety & Soundness Administrator, CCBCO
Gina Tarolli, Executive Administrative Assistant
Jehmie Barrick, Administrative Assistant 2



Nashville Central Office Staff



EXAMINATION PERSONNEL

WEST TENNESSEE DIVISION

Danny Nolen, Bank Division Manager, CEM
Timothy Runions, Bank Regional Supervisor, CEIC
Phillip Stafford, Bank Regional Supervisor, CEIC
Roxanne Taylor, FI Special Examiner Trust, CEIC
Vicki Ivey, Bank Off-Site Monitoring Coordinator, CEIC
Toniece Johnson, IT Bank Examiner 4, COE
Kenneth Oliver, Bank Examiner 4, CPA
Stephen Koffman, Bank Examiner 4
Holly Ragan, Bank Examiner 4

Jeffrey Rial, Bank Examiner 4
Courtney Hopper, Bank Examiner 3
Cheena Keltner, Bank Examiner 3
Brittany Williams, Bank Examiner 3
Blake Mascolo, Bank Examiner 2
Angelyn Williams, Bank Examiner 2
Drew Jordan, Bank Examiner 1
Kelly Dobbs, Bank Examiner 1
Naman Patel, Bank Examiner 1

West Tennessee Bank Examiners with Commissioner Gonzales and Asst. Commissioner Tod Trulove (Front row center)

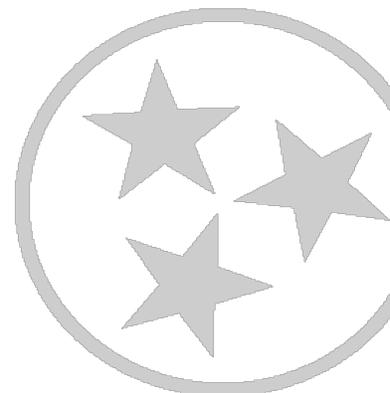


MIDDLE TENNESSEE DIVISION

Mike Sisk, Bank Division Manager, CEIC
Edward Black, Bank Regional Supervisor
John Tubb, Bank Regional Supervisor
Sherri Cassetty, Bank Off-Site Monitoring
Coordinator, CEIC, CFE
Mark Herren, Bank Examiner 4
Jordan Brown, Bank Examiner 4
Michael Glaser, Bank Examiner 4
Allise Fowler, Bank Examiner 4
Alan Kirkwood, Bank Examiner 3

Darnell Tate, Bank Examiner 2
Zach Tarwater, Bank Examiner 2
James Alley, Bank Examiner 2
Cody Durham, Bank Examiner 2
Anne Mauldin, Bank Examiner 1
Jameel Lane, Bank Examiner 1
Kyle Wright, Bank Examiner 1
Jessica Banda, Bank Examiner 1
Humphrey Uti, Bank Examiner 1

Middle Tennessee Bank Examiners
Commissioner Gonzales and Asst. Commissioner Tod Trulove (Seated front row center)



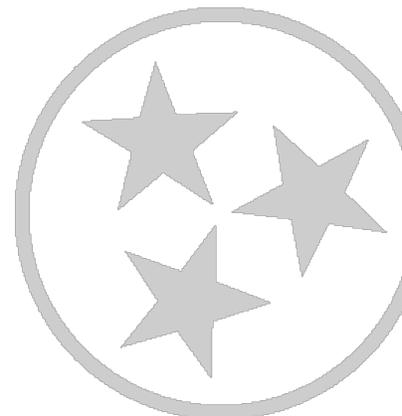
EAST TENNESSEE DIVISION

Jessica Huff, Bank Division Manager
Jonathan Piper, Bank Off-Site Monitoring
Coordinator, CEIC
Jamice Lane-Washburn, Bank Regional
Supervisor
Anthony Valentino, Bank Regional Supervisor
James Cody Jordan, IT Bank Examiner
Corey Wright, FI Special Examiner – Trust
Michael Blair, Bank Examiner 4

Madison Tarwater, Bank Examiner 3
Teresa Curtis, Bank Examiner 3
Ashley McClellan, Bank Examiner 3
Samuel England, Bank Examiner 2
Timothy Whitley, Bank Examiner 2
Errol Griebel, Bank Examiner 1
Adam Hyde, Bank Examiner 1
Christina Hollaway, Bank Examiner 1



Personnel Designation: ACISE, Associate Certified Information Systems Examiner; CEIC, Certified Examiner-in-Charge; CEM, Certified Examinations Manager; CFE, Certified Fraud Examiner; COE, Certified Operations Examiner; CPA, Certified Public Accountant; CCBCO, Certified Community Bank Compliance Officer



BANK APPLICATION ACTIVITIES FY 17-18

NEW BANKS OPEN

Tennessee Bank & Trust, Nashville, TN (October 2017)*

*Branch incorporation

Studio Bank, Nashville, TN (June 2018)

BANK MERGERS

Peoples State Bank of Commerce, Nolensville, TN, merged with and into FNB Bank, Scottsboro, AL, under the charter and title of FNB Bank (July 2017)

Clayton Bank and Trust, Knoxville, TN, merged with and into FirstBank, Nashville, TN, under the charter and title FirstBank (July 2017)

American City Bank, Tullahoma, TN, merged with and into FirstBank, Nashville, TN, under the charter and title of FirstBank (July 2017)

First South Bank, Jackson, TN, merged with and into Simmons Bank, Pine Bluff, AR, under the charter and title of Simmons Bank (September 2017)

Capstone Bank, Tuscaloosa, AL, merged with and into SmartBank, Pigeon Forge, TN, under the charter and title of SmartBank (November 2017)

Citizens Bank, New Tazewell, TN, merged with and into Commercial Bank, Harrogate, TN, under the charter and title of Commercial Bank (January 2018)

Cumberland Bank & Trust, Clarksville, TN, merged with and into First Federal Bank, Dickson, TN, under the charter and title of First Federal Bank (January 2018)

Community First Bank & Trust, Columbia, TN, merged with and into Reliant Bank, Brentwood, TN, under the charter and title of Reliant Bank (January 2018)

Civic Bank and Trust, Nashville, TN, merged with and into Franklin Synergy Bank, Franklin, TN, under the charter and title of Franklin Synergy Bank (April 2018)

Merchants and Planters Bank, Bolivar, TN, merged with and into Centennial Bank, Trezevant, TN, under the charter and title of Centennial Bank (April 2018)

Southern Community Bank, Tullahoma, TN, merged with and into SmartBank, Pigeon Forge, TN, under the charter and title of SmartBank (May 2018)

BANK APPLICATION ACTIVITIES FY 17-18

BANK CONVERSIONS

There have been no bank conversions during fiscal year 2017-18

BANK CLOSURES

There have been no bank closures during fiscal year 2017-18

BIDCO TRANSACTIONS

There have been no BIDCO transactions during fiscal year 2017-18

NEW TRUST COMPANIES OPEN

TCV Trust & Wealth Management, Inc., Knoxville, TN (December 2017)

Southeastern Trust Company, LLC, Chattanooga, TN (May 2018)

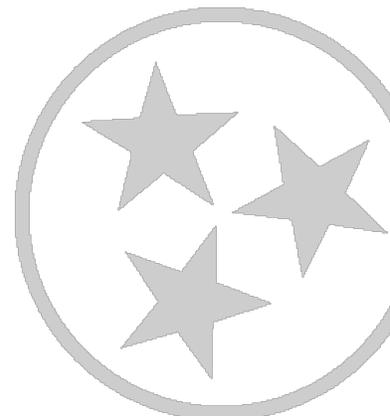
The Entrust Trust Company, Nashville, TN (June 2018)

TRUST COMPANY MERGERS

Independence Trust Company, Franklin, TN, merged with and into Argent Trust Company, Nashville, TN, under the charter and title of Argent Trust Company (December 2017)

The Trust Company of Virginia, Richmond, VA merged with and into TCV Trust & Wealth Management, Inc., Knoxville, TN (December 2017)

Argent Trust Company, San Antonio, TX, merged with and into Argent Trust Company, Nashville, TN, under the charter and title of Argent Trust Company (January 2018)



INFORMATION AT A GLANCE (AS OF JUNE 30, 2018)

BANK REGULATED INSTITUTIONS:

130 Banks
12 Independent non-depository public trust companies
1 BIDCO

BANK DATA CONSOLIDATED TOTAL ASSETS:

\$81.0 billion, representing a \$6.6 billion or 8.84 percent increase since June 30, 2017

CONSOLIDATED CAPITAL:

\$10.1 billion, representing 12.53 percent of total assets

RETURN ON AVERAGE ASSETS (ROAA):

Median ROAA of 1.07 percent with a median Net Interest Margin of 4.06 percent (includes all banks)

ALLOWANCE FOR LOAN AND LEASE LOSSES (ALLL):

Median ALLL to total loans and leases ratio of 1.12 percent

PAST DUE RATIO:

Median past due ratio of 1.40 percent

TRUST COMPANY DATA TOTAL CONSOLIDATED CORPORATE ASSETS:

\$113.1 million, representing an increase of approximately 18 percent from June 30, 2017

AGGREGATED NET INCOME FOR TRUST COMPANIES:

\$6.4 million, representing a 68 percent increase compared to the same period in 2017

TRUST ASSETS UNDER MANAGEMENT AND/OR CUSTODY:

Reflects an increase of 34 percent from \$26.4 billion to \$35.4 billion, inclusive of assets invested in common/collective trust funds.

BUSINESS AND INDUSTRIAL DEVELOPMENT CORPORATION (BIDCOS)

Tennessee Code Annotated, Section 45-8-225 (Report of Accomplishments) requires a report to be published annually that summarizes the accomplishments of BIDCOs operating in Tennessee. The one BIDCO licensed for the calendar year 2018 provided no financing to small businesses, minority owned businesses, or businesses owned by female proprietors.

TENNESSEE STATE-CHARTERED BANKS
CONSOLIDATED BALANCE SHEET (IN MILLIONS)
As of June 30, 2017 and June 30, 2018

ASSETS	June 30, 2018	June 30, 2017	\$ CHANGE	% CHANGE
Cash and Due From Banks	3,409	3,422	-13	-0.38%
Securities	12,552	12,271	281	2.29%
Federal Funds Sold and Securities	319	308	11	3.57%
Securities not held for trading	28	0	28	0%
Loans and Leases Held for Sale	1,022	1,059	-37	-3.49%
Loans and Leases, Net of Allowance for Loan and Lease	57,399	51,598	5,801	11.24%
Assets Held in Trading Accounts	7	9	-2	-22.22%
Premises and Fixed Assets	1,354	1,316	38	2.89%
Other Real Estate Owned	193	219	-26	-11.87%
Investments in Unconsolidated Intangible Assets	187	183	4	2.19%
Other Assets	2,611	2,346	265	11.30%
TOTAL ASSETS	80,998	74,419	6,579	8.84%
LIABILITIES				
Non-Interest Bearing Deposits	12,949	12,265	684	5.58%
Interest Bearing Deposits	52,973	48,753	4,220	8.66%
TOTAL DEPOSITS	65,922	61,018	4,904	8.04%
Federal Funds Purchased & Securities Sold Under Agreement to Repurchase	436	516	-80	-15.50%
Trading Liabilities	2	1	1	100.00%
Other Borrowed Money	3,833	2,656	1,177	44.31%
Other Liabilities	660	619	41	6.62%
TOTAL LIABILITIES	70,853	64,810	6,043	9.32%
Minority Interests in Unconsolidated Subsidiaries	1	1		



TENNESSEE STATE-CHARTERED BANKS
CONSOLIDATED BALANCE SHEET (IN MILLIONS)
As of June 30, 2017 and June 30, 2018

EQUITY CAPITAL	June 30, 2018	June 30, 2017	\$ Change	% Change
Preferred Stock	23	23	0	0.00%
Common Stock	348	359	-11	-3.06%
Surplus	6,153	5,806	347	5.98%
Undivided Profits	3,808	3,428	380	11.09%
Accumulated Other Comprehensive Income	-183	-3	-180	6000.00%
Other Equity Capital Components	-5	-5	0	0.00%
TOTAL EQUITY CAPITAL	10,144	9,609	535	5.57%
TOTAL LIABILITIES AND EQUITY	80,998	74,419	6,579	8.84%

TENNESSEE STATE-CHARTERED BANKS
CONSOLIDATED INCOME STATEMENT (IN MILLIONS)
Six months ending June 30, 2017 and June 30, 2018

	JUNE 30, 2018	JUNE 30, 2017
Interest Income	1,661	1303
Interest Expenses	265	153
NET INTEREST INCOME	1,396	1150
Non-Interest Income	375	339
Non-Interest Expense	1,059	923
Provision for Loan and Lease Losses	44	45
Securities Gains/Losses	0	1
Pre-Tax Net Income	668	522
Applicable Income Taxes	134	144
NET OPERATING INCOME	534	378
NET INCOME	534	378
TOTAL CASH DIVIDENDS	202	128

**TENNESSEE STATE-CHARTERED BANKS
SUMMARY OF INDIVIDUAL BANKS (IN THOUSANDS)**

		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	
CITY	INSTITUTION	Cash	Invest	Total Loans	Loan Loss Reserve	Other Assets	Total Assets	Deposits	Other Liabilities	MIUS	CAPITAL	Net Income
ADAMSVILLE	Farmers & Merchants Bank	7,789	9,995	22,186	439	1,198	40,729	35,873	114	0	4,742	233
ASHLAND CITY	Community Bank & Trust	7,877	60,491	151,325	2,451	13,462	230,704	197,934	10,089	0	22,681	995
ATWOOD	Citizens Bank & Trust Company	2,145	13,093	9,764	85	548	25,465	23,057	82	0	2,326	114
BARTLETT	Bank of Bartlett	9,054	111,698	200,360	2,141	41,346	360,317	321,499	11,486	0	27,332	704
BELLS	Bank of Crockett	5,672	92,527	53,911	891	9,295	160,514	142,973	535	0	17,006	1,078
BRENTWOOD	Reliant Bank	35,820	304,952	1,173,614	10,169	149,818	1,654,035	1,336,652	108,684	0	208,699	8,833
BRIGHTON	Brighton Bank	4,547	5,053	55,144	365	3,371	67,750	64,076	291	0	3,383	-96
BROWNSVILLE	INSOUTH Bank	7,321	39,553	256,126	2,434	22,136	322,702	270,826	21,672	0	30,204	1,770
BYRDSTOWN	People's Bank and Trust Company of Pickett County	6,940	17,207	89,766	1,303	4,877	117,487	101,536	508	0	15,443	853
CAMDEN	Apex Bank	34,923	4,606	458,968	5,575	49,300	542,222	460,335	19,054	0	62,833	13,618
CARTHAGE	Citizens Bank	20,650	331,388	226,806	1,695	9,398	586,547	484,579	1,925	0	100,043	6,995
CHATTANOOGA	First Volunteer Bank	114,700	35,338	784,181	9,734	54,683	979,168	860,729	8,443	0	109,996	9,593
CLARKSVILLE	F&M Bank	23,971	90,940	861,728	2,861	101,197	1,074,975	853,881	103,988	0	117,106	4,121
CLARKSVILLE	First Advantage Bank	10,672	45,328	518,418	5,635	33,455	602,238	479,508	54,391	0	68,339	3,481
CLARKSVILLE	Legends Bank	11,238	82,261	359,270	3,530	23,559	472,798	406,183	22,684	0	43,931	2,463
CLEVELAND	Bank of Cleveland	20,480	4,468	224,035	2,830	17,435	263,588	220,131	1,738	0	41,719	2,145
CLIFTON	Peoples Bank	6,694	16,144	154,459	1,562	25,666	201,401	176,165	8,311	0	16,925	924
COLLIERVILLE	BankTennessee	10,115	21,249	228,897	3,349	26,550	283,462	251,562	829	0	31,071	2,006
COLLIERVILLE	Landmark Community Bank	18,936	126,277	776,430	7,076	42,095	956,662	795,544	76,202	0	84,916	4,525
COLUMBIA	First Farmers and Merchants Bank	30,220	389,858	870,351	9,187	84,860	1,366,102	1,192,300	48,723	95	125,079	7,221
COLUMBIA	Heritage Bank & Trust	10,392	16,869	115,760	2,083	10,257	151,195	135,378	3,273	0	12,544	803
COOKEVILLE	Bank of Putnam County	62,599	244,827	456,450	3,558	38,678	798,996	730,137	10,015	0	58,844	4,705
COOKEVILLE	Putnam 1st Mercantile Bank	3,440	17,175	100,087	1,359	3,803	123,146	109,432	551	0	13,163	1,011
CORDOVA	First Alliance Bank	7,245	9,625	108,231	848	10,003	134,256	117,889	2,647	0	13,720	302
DECATURVILLE	Decatur County Bank	3,706	21,171	78,975	538	7,118	110,432	90,692	12,093	0	7,647	415
DICKSON	Bank of Dickson	9,942	70,223	139,015	1,374	5,997	223,803	194,034	1,361	0	28,408	996
DICKSON	First Federal Bank	80,768	188,387	365,946	4,647	45,368	675,822	581,799	12,328	0	81,695	5,137
DICKSON	TriStar Bank	7,147	53,824	210,357	2,190	20,477	289,615	244,142	22,788	0	22,686	1,207
DUNLAP	Citizens Tri-County Bank	54,659	222,313	526,691	7,852	46,281	842,092	749,359	6,249	0	86,484	7,575
DUNLAP	Mountain Valley Bank	4,999	16,416	74,235	593	5,958	101,015	92,034	219	0	8,762	246

		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	
CITY	INSTITUTION	Cash	Invest	Total Loans	Loan Loss Reserve	Other Assets	Total Assets	Deposits	Other Liabilities	MIUS	CAPITAL	Net Income
DYER	The Farmers & Merchants Bank	3,642	54,022	31,475	219	9,133	98,053	85,470	4,759	0	7,825	133
ELIZABETHTON	Citizens Bank	21,872	180,001	606,439	5,879	31,281	833,714	672,102	57,361	726	104,250	6,957
ELIZABETHTON	Security Federal Bank	3,904	14,934	44,809	451	4,060	67,256	51,416	5,962	0	9,878	181
ERIN	Traditions First Bank	21,419	38,385	79,402	641	7,895	146,460	131,962	1,427	0	13,071	632
FARRAGUT	SouthEast Bank	101,436	0	1,208,027	4,551	76,667	1,381,579	1,245,825	8,220	0	127,534	7,631
FAYETTEVILLE	Bank of Lincoln County	8,874	14,904	107,127	1,456	7,677	137,126	118,015	518	0	18,593	1,145
FRANKEWING	Bank of Frankewing	35,710	13,098	203,065	4,207	11,028	258,694	224,595	4,424	0	29,675	1,646
FRANKLIN	Franklin Synergy Bank	177,322	1,366,231	2,488,861	22,341	152,408	4,162,481	3,400,686	358,843	103	402,952	22,657
GALLATIN	Sumner Bank & Trust	18,034	27,557	117,794	1,168	8,123	170,340	150,723	4,842	0	14,775	781
GATES	Gates Banking and Trust Company	715	27,138	15,559	306	2,698	45,804	40,757	138	0	4,909	194
GERMANTOWN	First Capital Bank	7,888	32,173	254,729	2,198	10,639	303,231	245,536	24,274	0	33,421	1,597
GLEASON	Bank of Gleason	8,689	65,008	35,527	785	2,809	111,248	86,359	285	0	24,604	657
GREENEVILLE	Andrew Johnson Bank	27,017	32,456	305,414	4,781	14,562	374,668	335,798	1,498	0	37,372	2,286
GREENEVILLE	Heritage Community Bank	9,169	3,944	80,384	1,178	7,723	100,042	87,816	2,392	0	9,834	369
GREENFIELD	Greenfield Banking Company	2,390	5,294	49,701	559	1,866	58,692	48,635	3,726	0	6,331	210
HALLS	Bank of Halls	3,040	31,134	41,265	621	6,239	81,057	71,494	1,254	0	8,309	501
HALLS	The Lauderdale County Bank	5,144	18,085	24,360	290	2,336	49,635	43,853	650	0	5,132	168
HARROGATE	Commercial Bank	73,214	106,918	929,230	7,753	87,847	1,189,456	1,005,533	70,790	0	113,133	6,652
HARTSVILLE	Citizens Bank	5,583	23,821	175,951	2,680	12,274	214,949	182,718	9,123	0	23,108	1,537
HENDERSON	Chester County Bank	18,673	25,858	25,086	230	1,491	70,878	63,299	199	0	7,380	366
HUNTINGDON	Carroll Bank and Trust	19,076	22,351	215,193	1,889	25,863	280,594	251,583	1,054	0	27,957	1,139
JACKSON	The Bank of Jackson	7,840	108,953	64,699	1,253	7,379	187,618	162,222	8,468	0	16,928	862
JAMESTOWN	Progressive Savings Bank	32,140	31,940	196,048	2,430	32,688	290,386	260,278	1,885	0	28,223	1,089
JAMESTOWN	Union Bank	5,852	64,959	115,792	1,382	18,824	204,045	179,765	1,217	0	23,063	737
JASPER	Tower Community Bank	13,022	22,159	135,261	713	19,827	189,556	157,241	17,409	164	14,906	385
JEFFERSON CITY	First Peoples Bank of Tennessee	12,894	26,344	98,667	1,043	10,510	147,372	125,598	9,037	0	12,737	418
JELICO	UBank	4,690	12,133	45,858	655	4,291	66,317	56,525	813	0	8,979	388
KINGSPORT	Bank of Tennessee	21,730	176,494	1,004,533	7,402	91,578	1,286,933	1,028,816	149,485	0	108,632	8,259
KNOXVILLE	Mountain Commerce Bank	24,140	78,187	676,898	6,587	34,571	807,209	710,736	13,805	0	82,668	4,986
LA FOLLETTE	Peoples Bank of the South	14,498	198	130,344	1,587	4,610	148,063	126,752	756	0	20,555	1,319
LAFAYETTE	Citizens Bank of Lafayette	38,143	255,350	589,593	7,716	50,870	926,240	723,449	103,644	0	99,147	6,138
LAFAYETTE	Macon Bank and Trust Company	14,643	191,142	157,778	2,609	22,520	383,474	326,778	10,238	0	46,458	1,506
LAWRENCEBURG	Lawrenceburg Federal Bank	1,620	0	60,078	216	3,663	65,145	48,065	2,484	0	14,596	187

		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	
CITY	INSTITUTION	Cash	Invest	Total Loans	Loan Loss Reserve	Other Assets	Total Assets	Deposits	Other Liabilities	MIUS	CAPITAL	Net Income
LEBANON	CedarStone Bank	7,652	40,128	140,991	1,264	12,140	199,647	160,010	20,483	0	19,154	817
LEBANON	First Freedom Bank	45,151	0	383,204	4,593	41,980	465,742	406,843	13,166	0	45,733	2,426
LEBANON	Wilson Bank and Trust	77,818	308,397	1,909,508	25,738	132,940	2,402,925	2,115,414	11,176	0	276,335	15,489
LEWISBURG	First Commerce Bank	13,246	70,530	282,402	3,153	17,749	380,774	338,827	8,434	0	33,513	2,664
LEXINGTON	Community Bank	2,987	22,636	117,221	1,574	8,247	149,517	124,542	10,801	0	14,174	717
LIVINGSTON	American Bank & Trust of the Cumberlands	25,977	6,650	189,269	1,745	12,155	232,306	210,524	1,519	0	20,263	1,530
LIVINGSTON	Union Bank & Trust Company	4,708	18,907	58,104	1,028	3,118	83,809	72,923	280	0	10,606	975
LOBELVILLE	Bank of Perry County	4,938	9,431	136,586	1,688	10,241	159,508	133,876	10,026	0	15,606	1,481
MADISONVILLE	Peoples Bank of East Tennessee	11,546	32,618	149,228	1,461	17,190	209,121	183,485	1,380	0	24,256	1,004
MADISONVILLE	Volunteer Federal Savings Bank	40,248	21,499	127,801	619	13,140	202,069	163,716	11,531	0	26,822	721
MANCHESTER	Coffee County Bank	16,914	10,275	160,950	2,465	4,320	189,994	163,300	5,346	0	21,348	2,418
MANCHESTER	Peoples Bank & Trust Company	9,763	18,981	66,091	948	5,874	99,761	87,379	1,480	0	10,902	559
MARYVILLE	CBBC Bank	23,437	116,410	204,848	3,318	10,898	352,275	298,689	2,401	0	51,185	1,686
MARYVILLE	Foothills Bank & Trust	7,759	48,383	158,753	2,373	7,651	220,173	187,085	12,104	0	20,984	1,229
MC KENZIE	McKenzie Banking Company	30,793	21,713	70,745	1,691	8,869	130,429	110,966	1,026	0	18,437	1,924
MCMINNVILLE	Homeland Community Bank	14,444	37,997	88,464	1,621	8,808	148,092	134,782	1,351	0	11,959	493
MCMINNVILLE	Security Federal Savings Bank of McMinnville	13,684	43,475	142,663	1,474	8,311	206,659	180,420	5,591	0	20,648	1,052
MEMPHIS	Bank3	2,965	26,493	121,756	1,554	4,782	154,442	129,134	3,717	0	21,591	-667
MEMPHIS	Financial Federal Bank	18,259	2,500	536,089	6,902	8,872	558,818	380,369	103,824	0	74,625	5,270
MEMPHIS	Independent Bank	87,857	6,972	792,162	8,142	140,505	1,019,354	854,963	42,026	0	122,365	5,863
MEMPHIS	Paragon Bank	14,980	54,813	317,719	4,590	12,452	395,374	322,334	34,140	0	38,900	1,265
MEMPHIS	Tri-State Bank of Memphis	6,099	25,224	56,011	1,412	5,688	91,610	78,082	335	0	13,193	567
MEMPHIS	Triumph Bank	15,296	136,801	611,590	6,229	18,357	775,815	609,760	101,721	0	64,334	3,446
MILAN	The Bank of Milan	1,649	19,754	41,267	207	3,379	65,842	57,246	2,588	0	6,008	330
MILLINGTON	Patriot Bank	5,810	149,303	155,131	2,142	19,446	327,548	281,914	16,815	0	28,819	1,860
MOUNT JULIET	Southern Bank of Tennessee	22,989	24,235	207,208	1,725	14,618	267,325	236,393	648	0	30,284	1,686
MOUNTAIN CITY	Farmers State Bank	4,859	37,426	90,902	795	10,792	143,184	116,057	5,952	0	21,175	534
MOUNTAIN CITY	Johnson County Bank	9,749	37,702	65,103	572	7,245	119,227	98,148	2,985	0	18,094	531
NASHVILLE	CapStar Bank	47,150	198,183	1,111,845	14,705	58,487	1,400,960	1,160,963	102,486	0	137,511	7,105
NASHVILLE	Citizens Savings Bank and Trust Company	10,477	10,987	82,823	1,747	3,688	106,228	95,908	4,274	0	6,046	-143
NASHVILLE	FirstBank	84,558	631,294	3,790,491	26,347	455,968	4,935,964	3,932,215	371,452	0	632,297	43,844
NASHVILLE	InsBank	26,198	23,104	398,982	4,454	31,722	475,552	383,470	44,734	0	47,348	2,128
NASHVILLE	Pinnacle Bank	616,897	3,025,898	17,172,722	75,670	3,120,387	23,860,234	17,938,235	1,974,781	123	3,947,218	176,109

		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	
CITY	INSTITUTION	Cash	Invest	Total Loans	Loan Loss Reserve	Other Assets	Total Assets	Deposits	Other Liabilities	MIUS	CAPITAL	Net Income
NASHVILLE	Studio Bank	445	43,875	0	0	1,233	45,553	370	165	0	45,018	-252
NASHVILLE	Tennessee Bank & Trust	15,297	43,781	186,812	1,925	9,488	253,453	231,758	1,651	0	20,043	-499
NASHVILLE	Truxton Trust Company	21,747	102,799	305,224	3,132	17,602	444,240	374,181	22,179	0	47,880	3,545
NEWBERN	Security Bank	5,784	110,991	62,932	1,184	16,013	194,536	166,137	8,272	0	20,127	1,038
OAK RIDGE	TNBANK	6,008	40,263	157,186	1,716	15,691	217,432	185,309	13,552	0	18,571	626
OOLTEWAH	Millennium Bank	25,491	14,333	128,922	1,647	6,278	173,377	153,440	798	0	19,139	1,184
PARIS	Commercial Bank & Trust Co.	21,609	192,338	486,001	6,655	40,508	733,801	648,830	5,617	0	79,354	6,893
PARIS	Security Bank and Trust Company	5,470	67,668	284,478	1,210	28,366	384,772	332,688	13,284	0	38,800	3,439
PARSONS	Farmers Bank	9,271	5,245	20,002	303	1,397	35,612	30,722	108	0	4,782	170
PIGEON FORGE	SmartBank	168,732	158,577	1,575,458	7,074	166,513	2,062,206	1,722,573	82,577	0	257,056	8,623
PIGEON FORGE	Tennessee State Bank	44,226	103,571	448,934	4,645	46,847	638,933	564,409	5,779	0	68,745	3,269
PIKEVILLE	First Farmers & Commercial Bank	7,829	43,876	58,371	918	7,211	116,369	102,463	453	0	13,453	522
PIPERTON	The Bank of Fayette County	19,786	46,262	495,000	5,349	29,533	585,232	483,478	49,762	0	51,992	3,427
PORTLAND	The Farmers Bank	13,063	169,574	430,668	4,788	37,345	645,862	538,398	36,291	0	71,173	4,768
PORTLAND	Volunteer State Bank	19,950	31,681	567,658	5,806	51,857	665,340	528,709	76,437	0	60,194	5,460
RIPLEY	Bank of Ripley	12,939	116,652	80,549	894	12,895	222,141	189,466	2,312	0	30,363	974
ROGERSVILLE	Civis Bank	17,090	8,276	62,282	1,108	10,369	96,909	92,257	2,018	0	2,634	-1,105
ROGERSVILLE	First Community Bank of East Tennessee	27,428	23,966	116,001	1,778	16,534	182,151	151,492	9,544	0	21,115	629
RUTLEDGE	Citizens Bank and Trust Company of Grainger County	6,406	128,253	62,254	785	11,783	207,911	174,558	692	0	32,661	1,156
SARDIS	The Peoples Bank	2,768	13,054	60,808	598	3,157	79,189	70,640	865	0	7,684	348
SAVANNAH	Central Bank	11,122	19,177	60,192	1,348	5,769	94,912	84,664	632	0	9,616	808
SAVANNAH	The Hardin County Bank	9,406	51,761	414,646	4,268	33,396	504,941	433,583	27,686	0	43,672	2,668
SELMER	Home Banking Company	7,532	41,273	33,896	341	6,724	89,084	79,138	1,082	0	8,864	305
SEVIERVILLE	Sevier County Bank	31,779	32,637	219,088	2,663	36,785	317,626	298,389	2,028	0	17,209	174
SHELBYVILLE	First Community Bank of Tennessee	11,264	67,398	357,600	2,548	72,484	506,198	323,307	121,687	0	61,205	2,844
SHELBYVILLE	Peoples Bank Of Middle Tennessee	4,345	31,789	107,120	1,959	7,364	148,659	130,740	1,600	0	16,319	913
SPRING CITY	Simply Bank	38,730	16,442	264,607	2,946	12,646	329,479	278,031	18,845	0	32,603	2,521
TAZEWELL	First Century Bank	14,176	16,467	318,974	4,103	19,037	364,551	325,850	2,260	0	36,441	2,608
TREZEVANT	Centennial Bank	22,325	32,637	369,609	5,110	32,960	452,421	383,477	17,372	0	51,572	3,162
TULLAHOMA	First Vision Bank of Tennessee	4,684	25,415	172,716	2,088	12,588	213,315	179,912	9,251	0	24,152	1,407
WARTBURG	Citizens First Bank	15,770	27,019	113,208	1,105	10,371	165,263	149,006	1,523	0	14,734	643
WAYNESBORO	The Bank of Waynesboro	20,435	24,429	114,399	1,653	8,579	166,189	144,101	737	0	21,351	1,137
WAYNESBORO	Wayne County Bank	25,003	32,476	234,187	4,359	30,987	318,294	265,923	8,891	0	43,481	1,576

		(A)	(B)	(C)	(D)	(E)		(F)	(G)	(H)	(I)	(J)
CITY	INSTITUTION	Cash	Invest	Total Loans	Loan Loss Reserve	Other Assets	Total Assets	Deposits	Other Liabilities	MIUS	CAPITAL	Net Income
WINCHESTER	Citizens Community Bank	15,452	41,351	146,797	1,922	13,054	214,732	185,188	2,597	0	26,947	2,033
TOTAL		3,408,903	12,898,452	58,421,641	498,004	6,767,522	80,998,514	65,921,798	4,931,373	1,211	10,145,345	531,613

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

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

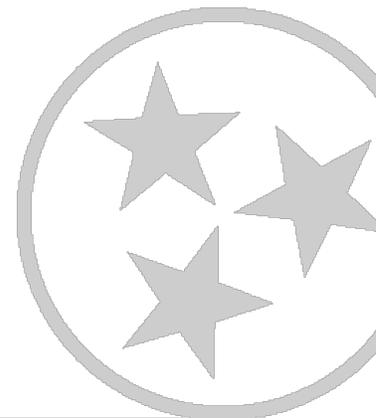
(C) Total Loans - Includes all loans and lease financing receivables, net of unearned income

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

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

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

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



TENNESSEE STATE-CHARTERED BANKS KEY BANK RATIOS
As of June 30, 2018

CITY	INSTITUTION LEGAL NAME	NET INCOME TO AVG TOTAL ASSETS RATIO	LOANS TO ASSETS RATIO	ALLOWANCE FOR LOAN LOSSES RATIO	TIER 1 CAPITAL (LEVERAGE) RATIO	NET LOANS TO DEPOSITS RATIO	NET INCOME TO AVG TOTAL EQUITY RATIO
ADAMSVILLE	Farmers & Merchants Bank	1.15	53.39	1.98	12.04	60.62	9.92
ASHLAND CITY	Community Bank & Trust	0.86	64.53	1.62	10.48	75.21	8.75
ATWOOD	Citizens Bank & Trust Company	0.86	38.01	0.87	9.69	41.98	9.80
BARTLETT	Bank of Bartlett	0.40	55.01	1.07	7.65	61.65	5.16
BELLS	Bank of Crockett	1.35	33.03	1.65	10.87	37.08	12.86
BRENTWOOD	Reliant Bank	1.09	70.34	0.87	9.98	87.04	8.46
BRIGHTON	Brighton Bank	-0.30	80.85	0.66	5.18	85.49	-5.75
BROWNSVILLE	INSOUTH Bank	1.11	78.61	0.95	9.40	93.67	11.79
BYRDSTOWN	People's Bank and Trust Company of Pickett County	1.42	75.30	1.45	13.15	87.12	11.30
CAMDEN	Apex Bank	5.15	83.62	1.21	9.95	98.49	40.16
CARTHAGE	Citizens Bank	2.41	38.38	0.75	17.70	46.45	13.85
CHATTANOOGA	First Volunteer Bank	1.99	79.09	1.24	11.05	89.98	17.94
CLARKSVILLE	F&M Bank	0.79	79.90	0.33	8.92	100.58	7.06
CLARKSVILLE	First Advantage Bank	1.18	85.15	1.09	11.48	106.94	10.43
CLARKSVILLE	Legends Bank	1.05	75.24	0.98	9.63	87.58	11.20
CLEVELAND	Bank of Cleveland	1.61	83.92	1.26	15.60	100.49	10.43
CLIFTON	Peoples Bank	0.97	75.92	1.01	8.72	86.79	11.23
COLLIERVILLE	BankTennessee	1.41	79.57	1.46	10.05	89.66	13.06
COLLIERVILLE	Landmark Community Bank	0.96	80.42	0.91	9.17	96.71	10.92
COLUMBIA	First Farmers and Merchants Bank	1.05	63.04	1.06	8.91	72.23	11.61
COLUMBIA	Heritage Bank & Trust	1.13	75.19	1.80	8.97	83.97	13.14
COOKEVILLE	Bank of Putnam County	1.19	56.68	0.78	7.84	62.03	15.99
COOKEVILLE	Putnam 1st Mercantile Bank	1.62	80.17	1.36	11.10	90.22	15.34
CORDOVA	First Alliance Bank	0.45	79.98	0.78	9.64	91.09	4.40

CITY	INSTITUTION LEGAL NAME	NET INCOME TO AVG TOTAL ASSETS RATIO	LOANS TO ASSETS RATIO	ALLOWANCE FOR LOAN LOSSES RATIO	TIER 1 CAPITAL (LEVERAGE) RATIO	NET LOANS TO DEPOSITS RATIO	NET INCOME TO AVG TOTAL EQUITY RATIO
DECATURVILLE	Decatur County Bank	0.83	71.03	0.68	8.51	86.49	10.80
DICKSON	Bank of Dickson	0.89	61.50	0.99	12.83	70.94	7.02
DICKSON	First Federal Bank	1.50	53.46	1.27	11.12	62.10	12.46
DICKSON	TriStar Bank	0.87	71.88	1.04	8.12	85.26	10.72
DUNLAP	Citizens Tri-County Bank	1.80	61.61	1.49	9.70	69.24	18.09
DUNLAP	Mountain Valley Bank	0.50	72.90	0.80	9.15	80.02	5.63
DYER	The Farmers & Merchants Bank	0.27	31.88	0.70	9.26	36.57	3.26
ELIZABETHTON	Citizens Bank	1.67	72.03	0.97	11.34	89.36	13.52
ELIZABETHTON	Security Federal Bank	0.54	65.95	1.01	14.95	86.27	3.62
ERIN	Traditions First Bank	0.87	53.78	0.81	8.03	59.68	9.69
FARRAGUT	SouthEast Bank	1.08	87.11	0.38	9.25	96.60	12.34
FAYETTEVILLE	Bank of Lincoln County	1.68	77.06	1.36	13.71	89.54	11.80
FRANKEWING	Bank of Frankewing	1.31	76.87	2.07	11.71	88.54	11.39
FRANKLIN	Franklin Synergy Bank	1.11	59.26	0.90	9.65	72.53	12.12
GALLATIN	Sumner Bank & Trust	0.95	68.47	0.99	9.54	77.38	10.75
GATES	Gates Banking and Trust Company	0.85	33.30	1.97	10.72	37.42	7.91
GERMANTOWN	First Capital Bank	1.05	83.28	0.86	11.01	102.85	9.80
GLEASON	Bank of Gleason	1.16	31.23	2.21	22.45	40.23	5.29
GREENEVILLE	Andrew Johnson Bank	1.26	80.24	1.57	10.15	89.53	12.52
GREENEVILLE	Heritage Community Bank	0.73	79.17	1.47	9.79	90.20	7.78
GREENFIELD	Greenfield Banking Company	0.75	83.73	1.12	11.27	101.04	6.73
HALLS	Bank of Halls	1.28	50.14	1.50	10.54	56.85	12.26
HALLS	The Lauderdale County Bank	0.67	48.49	1.19	10.83	54.89	6.53
HARROGATE	Commercial Bank	1.14	77.47	0.83	9.39	91.64	12.30

CITY	INSTITUTION LEGAL NAME	NET INCOME TO AVG TOTAL ASSETS RATIO	LOANS TO ASSETS RATIO	ALLOWANCE FOR LOAN LOSSES RATIO	TIER 1 CAPITAL (LEVERAGE) RATIO	NET LOANS TO DEPOSITS RATIO	NET INCOME TO AVG TOTAL EQUITY RATIO
HARTSVILLE	Citizens Bank	1.45	80.61	1.52	11.06	94.83	13.69
HENDERSON	Chester County Bank	1.03	35.07	0.92	11.25	39.27	9.90
HUNTINGDON	Carroll Bank and Trust	0.82	76.02	0.88	9.90	84.78	8.25
JACKSON	The Bank of Jackson	0.95	33.82	1.94	9.46	39.11	10.23
JAMESTOWN	Progressive Savings Bank	0.74	66.68	1.24	9.66	74.39	7.75
JAMESTOWN	Union Bank	0.71	56.07	1.19	11.91	63.64	6.40
JASPER	Tower Community Bank	0.45	70.98	0.53	7.96	85.57	5.42
JEFFERSON CITY	First Peoples Bank of Tennessee	0.58	66.24	1.06	9.14	77.73	6.57
JELICO	UBank	1.17	68.16	1.43	13.71	79.97	8.65
KINGSPORT	Bank of Tennessee	1.33	77.48	0.74	8.80	96.92	15.79
KNOXVILLE	Mountain Commerce Bank	1.29	83.04	0.97	10.72	94.31	12.95
LA FOLLETTE	Peoples Bank of the South	1.83	86.96	1.22	14.17	101.58	12.86
LAFAYETTE	Citizens Bank of Lafayette	1.35	62.82	1.31	10.58	80.43	12.49
LAFAYETTE	Macon Bank and Trust Company	0.78	40.46	1.65	12.88	47.48	6.42
LAWRENCEBURG	Lawrenceburg Federal Bank	0.58	91.89	0.36	22.51	124.54	2.58
LEBANON	CedarStone Bank	0.82	69.99	0.90	9.82	87.32	8.55
LEBANON	First Freedom Bank	1.07	81.29	1.20	9.43	93.06	10.80
LEBANON	Wilson Bank and Trust	1.31	78.39	1.35	11.80	89.05	11.45
LEWISBURG	First Commerce Bank	1.44	73.34	1.12	8.91	82.42	16.21
LEXINGTON	Community Bank	0.97	77.35	1.34	9.37	92.86	10.35
LIVINGSTON	American Bank & Trust of the Cumberlands	1.36	80.72	0.92	8.93	89.07	15.37

CITY	INSTITUTION LEGAL NAME	NET INCOME TO AVG TOTAL ASSETS RATIO	LOANS TO ASSETS RATIO	ALLOWANCE FOR LOAN LOSSES RATIO	TIER 1 CAPITAL (LEVERAGE) RATIO	NET LOANS TO DEPOSITS RATIO	NET INCOME TO AVG TOTAL EQUITY RATIO
LIVINGSTON	Union Bank & Trust Company	2.32	68.10	1.77	13.31	78.27	18.09
LOBELVILLE	Bank of Perry County	1.84	84.57	1.24	9.62	100.76	19.16
MADISONVILLE	Peoples Bank of East Tennessee	0.98	70.66	0.98	11.98	80.53	8.27
MADISONVILLE	Volunteer Federal Savings Bank	0.73	62.94	0.48	13.58	77.68	5.45
MANCHESTER	Coffee County Bank	2.65	83.42	1.53	11.65	97.05	23.02
MANCHESTER	Peoples Bank & Trust Company	1.15	65.30	1.43	11.29	74.55	10.47
MARYVILLE	CBBC Bank	0.97	57.21	1.62	15.30	67.47	6.64
MARYVILLE	Foothills Bank & Trust	1.14	71.03	1.49	9.95	83.59	11.83
MC KENZIE	McKenzie Banking Company	2.95	52.94	2.39	14.23	62.23	21.98
MCMINNVILLE	Homeland Community Bank	0.69	58.64	1.83	8.96	64.43	8.27
MCMINNVILLE	Security Federal Savings Bank of McMinnville	1.01	68.32	1.03	10.26	78.26	10.26
MEMPHIS	Bank3	-0.92	77.83	1.28	14.78	93.08	-6.04
MEMPHIS	Financial Federal Bank	1.94	94.70	1.29	13.57	139.12	14.44
MEMPHIS	Independent Bank	1.23	76.91	1.03	11.44	91.70	9.72
MEMPHIS	Paragon Bank	0.66	79.20	1.44	10.21	97.14	6.57
MEMPHIS	Tri-State Bank of Memphis	1.28	59.60	2.52	12.14	69.93	8.80
MEMPHIS	Triumph Bank	0.98	78.03	1.02	9.03	99.28	10.95
MILAN	The Bank of Milan	0.98	62.36	0.50	10.09	71.73	11.00
MILLINGTON	Patriot Bank	1.15	46.71	1.38	9.09	54.27	12.96
MOUNT JULIET	Southern Bank of Tennessee	1.28	76.87	0.83	10.65	86.92	11.35
MOUNTAIN CITY	Farmers State Bank	0.75	62.93	0.87	15.42	77.64	5.02
MOUNTAIN CITY	Johnson County Bank	0.88	54.12	0.88	14.99	65.75	5.91
NASHVILLE	CapStar Bank	1.03	78.31	1.32	9.75	94.50	10.55

CITY	INSTITUTION LEGAL NAME	NET INCOME TO AVG TOTAL ASSETS RATIO	LOANS TO ASSETS RATIO	ALLOWANCE FOR LOAN LOSSES RATIO	TIER 1 CAPITAL (LEVERAGE) RATIO	NET LOANS TO DEPOSITS RATIO	NET INCOME TO AVG TOTAL EQUITY RATIO
NASHVILLE	Citizens Savings Bank and Trust Company	-0.27	76.32	2.11	5.83	84.54	-4.65
NASHVILLE	FirstBank	1.85	76.26	0.70	10.21	95.73	14.31
NASHVILLE	InsBank	0.93	82.96	1.12	10.18	102.88	9.18
NASHVILLE	Pinnacle Bank	1.56	71.66	0.44	9.66	95.31	9.04
NASHVILLE	Studio Bank	-16.26	0.00	0.00	135.26	0.00	-12.02
NASHVILLE	Tennessee Bank & Trust	-0.40	72.95	1.03	8.44	79.78	-4.87
NASHVILLE	Truxton Trust Company	1.63	68.00	1.03	11.20	80.73	15.03
NEWBERN	Security Bank	1.07	31.74	1.88	10.59	37.17	10.39
OAK RIDGE	TNBANK	0.57	71.50	1.09	8.73	83.90	6.71
OOLTEWAH	MILLENNIUM BANK	1.39	73.41	1.28	11.33	82.95	12.42
PARIS	Commercial Bank & Trust Co.	1.87	65.32	1.37	10.69	73.88	17.53
PARIS	Security Bank and Trust Company	1.88	73.62	0.43	10.31	85.15	18.70
PARSONS	Farmers Bank	0.93	55.32	1.51	13.15	64.12	7.19
PIGEON FORGE	SmartBank	0.95	76.05	0.45	10.43	91.05	8.11
PIGEON FORGE	Tennessee State Bank	1.03	69.54	1.03	11.15	78.72	9.56
PIKEVILLE	First Farmers & Commercial Bank	0.88	49.37	1.57	11.60	56.07	7.82
PIPERTON	The Bank of Fayette County	1.22	83.67	1.08	9.23	101.28	13.58
PORTLAND	The Farmers Bank	1.48	65.94	1.11	11.42	79.10	13.54
PORTLAND	Volunteer State Bank	1.68	84.45	1.02	8.92	106.27	18.19
RIPLEY	Bank of Ripley	0.86	35.86	1.11	13.91	42.04	6.35
ROGERSVILLE	Civis Bank	-2.24	63.13	1.78	3.09	66.31	-71.75
ROGERSVILLE	First Community Bank of East Tennessee	0.70	62.71	1.53	11.08	75.40	6.04
RUTLEDGE	Citizens Bank and Trust Company of Grainger County	1.10	29.57	1.26	16.00	35.21	6.96
SARDIS	The Peoples Bank	0.87	76.03	0.98	10.18	85.23	9.14
SAVANNAH	Central Bank	1.71	62.00	2.24	10.32	69.50	17.32

CITY	INSTITUTION LEGAL NAME	NET INCOME TO AVG TOTAL ASSETS RATIO	LOANS TO ASSETS RATIO	ALLOWANCE FOR LOAN LOSSES RATIO	TIER 1 CAPITAL (LEVERAGE) RATIO	NET LOANS TO DEPOSITS RATIO	NET INCOME TO AVG TOTAL EQUITY RATIO
SAVANNAH	The Hardin County Bank	1.07	81.27	1.03	9.24	94.65	12.99
SELMER	Home Banking Company	0.66	37.67	1.01	10.32	42.40	6.81
SEVIERVILLE	Sevier County Bank	0.11	68.14	1.22	5.51	72.53	2.01
SHELBYVILLE	First Community Bank of Tennessee	1.15	70.14	0.71	10.49	109.82	9.38
SHELBYVILLE	PEOPLES BANK OF MIDDLE TENNESSEE	1.28	70.74	1.83	11.67	80.44	11.29
SPRING CITY	Simply Bank	1.56	79.42	1.11	10.11	94.11	15.64
TAZEWELL	First Century Bank	1.47	86.37	1.29	10.29	96.63	14.83
TREZEVANT	Centennial Bank	1.54	80.57	1.38	10.41	95.05	15.01
TULLAHOMA	First Vision Bank of Tennessee	1.31	79.99	1.21	11.37	94.84	11.74
WARTBURG	Citizens First Bank	0.76	67.83	0.98	8.97	75.23	8.86
WAYNESBORO	The Bank of Waynesboro	1.41	67.84	1.44	13.15	78.24	10.64
WAYNESBORO	Wayne County Bank	1.01	72.21	1.86	13.82	86.43	7.32
WINCHESTER	Citizens Community Bank	1.84	67.47	1.31	12.62	78.23	15.42
	Median Including All Institutions	1.07	71.03	1.12	10.36	83.94	10.45



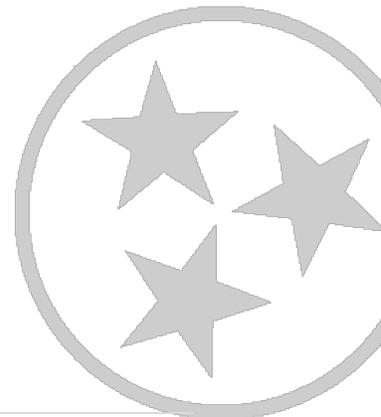
Commissioner Gonzales speaking at a TBA Young Bankers Conference

**TENNESSEE STATE-CHARTERED TRUST COMPANIES
CONSOLIDATED BALANCE SHEET (IN THOUSANDS)**

	June 30, 2018	June 30, 2017	\$ Change	% Change
ASSETS				
Cash and Due from Banks	29,279	52,045	-22,766	-43.74%
Securities and Investments	43,005	2,432	40,573	1668.2%
Premises and Fixed Assets	3,353	2,001	1,352	67.57%
Intangible Assets	13,497	22,932	-9,435	-41.14%
Other Assets	24,041	16,789	7,252	43.20%
TOTAL ASSETS	113,175	96,199	16,976	17.65%
LIABILITIES				
Other Liabilities	19,190	14,308	4,882	34.12%
TOTAL LIABILITIES	19,190	14,308	4,882	34.12%
EQUITY CAPITAL				
Common Stock	19,217	9,093	10,124	111.34%
Less: Treasury Stock	1,263	1,333	-70	-5.25%
Surplus	5,350	5,350	0	0%
Additional Paid-in Capital	85,880	63,452	22,428	35.35%
Undivided Profits	(15,126)	5,329	-20,455	383.84%
Unrealized Gains and (Losses)	(73)		-73	
TOTAL EQUITY CAPITAL	93,985	81,891	12,094	14.77%
TOTAL LIABILITIES AND EQUITY CAPITAL	113,175	96,199	16,976	17.65%
Fee Income	79,742	61,385	18,357	29.90%
NET FEE INCOME	79,742	61,385	18,357	29.90%
Other Income	112	53	59	111.32%
TOTAL INCOME	79,854	61,438	18,416	29.97%
Operating Expenses	63,335	46,186	17,149	37.13%
Advisor/Consulting Fees	5,806	7,200	-1,394	19.36%
Inter-Company Expense	990	1,011	-21	-2.08%
(Credit)				
Securities (Gains) and Losses	(18)	0	-18	
TOTAL OPERATING EXPENSES	70,149	54,397	-15,752	28.96%
Pre-Tax Net Operating Income	9,705	7,041	2,664	37.84%
Less:				
Applicable Income Taxes	567	848	-281	-33.13%

	June 30, 2018	June 30, 2017	\$ Change	% Change
Non-Operating Expenses	2,736	2,359	377	15.98%
NET OPERATING INCOME	6,402	3,834	2,568	66.98%
Extraordinary Gains/Losses	0	0		%
NET INCOME	6,402	3,834	2,568	66.98%

Note: Guardianship and Trust Company is not included in the figures above.



**TENNESSEE STATE-CHARTERED TRUST COMPANIES
STATEMENT OF CONDITION (IN THOUSANDS)**

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	
Institution	City	Cash	Invest	Other Assets	Total Assets	Other Liabilities	Equity Capital	Net Income	TAUM	Common/C ollective Funds	No. of Funds
Advocacy Trust of Tennessee, LLC	Chattanooga	1,395	0	616	2,011	350	1,661	315	449,269	0	0
First Mercantile Trust Company	Cordova	3,107	40,276	6,272	49,655	1,466	48,189	792	2,467,618	2,085,062	138
Meridian Trust and Investment	Knoxville	284	899	833	2,016	126	1,890	1,017	746,766	0	0
The Trust Company of Knoxville	Knoxville	3,153	0	438	3,591	554	3,037	2,368	3,169,288		
Argent Trust and Investment	Nashville	3,675	0	15,767	19,442	2,464	16,978	578	13,147,407	0	0
Diversified Trust Company	Memphis	4,748	0	6,830	11,578	7,537	4,041	0	7,209,203	2,074,905	11
Cumberland Trust and Investment	Nashville	2,034	0	4,478	6,512	3,349	3,163	627	3,157,178	0	0
Equitable Trust Company	Nashville	3,011	0	1,284	4,295	1,725	2,570	1,203	2,790,821	0	0
Pendleton Square Trust Co., LLC	Nashville	2,622	0	162	2,784	158	2,626	-599	473,740	0	0
TCV Trust & Wealth Company	Knoxville	2,208	1,830	2,241	6,279	1,325	4,954	640	1,507,745	0	0
Southeastern Trust Company	Chattanooga	1,677	0	1,923	3,600	134	3,466	-349	313,286	0	0
The Entrust Trust Company	Nashville	1,365	0	47	1,412	2	1,410	-190	0	0	0
Totals		29,279	43,005	40,891	113,175	19,190	93,985	6,402	35,432,321	4,159,967	149

(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

Note: Guardianship and Trust Company is not included.

COMPLIANCE DIVISION

The Department's Compliance Division is responsible for the licensing and examination of certain non-depository financial institutions and individuals doing business in Tennessee that are subject by law to regulatory oversight by the department:

- Check Cashing Companies
- Deferred Presentment Services Providers
- Flexible Credit Lenders
- Home Equity Conversion (Reverse) Mortgage Lenders
- Industrial Loan and Thrift Companies
- Insurance Premium Finance Companies
- Money Transmitters
- Residential Mortgage Lenders, Brokers and Servicers
- Residential Mortgage Loan Originators
- Title Pledge Lenders

ADMINISTRATION

Nicole Chamblee, Assistant Commissioner, CFE
Melanie Harper, Administrative Services Assistant
Melody Johnson, Financial Analyst

LICENSING

David Axford, Chief Administrator, JD
Carl Scott, Director of Licensing, CFSA
Stephen Henley, Director of Licensing, CPA
Luke Schroer, Financial Analyst

Harvie Franklin, III, Money Transmitter
Compliance Officer
Mandy Heady, Financial Analyst
Steffany Daniel, Administrative Services
Assistant

EXAMINATION

Jack Lay, Chief Administrator
Cathy Henry, Compliance Examination
Supervisor

Patrick Somers, Compliance Examination
Supervisor

EXAMINERS

Robert Campbell, Loan Examiner 4
Steve Cranor, Loan Examiner 4
Robert Doyle, Loan Examiner 4
Stephanie Dunn, Loan Examiner 3
Grant Gouveia, CFE, Loan Examiner 4
Marisa Graham, Loan Examiner 2
Chad Haney, Loan Examiner 4
Elizabeth Harrell, Loan Examiner 4
Kevin Hicks, Loan Examiner 4

Robert Hornbeak, Loan Examiner 3
Kerry Rial, Loan Examiner 4
Keith Sharp, Loan Examiner 3
James Simmons, Loan Examiner 4
Calvin Stout, Loan Examiner 3
Robert Walker, Loan Examiner 4
Luke Ward, Loan Examiner 1
Mike Wiggins, Loan Examiner 4

Personnel Designation: CPA, Certified Public Accountant; JD, Doctor of Jurisprudence; CFSA, Certified Financial Services Auditor; CFE, Certified Fraud Examiner



Nashville Central Office Staff

REGULATORY OVERSIGHT

In order to lawfully engage in business in Tennessee, each institution or individual must first obtain a license, certificate of registration or authorization from the Department. All such applications are processed by the Compliance Division, which ensures that each applicant meets the minimum qualifications required by law in order to engage in such business.

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

Through 2,719 examinations and other methods of regulatory oversight of non-depository institutions, the Department returned refunds in the amount of \$2,098,196.18 to consumers for the calendar year ending December 31, 2018. In addition, administrative enforcement actions initiated by the Department resulted in civil monetary penalties of \$390,226.90.



DIVISION HIGHLIGHTS

- **RISK-FOCUSED EXAMINATION PROGRAM**

The Department implemented a risk-focused examination program (“risk program”) July 1, 2013, for Title Pledge, Check Cashing, and Deferred Presentment Services licensees. The program was expanded July 1, 2014, to include Industrial Loan and Thrift Company registrants, Residential Lending, Brokerage, and Servicing licensees, and Insurance Premium Finance licensees. Flexible Credit licensees were brought into the program on July 1, 2017.

The program utilizes questions that were derived from a study of the historical examination reports and other related regulatory information for each license type. This provided a logical and statistically sound basis for developing risk questions.

Each licensee’s examination data is used to build a database of information for each license type and provides a way for the Department to compile, combine, and analyze the raw data to develop a risk rating. The database is used to develop an industry average by license type. Each licensee’s score is then compared to the industry average by license type. The risk rating is then determined by whether the licensee’s score is below or above the industry average. This rating system allows the Department to focus on licensees that appear to have the greatest risk. The risk program is intended and designed to identify potential risks to consumers. Through scheduling, we focus examiner resources on institutions and locations that present a greater level of risk while lessening the burden on institutions presenting the least level of risk by extending the period between exams.

The examination scheduling is based upon the risk rating. For Check Cashing, Deferred Presentment, Flexible Credit, Industrial Loan and Thrift, Insurance Premium Finance, and Title Pledge licensees, a “Low” rating would result in a scheduled examination in 15 to 18 months, a “Moderate” rating would result in a scheduled examination in 12 to 15 months, and a “High” rating would result in a scheduled examination within 9 to 12 months of the date of last examination. For Residential Lending, Brokerage, and Servicing licensees, a “Low” risk rating would result in a scheduled examination in 48 to 54 months, a “Moderate” rating would result in a scheduled examination in 30 to 36 months, and a “High” risk rating would result in a scheduled examination within 9 to 12 months of the date of last examination. The existing rating is updated at the beginning of each fiscal year, July 1 to June 30.

The program has provided some positive impacts to the regulated industries and to the Compliance Division as well.

- **EXAMINATION TIME REMAINED CONSTANT**

Prior to the implementation of the risk exam program, the Division showed an average examination time for non-mortgage to be one (1) day, and four (4) days for mortgage. The program goal was to keep the examination time the same or decrease it. The examinations were expanded, but we achieved the goal of keeping the examination time constant through examination efficiency improvements.

- **ESTIMATED EXAMINATION TIMES GIVEN TO COMPANIES**

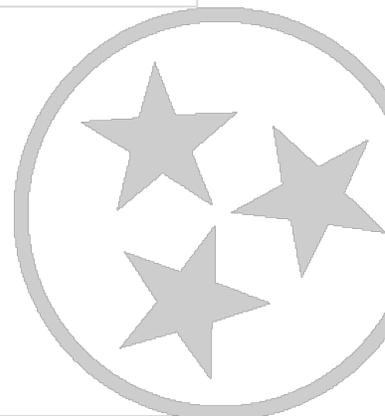
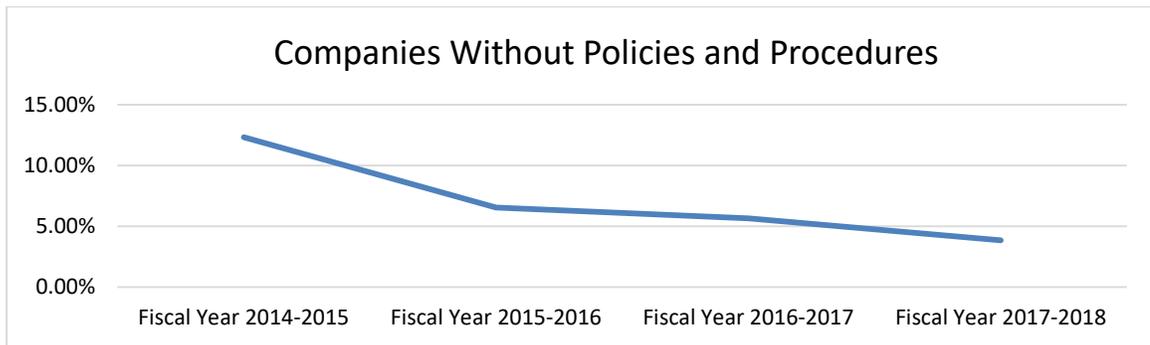
Through the yearly scheduling report that is sent to companies in early October, a listing of each location and its scheduled rating and estimated exam frequency is given. This provides companies with multiple locations the ability to determine an estimate of examination needs for the coming year.

- **DEPARTMENT EFFICIENCY**

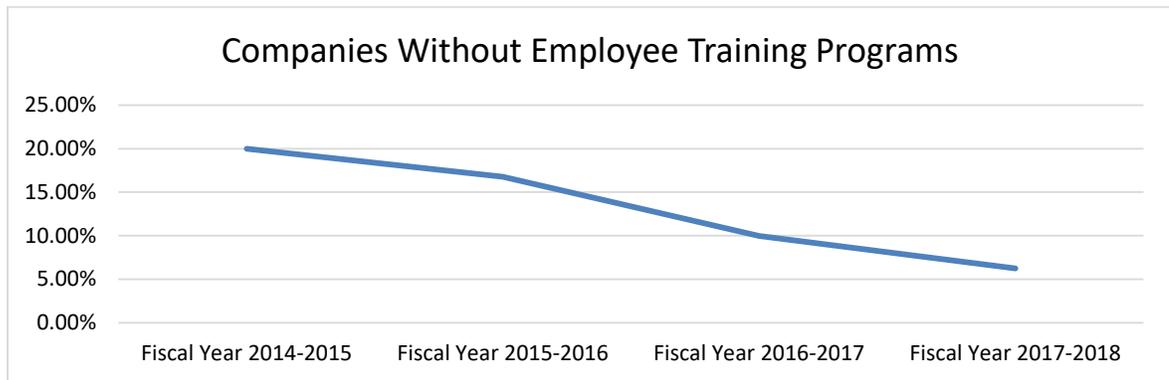
By deploying a risk-focused exam program, the Department can be more efficient and effective in not only protecting the public but in also partnering with the industry to reduce risk to consumers. Our goal is to assist licensees to better understand their risk to consumers and to find ways to reduce that risk. The focus by some companies to establish or improve risk management systems is an important step toward risk reduction. The risk-focused program empowers the department to understand each company based on its risk profile rather than deploying a one-size-fits-all exam approach. This risk approach also permits the Department to better manage the exam workforce rather than having to hire and lay off staff based on industry volatility.

- **INDUSTRY IMPROVEMENTS**

We have seen year-over-year improvements in availability of policies and procedures and employee training programs as seen in the graphics below. The data reflects a continued improvement in documented policies and procedures with locations without documented policies and procedures shrinking to 3.83% from 5.65%.



Companies improved on implementing employee training programs as evidenced by licensees without a training program decreasing from 10.0% to 6.25%.



- **SUPERVISION FEE**

Public Chapter 736 of the Tennessee Public Acts of 2014 amended parts of Title 45 of the Tennessee Code relative to non-depository financial institutions regulated by the Compliance Division. Public Chapter 736 changed the way that licensees and registrants regulated by the Compliance Division are assessed licensing, registration and examination fees, combining those fees into an annual supervision fee. Each person regulated by the Compliance Division, except money transmitters and mortgage loan originators, is assessed an annual supervision fee, which is determined by the Commissioner annually, based on the Department's budget as approved by the Administration and the General Assembly. The supervision fee includes the annual licensing or registration fee and the costs for a routine examination or investigation. Licensees and registrants continue to pay the actual expenses for out-of-state examinations and inspections. The supervision fee is paid with the filing of an application, whether a new or renewal application, and payment of the fee is a condition of obtaining the issuance or renewal of the license or registration. Money transmission licensees and mortgage loan originators are not assessed the supervision fee, but continue to pay fees which are required by statute. The supervision fee was phased in at different times during 2015 and is in full effect. The new fee structure will assist the department in implementing its risk-focused examination program for non-depository institutions, furthering the our overarching goal of establishing an appropriate level of regulatory oversight to fulfill the Department's obligations to consumers, but doing so in a manner so as to permit financial institutions to contribute to economic progress and to serve the needs of consumers.



CHECK CASHING COMPANIES

Check cashers, for a fee, provide currency in exchange for a payment instrument, such as a check. They are licensed under the Check Cashing Act of 1997, Tenn. Code Ann. §§ 45-18-101, et seq. Licensed check cashers may charge fees as follows: in general, no more than 5% of the face amount of the payment instrument or \$5, whichever is greater; for payment instruments for state public assistance or federal social security benefits, no more than 3% of the face amount or \$2, whichever is greater; and for personal checks or money orders, no more than 10% of the face amount or \$5, whichever is greater.



The requirements for licensure include a minimum net worth of \$25,000 for each location. Licenses under the Check Cashing Act expire on December 31 of each year and may be renewed by the filing of a renewal application, through the Nationwide Multistate Licensing System (NMLS), between November 1 and December 31. As of December 31, 2018, there were 563 check cashing locations licensed with the Department. For calendar year 2018, the Department conducted 422 examinations of check cashing businesses, resulting in refunds totaling \$8,996.53.

DEFERRED PRESENTMENT SERVICES PROVIDERS

Licensees under the Deferred Presentment Services Act, Tenn. Code Ann. §§ 45-17-101, et seq., may engage in the business of deferred presentment services. A deferred presentment service is a transaction involving, in exchange for a fee, the acceptance and payment by the licensee of a check and the holding of the check for a period of time prior to presentment for payment. Licensees may charge a fee of not more than 15% of the face amount of the check, and may not have outstanding more than two (2) checks from any one (1) customer at the same time, with the aggregate face value of all outstanding checks from any one (1) customer not to exceed \$500.

The requirements for licensure include having a minimum net worth of \$25,000 for each location. Licenses under the Deferred Presentment Services Act expire on December 31 of each year and may be renewed by the filing of a renewal application, through the Nationwide Multistate Licensing System (NMLS), between November 1 and December 31. As of December 31, 2018, there were 923 deferred presentment service locations licensed with the Department. For calendar year 2018, the department conducted 673 examinations of deferred presentment service businesses, resulting in refunds totaling \$87,711.31.



ANNUAL REPORT INFORMATION

By December 31st of each year, licensees are required by T.C.A. § 45-17-119 to file with the Commissioner of Financial Institutions, an Annual Report covering the licensee's business activities as of the close of business on December 31st of the prior year. These reports include a balance sheet, statement of income and expense, as well as other statistical data. The following is a recapitulation of the 2017 annual reports, submitted by licensees with renewal applications, for the purpose of reflecting the general results of operations for the calendar year ending December 31, 2017.

ANNUAL REPORT INFORMATION FOR CALENDAR YEAR ENDING DECEMBER 31, 2017

The following tabulation represents aggregate information from reports filed by 173 licensed companies. The Department did not require an annual report from companies that opened after December 2017.

STATEMENT OF ASSETS, LIABILITIES, AND EQUITY

Total Assets	\$912,000,848
Total Liabilities	\$582,596,408
Net Worth	\$329,404,440

As of December 31, 2017, five (5) companies owned 81% of the industry's assets. This accounts for \$741,657,187 of the total reported assets of \$912,000,848. Sixty-three (63) companies reported assets greater than \$500,000; 85 companies had assets of between \$100,000 and \$500,000; and the remaining 25 showed total assets of less than \$100,000.

STATEMENT OF INCOME AND EXPENSES

The following information was compiled from the statements of income and expenses for the period of January 1, 2017 to December 31, 2017.

Total Operating Income	\$141,699,677
Salary Expense	\$31,536,623
Bad Debt Expense	\$24,430,131
Owners' Compensation	\$4,300,604
Net Income*	\$21,468,292

**Excluding Owners' Compensation*

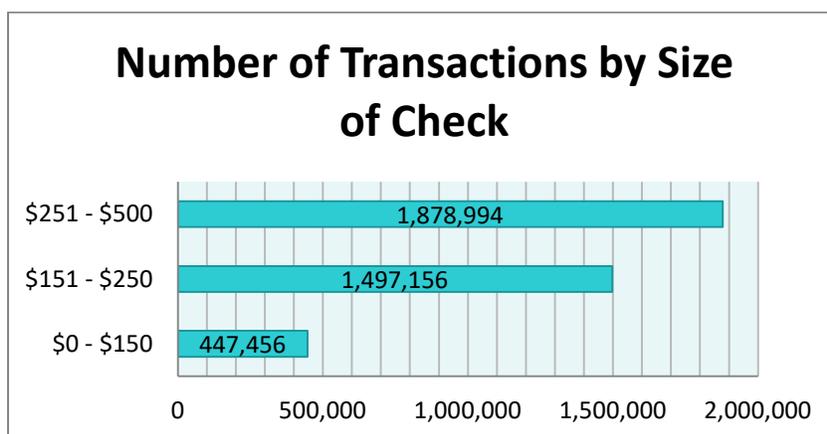
Of the 173 reporting companies, 47 reported operating losses and 19 reported net income of over \$100,000 for the period ending December 31, 2017. The average company made a profit of \$124,094. Salaries are a major company expense, amounting to about 22% of total operating

income. The average salary expense for a reporting company was \$182,293. Losses on receivables constitute another major industry expense. Bad debt expense represented approximately 17% of total operating income.

TRANSACTIONAL DATA

The following transactional data was reported for the reporting period ending December 31, 2017:

Number of Transactions	3,823,606
Dollar Amount of Transactions During the Year	\$767,749,986
Average Size of Receivable Transactions	\$201



FLEXIBLE CREDIT LENDERS

Businesses licensed under the Flexible Credit Act, Tenn. Code Ann. §§ 45-12-101, et seq., may offer “flex loans” pursuant to flex loan plans. A flex loan plan is defined to mean a written agreement between a licensee and a customer establishing an open-end credit plan under which the licensee contemplates repeated noncommercial loans for personal, family or household purposes.

Flex loan plans may be unsecured or secured by personal property, and may be without fixed maturities or limitations as to the length of term. Flexible credit lenders may charge a periodic interest rate not to exceed 24% per annum, and a customary fee not to exceed a daily rate of 0.7% of the average daily principal balance in any billing cycle. No flex loan plan may have an outstanding principal balance in excess of \$4,000 at any time.

The requirements for licensure under the Flexible Credit Act include having a minimum net worth of \$50,000 for each location, and filing with the Department a surety bond in the amount of \$25,000 for each location up to a maximum of \$200,000 for any one (1) licensee.

Licenses under the Flexible Credit Act expire on December 31 of each year and may be renewed by filing a renewal application, through the Nationwide Multistate Licensing System (NMLS), between November 1 and December 31. As of December 31, 2018, there were 652 flexible credit locations licensed with the Department. For calendar year 2018, the Department conducted 389 examinations of flexible credit lenders, resulting in refunds totaling \$24,884.46.

ANNUAL REPORT INFORMATION FOR CALENDAR YEAR ENDING DECEMBER 31, 2017

Under T.C.A. § 45-12-122, the Commissioner shall prepare and submit to the governor and general assembly, annually, an analysis and recapitulation of the reports for the preceding calendar year for the purpose of reflecting the general results of operations under this chapter.

- **STATEMENT OF ASSETS, LIABILITIES, AND EQUITY**

The following tabulation represents aggregate information from the audited financial statements of 22 reporting entities.

Total Assets	\$448,041,111
Total Liabilities	\$235,735,483
Net Worth	\$212,305,628

As of December 31, 2017, five (5) companies owned 78% of the industry's assets. This accounts for \$352,733,133 of the total reported assets of \$448,041,111. Sixteen (16) companies reported assets greater than \$500,000; whereas six (6) companies had less than \$500,000 in assets.

- **STATEMENT OF INCOME AND EXPENSES**

The following tabulation represents aggregate information for the period ending December 31, 2017:

Total Operating Income	\$428,898,261
Salary Expense	\$53,939,679
Bad Debt Expense	\$177,844,075
Owners' Compensation	\$7,009,246
Net Income*	\$23,473,418

**Excluding Owners' Compensation*

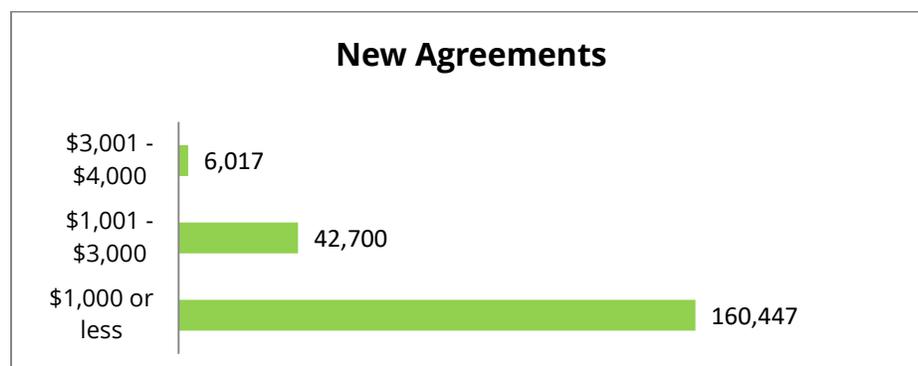
Of the 22 reporting companies, four (4) entities reported operating losses. The average company made a profit of \$1,066,974.

Salaries are a major company expense, amounting to about 13% of total operating income. The average salary expense for a reporting company was \$2,451,804. Losses on receivables constitute another major industry expense. Bad debt expense represented approximately 41% of total operating income.

- **TRANSACTIONAL DATA**

Number of New Agreements Entered Into for 2017	209,164
Dollar Amount of New Agreements During 2017	\$168,819,710

Distribution of 2017 New Agreements by Dollar Amount: (Maximum agreement amount= \$4,000)



HOME EQUITY CONVERSION MORTGAGE LENDERS

Home equity conversion mortgages, also known as reverse mortgages, are governed in Tennessee by the Home Equity Conversion Mortgage Act, Tenn. Code Ann. §§ 47-30-101, et seq. A business that makes home equity conversion mortgages must be licensed under the Tennessee Residential Lending, Brokerage and Servicing Act, Tenn. Code Ann. §§ 45-13-101, et seq. and must also be an authorized lender under the Home Equity Conversion Mortgage Act. All reverse mortgages issued in Tennessee must comply with all requirements for participation in the federal Department of Housing and Urban Development’s (HUD) Home Equity Conversion Mortgage Program (or other similar federal reverse mortgage loan programs) and must be insured by the Federal Housing Agency or other similar federal agency.



The requirements for authorization include licensure under the Tennessee Residential Lending, Brokerage and Servicing Act, and proof of approval as a lender by the Department of Housing and Urban Development. Authorized lenders are examined for compliance with the Home Equity Conversion Mortgage Act at the same time that they are examined for compliance under the Tennessee Residential Lending, Brokerage and Servicing Act. As of December 31, 2018, 56 lenders were authorized to make reverse mortgage loans.

INDUSTRIAL LOAN AND THRIFT COMPANIES (TILT)

The Tennessee Industrial Loan and Thrift (TILT) Companies Act, Tenn. Code Ann. §§ 45-5-101, et seq., was adopted for the stated purpose of allowing the citizens of Tennessee to have available the facilities and resources of regulated lending institutions to meet their needs for loans at rates and charges reasonably commensurate with economic realities. TILT companies are authorized to charge rates of interest higher than the rates currently authorized under Tennessee's general usury statutes. The requirements for registration under the TILT Act include having a minimum net worth of \$25,000 for each location from which business is conducted, and filing with the Department a surety bond in the amount of \$200,000 if the business proposes to make residential mortgage loans, or \$50,000 otherwise. Registrations under the TILT Act expire on December 31 of each year and may be renewed by the filing of a renewal application, through the Nationwide Multistate Licensing System (NMLS), between November 1 and December 31. As of December 31, 2018, there were 1,109 TILT locations registered with the Department. For the calendar year 2018, the Department conducted 502 examinations of TILT companies resulting in refunds totaling \$942,769.90.

INDUSTRIAL LOAN AND THRIFT COMPANIES COMPOSITE ANNUAL REPORT ANALYSIS OF LOANS RECEIVABLE (Year Ending December 31, 2017)

Number of Companies Included in This Report	194
Number of Offices Included in This Report	954
Number of Employees Included in This Report	6,799
RATE OF RETURN	
Average Monthly Gross Receivable (Industry)	\$2,150,514,245
Average Monthly Gross Receivable (Location)	\$2,254,208
Net Income (Industry)	\$-16,664,671
Net Income (Location)	\$-17,487
Rate of Return on Outstanding Receivables (Location)	-0.77%
ANALYSIS OF ACCOUNTS OUTSTANDING (MONTHLY AVERAGE)	
Average Number of Accounts Outstanding (Industry)	719,912
Average Number of Accounts Outstanding (Company)	3,710
Average Number of Accounts Outstanding (Location)	755
OTHER INFORMATION	
Number of Loans Outstanding at Beginning of Year	715,128
Dollar Amount of Loans Outstanding at Beginning of Year	\$1,919,481,003
Average Amount per Loan Outstanding at Beginning of Year	\$2,684
Number of Loans Made During the Year	1,308,894
Dollar Amount of Loans Made During the Year	\$2,805,397,011
Average Amount per Loan Made	\$2,143
Number of Loans Charged Off During the Year	175,248
Dollar Amount of Loans Charged Off During the Year	\$239,152,893
Average Account Balance Charged Off	\$1,364

Number of Loans Outstanding at Year End	754,649
Dollar Amount of Loans Outstanding at Year End	\$2,049,171,540
Average Account Balance per Loan Outstanding at Year End	\$2,715

**INDUSTRIAL LOAN AND THRIFT COMPANIES COMPOSITE ANNUAL REPORT
ANALYSIS OF LOANS RECEIVABLE
(Year Ending December 31, 2017)**

Gross Loan Receivables Outstanding - January	\$2,029,305,500.90
Gross Loan Receivables Outstanding - February	\$2,010,901,125.38
Gross Loan Receivables Outstanding - March	\$2,034,297,051.27
Gross Loan Receivables Outstanding - April	\$2,043,520,672.24
Gross Loan Receivables Outstanding - May	\$2,110,714,312.55
Gross Loan Receivables Outstanding - June	\$2,127,909,157.97
Gross Loan Receivables Outstanding - July	\$2,210,335,258.55
Gross Loan Receivables Outstanding - August	\$2,177,733,340.00
Gross Loan Receivables Outstanding - September	\$2,215,177,068.52
Gross Loan Receivables Outstanding - October	\$2,262,296,117.14
Gross Loan Receivables Outstanding - November	\$2,263,751,452.10
Gross Loan Receivables Outstanding - December	\$2,307,066,558.72

INSURANCE PREMIUM FINANCE COMPANIES

Persons engaged in the business of premium finance companies in Tennessee must be licensed under the Premium Finance Company Act of 1980, Tenn. Code Ann. §§ 56-37-101, et seq. Premium finance companies enter into agreements by which an insured or prospective insured promises to pay to the premium finance company the amount advanced or to be advanced under the agreement to an insurer or insurance agent or producing agent in payment of premiums of an insurance contract, together with interest and a service charge. A premium finance company may charge interest not to exceed a maximum effective rate of 24% per annum, and may charge on pre-computed loans a service charge in an amount equal to 4% of the total amount of the loan.

The requirements for licensure under the Premium Finance Company Act include the experience, training or education so as to be qualified in the business for which the license is required.

As of December 31, 2018, there were 43 insurance premium finance companies licensed with the Department. For calendar year 2018, the Department conducted 33 examinations of insurance premium finance companies resulting in refunds totaling \$13,676.61.

MONEY TRANSMITTERS

The activities of money transmitter companies are governed by the Tennessee Money Transmitter Act of 1994, Tenn. Code Ann. §§ 45-7-101, et seq. There are exemptions that apply to certain government agencies, as well as business organizations. See Tenn. Code Ann. § 45-7-204.

The Department continues to enhance its policies and procedures to ensure that they efficiently and effectively facilitate its 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 and Conference of State Bank Supervisors to facilitate fulfillment of its responsibilities with respect to money transmission licensing and regulation.

Each applicant for a money transmitter license must demonstrate, and each licensee must maintain, a net worth of not less than \$100,000 computed according to generally accepted accounting principles. Persons transmitting, or proposing to transmit, money shall have an additional net worth of \$25,000 per additional location or agent located in Tennessee, as applicable, to a maximum of \$500,000. The applicant must demonstrate such experience, character, and general fitness as to command the confidence of the public and warrant the belief that the business will be operated lawfully and fairly. As of December 31, 2018, the division licensed 139 money transmitters. For calendar year 2018, the Department conducted one (1) money transmitter examination and 18 examinations of money transmitters were conducted by the Multistate Money Transmitter Exam Team (MMET), of which the Department is a member, or the examinations were conducted by other states and accepted by the Department. The Tennessee Money Transmitter Act authorizes the Department to accept examinations of an agency of another state. Consumer refunds were made in the amount of \$770,182.08.



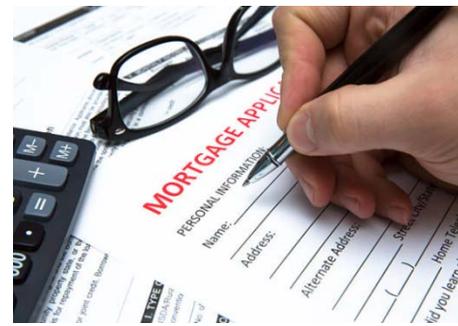
RESIDENTIAL MORTGAGE LENDERS, BROKERS AND SERVICERS

Residential mortgage lenders, brokers and servicers doing business in Tennessee must be licensed under the Tennessee Residential Lending, Brokerage and Servicing Act, Tenn. Code Ann. §§ 45-13-101, et seq. The requirements for licensure include having a minimum net worth of \$25,000, and filing with the Department a surety bond in an initial amount of between \$90,000 and \$200,000

depending on the nature of the business to be conducted, and the bond is adjustable annually based on the dollar amount of Tennessee residential mortgage loans originated in the preceding calendar year. Licenses expire on December 31 of each year and may be renewed by the filing of a renewal application, through the Nationwide Multistate Licensing System (NMLS), between November 1 and December 31. As of December 31, 2018, there were 680 mortgage businesses licensed with the Department. For the calendar year 2018, the Department conducted 130 examinations of mortgage companies, resulting in refunds totaling \$68,823.96.

RESIDENTIAL MORTGAGE LOAN ORIGINATORS

Residential mortgage loan originators must also be licensed under the Tennessee Residential Lending, Brokerage and Servicing Act, Tenn. Code Ann. §§ 45-13-101, et seq. The requirements for licensure include the following: 20 hours of pre-licensure education, two (2) hours of which must be in Tennessee law; passing score on a national test with uniform state content; authorization for a fingerprint based criminal background check through the FBI; authorization for a credit report from a national credit reporting agency. A mortgage loan originator license is not active unless the individual is also sponsored by a licensed mortgage lender or mortgage loan broker, and a mortgage loan originator is prohibited by law from providing origination services with an inactive license. Licenses expire on December 31 of each year and may be renewed by the filing of a renewal application, through the Nationwide Multistate Licensing System (NMLS), between November 1 and December 31. As of December 31, 2018, there were 14,518 mortgage loan originators licensed with the Department. The Department examines the work product of individual mortgage loan originators when it examines the sponsoring broker or lender.



TITLE PLEDGE LENDERS

The Tennessee Title Pledge Act, Tenn. Code Ann. §§ 45-15-101, et seq., governs the activities of title pledge lenders in Tennessee. A title pledge loan is a 30 day loan, which may be renewed, secured by the borrower's motor vehicle. Title pledge lenders may charge interest at a rate not to exceed 2% per month, and a customary fee of no more than 1/5 of the original principal amount of the loan or the unpaid balance due at the inception of any renewal. If a borrower fails to repay a loan, the lender may repossess and sell the vehicle, but the borrower is not personally liable for any deficiency balance.

The requirements for licensure under the Tennessee Title Pledge Act include having a minimum net worth of \$75,000 for each location, and filing with the department a surety bond in the amount of \$25,000 for each location up to a maximum of \$200,000 for any one (1) licensee. Licenses under the Tennessee Title Pledge Act expire on December 31 of each year and may be renewed by the filing of a renewal application, through the Nationwide Multistate Licensing System (NMLS), between November 1 and December 31. As of December 31, 2018, there were 713 title pledge locations

licensed with the Department. For the calendar year 2018, the Department conducted 551 examinations of title pledge businesses resulting in refunds totaling \$181,151.33.

ANNUAL REPORT INFORMATION FOR CALENDAR YEAR ENDING DECEMBER 31, 2017

The following tabulation represents aggregate information from reports filed by 108 licensed companies. The Department did not require an annual report from companies that opened after December 2017.

Total Assets	\$436,095,363
Total Liabilities	\$54,606,104
Net Worth	\$381,489,259

As of December 31, 2017, five (5) companies owned 75% of the industry’s assets. This accounts for \$328,768,876 of the total reported assets of \$436,095,363. Forty-nine (49) companies reported assets greater than \$500,000; 57 companies had assets of between \$100,000 and \$500,000; and the remaining 2 companies reflected total assets of less than \$100,000.

- **STATEMENT OF INCOME AND EXPENSES**

The following information was compiled from the statements of income and expenses for the period of January 1, 2017 to December 31, 2017.

Total Operating Income	\$121,900,431
Salary Expense	\$26,686,587
Bad Debt Expense	\$36,411,429
Owners’ Compensation	\$3,096,508
Net Income*	\$20,629,666

**Excluding Owners’ Compensation*

Of the 108 reporting companies, 39 reported operating losses and 11 reported net income of over \$100,000 for the period ending December 31, 2017. The average company made a profit of \$191,015.

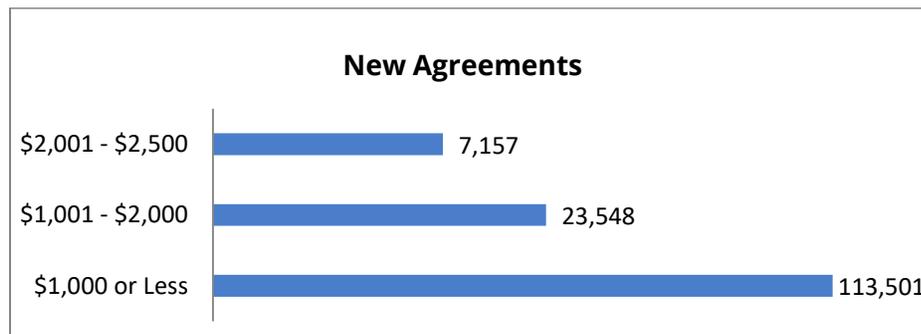
Salaries are a major company expense, amounting to about 22% of total operating income. The average salary expense for a reporting company was \$247,098. Losses on receivables constitute another major industry expense. Bad debt expense represented approximately 30% of total operating income.

- TRANSACTIONAL DATA**

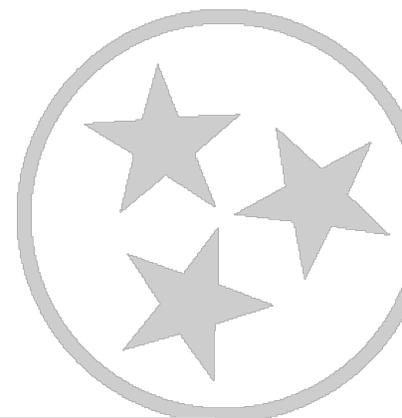
The following transactional data was reported for the reporting period ending December 31, 2017:

Number of New Agreements Entered Into for 2017	144,206
Dollar Amount of New Agreements During 2017	\$120,623,966
Number of Defaults	57,572
Number of Repossessions	14,548
Total Surplus Amount Returned to Customers after Sale of Repossessed Vehicles	\$495,425

Distribution of 2017 New Agreements by Dollar Amount: (Maximum agreement amt. = \$2,500)



Number of Customers Holding Agreements Outstanding as of December 31, 2017	115,963
Number of Customers who Deferred a Principal Payment Reduction in 2017	24,053



CREDIT UNION DIVISION

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

Collectively, the 80 natural-person credit unions regulated by the Credit Union Division have assets of approximately \$12 billion. The return on average assets was 1.22%. Individually, the institutions present a vast array of asset sizes, fields of membership and services.

Volunteer Corporate Credit Union (VolCorp), located in Nashville, Tennessee, continues to meet the financial service needs of natural-person credit unions, whether state or federally-chartered. VolCorp is a \$1.3 billion corporate credit union that serves more than 351 member credit unions in Tennessee and other states. Primary offerings include traditional correspondent services such as investments, item processing, security safekeeping, consulting services and web design.

The Credit Union Division remains accredited by the National Association of State Credit Union Supervisors (NASCUS). The NASCUS accreditation was re-certified in June 2015 (for another five-year period).

The primary mission of the Credit Union Division is to provide the people of Tennessee with a safe and sound system of credit unions but not at the expense of credit unions' ability to support local economies. The most fundamental approach to achieve that is to regulate credit unions on an institution by institution basis by supervising credit unions based on their risk profile rather than a one size fits all regulatory approach.

Regulatory Balance is the act of striking the right balance between regulatory oversight (ensuring safety and soundness and compliance with law) while allowing for economic growth and profitability. Examples include: customizing examinations instead of using a one-size fits all philosophy, utilizing regulatory authority to bring common sense and justice to bear and even challenge injustice, and influencing federal agencies toward a more balanced approach.

Through collaboration, examiners discuss best practices with credit union officials, but they do not attempt to micromanage institutions. Examiners inform officials that regardless of the information presented, the Board of Directors is ultimately responsible for making decisions. Examiners may share information with officials about emerging risks, current issues, and hot topics. The Credit Union Division is an advocate for the success of credit unions.



Credit Union Examiners with Commissioner Gonzales (far right) and Deputy Commissioner Miller (center)

ADMINISTRATION

Tina G. Miller, Deputy Commissioner
Memory Little, Applications Analyst
Anthony Rogers, Safety and Soundness Chief Administrator
Jennifer Meade, Administrative Services Assistant 3

EXAMINATION PERSONNEL

West Tennessee District

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

Middle Tennessee District

Jim Eller, Safety and Soundness Manager
Steve Eddings, Credit Union Examiner 5 CFE, CSCUE, CEIC,
Robert Heisse, Credit Union Examiner 4
Matthew Adkison, Credit Union Examiner 4
Derek Quarles, Credit Union Examiner 2

East Tennessee District

Brian Williams, Safety and Soundness Manager
Shane Hardin, Credit Union Examiner 5, CFE, CSCUE,
Dwight Ward, Credit Union Examiner 4
George Goodwin, Credit Union Examiner 4
William Justice, Credit Union Examiner 4

***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 TRANSACTIONS

July 1, 2017 – June 30, 2018

Mergers/Liquidations

- Agility Credit Union merged with and into Memphis City Employees Credit Union (07/01/2017)
- Times Free Press Credit Union with and into Healthcare Services Credit Union (01/01/2018)
- NGH Credit Union with and into Cornerstone Financial Credit Union (04/01/2018)
- Smith and Nephew Employees Credit Union with and into Memphis City Employees Credit Union (04/01/2018)
- There were no credit union liquidations during the fiscal year

Name Changes

- Electric Service Credit Union changed its name to Enbright Credit Union (01/01/2018)
- Lakeside Employees Credit Union changed its name to Lakeside Credit Union (07/19/2017)
- Willis Credit Union changed name to Your Best Credit Union (03/09/2018)

Principal Address Change

- Lifeway Credit Union changed its principal office to One Lifeway Plaza, Suite 20, Nashville, Tennessee 37234 (11/06/2017)

New Branches/Branch Relocations

- Eastman Credit Union – Approval to establish a mortgage lending office at 780 Commonwealth Drive, Suite 9, Norton, Virginia (02/05/2018)
- Leaders Credit Union – Approval to establish a branch at 1490 Union University Drive, Jackson, Tennessee (11/27/2017)
- Leaders Credit Union – Approval to establish a branch at 15431 South First Street, Milan, Tennessee (1/21/2018)



CREDIT UNION TRANSACTIONS

July 1, 2017 – June 30, 2018

Approval to Close/Sell Branches

- There were no credit unions that sold or closed a branch during the fiscal year.

Field of Membership Application Approvals

- Enbright Credit Union – Approval to expand community charter to include Rutherford County (04/17/2018)
- Pathway Credit Union – Approval to add members of the Church of God in North Georgia (08/16/2017)
- O.M.C. Employees Credit Union – Approval to add employees of Lonza Group, Ltd., Cleveland Tennessee and Charleston Tennessee locations (08/25/2017)
- Tennessee Employees Credit Union – Approval to add employees of The Division of Healthcare Finance and Administration/TennCare (09/12/2017)
- Leaders Credit Union – Approval to add the underserved area of Haywood County to include Census Tracts 9302.00, 9303.01, 9305.00, 9304.00, 9303.02 and 9301.00 (09/26/2017)

TENNESSEE STATE-CHARTERED CREDIT UNIONS KEY RATIOS

	FYE 6/30/2017	FYE 6/30/2018
<u>CAPITAL ADEQUACY</u>		
Net Worth/Total Assets	12.67	12.72
Net Worth/Total Assets--Including Optional Total Assets Election (if used)	12.68	12.73
Total Delinquent Loans / Net Worth	2.13	1.95
Solvency Evaluation (Estimated)	114.64	114.73
Classified Assets (Estimated) / Net Worth	4.24	4.19
<u>ASSET QUALITY</u>		
Delinquent Loans / Total Loans	0.36	0.32
* Net Charge-Offs / Average Loans	0.32	0.32
Fair (Market) HTM Invest Value/Book Value HTM Invest.	99.98	99.41
Accum Unreal G/L On AFS/Cost Of AFS	-0.80	-2.44
Delinquent Loans / Assets	0.27	0.25
<u>EARNINGS</u>		
* Return On Average Assets	1.04	1.22

	FYE 6/30/2017	FYE 6/30/2018
* Return On Average Assets Excluding Stabilization Income/Expense & NCUSIF Premium	1.04	1.22
* Gross Income/Average Assets	4.87	5.16
* Yield on Average Loans	4.35	4.39
* Yield on Average Investments	1.10	1.50
* Fee & Other Op.Income / Avg. Assets	1.41	1.51
* Cost of Funds / Avg. Assets	0.48	0.57
* Net Margin / Avg. Assets	4.39	4.59
* Operating Exp./ Avg. Assets	3.14	3.13
* Provision For Loan & Lease Losses / Average Assets	0.23	0.25
* Net Interest Margin/Avg. Assets	2.99	3.08
Operating Exp./Gross Income	64.40	60.75
Fixed Assets & Foreclosed & Repossessed Assets / Total Assets	2.39	2.26
* Net Operating Exp. /Avg. Assets	2.39	2.37
<u>ASSET / LIABILITY MANAGEMENT</u>		
Net Long-Term Assets / Total Assets	33.83	33.43
Reg. Shares / Total Shares & Borrowings	32.85	32.81
Total Loans / Total Shares	88.07	91.40
Total Loans / Total Assets	74.75	77.16
Cash + Short-Term Investments / Assets	14.84	13.48
Total Shares, Dep. & Borrs / Earning Assets	91.14	90.85
Reg Shares + Share Drafts / Total Shares & Borrs	49.72	49.71
Borrowings / Total Shares & Net Worth	1.79	2.14
<u>PRODUCTIVITY</u>		
Members / Potential Members	6.94	7.41
Borrowers / Members	56.14	57.64
Members / Full-Time Employees	348.27	349.60
Avg. Shares Per Member	\$9,641	\$9,882
Avg. Loan Balance	\$15,124	\$15,671
* Salary And Benefits / Full-Time Empl.	\$65,869	\$67,307
<u>OTHER RATIOS</u>		
* Net Worth Growth	8.20	9.66
* Market (Share) Growth	11.12	10.89
* Loan Growth	13.73	12.39
* Asset Growth	11.31	11.40
* Investment Growth	3.73	8.66
* Membership Growth	5.18	5.03
* Annualized Ratios		

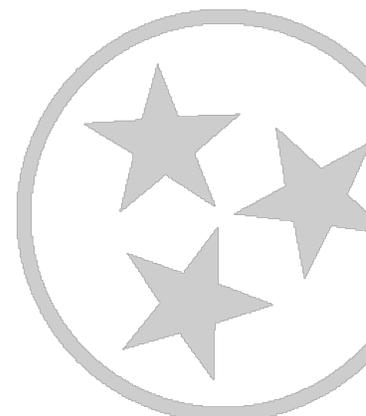
**TENNESSEE STATE-CHARTERED CREDIT UNIONS
CONSOLIDATED BALANCE SHEET**

	FYE 6/30/2017	FYE 6/30/2018	% Change
ASSETS			
CASH:			
Cash On Hand	113,456,006	105,526,925	-6.99%
Cash On Deposit	861,522,963	911,911,695	5.85%
Cash Equivalents	79,437,595	48,570,190	-38.86%
TOTAL CASH & EQUIVALENTS	1,054,416,564	1,066,008,810	1.10%
INVESTMENTS:			
Trading Securities	0	0	
Available for Sale Securities	317,813,368	281,671,620	-11.37%
Held-to-Maturity Securities	272,635,516	263,644,712	-3.30%
Deposits in Commercial Banks, S&Ls, Savings Banks	572,308,434	505,248,285	-11.72%
Loans to, Deposits in, and Investments in Natural Person Credit Unions	65,653,745	64,212,157	-2.20%
Total MCSD/Nonperpetual Contributed Capital and PIC/Perpetual Contributed Capital	27,063,287	27,059,878	-0.01%
All Other Investments in Corporate Cus	12,677,338	15,521,582	22.44%
All Other Investments	50,936,880	51,874,784	1.84%
TOTAL INVESTMENTS	1,319,088,568	1,209,233,018	-8.33%
LOANS HELD FOR SALE	2,393,186	6,232,003	160.41%
LOANS AND LEASES:			
Unsecured Credit Card Loans	250,331,354	277,655,023	10.92%
All Other Unsecured Loans/Lines of Credit	287,681,923	303,945,081	5.65%
Payday Alternative Loans (PAL Loans) (FCUs only)	0	0	
Non-Federally Guaranteed Student Loans	61,952,412	62,569,956	1.00%
New Vehicle Loans	1,599,238,287	1,910,979,007	19.49%
Used Vehicle Loans	1,644,482,738	1,842,526,104	12.04%
Leases Receivable	0	0	
All Other Secured Non-Real Estate Loans/Lines of Credit	509,731,859	535,456,296	5.05%
Total Loans/Lines of Credit Secured by 1st Lien 1-4 Family Residential Properties	3,644,417,350	3,476,779,852	-4.60%
Total Loans/Lines of Credit Secured by Junior Lien 1-4 Family Residential Properties	326,691,849	290,529,297	-11.07%
All Other Real Estate Loans/Lines of Credit	N/A	21,424,551	
Commercial Loans/Lines of Credit Real Estate Secured	N/A	532,832,072	
Commercial Loans/Lines of Credit Not Real Estate Secured	N/A	19,750,604	
TOTAL LOANS & LEASES	8,324,527,772	9,274,447,843	11.41%

	FYE 6/30/2017	FYE 6/30/2018	% Change
(ALLOWANCE FOR LOAN & LEASE LOSSES)	(59,790,999)	(64,034,804)	7.09%
Foreclosed Real Estate	8,788,566	2,581,925	-70.62%
Repossessed Autos	2,326,214	2,766,565	18.93%
Foreclosed and Repossessed Other Assets	135,214	224,642	66.14%
TOTAL FORECLOSED and REPOSSESSED ASSETS	11,249,994	5,573,132	-50.46%
Land and Building	222,293,830	228,772,845	2.91%
Other Fixed Assets	28,655,617	32,683,866	14.06%
NCUA Share Insurance Capitalization Deposit	84,879,266	90,862,408	7.05%
Identifiable Intangible Assets	32,020	-3,951	-112.34%
Goodwill	361,667	368,126	1.79%
TOTAL INTANGIBLE ASSETS	393,687	364,175	-7.50%
Accrued Interest on Loans	18,943,746	22,495,250	18.75%
Accrued Interest on Investments	2,355,532	2,979,460	26.49%
Non-Trading Derivative Assets, net	0	231,323	
All Other Assets	127,293,243	144,407,220	13.44%
TOTAL OTHER ASSETS	148,592,521	170,113,253	14.48%
TOTAL ASSETS	11,136,700,006	12,020,256,549	7.93%
TOTAL CU's	84	80	
LIABILITIES, SHARES AND EQUITY			
LIABILITIES:			
Other Borrowings	N/A	N/A	
Other Notes, Promissory Notes, Interest Payable, & Draws Against Lines of Credit	194,337,557	249,798,341	28.54%
Borrowing Repurchase Transactions	0	0	
Subordinated Debt	0	0	
Uninsured Secondary Capital and Subordinated Debt Included in Net Worth	90,000	0	-100.00%
Non-Trading Derivative Liabilities, net	0	0	
Accrued Dividends and Interest Payable	1,054,273	1,300,657	23.37%
Accounts Payable & Other Liabilities	105,764,175	126,483,792	19.59%
TOTAL LIABILITIES	301,246,005	377,582,790	25.34%
SHARES AND DEPOSITS			
Share Drafts	1,627,713,711	1,757,400,236	7.97%
Regular Shares	3,168,479,087	3,411,039,033	7.66%
Money Market Shares	1,356,936,350	1,316,748,848	-2.96%
Share Certificates	2,343,908,642	2,644,323,536	12.82%
IRA/KEOGH Accounts	751,826,605	753,111,462	0.17%

	FYE 6/30/2017	FYE 6/30/2018	% Change
All Other Shares	104,572,130	111,159,063	6.30%
Non-Member Deposits	98,734,521	153,736,122	55.71%
TOTAL SHARES AND DEPOSITS	9,452,171,046	10,147,518,300	7.36%
EQUITY:			
Undivided Earnings	915,547,956	977,261,166	6.74%
Regular Reserves	439,248,376	489,836,216	11.52%
Appropriation For Non-Conforming Investments (SCU Only)	0	0	
Other Reserves	19,895,264	19,606,326	-1.45%
Equity Acquired in Merger	23,204,969	25,211,208	8.65%
Miscellaneous Equity	20,237	24,555	21.34%
Accumulated Unrealized G/L on AFS Securities	-2,565,823	-7,046,406	174.63%
Accumulated Unrealized Losses for OTTI (due to other factors) on HTM Debt Securities	0	0	
Accumulated Unrealized G/L on Cash Flow Hedges	0	0	
Other Comprehensive Income	-26,209,276	-27,170,725	3.67%
Net Income *	14,141,252	17,433,119	23.28%
EQUITY TOTAL	1,383,282,955	1,495,155,459	8.09%
TOTAL SHARES & EQUITY	10,835,454,001	11,642,673,759	7.45%
TOTAL LIABILITIES, SHARES, & EQUITY	11,136,700,006	12,020,256,549	7.93%
NCUA INSURED SAVINGS			
Uninsured Shares	498,934,623	561,672,347	12.57%
Uninsured Non-Member Deposits	4,977,314	9,024,102	81.30%
Total Uninsured Shares & Deposits	503,911,937	570,696,449	13.25%
Insured Shares & Deposits	8,948,259,109	9,576,821,851	7.02%
TOTAL NET WORTH	1,411,829,799	1,529,050,158	8.30%

*Note: The Net Income shown in the Equity section of the Consolidated Balance Sheet will not reconcile to the Net Income shown on the Consolidated Income Statement. This is due to the fact that credit unions are not required to close out their accounting records on a quarterly basis, only on a year-end basis.



**TENNESSEE STATE-CHARTERED CREDIT UNIONS
CONSOLIDATED INCOME STATEMENT**

	Jun-2017	Jun-2018	% Chg
INCOME AND EXPENSE			
INTEREST INCOME:			
Interest on Loans	175,341,715	197,636,490	12.72%
Less Interest Refund	(0)	-(20,110)	
Income from Investments	12,339,741	15,885,595	28.74%
Income from Trading	0	0	
TOTAL INTEREST INCOME	187,681,456	213,501,975	13.76%
INTEREST EXPENSE:			
Dividends	8,703,241	10,570,936	21.46%
Interest on Deposits	15,626,528	20,537,974	31.43%
Interest on Borrowed Money	1,536,125	2,016,403	31.27%
TOTAL INTEREST EXPENSE	25,865,894	33,125,313	28.07%
PROVISION FOR LOAN & LEASE LOSSES	12,326,156	14,739,642	19.58%
	Jun-2017	Jun-2018	% Chg
NET INTEREST INCOME AFTER PLL	149,489,406	165,637,020	10.80%
NON-INTEREST INCOME:			
Fee Income	40,723,983	44,934,491	10.34%
Other Operating Income	35,557,216	43,275,039	21.71%
Gain (Loss) on Investments	-47,575	-39,666	-16.62%
Gain (Loss) on Non-Trading Derivatives	0	0	
Gain (Loss) on Disposition of Assets	484,172	-136,854	-128.27%
Gain from Bargain Purchase (Merger)	17,650	395,186	2139.01%
Other Non-Oper Income/(Expense)	218,970	317,842	45.15%
NCUSIF Stabilization Income	0	0	
TOTAL NON-INTEREST INCOME	76,954,416	88,746,038	15.32%
NON-INTEREST EXPENSE			
Total Employee Compensation & Benefits	92,710,320	98,841,547	6.61%
Travel, Conference Expense	1,428,765	1,579,242	10.53%
Office Occupancy	10,011,613	10,599,781	5.87%
Office Operation Expense	35,389,383	39,999,101	13.03%

	Jun-2017	Jun-2018	% Chg
Educational and Promotion	5,443,399	6,050,127	11.15%
Loan Servicing Expense	8,215,970	8,916,399	8.53%
Professional, Outside Service	12,436,593	13,027,860	4.75%
Member Insurance	N/A	N/A	
Member Insurance - NCUSIF Premium	133,922	2,876	-97.85%
Member Insurance - Temporary	0	0	
Corporate			
CU Stabilization Fund			
Member Insurance - Other	72,219	80,303	11.19%
Operating Fees	1,224,543	1,166,421	-4.75%
Misc Operating Expense	2,917,040	3,036,567	4.10%
TOTAL NON-INTEREST EXPENSE	169,983,767	183,300,224	7.83%
NET INCOME (LOSS) EXCLUDING STABILIZATION EXPENSE AND NCUSIF PREMIUMS	56,593,977	71,085,710	25.61%
NET INCOME (LOSS)	56,460,055	71,082,834	25.90%
RESERVE TRANSFERS:			
Transfer to Regular Reserve	22,541,338	21,758,811	-3.47%

**TENNESSEE STATE-CHARTERED CREDIT UNIONS
GROUPED BY ASSET SIZE
(ROUNDED TO NEAREST HUNDRED THOUSANDTHS)**

CREDIT UNION ASSET SIZE RANGE	# OF CREDIT UNIONS - CURRENT YEAR	CURRENT YEAR - TOTAL ASSETS	PERCENTAGE OF CREDIT UNIONS IN GROUP
\$250,000 OR LESS	1	\$56,000	1.23
\$250,001 TO \$500,000	1	\$513,000	1.23
\$500,001 TO \$1,000,000	1	\$993,000	1.23
\$1,000,001 TO \$5,000,000	10	\$22,700,000	12.35
\$5,000,001 TO \$10,000,000	8	\$55,300,000	9.88
\$10,000,001 TO \$50,000,000	30	\$763,300,000	37.04
\$50,000,001 TO \$100,000,000	13	\$902,900,000	16.05
\$100,000,001 TO \$200,000,000	5	\$718,600,000	6.17
\$200,000,001 TO \$500,000,000	8	\$2,632,800,000	9.88
\$500,000,001 AND OVER	4	\$8,195,500,000	4.94
TOTAL	81	\$13,292,662,000	100.00

80 Without Corporate Credit Union \$12,020,300,000

TENNESSEE STATE-CHARTERED CREDIT UNIONS ASSETS
(As of June 30, 2018)

CREDIT UNION	ADDRESS	CITY	ZIP	ASSETS
A.U.B. EMPLOYEES'	P.O. BOX 874	ATHENS	37371-0874	\$ 1,610,103
APPLIANCE	P.O. BOX 1057	CLEVELAND	37364	\$ 10,830,888
BCBST EMPLOYEES	1 CAMERON HILL CIR	CHATTANOOGA	37402	\$ 11,228,056
BOWATER EMPLOYEES	P.O. BOX 359	CALHOUN	37309-0359	\$ 168,146,044
CEMC EMPLOYEES	P.O. BOX 3300	CLARKSVILLE	37043	\$ 2,511,665
CHATTANOOGA FEDERAL EMPLOYEES	P.O. BOX 22205	CHATTANOOGA	37422-2205	\$ 44,735,221
CITY EMPLOYEES	1720 WESTERN AVE	KNOXVILLE	37921	\$ 81,540,252
CN/IC EMPLOYEES	2005 NONCONNAH BLVD SUITE 7	MEMPHIS	38132	\$ 7,972,529
COLLEGEDALE	P.O. BOX 2098	COLLEGEDALE	37315	\$ 44,194,143
CONSUMER	3634 E ANDREW JOHNSON HIGHWAY	GREENEVILLE	37745	\$ 449,756,348
CORNERSTONE FINANCIAL	P.O. BOX 120729	NASHVILLE	37212-0729	\$ 368,978,951
CREDIT UNION FOR ROBERTSON COUNTY	2416 MEMORIAL BLVD	SPRINGFIELD	37172	\$ 54,496,318
DIXIE LINE	567 VERITAS ST	NASHVILLE	37211	\$ 11,232,200
EASTMAN	P.O. BOX 1989	KINGSPORT	37662	\$ 4,336,088,138
EMPLOYEE RESOURCES	P.O. BOX 987	LAWRENCEBURG	38464-4455	\$ 86,091,817
ENBRIGHT	1214 CHURCH STREET, SUITE 100	NASHVILLE	38115	\$ 66,829,796
EPB EMPLOYEES	1500 MCCALLIE AVE	CHATTANOOGA	37404-2937	\$ 28,997,853
FIRST CHOICE COMMUNITY	100 N 17TH ST	KNOXVILLE	37921-6750	\$ 37,339,394
FIRST SOUTH FINANCIAL	6471 STAGE RD STE 200	BARTLETT	38134	\$ 571,109,081
GALLATIN STEAM PLANT	1499 STEAM PLANT RD.	GALLATIN	37066	\$ 5,095,584
GATEWAY	100 OTIS SMITH DR	CLARKSVILLE	37043-8939	\$ 11,352,419
GREATER EASTERN	PO BOX 5130	JOHNSON CITY	37602	\$ 55,373,502
GREENEVILLE CITY EMPLOYEES'	310 S MAIN ST STE 3	GREENEVILLE	37743-6176	\$ 10,590,640
GREENEVILLE WORKS EMPLS. SAV. ASSN.	P.O. BOX 1790	GREENEVILLE	37744	\$ 2,196,438
HAPPY VALLEY	P.O. BOX 1838	ELIZABETHTON	37644	\$ 30,452,576
HARDIN COUNTY HOSPITAL EMPLOYEES	935 WAYNE RD	SAVANNAH	38372	\$ 1,159,727
HEALTH SYSTEMS	900 E OAK HILL AVENUE	KNOXVILLE	37917-4505	\$ 5,495,307
HEALTHCARE SERVICES	946 E 3RD ST	CHATTANOOGA	37403-2101	\$ 21,247,247
HERITAGE SOUTH COMMUNITY CU	P.O. BOX 1219	SHELBYVILLE	37162	\$ 207,794,846
HOLLEY	P.O. BOX 398	PARIS	38242	\$ 56,532,179
HORIZON	1201 N EASTMAN ROAD	KINGSPORT	37664-3163	\$ 55,332,796
HURD EMPLOYEES	200 W CHURCH STREET	GREENEVILLE	37745-3806	\$ 3,488,786

CREDIT UNION	ADDRESS	CITY	ZIP	ASSETS
JACK DANIEL EMPLOYEES	P.O. BOX 199	LYNCHBURG	37352	\$ 31,750,233
JOHNSONVILLE TVA EMPLOYEES	209 HIGHWAY 641 N	CAMDEN	38320	\$ 98,748,422
CREDIT UNION	ADDRESS	CITY	ZIP	ASSETS
KIMBERLY CLARK	1520 N 2ND ST	MEMPHIS	38107-1004	\$ 112,979,191
KINGSPORT PRESS CU	528 W CENTER STREET	KINGSPORT	37660	\$ 68,906,019
KINGSTON TVA EMPLOYEES	714 SWAN POND ROAD	HARRIMAN	37748	\$ 2,027,871
KNOX CO. EMPLOYEES	400 W MAIN ST RM 355	KNOXVILLE	37902	\$ 9,520,338
KNOXVILLE TVA EMPLOYEES	301 WALL AVE	KNOXVILLE	37901	\$ 2,015,902,869
LAKESIDE EMPLS.	1008 BROADWAY	NEW JOHNSONVILLE	37134	\$ 36,651,225
LANGSTON BAG CO. EMPLS. SAV. ASSN.	1760 S 3RD ST	MEMPHIS	38109-7712	\$ 55,762
LEADERS CREDIT UNION	87 MURRAY GUARD ROAD	JACKSON	38305	\$ 374,436,350
LIFE	2010 CHURCH ST STE 204	NASHVILLE	37203-2078	\$ 34,581,162
LIFEWAY	1 LIFEWAY PLAZA SUITE 20	NASHVILLE	37234	\$ 45,839,751
LOWLAND	622 W 1st North St	MORRISTOWN	37814	\$ 99,049,970
M.P.D. COMMUNITY	2711 OLD LEBANON RD	NASHVILLE	37214	\$ 26,487,664
MARYVILLE MUNICIPAL	321 W BROADWAY AVE	MARYVILLE	37801	\$ 15,912,497
MCNAIRY COUNTY EMPLOYEES	P.O. BOX 867	ADAMSVILLE	38310-1931	\$ 1,418,035
MEMORIAL	6800 LONGVIEW RD	CHATTANOOGA	37421	\$ 7,383,296
MEMPHIS CITY EMPLOYEES	2608 AVERY AVE	MEMPHIS	38112-4821	\$ 301,564,411
METROPOLITAN TEACHERS	1605 JEFFERSON STREET	NASHVILLE	37208	\$ 2,539,391
MID EAST TENNESSEE COMMUNITY	17640 STATE HIGHWAY 58 N	DECATUR	37322	\$ 11,721,656
MOUNTAIN STATES	400 N STATE OF FRANKLIN ROAD	JOHNSON CITY	37604	\$ 20,364,180
NASHVILLE FIREMEN'S	908 WOODLAND ST	NASHVILLE	37206	\$ 25,320,256
NASHVILLE POST OFFICE	P.O. BOX 291233	NASHVILLE	37229	\$ 67,816,242
NEW SOUTH CREDIT UNION	3261 N MALL ROAD	KNOXVILLE	37924	\$ 57,115,687
NORTHEAST COMMUNITY	980 JASON WITTEN WAY	ELIZABETHTON	37643	\$ 116,274,427
O.M.C. EMPLOYEES'	P.O. BOX 828	CHARLESTON	37310	\$ 28,057,889
OLD HICKORY	P.O. BOX 431	OLD HICKORY	37138	\$ 233,402,502
OLIVET BAPTIST	10000 WOODLAND HILLS DRIVE	CORDOVA	38018	\$ 513,373
P.I.A.S.	305 PLUS PARK BLVD	NASHVILLE	37217	\$ 5,062,496
PATHWAY	P.O. BOX 2035	CLEVELAND	37320	\$ 5,520,385
PATRIOT EQUITY	1450 UNION UNIVERSITY DR	JACKSON	38305	\$ 27,903,328
SCENIC COMMUNITY	4503 HIXSON PIKE	HIXSON	37343	\$ 121,247,558
SKYLINE	3443 DICKERSON PIKE #G10	NASHVILLE	37207-2528	\$ 17,366,518
SMART CHOICE	1075 BLYTHE AVE SE	CLEVELAND	37311-2948	\$ 3,505,752
SOUTHEAST FINANCIAL	220 SOUTH ROYAL OAKS	FRANKLIN	37064	\$ 379,501,655
SOUTHERN	P.O. BOX 3490	CHATTANOOGA	37404	\$ 22,700,464

CREDIT UNION	ADDRESS	CITY	ZIP	ASSETS
ST. THOMAS	4230 HARDING PIKE STE 103	NASHVILLE	37205	\$ 27,304,694
TENNESSEE DEPARTMENT OF SAFETY	1150 FOSTER AVENUE	Nashville	37243-4400	\$ 9,239,391
TENNESSEE EMPLOYEES	P.O. BOX 198617	NASHVILLE	37219-8617	\$ 27,564,305
THE TENNESSEE CREDIT UNION	1400 8TH AVENUE SOUTH	NASHVILLE	37203	\$ 317,362,194
THE WEST TENNESSEE CREDIT UNION	2521 FITE RD	MEMPHIS	38127	\$ 17,063,384
CREDIT UNION	ADDRESS	CITY	ZIP	ASSETS
TNCONNECT	P.O. BOX 52990	KNOXVILLE	37950	\$ 55,067,123
U. S. T. C. EMPLOYEES	3904 CENTRAL PIKE	HERMITAGE	37076-3409	\$ 2,233,777
UPS EMPLOYEES	1814 E BROOKS RD	MEMPHIS	38116	\$ 24,243,643
US COMMUNITY	P.O. BOX 140570	NASHVILLE	37214	\$ 199,969,597
VANDERBILT UNIVERSITY EMPLOYEES	P.O. BOX 128426	NASHVILLE	37212	\$ 42,005,088
VOLUNTEER CORPORATE	2460 ATRIUM WAY	NASHVILLE		\$ 1,272,388,402
WCG EMPLOYEES	P.O. BOX 284	MARTIN	38237	\$ 993,006
YOUR BEST CREDIT UNION	26 CENTURY BLVD, STE 3	NASHVILLE	37214-3683	\$ 18,269,631
				\$ 13,292,653,904

