

FIRST TENNESSEE BANK: SERVING OUR COMMUNITIES

2017 Community Reinvestment Plan Update



Since our last 2016 CRA Plan Update, we have met and exceeded the goals as laid out in our original plan commitments. Below are our results:

- Our Community Development Managers (CDMs) continue to serve as a liaison between community organizations and our lines of businesses. In the first quarter of 2017, the CDMs have attended meetings with 150 organizations seeking input on community development loan, investment and service opportunities.
- We began mortgage production utilizing the LenderLive Mortgage Platform and implemented the Fannie Mae Home Ready product on February 21, 2017 that benefits low-to moderate (LMI) income homebuyers.
- The Financial Education & Empowerment Program in partnership with Operation HOPE continues to make progress. We launched the pilot for the youth component in West Tennessee and will deploy the program to our other markets later this year. Our 10 HOPE Inside locations have served over 5,200 clients since 2014; and plans to meet our commitment of 15 HOPE Inside locations are underway. In January, we opened our first Small Business Education Program HOPE Inside in Memphis, TN at the Church of God In Christ at Mason Temple.

INVESTMENTS

The \$50 million Community Development Fund was established in 2016 and provides crucial grant funding to community organizations throughout our markets. We have deployed 133 grants and a total of \$3.6 million since creation of the Fund.

Examples of our large grants are listed below:

<p style="text-align: center;">WEST TENNESSEE</p> <p>Organization: Memphis Union Mission Amount: \$25,000 Purpose: Provides support for the homeless, addicted and those in crisis.</p>	<p style="text-align: center;">MIDDLE TENNESSEE</p> <p>Organization: Pathway Women’s Business Center Amount: \$25,000 (2016) and \$10,000 (2017) Purpose: Provides business counseling, classroom training, and peer-to-peer learning for entrepreneurs.</p>	<p style="text-align: center;">EAST TENNESSEE</p> <p>Organization: Knox Housing Partnership Amount: \$40,000 Purpose: Provides homebuyer down payment assistance and homebuyer education program.</p>
<p style="text-align: center;">SOUTHEAST TENNESSEE</p> <p>Organization: Chi Memorial Foundation Amount: \$40,000 Purpose: Provides medical services to the uninsured population in the Westside and Hixson communities of Chattanooga.</p>	<p style="text-align: center;">MID-ATLANTIC (NC, SC, VA, FL)</p> <p>Organization: DHIC, Inc. Amount: \$60,000 (2016) Purpose: Provides development of affordable apartment homes in the Research Triangle region of North Carolina.</p>	

LENDING

- First Tennessee has met the 30% goal of overall home mortgage lending exam period to first quarter 2017 for home mortgages originated to LMI borrowers and/or tracts. Mortgage lending in our specific MSAs to LMI tracts and/or borrowers are below:
 - Raleigh MSA – 56%
 - Memphis – 27%
 - Chattanooga – 34%
 - Knoxville – 28%
 - Nashville – 34%

-
- We improved small business lending in LMI tracts to 32.5%.
 - 26% of our lending has been to businesses with revenues of \$1 million or less and 46.8% of our lending has been loans under \$100 thousand.
 - We originated approximately 172 community development loans from April 2014 to date for a total of \$400 million or 15.46% of Tier 1 Capital.

SERVICES

- At the end of 2016, our employees logged 7,477 community development service hours supporting affordable housing, community service, economic development and revitalization.
- As part of our Financial Education & Empowerment Program, a pool of employees were trained to teach 5-week financial education courses to students located in our markets. As of December 2016, these employees logged 85 service hours since creation of the program.

ADDITIONAL PLAN FEATURES

- Our Consumer Line of Business has created a plan and timeline for a suite of underbanked products with full implementation by mid-year 2018.
- A comprehensive marketing plan for 2017 has been developed to build awareness of home lending offerings in LMI communities, leveraging unique media approaches to reach LMI consumers and promote existing and new HOPE Inside locations and services. Components of our marketing plan can be found below:
 - 1120 radio spots in Memphis, Nashville, Chattanooga, Knoxville and Tri-Cities that will market home mortgage and HOPE Inside locations. In Raleigh, NC, 280 radio spots will promote home purchasing.
 - 5 billboards promoting our home mortgage offering located in LMI areas of Memphis, Nashville, Knoxville, Chattanooga and Tri-Cities.
 - Digital and financial center merchandising will include more information on credit score questions via email and social media.
- We redesigned our mobile banking and online banking platforms for easier access and continually promote them through social media and other avenues.