

FIRST TENNESSEE NATIONAL CORP
Form 11-K
June 27, 2003

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2002

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the Transition Period from _____ To _____

Commission File No. 000-4491

FIRST TENNESSEE NATIONAL CORPORATION
SAVINGS PLAN AND TRUST
(Full Title of Plan)

FIRST TENNESSEE NATIONAL CORPORATION
(Issuer of Securities Held Pursuant to Plan)

165 MADISON AVENUE
MEMPHIS, TENNESSEE 38103
(Address of Principal Executive Office of Issuer and of Plan)

FIRST TENNESSEE NATIONAL CORPORATION

SAVINGS PLAN AND TRUST

FINANCIAL STATEMENTS AND SCHEDULES

YEAR ENDED DECEMBER 31, 2002

TOGETHER WITH INDEPENDENT AUDITORS REPORT

FIRST TENNESSEE NATIONAL CORPORATION
SAVINGS PLAN AND TRUST
LIST OF EXHIBITS

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| | |
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EXHIBIT A

Independent Auditors Report

The Savings Plan Committee of
First Tennessee National Corporation:

We have audited the accompanying statements of net assets available for benefits of First Tennessee National Corporation Savings Plan and Trust (the Plan) as of December 31, 2002 and 2001, and the related statement of changes in net assets available for benefits for the year ended December 31, 2002. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2002 and 2001, and the changes in net assets available for benefits for the year ended December 31, 2002, in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedules of Investments and Reportable Transactions are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ KPMG LLP

June 26, 2003

EXHIBIT B

FIRST TENNESSEE NATIONAL CORPORATION
SAVINGS PLAN AND TRUST
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2002

| | Fund A | Fund B | Fund C | Fund D | Fund E | Fund F | Combined |
|---|---------------|---------------|----------------|---------------|---------------|--------------|----------------|
| Investments (Fair Value): | | | | | | | |
| Money market investments | \$ 733,691 | \$ 2,520,205 | \$ 1,292,399 | \$ 48,988,980 | \$ 476,951 | \$ 122,187 | \$ 54,134,413 |
| U.S. Treasury securities and federal agencies | | 280,673 | | | | | 280,673 |
| Other fixed income | | 870,585 | | | | | 870,585 |
| Corporate stocks | | 3,330,062 | 310,431,463 | | | | 313,761,525 |
| Mutual funds | 49,648,621 | 22,192,026 | | | 17,864,000 | 6,809,194 | 96,513,841 |
| Other investments - REIT | | 14,868 | | | | | 14,868 |
| Savings Plan loan account | | 14,509,858 | | | | | 14,509,858 |
| Total investments | 50,382,312 | 43,718,277 | 311,723,862 | 48,988,980 | 18,340,951 | 6,931,381 | 480,085,763 |
| Other assets: | | | | | | | |
| Cash | | 155,793 | | | | | 155,793 |
| Receivables: | | | | | | | |
| Employer contributions | 8,899 | 2,769 | 63,084 | 10,422 | 5,646 | 2,139 | 92,959 |
| Employee contributions | 24,564 | 7,192 | 112,146 | 10,205 | 15,785 | 5,391 | 175,283 |
| Interest | 510 | 27,185 | 568 | 52,694 | 387 | 143 | 81,487 |
| Dividends | 28,018 | 13,754 | 2,589,695 | | | | 2,631,467 |
| Due (to)/from other funds | 77,085 | 737,797 | (2,069,841) | 1,210,210 | 64,067 | (19,318) | |
| Other | | | | | | | |
| Total other assets | 139,076 | 944,490 | 695,652 | 1,283,531 | 85,885 | (11,645) | 3,136,989 |
| Less liabilities: | | | | | | | |
| Overdraft | 201,613 | | 805,256 | 327,535 | 66,474 | 24,369 | 1,425,247 |
| Accounts payable | 19,482 | 860,834 | 195,428 | 10,659 | 5,128 | 2,392 | 1,093,923 |
| Total liabilities | 221,095 | 860,834 | 1,000,684 | 338,194 | 71,602 | 26,761 | 2,519,170 |
| Participants' equity | \$ 50,300,293 | \$ 43,801,933 | \$ 311,418,830 | \$ 49,934,317 | \$ 18,355,234 | \$ 6,892,975 | \$ 480,703,582 |

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The accompanying notes are an integral part of this statement.

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FIRST TENNESSEE NATIONAL CORPORATION
SAVINGS PLAN AND TRUST
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2001

| | Fund A | Fund B | Fund C | Fund D | Fund E | Fund F | Combined |
|---|---------------|---------------|----------------|---------------|---------------|--------------|----------------|
| Investments (Fair Value): | | | | | | | |
| Money market investments | \$ 691,418 | \$ 1,884,585 | \$ 1,931,838 | \$ 39,018,322 | \$ 207,727 | \$ 63,759 | \$ 43,797,649 |
| U.S. Treasury securities and federal agencies | | 302,754 | | | | | 302,754 |
| Other fixed income | | 752,203 | | | | | 752,203 |
| Corporate stocks | | 5,563,917 | 332,587,344 | | | | 338,151,261 |
| Mutual funds | 60,849,629 | 16,594,794 | | | 14,766,833 | 5,869,207 | 98,080,463 |
| Savings Plan loan account | | 13,201,307 | | | | | 13,201,307 |
| Total investments | 61,541,047 | 38,299,560 | 334,519,182 | 39,018,322 | 14,974,560 | 5,932,966 | 494,285,637 |
| Other assets: | | | | | | | |
| Cash | | 239,075 | | | | | 239,075 |
| Receivables: | | | | | | | |
| Employer contributions | 12,374 | 2,172 | 34,914 | 5,589 | 6,442 | 2,927 | 64,418 |
| Employee contributions | 32,299 | 5,970 | 78,282 | 9,155 | 18,147 | 7,933 | 151,786 |
| Interest | 1,396 | 25,694 | 1,589 | 69,408 | 391 | 140 | 98,618 |
| Dividends | 33,063 | 15,255 | 2,293,115 | | | | 2,341,433 |
| Due (to)/from other funds | (155,925) | 573,841 | (1,739,402) | 1,025,955 | 292,853 | 2,678 | |
| Other | | 41 | | | | | 41 |
| Total other assets | (76,793) | 862,048 | 668,498 | 1,110,107 | 317,833 | 13,678 | 2,895,371 |
| Less liabilities: | | | | | | | |
| Overdraft | 535,655 | | 1,316,806 | 502,025 | 202,560 | 40,041 | 2,597,087 |
| Accounts payable | 23,857 | 861,568 | 187,227 | 11,929 | 9,543 | | 1,094,124 |
| Total liabilities | 559,512 | 861,568 | 1,504,033 | 513,954 | 212,103 | 40,041 | 3,691,211 |
| Participants equity | \$ 60,904,742 | \$ 38,300,040 | \$ 333,683,647 | \$ 39,614,475 | \$ 15,080,290 | \$ 5,906,603 | \$ 493,489,797 |

The accompanying notes are an integral part of this statement.

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FIRST TENNESSEE NATIONAL CORPORATION
SAVINGS PLAN AND TRUST
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2002

| | Fund A | Fund B | Fund C | Fund D | Fund E | Fund F | Combined |
|--|---------------|---------------|----------------|---------------|---------------|--------------|----------------|
| Participants' equity on December 31, 2001 | \$ 60,904,742 | \$ 38,300,040 | \$ 333,683,647 | \$ 39,614,475 | \$ 15,080,290 | \$ 5,906,603 | \$ 493,489,797 |
| Additions: | | | | | | | |
| Investment income: | | | | | | | |
| Interest | 11,254 | 1,935,976 | 29,091 | 736,196 | 4,770 | 1,875 | 2,719,162 |
| Dividends | 564,348 | 114,632 | 9,215,657 | | 217,484 | 67,929 | 10,180,050 |
| Total investment income | 575,602 | 2,050,608 | 9,244,748 | 736,196 | 222,254 | 69,804 | 12,899,212 |
| Employer contributions | 479,306 | 99,369 | 2,293,782 | 631,443 | 228,128 | 102,008 | 3,834,036 |
| Matching employer contributions | 967,311 | 260,275 | 5,473,731 | 328,705 | 573,085 | 257,496 | 7,860,603 |
| Employee contributions | 4,209,503 | 1,070,662 | 15,114,400 | 1,393,640 | 2,375,347 | 1,004,826 | 25,168,378 |
| Rollover contributions | 539,106 | 282,870 | 924,520 | 543,222 | 398,950 | 176,067 | 2,864,735 |
| Realized net gain/(loss) on securities distributed to participants | | 37,530 | 129,669 | | | | 167,199 |
| Other income | | | 264 | | | | 264 |
| Total additions | 6,770,828 | 3,801,314 | 33,181,114 | 3,633,206 | 3,797,764 | 1,610,201 | 52,794,427 |
| Deductions: | | | | | | | |
| Employee withdrawals | 3,799,116 | 3,411,247 | 23,292,761 | 6,047,028 | 1,284,800 | 587,393 | 38,422,345 |
| Transfers | (4,038,170) | (6,667,091) | 28,739,740 | (12,785,653) | (4,247,021) | (1,001,805) | |
| Realized net (gain)/loss on investments | 39,348 | 1,017,828 | (794,833) | | 4,802 | (1,571) | 265,574 |
| Unrealized depreciation on investments | 17,454,530 | 426,430 | 3,176,782 | | 3,435,273 | 1,019,064 | 25,512,079 |
| Other expenses | 120,453 | 111,007 | 1,031,481 | 51,989 | 44,966 | 20,748 | 1,380,644 |
| Total deductions | 17,375,277 | (1,700,579) | 55,445,931 | (6,686,636) | 522,820 | 623,829 | 65,580,642 |
| Net additions/(deductions) | (10,604,449) | 5,501,893 | (22,264,817) | 10,319,842 | 3,274,944 | 986,372 | (12,786,215) |
| Participants' equity on December 31, 2002 | \$ 50,300,293 | \$ 43,801,933 | \$ 311,418,830 | \$ 49,934,317 | \$ 18,355,234 | \$ 6,892,975 | \$ 480,703,582 |

The accompanying notes are an integral part of this statement.

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FIRST TENNESSEE NATIONAL CORPORATION SAVINGS PLAN AND TRUST NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 1 - REPORTING AND ACCOUNTING POLICIES

The Plan

The First Tennessee National Corporation Savings Plan and Trust (the Plan), employer identification number 62-0985474, Plan number 002, is a defined contribution 401(k) plan. The Plan is administered by the Savings Plan Committee consisting of not less than three participants appointed by the Board of Directors of First Tennessee National Corporation (the Corporation). First Tennessee Bank National Association (FTBNA), the Corporation's primary affiliate, is the Custodian and Trustee of the Plan.

Full-time employees of the Corporation are eligible for participation in the Plan immediately. Part-time employees have a one-year waiting period.

The Trustee maintains the assets of the Plan as six separate funds: (1) shares of equity mutual funds including shares of First Funds Growth and Income Portfolio or primarily common stock, convertible preferred stock, and other equity securities of a like nature of United States-based issuers, in accordance with the Trustee's investment policy (Fund A); (2) shares of fixed income mutual funds including shares of First Funds Bond Portfolio or primarily fixed income securities including U.S. Treasury bills, notes and bonds, U.S. Government obligations, investment grade corporate bonds, and other fixed income securities of a like nature of United States-based issuers, in accordance with the Trustee's investment policy (Fund B); (3) as of December 2001, the company stock fund was converted to a non leveraged employee stock ownership plan (ESOP) (Fund C); (4) money market instruments maturing in one year or less from the date of acquisition as the same may be defined by the Trustee's investment policy, including shares of other money market funds used by the Trustee (Fund D); (5) medium and/or small capitalization equity mutual funds including shares of First Funds Capital Appreciation Fund or primarily common stock, preferred stock, and bonds and debentures convertible into common stock of medium and/or small capitalization United States-based issuers, in accordance with the Trustee's investment policy (Fund E); and (6) primarily equity securities of issuers domiciled outside of the United States, including developing countries or shares of equity mutual funds having an investment objective to invest in equity securities of issuers domiciled outside the United States, including developing countries, in accordance with the Trustee's investment policy (Fund F). The basic provisions of the Plan allow the participants to elect the funds in which to invest their account balances. Additionally, participants can elect to borrow from their accounts by transferring amounts from any or all of the six funds into a Plan loan account. These borrowings are obligations of the participant and are limited to a calculated portion of the individual's Plan account balance. Repayment of the borrowed amount, including interest charges, must be returned to the individual's account, and are distributed to the funds designated by the employee. On December 31, 2002, loans to 1,921 participants, totaling \$14,509,858 were included in the Plan account. Loans to 1,820 participants totaled \$13,201,307 on December 31, 2001. These amounts have been included in Fund B in the financial statements.

In the event of termination of employment, the participant is entitled to full distribution of his or her account. The Plan also provides for loans from participants' accounts and emergency and other withdrawals of account balances prior to termination of service. Distribution of account balances may be made in the form of the Corporation's common stock or in cash, which may be paid in a lump sum or in installment payments.

At December 31, 2002, participants in Funds A, B, C, D, E, and F numbered 4,756; 2,810; 8,717; 6,252; 2,852; and 1,991, respectively. Pursuant to the Plan document, certain retirees are allowed to segregate and direct the

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FIRST TENNESSEE NATIONAL CORPORATION SAVINGS PLAN AND TRUST NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 1 - REPORTING AND ACCOUNTING POLICIES (Continued)

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investment of their accounts and defer payments. These accounts are included in Fund B and may include equity funds as well as debt funds.

Although it has not expressed any intent to do so, the Corporation has the right under the Plan to discontinue its contributions at any time and to terminate the plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Investment Valuation

Investments in common and preferred stocks and corporate bonds are valued at the last reported sales price on the last business day of the year. Stocks traded over the counter; U.S. Treasury notes and bonds; and U.S. Agency securities are valued at the mean of the bid and ask prices on the last business day of the year. U.S. Treasury bills are stated at cost adjusted for amortized discounts and premiums. The investment funds in Funds A and B are valued at the fair value of the underlying instruments. The Plan loan account is valued at the outstanding principal balance.

The Plan provides for investments that are exposed to various risks, such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Contributions

Under the Corporation's Flexible Benefits Plan, an amount based upon the employee's salary and length of service is contributed during the year into a flexible benefits plan account for each eligible employee. The employee may then direct that all, a portion or none of the employer contribution be allocated to his or her Plan account.

A participant may contribute up to 25% of his or her compensation to the Plan, and could elect to defer Federal income taxes on a portion (the pre-tax contribution) of his or her contribution, subject to regulatory regulations. The Corporation makes a matching contribution equal to 50% of each First Horizon Home Loan Corporation participant's pre-tax personal contributions of up to 6% of compensation. For employees other than First Horizon Home Loan Corporation employees the Corporation makes a matching contribution equal to 50% of each participant's pre-tax personal contributions of up to 6% of compensation allocated to Fund C. As of January 1, 2001, employees of First Tennessee must have completed one year of service before they are eligible to receive the 50% employer matching. Participants are 100% vested in employer contributions.

Loans

Savings plan loans made to employees are made at a rate equal to the base commercial rate charged by FTBNA. For 2002, the rates charged were between 4.25% and 4.75%. Loans are repaid in 13 to 127 biweekly installments; however, the repayment period can be extended to 257 biweekly payments if the loan is for the purchase, construction or reconstruction of a primary residence.

Other

Purchases and sales of securities are reflected on a trade-date basis, and the average cost method is used in determining gains and losses resulting from sales.

Dividend income is recorded on the ex-dividend date. Interest income is recorded as earned on an accrual basis.

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FIRST TENNESSEE NATIONAL CORPORATION
SAVINGS PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 1 - REPORTING AND ACCOUNTING POLICIES (Continued)

In accordance with the policy of stating investments at fair value, net unrealized appreciation or depreciation for the year is reflected in the statement of changes in net assets available for benefits.

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Pervasiveness of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - INCOME TAXES

The Plan meets the requirements of Section 401(a) of the Internal Revenue Code (the Code) and is exempt from Federal income tax under Section 501(a) of the Code. The Internal Revenue Service has determined and informed the Corporation by a letter dated October 24, 2002, that the Plan is designed in accordance with applicable sections of the Code. The determination letter was applicable for amendments adopted August 20, 1993, December 21, 1993, May 2, 1994, December 19, 1995, January 16, 1996, September 16, 1996, October 23, 1996, April 15, 1997, September 15, 1997, December 16, 1998, June 17, 1998, September 24, 1998, October 18, 2000, December 18, 2000, and December 14, 2001. The Plan was amended again on April 16, 2002, and October 15, 2002; however, the Plan's management believes that the Plan remains in compliance with the applicable requirements of the Code.

NOTE 3 - INVESTMENTS

The unrealized appreciation/(depreciation) of investments, as reflected in the 2002 statement of changes in net assets available for benefits, is calculated as follows:

| | For the Year Ended December 31, 2002 |
|--|---|
| Investments at fair value, beginning of year | \$ 494,285,637 |
| Purchases at cost | 144,413,868 |
| Sales at adjusted fair value | (133,101,663) |
| | 505,597,842 |
| Adjusted fair value, end of year | 505,597,842 |
| Investments at fair value, end of year | 480,085,763 |
| | 480,085,763 |
| Unrealized depreciation for the year | \$ (25,512,079) |
| | 454,573,684 |

The fair value of individual investments that represent 5% or more of the Plan's total net assets as of December 31, 2002 and 2001, is as follows:

| | |
|---|----------------|
| 2002: | |
| First Tennessee National Corporation Common Stock | \$ 311,674,017 |
| Fidelity Institutional Cash U.S. Government Portfolio | 54,134,413 |
| First Funds Growth and Income Portfolio Class I | 50,605,965 |
| 2001: | |
| First Tennessee National Corporation Common Stock | \$ 334,547,233 |
| Fidelity Institutional Cash U.S. Government Portfolio | 43,797,649 |
| First Funds Growth and Income Portfolio Class I | 61,572,501 |

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FIRST TENNESSEE NATIONAL CORPORATION
SAVINGS PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 4 - RELATED PARTIES

EXHIBIT B

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The Custodian receives a Trustee's fee from the Plan in accordance with its normal fee schedule. Trustee fees totaled approximately \$853,000 in 2002.

NOTE 5 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

| | December 31, 2002 |
|--|-------------------|
| Net assets available for benefits per the Financial statements | \$ 480,703,582 |
| Employee withdrawals payable | 704,081 |
| Net assets available for benefits per the Form 5500 | \$ 479,999,501 |

Employee withdrawals payable is recorded as a liability in the Plan's Form 5500. However, this amount is not recorded as a liability in the accompanying statement of net assets available for benefits in accordance with accounting principles generally accepted in the United States.

The following is a reconciliation of employee withdrawals per the financial statements to the Form 5500:

| | For the Year Ended December 31, 2002 |
|---|---|
| Employee withdrawals per the financial statements | \$ 38,422,345 |
| Change in employee withdrawals payable | (2,594,449) |
| Employee withdrawals per the Form 5500 | \$ 35,827,896 |

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EXHIBIT C

FIRST TENNESSEE NATIONAL CORPORATION
SAVINGS PLAN AND TRUST - FUND A
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2002

| | Units/ Par Value | Historical Cost | Market Value |
|---|---------------------|--------------------|-----------------|
| Money market investments - 1.456%: | | | |
| Fidelity Institutional Cash U.S. Government Portfolio | \$ 733,691 | \$ 733,691 | \$ 733,691 |
| Mutual funds - 98.544%: | | | |
| First Funds Growth and Income Portfolio Class I* | 3,521,178 | 66,241,727 | 49,648,621 |
| Total investments | | \$ 66,975,418 | \$ 50,382,312 |

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*Transactions in this fund qualify as party-in-interest transactions.
The accompanying notes are an integral part of this schedule.

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FIRST TENNESSEE NATIONAL CORPORATION
SAVINGS PLAN AND TRUST - FUND B
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2002

| | Units/ Par Value | Historical Cost | Market Value |
|---|---------------------|--------------------|-----------------|
| Money market investments - 5.768%: | | | |
| Fidelity Institutional Cash U.S. Government Portfolio | \$ 2,520,205 | \$ 2,520,205 | \$ 2,520,205 |
| U.S. Treasury securities & federal agencies - .642%: | | | |
| FHLMC MTN, 10.000%, due 12/1/10 | \$ 433 | 441 | 486 |
| FHLMC, 7.000%, due 3/15/10 | 25,000 | 23,888 | 29,984 |
| FHLMC MTN, 6.25%, due 7/25/17 | 25,000 | 25,000 | 25,518 |
| FHLB note, 7.250%, due 5/13/05 | 50,000 | 51,845 | 56,157 |
| FHLB note, 6.000%, due 2/16/16 | 130,000 | 127,869 | 147,590 |
| FHLB note, 6.25%, due 2/6/12 | 20,000 | 20,000 | 20,938 |
| | <u>\$ 250,433</u> | <u>249,043</u> | <u>280,673</u> |
| Other fixed income - 1.993%: | | | |
| American Home Products note, 7.900%, due 2/15/05 | \$ 40,000 | 39,922 | 44,237 |
| AON Corp. note, 6.900%, due 7/01/04 | 50,000 | 49,935 | 51,071 |
| Bankboston Corporation note, 6.375%, due 3/25/08 | 50,000 | 47,064 | 54,725 |
| Bankboston Corporation note, 6.625%, due 2/01/04 | 25,000 | 25,659 | 26,051 |
| Bell Atlantic Finl Serv MTN, 7.600%, due 3/15/07 | 25,000 | 24,937 | 28,512 |
| Capital One Bank note, 6.650%, due 3/15/04 | 30,000 | 28,725 | 29,676 |
| CIT Group Inc. note, 7.500%, due 11/14/03 | 50,000 | 51,750 | 51,978 |
| CNA Financial Corp. note, 6.250%, due 11/15/03 | 50,000 | 48,335 | 49,820 |
| Genl Motors Accept Corp note, 6.750%, due 1/15/06 | 50,000 | 50,235 | 51,781 |
| GTE Corporate Debt note, 6.360%, due 4/15/06 | 50,000 | 49,888 | 53,994 |
| GTE of the North note, 6.900%, due 11/1/08 | 50,000 | 49,868 | 56,787 |
| Guidant Corp. note, 6.150%, due 2/15/06 | 50,000 | 45,885 | 54,192 |
| Interpublic Group North note, 7.875%, due 10/15/05 | 50,000 | 49,853 | 47,716 |
| IOS Capital Inc. note, 9.750%, due 6/15/04 | 50,000 | 51,000 | 50,857 |
| Morgan Stanley Dean Witter note, 7.750%, due 6/15/05 | 25,000 | 25,000 | 27,893 |
| PraxAir Inc. note, 6.150%, due 4/15/03 | 25,000 | 25,556 | 25,300 |
| Safeway Inc. note, 6.850%, due 9/15/04 | 50,000 | 49,941 | 53,261 |
| Sun Canada Financial Co. note, 6.625%, due 12/15/07 | 25,000 | 24,500 | 27,233 |
| TCI Communications Inc. note, 6.375%, due 5/1/03 | 25,000 | 24,313 | 25,002 |
| Trans. Canada Pipeline Deb., 8.625%, due 5/15/12 | 25,000 | 24,859 | 31,014 |
| Vodafone Group PLC note, 7.750% due 2/15/10 | 25,000 | 24,845 | 29,485 |
| | <u>\$ 820,000</u> | <u>812,070</u> | <u>870,585</u> |
| Other investments - .034%: | | | |
| Equity Office Properties Trust REIT | 300 | 9,048 | 7,494 |
| Equity Residential REIT | 300 | 7,716 | 7,374 |

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| | | |
|-----|--------|--------|
| 600 | 16,764 | 14,868 |
|-----|--------|--------|

The accompanying notes are an integral part of this schedule.

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FIRST TENNESSEE NATIONAL CORPORATION
SAVINGS PLAN AND TRUST - FUND B
SCHEDULE OF INVESTMENTS (CONTINUED)
DECEMBER 31, 2002

| | Units/ Par Value | Historical Cost | Market Value |
|--|---------------------|--------------------|-----------------|
| Mutual funds - 50.791% | | | |
| Calamos Growth - A | 634 | \$ 23,500 | \$ 19,941 |
| Diamonds Trust Series 1 | 6,291 | 549,896 | 525,362 |
| Dodge & Cox Balanced | 163 | 10,200 | 9,909 |
| Fidelity Diversified International | 827 | 15,474 | 14,185 |
| Fidelity Japan | 635 | 11,509 | 5,350 |
| Fidelity Low Priced Stock | 114 | 3,000 | 2,868 |
| Fidelity Spartan US Equity Index | 461 | 21,811 | 14,351 |
| First Funds Bond Portfolio Class I* | 1,969,413 | 19,783,783 | 20,206,099 |
| First Funds Growth & Income Portfolio Class I* | 67,897 | 1,123,804 | 957,344 |
| Ishares Russell 2000 Index | 2,875 | 224,681 | 217,954 |
| Janus Growth & Income | 827 | 27,697 | 19,297 |
| Julius Baer International Equity | 733 | 17,529 | 14,467 |
| Legg Mason Value | 615 | 38,720 | 24,966 |
| Longleaf Partners Small Cap | 709 | 16,144 | 14,416 |
| Oakmark Equity & Income CL-I | 555 | 10,000 | 9,978 |
| Vanguard Capital Opportunity 111 | 541 | 14,016 | 9,198 |
| Vanguard Institutional Index | 458 | 53,284 | 36,874 |
| Vanguard Small Cap Index | 901 | 19,705 | 14,118 |
| Vanguard Total Stock Market Index - A | 703 | 20,063 | 14,113 |
| Vanguard US Growth | 1,002 | 37,703 | 12,080 |
| Vanguard Wellington Income | 400 | 10,087 | 9,821 |
| Weitz Series - Value Pt | 887 | 30,291 | 24,771 |
| William Blair International Growth | 1,109 | 18,500 | 14,564 |
| | 2,058,750 | 22,081,397 | 22,192,026 |
| Corporate stocks - 7.621%: | | | |
| A T Cross | 1,000 | 33,016 | 5,350 |
| AFLAC Corporation | 700 | 18,591 | 21,084 |
| American International Group | 1,050 | 79,347 | 60,743 |
| Avon Products Inc. | 1,050 | 41,528 | 56,564 |
| Capital One Financial Corp. | 200 | 8,814 | 5,944 |
| Cisco Systems | 2,450 | 48,532 | 32,095 |
| Colgate Palmolive Co. | 200 | 2,474 | 10,486 |
| Comcast Corp. CL A Special | 450 | 17,460 | 10,166 |
| Costco Wholesale Corp. | 1,600 | 58,287 | 44,896 |

*Transactions in this fund qualify as party-in-interest transactions.
The accompanying notes are an integral part of this schedule.

FIRST TENNESSEE NATIONAL CORPORATION
SAVINGS PLAN AND TRUST - FUND B
SCHEDULE OF INVESTMENTS (CONTINUED)
DECEMBER 31, 2002

| | Units/ Par Value | Historical Cost | Market Value |
|---|---------------------|--------------------|------------------|
| Corporate stocks - 7.621% continued: | | | |
| Deltic Timber Corp. | 571 | \$ 5,035 | \$ 15,246 |
| Dow Jones & Co. | 1,000 | 31,033 | 43,230 |
| Duke Energy Corp. | 100 | 2,574 | 1,954 |
| E M C Corp Mass | 1,000 | 3,825 | 6,140 |
| Electronic Data Systems | 90 | 3,314 | 1,659 |
| First Tennessee National Corporation* | 34,573 | 309,512 | 1,242,554 |
| Fleet Boston Financial Corporation | 650 | 9,566 | 15,795 |
| Freddie Mac | 1,500 | 68,094 | 88,575 |
| General Electric | 400 | 11,307 | 9,740 |
| Home Depot | 425 | 12,310 | 10,208 |
| Intel Corp. | 450 | 20,555 | 7,006 |
| JP Morgan Chase & Co. | 1,020 | 27,072 | 24,480 |
| McData Corporation - A | 34 | 52 | 241 |
| Medtronic | 925 | 36,768 | 42,180 |
| Merrill Lynch & Co. | 12,500 | 36,795 | 474,375 |
| Microsoft Corp. | 150 | 9,281 | 7,755 |
| Miller Herman Inc. | 4,000 | 24,006 | 73,600 |
| Murphy Oil Corp. | 4,000 | 39,674 | 171,400 |
| Nasdaq-100 | 8,442 | 224,828 | 205,731 |
| Omnicom Group, Inc | 700 | 42,346 | 45,220 |
| Parametric Technology Corp. | 1,384 | 48,264 | 3,488 |
| Pepsico | 100 | 2,961 | 4,222 |
| Pfizer, Inc. | 300 | 10,527 | 9,171 |
| Pharmacia Corporation | 200 | 8,372 | 8,360 |
| Progress Energy, Inc. | 100 | 4,691 | 4,335 |
| Qualcomm Corp. | 150 | 5,097 | 5,458 |
| Schering Plough Corp. | 700 | 8,984 | 15,540 |
| ServiceMaster Company | 6,750 | 54,954 | 74,925 |
| Standard & Poors Depository Receipts Tr Ser 1 | 1,614 | 149,957 | 142,403 |
| SuperValue Inc. | 4,000 | 38,438 | 66,040 |
| Teco Energy, Inc. | 300 | 7,437 | 4,641 |
| Texas Instruments, Inc. | 675 | 10,658 | 10,132 |
| Verizon Communications | 366 | 13,244 | 14,182 |
| Viacom Inc. - CL B | 1,500 | 87,390 | 61,140 |
| Vodafone Group PLC-SP ADR | 1,250 | 14,284 | 22,650 |
| Wells Fargo Company | 1,575 | 59,672 | 73,820 |
| Wyeth | 300 | 15,362 | 11,220 |
| XL Capital LTD - CL A | 800 | 57,703 | 61,800 |
| Zimmer Holdings, Inc. | 51 | 846 | 2,118 |
| | <u>103,345</u> | <u>1,824,837</u> | <u>3,330,062</u> |
| Savings Plan loan accounts - 33.151% | 2,994 | 14,509,858 | 14,509,858 |
| Total investments | | \$ 42,014,174 | \$ 43,718,277 |

*Transactions in this investment qualify as party-in-interest transactions.
The accompanying notes are an integral part of this schedule.

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FIRST TENNESSEE NATIONAL CORPORATION
SAVINGS PLAN AND TRUST - FUND C
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2002

| | Units/ Par Value | Historical Cost | Market Value |
|---|---------------------|--------------------|-----------------|
| Money market investments - .415%: | | | |
| Fidelity Institutional Cash U.S. Government Portfolio | \$ 1,292,399 | \$ 1,292,399 | \$ 1,292,399 |
| Corporate stocks - 99.585%: | | | |
| First Tennessee National Corporation* | 8,637,492 | 95,154,958 | 310,431,463 |
| Total investments | | \$ 96,447,357 | \$ 311,723,862 |

*Transactions in this investment qualify as party-in-interest transactions.
The accompanying notes are an integral part of this schedule.

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FIRST TENNESSEE NATIONAL CORPORATION
SAVINGS PLAN AND TRUST - FUND D
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2002

| | Units/ Par Value | Historical Cost | Market Value |
|---|---------------------|--------------------|-----------------|
| Money market investments - 100.000%: | | | |
| Fidelity Institutional Cash U.S. Government Portfolio | \$ 48,988,980 | \$ 48,988,980 | \$ 48,988,980 |
| Total investments | | \$ 48,988,980 | \$ 48,988,980 |

The accompanying notes are an integral part of this schedule.

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FIRST TENNESSEE NATIONAL CORPORATION
SAVINGS PLAN AND TRUST - FUND E
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2002

| | Units/ Par Value | Historical Cost | Market Value |
|---|---------------------|----------------------|----------------------|
| Money market investments -2.600%: | | | |
| Fidelity Institutional Cash U.S. Government Portfolio | \$ 476,951 | \$ 476,951 | \$ 476,951 |
| Mutual funds - 97.400%: | | | |
| Fidelity Low Priced Stock | 420,859 | 10,542,516 | 10,593,012 |
| Franklin Small CAP Growth | 331,252 | 9,264,298 | 7,270,988 |
| | <u>752,111</u> | <u>19,806,814</u> | <u>17,864,000</u> |
| Total investments | | <u>\$ 20,283,765</u> | <u>\$ 18,340,951</u> |

The accompanying notes are an integral part of this schedule.

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FIRST TENNESSEE NATIONAL CORPORATION
SAVINGS PLAN AND TRUST - FUND F
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2002

| | Units/ Par Value | Historical Cost | Market Value |
|---|---------------------|---------------------|---------------------|
| Money market investments - 1.763%: | | | |
| Fidelity Institutional Cash U.S. Government Portfolio | \$ 122,187 | \$ 122,187 | \$ 122,187 |
| Mutual funds - 98.237%: | | | |
| American EuroPacific Growth | 204,481 | 6,020,370 | 4,696,934 |
| Scudder International | 69,574 | 3,259,479 | 2,112,260 |
| | <u>274,055</u> | <u>9,279,849</u> | <u>6,809,194</u> |
| Total investments | | <u>\$ 9,402,036</u> | <u>\$ 6,931,381</u> |

The accompanying notes are an integral part of this schedule.

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EXHIBIT D

FIRST TENNESSEE NATIONAL CORPORATION
 SAVINGS PLAN AND TRUST - FUND C
 SCHEDULE OF REPORTABLE TRANSACTIONS
 FOR THE YEAR ENDED DECEMBER 31, 2002

| | Purchased or Received | Sold or Distributed | Net Gain |
|---|--------------------------|------------------------|------------|
| Money market investments: | | | |
| Fidelity Institutional Cash U.S. Government Portfolio | \$ 44,946,372 | \$ 45,585,810 | \$ |
| Corporate stocks: | | | |
| First Tennessee National Corporation* | 7,141,105 | \$ 27,044,706 | \$ 924,502 |

*Transactions in this investment qualify as party-in-interest transactions.
 The accompanying notes are an integral part of this schedule.

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EXHIBITS

The following documents are filed as exhibits to this Form 11-K:

1. Consent of Accountants.

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the Savings Plan Committee of the First Tennessee National Corporation Savings Plan and Trust (Plan) has duly caused this annual report to be signed on behalf of the Plan by the undersigned hereunto duly authorized.

FIRST TENNESSEE NATIONAL CORPORATION
 SAVINGS PLAN AND TRUST

Date: June 27, 2003

By: /s/ Sarah L Meyerrose

Sarah L. Meyerrose
 Executive Vice President-Corporate and
 Employee Services and Chairperson of
 Savings Plan Committee

EXHIBIT INDEX

| Item | Description |
|------|------------------------|
| 1. | Consent of Accountants |

Independent Auditors Consent

We consent to the incorporation by reference of our report dated June 26, 2003, into the previously filed Registration Statement (No. 33-63809) on Form S-8 of First Tennessee National Corporation, relating to the statements of net assets available for plan benefits of the First Tennessee National Corporation Savings Plan and Trust (the Plan) as of December 31, 2002 and 2001, and the related statement of changes in net assets available for plan benefits for the year ended December 31, 2002, which report appears in the Plan's Annual Report on Form 11-K for the year ended December 31, 2002.

/s/ KPMG LLP

June 27, 2003
