

2020 ANNUAL REPORT

Navigating an unforgettable year.

Just as we advanced to a virtual setting in dedication to supporting no missed opportunities for our clients, we're sharing our meaningful 2020 impacts in a new and dynamic way.

MISSION | To provide lending solutions and learning programs that propel the creation, development, and growth of underserved small businesses, affordable housing and sustainable communities.

No Missed Opportunities



IMPACTS

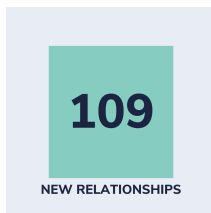
We believe capital and capacity building are the keys to unlocking opportunity for communities where people and places can prosper. In 2020, our lending solutions and learning programs helped our clients navigate the uncertainty while staying true to our mission, vision and values.

\$46.1 MILLION

LOANS ORIGINATED

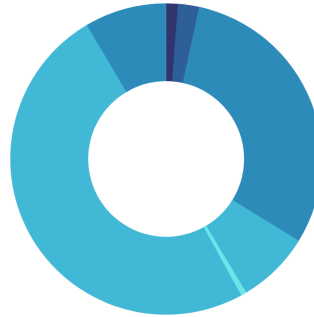
CAPITAL

FULL IMPACTS

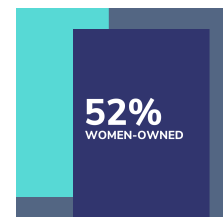


CAPACITY

FULL IMPACTS



2020 CLIENTS BY RACE & ETHNICITY



COVID RESPONSE



\$5.625 MILLION
AWARDED IN 2020

SMALL BUSINESSES FUNDED	424
FARMERS' MARKET VENDORS FUNDED	39
LIVE MUSIC VENUES FUNDED	20
ARTS NONPROFITS FUNDED	53

2020 alone, Pathway awarded \$37 million through every metropolitan area with Davidson County businesses. Truist also responded quickly to the well-being of small businesses, and partnered with Pathway to award funds to businesses, which totaled nearly \$37 million.



Pathway Truist's proactive loan deferral and technical assistance program to stabilize the outstanding loan portfolio and support our clients to adapt to the sudden change caused by the pandemic. The support of our education, lending, and credit teams resulted in strong portfolio performance as evidenced by a .89% loan loss rate in 2020.





LISTENING SESSIONS	12	196 LOANS CONTINUED COVID RESPONSE IN 2021
CLIENTS SERVED	588	
TECHNICAL ASSISTANCE HOURS	+490	



When the pandemic forced Martha Lupai's salon of ten years, S&E African Hair Braiding, to close its doors temporarily, Martha pivoted. With her freed up time she decided to create the all-natural perfume line with essential oils she long ago envisioned for her line of natural hair and body care products, Neta's Naturals. With a loan from Pathway, Martha purchased the aluminum bottles she needed to package and distribute her new fragrance line, Fate.



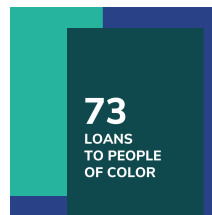
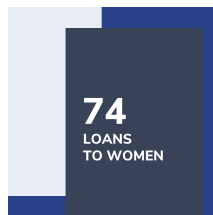
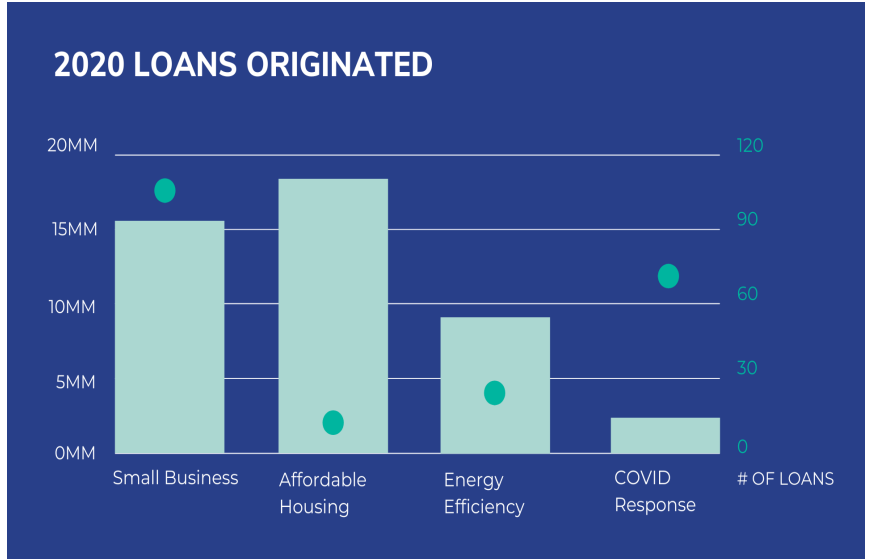
NETA'S NATURAL HIGHLIGHT

LENDING ACTIVITIES

Pathway serves underserved target markets across Tennessee and through a year of uncertainty, supported small businesses, commercial real estate and multifamily affordable housing. In 2020, we launched COVID emergency response and ReStart

Pathway Lending | Providing ...

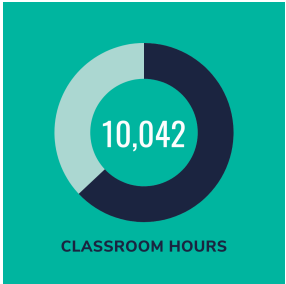
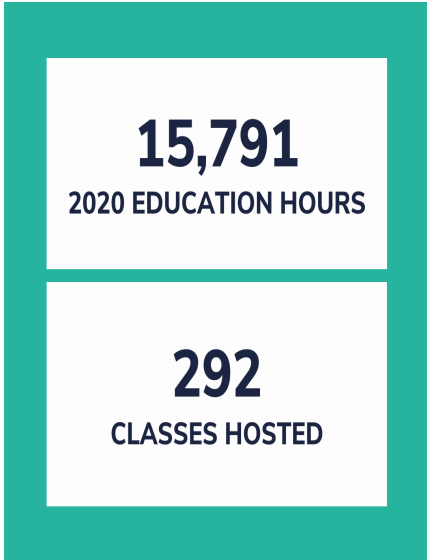
loan products, expanded the 504 loan program, and offered our largest Energy Efficiency deal in our program history.



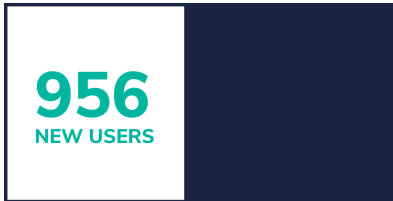
FULL IMPACTS

LEARNING PROGRAMS

Pathway has strategically expanded services through our Women's Business Center (WBC) and Veterans Business Outreach Center (VBOC), developed new programs and partnerships, and invested in technology to deliver our learning programs to entrepreneurs across the region, on *Pathway Learning*. The launch of our e-learning platform has supported our ability to reach more clients and supported 10,042 classroom hours



VIRTUAL LEARNING



In 2020 Pathway Launched Pathway Learning, a single online destination where entrepreneurs can access the same great classes, cohorts, coaching, advisory services and mentors from Pathway WBC and Veterans Business Outreach Center plus powerful new on-demand content, accessible anytime.

Pathway quickly mobilized listening sessions in March 2020 to understand the real-time needs of entrepreneurs during the first wave of COVID-related business closures and assisted entrepreneurs to plan through the uncertain times and pivot.



PARTNER COHORTS



Pathway Lending developed this six-week training program to equip new and established developers seeking to add small, multifamily projects to their portfolios with the skills and knowledge they need for a successful start. Pathway partnered with Waddell Wright, CCIM, CPM, founder and president of W. Wright & Co. to instruct this session!

Pathway partnered with Conexion Americas and launched a 5-week virtual cohort, Make It On Etsy, to support business owners get up and running on Etsy's online global marketplace. This cohort trained creative entrepreneurs to pivot and sell their wares online with fellow entrepreneurs.



PROGRAMMING

PATHWAY
WOMEN'S
BUSINESS
CENTER



1,269
CLIENTS



183
CLASSES

VETERANS
BUSINESS
OUTREACH
CENTER



782
CLIENTS



109
CLASSES

FULL IMPACTS

A MESSAGE FROM OUR CEO

2020 was a year of resiliency, and Pathway Lending stepped up to meet gaps in the marketplace for small businesses. Our team rose to the occasion to meet our mission of 'no missed opportunities' by launching new lending solutions and learning programs to support

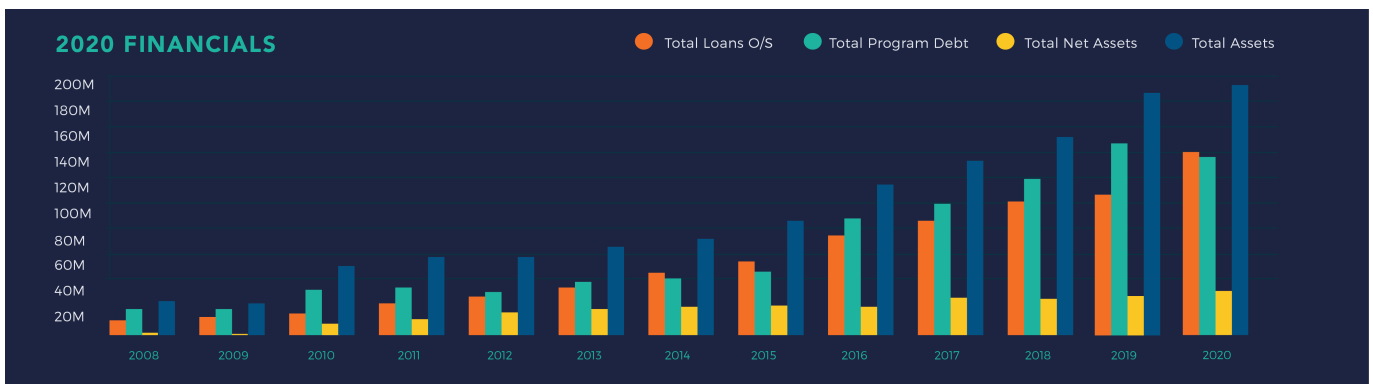
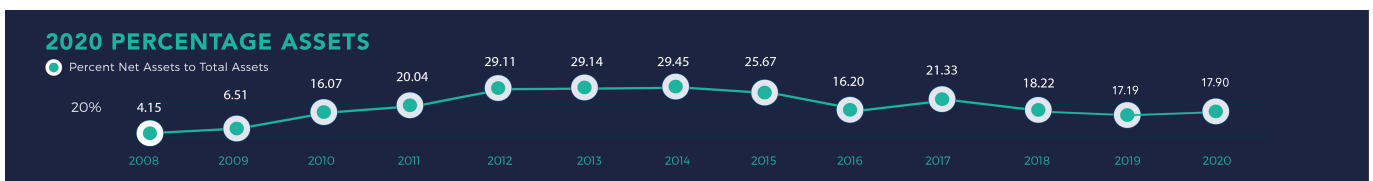
Pathway Lending | Combinin...



entrepreneurs following Nashville's March 3 tornadoes and through the pandemic. Pathway's ReStart initiative offered rapid loan funds and virtual coaching, while Pathway Learning, our new, e-learning platform, provided a single online destination for entrepreneurs to access mentoring. The flexibility of our team to shift to a remote workplace allowed us to best serve our clients and small business owners across our target markets.
-Clint Gwin, President & CEO

FINANCIALS

Our financial strength and track record of portfolio performance positioned Pathway to respond quickly to the needs of our clients through the pandemic. We continued to support the small businesses we work with and stabilized the outstanding loan portfolio, evidenced by a .89% loan loss rate in 2020. The strength of Pathway Lending allowed our team to be agile and responsive in our mission to support the preservation, development and growth of our communities.



[VIEW FINANCIAL STATEMENTS](#)

STAKEHOLDERS

Pathway's growing partner network of 70+ institutions supports our expansion into key markets across Tennessee. When COVID interrupted businesses seemingly overnight, pivotal partnerships supported our efforts to address the needs of our small business clients. Our key stakeholders in navigating 2020 were Appalachian Community Capital, JPMorgan Chase & Co, PNC, Truist and Wells Fargo.



JPMORGAN CHASE & CO.



WELLS
FARGO

FOUNDATIONS & PUBLIC STAKEHOLDERS

Alabama Department of Economic & Community Affairs
 Appalachian Regional Commission
 Association of Women's Business Centers
 Bank of America Charitable Foundation
 Community Development Financial Institutions Fund (US Department of Treasury)
 Epicenter Memphis
 Foundation For The Carolinas (Bank of America)
 Joe C. Davis Foundation
 JPMorgan Chase Foundation
 Metropolitan Development & Housing Agency (Nashville, TN)

Metropolitan Government of Nashville & Davidson County
 PNC Bank
 Regions Bank CDC
 Regions Foundation
 Tennessee Bankers Association
 Tennessee Department of Economic & Community Development
 Tennessee Department of Environment & Conservation
 Tennessee Department of Revenue
 Tennessee Department of Treasury
 Small and Minority-Owned Business Assistance Program

Tennessee Housing Development Agency
 Tennessee Valley Authority
 Truist Foundation
 United Way of Metropolitan Nashville
 University of Tennessee
 US Department of Agriculture
 US Small Business Administration
 Wells Fargo Foundation
 The Women's Fund – Community Foundation of Middle TN

PRIVATE STAKEHOLDERS

Appalachian Community Capital
 Andrew Johnson Bank
 Bank of America
 BBVA/Compass
 CapStar Bank
 CB&S Bank
 Centennial Bank

First Citizens National Bank
 First Community Bank of East TN
 First Horizon
 FirstBank
 Fourth Capital
 INSBANK

Reliant Bank
 Renasant Bank
 Security Bank and Trust Company
 Simmons Bank
 Synovus Bank
 Tennessee State Bank

Citizens Bank (Carthage)
 Citizens Bank (Elizabethton)
 City National Bank
 Commercial Bank and Trust
 Decatur County Bank
 F&M Bank (Clarksville)
 Fifth Third Bank

Legends Bank
 Macon Bank and Trust Company
 McKenzie Banking Company
 Paragon Bank
 Peoples Bank
 Pinnacle Bank
 Regions Bank

TriStar Bank
 Truist Bank
 Truxton Trust
 US Bank
 Wells Fargo Bank
 Wilson Bank & Trust
 Woodforest National Bank

STAKEHOLDERS

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Pathway Lending

