

COUNTRY ROADS *to Country Music*





Spring Hill, TN 1946

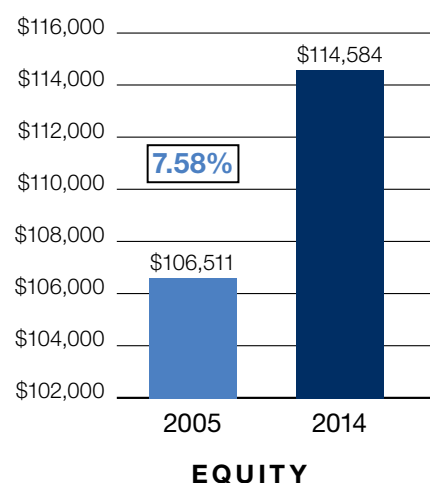
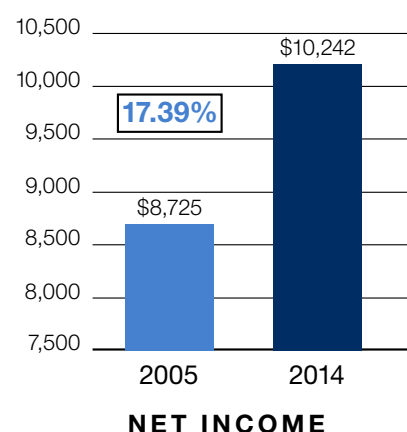
We've never forgotten



Green Hills Financial Center 2014



where we came from or where we're going.



To Our Shareholders:

A few characteristics of a successful community bank are asset quality, strong capital, net income, and stock value. People create our bank's success. First Farmers continues to be blessed with attracting and retaining talented Board members, officers, and employees.

The year 2014, when compared to 2013, was a year of continued stability and profitability, as the following financial highlights illustrate:

- Net income of \$10,242,457, up 6.6%
- Core Book Value increased to \$23.81 per share
- Net Loans increased 7.68%
- Total Deposits increased 6.54%
- Market Value of Stock increased to \$25.15 per share

I'm pleased to report that our Board of Directors approved cash dividends paid to the shareholders in the amount of \$3,684,000 during the year. The corporation also repurchased 120,436 shares of First Farmers and Merchants Corporation stock.

Also, cash dividends in the amount of \$38,876,732 have been paid during the last 10 years. And, we have repurchased 939,424 shares of corporation stock from 2005 – 2014.

In closing, 2014 was another historic year with the opening of the Green Hills financial center in Davidson County. This office is staffed by a highly experienced bank team. We are excited about bringing our style of personalized, community banking to the Nashville area.

Thank you for your continued support of First Farmers and Merchants Corporation.

Sincerely,

T. Randy Stevens, Chairman & CEO

First Farmers and Merchants Corporation



Clarence A. Whelchel and Virgil H. Moore, Jr. - Grand Opening of Main Office Columbia, TN 1964



Executive Management Team (Left to Right):
 Patricia P. Bearden, Chief Financial Officer; Timothy E. Pettus, President; T. Randy Stevens, Chairman of the Board and Chief Executive Officer; Brian K. Williams, Executive Vice President; Barry B. White, General Counsel

2014 Report to Shareholders

First Farmers & Merchants Corporation and Subsidiaries

Condensed statements, December 31, 2014 and December 31, 2013 (Dollars In Thousands)

ASSETS	2014	2013	%CHANGE
Cash and due from banks	\$30,297	\$55,408	-45.3%
United States government securities (including agencies & mortgaged backed securities)	327,224	262,495	24.7%
Municipal and other securities	92,648	95,058	-2.5%
Loans, less unearned income and allowance for possible loan losses	644,118	598,171	7.7%
Bank premises and equipment, at cost less allowance for depreciation and amortization	25,773	24,868	3.6%
Other assets	50,935	56,874	-10.4%
TOTAL ASSETS	\$1,170,995	\$1,092,874	7.1%

LIABILITIES	2014	2013	%CHANGE
Deposits	\$1,019,955	\$957,337	6.5%
Federal funds purchased and securities sold under repurchase agreements	22,834	18,095	26.2%
Other liabilities	13,622	13,238	2.9%
TOTAL LIABILITIES	\$1,056,411	\$988,670	6.9%

SHAREHOLDERS' EQUITY	2014	2013	%CHANGE
Common Stock	\$49,006	\$50,210	-2.4%
Noncontrolling interest - preferred stock	95	95	0.0%
Retained Earnings	67,609	62,900	7.5%
Accumulated other comprehensive loss	(2,126)	(9,001)	76.4%
TOTAL SHAREHOLDERS' EQUITY	\$114,584	\$104,204	10.0%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$1,170,995	\$1,092,874	7.1%

FIRST FARMERS AND MERCHANTS CORPORATION is a bank holding company headquartered in Columbia, Tennessee. Its sole subsidiary, First Farmers and Merchants Bank, operates 19 banking locations across Middle Tennessee in an eight-county area that includes Davidson, Dickson, Giles, Hickman, Lawrence, Marshall, Maury, and Williamson counties.

FOR MORE INFORMATION:

First Farmers and Merchants Corporation, 816 South Garden Street, Columbia, TN 38401
(931) 388-3145 | (800) 882-8378 | myfirstfarmers.com | Member FDIC



Virgil H. Moore, Jr. and Waymon L. Hickman - Main Office Library Columbia, TN 1970's



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CEO T. Randy Stevens speaks at Green Hills Financial Center Ribbon Cutting 2014

Board of Directors



T. RANDY STEVENS

Chairman and CEO
First Farmers and Merchants Corporation



TIMOTHY E. PETTUS

President
First Farmers and Merchants Corporation



M. DARLENE BAXTER

Retired, Vice President -
Affiliate Services Maury
Regional Medical Center



JONATHAN M. EDWARDS

President and CEO
Edwards Oil Company



THOMAS NAPIER GORDON

Attorney and Managing
Partner Gordon Brothers Properties



DALTON M. MOUNGER

Attorney



PATRICK J. RILEY

President /CEO
Patrick J. Riley & Co.



MATTHEW M. SCOGGINS, JR.

CEO
Tennessee Farmers
Insurance Companies



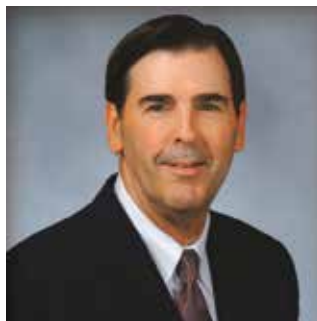
W. LACY UPCHURCH

President
Tennessee Farm Bureau Federation



KIMBERLY D. VELLA

Retired, Senior Vice President -
Human Resources
Tractor Supply Company



DR. DAVID S. WILLIAMS

Orthodontist



Construction of Main Office Columbia, TN 1963



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Main Office Columbia, TN 2014

“We make a living by what we get,
but we make a life by
what we give.”

- Sir Winston Churchill

In 1909, First Farmers & Merchants Bank opened its first office in Mt. Pleasant, Tennessee, with one main goal:

To Be Dedicated to Community Service.

Over the years, First Farmers has worked with its customers and neighbors to build a strong local bank and a thriving community. We have always been - and will always continue to be - dedicated to giving back to each of the communities we serve in Middle Tennessee.

Today, First Farmers operates banking offices in eight Middle Tennessee counties - Davidson, Dickson, Giles, Hickman, Lawrence, Marshall, Maury, and Williamson. Our local bank officers are involved in the communities in which they live and work. They support activities, events, and organizations in their communities at virtually every level. We believe this involvement gives us the experience and insight we need to help build stronger families and businesses.

2014 in Review

Premier Sponsor of Columbia State Community College Performance Series

Major Sponsor of Columbia State Community College - Williamson County Campus

Green Hills Financial Center and Greenways of Nashville Announce Partnership

Southern Fried Festival Sponsor | Heritage Ball Sponsor | Relay for Life

Donation and participation in the Youth Foundation First Annual Luncheon honoring Virgil and Nancy Moore

March of Dimes Fundraising Event | Mule Day | Franklin Tomorrow Sponsor

Jimmy and Avagene Moore Honored as First Farmers and Merchants Bank Achievement Award Winners

Lewisburg Goats, Music & More Festival | Shred It Day - Free to the Community



Mt. Pleasant Teller Cage 1910



Bank Officers

T. RANDY STEVENS

Chairman of the Board and
Chief Executive Officer

TIMOTHY E. PETTUS

President

BRIAN K. WILLIAMS

Executive Vice President

BARRY B. WHITE

General Counsel

PATRICIA P. BEARDEN

Chief Financial Officer/Cashier

JOHN P. TOMLINSON, III

Chief Risk Officer and
Chief Administrative Officer

N. HOUSTON PARKS

Senior Trust Officer

MICHELLE D. GARDNER

Executive Assistant and Secretary
to the Board

MICHAEL L. AYER

Chief Credit Officer

LESLIE R. BROOKS, III

Davidson County President

PAUL T. BUTTS, JR.

Senior Executive Branch Operations

M. HARVEY CHURCH

Senior Retail Banking Officer

R. CRAIG HOLLAND

Senior Retail Banking Officer

STEPHEN K. HUGHES

Senior Commercial Banking Officer

CHARLES F. ISAACS

Senior Commercial Relationship Manager

ROBERT C. MATTHEWS

Director of Human Resources

RICHARD S. SEVIER

Senior Commercial Relationship Manager

WILLIAM F. WHITE, JR.

Regional Business Banking Relationship Manager

RICHARD R. BENSON

Vice President

FELICIA Y. BROWN

Treasury Management Officer

BARBARA C. CAPPS

Marshall County Senior Banking Executive

SHELA G. CHESSOR

Vice President

SUZANNE A. ESTES

Assistant Vice President

BRADY M. GARDNER

Commercial Relationship Manager

SAMUEL G. (TREY) GARRARD, III

Senior Investment Officer

JILL A. GILES

Controller

MIRIAM T. GREEN

Branch Manager

BILLY R. HARVEL

Vice President

JUDY M. HICKMAN

Branch Administrator

LINDA L. HICKS

First Vice President/Director of Operations

CARLA F. HINSON

Hickman County Senior Banking Executive

MARCUS F. HOUSTON

Giles County Senior Banking Executive

RORY A. MALLARD

Business Banking Relationship Manager/
Private Banking Officer

CATHY S. MASHBURN

Assistant Vice President

MARIE E. MCGREW

Internal Controls Officer

CAROL D. MESSER

Branch Manager

DAWN D. MOORE

Senior Personal Trust Officer

LINDA G. PEARSON

Career Development Officer

CHARLES E. PLUNKETT

Trust Officer

JOSEPH E. REEVES, JR.

First Vice President

BRADLEY J. RICE

Business Banking Relationship Manager

BRENDA S. RISNER

Assistant Vice President

C. LYNN ROSS

Director of Loan Servicing

C. STACEY SHEDD

Lawrence County Senior Banking Executive

ANITA G. SIMMONS

Manager of Management
Information Systems (MIS)

TERRY D. SKILLINGTON

Assistant Vice President

GLYNIS D. SMITH

Security/Audit Officer

LARISSA H. THOMAS

Banking Officer

LINDA W. THOMASON

Trust Officer

SHANNON L. TIDWELL

Information Technology Officer

GAIL E. TINDALL

Chief Compliance Officer, BSA Officer,
OFAC Officer

AMY B. VAUGHT

Trust Officer

TERESA L. WALKER

Branch Manager

DONNA C. WALTERS

Contact Center Officer

PAMELA D. WHITE

Assistant Controller

BRENDA O. WOLAVER

Banking Officer

JULIA R. WOLAVER

Vice President and Office Manager

CHARLES B. WOODALL, SR.

Senior Investments Officer

Our Commitments

Vision

Our vision is to be the provider of choice for financial products and services in the communities we serve, and to be known for strength, integrity and leadership.

First Farmers

Mission

- Reward shareholders with above average returns on their investments
- Earn lasting customer relationships through excellent financial service
- Provide a work environment of integrity, commitment, and innovation
- Contribute meaningfully to the building of strong communities

Values

- Commitment
- Innovation
- Integrity
- Leadership
- Service



has been the right bank, for the life you lead, since 1909.

To Our Shareholders:

Last year at this time, I told our shareholders that I felt like 2013 was a breakout year from the long recession we all experienced. Although this economy is still not vibrant, it has improved and in 2014 helped First Farmers and Merchants Bank set new record growth totals in several key areas, including assets, loans, and deposits.

Even more important is First Farmers' strong credit quality which is always our first priority. Loans are well underwritten, structured, and amortized to provide a stable earnings stream to the bank.

Non-interest income is a key area that banks strive to perfect and grow. We have made great headway in implementing a successful Treasury Management Department that is important to our business clients and certainly for the bank.

First Farmers' major source of non-interest income is our 46 year old Trust Department. From humble beginnings in 1969, that department now administers \$4 billion in assets. Thirteen dedicated associates provide investment advice and management services that set First Farmers apart from our peer banks.

2014 was a very good year for your bank. However, we can do better. Stronger efforts to improve operational efficiency, strategic planning, and associate training is a top priority for us.

Thank you for your support of our bank and its efforts to continue to be the best independent community bank in Middle Tennessee.

Sincerely,

A handwritten signature in black ink that reads "Tim E. Pettus". The signature is written in a cursive, slightly stylized font.

Tim E. Pettus, President

First Farmers and Merchants Corporation

Office Locations

DAVIDSON COUNTY:

Nashville

Green Hills Office & ATM
4013 Hillsboro Circle
(615) 279-5214

DICKSON COUNTY:

White Bluff

White Bluff Office & ATM
2011 Highway 47 North
(615) 797-3153

GILES COUNTY:

Pulaski

Martin House Office & ATM
302 South Second St.
(931) 363-3830

HICKMAN COUNTY:

Bon Aqua

East Hickman Office & ATM
9512 Highway 46
(931) 670-0090

Centerville

Centerville Office & ATM
116 Church St.
(931) 729-3522

LAWRENCE COUNTY:

Lawrenceburg

Locust Avenue Office & ATM**
1501 North Locust Avenue
(931) 762-6490

Crockett Office & ATM
116 West Gaines St.
(931) 766-5650

Loretto

Loretto Office & ATM
201 S. Military St.
(931) 853-4358

MARSHALL COUNTY:

Lewisburg

Ellington Office & ATM
260 North Ellington Pkwy.
(931) 359-6222

MAURY COUNTY:

Columbia

Main Office & ATM
816 South Garden Street
(931) 388-3145 or
1-800-882-8378

Campbell Plaza Office – Kroger
ATM**

1202 S. James Campbell Blvd.
(931) 380-8278

Hatcher Lane Office & ATM
1501 S. James Campbell Blvd.
(931) 380-8260

MAURY COUNTY CONTINUED:

High Street Drive-Through
515 N. High St.
(931) 380-8291

Northside Office & ATM**
901 Nashville Hwy.
(931) 380-8340

Mt. Pleasant

Mt. Pleasant Office & ATM
128 North Main St.
(931) 379-3292

Spring Hill

Spring Hill Office & ATM
5398 Main St.
(931) 486-2212

Port Royal Office & ATM
4871 Port Royal Rd.
(931) 486-2436

WILLIAMSON COUNTY:

Franklin

Cool Springs Office & ATM**
300 Billingsly Court
(615) 771-6484

McEwen Office & ATM
1536 West McEwen Dr.
(615) 435-8814

ADDITIONAL ATMS ARE LOCATED AT:

Columbia

Maury Regional Medical Center,
1224 Trotwood Ave.*

Quik Mart/Shell
2223 Carmack Blvd.*

Quik Mart/Shell
312 East James Campbell Blvd.*

Quik Mart/Shell
1120 Hampshire Pike*

Quik Mart/Shell
1517 Hampshire Pike*

Quik Mart/Shell
2577 Nashville Hwy.*

Tennessee Farm Bureau
147 Bear Creek Pike*

Lawrenceburg

Quik Mart/Shell
710 East Gaines St.*

Quik Mart/Shell
2100 No. Locust Ave.*

Lewisburg

Downtown
121 2nd Ave. So.*

Marshall Plaza
1748 Mooresville Rd.*

Quik Mart/Shell
800 North Ellington Pkwy.*

ADDITIONAL ATMS ARE LOCATED AT CONTINUED:

Loretto

Quik Mart/Shell
215 South Military St. Maury*

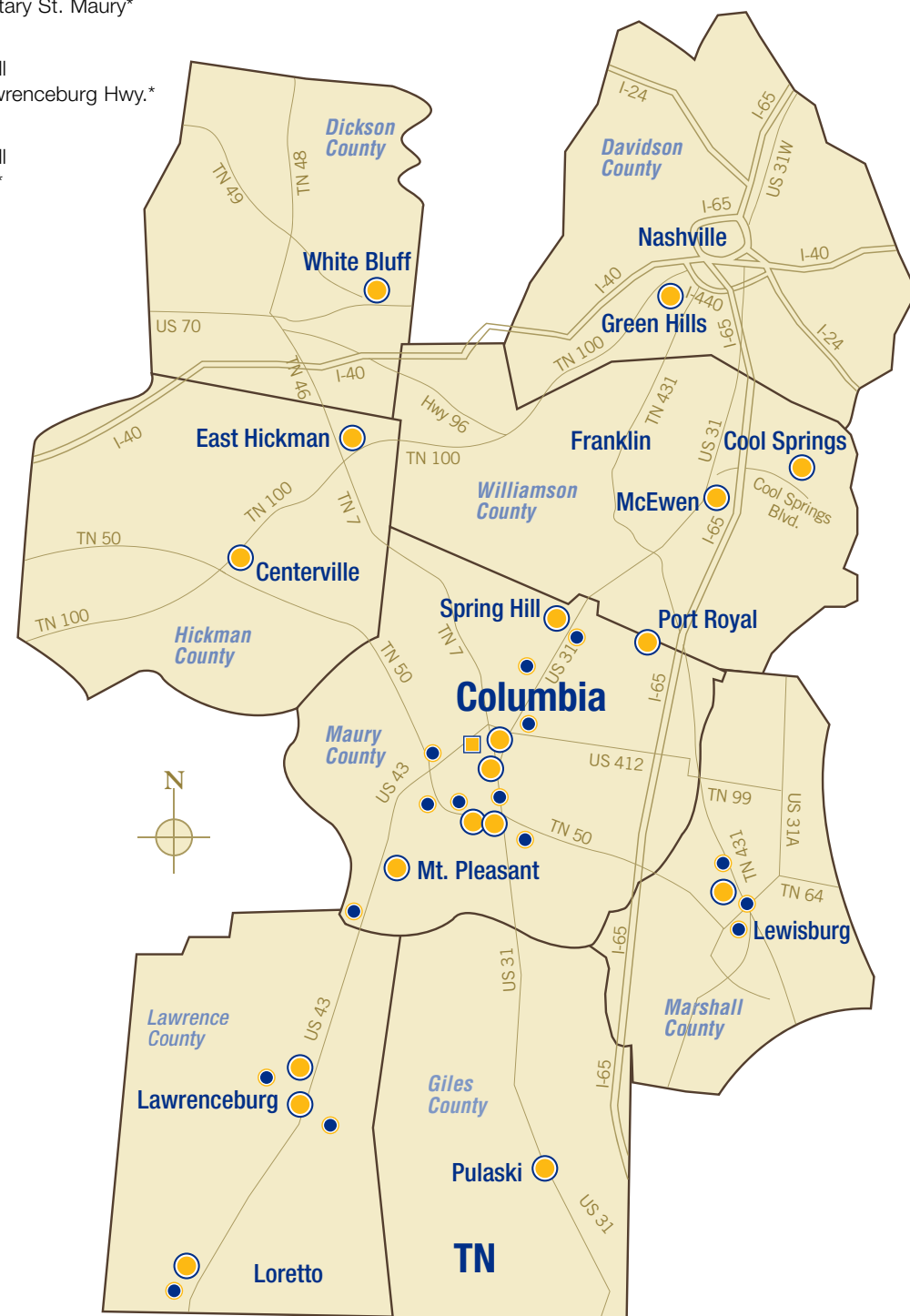
Mt. Pleasant

Quik Mart/Shell
9170 New Lawrenceburg Hwy.*

Spring Hill

Quik Mart/Shell
5414 Main St.*

FIRST FARMERS[®] SERVICE AREA



- Branch & ATM
- ATM
- Drive-Thru Branch

*Cash dispenser only

**Open Saturday






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