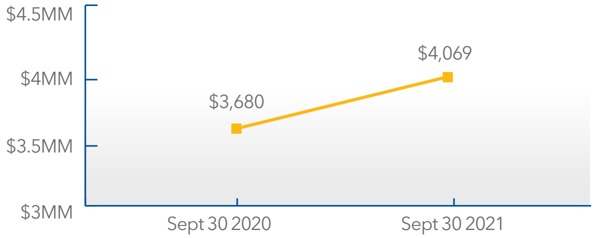
Third Quarter Highlights

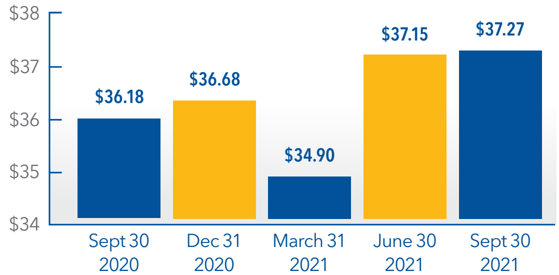
Dollars in thousands, except per share data

Net Income

11% Increase

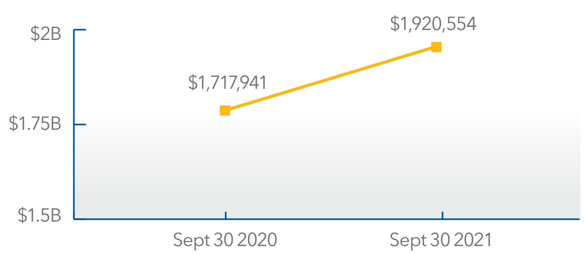


Book Value Per Share

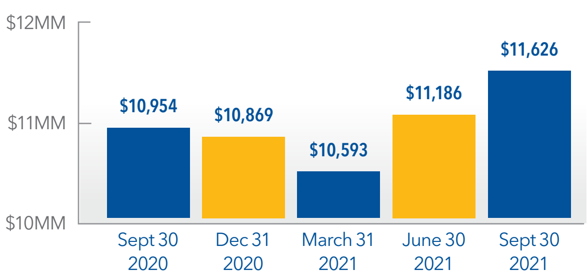


Total Assets

12% Increase



Net Interest Income



Celebrating Recent Achievements and Upcoming Innovation

As the end of the year approaches, we're taking time to reflect on some of our latest achievements and upcoming initiatives. Since our founding in 1909, First Farmers has formed genuine connections with our customers and remained a dependable partner for our communities. By implementing new programs and technology, such as financial literacy resources and forward-thinking online and mobile banking solutions, we will continue to be foundational to the financial success of our customers.

In September, First Farmers was voted Best Bank in Columbia Daily Herald's 2021 Best of the Best Awards. This achievement directly reflects our efforts to pursue relationship-focused growth while enabling our customers to achieve their unique financial goals. We are honored to be recognized, and we look forward to continuing to serve each generation of our clients and communities.

We're also proud to share that Stacey Crowell, Assistant Manager at First Farmers' Northside office, was voted Best Mortgage Lender in Columbia Daily Herald's 2021 Best of the Best Awards. Stacey embodies the values we seek at every First Farmers location, and we commend her dedication to her clients and diligent assistance with their mortgage lending needs.

Stacey Crowell

Moving to a New Digital Platform

As we continually strive to make our services more accessible and convenient, we are launching a new digital and online platform in February 2022. Our new user-friendly website and mobile app will make it easier for our customers to stay informed and manage their finances with greater flexibility.

The platform will also feature a fresh interface, streamlined navigations and additional money management tools, allowing you to aggregate your entire financial picture into one location and budget with ease. Stay tuned for more updates as the new platform launches.

SHAREHOLDER REPORT

Fall 2021

FIRST FARMERS®
Grow With Us.

Dear Shareholders,

First Farmers reported growth in net income, record assets and record deposits for the third quarter of 2021. These strong results were due to higher net interest income, continuation of excellent loan quality and organic growth from service fees on deposit accounts and trust services fee income. We are pleased with our solid performance through the first nine months of 2021 and are optimistic about the bank's momentum as we enter the fourth quarter.

Improved Third Quarter Results

We reported growth in net income for the third quarter, up 10.6% to $4.1 million, or $0.94 per common share, compared with the third quarter of last year. Adjusted net income that excludes special items rose 6.9% to $3.9 million from the third quarter of 2020 and was up 0.6% from the second quarter of 2021. The quarter's results highlight solid performance from our core banking services and the contribution from trust services fee income.

First Farmers' third quarter results benefited from higher net interest income; the continued contribution from trust services fee income; and improved service fees on deposit accounts as total deposits rose to a record $1.7 billion. We were also pleased with a second consecutive quarter of organic loan growth coming at the same time we are winding down our SBA PPP loan redemptions. Loan balances, excluding SBA PPP loans, increased $24 million, or 2.7%, for the quarter.

First Farmers continues to benefit from vigorous economic activity across Middle Tennessee. The strong economy has been a positive influence on new accounts opened, increased loan demand and a low level of problem loans. We recorded no provision for loan losses for the last two quarters due to our low level of charge-offs, past due loans and classified loans. We expect the high quality of our loan portfolio combined with momentum in interest income and non-interest income to continue into the fourth quarter. In addition, we believe that our strong credit metrics reflect our ongoing focus on the safety and soundness of our bank.

During the third quarter, we increased our stock repurchase activity to the highest level since the onset of the pandemic. The company repurchased 20,477 shares in the third quarter, an 87.9% increase from the 10,900 shares purchased in the second quarter and 930 shares in the first quarter. Book value per share remains a strong indicator of value creation for our company and its shareholders. First Farmers' book value has increased 3% during the past twelve months reflecting the sustained, predictable results we seek to deliver and affirming the confidence the Board of Directors continues to have in repurchasing the stock of the company.

Outlook for 2021

We remain optimistic about our continued performance in the fourth quarter. First Farmers has a strong franchise that includes a broad suite of banking services, a trust services business that administers $6.2 billion in assets along with a mortgage services business on pace for a record year of income. We are making investments across our operations to expand our product offerings, improve our operational efficiency and deliver improved customer experience. We expect these investments to contribute to our future growth opportunities and build long-term shareholder value.

Our outlook for 2021 is very positive based on our performance through the first nine months. We are poised to benefit from improved economic trends, growth in our loan pipeline, improvements in our net interest margin and the continuation of favorable credit trends. We value your investment in First Farmers and look forward to reporting on our continued progress at year-end 2021.

Sincerely,

T. Randy Stevens
Chairman & CEO

Brian K. Williams
President

Third Quarter 2021

Results of Operations

Nine Months Ended September 30

Dollars in thousands, except per share data	2021 (unaudited)	2020 (unaudited)
Interest Income	$35,386	$35,599
Interest Expense	1,981	2,939
Net Interest Income	33,405	32,660
Provision (credit) for Possible Loan Losses	(150)	700
Non-interest Income	12,920	11,035
Non-interest Expense	31,013	29,988
Income Before Income Taxes	15,462	13,007
Net Income for Common Shareholders	$12,548	$10,897

Per Share Data

Basic Earnings per Share	$2.88	$2.50

Financial Condition Data

	SEPT 30, 2021 (unaudited)	SEPT 30, 2020 (unaudited)
Total Securities	$848,223	$492,781
Loans, Net of Deferred Fees	$903,234	$993,187
Allowance for Loan and Lease Losses	$(9,590)	$(9,712)
Total Assets	$1,920,554	$1,717,941

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