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FIRST FARMERS AND MERCHANTS CORPORATION REPORTS SECOND QUARTER NET INCOME UP 22.0% TO $4.6 MILLION

Book Value Per Share Surges 27.2%, Highlighting Continued Balance Sheet Strength

COLUMBIA, Tenn. (July 28, 2025) – First Farmers and Merchants Corporation (OTC Pink: FFMH), the holding company for First Farmers and Merchants Bank, today announced its results for the second quarter of 2025.

"I am incredibly proud of our team for delivering another strong quarter, with net income increasing 22.0% and book value per share surging 27.2% from the prior year," stated Brian K. Williams, Chairman and Chief Executive Officer of First Farmers. "This performance is a direct result of the dedication of our entire banking team, who are deeply committed to our customers and our community."

"While the broader national economic picture remains complex, the Middle Tennessee market continues to be dynamic, and our team's disciplined work allows us to effectively navigate these challenges. As the market for high-quality loans remains competitive, our foundational strength and sound credit principles allow us to be selective as we continue to support our customers."

Key highlights of First Farmers' results for the second quarter of 2025 include:

- Net income increased 22.0% to $4.6 million from $3.8 million for the year-earlier quarter. Net income per common share increased 25.2% to $1.15 from $0.92 in the second quarter of 2024. Net income increased 3.7% from $4.5 million, or $1.11, per common share, reported in the first quarter of 2025;
- Adjusted net income, which excludes special items, increased 17.8% to $4.4 million, or $1.09 per common share, compared with $3.7 million, or $0.90 per common share, for the year-earlier quarter. Second quarter adjusted net income increased 4.8% from $4.2 million, or $1.04 per common share, reported in the first quarter of 2025 (see "Non-GAAP Financial Measures" section);
- Total loans increased $1.6 million from the first quarter of 2025, but declined $49.0 million, or 4.7%, compared to the second quarter of 2024;
- Net interest income increased 19.3% to $13.1 million from $11.0 million for the second quarter of 2024 and was up 3.5% from $12.6 million for the first quarter of 2025;
- Provision for credit losses decreased to $0 from $60,000 for the second quarter of 2024 and was down from provision for credit losses expense of $325,000 for the first quarter of 2025;
- Net interest margin expanded for the sixth consecutive quarter to 3.14%;
- Average core deposits grew $43.9 million, or 3.5%, year-over-year; and
- Book value per share increased 27.2% to $39.02 from $30.68 in the second quarter of 2024 and increased 5.9% from $36.85 for the first quarter of 2025.

"Our strong capital position is the engine that supports strategic investments in our future growth," said Williams. "A key win this quarter was the successful recruitment of seasoned leadership for our business banking division, and our focus now shifts to building out a full team of producers to deepen relationships, opening the door for First Farmers to serve more area businesses. Along with key additions to our wealth management team, these investments in proven talent are central to our strategy."

“We are also elevating the capabilities of our mortgage banking division and expect to see significant progress in the second half of the year. We are confident these initiatives are helping forge the path for sustained growth and will create significant long-term value for our shareholders,” added Williams.

“We saw strong net interest margin improvement this quarter, an area we have been laser focused on,” said Jill A. Giles, Chief Financial Officer for First Farmers. “The key to this was shifting our balance sheet out of more expensive funding sources, increasing the strength of our core deposit franchise, which grew 3.5% year-over-year. Simultaneously, we are proactively managing our earning assets, capitalizing on opportunities to reprice maturing loans and investments into the current rate environment.”

“Strong improvement in our performance metrics allows us to make pivotal investments back into our company. The year-over-year increase in our operating expense is intentional, reflecting both an investment in performance-based incentives which reward strong results and strategic investments in modernizing our benefits package to retain and attract top talent,” added Giles.

Second Quarter 2025 Results of Operations

($ in thousands, except per share data)	For the three months ended 6/30/2025	3/31/2025	6/30/2024	2Q25 vs. 1Q25 Change	2Q25 vs. 1Q25 % Change	2Q25 vs. 2Q24 Change	2Q25 vs. 2Q24 % Change
Interest income	$ 16,598	$ 16,311	$ 16,975	$ 287	1.8%	$ (377)	(2.2%)
Interest expense	3,529	3,679	6,024	(150)	(4.1%)	(2,495)	(41.4%)
Net interest income	$ 13,069	$ 12,632	$ 10,951	$ 437	3.5%	$ 2,118	19.3%
Net interest income, FTE	$ 13,330	$ 12,935	$ 11,188	$ 395	3.1%	$ 2,142	19.1%
Net interest margin	3.14%	3.02%	2.48%	+12 bps		+66 bps	
Provision for credit losses	$ -	$ 325	$ 60	$ (325)	NM	$ (60)	NM
Total non-interest income	$ 3,655	$ 3,481	$ 3,523	$ 174	5.0%	$ 132	3.7%
Total non-interest expense	$ 11,045	$ 10,440	$ 9,788	$ 605	5.8%	$1,257	12.8%
Net income for common shareholders	$ 4,625	$ 4,461	$ 3,790	$ 164	3.7%	$ 835	22.0%
Weighted average shares outstanding - basic	4,013,067	4,034,047	4,127,442	(20,980)	(0.5%)	(114,375)	(2.8%)
Weighted average shares outstanding - diluted	4,020,755	4,042,108	4,140,106	(21,353)	(0.5%)	(119,351)	(2.9%)
Basic earnings per share	$ 1.15	$ 1.11	$ 0.92	$ 0.04	3.6%	$ 0.23	25.2%
Diluted earnings per share	$ 1.15	$ 1.10	$ 0.92	$ 0.05	4.5%	$ 0.23	25.0%
Adjusted net income(1)	$ 4,376	$ 4,174	$ 3,716	$ 202	4.8%	$ 660	17.8%
Adjusted basic earnings per share(1)	$ 1.09	$ 1.04	$ 0.90	$ 0.05	4.8%	$ 0.19	21.1%
Adjusted diluted earnings per share(1)	$ 1.09	$ 1.03	$ 0.90	$ 0.06	5.8%	$ 0.19	21.1%

(1) See Non-GAAP Financial Measures

NM -Not meaningful

Net income for the second quarter of 2025 grew $835,000, or 22.0%, compared to the year-earlier quarter. The increase in net income was primarily due to growth in net interest income offset in part by an increase in total non-interest expense. Growth in net interest income was the direct result of proactive balance sheet management, which significantly reduced interest expense by eliminating costly borrowings and improving the Company's liability mix compared to the year-earlier quarter. The Company's net interest margin expanded for the sixth consecutive quarter due to the easing of deposit cost pressures and reduced reliance on non-core funding as compared to the second quarter of 2024. Total non-interest expense increased $1.3 million, or 12.8%, compared to the second quarter of 2024 primarily due to an increase in salaries and employee benefits expense of $922,000, and software support and other computer expenses of $137,000. The increase in salaries and employee benefits expenses was driven by an increase in annual salary adjustments. Additionally, the Company saw higher expenses for performance-based employee incentives and benefits, which correlates with higher earnings and growth in net interest margin as compared to the year-earlier quarter. Non-interest income increased $132,000, or 3.7%, compared to the prior-year quarter, while adjusted non-interest income declined by $105,000 due to the decline in transaction-based interchange fee income for the second quarter of 2025.

Net income for the second quarter of 2025 was up from the sequential first quarter by $164,000, or 3.7%. The increase in earnings was due to a decrease in provision for credit losses and an increase in total non-interest income, offset in part by an increase in non-interest expense. Net interest income continued its positive trend, increasing from the prior quarter as the net interest margin grew by 12 basis points to 3.14%. The Company recorded no provision for credit losses expense in the second quarter of 2025. The prior quarter included provision expense of $325,000, driven by an increase in loans rated for closer monitoring and an increase in unfunded loan commitment balances. Non-interest expense increased as salaries and employee benefits grew by $600,000, mostly related to increases in employee health insurance expense of $392,000 and performance-based incentives and benefits of $241,000 compared to the sequential quarter.

Balance Sheet Trends

	For the three months ended			2Q25 vs. 1Q25		2Q25 vs. 2Q24	
($ in thousands)	6/30/2025	3/31/2025	6/30/2024	*Change*	*% Change*	*Change*	*% Change*
Total assets	$ 1,745,297	$ 1,777,078	$ 1,854,337	$(31,781)	(1.8%)	$(109,040)	(5.9%)
Total liabilities	1,589,216	1,628,736	1,728,636	(39,520)	(2.4%)	(139,420)	(8.1%)
Total shareholders' equity	156,081	148,342	125,701	7,739	5.2%	30,380	24.2%
Securities	589,905	609,098	662,834	(19,193)	(3.2%)	(72,929)	(11.0%)
Loans, net of deferred fees	1,004,811	1,003,200	1,053,814	1,611	0.2%	(49,003)	(4.7%)
Deposits	1,566,383	1,605,898	1,524,077	(39,515)	(2.5%)	42,306	2.8%
Borrowings	-	-	178,000	-	0.0%	(178,000)	(100.0%)

For the second quarter of 2025, investment securities decreased by $19.2 million from the sequential first quarter to $590 million, or 33.8% of total assets, and decreased $72.9 million from $663 million, or 35.7% of total assets, from the second quarter of 2024. Outstanding loan balances grew $1.6 million, or 0.2%, from the sequential first quarter to $1.005 billion and declined $49.0 million, or 4.7%, from the second quarter of 2024. Loan demand continued to be soft in the second quarter of 2025 as the Company saw borrowers taking a cautious approach resulting from elevated interest rates and general economic uncertainty; however, our lending teams remain disciplined in their credit focus while continuing to support the local economy. Total deposits decreased $39.5 million, or 2.5%, from the sequential first quarter to $1.566 billion, and increased $42.3 million, or 2.8%, from the second quarter of 2024. The decrease in deposits compared to the sequential quarter was related to municipal deposit decline of $13.2 million and a decline in core deposits of $24.6 million. A decrease in core deposit balances during the second quarter is typical as federal income tax payments are made. The increase in total deposits compared to the second quarter of 2024 was driven by growth in core deposits of $40.5 million and brokered deposits of $19.4 million, offset in part by decreases of $25.3 million in municipal deposits.

The Company had no outstanding borrowings as of June 30, 2025, and March 31, 2025, respectively, as the continued stability and year-over-year growth of core deposits has allowed the Company to strategically eliminate dependency on non-core funding sources. The Company's outstanding Federal Reserve Bank Term Funding Program ("BTFP") borrowings as of June 30, 2024, in the amount of $168 million were paid off in the fourth quarter of 2024.

For the second quarter of 2025, total shareholders' equity increased by $7.7 million from the sequential first quarter to $156.1 million and grew $30.4 million from the second quarter of 2024. The increase in total shareholders' equity from the first quarter of 2025 was primarily driven by net income of $4.6 million and a positive change of $5.2 million in accumulated other comprehensive income, offset in part by dividends paid of $1.1 million and stock repurchases of $1.0 million. The positive change in accumulated other comprehensive income resulted from a decrease in the unrealized loss adjustment to the available-for-sale securities portfolio totaling $5.2 million, net of tax. The improvement in the value of the available-for-sale securities portfolio was primarily related to ongoing maturity roll-off of the portfolio compared to the sequential first quarter. The book value per share improved 5.9% from the sequential first quarter to $39.02 and increased 27.2% compared to the second quarter of 2024. This strong growth reflects the tangible value the Company's balance sheet strategy is creating for shareholders.

Asset Quality

	For the three months ended			2Q25 vs. 1Q25		2Q25 vs. 2Q24	
($ in thousands)	6/30/2025	3/31/2025	6/30/2024	*Change*	*% Change*	*Change*	*% Change*
Allowance for credit losses to total loans	0.82%	0.82%	0.77%	0 bps		+5 bps	
Provision for credit losses	$ -	$ 325	$ 60	$ (325)	NM	$ (60)	NM
Net charge-offs to average loans, annualized	0.01%	0.00%	0.00%	+1 bps		+1 bps	
Total non-performing loans to total loans	0.13%	0.13%	0.08%	0 bps		+5 bps	
Total non-performing assets	$ 1,319	$ 1,281	$ 863	$ 38	3.0%	$ 456	52.8%

NM – Not meaningful

Non-performing loans were $1.3 million, or 0.13% of total loans, flat from $1.3 million, or 0.13% of total loans, in the sequential first quarter and were up from $863,000, or 0.08% of total loans, in the second quarter of 2024. Net charge-offs to average loans were 0.01% for the second quarter of 2025 compared with 0.00% for the sequential quarter and 0.00% for the second quarter of 2024. No provision expense was recorded to the allowance for credit losses during the second quarter of 2025. The allowance for credit losses represented 0.82% of total loans outstanding for the second quarter of 2025 compared with 0.82% for the sequential first quarter and 0.77% for the second quarter of 2024. The allowance for credit losses for unfunded commitments increased to $575,000, or 0.23% of total unfunded commitments, for the second quarter of 2025 compared with 0.21% for the sequential first quarter and decreased from $610,000, or 0.21% of total unfunded commitments, for the second quarter of 2024. Overall, the Company's asset quality metrics remained strong and stable during the quarter, reflecting a disciplined approach to credit risk management in the current economic environment.

Capital Management Initiatives

($ in thousands, except per share data)	For the three months ended 6/30/2025	3/31/2025	6/30/2024	2Q25 vs. 1Q25 Change	% Change	2Q25 vs. 2Q24 Change	% Change
Tangible common stockholders' equity to tangible assets	8.46%	7.87%	6.32%	+59 bps		+214 bps	
Leverage capital ratio	10.54%	10.21%	9.27%	+33 bps		+127 bps	
Tier 1 capital ratio	17.02%	16.68%	15.07%	+34 bps		+195 bps	
Total Risk-based capital ratio	17.80%	17.46%	15.80%	+34 bps		+200 bps	
Total shares repurchased	25,000	20,000	55,000	5,000	25.0%	(30,000)	(54.5%)
Average repurchase price per share	$ 38.80	$ 35.83	$ 29.44	$ 2.97	8.3%	$ 9.36	31.8%

First Farmers' capital ratios improved compared to the sequential quarter and second quarter of 2024. The Bank's capital ratios remain well above the regulatory minimum guidelines. This robust capital base provides the flexibility to both invest in the strategic growth initiatives outlined previously and return value to shareholders through dividends and the Company's share repurchase program. During the second quarter of 2025, First Farmers repurchased 25,000 shares of the Company's common stock in the open market and in privately negotiated transactions at an average price of $38.80 with prices ranging from $35.25 to $40.00 per share in accordance with the Company's stock repurchase program. Second quarter 2025 stock repurchases increased 25.0% compared to the sequential first quarter and were down 54.5% compared to the year-earlier quarter. Authorization to repurchase approximately 155,000 shares remains under the current program, which is set to expire in December 2025, unless extended or otherwise completed.

Six Months Results

($ in thousands, except per share data)	For the six months ended 6/30/2025	6/30/2024	YTD 2025 vs. YTD 2024 Change	% Change
Net interest income	$ 25,701	$ 21,563	$ 4,138	19.2%
Provision for credit losses	325	125	200	160.0%
Non-interest income	7,137	7,006	131	1.9%
Non-interest expense	21,485	19,641	1,844	9.4%
Net income	9,086	7,209	1,877	26.0%
Basic earnings per share	2.26	1.74	0.52	29.9%
Adjusted net income(1)	8,550	7,067	1,483	21.0%
Adjusted basic earnings per share(1)	2.13	1.70	0.43	25.3%

(1) *See Non-GAAP Financial Measures*

For the six months ended June 30, 2025, First Farmers reported net income of $9.1 million, or $2.26 per share, compared with $7.2 million, or $1.74 per share, in the same period of 2024. The change reflects growth in net interest income offset in part by increases in provision for credit losses and non-interest expense. The growth in net interest income for the six months ended June 30, 2025, was attributable to the reduction in interest expense for deposits and borrowings as the balance sheet liability mix improved compared to the year-earlier period. Provision for credit losses increased by $200,000 primarily driven by provision expense of $325,000 recorded in the first quarter of 2025 due to an increase in loans rated for closer monitoring. Non-interest expense grew $1.9 million for the six months ended June 30, 2025 driven by increases in salaries expense of $811,000, performance-based incentives and benefits of $350,000, core provider and software support of $352,000, and recruitment and other professional services expense of $166,000.

About First Farmers and Merchants Corporation and First Farmers and Merchants Bank

First Farmers and Merchants Corporation is the holding company for First Farmers and Merchants Bank, a community bank serving the Middle Tennessee area through 22 offices in seven Middle Tennessee counties. As of June 30, 2025, First Farmers reported total assets of approximately $1.7 billion, total shareholders' equity of approximately $156 million, and administered trust assets of $6.3 billion. For more information about First Farmers, visit us on the Web at www.myfirstfarmers.com under "Investor Relations."

Cautionary Note Regarding Forward Looking Statements

This news release may contain certain "forward-looking statements" that represent First Farmers' expectations or beliefs concerning future events and often use words or phrases such as "opportunities," "prospects," "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "intends" or similar expressions. Such forward-looking statements contained herein represent the current expectations, plans or forecast of First Farmers' and are about matters that are inherently subject to risks and uncertainties. These statements are not guarantees of future results or performance and readers are cautioned to not place undue reliance on them, whether included in this news release or made elsewhere from time to time by First Farmers or on its behalf. First Farmers disclaims any obligation to update such forward-looking statements.

Non-GAAP Financial Measures

Statements included in this press release include non-GAAP financial measures and should be read along with the accompanying tables, which provide a reconciliation of non-GAAP financial measures to GAAP financial measures. First Farmers management uses non-GAAP financial measures, including: (i) adjusted net income and (ii) adjusted basic earnings per share, in its analysis of the Company's performance. These non-GAAP financial measures exclude the following from net income: securities gains and losses, gain on redemption of bank-owned life insurance, gain on disposal of premises and equipment, and the income tax effect of adjustments. Management believes that non-GAAP financial measures provide additional useful information that allows readers to evaluate the ongoing performance of the Company.

FIRST FARMERS AND MERCHANTS CORPORATION AND SUBSIDIARIES
UNAUDITED RECONCILIATION OF NON-GAAP MEASURES PRESENTED IN EARNINGS RELEASE
($ in thousands, except per share data)

	Three Months Ended			Six Months Ended	
	June 30,		March 31,	June 30,	
	2025	2024	2025	2025	2024
Total non-interest income	$ 3,655	$ 3,523	$ 3,481	$ 7,137	$ 7,006
Gain on equity securities	(111)	-	-	(111)	(91)
Gain on redemption of bank-owned life insurance	(1)	(2)	(287)	(288)	(2)
Gain on disposal of premises and equipment	(225)	(98)	-	(225)	(98)
Adjusted non-interest income	$ 3,318	$ 3,423	$ 3,194	$ 6,513	$ 6,815
Total non-interest expense	$ 11,045	$ 9,788	$ 10,440	$ 21,485	$ 19,641
Net income as reported	$ 4,625	$ 3,790	$ 4,461	$ 9,086	$ 7,209
Total adjustments, net of tax[1]	(249)	(74)	(287)	(536)	(142)
Adjusted net income	$ 4,376	$ 3,716	$ 4,174	$ 8,550	$ 7,067
Basic earnings per share	$ 1.15	$ 0.92	$ 1.11	$ 2.26	$ 1.74
Total adjustments, net of tax[1]	(0.06)	(0.02)	(0.07)	(0.13)	(0.04)
Adjusted basic earnings per share	$ 1.09	$ 0.90	$ 1.04	$ 2.13	$ 1.70
Diluted earnings per share	$ 1.15	$ 0.92	$ 1.10	$ 2.25	$ 1.73
Total adjustments, net of tax[1]	(0.06)	(0.02)	(0.07)	(0.13)	(0.03)
Adjusted diluted earnings per share	$ 1.09	$ 0.90	$ 1.03	$ 2.12	$ 1.70

(1) The effective tax rate of 26.1% is used to determine net of tax amounts.

FIRST FARMERS AND MERCHANTS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	($ in thousands, except per share data)	(unaudited) June 30, 2025	December 31, 2024[1]
ASSETS	Cash and due from banks	$ 24,396	$ 26,034
	Interest-bearing deposits	26,821	20,493
	Federal funds sold	38	86
	Total cash and cash equivalents	51,255	46,613
	Securities:		
	Available-for-sale	562,764	588,523
	Held-to-maturity (fair market value $24,014 and $24,175, net of ACL Securities of $9 and $9, respectively)	24,852	24,532
	Equity securities	2,289	2,178
	Loans held-for-sale	471	-
	Loans, net of deferred fees	1,004,340	998,818
	Allowance for credit losses	(8,196)	(7,952)
	Net loans	996,144	990,866
	Bank premises and equipment, net	29,109	29,094
	Bank-owned life insurance	35,795	36,672
	Goodwill	9,018	9,018
	Deferred tax asset	18,152	22,795
	Other assets	15,448	15,020
	TOTAL ASSETS	$ 1,745,297	$ 1,765,311
LIABILITIES	Deposits:		
	Noninterest-bearing	$ 469,037	$ 482,398
	Interest-bearing	1,097,346	1,121,223
	Total deposits	1,566,383	1,603,621
	Accounts payable and accrued liabilities	22,833	24,017
	TOTAL LIABILITIES	1,589,216	1,627,638
SHAREHOLDERS' EQUITY	Common stock - $10 par value per share, 8,000,000 shares authorized; 3,997,309 and 4,039,445 shares issued and outstanding as of the periods presented	39,973	40,394
	Retained earnings	157,882	152,268
	Additional paid-in-capital	115	85
	Accumulated other comprehensive loss	(41,984)	(55,169)
	Total shareholders' equity attributable to First Farmers and Merchants Corporation	155,986	137,578
	Noncontrolling interest - preferred stock of subsidiary	95	95
	TOTAL SHAREHOLDERS' EQUITY	156,081	137,673
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 1,745,297	$ 1,765,311

(1) Derived from audited financial statements as of December 31, 2024.

FIRST FARMERS AND MERCHANTS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(unaudited)

		Three Months Ended June 30,		Six Months Ended June 30,	
	(dollars in thousands, except per share data)	**2025**	**2024**	**2025**	**2024**
INTEREST AND DIVIDEND INCOME	Interest and fees on loans	$ 13,791	$ 14,160	$ 27,268	$ 28,050
	Income on investment securities				
	Taxable interest	2,181	2,134	4,272	4,301
	Exempt from federal income tax	420	436	850	869
	Interest from federal funds sold and other	206	245	519	536
	Total interest income	16,598	16,975	32,909	33,756
INTEREST EXPENSE	Interest on deposits	3,464	3,976	7,101	8,300
	Interest on other borrowings	65	2,048	107	3,893
	Total interest expense	3,529	6,024	7,208	12,193
	Net interest income	13,069	10,951	25,701	21,563
	Provision for credit losses	-	60	325	125
	Net interest income after provision	13,069	10,891	25,376	21,438
NON-INTEREST INCOME	Mortgage banking activities	21	18	34	77
	Wealth management and trust services fees	1,181	1,167	2,346	2,324
	Service fees on deposit accounts	1,610	1,771	3,144	3,455
	Investment services fee income	143	114	243	215
	Earnings on bank-owned life insurance	169	154	343	312
	Gain on disposal of premises and equipment	225	98	225	98
	Gain on equity securities	111	-	111	91
	Gain on redemption of bank-owned life insurance	1	2	288	2
	Other non-interest income	194	199	403	432
	Total non-interest income	3,655	3,523	7,137	7,006
NON-INTEREST EXPENSE	Salaries and employee benefits	6,521	5,599	12,442	11,222
	Net occupancy expense	571	561	1,206	1,160
	Depreciation expense	418	405	821	811
	Data processing expense	613	581	1,231	1,144
	Software support and other computer expense	1,248	1,111	2,472	2,206
	Legal and professional fees	295	188	533	408
	Audits and exams expense	194	172	384	359
	Advertising and promotions	206	210	447	410
	FDIC insurance premium expense	203	222	403	440
	Other non-interest expense	768	731	1,538	1,473
	Total non-interest expense	11,037	9,780	21,477	19,633
	Income before provision for income taxes	5,687	4,634	11,036	8,811
	Provision for income taxes	1,054	836	1,942	1,594
	Net income	4,633	3,798	9,094	7,217
	Noncontrolling interest - dividends on preferred stock subsidiary	8	8	8	8
	Net income available to common shareholders	$ 4,625	$ 3,790	$ 9,086	$ 7,209
	Weighted average shares outstanding - basic	4,013,067	4,127,442	4,024,899	4,146,840
	Weighted average shares outstanding - diluted	4,020,755	4,140,106	4,032,587	4,159,504
	Earnings per share	$ 1.15	$ 0.92	$ 2.26	$ 1.74
	Diluted earnings per share	$ 1.15	$ 0.92	$ 2.25	$ 1.73

FIRST FARMERS AND MERCHANTS CORPORATION AND SUBSIDIARIES
CONSOLIDATED FINANCIAL HIGHLIGHTS
(unaudited)

	For the three months ended				
($ in thousands, except per share data)	**6/30/2025**	**3/31/2025**	**12/31/2024**	**9/30/2024**	**6/30/2024**
Results of Operations:					
Interest income	$ 16,598	$ 16,311	$ 16,825	$ 17,550	$ 16,975
Interest expense	3,529	3,679	4,682	6,195	6,024
Net interest income	13,069	12,632	12,143	11,355	10,951
Provision (credit) for credit losses	-	325	(285)	-	60
Non-interest income	3,655	3,481	3,394	3,428	3,523
Non-interest expense and non-controlling interest – preferred stock of subsidiary	11,045	10,440	9,982	9,974	9,788
Income before income taxes	5,679	5,348	5,840	4,809	4,626
Income taxes	1,054	887	965	858	836
Net income for common shareholders	$ 4,625	$ 4,461	$ 4,875	$ 3,951	$ 3,790
Per Share Data:					
Basic earnings per share	$ 1.15	$ 1.11	$ 1.20	$ 0.97	$ 0.92
Diluted earnings per share	$ 1.15	$ 1.10	$ 1.20	$ 0.96	$ 0.92
Book value per share	$ 39.02	$ 36.85	$ 34.06	$ 35.56	$ 30.68
Weighted average shares outstanding per quarter - basic	4,013,067	4,034,047	4,055,843	4,087,043	4,127,442
Weighted average shares outstanding per quarter - diluted	4,020,755	4,042,108	4,068,164	4,099,707	4,140,106
Financial Condition Data and Ratios:					
Total securities	$ 589,905	$ 609,098	$ 615,233	$ 651,808	$ 662,834
Available-for-sale securities, fair market value	$ 562,764	$ 581,649	$ 588,523	$ 633,734	$ 644,451
Available-for-sale securities, amortized cost	$ 620,335	$ 646,319	$ 663,980	$ 695,808	$ 729,602
Loans, net of deferred fees	$ 1,004,340	$ 1,003,200	$ 998,818	$ 1,031,098	$ 1,053,814
Allowance for credit losses	$ (8,196)	$ (8,236)	$ (7,952)	$ (8,049)	$ (8,064)
Total assets	$ 1,745,297	$ 1,777,078	$ 1,765,311	$ 1,854,791	$ 1,854,337
Total deposits	$ 1,566,383	$ 1,605,898	$ 1,603,621	$ 1,603,672	$ 1,524,077
Net interest income, on a fully taxable-equivalent basis	$ 13,201	$ 12,935	$ 12,370	$ 11,612	$ 11,188
Net interest margin	3.14%	3.02%	2.82%	2.55%	2.48%
Efficiency	66.34%	66.74%	61.20%	66.36%	67.37%
Asset Quality Data and Ratios:					
Total non-performing assets	$ 1,319	$ 1,281	$ 1,344	$ 852	$ 863
Non-performing assets to total assets	0.08%	0.07%	0.08%	0.05%	0.05%
Allowance for credit losses to total loans	0.82%	0.82%	0.80%	0.78%	0.77%
Net charge-offs (recoveries) to average loans (annualized)	0.01%	0.00%	(0.01%)	0.01%	0.00%

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