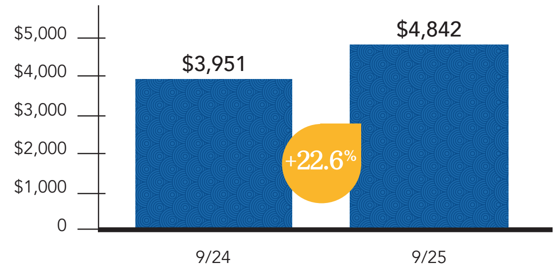
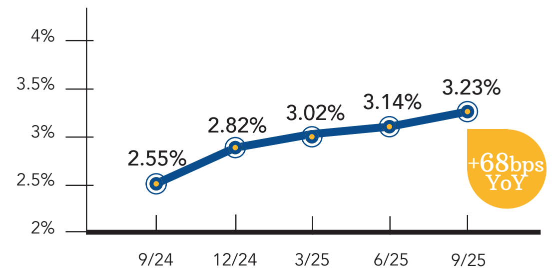
THIRD QUARTER HIGHLIGHTS

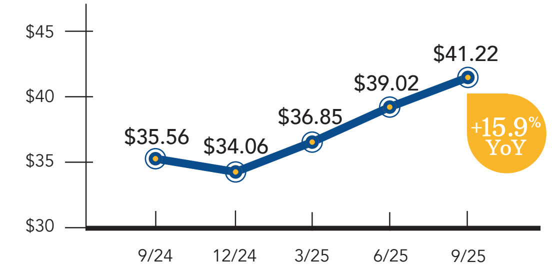
Net Income *(dollars in thousands)*



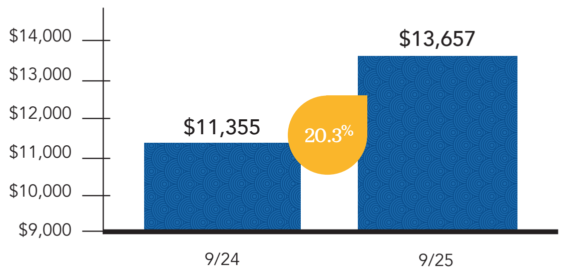
Net Interest Margin



Book value per share



Net Interest Income *(dollars in thousands)*



Third Quarter Report 2025

FIRST FARMERS
BANKING | WEALTH MANAGEMENT | TRUST

DEAR FELLOW SHAREHOLDERS

First Farmers' third quarter performance remained very strong, thanks in large part to the disciplined execution of our long-term strategic vision. The broader economic environment remains complex, but our team's focus on reducing reliance on higher-cost funding sources while growing our stable, local core deposit base enabled us to deliver record net interest income. This strategy led to our seventh consecutive quarter of meaningful margin expansion, a result that stands out in the current industry environment. This performance is a testament to our team's hard work and positions us for a strong finish to the year.

Our sound financial and operating results provide the foundation for us to deliver on our core commitments:

Delivering a tangible return to our shareholders – This is demonstrated by the 15.9% year-over-year increase in book value per share, our growing dividend, and our ongoing share buyback program.

Strategically growing to further serve our communities – Our lending teams delivered solid organic loan growth this quarter by deepening customer relationships. We are building on that momentum by adding proven, local talent to our mortgage and business banking teams, investments which expand our reach and allow us to better serve the needs of our neighbors and area businesses.

Driving operational excellence – Our financial performance, highlighted by a significantly improved efficiency ratio this quarter, enables us to be more nimble while simultaneously reinvesting in our most valuable asset: our people.

Ultimately, we are upholding our commitment to our customers and communities, offering the personalized, competitive products they deserve while maintaining the strongest standards of safety and soundness.

To put it simply, a strong bank is best positioned to build a strong community. We are navigating the current economic environment from a position of financial strength, which enables us to serve our customers, support our communities, and deliver value to our shareholders.

We are grateful for your continued trust and investment in First Farmers, and we look forward to finishing 2025 on a high note.

Sincerely,

Brian K. Williams
Chairman and Chief Executive Officer

THIRD QUARTER 2025

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 Shareholder Quarterly Report

(Dollars in thousands, except per share data)

	Three Months Ended			Nine Months Ended	
	September 30,		June 30,	September 30,	
	2025	2024	2025	2025	2024
Total non-interest income	$ 3,351	$ 3,428	$ 3,655	$ 10,488	$ 10,434
Loss on sale of securities	-	26	-	-	26
Gain on equity securities	-	-	(111)	(111)	(91)
Gain on redemption of bank-owned life insurance	-	-	(1)	(288)	(2)
Gain on disposal of premises and equipment	-	(51)	(225)	(225)	(149)
Adjusted non-interest income	$ 3,351	$ 3,403	$ 3,318	$ 9,864	$ 10,218
Total non-interest expense	$ 11,006	$ 9,974	$ 11,045	$ 32,491	$ 29,615
Net income as reported	$ 4,842	$ 3,951	$ 4,625	$ 13,928	$ 11,160
Total adjustments, net of tax[1]	-	(18)	(249)	(536)	(160)
Adjusted net income	$ 4,842	$ 3,933	$ 4,376	$ 13,392	$ 11,000
Basic earnings per share	$ 1.21	$ 0.97	$ 1.15	$ 3.47	$ 2.70
Total adjustments, net of tax[1]	-	-	(0.06)	(0.13)	(0.04)
Adjusted basic earnings per share	$ 1.21	$ 0.97	$ 1.09	$ 3.34	$ 2.66
Diluted earnings per share	$ 1.21	$ 0.96	$ 1.15	$ 3.46	$ 2.70
Total adjustments, net of tax[1]	-	-	(0.06)	(0.13)	(0.04)
Adjusted diluted earnings per share	$ 1.21	$ 0.96	$ 1.09	$ 3.33	$ 2.66

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

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First Farmers and Merchants Corporation and Subsidiaries
Consolidated Financial Highlights

(unaudited)

	For the three Months Ended				
(dollars in thousands, except per share data)	Sept. 30, 2025	June 30, 2025	March 31, 2025	Dec. 31, 2024	Sept 30, 2024
Results of Operations:					
Interest income	$ 17,331	$ 16,598	$ 16,311	$ 16,825	$ 17,550
Interest expense	3,674	3,529	3,679	4,682	6,195
Net interest income	13,657	13,069	12,632	12,143	11,355
Provision (credit) for credit losses	-	-	325	(285)	-
Non-interest income	3,351	3,655	3,481	3,394	3,428
Non-interest expense and non-controlling interest – preferred stock of subsidiary	11,006	11,045	10,440	9,982	9,974
Income before income taxes	6,002	5,679	5,348	5,840	4,809
Income taxes	1,160	1,054	887	965	858
Net income for common shareholders	$ 4,842	$ 4,625	$ 4,461	$ 4,875	$ 3,951
Per Share Data:					
Basic earnings per share	$ 1.21	$ 1.15	$ 1.11	$ 1.20	$ 0.97
Diluted earnings per share	$ 1.21	$ 1.15	$ 1.10	$ 1.20	$ 0.96
Book value per share	$ 41.22	$ 39.02	$ 36.85	$ 34.06	$ 35.56
Weighted average shares outstanding per quarter - basic	3,994,144	4,013,067	4,034,047	4,055,843	4,087,043
Weighted average shares outstanding per quarter - diluted	4,001,832	4,020,755	4,042,108	4,068,164	4,099,707
Financial Condition Data:					
Total securities	$ 580,555	$ 589,905	$ 609,098	$ 615,233	$ 651,808
Available-for-sale securities, fair market value	$ 554,123	$ 562,764	$ 581,649	$ 588,523	$ 633,734
Available-for-sale securities, amortized cost	$ 604,742	$ 620,335	$ 646,319	$ 663,980	$ 695,808
Loans, net of deferred fees	$ 1,015,365	$1,004,340	$1,003,200	$ 998,818	$1,031,098
Allowance for credit losses	$ (8,160)	$ (8,196)	$ (8,236)	$ (7,952)	$ (8,049)
Total assets	$ 1,745,176	$ 1,745,297	$ 1,777,078	$ 1,765,311	$1,854,791
Total deposits	$1,558,329	$1,566,383	$1,605,898	$1,603,621	$1,603,672
Net interest income, on a fully taxable-equivalent basis	$ 13,803	$ 13,201	$ 12,935	$ 12,370	$ 11,612
Net interest margin	3.23%	3.14%	3.02%	2.82%	2.55%
Efficiency	63.73%	66.34%	66.74%	61.20%	66.36%
Asset Quality Data and Ratios:					
Total non-performing assets	$ 1,513	$ 1,319	$ 1,281	$ 1,344	$ 852
Non-performing assets to total assets	0.09%	0.08%	0.07%	0.08%	0.05%
Allowance for credit losses to total loans	0.80%	0.82%	0.82%	0.80%	0.78%
Net charge-offs (recoveries) to average loans (annualized)	0.01%	0.01%	0.00%	(0.01%)	0.01%