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FIRST FARMERS AND MERCHANTS CORPORATION REPORTS RECORD 2025 RESULTS

Net Income Rises 16% to a Record \$18.6 Million
Earnings Per Share Increases over 19% to \$4.65

COLUMBIA, Tenn. (January 26, 2026) – First Farmers and Merchants Corporation (OTCID: FFMH), the holding company for First Farmers and Merchants Bank, today announced record financial results for the 2025 fiscal year, delivering strong performance marked by double-digit annual growth in net income and the eighth consecutive quarter of net interest margin expansion.

“I am incredibly proud of our team for delivering these strong results and achieving a truly historic year for First Farmers,” stated Brian K. Williams, Chairman and Chief Executive Officer. “Our performance in 2025 reflects a year where we remained rooted in our purpose while successfully navigating the broader economic uncertainty from a position of strength. By focusing on the deliberate and thoughtful execution of our balance sheet strategy, we achieved record net interest income and continued margin expansion which stands out in the current industry environment. We are entering 2026 with a robust capital base and the momentum necessary to execute on our key strategic initiatives.”

Key highlights of First Farmers’ results for 2025 include:

- Net income rose 16.1% to a record \$18.6 million in 2025 compared with \$16 million for 2024;
- Earnings per share increased 19.2% to a record \$4.65 in 2025 from \$3.90 in 2024;
- Net interest income increased 19.0% to a record \$53.6 million from \$45.1 million;
- Net interest margin expanded 63 basis points year over year to 3.19%;
- Wealth management and trust services revenue grew to a record \$4.8 million in 2025 with \$6.8 billion of administered trust assets;
- Gross loans grew 0.7% to \$1.006 billion from 2024;
- Average core deposits grew by \$16.9 million, or 1.3%, from 2024;
- Book value per share increased 26.7% to \$43.17 from \$34.06 for 2024.

“As we look to the future, we are focused on the strategic investments required to continue our growth trajectory,” Williams continued. “We spent 2025 preparing the foundation for our next chapter of expansion, which includes entry into the Chattanooga market. We are pleased with the early traction and results we are seeing from this expansion, which is being led by proven talent we have strategically added to our team. Furthermore, our recent recognition by the U.S. Small Business Administration as a top volume lender in Tennessee underscores our commitment to supporting the small businesses which anchor our communities. By investing in quality people and modernizing our technology infrastructure, we are ensuring First Farmers is positioned to drive sustainable growth. Our confidence in this long-term performance led us to reward shareholders with a 7.4% increase in the quarterly cash dividend this past September and extend our stock repurchase program through 2026.”

“Our record results in 2025 were highlighted by meaningful progress in our core profitability metrics, including growth in net interest income of \$8.5 million and a return on assets exceeding 1.0% for the first time since 2019,” said Jill A. Giles, Chief Financial Officer. “Our record net interest income is a direct result of our focused execution on improving the funding mix and the growth in our core deposit franchise. This success allowed us to strategically exit all remaining higher-cost brokered

deposits during the year, while reducing our year-over-year cost of deposits and borrowings by 60 basis points to 1.28%. We also saw a solid finish to the year in our non-interest income sources, highlighted by record assets administered and annual revenue for our wealth management and trust business.”

“While our fourth quarter reflects an intentional increase in non-interest expense, we view these costs as essential investments in sustaining and accelerating our future performance,” Giles added. “Our strategic hires and regional expansion efforts are investments that will drive our organic growth and earnings trajectory. We are managing risk effectively and ensuring our balance sheet continues to be defined by excellent asset quality and robust capital ratios which provide significant flexibility moving forward.”

Fourth Quarter 2025 Results of Operations

(\$ in thousands, except per share data)	For the three months ended						
	12/31/2025	9/30/2025	12/31/2024	4Q25 vs. 3Q25		4Q25 vs. 4Q24	
				Change	% Change	Change	% Change
Interest income	\$ 17,569	\$ 17,331	\$ 16,825	\$ 238	1.4%	\$ 744	4.4%
Interest expense	3,325	3,674	4,682	(349)	(9.5%)	(1,357)	(29.0%)
Net interest income	<u>\$ 14,244</u>	<u>\$ 13,657</u>	<u>\$ 12,143</u>	<u>\$ 587</u>	<u>4.3%</u>	<u>\$ 2,101</u>	<u>17.3%</u>
Net interest income, FTE	\$ 14,382	\$ 13,803	\$ 12,370	\$ 579	4.2%	\$ 2,012	16.3%
Net interest margin	3.37%	3.23%	2.82%	+14 bps		+55 bps	
Provision for credit losses	\$ -	\$ -	\$ (285)	\$ -	NM	\$ 285	100%
Total non-interest income	\$ 3,473	\$ 3,351	\$ 3,394	\$ 122	3.6%	\$ 79	2.3%
Total non-interest expense	\$ 11,975	\$ 11,006	\$ 9,982	\$ 969	8.8%	\$ 1,993	20.0%
Net income for common shareholders	\$ 4,693	\$ 4,842	\$ 4,875	\$ (149)	(3.1%)	\$ (182)	(3.7%)
Weighted average shares outstanding - basic	3,976,190	3,994,144	4,055,843	(17,954)	(0.4%)	(79,653)	(2.0%)
Weighted average shares outstanding - diluted	3,983,535	4,001,832	4,068,164	(18,297)	(0.5%)	(84,629)	(2.1%)
Basic earnings per share	\$ 1.18	\$ 1.21	\$ 1.20	\$ (0.03)	(2.5%)	\$ (0.02)	(1.7%)
Diluted earnings per share	\$ 1.18	\$ 1.21	\$ 1.20	\$ (0.03)	(2.5%)	\$ (0.02)	(1.5%)
Adjusted net income ⁽¹⁾	\$ 4,675	\$ 4,842	\$ 4,902	\$ (167)	(3.4%)	\$ (227)	(4.6%)
Adjusted basic earnings per share ⁽¹⁾	\$ 1.18	\$ 1.21	\$ 1.21	\$ (0.03)	(2.5%)	\$ (0.03)	(2.5%)
Adjusted diluted earnings per share ⁽¹⁾	\$ 1.18	\$ 1.21	\$ 1.21	\$ (0.03)	(2.5%)	\$ (0.03)	(2.5%)

⁽¹⁾ See Non-GAAP Financial Measures

NM -Not meaningful

Net income for the fourth quarter of 2025 decreased \$182,000, or 3.7%, compared to the year-earlier quarter. The decrease, primarily driven by a 20.0% increase in non-interest expense related to strategic investments in personnel, was offset in part by an increase of 17.3% in net interest income. Growth in net interest income was the direct result of the Company’s deliberate balance sheet management strategy, significantly reducing interest expense by eliminating higher-cost borrowings and improving the Company’s liability mix compared to the year-earlier quarter. The Company’s net interest margin expanded for the eighth consecutive quarter due to the easing of deposit cost pressures and reduced reliance on non-core funding as compared to the fourth quarter of 2024. Total non-interest expense increased \$2.0 million, or 20.0%, compared to the fourth quarter of 2024, primarily due to an increase in salaries and employee benefits expense of \$2.0 million. The increase in salaries

and employee benefits expenses was driven by annual salary adjustments, key hires supporting the Company's strategic growth initiatives, and planned investments in 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 \$79,000, or 2.3%, compared to the prior-year quarter, while adjusted non-interest income increased by \$18,000.

Net income for the fourth quarter of 2025 was down from the sequential third quarter by \$149,000, or 3.1%, driven by increased non-interest expense, partially offset by an increase in net interest income. Net interest income continued its positive trend, increasing from the prior quarter as the net interest margin grew by fourteen basis points to 3.37%. The increase in non-interest expense compared to the prior quarter's results was primarily due to the timing of those previously mentioned planned personnel investments. The efficiency ratio increased to 66.74% from 63.73% in the prior quarter.

Balance Sheet Trends

(\$ in thousands)	For the three months ended			4Q25 vs. 3Q25		4Q25 vs. 4Q24	
	12/31/2025	9/30/2025	12/31/2024	Change	% Change	Change	% Change
Total assets	\$ 1,787,973	\$ 1,745,176	\$ 1,765,311	\$ 42,797	2.5%	\$ 22,662	1.3%
Total liabilities	1,616,350	1,580,984	1,627,638	35,366	2.2%	(11,288)	(0.7%)
Total shareholders' equity	171,623	164,192	137,673	7,431	4.5%	33,950	24.7%
Securities	582,267	580,555	615,233	1,712	0.3%	(32,966)	(5.4%)
Loans, net of deferred fees	1,005,688	1,015,365	998,818	(9,677)	(1.0%)	6,870	0.7%
Deposits	1,593,259	1,558,329	1,603,621	34,930	2.2%	(10,362)	(0.6%)
Borrowings	-	-	-	-	0.0%	-	0.0%

For the fourth quarter of 2025, investment securities increased by \$1.7 million from the sequential third quarter to \$582 million, or 32.6% of total assets, and decreased \$33.0 million from \$615 million, or 34.9% of total assets, from the fourth quarter of 2024. The decrease in loan balances in the fourth quarter was due to scheduled commercial real estate loan payoffs and line of credit reductions coupled with the bank's focus on a disciplined lending strategy to maintain overall loan quality criteria. Outstanding loan balances were down \$9.7 million, or 1.0%, from the sequential third quarter to \$1.006 billion but grew \$6.9 million, or 0.7%, from the fourth quarter of 2024.

Total deposits increased \$34.9 million, or 2.2%, from the sequential third quarter to \$1.593 billion, but decreased \$10.4 million, or 0.6%, from the fourth quarter of 2024. The increase in deposits compared to the sequential quarter was the result of an increase in municipal deposits of \$25.7 million and other deposits of \$19.6 million, representing a typical seasonal influx of municipal deposits in the fourth quarter, partially offset by a decline in core deposits of \$9.2 million. The year-over-year decrease was a \$17.6 million decrease in core deposits, partly offset by an increase of \$24.0 million in municipal deposits that allowed the Company to strategically exit \$39.3 million in higher-cost brokered deposits.

For the fourth quarter of 2025, total shareholders' equity increased by \$7.4 million from the sequential third quarter to \$171.6 million and grew \$34.0 million from the fourth of 2024. The increase in total shareholders' equity from the third quarter of 2025 was primarily driven by net income of \$4.7 million and a positive change of \$4.2 million in accumulated other comprehensive income, offset in part by dividends paid of \$1.2 million and stock repurchases of \$367,000. 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 \$4.2 million, net of tax. The improvement in the value of the available-for-sale securities portfolio was driven by a decrease in market interest rates coupled with ongoing maturity roll-off of the portfolio compared to the sequential third quarter. The book value per share improved 4.7% from the sequential third quarter to \$43.17 and increased 26.7% compared to the fourth quarter of 2024, reflecting the tangible shareholder value created by the bank's disciplined balance sheet strategy.

Asset Quality

(\$ in thousands)	For the three months ended			4Q25 vs. 3Q25		4Q25 vs. 4Q24	
	12/31/2025	9/30/2025	12/31/2024	Change	% Change	Change	% Change
Allowance for credit losses to total loans	0.80%	0.80%	0.80%	0 bps		0 bps	
Provision for credit losses	\$ -	\$ -	\$ (285)	\$ 0	NM	\$ 285	NM
Net charge-offs to average loans, annualized	0.01%	0.01%	(0.01%)	0 bps		+2 bps	
Total non-performing loans to total loans	0.16%	0.13%	0.13%	+3 bps		+3 bps	
Total non-performing loans	\$ 1,573	\$ 1,291	\$ 1,344	\$ 282	21.8%	\$ 229	17.0%
Total non-performing assets	\$ 1,795	\$ 1,513	\$ 1,344	\$ 282	18.6%	\$ 451	33.6%
<i>NM – Not meaningful</i>							

Non-performing loans were \$1.6 million, or 0.16% of total loans, up from \$1.3 million, or 0.13% of total loans, in the sequential third quarter and were up from \$1.3 million, or 0.13% of total loans, compared with the fourth quarter of 2024. Net charge-offs to average loans were 0.01% for the fourth quarter of 2025 compared with 0.01% for the sequential quarter and (0.01%) for the fourth quarter of 2024. Provision credit of \$85,000 was recorded to the allowance for credit losses for loans during the fourth quarter of 2025. The allowance for credit losses represented 0.80% of total loans outstanding for the fourth quarter of 2025 compared with 0.80% for the sequential third quarter and 0.80% for the fourth quarter of 2024. The allowance for credit losses for unfunded commitments increased to \$665,000, or 0.25% of total unfunded commitments, for the fourth quarter of 2025 compared with 0.22% for the sequential third quarter and increased from \$605,000, or 0.20% of total unfunded commitments, for the fourth quarter of 2024. Overall, the Company's asset quality metrics remained strong and stable during the quarter, reflecting a continued disciplined approach to credit risk management in the current economic environment, and compare favorably to peer group averages.

Capital Management Initiatives

(\$ in thousands, except per share data)	For the three months ended						
	12/31/2025	9/30/2025	12/31/2024	4Q25 vs. 3Q25		4Q25 vs. 4Q24	
				Change	% Change	Change	% Change
Tangible common stockholders' equity to tangible assets	9.14%	8.93%	7.32%	+21 bps		+182 bps	
Leverage capital ratio	10.86%	10.68%	9.91%	+18 bps		+95 bps	
Tier 1 capital ratio	17.49%	17.15%	16.41%	+34 bps		+108 bps	
Total Risk-based capital ratio	18.27%	17.92%	17.17%	+35 bps		+110 bps	
Total shares repurchased	8,097	16,690	32,500	(8,593)	(51.5%)	(24,403)	(75.1%)
Average repurchase price per share	\$ 45.36	\$ 42.82	\$ 34.68	\$ 2.54	5.9%	\$ 10.68	30.8%

First Farmers' capital ratios improved compared to the sequential quarter and fourth quarter of 2024 and 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 fourth quarter of 2025, First Farmers repurchased 8,097 shares of the Company's common stock in the open market and in privately negotiated transactions at an average price of \$45.36 with prices ranging from \$42.00 to \$46.00 per share in accordance with the Company's stock repurchase program. Fourth quarter 2025 stock repurchases decreased 51.5% compared to the sequential third quarter and were down 75.1% compared to the year-earlier quarter. First Farmers' Board of Directors reauthorized the stock repurchase program of up to 200,000 shares through December 2026.

Twelve Months Results

(\$ in thousands, except per share data)	For the twelve months ended			
	12/31/2025	12/31/2024	YTD 2025 vs. YTD 2024	
			Change	% Change
Net interest income	\$ 53,602	\$ 45,061	\$ 8,541	19.0%
Provision for credit losses	325	(160)	485	(303.1%)
Non-interest income	13,961	13,829	132	1.0%
Non-interest expense	44,466	39,598	4,868	12.3%
Net income	18,621	16,035	2,586	16.1%
Basic earnings per share	4.65	3.90	0.75	19.2%
Adjusted net income ⁽¹⁾	18,066	15,901	2,165	13.6%
Adjusted basic earnings per share ⁽¹⁾	4.51	3.87	0.64	16.5%

⁽¹⁾ See Non-GAAP Financial Measures

For the twelve months ended December 31, 2025, First Farmers reported record net income of \$18.6 million, or \$4.65 per share, compared with \$16.0 million, or \$3.90 per share, in the same period of 2024. The change reflects historic 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 twelve months ended December 31, 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 \$485,000 primarily driven by provision expense of \$325,000 recorded in the first quarter of 2025 due to an increase in loans

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rated for closer monitoring. Non-interest expense grew \$4.9 million for the twelve months ended December 31, 2025, driven primarily by strategic investments in personnel and technology, including increases in salaries expense of \$2.0 million, performance-based incentives and benefits of \$1.7 million, and data processing and software support of \$548,000.

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 December 31, 2025, First Farmers reported total assets of approximately \$1.8 billion, total shareholders' equity of approximately \$172 million, and administered trust assets of \$6.8 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			Twelve Months Ended	
	December 31,		September 30,	December 31,	
	2025	2024	2025	2025	2024
Total non-interest income	\$ 3,473	\$ 3,394	\$ 3,351	\$ 13,961	\$ 13,829
Loss on sale of securities	-	-	-	-	26
(Gain) loss on equity securities	(25)	36	-	(136)	(55)
Gain on redemption of bank-owned life insurance	-	-	-	(288)	(2)
Gain on disposal of premises and equipment	-	-	-	(225)	(149)
Adjusted non-interest income	<u>\$ 3,448</u>	<u>\$ 3,430</u>	<u>\$ 3,351</u>	<u>\$ 13,312</u>	<u>\$ 13,649</u>
Total non-interest expense	\$ 11,975	\$ 9,982	\$ 11,006	\$ 44,466	\$ 39,598
Net income as reported	\$ 4,693	\$ 4,875	\$ 4,842	\$ 18,621	\$ 16,035
Total adjustments, net of tax ¹	(18)	27	-	(555)	(134)
Adjusted net income	<u>\$ 4,675</u>	<u>\$ 4,902</u>	<u>\$ 4,842</u>	<u>\$ 18,066</u>	<u>\$ 15,901</u>
Basic earnings per share	\$ 1.18	\$ 1.20	\$ 1.21	\$ 4.65	\$ 3.90
Total adjustments, net of tax ¹	-	0.01	-	(0.14)	(0.03)
Adjusted basic earnings per share	<u>\$ 1.18</u>	<u>\$ 1.21</u>	<u>\$ 1.21</u>	<u>\$ 4.51</u>	<u>\$ 3.87</u>
Diluted earnings per share	\$ 1.18	\$ 1.20	\$ 1.21	\$ 4.64	\$ 3.89
Total adjustments, net of tax ¹	-	0.01	-	(0.14)	(0.03)
Adjusted diluted earnings per share	<u>\$ 1.18</u>	<u>\$ 1.21</u>	<u>\$ 1.21</u>	<u>\$ 4.50</u>	<u>\$ 3.86</u>

(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

		(unaudited) December 31, 2025	December 31, 2024 ⁽¹⁾
		(\$ in thousands, except per share data)	
ASSETS			
	Cash and due from banks	\$ 22,903	\$ 26,034
	Interest-bearing deposits	79,477	20,493
	Federal funds sold	80	86
	Total cash and cash equivalents	<u>102,460</u>	<u>46,613</u>
	Securities:		
	Available-for-sale	556,275	588,523
	Held-to-maturity (fair market value \$23,383 and \$23,382)	23,678	24,532
	Equity securities	2,314	2,178
	Loans held-for-sale	887	-
	Loans, net of deferred fees	1,005,688	998,818
	Allowance for credit losses	<u>(8,037)</u>	<u>(7,952)</u>
	Net loans	997,651	990,866
	Bank premises and equipment, net	28,803	29,094
	Bank-owned life insurance	36,129	36,672
	Goodwill	9,018	9,018
	Deferred tax asset	14,691	22,795
	Other assets	<u>16,067</u>	<u>15,020</u>
	TOTAL ASSETS	<u><u>\$ 1,787,973</u></u>	<u><u>\$ 1,765,311</u></u>
LIABILITIES			
	Deposits:		
	Noninterest-bearing	\$ 484,552	\$ 482,398
	Interest-bearing	<u>1,108,707</u>	<u>1,121,223</u>
	Total deposits	1,593,259	1,603,621
	Accounts payable and accrued liabilities	<u>23,091</u>	<u>24,017</u>
	TOTAL LIABILITIES	<u><u>1,616,350</u></u>	<u><u>1,627,638</u></u>
SHAREHOLDERS' EQUITY			
	Common stock - \$10 par value per share, 8,000,000 shares authorized; 3,972,865 and 4,039,445 shares issued and outstanding as of the periods presented	39,729	40,394
	Retained earnings	164,267	152,268
	Additional paid-in-capital	156	85
	Accumulated other comprehensive loss	<u>(32,624)</u>	<u>(55,169)</u>
	Total shareholders' equity attributable to First Farmers and Merchants Corporation	<u>171,528</u>	<u>137,578</u>
	Noncontrolling interest - preferred stock of subsidiary	<u>95</u>	<u>95</u>
	TOTAL SHAREHOLDERS' EQUITY	<u><u>171,623</u></u>	<u><u>137,673</u></u>
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>\$ 1,787,973</u></u>	<u><u>\$ 1,765,311</u></u>

⁽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 December 31,		Twelve Months Ended December 31,	
		2025	2024	2025	2024
<i>(dollars in thousands, except per share data)</i>					
INTEREST AND DIVIDEND INCOME	Interest and fees on loans	\$ 14,439	\$ 13,900	\$ 55,996	\$ 56,417
	Income on investment securities				
	Taxable interest	2,235	2,027	8,601	8,401
	Exempt from federal income tax	410	431	1,682	1,762
	Interest from federal funds sold and other	485	467	1,530	1,551
	Total interest income	17,569	16,825	67,809	68,131
INTEREST EXPENSE	Interest on deposits	3,325	4,411	14,100	17,037
	Interest on other borrowings	-	271	107	6,033
	Total interest expense	3,325	4,682	14,207	23,070
	Net interest income	14,244	12,143	53,602	45,061
	Provision for credit losses	-	(285)	325	(160)
	Net interest income after provision	14,244	12,428	53,277	45,221
NON-INTEREST INCOME	Mortgage banking activities	96	45	186	167
	Wealth management and trust services fees	1,258	1,203	4,794	4,707
	Service fees on deposit accounts	1,617	1,711	6,382	6,881
	Investment services fee income	127	100	487	393
	Earnings on bank-owned life insurance	168	181	677	670
	Gain on disposal of premises and equipment	-	-	225	149
	Loss on sale of available-for-sale securities	-	-	-	(26)
	Gain (loss) on equity securities	25	(36)	136	55
	Gain on redemption of bank-owned life insurance	-	-	288	2
	Other non-interest income	182	190	786	831
	Total non-interest income	3,473	3,394	13,961	13,829
NON-INTEREST EXPENSE	Salaries and employee benefits	7,371	5,400	26,192	22,312
	Net occupancy expense	735	559	2,696	2,318
	Depreciation expense	424	409	1,652	1,630
	Data processing expense	642	581	2,515	2,308
	Software support and other computer expense	1,229	1,219	4,939	4,598
	Legal and professional fees	113	274	910	862
	Audits and exams expense	193	174	775	706
	Advertising and promotions	251	324	891	946
	FDIC insurance premium expense	203	204	804	899
	Other non-interest expense	806	830	3,076	3,003
	Total non-interest expense	11,967	9,974	44,450	39,582
	Income before provision for income taxes	5,750	5,848	22,788	19,468
	Provision for income taxes	1,049	965	4,151	3,417
	Net income	4,701	4,883	18,637	16,051
	Noncontrolling interest - dividends on preferred stock subsidiary	8	8	16	16
	Net income available to common shareholders	\$ 4,693	\$ 4,875	\$ 18,621	\$ 16,035
	Weighted average shares outstanding - basic	3,976,190	4,055,843	4,008,694	4,109,510
	Weighted average shares outstanding - diluted	3,983,535	4,068,164	4,016,039	4,121,831
	Earnings per share	\$ 1.18	\$ 1.20	\$ 4.65	\$ 3.90
	Diluted earnings per share	\$ 1.18	\$ 1.20	\$ 4.64	\$ 3.89

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

For the three months ended

(\$ in thousands, except per share data)

	12/31/2025	9/30/2025	6/30/2025	3/31/2025	12/31/2024
Results of Operations:					
Interest income	\$ 17,569	\$ 17,331	\$ 16,598	\$ 16,311	\$ 16,825
Interest expense	3,325	3,674	3,529	3,679	4,682
Net interest income	14,244	13,657	13,069	12,632	12,143
Provision (credit) for credit losses	-	-	-	325	(285)
Non-interest income	3,473	3,351	3,655	3,481	3,394
Non-interest expense and non-controlling interest – preferred stock of subsidiary	11,975	11,006	11,045	10,440	9,982
Income before income taxes	5,742	6,002	5,679	5,348	5,840
Income taxes	1,049	1,160	1,054	887	965
Net income for common shareholders	\$ 4,693	\$ 4,842	\$ 4,625	\$ 4,461	\$ 4,875
Per Share Data:					
Basic earnings per share	\$ 1.18	\$ 1.21	\$ 1.15	\$ 1.11	\$ 1.20
Diluted earnings per share	\$ 1.18	\$ 1.21	\$ 1.15	\$ 1.10	\$ 1.20
Book value per share	\$ 43.17	\$ 41.22	\$ 39.02	\$ 36.85	\$ 34.06
Weighted average shares outstanding per quarter - basic	3,976,190	3,994,144	4,013,067	4,034,047	4,055,843
Weighted average shares outstanding per quarter - diluted	3,983,535	4,001,832	4,020,755	4,042,108	4,068,164
Financial Condition Data and Ratios:					
Total securities	\$ 582,267	\$ 580,555	\$ 589,905	\$ 609,098	\$ 615,233
Available-for-sale securities, fair market value	\$ 556,275	\$ 554,123	\$ 562,764	\$ 581,649	\$ 588,523
Available-for-sale securities, amortized cost	\$ 601,126	\$ 604,742	\$ 620,335	\$ 646,319	\$ 663,980
Loans, net of deferred fees	\$ 1,005,688	\$ 1,015,365	\$ 1,004,340	\$ 1,003,200	\$ 998,818
Allowance for credit losses	\$ (8,037)	\$ (8,160)	\$ (8,196)	\$ (8,236)	\$ (7,952)
Total assets	\$ 1,787,973	\$ 1,745,176	\$ 1,745,297	\$ 1,777,078	\$ 1,765,311
Total deposits	\$ 1,593,259	\$ 1,558,329	\$ 1,566,383	\$ 1,605,898	\$ 1,603,621
Net interest income, on a fully taxable-equivalent basis	\$ 14,382	\$ 13,803	\$ 13,201	\$ 12,935	\$ 12,370
Net interest margin	3.37%	3.23%	3.14%	3.02%	2.82%
Efficiency	66.74%	63.73%	66.34%	66.74%	61.20%
Asset Quality Data and Ratios:					
Total non-performing assets	\$ 1,795	\$ 1,513	\$ 1,319	\$ 1,281	\$ 1,344
Non-performing assets to total assets	0.10%	0.09%	0.08%	0.07%	0.08%
Allowance for credit losses to total loans	0.80%	0.80%	0.82%	0.82%	0.80%
Net charge-offs (recoveries) to average loans (annualized)	0.01%	0.01%	0.01%	0.00%	(0.01%)

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