

**FOR IMMEDIATE RELEASE**

**FIRST FARMERS & MERCHANTS CORPORATION REPORTS  
SHARP GAINS IN LOANS, INCOME AND DEPOSITS.**

**COLUMBIA, Tenn.**, August 18, 2008 – First Farmers & Merchants Corporation, the parent of First Farmers & Merchants Bank, has released financial results through June 30, 2008. The bank reported healthy gains in assets, loans and deposits since December 31, 2007.

At June 30, 2008, the consolidated total assets of First Farmers and Merchants Corporation (the “Corporation”) were \$879.6 million. This represents a 6.9 percent increase since December 31, 2007. Gross loans were \$534.5 million, total deposits were \$721.1 million and total shareholders' equity was \$103.3 million. The loan portfolio at June 30, 2008, reflected an increase of \$34.4 million, or 6.9 percent, and deposits increased \$22.2 million, or 3.2 percent compared to December 31, 2007.

Growth in loan volume during the six-month period was coupled with a substantial increase in non-interest income of 17.5 percent from \$5.8 million for the second quarter of 2007 to \$6.8 million for the second quarter of 2008.

“Thanks to strong support from the each of the communities we serve in Middle Tennessee, F&M Bank continues to provide excellent value to both its customers and its shareholders” said T. Randy Stevens, Chairman and CEO of F&M. “This value is built on three pillars that are at the core of our mission statement: relationships, commitment and leadership. Our financial results continue to reflect our unwavering dedication to community service – each of our employees believes that if you take care of the community, the community will take care of you.”

First Farmers and Merchants Bank is one of the largest independent community banks in Middle Tennessee. F&M Bank has nineteen full-service banking offices in seven counties in southern Middle Tennessee. For more information, visit [www.fandmbank.com](http://www.fandmbank.com).

***About First Farmers & Merchants Bank***

*Founded in 1909, First Farmers & Merchants Bank (Member FDIC) is one of the most successful independent banks in Tennessee, with total assets of nearly \$879 million and an additional \$2.7 billion in assets held by its Trust & Financial Management Department. Headquartered in Columbia, Tenn., the bank operates 19 offices in a seven county area in Middle Tennessee that includes Maury, Lawrence, Marshall, Hickman, Giles, Dickson and Williamson counties. It is distinguished by its commitment to traditional, personal banking relationships that incorporate state-of-the-art technology to provide the highest possible level of service. For additional information, visit [www.fandmbank.com](http://www.fandmbank.com) or call the main office at 931.388.3145.*

**MEDIA CONTACT**

Frank Limpus

C: 615/668-9938

E: [frank.limpus@jathinking.com](mailto:frank.limpus@jathinking.com)