



FOR IMMEDIATE RELEASE

**FIRST FARMERS & MERCHANTS REPORTS SOLID 2008 PERFORMANCE  
AT ANNUAL SHAREHOLDERS MEETING**

**COLUMBIA, Tenn., April 24, 2009** – At its 27<sup>th</sup> annual shareholders meeting, First Farmers & Merchants Corporation, the parent of First Farmers & Merchants Bank, reported financial performance for 2008 that yielded the second best year on record for the bank in net income and deposits and the best year ever in loans, assets and shareholder equity.

The bank also re-elected its slate of board members and announced that Chairman and CEO T. Randy Stevens has been named a Leader in Banking Excellence by the Tennessee Bankers Association (TBA).

At the end of 2008, First Farmers and Merchants Corporation reported consolidated total assets of approximately \$911 million, which represents an increase of 10.7 percent or \$88 million since December 31, 2007. Net loans were \$586.9 million, representing an increase of \$94.1 million, or 19.1 percent, over last year's loans during the same period. Total deposits increased \$45.9 million, or 6.6 percent, to \$744.9 million when compared to December 31, 2007. Total shareholders' equity increased to just over \$107 million with earnings per share up from \$1.51 to \$1.63. Net income was \$9.2 million, an increase of \$587,000 over the same period last year.

“These results speak volumes about our employees and how we mutually operate our bank,” said T. Randy Stevens, Chairman and CEO of First Farmers. “Results like these couldn’t be achieved without a dedicated staff of professional bankers. In difficult times, it takes adherence to proven processes and long-term philosophies -- in combination with employees who will go the extra mile in giving customers great service -- to realize such solid outcomes. And, once again, we’ve been blessed with customers who recognize this difference in banking with First Farmers... and they continue placing their financial trust in us. That’s truly gratifying.”

The announcement that Stevens had been named a Leader in Banking Excellence by the Tennessee Bankers Association came as a pleasant surprise to both Stevens and the audience. The award's purpose is to recognize exceptional bankers throughout Tennessee's history and meant that Stevens would be joining fellow First Farmers bankers Virgil H. Moore, Jr. and Waymon L. Hickman in receiving the distinction. A more formal induction ceremony is to be held in August at the TBA where a special plaque will be hung in Steven's honor.

In addition to enacting the bank's financial business, the current slate of board members was approved and Stevens spoke briefly about the bank's 100<sup>th</sup> anniversary, which will be celebrated at events throughout the remainder of 2009.

"In today's financial marketplace, few institutions are successful enough in building and maintaining long-term business and personal relationships," Stevens said. "Even fewer are fortunate enough to remain independent and vibrant for 100 years. From time to time through the year, we're going to highlight what that means to us. No question, we've succeeded because of great employees, loyal customers, great board leadership and committed shareholders. I'm sure we'll be here for one hundred more."

On Friday, July 24, all of First Farmers offices will hold special events for customers to thank them for their continued support.

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***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 approximately \$911 million and deposits in excess of \$744 million. An additional \$2.7 billion in assets is 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, and 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.*

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