



**FIRST FARMERS & MERCHANTS CORPORATION ANNOUNCES
116TH CONSECUTIVE DIVIDEND**

COLUMBIA, Tenn., (March 3, 2010) – First Farmers & Merchants Corporation, the parent of First Farmers & Merchants Bank, announced that it has paid its 116th consecutive semi-annual dividend to shareholders in the amount of \$0.37 per share.

The dividend equates to a payout of \$2,037,587 to over 2,300 shareholders and is the 57th consecutive increase in semi-annual dividends.

“We’re grateful that so many people trust us with their hard-earned money and, in turn, that we’re able to repay that confidence with a competitive dividend, especially in these times,” said T. Randy Stevens, chairman and chief executive officer, First Farmers & Merchants Bank. “I believe it’s the result of a conservative board and management philosophy, the hard work of our employees and some smart strategic moves we’ve made over the last few years that have helped us keep First Farmers a safe and secure investment for shareholders.”

The dividend comes on the heels of the outstanding performance First Farmers saw in 2008. That year was the bank’s second best year on record for both net income and deposits and the best year ever in loans, assets and shareholder equity. In 2009, the bank celebrated its 100th anniversary, a milestone matched by few banks in today’s marketplace.

First Farmers & Merchants Bank created a holding company in 1982 and has paid a semi-annual dividend since its inception. Prior to the holding company, the Bank paid dividends for many years to its shareholders. Since 2002, the bank has returned \$29.4 million of profit in dividends to shareholders in the bank’s seven-county service area (Maury, Lawrence, Giles, Pulaski, Hickman, Dickson and Williamson counties) and beyond.

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 \$935 million and deposits in excess of \$772 million. An additional \$2.7 billion in assets is held by its Trust & Financial Management Department. Headquartered in Columbia, Tenn., the bank operates 17 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.myfirstfarmers.com or call the main office at 931.388.3145.

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