



FOR IMMEDIATE RELEASE

**FIRST FARMERS & MERCHANTS CORPORATION ANNOUNCES
SOLID PERFORMANCE FOR 2009**

COLUMBIA, Tenn., April 22, 2010 – Amid a sluggish economy that has been called the “Great Recession,” First Farmers & Merchants Corporation, the parent of Columbia, Tennessee-based First Farmers & Merchants Bank, reported solid financial performance for 2009.

At its 28th annual shareholders meeting, the bank presented a summary of the year’s financials, marked the culmination of its year-long 100th anniversary celebration and elected its slate of board members. It also reported on its brand change from “F&M Bank” to “First Farmers,” a process begun in 2009 and completed in January 2010.

At the end of 2009, First Farmers and Merchants Corporation reported an increase of consolidated total assets of \$23.9 million, or 2.6% percent, to approximately \$935.0 million compared to December 31, 2008. Net loans were \$567.7 million, representing a decrease of \$19.2 million, or 3.3% percent compared to loans during the same period in 2008. Total deposits increased \$27.5 million, or 3.7% percent, to \$772.3 million when compared to December 31, 2008. Total shareholders' equity slipped 0.1% from \$107.3 million to \$107.2 million, with earnings per share down from \$1.63 to \$1.53. Consolidated net income decreased 8.1%, or \$744,000, to \$8.46 million when compared to the same period last year.

“With most of the banking industry in distress, First Farmers kept our customers’ investments safe and sound, thanks to the leadership of our Board and management team, the continued dedication of our loyal employees and adherence to a banking philosophy that has served us well for 100 years,” said T. Randy Stevens, Chairman and CEO of First Farmers. “The year was challenging, to say the least. But if you look back on the history of this bank, you can see a number of defining moments when the people of First Farmers met great challenges head on and carried the bank’s customers safely through some pretty

First Farmers & Merchants Bank, Member FDIC

816 S. Garden St. • P.O. Box 1148 Columbia, TN 38402 • (931) 388-3145 or (800) 882-8378 • www.myfirstfarmers.com

tough storms. This past year was one of those moments when the bank revealed its strong, enduring character. That's why customers continue to place their trust in us."

In 2009, First Farmers opened two of its newest banking centers -- one in Franklin (Cool Springs office) and one in Columbia (Northside office). The bank also celebrated its 100th anniversary with a number of customer and employee events that recognized the July 26, 2009 milestone.

In addition to enacting the bank's financial business during the meeting, the proposed slate of board members was approved, with two new members being elected by the shareholders -- Dalton M. Mounger, an attorney in private practice in Columbia and current member of the First Farmers Advisory Board of Maury County, and Jonathan M. Edwards, president and CEO of Lawrenceburg-based Edwards Group of Companies, and a member of the First Farmers Advisory Board of Lawrence County.

The Board also recognized W. Donald Wright, who was transitioning off the Board of Directors. He and his wife, Marilyn, were honored for his Board service to the bank since 1982.

Stevens also spoke briefly about the bank's new brand and its history.

"We felt that after recognizing our 100-year milestone, it was time to mark the beginning of our second century of service with a new logo underscoring a renewed commitment to strong relationships, community service, financial strength and stability," Stevens said. "I think given all that has been accomplished this year despite great headwinds, founder C.A. Brownlow would be proud of the bank he re-chartered in 1909 and all it stands for today. I'm excited for the future."

###

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.