

**FIRST FARMERS
COMMUNITY, INC.**

**SAMPLE ACQUISITION
ANALYSIS**

FIRST FARMERS COMMUNITY, INC.

This analysis uses financial data obtained from the Federal Reserve website for a bank holding company reporting on a consolidated basis (FR Y-9C).

The critical issue identified from the five-year history is the Company's credit quality. The assumption is that the lending practices that gave rise to the problem credits have been addressed and corrected; and that the acquirer can manage these issues while building on the seller's core loan portfolio and expanding its deposit base.

The price derived from this analysis is for the initial round of negotiations. The analysis could be revised and expanded based on discussions with the seller; internal financial data obtained prior to the letter of intent, or due diligence completed prior to the definitive agreement.

EXHIBITS

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EXHIBIT ONE FIVE YEAR HISTORY

Total assets have not grown over the past five years. This is attributable, primarily, to the decline in loans. Deposits increased at an annual rate of 2.8% driven by the money market balances.

First Farmers apparently experienced significant credit problems dating back to 2001. The provision for loan losses reached .88% of average total assets in 2002. The credit issues are readily apparent on page six where non-performing assets averaged 4.14% of the loan portfolio for the five years. The allowance for loan losses never provided adequate coverage. Significant write-offs were recorded every year.

EXHIBIT ONE

FIRST FARMERS COMMUNITY, INC.

BALANCE SHEETS

	2001	2002	2003	2004	2005	Increase 2004 - 05		Average Growth Rate
						\$s	%	
EARNING ASSETS								
Bank, interest-bearing deposits	\$0.200	\$0.292	\$0.203	\$0.002	\$0.002	\$0.000	0.0%	NM
Fed funds sold	0.130	2.100	2.740	4.343	7.528	3.185	73.3%	NM
Securities	50.679	49.332	70.238	79.713	72.467	(7.246)	-9.1%	8.1%
Loans	130.408	116.382	94.156	94.816	98.908	4.092	4.3%	-3.4%
EARNING ASSETS	\$181.417	\$168.106	\$167.337	\$178.874	\$178.905	\$0.031	0.0%	1.4%
OTHER ASSETS								
Allowance for loan losses	(2.767)	(3.085)	(2.644)	(2.520)	(2.096)	0.424	-16.8%	1.1%
Cash	5.107	6.119	4.636	4.269	4.017	(0.252)	-5.9%	-7.1%
Fixed assets	4.820	4.821	4.659	4.401	4.262	(0.139)	-3.2%	0.1%
Other real estate owned (OREO)	1.286	1.676	2.439	1.125	1.379	0.254	22.6%	16.2%
Goodwill	0.781	0.781	0.781	0.781	0.781	-	0.0%	54.8%
Intangibles	0.199	0.260	0.253	0.251	0.226	(0.025)	-10.0%	0.1%
Other assets	3.204	3.436	2.980	3.287	3.568	0.281	8.5%	11.1%
TOTAL ASSETS	\$194.047	\$182.114	\$180.441	\$190.468	\$191.042	\$0.574	0.3%	1.5%
DEPOSITS								
Demand deposits (DDA)	\$18.801	\$17.721	\$18.748	\$20.965	\$18.072	(\$2.893)	-13.8%	1.6%
NOW accounts	11.906	12.752	14.790	16.624	16.397	(0.227)	-1.4%	13.3%
Money market, savings	31.603	35.621	38.428	43.833	54.576	10.743	24.5%	21.8%
Certificates of deposit (CDs) < \$100k	70.222	61.166	54.917	51.915	48.971	(2.944)	-5.7%	-5.9%
Certificates of deposit (CDs) > \$100k	24.442	21.503	19.784	22.634	24.981	2.347	10.4%	-3.5%
TOTAL DEPOSITS	\$156.974	\$148.763	\$146.667	\$155.971	\$162.997	\$7.026	4.5%	2.8%
OTHER LIABILITIES								
Fed funds purchased	0.730	0.138	0.095	0.130	0.604	0.474	364.6%	25.5%
Borrowings	21.053	17.593	17.434	17.274	11.115	(6.159)	-35.7%	-12.2%
Other liabilities	0.800	0.632	0.536	0.503	0.490	(0.013)	-2.6%	-11.7%
TOTAL LIABILITIES	\$179.557	\$167.126	\$164.732	\$173.878	\$175.206	\$1.328	0.8%	1.2%
EQUITY								
Common stock	13.711	14.291	15.478	16.163	16.853	0.690	4.3%	5.3%
Accumulated adjustment	0.779	1.190	0.675	0.822	(0.672)	(1.494)	-181.8%	-240.9%
ESOP debt	-	(0.493)	(0.444)	(0.395)	(0.345)	0.050	-12.7%	36.4%
TOTAL COMMON EQUITY	\$14.490	\$14.988	\$15.709	\$16.590	\$15.836	(\$0.754)	-4.5%	3.9%
TOTAL LIAB. & EQUITY	\$194.047	\$182.114	\$180.441	\$190.468	\$191.042	\$0.574	0.3%	1.5%

EXHIBIT ONE

FIRST FARMERS COMMUNITY, INC.

BALANCE SHEETS - COMMON SIZED

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>Average</u>
EARNING ASSETS						
Bank, interest-bearing deposits	0.1%	0.2%	0.1%	0.0%	0.0%	0.1%
Fed funds sold	0.1%	1.2%	1.5%	2.3%	3.9%	1.8%
Securities	26.1%	27.1%	38.9%	41.9%	37.9%	34.4%
Loans	67.2%	63.9%	52.2%	49.8%	51.8%	57.0%
EARNING ASSETS	<u>93.5%</u>	<u>92.3%</u>	<u>92.7%</u>	<u>93.9%</u>	<u>93.6%</u>	<u>93.2%</u>
OTHER ASSETS						
Allowance for loan losses	-1.4%	-1.7%	-1.5%	-1.3%	-1.1%	-1.4%
Cash	2.6%	3.4%	2.6%	2.2%	2.1%	2.6%
Fixed assets	2.5%	2.6%	2.6%	2.3%	2.2%	2.5%
Other real estate owned (OREO)	0.7%	0.9%	1.4%	0.6%	0.7%	0.8%
Goodwill	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
Intangibles	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Other assets	1.7%	1.9%	1.7%	1.7%	1.9%	1.8%
TOTAL ASSETS	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
DEPOSITS						
Demand deposits (DDA)	9.7%	9.7%	10.4%	11.0%	9.5%	10.1%
NOW accounts	6.1%	7.0%	8.2%	8.7%	8.6%	7.7%
Money market, savings	16.3%	19.6%	21.3%	23.0%	28.6%	21.7%
Certificates of deposit (CDs) < \$100k	36.2%	33.6%	30.4%	27.3%	25.6%	30.6%
Certificates of deposit (CDs) > \$100k	12.6%	11.8%	11.0%	11.9%	13.1%	12.1%
TOTAL DEPOSITS	<u>80.9%</u>	<u>81.7%</u>	<u>81.3%</u>	<u>81.9%</u>	<u>85.3%</u>	<u>82.2%</u>
OTHER LIABILITIES						
Fed funds purchased	0.4%	0.1%	0.1%	0.1%	0.3%	0.2%
Borrowings	10.8%	9.7%	9.7%	9.1%	5.8%	9.0%
Other liabilities	0.4%	0.3%	0.3%	0.3%	0.3%	0.3%
TOTAL LIABILITIES	<u>92.5%</u>	<u>91.8%</u>	<u>91.3%</u>	<u>91.3%</u>	<u>91.7%</u>	<u>91.7%</u>
EQUITY						
Common stock	7.1%	7.8%	8.6%	8.5%	8.8%	8.2%
Accumulated adjustment	0.4%	0.7%	0.4%	0.4%	-0.4%	0.3%
ESOP debt	-	-0.3%	-0.2%	-0.2%	-0.2%	-0.2%
TOTAL LIAB. & EQUITY	<u>7.5%</u>	<u>8.2%</u>	<u>8.7%</u>	<u>8.7%</u>	<u>8.3%</u>	<u>8.3%</u>
TOTAL LIAB. & EQUITY	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

EXHIBIT ONE
FIRST FARMERS COMMUNITY, INC.
INCOME STATEMENTS
(millions)

	2001	2002	2003	2004	2005	Increase 2004 - 05		Annual Growth
						\$s	%	
INTEREST INCOME								
Interest revenue (TE) *	\$15.326	\$13.668	\$11.233	\$10.907	\$11.011	\$0.104	1.0%	-5.3%
Interest expense	8.150	6.136	4.628	4.233	4.789	0.556	13.1%	-9.0%
NET INTEREST INCOME (TE) *	\$7.176	\$7.532	\$6.605	\$6.674	\$6.222	(\$0.452)	-6.8%	-1.7%
Provision for loan losses	1.110	1.625	0.500	0.350	0.075	(0.275)	-78.6%	-42.3%
NON-INTEREST INCOME								
Trust services	0.040	0.014	0.015	0.025	0.013	(0.012)	-48.0%	1.6%
Service charges	0.719	0.767	0.737	0.729	0.647	(0.082)	-11.2%	-1.1%
Miscellaneous fees, commissions	0.183	(0.035)	(0.025)	0.033	0.052	0.019	57.6%	-33.7%
Other gains / (losses)	(0.009)	0.396	0.420	0.215	0.093	(0.122)	-56.7%	NM
Other non-interest income	0.414	0.476	0.453	0.374	0.408	0.034	9.1%	33.3%
NON-INTEREST INCOME	\$1.347	\$1.618	\$1.600	\$1.376	\$1.213	(\$0.163)	-11.8%	0.2%
Security gains / (losses)	0.181	0.334	0.538	(0.056)	0.010	0.066	-117.9%	-24.2%
NON-INTEREST EXPENSE								
Salaries and benefits	2.669	2.998	3.316	3.424	3.452	0.028	0.8%	8.8%
Occupancy	0.667	0.739	0.797	0.707	0.704	(0.003)	-0.4%	-1.5%
Other expenses	1.385	1.620	1.652	1.618	1.503	(0.115)	-7.1%	3.9%
NON-INTEREST EXPENSE	\$4.721	\$5.357	\$5.765	\$5.749	\$5.659	(\$0.090)	-1.6%	5.8%
NET BEFORE TAXES (TE)*	\$2.873	\$2.502	\$2.478	\$1.895	\$1.711	(\$0.184)	-9.7%	-7.9%
Provision for income taxes (TE) *	0.244	0.518	0.510	0.508	0.505	(0.003)	-0.5%	-12.3%
NET INCOME	\$2.629	\$1.984	\$1.968	\$1.387	\$1.206	(\$0.181)	-13.0%	-5.7%
Effective tax rate	8.5%	20.7%	20.6%	26.8%	29.5%			
Sub-chapter S election?	Yes	Yes	Yes	Yes	Yes			
NET INCOME - C-Corp equivalent	\$1.867	\$1.627	\$1.611	\$1.232	\$1.112	35.0%	Assumed tax rate	
Common dividends	\$1.939	\$1.405	\$0.781	\$0.703	\$0.515			
Common payout ratio	73.8%	70.8%	39.7%	50.7%	42.7%			

* adjusted to tax equivalent basis for tax exempt securities.

EXHIBIT ONE
FIRST FARMERS COMMUNITY, INC.
INCOME STATEMENTS - COMMON SIZED
% of Average Assets

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>Average</u>
INTEREST INCOME						
Interest revenue (TE) *	7.90%	7.39%	6.06%	5.70%	5.86%	6.58%
Interest expense	<u>4.20%</u>	<u>3.32%</u>	<u>2.50%</u>	<u>2.21%</u>	<u>2.55%</u>	<u>2.96%</u>
NET INTEREST INCOME (TE) *	3.70%	4.07%	3.56%	3.49%	3.31%	3.63%
Provision for loan losses	0.57%	0.88%	0.27%	0.18%	0.04%	0.39%
NON-INTEREST INCOME						
Trust services	0.02%	0.01%	0.01%	0.01%	0.01%	0.01%
Service charges	0.37%	0.41%	0.40%	0.38%	0.34%	0.38%
Miscellaneous fees, commissions	0.09%	-0.02%	-0.01%	0.02%	0.03%	0.02%
Other gains / (losses)	0.00%	0.21%	0.23%	0.11%	0.05%	0.12%
Other non-interest income	<u>0.21%</u>	<u>0.26%</u>	<u>0.24%</u>	<u>0.20%</u>	<u>0.22%</u>	<u>0.23%</u>
NON-INTEREST INCOME	0.69%	0.87%	0.86%	0.72%	0.65%	0.76%
Security gains / (losses)	0.09%	0.18%	0.29%	-0.03%	0.01%	0.11%
NON-INTEREST EXPENSE						
Salaries and benefits	1.38%	1.62%	1.79%	1.79%	1.84%	1.68%
Occupancy	0.34%	0.40%	0.43%	0.37%	0.37%	0.38%
Other expenses	<u>0.71%</u>	<u>0.88%</u>	<u>0.89%</u>	<u>0.85%</u>	<u>0.80%</u>	<u>0.83%</u>
NON-INTEREST EXPENSE	2.43%	2.90%	3.11%	3.01%	3.01%	2.89%
NET BEFORE TAXES (TE) *	1.48%	1.35%	1.34%	0.99%	0.91%	1.21%
Provision for income taxes (TE) *	0.13%	0.28%	0.28%	0.27%	0.27%	0.24%
NET INCOME	<u>1.36%</u>	<u>1.07%</u>	<u>1.06%</u>	<u>0.73%</u>	<u>0.64%</u>	<u>0.97%</u>
Average total assets	<u>\$193.939</u>	<u>\$184.977</u>	<u>\$185.331</u>	<u>\$191.192</u>	<u>\$187.896</u>	

* adjusted to tax equivalent basis for tax exempt securities.

EXHIBIT ONE
FIRST FARMERS COMMUNITY, INC.
LOAN PORTFOLIO
(millions)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>Average</u>
<u>LOAN PORTFOLIO</u>						
Land, construction	\$35.966	\$21.932	\$17.029	\$17.347	\$20.563	\$22.567
Commercial real estate	22.101	33.389	26.247	27.885	29.854	27.895
Commercial, industrial	26.929	15.778	15.007	16.441	15.217	17.874
Agricultural	0.514	1.115	1.368	0.857	0.990	0.969
Residential mortgages	29.205	30.251	23.059	20.212	19.116	24.369
Consumer	14.850	13.693	10.905	11.196	12.095	12.548
Other	0.843	0.224	0.541	0.878	1.073	0.712
TOTAL LOANS	<u>\$130.408</u>	<u>\$116.382</u>	<u>\$94.156</u>	<u>\$94.816</u>	<u>\$98.908</u>	<u>\$106.934</u>

COMPOSITION OF LOAN PORTFOLIO

Land, construction	27.6%	18.8%	18.1%	18.3%	20.8%	20.7%
Commercial real estate	16.9%	28.7%	27.9%	29.4%	30.2%	26.6%
Commercial, industrial	20.6%	13.6%	15.9%	17.3%	15.4%	16.6%
Agricultural	0.4%	1.0%	1.5%	0.9%	1.0%	0.9%
Residential mortgages	22.4%	26.0%	24.5%	21.3%	19.3%	22.7%
Consumer	11.4%	11.8%	11.6%	11.8%	12.2%	11.8%
Other	0.6%	0.2%	0.6%	0.9%	1.1%	0.7%
TOTAL LOANS	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

EXHIBIT ONE
FIRST FARMERS COMMUNITY, INC.
CREDIT QUALITY
(millions)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>Average</u>
PAST DUE, NON-PERFORMING ASSETS						
Loans 90 days past due	\$0.002	\$0.002	\$0.017	\$0.001	\$0.000	\$0.004
Non-accrual loans	\$0.994	\$5.137	\$2.187	\$3.392	\$2.353	\$2.813
Other Real Estate Owned (OREO)	1.286	1.676	2.439	1.125	1.379	1.581
NON-PERFORMING ASSETS	<u>\$2.280</u>	<u>\$6.813</u>	<u>\$4.626</u>	<u>\$4.517</u>	<u>\$3.732</u>	<u>\$4.394</u>
PAST DUE, NON-PERFORMING RATIOS						
Loans 90 days past due	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%
Non-accrual loans /Loans	0.76%	4.41%	2.32%	3.58%	2.38%	2.69%
Non-performing assets/(Loans plus OREO)	1.73%	5.77%	4.79%	4.71%	3.72%	4.14%
ALLOWANCE COVERAGE, NON-PERFORMING ASSETS						
Allowance for loan losses	\$2.767	\$3.085	\$2.644	\$2.520	\$2.096	\$2.622
Allowance/Loans	2.12%	2.65%	2.81%	2.66%	2.12%	2.47%
Allowance/Non-accruals	278%	60%	121%	74%	89%	125%
Allowance/Non-performing assets	121%	45%	57%	56%	56%	67%
<u>PROVISION, NET CHARGE-OFFS:</u>						
Provision for loan losses	\$1.110	\$1.625	\$0.500	\$0.350	\$0.075	
Loans charged-off	\$0.386	\$1.381	\$0.964	\$0.544	\$0.682	
Recoveries	(0.061)	(0.074)	(0.024)	(0.070)	(0.183)	
NET CHARGE-OFFS	<u>\$0.325</u>	<u>\$1.307</u>	<u>\$0.940</u>	<u>\$0.474</u>	<u>\$0.499</u>	
CHANGE TO ALLOWANCE	<u>\$0.785</u>	<u>\$0.318</u>	<u>(\$0.440)</u>	<u>(\$0.124)</u>	<u>(\$0.424)</u>	
Net charge-offs/Loans	<u>0.25%</u>	<u>1.12%</u>	<u>1.00%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.68%</u>

EXHIBIT ONE

FIRST FARMERS COMMUNITY, INC.

MISCELLANEOUS RATIOS

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	
GROWTH RATES						
Loans	10.9%	-10.8%	-19.1%	0.7%	4.3%	
Deposits	10.4%	-5.2%	-1.4%	6.3%	4.5%	
Assets	9.2%	-6.1%	-0.9%	5.6%	0.3%	
Income	62.7%	-24.5%	-0.8%	-29.5%	-13.0%	
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>Average</u>
BALANCE SHEET RATIOS						
Tangible Common Equity/Tang. Assets	7.4%	8.1%	8.6%	8.6%	8.2%	8.2%
Tier I Capital Ratio	6.7%	7.2%	7.9%	7.9%	8.2%	7.6%
Tier I risk based capital	8.8%	9.5%	11.6%	12.0%	12.2%	10.8%
Loans / Deposits	83.1%	78.2%	64.2%	60.8%	60.7%	69.4%
INCOME STATEMENT PERFORMANCE RATIOS						
Full-time Equivalent Employees (FTEs)	84	86	86	89	91	87
Assets / FTE	\$2.310	\$2.118	\$2.098	\$2.140	\$2.099	\$2.153 MM
Efficiency Ratio	55.4%	58.5%	70.3%	71.4%	76.1%	66.3%
INTEREST - YIELD, COST, SPREAD, MARGIN						
Yield on earning assets (TE)*	8.48%	7.96%	6.56%	6.09%	6.28%	7.08%
Cost of interest-bearing liabilities	5.12%	4.08%	3.09%	2.76%	3.18%	3.65%
YIELD / COST SPREAD (TE) *	<u>3.35%</u>	<u>3.88%</u>	<u>3.47%</u>	<u>3.33%</u>	<u>3.10%</u>	<u>3.43%</u>
Net interest margin (TE) *	<u>3.97%</u>	<u>4.39%</u>	<u>3.86%</u>	<u>3.73%</u>	<u>3.55%</u>	<u>3.90%</u>
RETURN ON COMMON EQUITY	<u>12.2%</u>	<u>10.5%</u>	<u>10.3%</u>	<u>7.4%</u>	<u>6.8%</u>	<u>9.4%</u>
(C-corp equivalent)						

* Adjusted to tax equivalent basis for tax exempt securities.

EXHIBITS TWO & THREE BASE YEAR CREDIT ADJUSTMENTS

The assumption is that the acquisition process moves forward at a reasonable pace so that the transaction is closed by year-end. The seller is given credit for retained earnings. The allowance for loan losses is increased to provide 100% coverage of non-accruals and OREO, as shown in EXHIBIT THREE. This adjustment reduces common equity and the related capital payout by \$1.1 million.

The return on assets (ROA) is reduced to .44% from .64% as the provision for loan losses is set at a sustainable level and the provision for taxes is set at the acquirer's rate.

EXHIBIT TWO

FIRST FARMERS COMMUNITY, INC.

BASE YEAR ADJUSTMENTS

(millions)	12/31/05	To	12/31/06	Adjustments		Total	Capital	Adjusted
	Reported	Close	Base	Credit	Other	Available	Payout	Base
EARNING ASSETS								
Bank, interest-bearing deposits	\$0.002		\$0.002			\$0.002		\$0.002
Fed funds sold	7.528	0.663 (a)	8.191			8.191	(1.658) (i)	6.533
Securities	72.467		72.467			72.467		72.467
Loans	98.908		98.908			98.908		98.908
EARNING ASSETS	\$178.905	\$0.663	\$179.568	\$0.000	\$0.000	\$179.568	(\$1.658)	\$177.910
OTHER ASSETS								
Allowance for loan losses	(2.096)		(2.096)	(1.636) (b)		(3.732)		(3.732)
Cash	4.017		4.017			4.017		4.017
Fixed assets	4.262		4.262		(0.150) (e)	4.112		4.112
Other real estate owned	1.379		1.379			1.379		1.379
Goodwill	0.781		0.781		(0.781) (f)	-		-
Intangibles	0.226		0.226			0.226		0.226
Other assets	3.568		3.568	0.573 (b)	0.293 (e)	4.433		4.433
TOTAL ASSETS	\$191.042	\$0.663	\$191.705	(\$1.063)	(\$0.639)	\$190.003	(\$1.658)	\$188.345
DEPOSITS								
Demand deposits (DDA)	\$18.072		\$18.072			\$18.072		\$18.072
NOW accounts	16.397		16.397			16.397		16.397
Money market, savings	54.576		54.576			54.576		54.576
Certificates of deposit (CDs) < \$100k	48.971		48.971			48.971		48.971
Certificates of deposit (CDs) > \$100k	24.981		24.981			24.981		24.981
TOTAL DEPOSITS	\$162.997	\$0.000	\$162.997	\$0.000	\$0.000	\$162.997	\$0.000	\$162.997
OTHER LIABILITIES								
Fed funds purchased	0.604		0.604			0.604		0.604
Borrowings	11.115		11.115		(0.345) (g)	10.770		10.770
Other liabilities	0.490		0.490		0.300 (e)	0.790		0.790
TOTAL LIABILITIES	\$175.206	\$0.000	\$175.206	\$0.000	(\$0.045)	\$175.161	\$0.000	\$175.161
EQUITY								
Common stock	16.853	0.663 (a)	17.516	(1.063) (b)	(1.611) (g)	14.842	(1.658) (i)	13.184
Accumulated adjustment	(0.672)		(0.672)		0.672 (g)	-		-
ESOP debt	(0.345)		(0.345)		0.345 (g)	-		-
TOTAL COMMON EQUITY	\$15.836	\$0.663	\$16.499	(\$1.063)	(\$0.594)	\$14.842	(\$1.658)	\$13.184
TOTAL LIAB. & EQUITY	\$191.042	\$0.663	\$191.705	(\$1.063)	(\$0.639)	\$190.003	(\$1.658)	\$188.345
Common equity	8.29%		8.61%			7.81%		7.00%
Tangible common equity	7.91%		8.23%			7.81%		7.00%

EXHIBIT TWO
FIRST FARMERS COMMUNITY, INC.
BASE YEAR ADJUSTMENTS
BALANCE SHEETS - COMMON SIZED

	<u>12/31/05</u> <u>Reported</u>	<u>12/31/06</u> <u>Base</u>	<u>Total</u> <u>Available</u>	<u>Adjusted</u> <u>Base</u>
EARNING ASSETS				
Bank, interest-bearing deposits	0.0%	0.0%	0.0%	0.0%
Fed funds sold	3.9%	4.3%	4.3%	3.5%
Securities	37.9%	37.8%	38.1%	38.5%
Loans	<u>51.8%</u>	<u>51.6%</u>	<u>52.1%</u>	<u>52.5%</u>
EARNING ASSETS	93.6%	93.7%	94.5%	94.5%
OTHER ASSETS				
Allowance for loan losses	-1.1%	-1.1%	-2.0%	-2.0%
Cash	2.1%	2.1%	2.1%	2.1%
Fixed assets	2.2%	2.2%	2.2%	2.2%
Other real estate owned	0.7%	0.7%	0.7%	0.7%
Goodwill	0.4%	0.4%	-	-
Intangibles	0.1%	0.1%	0.1%	0.1%
Other assets	<u>1.9%</u>	<u>1.9%</u>	<u>2.3%</u>	<u>2.4%</u>
TOTAL ASSETS	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
DEPOSITS				
Demand deposits (DDA)	9.5%	9.4%	9.5%	9.6%
NOW accounts	8.6%	8.6%	8.6%	8.7%
Money market, savings	28.6%	28.5%	28.7%	29.0%
Certificates of deposit (CDs) < \$100k	25.6%	25.5%	25.8%	26.0%
Certificates of deposit (CDs) > \$100k	<u>13.1%</u>	<u>13.0%</u>	<u>13.1%</u>	<u>13.3%</u>
TOTAL DEPOSITS	85.3%	85.0%	85.8%	86.5%
OTHER LIABILITIES				
Fed funds purchased	0.3%	0.3%	0.3%	0.3%
Borrowings	5.8%	5.8%	5.7%	5.7%
Other liabilities	<u>0.3%</u>	<u>0.3%</u>	<u>0.4%</u>	<u>0.4%</u>
TOTAL LIABILITIES	91.7%	91.4%	92.2%	93.0%
EQUITY				
Common stock	8.8%	9.1%	7.8%	7.0%
Accumulated adjustment	-0.4%	-0.4%	-	-
ESOP debt	<u>-0.2%</u>	<u>-0.2%</u>	<u>-</u>	<u>-</u>
TOTAL COMMON EQUITY	<u>8.3%</u>	<u>8.6%</u>	<u>7.8%</u>	<u>7.0%</u>
TOTAL LIABS. & EQUITY	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

EXHIBIT TWO
FIRST FARMERS COMMUNITY, INC.
BASE YEAR ADJUSTMENTS
INCOME STATEMENTS
(millions)

	<u>12/31/05</u> <u>Reported</u>	<u>To</u> <u>Close</u>	<u>12/31/06</u> <u>Base</u>	<u>Adjustments</u>		<u>Total</u> <u>Available</u>	<u>Capital</u> <u>Payout</u>	<u>Adjusted</u> <u>Base</u>
				<u>Credit</u>	<u>Other</u>			
INTEREST INCOME								
Interest revenue (TE) *	\$11.011	\$0.027 (a)	\$11.038			\$11.038	(\$0.066) (i)	\$10.971
Interest expense	4.789		4.789			4.789		4.789
NET INTEREST INCOME (TE) *	\$6.222	\$0.027	\$6.249	\$0.000	\$0.000	\$6.249	(\$0.066)	\$6.182
Provision for loan losses	0.075		0.075	0.342 (b)		0.417		0.417
NON-INTEREST INCOME			-			-		-
Trust services	0.013		0.013			0.013		0.013
Service charges	0.647		0.647			0.647		0.647
Miscellaneous fees, commissions	0.052		0.052			0.052		0.052
Other gains / (losses)	0.093		0.093	(0.093) (c)		-		-
Other non-interest income	0.408		0.408			0.408		0.408
NON-INTEREST INCOME	\$1.213	\$0.000	\$1.213	(\$0.093)	\$0.000	\$1.120	\$0.000	\$1.120
Security gains / (losses)	0.010		0.010	(0.010) (c)		-		-
NON-INTEREST EXPENSE								
Salaries and benefits	3.452		3.452			3.452		3.452
Occupancy	0.704		0.704			0.704		0.704
Other expenses	1.503		1.503		(0.030) (e)	1.473		1.473
NON-INTEREST EXPENSE	\$5.659	\$0.000	\$5.659	\$0.000	(\$0.030)	\$5.629	\$0.000	\$5.629
NET BEFORE TAXES (TE)*	\$1.711	\$0.027	\$1.738	(\$0.445)	\$0.030	\$1.323	(\$0.066)	\$1.257
Provision for income taxes (TE)*	0.505	0.009 (a)	0.514	(0.132) (d)	0.080 (h)	0.463	(0.023) (i)	0.440
NET INCOME	\$1.206	\$0.017	\$1.223	(\$0.313)	(\$0.050)	\$0.860	(\$0.043)	\$0.817
Effective tax rate	29.5%		29.6%			35.0%		35.0%

* Adjusted to tax equivalent basis for tax exempt securities.

EXHIBIT TWO
FIRST FARMERS COMMUNITY, INC.
BASE YEAR ADJUSTMENTS
INCOME STATEMENTS - COMMON SIZED

% of Average Assets

	<u>12/31/05</u> <u>Reported</u>	<u>12/31/06</u> <u>Base</u>	<u>Total</u> <u>Available</u>	<u>Adjusted</u> <u>Base</u>
INTEREST INCOME				
Interest revenue (TE) *	5.86%	5.85%	5.91%	5.92%
Interest expense	2.55%	2.54%	2.56%	2.59%
NET INTEREST INCOME (TE) *	<u>3.31%</u>	<u>3.31%</u>	<u>3.34%</u>	<u>3.34%</u>
Provision for loan losses	0.04%	0.04%	0.22%	0.22%
NON-INTEREST INCOME				
Trust services	0.01%	0.01%	0.01%	0.01%
Service charges	0.34%	0.34%	0.35%	0.35%
Miscellaneous fees, commissions	0.03%	0.03%	0.03%	0.03%
Other gains / (losses)	0.05%	0.05%	0.00%	0.00%
Other non-interest income	0.22%	0.22%	0.22%	0.22%
NON-INTEREST INCOME	<u>0.65%</u>	<u>0.64%</u>	<u>0.60%</u>	<u>0.60%</u>
Security gains / (losses)	0.01%	0.01%	0.00%	0.00%
NON-INTEREST EXPENSE				
Salaries and benefits	1.84%	1.83%	1.85%	1.86%
Occupancy	0.37%	0.37%	0.38%	0.38%
Other expenses	0.80%	0.80%	0.79%	0.80%
NON-INTEREST EXPENSE	<u>3.01%</u>	<u>3.00%</u>	<u>3.01%</u>	<u>3.04%</u>
NET BEFORE TAXES (TE)*	<u>0.91%</u>	<u>0.92%</u>	<u>0.71%</u>	<u>0.68%</u>
Provision for income taxes (TE)*	0.27%	0.27%	0.25%	0.24%
NET INCOME	<u>0.64%</u>	<u>0.65%</u>	<u>0.46%</u>	<u>0.44%</u>
Average total assets	<u>\$187.896</u>	<u>\$188.559</u>	<u>\$186.857</u>	<u>\$185.199</u>

* Adjusted to tax equivalent basis for tax exempt securities.

EXHIBIT TWO

FIRST FARMERS COMMUNITY, INC.

BASE YEAR ADJUSTMENTS

- (a) Retained earnings to close with related interest revenues and taxes.

Net income	\$1.206
Dividends	<u>(0.543)</u>
RETAINED	<u><u>\$0.663</u></u>

Interest revenue on these funds is calculated at 4.0% with the tax rate maintained at that observed for 2005.

- (b) Increase in allowance for loan losses and provision for loan losses with related impact to taxes and equity per adjustment page.
- (c) Eliminate security gains, not sustainable.
- (d) Adjust the provision for income taxes related to the provision for loan losses and the elimination of security gains.
- (e) Potential adjustments arising from accounting differences, write-offs, asset adjustments, generally identified after discussions with seller or based on due diligence.
- (f) Eliminate recorded goodwill for purposes of analysis.
- (g) Consolidate the balance for accumulated adjustment into the common stock balance for purposes of analysis; reclassify ESOP debt as liability.
- (h) Set the provision for income taxes at 35.0% of net before taxes.
- (i) Set equity capital at 7% of tangible assets with related impact to interest revenues and provision for income taxes.

EXHIBIT THREE
FIRST FARMERS COMMUNITY, INC.
CREDIT ADJUSTMENTS

	<u>Allowance</u>			<u>Provision</u>	
	<u>Loan Portfolio</u>	<u>Target Rates</u>	<u>Allowance</u>	<u>Target Rates</u>	<u>Balance</u>
Land, construction	\$20.563				
Commercial real estate	29.854				
Commercial, industrial	15.217				
Agricultural	0.990				
Other	1.073				
TOTAL COMMERCIAL	\$67.697			0.50%	\$0.338
Classified loans	15% 10.155	7.50%	\$0.762		
NET COMMERCIAL	\$57.542	0.40%	0.230		
Residential mortgages	\$19.116	0.25%	0.048	0.25%	0.048
Consumer	12.095	0.25%	0.030	0.25%	0.030
TOTAL CONSUMER	\$31.211		\$0.078		\$0.078
TOTAL LOANS	\$98.908		\$1.070		\$0.417
	-				
			\$1.070		
			1.283		
			1.379		
			\$3.732		\$0.417
			2.096		0.075
			\$1.636		\$0.342

EXHIBIT FOUR TARGET ROA, RUN RATE

Two primary assumptions are reflected here: First, non-interest income can be increased to 1.20% on average assets; this level is based, in part, on the trust services already provided by First Farmers. Second, the number of FTEs can be reduced, as shown on page two. The resulting percentage saves, performance ratios, and ROA are reasonable.

EXHIBIT FOUR
FIRST FARMERS COMMUNITY, INC.
TARGET ROA, RUN RATE
(millions)

	<u>Base Year</u>	<u>Adjusts</u>	<u>Year 3 Target</u>
<u>SUMMARY INCOME STATEMENT</u>			
Net interest income	\$6.182		\$6.182
Provision for loan losses	0.417		0.417
Trust services	0.013	0.172	0.185
Service charges	0.647		0.647
Miscellaneous fees, commissions	0.052		0.052
Other non-interest income	0.408	0.930	1.338
NON-INTEREST INCOME	<u>\$1.120</u>	<u>\$1.102</u>	<u>\$2.222</u>
Salaries and benefits	3.452	(1.252)	2.200
Occupancy	0.704		0.704
Other expenses	1.473	(0.118)	1.355
NON-INTEREST EXPENSE	<u>\$5.629</u>	<u>(\$1.369)</u>	<u>\$4.260</u>
NET BEFORE TAXES	<u>\$1.257</u>	<u>\$2.472</u>	<u>\$3.729</u>
Provision for income taxes	0.440	0.865	1.305
NET INCOME	<u><u>\$0.817</u></u>	<u><u>\$1.607</u></u>	<u><u>\$2.424</u></u>
% non-interest expense saves		<u><u>24.3%</u></u>	
<u>COMMON SIZED INCOME STATEMENT</u>			
Net interest income	3.34%		3.34%
Provision for loan losses	0.22%		0.22%
Non-interest income	0.60%		1.20%
Non-interest expense	3.04%		2.30%
NET BEFORE TAXES	<u>0.68%</u>		<u>2.01%</u>
Provision for income taxes	0.24%		0.70%
NET INCOME	<u><u>0.44%</u></u>		<u><u>1.31%</u></u>
AVERAGE ASSETS	<u><u>\$185.199</u></u>		<u><u>\$185.199</u></u>

EXHIBIT FOUR
FIRST FARMERS COMMUNITY, INC.
FTE CALCULATIONS, SAVES
(millions)

	<u>Base Year</u>	<u>Adjusts</u>	<u>Year 3 Target</u>
Average assets	\$185.199		\$185.199
Full-time equivalent employees (FTEs)	91	(33)	58
ASSETS PER FTE	<u>\$2.035</u>		<u>\$3.200</u>
Salaries & benefits	\$3.452	(\$1.252)	\$2.200
Full-time equivalent employees (FTEs)	91	(33)	58
AVERAGE COMPENSATION	<u><u>\$0.038</u></u>	<u><u>\$0.038</u></u>	<u><u>\$0.038</u></u>

EXHIBITS FIVE & SIX
PROJECTED SUMMARY FINANCIAL STATEMENTS
EQUITY CAPITAL RECONCILIATION

Loans and deposits are projected to increase at 4.3%, annually; borrowings are held constant. Thus, the annual growth rate for total assets approximates 4.0%. The ROA developed in EXHIBIT FOUR is achieved in year two. The resulting net income is presented in EXHIBIT SIX to calculate the retained earnings necessary to maintain common equity at 7% of tangible assets.

EXHIBIT FIVE
FIRST FARMERS COMMUNITY, INC.
PROJECTED SUMMARY FINANCIAL STATEMENTS
(millions)

	Pro forma 12/31/06		Projected December 31,				
	Before	After	2007	2008	2009	2010	2011
	Distribution	Distribution					
SUMMARY BALANCE SHEET							
Loans	\$98.9	\$98.9	\$103.2	\$107.6	\$112.2	\$117.0	\$122.0
Other earning assets	80.7	79.0	82.4	85.9	89.6	93.5	97.5
Intangible assets	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Other assets	10.2	10.2	10.1	10.1	10.0	9.9	9.9
TOTAL ASSETS	\$190.0	\$188.3	\$195.9	\$203.8	\$212.0	\$220.7	\$229.6
Deposits	\$163.0	\$163.0	\$170.000	\$177.3	\$184.9	\$192.9	\$201.2
Borrowings	11.4	11.4	11.4	11.4	11.4	11.4	11.4
Other liabilities	0.8	0.8	0.8	0.9	0.9	0.9	1.0
TOTAL LIABILITIES	\$175.2	\$175.2	\$182.2	\$189.5	\$197.2	\$205.2	\$213.6
Common equity	14.8	13.2	13.7	14.3	14.8	15.4	16.1
TOTAL LIABS. & EQUITY	\$190.0	\$188.3	\$195.9	\$203.8	\$212.0	\$220.7	\$229.6
Average total assets	\$186.9	\$185.2	\$192.1	\$199.9	\$207.9	\$216.3	\$225.1
Projected growth	<u>4.3%</u>						
Calculated growth rate			<u>4.0%</u>	<u>4.0%</u>	<u>4.0%</u>	<u>4.1%</u>	<u>4.1%</u>
RETURN ON ASSETS (ROA)	<u>0.46%</u>	<u>0.44%</u>	<u>0.87%</u>	<u>1.31%</u>	<u>1.31%</u>	<u>1.31%</u>	<u>1.31%</u>
NET INCOME	<u>\$0.860</u>	<u>\$0.817</u>	<u>\$1.681</u>	<u>\$2.615</u>	<u>\$2.721</u>	<u>\$2.831</u>	<u>\$2.946</u>

EXHIBIT SIX
FIRST FARMERS COMMUNITY, INC.
EQUITY CAPITAL RECONCILIATION
(millions)

	Projected December 31,				
	2007	2008	2009	2010	2011
<u>COMMON EQUITY</u>					
Beginning balance	\$13.184	\$13.714	\$14.266	\$14.841	\$15.446
Net income	1.681	2.615	2.721	2.831	2.946
Dividends paid	(1.151)	(2.063)	(2.146)	(2.226)	(2.319)
RETAINED EARNINGS	<u>\$0.529</u>	<u>\$0.552</u>	<u>\$0.575</u>	<u>\$0.605</u>	<u>\$0.628</u>
ENDING BALANCE	<u><u>\$13.714</u></u>	<u><u>\$14.266</u></u>	<u><u>\$14.841</u></u>	<u><u>\$15.446</u></u>	<u><u>\$16.074</u></u>
<u>CAPITAL RATIOS</u>					
Common Equity/Total Assets	7.0%	7.0%	7.0%	7.0%	7.0%

EXHIBITS SEVEN & EIGHT DISCOUNTED CASH FLOWS PRICING ANALYSIS

The projected income and dividends reflected in EXHIBIT SIX are carried through to the discounted cash flow model presented in EXHIBIT SEVEN. The acquirer's required rate of return is set at 14% for calculating the present value of the dividends expected over the next five years and the terminal value. The capital payout developed in the Base Year analysis, EXHIBIT TWO, is also included in the total present value. Based on the assumptions and analysis to this point, the value of First Farmers to the acquirer is calculated to approximate \$24.6 million.

The present value of \$24.6 million is carried forward to page one of EXHIBIT EIGHT. Price multiples are calculated from the present value for comparison to similar multiples for reported transactions and a group of publicly-traded companies. The price/earnings multiple calculated for First Farmers is relatively high because its ROA is low. Conversely, the price/book and price/7% book multiples are relatively low because the projected growth and projected ROA are low.

Page two of EXHIBIT EIGHT presents a range of prices to be considered by the acquirer with the \$24.6 million value set as the midpoint. Such a range would commonly be considered for developing a negotiating strategy. Multiples are calculated for each price-point. The exhibit also shows the potential impact to the acquirer's tangible equity and its net income assuming that no additional equity is issued.

The pricing multiples are reasonable at the \$24.6 million midpoint. Movement above or below this amount would be determined by the acquirer's interest, the seller's motivation, and the interest of other potential acquirers.

EXHIBIT SEVEN
FIRST FARMERS COMMUNITY, INC.
PRESENT VALUE CALCULATION
(millions)

Long-term growth rate 4.0%

DISCOUNTED CASH FLOWS

	Projected December 31,					Terminal Value
	2007	2008	2009	2010	2011	
Net income	\$1.681	\$2.615	\$2.721	\$2.831	\$2.946	
Retained earnings	(0.529)	(0.552)	(0.575)	(0.605)	(0.628)	
DIVIDENDS	\$1.151	\$2.063	\$2.146	\$2.226	\$2.319	
Required rate of return	14.0%	0.9366	0.8216	0.7207	0.6322	0.5545
ANNUAL PRESENT VALUES	\$1.078	\$1.695	\$1.546	\$1.407	\$1.286	
TOTAL FIVE YEARS	\$7.012					
Present value of terminal value	15.914					
P.V. CASH FLOWS	\$22.927					
Capital payout at close	1.658					
TOTAL PRESENT VALUE	\$24.585					
				Projected earnings		\$3.064
				Capitalization rate		10.0%
				TERMINAL VALUE		\$30.642
				Discount factor		0.5194
				PRESENT VALUE		\$15.914

EXHIBIT EIGHT
FIRST FARMERS COMMUNITY, INC.
PRICING ANALYSIS
(millions)

	First Farmers	Median Acquisitions				Median Publicly- Traded Group
		YTD March 31, 2006				
		National	Southwest	Colorado	Arkansas	
REPORTED FINANCIALS, 12/31/05						
Total assets	\$191.0					
Intangibles	0.8					
TANGIBLE ASSETS	<u>\$190.3</u>					
Deposits	<u>\$163.0</u>					
Net income	\$1.206					
Return on assets	<u>0.64%</u>	<u>0.88%</u>	<u>1.04%</u>	<u>0.98%</u>	<u>0.89%</u>	<u>0.76%</u>
Common equity	\$15.836					
Tangible common equity	\$15.055					
7% tangible equity, downsized	\$13.188					
Equity / Assets	8.29%					
Tangible Equity/Tangible Assets	<u>7.91%</u>	<u>9.18%</u>	<u>10.20%</u>	<u>7.32%</u>	<u>5.54%</u>	<u>7.54%</u>
CALCULATED VALUE	<u>\$24.6</u>	MM				

VALUATION MULTIPLES:

	First Farmers	Median Acquisitions				Median Publicly- Traded Group
		YTD March 31, 2006				
		National	Southwest	Colorado	Arkansas	
Price/earnings	20.4	26.5	30.0	22.4	13.8	16.0
Price/tangible book	1.63	2.35	2.44	2.58	1.66	1.55
Price/7% book	1.72	2.76	NA	3.12	1.79	1.60
Premium/assets	5.0%	14.4%	NA	13.5%	NA	4.2%
Premium/deposits	5.8%	19.4%	NA	17.6%	NA	NA

EXHIBIT EIGHT
FIRST FARMERS COMMUNITY, INC.
PRICING ANALYSIS
(millions)

REPORTED FINANCIALS, 12/31/05

Total assets	\$191.0
Goodwill	0.8
TANGIBLE ASSETS	<u>\$190.3</u>
Deposits	<u>\$163.0</u>
Tangible common equity	\$15.1
7% tangible equity, downsized	13.2
EXCESS EQUITY, BASE	<u>\$1.9</u>
Net income	<u>\$1.206</u>

NET PAYMENT, INTERNAL RATE OF RETURN

	PRICE RANGE					
Purchase price	\$26.6	\$25.6	\$24.6	\$23.6	\$22.6	MM
Capital payout at close	1.7	1.7	1.7	1.7	1.7	
NET PAID	<u>\$24.9</u>	<u>\$23.9</u>	<u>\$22.9</u>	<u>\$21.9</u>	<u>\$20.9</u>	MM
Internal rate of return	<u>13.3%</u>	<u>13.7%</u>	<u>14.0%</u>	<u>14.5%</u>	<u>14.9%</u>	

FINANCING CONSIDERATIONS

Goodwill created	<u>\$10.7</u>	<u>\$9.7</u>	<u>\$8.7</u>	<u>\$7.7</u>	<u>\$6.7</u>	MM
Projected net income, year 3	\$2.721	\$2.721	\$2.721	\$2.721	\$2.721	MM
Interest expense, after-tax	<u>(0.972)</u>	<u>(0.933)</u>	<u>(0.894)</u>	<u>(0.855)</u>	<u>(0.816)</u>	
ADJUSTED NET INCOME	<u>\$1.749</u>	<u>\$1.788</u>	<u>\$1.827</u>	<u>\$1.866</u>	<u>\$1.905</u>	MM

PRICING MULTIPLES

Earnings	22.0	21.2	20.4	19.6	18.7
Tangible book	1.77	1.70	1.63	1.57	1.50
7% tangible book	1.87	1.80	1.72	1.65	1.57

SUPPLEMENTAL INFORMATION