FIRST FARMERS & MERCHANTS CORP Form 10-Q August 11, 2014

(Address of principal executive offices)

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

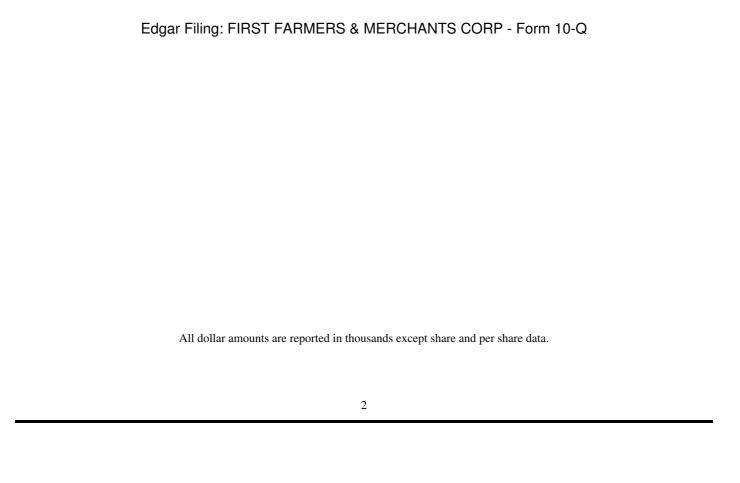
Washington, D.C. 20549

FORM	10-Q
(Mark one)	
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2014.	
or	
[] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)	OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to	
Commission File Numbers: 000-10972	
First Farmers and Merchants Corporation	
(Exact name of registrant as specified in its charter)	
Tennessee	62-1148660
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
816 South Garden Street	
Columbia Tennessee	38402-1148

(Zip Code)

931-388-3145					
(Registrant s telephone number, including area code)					
(Former name, former address and former fiscal year, if change	ged since last report)				
Indicate by check mark whether the registrant (1) has filed all Securities Exchange Act of 1934 during the preceding 12 morequired to file such reports), and (2) has been subject to such	nths (or for such shorter period that the registrant was				
[X]Yes [] No					
Indicate by check mark whether the registrant has submitted eany, every Interactive Data File required to be submitted and put the preceding 12 months (or for such shorter period that the re-	posted pursuant to Rule 405 of Regulation S-T during				
[X]Yes [] No				
Indicate by check mark whether the registrant is a large acceler or a smaller reporting company. See definitions of large accompany in Rule 12b-2 of the Exchange Act.					
Large accelerated filer [] A	ccelerated filer [X]				
Non-accelerated filer [] (Do not check if a smaller reporting company)	maller reporting company []				
Indicate by check mark whether the registrant is a shell company (as define	d in Rule 12b-2 of the Act). [] Yes [X] No				
As of August 5, 2014, the registrant had 4,936,	817 shares of common stock outstanding.				
All dollar amounts are reported in thousa	nds except share and per share data.				

PART I - FINANCIAL INFORMATION
Item 1. Financial Statements.
The following unaudited condensed consolidated financial statements of the Registrant are included in this Report:
Condensed consolidated balance sheets June 30, 2014 and December 31, 2013.
Condensed consolidated statements of income - For the three and six months ended June 30, 2014 and June 30, 2013.
Condensed consolidated statements of comprehensive income (loss) - For the three and six months ended June 30, 2014 and June 30, 2013.
Condensed consolidated statements of cash flows - For the six months ended June 30, 2014 and June 30, 2013.
Selected notes to condensed consolidated financial statements.



FIRST FARMERS AND MERCHANTS CORPORATION AND SUBSIDIARIES CONDENSED CONSOLIDATED BALANCE SHEETS

				December 31, 2013	
			(unaudited)	(1)	
ASSETS	Cash and due from banks	\$	24,446	\$	20,391
	Interest-bearing deposits		11,423		25,167
	Federal funds sold		1,300		9,850
	Total cash and cash equivalents		37,169		55,408
	Securities:				
	Available-for-sale (amortized cost \$372,737				
	and \$346,892 as of June 30, 2014 and December 31, 2013,				
	respectively)		365,017		329,714
	Held-to-maturity (fair market value \$24,528				
	and \$28,595 as of June 30, 2014 and December 31, 2013,				
	respectively)		23,902		27,839
	Total securities		388,919		357,553
	Loans, net of deferred fees		618,687		606,766
	Allowance for loan and lease losses		(8,635)		(8,595)
	Net loans		610,052		598,171
	Bank premises and equipment, net		24,799		24,868
	Other real estate owned		859		1,438
	Bank owned life insurance		26,231		25,867
	Goodwill		9,018		9,018
	Deferred tax asset		7,221		10,905
	Other assets		10,705		10,605
	TOTAL ASSETS	\$	1,114,973	\$	1,093,833
LIABILITIES	Deposits				
	Noninterest-bearing	\$	185,420	\$	179,823
	Interest-bearing		781,463		777,514
	Total deposits		966,883		957,337
	Securities sold under agreements to repurchase		20,738		18,095
	Accounts payable and accrued liabilities		18,040		15,728
	TOTAL LIABILITIES		1,005,661		991,160
SHAREHOLDERS	Common stock - \$10 par value per share, 8,000,000 shares				
EQUITY	authorized; 4,936,817 and 5,021,012 shares issued				
	and outstanding as of June 30, 2014 and				
	December 31, 2013, respectively		49,368		50,210
	Retained earnings		63,093		61,369
	Accumulated other comprehensive loss		(3,244)		(9,001)
	TOTAL SHAREHOLDERS EQUITY BEFORE		* * /		
	NONCONTROLLING INTEREST - PREFERRED STOCK OF				
	SUBSIDIARY		109,217		102,578
	Noncontrolling interest - preferred stock of subsidiary		95		95
	realized framework of oncommy		- -		. =

TOTAL SHAREHOLDERS EQUITY

109,312