

BALLOT

**FIRST FARMERS FINANCIAL CORPORATION
ANNUAL MEETING OF SHAREHOLDERS**

May 9, 2017

Name(s) of Shareholder(s) of Record
Voting by This Ballot (Please Print):

Number of Shares Held of
Record on March 31, 2017

1. ELECTION OF DIRECTORS

Check here to vote FOR all the nominees listed below.

Check here to vote AGAINST all nominees listed below.

Class I Directors: **R. Brian Renbarger, Kevin L. Trimble, Keith D. Hill and Jeffery T. Harts**

To withhold your vote for any particular nominee or nominees, write his or her name in the space provided below.

**2. AMENDMENT TO OUR ARTICLES OF INCORPORATION TO AUTHORIZE 500,000
SHARES OF PREFERRED STOCK**

FOR

AGAINST

ABSTAIN

**3. AMENDMENT TO OUR ARTICLES OF INCORPORATION TO REPEAL ARTICLE
IX, SECTION 1, AND THEREBY REDUCE THE VOTE REQUIRED TO AMEND THE
ARTICLES OF INCORPORATION**

FOR

AGAINST

ABSTAIN

Dated: _____

Signature or Signatures

(Please sign exactly as your name appears on the certificate. If shares are issued in the name of two or more persons, all such persons should sign. Trustees, executors and others signing in a representative capacity should indicate the capacity in which they sign.)

PROXY

**THIS PROXY IS SOLICITED ON BEHALF OF
THE BOARD OF DIRECTORS
FOR THE 2017 ANNUAL MEETING OF SHAREHOLDERS OF
FIRST FARMERS FINANCIAL CORPORATION**

I hereby appoint Kelly McClure and Christopher Norris, and each of them, my proxies, with power of substitution, to vote all shares of First Farmers Financial Corporation (the "Corporation") that I am entitled to vote at the Annual Meeting of Shareholders to be held at the First Farmers Financial Corp. offices in Converse, Indiana, on Tuesday, May 9, 2017, at 1:00 p.m., (Converse time), and any adjournments thereof, as provided herein.

THIS PROXY WILL BE VOTED AS SPECIFIED. IN THE ABSENCE OF SPECIFICATIONS, THIS PROXY WILL BE VOTED FOR THE ELECTION OF DIRECTORS. THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF DIRECTORS.

This Proxy may be revoked at any time prior to its exercise at the Annual Meeting.

SHAREHOLDERS SHOULD MARK, SIGN AND DATE THIS PROXY AND RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE.

1. ELECTION OF DIRECTORS

FOR the nominees listed below, except as marked to the contrary below.

Class I Directors, R. Brian Renbarger, Kevin L. Trimble, Keith D. Hill and Jeffrey T. Harts

WITHHOLD AUTHORITY to vote for the nominees listed above.

To withhold authority to vote for any particular nominee or nominees, write his or her name in the space provided below.

2. AMENDMENT TO OUR ARTICLES OF INCORPORATION TO AUTHORIZE 500,000 SHARES OF PREFERRED STOCK

FOR

AGAINST

ABSTAIN

3. AMENDMENT TO OUR ARTICLES OF INCORPORATION TO REPEAL ARTICLE IX, SECTION 1, AND THEREBY REDUCE THE VOTE REQUIRED TO AMEND THE ARTICLES OF INCORPORATION

FOR

AGAINST

ABSTAIN

4. At their discretion, the proxies are authorized to vote upon such other business as may properly come before the meeting.

Dated: _____

Signature or Signatures

(Please sign exactly as your name appears on this proxy. If shares are issued in the name of two or more persons, all such persons should sign. Trustees, executors, and others signing in a representative capacity should indicate the capacity in which they sign.)

**FIRST FARMERS FINANCIAL CORPORATION
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD MAY 9, 2017**

The Annual Meeting of Shareholders of First Farmers Financial Corporation (the “Corporation”) will be held at the First Farmers Financial Corp. offices in Converse, Indiana, on **Tuesday, May 9, 2017 at 1:00 p.m.**, for the following purposes:

1. To elect four Class I Directors to hold office until the Annual Meeting of Shareholders in the year 2020 and until their successors are elected and have qualified.
2. To Amend the Articles of Incorporation of the Corporation to authorize the creation of up to 500,000 shares of preferred stock (the “Preferred Shares”), which may be issued in one or more classes or series, with such rights, preferences, privileges, and restrictions as will be determined and fixed by our Board of Directors.
3. To repeal Article IX, Section 1, of the Corporation’s Articles of Incorporation which requires that any amendment or repeal of any article to our Articles of Incorporation requires the affirmative vote of the holders of not less than sixty-six and two-thirds percent (66-2/3%) of the Corporation’s shares. The effect of this amendment will be to reduce the vote required to amend our Articles of Incorporation.
4. To transact such other business as may properly come before the Annual Meeting.

The record date for the determination of Shareholders entitled to receive notice of and to vote at the Annual Meeting is the close of business on March 31, 2017.

SHAREHOLDERS ARE INVITED TO ATTEND THE MEETING IN PERSON. ALL SHAREHOLDERS, EVEN IF THEY PLAN TO ATTEND THE MEETING, ARE REQUESTED TO COMPLETE, SIGN, AND DATE THE ACCOMPANYING PROXY AND TO RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE, WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES.

By Order of the Board of Directors,

**Gene E. Miles
President and CEO**

Dated: April 15, 2017
Converse, Indiana

**PROXY STATEMENT
ANNUAL MEETING OF SHAREHOLDERS OF
FIRST FARMERS FINANCIAL CORPORATION**

INTRODUCTION

This Proxy Statement is being furnished to Shareholders on or about April 20, 2017, in connection with the solicitation by the Board of Directors of First Farmers Financial Corporation (“First Farmers” or the “Corporation”) of proxies to be voted at the Annual Meeting of Shareholders to be held at the First Farmers Financial Corp. office in Converse, Indiana, on Tuesday, May 9, 2017, at 1:00 p.m. The Corporation is the parent holding company for First Farmers Bank & Trust, Converse, Indiana (the “Bank”).

At the close of business on March 31, 2017, which has been fixed as the record date for the purpose of determining the Shareholders entitled to receive notice of and to vote at the Annual Meeting, there were 3,580,031 Common Shares outstanding and entitled to vote at the Annual Meeting. On all matters, including the election of Directors, each Shareholder will have one vote for each share held.

If the enclosed form of proxy is executed and returned, it may nevertheless be revoked at any time insofar as it has not been exercised. The proxy may be revoked by either (a) filing with the Secretary of the Corporation (or other officer or agent of First Farmers authorized to tabulate votes) (i) an instrument revoking the proxy or (ii) a subsequently dated proxy, or (b) attending the Annual Meeting and voting in person. Unless revoked, the proxy will be voted at the Annual Meeting in accordance with the instructions of the Shareholder as indicated on the proxy. If no instructions are given, the shares will be voted as recommended by a majority of the Directors.

ELECTION OF DIRECTORS

Nominees

The Corporation’s Board of Directors currently consists of eleven members, designated as Class I, Class II, and Class III, with each class including approximately one-third of the total number of Directors as fixed from time to time. The Board has fixed the board number to be eleven effective with this election. The Directors serve staggered three-year terms, so that the Directors of only one class are elected at each Annual Meeting of Shareholders. The term of office of one class of Directors expires each year. Each Director serves until the annual meeting of the Shareholders held in the year that is three years after such Director’s election and thereafter until such Director’s successor is elected and has qualified or until the earlier of the following: Director’s resignation, disqualification, removal, or death. At the Annual Meeting, the Shareholders will be asked to elect Four Directors as Class I Directors to serve for three-year terms, which will expire at the Annual Meeting of Shareholders in 2020. A nominee will be elected by a majority of the votes cast in the election. Shares present, but not voted for any nominee, do not affect the determination of whether a nominee has received a majority of the votes cast.

Unless revoked, the proxy will be voted at the Annual Meeting in accordance with the instructions of the Shareholders as indicated on the proxy. If no instructions are given, it is the intention of the persons named in the accompanying form of proxy to vote such proxy for the election to the Board of Directors of **R. Brian Renbarger, Kevin I. Trimble, Keith D. Hill, and Jeffrey T Harts**. Nominees **Renbarger, Trimble, Hill, and Harts** are now Directors whose present terms expire this year. Each such person has indicated that he or she will accept nomination and election as a Director. If however, any such person is unable or unwilling to accept nomination or election, it is the intention of the Board of Directors to nominate such other person as it may in its discretion determine, in which event the shares subject to the proxy will be voted for that person.

A brief biographical outline of each of the persons proposed for nomination as Class I Directors by the Board of Directors is provided as follows:

Keith D. Hill, age 45, is Executive Vice President and CFO of the Corporation and the Bank since 2001. He has 25 years in banking experience and is a CPA. He has been a director since 2016. He serves as a member of the Asset/Liability, and Investment Committees. He owns 8,058 shares of the Corporation's stock.

Jeffrey T. Harts, age 44, is Vice President and Chief Risk Officer of Central Indiana Ethanol in Marion, Indiana. His experience includes commercial banking and other agri-business management. He has been a director since 2016 and he serves on the Risk Management and Investment Committees. He owns 1,630 shares of the Corporation's Stock.

R. Brian Renbarger, age 63, is a farmer in Howard County, Indiana. He has been a director since 1989 and serves as Chairman of the Board. He serves on the Compensation, Loan, and Audit Committees. He owns 20,936 shares of the Corporation's Stock. His wife owns 12,840 shares of the Corporation's stock.

Kevin L. Trimble, age 45, is a farmer in Miami, Wabash and Grant Counties, Indiana. He has been a director since 2014, and serves on the Asset/Liability, Budget, and Loan Committees. He owns 1,200 shares of the Corporation's stock.

In addition to the four nominees listed above, who currently serve as Class I Directors, the following persons also currently serve as Directors of the Corporation. Such persons are designated below as either Class II or Class III Directors. The Class II Directors will serve until the Annual Meeting of Shareholders in 2018, and Class III Directors will serve until the Annual Meeting of Shareholders in 2019. No other action will be taken at the upcoming Annual Meeting in regard to such Directors.

Class II Directors. A brief biographical outline of the Class II Directors is provided as follows.

Dr. Freddie Barnard, age 64, is a Professor of Agricultural Economics at Purdue University and is Director of the Indiana Bankers Association School for Agricultural Lenders. He has been a director since 2007 and serves on the Budget and Loan Committees. He owns 5,200 shares of the Corporation's stock.

John P. O'Donnell, age 68, has 35 years of banking experience. He served as the Regional President for Harris Bank in Kokomo. Previously, he held the positions of President of First National Bank and Trust in Kokomo, President of First National Investments, and President of First National Insurance. John currently is CEO & Chairman of the Board of Kokomo Opalescent Glass Company. He serves on the Risk Management and Loan Committees. He has been a director since 2009, and owns 2,474 shares of the Corporation's stock.

Christopher J. Norris, age 54, is President of Norris Insurance Agency and has been a Certified Public Accountant since 1986. He was elected to the board in 2008 and serves on the Audit, and Compensation Committees. He owns 1,832 shares of the Corporation's stock.

Class III Directors. A brief biographical outline of each of the Class III Directors is provided as follows.

Kelly A. McClure, age 50, is President of McClure Oil Corporation, Marion, Indiana. She has a BA degree in Economics from Indiana University. She has served in various business capacities and organizations. She was elected to the board in 2015 and serves on the Budget, and Audit Committees. She owns 3,158 shares of the Corporation's stock

Bradley J. Howell, age 64, is the owner of Brad Howell Ford and Dirt & Turf Sales in Greentown, Indiana. He was elected to the Board in 1996. He serves on the Loan, Risk Management and Compensation Committees. He owns 3,552 shares of the Corporation's stock.

Gene E. Miles, age 63, is President of the Corporation and President of the Bank since 1997. He has been employed by First Farmers since 1979 and was elected to the board in 1995. He serves as a member of the Asset/Liability, Investment, and Risk Management Committees. He owns 63,500 shares of the Corporation. In addition, Mrs. Miles owns 33,951 shares of the Corporation's stock.

Jeffrey A. Stout, age 52, is President of Stout and Son Funeral Home and member of other affiliates in Russiaville and the Kokomo Area. He was elected to the board in 2010 and serves as a member of the Budget, Risk Management and Audit Committees. He owns 1,200 shares of the Corporation's Stock.

YOUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE ELECTION OF:

- ***R. BRIAN RENBARGER***
- ***KEVIN L. TRIMBLE***
- ***KEITH D. HILL***
- ***JEFFREY T. HARTS***

AS CLASS I DIRECTORS WITH TERMS TO EXPIRE IN 2020.

AMENDMENT TO OUR ARTICLES OF INCORPORATION TO AUTHORIZE 500,000 SHARES OF PREFERRED STOCK

The Corporation's current Articles of Incorporation do not authorize the Board of Directors to issue preferred stock. As a result, should the Board of Directors determine that it is in the best interest of the Corporation and its Shareholders to issue shares of preferred stock specific rights and preferences, it cannot do so without incurring the expense and delay of obtaining the approval of the Shareholders at a special annual meeting. As such, the Board of Directors unanimously recommends that the Shareholders approve the amendment to authorize up to 500,000 shares of preferred stock in the form attached as Exhibit A to this Proxy Statement (the "Proposed Amendment").

If approved, the Board of Directors will be granted the authority by the Shareholders to issue any of the authorized preferred shares from time to time, in such series, classes and amounts, and with such rights and preferences, as the Board, in its sole discretion, may determine. In other words, the Board will be authorized by the Shareholders to issue the preferred shares and establish the designation of any rights, power and preferences of the preferred shares without further action or approval by the Shareholders.

Upon approval of the Proposed Amendment there will be no shares of preferred stock issued and the Corporation has no current plans, proposals, or arrangements, written or otherwise, to issue any of the preferred shares. However, the Board of Directors believes it is in the best interests of the Corporation and its Shareholders to authorize shares of preferred stock in order to provide the Corporation with the flexibility to issue preferred stock for purposes which may be identified in the future. Such purposes may include, without limitation, the issuance as all or part of the consideration to be paid by the Corporation for strategic acquisitions of other businesses should appropriate opportunities arise in the future, the issuance for cash as a means of obtaining additional capital to meet regulatory requirements or fund organic growth, to distribute to Shareholders as a stock dividend, or to effect other corporate transactions. No assurance can be given that approval of the Proposed Amendment will result in any particular transaction or use.

Because of the changing economic and regulatory climates, the Board of Directors believes that it needs to be able to respond to a strategic opportunity or a regulatory requirement on an expedited basis. Approval of the Proposed Amendment would enable the Board of Directors to act quickly and to avoid the expense of seeking Shareholders approval. If the Proposed Amendment is approved by our Shareholders, the Board of Directors does not intend to solicit further Shareholder approval prior to the issuance of any shares of preferred stock, except as may be required by applicable law or the rules of any stock exchange or association upon which our securities may be listed, quoted or traded.

Depending upon the exact terms, limitations, and relative rights and preferences of the preferred stock as determined by the Board of Directors at the time of issuance, it is possible that the issuance of preferred stock could have an adverse effect on the holders of our common stock. For example, the Board could authorize the issuance of a class or series of preferred stock with such rights and preferences which may limit the likelihood of our common Shareholders receiving cash dividends or distributions upon any dissolution of the Corporation. In addition, Shareholders could face dilution of their voting power if the preferred shares are issued with

superior voting rights. Such preferred shares could also be given “poison pill” provisions that would dissuade potential suitors from acquiring us, thereby reducing an opportunity for our common Shareholders to maximize the value of their shareholdings through an acquisition of the Corporation.

The Board of Directors believes that the potential positive opportunities and effects of the authorization of the preferred stock outweigh any potentially adverse effects. As stated above, the Corporation has no current plans, proposals or arrangements to issue any of the preferred shares that will become authorized shares of the Corporation pursuant to the Proposed Amendment. As such, there is no immediately dilutive impact from the creation in preferred shares.

The Proposed Amendment in the Corporation’s Articles of Incorporation, as attached to this Proxy Statement as Exhibit A, will be adopted by the Shareholders of the Corporation if sixty-six and two-thirds percent (66-2/3%) of the shares outstanding and entitled to vote at the Annual Meeting vote in favor of the Proposed Amendment.

YOUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE PROPOSED AMENDMENT TO OUR ARTICLES OF INCORPORATION TO AUTHORIZE UP TO 500,000 SHARES OF PREFERRED STOCK, AS ATTACHED AS EXHIBIT A.

AMENDMENT TO OUR ARTICLES OF INCORPORATION TO REPEAL ARTICLE IX, SECTION 1, AND THEREBY REDUCE THE VOTE REQUIRED TO AMEND THE ARTICLES OF INCORPORATION.

Article IX, Section 1 of the Corporation’s current Articles of Incorporation require that any amendment or repeal of any articles requires the affirmative vote of the holders of not less than sixty-six and two-thirds percent (66-2/3%) of the Corporation’s shares.

The Indiana Business Corporation Law, at Indiana Code § 23-1-38-3, provides in part that unless the articles of incorporation require a greater vote, any amendment required to be approved by the Shareholders of a corporation is approved if the votes cast approving the proposed amendment exceed the votes cast opposing the proposed amendment.

The Board of Directors believes it is in the best interests of the Corporation to repeal Article IX, Section 1, of the Corporation’s current Articles of Incorporation. The effect of this repeal is that, as provided by Indiana Code § 23-1-38-3, any amendment to the Corporation’s Articles of Incorporation would be deemed approved by the Shareholders if the votes cast approving any proposed amendment exceed the votes cast opposing such proposed amendment, assuming a quorum is present at the meeting. A quorum is considered present at a meeting if a majority of the votes entitled to be cast on the matter are present at the Shareholders meeting in person or by proxy. For example, if only 51% of the shares entitled to vote are present by person or proxy at a meeting of Shareholders, a quorum would be present. As such, any amendment would be considered approved if the votes cast in favor of the proposed amendment exceed the votes cast against the proposed amendment. Because the quorum in the example (*i.e.* 51% of the

shares entitled to vote) represents less than existing 66-2/3% approval requirement, the required approval in the example would be less than the currently required 66-2/3% approval.

Companies have at times experienced difficulty in getting the necessary number of Shareholders to return his or her proxy or attend a Shareholders meeting in person. As a result, the existing higher vote threshold of sixty-six and two-thirds percent (66-2/3%) may be extremely difficult to achieve. This proposed amendment to the Articles of Incorporation would make the approval process by Shareholders of proposed amendments to the Articles of Incorporation easier to obtain by lowering the necessary vote.

The proposed amendment to the Corporation's Articles of Incorporation discussed above resulting from the repeal of Article IX, Section 1, of the Corporations' current Articles of Incorporation will be adopted by the Shareholders if sixty-six and two-thirds percent (66-2/3%) of the shares outstanding and entitled to vote at the Annual Meeting vote in favor of the repeal of Article IX, Section 1.

***YOUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT
SHAREHOLDERS VOTE FOR THE PROPOSED AMENDMENT TO OUR ARTICLES OF
INCORPORATION TO REPEAL ARTICLE IX, SECTION 1.***