

JUNE 30, 2025

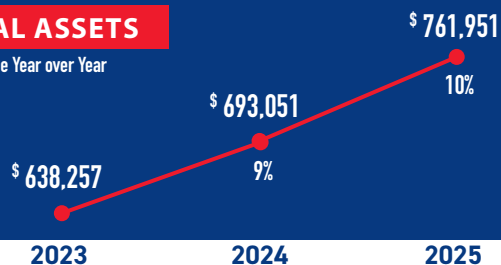
YEAR-TO-DATE HIGHLIGHTS

NOTE: All per share information adjusted for stock dividends

DOLLARS IN THOUSANDS

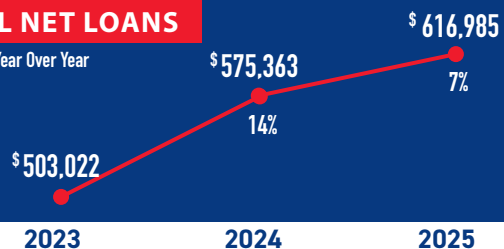
TOTAL ASSETS

% Increase Year over Year



TOTAL NET LOANS

% Increase Year Over Year



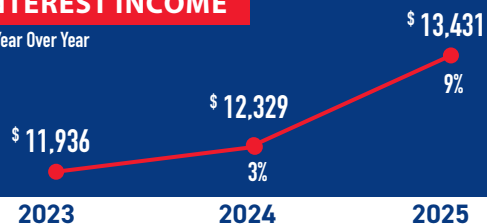
TANGIBLE BOOK VALUE (PER SHARE)

% Increase Year Over Year



NET INTEREST INCOME

% Increase Year Over Year



2025 BOARD OF DIRECTORS

John Bradshaw

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FIRST FREEDOM BANK

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FIRSTFREEDOMBANK.COM



2025

SHAREHOLDER REPORT

DEAR SHAREHOLDERS,

We are pleased to report that **First Freedom Bank posted excellent earnings** for the first half of 2025. Despite compressed margins, your company posted earnings of almost **\$4.9 million**, an increase of 8.85% over the first half of 2024. This was possible due to increased loan volume, efficient expense management and an improvement in non-core earnings. In virtually every category, we have performed **above the average for all banks based in Tennessee**.

Our **return on shareholders' equity** for the first half of 2025 was **11.18%**, and our **tangible book value per share** improved to **\$28.15** at June 30, 2025, which is 8.4% higher than June 30, 2024. **Asset quality remains very strong**, as evidenced by a Non-Performing Asset ratio of 0.08% and a Texas ratio of 0.65%. The Bank's **Tier 1 Capital now exceeds \$85 million**.

The markets in which we operate continue to thrive, and we anticipate continued loan growth through the end of the year. We also expect the Federal Reserve to drop interest rates in 2025 with one to two rate cuts prior to year-end. Any rate cuts would negatively impact our net interest margin; however, we expect to recover as most of our deposits have short-term maturities.

As a **premier community bank with local decision makers**, we look forward to helping and serving our customers and communities by quickly responding to their financial needs. Our achievements are only possible with the support of our faithful customers, board of directors, employees, and you, our shareholders. We **thank you for your continued patronage and support**.


John R. Lancaster
Chairman & CEO


John H. Bradshaw
President & COO

RESULTS OF OPERATIONS

Six Months Ended June 30

(dollars in thousands)	2024 (unaudited)	2025 (unaudited)	% chg (2024 vs 2025)
Net Interest Income	\$ 12,329	\$ 13,431	8.94%
Non-Interest Income	\$ 994	\$ 999	0.50%
Non-Interest Expense	\$ (7,239)	\$ (7,523)	3.92%
Contribution to Reserves	\$ (260)	\$ (782)	200.77%
Non-core Income	\$ 21	\$ 354	1,585.71%
Net Income Before Taxes	\$ 5,845	\$ 6,479	10.85%
Income Taxes	\$ (1,348)	\$ (1,584)	17.51%
Net Income	\$ 4,497	\$ 4,895	8.85%

FINANCIAL CONDITION DATA

	6/30/2024	6/30/2025	% CHG
Loans, Net of Deferred Fees	\$ 575,363	\$ 616,985	7.23%
Total Deposits	\$ 607,936	\$ 669,732	10.16%
Total Assets	\$ 693,051	\$ 761,951	9.94%

THE MOST RECENT TRADE OF FIRST FREEDOM STOCK WAS \$34.25 PER SHARE.