



**FIRST CITIZENS  
BANCSHARES, INC.**

125 years old feels unbelievably

**GOOD.**

ANNUAL REPORT 2013

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The Directors, Officers and Teammates of First Citizens are pleased to dedicate the 2013 Annual Report to shareholders to Director David Taylor. His 20 years of service to the Board of Directors and Board Committees made a significant contribution to the success of our bank. Mr. Taylor brought experience in leadership, strategic planning, executive decision-making and risk assessment to the Board of Directors. His service as Chairman of the Audit Committee was significant in terms of upgrading policies, procedures, exhibiting creativity and sound logic to the position. We thank him for his service and wish he and his family a happy healthy retirement.



# Message To Our Shareholders, Welcome to Our

When looking back over the first 125 years of operations of First Citizens National Bank we tend to view our many accomplishments without realizing the intensity of challenges faced by our predecessors. A culture of dedication to those we serve was established many years ago. It served us well for the first 125 years and it is our prayer that those who follow the path of leadership of this great institution will continue to be successful.

We hope you enjoy reviewing the outstanding results of operations accomplished by your Company in 2013. Also, we hope you find the History of First Citizens both interesting and entertaining. We must remember that while change was taking place over the past 125 years in Tennessee, the pace of change throughout the world was changing our lives in ways we could only imagine. Please allow us to share a few with you.\*

- The 20th century was a century of revolutions including the women's liberation movement, the rise of big government and big labor.
- Antibiotics were discovered.
- Research in medicine led to a cure for yellow fever.
- Polio & smallpox were eliminated.
- Between 1900 & 2000 the world's population roughly quadrupled—from 1.6 billion to 6 billion people.
- In 1890, there were no billboards, no advertising slogans, no movies, no radio and no television.
- In 1900, the U.S. government took in \$567 million in taxes; in 1999 the total was \$1.7 trillion.

## Results of Operations

Return on equity exceeded 12% for the third year in a row at 12.1% for 2013 compared to 12.2% in 2012 and 2011. Earnings per share for 2013 were \$3.83 compared to \$3.75 in 2012 and \$3.28 in 2011. Return on average assets was 1.19%, 1.25%, and 1.18% for the years ended December 31, 2013, 2012 and 2011, respectively.

Net income totaled \$13.8 million for the year ended December 31, 2013 compared to \$13.5 million in 2012. Modest earnings growth of 2.2% is driven by 3.2% increase in net interest income and 12.65% increase in non-interest income. The two largest components of the change in non-interest income are losses on the write-down or sale of other real estate and realized gains on sale of available-for-sale securities. Net realized losses on other real estate for 2013 totaled approximately \$592,000 compared to net losses of \$1.2 million in 2012. Realized gains on securities totaled \$1.3 million in 2013 compared to approximately \$576,000 in 2012. The increase in realized gains on securities is due to gains totaling approximately \$712,000 realized from the sale of three pooled trust-preferred securities. These three bonds were sold in late December 2013 as part of a strategy to mitigate risk and uncertainty associated with the Volcker Rule.

Non-interest income divisions including trust, brokerage and insurance divisions also have each had modest to moderate increases in income for 2013 compared to the prior year. Non-interest expense increased approximately \$2.3 million in 2013 compared to 2012 due primarily to increased salaries and benefits expenses, depreciation and occupancy expenses, and advertising and promotions expenses. Increased ex-



# 125<sup>th</sup> Birthday Party!

penses were expected and are a result of strategic efforts to address compliance and regulatory burdens, drive quality growth and expansion, provide superior customer service and data security as well as overall retention of teammates and customers.

Provision for loan losses totaled \$775,000 in 2013 compared to \$650,000 in 2012. Net loans charged off totaled approximately \$912,000 in 2013 to approximately \$734,000 in 2012. The allowance for loan losses as a percent of total loans totaled 1.35% and 1.45% for the years ended December 31, 2013 and 2012, respectively.

## Financial Condition

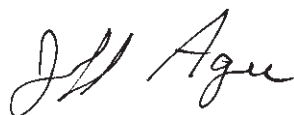
Total assets were flat at \$1.18 billion as of December 31, 2013 compared to December 31, 2012 as loan growth outpaced deposit growth for the first time in the past five years. Loan growth of 5.7% or \$31 million was funded primarily through existing cash and cash flows from the investment portfolio while deposits and borrowings each grew less than 1% during 2013.

Deposits totaled \$969 million as of December 31, 2013 compared to \$965 million as of December 31, 2012 and account for more than 90% of total funding for the company. Capital decreased approximately 1.3% when comparing December 2013 to December 2012 as a result of offsetting increase in undistributed net income of \$9.1 million and a decrease of \$10.7 million in accumulated other comprehensive income. Decreased accumulated other comprehensive income is due to reduction in unrealized gains on the available-for-sale investment portfolio. Unrealized gains on investments retreated significantly in 2013 relative to the rise in 10-year Treasury yields which were 3.04% and 1.78% as of December 31, 2013 and 2012, respectively.

## Dividends

Dividend payments totaled \$1.30 per share in 2013 compared to \$1.20 per share in 2012 and \$1.10 per share in 2011. The dividend payout ratio was 33.9% in 2013 compared to 32.0% in 2012 and 33.5% in 2011. The Company's dividend yield in 2013 was 3.33% compared to 3.33% in 2012 and 3.24% in 2011.

Our 125th Birthday will be celebrated throughout 2014. Please keep an eye out for announcements of special events and surprises. We plan on a whole year of fun and games, and you are invited to every one!

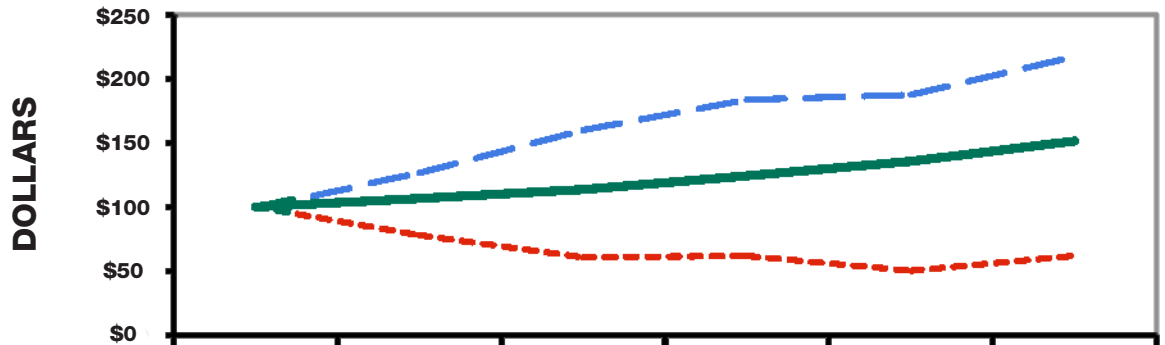


Jeff Agee  
President & CEO



Katie Winchester  
Chairman

## TOTAL SHAREHOLDER RETURN PERFORMANCE GRAPH

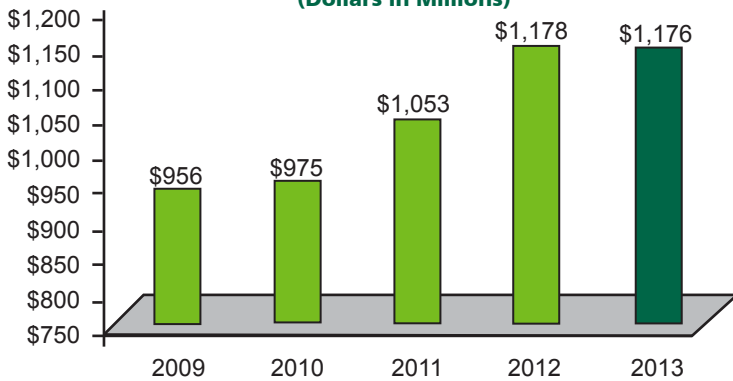


	2008	2009	2010	2011	2012	2013
<b>S &amp; P 500</b>	100.00	126.47	159.95	183.62	187.48	217.27
<b>FIRST CITIZENS</b>	100.00	106.58	113.59	124.24	135.57	151.39
<b>SOUTHEAST BANK STOCKS</b>	100.00	77.88	60.65	61.72	50.18	61.80

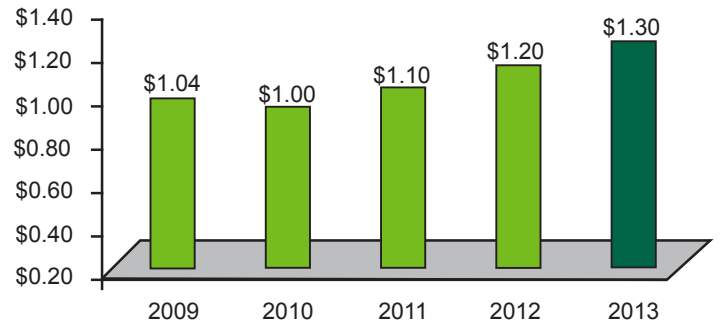
Note: Performance assumes dividend investment for each of the years ended December 31 as presented. Southeast Bank Stocks performance is derived from Mercer Capital's Southeast Public Bank Peer Report for all publicly traded banks in the Southeast Region of the United States.

## FINANCIAL HIGHLIGHTS

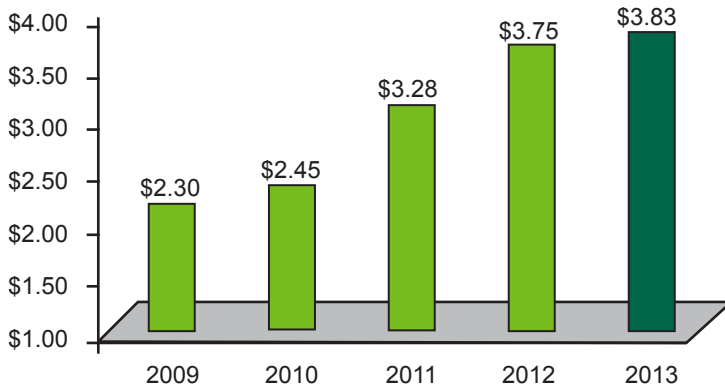
### TOTAL ASSETS (Dollars in Millions)



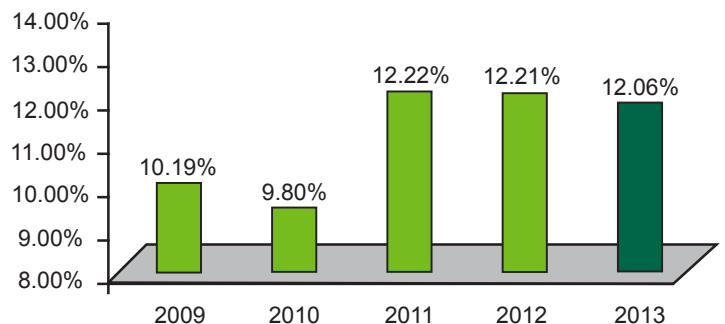
### DIVIDENDS PER SHARE



### EARNINGS PER SHARE



### RETURN ON EQUITY



# FIVE YEAR FINANCIAL SUMMARY

(In thousands, except per share data)

DECEMBER 31	2013	2012	2011	2010	2009
<b>Summary Balance Sheet</b>					
Cash & due from banks	\$41,645	\$64,969	\$59,598	\$21,899	\$21,177
Federal Funds Sold	5,469	5,079	14,673	18,063	11,170
Available for sale investment securities	456,525	466,819	365,465	294,823	249,791
Loan (net of allowance for loan losses)	572,418	541,497	519,660	539,675	578,614
Other assets	99,620	99,961	94,153	100,128	95,803
Total assets	1,175,677	1,178,325	1,053,549	974,588	956,555
Total deposits	968,530	964,839	855,672	791,845	752,146
Borrowed funds	87,975	87,563	83,799	87,568	112,911
Other liabilities	6,566	11,783	10,610	5,686	7,131
Total liabilities	1,063,071	1,064,185	950,081	885,099	872,188
Total equity	112,606	114,140	103,468	89,279	84,367
Total liabilities and equity	1,175,677	1,178,325	1,053,549	974,378	956,555
<b>Summary Results of Operations</b>					
Interest income	\$44,122	\$44,111	\$45,506	\$46,347	\$49,011
Interest expense	6,214	7,377	9,356	12,010	15,812
Net interest income	37,908	36,734	36,150	34,337	33,199
Provision for loan losses	775	650	2,425	7,000	7,060
Net interest income after provision	37,133	36,084	33,725	27,337	26,139
Non-interest income	14,030	12,454	11,673	12,270	12,462
Non-interest expense	33,341	31,016	30,120	28,710	28,309
Income before taxes	17,822	17,522	15,278	10,897	10,292
Income tax expense	4,014	4,007	3,416	2,022	1,965
Net income	\$13,808	\$13,515	\$11,862	\$8,875	\$8,327
<b>Per Share Data</b>					
Net income	\$3.83	\$3.75	\$3.28	\$2.45	\$2.30
Book value	\$31.21	\$31.64	\$28.68	\$24.06	\$23.26
Dividends	\$1.30	\$1.20	\$1.10	\$1.00	\$1.04
Average number of shares outstanding	3,607	3,607	3,614	3,626	3,625
<b>Growth &amp; Significant Ratios</b>					
% Change in net income	2.17%	13.94%	33.66%	6.58%	10.60%
% Change in assets	-0.22%	11.84%	8.10%	1.89%	3.13%
% Change in loans (net)	5.71%	4.20%	-3.71%	-6.73%	-1.84%
% Change in deposits	0.38%	12.76%	8.06%	5.28%	2.34%
% Change in equity	-1.34%	10.31%	15.89%	5.89%	9.48%
Equity to assets	9.58%	9.69%	9.82%	9.16%	8.81%
Return on average assets	1.19%	1.25%	1.18%	0.92%	0.89%
Return on average equity	12.06%	12.21%	12.22%	9.80%	10.19%
Average equity to average assets	9.83%	10.22%	9.62%	9.38%	8.76%
Efficiency ratio (*)	61.33%	58.96%	60.08%	59.03%	60.01%

(\*) Computed by dividing non-interest expense by the sum of net interest income on a tax equivalent basis and non-interest income. This is a non-GAAP financial measure, which we believe provides investors with important information regarding our operational efficiency. Comparison of our efficiency ratio with those of other companies may not be possible because other companies may calculate the efficiency ratio differently.



# A History of First Citizens National Bank



Tennessee became a state in 1798, but it was not until the New Madrid Earthquake of 1812 that the Indians became willing to deed land in Northwest Tennessee to white settlers who migrated west. They settled in the area that is now Dyer County to take advantage of good hunting, fishing, and trapping. The name "Dyer County" became official in 1823 by a commission from the office of then Governor William Carroll.

The next six decades were characterized by hard work and dedication by settlers who called Dyer County Home. On December 5, 1888, several local citizens applied to the State of Tennessee for a Bank Charter to establish a bank to be known as Citizens Bank. Twenty-five stockholders purchased a total of 100 shares at \$500 per share, creating \$50,000 in capital stock. From the ranks of the 25 stockholders, five Directors were elected; D. E. Parker, G. C. Scott, B. C. Burgis, J. R. Baker, and W. D. Roberts. Thomas W. Jones was named President and B. B. Watkins Vice President.

By late 1889, Dyer County had established itself as the center of a major growth area. The Civil War had ended, leaving behind a much improved road system created to provide supplies to the Confederacy. Two major railroads served the area, the Memphis, Paducah and Northern Line and the Newport News and Mississippi Valley Railroad. The Dyersburg Northern had been established to serve the area from Dyersburg to Tiptonville. An iron bridge which spanned the Forked Deer River was constructed at a cost of \$5,000. The Dyersburg Academy, a two-story brick building, had recently been completed, boasting an average daily attendance of 195 students.

Dyersburg residents took pride in their town and in an effort to create and maintain a quality of life, a number of rules were applied which included the following:

- Hanging onto trains for a ride through the city was strictly prohibited.
- Selling fresh meat on the town square would net you a \$10 fine.
- Fiddling, dancing, and card playing were not allowed in local saloons.
- All hogs must be confined to pens.

The first few months after the bank's inception were hectic times for the new Board of Directors. Meetings were held weekly at various members' homes and offices, as the new bank had no building of its own. After much deliberation and several offers, Citizens Bank purchased the building vacated by the Bank of Dyersburg for \$13,500.

In March 1889, the Board hired J. N. Parker as Cashier and A. R. Woolen as Assistant Cashier and Bookkeeper to handle daily operations of the bank. Mr. Parker and Mr. Woolen were each paid annual salaries of \$1,000 each and operated without additional staff until November 1889, when a clerk was hired at \$25 per month. In January 1890, the Board negotiated an agreement with Mr. Parker and Mr. Woolen whereby they would operate the bank for a combined annual salary of \$2,800, and from

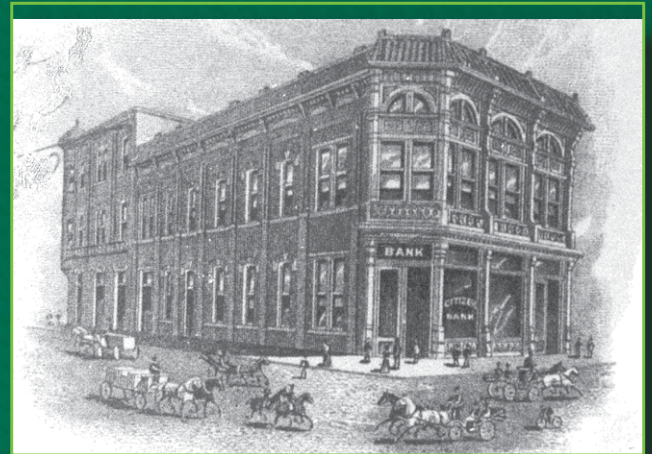




which salaries of any additional employees would be paid. The first dividend to shareholders was paid in 1894 at 4% of net earnings. In 1895, the By-Laws were amended to allow Directors to be paid \$1 per meeting attended. Also contained in the amendment was a provision whereby directors would be fined \$1 for each Board Meeting missed. The Citizens Bank began 1900 with total assets of \$236,000, an increase of \$80,000 over the previous year. By 1910, bank assets had more than doubled.

On February 6, 1889, Citizens Bank entered into a contract with The Bank of Dyersburg to purchase the bank's business, building, furniture and fixtures located on the Northeast corner of the public square. The deed of possession of all the property was to be given on March 1, 1889. Also, during this time, the Dyersburg Clearing House Association was formed and J. N. Parker, President of Citizens Bank, was elected president of the Association. The Association's job was to provide funding for the cotton and corn crops in Dyer County.

The First National Bank of Dyersburg was granted a Charter and commenced operations in 1900. A merger of the Citizens Bank and the First National Bank of Dyersburg was accomplished in 1923, forming First-Citizens National Bank of Dyersburg. Construction began immediately on the building and today continues to house the Corporate Offices of the organization. Following the merger and prior to completion of the new building, First-Citizens National Bank carried on business in two separate buildings.



*Citizens entered into a contract with the Bank of Dyersburg on February 6, 1889, to purchase their building, furniture, and fixtures.*



*It seemed that all of Dyer County turned out to celebrate with First Citizens as they cut the ribbon to acknowledge the newly remodeled bank lobby.*

The first floor and mezzanine were used for bank operations with space on the remaining five floors being rented by various businesses.

Very similar in purpose to the modern day Chamber of Commerce was the "City Club of Dyersburg." Listed among the club's objectives were "to build a bigger and greater Dyersburg; to locate factories that will employ our people; double the business of every business and professional man who is a citizen of our town; and to lower tax rates by locating more people here to pay taxes." The club was composed of the leading business and professional men of the city. In a publication circulated by The Club, First Citizens National Bank is described as "a new institution of a combination of two leading banks which have both been in business in Dyersburg more than 30 years. First Citizens is in a new location, with a new building with the confidence growing out of a period of unbroken success."

The grand opening of a new bank in 1924, attended by hundreds, was described by local citizens as "Dyersburg's first skyscraper." Souvenirs were presented to all in attendance, roses for the ladies, cigars for the gentlemen and pencils for everyone. Music was provided by the Tennessee Serenaders, a seven piece local orchestra. The main lobby, impressive in its white marble construction, housed eight cages, two for paying, two for receiving, one for payroll, one for notes, one for savings and Christmas accounts and one for bookkeeping.

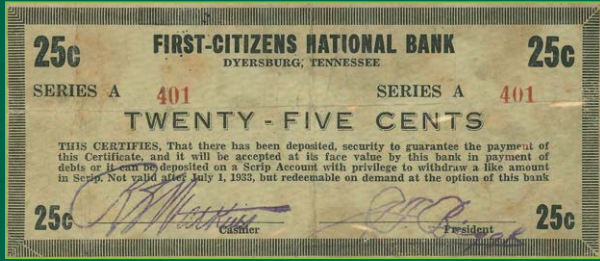
The first floor and



*Dyersburg's First Skyscraper*



The optimism and enthusiasm of the early '20s was replaced with grave concern as bank management came to grips with realities of the Great Depression. Mr. J. N. Parker, elected as President in 1904, retired in 1929, and was replaced by Mr. John M. Tarrant who led the bank through the early years of the depression. As the effects of the depression worsened, the bank's assets and earnings continued to decline. In 1931, employees' salaries were reduced by 20% and by 1932, the bank was no longer able to pay a dividend to its stockholders.



In January of 1933, Mr. Tarrant retired and was replaced by Mr. J. F. Biggs. Once again salaries of employees were reduced to allow for continued operation of the bank. On February 28, 1933, the Governor of the State of Tennessee issued a proclamation closing all banks in the state for the first six days of March. The proclamation also contained a clause allowing banks to freeze 95% of the balances in customers' accounts. The only exception to the freeze was made by allowing businesses to draw from frozen funds to fulfill payroll needs.

By 1935, the economy was recovering and both assets and earnings were again increasing. The payment of dividends to shareholders was resumed in 1939. In sharp contrast to the '30s, the '40s brought many positive changes for First Citizens. Assets more than tripled, profits increased 600%, and dividends to shareholders increased significantly. Mr. Vern Forcum was elected President in 1944, succeeding Mr. Biggs.

Branch banking came into its own during the 60s. In 1961, Dyersburg's first drive-in banking facility was opened as First Citizens National Bank Drive-In Branch. Local businessman and long-time customer Granger Ledford surprised employees by riding up in his horse drawn buggy to transact banking business. First Citizens employee Rance Wyrick was there to accept his deposit.



*Granger Ledford and Rance Wyrick*

In 1970, Mr. Vern Forcum was promoted to Vice Chairman of the Board and Stallings Lipford was named President of the bank in addition to the position of CEO, a title he held since 1960. In February of 1984, Chairman M. K. Weakley resigned his position, a move made necessary because of failing health. His resignation ended 40 years of service to the Board of First Citizens. At that time Mr. Lipford was named, President, CEO and Chairman of the Board.



*In February of 1984, Board Chairman M. K. Weakley resigned his position because of failing health. His resignation ended 40-years of service to the Board of First Citizens.*

Stallings Lipford was a beloved and respected leader, both in banking and in the community he served. His outstanding interpersonal and leadership skills were recognized by Board of Directors, over a career that spanned more than six decades during which



*Stallings Lipford, President, 1970 -1992*

he served as President, Chief Executive Officer and Chairman of the Board of First Citizens National Bank. Throughout his life, Mr. Lipford worked tirelessly to improve the quality of life in Dyer County. As Chairman of the





*Mr. Lipford is pictured here with presiding Director Milton Eugene Magee and his father Milton Elbert Magee, Jr., who served as a Director for 46 years. Grandfather Milton Elbert Magee, Sr. was the first in the Magee family to serve as a member of the First Citizens Board.*

1980, Dyersburg and Dyer County were introduced to "Annie" the Anytime Teller as ATMs were installed at the Newbern, Green Village, and the Downtown Dyersburg Drive-In branches.

Another first for Dyersburg occurred in 1987. The concept of one-stop shopping took on new meaning with the opening of First Citizens Money Market Branch inside the Kroger Store on Highway 78. Customers quickly responded to the extended hours and added convenience of supermarket banking.



*Green Village Branch*

1924. A three-story addition in the area formerly occupied by J. C. Penney Company virtually doubled the amount of available floor space.

The Corporate Governance Committee became concerned with Management succession and instructed the Management Team to develop a plan that would ensure the ongoing success of the bank if for any reason we lost key people serving in senior leadership. Katie Winchester, a 31 year veteran of First Citizens was named President in 1992. Under Katie's leadership, expansion into other markets continued. In November, First Citizens opened the Industrial Park Branch at 2211 St. John Avenue in Dyersburg. The 2,773 square foot facility is designed to meet the needs of the area through expanded hours and services.

Dyer County Industrial Board, he played a major role in bringing jobs to Dyer County. He was an outspoken advocate for programs and projects he felt important to the quality of life in communities served by First Citizens.

Branching continued in the 1960s as First Citizens opened the Green Village Branch in 1967 and the Newbern Branch in 1969. In 1982, First Citizens purchased the Bank of Yorkville under a purchase and assumption Agreement with the Federal Deposit Insurance Corporation. The facility operated as the Yorkville Branch of First Citizens National Bank until July 1987. At a special called meeting on June 14, 1983, shareholders of First Citizens National Bank approved a consolidation plan which resulted in the Bank becoming a wholly owned subsidiary of First Citizens Bancshares, Inc., a one bank holding company. In



*A mobile facility served as the first Green Village Branch in 1967. It was later replaced by a larger permanent facility capable of serving the needs of the many customers that prefer this location above all others. Even today, 40 plus years later, this location handles more transactions and serves more customers on a daily basis than any First Citizens location.*

ed to the extended hours and added convenience of supermarket banking.

As First Citizens continued to grow, both in assets and in the number of employees, it became necessary to make available additional space. This would represent the first structural addition to the main office building since the initial construction in



*Katie Winchester, President, 1992 - 2006*



On January 17, 1995, First Citizens entered the Lauderdale County market by purchasing a branch located at 292 South Washington Street in Ripley, TN. This temporary location was replaced by a new full-service branch in 1997. In 1996, the next phase of Management Succession was implemented when the Board added the title and responsibilities of CEO to Ms. Winchester. She retained the title of President and CEO until Jeff Agee, former Chief Financial Officer, was named President in 2006 and CEO in 2007, completing the planned succession transition.



Industrial Park



Ripley



Troy

Several small acquisitions provided the opportunity to expand markets and assets of First Citizens. The Bank of Troy was purchased in 1998, First Volunteer in 1999. Expansion continued with the construction of the Martin Branch in 2001 and the purchase of Munford Union Bank in 2002. (The Munford Union purchase included Atoka, Millington and Bartlett Branches.) Continued expansion in the Southwest Market led to construction of a branch in Arlington in 2003, Oakland in 2005, and Collierville in 2006.



Union City



Martin



Munford Union



Atoka



Millington



Bartlett



Arlington



Oakland



Collierville



First Citizens ventured into Williamson County with the purchase of the Franklin Branch in 2007 and Cool Springs Branch in 2012.

In response to the needs of a growing market base, a freestanding Operations Center was constructed in the Annex Building located next door to the Main Office facility in Dyersburg, Tennessee, the 14,400 square foot facility houses Information Technology, Bank Operations, a Call Center, Bank Security Offices and Mail Room. The

facility was constructed to provide added protection in the event of a natural disaster and is equipped with a generator that will ensure an uninterrupted power source. In addition, efficiencies are gained as related processes are located in a manner that provides an expedited workflow and improved operational performance. Much of the success enjoyed by First Citizens in results of operations and expansion into new markets is attributed to the quality of the Management Team.



Cool Springs



Franklin



Judy Long

As an example, Judy Long, Executive Vice President and Chief Operating Officer of First Citizens, has established herself throughout the banking industry as a leader in her field. She was elected to the Board of Directors of NACHA—The Electronic Payments Association. This level of recognition is unusual for someone affiliated with a bank other than Regional in size. NACHA supports the growth of the ACH Network by managing its development, administration, and governance. NACHA represents nearly 11,000 financial institutions through 17 regional payments associations and direct membership. Through its industry councils and forums, NACHA brings together payments system stakeholder organizations to encourage the efficient utilization of the ACH Network and develop new ways to use the Network to benefit its diverse set of participants.

### Investment and Trust Services

The Investment and Trust Services Division was granted trust powers in 1925, and thus began a long history of professional, reliable investment management, estate planning, trust and qualified retirement plan services for individuals and Small Business customers.

With current services provided to more than 300 clients, assets total in excess of \$150 million and include accounts that range in value from more than \$15 million to less than \$100,000. Regardless of account size, the Investment and Trust Services Division is committed to the basic principles of fiduciary law and to providing the highest quality service to our clients.

Today's complicated investment and trust business demands a highly trained and experienced staff. Our Officer level staff has an average of more than 25 years' experience in the investment and trust business and hold advanced degrees and/or certifications in their fields.

### Agricultural Services

First Citizens National Bank has been a lender to the agricultural community for 125 years. The importance of agriculture to the economy of Dyer County cannot be over emphasized. While much has changed in agriculture over these many years, First Citizens commitment has not. As times have changed, we have partnered with others to improve our service to the Ag Community. First Citizens has participated in the USDA/Farm Service Agency's Guaranteed Loan Program since 1979. On February 19, 2004, First Citizens was recognized as a Preferred Lender in the FSA Loan Program. First Citizens is the only Community based bank in the State of Tennessee to be designated as a Preferred Lender.



## First Citizens Financial Plus

In 1985, the concept of providing investment advice through a subsidiary of First Citizens National Bank was envisioned. First Citizens Financial Plus opened its first location in the First Citizens Annex with two employees. The firm has expanded and today has three full-service locations, one each in Dyersburg, Union City and Arlington. Getting to know our customers personally, helping them understand their investment choices and fulfilling individual financial needs is our primary objective.

## White & Associates/First Citizens Insurance

One of the most exciting changes in First Citizens Insurance Company is the partnership with White & Associates to form White & Associates/First Citizens Insurance LLC. This joint venture occurred in 1998, after the OCC ruling authorizing the sale



*Employees of White & Associates/First Citizens' Insurance gather in the bank lobby to celebrate the new partnership formed in 1998. The performance and profitability has proven to be our most successful subsidiary.*

of insurance within banks. Today, White & Associates/First Citizens Insurance, LLC is a full-service independent insurance agency offering all types of insurance coverage, including Personal Home & Auto, Commercial, Farm & Crop, Life, Individual & Group Health, Long Term Care and Medicare Supplement. Specialized lines of business, such as multi-peril crop insurance and owners title insurance help us better meet the needs of our customers. The White & Associates/First Citizens Insurance partnership agencies include White & Associates/First Citizens in Dyersburg, White & Associates/First Citizens in Union City, Halls Insurance in Halls and White & Associates-Bernard Agency in Caruthersville, MO.

## The Great Recession:

Bank records attest to growth and prosperity in the area in the years following the Civil War and difficulties endured during the Great Depression. Throughout the roaring 20's, the fabulous 40's, and into the information age, First Citizens continues to make a positive contribution to the quality of life in communities we serve. Most recently, the Great Recession began in December 2007, as the subprime mortgage crisis led to the collapse of the housing market in the United States. The impact of this crisis led to the failure or collapse of some of the largest financial institutions in our country such as Lehman Brothers, Bear Stearns and failure of many smaller banks including community banks. The Government responded in an unprecedented manner with billions of dollars spent on bank bailouts and fiscal stimulus and by placing the two government sponsored entities commonly known as Fannie Mae and Freddie Mac into conservatorship. The impact of the Great Recession was also felt locally in markets served by First Citizens with unemployment rates that peaked as high as 19.9% in 2009. While First Citizens was certainly not immune to the negative effects of the economic turbulence experienced from 2007 to 2012, conservative risk management philosophy and practices before, during and after the Great Recession allowed First Citizens to outperform peer banks in key financial metrics, for asset quality, earnings, capital, liquidity and shareholder return without the use of a government bailout.



*Grand opening celebration of Cool Springs branch*

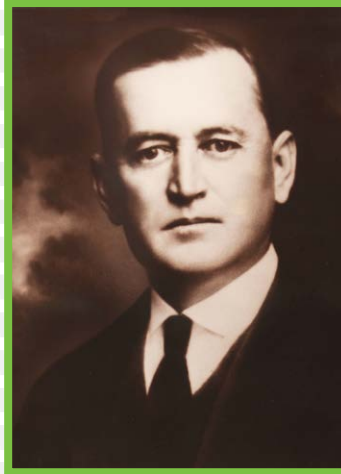


*Ground breaking for the new Jackson branch which is expected to open in 2014.*

# THE PARADE OF PRESIDENTS



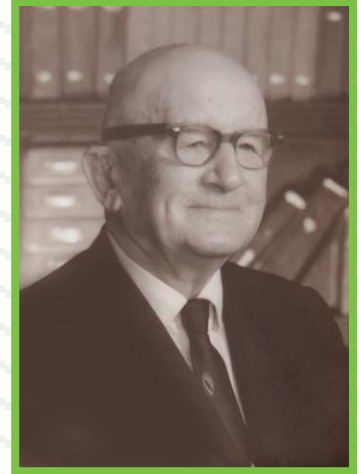
J. N. Parker  
1904 - 1930



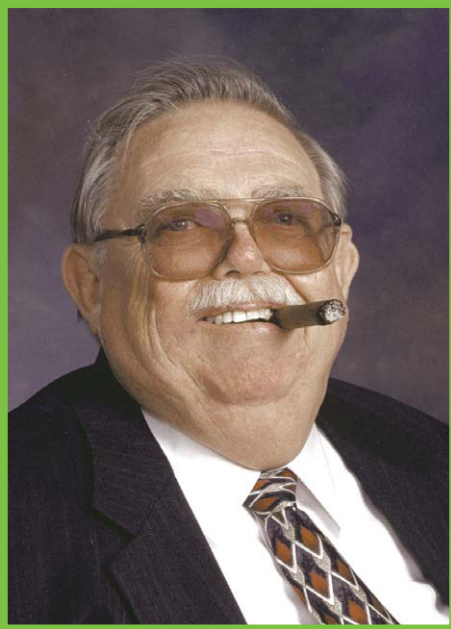
J. M. Tarrant  
1930 - 1933



J. F. Biggs  
1933 - 1944



Vern Forcum  
1944 - 1970



Stallings Lipford  
1970 - 1992



Katie Winchester  
1992 - 2006



Jeff Agee  
2006 - Present

*For the past 125 years First Citizens National Bank has served the financial needs of its customers, under the leadership of seven individuals. At a time when mergers and acquisitions continue to lay claim to the identity of independent community banks, First Citizens stands as a proud heritage to the history of communities we serve and to those who have provided direction and leadership to the bank.*



# President & CEO Jeff Agee Assumes Position of Chairman of Tennessee Bankers Association

Jeff Agee quickly made a name for himself throughout the State as a Banker who knew how to get things done. Having served as President of the Young Banker's Association in 1999-2000, a position on the Board of TBA was not far behind. In 2013 President Agee was elected Chairman of the Tennessee Bankers Association. A reprint of Mr. Agee's acceptance speech published in the August 2013 edition of the Tennessee Banker Magazine, reads as follows:

"The banks of Tennessee hold banking assets of \$86 billion. What a powerful force! We are fortunate to have 600 members, associate members, and family members in attendance at this convention. We have been blessed to be part of a great banking state and the Tennessee Bankers Association. We have opportunities like no other. We understand that we must be visionary, proactive, work hard, and execute. We must never lose faith in our purpose, no matter what Washington DC throws at us. When my term as Chairman of the Young Bankers Division ended I documented my personal goals and shared them with my wife, Jolie. My list included someday becoming Chairman of the TBA. And here I stand before you tonight.

I am humbled to work side-by-side with Tennessee Bankers like Andy Smith, a Vietnam Veteran, and his lovely wife Sandy, with Craig Fitzhugh, Bill Marsh and Donna Stone—along with their great spouses. Katie Winchester, Chairman of my bank, was the first female elected to serve as a member of the TBA Board. I am proud to follow in the footsteps of leaders like Waymon Hickman who was Chairman when the Association purchased Beem Insurance Agency, which evolved into Financial Products and Services and has brought a cumulative \$10 million dollars to our organization since inception. Glen Barker, Steve White, Paul Wilson, Sammy Stuard, and Jim England were instrumental in the construction of our new TBA headquarters. I am pleased to tell you that the cost of this magnificent facility is paid in full. In addition, it houses the Leaders in Banking Excellence plaques that pay tribute to the vision and leadership of Tennessee Bankers, past and present.



Tennessee bankers will continue to make a difference in our communities and our state—bankers like Jim Ayers with his education and scholarship initiatives and the current chair of the Young Bankers Division, Mayor Robby Moore. We are fortunate TBA has more than 123 years of great history. Brad has been a powerful leader for approximately 40 of those years, and now we have a new Barrett—Colin. We are excited about our new team—the right team. TBA's team, strategic plan, succession plan, and financials are fortress strong. Our Message will be clear; plan with an attitude, prepare with aptitude, participate with servitude, and receive with gratitude. This will be our driving force from each of the three great sectors, East, Middle, and West Tennessee!

Jolie and I humbly accept this chairmanship and are proud to represent the Tennessee banking community."

# President Agee Supports Community Service



Our President views community service as one of First Citizens most important responsibilities. Whether it is a Little League ball game, soccer game, United Way, Relay For Life or County Fair, you will find him in the midst of most activities.



*(Top Left) President Agee is visiting with Seniors as they enjoy Senior Day at the Fair which included a lunch of hamburgers, hot dogs, chips and soda, Bingo games and other entertainment.*

*(Above Middle) President Agee gets a "Pie in the Eye" at Relay for Life from whom else? His son Franklin!*

*(Bottom Left) It's Christmas in Sorgham Valley and President Agee is entertaining children by sharing Christmas stories with them as they enjoy hot chocolate and s'mores.*





*(L to R) Laura Beth Butler, Chief Financial Officer, Ben Ragan, Central Market Regional President, Katie Winchester, Chairman, Chris Heckler, Southwest Market Regional President, Sherrell Armstrong, Chief Credit Officer, Judy Long, Chief Operating Officer, and Jeff Agee, President and Chief Executive Officer*

*The Management Team, led by President and CEO Agee is recognized as one of the most talented in the state. Throughout the economic recession the team working together was able to outperform peer group banks in most categories commonly used to compare the quality of financial performance. A philosophy of dedication to serving the needs of customers was established many years ago. It worked well for the first century and is being carried forward into the second. First Citizens remains an independent community bank committed to providing quality banking services sensitive to the changing needs of the communities we serve.*



# FCNB TEAMMATES

Autumn Allen  
Mary Ann Anderson  
Valerie Anderson  
Kacey Bain  
Bailey Baker  
Kyle Bargery  
Kristy Barham  
Stephanie Barkowski  
Denise Barnett  
Eddie Bell  
Tracy Bennett  
Spencer Boals  
Randie Bohannon  
Layla Borden  
Connie Braden  
Glandia Brasfield  
Becky Brigman  
Kim Brown  
Lisa Butler  
Linda Caldwell  
Nancy Cammuse  
Carey Campbell  
Jarod Carr  
Margaret Cary  
Laura Childress  
Adam Chitwood  
Jennifer Choate  
Dupree Cooper  
Sue Ann Cox  
Kelley Cryer  
Latesa Daniels  
Connie Davenport  
Kathy Davidson  
Barbara Davis  
Stacey Davis  
Chris Demastus  
Cherry Dennison  
Dot Digirolamo  
John Dodd  
Keri Dominguez  
Lindsey Doster  
Debbie Dozier  
Myron Driver  
Beverly Ellington  
Brenda Enoch  
Dana Ezekiel  
Kathy Ezell  
Carlette Fields-Wells  
Sherry Fisher

Melissa Fleming  
Laurie Floyd  
Holly Fortner  
Cheryl Fowler  
Lori Fowler  
Rawlin Fowlkes  
Jessica Gardner  
Debbie Garner  
Erika Glass  
Teresa Glass  
Lisa Golson  
Janie Grantland  
Ronna Griffin  
Lana Haight  
Deborah Harchfield  
Ruth Hays  
Nikki Herman  
Wren Hickman  
Tevvy Hollingsworth  
Randall Hooker  
Bradley Hopgood  
Angela Hughes  
Jan Jackson  
Shaye Jackson  
Cynthia Johnson  
Dob Johnson  
Brittany Jones  
Dianne Jones  
Kay Jones  
Laura Justin  
Tina Kirby  
Melissa Kohnert  
Gail Lane  
Chris Lanigan  
Betty Leach  
Amy Leggett  
Sherry Lewis  
Vicki Lewis  
Tammy Lo  
Anna Lock  
Cindy Long  
Leslie Lynn  
Shantell Malone  
Joy Manning  
Tre Mantooth III  
Sharon Martie  
Tara Matheny  
Kandy Mays  
Maggie McCage

Zenia McInerney  
Cindy McLean  
Kimberly M. Mills  
Kimberly S. Mills  
Theresa Mires  
Jeanette Morales  
Donna Morgan  
Giselle Moshier  
June Murray  
Rachel Murray  
Moe Nahhas  
April Needham  
Valerie Ogden  
Nicky Patillo  
Jenny Pearson  
Jessica Peart  
Mary Evelyn Peckenpough  
Brandon Peeler  
Raegan Perry  
Becca Ping  
Leslie Price  
Sydney Pruitt  
Aubrey Reedy  
Brooke Regen  
Martin Reyna  
Eric Robertson  
Debbie Rowland  
Kelli Sanders  
Angie Sawyer  
Lou Scott  
Kristol Sentell  
Dustin Seratt  
Rita Shoemaker  
Aly Smith  
Leanne Smith  
Lynn Smith  
Suzie Snover  
Jacki Stewart  
Jennifer Stover  
Ann Strayhorn  
Crista Swanner  
Janice Tapp  
Angela Taylor  
Christie Taylor  
Keisha Taylor  
Bonnie Temke  
Lindsey Thompson  
Caroline Tipton  
Gail Tolley

Becky Tubbs  
Christy Tull  
Connie Usery  
Faye Vandyke  
Pam Wade  
Tamara Watson  
Justine Webb  
Ryan Welch  
Sherry Wilkes  
Roxie Willard  
Martha Williford  
Jackie Willis  
Linda Willis  
Heather Wood  
Lindsey Wood  
Andrew Wright  
Misty Wright  
Patti Wright

## FIRST CITIZENS FINANCIAL PLUS, INC. TEAMMATES

Linda Albright  
Margarette Patrick



# BOARD OF DIRECTORS

Jeff Agee.....	President & CEO, First Citizens National Bank
Eddie E. Anderson.....	Anderson Farms
J. Walter Bradshaw.....	Bradshaw & Co. Insurers
James Daniel Carpenter.....	Retired
Richard W. Donner.....	Trenton Mills
Larry W. Gibson.....	Roberts-Gibson, Inc.
Christian E. Heckler.....	Southwest Market Regional President, First Citizens National Bank
Ralph E. Henson.....	Retired
Barry T. Ladd.....	Retired
John M. Lannom.....	Attorney at Law
Judy Long.....	Chief Operating Officer, First Citizens National Bank
Milton E. Magee.....	Magee & Taylor, FLP
Allen G. Searcy.....	Allen Searcy Builder-Contractors, Inc.
G. W. Smitheal.....	Smitheal Farms
Larry S. White.....	First Citizens/White & Associates Insurance, LLC
Dwight Steven Williams.....	Johnson-Williams Funeral Home
Katie S. Winchester.....	Chairman, First Citizens National Bank
Joseph S. Yates.....	General Appliance & Furniture Company

## OFFICER LISTING

### EXECUTIVE OFFICERS – FIRST CITIZENS BANCSHARES, INC.

Katie Winchester.....	Chairman
Jeff Agee.....	President & Chief Executive Officer
Judy Long.....	Executive Vice President & Chief Operating Officer
Laura Beth Butler.....	Executive Vice President & Chief Financial Officer & Secretary
Sherrell Armstrong.....	Executive Vice President
Christian Heckler.....	Vice President
Ben Ragan.....	Vice President

### EXECUTIVE OFFICERS – FIRST CITIZENS NATIONAL BANK

Katie Winchester.....	Chairman
Jeff Agee.....	President & Chief Executive Officer
Judy Long.....	Executive Vice President & Chief Operating Officer
Laura Beth Butler.....	Executive Vice President & Chief Financial Officer & Secretary
Sherrell Armstrong.....	Executive Vice President & Chief Credit Officer
Christian Heckler.....	Southwest Market Regional President
Ben Ragan.....	Central Market Regional President

### OTHER SENIOR OFFICERS – FIRST CITIZENS NATIONAL BANK

Mitch Higdon.....	EVP & Senior Credit Officer – Southwest Market
Charles A. Graves.....	Middle TN Regional President
Joe Ward.....	Northwest Market Regional President
Greg Benjamin.....	Community Bank President - Atoka
Gene Bridges.....	Community Bank President – Collierville
Pat Carrington.....	Community Bank President - Jackson
Brian Grant.....	Community Bank President – Bartlett
Richard Huffman.....	Community Bank President – Munford
Donald Oliver.....	Community Bank President – Arlington
Thomas Seratt.....	Community Bank President – Martin
John Smith.....	Community Bank President – Oakland
Bill Sweat.....	Community Bank President – Ripley
Nelson Williams.....	Community Bank President – Millington
Tonya Carson.....	Financial Center President – Industrial Park Office
John Tucker.....	Financial Center President - Green Village
Danielle Williams.....	Financial Center President - Newbern
Stan Avis.....	Senior Vice President – Manager – Special Assets
Judy Burns.....	Senior Vice President & Senior Trust Officer/Manager
Jerry Cantrell.....	Senior Vice President – Manager Information Technology
Becky Gregory.....	Senior Vice President, CAO, Security Officer, Retail Electronic Services
Joyce Hanlon.....	Senior Vice President & Director of Professional Learning
Andrew Harrington.....	Senior Vice President & Senior Credit Officer
Opal Haub.....	Senior Vice President & Commercial Loan Officer - Franklin
Ronda Heathcott.....	Senior Vice President – Manager – Mortgage Lending
Kerrie Heckethorn.....	Senior Vice President – Human Resources Officer
David Hopkins.....	Regional Business Development Officer - Middle TN
Gina Jackson.....	Senior Vice President – Controller – Insurance Officer – Facilities Manager
June Jones.....	Senior Vice President – Loan Review Manager
Rob Kerr.....	Senior Vice President & Chief Compliance Officer
Sharon Morehead.....	Senior Vice President & Bank Auditor
Brent Neal.....	Senior Vice President – Manager – Ag Lending Division
Paul Newbill.....	Senior Vice President & Loan Manager
Janiece Wright.....	Senior Vice President & Treasury Services
Denise Barker.....	Vice President & Community Branch Co-Manager – Green Village
Wanda Bomar.....	Vice President – Compliance Officer

Brandon Brewer.....	Vice President – Trust Officer
Sherry Brown.....	Vice President – Union City
Edward Burks.....	Vice President & Manager - Appraisals
Sonya Burks.....	Vice President & Assistant Manger - Real Estate
Tanna Canada.....	Vice President - Customer Service
Angie Crawford.....	Vice President & Manager - Bank Operations
Char Darling.....	Vice President & Manager – Martin
Patti Fedak.....	Vice President & Regional Retail Sales Manager - Middle Tennessee
Vicky Floyd.....	Vice President & Assistant Contoller
Scott Foster.....	Vice President & Ag Loan Officer
Kay Fultz.....	Vice President & Manager – Troy
Larry Hicks.....	Vice President & Manager – Newbern
Denise Holland.....	Vice President & Real Estate Operations
Amy Jones.....	Vice President & Manager – Industrial Park
Melanie Jones.....	Vice President & Assistant Manager - Bank Operations
Krista Lewis.....	Vice President – CRA Officer
Shirley McGuire.....	Vice President – Information Technology & IT Security Officer
Regina Moore.....	Vice President & Trust Officer
Lyndi Neal.....	Vice President & Lead CSA - Main Office
Becky Peckenpaugh.....	Vice President & Manager - Centralized Loan Processing
Jennifer Poston.....	Vice President & Southwest Region Human Resources Representative
Naomi Rector.....	Vice President & Community Branch Co-Manager – Green Village
John Rogers.....	Vice President & Senior Fraud Analyst
Vickie Sansom.....	Vice President – Bank Operations
Jill Schultheis.....	Vice President & BSA/OFAC Officer
Debra Seratt.....	Vice President & Lead CSA - Industrial Park
Vickie Studard.....	Vice President & Loan Officer
Sandy Tarkington.....	Vice President of Sales and Marketing
Elisabeth Vaden.....	Vice President & Branch Manager – Ripley
Candy Whipple.....	Vice President & Branch Manager – Union City
Ann Whitmore.....	Vice President - Controller Division

**OTHER OFFICERS**

Susie Alexander.....	Assistant Vice President & Lead CSA – Troy
Kyle Baggett.....	Assistant Vice President & Ag Lender
Tammy Baucom.....	Assistant Vice President & Lead CSA- Union City
Mary Brown.....	Assistant Vice President – Bank Operations
Barbara Canady.....	Assistant Vice President & Branch Manager – Oakland
Elaine Carpenter.....	Assistant Vice President & Branch Manager – Collierville
Gwen Clark.....	Assistant Vice President & Mortgage Loan Originator - Atoka
Debra Cox.....	Assistant Vice President - Controller Division
Cari Dee Dawson.....	Assistant Vice President & Branch Manager – Munford
Edith Dunevant.....	Assistant Vice President - Real Estate - Union City
Wanda Forrester.....	Assistant Vice President – Troy
Debra Gingery.....	Assistant Vice President & Manager – Ripley
Sharon Hammett.....	Assistant Vice President & Branch Manager – Millington
Belinda Hoffman.....	Assistant Vice President – Union City
Beverly Johnson.....	Assistant Vice President – Bank Operations
Jamie Jones.....	Assistant Vice President & Financial Center Manager - Main
Scott Knight.....	Assistant Vice President - Special Assets
Tammy Ladd.....	Assistant Vice President & Real Estate Originator
Jackie Lucas.....	Assistant Vice President & Mortgage Originator - Collierville
Beth McBride.....	Assistant Vice President – Union City
Sharrie McKenzie.....	Assistant Vice President – Troy
Gwyn McNeely.....	Assistant Vice President - Green Village
Helen Maclin.....	Assistant Vice President & Public Relations Representative
Chris Martin.....	Assistant Vice President & Branch Manager – Arlington
Sherry Naylor.....	Assistant Vice President – Union City
Janet Norman.....	Assistant Vice President & Branch Manager - Franklin
Maxine Patrick.....	Assistant Vice President & Assistant Manager – Martin
Ava Pope.....	Assistant Vice President & Lead CSA – Newbern
Nikki Rogers.....	Assistant Vice President & Sales & Marketing
Sheila Roser.....	Assistant Vice President – Bank Operations
Jayme Rouse.....	Assistant Vice President & Retail Product Manager
LaDonna Spry.....	Assistant Vice President & Human Resources Assistant
Beth Stallings.....	Assistant Vice President – Green Village
Teresa Thomsom.....	Assistant Vice President - Investment Management & Trust Services
Gina Ursery.....	Assistant Vice President – Union City
Penne Vickery.....	Assistant Vice President - Bank Operations
Cindy Ware.....	Assistant Vice President - Bank Operations
Leslie White.....	Assistant Vice President & Loan Training Coordinator
Tyler Barker.....	Business Development Lending Officer - Union City
Michelle Glass.....	CRA Documentation Officer and HMDA Officer

**FIRST CITIZENS FINANCIAL PLUS, INC.**

James T. Hopper.....	President
James R. Craig Jr.....	Vice President
Patricia J. Moore.....	Vice President
Zach Smith.....	Vice President
Charlotte Lewis.....	Assistant Vice President - Operations Manager



# All Dressed Up & Cooking It Up





# for Good Times & Good Causes!







**What Fun We've Had the First 125**





**Years & Will Have in the Future!**



# CORPORATE INFORMATION

## Corporate Headquarters:

First Citizens Bancshares, Inc.  
One First Citizens Place  
Dyersburg, TN 38024  
Investor Relations:  
[www.firstcnb.com](http://www.firstcnb.com)

## Stock Exchange Listing:

The common stock of First Citizens Bancshares, Inc, is not listed on any exchange. Persons interested in purchasing or selling shares of common stock of the Company may contact Brenda Enoch, First Citizens National Bank, P. O. Box 370, Dyersburg, TN 38025-0370 or call 731-287-4258 for information regarding availability of shares.

## Transfer Agent:

Shareholders who have questions about their accounts or who wish to change the ownership or address of stock, to report lost, stolen or destroyed certificates; or to consolidate accounts should contact: Computershare, Shareholder Services at 1-800-942-5909.

## Annual Meeting:

The Annual Meeting of Shareholders will be held on Wednesday, April 16, 2014, at 10:00 a.m. at:

First Citizens National Bank, Lipford Room,  
One First Citizens Place  
Dyersburg, TN 38024  
(731) 285-4410  
[www.firstcnb.com](http://www.firstcnb.com)

**Come visit us online at  
[www.firstcnb.com](http://www.firstcnb.com)**