



**FIRST CITIZENS
BANCSHARES, INC.**

2017
FIRST QUARTER REPORT

TO OUR SHAREHOLDERS

First Citizens again delivered rock solid financial performance for our shareholders. Your stock value has recently jumped to \$58.50 per share. We are focused on our strategic plan that will drive the strength of First Citizens Bancshares, Inc. and allow the company to support a multi-billion dollar financial institution. Total shareholder return again exceeded 9% when comparing March 2017 to March 2016. Our management team understands our stock represents a solid, long-term investment for our investors. We have a long history of consistently producing quality shareholder returns, with a focus on earnings and a fortress strong balance sheet.

Core fundamentals of our bank continue to be strong, and our actions continue to produce impressive results. Net income for the first three months of 2017 has exceeded the prior year and budget. Return on average equity was 10% compared to Tennessee peer average of 7%. First Citizens has been, and will continue to be, laser focused on asset quality, net interest margin and efficiency. Asset quality continues to reflect favorable results when benchmarked to peer and historical trends. The company's net interest margin has started moving upward due to: loan growth, investment yields and balance sheet mix. We are also delivering on promised shareholder benefits of the Southern Heritage Bank acquisition.

Two other impactful strategic initiatives for first quarter 2017 were focused on Investment Management and Trust Services division and reorganization of the mortgage loan process. The bank's objectives in both strategic actions are for improved customer service and operational efficiencies. The Trust division launched comprehensive outsourced Trust Operations and Employee Benefit solutions offered by Fidelity Information Systems (FIS) in order to leverage best-in-class trust accounting technology, financial systems, and employee expertise in specialized areas of operations to provide a high level of service. This allows Trust teammates to focus on what they do best: cultivate and build stronger client relationships. First Citizens' mortgage process was changed to combine our in-house mortgage lending group with secondary market lenders in an effort to streamline the mortgage origination process, resulting in faster turnaround time from the point of application to loan closing and funding. All mortgage processes are in a stage of transformation that will provide mortgage lenders with access to first-in-class intelligent technology that provides for quick execution of all phases of loan processing, title, appraisal, underwriting and closing. Customers can apply for a mortgage loan at our financial centers or online at firstcnb.com.

Our teammates are confident in our ability to continue to produce a consistent, growing dividend and strong earnings growth, providing an attractive shareholder return. What we've got is just "Unbelievably Good." We love our team, our community and our customers---and it's easy to see why. FirstCNB is a big family and it's at the core of who we are. We are a fired up top-performing leader, truly caring for the community since 1889.

Jeff Agee
Chairman & Chief Executive Officer

Judy Long
President & Chief Operating Officer

FINANCIAL SUMMARY

(In thousands, except per share data)

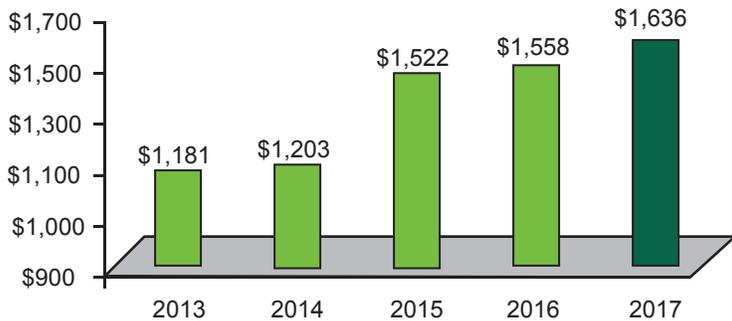
MARCH 31 Condensed Balance Sheet	2017	2016	% Change
Cash & due from banks	\$70,724	\$64,480	9.68%
Federal Funds Sold	6,304	14,438	-56.34%
Available-for-sale investment securities	587,605	574,561	2.27%
Loans (net of allowance for loan losses)	862,787	783,420	10.13%
Goodwill & intangibles	23,707	23,900	-0.81%
Other assets	85,204	97,496	-12.61%
Total assets	<u>\$1,636,331</u>	<u>\$1,558,295</u>	<u>5.01%</u>
Total deposits	\$1,357,059	\$1,301,065	4.30%
Borrowed funds	109,504	86,290	26.90%
Other liabilities	7,156	11,085	-35.44%
Total liabilities	<u>1,473,719</u>	<u>1,398,440</u>	<u>5.38%</u>
Total equity	<u>162,612</u>	<u>159,855</u>	<u>1.72%</u>
Total liabilities & equity	<u>\$1,636,331</u>	<u>\$1,558,295</u>	<u>5.01%</u>

YEAR-TO-DATE AS OF MARCH 31 Condensed Results of Operations	2017	2016	% Change
Interest income	\$14,746	\$13,969	5.56%
Interest expense	1,887	1,824	3.45%
Net interest income	<u>12,859</u>	<u>12,145</u>	<u>5.88%</u>
Provision for loan losses	650	401	62.09%
Net interest income after provision	<u>12,209</u>	<u>11,744</u>	<u>3.96%</u>
Non-interest income	4,154	3,804	9.20%
Non-interest expense	11,136	10,498	6.08%
Income before taxes	5,227	5,050	3.50%
Income tax expense	989	1,067	-7.31%
Net income	<u>\$4,238</u>	<u>\$3,983</u>	<u>6.40%</u>

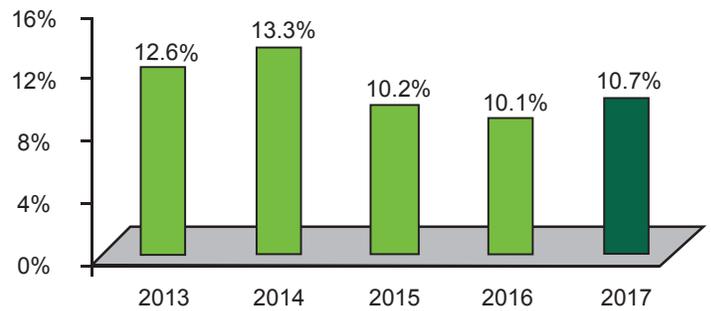
YEAR-TO-DATE AS OF MARCH 31 Financial Highlights	2017	2016
PER SHARE DATA		
Net income	\$1.07	\$1.00
Dividends	\$0.25	\$0.25
Book value	\$40.91	\$40.17
RATIOS		
Net interest income to avg assets	3.22%	3.15%
Return on average assets	1.07%	1.04%
Return on average equity	10.73%	10.10%
Equity to assets	9.94%	10.26%
Non-performing assets to capital	6.36%	6.92%
STOCK PRICE RANGE		
High	\$53.00	\$51.00
Low	\$50.00	\$50.00
AVERAGES (IN THOUSANDS)		
Total assets	\$1,602,434	\$1,545,817
Shareholders' equity	\$160,170	\$158,594
Outstanding shares	3,975	3,980

YEAR-TO-DATE AS OF MARCH 31

TOTAL ASSETS (In Millions)



RETURN ON EQUITY



OUR STORY

What we've got here is **UNBELIEVABLY GOOD.**

We love our team, our community and our customers – and it's easy to see why.

It goes further than who we work with or live near – we are a big family, and it's at the core of who we are.

We're a fired up, top-performing leader, truly caring for the community since 1889, and we put actions behind our words by giving back and doing good.

We're passionate and positive, and believe we can do just about anything to make a difference. Our core values are rock solid.

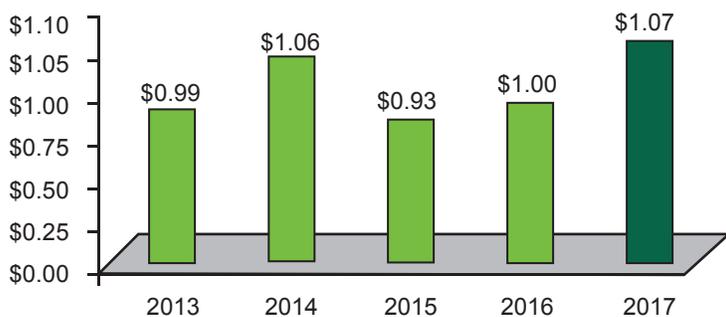
Our attitude is driven.

Our promise is to serve you with everything we have.

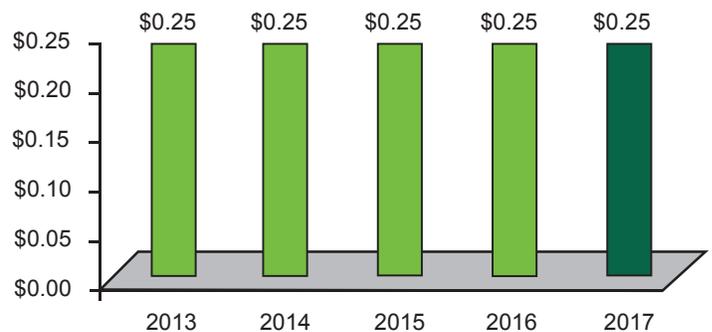
COMMON STOCK

Questions concerning the sale of Bancshares' stock should be directed to Brenda Enoch, Assistant Vice President & Executive Assistant, at: 731-287-4258

EARNINGS PER SHARE



DIVIDENDS PER SHARE



Board of Directors

Jeffrey D. Agee	Ralph E. Henson
Eddie E. Anderson	Barry T. Ladd
Sherrell Armstrong	John M. Lannom
J. Walter Bradshaw	Judy Long
J. Daniel Carpenter	Milton E. Magee
Robert S. Carpenter	J. Lee Stewart
Richard W. Donner	Larry S. White
Larry W. Gibson	Dwight Steven Williams
Christian E. Heckler	Joseph S. Yates

Executive Officers

Jeffrey D. Agee -
Chairman &
Chief Executive Officer

Judy Long -
President &
Chief Operating Officer

Sherrell Armstrong -
Executive Vice President &
Chief Credit Officer

Laura Beth Butler -
Executive Vice President,
Chief Financial Officer &
Secretary

Christian E. Heckler -
Executive Vice President
of Retail Banking



**FIRST CITIZENS
BANCSHARES, INC.**

P.O. Box 370
Dyersburg, TN 38025-0370

RETURN SERVICE REQUESTED

FIRST CLASS MAIL
U.S. POSTAGE
PAID
DYERSBURG, TN
PERMIT NO. 246