

► See separate instructions.

Part I	Reporting Issuer
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1 Issuer's name

2 Issuer's employer identification number (EIN)

First Citizens Bancshares, Inc.

62-0201100

3 Name of contact for additional information

4 Telephone No. of contact

5	Email address of contact
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Laura Beth Butler, Executive Vice President

731-288-4580

lbutler@firstcnb.com

6 Number and street (or P.O. box if mail is not delivered to street address) of contact

7 City, town, or post office, state, and Zip code of contact

One First Citizens Place

Dyersburg, TN 38024

8 Date of action

9 Classification and description

10-1-2014

See attachment.

10 CUSIP number

11	Serial number(s)
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12 Ticker symbol

13	Account number(s)
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319462107, 31958L100

N/A

FIZN

N/A

319402107, 319502100	N/A	12/20
Part II	Organizational Action	Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► **See attachment.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► See attachment.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► **See attachment.**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► See attachment.

18 Can any resulting loss be recognized? ► See attachment.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► See attachment.

**Sign
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ►

Laura Beth Butler

Date ►

11-13-14

Print your name ►

Laura Beth Butler

Title ►

EVP, CFO & Secretary

**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if
self-employed

PTIN

Firm's name ►

Firm's EIN ►

Firm's address ►

Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

ATTACHMENT TO FORM 9937

REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES

Form 9937 Part I, Box 9:

The securities subject to reporting include all shares of First Citizens Bancshares, Inc. ("First Citizens") common stock and Class A common stock issued in exchange for the outstanding capital stock of Southern Heritage Bancshares, Inc. ("Southern Heritage") as a result of the merger of Southern Heritage with and into First Citizens on October 1, 2014.

Form 9937 Part II, Box 14:

On October 1, 2014, First Citizens completed its acquisition of Southern Heritage through the merger of Southern Heritage with and into First Citizens, with First Citizens continuing as the surviving corporation (the "Merger"). As a result of the Merger, all outstanding shares of Southern Heritage stock were converted into the right to receive an aggregate of (i) \$16,085,903.75 in cash and (ii) 269,302 shares of First Citizens common stock and 108,356 shares of First Citizens Class A common stock, depending on the class of Southern Heritage stock held by the shareholder. Each share of Southern Heritage stock issued and outstanding immediately prior to the effective time of the Merger was, subject to the election described below, converted into the right to receive (i) \$12.25 in cash, plus (ii) 0.2876 of a share of First Citizens stock. Shareholders of Southern Heritage who held more than one share of Southern Heritage stock were able to elect to receive consideration in exchange for each share of Southern Heritage stock in the form of: (a) 0.5751 shares of First Citizens stock or (b) \$24.50 in cash, subject to adjustment, including First Citizens' right to adjust the aggregate merger consideration such that, in the aggregate, no more than 377,658 shares of First Citizens stock were issued in connection with the Merger.

Form 9937 Part II, Box 15 and 16:

First Citizens believes that the Merger qualifies as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"). The effect of the Merger on the tax basis of Southern Heritage stock depends primarily on whether the Southern Heritage shares were exchanged solely for cash, solely for First Citizens stock, or for a combination of First Citizens stock and cash and is summarized as follows:

Southern Heritage Shareholders Receiving Only Cash. A holder of Southern Heritage stock who received solely cash in exchange for all of their shares of Southern Heritage stock as a result of the Merger will be treated as having received full payment for their Southern Heritage stock. Consequently, since such holder of Southern Heritage stock did not receive any First Citizens stock, there will be no new tax basis to compute.

Southern Heritage Shareholders Receiving Only First Citizens Stock. A holder of Southern Heritage stock who received solely First Citizens stock (excluding any cash received instead of a fractional share of First Citizens stock) in exchange for all of their shares of Southern Heritage stock as a result of the Merger will have an aggregate tax basis in the shares of First Citizens stock received (including any fractional share of First Citizens stock deemed received) equal to the aggregate tax basis of the shares of Southern Heritage stock surrendered in exchange for the First Citizens stock.

Southern Heritage Shareholders Receiving Both Cash and First Citizens Stock. A holder of Southern Heritage stock who receives a combination of cash and First Citizens stock (other than cash received instead of a fractional share of First Citizens stock) in exchange for shares of Southern Heritage stock pursuant to the Merger will have an aggregate initial tax basis in the shares of First Citizens stock received in the Merger (including any fractional share of First Citizens stock deemed received) equal to the aggregate tax basis of the shares of Southern Heritage stock surrendered in the Merger, increased by the amount of gain recognized in the exchange (whether characterized as capital gain or a dividend, but excluding any gain recognized with respect to any cash received in lieu of a fractional share of First Citizens stock) and reduced by the amount of cash received in the exchange (excluding any cash received in lieu of a fractional share of First Citizens stock).

Cash In Lieu of Fractional Shares of First Citizens Stock. Holders of Southern Heritage stock who received cash in lieu of a fractional share of First Citizens stock will be treated as having received the fractional share of First Citizens stock in the Merger and then as having the fractional share redeemed by First Citizens in exchange for the cash actually distributed instead of the fractional share, with such redemption qualifying as an exchange under Section 302 of the Code. Accordingly, such holders will generally recognize gain or loss equal to the difference between the tax basis of the holder's Southern Heritage stock allocable to that fractional share of First Citizens stock and the amount of cash received.

Form 8937 Part II, Box 17:

First Citizens believes that the Merger qualifies as a reorganization within the meaning of Section 368(a) of the Code. Consequently, the federal income tax consequences of the reorganization to the Southern Heritage shareholders are determined under Code Sections 302, 354, 356, 358 and 1221.

Form 8937 Part II, Box 18:

Generally, a Southern Heritage shareholder who received solely cash in exchange for all of their Southern Heritage stock in the Merger may recognize loss if the amount of cash received is less than the tax basis in their Southern Heritage stock. A holder of Southern Heritage stock who received solely First Citizens stock in exchange for all of their shares of Southern Heritage stock as a result of the Merger cannot recognize any loss. A Southern Heritage shareholder who received First Citizens stock and cash in exchange for all of their Southern Heritage stock cannot recognize any loss.

A holder of Southern Heritage stock who received cash in lieu of a fractional share of First Citizens stock will be treated as having received the fractional share of First Citizens stock in the Merger and then as having the fractional share redeemed by First Citizens in exchange for the cash actually distributed instead of the fractional share, with such redemption qualifying as an exchange under Section 302 of the Code. Accordingly, such holder will generally recognize gain or loss equal to the difference between the

tax basis of the holder's Southern Heritage stock allocable to that fractional share of First Citizens stock and the amount of cash received.

Form 8937 Part II, Box 19:

In general, any adjustment to tax basis would be taken into account in the tax year of the shareholder during which the Merger occurred (e.g., 2014 for calendar year taxpayers).

No ruling from the Internal Revenue Service (the "IRS") has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the Merger described in this report. This report is not binding on the IRS and the IRS and U.S. courts could disagree with one or more of the positions described above.

The above information does not constitute tax advice. It does not address the tax consequences that may apply to any particular shareholder, and each shareholder is urged to consult his or her own tax advisor regarding the tax consequences of the Merger.