

CITIZENS BANK OF LAFAYETTE AND TRADERS BANK OF TULLAHOMA TO MERGE

The Boards of Directors of Citizens Bank of Lafayette, Lafayette, Tennessee, and Traders Bank, Tullahoma, Tennessee, are pleased to announce they have entered into a definitive agreement to merge the two banks. Under this agreement, Traders Bank will be merged with and into Citizens Bank of Lafayette, with Citizens Bank of Lafayette to be the bank to survive the merger. The current Traders Bank branches will continue to operate under the Traders Bank name as branches of Citizens Bank of Lafayette. The transaction is expected to close in the first quarter of 2015.

Established in 1889, Traders Bank is the 7th oldest bank headquartered in the State of Tennessee. Traders Bank currently operates five banking locations in the I-24 corridor between Nashville and Chattanooga. As of June 30, 2014, Traders Bank reported assets of \$157 million, loans of \$110 million, and deposits of \$141 million.

"We are thrilled that this partnership will enable us to unite two Tennessee-based community banks with long legacies of commitment and service to Tennessee families, businesses, and communities. We are honored to partner with such a highly regarded institution with a 125 year proven focus on traditional banking," said Citizens Chairman & CEO Pete Williston. "It also allows Citizens to expand our service area into several great communities and enables Traders Bank's loyal client base to continue doing business with a community-focused, Tennessee-based financial institution with a similar culture and similar values."

"Traders Bank is pleased to form a partnership with Citizens. Their 109 year performance is impressive, and this merger will enhance the experience for our customers and communities in this challenging and competitive environment," commented Tom Copeland, Chairman of Traders Bank. "This alliance will benefit our customers through enhancements to our products and delivery services, and the community-minded culture and strong reputation of Citizens will make this transition straightforward for our customers."

Once the merger is complete, customers will have the convenience of having twenty banking locations and seventeen ATMs in ten counties throughout Middle Tennessee. Citizens' *MoneyPass* ATM Network adds another 23,000 surcharge-free ATMs all over the country. After the merger, customers of Traders Bank will be able to do business at any branch of Citizens Bank of Lafayette, or at its branches operating as Smith County Bank, Bank of Celina, or Liberty State Bank, and vice-versa.

Citizens Bank President Joe Carter said, "Both banks have a similar history and philosophy and, by combining best practices, this merger will greatly benefit our customers and employees. Citizens' focus has been to serve the needs of our communities, our friends, and our neighbors. Traders Bank has had that same focus, and we intend to continue that tradition. Our directors, officers, and employees welcome the partnership and look forward to working with Traders Bank officers and employees to better the customer service experience for our entire franchise. We also expect to continue the 12 year Raymond James Financial Services, Inc. relationship that Traders Bank customers enjoy."

"Our customers will continue to see the same friendly, local employees and the strong commitment to the local community," added Tommy Anderton, President and CEO of Traders Bank. "I am appreciative that our board of directors placed priority on 'similar culture' when

making this decision. Our core values match ideally with those of Citizens, who also has been in business for over 100 years. I personally have the added comfort of having known some of Citizens' management and board members for over 25 years. I can bring assurance to our employees and customers that 'doing the right thing' is exactly how Citizens Bank is managed. I look forward to the strength and flexibility created by this partnership."

With its acquisition of Traders Bank, Citizens Bank of Lafayette's total assets will exceed \$800 million, and is projected to become the 19th largest bank or savings institution headquartered in Tennessee. Citizens Bank of Lafayette will have twenty branches serving Bedford, Clay, Coffee, DeKalb, Franklin, Jackson, Macon, Smith, Sumner, and Wilson counties in Tennessee. The combined bank will continue to be headquartered in Lafayette, Tennessee. Traders Bank will retain its presence in Bedford, Coffee, and Franklin Counties, with five banking locations serving Manchester, Shelbyville, Tullahoma, and Winchester, Tennessee.

The merger of the banks is subject to certain conditions, including the receipt of all required approvals from regulatory authorities, the approval of the definitive agreement by the shareholders of TraCorp, Inc., the bank holding company for Traders Bank, and the satisfaction of other customary closing conditions.

Butler Snow LLP provided legal counsel to Citizens. Olsen Palmer LLC served as financial advisor and Baker, Donelson, Bearman, Caldwell, & Berkowitz, PC provided legal counsel to Traders.

About Citizens Bank of Lafayette: Citizens Bank of Lafayette is a state-chartered banking corporation founded in 1909 with approximately \$650 million in assets headquartered in Lafayette, Tennessee. It operates fifteen banking locations, as Citizens Bank in the communities of Lafayette, Westmoreland, Red Boiling Springs, Hermitage Springs, and Gainesboro, Tennessee; as Bank of Celina in Celina, Tennessee; as Liberty State Bank in Liberty, Alexandria, Smithville, and Lebanon, Tennessee; and as Smith County Bank in Carthage, Tennessee. Citizens Bank of Lafayette is owned by Citizens Bancorp Investment, Inc., a bank holding company headquartered in Lafayette, Tennessee.

About Traders Bank: Traders Bank is a state-chartered banking corporation founded in 1889 with approximately \$157 million in assets and headquartered in Tullahoma, Tennessee. It operates five banking locations in Tullahoma, Manchester, Shelbyville, and Winchester, Tennessee, and is owned by TraCorp, Inc., a bank holding company headquartered in Tullahoma, Tennessee.

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