

**Report of Organizational Actions
 Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer			
1 Issuer's name First Security, Inc.		2 Issuer's employer identification number (EIN) 61-1343070	
3 Name of contact for additional information Michael F. Beckwith	4 Telephone No. of contact 270-663-4668	5 Email address of contact mbeckwith@firstsecurity.net	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 313 Frederica St.		7 City, town, or post office, state, and Zip code of contact Owensboro, KY 42301	
8 Date of action May 31, 2013	9 Classification and description Common Stock		
10 CUSIP number 336327101	11 Serial number(s)	12 Ticker symbol	13 Account number(s)

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 ▶ **5% stock dividend. Declared January 31, 2013. Paid May 31, 2013 to shareholders of record on April 30, 2013.**

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 ▶ **Pursuant to the 5% dividend, each shareholder will receive 5% additional shares for the total number of shares held prior to the record date. Cash was paid for any fractional shares. Each shareholder will need to allocate the tax basis in the number of First Security, Inc., common stock held as of the record date to the total number of shares held after the 5% dividend. Each shareholder who receives any whole shares will adjust their per share basis down. Any cash received in lieu of fractional shares will be treated as a distribution taxable as a dividend under IRC Sec. 301.**

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 ▶ **Each First Security, Inc. shareholder who receives one or more additional shares as a result of the 5% stock dividend must divide their basis in each share held before the record date by 1.05 to determine their tax basis in each share immediately after the stock dividend. Each First Security, Inc. shareholders' aggregate tax basis in its First Security, Inc. common stock holdings after the dividend will not change.**

Example:
 Before the stock dividend 100 shares with a tax basis of \$20 per share or \$2,000 aggregate tax basis
 After the stock dividend, this shareholder would have 105 shares
 The new per share basis is calculated as follows: \$2,000 aggregate basis divided by 105 shares equal \$19.05 per share (rounded)
 Each shareholder must calculate their own per share basis on each block of First Security, Inc. common shares held individually.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ For U.S. tax purposes, the Internal Revenue Code sections 305, and 307.

Multiple horizontal lines for listing Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ N/A

Multiple horizontal lines for providing other information necessary to implement the adjustment.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ Applicable to tax year 2013.

Multiple horizontal lines for providing any other information necessary to implement the adjustment.

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.

Sign Here

Signature ▶ *Michael F. Beckwith* Date ▶ 5/31/13

Print your name ▶ Michael F. Beckwith Title ▶ EVP/ CFO

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	