

**Citizens Bancshares Co.  
Disclosure Statement  
Rule 15c2-11(5) and Rule 144(c)(2)  
Under the Securities Exchange Act of 1934**

**1. The exact name of the issuer and its predecessor (if any):**

The exact name of the issuer is Citizens Bancshares Co.

**2. The address of the issuer's principal executive offices:**

7280 NW 87<sup>th</sup> Terrace, Suite 300  
Kansas City, Missouri 64153  
Telephone: 816.459.4000  
Website: [www.ebankcbt.com](http://www.ebankcbt.com)

**3. The state of incorporation:**

The issuer is incorporated in Missouri.

**4. The exact title and class of the securities:**

The issuer's securities are common stock.

**5. The par or stated value of the securities:**

The par value of the issuer's common stock is \$.01 per share.

**6. The number of shares or total amount of the securities outstanding as of the end of the issuer's most recent fiscal year:**

There were 1,686,086 shares of common stock outstanding at December 31, 2016.

**7. The name and address of the firm that facilitates stock purchases and sales:**

Mr. Joe Hadel  
Vice President  
First Trust of MidAmerica  
2401 N. 7 Highway, P.O. Box 30  
Pleasant Hill, Missouri 64080

Telephone: 816-540-6480  
Email: [jhadel@cbphonline.net](mailto:jhadel@cbphonline.net)  
Fax: 816-540-2530

**8. The name and address of the stock transfer agent:**

Written Requests

Computershare  
P.O. Box 30170  
College Station, TX  
77842-3170

Overnight Delivery

Computershare  
211 Quality Circle,  
Suite 210  
College Station, TX  
77845

Telephone Inquiries: 800-962-4284 (US)  
781-575-3120 (outside the US)

Email Inquiries: [web.queries@computershare.com](mailto:web.queries@computershare.com)

Shareholder Website: [www.computershare.com/investor](http://www.computershare.com/investor)

**9. The nature of the issuer's business:**

The issuer is a bank holding company and the parent company of a wholly-owned subsidiary, Citizens Bank & Trust Company. Citizens Bank & Trust Company is a full-service banking institution and trust company.

**10. The nature of products or services offered:**

As a financial institution, the issuer's subsidiary, Citizens Bank & Trust Company provides a wide-range of loan and deposit products and services. The Wealth Management Division provides trust financial advice and services, including brokerage services, asset management, estate planning and retirement planning.

**11. The nature and extent of the issuer's facilities:**

The issuer's subsidiary, Citizens Bank & Trust Company has 20 banking locations serving communities in Northwest Missouri and the Kansas City metropolitan area.

**12. The name of the chief executive officer and members of the board of directors:**

Don O. Walsworth, Chairman & Director  
Roger M. Arwood, Chief Executive Officer, President & Director  
William E. Young, Director  
Edward D. Douglas, Chairman Emeritus & Director  
James L. Gegg, Director  
Gene Millard, Director  
Dr. David M. Neal, Director  
W. L. (Barry) Orscheln, Director  
Patrick W. Thorne, Director  
Don O. Walsworth, Jr., Director

**13. The issuer's most recent balance sheet and profit and loss and retained earnings statements:**

See unaudited financial statements as of March 31, 2017 at the end of this document.

**14. Similar financial information for the preceding fiscal year:**

The financial statements that are referenced in Item 13 also contain comparative information as of December 31, 2016.

**15. Whether the broker or dealer of any associated person is affiliated, directly or indirectly with the issuer:**

N/A

**16. Whether the quotation is being published or submitted on behalf of any other broker or dealer, and, if so, the name of such broker or dealer:**

N/A

**17. Whether the quotation is being submitted or published directly or indirectly on behalf of the issuer, or any director, officer or any person, directly or indirectly the beneficial owner of more than 10 percent of the outstanding units or shares of any equity security of the issuer, and, if so, the name of such person, and the basis for any exemption under the federal securities laws for any sales of such securities on behalf of such person:**

N/A

# **Citizens Bancshares Company**

**Consolidated Financial Report  
March 31, 2017 and December 31, 2016  
(Unaudited)**

**Citizens Bancshares Company**

**Consolidated Balance Sheets**

**Periods Ended March 31, 2017 and December 31, 2016**

**Unaudited (Dollars in Thousands, Except Per Share Data)**

<b>Assets</b>	3/31/2017	12/31/2016
Cash and due from banks	\$ 23,119	\$ 19,735
Federal funds sold	-	-
<b>Cash and cash equivalents</b>	23,119	19,735
Securities available for sale	178,993	187,872
Loans, net	606,589	629,172
Cash surrender value of life insurance	19,881	19,755
Premises and equipment, net	20,848	21,197
Accrued interest receivable	3,577	3,442
Other real estate owned	21,453	21,087
Federal Home Loan Bank stock	4,504	5,967
Deferred income taxes, net	13,469	13,872
Other assets	2,758	3,240
	\$ 895,191	\$ 925,339
<b>Liabilities and Stockholders' Equity</b>		
Liabilities		
Deposits		
Non-interest-bearing	\$ 111,701	\$ 120,886
NOW, money market, and savings	368,476	357,876
Certificates of deposit	204,939	201,388
<b>Total deposits</b>	685,116	680,150
Securities sold under agreement to repurchase	24,789	23,988
Federal Home Loan Bank advances	85,000	121,600
Other borrowings	12,500	12,500
Accrued interest payable	382	397
Other liabilities	3,590	3,686
<b>Total liabilities</b>	811,377	842,321
Commitments and Contingencies		
Stockholders' equity		
Perpetual preferred stock (Series A), \$0.01 par value; 22,485 shares	-	-
Perpetual preferred stock (Series B), \$0.01 par value; 1,250 shares	-	-
Common stock, \$0.0025 par value; 20,000,000 shares authorized; 2,561,600 shares issued	6	6
Additional paid-in capital	24,671	24,671
Retained earnings	78,704	77,909
Treasury stock, at cost (875,514 shares)	(19,980)	(19,980)
Accumulated other comprehensive income (loss)	413	412
<b>Total stockholders' equity</b>	83,814	83,018
	\$ 895,191	\$ 925,339

**Citizens Bancshares Company**

**Consolidated Statements of Income**

**Periods Ended March 31, 2017 and December 31, 2016**

**Unaudited (Dollars in Thousands, Except Per Share Data)**

	3/31/2017	12/31/2016
Interest income		
Loans, including fees	\$ 6,531	\$ 25,232
Securities	1,104	4,444
Federal funds sold and other	51	278
	<u>7,686</u>	<u>29,954</u>
Interest expense		
Deposits	608	2,122
Federal Home Loan Bank advances	213	1,049
Federal funds purchased and repurchase agreements	29	87
Other borrowed funds	230	937
	<u>1,080</u>	<u>4,195</u>
Net interest income	6,606	25,759
Provision for loan losses	29	170
Net interest income after provision for loan losses	<u>6,577</u>	<u>25,589</u>
Noninterest income		
Service charges and commissions	790	3,325
Fees for fiduciary services	468	1,678
Net gain on sale of securities	-	960
Net gain on sale of branches, premises and equipment	-	(3)
Net gain (loss) on sales of other real estate	-	(192)
Increase in cash surrender value of life insurance	126	536
Recovery on Investment Securities	1	1
Other	796	2,590
	<u>2,181</u>	<u>8,895</u>
Noninterest expense		
Salaries and employee benefits	3,566	13,983
Occupancy	1,419	5,768
FDIC assessments	163	695
Expenses on other real estate owned and repossessed assets	92	507
Professional fees	129	252
Telecommunications, postage, and delivery	219	812
Advertising and marketing	151	805
Office Supplies	42	168
Other	941	4,380
	<u>6,722</u>	<u>27,370</u>
Income (loss) before income taxes	2,036	7,114
Income tax expense (benefit)	707	2,426
Net income (loss)	<u>\$ 1,329</u>	<u>\$ 4,688</u>

Citizens Bancshares Company

Consolidated Statements of Stockholders' Equity

Periods Ended March 31, 2017 and December 31, 2016

Unaudited (Dollars in Thousands, Except Per Share Data)

	Common Stock	Preferred Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (loss)	Total Stockholders' Equity
Balance at December 31, 2015	\$ 6	\$ -	\$ 27,176	\$ 75,518	\$ (19,980)	\$ 524	\$ 83,244
Comprehensive income:							
Net income (loss)	-	-	-	4,688	-	-	\$ 4,688
Change in net unrealized gain (loss) on securities available for sale, net of reclassification and tax effects	-	-	-	-	-	(112)	\$ (112)
Total comprehensive income							\$ 4,576
Cash dividends declared on preferred stock	-	-	-	(2,305)	-	-	\$ (2,305)
Preferred Stock Redeemed	-	-	(2,505)	8	-	-	\$ (2,497)
Discount accretion on preferred stock (Series A)	-	-	-	-	-	-	\$ -
Discount accretion on preferred stock (Series B)	-	-	-	-	-	-	\$ -
Balance at December 31, 2016	\$ 6	\$ -	\$ 24,671	\$ 77,909	\$ (19,980)	\$ 412	\$ 83,018
Comprehensive income:							
Net income (loss)	-	-	-	1,329	-	-	1,329
Change in net unrealized gain (loss) on securities available for sale, net of reclassification and tax effects	-	-	-	-	-	1	1
Total comprehensive income							1,330
Cash dividends declared on preferred stock	-	-	-	(534)	-	-	(534)
Preferred Stock Redeemed	-	-	-	-	-	-	-
Discount accretion on preferred stock (Series A)	-	-	-	-	-	-	-
Discount accretion on preferred stock (Series B)	-	-	-	-	-	-	-
<b>Balance at March 31, 2017</b>	<b>\$ 6</b>	<b>\$ -</b>	<b>\$ 24,671</b>	<b>\$ 78,704</b>	<b>\$ (19,980)</b>	<b>\$ 413</b>	<b>\$ 83,814</b>