

**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: [gocitizens.bank](http://gocitizens.bank)

**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 2,346,915 shares of common stock outstanding at September 30, 2018.

**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@cbp-online.net](mailto:jhadel@cbp-online.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  
462 South 4<sup>th</sup> St.,  
Suite 1600  
Louisville, KY  
40202

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  
Anthony R. (Tony) Scavuzzo, 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 September 30, 2018 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, 2017.

**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  
September 30, 2018 and December 31, 2017  
(Unaudited)**

Citizens Bancshares Company

Consolidated Balance Sheets

Periods Ended September 30, 2018 and December 31, 2017

Unaudited (Dollars in Thousands, Except Per Share Data)

Assets	9/30/2018	12/31/2017
Cash and due from banks	\$ 19,650	\$ 27,865
Federal funds sold	-	-
<b>Cash and cash equivalents</b>	19,650	27,865
Securities available for sale	146,675	197,508
Loans, net	587,299	588,093
Cash surrender value of life insurance	20,621	20,259
Premises and equipment, net	18,987	19,668
Accrued interest receivable	3,635	3,332
Other real estate owned	7,010	11,622
Federal Home Loan Bank stock	1,588	4,104
Deferred income taxes, net	10,424	10,270
Other assets	1,846	1,249
	\$ 817,735	\$ 883,970
<b>Liabilities and Stockholders' Equity</b>		
Liabilities		
Deposits		
Non-interest-bearing	\$ 122,099	\$ 110,718
NOW, money market, and savings	365,170	374,936
Certificates of deposit	197,845	198,611
<b>Total deposits</b>	685,114	684,265
Securities sold under agreement to repurchase	20,036	26,866
Federal Home Loan Bank advances	13,300	75,000
Other borrowings	12,500	19,780
Accrued interest payable	524	485
Other liabilities	3,933	4,067
<b>Total liabilities</b>	735,407	810,463
Commitments and Contingencies		
Stockholders' equity		
Common stock, \$0.01 par value; 5,000,000 shares authorized; 2,561,600 shares issued	26	26
Additional paid-in capital	8,036	5,400
Retained earnings	81,723	77,704
Treasury stock, at cost (214,685 shares)	(4,900)	(9,464)
Accumulated other comprehensive income (loss)	(2,557)	(159)
<b>Total stockholders' equity</b>	82,328	73,507
	\$ 817,735	\$ 883,970

Citizens Bancshares Company

Consolidated Statements of Income

Periods Ended September 30, 2018 and December 31, 2017

Unaudited (Dollars in Thousands, Except Per Share Data)

	9/30/2018	12/31/2017
Interest income		
Loans, including fees	\$ 20,040	\$ 25,658
Securities	4,007	4,822
Federal funds sold and other	157	339
	<u>24,204</u>	<u>30,819</u>
Interest expense		
Deposits	3,053	2,746
Federal Home Loan Bank advances	1,181	996
Federal funds purchased and repurchase agreements	204	196
Other borrowed funds	747	1,086
	<u>5,185</u>	<u>5,024</u>
Net interest income	19,019	25,795
Provision for loan losses	80	120
Net interest income after provision for loan losses	<u>18,939</u>	<u>25,675</u>
Noninterest income		
Service charges and commissions	2,496	3,329
Fees for fiduciary services	1,650	1,746
Net gain (loss) on sale of securities	(508)	-
Net gain on sale of branches, premises and equipment	-	949
Net gain (loss) on sales of other real estate	(10)	230
Increase in cash surrender value of life insurance	362	504
Recovery on Investment Securities	-	1
Other	2,052	2,799
	<u>6,042</u>	<u>9,558</u>
Noninterest expense		
Salaries and employee benefits	10,623	14,341
Occupancy	3,278	5,768
FDIC assessments	282	507
Expenses on other real estate owned and repossessed assets	126	422
Professional fees	319	777
Telecommunications, postage, and delivery	720	926
Advertising and marketing	521	708
Office Supplies	103	136
Other	4,029	5,594
	<u>20,001</u>	<u>29,179</u>
Income (loss) before income taxes	4,980	6,054
Income tax expense (benefit)	962	4,656
Net income (loss)	<u>\$ 4,018</u>	<u>\$ 1,398</u>

Citizens Bancshares Company

Consolidated Statements of Stockholders' Equity

Periods Ended September 30, 2018 and December 31, 2017

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, 2016	\$ 26	\$ -	\$ 24,651	\$ 77,909	\$ (19,980)	\$ 412	\$ 83,018
Comprehensive income:							
Net income (loss)	-	-	-	1,398	-	-	1,398
Change in net unrealized gain (loss) on securities available for sale, net of reclassification and tax effects	-	-	-	-	-	(571)	(571)
Total comprehensive income							827
Cash dividends declared on preferred stock	-	-	-	(1,603)	-	-	(1,603)
Preferred Stock Redeemed	-	-	(23,735)	-	-	-	(23,735)
Treasury Stock sold	-	-	4,484	-	10,516	-	15,000
Balance at December 31, 2017	\$ 26	\$ -	\$ 5,400	\$ 77,704	\$ (9,464)	\$ (159)	\$ 73,507
Comprehensive income:							
Net income (loss)	-	-	-	4,018	-	-	4,018
Change in net unrealized gain (loss) on securities available for sale, net of reclassification and tax effects	-	-	-	-	-	(2,397)	(2,397)
Total comprehensive income							1,621
Cash dividends declared on preferred stock	-	-	-	-	-	-	-
Preferred Stock Redeemed	-	-	-	-	-	-	-
Treasury Stock sold	-	-	2,636	-	4,564	-	7,200
<b>Balance at September 30, 2018</b>	<b>\$ 26</b>	<b>\$ -</b>	<b>\$ 8,036</b>	<b>\$ 81,722</b>	<b>\$ (4,900)</b>	<b>\$ (2,556)</b>	<b>\$ 82,328</b>