

**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 87th Terrace, Suite 300
Kansas City, Missouri 64153
Telephone: 816.459.4000
Website: 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, 2019.

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
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 4th St.,
Suite 1600
Louisville, KY
40202

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

Email Inquiries: web.queries@computershare.com

Shareholder Website: 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
Edward D. Douglas, Chairman Emeritus & Director
Spencer Cohn, 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
William E. Young, 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, 2019 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, 2018.

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, 2019 and December 31, 2018
(Unaudited)**

Citizens Bancshares Company

Consolidated Balance Sheets

Periods Ended September 30, 2019 and December 31, 2018

Unaudited (Dollars in Thousands, Except Per Share Data)

| Assets | 9/30/2019 | 12/31/2018 |
|--|------------|------------|
| Cash and due from banks | \$ 97,043 | \$ 20,987 |
| Federal funds sold | - | - |
| Cash and cash equivalents | 97,043 | 20,987 |
| Securities available for sale | 144,171 | 148,127 |
| Loans, net | 602,551 | 601,902 |
| Cash surrender value of life insurance | 21,100 | 20,742 |
| Premises and equipment, net | 19,750 | 19,159 |
| Accrued interest receivable | 3,312 | 3,457 |
| Other real estate owned | 7,656 | 7,010 |
| Federal Home Loan Bank stock | 1,054 | 3,020 |
| Deferred income taxes, net | 7,406 | 9,614 |
| Other assets | 7,835 | 1,669 |
| | \$ 911,878 | \$ 835,687 |
| Liabilities and Stockholders' Equity | | |
| Liabilities | | |
| Deposits | | |
| Non-interest-bearing | \$ 144,995 | \$ 122,426 |
| NOW, money market, and savings | 384,944 | 345,091 |
| Certificates of deposit | 251,602 | 197,618 |
| Total deposits | 781,541 | 665,135 |
| Securities sold under agreement to repurchase | 15,840 | 19,748 |
| Federal Home Loan Bank advances | - | 49,080 |
| Other borrowings | 12,500 | 12,500 |
| Accrued interest payable | 790 | 547 |
| Other liabilities | 8,298 | 3,182 |
| Total liabilities | 818,969 | 750,192 |
| 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 | 8,501 | 8,302 |
| Retained earnings | 87,705 | 83,542 |
| Treasury stock, at cost (214,685 shares) | (4,900) | (4,900) |
| Accumulated other comprehensive income (loss) | 1,577 | (1,475) |
| Total stockholders' equity | 92,909 | 85,495 |
| | \$ 911,878 | \$ 835,687 |

Citizens Bancshares Company

Consolidated Statements of Income

Periods Ended September 30, 2019 and December 31, 2018

Unaudited (Dollars in Thousands, Except Per Share Data)

| | 9/30/2019 | 12/31/2018 |
|---|-----------------|-----------------|
| Interest income | | |
| Loans, including fees | \$ 22,374 | \$ 27,182 |
| Securities | 3,397 | 5,156 |
| Federal funds sold and other | 498 | 230 |
| | <u>26,269</u> | <u>32,568</u> |
| Interest expense | | |
| Deposits | 4,869 | 4,256 |
| Federal Home Loan Bank advances | 51 | 1,334 |
| Federal funds purchased and repurchase agreements | 240 | 294 |
| Other borrowed funds | 709 | 985 |
| | <u>5,869</u> | <u>6,869</u> |
| Net interest income | 20,400 | 25,699 |
| Provision for loan losses | 90 | 107 |
| Net interest income after provision for loan losses | <u>20,310</u> | <u>25,592</u> |
| Noninterest income | | |
| Service charges and commissions | 2,560 | 3,437 |
| Fees for fiduciary services | 1,606 | 2,164 |
| Net gain (loss) on sale of securities | 377 | (513) |
| Net gain (loss) on sale of branches, premises and equipment | (31) | (13) |
| Net gain (loss) on sales of other real estate | - | 143 |
| Increase in cash surrender value of life insurance | 358 | 484 |
| Other | 2,110 | 2,650 |
| | <u>6,980</u> | <u>8,352</u> |
| Noninterest expense | | |
| Salaries and employee benefits | 10,853 | 13,970 |
| Occupancy | 4,476 | 5,753 |
| FDIC assessments | 184 | 342 |
| Expenses on other real estate owned and repossessed assets | 48 | 137 |
| Professional fees | 323 | 216 |
| Telecommunications, postage, and delivery | 734 | 947 |
| Advertising and marketing | 511 | 705 |
| Office Supplies | 102 | 134 |
| Other | 3,826 | 4,439 |
| | <u>21,057</u> | <u>26,643</u> |
| Income (loss) before income taxes | 6,233 | 7,301 |
| Income tax expense (benefit) | 1,483 | 1,463 |
| Net income (loss) | <u>\$ 4,750</u> | <u>\$ 5,838</u> |

Citizens Bancshares Company

Consolidated Statements of Stockholders' Equity

Periods Ended September 30, 2019 and December 31, 2018

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, 2017 | \$ 26 | \$ - | \$ 5,400 | \$ 77,704 | \$ (9,464) | \$ (159) | \$ 73,507 |
| Comprehensive income: | | | | | | | |
| Net income (loss) | - | - | - | 5,838 | - | - | 5,838 |
| Change in net unrealized gain (loss) on securities available for sale, net of reclassification and tax effects | - | - | - | - | - | (1,316) | (1,316) |
| Total comprehensive income | | | | | | | 4,522 |
| Cash dividends declared on preferred stock | - | - | - | - | - | - | - |
| Stock Compensation Expense | - | - | 266 | - | - | - | 266 |
| Treasury Stock sold | - | - | 2,636 | - | 4,564 | - | 7,200 |
| Balance at December 31, 2018 | \$ 26 | \$ - | \$ 8,302 | \$ 83,542 | \$ (4,900) | \$ (1,475) | \$ 85,495 |
| Comprehensive income: | | | | | | | |
| Net income (loss) | - | - | - | 4,750 | - | - | 4,750 |
| Change in net unrealized gain (loss) on securities available for sale, net of reclassification and tax effects | - | - | - | - | - | 3,052 | 3,052 |
| Total comprehensive income | | | | | | | 7,802 |
| Cash dividends declared on preferred stock | - | - | - | (587) | - | - | (587) |
| Stock Compensation Expense | - | - | 199 | - | - | - | 199 |
| Treasury Stock sold | - | - | - | - | - | - | - |
| Balance at September 30, 2019 | \$ 26 | \$ - | \$ 8,501 | \$ 87,705 | \$ (4,900) | \$ 1,577 | \$ 92,909 |