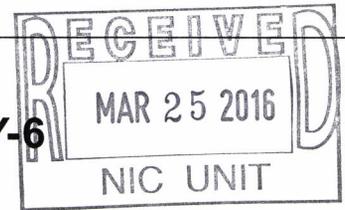


Board of Governors of the Federal Reserve System



Annual Report of Holding Companies—FR Y-6



Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844 (c)(1)(A)); Section 8(a) of the International Banking Act (12 U.S.C. § 3106(a)); Sections 11(a)(1), 25 and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); Section 211.13(c) of Regulation K (12 C.F.R. § 211.13(c)); and Section 225.5(b) of Regulation Y (12 C.F.R. § 225.5(b)) and section 10(c)(2)(H) of the Home Owners' Loan Act. Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

This report form is to be filed by all top-tier bank holding companies and top-tier savings and loan holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

NOTE: The *Annual Report of Holding Companies* must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report.

Date of Report (top-tier holding company's fiscal year-end):

DECEMBER 31, 2015

Month / Day / Year

NONE

Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporter's Name, Street, and Mailing Address

CITIZENS BANCSHARES, INC.

Legal Title of Holding Company

202 W. MAIN

(Mailing Address of the Holding Company) Street / P.O. Box

CROSBYTON

Texas

79322

City

State

Zip Code

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

RICK RIDDLE

CPA

Name

Title

806-293-3681

Area Code / Phone Number / Extension

806-293-3338

Area Code / FAX Number

RICK@MRD-CPA.COM

E-mail Address

NONE

Address (URL) for the Holding Company's web page

I, MAX HAM

Name of the Holding Company Director and Official

DIRECTOR/PRESIDENT

Title of the Holding Company Director and Official

attest that the *Annual Report of Holding Companies* (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board's "Rules Regarding Availability of Information," 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

Signature of Holding Company Director and Official

Date of Signature

For holding companies not registered with the SEC—

Indicate status of Annual Report to Shareholders:

- is included with the FR Y-6 report
- will be sent under separate cover
- is not prepared

For Federal Reserve Bank Use Only

RSSD ID

1102161

C.I.

Does the reporter request confidential treatment for any portion of this submission?

Yes Please identify the report items to which this request applies:

In accordance with the instructions on pages GEN-2 and 3, a letter justifying the request is being provided.

The information for which confidential treatment is sought is being submitted separately labeled "Confidential."

No

**Citizens Bancshares, Inc.
Crosbyton, TX
December 31, 2015 and 2014**

Moseley & Riddle
Certified Public Accountants
Plainview, Texas



MOSELEY & RIDDLE
CERTIFIED PUBLIC ACCOUNTANTS

621 West 7th Street Plainview, TX 79072

2405 20th Street Lubbock, TX 79411

To the Board of Directors
Citizens Bancshares, Inc.
Crosbyton, Texas

Management is responsible for the accompanying financial statements of Citizens Bancshares, Inc. (an S corporation), which comprise the balance sheets as of December 31, 2015 and 2014, and the related statements of income and changes in stockholders' equity and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.



Moseley & Riddle

Plainview, Texas

January 29, 2016

Phone: 806.293.3681 Fax: 806.293.3338

Phone: 806.281.9245 Fax: 806.293.3338

Member: American Institute of Certified Public Accountants



Member: Texas Society of Certified Public Accountants

Citizens Bancshares, Inc.
Balance Sheets
December 31, 2015 and 2014

Assets	<u>2015</u>	<u>2014</u>
Current assets		
Cash in bank	\$ 1,963	\$ 2,402
Total current assets	<u>1,963</u>	<u>2,402</u>
Other assets		
Investment in subsidiary not consolidated, CNB of Crosbyton (note 3)	7,263,720	7,087,646
Goodwill (excess of cost over net assets of subsidiary), CNB of Crosbyton (less amortization of \$403,236 and \$403,236) (note 3)	<u>236,395</u>	<u>236,395</u>
Total other assets	<u>7,500,115</u>	<u>7,324,041</u>
 Total assets	 <u>\$ 7,502,078</u>	 <u>\$ 7,326,443</u>
 Liabilities and Stockholders' Equity		
Current liabilities		
Total current liabilities	<u>-</u>	<u>-</u>
Long-term liabilities	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>
Stockholders' equity		
Common stock, 1,500,000 sh authorized @ \$1 par value 177,317 shares issued and outstanding	177,317	177,317
Paid in capital in excess of par	96,422	96,422
Retained earnings	8,289,012	8,124,447
Accumulated other comprehensive income	(9,135)	(20,205)
Treasury stock (44,501 shares at cost)	<u>(1,051,538)</u>	<u>(1,051,538)</u>
Total stockholders' equity	<u>7,502,078</u>	<u>7,326,443</u>
 Total liabilities and stockholders' equity	 <u>\$ 7,502,078</u>	 <u>\$ 7,326,443</u>

Citizens Bancshares, Inc.
Statements of Income and Retained Earnings
Years Ended December 31, 2015 and 2014

Income	<u>2015</u>	<u>2014</u>
Earnings of subsidiary not consolidated		
Citizens National Bank of Crosbyton	\$ <u>309,505</u>	\$ <u>361,258</u>
Total income	<u>309,505</u>	<u>361,258</u>
 Expenses		
Bonus fees, officers	17,900	17,900
Salaries	9,000	4,800
Directors' fees	1,500	1,500
Taxes	1,615	2,283
Life insurance premiums	<u>1,925</u>	<u>5,905</u>
Total expenses	<u>31,940</u>	<u>32,388</u>
 Net income	277,565	328,870
 Retained earnings, January 1	8,124,447	7,924,577
 Distributions to shareholders	<u>(113,000)</u>	<u>(129,000)</u>
 Retained earnings, December 31	\$ <u><u>8,289,012</u></u>	\$ <u><u>8,124,447</u></u>

Citizens Bancshares, Inc.
Statements of Cash Flows
Years Ended December 31, 2015 and 2014

Cash flows from operating activities		2015		2014
Net income	\$	<u>277,565</u>	\$	<u>328,870</u>
Noncash items included in income				
Earnings of nonconsolidated CNB		<u>(309,505)</u>		<u>(361,258)</u>
Net cash provided (used) by operating activities		<u>(31,940)</u>		<u>(32,388)</u>
Cash flows from financing activities				
Distributions to shareholders		(113,000)		(129,000)
Purchase of treasury stock				
Advance to CNB				
Dividends from CNB		<u>144,500</u>		<u>163,000</u>
Net cash provided (used) by financing activities		<u>31,500</u>		<u>34,000</u>
Net increase (decrease) in cash		(440)		1,612
Cash at beginning of year		<u>2,403</u>		<u>790</u>
Cash at end of year	\$	<u><u>1,963</u></u>	\$	<u><u>2,402</u></u>
Net unrealized gain (loss) in marketable securities	\$	11,070	\$	12,894

Citizens Bancshares, Inc.
 Statements of Changes in Stockholders' Equity
 Years Ended December 31, 2015 and 2014

	Shares	Amount	Surplus	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock shares	Treasury Stock purchased	Total
Balance 1-1-14	177,317	\$ 177,317	\$ 96,422	\$ 7,924,577	(33,098)	44,501	(1,051,538)	\$ 7,113,680
Net income 12-31-14				328,870				328,870
Distributions to shareholders				(129,000)				(129,000)
Other comprehensive income					12,893			12,893
Change in unrealized gain (loss) on available for sale securities					(20,205)			7,326,443
Balance 12-31-14	177,317	177,317	96,422	8,124,447	(20,205)	44,501	(1,051,538)	7,326,443
Net income 12-31-15				277,565				277,565
Distributions to shareholders				(113,000)				(113,000)
Other comprehensive income					11,070			11,070
Change in unrealized gain (loss) on available for sale securities					(9,135)			(9,135)
Balance 12-31-15	177,317	\$ 177,317	\$ 96,422	\$ 8,289,012	(9,135)	44,501	(1,051,538)	\$ 7,502,078

Citizens Bancshares, Inc.
Crosbyton, Texas
Notes to the Financial Statements
December 31, 2015 and 2014

1. Citizens Bancshares, Inc. was chartered on September 24, 1973 and commenced business January 14, 1974 with the purchase of Citizens National Bank of Crosbyton, Texas. The investment in Citizens National Bank is recorded on the Company's books using the equity method of accounting. The company reports its income and expenses on the accrual basis of accounting.
2. The Company elected to be taxed as an 'S' Corporation effective for the year ended 12-31-05. Thus, taxable income and expenses are passed through to the shareholders. The Company is not liable for income taxes since the shareholders will pay income taxes on their respective portion of taxable income.
3. Citizens National Bank of Crosbyton was acquired by purchase of one hundred percent of its stock at \$1,469,019. The excess of the cost of the stock over the identifiable underlying net assets of the subsidiary is carried as goodwill. Goodwill is being amortized using the straight-line method over a period of forty years. Goodwill was not impaired during the period, and therefore, not amortization expense was recorded. The investment has been increased by earnings and decreased by dividends of the subsidiary. The ability of the subsidiary to pay dividends to the Company is restricted to regulatory approval. A schedule of the transactions is presented below:

	<u>2015</u>	<u>2014</u>
Purchase price, January 14, 1974	1,469,019	1,469,019
Less: Goodwill	<u>(639,631)</u>	<u>(639,631)</u>
Net underlying value of assets	829,388	829,388
Add: Earnings of subsidiary since acquisition	14,040,872	13,731,368
Less: Dividends of subsidiary since acquisition	(7,597,405)	(7,452,905)
Accumulated other comprehensive income	<u>(9,135)</u>	<u>(20,205)</u>
Balance, December 31	\$ 7,263,720	\$7,087,646

The subsidiaries records its available for sale investment securities at market. The loss, or gain, is charged or credited to stockholders' equity, net of income taxes on the Company's books. Such gains and losses are reflected as accumulated other comprehensive income.

Summarized unaudited financial information of Citizens National Bank, for the years ended December 31, 2015 and 2014 are as follows:

Citizens Bancshares, Inc.
Crosbyton, Texas
Notes to the Financial Statements
December 31, 2015 and 2014

	2015	2014
Assets	\$45,805,647	\$44,922,490
Liabilities	38,541,927	37,834,844
Stockholders' equity	<u>7,263,720</u>	<u>7,087,646</u>
	<u>\$45,805,647</u>	<u>\$44,922,490</u>
Net Income	<u>\$309,505</u>	<u>\$361,258</u>

4. The Company for purposes of paying dividends from earnings and profits are subject to bank regulatory authorities.
5. For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.
6. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

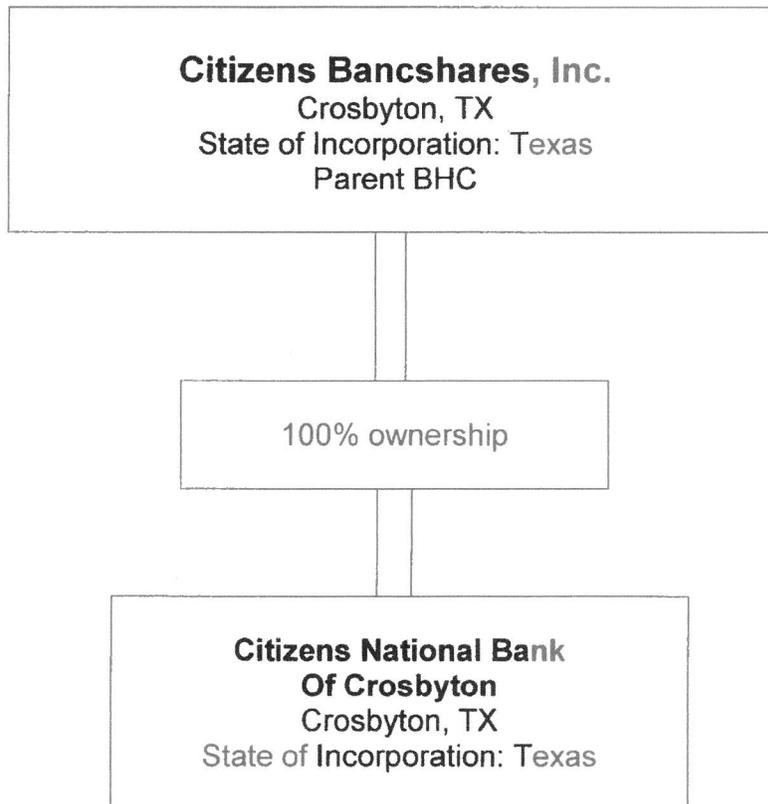
AMENDED
JUL 07 2016

Form FR Y-6

Citizens Bancshares, Inc.
Crosbyton, Texas
Fiscal Year Ending December 31, 2015

Report Item

- 1: a. The BHC is not required to prepare form 10K with the SEC.
- 1: b. The BHC does prepare an annual report for its shareholders. Enclosed is a copy of each required copy of the FR Y-6.
- 2: Organizational Chart



The Company has no other investments, directly or indirectly.
LEI : N/A

Results: A list of branches for your depository institution: CITIZENS NATIONAL BANK OF CROSBYTON (ID_RSSD: 901451). This depository institution is held by CITIZENS BANCSHARES, INC. (1102161) of CROSBYTON, TX. The data are as of 12/31/2015. Data reflects information that was received and processed through 01/07/2016.

Reconciliation and Verification Steps

1. In the **Data Action** column of each branch row, enter one or more of the actions specified below.
2. If required, enter the date in the **Effective Date** column.

Actions

OK: If the branch information is correct, enter 'OK' in the **Data Action** column.

Change: If the branch information is incorrect or incomplete, revise the data, enter 'Change' in the **Data Action** column and the date when this information first became valid in the **Effective**

Close: If a branch listed was sold or closed, enter 'Close' in the **Data Action** column and the sale or closure date in the **Effective Date** column.

Delete: If a branch listed was never owned by this depository institution, enter 'Delete' in the **Data Action** column.

Add: If a reportable branch is missing, insert a row, add the branch data, and enter 'Add' in the **Data Action** column and the opening or acquisition date in the **Effective Date** column.

If printing this list, you may need to adjust your page setup in MS Excel. Try using landscape orientation, page scaling, and/or legal sized paper.

Submission Procedure

When you are finished, send a saved copy to your FRB contact. See the detailed instructions on this site for more information.

If you are e-mailing this to your FRB contact, put your institution name, city and state in the subject line of the e-mail.

Note:

To satisfy the **FR Y-10 reporting requirements**, you must also submit FR Y-10 Domestic Branch Schedules for each branch with a **Data Action** of Change, Close, Delete, or Add. The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application - <https://y10online.federalreserve.gov>.

* FDIC UNINUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.

Data Action	Effective Date	Branch Service Type	Branch ID_RSSD*	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office	Head Office ID_RSSD*	Comments
OK		Full Service (Head Office)	901451	CITIZENS NATIONAL BANK OF CROSBYTON	202 W. MAIN	CROSBYTON TX	79322	CROSBY	UNITED STATES		2025	0	CITIZENS NATIONAL BANK OF CROSBYTON	901451	

Form FR Y-6

Citizens Bancshares, Inc.
December 31, 2015

Report Item 3: Shareholders
(1)(a) (1)(b) and (1)(c)

Current Shareholders with ownership, control or holdings of 5% or more with power to vote as of 12-31-15

(1)(a) Name & Address (City, State, Country)	(1)(b) Country of Citizenship or Incorporation	1(c) Number and Percentage of Each Class of Voting Securities	
		Number	Percentage
Bob J. Ham Quitaque, Texas	U.S.A.	1,000	.753% Common Stock
Max Ham	U.S.A.	55,327	41.657%
Anne Marie Ham	U.S.A.	1,770	1.333%
Chase Ham	U.S.A.	24,013	18.080%
Crosbyton, Texas			Common Stock
Kim Eudy	U.S.A.	44,297	33.352%
Ron Eudy	U.S.A.	1,356	1.013%
Kim and Ron Eudy Austin, Texas	U.S.A.	4,053	3.029% Common Stock

The Company does not have any shareholders, not listed above, that owned or controlled, or held with power to vote, 5% or more of any class of voting securities of the Company.

AMENDED
A JUL 07 2016

Form FR Y-6

Citizens Bancshares, Inc.
 December 31, 2015

Report Item 4: Directors and Officers
(1) (2) (3)(a)(b)(c) and (4)(a)(b)(c)

(1) Name & Address (City, State, Country)	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position With Subsidiaries (include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (Include names of other businesses)	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (Include Names of subsidiaries)	(4)(c) List Names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
Bob J. Ham Quitaque, Texas	Banker FNB Quitaque	Director/ CEO	Director/ CEO CNB Crosbyton	Chairman FNB, Quitaque N/A	.753	None	N/A
Janelle Snodgrass Crosbyton, Texas	Investments	Director	Director CNB Crosbyton	N/A	.753	None	N/A
Max Ham Crosbyton, Texas	Banker CNB Crosbyton	Director / President	Director/ President CNB Crosbyton	N/A	41.657	None	N/A
Kim Eudy Austin, Texas	Housewife	Director	Director CNB Crosbyton	N/A	33.352	None	N/A
Chase Ham Crosbyton, Texas	Banker CNB Crosbyton	Director	Director A.C. CNB Crosbyton	N/A	18.080	None	N/A
Anne-Marie Ham Crosbyton, Texas	Housewife	Director	Director CNB Crosbyton	N/A	1.333	None	N/A
Ron Eudy Austin, TX	Attorney	N/A	N/A	N/A	1.013	None	N/A
Kim and Ron Eudy Austin, TX	Housewife Attorney	Director/N/A	Director CNB Crosbyton N/A	N/A	3.029	None	N/A