

Citizens Bancshares Corporation to Expand Eastern South Carolina Presence

Company Release – 05/18/2018

OLANTA, S.C. and HARTSVILLE, S.C., May 18, 2018 -- Citizens Bancshares Corporation, the holding company of The Citizens Bank, and Regional Bankshares, Inc., the holding company of Heritage Community Bank, jointly announced today the signing of a definitive merger agreement, under which Citizens has agreed to acquire Regional in a cash and stock transaction with a total current value of approximately \$11.3 million, based on an assumed Citizens' stock value of approximately \$30.00 per share as of May 17, 2018. The transaction value at the time of the merger may change due to changes in the value of Citizens stock.

On a pro forma combined basis, the combined company would have had approximately \$550 million in total assets, \$476 million in total deposits, and \$356 million in total loans as of March 31, 2018. The transaction will create a 19-office banking company with locations in the eastern part of South Carolina. The merger agreement has been approved by the Board of Directors of each company. Closing of the transaction, which is expected to occur near the end of the third quarter of 2018, is subject to customary conditions, including regulatory approval and approval by the shareholders of Regional.

Per the merger agreement, Regional shareholders will have the right to receive \$15.00 in cash or 0.50 shares of Citizens common stock, or a combination thereof, for each share of Regional common stock or Series A Preferred stock. The cash and stock elections are subject to proration to ensure that, excluding any dissenter shares, 40% of the outstanding Regional shares will be exchanged for \$15.00 in cash and 60% of the outstanding Regional shares will be exchanged for shares of Citizens common stock.

Gosnold G. Segars, Chairman of Regional's Board of Directors is expected to join the Citizens Board of Directors. Other current Regional Board members will have the opportunity to serve as members of The Citizens Bank's Hartsville Advisory Board. Additionally, Curtis A. Tyner, Sr., President and Chief Executive Officer of Regional, will serve the combined company in a consulting role for a three-year period following the completion of the acquisition.

Mr. Tyner commented, "Our customers will continue to receive the same high quality level of service from the bankers that have served them at Heritage Community Bank. With Citizens, we have found a shared passion for our work with local businesses and professionals. This focus will continue and we are looking forward to the additional capacity that this combination of banks will bring to our customers."

Blake Gibbons, President of The Citizens Bank, commented, "Heritage Community Bank is the ideal partner for The Citizens Bank. Our banking philosophies are very similar and we have many operational similarities as well. This transaction will strengthen our ability to serve our local markets, consumers and businesses that make Heritage Community Bank and The Citizens Bank successful. I look forward to our future together as a combined institution and the

substantial impact our bank will have on the communities that we serve. We welcome Heritage Community Bank customers and employees to The Citizens Bank family.”

Citizens was advised in the transaction by Smith Capital, LLC, as financial advisor and Haynsworth Sinkler Boyd, P.A., as legal counsel. Regional was advised by FIG Partners, LLC, as financial advisor, and Nelson Mullins Riley & Scarborough, LLP, as legal counsel.

Citizens Bancshares Corporation

Citizens Bancshares Corporation is the holding company for The Citizens Bank. Citizens is focused on providing financial solutions to local businesses and professionals at 16 full-service banking offices located in Florence, Georgetown, Clarendon, Lee, Sumter, Dorchester and Williamsburg counties in South Carolina.

Regional Bankshares, Inc.

Regional Bankshares, Inc. is the holding company for Heritage Community Bank, which currently operates three full-service banking offices located in Hartsville, Camden and McBee South Carolina. Regional provides a high level of customer services through its dedicated and experienced team of employees, with extensive bank knowledge of the market areas and the communities that it serves.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful under the securities laws of any such jurisdiction.

SOURCE Citizens Bancshares Corporation

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