

FOR IMMEDIATE RELEASE

CONTACT: Kathleen Campbell
Senior Vice President, Marketing
First Citizens Community Bank
15 S. Main Street
Mansfield, PA 16933
570-662-0422
570-662-8512 (fax)

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CITIZENS FINANCIAL SERVICES, INC. DECLARES CASH AND 5% STOCK DIVIDEND

MANSFIELD, PENNSYLVANIA— The Board of Directors of Citizens Financial Services, Inc. (CZFS) the bank holding company for First Citizens Community Bank, recently declared a stock and cash dividend for CZFS shareholders.

The cash dividend of \$.285 per share along with a 5% stock dividend, is payable on June 28, 2013 to shareholders of record on June 21, 2013. The cash dividend compares to \$.285 per share paid on March 29, 2013 and when coupled with the first quarter 2013 accelerated dividend payment of \$.38 per share paid on December 31, 2012, continues to represent an attractive dividend yield. The Board of Directors of Citizens Financial Services accelerated the first quarter dividend due to the significant issues in Washington regarding the very complex fiscal cliff tax issues at that time and its intent was to benefit shareholders that may have been affected by the potential tax increase on dividends during 2013.

The continued strength of our financial performance has permitted us to pay an attractive cash dividend and one-time 5% stock dividend and reflects the Board of Directors' desire to provide total shareholder return to our shareholder base," stated Randall E. Black, CEO and President.

Citizens Financial Services, Inc. is an \$880 million bank holding company conducting business through First Citizens Community Bank. First Citizens Community Bank operates 17 full-service offices in Pennsylvania and New York as well as two loan production offices in Lock Haven, and Dallas, PA.

For further information regarding the stock of Citizens Financial Services, Inc., please contact any of the following firms: Automated Trading Desk, 866-283-2831; Boenning & Scattergood, Inc., 800-842-8928; Keefe, Bruyette & Woods, Inc., 800-342-5529; Monroe Securities Inc., 800-766-5560; Pershing LLC, 201-413-2700; RBC Capital Markets Corp., 800-959-5951; Sandler O' Neill & Partners, 212-466-8020; Stifel, Nicolaus & Co., Inc., 973-549-4200; UBS Securities, LLC, 203-719-8710.

Note: This press release may contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Actual results and trends could differ materially from those set forth in such statements due to various factors. These factors include operating, legal and regulatory risks; changing economic and competitive conditions and other risks and uncertainties.

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