

**FOR IMMEDIATE RELEASE**

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**CITIZENS FINANCIAL SERVICES, INC. DECLARES DIVIDEND**

MANSFIELD, PENNSYLVANIA— The Board of Directors of Citizens Financial Services, Inc. (OTC BB: CZFS:OB) the bank holding company for First Citizens National Bank, recently declared a cash dividend for Citizens Financial Services shareholders.

A cash dividend of \$.295 per share will be paid on January 27, 2012 to shareholders of record on January 20, 2012. This quarterly cash dividend represents an increase of 13.5% compared with the dividend of \$.26 per share declared one year ago. CEO and President Randall E. Black stated, “Our financial strength and continued profitability gives us the affordability to continue to provide a very attractive dividend yield and total return to our shareholders, and reflects the Board of Directors desire to provide total shareholder return to our shareholder base. In fact, the January 2012 dividend includes an increase of \$.025 above the anticipated dividend.”

Citizens Financial Services, Inc. is a \$870 million bank holding company conducting business through First Citizens National Bank. First Citizens National Bank operates 17 full-service offices in Pennsylvania and New York and a loan-production office in Lock Haven, 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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