

FOR IMMEDIATE RELEASE

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CITIZENS FINANCIAL SERVICES, INC. DECLARES 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 cash dividend for Citizens Financial Services shareholders.

A cash dividend of \$.305 per share will be paid on October 26, 2012 to shareholders of record on October 19, 2012. This quarterly cash dividend is an increase of 12.9% over the dividend declared one year ago. CEO and President Randall E. Black stated, “Our continued outstanding financial performance has permitted us to increase our dividend \$.035 per share over last year’s October dividend, resulting in a very attractive dividend yield, and is consistent with the Board of Directors’ desire to provide total shareholder return to our shareholder base.”

Citizens Financial Services, Inc. is an \$875 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 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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