



**FOR IMMEDIATE RELEASE**

**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 \$.24 per share will be paid on January 30, 2009 to shareholders of record on January 16, 2009. This quarterly cash dividend is an increase of 4.4% over the dividend declared one year ago. CEO and President Randall E. Black stated, "The increase in dividends of 4.4% over last year reflects the continued profitability of the Company and the Board of Directors desire to provide total shareholder return."

Inquiries regarding the purchase of the company's stock may be made through the following brokers: Ferris Baker Watts, Inc. 410-659-4600; Ryan, Beck & Co., 973-549-4200; Sandler O'Neill & Partners LP, 212-466-8023; Monroe Securities, Inc., 800-766-5560; Boenning & Scattergood, Inc., 610-828-0400; Knight Equity Markets, LP, 201-222-9400; Keefe, Bruyette & Woods, Inc., 212-554-2600; UBS Securities LLC, 203-719-7100; Hill Thompson Magid & Co., 201-434-6900; Arthurs, Lestrangle & Co., 412-306-1730 and Pershing Trading Company, 201-413-3531.

Citizens Financial Services, Inc., has over 1,500 shareholders, the majority of whom reside in Potter, Tioga, and Bradford Counties. First Citizens National Bank has community offices in Wellsville, NY and Pennsylvania offices in Genesee, Ulysses, Wellsboro, Mansfield, Blossburg, Canton, Troy, Gillett, Towanda, LeRaysville, Stateline, Sayre and in-store offices at Weis Market in Wellsboro and WalMart in Mansfield.