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Citizens Financial Services, Inc. Reports 1st Quarter 2009 Earnings

MANSFIELD, PENNSYLVANIA - April 28, 2009 - Citizens Financial Services, Incorporated (OTC BB: CZFS), parent company of First Citizens National Bank, has released its unaudited financial performance for the 1st quarter of 2009.

Net income for the quarter ended March 31, 2009 totaled \$2,346,000 which compares to \$2,021,000 for the first quarter of last year, representing an increase of \$325,000, or 16.1%. Earnings per share for the three months ended March 31, 2009 and 2008 were \$.82 and \$.71 per share, respectively, which is an increase of 15.5%. Return on equity for the comparable periods was 17.59% and 16.32%, while return on assets was 1.41% and 1.36%, for the respective time periods. Net interest income has increased 13.6%, from \$5,288,000 for the first quarter of 2008 to \$6,009,000 for the first quarter of 2009. The net interest margin improved to 4.34% from 4.24% last year on a tax equivalent basis.

CEO and President Randall E. Black stated, "Our first quarter 2009 financial results remain outstanding even though the headlines continue to be filled with negative news regarding the economy and the ongoing recession both nationally and globally. Our financial performance is the result of our ongoing commitment to serve our communities and the use of disciplined underwriting standards."

Total assets at March 31, 2009 totaled \$674.7 million, which was an increase of \$6.1 million from December 31, 2008 and an increase of \$74.3 million, or 12.4%, from March 31, 2008. Since March 31, 2008, the investment portfolio has increased \$47.7 million and net loans have increased \$12.2 million. Total deposits of \$554.6 million have increased \$7.9 million from December 31, 2008, and \$95.0 million from one year ago. Credit quality remains strong as total non-performing assets as a percent of loans is .66%, which compares to .73% at December 31, 2008 and .67% as of the end of last March.

Stockholders' equity totaled \$54.4 million at March 31, 2009, representing an increase of \$3.9 million, or 7.6%, from last year. Book value per share at March 31, 2009 was \$19.06 compared with \$17.78 last March. In April, a cash dividend of \$.245 per share was declared and will be paid on April 30, 2009 to shareholders of record, as of April 17, 2009, an increase of 4.3% over the April 2008 dividend.

"As we communicated previously, we did not participate in the Governmental Troubled Assets Relief Program (TARP). At First Citizens, we remain well capitalized based upon regulatory guidelines. We utilize strong financial and capital management practices to carry out our strategic plan of achieving profitable growth," stated Mr. Black.

Citizens Financial Services, Inc., has over 1,500 shareholders, the majority of whom reside in Potter, Tioga, and Bradford Counties, Pennsylvania and Allegany County, New York, where their 17 offices are located.