



FOR IMMEDIATE RELEASE

Citizens Financial Services, Inc. Declares Cash & Stock Dividend

July 22, 2008 - MANSFIELD, PENNSYLVANIA-- The Board of Directors of Citizens Financial Services, Inc. (OTC BB: CZFS) the bank holding company for First Citizens National Bank, recently declared a cash and stock dividend for Citizens Financial Services, Inc. shareholders.

The cash dividend declared is \$.235 per share along with a 1% stock dividend which will be paid on July 25, 2008 to shareholders of record on July 11, 2008. This quarterly cash dividend is an increase of 4.4% over the dividend declared a 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 New York, 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.

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.