

THE POWER OF INTENT

PURPOSE-DRIVEN BANKING
FOR SUSTAINABLE GROWTH

Year *in* Review

2025



CITIZENS

FINANCIAL SERVICES

INCORPORATED

CITIZENS

FINANCIAL SERVICES

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TABLE OF CONTENTS

Year in Review 2025

Letter from the CEO and President1-6

Building a Legacy of Purpose.....7-8

Selected Financial Data

Common Stock..... 9

Stock Performance 9

Trust and Investment Services Funds Under Management 9

Consolidated Balance Sheet 10

Five Year Summary of Operations.....11

Brokerage Assets Under Management.....12

Consolidated Quarterly Data12

Reconciliation of GAAP and Non-GAAP Financial Measures.....13

Company and Shareholder Information.....14-17



..After a year of record earnings, we are well-positioned to leverage our capital for growth across our footprint for 2026 and beyond.



COMPANIES WITH A WELL-DEFINED PURPOSE ARE INTENTIONAL ABOUT WHY THEY DO WHAT THEY DO

A letter from Chief Executive Officer and President, Vice Chairman of the Board of Directors Randall E. Black

Consistently making choices that balance our customers' needs with long-term returns has resulted in genuine customer loyalty and sustainable performance for Citizens Financial Service, Inc. Our focus on sustainable returns over the long haul, while expanding our business to continue as an independent community bank, means every action must be intentional. Consciously choosing actions that align with our values and goals increases focus, clarity, creativity, motivation, productivity and ultimately customer satisfaction and financial performance.

Being intentional in our actions and our ability to execute has been key to our success. We had two primary goals for 2025: to leverage our new markets and new teams to create additional wealth and to improve capital levels that were impacted by the 2023 acquisition. I'm proud to report that we accomplished both, experiencing record earnings in 2025 through diligent net interest margin management, customer relationship growth, expansion of fee-based services, effective risk management, and cost control. After a year of record earnings, we are well-positioned to leverage our capital for growth across our footprint for 2026 and beyond.

Despite the interest rate cycle, economic uncertainty, and tariffs, demand for commercial borrowing was solid in 2025. Our loan originations were significantly higher in 2025 as compared to 2024. In 2025, commercial loan originations totaled \$333,204,760 compared to \$275,597,087 in 2024, an increase of 21%. Although production was high in 2025, our overall commercial loan growth was marginal due to several unanticipated large loan payoffs. Our team also spent time implementing new internal processes in 2025 to improve loan analysis and approval efficiency, positively impacting turnaround time and customer satisfaction.

Consumer spending continued to be surprisingly strong across the nation, however the high-interest rate environment kept consumer borrowing relatively flat until the Federal Reserve cut rates in September, October and again in December. FCCB, through our strong Mortgage Lending Division, experienced an improved year for residential lending compared to 2024 with a 5% increase in total loans completed and a 7.8% increase in new consumer loan balances.

FCCB's deposit growth was flat, which is in line with the overall industry. Being in a declining rate environment during 2025, our internal strategy versus the market lag, slowed down any significant deposit growth — again being intentional about what we do. In addition, inflation, high costs, and an increase in unemployment left consumers with less excess funds. Small business owners used deposits to fund their operations and needed improvements instead of choosing to borrow. And competition from online banks, who can offer more attractive rates due to lower cost structure, remained steady. The prolonged budget impasse at both the State and

Federal level affected funding for school districts, municipalities, non-profit organizations and higher education institutions, which also slowed our deposit growth.

Asset quality for most banks remained favorable, although some banks continued to experience weaknesses in Commercial Real Estate (CRE) portfolios. I'm pleased to report that FCCB's CRE portfolio remained stable and our overall credit quality is solid with non-performing assets as a percentage of loans at 1.24% for the year ended December 31, 2025, compared to 1.24% for the year ended December 31, 2024. Annualized net charge-offs to average total loans was 0.03% compared to 0.11% in 2024.

CZFS stock performance over the past 10 years has been in line with regional banks listed with the S&P 500 and KRE, a specialized fund managed by State Street Global Advisors.

Historical Total Return Comparison

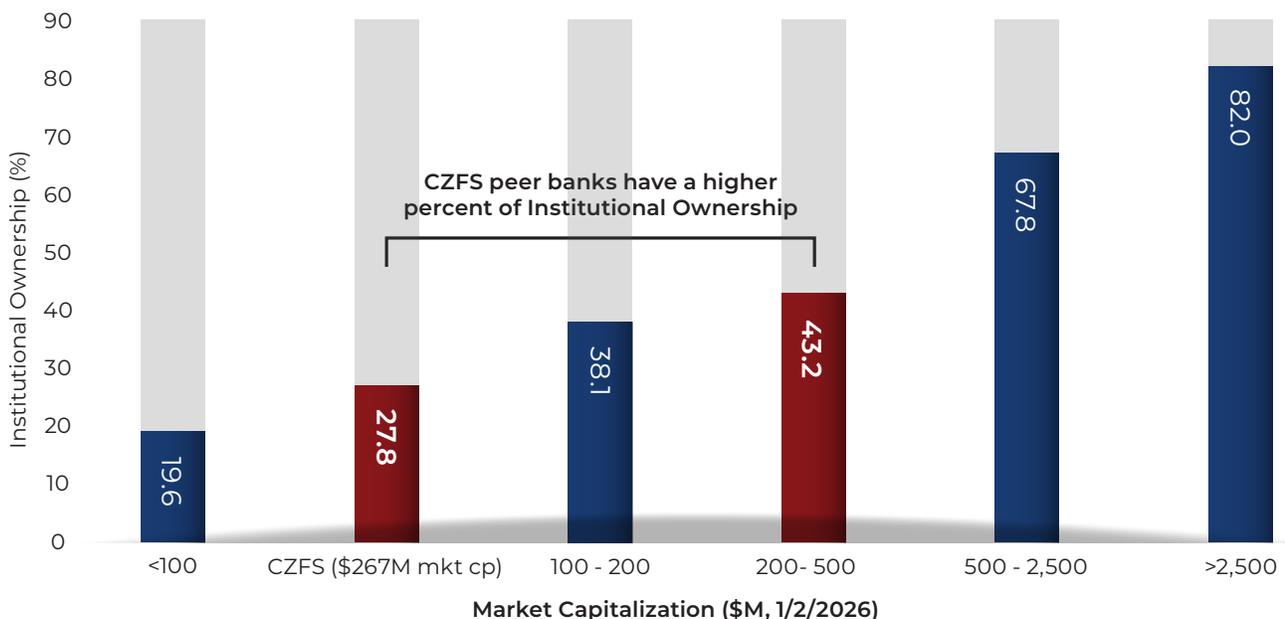
CITIZENS FINANCIAL SERVICES, INC. VS. PEERS LONG-TERM TOTAL RETURN

Peer Group	4 YEAR TOTAL RETURN (%)	5 YEAR TOTAL RETURN (%)	10 YEAR TOTAL RETURN (%)
S&P 500 Regional Banks Total Return	-9.8%	26.8%	110.7%
KRE	2.5%	42.8%	98.3%
CZFS	11.1%	25.5%	83.7%

As I mentioned in my letter last year, a significant portion of CZFS stock ownership is retail based, much of which is held by long-time customers. Our average retail stock ownership was 72.2% as of January 2, 2026, compared to 27.8% institutional ownership. Nasdaq traded banks' institutional ownership is 43.2%, based on market cap by peer group. We continue to believe that our current ratio provides a healthy balance by minimizing the consequences of large sell offs, should they occur.

Median Ownership by Market Capitalization

ALL NASDAQ TRADED BANKS



Below are our highlighted financial achievements for the twelve months ended December 31, 2025:

- » Total Assets were \$3.1 billion at year end, an increase of \$38.8 million or 1.3%.
- » Net Income was \$36.6 million, which is \$8.8 million or 31.5% higher than year ended December 31, 2024.
- » Net interest income before the provision for credit losses ended the year at \$98.0 million compared to \$86.5 million at December 31, 2024, representing a 13.4% increase year over year.
- » Deposits decreased \$5.0 million from December 31, 2024 to \$2.4 billion at December 31, 2025.
- » Net loans grew to \$2.3 billion, an increase of 1.6% over the previous year.
- » Basic Earnings Per Share in 2025 were \$7.62 compared to \$5.80 reported for year ended December 31, 2024.
- » Return on Average Assets was 1.21% compared to 0.93% for the year ended December 31, 2024.
- » Return on Average Equity was 11.51% compared to 9.59% reported for year ended December 31, 2024.
- » Return on Average Tangible Common Equity was 15.94% compared to 13.84% for year ended December 31, 2024 (non-GAAP).
- » Dividends paid per share were \$1.98 compared to \$1.93 for year ended December 31, 2024.
- » A stock dividend of 1% was paid in June 2025. The Company declared a 1% stock dividend in the second quarter of both 2023 and 2024 as well.

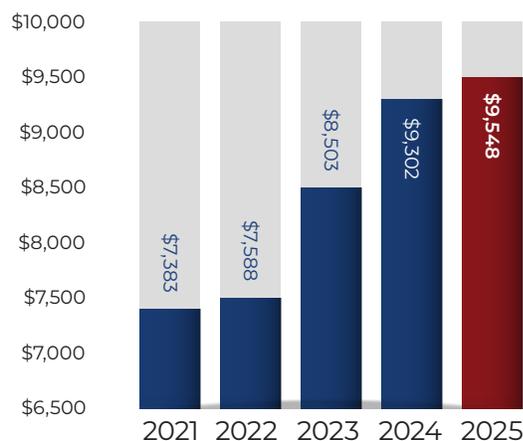
We continued to fight fraud on two levels, one which attempts to infiltrate our bank from the outside, and the fraud attempts that our customers are facing from criminals near and far. I'm forever grateful when I can tell you that our cybersecurity defenses such as multi-factor authentication (MFA), encryption, and strong monitoring systems as well as extensive employee training have thus far helped us avoid cybersecurity breaches. In addition, all employees are consistently trained to identify potential scams that can hurt our customers. It's not easy telling someone they've fallen for a scam. But our customers trust our team which helped save them over \$4 million dollars in fraudulent attempts in 2025. I applaud their tremendous team effort in protecting our customers and our communities.

Helping communities thrive is an integral part of our mission as a community bank. FCCB was recently honored with the Federal Home Loan Bank of Pittsburgh's (FHLBank) 2025 Pillars of the Community Award. This is the second time we have been recognized with this award, which is FHLBank's highest organizational honor, recognizing financial institutions that demonstrate exemplary commitment to community development and effective use of FHLBank's community products. Its programs are instrumental in promoting affordable housing and community development. This partnership enables banks like FCCB to say "yes" to more customers, thereby fostering homeownership, small business development, and the revitalization of underserved areas.

In 2025, we continued our long-term commitment of investing in the wellbeing of our neighbors. Although we make significant financial donations to help organizations involved with education, healthcare, and affordable housing, we also direct our efforts towards smaller initiatives that touch the hearts of communities. The donation of property and a financial contribution to advance a community playground project in Sayre, and a partnership with the East Passyunk Avenue Business Improvement District for their annual tree lighting ceremony and Holiday Open Streets festivities are just a few examples. I invite you to learn more about our community involvement on pages 7 and 8.

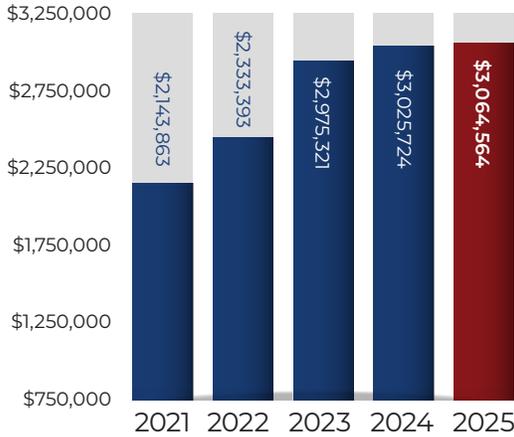
Cash Dividends Paid

(DOLLARS IN THOUSANDS)



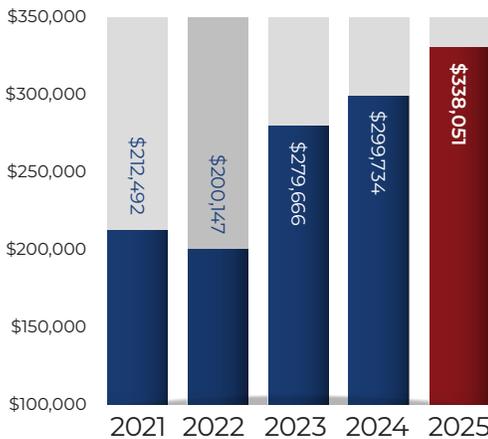
Total Assets

(DOLLARS IN THOUSANDS)



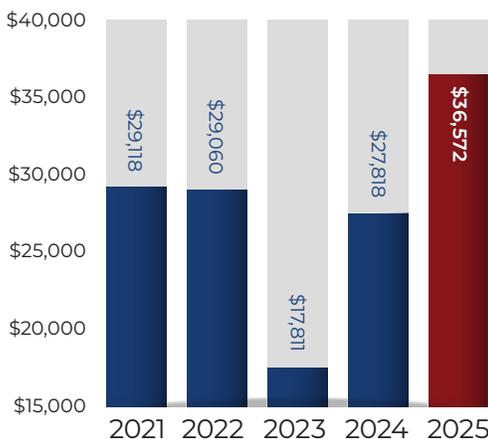
Stockholders' Equity

(DOLLARS IN THOUSANDS)



Net Income*

(DOLLARS IN THOUSANDS)



*Net Income for 2023 was impacted by the one-time HVB Bancorp acquisition costs.

On the Horizon

In late 2025, the yield curve began to normalize and should hold, if not expand, in 2026 which is beneficial for margin driven banks like FCCB. Our ability to continue to effectively manage deposit rates, increase core deposit account acquisition from our new and existing markets, and take advantage of declining funding costs as rate cuts continue will boost our net interest margin. In addition, the policy decisions implemented by the new administration resulted in the reduction of regulatory burdens related to, among other things, capital level requirements and leveraged-lending guidance. This creates a more favorable environment for growth, freeing up capital for lending.

With our capital levels and solid earnings, our plan is to continue to amplify our efforts and fully engage our new metropolitan markets for profitable asset and liability growth. Preparation has already begun with investments in highly experienced business lending teams, new market leadership and facilities, and new product and technology introductions on the horizon.

Industry experts forecast a gradual and modest decline in rates throughout 2026 creating improved opportunities for borrowing. Our commercial, agricultural and consumer lending teams are our competitive advantage and are highly skilled at making even the toughest loans reality, so we are well prepared to take advantage of an improved borrowing environment. However, several real issues cannot be ignored.

- » The long-term impact of the tariffs imposed by the Trump administration are still being evaluated and debated. If they remain, the availability and costs for construction materials and new equipment may impact business growth. This is especially true for the farming community as much of their equipment is produced overseas.
- » Strong consumer spending in 2025 was largely fueled by the use of credit cards. Balances and delinquencies continue to rise which may have an impact on how much consumers and small businesses can borrow in the future.
- » A substantial shift in deposits to stable coin can decrease banks' capacity to serve their communities.
- » The gradual decline in rates will not be sufficient to trigger mortgage refinancing activity and the inventory of homes for sale may still be limited in select markets.

Although the new administration has facilitated reductions in regulatory burdens, adhering to safety and soundness practices will continue to account for a large percentage of our bank's compliance expenses. The Bank Security Act and Anti-Money Laundering requirements, instituted to further strengthen the financial system against illicit financial activity, have grown more complex in terms of reporting and information requests requiring additional investments in technology and personnel.

A recent digital banking survey revealed that digital is the primary banking channel for all generations followed by in-person banking. This puts banks, especially community banks, in a situation where we need to effectively balance the cost of physical branches with the cost of digital channels that provide convenience and speed. We believe that our acquisition and new office openings over the past 10 years illustrates our commitment to in-person banking, bringing community banking to metropolitan areas while continuing to support small, rural communities. Although our current NetTeller online banking system is easy to use and very functional, we are focusing our efforts on upgrading our digital banking channels to ensure customers can continue to do their banking effortlessly as their needs, and technology, continue to evolve.

Customer demand for cryptocurrency is steadily growing. The GENIUS Act, which was signed into law in 2025 to bring federal oversight to the digital market, should boost mainstream acceptance even further. The Office of the Comptroller of the Currency (OCC) is approving charters for digital payment companies officially integrating them into the federal banking system. This rapid growth requires community banks to evaluate the opportunities and risks associated with recognizing cryptocurrency. Failure to engage can result in deposit losses hampering a bank's ability to support communities through lending and philanthropic activities. It can also increase the risk for reduced fee income, fraud, and reputational harm. Engagement, on the other hand, provides opportunities for growth and retention but will require ongoing and dynamic risk management programs. In 2026, banks, including FCCB, must explore strategies intentionally built around customer needs for.

- » Custodial services for safekeeping crypto-assets;
- » FDIC insured options offered through Tokenized Deposits, a digital version of traditional bank deposits that are only issued by regulated commercial banks; and
- » Crypto-backed loans where crypto currency is used as collateral.

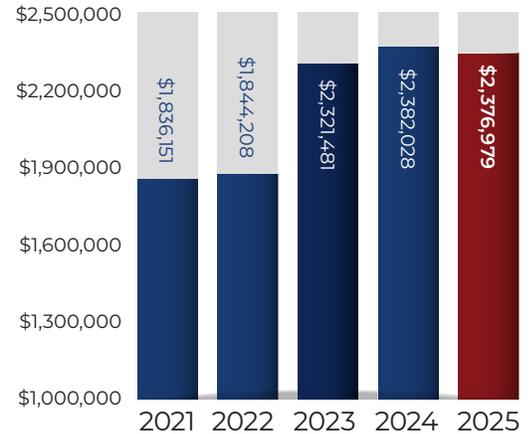
This ongoing endeavor will require investments in technology, policy development to mitigate risk and ensure regulatory compliance, and extensive employee training.

Another area requiring attention in 2026 will be the introduction of AI (artificial intelligence) into everyday banking operations to improve operational efficiency, fraud detection, data quality, decision making, and the personalization of the customer experience. Leveraging AI for efficiency and data quality balanced with human creativity, decision making and oversight may very well be the best combination for upscale customer service, risk management and overall profitability but will be a considerable, expensive, and ongoing undertaking for every bank.

As always, our actions will remain intentional when managing internal risks such as net interest margin, technology advancements,

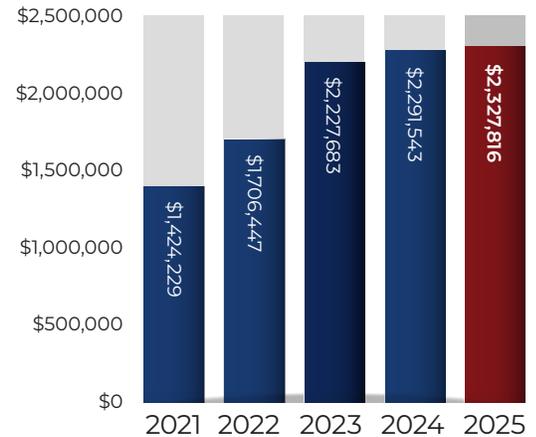
Deposits

(DOLLARS IN THOUSANDS)

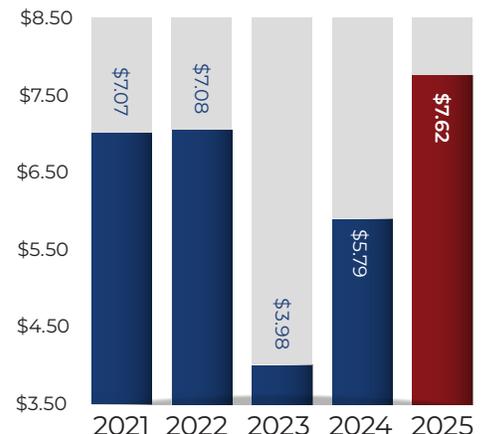


Net Loans

(DOLLARS IN THOUSANDS)



Earnings Per Share - Diluted





MANAGEMENT COMMITTEE

Front row, left to right: Jeffrey White, Randall Black, Jeffrey Wilson, David Richards

Back row, left to right: Stephen Guillaume, Anthony Manerchia, Gina Boor, Charles Hutt, Jeffrey Carr, LeeAnn Gephart, Robert Mosso, Christopher Landis, Sean McKinney

cybersecurity and fraud mitigation, and cost control. But there are many unknowns heading into 2026, and many opinions. How will tariffs impact inflation? How will the Fed react, especially with new leadership? How will cryptocurrency change the deposit landscape? How will AI impact organizational performance and jobs and will it continue to fuel stock market gains? What will be the eventual impact of the administration’s immigration policies on the labor force? These are external risks that must be thoroughly evaluated by every bank. We will be prepared to confront those external risks to help ensure we:

- » are not caught off guard and reactive in our responses;
- » protect ourselves, our customers and our shareholders; and
- » proactively take advantage of any opportunities each may present.

I am fortunate to have an experienced and fully engaged Board of Directors and management team who share our values, agree with our goals and appreciate our intentional way of doing business. This creates an environment for better decision making, risk management and long-term value for our company. I’m pleased to welcome Joseph Bower to the CZFS and FCCB Boards of Directors. Joe has been in banking since 1993 and retired as CEO and President of CNB Bank in 2022. Under his leadership, the organization grew by over \$4 billion in a 13-year period. Joe’s finance and banking experience will add tremendous value to our organization.



In 2025, I fulfilled my leadership role as Chair of the Pennsylvania Bankers Association, an honor I am truly grateful for and an organization I will continue to support in any way I can in the future. I’ve been a part of community banking for over 30 years and still firmly believe community banks are good for the economy and essential for the communities we serve.

As we close out 2025, I reflect again on how privileged we are to be driven by people of integrity, spirit, and purpose. To our employees, customers, and shareholders: thank you for your trust, collaboration, and commitment to keeping the mission of community banking alive and well at CZFS!

Randall E. Black

Chief Executive Officer and President
Vice Chairman of the Board of Directors

In 2025, our growth wasn't just about numbers, it was about being intentional with every relationship, every hire, and every decision.

Recognized for Reliability

When we act with purpose, the world takes notice. This year, our commitment to sustainable growth and community service earned us distinction on the national stage.

- » **America's Best Regional Banks 2025:** Recognized by *Newsweek* for our financial health and customer service.
- » **Pillars of the Community Award:** Honored by FHLBank Pittsburgh for our dedication to community revitalization. The Federal Home Loan Bank of Pittsburgh's Pillars of the Community Award is FHLBank's highest organizational award, recognizing our deep commitment to community development.



Leaders with Vision

We expanded our expertise in 2025 by welcoming Joseph Bower to our Corporate Board of Directors. An Army veteran with over 25 years in banking, Joe has held various executive roles, including CEO and President. Throughout his career, he has a proven track record of driving growth while keeping the community at the heart of the business. His philosophy of finding ways to say "yes" to customers and his experience in strategic market expansion align perfectly with our mission.

Purpose in Action

"Community" isn't just in our name, it is the intent behind everything we do. In 2025, we showed up, gave back, and moved our neighborhoods forward.

MORE THAN A DONATION

Our sponsorships are investments in the places we call home.

- » **26th Annual Cancer Classic Golf Outing:** The 26th annual Cancer Classic demonstrated the continued strength of our community partnerships. Through the collective efforts of our participants and local supporters, we surpassed \$300,000 in total donations to the American Cancer Society since the tournament's inception.

Special thanks to our Platinum Sponsors: Blaise Alexander Family Dealerships, Costy's Energy Services, Gannon Associates Insurance, Matthews Motor Company, Pennsylvania Bankers Association, Janney, and Allison Crane and Rigging.



BUILDING A LEGACY OF PURPOSE



In 2025, we continued our long-term commitment of investing in the wellbeing of our neighbors.

- » **East Passyunk Tree Lighting:** We were proud to sponsor the annual East Passyunk Avenue Tree Lighting for the first time. Our team joined the City of Philadelphia Council-member Mark Squilla, State Rep. Elizabeth Fiedler, and Senator Nikil Saval at the Mifflin Triangle to kick off the festivities. We valued the opportunity to stand alongside these civic leaders to celebrate the traditions that define the neighborhood.
- » **Sayre Playground Project:** A major milestone for the Sayre community was reached with the formal transfer of property from the Bank to the Borough of Sayre. This transition was the critical step required for the Friends of The Valley Playland to move forward with their initiative. To accelerate the project, we contributed a \$10,000 donation, building on a partnership in Sayre that has spanned over 25 years.
- » **Home4Good Partnership:** Through our partnership with the FHLBank Pittsburgh Home4Good program, we helped facilitate \$4.78 million in grant funding to combat homelessness. These funds provided direct support to community service organizations throughout our footprint.
- » **Educational Improvement Tax Credit (EITC) Program:** Our performance allowed us to reinvest directly into the regions we serve. In 2025, we contributed nearly \$500,000 through the Educational Improvement Tax Credit (EITC) program. These dollars provided local students with access to the arts, athletics, and safe after-school programs that helped shape their futures.



PROTECTING OUR CUSTOMERS

Intentional banking means looking out for our customers' well-being beyond their balance sheets.

- » **Scam Awareness:** Protecting the financial security of our customers remained a core responsibility. We partnered with State Rep. Clint Owlett and the Pennsylvania Office of Attorney General to host a Scam Awareness Seminar for over 150 local residents. Attendees learned to recognize common fraud tactics and safeguard their personal information.
- » **Veterans Banking:** As a participant in the Veterans Benefits Banking Program (VBBP), we remained dedicated to the financial well-being of our service members. Our Veterans Checking account provided specialized benefits, including waived fees and homeownership support, to ensure our veterans and their families had the financial security they earned.
- » **Bankers Day at the Capitol:** Fourteen members of the FCCB team joined bankers from across the state at the State Capitol to tackle critical issues, including the prevention of elder financial exploitation. We were proud to lead these discussions on topics that directly impacted the safety and security of our customers' assets.



Selected Financial Data

COMMON STOCK

The Company's stock is listed on the Nasdaq exchange under the trading symbol CZFS. The prices do not include retail markups or markdowns or any commission to the broker-dealer. The bid prices do not necessarily reflect prices in actual transactions. Cash dividends are declared on a quarterly basis.

A copy of the Company's Annual Report on Form 10-K for the year ended December 31, 2025, as required to be filed with the Securities and Exchange Commission, will be furnished without charge upon written request to the Company's Treasurer at the principal office at 15 South Main Street, Mansfield, PA 16933. The information is also available through the Company's website at www.firstcitizensbank.com and at the website of the Securities and Exchange Commission at www.sec.gov.

STOCK PERFORMANCE

2025	High	Low	Dividends paid per share
First quarter	\$65.06	\$55.78	\$0.490
Second quarter	\$63.28	\$53.50	\$0.490
Third quarter	\$64.95	\$52.01	\$0.500
Fourth quarter	\$62.45	\$52.75	\$0.500

2024			
First quarter	\$63.69	\$40.37	\$0.480
Second quarter	\$47.92	\$39.60	\$0.480
Third quarter	\$58.75	\$39.81	\$0.485
Fourth quarter	\$73.40	\$51.97	\$0.485

Dividends for 2024 and for the first and second quarter of 2025 have been adjusted for the stock dividend paid in the second quarter of 2025.

TRUST AND INVESTMENT SERVICES FUNDS UNDER MANAGEMENT

(market values - in thousands)

	2025	2024	2023	2022	2021
INVESTMENTS:					
Bonds	\$ 19,721	\$ 18,432	\$ 16,386	\$ 13,497	\$ 8,640
Stocks	30,970	32,804	32,270	33,659	22,099
Savings and Money Market Funds	22,242	21,496	16,531	14,813	11,587
Mutual Funds	105,599	91,846	86,261	75,700	105,233
Mineral interests	3,760	3,000	4,715	8,465	2,959
Mortgages	718	738	780	783	856
Real Estate	9,807	9,812	9,444	1,965	2,099
Cash and Miscellaneous	2,024	2,582	1,507	1,149	1,367
TOTAL	\$ 194,841	\$ 180,710	\$ 167,894	\$ 150,031	\$ 154,840

ACCOUNTS:					
Trusts	\$ 54,244	\$ 51,232	\$ 46,713	\$ 47,762	\$ 46,953
Guardianships	745	330	330	400	443
Employee Benefits	74,067	67,275	60,759	50,883	62,149
Investment Management	65,784	61,871	60,091	50,985	45,293
Custodial	1	2	1	1	2
TOTAL	\$ 194,841	\$ 180,710	\$ 167,894	\$ 150,031	\$ 154,840

Selected Financial Data

CONSOLIDATED BALANCE SHEET

(in thousands)

For the years ended December 31,	2025	2024	2023	2022	2021
ASSETS					
Cash and cash equivalents:					
Noninterest-bearing	\$ 23,933	\$ 30,284	\$ 37,733	\$ 24,814	\$ 14,051
Interest-bearing	10,358	11,918	15,085	1,397	158,782
Total cash and cash equivalents:	34,291	42,202	52,818	26,211	172,833
Interest bearing time deposits with other banks	3,820	3,820	4,070	6,055	11,026
Equity securities	1,815	1,747	1,938	2,208	2,270
Available-for-sale securities	444,741	425,912	417,601	439,506	412,402
Loans held for sale	9,393	9,607	9,379	725	4,554
Net Loans	2,327,816	2,291,543	2,227,683	1,706,447	1,424,229
Premises and equipment	20,998	21,395	21,384	17,619	17,016
Accrued interest receivable	10,698	10,307	11,043	7,332	5,235
Goodwill	85,758	85,758	85,758	31,376	31,376
Bank owned life insurance	51,501	50,341	49,897	39,355	38,503
Other assets	73,733	83,092	93,750	56,559	24,419
TOTAL ASSETS	\$ 3,064,564	\$ 3,025,724	\$ 2,975,321	\$ 2,333,393	\$ 2,143,863
LIABILITIES					
Deposits:					
Noninterest-bearing	\$ 516,657	\$ 532,776	\$ 523,784	\$ 396,260	\$ 358,073
Interest-bearing	1,860,322	1,849,252	1,797,697	1,447,948	1,478,078
Total deposits	2,376,979	2,382,028	2,321,481	1,844,208	1,836,151
Borrowed funds	309,448	297,721	322,036	257,278	73,977
Accrued interest payable	3,130	4,693	4,298	9,726	711
Other liabilities	36,956	41,548	47,840	22,034	20,532
TOTAL LIABILITIES	2,726,513	2,725,990	2,695,655	2,133,246	1,931,371
STOCKHOLDERS' EQUITY					
Common stock	5,256	5,208	5,161	4,428	4,389
Additional paid-in capital	147,965	144,984	143,233	80,911	78,395
Retained earnings	213,623	189,443	172,975	164,922	146,010
Accumulated other comprehensive (loss) income	(12,377)	(23,521)	(24,911)	(33,141)	(155)
Treasury stock, at cost	(16,416)	(16,380)	(16,792)	(16,973)	(16,147)
TOTAL STOCKHOLDERS' EQUITY	338,051	299,734	279,666	200,147	212,492
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 3,064,564	\$ 3,025,724	\$ 2,975,321	\$ 2,333,393	\$ 2,143,863

Selected Financial Data

FIVE YEAR SUMMARY OF OPERATIONS

(in thousands, except share data)

	2025	2024	2023	2022	2021
Interest income	\$ 159,168	\$ 154,317	\$ 127,118	\$ 83,357	\$ 73,217
Interest expense	61,167	67,862	46,858	11,223	7,105
Net interest income	98,001	86,455	80,260	72,134	66,112
Provision for loan losses	2,375	2,587	5,528	1,683	1,550
Net interest income after provision for loan losses	95,626	83,868	74,732	70,451	64,562
Non-interest income	14,277	15,256	11,800	9,999	11,754
Investment securities gains (losses) net	67	145	(195)	(261)	551
Non-interest expenses	64,882	65,586	64,822	44,694	41,550
Income before provision for income taxes and extraordinary item	45,088	33,683	21,515	35,495	35,317
Provision for income taxes	8,516	5,865	3,704	6,435	6,199
NET INCOME	\$ 36,572	\$ 27,818	\$ 17,811	\$ 29,060	\$ 29,118

PER SHARE DATA:

Net income - Basic (1)	\$ 7.62	\$ 5.80	\$ 3.98	\$ 7.08	\$ 7.07
Net income - Diluted (1)	7.62	5.79	3.98	7.08	7.07
Cash dividends declared (1)	1.98	1.93	1.90	1.84	1.78
Stock dividend	1%	1%	1%	1%	1%
Book value (1) (2)	70.32	62.35	58.26	48.77	51.62

FINANCIAL RATIOS AND DATA:

Return on average stockholders' equity	11.51%	9.59%	7.39%	14.42%	14.17%
Return on average assets	1.21%	0.93%	0.67%	1.30%	1.45%
Dividends as a percent of net income	26.11%	33.44%	47.74%	26.11%	25.36%
Equity to asset ratio (average equity to average total assets, excluding other comprehensive income (loss))	11.09%	10.49%	10.13%	9.93%	10.20%

LOAN QUALITY (dollars in thousands):

Non-performing assets	\$ 29,189	\$ 28,612	\$ 13,177	\$ 7,488	\$ 8,842
Non-performing loans	\$ 26,831	\$ 25,977	\$ 12,703	\$ 6,945	\$ 7,662
Non-performing assets as a percent of loans, net of unearned income	1.24%	1.24%	0.59%	0.43%	0.61%
Non-performing loans as a percent of loans, net of unearned income	1.14%	1.12%	0.56%	0.40%	0.53%
Year-end allowance for loan losses	\$ 22,806	\$ 21,699	\$ 21,153	\$ 18,552	\$ 17,304
Year-end allowance to total loans	0.97%	0.94%	0.94%	1.08%	1.20%
Year-end allowance to total non-performing loans	85.00%	83.53%	166.52%	267.13%	225.84%

(1) Amounts were adjusted to reflect stock dividends.

(2) Calculation excludes accumulated other comprehensive income.

Selected Financial Data

BROKERAGE ASSETS UNDER MANAGEMENT

(in thousands)

	2025	2024	2023	2022	2021
Brokerage assets under management	\$ 317,895	\$ 395,869	\$ 329,446	\$ 283,548	\$ 282,058

CONSOLIDATED QUARTERLY DATA

(in thousands, except share data)

Three Months Ended	Mar 31	June 30	Sep 30	Dec 31
2025				
Interest income	\$ 39,014	\$ 38,749	\$ 40,254	\$ 41,151
Interest expense	16,012	15,101	15,114	14,940
Net interest income	23,002	23,648	25,140	26,211
Provision for loan losses	625	750	500	500
Non-interest income	3,438	3,632	3,820	3,387
Investment securities gains (losses), net	(11)	33	34	11
Non-interest expenses	16,428	16,147	16,134	16,173
Income before provision for income taxes	9,376	10,416	12,360	12,936
Provision for income taxes	1,755	1,953	2,355	2,453
Net income	\$ 7,621	\$ 8,463	\$ 10,005	\$ 10,483
Earnings Per Share Basic (1)	\$ 1.59	\$ 1.76	\$ 2.09	\$ 2.19
Earnings Per Share Diluted (1)	\$ 1.59	\$ 1.76	\$ 2.09	\$ 2.18

Three Months Ended	Mar 31	June 30	Sep 30	Dec 31
2024				
Interest income	\$ 37,933	\$ 37,902	\$ 38,689	\$ 39,793
Interest expense	16,975	16,602	17,365	16,920
Net interest income	20,958	21,300	21,324	22,873
Provision for loan losses	785	2,002	(200)	—
Non-interest income	4,916	3,423	3,596	3,321
Investment securities (losses) gains, net	55	(87)	159	18
Non-interest expenses	16,643	16,246	16,029	16,668
Income (loss) before provision for income taxes	8,501	6,388	9,250	9,544
Provision (benefit) for income taxes	1,477	1,113	1,714	1,561
Net income (loss)	\$ 7,024	\$ 5,275	\$ 7,536	\$ 7,983
Earnings (losses) Per Share Basic (1)	\$ 1.47	\$ 1.10	\$ 1.57	\$ 1.66
Earnings (losses) Per Share Diluted (1)	\$ 1.46	\$ 1.10	\$ 1.57	\$ 1.66

(1) Amounts were adjusted to reflect stock dividends

Selected Financial Data

RECONCILIATION OF GAAP AND NON-GAAP FINANCIAL MEASURES

(UNAUDITED) (in thousands, except share data)

	2025	2024
EARNINGS PER SHARE, EXCLUDING SALE OF BRAAVO ASSETS, NET OF LEGAL FEES AND PROVISION ASSOCIATED WITH BRAAVO LOANS REMAINING AFTER SALE		
Net Income - GAAP	\$ 36,572	\$ 27,818
After tax gain on sale of Braavo, net of legal fees	—	(712)
After tax provision associated with Braavo loans remaining after sale	—	1,427
Net income excluding one time items - Non-GAAP	\$ 36,572	\$ 28,533
Number of shares used in computation - basic	4,797,520	4,797,258
Basic earnings per share	\$ 7.62	\$ 5.80
After tax gain on sale of Braavo, net of legal fees	\$ —	\$ (0.15)
After tax provision associated with Braavo loans remaining after sale	\$ —	\$ 0.30
Basic earnings per share, Excluding sale of Braavo assets, net of legal fees, provision associated with Braavo loans remaining after sale, net of tax - Non-GAAP	\$ 7.62	\$ 5.95

	2025	2024
RETURN ON AVERAGE TANGIBLE EQUITY		
Average Stockholders' Equity - GAAP	\$ 317,676	\$ 290,094
Average Intangible Assets	(88,308)	(89,031)
Average Tangible Equity - Non-GAAP	229,368	201,063
Net Income - GAAP	\$ 36,572	\$ 27,818
Annualized Return on Average Tangible Equity Non-GAAP	15.94%	13.84%



CITIZENS FINANCIAL SERVICES INCORPORATED

BOARD *of* DIRECTORS

(Left to Right:)

Thomas Freeman,

Robert Chappell, Esquire

Rinaldo DePaola, Esquire

R. Joseph Landy, Esquire, Chairman of the Board

Janie Hilfiger

Roger Graham, Jr.

Randall Black, CEO & President

Christopher Kunes

Mickey Jones

David Richards, Jr., Sr. EVP

Terry Osborne

John Behm

John Painter II

FIRST CITIZENS COMMUNITY BANK

CFSI OFFICERS

Randall Black, CEO & President

Gina Boor, Secretary

Stephen Guillaume, Treasurer & Chief Financial Officer

CFSI RETIRED DIRECTORS

Mark Dalton

Robert Dalton

Gene Kosa

Alletta Schadler

FORM 10-K

The Annual Report on Form 10-K will be made available upon request or is available through the company's website, www.myFCCB.com.

CONTACT

Stephen Guillaume, Treasurer & Chief Financial Officer
Citizens Financial Services, Inc.

15 South Main Street - Mansfield, PA 16933

Company and Shareholder Information

INVESTOR INFORMATION

STOCK LISTING

Citizens Financial Services, Inc. common stock is listed on the Nasdaq exchange and is traded under the symbol CZFS. For assistance regarding a change in registration of stock certificates, replacing lost certificates/dividend checks, or address changes, please contact Shareholder Services or the Transfer Agent listed below.

SHAREHOLDER SERVICES:

First Citizens Community Bank
Attn: Gina Marie Boor, VP
15 South Main Street
Mansfield, PA 16933

Toll free: 800-326-9486
Telephone: 570-662-2121
Website: www.myFCCB.com
E-mail: fccb@myFCCB.com

TRANSFER AGENT

Broadridge Corporate Issuer Solutions, Inc.
P.O. Box 1342 - Brentwood, NY 11717-0718
Phone: 800-733-1121 · Fax: 215-553-5402
E-mail: shareholder@broadridge.com

ADVISORY BOARDS

NORTH WEST REGIONAL BOARD

Benjamin Largey	Jody Thomas
Christopher Jones	Mary Kate Cole
Christopher Lantz	Shane Nickerson
Michelle Moore	Thomas D'Angelo

DELAWARE REGIONAL BOARD

Geoffrey Bosley	Robert Dayton, II
Joseph DePaulo, Jr.	Angela Tsionas
L. Peter Temple	William Lattanzio
Robert Aerenson	

CENTRAL REGIONAL BOARD

Bill Miller - emeritus	Steven Bason
Bobby Maguire - emeritus	Larry Allison, Jr.
Jim Harbach- emeritus	Timothy Flanagan
Michael Frank	

NORTH EAST REGIONAL BOARD

Amanda Miller	Richmond Havens
Thomas McDonald, Jr.	Rick Hoover - emeritus
Frank Watson - emeritus	Thomas Thompson III
Mark Gannon	Warren Croft
Martha Young	Shawna Karney
Richard Jones	

SOUTHCENTRAL REGIONAL BOARD

Christopher Pierce	Johnathan Zimmerman
Jamie Yocum	Paul Kilgore
Johnathan Hess	Liz Ackerman

SOUTHCENTRAL AGRICULTURAL BOARD

Brent Copenhaver	Michael Peachey
Christopher Hoffman	Peter Hughes
Christopher Pierce	Robert Brubaker, Jr.
Elvin Stoltzfus	

NORTHERN TIER AGRICULTURAL BOARD

Amanda Miller	Joel Kosa
Dale Hoffman	John Painter II
Jeffery Barnes	Philip Rockwell

DELAWARE AGRICULTURAL BOARD

Mark Isaacs
Christopher Brosch
Georgie Cartanza

Company and Shareholder Information

OFFICE LOCATIONS

PENNSYLVANIA

Administration

Building – Doylestown

2005 S. Easton Road | Suite 304
Doylestown, PA 18901
215-947-1300

Blossburg

300 Main Street
Blossburg, PA 16912
570-638-2115

Broad & Porter – Philadelphia

2444 S. Broad Street
Philadelphia, PA 19145
267-538-1410

Business Banking Division – Philadelphia

1717 Arch Street | Suite 620
Philadelphia, PA 19103

Canton

53 W. Main Street
Canton, PA 17724
570-673-3103

Elmira Street – Sayre

1778 Elmira Street
Sayre, PA 18840
570-888-4900

Ephrata

3630 Rothsville Road
Ephrata, PA 17522
223-264-3054

Fivepointville

1015 Dry Tavern Road
Denver, PA 17517
717-335-8022

Fredericksburg

3016 S. Pine Grove Street
Fredericksburg, PA 17026
717-202-2255

Friedensburg

1549 Long Run Road | PO Box 33
Friedensburg, PA 17933
717-202-3921

Genesee

391 Main Street
Genesee, PA 16923
814-228-3201

Gillett

33178 Route 14 | PO Box 125
Gillett, PA 16925
570-596-2679

Isabel Drive – Lebanon

450 Isabel Drive
Lebanon, PA 17042
717-202-3978

Justa Farm

1990 County Line Road
Huntingdon Valley, PA 19006
215-396-0100

Kennett Square

741 W. Cypress Street
Kennett Square, PA 19348
484-730-4524

LeRaysville

960 Main Street
LeRaysville, PA 18829
570-744-2431

Loan Production Office – Winfield

1157 Westbranch Hwy | Suite 2
Winfield, PA 17889
570-768-4203

Lockhart Street – Sayre

306 W. Lockhart Street
Sayre, PA 18840
570-888-6602

Lower Moreland

2617 Huntingdon Pike
Huntingdon Valley, PA 19006
215-947-7222

Mansfield

15 S. Main Street
Mansfield, PA 16933
570-545-6130

Mill Hall

39 King Arthur Drive
Mill Hall, PA 17751
570-748-6469

Mount Aetna

7635 Lancaster Avenue
Mt. Aetna, PA 19544
717-202-2239

Mount Joy

720 E. Main Street | PO Box 206
Mount Joy, PA 17552
717-928-9050

Operations Center – Mansfield

1163 S. Main Street
Mansfield, PA 16933
800-326-9486

Operations Center – Wellsboro

11499 Route 6
Wellsboro, PA 16901
800-326-9486

Plumsteadville

5725 Easton Road | PO Box 159
Plumsteadville, PA 18949
215-766-4821

Residential Mortgage Division – Masons Mill

1800 Byberry Road | Suite 900
Huntingdon Valley, PA 19006
267-280-4040

Company and Shareholder Information

OFFICE LOCATIONS

Rome

847 Main Street | PO Box 207
Rome, PA 18837
570-247-5100

Schuylkill Haven

45 W. Main Street
Schuylkill Haven, PA 17972
717-202-3914

State College

141 W. Beaver Avenue
State College, PA 16801
814-231-8010

Stateline – Millerton

7352 Route 328
Millerton, PA 16936
570-537-2203

Sunset – Lebanon

1690 N. 7th Street
Lebanon, PA 17046
717-202-2252

Towanda

111 Main Street
Towanda, PA 18848
570-265-6137

Troy

1133 W. Main Street
Troy, PA 16947
570-297-4131

Ulysses

502 Main Street
Ulysses, PA 16948
814-848-7572

Walmart – Mansfield

2 Walmart Plaza
Mansfield, PA 16933
570-662-8520

Warrington

610 Easton Road
Warrington, PA 18976
215-491-0200

Wellsboro

1 Pearl Street
Wellsboro, PA 16901
570-724-2600

Williamsport

1820 E. Third Street
Williamsport, PA 17701
570-979-4152

NEW YORK

Wellsville

10 S. Main Street
Wellsville, NY 14895
585-593-7290

NEW JERSEY

Residential Mortgage Division – Mount Laurel

1300 Route 73 | Suite 105
Mount Laurel, NJ 08054
856-284-3244

DELAWARE

Administration Building – Delaware

1011 Centre Road | Suite 119
Wilmington, DE 19805

Agricultural Office – Georgetown

20169 Office Circle
Georgetown Professional Park
Georgetown, DE 19947
302-596-9330

Concord Pike – Wilmington

2901 Concord Pike
Wilmington, DE 19803
302-482-4250

Dover

1009 N. DuPont Highway
Dover, DE 19901
302-724-4833

Greenville – Wilmington

3840 Kennett Pike
Wilmington, DE 19807
302-551-3070

Kirkwood Highway – Wilmington

4900 Kirkwood Highway
Wilmington, DE 19808
302-250-4344

CITIZENS
FINANCIAL SERVICES

INCORPORATED

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