



# Experience - The Key to Growth



**CITIZENS**  
**FINANCIAL SERVICES**  
INCORPORATED

Ranked the  
#1 Bank in  
Pennsylvania  
for Satisfaction  
and Trust in a  
Nationwide  
Customer  
Survey

Forbes Magazine

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# Experience - The Key to Growth

Letter from: Randall E. Black • Chief Executive Officer and President

## Welcome Fellow Shareholders, Customers, Coworkers & Friends,

Webster defines ingredient as something that enters into a compound or is a component part of any combination or mixture: CONSTITUENT – an essential part



Our experience is the key ingredient to our growth...

**M**y grandmother was a tremendous lady. She raised five daughters, prepared three meals a day—seven days a week, gathered eggs daily from an 18,000-layer operation, supported a 90-cow dairy operation, sewed and mended, handled the accounting for everything including rentals, and all the while keeping up with her progressive husband “Buzz,” which was probably her biggest challenge. She always had the knack for the right ingredients and right proportions. It’s often said that we have that one or two people in our lives that help shape us into what we become, for me, I can tell you that it’s bigger than that. I can honestly say that my family and my faith have had the most significant impact on who I am today. Their belief, trust, encouragement and guidance have been my rock. Each and every one of them has had a significant impact on me and on how my wife and I have chosen to raise our two daughters. Now you must be thinking, that’s all nice but what does that have to do with reporting our 2018 year-end results and accomplishments? Well, everything. Without a strong foundation and continued preparation of the soil, the chances of maximizing our growth becomes a greater challenge. But as you will see, our constant focus on leveraging our experience and opportunities continues to enrich the soil and strengthen the roots, which in turn increases the yields and secures the foundation for years to come. With that, I’m pleased to report that 2018 was

another bumper crop for your Company, Citizens Financial Services, Inc.

Every year there are multiple factors that leave an imprint on the past, present and future successes of your Company. But for Citizens, there is one factor that influences our success year after year, and that is our family of employees. It is our job as a TEAM (Together Everyone Achieves More) to lead your organization, through thorough planning, development, and execution of strategic initiatives that not only meet, but exceed your expectations as shareholders. Without our employees, and all their years of experience and the trust our customers have in them, we would be just another bank, with average returns and performance. But, as you know, we are NOT just another bank! The year of 2018 can be characterized as one where we leveraged our experience while preparing for new opportunities.

- Completed construction of our second full service office in Fivepointville, Lancaster County which opened on February 11th, 2019
- Continued to build on our cash management team, adding new products and services to serve all our markets
- Converted to a more efficient platform for consumer loans
- Educated and implemented the Fifth Pillar as required by regulation
- Launched new product and service lines into our newer markets

- Implemented a new online bill payment system (iPay)
- Continued to utilize the talent and experience of our TEAM to refine our processes and procedures allowing more time to focus on service and delivery
- Voted the #1 Bank in Pennsylvania by our customers for satisfaction and trust in a Forbes nationwide survey
- Finished the year as the number two agricultural lender headquartered in Pennsylvania and as 68th in the nation

But, our hardest challenge in 2018 was saying goodbye to 262 years of experience when 11 of our family members elected to retire and enjoy more time with their loved ones. I thank each and every one of them for their contribution, dedication and commitment, which contributed greatly to the success of our Company, and for their service to their customers. If you think you can replace 262 years of experience overnight, you're sorely mistaken. Each and every one of these family members are missed.

So as a farmer prepares the soil for future harvest, so must we as bankers understand the importance of preparation. We understand what differentiates us from others is our family of employees. We recognize the important role they play in our success and realize that our future sustainability is based on our ability to continue to attract and retain talent. One of the five major strategies, if not the most important one, is our focus on enhancing the employee experience. Our whole approach is being fine-tuned, not to just find and hire the best, but to create an experience second to none, from onboarding to career pathing and advancement. We strive to create the next generation of leaders to continue our legacy...hire to retire. In today's world, having a career with one employer is not the norm, but our history shows we have the right ingredients and culture. We just can't lose our focus. We need to have the right processes in place, and be willing to adjust to the employee of tomorrow.

As in the past, our strategic plan continues to be our GPS (global positioning system) for our daily focus. Our four strategic tenets continue to remain the same:

- **Financial Performance** – producing exceptional shareholder value
- **Growth** – through relationship and geographic expansion
- **Customer Expectations** – exceeding expectations at every point of contact
- **Community** – supporting the well-being of our communities

These strategic tenets articulate the kind of organization we are, in all areas of our thoughts, ideas, operations and value creation. It's these tenets that provide the framework for our five major strategies.

- **Market Segmentation for Growth** – Reflects a change in our growth strategy from a line of business opportunity-based strategy to a market-by-market-based strategy. This more comprehensive approach recognizes that each of our markets must grow and contribute to our success.
- **Enhanced Employee Experience** – As referenced previously, recognizes that our future is dependent on our ability to attract and retain talent throughout the organization.
- **Customer Experience and Brand** – Exceeding customer expectations at every point of contact, through products, services and delivery channels that will enhance overall customer satisfaction.
- **Infrastructure and Support** – The successful execution of our strategy requires a strong and nimble infrastructure and support system.

# Experience - The Key to Growth

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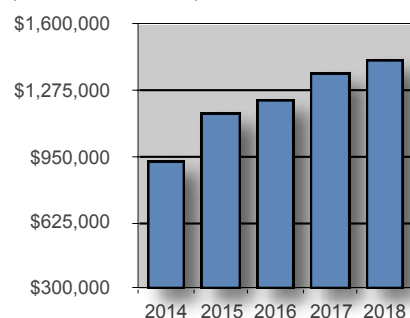
- **Financial Future** – This addresses our longer-term financial focus as we continue to build and expand our footprint to provide for future viability.

It's these strategies, and the many tactics involved with each, that continue to provide our recipe for success. Our plan is not static, it's a living, breathing document that grows and adjusts daily to the ever-changing climate. It's our plan, and the preparation thereof, that continues to provide the nourishment and ingredients for our ongoing success.

Our experience, commitment and dedication to the successful execution of our plan provide Citizens with the ability to produce significant financial rewards. Our 2018 annual report provides you with the results of record earnings and another year of solid growth; however, I would like to highlight a few key accomplishments:

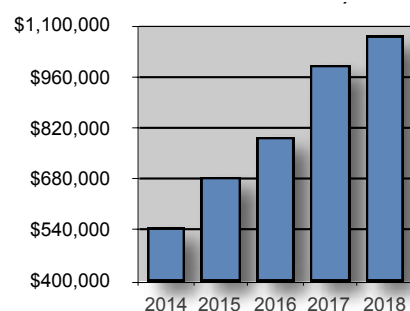
## Total Assets

(Dollars in Thousands)



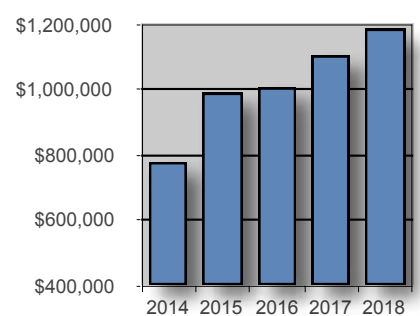
## Net Loans

(Dollars in Thousands)



## Deposits

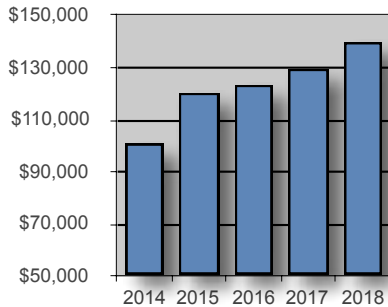
(Dollars in Thousands)



- Total Assets increased \$69 million or 5.1% to close the year at \$1.431 billion at December 31, 2018, compared to \$1.362 billion at December 31, 2017.
- Net Loans ended 2018 at \$1.069 billion, an increase of 8.1% or \$80 million of organic growth. Total dollar value of loans extended in 2018 was \$300 million, which encompassed over 1,800 loans. Your lending TEAM continues to be second to none, especially when it comes to customer experience, knowledge, credit skills and their commitment to see their customers succeed.
- Total deposits ended 2018 at \$1.185 billion, an increase of 7.3% or \$80 million. Our continued focus on relationships and our “one customer at a time” approach, along with our new cash management TEAM getting their wheels underneath them in 2018 helped nourish this growth.
- Net Income increased \$5 million or 38.5% to end the year at a record \$18 million at December 31, 2018, compared to \$13 million at December 31, 2017.
- Return on average assets (ROA) increased 26 basis points to end the year at 1.29% as of December 31, 2018, compared to 1.03% as of December 31, 2017.
- Return on average equity (ROE) increased 296 basis points to end the year at 13% as of December 31, 2018, compared to 10.04% as of December 31, 2017.
- Earnings per share increased \$1.44 per share or 39%, to end the year at \$5.14 per share as of December 31, 2018, compared to \$3.70 per share at December 31, 2017.
- Cash dividends paid increased 5.5% for the year-end December 31, 2018 resulting in \$1.74 per share being paid, compared to \$1.65 per share being paid for the year ended December 31, 2017.

### Stockholders' Equity

(Dollars in Thousands)



Our investment in new markets, continued expansion of a great TEAM, our focus on “one customer at a time,” our commitment to our communities, and most importantly our focus on our employees, understanding they are the key ingredient for our success, continue to drive above peer returns for all of us!

Our TEAM is composed of many individuals, including our board members. I would like to recognize and personally thank a corporate board member who will be retiring from the Citizens board in April of 2019, Rudolph (Rudy) J. van der Hiel, Esquire. Rudy, our Vice Chairman, has personally been a mentor, supporter and provider of great insight throughout my role as CEO and President. Rudy has been an inspiration and ambassador of our growth

over the past 44 years. His optimism, commitment, and energy will be missed inside the boardroom. On behalf of the Board, employees, customers and myself, thank you, Rudy, for all your contributions and best of luck to you as you move toward your next adventure. May God bless you and your family.



### Bidding Adieu to One of Our Best and Welcoming a New Member to our Board

Rudy van der Hiel, current Vice Chairman of Citizens Financial Services, Inc., and director of First Citizens Community Bank, will

retire in April after 44 years with our company. During his tenure, Rudy has seen our company grow from 4 offices to 28, establish a holding company, exceed \$1 billion in assets, change leadership and advance technology. “One of the greatest honors and privileges of my life has been serving on these boards,” said van der Hiel. “I have seen the Bank attain unbelievable growth and success over the years. I know I am leaving our organization and its shareholders in very capable, dedicated, and ethical hands.”

Christopher Kunes joined First Citizens as a new member of our board. Chris is the owner and partner of many businesses throughout the Centre County area, and has extensive experience in real estate development, commercial contracting, building management, land holdings, farming, and mechanical engineering. He resides in Spring Mills, Cambria County, and volunteers at a number of not-for-profit organizations, and planning and housing commissions. Chris’s experience will greatly enhance our strategic planning process, and his connection to the Centre County market will help us take advantage of the potential that exists there.

As one family member retires, another member joins the Citizens Board family. It is my pleasure to warmly welcome and introduce Chris Kunes from our central Pennsylvania market. Chris brings a wealth of business and agricultural experience, and his previous community bank board experience will provide great insight and contributions as we continue to take your Company forward. Join me in welcoming Chris to our family.

In closing, I want to again extend a sincere thank you to our customers for trusting in us and having the confidence in our products, services and employees. To our employees, who are top of the class, thank you for your ongoing dedication and commitment to our customers and the financial services industry. To our Board members, who are so instrumental to who we are and what we stand for, thank you for the support you give to me and the TEAM. And finally, to our shareholders, I’m grateful for your ownership and support of our strategic vision.

Randall E. Black - Chief Executive Officer and President

# Employee Corner

“There is one factor that influences our success year after year... our family of employees. Without them, and all their years of experience and the trust our customers have in them, we would be just another bank.”

- Randy Black

Our company-wide meeting on President’s Day each year allows us to celebrate the past years’ accomplishments and get a glimpse into our future goals and initiatives. But, it’s mostly about celebrating our employees — their dedication to their customers, teammates and our Company.

## Congratulations to Sean McKinney and Pam Munford, Our 2018 Employees of the Year!



Employees of the Year: Sean McKinney and Pam Munford with Randall E. Black

Our 2018 Employees of the Year were chosen for their outstanding contributions to the success of their teams and our Company. Sean McKinney began his career with First Citizens in 2016 as a business lender and Ag Team Leader in our Lebanon and Lancaster markets. Sean was challenged with an aggressive five-year growth plan which he and his team met head on. Under his leadership, the south central Ag Team portfolio reached \$173 million at year-end!

Pam Munford started her career in 2004 and since has been promoted 3 times. She is now the Controller for First Citizens, responsible for monitoring cost control, preparing financial data, handling asset liability issues and managing the annual budget process, which is a substantial feat! Her contributions to major projects, such as bank acquisitions and implementing major regulatory initiatives, are commendable.

## One of the Greatest Gifts You Can Give is Your Time



Volunteer of the Year: Phil Vaughn with Randall E. Black

We are proud of our employees’ desire to make a difference in their communities, donating time and talents to help their neighbors and friends. We decided it was time to honor their work with the creation of the Volunteer of the Year award. Phil Vaughn, our Ulysses Branch Manager, was the recipient of this new honor in 2018. He supports the Potter County Housing and Redevelopment Authorities, the Coudersport Chamber of Commerce, and is President of the Northern Tier Children’s Home. Phil is active in nine not-for-profit organizations and has served on some of their boards for more than 20 years. In recognition of Phil’s tireless efforts, the Bank donated \$500 to a charity of his choice.

## Years of Service



### 5 Years of Service:

**Front:** Michael Route, Alison Broughton, Amy Gundersen, Vivian Strohl, Cheryl Williammee, and Sharon Noble. **Back:** Susan Klesa, Stacy Burd, Jessica Wheeler, Heather Sargent, Veronica Seymour, Emily Cornell and Matthew Stroup. Not pictured: Randy Owen



**20, 25, 30 & 40 Years of Service:** Randy Black, Nancy Stanton, Bonney Welch, Lisa Williams, and Rob DeWater



### 10-15 Years of Service:

Doug Smith, Amanda Seeley, Kim Holdren, Heather Deitrick, Misti Machmer, Elizabeth Smith, Cathy Ransom, and Mark Bowne



### Putting the “Unity” in Community

For many, the personal fulfillment experienced when caring for others is a basic need and key to a full life. Altruistic giving results in a greater sense of purpose and meaning because volunteers know their sacrifices benefit someone in need. This is where our employees shine.



In 2018, our employees raised \$15,350 for the American Cancer Society. Their commitment began in 2000 and since then, they’ve donated over \$200,000 to cancer research.

One day a month, the Tioga County YMCA, located in Mansfield, bustles with volunteers handing out fresh produce to county residents in need. That’s where you’ll find First Citizens employees putting their muscles, and their smiles to work.



“No one is useless in this world who lightens the burdens of another.” -Charles Dickens



Hurricane Maria left many families devastated and misplaced. Our employees proudly participated in the Lebanon Puerto Rican Community Resource Fair for locally resettled victims. Helping them understand how to rebuild their financial lives was very rewarding for our group. We were proud to be the only bank in Lebanon County to show our support!

“Volunteers do not necessarily have the time; they just have the heart.” -Elizabeth Andrew

### First Citizens Invests \$1,000,000 to Provide Lending Opportunities that Help Build Stronger Communities

Buying your first home is exciting – you’re taking care of your family and exploring your independence. Unfortunately, many hard working folks struggle to become homeowners, and we’re doing something about it! We’ve invested \$1 million in the Community First Fund, which reaches out to the underserved to make their dreams of homeownership come true. We also teach first time home buying courses in Lebanon County to help consumers understand the steps involved in buying a home, and to ensure they are aware of the options available if they have little or no money for a down payment or closing costs.

“It’s exciting to see the look on someone’s face when you tell them you can make it happen!” - Dawn Miele, Lebanon Market Mortgage Lender.



## Common Stock

The Company's stock is not listed on any stock exchange, but it is quoted on the OTC Pink Market under the trading symbol CZFS. Prices presented in the table below are bid prices between broker-dealers published by the OTC Pink Market. 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, 2018, 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](http://www.firstcitizensbank.com) and at the website of the Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov).

## Stock Performance

	High	Low	Dividends Declared per share
<b>2018</b>			
<b>First quarter</b>	<b>\$62.38</b>	<b>\$61.25</b>	<b>\$0.435</b>
<b>Second quarter</b>	<b>\$62.75</b>	<b>\$61.49</b>	<b>\$0.435</b>
<b>Third quarter</b>	<b>\$63.25</b>	<b>\$61.75</b>	<b>\$0.440</b>
<b>Fourth quarter</b>	<b>\$62.60</b>	<b>\$55.12</b>	<b>\$0.440</b>
<b>2017</b>			
First quarter	\$50.29	\$48.29	\$0.425
Second quarter	\$53.50	\$50.10	\$0.425
Third quarter	\$57.00	\$52.65	\$0.430
Fourth quarter	\$62.51	\$57.05	\$0.430

## Consolidated Balance Sheet

(In Thousands)

### Consolidated Balance Sheet

(in thousands)	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
<b>ASSETS:</b>					
Cash and cash equivalents:					
Noninterest-bearing	\$ 15,327	\$ 16,347	\$ 16,854	\$ 14,088	\$ 10,091
Interest-bearing	1,470	2,170	900	10,296	1,332
Total cash and cash equivalents:	16,797	18,517	17,754	24,384	11,423
Interest bearing time deposits with other banks	15,498	10,283	6,955	7,696	5,960
Available-for-sale securities	241,010	254,782	314,017	359,737	306,146
Loans held for sale	1,127	1,439	1,827	603	497
Net Loans	1,068,999	989,335	790,725	687,925	547,290
Premises and equipment	16,273	16,523	17,030	17,263	12,357
Accrued interest receivable	4,452	4,196	4,089	4,211	3,644
Goodwill	23,296	23,296	21,089	21,089	10,256
Bank owned life insurance	27,505	26,883	26,223	25,535	20,309
Other assets	15,755	16,632	23,309	14,541	7,166
<b>TOTAL ASSETS</b>	<b>\$ 1,430,712</b>	<b>\$ 1,361,886</b>	<b>\$ 1,223,018</b>	<b>\$ 1,162,984</b>	<b>\$ 925,048</b>
<b>LIABILITIES:</b>					
Deposits:					
Noninterest-bearing	\$ 179,971	\$ 171,840	\$ 147,425	\$ 150,960	\$ 95,526
Interest-bearing	1,005,185	933,103	858,078	837,071	678,407
Total deposits	1,185,156	1,104,943	1,005,503	988,031	773,933
Borrowed funds	91,194	114,664	79,662	41,631	41,799
Accrued interest payable	1,076	897	720	734	756
Other liabilities	14,057	12,371	13,865	12,828	8,032
<b>TOTAL LIABILITIES</b>	<b>1,291,483</b>	<b>1,232,875</b>	<b>1,099,750</b>	<b>1,043,224</b>	<b>824,520</b>
<b>STOCKHOLDERS' EQUITY:</b>					
Common stock	3,904	3,870	3,704	3,672	3,335
Additional paid-in capital	53,099	51,108	42,250	40,715	25,150
Retained earnings	99,727	89,982	91,278	85,790	79,512
Accumulated other comprehensive (loss) income	(3,921)	(3,398)	(1,392)	(236)	767
Treasury stock, at cost	(13,580)	(12,551)	(12,572)	(10,181)	(8,236)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>139,229</b>	<b>129,011</b>	<b>123,268</b>	<b>119,760</b>	<b>100,528</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 1,430,712</b>	<b>\$ 1,361,886</b>	<b>\$ 1,223,018</b>	<b>\$ 1,162,984</b>	<b>\$ 925,048</b>

## Five Year Summary of Operations

(In Thousands, Except Share Data)

	2018	2017	2016	2015	2014
Interest income	\$ 56,758	\$ 48,093	\$ 43,005	\$ 35,653	\$ 35,291
Interest expense	9,574	5,839	5,041	4,820	4,953
Net interest income	47,184	42,254	37,964	30,833	30,338
Provision for loan losses	1,925	2,540	1,520	480	585
Net interest income after provision for loan losses	45,259	39,714	36,444	30,353	29,753
Non-interest income	7,754	7,621	7,644	6,994	6,740
Investment securities gains (losses), net	(19)	1,035	255	429	616
Non-interest expenses	31,557	29,314	28,671	23,429	20,165
Income before provision for income taxes and extraordinary item	21,437	19,056	15,672	14,347	16,944
Provision for income taxes	3,403	6,031	3,034	2,721	3,559
Net income	\$ 18,034	\$ 13,025	\$ 12,638	\$ 11,626	\$ 13,385
<b>Per share data:</b>					
Net income - Basic (1)	\$ 5.14	\$ 3.70	\$ 3.57	\$ 3.56	\$ 4.09
Net income - Diluted (1)	5.14	3.70	3.57	3.56	4.09
Cash dividends declared (1)	1.74	1.65	1.57	1.61	2.02
Stock dividend	1%	5%	1%	0%	1%
Book value (1) (2)	\$ 40.85	\$ 37.60	\$ 35.42	\$ 33.63	\$ 30.49
<b>Financial Ratios and Data:</b>					
Return on average stockholders' equity, excluding accumulated other comprehensive income	13.00%	10.04%	10.24%	11.20%	13.73%
Return on average assets	1.29%	1.03%	1.06%	1.22%	1.48%
Dividends as a percent of net income	34.08%	44.97%	44.12%	46.00%	49.32%
Equity to asset ratio	9.90%	10.31%	10.35%	10.91%	10.74%
<b>Loan Quality (dollars in thousands):</b>					
Non-performing assets	\$ 14,393	\$ 11,845	\$ 12,895	\$ 8,508	\$ 9,227
Non-performing loans	\$ 13,792	\$ 10,726	\$ 11,859	\$ 7,154	\$ 7,435
Non-performing assets as a percent of loans, net of unearned income	1.33%	1.18%	1.61%	1.22%	1.67%
Non-performing loans as a percent of loans, net of unearned income	1.27%	1.07%	1.48%	1.03%	1.34%
Year-end allowance for loan losses	\$ 12,884	\$ 11,190	\$ 8,886	\$ 7,106	\$ 6,815
Year-end allowance to total loans	1.19%	1.12%	1.11%	1.02%	1.23%
Year-end allowance to total non-performing loans	93.42%	104.33%	74.93%	99.33%	91.66%

(1) Amounts were adjusted to reflect stock dividends. (2) Calculation excludes accumulated other comprehensive income.

## Consolidated Quarterly Data

(In Thousands, Except Share Data)

2018	Three Months Ended,			
	Mar 31	June 30	Sep 30	Dec 31
Interest income	\$ 13,383	\$ 14,028	\$ 14,259	\$ 15,088
Interest expense	1,963	2,277	2,489	2,845
Net interest income	11,420	11,751	11,770	12,243
Provision for loan losses	500	325	475	625
Non-interest income	1,900	1,835	2,022	1,997
Investment securities gains (losses), net	6	7	(12)	(20)
Non-interest expenses	7,832	7,702	7,788	8,235
Income before provision for income taxes	4,994	5,566	5,517	5,360
Provision for income taxes	747	875	936	845
Net income	\$ 4,247	\$ 4,691	\$ 4,581	\$ 4,515
Earnings Per Share Basic (1)	\$ 1.20	\$ 1.34	\$ 1.31	\$ 1.29
Earnings Per Share Diluted (1)	\$ 1.20	\$ 1.34	\$ 1.31	\$ 1.29

2017	Three Months Ended,			
	Mar 31	June 30	Sep 30	Dec 31
Interest income	\$ 11,300	\$ 11,778	\$ 12,120	\$ 12,895
Interest expense	1,303	1,374	1,503	1,659
Net interest income	9,997	10,404	10,617	11,236
Provision for loan losses	615	625	500	800
Non-interest income	1,863	1,865	1,912	1,981
Investment securities gains, net	172	23	9	831
Non-interest expenses	7,191	7,166	7,247	7,710
Income before provision for income taxes	4,226	4,501	4,791	5,538
Provision for income taxes	923	1,033	1,141	2,934
Net income	\$ 3,303	\$ 3,468	\$ 3,650	\$ 2,604
Earnings Per Share Basic (1)	\$ 0.93	\$ 0.99	\$ 1.04	\$ 0.74
Earnings Per Share Diluted (1)	\$ 0.93	\$ 0.99	\$ 1.04	\$ 0.74

(1) Amounts were adjusted to reflect stock dividends.

## Trust and Investment Services Funds Under Management

(Market Values In Thousands)

	2018	2017	2016	2015	2014
<b>INVESTMENTS:</b>					
Bonds	\$ 17,559	\$ 18,672	\$ 17,871	\$ 16,425	\$ 15,558
Stocks	16,372	18,957	18,860	18,574	17,925
Savings and Money Market Funds	16,100	13,076	10,697	12,437	12,395
Mutual Funds	60,847	67,027	59,306	58,644	53,456
Mineral interests	4,500	3,885	2,598	2,781	-
Mortgages	1,082	343	456	686	701
Real Estate	839	513	613	565	637
Cash and Miscellaneous	288	247	170	68	49
<b>TOTAL</b>	<b>\$117,587</b>	<b>\$ 122,720</b>	<b>\$ 110,571</b>	<b>\$ 110,180</b>	<b>\$ 100,721</b>
<b>ACCOUNTS:</b>					
Trusts	\$ 30,736	\$ 28,714	\$ 26,597	\$ 26,746	\$ 21,268
Guardianships	2,347	748	1,846	1,274	1,684
Employee Benefits	51,907	57,035	48,692	46,888	41,289
Investment Management	32,595	36,221	33,434	35,268	36,478
Custodial	2	2	2	4	2
<b>TOTAL</b>	<b>\$117,587</b>	<b>\$ 122,720</b>	<b>\$ 110,571</b>	<b>\$ 110,180</b>	<b>\$ 100,721</b>



## BOARD OF DIRECTORS

Rinaldo A. DePaola, Esquire  
Randall E. Black, CEO & President  
R. Lowell Coolidge, Esquire, Chairman of the Board  
Rudolph J. van der Hiel, Esquire, Vice Chairman  
Alletta M. Schadler  
Mickey L. Jones, EVP, CPA  
David Z. Richards, Jr.  
Robert W. Chappell, Esquire  
E. Gene Kosa  
R. Joseph Landy, Esquire  
Roger C. Graham, Jr.  
Terry B. Osborne, EVP  
Thomas E. Freeman

## RETIRED DIRECTORS - CFSI

Robert E. Dalton  
Robert J. Landy, Esquire  
Mark L. Dalton  
John E. Novak  
John M. Thomas, MD  
Richard E. Wilber  
Carol J. Tama

## CFSI OFFICERS

Randall E. Black, CEO & President  
Gina M. Boor, Secretary  
Terry B. Osborne, Asst. Secretary  
Mickey L. Jones, Treasurer & Asst. Secretary, CPA

## ANNUAL MEETING

The annual meeting and luncheon for the shareholders of Citizens Financial Services, Inc. will be held at the Tioga County Fairgrounds Youth Building in Whitneyville, PA on April 16, 2019 at 12:00 noon.

## 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.firstcitizensbank.com](http://www.firstcitizensbank.com).

## CONTACT

Mickey L. Jones, Treasurer, CPA  
Citizens Financial Services, Inc.  
15 South Main Street  
Mansfield, PA 16933

## INVESTOR INFORMATION

### Stock Listing:

Citizens Financial Services, Inc. common stock is listed on the OTC Pink Market 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, AVP  
15 South Main Street  
Mansfield, PA 16933

Toll free: 800-326-9486  
Telephone: 570-662-2121  
Website: [www.firstcitizensbank.com](http://www.firstcitizensbank.com)  
E-mail: [fccb@firstcitizensbank.com](mailto:fccb@firstcitizensbank.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](mailto:shareholder@broadridge.com)

# Company Information



## MANAGEMENT TEAM

### Left to Right:

Randy Black, Terry Osborne, Jeff Wilson, Dwight Rohrer, Amy Wood, Jeff Carr, Chris Landis, Robert Mosso, Mick Jones, Dave Richards, Kathleen Campbell, Doug Byers, Gina Boor, Greg Anna

### Executive Office

Randall E. Black, CEO & President  
Gina M. Boor, AVP, Shareholder Services

### Finance

Mickey L. Jones, EVP, COO/CFO  
Stephen J. Guillaume, VP  
Pamela R. Munford, AVP  
Matthew M. Lundgren, AVP

### Operations

Terry B. Osborne, EVP  
Gregory J. Anna, SVP  
Keith E. Sampsell, VP  
Melissa A. Cowles, AVP  
Renée P. Davis, AVP  
Robert G. DeWater, VP  
Bonney J. Welch, AVP  
Lisa A. Banik, AVP  
Wendy E. Dorsey, AVP  
Michele E. Litzelman, AVP  
Douglas N. Smith, AVP  
Alison S. Broughton, AVP  
Kathy S. Webster, AVP  
Wendy L. Southard, AVP

### Human Resources

Amy C. Wood, VP  
Laura L. Nelson, AVP

### Marketing

Kathleen M. Campbell, SVP

### Training

Amy C. Wood, VP

### Investments & Trust

Robert B. Mosso, SVP  
John A. DiGiacomo, VP  
Matthew A. Stroup, VP  
Kristen D. D'Angelo, AVP  
Florence L. Prough, AVP  
Sylvia R. Thompson, AVP

## NORTHERN REGION

### Retail Banking Services

Jeffrey B. Carr, SVP  
Janet E. Holmes, VP  
Diane K. Wilson, VP  
Cathy C. Pientka, AVP  
Kristina M. Bogaczyk, AVP

### Commercial Banking Services

Jeffrey L. Wilson, EVP  
Christopher S. Landis, SVP  
Erin M. Cole, VP  
Robert P. Fitzgerald, VP  
David G. Morris, VP  
Thomas C. Thompson III, VP  
Patrick E. Prough, VP  
Kiera N. Carneiro, AVP  
John B. Sullivan, AVP

## OFFICE LOCATIONS

### Mansfield – 15 S. Main St

570-662-2121  
Bryan Bailey  
**Local Board**  
Gary R. Butters  
Christopher D. Jones  
Jody Thomas  
Thomas J. D'Angelo

### Blossburg – 300 Main St

570-638-2115  
Beth A. Weiskopff, AVP  
**Local Board**  
Samuel H. Knipe  
George D. Lloyd  
Shane Nickerson  
Susan M. Signor

### Wellsboro – 1 Pearl St

570-724-2600  
Deborah A. Cram, AVP  
**Local Board**  
Benjamin Largey  
Christopher Lantz  
James K. Stager  
Edward Osgood

### Wal-Mart – 1169 S. Main St.

Mansfield  
570-662-8520  
Bryan Bailey

### Millerton – 7352 Route 328

570-537-2203  
William J. Jacobson  
Local Board (see Troy listing)

### Troy – 1133 W. Main St

570-297-2131  
Andrew O. Clark  
**Local Board**  
Rick Hoover  
Gregory S. Jones  
Amanda Miller  
Richmond Havens

### Gillett – 33178 Route 14

Andrew O. Clark  
570-596-2679  
Local Board (see Troy listing)

### Canton – 53 W. Main St

570-673-3103  
Misti L. Machmer, AVP  
**Local Board**  
Frank Watson  
Philip C. Rockwell

### Towanda – 111 Main St

570-265-6137  
Lorraine F. Brown, AVP  
**Local Board**  
Roger L. Brown  
Mark Gannon  
Anthony J. Ventello

### Sayre – 306 W. Lockhart St

570-888-6602  
Debra L. Casey  
**Local Board**  
Angelo M. Sisto  
Thomas J. McDonald, Jr., MD  
Stephen J. Novak  
Michael J. Yanuzzi  
John L. Huntington



**Sayre** – 1778 Elmira St  
570-888-4900  
John B. Sullivan, AVP  
**Local Board** (see previous Sayre listing)

**LeRaysville** – 960 Main St  
570-744-2431  
Debra S. Donnelly, AVP  
**Local Board**  
Louis C. Ugliuzza  
Gerald A. Hestand  
Richard R. Jones  
Martha D. Young

**Rome** – 847 Main St  
570-247-5100  
Debra S. Donnelly, AVP  
**Local Board** (see LeRaysville listing)

**Ulysses** – 502 Main St  
814-848-7572  
Phillip D. Vaughn, AVP  
**Local Board**  
Victor O. Brown, DMD PC  
Gary H. Ransom  
Douglas Kibbe

**Genesee** – 391 Main St  
814-228-3201  
Alaina F. Knisely, AVP  
**Local Board** (see Ulysses listing)

**Wellsville, NY** – 10 Main St  
585-593-7290  
L. Abbie Pritchard, AVP  
**Local Board**  
Mary Kate Cole  
Michael Finn  
Kevin LaForge  
Arlen Calcote

## CENTRAL REGION

**Market Executive**  
David Z. Richards, Jr., EVP

**Winfield Loan Production Office**  
1157 West Branch Parkway, Suite 2  
570-768-4203  
Blaine T. Fessler, VP  
Francis G. Strause, VP  
A. Luke Vastine, AVP

**Mill Hall** – 39 King Arthur Dr.  
570-748-6469  
Margaret J. Shaffer, AVP  
**Local Board**  
Jay B. Alexander  
Steven J. Bason  
Robert A. Maguire  
James Harbach

**State College** – 141 W. Beaver Ave.  
814-231-8010  
Christopher M. Daher  
Jami A. Tomczuk, VP  
Jennifer M. Cadman, VP  
Jessica L. Chobody, VP

## SOUTHCENTRAL REGION

**Retail Banking Services**  
Douglas L. Byers, SVP  
James A. Rovito, VP

## Commercial Banking Services

Dwight D. Rohrer, SVP  
Edward O. Naab, SVP  
Sean P. McKinney, VP  
Jeffrey R. Bollinger, VP  
Owen E. Heller, VP  
Jason R. Landis, VP  
Eric T. Long, VP  
Jeffrey J. Rae, VP

## Regional Board

Paul Kilgore, Esquire  
Eugene Kreitzer, Sr.  
Wilmer Stoner  
Chris Pierce  
Robert Walborn  
Dale Burkholder

## OFFICE LOCATIONS

**Fredericksburg** – 3016 S. Pine Grove St  
717-202-2255  
Jeffery M. Nolan, VP

**Lebanon** – 1690 N. 7th St  
717-202-2252  
Dawn M. Miele, AVP

**Lebanon** – 2217 W. Cumberland St.  
717-202-3969  
David S. Leggat

**Lebanon** – 450 Isabel Dr.  
717-202-3978  
David S. Leggat

**Mt. Aetna** – 7635 Lancaster Ave.  
717-202-2239  
Jeffery M. Nolan, VP

**Mount Joy** – 720 E Main St  
717-928-9050  
Maryann T. Payne

**Fivepointville** - 1015 Dry Tavern Rd.  
Denver, PA 17517  
717-335-1875  
Jamie R. Lutz

**Schuylkill Haven** – 45 W. Main St  
866-779-4102  
Lori A. Faller

**Friedensburg** – 1549 Long Run Rd.  
866-779-4113  
Beth A. Reed

## AG BANKING DIVISION

Randall E. Black, CEO and President  
Christopher S. Landis, SVP  
Dwight D. Rohrer, SVP  
Blaine T. Fessler, VP  
Sean P. McKinney, VP  
Jeffrey R. Bollinger, VP  
Erin M. Cole, VP  
Jason R. Landis, VP  
Francis G. Strause, VP  
David G. Morris, VP  
Kiera N. Carneiro, AVP

**Agricultural Advisory Board - North**  
Dale Hoffman  
Gene Kosa  
Phil Rockwell  
Tim Webster  
Martha Young  
Dean Jackson

**Agricultural Advisory Board - South**  
Brent Copenhaver  
Chris Hoffman  
Chris Pierce  
Delvin Martin





# CITIZENS

**FINANCIAL SERVICES**

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**I N C O R P O R A T E D**

Citizens Financial Services, Inc.  
15 South Main Street  
Mansfield, Pennsylvania 16933  
570-662-2121  
800-326-9486  
[www.firstcitizensbank.com](http://www.firstcitizensbank.com)

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