

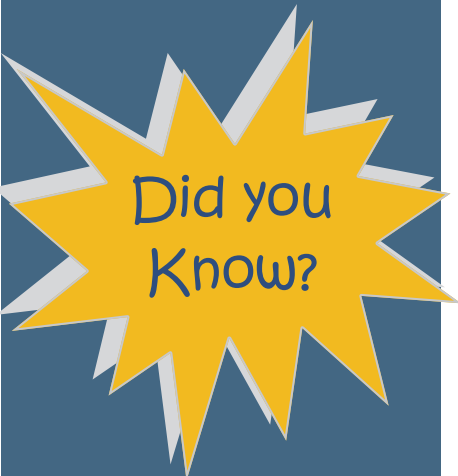


15 S. Main Street
 Mansfield, PA 16933
www.firstcitizensbank.com



The Captain's Log

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 Issue 1



First Citizens offers three \$1,000 scholarships each year.

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First Citizens Community Bank - The #1 Lender to Small Businesses and Agriculture

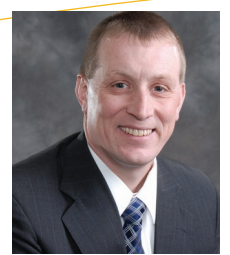
In late 2014, the FFIEC (Federal Financial Institution Examination Council) released their report on the 2013 lending activity for banks. Their results — First Citizens is **the number one** lender to small businesses and agriculture in Tioga, Bradford and Potter counties.

We're number one because community support is a priority for us and we believe that begins by helping local businesses grow and prosper. We also recognize that this success is made possible by our experienced business development team. In total, these individuals have 200+ years combined experience and excel at customizing loans that satisfy unique circumstances.

The proof is in the numbers. First Citizens provided 247 loans to small businesses while all other local and national banks combined had a total of 258. Farmers received 107 loans from First Citizens with the total for all other banks at 63.

We're honored that so many small businesses and agricultural providers in our markets turn to First Citizens for their lending needs.

The FFIEC is a formal interagency body empowered to prescribe uniform principles, standards, and report forms for the federal examination of financial institutions and to make recommendations to promote uniformity in the supervision of financial institutions. Each year, financial organizations of a certain size are required by the Home Mortgage Disclosure Act to report their real estate lending activities to the FFIEC.



A MESSAGE FROM THE PRESIDENT

In this issue of the Captain's Log we take an opportunity to highlight some of our accomplishments from 2014 and provide some insight into how we're kicking off the new year.

Thanks to the loyalty of our customers, staff and shareholders, First Citizens experienced another successful year in 2014 and received recognition for our hard work. We were ranked 7th in the nation among community banks for our 2013 performance based on our 3-year average ROE, ranked 21st in the nation for efficiency, and were the leading lender to small businesses and agriculture in our market. We also had victories of another kind. We proudly welcomed back employee Bruce Boughton, who returned home safely from Afghanistan in November and has been named Manager to our Sayre Elmira Street and Gillett offices.

Although we had a great year in 2014, we were eager to jump-start the New Year with the opening of our new office in Mill Hall, Pennsylvania in February and our 3rd annual Ag Forum at the Whitneyville Fair Grounds on March 4th.

Thanks for contributing to our success in 2014 and may the New Year bring us more wonderful opportunities to work together.

Randy

Welcome Home Bruce!

Bruce Boughton (First Sergeant of the 388th Route Clearance Company) was deployed to RC-East, Afghanistan from January 2014. Prior to deploying, he spent months in Texas, California and Florida conducting training to prepare his company for their deployment. The primary role of a Route Clearance company is to ensure the safety of US Coalition and Afghan forces during combat by conducting missions along main supply routes to ensure there



are no IEDs or other devices that would restrict freedom of movement along the route. When asked what he felt was the greatest accomplishment of his tour, Bruce said, "I went and did the job at hand to the best of my ability, and at the end was able to bring everyone home alive." Bruce was previously deployed in 2004 to Iraq, to Fort Dix in 2007, and in 2008 to the Kingdom of Saudi Arabia. He has been a member of the US Army Reserves for 23 years.

Your Success is Our Mission

EMPLOYEE NEWS

First Citizens says goodbye to Phil Zagozewski, who passed away at the age of 90. Phil was a courier for First Citizens for 14 years, driving his 135 mile route until his retirement one week before his 90th birthday. Phil was an honorably discharged Radioman 1st Class in the US Coast Guard, who served in the South Pacific during WWII, an air traffic controller, local business owner, a lifelong avid musician, and genuine people person. We will truly miss him, and we extend our condolences to Phil's family and friends.



First Citizens would like to welcome new members to our family.

- Christine Howe, Loan Central
- Sherri Kramm, WalMart
- Chelsey Smith, Blossburg
- Peg Shaffer, Mill Hall
- Jessica Warren, HR
- Linda Maser, Staline
- Wendy Barnes, Wellsboro
- Tyler Kashmer, Mansfield
- Megan Bruno, Weis

Our Employees Make the Difference

We've always felt that our employees are the best there is. They understand and accept the challenge of balancing a high level of customer service with disciplined cost control. We believe this powerful combination is what defines a successful company — and our employees execute it day in and day out. They continue to be the voice of the customer allowing us to respond quickly to changing customer needs and market opportunities. And they look for more productive and cost efficient ways to get their jobs done.



The end result of their hard work has been recognized by *Bank Director Magazine* who recently ranked Citizens Financial Services, Inc. 21st in the nation and number one in Pennsylvania for efficiency. We believe this ranking is the direct result of our employees' commitment. A recent issue of the magazine discussed the impact of efficiency on profits. They define efficiency as working in a



well-organized and competent way; making the best use of, and preventing the wasteful use of resources. The article explains how **efficiency is one of the biggest differentiators between the most profitable banks and the median banks and thrifts in the nation.**



Our success at balancing cost control with a high level of customer service

allows us to put dollars back into the communities we serve...and that's good news for everyone!

2015 APRIL						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	★ 21	22	23	24	25
26	27	28	29	30		

Attention Shareholders!

Save the date!

The annual meeting for Citizens Financial Services, Inc. will be held at noon on Tuesday, April 21 at the Whitneyville Fairgrounds.

Ulysses Local Board Member Returns from 28th Trip to Haiti

Dr. Victor Brown, a member of the First Citizens Ulysses Board completed his 28th trip to Haiti where he provided dental care to this very poor nation. Dr. Brown has been accompanied regularly by immediate family members and other medical professionals and their trips do not come without risk. Many years ago, he and his group were there during a coup to overthrow the Haitian government, and in January, 2010, left to return to America about an hour before the devastating earthquake rocked that nation.



Dr. Victor Brown and wife Linda

Dr. Brown is no stranger to serving as he is also a member of the Air Force reserves and was deployed to Afghanistan in 2006.

First Citizens is proud to have Dr. Brown as a member of our family. Victor, we salute you and are grateful for your safe return!

MEET OUR MILL HALL TEAM!



First Citizens Mill Hall office opened for business on Monday, February 2. Pictured from left to right are Peg Shaffer, Relationship Manager; Cori Gerlach, Sr. Sales Rep; Becky Probst, Sales Rep; Michelle McGinness; Mortgage Originator; and Nathan Tasselli, Customer Service Rep.

FCCB Scholarships Deadline March 15th

Each year, First Citizens awards two \$1,000 scholarships to the Mansfield University Foundation who administers the scholarship selection and awards. One scholarship is awarded to an MU student who resides within the First Citizens market. The second scholarship is awarded to a First Citizens employee, local board member, or a dependent of an employee or local board member. Both scholarships require academic excellence and community service, and are available to sophomore, junior and senior college students. To be eligible, students must have a cumulative GPA of at least 3.0 and have 20 hours of community or school service.

The \$1,000 First Citizens Agricultural Scholarship will be awarded to a high school senior, who after graduation will continue his or her education in an agriculture-related field. The scholarship will be paid out to the recipient for their second year in college or trade school upon receipt of the student's prior year transcript. Applicants must have a cumulative GPA of at least 3.0, and reside in the First Citizens market.

Preference for all scholarships will be given to students who are customers or who have family members as customers.

The deadline for submitting applications for the First Citizens Community Bank MU Scholarships and the Ag Scholarship is March 15, 2015. Applications for both scholarships can be found at www.firstcitizensbank.com or at any community office.

