

CITIZENS
FINANCIAL SERVICES
INCORPORATED



YEAR IN REVIEW

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Year in Review 2024

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PEOPLE TAKING CARE OF PEOPLE

A letter from Vice Chair, CEO and President Randall E. Black

I'm sure this isn't the first time you've heard the phrase "taking care of people is taking care of business," but it's certainly more than just a phrase for us. It's at the core of our business model we've subscribed to for generations, and it has served us well. Many factors put pressure on our business model in 2024 - technology and innovation, increasing competition, regulatory complexity, shifting customer expectations, and the rising cost of doing business. Being able to effectively modify our model to adjust has been key for Citizens Financial Services, Inc. This flexibility will be more critical than ever as we face a new administration and political climate in D.C., and another year of rapid and dramatic technological advancements that will reshape customer expectations and regulatory requirements. How banks continue to react to these advancements, and more importantly their ability to be proactive in leveraging them, will greatly impact their financial achievements and their reputation. Successfully serving customers the way they want to be served, whether digitally, in an advisory capacity or more likely both, while maintaining acceptable levels of cost control, risk, and regulatory compliance, will continue to be a challenge for all banks. As always, your Company's team is one of the best who I firmly believe are up to the task.

I'm excited once again to deliver a positive message to you, our Shareholder, about how your Company, Citizens Financial Services, Inc. performed during yet another wildly uncertain year economically, politically and globally.

Celebrating our Accomplishments

We focused a great deal of effort in 2024 on ensuring a successful entry into the Philadelphia market and the full integration of Huntingdon Valley Bank (HVB) which we acquired in June of 2023. Our 2024 first and second quarter financial results reflected the expenditures we felt were necessary to continue our commitment to the Philadelphia market and our other growth markets as well. Financial results for Q3 & Q4 were greatly improved, which is what we typically experience one full year after an acquisition. Everyone is now gelling, and uncertainty and transition have been replaced with alignment and momentum.

- » We've recruited a highly skilled commercial lending team in Philadelphia which allows us to leverage their market knowledge, existing business relationships and credit analysis skills.
- » We opened a new loan production office in Georgetown, Delaware. This office focuses on the unique financial needs of the agricultural community in Sussex County and allows us to continue strengthening a life-sustaining industry.

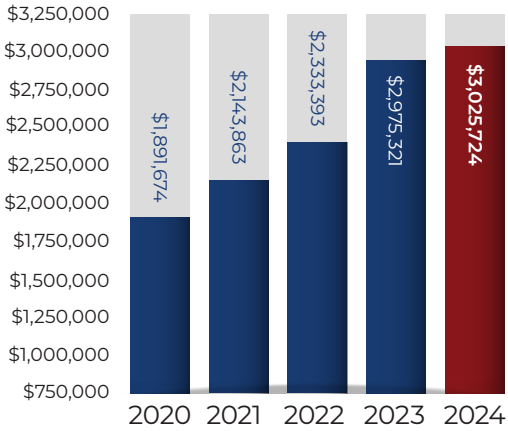


...uncertainty and transition have been replaced with alignment and momentum.



Total Assets

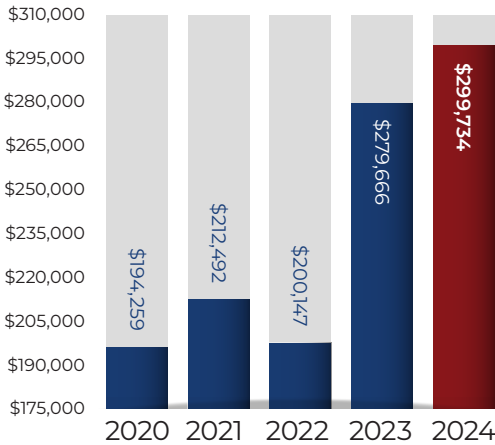
(DOLLARS IN THOUSANDS)



A formal Digital Steering Committee was proactively formed to ensure that FCCB implements the right technology and properly invests time and money into understanding what customers are demanding, what employees need to deliver outstanding service and be efficient in their jobs, how to protect ourselves and our customers from fraud, and how to implement the increasing new policies and procedures required by our regulators. Investing in technology is an opportunity. The Digital Steering Committee is charged with ensuring it's prioritized as such, and that we balance cost and effectiveness, and experience seamless integration. Improvements in online and mobile banking, a fully integrated loan processing system, and tools for improved customer interactions and internal efficiencies are all in various stages of evaluation or implementation.

Stockholders' Equity

(DOLLARS IN THOUSANDS)

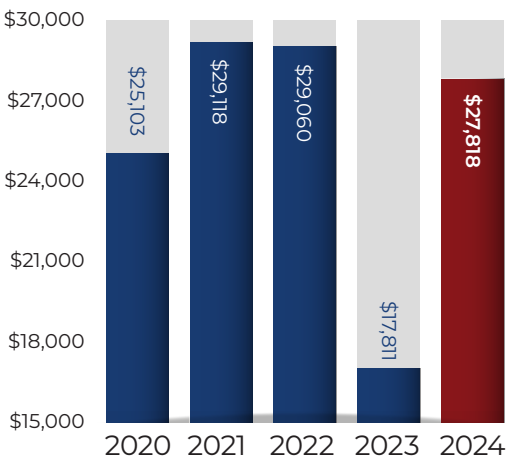


In late 2024, we began the arduous and costly process of modernizing our ATM fleet. This involved the replacement of 29 ATMs to improve user interface and allow for image deposit capabilities. The project was completed by the end of the first quarter of 2025.

Our diligence against fighting fraud has had a positive impact for customers. In 2024, we saved customers over \$2 million in losses related to fraud. Our employees go to great lengths to identify a scam before a customer is impacted and to exhaust every avenue to retrieve money lost by customers who do experience fraud. This truly represents our people-first model. The bottom line is that banks cannot single-handedly prevent criminals from defrauding our customers. But we can put up a good fight by continuing to invest in new technology, conducting regular security assessments, delivering consistent employee training, and deploying public relations messages to educate our business and consumer customers about common scams.

Net Income*

(DOLLARS IN THOUSANDS)



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

Our financial health once again allowed us to make significant contributions of time and money to further our communities. We participated in efforts to bring affordable housing to Philadelphia, supported communities devastated by Hurricane Debbie, held our 25th annual golf tournament to help fight cancer, made significant contributions of over \$500,000 to educational and non-profit organizations, and donated time and money to improve food security throughout our markets.

In June of 2024, I continued my role in supporting the banking industry by becoming acting Chair of the PA Bankers Association Board of Directors while also remaining an active Board Member of the Philadelphia Federal Reserve. The PA Bankers serve as the collective voice among all Pennsylvania bankers to effect change and support their communities through advocacy.

Our history of creating shareholder value continued in 2024. As you can see from the chart below, CZFS stock performed above peers yet again in 2024.

Historical Stock Performance Comparison

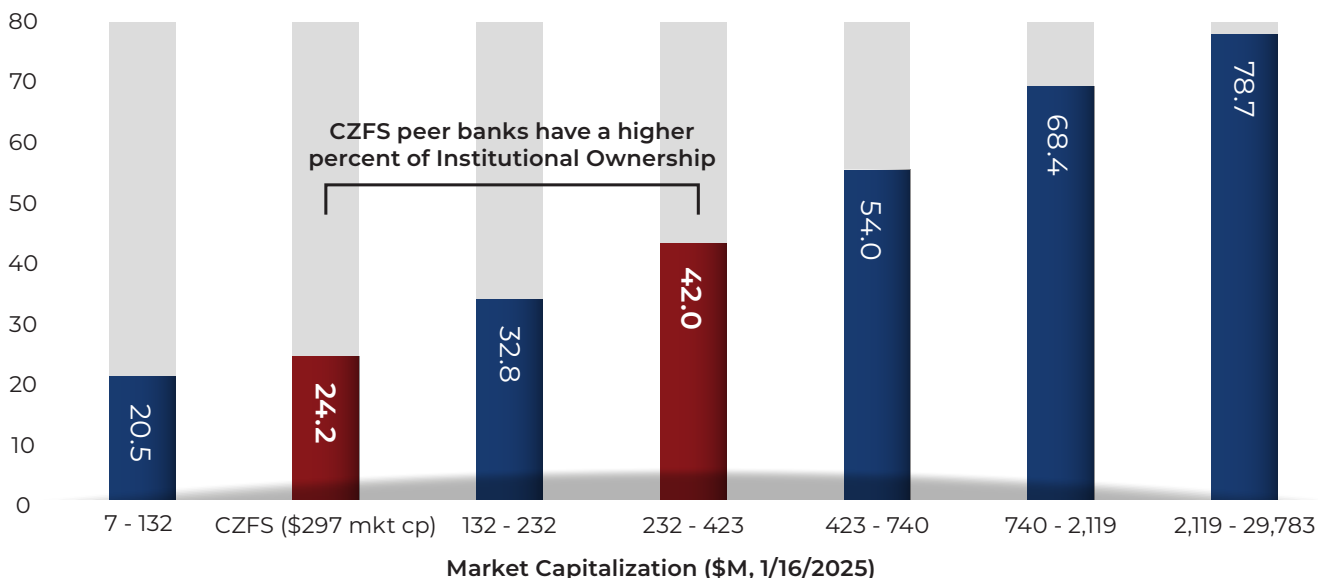
CITIZENS FINANCIAL SERVICES, INC. VS. PEERS 2024Y & 4Q24

Peer Group	2024Y STOCK PERFORMANCE (%)	4Q24 STOCK PERFORMANCE (%)	2024Y P/TBV (%)	CURRENT P/TBV (%)
PA NASDAQ listed Banks	1.9	2.1	130.6	129.7
MD, NY, PA NASDAQ listed Banks \$1.0B - \$4.0B	-1.3	4.2	122.8	120.7
PA Banks \$1.0B - \$3.0B	0.4	5.6	107.8	106.5
CZFS Proxy Peer Banks	-5.2	2.3	123.8	119.0
CZFS	-1.2	14.1	143.1	140.9

A significant portion of CZFS stock ownership remains in the hands of retail investors, many of them long-term customers of FCCB. As of January 16, 2025, CZFS retail stock ownership was 75.8% as compared to 24.2% institutional ownership. The average institutional ownership for Nasdaq traded banks is 42%. Institutional ownership tends to hold long term and helps keep price trends stable, but can also impact stock price stability through large selloffs, which can negatively impact the retail owner. We believe our current ratio provides a healthy balance and would help minimize the consequences of large selloffs, should they occur.

Institutional Ownership by Market Capitalization

ALL NASDAQ TRADED BANKS

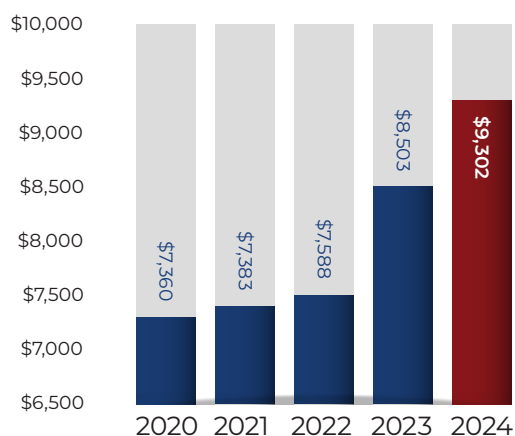


In spite of the difficult economic environment that defined 2024, I'm pleased to report that FCCB is equal to or ahead of peers in many performance categories. Below are our highlighted financial achievements for the twelve months ended December 31, 2024:

- » Total assets exceeded \$3 billion at year end, an increase of \$50.4 million or 1.7%.
- » Net income for 2024 was \$27.8 million, which is \$10.0 million, or 56.2% higher than the year ended December 31, 2023. Net income in 2023 was impacted by the one-time HVB acquisition costs (M&A) and an increase in the provision for credit losses on non-purchase credit deteriorated loans (the "NPC Provision"), which was attributable to HVB loans acquired.
- » Net interest income before the provision for credit losses ended the year at \$86.5 million compared to \$80.3 million at December 31, 2023 representing a 7.7% increase year-over-year.
- » Deposits increased \$60.5 million from December 31, 2023, to \$2.38 billion at December 31, 2024. The continued high market interest rates increased competition for deposits.
- » Net loans grew to \$2.29 billion, an increase of 2.9% over the \$2.23 billion reported for year ended December 31, 2023.
- » Earnings Per Share in 2024 were \$5.86 compared to \$4.02 reported for the year ended December 31, 2023. If one time costs are excluded from 2024 and 2023, earnings per share in 2024 would be \$6.01 compared to \$6.54 in 2023 (Non-GAAP).
- » Return on Average Assets was 0.93% compared to 0.67% for the year ended December 31, 2023.
- » Return on Average Equity was 9.59% compared to 7.39% for the year ended December 31, 2023.
- » Return on Average Tangible Common Equity (non-GAAP) for the year ended December 31, 2024 was 13.84% compared to 10.00% reported for the year ended December 31, 2023.
- » Dividends paid per share were \$1.95 for 2024 compared to \$1.92 for the year ended December 31, 2023 adjusted for the 1% stock dividend paid in June 2024. The Company declared a 1% stock dividend in the second quarter of both 2023 and 2024.
- » Our credit quality remains strong as non-performing assets as a percent of loans was 1.24% for the year ended December 31, 2024.
- » Annualized net charge-offs to total loans was 0.11% compared to 0.01% for the year ended December 31, 2023.

Cash Dividends Paid

(DOLLARS IN THOUSANDS)



Looking Ahead

If you ask community bank CEOs, "what's your greatest concern for 2025?", most will undoubtedly reference the increasing risks and rising costs of doing business, as well as the uncertainty of future monetary policy under new leadership in D.C.

- » Boosting and retaining deposits, and improving margins are top of mind for bank CEOs. The rate cuts initiated by the Federal Reserve were welcome news for net interest margins but the extreme competition for deposits will remain a costly challenge for traditional banks. Although traditional banks saw some improvement in commercial deposits in 2024, consumer deposits left the community banking sector over the last

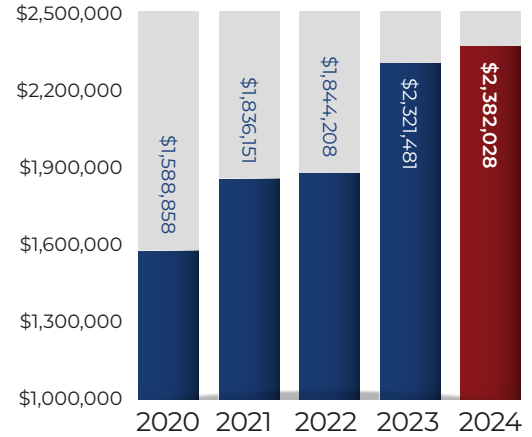
several years moving to large money centers who can offer better rates because they do not have the expenses related to running a physical branch network. However, many customers still value the personal service and support from traditional banks, as well as access to ATMs, commercial banking expertise, investment advisory services, and FDIC insurance. We plan to capitalize on this in all of our markets.

- » Keeping up with expensive technological advances necessary to meet customer demands and create greater efficiencies for staff are top priorities as well. In the future, branches could look very different — moving transactions to digital channels with more focus on advisory services and helping customers manage their money. Research has shown that customer satisfaction is highest with a mix of digital and branch-based engagement for advice.
- » Inflation-created challenges such as attracting, retaining and training personnel, and operating both a brick and mortar and digital operation are expected to continue.
- » Cybersecurity sophistication continues to increase. Fighting cybersecurity and fraud to protect our organization and our customers remains crucial. The importance of robust cybersecurity measures cannot be overstated or underestimated.
- » Banks operate in a highly regulated environment. Overreaching policy changes from regulators are burdensome to community banks on both a financial and human resource level, and non-compliance creates significant financial and reputational risk. The new administration has campaigned on deregulation which may bring some relief to banks. Unknown monetary policy and its impact on inflation remain a concern.

The new administration is also expected to be more pro-business, which is typically good news for banks. However, there is uncertainty surrounding the impact of potential tariffs on inflation and the impact deportation will have on the labor force. Lack of immigrant laborers is particularly concerning for the Agricultural community, who will see their operations negatively impacted; and for consumers, who may experience changes to their food supply whether that be cost, availability, or both. As one of the top Ag Lenders in the nation, we will be watching closely and preparing to help our farmers work through the challenges that may arise.

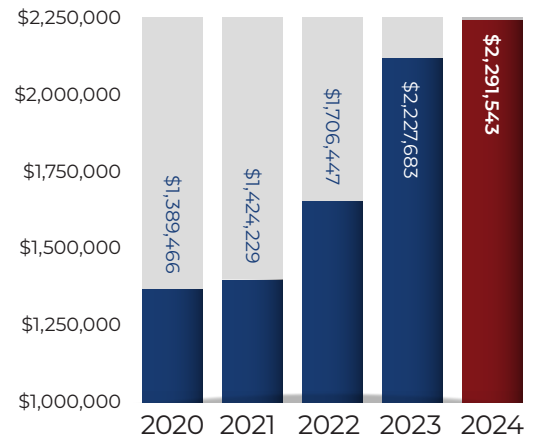
Deposits

(DOLLARS IN THOUSANDS)



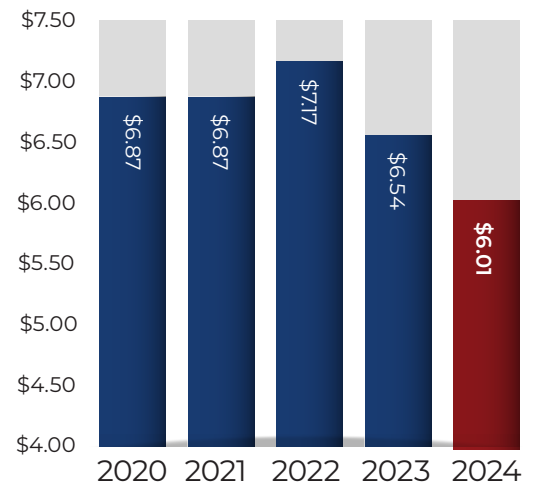
Net Loans

(DOLLARS IN THOUSANDS)



Earnings Per Share*

(EXCLUDING ONE TIME ITEMS)



*Amounts adjusted to reflect stock dividend.

The return of a normal yield curve would create a more favorable borrowing environment in 2025. Our efforts over the past several years to develop a strong commercial lending team in our new markets, as well as the integration of our two mortgage lending teams has positioned us favorably to take advantage of customers' potential renewed interest in longer term borrowing. However, the Federal Reserve, after making three rate cuts last year, has recently signaled they anticipate only one cut in 2025, potentially tempering a rebound in home selling and mortgages. Those who are not forced into selling a home for relocation or family expansion will most likely remain locked into their low mortgage rates for a good portion of 2025.

As part of our people-focused approach to business, we conducted primary and secondary research in 2024 to fully understand the needs, banking habits, and communication preferences of all generations. A key finding – customization and personalization will be crucial. In 2025, we'll use the information we've gleaned from our research to...

- » Customize product packages to be more generationally focused and reward relationships. Consumers' need for financial flexibility will drive product innovation.
- » Enhance delivery systems to satisfy those wishing for the convenience of digital options. Our research revealed that Millennials and Gen Z, who will inherit trillions of dollars over the next 20 years, want to bank electronically, are open to money management advice, and want tools to customize their experiences - and we've got to give it to them.
- » Review customer behavioral data extensively to proactively offer more tailored services.
- » Restructure our service model to ensure we are leveraging technology to improve efficiency, so every customer interaction has an advisory component that builds trust across all generations.

MANAGEMENT COMMITTEE

Sean McKinney, LeeAnn Gephart, Kathleen Campbell, Christopher Landis, Mickey Jones, Jeffrey Wilson, Randall Black, Matthew Rosato, Anthony Manerchia, Gregory Anna, Chuck Hutt, David Richards, and Steve Guillaume.
Not pictured: Robert Mosso, Gina Boor, Jeffrey White



In Memoriam

It is with great sadness that we announce the passing of two of our family members here at FCCB.

- » Eugene (Gene) Kreitzer, a member of the South Central Regional Board, passed away in November 2024. Gene was previously a member of the Board of Directors of The First National Bank of Fredericksburg, which we acquired in 2015.
- » Brenda Welshans, a valued member of the Commercial Services Team in Williamsport, passed away in August 2024.

We extend our deepest sympathy to Gene and Brenda's families & their co-workers. They will be greatly missed.

In closing, I'd like to report on a few changes to your Company that will impact us in the future.



Alletta Schadler will retire from our Corporate Board effective April, 2025. She joined FCCB through our acquisition of The First National Bank of Fredericksburg in 2015. Alletta was a former director there. She is co-owner and manager of the Farmer's Pride Airport in Fredericksburg, PA and also serves on the board of Penn State Extension in Lebanon County where she worked for 30 years. Her business expertise and involvement in civic and philanthropic organizations provided valuable insight for FCCB. We're grateful for her many contributions to our success.

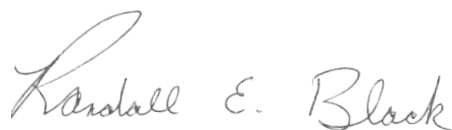
After an impressive 21-year career with FCCB, Mick Jones, Sr. EVP, COO, and Board Treasurer chose to partially retire in 2024, leaving behind a legacy of dedication, leadership, and commitment to our team and communities. Mick played a pivotal role in shaping our operations, and his impact on FCCB will be felt for years to come. More than a trusted colleague, Mick has been a close advisor and friend to me, and I am truly grateful for his guidance and unwavering support.



With Mick's retirement, we are excited to welcome Jeffrey White as EVP, Chief Operating Officer. Jeffrey brings a wealth of experience and a fresh perspective to help lead us through our next phase of growth and innovation. His leadership will be instrumental in building our strong foundation, and we look forward to the positive impact he will have on our organization and the communities we serve.

While there is no crystal ball to help banks navigate what will likely be another year of unknowns, the fortitude of our organization, strengthened by the successful integration of legacy and new markets over the past 5 years, has prepared us to take advantage of growth opportunities and to overcome the unexpected.

We believe our success is grounded in developing genuine relationships brought about by supporting and respecting others. We hope our people-focused model continues to foster loyalty, trust, and positive partnerships, leading to continued financial success for our customers, our Company and you, our Shareholders.



Randall E. Black

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

HONORING YEARS of SERVICE

In 2024, we had the privilege of celebrating the exceptional contributions of our team members who truly embody the spirit of FCCB. Through service awards, including shares of CZFS stock and additional paid time off, we honored those whose dedication impacted our organization and the communities we serve.

35 YEARS of SERVICE

DONNA WILLIAMMEE
Loan Servicing Representative II

25 YEARS of SERVICE

COREY DEAN
Network Administrator II

MELISSA COWLES
SVP, Deputy Chief Credit Officer

SYLVIA THOMPSON
AVP, Wealth Management
Relationship Manager

TONYA MOSLEY
Universal Associate IV, Dover

20 YEARS of SERVICE

HEIDI MONRO
Universal Associate II, Canton

PAM MUNFORD
VP of Finance

5 YEARS of SERVICE

ALEX CLARK
Commercial Administrative Assistant

JAKE WILES
AVP, Financial Advisor

JIM CHAMBERLIN
VP, Real Estate Risk Manager

JODY GARDNER
Administrative Assistant

KELLY WETZEL
VP, Relationship Manager I/ Small Business,
Fredericksburg

KIM HENNINGER
Credit Analyst II

LEXI ORCHOWSKI
Service & Solutions Center Specialist

LISA WILSON
AVP, Office Manager, Wellsboro

MICHELLE SMITH
Universal Associate I, Blossburg

TRAVIS SHEDDEN
Core Systems Administrator

WILMA FREEMAN
Universal Associate I, Genesee

15 YEARS of SERVICE

ROY ZEAFLA
AVP, Collector II

STEVE GUILLAUME
EVP, Chief Financial Officer

10 YEARS of SERVICE

ALLISON SCHANBACHER
Mortgage Originator Assistant

AMY AUGUSTINE
Trust Support Specialist

CINDY STONE
Universal Associate IV, Canton

KYLIE MORSE
Credit Administration Representative

PEG SHAFFER
VP, Relationship Manager I, Mill Hall

SHERRI KRAMM
Universal Associate I, Wellsboro

CELEBRATING EXCELLENCE

Honoring our 2023 Award Recipients

In 2024, we proudly recognized the standout achievements of individuals whose extraordinary contributions in 2023 exemplified FCCB's values and commitment to excellence:

TOP MORTGAGE PRODUCERS

We are proud to highlight the exceptional performance of our top mortgage producers, whose achievements in 2023 set a benchmark for excellence:

CHAIRMAN'S CLUB 2023

- » **Crista Lowrie** | Closed 126 loans totaling \$33 million.
- » **James Rossiter** | Closed 104 loans totaling \$31 million.

PRESIDENT'S CLUB 2023

- » **Erin Hite** | Closed 53 loans totaling \$11 million.

FORBES BEST-IN-STATE NEXT-GEN WEALTH ADVISORS

In 2024, **Matthew Stroup** from our FCCB Wealth Advisors Team was once again honored by Shook Research on the Forbes Best-in-State Next-Gen Wealth Advisors list. With over a decade of experience, Matthew exemplifies FCCB's dedication to helping clients navigate complex financial decisions and pursue long-term financial success.

PRESIDENT'S AWARD

Heather Deitrick, Jason Landis, and Roy Zeafla embodied FCCB's core values, inspiring others through leadership and integrity. This prestigious award recognizes their unwavering commitment to our mission.

EMPLOYEES OF THE YEAR

Ben Landis, Jon Reese, and Kylie Morse were celebrated for their exceptional performance, leadership, and dedication. Their efforts have significantly advanced their teams' success and set a high standard of excellence.

EMPLOYEE VOLUNTEER OF THE YEAR

Christina Summa was honored for her inspiring volunteer work, which has made a meaningful difference in our communities. In recognition of her efforts, FCCB donated \$500 to PAWS for People, a cause she passionately supports.

OUTSTANDING SERVICE AWARD

Patrick Mullen and Auburn Jones went above and beyond to support teammates and customers, demonstrating a remarkable work ethic and dedication that set an example for others.

TEAM SPIRIT AWARD

Jami Needleman and Jim Rovito fostered teamwork, positivity, and collaboration. Their enthusiasm and dedication to creating a supportive work environment have made a lasting impact.

BEYOND THE DESK: EMPLOYEE SPOTLIGHTS

In 2024, we launched the "Beyond the Desk" series to celebrate our employees' personal stories and contributions. This initiative strengthened our internal culture and deepened our connection with the communities we serve.



PEOPLE TAKING CARE OF PEOPLE

Looking back on 2024, we're proud of how our team came together to care for the communities we serve. Through challenges and opportunities, we focused on making a meaningful difference in people's lives. The following highlights reflect our unwavering commitment to putting people first and supporting one another every step of the way.

Affordable Housing in Philadelphia

In Philadelphia's Brewerytown and Sharswood neighborhoods, we made significant progress in addressing the affordable housing crisis by financing the construction of 70 affordable homes through the Philadelphia Housing Development Corporation's "Turn the Key" initiative. This program provides families with energy-efficient, affordable housing, fostering long-term stability and growth. Our efforts in these communities reflect our commitment to enhancing local development and creating sustainable opportunities for homeownership and prosperity.



Financing the Construction of
70 AFFORDABLE HOMES

25 Years of Fighting Cancer

The FCCB Cancer Classic Golf Outing celebrated its 25th anniversary by raising \$25,000 for the American Cancer Society. This milestone event, driven by employee volunteers, brings together our team, partners, and community in the fight against cancer. Over its 25-year history, the event has raised more than \$300,000, demonstrating our continued commitment to making a lasting impact on cancer research and support.

\$25,000

raised in 2024 for the
American Cancer Society



PEOPLE TAKING CARE OF PEOPLE



Supporting Hunger Relief Across the Region

In 2024, FCCB employees made a meaningful impact on hunger and food insecurity through hands-on volunteer efforts. Our team assembled food boxes for Power Packs in Lebanon County, ensuring local families received nutritious meals. We also partnered with the Central PA Food Bank to sort and distribute food to families in need, further extending our reach.

During the Thanksgiving season, employees joined the Food Bank of Delaware to provide holiday meal kits, spreading joy to countless households. These efforts embody our dedication to uplifting communities and making a difference where it's needed most.

Building HOMES, Building COMMUNITY!

A Brighter Future in Northern Liberties

Our Philadelphia Business Banking team helped finance the development of 14 single-family homes on Germantown Avenue in Northern Liberties. This urban revitalization project is a shining example of our commitment to growth and development in vibrant communities.

14
Single-Family
HOMES



Supporting Flood-Impacted Communities

In response to devastating floods, FCCB raised over \$8,000 to support recovery efforts in Tioga County. President Randy Black presented the funds to the Tioga County Partnership for Community Health, offering financial assistance to help families rebuild their lives.

\$8,000+

Flood Relief for Tioga
County Partnership for
Community Health

PEOPLE TAKING CARE OF PEOPLE

Supporting Education Through EITC

In 2024, FCCB contributed \$450,000 to over 60 organizations through Pennsylvania's Educational Improvement Tax Credit (EITC) program. These donations funded scholarships, innovative programs, and essential services, empowering students statewide.

Highlights include funding for the Garage Youth Center in Kennett Square, which provides vital after-school programs for middle and high school students, and the Tioga County Foundation, enhancing civic and educational opportunities in Tioga County.



We also supported the Oxford Educational Foundation with a \$4,000 donation, enabling students to explore Coastal Ecology through an immersive program at the Chincoteague Bay Field Station. This hands-on experience fosters environmental stewardship and a deeper connection to science and nature. Together, these contributions are helping to create a brighter future for students across Pennsylvania.

Through these efforts and many more, we've demonstrated that community isn't just where we work — it's who we are. Together, we've made a difference, and we're excited to continue uniting and uplifting the communities we serve in the years ahead!

Celebrating Hispanic Heritage

At our Wellsboro Branch, we hosted a vibrant celebration for Hispanic Heritage Month. The event featured a taco bar and tortilla-making demonstration led by Mariel Torres-Lopez, Manager of our Mount Joy Branch. This celebration brought cultural connection and joy to our team and community.



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, 2024, 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

2024	High	Low	Dividends paid per share
First quarter	\$63.69	\$40.37	\$0.485
Second quarter	\$47.92	\$39.60	\$0.485
Third quarter	\$58.75	\$39.81	\$0.490
Fourth quarter	\$73.40	\$51.97	\$0.490

2023			
First quarter	\$86.77	\$70.50	\$0.475
Second quarter	\$91.48	\$74.38	\$0.475
Third quarter	\$74.53	\$47.92	\$0.485
Fourth quarter	\$65.40	\$44.25	\$0.485

Source : S&P Capital IQ Pro.

Dividends for 2023 and for the first and second quarter of 2024 have been adjusted for the stock dividend paid in the second quarter of 2024.

TRUST AND INVESTMENT SERVICES FUNDS UNDER MANAGEMENT

(market values - in thousands)

	2024	2023	2022	2021	2020
INVESTMENTS					
Bonds	\$ 18,432	\$ 16,386	\$ 13,497	\$ 8,640	\$ 11,777
Stocks	32,804	32,270	33,659	22,099	30,867
Savings and Money Market Funds	21,496	16,531	14,813	11,587	13,427
Mutual Funds	91,846	86,261	75,700	105,233	86,141
Mineral interests	3,000	4,715	8,465	2,959	2,738
Mortgages	738	780	783	856	956
Real Estate	9,812	9,444	1,965	2,099	1,560
Cash and Miscellaneous	2,582	1,507	1,149	1,367	2,882
TOTAL	\$ 180,710	\$ 167,894	\$ 150,031	\$ 154,840	\$ 150,348

ACCOUNTS					
Trusts	\$ 51,232	\$ 46,713	\$ 47,762	\$ 46,953	\$ 40,234
Guardianships	330	330	400	443	2,817
Employee Benefits	67,275	60,759	50,883	62,149	58,751
Investment Management	61,871	60,091	50,985	45,293	48,462
Custodial	2	1	1	2	84
TOTAL	\$ 180,710	\$ 167,894	\$ 150,031	\$ 154,840	\$ 150,348

Selected Financial Data

CONSOLIDATED BALANCE SHEET

(in thousands)

For the years ended December 31,	2024	2023	2022	2021	2020
ASSETS					
Cash and cash equivalents:					
Noninterest-bearing	\$ 30,284	\$ 37,733	\$ 24,814	\$ 14,051	\$ 16,374
Interest-bearing	11,918	15,085	1,397	158,782	52,333
Total cash and cash equivalents:	42,202	52,818	26,211	172,833	68,707
Interest bearing time deposits with other banks	3,820	4,070	6,055	11,026	13,758
Equity securities	1,747	1,938	2,208	2,270	1,931
Available-for-sale securities	425,912	417,601	439,506	412,402	295,189
Loans held for sale	9,607	9,379	725	4,554	14,640
Net Loans	2,291,543	2,227,683	1,706,447	1,424,229	1,389,466
Premises and equipment	21,395	21,384	17,619	17,016	16,948
Accrued interest receivable	10,307	11,043	7,332	5,235	5,998
Goodwill	85,758	85,758	31,376	31,376	31,376
Bank owned life insurance	50,341	49,897	39,355	38,503	32,589
Other assets	83,092	93,750	56,559	24,419	21,072
TOTAL ASSETS	\$ 3,025,724	\$ 2,975,321	\$ 2,333,393	\$ 2,143,863	\$ 1,891,674
LIABILITIES					
Deposits:					
Noninterest-bearing	\$ 532,776	\$523,784	\$ 396,260	\$ 358,073	\$ 303,762
Interest-bearing	1,849,252	1,797,697	1,447,948	1,478,078	1,285,096
Total deposits	2,382,028	2,321,481	1,844,208	1,836,151	1,588,858
Borrowed funds	297,721	322,036	257,278	73,977	88,838
Accrued interest payable	4,693	4,298	9,726	711	1,017
Other liabilities	41,548	47,840	22,034	20,532	18,702
TOTAL LIABILITIES	2,725,990	2,695,655	2,133,246	1,931,371	1,697,415
STOCKHOLDERS' EQUITY					
Common stock	5,208	5,161	4,428	4,389	4,350
Additional paid-in capital	144,984	143,233	80,911	78,395	75,908
Retained earnings	189,443	172,975	164,922	146,010	126,627
Accumulated other comprehensive (loss) income	(23,521)	(24,911)	(33,141)	(155)	2,587
Treasury stock, at cost	(16,380)	(16,792)	(16,973)	(16,147)	(15,213)
TOTAL STOCKHOLDERS' EQUITY	299,734	279,666	200,147	212,492	194,259
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 3,025,724	\$ 2,975,321	\$ 2,333,393	\$ 2,143,863	\$ 1,891,674

Selected Financial Data

FIVE YEAR SUMMARY OF OPERATIONS

(in thousands, except share data)

	2024	2023	2022	2021	2020
Interest income	\$ 154,317	\$ 127,118	\$ 83,357	\$ 73,217	\$ 70,296
Interest expense	67,862	46,858	11,223	7,105	8,105
Net interest income	86,455	80,260	72,134	66,112	62,191
Provision for loan losses	2,587	5,528	1,683	1,550	2,400
Net interest income after provision for loan losses	83,868	74,732	70,451	64,562	59,791
Non-interest income	15,256	11,800	9,999	11,754	11,158
Investment securities gains (losses) net	145	(195)	(261)	551	264
Non-interest expenses	65,586	64,822	44,694	41,550	40,847
Income before provision for income taxes and extraordinary item	33,683	21,515	35,495	35,317	30,366
Provision for income taxes	5,865	3,704	6,435	6,199	5,263
NET INCOME	\$ 27,818	\$ 17,811	\$ 29,060	\$ 29,118	\$ 25,103

PER SHARE DATA:

Net income - Basic (1)	\$ 5.86	\$ 4.02	\$ 7.17	\$ 7.15	\$ 6.33
Net income - Diluted (1)	5.85	4.02	7.17	7.15	6.32
Cash dividends declared (1)	1.95	1.92	1.86	1.80	1.84
Stock dividend	1%	1%	1%	1%	1%
Book value (1) (2)	62.97	58.83	49.33	52.22	47.55

FINANCIAL RATIOS AND DATA:

Return on average stockholders' equity, excluding accumulated other comprehensive income	8.82%	6.52%	12.98%	14.26%	14.21%
Return on average assets	0.93%	0.67%	1.29%	1.45%	1.46%
Dividends as a percent of net income	33.44%	47.74%	26.11%	25.36%	29.32%
Equity to asset ratio (average equity to average total assets, excluding other comprehensive income (loss))	10.49%	10.13%	9.93%	10.20%	10.27%

LOAN QUALITY (dollars in thousands):

Non-performing assets	\$ 28,612	\$ 13,177	\$ 7,488	\$ 8,842	\$ 13,093
Non-performing loans	\$ 25,977	\$ 12,703	\$ 6,945	\$ 7,662	\$ 11,257
Non-performing assets as a percent of loans, net of unearned income	1.24%	0.59%	0.43%	0.61%	0.93%
Non-performing loans as a percent of loans, net of unearned income	1.12%	0.56%	0.40%	0.53%	0.80%
Year-end allowance for loan losses	\$ 21,699	\$ 21,153	\$ 18,552	\$ 17,304	\$ 15,815
Year-end allowance to total loans	0.94%	0.94%	1.08%	1.20%	1.13%
Year-end allowance to total non-performing loans	83.53%	166.52%	267.13%	225.84%	140.49%

(1) Amounts were adjusted to reflect stock dividends.

(2) Calculation excludes accumulated other comprehensive income.

Selected Financial Data

BROKERAGE ASSETS UNDER MANAGEMENT

(in thousands)

	2024	2023	2022	2021	2020
Brokerage assets under management	\$ 395,869	\$ 329,446	\$ 283,548	\$ 282,058	\$ 241,003

CONSOLIDATED QUARTERLY DATA

(in thousands, except share data)

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 gains (losses), net	55	(87)	159	18
Non-interest expenses	16,643	16,246	16,029	16,668
Income before provision for income taxes	8,501	6,388	9,250	9,544
Provision for income taxes	1,477	1,113	1,714	1,561
Net income	\$ 7,024	\$ 5,275	\$ 7,536	\$ 7,983
Earnings Per Share Basic (1)	\$ 1.48	\$ 1.11	\$ 1.59	\$ 1.68
Earnings Per Share Diluted (1)	\$ 1.47	\$ 1.11	\$ 1.59	\$ 1.68

Three Months Ended	Mar 31	June 30	Sep 30	Dec 31
2023				
Interest income	\$ 25,107	\$ 26,810	\$ 36,689	\$ 38,512
Interest expense	7,027	8,889	14,285	16,657
Net interest income	18,080	17,921	22,404	21,855
Provision for loan losses	-	4,853	475	200
Non-interest income	2,392	2,405	3,593	3,410
Investment securities (losses) gains, net	(218)	(125)	69	79
Non-interest expenses	11,778	20,680	16,444	15,920
Income (loss) before provision for income taxes	8,476	(5,332)	9,147	9,224
Provision (benefit) for income taxes	1,609	(1,188)	1,599	1,684
Net income (loss)	\$ 6,867	\$ (4,144)	\$ 7,548	\$ 7,540
Earnings (losses) Per Share Basic (1)	\$ 1.69	\$ (1.00)	\$ 1.59	\$ 1.59
Earnings (losses) Per Share Diluted (1)	\$ 1.69	\$ (1.00)	\$ 1.59	\$ 1.59

(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)

	2024	2023
EARNINGS PER SHARE, EXCLUDING SALE OF BRAAVO ASSETS, NET OF LEGAL FEES AND MERGER AND ACQUISITION COSTS		
Net Income - GAAP	\$ 27,818	\$ 17,811
After tax gain on sale of Braavo, net of legal fees	(712)	—
After tax provision associated with Braavo loans remaining after sale	1,427	—
After tax provision for credit losses - acquisition day 1 non-PCD	—	3,627
After Tax merger and acquisition costs	—	7,513
Net income excluding one time items - Non-GAAP	\$ 28,533	\$ 28,951
Number of shares used in computation - basic	4,750,185	4,429,162
Basic earnings per share	\$ 5.86	\$ 4.02
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	—
After tax provision for credit losses - acquisition day 1 non-PCD	—	0.82
After Tax merger and acquisition costs	—	1.70
Basic earnings per share, Excluding sale of Braavo assets, net of legal fees, provision associated with Braavo loans remaining after sale, net of tax, and merger and acquisition costs - Non-GAAP	\$ 6.01	\$ 6.54

	2024	2023
RETURN ON AVERAGE TANGIBLE EQUITY		
Average Stockholders Equity - GAAP	\$ 290,094	\$ 241,124
Average Intangible Assets	(89,031)	(62,993)
Average Tangible Equity - Non-GAAP	201,063	178,131
Net Income - GAAP	\$ 27,818	\$ 17,811
Annualized Return on Average Tangible Equity Non-GAAP	13.84%	10.00%



BOARD OF DIRECTORS

Terry Osborne; Alletta Schadler; E. Gene Kosa; Thomas Freeman; Roger Graham, Jr.; Randall Black, CEO & President, Vice Chairman of the Board; John Painter II; Rinaldo DePaola, Esquire, Lead Director of the Board; R. Joseph Landy, Esquire, Chairman of the Board; Christopher Kunes; Mickey Jones; John Behm; Janie Hilfiger; Robert Chappell, Esquire; David Richards, Jr., Sr. EVP.

CFSI OFFICERS

Randall Black, CEO & President
Gina Boor, Secretary
Mickey Jones, Treasurer & Asst. Secretary, CPA

CFSI RETIRED DIRECTORS

Mark Dalton
Robert Dalton

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

Mickey Jones, Treasurer, CPA
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	Edward Osgood
Christopher Jones	Jody Thomas
Christopher Lantz	Mary Kate Cole
Douglas Kibbe	Shane Nickerson
Michelle Moore	Thomas D'Angelo

SOUTHCENTRAL REGIONAL BOARD

Christopher Pierce	Jose Lopez
Jamie Yocum	Paul Kilgore
Johnathan Hess	Robert Walborn
Johnathan Zimmerman	Wilmer Stoner

DELAWARE REGIONAL BOARD

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

SOUTHCENTRAL AG BOARD

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

CENTRAL REGIONAL BOARD

Bill Miller - emeritus	Michael Frank
Bobby Maguire - emeritus	Steven Bason
Jim Harbach- emeritus	

NORTHERN TIER AG BOARD

Amanda Miller	Joel Kosa
Dale Hoffman	John Painter II
Dean Jackson	Martha Young
E. Gene Kosa	Philip Rockwell
Jeffery Barnes	

NORTH EAST REGIONAL BOARD

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

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

990 Spring Garden Street
Philadelphia, PA 19123

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
866-779-4113

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

Lafayette Redeemer

8580 Verree Road
Philadelphia, PA 19111

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, DE 19947
302-596-9330

Concord Pike – Wilmington

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

Dover

584 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

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