
GNB FINANCIAL SERVICES

June 28, 2019

Dear Fellow Shareholders:

On May 8, 2019, the Board of Directors of GNB Financial Services, Inc., (“GNB”) declared a second quarter cash dividend of \$0.28 per share of common stock to shareholders of record as of June 14, 2019, and payable on June 28, 2019. This is an increase of \$0.03 per share, or 12%, over the dividend paid to shareholders in the second quarter of 2018. Your dividend check is enclosed.

On June 12, 2019, GNB Financial Services, Inc., the parent company of The Gratz Bank, and Riverview Financial Corporation, the parent company of Riverview Bank, jointly announced the execution of a definitive agreement whereby The Gratz Bank will acquire the Trevorton Branch Office and its deposits and customers of Riverview Bank, located at 450 West Shamokin Street, Trevorton, PA. The transaction is subject to regulatory approvals and other customary closing conditions. Currently, the transaction is expected to close late in the fourth quarter of 2019. The Gratz Bank Board of Directors and management team believe this acquisition will enhance the value of our company, while providing us with the opportunity to expand our geographic footprint. We look forward to providing our new customers with the same high quality customer service that our present customers enjoy.

From a financial standpoint, the first six months of 2019 have once again been strong. Net income is above projections and exceeds that of the first six months of 2018. Past investments in employee development and IT upgrades are proving to be beneficial and are major contributors to improved earnings. While some banks have seen their interest margin decline due to a flattening yield curve, the net interest spread at Gratz Bank has improved, another critical factor in realizing higher earnings. The primary source of capital for our company is through the retention of a portion of net earnings, so the Bank’s capital position continues to grow, which creates a strong base for future asset growth, including branch acquisitions.

In my last shareholder letter, I announced that the Board of Directors and bank management have engaged FIG Partners, LLC, to improve the liquidity of our stock. An estate attorney recently contacted GNB management and asked if we could assist in selling a sizable block of GNB common stock. All of this stock was sold within 24 hours. If you would like to buy or sell shares of GNB Financial common stock, please contact us directly or call FIG Partners and you will be assisted with your transaction.

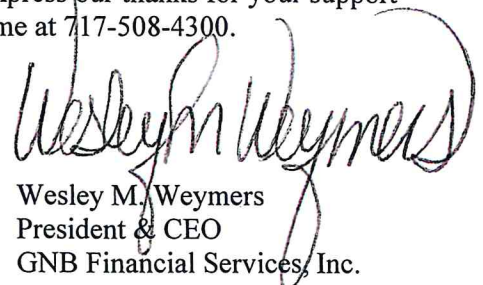
Information about FIG Partners is available on our website, as are our quarterly financial statements. Financial information will be posted in the month following the end of the quarter as soon as it is available. This action was taken as a courtesy to our shareholders who asked that this be provided.

On behalf of our Board of Directors, management team, and staff, we express our thanks for your support and confidence. Please feel free to stop in anytime and say hello or call me at 717-508-4300.

Sincerely,



Joseph C. Michetti, Jr.
Chairman of the Board of Directors
GNB Financial Services, Inc.



Wesley M. Weymers
President & CEO
GNB Financial Services, Inc.

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