

Below are the unaudited financial statements of GNB Financial Services, Inc. (the "Company") for the first quarter of 2020. These financial statements should be considered in conjunction with the Company's audited consolidated financial statements and the accompanying notes for the year ended December 31, 2019, available on the Company's website. Current performance does not guarantee and may not be indicative of similar performance in the future.

GNB Financial Services, Inc. and Subsidiaries

Consolidated Balance Sheets
(Unaudited, Dollars in thousands)

	March 31, 2020	December 31, 2019
<u>ASSETS</u>		
Cash and due from banks	3,522	3,595
Interest-bearing deposits with other institutions	10,791	17,265
Federal funds sold	3,089	6,848
Cash and cash equivalents	17,402	27,708
Certificates of deposit with other banks	18,794	18,794
Investment securities available for sale, at fair value	102,794	84,916
Loans, net	233,393	237,785
Less: Allowance for loan losses	2,746	2,702
Net Loans	230,647	235,083
Accrued interest receivable	1,274	1,254
Restricted investments in bank stock	1,324	1,292
Premises and equipment, net	3,529	3,563
Cash surrender value of life insurance	8,791	6,755
Goodwill	2,333	2,333
Intangible assets	234	242
Other real estate owned	-	-
Other assets	1,955	1,426
TOTAL ASSETS	389,077	383,366
<u>LIABILITIES</u>		
Noninterest-bearing deposits	55,522	56,928
Interest-bearing deposits	283,063	273,979
Total deposits	338,585	330,907
Short-term borrowings	-	-
FHLB advances - long-term	2,353	2,759
Accrued interest payable	293	347
Other liabilities	3,265	3,647
TOTAL LIABILITIES	344,496	337,660
<u>STOCKHOLDERS' EQUITY</u>		
Common stock (\$5 par value; 2,000,000 shares authorized; 782,321 shares issued and 779,000 shares outstanding)	3,912	3,912
Additional paid-in capital	17,749	17,749
Retained earnings	24,177	23,249
Accumulated other comprehensive loss	(1,069)	984
Treasury stock (3,321 shares)	(188)	(188)
TOTAL STOCKHOLDERS' EQUITY	44,581	45,706
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	389,077	383,366

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GNB Financial Services, Inc. and Subsidiaries

Consolidated Income Statement
(Unaudited, Dollars in thousands)

	For the Three Months Ended March 31	
	<u>2020</u>	<u>2019</u>
<u>INTEREST AND DIVIDEND INCOME</u>		
Loans, including fees	2,996	3,101
Investment securities:		
Taxable	248	198
Exempt from federal income tax	300	234
Certificates of deposit with other banks	102	80
Other interest and dividend income	102	57
Total interest and dividend income	3,748	3,670
<u>INTEREST EXPENSE</u>		
Deposits	774	604
Short-term borrowings	-	57
FHLB advances - long-term	19	31
Total interest expense	793	692
<u>NET INTEREST INCOME BEFORE PROVISION FOR LOAN LOSSES</u>		
	2,955	2,978
Provision for loan losses	46	238
<u>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</u>		
	2,909	2,740
<u>NONINTEREST INCOME</u>		
Service charges on deposit accounts	197	190
Earnings on cash surrender value of life insurance	37	20
Net realized gains on sales of investment securities	110	-
Income from fiduciary activities	-	-
Other	26	91
Total noninterest income	370	301
<u>NONINTEREST EXPENSE</u>		
Compensation and employee benefits	1,080	993
Occupancy	133	157
Furniture and fixtures	22	30
Data processing	202	184
Professional fees	97	112
Shares tax	74	62
Amortization of intangible assets	13	15
Other	312	346
Total noninterest expense	1,933	1,899
Income before income tax expense	1,346	1,142
Income tax expense	183	199
<u>NET INCOME</u>	1,163	943
<u>EARNINGS PER SHARE</u>		
	1.49	1.21
<u>CASH DIVIDENDS PER SHARE</u>		
	0.30	0.28
<u>WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING</u>		
	779,000	777,543

GNB Financial Services, Inc. Consolidated
Quarter Ended March 31, 2020
(Unaudited, Dollars in Thousands except per share data)

Operating Highlights

Net income	\$	1,163
Net interest income		2,955
Provision for loan losses		46
Non-interest income		370
Non-interest expense		1,933

Financial Condition Data

Total assets	\$	389,077
Loans, net		233,393
Intangibles		2,333
Total deposits		338,585
Noninterest-bearing		55,522
Interest-bearing		130,493
Savings		67,936
Time deposits		84,634
Total interest-bearing deposits		283,063

Selected Ratios

Net interest margin (YTD)	3.41%
Annualized return on average assets	1.20%
Annualized return on average equity	10.30%

Capital Ratios

The Gratz Bank:	
Common equity tier I capital ratio	13.03%
Tier I capital ratio	13.03%
Total risk-based capital ratio	14.17%
Leverage ratio	8.47%

Per Share Data

Earnings per share	\$	1.49
Dividend declared per share	\$	0.30
Book value	\$	57.23
Tangible book value	\$	53.93
Weighted average common shares		779,000