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# GNB FINANCIAL SERVICES

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June 30, 2020

Dear Fellow Shareholders:

On May 5, 2020, the Board of Directors of GNB Financial Services, Inc., (“GNB”) declared a second quarter cash dividend of \$0.30 per share of common stock and a one-time special cash dividend of \$0.10 per share of common stock, to shareholders of record as of June 16, and payable June 30, 2020. Your check representing the regular and special dividends is enclosed.

The Board of Directors declared a special dividend in part because of the support the shareholders have provided during these troubling and uncertain times. When a few GNB investors panicked, our stock price plummeted by more than 33%. I am happy to report that several trades done privately between motivated buyers and sellers have reached pre-COVID levels, with the price being at or above book value. Encouraging comments from shareholders that I received as CEO of our company were reassuring and meaningful during difficult times. Our Board is happy to reward you, our shareholders, for your confidence.


Our Annual Shareholder Meeting was held virtually on Tuesday, May 5, 2020. This was an unusual experience and represented the first of its kind for GNB. Our directorate and management team genuinely missed personally seeing our shareholders as is common at our Annual Meetings. Information pertaining to the 2020 Annual Meeting of Shareholders of GNB is available for your review on our website. We hope to see you in person at next year’s Annual Meeting of Shareholders to personally renew acquaintances.

Despite the economic uncertainties associated with the COVID-19 pandemic, the financial performance of our company in 2020 has once again been strong. Net income through June 30, 2020, is expected to exceed net income as of the same date in 2019, and is higher than budgetary projections. These are challenging times that are testing management’s ability to adapt, lead, and manage under extraordinary circumstances. With strong oversight from our board of directors, management and the staff of The Gratz Bank we have met these challenges, although we do look forward to returning to pre-coronavirus days.

Competition for high quality appropriately priced loans continues to increase, and when this demand for loans is combined with historically low interest rates, the result has been a shrinking net interest margin. Management continues to closely monitor this trend and possible adverse effects from the COVID-19 virus. These are truly unprecedented times in our lifetimes, but The Gratz Bank management team believes we will continue to deliver above-average returns to our shareholders.

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,



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

32 West Market Street • P.O.Box 159 • Gratz, PA 17030 • P - 717.365.3181 • F - 717.365.3902

[www.gratzbank.com](http://www.gratzbank.com)