

PRESS RELEASE

GNB FINANCIAL SERVICES, INC.

YEAR END RESULTS IN A 11.7% INCREASE IN NET INCOME

AND DECLARES A FIRST QUARTER CASH DIVIDEND

Gratz, PA

March 8, 2017

Contact Person: Wesley M. Weymers, President/CEO

GNB Financial Services, Inc. (the "Corporation"), the bank holding company for The Gratz Bank, reported net income for the year ended December 31, 2016, of \$2,916,000, an increase of \$305,000, or 11.7%, from the same period in 2015. Basic and diluted earnings per share for the year 2016 were \$3.75 compared to \$3.52 for the year 2015. President and CEO, Wesley M. Weymers commented, "We are pleased to report another year of record earnings, the result of careful planning and a concentrated effort to control expenses."

Accordingly, the Board of Directors of the Corporation declared a cash dividend of \$0.22 a share to shareholders of record on March 17, 2017, payable on March 31, 2017. Aggregate quarterly cash dividends paid to Corporation shareholders in 2016 totaled \$1.20 per share.

As of December 31, 2016, the Corporation had total assets of \$317 million, total shareholders' equity of \$36.6 million, total deposits of \$266 million, and total loans of \$202 million. Mr. Weymers remarked, "We believe that the personalized customer service and enhancing the relationships that have been made over the years enables The Gratz Bank to thrive. We know there is a place for Community Banks and we appreciate the opportunity to serve our customers."

In addition to historical information, this press release may contain forward-looking statements. Examples of forward-looking statements include, but are not limited to, (a) projections or statements regarding future earnings, expenses, net interest income, other income, earnings or loss per share, asset mix and quality, growth prospects, capital structure, and other financial terms, (b) statements of plans and objectives of management or the Board of Directors, and (c) statements of assumptions, such as economic conditions in the Corporation's market areas. Such forward-looking statements can be identified by the use of forward-looking terminology such as "believes", "expects", "may", "intends", "will", "should", "anticipates", or the negative of any of the foregoing or other variations thereon or comparable terminology, or by discussion of strategy. Forward-looking statements are subject to certain risks and uncertainties such as local economic conditions, competitive factors, and regulatory limitations. Actual results may differ materially from those projected in the forward-looking statements. We caution readers not to place undue reliance on these forward-looking statements. They only reflect management's analysis as of this date. Such risks, uncertainties and other factors that could cause actual results and experience to differ from those projected include, but are not limited to, the following: the effects of new laws and regulations, specifically the impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act; ineffectiveness of the business strategy due to changes in current or future market conditions; the effects and unanticipated expenses related to the charter conversion of our banking subsidiary from a federal to a state charter; the effects of economic deterioration on current customers, specifically the effect of the economy on loan customers' ability to repay loans;

the effects of competition, and of changes in laws and regulations on competition, including industry consolidation and development of competing financial products and services; interest rate movements; difficulties in integrating distinct business operations, including information technology difficulties; disruption from the transaction making it more difficult to maintain relationships with customers and employees, and challenges in establishing and maintaining operations in new markets; volatilities in the securities markets; and, slow economic conditions. The Corporation does not revise or update these forward-looking statements to reflect events or changed circumstances.