

YORK TRADITIONS BANK REPORTS 2nd QUARTER EARNINGS

July 2019 -- York Traditions Bank (OTC Pink: YRKB) reported net income of \$1,505,000, or 48 cents per share, for the second quarter ended June 30, 2019, compared to \$1,146,000, or 37 cents per share, for the second quarter ended June 30, 2018. This represents a \$359,000, or 31%, increase over the second quarter of 2018. Net income for the six months ended June 30, 2019 was \$2,593,000, or 83 cents per share. This represents an increase of \$353,000, or 16%, over the first six months of last year. Book value per common share stood at \$17.16 at June 30, 2019.

“We achieved record-setting net income and strong results across all segments of the bank during the second quarter. At the same time, we realized a milestone during the period, surpassing \$500 million in assets,” stated Eugene J. Draganosky, President and Chief Executive Officer. “Loans increased \$18.4 million and deposits expanded \$13.4 million during the quarter, and each grew 12% over the trailing twelve months. Along with an improved net interest margin, this boosted net interest income by \$846,000, or 11%, compared to the first six months of 2018. Gains on the sale of mortgages were \$1,310,000 for the second quarter and \$2,080,000 for the first half of the year, nearly equal to the gains for the first six months of 2018. We continue to drive robust business loan and residential mortgage activity. Credit quality remains satisfactory with non-performing assets falling to 0.24% of total assets at the end of the second quarter.”

On June 21, 2019, York Traditions Bank paid a 10% stock dividend to shareholders of record at the close of business on June 7, 2019. All per share amounts for all periods presented have been adjusted for the stock dividend.

FINANCIAL HIGHLIGHTS (unaudited):
 (Dollars in thousands, except per share data)

Selected Financial Data	June 30,		June 30,	
	2019	2018	2019	2018
Investment securities	\$ 64,756	\$ 57,918	\$ 57,645	
Loans, net of unearned income	393,944	378,918	353,026	
Total assets	519,520	482,918	455,067	
Deposits	419,054	395,179	374,529	
Borrowings	36,110	30,628	26,887	
Subordinated debt	5,000	5,000	5,000	
Shareholders' equity	54,099	50,080	47,118	
Book value per common share	\$ 17.16	\$ 16.30	\$ 15.51	
Allowance/loans	0.98%	0.99%	1.06%	
Non-performing assets/total assets	0.24%	0.41%	0.60%	
Tier 1 capital/average assets	10.71%	10.66%	10.60%	

Selected Operations Data	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Interest income	\$ 5,673	\$ 4,829	\$ 11,144	\$ 9,380
Interest expense	(1,410)	(1,009)	(2,752)	(1,834)
Net interest income	4,263	3,820	8,392	7,546
Provision for loan losses	(112)	(120)	(187)	(200)
Investment securities gains(losses)	-	-	(5)	(3)
Gains on sale of mortgages	1,310	1,136	2,080	2,164
Other income	425	375	816	685
Other expense	(4,044)	(3,802)	(7,922)	(7,437)
Income before income taxes	1,842	1,409	3,174	2,755
Income taxes	(337)	(263)	(581)	(515)
Net income	\$ 1,505	\$ 1,146	\$ 2,593	\$ 2,240
Earnings per common share (basic)	\$ 0.48	\$ 0.37	\$ 0.83	\$ 0.72
Earnings per common share (diluted)	\$ 0.48	\$ 0.37	\$ 0.83	\$ 0.72
Return on average assets	1.21%	1.02%	1.07%	1.01%
Return on average equity	11.49%	9.67%	10.06%	9.63%
Net interest margin	3.64%	3.55%	3.65%	3.58%
Net charge-offs(recoveries)/average loans	0.05%	-0.01%	0.04%	0.00%

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Safe Harbor Statement:

Except for historical information contained herein, the matters discussed in this release are forward-looking statements. Investors are cautioned that all forward-looking statements involve risks and uncertainty. Because of these risks and uncertainties, our actual future results may be materially different from the results indicated by these forward looking statements. In addition, our past results of operations do not necessarily indicate our future results. We undertake no obligation to publicly update or otherwise revise any forward-looking statements, whether as a result of new information, future events or otherwise.