

YORK TRADITIONS BANK REPORTS 4th QUARTER EARNINGS

January 2020 -- York Traditions Bank (OTC Pink: YRKB) reported net income of \$1,154,000, or 37 cents per share (diluted), for the fourth quarter ended December 31, 2019, compared to \$1,236,000, or 40 cents per share, for the fourth quarter ended December 31, 2018. This represents an \$82,000, or 7%, decrease over the fourth quarter of 2018. Net income for 2019 was \$5,217,000, or \$1.66 per share. This represents an increase of \$489,000, or 10%, over 2018. Book value per common share rose to \$18.00 at December 31, 2019.

“We are proud to report our fourth consecutive year of record earnings,” stated Eugene J. Draganosky, President and Chief Executive Officer. As of yearend, loans advanced \$31 million, or 8%, while deposits grew a robust \$64 million, or 16%. This boosted net interest income by \$1,770,000, or 12%. Falling short-term interest rates continued to put pressure on our net interest margin, which fell ten basis points to 3.41% in the fourth quarter compared to the same period last year. Gains on sale of residential mortgages, driven by significant purchase money financing volume, remained strong throughout the year, increasing \$639,000, or 16%. Driven by 12% year-over-year balance sheet expansion, salary and self-funded medical insurance costs combined with elevated occupancy and equipment investments caused the majority of the Other Expense increase. After enjoying reduced medical costs through 2018 and much of 2019, claims began to rise in the latter half of 2019. Loan quality remains satisfactory. Net charge-offs were \$149,000 for 2019, and non-performing assets to total assets ended the year at 0.22%. We remained well capitalized and look forward to 2020.”

On January 28, 2020, York Traditions Bank announced plans to open a new full-service branch and banking center at 1687 Oregon Pike in Lancaster, PA. Subject to regulatory approvals, this 3,600-square-foot office will begin serving the needs of Lancaster County business and individual clients in the Fall of 2020.

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

Selected Financial Data	Dec 31,	
	2019	2018
Investment securities	\$ 78,817	\$ 57,918
Loans, net of unearned income	409,431	378,918
Total assets	542,394	482,918
Deposits	459,343	395,179
Borrowings	15,828	30,628
Subordinated debt	5,000	5,000
Shareholders' equity	56,942	50,080
Book value per common share	\$ 18.00	\$ 16.30
Allowance/loans	0.95%	0.99%
Non-performing assets/total assets	0.22%	0.41%
Tier 1 capital/average assets	10.44%	10.66%

Selected Operations Data	Three months ended Dec 31,		Twelve months ended Dec 31,	
	2019	2018	2019	2018
Interest income	\$ 5,760	\$ 5,284	\$ 22,815	\$ 19,723
Interest expense	(1,384)	(1,313)	(5,683)	(4,361)
Net interest income	4,376	3,971	17,132	15,362
Provision for loan losses	-	-	(300)	(220)
Investment securities gains (losses)	-	(97)	(5)	(100)
Gains on sale of mortgages	1,087	799	4,557	3,918
Other income	464	396	1,739	1,484
Other expense	(4,502)	(3,558)	(16,725)	(14,625)
Income before income taxes	1,425	1,511	6,398	5,819
Income taxes	(271)	(275)	(1,181)	(1,091)
Net income	\$ 1,154	\$ 1,236	\$ 5,217	\$ 4,728
Earnings per common share (basic)	\$ 0.37	\$ 0.40	\$ 1.67	\$ 1.53
Earnings per common share (diluted)	\$ 0.37	\$ 0.40	\$ 1.66	\$ 1.52
Return on average assets	0.85%	1.04%	1.02%	1.04%
Return on average equity	8.19%	9.79%	9.74%	9.81%
Net interest margin	3.41%	3.51%	3.54%	3.54%
Net charge-offs(recoveries)/average loans	0.07%	0.04%	0.04%	0.01%

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This presentation contains forward-looking statements about York Traditions Bank that are intended to be covered by the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not historical facts. These statements can be identified by the use of forward-looking terminology such as “believe,” “expect,” “may,” “will,” “should,” “project,” “plan,” “seek,” “intend,” “anticipate” or similar terminology. Such forward-looking statements include, but are not limited to, discussions of strategy, financial projections and estimates and their underlying assumptions; statements regarding plans, objectives, goals, expectations or consequences; and statements about future performance, operations, products and services of York Traditions Bank.

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