

YORK TRADITIONS BANK REPORTS 3rd QUARTER EARNINGS

October 2019 -- York Traditions Bank (OTC Pink: YRKB) reported net income of \$1,470,000, or 47 cents per share, for the third quarter ended September 30, 2019, compared to \$1,252,000, or 40 cents per share, for the third quarter ended September 30, 2018. This represents a \$218,000 or 17% increase over the third quarter of 2018. Net income for the nine months ended September 30, 2019, was \$4,063,000 or \$1.30 per share. This represents an increase of \$571,000, or 16%, over the first nine months of last year. Book value per common share stood at \$17.63 on September 30, 2019.

“We are pleased to report another strong quarter of earnings growth,” stated Eugene J. Draganosky, President and Chief Executive Officer. “Net interest income increased \$519,000 for the quarter and \$1,365,000 year-to-date on double-digit loan and deposit generation. Loans grew \$44.3 million, or 12%, and deposits grew \$63.3 million, or 17%, over the past twelve months. Deposit generation was exceptional for the quarter and we expect the pace of growth to normalize. Our year-to-date net interest margin remains above the prior year; however, we have experienced modest compression with the recent Federal Reserve interest rate cuts. Mortgage production has benefited from lower rates and satisfactory local housing demand with gains increasing \$435,000, or 46%, for the quarter. Credit quality remains very good with non-performing assets/total assets falling to 0.22% during the quarter.”

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

Selected Financial Data	Sep 30,	Dec 31,	Sep 30,	
	2019	2018	2018	
Investment securities	\$ 67,724	\$ 57,918	\$ 56,712	
Loans, net of unearned income	405,651	378,918	361,367	
Total assets	538,486	482,918	465,478	
Deposits	440,635	395,179	377,327	
Borrowings	31,620	30,628	33,299	
Subordinated debt	5,000	5,000	5,000	
Shareholders' equity	55,851	50,080	48,220	
Book value per common share	\$ 17.63	\$ 16.30	\$ 15.90	
Allowance/loans	0.98%	0.99%	1.05%	
Non-performing assets/total assets	0.22%	0.41%	0.51%	
Tier 1 capital/average assets	10.40%	10.66%	10.69%	

Selected Operations Data	Three months ended Sep 30,		Nine months ended Sep 30,	
	2019	2018	2019	2018
Interest income	\$ 5,911	\$ 5,059	\$ 17,055	\$ 14,439
Interest expense	(1,547)	(1,214)	(4,299)	(3,048)
Net interest income	4,364	3,845	12,756	11,391
Provision for loan losses	(112)	(20)	(300)	(220)
Investment securities gains(losses)	-	-	(5)	(3)
Gains on sale of mortgages	1,390	955	3,470	3,119
Other income	458	403	1,275	1,088
Other expense	(4,301)	(3,630)	(12,223)	(11,067)
Income before income taxes	1,799	1,553	4,973	4,308
Income taxes	(329)	(301)	(910)	(816)
Net income	\$ 1,470	\$ 1,252	\$ 4,063	\$ 3,492
Earnings per common share (basic)	\$ 0.47	\$ 0.40	\$ 1.30	\$ 1.13
Earnings per common share (diluted)	\$ 0.47	\$ 0.40	\$ 1.30	\$ 1.12
Return on average assets	1.10%	1.08%	1.08%	1.04%
Return on average equity	10.73%	10.17%	10.29%	9.82%
Net interest margin	3.47%	3.48%	3.59%	3.55%
Net charge-offs(recoveries)/average loans	0.01%	0.00%	0.03%	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.