

## YORK TRADITIONS BANK REPORTS 2nd QUARTER EARNINGS

July 2018 -- York Traditions Bank (OTC Pink: YRKB) reported net income of \$1,146,000, or \$0.40 cents per share, for the second quarter ended June 30, 2018, compared to \$754,000, or 34 cents per share, for the second quarter ended June 30, 2017. This represents a \$392,000, or 52%, increase over the second quarter of 2017. Net income for the six months ended June 30, 2018 was \$2,240,000, or \$0.79 cents per share. This represents an increase of \$881,000, or 65%, over the first six months of last year. Book value per common share increased to \$17.04 at June 30, 2018.

“We are pleased to report our earnings for the first half of 2018,” stated Eugene J. Draganosky, President and Chief Executive Officer. “Net interest income continues to improve, boosted by higher net interest margins and continued loan growth. Net interest income rose \$1,074,000, or 17%, for the first six months of 2018 compared to the same period last year. Our net interest margin increased from 3.45% to 3.58% while loans grew \$19,485,000, or 6%, during the same period. Loan yields have benefited from rising variable interest rates. Despite intense deposit rate competition, deposits expanded 12%, or \$39,632,000, as of June 30, 2018, compared to the same period last year. Mortgage gains were consistent with the prior year at \$2,164,000 for the first six months. As a result of the Tax Cut and Jobs Act enacted in late 2017, our income tax expense fell \$76,000, or 13%, despite our income before taxes increasing \$805,000, or 41%. Our loan quality remains satisfactory with loan recoveries exceeding charge-offs so far this year. We remain well capitalized and look forward to the remainder of 2018.”

The Bank expects to open its sixth branch office, its first in York City, in early September 2018.

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

Selected Financial Data	June 30,		June 30,	
	2018	Dec 31, 2017	2018	2017
Investment securities	\$ 57,645	\$ 55,258	\$ 52,033	
Loans, net of unearned income	353,026	348,533	333,541	
Total assets	455,067	441,289	429,907	
Deposits	374,529	363,089	334,897	
Borrowings	26,887	26,224	54,425	
Subordinated debt	5,000	5,000	5,000	
Shareholders' equity	47,118	45,319	34,211	
Book value per common share	\$ 17.04	\$ 16.22	\$ 15.46	
Allowance/loans	1.06%	1.02%	1.01%	
Non-performing assets/total assets	0.60%	0.64%	0.53%	
Tier 1 capital/average assets	10.60%	10.38%	8.30%	

  

Selected Operations Data	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Interest income	\$ 4,829	\$ 4,074	\$ 9,380	\$ 7,894
Interest expense	(1,009)	(755)	(1,834)	(1,422)
Net interest income	3,820	3,319	7,546	6,472
Provision for loan losses	(120)	(117)	(200)	(270)
Investment securities gains(losses)	-	-	(3)	-
Gains on sale of mortgages	1,136	1,315	2,164	2,194
Other income	375	259	685	559
Other expense	(3,802)	(3,694)	(7,437)	(7,005)
Income before income taxes	1,409	1,082	2,755	1,950
Income taxes	(263)	(328)	(515)	(591)
Net income	\$ 1,146	\$ 754	\$ 2,240	\$ 1,359
Earnings per common share (basic)	\$ 0.41	\$ 0.34	\$ 0.80	\$ 0.62
Earnings per common share (diluted)	\$ 0.40	\$ 0.34	\$ 0.79	\$ 0.61
Return on average assets	1.02%	0.74%	1.01%	0.68%
Return on average equity	9.67%	8.95%	9.63%	8.20%
Net interest margin	3.55%	3.46%	3.58%	3.45%
Net charge-offs(recoveries)/average loans	-0.01%	0.00%	0.00%	0.01%

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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.