



YORK TRADITIONS BANK REPORTS 4th QUARTER EARNINGS

January 2019 -- York Traditions Bank (OTC Pink: YRKB) reported net income available to common shareholders of \$1,236,000, or 44 cents per share (diluted), for the fourth quarter ended December 31, 2018, compared to \$970,000, or 34 cents per share, for the fourth quarter ended December 31, 2017. This represents a \$266,000 or 27% increase over the fourth quarter of 2017. Net income available to common shareholders for 2018 was \$4,728,000, or \$1.67 per share. This represents an increase of \$1,334,000, or 39%, over 2017. Book value per common share stood at \$17.93 at December 31, 2018.

“We are proud to report another year of record earnings,” stated Eugene J. Draganosky, President and Chief Executive Officer. “Annual loan growth of 9% and an improved net interest margin bolstered year-to-date net interest income by \$1,622,000, or 12%. During the same period, our balance sheet funding requirements were met with year over year deposit growth of 9%. Credit quality has been exceptional with net loan charge offs of \$36,000 for 2018 and nonperforming assets as a percentage of total assets declining from 0.64% to 0.41%. This permitted us to reduce our provision for loan loss expense by \$253,000, or 53%, for the year. Gains on sale of residential mortgages were \$3,918,000 despite higher interest rates and a shortage of available inventory in our markets. Tempered by a \$272,000, or 31%, reduction in self-funded medical insurance costs due to favorable claims experience, other expenses grew a modest \$953,000, or 7%. Income taxes fell \$555,000, or 34%, as a result of lower tax rates from the Tax Cut and Jobs Act enacted in late 2017. Our book value per share finished the year at \$17.93, up \$1.70, or 10%, over the prior year.”

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

Selected Financial Data	Dec 31,	
	2018	2017
Investment securities	\$ 57,918	\$ 55,258
Loans, net of unearned income	378,918	348,533
Total assets	482,918	441,289
Deposits	395,179	363,089
Borrowings	30,628	26,224
Subordinated debt	5,000	5,000
Shareholders' equity	50,080	45,319
Book value per common share	\$ 17.93	\$ 16.22
Allowance/loans	0.99%	1.02%
Non-performing assets/total assets	0.41%	0.64%
Tier 1 capital/average assets	10.97%	10.38%

Selected Operations Data	Three months ended Dec 31,		Twelve months ended Dec 31,	
	2018	2017	2018	2017
Interest income	\$ 5,284	\$ 4,521	\$ 19,723	\$ 16,806
Interest expense	(1,313)	(805)	(4,361)	(3,066)
Net interest income	3,971	3,716	15,362	13,740
Provision for loan losses	-	(50)	(220)	(473)
Investment securities gains (losses)	(97)	-	(100)	1
Gains on sale of mortgages	799	859	3,918	4,110
Other income	396	367	1,484	1,334
Other expense	(3,558)	(3,310)	(14,625)	(13,672)
Income before income taxes	1,511	1,582	5,819	5,040
Income taxes	(275)	(612)	(1,091)	(1,646)
Net income	\$ 1,236	\$ 970	\$ 4,728	\$ 3,394
Earnings per common share (basic)	\$ 0.44	\$ 0.35	\$ 1.68	\$ 1.44
Earnings per common share (diluted)	\$ 0.44	\$ 0.34	\$ 1.67	\$ 1.43
Return on average assets	1.04%	0.88%	1.04%	0.81%
Return on average equity	9.79%	8.47%	9.81%	9.20%
Net interest margin	3.51%	3.56%	3.54%	3.49%
Net charge-offs(recoveries)/average loans	0.04%	0.00%	0.01%	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.