



## YORK TRADITIONS BANK REPORTS 1st QUARTER EARNINGS

April 2018 -- York Traditions Bank (OTC Pink: YRKB) reported net income of \$1,094,000, or 39 cents per share, for the first quarter ended March 31, 2018, compared to \$605,000, or 27 cents per share, for the first quarter ended March 31, 2017. This represents an 81% increase over the first quarter of 2017. Book value per common share increased to \$16.62 at March 31, 2018.

“We are off to a solid start in 2018,” stated Eugene J. Draganosky, President and Chief Executive Officer. “Loans have grown \$39.3 million, or 13%, over the past year. In conjunction with advances in interest rates, this drove the first quarter increase in net interest income of \$573,000 or 18%. Continued solid credit quality allowed us to reduce our first quarter provision for loan losses to \$80,000. Traditions Mortgage turned in an outstanding quarter recognizing \$1,028,000 from gains on the sale of mortgages, an increase of \$149,000 or 17% over the first quarter last year. We also recognized the benefit of the recently enacted Tax Cut and Jobs Act. Our effective tax rate fell from 30.3% in the first quarter 2017 to 18.7% in the first quarter 2018. Despite pre-tax earnings increasing \$478,000, or 55%, our federal income tax fell \$11,000 or 4%.”

On March 22, 2018, York Traditions Bank opened its first loan production office in Camp Hill, Pennsylvania. Later this summer, the Bank will open its sixth branch office, which will be its first located in York City.

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

<b>Selected Financial Data</b>	<b>Mar 31, 2018</b>	<b>Dec 31, 2017</b>	<b>Mar 31, 2017</b>
Investment securities	\$ 56,084	\$ 55,258	\$ 52,275
Loans, net of unearned income	353,633	348,533	314,290
Total assets	447,953	441,289	400,780
Deposits	364,308	363,089	326,651
Borrowings	30,631	26,224	34,342
Subordinated debt	5,000	5,000	5,000
Shareholders' equity	45,884	45,319	33,092
Book value per common share	\$ 16.62	\$ 16.22	\$ 15.14
Allowance/loans	1.03%	1.02%	1.04%
Non-performing assets/total assets	0.64%	0.64%	0.61%
Tier 1 capital/average assets	10.61%	10.38%	8.42%

  

<b>Selected Operations Data</b>	<b>Three months ended Mar 31,</b>	
	<b>2018</b>	<b>2017</b>
Interest income	\$ 4,551	\$ 3,820
Interest expense	(825)	(667)
Net interest income	3,726	3,153
Provision for loan losses	(80)	(153)
Investment securities gains (losses)	(3)	-
Gains on sale of mortgages	1,028	879
Other income	310	300
Other expense	(3,635)	(3,311)
Income before income taxes	1,346	868
Income taxes	(252)	(263)
Net income	\$ 1,094	\$ 605

  

Earnings per common share (basic)	\$ 0.39	\$ 0.28
Earnings per common share (diluted)	\$ 0.39	\$ 0.27
Return on average assets	1.01%	0.62%
Return on average equity	9.58%	7.41%
Net interest margin	3.61%	3.45%
Net charge-offs(recoveries)/average loans	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.