

## YORK TRADITIONS BANK REPORTS 4th QUARTER EARNINGS

January, 2018 -- York Traditions Bank (OTC Pink: YRKB) reported net income available to common shareholders of \$970,000, or 34 cents per share, for the fourth quarter ended December 31, 2017 compared to \$518,000, or 24 cents per share, for the fourth quarter ended December 31, 2016. This represents a \$452,000, or 87%, increase over the fourth quarter of 2016. Net income available to common shareholders for 2017 was \$3,394,000, or \$1.43 per share. This represents an increase of \$494,000, or 17%, over 2016. Book value per common share climbed to \$16.21 at December 31, 2017.

“We are proud to report another year of record profitability,” stated Eugene J. Draganosky, President and Chief Executive Officer. “Earnings were tempered by the recognition of additional income tax of \$137,000 in the fourth quarter to adjust our net deferred tax assets under the recently passed Tax Cut and Jobs Act. Going forward, the reduction in the corporate tax rate will have a favorable impact on net earnings, thereby preserving capital in support of future growth opportunities. Net interest income grew \$1,983,000, or 17%, as a result of strong loan and deposit demand. For the year, loans grew \$43,256,000, or 14%, while deposits grew \$40,772,000, or 13%. We had another excellent year of gains on sale of mortgages, which totaled \$4,110,000, down slightly from our record year in 2016. Net loan charge-offs were \$30,000 in 2017 and non-performing assets were 0.64% of total assets at year-end. Boosted by a late third quarter capital offering, our Tier 1 capital ratio of 10.89% will support further growth as we continue taking advantage of opportunities in our market.”

In December 2017, York Traditions Bank received regulatory approval for its sixth retail location, the first in York City. Leasehold renovations of this historic building on the corner of West Philadelphia Street and North George Street will begin soon. The office is slated to open mid-year in 2018.

### FINANCIAL HIGHLIGHTS (unaudited):

(Dollars in thousands, except per share data)

Selected Financial Data	Dec 31,		Dec 31,	
	2017		2016	
Investment securities	\$	55,258	\$	50,185
Loans, net of unearned income		348,533		305,277
Total assets		441,289		396,716
Deposits		363,089		322,317
Borrowings		26,224		35,710
Subordinated debt		5,000		5,000
Shareholders' equity		45,319		32,223
Book value per common share	\$	16.21	\$	14.86
Allowance/loans		1.02%		1.02%
Non-performing assets/total assets		0.64%		0.81%
Tier 1 capital/average assets		10.89%		8.21%

  

Selected Operations Data	Three months ended Dec 31,		Twelve months ended Dec 31,					
	2017		2016					
Interest income	\$	4,521	\$	3,798	\$	16,806	\$	14,472
Interest expense		(805)		(688)		(3,066)		(2,715)
Net interest income		3,716		3,110		13,740		11,757
Provision for loan losses		(50)		(300)		(473)		(994)
Investment securities gains		-		-		1		72
Gains on sale of mortgages		859		688		4,110		4,249
Other income		367		483		1,334		1,602
Other expense		(3,310)		(3,261)		(13,672)		(12,558)
Income before income taxes		1,582		720		5,040		4,128
Income taxes		(612)		(202)		(1,646)		(1,228)
Net income	\$	970	\$	518	\$	3,394	\$	2,900
Earnings per common share (basic)	\$	0.35	\$	0.24	\$	1.44	\$	1.33
Earnings per common share (diluted)	\$	0.34	\$	0.24	\$	1.43	\$	1.33
Return on average assets		0.88%		0.52%		0.81%		0.77%
Return on average equity		8.47%		6.30%		9.20%		9.44%
Net interest margin		3.56%		3.32%		3.49%		3.31%
Net charge-offs(recoveries)/average loans		0.00%		-0.04%		0.01%		0.10%

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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.