

YORK TRADITIONS BANK REPORTS 4th QUARTER EARNINGS

January, 2017 -- York Traditions Bank (OTC Pink: YRKB) reported net income available to common shareholders of \$518,000, or 24 cents per share, for the 4th quarter ended December 31, 2016, compared to \$494,000, or 23 cents per share, for the 4th quarter ended December 31, 2015. This represents a \$24,000, or 5%, increase over the 4th quarter of 2015. Net income available to common shareholders for the year ended December 31, 2016 was \$2,900,000, or \$1.33 per share. This represents an increase of \$917,000, or 46%, over last year. Return on assets of 0.77% and return on equity of 9.44% also showed significant growth year to year. Book value per common share climbed to \$14.86 at December 31, 2016.

“We are pleased to report 4th quarter and annual earnings,” stated Michael E. Kochenour, Chairman. “An uptick in long-term interest rates and normal seasonality slowed our gains on sale of mortgages in the 4th quarter. This was partially offset by our second and final \$150,000 installment for switching merchant processing vendors. Despite the mortgage slowdown in the 4th quarter, the Bank achieved record annual earnings. Collectively, commercial and consumer-related loans grew \$46,420,000, or 18%, during 2016, boosting net interest income \$1,563,000, or 15%. We achieved record gains on mortgage sales of \$4,249,000, an increase of \$926,000, or 28%. Deposits grew \$27,825,000, or 9%. In addition, our net interest margin remained stable, and net charge offs declined along with non-performing assets. In recognition of the significant loan growth, we recorded an annual provision for loan losses of \$994,000, which enhances the allowance to 1.02% of loans. We remain well capitalized, and we look forward to 2017.”

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

Selected Financial Data	Dec 31,	
	2016	2015
Investment securities	\$ 50,185	\$ 66,856
Loans, net of unearned income	305,277	258,857
Total assets	396,716	359,642
Deposits	322,317	294,492
Borrowings	35,710	29,750
Subordinated debt	5,000	5,000
Shareholders' equity	32,223	29,506
Book value per common share	\$ 14.86	\$ 13.53
Allowance/loans	1.02%	0.92%
Non-performing assets/total assets	0.81%	0.90%
Tier 1 capital/average assets	8.21%	8.55%

Selected Operations Data	Three months ended Dec 31,		Twelve months ended Dec 31,	
	2016	2015	2016	2015
Interest income	\$ 3,798	\$ 3,231	\$ 14,472	\$ 12,741
Interest expense	(688)	(666)	(2,715)	(2,547)
Net interest income	3,110	2,565	11,757	10,194
Provision for loan losses	(300)	(135)	(994)	(405)
Investment securities gains	-	2	72	2
Gains on sale of mortgages	688	863	4,249	3,323
Other income	483	262	1,602	1,031
Other expense	(3,261)	(2,886)	(12,558)	(11,358)
Income before income taxes	720	671	4,128	2,787
Income taxes	(202)	(177)	(1,228)	(791)
Net income	518	494	2,900	1,996
Preferred stock dividends	-	-	-	(13)
Net income available to common shareholders	\$ 518	\$ 494	\$ 2,900	\$ 1,983
Earnings per common share (basic and diluted)	\$ 0.24	\$ 0.23	\$ 1.33	\$ 0.91
Return on average assets	0.52%	0.57%	0.77%	0.60%
Return on average equity	6.30%	6.89%	9.44%	6.88%
Net interest margin	3.32%	3.16%	3.31%	3.30%
Net charge-offs(recoveries)/average loans	-0.04%	-0.01%	0.10%	0.24%

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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.