

YORK TRADITIONS BANK REPORTS 2nd QUARTER EARNINGS

July, 2017 -- York Traditions Bank (OTC Pink: YRKB) reported net income available to common shareholders of \$754,000, or 34 cents per share, for the second quarter ended June 30, 2017, compared to \$787,000, or 36 cents per share, for the second quarter ended June 30, 2016. This represents a \$33,000, or 4%, decrease over the second quarter of 2016. Net income available to common shareholders for the six months ended June 30, 2017 was \$1,359,000, or 61 cents per share. This represents a decrease of \$103,000, or 7%, over the first six months of last year. Book value per common share climbed to \$15.46 at June 30, 2017.

“We are pleased to report another solid quarter of financial performance,” stated Eugene J. Draganosky, President and Chief Executive Officer. “Exceptional loan growth continues to boost net interest income. Loans grew \$28.3 million during the quarter and \$64.6 million since last year. Net interest income has increased \$812,000, or 14%, so far in 2017. An improved mix of loans and higher interest rates has boosted the net interest margin to 3.45% for the first six months compared to 3.32% for the same period last year. Our Mortgage Division had another exemplary quarter coming off record gains in 2016. Gains on the sale of mortgages total \$2,194,000 for the first half of 2017, nearly equal to the same period last year. Other income declined \$108,000 over the first half of 2017 due to a negative year-over-year variance in other real estate net gains/(losses) of \$151,000. Deposits increased \$12.6 million during the quarter and \$38.7 million since last year. We had no net loan charge-offs in the second quarter and \$8,000 year-to-date. We remain well capitalized with excellent loan quality and are well positioned for the remainder of 2017.”

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

Selected Financial Data	June 30,		June 30,	
	2017		2016	
Investment securities	\$ 52,033	\$ 50,185	\$ 58,567	
Loans, net of unearned income	333,541	305,277	268,968	
Total assets	429,907	396,716	374,457	
Deposits	334,897	322,317	296,201	
Borrowings	54,425	35,710	39,792	
Subordinated debt	5,000	5,000	5,000	
Shareholders' equity	34,211	32,223	31,640	
Book value per common share	\$ 15.46	\$ 14.86	\$ 14.18	
Allowance/loans	1.01%	1.02%	0.92%	
Non-performing assets/total assets	0.53%	0.81%	0.60%	
Tier 1 capital/average assets	8.30%	8.21%	8.38%	

Selected Operations Data	Three months ended June 30,		Six months ended June 30,	
	2017		2016	
Interest income	\$ 4,074	\$ 3,532	\$ 7,894	\$ 6,994
Interest expense	(755)	(675)	(1,422)	(1,334)
Net interest income	3,319	2,857	6,472	5,660
Provision for loan losses	(117)	(259)	(270)	(394)
Investment securities gains	-	26	-	67
Gains on sale of mortgages	1,315	1,319	2,194	2,206
Other income	259	320	559	667
Other expense	(3,694)	(3,152)	(7,005)	(6,146)
Income before income taxes	1,082	1,111	1,950	2,060
Income taxes	(328)	(324)	(591)	(598)
Net income	\$ 754	\$ 787	\$ 1,359	\$ 1,462
Earnings per common share (basic)	\$ 0.34	\$ 0.36	\$ 0.62	\$ 0.67
Earnings per common share (diluted)	\$ 0.34	\$ 0.36	\$ 0.61	\$ 0.67
Return on average assets	0.74%	0.85%	0.68%	0.81%
Return on average equity	8.95%	10.76%	8.20%	10.08%
Net interest margin	3.46%	3.31%	3.45%	3.32%
Net charge-offs(recoveries)/average loans	0.00%	0.45%	0.01%	0.23%

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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.