

YORK TRADITIONS BANK REPORTS 3rd QUARTER EARNINGS

October, 2016 -- York Traditions Bank (OTC Pink: YRKB) reported reported net income available to common shareholders of \$920,000, or 42 cents per share, for the third quarter ended September 30, 2016, compared to \$471,000, or 22 cents per share, for the third quarter ended September 30, 2015. This represents a \$449,000, or 95%, increase over the third quarter of 2015. Net income available to common shareholders for the nine months ended September 30, 2016 was \$2,382,000, or \$1.09 per share. This represents an increase of \$893,000, or 60%, over the first nine months of last year. Return on assets has improved to 0.86%, and book value per common share stood at \$14.63 at September 30, 2016, reflecting a 10% increase over the past year.

“We are pleased to report third quarter earnings,” stated Michael E. Kochenour, Chairman and Chief Executive Officer. “Strong loan growth continued, increasing \$27.8 million for the third quarter and \$38.0 million, or 15%, since year end 2015. This has allowed us to increase year-to-date net interest income by \$1,018,000, or 13%. Our Mortgage Division turned in another outstanding quarter. Gains on the sale of mortgages total \$3,561,000 for the first nine months of 2016, an increase of \$1,101,000, or 45%, over the same period last year. Other income increased \$350,000 year-to-date and included a \$76,000 net gain on the sale of other real estate and a \$150,000 payment for establishing a new value-added merchant processing vendor. Deposit growth remains satisfactory, increasing \$20.0 million so far in 2016. Our loan quality metrics compare favorably to the same periods last year, no charge offs were taken in the third quarter, and the Bank remains well capitalized.”

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

Selected Financial Data	Sept 30,	Dec 31,	Sept 30,	
	2016	2015	2015	
Investment securities	\$ 53,584	\$ 66,856	\$ 65,875	
Loans, net of unearned income	296,815	258,857	241,849	
Total assets	397,565	359,642	342,351	
Deposits	314,455	294,492	274,144	
Borrowings	43,477	29,750	32,833	
Subordinated debt	5,000	5,000	5,000	
Shareholders' equity	32,646	29,506	29,097	
Book value per common share	\$ 14.63	\$ 13.53	\$ 13.29	
Allowance/loans	0.94%	0.92%	0.93%	
Non-performing assets/total assets	0.84%	0.90%	1.21%	
Tier 1 capital/average assets	8.29%	8.55%	8.49%	

Selected Operations Data	Three months ended Sept 30,		Nine months ended Sept 30,	
	2016	2015	2016	2015
Interest income	\$ 3,680	\$ 3,214	\$ 10,674	9,510
Interest expense	(693)	(683)	(2,027)	(1,881)
Net interest income	2,987	2,531	8,647	7,629
Provision for loan losses	(300)	(135)	(694)	(270)
Investment securities gains	5	-	72	-
Gains on sale of mortgages	1,355	801	3,561	2,460
Other income	452	265	1,119	769
Other expense	(3,151)	(2,798)	(9,297)	(8,472)
Income before income taxes	1,348	664	3,408	2,116
Income taxes	(428)	(193)	(1,026)	(614)
Net income	920	471	2,382	1,502
Preferred stock dividends	-	-	-	(13)
Net income available to common shareholders	\$ 920	\$ 471	\$ 2,382	1,489
Earnings per common share (basic and diluted)	\$ 0.42	\$ 0.22	\$ 1.09	0.69
Return on average assets	0.95%	0.55%	0.86%	0.62%
Return on average equity	11.53%	6.66%	10.59%	6.87%
Net interest margin	3.25%	3.16%	3.28%	3.35%
Net charge-offs(recoveries)/average loans	0.00%	0.31%	0.15%	0.33%

- over -

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.