

YORK TRADITIONS BANK REPORTS 2nd QUARTER EARNINGS

July, 2016 -- York Traditions Bank (OTC Pink: YRKB) reported net income available to common shareholders of \$787,000, or 36 cents per share, for the second quarter ended June 30, 2016, compared to \$497,000, or 23 cents per share, for the second quarter ended June 30, 2015. This represents a \$290,000, or 58%, increase over the second quarter of 2015. Net income available to common shareholders for the six months ended June 30, 2016 was \$1,462,000, or 67 cents per share. This represents an increase of \$444,000, or 44%, over the first six months of last year. Book value per common share stood at \$14.18 at June 30, 2016.

“We are pleased to report another solid quarter of earnings growth,” stated Michael E. Kochenour, Chairman and Chief Executive Officer. “The commercial and consumer loan growth achieved in the fourth quarter of 2015 has continued for the first half of 2016 allowing us to increase year-to-date net interest income by \$562,000, or 11%. Our Mortgage Division had another outstanding quarter. Gains on the sale of mortgages total \$2,206,000 for the first half of 2016, an increase of \$547,000, or 33%, over the same period last year. Other income increased \$163,000 over the first half of 2016 and included an \$89,000 net gain on the sale of other real estate. Loans grew \$10.1 million, or 4%, since year-end and \$23.7 million in the past year. Deposits increased \$1.7 million during the first six months of 2016 and \$28.4 million in the past twelve months. Net charge-offs compare favorably to the first half of 2015. We remain well capitalized and loan quality remains favorable. The Bank’s brand, reputation, and value proposition have never been more compelling. They have collectively enabled us to capitalize on the bank merger-related market disruptions to become the true relationship bank of choice. We look forward to the remainder of 2016 and beyond.”

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

Selected Financial Data	June 30,	Dec 31,	June 30,	
	2016	2015	2015	
Investment securities	\$ 58,567	\$ 66,856	\$ 65,285	
Loans, net of unearned income	268,968	258,857	245,310	
Total assets	374,457	359,642	348,421	
Deposits	296,201	294,492	267,848	
Borrowings	39,792	29,750	46,422	
Subordinated debt	5,000	5,000	5,000	
Shareholders’ equity	31,640	29,506	28,165	
Book value per common share	\$ 14.18	\$ 13.53	\$ 13.08	
Allowance/loans	0.92%	0.92%	0.94%	
Non-performing assets/total assets	0.60%	0.90%	0.58%	
Tier 1 capital/average assets	8.38%	8.55%	8.49%	

Selected Operations Data	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Interest income	\$ 3,532	\$ 3,222	\$ 6,994	6,296
Interest expense	(675)	(670)	(1,334)	(1,198)
Net interest income	2,857	2,552	5,660	5,098
Provision for loan losses	(259)	(45)	(394)	(135)
Investment securities gains	26	-	67	-
Gains on sale of mortgages	1,319	847	2,206	1,659
Other income	320	258	667	504
Other expense	(3,152)	(2,925)	(6,146)	(5,674)
Income before income taxes	1,111	687	2,060	1,452
Income taxes	(324)	(190)	(598)	(421)
Net income	787	497	1,462	1,031
Preferred stock dividends	-	-	-	(13)
Net income available to common shareholders	\$ 787	\$ 497	\$ 1,462	1,018
Earnings per common share (basic and diluted)	\$ 0.36	\$ 0.23	\$ 0.67	0.47
Return on average assets	0.85%	0.60%	0.81%	0.65%
Return on average equity	10.76%	7.26%	10.08%	6.97%
Net interest margin	3.31%	3.27%	3.32%	3.45%
Net charge-offs(recoveries)/average loans	0.45%	0.68%	0.23%	0.33%

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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.