



YORK TRADITIONS BANK REPORTS 1st QUARTER EARNINGS

April, 2017 -- York Traditions Bank (OTC Pink: YRKB) reported net income of \$605,000, or 27 cents per share, for the first quarter ended March 31, 2017, compared to \$675,000, or 31 cents per share, for the first quarter 2016. This represents a 10% decrease in net income over the first quarter of 2016. Book value per common share grew to \$15.14 at March 31, 2017.

“We are pleased with the first quarter financial performance,” stated Eugene J. Draganosky, President and Chief Executive Officer. “First quarter 2016 earnings included \$108,000 of non-recurring income. Our first quarter 2017 earnings were \$87,000 or 17% higher than the fourth quarter of 2016. Loans grew a robust \$48.6 million since a year ago and \$9.0 million since year-end. This helped boost net interest income by \$350,000 or 12%. Gains on sale of mortgages were nearly equal to the first quarter 2016 which set the stage for record mortgage gains last year. Our net interest margin improved 11 basis points to 3.45% fueled by more loans as a percentage of interest earning assets and higher market interest rates. Net loan charge-offs were a minimal \$8,000 for the quarter, non-performing assets were 0.61% of total assets, and the allowance for loan and lease losses has increased to 1.04%. We remained well capitalized with an 8.42% Tier 1 capital ratio as of March 31, 2017. We are optimistic for our future and look forward to the remainder of 2017.”

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

Selected Financial Data	Mar 31, 2017	Dec 31, 2016	Mar 31, 2016
Investment securities	\$ 52,275	\$ 50,185	\$ 66,370
Loans, net of unearned income	314,290	305,277	265,649
Total assets	400,780	396,716	368,477
Deposits	326,651	322,317	291,791
Borrowings	34,342	35,710	39,596
Subordinated debt	5,000	5,000	5,000
Shareholders' equity	33,092	32,223	30,528
Book value per common share	\$ 15.14	\$ 14.86	\$ 13.85
Allowance/loans	1.04%	1.02%	0.95%
Non-performing assets/total assets	0.61%	0.81%	0.72%
Tier 1 capital/average assets	8.42%	8.21%	8.41%

Selected Operations Data	Three months ended Mar 31,	
	2017	2016
Interest income	\$ 3,820	\$ 3,462
Interest expense	(667)	(659)
Net interest income	3,153	2,803
Provision for loan losses	(153)	(135)
Investment securities gains	-	41
Gains on sale of mortgages	879	887
Other income	300	347
Other expense	(3,311)	(2,994)
Income before income taxes	868	949
Income taxes	(263)	(274)
Net income	\$ 605	\$ 675
Earnings per common share (basic)	\$ 0.28	\$ 0.31
Earnings per common share (diluted)	\$ 0.27	\$ 0.31
Return on average assets	0.62%	0.76%
Return on average equity	7.41%	9.38%
Net interest margin	3.45%	3.34%
Net charge-offs(recoveries)/average loans	0.01%	0.00%

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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.