

Traditionally

S P E A K I N G

Letter from the President

Although many families are still struggling with unemployment or underemployment, encouraging signs of economic recovery continue to emerge, such as the recently reported first-quarter GDP growth rate of 3.2%.

York Traditions Bank has been able to successfully manage through the financial crisis, maintaining exceptional growth and expanding our service to York County businesses and individuals. We have done so by staying close to our Core Values.

At a time when, unfortunately, some companies are still cutting staff, we continue to grow our team. This not only adds new talent to enhance our service to customers, but also strengthens York Traditions Bank as a job creator and employer of choice in Central Pennsylvania.

This growth has included the formation of a new Mortgage Services Division, with the hiring of Teresa Gregory as Managing Director. Teresa and her team are profiled later in this newsletter.

Additionally, we will soon strengthen our service to the western part of York County through our new White Street Branch, with a team of approximately 6 Associates.

We also look forward to continued expansion of our service to small businesses—a vital force for the economic recovery. With innovative products like Free Business Checking and Relationship Checking, as well as a convenient lending process that minimizes paperwork and provides for prompt, local decisions, we stand ready to support business owners.

Much work remains for our community to get our economy moving full speed ahead, once again, toward new levels of vitality. However, we maintain unwavering confidence in our community's ability to accomplish this—by holding fast to the traditional values of York County, values that York Traditions Bank proudly shares.

Sincerely,



Mike Kochenour
Chairman, President and CEO



PRODUCT SPOTLIGHT

Meet Our New, Financially Elevating Personal Checking Account **POWERUP** CHECKING

Have you heard the news about the checking account that pays like a CD? PowerUP Checking rewards today's savvy bank customer for taking advantage of the wealth of electronic services that York Traditions Bank provides—like electronic bill pay, direct deposit, and debit card transactions.

With no minimum balance requirement, no monthly service fees, free online Bill-Pay, and unlimited free check writing, this innovative personal checking account currently rewards you with a CD-like rate for meeting a few simple requirements:

- **At least 15 debit card transactions per statement period**
- **At least one direct deposit or automatic external payment per statement period**
- **Using a monthly E-statement - coming soon**

“We originally based PowerUP Checking on feedback from technology-oriented young professionals about what they would like to see in a checking account,” said Carolyn Schaefer, Managing Director of Personal Banking. “But the positive response has been phenomenal from customers of all ages.”

Ask about PowerUP Checking or visit www.powerupchecking.com for more information.

York Traditions Supports Leg Up Farm, A Classic York County Story of Persistence and Community Commitment

What began in 1997 with a vision of a new approach to therapy for children is now a reality, with the opening this month of Leg Up Farm in Mount Wolf.

Getting there, however, wasn't easy. President and CEO Louis Castriota Jr. and his family share a love of horses, and he originally envisioned Leg Up Farm as a therapeutic riding center. But after discovering a void in services available to children over three years old with disabilities or developmental delays, he expanded the vision to encompass comprehensive speech, occupational, and physical therapy programs and advocacy efforts.

As with many nonprofits, funding proved difficult, taking more than 10 years to raise initial capital to even start the highly involved back-end planning, let alone construction.

"Lou's passion and persistence were amazing," said Dave Poff, Business Services Partner at York Traditions Bank, who in April 2007 began working with Castriota on financing for construction and working capital.

"Dave really took the time to nurture a long-term, working relationship," said Castriota. "What set York Traditions apart was that they were willing to listen to our story and advise us on what we needed to do to secure financing. Dave treated me like his only customer."

Financing for Leg Up Farm, settled in April 2008, includes a \$5.6 million loan split between York Traditions Bank and USDA Rural Development, as well as a bridge loan from York Traditions for construction.

York Traditions Bank has also supported the project with a cash contribution, sponsorship of fundraising events, and a storefront in Matthew's Town, a play environment at Leg Up Farm with reproductions of area businesses. It is named for a child who died tragically in a roller coaster accident in 2001.

Leg Up Farm expects to serve up to 1,000 children over the first three years of operation and employ 40 staff. For more information, contact Lou Castriota Jr. at 843-8341.



ABOVE: The main building at Leg Up Farm, as construction nears completion. **INSET:** The York Traditions Bank sponsored storefront in the Matthew's Town play area at Leg Up Farm.

Meet Our New Associates



SANDY ALTHOFF

Sandy Althoff joined York Traditions Bank in September 2009 as a Teller at the St. Charles Way Branch. Previously, she was a Customer Service Representative with Sovereign Bank.



SUSAN CLARK

The Susquehanna Trail Branch of York Traditions Bank welcomed Susan Clark as a Teller in December 2009. Before joining our team, she was a self-employed healthcare administration professional.

Spotlight on Women

At York Traditions Bank, we're continuing to advance our commitment to serving the financial needs of women, with their vital and influential role in our community.

"We sponsor a variety of events for women," said Carolyn Schaefer. "They're educational on financial issues, but they also provide fun and rewarding social and networking opportunities."

Information on these events is available in the Women's Spotlight section of the York Traditions Bank web site, which also provides an expanding library of women-centered content on financial issues. Recent articles in the News and Features section have included "Smart Retirement Ideas for Women of All Ages" and "What to Expect from 'The New Normal.'"

Also featured is "Ask Carolyn," a forum enabling women to get perspectives on specific financial topics from Carolyn Schaefer, a Certified Financial Planner with nearly 40 years of experience and a widely respected business leader in Central Pennsylvania.

We're Big on Small Business! Supporting Local Enterprise with Money to Lend, and Enhanced Small Business Services

A passion for small business was a major factor behind the founding of York Traditions Bank. Today, we remain big on serving the needs of local business owners.

While the Bank's conservative approach to credit has served us well through the financial crisis, we continue to have money to lend to solid York County businesses.

"We're also committed to keeping the lending process as convenient as possible," said Ed Hesson, Small Business Specialist. "We offer a simple application process and quick, local decision making."

Among the Bank's enhancements to Small Business Services have been the recently launched Free Business Checking and Relationship Checking products.

"These accounts give customers greater flexibility in the number of transactions they can process without incurring fees," Hesson said.

Prompt, local decisions and no-hassle services are high on the list of what business owners want. However, the core of the Bank's small business focus runs deeper.

"Ultimately, it's fueled by our desire to see money put back into our community," Carolyn Schaefer said. "We strive to be not just a Bank but an advisor and advocate to help entrepreneurs accomplish their dreams and make an already-strong York County even stronger."

To expand public awareness of everything the Bank has to offer small businesses, York Traditions Bank launched a comprehensive outreach campaign in May, covering radio, print, and outdoor advertising, as well as direct mail marketing. "We're big on small business" is the central theme of the campaign, which features local business leaders sharing their experiences as York Traditions Bank customers.



ANDREW KOPLITZ

Andrew Koplitz joined York Traditions in March as Electronic Banking Specialist, responsible for customer service in online and voice banking and other electronic channels. He has previously held supervisory positions with Citizens Bank and Metro Bank.



REGINA HENISE

Regina (Gina) Henise, Personal Financial Specialist, joined York Traditions in April and will work from the White Street Branch. Her background in personal banking services includes her most recent position in the Private Banking Group at Wachovia.



Mortgage Executive

PERSPECTIVE

Q&A with Teresa Gregory Managing Director, Mortgage Services
York Traditions Bank

Q What drew you to York Traditions Bank?

A I was intrigued to see a Bank that not only uses phrases like exquisite service, but also clearly lives by them. Working for a larger company, I also missed being involved more directly with customers and the community. With York Traditions, I have that involvement.

Q How would you characterize the housing market? Is this a good time to buy?

A It's clearly a buyer's market. I think it could remain that way for a while. Combine that with interest rates at historic lows, and it's a very attractive time to buy.

Q Are there factors that make York County an especially good place to buy?

A York has always been a wonderful place to live, and it also has good proximity to other metropolitan areas like Baltimore and Philadelphia. I'm always encouraged, as a long-time resident, to see newcomers comment favorably about how nice it is to live here and about the quality of our people, our schools, and the services and amenities of our community.

Q Is it more difficult now to qualify for a mortgage?

A Yes, but a few years ago it was probably too easy. Mortgage lending has gone back to basics, in terms of sound underwriting and documentation standards. Yet there's still flexibility to meet varying customer needs, with options like FHA loans and the Pennsylvania Housing Finance Agency's program for first time buyers. You have to clearly demonstrate the ability and willingness to repay, but you don't necessarily need a 720 FICO score or a 20 percent down payment.

Q What advice would you offer homeowners thinking about refinancing, in light of speculation that interest rates could increase soon?

A Rates will go up eventually—it's just a matter of when. No one has a crystal ball, and rates are affected by many unpredictable factors beyond the Fed's monetary policy. My message would be that, with rates still at historic lows, refinancing could be a wonderful option for those with higher-interest mortgages.

Q Customers have a lot of choices on the mortgage market. What makes York Traditions Bank better?

A We're committed to our community and to providing exquisite service. We formed our new mortgage team expressly to create more choices for local homebuyers. While residential mortgage industry credit standards have generally become tighter, York Traditions Bank has a wide selection of creative financing options available to help make the dream of home ownership a reality. Our Mortgage Originators, Pat Joseph and Rich Lowry, have served the York market for over 35 years, so they know how to make those options work locally.

Meet the New Mortgage Services Team

Committed to Making the Real Estate Market Work for You

Whether you're a first-time buyer looking for a mortgage or a long-time homeowner considering the opportunity to refinance at historically low rates, the new Mortgage Services Team at York Traditions Bank is committed to meeting your needs. Please join us in welcoming this dynamic group of experienced, best-of-class mortgage professionals, an in-house team that York Traditions assembled to meet the diverse home financing needs of our community.



TERESA GREGORY, *Managing Director, Mortgage Services*

Teresa Gregory joins York Traditions Bank's Executive Management as Managing Director, Mortgage Services. With more than 20 years of experience in the mortgage industry, she oversees the Bank's newly created Mortgage Services Division. Most recently, she was Senior Vice President and Secondary Market Manager with Fulton Financial Corporation, where she previously served in a variety of other roles.



PATRICE JOSEPH, *Residential Mortgage Services Partner*

Joining the Mortgage Services Team with Teresa Gregory is Patrice Joseph, as Residential Mortgage Services Partner, responsible for matching clients with the mortgage solutions that best fit their specific needs and situations. She brings to her new role more than 25 years of experience, providing residential mortgages to people across York County. She previously served in similar positions with Fulton Bank, PeoplesBank, and Drovers Bank.



RICH LOWRY, *Residential Mortgage Services Partner*

Rich Lowry, who joined York Traditions Bank in April as our second Residential Mortgage Services Partner, has more than 12 years of experience as a mortgage originator. Most recently, he worked for Fulton Mortgage Company. In his new role with York Traditions, he will assist customers in identifying their best options for home loans or refinancing.



ELAINE MILLER, *Residential Mortgage Services Coordinator*

Elaine has more than 30 years of experience in the banking industry and has been involved in all aspects of mortgage lending. Most recently, she was in the title insurance industry with ABCO Abstracting Company of York. She is also a member and vice chair of the York County Housing and Community Development—Executive Loan Committee.



SUE ZEIGLER, *Residential Mortgage Services Coordinator*

With more than 20 years of banking experience, Sue Zeigler, Residential Mortgage Services Coordinator, began her career with York Traditions Bank in 2004 in the Loan Administration Department. Previously, she was a Mortgage Originator with PeoplesBank. She is highly active in the York Community, volunteering with the United Way and other organizations.

Buying or Refinancing a Home?

Our Mortgage Services Partners have solutions for a variety of situations.

- Conventional loans
- Pennsylvania Housing Finance Agency (PHFA) first-time buyer program
- Up to 97 percent financing for some programs
- FHA and VA loans
- Swing loans—move into your new home while awaiting sale of current residence
- Construction loans for building your home

With interest rates still at historic lows, it's a great time to buy or refinance!
Call Pat Joseph at 741-2652 or Rich Lowry at 747-2640 for more information.

Coming Soon: Our New White Street Branch

We're pleased to make our geographical coverage even more complete, with the soon-to-open White Street Branch, expanding our presence in the western part of York County. The branch opens this Fall. We look forward to meeting new customers in the area, and to providing a new level of convenience to current customers who live, visit, work, or shop nearby.



2170 White Street • York

Susquehanna Trail Team Supports Inspiring H.O.P.E.

Have you ever seen a child look sad while watching others use playground equipment he or she can't use due to a disability?



Inspiring H.O.P.E. (Helping Others Play Equally), a new play environment at Cousler Park, Manchester Township, is designed for children with and without disabilities to use together. Associates from the Susquehanna Trail Branch raised over \$700.00 for the project in a yard sale May 15th.

"Our team also helped during Build Week," said Judy Chambers, Senior Branch Manager, who worked alongside Associates as they helped with tasks ranging from equipment assembly to childcare for fellow volunteers.

For more information on Inspiring H.O.P.E., contact Deb Perry at 764-1021.

Refer A Friend

Tell a friend or family member about your experience at the Bank, have them mention it when they open an account, and we'll treat you to lunch at White Rose Bar & Grill or Heritage Hills (a \$25 value).



YORK TRADITIONS

B • A • N • K

235 St. Charles Way
York, PA 17402
741-1770

2450 Eastern Boulevard
747-2620

2305 Susquehanna Trail North
747-2640

 Equal Opportunity Lender

Member FDIC