



## ANNUAL USE OF CAPITAL SURVEY - 2009

### NAME OF INSTITUTION

(Include Holding Company Where Applicable)

York Traditions Bank

Person to be contacted regarding this report:	Michael E. Kochenour
UST Sequence Number:	1120
CPP Funds Received:	4,871,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	Apr 24, 2009
Date Repaid <sup>1</sup> :	N/A

RSSD: (For Bank Holding Companies)	
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	57377
City:	York
State:	Pennsylvania

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

*American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.*

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	Increased loan balances \$8,200,000, or 5.1%, since acquiring CPP funds in April 2009.
<input checked="" type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	Consumer, commercial mortgage, commercial and small business.
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	Purchased \$15,000,000 in mortgage-backed securities as a direct result of the CPP funds.

<input type="checkbox"/> Make other investments	
<input type="checkbox"/> Increase reserves for non-performing assets	
<input type="checkbox"/> Reduce borrowings	
<input type="checkbox"/> Increase charge-offs	
<input type="checkbox"/> Purchase another financial institution or purchase assets from another financial institution	
<input type="checkbox"/> Held as non-leveraged increase to total capital	

What actions were you able to avoid because of the capital infusion of CPP funds?

We were able to grow the Bank without having to raise additional capital. In addition, the CPP funds provided an extra cushion for unknown future loan charge-offs during a very uncertain economic environment.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

We have applied for regulatory approval to open our fourth branch office. in addition, we have hired three associates to start a residential mortgage division. The mortgage initiative should help us better serve our consumer loan customers and improve the Bank's earnings.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

None.