



FOR IMMEDIATE RELEASE  
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Chairman and Chief Executive Officer

Robert H. Schultz  
Chief Financial Officer, Chief Operating Officer

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## **Victory Bancorp, Inc. Reports Annual Earnings Growth of 40% Over Prior Year**

Limerick, Pennsylvania – January 29, 2019 – The Victory Bancorp, Inc.,

(OTCQX: VTYB) announced unaudited results for the year ended December 31, 2018.

Highlights include an earnings increase of 40%, asset growth of \$31 million and a \$1.8 million increase in stockholders' equity. Net income increased \$545,000 to \$1.9 million, or approximately 98 cents per common share. Joseph W. Major, Chairman & CEO, stated, "Our company once again demonstrated excellent growth in 2018, while maintaining strong credit quality and improved earnings. From the beginning, our relationship-based banking strategy has focused on building a better team of bankers, committed to serving the needs of our clients. This approach helped us deliver the best year in the company's history."

Net income for the year ended December 31, 2018 was \$1.917 million, an increase of \$545,000 compared to \$1.372 million in 2017. Deposits grew to \$223.8 million at December 31, 2018 from \$189.2 million in 2017, an 18% increase. Net Loans increased 12% to \$228.3 million at December 31, 2018 from \$204.2 million in 2017, and total assets increased by \$30.9 million to \$251.7 million as of December 31, 2018, an increase of 14% over 2017.

The company paid a cash dividend totaling 8 cents per share during 2018.

The Victory Bancorp, Inc. is traded on the OTCQX market under the symbol VTYB (<http://www.otcm Markets.com>) and is the parent company of The Victory Bank, a Pennsylvania state chartered commercial bank, headquartered in Limerick, Pennsylvania. The Victory Bank was established in 2008. Victory provides high quality banking services to small and mid-sized businesses and professionals through its two offices located in Montgomery and Berks Counties, Pennsylvania.

As of December 31, 2018 The Victory Bank had total assets of \$251.5 million, total deposits of \$223.9 million, and total equity of \$22.4 million. Additional information about Victory Bancorp is available on its website, [www.victorybank.com](http://www.victorybank.com).

This presentation may contain forward-looking statements (within the meaning of Private Securities Litigation Reform Act of 1995). Actual results may differ materially from the results discussed in these forward-looking statements. Factors that might cause such a difference include, but are not limited to, general economic conditions, changes in interest rates, deposit flows, loan demand, real estate values and competition; changes in accounting principles, policies, or guidelines; changes in legislation or regulation; and other economic; competitive, governmental, regulatory, and technological factors affecting the Company's operations, pricing, products and services.

**The Victory Bancorp, Inc.**

## Consolidated Balance Sheet

December 31, 2018 and December 31, 2017

(numbers in thousands except share data)

	<b>Unaudited</b>	
	<b>December 31,</b>	December 31,
	<b>2018</b>	2017
<b>Assets</b>		
Cash and due from banks	\$ 5,914	\$ 3,276
Federal funds sold	212	0
Cash and cash equivalents	6,126	3,276
Securities available-for-sale	9,696	5,962
	228,261	206,013
	3,388	1,807
Loans receivable, net of allowance for loan losses of \$2,096 and \$2,064	228,261	204,206
Premises and equipment, net	3,388	3,482
Restricted investment in bank stocks	715	706
Accrued interest receivable	810	647
ORE	93	99
BOLI	1,507	1,466
Other assets	1,060	883
<b>Total assets</b>	<b>\$ 251,656</b>	<b>\$ 220,727</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Liabilities</b>		
Deposits:		
Non-interest bearing	38,841	27,824
Interest-bearing	184,938	161,370
Total deposits	223,779	189,194
UnSecured borrowings	4,280	9,960
Subordinated Debt	4,941	4,933
Other liabilities	1,019	764
<b>Total liabilities</b>	<b>234,019</b>	<b>204,851</b>
<b>Stockholders' Equity</b>		
Common stock, \$1 par value; authorized 10,000,000 shares; issued and outstanding 1,950,077 shares	1,950	1,950
Surplus	14,158	14,158
Accumulated earnings/ (deficit)	1,564	-197
Accumulated other comprehensive income	-35	-35
<b>Total stockholders' equity</b>	<b>17,637</b>	<b>15,876</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 251,656</b>	<b>\$ 220,727</b>

**The Victory Bancorp, Inc.**

Consolidated Statement of Operations (numbers in thousands)

	<b>Unaudited</b>	
	<b>For the year ended</b>	<b>Year ended</b>
	<b>December 31,</b>	<b>December 31,</b>
	<b>2018</b>	<b>2017</b>
<b>Interest Income</b>		
Interest and fees on loans	\$ 12,111	\$ 10,567
Interest on investment securities	216	167
Other Interest Income	69	10
<b>Total interest income</b>	<b>12,396</b>	<b>10,744</b>
<b>Interest Expense</b>		
Deposits	2,073	1,271
Borrowings	617	685
<b>Total interest expense</b>	<b>2,690</b>	<b>1,956</b>
Net interest income	9,706	8,788
<b>Provision for Loan Losses</b>	<b>293</b>	<b>452</b>
<b>Net interest income after provision for loan losses</b>	<b>9,413</b>	<b>8,336</b>
<b>Non-Interest Income</b>		
Service charges and activity fees	191	174
Net gains on sales of loans	108	281
Other income	116	170
<b>Total non-interest income</b>	<b>415</b>	<b>625</b>
<b>Non-Interest Expenses</b>		
Salaries and employee benefits	4,502	4,110
Occupancy and equipment	479	430
Legal and professional fees	427	360
Advertising and promotion	85	80
Loan expenses	115	97
Data processing costs	868	772
Supplies, printing and postage	110	79
Telephone	34	33
Entertainment	131	98
Mileage and tolls	34	34
Insurance	35	53
Federal Deposit Insurance Corporation premiums	123	131
Dues and subscriptions	67	61
Shares tax	187	158
Other	195	191
<b>Total non-interest expenses</b>	<b>7,392</b>	<b>6,687</b>
Income before income taxes	2,436	2,274
<b>Income Taxes</b>	<b>(519)</b>	<b>(902)</b>
Net income	1,917	1,372
<b>Preferred Stock Dividends</b>	<b>-</b>	<b>92</b>
<b>Net Income available to common stockholders</b>	<b>\$ 1,917</b>	<b>\$ 1,280</b>