

FOR IMMEDIATE RELEASE  
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## **Victory Bancorp, Inc. First Quarter Earnings**

Limerick, Pennsylvania – April 23, 2020 – The Victory Bancorp, Inc.

(OTCQX: VTYB) announced unaudited results for the quarter ended March 31, 2020. Highlights include asset growth of \$29.6 million and a \$2.0 million increase in stockholders' equity at March 31, 2020, as compared to March 31, 2019. Net income decreased \$325 thousand to \$179 thousand for the quarter ended March 31, 2020 as compared to the quarter ended March 31, 2019, totaling approximately \$0.09 per common share. Cash dividends increased from 2.5 cents per share per quarter to 5.0 cents per share per quarter in the first quarter of 2020. Book value per share increased to \$10.30.

Consolidated net income for the quarter ended March 31, 2020, was \$179 thousand, a decrease of \$325 thousand, compared to \$504 thousand for the same quarter in 2019. Deposits grew to \$251.6 million at March 31, 2020, from \$232.4 million at March 31, 2019, an 8.3% increase. Net Loans increased 7.9% to \$249.3 million at March 31, 2020, from \$231.1 million at March 31, 2019, and total assets increased by \$29.6 million to \$291.2 million as of March 31, 2020, an increase of 11.3% over one year. The company paid a cash dividend totaling 5.0 cents per share during quarter ended March 31, 2020.

In response to unprecedented economic and market disruptions created by the worldwide effects of the COVID 19 pandemic, the first-quarter provision for loan losses was sharply increased from \$73 thousand a year ago to \$557 thousand in 2020. However, non-performing assets remained essentially unchanged, \$307 thousand at March 31, 2020, compared with \$298 thousand at year-end 2019.

Joseph W. Major, Chairman & CEO, stated, "We are pleased with the core performance of the bank in the first quarter, as measured against past years' performance and our three-year operating plan. Credit metrics and net interest margin remained stable, expenses were controlled and on budget, and the bank showed excellent growth and consistency in most areas. Despite these continued positive trends, in response to the unprecedented economic disruptions created by the COVID 19 pandemic and the governmentally mandated shut-down of much of the nation's economy, the bank has reassessed the subjective criteria used in its analysis of loan loss reserves, resulting in a significant increase in contributions to the reserves this quarter, and therefore reduced income."

“In addition, The Victory Bank has become actively involved in helping to approve and fund business loans under the new SBA PPP lending program and expects to generate a significant amount of revenue from this program during the course of 2020. We believe this program will help many of our clients survive the current economic crisis.”

The Victory Bancorp, Inc. is traded on the OTCQX market under the symbol VTYB (<http://www.otcmarkets.com>) and is the parent company of The Victory Bank, a Pennsylvania state-chartered commercial bank, headquartered in Limerick, Pennsylvania which is located just outside the Philadelphia market in Montgomery County. The Victory Bank was established in 2008. The Bank is a specialized business lender that 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 March 31, 2020, The Victory Bank had total assets of \$291.2 million, total deposits of \$251.6 million, and total equity of \$20.1 million. Additional information about Victory Bancorp is available on its website, [VictoryBank.com](http://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.

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## The Victory Bancorp, Inc.

### Consolidated Balance Sheet

(numbers in thousands except share data)

	<b>Unaudited March 31, 2020</b>	<b>Unaudited December 31, 2019</b>
<b>Assets</b>		
Cash and due from banks	\$ 5,463	\$ 7,367
Federal funds sold	17,378	10,803
Cash and cash equivalents	22,841	18,170
Securities available-for-sale	10,746	11,084
Loans receivable, net of allowance for loan losses of \$2,772 and \$2,210	249,301	243,131
Premises and equipment, net	3,302	3,298
Restricted investment in bank stocks	1,404	474
Accrued interest receivable	824	716
BOLI	1,559	1,548
Other assets	1,181	1,235
<b>Total assets</b>	<b>\$ 291,158</b>	<b>\$ 279,656</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Liabilities</b>		
Deposits:		
Non-interest bearing	\$ 40,539	\$ 48,060
Interest-bearing	211,093	199,734
Total deposits	251,632	247,794
Unsecured borrowings	10,500	3,000
Subordinated debt	7,930	7,927
Other liabilities	1,019	1,157
<b>Total liabilities</b>	<b>271,081</b>	<b>259,878</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	14,226	14,212
Accumulated earnings	3,562	3,481
Accumulated other comprehensive income	339	135
<b>Total stockholders' equity</b>	<b>20,077</b>	<b>19,778</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 291,158</b>	<b>\$ 279,656</b>

## The Victory Bancorp, Inc.

### Consolidated Statement of Operations

	Unaudited three months ended March 31, 2020	Unaudited three months ended December 31, 2019	Unaudited three months ended September 30, 2019	Unaudited three months ended June 30, 2019	Unaudited three months ended March 31, 2019
<b>Interest Income</b>					
Interest and fees on loans	\$ 3,547	\$ 3,598	\$ 3,531	\$ 3,503	\$ 3,347
Interest on investment securities	78	75	78	72	74
Other Interest Income	32	52	55	67	29
<b>Total interest income</b>	<b>3,657</b>	<b>3,725</b>	<b>3,664</b>	<b>3,642</b>	<b>3,450</b>
<b>Interest Expense</b>					
Deposits	702	715	750	772	747
Borrowings	188	165	171	158	137
<b>Total interest expense</b>	<b>890</b>	<b>880</b>	<b>921</b>	<b>930</b>	<b>884</b>
Net interest income	2,767	2,845	2,743	2,712	2,566
<b>Provision for Loan Losses</b>	<b>557</b>	<b>67</b>	<b>75</b>	<b>209</b>	<b>73</b>
<b>Net interest income after provision for loan losses</b>	<b>2,210</b>	<b>2,778</b>	<b>2,668</b>	<b>2,503</b>	<b>2,493</b>
<b>Non-Interest Income</b>					
Service charges and activity fees	54	67	65	55	55
Other income	44	50	49	21	52
<b>Total non-interest income</b>	<b>98</b>	<b>117</b>	<b>114</b>	<b>76</b>	<b>107</b>
<b>Non-Interest Expenses</b>					
Salaries and employee benefits	1,295	1,346	1,254	1,145	1,210
Occupancy and equipment	130	124	120	125	127
Legal and professional fees	79	149	85	103	66
Advertising and promotion	23	27	23	35	23
Loan expenses	23	41	35	34	39
Data processing costs	270	258	241	254	259
Supplies, printing and postage	28	27	28	30	43
Telephone	6	6	9	8	9
Entertainment	23	39	26	33	23
Mileage and tolls	5	10	8	12	6
Insurance	10	10	10	9	10
Federal Deposit Insurance Corporation premiums	37	16	1	43	34
Dues and subscriptions	23	20	16	17	19
Shares tax	62	54	53	53	49
Other	75	94	69	45	49
<b>Total non-interest expenses</b>	<b>2,089</b>	<b>2,221</b>	<b>1,978</b>	<b>1,946</b>	<b>1,966</b>
Income before income taxes	219	674	804	633	634
<b>Income Taxes</b>	<b>(40)</b>	<b>(172)</b>	<b>(182)</b>	<b>(134)</b>	<b>(130)</b>
<b>Net income available to common stockholders</b>	<b>\$ 179</b>	<b>\$ 502</b>	<b>\$ 622</b>	<b>\$ 499</b>	<b>\$ 504</b>