

FOR IMMEDIATE RELEASE
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Contact:
Joseph W. Major,
Chairman and Chief Executive Officer
Robert H. Schultz,
Chief Financial Officer, Chief
Operating Officer
610-948-9000

Victory Bancorp, Inc. Second Quarter Earnings

Limerick, Pennsylvania – July 17, 2020 – The Victory Bancorp, Inc. (OTCQX: VTYB) announced unaudited results for the quarter ended June 30, 2020. As of June 30, 2020, The Victory Bank held total assets of \$414.5 million, total deposits of \$306.3 million, and total equity of \$20.6 million. Highlights include asset growth of \$123.3 million for the quarter and a \$1.9 million increase in stockholders' equity at June 30, 2020, as compared to June 30, 2019. Cash dividends increased from 10 cents per share per quarter to 20 cents per share per quarter in the first quarter of 2020. Book value per share increased to \$10.55. Consolidated net income for the quarter ended June 30, 2020 was \$560 thousand, an increase of \$61 thousand, compared to \$499 thousand for the same quarter in 2019, totaling approximately \$0.29 per common share. Deposits grew to \$306.3 million at June 30, 2020, from \$228.9 million at June 30, 2019, a 33.8% increase. Including SBA PPP loans, total Net Loans increased 28.2% to \$299.3 million at June 30, 2020, from \$233.5 million at June 30, 2019, and total assets increased by \$155.9 million to \$414.5 million as of June 30, 2020, an increase of 60.3% over one year.

While the bank has not suffered any significant deterioration in asset quality, in response to unprecedented economic and market uncertainty created by the worldwide effects of the COVID 19 pandemic, the first-quarter provision for loan losses was increased from \$73 thousand in 2019 to \$557 thousand in 2020; the provision for the second quarter was \$450 thousand, compared to \$209 thousand in the second quarter of 2019. Total Loan Loss Reserves reached \$3.1 million at quarter-end or approximately 1.03% of total loans. Non-performing assets declined from \$307 thousand at March 31, 2020 to \$222 thousand at June 30, 2020.

Joseph W. Major, Bank Leader, Chairman & CEO, stated, "We are pleased with the core performance of the bank in the second 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. Our focus in the second quarter has been protecting the safety of our employees and clients while expanding our services to businesses and individuals in their crucial time of need while building loan loss reserves in anticipation of possible increased credit losses. During the second quarter, The Victory Bank team members worked tirelessly to close over \$60 million of Small Business Administration Paycheck Protection loans (PPP), processing approximately 577 loan applications, helping businesses in our communities protect 7,277 local jobs."

Also, during the second quarter, Victory Bancorp completed the issuance of \$10 million of 10-year, fixed to floating subordinated debt, to be used to bolster the bank's capital ratios and allow for continued growth and stability. The coupon on this issuance is fixed at 6.25% for the first five years.

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.

Additional information about Victory Bancorp is available on its website, 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)

	Unaudited	
	June 30,	December 31,
	2020	2019
Assets		
Cash and due from banks	\$ 92,834	\$ 7,367
Federal funds sold	4,000	10,803
Cash and cash equivalents	96,834	18,170
Securities available-for-sale	9,982	11,084
Loans receivable, net of allowance for loan losses of \$3,124 and \$2,213	299,309	243,131
Premises and equipment, net	3,277	3,298
Restricted investment in bank stocks	1,452	474
Accrued interest receivable	1,049	716
BOLI	1,570	1,548
Other assets	987	872
Total assets	\$ 414,460	\$ 279,293
Liabilities and Stockholders' Equity		
Liabilities		
Deposits:		
Non-interest bearing	\$ 65,185	\$ 48,060
Interest-bearing	241,129	199,734
Total deposits	306,314	247,794
Unsecured borrowings	68,615	3,000
Subordinated Debt	17,692	7,927
Other liabilities	1,272	794
Total liabilities	393,893	259,515
Stockholders' Equity		
Common stock, \$1 par value; authorized 10,000,000 shares; issued and outstanding 1,950,077 shares	1,950	1,950
Surplus	14,239	14,212
Accumulated earnings	4,025	3,480
Accumulated other comprehensive income	353	136
Total stockholders' equity	20,567	19,778
Total liabilities and stockholders' equity	\$ 414,460	\$ 279,293

The Victory Bancorp, Inc.

Consolidated Statement of Operations

(numbers in thousands except share data)

	Unaudited For the three months ended June 30, 2020	Unaudited For the three months ended March 31, 2020	Unaudited For the three months ended December 31, 2019	Unaudited For the three months ended September 30, 2019	Unaudited For the three months ended June 30, 2019
Interest Income					
Interest and fees on loans	\$ 3,704	\$ 3,547	\$ 3,471	\$ 3,531	\$ 3,503
Interest on investment securities	91	78	75	78	72
Other Interest Income	25	32	52	55	67
Total interest income	3,820	3,657	3,598	3,664	3,642
Interest Expense					
Deposits	571	702	715	750	772
Borrowings	232	188	165	171	158
Total interest expense	803	890	880	921	930
Net interest income	3,017	2,767	2,718	2,743	2,712
Provision for Loan Losses	450	557	67	75	209
Net interest income after provision for loan losses	2,567	2,210	2,651	2,668	2,503
Non-Interest Income					
Service charges and activity fees	45	54	67	65	55
Net gains on sales of loans	20	-	-	-	-
Other income	64	44	177	49	21
Total non-interest income	129	98	244	114	76
Non-Interest Expenses					
Salaries and employee benefits	1,190	1,295	1,346	1,254	1,145
Occupancy and equipment	121	130	124	120	125
Legal and professional fees	119	79	149	85	103
Advertising and promotion	15	23	27	23	35
Loan expenses	61	23	41	35	34
Data processing costs	282	270	258	241	254
Supplies, printing and postage	18	28	27	28	30
Telephone	9	6	6	9	8
Entertainment	3	23	39	26	33
Mileage and tolls	2	5	10	8	12
Insurance	9	10	10	10	9
Federal Deposit Insurance Corporation premiums	46	37	16	1	43
Dues and subscriptions	21	23	20	16	17
Shares tax	62	62	54	53	53
Other	19	75	94	69	45
Total non-interest expenses	1,977	2,089	2,221	1,978	1,946
Income before income taxes	719	219	674	804	633
Income Taxes	(159)	(40)	(172)	(182)	(134)
Net income available to common stockholders	\$ 560	\$ 179	\$ 502	\$ 622	\$ 499