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Victory Bancorp, Inc. Third Quarter Earnings

Limerick, Pennsylvania – October 27, 2020 – The Victory Bancorp, Inc. (OTCQX: VTYB) announced unaudited results for the quarter ended September 30, 2020. As of September 30, 2020, The Victory Bank held total assets of \$431.3 million, total deposits of \$322.9 million, and total equity of \$21.0 million. Highlights include asset growth of \$16.9 million for the quarter and a \$1.6 million increase in stockholders' equity at September 30, 2020, as compared to September 30, 2019. Book value per share increased 84 cents from \$9.91 at September 30, 2019 to \$10.75 at September 30, 2020. In addition, at September 30, 2020, The Victory Bank held \$2.15 million of deferred fee income on its balance sheet. Cash dividends remained unchanged at 5 cents per share per quarter.

While the bank has not suffered any significant deterioration in asset quality, in response to the economic uncertainty created by the COVID 19 pandemic, the bank has increased total loan loss reserves from \$2.2 million at December 31, 2019, to \$3.3 million at September 30, 2020; approximately 1.10% of total loans; 1.38% of non-PPP loans (Small Business Administration Paycheck Protection Program loans). Non-performing assets remained low during the quarter, declining from \$265 thousand at June 30, 2020, to \$130 thousand at September 30, 2020.

Excluding provisions for loan losses, consolidated pre-tax net income for the quarter ended September 30, 2020, was \$927 thousand, compared with pre-provision pre-tax net income of \$879 thousand for the same quarter in 2019. Consolidated net income after provision for loan losses was \$543 thousand, a decrease of \$79 thousand as compared to \$622 thousand for the same quarter in 2019, totaling approximately \$0.28 per common share. Deposits grew to \$322.9 million at September 30, 2020, from \$236.3 million at September 30, 2019, a 37% increase. Including SBA PPP loans, total net loans increased 27% to \$299.4 million at September 30, 2020, from \$235.5 million at September 30, 2019. Total assets increased by \$163.6 million to \$431.3 million as of September 30, 2020, an increase of 61% over one year.

Bank Leader, Joseph W. Major, stated, "We are pleased with the core performance of the bank in the third quarter, as measured against past years' performance and our three-year operating plan. Credit metrics and net interest margin remained stable, reserves have grown, expenses were controlled and on budget, and the bank showed excellent growth and consistency in most areas. Our focus for most of 2020 has been protecting the safety of our employees and clients while expanding our services to businesses and individuals in their crucial time of need. Our Victory Bank team members worked tirelessly to close over \$60 million of Small Business Administration Paycheck Protection loans, processing approximately 577 loan applications, helping businesses in our communities protect 7,277 local jobs."

The Victory Bancorp, Inc. is traded on the OTCQX market under the symbol VTYB (<https://www.otcm Markets.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 as 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 the 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	
	September 30, 2020	December 31, 2019
Assets		
Cash and due from banks	\$ 108,000	\$ 7,367
Federal funds sold	4,000	10,803
Cash and cash equivalents	112,000	18,170
Securities available-for-sale	11,536	11,084
Loans receivable, net of allowance for loan losses of \$3,338 and \$2,213	299,351	243,131
Premises and equipment, net	3,209	3,298
Restricted investment in bank stocks	1,584	474
Accrued interest receivable	1,121	716
BOLI	1,579	1,548
Other assets	930	872
Total assets	\$ 431,310	\$ 279,293
Liabilities and Stockholders' Equity		
Liabilities		
Deposits:		
Non-interest bearing	60,602	48,060
Interest-bearing	262,287	199,734
Total deposits	322,889	247,794
UnSecured borrowings	68,610	3,000
Subordinated Debt	17,700	7,927
Other liabilities	1,149	794
Total liabilities	410,348	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	14,253	14,212
Accumulated earnings	4,469	3,480
Accumulated other comprehensive income	290	136
Total stockholders' equity	20,962	19,778
Total liabilities and stockholders' equity	\$ 431,310	\$ 279,293

The Victory Bancorp, Inc.Consolidated Statement of Operations
(numbers in thousands except share data)

	Unaudited For the three months ended September 30, 2020	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
Interest Income					
Interest and fees on loans	\$ 3,721	\$ 3,704	\$ 3,547	\$ 3,471	\$ 3,531
Interest on investment securities	73	91	78	75	78
Other Interest Income	34	25	32	52	55
Total interest income	3,828	3,820	3,657	3,598	3,664
Interest Expense					
Deposits	559	571	702	715	750
Borrowings	400	232	188	165	171
Total interest expense	959	803	890	880	921
Net interest income	2,869	3,017	2,767	2,718	2,743
Provision for Loan Losses	229	450	557	67	75
Net interest income after provision for loan losses	2,640	2,567	2,210	2,651	2,668
Non-Interest Income					
Service charges and activity fees	60	45	54	67	65
Net gains on sales of loans	-	20	-	-	-
Other income	76	64	44	177	49
Total non-interest income	136	129	98	244	114
Non-Interest Expenses					
Salaries and employee benefits	1,280	1,190	1,295	1,346	1,254
Occupancy and equipment	121	121	130	124	120
Legal and professional fees	104	119	79	149	85
Advertising and promotion	31	15	23	27	23
Loan expenses	17	61	23	41	35
Data processing costs	288	282	270	258	241
Supplies, printing and postage	17	18	28	27	28
Telephone	10	9	6	6	9
Entertainment	16	3	23	39	26
Mileage and tolls	3	2	5	10	8
Insurance	10	9	10	10	10
Federal Deposit Insurance Corporation premiums	30	46	37	16	1
Dues and subscriptions	19	21	23	20	16
Shares tax	62	62	62	54	53
Other	70	19	75	94	69
Total non-interest expenses	2,078	1,977	2,089	2,221	1,978
Income before income taxes	698	719	219	674	804
Income Taxes	(155)	(159)	(40)	(172)	(182)
Net income available to common stockholders	\$ 543	\$ 560	\$ 179	\$ 502	\$ 622