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The Victory Bancorp, Inc.

## 2022 Fourth Quarter Earnings

### Fourth Quarter Highlights

- Earnings of **\$.29** per share (diluted)
- Book value per common share increased to **\$13.29**
- **\$1.0 million** increase in stockholders' equity since December 31, 2021
- **\$0.065** per share cash dividend paid to shareholders
- **\$0.10** special, one-time cash dividend paid to shareholders

Limerick, Pennsylvania – February 7, 2023 – The Victory Bancorp, Inc. (OTCQX: VTYB) reported a net income of \$602 thousand, or \$0.29 per share (diluted), for the fourth quarter ended December 31, 2022.

A one-time, special cash dividend of \$0.10 per outstanding share of common stock was declared in November 2022. Net income for the year ended December 31, 2022, was \$3.7 million, or \$1.80 per share (diluted).

Book value per common share climbed to \$13.29 in December 2022.

Interest income increased \$2.7 million or 16%, from \$16.9 million for the year ended December 31, 2021, to \$19.6 million for the year ended December 31, 2022; this increase was accomplished while PPP fee income fell from \$2.2 million in 2021 to \$973 thousand recognized in 2022. The bank decreased the allowance for loan loss from \$3.5 million at December 31, 2021, to \$3.3 million at December 31, 2022; the allowance for loan loss approximated 0.99% of total loans at December 31, 2022. Non-performing assets remained low during the quarter, falling slightly from \$114 thousand at September 30, 2022, to \$85 thousand at December 31, 2022.

Consolidated pre-tax income for the year ended December 31, 2022, was \$4.7 million, compared with pre-tax income of \$4.8 million at December 31, 2021. The bank recognized \$586 thousand of investment losses in the year ended December 31, 2022, compared to \$0 in 2021; this was done to rebalance the investment portfolio and book higher-yielding longer-term assets. Consolidated net income was \$3.7 million, a decrease of \$256 thousand compared to \$3.9 million for year ended 2021, totaling approximately \$1.80 per common share. The decrease in net income resulted in-part from an increase in the effective tax rate. Total net loans, net of PPP (Payroll Protection Program) loans, increased 17.2% or \$48.0 million from \$279.4 million at December 31, 2021, to \$327.4 million at December 31, 2022.

Bank Leader, Joseph W. Major, stated, “The short-term benefits of PPP fees came to an end in 2022. Despite this and despite taking a re-balancing investment loss in the 4<sup>th</sup> quarter, we are pleased to report that the company’s assets and profitability in 2022 approximated 2021 results. Interest income increased 16% in 2022 compared to 2021 as loans, net of PPP, increased 17% during the same period. Maintaining strong credit metrics along with the expertise and commitment of our team of bankers is the foundation of our success. Our priority is to understand and exceed our clients’ expectations in a highly responsive manner.

“We look forward to growth in 2023 as we consistently pursue better ways to benefit our clients and communities we serve.”

Victory Bancorp, Inc. is traded on the OTCQX market under the symbol VTYB (<https://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 as a specialized business lender that provides high-quality banking services to small and mid-sized businesses and professionals through its three offices located in Montgomery and Berks Counties, Pennsylvania. 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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**CONSOLIDATED FINANCIAL HIGHLIGHTS** (unaudited)

(dollars in thousands, except per share data)

<b>Selected Financial Data</b>	<b>3 Months Ended</b>		
	<b>December 31, 2022</b>	<b>September 30, 2022</b>	<b>December 31, 2021</b>
Investment securities	\$ 51,766	\$ 73,509	\$ 24,088
Loans, net of allowance for loan losses	327,366	312,100	301,166
Total assets	423,854	437,493	443,778
Deposits	379,944	393,985	394,349
Borrowings	3,750	3,750	10,500
Subordinated debt	12,804	12,797	12,777
Stockholders' equity	\$ 26,199	\$ 25,588	\$ 25,190
Book value per common share	\$ 13.29	\$ 12.98	\$ 12.92
Allowance/loans	0.99%	1.11%	1.13%
Nonperforming assets/total assets	0.02%	0.03%	0.04%
<b>Selected Operations Data</b>	<b>3 Months Ended</b>		
	<b>December 31, 2022</b>	<b>September 30, 2022</b>	<b>December 31, 2021</b>
Interest income	\$ 5,428	\$ 5,201	\$ 4,188
Interest expense	1,527	942	585
Net interest income	3,901	4,259	3,603
Provision for loan losses	(203)	43	91
Other income	(467)	140	513
Other expense	2,868	2,914	2,537
Income before income taxes	769	1,442	1,488
Income taxes	(167)	(291)	(152)
Net income	\$ 602	\$ 1,151	\$ 1,336
Earnings per common share (basic)	\$ 0.31	\$ 0.59	\$ 0.69
Earnings per common share (diluted)	\$ 0.29	\$ 0.56	\$ 0.66
Return on average assets (annualized)	0.57%	1.02%	1.17%
Return on average equity (annualized)	9.30%	17.91%	21.71%
Net charge-offs(recoveries)/average loans	0.19%	0.17%	0.00%