



---

**FOR IMMEDIATE RELEASE**

*Limerick, Pennsylvania –May 5, 2023*

**THE VICTORY BANCORP, INC., ANNOUNCES 2023 FIRST QUARTER EARNINGS**

The Victory Bancorp, Inc. (OTCQX: VTYB), the holding company for The Victory Bank, announced unaudited results for the quarter ended March 31, 2023.

Joseph W. Major, Bank Leader and Chief Executive Officer, stated, “Despite recent disturbances in the banking industry and a fluctuating economic environment, our experienced team’s commitment to providing quality lending and deposit options to clients and prospects has continued to propel the bank forward. We are pleased with the core performance of the bank in the first quarter, as both loans and deposits remained steady, with loans increasing approximately 1% and deposits declining approximately 2%.”

Major concluded, “In 2020 and 2021, our bank, like many others, held excess liquidity on our balance sheet. However, we opted for a conservative approach to building our investment portfolio over time. As a result, our unrealized investment losses have been modest, representing only 6% of our bank capital as of March 31, 2023, compared to 7% at the end of 2022, and in spite of these adjustments, the bank’s book value has increased each quarter. We ensure that off-balance sheet liquidity is readily available, while also fostering steady loan and asset growth.”

**First Quarter 2023 Highlights compared to First Quarter 2022**

- Net Loans increased 11% to \$330.5 million from \$297.4 million at March 31, 2022
- \$1.6 million increase in stockholders’ equity
- \$0.065 per share cash dividend paid to shareholders
- Net interest margin at the Bank was 3.76% for the quarter
- Net income of \$665 thousand, totaling approximately \$0.32 per common share fully diluted
- Book value per share as of March 31, 2023, was \$13.70
- Total assets decreased by \$37.7 million to \$420.4 million as of March 31, 2023
- Credit quality remained stable

**Capital Insights and Credit Quality:**

- Nonaccrual loans decreased in the first quarter of 2023, from \$85 thousand at year end in 2022 to \$0 in the current quarter.
- Non-performing assets to total assets increased from 0.02% in the linked quarter to 0.08% in the current quarter.
- Delinquencies greater than 30 days were 0.13% of total loans as of March 31, 2023, up from 0.06% as of December 31, 2022.

- The Allowance for Credit Losses (ACL) was reported under CECL for the first time in 1Q23.
  - The bank's ACL ratio was 0.98% as of March 31, 2023, down slightly from the ALLL-to-total loans ratio of .99% as of December 31, 2022. The March 31, 2023, ACL covered non-performing loans over 10.2 times.
  - The implementation of CECL did not require an audit adjustment. While future recessionary concerns are influencing the CECL qualitative adjustments, the ACL is heavily weighted on historical losses which have been minimal for many years.
- The bank remains well capitalized.

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.

###

Contact:

**Joseph W. Major,**  
Chairman and Chief Executive Officer

**Robert H. Schultz,**  
Chief Financial Officer, Chief Operating Officer

**Kelly Taylor,**  
Investor Relations  
610-948-9000

The Victory Bancorp, Inc.  
548 N. Lewis Rd.  
Limerick, PA 19468

**CONSOLIDATED FINANCIAL HIGHLIGHTS** (unaudited)

(dollars in thousands, except per share data)

Selected Financial Data	March 31, 2023	December 31, 2022	March 31, 2022
Investment securities	\$ 51,440	\$ 51,766	\$ 33,019
Loans, net of allowance for loan losses	330,467	327,366	297,449
Total assets	420,377	423,854	458,045
Deposits	371,018	379,944	411,207
Borrowings	8,250	3,750	6,750
Subordinated debt	12,811	12,804	12,784
Stockholders' equity	\$ 27,003	\$ 26,199	\$ 25,364
Book value per common share	\$ 13.70	\$ 13.29	\$ 12.92
Allowance/loans	0.98%	0.99%	1.16%
Nonperforming assets/total assets	0.08%	0.02%	0.04%
Selected Operations Data	March 31, 2023	December 31, 2022	March 31, 2022
Interest income	\$ 5,711	\$ 5,428	\$ 4,354
Interest expense	2,242	1,527	550
Net interest income	3,469	3,901	3,804
Provision for loan losses	0	(203)	40
Other income	139	(467)	140
Other expense	2,770	2,868	2,723
Income before income taxes	838	769	1,181
Income taxes	(173)	(167)	(250)
Net income	\$ 665	\$ 602	\$ 931
Earnings per common share (basic)	\$ 0.34	\$ 0.31	\$ 0.48
Earnings per common share (diluted)	\$ 0.32	\$ 0.29	\$ 0.46
Return on average assets (annualized)	0.64%	0.57%	0.83%
Return on average equity (annualized)	10.00%	9.30%	14.73%
Net charge-offs(recoveries)/average loans	0.00%	0.19%	-0.01%