



FOR IMMEDIATE RELEASE

Limerick, Pennsylvania – August 3, 2023

THE VICTORY BANCORP, INC., ANNOUNCES 2023 SECOND QUARTER EARNINGS

The Victory Bancorp, Inc. (OTCQX: VTYB), the holding company for The Victory Bank, announced unaudited results for the quarter ended June 30, 2023.

Joseph W. Major, Bank Leader and Chief Executive Officer, stated, “Despite continued disruption in the banking industry and rapidly rising rates, our team’s commitment to providing quality lending and deposit options has propelled the bank forward. We are pleased with the core performance of the bank and with the bank’s ability to grow its loans 10% percent year over year while maintaining superior credit standards. The bank’s lending and credit teams are the strongest in the company’s history.”

Major concluded, “Rapid changes in market rates have put pressure on the industry, but Victory is well positioned to have its loans reprice overtime to match the rising cost in deposits. The bank continues to increase the book value of its shares, which as of June 30th was \$13.57. In addition to funding the bank’s loans and investments with traditional bank deposits, the bank maintains other substantial sources of liquidity to fund steady asset growth, including the Federal Reserve Bank and the Federal Home Loan Bank of Pittsburgh.”

Second Quarter 2023 Highlights

- Net Loans increased 10% to \$341 million from \$310 million at June 30, 2022
- \$0.9 million increase in stockholders’ equity since June 30, 2022
- \$0.065 per share cash dividend paid to shareholders
- Net interest margin at the Bank remains solid at 3.57%
- Net income of \$455 thousand, totaling approximately \$0.22 per common share fully diluted
- Book value per share as of June 30, 2023, of \$13.57
- Total assets decreased by \$43 million to \$414 million as of June 30, 2023
- Credit quality remained stable

Capital Insights and Credit Quality:

- Nonaccrual loans remain low, increasing from \$85 thousand at year end 2022 to \$189 thousand in the current quarter.
- Non-performing assets to total assets increased slightly from 0.08% in the linked quarter to 0.09% in the current quarter.

- Delinquencies greater than 30 days remain low at 0.13% of total loans as of June 30, 2023, up slightly 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 allowance was .95% as of June 30, 2023, down slightly from the ALLL-to-total loans ratio of .99% as of December 31, 2022. The June 30, 2023, ACL covered non-performing loans over 8.7 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.

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)

Selected Financial Data	3 Months Ended		
	June 30, 2023	December 31, 2022	June 30, 2022
Investment securities	\$ 49,513	\$ 51,766	\$ 59,478
Loans, net of allowance for loan losses	340,978	327,366	310,133
Total assets	413,839	423,854	457,249
Deposits	369,256	379,944	414,010
Borrowings	3,750	3,750	3,750
Subordinated debt	12,817	12,804	12,791
Stockholders' equity	\$ 26,759	\$ 26,199	\$ 25,836
Book value per common share	\$ 13.58	\$ 13.29	\$ 13.11
Allowance/loans	0.95%	0.99%	1.12%
Nonperforming assets/total assets	0.09%	0.02%	0.02%
Selected Operations Data	June 30, 2023	December 31, 2022	June 30, 2022
Interest income	\$ 5,977	\$ 5,428	\$ 4,597
Interest expense	2,629	1,527	650
Net interest income	3,348	3,901	3,947
Provision for loan losses	0	(203)	94
Other income	118	(467)	142
Other expense	2,796	2,868	2,730
Income before income taxes	670	769	1,265
Income taxes	(215)	(167)	(255)
Net income	\$ 455	\$ 602	\$ 1,010
Earnings per common share (basic)	\$ 0.23	\$ 0.31	\$ 0.51
Earnings per common share (diluted)	\$ 0.22	\$ 0.29	\$ 0.50
Return on average assets (annualized)	0.44%	0.57%	0.87%
Return on average equity (annualized)	6.84%	9.30%	15.98%
Net charge-offs(recoveries)/average loans	0.00%	0.19%	0.11%