Purpose

pur • pose | \ 'pər-pəs \

noun: purpose

Definition of purpose

1 a : the why of what we do and the motivation behind our drive to serve

Promise

prom • ise | \ 'prä-məs \

noun: promise

Definition of promise

1 a : our commitment to excellence in standing strong with our values of service to our community

VICTORY BANCORP

2020 ANNUAL REPORT

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THE VICTORY BANK STATEMENT OF PURPOSE

"We exist to help our clients fulfill their visions and dreams"

Our Values

Extraordinary Personal Service

- We deliver professional financial advice and good value in a convenient and highly responsive manner. Every contact is an opportunity to help our clients feel important and satisfied.

Respect for All, Teamwork and a Great Working Environment

- We believe that happiness and job satisfaction are integral parts of business success. We strive to make The Victory Bank ***the*** employer of choice for an exclusive team of professionals who joyfully seek purpose in their work and are fully engaged in the pursuit of excellence.
- We conduct ourselves with respect and tolerance for all, regardless of age, disability, gender, race, sexual preference, economic status, religion or political views.
- We recognize and celebrate the importance and power of teamwork, where individual recognition is secondary to working in a collaborative way in pursuit of common goals.
- We willingly accept the responsibilities of leadership. We consistently model and teach our core values, and gauge our effectiveness through the positive changes that we create.

Candor, Credibility and Integrity

- We communicate openly, honestly and directly, regardless of title or position. We do not pollute our work environment with gossip and negativity.
- Our decisions and actions consider the long-term best interests of our clients, team members, communities and shareholders.
- We deliver what we promise.
- We do what is ethically right. Business relationships must provide good value to our clients, and be fair and profitable to the Bank.
- Our values stand the challenges of business, and the tests of time. We do not compromise our values for personal or corporate gain.

Accountability and Efficiency

- We hold ourselves accountable to do our jobs well, and are relentlessly committed to excellence.
- We plan our work, set clear goals, and think systematically about the long-term implications of our decisions.
- We operate efficiently and without waste.

Innovation, Adaptation and Learning

- We are stewards of our team's collective talents and capabilities, committed to helping all team members reach their ultimate potential.
- We must always be in a state of growth, adapting to an evolving world through the improvement of our knowledge, processes and systems. We recognize those individuals who innovate and challenge the status quo.
- Mistakes are viewed as opportunities to learn and improve, and when things go wrong, we focus on solutions rather than blame.

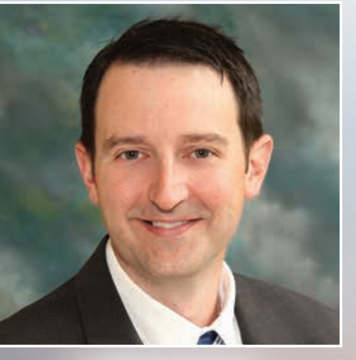
"Perfection is our inspiration"

EXECUTIVE LEADERSHIP TEAM

Richard Graver
Chief Lending Officer

Robert Schultz
Chief Financial Officer

Shelly Stockmal
Victory Community Leader



Jon Swearer
Chief Credit Officer

BOARD OF DIRECTORS

Alan S. Apt
President and CEO
Aptcor
Commercial Realtors

Matthew "Bo" Bates
Chief Executive Officer
Evans Network
of Companies

Robert L. Brant
Esquire
Robert L. Brant
& Associates, LLC

Michael A. Eddinger
Principal and Co-Owner
Suburban
Water Technology

Steven D. Gilmore, P.E.
Chief Executive Officer
Gilmore
and Associates, Inc.

Kevin L. Johnson, P.E.
President
Traffic Planning
and Design, Inc.

Joanne M. Judge, CPA
Esquire
Stevens & Lee

Joseph W. Major
President
Chairman of the Board /
Bank Leader
The Victory Bank

Mary Beth Touey
Retired Controller
Women's Health Care
Group of PA

Dennis R. Urffer, CPA
Retired Senior Director
HBK CPAs & Consultants

FROM THE CHAIRMAN

Dear Shareholder,

Victory Bancorp is a bank holding company deriving most of its results from the operations of The Victory Bank, a Pennsylvania chartered commercial bank, of which it is the sole shareholder. We appreciate your interest in the company and for taking a few minutes to review this annual report. Because of the pandemic, the annual meeting for Victory Bancorp will again be held virtually on May 18, 2021.

Despite the unprecedented economic and social turmoil of the bank's operating environment, 2020 proved to be a remarkable and record-setting year for Victory Bancorp and The Victory Bank.

Consolidated earnings reached $1.14 per share
Book value per share rose from $10.14 to $11.29
Cash dividends were paid totaling $390,000, or 20 cents per common share

In addition, the bank showed significant capital growth, successfully managed credit quality, built reserves against possible loan losses, and experienced record growth in asset size, loans, and deposits.

A Crooked Path

Of course, in 2020, the path to these results was not a straight line. In response to the COVID-19 pandemic, the bank provided over $1mm in loan loss reserves in anticipation of significant credit losses, which by year-end had mostly failed to materialize. By the end of March, the bank was forced to close the doors to walk-in retail banking, moving these services to drive-through lanes and electronic means, and moved 75% of the workforce to remote locations, with most people working from home utilizing secured internet access and telephones.

At the same time and in response to the needs of our business clients, the bank continued to make consumer and commercial loans and to underwrite each one individually. In the face of radically altered business conditions and general shutdowns, many existing business customers received temporary assistance from the bank in the form of modified or suspended payment terms and conditions. However, as of year-end 2020, the vast majority of borrowers who received loan deferrals or modifications returned to normal payment status, and total deferred loans were down to $475,000; and only $145,000, net of participations.

In addition, the bank quickly became a "black-belt" purveyor of the Paycheck Protection Program (PPP) loans through the Federal Small Business Administration (SBA), booking nearly 600 of these loans totaling $60.3 million, primarily to existing clients whose businesses had been devastated by the pandemic. Please note the bank would typically underwrite and close about 400 loans in an *entire year,* so it is fair to describe this as a monumental accomplishment. These funds went to existing customers and to many other businesses located in our local markets. At year-end 2020, approximately $17.5 million of this total had been forgiven by the SBA and were paid off. (Note the bank has renewed these lending efforts in phase III of PPP in early 2021 and has processed applications for another $38 million of these special loans.)

Interestingly, about 20% of these loans went to businesses not well served by other financial institutions, and many have now become loyal Victory Bank clients.

Certainly, loan deferrals and PPP loans provided critical assistance to many local businesses and professional practices, helping to keep their doors open and workers on the payroll. While it is still too early to be certain about the many possible negative consequences of the pandemic, the bank's credit metrics remained stable during 2020.

And like so many of you, our working and professional lives have been harshly disrupted by the pandemic. Board and staff meetings, recruiting efforts, interviewing, business development, client meetings, and the hiring and training of new team members relied almost exclusively on video technology, often a clumsy but necessary substitute for in-person communication.

Many members of our team were forced into quarantine status, and a few were taken ill but have since recovered. Many of our lives have been touched by tragedy, and we sadly lost clients, friends and members of our families to this disease. I cannot possibly express the depth of my appreciation to the many members of our team who worked long hours, late into the night while juggling family and personal responsibilities, many of whom went without vacations, worked weekends and performed exceptionally on behalf of our clients and the bank.

Financial Summary, Strategy, and Results

In most areas, 2020 turned out to be the best year in The Victory Bancorp's operating history. The company generated significant growth in loans, deposits, and earnings, while at the same time maintaining excellent credit quality. Reserves and capital increased sharply. During 2020, the bank also made substantial contributions to our local communities in the form of donations and volunteer community service.

The bank remained true to its core strategy, serving as a highly personalized niche lender to businesses, professional practices, and families located primarily in Montgomery, Berks, and Chester counties, a market with a collective population of approximately 1.8 million people, featuring excellent market demographics and solid growth statistics.

At the start of 2020, unemployment was low; wages were increasing, commercial and residential real estate was quite active, and, in general, the communities served by the bank appeared to be prosperous and economically diverse. Nevertheless, as the pandemic continued to spread, almost everything changed. Businesses were forced to close, travel virtually stopped, in-person gatherings were restricted, and traditional commercial loan demand came to a "screeching halt," only to be replaced with temporary loan modifications and the rapid growth of short-term PPP loans.

The banking industry is known for operating under mountains of policies and procedures, and like all banks, The Victory Bank maintained a "pandemic flu" policy since inception. For many years the bank also built and tested electronic banking capabilities and remote working arrangements. As pandemic matters began to deteriorate in March of 2020, the bank relied on these years of preparatory work, and in a matter of approximately three days, had successfully arranged for three-quarters of its workforce to be working safely and securely from remote locations, mostly from their homes. Fully describing the scope of these efforts is far beyond the confines of this letter, but it included thousands of items and hundreds of decisions and the concerted and cooperative efforts by each member of the team to make it happen.

Operating an essential retail business like a bank branch also includes sanitation, masks, and staggered work schedules for our dedicated retail bankers. Fortunately, when we built our retail banking facility we invested in high-quality drive-through facilities, which we had upgraded only a few months earlier, and which we further expanded in 2020. The bank has long provided extensive online banking services for its customers; in fact, prior to the COVID-19 outbreak, over 75% of all the bank's deposits were processed electronically. By prior appointment, our clients have been permitted to enter our retail facility for loan closings and other in-person necessities. Overall this approach seems to be working quite well. We have opened hundreds of new accounts using a combination of the drive-through, our online services, and a really old-fashioned technology called a telephone!

And speaking of the telephone, many of you know we do not allow voicemail in The Victory Bank. When the telephone rings at our bank during normal business hours, a person always answers and is ready to handle a customer inquiry. Having most of our people working from home has made this a challenging task, but we have stuck to our approach and served our clients as personally as we can.

Despite these changes, the bank continued to build its market presence by delivering first-class banking services, primarily by attracting, training, and retaining a markedly superior workforce. Since opening, the bank has focused on delivering an ***exceptional client experience*** to every customer and prospect. Loan and deposit pricing is fair to both the clients and to the bank without an over-reliance on fees or "add-on" charges.

Throughout the year, the bank also invested considerable time and resources into doing things faster, a proactive initiative we call "Speed Matters," with the goal of streamlining and improving the speed and efficiency of account opening, loan approvals, and other essential bank functions.

Assets, Loans, Deposits, and Earnings

During 2020, total assets of the Bancorp grew from $279 million to $429 million. Approximately 90% of the bank's loans on the balance sheet were commercial loans. Net of allowance for losses, total loans grew from $243 million to $284 million, and the bank processed and closed $136 million in loans for the year, an all-time high.

In direct response to the economic disruption caused by the COVID-19 pandemic, the allowance for loan losses increased from $2.213 million at year-end 2019 to $3.141 million at year-end 2020. Total loan charge-offs totaled $380,000 in 2020, as compared with $311,000 in 2019, nonperforming assets declined from $298,000 at year-end 2019 to $161,000 at year-end 2020. Non-accruing loans remained stable at approximately $160,000 at both year-end 2019 and 2020.

Deposit growth was brisk, from $248 million at year-end 2019 to $337 million at year-end 2020, with time deposits representing approximately 10.6% of total deposits and the remainder consisting of consumer, commercial and municipal deposits. Non-interest bearing demand deposits represented 18.2% of the total. To supplement bank funding and provide for liquidity, the bank maintains borrowing lines through the Federal Home Loan Bank system and Atlantic Community Bankers Bank. Total borrowings increased from $3.0 million at year-end 2019 to $51.5 million at year-end 2020, due mainly to the $41.0 million of secured borrowings related to the Paycheck Protection Program loans.

The bank's largest source of revenue is the interest income received on its loan and investment portfolios, showing steady growth consistent with overall balance sheet growth. Even with significant declines in interest rates, gross interest income increased from $14.354 million in 2019 to $15.617 million in 2020, and despite the significant ramp-up in bank deposits, reduced deposit rates and PPP fee income resulted in an increase in net interest income (after deposit interest expense) from $10.739 million in 2019 to $12.143 million in 2020. In addition, the bank generated income by charging modest fees and by selling certain loans into the secondary markets, including mortgage loans and other non-PPP loans guaranteed by the Small Business Administration. For 2020, total non-interest income increased from $541,000 to $580,000.

Victory Bancorp also issued $10.0 million of 10-year term subordinated debt in June of 2020 and held a total of

$17.7 million of subordinated debt on the balance sheet at year-end. Such debt has been issued by our bank holding company from time-to-time in support of general corporate purposes and has been "down-streamed" as needed to the bank where it can be counted as capital, and also used to support the payment of the coupon on the debt and cash dividends to shareholders.

Non-interest expenses were controlled and precisely on budget, increasing from $8.111 million in 2019 to $8.524 million in 2020.

Pretax income increased from $2.745 million in 2019 to $2.912 million in 2020. Net income available to common stockholders increased from $2.127 million to $2.275 million in 2020, an increase of 7.0 percent, and earnings per common share increased from $1.09 per share to $1.17 per share for 2020, and to $1.14, fully diluted. At year-end 2020, the total number of Victory Bancorp common shares outstanding was 1,950,077 shares. Total stockholders' equity increased from $19.778 million at December 31, 2019, to $22.022 million at December 31, 2020, and as a result, book value per share increased from $10.14 per share to $11.29 per share at year-end 2020.

As a result of continued growth and improved earnings, Victory Bancorp declared and paid a total of $390 thousand in cash dividends to its common shareholders in 2020, an increase of $196 thousand over 2019.

Bank Capital Ratios

2020 year-end capital ratios for The Victory Bank were:

Total capital to risk-weighted assets - 12.92%
Tier 1 capital to risk-weighted assets - 11.71%
Common stock Tier 1 capital to risk weighted assets - 11.71%
Tier 1 capital to average assets - 8.02%

Purpose and Promise

The Victory Bank and Victory Bancorp were founded with two very clear purposes in mind: To serve local citizens and businesses with first-rate financial services and good advice and to generate an excellent rate of return for the shareholders. When people consider banking with The Victory Bank, we want them to know it is our mission to help them reach their goals. When they invest in the stock of the bank holding company, we want them to know we are doing our best to protect and grow their investment and build a stronger and more valuable company.

We gather deposit dollars from businesses, and local people and most of these dollars are lent directly back into our local communities. I believe it is impossible to overstate the critical importance of having local banks available to supply much-needed credit and solve financial problems. This approach is far different from large national or international institutions or from the many non-banks promoting "bank-like" services on the internet, and *never has this been more evident than during the turmoil and uncertainty of 2020.*

Please remember our Board of Directors and almost all of our investors, who invested the equity needed to create the bank, are people who live and work in your local communities. Having local investors and a local Board of Directors with a vested interest makes our bank unique in our communities and is a huge differentiator from regional and national banks.

Lastly, The Victory Bank makes substantial direct contributions to many local charitable endeavors, and our team volunteers thousands of hours of personal time in support of this critical work. It is often our own hands helping others.

Thanks to Our Shareholders and Our Team

None of this could have been accomplished without the support of our clients and our dedicated team of bankers. Our goal is to ensure every position in the company is filled with good bankers who, more importantly, are good and trustworthy human beings. Every day, we remind our team about the core values of honesty, fairness, and teamwork.

We focus a tremendous amount of time and resources on building our team of bankers, offering competitive compensation, benefits, and personal flexibility, and we continue to invest heavily in training for every banker. We fill every position with people who are talented and dedicated and for whom the intrinsic reward of doing a job well brings them satisfaction. Our goal is to keep our staff turnover as low as possible so our clients are dealing with someone they are proud to know and trust.

Lastly, without your support as investors and as customers, we simply could not have made it this far, nor would we be able to look forward to even greater accomplishments on your behalf in the future. Please accept our sincere offer of thanks for all you have done for this company and for your communities.

Best Regards,

Joe Major
Bank Leader

Tel: 215-564-1900
Fax: 215-564-3940
www.bdo.com

Ten Penn Center
1801 Market Street, Suite 1700
Philadelphia, PA 19103

Independent Auditor's Report

To the Board of Directors
The Victory Bancorp, Inc.
Limerick, Pennsylvania

We have audited the accompanying consolidated financial statements of The Victory Bancorp, Inc. and its Subsidiary (the "Company"), which comprise the consolidated balance sheet as of December 31, 2020 and 2019, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for the years ended December 31, 2020 and 2019, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

BDO USA, LLP

Philadelphia, Pennsylvania
March 26, 2021

Consolidated Financial Statements

The Victory Bancorp, Inc.

Consolidated Balance Sheets

(in thousands, except share and per share data)

December 31,	2020	2019
Assets		
Cash and due from banks	$ **112,276**	$ 7,367
Federal funds sold	**4,000**	10,803
Cash and cash equivalents	**116,276**	18,170
Securities available-for-sale	**13,306**	11,084
Loans held for sale	**3,745**	-
Loans receivable, net of allowance for loan losses of $3,141 at December 31, 2020 and $2,213 at December 31, 2019	**283,618**	243,131
Premises and equipment, net	**3,272**	3,298
Restricted investment in bank stocks	**1,528**	474
Accrued interest receivable	**1,093**	716
Bank owned life insurance	**5,608**	1,548
Other assets	**979**	872
Total Assets	$ 429,425	$ 279,293
Liabilities and Stockholders' Equity		
Liabilities		
Deposits:		
Non-interest bearing	$ **61,357**	$ 48,060
Interest-bearing	**275,656**	199,734
Total deposits	**337,013**	247,794
Borrowings	**51,481**	3,000
Subordinated debt	**17,709**	7,927
Accrued interest payable and other liabilities	**1,200**	794
Total Liabilities	407,403	259,515
Stockholders' Equity		
Common stock, $1 par value; authorized 10,000,000 shares; issued and outstanding 1,950,077 shares at December 31, 2020 and 2019	**1,950**	1,950
Surplus	**14,260**	14,212
Retained earnings	**5,365**	3,480
Accumulated other comprehensive income	**447**	136
Total Stockholders' Equity	22,022	19,778
Total Liabilities and Stockholders' Equity	$ 429,425	$ 279,293

See accompanying notes to consolidated financial statements.

The Victory Bancorp, Inc.

Consolidated Statements of Income
(in thousands, except share and per share data)

Years Ended December 31,		**2020**		2019
Interest Income				
Interest and fees on loans	$	**15,148**	$	13,949
Interest on investment securities		**351**		299
Other interest income		**118**		106
Total Interest Income		**15,617**		14,354
Interest Expense				
Deposits		**2,262**		2,984
Borrowings		**1,212**		631
Total Interest Expense		**3,474**		3,615
Net interest income		**12,143**		10,739
Provision for Loan Losses		**1,287**		424
Net Interest Income After Provision for Loan Losses		**10,856**		10,315
Non-Interest Income				
Service charges and activity fees		**213**		242
Net gains on sales of loans		**60**		-
Other income		**307**		299
Total Non-Interest Income		**580**		541
Non-Interest Expenses				
Salaries and employee benefits		**5,182**		4,955
Occupancy and equipment		**493**		496
Legal and professional fees		**514**		403
Advertising and promotion		**109**		108
Loan expenses		**130**		149
Data processing costs		**1,124**		1,012
Supplies, printing and postage		**91**		128
Telephone		**37**		32
Entertainment		**53**		121
Mileage and tolls		**17**		36
Insurance		**40**		39
FDIC insurance premiums		**169**		94
Dues and subscription		**81**		72
Shares tax		**247**		209
Other		**237**		257
Total Non-Interest Expense		**8,524**		8,111
Income before income taxes		**2,912**		2,745
Income Taxes		**(637)**		(618)
Net Income Available to Common Stockholders	**$**	**2,275**	$	2,127
Basic earnings per common share	**$**	**1.17**	$	1.09
Diluted earnings per common share	**$**	**1.14**	$	1.06
Weighted Average Common Shares Outstanding:				
Basic		**1,950,077**		1,950,077
Diluted		**1,999,077**		2,010,077

See accompanying notes to consolidated financial statements.

The Victory Bancorp, Inc.

Consolidated Statements of Comprehensive Income
(in thousands)

Years Ended December 31,		**2020**		2019
Net Income	**$**	**2,275**	$	2,127
Other Comprehensive Gain				
Unrealized holding gain arising on securities available-for-sale		**391**		219
Tax effect		**(80)**		(48)
Other comprehensive gain		**311**		171
Total Comprehensive Income	**$**	**2,586**	$	2,298

See accompanying notes to consolidated financial statements.

The Victory Bancorp, Inc.

Consolidated Statements of Stockholders' Equity
(in thousands, except per share data)

	Common Stock	Surplus	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total
Balance, January 1, 2019	$ 1,950	14,158	1,547	(35)	17,620
Net income			2,127		2,127
Other comprehensive income				171	171
Share-based compensation		54			54
Cash dividends on common stock at $0.10 per share			(194)		(194)
Balance, December 31, 2019	1,950	$ 14,212	$ 3,480	$ 136	$ 19,778
Net income			2,275		2,275
Other comprehensive income				311	311
Share-based compensation		48			48
Cash dividends on common stock at $0.20 per share			(390)		(390)
Balance, December 31, 2020	$ 1,950	$ 14,260	$ 5,365	$ 447	$ 22,022

See accompanying notes to consolidated financial statements.

The Victory Bancorp, Inc.

Consolidated Statements of Cash Flows
(in thousands)

Years Ended December 31,		**2020**		2019
Cash Flows from Operating Activities				
Net income	$	**2,275**	$	2,127
Adjustments to reconcile net income to net cash provided by operating activities:				
Provision for loan losses		**1,287**		424
Depreciation and amortization		**290**		261
Share-based compensation		**48**		54
Deferred income taxes		**(277)**		85
Net amortization of investment securities		**28**		(14)
Earnings on bank owned life insurance		**(60)**		(41)
Net realized gains on sale of loans held for sale		**(60)**		-
Origination of non-SBA loans held for sale		**(3,745)**		-
Origination of SBA loans held for sale		**(736)**		-
Proceeds from sale of SBA loans held for sale		**796**		-
Net write down/loss on sale of real estate owned		**-**		33
Amortization of debt issuance costs		**23**		11
Increase/(decrease) in accrued interest receivable		**(377)**		95
Increase in other assets		**90**		130
(Decrease)/increase in accrued interest payable		**84**		(16)
Increase/(decrease) in other liabilities		**322**		(302)
Net Cash Provided by Operating Activities		**(12)**		2,847
Cash Flows from Investing Activities				
Activity in available-for-sale securities:				
Purchases		**(5,150)**		(3,078)
Proceeds from maturities, calls and principal pay downs		**3,291**		1,923
Net increase in loans		**(41,774)**		(15,294)
Proceeds from the sale of real estate owned		**-**		60
(Purchase)/sale of restricted investment in bank stocks		**(1,054)**		241
Purchases of premises and equipment		**(264)**		(171)
Purchase of bank owned life insurance		**(4,000)**		-
Net Cash Used in Investing Activities		**(48,951)**		(16,319)
Cash Flows from Financing Activities				
Net increase in deposits		**89,219**		24,015
Net proceeds from issuance of subordinated debt		**9,759**		2,975
Cash dividends on common stock		**(390)**		(194)
Advances of long-term borrowing		**7,500**		1,000
Net (decrease) in short-term borrowing		**40,981**		(2,280)
Net Cash Provided by Financing Activities		**147,069**		25,516
Net increase in cash and cash equivalents		**98,106**		12,044
Cash and Cash Equivalents, Beginning		**18,170**		6,126
Cash and Cash Equivalents, Ending	$	**116,276**	$	18,170
Supplementary Cash Flows Information				
Income taxes paid	$	**789**	$	736
Interest paid	$	**3,390**	$	3,631

See accompanying notes to consolidated financial statements.

1. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements of The Victory Bancorp, Inc. (the "Corporation") are prepared on the accrual basis and include the accounts of The Victory Bancorp, Inc. and its wholly-owned subsidiary, The Victory Bank (the "Bank"). All significant intercompany accounts and transactions have been eliminated from the accompanying consolidated financial statements.

In preparing these consolidated financial statements, the Bank evaluated the events and transactions that occurred from December 31, 2020 through March 26, 2021 the date these consolidated financial statements were available for issuance.

Organization and Nature of Operations

The Victory Bancorp, Inc. is a registered bank holding company, which owns 100% of the outstanding capital stock of The Victory Bank. The Corporation was incorporated under the laws of the State of Pennsylvania in 2009 for the purpose of serving as The Victory Bank's holding company. The holding company structure provides flexibility for growth through expansion of core business activities and access to varied capital raising operations. The Corporation's primary business activity consists of ownership of all of the outstanding stock of The Victory Bank. As of December 31, 2020, the Corporation had 368 common stockholders of record.

The Bank is a Pennsylvania chartered commercial bank which was chartered in January 2008. The Bank operates a full-service commercial and consumer banking business in Montgomery County, Pennsylvania. The Bank's focus is on small- and middle-market commercial and retail customers. The Bank originates secured and unsecured commercial loans, commercial mortgage loans, consumer loans and construction loans and does not make subprime loans. The Bank also offers revolving credit loans, small business loans and automobile loans. The Bank offers a variety of deposit products, including demand and savings deposits, regular savings accounts, investment certificates and fixed-rate certificates of deposit. As a state-chartered bank, the Bank is subject to regulation of the Pennsylvania Department of Banking and Federal Deposit Insurance Corporation.

Operating, Accounting and Reporting Considerations related to COVID-19

The coronavirus (COVID-19) pandemic has negatively impacted the global economy, disrupted global supply chains and increased unemployment levels. The resulting temporary closure of many businesses and the implementation of social distancing and sheltering-in-place policies have impacted and may continue to impact many of the Corporation's customers. While the full effects of the pandemic remain unknown, the Corporation has provided hardship relief assistance to customers, including the consideration of various loan payment deferral options, and encouraged customers to reach out for assistance to support their individual circumstances.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed by the President of the United States. Certain provisions within the CARES Act encourage financial institutions to practice prudent efforts to work with borrowers impacted by COVID-19. Under these provisions, which the Corporation has applied, loan modifications deemed to be COVID-19-related are not considered a troubled debt restructuring ("TDR") if the loan was not more than 30 days past due as of December 31, 2019 and the deferral was executed between March 1, 2020 and the earlier of 60 days after the date of termination of the COVID-19 national emergency or December 31, 2020.

In December 2020, this CARES Act provision was extended to December 31, 2021. The banking regulators issued similar guidance, which also clarified that a COVID-19-related modification would not meet the requirements under accounting principles generally accepted in the United States of America to be a TDR if the borrower was current on payments at the time the underlying loan modification program was implemented and if the modification is considered to be short-term. The Corporation generally offered impacted borrowers loan payment deferrals of 90 days in duration. The Corporation offered subsequent 90-day deferrals if requested by the borrower. Any deferred amounts were generally added by the Corporation to the payoff balance of the loan at maturity. Most of the deferral requests occurred during the second and third quarters of 2020. As of December 31, 2020, the Corporation had remaining payment deferrals of $145,000.

Additionally, the Corporation is a lender for the Small Business Administration's (“SBA”) Paycheck Protection Program ("PPP"), a program under the CARES Act, and other SBA, Federal Reserve or United States Treasury programs that have been created in response to the pandemic and may be a lender under such programs created in the future. These programs are recent and their effects on the Corporation’s business remain uncertain. The Corporation originated $60.3 million in PPP loans during the second and third quarters of 2020. The Corporation began accepting and transmitting PPP loan forgiveness documentation to the SBA in the third and fourth quarter of 2020 and had received $17.5 million in PPP forgiveness payoffs from the SBA as of December 31, 2020. At December 31, 2020, the Corporation had 435 PPP loans outstanding totaling approximately $42.8 million.

In December 2020, the Bipartisan-Bicameral Omnibus COVID Relief Deal, included as a component of appropriations legislation, and the Economic Aid Act were enacted to provide economic stimulus to individuals and businesses in further response to the economic distress caused by the COVID-19 pandemic. Among other things, the legislation includes stimulus payment for individuals under certain income thresholds, extension of enhanced unemployment benefits, a rental assistance program, an extension of the eviction moratorium, targeted funding related to public health measures and small business relief, which included additional funds for PPP loans.

The extent to which the COVID-19 pandemic has a further impact the Corporation's business, results of operations, and financial condition, as well as the Corporation's regulatory capital and liquidity ratios, will depend on future developments, which are highly uncertain and cannot be predicted, including the scope and duration of the COVID-19 pandemic and actions taken by governmental authorities and other third parties in response to the COVID-19 pandemic.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for loan losses, the fair value of financial instruments, and the valuation of deferred tax assets.

Significant Group Concentrations of Credit Risk

Most of the Bank's activities are with customers located within Montgomery County, Pennsylvania. Note 4 discusses the types of lending that the Bank engages in. Although the Bank has a diversified loan portfolio, its borrowers' ability to honor their contracts is influenced by the economy of Montgomery County and the surrounding areas.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, amounts due from banks and federal funds sold, all of which mature within ninety days. Generally, federal funds are sold for one day periods.

Securities

Management determines the appropriate classification of debt investment securities at the time of purchase and re-evaluates such designation as of each balance sheet date. Securities that management has the positive intent and ability to hold until maturity are classified as held-to-maturity and are carried at their remaining unpaid principal balance, net of unamortized premiums, or unaccreted discounts. At December 31, 2020 and 2019, the Corporation had no investment securities classified as held-to-maturity.

Securities that will be held for indefinite periods of time, including securities that may be sold in response to changes in market interest or prepayment rates, needs for liquidity and changes in the availability of and the yield of alternative investments are classified as available-for-sale. These securities are carried at fair value, which is determined by obtaining quoted market prices or matrix pricing. Unrealized gains and losses are excluded from earnings and are reported in other comprehensive loss. Realized gains and losses are recorded on the trade date and are determined using the specific identification method. Premiums are amortized and discounts are accreted using the interest method over the estimated remaining term of the underlying security.

Management evaluates securities for other-than-temporary impairment on at least an annual basis, and more frequently when economic or market concerns warrant such evaluation. Declines in fair value of debt securities below their cost that are deemed to be other-than-temporary are separated into (a) the amount of the total other-than-temporary impairment related to a decrease in cash flows expected to be collected from the debt security (the credit loss) and (b) the amount of the total other-than-temporary impairment related to all other factors. The amount of the total other-than-temporary impairment related to the credit loss is recognized in earnings. The amount of the total other-than-temporary impairment related to all other factors is recognized in other comprehensive income. In estimating other-than-temporary impairment losses, management considers (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) whether or not management intends to sell or expects that it is more likely than not that it will be required to sell the debt security prior to any anticipated recovery in fair value.

U.S. Small Business Association (SBA) Lending Activities

The Bank originates loans to customers in its primary market area under an SBA program that generally provides for SBA guarantees of up to 90 percent of each loan. The Bank generally sells the guaranteed portion of its SBA loans to a third party and retains the servicing, holding the nonguaranteed portion in its portfolio. When the guaranteed portion of an SBA loan is sold, the premium received on the sale and the present value of future cash flows of the servicing assets, less the discount retained, are recognized in income.

SBA mortgage servicing assets are recognized separately when rights are acquired through the sale of the SBA guaranteed portion. These mortgage servicing rights (MSRs) are initially measured at fair value at the date of sale and a gain is recognized equal to the fair value of MSRs on the date of sale. To determine the fair value of mortgage servicing rights, the Bank uses market prices for comparable mortgage servicing contracts, when available, or alternatively, uses a valuation model that calculates the present value of estimated future net servicing income. In using this valuation method, the Bank incorporates assumptions that market participants would use in estimating future net servicing income, which includes estimates of the cost to service, the discount rate, custodial earnings rate, an inflation rate, ancillary income, prepayment speeds, default rates, late fees and losses.

These MSRs are amortized in proportion to, and over the period of, the estimated net servicing income or net servicing loss and measured for impairment based on fair value at each reporting date. The amortization of the MSRs is analyzed periodically and is adjusted to reflect changes in prepayment rates and other estimates.

Serviced loans sold to others are not included in the accompanying consolidated balance sheets. Income (losses) and fees collected for loan servicing are included in non-interest income.

The foregoing discussion relates to the Corporation's activities in the SBA's Section 7(a) and similar programs. For information on the Corporation's participation in the SBA's PPP program, see Note 4 below.

Loans Receivable

Loans receivable that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are stated at their outstanding unpaid principal balances, net of an allowance for loan losses and any deferred fees or costs. Interest income is accrued on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, are deferred and recognized as an adjustment of the yield (interest income) of the related loans. The Corporation is generally amortizing these amounts over the contractual life of the loan. Premiums and discounts on purchased loans are amortized as adjustments to interest income using the effective yield method.

The loans receivable portfolio is segmented into PPP, commercial and consumer loans. Commercial loans consist of the following classes: commercial term, commercial mortgage, commercial lines of credit, and construction. Consumer loans consist of the following classes: home equity and other consumer.

The Company’s PPP loans under the CARES Act are fully guaranteed by the SBA and thus have minimal risk.

The Bank's credit policies determine advance rates against the different forms of collateral that can be pledged against commercial term, lines of credit and mortgage loans. Typically, the majority of loans will be limited to a percentage of their underlying collateral values such as real estate values, equipment, eligible accounts receivable and inventory. Individual loan advance rates may be higher or lower depending upon the financial strength of the borrower and/or term of the loan. The assets financed through commercial loans are used within the business for its ongoing operation. Repayment of these kinds of loans generally comes from the cash flow of the business or the ongoing conversions of assets. Commercial mortgage loans include long-term loans financing commercial properties. Repayment of this kind of loan is dependent upon either the ongoing cash flow of the borrowing entity or the resale of or lease of the subject property. Commercial mortgage loans typically require a loan to value ratio of not greater than 80% and vary in terms.

Construction lending is generally considered to involve high risk due to the concentration of principal in a limited number of loans and borrowers and the effects of general economic conditions on developers and builders. Moreover, a construction loan can involve additional risks because of the inherent difficulty in estimating both a property's value at completion of the project and the estimated cost (including interest) of the project. The nature of these loans is such that they are generally difficult to evaluate and monitor.

Home equity loans are secured by the borrower's residential real estate in either a first or second lien position. Residential mortgages and home equity loans have varying loan rates depending on the financial condition of the borrower and the loan to value ratio. Risks associated with home equity loans in second lien positions are greater than those in first position due to the subordinate nature of the loans.

Other consumer loans include installment loans, car loans, and overdraft lines of credit. The majority of these loans are unsecured. Risks associated with other consumer loans tend to be greater due to unsecured position or the rapidly depreciating nature of the underlying assets.

For all classes of loans receivable, the accrual of interest is discontinued when the contractual payment of principal or interest has become 90 days past due or management has serious doubts about further collectability of principal or interest, even though the loan is currently performing. A loan may remain on accrual status if it is in the process of collection and is either guaranteed or well secured. When a loan is placed on nonaccrual status, unpaid interest credited to income in the current year is reversed and unpaid interest accrued in prior years is charged against the allowance for loan losses. Interest received on nonaccrual loans, including impaired loans, generally is either applied against principal or reported as interest income, according to management's judgment as to the collectability of principal. Generally, loans are restored to accrual status when the obligation is brought current, has performed in accordance with the contractual terms for a reasonable period of time (generally six months) and the ultimate collectability of the total contractual principal and interest is no longer in doubt. The past due status of all classes of loans receivable is determined based on contractual due dates for loan payments.

Allowance for Loan Losses

The allowance for loan losses ("allowance") represents management's estimate of losses inherent in the loan portfolio as of the balance sheet date and is recorded as a reduction to loans. The allowance is increased by the provision for loan losses, and decreased by charge-offs, net of recoveries. Loans deemed to be uncollectible are charged against the allowance, and subsequent recoveries, if any, are credited to the allowance. All, or part, of the principal balance of loans receivable are charged off to the allowance as soon as it is determined that the repayment of all, or part, of the principal balance is highly unlikely.

The allowance is maintained at a level considered adequate to provide for losses that can be reasonably anticipated. Management performs a quarterly evaluation of the adequacy of the allowance. The allowance is based on the Corporation's past loan loss experience, known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay, the estimated value of any underlying collateral, composition of the loan portfolio, current economic conditions and other relevant factors. This evaluation is inherently subjective as it requires material estimates that may be susceptible to significant revision as more information becomes available.

The allowance consists of specific and general components. The specific component relates to loans that are classified as impaired. For loans that are classified as impaired, an allowance is established when the discounted cash flows (or collateral value or observable market price) of the impaired loan is lower than the carrying value of that loan. The general component covers pools of loans by loan class including commercial loans not considered impaired, as well as smaller balance homogeneous loans, such as home equity and other consumer loans. These pools of loans are evaluated for loss exposure based upon historical loss rates for each of these categories of loans, adjusted for qualitative factors. These qualitative risk factors include:

1. Lending policies and procedures, including underwriting standards and collection, charge-off, and recovery practices.
2. National, regional, and local economic and business conditions as well as the condition of various market segments, including the value of underlying collateral for collateral dependent loans.
3. Nature and volume of the portfolio and terms of loans.
4. Volume and severity of past due, classified and nonaccrual loans as well as and other loan modifications.
5. Existence and effect of any concentrations of credit and changes in the level of such concentrations.
6. Effect of external factors, such as competition and legal and regulatory requirements.
7. Experience, ability and depth of lending management staff.

Each factor is assigned a value to reflect improving, stable or declining conditions based on management's best judgment using relevant information available at the time of the evaluation. Adjustments to the factors are supported through documentation of changes in conditions in a narrative accompanying the allowance for loan loss calculation.

A loan is considered impaired when, based on current information and events, it is probable that the Corporation will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan by loan basis for commercial term, commercial mortgage, commercial lines of credit and commercial construction loans by either the present value of expected future cash flows discounted at the loan's effective interest rate or the fair value of the collateral if the loan is collateral dependent.

An allowance for loan losses is established for an impaired loan if its carrying value exceeds its estimated fair value. The estimated fair values of substantially all of the Corporation's impaired loans are measured based on the estimated fair value of the loan's collateral.

For commercial loans secured by real estate, estimated fair values are determined primarily through third-party appraisals. When a real estate secured loan becomes impaired, a decision is made regarding whether an updated certified appraisal of the real estate is necessary. This decision is based on various considerations, including the age of the most recent appraisal, the loan-to-value ratio based on the original appraisal and the condition of the property. Appraised values are discounted to arrive at the estimated selling price of the collateral, which is considered to be the estimated fair value. The discounts also include estimated costs to sell the property.

For commercial loans secured by non-real estate collateral, such as accounts receivable, inventory and equipment, estimated fair values are determined based on the borrower's financial statements, inventory reports, accounts receivable agings or equipment appraisals or invoices. Indications of value from these sources are generally discounted based on the age of the financial information or the quality of the assets.

Large groups of smaller balance homogeneous loans are collectively evaluated for impairment. Accordingly, the Corporation does not separately identify individual, home equity loans and other consumer loans for impairment disclosures, unless such loans are the subject of a troubled debt restructuring agreement.

Loans whose terms are modified are classified as troubled debt restructurings if the Corporation grants such borrowers concessions and it is deemed that those borrowers are experiencing financial difficulty. Concessions granted under a troubled debt restructuring generally involve a temporary reduction in interest rate or an extension of a loan's stated maturity date at a below market interest rate based on the credit risk associated with the loan. Non-accrual troubled debt restructurings are restored to accrual status if principal and interest payments, under the modified terms, are current for six consecutive months after modification. Loans classified as troubled debt restructurings are designated as impaired.

The allowance calculation methodology includes further segregation of loan classes into risk rating categories. The borrower's overall financial condition, repayment sources, guarantors and value of collateral, if appropriate, are evaluated quarterly for commercial loans or when credit deficiencies arise, such as delinquent loan payments, for commercial and consumer loans. Credit quality risk ratings include regulatory classifications of special mention, substandard, doubtful and loss. Loans criticized special mention have potential weaknesses that deserve management's close attention. If uncorrected, the potential weaknesses may result in deterioration of the repayment prospects. Loans classified substandard have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They include loans that are inadequately protected by the current sound net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans classified doubtful have all the weaknesses inherent in loans classified substandard with the added characteristic that collection or liquidation in full, on the basis of current conditions and facts, is highly improbable. Loans classified as a loss are considered uncollectible and are charged to the allowance for loan losses. Loans not classified are rated pass.

Banking regulatory agencies, as an integral part of their examination process, periodically review the Corporation's allowance for loan losses and may require the Corporation to recognize additions to the allowance based on their judgments about information available to them at the time of their examination, which may not be currently available to management. Based on management's comprehensive analysis of the loan portfolio, management believes the current level of the allowance for loan losses is adequate.

Loans held for sale

Loans originated or purchased by the Corporation with the intent to sell them in the secondary market are carried either at the lower of cost or fair value, determined in the aggregate. These loans are generally sold on a non-recourse basis with servicing released. Gains and losses on the sale of loans accounted for at the lower of cost or fair value are recognized in earnings based on the difference between the proceeds received and the carrying amount of the loans, inclusive of deferred origination fees and costs, if any.

As a result of changes in events and circumstances or developments regarding management's view of the foreseeable future, loans not originated or purchased with the intent to sell may subsequently be designated as held for sale. These loans are transferred to the held-for-sale portfolio at the lower of amortized cost or fair value. When the amortized cost of the loan exceeds its fair value at the date of transfer to the held-for-sale portfolio, the excess will be recognized as a charge against the allowance for loan losses to the extent the loan's reduction in fair value has already been provided for in the allowance for loan losses. Any subsequent lower of cost or fair value adjustments are recognized as a valuation allowance with charges recognized in non-interest income.

Transfers of Financial Assets

Transfers of financial assets, including loan and loan participation sales, are accounted for as sales, when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Corporation, put presumptively beyond the reach of the transferor and its creditors, even in bankruptcy or other receivership; (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and (3) the Corporation does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Bank Premises and Equipment

Bank premises and equipment are stated at cost less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets. Amortization of leasehold improvements is recorded over the shorter of the estimated useful life or lease term.

Restricted Investment in Bank Stocks

Restricted investment in bank stocks, which represents required investments in the common stock of correspondent banks, is carried at cost, and consists of $60,000 common stock of the Atlantic Community Bankers Bank (ACBB) at December 31, 2020 and 2019, Federal Home Loan Bank of Pittsburgh (FHLB) stock totaling $840,000 and $414,000 at December 31, 2020 and 2019, and Federal Reserve Bank (FRB) stock of $628,000 and $0 at December 31, 2020 and 2019, respectively.

Income Taxes

Current income tax accounting guidance results in two components of income tax expense: current and deferred. Current income tax expense reflects taxes to be paid or refunded for the current period by applying the provisions of the enacted tax law to the current period taxable income. The Corporation determines deferred income taxes using the liability (or balance sheet) method. Under this method, the net deferred tax asset or liability is based on the tax effects of the differences between the book and tax basis of assets and liabilities, net operating loss carryforwards, and enacted changes in tax rates and laws are recognized in the period in which they occur.

Deferred income tax expense (benefit) results from changes in deferred tax assets and liabilities between periods. Deferred tax assets are reduced by a valuation allowance if, based on the weight of the evidence available, it is more likely than not that some portion or all of a deferred tax asset will not be realized.

The Corporation accounts for uncertain tax positions if it is more likely than not, based on the technical merits, that the tax position will be realized or sustained upon examination. The term more likely than not means a likelihood of more than 50 percent; the terms examined and upon examination also include resolution of the related appeals or litigation processes, if any. A tax position that meets the more-likely-than-not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a greater than 50 percent likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. The determination of whether or not a tax position has met the more-likely-than-not recognition threshold considers the facts, circumstances, and information available at the reporting date and is subject to management's judgment.

The Corporation evaluates the carrying amount of its deferred tax assets on a quarterly basis or more frequently, if necessary, in accordance with the guidance provided in Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 740 (ASC 740), in particular, applying the criteria set forth therein to determine whether it is more likely than not (i.e., a likelihood of more than 50%) that some portion, or all, of the deferred tax asset will not be realized within its life cycle, based on the weight of available evidence. If management makes a determination based on the available evidence that it is more likely than not that some portion or all of the deferred tax assets will not be realized in future periods, a valuation allowance is calculated and recorded. These determinations are inherently subjective and dependent upon estimates and judgments concerning management's evaluation of both positive and negative evidence.

In conducting the deferred tax asset analysis, the Corporation believes it is important to consider the unique characteristics of an industry or business. In particular, characteristics such as business model, level of capital and reserves held by financial institutions and their ability to absorb potential losses are important distinctions to be considered for bank holding companies like the Corporation. Most importantly, it is also important to consider that net operating losses for federal income tax purposes can generally be carried forward for a period of twenty years. In order to realize deferred tax assets, the Corporation must generate sufficient taxable income in such future years.

In assessing the need for a valuation allowance, the Corporation carefully weighed both positive and negative evidence currently available. Judgment is required when considering the relative impact of such evidence. The weight given to the potential effect of positive and negative evidence must be commensurate with the extent to which it can be objectively verified. A cumulative loss in recent years is a significant piece of negative evidence that is difficult to overcome. As a result of continued profitability and taxable income in recent years, the Corporation has concluded that no valuation allowance is required for the deferred tax assets at December 31, 2020.

The Corporation recognizes interest and penalties on income taxes, if any, as a component of the provision for income taxes. There were no interest and penalties recognized during the years ended December 31, 2020 or 2019.

Federal and state tax returns for the years 2017 through 2019 are open for examination as of December 31, 2020.

Comprehensive Income

Accounting principles generally require that recognized revenue, expenses, gains and losses be included in net income. Although certain changes in assets and liabilities, such as unrealized gains and losses on available-for-sale securities, are reported as a separate component of stockholders' equity section of the consolidated balance sheets, such items along with net income are components of comprehensive income.

Fair Value of Financial Instruments

Fair values of financial instruments are estimated using relevant market information and other assumptions, as more fully disclosed in Note 14. Fair value estimates involve uncertainties and matters of significant judgment. Changes in assumptions or in market conditions could significantly affect the estimates.

Off-Balance Sheet Financial Instruments

In the ordinary course of business, the Corporation has entered into off-balance sheet financial instruments consisting of commitments to extend credit. Such financial instruments are recorded in the consolidated balance sheets when they are funded.

Employee Benefit Plan

The Bank has established a 401(k) plan ("the Plan"). Under the Plan, all employees are eligible to contribute the maximum allowed by the Internal Revenue Code of 1986, as amended. The Bank may make discretionary matching contributions. For the years ended December 31, 2020 and 2019, expense attributable to the Plan amounted to $151,000 and $138,000, respectively.

Share-Based Compensation

The Bank follows the provisions of ASC 718-10, *Compensation – Stock Compensation*. This standard requires the Bank to recognize the cost of employee and organizer services received in share-based payment transactions and measure the cost based on the grant-date fair value of the award. The cost will be recognized over the period during which the employee or organizer is required to provide service in exchange for the award.

The stock compensation accounting guidance requires that compensation cost for all stock awards be calculated and recognized over the employee's service period, generally defined as the vesting period. For awards with graded-vesting, compensation cost is recognized on a straight-line basis over the requisite service period for the entire award. A Black-Scholes model is used to estimate the fair value of stock options, while the fair value of the Corporation's common stock at the date of grant is used for restricted stock awards.

Earnings per Share

Basic earnings per share ("EPS") represents net income available to common shareholders divided by the weighted-average number of common shares outstanding during the period. Diluted EPS includes all potentially dilutive common shares outstanding during the period. Potential common shares that may be issued related to outstanding stock options are determined using the treasury stock method.

The following table sets forth the composition of basic and diluted earnings per share.

Years Ended December 31,	**2020**	2019
	(In thousands, except for share and per share data)	
Basic EPS		
Net income available to common stockholders	**$ 2,275**	$ 2,127
Basic weighted average shares outstanding	**1,950,077**	1,950,077
Plus: effect of dilutive options	**49,000**	60,000
Diluted weighted average common shares	**1,999,077**	2,010,077
Earnings per share:		
Basic	**$ 1.17**	$ 1.09
Diluted	**$ 1.14**	$ 1.06

2. Restrictions on Cash and Due from Banks

In return for services obtained through correspondent banks, the Bank is required to maintain non-interest-bearing cash balances in those correspondent banks. Compensating balances totaled $1,000,000 and $150,000, at December 31, 2020 and 2019, respectively, included in cash and due from banks.

3. Securities Available-for-Sale

The amortized cost and fair value of securities as of December 31, 2020 and 2019 is summarized as follows (in thousands):

December 31, 2020		**Amortized Cost**		**Gross Unrealized Gains**		**Gross Unrealized Losses**		**Fair Value**
Corporate bonds	**$**	**5,150**	**$**	**220**	**$**	**-**	**$**	**5,370**
Residential mortgage-backed securities		**7,590**		**346**		**-**		**7,936**
	$	**12,740**	**$**	**566**	**$**	**-**	**$**	**13,306**

December 31, 2019		Amortized Cost		Gross Unrealized Gains		Gross Unrealized Losses		Fair Value
Residential mortgage-backed securities	$	10,909	$	178	$	(3)	$	11,084
	$	10,909	$	178	$	(3)	$	11,084

Residential mortgage-backed securities are comprised of FHLMC, FNMA and GNMA pass through certificates at December 31, 2020 and 2019.

There were no investment securities with unrealized losses at December 31, 2020. The unrealized losses and related fair value of investment securities available for sale with unrealized losses less than 12 months and those with unrealized losses 12 months or longer as of December 31, 2019 are as follows (in thousands):

December 31, 2019	Less than 12 Months				12 Months or More				Total			
		Fair Value		Unrealized Losses		Fair Value		Unrealized Losses		Fair Value		Unrealized Losses
Residential mortgage-backed securities	$	1,529	$	(3)	$	-	$	-	$	1,529	$	(3)
Total	$	1,529	$	(3)	$	-	$	-	$	1,529	$	(3)

There was one individual investment security in an unrealized loss position less than 12 months as of December 31, 2019. The unrealized loss position at December 31, 2019 is the result of interest rate changes and does not represent other than temporary impairment of the security.

The amortized cost and fair value of securities as of December 31, 2020 and 2019, by contractual maturity, are shown below. Expected maturities of mortgage-backed securities may differ from contractual maturities because the securities may be called without any penalties (in thousands):

	2020		2019	
	Amortized Cost	**Fair Value**	Amortized Cost	Fair Value
Due in one year or under	**$ -**	**$ -**	$ -	$ -
Due after one year through five years	**-**	**-**	-	-
Due after five years through ten years	**5,150**	**5,370**	-	-
Mortgage-backed investment securities	**7,590**	**7,936**	10,909	11,084
	$ 12,740	**$ 13,306**	$ 10,909	$ 11,084

4. Loans Receivable

The composition of loans receivable at December 31, 2020 and 2019 is as follows (in thousands):

	2020	2019
PPP	**$ 42,761**	$ -
Commercial term	**22,524**	23,549
Commercial mortgage	**131,459**	123,745
Commercial line	**19,444**	24,504
Construction	**43,000**	42,166
Home equity	**7,735**	8,019
Consumer	**21,271**	23,657
Total loans	**288,194**	245,640
Deferred (fees) cost, net	**(1,435)**	(296)
Allowance for loan losses	**(3,141)**	(2,213)
Net Loans	**$ 283,618**	$ 243,131

Allowance for Loan Losses and Recorded Investment in Loans Receivable

The following tables summarize the activity in the allowance for loan losses by loan class for the year ended December 31, 2020 and information in regards to the allowance for loan losses and the recorded investment in loans receivable by loan class as of December 31, 2020 (in thousands):

	Allowance for Loan Losses						
	Beginning Balance	Charge-offs	Recoveries	Provisions	Ending Balance	Ending Balance: Individually Evaluated for Impairment	Ending Balance: Collectively Evaluated for Impairment
PPP	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commercial term	227	80	9	131	287	24	263
Commercial mortgage	889	-	8	698	1,595	137	1,458
Commercial line	234	250	-	350	334	124	210
Construction	443	50	4	99	496	-	496
Home equity	153	-	-	5	158	-	158
Consumer	267	-	-	4	271	25	246
	$ 2,213	$ 380	$ 21	$ 1,287	$ 3,141	$ 310	$ 2,831

	Loans Receivables		
	Ending Balance	Ending Balance: Individually Evaluated for Impairment	Ending Balance: Collectively Evaluated for Impairment
PPP	$ 42,761	$ -	$ 42,761
Commercial term	22,524	24	22,500
Commercial mortgage	131,459	569	130,890
Commercial line	19,444	466	18,978
Construction	43,000	106	42,894
Home equity	7,735	-	7,735
Consumer	21,271	37	21,234
	$ 288,194	$ 1,202	$ 286,992

Included in the tables above are PPP loans which are fully guaranteed by the SBA and therefore, have no associated allowance.

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The following tables summarize the activity in the allowance for loan losses by loan class for the year ended December 31, 2019 and information in regards to the allowance for loan losses and the recorded investment in loans receivable by loan class as of December 31, 2019 (in thousands):

	Allowance for Loan Losses						
	Beginning Balance	Charge-offs	Recoveries	Provisions	Ending Balance	Ending Balance: Individually Evaluated for Impairment	Ending Balance: Collectively Evaluated for Impairment
Commercial term	$ 381	$ 179	$ -	$ 25	$ 227	$ -	$ 227
Commercial mortgage	865	2	4	22	889	-	889
Commercial line	272	-	-	(38)	234	-	234
Construction	287	-	-	156	443	92	351
Home equity	34	-	-	119	153	-	153
Consumer	257	130	-	140	267	-	267
	$ 2,096	$ 311	$ 4	$ 424	$ 2,213	$ 92	$ 2,121

	Loans Receivables		
	Ending Balance	Ending Balance: Individually Evaluated for Impairment	Ending Balance: Collectively Evaluated for Impairment
Commercial term	$ 23,549	$ 122	$ 23,427
Commercial mortgage	123,745	71	123,674
Commercial line	24,504	-	24,504
Construction	42,166	92	42,074
Home equity	8,019	-	8,019
Consumer	23,657	-	23,657
	$ 245,640	$ 285	$ 245,355

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Impaired Loans

The following table summarizes information in regards to impaired loans by loan portfolio class as of December 31, 2020 and for the year then ended (in thousands):

	Recorded Investment	Unpaid Principal Balance	Related Allowance
With no related allowance recorded:			
Commercial term	$ -	$ -	$ -
Commercial mortgage	127	127	-
Commercial line	-	-	-
Construction	-	-	-
Consumer	-	-	-
With an allowance recorded:			
Commercial term	$ 24	$ 54	$ 24
Commercial mortgage	442	442	137
Commercial line	466	466	113
Construction	106	106	11
Consumer	37	37	25
Total:			
Commercial term	$ 24	$ 44	$ 24
Commercial mortgage	569	569	137
Commercial line	466	466	113
Construction	106	106	11
Consumer	37	37	25

	Average Recorded Investment	Interest Income Recognized
With no related allowance recorded:		
Commercial term	$ 291	$ 17
Commercial mortgage	-	-
Commercial line	-	-
Construction	-	-
Consumer	-	-
With an allowance recorded:		
Commercial term	$ 24	$ 1
Commercial mortgage	433	24
Commercial line	467	23
Construction	120	7
Consumer	37	-
Total:		
Commercial term	$ 24	$ 1
Commercial mortgage	724	41
Commercial line	467	23
Construction	120	7
Consumer	37	-

The following table summarizes information in regards to impaired loans by loan portfolio class as of December 31, 2019 and for the year then ended (in thousands):

	Recorded Investment	Unpaid Principal Balance	Related Allowance
With no related allowance recorded:			
Commercial term	$ 122	$ 332	$ -
Commercial mortgage	71	113	-
Commercial line	-	-	-
Construction	-	-	-
With an allowance recorded:			
Commercial term	$ -	$ -	$ -
Commercial mortgage	-	-	-
Commercial line	-	-	-
Construction	92	92	92
Total:			
Commercial term	$ 122	$ 332	$ -
Commercial mortgage	71	113	-
Commercial line	-	-	-
Construction	92	92	92

	Average Recorded Investment	Interest Income Recognized
With no related allowance recorded:		
Commercial term	$ 178	$ 7
Commercial mortgage	72	3
Commercial line	20	2
Construction	-	-
With an allowance recorded:		
Commercial term	$ -	$ -
Commercial mortgage	-	-
Commercial line	-	-
Construction	92	-
Total:		
Commercial term	$ 178	$ 7
Commercial mortgage	72	3
Commercial line	20	2
Construction	92	-

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Loans Receivable on Nonaccrual Status

The following table presents nonaccrual loans by classes of the loan portfolio as of December 31, 2020 and 2019 (in thousands):

	2020	2019
PPP	$ -	$ -
Commercial term	24	26
Commercial mortgage	100	42
Commercial line	-	-
Construction	-	92
Home Equity	-	-
Consumer	37	-
	$ 161	$ 160

Interest income recognized on loans on non-accrual status during the years ended December 31, 2020 and 2019 was $15,000 and $0, respectively. Additional interest income that would have been recognized on non-accrual loans, had the loans been performing in accordance with the original terms of their contracts totaled $8,000 and $23,000 for the years ended December 31, 2020 and 2019, respectively.

As of December 31, 2020, and 2019, there are no foreclosed assets. As of December 31, 2020, and 2019, the Company has not initiated formal foreclosure proceedings on any consumer residential mortgages.

Credit Quality Indicators

The following tables present the classes of the loan portfolio summarized by the aggregate pass rating and the classified ratings of special mention, substandard and doubtful within the Bank's internal risk rating system as of December 31, 2020 and 2019 (in thousands):

December 31, 2020	Pass	Special Mention	Substandard	Doubtful	Total
PPP	$ 42,761	$ -	$ -	$ -	$ 42,761
Commercial term	22,374	42	84	24	22,524
Commercial mortgage	128,502	684	2,273	-	131,459
Commercial line	18,838	140	466	-	19,444
Construction	42,894	-	106	-	43,000
Home equity	7,735	-	-	-	7,735
Consumer	21,234	-	37	-	21,271
	$ 284,234	$ 866	$ 2,966	$ 24	$ 288,194

December 31, 2019	Pass	Special Mention	Substandard	Doubtful	Total
Commercial term	$ 23,428	$ -	$ 95	$ 26	$ 23,549
Commercial mortgage	122,603	783	359	-	123,745
Commercial line	24,312	192	-	-	24,504
Construction	42,074	-	92	-	42,166
Home equity	8,019	-	-	-	8,019
Consumer	23,657	-	-	-	23,657
	$ 244,093	$ 975	$ 546	$ 26	$ 245,640

Age Analysis of Past Due Loans Receivables

The performance and credit quality of the loan portfolio is also monitored by analyzing the age of the loans receivable as determined by the length of time a recorded payment is past due. The following table presents the classes of the loan portfolio summarized by the past due status as of December 31, 2020 and 2019 (in thousands):

December 31, 2020	**30-59 Days Past Due**	**60-89 Days Past Due**	**Greater Than 90 Days**	**Total Past Due**	**Current**	**Total Loans Receivables**	**Loans Receivable >90 Days and Accruing**
PPP	**$ -**	**$ -**	**$ -**	**$ -**	**$ 42,761**	**$ 42,761**	**$ -**
Commercial term	**-**	**-**	**24**	**24**	**22,500**	**22,524**	**-**
Commercial mortgage	**-**	**-**	**100**	**100**	**131,359**	**131,459**	**-**
Commercial line	**-**	**-**	**-**	**-**	**19,444**	**19,444**	**-**
Construction	**-**	**-**	**-**	**-**	**43,000**	**43,000**	**-**
Home equity	**-**	**-**	**-**	**-**	**7,735**	**7,735**	**-**
Consumer	**-**	**-**	**37**	**37**	**21,234**	**21,271**	**-**
	$ -	**$ -**	**$ 161**	**$ 161**	**$ 288,033**	**$ 288,194**	**$ -**

December 31, 2019	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Loans Receivables	Loans Receivable >90 Days and Accruing
Commercial term	$ 19	$ 79	$ 164	$ 262	$ 23,287	$ 23,549	$ 138
Commercial mortgage	-	-	42	42	123,703	123,745	-
Commercial line	-	-	-	-	24,504	24,504	-
Construction	-	-	92	92	42,074	42,166	-
Home equity	69	45	-	114	7,905	8,019	-
Consumer	279	-	-	279	23,378	23,657	-
	$ 367	$ 124	$ 298	$ 789	$ 244,851	$ 245,640	$ 138

Modifications

The Corporation may grant a concession or modification for economic or legal reasons related to a borrower's financial condition that it would not otherwise consider resulting in a modified loan which is then identified as a troubled debt restructuring (TDR). The Corporation may modify loans through rate reductions, below market rates, extensions of maturity, interest only payments, or payment modifications to better match the timing of cash flows due under the modified terms with the cash flows from the borrowers' operations. Loan modifications are intended to minimize the economic loss and to avoid foreclosure or repossession of the collateral. TDRs are considered to be impaired loans for purposes of calculating the Corporation's allowance for loan losses and presentation of loans.

The Corporation identifies loans for potential restructure primarily through direct communication with the borrower and evaluation of the borrower's financial statements, revenue projections, tax returns, and credit reports. Even if the borrower is not presently in default, management will consider the likelihood that cash flow shortages, adverse economic conditions, and negative trends may result in a payment default in the near future.

The CARES Act, as amended, and certain regulatory agencies recently issued guidance stating certain loan modifications to borrowers experiencing financial distress as a result of the economic impacts created by COVID-19 may not be required to be treated as TDRs. For COVID-19 related loan modifications which met the loan modification criteria under either the CARES Act, as amended, or the criteria specified by the regulatory agencies, the Corporation elected to suspend TDR accounting for such loan modifications.

There was one performing troubled debt restructurings at December 31, 2020. There were zero defaults within twelve months of restructuring during the year ended December 31, 2020. The one performing restructured loan totaled $27,000 which was a commercial mortgage.

There were two performing troubled debt restructurings at December 31, 2019. There were zero defaults within twelve months of restructuring during the year ended December 31, 2019. The first performing restructured loan totaled $29,000 which was a commercial mortgage while the second was a term loan totaling $96,000.

Loan Sales

The Corporation originates and sells loans secured by the SBA. The Bank retains the unguaranteed portion of the loan and the servicing on the loans sold and receives a fee based upon the principal balance outstanding. During the years ended December 31, 2020 and 2019, the Bank sold loans held for sale for total proceeds of $796,000 and $0, respectively. The loan sales resulted in realized gains of $60,000 and $0 for the years ended December 31, 2020 and 2019, respectively. There were no SBA loans held for sale at December 31, 2020 and 2019.

Loans serviced for others are not included in the accompanying consolidated balance sheets. The risks inherent in the servicing assets relate primarily to changes in prepayments that result from shifts in interest rates. The unpaid principal balances of loans serviced for others were $7,243,000 and $7,426,000 at December 31, 2020 and 2019, respectively. The following summarizes the activity pertaining to mortgage servicing rights using the amortization method for the years ended December 31, 2020 and 2019 (in thousands):

		2020		2019
Balance, beginning	$	**104**	$	173
Additions		**14**		-
Disposals		**(3)**		(38)
Amortization		**(6)**		(31)
Balance, Ending	$	**109**	$	104

5. Bank Premises and Equipment

The components of premises and equipment at December 31, 2020 and 2019 are as follows (in thousands):

	Estimated Useful Lives		2020		2019
Leasehold improvements	10 - 20 years	$	**1,000**	$	991
Computer equipment and software	3 - 5 years		**1,337**		1,164
Automobiles	3 years		**197**		197
Bank unique equipment	5 years		**245**		225
Furniture, fixtures and equipment	3 - 10 years		**348**		340
Building	40 years		**1,687**		1,687
Land			**1,200**		1,200
			6,014		5,804
Accumulated depreciation			**(2,742)**		(2,506)
		$	**3,272**	$	3,298

Depreciation and amortization expense charged to operations amounted to $290,000 and $261,000 for the years ended December 31, 2020 and 2019, respectively.

6. Deposits

The components of deposits at December 31, 2020 and 2019 are as follows (in thousands):

		2020		2019
Demand, non-interest bearing	$	**61,357**	$	48,060
Demand interest bearing		**57,820**		43,268
Money market accounts		**98,352**		66,895
Savings accounts		**83,663**		51,430
Time, $250 and over		**14,625**		13,316
Time, other		**21,196**		24,825
	$	**337,013**	$	247,794

There were no brokered deposits included in demand interest bearing or money market deposits as of December 31, 2020 and 2019.

At December 31, 2019, the scheduled maturities of time deposits are as follows (in thousands):

Years ending December 31,		
2021	$	24,944
2022		8,792
2023		831
2024		53
2025		1,159
Thereafter		42
	$	35,821

Included in time deposits are brokered deposits of $0 and $372,000 at December 31, 2020 and 2019, respectively.

7. Borrowings

The Corporation has a $1,000,000 unsecured line of credit with a correspondent bank with an interest rate of 3.75%. There was no outstanding balance as of December 31, 2020 and 2019, respectively.

The Bank has a $1,500,000 unsecured federal funds overnight line of credit with a correspondent bank. There was no outstanding balance as of December 31, 2020 and 2019, respectively.

The Bank is a member of the Federal Home Loan Bank of Pittsburgh (FHLB). At December 31, 2020, the Bank has a total borrowing capacity with the FHLB of $100.3 million. FHLB advances at December 31, 2020 totaled $10,500,000, which were long term with a weighted-average interest rate of 1.28% maturing through 2025.

At December 31, 2019, the Bank had a total borrowing capacity with the FHLB of $97 million. FHLB advances at December 31, 2019 totaled $3,000,000, and were long term with an interest rate of 1.84% maturing in 2024.

Long-term borrowings at December 31, 2020 and 2019 consisted of FHLB and Federal Reserve borrowings with the following maturity dates and interest rates:

		2020		2019
PPP Liquidity Facility Advances at 0.35%	**$**	**40,981**	$	-
Fixed note at 0.99%, maturing on March 4, 2022		**3,750**		-
Fixed note at 1.84%, maturing on August 6, 2024		**3,000**		3,000
Fixed note at 1.13%, maturing on March 4, 2025		**3,750**		-
	$	**51,481**	$	3,000

Beginning in second quarter 2020, the Corporation began participating in the PPPLF, in which Federal Reserve Banks extend non-recourse loans to institutions that are eligible to make PPP loans. Only PPP loans that are guaranteed by the SBA pursuant to the PPP, with respect to both principal and interest that are originated or purchased by an eligible institution, may be pledged as collateral to the Federal Reserve Banks. There were no advances outstanding with the FRB at December 31, 2019. Advances from the FHLB are secured by FHLB stock and certain assets of the Corporation.

Subordinated Debt

On October 15, 2015, the Corporation closed a pooled private offering of $5 million of subordinated debt, net of offering costs of $86,000. Unamortized offering costs were $42,000 and $50,000 at December 31, 2020 and 2019, respectively. The Company may redeem the subordinated debentures, in whole or in part, in a principal amount with integral multiples of $100,000, on or after October 1, 2020 at 100% of the principal amount, plus accrued and unpaid interest. The subordinated debentures mature on October 1, 2025. The subordinated debentures are also redeemable in whole or in part from time to time, upon the occurrence of specific events defined within the Subordinated Loan Agreement. Subsequent to year end, the Corporation paid off the subordinated debt of $5 million.

The subordinated debt may be included in Tier 2 capital (with certain limitations applicable) under current regulatory guidelines and interpretations. The subordinated debentures had a fixed rate of interest of 3.35% to 3.95% through February 28, 2016 at which time the interest rate increased to 6.75% to 7.35% until the debt is paid off or matures. The debt is subordinated to the claims of general creditors, is unsecured, and is ineligible as collateral for a loan by the Company.

On March 14, 2019, the Corporation closed a pooled private offering of $3 million of subordinated debt, net of offering costs of $25,000. Unamortized offering costs were $20,000 and $23,000 at December 31, 2020 and 2019. The Company may redeem the subordinated debentures, in whole or in part, in a principal amount with integral multiples of $100,000, on or after March 14, 2024 at 100% of the principal amount, plus accrued and unpaid interest. The subordinated debentures mature on March 14, 2029. The subordinated debentures are also redeemable in whole or in part from time to time, upon the occurrence of specific events defined within the Subordinated Loan Agreement.

The subordinated debt may be included in Tier 2 capital (with certain limitations applicable) under current regulatory guidelines and interpretations. The subordinated debentures had a fixed rate of interest of 6.5% through March 14, 2024 at which time the interest rate will float quarterly at Libor or the Libor Benchmark plus 390 basis points until the debt is paid off or matures. The debt is subordinated to the claims of general creditors, is unsecured, and is ineligible as collateral for a loan by the Company.

On June 23, 2020, the Corporation closed a pooled private offering of $10 million of subordinated debt, net of offering costs of $241,000. Unamortized offering costs were $229,000 at December 31, 2020. The Company may redeem the subordinated debentures, in whole or in part, in a principal amount with integral multiples of $100,000, on or after June 30, 2025 at 100% of the principal amount, plus accrued and unpaid interest. The subordinated debentures mature on June 30, 2030. The subordinated debentures are also redeemable in whole or in part from time to time, upon the occurrence of specific events defined within the Subordinated Loan Agreement.

The subordinated debt may be included in Tier 2 capital (with certain limitations applicable) under current regulatory guidelines and interpretations. The subordinated debentures had a fixed rate of interest of 6.25% through June 30, 2025 at which time the interest rate will bear interest at a rate equal to the 3-month Secured Overnight Financing rate (“SOFR”) plus 613 basis points until the debt is paid off or matures. The debt is subordinated to the claims of general creditors, is unsecured, and is ineligible as collateral for a loan by the Company.

8. Stockholders’ Equity

During 2020 and 2019, the Corporation did not issue any shares of its common stock.

9. Federal Income Taxes

The components of income tax expense (benefit) for the years ended December 31, 2020 and 2019 are as follows (in thousands):

		2020		2019
Current	$	**914**	$	533
Deferred		**(277)**		85
	$	**637**	$	618

A reconciliation of the statutory federal income tax at a rate of 21% to federal income tax expense included in the statements of income for the years ended December 31, 2020 and 2019 are as follows (in thousands):

		2020		2019
Federal income tax at statutory rate	$	**612**	$	604
Bank owned life insurance income		**(12)**		(9)
Non-deductible dues		**7**		6
Non-deductible meals and entertainment		**9**		17
Income from partnerships		**5**		-
Other		**16**		-
	$	**637**	$	618

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The components of the net deferred tax asset at December 31, 2020 and 2019 are as follows (in thousands):

	2020	2019
Deferred tax assets:		
Allowance for loan losses	$ 382	$ 317
Organization and start-up costs	23	33
Nonqualified stock options	29	14
Unearned PPP loan fees	244	-
Unrealized gain on available-for-sale securities	-	(37)
Total deferred tax assets	688	327
Deferred tax liabilities:		
Depreciation	(95)	(55)
Deferred loan costs	(106)	(107)
Servicing asset	(23)	(22)
Unrealized gain on available-for-sale securities	(119)	-
Total deferred tax liabilities	(344)	(184)
Net Deferred Tax Asset, Included in Other Assets	$ 344	$ 143

10. Transactions with Executive Officers, Directors and Principal Stockholders

The Corporation has had, and may be expected to have in the future, banking transactions in the ordinary course of business with its executive officers, directors, principal stockholders, their immediate families and affiliated companies (commonly referred to as related parties). There were loans receivable from related parties totaling $3,891,000 and $4,634,000 at December 31, 2020 and 2019, respectively. Loans originated for related parties totaled $83,000 and $488,000 and payments received were $826,000 and $86,000 for the years ended December 31, 2020 and 2019, respectively. Deposits of related parties totaled $3,436,000 and $2,613,000 as of December 31, 2020 and 2019, respectively.

11. Share-Based Compensation

In 2013, the Board of Directors adopted the 2013 Equity Incentive Plan (“2013 Plan”). Under the 2013 Plan 228,000 shares were available to be issued in the form of performance awards that can be settled in stock or cash, restricted stock and restricted stock units, incentive stock options, non-qualified stock options, and stock appreciation rights.

The following table summarizes stock option activity for the year ended December 31, 2020:

		Shares		Weighted Average Exercise Price Per Share		Weighted Average Remaining Contractual Term
Outstanding, January 1, 2020	$	204,000	$	7.25	$	
Granted		4,000		9.00		
Exercised		-		-		
Forfeited		17,000		7.25		
Outstanding, December 31, 2020		191,000		7.29		
Exercisable, December 31, 2020		27,000	$	7.25		8

For shares issued in 2020 and 2019 the Company determined the expected life of the stock options using the expected life of the stock options using a simplified method approach allowed for plain-vanilla share options. The risk-free interest rate is based on an average of the 7-year and 10-year treasury rate on July 1, 2020 and January 1, 2019, respectively. Expected volatility was determined using the calculated value method of an option pricing model that substitutes the historical volatility of an appropriate industry/sector index for the expected volatility.

The following table presents the weighted-average assumptions used and the resulting weighted-average fair value of each option granted for the years ended December 31, 2020 and 2019.

	2020	2019
Dividend yield	**1.56%**	1.01%
Expected volatility	**46%**	27%
Risk-free interest rate	**0.61%**	2.61%
Expected life (in years)	**10.0**	10.0
Assumed forfeiture rate	**10%**	10%

At December 31, 2020 and 2019, the intrinsic value of the 191,000 and 204,000 options outstanding was $470,500 and $616,080, respectively.

Information regarding share-based compensation for the year ended December 31, 2019 is set forth below:

		2020
Stock based compensation expense recognized	$	48,000
Number of unvested stock options		164,000
Amount remaining to be recognized as expense	$	250,000

The remaining amount of $250,000 will be recognized ratably as expense through 2027.

Victory Bank entered into a Supplemental Executive Retirement Plan (SERP) with the CEO that provides annual retirement benefits starting December 31, 2018 and continuing until the earlier of a Separation of Service or January 1, 2028. The SERP requires the Bank to provide an Annual Contribution and Interest Credit on each December 31. The Bank accrued $170,000 and $110,000 SERP liability as of December 31, 2020 and December 31, 2019, respectively.

12. Financial Instruments with Off-Balance Sheet Risk

The Corporation is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit. Such commitments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the balance sheet.

The Corporation's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit is represented by the contractual amount of those instruments. The Corporation uses the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments.

The Corporation had the following off-balance sheet financial instruments whose contract amounts represent credit risk at December 31, 2020 and 2019 (in thousands):

	2020	2019
Unfunded commitments under lines of credit	$ **66,394**	$ 65,282
Unfunded commitments under letters of credit	**501**	703

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. The Bank evaluates each customer's credit worthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Bank upon extension of credit, is based on management's credit evaluation. Collateral held varies but may include personal or commercial real estate, accounts receivable, inventory and equipment. The liability associated with these commitments is not material at December 31, 2020.

13. Regulatory Matters

The Bank is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet the minimum capital requirements can initiate certain mandatory and possibly additional discretionary-actions by regulators that, if undertaken, could have a direct material effect on the Bank's consolidated financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. The Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk-weightings and other factors.

Information presented for December 31, 2020 and 2019 reflects BASEL III capital requirements that became effective January 1, 2015. Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios (set forth below) of Common Equity Tier 1 Capital, total and Tier 1 capital (as defined in the regulations) to risk-weighted assets, and of Tier 1 capital to average assets. Management believes, as of December 31, 2019, that the Bank meets all capital adequacy requirements to which it is subject.

The BASEL III rules also establish a "capital conservation buffer" of 2.5% above the new regulatory minimum capital requirements, which must consist entirely of common equity Tier 1 capital and would result in the following minimum ratios: (i) a common equity Tier 1 capital ratio of 7.0%, (ii) a Tier 1 capital ratio of 8.5%, and (iii) a total capital ratio of 10.5%. The new capital conservation buffer requirement will be phased in beginning in January 2016 at 0.625% of risk-weighted assets and would increase by that amount each year until fully implemented in January 2019. An institution would be subject to limitations on paying dividends, engaging in share repurchases, and paying discretionary bonuses if its capital level falls below the buffer amount. These limitations would establish a maximum percentage of eligible retained income that could be utilized for such actions.

As of December 31, 2020, the most recent notification from the Federal Deposit Insurance Corporation categorized the Bank as well capitalized under the regulatory framework for prompt correction action. To be categorized as well capitalized, the Bank must maintain minimum Common Equity Tier 1 ("CET 1"), Tier 1 leverage, Tier 1 risk-based, and total risk-based ratios as set forth in the table (in thousands):

December 31, 2020	**Actual**		**For Capital Adequacy Purposes**		**Minimum Capital Adequacy with Capital Buffer**		**To Be Well Capitalized Under Prompt Corrective Action Provisions**	
	Amount	**Ratio**	**Amount**	**Ratio**	**Amount**	**Ratio**	**Amount**	**Ratio**
Total capital (to risk weighted assets)	**$ 33,621**	**≥12.9%**	**$ ≥20,890**	**≥8.0%**	**$ ≥27,418**	**≥10.5%**	**$ ≥26,113**	**≥10.0%**
Tier 1 capital (to risk weighted assets)	**$ 30,584**	**≥11.7%**	**$ ≥15,668**	**≥6.0%**	**$ ≥22,196**	**≥8.5%**	**$ ≥20,890**	**≥8.0%**
Common equity Tier 1 capital (to risk-weighted assets)	**$ 30,584**	**≥11.7%**	**$ ≥11,751**	**≥4.5%**	**$ ≥18,279**	**≥7.0%**	**$ ≥16,973**	**≥6.5%**
Tier 1 capital (to average assets)	**$ 30,584**	**≥8.0%**	**$ ≥15,255**	**≥4.0%**	**$ ≥15,255**	**≥4.0%**	**$ ≥19,069**	**≥5.0%**

December 31, 2019	Actual		For Capital Adequacy Purposes		Minimum Capital Adequacy with Capital Buffer		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total capital (to risk weighted assets)	**$ 28,115**	**≥11.3%**	**$ ≥19,916**	**≥8.0%**	**$ ≥22,841**	**≥10.5%**	**$ ≥23,131**	**≥10.0%**
Tier 1 capital (to risk weighted assets)	**$ 25,902**	**≥10.4%**	**$ ≥14,937**	**≥6.0%**	**$ ≥18,215**	**≥ 8.5%**	**$ ≥18,504**	**≥ 8.0%**
Common equity Tier 1 capital (to risk-weighted assets)	**$ 25,902**	**≥10.4%**	**$ ≥11,203**	**≥4.5%**	**$ ≥14,746**	**≥ 7.0%**	**$ ≥15,035**	**≥ 6.5%**
Tier 1 capital (to average assets)	**$ 25,902**	**≥ 9.6%**	**$ ≥10,795**	**≥4.0%**	**$ ≥ 9,946**	**≥ 4.0%**	**$ ≥12,433**	**≥ 5.0%**

The Bank is subject to certain restrictions on the amount of dividends that it may declare due to regulatory considerations.

14. Fair Value Measurements

Management uses its best judgment in estimating the fair value of the Corporation's financial instruments; however, there are inherent weaknesses in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates herein are not necessarily indicative of the amounts the Corporation could have realized in a sales transaction on the dates indicated. The estimated fair value amounts have been measured as of their respective year-ends and have not been re-evaluated or updated for purposes of these financial statements subsequent to those respective dates. As such, the estimated fair values of these financial instruments subsequent to the respective reporting dates may be different than the amounts reported at each year end.

Determination of Fair Value

The Corporation uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. In accordance with the Topic 820, *Fair Value Measurements and Disclosures*, fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for the Corporation's various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instruments.

Current fair value guidance provides a consistent definition of fair value, which focuses on exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment. The fair value is a reasonable point within

Fair Value Hierarchy

The Corporation groups its financial assets and financial liabilities generally measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

Level 1 - Valuation is based on unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 assets and liabilities generally include debt and equity securities that are traded in an active exchange market. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 - Valuation is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The valuation may be based on quoted prices for similar assets or liabilities; quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.

Level 3 - Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value requires significant management judgment or estimation.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. During the years ended December 31, 2020 and 2019, the Corporation made no transfers between levels.

For financial assets measured at fair value on a recurring basis, the fair value measurements by level within the fair value hierarchy used at December 31, 2020 and 2019 are as follows (in thousands):

December 31, 2020	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Corporate Bonds	$ **5,370**	$	$ **5,370**	$
Residential mortgage-backed securities	**7,936**		**7,936**	

December 31, 2019	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Residential mortgage-backed securities	$ 11,084	$ -	$ 11,084	$ -

Residential mortgage backed securities are comprised of FHLMC, FNMA, and GNMA pass through certificates at December 31, 2020 and 2019.

The Corporation's available-for-sale investment securities, which includes debt securities and mortgage-backed securities, are reported at fair value. These securities are valued by an independent third party. The valuations are based on market data. They utilize evaluated pricing models that vary by asset and incorporate available trade, bid and other market information. For securities that do not trade on a daily basis, their evaluated pricing applications apply available information such as benchmarking and matrix pricing. The market inputs normally sought in the evaluation of securities include benchmark yields, reported trades, broker/dealer quotes (only obtained from market makers or broker/dealers recognized as market participants), issuer spreads, two-sided markets, benchmark securities, bid, offers and reference data. For certain securities additional inputs may be used or some market inputs may not be applicable. Inputs are prioritized differently on any given day based on market conditions.

The following table presents additional quantitative information about assets measured at fair value on a nonrecurring basis and for which The Company has utilized Level 3 inputs to determine fair value (dollars in thousands):

	Qualitative Information about Level 3 Fair Value Measurements			
December 31, 2020		Fair Value	Valuation Techniques	Unobservable Input
Impaired loans	**$**	**766**	**Appraisal of collateral**	**Liquidation expenses**

There were no assets and liabilities measured at fair value on a non-recurring basis at December 31, 2019.

The following information should not be interpreted as an estimate of the fair value of the entire Corporation since a fair value calculation is only provided for a limited portion of the Corporation's assets and liabilities. Due to a wide range of valuation techniques and the degree of subjectivity used in making the estimates, comparisons between the Corporation's disclosures and those of other companies may not be meaningful. In addition to the fair value methods for available-for-sale securities and impaired loans, previously disclosed, the following methods and assumptions were used to estimate the fair values of a portion of the Corporation's assets and liabilities at December 31, 2020 and 2019:

Mortgage Servicing Asset (Carried Lower of Cost or Fair Value)

The fair value of the mortgage servicing asset is based on a valuation model that calculates the present value of estimated net servicing income. The valuation incorporates assumptions that market participants would use in estimating future net servicing income. The Corporation is able to compare the valuation model inputs and results to widely available published industry data for reasonableness.

The fair values, and related carrying amounts, of the Corporation's financial instruments were as follows at December 31, 2020 and 2019 (in thousands):

	2020				2019			
		Carrying Amount		**Estimated Fair Value**		Carrying Amount		Estimated Fair Value
Assets								
Cash and cash equivalents	**$**	**116,276**	**$**	**116,276**	$	18,170	$	18,170
Securities available-for-sale		**13,306**		**13,306**		11,084		11,084
Restricted investments in bank stocks		**1,528**		**1,528**		474		474
Loans, available for sale		**3,745**		**3,745**				
Loans, net		**283,618**		**289,796**		243,131		249,139
Mortgage servicing asset		**109**		**109**		104		104
Accrued interest receivable		**1,093**		**1,093**		716		716
Liabilities								
Deposits		**337,013**		**344,005**		247,794		247,969
Short term borrowings		**40,981**		**40,981**		-		-
Long-term debt		**10,500**		**10,692**		3,000		2,958
Subordinated debt		**17,709**		**17,709**		7,927		7,927
Accrued interest payable		**221**		**221**		137		137
Off Balance Sheet Asset (Liability)								
Commitments to extend credit		**-**		**-**		-		-
Standby letters of credit		**-**		**-**		-		-

15. Revenue Recognition

The Corporation adopted Topic 606 using the modified retrospective method applied to all contracts not completed as of January 1, 2018. Results for reporting periods beginning after January 1, 2018 are presented under Topic 606 while prior period amounts continue to be reported in accordance with legacy GAAP. The adoption of Topic 606 did not result in a change to the accounting for any of the in-scope revenue streams; as such, no cumulative effect adjustment was recorded.

The revenue standard's core principle is built on the contract between a vendor and a customer for the provision of goods and services. It attempts to depict the exchange of rights and obligations between the parties in the pattern of revenue recognition based on the consideration to which the vendor is entitled.

Management determined that revenue derived from financial instruments, including revenue from loans and investment securities, along with non-interest income resulting from gains (losses) from the sale of investment securities or SBA loans, commitment and other loan related fees as well as income from bank owned life insurance are not within the scope of Topic 606. As a result, no changes were made during the period related to these sources of revenue.

Topic 606 is applicable to non-interest income streams such as service charges on deposits and other non-interest income. However, the recognition of these revenue streams did not change significantly upon adoption of Topic 606. Noninterest revenue streams in-scope of Topic 606 are discussed below.

Service Charges and Activity Fees on Deposits

Service charges on deposit accounts consist of monthly ATM Income, Wire Transfer Fees, Non-Sufficient Funds Charges, and other Deposit related fees. The Corporation's performance obligation for monthly service fees is generally satisfied, and the related revenue recognized, over the period in which the service is provided. Check orders and other deposit account related fees are largely transactional based, and therefore, the Corporation's performance obligation is satisfied, and related revenue recognized, at a point in time. Payment for service charges on deposit accounts is primarily received immediately or in the following month through a direct charge to customers' accounts. The Corporation's performance obligation for wire transfers and returned deposit fees, are largely satisfied, and related revenue recognized, when the services are rendered or upon completion. Payment is typically received immediately or in the following month.

Other

Other fees are primarily comprised of Remote/Mobile Deposit Fees and other service charges. Other noninterest income consists primarily of other non-recurring revenue which is not recorded in the categories listed above. This revenue is miscellaneous in nature and is recognized as income upon receipt.

The following presents noninterest income, segregated by revenue streams in-scope and out-of-scope of Topic 606, for the years ended December 31, 2020 and 2019.

	2020	2019
Non-Interest Income		
In-scope of Topic 606		
Service Charges and Activity Fees on Deposits	$ **213**	$ 242
Other	**23**	29
Non-Interest Income (in-scope of Topic 606)	**236**	271
Non-Interest Income (out-of-scope of Topic 606)	**344**	270
Total Non-Interest Income	$ **580**	$ 541

Contract Balances

A contract asset balance occurs when an entity performs a service for a customer before the customer pays consideration (resulting in a contract receivable) or before payment is due (resulting in a contract asset). A contract liability balance is an entity's obligation to transfer a service to a customer for which the entity has already received payment (or payment is due) from the customer. The Corporation's noninterest revenue streams are largely based on transactional activity. Consideration is often received immediately or shortly after the Corporation satisfies its performance obligation and revenue is recognized. The Corporation does not typically enter into long-term revenue contracts with customers, and therefore, does not experience significant contract balances. As of December 31, 2020, and December 31, 2019, the Corporation did not have any contract balances.

Contract Acquisition Costs

In connection with the adoption of Topic 606, an entity is required to capitalize, and subsequently amortize into expense, certain incremental costs of obtaining a contract with a customer if these costs are expected to be recovered. The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained (for example, sales commission). The Corporation utilizes the practical expedient which allows entities to immediately expense contract acquisition costs when the asset that would have resulted from capitalizing these costs would have been amortized in one year or less. Upon adoption of Topic 606, the Bank did not capitalize any contract acquisition cost.

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Larger drawer to accommodate bulk transactions

2020 PPP Results

MONTGOMERY	BUCKS	BERKS	DELAWARE	OTHER	CHESTER
2,755 Jobs	400 Jobs	1,016 Jobs	264 Jobs	834 Jobs	2,007 Jobs
247 Loans	38 Loans	74 Loans	27 Loans	39 Loans	152 Loans

OUR TEAM

COMMERCIAL TEAM

Richard Graver, Chief Lending Officer

Michael Aquaro, Commercial Relationship Manager, VP

Sarah Benson, Commercial Loan Portfolio Manager, Bank Officer

Jeremy Bucci, Commercial Relationship Manager, VP

Tony D'Antonio, Senior Commercial Relationship Manager, SVP

Joseph Giunta, Business Development

Rose Hoffman, Relationship Assistant, Bank Officer

Alexander Kroll, Senior Commercial Relationship Manager, SVP

Michael Larimer, Commercial Relationship Manager, VP

Dana Perrott, Relationship Assistant, Bank Officer

Vince Raffeo, Business Development

Mary Ann Riggins, Business Development

Michael Senico, Commercial Relationship Manager, VP

Bill Shipp, Commercial Relationship Manager, VP

Sharon Stofflet, Relationship Assistant, Bank Officer

Leslie Unger, Relationship Assistant Team Leader, Bank Officer

Malcolm Weaver, Commercial Relationship Manager, VP

H. Steen Woodland II, Senior Commercial Relationship Manager, SVP

Jennifer Yoo, Commercial Relationship Manager, VP

OPERATIONS TEAM

Robert Schultz, Chief Financial Officer, Chief Operating Officer, Compliance Officer & Information Security Officer

Denise Bowie, Loan Operations Specialist

Christine Carlozzi, Staff Accountant, Bank Officer

Kaitlin Doyle, Loan Documentation Specialist

Pamela Havrilla, Loan Administration Manager, AVP

Mary Locricchio, Deposit Operations Manager, Bank Officer

Benjamin Major, Vice President of Operations, VP

Charlotte Mathias, Loan Operations Clerk

Danielle Millar, Loan Documentation Specialist

Bristol Sauer, Deposit Operations Specialist

Diana Scott, BSA Officer & Deposit Operations Specialist, Bank Officer

Sally Shirk, Loan Operations Manager, Bank Officer

RETAIL TEAM

Shelly Stockmal, Victory Community Leader, SHRM-SCP, VP

Betsy Knott, Assistant Branch Manager, Bank Officer

Amanda Bucci, Banking Support Representative

Stephanie Frederick, Personal Banker & IRA Specialist, Bank Officer

Thomas Moore, Courier

Christine Popilock, Personal Banker

Ronnie Soor, Personal Banker

INSTITUTIONAL DEPOSITS

Bill Vitiello, Director of Institutional Relationships, VP

CREDIT TEAM

Jon Swearer, Chief Credit Officer, SVP

Kimberly Grohosky, Credit Analyst

Deborah Lee, Credit Department Manager, SVP

Warren Major, Junior Credit Analyst

Matthew Melcher, Senior Credit Analyst, AVP

Brian Meyer, Senior Credit Analyst, VP

Ashley Mossie, Junior Credit Analyst, Bank Officer

ADMINISTRATIVE TEAM

Joseph Major, Bank Leader, President, CEO & Chairman

Kelly Taylor, Executive Assistant & Investor Relations, AVP

Nicole Crocker, Marketing & Corporate Communications Leader

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