



Milestones

September 2008

We're open and growing!

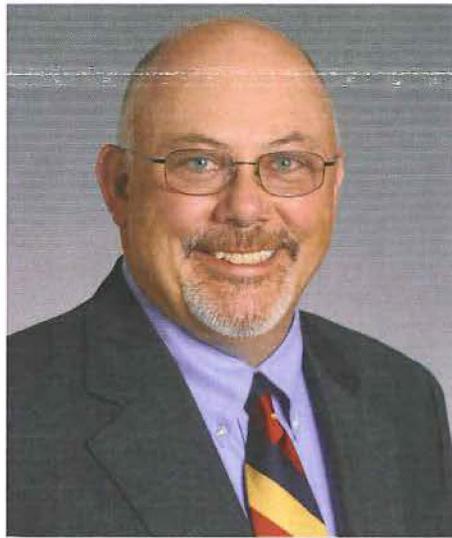
Dear Shareholders and Customers:

The Victory Bank, only recently just a dream, is now wide-open for business! Welcome to a fast-growing and modern financial services company serving southeast Pennsylvania from our Limerick headquarters, a place where you can experience The Business of Banking – Done Right! At the close of the second quarter, 2008, the bank has grown to over \$16 million dollars in total assets, and has opened hundreds of deposit accounts for local businesses, professionals and members of the community.

Founded as your “best-in-class” business bank, our goal has been to combine the energy, intelligence, dedication and skills of experienced bankers with the best of modern technology. This approach has already been very well-received in the market and many of our original family of investors have stepped forward to become our first customers.

Please note some highlights of our first five months of operations:

- We have filled all of the key positions in the bank with responsible individuals whose collective experience in banking exceeds 200 years. We have more good news to come.
- Our key delivery systems and technology have been installed and are working very well, including digital document storage, on-line banking and bill payment, and client management software.



Joseph W. Major, Chairman & CEO

- Our web site is fully functional, filled with valuable information and links to on-line banking at www.thevictorybank.com.
- We have created a superior way to bring the bank to you through our “white-glove” courier service, and we provide technology and

our temporary quarters planned for this fall. This facility promises to be convenient and “user-friendly” for our clients, and an efficient location for our core banking operations. Stop by and visit us – you may catch us out in the parking lot watching the progress!

So – what about this economy and market conditions?

Undoubtedly, you have seen stories in the news about problems in the financial services industry, with some banks suffering losses caused by “subprime” mortgage loans, and the so-called “credit crisis.” For certain, the market value of many banks and financial services companies has declined significantly over the past few months. Many of you have asked me personally about starting The Victory Bank in such times, and I offer this consistent answer with total confidence:

Much of what you have seen or heard concerns very large, money-

“Our approach has already been very well received...”

equipment that enables you to scan, deposit, and deliver checks directly into the payments system over the Internet without leaving your desk. The system works great and is revolutionizing the way banking can be accomplished.

- Construction of our beautiful new bank headquarters is progressing on-schedule, with transition from

center banks and investment banks, and has little to do with the operations of a strictly local, commercial banking company. And as a new company, we don't carry the credit risk that some banks now hold as a result of chasing what was a “white hot” real estate market, now in a tumble. We have never been in

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Construction is under way on Lewis Road.



“...the support we received from the local community has provided us the impetus and energy to start this new bank.”

— Richard Graver
President & Chief Lending Officer

Building Limerick Headquarters

The Victory Bank broke ground for their new Limerick Headquarters located at 548 North Lewis Road, Limerick. A modular full-service banking office is open for business to serve customers during construction. Architectural Concepts LLP designed the building and SMJ, Inc. is the builder. Headquarters completion is slated for fourth quarter, 2008.

President and Chief Lending Officer, Richard Graver states, “It is appropriate that our groundbreaking occurs here in Limerick, since the support we received from the local community has provided the impetus and energy to start this new bank. We are excited to offer the Victory client experience, defined by fairness and good advice, convenience, speed and responsiveness, integrity and respect.”

A Groundbreaking Ceremony was held on April 15, 2008. The Victory Bank Management Team and Staff were joined by local dignitaries: Dan Kerr – Limerick Township Manager; Tom DiBello – President and CEO, Limerick Economic Development Council; Renee Chesler – Executive Director, Limerick Economic



Development Council; Dennis Urffer – Board of Director & CPA CSEP; Alan Apt – Board of Director & Chief Executive Aptcor Commercial Real Estate; James Ginnetti – President, Springfield Chamber of Commerce; Karl Glocker – Board of Director & President of Glocker & Co.; Kevin Johnson – Board of Director & President of Traffic, Planning and

Design, Inc.; Dave Krisiewicz – Architectural Concepts LLP; Jack Ayers – SMJ Inc.; Stan Fonder – SMJ Inc.; James Cherry – Architectural Concepts LLP; Tim Phelps – Tri County Chamber; and Jim Natale – Private Mortgage Banker with Arlington Capital.

Details at www.thevictorybank.com.

Deposits... Done Right.

Like a Branch Bank in Your Own Office

It's a businessperson's dream come true, as far as convenience is concerned.

The Remote Capture Device, part of The Victory Bank's Deposits Done Right service, means never having to physically set foot in the bank to make deposits.

The desktop machine connects to your computer, scans checks, and uses the Internet to deposit them into your business accounts at The Victory Bank. The deposit confirmation comes back by email. Deposits in by 7 p.m. are generally available the next day.

It saves time and gas—and definitely eliminates worry about getting checks to the bank.

So far, more than a dozen of the devices are in place. About a half million dollars in deposits are being handled this way every week.

The system is easy to use. It works through a secure Web site and doesn't require any complicated software. We install it and help you get started. Best of all, you can use it for all of your business accounts and process as many deposits as you like for a small monthly flat rate. No per-check charges like some other banks.

"Once people see it in action, it pretty much sells itself," Vice President Saul Rivkin says.



The Check Scanner is part of the system technology that enables clients to deposit checks right at their place of business.

PROFILE: Saul Rivkin

Meet the Victory stakeholders. With each quarterly newsletter, we'll introduce you to the people that make the difference at The Victory Bank.

Finding His Niche

An accident changed Saul Rivkin's life.

Today, Rivkin, 44, is a vice president of The Victory Bank and manager of its Banking Center. He easily could have been running an auto body shop somewhere.

As a young man he was working in his father's auto parts store and learning auto body repair and restoration at a trade school when his car was hit by a drunk driver. The back problems he suffered made an occupation with physical labor out of the question.

He stayed in the retail end of the auto parts business and a few years later his dedication to customer service earned him an invitation to become manager of a bank branch in a grocery store. He loved banking and never looked back.

He worked for a number of banks, but it wasn't until October 2007, when he met the principals involved in the founding of The Victory Bank, that he found his true niche.

"Their values and their mission statement mirrored my practices," he says. "It was a perfect match—their values, meeting customer needs not just bank quotas, and being based in my community, being able to serve my community."

Rivkin says he remains thoroughly committed to what his father taught him: "The customer, no matter what, comes first."



Despite media hand-wringing over the economy, he's happy with how The Victory Bank is doing. "As the big banks tighten down, it opens up more opportunities for us as a smaller, boutique bank," he explains. "We can design products and services that meet the customers' needs exactly. Customers want to be taken care of. They want to know there's a person they can talk to and get an honest answer."

Rivkin lives in a restored Victorian house in Spring City with his wife Linda (a dog groomer) and their four daughters, ranging in age from 4 to 13. He spends much of his free time working on his house and serving as chairman of the East Vincent Township Historical Commission. He's also a member of the Tri-County Chamber of Commerce, the Springford Chamber of Commerce, the Perkiomen Valley Chamber of Commerce and president of the Limerick Chapter of LeTip, a networking group.

Busy as he is, he's still drawn to cars. He collects old Ford convertibles and Ford-made Merkur Scorpions and enjoys tinkering under the hood. No longer an occupation, "it's now an obsession," he says with a laugh.

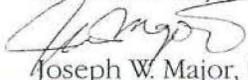
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the business of making sub-prime mortgage loans, or of buying derivative securities based on these sorts of speculative offerings.

Maintaining our focus on building a bank that carefully reviews credit, and does business locally with people we know is the strategy that we have been founded upon, and we believe it will serve us well regardless of market conditions.

Thank you for your support and investment in The Victory Bank thus far. We appreciate your vote of confidence as you continue to send us referrals for both deposit and loan business, including your friends, family and employees. We promise to make your transition away from one of those large, impersonal, out-of-market banks simple and painless – a positive experience for every customer, every time.

Most Sincerely Yours,



Joseph W. Major, Chairman & CEO

COMFORT LEVEL MADE THE SALE!

The Victory Bank provided Ken Webb with the loan to buy Hot Off the Press, Inc., in Pottstown in January 2008. He said choosing The Victory Bank was no contest.

"As far as rates went, they were right in there—competitive, in the same

neighborhood as other banks—but they were just nicer, and that's important," Webb explained. "Everybody there is just pleasant. Everybody knows your name when you walk in the bank, from the tellers all the way to the CEO."

Hot Off the Press employs 13 people and manufactures paperboard packaging and presentation folders. Besides the

purchase loan, The Victory Bank handles the company's checking and payroll accounts.

Would Webb recommend The Victory Bank? "In a heartbeat, yes," he says. "They are a wonderful bank to deal with and wonderful people. I'm happy that I found them."

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