



Milestones

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January 2009

Greetings from The Victory Bank!



Joseph W. Major, Chairman & CEO

Over the past few months, I have been asked the same basic question dozens and dozens of times: “Didn’t you pick a terrible time to start a new bank?” While we believe that we have chosen an excellent time to start our bank, investors and clients alike have justifiably wondered how we are doing, given the maelstrom of negative national news. Like everyone over the past 2 years, we have heard about the following:

- The collapse or forced sale of Citigroup, Merrill-Lynch, AIG, Lehman Brothers and many other financial companies, large and small
- Financial panic
- Unprecedented intervention by the department of the Treasury, the Federal Reserve Bank, The US

Congress and governments around the world

- An economy in an ugly recession, millions of people unemployed, and millions of homes in foreclosure
- Dramatic negative movements in world-wide equity markets
- Concerns that the US auto industry is on the brink of bankruptcy and failure

While we have remained focused on this local project here in Limerick Township, hardly a day has passed without another bushel-basket of bad news being dumped at our door.

But, despite all these negative factors, the first year of operation at The Victory Bank has gone quite well. Partly, I think this is a matter of tim-

ing. As a new company, we are not saddled with bad real estate loans or investments in high-risk securities. While other financial services companies are busy dealing with a mess created by taking far too much risk, we are free to focus on the fundamentals of our business – calling our customers, solving their problems and making their financial lives better. Moreover, we spend a lot of time and energy on the client banking experience, striving to make it ideal. Here are a few highlights of our results and accomplishments to date:

- We’ve hired a full complement of experienced bankers who are totally committed to our mission – optimizing our clients’ financial lives. What is hard to see from the

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The official branch and headquarters of The Victory Bank opened for business on December 22, 2008.

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- We have moved into our beautiful new permanent banking facility located at the Limerick/Linfield exit of route 422, on Lewis Road. When you come here to bank or to visit, you will see how different it really is from a typical bank branch. Everything here was thought out and designed with your best-interests in mind, and to make your experience with us pleasant and convenient. Easy to access, the facility offers traditional drive-through facilities, a drive up ATM and night deposit services, and our business center, a place our clients are free to use to improve their businesses and meet with their clients.
- We have opened several hundred deposit accounts, and our total balance sheet is at approximately \$20 million. We plan to more than double that size by the end of 2009. We are finding that our prospects and clients love the convenience

and simplicity of our offerings, our courier service, remote deposit capture, cash management services and most of all they love our bankers!

- Unlike other banks that from a credit standpoint have essentially shut their doors, and are pulling the credit rug from beneath the feet of many of their long-standing clients, we are busy lending and have an in-process pipeline of loans in excess of \$15 million. We haven't had to tighten our credit standards to compensate for past bad loans; by contrast, we opened our doors already possessed of a great staff of experienced bankers and time-tested standards and processes.

Call or come visit us, and find out what it is like to be treated like you and your business really matter, and to receive good advice from a highly qualified group of financial professionals. Find out what it is like to bank with a company founded on

clear values that revolve around you as the customer. You won't get a voice mail, because we answer the telephone, and keep ourselves available to improve your experience. If you have not opened your accounts with us already, be prepared for a level of comfort, convenience, knowledge and service that disappeared from many other banks a long time ago. I challenge you to put us to the test.

Please remember that The Victory Bank was created and capitalized by a local group of people. We truly are "Built by your Neighbors" with the core mission of helping your community.

Thanks to each of you for your support and for banking with us.

Sincerely Yours,



Joseph W. Major
Chairman and CEO
The Victory Bank

What our customers are saying about The Victory Bank...



Who will help the small businesses in a world

where banks are bought and sold by larger banks like a commodity and they are all then chasing after big businesses?

This is an important question to me as a small business owner of MRB Accounting Services LLC. I want a bank/banker with which I can have a relationship. As an accountant, having a banker that I can rely on to help my clients with their banking needs or questions is a necessity.

At The Victory Bank I have found this relationship. The Victory Bank has made it their mission to be a community bank where they are able to give you a very personalized service, whether you are going into the branch or banking at your office. Having only one branch, they get to know their customers on a name by name basis. By knowing each of their customers, they are then able to help them meet their goals and needs.

In addition to the excellent service I receive from the people at the banking center, I have elected to use the Remote Deposit Capture (RDC) system. The RDC allows me to make my deposits from the comforts of my office. I used to spend 2-3 hours a week traveling to the bank to make deposits, now that previously wasted time is spent doing billable work and the best feature of the RDC is deposits submitted by 7pm still have next day availability.

Although I have only mentioned a few of the amenities of The Victory Bank, they are continually adjusting their services to meet their customers' banking needs and this is why The Victory Bank will continue to receive my business and referrals.

— Marc R. Bamford, Public Accountant



Switch to The Victory Bank

We make it easy because we do it for you!

Stop by our office, give us a call at 610.948.9000 or fill out the contact form on our website and we'll do the rest. All you'll need to do is provide us with three months of your current bank's account statements. We will set up your new account at The Victory Bank, change your automatic payments and direct deposits, and will send a letter to your former bank to close your account. It is that easy.

Come see for yourself what it's like to experience banking the way it should be.

The Business of Banking... Done Right.

PROFILE: Noel Billingsley

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

A Banker with a Construction Heritage

"I believe in the way this bank intends on being successful," says Noel Billingsley.

There, in a nutshell, is why Billingsley left a "very comfortable" position with one of those big banks to join The Victory Bank last year as a vice president and business development officer. He knows for sure he made the right decision. "It immediately felt like home," he says.

"Customized, local banking is what people are looking for," Billingsley continues. He points out that technology "levels the playing field" and enables a niche bank like The Victory Bank to offer accounts, product line-ups, and services that can better what the big banks offer. "We're small and nimble and dedicated to giving our customers superior service."

Billingsley grew up in Chester County. He graduated from Owen J. Roberts High School and Widener University, where he majored in international finance and minored in Spanish. His career in finance started in a mutual fund company, then expanded into a large bank, where he ran a team of advisors working with high-net-worth clients.

Billingsley likes the fact he can now help build an organization "within his hometown community." He along with his family lives in East Coventry Township and enjoys taking part in "community activities and all the other things people want to do in life."

Billingsley's father, grandfather, and great-grandfather were in



the construction business. He keeps that heritage alive with his avocation: restoring and renovating old Chester County farmhouses. The first one he completed was 190 years old. The one he's working on now is over 225 years old.

He has also translated his expertise in historic homes into a civic pursuit. He helped organize a nonprofit group called the East Coventry Township Historic Property Owners Group to help Chester County homeowners affected by local historical township ordinances. "The ordinances are often not understood by residents or even townships," he explains. Yet they can have a drastic impact, sometimes driving up homeowners' insurance rates by as much as 200 percent. The property owners group "brings the voice of the residents to the township in an organized fashion."

Billingsley compares the attention to detail required to restore old homes to the attention to detail The Victory Bank gives its customers. "We do all the little things right," he says. It might help explain why, even with the current economic environment, "we're finding no shortage of great clients" he adds. It just goes to prove that "the bank environment is changing and a boutique like us is the wave of the future."

The Victory Bank Mission And Values

Our Mission:

We exist to optimize the financial lives of our clients by consistently serving their needs with fairness, good advice, convenience, responsiveness, integrity and respect.

Our Values:

The Victory Bank Team achieves success through high personal and corporate character, by sharing valuable experience and knowledge, and by exhibiting consistent, daily behavior that benefits our clients.

Our Commitment to You:

Perfection of The Victory Bank Client Experience is our inspiration, so you can be assured of:

- **Extraordinary Personal Service** – every interaction with The Victory Bank will be an opportunity to improve your life, feel valued, important and satisfied
- **Ethical Behavior** – to receive what's right and best for your long-term interests whether you are a client, team member or shareholder
- **Personal and Corporate Integrity** – service from financial professionals whose values stand the challenges of business, and the tests of time and will never be compromised for personal or corporate gain
- **Candor** – communication that is open, honest and direct
- **Respect For All** – the financial needs of all constituencies will be served regardless of age, gender, race, sexual preference, disability, religious or political views
- **Credibility** – every promise will be delivered
- **Consistency and Excellence** – relentless effort to doing things right



We Understand Business. We Cater To Business.

It takes a bank that knows and understands business, especially small business, to make you feel you've come to the right place. Which means you'll feel right at home at The Victory Bank.

We've got everything you need for your business banking, including exceptional service and an attitude that lets you know we'll always go the extra mile when you need it.

We're a different kind of bank. Give us a try. We want you to experience banking the way it should be...The Business of Banking...Done right!

Call 610.948.9000, stop by our Banking Center, or visit us online at www.thevictorybank.com for more information.

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