



Milestones

December 2012

Dear Friends, Shareholders and Clients:

Time flies when you are having fun.

It is hard to believe that we are approaching our five-year anniversary in January 2013. It seems like just yesterday when Joe Major and I started working on this project. The journey has been a lot of fun but in many ways different than what I envisioned when we started the process. As it turns out, it was a lot more work than I thought it would be and I have learned more in the last five years than I ever thought possible.

I think back to the beginning, as we started working in a 1,500 square foot modular office building, or as we fondly called it, our "Mobile Bank Center." The memories are vivid; all of our original twelve member team jammed into one tiny space. We grew to be very close. We dealt with lots of problems and challenges that first year, from communication issues to the sewer pipes freezing on the day we opened for business! These early experiences truly instilled a sense

of family among our team, as we worked together and overcame these challenges with ease.

Packed in like sardines in a can, we watched (as patiently as we could) the new corporate office and retail location being built over the first year, anxiously awaiting the move into our permanent home. We spent hours deciding on décor, furniture and interior design, trying to get everything to look and feel just right, and at the same time putting our collective efforts into bringing new customers and relationships into the bank.

We moved into our new building in December of 2008 with feelings of pride and a sense of accomplishment.

Since that time, we have grown to a family of 29 members that continues to expand professionally and to experience life. Since opening, this "family" has celebrated over 85 birthdays, has brought five babies into the world, enjoyed one wedding, plus an untold number of pizza parties and picnics; we even have two new knees. I am extremely proud of my Victory Bank family. I have said before; they are "the best group of people that I have ever worked with."



Richard Graver,
President and Chief Lending Officer

I have been charged with keeping our team members engaged and motivated, with the goal of creating an ever better and more productive work environment. Having fun at work is an added bonus. As the self-appointed "Chief Happiness and Engagement Officer," I have been leading new initiatives designed to help our team be happier at the bank and in their personal lives. We have organized "book clubs" that read and discuss books on a variety of business and motivational topics. We start many of our meetings with an inspiring video. One of my personal favorites is the ringing of our "happiness bell," a very real (and loud) brass bell hung in our office, so that our team members can instigate a celebration about something positive whenever they feel

continued...

"The bank has grown to \$124 million in assets and has been profitable for the last eight consecutive quarters."

so inclined. Similar future initiatives will be started which we hope will also involve our customers.

In past newsletters, we have updated you on our financial progress. The bank has grown to \$124 million in assets and has been profitable for the last eight consecutive quarters. Through the end of September 2012 the bank has posted a net profit of \$424,000, and we expect the 4th quarter to be very positive.

I would like to share some interesting facts about what our bank has accomplished since we opened. We have:

- 570 loan customers
- 1,015 loans
- 4,000 customers
- 4,557 deposit accounts
- We have funded \$192 million in loans
- Average of \$40 million in new loans per year
- Opened a loan production office in Wyomissing, Pennsylvania

The next several years should be most exciting. Early next year we will be leasing office space in the building adjacent to our current facility in order to house our growing family and provide for future growth. Planning for the opening of a residential mortgage division is well under way.

I want to express my sincere appreciation to all of our customers, team members and shareholders for your efforts and contributions in getting this venture “off the ground!” Thank you for placing your trust and faith in our vision and allowing us to continue this journey.

Sincerely Yours,



Richard Graver

President and Chief Lending Officer



HELP BRING A MESSAGE OF HOPE

to needy children during this holiday season by donating an unwrapped toy or by making a monetary donation to the “Toys For Tots Foundation.”

The Victory Bank is an official drop off site and will accept monetary donations and toys for 0-2 years, 3-7 years and 8-12 years of age. Some ideas are age appropriate toys, games, arts & crafts, books, sports balls, etc. Deadline for drop off is December 13, 2012.



Happy Holidays from The Victory Bank!

One of the real joys of the holiday season is the opportunity to say Thank You and wish you a New Year filled with health, happiness and prosperity. In honor of our clients and to serve the greater community, we are making a donation to  American Red Cross in our holiday cards.

 **THE VICTORY BANK**
The Business of Banking... Done Right.

MEMBER FDIC

548 North Lewis Road, Limerick PA 19468 | 610.948.9000 | www.thevictorybank.com

“We know our banker by his first name.”

Women’s Health Care Group of PA (WHCG), a 40-year-old medical practice located in Pottstown, was in a building that Dr. Charles Touey, president, describes as “dilapidated.” Built in the 1980s, the facility began to require major improvements, including a new—and very expensive—heating system.

That’s when Dr. Touey and his wife, Mary Beth, WHCG’s business manager, decided to rebuild the facility and turn it into the practice of their dreams. For financing help, they turned to The Victory Bank’s Rich Graver, President and Chief Lending Officer.

“We have worked with Rich for years,” said Mary Beth. “We consider him ‘our banker.’ He has always been a big advocate of ours, and is always checking in with us to see if we’re okay.”

“We belong to a group that includes 60 different doctors in 15 different practices, in Montgomery, Philadelphia and Chester Counties,” added Dr. Touey. “Not many of them have any kind of relationship with their bankers, and certainly

don’t know their first names. That’s surprising, because we consider our relationship with our banker as essential and it has reaped many rewards over the years.”

The Victory Bank provided the financing for the new, state-of-the-art, 10,000-square-foot building, where WHCG provides high quality obstetrics and gynecology services to women throughout the community. Mary Beth oversaw the entire project, which included hiring the architect and preparing the bid documents, plus working with Rich to secure the necessary financing.

“Naturally, it was a huge endeavor, but Rich worked hard to ensure everything ran smoothly,” said Mary Beth. “Many times, he picked up the phone before we did. He’s always been attentive that way.”

They love their new professional “home” and have never regretted their decision to build on the existing footprint. “Replacing the old heating system would have cost almost as much to build a new facility,” said Dr. Touey.



The spacious building features all new equipment and beds, and they are especially proud to offer 11 new patient rooms and two in-office procedure rooms.

“We have always been dedicated to preserving the access of high-quality healthcare for women,” Dr. Touey said. “Women can have certain outpatient procedures performed right here rather than having to go to the hospital, which saves them a great deal of money.”

Examples of procedures done in-house, using local anesthesia, include tubal ligations, and endometrial ablation, a process that often takes only 90 seconds but provides a lifetime of relief. “We have enjoyed a 95 percent patient satisfaction rate from this procedure,” said Dr. Touey.

With 23 employees, WHCG’s highly qualified staff includes four doctors and two nurse practitioners, each of whom provides medical care in the most professional, understanding and sensitive manner, qualities, says Mary Beth, which are reflected back to them by the staff at The Victory Bank. Mary Beth especially enjoys the convenience and ease of online banking.

The Toueys live a short distance from the practice in Collegeville with their three children, ages 10, 8 and 7.

The five clinicians at WHCG include (from left) Dr. Thea Barton, Dr. Maria Tucker, Rosalie Lisa, PRNP, Christine Campbell, PRNP and Dr. Charles V. Touey, FACOG.



How to guard against cyber fraud

Consumers and businesses alike constantly must be on the lookout for Internet fraud. Nigerian money offers, fake check scams and phishing are just a few of the scams criminals use to trick you out of your money and personal information.

Be especially vigilant of mass marketing fraud, which refers to any type of fraud scheme that uses one or more mass-communication techniques and technologies, such as the Internet, telephones, the mail and even mass meetings in person. Mass-marketing fraud schemes generally fall into three main categories:

1. **Advance-Fee Fraud Schemes.**

This type of scheme is based on the concept that a victim will be promised a substantial benefit – such as a million-dollar prize, lottery winnings, a substantial inheritance, or some other item of value – but must pay in advance some purported fee or series of fees before the victim can receive that benefit. There are almost endless variations on this basic scheme.

2. **Credit-Card Interest Reduction Schemes.**

Some fraudulent schemes contact individuals and offer to help them lower their credit-card interest rates, but charge fees without effecting actual reductions in the cardholders' interest rates.

3. **Bank and Financial Account Schemes.**

These schemes involve mass contacts with individuals to trick them into providing their bank or financial account data, so that participants in the scheme can gain unauthorized access to those accounts and siphon off funds or charge goods to the victims' cards. These types of schemes involve not only fraud but also identity theft.

Phishing: "Phishing" is the use of emails and websites that falsely purport to be associated with legitimate banks, financial institutions, or companies, but that manipulate Internet users into disclosing personal and financial data.

Vishing: Some schemes also engage in "vishing," the telephone equivalent of phishing. In vishing schemes, fraudsters often call prospective

victims, pretending to be officials with the victim's bank and seeking to trick the persona called into disclosing banking details during the call.

No one is immune from cyber fraud. According to Homeland Security News Wire, roughly 60 percent of small businesses will close up within six months of a cyber attack. Yet a recent survey conducted by Visa and the National Cyber Security Alliance revealed that more than 85 percent of small business owners believe their companies are less of a target for cybercrime than consumers and large companies, when the opposite is true. Nearly half also said their employees received no training about network and mobile device security during the past year.

The Victory Bank implements specific measures to help ensure your access to convenient online and remote banking is secure. In addition, there are steps you should take to further protect your business information. Please review this checklist as a starting point.

1. **Monitor and reconcile all banking transactions on a daily basis.**

The sooner fraud is discovered, the better the chance of minimizing the loss associated with that fraud.

2. Don't send money to someone you don't know. That includes an online merchant you've never heard of. It's best to do business with sites you know and trust. If you buy items through an online auction, consider a payment option that provides protection, like a credit card. Don't send cash or use a wire transfer service.

3. **Update virus protection and security software regularly.**

In addition to installing anti-virus software on your computers, it is also important to set up the system



to automatically download the latest anti-virus signature versions available from the vendor.

4. **In the wake of a natural disaster or other crisis, give to established charities rather than one that seems to have sprung up overnight.** Pop-up charities probably don't have the infrastructure to get help to the affected areas or people, and they could be collecting the money to finance illegal activity. Check out ftc.gov/charityfraud to learn more.
5. **Be suspicious of e-mails with links and/or attachments.** Phishing is the practice of sending an e-mail to a large number of recipients in an attempt to trick them into downloading malware by clicking on a malicious link and/or attachment. Don't click on links! Go directly to the website in question.
6. **Create a strong, complex password with at least 10 characters.** Due to increased processing power, the tools used to crack passwords have improved dramatically. A password that contains upper case letters, lower case letters, numbers and special characters is more secure and difficult to "guess."
7. **Ensure operating systems and applications receive security patches regularly.** Vendors, including your operating system vendor, should be included in the process.
8. **Read your bills and monthly statements regularly—on paper and online.** Scammers steal account information and then run up charges or commit crimes in your name. Dishonest merchants sometimes bill you for monthly "membership fees" and other goods or services you didn't authorize. If you see charges you don't recognize or didn't okay, contact us, your card issuer or other creditor immediately.

The Victory Bank Statement of Purpose

We exist to optimize the financial lives of our clients. *The Victory Bank Client Experience* is defined by fairness and good advice, by convenience, speed and responsiveness, and by integrity and respect.

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.

We value:

- **Extraordinary Personal Service** – Every client contact is an opportunity to better our clients' lives, leaving them feeling valued, important and satisfied. Perfection of *The Victory Bank Client Experience* is our inspiration.
- **Ethical Behavior** – We always strive to do what is right and best for the long-term interests of our clients, team members and shareholders.
- **Personal and Corporate Integrity** – Our values stand the challenges of business, and the tests of time. We do not compromise our values for personal or corporate gain.
- **Candor** – Open, honest and direct communication is expected throughout the organization regardless of title or position. Pollution of our work environment with gossip and negativity is not acceptable.
- **Respect for All** – We conduct business so that all constituencies are served, regardless of age, gender, race, sexual preference, disability, religious or political views, and in a way that benefits our team members, our local communities and our shareholders.
- **Credibility** – We do what we promise.
- **Consistency and Excellence** – We love doing things right the first time, and are relentlessly committed to excellence.
- **Planning, Efficiency and Systematic Thinking** – We establish clear plans and goals, designed to ensure the success of the bank. We carefully consider the long-term implications of our decisions, and operate efficiently and without waste.
- **A Learning Organization** – We are committed to the never-ending improvement of our systems and technology, and to constantly bettering our individual knowledge and skills.
- **Creativity and Innovation** – We recognize and reward those team members who find better ways to do things. Change and experimentation are encouraged, and mistakes are viewed as opportunities to learn and improve. When things go wrong, we focus on solutions and learning rather than blame.
- **A Great Working Environment** – The safety and satisfaction of our team members is fundamental to meeting our goals. Our long-term goal is to make The Victory Bank *the* employer of choice.
- **Teamwork** – We recognize and celebrate the importance and power of teamwork, of working in a collaborative way where individual recognition is secondary to accomplishing the common good.

Ultimately, we measure our success through the outlook of our clients, whose total satisfaction assures corporate growth and financial success. Perfection is our inspiration.

Mobile Banking is Here.

Download The Victory Bank App today!

Access your accounts anytime, anyplace 24/7 through your web-enabled mobile device. This free* service available to Victory Bank online banking clients gives you fast access to:

- View Account Balances
- View Transaction History
- Transfer Funds Between Accounts
- Pay Bills To Existing Payees
- View Alerts



*Mobile Banking is a free service from The Victory Bank. Consult your mobile carrier for details on specific access fees and charges that may apply.

Member FDIC

For more information visit www.thevictorybank.com or call 610.948.9000

FREE Check Scanner

when you sign up for RDCapture or RDScan.



Our **Remote Deposit Services, RDCapture and RDScan**, enable your business to scan paper checks and have them electronically deposited into your Victory Bank business account without ever leaving your office.

Save time – Eliminate daily trips to the bank and securely deposit checks 24 hours a day, 7 days a week.

Save money – Accelerate your business's cash flow and reduce your banking costs.*

View our RDCapture video for more information at www.thevictorybank.com/rdc or contact us at 610.948.9000 to see which Deposits... Done Right service solution is right for you.

*Contact us for more information and pricing.

Member FDIC

For more information visit www.thevictorybank.com or call 610.948.9000

PROFILE: Alexander (Alex) Kroll

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

Banking innovator dedicates expertise, empathy to business clients

What do you get when you combine integrity, commitment to helping people and unparalleled expertise with an impressive financial services background spanning more than 25 years? Answer: Alex Kroll.

As Senior Vice President and Commercial Relationship Manager at The Victory Bank, Alex is out visiting with clients on a regular basis, helping their businesses succeed by addressing critical issues and providing solutions. When asked what his official job description might be, he takes a moment to ponder.

"I guess you could say I take a consulting role with clients," he said. "I am totally relationship driven. People often require assistance that could determine whether their business succeeds or fails, and through me, they know that The Victory Bank is ready and able to do what it takes."

In the beginning, Alex never dreamed he'd go into banking. He joined the Air Force at age 17 and pursued law enforcement. Returning home, Alex changed direction and received his initial exposure to the banking industry through Colonial National Bank, by accepting a job as a consumer lender.

"It turned out to be a great opportunity," Alex said. "My mentor there threw me to the wolves, seeing if I could rise to the challenge of creating loans for various affinity

groups, including nurses and teachers. I took a liking to it, and as time went by I got to experience many different levels of banking, including running the branches and managing high-risk student loan portfolios."

At Royal Bank, Alex moved into commercial banking and developed additional expertise in commercial loan administration. A progressive thinker, Alex was ahead of his time when he created a "credit officer" position at the bank. He enjoyed training new lenders how to structure loans and manage large portfolios. Adding to his accomplishments, he started a construction loan department that quickly added to the bank's profitability and success.

While breaking new ground in commercial lending, Alex attended college at night and earned a bachelor's degree in Organizational Management. He then attended the ABA Stonier Graduate School of Banking, the industry's most intense executive education program for bankers. It was there that he first met fellow classmate Joseph W. Major, The Victory Bank's Chairman and CEO.

"One of the requirements for graduation was to write a thesis, and I had only two weeks to get it done," said Alex. "Joe laughed and told me I didn't have nearly enough time. Not only did I get it done, but my thesis was one of the few papers



that received library consideration."

Joe was impressed, and he and Alex made a vow to work together—someday. After 15 years, their wish has finally come to pass.

"I love community banking," Alex said.

"We're not 'banking-by-numbers' like the big banks. Business owners are human beings who are more than the sum of complex, numerical matrices analyzed by members of a faceless bureaucracy. As a community banker, I thrive on the human connection and learning about the customer's entire business."

He also thrives on the positive, team culture at The Victory Bank. "Everyone here, whether on the deposit or the loan side, works together to create a great experience for our customers. We keep things simple: only the essential deposit products and no service fees. We recognize that 70 percent of banking is done online, so services like online banking and remote deposit capture add additional convenience for our customers. These innovative services along with superior customer service set us apart from other banks."

Alex is celebrating 25 years of marriage to his wife, Patricia, has four children and four grandkids. A resident of Wayne, Alex is active in his church, the Knights of Columbus and the local community. Time and weather permitting, he plays a mean game of tennis.

The Victory Bank Opens Loan Office in Wyomissing

The Victory Bank has announced the opening of a loan office in Wyomissing, Pennsylvania that will be led by Tony D'Antonio, SVP – Commercial Relationship Manager and Laurie A. Kercher, VP – Commercial Relationship Manager. The loan office is located at 200 Spring Ridge Drive, Suite 206, Wyomissing, PA 19610. Hours are by appointment only by calling 610.478.4090.

“We are excited about increasing our focus on growth in the Berks County market. We feel strongly about our bank’s success with Tony and Laurie’s leadership. They bring a wealth of knowledge and experience. By living and working in Berks County for many years, they understand and are committed to the financial needs of local businesses,” states Rich Graver, President and Chief Lending Officer of The Victory Bank.

Tony D'Antonio joined The Victory Bank in May 2011 and is a Senior Vice President – Commercial Relationship Manager. He formerly served as Vice President, Commercial Loan Officer for Nova Bank, Exton and Wyomissing, PA and Vice President, Small

Business Banker and Vice President, Senior Regional Team Leader for Susquehanna Bank, Wyomissing, PA. A resident of Exeter Township, he is a graduate of Kutztown University, Kutztown, Pennsylvania, where he earned a Bachelor of Science degree in Business Administration. Tony is involved in the Berks County Chamber of Commerce, Reading Berks Commercial Industry Council, and is a member of the Exeter Township Economic Development Advisory Council.

Laurie A. Kercher has twenty years of financial experience in the Berks County market. Most recently she served as Assistant Vice President – Commercial Lending for Vist Financial Corp, Wyomissing, Pennsylvania. A resident of Reading, Laurie is a graduate of Elizabethtown College, Elizabethtown, Pennsylvania. In addition, she is a board member of Opportunity House, member of the West Reading Wyomissing Rotary, member of Altrusa International, Vice Chairperson of the Spirit of Scouting Breakfast Committee and member of the Prospectus Berco Golf Committee.



Tony D'Antonio, SVP,
Commercial Relationship Manager



Laurie Kercher, VP,
Commercial Relationship Manager

Equal Housing Lender | Member FDIC

610.948.9000 • www.thevictorybank.com



The Victory Bank
548 N. Lewis Road
Limerick, PA 19468

