

Contact:  
Michael J. Dee  
Chief Financial Officer  
(410) 477- 5000

## **BV FINANCIAL, INC. ANNOUNCES FINANCIAL RESULTS**

Edgemere, Maryland, January 31, 2021– BV Financial, Inc. (OTCBB: BVFL), the holding company for BayVanguard Bank, today reported net income of \$7.9 million or \$1.12 per diluted share, for the twelve months ended December 31, 2020 compared to \$2.5 million, or \$0.38 per diluted share, for the year ended December 31, 2019. The 2020 results include ten months of combined operations of BV Financial, Inc. and the former MB Bancorp, Inc. and its subsidiary, Madison Bank which was acquired as of February 29, 2020, a \$3.6 million gain on bargain purchase recognized in the acquisition of MB Bancorp, Inc., and two months of combined operations with the former Delmarva Bancshares and its subsidiary, 1880 Bank that was acquired as of October 31, 2020. The 2019 results included the impact of the acquisition of Kopernik Bank on February 28, 2019.

At December 31, 2020, BV Financial, Inc. had total assets of \$816.2 million, net loans of \$607.1 million, deposits of \$675.1 million and total stockholders' equity of \$74.3 million compared to \$294.2 million, \$235.2 million, \$217.8 million and \$66.0 million at December 31, 2020, respectively.

Non-performing assets at December 31, 2020 totaled \$8.5 million consisting of \$5.7 million in nonperforming loans and \$2.8 million on other real estate owned, compared to \$1.6 million at December 31, 2019, consisting of \$1.1 million in non-performing loans and \$0.5 million in other real estate owned. At December 31, 2020, the loan loss allowance was \$1.8 million, which represented 0.30% of total loans and 32.3% of non-performing loans. Additionally, the Company has \$6.9 million in credit impairment allowances for the acquired loan portfolios. The acquired loan portfolios total \$422.1 million or 68.7% of total loans at December 31, 2020. Adding the credit impairment allowances to the loan loss reserves results in an allowance to loan ratio of 1.43% and an allowance to non-performing loan ratio of 153.9%.

At December 31, 2019, the loan loss allowance was \$1.3 million, which represented 0.54% of total loans and 112.5% of non-performing loans. In addition, at December 31, 2019, the Bank had a credit impairment allowance of \$1.5 million that is not included in the loan loss allowance. The credit impairment allowance was established for loans acquired in the Kopernik and Vigilant mergers. These acquired portfolios totaled \$106.3 million or 44.8% of total loans at December 31, 2019. Adding the credit impairment allowances to the loan loss reserves results in an allowance to loan ratio of 1.18% and an allowance to non-performing loan ratio of 243.8% at December 31, 2019.

BayVanguard Bank's Tier 1 leverage capital ratio was 12.97% at December 31, 2020 compared to 20.74% at December 31, 2019. This ratio and the Bank's other capital measurements continue to exceed all regulatory standards for "well-capitalized" financial institutions.

This press release may contain certain forward-looking statements that are based on management's current expectations regarding economic, legislative and regulatory issues that may impact the Company's earnings in future periods. Factors that could cause future results to vary materially from current management expectations include, but are not limited to, general economic conditions, changes in interest rates, deposit flows, real estate values and competition, changes in accounting principles, policies or guidelines, changes in legislation or regulation and other economic, competitive, governmental, regulatory and technological factors affecting the Company's operations, pricing, products and services.

BV Financial, Inc. is the parent company of BayVanguard Bank. BayVanguard Bank is headquartered in Edgemere, Maryland with fifteen other branches in the Baltimore metropolitan area and the Eastern Shore of Maryland. The Bank is a full-service community-oriented financial institution dedicated to serving the financial service needs of consumers and businesses within its market area.

| BV Financial , inc.                   |                   |                   |
|---------------------------------------|-------------------|-------------------|
| Consolidated Financial Highlights     |                   |                   |
| (In thousands, except per share data) |                   |                   |
|                                       | <u>12/31/2020</u> | <u>12/31/2019</u> |
|                                       | (unaudited)       |                   |
| Selected Balance Sheet Data:          |                   |                   |
| Total Assets                          | \$ 816,242        | \$ 294,184        |
| Investment securities                 | 39,929            | 12,305            |
| Loans receivable, net                 | 607,073           | 235,194           |
| Total Deposits                        | 675,096           | 217,822           |
| Borrowings                            | 54,655            | 3,000             |
| Stockholders' Equity                  | 74,336            | 66,003            |
|                                       |                   |                   |
|                                       |                   |                   |
|                                       | 12 Months         | 12 Months         |
| Operating results:                    | <u>12/31/2020</u> | <u>12/31/2019</u> |
|                                       | (unaudited)       |                   |
| Interest Income                       | \$ 18,229         | \$ 12,147         |
| Interest Expense                      | <u>2,905</u>      | <u>1,740</u>      |
| Net Interest income                   | 15,324            | 10,407            |
| Provision for Loan Losses             | <u>695</u>        | <u>110</u>        |
| Net Interest Income after provision   | 14,629            | 10,297            |
|                                       |                   |                   |
| Non-Interest Income                   | 5,252             | 507               |
| Non-Interest expense                  | <u>10,571</u>     | <u>7,466</u>      |
| Income before taxes                   | 9,310             | 3,338             |
| Income taxes                          | <u>1,349</u>      | <u>865</u>        |
| Net Income                            | <u>\$ 7,961</u>   | <u>\$ 2,473</u>   |
|                                       |                   |                   |
| Diluted Income per share              | <u>\$ 1.12</u>    | <u>\$ 0.38</u>    |
|                                       |                   |                   |
| Net Interest margin                   | 3.82%             | 4.12%             |