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

Edgemere, Maryland, April 22, 2021. - BV Financial, Inc. (OTCBB: BVFL), the holding company for BayVanguard Bank, today reported net income of \$2.7 million, or \$0.37 per diluted share, for the three months ended March 31, 2021 compared to net income of \$671,000, or \$0.09 per diluted share, for the three months ended March 31, 2020. The results in the current quarter reflect the first full quarter after the acquisition of Delmarva Bancshares, Inc., on October 31, 2020. The March 2020 results included one month of combined operations with MB Bancorp, Inc., that was purchased on February 29, 2020.

The increase in net income for the three months ended March 31, 2021 was largely attributable to a \$3.5 million or 120.3% increase in net interest income before the provision for loan losses, a \$0.6 million or 310.3% increase in non-interest income, somewhat offset by a \$1.2 million, or 56.6% increase in non-interest expense. The increase in net interest income is primarily due to the higher volume of earning assets offsetting the net negative impact of lower rates. Non-interest income in the period included \$0.25 million in life insurance proceeds in excess of cash surrender value. The provision for loan losses increased \$14,000 or 18.4% to \$90,000. The increase in operating expenses is primarily the result of the increased size of the Company resulting from the two aforementioned acquisitions.

Non-performing assets increased to \$9.7 million at March 31, 2021 compared to \$8.4 million at December 31, 2020. At March 31, 2021, the loan loss allowance was \$2.0 million, which represented 0.32% of total loans and 26.0% of non-performing loans compared to \$1.8 million at December 31, 2020, which represented 0.30% of total loans and 32.3% of non-performing loans. In addition, at March 31, 2021 and December 31, 2020, the Bank had credit impairment allowances on acquired loans of \$6.6 million and \$6.9 million, respectively, that is not included in the loan loss allowance. The credit impairment allowances were established for loans acquired in the mergers with Vigilant Savings Bank in 2013, Kopernik Bank in 2019 and MB Bancorp, Inc. and Delmarva Bancshares in 2020.

As of March 31, 2021, BV Financial, Inc. had assets of \$815.6 million, net loans of \$618.4 million, deposits of \$684.3 million and total stockholders' equity of \$76.7 million compared to \$815.6 million, \$607.1 million, \$675.1 million and \$74.0 million at December 31, 2020.

BayVanguard's Tier 1 leverage capital ratio was approximately 10.76% at March 31, 2021 compared to 12.97% at December 31, 2020. 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.

Further, given its ongoing and dynamic nature, it is difficult to predict the full impact of the COVID-19 outbreak on our business. The extent of such impact will depend on future developments, which are highly uncertain, including when the coronavirus can be controlled and abated and when and how the economy may be reopened. As the result of the COVID-19 pandemic and the related adverse local and national economic consequences, we could be subject to any of the following risks, any of which could have a material, adverse effect on our business, financial condition, liquidity, and results of operations: demand for our products and services may decline, making it difficult to grow assets and income; if the economy is unable to substantially reopen, and high levels of unemployment continue for an extended period of time, loan delinquencies, problem assets, and foreclosures may increase, resulting in increased charges and reduced income; collateral for loans, especially real estate, may decline in value, which could cause loan losses to increase; our allowance for loan losses may have to be increased if borrowers experience financial difficulties, which will adversely affect our net income; the net worth and liquidity of loan guarantors may decline, impairing their ability to honor commitments to us; as the result of the decline in the Federal Reserve Board's target federal funds rate the yield on our assets may decline to a greater extent than the decline in our cost of interest-bearing liabilities, reducing our net interest margin and spread and reducing net income; our cyber security risks are increased as the result of an increase in the number of employees working remotely; and FDIC premiums may increase if the agency experience additional resolution costs.

BV Financial, Inc. is the parent company of BayVanguard Bank. BayVanguard Bank is headquartered in Edgemere, Maryland with sixteen 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>3/31/2021</u>	<u>12/31/2020</u>
	(unaudited)	
Selected Balance Sheet Data:		
Total Assets	\$ 815,530	\$ 815,565
Investment securities	36,028	39,929
Loans recievable, net	618,356	607,073
Total Deposits	684,341	675,096
Borrowings	39,669	54,655
Stockholders' Equity	76,634	74,021
Three Months Ended March 31,		
	<u>2021</u>	<u>2020</u>
Operating results:		
Interest Income	\$ 7,343	\$ 3,508
Interest Expense	<u>897</u>	<u>582</u>
Net Interest income	6,446	2,926
Provision for Loan Losses	<u>90</u>	<u>76</u>
Net Interest Income after provision	6,356	2,850
Non-Interest Income	759	185
Non-Interest expense	<u>3,354</u>	<u>2,142</u>
Income before taxes	3,761	893
Income taxes	<u>1,078</u>	<u>222</u>
Net Income	<u>\$ 2,683</u>	<u>\$ 671</u>
Diluted Income per share	<u>\$ 0.37</u>	<u>\$ 0.09</u>