

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

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

### **Recognizes \$3.6 million Gain from Bargain Purchase in the acquisition of MB Bancorp.**

Baltimore, Maryland, July 16, 2020– BV Financial, Inc. (OTCBB: BVFL), the holding company for BayVanguard Bank, today reported net income of \$4.1 million, or \$0.57 per diluted share, for the quarter ended June 30, 2020 compared to net income of \$779,000, or \$0.11 per diluted share, for the quarter ended June 30, 2019. The results reflect a \$3.6 million gain from bargain purchase that resulted from the acquisition of MB Bancorp and its subsidiary, Madison Bank of Maryland on February 29, 2020. Net income for the six-month period ended June 30, 2020 was \$4.7 million or \$0.66 per diluted share compared to net income of \$1.1 million or \$0.20 per diluted share in the six-month period ended June 30, 2019. Net income for BayVanguard Bank for the year to date and quarterly periods was \$1.5 million and \$873,000, respectively, compared to \$1.1 million and \$780,000 in 2019.

Non-performing assets at June 30, 2020 totaled \$825,000 million consisting of \$808,000 million in nonperforming loans and \$17,000 in 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 June 30 2020, the loan loss allowance was \$1.5 million, which represented 0.42% of total loans and 182.2% of non-performing loans compared to \$1.6 million at December 31, 2019, which represented 0.54% of total loans and 112.5% of non-performing loans. In addition, at June 30, 2020, the Bank had a credit impairment allowances of \$2.7 million that is not included in the loan loss allowance. The credit impairment allowances were established for loans acquired in the MB Bancorp, Kopernik and Vigilant mergers.

At June 30, 2020, BV Financial, Inc. had total assets of \$421.0 million, net loans of \$350.7 million, deposits of \$316.8 million and total stockholders' equity of \$70.8 million compared to \$294.2 million, \$235.2 million, \$217.8 million and \$66.0 million at December 31, 2019, respectively.

BayVanguard's Tier 1 leverage capital ratio was 14.60% at June 30, 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.

BV Financial, Inc., in a press release dated June 18, 2020, announced the signing of a definitive merger agreement whereby BV Financial has agreed to acquire Delmarva Bancshares and its wholly owned bank subsidiary, 1880 Bank, in an all-cash transaction.

Under the terms of the merger agreement, Delmarva Bancshares preferred and common shareholders will receive cash of \$8.90 for each share of Delmarva Bancshares they own, representing aggregate consideration of approximately \$54.0 million. The transaction is expected to be accretive to BV Financial's 2021 earnings per share.

BV Financial intends to fund the merger consideration through a combination of the issuance of \$30.0 million in subordinated debt and a cash dividend to be paid by BayVanguard Bank

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 ten branches in the Baltimore metropolitan area. 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)

6/30/2020      12/31/2019

Selected Balance Sheet Data:

Total Assets	\$	421,031	\$	294,184
Investment securities		7,435		12,305
Loans receivable, net		350,710		235,194
Total Deposits		316,824		217,822
Borrowings		22,992		3,000
Stockholders' Equity		70,802		66,003

Three Months Ended June 30,

Operating results:	<u>2020</u>	<u>2019</u>
Interest Income	\$ 4,024	\$ 3,256
Interest Expense	<u>639</u>	<u>474</u>
Net Interest income	3,385	2,782
Provision for Loan Losses	<u>158</u>	<u>30</u>
Net Interest Income after provision	3,227	2,752
Non-Interest Income	255	135
Bargain Prurchase Gain	3,601	-
Non-Interest expense	<u>2,651</u>	<u>1,805</u>
Income before taxes	4,432	1,082
Income taxes	<u>364</u>	<u>303</u>
Net Income	<u>\$ 4,068</u>	<u>\$ 779</u>
Diluted Income per share	<u>\$ 0.57</u>	<u>\$ 0.11</u>

Six Months Ended June 30,

Operating results:	<u>2020</u>	<u>2019</u>
Interest Income	\$ 7,531	\$ 5,572
Interest Expense	<u>1,222</u>	<u>767</u>
Net Interest income	6,309	4,805
Provision for Loan Losses	<u>233</u>	<u>50</u>
Net Interest Income after provision	6,076	4,755
Non-Interest Income	441	200
Bargain Prurchase Gain	3,601	-
Non-Interest expense	<u>4,794</u>	<u>3,488</u>
Income before taxes	5,324	1,467
Income taxes	<u>586</u>	<u>392</u>
Net Income	<u>\$ 4,738</u>	<u>\$ 1,075</u>
Diluted Income per share	<u>\$ 0.66</u>	<u>\$ 0.20</u>