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BV FINANCIAL, INC. ANNOUNCES FINANCIAL RESULTS

Baltimore, Maryland, February 6, 2017. - BV Financial, Inc. (OTCBB: BVFL), the holding company for Bay-Vanguard Federal Savings Bank, today reported net income of \$313,000, or \$0.10 per diluted share, for the six months ended December 31, 2016 compared to net income of \$409,000, or \$0.14 per diluted share, for the six months ended December 31, 2015. In addition, the Company reported net income of \$150,000, or \$0.05 per diluted share, for the quarter ended December 31, 2016, compared to net income of \$237,000, or \$0.08 per diluted share, for the quarter ended December 31, 2015.

The decrease in net income for the six months ended December 31, 2016 was largely attributable to a decrease in noninterest income of \$109,000 due to gains on the sale of a former branch building of \$173,000 and the gain on the sale of REO \$78,000 recognized in the six month period ended December 31, 2015. Additionally, in the six month period ended December 31, 2016, the Company recognized a \$56,000 loss on the sale of a building previously used for storage. Additionally, interest expense increased by \$36,000 in the period.

The decrease in net income for the three months ended December 31, 2016 was largely attributable to a decrease in noninterest income of \$99,000 due to lower gains on the sale of repossessed real estate and a \$54,000 increase in noninterest expenses. The higher expenses result primarily from costs associated with disposing of non-performing assets.

Non-performing assets decreased by \$2.1 million to \$3.2 million at December 31, 2016 compared to \$5.3 million at June 30, 2016. Non-performing loans decreased to \$2.8 million at December 31, 2016 from \$4.6 million at June 30, 2016. At December 31, 2016, the loan loss allowance was \$2.1 million, which represented 1.7% of total loans and 75.7% of non-performing loans compared to \$2.1 million at June 30, 2016, which represented 1.7% of total loans and 46.4% of non-performing loans. In addition at December 31, 2016, the Bank had a credit impairment allowance of \$617,000 that is not included in the loan loss allowance. The credit impairment allowance was established for loans acquired in the merger with Vigilant Savings Bank in 2013.

As of December 31, 2016, BV Financial, Inc. assets of \$167.3 million, net loans of \$126.3 million, deposits of \$139.8 million and total stockholders' equity of \$21.2 million compared to \$169.1 million, \$125.5 million, \$141.2 million and \$20.9 million at June 30, 2016.

Bay-Vanguard's Tier 1 leverage capital ratio was 11.81% at December 31, 2016 compared to 11.50% at June 30, 2016. 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 Bay-Vanguard Federal Savings Bank. Bay-Vanguard Federal Savings Bank is headquartered in Baltimore, Maryland with three other 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)

| | <u>12/31/2016</u> | <u>6/30/2016</u> | | |
|-------------------------------------|--------------------|------------------|--------------------|----------------|
| Selected Balance Sheet Data: | (unaudited) | | | |
| Total assets | \$167,315 | \$169,150 | | |
| Investment securities | 17,960 | 17,253 | | |
| Loans receivable, net | 126,339 | 125,502 | | |
| Total deposits | 139,781 | 141,264 | | |
| Borrowings | 3,084 | 3,111 | | |
| Stockholders' equity | 21,179 | 20,983 | | |
| | | | | |
| | Three months | | Six months | |
| | ended December 31, | | ended December 31, | |
| | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| Operating Results: | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| Interest income | \$ 1,700 | \$ 1,693 | \$ 3,446 | \$ 3,453 |
| Interest expense | 199 | 185 | 399 | 363 |
| Net interest income | <u>1,501</u> | <u>1,508</u> | <u>3,047</u> | <u>3,090</u> |
| Provision for loan losses | 75 | 105 | 191 | 195 |
| Net interest income after provision | <u>1,426</u> | <u>1,403</u> | <u>2,856</u> | <u>2,895</u> |
| Non-interest income | 47 | 146 | 143 | 252 |
| Non-interest expense | <u>1,249</u> | <u>1,195</u> | <u>2,532</u> | <u>2,505</u> |
| Income before income taxes | 224 | 354 | 467 | 642 |
| Income taxes | 74 | 117 | 154 | 233 |
| Net income | <u>\$ 150</u> | <u>\$ 237</u> | <u>\$ 313</u> | <u>\$ 409</u> |
| Diluted income per share | <u>\$ 0.05</u> | <u>\$ 0.08</u> | <u>\$ 0.10</u> | <u>\$ 0.14</u> |