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BV FINANCIAL, INC. ANNOUNCES FINANCIAL RESULTS

Baltimore, Maryland, January 31, 2018. - BV Financial, Inc. (OTCBB: BVFL), the holding company for Bay-Vanguard Federal Savings Bank, today reported net loss of \$153,000, or \$0.05 per diluted share, for the six months ended December 31, 2017 compared to net income of \$313,000, or \$0.10 per diluted share, for the six months ended December 31, 2016. In addition, the Company reported net loss of \$323,000, or \$0.11 per diluted share, for the quarter ended December 31, 2017, compared to net income of \$150,000, or \$0.05 per diluted share, for the quarter ended December 31, 2016.

The decrease in operating results for the six and three month periods ended December 31, 2017 was largely attributable to a revaluation of deferred tax assets due to the lower corporate tax rate resulting from the Tax Cuts and Jobs Act. In the six and three-month periods ended December 31, 2017, this revaluation and write-down resulted in effective tax rates of 128% and 218%, respectively. Pretax income in the six and three-month periods increased by 13.9% and 21.9% respectively. The increases in pretax income in the comparable periods resulted primarily from lower provisions for loan losses, higher non-interest income and lower operating expenses.

Non-performing assets increased by \$.02 million to \$1.7 million at December 31, 2017 compared to \$1.5 million at June 30, 2017. Non-performing loans decreased to \$1.1 million at December 31, 2017 from \$1.2 million at June 30, 2017. At December 31, 2017, the loan loss allowance was \$1.8 million, which represented 1.4% of total loans and 163% of non-performing loans compared to \$2.1 million at June 30, 2017, which represented 1.7% of total loans and 181% of non-performing loans. In addition, at December 31, 2017 the Bank had a credit impairment allowance of \$499,000 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, 2017, BV Financial, Inc. assets of \$168.3 million, net loans of \$125.2 million, deposits of \$141.0 million and total stockholders' equity of \$21.4 million compared to \$171.1 million, \$126.1 million, \$142.6 million and \$21.6 million at June 30, 2017.

Bay-Vanguard's Tier 1 leverage capital ratio was 12.08% at December 31, 2017 compared to 11.80% at June 30, 2017. This ratio and the Bank's other capital measurements continue to exceed all regulatory standards for "well-capitalized" financial institutions.

On December 14, 2017, The Board of Directors granted employees of the Company 52,000 stock options with a strike price of \$8.65. The grants vest over a five-year period and expire after ten years from issuance. The grants were issued pursuant to the BV Financial, Inc. 2017 Stock Option Plan which was approved by shareholders at the Annual Meeting held on November 1, 2017.

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>12/31/2017</u>	<u>6/30/2017</u>		
Selected Balance Sheet Data: (unaudited)				
Total assets	\$168,254	\$171,087		
Investment securities	18,948	20,850		
Loans receivable, net	125,244	126,095		
Total deposits	141,032	142,603		
Borrowings	3,029	3,057		
Stockholders' equity	21,443	21,622		
	Three months ended December 31,		Six months ended December 31,	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Operating Results:	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Interest income	\$ 1,664	\$ 1,700	\$ 3,345	\$ 3,446
Interest expense	199	199	396	399
Net interest income	<u>1,465</u>	<u>1,501</u>	<u>2,949</u>	<u>3,047</u>
Provision for loan losses	60	75	120	191
Net interest income after provision	<u>1,405</u>	<u>1,426</u>	<u>2,829</u>	<u>2,856</u>
Non-interest income	101	47	198	143
Non-interest expense	<u>1,233</u>	<u>1,249</u>	<u>2,495</u>	<u>2,532</u>
Income before income taxes	273	224	532	467
Income taxes	596	74	685	154
Net income	<u>\$ (323)</u>	<u>\$ 150</u>	<u>\$ (153)</u>	<u>\$ 313</u>
Diluted income per share	<u>\$ (0.11)</u>	<u>\$ 0.05</u>	<u>\$ (0.05)</u>	<u>\$ 0.10</u>