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## **BV FINANCIAL, INC. ANNOUNCES FINANCIAL RESULTS AND COMPLETION OF ACQUISITION OF DELMARVA BANCSHARES, INC.**

Baltimore, Maryland, November 2, 2020— BV Financial, Inc. (OTCBB: BVFL), the holding company for BayVanguard Bank, today reported net income of \$1.5 million, or \$0.20 per diluted share, for the quarter ended September 30, 2020 compared to net income of \$785,000, or \$0.11 per diluted share, for the quarter ended September 30, 2019. The results reflect the first full quarter after the integration of the operations of MB Bancorp, Inc., and its wholly-owned subsidiary, Madison Bank that were acquired on February 29, 2020, as well as \$270,000 in income from life insurance proceeds in excess of book value. Net income for the nine-month period ended September 30, 2020 was \$6.2 million, or \$0.87 per diluted share, compared to net income of \$1.9 million, or \$0.32 per diluted share, in the nine-month period ended September 30, 2019. Year to date income includes a \$3.6 million gain on bargain purchase from the acquisition of MB Bancorp.

Non-performing assets at September 30, 2020 totaled \$669,000 consisting of \$517,000 in nonperforming loans and \$152,000 in other real estate owned, compared to \$1.6 million at December 31, 2019, consisting of \$1.1 million in non-performing loans and \$500,000 in other real estate owned. At September 30, 2020, the loan loss allowance was \$1.6 million, which represented 0.45% of total loans and 304.6% 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 September 30, 2020, the Bank had credit impairment allowances of \$2.6 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 September 30, 2020, BV Financial, Inc. had total assets of \$415.5 million, net loans of \$350.0 million, deposits of \$313.9 million and total stockholders' equity of \$72.2 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 15.15% at September 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.

### **Acquisition of Delmarva Bancshares and 1880 Bank**

On October 31, 2020, BV Financial completed its acquisition of Delmarva Bancshares, Inc., and, its wholly owned subsidiary, 1880 Bank, a Maryland chartered commercial bank located in Cambridge, Maryland. Based on September 30, 2020 financial information, the

combined institution has approximately \$800 million in assets, \$650 million in deposits and \$71 million in stockholders' equity and operates from ten banking offices located in the Baltimore metropolitan area and six banking offices in the Eastern Shore of Maryland and Delmarva Peninsula.

The conversion and consolidation of data processing platforms, systems and customer files is expected to occur on or about March 6, 2021.

### **Forward-Looking Statements**

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, uncertainties or other factors, including the economic or health effects related to the COVID-19 pandemic, changes in interest rates, deposit flows, real estate values and competition, changes in accounting principles, policies or guidelines, changes in legislation or regulation, other economic, competitive, governmental, regulatory and technological factors affecting the Company's operations, pricing, products and services and BV Financial is unable to implement successful integration strategies. BV Financial does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

### **About BV Financial, Inc.**

BV Financial, Inc. is the parent company of BayVanguard Bank. BayVanguard Bank is headquartered in Baltimore, Maryland with ten branches in the Baltimore metropolitan area and six banking offices in the Eastern Shore of Maryland and Delmarva Peninsula. 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)

9/30/2020                      12/31/2019

Selected Balance Sheet Data:

Total Assets	\$	415,521	\$	294,184
Investment securities		7,405		12,305
Loans receivable, net		349,956		235,194
Total Deposits		313,864		217,822
Borrowings		20,910		3,000
Stockholders' Equity		72,250		66,003

Three Months Ended September 30,

Operating results:		<u>2020</u>		<u>2019</u>
Interest Income	\$	4,269	\$	3,373
Interest Expense		<u>610</u>		<u>499</u>
Net Interest income		3,659		2,874
Provision for Loan Losses		<u>60</u>		<u>30</u>
Net Interest Income after provision		3,599		2,844
Non-Interest Income		520		149
Non-Interest expense		<u>2,271</u>		<u>1,940</u>
Income before taxes		1,848		1,053
Income taxes		<u>396</u>		<u>268</u>
Net Income	\$	<u>1,452</u>	\$	<u>785</u>
Diluted Income per share	\$	<u>0.20</u>	\$	<u>0.11</u>

Nine Months Ended September 30,

Operating results:		<u>2020</u>		<u>2019</u>
Interest Income	\$	11,800	\$	8,945
Interest Expense		<u>1,832</u>		<u>1,266</u>
Net Interest income		9,968		7,679
Provision for Loan Losses		<u>293</u>		<u>80</u>
Net Interest Income after provision		9,675		7,599
Non-Interest Income		961		349
Gain on Bargain Purchase		3,601		-
Non-Interest expense		<u>7,064</u>		<u>5,428</u>
Income before taxes		7,173		2,520
Income taxes		<u>982</u>		<u>660</u>
Net Income	\$	<u>6,191</u>	\$	<u>1,860</u>
Diluted Income per share	\$	<u>0.87</u>	\$	<u>0.32</u>