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BV FINANCIAL, INC. ANNOUNCES FINANCIAL RESULTS AND DECLARES A QUARTERLY DIVIDEND

Baltimore, Maryland, July 26, 2018 – BV Financial, Inc. (OTC: BVFL), the holding company for Bay-Vanguard Federal Savings Bank, today reported net income of \$91,000, or \$0.03 per diluted share, for the year ended June 30, 2018 compared to net income of \$653,000, or \$0.22 per diluted share, for the year ended June 30, 2017.

The change in net income is primarily due to a revaluation of the deferred tax asset due to the lower corporate tax rate resulting from the Tax Cuts and Jobs Act. In the year ended June 30, 2018, the revaluation and write-down of the deferred tax asset resulted in \$1.1 million in tax expense on \$1.2 million in pre-tax income for an effective tax rate of 92%. Pretax income increased by 14.8% in the year primarily due to lower provision for loan losses and higher non-interest income offsetting a 1.4% increase in operating expenses.

Total assets decreased to \$167.2 million at June 30, 2018 compared to \$171.0 million at June 30, 2017. Net loans decreased \$1.5 million and securities held to maturity decreased \$1.9 million. Non-interest bearing deposits increased by \$1.9 million while interest bearing deposits decreased by \$5.8 million. Non-performing loans decreased to \$0.8 million at June 30, 2018 compared to \$1.2 million at June 30, 2017. Repossessed assets increased from \$0.3 million at June 30, 2017 to \$0.7 million at June 30, 2018. The loan loss allowance was \$1.8 million, which represented 1.63% of total loans and 181% of non-performing loans compared to \$2.1 million at June 30, 2017, which represented 1.63% of total loans and 181% of non-performing loans. In addition at June 30, 2018, the Bank had a credit impairment allowance of \$458,000 that is not included in the loan loss allowance.

Bay-Vanguard's Tier 1 capital ratio increased to 12.23% at June 30, 2018 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.

Additionally, the Board of Directors of BV Financial, Inc. have declared a \$0.05 per share dividend to stockholders of record on August 8, 2018 payable on August 15, 2018. Previously, Bay-Vanguard M. H. C., the owner of 2,049,988 shares of BV Financial, Inc., had agreed to waive its right to receive the dividend on its shares.

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>6/30/2018</u>	<u>6/30/2017</u>
Selected Balance Sheet Data: (unaudited)		
Total assets	\$ 167,206	\$171,011
Investment securities	19,009	20,850
Loans receivable, net	124,608	126,095
Total deposits	138,685	142,603
Borrowings	3,000	3,057
Stockholders' equity	21,650	21,614
	For the Year ended June 30,	
	<u>2018</u>	<u>2017</u>
Operating Results: (unaudited)		
Interest income	\$ 6,755	\$ 6,905
Interest expense	779	784
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Net interest income	5,976	6,121
Provision for loan losses	114	401
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Net interest income after provision	5,862	5,720
Non-interest income	423	341
Non-interest expense	5,108	5,036
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Income before income taxes	1,177	1,025
Income taxes	1,086	372
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Net income	<u>\$ 91</u>	<u>\$ 653</u>
Diluted income per share	<u>\$ 0.03</u>	<u>\$ 0.22</u>