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

Baltimore, Maryland, July 24, 2014 – BV Financial, Inc. (OTCBB: BVFL), the holding company for Bay-Vanguard Federal Savings Bank, today reported net income of \$689,000, or \$0.26 per diluted share, for the year ended June 30, 2014 compared to \$488,000, or \$0.20 per diluted share, for the year ended June 30, 2013.

The increase in net income was attributed largely to the increase in net interest income of \$1.5 million offsetting a higher provision for loan loss of \$435,000 and higher operating expenses of \$803,000. Net interest income increased due to a higher balances of interest earning assets, primarily due to the acquisition of Vigilant Federal Savings Bank in May 2013 and lower deposit costs. The increase in the provision for loan losses was primarily the result of loan charge-offs in the current year. The increase in non-interest expense was primarily due to expenses resulting from the acquisition of Vigilant Federal Savings Bank and professional fees and other expenses relates to problem asset workout.

Total assets decreased to \$178.4 million at June 30, 2014 compared to \$185.7 million at June 30, 2013, primarily due to a decrease in loans, time deposits in other banks, and securities held-to-maturity, offset by increases in repossessed assets and cash. Loans decreased \$3.8 million as new production was offset by pay-offs and transfers to other real estate owned. Time deposits in other banks decreased by \$3.5 million as these instruments are being allowed to run-off at maturity. Non-performing loans decreased to \$3.9 million at June 30, 2014 compared to \$5.2 million at June 30, 2013. At June 30, 2014, the loan loss allowance was \$1.6 million, which represented 1.18% of total loans and 40.7% of non-performing loans compared to \$1.4 million at June 30, 2013, which represented 1.0% of total loans and 26.4% of non-performing loans. In addition at June 30, 2014, the Bank had a credit impairment allowance of \$778,000 that is not included in the loan loss allowance. The credit impairment allowance was established for the loans acquired in the merger. Deposits decreased \$7.2 million, primarily in certificate accounts as the Bank was not willing to match rates offered by some competitors. Stockholders' equity increased \$773,000 primarily as a result of net income.

Bay-Vanguard's Tier 1 capital ratio increased to 9.85% at June 30, 2014 compared to 8.95% at June 30, 2013. 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>6/30/2014</u>	<u>6/30/2013</u>
Selected Balance Sheet Data: (unaudited)		
Total assets	\$ 178,411	\$185,695
Investment securities	14,391	16,979
Loans receivable, net	131,931	135,716
Total deposits	150,804	157,996
Stockholders' equity	20,285	19,512
	For the Year ended June 30,	
	<u>2014</u>	<u>2013</u>
Operating Results: (unaudited)		
Interest income	\$ 7,646	\$ 6,270
Interest expense	805	936
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Net interest income	6,841	5,334
Provision for loan losses	932	497
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Net interest income after provision	5,909	4,837
Non-interest income	288	371
Non-interest expense	5,061	4,258
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Income before income taxes	1,136	950
Income taxes	447	462
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Net income	<u>\$ 689</u>	<u>\$ 488</u>
Diluted income per share	<u>\$ 0.26</u>	<u>\$ 0.20</u>