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

Baltimore, Maryland, November 5, 2014 – BV Financial, Inc. (OTCBB: BVFL), the holding company for Bay-Vanguard Federal Savings Bank, today reported net income of \$224,000, or \$0.09 per diluted share, for the quarter ended September 30, 2014 compared to \$106,000, or \$0.04 per diluted share, for the quarter ended September 30, 2013.

The increase in net income was attributed largely to a lower provision for loan losses and higher noninterest income offsetting lower net interest income and higher operating expenses. The provision for loan losses for the three months ended September 30, 2014 was \$135,000 as compared to \$353,000 for the quarter ended September 30, 2013. Noninterest income increased \$183,000 to \$258,000 in the three months ended September 30, 2014. The increase is largely due to the sale of a branch building at a gain of \$173,000. The deposits from this branch were transferred to other locations of the Bank. Net interest income decreased primarily due to lower interest earning assets, primarily loans as early pay-offs have exceeded new production. Noninterest expense increased due to higher costs associated with other real estate owned and loan workouts as well as a \$25,000 loss due to fraud resulting from the failure of a national retailer's payment systems to properly secure customer information.

Non-performing assets at September 30, 2014 totaled \$5.5 million consisting of \$3.8 million in nonperforming loans and \$1.7 million on other real estate owned, compared to \$6.0 million at June 30, 2014, consisting of \$3.6 million in non-performing loans and \$2.4 million in other real estate owned. At September 30, 2014, the loan loss allowance was \$1.8 million, which represented 1.36% of total loans and 47.2% of non-performing loans compared to \$1.6 million at June 30, 2014, which represented 1.2% of total loans and 40.7% of non-performing loans. In addition at September 30, 2014, the Bank had a credit impairment allowance of \$777,000 that is not included in the loan loss allowance. The credit impairment allowance was established for loans acquired in the Vigilant merger.

Total assets decreased to \$173.9 million at September 30, 2014 compared to \$178.4 million at June 30, 2014. Cash and cash equivalents and loans decreased \$1.0 million each while premises and equipment decreased \$1.7 million due to aforementioned sale of a branch building. Deposits decreased \$4.2 million primarily due to a decrease in certificates of deposits and checking accounts. Stockholders' equity increased \$243,000 as a result of net income and accumulated other comprehensive income.

Bay-Vanguard's Tier 1 capital ratio was 10.24% at September 30, 2014 compared to 9.82% at June 30, 2014. 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 four 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>9/30/2014</u>	<u>6/30/2014</u>
Selected Balance Sheet Data: (unaudited)		
Total assets	\$173,899	\$178,417
Investment securities	14,007	14,391
Loans receivable, net	130,891	131,940
Total deposits	146,548	150,804
Borrowings	3,202	3,215
Stockholders' equity	20,528	20,285

Three months  
ended September 30,

	<u>2014</u>	<u>2013</u>
Operating Results: (unaudited)		
Interest income	\$ 1,865	\$ 1,965
Interest expense	184	219
Net interest income	<u>1,681</u>	<u>1,746</u>
Provision for loan losses	135	353
Net interest income after provision	1,546	1,393
Non-interest income	258	75
Non-interest expense	1,417	1,277
Income before income taxes	<u>386</u>	<u>191</u>
Income taxes	163	85
Net income	<u>\$ 224</u>	<u>\$ 106</u>
diluted income per share	<u>\$ 0.09</u>	<u>\$ 0.04</u>