



## Press Release

FOR IMMEDIATE RELEASE

January 4, 2007

### **Bradford Bank and Golden Prague Federal Savings and Loan Association Announce Merger Agreement**

BALTIMORE, MARYLAND — January 4, 2007 — Bradford Bank, Baltimore, Maryland, and Golden Prague Federal Savings and Loan Association, Baltimore, Maryland, jointly announced today that they have signed a definitive agreement under which Golden Prague will merge with and into Bradford Bank.

The merger with Golden Prague is the second acquisition of a financial institution announced by Bradford Bank in the past five months. Bradford Bancorp, Inc., the holding company for Bradford Bank, previously announced an agreement to purchase Valley Bancorp, Inc., Hunt Valley, Maryland, in a cash transaction valued at approximately \$9.6 million. The two merger transactions together will increase Bradford Bank's assets from \$457.6 million as of September 30, 2006, to approximately \$535 million and increase its number of banking offices from six to eight.

Dallas R. Arthur, president of Bradford Bank stated, "We are very pleased to announce our agreement with Golden Prague to merge with and into Bradford Bank. During 2006, we have taken steps to increase our franchise through the acquisition of Valley Bancorp, the assumption of deposits from American Bank's Ellicott City branch and the acquisition of a title company, and the Golden Prague merger is another step in that growth. We look forward to continuing to emphasize the personal service and community banking focus that our and Golden Prague's customers expect and appreciate."

"We believe that this transaction is an excellent opportunity for our members, customers and the communities we serve," said Joseph M. Platek, president of Golden Prague. "This transaction will allow us to preserve our community bank atmosphere and the high quality of service provided by our dedicated employees. Moreover, our customers will benefit from access to a greater selection of services."

The acquisition is expected to be completed in the second quarter of 2007. The transaction is subject to certain conditions, including the approval of the members of Golden Prague and receipt of regulatory approval by Bradford Bank.

Bradford Bank's management team and board of directors will remain intact following the merger.

Bradford Bank currently operates six offices in the greater Baltimore metropolitan area. At September 30, 2006, Bradford Bank had total consolidated assets of \$457.6 million and total deposits of \$391.9 million.

Golden Prague is a mutual savings and loan association. Golden Prague operates two offices in the greater Baltimore metropolitan area. At September 30, 2006, Golden Prague had total assets of \$29.3 million and total deposits of \$24.4 million.

For further information contact:

Dallas R. Arthur  
President  
Bradford Bancorp, Inc.  
(410) 372-1480

Joseph M. Platek  
President  
Golden Prague Federal Savings and Loan Association  
(410) 882-4242

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