



Press Release  
FOR IMMEDIATE RELEASE  
January 29, 2007

## **Bradford Bank and Senator Bank Announce Merger Agreement**

BALTIMORE, MARYLAND — January 29, 2007 — Bradford Bank of Baltimore, Maryland, and Senator Bank of Cockeysville, Maryland, announced today that they have signed a definitive agreement under which Senator Bank will merge with and into Bradford Bank.

Dallas R. Arthur, president of Bradford Bank stated, "The merger with Senator Bank, another mutual bank, provides us with a unique growth opportunity. We are fortunate that a merger with Senator Bank allows us to expand the Bradford franchise into another vital Baltimore suburb, Cockeysville."

This announcement follows a five-month period in which Bradford Bancorp Inc., or its subsidiary Bradford Bank, has successfully acquired deposits or financial institutions. On October 2, 2006, Bradford Bank assumed approximately \$6.4 million in deposits from American Bank of Chevy Chase, adding these deposits to Bradford's Ellicott City branch, located in Howard County since 1973. In addition, on January 4, 2007, Bradford Bank and Golden Prague Federal Savings and Loan Association of Baltimore, Maryland, announced that they entered into a definitive agreement under which Golden Prague would merge with and into Bradford Bank, expanding Bradford Bank into the Parkville, Maryland, market.

Bradford Bancorp Inc. completed its acquisition of Valley Bancorp Inc. of Hunt Valley, Maryland, in a stock purchase transaction valued at approximately \$9.6 million. Again, Bradford gained a prime location in a Baltimore suburb, Pikesville, home to many of Bradford's existing customers.

The merger transactions together will increase Bradford Bancorp's consolidated assets from \$474 million as of December 31, 2006, to approximately \$560 million and increase its number of banking offices from six to nine.

"Senator Bank and Bradford Bank share the same strong commitment to our customers, employees and communities," said Leonard J. Grossman, chairman and president of Senator Bank. "In addition, our customers will benefit from access to a broader range of products and 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 Senator Bank and receipt of regulatory approval by Bradford Bank.

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

Bradford Bancorp is the holding company for Bradford Bank and Bradford Title Company, a title agency. Bradford Bank operates seven branches in the greater Baltimore metropolitan area and has one investment and insurance subsidiary, Bradford Financial Group. At December 31, 2006, Bradford Bank had total consolidated assets of \$474 million and total deposits of \$387 million.

Senator Bank is a mutual savings and loan association and operates one office in Cockeysville, a suburb north of Baltimore. At December 31, 2006, Senator Bank had total assets of approximately \$19 million and total deposits of approximately \$17 million.

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