



Press Release

FOR IMMEDIATE RELEASE

July 31, 2006

Bradford Bancorp, Inc. and Valley Bancorp, Inc. Announce Acquisition Agreement

BALTIMORE, MARYLAND AND HUNT VALLEY, MARYLAND — July 31, 2006 — Bradford Bancorp, Inc., Baltimore, Maryland, and Valley Bancorp, Inc., Hunt Valley, Maryland, jointly announced today that they have signed a definitive agreement under which Valley Bancorp will be acquired by Bradford Bancorp in a transaction valued at approximately \$9.6 million. The transaction will increase Bradford Bancorp's assets from \$431 million as of June 30, 2006 to approximately \$476 million and increase its number of banking offices from six to seven. Under the terms of the transaction, shareholders of Valley Bancorp will be entitled to receive \$71.00 in cash in exchange for each share of Valley Bancorp common stock.

Dallas R. Arthur, president of Bradford Bancorp stated, "We are very pleased to announce our agreement for Valley Bancorp to merge with Bradford Bancorp. We look forward to continuing to emphasize the personal service and community banking focus that our and Valley Bancorp's customers expect and appreciate."

"We believe that this transaction is an excellent opportunity for our stockholders, customers and the communities we serve," said Joseph M. Solomon, president and chief executive officer of Valley Bancorp. "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 fourth quarter of 2006 or early in the first quarter of 2007. The transaction is subject to certain conditions, including the approval of the shareholders of Valley Bancorp and receipt of regulatory approval by Bradford Bancorp.

Bradford Bancorp's management team and board of directors will remain intact following the merger. In connection with this transaction, Sandler O'Neill & Partners, L.P. acted as financial advisor to Bradford Bancorp and Ryan Beck & Co., Inc. acted as financial advisor to Valley Bancorp. Muldoon Murphy & Aguggia LLP represented Bradford Bancorp, while Jones, Walker, Waechter, Poitevent, Carrère & Denègre L.L.P. represented Valley Bancorp.

Bradford Bancorp is the holding company for Bradford Bank. Bradford Bank operates out of six offices in the greater Baltimore metropolitan area. At June 30, 2006, Bradford Bancorp had total consolidated assets of \$431 million and total deposits of \$373 million.

Valley Bancorp is the holding company for Valley Bank of Maryland. Valley Bank operates out of two offices in the greater Baltimore metropolitan area. At June 30, 2006, Valley Bancorp had total consolidated assets of \$50.2 million and total deposits of \$37.3 million.

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