



**PRESS RELEASE
FOR IMMEDIATE RELEASE**

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**DELMAR BANCORP AND VIRGINIA PARTNERS BANK
ANNOUNCE MERGER OF EQUALS, EXECUTION OF
SHARE EXCHANGE AGREEMENT**

Salisbury, MD, Fredericksburg, VA. Delmar Bancorp, Salisbury, Maryland (“Delmar”) (OTCQX: DBCP), the parent company of The Bank of Delmarva, Seaford, Delaware (“Delmarva”), and Virginia Partners Bank, Fredericksburg, Virginia (“Partners”) (OTCQX: PTRS) announced today that they have entered into a definitive agreement (the “Agreement”) pursuant to which Partners will become a separate wholly owned subsidiary of Delmar through an exchange of shares, in an all stock transaction.

Under the Agreement, each share of Partners common stock will be exchanged for 1.7179 shares of Delmar common stock. Options and warrants to acquire Partners common stock will be assumed by Delmar and converted into options and warrants to acquire shares of Delmar common stock.

The transaction will create a partnership between Delmarva and Partners. Each bank will continue to operate as independent subsidiaries of Delmar. The banks will maintain their existing names, executive management teams, and boards of directors. The consolidated holding company will have, on a pro forma basis at September 30, 2018, approximately \$1.2 billion of assets, \$947.7 million in loans and \$966.6 million in deposits, and a franchise that serves the attractive Mid-Atlantic and Southeastern markets, extending from Philadelphia, Pennsylvania to Salisbury, Maryland, and Fredericksburg and Newport News, Virginia. The strategic partnership will allow each bank to leverage the strength of its local community banking franchise and expand the breadth of products and services offered to its existing customer base. Additionally, the creation of a \$1.2 billion asset bank holding company provides significant opportunities for both banks to expand their customer base and lending and to better address community banking needs in their current and contiguous markets.

At September 30, 2018, Partners had approximately \$420.1 million in assets, \$325.1 million in loans and \$344.5 million in deposits. Partners currently has three branches in Fredericksburg, Virginia, and trading under the name Maryland Partners Bank, a branch in La Plata, Maryland and a loan production office in Annapolis, Maryland. Partners is also a 51% owner of Johnson Mortgage Company, LLC, located in Newport News, Virginia.

At September 30, 2018, Delmar had approximately \$737.9 million in assets, \$622.5 million in loans and \$622.0 million in deposits. Delmarva currently has eleven branches located in Wicomico and Worcester Counties, Maryland and Sussex County, Delaware, three branches in the South Jersey/Philadelphia metro market doing business under the name of Liberty Bell Bank, and a loan production office in Rehoboth Beach, Delaware.

Based on the closing price of Delmar common stock on December 12, 2018 of \$7.80 per share, the transaction would have a value of \$13.40 per share of Partners common stock, and an aggregate value of approximately \$55.1 million, or approximately 135% of Partners' tangible common equity as of September 30, 2018. Holders of Partners common stock would own an aggregate of approximately 44% of the outstanding shares of Delmar following completion of the share exchange (including shares subject to a warrant to purchase 450,000 shares of Partners common stock at an exercise price of \$12.75 per share, which will be exercised for shares of Delmar common stock following completion of the share exchange). Delmar expects that the transaction will be accretive to Delmar's earnings during the first full year following the closing of the transaction, and will result in modest dilution to tangible book value, which is expected to be earned back in less than three years. Delmar expects to achieve approximately 21% in cost savings, of which 25% will be realized in 2019, and 100% in 2020.

Kenneth R. Lehman currently serves on the Board of Directors of both Partners and Delmar. Following the completion of the transaction, Board of Directors of Delmar will consist of five current members of the Delmar Board of Directors, four current members of the Partners Board of Directors and Mr. Lehman.

The transaction is expected to close in the second quarter of 2019. The Agreement has been unanimously approved by the boards of directors of both Delmar and Partners and is subject to approval by the shareholders of Partners, the approval of the applicable bank regulatory authorities, and the satisfaction or waiver of the conditions to closing and covenants of each party contained in the Agreement.

John W. Breda, President and CEO of Delmar said, "We are extremely excited about the proposed transaction with Partners and the transformative opportunities the combination creates for us. Partners has a strong brand, management and board, excellent asset quality, and an attractive market area. We believe the multibank holding company structure in which Partners will join Delmarva as separate subsidiaries of Delmar will enhance the business and efficiency opportunities for both banks, and provides a structure for future expansion, organically or by opportunistic acquisitions of institutions in attractive markets, and the opportunity for enhanced shareholder value for the combined institution. I am very proud and eager to lead Delmar into a new market and new opportunities." Following consummation of the transaction, Mr. Breda will

continue as President and CEO of Delmarva, and as President and Chief Operating Officer of Delmar.

Lloyd B. Harrison, III, President and CEO of Partners said, “We are thrilled by the opportunity to partner with Delmar. The Bank of Delmarva has been in business for over 100 years. It is a strong, high caliber institution which shares with Partners the values of excellent customer service to the communities in which we operate. This transaction should enhance shareholder value for both companies. The proposed merger of equals and multibank holding company structure will allow us to maintain our identity, while permitting increased efficiencies, greater visibility for our stock, a quarterly dividend for Partners shareholders, and a heightened ability to access the capital markets. This partnership will serve our shareholders, our employees, our customers and our community well. Importantly, it sets the stage for other like-minded community banks to join a multi-bank holding company committed to maintaining separately chartered affiliate banks. This affiliate bank model preserves what is best about community banking – the identities and leadership that make them successful – while achieving scale in a rapidly consolidating industry.” Following consummation of the transaction, Mr. Harrison will continue to serve as President and CEO of Partners, and as Chief Executive Officer of Delmar.

Partners was advised by Sandler O’Neill & Partners, L.P. as financial advisor, and Troutman Sanders LLP as legal counsel. FIG Partners, LLC. served as financial advisor, and Buckley Sandler LLP served as legal counsel, to Delmar.

An investor deck containing additional information about the proposed transaction is available on the websites of Delmar (www.bankofdelmarva.com) and Partners (www.vapartnersbank.com).

About the Companies: Delmar Bancorp is the holding company for The Bank of Delmarva, which commenced operations in 1896. Delmarva’s main office is in Seaford, Delaware and it conducts full service commercial banking through eleven branch locations in Maryland and Delaware, and three branches, operating under the name Liberty Bell Bank, in the South Jersey/Philadelphia metro market. Delmarva focuses on serving its local communities, knowing its customers and providing superior customer service.

Virginia Partners Bank, organized in 2008, is headquartered and maintains three full service offices in Fredericksburg, Virginia, and a branch in La Plata, Maryland and a loan production office in Annapolis, Maryland, operating under the name Maryland Partners Bank.

Additional Information About the Share Exchange and Where to Find It

In connection with the proposed transaction, Delmar intends to file with the Securities and Exchange Commission (the “SEC”) a registration statement Form S-4 to register the shares of Delmar common stock to be issued to shareholders of Partners in connection with the transaction. The registration statement will include a combined proxy statement/prospectus that will be sent to shareholders of Partners in connection with the meeting of Partners shareholders at which approval of the share exchange will be sought, as well as other relevant materials regarding the proposed transaction involving Delmar and Partners. A definitive proxy

statement/prospectus will be mailed to shareholders of Partners. SECURITY HOLDERS OF PARTNERS ARE ADVISED TO READ THE PROXY STATEMENT/PROSPECTUS WHEN IT BECOMES AVAILABLE BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION REGARDING DELMAR AND PARTNERS AND THE PROPOSED TRANSACTION. Security holders may obtain free copies of these documents, once they are filed, and other documents filed with the SEC on the SEC's website at <http://www.sec.gov>. This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or proxy in favor of the share exchange, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. Any such solicitations or offers will be made through the proxy statement/prospectus following the effectiveness of the registration statement filed with the SEC and under any state securities law requirement. Any proxy or offer to sell or buy any securities provided in response to this release will not be accepted.

Forward-looking Statements: This press release contains forward-looking statements within the meaning of the Securities and Exchange Act of 1934, as amended, including statements of goals, intentions, and expectations as to future trends, plans, events or results of Delmar's operations and policies and regarding general economic conditions. These forward-looking statements include, but are not limited to, statements about (i) the benefits of the transaction between Delmarva and Partners and (ii) Delmar's and Partners' plans, obligations, expectations and intentions. In some cases, forward-looking statements can be identified by use of words such as "may," "will," "anticipates," "believe," "expects," "plan," "estimates," "potential," "continue," "should," and similar words or phrases. These statements are based upon the beliefs of the respective managements of Delmar and Partners as to the expected outcome of future events, current and anticipated economic conditions, nationally and in the parties' market, and their impact on the operations and assets of the parties, interest rates and interest rate policy, competitive factors, judgments about the ability of the parties to successfully consummate the merger and to integrate the operations of the two companies, the expected growth opportunities or cost savings resulting from the share exchange, which may not be fully realized or take longer than expected to realize; the ability of the two companies to avoid customer dislocation or runoff, and employee attrition, during the period leading up to and following the completion of the share exchange, the timing of and any conditions to required regulatory approvals, and other conditions which by their nature, are not susceptible to accurate forecast and are subject to significant uncertainty. Factors that could cause results and outcomes to differ materially include, among others, the ability to obtain required regulatory and shareholder approvals; the ability to complete the merger as expected and within the expected timeframe; and the possibility that one or more of the conditions to the completion of the merger may not be satisfied. Because of these uncertainties and the assumptions on which this discussion and the forward-looking statements are based, actual future operations and results in the future may differ materially from those indicated herein. Readers are cautioned against placing undue reliance on such forward-looking statements. Past results are not necessarily indicative of future performance. Delmar and Partners assume no obligation to revise, update, or clarify forward-looking statements to reflect events or conditions after the date of this release.