VIRGINIA PARTNERS BANK®
MARYLAND PARTNERS BANK®
(A Division of Virginia Partners Bank)

PRESS RELEASE

Virginia Partners Bank Reports Results of Operations for the First Quarter 2019

FREDERICKSBURG, VA – April 22, 2019 – Virginia Partners Bank (OTCQX: PTRS) (the "Bank") reported net income of $545 thousand for the three months ended March 31, 2019, a 10.7% increase when compared to net income of $493 thousand for the same period in 2018. The Bank's results of operations for the three months ended March 31, 2019 were negatively impacted by merger expense of $312 thousand related to the pending merger of equals with Delmar Bancorp ("Delmar") and The Bank of Delmarva ("Delmarva"). Excluding tax-effected merger expense of $300 thousand for the three months ended March 31, 2019, adjusted net income (Non-GAAP) was $845 thousand for the three months ended March 31, 2019. For the three months ended March 31, 2019, the Bank's return on average assets, return on average equity and efficiency ratio was 0.52%, 4.92% and 78.62%, respectively, as compared to 0.52%, 5.22% and 80.26%, respectively, for the same period in 2018. Excluding tax-effected merger expense for the three months ended March 31, 2019, return on average assets (Non-GAAP), return on average equity (Non-GAAP) and efficiency ratio (Non-GAAP) was 0.81%, 7.63% and 70.62%, respectively.

The increase in net income for the three months ended March 31, 2019, as compared to the same period in 2018, was driven by increases in net interest income, due primarily to loan and deposit growth, and noninterest income, lower provision for loan losses, and partially offset by higher noninterest expense and income tax expense. The Bank's results of operations, primarily noninterest income and noninterest expense, for the three months ended March 31, 2019 and 2018 were directly affected by Johnson Mortgage Company, LLC, the Bank's majority-owned subsidiary. For the three months ended March 31, 2019, the Bank recorded a net loss of approximately $16 thousand (net of income tax benefit and noncontrolling interest) related to Johnson Mortgage Company, LLC as compared to a net loss of approximately $19 thousand (net of income tax benefit and noncontrolling interest) for the same period in 2018. In addition, the Bank's results of operations for the three months ended March 31, 2019 was negatively impacted by higher income tax expense due primarily to higher consolidated income before income taxes and the non-deductibility of merger expense. For the three months ended March 31, 2019, the Bank's effective tax rate was 27.9% as compared to 18.7% for the same period in 2018.

Total assets as of March 31, 2019 were $429.9 million, an increase of $17.2 million or 4.2% from March 31, 2018. Over the same period, gross loans held for investment increased 10.8% to $331.3 million, total investment securities – taxable decreased 13.7% to $67.4 million, total deposits decreased 2.5% to $333.4 million, however noninterest bearing deposits grew 7.5% to $56.1 million, total Federal Home Loan Bank borrowings increased 70.7% to $44.2 million and total equity increased 12.6% to $45.5 million. The decrease in investment securities – taxable was due to the strategic utilization of the cash flows from these investment securities to fund loan growth. The decrease in total deposits and the corresponding increase in total Federal Home Loan Bank borrowings were due to a decrease in money market deposits which was driven by withdrawals by several large deposit customers due to other business related needs and not due to the loss of relationships. In addition, the Bank has been able to reduce its utilization of time deposits - wholesale. As of March 31, 2019, time deposits - wholesale were $20.4 million, which represents a decrease of 14.9% from March 31, 2018. All of the Bank's capital ratios continue to exceed regulatory requirements, with total risk-based capital substantially above well-capitalized regulatory requirements.

"I am pleased with our Bank's profitability and growth to start 2019," said Lloyd B. Harrison, III, Virginia Partners Bank President & CEO. "Net income (Non-GAAP) for the first quarter of 2019 improved by $353 thousand or 71.6% when compared to the first quarter of 2018. A significant portion of our net income improvement from the first quarter of 2018 to the first quarter of 2019 was due to our efforts to grow top-line revenue and reduce noninterest expense. Net interest income for the first quarter of 2019 increased by $303 thousand or 9.6% when compared to the first quarter of 2018. Excluding merger expense, we were able to reduce our total noninterest expense by $68 thousand or 2.4% during the first quarter of 2019, as compared to the first quarter of 2018. During the first quarter of 2019, we generated loan growth of 2.8% as compared to 10.8% over the trailing twelve months, which again outpaced our internal targets. We believe this growth activity, combined with our emphasis on total relationship banking, positions us to deliver solid growth and increased profitability throughout the balance of 2019."

Harrison continued, "We continue to be very excited and focused on our pending merger of equals with Delmar and Delmarva. The Bank and Delmarva are working diligently together on this strategic partnership, and making great progress towards creating a strong banking franchise. To date we have received all necessary regulatory approvals to proceed with the merger, and late last month Delmar filed a registration statement on Form S-4 with the SEC, which included a proxy statement and a preliminary prospectus. We are very excited about the future prospects and increased efficiencies of our combined organization and look forward to maximizing the potential of this combined franchise."

About Virginia Partners Bank

Virginia Partners Bank, headquartered in Fredericksburg, Virginia, was founded in 2008 and has three branches in Fredericksburg, Virginia. In Maryland, the Bank trades under the name Maryland Partners Bank (a division of Virginia Partners Bank), and operates a full service branch and commercial banking office in La Plata, Maryland and a Loan Production Office in Annapolis, Maryland. Virginia Partners Bank also owns a controlling stake in Johnson Mortgage Company, LLC, which is a residential mortgage company headquartered in Newport News, Virginia, with branch offices in Fredericksburg and Williamsburg, Virginia. For more information, visit www.vapartnersbank.com.

For further information, please contact Lloyd B. Harrison, III, President & CEO, at 540-899-2234.

Non-GAAP Financial Measures

The accounting and reporting policies of the Bank conform to generally accepted accounting principles ("GAAP") in the United States of America and prevailing practices in the banking industry. However, management uses certain Non-GAAP financial measures to supplement the evaluation of the Bank's performance. These financial measures include net income, return on average assets, return on average equity and efficiency ratio excluding merger expense. Management believes presentations of these Non-GAAP financial measures provide useful supplemental information that is essential to a proper understanding of the operating results of the Bank's core business. These Non-GAAP financial measures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to Non-GAAP financial measures that may be presented by other companies. Reconciliations of GAAP to Non-GAAP financial measures are included as tables at the end of this earnings release.

Cautionary Statement Regarding Forward-Looking Statements

This earnings release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not statements of historical fact and are based on assumptions and describe future plans, strategies, and expectations of management, and are inherently subject to risks and uncertainties. These statements are generally identifiable by use of words such as “believe,” “expect,” “intend,” “anticipate,” “estimate,” “project,” “may,” “will” or similar expressions. Forward-looking statements in this earnings release may include, without limitation, statements regarding anticipated future financial performance, funding sources including loan portfolio composition, deposit and loan growth, adequacy of the allowance for loan losses and future provisions for loan losses, investment securities portfolio composition and future performance, and strategic business initiatives, including the pending merger of equals of the Bank and Delmar and Delmarva. Factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, the effects of or changes in: management’s efforts to maintain asset quality and control operating expenses; the quality, composition and growth of the loan and investment securities portfolios; interest rates; and general economic and financial market conditions. These risks and uncertainties should be considered in evaluating forward-looking statements contained herein. We have based our forward-looking statements on management’s beliefs, assumptions, expectations and projections based on information available as of the date of this earnings release. You should not place undue reliance on such statements, because the beliefs, assumptions, expectations and projections about future events on which they are based may, and often do, differ materially from actual events and, in many cases, are outside of our control. We undertake no obligation to update any forward-looking statement to reflect developments occurring after the statement is made.

Virginia Partners Bank

Balance Sheet

Unaudited

	March 31, 2019	March 31, 2018
ASSETS		
Cash and due from banks	$ 4,888,569	$ 7,864,219
Federal funds sold	-	4,764,000
Interest bearing deposits in other banks	2,000,000	2,000,000
Investment securities - taxable	67,365,335	78,071,902
Investment securities - tax-exempt	8,089,956	7,955,407
Loans held for sale	2,247,947	2,311,607
Loans, net of unearned income	331,263,288	298,866,046
Less: Allowance for loan losses	(4,094,709)	(3,704,879)
Premises and equipment, net	3,781,598	3,980,155
Accrued interest receivable	1,130,986	965,435
Deferred income taxes, net	1,417,588	1,502,302
Bank owned life insurance	7,658,881	7,441,444
Right of use asset	3,707,247	-
Other assets	453,944	661,431
Total Assets	**$ 429,910,630**	**$ 412,679,069**
LIABILITIES		
Noninterest bearing deposits	$ 56,146,806	$ 52,213,682
Interest-bearing demand deposits	18,142,978	18,982,029
Savings and money market deposits	99,596,322	118,713,870
Time deposits - retail	139,102,193	128,062,184
Time deposits - wholesale	20,401,000	23,982,000
Total deposits	333,389,299	341,953,765
Federal funds purchased	350,000	-
Federal Home Loan Bank borrowings	44,200,000	25,900,000
Warehouse line of credit	102,424	2,210,257
Other borrowings	1,438,435	1,483,233
Lease liability	3,716,484	-
Accrued expenses and other liabilities	1,246,191	764,398
Total Liabilities	**384,442,833**	**372,311,653**
EQUITY		
Common stock	20,425,905	19,635,905
Capital surplus	19,221,153	18,406,018
Retained earnings	5,462,524	2,810,211
Noncontrolling interest in consolidated subsidiaries	584,019	613,713
Accumulated other comprehensive loss	(771,272)	(1,591,101)
Net income	545,468	492,670
Total Equity	**45,467,797**	**40,367,416**
Total Liabilities and Equity	**$ 429,910,630**	**$ 412,679,069**

Virginia Partners Bank
Statement of Income
Unaudited

	For the Quarter Ending March 31, 2019	2018
INTEREST INCOME		
Interest and fees on loans	$ 4,163,614	$ 3,586,084
Interest on federal funds sold	9,347	8,144
Interest on deposits with banks	22,910	12,240
Investment securities - taxable	449,805	389,670
Investment securities - tax-exempt	42,376	42,376
Total interest income	4,688,052	4,038,514
INTEREST EXPENSE		
Interest-bearing demand deposits	14,764	8,742
Savings and money market deposits	153,695	120,491
Time deposits - retail	623,667	513,739
Time deposits - wholesale	81,036	91,247
Total interest expense on deposits	873,162	734,219
Interest on federal funds purchased	11,914	1,588
Interest on Federal Home Loan Bank borrowings	284,791	99,766
Interest on warehouse line of credit	19,741	7,057
Interest on other borrowings	27,192	27,548
Total interest expense	1,216,800	870,178
Net interest income	**3,471,252**	**3,168,336**
Provision for loan losses	84,500	100,000
Net interest income after provision	**3,386,752**	**3,068,336**
NONINTEREST INCOME		
Service charges and fees	78,837	70,328
Mortgage banking income	280,394	193,609
Earnings on bank owned life insurance policies	52,085	54,452
Other noninterest income	5,224	17,928
Total noninterest income	416,540	336,317
NONINTEREST EXPENSE		
Salaries and employee benefits	1,596,367	1,546,505
Occupancy and equipment expense	259,831	262,838
Professional services	134,093	187,408
Data processing	288,832	305,616
Promotion and marketing	37,737	57,975
FDIC assessment	22,800	45,400
Merger expense	312,027	-
Other operating expense	413,915	416,143
Total noninterest expense	3,065,602	2,821,885
Consolidated income before income taxes	**737,690**	**582,768**
Income tax expense	211,373	113,385
Consolidated net income	**$ 526,317**	**$ 469,383**
Net loss attributable to noncontrolling interest	19,151	23,287
Net income	**$ 545,468**	**$ 492,670**

Reconciliation of Non-GAAP Financial Measures

	For the Quarter Ending March 31, 2019	For the Quarter Ending March 31, 2018
Net income excluding merger expense		
Net income	$ 545,468	$ 492,670
Merger expense	312,027	-
Income tax effect of adjustment	(12,079)	-
Net income excluding merger expense (Non-GAAP)	$ 845,416	$ 492,670
Return on average assets excluding merger expense (1)		
Return on average assets	0.52%	0.52%
Effect to adjust for merger expense	0.29%	0.00%
Return on average assets excluding merger expense (Non-GAAP)	0.81%	0.52%
Return on average equity excluding merger expense (1)		
Return on average equity	4.92%	5.22%
Effect to adjust for merger expense	2.71%	0.00%
Return on average equity excluding merger expense (Non-GAAP)	7.63%	5.22%
Efficiency ratio excluding merger expense		
Efficiency ratio	78.62%	80.26%
Effect to adjust for merger expense	-8.00%	0.00%
Efficiency ratio excluding merger expense (Non-GAAP)	70.62%	80.26%

(1) Annualized for the quarter ending March 31, 2019 and 2018, respectively.