

Congressional Bancshares, Inc. Closes Private Placement of \$24.0 Million of Subordinated Notes due 2026

Sandler O'Neill + Partners, L.P. served as the sole placement agent for this offering.

This transaction is the 94th subordinated note or senior note transaction for a community bank since January 1, 2014 in which Sandler O'Neill acted as a placement agent, sole underwriter, book runner or initial purchaser.¹ Since May 20, 2016, Sandler O'Neill has raised approximately \$2.3 Billion for its clients in 37 transactions as the book-running manager or placement agent, capturing a 72.6% market share of announced transactions.¹

About the Offering:

BETHESDA, Maryland, December 15, 2016 – Congressional Bancshares, Inc. (the "Company"), the parent company of Congressional Bank (the "Bank"), today announced the closing of its private placement of \$24 million in aggregate principal amount of subordinated notes. Unless earlier redeemed, the notes mature on December 30, 2026.

The Company will use the net proceeds from the sale of the subordinated notes to fund the Bank's organic growth, potential acquisitions, and for general corporate purposes.

This announcement is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy securities.

About the Company:

Congressional Bancshares, Inc., a Maryland corporation, was formed in January 2006 and is registered as a bank holding company under the Bank Holding Company Act of 1956. The Company serves the needs of individuals, small and medium businesses and professional concerns through the five branch offices of its wholly owned subsidiary bank, Congressional Bank. The Bank deploys a differentiated asset strategy including corporate and healthcare lending and offers nationwide residential mortgage solutions through several mortgage origination offices.

(1) Source: Sandler O'Neill Syndicate Desk, Bloomberg. Deal count includes nationwide subordinated debt and senior note offerings for Community Banks; Community Banks defined as banks or bank holding companies with less than \$25 billion in assets.

(2) Financial data not pro forma for the offering; bank level data shown

December 15, 2016

Subordinated Notes due 2026

\$24.0 Million



Sole Placement Agent

SANDLER O'NEILL + PARTNERS

Financial Highlights as of September 30, 2016 ²**Dollars in thousands**

Total Assets	\$836,664
Net Loans	\$574,982
Total Deposits	\$711,292
Total Equity	\$89,428
Leverage Ratio	10.95%
Tier 1 Ratio	14.10%
Total Capital Ratio	15.16%
Tang. Common Equity / Tang. Assets	10.18%

Sandler O'Neill Contacts:

Bob Kleinert
Managing Principal
(212) 466-7806

Jacques de Saint Phalle
Principal
(212) 466-7721

Bill Boyan
Managing Director
(212) 466-7720

Jennifer Docherty
Managing Director
(212) 466-7796

Susan Weinberg
Managing Director
(212) 466-7807

James Furey
Managing Director
(212) 466-7934

Josh Shropa
Vice President
(212) 466-7748

Stephen Schroder
Analyst
(212) 466-7948