

Congressional Bancshares, Inc. (Bethesda, MD) has agreed to acquire American Bank Holdings, Inc. (Bethesda, MD)

Deal Value: Not Disclosed

Sandler O'Neill served as financial advisor to Congressional Bancshares, Inc. in connection with the transaction. This transaction is Sandler O'Neill's 146th bank or thrift transaction nationwide since January 1, 2011, more than any other investment bank during that time period.¹

Since January 1, 2011, Sandler O'Neill has advised on 12 bank or thrift transactions across the District of Columbia, Maryland and Virginia, more than any other investment bank.¹

WASHINGTON, D.C. -- Congressional Bancshares, Inc. ("Congressional") President and Chief Executive Officer, Jeffrey A. Lipson, announced the signing of a definitive merger agreement with American Bank Holdings, Inc. ("American") which provides for the merger of American and its wholly-owned subsidiary, American Bank, with and into Congressional and Congressional Bank. The merger with American will provide Congressional with an enhanced franchise to expand its businesses, and add a large-scale residential mortgage business.

American, headquartered in Bethesda, MD had approximately \$456 million of assets, \$46 million of shareholder equity, five banking offices in the Washington, DC area, and a national mortgage lending platform with eight residential mortgage origination offices as of June 30, 2014. Congressional, also headquartered in Bethesda, MD, had approximately \$428 million of assets, \$38 million of shareholder equity, and four banking offices in the Washington, DC area, as of June 30, 2014.

Following the spinoff of certain American assets to a newly formed entity the owners of which will be the shareholders of American, the shareholders of American will exchange their outstanding shares of American for shares of common stock of Congressional pursuant to an exchange ratio. The transaction has been unanimously approved by the respective Boards of Directors. The transaction is expected to close in the first quarter of 2015, subject to regulatory and shareholder approvals.

Mr. Lipson stated: "We are very excited about our merger with American Bank. The incremental liquidity from American's local franchise complements the asset strategy of Congressional. In addition, we are very enthusiastic about American's well-run national mortgage platform. The merger will enhance our profitability, increase our ability to provide credit to Washington, DC area consumers and businesses, and allow us to expand our many community service activities."

J.R. Schuble, Chairman and the largest shareholder of American, voiced similar enthusiasm: "We are delighted to be joining forces with such an outstanding franchise as Congressional. They share our strategic vision and our unwavering commitment to community. We anticipate that this merger will enable Congressional to deliver an enhanced level of community and mortgage banking products and services to our customers in the Washington, DC region and beyond. In addition, I believe the combined banks' employees and shareholders should benefit from opportunities that would not exist if we each remained independent." Mr. Schuble will be joining the Board of Directors of Congressional Bancshares as Vice Chairman. John Lane will remain Vice Chairman of the Congressional Bank Board of Directors.

Financial Highlights

(Dollar values in millions)

	Congressional	American²
Total Assets	\$429.5	\$456.4
Gross Loans	\$332.3	\$186.4
Total Deposits	\$356.1	\$318.2
Total Equity	\$38.2	\$48.4
Tang. Comm. Equity / Tang. Assets	8.90%	10.59%

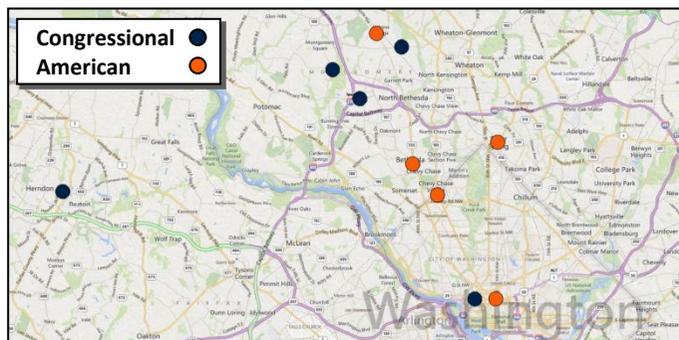
1) Excludes terminated transactions and self-advisory roles

2) Bank level financial data

Note: Financial data as of June 30, 2014

Source: SNL Financial

Pro Forma Branch Map



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