

Madison Bancorp, Inc. (OTCQB: MDSN; Baltimore, MD) has agreed to merge with Codorus Valley Bancorp, Inc. (NASDAQ: CVLY; York, PA)

Deal Value: Approximately \$14 million

Sandler O'Neill served as financial advisor to Madison Bancorp, Inc. in connection with the transaction. This transaction is Sandler O'Neill's 138th bank or thrift transaction nationwide since January 1, 2011, more than any other investment bank during that time period. Since January 1, 2011, Sandler O'Neill has advised on 11 bank or thrift transactions across the District of Columbia, Maryland and Virginia, more than any other investment bank.¹

YORK, Pa. and BALTIMORE, Md. – Codorus Valley Bancorp, Inc. (Codorus Valley) (NASDAQ: CVLY) and Madison Bancorp, Inc. (Madison) today jointly announced the signing of a definitive merger agreement pursuant to which Codorus Valley will acquire Madison in an all-cash transaction valued at a approximately \$14.4 million, or \$22.90 per share.

The transaction, which was approved by the boards of directors of both companies today, serves to strengthen Codorus Valley's presence in the demographically attractive Harford and Baltimore counties in Maryland and will provide its principal subsidiary, PeoplesBank, A Codorus Valley Company, with four new financial center locations, approximately \$140 million in assets, and \$130 million in deposits.

"We are pleased to welcome Madison Bancorp, Inc. and its clients at Madison Square Federal Savings Bank to our company," said Larry J. Miller, Codorus Valley's and PeoplesBank's President and Chief Executive Officer. "Clients of both companies will now have access to a broader network of conveniently located financial centers and ATMs as well as expanded commercial and small business banking services, enhanced technology, and wealth management opportunities. Both companies have deep roots in the communities we serve, and together we intend to continue to play an important role in the growth and development of this region."

Under the terms of the agreement, each Madison shareholder will receive \$22.90 in cash, without interest. Michael P. Gavin, President and Chief Executive Officer of Madison Bancorp, stated "This transaction represents excellent value for Madison Bancorp shareholders. We are proud to join with a partner who we are confident shares our long-standing commitment to the communities we serve. We look forward to offering greater convenience and services to our new and existing customers, while maintaining the community bank atmosphere and excellent customer service provided by our dedicated employees."

It is anticipated that the transaction will be completed in the fourth quarter of 2014/first quarter of 2015, pending regulatory approvals, the approval of the shareholders of Madison, and the satisfaction of other closing conditions.

Financial Highlights

Dollars in millions

	<u>MDSN</u>	<u>CVLY²</u>
Total Assets	\$144	\$1,201
Gross Loans	\$83	\$889
Total Deposits	\$130	\$968
Total Equity	\$14	\$114
TCE/TA	9.40	8.47

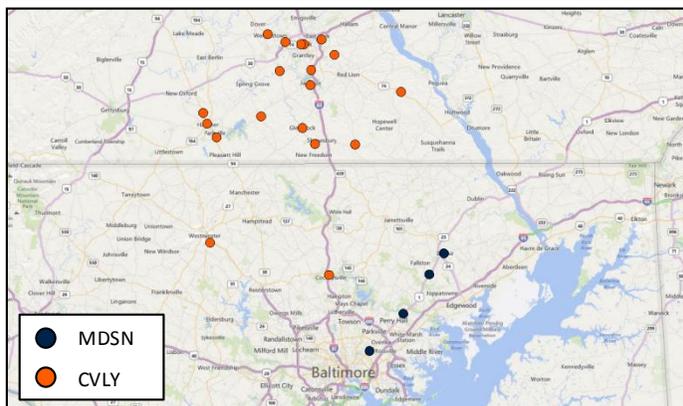
¹ Excludes terminated transactions and self-advisory roles

² Financial data as of June 30, 2014

Note: Financial data as of 3/31/14

Source: SNL Financial

Pro Forma Branch Map



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