

**Sandy Spring Bancorp, Inc. Completes Sale of \$83 Million in Preferred Stock Under the Treasury's Capital Purchase Program**

Company Release - 12/05/2008 14:00

OLNEY, Md., Dec. 5 /PRNewswire-FirstCall/ -- Sandy Spring Bancorp, Inc. (Nasdaq: SASR) the parent company of Sandy Spring Bank, announced today that it completed the sale of 83,094 shares of Preferred Stock, Series A under the TARP Capital Purchase Program for \$83 million from the U.S. Treasury. The investment represents 3% of total risk-weighted capital as of September 30, 2008. The Preferred Stock carries a 5% annual dividend yield for five years, and 9% thereafter. In addition, the U.S. Treasury also received a warrant to purchase up to 651,547 shares of Bancorp common stock at an exercise price of \$19.13.

(Logo: <http://www.newscom.com/cgi-bin/prnh/20010424/SSPRINGLOGO-a>)

President Daniel J. Schrider said, "Sandy Spring Bank was founded in 1868 and is very proud to have a history of working through economic cycles. This infusion of capital provides an additional measure of strength that will enable us to help both new and existing clients manage through these difficult times as well as take advantage of opportunities presented by continued bank consolidations in our market."

As of September 30, 2008, Bancorp's capital position was "well capitalized" by all regulatory standards. With the full amount of the Treasury's investment, Bancorp's Tier 1 capital ratio would increase to approximately 12.68% and total risk-based capital ratio would increase to approximately 13.93%.

**ABOUT SANDY SPRING BANCORP, INC.**

With \$3.2 billion in assets, Sandy Spring Bancorp is the holding company for Sandy Spring Bank and its principal subsidiaries, Sandy Spring Insurance Corporation, The Equipment Leasing Company and West Financial Services, Inc. Sandy Spring Bancorp is the second largest publicly traded banking company headquartered in Maryland. Sandy Spring is a community banking organization that focuses its lending and other services on businesses and consumers in the local market area. Independent and community-oriented, Sandy Spring Bank was founded in 1868 and offers a broad range of commercial banking, retail banking and trust services through 42 community offices in Anne Arundel, Carroll, Frederick, Howard, Montgomery, and Prince George's counties in Maryland, and Fairfax and Loudoun counties in Virginia. Through its subsidiaries, Sandy Spring Bank also offers a comprehensive menu of leasing, insurance and investment management services. Visit <http://www.sandyspringbank.com> to locate an ATM near you or for more information about Sandy Spring Bank.

**Forward-Looking Statements**

Sandy Spring Bancorp makes forward-looking statements in this news release. These forward-looking statements may include: statements of goals, intentions, earnings expectations, and other expectations; estimates of risks and of future costs and benefits; assessments of probable loan and lease losses; assessments of market risk; and statements of the ability to achieve financial and other goals.

Forward-looking statements are typically identified by words such as "believe," "expect," "anticipate," "intend," "outlook," "estimate," "forecast," "project" and other similar words and expressions. Forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Forward-looking statements speak only as of the date they are made. Sandy Spring Bancorp does not assume any duty and does not undertake to update its forward-looking statements. Because forward-looking statements are subject to assumptions and uncertainties, actual results or future events could differ, possibly materially, from those that Sandy Spring Bancorp anticipated in its forward-looking statements, and future results could differ materially from historical performance.

Sandy Spring Bancorp's forward-looking statements are subject to the following principal risks and uncertainties: general economic conditions and trends, either nationally or locally; conditions in the securities markets; changes in interest rates; changes in deposit flows, and in the demand for deposit, loan, and investment products and other financial services; changes in real estate values; changes in the quality or composition of the Company's loan or investment portfolios; changes in competitive pressures among financial institutions or from non-financial institutions; the Company's ability to retain key members of management; changes in legislation, regulations, and policies; and a variety of other matters which, by their nature, are subject to significant uncertainties. Sandy Spring Bancorp provides greater detail regarding some of these factors in its Form 10-K for the year ended December 31, 2007, including in the Risk Factors section of that report, and in its other SEC reports. Sandy Spring Bancorp's forward-looking statements may also be subject to other risks and uncertainties, including those that it may discuss elsewhere in this news release or in its filings with the SEC, accessible on the SEC's Web site at [www.sec.gov](http://www.sec.gov).

SOURCE Sandy Spring Bancorp, Inc.

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