

Alliance Partners LLC Has Merged with Congressional Bank

Deal Value: Undisclosed

Sandler O'Neill served as financial advisor to Alliance Partners LLC in this transaction.

This transaction represents Sandler O'Neill's 201st financial services transaction nationwide since January 1, 2015. Sandler O'Neill has served as a financial advisor on more financial services transactions than any other investment bank during that time period. ¹

WASHINGTON, D.C. -- Congressional Bank ("Congressional") President and Chief Executive Officer, Jeffrey A. Lipson, and Brian Graham, Chief Executive Officer of Alliance Partners, the manager of BancAlliance announced on February 1, 2018 that Congressional has acquired the operating businesses and a substantial portion of the assets of Alliance Partners.

Congressional Bank is a commercial bank founded in 2003 and headquartered in Bethesda, Maryland with five retail branches in the Washington DC area. As of December 31, 2017, Congressional Bank had over \$900 million in assets and over \$100 million in capital. Congressional provides several lending and deposit products including healthcare loans, corporate loans, lender financing, and commercial and residential real estate loans. Congressional Bank also originates residential mortgages nationwide and maintains five offices for its mortgage business.

Alliance Partners is an asset manager and lender focused on serving financial institutions by optimizing their asset strategies. It is the asset manager for BancAlliance, a network of over 250 community banks across the United States, with total assets under management of over \$1.5 billion.

Alliance Partners CEO Graham stated that "this business combination is a strong strategic fit with great potential for the future." He added that "it brings together the financial strength and focused lending platforms of Congressional Bank with Alliance Partners' lending, asset management and bank advisory services."

Congressional CEO Lipson went on to state that: "the capital, liquidity, and combined earnings potential of Congressional Bank and Alliance Partners are very powerful." He then said that "the combined talent of the two organizations are both complimentary and superb."

Jeff Lipson will remain the Chief Executive Officer of Congressional Bancshares and Congressional Bank. Brian Graham will continue to support the business by becoming a member of the Board of Directors of Congressional Bank. Additionally, current CFO of Alliance Partners, Don Cole, has been appointed President and Chief Operating Officer of both Congressional Bank and Congressional Bancshares. Don has also been appointed to serve on both the Congressional Bank and Congressional Bancshares Boards of Directors.

Mr. Cole added that "the combined management team, along with the board and investors of the new Congressional, are enthusiastic about the potential of this business combination, and are looking forward to working closely together as executives and board members. We expect the day-to-day operations of the BancAlliance network to continue without interruption, and look forward to growing the lending services and opportunities available to BancAlliance members in partnership with Congressional."

(1) Source: S&P Global Market Intelligence; excludes minority transactions, terminated transactions, and/or self-advisory roles

Sandler O'Neill Contacts:

1251 Avenue of the Americas, 6th Floor
New York, NY 10020

Jon Doyle
Senior Managing Principal
(212) 466-7826

Chris Donohoe
Managing Director
(212) 466-7755

Meirav Azoulay
Director
(212) 466-7775

Syed Alam
Analyst
(212) 466-8043