

**Royal Bancshares, Inc. (Private; St. Louis, MO) has agreed to acquire Frontenac Bancshares, Inc. (Private; Earth City, MO)**

**Deal Value: Undisclosed**

Sandler O'Neill served as financial advisor to Royal Bancshares, Inc. and rendered a fairness opinion in connection with the transaction. This transaction is Sandler O'Neill's 110<sup>th</sup> bank and thrift transaction nationwide since January 1, 2014. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions than any other investment bank during that time period.<sup>1</sup>

Since January 1, 2013, Sandler O'Neill has advised on 28 bank or thrift transaction in the Midwest, more than any other investment bank during that time period.<sup>1</sup>

St. Louis, MO and Earth City, MO – Royal Bancshares, Inc. ("Royal"), the holding company for Royal Banks of Missouri ("Royal Banks"), and Frontenac Bancshares, Inc., the holding company for Frontenac Bank ("Frontenac"), have announced plans to merge their two community banking franchises in the St. Louis metropolitan area. The combined company will operate under the Royal Banks of Missouri brand. The deal is expected to close in the second quarter of 2016, pending regulatory approvals. Terms were not disclosed.

Established in March 1964 by a group of local businessmen, Royal Banks offers a full range of banking services to individuals and business clients in the St. Louis metropolitan area. Royal Banks has approximately \$415 million<sup>2</sup> in assets and operates five locations across the St. Louis metropolitan area. With the addition of Frontenac, Royal Banks will add \$285 million<sup>2</sup> in assets and an additional 4 branch locations creating what is expected to be one of the ten largest locally-owned banks in the St. Louis region.

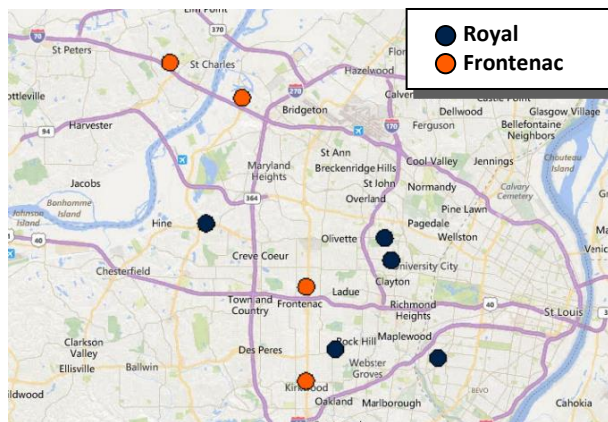
"Part of the beauty of this merger is that the geographic footprints for the two banks do not have significant overlap, so we are happy to say we will keep all nine branches open," said Steve Baden, president of Royal Banks of Missouri. "We think clients of both banks will be pleased to know they will have more branches where they can do their banking. Because of the combined assets of the banks, we will be able to offer even more support for local business start-ups and expansions. As a community bank, helping local businesses thrive is an important part of our mission."

**Financial Highlights <sup>3</sup>**

<i>\$s in millions</i>	<b>Royal Banks</b>	<b>Frontenac</b>
Total Assets	\$413	\$278
Total Loans	331	203
Total Deposits	328	243

(1) Excludes terminated transactions and self-advisory roles.  
 (2) Bank level total assets as of November 1, 2015.  
 (3) Bank level financial information. Financial highlights as of 9/30/15.  
 Source: SNL Financial.

**Pro Forma Branch Map**



**Sandler O'Neill Contacts:  
 1251 Avenue of the Americas, 6<sup>th</sup> Floor  
 New York, NY 10020**

Bill Boyan  
 Managing Director  
 (703) 307-0585

Steve Glassgold  
 Partner  
 (212) 466-7758

Josh Shropa  
 Associate  
 (212) 466-7748