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Top team, solid plan put Talmer Bank on fast track to growth

By [Tom Henderson](#)

In April 2010, **First Michigan Bancorp Inc.** — a 3-year-old, one-branch bank holding company in Troy with just \$75 million in assets and 30 employees — announced at the bottom of the recession that noted New York City financier Wilbur Ross had invested almost \$50 million in a capital-raising effort of \$200 million to grow the bank.

It seemed counterintuitive to some that anyone would invest in a place that had been in a one-state recession for years before the national economy also tanked, but Ross and bank President David Provost thought that opportunities would arise for a bank with little or no distressed assets on its balance sheet to buy troubled banks at a big discount to book value.



Talmer President David Provost

There were, indeed, opportunities, and they paid off for the holding company, which was renamed **Talmer Bancorp Inc.** — dropping the "Michigan" as it expanded into Wisconsin and Illinois.

In February, Talmer went public on the Nasdaq exchange under the symbol "TLMR" in a \$202 million initial public offering.

The same day First Michigan finished its fundraising in 2010, the bank was the winning bidder for the \$1.1 billion in assets of **Citizens First Bank** of Port Huron, which was shut down by state and federal regulators. Talmer was off and running.

Since the second quarter of 2009, Talmer has been the fastest-growing bank in the U.S., according to data compiled by **SNL Financial**, a Charlottesville, Va.-based company that provides data and analysis for the banking, financial services and insurance industries.

In five years, Talmer grew its assets by nearly 8,000 percent to a total of just over \$5.6 billion as of June 30.

State Bank Financial Corp. of Atlanta was the second-fastest-growing bank, increasing its assets more than 7,300 percent to almost \$2.6 billion. **Customers Bancorp Inc.** of Wyomissing, Pa., was a distant third, growing just over 2,000 percent to \$5.6 billion.

No other state bank was in the top 20, which grew assets by an average of about 1,200 percent.

"The plan was to grow. There were other banks and organizations that had even bigger plans then, but we were able to execute," said Provost, who is president and CEO of the holding company and chairman and CEO of Talmer Bank.

"We got a good team cobbled together from a lot of banks in Michigan and exceeded what everyone else was able to do. The

opportunities in 2010 were in the failed-bank space. What we are able to do when that space dried up was shift strategies away from the FDIC-assisted deals to other strategies."

Said John Donnelly, managing director of the Grosse Pointe-based investment banking firm **Donnelly Penman & Partners**: "David's strongest suit is he truly has surrounded himself with the absolute best people money can buy and delegates lots of authority to them.

"Dave and his team's accomplishments in this short period of time would put him in the Hall of Fame league with the likes of First of America, Old Kent and Standard Federal, which all started as small Michigan community banks and through dozens of acquisitions grew to be multibillion-dollar organizations.

"Of course, they became **PNC**, **Fifth Third** and **Bank of America**, respectively. But the footprint goes back to these predecessor organizations and the outstanding CEOs that led them."

Talmer followed its acquisition of Citizens First Bank with the acquisitions of other banks closed by regulators — Wisconsin-based **First Banking Center**, Madison Heights-based **Peoples State Bank** and Mt. Clemens-based **Community Central Bank**.

And then Talmer turned to buying assets out of bankruptcy. In November 2012, it bought **First Place Bank** of Warren, Ohio, in a bankruptcy sale, adding \$2.6 billion in assets.

In October 2013, Talmer bought the remaining assets of long-troubled **Capitol Bancorp Ltd.** of Lansing in another bankruptcy proceeding, a sale that included Ann Arbor-based **Michigan Commerce Bank**.

Finally came a healthy acquisition. In August, Talmer announced it had agreed to acquire **First of Huron Corp.** of Bad Axe, its \$228 million in assets and its wholly owned subsidiary, **Signature Bank**. The deal is expected to close in February.

When asked whether anything was in the works, Provost said, "The banking industry is consolidating at a record pace, and we hope to be part of that."

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