



Birmingham Bloomfield Bancshares, Inc. has agreed to be acquired by Arbor Bancorp, Inc.

The Transaction

On July 20, 2016 Arbor Bancorp, Inc., the holding company for Bank of Ann Arbor (“Arbor”), and Birmingham Bloomfield Bancshares, Inc., the holding company for Bank of Birmingham (“Birmingham”) (OTC Pink: BBBI), announced they have entered into a definitive agreement (the “Agreement”) for Arbor to acquire Birmingham in an all-cash transaction valued at approximately \$33.3 million.

Under the terms of the agreement, shareholders of Birmingham will receive \$16.50 per share in cash for each share of Birmingham common stock outstanding, subject to adjustment in certain limited circumstances, resulting in a total transaction value of approximately \$33.3 million including cashing out outstanding warrants and stock options. The total transaction value equates to a price to book and price to tangible book value of approximately 1.87x as of March 31, 2016 and a 1-day trading premium of 80%.

The combined organization is expected to have approximately 225 employees across eight locations in Washtenaw, western Wayne and Oakland counties and approximately \$2.5 billion in combined total assets under management (approximately \$1.5 billion of banking assets and \$1.0 billion in wealth assets under management). Arbor anticipates the transaction to be accretive to earnings per share. Rob Farr, President of Bank of Birmingham, will continue to serve as President, Birmingham District, following the completion of the transaction.

The transaction is expected to be completed by year end, subject to the satisfaction of customary closing conditions, including regulatory approvals and the approval of the shareholders of Birmingham.

Donnelly Penman & Partners initiated the transaction, acted as exclusive financial advisor to Birmingham, assisted in the negotiations in connection with the transaction, and rendered a Fairness Opinion. Birmingham was advised by the law firm of Warner Norcross & Judd LLP. Please contact [Andrew Christians](#), CFA at (313) 393-3074, [John Donnelly](#) at (313) 393-3054, or [Gregory Cunningham](#) at (313) 393-3070 for further information.

Bank of Birmingham

Bank of Birmingham is a full-service community bank established in 2006, with one location in Birmingham, Michigan, serving primarily the Oakland County business community. As of March 31, 2016, Birmingham had approximately \$273.6 million in assets, \$227.1 million in loans, \$250.3 million in deposits, and \$17.7 million in common equity in the vibrant Oakland County market.

Bank of Ann Arbor

Bank of Ann Arbor is a locally owned and operated bank with total assets and assets under management of approximately \$2.2 billion, serving people and businesses in Washtenaw and western Wayne counties with offices at the corner of Fifth Avenue and Washington Street in downtown Ann Arbor, in the Traver Village Shopping Center, at the corner of Stadium and Liberty streets, on West Ellsworth Road in Pittsfield Township, on West Michigan Avenue in downtown Ypsilanti, in Plymouth on Ann Arbor Road, on East Michigan Avenue in downtown Saline.

Donnelly Penman & Partners

Donnelly Penman & Partners is one of the largest independently owned investment banking firms headquartered in the Midwest. We provide comprehensive advisory services to both public and private companies, including mergers and acquisitions, capital raising, due diligence, and general financial advisory services. In addition, we are a FINRA licensed broker dealer and member SIPC.

Donnelly Penman & Partners is owned by the employees of the firm, who have successfully completed more than 290 transactions and advisory engagements since the firm's inception in September 2000. Its principals have more than 110 years of investment banking experience collectively.

Announced July 2016

Birmingham Bloomfield Bancshares, Inc.

parent of



BANK OF BIRMINGHAM
(Birmingham, MI)

has agreed to be acquired by

Arbor Bancorp, Inc.

parent of



Bank OF ANN ARBOR
(Ann Arbor, MI)

Transaction Value: \$33.3 Million

Sell Side Advisory and Fairness Opinion