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## Bank of Ann Arbor to buy Bank of Birmingham

### Deal opens up attractive Oakland County market

By Tom Henderson



Tim Marshall, Bank of Ann Arbor

The **Bank of Ann Arbor** announced Wednesday morning that it is entering the attractive Oakland County market following an agreement to buy **Birmingham Bloomfield Bancshares Inc.** (OTC Pink: BBBI), the holding company for the **Bank of Birmingham**.

The deal, an all-cash transaction valued at \$16.50 a share, or about \$33.3 million, is subject to regulatory approval and the approval of Birmingham Bloomfield shareholders. It is expected to close before the end of the year.

The acquisition will give the Bank of Ann Arbor about \$2.5 billion in assets and assets under management, about 225 employees and eight branches, including one in Wayne County, in Plymouth.

The Bank of Birmingham, which was founded in 2006 as part of a local boom in community banking just before the recession hit, has about 40 employees, a single branch on Woodward Avenue, about \$274 million in assets and \$250 million in deposits.

Rob Farr, the president of the Bank of Birmingham, said he has known Tim Marshall, the Bank of Ann Arbor's president and CEO, for six or seven years. He said the two began discussions in February

that got serious in April.

Farr said he wanted to offer his customers a wider range of lending and wealth-management services, and that increasing costs of IT and regulatory compliance were becoming burdensome for a single-branch bank.

The Bank of Ann Arbor also has a highly regarded Technology Industry Group that has been active in funding Ann Arbor startups and growing technology companies, and Marshall said that group will be active, as well, with the growing tech community in Oakland County.

"Putting our two organizations together puts us in a nice position to compete with bigger banks in our market," said Farr, who will remain after the deal closes as president of the Oakland County market.

"We weren't looking for a transaction just to do a transaction. We were looking for a like-minded partner and found the perfect one," said Marshall. "Oakland County is an excellent market, a growth-oriented market with terrific demographics."

When asked if it will now make sense for the Bank of Ann Arbor to look for future expansion in to Oakland County now that it has a foothold, Marshall said: "Time will tell. Our focus clearly will be moving through the regulatory process and closing this by year's end, then spending the next year with the transition. We've been rather methodical in our expansion and acquisitions and don't see anything different about that now."

The Bank of Ann Arbor was founded in 1996. It expanded into Plymouth in 2010 when it bought the assets of **New Liberty Bank** after it was shut down by federal regulators.

Bank of Ann Arbor was advised by the investment banking firm **Keefe, Bruyette & Woods Inc.** and the law firm **Varnum LLP**. Birmingham Bloomfield Bancshares was advised by the investment banking firm **Donnelly Penman & Partners** and the law firm **WarnerNorcross & Judd LLP**.

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