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August 28, 2012

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W. Washington, D.C. 20551

E-mail: regs.comments@federalreserve.gov
Subject: Comment on Basel III Docket No. 1442

Office of the Comptroller of the Currency
250 E Street, SW
Mail Stop 2-3
Washington, DC 20219

E-mail: regs.comments@occ.treas.gov
Subject: Comment on Basel III OCC Docket ID OCC-2012-0008, 0009, and 0010

Robert E. Feldman
Executive Secretary
Attention: Comments/Legal ESS
Federal Deposit Insurance Corporation,
550 17th Street, N.W.
Washington, D.C. 20429

E-mail: comments@FDIC.gov
Subject: Comment on Basel III FDIC RIN 3064-AD95, RIN 3064-AD96, and RIN 3064-D97

Ladies and Gentlemen:

Firstbank Corporation is pleased to have the opportunity to comment on the Basel III proposals[1] that were recently approved by the Federal Reserve Board, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation (collectively the "banking agencies"). We offer the following comments in the spirit of achieving the best possible rule making for our industry as a matter of public policy.

Firstbank Corporation is a $1.5 billion asset community banking company with five banks in the outstate areas of Michigan's Lower Peninsula. We primarily

[1] The proposals are titled: *Regulatory Capital Rules: Regulatory Capital, Implementation of Basel III, Minimum Regulatory Capital Ratios, Capital Adequacy, and Transition Provisions*; *Regulatory Capital Rules: Standardized Approach for Risk-weighted Assets; Market Discipline and Disclosure Requirements; and Regulatory Capital Rules: Advanced Approaches Risk-based Capital Rules; Market Risk Capital Rule.*

serve small businesses, economic development, consumers, schools, and municipalities in our local communities.

Our comments focus on changes in the treatment of Trust Preferred capital, namely the movement of this form of capital from Tier 1 to Tier 2 status for all banking companies in sizes ranging down to $500 million in assets. We note this treatment of Trust Preferred in the proposed rules is a **major significant change** from the Collins Amendment of Dodd Frank, which kept Trust Preferred capital as Tier 1 for all banking companies under $15 billion in assets. We believe it is detrimental and unfair to change the status of a particular form of capital long after it has been issued, especially now that the climate for raising bank capital is much more difficult – and the degree of difficulty for raising capital is more pronounced for smaller companies.

The Trust Preferred form of capital is essentially a tax-advantaged form of capital. The structure of Trust Preferred – subordinated debt paying interest to a trust which in turn pays a dividend to the private investors who provide capital – reduces the cost of capital for banks and bank holding companies by allowing payments to investors to be treated as tax deductible interest expense for tax purposes rather than as non tax deductible dividend.

For companies in the under $15 billion asset size category that have availed themselves of the Trust Preferred structure, the tax advantaged treatment provides some partial offset to the inherent disadvantage they face when competing with tax advantaged credit unions. Banks and bank holding companies need to attract capital from private investors; they need to provide an attractive return on investment to private investors; and they need to pay tax on their income.

Trust Preferred capital functions fully as a buffer against losses, as do other forms of capital, and Trust Preferred capital provides boards of directors and regulators with certain flexibilities in dealing with extreme situations, the same as other forms of capital. For example, a company's board of directors can take action to suspend payments on Trust Preferred if it deems necessary and regulatory authorities can force such action if they deem necessary, just as with other forms of capital. In an FDIC liquidation, where asset losses result in liabilities exceeding assets (negative net worth), a dollar of trust preferred will offset a dollar of negative net worth just the same as a dollar of preferred or common equity offsets a dollar of negative net worth. Investors that provided the capital to a company undergoing FDIC liquidation, whether the capital was in the form of Trust Preferred, Preferred, or Common, will see the value of the investment lost in the liquidation.

Some banks and bank holding companies have successfully raised the Trust Preferred form of Tier 1 capital in past times when capital was more readily available to the industry and available at much lower costs than currently.

Firstbank Corporation was successful in all three of its attempts to raise Trust Preferred capital, in 2004, 2006, and 2007, and achieved low costs ranging from pre-tax spreads of 1.27% to 1.99% over LIBOR.

RECOMENDATION

We oppose the movement of existing Trust Preferred from Tier 1 status to Tier 2 status. When we originally obtained our Trust Preferred capital our regulators confirmed that it qualified as Tier 1 capital. We chose Trust Preferred instead of other available capital, and changing the capital treatment now would be detrimental to us and other similarly situated community banks that may not have ready access to new Tier 1 capital. Changing the rules as to how Trust Preferred is classified in the regulatory capital framework has the effect of punishing companies who successfully have managed capital and cost of capital in the most effective way.

Currently new Trust Preferred capital is not available in the private markets, but if it were to become available again, we would advocate that new Trust Preferred be allowed Tier 1 status, as access to tax advantaged capital provides some element toward leveling the playing field when competing with tax advantaged credit unions.

If rulemaking bodies are unwilling to allow Tier 1 status for new Trust Preferred, we advocate a return to the approach of the Collins Amendment of Dodd Frank which grandfathers Tier 1 status of Trust Preferred for banks and bank holding companies with assets under $15 billion. Grandfathering the Tier 1 status of existing Trust Preferred is preferable to the proposed phase out timetable whereby Trust Preferred begins moving from Tier 1 to Tier 2 in 2013. The phase out timetable begins to be punitive to companies' existing capital structure immediately and its punitive aspects increase over time. A full grandfathering, as in the Collins Amendment, would be less disruptive and less punitive in the near term, and it would lead to eventual elimination of Trust Preferred from Tier 1 status. Our company's Trust Preferred, for example, was originally issued with a 30 year life and will mature in 2034, 2035, and 2037. Even with grandfathering as per the Collins Amendment, upon maturity the elimination from Tier 1 status would be accomplished.

INDUSTRY PROFILE OF TRUST PREFERRED

Industry information included in the Appendix of this comment is selected from a database of banks in United States with assets between $500 million and $15 billion. Data on Subordinated Debt and Mandatorily Convertible Securities consists predominately of Trust Preferred and is used as a proxy for Trust Preferred. The change in Tier 1 capital ratio caused by eliminating Subordinated

Debt and Mandatorily Convertible Securities (Trust Preferred) from Tier 1 capital is calculated, and information is shown for those companies ranking in the quartile of largest negative change in Tier 1 risk-based ratio. (Please note that this change in Tier 1 ratio represents only the impact of removing Trust Preferred from Tier 1 capital and does not take into consideration changes in risk weightings and other changes proposed in the new capital rules.) This selected list comprises 114 banking companies and includes Firstbank Corporation. We believe that this group of companies is being unfairly disadvantaged by the proposed rule and the elimination of the Collins Amendment grandfathering treatment of Trust Preferred.

As to systemic risk, should it be argued somehow that allowing Trust Preferred to remain in Tier 1 capital presents a systemic risk (a position we would dispute on its own lack of merit), we would observe that the total combined assets of these 114 companies is $262 billion. This cumulative amount of assets would rank below the 8th largest banking company in the United States. Any one of the top 8 individual banking companies, it could be argued, presents a degree of systemic risk and may be considered too big to be allowed to fail. The companies under $15 billion in assets that have Trust Preferred in their Tier 1 capital, by the nature of their being separate entities, provide our financial system with the benefit of risk diversification. These companies should not be penalized by forcing them to replace Tier 1 capital which they have already raised with a more expensive form of capital.

CONCLUDING ARGUMENT

Investors will provide capital to the extent that they expect to receive a return on their investment that warrants the risk. Private investors that provide any form of capital to the banking industry, including the Trust Preferred form of capital, risk the loss of the value of their investment. In the unfortunate circumstances of extreme losses where the FDIC has to step in to protect depositors, the value of the investment by private investors will be totally lost before the FDIC has to step in. Perceived risk gives rise to cost of capital. This mechanism is one of the tenets of capital allocation in a free market system. Continuing to allow a form of capital where the cost of capital is tax advantaged is important to banks and bank holding companies with assets less than $15 billion.

Now that there is a movement to attract more capital to the banking industry, it is counterproductive to push out a low cost form of Tier 1 capital that already is in place and require it to be replaced with a much higher cost form of Tier 1 capital. Keeping existing lower cost capital in the capital structure will increase capital growth in the form of earnings retained and increase internal generation of capital to support growth of lending.

Beyond the impact on the individual banking company, low cost capital equates to broader economic benefits for the public:

- Lower loan rates for customers
- Greater capital retention resulting in increased internal capital generation
- More credit availability
- More economic activity
- All leading to higher levels of employment

(Signatures follow)

Respectfully submitted,

/s/ William E. Goggin
William E. Goggin
Director, Chairman

/s/ Thomas D. Dickinson
Thomas D. Dickinson, CPA
Director

/s/ David W. Fultz
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/s/ Jeff A. Gardner
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/s/ Edward B. Grant
Edward B. Grant, PhD, CPA
Director

/s/ Samuel A. Smith
Samuel A. Smith
Director

/s/ Thomas R. Sullivan
Thomas R. Sullivan
Director, President & Chief Executive Officer

/s/ Samuel G. Stone
Samuel G. Stone
Executive Vice President & Chief Financial Officer

Copies to:

Senator Carl Levin

Representative Dave Camp

R. Kevin Clinton -- Commissioner,
Office of Financial and Insurance
Regulation

Senator Debbie Stabenow

Lt. Governor Brian Calley

Appendix – Supporting Data

Change in Tier 1 Risk-based Ratio
Resulting from Elimination of Sub Debt & Mand Cnv Sec

(Trust Preferred is Categorized in Sub Debt & Mand Cnv Sec)

Institution Name	City	State	Ticker	Total Assets (Reported) 2012Q2	Sub Debt & Mand Cnv Sec (Reported) 2012Q2	Tier 1 Capital (Reported) 2012Q2	Tier 1 Risk-based Ratio (%) 2012Q2	Leverage Ratio (%) 2012Q2	Risk Weighted Assets (Reported) 2012Q2	Avg Adj Assets (Leverage Ratio) (Reported) 2012Q2	sub debt / tier 1 2012Q2	Tier 1 Risk-based Ratio (%) w/o sub debt 2012Q2	Change in Tier 1 Risk-based Ratio (%) 2012Q2
maximum				14,671,798	430,949	1,912,472	51.10	29.78	11,588,367	13,938,519	888.4%	51.10	0.00
1st quartile				2,468,166	28,824	241,817	16.08	10.73	1,701,570	2,032,789	18.2%	14.84	0.00
median				1,168,523	9,109	113,044	13.82	9.57	771,506	966,883	7.6%	12.39	-1.36
3rd quartile				719,534	0	66,568	11.87	8.43	475,653	599,890	0.0%	10.44	-2.67
minimum				501,590	0	-132,169	-8.64	-6.55	258,809	0	-701.9%	-18.40	-9.76
count				518	518	518	453	453	453	518	518	453	453
# in quartile				130	130	130	113	113	113	130	130	113	113
Firstbank Corporation	Alma	MI	FBMI	1,487,456	36,084	140,779	14.37	9.47	979,676	1,487,301	25.6%	10.69	-3.68

data base: banks in USA with Assets between $500 million and $15 billion
selected list: quartile of largest negative change in tier 1 risk-based ratio
in selected list: 114

1st Constitution Bancorp	Cranbury	NJ	FCCY	777,499	18,000	69,165	11.46	9.20	603,659	752,116	26.0%	8.48	-2.98
1st Summit Bancorp of Johnstown, Inc.	Johnstown	PA	FSMK	789,900	14,185	61,904	14.03	8.02	441,211	772,305	22.9%	10.82	-3.21
Alliance Bankshares Corporation	Chantilly	VA	ABVA	507,818	10,310	35,668	11.82	7.64	301,734	467,100	28.9%	8.40	-3.42
Alliance Financial Corporation	Syracuse	NY	ALNC	1,423,413	25,774	129,616	14.74	9.38	879,323	1,381,436	19.9%	11.81	-2.93
American National Bankshares Inc.	Danville	VA	AMNB	1,290,892	27,267	134,949	14.87	10.81	907,750	1,248,718	20.2%	11.86	-3.01
Bank of Kentucky Financial Corporation	Crestview Hills	KY	BKYF	1,703,865	38,000	150,806	10.79	8.86	1,397,532	1,702,668	25.2%	8.07	-2.72
Baylake Corp.	Sturgeon Bay	WI	BYLK	1,039,968	25,550	85,549	11.68	8.24	732,485	1,037,989	29.9%	8.19	-3.49
BCSB Bancorp, Inc.	Baltimore	MD	BCSB	642,952	17,011	52,417	13.54	8.25	387,042	635,683	32.5%	9.15	-4.39
Berkshire Bancorp Inc.	New York	NY	BERK	886,289	22,681	152,449	38.38	17.37	397,191	877,409	14.9%	32.67	-5.71
Blue Valley Ban Corp.	Overland Park	KS	BVBC	656,457	22,390	52,329	9.71	7.91	539,196	661,491	42.8%	5.55	-4.16
BNCCORP, Inc.	Bismarck	ND	BNCC	698,004	22,428	59,169	15.56	8.43	380,224	701,840	37.9%	9.66	-5.90
Boston Private Financial Holdings, Inc.	Boston	MA	BPFH	6,266,154	174,397	559,529	12.23	9.29	4,575,120	6,020,016	31.2%	8.42	-3.81
C&F Financial Corporation	West Point	VA	CFFI	946,687	20,620	101,405	14.32	11.04	708,075	918,200	20.3%	11.41	-2.91
Camden National Corporation	Camden	ME	CAC	2,403,857	43,768	222,143	14.97	9.64	1,483,952	2,303,664	19.7%	12.02	-2.95
Canandaigua National Corporation	Canandaigua	NY	CNND	1,848,371	51,547	172,017	11.87	9.72	1,449,618	1,769,448	30.0%	8.31	-3.56
Capital City Bank Group, Inc.	Tallahassee	FL	CCBG	2,628,759	62,887	241,323	14.17	9.60	1,702,482	2,513,773	26.1%	10.48	-3.69
Capitol Bancorp Ltd.	Lansing	MI	CBCRQ	1,985,898	149,207	-132,169	-8.64	-6.55	1,528,985	2,017,427	-112.9%	-18.40	-9.76
Carolina Bank Holdings, Inc.	Greensboro	NC	CLBH	677,476	19,526	58,506	11.05	8.73	529,505	670,339	33.4%	7.36	-3.69
Central Bancorp, Inc.	Somerville	MA	CEBK	565,737	11,000	49,733	14.30	9.36	347,793	531,189	22.1%	11.14	-3.16
Central Pacific Financial Corp.	Honolulu	HI	CPF	4,227,070	108,249	582,879	23.04	14.12	2,530,232	4,127,327	18.6%	18.76	-4.28
Central Service Corporation	Enid	OK	CESO	554,740	19,372	42,553	11.22	7.77	379,320	547,344	45.5%	6.11	-5.11
Centrue Financial Corporation	Saint Louis	MO	TRUE	926,009	30,620	35,751	5.40	3.82	661,960	936,208	85.6%	0.78	-4.62
Chesapeake Financial Shares, Inc.	Kilmarnock	VA	CPKF	635,649	15,465	66,202	13.38	10.37	494,945	638,195	23.4%	10.25	-3.13
Citizens National Corporation	Paintsville	KY	CZNL	557,070	16,000	44,539	13.38	8.27	332,976	538,854	35.9%	8.57	-4.81
CoBiz Financial Inc.	Denver	CO	COBZ	2,530,133	93,150	300,232	15.01	12.24	2,000,695	2,451,912	31.0%	10.35	-4.66
Colony Bankcorp, Inc.	Fitzgerald	GA	CBAN	1,133,170	24,229	110,432	15.67	9.71	704,544	1,137,866	21.9%	12.24	-3.43
Community Bancorp.	Derby	VT	CMTV	553,378	12,887	41,522	11.13	7.66	373,164	542,134	31.0%	7.67	-3.46
Community Bank Shares of Indiana, Inc.	New Albany	IN	CBIN	825,508	17,527	95,392	16.62	11.75	573,931	811,838	18.4%	13.57	-3.05
Community Bank System, Inc.	De Witt	NY	CBU	7,166,331	102,060	594,551	16.35	8.98	3,635,691	6,617,943	17.2%	13.55	-2.80
Community First, Inc.	Columbia	TN		574,267	23,712	12,404	3.37	2.08	368,267	595,216	191.2%	-3.07	-6.44

Institution Name	City	State	Ticker	Total Assets (Reported) 2012Q2	Sub Debt & Mand Cnv Sec (Reported) 2012Q2	Tier 1 Capital (Reported) 2012Q2	Tier 1 Risk-based Ratio (%) 2012Q2	Leverage Ratio (%) 2012Q2	Risk Weighted Assets (Reported) 2012Q2	Avg Adj Assets (Leverage Ratio) (Reported) 2012Q2	sub debt / tier 1 2012Q2	Tier 1 Risk-based Ratio (%) w/o sub debt 2012Q2	Change in Tier 1 Risk-based Ratio (%) 2012Q2
Enterprise Financial Services Corp	Clayton	MO	EFSC	3,183,176	85,081	291,261	12.51	9.17	2,328,158	3,175,368	29.2%	8.86	-3.65
F.N.B. Corporation	Hermitage	PA	FNB	11,750,739	430,949	888,542	10.53	8.07	8,438,999	11,011,014	48.5%	5.42	-5.11
Farmers Capital Bank Corporation	Frankfort	KY	FFKT	1,847,656	48,970	197,280	17.25	10.44	1,143,529	1,889,541	24.8%	12.97	-4.28
Fidelity Southern Corporation	Atlanta	GA	LION	2,414,935	67,527	230,921	11.68	10.19	1,976,871	2,267,004	29.2%	8.27	-3.41
First Bankers Trustshares, Inc.	Quincy	IL	FBTT	799,565	15,465	74,440	14.64	10.01	508,595	743,912	20.8%	11.60	-3.04
First Banks, Inc.	Clayton	MO		6,549,667	355,678	43,700	1.16	0.68	3,758,803	6,455,616	813.9%	-8.30	-9.46
First Business Financial Services, Inc.	Madison	WI	FBIZ	1,160,026	49,315	75,393	8.04	6.55	938,212	1,151,839	65.4%	2.78	-5.26
First Citizens Banc Corp	Sandusky	OH	FCZA	1,109,373	29,427	101,996	13.68	9.43	745,444	1,082,053	28.9%	9.74	-3.94
First Citizens Bancorporation, Inc.	Columbia	SC	FCBN	8,240,134	208,745	676,889	16.35	8.50	4,140,584	7,966,957	30.8%	11.31	-5.04
First Community Corporation	Lexington	SC	FCCO	598,738	17,916	58,821	16.63	9.94	353,667	592,037	30.5%	11.57	-5.06
First Mariner Bancorp	Baltimore	MD	FMAR	1,222,121	52,068	-15,009	-1.77	-1.28	847,912	1,175,532	-346.9%	-7.91	-6.14
First Merchants Corporation	Muncie	IN	FRME	4,232,491	110,826	438,947	14.49	10.73	3,028,549	4,090,907	25.2%	10.83	-3.66
First United Corporation	Oakland	MD	FUNC	1,348,439	46,730	132,945	11.68	9.84	1,138,396	1,351,643	35.1%	7.57	-4.11
Firstbank Corporation	Alma	MI	FBMI	1,487,456	36,084	140,779	14.37	9.47	979,676	1,487,301	25.6%	10.69	-3.68
FNB United Corp.	Asheboro	NC	FNBN	2,301,761	56,702	135,066	9.62	5.83	1,403,782	2,316,367	42.0%	5.58	-4.04
Four Oaks Fincorp, Inc.	Four Oaks	NC	FOFN	904,178	24,372	41,511	7.92	4.52	523,987	917,418	58.7%	3.27	-4.65
Glacier Bancorp, Inc.	Kalispell	MT	GBCI	7,434,102	125,347	843,296	18.80	11.68	4,486,312	7,218,158	14.9%	16.00	-2.80
Great Lakes Financial Resources, Inc.	Matteson	IL	GLFL	629,483	14,000	58,218	15.09	9.39	385,752	619,864	24.0%	11.46	-3.63
Guaranty Bancorp	Denver	CO	GBNK	1,750,539	41,239	213,556	15.24	12.55	1,401,474	1,701,630	19.3%	12.30	-2.94
Guaranty Federal Bancshares, Inc.	Springfield	MO	GFED	657,356	15,465	64,429	12.33	9.88	522,374	651,971	24.0%	9.37	-2.96
Hanmi Financial Corporation	Los Angeles	CA	HAFC	2,846,652	82,475	395,342	18.74	14.70	2,109,430	2,688,623	20.9%	14.83	-3.91
Hawthorn Bancshares, Inc.	Lee's Summit	MO	HWBK	1,187,219	49,486	120,322	13.63	10.17	882,959	1,183,090	41.1%	8.02	-5.61
HCSB Financial Corporation	Loris	SC	HCFB	531,029	18,248	2,054	0.53	0.39	387,360	530,496	888.4%	-4.18	-4.71
Heartland Financial USA, Inc.	Dubuque	IA	HTLF	4,427,684	145,750	444,754	13.95	10.28	3,187,912	4,324,526	32.8%	9.38	-4.57
Horizon Bancorp	Michigan City	IN	HBNC	1,563,265	30,500	146,532	13.53	9.84	1,083,019	1,489,217	20.8%	10.71	-2.82
Independent Bank Corporation	Ionia	MI	IBCP	2,406,205	50,175	156,419	10.50	6.55	1,489,378	2,388,055	32.1%	7.13	-3.37
Intermountain Community Bancorp	Sandpoint	ID	IMCB	967,191	18,106	114,447	18.88	12.13	606,103	943,656	15.8%	15.90	-2.98
International Bancshares Corporation	Laredo	TX	IBOC	11,555,996	190,726	1,446,129	23.12	12.83	6,254,932	11,267,596	13.2%	20.07	-3.05
Intervest Bancshares Corporation	New York	NY	IBCA	1,862,110	56,702	237,069	18.23	12.71	1,300,082	1,865,616	23.9%	13.87	-4.36
Jacksonville Bancorp, Inc.	Jacksonville	FL	JAXB	583,645	16,602	17,929	3.93	3.04	455,721	589,561	92.6%	0.29	-3.64
Kish Bancorp, Inc.			KISB	574,328	10,936	46,822	11.41	8.30	410,433	564,454	23.4%	8.74	-2.67
Lakeland Bancorp, Inc.	Oak Ridge	NJ	LBAI	2,853,293	77,322	208,220	10.21	7.62	2,039,404	2,731,391	37.1%	6.42	-3.79
Landmark Bancorp, Inc.	Manhattan	KS	LARK	660,502	16,496	59,119	15.53	9.27	380,657	637,885	27.9%	11.20	-4.33
Macatawa Bank Corporation	Holland	MI	MCBC	1,520,335	42,888	135,396	12.21	9.00	1,109,281	1,504,081	31.7%	8.34	-3.87
MainSource Financial Group, Inc.	Greensburg	IN	MSFG	2,766,633	50,342	284,500	17.14	10.39	1,660,309	2,737,274	17.7%	14.10	-3.04
Marquette National Corporation	Chicago	IL	MNAT	1,655,896	56,702	128,665	12.51	7.96	1,028,850	1,617,313	44.1%	6.99	-5.52
MB Financial, Inc.	Chicago	IL	MBFI	9,489,566	208,521	941,888	15.45	10.46	6,096,732	9,001,969	22.1%	12.03	-3.42
Mercantile Bank Corporation	Grand Rapids	MI	MBWM	1,385,245	32,990	158,409	13.36	11.47	1,186,101	1,381,241	20.8%	10.57	-2.79
Merchants Financial Group, Inc.	Winona	MN	MFGI	1,272,348	40,500	118,663	11.86	9.40	1,000,601	1,262,644	34.1%	7.81	-4.05
MetroCorp Bancshares, Inc.	Houston	TX	MCBI	1,554,586	36,083	190,858	16.08	12.57	1,186,687	1,518,960	18.9%	13.04	-3.04
Mountain West Financial Corp.	Helena	MT	MTWF	638,568	19,825	71,905	15.12	11.29	475,647	637,147	27.6%	10.95	-4.17
National Bancshares, Inc.	Bettendorf	IA	NABA	1,018,800	35,880	62,399	8.66	6.08	720,179	1,026,652	57.5%	3.68	-4.98
New Century Bancorp, Inc.	Dunn	NC	NCBC	563,682	12,372	58,183	13.69	10.42	424,958	558,299	21.3%	10.78	-2.91
New Peoples Bankshares, Inc.	Honaker	VA	NWPP	727,428	16,496	28,695	6.24	3.88	459,603	740,371	57.5%	2.65	-3.59
North State Bancorp	Raleigh	NC	NSBC	677,579	26,465	52,297	10.23	7.80	511,368	670,061	50.6%	5.05	-5.18
North Valley Bancorp	Redding	CA	NOVB	907,592	31,961	102,944	17.22	11.44	597,725	899,868	31.0%	11.88	-5.34
Northway Financial, Inc.	North Conway	NH	NWYF	842,108	20,620	86,433	17.89	10.68	483,222	809,472	23.9%	13.62	-4.27
Old Second Bancorp, Inc.	Aurora	IL	OSBC	1,985,658	103,378	94,230	6.16	4.81	1,528,669	1,959,369	109.7%	-0.60	-6.76
Pacific Financial Corporation	Aberdeen	WA	PFLC	632,961	13,403	66,067	14.58	10.64	453,243	620,865	20.3%	11.62	-2.96
PacWest Bancorp	Los Angeles	CA	PACW	5,323,035	108,250	560,551	15.67	10.57	3,578,046	5,303,983	19.3%	12.64	-3.03
Peoples Bancorp of North Carolina, Inc.	Newton	NC	PEBK	1,035,089	20,619	110,212	15.38	10.63	716,611	1,036,560	18.7%	12.50	-2.88
Porter Bancorp, Inc.	Louisville	KY	PBIB	1,334,852	32,200	102,448	9.95	7.56	1,030,129	1,355,958	31.4%	6.82	-3.13
PremierWest Bancorp	Medford	OR	PRWT	1,195,755	30,928	94,980	10.87	7.91	873,746	1,200,702	32.6%	7.33	-3.54
Princeton National Bancorp, Inc.	Princeton	IL	PNBC	958,324	25,000	-3,562	-0.60	-0.37	592,198	968,554	-701.9%	-4.82	-4.22
PrivateBancorp, Inc.	Chicago	IL	PVTB	12,942,176	364,793	1,419,262	12.25	11.20	11,588,367	12,671,490	25.7%	9.10	-3.15

Institution Name	City	State	Ticker	Total Assets (Reported) 2012Q2	Sub Debt & Mand Cnv Sec (Reported) 2012Q2	Tier 1 Capital (Reported) 2012Q2	Tier 1 Risk-based Ratio (%) 2012Q2	Leverage Ratio (%) 2012Q2	Risk Weighted Assets (Reported) 2012Q2	Avg Adj Assets (Leverage Ratio) (Reported) 2012Q2	sub debt / tier 1 2012Q2	Tier 1 Risk-based Ratio (%) w/o sub debt 2012Q2	Change in Tier 1 Risk-based Ratio (%) 2012Q2
PSB Holdings, Inc.	Wausau	WI	PSBQ	709,284	14,732	58,367	11.85	9.18	492,380	635,843	25.2%	8.86	-2.99
QCR Holdings, Inc.	Moline	IL	QCRH	2,043,426	38,721	164,170	11.52	8.20	1,424,538	2,002,365	23.6%	8.81	-2.71
Renasant Corporation			RNST	4,176,490	75,730	378,043	13.32	9.38	2,838,668	4,029,880	20.0%	10.65	-2.67
Republic First Bancorp, Inc.	Philadelphia	PA	FRBK	938,391	22,476	86,749	11.62	8.99	746,791	964,614	25.9%	8.61	-3.01
Royal Bancshares of Pennsylvania, Inc.	Narberth	PA	RBPAA	830,626	25,774	94,613	18.30	11.31	517,101	836,576	27.2%	13.31	-4.99
Rurban Financial Corp.	Defiance	OH	RBNF	633,977	20,620	42,619	9.20	6.83	463,034	623,816	48.4%	4.75	-4.45
S&T Bancorp, Inc.	Indiana	PA	STBA	4,347,392	90,619	369,547	11.82	8.94	3,126,534	4,135,510	24.5%	8.92	-2.90
S.B.C.P. Bancorp, Inc.	Cross Plains	WI	SBBI	782,852	27,860	49,940	8.23	6.57	606,665	759,899	55.8%	3.64	-4.59
Saehan Bancorp	Los Angeles	CA	SAEB	608,664	21,982	77,395	20.62	12.74	375,306	607,397	28.4%	14.76	-5.86
Seacoast Banking Corporation of Florida	Stuart	FL	SBCF	2,106,514	53,610	208,154	17.17	9.78	1,212,484	2,127,333	25.8%	12.75	-4.42
Sierra Bancorp	Porterville	CA	BSRR	1,399,692	30,928	188,353	19.24	13.85	978,759	1,360,279	16.4%	16.08	-3.16
Southern BancShares (N.C.), Inc.	Mount Olive	NC	SBNC	2,016,171	31,750	194,639	20.09	10.12	968,961	1,923,595	16.3%	16.81	-3.28
Southern Community Financial Corporation	Winston-Salem	NC	SCMF	1,446,961	45,877	131,387	12.38	8.95	1,061,457	1,467,241	34.9%	8.06	-4.32
Southside Bancshares, Inc.	Tyler	TX	SBSI	3,400,956	60,311	292,363	21.26	8.85	1,374,895	3,303,689	20.6%	16.88	-4.38
Southwest Bancorp, Inc.	Stillwater	OK	OKSB	2,269,720	81,963	382,263	22.24	16.84	1,719,058	2,269,640	21.4%	17.47	-4.77
Sterling Financial Corporation	Spokane	WA	STSA	9,623,900	245,292	1,108,551	17.33	12.15	6,396,435	9,124,471	22.1%	13.50	-3.83
Summit Financial Group, Inc.	Moorefield	WV	SMMF	1,416,441	36,389	112,359	11.09	7.88	1,013,207	1,425,435	32.4%	7.50	-3.59
Sun Bancorp, Inc.	Vineland	NJ	SNBC	3,133,483	92,786	321,244	13.01	10.45	2,468,559	3,073,305	28.9%	9.25	-3.76
Taylor Capital Group, Inc.	Rosemont	IL	TAYC	4,797,101	176,699	455,144	12.59	9.41	3,615,393	4,838,836	38.8%	7.70	-4.89
Tidelands Bancshares, Inc.	Mount Pleasant	SC	TDBK	524,003	14,434	18,546	4.62	3.46	401,626	535,858	77.8%	1.02	-3.60
Tower Financial Corporation	Fort Wayne	IN	TOFC	651,239	17,527	75,842	14.87	11.71	510,037	647,828	23.1%	11.43	-3.44
Trinity Capital Corporation	Los Alamos	NM		1,544,458	37,116	160,008	13.44	10.35	1,190,811	1,546,657	23.2%	10.32	-3.12
United Bankshares, Inc.	Charleston	WV	UBSI	8,457,009	203,614	864,380	12.89	10.54	6,704,266	8,197,863	23.6%	9.86	-3.03
Uwharrie Capital Corp	Albemarle	NC	UWHR	525,585	11,127	43,125	11.87	8.34	363,269	516,890	25.8%	8.81	-3.06
Valley Financial Corporation	Roanoke	VA	VYFC	796,282	16,496	78,738	13.51	9.90	582,715	795,688	21.0%	10.68	-2.83
Virginia Commerce Bancorp, Inc.	Arlington	VA	VCBI	3,017,276	66,698	362,900	15.74	12.25	2,305,334	2,963,114	18.4%	12.85	-2.89
WesBanco, Inc.	Wheeling	WV	WSBC	5,528,491	106,083	473,536	13.11	8.94	3,610,772	5,297,785	22.4%	10.18	-2.93
West Coast Bancorp	Lake Oswego	OR	WCBO	2,408,439	51,000	370,329	20.33	15.55	1,821,468	2,381,240	13.8%	17.53	-2.80
Wilshire Bancorp, Inc.	Los Angeles	CA	WIBC	2,591,394	87,321	347,517	18.11	13.62	1,918,614	2,552,060	25.1%	13.56	-4.55

Top 10 Banking Companies in USA Based on Assets
($000s)

Rank	Institution Name	City	State	Country Name	Total Assets (Reported) 2012Q2
1	JPMorgan Chase & Co.	New York	NY	USA	2,290,146,000
2	Bank of America Corporation	Charlotte	NC	USA	2,160,854,000
3	Citigroup Inc.	New York	NY	USA	1,916,451,000
4	Wells Fargo & Company	San Francisco	CA	USA	1,336,204,000
5	U.S. Bancorp	Minneapolis	MN	USA	353,136,000
6	Bank of New York Mellon Corporation	New York	NY	USA	330,283,000
7	PNC Financial Services Group, Inc.	Pittsburgh	PA	USA	299,575,000
8	Capital One Financial Corporation	McLean	VA	USA	296,572,000
9	State Street Corporation	Boston	MA	USA	200,777,000
10	BB&T Corporation	Winston-Salem	NC	USA	178,529,000
					9,362,527,000