

# Enhancing Your Bank's Capital Position for the Future

8:15 – 9 a.m.  
*Grand Pavilion*

Panelists:

John Donnelly (Donnelly, Penman & Partners)  
Craig Sicilia (McQueen Financial Advisors)  
William Hickey (Sandler O'Neill & Partners LP)

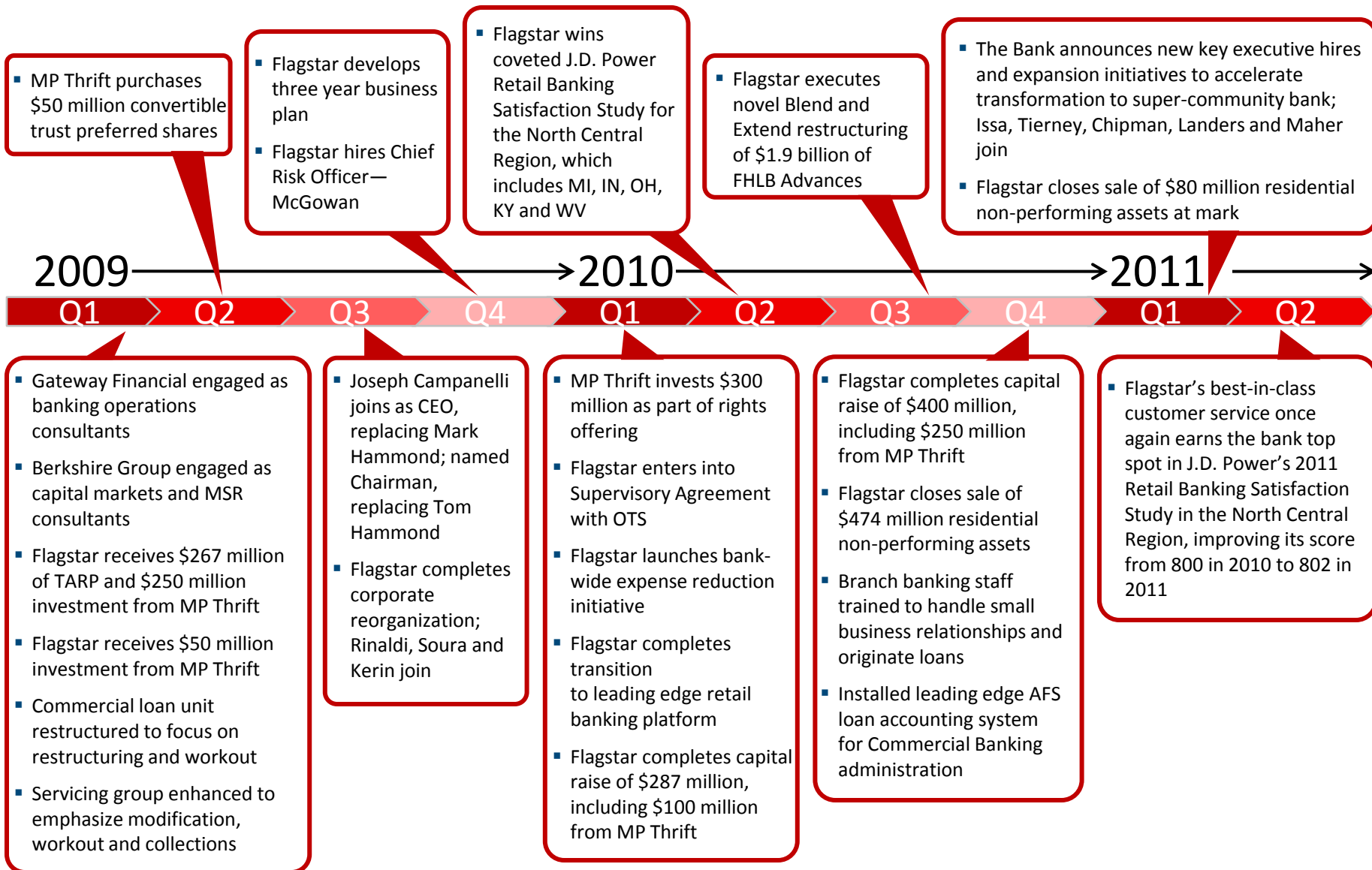
Moderator:

Joseph P Campanelli (Flagstar Bank)

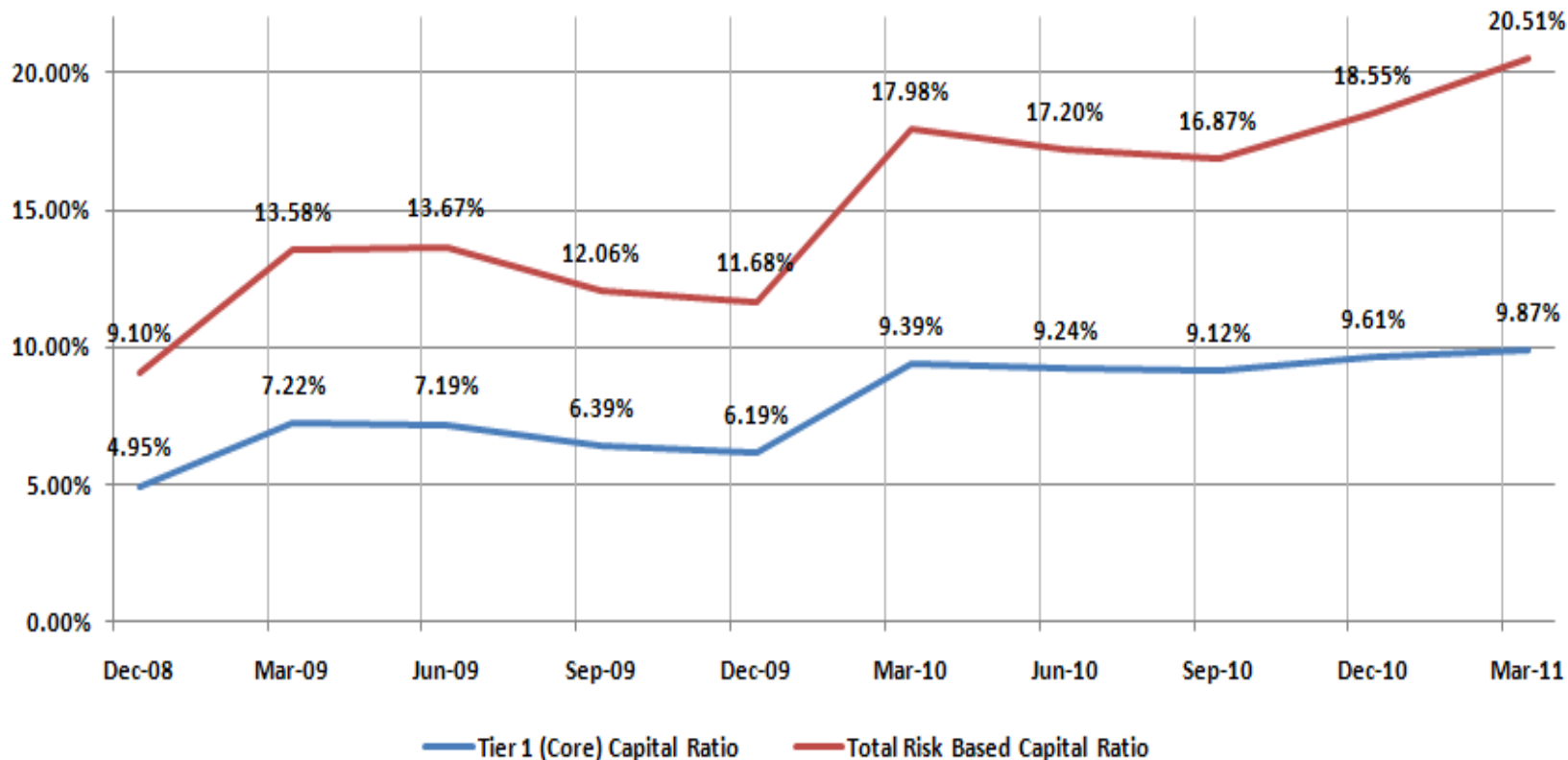


Michigan Bankers Association

# Flagstar's Capital Raise Timeline

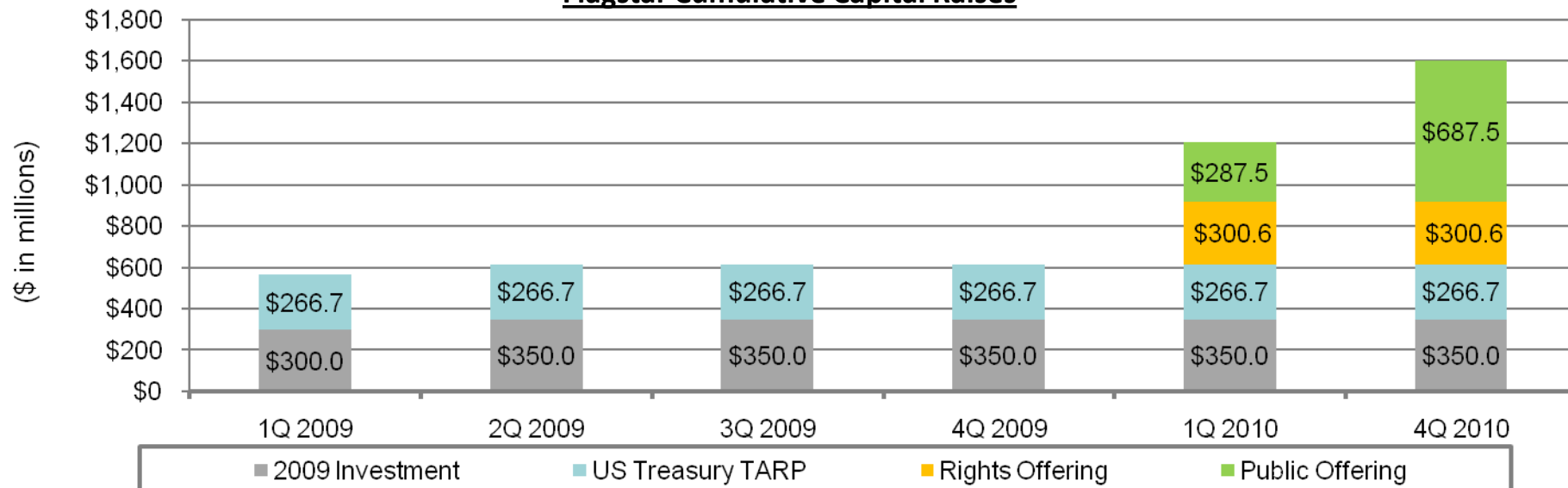


# Strong Capital Levels



# Ability to Raise Capital in Challenging Market

**Flagstar Cumulative Capital Raises**



**Top 10 Bank and Thrift Capital Raises in 2010 (in millions)**

Rank	Issuer	2010 Common Equity Raised (includes exercised overallocments)
1	PNC	\$ 3,450
2	First Republic	1,862
3	Bank of New York Mellon	1,400
4	Capitol Federal	1,182
5	Synovus	1,081
<b>6</b>	<b>Flagstar</b>	<b>988</b>
7	Huntington	920
8	Comerica	880
9	Santander Holdings	750
10	WinTrust	518

Source: SNL Financial

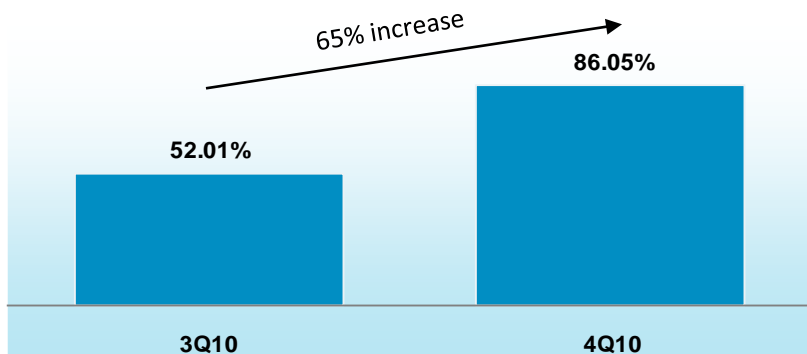


# Significant De-risking of Balance Sheet in 2010

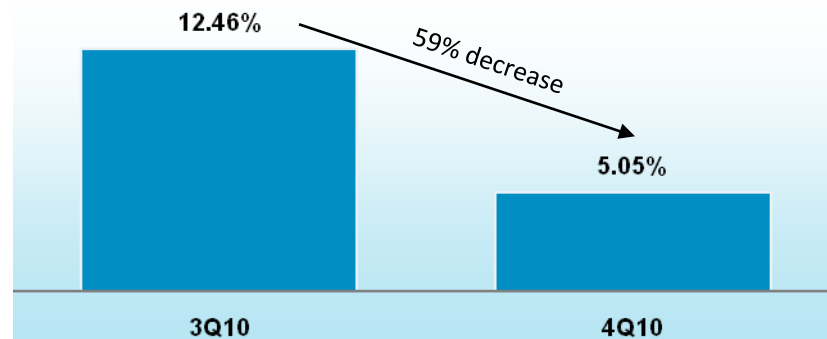
Two publicly-announced asset sales that have positively impacted asset quality:

- Sold \$474 million of non-performing residential first mortgage loans in the fourth quarter 2010.
- Sold \$80.3 million of non-performing residential first mortgage loans in the first quarter 2011.

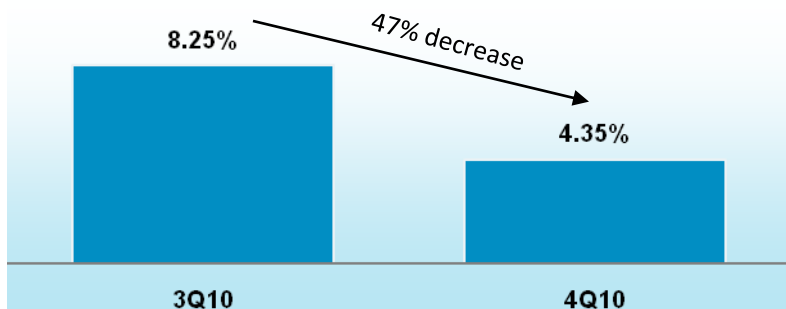
**ALLL / NPLs Held for Investment**



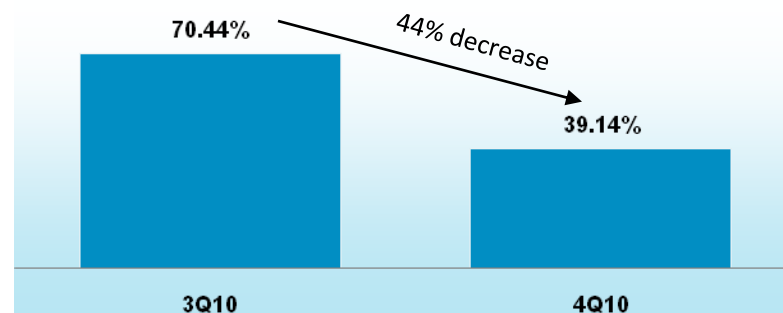
**NPLs Held for Investment / LHFI**



**NPAs <sup>1</sup> / Total Assets**

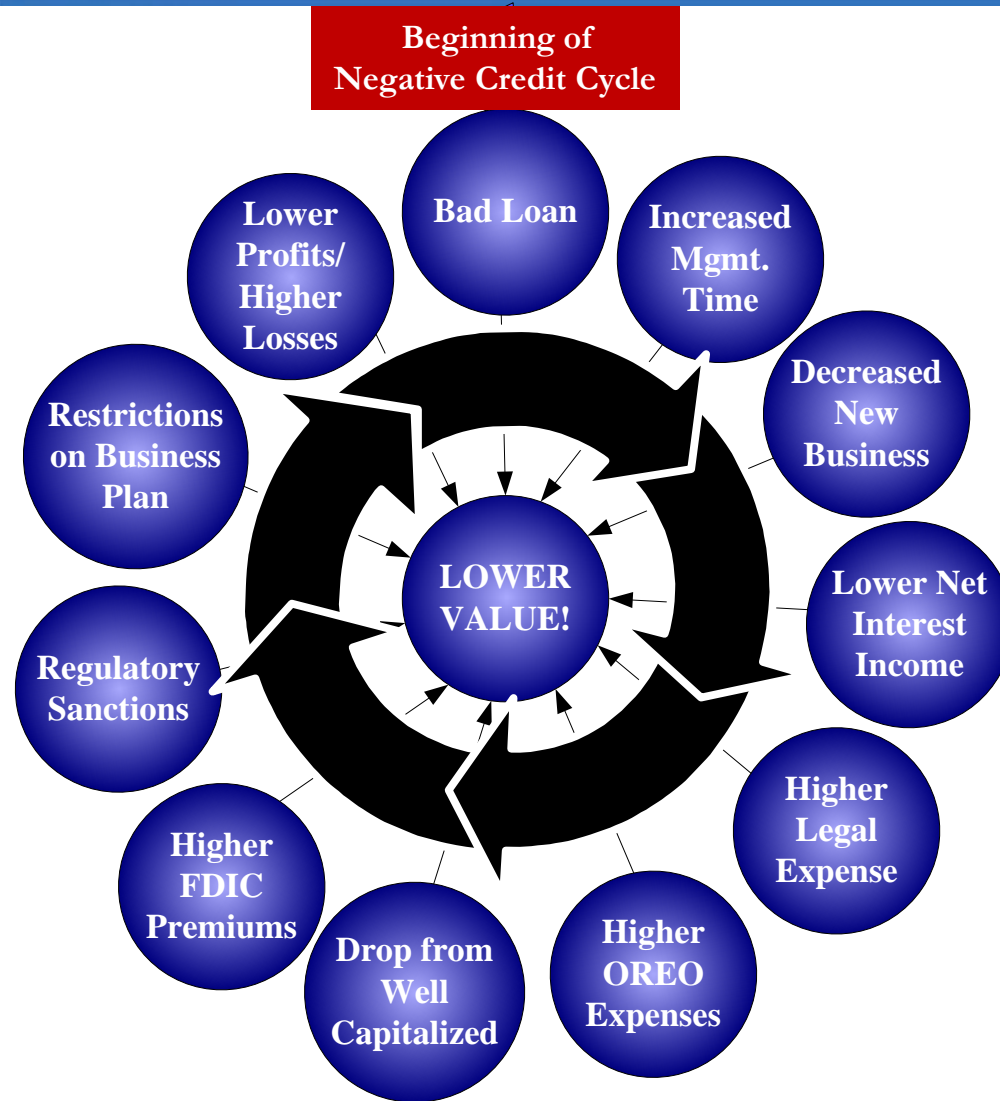


**NPAs <sup>1</sup> / Tier One + General Reserves (Texas Ratio)**



1) Includes non-performing loans available for sale

# Higher Texas Ratio = Lower Valuation



# Current Investment Sentiment

## Must Haves

- Strong management team
- Healthy balance sheet
- Core earnings
- Market opportunities / ability to grow
- Excess capital (post capital raise)

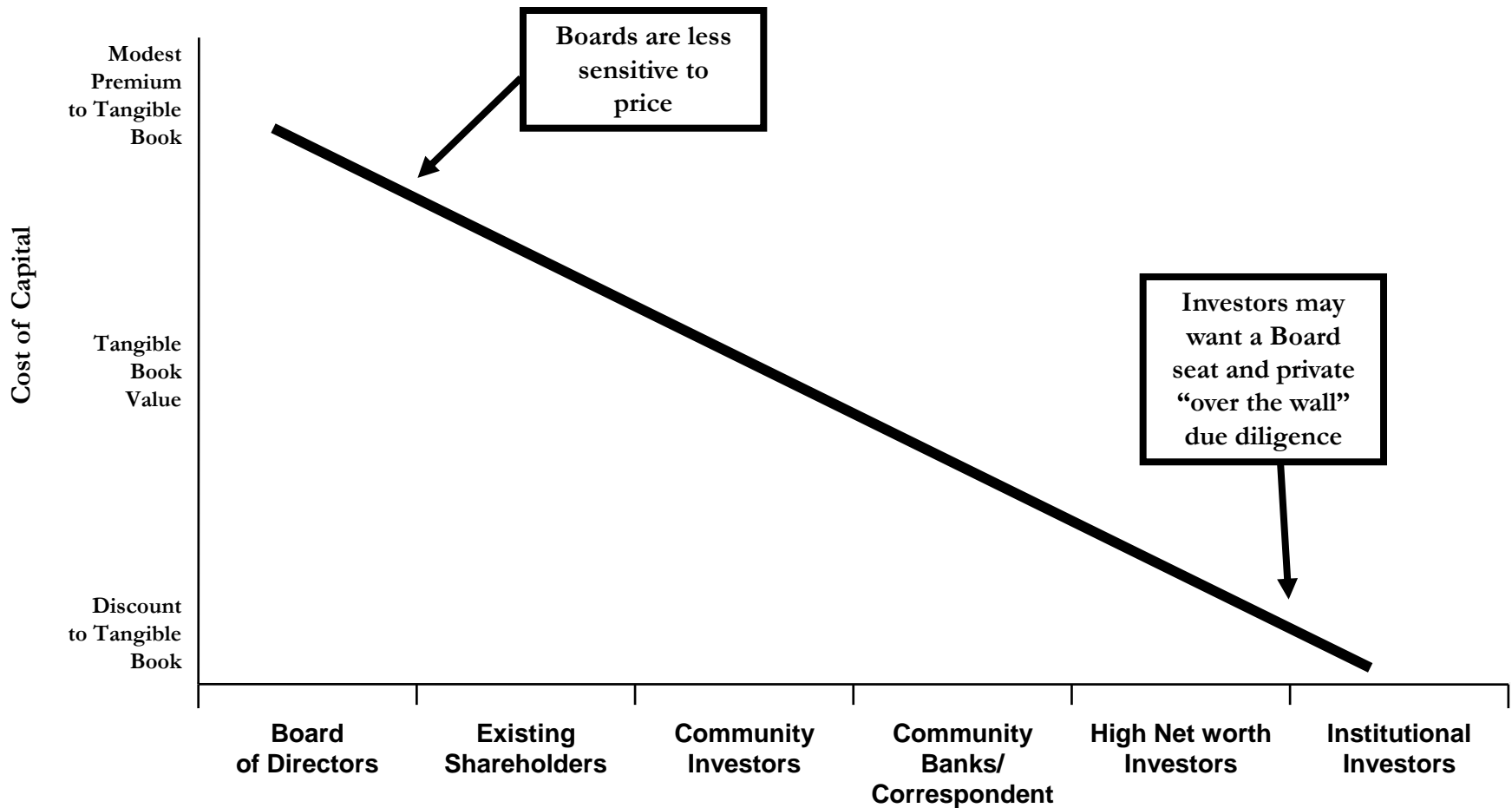
## Desires

- FDIC opportunities
- Investment liquidity
- Growing market area
- Improving margins
- Core deposits

## Dislikes

- Declining asset quality
- C&D / Investor CRE loans
- Brokered deposits
- "Fill the hole" capital

# Common Stock – Pricing Matrix



# Private Equity (“PE”) Investors Entering Banking Space

- Generally invest to own 4.9%-24.9% of the bank
  - Often sign passivity agreements
- Investing in scalable platforms
  - Most PE investors looking to invest in larger growing banks or banks with a clear path to grow to \$1 billion or above in assets
- Extensive loan due diligence where credit issues exist
- Often require a board seat
- Looking for a liquidity event within 5-10 years of the investment
- PE investors are more price sensitive than board members or community investors

**PE investors have become more interested in the banking space over the last few years**

# Capital Raise – Pros and Cons

## Positives

- Capitalize on market opportunities (loan growth, acquisition opportunities, etc.)
- Cushion for difficult economic environment
- Community investors could participate

## Negatives

- Shareholder dilution
- Low valuations
- Numerous competing offerings
- Possible loss of control

**Bank Board of Directors must consider whether a dilutive capital raise creates more shareholder value than a merger or sale of the bank**

# Capital Markets Transactions – Importance of Loan Diligence

- Modern day fair value accounting can potentially leave a large hole in the pro forma capital structure - extensive loan diligence is critical
- In a very simplistic manner, some banks are valued using the following structure:

## **Tier 1 Common Capital**

*Add:*

### **Core Deposit Premium:**

Noninterest Bearing

Other Transaction

Money Market & Savings

Retail Time Deposits

Jumbo Time Deposits

*Less:*

**Fair Value Marks on NPAs**

*Less:*

**Fair Value Marks on Other Loans/Assets**

=

**FRANCHISE VALUE**

# Liquidated Assets – Impaired Securities

- Fair Value changes resulted in lower write downs and less impact to capital.
- Model based valuations contain significant number of assumptions.
- Resulting values from various models are widely diverse.
- Split the Non Credit losses from the Credit Losses.
- Only the credit component of the impairment will flow through earnings.
- Fair value methods versus true market value.

# Small Business Lending Fund

- Tier 1 Capital
- Funding limits
- Matching private capital
- FDIC problem bank list
- Qualified lending
- Call report supplement
- Dividend rate
- Entry and Exit

# Industry Overview

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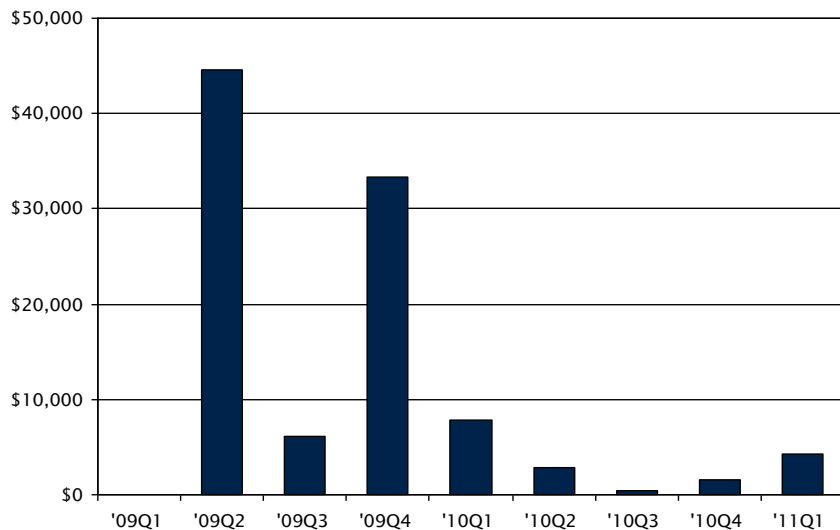
## *Key Strategic Focal Points*

- ❑ Capital remains a key to relevance: The Haves & The Have Nots
  - Balance sheet cleansing – Very expensive
  - Organic growth and M & A – At the market offering
  - TARP repayment
  
- ❑ The coming bank M & A wave
  - A calmer world allowing for some strategic thinking
  - Buyers: Supplementing organic growth
  - Sellers: Denied capital; weak prospects/regulatory burden
  - Pricing still very measured

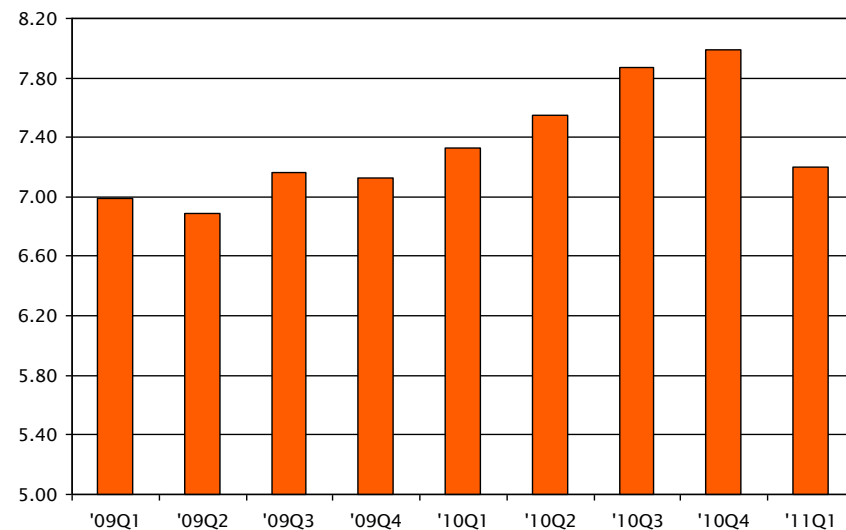
# Industry Overview

## *The Banking Industry Is Being Recapitalized*

### Public Bank & Thrift Capital Raised (\$mm)



### Median TCE/TA for Institutions Raising Capital (%)




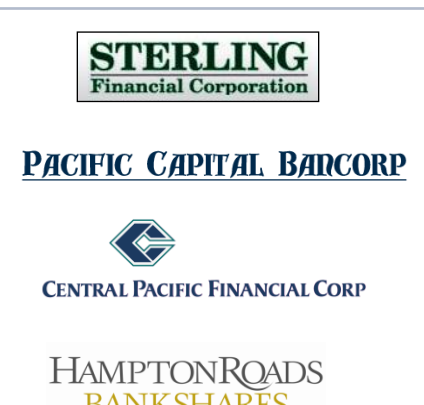

- ❑ Roughly \$101.3 billion of capital raised through public offerings in 2009–2011 YTD, an additional \$6.1 billion was raised privately
- ❑ 17 of the 19 SCAP banks undertook an offering in 2009 – 2011, raising an aggregate of \$78.7 billion
- ❑ Over 130 other banks and thrifts raised an aggregate of \$22.6 billion through follow-on public offerings since January 1, 2009
- ❑ Recent green light from Fed after second round of stress tests; special dividends and share buyback programs from some of the largest banks (WFC, USB, BBT)

Note: Includes all bank and thrift public follow-on offerings, excluding mutual and MHC conversions (January 1, 2009 – June 6, 2011)

Source: SNL Financial

# Industry Overview

## Bank Investor Overview

	Public Offerings		Private Offerings	
			Recapitalizations	Blind Pools
Description	<ul style="list-style-type: none"> <li>❑ Raising traditional equity capital by selling the company's story to retail/institutional investors</li> <li>❑ Important marketing event</li> <li>❑ Capital used for several considerations</li> </ul>	<ul style="list-style-type: none"> <li>❑ Transformational capital offerings used to stabilize weak institutions</li> <li>❑ Often done in conjunction with other capital remedies (TARP exchange, asset disposition)</li> </ul>	<ul style="list-style-type: none"> <li>❑ Investment vehicles used to make investments in financial institutions</li> <li>❑ Open or FDIC-assisted transactions</li> </ul>	
Timing	<ul style="list-style-type: none"> <li>❑ Up to 3 months</li> </ul>	<ul style="list-style-type: none"> <li>❑ 6 - 18+ months</li> </ul>	<ul style="list-style-type: none"> <li>❑ 6 - 18 months</li> </ul>	
Regulatory Scrutiny	<ul style="list-style-type: none"> <li>❑ Low / Medium</li> </ul>	<ul style="list-style-type: none"> <li>❑ High</li> </ul>	<ul style="list-style-type: none"> <li>❑ High</li> </ul>	
Investor Types	<ul style="list-style-type: none"> <li>❑ Mutual funds</li> <li>❑ Asset managers</li> <li>❑ Hedge funds</li> <li>❑ Retail investors</li> </ul>	<ul style="list-style-type: none"> <li>❑ Private equity</li> <li>❑ Hedge funds</li> </ul>	<ul style="list-style-type: none"> <li>❑ Private equity</li> </ul>	
Recent Examples				

# Capital Offering Transactions

## Nationwide Common Equity Raises in Since June 9, 2010

Completion Date	Issuer	Ticker	State	Total Assets (\$mm)	Amount Raised (\$mm)	Amt Raised/Pre-Offer Market Cap (%)	Offer Price (\$)	New Money Pro Forma Ownership (%)	TBV Accretion/ (Dilution) (%)	Offer Price/		Offer Price		Stock Reaction		NASDAQ	
										Prior Qtr TBV (%)	PF TBV (%)	Premium/ (Discount) Day Before Annc	Day Before Pricing	One Day After (%)	Since Pricing (%)	Since Pricing (%)	Since Pricing (%)
06/07/11	Macatawa Bank Corporation	MCBC	MI	1,557	41	54.2	2.30	50.2	6.9	114	106	(46.6%)	(1.3%)	0.7%	(1.7%)	(0.6%)	
05/27/11	Fidelity Southern Corporation	LION	GA	1,999	14	18.7	6.65	16.7	(4.0)	76	79	(4.6%)	(7.0%)	(2.5%)	(3.4%)	(4.0%)	
05/18/11	Enterprise Financial Services Corp	EFSC	MO	2,925	35	17.4	12.75	15.5	3.9	125	120	(6.0%)	(5.3%)	0.7%	(5.3%)	(4.6%)	
05/13/11	F.N.B. Corporation	FNB	PA	9,755	65	4.7	10.70	4.8	6.8	243	227	(6.2%)	(3.4%)	0.6%	(7.2%)	(5.1%)	
05/12/11	Wilshire Bancorp, Inc.	WIBC	CA	2,789	100	94.3	2.75	55.2	(14.1)	74	87	(24.9%)	(10.1%)	1.7%	(2.3%)	(6.2%)	
05/06/11	Central Pacific Financial Corp.	CPF	HI	4,013	20	45.4	10.00	4.8	0.4	109	109	(66.2%)	(24.8%)	2.1%	5.4%	(5.0%)	
05/03/11	First Federal Bancshares of Arkansas, Inc.	FFBH	AR	578	46	313.0	3.00	94.1	(79.3)	16	76	(75.5%)	(77.9%)	(19.7%)	(33.8%)	(5.5%)	
04/11/11	Sun Bancorp, Inc.	SNBC	NJ	3,334	11	4.0	2.85	4.6	(0.3)	94	95	(22.8%)	(20.8%)	1.7%	0.3%	(3.1%)	
03/31/11	California United Bank	CUNB	CA	756	10	15.5	12.75	10.5	(9.5)	125	138	0.0%	(0.1%)	(0.4%)	(2.8%)	(3.5%)	
03/30/11	United Community Banks, Inc.	UCBI	GA	7,443	33	28.0	1.90	15.5	(16.6)	66	48	24.2%	(3.1%)	13.3%	5.1%	(3.3%)	
03/23/11	First Defiance Financial Corp.	FDEF	OH	2,036	21	18.6	13.25	16.5	(17.5)	79	93	(5.8%)	(5.8%)	(0.1%)	1.3%	(0.5%)	
03/21/11	Hancock Holding Company	HBHC	MS	8,138	224	18.8	32.25	15.9	(5.2)	141	161	(1.3%)	0.0%	1.3%	(5.6%)	(0.3%)	
03/17/11	1st United Bancorp, Inc.	FUBC	FL	1,268	37	21.2	6.50	18.8	(9.6)	123	142	(7.7%)	(7.7%)	(1.1%)	(18.0%)	1.9%	
03/17/11	Sun Bancorp, Inc.	SNBC	NJ	3,418	85	42.0	2.95	36.3	(35.3)	98	105	(24.0%)	(10.1%)	(3.2%)	10.1%	1.9%	
03/09/11	Financial Institutions, Inc.	FISI	NY	2,214	46	22.4	16.35	20.5	(9.1)	134	163	(9.9%)	(3.2%)	(3.5%)	(8.3%)	(2.4%)	
03/04/11	Rockville Financial, Inc.	RCKB	CT	1,678	171	74.2	10.00	37.4	24.9	88	139	29.4%	(7.2%)	(0.7%)	(11.0%)	(3.6%)	
03/03/11	Sterling Bancorp	STL	NY	2,360	39	14.5	9.60	13.0	(4.6)	151	170	(5.2%)	(3.3%)	2.0%	(10.0%)	(4.1%)	
03/02/11	Bancorp, Inc.	TBBK	DE	2,396	58	26.0	8.25	21.1	(15.0)	110	134	(2.7%)	(1.9%)	(0.1%)	10.3%	(2.3%)	
02/18/11	SCBT Financial Corporation	SCBT	SC	3,595	35	8.9	31.00	8.1	(3.7)	149	160	(4.6%)	0.3%	5.2%	(10.0%)	(5.3%)	
02/18/11	Central Pacific Financial Corp.	CPF	HI	3,938	325	738.0	10.00	86.1	NM	109	5,919	(66.2%)	(65.5%)	2.1%	(51.7%)	(5.3%)	
02/04/11	Atlantic Coast Financial Corporation	ACFC	FL	827	17	40.6	10.00	39.4	(15.4)	47	69	(34.7%)	4.8%	(4.5%)	(22.8%)	(3.0%)	
01/28/11	Cascade Bancorp	CACB	OR	1,716	177	1409.8	4.00	55.8	(78.6)	92	1,037	(11.1%)	(58.2%)	2.3%	(4.0%)	(0.1%)	
01/28/11	Capital Bank Corporation	CBKN	NC	1,586	181	857.0	2.55	84.6	(48.6)	113	185	2.0%	(25.0%)	52.4%	8.8%	(0.1%)	
01/13/11	SI Financial Group, Inc.	SIFI	CT	926	52	71.5	8.00	38.2	3.8	68	106	15.5%	(16.5%)	0.0%	6.3%	(1.8%)	
01/07/11	National Penn Bancshares, Inc.	NPBC	PA	8,845	87	10.8	6.05	9.5	(7.4)	112	126	(6.6%)	(25.5%)	1.7%	(14.3%)	(0.7%)	
12/31/10	First Busey Corporation	BUSE	IL	3,533	54	18.0	4.25	16.1	(14.7)	129	169	(10.0%)	(9.8%)	4.2%	4.9%	1.2%	
12/28/10	Hampton Roads Bankshares, Inc.	HMPR	VA	3,068	20	54.1	0.40	64.6	(63.0)	9	19	(99.2%)	(96.9%)	21.0%	95.6%	0.8%	
12/22/10	Capitol Federal Financial, Inc.	CFNN	KS	8,487	1,182	41.9	10.00	41.4	30.7	87	133	(39.0%)	(14.4%)	(2.7%)	0.3%	0.5%	
12/16/10	Tower Bancorp, Inc.	TOBC	PA	1,619	51	23.8	20.25	26.0	(33.7)	106	145	(10.0%)	(10.0%)	(1.1%)	(13.5%)	1.8%	
12/14/10	United Bancorp, Inc.	UBMI	MI	853	19	102.2	2.50	59.9	(66.6)	44	67	(35.1%)	(9.1%)	5.5%	24.5%	2.2%	
12/10/10	Hampton Roads Bankshares, Inc.	HMPR	VA	3,068	40	108.1	0.40	78.5	(74.2)	9	27	(99.2%)	(96.6%)	21.0%	110.9%	1.8%	
12/09/10	Heritage Financial Corporation	HFWA	WA	1,255	58	35.4	13.00	28.5	(18.9)	108	143	(9.9%)	(9.9%)	(1.2%)	(9.7%)	2.6%	
11/30/10	Heritage Financial Group, Inc.	HBOS	GA	683	66	58.8	10.00	43.1	17.8	75	120	(26.5%)	(0.9%)	5.9%	12.3%	7.5%	
11/23/10	Bridge Capital Holdings	BBNK	CA	940	30	31.7	8.55	24.3	(21.2)	105	133	1.8%	2.3%	(2.6%)	25.0%	7.6%	
11/19/10	Kaiser Federal Financial Group, Inc.	KFFG	CA	878	64	49.2	10.00	40.0	1.5	63	102	(27.0%)	(4.3%)	1.0%	16.1%	6.6%	
11/19/10	Pacific Capital Bancorp	PCBC	CA	6,295	76	32.0	0.20	92.9	(91.9)	1	15	(99.8%)	(99.5%)	(0.4%)	(19.8%)	6.6%	
11/17/10	Bank of Kentucky Financial Corporation	BKYF	KY	1,510	30	28.9	17.00	23.8	(17.1)	106	134	(8.1%)	(8.1%)	0.9%	37.6%	8.4%	

Note: Includes common stock offerings greater than \$10mm by banks and thrifts with assets between \$500mm and \$10bn

Source: SNL Financial

# Capital Offering Transactions

## Nationwide Common Equity Raises in Since June 9, 2010 (Cont'd)

Completion Date	Issuer	Ticker	State	Total Assets (\$mm)	Amount Raised (\$mm)	Amt Raised/Pre-Offer Market Cap (%)	Offer Price (\$)	New Money Pro Forma Ownership (%)	TBV Accretion/ (Dilution) (%)	Offer Price/		Offer Price		Stock Reaction		NASDAQ
										Prior Qtr TBV (%)	PF TBV (%)	Premium/ (Discount) Day Before Annc	Day Before Pricing	One Day After (%)	Since Pricing (%)	Since Pricing (%)
11/01/10	First PacTrust Bancorp, Inc.	FPTB	CA	863	60	176.7	11.00	19.6	(54.9)	79	130	27.9%	(4.3%)	7.5%	38.4%	7.2%
10/20/10	National Penn Bancshares, Inc.	NPBC	PA	9,248	63	7.9	6.05	7.7	(14.5)	112	138	(6.6%)	(7.4%)	1.7%	6.6%	9.3%
10/15/10	Patriot National Bancorp, Inc.	PNBK	CT	788	50	645.2	1.50	87.6	(80.1)	99	143	(6.3%)	(25.0%)	(2.4%)	0.0%	8.8%
10/14/10	Intervest Bancshares Corporation	IBCA	NY	2,104	23	56.1	1.95	56.2	(67.7)	25	39	(64.5%)	(3.5%)	4.2%	48.0%	10.2%
10/13/10	Sierra Bancorp	BSRR	CA	1,300	23	15.5	10.00	16.6	(16.1)	90	104	(8.8%)	(20.8%)	(15.0%)	(14.4%)	10.0%
10/07/10	Palmetto Bancshares, Inc.	PLMT	SC	1,380	104	200.0	2.60	86.0	(77.7)	113	153	(67.5%)	(25.7%)	0.0%	(22.1%)	12.6%
09/30/10	TIB Financial Corp.	TIBB	FL	1,659	105	993.3	0.15	100.0	NM	1	103	(99.8%)	(99.6%)	(2.7%)	(59.0%)	13.4%
09/30/10	Hampton Roads Bankshares, Inc.	HMPR	VA	2,877	235	635.2	0.40	99.8	NM	9	204	(99.2%)	(98.4%)	21.0%	(1.4%)	13.4%
09/29/10	Virginia Commerce Bancorp, Inc.	VCBI	VA	2,827	10	6.6	5.25	6.6	(9.1)	83	94	4.0%	4.0%	(10.8%)	7.1%	13.0%
09/23/10	Charter Financial Corporation (MHC)	CHFN	GA	1,140	34	17.5	7.78	5	7.6	110	130	(23.2%)	(11.6%)	0.0%	18.6%	15.4%
09/22/10	Center Bancorp, Inc.	CNBC	NJ	1,196	10	9.1	7.00	8.9	(7.6)	116	137	(6.7%)	(7.0%)	(0.4%)	37.8%	15.0%
09/22/10	Sun Bancorp, Inc.	SNBC	NJ	3,512	19	22.1	4.00	16.6	(69.6)	133	139	(19.2%)	(20.9%)	37.1%	(28.7%)	15.0%
08/31/10	Pacific Capital Bancorp	PCBC	CA	7,126	45	23.2	0.20	99.8	(99.6)	1	59	(99.9%)	(99.8%)	(46.7%)	(64.3%)	27.0%
08/26/10	Sterling Financial Corporation	STSA	WA	9,738	58	70.9	0.20	99.7	NM	2	(112)	(99.7%)	(99.5%)	(24.1%)	(55.4%)	26.7%
08/19/10	Western Alliance Bancorporation	WAL	AZ	5,959	50	9.9	6.25	9.9	(8.7)	119	124	(8.5%)	(8.5%)	(1.7%)	(1.8%)	23.2%
08/05/10	Tennessee Commerce Bancorp, Inc.	TNCC	TN	1,390	26	52.4	4.00	53.7	(58.8)	56	77	(55.3%)	(11.1%)	1.1%	(44.4%)	17.1%
08/04/10	First Commonwealth Financial Corporation	FCF	PA	6,058	86	18.9	4.65	17.7	(17.8)	83	100	(7.9%)	(9.5%)	(4.7%)	2.3%	16.6%
08/02/10	WSFS Financial Corporation	WSFS	DE	3,792	50	18.5	36.50	16.1	(14.3)	110	122	0.8%	(3.9%)	(4.7%)	(2.1%)	17.0%
07/29/10	Riverview Bancorp, Inc.	RVSB	WA	863	21	52.9	1.80	51.4	(56.7)	50	76	(51.7%)	(13.5%)	3.6%	46.2%	19.2%
07/27/10	Hanmi Financial Corporation	HAFC	CA	2,915	120	117.2	1.20	43.5	(55.1)	100	194	(40.9%)	(3.2%)	1.5%	(17.7%)	17.3%
07/23/10	Renasant Corporation	RNST	MS	3,594	55	18.8	14.00	15.7	(9.2)	124	147	(1.6%)	0.9%	2.5%	5.2%	18.3%
07/22/10	CenterState Banks, Inc.	CSFL	FL	1,821	35	14.2	8.50	13.8	(10.8)	121	125	(7.4%)	(7.4%)	(4.3%)	(33.2%)	19.5%
07/20/10	BankAtlantic Bancorp, Inc.	BBX	FL	4,656	20	21.1	1.50	19.8	(6.5)	(402)	140	(15.7%)	(0.7%)	(6.3%)	(52.8%)	20.8%
07/14/10	First of Long Island Corporation	FLIC	NY	1,598	35	18.7	24.00	16.5	(9.6)	127	151	(6.5%)	(3.6%)	0.6%	8.1%	19.3%
07/13/10	Colonial Financial Services, Inc.	COBK	NJ	579	23	78.6	10.00	35.5	(5.2)	59	91	44.8%	(2.6%)	(1.7%)	17.5%	19.8%
07/07/10	Oneida Financial Corp.	ONFC	NY	613	32	43.4	8.00	35.5	25.3	97	137	(20.1%)	(3.1%)	(1.8%)	4.2%	24.3%
07/07/10	ViewPoint Financial Group, Inc.	VFPFG	TX	2,764	199	56.8	10.00	36.3	23.5	87	133	0.0%	4.6%	(0.2%)	34.5%	24.3%
06/30/10	Porter Bancorp, Inc.	PBIB	KY	1,757	20	18.1	11.50	15.9	(19.5)	108	119	(4.3%)	(4.5%)	(0.2%)	(55.0%)	27.3%
06/29/10	Fox Chase Bancorp, Inc.	FXCB	PA	1,156	87	67.4	10.00	37.5	6.1	70	110	10.7%	0.9%	1.7%	32.1%	25.7%
06/24/10	Banner Corporation	BANRD	WA	4,582	171	199.9	2.00	96.3	(94.8)	9	45	(91.9%)	(87.4%)	(2.7%)	3.7%	21.1%
06/24/10	Oritani Financial Corp.	ORIT	NJ	2,054	414	80.5	10.00	42.7	49.7	87	146	8.7%	(2.2%)	(0.6%)	19.5%	21.1%
06/22/10	Independent Bank Corporation	IBCP	MI	2,901	24	95.0	0.46	95.5	(90.6)	14	66	(94.9%)	(91.2%)	(11.7%)	(63.2%)	18.7%
06/21/10	Republic First Bancorp, Inc.	FRBK	PA	968	31	74.3	2.00	59.1	(62.1)	60	86	(49.1%)	(16.0%)	(0.3%)	(1.3%)	17.3%
06/16/10	HopFed Bancorp, Inc.	HFBC	KY	1,052	32	76.3	9.00	49.4	(49.2)	74	103	(20.0%)	(6.3%)	(2.4%)	(17.3%)	16.4%
06/15/10	Boston Private Financial Holdings, Inc.	BPFH	MA	6,034	29	5.6	6.10	6.4	(7.3)	-	150	(7.9%)	(1.8%)	(10.9%)	(1.3%)	16.4%
06/14/10	BNC Bancorp	BNCN	NC	1,629	17	24.1	10.00	18.8	(14.4)	115	128	5.2%	4.4%	(0.7%)	(19.1%)	19.6%
06/14/10	CNB Financial Corporation	CCNE	PA	1,240	35	34.2	10.25	27.7	(11.9)	123	168	(4.6%)	(7.4%)	(6.4%)	17.6%	19.6%
<b>Median</b>				<b>2,045</b>	<b>43</b>	<b>34.8</b>	<b>7.39</b>	<b>28.5</b>	<b>(14.3)</b>	<b>94.5</b>	<b>125.5</b>	<b>(9.3%)</b>	<b>(7.4%)</b>	<b>(0.2%)</b>	<b>(1.4%)</b>	<b>8.0%</b>

Note: Includes common stock offerings greater than \$10mm by banks and thrifts with assets between \$500mm and \$10bn

Source: SNL Financial

# Recent Capital Offering Transactions

## *Selected Michigan Capital Raises Since June 9, 2009*

Company	City, State	Ticker	Closed Date	Amount (\$'000)	Total Assets (\$mm)
<b><u>Common Equity</u></b>					
Macatawa Bank Corporation	Holland, MI	MCBC	06/07/11	41,000	1,557
Wolverine Bancorp, Inc.	Midland, MI	WBKC	01/20/11	25,075	308
MBT Financial Corp.	Monroe, MI	MBTF	12/31/10	70	1,260
United Bancorp, Inc.	Ann Arbor, MI	UBMI	12/14/10	18,960	853
Flagstar Bancorp, Inc.	Troy, MI	FBC	10/28/10	115,655	13,837
MBT Financial Corp.	Monroe, MI	MBTF	10/05/10	1,172	1,264
Independent Bank Corporation	Ionia, MI	IBCP	06/22/10	23,502	2,901
Capitol Bancorp Ltd.	Lansing, MI	CBCR	04/30/10	7,500	5,132
Flagstar Bancorp, Inc.	Troy, MI	FBC	03/26/10	287,500	14,013
Flagstar Bancorp, Inc. (Rights Offering)	Troy, MI	FBC	02/08/10	300,573	14,013
Macatawa Bank Corporation	Holland, MI	MCBC	09/09/09	100	2,012
Macatawa Bank Corporation	Holland, MI	MCBC	06/30/09	550	2,095
<b><u>Preferred Equity</u></b>					
Flagstar Bancorp, Inc.	Troy, MI	FBC	10/28/10	283,845	13,837
Capitol Bancorp Ltd.	Lansing, MI	CBCR	06/30/10	9,500	5,065
Independent Bank Corporation	Ionia, MI	IBCP	04/16/10	74,426	2,965
Community Central Bank Corporation	Mount Clemens, MI	-	01/29/10	510	547
Community Central Bank Corporation	Mount Clemens, MI	-	12/31/09	2,715	547
University Bancorp, Inc.	Ann Arbor, MI	UNIB	12/31/09	200	126
Birmingham Bloomfield Bancshares, Inc.	Birmingham, MI	BBBI	12/18/09	1,744	83
Community Central Bank Corporation	Mount Clemens, MI	-	10/02/09	1,000	555
Macatawa Bank Corporation	Holland, MI	MCBC	09/09/09	250	2,012
Macatawa Bank Corporation	Holland, MI	MCBC	06/30/09	2,350	2,095
<b><u>Subordinated Debt</u></b>					
Macatawa Bank Corporation	Holland, MI	MCBC	04/21/11	1,000	1,578
Macatawa Bank Corporation	Holland, MI	MCBC	09/09/09	700	2,012
Macatawa Bank Corporation	Holland, MI	MCBC	06/30/09	950	2,095
<b><u>Subsidiary Trust Preferred</u></b>					
Flagstar Bancorp, Inc.	Troy, MI	FBC	06/30/09	50,000	16,810

Note: Includes common stock, preferred stock, senior debt, subordinated debt, junior subordinated debt, senior subordinated debt and trust preferred

Source: SNL Financial

# Q & A

Panelists: John Donnelly (Donnelly, Penman & Partners)  
Craig Sicilia (McQueen Financial Advisors)  
William Hickey (Sandler O'Neill & Partners LP)  
Robert Albertson (Sandler O'Neill & Partners LP)

Moderator: Joseph P Campanelli (Flagstar Bank)

