Firstbank
CORPORATION

Annual Meeting of Shareholders

April 23, 2012

Forward-Looking Statement

Certain matters in this presentation are “forward-looking statements” intended to qualify for the safe harbors from liability as established by the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include words and phrases such as “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” “intends to,” or similar expressions. Similarly, statements that describe Firstbank’s future plans, objectives or goals are also forward-looking statements. Firstbank wishes to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date of this presentation, and to advise the audience that various factors could affect Firstbank’s financial performance and could cause actual results for future periods to differ materially from those anticipated or projected. Such factors include, but are not limited to: (i) general market interest rates, (ii) general economic conditions, (iii) legislative/regulatory changes, (iv) monetary and fiscal policies of the U.S. Treasury and Federal Reserve, (v) changes in the quality of composition of Firstbank’s loan and investment portfolios, (vi) demand for loan products (vii) deposit flow, (viii) competition, (ix) demand for financial services in Firstbank’s markets, and (x) changes in accounting principles, policies or guidelines.

TOPICS

- Highlights of 2011
- Rankings and Comparisons of Firstbank versus other Michigan based companies
- Highlights of First Quarter 2012
- Shareholder Returns
- Capital Strength and TARP/CPP
- Outlook for 2012 and Beyond

2011 Highlights

- Net income of $5.6 million in 2011 compared to $3.76 million in 2010
- Earnings per share of $0.50 compared to $0.27 in 2010
- Achieved growth of deposits and assets
- Loans continued to shrink due to lack of quality lending opportunities
- Loan losses and credit costs remain high

2011 Highlights

- Credit metrics – non-accruals, past dues, performing adjusted loans (TDR's), and ORE - all stable or improving
- Net interest margin improved to 4.06% due to growth of lower cost core deposits

How Do We Rank in Michigan?

Top 15 Banks in Michigan

Company Name	City	Total Assets ($000) 12/31/2011*
Flagstar Bancorp, Inc.	Troy	13,637,473
Citizens Republic Bancorp, Inc.	Flint	9,462,849
Chemical Financial Corporation	Midland	5,339,453
Independent Bank Corporation	Ionia	2,307,406
Capitol Bancorp Ltd.	Lansing	2,205,265
Talmer Bank and Trust	Troy	2,126,678
Macatawa Bank Corporation	Holland	1,507,667
Firstbank Corporation	Alma	1,485,299
Mercantile Bank Corporation	Grand Rapids	1,433,229
Isabella Bank Corporation	Mount Pleasant	1,337,925
MBT Financial Corp.	Monroe	1,238,027
Lake Michigan Financial Corp.	Holland	1,023,477
United Bancorp, Inc.	Ann Arbor	885,009
Northwestern Bank	Traverse City	867,714
Dearborn Bancorp, Inc.	Dearborn	867,274

*Dearborn as of 6/30/2011

Top 15 Banks in Michigan

Company Name	City	Total Assets ($000) 12/31/2011*	Total Assets ($000) 12/31/2008	Change $ ($000)	Change %
Flagstar Bancorp, Inc.	Troy	13,637,473	14,203,657	(566,184)	-4.0%
Citizens Republic Bancorp, Inc.	Flint	9,462,849	13,086,016	(3,623,167)	-27.7%
Chemical Financial Corporation	Midland	5,339,453	3,874,313	1,465,140	37.8%
Independent Bank Corporation	Ionia	2,307,406	2,956,245	(648,839)	-21.9%
Capitol Bancorp Ltd.	Lansing	2,205,265	5,654,836	(3,185,879)	-61.0%
Talmer Bank and Trust	Troy	2,126,678	63,857	2,062,821	3230.4%
Macatawa Bank Corporation	Holland	1,507,667	2,149,372	(641,705)	-29.9%
Firstbank Corporation	Alma	1,485,299	1,425,340	59,959	4.2%
Mercantile Bank Corporation	Grand Rapids	1,433,229	2,208,010	(774,781)	-35.1%
Isabella Bank Corporation	Mount Pleasant	1,337,925	1,139,263	198,662	17.4%
MBT Financial Corp.	Monroe	1,238,027	1,562,401	(324,374)	-20.8%
Lake Michigan Financial Corp.	Holland	1,023,477	943,930	79,547	8.4%
United Bancorp, Inc.	Ann Arbor	885,009	832,393	52,616	6.3%
Northwestern Bank	Traverse City	867,714	810,452	57,262	7.1%
Dearborn Bancorp, Inc.	Dearborn	867,274	1,121,918	(254,644)	-22.7%

*Dearborn as of 6/30/2011

Top 15 Banks in Michigan

Company Name	City	Total Assets ($000) 12/31/2011*	Total Assets ($000) 12/31/2008	Change $ ($000)	Change %
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Capitol Bancorp Ltd.	Lansing	2,205,265	5,654,836	(3,185,879)	-61.0%

*Dearborn as of 6/30/2011

Top 15 Banks in Michigan

Company Name	Total Assets ($000) 12/31/2011*	Net Income ($000) 2011
Flagstar Bancorp, Inc.	13,637,473	(177,578)
Citizens Republic Bancorp, Inc.	9,462,849	6,667
Chemical Financial Corporation	5,339,453	43,050
Independent Bank Corporation	2,307,406	(20,200)
Capitol Bancorp Ltd.	2,205,265	(45,427)
Talmer Bank and Trust	2,126,678	37,149
Macatawa Bank Corporation	1,507,667	5,829
Firstbank Corporation	1,485,299	5,623
Mercantile Bank Corporation	1,433,229	37,485
Isabella Bank Corporation	1,337,925	10,210
MBT Financial Corp.	1,238,027	(3,762)
Lake Michigan Financial Corporation	1,023,477	7,030
United Bancorp, Inc.	885,009	917
Northwestern Bank	867,714	1,695
Dearborn Bancorp, Inc.	867,274	NA

*Dearborn as of 6/30/2011

Top 15 Banks in Michigan

Company Name	Total Assets ($000) 12/31/2011*	Net Income ($000) 2011	Net Income ($000) 2010
Flagstar Bancorp, Inc.	13,637,473	(177,578)	(374,813)
Citizens Republic Bancorp, Inc.	9,462,849	6,667	(292,925)
Chemical Financial Corporation	5,339,453	43,050	23,090
Independent Bank Corporation	2,307,406	(20,200)	(16,709)
Capitol Bancorp Ltd.	2,205,265	(45,427)	(254,364)
Talmer Bank and Trust	2,126,678	37,149	48,210
Macatawa Bank Corporation	1,507,667	5,829	(17,854)
Firstbank Corporation	1,485,299	5,623	3,763
Mercantile Bank Corporation	1,433,229	37,485	(13,316)
Isabella Bank Corporation	1,337,925	10,210	9,045
MBT Financial Corp.	1,238,027	(3,762)	(11,899)
Lake Michigan Financial Corporation	1,023,477	7,030	5,505
United Bancorp, Inc.	885,009	917	(3,708)
Northwestern Bank	867,714	1,695	5,212
Dearborn Bancorp, Inc.	867,274	NA	(14,249)

*Dearborn as of 6/30/2011

Top 15 Banks in Michigan

Company Name	Total Assets ($000) 12/31/2011*	Net Income ($000) 2011	Net Income ($000) 2010	Net Income ($000) 2009
Flagstar Bancorp, Inc.	13,637,473	(177,578)	(374,813)	(496,678)
Citizens Republic Bancorp, Inc.	9,462,849	6,667	(292,925)	(514,213)
Chemical Financial Corporation	5,339,453	43,050	23,090	10,003
Independent Bank Corporation	2,307,406	(20,200)	(16,709)	(90,227)
Capitol Bancorp Ltd.	2,205,265	(45,427)	(254,364)	(264,540)
Talmer Bank and Trust	2,126,678	37,149	48,210	47
Macatawa Bank Corporation	1,507,667	5,829	(17,854)	(63,641)
Firstbank Corporation	1,485,299	5,623	3,763	2,691
Mercantile Bank Corporation	1,433,229	37,485	(13,316)	(52,087)
Isabella Bank Corporation	1,337,925	10,210	9,045	7,800
MBT Financial Corp.	1,238,027	(3,762)	(11,899)	(34,177)
Lake Michigan Financial Corporation	1,023,477	7,030	5,505	4,307
United Bancorp, Inc.	885,009	917	(3,708)	(8,833)
Northwestern Bank	867,714	1,695	5,212	4,588
Dearborn Bancorp, Inc.	867,274	NA	(14,249)	(61,175)

*Dearborn as of 6/30/2011

Top 15 Banks in Michigan

Company Name	Total Assets ($000) 12/31/2011*	Net Income ($000) 2011	Net Income ($000) 2010	Net Income ($000) 2009	3-yr Total
Talmer Bank and Trust	2,126,678	37,149	48,210	47	85,406
Chemical Financial Corporation	5,339,453	43,050	23,090	10,003	76,143
Isabella Bank Corporation	1,337,925	10,210	9,045	7,800	27,055
Lake Michigan Financial Corporation	1,023,477	7,030	5,505	4,307	16,842
Firstbank Corporation	1,485,299	5,623	3,763	2,691	12,077
Northwestern Bank	867,714	1,695	5,212	4,588	11,495
United Bancorp, Inc.	885,009	917	(3,708)	(8,833)	(11,624)
Mercantile Bank Corporation	1,433,229	37,485	(13,316)	(52,087)	(27,918)
MBT Financial Corp.	1,238,027	(3,762)	(11,899)	(34,177)	(49,838)
Dearborn Bancorp, Inc.	867,274	NA	(14,249)	(61,175)	(75,424)
Macatawa Bank Corporation	1,507,667	5,829	(17,854)	(63,641)	(75,666)
Independent Bank Corporation	2,307,406	(20,200)	(16,709)	(90,227)	(127,136)
Capitol Bancorp Ltd.	2,205,265	(45,427)	(254,364)	(264,540)	(564,331)
Citizens Republic Bancorp, Inc.	9,462,849	6,667	(292,925)	(514,213)	(800,471)
Flagstar Bancorp, Inc.	13,637,473	(177,578)	(374,813)	(496,678)	(1,049,069)

*Dearborn as of 6/30/2011

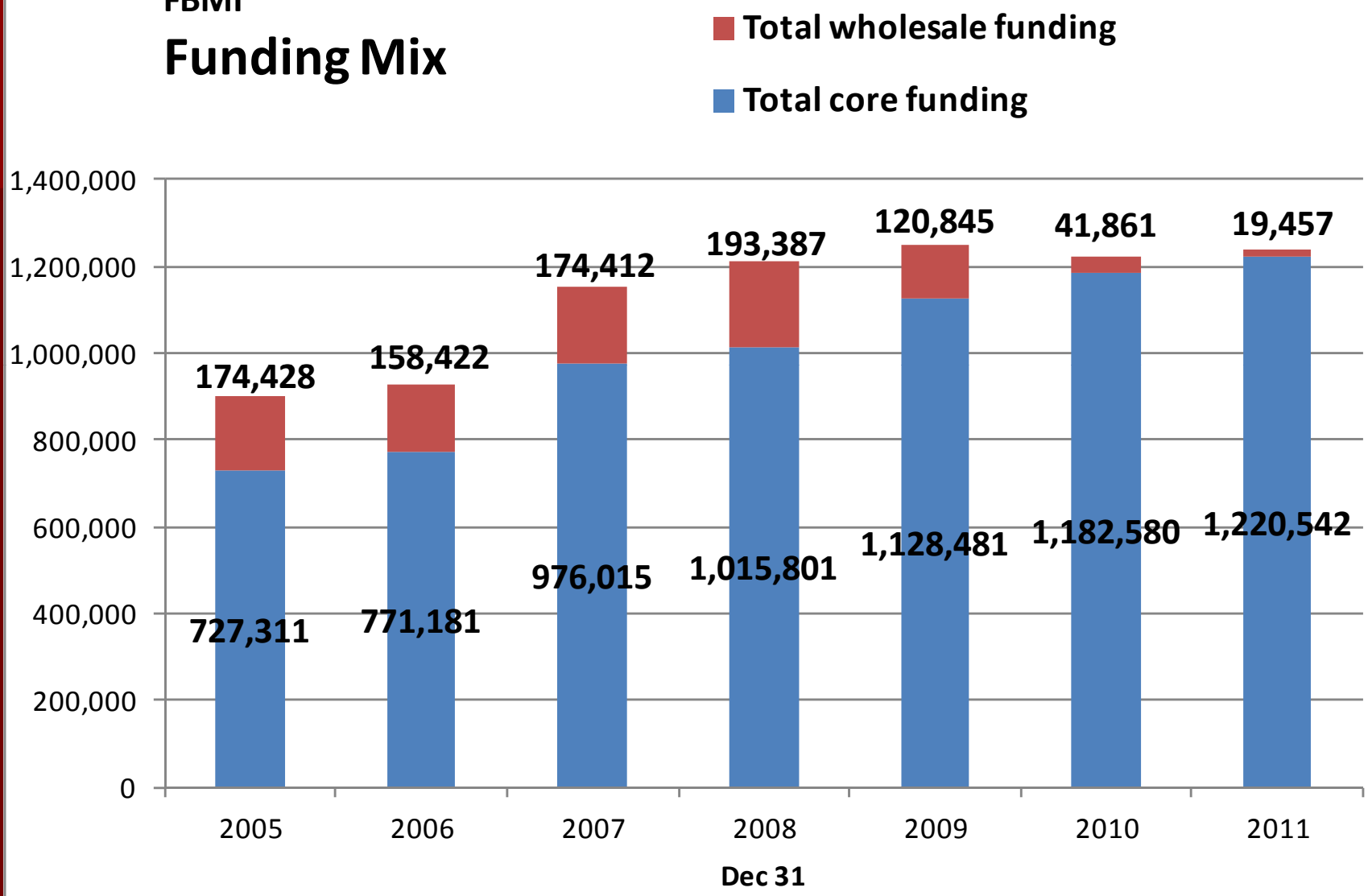
Top 15 Banks in Michigan

Company Name	City	Total Assets ($000) 12/31/2011*	Texas Ratio 2011Q4	
Isabella Bank Corporation	Mount Pleasant	1,337,925	22.24	
Citizens Republic Bancorp, Inc.	Flint	9,462,849	23.14	
Chemical Financial Corporation	Midland	5,339,453	28.74	
Lake Michigan Financial Corporation	Holland	1,023,477	31.23	
Mercantile Bank Corporation	Grand Rapids	1,433,229	33.31	
Firstbank Corporation	Alma	1,485,299	44.59	
United Bancorp, Inc.	Ann Arbor	885,009	54.54	
Talmer Bank and Trust	Troy	2,126,678	58.66	
Northwestern Bank	Traverse City	867,714	71.75	
MBT Financial Corp.	Monroe	1,238,027	98.87	ratio of bank
Macatawa Bank Corporation	Holland	1,507,667	162.72	
Flagstar Bancorp, Inc.	Troy	13,637,473	168.84	ratio of bank
Dearborn Bancorp, Inc.	Dearborn	867,274	207.71	ratio of bank
Independent Bank Corporation	Ionia	2,307,406	284.28	
Capitol Bancorp Ltd.	Lansing	2,468,957	nmf	

*Dearborn as of 6/30/2011

FBMI

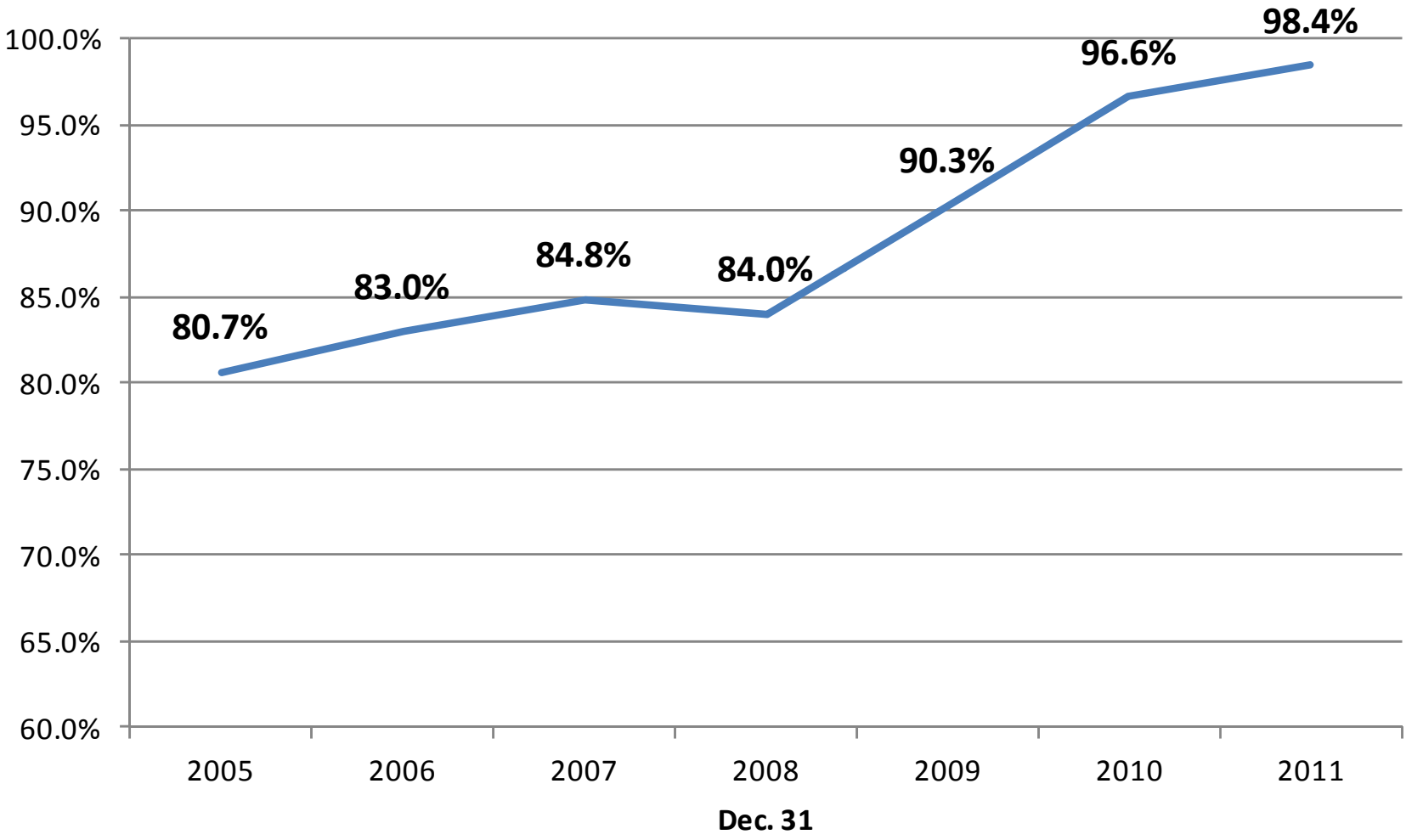
Funding Mix



Note: CDARS treated as core funding, customer repurchase balances excluded, and subordinated debt / trust preferred treated as capital

FBMI

Core Funding as % of Total Funding



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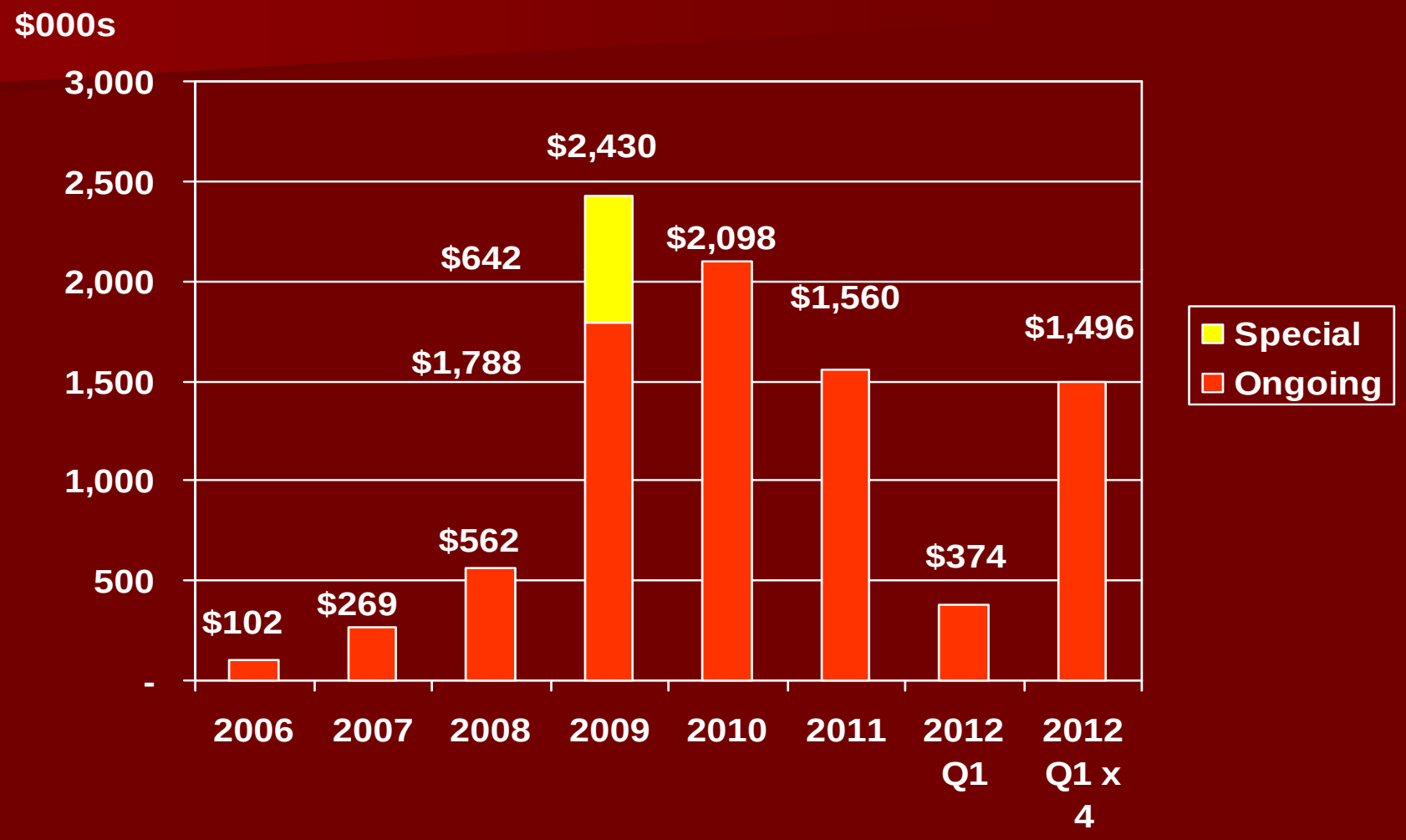
FDIC Insurance Cost

FDIC Insurance Premium



2011 Highlights

- Improving earnings
- Mortgage business remains critical to our success
- Credit losses and related costs still too high inhibiting return to normal earnings
- Committed to sharing improved results with our shareholders

Highlights - Q1 2012

- Net Income of $2.4 million compared to $1.2 million in first quarter 2011 – despite continued high level of credit costs
- Earnings per share of $0.25 compared to $0.10 in first quarter 2011
- Strong Mortgage Lending operation
- Solid growth of core deposits

Highlights - Q1 2012

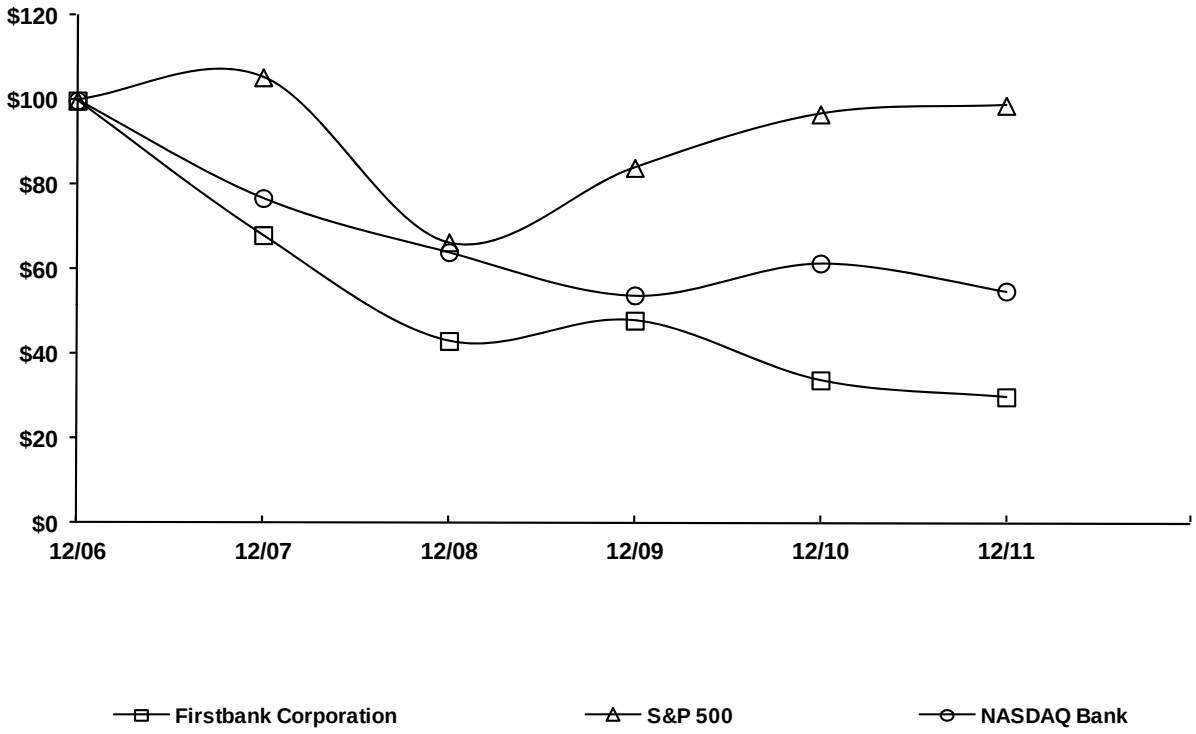
- Credit Metrics are stable with signs of improvement:
  - Net charge-offs declined 26% from year ago
  - Reserve strengthened to 2.16% vs. 2.10%
  - Lower level of non-accrual loans
  - Delinquency and ORE significantly improved
- Good capacity to increase lending when economic conditions and loan demand return to normal levels

Shareholder Returns

- Total book value is $15.76
- Tangible book value is now $11.10
- Share price has been depressed and somewhat volatile -

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among Firstbank Corporation, the S&P 500 Index, and the NASDAQ Bank Index



*$100 invested on 12/31/06 in stock or index, including reinvestment of dividends.
Fiscal year ending December 31.

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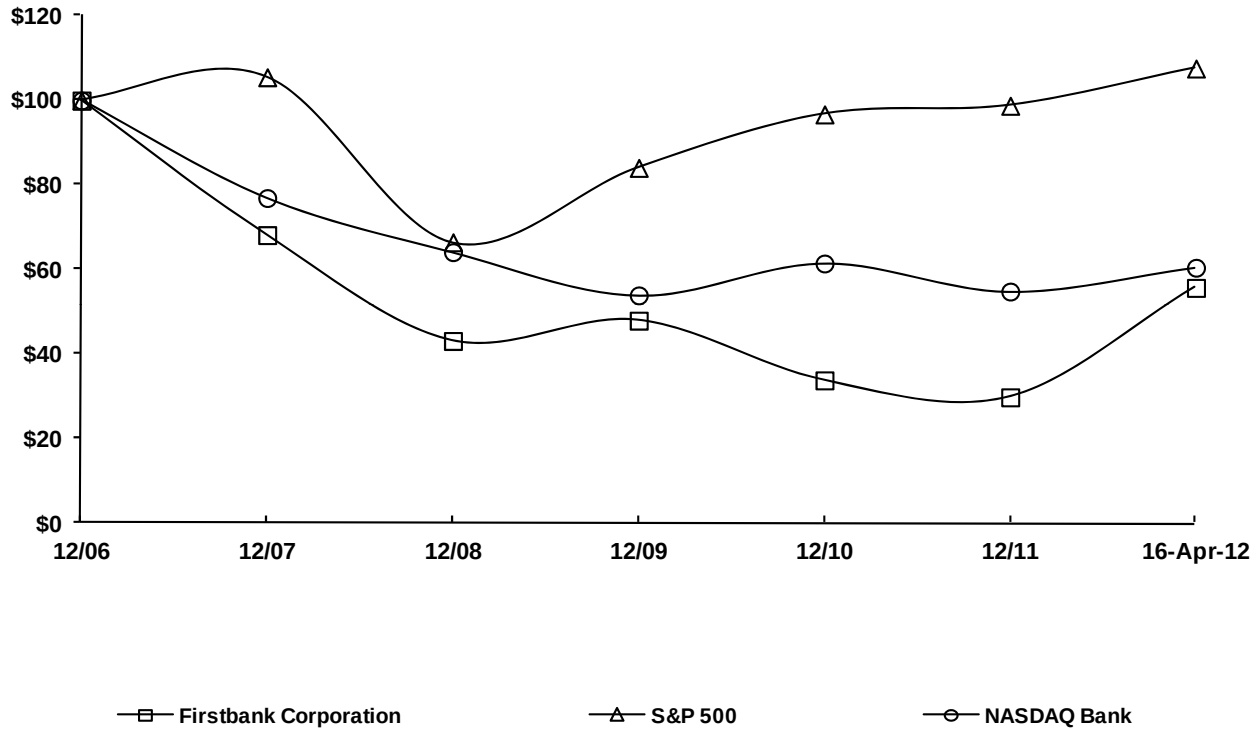
Among Firstbank Corporation, the S&P 500 Index, and the NASDAQ Bank Index



*$100 invested on 12/31/06 in stock or index, including reinvestment of dividends.
Fiscal year ending December 31. (2012 update does not include reinvestment of dividend)

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Shareholder Returns

- Total book value is $15.76
- Tangible book value is now $11.10
- Market Value has been depressed –
  - Banks stocks have been out of favor
  - Earnings have been low
  - Reduced level of dividend
  - Credit concerns
  - Concerns about Michigan economy, unemployment level, and real estate values

Principles of Dividend Payment

- We will pay dividends to shareholders representing their respective portion of company earnings
- Dividends, in order to be paid, must be earned
- Appropriate capital levels are essential to support stability and growth, and to cushion against losses and unexpected events
- Dividend level should be stable and sustainable, unless the operating environment is unpredictable
- Over the long term, the goal is for earnings, dividends, and shareholder value to increase

Shareholder Returns

- Dividend Policy
  - Must represent a reasonable share of income
  - January announcement of $0.01 regular cash dividend plus $0.05 based on 2011 income
  - Total cash dividend of $0.09 based on 2011 earnings represents an 18% payout ratio
  - Today announcing regular dividend of $0.01 and re-iterating intention to review payout at year end

Capital Strength

- Capital levels have been strong and growing
- Preferred stock issue (CPP) in 2009
  - Supplemented Capital
  - Protected the company during a volatile period for the company and the country
  - Maintained our common shareholders ownership and control without dilution

Capital Ratios

	12/31/2010	
	Tier I (Core) Capital to Average Assets	Total Capital to Risk Weighted Assets
Regulatory Standard for Adequately Capitalized	4.00%	8.00%
Regulatory Standard for Well Capitalized	5.00%	10.00%
"New" Regulatory Standard for Well Capitalized	8.00%	12.00%
Firstbank Corporation	10.02%	15.94%
Firstbank - Alma	7.51%	15.18%
Firstbank - Mt. Pleasant	8.73%	13.10%
Firstbank - West Branch	8.64%	13.56%
Firstbank - St. Johns	8.25%	12.67%
Keystone Community Bank	9.18%	12.38%
Firstbank - West Michigan	8.76%	15.36%

Capital Ratios

	12/31/2011	
	Tier I (Core) Capital to Average Assets	Total Capital to Risk Weighted Assets
Regulatory Standard for Adequately Capitalized	4.00%	8.00%
Regulatory Standard for Well Capitalized	5.00%	10.00%
"New" Regulatory Standard for Well Capitalized	8.00%	12.00%
Firstbank Corporation	10.30%	16.55%
Firstbank - Alma	8.22%	15.02%
Firstbank - Mt. Pleasant	8.31%	13.05%
Firstbank - West Branch	8.39%	13.39%
Keystone Community Bank	10.09%	14.03%
Firstbank - West Michigan	9.72%	16.95%

Sources of Capital

- Earnings
- Debt / Trust Preferred Securities
- Equity Offering
  - Preferred Stock
    - Private Sector
    - Capital Purchase Program (CPP)
  - Common Stock
- Continuously Monitor Cost, Availability, and Dilution of Private Sector Capital

Dilutive to Replace CPP

Effect of Raising $20 Million Common Equity
To Support Repayment of $33 Million CPP

Last Year

(000s, except per share)

	12/31/2010 actual	capital raise	pro forma	book dilution
Common Equity	115,665	20,000	135,665	
Total Intangible Assets	37,658		37,658	
Tangible Equity	78,007	20,000	98,007	
Common Shares Outstanding	7,804	3,955	11,758	
Common Equity / Share	14.82		11.54	-22.2%
Tangible Equity / Share	10.00		8.34	-16.6%
Date of Price		04/21/2011		
Market Price / Share		5.95		
Offering Discount		15.0%		
Net Proceeds Received / Share		5.06		

Still Dilutive to Replace CPP

Effect of Raising $20 Million Common Equity
To Support Repayment of $33 Million CPP

(000s, except per share)

	12/31/2011 actual	capital raise	pro forma	book dilution
Common Equity	122,585	20,000	142,585	
Total Intangible Assets	36,961		36,961	
Tangible Equity	85,624	20,000	105,624	
Common Shares Outstanding	7,892	2,818	10,710	
Common Equity / Share	15.53		13.31	-14.3%
Tangible Equity / Share	10.85		9.86	-9.1%
Date of Price		04/20/2012		
Market Price / Share		8.35		
Offering Discount		15.0%		
Net Proceeds Received / Share		7.10		

Capital Purchase Program (CPP)

- Established in 4th QTR 2008 as part of Troubled Asset Relief Program (TARP)
- U.S. Treasury invested approximately $750 billion in TARP/CPP
  - $500 billion in AIG, auto companies, etc.
  - $250 billion in preferred stock of banks
  - Banks have already paid back $270 billion
  - U.S. Treasury now wants to exit CPP
  - Potential Impact to Firstbank Corporation

Shareholder Commitment

- Strong Capital Levels and Improving Earnings position company well
- 2012 may present opportunities to enhance shareholder value as CPP is unwound by U.S. Treasury
- Board of Directors and Management remain committed to the protection of the current shareholders ownership and investment

2012 Priorities

- Relentless Focus on Asset Quality and Improving Earnings & Shareholder Value
- Utilize our capital and strong lending capability to grow the loan portfolio with quality loans
- Continue to analyze cost structure and reduce cost wherever possible
- Continue Sales & Service Focus to increase Core Deposits in all 52 offices
- Support our 510 staff members who are the key components of our success

Thank You
to our
Shareholders, Customers,
Communities
and
Staff Members