

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 26, 2008

MACATAWA BANK CORPORATION

(Exact name of Registrant as specified in its charter)

Michigan
(State or Other Jurisdiction
of Incorporation)

000-25927
(Commission File No.)

38-3391345
(IRS Employer
Identification No.)

10753 Macatawa Drive, Holland, MI
(Address of Principal Executive Offices)

49424
(Zip Code)

616 820-1444
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former Name or Former Address, if changed Since Last Report)

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425).
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12).
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240-14d-2(b)).
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c)).
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ITEM 2.06 Material Impairments.

On September 26, 2008, management of Macatawa Bank (the "Bank"), a wholly owned subsidiary of Macatawa Bank Corporation (the "Company"), decided to take \$15.0 million in loan loss provisions and \$878,000 in losses on foreclosed properties. These loan loss provisions and foreclosed property losses are being recorded in the quarter ended June 30, 2008. The Company will amend accordingly its Quarterly Report on Form 10-Q for the Quarter ended June 30, 2008.

The additional provisions and losses result in a \$10.3 million decrease in the Company's second quarter earnings on an after-tax basis, from \$2.2 million in earnings to \$8.1 million in net losses. After these adjustments, Macatawa Bank continues to remain a well-capitalized financial institution under regulatory guidelines.

The additional provisions and losses reflect continued weakness in the Company's portfolio of real estate loans. The Company's management and board have determined the need for the adjustments based upon current and evolving information regarding its real estate loan portfolio and the continued decline in the housing market.

The additional provisions and losses were based on information currently available and may change as new information is received. The ultimate amount of the impairment, and the potential losses to the Bank, may be higher or lower depending on the realizable value of the collateral. The level of the provision made in connection with the loans reflects the amount necessary to maintain the allowance for loan losses at an adequate level, based upon the Bank's current analysis of losses inherent in its loan portfolio. Management will continue to monitor the performance of its portfolio and will react to conditions as they develop.

The Bank's out-of-pocket expenditures in connection with the resolution of the loans could vary, depending on the length of time, and number of hours of professional assistance required to finally resolve the loans, the nature of the proceedings in which the loans are resolved, and other factors not susceptible to precise estimation, and they could be higher or lower. The impairment charge was calculated to include an estimate of these out-of-pocket expenditures.

ITEM 8.01 Other Events.

The Company announced its decision to temporarily suspend future dividends on its common stock.

The Company also announced that it has begun work to raise additional capital to strengthen its financial position.

The Company announced that it does not have exposure to subprime mortgage loans, nor does it have any exposure to Fannie Mae and Freddie Mac equity securities or mortgage backed securities.

A copy of the press release issued pursuant to Rule 135c of the Securities Act of 1933, as amended, is filed as Exhibit 99.1 to this Report and is incorporated herein by reference. The press release and this Form 8-K are neither an offer to sell nor a solicitation of an offer to buy any of the Company's securities. There shall not be any offer or sale of the securities in any jurisdiction in which such offer, solicitation or sale is unlawful. These securities and the common stock issuable upon conversion of the securities will not be registered under the Securities Act or any state securities laws, and unless so registered, may not be offered or sold except pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws.

ITEM 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1 Press release dated September 29, 2008.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MACATAWA BANK CORPORATION

Dated: September 29, 2008

By /s/ Jon W. Swets

Jon W. Swets
Chief Financial Officer

NASDAQ NATIONAL MARKET: MCBC
FOR RELEASE: Immediate
DATE: September 29, 2008
Contact: Ben Smith, CEO
616.396.0119
Phil Koning, President
616.820.1429

Macatawa Bank Corp. Takes Steps to Maintain its Financial Strength

Holland, Michigan, September 29, 2008 -- Macatawa Bank Corp. today announced that it is taking several steps to maintain its financial strength.

In light of continued soft economic conditions in West Michigan, the Holland, Michigan-based community bank will take \$15.0 million in loan loss provisions and \$878,000 in losses on foreclosed properties. These loan loss provisions and foreclosed property losses are being recorded in the quarter ended June 30, 2008. The Company's quarterly report on Form 10-Q for the quarter ended June 30, 2008 is being amended accordingly.

The additional provisions and losses result in a \$10.3 million decrease in the Company's second quarter earnings on an after-tax basis, from \$2.2 million in earnings to \$8.1 million in net losses. After these adjustments, Macatawa Bank continues to remain a well-capitalized financial institution under regulatory guidelines.

The additional provisions and losses reflect continued weakness in the Company's portfolio of real estate loans. The Company's management and board have determined the need for the adjustments based upon current and evolving information regarding its real estate loan portfolio and the continued decline in the housing market.

The Company's credit exposure is primarily isolated in residential development loans, a narrow and declining slice of its total portfolio. The Company does not have any exposure to subprime mortgage loans, nor does it have any exposure to Fannie Mae and Freddie Mac equity securities or mortgage-backed securities.

Macatawa Chairman and CEO Ben Smith said the Company has begun work to raise additional capital to provide additional liquidity and to further strengthen its financial position. The Company also plans to temporarily suspend its dividend. The Company expects to realize approximately \$9 million in savings from this suspension in the first year.

"We realize the importance of the dividend to our shareholders, and took significant steps to preserve the dividend as long as we were able," Smith said. "We look forward to reinstating the dividend as our capital situation improves."

Finally, Macatawa has made changes in its lending practices, primarily in the areas of credit and loan administration. These changes resulted from the Company's comprehensive 2007 review of all loan policies and procedures. The bank has added staff, invested capital in new operating systems and revised operating procedures.

"Like financial institutions across the country, Macatawa Bank is being negatively impacted by continuing challenges in our economy," Smith said. "The steps we have taken today are designed to ensure we remain a well-capitalized bank."

"In the current economic environment, we felt it was prudent to raise additional capital that will allow us to maintain our financial strength. It will also give us the ability to pursue growth opportunities in the current lending environment. I look forward to reporting the successful conclusion of the capital raise during the fourth quarter."

— more —

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"While it is a tough time to be a bank, I firmly believe that depositors and shareholders have greater confidence in community banks like Macatawa, where the focus is exclusively local and where we are integral to the communities in which we live and work."

This press release is neither an offer to sell nor a solicitation of an offer to buy any of the Company's securities. There shall not be any offer or sale of the securities in any jurisdiction in which such offer, solicitation or sale is unlawful. These securities and the common stock issuable upon conversion of the securities will not be registered under the Securities Act or any state securities laws, and unless so registered, may not be offered or sold except pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws.

About Macatawa Bank

Headquartered in Holland, Michigan, Macatawa Bank Corporation is the parent company for Macatawa Bank. Through its banking subsidiary, the Corporation offers a full range of banking, investment and trust services to individuals, businesses, and governmental entities from a network of 26 full service branches located in communities in Kent County, Ottawa County, and northern Allegan County. Services include commercial, consumer and real estate financing; business and personal deposit services, ATM's and Internet banking services, trust and employee benefit plan services, and various investment services. The Corporation emphasizes its local management team and decision making, along with providing customers excellent service and superior financial products.

"CAUTIONARY STATEMENT: This press release contains certain forward-looking statements that involve risks and uncertainties which could cause actual results to differ materially from those expressed or implied by such forward-looking statements, including, but not limited to, economic, competitive, governmental and technological factors affecting our operations, markets, products, services and pricing. These statements include, among others, statements related to future growth and funding sources, future profitability levels, the effects on earnings of changes in interest rates and the future level of other revenue sources. Annualized growth rates are not intended to imply future growth at those rates. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Further information concerning our business, including additional factors that could materially affect our financial results, is included in our filings with the Securities and Exchange Commission."