SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2000

OR

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _______ to ________

Commission file number: 000-25927

MACATAWA BANK CORPORATION
(Exact name of issuer as specified in its charter)

MICHIGAN	38-3391345
(State of other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

51 E. Main Street, Zeeland, Michigan 49464
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (616) 748-9491

Check whether the issuer: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes __X__ No _____

The number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 3,589,315 shares of the Company's Common Stock (no par value) were outstanding as of November 10, 2000.

Transitional Small Business Disclosure Format (check one): Yes _____ No __X__

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Part I Financial Information

MACATAWA BANK CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
As of September 30, 2000 (unaudited) and December 31, 1999

	September 30, 2000	December 31, 1999
ASSETS		
Cash and due from banks	$ 21,040,630	$ 20,554,039
Securities available for sale	43,542,099	28,281,375
Federal Home Loan Bank Stock	2,312,000	2,312,000
Total loans	373,222,569	285,374,451
Allowance for loan losses	(5,481,473)	(3,995,165)
	367,741,096	281,379,286
Premises and equipment - net	12,397,527	9,997,566
Accrued interest receivable	2,825,912	1,904,126
Other assets	1,453,673	492,743
Total Assets	$451,312,937	$344,921,135
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Noninterest-bearing	$ 45,137,748	$ 34,542,493
Interest-bearing	321,479,519	244,847,389
Total	366,617,267	279,389,882
Fed funds purchased	5,000,000	-
Federal Home Loan Bank borrowings	40,000,000	30,000,000
Other borrowings	1,000,000	-
Accrued expenses and other liabilities	1,704,960	1,005,100
Total liabilities	414,322,227	310,394,982
Shareholders' equity		
Preferred stock, no par value, 500,000 shares authorized; no shares issued and outstanding		
Common stock, no par value, 9,500,000 shares authorized; 3,588,565 shares issued and outstanding as of September 30, 2000 and December 31, 1999.	36,882,916	36,882,916
Retained earnings (deficit)	336,243	(1,960,810)
Accumulated other comprehensive loss	(228,449)	(395,953)
Total shareholders' equity	36,990,710	34,526,153

Total liabilities and shareholders' equity	$451,312,937	$344,921,135

</TABLE>

See accompanying notes to condensed consolidated financial statements

MACATAWA BANK CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND
COMPREHENSIVE INCOME Three and Nine Month
Periods Ended September 30, 2000 and 1999
(unaudited)

<TABLE>

	Three Months Ended Sept. 30, 2000	Three Months Ended Sept. 30, 1999	Nine Months Ended Sept. 30, 2000	Nine Months Ended Sept. 30, 1999
<S>	<C>	<C>	<C>	<C>
Interest Income				
Loans, including fees	$8,309,660	$5,020,299	$22,728,502	$12,588,440
Investments	716,415	455,142	1,771,095	1,185,375
Total interest income	9,026,075	5,475,441	24,499,597	13,773,815
Interest expense				
Deposits	4,119,262	2,325,063	10,818,454	6,084,420
Other	588,422	224,727	1,746,502	408,963
Total interest expense	4,707,684	2,549,790	12,564,956	6,493,383
Net Interest Income	4,318,391	2,925,651	11,934,641	7,280,432
Provision for loan losses	(434,000)	(505,000)	(1,516,000)	(1,500,000)
Net Interest Income After Provision for loan losses	3,884,391	2,420,651	10,418,641	5,780,432
Noninterest income				
Service charges on deposit accounts	249,786	155,676	688,941	363,415
Gain on sale of loans	95,246	89,157	230,427	513,551
Trust revenue	132,803	83,626	380,990	141,836
Other	50,006	39,373	150,865	100,755
Total noninterest income	527,841	367,832	1,451,223	1,119,557
Noninterest expense				
Salaries and benefits	1,810,283	1,450,136	5,163,534	3,797,591
Occupancy expense of premises	271,398	232,483	835,362	574,663
Furniture and equipment expense	325,332	232,391	883,290	531,672
Legal and professional fees	57,568	33,405	210,924	101,894
Advertising	93,300	68,308	238,054	183,436
Data processing	79,230	54,981	224,811	

Shareholder services	28,142	2,889	79,641	72,668
Supplies	87,285	93,475	262,843	243,142
Other expense	540,411	319,244	1,502,185	984,923
Total noninterest expenses	3,292,949	2,487,312	9,400,644	6,631,811
Income before federal income tax	1,119,283	301,171	2,469,220	268,178
Federal income tax	172,167	0	172,167	0
Net income	$ 947,116	$ 301,171	$ 2,297,053	$ 268,178
Comprehensive Income (Loss)	$ 1,154,454	$ 272,312	$ 2,464,557	$ (584)
Basic and diluted income per share	$ .26	$ .08	$ .64	$ .09

See accompanying notes to condensed consolidated financial statements.

MACATAWA BANK CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
Nine Month Periods Ended September 30, 2000 and September 30, 1999
(unaudited)

	Nine Months Ended September 30, 2000	Nine Months Ended September 30, 1999
Cash flows from operating activities		
Net income	$ 2,297,053	$ 268,178
Adjustments to reconcile net income to net cash from operating activities		
Depreciation and amortization	903,179	511,376
Provision for loan losses	1,516,000	1,500,000
Net change in		
Accrued interest receivable and other assets	(1,882,716)	(726,977)
Accrued expenses and other liabilities	613,570	596,534
Net cash from operating activities	3,447,086	2,149,111
Cash flows from investing activities		
Net increase in loans	(87,877,810)	(114,197,932)
Purchase of Federal Home Loan Bank Stock	--	(2,312,000)
Purchases of securities available for sale	(14,985,279)	(12,199,066)
Proceeds from maturities and calls of securities available for sale	--	15,000,000
Purchases of premises and equipment	(3,324,791)	

		(2,545,637)
Net cash from investing activities	(106,187,880)	(116,254,635)
Cash flows from financing activities		
Net increase in deposits	87,227,385	76,266,482
Net increase in short term borrowings	6,000,000	1,500,000
Advances of Federal Home Loan Bank Borrowings	45,000,000	20,000,000
Repayments of Federal Home Loan Bank Borrowings	(35,000,000)	0
Proceeds from sale of stock	0	14,622,270
Net cash from financing activities	103,227,385	112,388,752
Net change in cash and cash equivalents	486,591	(1,716,772)
Cash and cash equivalents at beginning of period	20,554,039	17,953,177
Cash and cash equivalents at end of period	$21,040,630	$16,236,405
Supplemental disclosures of cash flow information		
Cash paid during the period for interest	$11,922,712	$ 6,015,062
Cash paid during the period for federal income tax	$ 1,250,000	$ 0

</TABLE>

See accompanying notes to condensed consolidated financial statements.

MACATAWA BANK CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY Nine Month Periods Ended September 30, 2000 and September 30, 1999
(unaudited)

<TABLE>

	Common Stock	Retained Deficit	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
<S>	<C>	<C>	<C>	<C>
Balance, January 31, 1999	$22,260,646	$(2,654,076)	$ 4,818	$19,611,388
Proceeds from sale of stock	$14,622,270			14,622,270
Net income for nine months ended September 30, 1999 (unaudited)		268,178		268,178
Other comprehensive income (loss), Net of tax:				
Unrealized gains/losses on securities			(268,762)	(268,762)
Comprehensive loss				(584)
Balance, September 30, 1999	$36,882,916	$(2,385,898)	$(263,944)	$34,233,074

	Common Stock	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance, January 31, 2000	$36,882,916	$(1,960,810)	$(395,953)	$34,526,153
Net income for nine months ended				

September 30, 2000 (unaudited)		2,297,053		2,297,053
Other comprehensive income (loss), net of tax:				
Unrealized gains/losses on securities			167,504	167,504
Comprehensive income				2,464,557
Balance, September 30, 2000	$36,882,916	$ 336,243	$(228,449)	$36,990,710

</TABLE>

See accompanying notes to condensed consolidated financial statements.

MACATAWA BANK CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 1 BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting only of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine month period ended September 30, 2000, are not necessarily indicative of the results that may be expected for the year ending December 31, 2000. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Proxy Statement dated March 20, 2000, containing financial statements for the year ended December 31, 1999.

NOTE 2 EARNINGS PER SHARE

A reconciliation of the numerators and denominators of basic and diluted earnings per share for the quarters and nine-months ended September 30, 2000 and September 30, 1999 are as follows:

<TABLE>

<S>	Three Months Ended Sept. 30, 2000 <C>	Three Months Ended Sept. 30, 1999 <C>	Nine Months Ended Sept. 30, 2000 <C>	Nine Months Ended Sept. 30, 1999 <C>
Basic earnings per share				
Net income	$ 947,116	$ 301,171	$2,297,053	$ 268,178
Weighted average common shares outstanding	3,588,565	3,588,565	3,588,565	2,937,907
Basic earnings per share	$ 0.26	$ 0.08	$ 0.64	$ 0.09
Diluted earnings per share				
Net income	$ 947,116	$ 301,171	$2,297,053	$ 268,178
Weighted average common shares outstanding	3,588,565	3,588,565	3,588,565	2,937,907
Add: Dilutive effects of assumed exercise of stock options	11,388	20,784	15,045	21,119
Weighted average common and dilutive potential common shares outstanding	3,599,953	3,609,349	3,603,610	2,959,026
Diluted earnings per share	$ 0.26	$ 0.08	$ 0.64	$ 0.09

</TABLE>

Stock options for 76,000 shares of common stock were not considered in computing diluted earnings per share for the quarter and nine-months ended September 30, 2000 because they were antidilutive. Stock options for 57,000 shares of common stock were not considered in computing diluted earnings (loss) per share for the quarter and nine-months ended September 30, 1999 because they were antidilutive.

NOTE 3 PRINCIPLES OF CONSOLIDATION

The accompanying condensed consolidated financial statements include the accounts of Macatawa Bank Corporation (the "Company), and its wholly-owned subsidiary, Macatawa Bank (the "Bank"). All significant intercompany accounts and transactions have been eliminated in consolidation.

NOTE 4 - SECURITIES

The amortized cost and fair values of securities were as follows:

Available for Sale

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Values
September 30, 2000 (Unaudited)				
U.S. Treasury securities and obligations of U.S. Government corporation and agencies	$41,900,059	$ 27,516	$ (414,634)	$41,512,941
Tax Exempt Municipal Bonds	1,988,175	40,983	0	2,029,158
Total Securities	$43,888,234	$ 68,499	$ (414,634)	$43,542,099

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Values
December 31, 1999				
U.S. Treasury securities and obligations of U.S. Government corporations and agencies	$27,925,926	$ 0	$ (589,036)	$27,336,890
State and municipal bonds	955,377	852	(11,744)	944,485
	$28,881,303	$ 852	$ (600,780)	$28,281,375

Contractual maturities of debt securities at September 30, 2000, were as follows. No held-to-maturity securities existed at September 30, 2000. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Available-for-Sale Securities	
	Amortized Cost	Fair Values
Due from one to five years	$41,900,059	$41,512,941
Due from five to ten years	415,218	420,796
Due after ten years	1,572,957	1,608,362
Total	$43,888,234	$43,542,099

</TABLE>

(Continued)

NOTE 5 - LOANS

Loans are as follows:

	September 30, 2000 (Unaudited)	December 31, 1999
Commercial	$262,403,110	$201,391,721
Mortgage	57,080,317	44,734,529
Consumer	53,739,142	39,248,201
	373,222,569	285,374,451
Allowance for loan losses	(5,481,473)	(3,995,165)
	$367,741,096	$281,379,286

Activity in the allowance for loan losses is as follows:

	Nine months ended September 30, 2000 (Unaudited)	Nine months ended September 30, 1999 (Unaudited)
Balance at beginning of period	$3,995,165	$2,030,000
Provision charged to operating expense	1,516,000	1,500,000
Charge-offs	(41,292)	(4,221)
Recoveries	11,600	0
Balance at end of period	$5,481,473	$3,525,779

(Continued)

NOTE 6 - PREMISES AND EQUIPMENT - NET

Premises and equipment are as follows:

	September 30 2000	December 31 1999
Land	$ 1,859,218	$1,574,218
Building and improvements	6,861,455	4,915,252
Furniture and equipment	5,570,530	4,516,473
	14,291,203	11,005,943
Less accumulated depreciation	(1,893,676)	(1,008,377)
	$12,397,527	$9,997,566

NOTE 7 - DEPOSITS

Deposits are summarized as follows:

	September 30, 2000	December 31, 1999
Noninterest-bearing demand deposit accounts	$ 45,137,748	$ 34,542,493
Money market accounts	117,064,328	100,642,349
NOW and Super NOW accounts	51,602,358	43,237,004

Savings accounts	9,893,614	7,411,691
Certificates of deposit	142,919,219	93,556,345
	$366,617,267	$279,389,882

</TABLE>

NOTE 8 - OTHER BORROWINGS

The Bank was approved in the first quarter of 1999 to be a member of the Federal Home Loan Bank of Indianapolis. As a result, the Bank now has available Federal Home Loan Bank advances as an additional funding resource. Maturity dates and interest rates on these advances are as follows:

<TABLE>

Maturity Date	Interest Rate	September 30 2000	December 31 1999
<S>	<C>	<C>	<C>
March 27, 2000	5.44% (initial rate)	0	$5,000,000
June 19, 2000	5.65% (initial rate)	0	5,000,000
June 26, 2000	3.85% (initial rate)	0	5,000,000
April 1, 2002	5.63% (fixed)	3,000,000	3,000,000
March 31, 2003	5.77% (fixed)	3,000,000	3,000,000
March 30, 2004	5.84% (fixed)	4,000,000	4,000,000
January 7, 2005	6.68% (fixed)	5,000,000	0
January 7, 2005	6.465% (fixed)	5,000,000	0
Sept. 1, 2009	5.80% (fixed)	5,000,000	5,000,000
March 23, 2010	5.99% (fixed)	10,000,000	0
September 20, 2010	5.95% (fixed)	5,000,000	0
		$40,000,000	$30,000,000

</TABLE>

Each advance is payable in full at its respective maturity date. These advances were required to be collateralized by securities totaling $33,000,000 and at least $31,000,000 of the Bank's first mortgage loans under a blanket loan arrangement at September 30, 2000.

The Company secured a $5 million credit facility during September 2000, to provide additional capital required to maintain the Bank at or above the 8% regulatory capital required. The Company borrowed $1 million under this facility on September 29, 2000 with a maturity date of March 29, 2001 and an interest rate of 8.26%.

NOTE 9 - REGULATORY MATTERS

The Company and the Bank are subject to regulatory capital requirements administered by federal banking agencies. Capital adequacy guidelines and prompt corrective action regulations involve quantitative measures of assets, liabilities, and certain off-balance-sheet items calculated under regulatory accounting practices. Capital amounts and classifications are also subject to qualitative judgments by regulators about components, risk weighting, and other factors, and the regulators can lower classifications in certain cases. Failure to meet various capital requirements can initiate regulatory action that could have a direct material effect on the financial statements.

The prompt corrective action regulations provide five classifications, including well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized, although these terms are not used to represent overall financial condition. If only adequately capitalized, regulatory approval is required to accept brokered deposits. If undercapitalized, capital distributions are limited, as is asset growth and expansion, and plans for capital restorations are required.

At September 30, 2000 and December 31, 1999, actual capital levels (in thousands) and minimum required levels for the Company and the Bank were:

<TABLE>

	Actual		Minimum Required For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Regulations	
September 30, 2000	Amount	Ratio	Amount	Ratio	Amount	Ratio

<S>	<C>	<C>	<C>	<C>	<C>	<C>
Total capital (to risk weighted assets)						
Consolidated	$41,879	11.2%	$29,826	8.0%	$37,282	10.0%
Bank	42,024	11.3	29,821	8.0	37,276	10.0
Tier 1 capital (to risk weighted assets)						
Consolidated	37,219	10.0	14,913	4.0	22,369	6.0
Bank	37,365	10.0	14,910	4.0	22,366	6.0
Tier 1 capital (to average assets)						
Consolidated	37,219	8.6	17,315	4.0	21,643	5.0
Bank	37,365	8.6	17,315	4.0	21,643	5.0
December 31,1999						
Total capital (to risk weighted assets)						
Consolidated	$38,358	14.0%	$21,989	8.0%	$27,489	10.0%
Bank	33,463	12.2	21,992	8.0	27,491	10.0
Tier 1 capital (to risk weighted assets)						
Consolidated	34,922	12.7	10,994	4.0	16,491	6.0
Bank	30,027	10.9	10,996	4.0	16,494	6.0
Tier 1 capital (to average assets)						
Consolidated	34,922	10.8	12,940	4.0	16,175	5.0
Bank	30,027	9.4	12,811	4.0	16,014	5.0

</TABLE>

The Company and the Bank were categorized as well capitalized at September 30, 2000 and at year-end 1999.

Additionally, as a condition to regulatory approval of the Bank's formation, the Bank is required to maintain capitalization sufficient to provide a ratio of Tier 1 Capital to total assets of at least 8% through the third year of operations. At September 30, 2000, the Bank's Tier 1 Capital as a percent of total assets was 8.28%.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Macatawa Bank Corporation (the "Company") is a Michigan corporation and is the bank holding company for Macatawa Bank (the "Bank"). The Bank commenced operations on November 25, 1997. The Bank is a Michigan chartered bank with depository accounts insured by the Federal Deposit Insurance Corporation. The Bank provides a full range of commercial and consumer banking services, primarily in the communities of Holland and Zeeland, Michigan, as well as the surrounding market area primarily located in Ottawa County, Michigan.

The Company has experienced rapid and substantial growth since opening in November 1997. At September 30, 2000, the Bank had thirteen branch banking offices and two service facilities. The Company completed an underwritten initial public offering of common stock on April 7, 1998, resulting in net proceeds of $14.1 million. In June 1999, the Company completed an offering of common stock to its shareholders resulting in net proceeds of $14.6 million.

The Bank established a Trust Department in the fourth quarter of 1998 to further provide for customers' financial needs. The Trust Department began business on January 3, 1999 and as of September 30, 2000, had assets of approximately $216 million.

Financial Condition

At September 30, 2000, total assets of the Company were $451.3 million, an increase of $106.4 million, or 30.8%, from December 31, 1999. The continued trend of strong asset growth reflects the Bank's continuing acceptance in its community markets. Management expects the growth trend in assets, driven by strong loan demand, to continue at a fairly rapid double-digit pace, but at a lesser rate than the nine month year-to-date annualized growth rate of 41%. The asset growth was primarily in loans and securities, but also included an increase in premises and equipment.

Total loans, which were $373.2 million at September 30, 2000, increased by $87.8 million, or 30.8%, from December 31, 1999. The growth included commercial loans of $61.1 million, consumer loans of $12.3 million, and mortgage loans of $14.4 million. The Bank's loan portfolio composition at September 30, 2000, includes commercial loans of 70.3%, consumer loans of 15.3%, and mortgages loans of 14.4%. The composition is essentially unchanged from prior year-end, with mortgage loans increasing .7%. It is anticipated that strong commercial loan demand in the Bank's market will continue to lead the overall loan growth.

Securities available for sale of $43.5 million represent an increase of $15.3 million, or 53.9%. The Bank invests primarily in U.S. Government agency securities to provide liquidity. The growth in securities is consistent with maintaining the Bank's liquidity ratio in conjunction with overall deposit growth.

Premises and equipment totaled $12.4 million at quarter-end, an increase of $2.4 million from December 31, 1999. The increase reflects expansion of the Bank's investment in facilities and equipment required to support increasing levels of customers. The investment in branch premises includes the purchase of a previously leased branch facility operated by the Bank at 699 E. 16th Street in Holland, as well as a full service branch in Douglas, Michigan, to replace a previously leased storefront facility.

The allowance for loan losses totaled $5.5 million at September 30, 2000, an increase of $1.5 million from December 31, 1999. The Bank provides a loan loss provision on a regular basis consistent with its loan growth. The allowance for loan losses as a ratio of total loans was 1.47% at September 30, 2000, as compared to 1.40% at December 31, 1999. While the Bank has not experienced any material credit losses in its portfolios as of September 30, 2000, management recognizes that the Bank's loan portfolios are relatively unseasoned, and no trend of losses has been established. Given the newness of the portfolios, the effects of increasing interest rates on borrowers, and potential economic weakness, the Bank, in its judgment, has provided adequate reserves for loan losses. In lieu of an established loan loss trend for determining an adequate allowance for loan loss, the Bank has built an allowance based on industry peer ratios.

Total deposits at September 30, 2000 were $366.6 million, an increase of $87.2 million, or 31.2% from year-end. Growth from new customers as a result of both new branches in new markets, as well as increased customer activity in existing branches continues to drive this favorable growth trend. Deposit growth, while at a slightly lesser rate than loan growth, is anticipated to continue based on further penetration of the markets where branch offices already have been established. Additionally, growth will occur in contiguous markets as new branches are established where market demographics will support a new branch facility. New deposit growth continues to mirror the Bank's existing deposit base, with non-interest demand accounts representing approximately 12% of total deposits, and

interest bearing savings and certificates of deposit accounting for the balance.

Total borrowed funds, including Federal Home Loan Bank Advances, Federal Funds Purchased, and other borrowed funds were $46.0 million, an increase of $16 million over year-end levels. The Bank utilizes borrowings to supplement funding for loans, as well as daily working capital needs. During the quarter, the Company entered into an additional line of credit arrangement for up to $5 million with one of its correspondent banks. $1 million was drawn and outstanding on this line as of September 30, 2000.

Results of Operations

Net income for the quarter ended September 30, 2000 was $947,116, as compared to $301,171 for the same period last year. Diluted earnings per share were $.26, compared to $.08 for prior year period. Net income for the nine months ended September 30, 2000 totaled $2,297,053, up from the same period in 1999 when the Company reported net income of $268,178. Diluted earnings per share for the period were $.64 for 2000, and $.09 for 1999.

Net interest income for the third quarter of 2000 totaled $4.3 million, a 47% increase over 1999's level of $2.9 million. The improvement is reflective of the overall growth of the Company. Average earning assets during the third quarter 2000 totaled $403.0 million, versus $264.6 million during the same quarter in 1999. Net interest margin on earning assets was 4.17% for the 2000 quarter, down from 4.32% in the third quarter of 1999. The decrease in the third quarter net interest margin reflects funding costs rising at a slightly faster pace than yield on earning assets. Nine months year-to-date, net interest income reached $11.9 million, versus 1999 of $7.3 million. Net interest margin during the period for 2000 was 4.18%, as compared to 4.27% for the 1999 period. The growth in net interest income for the nine-month period was essentially all driven by increased customer volumes. Anticipated growth in earning assets is expected to continue to increase levels of net interest income. This will be slightly mitigated by further compression in the net interest margin caused by higher funding cost in the current interest rate environment.

Non-interest income for the quarter totaled $528 thousand, an increase of $160 thousand over the same period for 1999. For the nine-months ended September 30, 2000, non-interest income increased $331 thousand over the same period for 1999. Third quarter trust revenue increased by $49 thousand from the year earlier period, and increased by $239 thousand for the nine-month period. The trust department began operations during the first quarter of 1999, and included $216 million of assets under management at September 30, 2000, versus $140 million for the same time in 1999. The growth in Trust assets under management is expected to moderate for the balance of the year due to both the impact of the stock market volatility on asset valuations, as well as slower growth in employee benefit plan services. Service charges on deposit accounts increased by $94 thousand over the third quarter 1999 level. For the nine-month period of 2000, service charges increased by $326 thousand over the 1999 level. This change in revenue is reflective of both the increased number of customer accounts, as well as customer activity levels. Gain on sale of loans for the third quarter 2000 remained at the same level as the prior year. However, gain on sale of loan revenue decreased by $283 thousand for the nine months 2000 versus 1999 due to the higher level of mortgage interest rates during the first half of 2000. Higher mortgage rates that began in late 1999 have substantially reduced mortgage financing activity, and the Banks' subsequent sales activity. Management expects the lower levels of loan sale gains to continue in the current rate environment.

Non-interest expense increased by $806 thousand for the third quarter, compared to the same quarter for 1999. For the nine-month period in 2000, non-interest expense totaled $9.4 million, an increase of $2.8 million over the same period of 1999. Salary and benefits, and occupancy and equipment expense increased a combined $492 thousand for the quarter, and $2.0 million for the nine-months of 2000, as compared to the respective periods for 1999. The growth in expense levels reflects the growth in branch and operational support infrastructure. During the last half of 1999, four additional branch locations were opened and these were fully operational for the nine months of 2000. Growth in branch offices also increased advertising and promotion costs for the new locations, data processing, and other expense, which includes courier, telephone, postage, and outside services. All of theses costs are customer activity and branch infrastructure related, and increase as a result of new customer activity being generated.

During the third quarter 2000, the Company became taxable for Federal income tax purposes as a result of the full utilization of net operating loss carry forwards from its startup losses. Management anticipates to be fully taxable for the balance of 2000, and thereafter at the federal marginal tax rates of 34%.

Liquidity and Capital Resources

The Company obtained its initial equity capital as a result of a private placement on behalf of the Bank to investors in November, 1997. The Company raised additional equity capital of $14.1 million in its initial public offering completed in April, 1998. As a condition to regulatory approval of the Bank's formation, the Bank is required to maintain capitalization sufficient to provide a ratio of Tier 1 Capital to total assets of at least 8% through the third year of operations. The Bank will complete its third year of operations on November 25, 2000. At March 31, 1999, the Bank's Tier 1 Capital to assets ratio was 8.43%. Due to the rapid growth of the Bank, additional equity capital was required. In June 1999, the Company raised $14.6 million of equity capital net proceeds in an offering made to the Company's shareholders. The Company contributed $10 million from the proceeds of this offering to the Bank's capital. Due to continued growth of the Bank, an additional $4 million was contributed to the Bank from the Company's cash reserves of approximately $5 million during the first and second quarters of 2000. During the third quarter 2000, asset growth in the Bank required the Company to contribute an additional $1 million of capital to the Bank to maintain required regulatory capital at or above the three year limitation of 8%. At September 30, 2000, the Bank's Tier 1 Capital as a percent of total assets was 8.28%.

The Company secured a $5 million credit facility during September 2000, to provide additional capital required to maintain the Bank at or above the 8% regulatory capital required. Based on continued projected asset growth, management anticipates additional capital will be required in early 2001, and will evaluate alternatives available to effectively increase capital levels such as the sale of common stock or other securities.

The liquidity of a financial institution reflects its ability to provide funds to meet loan requests, to accommodate possible outflows in deposits and to take advantage of interest rate market opportunities. The Company's sources of liquidity include loan payments by borrowers, maturity and sales of securities available for sale, growth of deposits and deposit equivalents, federal funds sold, borrowings from the Federal Home Loan Bank, and the issuance of common stock. Liquidity management involves the ability to meet the cash flow requirements of the Company's customers. These customers may be either borrowers with credit needs or depositors wanting to withdraw funds.

Forward Looking Statements

This report contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Reform Act of 1995, and is including this statement for purposes of these safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe future plans, strategies and expectations of the Company, are generally identifiable by use of the words "believe," "expect," "intend," "anticipate," "estimate," "project," "may" or similar expressions. The presentation and discussion of the provision and allowance for loan losses and statements concerning future profitability or future growth or increases, are examples of inherently forward looking statements in that they involve judgements and statements of belief as to the outcome of future events. The Company's ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse affect on the operations and future prospects of the Company and the Bank include, but are not limited to, changes in: interest rates, general economic conditions, legislative/regulatory changes, monetary and fiscal policies of the U.S. Government, including policies of the U.S. Treasury and the Federal Reserve Board, the quality or composition of the loan or investment portfolios, demand for loan products, deposit flows, competition, demand for financial services in the Company's market area and accounting principles, policies and guidelines. These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. Further information concerning the Company and its business, including additional factors that could materially affect the Company's financial results, is included in the Company's other filings with the Securities and Exchange Commission.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Asset Liability Management and Market Risk Analysis

Asset liability management aids the Company in maintaining liquidity while maintaining a balance between interest earning assets and interest bearing liabilities. Management of interest rate sensitivity attempts to avoid widely varying net interest margins and to achieve consistent net interest income through periods of changing interest rates. Certain savings accounts and interest bearing checking accounts are shown as repricing other than contractually due to the stability of these products in a rate changing environment. Management monitors the Company's exposure to interest rate changes using a GAP analysis. The following table illustrates the Company's GAP position at various intervals (in thousands) at September 30, 2000.

<TABLE>

	<3 Months	3 - 12 Months	1 - 5 Years	Over 5 Years	Total
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Assets:					
Loans-Fixed	15,312	29,329	137,556	25,316	207,513
Loans-Variable	142,971	597	20,526	1,616	165,710
Taxable Securities	-	7,980	33,920	-	41,900
Tax-Exempt Securities	-	-	-	1,988	1,988
Other Securities	-	-	-	2,312	2,312
Federal Funds Sold	-	-	-	-	---
Loan Loss Reserve	-	-	-	-	(5,481)
Cash & Due From Banks	-	-	-	-	21,041
Fixed Assets	-	-	-	-	12,398
Other Assets	-	-	-	-	3,932
TOTAL	158,283	37,906	192,002	31,232	451,313
Liabilities:					
CD's 100M and Over	36,931	22,925	17,698	-	77,554
CD's-Less than 100M	6,186	27,062	23,713	-	56,961
Repo's & Borrowed Money	5,000	1,000	20,000	20,000	46,000
Savings & IRA's	2,603	2,954	11,594	1,147	18,298
NOW & MMDA's	91,389	-	77,546	-	168,935
Non-Interest Bearing Deposits	-	-	-	-	44,869
Other Liabilities & Equity	-	-	-	-	38,696
TOTAL	142,109	53,941	150,551	21,147	451,313
Period Gap:	16,174	(16,035)	41,451	10,085	
Cumulative Gap:	16,174	139	41,590	51,675	
Cumulative Gap/Total Assets	3.58%	0.03%	9.22%	11.45%	

RSA/RSL	1.11	0.70	1.28	1.48
Cumulative RSA/RSL	1.11	1.00	1.12	1.14

</TABLE>

Based on this analysis, Management does not believe the Company would be materially impacted by changes in interest rates.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 2. Changes in Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Submission of Matters to a Vote of Securities Holders.

None.

Item 5. Other Information.

None.

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits -

27 Financial Data Schedule
(EDGAR version only)

(b) Reports on Form 8-K - None.

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Quarterly Report on Form 10-Q for the quarter ended September 30, 2000, to be signed on its behalf by the undersigned, thereunto duly authorized.

MACATAWA BANK CORPORATION

/s/ Benj. A. Smith, III
Benj. A. Smith, III
Chairman and Chief Executive Officer

/s/ Philip J. Koning
Philip J. Koning
Treasurer and Secretary
(Principal Accounting Officer)

DATE: November 10, 2000

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This schedule contains summary financial information from SEC Form 10-Q and is qualified in its entirety by reference to such financial information.
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