

REPUBLIC BANCORP INC  
Form 425  
July 26, 2006

**2<sup>nd</sup> Quarter 2006**

**Investor Presentation**

***July 2006***

Filing pursuant to Rule 425 under the

Securities Act of 1933, as amended

Deemed filed under Rule 14a-12 under the

Securities Exchange Act of 1934, as amended

Filer: Citizens Banking Corporation

Subject Company: Republic Bancorp Inc.

Exchange Act File Number of Subject Company:  
000-15734

## Safe Harbor Statement

Discussions in this release that are not statements of historical fact (including statements that include terms such as will, may, should, believe, expect, anticipate, estimate, intend, and plan ) are forward-looking statements that involve risks and uncertainties, and Citizens' actual future results could materially differ from those discussed. Factors that could cause or contribute to such differences include, without limitation, adverse changes in Citizens' loan and lease portfolios resulting in credit risk-related losses and expenses (including losses due to fraud, Michigan automobile-related industry changes and shortfalls, and other economic factors) as well as additional increases in the allowance for loan losses; fluctuations in market interest rates, the effects on net interest income of changes in Citizens' interest rate risk position and the potential inability to hedge interest rate risks economically; adverse changes in economic or financial market conditions and the economic effects of terrorist attacks and potential attacks; Citizens' potential inability to continue to attract core deposits; Citizens' potential inability to continue to obtain third party financing on favorable terms; adverse changes in competition, pricing environments or relationships with major customers; unanticipated expenses and payments relating to litigation brought against Citizens from time to time; Citizens' potential inability to adequately invest in and implement products and services in response to technological changes; adverse changes in applicable laws and regulatory requirements; the potential lack of market acceptance of Citizens' products and services; changes in accounting and tax rules and interpretations that negatively impact results of operations or financial position; the potential inadequacy of Citizens' business continuity plans or data security systems; the potential failure of Citizens' external vendors to fulfill their contractual obligations to Citizens; Citizens' potential inability to integrate acquired operations, including those associated with the pending merger with Republic Bancorp; unanticipated environmental liabilities or costs; impairment of the ability of the banking subsidiaries to pay dividends to the holding company parent; the potential circumvention of Citizens' controls and procedures; Citizens' success in managing the risks involved in the foregoing; and other risks and uncertainties detailed from time to time in its filings with the Securities and Exchange Commission. Other factors not currently anticipated may also materially and adversely affect Citizens' results of operations. There can be no assurance that future results will meet expectations. While Citizens believes that the forward-looking statements in this release are reasonable, you should not place undue reliance on any forward-looking statement. In addition, these statements speak only as of the date made. Citizens does not undertake, and expressly disclaims any obligation to update or alter any statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

### Additional Information

In connection with the proposed merger, Citizens and Republic will file a joint proxy statement/prospectus with the Securities and Exchange Commission ( SEC ). **Investors and security holders are advised to read the joint proxy statement/prospectus when it becomes available because it will contain important information.** Investors and security holders may obtain a free copy of the joint proxy statement/prospectus (when available) and other documents filed by Citizens and Republic with the SEC at the SEC's website at <http://www.sec.gov>. Free copies of the joint proxy statement/prospectus (when available) and each company's other filings with the SEC may also be obtained by accessing Citizens' website at <http://www.citizenonline.com> under the Investor Relations section or by accessing Republic's website at <http://www.republicbancorp.com> under the Investor Relations section.

Citizens and Republic and their respective directors, executive officers and other members of their management may be soliciting proxies from their respective shareholders in favor of the merger. Information concerning persons who may be considered participants in the solicitation of Citizens' shareholders under the rules of the SEC is set forth in the Proxy Statement filed by Citizens with the SEC on March 22, 2006, and information concerning persons who may be considered participants in the solicitation of Republic's shareholders under the rules of the SEC is set forth in the Proxy Statement filed by Republic with the SEC on March 14, 2006. Additional information regarding the interests of those participants and other persons who may be deemed participants in the transaction may be obtained by reading the joint proxy statement/prospectus regarding the proposed merger when it becomes available. You may obtain free copies of these documents as described above.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy securities, nor shall there be any sale of securities in any jurisdiction in which such solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of such jurisdiction.

**Who We Are**

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Source: SNL DataSource Deposit Market Share Analysis

**182 Branch & Financial Centers**

**193 ATMs**

**2nd largest bank holding company in  
Michigan**

**68<sup>th</sup> largest bank in the U.S.**

**\$7.8 billion in assets**

**\$2.6 billion in trust assets under  
administration**

**\$1.0 bil market cap as of June 30, 2006**

**Key**

**Total**

**Deposits**

**Mkt. Share**

**Markets**

**Rank**

**Branches**

**Loans**

**\$MM**

**%**

**Flint, MI**

**1**

**21**

**621**

**\$**

**1,536**

**\$**

**37.6%**

**Saginaw/BC/Mid, MI**

**2**

**22**

**719**

**\$**

**679**

**\$**

**17.3%**

**Southeast, MI**

**24**

**15**

**941**

**\$**

**288**

**\$**

**0.4%**

**Jackson, MI**

**3**

**9**

**365**

**\$**

**238**

**\$**

**14.7%**

**Lansing, MI**

**6**

**13**

**212**

**\$**

**310**

**\$**

**5.8%**

**Fox Valley, WI**

**7**

**5**

**128**

**\$**

**160**

**\$**

**5.4%**

**Our Turnaround Strategy**  
*Since 2002*

**Build a strong proven management team:**

Large, community, and multiple lines of business experience

Experience in turnarounds, culture change and transformations

Hire the best with strong injection of expertise

Front line authority and capability to provide solutions

Back office - store support for the front line

**Enhance our product array to compete at all levels**

Treasury/Cash Management

Business Deposit Products (bundled services, imaging, internet)

Wealth Management

**Develop a rigorous and disciplined sales management  
focus with consultative selling**

Leverage sales culture and process to gain fair share

Streamlined operating model with high touch - high service

Lightning fast response time on decisions and problem resolution

**Our Turnaround Strategy**  
*Since 2002*

**Invest into high growth markets enhancing our footprint**

Southeast Michigan

New management team and seasoned personnel in Wisconsin

**Make the necessary people and process changes to enhance our operating model**

Enterprise risk management

Program management process with certified leaders

**Establish core competencies in Balance Sheet Mgt.**

Credit Quality underwriting, monitoring, collection

Asset/Liability Management

**Institutionalize cost management**



**Proven Ability to Execute**

\* As reported includes continued and discontinued operations for 2002-2004 (see slide 25).

**ROE %**

**EPS**

**ROA %**

7

**Proven Ability to Execute**  
***Consistent Loan Growth Trends***

\* Restated excludes Illinois subsidiary balances which are now treated as discontinued operations.

**Total Loans (Less Mortgage & HFS)**

***After a Period of Rationalizing Credit***

**Proven Ability to Execute**  
*Southeast Michigan Initiative*

9

**Proven Ability to Execute  
*Wealth Management***

Annual

Quarterly

**Total Revenue**

Delivering growth through  
objective and unbiased  
investment advice utilizing an  
open architecture environment

**June 2006 (EOM)**

**Trust Assets under Administration**

**(\$2.6 Billion)**

Personal Trust includes Private

Asset Management and Personal

Trust Services

10

**0.29\*\***

\*\* As reported NCO% = 13bps; Excluding the 4Q05 \$9.1 mil insurance settlement NCO% = 29bps.

**Proven Ability to Execute**  
***Credit Quality***

\* Restated excludes Illinois subsidiary which is now treated as discontinued operations.

**Net Charge-off %**

**NPA %**

11

**Proven Ability to Execute**  
***High Grade Consumer Underwriting***

12

## **Our Highest Strategic Priorities**

**Increase the emphasis on solutions driven, low cost deposit generation from consumers, small business, commercial/business banking, and municipalities**

**Strengthen and Execute our Value Proposition in all lines of business and markets as the best institution to bank with based on enhanced client service and outstanding human capital**

Differentiated service quality

Proactive operating model with Lightning Fast response

**Increase the effectiveness of our operating model in all of our community markets**

**Continue the emphasis on growing loans, total deposits, and fee based services while increasing cross-sales within and across lines of business**

Accelerate the sales cycle in Commercial and Wealth and leverage the cross-sell opportunities

**Continue to maintain our strong commitment to balance sheet management:**

Credit Quality

Asset/Liability Management

Regulatory Compliance

Immediately GAAP and cash accretive to EPS for all shareholders

Financial returns improved - utilizes existing operating capacity for improved efficiency

Combines strong credit cultures

Attractive dividend yield of 4.75%

45<sup>th</sup> largest bank holding company in the United States

\$2.0 billion in combined market capitalization <sup>(1)</sup>

275 branches in five states

\$13.9 billion in assets, \$8.6 billion in deposits and \$2.6 billion in trust assets

Well positioned for further growth

### **The New Citizens Republic Bancorp Company Profile**

#### **Enhanced Scale**

#### **Complementary**

#### **Business Mix**

Combined sales and service culture enhances product suite and distribution channels

Broader retail, commercial banking, and commercial real estate businesses

Expanded wealth management capabilities and scale

Balanced and focused mortgage banking business

Attractive SBA, RV/Marine and asset-based lending businesses

#### **Geographically**

#### **Diversified**

#### **Footprint**

Improves existing MI footprint while expanding presence into new, attractive markets

Well positioned to compete with super regionals and community banks

Significantly increases SE Michigan presence - almost 5% of total Michigan deposits

Stable niche franchises in WI, OH, IA and IN



Key social issues decided - new executive management focused on execution

Familiar markets and businesses

In-market transaction - reasonable cost savings assumptions

**Manageable**

**Execution Risk**

**Financially**

**Attractive**

(1) Based on CBCF average closing price for 10 trading days ended 6/26/06

14

**Merger Caps Turnaround Efforts  
Initiated in 2002**

Republic adds significant senior management depth and talent to current Citizens leadership team

Long-term track record of consistent financial performance and shareholder value creation

Republic ranked #17 in *Fortune*'s 2006 *100 Best Companies to Work For* - 6<sup>th</sup> year on list and *Working Mother* magazine's list of *100 Best Companies For Working Mothers* - 5<sup>th</sup> year in a row

**Build a Strong  
Management Team  
and Corporate  
Culture**

**Enhance Product  
Array to Compete  
at All Levels**

Adds #1 SBA bank lender based in Michigan - 11 consecutive years

Adds exceptional mortgage banking and commercial real estate capabilities and expertise

Potential to leverage Citizens' wealth management, commercial and cash management products across Republic's customers and markets

**Rigorous and  
Disciplined Sales  
Management  
Focus**

Republic operates a streamlined operating model emphasizing high touch and high quality service - aligned with Citizens' new strategy

Further leverages sales culture and processes to gain market share and growth

19% of Republic's deposits are from Southeast Michigan

Significantly increases Southeast Michigan presence from 20 to 39 locations

Increases % of deposits in large MSAs from 54% to 64%

Republic also adds \$375+ million in deposits and 14 branches in Cleveland and Akron, Ohio

**Invest in High  
Growth Markets/  
Enhance Footprint**

**Establish Core**

**Competency in**

**Balance Sheet**

**Management**

Republic maintains a lower risk credit profile - 48% of loans in residential mortgages

Republic's historical charge-off metrics among the best in Midwest peer group (14 bps on average over past 3 years)

**Citizens Goals**

**Republic Impact**

15

16

**Top Markets Total Deposits<sup>(1)</sup>**  
(in millions)

Source: SNL Financial as of 6/30/05

<sup>(2)</sup> Includes Corporate Public Funds deposit balances

<sup>(1)</sup> Does not include the impact of potential divestitures

(2)

(2)

Creates Leading Michigan Franchise with Capacity for  
Additional Deposit Growth

Note: Excludes RBNC's Indianapolis LPO

Rank	1	1	9	1	2
------	---	---	---	---	---

**Deposits by State**

**Complementary Geographic  
Footprints**

**Total Deposits - Michigan**

**Rank**

**Institution**

**Branches**

**Deposits**

(\$mm)

**Mkt Share**

(%)

1

LaSalle Bank

263

19,098

13.7

2

Comerica

254

18,305

13.1

3

JPMorgan Chase

256

17,166

12.3

4

Fifth Third

263

12,670

9.1

5

National City

264

9,916

7.1

6

Flag

star Bancorp

108

8,151

5.9

7

**Pro Forma Citizens/Republic**

**1**

**89**

**6,581**

**4.7**

8

Royal Bank of Scotland

127

5,197

3.7

9

Huntington Bancshares

117

4,943

3.6

10

Chemical Financial

134

2,878

2.1

17

(2) Deposit data as of 6/30/05

(3) Loan data as of 3/31/06

Source: SNL Financial and management data

**Southeast Michigan Deposits (39 Branches<sup>(1)(2)</sup>)**

**(in millions)**

**Southeast Michigan Loans<sup>(1)(3)</sup>**

**(in millions)**

**Southeast Michigan Demographics**

**Attractive Southeast Michigan  
Presence**

**Growth**

**2005**

**0**

**0**

**05**

**E**

**05**

**10**

**E**

**Population**

**Southeastern MI Average**

**(**

1

)

6.26

%

6.73

%

Michigan

3.74

4.08

National

6.15

6.26

### Household Income

#### Southeastern MI Average

(1)

\$

84,674

15.09

%

17.97

%

Michigan

Median

50,118

12.16

10.95



National

Me

dian

49,747

17.98

17.36

(1)

Selected Southeast

ern Michigan counties include:

Livingston, Macomb, Oakland

and Washtenaw

Retail Banking

Consumer  
Lending

Commercial  
Real Estate

SBA Lending

Mortgage  
Banking

Commercial and  
Residential  
Construction  
Lending

**Complementary Business Focus and Mix  
Provide Significant Potential for Revenue Enhancements**

Retail Banking

Consumer Lending

Commercial Banking

Treasury/Cash Mgmt.

Rate Risk Mgmt. and  
International  
Services

Wealth Management

Specialty Lending

RV/Marine

Asset Based

Mortgage Banking

1Q06 Net Revenues: \$142.4mm

Superior Product Suite

Source: Company filings



## **Manageable Execution Risk**

Key decisions have been made

Senior leadership roles defined at announcement

Other key social issues have been agreed upon

**Friendly,**

**in-market**

**Merger**

**Mitigating**

## **Integration Risk**

Complementary branch networks with modest branch overlap

Complementary product offerings and capabilities

Strong regional brand

Reasonable and achievable cost savings assumptions (9% of combined expenses)

Revenue enhancements have been identified but not included in the pro forma financials

**Experienced**

**Management**

**Teams**

Successful acquisition integration a core competency of both management teams

Compatible service-oriented corporate cultures and strategies

Repositions balance sheet to mitigate interest rate risk, improve liquidity, reduce reliance on wholesale funding, and improve quality of earnings

Aligns credit policies, guidelines, discipline, and processes - moving the combined organization to Citizens standards and practices

**Risk**

**Management**



20

**Pro Forma Financial Impact  
Analysis <sup>(1)</sup>**

**2007**

**(\$mm, except per share data)**

**70% Phase-in**

**100% Phase-in**

Citizens Stand Alone Net Income (2)(3)

88

88

Republic Stand Alone Net Income (2)(3)

70

70

Cost Savings (After-tax) (2)(4)

13

18

Other Adjustments (After-tax) (2)(5)

(14)

(14)

Pro Forma Net Income

157

162

Pro Forma Avg. Fully-Diluted Shares (mm)

76

76

Pro Forma GAAP EPS

2.07

2.13

Pro Forma Cash EPS

2.16

2.23

**Impact to Citizens Republic**

*Accretion/(Dilution) to GAAP EPS (%)*

0.9

4.0

*Accretion/(Dilution) to Cash EPS (%)*

3.3

6.3

(1)

Based on 0.515 exchange ratio for an implied transaction value of \$1,048 mm and 15% cash/85% stock consideration

(2)

Assumes 35% tax rate

(3)

Assumes 2007 GAAP EPS estimates for Citizens of \$2.05 and Republic of \$0.93

(4)

Assumes \$28mm in pre-tax cost savings phased-in 70% in 2007 and 100% in 2008

(5)

CDI amortization, net of Republic's existing CDI amortization, cost of financing, and funding of

,

restructuring costs (5.00% pre-tax). Includes impact of balance sheet restructuring and purchase

accounting mark-to-market adjustments





**Favorable Pricing**

21

**Citizens/Republic**

**Median of Comparable**

**Transactions**

**(1)**

Price/Forward Earnings (x)

15.4

(

2

)

19.9

Price/Forward Earnings with Cost Savings (x) (3)

12.

2

14.1

Price/

Book Value (x)

2.5

8

(

4

)

2.21

Price/

Tangible Book Value (x)

2.

60

(

4

)

3.04

(1)

Bank and thrift transactions between \$500 million and \$2.5 billion announced after 1/1/04

(2)

Based on I/B/E/S estimates

(3)

Assumes fully phased-in cost savings

(4)

Financial data as of 3/31/06

**Sources of Cost Savings**

**Annual cost savings  
already identified**

\$28 million or 9% of combined expense base

70% phase-in for 2007 and 100% thereafter

Anticipated \$87 million pre-tax restructuring costs

22

**Sources of Cost Savings/Restructuring Costs**

(

1

)

Includes severance, change of controls for Republic & Citizens, and retention

(

2

)

Includes fixed asset write-offs and branding including signage & collateral materials

(

3

)

Includes capital improvements/conversion costs, advisory fees, other balance

Sheet fees, contract costs, and restricted stock

(

\$mm

)

**Fully Phased-in**

**Annual**

**Cost Savings**

**Restructuring**

**Costs**

Personnel

\$16

\$

4

0

(1)

Facilities/Branches

2

17

(2)

Systems/Other

10

30

(3)

**Total (Pre-tax)**

**\$28**

\$

**87**

**Opportunity to Improve Deposit  
Mix and Costs**

23

**Potential EPS Benefit Related to**

**Change in Republic's Deposit Mix  
and Pricing**

(%)

(%)

Non

-

Interest Bearing

16.3

9.0

Interest-Bearing Demand

14.8

6.0

MMDA & Savings

26.3

27.9

Time Deposits

42.6

57.1

Total

100.0

100.0

***Cost of Deposits***

2.28

**2.8**

***1***

Source: Company filings as of 3/31/06

**Financial Highlights**

**Summary Income Statement**  
(Full Year)

25



**Summary Income Statement**

(Quarterly)

26

**Summary of Operations - In Mil**

**2Q05**

**1Q06**

**2Q06**

**Net Interest Income**

68,779

\$

67,475

\$

65,990

\$

**Provision**

1,396

3,000

1,139

**Noninterest Income**

23,109

22,657

23,691

**Gain(loss) on sale of sec.**

37

7

54

**Gain on sale of Royal Oak**

-

2,906

-

**Total Noninterest Income**

23,146

25,570

23,745

**Noninterest Expense**

60,990

60,122

60,065

**Contribution to Charitable Trust**

-

1,450

-

**Total Noninterest Expense**

60,990

61,572

60,065

**Pre-tax Income**

29,539

28,473

28,531

**Net Income**

20,565

\$

20,756

\$

20,907

\$

**EPS (Diluted)**

\$0.47

\$0.48

\$0.49

**ROE %**

12.62%

12.86%

12.96%

**ROA %**

1.06%

1.10%

1.09%

**NIM%**

3.92%

3.97%

3.84%

**Asset/Liability Management  
Continues to Provide a Strong NIM%**

\* Restated excludes Illinois subsidiary which is now treated as discontinued operations.

27

**Loan Highlights During a Highly  
Competitive Period (in millions end of period)**

**Commercial**

**grew 8.9% from**

**2Q05 to 2Q06**

**(all markets  
showed growth in  
2005)**

**Home Equity has  
grown 72% from  
2002 to 2005**

**Indirect has grown  
29% from**

**2002 to 2005**

**Current Economic  
Cycle Flat  
Consumer Volume**

\* Restated excludes Illinois subsidiary balances which are now treated as discontinued operations.

**Consistent Core Funding Base**  
**(in millions    end of period)**

\* Restated    excludes Illinois subsidiary balances which are now treated as discontinued operations.

**Core %**

**60%**

**Core %**

**64%**

**Core %**

**70%**

**Core %**

**60%**

**Core %**

**57%**

**Core %**

**66%**

29

**Key Credit Quality Ratios**

30

\* Restated excludes Illinois subsidiary which is now treated as discontinued operations.

\*\* As reported 2005 NCO% = 13bps; Excluding the 4Q05 \$9.1 mil insurance settlement NCO% = 29bps.

**2002\***

**2003\***

**2004\***

**2005**

**2Q05**

**2Q06**

**Credit Quality**

**LLR/NPA**

118%

160%

240%

292%

245%

330%

**LLR/NPL**

130%

178%

285%

358%

284%

420%

**NPA/Total Loans**



1.70%

1.47%

0.94%

0.71%

0.89%

0.61%

**NCO%**

1.61%

0.89%

0.40%

0.13%

\*\*

0.17%

0.14%

**LLR%**

2.01%

2.35%

2.27%

2.07%

2.17%

2.00%

**Capital Management**

\* Estimate

31

**Strategic Rationale for the Combination**

Enhances scale and overall franchise value

Improves geographic footprint expands presence in attractive markets

Diversifies revenue mix through complementary lines of business adding tremendous revenue potential

Adds management depth and talent

Manageable execution risk

GAAP and Cash EPS accretive in 2007

**Creating a Leading Midwestern Franchise**

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## **Why Invest In Citizens?**

### **Citizens Banking Corporation (CBCF) stock:**

Proven execution ability will drive success of the integration and business strategies

The new company will possess significantly enhanced scale/efficiency and an improved geographic footprint

Complimentary business mix will drive more revenue opportunities

Strong management teams committed to long-term growth, prudent risk management, and shareholder value

Dividend Yield of 4.75% at the end of the second quarter, with share price upside potential

Long-term outlook for earnings growth is positive

**Appendix**

## Transaction Summary

Implied Per Share Consideration<sup>(1)</sup>:

\$2.08 cash plus 0.4378 shares of CBCF common stock per RBNC share

\$13.86 / share <sup>(1)</sup>

Implied Transaction Price:

RBNC shareholders to elect between CBCF stock and cash, subject to proration

Stock / Cash Election:

Flint, Michigan

Corporate Headquarters:

Chairman Jerry Campbell (until YE 2007) when Bill Hartman succeeds (until YE 2012)

CEO Bill Hartman (until YE 2010) when Dana Cluckey succeeds

President & COO Dana Cluckey

Executive Management:

9 Citizens directors / 7 Republic directors

Board of Directors Composition:

Fourth quarter 2006

Expected Closing:

\$36mm (3.5% of transaction value)

Termination Fee (mutual):

Completed

Due Diligence:

(1) Based on CBCF average closing price for 10 trading days ended 6/26/06. Includes net options.

Approximately 85% stock / 15% cash

Fixed number of CBCF shares approximately 33.2 million

Fixed cash amount of approximately \$155 million

Consideration Mix:

Stock Component to RBNC Shareholders:

Cash Component to RBNC Shareholders:

Transaction Value at Announcement:

\$1.048 billion <sup>(1)</sup>

56% Citizens / 44% Republic

Pro Forma Ownership:

Regulatory; Citizens and Republic shareholders

Approvals:

35

**Strong, Experienced  
Management Team**

**Jerry Campbell**

**Chairman**

**Charlie Christy  
CFO**

**Tom Menacher  
Merger Integration**

**Roy Eon  
Operations/  
Technology**

**Debra Hanes  
Human  
Resources**

**Clint Sampson  
Regional Chairman**

**MI Commercial  
Banking**

**John Schwab  
Chief Credit Officer**

**Cathy Nash  
Retail Banking**

**Jim Schmelter  
Wealth  
Management**

**Bill Hartman**

**CEO**

**Dana Cluckey**

**President & COO**

**Randy Peterson  
Regional Chairman  
Wisconsin and Iowa**

**Cathy Rosenthal  
Corporate**



**General Auditor**

36

**Diversified Loan Portfolio**  
(as of 1Q06)

**Citizens**

**Republic**

**Citizens Republic**

**Combined**

Source: Company filings and management data

**Diversified Fee Income Base**  
(as of 1Q06)

**Citizens**

**Republic**

**Citizens Republic**

**Combined**

Note: Citizens and combined exclude the \$2.9 million gain on the sale of Royal Oak, MI office building

Source: Company filings and management data

**Strong Credit Quality  
Compares Favorably to Peers**

**Net Charge-Off/Total Loans (%)**

**Net Charge-Off/Total Loans (%)**

**Allowance/NPAs (%)**

Source: Company filings and SNL Financial

(1)

Peers include FMBI, FMER, MAFB, ONB, PRK and SKYF

**Allowance/NPLs (%)**

**Citizens**

**Republic**

Note: 2005 excludes the 4Q05 \$9.1 mil insurance settlement; 2005 as reported NCO% = 13bps.

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**Combined Balance Sheet**

40

Source: Company filings and management data

**For the Period Ended**

**3/31/06**

**Estimated at Close**

**(\$mm)**

**Citizens**

**Republic**

**12/31/06**

**(1)**

**Assets:**

Cash and Investment Securities

1,767

1,

277

2,

687

Net Loans

5,490

4,

729

9,606

Goodwill and Intangibles

65

4

7

78

Other Assets

341

23

4

6

49

**Total Assets**

7,

**66**

**3**

6,

**244**

**13,7**

**20**

**Liabilities and Equity:**

Deposits

5,

524

3,

084

8,

545

Borrowings

1,3

80

2,

690

3,1

62

Other Liabilities

82

6

3

29

2

**Total Liabilities**

**6,986**

**5,**

**837**

**11,99**

**9**

Capital Securities

25

182

Common Equity

6

52

4

0

7

1,

54

0

**Total Liabilities and Equity**

7,

**663**

6,

**244**

1

3,7

**20**

**Capital Ratios:**

TCE/TA

(2)

7.

72

%

6.

4

5

%

5.89

%

Tier 1

10



.

09

%

11.12

%

9.80

%

(1)

Includes purchase accounting adjustments, balance sheet restructuring and merger synergies/costs

(2)

Includes assumed divestiture levels

**Loan Portfolio**

More balanced loan portfolio

**Loan Composition As of 3/31/06**

41

**Citizens**

**Republic**

**Combined**

**(\$mm)**

**Total**

**3/31/06**

**% of**

**Total**

**Total**

**3/31/06**

**% of**

**Total**

**Total**

**3/31/06**

**% of**

**Total**

Commercial

1,689

30.2

28

0.6

1,717

16.6

Commercial Real Estate

1,419

25.

4

1,727

36.4

3,146

30.5

Residential Mortgage

549

9.8

2,267

47.8

2,816

2

7.2

Home Equity

901

16.1

551

11.6

1,452

14.0

Direct Consumer

-

Other

208

3.7

174

3.6

382

3.7

Indirect Consumer

826

14.8

-

-

826

8.0

**Total Loans**

**5,592**

**100.0**

**4,**

**7**

**47**

**100.0**

**10,**

**3**

**39**

**100.0**

Held for Sale

13

25

38

**Total Gross Loans**

**5,605**

**4,**

**7**

**72**

**10,**

**377**

**Yield on Loans**

**6.83**

**%**

**6.32**

**%**

**6.60**

**%**

Source

:

Company filings

and management

data

**Deposit Profile**

**Deposit Composition As of 3/31/06**

42

**Citizens**

**Republic**

**Combined**

**(\$mm)**

**Total**

**3/31/06**

**% of**

**Total**

**Total**

**3/31/06**

**% of**

**Total**

**Total**

**3/31/06**

**% of**

**Total**

Noninterest

-

Bearing

900

16.3

278

9.0

1,178

13.7

Interest

-

Bearing Demand

816

14.8

186

6.0

1,002

11.6

MMDA & Savings

1,453

26.3

859

27.9

2,312

26

.9

Time Deposits

2,355

42.6

1,761

57.1

4,116

47.8



**Total Deposits**

**5,524**

**100.0**

**3,084**

**100.0**

**8,60**

**8**

**100.0**

**Cost of Total Deposits**

**2.28**

**%**

**2.8**

**1**

**%**

**2.47**

**%**

Source:

Company filings

**Pro Forma Market Position<sup>(1)</sup>**

43

**State**

**Branches**

**(No.)**

**Deposits**

**(\$mm)**

**Rank**

**(No.)**

**Cumulative %**

**of Franchise**

Michigan

189

6,581

7

79.1

Wisconsin

54

1,057

13

91.8

Ohio

16

377

39

96.3

Iowa

11

305

33

100.0

**Top 10**

**Markets**

Flint, MI

(2

)

33

1,969

1

23.7

Lansing

-

East Lansing, MI

(2

)

18

1,118

1

37.1

Detroit

-

Warren

-

Livonia, MI

36

906

9

48.0

Saginaw

-

Saginaw Township North, MI

16

496

1

54.0

Jackson, MI

13

407

2

58.8

Cleveland

-

Elyria

-

Mentor, OH

12

342

16

62.9

Ann Arbor, MI

8

207

10

65.4

Green Bay, WI

9

174

10

67.5

Bay City, MI

5

160

4

69.5

Appleton, WI

5

160

7

71.4

(1)

Does not include the impact of potential divestitures

(2)

Includes Corporate Public Funds deposit balances

Source:

SNL Financial

as of 6/30/05

