Third Quarter 2008

Investor Presentation

CITIZENS
REPUBLIC BANCORP

Safe Harbor Statement

Discussions in this presentation that are not statements of historical fact (including statements that include terms such as “will,” “may,” “should,” “believe,” “expect,” “anticipate,” “estimate,” “project”,“intend,” and “plan”) are forward-looking statements that involve risks and uncertainties, and Citizens’ actual future results could differ materially from those discussed. Factors that could cause or contribute to such differences include, without limitation, risks and uncertainties detailed from time to time in Citizens’ filings with the Securities and Exchange Commission.

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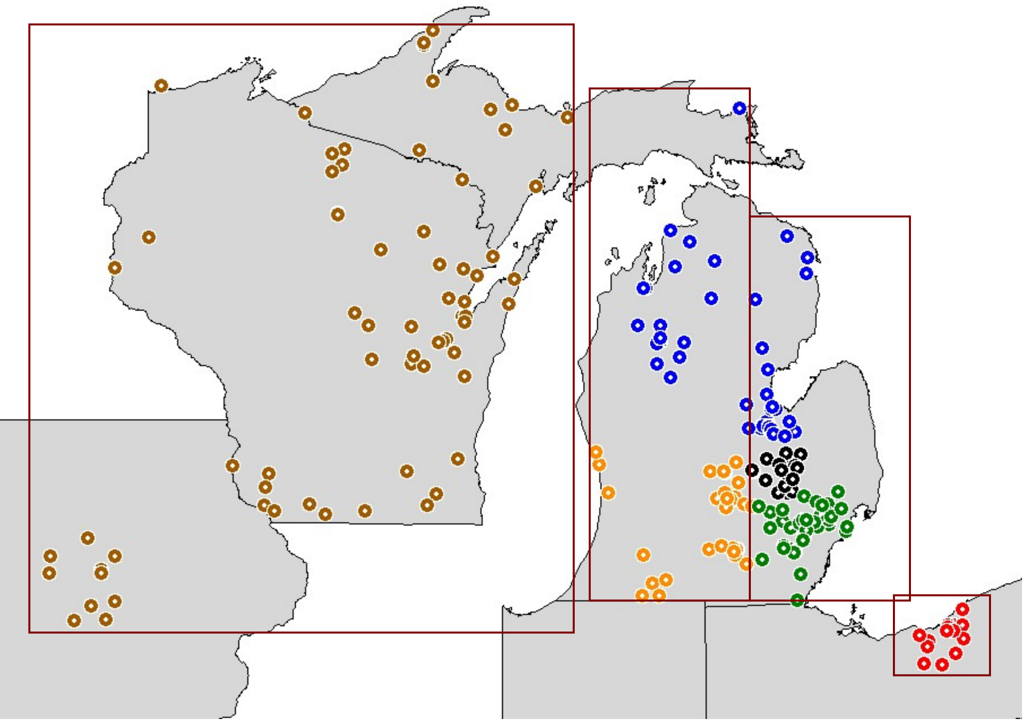
Who We Are

Regional Banking Structure

233 Branches / 264 ATMs



Managed in 4 Regions

- **Wisconsin, Iowa, UP Michigan**
- **West Michigan**
- **East Michigan**
- **Ohio**

Franchise Overview

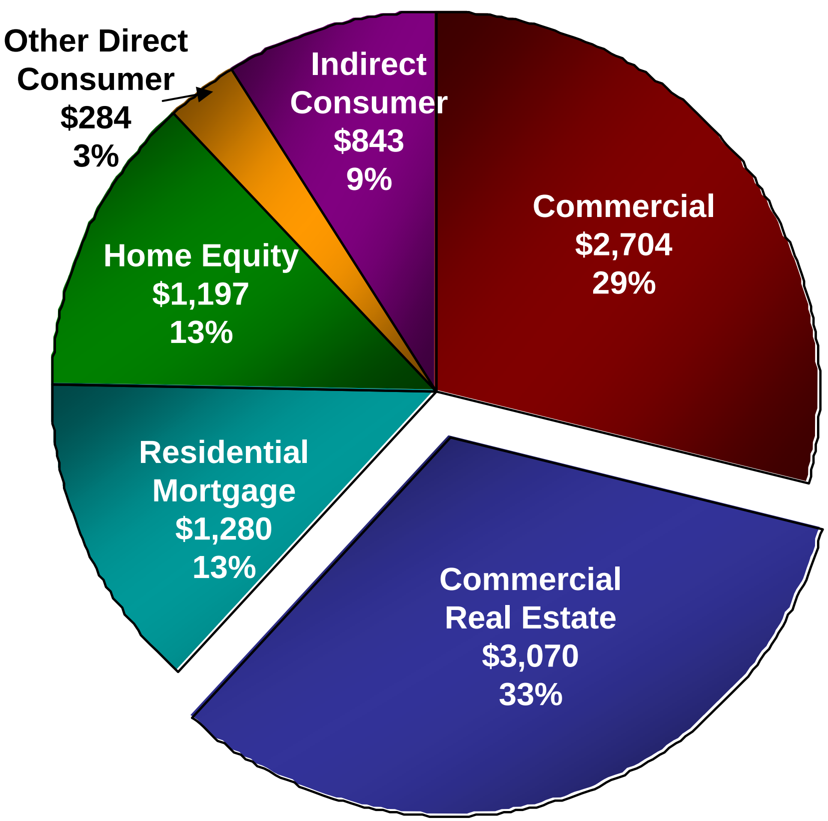
- 43rd largest bank holding company in the U.S. ranked by assets
  - $13.1 billion assets and $9.0 billion deposits
  - Presence in 4 Midwest states
- Largest bank headquartered in MI
  - #7 deposit market share
  - Top 5 deposit ranking in 17 of its 42 MSAs
  - #1 Small Business Administration lender
- Growing wealth management business
  - $2.2 billion in trust assets under administration
- **No** sub-prime, CDO or CLO exposure
- **No** GSE preferred exposure (Fannie Mae or Freddie Mac)

Diversified Loan Portfolio

At September 30, 2008

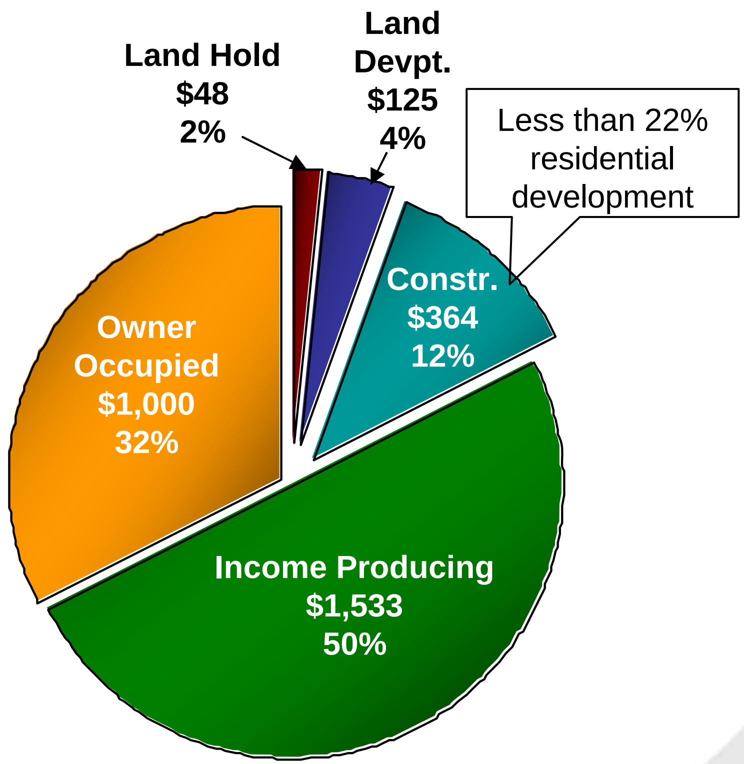
Total Portfolio

($ in millions)



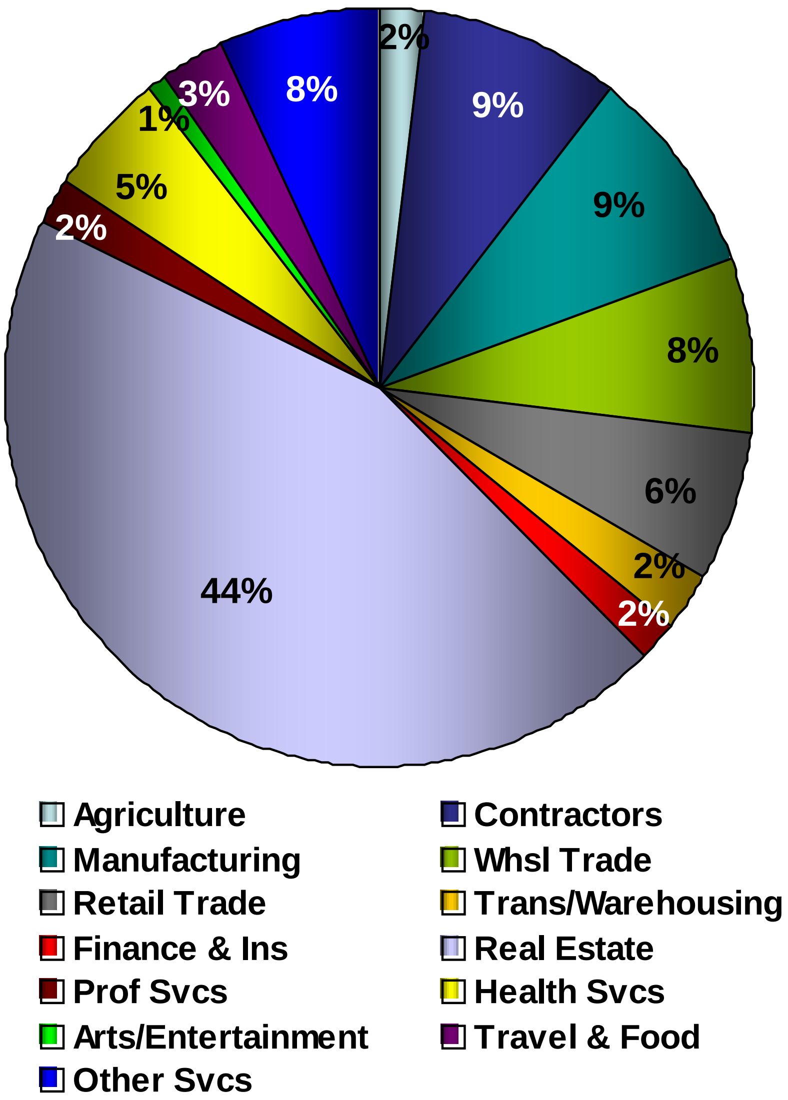
Commercial Real Estate

($ in millions)



Commercial Loan Concentrations and Auto Related Exposure

Loan Concentrations as of 3Q08 **(by NAICS Code)**



- Auto industry loans accounted for only 8.4% of total commercial outstandings at 9/30/08
- Auto industry exposure accounted for 9.8% of total commercial loan exposure at 9/30/08
- We define exposure as manufacturers and tier one suppliers with revenue >25% from auto vs. most banks of >50%

Stressed Portion of CRE Portfolio

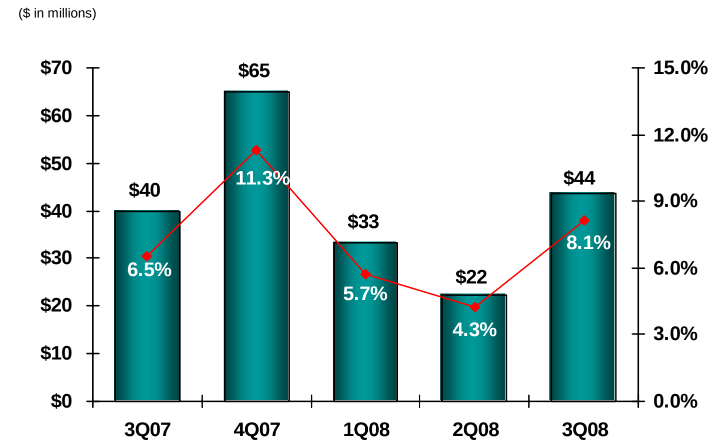
Land Hold, Land Development and Construction Loans

Portfolio Overview

- Small piece of overall portfolio contributing to large portion of NPLs and NCOs
- Total portfolio is down 13% from 3Q07
- No new Land Hold or Land Development since January 2007
- Less than 22% of residential development in Construction

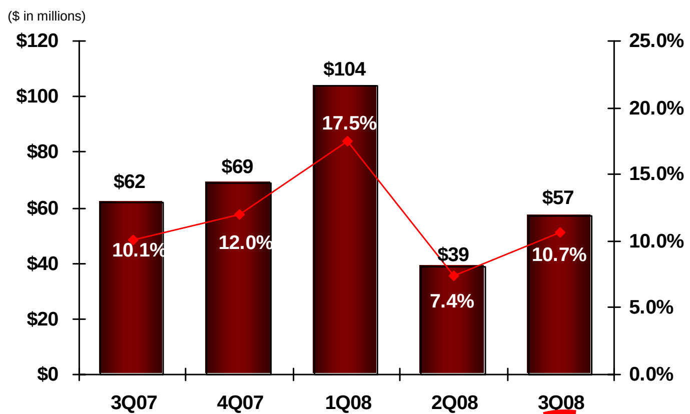
($ in millions)		Watchlist	
As of 9/30/08		**$**	**%**
Land Hold	$48	$21	43%
Land Development	125	52	41%
Construction	364	105	29%
Total High Risk	**$538**	**$177**	**33%**
% of Total Loans	*6%*		

30-89 Day Past Due



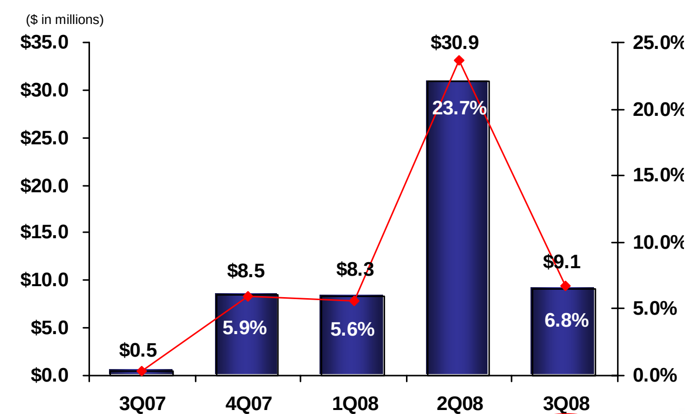
% of Total CRBC 30-89 Days	23%	25%	18%	12%	20%

NPLs/ Loans



% of Total CRBC NPLs	40%	36%	41%	28%	25%

NCOs/ Avg. Loans



% of Total CRBC NCOs	6%	43%	48%	45%	41%

Annual run rate of 8.3%*

* Excludes $10.9 million credit write-down in 2Q08

Large Portion of CRE Showing Little Stress

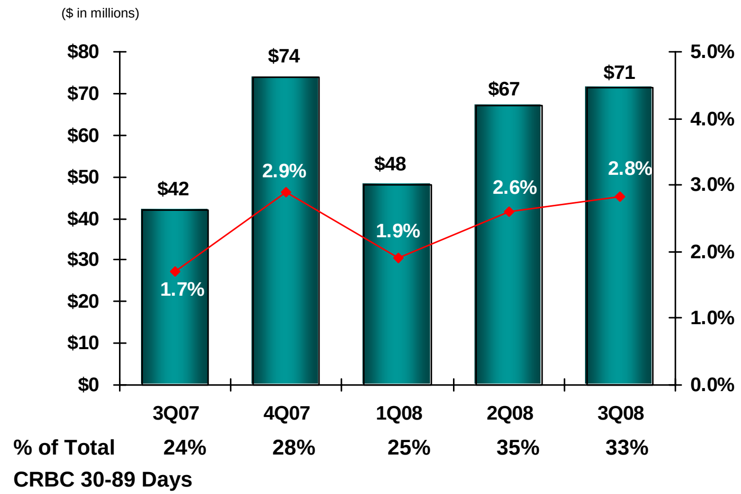
Commercial Real Estate Loans

Portfolio Overview

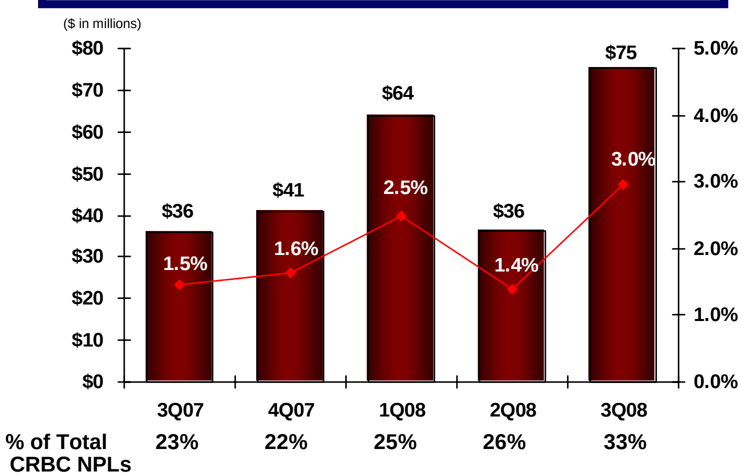
- Income Producing portfolio is up 15% from 3Q07
- Owner Occupied portfolio is down 10% from 3Q07
- Total portfolio is up 3% from 3Q07

($ in millions) As of 9/30/08		Watchlist $	Watchlist %
Income Producing	$1,533	$290	19%
Owner Occupied	1,000	167	17%
Total CRE (ex. Land)	**$2,533**	**$457**	**18%**
% of Total Loans	*27%*		

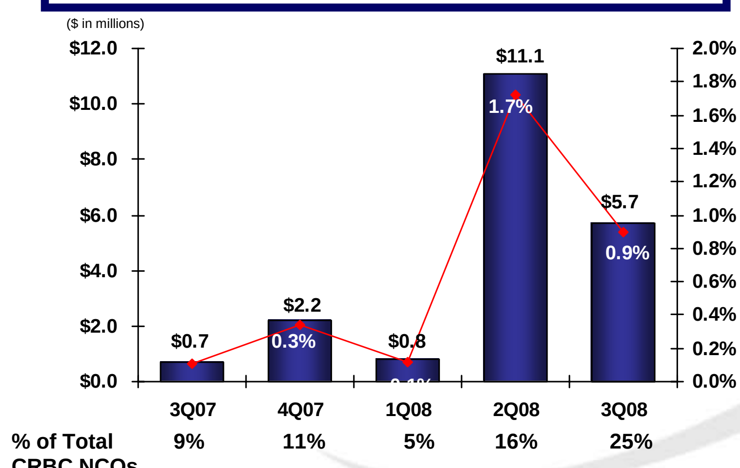
30-89 Day Past Due



NPLs/ Loans



NCOs/ Avg. Loans



Annual run rate of 0.5%*

* Excludes $5.9 million credit write-down in 2Q08

Strong Performance in Commercial Loans

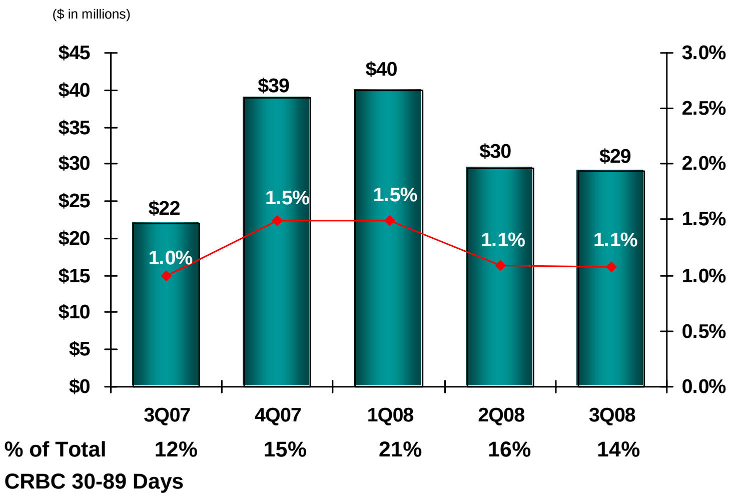
Commercial & Industrial and Small Business Loans

Portfolio Overview

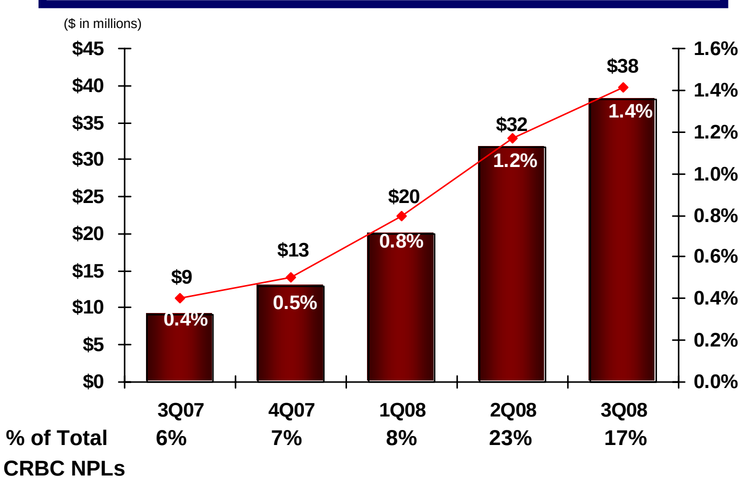
- Citizens core franchise is performing very well
- Total portfolio is up 21% from 3Q07
- Includes $351 million ABL balance
- Watchlist includes $159 million ABL (normal grading)

($ in millions) **As of 9/30/08**		Watchlist $	 %
C&I Loans	$2,288	$407	18%
Small Business	415	25	6%
Total Commercial	**$2,704**	**$431**	**16%**
% of Total Loans	*29%*		

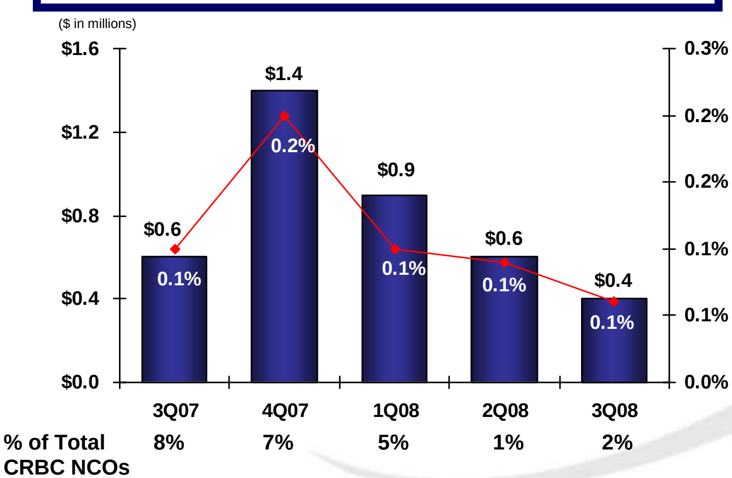
30-89 Day Past Due



NPLs/ Loans



NCOs/ Avg. Loans



Annual run rate of 0.1%

Disciplined Underwriting Showing Strong Results

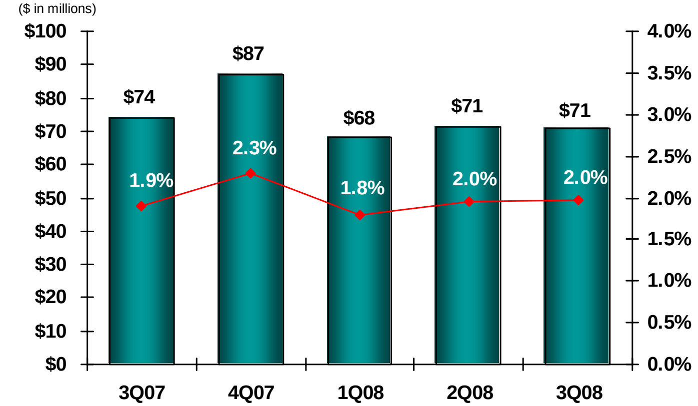
Consumer Loans

Portfolio Overview

- Recently refreshed portfolio FICO scores
- Strong historical delinquency performance
- 68% of HE is seasoned 24 months – no brokered
- <20% of HE is 2006 and 2007 vintage
- Approximately 47% of HE in 1st lien position
- Includes residential construction balance of $52 million

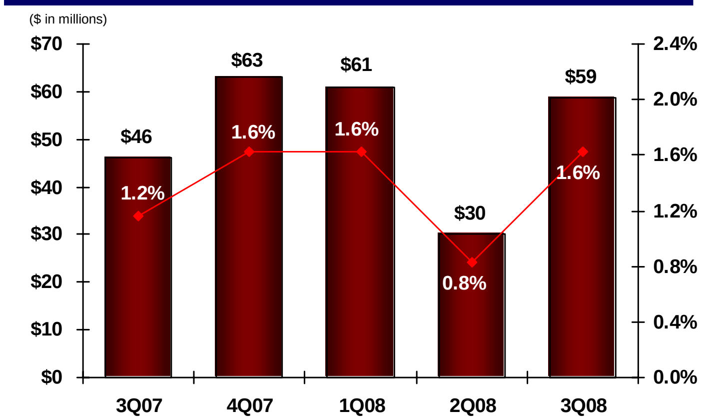
As of 9/30/08	$ millions	Avg. Loan Size	Avg. LTV	Avg. Refreshed FICO
Residential Mortgage	$1,280	$185,000	66%	682
Home Equity	1,197	31,000	< 85%	725
Indirect	843	21,200		705
Other Direct	284	11,900		699
Total Consumer	**$3,604**			
% of Total Loans	*38%*			

30-89 Day Past Due



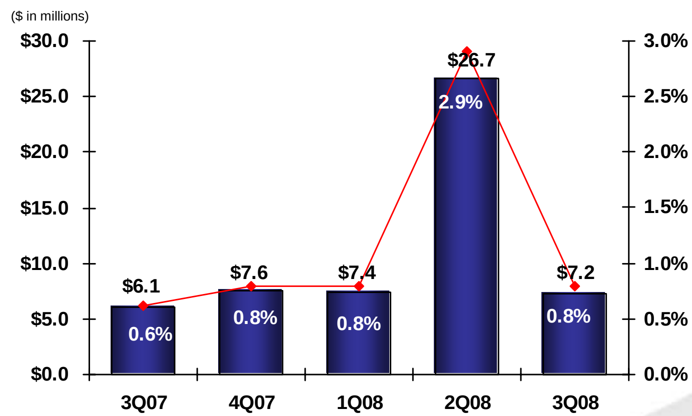
% of Total CRBC 30-89 Days	42%	33%	36%	37%	33%

NPLs/ Loans



% of Total CRBC NPLs	29%	33%	24%	22%	25%

NCOs/ Avg. Loans



Annual run rate of 0.8%*

% of Total CRBC NCOs	77%	39%	43%	39%	32%

* Excludes $18.3 million credit write-down in 2Q08

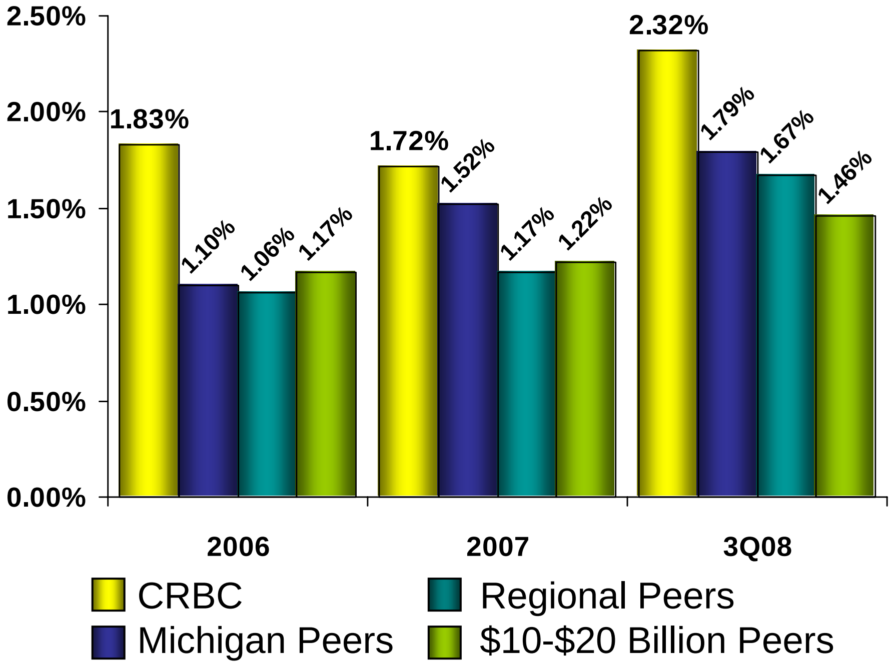
Aggressive Credit Initiatives

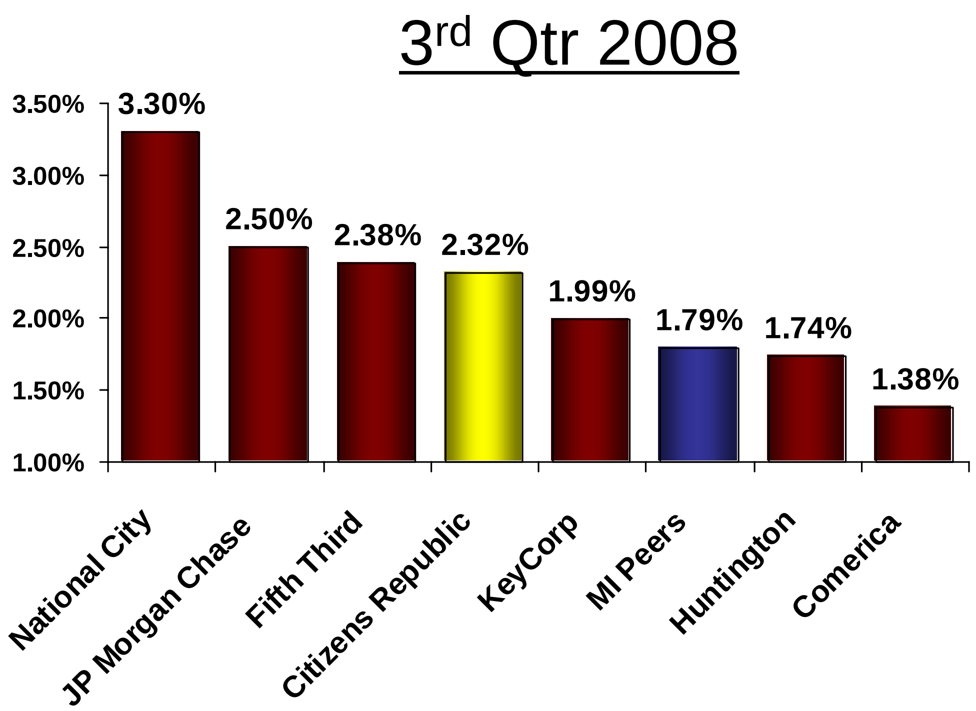
- Transitioned mortgage servicing and collection to PHH Mortgage
- Tightened underwriting criteria for consumer loans
  - HE loans – lowered max LTV to 80% for primary residence and 70% for secondary residence and discontinued lending on rental properties
  - Indirect loans – increased credit score cutoffs, increased pricing spreads, and reduced advance rates
- Centralized and upgraded CRE portfolio management team
  - Reports directly to CCO (Total 22 FTE at 9-30-08)
  - Focused on servicing performance (age of appraisals, lot release schedules, rent roll updates, construction costs, guarantor liquidity affirmed with current financials)
- Expanded special loans workout team by 4 FTE (Total 28 FTE at 9-30-08)
- 50 FTE focused on commercial loan loss mitigation

Citizens Continues to Carry Higher LLR Levels

Helps Maintain Strong Balance Sheet

LLR / Loans %





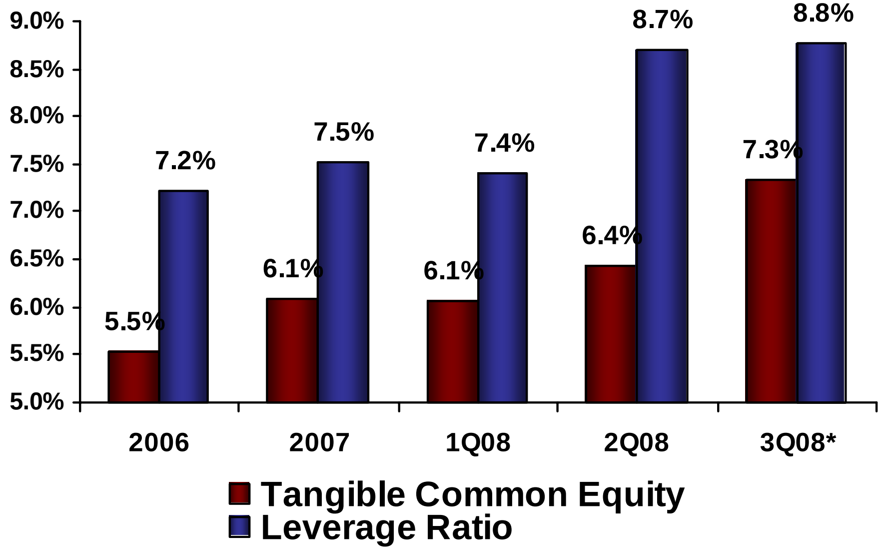
Citizens has proven expertise in credit workout

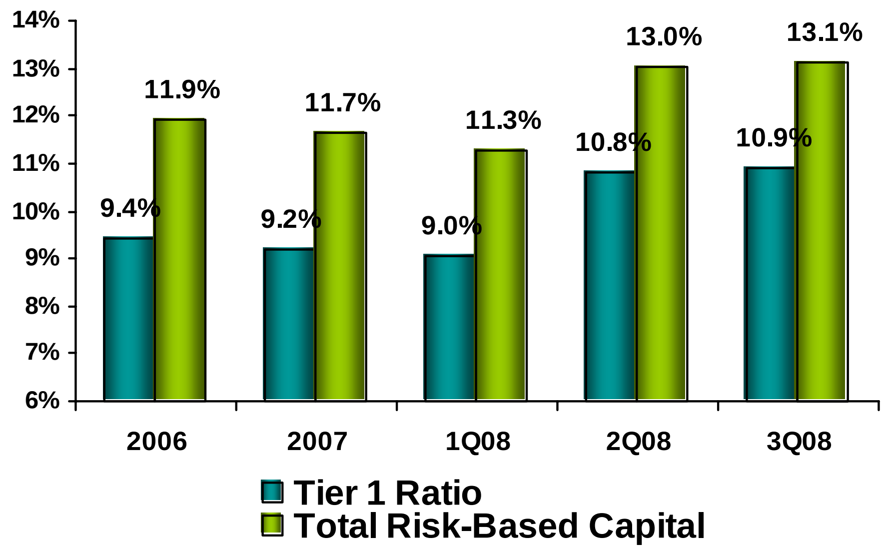
Source: SNL Financial, peer averages MRQ as of November 4, 2008

Strategies to Enhance and Preserve Capital

- Implemented new incentive plans focused on profitability with targeted returns above Citizens' cost of capital
- Suspended cash dividend on common stock in February, saving $88 million annually
- Raised $200 million of additional capital by issuing new shares in June
- Increased discipline around loan pricing to enhance risk-adjusted capital, emphasizing full-relationship banking and reducing capital intensive credit-only business

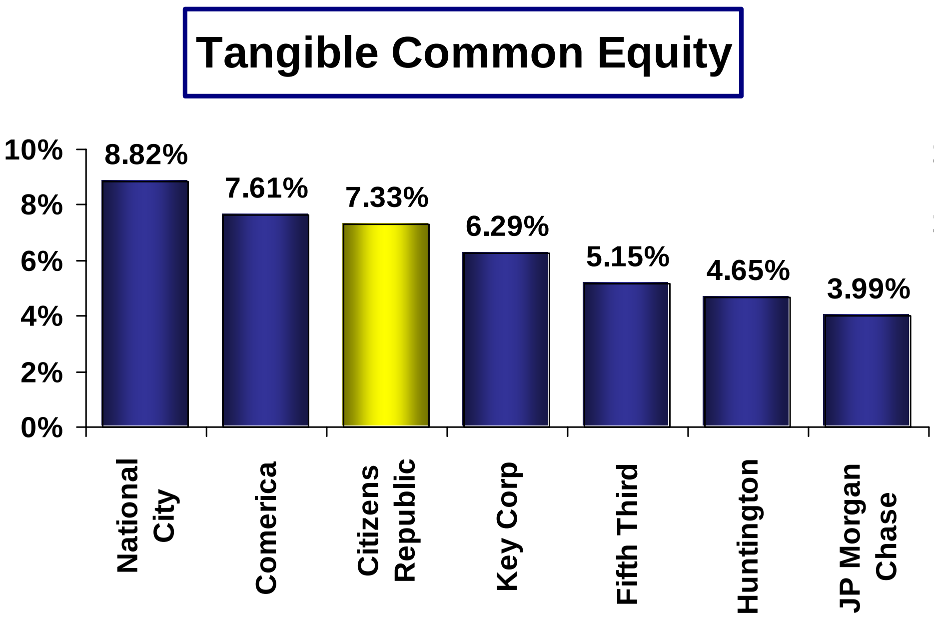
Enhanced Capital Levels in Uncertain Economy

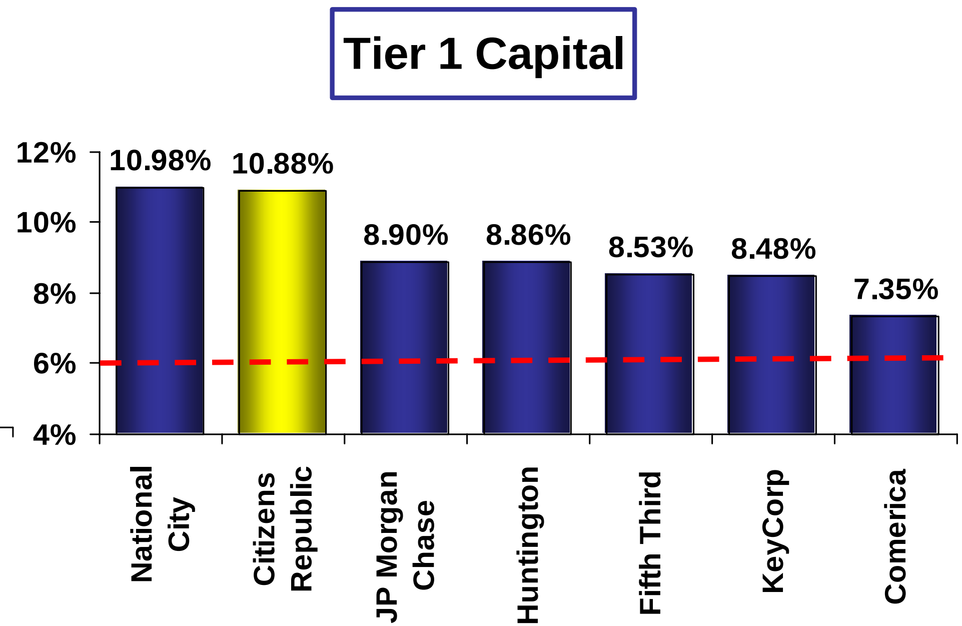




	Regulatory Minimum for "Well-Capitalized"	**9/30/08**	6/30/08	3/31/08	Excess Capital over Minimum (in millions)
Tier 1 Capital Ratio	6.00%	**10.88%**	10.80%	9.04%	**$ 493.2**
Total Capital Ratio	10.00%	**13.13%**	13.03%	11.26%	**$ 316.5**
Tier 1 Leverage Ratio	5.00%	**8.76%**	8.71%	7.40%	**$ 472.2**
Tangible Common Equity to Assets		**7.33%**	6.44%	6.07%	
Tangible Equity to Assets		**7.33%**	7.35%	6.07%	

Capital Ratios Compared to Competitors





- CRBC has strong capital ratios
- Prudent to enhance capital during uncertain economic conditions
- $493.2 million excess capital over well-capitalized minimum Tier 1 as 9-30-08

Tier 1 Regulatory Capital

4% - adequacy minimum

6% - well-capitalized minimum

Source: SNL Financial

Pre-Tax Pre-Provision Earnings Power

Consistent Pre-Tax Pre-Provision Operating Earnings (1) To Handle Credit Volatility

(in millions)	3Q 07	4Q 07	1Q 08	2Q 08	3Q 08
Net income (loss)	$31.8	$28.0	$11.1	$ (201.6)	$ (7.2)
Income tax provision (benefit)	12.6	8.6	0.9	(19.4)	(10.2)
Provision for loan losses	3.8	6.1	30.6	74.5	58.4
Goodwill impairment charge				178.1	
Fair-value writedown on LHFS				2.3	
Fair-value writedown on ORE				5.0	
Pre-Tax Pre-Provision Operating Earnings (1)	**$48.1**	**$42.6**	**$42.7**	**$38.8**	**$41.0**
Last 12 Months					**$165.1**

(1) As defined by management as: Net income (loss) – Income tax provision (benefit) – provision for loan losses – goodwill impairment charge 2Q08 – credit writedown and fair-value adjustments in 2Q08

Capital Stress Test (2)

Three Year Assumptions (2)

- Pre-Tax Pre-Provision annual earnings as noted for 3 years
- No growth in risk-weighted assets
- No government program impact to capital
- No common dividends
- 35% tax rate

(in millions)	Case A	Case B	Case C
Annual Pre-Tax Pre-Provision Operating Earnings (1) for 3 Years	$140	$160	$180
Cumulative Pre-Tax Losses	**$937**	**$1,002**	**$1,067**
% of Current Portfolio	**10.0%**	**10.7%**	**11.4%**
Tier 1 Capital Ratio at end of Year 3	8.0%	8.0%	8.0%

(1) As defined by management as: Net income (loss) – Income tax provision (benefit) – provision for loan losses – goodwill impairment charge – credit writedown and fair-value adjustments

(2) For analytical purposes only ~ Not to be interpreted as projected or targeted performance

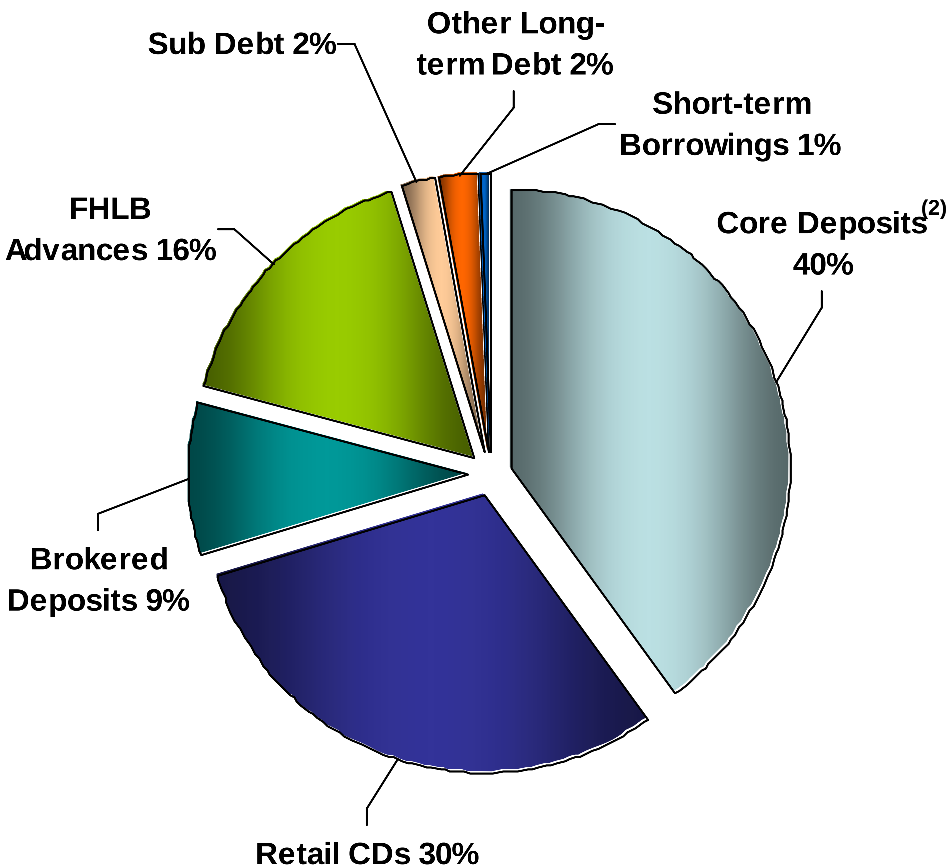
Strong Liquidity Position

- Added longer-term brokered CDs
- Increased focus on cross-sales through retail delivery channel
- Conducted targeted marketing campaigns for deposits
- Increased available collateral for FHLB funding
- Increased discipline around loan funding and pricing to better align changes in loans outstanding with funding, liquidity, and profitability objectives

Strengthened Balance Sheet and
Reduced Reliance on Short-Term Wholesale Funding

Diversified Funding Sources (1)

$11.4 billion



Excess Short-term (Liquid) Assets

Holding Company

- Capital issuance further strengthens holding company liquidity
- Annual holding company interest expense of approximately $20 million
- Cash resources of $220 million

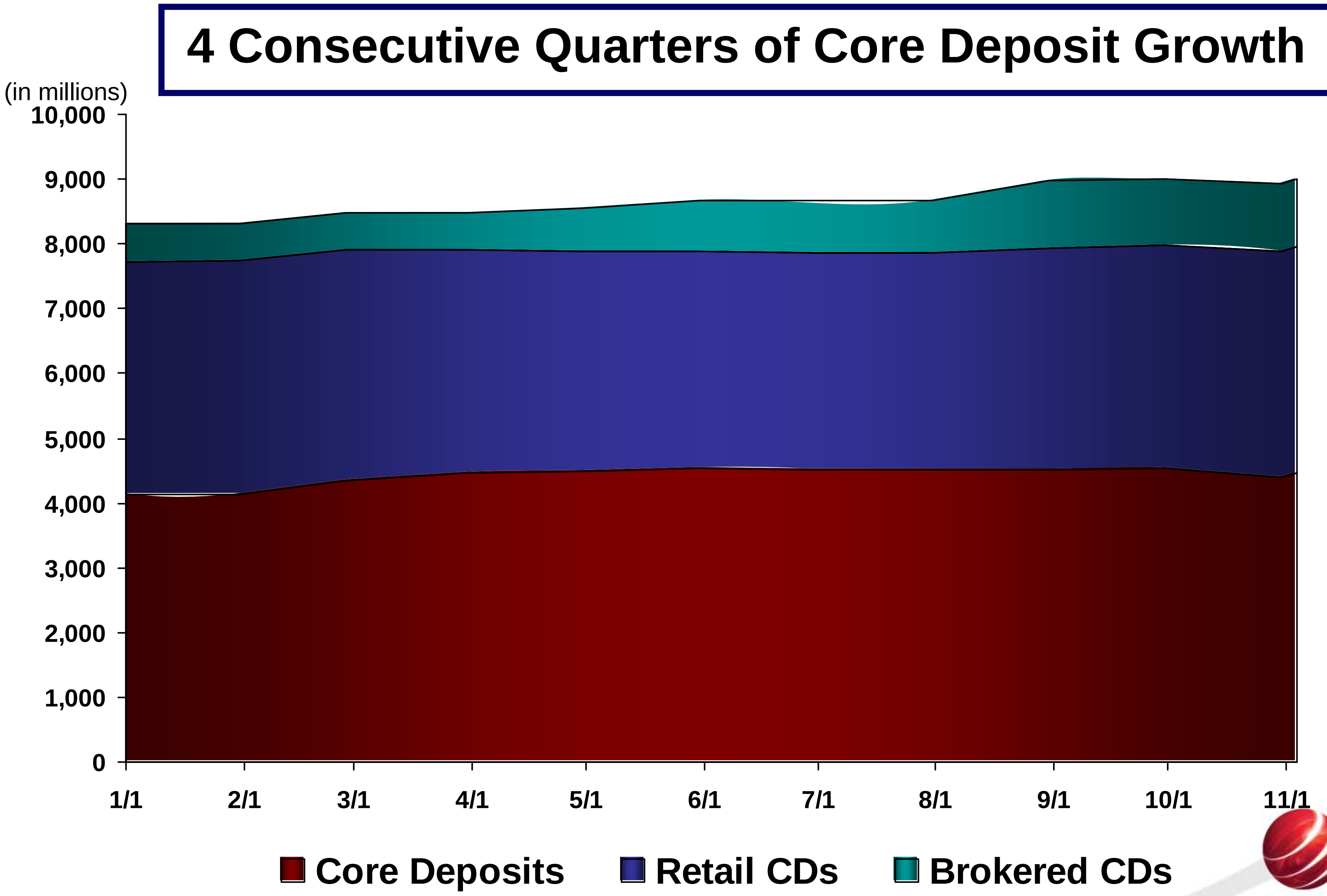
Bank Funding

- $4.5 billion core deposit funding (40% of total funding or 50% of total deposits)
- Significant untapped secured borrowing capacity
- Low reliance on brokered deposits
- High deposit market share in core legacy markets

(1) As of September 30, 2008, adjusted for payoff of $50 million senior debt on 10/7/08

(2) Excludes all time deposits

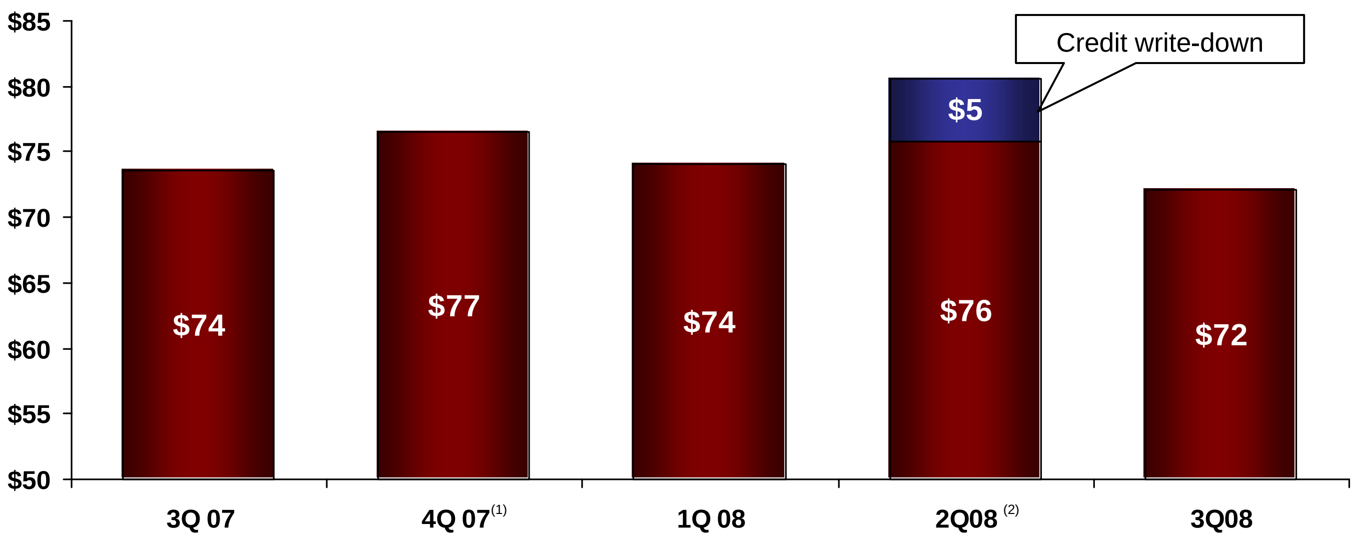
Stable Core Deposit Trend



Focus on Expense Management

- Achieved $34 million in annual savings from the merger with Republic Bancorp
  - 21% more than originally projected
- Embarking on new $15 million cost savings initiative that will further enhance efficiency
  - Engagement under way to improve productivity
  - Identifying additional expense reduction targets

Core Operating Expenses



Operating Expenses as a % of Avg. Assets: (3)

	3Q 07	4Q 07	1Q 08	2Q08	3Q08
CRBC	2.23%	2.30%	2.21%	2.28%	2.19%
Banks w/ $10-$20 Billion in Assets	3.00%	3.03%	3.01%	2.94%	2.74%

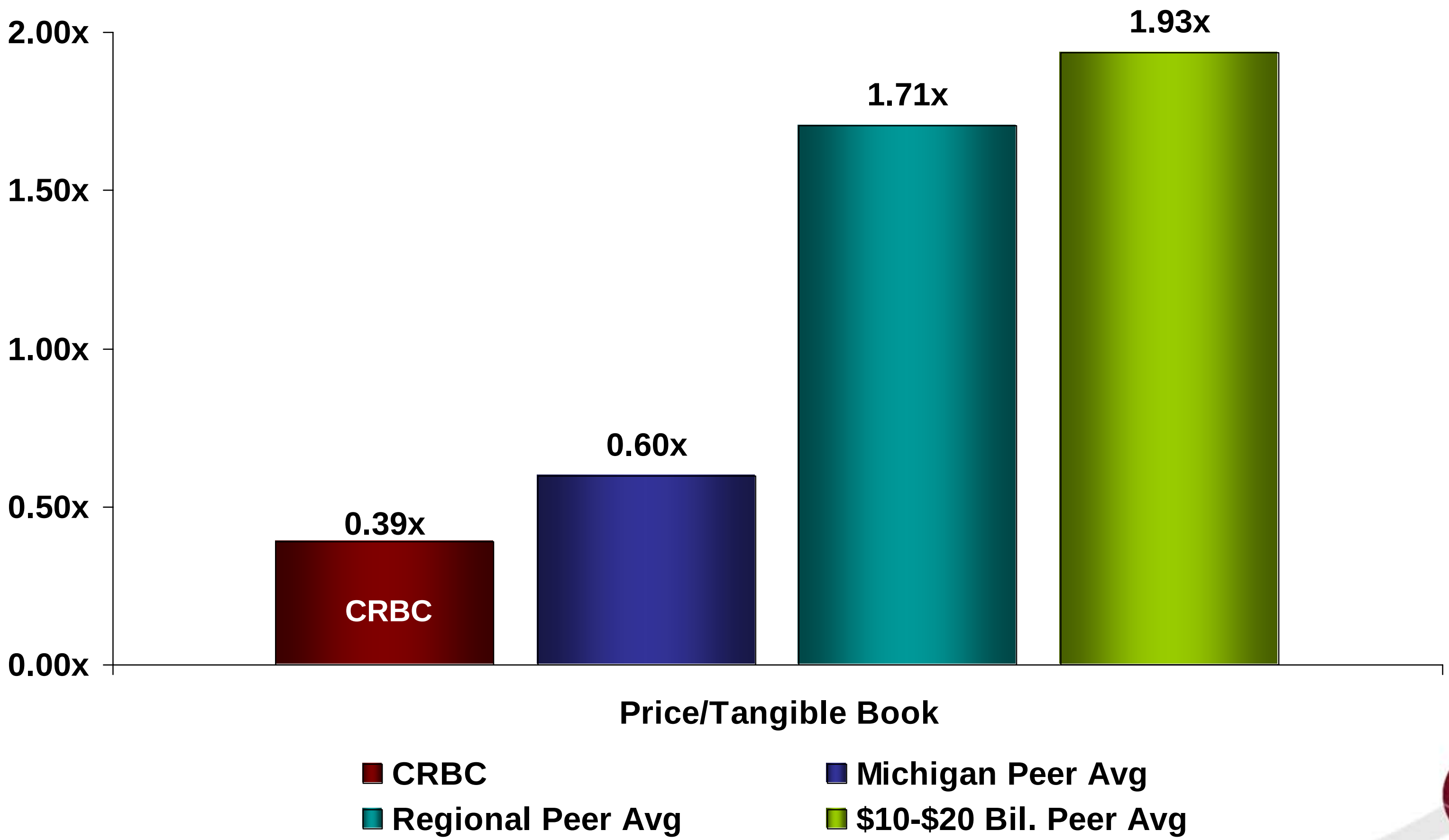
(1) 4Q07 includes $4.2 million of costs associated with PHH Mortgage alliance, branch efficiency initiative and Visa litigation.

(2) 2Q08 excludes $5 million credit write-down.

(3) Annualized operating expenses, excluding intangible amortization and non-recurring items, as defined by SNL Financial, as a percentage of average total assets. MRQ reported per SNL Financial.

CRBC — Trading at a Discount to Peers

- CRBC currently trading at a discount to MI and Regional Peers based on tangible book value
- Tangible book value of $7.27 per share



Note: Based on market closing prices on November 4, 2008.

Investor Takeaways

- Revenue synergy opportunities continue to exist within the Citizens franchise
- Focused on delivering results and creating long-term value for shareholders
- Talented management team with significant expertise in managing credit
- Strong balance sheet to withstand a stressed credit cycle
- More than sufficient capital and liquidity to weather the cycle

Citizens has the Capital, People, Products, and Determination to Successfully Manage Through This Environment

Appendix

Quarterly Financial Performance & Trends

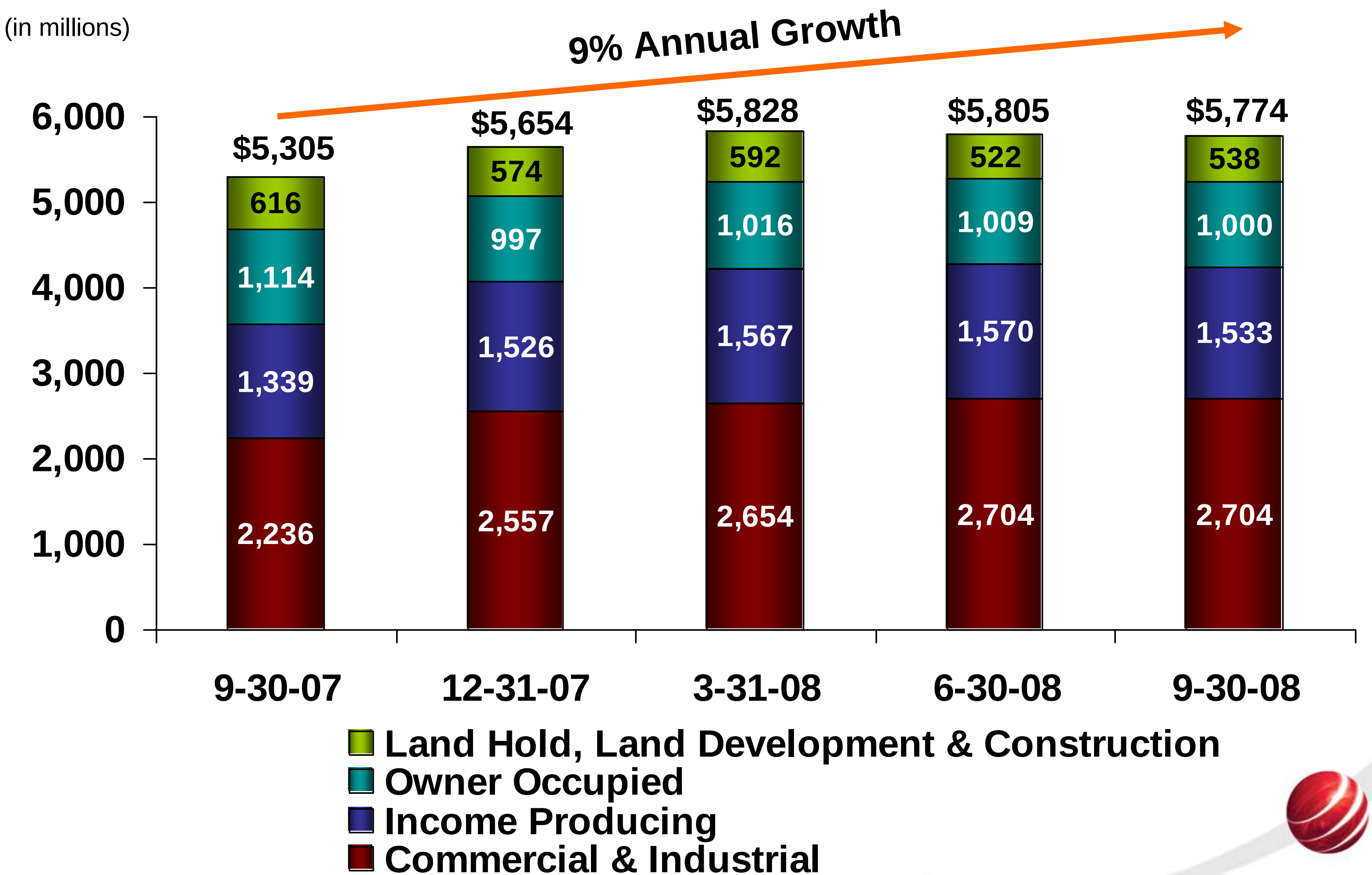
(in millions)	3Q 07	4Q 07	1Q 08	2Q 08	3Q 08
Net interest income	$94.9	$92.2	$88.3	$87.6	$87.3
Provision	3.8	6.1	30.6	74.5	58.4
Total fees and other income	30.6	29.3	30.9	27.1	28.0
Noninterest expense	77.3	78.9	76.6	261.2	74.3
Income tax provision	12.6	8.6	0.9	(19.4)	(10.2)
Net income (loss)	$31.8	$28.0	$11.1	$ (201.6)	$ (7.2)
Net income (loss) attributable to common shareholders	$31.8	$28.0	$11.1	$ (201.6)	$ (18.9)
Core operating earnings	$34.2	$29.5	$12.7	$ (22.0)	$ (5.7)

	3Q 07	4Q 07	1Q 08	2Q 08	3Q 08	Target
Earnings per common share (diluted)	$0.42	$0.37	$0.15	$ (2.53)	$ (0.20)	
Core EPS (diluted)	$0.45	$0.39	$0.17	$ (0.28)	$ (0.06)	
Core ROTE%	18.6%	15.3%	6.5%	-10.9%	-2.4%	18.0%
Core ROTA%	1.10%	0.93%	0.40%	-0.71%	-0.18%	1.10%
Core Efficiency Ratio	56.5%	60.7%	59.8%	67.7%	60.1%	55.0%
Net Interest Margin	3.39%	3.26%	3.12%	3.11%	3.09%	

Note: Core operating earnings exclude the effects of restructuring and merger related expenses and amortization of core deposit intangibles, net of tax.

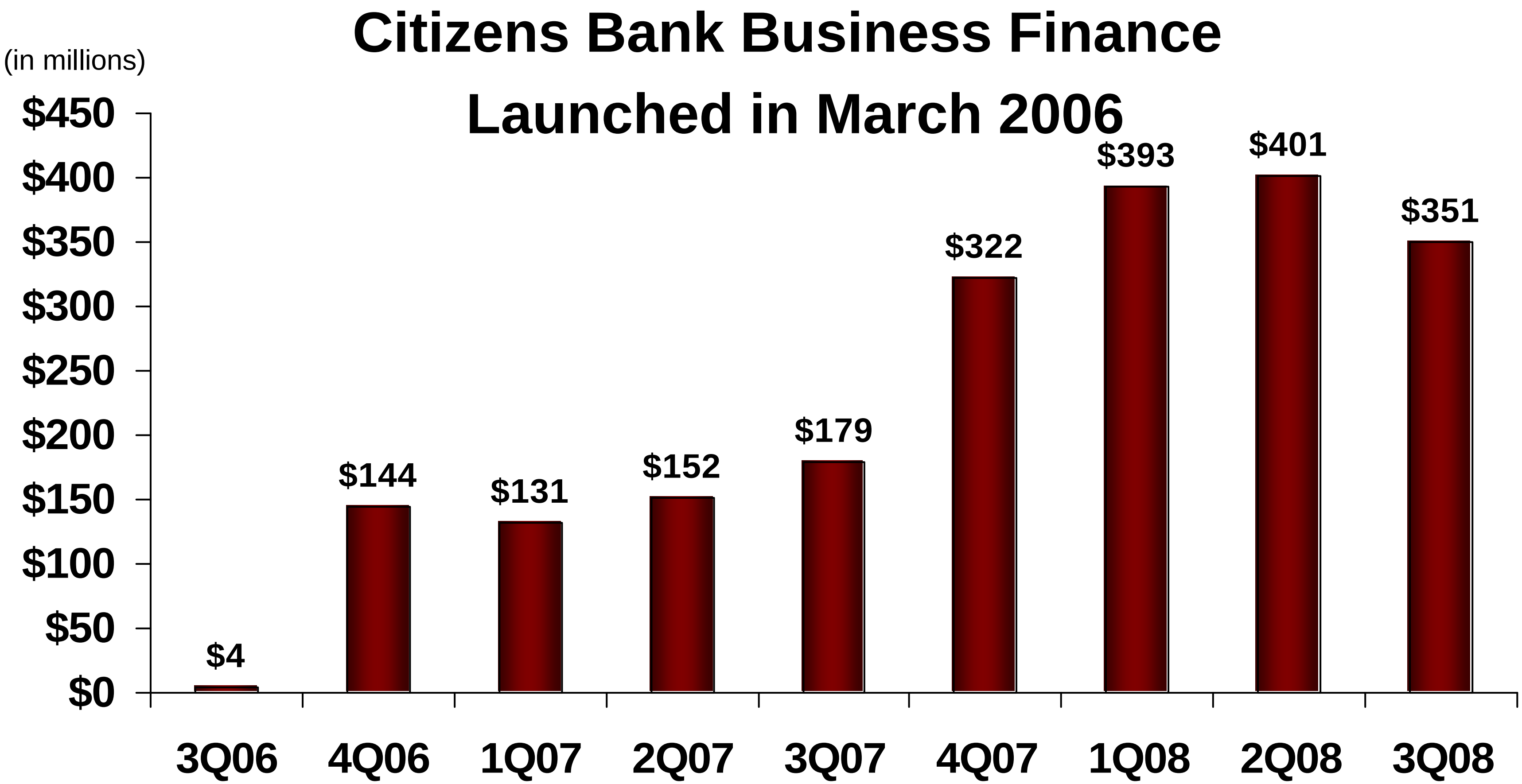
Commercial Portfolio Growth

Quarterly Trend



Asset Based Lending Growth

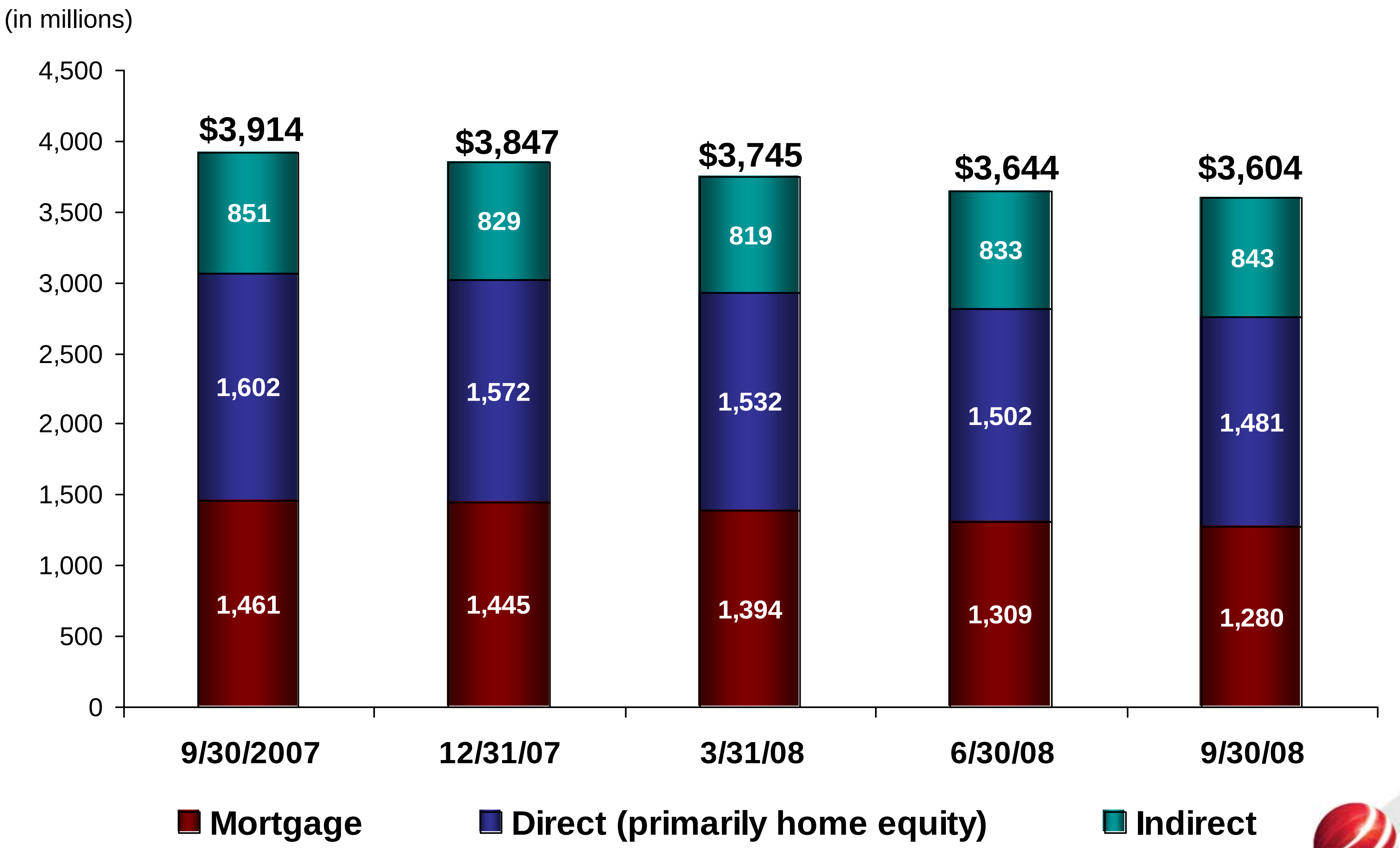
Quarterly Trend



Pass / Watchlist ratio – 55% / 45%

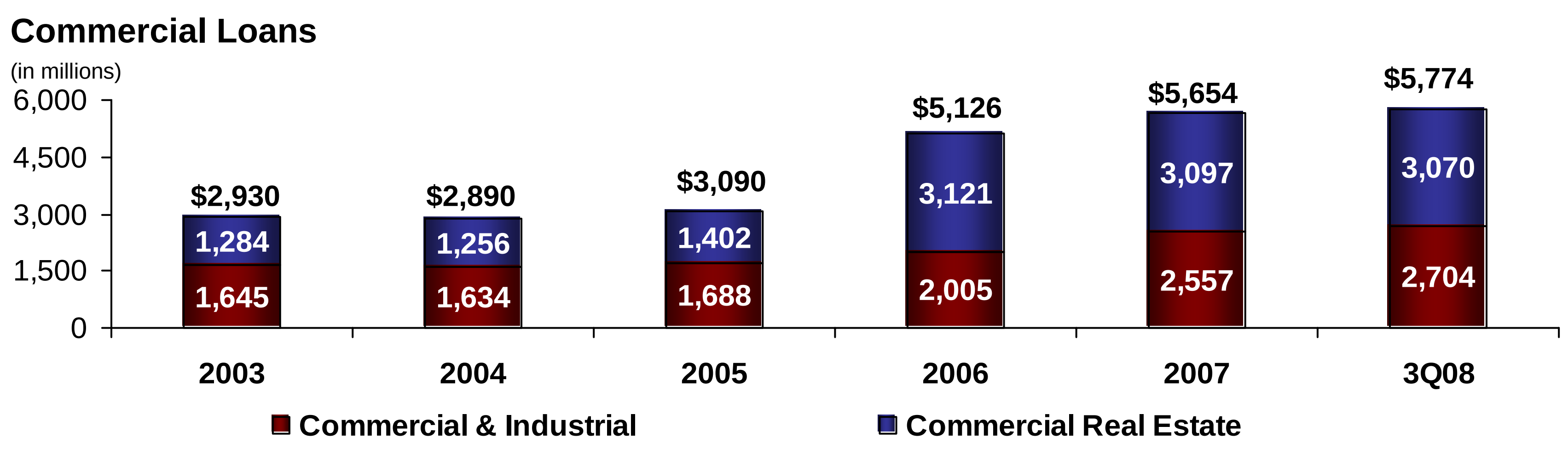
Many ABL loans are graded and underwritten in watchlist status but remain a lower risk than other watchlist C&I loans due to the daily cash/receivable monitoring process.

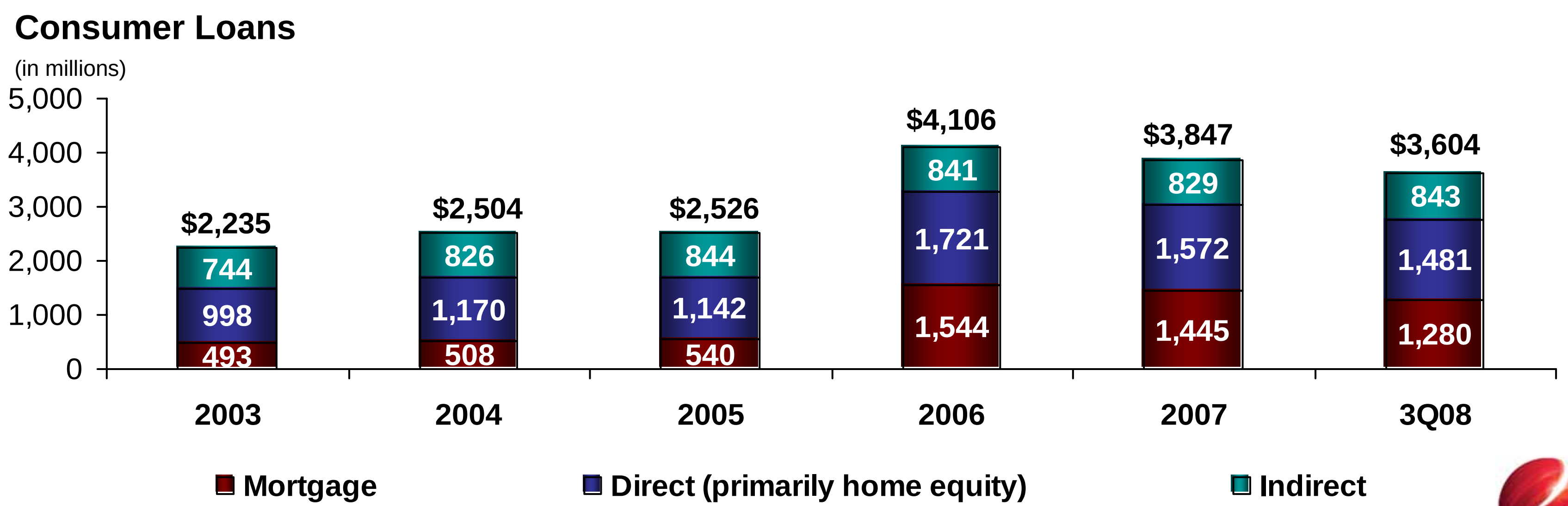
Consumer Portfolio Trend



Commercial & Consumer Loan Growth

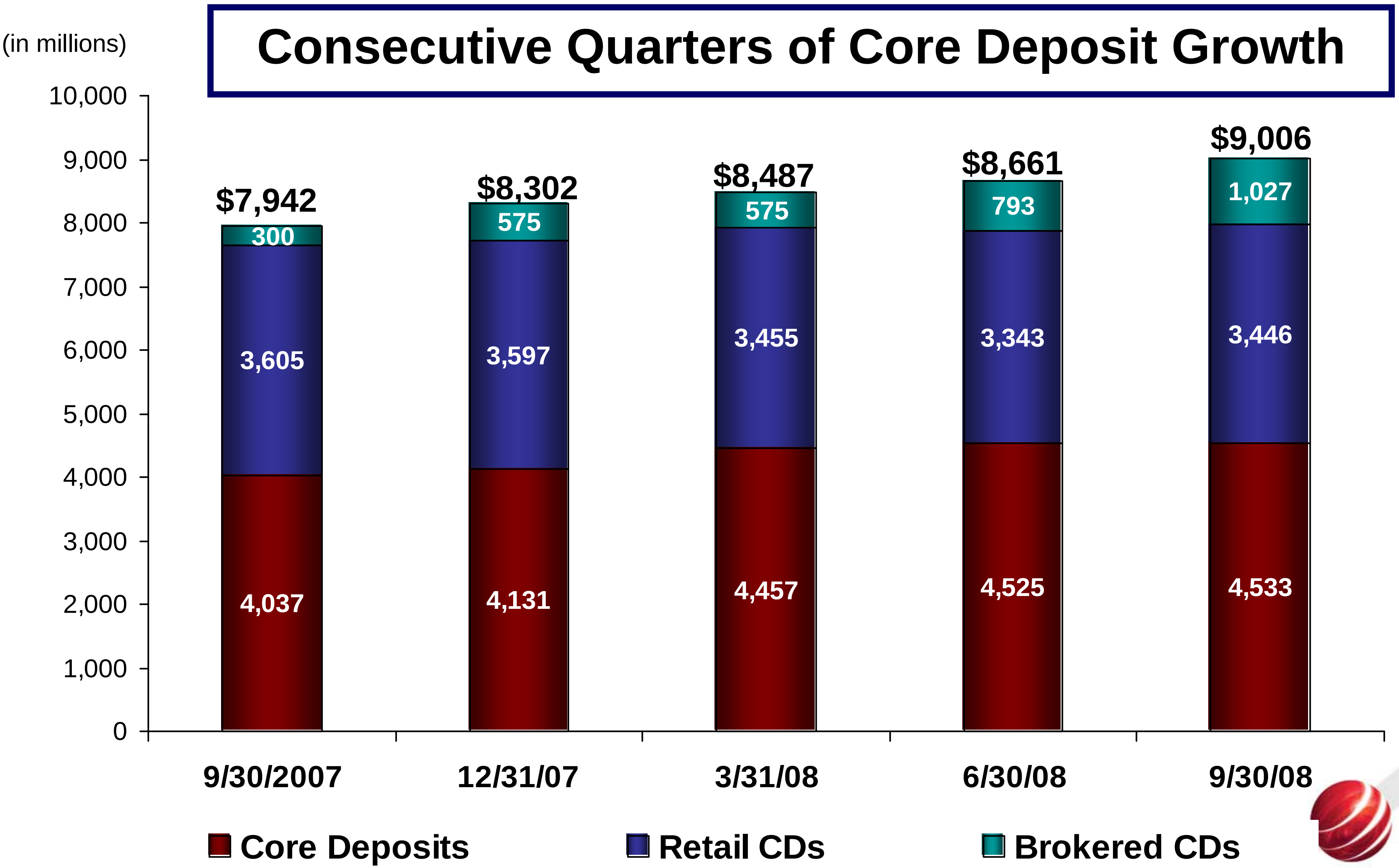
5 Year Trends



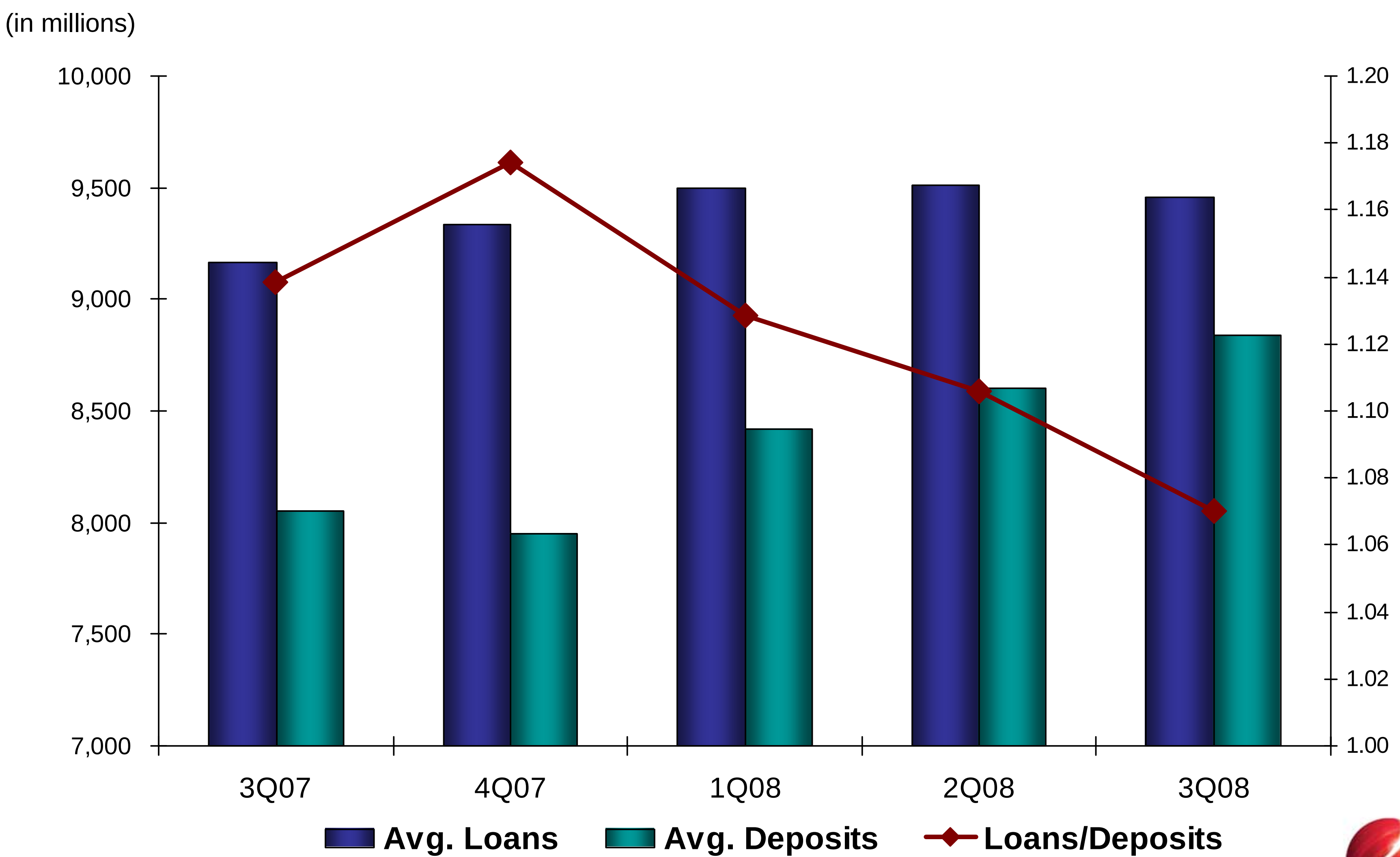


Total Deposit Trend

(in millions)



Average Loans to Deposits Trend

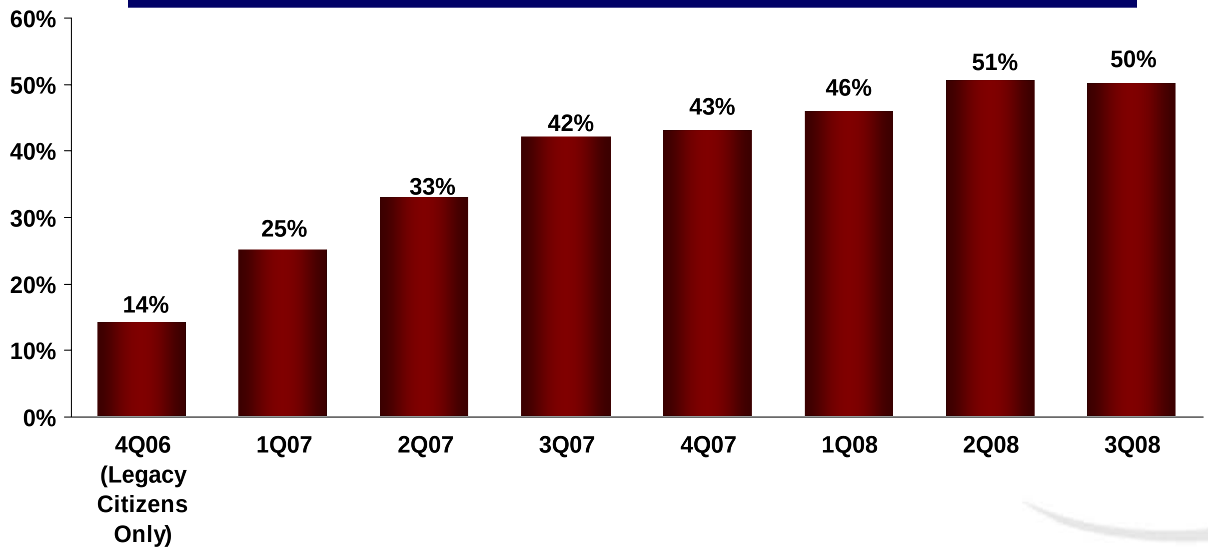


Proven Success in Generating Revenue Growth

Citizens has expanded its wide array of products across the legacy Republic footprint:

- Wealth Management:
  - Financial consultants generated $763,000 of incremental revenue in 2007 at legacy Republic branches
  - 4th consecutive year of increased revenue and profits from Trust and Brokerage units
- Small Business:
  - Production up 44% for loans and 36% for deposits in 2007 vs. 2006
- Treasury Management:
  - Product sales up 27% in 2007 compared to 2006
- Branch operating model implemented in 2007 generates strong cross-sell opportunities

% of New Retail DDA Customer with Cross-Sell



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