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Citizens Republic Bancorp To Get \$300 Million Under Treasury Program

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Nov 16, 2008 (financialwire.net via COMTEX) -- [CRBC](#) | [Quote](#) | [Chart](#) | [News](#) | [PowerRating](#) -- November 14, 2008 (FinancialWire) -- Citizens Republic Bancorp, Inc. (NASDAQ: [CRBC](#) | [Quote](#) | [Chart](#) | [News](#) | [PowerRating](#)) (Current Market Cap: US\$294.88 Mil.) said that it has received preliminary approval from the U.S. Department of Treasury for the investment of \$300 million in the company as part of Treasury's Capital Purchase Program.



The investment will increase Citizens' Tier 1 capital ratio from 10.88% at September 30 to as much as 13.85% on a pro forma basis, according to the company.

Company CEO William R. Hartman said "We believe this approval represents a strong vote of confidence in Citizens, as only safe and sound financial institutions are being approved."

Citizens Republic said it expects that Treasury, as part of the deal, will acquire senior preferred shares which will pay a 5% dividend for each of the first five years of the investment, and 9% per year thereafter unless Citizens redeems the shares.

The preferred shares will be callable at par after three years. Treasury is also expected to receive ten-year warrants for

shares of common stock, with an exercise price based on twenty trading day trailing average calculated at the time the preferred shares and warrants are issued.

Flint, Michigan-based Citizens Republic Bancorp is a financial services company that serves communities in Michigan, Ohio, Wisconsin, and Indiana as Citizens Bank and in Iowa as F&M Bank, with 233 offices and 264 ATMs.

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