

PUBLIC DISCLOSURE

November 1, 2010

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Citizens Bank
RSSD # 222147

328 South Saginaw Street
Flint, Michigan 48502

Federal Reserve Bank of Chicago

230 South LaSalle
Chicago, Illinois

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION'S RATING

Citizens Bank's Overall CRA Rating: Satisfactory

The following table indicates the performance level of Citizens Bank with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	CITIZENS BANK		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		
Low Satisfactory		X	X
Needs to Improve			
Substantial Noncompliance			

**Note: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.*

Summary of Major Factors that Support the Rating

Lending Test:

- A substantial majority of the loans, 91.7 percent, were made in the bank's assessment areas.
- The geographic distribution of the bank's loans reflected good dispersion in its assessment areas based on the bank's record of lending to small businesses in geographies of different income levels in the full review assessment areas in the state of Michigan.
- The distribution of the bank's loans reflects excellent penetration among borrowers of different income levels and businesses of different sizes based on the bank's record of lending to small businesses.

- Citizens Bank makes a relatively high level of community development loans based on its record of making community development loans in the full review assessment areas in the states of Michigan and Ohio; and
- Citizens Bank makes use of innovative and flexible lending programs and practices to help meet the credit needs of the LMI individuals and in LMI areas, particularly through the use of government –guaranteed, -insured, or –sponsored loan programs in the full review assessment areas in the state of Michigan.

Investment Test:

- The bank made an adequate level of community development investments and grants, but rarely in a leadership position.
- The bank exhibited adequate responsiveness to the credit and community development needs in its assessment areas.
- The bank occasionally used innovative and/or complex investments to support community development initiatives.

Service Test:

- Delivery systems are accessible to essentially all portions of the bank’s assessment areas.
- Record of opening and closing branch offices has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or among LMI individuals.
- Services do not vary in a way that inconveniences portions of the assessment areas particularly LMI geographies and/or LMI individuals. The bank’s performance in Michigan and Ohio was more favorable than in Wisconsin.
- The bank provided an adequate level of community development services.

CITIZENS BANK

DESCRIPTION OF INSTITUTION

Citizens Bank (Citizens), headquartered in Flint, Michigan, offers commercial, consumer, and mortgage banking products in Michigan, Wisconsin, and Ohio. As of September 30, 2010, the bank had total assets of \$10.3 billion. The bank is a subsidiary of Citizens Republic Bancorp, Inc. also headquartered in Flint, Michigan, and had assets of \$10.6 billion as of September 30, 2010. Wealth management services are provided by an affiliate, Citizens Bank Wealth Management N.A.

Citizens Bank is the largest bank headquartered in the state of Michigan. Its competition in Michigan comes from branch offices of several large and regional banking organizations, including Bank of America, JPMorgan Chase Bank N.A., PNC Bank, Comerica, and Wells Fargo. There are also several credit unions in central and southeast Michigan that compete with the bank. From a local perspective, some of the bank's largest competitors in Wisconsin are Marshall & Ilsley Bank and Associated Bank.

The data presented in the following table shows that Citizens Bank's main emphasis is on commercial lending, followed by residential real estate lending secured by first liens. Lending volume decreased 13.2 percent between 2008 and 2009.

Citizens Bank Flint, Michigan Comparative Loan Mix					
	Dollar Volume (000)			% of Portfolio	
	12/31/2009	12/31/2008	% Change	12/31/2009	12/31/2008
Real Estate					
1-4 Family Residential Construction Loans	167,955	305,666	-45.1%	2.1%	3.4%
Other Construction Loans & Land Development	398,680	499,616	-20.2%	5.1%	5.5%
Farm Land	33,377	49,100	-32.0%	0.4%	0.5%
1-4 Family-Revolving	627,901	679,998	-7.7%	8.0%	7.5%
1-4 Family Residential Secured by First Liens	1,279,640	1,464,779	-12.6%	16.3%	16.2%
1-4 Family Residential Secured by Junior Liens	279,018	344,074	-18.9%	3.6%	3.8%
Multifamily	254,203	293,585	-13.4%	3.2%	3.2%
Loans Secured Owner Occupied NonFarm NonResidential	1,244,649	1,375,126	-9.5%	15.9%	15.2%
Loans Secured by Other NonFarm NonResidential	1,289,376	1,317,966	-2.2%	16.4%	14.6%
Total Real Estate Loans	5,574,799	6,329,910	-11.9%	71.0%	70.0%
Agricultural	21,079	22,331	-5.6%	0.3%	0.2%
Commercial & Industrial	1,210,491	1,559,202	-22.4%	15.4%	17.2%
Loans to Individuals	926,507	968,341	-4.3%	11.8%	10.7%
States & Political Subdivisions	86,955	87,305	-0.4%	1.1%	1.0%
All Other Loans	28,976	57,700	-49.8%	0.4%	0.6%
Lease Financing	583	20,007	-97.1%	0.0%	0.2%
Total Loans & Leases	7,849,390	9,044,796	-13.2%	100.0%	100.0%
<i>Percentages may not total to 100.0 percent due to rounding.</i>					

There are no known legal, financial or other factors impeding the bank's ability to help meet the credit needs in its communities. The bank was rated "Needs to Improve" under the CRA at its previous evaluation dated June 2, 2008.

SCOPE OF EXAMINATION

The bank has 26 assessment areas in three states: 16 in Michigan, eight in Wisconsin, and two in Ohio. It is comprised of whole political subdivisions, such as counties, metropolitan statistical areas, metropolitan divisions, or townships. Since the previous performance evaluation, the bank closed its branch in Hudson, Minnesota, thereby eliminating the bank's presence in the Minneapolis-St. Paul-Bloomington MSA.

Assessment area summaries are presented under the applicable state according to the level of review that they received; this information is presented in the following table.

Assessment Areas and Type of Review		
State	Full Review	Limited Review
Michigan	Warren-Troy-Farmington Hills, MI MD 47644	Battle Creek, MI MSA 12980
	Flint, MI MSA 22420	Bay City, MI MSA 13020
	Saginaw Township North, MI MSA 40980	Holland-Grand Haven, MI MSA 26100
	Lansing-East Lansing, MI MSA 29620	Kalamazoo-Portage, MI MSA 28020
	Jackson, MI MSA 27100	Monroe, MI MSA 33780
	Ann Arbor, MI MSA 11460	Muskegon-Norton Shores, MI MSA 34740
	Detroit-Livonia-Dearborn, MI MD 19820	Non-Metro St. Joseph County MI
	Non-Metro Northern Lower, MI	
Wisconsin	Non-Metro Upper Peninsula, MI	
	Green Bay, WI MSA 24580	Appleton, WI MSA 11540
	Non-Metro Northeast, WI	Duluth-Superior, WI MSA 20260 (Douglas County WI Only)
	Non-Metro South, WI	Milwaukee-Waukesha-West Allis, WI MSA 33340
		Oshkosh-Neenah, WI MSA 36780
Ohio		Non-Metro Polk County WI
	Cleveland-Elyria-Mentor, OH MSA 17460	Akron, OH 10420

Details about each assessment area appear in the individual assessment area sections.

The bank's CRA performance was evaluated in the designated full review assessment areas using the large bank examination procedures. The evaluation was performed in the context of information about the bank and its assessment areas, such as asset size, financial condition, competition and the combined record of the aggregate of lenders in each assessment area, and economic and demographic characteristics. The review period for the evaluation of loans reported under the HMDA and the CRA was January 1, 2008 to December 31, 2009 and for the evaluation of community development activities was January 1, 2008 through October 31, 2010.

The activities in 10 assessment areas received the most consideration for this evaluation based on the following:

- The percentage of branches in each of the assessment areas compared to the total number of bank offices;
- The percentage of HMDA-reportable lending compared to the bank's total HMDA-reportable lending; and
- The percentage of small business and small farm lending in each assessment area compared to the bank's total small business and small farm lending.

As shown in the following table, the 10 assessment areas represent the communities where the majority of the branches are located and the lending occurred. Overall, Michigan's ratings carried more weight than Wisconsin and Ohio.

List of Key Assessment Areas						
Assessment Area	% of Branches	% of Deposit	HMDA % of Total	Small Business % of Total	Small Farm % of Total	% of Total Lending
Warren-Troy- Farmington Hills, MI MD 47644	12.5	12.8	12.7	18.8	0.0	15.2
Flint, MI MSA 22420	9.3	26.2	14.2	13.5	0.0	13.4
Saginaw Township North, MI MSA 40980	6.9	7.1	6.1	10.1	0.6	7.9
Lansing-East Lansing, MI MSA 29620	6.5	5.9	3.7	5.5	0.0	4.4
Jackson, MI MSA 27100	4.2	4.7	5.5	6.1	0.6	5.7
Non-Metro Northern Lower, MI	14.4	11.0	19.6	12.5	8.3	15.9
Green Bay, WI MSA 24580	4.6	2.8	4.0	5.1	13.2	4.8
Non-Metro Northeast, WI	6.9	5.0	5.4	4.7	14.6	5.3
Non-Metro South, WI	5.1	2.7	1.7	2.3	31.8	2.9
Cleveland-Elyria-Mentor, OH MSA 17460	5.6	4.1	2.8	2.8	0.0	2.7
Summary	76.0	82.3	75.7	81.4	69.1	78.2

Loans for home purchase, home and refinance originated and reported under the Home Mortgage Disclosure Act (HMDA) were reviewed to determine Citizens' level of lending in its assessment areas, and for their distribution among geographies and borrowers of different income levels. Multi-family loans were not evaluated because the institution made too few (54) in its combined assessment areas. Small business and small farm loans made and reported under the CRA were reviewed to determine the bank's level of lending within its assessment area, the dispersion of loans throughout its assessment areas, including low-and moderate-income geographies, and for distribution among borrowers of different income and revenue levels. Small farm lending was evaluated for four key assessment areas that had more than 10.0 percent of the total percentage of small farm lending: Non-metropolitan Northern Lower, MI; Green Bay, WI MSA 24580; Non-metropolitan Northeast, WI; and Non-metropolitan South, WI. Small farm lending was not evaluated in the other assessment areas since this product was not a key lending product in those assessment areas. Bank data was also compared to relevant market aggregates and demographic and economic data where available. Community development loans were reviewed for number, amount, complexity and innovativeness.

Qualified investments and grants were reviewed to determine the amount, complexity and innovativeness of the bank's investments, their responsiveness to credit and community development needs and the degree to which the qualified investments are not routinely provided by private investors.

The bank's office locations, hours, products and services offered, as well as the locations of its automated teller machines (ATMs) were reviewed to determine the level of

accessibility the bank has to the individuals and businesses within its assessment areas, particularly, the individuals and businesses from low- or moderate-income geographies. The bank's record of opening and closing branch offices and ATMs was also reviewed.

Examiners interviewed 39 local community representatives to determine the degree of the bank's involvement in the economic and community development of the assessment areas. Community representatives reported that the markets they serve are facing high unemployment, high foreclosure rates, loss of businesses and the lack of lending to businesses and consumers. They also reported that there is a need for more financial literacy, credit counseling, lending to small businesses, start-up companies and consumers.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The following table summarizes Citizens' overall rating and ratings by state.

Citizens Bank Overall Rating & Ratings By State				
	Lending Test	Investment Test	Service Test	Overall
Overall	High Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
Michigan	High Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
Wisconsin	High Satisfactory	Low Satisfactory	Needs to Improve	Satisfactory
Ohio	High Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory

LENDING TEST

Citizens' performance relative to the lending test is rated High Satisfactory. The following factors contributed to this rating: a substantial majority of the loans were made in the bank's assessment area; geographic distribution of small business lending in Michigan was excellent, good in Wisconsin, and adequate in Ohio; geographic distribution of HMDA-lending in Wisconsin was good, but adequate in Michigan and Ohio; borrower distribution of HMDA-lending was excellent in all three states; borrower distribution of small business lending in Wisconsin was good, but adequate in both Michigan and Ohio; and the bank made a relatively high level of community development loans in Michigan and Ohio, but an adequate level in Wisconsin.

Level of Lending Activity

The bank exhibits good responsiveness to credit needs in its assessment areas taking into consideration the number and amount of home mortgage, small business and small farm loans made during the period under review. The bank originated 13,294 home mortgage, small business and small farm loans, totaling \$2.0 billion, during the period under review. The bank's HMDA-reportable home mortgage loans represented over half (50.2 percent) of the loans reviewed during this examination. Refinanced home mortgage loans represented 31.0 percent of the bank's lending, while home purchase loans represented 11.2 percent. Home purchase loans included 1,055 conventional mortgages, 428 FHA loans and three VA loans. Small business lending represented 46.6 percent of the loans reviewed. The bank's lending strategy focuses on middle-market commercial lending; however, loans made to this segment of the market may not be reported as small business or community development loans and therefore are not included in this review. The economic conditions related to the national financial crisis and its local implications have negatively impacted the bank's ability to lend in all assessment areas, most notably in Michigan.

Summary of Lending Activity 2008 & 2009				
Loan Type	#	%	\$ (000s)	%
V HMDA-Home Purchase – Conventional	1,055	7.9	142,100	7.0
HMDA-Home Purchase – FHA	428	3.2	42,377	2.1
HMDA-Home Purchase – VA	3	0.0	472	0.0
<i>HMDA-Home Purchase – Total</i>	<i>1,486</i>	<i>11.2</i>	<i>184,949</i>	<i>9.1</i>
HMDA-Refinance	4,127	31.0	482,606	23.8
Home Improvement	998	7.5	24,697	1.2
HMDA-Multi-family	60	0.5	83,086	4.1
Total HMDA-Reportable Loans	6,671	50.2	775,338	38.2
Total Small Business Loans	6,193	46.6	1,208,385	59.6
Total Small Farm Loans	430	3.2	44,269	2.2
Total Loans	13,294	100.0	2,027,992	100.0

Percentages may not total to 100.0 percent due to rounding.

Assessment Area Concentration

A substantial majority of the bank's lending (91.7 percent) was originated in its assessment areas. The bank originated 90.1 percent of all its HMDA-related loans in its assessment areas and 94.2 percent of its total small business loans. See the table below for more details.

Lending Inside and Outside the Assessment Area								
Loan Type	Inside				Outside			
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
HMDA-Home Purchase	1,291	86.9	153,879	83.1	195	13.1	31,070	16.9
HMDA-Refinance	3,738	90.6	432,660	89.7	389	9.4	49,946	10.3
Home Improvement	923	92.5	21,304	86.3	75	7.5	3,393	13.7
HMDA- Multi-family	57	95.0	81,480	98.1	3	5.0	1,606	1.9
Total HMDA-Reportable Loans	6,009	90.1	688,323	88.9	662	9.9	86,015	11.1
Total Small Business Loans	5,831	94.2	1,123,341	93.0	362	5.8	85,044	7.0
Total Small Farm Loans	354	82.3	37,162	83.9	76	17.7	7,107	16.1
Total Loans	12,194	91.7	1,849,826	91.2	1,100	8.3	178,166	8.8

Geographic and Borrower Distribution

Overall, the geographic distribution of the bank's lending reflects good penetration based on its performance in the Michigan assessment areas. The evaluation of the bank's performance was based on the distributions of HMDA-reportable and CRA-reportable loans made in 2009. In

Michigan, Citizens' record of lending to small businesses in geographies of different income levels was uniformly better than its distribution of home mortgage loans among geographies of different income levels; small business lending was given more consideration in light of the bank's focus on commercial lending.

The bank's record of home mortgage lending to borrowers in geographies of different income levels reflected poor penetration in several larger MSA/MD assessment areas in Michigan, including the following: Warren-Troy-Farmington Hills, MI MD; Flint, MI MSA; Saginaw, MI MSA; and the Detroit-Livonia-Dearborn, MI MD. Management attributed the poorer performance in areas with higher concentrations of LMI geographies to changes in credit underwriting standards that have made it more difficult for many first-time home buyers to qualify for mortgage loans. Citizens' record of making home mortgage loans in LMI geographies affected negatively the overall conclusion for this performance criterion.

Citizens' distribution of loans to consumers and businesses in geographies of different income levels reflected good penetration in the bank's assessment areas in Wisconsin and adequate levels of penetration in its Ohio assessment area.

Overall, Citizens' distribution of loans, in its assessment areas, reflected adequate penetration among businesses of different sizes. The bank's performance in its Michigan assessment areas contributed to the conclusion for this performance criterion; small business lending was given greater consideration based on the bank's focus on commercial lending activities. The bank's record of lending to businesses in Wisconsin and Ohio reflected good and adequate levels of penetration, respectively.

Citizens' record of distribution of home mortgage loans among borrowers of different income levels reflected excellent penetration for the three states in which the bank operates. While bank performance in individual assessment areas varied, Citizens used government-insured, -guaranteed, and -sponsored loan programs to make home mortgage loans more affordable to LMI consumers.

Citizens makes use of flexible lending programs in serving assessment area credit needs by offering federal and state government lending products that benefit low- and moderate-income individuals and communities, as well as small businesses and small farms. These loan programs also target the economic problems that plague the bank's assessment areas, particularly in the state of Michigan, which helped to enhance the bank's performance under the lending test. During the period under review, Citizens participated in the following programs: Farm Service Agency; Rural Housing Services; Veterans' Administration; Michigan State Housing Development Authority; Federal Housing Administration; Federal Home Loan Bank of Indianapolis; and Fannie Mae My Community Mortgage.

Details of the bank's performance under the lending test may be found in the individual assessment area summaries presented under their respective states.

Community Development Lending

The bank made a relatively high level of community development loans in the states of Michigan and Ohio, but an adequate level in the state of Wisconsin. For the scope period, the bank made 43 community development loans totaling \$83,396,000. The majority of the loans benefited assessment areas located in the state of Michigan. Most of the loans were for affordable housing, but the largest dollar amount funded was for economic development projects. Most of the community development loans benefited the assessment areas located in the larger MSA/MDs. There were a few community development loans in non-metropolitan assessment areas.

Qualified Community Development Loans January 1, 2008 – October 31, 2010											
Assessment Area	Affordable Housing		Economic Development		Revitalization and Stabilization		Community Services		Total		
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$
State of Michigan	16	14,310	6	14,230	7	23,950	5	7,649	34	60,139	72.1
State of Wisconsin	2	2,924	3	6,518	0	0	0	0	5	9,442	11.3
State of Ohio	3	8,235	1	5,580	0	0	0	0	4	13,815	16.6
Total	21	25,469	10	26,328	7	23,950	5	7,649	43	83,396	100.0

INVESTMENT TEST

Citizens' performance relative to the Investment Test is rated Low Satisfactory. The bank made an adequate level of community development investments and grants, although rarely in a leadership position. Qualified investments totaled \$44.6 million for this evaluation period; \$43.8 million or 98.3 percent were in the bank's assessment areas. This was a significant increase (64.1 percent) over the previous evaluation.

The majority of the qualified investments were mortgage-backed securities (MBSs) designed to attract funding for mortgages that were made in low- or moderate-income areas or to low- or moderate-income individuals. For this evaluation period, the bank purchased 12 MBSs totaling \$21.8 million, and received credit from prior period purchases of 23 MBSs totaling \$18.4 million.

The qualified investments included grants totaling \$0.6 million, which was a significant decrease from the previous evaluation period. The decrease was attributed to the closing of Citizens Banking Corporation's Charitable Foundation Trust. This trust was a key source for qualified investments for some of the smaller assessment areas, which is now limited to donations made at the branch level. The bank occasionally used innovative or complex qualified investments. The bank exhibited adequate responsiveness to credit and community development needs. Performance in the Michigan assessment areas contributed to the overall rating. Information on the individual assessment areas is discussed separately in this performance evaluation.

SERVICE TEST

Citizens Bank's performance relative to the Service Test is rated Low Satisfactory. The bank's delivery systems are accessible to essentially all portions of the bank's assessment areas. The record of opening and closing branches did not adversely affect the accessibility of its delivery systems, particularly to low- and moderate-income geographies and/or individuals. Services do not vary in a way that inconveniences portions of the assessment area. The level of community development services in the states of Michigan and Ohio were adequate, but limited in Wisconsin. Performance in the assessment areas in Michigan contributed to the overall rating.

Retail Services

The bank has 216 offices, main bank and branch offices combined, located in its combined assessment area: 155 in Michigan, 47 in Wisconsin and 14 in Ohio. Of these offices, 40 or 18.5 percent were located in low- or moderate-income geographies. This was below the percentage of low- and moderate-income census tracts in the combined assessment area, which was 28.3 percent. Details of the bank's locations by income level of the geography are presented in the following table.

Main Bank & Branch Locations by Census Tract Income Level												
Assessment Area	Low Income		Moderate Income		Low- and Moderate- Income Total		Middle Income		Upper Income		Total	
	#	%	#	%	#	%	#	%	#	%	#	% of Total
State of Michigan	9	5.8	25	16.1	34	21.9	93	60.0	28	18.0	155	71.7
State of Wisconsin	1	2.1	4	8.5	5	10.6	36	76.5	6	12.7	47	21.7
State of Ohio	0	0.0	1	7.1	1	7.1	6	42.8	7	50.0	14	6.4
Total	10	4.6	30	13.9	40	18.5	135	62.5	41	18.9	216	100.0
Tract Distribution	270	8.3	648	20.0	918	28.3	1,538	47.5	754	23.3	3,235*	99.2

* There are 25 census tracts included in the bank's assessment areas with unknown income level.

The bank's products and services are accessible through its branch network. The bank's branch offices are reasonably accessible to all portions of its combined assessment areas.

The bank's record of opening and closing branch offices has not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income geographies and/or low- and moderate-income individuals. Since the previous evaluation, the bank opened one branch office in Warrensville Heights, Ohio, which is located in a moderate-income census tract within the Cleveland-Elyria-Mentor, Ohio MSA. The bank closed four branch offices: Pepper Pike branch located in an upper-income census tract in Beachwood, Ohio; Saginaw Private Banking Center located in an upper-income census tract in Saginaw, MI MSA; South Wayne branch located in a middle-income census tract in Lafayette County, Wisconsin; and the Hudson-Wisconsin branch office located in the Minneapolis-St. Paul-Bloomington, MN & WI Multi-state MSA. The Pepper Pike branch office in Beachwood, Ohio, closed the same day that the Warrensville Heights office opened; the two locations are less than four miles apart. The Hudson-Wisconsin branch was located in an upper-income census tract and with its closing the bank is no longer in this multi-state MSA. In addition, the bank relocated two branch offices in the Warren-Troy-Farmington Hills, Michigan MD: the Farmington Hills and Bloomfield Hills branch offices.

Citizens Bank offers a diverse selection of commercial and consumer loan products. The following list provides loan programs offered by the bank that benefit low- or moderate-income individuals and families:

- FHA government assistance program for first-time homebuyers with low- or moderate-income;
- Affordable housing loans with down payment assistance through Michigan State

Housing Development Authority (MSHDA) targeted to low- or moderate-income applicants.

- Fannie Mae My Community Mortgage which offers flexible terms to low- or moderate-income borrowers; and
- Citizens' CRA mortgages offering product and pricing accommodation to applicants with low- or moderate-income and who are from Detroit or Pontiac, Michigan, or Cleveland, Ohio.

In addition, the bank offers various checking and interest-bearing accounts for both personal and business purposes. The bank also offers several options for cash management and investment services, including trust services, private banking, and asset management, all designed to meet the financial services needs of its customers. In addition to the traditional products and services offered, the bank offers the following alternative delivery systems:

- www.citizensbanking.com – Citizens Bank's website provides bank customers with access to many services including loan applications, loan payments, funds transfers, bill payment, account balance inquiries and account set up alerts. In addition, the website allows customers to chat online with a representative.
- Bank-by-Phone – The bank's toll-free automated telephone banking system gives access to checking, savings, and loan accounts, providing balance information and allowing funds transfers. Customer service representatives are available from 7:00 a.m. to 9:00 p.m. Monday through Friday, and 8:00 a.m. to 2:00 p.m. on Saturday.
- Individual Development Accounts – IDAs are savings accounts that provide incentives to low- and moderate-income individuals to save money for a specific goal. The goal of the account can be savings for a down payment on a home, college education or to start a business. The money is matched on a basis of \$2 for every \$3 dollars, subject to certain limits. Citizens Bank plays a major role in this program in the state of Michigan.
- Electronic Benefit Transfer Program (EBT) – The state of Michigan Department of Public Aid issues debit cards that allow users access to Public Aid accounts using ATM machines. This program provides improved access to public aid without the high fees associated with currency exchanges.

Community Development Services

The bank provided an adequate level of community development services in the assessment areas located in the states of Michigan and Ohio, but the level in Wisconsin was limited. Bank staff and officers participated in community development services in various organizations within the assessment areas that included the provision of financial services to organizations that serve individuals with low and moderate incomes, and provide affordable housing. Bank staff and officers participated in 200 community development service activities for a total of 5,503 hours. A complete list of community development services has not been included due to its size; however, a sample of qualified community development services is included in the discussion of the bank's performance within each assessment area that received a full review. The community development services also include 112 affordable housing grants totaling \$705,963 made available to borrowers from the state of Michigan through the Federal Home Loan Bank of Indianapolis.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

MICHIGAN

CRA RATING FOR MICHIGAN: Satisfactory

The Lending Test is rated: High-Satisfactory

The Investment Test is rated: Low-Satisfactory

The Service Test is rated: Low-Satisfactory

The Lending Test rating for the state of Michigan is high satisfactory overall based on a record of lending that reflects good dispersion among geographies of different income levels, good penetration among borrowers of different incomes and sizes, and a relatively high level of community development loans. Citizens Bank makes use of innovative and flexible lending programs, primarily using government –guaranteed, -insured- or sponsored loan programs to promote credit attainability and affordability in its assessment areas. An analysis of the bank’s CRA-reportable small business and small farm lending and its HMDA-reportable home mortgage lending served as the basis for the conclusions under the distribution criteria; small business loans were given more consideration because the bank is primarily a commercial lender.

The Investment Test rating is supported by an adequate level of qualified investments, donations, and grants during the review period. Citizens rarely participates in investments in leadership positions and occasionally makes use of innovative or complex investments to support community development initiatives. Citizens exhibited adequate responsiveness to credit and community development needs in the state of Michigan.

The Service Test rating is supported by retail services being accessible to essentially all portions of the assessment area and changes in the branch and ATM network not adversely affecting the accessibility of the bank’s delivery systems in the state of Michigan. The bank also provides reasonable business hours that do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and individuals. Lastly, the bank provides an adequate level of community development services in the state of Michigan.

SCOPE OF EXAMINATION

Full-scope examination procedures were used to evaluate the Flint, MI MSA 22420 (Flint), Warren-Troy-Farmington Hills, MI MD 47644 (Warren), Saginaw Township North, MI MSA 40980 (Warren), Jackson, MI MSA 27100 (Jackson), Lansing-East Lansing, MI MSA 29620 (Lansing), Detroit-Livonia-Dearborn, MI MD 19804 (Detroit), Ann Arbor, MI MSA 114060 (Ann Arbor), Non-metropolitan Northern Lower, MI, and Non-metropolitan Upper Peninsula, MI assessment areas. Limited review procedures were used to evaluate the remaining assessment areas which include Battle Creek, MI MSA 12980 (Battle Creek), Bay City, MI MSA 13020 (Bay City), Holland-Grand Haven, MI MSA 26100 (Holland), Kalamazoo-Portage, MI MSA 28020 (Kalamazoo), Monroe, MI MSA 337780 (Monroe), Muskegon-Norton Shores, MI MSA 34740

(Muskegon), and Non-metropolitan St. Joseph County, MI. The scope of this section of the examination was consistent with the overall scope of the examination described in the institution summary.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE STATE OF MICHIGAN

Citizens Bank maintains operations in 16 assessment areas throughout the state of Michigan. The bank operates 155 branch offices, 190 automated teller machines (ATMs), and one loan production office throughout the state, including its main office located in the city of Flint. As of June 30, 2010, Citizens Bank maintained a 4.3 percent market share of FDIC-insured deposits, ranking 7th of the 165 FDIC-insured financial institutions with at least one branch office in the state. By comparison, the top three institutions by market share were: JPMorgan Chase Bank N.A. (13.7 percent), Comerica Bank (13.2 percent), and PNC Bank N.A. (9.8 percent).

Details about each assessment area appear in the individual assessment area sections.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MICHIGAN

LENDING TEST

Citizens' performance relative to the lending test in the state of Michigan is rated high satisfactory. The key assessment areas in the state of Michigan that received the most weight were Flint, Warren, Saginaw, Lansing, Jackson, and Non-metropolitan Northern Lower Peninsula. The bank's performance with loans to small farms was considered for the Non-metropolitan Northern Lower Peninsula assessment area.

The geographic distribution of loans in the state of Michigan assessment areas reflected good penetration throughout the assessment area based on an excellent distribution of small business loans and an adequate distribution of HMDA-reportable home mortgage loans. Citizens' record of making loans to borrowers of different incomes and sizes reflected adequate distribution in its assessment areas based on the bank's small business lending activity. Citizens made a relatively high level of community development loans.

Geographic Distribution of Loans

Citizens' performance under the geographic distribution criterion reflects good penetration throughout its assessment areas based primarily on its lending to small businesses. The distribution of the bank's small business loans reflected excellent dispersion among geographies of different income levels. Performance may have varied for individual assessment areas, but was excellent overall. Citizens' geographic distribution of HMDA-reportable home mortgage loans Michigan reflects adequate penetration throughout its assessment areas. The distribution of home mortgage loans reflected excellent penetration in the Northern Lower Peninsula assessment area and poor penetration in the Flint MI, MSA, Warren, MI MD, Saginaw, MI MSA, and Detroit, MI MD assessment areas. The four assessment areas with poor geographic distribution represented approximately 90.3 percent of the bank's community development lending activity in the state of Michigan. The bank's community development lending is discussed below.

Small business lending was given more consideration for this analysis because commercial lending is the primary focus of the bank. More information about the bank's performance may be found in the individual assessment area summaries.

Lending to Borrowers of Different Income Levels and to Businesses and Farms of Different Sizes

The distribution of loans by borrower income levels or sizes reflected good penetration among individuals of different income levels and businesses of different sizes. The conclusion is based primarily on the distribution of the bank's small business loans which was adequate across Michigan assessment areas but positively impacted by an excellent record of lending to individuals of different income levels through its consumer mortgage lending program. Citizens Bank exhibits a good record of serving the credit needs of low-income individuals and areas and very small businesses. Citizens Bank makes use of innovative and flexible lending programs to help meet the credit needs of LMI individuals, in LMI areas and among smaller businesses. Most of the bank's flexible lending programs represent participations in government –guaranteed, -insured- or –sponsored loan programs.

Community Development Lending Activities

Citizens Bank made a relatively high level of community development loans in the state of Michigan during the review period. Citizens performed adequately or better in the majority of full review assessment areas, with excellent performance in the Saginaw MI MSA assessment area and good records of performance in the Flint and Warren MI, MSA/MD assessment areas. However, two assessment areas had no community development loans.

Community development lending included 34 loans totaling \$60.1 million, an increase from the previous evaluation where the bank originated 17 qualifying loans totaling \$48.9 million.

Michigan Qualified Community Development Loans January 1, 2008 – October 31, 2010											
Assessment Area	Affordable Housing		Economic Development		Revitalization and Stabilization		Community Services		Total		
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	**	\$ (000's)	% of Total \$
Full Review:											
Flint	0	0	1	2,880	3	5,750	1	1,900	5	10,530	17.5
Warren	4	9,780	2	5,225	0	0	2	3,600	8	18,605	30.9
Non-Metro Northern Lower	0	0	0	0	0	0	0	0	0	0	0.0
Saginaw	1	21	2	5,050	2	15,500	0	0	5	20,571	34.2
Jackson	1	58	0	0	0	0	2	2,149	3	2,207	3.7
Lansing	5	1,520	0	0	0	0	0	0	5	1,520	2.5
Detroit	0	0	0	0	1	2,000	0	0	1	2,000	3.3
Ann Arbor	3	772	1	1,075	0	0	0	0	4	1,847	3.1
Non-Metro Upper Peninsula	0	0	0	0	0	0	0	0	0	0	0.0
Limited Review:											
Battle Creek	0	0	0	0	0	0	0	0	0	0	0.0
Bay City	1	59	0	0	0	0	0	0	1	59	0.1
Holland	0	0	0	0	0	0	0	0	0	0	0.0
Kalamazoo	0	0	0	0	0	0	0	0	0	0	0.0
Monroe	0	0	0	0	0	0	0	0	0	0	0.0
Muskegon	0	0	0	0	0	0	0	0	0	0	0.0
Non-Metro St. Joseph Co	1	2,100	0	0	1	700	0	0	2	2,800	4.7
Total	16	14,310	6	14,230	7	23,950	5	7,649	34	60,139	100.00

INVESTMENT TEST

Citizens Bank's performance relative to the Investment Test in the state of Michigan is rated low-satisfactory based on an adequate level of qualified investments, donations, and grants during the review period, but rarely in a leadership position. Additionally, the bank occasionally uses innovative and/or complex investments to support community development initiatives and exhibits adequate responsiveness to credit and community development needs in the state of Michigan.

The bank funded \$13.1 million in qualified investments for this review period in the state of Michigan: \$12.5 million in MBSs; and \$.6 million in donations and grants. The majority of the donations were to organizations that provide community services and affordable housing to low- and moderate-income individuals in the state of Michigan. Consideration for \$.3 million was also given for a public school bond located in the Saginaw MI MSA assessment area that

was funded in 2001. There were also several prior period MBSs with current balances that received consideration under the investment test for the combined assessment area. The amount of credit for the state of Michigan could not be determined based on the data provided from the bank. Current balance data was limited to the aggregate of the MBS pool.

All but two full review assessment areas performed adequately. The performance in the Warren assessment area was good and performance in the non-metropolitan Upper Peninsula assessment area was poor. The non-metropolitan and many of the smaller MSA assessment areas were negatively affected by the closing of Citizens Banking Corporation Charitable Foundation Trust, which was a key source for donations during previous evaluation periods. As a result, Citizens is limited to donations made at the branch level in many of its smaller assessment areas.

SERVICE TEST

Citizens Bank's performance relative to the Service Test in the state of Michigan is rated Low Satisfactory based on retail services being accessible to essentially all portions of the assessment area and changes in the branch and ATM network not adversely affecting the accessibility of the bank's delivery systems. The bank also provides reasonable business hours that do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and individuals. The bank provides an adequate level of community development services in the state of Michigan.

Retail Services

Retail services are accessible to essentially all portions of the assessment area and changes in the branch and ATM network did not adversely affect the accessibility of the bank's delivery systems in the state of Michigan. The bank had 155 branches located in the state of Michigan with 34 or 21.9 percent located in low- or moderate-income geographies. The table below provides a breakdown of the branch distribution by income level of the geography. Seven of the assessment areas compared very favorably when compared to the percentage of branches to geographies by income levels: Saginaw, Jackson, Ann Arbor, Bay City, Holland, Non-metropolitan North Lower Peninsula and Non-metropolitan Upper Peninsula. Banking services are also available through the bank's call center and 24 hours/seven days a week by automated account systems, online banking, ATM network and the bank's website. The bank provides reasonable business hours that do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and individuals.

Michigan Branch Locations by Census Tract Income Level												
Assessment Area	Low Income		Moderate Income		Low- and Moderate-Income Total		Middle Income		Upper Income		Total	
	#	%	#	%	#	%	#	%	#	%	#	% of Total
Full Review:												
Flint	2	10.0	3	15.0	5	25.0	10	50.0	5	25.0	20	12.9
Warren	1	3.7	4	14.8	5	18.5	17	63.0	5	18.5	27	17.4
Non-Metro North Lower Peninsula	0	0.0	7	22.6	7	22.6	20	64.5	4	12.9	31	20.0
Saginaw	2	13.3	2	13.3	4	26.7	8	53.3	3	20.0	15	9.7
Jackson	2	22.2	2	22.2	4	44.5	3	33.3	2	22.2	9	5.8
Lansing	0	0.0	0	0.0	0	0.0	10	71.4	4	28.6	14	9.0
Detroit	0	0.0	0	0.0	0	0.0	0	0.0	4	100.0	4	2.6
Ann Arbor	2	33.3	0	0.0	2	33.3	4	66.7	0	0.0	6	3.9
Non-Metro Upper Peninsula	0	0.0	4	30.8	4	30.8	9	69.2	0	0.0	13	8.4
Limited Review:												
Battle Creek	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	1	0.6
Bay City	0	0.0	2	40.0	2	40.0	3	60.0	0	0.0	5	3.2
Holland	0	0.0	1	50.0	1	50.0	1	50.0	0	0.0	2	1.3
Kalamazoo	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	1	0.6
Monroe	0	0.0	0	0.0	0	0.0	2	100.0	0	0.0	2	1.3
Muskegon	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0	1	0.6
Non-Metro St. Joseph Co	0	0.0	0	0.0	0	0.0	4	100.0	0	0.0	4	2.6
Total	9	5.8	25	16.1	34	21.9	93	60.0	28	18.1	155	100.0

During the review period, Citizens closed one branch office in the Saginaw MI MSA assessment area; the branch was located in an upper-income census tract. The change in the bank's branch network did not adversely affect its accessibility, particularly to LMI areas and for LMI populations.

Community Development Services

The bank provides an adequate level of community development services in the state of Michigan. The majority of the services were provided to organizations that deliver community

services and affordable housing to low- and moderate-income individuals in the state of Michigan. The bank performed adequately or better in the majority of assessment areas subject to a full review. Specifically, Citizens' record of performance in the Flint MI MSA assessment area was excellent, while its records in the Non-metropolitan Northern Lower MI assessment area and Saginaw MI MSA assessment area were good. Performance in the Non-metropolitan Upper Peninsula assessment area was poor.

Service activity increased from the previous evaluation where the bank had 4,461 qualified service hours in the same assessment areas. Community development services also included applying for and distributing 112 grants through the FHLB's Affordable Housing Grant Program. The grants which totaled \$705,963 were made available to borrowers from the state of Michigan through the Federal Home Loan Bank of Indianapolis and distributed by Citizens Bank.

Michigan Qualified Community Development Services January 1, 2008 – October 31, 2010											
Assessment Area	Affordable Housing		Economic Development		Revitalization and Stabilization		Community Services		Total		
	#	Hours	#	Hours	#	Hours	#	Hours	#*	Hours	% of Total Hours
Full Review:											
Flint	18	1,721	13	253.5	6	75.5	36	1,127	68	3,177	63.2
Warren	3	54.5	2	26.5	0	0	10	120	14	201	4.0
Non-Metro Northern Lower	0	0	2	9.5	0	0	14	136.5	15	146	2.9
Saginaw	3	44	4	53	2	23	22	641	28	761	15.1
Jackson	1	18	3	19	0	0	3	44	6	81	1.6
Lansing	3	64	5	36	0	0	11	62	18	162	3.2
Detroit	3	11	3	13	1	1	13	213	19	238	4.7
Ann Arbor	2	57	0	0	0	0	3	39	5	96	1.9
Non-Metro Upper Peninsula	0	0	0	0	0	0	5	55	5	55	1.1
Limited Services:											
Battle Creek	0	0	0	0	0	0	1	33	1	33	.6
Bay City	0	0	0	0	0	0	5	53	5	53	1.1
Holland	0	0	0	0	0	0	0	0	0	0	0
Kalamazoo	0	0	2	7	0	0	0	0	2	7	.2
Monroe	0	0	0	0	0	0	1	3	1	3	0
Muskegon	0	0	0	0	0	0	2	7	2	7	.2
Non-Metro St Joseph Co	0	0	0	0	0	0	2	10	2	10	.2
Total	33	1969.5	34	417.5	9	99.5	128	2,543.5	191	5,030	100.0

METROPOLITAN AREAS - *(Full Review)*

DESCRIPTION OF INSTITUTION'S OPERATIONS IN FLINT, MICHIGAN MSA 22420 ASSESSMENT AREA

Citizens' operations in the Flint, MI MSA assessment area are managed through 20 branch offices and augmented by 35 automated teller machines. As of June 30, 2010, Citizens Bank maintained a 49.6 percent market share of FDIC-insured deposits, ranking 1st of the 15 FDIC-insured financial institutions with at least one branch office in the Flint MSA. By comparison, the next two institutions by market share were: JPMorgan Chase Bank N.A., 21.9 percent and Fifth Third Bank, 6.3 percent.

The Flint assessment area consists of 131 census tracts throughout Genesee County in eastern Michigan. The largest city in Genesee County is Flint, Michigan. The following table provides selected demographic information for the assessment area. The information is based on 2000 Census data and 2009 Dun & Bradstreet business data.

Assessment Area Demographics								
Income Categories	Tract Distribution		Number of Families in Tract		Families Below Poverty Level as % of Families by Tract		Number of Families Based on Family Income	
	#	%	#	%	#	%	#	%
Low-income	19	14.5	13,017	11.1	4,482	34.4	25,838	22.1
Moderate-income	21	16.0	19,626	16.8	3,547	18.1	19,957	17.1
Middle-income	53	40.5	47,760	40.9	2,843	6.0	23,928	20.5
Upper-income	38	29.0	36,481	31.2	1,058	2.9	47,161	40.3
TOTALS	131	100.0	116,884	100.0	11,930	10.2	116,884	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	23,920	9,407	7.6	39.3	10,377	43.4	4,136	17.3
Moderate-income	32,906	19,838	15.9	60.3	9,928	30.2	3,140	9.5
Middle-income	76,497	53,235	42.8	69.6	18,947	24.8	4,315	5.6
Upper-income	50,307	41,907	33.7	83.3	6,186	12.3	2,214	4.4
TOTALS	183,630	124,387	100.0	67.7	45,438	24.7	13,805	7.5
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Under \$1 million		Over \$1 million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	1,694	9.1	1,515	8.9	96	11.1	83	11.7
Moderate-income	2,199	11.8	2,029	11.9	85	9.8	85	12.0
Middle-income	8,762	47.0	7,885	46.2	487	56.5	390	55.0
Upper-income	5,976	32.1	5,630	33.0	195	22.6	151	21.3
TOTALS	18,631	100.0	17,059	100.0	863	100.0	709	100.0
	Percentage of Total Businesses			91.6		4.6		3.8
Source: 2000 Census & 2009 Dunn & Bradstreet information.								
<i>Percentages may not total to 100.0 percent due to rounding.</i>								

Population Characteristics

The estimated 2009 population for the MSA is 424,043 people, which is a decrease from the 2000 Census of 436,141. The largest city within the assessment area is Flint, with a population of 111,475 in 2009 compared to 124,943 in 2000.

Population Changes 2000 Census vs. July 1, 2009			
Area	2000 Census	2009 Estimates	Percentage Change
Assessment Area	436,141	424,043	(2.8%)
State of Michigan	9,938,444	9,969,727	0.3%
<i>Source: U.S. Census Bureau</i>			

Income Characteristics

The following table shows the 2009 estimated median family income compared to the 2000 Census for the Flint MSA. The median family income for the assessment area increased at a slightly lower rate than for the state of Michigan.

Median Family Income Changes 2000 Census vs. 2009			
Area	2000 Census	2009 Estimates	Percentage Change
Assessment Area	\$50,096	\$58,500	16.8%
State of Michigan	\$53,457	\$63,800	19.3%
<i>Source: U.S. Department of Housing and Urban Development</i>			

Bankruptcy filing rates have dropped significantly from a high of 12.75 per 1,000 in population in 2005 to a rate of 9.97 in 2009, according to the Administrative Office of the U.S. Courts. Overall, however, the county ranks the highest of 83 counties in the state in bankruptcy filings under this methodology.

Housing Characteristics

The following table provides housing costs in the assessment area compared to the state of Michigan.

Housing Costs				
Area	Median Housing Value	Median Gross Rent	Fair Market Rent *	Affordability Ratio
Assessment Area	\$90,826	\$508	\$628	.45
State of Michigan	\$110,300	\$546		.40
<i>2000 United States Census Data;</i>				
<i>*Department of Housing and Urban Development</i>				

An area with a high ratio generally has more affordable housing than an area with a low ratio. The affordability ratios in the preceding table indicate that housing is generally more affordable in the Flint MSA with a ratio of .45, compared to the state of Michigan with a ratio of .40.

Home sales and home prices have gradually declined in the assessment area over the past several years, according to information obtained from the website www.city-data.com. Home sales were highest during the third quarter of 2005 at approximately 1,000 sales but declined significantly by the fourth quarter of 2010 to under 300 homes sold. Prices have also declined during this time from approximately \$75,000 to \$69,000. For comparison purposes, the website noted that the median house value in 2009 was \$56,200 for the assessment area, which is a decrease from \$90,826 in the preceding table, while the state average was \$132,200, an increase of \$21,900 from 2000.

Housing permits in the Flint assessment area have declined by 57.0 percent in 2008 and only 5.4 percent in 2009. During the course of the same period, housing permits declined by approximately 43.0 percent and 34.0 percent, respectively, in the state and by more than 35.0 percent in both 2008 and 2009 for the country, according to the National Association of Realtors.

Foreclosure rates in the assessment area are some of the highest in the state, with 5,612 homes in foreclosure as of November 2010, according to the website www.realtytrac.com. This represents a foreclosure rate of one in every 230 housing units in the assessment area. For comparison, the state of Michigan had 19,288 homes in foreclosure as of November 2010 which represents one in every 235 housing units. The high number of foreclosures is a result of high unemployment; future employment opportunities are currently unknown in the Flint MI MSA.

Labor and Employment

The Flint MI MSA offers a wide range of employers with trade and transportation, manufacturing and healthcare making up the largest industries. In May and June of 2009, Genesee County lost 2,400 jobs from manufacturing and 1,300 from government positions, for a total of 3,600 jobs. The following table lists the areas' top employers.

Largest Employers in the Assessment Area	
Company	Industry
General Motors	Automotive
Hurley Medical Center	Health Care
Delphi Corporation	Automotive
McLaren Health Care Corporation	Health Care
Baker College	Education
Meijer	Retail
Citizens Republic Banking Corporation	Banking
<i>Source: Harris InfoSource</i>	

Unemployment

The unemployment rate in the assessment area increased 4.2 percent between 2008 and 2009 and was 13.0 percent in October 2010. The trends show higher rates compared to the state of Michigan over the same period. The following table provides detailed information for the Flint MSA and the state of Michigan.

Unemployment Statistics			
Area	October 2010 (%)	2009 (%)	2008 (%)
Assessment Area	13.0	14.4	10.2
State of Michigan	10.9	13.4	8.3
United States	9.0	9.3	5.8

Source: United States Department of Labor – Bureau of Labor Statistics

Two community representatives were contacted representing community and philanthropic development. The contacts stated that the city of Flint and all of Genesee County are experiencing a very distressed economy with high unemployment. There is such an abundance of vacant properties on the city's north side that Flint has considered shrinking its city limits. However, the area has seen some new business development with new restaurants, a full-service grocery store, and a bio-treatment plant.

Opportunities exist for lenders to offer startup capital to attract more businesses to the area. Financial institutions have opportunities to participate in the revitalization of the downtown Flint area through commercial acquisition and rehabilitation funding programs and promoting small business growth. Additional resources dedicated to keeping families in their homes through counseling and loan modifications are also needed. The bank was mentioned as an active participant in community development in the assessment area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN FLINT, MI MSA ASSESSMENT AREA

LENDING TEST

Geographic distribution reflects good penetration in the assessment area based on excellent penetration of small business loans throughout the assessment area; the distribution of home purchase and refinanced home loans reported under the HMDA reflected poor dispersion throughout the assessment area and had a negative impact on the overall conclusion for this performance criterion. The distribution of loans among borrowers of different incomes and sizes reflects good penetration based on the distribution of loans to small businesses. The bank made a relatively high level of community development loans.

Geographic Distribution

The geographic distribution of HMDA-lending for home purchase and refinances was poor, but excellent for home improvement loans. The geographic distribution reflects excellent penetration of small business throughout the assessment area.

Home Mortgage Lending

In 2009, Citizens made the largest number of home mortgage loans of all types combined to borrowers from upper-income geographies. Its performance by percentage of the dollar volume of loans made exceeded the percentages of dollars made by the aggregated lenders and the percentage of owner-occupied housing units in the assessment area. The percentage of the bank's home mortgage loans in upper-income geographies exceeded the percentage of owner-occupied housing units but not the percentage of loans originated by the aggregated lenders. The bank's lending to borrowers from middle-income census tracts was consistent with both the record of the aggregated lenders and the demographics, generally. Citizens' overall performance among borrowers from low- and moderate-income geographies reflected adequate penetration based on the strength of the bank's home improvement lending program. Overall, the bank's lending to borrowers from LMI geographies exceeded the aggregated lenders and the demographics when comparing activity by percentages.

Home Purchase Loans

In 2009, Citizens' record of making home purchase loans to borrowers from geographies of different income levels reflected poor penetration, particularly among LMI geographies. The assessment area experienced both high levels of unemployment and high rates of foreclosure during the period under review. In light of the economic conditions in its Flint MI MSA assessment area, Citizens engaged in a relatively high level of community development lending. This lending was focused on activities designed to revitalize and stabilize LMI areas as well as alleviate economic distress through job creation. This activity is discussed more fully below.

Refinanced Home Loans

In 2009, Citizens outperformed the aggregated lenders and demographics in refinancing home loans for borrowers in upper-income geographies. The bank's performance among borrowers from middle-income geographies was consistent with the aggregated lenders and demographics. However, the bank did not serve borrowers from moderate-income geographies consistent with the percentage of owner-occupied housing units in the moderate-income geographies or with the aggregated lenders. The bank did not make any refinances to borrowers from low-income geographies. The distribution of the bank's refinanced home mortgage loans reflects poor penetration among geographies of different income levels, particularly LMI geographies.

Home Improvement Loans

The distribution of home improvement loans among geographies of different income levels reflects good dispersion throughout the assessment area. The bank made home improvement

loans among borrowers from low-, moderate-, middle- and upper-income geographies consistent with the percentages of owner-occupied housing. In LMI geographies, the bank exceeded the record of lending achieved by the aggregated lenders. In 2009, home improvement loans represented approximately 17.5 percent of Citizens' home mortgage lending.

Home Mortgage Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Owner- Occupied Housing
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	0	0.0	0	0.0	0.8	0.4	7.6
Moderate	8	7.5	251	2.4	5.7	3.2	15.9
Middle	53	50.0	3,528	34.0	42.5	34.4	42.8
Upper	45	42.5	6,600	63.6	51.0	62.0	33.7
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	106	100.0	10,379	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	0	0.0	0	0.0	1.5	0.7	7.6
Moderate	15	6.0	592	2.3	5.5	2.8	15.9
Middle	96	38.2	6,022	23.0	38.1	31.9	42.8
Upper	140	55.8	19,530	74.7	54.9	64.5	33.7
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	251	100.0	26,144	100.0	100.0	100.0	100.0
Home Improvement Loans							
Low	8	10.5	76	11.6	5.8	2.4	7.6
Moderate	11	14.5	64	9.8	13.5	6.0	15.9
Middle	33	43.4	260	39.6	40.7	37.8	42.8
Upper	24	31.6	256	39.0	40.0	53.8	33.7
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	76	100.0	656	100.0	100.0	100.0	100.0
Multifamily Loans							
Low	0	0.0	0	0.0	14.3	51.0	7.6
Moderate	0	0.0	0	0.0	14.3	1.5	15.9
Middle	2	100.0	736	100.0	28.6	14.6	42.8
Upper	0	0.0	0	0.0	42.8	32.9	33.7
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	2	100.0	736	100.0	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	8	1.8	76	0.2	1.4	0.8	7.6
Moderate	34	7.8	907	2.4	5.8	3.0	15.9
Middle	184	42.3	10,546	27.8	40.0	32.8	42.8
Upper	209	48.1	26,386	69.6	52.8	63.4	33.7
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	435	100.0	37,915	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Small Business Lending

Citizens Bank achieved excellent dispersion of small business loans throughout its assessment area, including low- and moderate-income geographies within the assessment area. The

majority of the bank’s small business lending took place in middle-income census tracts which is consistent with both the percentage of loans originated by the aggregated lenders and the percentage of businesses located in the middle-income geographies.

In 2009, Citizens Bank made 25.0 percent of its loans to small businesses to entities in LMI geographies in this assessment area. This percentage of loans exceeded the percentage of businesses located in LMI geographies (20.9 percent) and the percentage of loans made by the aggregated lenders (18.0 percent). Citizens’ 2008 record of lending to businesses in geographies of different income levels was consistent with its performance in 2009.

Small Business Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Businesses by Census Tract Income Level
	#	%	\$	%	# %	\$ %	%
Low	40	14.1	6,993	11.7	7.4	6.4	9.1
Moderate	31	10.9	8,618	14.4	10.6	12.1	11.8
Middle	131	46.1	29,495	49.3	45.9	49.4	47.0
Upper	82	28.9	14,672	24.6	34.9	31.6	32.1
Tract Unknown	0	0.0	0	0.0	1.2	0.5	0.0
Total	284	100.0	59,778	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Distribution by Borrower Income and Revenue Size of the Business

The distribution of borrowers reflects excellent penetration among individuals of different income levels and adequate among businesses of different sizes. Citizens Bank exhibits a good record of serving the credit needs of low-income individuals and areas and very small businesses. The bank makes use of innovative and flexible lending programs to enhance its ability to help meet the credit needs of its assessment area.

Home Mortgage Lending

Borrower distribution of home mortgage loans reflects excellent penetration among individuals of different income levels. Citizens originated the largest portion of its home mortgage loans to upper-income individuals, 38.2 percent of its lending by number; refinances drove this outcome. Refinances represented 57.7 percent of the bank’s home mortgage lending in 2009. When the bank’s performance is reviewed by product, the majority of home purchase loans (51.9 percent) were originated to low- and moderate-income individuals. The following table

presents the number, dollar volume and percentages of loans by type originated by the bank to individuals by income level in comparison to the lending record of the aggregated lenders and percentages of families by income level.

Overall in 2009, Citizens Bank achieved percentages of loans among individuals by income level that were consistent with the demographics for the assessment area and exceeded the aggregated lenders in serving LMI individuals. By type of loan, the bank's home purchase and home improvement loans were equitably distributed among the income categories evaluated. However, its refinance activity benefited more upper-income individuals by percentage of loan than the percentage of upper-income families in the assessment area.

Home Mortgage Lending, 2009 Borrower Distribution (000's)							
Income Level of the Borrower	Bank Loans				Aggregate of All Lenders		Families by Income Level
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	29	27.4	1,334	12.9	14.2	8.8	22.1
Moderate	26	24.5	2,003	19.3	24.2	20.6	17.1
Middle	25	23.6	2,180	21.0	22.2	24.4	20.5
Upper	26	24.5	4,862	46.8	16.8	26.3	40.3
Unknown	0	0.0	0	0.0	22.6	19.9	0.0
Total	106	100.0	10,379	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	24	9.6	1,171	4.5	6.0	3.5	
Moderate	54	21.5	4,314	16.5	14.7	10.4	
Middle	50	19.9	4,241	16.2	19.0	17.2	
Upper	122	48.6	16,222	62.0	27.6	34.7	
Unknown	1	0.4	196	0.8	32.7	34.2	
Total	251	100.0	26,144	100.0	100.0	100.0	
Home Improvement Loans							
Low	19	25.0	101	15.4	10.3	6.3	
Moderate	18	23.7	181	27.6	29.2	24.0	
Middle	19	25.0	131	20.0	27.6	28.3	
Upper	18	23.7	234	35.7	26.6	36.4	
Unknown	2	2.6	9	1.3	6.3	5.0	
Total	76	100.0	656	100.0	100.0	100.0	
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	0	0.0	0	0.0	0.0	0.0	
Middle	0	0.0	0	0.0	0.0	0.0	
Upper	0	0.0	0	0.0	0.0	0.0	
Unknown	2	100.0	736	100.0	100.0	100.0	
Total	2	100.0	736	100.0	100.0	100.0	
Total Home Mortgage Loans							
Low	72	16.6	2,606	6.9	9.6	5.4	
Moderate	98	22.5	6,498	17.1	19.1	14.2	
Middle	94	21.6	6,552	17.3	20.7	19.9	
Upper	166	38.2	21,318	56.2	23.0	31.5	
Unknown	5	1.1	941	2.5	27.6	29.0	
Total	435	100.0	37,915	100.0	100.0	100.0	

Percentages may not total to 100.0 percent due to rounding.

Small Business Lending

The distribution of small business loans reflects adequate penetration among businesses of different sizes. The bank's 2009 small business lending results are presented in the following

table with percentages of aggregated lender activity and percentages of businesses by annual revenues for comparisons. Overall, the majority of the bank's loans to small businesses were made to entities with revenues of \$1 million or less. Of those loans, the majority had original loan amounts of \$100,000 or less. The bank's record shows that it made a higher percentage of loans to smaller businesses in the assessment area than the aggregated lenders originated overall.

Small Business Loan Distribution, 2009 By Revenue and Loan Size (000's)							
Category	Bank Loans				Aggregate of All Lenders		Businesses By Annual Revenues
	#	%	\$	%	# %	\$ %	# %
By Revenue							
\$1 Million or Less	143	50.4	20,987	35.1	15.4	29.0	91.6
Over \$1 Million	129	45.4	37,330	62.4	*	*	4.6
Not Known	12	4.2	1,461	2.4	*	*	3.8
Total	284	100.0	59,778	100.0	*	*	100.0
By Loan Size							
\$100,000 or less	142	50.0	7,413	12.4	93.6	31.1	
\$100,000 - \$250,000	66	23.2	11,687	19.6	3.0	15.1	
\$250,000 - \$1 Million	76	26.8	40,678	68.0	3.4	53.8	
Total	284	100.0	59,778	100.0	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	89	62.2	3,815	18.2	*	*	
\$100,000 - \$250,000	33	23.1	5,580	26.6	*	*	
\$250,000 - \$1 Million	21	14.7	11,592	55.2	*	*	
Total	143	100.0	20,987	100.0	*	*	
* Data Unavailable Percentages may not total to 100.0 percent due to rounding.							

Community Development Loans

Citizens Bank made a relatively high level of community development loans in the Flint assessment area, originating five loans totaling \$10.5 million during the period under review. The loans helped revitalize and stabilize low- and moderate-income geographies and provide community services to low- and moderate-income individuals. The bank also helped to fund the creation/retention of 82 jobs through use of the SBA 504 CDC loan program. Another loan was made to a business under the Michigan Cities of Promise program, which aims to re-develop communities and reduce poverty in distressed cities. The bank's performance was comparable to prior year levels as four community development loans totaling \$13.8 million were originated in the Flint assessment area during the previous evaluation. Community

contacts stated that Citizens Bank plays an active role in fostering community development in the city of Flint.

INVESTMENT TEST

Citizens Bank made an adequate level of qualified investments, donations, and grants in the Flint assessment area during the review period, particularly those not routinely provided by private investors. Citizens rarely participated in a leadership position. Additionally, the bank makes rare use of innovative and/or complex investments to support community development initiatives and exhibits adequate responsiveness to credit and community development needs.

Qualifying investments were \$506,376 for this evaluation period, which included MBS pools with two underlying loans totaling \$258,641 that benefitted low- and moderate-income individuals in the Flint assessment area. The bank also made 32 qualified donations and grants totaling \$247,735 during the review period. The majority of the donations were to organizations that provide community services and affordable housing to low- and moderate-income individuals in the assessment area. Among the organizations receiving donations were United Way of Genesee County, Hurley Medical Center, and the Greater Flint Health Coalition. Donations included a bank-owned residential real estate property to the Salem Housing CDC. The property had a fair market value of \$14,000.

SERVICE TEST

Performance relative to the service test is excellent. Retail services are accessible to essentially all portions of the assessment area and changes in the branch and ATM network did not adversely affect the accessibility of its delivery systems. The bank provides reasonable business hours that do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and individuals. The bank is a leader in providing community development services in the assessment area.

Retail Services

The Flint assessment area consists of 131 census tracts, including 19 (14.5 percent) low- and 21 (16.0 percent) moderate-income geographies. The bank operates 20 branch offices in the assessment area, two are located in low- and three are located in moderate-income census tracts within the city of Flint and suburb of Mount Morris. The bank's main office is also located in a low-income census tract in this assessment area in downtown Flint. The majority of branch offices are equipped with a full-service ATM. There are a total of 35 ATMs, 23 full-service and 12 cash only, throughout the assessment area, including four each in low- and moderate-income geographies. The percentage of branch offices in low-income geographies (10.0 percent) is slightly below the percentage of low-income census tracts in the assessment area, while comparable to the percentage of families (11.1 percent) located in these census tracts. The

percentage of branch offices in moderate-income (15.0 percent) geographies is comparable to the percentage of moderate-income census tracts and the percentage of families (16.8 percent) located in the census tracts. All branch offices are accessible to essentially all portions of the assessment area, including low- and moderate-income individuals and geographies. Some branch locations are also available via public transportation. The bank's record of opening and closing branch offices and ATMs has not adversely affected the accessibility of delivery systems, particularly to low- and moderate-income individuals and geographies. No branch offices have been opened or closed since the previous evaluation, while three ATMs have been opened and four have been closed since the previous evaluation, all in middle- and upper-income geographies.

Branch hours vary by location, but are typically open between 9:00 a.m. and 5:00 p.m., Monday through Thursday, and 9:00 a.m. to 6:00 p.m. on Friday. Multiple locations also provide drive-through services between 9:00 a.m. and 12:30 p.m. on Saturdays. Business hours and banking services are reasonable and do not vary in a way that inconveniences low- and moderate-income individuals or geographies. All loan products are available via walk-in service or by appointment. Alternative delivery systems include ATMs, internet banking, call center telephone and chat options, and bank by phone services, available 24 hours a day for balance inquiry, account transfers, and bill pay.

Community Development Services

Citizens Bank is a leader in providing community development services in the Flint assessment area as employees participated in 68 qualified services totaling 3,177 hours during the review period. The majority of the services provided community services and affordable housing to low- and moderate-income individuals in the assessment area. Please refer to the table in the state of Michigan section for detailed information on the community development purpose supported by the qualifying services.

Examples of some of the services that had a significant impact to the area include the following. A community development officer is responsible for the administration of affordable housing grants and neighborhood improvement funds through the Federal Home Loan Bank. During the review period, the neighborhood improvement funds totaled over \$473,000. In addition, bank employees served on a board of managers for a medical center that is located in a low-income census tract. Lastly, two branch locations partnered with a local elementary school located in a low-income census tract to offer weekly deposit taking and account processing services to local residents. The number of qualified services and hours helped provide essential services to local residents and businesses, including LMI individuals and areas.

The bank's performance improved over the prior review period as 50 community development services totaling 1,648 hours were given credit in the Flint MSA assessment area during the previous examination.

METROPOLITAN AREAS – *(Full Review)*

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE SAGINAW, MICHIGAN METROPOLITAN STATISTICAL AREA

Citizens' operations in the Saginaw MSA are managed through 15 branch offices and augmented by 17 automated teller machines. As of June 30, 2010, Citizens Bank maintained a 30.5 percent market share of FDIC-insured deposits, ranking 1st of the 16 FDIC-insured financial institutions with at least one branch office in the Saginaw MI MSA. By comparison, the next two institutions by market share were PNC Bank National Assn., 14.0 percent, and Bank of America N.A., 10.9 percent.

The Saginaw MI MSA assessment area consists of 56 census tracts throughout Saginaw County in eastern Michigan. The largest city in Saginaw County is the city of Saginaw with a population of 55,238.

The demographic information for the Saginaw assessment area is provided in the following table.

Assessment Area Demographics								
Income Categories	Tract Distribution		Number of Families in Tract		Families Below Poverty Level as % of Families by Tract		Number of Families Based on Family Income	
	#	%	#	%	#	%	#	%
Low-income	8	14.3	6,500	11.6	2,561	39.4	12,137	21.6
Moderate-income	7	12.5	5,686	10.1	1,312	23.1	9,748	17.3
Middle-income	31	55.3	31,073	55.3	1,957	6.3	11,381	20.3
Upper-income	10	17.9	12,900	23.0	355	2.8	22,893	40.8
TOTALS	56	100.0	56,159	100.0	6,185	11.0	56,159	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	10,592	5,036	8.5	47.5	4,195	39.6	1,361	12.8
Moderate-income	9,732	5,327	9.0	54.7	3,475	35.7	930	9.6
Middle-income	45,775	34,833	58.6	76.1	8,922	19.5	2,020	4.4
Upper-income	19,406	14,189	23.9	73.1	4,453	22.9	764	3.9
TOTALS	85,505	59,385	100.0	69.5	21,045	24.6	5,075	5.9
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Under \$1 million		Over \$1 million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	642	7.3	562	7.1	40	7.7	40	9.6
Moderate-income	889	10.1	773	9.9	68	13.1	48	11.6
Middle-income	4,883	55.4	4,376	55.5	285	54.8	222	53.5
Upper-income	2,402	27.2	2,170	27.5	127	24.4	105	25.3
TOTALS	8,816	100.0	7,881	100.0	520	100.0	415	100.0
Percentage of Total Businesses			89.4		5.9		4.7	
Source: 2000 Census & 2009 Dunn & Bradstreet information. Percentages may not total to 100.0 percent due to rounding.								

Population Characteristics

The estimated 2009 population for the MSA is 200,050, which is a 4.8 percent decrease from the 2000 census data of 210,039. The largest city within the assessment area is Saginaw, with a population of 55,238 in 2009 compared to 61,799 in 2000.

Population Changes 2000 Census vs. July 1, 2009			
Area	2000 Census	2009 Estimates	Percentage Change
Assessment Area	210,039	200,050	-4.8%
State of Michigan	9,938,444	9,969,727	0.3%
Source: U.S. Census Bureau			

Income Characteristics

The 2009 estimated median family income for the assessment area is provided in the following table with additional data for comparative purposes. Both the assessment area and state median family incomes realized a comparable percent change between 2000 and 2009.

Median Family Income Changes 2000 Census vs. 2009			
Area	2000 Census	2009 Estimates	Percentage Change
Assessment Area	\$46,488	\$55,500	19.4
State of Michigan	\$53,457	\$63,800	19.3
<i>Source: U.S. Department of Housing and Urban Development</i>			

Bankruptcy filing rates dropped significantly from a high of 10.93 per 1,000 in population in 2005 to a rate of 5.92 in 2009, according to the Administrative Office of the U.S. Courts. Overall, Saginaw County ranks 28th of 83 counties in the state for bankruptcy filings.

Housing Characteristics

According to the 2000 census data, there were 85,505 housing units, of which 69.5 percent are owner-occupied, 24.6 percent are rental and 5.9 percent were vacant. The following table presents housing costs in the assessment area compared to the state of Michigan.

Housing Costs				
Location	Median Housing Value	Median Gross Rent	Fair Market Rent *	Affordability Ratio
Assessment Area	\$84,903	\$497	\$672	.44
State of Michigan	\$110,300	\$546		.40
<i>2000 United States Census Data;</i>				
<i>*Department of Housing and Urban Development</i>				

An area with a high ratio generally has more affordable housing than an area with a low ratio. The affordability ratios in the preceding table indicate that housing is generally more affordable in the assessment area compared to the state of Michigan.

Home sales and home prices have gradually declined in the assessment area over the past several years, according to the website www.city-data.com. Home sales were highest during the second quarter of 2005 at over 700 sales but declined significantly by the fourth quarter of 2010 to under 200 homes sold. Prices have also declined during this time from approximately \$90,000 to \$70,000. For comparison purposes, the website noted that the median house value in 2009 was \$62,055 for the assessment area, a decrease from \$84,903 in the preceding table, while the state average was \$132,200, an increase of \$21,900 from 2000.

Housing permits in the assessment area have declined by less than 12.7 percent in 2008 and increased by approximately 7.1 percent in 2009. Furthermore, permits decreased by approximately 43.2 percent and 34.3 percent in 2008 and 2009, respectively, for the state, and by more than 35.0 percent, in both years, for the country, according to Bureau of Census. The median sales price for homes in Saginaw from September 10 to November 10, 2010 was \$77,125, according to the National Association of Realtors.

Foreclosure rates in the assessment area are not as severe compared to many parts of the state, with 1,160 foreclosures as of November 2010, according to the website www.realtytrac.com. This represents a foreclosure rate of one in every 476 housing units in the assessment area. For comparison, foreclosures in the state of Michigan were 19,288 in November 2010, representing a rate of one in every 235 housing units.

Labor and Employment

The Saginaw MI MSA offers a wide range of employers with the largest industry being healthcare. The following table lists the areas' largest employers.

Largest Employers in the Assessment Area		
Company	# Employed	Industry
Covenant HealthCare	4,129	Healthcare
Nexteer Automotive	3,000	Automotive
St. Mary's of Michigan	2,200	Healthcare
Dow Corning Corp.	1,766	Manufacturing
Morley Companies	1,600	Interactive Services
Meijer	1,425	Retail

Source: *Saginawfuture.com*

Unemployment

The unemployment rate in the assessment area increased 3.7 percent between 2008 and 2009, and was 11.1 percent in October 2010, but when compared to the state, the Saginaw MSA has been impacted less by national economic factors. According to *The Saginaw News*, jobs were primarily lost in construction, government, manufacturing, and business services. The following table provides detailed information for the Saginaw assessment area, state of Michigan, and the United States.

Unemployment Statistics			
Region	October 2010 (%)	2009 (%)	2008 (%)
Assessment Area	11.1	12.1	8.4
State of Michigan	12.0	13.4	8.3
United States	9.0	9.3	5.8

Source: *United States Department of Labor – Bureau of Labor Statistics*
*Preliminary

Community Representatives

Information obtained from two community representatives in the area of affordable housing and economic development was considered for this assessment area. The contact stated that there are not a lot of new housing units being built in the county, but the county has the most affordable housing in the state. New businesses to the area have primarily consisted of small businesses in the solar power industry. Information from Moody's Analytics supports that the Saginaw MSA has an emerging alternative energy industry. The contact cited financial education, donations to housing organizations, and gap financing programs as the primary needs in the assessment area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN SAGINAW, MICHIGAN ASSESSMENT AREA

LENDING TEST

Geographic distribution represents adequate penetration throughout the assessment area, based primarily on an excellent distribution of small business loans among geographies of different income levels. The distribution of the bank's loans reflects adequate distribution among businesses of different revenue sizes. The bank makes use of innovative and flexible lending programs to help meet the credit needs of LMI individuals and in LMI areas in its assessment areas. Citizens is a leader in making community development loans in the assessment area.

Geographic Distribution

The geographic distribution of home mortgage and small business loans reflects adequate dispersion throughout the assessment area. The geographic distribution was inconsistent by lending product: small business loans were excellent, home purchase and refinance mortgages were poor, and home improvement loans were excellent.

Home Mortgage Lending

In 2009, Citizens' record of making home mortgage loans overall in the Saginaw MI MSA assessment area was inconsistent with both the record attained by the aggregated lenders and the percentages of owner-occupied housing units by income level of the geography. The bank made an equal number of loans (89) in both the middle- and upper-income geographies, representing 93.2 percent of its lending combined. By comparison, 95.7 percent of the loans originated by the aggregated lenders were made to borrowers in middle- and upper-income geographies. Further, 82.5 percent of owner-occupied housing units are in the middle- and upper-income geographies. The remaining 6.8 percent of the bank's home mortgage lending was originated to borrowers from low- and moderate-income geographies. The disparity in lending income level of the geography was consistent across home mortgage loan product category.

The assessment area has experienced economic distress consistent if somewhat milder than other geographic areas in the state of Michigan but more severe when compared to the nation. In response, Citizens Bank established itself as a leader in making community development loans in this assessment area. The loans primarily revitalize and stabilize LMI areas as well as seek to address economic distress through job creation. These lending activities are discussed below.

Home Mortgage Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Owner- Occupied Housing
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	1	2.6	14	0.4	0.6	0.2	8.5
Moderate	1	2.6	44	1.2	3.3	1.3	9.0
Middle	24	63.2	2,203	58.9	58.3	48.6	58.6
Upper	12	31.6	1,476	39.5	37.8	49.9	23.9
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	38	100.0	3,737	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	0	0.0	0	0.0	1.3	0.4	8.5
Moderate	2	1.8	52	0.3	2.7	1.1	9.0
Middle	44	40.0	5,205	34.6	54.1	48.5	58.6
Upper	64	58.2	9,785	65.1	41.9	50.0	23.9
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	110	100.0	15,042	100.0	100.0	100.0	100.0
Home Improvement Loans							
Low	5	11.9	17	1.6	4.8	0.8	8.5
Moderate	3	7.1	13	1.2	6.6	1.5	9.0
Middle	21	50.0	461	43.7	55.1	56.5	58.7
Upper	13	31.0	565	53.5	33.5	41.2	23.9
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	42	100.0	1,056	100.0	100.0	100.0	100.0
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	8.5
Moderate	1	100.0	21	100.0	40.0	18.7	9.0
Middle	0	0.0	0	0.0	20.0	27.4	58.6
Upper	0	0.0	0	0.0	40.0	53.9	23.9
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	1	100.0	21	100.0	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	6	3.1	31	0.2	1.2	0.3	8.5
Moderate	7	3.7	130	0.6	3.1	1.2	9.0
Middle	89	46.6	7,869	39.6	55.4	48.6	58.6
Upper	89	46.6	11,826	59.6	40.3	49.9	23.9
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	191	100.0	19,856	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Small Business Lending

Citizens Bank achieved excellent dispersion of small business loans throughout its assessment area. The majority of the bank's small business lending took place in the middle-income census tracts of the assessment area which is consistent with both the percentage of loans originated by the aggregated lenders and the percentage of businesses located in the middle-income geographies of the assessment area. The bank's percentage of loans originated in LMI census tracts in 2009 exceeded the percentage of loans originated by the aggregated lenders in the LMI census tracts and the percentage of businesses located in the LMI census tracts. The bank's performance in 2008 was consistent with its performance in 2009.

Small Business Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Businesses by Census Tract Income Level
	#	%	\$	%	# %	\$ %	%
Low	19	8.6	6,504	12.7	6.3	10.4	7.3
Moderate	43	19.5	11,908	23.2	11.7	18.6	10.1
Middle	103	46.6	19,731	38.5	53.6	44.0	55.4
Upper	56	25.3	13,138	25.6	27.7	26.9	27.2
Tract Unknown	0	0.0	0	0.0	0.7	0.1	0.0
Total	221	100.0	51,281	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Distribution by Borrower Income and Revenue Size of the Business

The distribution of loans among individuals and businesses of different incomes and sizes reflects adequate penetration among individuals of different income levels and businesses of different sizes based primarily on its record of lending to small businesses. Citizens Bank exhibits a good record of serving the credit needs of low-income individuals and areas and very small businesses.

Home Mortgage Lending

The distribution of home mortgage loans reflects excellent penetration among individuals of different income levels. Citizens originated the majority of its home mortgage loans to upper-income individuals, representing 42.4 percent of its lending by number; refinances drove this outcome. Refinances represented 57.6 percent of the bank's home mortgage lending in 2009. When the bank's performance is reviewed by product, the majority of home purchase (60.5

percent) and home improvement loans (57.1 percent) were originated to low- and moderate-income individuals.

The following table presents the number, dollar volume and percentages of loans originated by the bank to individuals by income level in comparison to the lending record of the aggregated lenders and the percentages of families by income levels. The bank's percentage of loans to low- and moderate-income individuals exceeded the percentages achieved by the aggregated lenders and was consistent with the percentage of moderate-income families in the assessment area. Neither the bank nor the aggregated lenders were able to originate home mortgage loans to low-income individuals at a rate that was consistent with the percentage of low-income families in the assessment area. Home mortgage lending in 2008 was slightly below the 2009 lending distributions. The bank's overall level of lending to low- and moderate-income individuals for 2008 exceeded that of aggregated lenders for the same year as the bank made 36.0 percent of its loans to low- and moderate-income individuals, compared to 29.4 percent for the aggregated lenders.

Home Mortgage Lending, 2009 Borrower Distribution (000's)							
Income Level of the Borrower	Bank Loans				Aggregate of All Lenders		Families by Income Level
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	9	23.7	539	14.4	14.2	7.9	21.6
Moderate	14	36.9	970	26.0	28.1	23.1	17.3
Middle	4	10.5	569	15.2	19.9	20.9	20.3
Upper	11	28.9	1,659	44.4	21.8	33.5	40.8
Unknown	0	0.0	0	0.0	16.0	14.6	0.0
Total	38	100.0	3,737	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	3	2.7	207	1.4	7.8	4.5	
Moderate	13	11.8	1,123	7.5	15.9	11.1	
Middle	30	27.3	3,524	23.4	21.2	19.1	
Upper	62	56.4	9,984	66.4	35.3	44.3	
Unknown	2	1.8	204	1.3	19.8	21.0	
Total	110	100.0	15,042	100.0	100.0	100.0	
Home Improvement Loans							
Low	9	21.4	94	8.9	15.4	7.8	
Moderate	15	35.7	239	22.6	25.0	16.7	
Middle	9	21.4	272	25.8	27.2	24.0	
Upper	8	19.0	448	42.4	27.6	41.6	
Unknown	1	2.4	3	0.3	4.8	9.8	
Total	42	100.0	1,056	100.0	100.0	100.0	
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	0	0.0	0	0.0	0.0	0.0	
Middle	0	0.0	0	0.0	0.0	0.0	
Upper	0	0.0	0	0.0	0.0	0.0	
Unknown	1	100.0	21	0.0	100.0	100.0	
Total	1	100.0	21	100.0	100.0	100.0	
Total Home Mortgage Loans							
Low	21	11.0	840	4.2	10.1	5.5	
Moderate	42	22.0	2,332	11.7	20.1	14.5	
Middle	43	22.5	4,365	22.0	21.0	19.6	
Upper	81	42.4	12,091	60.9	30.8	41.2	
Unknown	4	2.1	228	1.2	18.0	19.2	
Total	191	100.0	19,856	100.0	100.0	100.0	

Percentages may not total to 100.0 percent due to rounding.

Small Business Lending

Citizens' distribution of small business loans reflects excellent penetration among businesses of different sizes. The bank originated 221 loans to small businesses totaling \$51,281,000 in 2009.

Of these loans, 48.9 percent were originated in amounts of \$100,000 or less and 36.7 percent were originated to businesses with revenues of \$1 million or less. The bank's record of lending to businesses with revenues of \$1 million or less compares favorably to the record achieved by the aggregated lenders, but not to the percentage of businesses with revenues of \$1 million or less in this assessment area.

Small Business Loan Distribution, 2009							
By Revenue and Loan Size							
(000's)							
Category	Bank Loans				Aggregate of All Lenders		Businesses By Annual Revenues
	#	%	\$	%	# %	\$ %	# %
By Revenue							
\$1 Million or Less	81	36.7	10,349	20.2	18.5	27.1	89.4
Over \$1 Million	139	62.9	40,882	79.7	*	*	5.9
Not Known	1	0.4	50	0.1	*	*	4.7
Total	221	100.0	51,281	100.0	*	*	100.0
By Loan Size							
\$100,000 or less	108	48.9	6,493	12.7	93.0	30.0	
\$100,000 - \$250,000	50	22.6	8,883	17.3	3.4	15.8	
\$250,000 - \$1 Million	63	28.5	35,905	70.0	3.6	54.2	
Total	221	100.0	51,281	100.0	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	59	72.8	3,358	32.4	*	*	
\$100,000 - \$250,000	12	14.8	1,765	17.1	*	*	
\$250,000 - \$1 Million	10	12.4	5,226	50.5	*	*	
Total	81	100.0	10,349	100.0	*	*	

* Data Unavailable
Percentages may not total to 100.0 percent due to rounding.

Community Development Loans

Citizens Bank is a leader in making community development loans in the Saginaw assessment area as five loans totaling \$20,571,092 were originated during the review period. The loans helped revitalize and stabilize low- and moderate-income geographies and promoted economic development by financing small businesses. The most significant of these loans was originated under the SBA's CDC program and helped create 1,000 jobs by bringing a call center to the city of Saginaw, which is part of the State of Michigan's Cities of Promise program; Cities of Promise is designed to help re-develop communities and reduce poverty in distressed cities. The bank's performance significantly increased from prior year levels as one community development loan totaling \$1,400,000 was originated in the Saginaw assessment area during the previous evaluation.

INVESTMENT TEST

Citizens Bank made an adequate level of qualified investments, donations, and grants in the Saginaw MI MSA assessment area during the review period, particularly those not routinely provided by private investors. Citizens rarely participated in a leadership position. Additionally, the bank makes occasional use of innovative and/or complex investments to support community development initiatives and exhibits adequate responsiveness to credit and community development needs.

The bank funded \$546,985 of qualifying investments during this review period. MBS pools had two underlying loans totaling \$287,638 that benefitted low- and moderate-income individuals in the Saginaw assessment area. The bank also made 25 qualified donations and grants totaling \$188,418 during the review period. The majority of the donations and grants were to organizations that provide community services to low- and moderate-income individuals as well as support economic development in the assessment area. Among the organizations receiving donations were Circle of Love, Saginaw Future Inc., and Saginaw Community Foundation. In addition, the bank had one prior period investment totaling \$386,293 that provided funds for school improvements in a school district where a majority of students are low- and moderate-income.

SERVICE TEST

Retail services are accessible to essentially all portions of the assessment area and changes in the branch and ATM network did not adversely affect the accessibility of its delivery systems. The bank provides reasonable business hours that do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and individuals. Employees provide a relatively high level of community development services in the assessment area.

Retail Services

The Saginaw assessment area consists of 56 census tracts, including eight (14.3 percent) low- and seven (12.5 percent) moderate-income geographies. The bank operates 15 branch offices in the assessment area; two each are located in low- and moderate-income census tracts within the city of Saginaw, representing 26.7 percent of all branch offices. The majority of branch offices are equipped with a full-service ATM. There are a total of 17 ATMs, 12 full-service and five cash only, throughout the assessment area, including two each in low- and moderate-income geographies. The percentage of branch offices and ATMs in low (13.3 percent) and moderate-income (13.3 percent) geographies is comparable to the percentage of low- and moderate-income census tracts and the percentage of families located within these census tracts. All branch offices are accessible to essentially all portions of the assessment area, including low- and moderate-income individuals and geographies. Some branch locations are also available

via public transportation. The bank's record of opening and closing branch offices and ATMs has not adversely affected the accessibility of delivery systems, particularly to low- and moderate-income individuals and geographies. One branch office, located in an upper-income geography, has been closed since the previous evaluation, while there have been no branch openings. No ATMs have been opened or closed since the previous evaluation.

Branch hours vary by location, but are typically open between 9:00 a.m. and 5:00 p.m., Monday through Thursday, and 9:00 a.m. to 6:00 p.m. on Friday. Multiple locations also provide drive-through services between 9:00 a.m. and noon on Saturdays. Business hours and banking services are reasonable and do not vary in a way that inconveniences low- and moderate-income individuals or geographies. All loan products are available via walk-in service or by appointment. Alternative delivery systems include ATMs, internet banking, call center telephone and chat options, and bank by phone services, available 24 hours a day for balance inquiry, account transfers, and bill pay.

Community Development Services

Citizens Bank provides a relatively high level of community development services in the Saginaw assessment area as employees participated in 28 qualified services totaling 761 hours during the review period. The majority of the services supported community services to low- and moderate-income individuals in the assessment area. Please refer to the table in the State of Michigan section for detailed information on the community development purpose supported by the qualifying services.

The following are examples of some of the services that had a significant impact on the assessment area. Several employees participate with Junior Achievement of Northeast Michigan in providing financial education to various schools in and around the city of Saginaw that are located in low- and moderate-income census tracts. Community representatives cited financial education as a need in the assessment area. Employees collaborated with the Michigan Economic Development Organization (MEDC) and the SBA to approve a loan to a corporation in the city of Saginaw that helped to create 1,000 new jobs. As previously mentioned, the city of Saginaw is one of the State of Michigan's Cities of Promise.

Finally, the bank through the FHLB affordable housing program assisted 16 borrowers in obtaining \$96,605 in grants.

METROPOLITAN AREAS (Full Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN LANSING-EAST LANSING, MICHIGAN METROPOLITAN STATISTICAL AREA

Citizens' operations in the Lansing-East Lansing MSA are managed through 14 branch offices and augmented by 17 automated teller machines. As of June 30, 2010, Citizens Bank maintained a 10.3 percent market share of FDIC-insured deposits, ranking 3rd of the 24 FDIC-insured financial institutions with at least one branch office in the Lansing-East Lansing MI MSA. By comparison, the top two institutions by market share were: Fifth Third Bank, 15.9 percent and PNC Bank National Assn., 12.2 percent.

The Lansing-East Lansing MI MSA assessment area consists of 117 census tracts throughout Ingham, Eaton and Clinton counties in central Michigan. The largest cities in the assessment area are the cities of Lansing and East Lansing in Ingham County. A large portion of the city of Lansing is located in Eaton County and this is the largest city in this county. A portion of the city of East Lansing is located in Clinton County and this is the largest city in this county. Select demographic information for the Lansing-East Lansing MI MSA assessment area is provided in the following table.

Assessment Area Demographics								
Income Categories	Tract Distribution		Number of Families in Tract		Families Below Poverty Level as % of Families by Tract		Number of Families Based on Family Income	
	#	%	#	%	#	%	#	%
Low-income	9	7.7	3,565	3.2	1,022	28.7	20,751	18.7
Moderate-income	25	21.4	17,149	15.5	2,604	15.2	20,487	18.5
Middle-income	58	49.6	65,760	59.4	2,792	4.2	26,074	23.5
Upper-income	23	19.6	24,300	21.9	679	2.8	43,462	39.3
Unknown-income	2	1.7	0	0.0	0	0.0	0	0.0
TOTALS	117	100.0	110,774	100.0	7,097	6.4	110,774	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	10,134	1,992	1.7	19.7	6,896	68.0	1,246	12.3
Moderate-income	31,543	16,075	13.9	51.0	13,291	42.1	2,177	6.9
Middle-income	102,198	70,927	61.2	69.4	26,632	26.1	4,639	4.5
Upper-income	37,867	26,907	23.2	71.1	9,631	25.4	1,329	3.5
Unknown-income	62	0	0.0	0.0	62	100.0	0	0.0
TOTALS	181,804	115,901	100.0	63.8	56,512	31.1	9,391	5.2
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Under \$1 million		Over \$1 million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	840	3.9	710	3.7	68	5.9	62	6.0
Moderate-income	3,526	16.4	3,028	15.6	272	23.6	226	22.0
Middle-income	11,626	53.9	10,664	55.0	517	45.0	445	43.3
Upper-income	5,200	24.1	4,701	24.2	256	22.3	243	23.7
Unknown-income	372	1.7	284	1.5	37	3.2	51	5.0
TOTALS	21,564	100.0	19,387	100.0	1,150	100.0	1,027	100.0
	Percentage of Total Businesses			89.9		5.3		4.8

Source: 2000 Census & 2009 Dunn & Bradstreet information.
Percentages may not total to 100.0 percent due to rounding.

Population Characteristics

The 2009 estimated combined population for the MSA is 453,693, which is a slight increase from the 2000 census data of 447,728. The largest city within the assessment area is Lansing, with a total population of 113,802 in 2009 compared to 119,128 in 2000.

Population Changes 2000 Census vs. July 1, 2009			
Area	2000 Census	2009 Estimates	Percentage Change
Assessment Area	447,728	453,693	1.3%
Ingham County	279,320	277,633	-0.6%
Eaton County	103,655	106,077	2.3%
Clinton County	64,753	69,893	7.9%
State of Michigan	9,938,444	9,969,727	0.3%
<i>Source: U.S. Census Bureau</i>			

Income Characteristics

The 2009 estimated median family income for the assessment area is evidenced in the following table. The median family income for the assessment area increased slightly higher compared to the state between 2000 and 2009.

Median Family Income Changes 2000 Census vs. 2009			
Area	2000 Census	2009 Estimates	Percentage Change
Assessment Area	\$55,552	\$67,000	20.6%
Ingham County	\$53,063	\$67,000	26.3%
Eaton County	\$57,898	\$67,000	15.7%
Clinton County	\$60,491	\$67,000	10.8%
State of Michigan	\$53,457	\$63,800	19.3%
<i>Source: U.S. Department of Housing and Urban Development</i>			

Bankruptcy filing rates have trended upwards for all three counties in the assessment area. In 2007, the filing rates per 1,000 in population were 2.98, 4.22, and 3.62 for Clinton, Eaton, and Ingham counties, respectively, but have increased as of 2009 to 4.47, 5.99, and 5.52, respectively, according to the Administrative Office of the U.S. Courts. Overall, the counties rank as the 58th, 26th, and 31st of 83 counties in the state in bankruptcy filings.

Housing Characteristics

The following table illustrates housing costs in the assessment area compared to the state of Michigan.

Housing Costs				
Area	Median Housing Value	Median Gross Rent	Fair Market Rent *	Affordability Ratio
Assessment Area	\$106,238	\$544	\$750	.41
East Lansing MSA	\$106,238	\$544	\$750	.41
Ingham County	\$97,700	\$542	\$750	.41
Eaton County	\$112,400	\$569	\$750	.44
Clinton County	\$121,100	\$511	\$750	.43
State of Michigan	\$110,300	\$546		.40
<i>2000 United States Census Data;</i>				
<i>*Department of Housing and Urban Development</i>				

An area with a high ratio generally has more affordable housing than an area with a low ratio. As shown in the preceding table, the affordability ratios indicate that housing is generally more affordable in the assessment area when compared with the state. The ratios for Clinton and Eaton counties are higher, indicating more affordable housing compared to the assessment area due to their lower populations and more rural settings.

Home sales and home prices have generally declined for the counties in the assessment area over the past several years, according to the website www.city-data.com. Home sales were highest for Clinton County during the second quarter of 2006 at 160 sales but declined significantly by the fourth quarter of 2010 to approximately 50 homes sold. Eaton and Ingham counties showed similar trends with Eaton having over 450 home sales in the second quarter of 2006 and approximately 100 sales in the fourth quarter of 2010. Ingham County had about 2,400 homes sales in the third quarter of 2005 and only 500 sales in the fourth quarter of 2010. Home prices have also declined between 2005 and 2010 for Eaton and Ingham counties, but not Clinton County. Clinton County received a small gain in the median home price from approximately \$95,000 in 2005 to \$99,000 in 2010.

Housing permits in the assessment area declined in 2008 and 2009. In Clinton, Eaton, and Ingham Counties permits were reduced by less than 50.0, 75.0, and 54.0 percent, respectively, in 2008 and by less than approximately 5.0 percent for Clinton and Ingham counties in 2009. Eaton County realized a 2.5 percent increase in 2009. During the course of the same period, housing permits declined by approximately 43.0 percent and 34.0 percent, respectively, in the state and by more than 35.0 percent in both 2008 and 2009 for the country, according to the National Association of Realtors.

Foreclosure rates in the assessment area are slightly better in comparison to the state of Michigan, with 367,882, and 2,635 homes in Clinton, Eaton, and Ingham counties, respectively, in foreclosure as of November 2010, according to the website www.realtytrac.com. This represents a foreclosure rate of one in every 333, 274, and 298 housing units, respectively, in the assessment area. For comparison, foreclosures in the state of Michigan were 19,288 in November 2010 and represent a rate of one in every 235 housing units. The county with the lowest foreclosure actions to housing units is Clinton, which is also the most rural.

Labor and Employment

The Lansing-East Lansing MI MSA offers a wide range of employment opportunities, with state jobs employing the largest percentage of individuals in the area; this is not unusual for a state's capital city. Employment in the educational sector is also relatively stable, as Michigan State University is located in East Lansing. Employment in the government and educational sectors has been relatively insulated from the economic downturn that affected employment levels in the private sector generally, and manufacturing specifically. The following table provides a list of the area's primary employers.

Largest Employers in the Assessment Area		
Company	# Employed	Industry
State of Michigan	14,355	Government
Michigan State University	11,218	Education
Sparrow Health Systems	7,400	Healthcare
General Motors	6,000	Manufacturing
Lansing Community College	3,180	Education
Ingham Regional Medical Center	2,500	Healthcare
Lansing School District	2,106	Education
Meijer	2,000	Retail

Source: Lansingchamber.org

Unemployment

The unemployment rate in the assessment area increased from 2008 to 2009 and was 9.2 percent in October 2010. While the changes reflect what is happening in the state, the unemployment rate of the assessment area is lower overall. The following table provides detailed information for the assessment area, including for each county, and the state of Michigan.

Unemployment Statistics			
Area	October 2010 (%)	2009 (%)	2008 (%)
Assessment Area	9.2	10.5	6.7
Ingham County	9.1	11.3	7.1
Eaton County	7.3	10.3	6.2
Clinton County	7.2	9.4	5.9
State of Michigan	12.0	13.6	8.3
United States	9.0	9.3	5.8
<i>Source: United States Department of Labor – Bureau of Labor Statistics</i>			
<i>*Preliminary</i>			

Community Representatives

Three community representatives were contacted in the area of housing and economic development. The contact stated the collapse of the automobile industry has left few bright spots in the area; however, Michigan State University and state/local governments still provide stable employment.

The contact stated that financial institutions are generally active in providing financial literacy to the community and in community efforts aimed at preventing foreclosure. There are also plenty of opportunities for financial institutions to participate in neighborhood stabilization and HUD-sponsored programs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN LANSING-EAST LANSING, MI ASSESSMENT AREA

LENDING TEST

The geographic distribution of Citizens' loans reflects adequate dispersion throughout the assessment area based on the distribution of loans to small businesses. Borrower loan distribution reflects good penetration among individuals of different income levels and businesses of different sizes. The bank made an adequate level of community development loans in the assessment area.

Geographic Distribution

The geographic distribution of the bank's lending reflects adequate penetration throughout the assessment area based on Citizens' record of lending to small businesses by the income level of the geography.

Home Mortgage Lending

Citizens Bank achieved adequate dispersion of its home mortgage loans throughout its assessment area, including among low- and moderate-income geographies. The following table presents the bank's 2009 HMDA data by loan product in comparison to the percentages of loans originated by the aggregated lenders and the percentages of owner-occupied housing units and families by the income level of the census tract. The data shows that across the reported products, Citizens' lending activity favored borrowers from middle- and upper-income census tracts. Although Citizens originated more loans to borrowers from middle-income geographies, its percentages of loans was less than the percentage of owner-occupied housing units in middle-income geographies and less than the percentage of loans made by the aggregated lenders. The bank outperformed both the demographics and the aggregated lenders in the upper-income geographies.

Citizens made few loans to borrowers from LMI geographies. Across product lines, the bank made 11 loans to borrowers from LMI geographies and only one of those loans was from a low-income census tract. The availability of owner-occupied housing units in low-income geographies may have a negative effect on mortgage lending in geographies with this income designation.

Home Mortgage Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Owner- Occupied Housing
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	1	4.5	117	2.9	1.2	0.7	1.7
Moderate	4	18.2	203	5.1	13.0	7.9	13.9
Middle	7	31.8	978	24.6	59.4	55.8	61.2
Upper	10	45.5	2,682	67.4	26.4	35.6	23.2
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	22	100.0	3,980	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	0	0.0	0	0.0	0.8	0.5	1.7
Moderate	6	6.8	433	3.6	7.8	4.8	13.9
Middle	50	56.8	6,143	52.0	59.8	56.1	61.2
Upper	32	36.4	5,247	44.4	31.6	38.6	23.2
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	88	100.0	11,823	100.0	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0	0.0	2.0	1.0	1.7
Moderate	0	0.0	0	0.0	12.6	6.1	13.9
Middle	10	83.3	59	81.9	64.2	61.8	61.2
Upper	2	16.7	13	18.1	21.1	31.1	23.2
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	12	100.0	72	100.0	100.0	100.0	100.0
Multifamily Loans							
Low	0	0.0	0	0.0	4.2	1.1	1.7
Moderate	0	0.0	0	0.0	25.0	8.0	13.9
Middle	2	100.0	234	100.0	58.3	87.0	61.2
Upper	0	0.0	0	0.0	12.5	3.9	23.2
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	2	100.0	234	100.0	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	1	0.8	117	0.7	0.9	0.6	1.7
Moderate	10	8.1	636	3.9	9.7	5.6	13.9
Middle	69	55.6	7,414	46.0	59.9	56.4	61.2
Upper	44	35.5	7,942	49.3	29.5	37.4	23.2
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	124	100.0	16,109	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Small Business Lending

Citizens Bank achieved excellent dispersion of small business loans throughout its assessment area, including low- and moderate-income geographies within the assessment area. The majority of the bank's small business lending took place in the middle-income census tracts of the assessment area which is consistent with both the percentage of loans originated by the aggregated lenders and the percentage of businesses located in the middle-income geographies of the assessment area. The bank's level of lending to businesses in low- and moderate-income geographies exceeded the level of lending by the aggregated lenders and the percentages of businesses located in low- and moderate-income census tracts. The bank's performance in 2008 was comparable to its performance in 2009.

Small Business Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Businesses by Census Tract Income Level
	#	%	\$	%	# %	\$ %	%
Low	6	5.5	1,258	5.6	3.6	5.0	3.9
Moderate	20	18.2	4,366	19.4	16.0	18.1	16.4
Middle	55	50.0	8,931	39.8	52.0	43.4	53.9
Upper	25	22.7	6,970	31.0	26.0	30.3	24.1
Unknown	4	3.6	933	4.2	1.2	2.6	1.7
Tract Unknown	0	0.0	0	0.0	1.2	0.6	0.0
Total	110	100.0	22,458	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Distribution by Borrower Income and Revenue Size of the Business

The distribution of borrowers reflects good penetration among customers of different income levels and businesses of different sizes. Performance was inconsistent by loan products. The bank's distribution of borrowers reflects excellent penetration among customers of different income level and adequate among businesses of different sizes. Citizens Bank exhibits an adequate record of serving the credit needs of low-income individuals and areas and very small businesses. Citizens Bank makes use of innovative and flexible lending programs, primarily through government- insured, -sponsored, and -guaranteed loan programs, to help meet the credit needs of LMI individuals in its assessment areas.

Home Mortgage Lending

Borrower distribution of home mortgage loans reflects good penetration among borrowers of different income levels. Citizens originated the majority of its home mortgage loans to upper-income borrowers, 33.1 percent of its lending by number; refinances drove this outcome. Refinances represented 71.0 percent of the bank's home mortgage lending in 2009.

The percentage of loans to low-income individuals is slightly below that of the aggregated lenders and the percentage of families classified as low-income. The bank's percentage of loans to moderate-income individuals exceeds that of the aggregated lenders and the percentage of families classified as moderate-income. When the bank's performance is reviewed by product, 50.0 percent of home improvement loans were originated to low- and moderate-income individuals.

The table below presents the number, dollar volume and percentages of loans originated by the bank to borrowers by income level in comparison to the lending record of the aggregated lenders and percentage of families by income level. Home mortgage lending in 2008 was slightly below the 2009 lending distribution. Home refinance and home improvement lending to low- and moderate-income individuals increased from 30.4 percent to 36.4 percent and 23.5 percent to 50.0 percent from 2008 to 2009, respectively. Home purchase lending to LMI borrowers decreased from 36.8 percent to 27.2 percent.

Home Mortgage Lending, 2009 Borrower Distribution (000's)							
Income Level of the Borrower	Bank Loans				Aggregate of All Lenders		Families by Income Level
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	3	13.6	144	3.6	16.9	10.2	18.7
Moderate	3	13.6	316	7.9	24.5	22.1	18.5
Middle	7	31.9	844	21.2	18.6	20.8	23.6
Upper	9	40.9	2,676	67.2	16.4	25.1	39.2
Unknown	0	0.0	0	0.0	23.6	21.8	0.0
Total	22	100.0	3,980	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	5	5.7	379	3.2	7.5	5.0	
Moderate	27	30.6	2,681	22.7	15.1	11.1	
Middle	25	28.4	2,917	24.7	19.5	17.7	
Upper	29	33.0	5,345	45.2	28.3	35.5	
Unknown	2	2.3	501	4.2	29.6	30.7	
Total	88	100.0	11,823	100.0	100.0	100.0	
Home Improvement Loans							
Low	3	25.0	15	20.8	14.5	8.0	
Moderate	3	25.0	23	31.9	25.7	19.0	
Middle	3	25.0	13	18.1	28.3	24.5	
Upper	3	25.0	21	29.2	27.6	41.2	
Unknown	0	0.0	0	0.0	3.9	7.3	
Total	12	100.0	72	100.0	100.0	100.0	
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	0	0.0	0	0.0	0.0	0.0	
Middle	0	0.0	0	0.0	0.0	0.0	
Upper	0	0.0	0	0.0	0.0	0.0	
Unknown	2	100.0	234	100.0	100.0	100.0	
Total	2	100.0	234	100.0	100.0	100.0	
Total Home Mortgage Loans							
Low	11	8.9	538	3.3	10.8	6.4	
Moderate	33	26.6	3,020	18.8	18.5	14.1	
Middle	35	28.2	3,774	23.4	19.5	18.4	
Upper	41	33.1	8,042	49.9	24.4	32.4	
Unknown	4	3.2	735	4.6	26.8	28.7	
Total	124	100.0	16,109	100.0	100.0	100.0	

Percentages may not total to 100.0 percent due to rounding.

Small Business Lending

The borrower distribution of small business loans reflects adequate penetration among businesses of different sizes. Loans to small businesses are measured in two ways: loans to

small businesses with revenues of \$1mm or less; and loans to small businesses by original amount of the loan without respect to revenue size. The bank outperformed the aggregated lenders in making loans to small companies with \$1 million or less in revenues and it underperformed the aggregated in making loans in smaller dollar amounts.

Small business lending decreased slightly from 2008 performance in which 55.3 percent of small business loans were originated to businesses with revenues of \$1 million or less and 56.3 percent were in original amounts of \$100,000 or less. Aggregated lending levels reflected 34.9 percent of total small business loans originated to businesses with gross annual revenues of \$1 million or less and 92.4 percent of those were for original amounts of \$100,000 or less in 2008.

Small Business Loan Distribution, 2009							
By Revenue and Loan Size							
(000's)							
Category	Bank Loans				Aggregate of All Lenders		Businesses By Annual Revenues
	#	%	\$	%	# %	\$ %	# %
By Revenue							
\$1 Million or Less	59	53.6	10,282	45.8	22.5	36.7	89.9
Over \$1 Million	48	43.7	12,096	53.9	*	*	5.3
Not Known	3	2.7	80	0.3	*	*	4.8
Total	110	100.0	22,458	100.0	*	*	100.0
By Loan Size							
\$100,000 or less	58	52.7	2,893	12.9	93.2	32.3	
\$100,000 - \$250,000	22	20.0	3,807	16.9	3.4	17.1	
\$250,000 - \$1 Million	30	27.3	15,758	70.2	3.4	50.6	
Total	110	100.0	22,458	100.0	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	37	62.7	1,840	17.9	*	*	
\$100,000 - \$250,000	9	15.3	1,471	14.3	*	*	
\$250,000 - \$1 Million	13	22.0	6,971	67.8	*	*	
Total	59	100.0	10,282	100.0	*	*	
* Data Unavailable							
Percentages may not total to 100.0 percent due to rounding.							

Community Development Loans

Citizens Bank made an adequate level of community development loans in the Lansing-East Lansing assessment area as five loans totaling \$1,519,924 were originated during the review period. All loans helped provide affordable housing to low- and moderate-income individuals in the assessment area. All five loans supported multi-family properties in moderate-income census tracts. Combined, the loans supported over 110 units that rent for rates below HUD's fair market rent and are considered affordable to low- and moderate-income individuals. The

bank's performance increased by number, but decreased significantly by dollar volume from prior year levels as two community development loans totaling \$8,900,000 were originated in the Lansing-East Lansing assessment area during the previous evaluation.

INVESTMENT TEST

Citizens Bank made an adequate level of qualified investments, donations, and grants in the Lansing assessment area during the review period. Citizens rarely participated in a leadership position. Additionally, the bank makes rare use of innovative and/or complex investments to support community development initiatives and exhibits adequate responsiveness to credit and community development needs.

The bank funded \$1.2 million in qualifying investments for the review period. MBS pools had 10 underlying loans totaling \$1,278,695 that benefitted low- and moderate-income borrowers in the Lansing assessment area. The bank also made four qualified donations totaling \$4,500 during the review period. All donations were to organizations that provide community services to low- and moderate-income individuals in the assessment area. Among the organizations receiving donations were Mid Michigan Food Bank, the YMCA of Lansing, and the Lansing Boys and Girls Club. No other qualifying investments were made during the review period.

SERVICE TEST

Performance under the service test is adequate. Retail services are unreasonably inaccessible to portions of the assessment area. The bank provides reasonable business hours that do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and individuals. Employees provide an adequate level of community development services in the assessment area.

Retail Services

The Lansing-East Lansing assessment area consists of 117 census tracts, including nine (7.7 percent) low- and 25 (21.4 percent) moderate-income geographies. The bank operates 14 branch offices in the assessment area, and all in middle- and upper-income geographies. All branch offices are equipped with a full-service ATM. There are a total of 17 ATMs, 14 full-service and three cash only, throughout the assessment area, including one in a low-income census tract. The lack of branches and ATMs in low- and moderate-income geographies does not compare favorably to the percentage of low- and moderate-income census tracts within the assessment area (29.1 percent) and the percentage of families (18.7 percent) with low and moderate incomes. Despite the lack of branch offices located in LMI census tracts, the bank has four branches in proximity to moderate-income census tracts. These branch offices are reasonably accessible to low- and moderate-income individuals. Some branch locations are also available

via public transportation. No branch offices or ATMs have been opened or closed since the previous evaluation.

Branch hours vary by location, but are typically open between 9:00 a.m. and 5:00 p.m., Monday through Thursday, and 9:00 a.m. to 6:00 p.m. on Friday. Multiple locations also provide drive-through services between 9:00 a.m. and noon on Saturdays. Business hours and banking services are reasonable and do not vary in a way that inconveniences low- and moderate-income individuals or geographies. All loan products are available via walk-in service or by appointment. Alternative delivery systems include ATMs, internet banking, call center telephone and chat options, and bank by phone services, available 24 hours a day for balance inquiry, account transfers, and bill pay.

Community Development Services

Citizens Bank provides an adequate level of community development services in the Lansing-East Lansing assessment area as employees participated in 18 qualified services totaling 162 hours during the review period. A majority of the services provided community services and affordable housing to low- and moderate-income individuals in the assessment area. Please refer to the table in the State of Michigan section for detailed information on the community development purpose supported by the qualifying services.

The following are examples of some of the services that had a significant impact on the area. An employee is a member and chairperson of the Greater Lansing Area CRA Association, which focuses on providing affordable housing and financial education to low- and moderate-income individuals. In addition, several employees were involved with the American Bankers Association's "Get Smart about Credit Day" each year, which provides financial education to students. Employees participated with schools located in low- and moderate-income geographies and with those where a majority of students are low- and moderate-income. Community representatives indicated that financial institutions are active in providing quality financial literacy programming in the assessment area.

The bank's performance, by number, improved from prior year levels as 10 community development services were given credit in the Lansing-East Lansing assessment area during the previous evaluation. Performance, by hours, declined as 427 hours were given credit during the previous evaluation. As mentioned in the combined section, in general, community development services have declined due to a decrease in staff over the past three years.

METROPOLITAN AREAS (Full Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN JACKSON, MICHIGAN METROPOLITAN STATISTICAL AREA

Citizens' operations in the Jackson MSA are managed through eight branch offices and augmented by nine automated teller machines. As of June 30, 2010, Citizens Bank maintained a 25.9 percent market share of FDIC-insured deposits, ranking 2nd of the 11 FDIC-insured financial institutions with at least one branch office in the Jackson MSA. By comparison, the other two top institutions by market share were: Flagstar Bank FSB, 27.7 percent and Comerica Bank, 21.0 percent.

The Jackson assessment area consists of 37 census tracts throughout Jackson County in central Michigan. The largest city in the Jackson MSA is the city of Jackson. The MSA is also home to a small liberal arts university called Spring Arbor University, located in Spring Arbor, Michigan.

Select demographic information for the Jackson assessment area is provided in the following table.

Assessment Area Demographics								
Income Categories	Tract Distribution		Number of Families in Tract		Families Below Poverty Level as % of Families by Tract		Number of Families Based on Family Income	
	#	%	#	%	#	%	#	%
Low-income	2	5.4	654	1.6	263	40.2	7,339	17.8
Moderate-income	8	21.6	5,464	13.3	834	15.3	7,894	19.2
Middle-income	23	62.2	30,900	75.0	1,555	5.0	10,150	24.7
Upper-income	3	8.1	4,148	10.1	23	0.6	15,783	38.3
Unknown-income	1	2.7	0	0.0	0	0.0	0	0.0
TOTALS	37	100.0	41,166	100.0	2,675	6.5	41,166	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	1,685	263	0.6	15.6	1,297	77.0	125	7.4
Moderate-income	9,091	5,177	11.6	56.9	3,293	36.2	621	6.8
Middle-income	46,057	34,303	77.1	74.5	8,031	17.4	3,723	8.1
Upper-income	6,073	4,759	10.7	78.4	1,045	17.2	269	4.4
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
TOTALS	62,906	44,502	100.0	70.7	13,666	21.7	4,738	7.5
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Under \$1 million		Over \$1 million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	401	5.9	319	5.3	32	7.4	50	14.9
Moderate-income	849	12.4	741	12.2	73	16.8	35	10.5
Middle-income	5,044	73.7	4,501	74.1	304	70.0	239	71.3
Upper-income	546	8.0	511	8.4	25	5.8	10	3.0
Unknown-income	3	0.0	2	0.0	0	0.0	1	0.3
TOTALS	6,843	100.0	6,074	100.0	434	100.0	335	100.0
	Percentage of Total Businesses			88.8		6.3		4.9

Source: 2000 Census & 2009 Dunn & Bradstreet information.
Percentages may not total to 100.0 percent due to rounding.

Population Characteristics

The estimated combined 2009 population for the MSA is 159,828 which is a slight increase from the 2000 census data of 158,422. The largest city within the assessment area is Jackson, with a population of 33,315 in 2009 compared to 36,316 in 2000.

Population Changes 2000 Census vs. July 1, 2009			
Area	2000 Census	2009 Estimates	Percentage Change
Assessment Area	158,422	159,828	0.9
State of Michigan	9,938,444	9,969,727	0.3

Source: U.S. Census Bureau

Income Characteristics

The 2009 estimated median family income for the assessment area is provided in the following table. The assessment area's estimated median family income increased at a slightly lower rate than the state.

Median Family Income Changes 2000 Census vs. 2009			
Area	2000 Census	2009 Estimates	Percentage Change
Assessment Area	\$50,960	\$59,400	16.6
State of Michigan	\$53,457	\$63,800	19.3

Source: U.S. Department of Housing and Urban Development

Housing Characteristics

According to the 2000 census data, there were 62,906 housing units, of which 70.7 percent are owner-occupied, 21.7 percent are rentals and 7.5 percent were vacant. The following table provides housing costs in the assessment area compared to the state of Michigan.

Housing Costs				
Area	Median Housing Value	Median Gross Rent	Fair Market Rent *	Affordability Ratio
Assessment Area	\$96,303	\$506	\$670	.44
State of Michigan	\$110,300	\$546		.40

*2000 United States Census Data;
Department of Housing and Urban Development

An area with a high ratio generally has more affordable housing than an area with a low ratio. As shown in the preceding table, the affordability ratios indicate that housing is generally more affordable in the Jackson assessment area when compared with the state of Michigan.

Home sales and home prices have gradually declined in the assessment area over the past several years, according to the website www.city-data.com. Home sales were highest during the third quarter of 2008 at approximately 475 sales but declined significantly by the fourth quarter of 2010 to under 300 homes sold. Prices have also declined during this time from \$100,000 to \$90,000. For comparison purposes, the website noted that the median house value in 2009 was \$82,320 for the assessment area, a decrease from \$96,303 in the preceding table, while the state average was \$132,200, an increase of \$21,900 from 2000.

Housing permits in the assessment area have declined by less than 30.0 percent in 2008 and 55.0 percent in 2009. Furthermore, permits decreased by approximately 43.0 percent and 34.0 percent in 2008 and 2009, respectively, for the state, and by more than 35.0 percent, in both years, for the country, according to the National Association of Realtors.

Foreclosure rates in the Jackson MSA are slightly better compared to the state, with 852 homes in foreclosure as of November 2010, according to the website www.realtytrac.com. This represents a foreclosure rate of one in every 264 housing units in the assessment area. For comparison, foreclosures in the state of Michigan were 19,288 as of November 2010 equaling one in every 235 housing units.

Labor and Employment

The Jackson MSA offers a wide range of employers in manufacturing, retail, government, and healthcare. The following table lists the area's primary employers.

Largest Employers in the Assessment Area		
Company	# Employed	Industry
Allegiance Health	3,500	Healthcare
Consumers Energy	2,400	Energy
Michigan Department of Corrections	2,040	Government
Local Government	870	Government
Jackson Public Schools	782	Education
Meijer	755	Retail
<i>Source: EnterpriseGroup.org</i>		

Unemployment

The unemployment rate in the assessment area increased 4.7 percent from 2008 and 2009, and was 11.9 percent in October 2010, consistent with the rate for the state of Michigan. The following table provides detailed information for the assessment area and the state.

Unemployment Statistics			
Region	October 2010 (%)	2009 (%)	2008 (%)
Assessment Area	11.9	13.1	8.4
State of Michigan	12.0	13.4	8.3
United States	9.0	9.5	6.1
<i>Source: United States Department of Labor – Bureau of Labor Statistics</i>			
<i>*Preliminary</i>			

Community Representatives

Two representatives in the area of community development were contacted in this assessment area. The contacts described the business environment in Jackson County as struggling, citing declining conditions in the automobile industry as the primary cause. The economic strength of the county historically has been manufacturing, but different economic strengths have emerged in recent years. For instance, several renewable battery technology plants have opened in Jackson County. Funding for the renewable battery technology is provided by grant programs and corporate giving.

Most of the financial institutions in the region are large, national institutions and have been instrumental in helping fund big projects like the renewable battery technology plants. The contacts stated that financial institutions are active in community events but are reluctant to lend. The presence of credit unions helps to ensure community credit needs are met. The contact had generally positive remarks about the financial institutions in Jackson County.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN JACKSON, MI ASSESSMENT AREA

LENDING TEST

The geographic distribution of loans reflects good dispersion in the assessment area based on the bank's record of lending to small businesses in geographies of different income levels. The distribution of Citizens' loans reflects good penetration among borrowers of different income levels and sizes based on its record of making loans to small businesses and consumer mortgage loans. The bank makes an adequate level of community development loans in the assessment area.

Geographic Distribution

The geographic distribution reflects adequate dispersion in the assessment area based primarily on the bank's record of making loans to small businesses.

Home Mortgage Lending

Citizens Bank achieved poor dispersion of its home purchase and refinanced mortgage loans throughout its assessment area, including among low- and moderate-income geographies. Citizens made the majority of its home mortgage loans to borrowers from middle- and upper-income census tracts. By percentages, Citizens underperformed in the middle-income geographies in comparison to the demographics and exceeded the demographics in the upper-income census tracts. The percentage of mortgage loans originated in moderate-income census tracts was comparable to that of the aggregated lending level but was below the demographics. Refinanced home loans were the primary consumer mortgage product made in this assessment area during the review period. The overall percentages for distribution are similar for refinanced home loans and support that Citizens is not meeting credit needs in geographies of different income levels through its home mortgage loan program, effectively. In 2008, the bank's performance was similar to 2009 performance.

Home Mortgage Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Owner- Occupied Housing
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	0	0.0	0	0.0	0.7	0.2	0.6
Moderate	3	8.6	148	5.5	9.0	5.0	11.6
Middle	27	77.1	2,138	79.4	76.9	80.0	77.1
Upper	5	14.3	405	15.1	13.4	14.8	10.7
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	35	100.0	2,691	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	1	0.8	59	0.6	0.2	0.2	0.6
Moderate	7	5.5	356	3.6	5.8	3.6	11.6
Middle	97	76.4	7,112	71.9	81.6	82.6	77.1
Upper	22	17.3	2,367	23.9	12.4	13.6	10.7
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	127	100.0	9,894	100.0	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0	0.0	0.6	0.1	0.6
Moderate	4	20.0	13	6.3	11.2	5.3	11.6
Middle	15	75.0	174	84.0	78.8	83.3	77.1
Upper	1	5.0	20	9.7	9.4	11.3	10.7
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	20	100.0	207	100.0	100.0	100.0	100.0
Multifamily Loans							
Low	0	0.0	0	0.0	25.0	11.4	0.6
Moderate	1	50.0	307	9.9	25.0	8.5	11.6
Middle	0	0.0	0	0.0	25.0	3.1	77.1
Upper	1	50.0	2,794	90.1	25.0	77.0	10.7
Unknown	0	0.0	0	0.0	0	0.0	0.0
Total	2	100.0	3,101	100.0	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	1	0.5	59	0.4	0.4	0.3	0.6
Moderate	15	8.2	824	5.2	7.1	4.0	11.6
Middle	139	75.5	9,424	59.3	80.0	81.5	77.1
Upper	29	15.8	5,586	35.1	12.5	14.2	10.7
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	184	100.0	15,893	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Small Business Lending

The distribution of Citizens small business loans was adequate throughout its assessment area. The majority of the bank's small business lending took place in the middle-income geographies of the assessment area which is consistent with both the percentage of loans originated by the aggregated lenders and the percentage of businesses located in the middle-income geographies of the assessment area. The bank's lending to businesses in low- and moderate-income census tracts exceeded the level achieved by the aggregated lenders and the percentages of businesses located in low- and moderate-income census tracts. Citizens Bank's level of lending to businesses in low- and moderate-income census tracts in the Jackson MSA assessment area was less equitable in 2008 with a higher proportion of loans originated in the moderate-income census tracts.

Small Business Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Businesses by Census Tract Income Level
	#	%	\$	%	# %	\$ %	%
Low	10	8.2	1,375	5.0	6.3	5.3	5.9
Moderate	15	12.3	2,516	9.1	11.1	12.3	12.4
Middle	81	66.4	21,715	78.1	73.1	74.5	73.7
Upper	16	13.1	2,181	7.8	8.6	7.5	8.0
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Tract Unknown	0	0.0	0	0.0	0.9	0.4	0.0
Total	122	100.0	27,787	100.0	100.0	100.0	100.0
<i>Percentages may not total to 100.0 percent due to rounding.</i>							

Distribution by Borrower Income and Revenue Size of the Business

The distribution of borrowers reflects adequate penetration among customers of different income levels and businesses of different sizes based primarily on its record of making loans to small businesses. Citizens Bank exhibits a good record of serving the credit needs of low-income individuals and areas and very small businesses.

Home Mortgage Lending

Citizens Bank's distribution of home mortgage loans reflects good penetration among individuals of different income levels. Citizens originated the largest portion of its home mortgage loans to upper-income individuals, who represented 34.2 percent of its lending by number; refinances drove this outcome. Refinances represented 69.0 percent of the bank's home

mortgage lending in 2009. When the bank's performance is reviewed by product, 60.0 percent of home purchase loans and 65.0 percent of home improvement loans were originated to low- and moderate-income individuals.

The following table presents the number, dollar volume and percentages of loans originated by the bank to individuals by income level in comparison to the lending record of the aggregated lenders and percentages of families by income levels. The percentage of loans to low- and moderate-income individuals exceeds that of the aggregated lenders and percentage of families classified as moderate-income, while slightly below the percentage of families classified as low-income. Home mortgage lending in 2008 was slightly below the 2009 lending distribution. Home refinance and home improvement lending to low- and moderate-income individuals increased from 28.9 percent to 34.6 percent and 47.1 percent to 65.0 percent from 2008 to 2009, respectively. Home purchase performance decreased slightly. The bank's overall level of lending to low- and moderate-income individuals for 2008 exceeded that of the aggregated lenders for the same year.

Home Mortgage Lending, 2009 Borrower Distribution (000's)							
Income Level of the Borrower	Bank Loans				Aggregate of All Lenders		Families by Income Level
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	8	22.9	373	13.9	15.3	9.7	17.8
Moderate	13	37.1	916	34.0	24.5	21.3	19.2
Middle	6	17.1	437	16.2	20.5	22.4	24.7
Upper	8	22.9	965	35.9	17.9	26.6	38.3
Unknown	0	0.0	0	0.0	21.8	20.0	0.0
Total	35	100.0	2,691	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	14	11.0	782	7.9	7.4	5.1	
Moderate	30	23.6	2,081	21.0	15.8	12.0	
Middle	29	22.8	1,638	16.6	18.9	17.7	
Upper	52	41.0	5,189	52.4	29.6	37.5	
Unknown	2	1.6	204	2.1	28.3	27.7	
Total	127	100.0	9,894	100.0	100.0	100.0	
Home Improvement Loans							
Low	5	25.0	60	29.0	17.5	9.8	
Moderate	8	40.0	61	29.5	27.2	20.2	
Middle	4	20.0	57	27.5	22.7	19.4	
Upper	3	15.0	29	14.0	28.4	46.0	
Unknown	0	0.0	0	0.0	4.2	4.6	
Total	20	100.0	207	100.0	100.0	100.0	
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	0	0.0	0	0.0	0.0	0.0	
Middle	0	0.0	0	0.0	0.0	0.0	
Upper	0	0.0	0	0.0	0.0	0.0	
Unknown	2	100.0	3,101	100.0	100.0	100.0	
Total	2	100.0	3,101	100.0	100.0	100.0	
Total Home Mortgage Loans							
Low	27	14.7	1,215	7.7	10.4	6.4	
Moderate	51	27.7	3,058	19.2	19.2	14.5	
Middle	39	21.2	2,132	13.4	19.6	18.8	
Upper	63	34.2	6,183	38.9	25.9	34.7	
Unknown	4	2.2	3,305	20.8	24.9	25.6	
Total	184	100.0	15,893	100.0	100.0	100.0	

Percentages may not total to 100.0 percent due to rounding.

Small Business Lending

The borrower distribution of small business loans reflects adequate penetration among businesses of different sizes. With respect to small business loans originated to businesses with

revenues of \$1 million or less in 2009, the bank's performance significantly exceeded that of aggregated lending, but less than half of the percentage of businesses with \$1 million or less in the Jackson MSA. Of the bank's small business loans originated, 50.8 percent had original amounts of \$100,000 or less, which was significantly lower than aggregated lending by comparison. Small business lending decreased slightly from 2008 performance in which 55.4 percent of small business loans were originated to businesses with revenues of \$1 million or less and 52.4 percent were for original amounts of \$100,000 or less. Aggregated lending levels reflected 34.2 percent of total small business loans originated to businesses with gross annual revenues of \$1 million or less and 89.9 percent of those were for original amounts of \$100,000 or less in 2008.

Small Business Loan Distribution, 2009 By Revenue and Loan Size (000's)							
Category	Bank Loans				Aggregate of All Lenders		Businesses By Annual Revenues
	#	%	\$	%	# %	\$ %	# %
By Revenue							
\$1 Million or Less	52	42.6	9,600	34.5	15.4	28.7	88.8
Over \$1 Million	70	57.4	18,187	65.5	*	*	6.3
Not Known	0	0.0	0	0.0	*	*	4.9
Total	122	100.0	27,787	100.0	*	*	100.0
By Loan Size							
\$100,000 or less	62	50.8	3,556	12.8	93.0	33.6	
\$100,000 - \$250,000	19	15.6	3,697	13.3	3.3	16.4	
\$250,000 - \$1 Million	41	33.6	20,534	73.9	3.7	50.0	
Total	122	100.0	27,787	100.0	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	32	61.5	1,479	15.4	*	*	
\$100,000 - \$250,000	4	7.7	925	9.6	*	*	
\$250,000 - \$1 Million	16	30.8	7,196	75.0	*	*	
Total	52	100.0	9,600	100.0	*	*	
* Data Unavailable							
Percentages may not total to 100.0 percent due to rounding.							

Community Development Loans

Citizens Bank made an adequate level of community development loans in the Jackson assessment area as three loans totaling \$2,206,797 were originated during the review period. All loans were renewals or refinances of previously originated loans. The loans helped revitalize and stabilize low- and moderate-income areas by providing housing units at affordable rates and community services to low- and moderate-income individuals in the assessment area. One loan supported a six-unit multi-family property located in a low-income census tract; all units are affordable for low- and moderate-income borrowers. The other two loans were to a non-

profit organization located in a low-income census tract. The organization provides multiple community services to low- and moderate-income individuals and a majority of its employees are considered low- and moderate-income. The bank's performance was similar to prior year levels as one community development loan totaling \$2,800,000 was originated in the Jackson assessment area during the previous review period.

INVESTMENT TEST

Citizens Bank made an adequate level of qualified investments, donations, and grants in the Jackson assessment area during the review period. Citizens rarely participated in a leadership position. Additionally, the bank made rare use of innovative and/or complex investments to support community development initiatives and exhibited adequate responsiveness to credit and community development needs.

The bank funded \$328,267 in qualifying investments for this review period in the Jackson assessment area. MBS pools had three underlying loans totaling \$306,252 that benefitted low- and moderate-income individuals in the Jackson MI MSA assessment area. The bank also made 12 qualified donations totaling \$22,015 during the review period. The majority of donations were to organizations that provide community services to low- and moderate-income individuals in the assessment area. Among the organizations receiving donations were United Way of Jackson and the Enterprise Group of Jackson Inc. No other qualifying investments were made during the review period.

SERVICE TEST

Retail services are accessible to essentially all portions of the assessment area and changes in the branch and ATM network did not adversely affect the accessibility of its delivery systems. The bank provides reasonable business hours that do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and individuals. Employees provide an adequate level of community development services in the assessment area.

Retail Services

The Jackson assessment area consists of 37 census tracts, including two (5.4 percent) low- and eight (21.6 percent) moderate-income geographies. The bank operates nine branch offices in the assessment area, two each in low- and moderate-income geographies. The majority of branch offices are equipped with a full-service ATM. There are a total of nine ATMs, seven full-service and two cash-only, throughout the assessment area, including two each in low- and moderate-income geographies. The percentage of branch offices and ATMs in low-income geographies (22.2 percent) significantly exceeds the percentage of low-income census tracts and the percentage of families (1.6 percent) located in these census tracts. The percentage of branch

offices and ATMs in moderate-income geographies (22.2 percent) is comparable to the percentage of moderate-income (21.6 percent) census tracts and exceeded the percentage of families (13.3 percent) located in these census tracts. All branch offices are accessible to essentially all portions of the assessment area, including low- and moderate-income individuals and geographies. Some branch locations are also available via public transportation. The bank's record of opening and closing branch offices and ATMs has not adversely affected the accessibility of delivery systems, particularly to low- and moderate-income individuals and geographies. No branch offices or ATMs have been opened or closed since the previous evaluation.

Branch hours vary by location, but are typically open between 9:00 a.m. and 5:00 p.m., Monday through Thursday, and 9:00 a.m. to 6:00 p.m. on Friday. Multiple locations also provide drive-through services between 9:00 a.m. and 12:00 p.m. on Saturdays. Business hours and banking services are reasonable and do not vary in a way that inconveniences low- and moderate-income individuals or geographies. All loan products are available via walk-in service or by appointment. Alternative delivery systems include ATMs, internet banking, call center telephone and chat options, and bank by phone services, available 24 hours a day for balance inquiry, account transfers, and bill pay.

Community Development Services

Citizens Bank provides an adequate level of community development services in the Jackson assessment area as employees participated in six qualified services totaling 81 hours during the review period. All areas of community development were represented by the services provided. The bank through the FHLB affordable housing program assisted one borrower in obtaining a grant for \$30,000. Please refer to the table in the State of Michigan section for detailed information on the community development purpose supported by the qualifying services.

The following are examples of some of the services that had a significant impact to the area. An employee provided technical assistance to the Community Action Agency finance committee, discussing opportunities for affordable housing in downtown Jackson. Another employee is the treasurer of the Michigan Certified Development Corporation, which is the leading provider of SBA financing in the state of Michigan.

The bank's performance declined from prior year levels as 11 community development services totaling 451 hours were given credit in the Jackson assessment area during the previous evaluation. As mentioned in the combined section, in general, community development services have declined due to a decrease in staff over the past three years.

METROPOLITAN AREAS (Full Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN ANN ARBOR, MICHIGAN METROPOLITAN STATISTICAL AREA

Citizens' operations in the Ann Arbor MI MSA assessment area are managed through six branch offices and augmented by nine automated teller machines. As of June 30, 2010, Citizens Bank maintained a 3.4 percent market share of FDIC-insured deposits, ranking 11th of 19 FDIC-insured financial institutions with at least one branch office in the Ann Arbor MSA. By comparison, the top three institutions by market share were: TCF National Bank, 13.2 percent, PNC Bank National Assn., 12.0 percent, and JPMorgan Chase Bank N.A., 11.9 percent.

The Ann Arbor assessment area consists of 97 census tracts throughout Washtenaw County in eastern Michigan. The largest cities in Washtenaw County are the cities of Ann Arbor and Ypsilanti. Select demographic information for the Ann Arbor MSA assessment area has been provided in the following table.

Assessment Area Demographics								
Income Categories	Tract Distribution		Number of Families in Tract		Families Below Poverty Level as % of Families by Tract		Number of Families Based on Family Income	
	#	%	#	%	#	%	#	%
Low-income	11	11.3	3,404	4.6	1,003	29.5	14,363	19.4
Moderate-income	19	19.6	13,181	17.8	1,289	9.8	13,262	17.9
Middle-income	46	47.4	38,108	51.3	1,119	2.9	16,797	22.6
Upper-income	21	21.7	19,506	26.3	364	1.9	29,777	40.1
TOTALS	97	100.0	74,199	100.0	3,775	5.1	74,199	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	12,216	1,553	2.1	12.7	9,839	80.5	824	6.7
Moderate-income	26,386	10,046	13.4	38.1	15,233	57.7	1,107	4.2
Middle-income	65,825	41,614	55.6	63.2	21,297	32.4	2,914	4.4
Upper-income	26,642	21,633	28.9	81.2	4,112	15.4	897	3.4
TOTALS	131,069	74,846	100.0	57.1	50,481	38.5	5,742	4.4
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Under \$1 million		Over \$1 million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	1,756	9.9	1,488	9.4	123	12.4	145	17.2
Moderate-income	2,104	11.9	1,876	11.8	124	12.5	104	12.4
Middle-income	9,247	52.2	8,313	52.4	524	52.9	410	48.7
Upper-income	4,593	26.0	4,190	26.4	220	22.2	183	21.7
TOTALS	17,700	100.0	15,867	100.0	991	100.0	842	100.0
Percentage of Total Businesses			89.6		5.6		4.8	
Source: 2000 Census & 2009 Dunn & Bradstreet information. Percentages may not total to 100.0 percent due to rounding.								

Population Characteristics

The estimated combined 2009 population for the MSA is 347,563 which is a significant increase from the 2000 Census data of 322,895. The largest city within the assessment area is Ann Arbor, with a population of 112,920 in 2009 and 114,024 in 2000.

Population Changes 2000 Census vs. July 1, 2009			
Area	2000 Census	2009 Estimates	Percentage Change
Assessment Area	322,895	347,563	7.6%
State of Michigan	9,938,444	9,969,727	0.3%
Source: U.S. Census Bureau			

Income Characteristics

The 2009 estimated median family income increased from the 2000 Census data at a higher rate than for the state as shown in the following table. More notably, the median family income is significantly higher for the assessment area overall.

Median Family Income Changes 2000 Census vs. 2009			
Area	2000 Census	2009 Estimates	Percentage Change
Assessment Area	\$69,771	\$85,200	22.1%
State of Michigan	\$53,457	\$63,800	19.3%

Source: U.S. Department of Housing and Urban Development

Bankruptcy filing rates have generally trended flat during the past three years ranging from a high of 4.7 in 2009 to a low of 3.1 in 2007, according to the Administrative Office of the U.S. Courts. Overall, the county ranks 52nd of 83 counties in the state in bankruptcy filings under this methodology.

Housing Characteristics

According to the 2000 census data, there were 131,069 housing units, of which 57.1 percent are owner-occupied, 38.5 percent are rentals and 4.4 percent were vacant. The following table provides additional housing data.

Housing Costs				
Area	Median Housing Value	Median Gross Rent	Fair Market Rent *	Affordability Ratio
Assessment Area	\$170,082	\$687	\$940	.29
State of Michigan	\$110,300	\$546		.40

2000 United States Census Data;
**Department of Housing and Urban Development*

An area with a high ratio generally has more affordable housing than an area with a low ratio. Homes in this assessment area are substantially less affordable than in the State of Michigan where the ratio is .40 for several reasons, including the presence of higher paying technical and professional jobs associated with businesses located in the MSA and the fact the assessment area is relatively close to the Detroit metropolitan area.

Home sales and home prices have gradually declined in the assessment area over the past several years, according to the website www.city-data.com. Home sales were highest during the second quarter of 2005 at over 800 sales but declined significantly by the third quarter of 2010 to under 300 homes sold. Prices have also declined slightly during this time from \$250,000 to approximately \$225,000. For comparison purposes, the website noted that the median house value in 2009 was \$239,200 for the assessment area, an increase from \$170,082 in the preceding table, while the state average was \$132,200, an increase of \$21,900 from 2000.

Housing permits in the assessment area have declined approximately by 38.0 percent in 2008 and 16.0 percent in 2009. Furthermore, permits decreased by approximately 43.0 percent and 34.0 percent in 2008 and 2009, respectively, for the state, and by more than 35.0 percent, in both years, for the country, according to the National Association of Realtors.

The assessment area has a lower amount of foreclosures per housing unit when compared to the state as a whole. The Ann Arbor MSA assessment area has 2,037 homes in foreclosure as of November 2010, according to the website www.realtytrac.com. This represents a foreclosure rate of one in every 447 housing units in the assessment area. Furthermore, the state of Michigan had 19,288 homes in foreclosure as of November 2010 which represents one in every 235 housing units.

Labor and Employment

The Ann Arbor MSA is home to the main campus of the University of Michigan and consequently offers many employment opportunities in education, as well as in related healthcare fields that are closely tied to the university. It is also home to the main campus of Eastern Michigan University, a teaching university, located in Washtenaw County. The following table lists the area's top employers.

Largest Employers in the Assessment Area		
Company	# Employed	Industry
University of Michigan	26,241	Education
University of Michigan Medical Center	19,614	Healthcare
Trinity Health	5,670	Healthcare
Ann Arbor Public Schools	2,659	Education
ACH Saline	2,000	Manufacturer
Eastern Michigan University	1,932	Education
<i>Source: Annarborusa.org</i>		

Unemployment

The labor force in the MSA has been insulated from the economic factors that have more adversely impacted the state because of the stabilizing influence of the University of Michigan and several large medical teaching and research facilities. The MSA has also become a hub for high-end automotive research and development. As a result, the unemployment rate for the assessment area has been and continues to be below that the state and the nation.

Unemployment Statistics			
Region	October 2010 (%)	2009 (%)	2008 (%)
Assessment Area	7.8	8.3	5.7
State of Michigan	12.0	13.4	8.3
United States	9.0	9.3	5.8
<i>Source: United States Department of Labor – Bureau of Labor Statistics</i>			
<i>*Preliminary</i>			

Community Representatives

Two community representatives were contacted in the Ann Arbor area; the contacts represent organizations that provide community development services to the homeless population and economic development support to small businesses. The contacts stated that there is a lot of competition for lower-paying positions because residents often compete with students from the University of Michigan and Eastern Michigan University for jobs. This has contributed to an increase in homelessness in the county. The contacts mentioned that financial institutions have supported their efforts through corporate contributions but have not been willing to provide start-up financing for new and potential business owners.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ANN ARBOR ASSESSMENT AREA

LENDING TEST

The geographic distribution of the bank’s loans reflects good dispersion based on the bank’s record of lending to small businesses in geographies of different income levels. The distribution of the bank’s loans reflects good penetration among borrowers with different incomes and businesses of different sizes based on the bank’s record of lending to small businesses. The bank makes an adequate level of community development loans in the assessment area. The bank makes use of innovative and flexible lending programs to help meet the credit needs in LMI geographies and among LMI populations.

Geographic Distribution

The geographic distribution of loans reflects good dispersion in the assessment area based primarily on the bank’s record of lending to small businesses in geographies of different income levels.

Home Mortgage Lending

Overall, the bank originated more loans to borrowers from middle- and upper-income census tracts than from the low- and moderate-income census tracts in the assessment area. To a certain extent, this reflects the bank's product focus on refinances. As the data in the table shows, the highest percentages of owner-occupied housing units are in the middle- and upper-income census tracts. The bank's originations in middle- and upper-income census tracts outpaced the aggregated lenders and the demographics. The bank performed as well or better than the aggregated lenders in low- and moderate-income census tracts, and was consistent with or favorable to the demographics.

Home Mortgage Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Owner- Occupied Housing
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	2	14.3	159	8.1	2.4	1.7	2.1
Moderate	2	14.3	106	5.4	8.5	4.9	13.4
Middle	9	64.3	1,442	73.7	60.7	52.9	55.6
Upper	1	7.1	250	12.8	28.4	40.5	28.9
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	14	100.0	1,957	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	1	1.3	158	1.5	1.3	1.1	2.1
Moderate	5	6.3	183	1.9	5.5	4.0	13.4
Middle	47	59.5	4,956	51.7	49.5	42.3	55.6
Upper	26	32.9	4,280	44.7	43.7	52.6	28.9
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	79	100.0	9,577	100.0	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0	0.0	1.7	2.0	2.1
Moderate	1	33.3	2	0.8	12.3	3.7	13.4
Middle	2	66.7	239	99.2	55.6	42.3	55.6
Upper	0	0.0	0	0.0	30.4	52.0	28.9
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	3	100.0	241	100.0	100.0	100.0	100.0
Multifamily Loans							
Low	0	0.0	0	0.0	41.7	64.6	2.1
Moderate	4	80.0	921	75.4	33.3	11.5	13.4
Middle	1	20.0	300	24.6	25.0	23.9	55.6
Upper	0	0.0	0	0.0	0.0	0.0	28.9
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	5	100.0	1,221	100.0	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	3	3.0	317	2.4	1.7	1.4	2.1
Moderate	12	11.9	1,212	9.3	6.6	4.2	13.4
Middle	59	58.4	6,937	53.4	53.1	45.1	55.6
Upper	27	26.7	4,530	34.9	38.6	49.3	28.9
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	101	100.0	12,996	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Small Business Lending

Citizens Bank achieved excellent dispersion of its small business loans in its assessment area, including among low- and moderate-income geographies within the assessment area. The percentage of small business loans made in low- and moderate-income census tracts exceeded that of peer, respectively and the percentage of businesses located in low- and moderate-income census tracts. The majority of the bank's small business lending took place in the middle-income census tracts of the assessment area which is consistent with both the percentage of loans originated by the aggregated lenders and the percentage of businesses located in the middle-income geographies of the assessment area. Lending levels in 2008 reflected a lower concentration of loans in low- and moderate-income geographies. However, the bank's performance exceeded that of the aggregated lenders in both low- and moderate-income geographies.

Small Business Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Businesses by Census Tract Income Level
	#	%	\$	%	# %	\$ %	%
Low	7	23.3	656	13.1	8.0	9.8	9.9
Moderate	6	20.0	2,675	53.2	11.7	13.5	11.9
Middle	17	56.7	1,696	33.7	50.8	50.3	52.2
Upper	0	0.0	0	0.0	28.6	26.1	26.0
Tract Unknown	0	0.0	0	0.0	0.9	0.3	0.0
Total	30	100.0	5,027	100.0	100.0	100.0	100.0
<i>Percentages may not total to 100.0 percent due to rounding.</i>							

Distribution by Borrower Income and Revenue Size of the Business

The distribution of borrowers reflects good penetration among customers of different income levels and among businesses of different sizes. Citizens exhibits a good record of serving the credit needs of low-income individuals and areas and very small businesses. Citizens makes use of innovative and flexible lending programs, primarily through government –insured, - sponsored, or –guaranteed loan programs, to increase the availability and affordability of credit among LMI borrowers and small businesses.

Home Mortgage Lending

Citizens originated the majority of its home mortgage loans to upper-income borrowers, 35.6 percent of its lending by number; refinances drove this outcome. Refinances represented 78.2 percent of the bank's home mortgage lending in 2009.

The following table presents the number, dollar volume and percentages of loans originated by the bank to borrowers by income level in comparison to the lending record of the aggregated lenders and percentage of families by income level. The bank outperformed the aggregate of lenders in serving low- and moderate-income individuals when comparing percentages of loans originated. In 2008, the distribution of home mortgage and refinanced home loans reflects good penetration among borrowers of different income levels.

Home Mortgage Lending, 2009 Borrower Distribution (000's)							
Income Level of the Borrower	Bank Loans				Aggregate of All Lenders		Families by Income Level
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	5	35.7	278	14.2	15.9	8.8	19.4
Moderate	3	21.5	507	25.9	25.7	21.3	17.9
Middle	1	7.1	250	12.8	19.0	20.3	22.6
Upper	5	35.7	922	47.1	22.2	35.5	40.1
Unknown	0	0.0	0	0.0	17.2	14.1	0.0
Total	14	100.0	1,957	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	6	7.6	321	3.4	7.0	4.1	
Moderate	17	21.5	1,408	14.7	13.8	10.3	
Middle	26	32.9	3,113	32.5	20.6	18.4	
Upper	29	36.7	4,541	47.4	35.4	44.8	
Unknown	1	1.3	194	2.0	23.2	22.4	
Total	79	100.0	9,577	100.0	100.0	100.0	
Home Improvement Loans							
Low	1	33.3	2	0.8	12.8	6.2	
Moderate	0	0.0	0	0.0	23.5	13.9	
Middle	0	0.0	0	0.0	26.0	22.8	
Upper	2	66.7	239	99.2	33.0	48.3	
Unknown	0	0.0	0	0.0	4.7	8.8	
Total	3	100.0	241	100.0	100.0	100.0	
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	0	0.0	0	0.0	0.0	0.0	
Middle	0	0.0	0	0.0	0.0	0.0	
Upper	0	0.0	0	0.0	0.0	0.0	
Unknown	5	100.0	1,221	100.0	100.0	100.0	
Total	5	100.0	1,221	100.0	100.0	100.0	
Total Home Mortgage Loans							
Low	12	11.9	601	4.6	9.9	5.4	
Moderate	20	19.8	1,915	14.7	17.7	13.2	
Middle	27	26.7	3,363	25.9	20.3	18.9	
Upper	36	35.6	5,702	43.9	31.2	42.2	
Unknown	6	5.9	1,415	10.9	20.9	20.3	
Total	101	100.0	12,996	100.0	100.0	100.0	

Percentages may not total to 100.0 percent due to rounding.

Small Business Lending

The distribution of small business loans reflects good penetration among businesses of different sizes. In 2009, the bank originated 30 loans to small businesses, of which 70.0 percent were

made to businesses with revenues of \$1 million or less. This level of lending exceeded the percentage of loans originated by the aggregated lenders to businesses with revenues of \$1 million or less. Of the bank's small business loans originated, 60.0 percent had original amounts of \$100,000 or less. Small business lending increased slightly from 2008 performance in which 67.4 percent of small business loans were originated to businesses with revenues of \$1 million or less and 52.8 percent were for original amounts of \$100,000 or less.

Small Business Loan Distribution, 2009 By Revenue and Loan Size (000's)							
Category	Bank Loans				Aggregate of All Lenders		Businesses By Annual Revenues
	#	%	\$	%	# %	\$ %	# %
By Revenue							
\$1 Million or Less	21	70.0	3,259	64.8	21.7	38.5	89.6
Over \$1 Million	4	13.3	864	17.2	*	*	5.6
Not Known	5	16.7	904	18.0	*	*	4.8
Total	30	100.0	5,027	100.0	*	*	100.0
By Loan Size							
\$100,000 or less	18	60.0	796	15.8	93.6	28.9	
\$100,000 - \$250,000	7	23.3	1,241	24.7	2.6	12.6	
\$250,000 - \$1 Million	5	16.7	2,990	59.5	3.8	58.5	
Total	30	100.0	5,027	100.0	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	16	76.2	693	21.2	*	*	
\$100,000 - \$250,000	2	9.5	387	11.9	*	*	
\$250,000 - \$1 Million	3	14.3	2,179	66.9	*	*	
Total	21	100.0	3,259	100.0	*	*	

Community Development Loans

Citizens Bank made an adequate level of community development loans in the Ann Arbor MSA assessment area as four loans totaling \$1,846,530 were originated during the review period. Two of the loans were refinances of previously-originated loans. The loans helped provide affordable housing and supported economic development by financing small businesses. Three of the loans supported three multi-family properties with over 42 units that are below HUD's fair market rent and thus are affordable to low- and moderate-income individuals. Two of the properties are also located in a moderate-income census tract, while the other is located in a low-income census tract. The other loan was originated under the SBA's 504 CDC program and helped create and retain jobs in the assessment area. The bank's performance was below prior review period levels, by dollar volume, as four community development loans totaling \$7,100,000 were originated in the Ann Arbor MSA assessment area during the previous evaluation.

INVESTMENT TEST

Citizens Bank made an adequate level of qualified investments, donations, and grants in the Ann Arbor MSA assessment area during the review period. Citizens rarely participated in a leadership position. Additionally, the bank makes rare use of innovative and/or complex investments to support community development initiatives and exhibits adequate responsiveness to credit and community development needs.

The bank funded \$1.1 million in qualifying investments in the Ann Arbor MSA assessment area, during this review period. The majority of the qualifying investments were MBS pools that benefitted low- and moderate-income individuals. The bank also made two qualified donations totaling \$5,000 during the review period. Both donations were to organizations, the Washtenaw Housing Alliance and the Food Bank of Eastern Michigan, that provide community services to low- and moderate-income individuals in the assessment area. No other qualifying investments were made during the review period.

SERVICE TEST

Retail services are reasonably accessible to essentially all portions of the assessment area and changes in the branch and ATM network did not adversely affect the accessibility of its delivery systems. The bank provides reasonable business hours that do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and individuals. Employees provided an adequate level of community development services in the assessment area.

Retail Services

The Ann Arbor assessment area consists of 97 census tracts, including 11 (11.3 percent) low- and 19 (19.6 percent) moderate-income geographies. The bank operates six branch offices in the assessment area; two of which are located in low-income geographies, while there are no branch offices in moderate-income geographies. The majority of branch offices are equipped with a full-service ATM. There are a total of nine ATMs, five full-service and four cash only, throughout the assessment area, including four in low- and one in moderate-income geographies. The percentage of branch offices (33.3 percent) and ATMs (66.7 percent) in low-income geographies significantly exceeds the percentage of low-income census tracts and the percentage of families (4.6 percent) located within these census tracts. While there are no branch offices and only one ATM in moderate-income census tracts, there are branch offices and ATMs in close proximity to these census tracts. All branch offices are reasonably accessible to essentially all portions of the assessment area, including low- and moderate-income individuals and geographies. Some branch locations are also available via public transportation. The bank's record of opening and closing branch offices and ATMs has not adversely affected the accessibility of delivery systems, particularly to low- and moderate-income individuals and geographies. No branch offices or ATMs have been opened or closed since the previous evaluation.

Branch hours vary by location, but are typically open between 9:00 a.m. and 5:00 p.m., Monday through Friday, with extended drive-up hours. A few locations also provide drive-through services between 9:00 a.m. and 12:00 p.m. on Saturdays. Business hours and banking services are reasonable and do not vary in a way that inconveniences low- and moderate-income individuals or geographies. All loan products are available via walk-in service or by appointment. Alternative delivery systems include ATMs, internet banking, call center telephone and chat options, and bank by phone services, available 24 hours a day for balance inquiry, account transfers, and bill pay.

Community Development Services

Citizens Bank provides an adequate level of community development services in the Ann Arbor MSA assessment area as employees participated in five qualified services totaling 96 hours during the review period. The bank assisted one borrower in obtaining a grant for \$7,500 from the FHLB affordable housing program. Community development services provided by the bank supported affordable housing objectives and community services tailored to meet the needs of LMI individuals. Please refer to the table in the state of Michigan section for detailed information on the community development purpose supported by the qualifying services.

The following are examples of some of the services that had a significant impact on the area. An employee provided affordable housing and financial education to low- and moderate-

income individuals in the area. Another employee taught a first-time homebuyer class that provided financial education tailored to low- and moderate-income individuals.

The bank's performance declined from prior review period levels as 16 community development services totaling 164 hours were given credit in the Ann Arbor MSA assessment area during the previous evaluation. As mentioned in the combined section, in general, community development services have declined due to a decrease in staff over the past three years.

METROPOLITAN AREAS (Full Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN DETROIT-LIVONIA-DEARBORN, MICHIGAN METROPOLITAN DIVISION

Citizens' operations in the Detroit MD assessment area are managed through four branch offices and augmented by four automated teller machines. As of June 30, 2010, Citizens Bank maintained a 0.4 percent market share of FDIC-insured deposits, ranking 15th of the 27 FDIC-insured financial institutions with at least one branch office in the Detroit MD. By comparison, the top three institutions by market share were: JPMorgan Chase Bank N.A., 34.2 percent; Comerica Bank, 33.7 percent; and Bank of America N.A., 7.7 percent.

The Detroit-Livonia MD assessment area consists of 620 census tracts throughout Wayne County in eastern Michigan. Major cities in the metropolitan division include the cities of Detroit, Dearborn, and Livonia.

Select demographic information for the Detroit assessment area is provided in the following table.

Assessment Area Demographics								
Income Categories	Tract Distribution		Number of Families in Tract		Families Below Poverty Level as % of Families by Tract		Number of Families Based on Family Income	
	#	%	#	%	#	%	#	%
Low-income	71	11.5	34,942	6.8	12,993	37.2	118,887	23.1
Moderate-income	190	30.6	142,704	27.7	34,143	23.9	85,463	16.6
Middle-income	191	30.8	178,825	34.7	14,259	8.0	99,413	19.3
Upper-income	160	25.8	158,508	30.8	3,943	2.5	211,216	41.0
Unknown-income	8	1.3	0	0.0	0	0.0	0	0.0
TOTALS	620	100.0	514,979	100.0	65,338	12.7	514,979	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	67,190	19,519	3.8	29.1	37,003	55.1	10,668	15.9
Moderate-income	243,542	113,164	22.1	46.5	103,342	42.4	27,036	11.1
Middle-income	285,211	195,875	38.3	68.7	76,308	26.8	13,028	4.6
Upper-income	230,135	183,378	35.8	79.7	39,829	17.3	6,928	3.0
Unknown-income	67	0	0.0	0.0	22	32.8	45	67.2
TOTALS	826,145	511,936	100.0	62.0	256,504	31.0	57,705	7.0
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Under \$1 million		Over \$1 million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	3,892	5.5	3,334	5.2	315	8.1	243	6.8
Moderate-income	15,959	22.4	14,235	22.3	837	21.4	887	24.9
Middle-income	24,967	35.0	22,165	34.7	1,531	39.2	1,271	35.7
Upper-income	26,047	36.5	23,765	37.3	1,155	29.5	1,127	31.6
Unknown-income	400	0.6	295	0.5	69	1.8	36	1.0
TOTALS	71,265	100.0	63,794	100.0	3,907	100.0	3,564	100.0
	Percentage of Total Businesses			89.5		5.5		5.0
Source: 2000 Census Bureau & 2009 Dunn and Bradstreet Information								
Percentages may not total to 100.0 percent due to rounding.								

Population Characteristics

The metropolitan division is one of the few metropolitan areas in the country that experienced a decline in its population, primarily due to the decline in population of its largest city (Detroit), which is also the largest city in the state. The estimated 2009 population for this assessment area is 1,925,848, which is a decrease from the 2000 Census of 2,061,162. For comparison, Detroit's population as of 2009 was 910,921 and 951,270 in the year 2000.

Population Changes 2000 Census vs. July 1, 2009			
Area	2000 Census	2009 Estimates	Percentage Change
Assessment Area	2,061,162	1,925,848	(7.0%)
State of Michigan	9,938,444	9,969,727	0.3%
<i>Source: U.S. Census Bureau</i>			

Income Characteristics

The 2009 estimated median family income increased at a significantly higher rate in the assessment area compared to the state of Michigan, as noted in the following table.

Median Family Income Changes 2000 Census vs. 2009			
Area	2000 Census	2009 Estimates	Percentage Change
Assessment Area	\$48,792	\$71,000	45.5%
State of Michigan	\$53,457	\$63,800	19.3%
<i>Source: U.S. Department of Housing and Urban Development</i>			

Bankruptcy filing rates have dropped from a high of 12.51 per 1,000 in population in 2005 to a rate of 8.89 in 2009, according to the Administrative Office of the U.S. Courts. However, overall the county ranks 5th of 83 counties in the state of Michigan in bankruptcy.

Housing Characteristics

According to the 2000 census data, there were 826,145 housing units, of which 62.0 percent are owner-occupied, 31.1 percent are rentals and 7.0 percent are vacant. The following table provides additional housing data.

Housing Costs				
Location	Median Housing Value	Median Gross Rent	Fair Market Rent*	Affordability Ratio
Assessment Area	\$96,226	\$530	\$809	.41
State of Michigan	\$110,300	\$546		.40
<i>2000 United States Census Data;</i>				
<i>*Department of Housing and Urban Development</i>				

An area with a high ratio generally has more affordable housing than an area with a low ratio. Homes in this assessment area are more affordable than in the state of Michigan where the ratio is .40. Although it is noted that the metropolitan area has higher paying jobs, many of the new housing developments are located outside the assessment area in the Warren-Troy-Farmington metropolitan division and the Ann Arbor assessment area.

Home sales and home prices have gradually declined in the assessment area over the past several years, according to the website www.city-data.com. Home sales were highest during

the second quarter of 2006 at approximately 7,000 sales but declined significantly by the fourth quarter of 2010 to under 1,000 homes sold. Prices remained relatively steady during this time from \$80,000 in the second quarter of 2006 to \$70,000 by the fourth quarter of 2010. For comparison purposes, the website noted that the median house value in 2009 was \$67,000 for the assessment area, a decrease from \$96,226 in the preceding table, while the state average was \$132,200, an increase of \$21,900 from 2000.

Housing permits in the assessment area have declined approximately by 20.0 percent in 2008 and 68.0 percent in 2009. Furthermore, permits decreased by approximately 43.0 percent and 34.0 percent in 2008 and 2009, respectively, for the state, and by more than 35.0 percent, in both years, for the country, according to the National Association of Realtors.

The foreclosure rate in the assessment area is among the highest in the state, with 27,325 homes in foreclosure as of November 2010, according to the website www.realtytrac.com. This represents a foreclosure rate of one in every 201 housing units in the Detroit MD. Furthermore, the state of Michigan had 19,288 homes in foreclosure as of November 2010 which represents one in every 235 housing units. The high number of foreclosures in the assessment area may be attributed directly to the state of the economy in the Detroit metropolitan area.

Labor and Employment

The name Detroit is associated with the domestic automotive industry, and is often times referred to as the car capital of the country; however, the domestic automotive industry has experienced an ongoing decline resulting in increased diversification in the employment landscape. For comparison, General Motors Corporation and Chrysler Group employ approximately 4,500 people each. The private sector is not the only area affected; in April 2011, the Detroit Public Schools sent 5,466 layoff notices to employees due to budget constraints, according to *USA Today*. The following table lists some of the area's top employers.

Largest Employers in the City of Detroit		
Company	# Employed	Industry
Detroit Public Schools	13,750	Education
City of Detroit	13,187	Government
Detroit Medical Center	10,499	Healthcare
Henry Ford Health System	8,502	Healthcare
United States Government	6,335	Government
Wayne State University	5,019	Education
<i>Source: degc.org</i>		

Unemployment

The unemployment rate in the Detroit assessment area increased 6.3 percent between 2008 and 2009 and was 13.3 percent in October 2010. While the changes reflect what is happening in the state, the unemployment rate of the assessment area is higher than the state of Michigan. This is

in large part due to the ailing U.S. automotive industry. The following table provides detailed information for the assessment area, the state of Michigan, and the United States.

Unemployment Statistics			
Area	October 2010 (%)	2009 (%)	2008 (%)
Assessment Area	13.3	15.0	8.7
State of Michigan	12.0	13.4	8.3
United States	9.0	9.3	5.8

*Source: United States Department of Labor – Bureau of Labor Statistics
Preliminary

Community Representatives

A total of seven representatives of various organizations were contacted in the Detroit metropolitan area. Representatives indicated that credit is extremely tight for small businesses and that lending in this market is falling to CDCs and CDFIs. From their perspective, banks are not playing a pivotal role in addressing these needs. Representatives also observed that banks are struggling to stay solvent and are not spending much time exploring quality of life issues or how to improve the provision of banking services to low- and moderate-income individuals. However, some contacts recognized the significant obstacles that are present in the Detroit metropolitan areas including unemployment, foreclosures, vacant properties, and high crime rates that make more challenging for lenders to serve this area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN DETROIT, MI ASSESSMENT AREA

LENDING TEST

The geographic distribution of the bank's loans reflects adequate dispersion in the assessment area based on the bank's record of making loans to small businesses in geographies of different income levels. The distribution of loans reflects adequate penetration among borrowers of different incomes and businesses of different sizes based primarily on the bank's record of originating loans to small businesses. The bank made an adequate level of community development loans in the assessment area.

Geographic Distribution

The geographic distribution of the bank's loans reflects adequate dispersion in the assessment area based on the bank's record of lending to small businesses in geographies of different income levels.

Home Mortgage Lending

Citizens Bank achieved poor dispersion of its home mortgage loans throughout its assessment area. The data in the following table shows that the bank originated 67 home mortgage loans, totaling \$6.5 million, in 2009, and that 55 of those loans were for refinanced home mortgage loans. The distribution of the refinances shows that while the bank originated most of its loans to borrowers from middle- and upper-income geographies, it did so in percentages that were less concentrated than the aggregated lenders, but well above the percentages of owner-occupied housing and families in middle- and upper-income geographies.

In 2008, the bank's lending also favored borrowers from middle- and upper-income census tracts.

Several factors were considered before determining the level of performance in this assessment area. The majority of the low- and moderate-income geographies in Wayne County are located in the city of Detroit. The bank operates four branch locations in the county, none of which are located in the city of Detroit. HMDA-related competition in Wayne County is significant with Citizens Bank being ranked 54 of 367 HMDA reporters in 2009, according to 2009 HMDA peer data. The top three HMDA reporters were Bank of America, Citibank and JP Morgan Chase Bank. Many of the top reporters obtain the majorities of their mortgage applications from their website and telephone delivery channels. Additionally, competition in the city of Detroit is significant as 12 institutions with 96 offices are located in the city according to the 2010 FDIC Deposit Market Share Report. Two of these institutions, JPMorgan Chase Bank N.A. and Comerica Bank, hold 93.2 percent of the deposits in the Detroit market combined.

Home Mortgage Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Owner- Occupied Housing
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	0	0.0	0	0.0	0.9	0.7	3.8
Moderate	0	0.0	0	0.0	7.4	4.7	22.1
Middle	2	20.0	93	6.2	36.8	26.6	38.3
Upper	8	80.0	1,410	93.8	54.9	68.0	35.8
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	10	100.0	1,503	100.0	100.0	0.0	100.0
Refinanced Loans							
Low	1	1.8	29	0.6	0.8	0.4	3.8
Moderate	3	5.5	208	4.1	6.8	3.4	22.1
Middle	17	30.9	596	11.9	28.6	20.0	38.3
Upper	34	61.8	4,182	83.4	63.8	76.2	35.8
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	55	100.0	5,015	100.0	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0	0.0	3.0	1.4	3.8
Moderate	0	0.0	0	0.0	21.3	10.2	22.1
Middle	1	50.0	8	72.7	38.2	34.2	38.3
Upper	1	50.0	3	27.3	37.5	54.2	35.8
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	2	100.0	11	100.0	100.0	100.0	100.0
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	3.8
Moderate	0	0.0	0	0.0	29.6	13.0	22.1
Middle	0	0.0	0	0.0	37.0	12.9	38.3
Upper	0	0.0	0	0.0	33.4	74.1	35.8
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	0	0.0	0	0.0	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	1	1.5	29	0.4	0.9	0.5	3.8
Moderate	3	4.5	208	3.2	7.4	3.9	22.1
Middle	20	29.8	697	10.7	32.3	22.3	38.3
Upper	43	64.2	5,595	85.7	59.4	73.2	35.8
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	67	100.0	6,529	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Small Business Lending

Citizens Bank achieved adequate dispersion of small business loans throughout its assessment area. The majority of the bank's small business lending took place in the middle-income census

tracts of the assessment area by both numbers of loans and dollars. The level of bank lending in the middle-income census tracts exceeded the record of the aggregated lenders, the percentage of census tracts that are middle-income and the percentage of businesses located in the middle-income census tracts. The lending was so concentrated in middle-income census tracts that the bank underperformed the aggregated lenders in geographies of other income level designations.

Small Business Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Businesses by Census Tract Income Level
	#	%	\$	%	# %	\$ %	%
Low	2	2.1	1,209	3.7	4.2	5.4	5.5
Moderate	15	15.3	4,878	15.0	17.2	18.8	22.4
Middle	49	50.0	17,141	52.6	35.7	38.7	35.0
Upper	31	31.6	9,273	28.5	41.7	34.9	36.5
Unknown	1	1.0	74	0.2	0.5	1.8	0.6
Tract Unknown	0	0.0	0	0.0	0.7	0.4	0.0
Total	98	100.0	32,575	100.0	100.0	100.0	100.0
<i>Percentages may not total to 100.0 percent due to rounding.</i>							

Distribution by Borrower Income and Revenue Size of the Business

The distribution of borrowers reflects adequate penetration among customers of different income levels and businesses of different sizes. Citizens Bank exhibits an adequate record of serving the credit needs of low-income individuals and areas and very small businesses.

Home Mortgage Lending

Borrower distribution of home mortgage loans reflects adequate penetration among individuals of different income levels. Citizens originated the majority of its home mortgage loans to upper-income borrowers, 55.2 percent of its lending by number; refinances drove this outcome. Refinances represented 82.1 percent of the bank's home mortgage lending in 2009. When the bank's performance is reviewed by product, 14.5 percent of refinanced loans and 30.0 percent of home purchase loans were originated to low- and moderate-income individuals.

The following table presents the number, dollar volume and percentages of loans originated by the bank to individuals by income level in comparison to the lending record of the aggregated lenders and percentage of families by income level. Home mortgage lending in 2008 was comparable to the 2009 lending distribution. Home purchase and refinanced lending to low-

and moderate-income individuals was similar to 2009 levels. Management attributed the decline to Detroit's stressed economic climate, which has caused a large population decline and fewer lending opportunities. Information from community contacts, discussed previously, supports management's assertion that the economic climate has significantly limited lending opportunities.

Home Mortgage Lending, 2009 Borrower Distribution (000's)							
Income Level of the Borrower	Bank Loans				Aggregate of All Lenders		Families by Income Level
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	1	10.0	69	4.6	10.3	5.6	23.1
Moderate	2	20.0	156	10.4	25.9	19.5	16.6
Middle	3	30.0	448	29.8	23.4	23.0	19.3
Upper	4	40.0	830	55.2	25.1	39.3	41.0
Unknown	0	0.0	0	0.0	15.2	12.6	0.0
Total	10	0.0	1,503	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	2	3.7	70	1.4	5.0	3.3	
Moderate	6	10.9	114	2.3	10.2	6.5	
Middle	13	23.6	699	13.9	15.3	12.1	
Upper	33	60.0	3,909	78.0	37.3	49.7	
Unknown	1	1.8	223	4.4	32.2	28.5	
Total	55	100.0	5,015	100.0	100.0	100.0	
Home Improvement Loans							
Low	1	50.0	8	72.7	13.1	6.9	
Moderate	0	0.0	0	0.0	27.2	17.9	
Middle	1	50.0	3	27.3	27.2	23.9	
Upper	0	0.0	0	0.0	28.6	46.3	
Unknown	0	0.0	0	0.0	3.9	4.9	
Total	2	100.0	11	100.0	100.0	100.0	
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	0	0.0	0	0.0	0.0	0.0	
Middle	0	0.0	0	0.0	0.0	0.0	
Upper	0	0.0	0	0.0	0.0	0.0	
Unknown	0	0.0	0	0.0	100.0	100.0	
Total	0	0.0	0	0.0	100.0	100.0	
Total Home Mortgage Loans							
Low	4	6.0	147	2.3	7.4	4.0	
Moderate	8	11.9	270	4.1	17.2	11.0	
Middle	17	25.4	1,150	17.6	19.0	15.9	
Upper	37	55.2	4,739	72.6	32.0	45.5	
Unknown	1	1.5	223	3.4	24.4	23.5	
Total	67	100.0	6,529	100.0	100.0	100.0	

Percentages may not total to 100.0 percent due to rounding.

Small Business Lending

The distribution of loans to small businesses by size reflects adequate penetration among businesses of different sizes. Citizens originated 98 loans to small businesses, of which 32 or

32.7 percent were to businesses with revenues of \$1 million or less and 23 or 23.5 percent were in amounts of \$100,000 or less by number of loans. The bank's performance in 2008 was better among the smallest businesses in the MSA. In 2008, the bank originated 186 loans to small businesses with 84 or 45.2 percent of its loans to small businesses to entities with revenues of \$1 million or less. Management attributed the decline to Detroit's stressed economic climate, which has caused a large population decline and fewer lending opportunities. Information from community contacts, discussed previously, supports management's assertion that the economic climate has significantly limited lending opportunities.

Small Business Loan Distribution, 2009 By Revenue and Loan Size (000's)							
Category	Bank Loans				Aggregate of All Lenders		Businesses By Annual Revenues
	#	%	\$	%	# %	\$ %	# %
By Revenue							
\$1 Million or Less	32	32.7	9,238	28.4	19.8	30.7	89.5
Over \$1 Million	61	62.2	21,740	66.7	*	*	5.5
Not Known	5	5.1	1,597	4.9	*	*	5.0
Total	98	100.0	32,575	100.0	*	*	100.0
By Loan Size							
\$100,000 or less	23	23.5	1,270	3.9	93.4	29.3	
\$100,000 - \$250,000	31	31.6	6,118	18.8	2.9	14.5	
\$250,000 - \$1 Million	44	44.9	25,187	77.3	3.7	56.2	
Total	98	100.0	32,575	100.0	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	8	25.0	482	5.2	*	*	
\$100,000 - \$250,000	11	34.4	1,958	21.2	*	*	
\$250,000 - \$1 Million	13	40.6	6,798	73.6	*	*	
Total	32	100.0	9,238	100.0	*	*	
* Data Unavailable							
Percentages may not total to 100.0 percent due to rounding.							

Community Development Loans

Citizens Bank made an adequate level of community development loans in the Detroit assessment area as one loan totaling \$2,000,000 was originated during the review period. The loan supported economic development by providing financing to a minority-owned enterprise located in a moderate-income geography. The enterprise is certified under both the SBA's HUB Zone and 8(a) Business Development programs. The bank's performance, by dollar volume, exceeds prior review period levels as one community development loan totaling \$128,000 was originated in the Detroit MSA assessment area during the previous evaluation.

INVESTMENT TEST

Citizens Bank made an adequate level of qualified investments, donations, and grants in the Detroit assessment area during the review period. Citizens rarely participated in a leadership position. Additionally, the bank made rare use of innovative and/or complex investments to support community development initiatives and exhibited adequate responsiveness to credit and community development needs.

The bank funded \$264,821 in qualifying investments, donations and grants in the Detroit assessment area during this review period. The majority of the qualifying investments were

MBS pools with three underlying loans totaling \$235,297 that benefitted low- and moderate-income individuals. The bank also made 14 qualified donations and grants totaling \$29,525 during the review period. A majority of the donation were to organizations that provide community services to low- and moderate-income individuals. Among the organizations receiving donations were the Metropolitan Affairs Coalition, Detroit Central City Community Mental Health, and United Way of Southeast Michigan. Donation activity increased from the previous evaluation where the bank made qualifying donations totaling \$5,000. No other qualifying investments were made during the review period.

SERVICE TEST

Retail services are unreasonably inaccessible to portions of the assessment area, specifically low- and moderate-income geographies. The bank provides reasonable business hours, but they vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and individuals. Employees provide an adequate level of community development services in the assessment area.

Retail Services

The Detroit assessment area consists of 620 census tracts, including 71 (11.5 percent) low- and 190 (30.6 percent) moderate-income geographies. The bank operates four branch offices in the assessment area; all of which are located in upper-income geographies. Three of the branch offices are equipped with a full-service ATM. There are a total of four ATMs, three full-service and one cash-only, throughout the assessment area, including one in a moderate-income geography. Three of the branch offices in Wayne County are located in the western suburbs of Detroit and one is located east of the city of Detroit. The location of the branch offices makes it difficult to serve the city of Detroit, which is where a majority of the low- and moderate-income geographies are located. All branch offices are unreasonably inaccessible to portions of the assessment area, including low- and moderate-income individuals and geographies. Some branch locations are available via public transportation. No branch offices have been opened or closed since the previous evaluation. One cash-only ATM was opened in a moderate-income geography. While no branch offices were closed during the review period, two loan production offices, located in a middle- and upper-income geography, were closed.

Branch hours vary by location, but are typically open between 9:00 a.m. and 5:00 p.m., Monday through Thursday and 9:00 a.m. to 6:00 p.m. on Fridays, with extended drive-up hours. A few locations also provide drive-through services between 9:00 a.m. and 1:00 p.m. on Saturdays. Business hours and banking services are reasonable but vary in a way that inconveniences low- and moderate-income individuals or geographies. All loan products are available via walk-in service or by appointment. Alternative delivery systems include ATMs, internet banking, call center telephone and chat options, and bank by phone services, available 24 hours a day for balance inquiry, account transfers, and bill pay.

Community Development Services

Citizens Bank provides an adequate level of community development services in the Detroit assessment area as employees participated in 19 qualified services totaling 238 hours during the review period. The majority of these services and hours (14/133) occurred in 2010. Community development services supported the provision of affordable housing and community services tailored to meet the needs of LMI individuals in the assessment area. Please refer to the table in the state of Michigan section for detailed information on the community development purpose supported by the qualifying services. Community representatives stressed that financial institutions were not focused on providing services to low- and moderate-income individuals. The bank assisted two borrowers in obtaining grants totaling \$6,000 from the FHLB affordable housing program.

The following are examples of some of the services that had a significant impact in the area. An employee provided technical assistance to individuals through the Accounting Aid Society, which provides accounting assistance to low- and moderate-income individuals. Another employee provided technical assistance along with assistance in fundraising for the COTS Hope Help Housing shelter, which seeks to alleviate homelessness by providing an array of services that enable people to achieve self-sufficiency and obtain quality affordable housing.

The bank's performance improved significantly from prior review period levels as three community development services totaling 28 hours were qualified in the Detroit MSA assessment area during the previous evaluation.

METROPOLITAN AREAS (Full Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN WARREN-TROY-FARMINGTON HILLS, MICHIGAN METROPOLITAN DIVISION (WARREN MD)

Citizens' operations in the Warren MD is managed through 27 branch offices and augmented by 36 automated teller machines. As of June 30, 2010, Citizens Bank maintained a 2.1 percent market share of FDIC-insured deposits, ranking 9th of the 43 FDIC-insured financial institutions with at least one branch office in the Warren MD. By comparison, the top three institutions by market share were: Bank of America, N.A., 17.7 percent; PNC Bank National Assn., 14.8 percent; and Comerica Bank, 14.8 percent.

The Warren assessment area consists of 595 census tracts in the portion of the Warren MD located throughout Livingston, Macomb and Oakland Counties in eastern Michigan. Lapeer and St. Clair counties are not included in this assessment area, but are part of the Warren MD. The major cities in this assessment area include the cities of Warren in Macomb County, and the cities of Troy, Southfield, Royal Oak, Pontiac and Farmington Hills in Oakland County. The assessment area is comprised of 12 low-, 111 moderate-, 303 middle-, 167 upper-income, and two unknown-income geographies.

Select demographic information for the Warren MD assessment area is provided in the following table.

Assessment Area Demographics								
Income Categories	Tract Distribution		Number of Families in Tract		Families Below Poverty Level as % of Families by Tract		Number of Families Based on Family Income	
	#	%	#	%	#	%	#	%
Low-income	12	2.0	8,327	1.5	1,852	22.2	98,835	17.3
Moderate-income	111	18.7	99,532	17.4	7,971	8.0	101,923	17.8
Middle-income	303	50.9	295,465	51.6	9,369	3.2	135,345	23.6
Upper-income	167	28.1	169,096	29.5	2,392	1.4	236,317	41.3
Unknown income	2	0.3	0	0.0	0	0.0	0	0.0
TOTALS	595	100.0	572,420	100.0	21,584	3.8	572,420	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	17,001	5,066	0.8	29.8	10,589	62.3	1,346	7.9
Moderate-income	172,848	110,309	17.1	63.8	54,785	31.7	7,754	4.5
Middle-income	459,199	338,673	52.5	73.8	102,349	22.3	18,177	4.0
Upper-income	222,137	190,861	29.6	85.9	23,055	10.4	8,221	3.7
Unknown income	16	0	0.0	0.0	15	93.8	1	6.3
TOTALS	871,201	644,909	100.0	74.0	190,793	21.9	35,499	4.1
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Under \$1 million		Over \$1 million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	2,411	1.9	1,784	1.6	420	5.2	207	3.3
Moderate-income	19,846	15.5	16,694	14.7	1,835	22.6	1,317	20.9
Middle-income	64,157	50.2	57,321	50.5	3,780	46.5	3,056	48.6
Upper-income	41,285	32.3	37,523	33.1	2,069	25.4	1,693	26.9
Unknown income	161	0.1	116	0.1	25	0.3	20	0.3
TOTALS	127,860	100.0	113,438	100.0	8,129	100.0	6,293	100.0
Percentage of Total Businesses			88.7		6.4		4.9	
Source: 2000 Census & 2009 Dunn & Bradstreet information.								
<i>Percentages may not total to 100.0 percent due rounding.</i>								

Population Characteristics

The estimated combined 2009 population for the MD is 2,220,053, which is a 3.8 percent increase from the 2000 Census data of 2,139,256. Growth in the assessment area has been unevenly distributed with the largest percentage growth occurring in the outlying county of Livingston. Overall, growth has exceeded the rate for the state, and outpaced population changes in Wayne County which is adjacent to the area. The largest city within the assessment area is Warren, MI with a population in 2009 of 133,873, compared to 138,247 in 2000.

Population Changes 2000 Census vs. July 1, 2009			
Area	2000 Census	2009 Estimates	Percentage Change
Assessment Area	2,139,256	2,220,053	3.8%
Livingston County	156,951	183,118	16.7%
Macomb County	788,149	831,427	5.5%
Oakland County	1,194,156	1,205,508	1.0%
State of Michigan	9,938,444	9,969,727	0.3%
<i>Source: U.S. Census Bureau</i>			

Income Characteristics

The 2009 estimated median family income in the assessment area showed modest increases compared to the medians reported under the 2000 Census. The counties within the assessment area also experienced uneven changes in medians. Livingston County realized a median family income change from 2000 to 2009 of 19.4 percent, while Oakland County experienced a decrease of 6.0 percent during the same period, as noted in the following table.

Median Family Income Changes 2000 Census vs. 2009			
Area	2000 Census	2009 Estimates	Percentage Change
Assessment Area	\$69,769	\$71,000	1.8%
Livingston County	\$75,284	\$89,900	19.4%
Macomb County	\$62,816	\$71,000	13.0%
Oakland County	\$75,540	\$71,000	-6.0%
State of Michigan	\$53,457	\$63,800	19.3%
<i>Source: U.S. Department of Housing and Urban Development</i>			

Bankruptcy filing rates in the three-county assessment area for 2009 were 7.9 in Livingston, 9.7 in Macomb, and 7.6 in Oakland, according to the Administrative Office of the U.S. Courts. This ranked the three counties as the sixth, third, and seventh highest, respectively, of 83 counties in the state in bankruptcy filings.

Housing Characteristics

The following table provides data on housing costs.

Housing Costs				
Location	Median Housing Value	Median Gross Rent	Fair Market Rent *	Affordability Ratio
Assessment Area	\$156,382	\$666	\$809	.36
Livingston County	\$185,900	\$681	\$894	.36
Macomb County	\$134,900	\$603	\$809	.38
Oakland County	\$173,800	\$707	\$809	.35
State of Michigan	\$110,300	\$546		.40
2000 United States Census Data; *Department of Housing and Urban Development				

An area with a high ratio generally has more affordable housing than an area with a low ratio. As shown in the preceding table, the assessment area is generally less affordable than in the State of Michigan where the ratio is .40. Livingston, Macomb, and Oakland Counties are more urban due to their proximity to the city of Detroit and thus less affordable. The median age of the housing stock in this assessment area is 30, based on 200 census information.

Home sales and home prices have declined dramatically for the counties in the assessment area over the past several years, according to the website www.city-data.com. Home sales were highest for Livingston County during the third quarter of 2005 at over 1000 sales but declined significantly by the fourth quarter of 2010 to just under 200 homes sold. Macomb and Oakland counties showed similar trends with Macomb having approximately 4,000 home sales in third quarter of 2005 and about 600 sales in the fourth quarter of 2010. Oakland County went from 7,000 homes sales in the third quarter of 2005 to just over 2,000 sales in the fourth quarter of 2010. Home prices have declined significantly as well. Between 2005 and 2010, Livingston County's median home price went from \$190,000 in 2005 to approximately \$140,000 in 2010. Similarly, Macomb County's median home price decreased from \$150,000 in 2005 to \$90,000 in 2010, while Oakland realized a drop from \$200,000 in 2005 to \$130,000 in 2010.

Foreclosure rates in the assessment area are some of the highest in the state, with 1,508, 10,746, and 14,129 homes in foreclosure Livingston, Macomb, and Oakland, respectively, as of November 2010, according to the website www.realtytrac.com. The number of foreclosures in the assessment area is significantly higher than in most other metropolitan areas of the state. This level of foreclosures represents a rate of one in every 249 housing units in Livingston, one in 193 housing units in Macomb, and one in 239 housing units in Oakland. Furthermore, the state of Michigan had 19,288 homes in foreclosures as of November 2010 which represents one in every 235 housing units.

Labor and Employment

With the assessment area's close proximity to the Detroit metro area, many employers are affiliated with the automotive industry. The healthcare sector is also a large industry for employment in the MD. Shown below is a list of the MD's top employers.

Largest Employers in the Assessment Area		
Company	# Employed	Industry
Chrysler Group LLC	14,391	Manufacturing - Automobile
William Beaumont Hospitals	13,694	General Medical & Surgical Hospitals
General Motors Corporation	13,093	Manufacturing – Automobile
St. John Health System	8,450	General Medical & Surgical Hospitals
Detroit Arsenal	6,380	Military
Henry Ford Health System	6,040	General Medical & Surgical Hospital
Trinity Health Corporation	4,785	General Medical & Surgical Hospital
EDS Corporation	4,000	Consulting Services
Blue Cross Blue Shield of Michigan	3,959	Health Insurance
Ford Motor Company	3,838	Manufacturing - Automobile

**Source: Moody's Analytics June 2010*

Unemployment

The unemployment rates for the counties in the assessment area increased significantly during the review period. The rate of unemployment in Macomb County was higher than the rate for the state of Michigan. The other counties that are part of the assessment area saw increases in their unemployment rates but not to the same extent as Macomb County. The metropolitan division is home to the Chrysler Automotive Group and houses significant operations for General Motors. Both automakers declared bankruptcy during the period under review, contributing to the increase in the unemployment rates and the destabilization of the local housing market. Macomb was the only one with a rate higher than the state overall. The following table provides detailed information for the counties making up the Warren-Troy-Farmington Hills MD and the state of Michigan.

Unemployment Statistics			
Area	October 2010	2009	2008
Assessment Area	11.5%	14.8%	8.6%
Livingston County	9.9%	11.9%	6.8%
Macomb County	12.3%	15.7%	8.8%
Oakland County	11.0%	12.9%	7.1%
State of Michigan	12.0%	13.4%	8.3%
United States	9.0%	9.3%	5.8%
Source: United States Department of Labor – Bureau of Labor Statistics *Preliminary			

Community Representatives

Three community representatives were contacted during the course of the evaluation. Two of the contacts were focused on economic and business development in the area and one of the contacts provides tools and resources for nonprofits to use to achieve their fundraising goals. The counties are agricultural, commercial or industrial-based with a portion of the population consisting of seasonal migrant farm workers. According to the contacts, the banks are active in community development and have assisted their organizations in the past. One contact stated that there is an overstock of single-family housing in Macomb and Oakland Counties and that many homes are in need of rehabilitation or reconstruction to improve their conditions. The contact also stated that there is a need for increased funding for affordable housing projects in the assessment area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WARREN-TROY-FARMINGTON HILLS, MI MD ASSESSMENT AREA

LENDING TEST

The geographic distribution of the bank's loans reflects adequate dispersion based on the bank's record of lending to small businesses in geographies of different income levels. The distribution of loans reflects adequate distribution among borrowers of different income levels and businesses of different sizes based primarily on the bank's record of making loans to small businesses. The bank made a relatively high level of community development loans in the assessment area.

Geographic Distribution

The geographic distribution of loans reflects adequate dispersion based on an excellent record of making loans to small businesses in geographies of different income levels. The bank made few, if any, home mortgage loans in LMI geographies.

Home Mortgage Lending

Citizens Bank achieved poor dispersion of its home mortgage loans in its assessment area, particularly among low- and moderate-income geographies. The percentage of home mortgage loans made in low-income geographies was comparable to that of the aggregated lenders. The bank's performance in moderate-income geographies was slightly below that of the aggregated lenders. Citizens' performance was below aggregated lenders for all products. The percentage of loans originated by the bank was comparable to the percentage of owner-occupied housing units and percentage of families located in low-income geographies, while below the percentage of owner-occupied units and percentage of families located in moderate-income geographies.

The bank's performance in 2008 was consistent with 2009 performance.

Management indicated that economic conditions in the assessment area have limited lending opportunities in low- and moderate-income census tracts. While there is significant competition in the Warren MD as indicated above, aggregate lenders, demographics, and the bank's significant presence indicate additional lending opportunities exist in moderate-income geographies.

Home Mortgage Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Owner- Occupied Housing
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	0	0.0	0	0.0	0.1	0.1	0.8
Moderate	4	8.0	464	7.3	12.8	7.0	17.1
Middle	29	58.0	3,038	48.0	55.1	47.1	52.5
Upper	17	34.0	2,829	44.7	31.9	45.7	29.6
Unknown	0	0.0	0	0.0	0.1	0.1	0.0
Total	50	100.0	6,331	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	1	0.3	13	0.0	0.2	0.1	0.8
Moderate	18	5.6	954	2.9	7.8	4.7	17.1
Middle	191	58.9	16,458	49.4	47.9	40.8	52.5
Upper	114	35.2	15,893	47.7	44.1	54.4	29.6
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	324	100.0	33,318	100.0	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0	0.0	1.4	0.4	0.8
Moderate	2	11.1	15	5.7	16.9	7.8	17.1
Middle	13	72.2	230	87.8	52.9	44.9	52.5
Upper	3	16.7	17	6.5	28.7	46.9	29.6
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	18	100.0	262	100.0	100.0	100.0	100.0
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.8
Moderate	1	100.0	93	100.0	26.3	9.5	17.1
Middle	0	0.0	0	0.0	65.8	68.0	52.5
Upper	0	0.0	0	0.0	7.9	22.5	29.6
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	1	100.0	93	100.0	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	1	0.2	13	0.0	0.2	0.1	0.8
Moderate	25	6.4	1,526	3.8	9.8	5.4	17.1
Middle	233	59.3	19,726	49.3	50.7	42.9	52.5
Upper	134	34.1	18,739	46.9	39.3	51.6	29.6
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	393	100.0	40,004	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Small Business Lending

Citizens Bank achieved excellent dispersion of small business loans in its assessment area. The percentage of small business loans made in low- and moderate-income geographies exceeded the level achieved by the aggregated lenders and the percentage of businesses located in low- and moderate-income geographies. The majority of the bank’s small business lending took place in the middle-income geographies of the assessment area, which is consistent with both the percentage of loans originated by the aggregated lenders and the percentage of businesses located in the middle-income geographies of the assessment area. Lending levels in 2008 reflected a higher concentration of loans in low-income geographies and a lower concentration in moderate-income geographies. However, the bank’s performance exceeded that of the aggregated lenders in both low- and moderate-income geographies.

Small Business Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Businesses by Census Tract Income Level
	#	%	\$	%	# %	\$ %	%
Low	9	2.1	2,042	1.7	2.0	3.8	1.9
Moderate	103	23.8	27,783	23.6	15.3	19.7	15.5
Middle	193	44.5	54,158	46.0	47.6	45.5	50.2
Upper	128	29.6	33,733	28.7	34.3	30.6	32.3
Unknown	0	0.0	0	0.0	0.1	0.1	0.1
Track Unknown	0	0.0	0	0.0	0.7	0.3	0.0
Total	433	100.0	117,716	100.0	100.0	100.0	100.0
<i>Percentages may not total to 100.0 percent due to rounding.</i>							

Distribution by Borrower Income and Revenue Size of the Business

The distribution of loans reflects adequate penetration among individuals of different income levels and businesses of different sizes based primarily on the bank’s record of making loans to small businesses. Citizens Bank exhibits an adequate record of serving the credit needs of low-income individuals and areas and very small businesses. Citizens Bank makes use of innovative and flexible lending programs and practices to make credit more accessible and affordable in its assessment areas. The bank relies primarily on government –insured, - sponsored, and –guaranteed loan programs to help meet the credit needs of LMI individuals and geographies in its assessment area.

Home Mortgage Lending

Citizens made the largest proportion of its home mortgage loans to individuals with upper incomes, 34.6 percent of its lending by number; refinances drove this outcome. Refinances represented 82.4 percent of the bank's home mortgage lending in 2009. When the bank's performance is reviewed by product, 52.0 percent of home purchase loans were originated to low- and moderate-income individuals.

The following table presents the number, dollar volume and percentages of loans originated by the bank to individuals by income level in comparison to the lending record of the aggregated lenders and percentages of families by income level. The percentage of loans to low-income individuals is slightly below that of the aggregated lenders and percentages of families classified as low-income. The percentage of loans to moderate-income individuals is above that of the aggregated lenders and percentages of families classified as moderate income. Home mortgage lending in 2008 was comparable to the 2009 lending distribution. Home purchase and refinance lending to low- and moderate-income individuals increased from 44.1 percent to 52.0 percent and 28.5 percent to 34.0 percent from 2008 to 2009. The bank's overall level of lending to low- and moderate-income individuals for 2008 was comparable to that of the aggregated lenders.

Home Mortgage Lending, 2009 Borrower Distribution (000's)							
Income Level of the Borrower	Bank Loans				Aggregate of All Lenders		Families by Income Level
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	9	18.0	608	9.6	23.5	13.7	17.3
Moderate	17	34.0	1,820	28.8	27.0	23.6	17.8
Middle	13	26.0	1,667	26.3	19.0	21.7	23.6
Upper	11	22.0	2,236	35.3	17.6	30.3	41.3
Unknown	0	0.0	0	0.0	12.9	10.7	0.0
Total	50	100.0	6,331	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	40	12.4	2,320	7.0	8.6	5.4	
Moderate	70	21.6	5,665	17.0	14.8	10.9	
Middle	95	29.3	10,528	31.6	20.4	18.9	
Upper	117	36.1	14,423	43.3	29.5	40.1	
Unknown	2	0.6	382	1.1	26.7	24.7	
Total	324	100.0	33,318	100.0	100.0	100.0	
Home Improvement Loans							
Low	2	11.1	18	6.9	19.8	8.6	
Moderate	3	16.7	108	41.2	25.1	17.3	
Middle	5	27.8	26	9.9	23.6	24.1	
Upper	8	44.4	110	42.0	26.1	40.0	
Unknown	0	0.0	0	0.0	5.4	10.0	
Total	18	100.0	262	100.0	100.0	100.0	
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	0	0.0	0	0.0	0.0	0.0	
Middle	0	0.0	0	0.0	0.0	0.0	
Upper	0	0.0	0	0.0	0.0	0.0	
Unknown	1	100.0	93	100.0	100.0	100.0	
Total	1	100.0	93	100.0	100.0	100.0	
Total Home Mortgage Loans							
Low	51	13.0	2,946	7.4	14.3	8.0	
Moderate	90	22.9	7,593	19.0	19.4	14.8	
Middle	113	28.7	12,221	30.5	19.9	19.8	
Upper	136	34.6	16,769	41.9	25.1	36.9	
Unknown	3	0.8	475	1.2	21.3	20.5	
Total	393	100.0	40,004	100.0	100.0	100.0	
<i>Percentages may not total to 100.0 percent due to rounding.</i>							

Small Business Lending

The distribution of loans to small businesses reflects adequate penetration among businesses of different sizes. With respect to small business loans originated to businesses with revenues of

\$1 million or less in 2009, the bank's performance exceeded that of the aggregated lenders, but was significantly lower than the percent of businesses with revenues of \$1 million or less. Small business lending may also be measured by dollar amount of the loan at origination. In many cases, smaller dollar amount loans are indicative of higher levels of lending to smaller businesses. The percentage of the bank's loans made in amounts of \$100,000 or less was lower than the percentage of loans made by the aggregated lenders in similar origination amounts. Small business lending decreased from 2008 performance. Management attributed the decline to the area's stressed economic climate, which has caused a large population decline and fewer lending opportunities.

Small Business Loan Distribution, 2009 By Revenue and Loan Size (000's)							
Category	Bank Loans				Aggregate of All Lenders		Businesses By Annual Revenues
	#	%	\$	%	# %	\$ %	# %
By Revenue							
\$1 Million or Less	187	43.2	37,763	32.1	20.6	28.4	88.7
Over \$1 Million	218	50.3	72,702	61.8	*	*	6.4
Not Known	28	6.5	7,251	6.1	*	*	4.9
Total	433	100.0	117,716	100.0	*	*	100.0
By Loan Size							
\$100,000 or less	157	36.2	8,741	7.4	92.2	26.3	
\$100,000 - \$250,000	118	27.3	22,109	18.8	3.2	14.0	
\$250,000 - \$1 Million	158	36.5	86,866	73.8	4.6	59.7	
Total	433	100.0	117,716	100.0	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	94	50.3	4,796	12.7	*	*	
\$100,000 - \$250,000	47	25.1	8,069	21.4	*	*	
\$250,000 - \$1 Million	46	24.6	24,898	65.9	*	*	
Total	187	100.0	37,763	100.0	*	*	
* Data Unavailable							
Percentages may not total to 100.0 percent due to rounding.							

Community Development Loans

Citizens Bank made a relatively high level of community development loans in the Warren MD assessment area as eight loans totaling \$18.6 million were originated during the review period. The loans supported economic development to small businesses as well as affordable housing to low- and moderate-income individuals. The most significant of these loans provided funding for improvements to three multi-family properties with 266 units that are below HUD's fair market rent for the area and thus are considered affordable to low- and moderate-income individuals. Two of the three properties are also in moderate-income census tracts. Multiple loans were originated under the SBA's 504 CDC program. The bank's performance exceeds prior review period levels as three community development loans totaling \$14,600,000 were originated in the Warren MD assessment area during the previous evaluation.

INVESTMENT TEST

Citizens Bank made a significant level of qualified investments, donations, and grants in the Warren MD assessment area during the review period. Citizens occasionally participated in a leadership position. Additionally, the bank makes rare use of innovative and/or complex investments to support community development initiatives and exhibits good responsiveness to credit and community development needs.

The bank funded \$8.8 million in qualifying investments in the Warren MD assessment area during this review period. The majority of the qualifying investments were MBS pools that had 69 underlying loans totaling \$9.5 million that benefitted low- and moderate-income individuals. The bank also made 11 qualified donations totaling \$23,850 during the review period. The majorities of the donations were to organizations that provide community services and affordable housing to low- and moderate-income individuals in the assessment area. Among the organizations receiving donations were New Passages, MHT Housing Inc., and Macomb County Habitat for Humanity. No other qualified investments were made during the review period.

SERVICE TEST

Performance relative to the Service Test is adequate. Retail services are accessible to essentially all portions of the assessment area and changes in the branch and ATM network did not adversely affect the accessibility of its delivery systems. The bank provides reasonable business hours that do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and individuals. Two branches were relocated within the same geographies during the evaluation period. The relocation of the branches did not adversely affect the accessibility of the bank's delivery systems. Employees provide an adequate level of community development services in the assessment area.

Retail Services

The Warren MD assessment area consists of 595 census tracts, including 12 (2.0 percent) low- and 111 (18.7 percent) moderate-income geographies. The bank operates 27 branch offices in the assessment area, with one located in a low-income geography and four located in moderate-income geographies. The majority of branch offices are equipped with a full-service ATM. There are a total of 36 ATMs, 30 full-service and six cash only, throughout the assessment area, including one in low- and six in moderate-income geographies. The bank also operates one loan production office in a middle-income census tract in the assessment area. The percentage of branches and ATMs in low-income (3.7 percent) geographies is comparable to the percentage of low-income census tracts and the percentage of families (1.5 percent) located in these census tracts. The percentages of branch offices (14.8 percent) and ATMs (16.7 percent) in the moderate-income geographies (18.7 percent) are comparable to the percentage of moderate-

income census tracts and the percentage of families (17.4 percent) located in these census tracts. All branch offices are reasonably accessible to essentially all portions of the assessment area, including low- and moderate-income individuals and geographies. Some branch locations are also available via public transportation. The bank's record of opening and closing branch offices and ATMs has not adversely affected the accessibility of delivery systems, particularly to low- and moderate-income individuals and geographies. No branch offices have been opened or closed since the previous evaluation; however, two branch offices were relocated within the same middle- and upper-income geographies in which they previously resided. Two ATMs were opened in a middle- and upper-income geography, respectively, while no ATMs were closed during the review period.

Branch hours vary by location, but are typically open between 9:00 a.m. and 5:00 p.m., Monday through Friday, with extended drive-up hours. A few locations also provide drive-through services between 9:00 a.m. and 1:00 p.m. on Saturdays. Business hours and banking services are reasonable and do not vary in a way that inconveniences low- and moderate-income individuals or geographies. All loan products are available via walk-in service or by appointment. Alternative delivery systems include ATMs, internet banking, call center telephone and chat options, and bank by phone services, available 24 hours a day for balance inquiry, account transfers, and bill pay.

Community Development Services

Citizens Bank provides an adequate level of community development services in the Warren MD assessment area as employees participated in 14 qualified services totaling 201 hours during the review period. Services supported all areas of community development, focusing on community services and affordable housing to low- and moderate-income individuals in the assessment area. Please refer to the table in the State of Michigan section for detailed information on the community development purpose supported by the qualifying services.

The following are examples of some of the services that had a significant impact on the area. An employee is a member of the Oakland County CRA Association, which focuses on providing affordable housing and economic development to low- and moderate-income individuals and businesses of different revenue levels in the area. A regional president provides technical expertise as a member of the audit/finance committee for New Passages, which provides mental health and rehabilitation services to low- and moderate-income individuals.

The bank's performance improved from prior year levels as nine community development services totaling 154 hours were given credit in the Warren MD assessment area during the previous evaluation.

METROPOLITAN AREAS (*Limited Review*)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN BAY CITY, MICHIGAN METROPOLITAN STATISTICAL AREA

Citizens operations in the Bay City MSA are managed through five branch offices and augmented by five automated teller machines. As of June 30, 2010, Citizens Bank maintained a 19.5 percent market share of FDIC-insured deposits, ranking 3rd of the eight FDIC-insured financial institutions with at least one branch office in the Bay City MSA. By comparison, the top two institutions by market share were: PNC Bank National Assn., 31.2 percent; and Chemical Bank, 22.3 percent.

The Bay City MSA assessment area consists of 27 census tracts throughout Bay County in eastern Michigan. The largest city in the county is Bay City. The assessment area is comprised of nine moderate-, 14 middle-, and four upper-income geographies.

Select demographic information for the Bay City MSA assessment area is provided in the following table.

Assessment Area Demographics								
Income Categories	Tract Distribution		Number of Families in Tract		Families Below Poverty Level as % of Families by Tract		Number of Families Based on Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	5,660	18.7
Moderate-income	9	33.3	5,181	17.1	769	14.8	5,994	19.7
Middle-income	14	51.9	20,104	66.5	1,090	5.4	6,618	21.9
Upper-income	4	14.8	4,944	16.4	178	3.6	12,007	39.7
TOTALS	27	100.0	30,229	100.0	2,037	6.7	30,279	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	9,697	5,340	15.3	55.1	3,626	37.4	731	7.5
Middle-income	29,621	23,515	67.5	79.4	4,759	16.1	1,347	4.5
Upper-income	7,105	5,994	17.2	84.4	696	9.8	415	5.8
TOTALS	46,423	34,849	100.0	75.1	9,081	19.6	2,493	5.4
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Under \$1 million		Over \$1 million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	1,047	21.6	931	21.3	50	19.1	66	29.6
Middle-income	3,025	62.3	2,724	62.4	177	67.6	124	55.6
Upper-income	782	16.1	714	16.3	35	13.5	33	14.8
TOTALS	4,854	100.0	4,369	100.0	262	100.0	223	100.0
Percentage of Total Businesses			90.0		5.4		4.6	
Source: 2000 Census & 2009 Dunn & Bradstreet information.								
<i>Percentages may not total to 100.0 percent due to rounding.</i>								

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN BAY CITY, MICHIGAN METROPOLITAN STATISTICAL AREA

LENDING TEST

Citizens' lending performance in the Bay City assessment area was below the bank's lending performance in the State of Michigan; however, it does not change the rating of high satisfactory for the state.

Geographic Distribution

Home Mortgage Lending

Home Mortgage Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Owner- Occupied Housing
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	1	4.8	39	2.5	14.9	10.1	15.3
Middle	15	71.4	1,076	69.2	68.3	67.6	67.5
Upper	5	23.8	440	28.3	16.8	22.3	17.2
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	21	100.0	1,555	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	7	11.9	1,719	18.7	9.7	7.0	15.3
Middle	35	59.3	4,186	45.7	65.6	63.2	67.5
Upper	17	28.8	3,263	35.6	24.7	29.8	17.2
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	59	100.0	9,168	100.0	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	3	21.4	11	2.3	13.8	9.1	15.3
Middle	9	64.3	434	91.8	71.0	69.2	67.5
Upper	2	14.3	28	5.9	15.2	21.7	17.2
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	14	100.0	473	100.0	100.0	100.0	100.0
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	1	50.0	34	8.4	50.0	15.0	15.3
Middle	0	0.0	0	0.0	25.0	28.6	67.5
Upper	1	50.0	372	91.6	25.0	56.4	17.2
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	2	100.0	406	100.0	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	12	12.5	1,803	15.5	11.7	7.9	15.3
Middle	59	61.5	5,696	49.1	66.8	64.5	67.5
Upper	25	26.0	4,103	35.4	21.5	27.6	17.2
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	96	100.0	11,602	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Small Business Lending

Small Business Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Businesses by Census Tract Income Level
	#	%	\$	%	#	%	%
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	19	17.4	3,262	17.4	21.0	24.6	21.6
Middle	72	66.1	13,202	70.3	60.5	62.7	62.3
Upper	18	16.5	2,316	12.3	17.5	12.3	16.1
Tract Unknown	0	0.0	0	0.0	1.0	0.4	0.0
Total	109	100.0	18,780	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Distribution by Borrower Income and Revenue Size of the Business

Home Mortgage Lending

Home Mortgage Lending, 2009 Borrower Distribution (000's)							
Income Level of the Borrower	Bank Loans				Aggregate of All Lenders		Families by Income Level
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	5	23.8	208	13.4	18.8	12.0	18.7
Moderate	8	38.1	503	32.3	30.5	26.6	19.6
Middle	5	23.8	463	29.8	20.0	22.0	21.9
Upper	3	14.3	381	24.5	19.2	29.7	39.7
Unknown	0	0.0	0	0.0	11.5	9.8	0.0
Total	21	100.0	1,555	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	4	6.8	174	1.9	7.4	4.3	
Moderate	8	13.5	647	7.0	16.9	12.8	
Middle	20	33.9	1,868	20.4	22.0	19.7	
Upper	26	44.1	6,417	70.0	33.0	40.5	
Unknown	1	1.7	62	0.7	20.7	22.7	
Total	59	0.0	9,168	100.0	100.0	100.0	
Home Improvement Loans							
Low	3	21.4	9	1.9	19.7	10.2	
Moderate	5	35.8	250	52.9	27.1	23.6	
Middle	3	21.4	18	3.8	21.9	21.0	
Upper	3	21.4	196	41.5	28.6	38.5	
Unknown	0	0.0	0	0.0	2.6	6.7	
Total	14	100.0	473	100.0	100.0	100.0	
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	0	0.0	0	0.0	0.0	0.0	
Middle	0	0.0	0	0.0	0.0	0.0	
Upper	0	0.0	0	0.0	0.0	0.0	
Unknown	2	100.0	406	100.0	100.0	100.0	
Total	2	0.0	406	100.0	100.0	100.0	
Total Home Mortgage Loans							
Low	12	12.5	391	3.4	11.8	6.6	
Moderate	21	21.9	1,400	12.1	21.8	16.8	
Middle	28	29.2	2,349	20.2	21.3	20.3	
Upper	32	33.3	6,994	60.3	28.4	37.4	
Unknown	3	3.1	468	4.0	16.6	18.9	
Total	96	100.0	11,602	100.0	100.0	100.0	

Percentages may not total to 100.0 percent due to rounding.

Small Business Lending

The bank's performance with borrower loan distribution reflects adequate penetration among businesses of different sizes and compared favorable to that of the aggregated lenders, but below the percentages of businesses with income revenues of \$1 million or less.

Small Business Loan Distribution, 2009 By Revenue and Loan Size (000's)							
Category	Bank Loans				Aggregate of All Lenders		Businesses By Annual Revenues
	#	%	\$	%	# %	\$ %	# %
By Revenue							
\$1 Million or Less	47	43.1	5,264	28.0	29.3	33.3	90.0
Over \$1 Million	57	52.3	13,331	71.0	*	*	5.4
Not Known	5	4.6	185	1.0	*	*	4.6
Total	109	100.0	18,780	100.0	*	*	100.0
By Loan Size							
\$100,000 or less	61	56.0	3,389	18.0	92.4	37.8	
\$100,000 - \$250,000	26	23.8	4,560	24.3	4.7	21.9	
\$250,000 - \$1 Million	22	20.2	10,831	57.7	2.9	40.3	
Total	109	100.0	18,780	100.0	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	36	76.6	1,925	36.6	*	*	
\$100,000 - \$250,000	8	17.0	1,458	27.7	*	*	
\$250,000 - \$1 Million	3	6.4	1,881	35.7	*	*	
Total	47	100.0	5,264	100.0	*	*	
* Data Unavailable							
Percentages may not total to 100.0 percent due to rounding.							

Community Development Lending Activities

Citizens made one community development loan for \$58,940 in the assessment area during this review period. This loan was affordable housing.

INVESTMENT TEST

Citizens' investment performance in this assessment area was consistent with the bank's investment performance in the State of Michigan. The bank funded \$209,200 in qualifying investments during this review period. This total includes \$179,350 in MBSs and \$29,850 in donations and grants.

SERVICE TEST

Citizens' service performance in this assessment area is consistent with the bank's service performance in the State Michigan.

Retail Services

Branch Locations by Census Tract Income Level												
Assessment Area	Low Income		Moderate Income		Low- and Moderate- Income Total		Middle Income		Upper Income		Total	
	#	%	#	%	#	%	#	%	#	%	#	% of Total
Bay City	0	0.0	2	40.0	2	40.0	3	60.0	0	0.0	5	100.0

Community Development Services

Employees participated in five qualified services totaling 53 hours during the review period. All of the services provided community services to low- and moderate-income individuals in the assessment area.

METROPOLITAN AREAS (*Limited Review*)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN BATTLE CREEK, MICHIGAN METROPOLITAN STATISTICAL AREA

Citizens' operations in the Battle Creek MSA are managed through one branch office and augmented by one automated teller machine. As of June 30, 2010, Citizens Bank maintained a 3.1 percent market share of FDIC-insured deposits, ranking 11th of the 13 FDIC-insured financial institutions with at least one branch office in the Battle Creek MSA. By comparison, the top three institutions by market share were the following: Comerica Bank, 16.6 percent; Independent Bank, 12.6 percent; and Bank of America N.A., 12.5 percent.

The Battle Creek MSA assessment area consists of 40 census tracts throughout Calhoun County in central Michigan. The largest city in the assessment area is the city of Battle Creek. The assessment area is comprised of one low-, 10 moderate-, 20 middle-, eight upper-income, and one unknown-income geographies.

Select demographic information for the Battle Creek assessment area is provided in the following table.

Assessment Area Demographics								
Income Categories	Tract Distribution		Number of Families in Tract		Families Below Poverty Level as % of Families by Tract		Number of Families Based on Family Income	
	#	%	#	%	#	%	#	%
Low-income	1	2.5	642	1.7	198	30.8	7,019	19.3
Moderate-income	10	25.0	7,759	21.3	1,220	15.7	6,829	18.7
Middle-income	20	50.0	18,957	52.0	1,231	6.5	8,211	22.5
Upper-income	8	20.0	9,112	25.0	290	3.2	14,411	39.5
Unknown-income	1	2.5	0	0.0	0	0.0	0	0.0
TOTALS	40	100.0	36,470	100.0	2,939	8.1	36,470	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	1,130	466	1.2	41.2	545	48.2	119	10.5
Moderate-income	14,282	7,665	19.4	53.7	5,035	35.3	1,582	11.1
Middle-income	29,766	20,812	52.7	69.9	6,753	22.7	2,201	7.4
Upper-income	13,460	10,542	26.7	78.3	2,282	17.0	636	4.7
Unknown-income	53	0	0.0	0.0	0	0.0	53	100.0
TOTALS	58,691	39,485	100.0	67.3	14,615	24.9	4,591	7.8
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Under \$1 million		Over \$1 million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	100	1.7	82	1.6	12	3.9	6	2.3
Moderate-income	1,191	20.5	1,040	19.9	91	28.5	60	23.2
Middle-income	3,056	52.6	2,762	52.8	158	49.5	136	52.5
Upper-income	1,357	23.4	1,259	24.1	48	15.0	50	19.3
Unknown-income	102	1.8	85	1.6	10	3.1	7	2.7
TOTALS	5,806	100.0	5,228	100.0	319	100.0	259	100.0
	Percentage of Total Businesses			90.0		5.5		4.5

Source: 2000 Census & 2009 Dunn & Bradstreet information.

Percentages may not total to 100.0 percent due to rounding.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN BATTLE CREEK, MICHIGAN MSA

Lending Test

Citizens' lending performance in this assessment area was below the bank's lending performance overall in the State of Michigan; however, it does not change the Michigan rating.

Geographic Distribution

Home Mortgage Lending

The bank only originated 13 home mortgage loans in 2009. Eleven of the originations were from middle-income geographies and two were from moderate-income geographies. Home mortgage lending is not a good comparable to aggregate lenders performance due to low number of originations and lending was below the low- and moderate-income percentages for owner-occupied housing and families residing in low- and moderate-income geographies.

Home Mortgage Lending, Year 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Owner- Occupied Housing
	#	%	\$	%	#	%	%
Home Purchase Loans							
Low	0	0.0	0	0.0	0.1	0.0	1.2
Moderate	0	0.0	0	0.0	11.9	7.5	19.4
Middle	4	100.0	174	100.0	50.2	47.9	52.7
Upper	0	0.0	0	0.0	37.8	44.6	26.7
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	4	100.0	174	100.0	100.0	100.0	100
Refinanced Loans							
Low	0	0.0	0	0.0	0.3	0.2	1.2
Moderate	1	16.7	265	33.3	8.5	5.2	19.4
Middle	5	83.3	531	66.7	53.6	54.7	52.7
Upper	0	0.0	0	0.0	37.6	39.9	26.7
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	6	100.0	796	100.0	100.0	100.0	100
Home Improvement Loans							
Low	0	0.0	0	0.0	0.4	0.4	1.2
Moderate	1	33.3	6	15.4	12.2	6.1	19.4
Middle	2	66.7	33	84.6	56.6	63.0	52.7
Upper	0	0.0	0	0.0	30.8	30.5	26.7
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	3	100.0	39	100.0	100.0	100.0	100
Total Home Mortgage Loans							
Low	0	0.0	0	0.0	0.2	0.2	1.2
Moderate	2	15.4	271	26.9	9.8	6.4	19.4
Middle	11	84.6	738	73.1	52.7	53.1	52.7
Upper	0	0.0	0	0.0	37.3	40.3	26.7
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	13	100.0	1,009	100.0	100.0	100.0	100

Percentages may not total to 100.0 percent due to rounding.

Small Business Lending

The bank only originated nine small business loans in 2009 with the majority of the originations from individuals living in middle-income geographies and one from a moderate-income geography.

Small Business Lending - 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Businesses by Census Tract Income Level
	#	%	\$	%	#	%	%
Low	0	0.0	0	0.0	3.8	6.2	1.7
Moderate	1	11.1	100	4.0	19.0	21.6	20.5
Middle	7	77.8	2,262	91.0	47.9	47.8	52.6
Upper	1	11.1	125	5.0	27.0	22.8	23.4
Unknown	0	0.0	0	0.0	1.6	1.4	1.8
Unknown Tract	0	0.0	0	0.0	0.7	0.2	0.0
Total	9	100.0	2,487	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Distribution by Borrower Income and Revenue Size of the Business

Home Mortgage Lending

Home Mortgage Lending, Year 2009 Borrower Distribution (000's)							
Income Level of the Borrower	Bank Loans				Aggregate of All Lenders		Families by Income Level
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	0	0.0	0	0.0	15.4	9.1	19.3
Moderate	2	50.0	122	70.1	26.2	21.8	18.7
Middle	1	25.0	17	9.8	18.1	18.4	22.5
Upper	1	25.0	35	20.1	24.0	37.0	39.5
Unknown	0	0.0	0	0.0	16.3	13.7	0.0
Total	4	100.0	174	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	0	0.0	0	0.0	6.5	4.1	
Moderate	1	16.7	40	5.0	15.2	10.8	
Middle	3	50.0	91	11.4	20.4	18.4	
Upper	2	33.3	665	83.6	35.4	43.6	
Unknown	0	0.0	0	0.0	22.5	23.1	
Total	6	100.0	796	100.0	100.0	100.0	
Home Improvement Loans							
Low	0	0.0	0	0.0	15.4	8.3	
Moderate	1	33.3	6	15.4	22.2	12.2	
Middle	1	33.3	8	20.5	25.8	24.2	
Upper	1	33.3	25	64.1	34.8	51.7	
Unknown	0	0.0	0	0.0	1.8	3.6	
Total	3	100.0	39	100.0	100.0	100.0	
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	0	0.0	0	0.0	0.0	0.0	
Middle	0	0.0	0	0.0	0.0	0.0	
Upper	0	0.0	0	0.0	0.0	0.0	
Unknown	0	0.0	0	0.0	100.0	100.0	
Total	0	0.0	0	0.0	100.0	100.0	
Total Home Mortgage Loans							
Low	0	0.0	0	0.0	9.7	5.4	
Moderate	4	30.8	168	16.6	19.0	13.5	
Middle	5	38.4	116	11.5	19.9	18.3	
Upper	4	30.8	725	71.9	31.7	41.4	
Unknown	0	0.0	0	0.0	19.7	21.4	
Total	13	100.0	1,009	100.0	100.0	100.0	
<i>Percentages may not total to 100.0 percent due to rounding.</i>							

Small Business Lending

Small Business Loan Distribution - 2009 By Revenue and Loan Size (000's)							
Category	Bank Loans				Aggregate of All Lenders		Businesses By Annual Revenues
	#	%	\$	%	# %	\$ %	# %
By Revenue							
\$1 Million or Less	3	33.3	179	7.2	15.9	27.8	90.0
Over \$1 Million	5	55.6	2,183	87.8	*	*	5.5
Not Known	1	11.1	125	5.0	*	*	4.5
Total	9	100.0	2,487	100.0	*	*	100.0
By Loan Size							
\$100,000 or less	4	44.5	212	8.5	92.5	32.0	
\$100,000 - \$250,000	3	33.3	525	21.1	3.8	16.9	
\$250,000 - \$1 Million	2	22.2	1,750	70.4	3.7	51.1	
Total	9	100.0	2,487	100.0	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	3	100.0	179	100.0	*	*	
\$100,000 - \$250,000	0	0.0	0	0.0	*	*	
\$250,000 - \$1 Million	0	0.0	0	0.0	*	*	
Total	3	100.0	179	100.0	*	*	
* Data Unavailable							
Percentages may not total to 100.0 percent due to rounding.							

Community Development Lending Activities

Citizens did not have any community development loans during in this assessment area during this review period.

INVESTMENT TEST

Citizens' investment performance in this assessment area was below the bank's investment performance in the State of Michigan. The bank did not fund any qualifying investments, including donations and grants in the Battle Creek assessment area during this review period.

SERVICE TEST

Citizens' service performance in this assessment area was below the bank's service performance in the State Michigan.

Retail Services

There is one branch and two ATM located in middle-income geography in this assessment area. The lack of branch offices and ATMs in low- and moderate-income geographies does not compare favorably to the percentages of low- and moderate-income geographies within the assessment area (27.5 percent) and the percentage of families (24.1 percent) in low- and moderate-income geographies. The bank did not open or close any branches in this assessment area. The bank provides reasonable business hours that do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and individuals.

Community Development Services

Employees provided limited level of community development services in the assessment area during this review period. Employees participated in one qualified service totaling 33 hours of services to organization the meet the community services needs to low- and moderate-income individuals.

METROPOLITAN AREAS (Limited- Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MUSKEGON-NORTON SHORES, MICHIGAN METROPOLITAN STATISTICAL AREA

Citizens' operations in the Muskegon MSA are managed through one branch office and augmented by one automated teller machine. As of June 30, 2010, Citizens Bank maintained a 0.6 percent market share of FDIC-insured deposits, ranking 11th of the 12 FDIC-insured financial institutions with at least one branch office in the Muskegon MSA. By comparison, the top three institutions by market share were: Fifth Third Bank, 23.4 percent, PNC Bank National Assn., 23.1 percent, and Community Shores Bank, 14.8 percent.

The Muskegon MSA assessment area consists of 44 census tracts throughout Muskegon County in western Michigan. The largest city in Muskegon County is the city of Muskegon. The assessment area is comprised of four low-, 10 moderate-, 19 middle-, and 11 upper-income geographies.

Select demographic information for the Muskegon assessment area is provided in the following table.

Assessment Area Demographics								
Income Categories	Tract Distribution		Number of Families in Tract		Families Below Poverty Level as % of Families by Tract		Number of Families Based on Family Income	
	#	%	#	%	#	%	#	%
Low-income	4	9.1	2,252	5.0	750	33.3	8,756	19.6
Moderate-income	10	22.7	8,055	18.0	1,429	17.7	8,367	18.7
Middle-income	19	43.2	23,003	51.5	1,349	5.9	10,214	22.8
Upper-income	11	25.0	11,392	25.5	396	3.5	17,365	38.8
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
TOTALS	44	100.0	44,702	100.0	3,924	8.8	44,702	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	4,233	1,639	3.3	38.7	1,998	47.2	596	14.1
Moderate-income	14,471	7,400	15.0	51.1	5,824	40.2	1,247	8.6
Middle-income	33,361	27,070	55.0	81.1	4,195	12.6	2,096	6.3
Upper-income	16,491	13,129	26.7	79.6	2,075	12.6	1,287	7.8
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
TOTALS	68,556	49,238	100.0	71.8	14,092	20.6	5,226	7.6
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Under \$1 million		Over \$1 million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	291	4.1	253	4.0	23	5.6	15	4.7
Moderate-income	1,317	18.5	1,095	17.2	137	33.4	85	26.3
Middle-income	3,243	45.7	2,967	46.6	160	39.0	116	35.9
Upper-income	2,247	31.7	2,050	32.2	90	22.0	107	33.1
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
TOTALS	7,098	100.0	6,365	100.0	410	100.0	323	100.0
	Percentage of Total Businesses			89.7		5.8		4.5
<i>Source: 2000 Census and 2009 Dun & Bradstreet</i>								
<i>Percentages may not total to 100.0 percent due to rounding.</i>								

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE MUSKEGON-NORTON SHORES, MICHIGAN MSA

LENDING TEST

Citizens' lending performance in this assessment area was below the bank's lending performance in the State of Michigan; however, it does not change the rating for the state. The bank originated only one small business loan in 2009. Due to the low volume of loans, small business lending was not evaluated for this assessment area.

Geographic Distribution

Home Mortgage Lending, Year 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Owner-Occupied Housing
	#	%	\$	%	#	\$ %	%
Home Purchase Loans							
Low	0	0.0	0	0.0	1.4	0.6	3.3
Moderate	0	0.0	0	0.0	10.0	5.6	15.0
Middle	1	100.0	20	100.0	57.8	55.7	55.0
Upper	0	0.0	0	0.0	30.9	38.1	26.7
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	1	100.0	20	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	0	0.0	0	0.0	0.6	0.3	3.3
Moderate	2	5.1	29	1.5	5.5	3.2	15.0
Middle	22	56.4	1,063	55.4	52.6	50.3	55.0
Upper	15	38.5	826	43.1	41.3	46.2	26.7
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	39	100.0	1,918	100.0	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0	0.0	4.7	2.9	3.3
Moderate	0	0.0	0	0.0	11.2	6.1	15.0
Middle	0	0.0	0	0.0	53.3	48.5	55.0
Upper	0	0.0	0	0.0	30.8	42.5	26.7
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	0	0.0	0	0.0	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	0	0.0	0	0.0	1.0	0.5	3.3
Moderate	2	5.0	29	1.5	7.0	3.8	15.0
Middle	23	57.5	1,083	55.9	54.2	51.2	55.0
Upper	15	37.5	826	42.6	37.8	44.5	26.7
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	40	100.0	1,938	100.0	100.0	100.0	100.0
<i>Percentages may not total to 100.0 percent due to rounding.</i>							

Distribution by Borrower Income and Revenue Size of the Business

Home Mortgage Lending, Year 2009							
Borrower Distribution							
(000's)							
Income Level of the Borrower	Bank Loans				Aggregate of All Lenders		Families by Income Level
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	0	0.0	0	0.0	17.6	10.7	19.6
Moderate	1	100.0	20	100.0	26.3	22.5	18.7
Middle	0	0.0	0	0.0	18.2	19.9	22.9
Upper	0	0.0	0	0.0	16.1	25.9	38.8
Unknown	0	0.0	0	0.0	21.8	21.0	0.0
Total	1	100.0	20	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	3	7.7	36	1.9	7.4	4.6	
Moderate	3	7.7	55	2.9	14.0	9.8	
Middle	7	17.9	398	20.8	17.7	16.1	
Upper	26	66.7	1,429	74.5	29.8	38.0	
Unknown	0	0.0	0	0.0	31.0	31.5	
Total	39	100.0	1,918	100.0	100.0	100.0	
Home Improvement Loans							
Low	0	0.0	0	0.0	21.9	16.7	
Moderate	0	0.0	0	0.0	21.9	18.5	
Middle	0	0.0	0	0.0	23.1	19.5	
Upper	0	0.0	0	0.0	24.8	34.3	
Unknown	0	0.0	0	0.0	8.3	11.0	
Total	0	0.0	0	0.0	100.0	100.0	
Total Home Mortgage Loans							
Low	3	7.5	36	1.9	10.9	6.2	
Moderate	4	10.0	75	3.9	18.0	13.0	
Middle	7	17.5	398	20.5	18.0	17.0	
Upper	26	65.0	1,429	73.7	25.4	34.6	
Unknown	0	0.0	0	0.0	27.6	29.2	
Total	40	100.0	1,938	100.0	100.0	100.0	

Percentages may not total to 100.0 percent due to rounding.

Community Development Lending Activities

Citizens did not make any community development loans during in this assessment area during this review period.

INVESTMENT TEST

Citizens' investment performance in this assessment area was below with the bank's investment performance in the State of Michigan. The bank did not fund any qualifying investments including donations and grants during this review period.

SERVICE TEST

Citizens' service performance in this assessment area was below the bank's service performance in the State of Michigan.

Retail Services

There is one branch and full-service ATM located in upper-income geographies in this assessment area. The lack of branch offices and ATMs in low- and moderate-income geographies does not compare favorably to the percentages of low- and moderate-income census tracts within the assessment area (31.8 percent) and the percentage of families (23.0 percent) in low- and moderate-income census tracts. The bank did not open or close any branches in this assessment area.

Community Development Services

Employees participated in two qualified services totaling seven hours of services to organizations meeting the community services needs to low- and moderate-income individuals.

METROPOLITAN AREAS *(Limited Review)*

DESCRIPTION OF INSTITUTION'S OPERATIONS IN HOLLAND-GRAND HAVEN, MICHIGAN METROPOLITAN STATISTICAL AREA

Citizens' operations in the Holland MSA are managed through two branch offices and augmented by two automated teller machines. As of June 30, 2010, Citizens Bank maintained a 0.3 percent market share of FDIC-insured deposits, ranking 17th of the 17 FDIC-insured financial institutions with at least one branch office in the Holland MSA. By comparison, the top three institutions by market share were: Macatawa Bank, 22.3 percent, Fifth Third Bank, 20.3 percent, and Huntington National Bank, 12.8 percent.

The Holland MSA assessment area consists of 35 census tracts throughout Ottawa County in western Michigan. The largest city in Ottawa County is the city of Holland. The assessment area is comprised of three moderate-, 31 middle-, and one upper-income geographies. Select demographic information for the Holland-Grand Haven assessment area is provided in the following table.

Assessment Area Demographics								
Income Categories	Tract Distribution		Number of Families in Tract		Families Below Poverty Level as % of Families by Tract		Number of Families Based on Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	8,850	14.3
Moderate-income	3	8.6	3,240	5.2	234	7.2	12,296	19.8
Middle-income	31	88.6	56,444	91.1	1,633	2.9	18,441	29.8
Upper-income	1	2.8	2,287	3.7	30	1.3	22,384	36.1
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
TOTALS	35	100.0	61,971	100.0	1,897	3.1	61,971	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	5,267	3,078	4.6	58.4	1,845	35.0	344	6.6
Middle-income	78,256	60,339	91.5	77.1	13,602	17.4	4,315	5.5
Upper-income	3,333	2,551	3.9	76.5	247	7.4	535	16.1
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
TOTALS	86,856	65,968	100.0	76.0	15,694	18.1	5,194	6.0
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Under \$1 million		Over \$1 million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	905	7.6	789	7.4	63	7.7	53	10.9
Middle-income	10,704	89.8	9,529	89.8	745	91.1	430	87.9
Upper-income	308	2.6	292	2.8	10	1.2	6	1.2
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
TOTALS	11,917	100.0	10,610	100.0	818	100.0	489	100.0
	Percentage of Total Businesses			89.0		6.9		4.1

Percentages may not total to 100.0 percent due to rounding.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN HOLLAND-GRAND HAVEN, MICHIGAN MSA

LENDING TEST

Citizens' lending performance in the assessment area was consistent with the bank's lending performance in the State of Michigan. The bank originated only three small business loan in 2009. Due to the low volume of loans, small business lending was not evaluated for this assessment area.

Geographic Distribution

Home Mortgage Lending, Year 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Owner- Occupied Housing
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	0	0.0	0	0.0	5.1	3.1	4.6
Middle	1	100.0	84	100.0	91.7	92.6	91.5
Upper	0	0.0	0	0.0	3.1	4.2	3.9
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	1	100.0	84	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	6	15.8	230	8.8	3.1	2.3	4.6
Middle	31	81.6	2,388	90.8	92.6	92.3	91.5
Upper	1	2.6	10	0.4	4.3	5.4	3.9
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	38	100.0	2,628	100.0	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	0	0.0	0	0.0	4.9	3.1	4.6
Middle	2	100.0	325	100.0	92.3	92.2	91.5
Upper	0	0.0	0	0.0	2.8	4.7	3.9
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	2	100.0	325	100.0	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	6	14.6	230	7.6	3.6	2.5	4.6
Middle	34	82.9	2,797	92.1	92.4	92.3	91.5
Upper	1	2.5	10	0.3	4.0	5.2	3.9
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	41	100.0	3,037	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Distribution by Borrower Income and Revenue Size of the Business

Home Mortgage Lending, Year 2009 Borrower Distribution (000's)							
Income Level of the Borrower	Bank Loans				Aggregate of All Lenders		Families by Income Level
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	1	100.0	84	100.0	21.3	14.0	14.3
Moderate	0	0.0	0	0.0	26.1	23.6	19.8
Middle	0	0.0	0	0.0	17.1	19.0	29.8
Upper	0	0.0	0	0.0	14.8	22.7	36.1
Unknown	0	0.0	0	0.0	20.7	20.7	0.0
Total	1	100.0	84	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	7	18.4	255	9.7	8.9	5.8	
Moderate	8	21.1	755	28.7	18.4	14.7	
Middle	5	13.2	198	7.5	22.1	20.6	
Upper	18	47.4	1,420	54.0	24.5	33.1	
Unknown	0	0.0	0	0.0	26.1	25.8	
Total	38	100.0	2,628	100.0	100.0	100.0	
Home Improvement Loans							
Low	0	0.0	0	0.0	10.2	5.5	
Moderate	0	0.0	0	0.0	31.9	23.7	
Middle	0	0.0	0	0.0	29.5	29.5	
Upper	2	100.0	325	100.0	23.8	37.2	
Unknown	0	0.0	0	0.0	4.6	4.1	
Total	2	100.0	325	100.0	100.0	100.0	
Total Home Mortgage Loans							
Low	8	19.5	339	11.2	11.9	7.5	
Moderate	8	19.5	755	24.9	20.5	16.6	
Middle	5	12.2	198	6.5	21.0	20.3	
Upper	20	48.8	1,745	57.4	22.2	30.9	
Unknown	0	0.0	0	0.0	24.4	24.7	
Total	41	100.0	3,037	100.0	100.0	100.0	

Percentages may not total to 100.0 percent due to rounding.

Community Development Lending Activities

Citizens did not make any community development loans during in this assessment area during this review period.

INVESTMENT TEST

Citizens' investment performance in this assessment area was below with the bank's investment

performance in the state of Michigan. The bank did not fund any qualifying investments including donations and grants during this review period.

SERVICE TEST

Citizens' service performance in this assessment area is below the bank's service performance in the State of Michigan.

Retail Services

Branch Locations by Census Tract Income Level												
Assessment Area	Low Income		Moderate Income		Low- and Moderate-Income Total		Middle Income		Upper Income		Total	
	#	%	#	%	#	%	#	%	#	%	#	% of Total
Holland	0	0.0	1	50.0	1	50.0	1	50.0	0	0.0	2	100.0

Community Development Services

No community development services were provided in the Holland assessment area during this review period.

METROPOLITAN AREAS (*Limited Review*)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN KALAMAZOO-PORTAGE, MICHIGAN MSA

Citizens' operations in the Kalamazoo MSA are managed through one branch office and augmented by one automated teller machine. As of June 30, 2010, Citizens Bank maintained a 0.5 percent market share of FDIC-insured deposits, ranking 15th of the 19 FDIC-insured financial institutions with at least one branch office in the Kalamazoo MSA. By comparison, the top three institutions by market share were: PNC Bank National Assn., 25.5 percent, Fifth Third Bank, 21.0 percent, and Bank of America N.A., 11.0 percent.

The Kalamazoo assessment area consists of 60 census tracts throughout Kalamazoo County in western Michigan. Kalamazoo County is located in Kalamazoo-Portage MSA. This MSA also consists of Van Buren County, which the bank does not include in its Kalamazoo assessment area. The largest cities in Kalamazoo County are Kalamazoo and Portage. The assessment area is comprised of four low-, 12 moderate-, 28 middle-, and 16 upper-income geographies.

Select demographic information for the Kalamazoo assessment area is provided in the following table.

Assessment Area Demographics								
Income Categories	Tract Distribution		Number of Families in Tract		Families Below Poverty Level as % of Families by Tract		Number of Families Based on Family Income	
	#	%	#	%	#	%	#	%
Low-income	4	6.6	2,223	3.8	663	29.8	10,318	17.7
Moderate-income	12	20.0	7,410	12.7	1,115	15.0	10,221	17.5
Middle-income	28	46.7	28,937	49.7	1,430	4.9	13,497	23.2
Upper-income	16	26.7	19,700	33.8	604	3.1	24,234	41.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
TOTALS	60	100.0	58,270	100.0	3,812	6.5	58,270	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	5,268	1,394	2.3	26.5	3,364	63.9	510	9.7
Moderate-income	17,683	6,928	11.3	39.2	9,361	52.9	1,394	7.9
Middle-income	48,817	31,143	50.6	63.8	15,146	31.0	2,528	5.2
Upper-income	27,482	22,019	35.8	80.1	4,124	15.0	1,339	4.9
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
TOTALS	99,250	61,484	100.0	61.9	31,995	32.2	5,771	5.8
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Under \$1 million		Over \$1 million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	341	3.1	278	2.8	34	4.7	29	5.3
Moderate-income	2,117	19.0	1,788	18.2	195	27.1	134	24.6
Middle-income	5,072	45.6	4,484	45.5	323	44.8	265	48.6
Upper-income	3,589	32.3	3,303	33.5	169	23.4	117	21.5
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
TOTALS	11,119	100.0	9,853	100.0	721	100.0	545	100.0
	Percentage of Total Businesses			88.6		6.5		4.9

Source: 2000 Census & 2009 Dunn & Bradstreet information.
Percentages may not total to 100.0 percent due to rounding.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN KALAMAZOO-PORTAGE, MICHIGAN METROPOLITAN STATISTICAL AREA

LENDING TEST

Citizens' lending performance in this assessment area was below the bank's lending performance in the State of Michigan; however, it does not change the rating for the state. The bank originated only three small business loan in 2009 and 10 in 2008. Due to the low volume of loans, small business lending was not evaluated for this assessment area.

Geographic Distribution

Home Mortgage Lending, Year 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Owner- Occupied Housing
	#	%	\$	%	#	%	%
Home Purchase Loans							
Low	0	0.0	0	0.0	0.5	0.2	2.3
Moderate	0	0.0	0	0.0	7.0	3.8	11.3
Middle	2	66.7	165	46.5	49.4	41.1	50.6
Upper	1	33.3	190	53.5	43.2	54.8	35.8
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	3	100.0	355	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	0	0.0	0	0.0	0.4	0.3	2.3
Moderate	0	0.0	0	0.0	5.4	3.3	11.3
Middle	1	25.0	48	7.4	44.0	37.2	50.6
Upper	3	75.0	597	92.6	50.2	59.2	35.8
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	4	100.0	645	100.0	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0	0.0	0.0	0.0	2.3
Moderate	0	0.0	0	0.0	15.6	7.8	11.3
Middle	0	0.0	0	0.0	49.0	35.8	50.6
Upper	0	0.0	0	0.0	35.4	56.4	35.8
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	0	0.0	0	0.0	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	0	0.0	0	0.0	0.4	2.4	2.3
Moderate	0	0.0	0	0.0	6.2	3.5	11.3
Middle	3	42.9	213	21.3	45.9	37.8	50.6
Upper	4	57.1	787	78.7	47.5	56.3	35.8
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	7	100.0	1,000	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Distribution by Borrower Income and Revenue Size of the Business

Home Mortgage Lending, 2009 Borrower Distribution (000's)							
Income Level of the Borrower	Bank Loans				Aggregate of All Lenders		Families by Income Level
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	0	0.0	0	0.0	12.9	7.1	17.7
Moderate	2	66.7	165	46.5	24.2	19.3	17.5
Middle	0	0.0	0	0.0	18.0	17.7	23.2
Upper	1	33.3	190	53.5	23.7	36.7	41.6
Unknown	0	0.0	0	0.0	21.2	19.2	0.0
Total	3	100.0	355	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	1	25.0	48	7.4	5.7	3.4	
Moderate	1	25.0	14	2.2	12.6	8.7	
Middle	0	0.0	0	0.0	19.0	16.2	
Upper	1	25.0	148	23.0	34.1	43.9	
Unknown	1	25.0	435	67.4	28.6	27.8	
Total	4	100.0	645	100.0	100.0	100.0	
Home Improvement Loans							
Low	0	0.0	0	0.0	13.9	5.8	
Moderate	0	0.0	0	0.0	24.5	15.1	
Middle	0	0.0	0	0.0	22.2	16.9	
Upper	0	0.0	0	0.0	36.8	53.0	
Unknown	0	0.0	0	0.0	2.6	9.2	
Total	0	0.0	0	0.0	100.0	100.0	
Total Home Mortgage Loans							
Low	1	14.3	48	4.8	8.2	4.3	
Moderate	3	42.9	179	17.9	16.7	11.6	
Middle	0	0.0	0	0.0	18.7	16.2	
Upper	2	28.6	338	33.8	30.8	40.8	
Unknown	1	14.3	435	43.5	25.6	27.1	
Total	7	100.0	1,000	100.0	100.0	100.0	

Percentages may not total to 100.0 percent due to rounding.

Community Development Lending Activities

Citizens did not make any community development loans during in this assessment area during this review period.

INVESTMENT TEST

Citizens' investment performance in this assessment area was consistent with the bank's

investment performance in the State of Michigan. The bank funded \$81,352 in qualifying investments during this review period.

SERVICE TEST

Citizens' service performance in this assessment area is below the bank's service performance in the State of Michigan.

Retail Services

There is one branch and one full-service ATM located in middle-income geographies in this assessment area. The lack of branch offices and ATMs in low- and moderate-income geographies does not compare favorably to the percentages of low- and moderate-income census tracts within the assessment area (26.7 percent) and the percentage of families (26.5 percent) in low- and moderate-income census tracts. The bank did not open or close any branches in this assessment area. The bank provides reasonable business hours that do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and individuals.

Community Development Services

Employees participated in two qualified services totaling seven hours of services to organizations meeting the economic development needs to small businesses.

METROPOLITAN AREAS (*Limited Review*)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MONROE, MICHIGAN MSA

Citizens' operations in the Monroe MSA are managed through two branch offices and augmented by two automated teller machines. As of June 30, 2010, Citizens Bank maintained a 3.2 percent market share of FDIC-insured deposits, ranking 6th of the 10 FDIC-insured financial institutions with at least one branch office in the Monroe MSA. By comparison, the top three institutions by market share were: Monroe Bank and Trust, 50.2 percent, Bank of America N.A., 14.0 percent, and PNC Bank National Assn., 10.8 percent.

The Monroe MSA assessment area consists of 38 census tracts throughout Monroe County in eastern Michigan. The largest city in the Monroe MSA is the city of Monroe. The assessment area is comprised of one low-, one moderate-, 35 middle-, and one upper-income geographies.

Select demographic information for the Monroe MSA assessment area is provided in the following table.

Assessment Area Demographics								
Income Categories	Tract Distribution		Number of Families in Tract		Families Below Poverty Level as % of Families by Tract		Number of Families Based on Family Income	
	#	%	#	%	#	%	#	%
Low-income	1	2.6	348	0.9	89	25.6	7,151	17.8
Moderate-income	1	2.6	774	1.9	121	15.6	7,650	19.0
Middle-income	35	92.2	37,749	93.8	1,701	4.5	10,111	25.1
Upper-income	1	2.6	1,352	3.4	18	1.3	15,311	38.1
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
TOTALS	38	100.0	40,223	100.0	1,929	4.8	40,223	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	570	252	0.6	44.2	242	42.5	76	13.3
Moderate-income	1,443	586	1.3	40.6	751	52.0	106	7.3
Middle-income	52,802	41,154	94.6	77.9	9,173	17.4	2,475	4.7
Upper-income	1,656	1,527	3.5	92.2	87	5.3	42	2.5
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
TOTALS	56,471	43,519	100.0	77.1	10,253	18.2	2,699	4.8
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Under \$1 million		Over \$1 million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	32	0.6	28	0.5	1	0.4	3	1.1
Moderate-income	158	2.7	139	2.6	9	3.5	10	3.8
Middle-income	5,472	93.8	4,990	94.0	245	94.6	237	90.5
Upper-income	170	2.9	154	2.9	4	1.5	12	4.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
TOTALS	5,832	100.0	5,311	100.0	259	100.0	262	100.0
Percentage of Total Businesses			91.1		4.4		4.5	
<i>Source: 2000 Census & 2009 Dunn & Bradstreet information.</i>								
<i>Percentages may not total to 100.0 percent due to rounding.</i>								

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MONROE, MICHIGAN MSA

LENDING TEST

Citizens' lending performance in the assessment area was consistent with the bank's lending performance in the State of Michigan. The bank originated only five small business loan in 2009. Due to the low volume of loans, small business lending was not evaluated for this assessment area.

Geographic Distribution

Home Mortgage Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Owner- Occupied Housing
	#	%	\$	%	#	%	%
Home Purchase Loans							
Low	0	0.0	0	0.0	0.5	0.3	0.6
Moderate	0	0.0	0	0.0	1.9	1.0	1.3
Middle	3	100.0	186	100.0	94.3	95.0	94.6
Upper	0	0.0	0	0.0	3.3	3.7	3.5
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	3	100.0	186	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	0	0.0	0	0.0	0.3	0.1	0.6
Moderate	1	10.0	79	10.7	1.0	0.6	1.3
Middle	9	90.0	660	89.3	93.8	94.5	94.6
Upper	0	0.0	0	0.0	4.9	4.8	3.5
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	10	100.0	739	100.0	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0	0.0	0.8	0.4	0.6
Moderate	0	0.0	0	0.0	0.8	1.2	1.3
Middle	1	100.0	4	100.0	96.9	94.7	94.6
Upper	0	0.0	0	0.0	1.5	3.7	3.5
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	1	100.0	4	100.0	100.0	100.0	100.0
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.6
Moderate	0	0.0	0	0.0	9.1	1.3	1.3
Middle	1	100.0	93	100.0	90.9	98.7	94.6
Upper	0	0.0	0	0.0	0.0	0.0	3.5
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	1	100.0	93	100.0	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	0	0.0	0	0.0	0.3	0.2	0.6
Moderate	1	6.7	79	7.7	1.4	0.7	1.3
Middle	14	93.3	943	92.3	94.1	94.7	94.6
Upper	0	0.0	0	0.0	4.2	4.4	3.5
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	15	100.0	1,022	100.0	100.0	100.0	100.0
<i>Percentages may not total to 100.0 percent due to rounding.</i>							

Distribution by Borrower Income and Revenue Size of the Business

Home Mortgage Lending, 2009 Borrower Distribution (000's)							
Income Level of the Borrower	Bank Loans				Aggregate of All Lenders		Families by Income Level
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	1	33.3	44	23.7	22.2	14.5	17.8
Moderate	1	33.3	62	33.3	30.3	27.7	19.0
Middle	0	0.0	0	0.0	22.1	27.6	25.1
Upper	1	33.3	80	43.0	15.7	21.5	38.1
Unknown	0	0.0	0	0.0	9.7	8.6	0.0
Total	3	100.0	186	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	2	20.0	126	17.1	8.5	5.6	
Moderate	3	30.0	344	46.5	18.0	14.8	
Middle	3	30.0	145	19.6	21.9	21.1	
Upper	2	20.0	124	16.8	26.3	31.7	
Unknown	0	0.0	0	0.0	25.4	26.7	
Total	10	100.0	739	100.0	100.0	100.0	
Home Improvement Loans							
Low	0	0.0	0	0.0	17.7	16.4	
Moderate	0	0.0	0	0.0	28.5	24.5	
Middle	1	100.0	4	100.0	23.8	21.0	
Upper	0	0.0	0	0.0	27.7	33.2	
Unknown	0	0.0	0	0.0	2.3	5.0	
Total	1	100.0	4	100.0	100.0	100.0	
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	0	0.0	0	0.0	0.0	0.0	
Middle	0	0.0	0	0.0	0.0	0.0	
Upper	0	0.0	0	0.0	0.0	0.0	
Unknown	1	100.0	93	100.0	100.0	100.0	
Total	1	100.0	93	100.0	100.0	100.0	
Total Home Mortgage Loans							
Low	3	20.0	170	16.6	13.2	8.2	
Moderate	4	26.7	406	39.7	22.3	18.4	
Middle	4	26.7	149	14.6	22.0	22.8	
Upper	3	20.0	204	20.0	22.8	28.6	
Unknown	1	6.6	93	9.1	19.7	22.0	
Total	15	100.0	1,022	100.0	100.0	100.0	
<i>Percentages may not total to 100.0 percent due to rounding.</i>							

Community Development Lending Activities

Citizens did not make any community development loans during in this assessment area during this review period.

INVESTMENT TEST

Citizens' investment performance in this assessment area was consistent with the bank's investment performance in the State of Michigan. The bank funded \$507,276 in qualifying investments during this review period.

SERVICE TEST

Citizens' service performance in this assessment area is below the bank's service performance in the State of Michigan.

Retail Services

There are two branches and two full-service ATMs located in middle-income geographies in this assessment area. The lack of branch offices and ATMs in low- and moderate-income geographies does not compare favorably to the percentages of low- and moderate-income census tracts within the assessment area (5.2 percent), but less of a concern when compared to the percentage of families (2.8 percent) in low- and moderate-income census tracts. The bank did not open or close any branches in this assessment area. The bank provides reasonable business hours that do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and individuals.

Community Development Services

An employee participated in one qualified community development service totaling three hours during the review period; the employee worked with an organization that provides community services tailored to meet the needs of LMI individuals in the assessment area.

NONMETROPOLITAN STATEWIDE AREAS (Full Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NON-METROPOLITAN NORTHERN LOWER MICHIGAN

Citizens' operations in the Non-metropolitan Northern Lower Michigan assessment area are managed through 31 branch offices and augmented by 30 automated teller machines. As of June 30, 2010, Citizens Bank maintained a 12.7 percent market share of FDIC-insured deposits, ranking 3rd of the 33 FDIC-insured financial institutions with at least one branch office located in each county in this Non-metropolitan assessment area. By comparison, the top two institutions by market share were: Fifth Third Bank, 20.2 percent and Chemical Bank, 16.2 percent.

The Non-metropolitan Northern Lower Michigan assessment area consists of 144 census tracts throughout Alpena, Antrim, Arenac, Charlevoix, Crawford, Grand Traverse, Midland, Missaukee, Ogemaw, Osceola, Oscoda, Otsego, Presque Isle, Shiawassee, Tuscola and Wexford Counties. This assessment area spans the northern communities of the lower peninsula in the state of Michigan and includes major cities such as Midland, Gladwin and Cheboygan in the north central part of the lower peninsula; Traverse City in the northwest; and Alpena in the northeast. The assessment area is comprised of 20 moderate-, 102 middle-, and 22 upper-income geographies. The following table shows the counties in the assessment area with some distressed and/or underserved areas. There were no distressed and/or underserved areas in Grand Traverse, Midland and Oscoda counties.

Distressed and/or Underserved Counties						
Area	2010		2009		2008	
	Distressed	Underserved	Distressed	Underserved	Distressed	Underserved
Alpena County			X		X	
Antrim County	X	X	X	X	X	X
Arenac County	X	X	X	X	X	X
Charlevoix County	X	X	X	X	X	X
Crawford County		X	X	X	X	X
Missaukee County	X		X		X	
Ogenaw County		X	X	X	X	X
Osceola County	X	X	X	X	X	X
Ostego County	X	X	X	X	X	X
Presque Isle County	X		X		X	
Shiawassee County	X		X		X	
Tuscola County	X		X		X	
Wexford County	X		X		X	

Source: Federal Financial Institutions Examination Council

Assessment Area Demographics

Select demographic information for the non-metropolitan Northern Lower MI assessment area is provided in the following table.

Assessment Area Demographics								
Income Categories	Tract Distribution		Number of Families in Tract		Families Below Poverty Level as % of Families by Tract		Number of Families Based on Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	24,558	16.4
Moderate-income	20	13.9	15,011	10.0	1,905	12.7	28,657	19.1
Middle-income	102	70.8	102,849	68.6	6,701	6.5	34,590	23.1
Upper-income	22	15.3	32,160	21.4	1,108	3.4	62,215	41.5
TOTALS	144	100.0	150,020	100.0	9,714	6.5	150,020	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	34,273	16,381	9.7	47.8	5,994	17.5	11,898	34.7
Middle-income	188,885	116,987	69.1	61.9	27,525	14.6	44,373	23.5
Upper-income	47,024	35,983	21.2	76.5	6,468	13.8	4,573	9.7
TOTALS	270,182	169,351	100.0	62.7	39,987	14.8	60,844	22.5
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Under \$1 million		Over \$1 million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	3,074	10.1	2,705	9.7	179	13.0	190	14.5
Middle-income	21,053	69.0	19,166	68.9	953	69.4	934	71.1
Upper-income	6,368	20.9	5,937	21.4	242	17.6	189	14.4
TOTALS	30,495	100.0	27,808	100.0	1,374	100.0	1,313	100.0
Percentage of Total Businesses			91.2		4.5		4.3	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Under \$1 million		Over \$1 million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	71	4.2	69	4.1	2	8.7	0	0.0
Middle-income	1,334	78.7	1,313	78.7	18	78.3	3	100.0
Upper-income	290	17.1	287	17.2	3	13.0	0	0.0
TOTALS	1,695	100.0	1,669	100.0	23	100.0	3	100.0
Percentage of Total Farms			98.5		1.4		0.2	
Source: 2000 Census & 2009 Dunn & Bradstreet information. Percentages may not total to 100.0 percent due to rounding.								

Population Characteristics

The estimated combined 2009 population for the area is 539,379 which is relatively unchanged from the 2000 Census. However, several of the counties in the assessment area have experienced significant growth or declines in population. Population loss is one of the

measurements used to determine if a non-metropolitan area may be distressed or underserved; 13 of the 16 counties in this assessment area have distressed or underserved census tracts. The following table lists the population changes for the assessment area and counties from the year 2000 to 2009.

Population Changes 2000 Census vs. July 1, 2009			
Area	2000 Census	2009 Estimates	Percentage Change
Assessment Area	539,471	539,379	0.0%
Alpena County	31,314	29,289	-6.5%
Antrim County	23,110	23,834	3.1%
Arenac County	17,269	16,092	-6.8%
Charlevoix County	26,090	25,796	-1.1%
Crawford County	14,273	14,203	-0.5%
Grand Traverse County	77,654	86,333	11.2%
Midland County	82,874	82,548	-0.4%
Missaukee County	14,478	14,838	2.5%
Ogenaw County	21,645	21,234	-1.9%
Osceola County	23,197	22,703	-2.1%
Oscoda County	9,418	8,707	-7.5%
Ostego County	23,301	23,412	0.5%
Presque Isle County	14,411	13,436	-6.8%
Shiawassee County	71,687	70,006	-2.3%
Tuscola County	58,266	55,395	-4.9%
Wexford County	30,484	31,553	3.5%
State of Michigan	9,938,444	9,969,727	0.3%
<i>Source: U.S. Census Bureau</i>			

Income Characteristics

The 2009 estimated median family income for each of the counties in the assessment area are compared against the state, as shown in the following table. The data presented shows the range of median family incomes (MFI) across the northern counties of the lower peninsula and the effect of estimated gains in MFI.

Median Family Income Changes 2000 Census vs. 2009			
Area	2000 Census	2009 Estimates	Percentage Change
Assessment Area	\$45,607	N/A	N/A
Alpena County	\$42,366	\$49,900	17.8%
Antrim County	\$43,488	\$52,300	20.3%
Arenac County	\$39,033	\$46,600	19.4%
Charlevoix County	\$46,260	\$57,000	23.2%
Crawford County	\$37,056	\$44,200	19.3%
Grand Traverse County	\$51,211	\$63,300	23.6%
Midland County	\$55,483	\$65,500	18.1%
Missaukee County	\$39,057	\$46,700	19.6%
Ogenaw County	\$34,988	\$41,900	19.8%
Osceola County	\$39,205	\$45,100	15.0%
Oscoda County	\$32,225	\$38,500	19.5%
Ostego County	\$46,628	\$55,700	19.5%
Presque Isle County	\$37,426	\$44,700	19.4%
Shiawassee County	\$49,329	\$58,100	18.0%
Tuscola County	\$46,729	\$53,900	15.3%
Wexford County	\$39,915	\$47,800	19.8%
State of Michigan	\$53,457	\$63,800	19.3%

Source: U.S. Department of Housing and Urban Development

Bankruptcy filing rates were high in 2005 in general according to the Administrative Office of the U.S. Courts. These filing rates dropped significantly in 2006 but have trended upwards for almost all counties in the assessment area. In 2009, Shiawassee County had the highest rate at 9.09 per 1,000 in population while Presque Isle County had the lowest rate at 4.00 per 1,000 within the assessment area. Overall, the counties' rankings ranged between the 4th and 65th of 83 counties in the state in bankruptcy filings.

Housing Characteristics

The following table presents housing costs in the assessment area by each county compared to the state of Michigan. Fair market rent data is prepared by the U.S. Department of Housing and Urban Development (HUD) and is assigned for areas such as counties or metropolitan statistical areas. Therefore, this data is not available for an assessment area that spans more than one county or metropolitan statistical area nor is it available on a statewide basis.

Housing Costs				
Area	Median Housing Value	Median Gross Rent	Fair Market Rent*	Affordability Ratio
Assessment Area	\$92,754	\$478	N/A	.41
Alpena County	\$78,900	\$370	\$577	.43
Antrim County	\$103,300	\$460	\$604	.36
Arenac County	\$75,400	\$399	\$577	.43
Charlevoix County	\$110,400	\$470	\$629	.36
Crawford County	\$78,500	\$453	\$586	.42
Grand Traverse County	\$123,300	\$614	\$794	.35
Midland County	\$96,300	\$498	\$659	.47
Missaukee County	\$78,400	\$460	\$629	.44
Ogenaw County	\$77,100	\$432	\$577	.39
Osceola County	\$72,600	\$409	\$577	.46
Oscoda County	\$70,700	\$393	\$577	.39
Ostego County	\$101,500	\$540	\$725	.40
Presque Isle County	\$78,000	\$345	\$577	.40
Shiawassee County	\$97,100	\$482	\$631	.43
Tuscola County	\$88,300	\$445	\$602	.45
Wexford County	\$78,300	\$451	\$621	.45
State of Michigan	\$110,300	\$546	N/A	.40
<i>2000 United States Census Data;</i>				
<i>*Department of Housing and Urban Development</i>				

An area with a high ratio generally has more affordable housing than an area with a low ratio, for this particular assessment area, the ratio is .41. The affordability ratios presented in the preceding table show that housing is generally more affordable in the assessment area when compared to the state overall. There are exceptions to this generality. Grand Traverse County, in particular, has housing that is more expensive compared to the state and the assessment area overall.

Home sales and prices in the assessment area over the past several years have varied significantly, according to the website www.city-data.com. The following table provides information on the quarter(s) with the highest and lowest sales and prices over the period denoted in the "quarter" column. As shown in the following table, both home sales and prices from county to county have not followed a similar pattern; however, sales and prices have been consistent with the general pattern nationwide.

Housing Data								
Area	Sales*				Median Price*			
	High		Low		High		Low	
	#	Quarter	#	Quarter	\$	Quarter	\$	Quarter
Antrim County	150	Q3/2005	10	Q4/2007	\$160,000	Q4/2005	\$80,000	Q1/2009
Alpena County	120	Q3/2007	20	Q2/2009	\$90,000	Q3/2006	\$60,000	Q2/2009
Arenac County	50	Q3/2007	5	Q2/2008	\$140,000	Q3/2006	\$65,000	Q2/2008
Charlevoix County	200	Q3/2005	0	Q4/2008	\$150,000	Q3/2005	\$60,000	Q4/2008
Crawford County	700	Q3/2005	0	2008	\$135,000	Q1/2008	\$50,000	Q1/2009
Midland County	450	Q2/2007	25	Q3/2006	\$150,000	Q1/2005	\$90,000	Q1/2009
Missaukee County	55	Q3/2005	0	2007	\$110,000	Q3/2005	\$45,000	Q4/2006
Grand Traverse County	375	Q2/2006	25	Q1/2005	\$160,000	Q2/2006	\$125,000	Q1/2009
Ogemaw County	75	Q2/2006	10	2007	\$160,000	Q2/2005	\$70,000	Q3/2006
Otsego County	180	Q3/2005	20	Q2/2010	\$130,000	Q3/2006	\$65,000	Q2/2010
Osceola County	70	Q3/2005	5	2009	\$140,000	Q2/2007	\$60,000	2009
Presque Isle County	75	Q2/2005	5	Q2/2009	\$105,000	Q2/2006	\$55,000	Q1/2006
Shiawassee County	600	Q2/2005	225	Q3/2010	\$115,000	Q3/2005	\$70,000	Q2/2009
Tuscola County	185	Q3/2005	10	Q2/2010	\$110,000	Q2/2005	\$70,000	Q4/2009
Wexford County	210	Q3/2006	20	Q3/2010	\$105,000	Q2/2006	\$60,000	Q3/2010

www.city-data.com
*Rounded

Housing permits in the assessment area have also varied significantly between counties in 2008 and 2009. Shiawassee County experienced the highest percentage decline during 2008, 57.0 percent, while Ogemaw and Tuscola Counties were the only counties with an increase in permit activity during the year, 38.0 and 27.0 percent, respectively. In 2009, Ogemaw and Tuscola Counties experienced the largest declines, 77.0 and 71.0 percent, respectively, with Charlevoix County the only county with an increase in permit activity, 53.0 percent. During the course of the same period, housing permits declined by approximately 43.0 percent and 34.0 percent, respectively, in the state and by more than 35.0 percent in both 2008 and 2009 for the country, according to the National Association of Realtors.

Foreclosure rates in the assessment area ranged from a high of one in every 269 homes, in Shiawassee County, to a low of one in 875, in Arenac County, as of November 2010, according to the website www.realtytrac.com. The majority of other counties in the assessment area ranged between rates of one in approximately 500 to 800. For comparison, foreclosures in the state of Michigan were 19,288 in November 2010 and represent a rate of one in every 235 housing units.

Labor and Employment

The assessment area offers a wide range of employers with trade and transportation, manufacturing and healthcare comprising the largest industries.

Unemployment

The following table presents 2008, 2009 and October 2010 unemployment rates for the counties within the assessment area compared the state of Michigan and the United States. The majority of counties fared worse compared to the state and country as a whole. Only Midland County has an unemployment rate significantly below that of Michigan and the United States.

Unemployment Statistics			
Area	October 2010 (%)	2009 (%)	2008 (%)
Assessment Area	N/A	N/A	N/A
Alpena County	13.0	13.0	9.0
Antrim County	15.0	15.0	10.0
Arenac County	16.0	16.0	10.0
Charlevoix County	14.0	14.0	10.0
Crawford County	13.0	13.3	9.0
Grand Traverse County	12.0	11.0	7.0
Midland County	9.0	9.0	6.0
Missaukee County	15.0	15.0	10.0
Ogenaw County	13.0	13.0	9.0
Osceola County	14.0	15.0	10.0
Oscoda County	19.0	21.0	13.0
Ostego County	15.0	14.0	10.0
Presque Isle County	18.0	18.0	14.0
Shiawassee County	13.0	14.0	10.0
Tuscola County	14.0	15.0	10.0
Wexford County	16.0	17.0	11.0
State of Michigan	13.0	13.4	8.3
United States	9.0	9.3	5.8
Source: United States Department of Labor – Bureau of Labor Statistics *Preliminary			

Four community representatives in the areas of community and economic development were contacted in this assessment area. In general, all contacts stated that the perception of local financial institutions is positive and that they are active in meeting the needs of the communities. Contacts in Midland and Alpena Counties cited financing for small businesses and entrepreneurs as the primary credit needs in their communities. A lack of affordable housing was also cited in Alpena County; however, the contact did state that there has been a large increase in renovation and rehabilitation of single-family homes. Citizens Bank was cited by one contact as being a leader in providing financing and community development in the area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NON-METROPOLITAN NORTHERN LOWER MICHIGAN ASSESSMENT AREA

LENDING TEST

The geographic distribution of the bank's lending reflects excellent dispersion in the assessment area, based primarily on the bank's record of lending to small businesses in geographies of different income levels. The distribution of the bank's loans reflects good penetration among borrowers of different income levels and businesses of different sizes based on the bank's record of lending to small businesses. The bank did not make any community development loans in this assessment area. Citizens makes use of innovative and flexible lending programs, primarily through government -insured, -guaranteed, and -sponsored programs, to help meet the credit needs of LMI individuals and geographies in the assessment area.

Geographic Distribution

The geographic distribution of loans reflects excellent dispersion in the assessment area based on the bank's record of making loans to small businesses in geographies of different income levels.

Home Mortgage Lending

Citizens Bank achieved excellent dispersion of its home mortgage loans throughout its assessment area, including moderate-income geographies. Refinances made up that majority of the home mortgage loans. The percentage of all home mortgage loans originated in moderate-income geographies exceeded that of the aggregated lending level. The percentage of loans originated by the bank was comparable to the percentage of owner-occupied housing units and percentage of families located in moderate-income geographies. There are no low-income geographies in this assessment area.

The bank's performance in 2008 was consistent with 2009. Lending was higher in moderate-income geographies. The bank's performance exceeded the aggregated lenders for all products.

Home Mortgage Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Owner- Occupied Housing
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	8	7.9	566	5.0	7.3	4.4	9.7
Middle	64	63.4	6,468	57.6	63.2	58.4	69.1
Upper	29	28.7	4,193	37.4	29.3	37.1	21.2
Unknown	0	0.0	0	0.0	0.2	0.1	0.0
Total	101	100.0	11,227	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	29	8.4	3,092	6.4	5.1	3.3	9.7
Middle	237	68.7	31,251	64.9	64.0	61.3	69.1
Upper	79	22.9	13,787	28.7	30.5	35.0	21.2
Unknown	0	0.0	0	0.0	0.4	0.4	0.0
Total	345	100.0	48,130	100.0	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	20	18.7	232	10.2	11.4	8.3	9.7
Middle	78	72.9	1,531	67.6	72.3	69.0	69.1
Upper	9	8.4	504	22.2	16.3	22.7	21.2
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	107	100.0	2,267	100.0	100.0	100.0	100.0
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	0	0.0	0	0.0	0.0	0.0	9.7
Middle	1	100.0	6,659	100.0	80.0	83.6	69.1
Upper	0	0.0	0	0.0	20.0	16.4	21.2
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	1	100.0	0	0.0	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	57	10.3	3,890	5.7	5.8	3.6	9.7
Middle	380	68.6	45,909	67.2	64.2	60.9	69.1
Upper	117	21.1	18,484	27.1	29.7	35.2	21.2
Unknown	0	0.0	0	0.0	0.3	0.3	0.0
Total	554	100.0	68,283	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Small Business Lending

Citizens Bank achieved excellent dispersion of small business loans throughout its assessment area, including moderate-income geographies within the assessment area. The percentage of

small business loans originated in moderate-income census tracts exceeded that of the aggregated lending level and the percentage of businesses located in moderate-income census tracts. The majority of the bank's small business lending took place in the middle-income census tracts of the assessment area, which is consistent with both the percentage of loans originated by the aggregated lenders and the percentage of businesses located in the middle-income geographies of the assessment area. Lending levels in 2008 reflected a lower concentration of loans in moderate-income geographies. The bank's performance was above that of the aggregated lenders in moderate-income geographies.

Small Business Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Businesses by Census Tract Income Level
	#	%	\$	%	# %	\$ %	%
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	38	13.9	4,565	10.4	8.5	10.2	10.1
Middle	206	75.2	31,667	72.1	68.6	68.0	69.0
Upper	30	10.9	7,662	17.5	20.8	20.9	20.9
Unknown	0	0.0	0	0.0	2.1	0.9	0.0
Total	274	100.0	43,894	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Distribution by Borrower Income and Revenue Size of the Business

The distribution of loans reflects good penetration among borrowers of different incomes and businesses of different sizes based on the bank's record of making loans to small businesses. Citizens Bank makes use of innovative and flexible lending programs and practices, primarily through government –insured, -guaranteed, and –sponsored programs, to increase the availability of affordable credit for LMI individuals and LMI geographies. The bank is an active FHA, VA and SBA lender.

Home Mortgage Lending

Borrower distribution of home mortgage loans reflects excellent penetration among individuals of different income levels. Citizens originated the majority of its home mortgage loans to upper-income individuals, 43.3 percent of its lending by number; refinances drove this outcome. Refinances represented 62.3 percent of the bank's home mortgage lending in 2009. When the bank's performance is reviewed by product, 51.4 percent of home improvement loans were originated to low- and moderate-income individuals.

The following table presents the number, dollar volume and percentages of loans originated by the bank to individuals by income level in comparison to the lending record of the aggregated lenders and percentages of families by income level. The percentage of loans to low - and moderate-income individuals exceeded that of the aggregated lenders and was comparable to the percentage of families classified as moderate-income in the assessment area. Performance was below the percentage of families classified as low-income in the assessment area. Home mortgage lending in 2008 was comparable to the 2009 lending distribution.

Home Mortgage Lending, Year, 2009 Borrower Distribution (000's)							
Income Level of the Borrower	Bank Loans				Aggregate of All Lenders		Families by Income Level
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	15	14.9	808	7.2	9.6	5.0	16.4
Moderate	23	22.8	1,790	15.9	19.9	14.8	19.1
Middle	19	18.8	1,726	15.4	18.0	16.8	23.0
Upper	44	43.5	6,903	61.5	29.9	43.7	41.5
Unknown	0	0.0	0	0.0	22.6	19.7	0.0
Total	101	100.0	11,227	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	19	5.5	1,048	2.2	5.2	2.7	
Moderate	64	18.6	5,307	11.0	12.3	7.9	
Middle	86	24.9	8,622	17.9	17.3	13.5	
Upper	173	50.1	31,501	65.5	41.6	52.7	
Unknown	3	0.9	1,652	3.4	23.6	23.2	
Total	345	100.0	48,130	100.0	100.0	100.0	
Home Improvement Loans							
Low	30	28.0	375	16.6	16.0	6.0	
Moderate	25	23.4	495	21.8	22.3	15.4	
Middle	28	26.2	579	25.5	21.9	21.3	
Upper	23	21.5	723	31.9	34.4	48.1	
Unknown	1	0.9	95	4.2	5.4	9.2	
Total	107	100.0	2,267	100.0	100.0	100.0	
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	0	0.0	0	0.0	0.0	0.0	
Middle	0	0.0	0	0.0	0.0	0.0	
Upper	0	0.0	0	0.0	0.0	0.0	
Unknown	1	100.0	6,659	100.0	100.0	100.0	
Total	1	100.0	6,659	100.0	100.0	100.0	
Total Home Mortgage Loans							
Low	64	11.6	2,231	3.3	6.7	3.2	
Moderate	112	20.2	7,592	11.1	14.6	9.4	
Middle	133	24.0	10,927	16.0	17.7	14.2	
Upper	240	43.3	39,127	57.3	38.4	50.6	
Unknown	5	0.9	8,406	12.3	22.6	22.6	
Total	554	100.0	68,283	100.0	100.0	100.0	

Percentages may not total to 100.0 percent due to rounding.

Small Business Lending

The bank's record of lending to small businesses was measured in two basic ways. The first was to consider the number, dollar volumes and percentages of loans made to businesses with revenues of \$1 million or less. The second was to measure the number, dollar volume and percentages of loans made by original loan amount. The bank made a higher percentage of its small business loans to organizations with annual revenues of \$1 million or less than did the aggregated lenders for the same time period. Based on original amount of the loan, Citizens underperformed in comparison to the aggregated lenders; 2009 data used as part of this evaluation has been included in the following table.

With respect to loans originated to small businesses with revenues of \$1 million or less in 2009, the bank's performance significantly exceeded the performance of the aggregated lenders. Of the bank's small business loans defined by original amount of the loan, 65.3 percent had original amounts of \$100,000 or less; as a group the aggregated lenders performed better than Citizens in originating small loans to businesses. Small business lending decreased from 2008 by 39.9 percent. Performance in 2008 was more favorable than in 2009. Small business loans included 67.5 percent of the loans originated to businesses with revenues of \$1 million or less and 71.0 percent were for original amounts of \$100,000 or less.

Small Business Loan Distribution, 2009							
By Revenue and Loan Size							
(000's)							
Category	Bank Loans				Aggregate of All Lenders		Businesses By Annual Revenues
	#	%	\$	%	# %	\$ %	# %
By Revenue							
\$1 Million or Less	157	57.3	15,030	34.2	27.7	43.3	91.2
Over \$1 Million	109	39.8	28,069	64.0	*	*	4.5
Not Known	8	2.9	795	1.8	*	*	4.3
Total	274	100.0	43,894	100.0	*	*	100.0
By Loan Size							
\$100,000 or less	179	65.3	8,362	19.0	93.5	33.7	
\$100,000 - \$250,000	44	16.1	7,278	16.6	3.3	16.7	
\$250,000 - \$1 Million	51	18.6	28,254	64.4	3.2	49.6	
Total	274	100.0	43,894	100.0	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	124	79.0	5,077	33.8	*	*	
\$100,000 - \$250,000	18	11.5	2,804	18.6	*	*	
\$250,000 - \$1 Million	15	9.5	7,149	47.6	*	*	
Total	157	100.0	15,030	100.0	*	*	
* Data Unavailable							
Percentages may not total to 100.0 percent due to rounding.							

Community Development Loans

Citizens Bank did not make any community development loans in this assessment area during the review period.

INVESTMENT TEST

Citizens Bank made an adequate level of qualified investments, donations, and grants in the Non-metropolitan Northern Lower Michigan assessment area during the review period. Citizens rarely participates in a leadership position. Additionally, the bank makes rare use of innovative and/or complex investments to support community development initiatives and exhibits adequate responsiveness to credit and community development needs.

The bank funded \$188,596 in qualifying investments in this assessment area during this review period. The majority of the qualifying investments were MBS pools with two underlying loans totaling \$177,146 that benefitted low- and moderate-income individuals in the Non-metropolitan Northern Lower Michigan assessment area. The bank also made 10 qualified donations totaling \$11,450 during the review period. The majority of the donations were to organizations that provide community services to low- and moderate-income individuals in the assessment area. Among the organizations receiving donations were Shiawassee Economic Development Partnership, United Way of Wexford County, and Midland Tomorrow. No other qualifying investments were made during the review period.

SERVICE TEST

Retail services are accessible to essentially all portions of the assessment area; changes in the branch and ATM network did not adversely affect the accessibility of its delivery systems; the bank provides reasonable business hours that do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and individuals. Employees provide a relatively high level of community development services in the assessment area.

Retail Services

The assessment area consists of 144 census tracts, including no low- and 20 (13.9 percent) moderate-income geographies. The bank operates 31 branch offices in the assessment area; seven of which are located in moderate-income geographies. The majority of branch offices are equipped with a full-service ATM. There are 30 ATMs, 20 full-service and 10 cash only, throughout the assessment area, including seven in moderate-income geographies. The percentage of branches (22.6 percent) and ATMs (23.3 percent) in moderate-income geographies exceeds the percentage of moderate-income census tracts and the percentage of families (10.0 percent) located in these census tracts. All branch offices are accessible to essentially all

portions of the assessment area, including low- and moderate-income individuals and moderate-income geographies. The bank's record of opening and closing branch offices and ATMs has not adversely affected the accessibility of delivery systems, particularly to low- and moderate-income individuals and moderate-income geographies. No branch offices have been opened or closed; however, one loan production office in a middle-income geography in Emmet County has been closed since the previous evaluation. One full-service and one cash-only ATM were opened in middle-income geographies, while one cash-only ATM was closed in a middle-income geography.

Branch hours vary by location, but are typically open between 8:30 a.m. and 5:30 p.m., Monday through Friday, with extended drive-up hours. A few locations also provide drive-through services between 9:00 a.m. and noon on Saturdays. Business hours and banking services are reasonable and do not vary in a way that inconveniences low- and moderate-income individuals or moderate-income geographies. All loan products are available via walk-in service or by appointment. Alternative delivery systems include ATMs, internet banking, call center telephone and chat options, and bank by phone services, available 24 hours a day for balance inquiry, account transfers, and bill pay.

Community Development Services

Citizens Bank provides a relatively high level of community development services in the assessment area as employees participated in 15 qualified services totaling 146 hours during the review period. The bank assisted 52 borrowers in obtaining grants totaling \$332,847 from the FHLB affordable housing program. Services supported community services to low- and moderate-income individuals in the assessment area. Please refer to the table in the State of Michigan section for detailed information on the community development purpose supported by the qualifying services.

The following are examples of some of the services that had a significant impact in the assessment area. Bank employees were involved with the American Bankers Association "Get Smart about Credit" and "Teach Children to Save" programs, providing financial education to children at schools located in moderate-income census tracts. A bank employee worked with the Northwest Michigan Community Action Agency to teach a budgeting and banking course. The agency provides multiple community services that benefit low- and moderate-income individuals in northwest Michigan.

NONMETROPOLITAN STATEWIDE AREAS

(Full review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NON-METROPOLITAN UPPER PENINSULA, MICHIGAN ASSESSMENT AREA

Citizens' operations in the non-metropolitan Upper Peninsula assessment area are managed through 13 branch offices and augmented by 16 automated teller machines. As of June 30, 2010, Citizens Bank maintained a 10.3 percent market share of FDIC-insured deposits, ranking 3rd of the 22 FDIC-insured financial institutions with at least one branch office in the non-metropolitan Upper Peninsula assessment area. By comparison, the top two institutions by market share were: Wells Fargo Bank N.A., 17.8 percent; and Superior National Bank & Trust Co., 10.4 percent.

The non-metropolitan Upper Peninsula assessment area consists of 82 census tracts throughout Alger, Baraga, Chippewa, Delta, Dickinson, Gogebic, Houghton, Iron and Marquette Counties. Major cities in the assessment area include Marquette, Houghton, Crystal Falls, Ramsay, Kingsford and Sault Ste. Marie. The assessment area is comprised of 13 moderate-, 64 middle-, and five upper-income geographies. The following table lists the counties with some distressed and/or underserved areas. There are no distressed and/or underserved areas in Dickinson and Marquette counties.

Distressed and/or Underserved Counties						
Area	2010		2009		2008	
	Distressed	Underserved	Distressed	Underserved	Distressed	Underserved
Alger County	X		X		X	
Baraga County	X	X	X	X	X	X
Chippewa County			X		X	
Delta County					X	
Gogebic County	X	X	X	X	X	X
Houghton County	X		X		X	
Iron County		X		X	X	X

Source: Federal Financial Institutions Examination Council

Assessment Area Demographics

Select demographic information for the non-metropolitan Upper Peninsula assessment area in the following table.

Assessment Area Demographics								
Income Categories	Tract Distribution		Number of Families in Tract		Families Below Poverty Level as % of Families by Tract		Number of Families Based on Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	12,585	19.3
Moderate-income	13	15.9	8,182	12.6	1,139	13.9	13,379	20.6
Middle-income	64	78.0	53,462	82.1	3,764	7.0	15,513	23.8
Upper-income	5	6.1	3,489	5.4	97	2.8	23,656	36.3
TOTALS	82	100.0	65,133	100.0	5,000	7.7	65,133	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	19,888	9,170	12.1	46.1	5,179	26.0	5,539	27.9
Middle-income	107,902	62,515	82.4	57.9	18,989	17.6	26,398	24.5
Upper-income	5,396	4,172	5.5	77.3	542	10.0	682	12.6
TOTALS	133,186	75,857	100.0	57.0	24,710	18.6	32,619	24.5
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Under \$1 million		Over \$1 million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	1,978	16.2	1,734	15.9	116	17.6	128	18.9
Middle-income	9,712	79.5	8,664	79.6	524	79.4	524	77.4
Upper-income	529	4.3	484	4.4	20	3.0	25	3.7
TOTALS	12,219	100.0	10,882	100.0	660	100.0	677	100.0
Percentage of Total Businesses			89.1		5.4		5.5	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Under \$1 million		Over \$1 million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	20	5.3	19	5.2	0	0.0	1	33.3
Middle-income	349	92.1	335	92.0	12	100.0	2	66.7
Upper-income	10	2.6	10	2.7	0	0.0	0	0.0
TOTALS	379	100.0	364	100.0	12	100.0	3	100.0
Percentage of Total Farms			96.0		3.2		0.8	

*Source: 2000 Census & 2009 Dunn & Bradstreet information.
Percentages may not total to 100.0 percent due to rounding.*

Population Characteristics

The non-metropolitan Upper Peninsula assessment area realized a population in 2009 of 248,835 which is a 2.1 percent decrease from the 2000 Census. The two largest counties by population increased slightly in population, with the small counties experiencing the largest decreases. The

state of Michigan has experienced a modest increase in population since the 2000 Census as shown in the following table.

Population Changes 2000 Census vs. July 1, 2009			
Area	2000 Census	2009 Estimates	Percentage Change
Assessment Area	254,301	248,835	-2.1
Alger County	9,862	9,286	-5.8
Baraga County	8,746	8,604	-1.6
Chippewa County	38,543	38,731	0.5
Delta County	38,520	36,918	-4.2
Dickinson County	27,472	26,691	-2.8
Gogebic County	17,370	15,936	-8.3
Houghton County	36,016	35,333	-1.9
Iron County	13,138	11,633	-11.5
Marquette County	64,634	65,703	1.7
State of Michigan	9,938,444	9,969,727	0.3

Source: U.S. Census Bureau

Income Characteristics

The 2009 estimated median family income for all counties remained generally consistent with the state of Michigan; however, counties in the assessment area as a whole had a lower median family income than the state. Overall, counties within the assessment area and the state saw a significant increase in median family incomes between 2000 and 2009 as shown in the following table.

Median Family Income Changes 2000 Census vs. 2009			
Area	2000 Census	2009 Estimates	Percentage Change
Assessment Area	\$42,214	N/A	N/A
Alger County	\$42,017	\$50,200	19.5%
Baraga County	\$42,500	\$50,800	19.5%
Chippewa County	\$41,450	\$49,500	19.4%
Delta County	\$45,079	\$52,800	17.1%
Dickinson County	\$43,021	\$53,600	24.6%
Gogebic County	\$35,738	\$42,700	19.5%
Houghton County	\$38,635	\$46,100	19.3%
Iron County	\$37,038	\$44,200	19.3%
Marquette County	\$46,281	\$58,600	26.6%
State of Michigan	\$53,457	\$63,800	19.3%

Source: U.S. Department of Housing and Urban Development

Bankruptcy filing rates were high in 2005 in general according to the Administrative Office of the U.S. Courts. These filing rates dropped significantly in 2006 but have trended upwards for almost all counties in the assessment area. For example, Alger County had a 3.86 percent

bankruptcy filing rate in 2005 which dropped to 2.38 percent in 2006, and in 2009 increased back to 3.86 percent. In 2009, Iron County had the highest filing rate in the assessment area at 5.49 per 1,000 in population while Houghton County had the lowest rate at 1.81 per 1,000. Overall, the counties' rankings ranged between the 33rd highest to 82nd of 83 counties in the state in bankruptcy filings.

Housing Characteristics

According to the 2000 Census data, there were 133,186 housing units, of which 57.0 percent are owner-occupied, 18.6 are rental, and 24.5 are vacant. The data in the following table presents housing costs in the assessment area by each county compared to the state of Michigan.

Housing Costs				
Location	Median Housing Value	Median Gross Rent	Fair Market Rent*	Affordability Ratio
Assessment Area	\$68,147	\$389	N/A	.48
Alger County	\$76,500	\$376	\$577	.46
Baraga County	\$66,400	\$339	\$577	.50
Chippewa County	\$75,800	\$426	\$586	.45
Delta County	\$77,000	\$383	\$577	.46
Dickinson County	\$64,800	\$417	\$577	.53
Gogebic County	\$42,600	\$340	\$577	.64
Houghton County	\$57,000	\$368	\$577	.50
Iron County	\$51,100	\$346	\$577	.55
Marquette County	\$75,700	\$398	\$577	.46
State of Michigan	\$110,300	\$546		.40
<i>2000 United States Census Data;</i>				
<i>*Department of Housing and Urban Development</i>				

An area with a high ratio generally has more affordable housing than an area with a low ratio, for this assessment area the ratio is 0.48. The preceding affordability ratios show that housing is more affordable in the assessment area and in each county, when compared to the state. This is primarily because the Upper Peninsula is a more rural part of the state of Michigan where higher paying employment opportunities are not as common compared to other assessment areas.

Home sales and prices in the assessment area over the past several years have varied to a large degree, according to the website www.city-data.com. The following table provides information on the quarter(s) with the highest and lowest sales and prices over the period from the first quarter of 2005 to the third quarter of 2010; for some counties data is limited through 2008 or 2009. As shown below, home sales for most counties have lowered in recent years, but home prices from county to county have not followed a similar pattern. However, in general, sales and prices followed a pattern seen nationwide.

Housing Data								
Area	Sales*				Median Price*			
	High		Low		High		Low	
	#	Quarter	#	Quarter	\$	Quarter	\$	Quarter
Alger County	10	Q3/2005	1	2007	\$160,000	2007	\$60,000	Q3/2005
Baraga County	20	Q3/2007	5	Q1/2006	\$80,000	Q2/2009	\$35,000	Q1/2006
Chippewa County	20	Q3/2005	1	2009	\$110,000	Q3/2007	\$50,000	2009
Delta County								
Dickinson County	65	Q4/2006	1	2008	\$100,000	Q4/2007	\$50,000	2008
Gogebic County	300	Q3/2005	50	Q3/2010	\$250,000	Q3/2006	\$125,000	Q1/2009
Houghton County	180	Q3/2006	35	Q2/2009	\$100,000	Q4/2009	\$55,000	Q4/2005
Iron County	350	Q3/2006	50	Q1/2005	\$140,000	Q3/2005	\$60,000	Q1/2005
Marquette County	5	2006	1	2009	\$120,000	2009	\$70,000	2007
www.citydata								
*Rounded								

Only three counties reported housing permit activity during 2008 and 2009, according to the National Association of Realtors. The three counties were Chippewa, Gogebic and Marquette, with Gogebic reporting only five permits during the period in total. Of the two counties with significant activity, both Chippewa and Marquette Counties experienced a decline in permit activity between 20.0 and 25.0 percent from 2008 to 2009. During the course of the same period, housing permits declined by approximately 43.0 percent and 34.0 percent, respectively, in the state and by more than 35.0 percent in both 2008 and 2009 for the country, according to the National Association of Realtors.

Foreclosure rates in the assessment area are not as high as in the metropolitan areas of the bank's assessment area. The highest foreclosure rate was in Alger County with one in every 1,042 homes; at the other end of the spectrum of foreclosure activity, the housing market in Baraga County rarely experiences a foreclosure. Data is as of November 2010, and based on information contained in the website www.realtytrac.com. The other counties in the assessment area ranged between rates of one in approximately 1,000 to 5000. For comparison, foreclosures in the state of Michigan were 19,288 in November 2010, representing a rate of one in every 235 housing units.

Labor and Employment

The assessment area offers a wide range of employers with trade and transportation, manufacturing and healthcare comprising some of the largest industries. The Upper Peninsula has three universities, Northern Michigan University in Marquette, Michigan Technological University in Houghton and Lake Superior State University in Sault Ste. Marie. There is a tourism industry associated with the great outdoors and sights such as the Pictured Rocks, winter sports, hunting and the Soo Locks. The Mackinac Bridge which links the two peninsulas is also the setting for the Labor Day Walk celebrating Michigan's commitment to unions.

Unemployment

The following table presents 2008, 2009 and 2010 unemployment rates for the counties within the assessment area compared to the state of Michigan and the United States. Generally, the counties compare to the unemployment rate for Michigan with the outlier being Baraga County which realized a 24.0 percent unemployment rate in 2009. Only Marquette County had a rate that compared favorably to the state of Michigan.

Unemployment Statistics			
Area	2010 (%)	2009 (%)	2008 (%)
Assessment Area	N/A	N/A	N/A
Alger County	13.0	13.0	10.0
Baraga County	23.0	24.0	14.0
Chippewa County	13.0	12.0	10.0
Delta County	12.0	12.0	8.0
Dickinson County	11.0	11.0	7.0
Gogebic County	13.0	13.0	9.0
Houghton County	11.0	11.0	8.0
Iron County	12.0	12.0	8.0
Marquette County	10.0	10.0	7.0
State of Michigan	13.0	13.4	8.3
United States	9.0	9.3	5.8
<i>Source: United States Department of Labor – Bureau of Labor Statistics</i>			
<i>*Preliminary</i>			

Two community leaders from organizations supporting the needs of local businesses were interviewed to help identify credit and community development needs and opportunities in the assessment area. They reported that the Upper Peninsula is mostly rural, and has a very small population spread across the peninsula. The seclusion of the area sheltered the region from the boom and bust of the housing market and also the economic depression stemming from the automotive industry decline. Economic conditions were described as “stagnant.” While families struggle with unemployment and low income levels, these factors are not particularly volatile. An economic strength of the area is the tourism industry, which fared well in the summer. Though long-standing businesses have their credit needs met, new businesses are struggling to get access to the credit they need. Citizens Bank was mentioned as an active community participant by the contact in Iron County.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NON-METROPOLITAN UPPER PENINSULA MICHIGAN ASSESSMENT AREA

LENDING TEST

The geographic distribution of the bank's loans reflects poor dispersion based on the bank's record of making loans to small businesses in geographies of different income levels. The distribution of loans reflects poor penetration among borrowers of different income levels and businesses of different sizes based on the bank's record of making loans to small businesses. The bank makes use of innovative and flexible lending programs and practices to help meet the credit needs of LMI individuals and in LMI geographies in its assessment areas. The bank did not make any community development loans in the assessment area.

During the review period, the bank originated 30 small business and 282 home mortgage loans in the assessment area. Small business lending decreased from 27 loans in 2008 to three in 2009, representing an 88.9 percent decline, while home mortgage lending decreased from 145 loans in 2008 to 137 in 2009, representing a 5.5 percent decline.

Geographic Distribution

The geographic distribution of home mortgage and small business loans reflected poor dispersion throughout the assessment area based on the bank's record of making loans to small businesses in geographies of different income levels.

Home Mortgage Lending

Citizens Bank achieved good dispersion of its home mortgage loans throughout its assessment area. Its performance was inconsistent by HMDA product and year. Refinances represented 80.3 percent of the bank's 2009 HMDA-related lending. Citizens' performance was below that of the aggregated lending level and the percentage of owner-occupied housing units. In addition to refinances, the bank also offers home improvement loans. Of the 14 home improvement loans originated by the bank, 10 were made to borrowers from moderate-income geographies. While home improvement volume was low, the geographic distribution of the bank's home improvement loans was considered mitigating for its distribution of home mortgage loans overall. There are no low-income geographies in this assessment area.

In 2008, the geographic distribution of the bank's home mortgage loans was weighted more heavily towards borrowers from moderate-income geographies, achieving an overall level of 17.2 percent of loans in moderate-income geographies. In 2008, the bank's performance exceeded the aggregated lenders for home purchase and refinanced loans.

Home Mortgage Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Owner- Occupied Housing
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	1	7.7	68	7.1	11.2	7.9	12.1
Middle	11	84.6	783	82.3	81.5	82.6	82.4
Upper	1	7.7	101	10.6	7.2	9.4	5.5
Unknown	0	0.0	0	0.0	0.1	0.1	0.0
Total	13	100.0	952	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	9	8.2	424	5.4	9.1	7.3	12.1
Middle	97	88.2	7,185	91.5	81.9	81.0	82.4
Upper	4	3.6	242	3.1	8.9	11.5	5.5
Unknown	0	0.0	0	0.0	0.1	0.2	0.0
Total	110	100.0	7,851	100.0	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	10	71.4	172	89.6	17.3	11.4	12.1
Middle	3	21.4	17	8.8	74.3	74.0	82.4
Upper	1	7.1	3	1.6	8.4	14.6	5.5
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	14	100.0	192	100.0	100.0	100.0	100.0
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	0	0.0	0	0.0	21.4	11.3	12.1
Middle	0	0.0	0	0.0	71.4	49.6	82.4
Upper	0	0.0	0	0.0	7.2	39.1	5.5
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	0	0.0	0	0.0	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	20	14.6	664	7.4	10.0	7.6	12.1
Middle	111	81.0	7,985	88.8	81.4	80.9	82.4
Upper	6	4.4	346	3.8	8.5	11.3	5.5
Unknown	0	0.0	0	0.0	0.1	0.2	0.0
Total	137	100.0	8,995	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Small Business Lending

Citizens Bank achieved poor dispersion of small business loans throughout its assessment area, including moderate-income geographies within the assessment area. The bank did not

originate any loans in moderate-income geographies in 2009. By comparison, aggregated lenders originated 15.0 percent of loans in moderate-income geographies in 2009. Lending levels in 2008 reflected a higher concentration of loans in moderate-income (29.6 percent) geographies. The bank's performance was above that of the aggregated lenders in moderate-income (14.0 percent) geographies. While no loans were originated in moderate-income geographies in 2009, the bank's record under this performance criterion overall is considered adequate based on the geographic distribution of small business loans in 2008 and mitigated by the geographic distribution of the bank's home mortgage loans, particularly home improvement loans in 2009 and home mortgage in 2008.

Distribution by Borrower Income and Revenue Size of the Business

The distribution of borrowers reflects adequate penetration among customers of different income levels and businesses of different sizes. Citizens Bank exhibits a good record of serving the credit needs of low-income individuals and areas and very small businesses. The bank makes use of government –insured, -guaranteed, and –sponsored loan programs to help meet the credit needs of LMI individuals and smaller businesses.

Home Mortgage Lending

Borrower distribution of home mortgage loans reflects good penetration among borrowers of different income levels. Citizens originated the largest portion of its home mortgage loans to upper-income borrowers, 34.3 percent of its lending by number; refinances drove this outcome. Refinances represented 80.3 percent of the bank's home mortgage lending in 2009. Citizens made higher percentages of home mortgage loans to borrowers from each income category, except upper-income borrowers, in comparison to the performance of the aggregated lenders. The bank's lending to LMI borrowers, in particular, represented 35.0 percent of the home mortgage loans it made in 2009. By comparison, the aggregated lenders made 22.5 percent of their loan to LMI borrowers. The bank's overall level of lending to low- and moderate-income individuals for 2008 exceeded that of aggregated lenders.

Home Mortgage Lending, 2009 Borrower Distribution (000's)							
Income Level of the Borrower	Bank Loans				Aggregate of All Lenders		Families by Income Level
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	0	0.0	0	0.0	9.6	4.7	19.3
Moderate	2	15.4	150	15.7	18.2	12.8	20.6
Middle	7	53.8	548	57.6	20.5	19.1	23.8
Upper	4	30.8	254	26.7	36.1	49.0	36.3
Unknown	0	0.0	0	0.0	15.6	14.4	0.0
Total	13	100.0	952	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	13	11.8	407	5.2	5.8	3.1	
Moderate	25	22.7	1,661	21.2	14.5	9.7	
Middle	31	28.2	2,020	25.7	23.2	19.8	
Upper	40	36.4	3,696	47.1	44.4	55.0	
Unknown	1	0.9	67	0.8	12.1	12.4	
Total	110	100.0	7,851	100.0	100.0	100.0	
Home Improvement Loans							
Low	5	35.8	64	33.3	17.3	9.7	
Moderate	3	21.4	66	34.4	18.7	12.6	
Middle	3	21.4	46	24.0	26.1	27.8	
Upper	3	21.4	16	8.3	34.6	46.5	
Unknown	0	0.0	0	0.0	3.3	3.4	
Total	14	100.0	192	100.0	100.0	100.0	
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	0	0.0	0	0.0	0.0	0.0	
Middle	0	0.0	0	0.0	0.0	0.0	
Upper	0	0.0	0	0.0	0.0	0.0	
Unknown	0	0.0	0	0.0	100.0	100.0	
Total	0	0.0	0	0.0	100.0	100.0	
Total Home Mortgage Loans							
Low	18	13.1	471	5.2	7.1	3.6	
Moderate	30	21.9	1,877	20.9	15.4	10.3	
Middle	41	29.9	2,614	29.1	22.6	19.7	
Upper	47	34.3	3,966	44.1	42.1	53.2	
Unknown	1	0.7	67	0.7	12.8	13.2	
Total	137	100.0	8,995	100.0	100.0	100.0	

Percentages may not total to 100.0 percent due to rounding.

Small Business Lending

The distribution of small business loans reflects adequate penetration among businesses of different sizes. There is a low demand for loans to small businesses due to the lower population

in these rural areas. In 2009, there were three loans originated in this assessment area to businesses with revenues of \$1 million or less. This was lower than the bank's performance in 2008, when 27 small business loans were originated. Of these loans 24 were to businesses with revenues of \$1 million or less and 26 of the 27 loans were for \$100,000 or less. The bank's performance in 2008 was more favorable than aggregated lending by comparison.

Community Development Loans

Citizens Bank made few, if any, community development loans in the assessment area; no loans were originated during the review period. All non-metropolitan areas in the state of Michigan were reviewed as one assessment area during the previous evaluation; therefore, a direct comparison cannot be made. The bank originated one community development loan totaling \$100,000 in the non-metropolitan area of Michigan during the previous evaluation.

INVESTMENT TEST

Citizens Bank made few, if any qualified investments, donations, and grants in the non-metropolitan Upper Peninsula assessment area during the review period. Additionally, the bank made no use of innovative and/or complex investments to support community development initiatives and exhibits very poor responsiveness to credit and community development needs. The bank made two qualified donations totaling \$450 during the review period. The donations were to organizations that provide community services to low- and moderate-income individuals and support economic development in the assessment area.

SERVICE TEST

Retail services are accessible to essentially all portions of the assessment area and changes in the branch and ATM network did not adversely affect the accessibility of its delivery systems. The bank provides reasonable business hours that do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and individuals. Employees provide a limited level of community development services in the assessment area.

Retail Services

The assessment area consists of 82 census tracts, including no low- and 13 (15.9 percent) moderate-income geographies. The bank operates 13 branch offices in the assessment area; four of which are located in moderate-income geographies: Escanaba, Sault St. Marie, Ironwood and Calumet, Michigan. A majority of branch offices are equipped with a cash-only ATM. There are a total of 16 ATMs, three full-service and 13 cash only, throughout the assessment area, including four in moderate-income geographies. The percentage of branches (30.8 percent) and ATMs (23.5 percent) in moderate-income geographies significantly exceeds the percentage of moderate-income census tracts and the percentage of families (12.6 percent) located in these

tracts. All branch offices are accessible to essentially all portions of the assessment area, including low- and moderate-income individuals and moderate-income geographies. The bank's record of opening and closing of branches and ATMs has not adversely affected the accessibility of delivery systems, particularly to low- and moderate-income individuals and moderate-income geographies. No branches have been opened or closed since the previous evaluation. One full-service ATM was opened and one cash-only ATM was closed in a moderate-income geography.

Branch hours vary by location, but are typically open between 9:00 a.m. and 5:00 p.m., Monday through Thursday and 9:00 a.m. and 6:00 p.m. on Friday, with extended drive-up hours. A few locations also provide drive-through services between 9:00 a.m. and 12:00 p.m. on Saturdays. Business hours and banking services are reasonable and do not vary in a way that inconveniences low- and moderate-income individuals or moderate-income geographies. All loan products are available via walk-in service or by appointment. Alternative delivery systems include ATMs, internet banking, call center telephone and chat options, and bank by phone services, available 24 hours a day for balance inquiry, account transfers, and bill pay.

Community Development Services

Citizens Bank provides a limited level of community development services in the assessment area as employees participated in five qualified services totaling 55 hours during the review period. All services supported community services to low- and moderate-income individuals in the assessment area as bank employees were involved with the American Bankers Association "Teach Children to Save" programs, providing financial education to children at schools located in moderate-income census tracts. Please refer to the table in the State of Michigan section for detailed information on the community development purpose supported by the qualifying services.

NONMETROPOLITAN STATEWIDE AREAS (*Limited Review*)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NON-METRO ST. JOSEPH COUNTY, MICHIGAN ASSESSMENT AREA

Citizens' operations in the non-metropolitan St. Joseph county assessment area are managed through four branch offices and augmented by four automated teller machines. As of June 30, 2010, Citizens Bank maintained a 15.5 percent market share of FDIC-insured deposits, ranking 3rd of the 11 FDIC-insured financial institutions with at least one branch office in the non-metropolitan St. Joseph county assessment area. By comparison, the top two institutions by market share were Sturgis Bank and Trust, 30.7 percent and Southern Michigan Bank and Trust, 15.6 percent.

The non-metropolitan St. Joseph county statistical area consists of 16 census tracts throughout St. Joseph County. The largest community in this county is village of Centreville. Middle-income census tracts in St. Joseph County were categorized as distressed for both 2009 and 2010.

Select demographic information for the non-metro St. Joseph county assessment area is provided in the following table.

Assessment Area Demographics								
Income Categories	Tract Distribution		Number of Families in Tract		Families Below Poverty Level as % of Families by Tract		Number of Families Based on Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	2,708	16.2
Moderate-income	2	12.5	1,030	6.2	269	26.1	2,937	17.6
Middle-income	12	75.0	13,982	83.8	1,030	7.4	4,159	24.9
Upper-income	2	12.5	1,673	10.0	73	4.4	6,881	41.3
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
TOTALS	16	100.0	16,685	100.0	1,372	8.2	16,685	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	1,801	1,027	5.7	57.0	522	29.0	252	14.0
Middle-income	22,264	15,018	83.5	67.5	4,508	20.2	2,738	12.3
Upper-income	2,438	1,940	10.8	79.6	366	15.0	132	5.4
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
TOTALS	26,503	17,985	100.0	67.9	5,396	20.4	3,122	11.8
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Under \$1 million		Over \$1 million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0	0.0	0	0.0	0	0.0	
Moderate-income	142	130	5.0	7	5.6	5	3.8	
Middle-income	2,346	2,129	82.8	108	86.4	109	82.6	
Upper-income	344	316	12.2	10	8.0	18	13.6	
Unknown-income	0	0	0.0	0	0.0	0	0.0	
TOTALS	2,832	2,575	100.0	125	100.0	132	100.0	
	Percentage of Total Businesses		90.9		4.4		4.7	
Source: 2000 Census & 2009 Dunn & Bradstreet information.								
<i>Percentages may not total to 100.0 percent due to rounding.</i>								

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NON-METRO ST. JOSEPH COUNTY, MICHIGAN ASSESSMENT AREA

LENDING TEST

Citizens' lending performance in the assessment area was consistent with the bank's lending performance in the State of Michigan.

Geographic Distribution

Home Mortgage Lending

Home Mortgage Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Owner- Occupied Housing
	#	%	\$	%	#	%	%
Home Purchase Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	0	0.0	0	0.0	7.1	4.9	5.7
Middle	6	100.0	486	100.0	76.1	78.5	83.5
Upper	0	0.0	0	0.0	16.8	16.6	10.8
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	6	100.0	486	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	0	0.0	0	0.0	3.5	2.4	5.7
Middle	25	92.6	1,777	94.2	85.2	88.6	83.5
Upper	2	7.4	110	5.8	11.3	9.0	10.8
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	27	100.0	1,887	100.0	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	0	0.0	0	0.0	3.8	3.5	5.7
Middle	10	83.3	205	91.9	78.5	86.3	83.5
Upper	2	16.7	18	8.1	17.7	10.2	10.8
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	12	100.0	223	100.0	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	0	0.0	0	0.0	4.5	3.0	5.7
Middle	41	91.1	2,468	95.1	82.6	86.4	83.5
Upper	4	8.9	128	4.9	12.9	10.6	10.8
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	45	100.0	2,596	100.0	100.0	100.0	100.0
<i>Percentages may not total to 100.0 percent due to rounding.</i>							

Small Business Lending

Small Business Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Businesses by Census Tract Income Level
	#	%	\$	%	#	%	%
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	0	0.0	0	0.0	3.8	6.0	5.0
Middle	17	100.0	1,132	100.0	78.6	83.4	82.8
Upper	0	0.0	0	0.0	14.4	9.3	12.1
Unknown	0	0.0	0	0.0	3.2	1.3	0.0
Total	17	100.0	1,132	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Small Farm Lending

Small Farm Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Farms by Census Tract Income Level
	#	%	\$	%	#	%	%
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	0	0.0	0	0.0	0.0	0.0	0.4
Middle	17	100.0	2,023	100.0	89.8	97.7	97.7
Upper	0	0.0	0	0.0	6.1	1.1	1.9
Unknown	0	0.0	0	0.0	4.1	1.2	0.0
Total	17	100.0	2,023	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Distribution by Borrower Income and Revenue Size of the Business

Home Mortgage Lending

Home Mortgage Lending, 2009 Borrower Distribution (000's)							
Income Level of the Borrower	Bank Loans				Aggregate of All Lenders		Families by Income Level
	#	%	\$	%	#	%	%
Home Purchase Loans							
Low	0	0.0	0	0.0	6.0	3.2	16.2
Moderate	3	50.0	206	42.4	17.3	12.8	17.6
Middle	2	33.3	149	30.7	15.3	15.0	24.9
Upper	1	16.7	131	27.0	23.3	35.2	41.3
Unknown	0	0.0	0	0.0	38.1	33.8	0.0
Total	6	100.0	486	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	6	22.2	297	15.7	6.7	3.8	
Moderate	9	33.3	419	22.2	15.0	9.4	
Middle	4	14.8	309	16.4	18.5	15.6	
Upper	8	29.6	862	45.7	38.2	48.8	
Unknown	0	0.0	0	0.0	21.6	22.4	
Total	27	100.0	1,887	100.0	100.0	100.0	
Home Improvement Loans							
Low	2	16.7	19	8.5	17.7	10.2	
Moderate	6	50.0	78	35.0	19.0	10.0	
Middle	2	16.7	104	46.6	19.0	15.0	
Upper	2	16.7	22	9.9	35.4	55.7	
Unknown	0	0.0	0	0.0	8.9	9.1	
Total	12	100.0	223	100.0	100.0	100.0	
Total Home Mortgage Loans							
Low	8	17.8	316	12.2	6.9	3.8	
Moderate	18	40.0	703	27.1	15.7	10.1	
Middle	8	17.8	562	21.6	17.7	15.4	
Upper	11	24.4	1,015	39.1	34.2	46.0	
Unknown	0	0.0	0	0.0	25.5	24.7	
Total	45	100.0	2,596	100.0	100.0	100.0	
<i>Percentages may not total to 100.0 percent due to rounding.</i>							

Small Business Lending

Small Business Loan Distribution, 2009 By Revenue and Loan Size (000's)							
Category	Bank Loans				Aggregate of All Lenders		Businesses By Annual Revenues
	#	%	\$	%	# %	\$ %	# %
By Revenue							
\$1 Million or Less	11	64.7	423	37.4	19.7	25.4	90.9
Over \$1 Million	6	35.3	709	62.6	*	*	4.4
Not Known	0	0.0	0	0.0	*	*	4.7
Total	17	100.0	1,132	100.0	*	*	100.0
By Loan Size							
\$100,000 or less	15	88.2	598	52.8	96.7	42.2	
\$100,000 - \$250,000	1	5.9	250	22.1	1.8	14.8	
\$250,000 - \$1 Million	1	5.9	284	25.1	1.5	43.0	
Total	17	100.0	1,132	100.0	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	11	100.0	423	100.0	*	*	
\$100,000 - \$250,000	0	0.0	0	0.0	*	*	
\$250,000 - \$1 Million	0	0.0	0	0.0	*	*	
Total	11	100.0	423	100.0	*	*	
* Data Unavailable							
Percentages may not total to 100.0 percent due to rounding.							

Small Farm Lending

Small Farm Loan Distribution, 2009 By Revenue and Loan Size (000's)							
Category	Bank Loans				Aggregate of All Lenders		Farms By Annual Revenues
	#	%	\$	%	# %	\$ %	# %
By Revenue							
\$1 Million or Less	13	76.5	1,233	60.9	65.3	59.6	98.8
Over \$1 Million	4	23.5	790	39.1	*	*	0.8
Not Known	0	0.0	0	0.0	*	*	0.4
Total	17	100.0	2,023	100.0	*	*	100.0
By Loan Size							
\$100,000 or less	7	41.2	205	10.1	53.1	12.3	
\$100,000 - \$250,000	9	52.9	1,368	67.6	34.7	49.0	
\$250,000 - \$500,000	1	5.9	450	22.3	12.2	38.7	
Total	17	100.0	2,023	100.0	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	6	46.2	115	9.3	*	*	
\$100,000 - \$250,000	7	53.8	1,118	90.7	*	*	
\$250,000 - \$500,000	0	0.0	0	0.0	*	*	
Total	13	100.0	1,233	100.0	*	*	
* Data Unavailable Percentages may not total to 100.0 percent due to rounding.							

Community Development Lending Activities

Citizens made two community development loans totaling \$2.8 million in the assessment area during this review period.

Qualified Community Development Loans January 1, 2008 – October 31, 2010											
Limited Review Assessment Area	Affordable Housing		Economic Development		Revitalization and Stabilization		Community Services		Total		
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$
Non-Metro St. Joseph Co, MI	1	2,100	0	0	1	700	0	0	2	2,800	100.0

INVESTMENT TEST

Citizens' investment performance in this assessment area was below with the bank's investment performance in the State of Michigan. The bank did not fund and qualifying investments including donations and grants during this review period.

SERVICE TEST

Citizens' service performance in this assessment area is below the bank's service performance in the State of Michigan.

Retail Services

There are four branches and four full-service ATMs located in middle-income geographies in this assessment area. There are no low-income geographies in this assessment area. The lack of branch offices and ATMs in moderate-income geographies does not compare favorably to the percentages of moderate-income census tracts within the assessment area (12.5 percent) and the percentage of families (6.2 percent) in moderate-income census tracts. The bank did not open or close any branches in this assessment area. The bank provides reasonable business hours that do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and individuals.

Community Development Services

Employees provided limited level of community development services during the review period in this assessment area. Employees participated in two qualified services totaling 10 hours providing services to organizations meeting the community services needs to low- and moderate-income individuals.

WISCONSIN

CRA RATING FOR WISCONSIN: Satisfactory

The Lending Test is rated: High-Satisfactory

The Investment Test is rated: Low-Satisfactory

The Service Test is rated: Needs to Improve

The Lending Test rating is supported by good distribution of loans throughout the assessment area, good penetration of loans among customers of different income levels and businesses and farms of different sizes, and an adequate level of community development loans.

The Investment Test rating is supported by an adequate level of qualified investments, donations, and grants during the review period. Citizens rarely participates in a leadership position. Additionally, the bank makes rare use of innovative and/or complex investments to support community development initiatives and exhibited adequate responsiveness to credit and community development needs in the state of Wisconsin.

The Service Test rating is supported by retail services being reasonably accessible to essentially all portions of the assessment area and changes in the branch and ATM network not adversely affecting the accessibility of the bank's delivery systems in the state of Wisconsin. The bank also provides reasonable business hours that do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and individuals. Lastly, the bank provides a poor level of community development services in the State of Wisconsin.

SCOPE OF EXAMINATION

Full-scope examination procedures were used to evaluate the non-metropolitan Northeast, Green Bay, and Non-metropolitan South assessment areas. Limited review procedures were used to evaluate the remaining assessment areas which include Appleton, Duluth, Milwaukee, Oshkosh, and Non-metropolitan Northwest. The scope for this section of the examination was consistent with the overall scope of the examination described in the institution summary.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN WISCONSIN

Citizens Bank maintains operations in eight assessment areas throughout the State of Wisconsin, which are listed in the preceding section. The bank operates 47 branch offices and 49 ATMs throughout the state. As of June 30, 2010, Citizens Bank maintained a 0.9 percent market share of FDIC-insured deposits, ranking 13th of the 299 FDIC-insured financial institutions with at least one branch office in the state. By comparison, the top three institutions by market share were: Marshall & Ilsley Bank (19.0 percent), U.S. Bank N.A. (11.45 percent), and Associated Bank N.A. (9.5 percent).

Details about each assessment area appear in the individual assessment area sections.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WISCONSIN

LENDING TEST

Citizens Bank's performance relative to the Lending Test in the State of Wisconsin is rated High Satisfactory based on good distribution of loans throughout the assessment area, good penetration of loans among customers of different income levels and businesses and farms of different sizes, and an adequate level of community development loans.

Geographic Distribution of Loans

Citizens Bank's geographic distribution of loans in the State of Wisconsin reflects good overall dispersion throughout the assessment area, including low- and moderate-income geographies. The full-scope assessment areas were the basis for the rating and were weighted as discussed in the scope section of the overall summary. The bank's record of making loans to borrowers from geographies of different income levels reflected good dispersion in the Non-metropolitan Northeast assessment area, adequate dispersion in the Non-metropolitan South assessment area and excellent dispersion in the Green Bay, WI MSA assessment area.

Lending to Borrowers of Different Income Levels and to Businesses and Farms of Different Sizes

The distribution of loans reflects good penetration among customers of different income levels and businesses and farms of different sizes. Citizens Bank exhibits a good record of serving the credit needs of low-income individuals and areas and very small businesses. The full-scope assessment areas were the basis for the rating and were weighted as discussed in the scope section of the overall summary. Citizens' record of making loans reflects good penetration among customers of different income levels and businesses and farms of different sizes in the Non-Metropolitan Northeast assessment area, the Green Bay, WI MSA assessment area, and the Non-Metropolitan South assessment area based on the distribution of loans to small businesses.

Community Development Lending Activities

Citizens' Bank made an adequate level of community development loans in the state of Wisconsin during the review period. The full-scope assessment areas were the basis for the rating and were weighted as discussed in the scope section of the overall summary. The bank made an adequate level of community development loans in the Non-Metropolitan Northeast and Green Bay assessment areas; however, it made few if any community development loans in the Non-Metropolitan South assessment area. Community development lending performance increased from the previous evaluation where the bank originated two qualifying loans totaling \$533,000 in the same assessment areas.

Wisconsin Qualified Community Development Loans January 1, 2008 – October 31, 2010											
Assessment Area	Affordable Housing		Economic Development		Revitalization and Stabilization		Community Services		Total		
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#*	\$ (000's)	% of Total \$
Full Review:											
Non-Metro NE	0	0	2	4,917	0	0	0	0	2	4,917	52.1
Green Bay	2	2,924	1	1,600	0	0	0	0	3	4,524	47.9
Non-Metro South	0	0	0	0	0	0	0	0	0	0	0.0
Limited Review:											
Appleton	0	0	0	0	0	0	0	0	0	0	0
Duluth-Superior	0	0	0	0	0	0	0	0	0	0	0
Milwaukee	0	0	0	0	0	0	0	0	0	0	0
Oshkosh	0	0	0	0	0	0	0	0	0	0	0
Non-Metro Polk	0	0	0	0	0	0	0	0	0	0	0
Total	2	2,924	3	6,517	0	0	0	0	5	9,441	100
*Some loans benefit multiple areas of community development and are given credit in each area; therefore, the individual totals may be higher than the total number of loans for each area.											

INVESTMENT TEST

Citizens Bank's performance relative to the Investment Test in the state of Wisconsin is rated Low Satisfactory based on an adequate level of qualified investments, donations, and grants during the review period. Citizens rarely participated in a leadership position. Additionally, the bank made rare use of innovative and/or complex investments to support community development initiatives and exhibits adequate responsiveness to credit and community development needs in the state of Wisconsin.

The full-scope assessment areas were the basis for the rating and were weighted as discussed in the scope section of the overall summary. Citizens performed adequately in the three full review assessment areas.

The bank funded \$3.2 million in qualifying investments, donations and grants in the state of Wisconsin during this review period. The majority of the qualifying investments were mortgage-backed securities. In addition to the mortgage-backed securities, the bank purchased a \$500,000 affordable housing bond from Wisconsin Housing & Economic Development Authority (WHEDA) in 2008. From period investment, there were three qualified WHEDA bonds that were called during the review period that original par value totaled \$3.1 million. WHEDA bonds are used to provide financing for new mortgage loans to low- and moderate-income incomes, as well as down payment and closing cost assistance. The benefits of these bonds were statewide; therefore, they are not discussed in the individual assessment areas. Qualifying investments increased from the previous evaluation.

The bank also made 13 qualified donations and grants totaling \$21,250 during the review period. A majority of the donations were to organizations that provide community services and affordable housing to low- and moderate-income individuals in the assessment area.

SERVICE TEST

Citizens Bank's performance relative to the Service Test in the State of Wisconsin is rated Needs to Improve based on retail services being reasonably accessible to essentially all portions of the assessment area and changes in the branch and ATM network not adversely affecting the accessibility of the bank's delivery systems in the State of Wisconsin. The bank also provides reasonable business hours that do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and individuals. The bank provides a limited level of community development services in the State of Wisconsin.

Retail Services

Retail services are reasonably accessible to essentially all portions of the assessment area and changes in the branch and ATM network have not adversely affected the accessibility of the bank's delivery systems in the State of Wisconsin. The bank provides reasonable business hours that do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and individuals.

The full review assessment areas were the basis for the rating and were weighted as discussed in the scope section of the overall summary. Citizens performed adequately in the Non-Metropolitan Northeast and South assessment areas, while performance in the Green Bay assessment area was considered good.

Wisconsin Branch Locations by Census Tract Income Level												
Assessment Area	Low Income		Moderate Income		Low- and Moderate- Income Total		Middle Income		Upper Income		Total	
	#	%	#	%	#	%	#	%	#	%	#	% of Total
Full Review:												
Non-Metro NE	0	0.0	1	6.7	1	6.7	12	80.0	2	13.3	15	31.9
Green Bay	0	0.0	2	20.0	2	20.0	7	70.0	1	10.0	10	21.3
Non-Metro South	0	0.0	0	0.0	0	0.0	10	90.9	1	9.1	11	23.4
Limited Review:												
Appleton	0	0.0	1	20.0	1	20.0	4	80.0	0	0.0	5	10.6
Duluth- Superior	1	100.0	0	0.0	1	100.0	0	0.0	0	0.0	1	2.1
Milwaukee- Waukesha- West Allis	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0	1	2.1
Oshkosh- Neenah	0	0.0	0	0.0	0	0.0	2	66.7	1	33.3	3	6.4
Non-Metro Polk Co	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	1	2.1
Total	1	2.1	4	8.5	5	10.6	36	76.6	6	12.8	47	100.0

Community Development Services

The bank provides a limited level of community development services in the state of Wisconsin. All qualifying services were to organizations that provide community services to low- and moderate-income individuals in the state of Wisconsin. The full-scope assessment areas were the basis for the rating and were weighted as discussed in the scope section of the overall summary. Citizens Bank provided a limited level of community development services in the non-metropolitan Northeast and Green Bay assessment areas, while providing few, if any, community development services in the non-metropolitan South assessment area. Service activity decreased from the previous evaluation where the bank had 322 qualifying service hours in the same assessment areas.

Wisconsin Qualified Community Development Services January 1, 2008 – October 31, 2010											
Assessment Area	Affordable Housing		Economic Development		Revitalization and Stabilization		Community Services		Total		
	#	Hours	#	Hours	#	Hours	#	Hours	#*	Hours	% of Total Hours
Full Review:											
Non-Metro NE	0	0	0	0	0	0	2	18	2	18	37.5
Green Bay	0	0	0	0	0	0	3	17	3	17	35.4
Non-Metro South	0	0	0	0	0	0	0	0	0	0	0.0
Limited Review:											
Appleton	0	0	1	4	0	0	1	3	2	7	14.6
Duluth-Superior	0	0	0	0	0	0	0	0	0	0	0.0
Milwaukee	0	0	0	0	0	0	0	0	0	0	0.0
Oshkosh	0	0	0	0	0	0	1	6	1	6	12.5
Non-Metro Polk	0	0	0	0	0	0	0	0	0	0	0.0
Total	0	0	1	4	0	0	7	44	8	48	100.0
*Some services benefit multiple areas of community development and are given credit in each area; therefore, the individual totals may be higher than the total number of services for each area.											

METROPOLITAN AREAS (Full Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE GREEN BAY, WI METROPOLITAN STATISTICAL AREA (MSA)

Citizens' operations in the Green Bay MSA assessment area are managed through 10 branch offices and augmented by 11 automated teller machines. As of June 30, 2010, Citizens Bank maintained a 2.6 percent market share of FDIC-insured deposits, ranking 9th of the 299 FDIC-insured financial institutions with at least one branch office in the Green Bay MSA. By comparison, the top three institutions by market share were: Associated Bank NA, 53.1 percent; M&I Marshall & Ilsley Bank, 9.1 percent; and Wells Fargo Bank NA, 4.6 percent.

The Green Bay MSA assessment area consists of 64 census tracts throughout Brown, Kewaunee, and Oconto counties in eastern Wisconsin. The assessment area's largest city is Green Bay, located in Brown County. The assessment area is comprised of zero low-, 13 moderate-, 42 middle-, eight upper-, and one unknown-income geographies.

Select demographic information for the Green Bay assessment area is provided in the following table.

Assessment Area Demographics								
Income Categories	Tract Distribution		Number of Families in Tract		Families Below Poverty Level as % of Families by Tract		Number of Families Based on Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	11,902	16.2
Moderate-income	13	20.3	10,237	13.9	1,136	11.1	13,923	18.9
Middle-income	42	65.6	50,232	68.2	2,026	4.0	19,989	27.2
Upper-income	8	12.5	13,134	17.8	246	1.9	27,789	37.8
Unknown income	1	1.6	0	0.0	0	0.0	0	0.0
TOTALS	64	100.0	73,603	100.0	3,408	4.6	73,603	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	23,711	9,395	12.5	39.6	8,659	36.5	5,657	23.9
Middle-income	77,215	51,585	68.8	66.8	22,396	29.0	3,234	4.2
Upper-income	17,306	13,992	18.7	80.9	2,870	16.6	444	2.6
Unknown income	0	0	0.0	0.0	0	0.0	0	0.0
TOTALS	118,232	74,972	100.0	63.4	33,925	28.7	9,335	7.9
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Under \$1 million		Over \$1 million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	2,269	15.2	1,971	14.9	156	16.1	142	19.7
Middle-income	10,119	67.9	8,963	67.8	683	70.6	473	65.7
Upper-income	2,514	16.9	2,281	17.3	128	13.2	105	14.6
Unknown income	3	0.0	3	0.0	0	0.0	0	0.0
TOTALS	14,905	100.0	13,218	100.0	967	100.00	720	100.0
	Percentage of Total Businesses			88.7		6.5		4.8
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Under \$1 million		Over \$1 million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	124	13.0	123	13.1	1	8.3	0	0.0
Middle-income	774	81.0	761	80.9	11	91.7	2	66.7
Upper-income	58	6.0	57	6.1	0	0.0	1	33.3
Unknown income	0	0.0	0	0.0	0	0.0	0	0.0
TOTALS	956	100.0	941	100.0	12	100.0	3	100.0
	Percentage of Total Farms			98.4		1.3		0.3

Source: 2000 Census & 2009 Dunn & Bradstreet information.
Percentages may not total to 100.0 percent due to rounding.

Population Characteristics

As presented in the following table, the total estimated population for the Green Bay MSA increased by 7.8 percent since 2000. Brown and Oconto County saw increases in their population while Kewaunee County remained stagnant. The largest city within the assessment area is Green Bay, with a population of 104,057, which is a 1.7 percent increase from 2000.

Population Changes			
2000 Census vs. 2009 Estimates			
Area	2000 Census	2009 Estimates	Percentage Change
Brown County	226,778	247,319	9.1
Kewaunee County	20,187	20,315	0.6
Oconto County	35,634	37,149	4.3
Green Bay MSA	282,599	304,783	7.8
State of Wisconsin	5,363,675	5,654,774	5.4
<i>Source: U.S. Census Bureau</i>			

Income Characteristics

The following table presents the median family incomes for the Green Bay MSA and the state of Wisconsin, based on 2000 Census data and 2009 HUD-adjusted estimates. Both the MSA and the state saw a comparable increase in median family incomes between 2000 and 2009.

Median Family Income Changes			
2000 Census vs. 2009 HUD Estimates			
Area	2000 Census	2009 Estimates	Percentage Change
Brown County	56,194	65,900	17.3
Kewaunee County	50,216	65,900	31.2
Oconto County	46,846	57,900	23.6
Green Bay MSA	53,950	65,900	22.2
State of Wisconsin	52,911	66,300	25.3
<i>Source: U.S. Department of Housing and Urban Development</i>			

Bankruptcy filing rates, though fairly low, have been on the rise over the past four years. Brown County, with a rate of 5.01 bankruptcies per 1,000 in population in 2010 was the highest of the counties in the assessment area, per the Administrative Office of the U.S. Courts. Brown County ranked 20th of 72 counties in the state. Kewaunee and Oconto counties had rates of 3.77 and 4.95 per 1,000 ranking them 46th and 21st.

Housing Characteristics

Housing Costs				
Area	Median Housing Value	Median Gross Rent	Fair Market Rent*	Affordability Ratio
Brown County	116,100	520	700	.40
Kewaunee County	94,200	428	700	.46
Oconto County	90,000	429	588	.45
Green Bay MSA	111,007	512	700	.41
State of Wisconsin	109,900	540	N/A	.39
<i>2000 United States Census Data;</i>				
<i>*Department of Housing and Urban Development</i>				

The preceding table presents housing costs in the assessment area compared to the state of Wisconsin. The affordability ratios show that housing is generally more affordable in the assessment area than in the state. The Median Gross Rent is less than the Fair Market Rent, which is considered an affordable rent. Housing is generally more affordable in Kewaunee and Oconto Counties, which are more rural relative to Brown County where the city of Green Bay and its relatively higher paying employment opportunities are available.

Home sales have gradually declined in the assessment area over the past several years, per www.city-data.com. Home sales were highest during the second and third quarters of 2008 at approximately 2,250 sales but declined significantly by the third quarter of 2010 to 1,000 homes sold. Per the City Data website, the median house value in 2009 was \$129,800 for the Green Bay MSA, an increase of \$18,793 from 2000, while the Wisconsin state average was \$170,800. The housing stock median age was 28 according for 2000 census information, with 22.8 percent of the housing was built prior to 1950.

Foreclosure rates in the assessment area are some of the highest in the state, with 177 homes in foreclosure as of April 2010, according to the website www.realtytrac.com. This represents a foreclosure rate of one in every 586 housing units in the assessment area. The state of Wisconsin has a foreclosure rate of one in every 627 housing units in the state.

Labor and Employment

According to the Wisconsin Department of Workforce Development and 2009 Green Bay Comprehensive Annual Financial Report, the top three employers in the Green Bay MSA are in the areas of health & medical insurance, transportation services, and a casino. The following table lists the area's largest employers.

Largest Employers in the Assessment Area		
Company	# Employed	Industry
Humana Insurance Company	3,146	Health and medical insurance
Schneider National	3,094	Transportation Services
Oneida Tribe of Indians of Wisconsin	2,916	Casino/Hotels
Georgia-Pacific	2,600	Paper
Bellin Memorial Hospital	1,998	Medical Services
Aurora BayCare Medical Center	1,703	Medical Services
St. Vincent Hospital	1,637	Medical Services
American Foods Group	1,591	Food Services
Wisconsin Public Service	1,573	Government Services

Source: Wisconsin Department of Workforce Development, Green Bay 2009 Comprehensive Annual Financial Report

Unemployment

The assessment area’s unemployment rates, presented below, have been lower than that of the state and the national levels with the exception of Oconto County whose rates have been fairly higher than the state’s and surrounding counties. Per the 2009 Oconto County Workforce Profile, the higher unemployment rate is due to the decline of construction and manufacturing jobs in the area.

Unemployment Statistics			
Area	2010 (%)	2009 (%)	2008 (%)
Brown County	7.0	8.0	5.0
Kewaunee County	8.0	8.0	4.0
Oconto County	10.0	12.0	6.1
Green Bay MSA	6.7	8.3	4.8
State	7.0	8.7	4.8
US	9.0	9.5	6.5

Source: United States Department of Labor – Bureau of Labor Statistics

Two community leaders were interviewed and reported that the manufacturing sector is strong, particularly food manufacturing and processing, paper, non-wovens and fabrication. This strength is attributed to a qualified, skilled, educated workforce. The Green Bay area also has a strong tourism sector and the cost of living is low. It has been difficult to attract and retain young, educated talent. Economic weaknesses include an aging population, high office/commercial vacancies and very slow housing market.

Representatives also reported that lenders have more stringent credit standards and are providing fewer loans for home improvement, rehab, lines for working capital and small business loans. There is high demand for these loans in the assessment area. Concerns regarding the lack of affordable housing were also mentioned. Currently, there are long waiting lists for housing assistance. One representative stated that financial institutions need to offer more services for LMI people and families.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN GREEN BAY, WI ASSESSMENT AREA

LENDING TEST

The geographic distribution of bank's loans reflects good dispersion based on the bank's record of making loans to small businesses and small farms from geographies of different income levels; the bank's record of making home mortgage loans augmented the bank's small business and small farm lending. The distribution of the bank's loans reflects good penetration among customers of different income levels and businesses and farms of different sizes based on the bank's record of making loans to small businesses and small farms. The bank made an adequate level of community development loans in the assessment area.

Geographic Distribution

Home Mortgage Lending

Citizens Bank achieved excellent dispersion of its refinance loans throughout its assessment area, including moderate-income geographies. In 2009, the majority or 70.3 percent of the home mortgage loans were refinances. The bank's performance in moderate-income geographies significantly exceeded that of the aggregated lending level. Citizens' performance was above aggregated lenders for refinance and home improvement loans in moderate-income geographies, while slightly below for home purchase loans. The percentage of loans originated by the bank significantly exceeded the percentage of owner-occupied housing units and percentage of families located in moderate-income geographies. There are no low-income geographies in this assessment area.

In 2008, the bank's performance was less favorable than in 2009. Performance was lower for all products when compared to 2009 lending levels in moderate-income geographies. The bank's performance was above that of the aggregated lenders in moderate-income geographies.

Home Mortgage Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Owner- Occupied Housing
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	1	9.1	114	9.1	11.3	7.9	12.5
Middle	9	81.8	983	78.7	67.6	67.0	68.8
Upper	1	9.1	152	12.2	21.1	25.1	18.7
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	11	100.0	1,249	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	11	24.4	1,086	22.0	7.0	5.5	12.5
Middle	28	62.2	3,103	62.8	67.7	65.6	68.8
Upper	6	13.3	755	15.3	25.3	28.9	18.7
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	45	100.0	4,944	100.0	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	8	100.0	225	100.0	13.8	12.0	12.5
Middle	0	0.0	0	0.0	68.5	66.0	68.8
Upper	0	0.0	0	0.0	17.6	22.0	18.7
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	8	100.0	225	100.0	100.0	100.0	100.0
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	0	0.0	0	0.0	17.5	12.7	12.5
Middle	0	0.0	0	0.0	67.5	57.2	68.8
Upper	0	0.0	0	0.0	15.0	30.1	18.7
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	0	0.0	0	0.0	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	20	31.3	1,455	22.6	8.0	6.1	12.5
Middle	37	57.8	4,086	63.4	67.7	65.8	68.8
Upper	7	10.9	907	14.1	24.3	28.2	18.7
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	64	100.0	6,448	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Small Business Lending

Citizens Bank achieved excellent dispersion of small business loans throughout its assessment area, including moderate-income geographies within the assessment area. The percentage of

small business loans originated in moderate-income census tracts exceeded that of the aggregated lending level and the percentage of businesses located in moderate-income census tracts. The majority of the bank's small business lending took place in the middle-income census tracts of the assessment area, which is consistent with both the percentage of loans originated by the aggregated lenders and the percentage of businesses located in the middle-income geographies of the assessment area. Lending levels in 2008 reflected a smaller concentration of loans in moderate-income geographies. The bank's performance exceeded that of the aggregated lenders in moderate-income geographies.

Small Business Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Businesses by Census Tract Income Level
	#	%	\$	%	#	%	%
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	21	23.6	3,374	20.0	14.6	15.2	15.2
Middle	56	62.9	11,597	68.7	64.9	68.2	67.9
Upper	12	13.5	1,909	11.3	18.0	15.6	16.9
Tract Unknown	0	0.0	0	0.0	2.5	1.0	0.0
Total	89	100.0	16,880	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Small Farm Lending

Citizens Bank achieved good dispersion of small farms loans throughout its assessment area, including moderate-income geographies within the assessment area. The percentage of small farm loans originated in moderate-income census tracts exceeded that of the aggregated lending level and the percentage of farms located in moderate-income census tracts. The majority of the bank's small farm lending took place in the middle-income census tracts of the assessment area, which is consistent with both the percentage of loans originated by the aggregated lenders and the percentage of farms located in the middle-income geographies of the assessment area. Lending levels in 2008 reflected a higher concentration of loans in moderate-income (17.9 percent) geographies. The bank's performance exceeded that of the aggregated lenders in moderate-income (8.6 percent) geographies.

Small Farm Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Farms by Census Tract Income Level
	#	%	\$	%	# %	\$ %	%
Low	0	0.0	0	0.0	0.0	0	0.0
Moderate	3	16.7	286	9.6	10.1	8.9	13.0
Middle	15	83.3	2,686	90.4	82.8	88.3	81.0
Upper	0	0.0	0	0.0	6.7	2.5	6.0
Tract Unknown	0	0.0	0	0.0	0.4	0.3	0.0
Total	18	100.0	2,972	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Distribution by Borrower Income and Revenue Size of the Business

The distribution of loans reflects good penetration among customers of different income levels and businesses and farms of different sizes based on the bank's record of making loans to small businesses and small farms. Citizens Bank exhibits a good record of serving the credit needs of low-income individuals and areas and very small businesses and farms.

Home Mortgage Lending

The distribution of home mortgage loans was driven by refinances, which represented 70.3 percent of the bank's home mortgage lending in 2009. As noted in the table below, 72.7 percent of home purchase loans were originated to low- and moderate-income individuals.

The following table presents the number, dollar volume and percentages of loans originated by the bank to individuals by income level in comparison to the lending record of the aggregated lenders and percentages of families by income levels. The percentage of loans to low- and moderate-income individuals significantly exceeded that of the aggregated lenders and was above the percentage of families classified as low- and moderate-income. Home mortgage lending in 2008 was lower than the 2009 lending distribution.

Home Mortgage Lending, 2009 Borrower Distribution (000's)							
Income Level of the Borrower	Bank Loans				Aggregate of All Lenders		Families by Income Level
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	2	18.2	114	9.1	14.4	9.4	16.2
Moderate	6	54.5	552	44.2	31.9	27.0	18.9
Middle	0	0.0	0	0.0	23.9	25.2	27.2
Upper	3	27.3	583	46.7	21.7	30.6	37.8
Unknown	0	0.0	0	0.0	8.1	7.8	0.0
Total	11	100.0	1,249	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	7	15.6	366	7.4	6.2	3.5	
Moderate	10	22.2	875	17.7	17.4	12.9	
Middle	17	37.8	2,189	44.3	24.8	22.4	
Upper	9	20.0	1,318	26.7	37.1	46.2	
Unknown	2	4.4	196	4.0	14.5	14.9	
Total	45	100.0	4,944	100.0	100.0	100.0	
Home Improvement Loans							
Low	3	37.5	39	15.3	11.0	6.2	
Moderate	0	0.0	0	0.0	23.1	17.9	
Middle	2	25.0	26	10.2	26.9	25.2	
Upper	2	25.0	150	58.8	36.9	48.1	
Unknown	1	12.5	40	15.7	2.1	2.6	
Total	8	100.0	255	100.0	100.0	100.0	
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	0	0.0	0	0.0	0.0	0.0	
Middle	0	0.0	0	0.0	0.0	0.0	
Upper	0	0.0	0	0.0	0.0	0.0	
Unknown	0	0.0	0	0.0	100.0	100.0	
Total	0	0.0	0	0.0	100.0	100.0	
Total Home Mortgage Loans							
Low	12	18.8	519	8.0	7.9	4.5	
Moderate	16	25.0	1,427	22.1	20.3	15.2	
Middle	19	29.7	2,215	34.4	24.7	22.6	
Upper	14	21.9	2,051	31.8	34.1	42.8	
Unknown	3	4.7	236	3.7	13.1	14.9	
Total	64	100.0	6,448	100.0	100.0	100.0	
<i>Percentages may not total to 100.0 percent due to rounding.</i>							

Small Business Lending

The distribution of loans to small businesses reflects good penetration among businesses of different sizes. With respect to loans originated to small businesses with revenues of \$1 million

or less in 2009, the bank's performance significantly exceeded that of aggregated lending. The bank's small business loans for \$100,000 or less were significantly lower than aggregated lending by comparison. Small business lending decreased from 2008 performance in which 67.0 percent of small business loans were originated to businesses with revenues of \$1 million or less and 64.6 percent were for original amounts of \$100,000 or less. Aggregated lending levels reflected 38.3 percent of total small business loans originated to businesses with gross annual revenues of \$1 million or less and 87.8 percent of those were for original amounts of \$100,000 or less in 2008.

Small Business Loan Distribution, 2009 By Revenue and Loan Size (000's)							
Category	Bank Loans				Aggregate of All Lenders		Businesses By Annual Revenues
	#	%	\$	%	# %	\$ %	# %
By Revenue							
\$1 Million or Less	54	60.7	6,353	37.6	28.3	29.2	88.7
Over \$1 Million	33	37.1	10,457	62.0	*	*	6.5
Not Known	2	2.2	70	0.4	*	*	4.8
Total	89	100.0	16,880	100.0	*	*	100.0
By Loan Size							
\$100,000 or less	49	55.1	1,817	10.8	89.9	25.6	
\$100,000 - \$250,000	22	24.7	4,199	24.9	4.9	17.3	
\$250,000 - \$1 Million	18	20.2	10,864	64.3	5.2	57.1	
Total	89	100.0	16,880	100.0	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	37	68.5	1,205	19.0	*	*	
\$100,000 - \$250,000	11	20.4	2,072	32.6	*	*	
\$250,000 - \$1 Million	6	11.1	3,076	48.4	*	*	
Total	54	100.0	6,353	100.0	*	*	
* Data Unavailable							
Percentages may not total to 100.0 percent due to rounding.							

Small Farm Lending

The distribution of loans to small farms reflects good penetration among farms of different sizes. With respect to small farm loans originated to farms with revenues of \$1 million or less in 2009, the bank's performance was comparable to that of the aggregated lenders.

Small Farm Loan Distribution, 2009 By Revenue and Loan Size (000's)							
Category	Bank Loans				Aggregate of All Lenders		Farms By Annual Revenues
	#	%	\$	%	# %	\$ %	# %
By Revenue							
\$1 Million or Less	11	61.1	982	33.0	64.2	50.9	98.4
Over \$1 Million	7	38.9	1,990	67.0	*	*	1.3
Not Known	0	0.0	0	0.0	*	*	0.3
Total	18	100.0	2,972	100.0	*	*	100.0
By Loan Size							
\$100,000 or less	9	50.0	519	17.5	68.3	25.5	
\$100,000 - \$250,000	4	22.2	681	22.9	19.8	32.9	
\$250,000 - \$500,000	5	27.8	1,772	59.6	11.9	41.6	
Total	18	100.0	2,972	100.0	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	8	72.7	438	44.6	*	*	
\$100,000 - \$250,000	2	18.2	272	27.7	*	*	
\$250,000 - \$500,000	1	9.1	272	27.7	*	*	
Total	11	100.0	982	100.0	*	*	
* Data Unavailable Percentages may not total to 100.0 percent due to rounding.							

Community Development Loans

Citizens Bank made an adequate level of community development loans in the Green Bay assessment area as three loans totaling \$4,524,436 were originated during the review period. The loans helped provide affordable housing and supported economic development by financing small businesses. Two of the loans supported two multi-family properties that are below HUD's fair market rent and thus are affordable to low- and moderate-income individuals. Both properties are also located in a moderate-income census tract. The remaining loan was originated under the SBA's 504 CDC program and helped create and retain jobs in the assessment area. The bank's performance increased from prior year levels as one community development loan totaling \$421,000 was originated in the Green Bay assessment area during the previous evaluation.

INVESTMENT TEST

Citizens Bank made an adequate level of qualified investments, donations, and grants in the Green Bay assessment area during the review period. Citizens rarely participated in a leadership position. Additionally, the bank makes rare use of innovative and/or complex investments to support community development initiatives and exhibits adequate responsiveness to credit and community development needs.

The bank funded \$523,747 in qualifying investments in the Green Bay assessment area during this review period. The majority of the qualifying investments were MBS pools that had four underlying loans totaling \$503,747 that benefitted low- and moderate-income individuals in the Green Bay MSA assessment area. The bank also made seven qualified donations totaling \$20,000 during the review period. Most donations were to organizations that provide community services to low- and moderate-income individuals in the assessment area. Among the organizations receiving donations were the YMCAs of Green Bay and Greater Green Bay as well as the United Way of Brown County. No other qualifying investments were made during the review period. Investment activity decreased from the previous evaluation where the bank had qualifying investments totaling \$1.1 million.

SERVICE TEST

Performance relative to the Service Test is poor. Retail services are accessible to essentially all portions of the assessment area and changes in the branch and ATM network did not adversely affect the accessibility of its delivery systems. The bank provides reasonable business hours that do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income individuals and moderate-income geographies. The bank provides a limited level of community development services in the assessment area.

Retail Services

The Green Bay assessment area consists of 64 census tracts, including no low- and 13 (20.3 percent) moderate-income geographies. The bank operates 10 branch offices in the assessment area, two of which are located in moderate-income census tracts. The majority of branch offices are equipped with a cash-only ATM. There are a total of 11 ATMs, two full-service and nine cash-only, throughout the assessment area, including two in moderate-income geographies. The percentage of branches (20.0 percent) and ATMs (18.2 percent) in moderate-income geographies is comparable to the percentage of moderate-income census tracts in the assessment area, while above the percentage of families (13.9 percent) located in these tracts. All branch offices are accessible to essentially all portions of the assessment area, including low- and moderate-income individuals and moderate-income geographies. Some branch locations are also available via public transportation. The bank's record of opening and closing branches and ATMs has not adversely affected the accessibility of delivery systems, particularly to low- and moderate-income individuals and moderate-income geographies. No branch offices or ATMs have been opened or closed since the previous evaluation.

Branch hours vary by location, but are typically open between 8:30 a.m. and 5:00 p.m., Monday through Friday, with extended drive-up hours. Multiple locations also provide drive-through services between 9:00 a.m. and noon on Saturdays. Business hours and banking services are reasonable and do not vary in a way that inconveniences low- and moderate-income individuals or moderate-income geographies. All loan products are available via walk-in

service or by appointment. Alternative delivery systems include ATMs, internet banking, call center telephone and chat options, and bank by phone services, available 24 hours a day for balance inquiry, account transfers, and bill pay.

Community Development Services

Citizens Bank provides a limited level of community development services in the Green Bay assessment area as employees participated in three qualified services totaling 17 hours during the review period. All community development services had the qualified purpose of providing community services to low- and moderate-income individuals in the assessment area. Please refer to the table in the state of Wisconsin section for detailed information on the community development purpose supported by the qualifying services.

All services supported the American Bankers Association's "National Teach Children to Save Day". Employees participated in this event at schools located in moderate-income geographies in the Green Bay area.

The bank's performance declined from prior year levels as four community development services totaling 111 hours were given credit in the Green Bay MSA assessment area during the previous evaluation. As mentioned in the combined section, in general, community development services have declined due to a decrease in staff over the past three years.

METROPOLITAN AREAS (*Limited Review*)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE APPLETON, WISCONSIN METROPOLITAN STATISTICAL AREA

Citizens' operations in the Appleton MSA assessment area are managed through five branch offices and augmented by five automated teller machines. As of June 30, 2010, Citizens Bank maintained 4.8 percent market share of FDIC-insured deposits, ranking 10th of 31 FDIC-insured institutions within the Appleton MSA. By comparison, the top three institutions by market share were: M&I Marshall & Ilsley Bank, 17.7 percent; Thrivent Financial Bank, 9.3 percent; and JP Morgan Chase Bank NA, 9.2 percent.

The Appleton MSA assessment area consists of 42 census tracts throughout Calumet and Outagamie County. Appleton is the largest city in this assessment area.

Select demographic information for Appleton assessment area is provided in the following table.

Assessment Area Demographics								
Income Categories	Tract Distribution		Number of Families in Tract		Families Below Poverty Level as % of Families by Tract		Number of Families Based on Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	7,325	13.6
Moderate-income	4	9.5	2,535	4.7	183	7.2	10,668	19.9
Middle-income	34	81.0	45,052	83.8	1,240	2.8	16,459	30.6
Upper-income	4	9.5	6,170	11.5	80	1.3	19,305	35.9
TOTALS	42	100.0	53,757	100.0	1,503	2.8	53,757	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	5,234	2,602	4.7	49.7	2,380	45.5	252	4.8
Middle-income	64,821	46,606	83.5	71.9	15,986	24.7	2,229	3.4
Upper-income	8,317	6,623	11.9	79.6	1,243	14.9	451	5.4
TOTALS	78,372	55,831	100.0	71.2	19,609	25.0	2,932	3.7
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Under \$1 million		Over \$1 million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	861	8.6	753	8.5	50	7.6	58	12.5
Middle-income	7,460	74.6	6,640	74.8	490	74.6	330	71.0
Upper-income	1,675	16.8	1,481	16.7	117	17.8	77	16.6
TOTALS	9,996	100.0	8,874	100.0	657	100.0	465	100.0
Percentage of Total Businesses			88.8		6.6		4.6	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Under \$1 million		Over \$1 million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	2	0.3	2	0.3	0	0.0	0	0.0
Middle-income	665	94.1	656	94.3	7	100.0	2	50.0
Upper-income	40	5.7	38	5.5	0	0.0	2	50.0
TOTALS	707	100.0	696	0.0	7	100.0	4	100.0
Percentage of Total Farms			98.4		1.0		0.6	
Source: 2000 Census & 2009 Dunn & Bradstreet information. Percentages may not total to 100.0 percent due to rounding.								

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN APPLETON, WISCONSIN METROPOLITAN STATISTICAL AREA

LENDING TEST

Citizens' lending performance in the assessment area was below the bank's lending

performance in the State of Wisconsin; however, it does not change the Wisconsin rating.

Geographic Distribution

Home Mortgage Lending

Home Mortgage Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Owner- Occupied Housing
	#	%	\$	%	#	%	%
Home Purchase Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	1	10.0	117	9.4	6.0	4.0	4.7
Middle	8	80.0	816	65.4	75.5	71.9	83.5
Upper	1	10.0	315	25.2	18.6	24.1	11.9
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	10	100.0	1,248	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	0	0.0	0	0.0	2.5	1.6	4.7
Middle	29	82.9	3,542	79.4	75.1	71.7	83.5
Upper	6	17.1	919	20.6	22.5	26.7	11.9
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	35	100.0	4,461	100.0	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	0	0.0	0	0.0	4.9	2.6	4.7
Middle	2	66.7	193	49.7	79.3	78.8	83.5
Upper	1	33.3	195	50.3	15.8	18.6	11.9
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	3	100.0	388	100.0	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	1	2.1	117	1.9	3.3	2.1	4.7
Middle	39	81.3	4,551	74.6	75.4	72.1	83.5
Upper	8	16.7	1,429	23.4	21.4	25.8	11.9
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	48	100.0	6,097	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Small Business Lending

Small Business Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Businesses by Census Tract Income Level
	#	%	\$	%	# %	\$ %	%
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	10	23.8	1,787	21.7	9.1	7.8	8.6
Middle	25	59.5	4,560	55.2	71.5	74.9	74.6
Upper	7	16.7	1,910	23.1	17.4	16.8	16.8
Tract Unknown	0	0.0	0	0.0	2.0	0.6	0.0
Total	42	100.0	8,257	100.0	100.0	100.0	100.0
<i>Percentages may not total to 100.0 percent due to rounding.</i>							

Distribution by Borrower Income and Revenue Size of the Business

Home Mortgage Lending

Home Mortgage Lending, 2009 Borrower Distribution (000's)							
Income Level of the Borrower	Bank Loans				Aggregate of All Lenders		Families by Income Level
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	1	10.0	98	7.9	17.9	12.1	13.6
Moderate	6	60.0	652	52.2	31.1	27.6	19.9
Middle	2	20.0	183	14.7	24.1	25.6	30.6
Upper	1	10.0	315	25.2	18.6	27.8	35.9
Unknown	0	0.0	0	0.0	8.3	6.9	0.0
Total	10	100.0	1,248	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	6	17.1	587	13.2	7.1	4.5	
Moderate	11	31.4	1,185	26.6	20.2	16.0	
Middle	8	22.9	1,034	23.2	27.8	25.5	
Upper	10	28.6	1,655	37.1	32.7	41.3	
Unknown	0	0.0	0	0.0	12.2	12.7	
Total	35	100.0	4,461	100.0	100.0	100.0	
Home Improvement Loans							
Low	0	0.0	0	0.0	10.6	6.4	
Moderate	1	33.3	6	1.5	23.8	16.6	
Middle	0	0.0	0	0.0	31.3	29.8	
Upper	2	66.7	382	98.5	32.5	44.4	
Unknown	0	0.0	0	0.0	1.7	2.8	
Total	3	100.0	388	100.0	100.0	100.0	
Total Home Mortgage Loans							
Low	7	14.6	685	11.2	9.4	5.9	
Moderate	18	37.5	1,843	30.2	22.5	18.0	
Middle	10	20.8	1,217	20.0	27.2	25.4	
Upper	13	27.1	2,352	38.6	29.9	38.6	
Unknown	0	0.0	0	0.0	11.0	12.2	
Total	48	100.0	6,097	100.0	100.0	100.0	
<i>Percentages may not total to 100.0 percent due to rounding.</i>							

Small Business Lending

Small Business Loan Distribution, 2009 By Revenue and Loan Size (000's)							
Category	Bank Loans				Aggregate of All Lenders		Businesses By Annual Revenues
	#	%	\$	%	# %	\$ %	# %
By Revenue							
\$1 Million or Less	27	64.3	4,119	49.9	23.9	30.6	88.8
Over \$1 Million	15	35.7	4,138	50.1	*	*	6.6
Not Known	0	0.0	0	0.0	*	*	4.6
Total	42	100.0	8,257	100.0	*	*	100.0
By Loan Size							
\$100,000 or less	22	52.4	838	10.1	90.3	23.9	
\$100,000 - \$250,000	9	21.4	1,763	21.4	4.5	16.2	
\$250,000 - \$1 Million	11	26.2	5,656	68.5	5.1	59.9	
Total	42	100.0	8,257	100.0	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	18	66.7	593	14.4	*	*	
\$100,000 - \$250,000	3	11.1	502	12.2	*	*	
\$250,000 - \$1 Million	6	22.2	3,024	73.4	*	*	
Total	27	100.0	4,119	100.0	*	*	
* Data Unavailable Percentages may not total to 100.0 percent due to rounding.							

Community Development Lending Activities

Citizens did not make any community development loans during in this assessment area during this review period.

INVESTMENT TEST

Citizens' investment performance in this assessment area was consistent with the bank's investment performance in the State of Wisconsin. The bank funded \$670,335 in qualifying investments (\$666,335 in MBSs and \$4,000 in donations and grants) during this review period.

SERVICE TEST

Citizens' service performance in this assessment area is consistent with the bank's service performance in the State of Wisconsin.

Retail Services

The bank’s delivery systems are accessible to essentially all portion of the bank’s assessment area. The bank did not open or close any branches in this assessment area. Services do not vary in a way that inconveniences portion of the assessment area.

Branch Locations by Census Tract Income Level													
Assessment Area	Low Income		Moderate Income		Low- and Moderate- Income Total		Middle Income		Upper Income		Total		
	#	%	#	%	#	%	#	%	#	%	#	% of Total	
Appleton	0	0.0	1	20.0	1	20.0	4	80.0	0	0.0	5	100.0	

Community Development Services

Employees provided a limited level of community development services during the review period in this assessment area. Employees participated in two qualified services totaling seven hours providing services to one organization meeting the community service needs to low- and moderate-income individuals and another organization meeting the economic development needs to small businesses.

METROPOLITAN AREAS (*Limited Review*)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE OSHKOSH-NEENAH, WISCONSIN METROPOLITAN STATISTICAL AREA

Citizens' operations in the Oshkosh-Neenah MSA assessment area are managed through three branch offices and augmented by two automated teller machines. As of June 30, 2010, Citizens Bank maintained 2.8 percent market share of FDIC-insured deposits ranking 9th of 17 FDIC-insured institutions within the Oshkosh-Neenah MSA. By comparison, the top three institutions by market share were Associated Bank NA, 23.3 percent; West Pointe Bank, 17.5 percent; and First National Bank Fox Valley, 11.0 percent.

The Oshkosh-Neenah MSA assessment area consists of 38 census tracts throughout Winnebago County. Oshkosh and Neenah are the primary cities in this assessment area. The assessment area is comprised of zero low-, four moderate-, 30 middle-, and four upper-income geographies. Selected demographics for this assessment area are presented in the following table.

Assessment Area Demographics								
Income Categories	Tract Distribution		Number of Families in Tract		Families Below Poverty Level as % of Families by Tract		Number of Families Based on Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	6,139	15.4
Moderate-income	4	10.5	2,513	6.3	175	7.0	7,779	19.6
Middle-income	30	78.9	29,048	73.0	1,147	3.9	11,096	27.9
Upper-income	4	10.5	8,227	20.7	195	2.4	14,774	37.1
TOTALS	38	100.0	39,788	100.0	1,517	3.8	39,788	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	4,700	2,152	5.2	45.8	2,306	49.1	242	5.1
Middle-income	48,916	30,753	74.0	62.9	15,223	31.1	2,940	6.0
Upper-income	11,105	8,653	20.8	77.9	2,070	18.6	382	3.4
TOTALS	64,721	41,558	100.0	64.2	19,599	30.3	3,564	5.5
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Under \$1 million		Over \$1 million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	434	6.7	386	6.8	22	5.0	26	7.9
Middle-income	4,563	70.8	4,035	71.0	312	71.2	216	65.9
Upper-income	1,452	22.5	1,262	22.2	104	23.7	86	26.2
TOTALS	6,449	100.0	5,683	100.0	438	100.0	328	100.0
Percentage of Total Businesses			88.1		6.8		5.1	
<i>Source: 2000 Census & 2009 Dunn & Bradstreet information.</i>								
<i>Percentages may not total to 100.0 percent due to rounding.</i>								

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN OSHKOSH-NEENAH, WISCONSIN METROPOLITAN STATISTICAL AREA

LENDING TEST

Citizens' lending performance in the assessment area was below the bank's lending performance in the State of Wisconsin; however, it does not change the Wisconsin rating.

Geographic Distribution

Home Mortgage Lending

Home Mortgage Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Owner- Occupied Housing
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	0	0.0	0	0.0	5.9	4.0	5.2
Middle	3	75.0	254	62.4	72.1	67.8	74.0
Upper	1	25.0	153	37.6	21.9	28.2	20.8
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	4	100.0	407	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	0	0.0	0	0.0	3.8	2.6	5.2
Middle	19	79.2	1,983	78.1	67.6	63.9	74.0
Upper	5	20.8	557	21.9	28.6	33.5	20.8
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	24	100.0	2,540	100.0	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	0	0.0	0	0.0	5.4	4.3	5.2
Middle	1	100.0	6	100.0	75.3	73.4	74.0
Upper	0	0.0	0	0.0	19.3	22.3	20.8
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	1	100.0	6	100.0	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	0	0.0	0	0.0	4.3	3.0	5.2
Middle	23	79.3	2,243	76.0	69.0	65.1	74.0
Upper	6	20.7	710	24.0	26.7	31.9	20.8
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	29	100.0	2,953	100.0	100.0	100.0	100.0
<i>Percentages may not total to 100.0 percent due to rounding.</i>							

Small Business Lending

Small Business Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Businesses by Census Tract Income Level
	#	%	\$	%	#	%	%
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	0	0.0	0	0.0	6.0	2.7	6.7
Middle	13	86.7	2,051	62.7	69.0	70.6	70.8
Upper	2	13.3	1,222	37.3	23.2	25.6	22.5
Tract Unknown	0	0.0	0	0.0	1.8	1.1	0.0
Total	15	100.0	3,273	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Small Farm Lending

Small Farm Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Farms by Census Tract Income Level
	#	%	\$	%	#	%	%
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	0	0.0	0	0.0	0.0	0.0	0.0
Middle	16	84.2	1,644	91.1	78.2	78.1	82.7
Upper	3	15.8	161	8.9	21.8	21.9	17.3
Tract Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	19	100.0	1,805	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Distribution by Borrower Income and Revenue Size of the Business

Home Mortgage Lending

Home Mortgage Lending, 2009 Borrower Distribution (000's)							
Income Level of the Borrower	Bank Loans				Aggregate of All Lenders		Families by Income Level
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	1	25.0	40	9.8	17.3	10.9	15.4
Moderate	1	25.0	54	13.3	28.8	23.7	19.6
Middle	2	50.0	313	76.9	23.7	24.7	27.9
Upper	0	0.0	0	0.0	20.7	32.3	37.1
Unknown	0	0.0	0	0.0	9.5	8.3	0.0
Total	4	100.0	407	100.0	100.0	100.0	100.0
Refinanced Loans ^{4.2}							
Low	7	29.2	584	23.0	7.1	4.2	
Moderate	5	20.8	421	16.6	18.7	13.7	
Middle	6	25.0	618	24.3	25.1	22.0	
Upper	5	20.8	710	28.0	35.8	46.4	
Unknown	1	4.2	207	8.1	13.3	13.7	
Total	24	100.0	2,540	100.0	100.0	100.0	
Home Improvement Loans							
Low	0	0.0	0	0.0	9.5	7.6	
Moderate	0	0.0	0	0.0	22.9	19.2	
Middle	0	0.0	0	0.0	25.6	21.0	
Upper	1	100.0	6	100.0	36.0	44.4	
Unknown	0	0.0	0	0.0	6.0	7.8	
Total	1	100.0	6	100.0	100.0	100.0	
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	0	0.0	0	0.0	0.0	0.0	
Middle	0	0.0	0	0.0	0.0	0.0	
Upper	0	0.0	0	0.0	0.0	0.0	
Unknown	0	0.0	0	0.0	100.0	100.0	
Total	0	0.0	0	0.0	100.0	100.0	
Total Home Mortgage Loans							
Low	8	27.6	624	21.1	9.5	5.6	
Moderate	6	20.7	475	16.1	21.1	15.6	
Middle	8	27.6	931	31.5	24.8	22.1	
Upper	6	20.7	716	24.2	32.4	42.7	
Unknown	1	3.4	207	7.0	12.3	13.9	
Total	29	100.0	2,953	100.0	100.0	100.0	
<i>Percentages may not total to 100.0 percent due to rounding.</i>							

Small Business Lending

Small Business Loan Distribution, 2009 By Revenue and Loan Size (000's)							
Category	Bank Loans				Aggregate of All Lenders		Businesses By Annual Revenues
	#	%	\$	%	# %	\$ %	# %
By Revenue							
\$1 Million or Less	7	46.7	914	27.9	22.9	30.1	88.1
Over \$1 Million	7	46.7	1,879	57.4	*	*	6.8
Not Known	1	6.6	480	14.7	*	*	5.1
Total	15	100.0	3,273	100.0	*	*	100.0
By Loan Size							
\$100,000 or less	7	46.7	372	11.4	90.6	25.6	
\$100,000 - \$250,000	3	20.0	580	17.7	4.5	16.6	
\$250,000 - \$1 Million	5	33.3	2,321	70.9	5.0	57.8	
Total	15	100.0	3,273	100.0	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	4	57.1	165	18.1	*	*	
\$100,000 - \$250,000	2	28.6	430	47.0	*	*	
\$250,000 - \$1 Million	1	14.3	319	34.9	*	*	
Total	7	100.0	914	100.0	*	*	
* Data Unavailable							

Small Farm Lending

Small Farm Loan Distribution, 2009 By Revenue and Loan Size (000's)							
Category	Bank Loans				Aggregate of All Lenders		Farms By Annual Revenues
	#	%	\$	%	# %	\$ %	# %
By Revenue							
\$1 Million or Less	18	94.7	1,560	86.4	79.3	71.7	97.8
Over \$1 Million	1	5.3	245	13.6	*	*	1.9
Not Known	0	0.0	0	0.0	*	*	0.3
Total	19	100.0	1,805	100.0	*	*	100.0
By Loan Size							
\$100,000 or less	14	73.7	841	46.6	69.0	29.6	
\$100,000 - \$250,000	5	26.3	964	53.4	24.1	42.7	
\$250,000 - \$1 Million	0	0.0	0	0.0	6.9	27.7	
Total	19	100.0	1,805	100.0	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	14	77.8	841	53.9	*	*	
\$100,000 - \$250,000	4	22.2	719	46.1	*	*	
\$250,000 - \$1 Million	0	0.0	0	0.0	*	*	
Total	18	100.0	1,560	100.0	*	*	
* Data Unavailable							
Percentages may not total to 100.0 percent due to rounding.							

Community Development Lending Activities

Citizens did not make any community development loans during in this assessment area during this review period.

INVESTMENT TEST

Citizens' investment performance in this assessment area was below with the bank's investment performance in the State of Wisconsin. The bank made one donation for \$2,500 during this review period.

SERVICE TEST

Citizens' service performance in this assessment area is consistent with the bank's service performance in the State of Wisconsin.

Retail Services

There are three branches and four full-service ATMs located in middle- or upper-income geographies in this assessment area. The lack of branch offices and ATMs in moderate-income geographies does not compare favorably to the percentages of low- and moderate-income geographies in the assessment area (10.5 percent) and the percentage of families (6.3 percent) in moderate-income geographies. The bank did not open or close any branches in this assessment area. The bank provides reasonable business hours that do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and individuals.

Community Development Services

Employees provided a limited level of community development services during the review period in this assessment area. An employee participated in one qualified community development service totaling six hours; the employee's work benefitted an organization that provides community services to low- and moderate-income individuals.

METROPOLITAN AREAS (*Limited Review*)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE MILWAUKEE-WAUKESHA- WEST ALLIS, WISCONSIN METROPOLITAN STATISTICAL AREA

Citizens' operations in the Milwaukee, WI MSA assessment area are managed through one branch and augmented by one automated teller machine. As of June 30, 2010, Citizens Bank maintained 0.1 percent market share of FDIC-insured deposits ranking 40th of 41 FDIC-insured institutions within the Milwaukee MSA. By comparison, the top three institutions by market share were: M&I Marshall & Ilsley Bank, 19.9 percent; Associated Bank NA, 7.0 percent; and JP Morgan Chase Bank NA, 6.7 percent.

The Milwaukee assessment area consists of 73 census tracts throughout Waukesha County and is located in the Milwaukee-Waukesha-West Allis MSA. This MSA also includes Milwaukee, Ozaukee and Washington counties which are excluded from the bank's Milwaukee assessment area. Waukesha is the largest city located in Waukesha County. Select demographics are presented in the following table.

Assessment Area Demographics								
Income Categories	Tract Distribution		Number of Families in Tract		Families Below Poverty Level as % of Families by Tract		Number of Families Based on Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	8,040	8.0
Moderate-income	1	1.4	268	0.3	28	10.4	13,484	13.3
Middle-income	24	32.9	31,452	31.1	789	2.5	24,309	24.1
Upper-income	48	65.8	69,288	68.6	857	1.2	55,175	54.6
TOTALS	73	100.0	101,008	100.0	1,674	1.7	101,008	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	1,265	139	0.1	11.0	972	76.8	154	12.2
Middle-income	49,058	29,690	28.7	60.5	17,514	35.7	1,854	3.8
Upper-income	89,986	73,629	71.2	81.8	13,285	14.8	3,072	3.4
TOTALS	140,309	103,458	100.0	73.7	31,771	22.6	5,080	3.6
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Under \$1 million		Over \$1 million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	308	1.6	275	1.7	20	1.1	13	1.2
Middle-income	6,381	33.1	5,222	32.0	735	39.4	424	39.2
Upper-income	12,582	65.3	10,827	66.3	1,111	59.5	644	59.6
TOTALS	19,271	100.0	16,324	100.0	1,866	100.0	1,081	100.0
Percentage of Total Businesses			84.7		9.7		5.6	
<i>Source: 2000 Census & 2009 Dunn & Bradstreet information. Percentages may not total to 100.0 percent due to rounding.</i>								

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MILWAUKEE-WAUKESHA-WEST ALLIS, WISCONSIN METROPOLITAN STATISTICAL ASSESSMENT

LENDING TEST

Citizens' lending performance in the assessment area was below the bank's lending performance in the State of Wisconsin; however, it does not change the Wisconsin rating. The bank originated only three home mortgage loans in 2009. Due to the low volume of loans, home mortgage lending was not evaluated for this assessment area.

Geographic Distribution

Small Business Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Businesses by Census Tract Income Level
	#	%	\$	%	# %	\$ %	%
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	0	0.0	0	0.0	0.9	0.7	1.6
Middle	9	69.2	1,526	42.1	31.5	35.8	33.1
Upper	4	30.8	2,100	57.9	64.9	62.9	65.3
Unknown	0	0.0	0	0.0	2.7	0.6	0.0
Total	13	100.0	3,626	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Distribution by Borrower Income and Revenue Size of the Business

Small Business Loan Distribution, 2009 By Revenue and Loan Size (000's)							
Category	Bank Loans				Aggregate of All Lenders		Businesses By Annual Revenues
	#	%	\$	%	# %	\$ %	# %
By Revenue							
\$1 Million or Less	4	30.8	276	7.6	27.5	27.1	84.7
Over \$1 Million	9	69.2	3,350	92.4	*	*	9.7
Not Known	0	0.0	0	0.0	*	*	5.6
Total	13	100.0	3,626	100.0	*	*	100.0
By Loan Size							
\$100,000 or less	6	46.2	376	10.4	88.7	19.4	
\$100,000 - \$250,000	1	7.7	250	6.9	4.3	13.0	
\$250,000 - \$1 Million	6	46.2	3,000	82.7	7.0	67.6	
Total	13	100.0	3,626	100.0	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	4	100.0	276	100.0	*	*	
\$100,000 - \$250,000	0	0.0	0	0.0	*	*	
\$250,000 - \$1 Million	0	0.0	0	0.0	*	*	
Total	4	100.0	276	100.0	*	*	

* Data Unavailable
Percentages may not total to 100.0 percent due to rounding.

Community Development Lending Activities

Citizens did not make any community development loans during in this assessment area during this review period.

INVESTMENT TEST

Citizens' investment performance in this assessment area was consistent with the bank's investment performance in the State of Wisconsin. The bank funded \$616,298 in MBSs during this review period. There were no other qualifying investments or donations.

SERVICE TEST

Citizens' service performance in this assessment area was consistent with the bank's service performance in the State of Wisconsin.

Retail Services

There is one branch and a cash-dispensing ATM located in upper-income geographies in this assessment area. There are no low-income geographies in the assessment and one moderate-income census tract. The bank did not open or close any branches in this assessment area. The bank provides reasonable business hours that do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and individuals.

Community Development Services

No community development services were provided in the Milwaukee, WI MSA assessment area during this review period.

METROPOLITAN AREAS (*Limited Review*)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE DULUTH, WISCONSIN METROPOLITAN STATISTICAL AREA

Citizens' operations in the Duluth MN-WI MSA assessment area are managed through one office and augmented by one automated teller machine. As of June 30, 2010, Citizens Bank maintained 3.6 percent market share of FDIC-insured deposits ranking 5th of seven FDIC-insured institutions within Douglas County. By comparison, the top three institutions by market share were: National Bank of Commerce, 61.1 percent; M&I Marshall & Ilsley Bank, 20.9 percent; and Superior Savings Bank, 8.4 percent.

The portion of the Duluth MN-WI MSA assessment area delineated by the bank consists of 13 census tracts throughout Douglas County, Wisconsin. This MSA also includes Carlton and Durham counties in Minneapolis, which are excluded for the bank's Duluth assessment area. Superior is the largest community in Douglas County. Select demographics are presented in the following table.

Assessment Area Demographics								
Income Categories	Tract Distribution		Number of Families in Tract		Families Below Poverty Level as % of Families by Tract		Number of Families Based on Family Income	
	#	%	#	%	#	%	#	%
Low-income	1	7.7	111	1.0	45	40.5	2,235	19.7
Moderate-income	4	30.8	2,565	22.7	361	14.1	2,295	20.3
Middle-income	8	61.5	8,645	76.4	454	5.3	2,848	25.2
Upper-income	0	0.0	0	0.0	0	0.0	3,943	34.8
TOTALS	13	100.0	11,321	100.0	860	7.6	11,321	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	400	43	0.3	10.8	307	76.8	50	12.5
Moderate-income	5,300	2,543	20.0	48.0	2,457	46.4	300	5.7
Middle-income	14,656	10,144	79.7	69.2	2,314	15.8	2,198	15.0
Upper-income	0	0	0.0	0.0	0	0.0	0	0.0
TOTALS	20,356	12,730	100.0	62.5	5,078	24.9	2,548	12.5
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Under \$1 million		Over \$1 million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	211	9.2	185	8.9	17	14.5	9	9.2
Moderate-income	561	24.5	479	23.1	53	45.3	29	29.6
Middle-income	1,520	66.3	1,413	68.0	47	40.2	60	61.2
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
TOTALS	2,292	100.0	2,077	100.0	117	100.0	98	100.0
Percentage of Total Businesses			90.6		5.1		4.3	
<i>Source: 2000 Census & 2009 Dunn & Bradstreet information. Percentages may not total to 100.0 percent due to rounding.</i>								

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN DULUTH, WISCONSIN METROPOLITAN STATISTICAL AREA

LENDING TEST

Citizens' lending performance in the assessment area was above the bank's lending performance in the State of Wisconsin; however, it does not change the Wisconsin rating.

Geographic Distribution

Home Mortgage Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Owner- Occupied Housing
	#	%	\$	%	#	%	%
Home Purchase Loans							
Low	0	0.0	0	0.0	0.5	0.1	0.3
Moderate	0	0.0	0	0.0	21.3	17.4	20.0
Middle	1	100.0	36	100.0	78.3	82.5	79.7
Upper	0	0.0	0	0.0	0.0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	1	100.0	36	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	0	0.0	0	0.0	0.1	0.0	0.3
Moderate	1	14.3	71	10.0	11.6	7.5	20.0
Middle	6	85.7	637	90.0	88.4	92.5	79.7
Upper	0	0.0	0	0.0	0.0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	7	100.0	708	100.0	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.3
Moderate	0	0.0	0	0.0	16.8	10.0	20.0
Middle	2	100.0	8	100.0	83.2	90.0	79.7
Upper	0	0.0	0	0.0	0.0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	2	100.0	8	100.0	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	0	0.0	0	0.0	0.1	0.0	0.3
Moderate	1	10.0	71	9.4	14.0	9.7	20.0
Middle	9	90.0	681	90.6	85.9	90.3	79.7
Upper	0	0.0	0	0.0	0.0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	10	100.0	752	100.0	100.0	100.0	100.0
<i>Percentages may not total to 100.0 percent due to rounding.</i>							

Distribution by Borrower Income and Revenue Size of the Business

Home Mortgage Lending, 2009 Borrower Distribution (000's)							
Income Level of the Borrower	Bank Loans				Aggregate of All Lenders		Families by Income Level
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	0	0.0	0	0.0	12.2	7.9	19.7
Moderate	0	0.0	0	0.0	24.4	20.4	20.3
Middle	1	100.0	36	100.0	27.1	27.4	25.2
Upper	0	0.0	0	0.0	25.1	32.1	34.8
Unknown	0	0.0	0	0.0	11.1	12.2	0.0
Total	1	100.0	36	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	0	0.0	0	0.0	6.0	3.4	
Moderate	1	14.3	112	15.8	17.2	13.3	
Middle	3	42.9	159	22.5	26.2	22.3	
Upper	3	42.9	437	61.7	40.6	49.8	
Unknown	0	0.0	0	0.0	10.0	11.3	
Total	7	100.0	708	100.0	100.0	100.0	
Home Improvement Loans							
Low	0	0.0	0	0.0	8.4	3.3	
Moderate	0	0.0	0	0.0	19.6	13.5	
Middle	2	100.0	8	100.0	31.8	33.6	
Upper	0	0.0	0	0.0	39.1	47.6	
Unknown	0	0.0	0	0.0	1.1	2.0	
Total	2	100.0	8	100.0	100.0	100.0	
Total Home Mortgage Loans							
Low	0	0.0	0	0.0	7.4	4.2	
Moderate	1	10.0	112	14.9	18.7	14.5	
Middle	6	60.0	203	27.0	26.8	23.5	
Upper	3	30.0	437	58.1	37.3	46.1	
Unknown	0	0.0	0	0.0	9.8	11.8	
Total	10	100.0	752	100.0	100.0	100.0	

Percentages may not total to 100.0 percent due to rounding.

Community Development Lending Activities

Citizens did not make any community development loans during in this assessment area during this review period.

INVESTMENT TEST

Citizens' investment performance in this assessment area was below with the bank's investment

performance in the State of Wisconsin. The bank did not fund any qualifying investments including donations and grants during this review period.

SERVICE TEST

Citizens' service performance in this assessment area is consistent with the bank's service performance in the State of Wisconsin.

Retail Services

The bank has one branch located in the low-income census tract included in the Duluth assessment area. No branches were open or close in this assessment area during the review period. Services do not vary in a way that inconveniences portion of the assessment area.

Community Development Services

No community development services were provided in the Duluth assessment area during this review period.

NONMETROPOLITAN STATEWIDE AREAS (Full Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE NORTH-EAST WISCONSIN NON-METROPOLITAN AREA

Citizens' operations in the Non-metropolitan Northeast Wisconsin assessment area are managed through 13 branch offices and augmented by two automated teller machines. As of June 30, 2010, Citizens Bank maintained 5.7 percent market share of FDIC-insured deposits, ranking 5th of 53 FDIC-insured institutions within the assessment area. By comparison, the top three institutions by market share were: M&I Marshall & Ilsley Bank, 15.1 percent; Associated Bank NA, 8.7 percent; and Investors Community Bank, 7.4 percent.

The Non-Metropolitan Northeast Wisconsin assessment area consists of 105 census tracts throughout Door, Langlade, Lincoln, Manitowoc, Marinette, Oneida, Portage, Vilas, Waupaca and Waushara Counties. All are non-metropolitan counties located in the northeastern portion of Wisconsin and are dominated by agriculture and tourism. The key communities in these counties are Antigo, Eagle River, Manitowoc, Merrill, Rhinelander, Stevens Point, Sturgeon Bay, Waupaca and Wausaukee. None of the middle-income census tracts are designated distressed or underserved. Select demographics are presented in the following table.

Assessment Area Demographics								
Income Categories	Tract Distribution		Number of Families in Tract		Families Below Poverty Level as % of Families by Tract		Number of Families Based on Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	17,583	15.9
Moderate-income	7	6.7	6,918	6.3	542	7.8	21,160	19.1
Middle-income	86	81.9	88,963	80.5	4,377	4.9	28,606	25.9
Upper-income	11	10.5	14,619	13.2	391	2.7	43,151	39.1
Unknown	1	1.0	0	0.0	0	0.0	0	0.0
TOTALS	105	100.0	110,500	100.0	5,310	4.8	110,500	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	20,531	7,762	6.2	37.8	2,577	12.6	10,192	49.6
Middle-income	177,137	100,749	80.9	56.9	30,672	17.3	45,716	25.8
Upper-income	20,486	16,006	12.9	78.1	3,179	15.5	1,301	6.4
TOTALS	218,154	124,517	100.0	57.1	36,428	16.7	57,209	26.2
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Under \$1 million		Over \$1 million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	1,465	6.1	1,349	6.2	58	5.2	58	5.8
Middle-income	19,738	82.8	17,974	82.8	922	82.1	842	83.9
Upper-income	2,639	11.1	2,393	11.0	143	12.7	103	10.3
TOTALS	23,842	100.0	21,716	100.0	1,123	100.0	1,003	100.0
Percentage of Total Businesses			91.1		4.7		4.2	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Under \$1 million		Over \$1 million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	63	3.2	63	3.3	0	0.0	0	0.0
Middle-income	1,601	80.7	1,563	80.8	32	74.4	6	100.0
Upper-income	319	16.1	308	15.9	11	25.6	0	0.0
TOTALS	1,983	100.0	1,934	100.0	43	100.0	6	100.0
Percentage of Total Farms			97.5		2.2		0.3	

Source: 2000 Census & 2009 Dunn & Bradstreet information.
Percentages may not total to 100.0 percent due to rounding.

Population Characteristics

As presented in the following table, the total estimated population for the Non-metropolitan Northeast Wisconsin assessment area decreased by 0.5 percent. The largest counties by population include Manitowoc and Portage Counties. The estimated population within

Portage, Vilas, and Waushara Counties experienced moderate increases since 2000. The rest of the counties in the assessment area experienced minor population losses. The State of Wisconsin experienced a modest increase of 5.4 percent in population since the 2000 Census.

Population Changes 2000 Census vs. 2009 Estimates			
Area	2000 Census	2009 Estimates	Percentage Change
Door County	27,961	27,815	-0.5
Langlade County	20,740	20,008	-3.5
Lincoln County	29,641	29,404	-0.8
Manitowoc County	82,887	80,583	-2.8
Marinette County	43,384	41,968	-3.3
Oneida County	36,776	35,930	-2.3
Portage County	67,182	69,176	3.0
Vilas County	21,033	21,496	2.2
Waupaca County	51,731	51,665	-0.1
Waushara County	23,154	24,606	6.3
NE Wisconsin	404,489	402,651	-0.5
State of Wisconsin	5,363,675	5,654,774	5.4

Source: U.S. Census Bureau

Income Characteristics

The following table presents the median family incomes for the Non-metropolitan Northeast Wisconsin assessment area and the state of Wisconsin, based on 2000 Census data and 2009 HUD-adjusted estimates. Both the assessment area and state saw a significant increase in median family incomes between 2000 and 2009. While the assessment area as a whole had a lower median family income, several counties exceeded the state level.

Median Family Income Changes 2000 Census vs. 2009 HUD Estimates			
Area	2000 Census	2009 Estimates	Percentage Change
Door County	\$48,460	\$59,900	23.6
Langlade County	\$41,512	\$52,400	26.2
Lincoln County	\$47,469	\$60,200	26.8
Manitowoc County	\$51,995	\$64,100	23.3
Marinette County	\$42,356	\$51,600	21.8
Oneida County	\$44,293	\$57,000	28.7
Portage County	\$53,446	\$67,500	26.3
Vilas County	\$40,876	\$53,800	31.6
Waupaca County	\$48,837	\$60,300	23.5
Waushara County	\$42,416	\$51,800	22.1
NE Wisconsin	\$47,717	\$57,860	21.3
State of Wisconsin	\$52,911	\$66,300	25.3

Source: U.S. Department of Housing and Urban Development

Bankruptcy filing rates, though fairly low, have trended upwards for almost all counties in the assessment area. Marinette County, with a rate of 5.63 bankruptcies per 1,000 in population in 2010, was the highest of the counties in the assessment area, per the Administrative Office of the U.S. Courts. Marinette County ranked the 11th highest of 72 counties in the state. Overall, the assessment area's rankings ranged from 11th to 68th of 72 counties in the state.

Housing Characteristics

Housing Costs				
Area	Median Housing Value	Median Gross Rent	Fair Market Rent*	Affordability Ratio
Door County	\$122,900	\$481	\$664	.31
Langlade County	\$71,200	\$405	\$588	.46
Lincoln County	\$86,600	\$433	\$588	.45
Manitowoc County	\$91,200	\$433	\$603	.47
Marinette County	\$70,100	\$400	\$588	.50
Oneida County	\$103,400	\$460	\$628	.36
Portage County	\$98,200	\$477	\$621	.44
Vilas County	\$118,200	\$434	\$600	.28
Waupaca County	\$91,700	\$450	\$606	.44
Waushara County	\$87,100	\$448	\$617	.42
NE Wisconsin	\$92,080	\$445	N/A	.42
State of Wisconsin	\$109,900	\$540	N/A	.39

*2000 United States Census Data;
Department of Housing and Urban Development

The preceding table presents housing costs in the assessment area by each county compared to the State of Wisconsin. The affordability ratios presented in the preceding table show that housing is generally more affordable in all but Door, Oneida and Vilas Counties, when compared to the state. The Median Gross Rent is less than the Fair Market Rent, which is considered an affordable rent. Door County in particular is well known as a vacation destination where homes are generally used for vacation rental purposes.

Home sales and prices in the assessment area over the past several years have varied significantly, according to the website www.city-data.com. Both home sales and prices from county to county have not followed a similar pattern. In addition, in several counties, sales and prices have been higher in 2009 and 2010, which is inconsistent with the pattern nationwide. For comparison purposes, the website noted that the median housing value in 2009 was \$147,136 for the assessment area, an increase of \$55,056 from 2000, while the state average was \$170,800.

Foreclosure rates in the assessment area varied significantly from a high of one in every 592 homes (Waupaca County) to a low of one in every 4,245 (Portage County) as of April 2010, according to the website www.realtytrac.com. The majority of other counties in the assessment area ranged between rates of one in approximately 1,000 to one in 4,000. The state of Wisconsin has a foreclosure rate of one in every 627 units in the state.

Labor and Employment

According to Hoovers.com the top three employers in the Northeast Wisconsin assessment area are in the areas of healthcare and casinos. The assessment area offers a wide range of

employers. The following table lists some of the area’s top employers. Major employers come from Manitowoc, Vilas and Door Counties.

Largest Employers in the Assessment Area		
Company	# Employed	Industry
Franciscan Sisters of Christian Charity Healthcare Ministry Inc.	3,000	Healthcare
Holy Family Memorial Inc.	2,379	Healthcare
Lac Du Flambeau Band of Lake Superior Indians	2,122	Casino Hotels
Fincantieri Marine Group Holdings Inc.	1,500	Shipbuilding & Repairing
Journal Community Publishing Group	1,156	Publishing
KS International Investment Corp.	1,000	Manufacturing
T A Solberg Co. Inc.	1,000	Retail
<i>Source: Hoovers.com</i>		

Unemployment

The assessment area’s unemployment rates, presented below, are generally higher than for the state but comparable to the national average. The two counties with consistently high unemployment rates are Lincoln and Marinette. Per the 2009 Lincoln and Marinette County Workforce Profile, the higher unemployment rate is due to the decline of construction and manufacturing jobs in the area.

Unemployment Statistics			
Area	2010 (%)	2009 (%)	2008 (%)
Door County	10.0	9.0	5.0
Langlade County	10.0	10.0	6.0
Lincoln County	12.0	11.0	6.0
Manitowoc County	9.0	10.0	5.0
Marinette County	11.0	12.0	6.0
Oneida County	10.0	10.0	6.0
Portage County	7.0	7.0	5.0
Vilas County	11.0	10.0	6.0
Waupaca County	9.0	10.0	5.0
Waushara County	10.0	10.0	6.0
State of Wisconsin	8.0	8.7	4.8
US	9.0	9.3	5.8
<i>Source: United States Department of Labor – Bureau of Labor Statistics</i>			

Community Representatives

Two community representatives in the area of economic development were contacted for this assessment area. The assessment area is dominated by agriculture and tourism as the primary employers. Manufacturing plays an important role in the communities and there was some downsizing in 2009 that resulted in job losses, but business activity in 2009 was surprisingly

solid. The contacts reported concerns that it has been more difficult for individuals and businesses to secure financing. The contact cited participation in revolving loan funds as the main opportunity in the assessment area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NON-METROPOLITAN NORTHEAST, WI ASSESSMENT AREA

LENDING TEST

Geographic distribution reflects good dispersion of the bank's loans based on its record of making small business loans in geographies of different income levels. Citizens' distribution of loans reflects good penetration among borrowers of different income levels and businesses and farms of different sizes. The bank made an adequate level of community development loans in the assessment area.

Geographic Distribution

Home Mortgage Lending

Citizens Bank achieved excellent dispersion of its refinances throughout its assessment area, including moderate-income geographies. Refinances represented 81.1 percent of the bank's home mortgage lending in 2009 and received the most weight for the evaluation of the HMDA-reportable lending. The percentage of refinances in moderate-income geographies was above that of the aggregated lending level. The percentage of refinances by the bank was above the percentage of owner-occupied housing units and the percentage of families located in moderate-income geographies.

In 2008, the bank's performance was consistent with its performance in 2009.

Home Mortgage Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Owner- Occupied Housing
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	0	0.0	0	0.0	5.8	5.5	6.2
Middle	13	76.5	1,531	74.0	81.2	79.9	80.9
Upper	4	23.5	538	26.0	12.8	14.5	12.9
Unknown	0	0.0	0	0.0	0.1	0.1	0.0
Total	17	100.0	2,069	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	11	7.5	2,078	9.9	6.5	7.2	6.2
Middle	121	82.9	17,425	82.8	79.3	79.4	80.9
Upper	14	9.6	1,544	7.3	14.1	13.3	12.9
Unknown	0	0.0	0	0.0	0.1	0.1	0.0
Total	146	100.0	21,047	100.0	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	2	11.8	290	19.4	6.0	7.0	6.2
Middle	12	70.6	838	55.9	78.6	76.9	80.9
Upper	3	17.6	370	24.7	14.9	15.8	12.9
Unknown	0	0.0	0	0.0	0.5	0.3	0.0
Total	17	100.0	1,498	100.0	100.0	100.0	100.0
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	0	0.0	0	0.0	0.0	0.0	6.2
Middle	0	0.0	0	0.0	94.7	84.6	80.9
Upper	0	0.0	0	0.0	5.3	15.4	12.9
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	0	0.0	0	0.0	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	13	7.2	2,368	9.6	6.4	6.9	6.2
Middle	146	81.1	19,794	80.4	79.6	79.4	80.9
Upper	21	11.7	2,452	10.0	13.9	13.5	12.9
Unknown	0	0.0	0	0.0	0.1	0.1	0.0
Total	180	100.0	24,614	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Small Business Lending

Citizens Bank achieved good dispersion of small business loans throughout its assessment area, including moderate-income geographies within the assessment area. The majority of the bank's small business lending took place in the middle-income census tracts of the assessment area, which is consistent with both the percentage of loans originated by the aggregated lenders and the percentage of businesses located in the middle-income geographies of the assessment area. In 2008, the distribution of the bank's loans to small businesses was consistent with the 2009 distribution in comparison to the aggregated lenders' results and the percentages of businesses by income level of the geography. The following table summarizes 2009 lending results in comparison to the record of the aggregated lenders, the percentages of census tracts by income level and the percentages of businesses by income level.

Small Business Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Businesses by Census Tract Income Level
	#	%	\$	%	# %	\$ %	%
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	6	5.8	738	7.8	5.2	4.9	6.1
Middle	93	89.4	8,365	88.4	79.5	84.0	82.8
Upper	5	4.8	361	3.8	11.2	9.8	11.1
Tract Unknown	0	0.0	0	0.0	4.1	1.2	0.0
Total	104	100.0	9,464	100.0	100.0	100.0	100.0
<i>Percentages may not total to 100.0 percent due to rounding.</i>							

Small Farm Lending

Citizens Bank achieved excellent dispersion of small farm loans throughout its assessment area, including moderate-income geographies within the assessment area. The percentage of small farm loans originated in moderate-income census tracts exceeded that of the aggregated lending level and the percentage of farms located in moderate-income census tracts. The majority of the bank's small farm lending took place in the middle-income census tracts of the assessment area, which is consistent with both the percentage of loans originated by the aggregated lenders and the percentage of farms located in the middle-income geographies of the assessment area. Lending levels in 2008 reflected a lower concentration of loans in moderate-income (3.1 percent) geographies. The bank's performance exceeded that of the aggregated lenders in moderate-income (1.2 percent) geographies.

Small Farm Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Farms by Census Tract Income Level
	#	%	\$	%	# %	\$ %	%
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	1	4.2	500	15.3	1.8	2.2	3.2
Middle	18	75.0	1,710	52.5	85.3	84.9	80.7
Upper	5	20.8	1,050	32.2	12.8	13.0	16.1
Tract Unknown	0	0.0	0	0.0	0.1	0.0	0.0
Total	24	100.0	3,260	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Distribution by Borrower Income and Revenue Size of the Business

The distribution of loans among individuals reflects good penetration among customers of different income levels and businesses and farms of different sizes. Citizens Bank exhibits a good record of serving the credit needs of low-income individuals and areas and very small businesses and farms.

Home Mortgage Lending

Borrower distribution of home mortgage loans reflects good penetration among individuals of different income levels. Citizens originated the largest portion of its home mortgage loans to upper-income individuals, 46.1 percent of its lending by number; refinances drove this outcome. Refinances represented 81.1 percent of the bank's home mortgage lending in 2009 and 35.3 percent of refinanced home loans were originated to low- and moderate-income individuals. The percentages of loans to low-income individuals exceeded that of the aggregated lenders, while performance to moderate-income individuals was comparable to that of the aggregated lenders. The bank's performance was below the percentage of families classified as low- and moderate-income in the assessment area. Home mortgage lending in 2008 was comparable to the 2009 lending distribution.

Home Mortgage Lending, 2009 Borrower Distribution (000's)							
Income Level of the Borrower	Bank Loans				Aggregate of All Lenders		Families by Income Level
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	2	11.8	86	4.2	10.2	5.3	15.9
Moderate	5	29.4	429	20.7	22.7	15.6	19.1
Middle	5	29.4	631	30.5	23.0	20.2	25.9
Upper	5	29.4	923	44.6	34.1	49.3	39.1
Unknown	0	0.0	0	0.0	10.1	9.5	0.0
Total	17	100.0	2,069	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	11	7.5	708	3.4	5.4	2.8	
Moderate	23	15.8	2,549	12.1	15.0	10.1	
Middle	38	26.0	4,646	22.1	23.8	19.5	
Upper	73	50.0	13,099	62.2	44.8	55.8	
Unknown	1	0.7	45	0.2	11.0	11.9	
Total	146	100.0	21,047	100.0	100.0	100.0	
Home Improvement Loans							
Low	4	23.5	14	0.9	11.3	5.1	
Moderate	2	11.8	55	3.7	19.8	14.2	
Middle	5	29.4	762	50.9	28.1	26.6	
Upper	5	29.4	664	44.3	37.5	49.1	
Unknown	1	5.9	3	0.2	3.3	5.1	
Total	17	100.0	1,498	100.0	100.0	100.0	
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	0	0.0	0	0.0	0.0	0.0	
Middle	0	0.0	0	0.0	0.0	0.0	
Upper	0	0.0	0	0.0	0.0	0.0	
Unknown	0	0.0	0	0.0	100.0	100.0	
Total	0	0.0	0	0.0	100.0	100.0	
Total Home Mortgage Loans							
Low	17	9.4	808	3.3	6.5	3.2	
Moderate	30	16.7	3,033	12.3	16.6	11.0	
Middle	48	26.7	6,039	24.5	23.8	19.7	
Upper	83	46.1	14,686	59.7	42.6	54.3	
Unknown	2	1.1	48	0.2	10.6	11.9	
Total	180	100.0	24,614	100.0	100.0	100.0	
<i>Percentages may not total to 100.0 percent due to rounding.</i>							

Small Business Lending

The distribution of loans to small businesses reflects good penetration among businesses of different sizes. With respect to small business loans originated to businesses with revenues of \$1 million or less in 2009, the bank's performance significantly exceeded that of the aggregated lenders. The bank's small business loans in amounts at origination of \$100,000 or less was lower than aggregated lending by comparison. The bank's 2008 record of making loans to small businesses was consistent with its 2009 performance.

Small Business Loan Distribution, 2009 By Revenue and Loan Size (000's)							
Category	Bank Loans				Aggregate of All Lenders		Businesses By Annual Revenues
	#	%	\$	%	# %	\$ %	# %
By Revenue							
\$1 Million or Less	73	70.2	5,492	58.0	38.9	57.0	91.1
Over \$1 Million	27	26.0	3,775	39.9	*	*	4.7
Not Known	4	3.8	197	2.1	*	*	4.2
Total	104	100.0	9,464	100.0	*	*	100.0
By Loan Size							
\$100,000 or less	79	76.0	2,877	30.4	89.1	26.7	
\$100,000 - \$250,000	15	14.4	2,415	25.5	5.6	19.5	
\$250,000 - \$1 Million	10	9.6	4,172	44.1	5.3	53.8	
Total	104	100.0	9,464	100.0	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	59	80.8	1,932	35.2	*	*	
\$100,000 - \$250,000	8	11.0	1,198	21.8	*	*	
\$250,000 - \$1 Million	6	8.2	2,362	43.0	*	*	
Total	73	100.0	5,492	100.0	*	*	
* Data Unavailable							
Percentages may not total to 100.0 percent due to rounding.							

Small Farm Lending

The borrower distribution of small farm loans reflects good penetration among farms of different sizes. With respect to small farm loans originated to farms with revenues of \$1 million or less in 2009, the bank's performance was comparable to that of aggregated lending. The bank's small farm loans originations for \$100,000 or less was below aggregated lending. In 2008, the bank originated a higher number of farm loans resulting in a lower percentage of loans to small farms.

Small Farm Loan Distribution, 2009 By Revenue and Loan Size (000's)							
Category	Bank Loans				Aggregate of All Lenders		Farms By Annual Revenues
	#	%	\$	%	# %	\$ %	# %
By Revenue							
\$1 Million or Less	19	79.2	2,116	64.9	79.9	68.6	97.5
Over \$1 Million	5	20.8	1,144	35.1	*	*	2.2
Not Known	0	0.0	0	0.0	*	*	0.3
Total	24	100.0	3,260	100.0	*	*	100.0
By Loan Size							
\$100,000 or less	16	66.7	956	29.3	71.7	28.7	
\$100,000 - \$250,000	5	20.8	1,079	33.1	18.8	34.1	
\$250,000 - \$500,000	3	12.5	1,225	37.6	9.5	37.2	
Total	24	100.0	3,260	100.0	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	13	68.4	662	31.3	*	*	
\$100,000 - \$250,000	5	26.3	1,079	51.0	*	*	
\$250,000 - \$500,000	1	5.3	375	17.7	*	*	
Total	19	100.0	2,116	100.0	*	*	
* Data Unavailable							
Percentages may not total to 100.0 percent due to rounding.							

Community Development Loans

Citizens Bank made an adequate level of community development loans in the assessment area as one loan totaling \$3,217,500 was originated during the review period. The loan supported economic development by financing a small business under the SBA's 504 CDC program, which helps create and retain jobs.

INVESTMENT TEST

Citizens Bank made an adequate level of qualified investments, donations, and grants in the Non-metropolitan Northeast assessment area during the review period. Additionally, the bank makes rare use of innovative and/or complex investments to support community development initiatives and exhibits adequate responsiveness to credit and community development needs. This assessment area is comprised primarily of agriculture and tourist communities with limited investment opportunities that meet the definition of community development. The bank made two qualified donations totaling \$1,250 during the review period. The donations were to organizations, CAP Services and Tomahawk Food Pantry that support all areas of community development. The bank also had a MBS pool with two underlying mortgages in the Non-metropolitan Northeast assessment area. This pool was from prior period investments and was comprised of two underlying loans with original par totaling \$161,279 that benefitted low- and

moderate-income individuals. A current balance for this evaluation period was not provided. No other qualifying investments were made during the review period.

SERVICE TEST

Retail services are reasonably accessible to the bank's geographies and individuals of different income in the assessment area and changes in the branch and ATM network did not adversely affect the accessibility of its delivery systems. The bank provides reasonable business hours that do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and individuals. Employees provide a limited level of community development services in the assessment area.

Retail Services

The assessment area consists of 105 census tracts, including no low- and seven (6.7 percent) moderate-income geographies. The bank operates 15 branch offices in the assessment area, one of which is located in a moderate-income geography. The majority of branch offices are equipped with a cash-only ATM. There are a total of 15 ATMs, two full-service and 13 cash only, throughout the assessment area, including one in a moderate-income geography. The percentage of branches (6.7 percent) and ATMs (6.7 percent) in moderate-income geographies is comparable to the percentage of moderate-income census tracts and the percentage of families (6.3 percent) who live in these census tracts. All branch offices are reasonably accessible to essentially all portions of the assessment area, including low- and moderate-income individuals and moderate-income geographies. The bank's record of opening and closing branch offices and ATMs has not adversely affected the accessibility of delivery systems, particularly to low- and moderate-income individuals and moderate-income geographies. No branch offices have been opened or closed since the previous evaluation. Two cash-only ATMs were opened and two cash-only ATMs were closed, all in middle-income geographies.

Branch hours vary by location, but are typically open between 8:00 a.m. and 5:00 p.m., Monday through Thursday and 8:00 a.m. and 6:00 p.m. on Friday, with extended drive-up hours. A few locations also provide drive-through services between 9:00 a.m. and 12:00 p.m. on Saturdays. Business hours and banking services are reasonable and do not vary in a way that inconveniences low- and moderate-income individuals or moderate-income geographies. All loan products are available via walk-in service or by appointment. Alternative delivery systems include ATMs, internet banking, call center telephone and chat options, and bank by phone services, available 24 hours a day for balance inquiry, account transfers, and bill pay.

Community Development Services

Citizens Bank provides a limited level of community development services in the assessment area as employees participated in two qualified services totaling 18 hours during the review

period. Employees were involved with the American Bankers Association “Get Smart About Credit” program, providing financial education to children at schools located in moderate-income census tracts. Please refer to the table in the State of Wisconsin section for detailed information on the community development purpose supported by the qualifying services.

NONMETROPOLITAN STATEWIDE AREAS (Full Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE SOUTH WISCONSIN NON-METROPOLITAN AREA

Citizens' operations in the South Wisconsin assessment area are managed through 11 branch offices and augmented by two automated teller machines. As of June 30, 2010, Citizens Bank maintained 4.0 percent market share of FDIC-insured deposits, ranking 6th of 48 FDIC-insured institutions within the assessment area. By comparison, the top three institutions by market share were: First Banking Center, 8.0 percent; Anchor Bank FSB, 5.5 percent; and Peoples State Bank, 5.4 percent.

The South Wisconsin assessment area consists of 65 census tracts throughout Crawford, Grant, Green, Jefferson, Lafayette, and Walworth Counties. All are non-metropolitan counties located in the southern portion of Wisconsin. This assessment area is comprised primarily of agricultural and tourist communities. The largest communities include Darlington, Elkhorn, Jefferson, Landcaster, Monroe and Prairie du Chien. Lafayette County has five middle-income census tracts that were designated as being underserved in 2008, 2009 and 2010 per FFIEC: 9701.00, 9702.00 9703.00 9704.00 and 9705.00.

Select demographic information for the South Wisconsin assessment area is provided in the following table.

Assessment Area Demographics								
Income Categories	Tract Distribution		Number of Families in Tract		Families Below Poverty Level as % of Families by Tract		Number of Families Based on Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	10,269	13.8
Moderate-income	1	1.5	830	1.1	98	11.8	13,046	17.6
Middle-income	48	73.9	53,114	71.6	2,845	5.4	18,964	25.6
Upper-income	16	24.6	20,203	27.3	552	2.7	31,868	43.0
TOTALS	65	100.0	74,147	100.0	3,495	4.7	74,147	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	1,476	915	1.2	62.0	257	17.4	304	20.6
Middle-income	87,767	54,253	70.3	61.8	24,824	28.3	8,690	9.9
Upper-income	33,604	21,959	28.5	65.3	5,084	15.1	6,561	19.5
TOTALS	122,847	77,127	100.0	62.8	30,165	24.6	15,555	12.7
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Under \$1 million		Over \$1 million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	205	1.4	192	1.4	6	0.7	7	0.9
Middle-income	11,383	75.0	10,116	74.8	620	73.9	647	80.8
Upper-income	3,585	23.6	3,225	23.8	213	25.4	147	18.4
TOTALS	15,173	100.0	13,533	100.0	839	100.0	801	100.0
Percentage of Total Businesses			89.2		5.5		5.3	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Under \$1 million		Over \$1 million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	60	2.5	59	2.5	1	4.2	0	0.0
Middle-income	1,820	76.2	1,798	76.1	19	79.2	3	100.0
Upper-income	510	21.3	506	21.4	4	16.7	0	0.0
TOTALS	2,390	100.0	2,363	100.0	24	100.0	3	100.0
Percentage of Total Farms			98.9		1.0		0.1	
<i>Source: 2000 Census & 2009 Dunn & Bradstreet information. Percentages may not total to 100.0 percent due to rounding.</i>								

Population Characteristics

As presented in the following table, the total estimated population for the South Wisconsin assessment area increased by 5.1 percent. The largest counties by population that have experienced significant growth include Green, Jefferson, and Walworth Counties but Crawford and Grant Counties have had slight loss in population. The state of Wisconsin experienced a modest increase of 5.4 percent in the population since the 2000 Census.

Population Changes 2000 Census vs. 2009 Estimates			
Area	2000 Census	2009 Estimates	Percentage Change
Crawford County	17,243	16,731	-3.0
Grant County	49,597	48,965	-1.3
Green County	33,647	36,110	7.3
Jefferson County	74,021	80,833	9.2
Lafayette County	16,137	15,737	-2.5
Walworth County	93,759	100,593	7.3
South Wisconsin	284,404	298,969	5.1
State of Wisconsin	5,363,675	5,654,774	5.4
<i>Source: U.S. Census Bureau</i>			

Income Characteristics

The following table presents the median family incomes for the South Wisconsin assessment area and the state of Wisconsin, based on 2000 Census Data and 2009 HUD-adjusted estimates. The assessment area median family income was slightly below that of the State of Wisconsin. While the assessment areas as a whole had a lower median family income, Walworth and Jefferson Counties were slightly above the state. All counties within the assessment area saw significant increases in median family incomes comparable to the state between 2000 and 2009.

Median Family Income Changes 2000 Census vs. 2009 HUD Estimates			
Area	2000 Census	2009 Estimates	Percentage Change
Crawford County	41,540	52,100	25.4
Grant County	43,428	56,500	30.1
Green County	50,521	64,700	28.1
Jefferson County	53,953	67,500	25.1
Lafayette County	44,326	55,600	25.4
Walworth County	55,310	69,500	25.7
South Wisconsin	50,631	N/A	N/A
State of Wisconsin	52,911	66,300	25.3
<i>Source: U.S. Department of Housing and Urban Development</i>			

Bankruptcy filing rates, though fairly low, have trended upwards for almost all counties in the assessment area. Walworth County, with a rate of 5.67 bankruptcies per 1,000 in population in 2010 was the highest of the counties in the assessment area, per the Administrative Office of the U.S. Courts. Walworth County ranked the 9th highest of 72 counties in the state. Overall, the assessment area's rankings ranged between the 9th to the 69th of 72 counties in the state.

Housing Characteristics

The following table presents housing costs in the assessment area by each county compared to the State of Wisconsin. The affordability ratios show that housing is generally more affordable

in the majority of counties when compared to the State of Wisconsin. The Median Gross Rent is less than the Fair Market Rent, which is considered an affordable rent.

Home sales and prices have varied significantly over the past several years, according to the website www.city-data.com. Both home sales and prices have followed a pattern similar to that nationwide for all the counties in the assessment area, with the exception of Lafayette County whose prices and sales have been highest during the period from 2009 and 2010.

Foreclosure rates in the assessment area varied significantly from a high of one in every 512 homes (Walworth County) to a low of one in 1,437 homes (Lafayette County) as of April 2011, according to the website www.realtytrac.com. The state of Wisconsin has a foreclosure rate of one in every 627 units in the state.

Housing Costs				
Area	Median Housing Value	Median Gross Rent	Fair Market Rent*	Affordability Ratio
Crawford County	77,100	394	588	.44
Grant County	80,000	395	588	.45
Green County	102,700	464	609	.42
Jefferson County	123,600	564	776	.37
Lafayette County	79,900	404	588	.46
Walworth County	128,800	588	795	.35
South Wisconsin	109,153	518	N/A	.38
State of Wisconsin	109,900	540	N/A	.39

*2000 United States Census Data;
Department of Housing and Urban Development

Labor and Employment

According to the 2009 County Workforce Profile, the top employers in the South Wisconsin assessment area are in the areas of mail-order retailers, hospitals, and education. The assessment area offers a wide range of employers. The following table lists some of the area's top employers.

Largest Employers in the Assessment Area		
Company	# Employed	Industry
Cabela's Wholesale	1,000+	Mail-Order Retailers
Swiss Colony Inc.	1,000+	Mail-Order Retailers
Monroe Clinic	1,000+	General Medical & Surgical Hospitals
University of Wisconsin-Whitewater	1,000+	College, University, Professional Schools
University of Wisconsin-Platteville	500-999	College, University, Professional Schools
3M Company	500-999	Abrasive Product Manufacturing
S C Data Center Inc	500-999	Data Processing, Hosting
Fort Healthcare Inc	500-999	General Medical & Surgical Hospitals
Trek Bicycle Corporation	500-999	Motorcycle, Bicycle, & Parts Manufacturing

Source: Crawford, Grant, Green, Jefferson, Lafayette, & Walworth County Workforce Profile 2009

Unemployment

The unemployment rates for the counties in the assessment area have increased significantly over the two-year period included in the following table. The majority are near that for the state. Per the 2009 County Workforce Profiles, the higher unemployment rates are due to the decline in construction, manufacturing, and leisure & hospitality jobs in the area.

Three representatives in the areas of economic development, agriculture, and community development were contacted for this assessment area. One representative reported that the agricultural sector is experiencing difficulties. Another representative cited affordable housing as the biggest credit need. Contacts cited small business and small farm credit as the major credit need in the assessment area. There are concerns with limited SBA approved lenders in the assessment area and lenders are tightening their credit standards. There is also a need for credit repair counseling services.

Unemployment Statistics			
Area	2010 (%)	2009 (%)	2008 (%)
Crawford County	9.0	10.0	6.0
Grant County	7.0	8.0	5.0
Green County	8.0	9.0	5.0
Jefferson County	9.0	9.0	5.0
Lafayette County	7.0	7.0	4.0
Walworth County	9.0	9.0	5.0
State of Wisconsin	7.0	8.7	4.8
US	9.0	9.3	5.8

Source: United States Department of Labor – Bureau of Labor Statistics

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NON-METROPOLITAN SOUTH, WI ASSESSMENT AREA

LENDING TEST

Performance under the lending test in the assessment area was adequate. The geographic distribution of the bank’s loans reflects adequate dispersion based on the bank’s record of making loans to small businesses in geographies of different income level. Citizens’ distribution of loans reflects good penetration among customers of different incomes and businesses and farms of different sizes based on the bank’s distribution of small business loans. Citizens made few, if any, community development loans in this assessment area.

Geographic Distribution

The geographic distribution of home mortgage, small business, and small farm loans reflects adequate penetration throughout the assessment area.

Home Mortgage Lending

Citizens Bank made 52 HMDA-reportable home mortgage loans in 2009. Of these loans, 35 were refinances and they were divided between middle-income (56.3 percent) and upper-income geographies at 56.3 percent of loans and 43.8 percent of loans, respectively. Overall, Citizens made the majority of its home mortgage loans in middle-income geographies (67.3 percent) and upper-income geographies (30.8 percent); it made one loan to a borrower from the only moderate-income geography in the assessment area. There are no low-income geographies in this assessment area. Given the limited presence of LMI geographies more weight has been accorded to the distribution of loans among borrowers of different incomes and businesses and farms of different sizes. Citizens

In 2008, the bank did not originate any loans in moderate-income geographies. The minimal number of moderate-income geographies as well as the minimal number of owner-occupied housing units located in these geographies contributed to the lack of loans originated.

Home Mortgage Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Owner- Occupied Housing
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	1	10.0	34	2.8	0.3	0.1	1.2
Middle	8	80.0	945	78.8	68.1	58.7	70.3
Upper	1	10.0	220	18.3	31.6	41.2	28.5
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	10	100.0	1,199	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	0	0.0	0	0.0	0.3	0.2	1.2
Middle	18	56.3	1,749	46.5	61.3	54.8	70.3
Upper	14	43.8	2,009	53.5	38.4	44.9	28.5
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	32	100.0	3,758	100.0	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	0	0.0	0	0.0	0.5	0.1	1.2
Middle	9	90.0	59	38.3	71.4	59.5	70.3
Upper	1	10.0	95	61.7	28.1	40.4	28.5
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	10	100.0	154	100.0	100.0	100.0	100.0
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	0	0.0	0	0.0	2.7	0.2	1.2
Middle	0	0.0	0	0.0	81.1	91.8	70.3
Upper	0	0.0	0	0.0	16.2	8.0	28.5
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	0	0.0	0	0.0	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	1	1.9	34	0.7	0.3	0.2	1.2
Middle	35	67.3	2,753	53.9	63.0	55.9	70.3
Upper	16	30.8	2,324	45.5	36.7	43.9	28.5
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	52	100.0	5,111	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Small Business Lending

Citizens Bank achieved adequate dispersion of small business loans throughout its assessment area. The majority of the bank's small business lending took place in the middle-income

geographies of the assessment area, which is consistent with both the percentage of loans originated by the aggregated lenders and the percentage of businesses located in the middle-income geographies of the assessment area.

Small Business Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Businesses by Census Tract Income Level
	#	%	\$	%	# %	\$ %	%
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	0	0.0	0	0.0	0.7	0.7	1.4
Middle	39	92.9	2,415	82.0	66.4	66.5	75.0
Upper	3	7.1	530	18.0	29.1	31.8	23.6
Tract Unknown	0	0.0	0	0.0	3.8	1.1	0.0
Total	42	100.0	2,945	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Small Farm Lending

Citizens Bank achieved adequate dispersion of small farm loans throughout its assessment area. The bank did not originate any loans in moderate-income geographies in 2008 or 2009. The majority of the bank's small farm lending took place in the middle-income geographies of the assessment area, which is consistent with both the percentage of loans originated by the aggregated lenders and the percentage of farms located in the middle-income geographies of the assessment area.

Small Farm Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Farms by Census Tract Income Level
	#	%	\$	%	# %	\$ %	%
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	0	0.0	0	0.0	0.4	0.5	2.5
Middle	37	94.9	2,154	94.1	83.3	81.5	76.2
Upper	2	5.1	136	5.9	15.4	17.9	21.3
Tract Unknown	0	0.0	0	0.0	0.9	0.1	0.0
Total	39	100.0	2,290	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Distribution by Borrower Income and Revenue Size of the Business

The distribution of borrowers reflects good penetration among customers of different income levels and businesses and farms of different sizes based on the bank's record of lending to small businesses and small farms. Citizens Bank exhibits a good record of serving the credit needs of low-income individuals and areas and very small businesses and farms.

Home Mortgage Lending

Citizens originated the largest portion of its home mortgage loans to middle-income individuals, 32.7 percent of its lending by number. The bank's performance was consistent by HMDA product.

The following table presents the number, dollar volume and percentages of loans originated by the bank to individuals by income level in comparison to the lending record of the aggregated lenders and percentages of families by income level. The percentage of loans to low- and moderate-income individuals was above that of the aggregated lenders and the percentage of families classified as moderate-income in the assessment area. Performance was below the percentage of families classified as low-income in the assessment area.

Home Mortgage Lending, 2009 Borrower Distribution (000's)							
Income Level of the Borrower	Bank Loans				Aggregate of All Lenders		Families by Income Level
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	1	10.0	34	2.8	7.5	3.8	13.8
Moderate	2	20.0	197	16.4	19.5	13.8	17.6
Middle	4	40.0	434	36.2	26.3	24.0	25.6
Upper	3	30.0	534	44.5	33.3	46.2	43.0
Unknown	0	0.0	0	0.0	13.3	12.2	0.0
Total	10	100.0	1,199	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	1	3.1	29	0.8	3.9	2.1	
Moderate	8	25.0	498	13.3	13.1	8.9	
Middle	12	37.5	1,196	31.8	24.0	19.6	
Upper	10	31.3	1,635	43.5	45.3	54.8	
Unknown	1	3.1	400	10.6	13.6	14.6	
Total	32	100.0	3,758	100.0	100.0	100.0	
Home Improvement Loans							
Low	2	20.0	7	4.5	5.3	2.7	
Moderate	6	60.0	40	26.0	16.2	11.9	
Middle	1	10.0	12	7.8	29.8	26.6	
Upper	1	10.0	95	61.7	45.4	54.8	
Unknown	0	0.0	0	0.0	3.3	4.0	
Total	10	100.0	154	100.0	100.0	100.0	
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	0	0.0	0	0.0	0.0	0.0	
Middle	0	0.0	0	0.0	0.0	0.0	
Upper	0	0.0	0	0.0	0.0	0.0	
Unknown	0	0.0	0	0.0	100.0	100.0	
Total	0	0.0	0	0.0	100.0	100.0	
Total Home Mortgage Loans							
Low	4	7.7	70	1.4	4.6	2.3	
Moderate	16	30.8	735	14.4	14.3	9.6	
Middle	17	32.7	1,642	32.1	24.6	20.3	
Upper	14	26.9	2,264	44.3	43.2	52.9	
Unknown	1	1.9	400	7.8	13.3	14.9	
Total	52	100.0	5,111	100.0	100.0	100.0	
<i>Percentages may not total to 100.0 percent due to rounding.</i>							

Small Business Lending

The borrower distribution of small business loans reflects good penetration among businesses of different sizes. The following table presents the bank's small business lending by revenue

size and loan amount in comparison to the percentages of loans originated by the aggregated lenders and the percentages of businesses by annual revenue levels.

In 2009, the bank originated 42 loans to small businesses; 76.2 percent of the loans were made to businesses with revenues of \$1 million or less and 80.9 percent were in amounts at origination of \$100,000 or less. The bank's record was consistent with the presence of small businesses in the assessment area. Citizens' record of making loans to small businesses in 2009 was consistent with its performance in 2008.

Small Business Loan Distribution, 2009 By Revenue and Loan Size (000's)							
Category	Bank Loans				Aggregate of All Lenders		Businesses By Annual Revenues
	#	%	\$	%	# %	\$ %	# %
By Revenue							
\$1 Million or Less	32	76.2	2,045	69.4	27.1	36.9	89.2
Over \$1 Million	8	19.0	864	29.3	*	*	5.5
Not Known	2	4.8	36	1.2	*	*	5.3
Total	42	100.0	2,945	100.0	*	*	100.0
By Loan Size							
\$100,000 or less	34	80.9	1,502	51.0	91.8	28.5	
\$100,000 - \$250,000	7	16.7	1,150	39.1	4.2	18.5	
\$250,000 - \$1 Million	1	2.4	293	9.9	4.0	53.0	
Total	42	100.0	2,945	100.0	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	27	84.4	1,245	60.9	*	*	
\$100,000 - \$250,000	5	15.6	800	39.1	*	*	
\$250,000 - \$1 Million	0	0.0	0	0.0	*	*	
Total	32	100.0	2,045	100.0	*	*	
* Data Unavailable				Percentages may not total to 100.0 percent due to rounding.			

Small Farm Lending

The distribution of loans reflects good penetration among farms of different sizes. The bank's performance exceeded that of aggregated lending. The bank's small farm loan originations for \$100,000 or less exceeded aggregated lending by comparison. Small farm lending performance in 2009 was consistent with 2008 performance.

Small Farm Loan Distribution, 2009 By Revenue and Loan Size (000's)							
Category	Bank Loans				Aggregate of All Lenders		Farms By Annual Revenues
	#	%	\$	%	# %	\$ %	# %
By Revenue							
\$1 Million or Less	38	97.4	2,280	99.6	76.8	66.2	98.9
Over \$1 Million	1	2.6	10	0.4	*	*	1.0
Not Known	0	0.0	0	0.0	*	*	0.1
Total	39	100.0	2,290	100.0	*	*	100.0
By Loan Size							
\$100,000 or less	33	84.6	1,345	58.7	73.7	28.9	
\$100,000 - \$250,000	6	15.4	945	41.3	19.2	39.6	
\$250,000 - \$500,000	0	0.0	0	0.0	7.2	31.5	
Total	39	100.0	2,290	100.0	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	32	84.2	1,335	58.6	*	*	
\$100,000 - \$250,000	6	15.8	945	41.4	*	*	
\$250,000 - \$500,000	0	0.0	0	0.0	*	*	
Total	38	100.0	2,280	100.0	*	*	
* Data Unavailable							
Percentages may not total to 100.0 percent due to rounding.							

Community Development Loans

Citizens Bank made few, if any, community development loans in the assessment area as no community development loans were originated during the review period.

INVESTMENT TEST

Citizens Bank made an adequate level of qualified investments in the Non-metropolitan South assessment area during the review period. Citizens rarely participated in a leadership position. Additionally, the bank makes rare use of innovative and/or complex investments to support community development initiatives and exhibits adequate responsiveness to credit and community development needs.

The bank funded qualifying investments totaling \$394,841 in this assessment area during this review period. The investments were MBS pools with three underlying loans that benefitted low- and moderate-income individuals in the non-metropolitan assessment area. There were no qualified donations or other investments made during the review period. The lack of donations resulted from the charitable foundation trust being closed, which was a source for donations in this assessment area during prior review period.

SERVICE TEST

Performance relative to the service test is poor. Retail services are reasonably accessible to essentially all portions of the assessment area and changes in the branch and ATM network did not adversely affect the accessibility of its delivery systems. The bank provides reasonable business hours that do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and individuals. Employees provided no community development services in this assessment area.

Retail Services

The assessment area consists of 65 geographies, including no low- and one (1.5 percent) moderate-income geography. The bank operates 11 branch offices in the assessment area, all in middle- and upper-income geographies. The majority of branch offices are equipped with a cash-only ATM. There are a total of 13 ATMs, four full-service and nine cash only, throughout the assessment area, all in middle- and upper-income geographies. The bank's lack of branch offices and ATMs in moderate-income geographies is considered reasonable given the lack of moderate-income geographies and the percentage of families (1.1 percent) that reside within these geographies. All branch offices are reasonably accessible to the portions of the assessment area where they are located. The bank's record of opening and closing branch offices and ATMs has not adversely affected the accessibility of delivery systems, particularly to low- and moderate-income individuals and moderate-income geographies. One branch office was closed in a middle-income geography and no branch offices were opened. No ATMs have been opened or closed since the previous evaluation.

Branch hours vary by location, but are typically open between 8:30 a.m. and 5:00 p.m., Monday through Friday, with extended drive-up hours. A few locations also provide drive-through services between 9:00 a.m. and noon on Saturdays. Business hours and banking services are reasonable and do not vary in a way that inconveniences low- and moderate-income individuals or moderate-income geographies. All loan products are available via walk-in service or by appointment. Alternative delivery systems include ATMs, internet banking, call center telephone and chat options, and bank by phone services, available 24 hours a day for balance inquiry, account transfers, and bill pay.

Community Development Services

Citizens Bank did not provide any qualifying community development services in this assessment area during the review period.

NONMETROPOLITAN STATEWIDE AREAS (*Limited Review*)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE POLK COUNTY WISCONSIN NON-METROPOLITAN AREA

Citizens' operations in the Polk County Wisconsin assessment area are managed through one branch. As of June 30, 2010, Citizens Bank maintained a 3.0 percent market share of FDIC-insured deposits ranking 6th of nine FDIC-insured institutions within Polk County. By comparison, the top three institutions by market share were: Riverbank, 42.0 percent; Bremer Bank National Assn., 24.0 percent; and Eagle Valley Bank NA, 13.2 percent.

The Polk County Wisconsin assessment area consists of 10 census tracts throughout Polk County. None of the middle-income census tracts are designated as either distressed or underserved.

Assessment Area Demographics								
Income Categories	Tract Distribution		Number of Families in Tract		Families Below Poverty Level as % of Families by Tract		Number of Families Based on Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	1,722	15.1
Moderate-income	0	0.0	0	0.0	0	0.0	2,202	19.3
Middle-income	9	90.0	10,017	87.6	487	4.9	2,839	24.8
Upper-income	1	10.0	1,412	12.4	37	2.6	4,666	40.8
TOTALS	10	100.0	11,429	100.0	524	4.6	11,429	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	0	0	0.0	0.0	0	0.0	0	0.0
Middle-income	18,644	11,366	87.3	61.0	3,068	16.5	4,210	22.6
Upper-income	2,485	1,659	12.7	66.8	161	6.5	665	26.8
TOTALS	21,129	13,025	100.0	61.6	3,229	15.3	4,875	23.1
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Under \$1 million		Over \$1 million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	2,742	90.5	2,516	90.0	126	98.4	100	96.2
Upper-income	287	9.5	281	10.0	2	1.6	4	3.8
TOTALS	3,029	100.0	2,797	100.0	128	100.0	104	100.0
Percentage of Total Businesses			92.3		4.2		3.4	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Under \$1 million		Over \$1 million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	281	85.2	279	85.6	2	66.7	1	100.0
Upper-income	49	14.8	47	14.4	1	33.3	0	0.0
TOTALS	330	100.0	326	100.0	3	100.0	1	100.0
Percentage of Total Farms			98.8		0.9		0.3	
<i>Source: 2000 Census & 2009 Dunn & Bradstreet information. Percentages may not total to 100.0 percent due to rounding.</i>								

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NON-METROPOLITAN POLK COUNTY, WISCONSIN ASSESSMENT AREA

LENDING TEST

Citizens' lending performance in the assessment area was below the bank's lending performance in the State of Wisconsin; however, it does not change the rating for the state.

Geographic Distribution

The bank made very few loans in this assessment area during the review period. Specifically, Citizens made five home mortgage loans, 13 small business loans and six small farm loans. All loans were originated from middle-income geographies in 2009. Nine of the 10 geographies in the assessment area are middle-income.

Distribution by Borrower Income and Revenue Size of the Business

The bank's lending distribution by borrower income and business size was not evaluated due to the low number of home mortgage and small business originations.

Community Development Lending Activities

Citizens did not make any community development loans during in this assessment area during this review period.

INVESTMENT TEST

Citizens' investment performance in this assessment area was consistent with the bank's investment performance in the State of Wisconsin. The bank funded \$96,368 in MBSs during this review period. There were no other qualifying investments or donations for this review period.

SERVICE TEST

Citizens' service performance in this assessment area was consistent with the bank's service performance in the State of Wisconsin.

Retail Services

The bank's delivery systems are accessible to essentially all portions of the bank's assessment area. The bank did not open or close any branch offices in this assessment area. Services do not vary in a way that inconveniences any portion of the assessment area.

Community Development Services

No community development services were provided in this assessment area during the review period.

OHIO

CRA RATING FOR OHIO: Satisfactory

The Lending Test is rated: High Satisfactory

The Investment Test is rated: High-Satisfactory

The Service Test is rated: Low-Satisfactory

The Lending Test rating is supported by adequate distribution of loans throughout the assessment area, an adequate distribution of loans among businesses of different sizes, and a relatively high level of community development loans.

The Investment Test rating is supported by a significant level of qualified investments, donations, and grants during the review period. Citizens rarely participated in a leadership position. Additionally, the bank makes rare use of innovative and/or complex investments to support community development initiatives and exhibits good responsiveness to credit and community development needs of the State of Ohio.

The Service Test rating is supported by retail services being reasonably accessible to essentially all portions of the assessment area and changes in the branch and ATM network improved the accessibility of the bank's delivery systems in the State of Ohio. The bank also provides reasonable business hours that do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and individuals. The bank provides an adequate level of community development services in the State of Ohio.

SCOPE OF EXAMINATION

Full review procedures were used to evaluate the Cleveland assessment area. Limited review procedures were used to evaluate the Akron assessment area. The scope of this section of the examination was consistent with the overall scope of the examination described in the institution summary.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN OHIO

Citizens Bank maintains operations in two assessment areas in the State of Ohio, the Cleveland MSA assessment area and the Akron MSA assessment area. The bank operates 14 branch offices and 14 ATMs throughout the state. As of June 30, 2010, Citizens Bank maintained a 0.17 percent market share of FDIC-insured deposits, ranking 45th of the 268 FDIC-insured financial institutions with at least one branch office in the state. By comparison, the top three institutions by market share were: Fifth Third Bank (13.5 percent), PNC Bank N.A. (11.31 percent), and Huntington National Bank (11.2 percent).

Details about each assessment area appear in the individual assessment area sections.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN OHIO

Lending Test

Citizens Bank's performance relative to the Lending Test in the State of Ohio is rated high-satisfactory based on adequate distribution of loans throughout the assessment area, good distribution of loans among businesses of different sizes, and a relatively high level of community development loans.

Geographic Distribution of Loans

Citizens Bank's geographic distribution of loans in the State of Ohio reflects adequate penetration throughout the assessment area, including low- and moderate-income geographies. The Cleveland assessment area was the basis for the rating as it was the only full review assessment area in the state. Performance in the Cleveland assessment area was adequate. Geographic distribution in the State of Ohio was poor during the previous evaluation.

Lending to Borrowers of Different Income Levels and to Businesses and Farms of Different Sizes

The distribution of borrowers reflects good penetration customers of different incomes and businesses of different sizes based on the bank's record of making loans to small businesses.

Community Development Lending Activities

Citizens Bank made a relatively high level of community development loans in the State of Ohio during the review period.

Community development lending performance increased from the previous evaluation where the bank originated one qualifying loan totaling \$977,500 in the Cleveland assessment area.

Ohio Qualified Community Development Loans January 1, 2008 – October 31, 2010											
Assessment Area	Affordable Housing		Economic Development		Revitalization and Stabilization		Community Services		Total		
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	**	\$ (000's)	% of Total \$
Full Review:											
Cleveland	3	4,155	1	5,580	2	4,080	0	0	4	13,815	100.0
Limited Review:											
Akron	0	0	0	0	0	0	0	0	0	0	0
Total	3	4,155	1	5,580	2	4,080	0	0	4	13,815	100.00

*Some loans benefit multiple areas of community development and are given credit in each area; therefore, the individual totals may be higher than the total number of loans for each area.

INVESTMENT TEST

Citizens Bank’s performance relative to the Investment Test in the State of Ohio is rated high satisfactory based on a significant level of qualified investments, donations, and grants during the review period. Citizens participates in community development activities, but rarely does so in a leadership position. Additionally, the bank makes rare use of innovative and/or complex investments to support community development initiatives and exhibits good responsiveness to credit and community development needs of the State of Ohio.

Qualified investments totaled \$5.5 million in the State of Ohio for this review period. This total includes \$97,900 from outside the bank’s Ohio assessment areas. The majority of the qualifying investments were mortgage-backed securities (MBS), with 53 underlying loans. MBS activity increased from the previous evaluation where the bank had qualifying investments totaling \$1.4 million. The bank also made four qualified donations totaling \$13,000 during the review period. The majority of the donations were to organizations that provide community services and affordable housing to low- and moderate-income individuals in the assessment area. Donation activity increased from the previous evaluation where the bank made did not make any qualifying donations.

SERVICE TEST

Citizens Bank’s performance relative to the Service Test in the State of Ohio is rated low-satisfactory based on retail services being reasonably accessible to essentially all portions of the assessment area and changes in the branch and ATM network improved the accessibility of the bank’s delivery systems in the State of Ohio. The bank also provides reasonable business hours that do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and individuals. The bank provides an adequate level of community development services in the State of Ohio.

Retail Services

Retail services are reasonably accessible to essentially all portions of the assessment area and changes in the branch and ATM network improved the accessibility of the bank’s delivery systems in the State of Ohio. During the period under review, one branch office was opened in a moderate-income geography and one branch office was closed in an upper-income geography. In addition, one full-service ATM was opened at the new branch office located in a moderate-income geography. The bank provides reasonable business hours that do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and individuals.

Performance in the Cleveland assessment area was adequate. Retail services were also considered adequate during the previous evaluation.

Ohio Branch Locations by Census Tract Income Level												
Assessment Area	Low Income		Moderate Income		Low- and Moderate-Income Total		Middle Income		Upper Income		Total	
	#	%	#	%	#	%	#	%	#	%	#	% of Total
Full Review:												
Cleveland	0	0.0	1	8.3	1	8.3	6	50.0	5	41.7	12	85.7
Limited Review:												
Akron	0	0.0	0	0.0	0	0.0	0	0.0	2	100.0	2	14.3
Total	0	0.0	1	8.3	1	8.3	6	50.0	7	50.0	14	100.0

Community Development Services

The bank provides an adequate level of community development services in the State of Ohio. The majority of qualifying services were to organizations that provide community services and affordable housing to low- and moderate-income individuals in the State of Ohio. Performance in the Cleveland assessment area was adequate. Service activity increased from the previous evaluation where the bank had 90 qualifying service hours in the Cleveland assessment area.

Ohio Qualified Community Development Services January 1, 2008 – October 31, 2010											
Assessment Area	Affordable Housing		Economic Development		Revitalization and Stabilization		Community Services		Total		
	#	Hours	#	Hours	#	Hours	#	Hours	**	Hours	% of Total Hours
Full Review:											
Cleveland	3	21	1	60	0	0	5	169	9	250	58.8
Limited Review:											
Akron	0	0	0	0	0	0	5	175	5	175	41.2
	3	21	1	60	0	0	10	344	14	425	100.00
*Some services benefit multiple areas of community development and are given credit in each area; therefore, the individual totals may be higher than the total number of services for each area.											

METROPOLITAN AREAS (Full Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE CLEVELAND-ELYRIA-MENTOR, OH STATISTICAL AREA (MSA)

Citizens' operations in the Cleveland, OH MSA assessment area are managed through 12 branch offices. As of June 30th, 2010, Citizens Bank maintained a 0.7 percent market share of the FDIC-insured deposits, ranking 14th of the 39 FDIC-insured financial institutions with at least one branch office in the Cleveland MSA. By comparison, the top three institutions by market share were: KeyBank National Assn., 23.1 percent; Third FS&LA of Cleveland, 12.2 percent; and RBS Citizens National Assn., 12.0 percent.

The Cleveland MSA assessment area consists of 620 census tracts throughout Cuyahoga, Lake, Geauga, and Medina counties in northern Ohio. The Cleveland MSA also includes Lorain County, which is excluded from the bank's assessment area. The largest city in this assessment area is the city of Cleveland which is located in Cuyahoga County. Other large communities in the assessment area include Mediava, Mentor and Painesville.

Select demographic information for the Cleveland MSA assessment area is provided in the following table.

Assessment Area Demographics								
Income Categories	Tract Distribution		Number of Families in Tract		Families Below Poverty Level as % of Families by Tract		Number of Families Based on Family Income	
	#	%	#	%	#	%	#	%
Low-income	108	17.4	46,721	9.6	16,988	36.4	99,258	20.4
Moderate-income	120	19.3	70,542	14.5	11,258	16.0	86,459	17.8
Middle-income	230	37.1	208,208	42.8	9,602	4.6	106,363	21.9
Upper-income	153	24.7	160,853	33.1	3,073	1.9	194,244	39.9
Unknown income	9	1.5	0	0.0	0	0.0	0	0.0
TOTALS	620	100.0	486,324	100.0	40,921	8.4	486,324	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	91,597	27,228	5.4	29.7	50,298	54.9	14,071	15.4
Moderate-income	138,967	57,999	11.5	41.7	67,258	48.4	13,710	9.9
Middle-income	341,745	233,418	46.5	68.3	92,493	27.1	15,834	4.6
Upper-income	227,640	183,761	36.6	80.7	34,858	15.3	9,021	4.0
Unknown income	39	0	0.0	0.0	16	41.0	23	59.0
TOTALS	799,988	502,406	100.0	62.8	244,923	30.6	52,659	6.6
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Under \$1 million		Over \$1 million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	5,782	4,765	6.9	557	9.4	460	9.8	
Moderate-income	10,969	9,098	13.1	1,018	17.1	853	18.1	
Middle-income	30,690	26,852	38.7	2,116	35.5	1,722	36.5	
Upper-income	32,219	28,417	40.9	2,164	36.3	1,638	34.7	
Unknown income	470	328	0.5	99	1.7	43	0.9	
TOTALS	80,130	69,460	100.0	5,954	100.0	4,716	100.0	
	Percentage of Total Businesses			86.7		7.4		5.9

Source: 2000 Census & 2009 Dunn & Bradstreet information.
Percentages may not round to 100.0 percent due to rounding.

Population Characteristics

As presented in the following table, the total estimated population for the Cleveland MSA increased by 1.7 percent since 2000. Geauga, Lake, and Medina counties saw increases in their population while Cuyahoga County had a drastic decrease of 8.5 percent. The largest city within the assessment area is Cleveland, with a population of 1,785,579, which is a -4.2 change from 2000. Cleveland has experienced high unemployment and foreclosure rates, resulting in outmigration.

Population Changes 2000 Census vs. 2009 Estimates			
Area	2000 Census	2009 Estimates	Percentage Change
Cuyahoga County	1,393,978	1,275,709	-8.5
Geauga County	90,895	99,060	9.0
Lake County	227,511	236,775	4.1
Medina County	151,095	174,035	15.2
Cleveland MSA	1,863,479	1,785,579	-4.2
State of Ohio	11,353,140	11,542,645	1.7

Source: U.S. Census Bureau

Income Characteristics

The following table presents the median family incomes for the Cleveland MSA and the state of Ohio, based on 2000 Census data and 2009 HUD-adjusted estimates. Both the MSA and state saw a comparable increase in median family incomes between 2000 and 2009.

Median Family Income Changes 2000 Census vs. 2009 HUD Estimates			
Area	2000 Census	2009 Estimates	Percentage Change
Cuyahoga County	49,559	64,800	30.8
Geauga County	67,427	64,800	-3.9
Lake County	57,134	64,800	13.4
Medina County	62,489	64,800	3.7
Cleveland MSA	52,660	64,800	23.1
State of Ohio	50,037	61,400	22.7

Source: U.S. Department of Housing and Urban Development

Bankruptcy filing rates, though fairly low, have been on the rise over the past four years. Cuyahoga County, with a rate of 6.9 bankruptcies per 1,000 in population in 2010, was the highest of the counties in the assessment area, per the Administrative Office of the U.S. Courts. Brown County ranked 11th of 88 counties in the state. Geauga, Lake, and Medina counties had rates of 3.8, 6.2, and 6.6 per 1,000, respectively, ranking them 78th, 32nd, and 16th, respectively.

Housing Characteristics

The following table presents housing costs in the assessment area compared to the state of Ohio. The affordability ratios shown above support that housing is generally more expensive in the assessment area than in the state. The Median Gross Rent is less than the Fair Market Rent, which is an affordable rent.

Housing Costs				
Location	Median Housing Value	Median Gross Rent	Fair Market Rent*	Affordability Ratio
Cuyahoga County	110,100	541	735	.35
Geauga County	179,000	592	735	.33
Lake County	125,400	623	735	.38
Medina County	145,500	625	735	.38
Cleveland MSA	118,246	548	735	.36
State of Ohio	100,500	515	N/A	.40
2000 United States Census Data;				
*Department of Housing and Urban Development				

Home sales and home prices have gradually declined in the assessment area over the past several years, according to the website www.city-data.com. Home sales were highest during the second and third quarters of 2008 at approximately 2,250 sales but declined significantly by the third quarter of 2010 to 1,000 homes sold. Per the City Data website, the median house value in 2009 was \$107,100 for the Cleveland assessment area, an increase from \$90,826 in 2000 while the Ohio state average was \$134,600.

Foreclosure rates in the assessment area are some of the highest in the state, with 1,308 homes in foreclosure as of April 2011, according to the website www.realtytrac.com. This represents a foreclosure rate of one in every 689 housing units in the assessment area. Cuyahoga County has the most foreclosures in the entire state with 987 properties. The state of Ohio has a foreclosure rate of one in every 640 housing units in the state.

Labor and Employment

According to Hoovers, the top three employers in the Cleveland MSA are in the areas of manufacturing and banking. The following table lists the area's largest employers. The assessment area offers a wide range of employers but manufacturing remains the largest single industry.

Largest Employers in the Assessment Area		
Company	# Employed	Industry
Eaton Corporation	70,000	Manufacturing
Parker Hannifin Corporation	54,800	Manufacturing
PNC Bank National Association	30,770	Banking
Officemax North America Inc.	30,000	Retail
University Hospitals Health System Inc.	30,000	Healthcare
The Sherwin-Williams Company	29,220	Manufacturing
Babcock & Wilcox Power Generation Group Inc.	10,996	Industrial Plant Construction
Sterling Jewelers	9,900	Jewelry
Veyance Technologies Inc.	9,000	Manufacturing
<i>Source: Hoovers.com</i>		

Unemployment

The assessment area's unemployment rates, presented in the table that follows, have been lower or near that of the state and national levels. Unemployment rates have been increasing over the past two years but are expected to decline in the future due to an increase of service, manufacturing, and construction jobs forecasted for 2010.

Unemployment Statistics			
Area	October 2010 (%)	2009 (%)	2008 (%)
Cuyahoga County	10.0	9.0	7.0
Geauga County	8.0	7.0	6.0
Lake County	8.0	8.0	6.0
Medina County	8.0	8.0	6.0
Cleveland MSA	8.6	8.8	6.7
State of Ohio	9.5	10.1	6.5
US	9.0	9.3	5.8
<i>Source: United States Department of Labor – Bureau of Labor Statistics</i>			
<i>*Preliminary</i>			

Three community representatives were interviewed and reported that banks' underwriting standards have become more stringent making it harder for businesses and residents in the assessment area to get credit. Many local residents are in the need for credit and foreclosure counseling, as well as other financial literacy services such as home-ownership classes.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CLEVELAND-ELYRIA-MENTOR, OH ASSESSMENT AREA

LENDING TEST

The geographic distribution of the bank's loans reflects adequate dispersion in the assessment area based on the bank's record of lending to small businesses in geographies of different income levels. The distribution of loans reflects adequate penetration among individuals of different incomes and businesses of different sizes based on the bank's record of making loans to small businesses. The bank made a relatively high level of community development loans in the assessment area.

Geographic Distribution

The geographic distribution of home mortgage and small business loans reflects adequate dispersion throughout the assessment area.

Home Mortgage Lending

Citizens Bank achieved adequate dispersion of its home mortgage loans throughout its assessment area. Citizens originated the majority of its home mortgage loans from upper-income geographies, 51.2 percent of its lending by number; refinances drove this outcome. Refinances represented 75.6 percent of the bank's home mortgage lending in 2009. The bank's performance in low- and moderate-income geographies exceeded the performance of the

aggregated lenders. The percentage of loans originated by the bank was below the percentage of owner-occupied housing units.

Home Mortgage Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Owner-Occupied Housing
	#	%	\$	%	#	%	%
Home Purchase Loans							
Low	0	0.0	0	0.0	2.1	1.5	5.4
Moderate	0	0.0	0	0.0	6.6	4.4	11.5
Middle	5	45.5	671	42.9	49.9	40.5	46.5
Upper	6	54.5	892	57.1	41.4	53.7	36.6
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	11	100.0	1,563	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	2	3.2	93	1.3	1.1	0.6	5.4
Moderate	5	8.1	410	5.5	4.5	2.7	11.5
Middle	21	33.9	2,053	27.6	39.9	31.2	46.5
Upper	34	54.8	4,881	65.6	54.5	65.5	36.6
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	62	100.0	7,437	100.0	100.0	100.0	100.0
Home Improvement Loans							
Low	2	25.0	12	11.0	6.4	3.4	5.4
Moderate	2	25.0	6	5.5	14.3	7.3	11.5
Middle	2	25.0	10	9.2	44.9	36.1	46.5
Upper	2	25.0	81	74.3	34.3	53.3	36.6
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	8	100.0	109	100.0	100.0	100.0	100.0
Multifamily Loans							
Low	0	0.0	0	0.0	11.9	11.0	5.4
Moderate	0	0.0	0	0.0	20.3	20.8	11.5
Middle	1	100.0	118	100.0	50.8	55.4	46.5
Upper	0	0.0	0	0.0	16.9	12.8	36.6
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	1	100.0	118	100.0	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	4	4.9	105	1.1	1.7	1.0	5.4
Moderate	7	8.5	416	4.5	5.7	3.5	11.5
Middle	29	35.4	2,852	30.9	43.9	34.7	46.5
Upper	42	51.2	5,854	63.4	48.8	60.9	36.6
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	82	100.0	9,227	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Small Business Lending

Citizens Bank achieved adequate dispersion of small business loans throughout its assessment area, including low- and moderate-income geographies within the assessment area. The percentage of small business loans originated in low- and moderate-income geographies was comparable to that of the aggregated lenders, while below the percentage of businesses located in low- and moderate-income census tracts. The majority of the bank's small business lending took place in the upper-income census tracts of the assessment area, exceeding both the percentage of loans made by the aggregated lenders and the percentage of businesses in these geographies. The bank's 2008 record of making loans to small businesses in geographies of different incomes was consistent with its performance in 2009.

Small Business Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Businesses by Census Tract Income Level
	#	%	\$	%	# %	\$ %	%
Low	3	5.3	400	3.5	5.4	6.2	7.2
Moderate	6	10.7	1,525	13.4	11.1	13.9	13.7
Middle	16	28.6	3,638	31.8	37.1	34.6	38.3
Upper	31	55.4	5,863	51.3	44.2	43.3	40.2
Unknown	0	0.0	0	0.0	0.7	1.2	0.6
Tract Unknown	0	0.0	0	0.0	1.5	0.7	0.0
Total	56	100.0	11,426	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Distribution by Borrower Income and Revenue Size of the Business

The distribution of loans reflects good penetration among customers of different income levels and businesses of different sizes based on the bank's record of making loans to small businesses. The bank's record of making home mortgage loans to borrowers of different income levels augmented and improved the bank's overall performance under this criterion, raising it from adequate to good. Citizens Bank exhibits a good record of serving the credit needs of low-income individuals and areas and very small businesses.

Home Mortgage Lending

The distribution of home mortgage loans reflects excellent penetration among individuals of different income levels. Citizens originated the largest portion of its home mortgage loans to upper-income individuals, 32.9 percent of its lending by number; refinances drove this outcome. Refinances represented 75.6 percent of the bank's home mortgage lending in 2009.

The following table presents the number, dollar volume and percentages of loans originated by the bank to individuals by income level in comparison to the lending record of the aggregated lenders and the percentages of families by income levels. The percentage of loans to low- and moderate-income individuals exceeds that of the aggregated lenders and percentage of families classified as moderate-income in the assessment area. Performance is below the percentage of families classified as low-income in the assessment area.

Home Mortgage Lending, 2009 Borrower Distribution (000's)							
Income Level of the Borrower	Bank Loans				Aggregate of All Lenders		Families by Income Level
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	2	18.2	187	12.0	12.7	7.3	20.4
Moderate	1	9.1	92	5.9	27.4	21.7	17.8
Middle	6	54.5	791	50.6	22.4	22.4	21.9
Upper	2	18.2	493	31.5	25.5	38.9	39.9
Unknown	0	0.0	0	0.0	12.0	9.7	0.0
Total	11	100.0	1,563	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	10	16.1	519	7.0	5.5	3.0	
Moderate	13	21.0	1,412	19.0	14.1	9.6	
Middle	14	22.6	1,532	20.6	20.7	17.3	
Upper	24	38.7	3,856	51.8	40.9	52.5	
Unknown	1	1.6	118	1.6	18.8	17.7	
Total	62	100.0	7,437	100.0	100.0	100.0	
Home Improvement Loans							
Low	2	25.0	4	3.7	14.8	8.3	
Moderate	4	50.0	96	88.1	26.5	17.4	
Middle	1	12.5	5	4.6	22.1	20.0	
Upper	1	12.5	4	3.7	33.3	46.7	
Unknown	0	0.0	0	0.0	3.4	7.6	
Total	8	100.0	109	100.0	100.0	100.0	
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	0	0.0	0	0.0	0.0	0.0	
Middle	0	0.0	0	0.0	0.0	0.0	
Upper	0	0.0	0	0.0	0.0	0.0	
Unknown	1	100.0	118	100.0	100.0	100.0	
Total	1	100.0	118	100.0	100.0	100.0	
Total Home Mortgage Loans							
Low	14	17.1	710	7.7	8.5	4.5	
Moderate	18	22.0	1,600	17.3	19.5	13.7	
Middle	21	25.6	2,328	25.2	21.4	18.9	
Upper	27	32.9	4,353	47.2	34.8	47.3	
Unknown	2	2.4	236	2.6	15.8	15.6	
Total	82	100.0	9,227	100.0	100.0	100.0	

Percentages may not total to 100.0 percent due to rounding.

Small Business Lending

The distribution of loans to small businesses reflects adequate penetration among businesses of different sizes. Citizens made 56 loans to small businesses during the period under review. The

majority of the loans were made to businesses with revenues of \$1 million or less (57.1 percent) and in amounts at origination of \$100,000 or less (51.8 percent). The bank's record of making loans to small businesses compared favorably to the aggregated lenders. The bank's record of lending to small businesses in 2009 improved over its record from 2008.

Small Business Loan Distribution, 2009 By Revenue and Loan Size (000's)							
Category	Bank Loans				Aggregate of All Lenders		Businesses By Annual Revenues
	#	%	\$	%	# %	\$ %	# %
By Revenue							
\$1 Million or Less	32	57.1	4,095	35.8	21.0	22.6	86.7
Over \$1 Million	20	35.7	6,576	57.6	*	*	7.4
Not Known	4	7.1	755	6.6	*	*	5.9
Total	56	100.0	11,426	100.0	*	*	100.0
By Loan Size							
\$100,000 or less	29	51.8	1,351	11.8	94.8	35.0	
\$100,000 - \$250,000	14	25.0	2,483	21.7	2.3	13.0	
\$250,000 - \$1 Million	13	23.2	7,592	66.4	2.9	52.0	
Total	56	100.0	11,426	100.0	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	22	68.8	926	22.6	*	*	
\$100,000 - \$250,000	6	18.8	1,039	25.4	*	*	
\$250,000 - \$1 Million	4	12.5	2,130	52.0	*	*	
Total	32	100.0	4,095	100.0	*	*	
* Data Unavailable							
Percentages may not total to 100.0 percent due to rounding.							

Community Development Loans

Citizens Bank made a relatively high level of community development loans in the Cleveland MSA assessment area, originating four loans totaling \$13.8 million during the review period. The loans helped revitalize and stabilize an LMI area in the city of Cleveland and supported economic development. Two of these loans, totaling \$8.2 million, provided funding for mixed-use properties in low-income census tracts in downtown Cleveland. The properties contained a total of 88 apartment units that are considered affordable to low- and moderate-income individuals based on HUD's fair market rent. In addition, the properties housed restaurants and taverns, which provide jobs to low- and moderate-income individuals in the area. The bank's performance exceeds prior year levels as one community development loan totaling \$977,500 was originated in the Cleveland MSA assessment area during the previous evaluation.

INVESTMENT TEST

Citizens Bank made a significant level of qualified investments, donations, and grants in the Cleveland MSA assessment area during the review period, particularly those not routinely provided by private investors. Citizens occasionally participated in a leadership position. Additionally, the bank makes rare use of innovative and/or complex investments to support community development initiatives and exhibits good responsiveness to credit and community development needs.

The bank funded \$4.1 million in qualifying investments, donations and grants in the Cleveland assessment area during this review period. The majority of these qualifying investments were MBS pools that had 39 underlying loans totaling \$4.1 million that benefitted low- and moderate-income borrowers. MBS activity increased from the previous evaluation where the bank had \$1.3 million. The bank also made four qualified donations totaling \$13,000 during the review period. The majority of the donations were to organizations that provide community services to low- and moderate-income individuals in the assessment area. Organizations receiving donations include E City and YMCA of Greater Cleveland. There were no qualified donations made during the previous evaluation as the bank had recently acquired the branches. No other qualifying investments were made during the review period.

SERVICE TEST

Retail services are reasonably accessible to essentially all portions of the assessment area and changes in the branch and ATM network improved the accessibility of its delivery systems. The bank provides reasonable business hours that do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and individuals. Employees provide an adequate level of community development services in the assessment area.

Retail Services

The Cleveland assessment area consists of 620 census tracts, including 108 low (17.4 percent) - and 120 (19.4 percent) moderate-income geographies. The bank operates 12 branch offices in the assessment area; one of which is located in a moderate-income geography. All but one branch office is equipped with a full-service ATM. There are a total of 12 ATMs, 11 full-service and one cash-only ATM, throughout the assessment area, including one in a moderate-income census tract. The lack of branch offices and ATMs in low- and moderate-income geographies does not compare favorably to the percentages of low- and moderate-income census tracts within the assessment area (36.8 percent) and the percentage of families (24.1 percent) in low- and moderate-income census tracts. Despite the lack of branch offices located in LMI census tracts, the bank has three branch offices that are adjacent to moderate-income census tracts. In addition, the bank opened a branch office in a moderate-income census tract since the previous evaluation. All branch offices are reasonably accessible to essentially all portions of the assessment area, including low- and moderate-income individuals and geographies. Some

branch locations are also available via public transportation. The bank's record of opening and closing of branches and ATMs has improved the accessibility of delivery systems, particularly to low- and moderate-income individuals and geographies. During the period under review, one branch office was opened in a moderate-income geography and one branch office was closed in an upper-income geography. In addition, one full-service ATM was opened at the new branch office located in a moderate-income geography.

The bank opened the Warrensville Heights branch on January 5, 2009, which is located in a moderate-income geography in Cleveland Ohio. The full-service ATM located at this branch was available for use since October 29, 2008. The bank also closed its Pepper Pike branch on January 5, 2009 referring customers to the new Warrensville Heights branch located approximately two miles south of the closed branch. The Pepper Pike branch was located in upper-income geographies in Beachwood Ohio, a suburb of Cleveland.

Branch hours vary by location, but are typically between 9:00 a.m. and 4:00 p.m., Monday through Thursday and 9:00 a.m. to 6:00 p.m. on Friday, with extended drive-up hours. Multiple locations also provide drive-through services between 9:00 a.m. and 1:00 p.m. on Saturdays. Business hours and banking services are reasonable and do not vary in a way that inconveniences low- and moderate-income individuals or geographies. All loan products are available via walk-in service or by appointment. Applicants can also apply by telephone or from the bank's website. Alternative delivery systems include ATMs, internet banking, call center telephone and chat options, and bank by phone services, available 24 hours a day for balance inquiry, account transfers, and bill pay.

Community Development Services

Citizens Bank provides an adequate level of community development services in the Cleveland assessment area as employees participated in nine qualified services totaling 250 hours during the review period. The majority of the services provided community services and affordable housing to low- and moderate-income individuals in the assessment area. Please refer to the table in the State of Ohio section for detailed information on the community development purpose supported by the qualifying services.

The following are examples of some of the services that had a significant impact in the area. An employee is a board member for E-City, which seeks to empower disadvantaged youth born into poverty by providing a wide array of community services. Another employee is a board member for the Center for Families and Children, which is located in a low-income census tract and seeks to provide a wide array of community services to low- and moderate-income individuals.

The bank's performance improved since the previous examination when one community development service totaling 90 hours was qualified in the Cleveland MSA assessment area.

METROPOLITAN AREAS (Limited Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE AKRON, OHIO METROPOLITAN STATISTICAL AREA

Citizens' operations in the Akron MSA assessment area are managed through one branch office. As of June 30, 2010, Citizens Bank maintained 0.3 percent market share of FDIC-insured deposits ranking 18th of 22 FDIC-insured institutions within Summit County. By comparison, the top three institutions by market share were: First Merit Bank NA, 26.3 percent; PNC Bank National Assn., 13.9 percent; KeyBank National Assn., 11.5 percent.

The Akron MSA assessment area consists of 131 census tracts throughout Portage and Summit counties. The largest city in the assessment area is the city of Akron, which is located in Summit County. Ravenna is the largest city in Portage County.

Assessment Area Demographics								
Income Categories	Tract Distribution		Number of Families in Tract		Families Below Poverty Level as % of Families by Tract		Number of Families Based on Family Income	
	#	%	#	%	#	%	#	%
Low-income	19	14.5	8,971	6.2	2,882	32.1	28,272	19.5
Moderate-income	34	25.9	33,097	22.8	4,685	14.2	26,695	18.4
Middle-income	45	34.4	60,694	41.8	2,630	4.3	32,841	22.6
Upper-income	33	25.2	42,296	29.2	699	1.7	57,250	39.5
TOTALS	131	100.0	145,058	100.0	10,896	7.5	145,058	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	18,563	5,335	3.5	28.7	11,026	59.4	2,202	11.9
Moderate-income	57,103	32,683	21.4	57.2	20,520	35.9	3,900	6.8
Middle-income	96,022	67,544	44.1	70.3	23,883	24.9	4,595	4.8
Upper-income	59,192	47,434	31.0	80.1	9,363	15.8	2,395	4.0
TOTALS	230,880	152,996	100.0	66.3	64,792	28.1	13,092	5.7
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Under \$1 million		Over \$1 million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	2,537	10.4	2,049	9.7	289	16.2	199	15.3
Moderate-income	3,785	15.6	3,287	15.5	265	14.9	233	18.0
Middle-income	9,139	37.6	8,177	38.5	571	32.0	391	30.1
Upper-income	8,839	36.4	7,706	36.3	658	36.9	475	36.6
TOTALS	24,300	100.0	21,219	100.0	1,783	100.0	1,298	100.0
	Percentage of Total Businesses			87.3		7.3		5.4
Source: 2000 Census & 2009 Dunn & Bradstreet information. Percentages may not total to 100.0 percent due to rounding.								

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN AKRON, OHIO
METROPOLTAN STATISTICAL AREA**

LENDING TEST

Citizens' lending performance in this assessment area was below the bank's lending performance overall in the state of Ohio; however, it does not change the overall rating for the state.

Geographic Distribution

Home Mortgage Lending

Home Mortgage Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Owner- Occupied Housing
	#	%	\$	%	#	%	%
Home Purchase Loans							
Low	0	0.0	0	0.0	1.5	0.9	3.5
Moderate	1	100.0	108	100.0	13.4	7.6	21.4
Middle	0	0.0	0	0.0	45.8	38.4	44.1
Upper	0	0.0	0	0.0	39.3	53.1	31.0
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	1	100.0	108	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	0	0.0	0	0.0	1.2	0.6	3.5
Moderate	0	0.0	0	0.0	8.7	4.6	21.4
Middle	1	20.0	6	0.8	40.5	33.6	44.1
Upper	4	80.0	707	99.2	49.6	61.2	31.0
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	5	100.0	713	100.0	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0	0.0	5.1	1.6	3.5
Moderate	0	0.0	0	0.0	25.2	11.2	21.4
Middle	0	0.0	0	0.0	41.8	36.3	44.1
Upper	0	0.0	0	0.0	27.9	50.9	31.0
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	0	0.0	0	0.0	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	0	0.0	0	0.0	1.4	0.7	3.5
Moderate	1	16.7	108	13.2	10.9	5.6	21.4
Middle	1	16.7	6	0.7	42.5	35.4	44.1
Upper	4	66.7	707	86.1	45.2	58.2	31.0
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	6	100.0	821	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Small Business Lending

Small Business Lending, 2009 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Businesses by Census Tract Income Level
	#	%	\$	%	#	%	%
Low	0	0.0	0	0.0	8.8	11.0	10.4
Moderate	0	0.0	0	0.0	11.8	13.6	15.6
Middle	1	16.7	50	4.4	36.1	32.5	37.6
Upper	5	83.3	1,086	95.6	42.0	41.8	36.4
Tract Unknown	0	0.0	0	0.0	1.3	1.2	0.0
Total	6	100.0	1,136	100.0	100.0	100.0	100.0

Percentages may not total to 100.0 percent due to rounding.

Distribution by Borrower Income and Revenue Size of the Business

Home Mortgage Lending

Home Mortgage Lending, 2009 Borrower Distribution (000's)							
Income Level of the Borrower	Bank Loans				Aggregate of All Lenders		Families by Income Level
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	0	0.0	0	0.0	15.1	8.6	19.5
Moderate	1	100.0	108	100.0	26.3	20.7	18.4
Middle	0	0.0	0	0.0	20.3	20.9	22.6
Upper	0	0.0	0	0.0	24.9	38.8	39.5
Unknown	0	0.0	0	0.0	13.5	11.0	0.0
Total	1	100.0	108	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	0	0.0	0	0.0	6.6	3.5	
Moderate	0	0.0	0	0.0	15.0	10.4	
Middle	0	0.0	0	0.0	19.8	17.0	
Upper	5	100.0	713	100.0	38.4	49.9	
Unknown	0	0.0	0	0.0	20.2	19.2	
Total	5	100.0	713	100.0	100.0	100.0	
Home Improvement Loans							
Low	0	0.0	0	0.0	15.6	6.0	
Moderate	0	0.0	0	0.0	26.4	14.8	
Middle	0	0.0	0	0.0	22.7	20.7	
Upper	0	0.0	0	0.0	30.3	47.4	
Unknown	0	0.0	0	0.0	4.9	11.0	
Total	0	0.0	0	0.0	100.0	100.0	
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	0	0.0	0	0.0	0.0	0.0	
Middle	0	0.0	0	0.0	0.0	0.0	
Upper	0	0.0	0	0.0	0.0	0.0	
Unknown	0	0.0	0	0.0	100.0	100.0	
Total	0	0.0	0	0.0	100.0	100.0	
Total Home Mortgage Loans							
Low	0	0.0	0	0.0	10.0	5.2	
Moderate	1	16.7	108	13.2	19.5	13.8	
Middle	0	0.0	0	0.0	20.0	18.2	
Upper	5	83.3	713	86.8	33.1	45.8	
Unknown	0	0.0	0	0.0	17.4	17.0	
Total	6	100.0	821	100.0	100.0	100.0	

Percentages may not total to 100.0 percent due to rounding.

Small Business Lending

Small Business Loan Distribution, 2009 By Revenue and Loan Size (000's)							
Category	Bank Loans				Aggregate of All Lenders		Businesses By Annual Revenues
	#	%	\$	%	# %	\$ %	# %
By Revenue							
\$1 Million or Less	3	50.0	534	47.0	17.4	23.3	87.3
Over \$1 Million	3	50.0	602	53.0	*	*	7.3
Not Known	0	0.0	0	0.0	*	*	5.4
Total	6	100.0	1,136	100.0	*	*	100.0
By Loan Size							
\$100,000 or less	2	33.4	100	8.8	95.3	36.4	
\$100,000 - \$250,000	2	33.3	473	41.6	2.3	14.6	
\$250,000 - \$1 Million	2	33.3	563	49.6	2.5	49.0	
Total	6	100.0	1,136	100.0	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	1	33.4	50	9.4	*	*	
\$100,000 - \$250,000	1	33.3	223	41.8	*	*	
\$250,000 - \$1 Million	1	33.3	261	48.9	*	*	
Total	3	100.0	534	100.0	*	*	
* Data Unavailable Percentages may not total to 100.0 percent due to rounding.							

Community Development Lending Activities

Citizens did not make any community development loans during in this assessment area during this review period.

INVESTMENT TEST

Citizens' investment performance in the area was consistent with the bank's performance under the investment test overall in the state of Ohio. The bank funded \$1.3 million in qualifying investments during this review period. All of the investments were mortgage-backed securities with underlying loans that supported LMI borrowers or borrowers from LMI areas. .

SERVICE TEST

Citizens' service performance in the assessment area is consistent with the bank's performance under the service test overall in the state Ohio.

Retail Services

There are two branches and full-service ATMs located in upper-income geographies in this assessment area.

Community Development Services

Employees provide an adequate level of community development services in the assessment area as employees participated in five qualified services totaling 175 hours during the review period. All of the services supported organizations that provide community services to low- and moderate-income individuals in the assessment area.

APPENDIX A – SCOPE OF EXAMINATION

SCOPE OF EXAMINATION								
TIME PERIOD REVIEWED	HMDA, Small Business and Small Farm lending scope 1/1/2008 to 12/31/2009 Community Development Loans, Investments and Services scope 1/1/2008 to 10/31/2010							
FINANCIAL INSTITUTION Citizens Bank, Flint, MI			PRODUCTS REVIEWED HMDA, Small Business and Small Farm lending; community development loans, investments and community development services					
AFFILIATE(S)	AFFILIATE RELATIONSHIP		PRODUCTS REVIEWED					
None	NA		NA					
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION								
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION					
Michigan <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Warren-Troy-Farmington Hills, MI MD 47644</td> </tr> <tr> <td style="padding: 2px;">Flint, MI MSA 22420</td> </tr> <tr> <td style="padding: 2px;">Saginaw Township North, MI MSA 40980</td> </tr> <tr> <td style="padding: 2px;">Lansing-East Lansing, MI MSA 29620</td> </tr> <tr> <td style="padding: 2px;">Jackson, MI MSA 27100</td> </tr> </table>	Warren-Troy-Farmington Hills, MI MD 47644	Flint, MI MSA 22420	Saginaw Township North, MI MSA 40980	Lansing-East Lansing, MI MSA 29620	Jackson, MI MSA 27100	Full scope reviews	None	None
Warren-Troy-Farmington Hills, MI MD 47644								
Flint, MI MSA 22420								
Saginaw Township North, MI MSA 40980								
Lansing-East Lansing, MI MSA 29620								
Jackson, MI MSA 27100								

<p>Ann Arbor, MI MSA 11460</p> <p>Detroit-Livonia-Dearborn, MI MD 19820</p> <p>Non-Metro Northern Lower, MI</p> <p>Non-Metro Upper Peninsula, MI</p> <p>Battle Creek, MI MSA 12980</p> <p>Bay City, MI MSA 13020</p> <p>Holland-Grand Haven, MI MSA 26100</p> <p>Kalamazoo-Portage, MI MSA 28020</p> <p>Monroe, MI MSA 33780</p> <p>Muskegon-Norton Shores, MI MSA 34740</p> <p>Non-Metro St. Joseph County MI</p>	<p>Limited scope review</p>		
<p>Wisconsin</p> <p>Green Bay, WI MSA 24580</p> <p>Non-Metro Northeast, WI</p> <p>Non-Metro South, WI</p> <p>Appleton, WI MSA 11540</p> <p>Duluth-Superior, WI MSA 20260 (Douglas County WI Only)</p> <p>Milwaukee-Waukesha-West Allis, WI MSA 33340</p> <p>Oshkosh-Neenah, WI MSA 36780</p> <p>Non-Metro Polk County WI</p>	<p>Full scope reviews</p> <p>Limited scope reviews</p>	<p>None</p>	<p>None</p>
<p>Ohio</p> <p>Cleveland-Elyria-Mentor, OH MSA 17460</p> <p>Akron, OH MSA 10420</p>	<p>Full scope review</p> <p>Limited scope review</p>	<p>None</p>	<p>None</p>

APPENDIX B – GLOSSARY

Affordability ratio: To determine housing affordability, the affordability ratio is calculated by dividing median household income by median housing value. This ratio allows the comparison of housing affordability across assessment areas and/or communities. An area with a high ratio generally has more affordable housing than an area with a low ratio.

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

Fair market rent: Fair market rents (FMRs) are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. HUD sets FMRs to assure that a sufficient supply of rental housing is available to their program participants. To accomplish this objective, FMRs must be both high enough to permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible. The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard-quality rental housing units. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The 40th percentile rent is drawn from the distribution of rents of all units occupied by recent movers (renter households who moved to their present residence within the past 15 months). HUD is required to ensure that FMRs exclude non-market rental housing in their computation. Therefore, HUD excludes all units falling below a specified rent level determined from public housing rents in HUD's program databases as likely to be either assisted housing or otherwise at a below-market rent, and units less than two years old.

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinances of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development (HUD) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

Middle-income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Upper-income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.