



INVESTOR ROADSHOW

APRIL 28-29, 2005



KEEFE, BRUYETTE & WOODS

Disclosure

Forward-Looking Statements

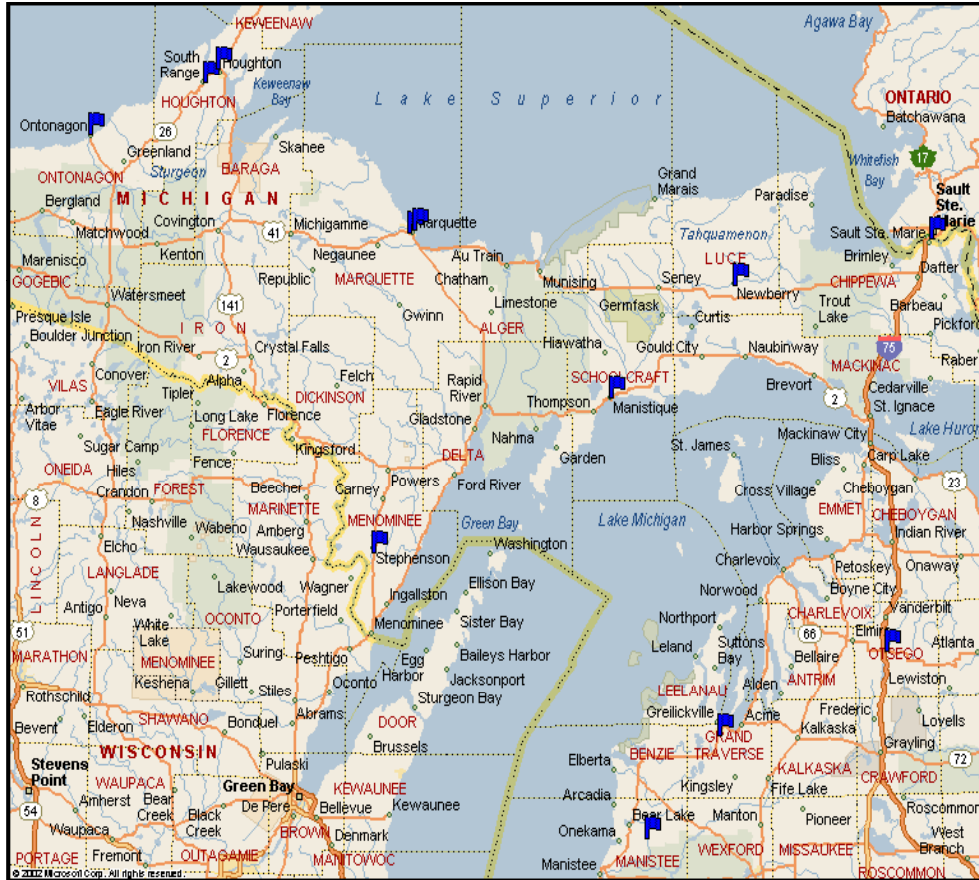
This document contains certain forward-looking statements. Words such as “anticipates,” “believes,” “estimates,” “expects,” “intends,” “should,” “will,” and variations of such words and similar expressions are intended to identify forward-looking statements: as defined by the Private Securities Litigation Reform Act of 1995. These statements reflect management’s current beliefs as to expected outcomes of future events and are not guarantees of future performance. These statements involve certain risks, uncertainties and assumptions that are difficult to predict with regard to timing, extent, likelihood and degree of occurrence. Therefore, actual results and outcomes may materially differ from what may be expressed or forecasted in such forward-looking statements. Factors that could cause a difference include among others: changes in the national and local economies or market conditions; changes in interest rates and banking regulations; the impact of competition from traditional or new sources; and the possibility that anticipated cost savings and revenue enhancements from mergers and acquisitions, bank consolidations, branch closings and other sources may not be fully realized at all or within specified time frames as well as other risks and uncertainties including but not limited to those detailed from time to time in filings of the Company with the Securities and Exchange Commission. These and other factors may cause decisions and actual results to differ materially from current expectations. Mackinac Financial Corporation undertakes no obligation to revise, update, or clarify forward-looking statements to reflect events or conditions after the date of this document.

Mackinac Financial Corporation

- One bank holding company headquartered in Manistique, Michigan
- 12 Branch locations – 9 in upper Michigan and 3 in lower Michigan
- Newly opened loan production office in Bloomfield Hills, Michigan
- Listed on Nasdaq National Market – Symbol MFNC
- Approximately 1,800 shareholders
- Market Capitalization at March 31, 2005 – \$62 million

Franchise Marketplace

- Opportunity exists for further market penetration



County in MI	Market Share Rank	MFNC Branch Count	In Market Deposits (\$000)	Market Share (%)
Schoolcraft	1	1	87,492	52.16
Menominee	2	1	23,697	14.85
Luce	2	1	20,549	36.17
Houghton	6	2	18,690	3.77
Marquette	7	2	16,178	2.87
Grand Traverse	11	1	13,621	1.01
Chippewa	6	1	12,181	3.76
Ontonagon	3	1	11,214	12.97
Otsego	6	1	10,605	2.86
Manistee	7	1	9,241	3.38

Source: SNL Financial. Data as of 6/30/04.

24 branches divested as part of turn-around

Experienced Management Team

- Paul Tobias – Chairman and CEO
 - Four years, Co-Founder – Mackinac Partners
 - Five years, CEO – Munder Capital Management
 - Five years, Senior and Executive Vice President – Comerica
 - Six years, Managing Director – McDonald Investments

- C. James Bess – Vice Chairman
 - Managed the successful turnaround of 9 troubled banks in last 28 years
 - 38 years of total banking experience

- Kelly George – Executive VP and CLO
 - Two years, Chief Lending Officer – Mackinac Financial Corporation
 - Three years, Commercial and Chief Lending Officer – The Commercial and Savings Bank
 - Three years, Bank Examiner – Federal Reserve Bank of Cleveland
 - Three years, Commercial Lending Officer – National City Bank
 - One year, Assistant Branch Manager – The Provident Bank

Experienced Management Team

- Eliot Stark – Executive VP and CFO
 - Three years, Managing Director – Mackinac Partners
 - Three years, Executive Vice President of Finance – Compuware
 - 21 years, Senior Vice President of Information Technology, Senior Vice President of Real Estate Development and Management, First Vice President of Corporate Development, VP of Corporate Planning and Controller's Department Financial Officer – Comerica

- David C. Crimmins – Senior VP Commercial Lender
 - 19 years of lending experience
 - Managed \$500 million loan portfolio with 100 clients

- Ernie R. Krueger – Senior VP Controller
 - Two years as principal accounting officer Mackinac Financial Corporation
 - More than 20 years of financial accounting experience in Investor Relations, Acquisition and Mergers, Tax and SEC/Regulatory reporting

Loan Staffing

- SVP Commercial Lender – David C. Crimmins
- Hired commercial banking manager for Traverse City market
 - 15 years of lending experience
- 2 existing senior commercial lenders in the upper peninsula
- Hired two additional Commercial lenders – 1st quarter
 - Seasoned lenders to serve key markets
- Currently reviewing consumer lending
 - Add mortgage loan producers in key markets

Recapitalization Recap

- Net proceeds from private placement - \$26.2 million
- Recapitalized Bank with \$15.5 million capital infusion
- Trust Preferred settlement of \$6.5 million
- Payment of Change in Control contract payouts – \$1.5 million
- Bank and Holding Company – Well-Capitalized

Future Strategy Review

- Maintain current asset quality with future loan growth
- Rollout Bank marketing campaign with product revisions and competitive pricing
- Refocusing existing management toward renewed growth by: amplifying quality of headquarters and branch professionals; modifying branch operating model
- Mining select expense reductions in current franchise platform
- Developing a cost effective deposit and funding mix from a focused community bank strategy with an amplified asset generating capability to enhance yields
- Establish full service branch location in fast growing Oakland County
- Establishing a wealth management (asset management and trust) operation

Strategy Progress / Execution Report

- Balance sheet restructuring
 - Prepayment of FHLB less than plan due to recent rate increases

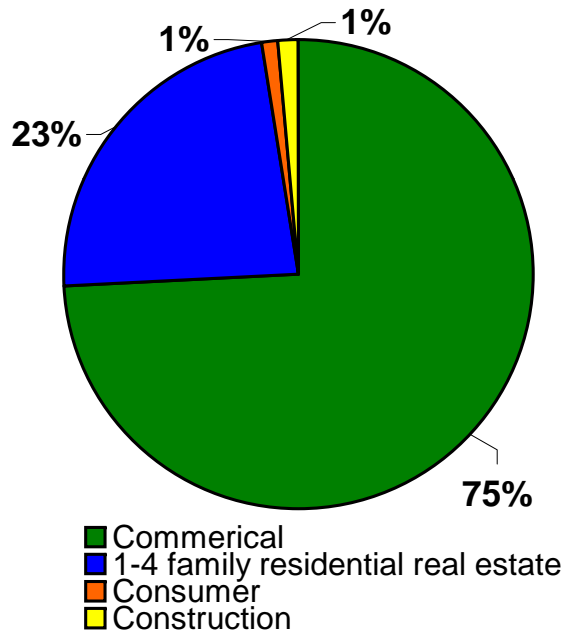
- Staff Additions
 - 3 seasoned commercial lenders hired in first quarter
 - Plans for adding mortgage loan producers early in second quarter

- Image Campaign
 - Bank name change (“mBank”) – New logo, new web site, signage, and image ads set to roll out in two weeks

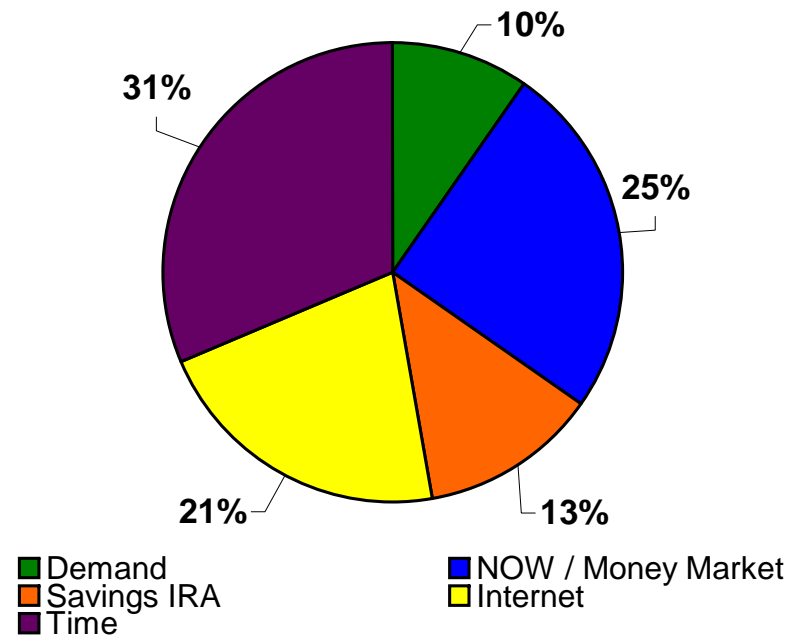
- Systems Conversion
 - Planning well underway for “state of the art” platform with significant savings by early 2006

Loan and Deposit Composition

3/31/05 Loan Composition (%)

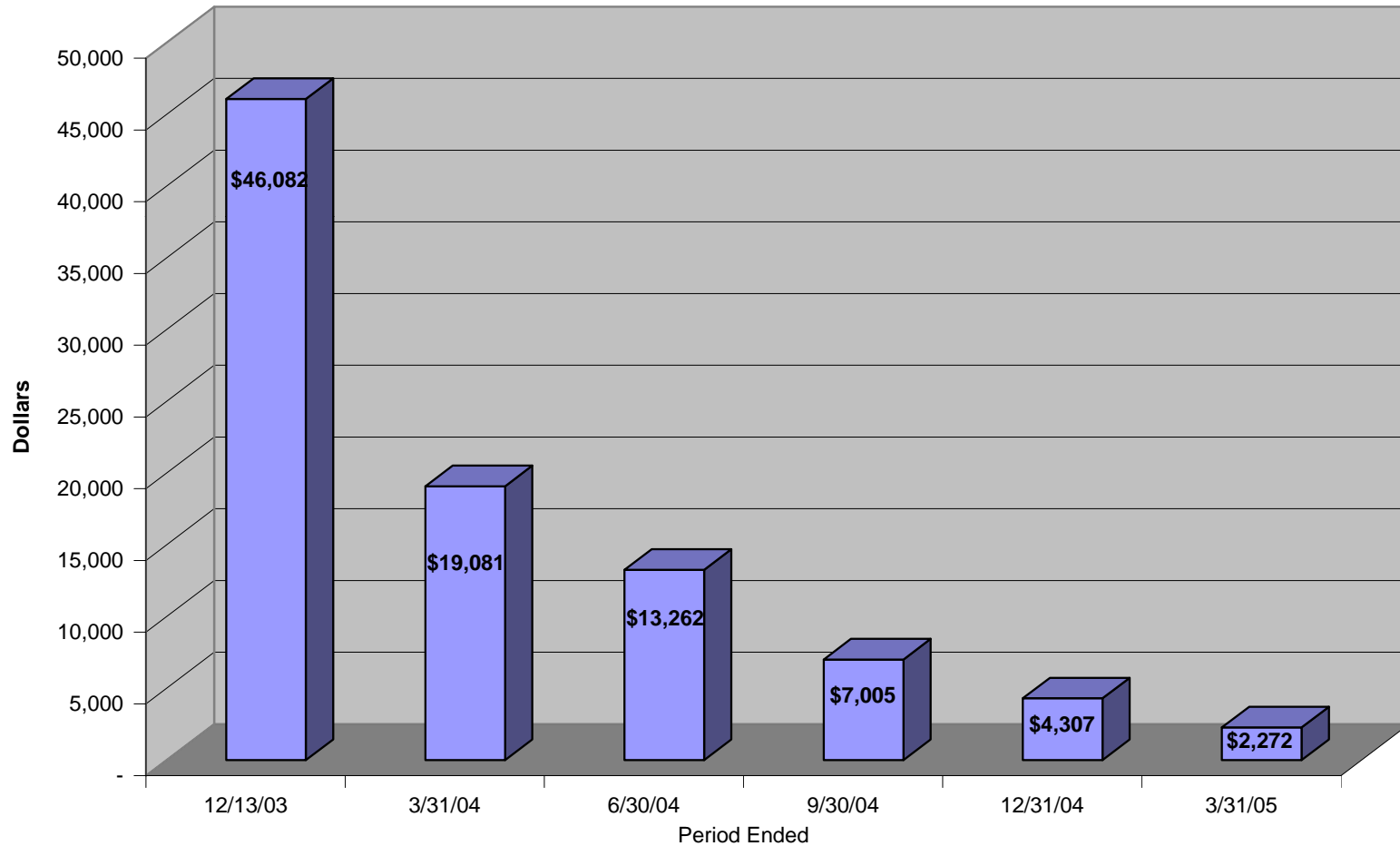


3/31/05 Deposit Composition (%)



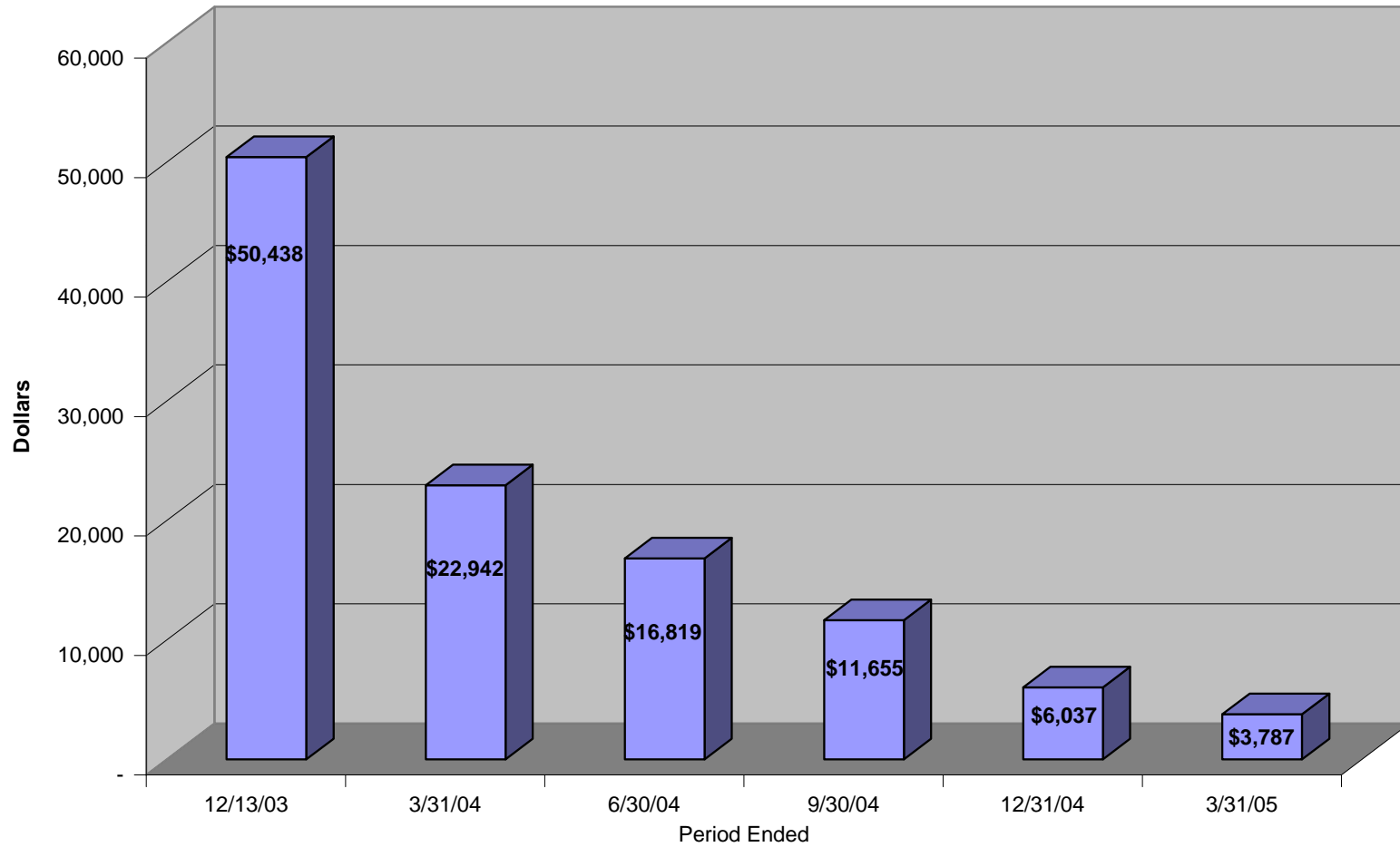
Nonperforming Loans

Nonperforming Loans
(dollars in thousands)



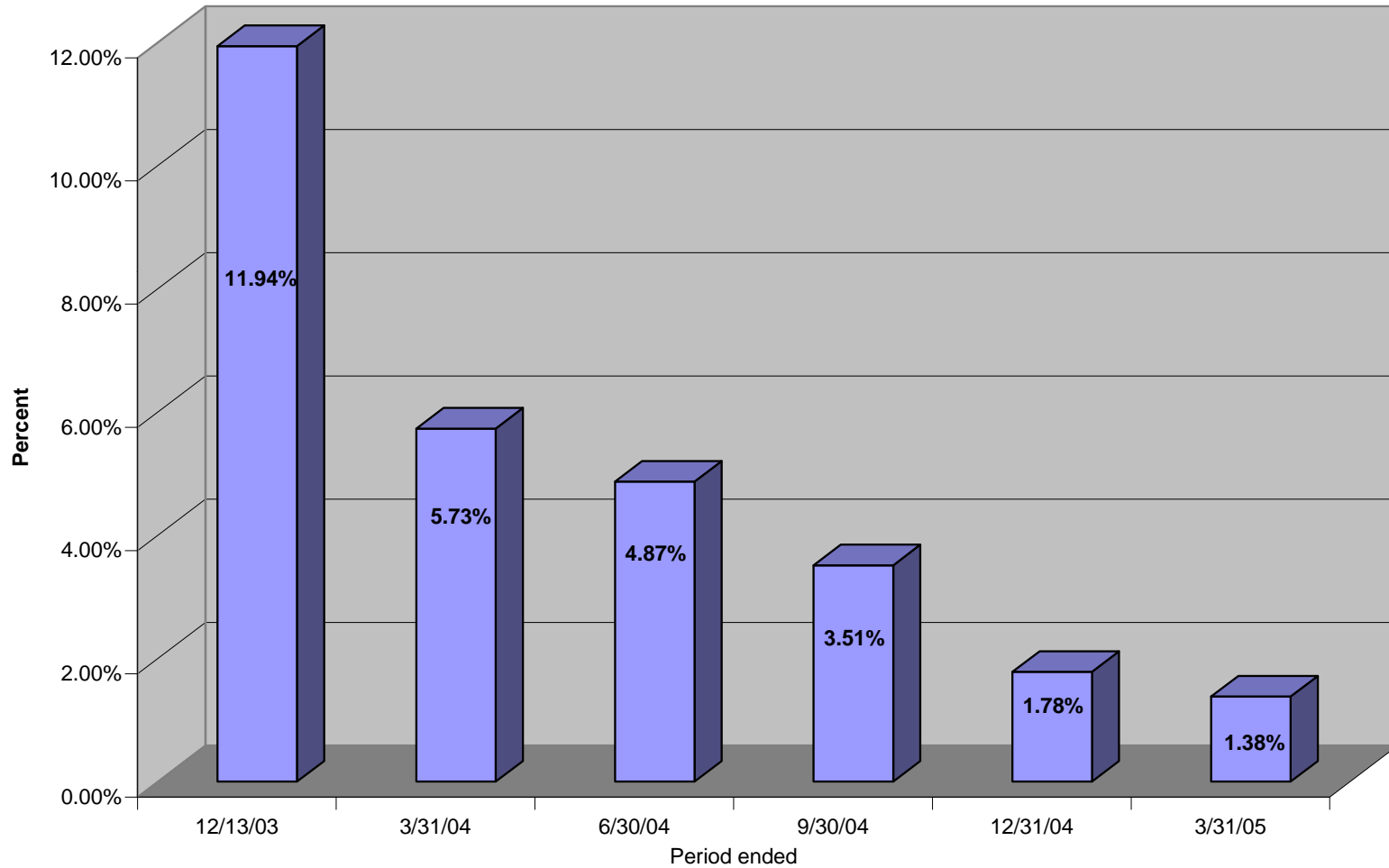
Nonperforming Assets

Nonperforming Assets
(dollars in thousands)



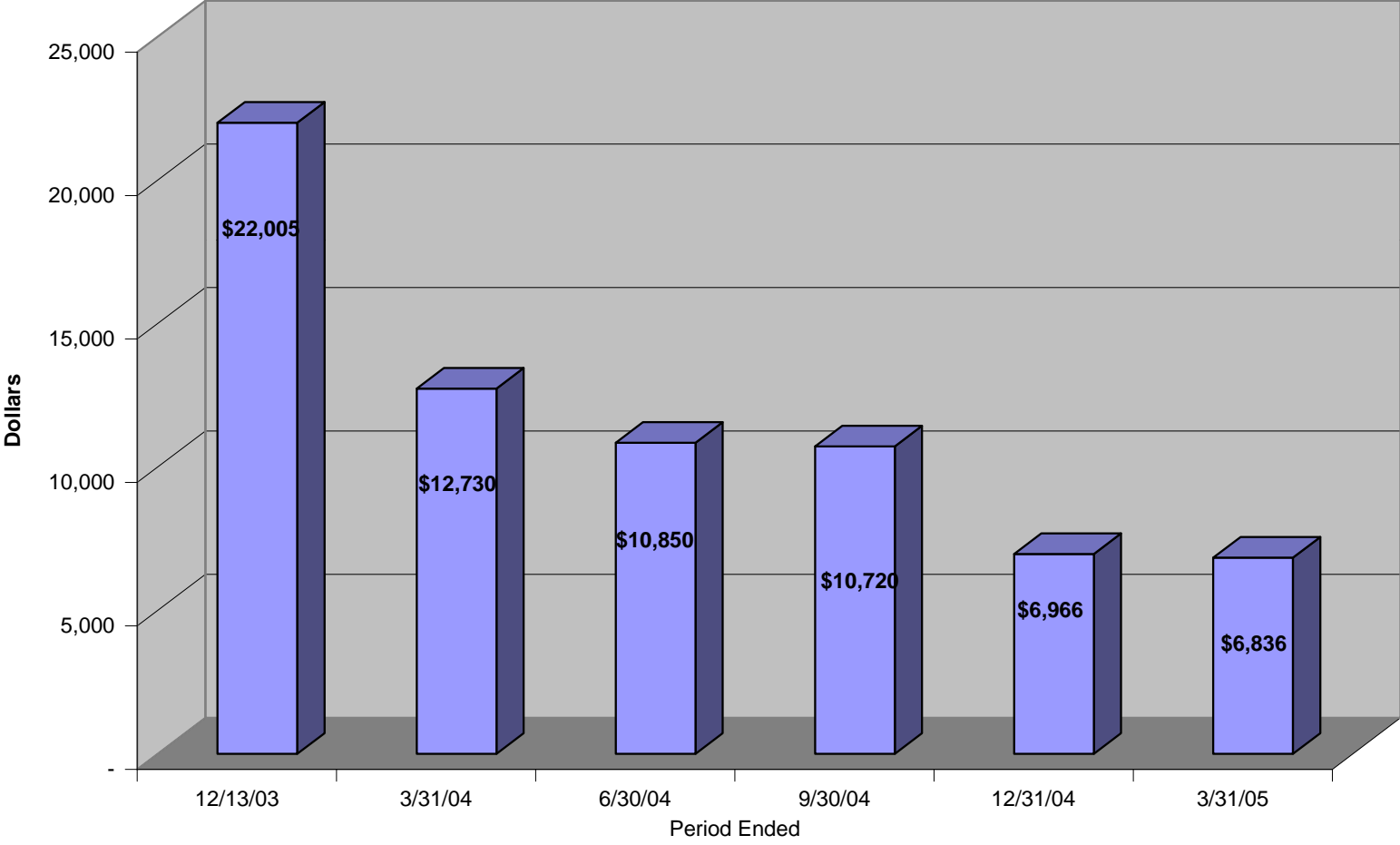
NPA's / Total Assets

Nonperforming Assets as a % of Total Assets

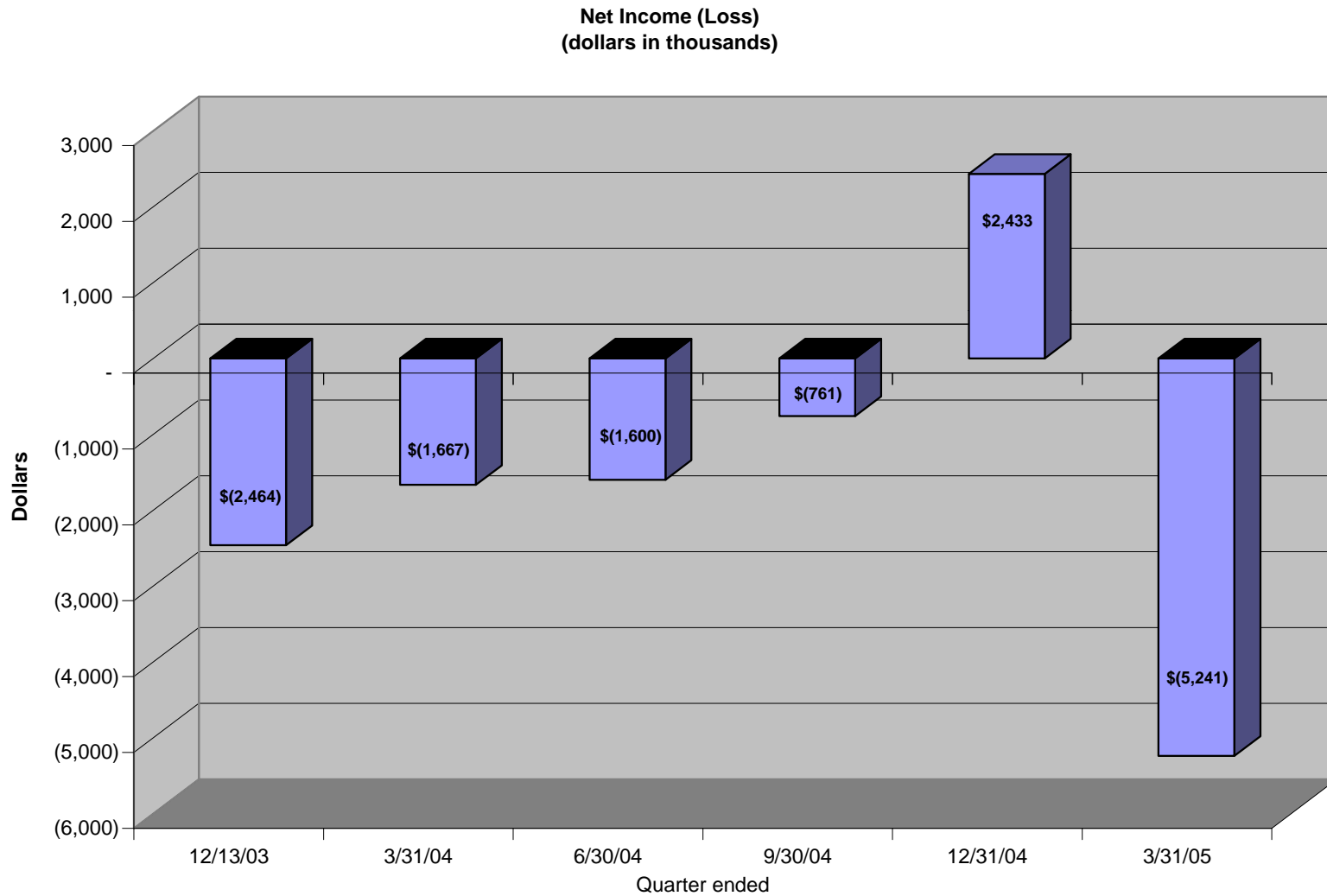


Allowance for Loan and Lease Losses

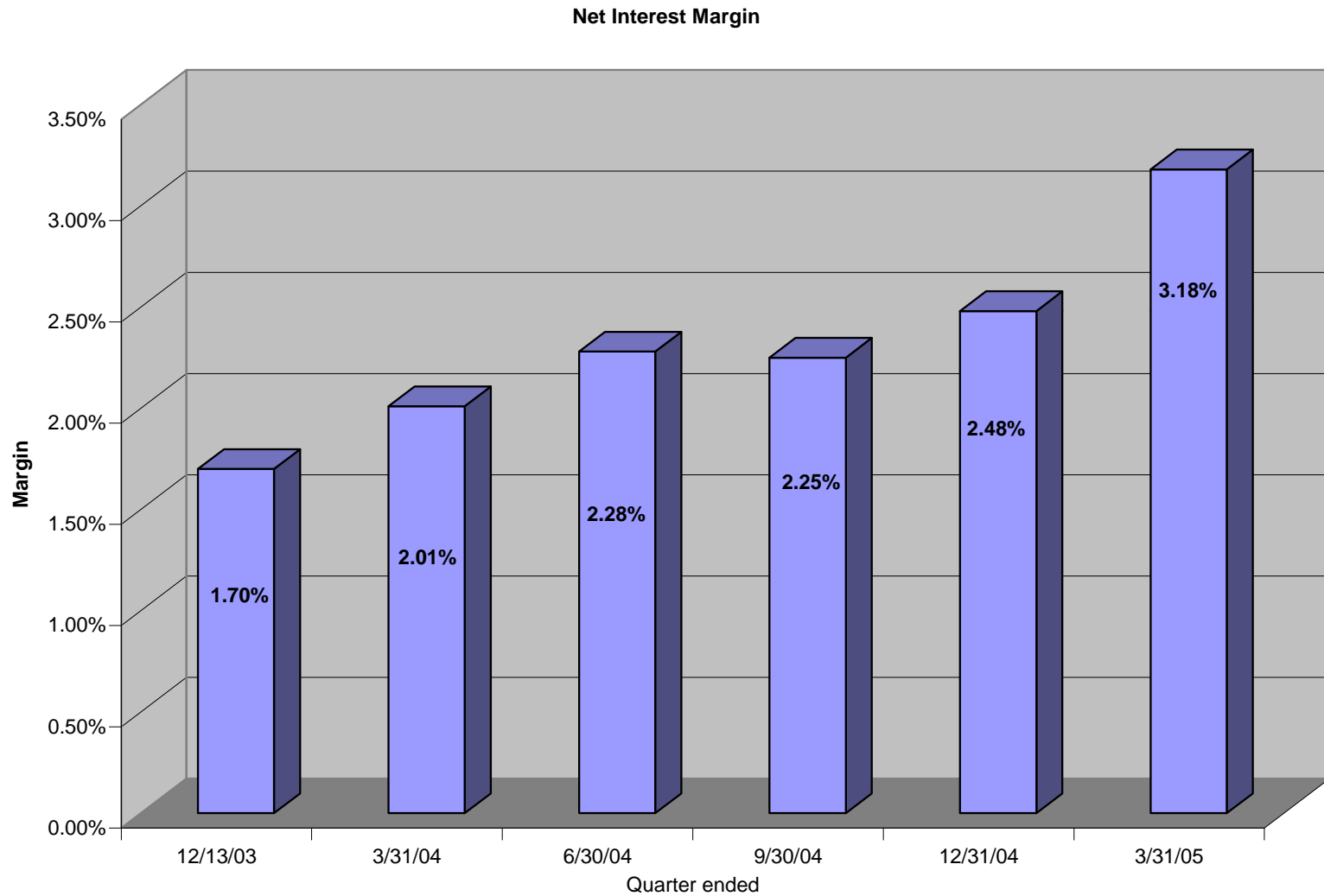
Allowance for Loan and Lease Losses
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Net Income (Loss)

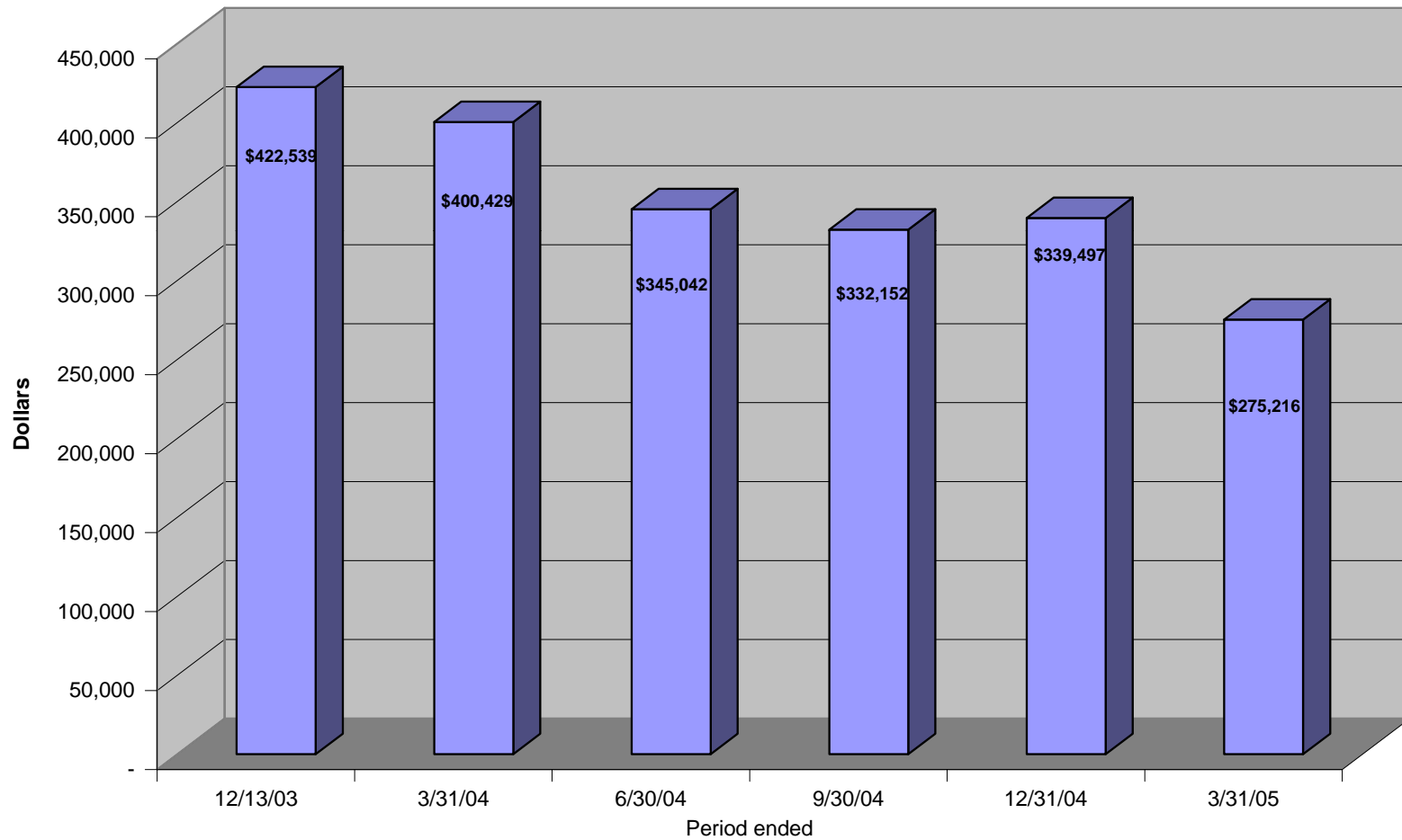


Net Interest Margin

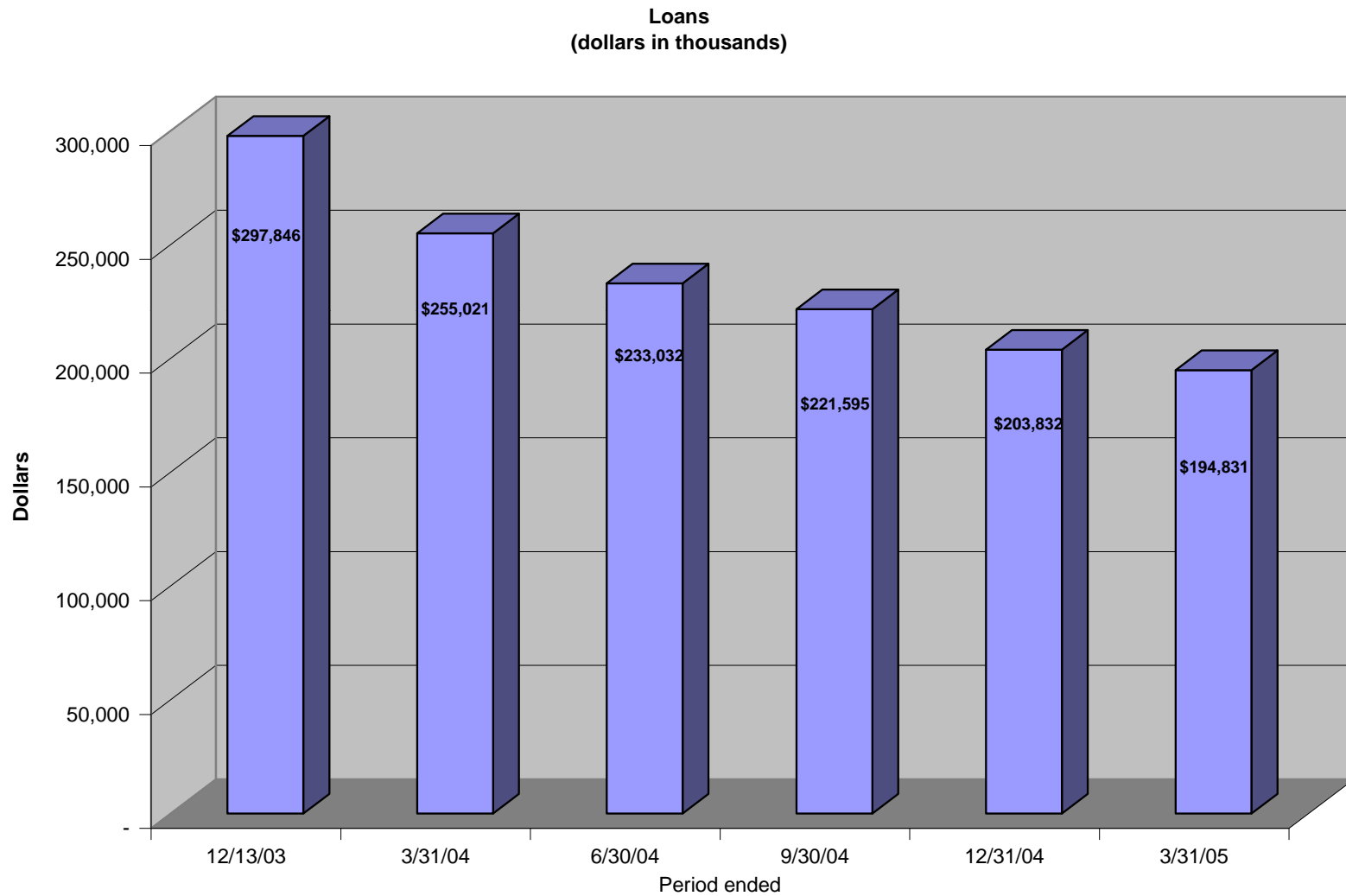


Total Assets

Total Assets
(dollars in thousands)



Total Loans



A Strategy for Growth

- Focus on Key Markets
 - Oakland County
 - Traverse City
 - Gaylord
 - Marquette
 - Sault Ste. Marie

Shareholders' Equity

- \$28.854 million at March 31, 2005
- Book value per share – \$8.42
- Market value per share – \$18.13
- Shareholders – approximately 1,800

Relative Stock Price Performance

