

PUBLIC DISCLOSURE

May 20, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Bank: The Citizens Commercial Bank and Trust Company
#04391105
225 North Main Street
Celina, Ohio 45822

Supervisory Agency: Federal Reserve Bank of Cleveland
P.O. Box 6387
Cleveland, Ohio 44101-1387

NOTE: 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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I. GENERAL INFORMATION

The Community Reinvestment Act ("CRA") requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act ("CRA") performance of The Citizens Commercial Bank & Trust Company prepared by the Federal Reserve Bank of Cleveland, the institution's supervisory agency, as of May 20, 1997. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all, of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A of 12 CFR Part 228.

II. DESCRIPTION OF INSTITUTION

Citizens Commercial Bank and Trust Company (ACCBT@), Celina, Ohio, is a subsidiary of First Financial Bancorp, Hamilton, Ohio. First Financial Bancorp has 12 subsidiary banks located in both Ohio and Indiana. As of March 31, 1997, First Financial Bancorp had total assets of \$ 2.3 billion. CCBT had total assets of \$214 million as of March 31, 1997, which comprised 9% of the holding company's total assets.

CCBT is a full-service financial institution with a primary focus on agricultural, commercial, residential real estate, and consumer lending. Table 1 presents several key financial ratios for CCBT.

Table 1 Key Financial Ratios as of March 31, 1997	
Return on Average Assets	1.67%
Net Loans & Leases to Average Assets	78.43%
Investments to Average Assets	37.45%
Total Deposits to Average Assets	72.31%
Net Loans & Leases to Total Deposits	96.83%
1-4 Family Residential Loans to Average Loans	31.64%
Consumer Loans* to Average Loans	10.38%
Commercial Loans** to Average Loans	24.97%
Agricultural Loans to Average Loans	33.13%
Lease Financing Receivables to Average Loans	.24%

* Includes loans to individuals and credit card loans.

** Includes commercial & industrial loans, commercial real estate loans, and construction & development loans.

*** Includes agricultural & farmland loans.

CCBT's asset size and financial condition indicate that it has the ability to meet the credit needs of its assessment areas. There are no legal or other impediments which would hamper CCBT's ability to meet the community's credit needs.

III. DESCRIPTION OF ASSESSMENT AREA

CCBT has defined its assessment area as including Auglaize, Darke, Mercer, Shelby, and Van Wert Counties in Ohio as well as small portions of Adams, Jay, and Randolph Counties in Indiana . The assessment area complies with the requirements of the Community Reinvestment Act and does not arbitrarily exclude low- or moderate-income geographies (i.e., census tracts or block numbering areas).

Tables 2 and 3 present relevant demographic information for the assessment area. The assessment area contains no low-income block numbering areas ("BNAs").¹ The median family income for the assessment area is \$33,068.

Type of Geography	# and % of Geographies	# and % of Population	# and % of Families	# and % of OO* Units
Moderate-Income	1 3%	1,796 2%	536 2%	660 2%
Middle-Income	23 77%	91,639 75%	25,358 76%	25,260 75%
Upper-Income	6 20%	28,771 23%	7,496 22%	7,562 23%
Total	30	122,206	33,390	33,482

* Owner-occupied units.

Family Income Level	Number of Families	% of Families
Low-Income	4,841	15%
Moderate-Income	6,174	18%
Middle-Income	8,872	27%

¹**NOTE:** Low-, moderate-, middle-, and upper-income are defined as follows:
Low-income: Up to 50% of the median MSA family income.
Moderate-income: Greater than 50% up to 80% of the median MSA family income.
Middle-income: Greater than 80% up to 120% of the median MSA family income.
Upper-income: Greater than 120% of the median MSA family income.

Upper-Income	13,503	40%
Below Poverty Level*	2,044	6%

* Subset of low-income families.

The assessment area has 46,200 housing units, of which 72% are owner-occupied, 20% are rental units, and 8% are vacant. One- to four-family units comprise 88% of the housing stock, while multi-family units of five or more comprise 4% and mobile homes comprise 8% of the remaining housing stock. The median housing value is \$53,114 and the median gross rent is \$318 per month. The median housing age is 43 years, with 43% of the housing stock built prior to 1950.

The area served by CCBT is rural, with agricultural, manufacturing, retail, and service industries employing the largest number of employees. The area's major employers include AAP St. Marys Corporation, Celina Aluminum Precision Technology ("CAPT"), Classic Delight, Inc., Goodyear Tire and Rubber Company, Huffy Bike Company, Parker Hannifin Corporation, St. Marys Foundry, Inc., and Setex, Inc. Of the establishments operating in the assessment area, the majority are small businesses, with 95% employing less than 50 employees, 5% employing between 50 and 499 employees, and a small number employing 500 or more employees. Additionally, because Celina is located on the northwestern shore of Grand Lake St. Marys, this area is affected seasonally by the tourist industry.

The local economies are good while experiencing 7.4% growth in employment. The unemployment rate in the counties comprising the assessment area ranges from 2.6% to 9.4%, with an average unemployment rate of 5.3%. This rate parallels the March 1997 unemployment rate for the State of Ohio of 5.2%. Table 4 details the unemployment rates by county as compared with the state and national averages for March 1997 (Ohio) and January 1997 (Indiana). As of March 1997, the national unemployment rate was 5.5%.

Table 4 Unemployment Rates as of March 1997 (Ohio), January 1997 (Indiana)	
State of Ohio	5.2%
Auglaize County, Ohio	6.2%
Darke County, Ohio	5.8%
Mercer County, Ohio	5.2%
Shelby County, Ohio	4.1%
State of Indiana	3.5%
Adams County, Indiana	2.6%

Jay County, Indiana	4.2%
Randolph County, Indiana	9.4%

Three community contacts were conducted in conjunction with the examination.

The community contacts included meetings with:

- a representative from one local chamber of commerce,
- a local industrial development government official, and
- a grass-roots community action commission executive director

The primary needs identified as a result of these contacts included financing affordable housing development, providing flexible mortgage loans, providing loans for building/mobile home rehabilitation, establishing small business/industry incubators, and financing for women-owned businesses.

See Appendix B for a map of CCBT's assessment area.

IV. INSTITUTION RATING

This institution is rated "Satisfactory."

The major factors and criteria contributing to this rating include:

- ! Excellent responsiveness to assessment area credit needs
- ! Substantial majority of loans inside assessment areas
- ! Excellent geographic distribution of loans throughout the assessment area
- ! Excellent distribution of loans among retail customers of different income levels and business customers of different sizes
- ! Good record of serving the credit needs of economically disadvantaged areas
- ! High level of community development loans
- ! Good use of innovative and flexible lending practices
- ! Delivery systems accessible to essentially all of the assessment area

Table 5 indicates the performance level of CCBT with respect to the lending, investment, and service test.

Table 5 CITIZENS COMMERCIAL BANK AND TRUST PERFORMANCE TESTS			
PERFORMANCE LEVELS	LENDING TEST*	INVESTMENT TEST	SERVICE TEST
Outstanding	X		
High Satisfactory			X
Low Satisfactory		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.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Lending Test

Lending Activity

For CRA reporting purposes, CCBT reported information on 2,151 home equity, motor vehicle, other-secured, other-unsecured, small business, and small farm loans

originated in 1996. These loans were distributed as follows:

TABLE 6 Distribution of Loans	
Loan Type	# of Loans
Home Equity	147
Motor Vehicle	639
Other-Secured	419
Other-Unsecured	299
Small Business	458
Small Farm	189

Table 7 shows the number and amount of the bank's lending inside of its assessment areas by loan product.

Table 7 Lending Within Assessment Areas by Loan Product				
Loan Type	Number of Loans	% of Total Loans	Amount of Loans	% of Total Loans
Home Equity	141	97%	\$ 2,560,300	96%
Motor Vehicle	595	95%	\$ 5,352,404	90%
Other-Secured	383	93%	\$ 5,841,442	93%
Other Unsecured	266	97%	\$ 2,756,627	96%
Small Business	399	87%	\$18,287,640	79%
Small Farm	179	95%	\$12,716,500	97%
Total	1,963	93%	\$47,514,913	88%

This table shows that a substantial majority of loans are within CCBT's assessment areas.

Geographic Distribution

CCBT originated loans in 28 of the 30 geographies within its assessment area which is considered to be an excellent penetration of geographies within its assessment area.

Table 8 shows the number and amount of the bank's consumer, small business, and

small farm lending in each category of geography as a percentage of the number and amount of total mortgage lending.

Table 8 Distribution of Consumer Loans by Geography			
Type of Loan	Moderate- Income	Middle- Income	Upper- Income
Home Equity	4% 3%	62% 61%	34% 37%
Motor Vehicle	5% 6%	71% 67%	24% 27%
Other-Secured	7% 9%	79% 73%	14% 18%
Other-Unsecured	2% 3%	75% 76%	22% 21%
Small Business	6% 6%	75% 66%	19% 28%
Small Farm	2% 4%	85% 85%	13% 10%
Geographies within Assessment Area	3%	77%	20%

This table shows that CCBT's geographic distribution of consumer lending approximates the distribution of geographies within the assessment area. Particularly noteworthy is the bank's high level of motor vehicle, other-secured, and small business lending in the one moderate-income tract within the assessment area.

CCBT's geographic distribution of loans reflects an excellent penetration throughout the assessment area.

Borrower Distribution

Table 9 shows the number and amount of the bank's consumer lending in each category of borrower income as a percentage of the number and amount of total consumer lending. Lending percentages are compared to the percentage of population in each income category.

Table 9 Distribution of Mortgage and Consumer Loans by Borrower Income				
Type of Loan	Low-Income	Moderate-Income	Middle-Income	Upper-Income
Home Equity	3% 1%	17% 15%	36% 32%	44% 52%
Motor Vehicle	29% 21%	33% 34%	20% 22%	17% 23%
Other-Secured	27% 8%	29% 16%	20% 21%	25% 55%
Other-Unsecured	25% 8%	32% 32%	22% 19%	21% 41%
Population	15%	18%	27%	40%

As revealed by this table, CCBT's distribution of motor vehicle, other-secured, and other-unsecured loans to low- and moderate-income borrowers is substantially higher than the percentage of low- and moderate-income families within the assessment area. Although the level of home equity loans made to low-income borrowers is low, low-income borrowers are often unable to afford this type of loan. Overall, CCBT's distribution of borrowers reflects excellent penetration among retail customers of different income levels.

Table 10 shows the number and amount of small business and small farm loans to businesses and farms with less than \$1 million in annual revenues and the respective percentage of total small business and small farm loans.

Table 10 Small Business and Small Farm Loans With Revenues Less Than \$1 Million				
Type of Loan	Number of Loans	% of Total Loans	Amount of Loans	% of Total Amount
Small Business	351	89%	\$12,195,640	67%
Small Farm	178	99%	\$12,646,500	99%

This table shows that the majority of CCBT's small business and small farm loans are

to businesses and farms with less than \$1 million in annual revenues. As can be seen, almost all of the small farm loans are to farms with gross annual revenues of less than \$1 million. CCBT's distribution of borrowers reflects excellent penetration among business customers of different revenue sizes.

Table 11 shows the number and dollar amount of small business and small farm loans by loan amount as a percentage of total small business and small farm loans.

Table 11 Small Business and Small Farm Loans by Loan Amount at Origination			
Type of Loan	Loan Amount ≤ \$100,000	Loan Amount > \$100,000 ≤ \$250,000	Loan Amount > \$250,000
Small Business	91%	6%	4%
	43%	20%	37%
Small Farm	78%	15%	7%
	25%	35%	40%

This table shows that CCBT makes small business and small farm loans in varying amounts, with a concentration of loans of \$100,000 or less.

Community Development Loans

Due to the rural demographics of the area and the fact that there is only one moderate-income BNA within the assessment area, there are limited opportunities to originate community development loans. Although CCBT has originated several community development loans, these loans have been included in the small business and small farms loans reported under CRA data collection requirements.

Innovative/Flexible Lending Criteria

CCBT uses a number of innovative and flexible lending criteria to enhance its ability to meet the credit needs within its assessment area. The following is a listing of these innovative and/or flexible lending programs.

- ! The bank's Affordable Home Program enables home buyers to obtain a home purchase loan with as little as a 5% down payment, 2% of which can be borrowed from a family member. Closing costs are also reduced depending on the annual household income of the family.
- ! CCBT implemented a new fixed-rate loan package to help agricultural

customers which comprise approximately 35% of the bank's loan customers. The bank also participates in the Ohio Agriculture Link Deposit Program and the Farmers Home Administration Guaranteed Loan Program.

- ! The bank originates government-assisted business loans in conjunction with the Small Business Administrations guaranteed loan program.

Investment Test

Grants and contributions were made to organizations that provide money management education to young adults, home buyer education and counseling, youth mentoring services, community services, job skills and training, affordable housing, and small business and small farm development services.

CCBT has a satisfactory level of qualified community development investments and grants and has occasionally used innovative and complex investments to support community development initiatives. Table 12 shows organizations that have received contributions totaling approximately \$39,000 from the bank and the function served by the donation.

TABLE 12 Qualified Investments	
Community Vocational Scholarship Program	Provides vocational scholarship based on financial need.
Mercer/Auglaize YMCA	Underwrites the cost of summer membership for low- and moderate-income youth
Mercer County Civic Foundation 4-H Fund	Serves economic development needs of small farms
Chamber Legislative Conference	Promotes economic development issues
Big Brothers/Big Sisters	Underwrites activities for low- and moderate-income youth
Youth Leadership Mercer County	Benefits low- and moderate-income youth
Mercer County Hospice	Underwrites activities for low- and moderate-income patients
Mercer County Community Hospital Scholarship Fund	Provides scholarships for low- and moderate-income youth based on financial need
Darke County 4-H	Serves economic development needs of small farms
Marion Township Community Development	Promotes economic development

Grand Lake St. Mary's/Mercer County Economic Development Research	Serves the economic development needs of the area
Mercer County Agricultural Society	Serves economic development needs of small farms

Service Test

Retail Banking Services

CCBT's retail banking and alternative delivery systems are accessible to essentially all geographies within the bank's assessment area. All of the bank's five offices and one off-site ATM are located in middle-income tracts.

Stand-alone branches offer business hours Monday through Saturday. In addition, the bank operates a MAC Telephone Banking Center that allows customers to open deposit accounts, apply for loans, make account inquiries, and pay bills. Customers also have the opportunity to open deposit accounts and apply for loans through advertisements, direct mailings, and "Take-one" brochure displays. Business hours and services are reasonable and do not vary in ways that inconvenience certain portions of the assessment area.

The bank did not open or close any branches since the previous examination. However, two new ATMs have been opened since the previous examination.

Community Development Services

CCBT directors, officers, and employees provide technical expertise for numerous organizations that promote economic development and revitalization in the bank's assessment area. The following is a list of organizations that have benefitted from these services:

- ! City of Celina Business Development Loan Fund Committee
- ! Grand Lake Economic Development Corporation
- ! Mercer County Research Foundation for Economic Development
- ! Lake Development Corporation
- ! Mercer County Improvement Corporation
- ! Mercer County Extension Service
- ! Mercer County Farm Bureau
- ! Auglaize-Mercer Community Action Commission.

Because residents of nursing and retirement homes find it difficult to come to the bank, CCBT has taken the initiative to hold seminars on financial subjects at these homes.

The bank established a Business/Manager Accounts Receivable Program for its agricultural customers who experience a very tight cash flow situation. This program helps customers manage cash and maintain their farms and businesses more efficiently by selling receivables and receiving cash "up front" for work completed recently. This practice frees up money to invest in other areas of the customers' businesses and farms and enables the customers to better track their inventory.

CCBT has written Equal Credit Opportunity Act and Fair Housing Act policies and procedures. Lending personnel are trained on these policies and procedures.