FIRST FINANCIAL BANCORP /OH/
Form DEF 14A
March 15, 2004

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SCHEDULE 14A
(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant þ

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement
o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
þ Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to Section 240.14a-11c or Section 240.14a-12

First Financial Bancorp.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement)

Payment of Filing Fee (Check the appropriate box):

þ No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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FIRST FINANCIAL BANCORP.
300 High Street
P.O. Box 476
Hamilton, Ohio 45012-0476

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held April 27, 2004

Hamilton, Ohio
March 24, 2004

To the Shareholders:

The Annual Meeting of Shareholders of First Financial Bancorp. (the Corporation) will be held at the **Manor House Banquet and Conference Center, 7440 Mason-Montgomery Road, Mason, Ohio 45040**, on April 27, 2004, at 10:00 A.M., local time, for the following purposes:

1. To elect the following three nominees as directors with terms expiring in 2007 (Class III): Donald M. Cisle, Corinne R. Finnerty and Bruce E. Leep.

2. To consider and act upon such other matters as may properly come before the Annual Meeting or any adjournment thereof.

On March 1, 2004, there were 43,958,061 common shares outstanding. Each shareholder is entitled to one vote for each common share held regarding each matter properly brought before the Annual Meeting. Shareholders of record of the Corporation at the close of business on March 1, 2004, are entitled to notice of and to vote at the Annual Meeting and at any adjournment thereof.

By Order of the Board of Directors,

/s/ Janie McCauley

Janie McCauley, Legal Officer
and Secretary

EVERY SHAREHOLDER S VOTE IS IMPORTANT. IF YOU ARE UNABLE TO BE PRESENT AT THE ANNUAL MEETING, YOU ARE REQUESTED TO COMPLETE AND RETURN PROMPTLY THE ENCLOSED PROXY SO THAT YOUR SHARES WILL BE REPRESENTED. A STAMPED, ADDRESSED ENVELOPE IS ENCLOSED FOR YOUR CONVENIENCE.

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FIRST FINANCIAL BANCORP.
300 High Street
P.O. Box 476
Hamilton, Ohio 45012-0476

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS
Approximate Date to Mail   March 24, 2004

On behalf of the Board of Directors of First Financial Bancorp. (the Corporation), a Proxy is solicited from you to be used at the Corporation s Annual Meeting of Shareholders (Annual Meeting) scheduled for April 27, 2004, at 10:00 A.M., local time, to be held at the Manor House Banquet and Conference Center, 7440 Mason-Montgomery Road, Mason, Ohio 45040.

Proxies in the form enclosed herewith are being solicited on behalf of the Corporation s Board of Directors. Proxies which are properly executed and returned will be voted at the Annual Meeting as directed. Proxies properly executed and returned which indicate no direction will be voted in favor of the proposals set forth in the Notice of Annual Meeting attached hereto and more fully described in this Proxy Statement. Proxies indicating an abstention from voting on any matter will be tabulated as a vote withheld on such matter and will be included in computing the number of common shares present for purposes of determining the presence of a quorum for the Annual Meeting. If a broker indicates on the form of Proxy that it does not have discretionary authority as to certain common shares to vote on a particular matter, those common shares will be considered as present for the purpose of determining the presence of a quorum but not entitled to vote with respect to that matter. Any shareholder giving the enclosed Proxy has the power to revoke the same prior to its exercise by filing with the Secretary of the Corporation a written revocation or duly executed Proxy bearing a later date or by giving notice of revocation in open meeting.

VOTING SECURITIES

As of March 1, 2004, the record date fixed for the determination of shareholders entitled to vote at the Annual Meeting, there were 43,958,061 common shares outstanding, which is the only outstanding class of capital stock of the Corporation. Each such share is entitled to one vote on each matter properly coming before the Annual Meeting.

PRINCIPAL SHAREHOLDERS

The table below identifies all persons known to the Corporation to own beneficially more than 5% of the Corporation s outstanding common shares.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership of Common Shares	Percentage of Class
First Financial Bank, National Association (1) 300 High Street Hamilton, Ohio 45012-0476	8,817,227	20.06%

Cincinnati Financial Corporation (2) 6200 South Gilmore Road Cincinnati, Ohio 45214	2,465,644	5.61%

(1) These shares are held by First Financial Bank, N.A. (First Financial Bank) and other subsidiary banks (the Trustees) in their fiduciary capacity under various agreements. The Trustees have advised the Corporation that they have sole voting power for 8,703,550 shares, shared voting power for 0 shares, sole investment power for 3,341,807 shares and shared investment power for 5,078,928 shares. Included in the foregoing shares are 506,775 common shares that are beneficially owned by certain directors and executive officers and which are

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reported in the following table showing shareholdings of directors, executive officers and nominees for director.

(2) Cincinnati Financial Corporation reports that it has sole voting power for 2,465,644 shares, shared voting for 0 shares, sole investment power for 2,465,644 shares and shared investment power for 0 shares.

SHAREHOLDINGS OF DIRECTORS, EXECUTIVE OFFICERS AND NOMINEES FOR DIRECTOR

As of March 1, 2004, the directors of the Corporation, including the three nominees for election as directors, the executive officers of the Corporation named in the Summary Compensation Table who are not also directors and all executive officers and directors of the Corporation as a group beneficially owned common shares of the Corporation as set forth below.

Name	Amount and Nature of Beneficial Ownership of Common Shares (1)		Percentage of Class (7)
Donald M. Cisle	495,065	(2)	1.1%
Corinne R. Finnerty	38,245	(3)	
Carl R. Fiora	43,197	(4)	
James C. Garland	37,934		
Murph Knapke	22,331		
Bruce E. Leep	341,451	(5)	
Stephen S. Marcum	117,769	(6)	
Barry S. Porter	42,614		
Steven C. Posey	74,561		
James C. Hall	119,294		
Mark W. Immelt	146,546		
C. Douglas Lefferson	96,299		
C. Thomas Murrell, III	49,460		
All executive officers, directors and nominees as a group (16 persons)	1,732,299		3.9%

(1) Includes shares subject to outstanding options which are exercisable by such individuals within 60 days as follows: Mr. Cisle 21,053 shares, Ms. Finnerty 14,858 shares, Mr. Fiora 20,980 shares, Mr. Garland 23,521 shares, Mr. Knapke 17,326 shares, Mr. Leep 17,326 shares, Mr. Marcum 23,521 shares, Mr. Porter 23,521 shares, Mr. Posey 23,521 shares, Mr. Hall 65,024 shares, Mr. Immelt 95,981 shares, Mr. Lefferson 51,210 shares, Mr. Murrell 27,500 shares, and all executive officers, directors and nominees as a group 488,975 shares.

(2) Of these shares, 458,850 are owned by Seward-Murphy Inc. Of the shares owned by Seward-Murphy Inc., Mr. Cisle has sole voting and investment power for 225,138 shares and shared voting power for 183,200 shares. Mr. Cisle shares voting and investment power for 704 shares held either jointly with his wife or solely in his wife s name.

(3) Ms. Finnerty shares voting and investment power for 20,086 of these shares which are held jointly with her husband.

(4) Mr. Fiora disclaims beneficial ownership of 3,017 of these shares which are held solely in his wife s name.

(5) Mr. Leep shares voting and investment power for 156,762 of these shares which are held solely in his wife s name.

(6) Of these, 12,654 shares are owned by Mr. Marcum s wife, 40,827 shares are owned by their children and 36,894 shares are owned by Mr. Marcum as a trustee of a private foundation, for all of which he disclaims

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beneficial ownership. The shares do not include common shares held by Ohio Casualty Corporation of which Mr. Marcum is a director. Mr. Marcum disclaims beneficial ownership of those shares.

(7) Percentages of class are listed only for those owning one (1%) percent or more.

ELECTION OF DIRECTORS
(Item 1 on Proxy Card)

The Board of Directors intends to nominate three persons as Class III Directors, each for a three-year term. The terms of the remaining directors in Classes I and II will continue as indicated below. It is intended that the accompanying Proxy will be voted for the election of Donald M. Cisle, Corinne R. Finnerty and Bruce E. Leep, all incumbent directors. In the event that any one or more of such nominees becomes unavailable or unable to serve as a candidate, the accompanying Proxy will be voted to elect the remaining nominees and any substitute nominee or nominees designated by the Board. The three nominees for Class III Directors receiving the most votes at the Annual Meeting will be elected as Class III Directors.

Name and Age (1)	Position with Corporation and/or Principal Occupation or Employment For the Last Five Years	Director Since
Nominees Class III Directors Term Expiring in 2007:		
Donald M. Cisle, 49	President of Don S. Cisle Contractor, Inc. (construction contractor); Director of First Financial Bank, Hamilton, Ohio.	1996
Corinne R. Finnerty, 47	Partner in law firm of McConnell & Finnerty, North Vernon, Indiana (trial attorney); Director of Heritage Community Bank, Columbus, Indiana.	1998
Bruce E. Leep, 67	Chairman of Sand Ridge Bank, Schererville, Indiana; retired Chief Executive Officer of Sand Ridge Bank; Assistant Professor of English, Trinity Christian College, Palos Heights, Illinois.	1999
Class I Directors Term Expiring in 2005:		
Carl R. Fiora, 69	Retired President and Chief Executive Officer of Armco Steel Co., L.P.; formerly Area Vice President, Manufacturing and Services Group, Armco Inc. (diversified steel and energy company); Director of Russel Metals Inc. (metals distribution and processing company); Director of First Financial Bank, Hamilton, Ohio.	1987
Stephen S. Marcum, 46	Partner in Parrish, Fryman & Marcum Co., LPA, Hamilton, Ohio; Director of Ohio Casualty Corporation (insurance holding company) and First Financial Bank, Hamilton, Ohio.	1996
Steven C. Posey, 53	President of Posey Management Corp. DBA McDonald s; President of Posey Property Company; Director of First Financial Bank, Hamilton, Ohio.	1997

Name and Age (1)	Position with Corporation and/or Principal Occupation or Employment For the Last Five Years	Director Since
Class II Directors	**Term Expiring in 2006:**	
James C. Garland, 61	President of Miami University, Oxford, Ohio; President of RAZR Technology (a consulting business); Director of First Financial Bank, Hamilton, Ohio.	1996
Murph Knapke, 56	Partner of Knapke Law Office, Celina, Ohio; Director of Community First Bank & Trust, Celina, Ohio.	1983
Barry S. Porter, 66	Retired Chief Financial Officer/Treasurer of Ohio Casualty Corporation (insurance holding company) and its affiliated companies; Director of First Financial Bank, Hamilton, Ohio.	1988

(1) Ages are listed as of December 31, 2003.

MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD

During the last fiscal year, the Board of Directors held twelve regularly scheduled meetings. All of the incumbent directors and each nominee standing for election attended 75% or more of those meetings and the meetings held by all board committees on which they served, during the periods that they served as directors.

The Board of Directors believes that it is important for directors to participate in scheduled board and committee meetings and to attend the Annual Meeting. It is the policy of the Board of Directors that directors who participate in fewer than 75% of scheduled board and committee meetings, or who do not attend the Annual Meeting, unless excused by the Board of Directors, are subject to not being re-nominated to the Board of Directors. Eleven of the Corporation s twelve directors in office at the time attended the 2003 Annual Meeting.

During the last fiscal year, each director received $10,000 in retainer fees. The retainer fees were paid to the directors in the Corporation s common shares pursuant to the Corporation s Director Fee Stock Plan. In addition to the retainer fees, each director received $500 for each board meeting attended and $300 for each board meeting held via teleconference. Each non-employee director was paid $300 for each committee meeting attended and $200 for each committee meeting held via teleconference. The Corporation pays taxes imposed on directors fees by the City of Hamilton, Ohio. Pursuant to the First Financial Bancorp. 1999 Stock Option Plan for Non-Employee Directors, each non-employee director receives in the year in which he or she is elected initially or re-elected to the Board of Directors an option to purchase 8,663 common shares. The exercise price for each option granted is 100% of the fair market value on the date of grant.

Independent Directors

The Board of Directors has determined that seven of its nine members are independent directors as that term is defined under the rules of the National Association of Securities Dealers (the NASD). The independent directors are Donald M. Cisle, Corinne R. Finnerty, Carl R. Fiora, James C. Garland, Murph Knapke, Barry S. Porter, and Steven C. Posey. The independent directors meet in regularly scheduled meetings at which only the independent directors are present.

The Board of Directors has a standing Executive Committee, a Corporate Governance and Nominating Committee, a Compensation Committee and an Audit Committee.

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Executive Committee

The Executive Committee, in the recess of the Board, has the authority to act upon most corporate matters subject to Board approval, other than exercising any powers delegated to another Committee of the Board. The members of the Executive Committee are Donald M. Cisle, Bruce E. Leep and Stephen S. Marcum. The Executive Committee held ten meetings during the 2003 fiscal year.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee (the Nominating Committee) reports to the Board on corporate governance matters, including the evaluation of the Board and its Committees and the recommendation of appropriate Board Committee structures and membership. The Nominating Committee also establishes procedures for the director nomination process and recommends director nominees for the Board s approval. The Nominating Committee operates pursuant to a written charter, a current copy of which is available through the Corporation s Web site at www.ffbc-oh.com under the Investor Information link, by clicking on Corporate Governance. The Nominating Committee is comprised of the following directors, each of whom satisfies the definition of independence for nominating committee members under the rules of the NASD: Donald M. Cisle, Corinne R. Finnerty, Carl R. Fiora, James C. Garland and Murph Knapke. The Nominating Committee held one meeting during the 2003 fiscal year.

It is the Nominating Committee s policy that it will consider director candidates recommended by shareholders in accordance with the procedures outlined in the Corporation s Amended and Restated Regulations (the Corporation s Regulations). Under those procedures, shareholders who wish to nominate individuals for election as directors must provide:

1. The name and address of the shareholder making the nomination and the name and address of the proposed nominee;

2. The age and principal occupation or employment of the proposed nominee;

3. The number of shares of the Corporation s common stock beneficially owned by the proposed nominee;

4. A representation that the shareholder making the nomination:

    a. Is a holder of record of shares entitled to vote at the meeting, and

    b. Intends to appear in person or by proxy at the meeting to make the nomination;

5. A description of all arrangements or understandings between the shareholder making the nomination and the proposed nominee;

6. Any additional information regarding the proposed nominee required by the proxy rules of the Securities and Exchange Commission (the SEC) to be included in a proxy statement if the proposed nominee had been nominated by the Corporation s Board of Directors; and

7. The consent of the proposed nominee to serve as a director if elected.

In order to be recommended for a position on the Corporation s Board of Directors by the Nominating Committee, a proposed nominee must, at a minimum, (i) own shares of the Corporation s common stock having a fair market value of not less than $1,000.00, and (ii) through a combination of experience and education have the skills necessary to make an effective contribution to the Board of Directors. In accordance with the Corporation s

Regulations, no one may be elected to the Board of Directors after reaching his or her seventieth birthday.

The Nominating Committee identifies nominees for director through recommendations by shareholders and through its own search efforts, which may include the use of external search firms. The Nominating Committee evaluates nominees for director based upon criteria established by the Nominating Committee and applies the same evaluation process to all director nominees regardless of whether the nominee is recommended by a shareholder. The criteria evaluated by the Nominating Committee include, among other things, the candidate s judgment, integrity, leadership ability, business experience, and ability to contribute to board member diversity. The Nominating Committee also considers whether the candidate meets independence standards, is financially literate or a financial expert, is available to serve, and is not subject to any disqualifying factor.

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In connection with the 2005 Annual Meeting of Shareholders, the Nominating Committee will consider nominees for election as directors recommended by shareholders provided that notice of a proposed nomination is received by the Corporation no later than January 27, 2005, as provided in the Corporation s Regulations. Notice of a proposed nomination must include the information outlined above and should be sent to First Financial Bancorp., Attention: Janie McCauley, Legal Officer and Secretary, 300 High Street, P.O. Box 476, Hamilton, Ohio 45012-0476.

Compensation Committee

Prior to adopting a new charter in January 2004, the Compensation Committee made recommendations to the Board of Directors with respect to the compensation of the Corporation s Chief Executive Officer and each of the four most highly compensated executive officers of the Corporation other than the Chief Executive Officer. In January 2004, the Compensation Committee began operating under the new charter pursuant to which the Compensation Committee determines and approves the compensation of the Chief Executive Officer and approves the compensation of each executive officer of the Corporation determined pursuant to Rule 16a-1(f) under the Securities Exchange Act of 1934. The Compensation Committee also reviews and approves all benefit plans of the Corporation. A current copy of the Compensation Committee s charter is available through the Corporation s Web site at www.ffbc-oh.com under the Investor Information link, by clicking on Corporate Governance. The Compensation Committee is comprised of the following directors, each of whom satisfies the definition of independence for compensation committee members under the rules of the NASD: James C. Garland, Carl R. Fiora, Murph Knapke and Barry S. Porter. The Compensation Committee held six meetings during the fiscal year.

Audit Committee

The Audit Committee operates pursuant to a written charter that was adopted by the Board of Directors. A copy of the charter is attached to this Proxy Statement as Appendix A. The Audit Committee is responsible for overseeing the Corporation s accounting and financial reporting processes, the external auditors qualifications and independence, the performance of the Corporation s internal audit function and the external auditors, and the Corporation s compliance with applicable legal and regulatory requirements. The Audit Committee is comprised of the following directors, each of whom satisfies the definition of independence for audit committee members under the rules of the NASD and the SEC: Donald M. Cisle, Carl R. Fiora and Barry S. Porter. The Board of Directors has determined that Barry S. Porter is the one audit committee financial expert serving on the Audit Committee. The Audit Committee held eight meetings during the fiscal year.

COMMUNICATING WITH THE BOARD OF DIRECTORS

The Board of Directors has established a process by which shareholders may communicate with the Board of Directors. Shareholders may send communications to the Corporation s Board of Directors or to individual directors by writing to:

Attn: Board of Directors (or name of individual director)
First Financial Bancorp.
P.O. Box 1242
Hamilton, OH 45012-1242

Letters mailed to this post office box will be received by the director who serves as chair of the Audit Committee or the director who serves as chair of the Nominating Committee, as alternate. A letter addressed to an individual director will be forwarded unopened to that director by the chair of the Audit Committee.

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Information regarding this process is also available through the Corporation s Web site at www.ffbc-oh.com under the Investor Information link, by clicking on Corporate Governance. For questions regarding this process, shareholders may call the Corporation s legal officer and secretary, Janie McCauley, at (513) 867-4729.

REPORT OF THE AUDIT COMMITTEE

In accordance with its written charter, the Audit Committee oversees the Corporation s financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for the financial statements and the reporting process including the systems of internal controls. The Corporation s independent auditors, Ernst & Young LLP (Ernst & Young), are responsible for expressing an opinion on the conformity of the Corporation s audited financial statements to generally accepted accounting principles.

In fulfilling its oversight responsibilities, the Committee reviewed the audited financial statements in the Annual Report with management including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements. The Committee discussed with Ernst & Young those matters required to be discussed by SAS 61 (Codification of Statements on Auditing Standards, AU 380). In addition, the Committee received from Ernst & Young the written disclosures and the letter required by Independence Standards Board Standard No. 1 and discussed with them their independence.

The Committee discussed with the Corporation s internal auditors and Ernst & Young the overall scope and plans for their respective audits. The Committee met with the internal auditors and with Ernst & Young, with and without management present, to discuss the results of their examinations, their evaluations of the Corporation s internal controls, and the overall quality of the Corporation s financial reporting.

In reliance on the reviews and discussions referred to above, the Committee recommended to the Board of Directors, and the Board has approved, that the audited financial statements be included in the Annual Report on Form 10-K for the year ended December 31, 2003, for filing with the SEC. The Committee has approved the selection of Ernst & Young as the Corporation s independent auditors.

AUDIT COMMITTEE

Barry S. Porter, Chairperson
Donald M. Cisle
Carl R. Fiora

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INDEPENDENT AUDITORS, FEES AND ENGAGEMENT

Ernst & Young has been selected as independent auditors to audit the financial statements of the Corporation for the current fiscal year. Management expects that representatives of that firm will be present at the Annual Meeting, will have the opportunity to make a statement, if they desire to do so, and will be available to respond to appropriate questions.

The following table sets forth the aggregate fees billed to the Corporation and related entities for the last two fiscal years by the Corporation s independent auditors.

Fees by Category	2002	2003
Audit Fees	$200,000	$205,000
Audit-Related Fees (1)	388,870	41,201
Tax Fees (2)	190,545	172,084
All Other Fees (3)	0	40,800
Total	$779,415	$459,085

(1) Services covered by these fees consist of common trust fund audits, employee benefit plan audits and (for 2002 only) internal audit outsourcing, which Ernst & Young ceased to perform after June 30, 2002.

(2) Services covered by these fees consist of professional tax services, including preparation of the federal income tax returns for the Corporation and its subsidiaries.

(3) Services covered by these fees consist of audit and tax compliance work billed to the Legacy Funds Group of mutual funds for which the Corporation s subsidiary, First Financial Capital Advisors LLC, serves as investment advisor.

It is the policy of the Audit Committee that, before the Corporation engages an accounting firm to render audit services as the Corporation s independent auditors, the engagement must be approved by the Audit Committee. In addition, before an accounting firm serving as the Corporation s independent auditors is engaged by the Corporation to render non-audit services, the engagement must be approved by the Audit Committee.

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EXECUTIVE COMPENSATION

The following Summary Compensation Table sets forth the compensation earned during the last three completed fiscal years by individuals serving as the Corporation s Chief Executive Officer, or acting in a similar capacity, during the last fiscal year and the Corporation s four other most highly compensated executive officers (the Named Executive Officers).

SUMMARY COMPENSATION TABLE

		Annual Compensation			Long Term Compensation		
					Awards		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Name and Principal Position	Year	Salary($)	Bonus ($)	Other Annual Compen-sation ($)(1)	Restricted Stock Award(s) ($)(2)(3)	Securities Underlying Options/ SARs (#)	All Other Compen-sation ($)(4)
Stanley N. Pontius	2003	$509,929	$ 0	$ 423	$505,242	10,000	$3,421,867
President and Chief	2002	514,443	207,612	498	494,001	10,000	33,533
Executive Officer (4)	2001	493,219	81,647	460	454,432	10,500	31,032
James C. Hall	2003	251,227	22,530	0	232,021	10,000	17,546
Executive Vice President	2002	235,673	71,621	0	215,000	10,000	18,468
	2001	199,327	24,536	0	151,798	7,875	27,696
Mark W. Immelt	2003	281,227	16,824	224	140,930	10,000	18,842
Senior Vice President	2002	271,793	54,479	202	260,993	10,000	17,149
	2001	260,577	35,069	180	240,186	10,500	15,646
C. Douglas Lefferson	2003	183,596	16,466	0	166,778	10,000	15,420
Senior Vice President and	2002	170,000	51,510	0	170,005	10,000	12,956
Chief Financial Officer	2001	128,517	16,549	0	115,289	10,500	3,996
C. Thomas Murrell, III	2003	176,494	14,067	0	116,060	10,000	6,538
Senior Vice President	2002	166,635	43,882	0	159,994	10,000	3,695
and Chief Lending Officer	2001	107,692	10,152	0	0	7,500	1,280
Bruce E. Leep	2003	15,000	0	1,121	0	0	71,950
Interim President and	2002	0	0	798	0	0	59,100
	2001	109,072	0	275	0	8,663	32,953

Chief Executive
Officer (5)

(1) Represents amounts paid by the Corporation for taxes imposed on directors fees by the City of Hamilton, Ohio. Does not include the value of perquisites and other personal benefits because the aggregate amount of such compensation, if any, does not exceed the lesser of $50,000 or 10% of the total amount of annual salary and bonus for the individual for that year.

(2) The number and value of the aggregate restricted stock holdings, as of December 31, 2003, of the Named Executive Officers (other than Mr. Pontius who held no shares of restricted stock as of that date) are, respectively, as follows: Mr. Hall, 30,419 shares and $485,183; Mr. Immelt, 30,321 shares and $483,620; Mr. Lefferson, 22,121 and $352,830; and Mr. Murrell, 13,977 shares and $222,933. Dividends will be paid on the restricted stock reported in this column (f).

(3) The restricted stock awards reported in column (f) vest according to the following schedule: 25% of the shares vest one year from the date of the award, 25% of the shares vest two years from the date of the award, 25% of the shares vest three years from the date of the award, and 25% of the shares vest four years from the date of the award.

(4) Represents directors fees, the Corporation s contribution to the Thrift Plan, amounts attributable to the term insurance portion of premiums paid by the Corporation under the Endorsement Method Split Dollar Plan Agreement (the Split Dollar Agreement) and amounts paid or payable pursuant to the terms of a Separation Agreement and Release (the Separation Agreement) entered into between Mr. Pontius and the Corporation on October 15, 2003. The payments received during fiscal year 2003 for each of the items covered by column (h) are as follows:

Name	Directors Fees	Thrift Plan	Insurance Premiums	Separation Agreement	Total
Mr. Pontius	20,750	6,000	3,408	3,391,709	3,421,867
Mr. Hall	11,000	6,000	546	0	17,546
Mr. Immelt	11,000	6,000	1,842	0	18,842
Mr. Lefferson	9,600	5,468	352	0	15,420
Mr. Murrell	0	5,262	1,276	0	6,538
Mr. Leep	71,950	0	0	0	71,950

Mr. Pontius received directors fees for serving as a director of the Corporation and a director and Chairman of the Board of First Financial Bank until October 15, 2003. Mr. Leep received directors fees for serving as a director and Chairman of the Board of the Corporation, a director and Chairman of the Board of Sand Ridge Bank, and, since October 15, 2003, a director and Interim Chairman of the Board of First Financial Bank. Mr. Hall, Mr. Immelt, and Mr. Lefferson also received directors fees for serving as directors of Sand Ridge Bank, First Financial Bank and Heritage Community Bank, respectively.

Mr. Pontius served as the Corporation s President and Chief Executive Officer until October 15, 2003 (the Separation Date). Under the terms of the Separation Agreement, Mr. Pontius received a lump sum payment of $600,000, the right to receive periodic payments during the 36 month period following the Separation Date equal to his base salary in effect on the Separation Date (i.e. $551,328 per year), ownership of the Corporation-owned vehicle being provided by the Corporation for Mr. Pontius s use prior to the Separation Date, the immediate vesting of 10,000 stock options that had been awarded to Mr. Pontius but had not yet vested as of the Separation Date,* the immediate vesting of 71,769 shares of restricted stock that had been awarded to Mr. Pontius but had not yet vested as of the Separation Date, and the reimbursement of up to $10,000 in legal fees incurred by Mr. Pontius in connection with the negotiation of the Separation Agreement. Mr. Pontius also remains eligible for benefits to which he is entitled under the Corporation s thrift plan, retirement plan, supplemental retirement plan and the Split Dollar Agreement. The amount reported in column (h) for Mr. Pontius includes amounts paid or payable to Mr. Pontius under the terms of the Separation Agreement as follows:

Lump sum payment	$ 600,000
Base salary continuation for 36 months	1,653,984
Vesting of previously awarded restricted stock	1,103,807**
Transfer of Corporation-owned vehicle	23,918
Reimbursement of legal fees	10,000
Total	$3,391,709

* The stock options were not in the money on the Separation Date and lapsed on January 15, 2004, without having been exercised by Mr. Pontius.

** Of this amount, only $856,047 was expensed by the Corporation at the Separation Date. Prior to the Separation Date, the Corporation had already expensed a portion of the restricted stock awards as part of the normal amortization of awards over the vesting period.

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(5) Mr. Leep, a director and Chairman of the Board of the Corporation, was appointed by the Board of Directors to serve as Interim President and Chief Executive Officer of the Corporation, effective October 15, 2003. Mr. Leep was President and Chief Executive Officer of Sand Ridge Bank until he retired from those positions in June 2001.

Employment Agreements

The Corporation has employment agreements with each of the Named Executive Officers currently employed by the Corporation other than Mr. Leep. The term of each agreement ends upon the earlier of (i) the fifth anniversary of its execution date (or second anniversary in the case of Mr. Murrell), (ii) the date of the officer s retirement, death or total and permanent disability, or (iii) the completion of full payment of all benefits under the agreement. Absent the officer s death, total and permanent disability or retirement, the agreement renews annually from and after the fifth anniversary of its commencement date unless written notice to the contrary is given by the officer or the Corporation at least six months prior to the expiration of the term, including any extension thereof. (Mr. Murrell s agreement renews annually from and after the second anniversary of its commencement date.)

Upon one month s advance written notice, the Corporation may terminate the officer s employment with or without Cause and the officer may terminate his or her employment with or without Good Reason. Cause means a willful engaging in gross misconduct materially and demonstrably injurious to the Corporation, and willful means an act or omission in bad faith and without reasonable belief that such act or omission was in, or not opposed to, the best interests of the Corporation. Good Reason means: (a) a change in the duties of the officer s position or the transfer to a new position in violation of the terms of the agreement; (b) a substantial alteration in the nature or status of the officer s responsibilities in violation of the agreement; (c) a reduction in the officer s base salary; (d) refusal by the Corporation or its successor to renew the term of the agreement for any reason prior to the officer reaching his or her normal retirement date under the Corporation s retirement plan; or (e) changes in the officer s employment benefits in violation of the terms of the agreement.

In the event that the Corporation terminates an officer s employment without Cause or the officer voluntarily terminates his or her employment for Good Reason and the officer provides the Corporation with a release and a covenant not to sue for all claims arising out of the officer s employment and termination of employment, the officer shall receive the following benefits: (i) his or her base salary for a period of 24 months from the date of termination of employment (such period being the Severance Pay Period); (ii) if the officer has participated in the Corporation s Performance Incentive Compensation Plan for a complete calendar year, an incentive compensation payment in one lump sum in an amount equal to 2.0 times the percentage of the incentive payment made or required to be made for the calendar year pursuant to the Performance Incentive Compensation Plan immediately preceding the calendar year in which the termination of employment occurs; and (iii) if such termination of employment occurs within 12 months after a change in control of the Corporation, a payment in one lump sum in an amount equal to the following: (A) with respect to any shares subject to an option granted as of the time of the change in control under the Corporation s 1991 Stock Incentive Plan (the 1991 Incentive Plan) that the officer cannot exercise as a result of the termination of employment, the difference between the fair market value of such common shares determined as of the date of termination of employment and the option exercise price, and (B) with respect to any restricted stock granted under the 1991 Incentive Plan as of the time of the change in control which the officer forfeits as a result of the termination of his or her employment, the fair market value of such restricted shares determined as of the date of termination of employment and as if all restrictions had been removed.

In addition, solely for purposes of the Corporation s Endorsement Method Split Dollar Agreement (the Split Dollar Agreement), the duration of the Severance Pay Period shall be considered as if it were active employment for purposes of determining whether the officer is eligible to receive a retirement benefit under the early retirement provisions of the Corporation s retirement plan. If the date of termination of employment is within 12 months after a change in control, the officer will receive a payment (the Split Dollar Payment) within 90 days

of the date of termination of employment in one lump sum equal to the present value of the death benefit he or she would have received under the Split Dollar Agreement determined as if he or she were eligible to receive a retirement benefit under the early retirement provisions of the Corporation s retirement plan, based on age and years of service at the end of the Severance Pay Period, and had died at age 75 when the Split Dollar Agreement was still in effect. Present value will be determined using a discount rate based on a U.S. Treasury security s rate for the applicable period (not greater than 10 years). Notwithstanding the foregoing, if the officer elects to receive an assignment of the policy under the Split Dollar Agreement, the Split Dollar Payment shall be applied to the cash payment to the Corporation required under the Split Dollar Agreement, and any portion of the Split Dollar Payment in excess of the amount required to be paid to the Corporation shall be paid to such officer.

In the event that the Corporation terminates an officer s employment for Cause or the officer terminates his or her employment without Good Reason, upon the date of termination of employment, the officer shall be eligible to receive only those benefits provided in accordance with the plans and practices of the Corporation that are applicable to employees generally. Any disputes concerning the reason for termination and any other claims arising during the course of employment will be resolved through binding arbitration.

If the receipt of any payments described above, in combination with any other payments to an officer from the Corporation (other than Mr. Murrell), shall, in the opinion of independent tax counsel selected by the Corporation, result in liability for the payment by the officer of any excise tax pursuant to Sections 280G and 4999 of the Internal Revenue Code (the Code), the Corporation will pay to the officer within 60 days of the date his or her employment terminates an additional amount equal to the amount of such excise tax and the additional federal, state and local income taxes for which he or she will be liable as the result of this additional payment.

During the term of the officer s employment and for a period of six months following termination of the officer s employment for any reason other than by the Corporation for Cause, the officer has agreed not to compete with the Corporation s banking and lending businesses in the states of Ohio, Indiana, Michigan or Kentucky.

The following table shows all individual grants of stock options to the Named Executive Officers of the Corporation during the fiscal year ended December 31, 2003.

OPTIONS/SAR GRANTS IN LAST FISCAL YEAR

	Individual Grants				Potential Realizable Value (Gain) at Assumed Annual Rates of Stock Price Appreciation for Option Term (1)	
(a)	(b)	(c)	(d)	(e)	(f)	(g)