

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION
(Include Holding Company Where Applicable)

First Citizens Banc Corp

Point of Contact:	Richard J. Dutton	RSSD: (For Bank Holding Companies)	1246533
UST Sequence Number:	427	Docket Number: (For Thrift Holding Companies)	N/A
CPP/CDCI Funds Received:	23,184,000	FDIC Certificate Number: (For Depository Institutions)	N/A
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	N/A
Date Funded (first funding):	January 29, 2009	City:	Sandusky
Date Repaid ¹ :	N/A	State:	Ohio

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

Increase lending or reduce lending less than otherwise would have occurred.

The Company experienced a \$30 million decline in loan balances from \$797 million at December 2008 to \$767 million at December 2010. While the Company is actively seeking loan opportunities (of all types), our customers are accumulating cash (in the form of deposits) and reducing their debt.

To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).

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Increase securities purchased (ABS, MBS, etc.).

While the Company's securities portfolio did increase \$24 million from \$151 million at December 31, 2008 to \$185 million at December 31, 2010, this increase is primarily attributable to an increase in customer deposits, which increased \$92 million from December 31, 2008 to December 31, 2010.

Make other investments.

Increase reserves for non-performing assets.

The Company's allowance for loan losses increased \$13 million from \$9 million at December 31, 2008, to \$22 million at December 31, 2010. This increase was funded almost entirely from earnings of the Company during that period.

Reduce borrowings.

While the Company's borrowings did decrease \$51 million from \$155 million at December 31, 2008 to \$104 million at December 31, 2010, this decline is primarily attributable to the previously noted decline in loans coupled with the increase in customer deposits during the same period.

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Increase charge-offs.

Charge-offs increased slightly from \$7.8 million during 2008 and \$8.1 million during 2009, to \$12.7 million during 2010.

Purchase another financial institution or purchase assets from another financial institution.

Held as non-leveraged increase to total capital.

The Company did hold and consider the CPP funds as an increase in its total capital position. Total stockholder equity increased \$20.4 million from \$76.6 million at December 31, 2008 to \$97.0 million at December 31, 2010.

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What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

The increase in capital attributable to CPP relieved the Company from the need to dividend earnings its Bank subsidiary or otherwise consider means for raising additional capital until more "normal" market conditions return. The result was that the Company's subsidiary Bank was able to maintain its equity at regulatory "well capitalized" levels and its liquidity at significant levels.

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What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

The Company's and its Bank subsidiary's focus for the last three years (2008-2010) has been on maintaining capital and liquidity while improving asset quality. The infusion of CPP funds and the resultant increased capital levels allowed the Company and its Banks subsidiary to focus resources on managing liquidity and improving asset quality.

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Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

A large, empty rectangular box with a black border, intended for the respondent to provide a detailed description of actions undertaken with the capital infusion of CPP/CDCI funds.