First Financial Bancorp Announces Second Quarter 2020 Financial Results

- **Earnings per diluted share of $0.38; $0.40 on an adjusted[(1)] basis**
- **Return on average assets of 0.96%; 1.00% as adjusted[(1)]**
- **57.5% efficiency ratio; 56.1% as adjusted[(1)]**
- **Record core fee income driven by $16.7 million of mortgage banking income**
- **$20.2 million total provision for credit losses**

Cincinnati, Ohio - July 23, 2020 - First Financial Bancorp. (Nasdaq: FFBC) ("First Financial" or the "Company") announced financial results for the three and six months ended June 30, 2020.

For the three months ended June 30, 2020, the Company reported net income of $37.4 million, or $0.38 per diluted common share. These results compare to net income of $28.6 million, or $0.29 per diluted common share, for the first quarter of 2020 and $52.7 million, or $0.53 per diluted common share, for the second quarter of 2019. For the six months ended June 30, 2020, First Financial had earnings per diluted common share of $0.67 compared to $1.00 for the same period in 2019.

Return on average assets for the second quarter of 2020 was 0.96% while return on average tangible common equity was 12.90%. These compare to returns on average assets of 0.79% and 1.50%, and returns on average tangible common equity of 9.71% and 17.33%, in the first quarter of 2020 and the second quarter of 2019, respectively.

Second quarter 2020 highlights include:

- After adjustments[(1)] for certain nonrecurring and certain COVID-19 related items:
    - Net income of $0.40 per diluted common share
    - 1.00% return on average assets
    - 13.47% return on average tangible common equity

- Adjustments[(1)] to net income include:
    - $0.7 million of costs directly related to COVID-19
    - $1.5 million of other nonrecurring costs such as branch consolidation costs

- Total Allowance for Credit Losses of $175.3 million; Total quarterly provision for credit losses of $20.2 million
    - Loans and leases - ACL of $158.7 million, 1.56% of total loans; 1.71% of loans excluding PPP
    - Unfunded Commitments - ACL of $16.7 million; $2.4 million provision expense
    - Similar to first quarter, substantially all second quarter provision expense related to expected economic impact from COVID-19

- Strong noninterest income of $42.7 million, an increase of 20.7% from the linked quarter
    - Mortgage banking revenue increased $13.8 million, or 488.6%
    - Continued strong client derivative fee income
    - Foreign exchange income of $6.6 million despite COVID-19 headwinds
    - Service charges on deposits, including overdrafts, declined $2.4 million, or 28.9%

- Noninterest expenses of $88.7 million, or $86.5 million as adjusted[(1)]
    - Efficiency ratio of 57.5%; 56.1% as adjusted[(1)]

[(1)] Financial information in this release that is described as "adjusted" or that is presented on a fully tax equivalent basis is non-GAAP. For details on the calculation of these non-GAAP financial measures and a reconciliation to the GAAP financial measure, see the sections titled "Use of Non-GAAP Financial Measures" in this release and "Appendix: Non-GAAP to GAAP Reconciliation" in the accompanying slide presentation.

- Loan balances grew $873.9 million, or 37.8% on an annualized basis
    - Loan growth driven by $885.3 million of PPP loans, net of unearned fees

- Net interest margin of 3.44% on a fully tax-equivalent basis(1)
    - 33 basis point decline compared to the linked quarter; 62 basis point decline due to loan yields
    - 3 basis points of dilution from PPP
    - Impact of downward movement in short term rates, including the normalization of LIBOR, partially offset by funding cost reductions, higher loan fees, and elevated purchase accounting accretion

- Strong capital ratios
    - Total capital of 15.13%; bolstered by $150 million sub-debt issuance in early second quarter
    - Tier 1 common equity of 11.44%
    - Tangible common equity of 8.09%; 8.62% excluding PPP loans
    - Tangible book value per share of $12.26

In response to COVID-19, the Company has:

- Introduced hardship relief programs that include payment deferrals, fee-waivers and suspension of foreclosures
    - Processed over $2.0 billion of commercial modifications
    - Modified over $126 million of consumer loans including $103 million in residential mortgages

- Participated in CARES Act SBA Paycheck Protection Program
    - Received in excess of 8,200 PPP applications; over $1.2 billion in requests
    - Approximately 6,800 PPP requests, or 83% of applicants, approved by SBA
    - $912.9 million in PPP balances as of June 30; to date forgiveness has not been requested on any loan

- Continued implementation of new processes and technologies to improve customer access to banking services

- Updated existing internal processes and systems to react to high customer demand for relief

- Donated $1.0 million to fund COVID-19 related relief in our geographic footprint in the first quarter

Archie Brown, President and Chief Executive Officer, remarked, “We are very pleased with our second quarter performance, especially when considering the unique circumstances in which we were operating due to COVID-19. While second quarter earnings were negatively impacted by pandemic-related events, we posted solid results as reflected in our adjusted(1) earnings per share of $0.40, adjusted(1) return on assets of 1.00% and adjusted(1) efficiency ratio of 56.1%. Additionally, credit trends remained stable while our allowance for credit losses increased to 1.71% of total loans, excluding PPP, and we recorded $20.2 million of provision expense in anticipation of credit deterioration in the latter part of the year and into 2021."

Mr. Brown continued, “The second quarter was our highest core fee income quarter on record and was the primary driver of our excellent performance. Our mortgage team had a sensational quarter as the hard work of our team combined with the historic low interest rate environment to drive an almost 500% increase in total mortgage banking revenue to $16.7 million. In addition, client derivative income remained steady during the quarter and Bannockburn revenue, while lower than the first quarter, was in line with our expectations given the challenges caused by business shutdowns. Additionally, total expenses declined during the quarter as we limited discretionary spending and implemented additional controls on hiring."

Mr. Brown further commented, "We are pleased with and appreciative of the incredible work performed by our associates during the quarter. We successfully implemented our pandemic management plan, which resulted in over 50% of our associates working remotely and our branches operating with closed lobbies for most of the quarter. This required a prompt evaluation of our client service model and a shift to leveraging technology in new and innovative ways. Our associates met the challenge, and went above and beyond to originate and fund over $900 million in PPP loans, provide customer deferrals for over $2 billion of loans, and process historic numbers of fee waivers and mortgage applications. By the second half of the quarter, sales activity returned to near pre-pandemic levels which led to increases in new households with checking accounts, strong consumer loan originations and robust wealth production.”

Mr. Brown continued, “At this time, approximately 60% of our banking center lobbies are fully open with the remainder servicing clients by appointment. Physical staffing levels in our office buildings is currently limited to 25% of normal capacity, mostly on a volunteer basis, with the remainder of the staff continuing to work remotely. We continually monitor conditions in our markets and banking centers, in addition to guidance provided by local and state governments with regard to safely returning to the workplace and opening our branch locations to customers."

Mr. Brown concluded, "The second quarter was historic and challenging, however it illuminated what we are capable of as a company and positioned us to build on the lessons learned in a meaningful way. We continue to better leverage technology and are reevaluating our distribution model to better serve the needs of our customers. The broader economic environment remains uncertain and our clients continue to face serious challenges. We are committed to be a stabilizing presence in our communities and remain steadfast in our promise to manage the Company in a manner that prioritizes the physical and financial well-being of our associates and clients while delivering long-term value to our shareholders."

Full detail of the Company's second quarter performance is provided in the accompanying financial statements and slide presentation.

Teleconference / Webcast Information

First Financial's executive management will host a conference call to discuss the Company's financial and operating results on Friday, July 24, 2020 at 8:30 a.m. Eastern Time. Members of the public who would like to listen to the conference call should dial (877) 506-6873 (U.S. toll free), (855) 669-9657 (Canada toll free) or +1 (412) 380-2003 (International) (no passcode required). The number should be dialed five to ten minutes prior to the start of the conference call. The conference call will also be accessible as an audio webcast via the Investor Relations section of the Company's website at www.bankatfirst.com. A replay of the conference call will be available beginning one hour after the completion of the live call at (877) 344-7529 (U.S. toll free), (855) 669-9658 (Canada toll free) and +1 (412) 317-0088 (International); conference number 10145789. The webcast will be archived on the Investor Relations section of the Company's website for 12 months.

Press Release and Additional Information on Website

This press release as well as supplemental information are available to the public through the Investor Relations section of First Financial's website at www.bankatfirst.com.

Use of Non-GAAP Financial Measures

This earnings release contains GAAP financial measures and Non-GAAP financial measures where management believes it to be helpful in understanding the Company's results of operations or financial position. Where Non-GAAP financial measures are used, the comparable GAAP financial measures, as well as a reconciliation to the comparable GAAP financial measure, can be found in the section titled "Appendix: Non-GAAP to GAAP Reconciliation" in the accompanying slide presentation.

Forward-Looking Statement

Certain statements contained in this report which are not statements of historical fact constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as ‘‘believes,’’ ‘‘anticipates,’’ “likely,” “expected,” “estimated,” ‘‘intends’’ and other similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. Examples of forward-looking statements include, but are not limited to, statements we make about (i) our future operating or financial performance, including revenues, income or loss and earnings or loss per share, (ii) future common stock dividends, (iii) our capital structure, including future capital levels, (iv) our plans, objectives and strategies, and (v) the assumptions that underlie our forward-looking statements.

As with any forecast or projection, forward-looking statements are subject to inherent uncertainties, risks and changes in circumstances that may cause actual results to differ materially from those set forth in the forward-looking statements. Forward-looking statements are not historical facts but instead express only management’s beliefs regarding future results or events, many of which, by their nature, are inherently uncertain and outside of management’s control. It is possible that actual results and outcomes may differ, possibly materially, from the anticipated results or outcomes indicated in these forward-looking statements. Important factors that could cause actual results to differ materially from those in our forward-looking statements include the following, without limitation:

- economic, market, liquidity, credit, interest rate, operational and technological risks associated with the Company’s business;
- future credit quality and performance, including our expectations regarding future loan losses and our allowance for credit losses
- the effect of and changes in policies and laws or regulatory agencies, including the Dodd-Frank Wall Street Reform and Consumer Protection Act and other legislation and regulation relating to the banking industry; (iv) management’s ability to effectively execute its business plans;
- mergers and acquisitions, including costs or difficulties related to the integration of acquired companies;
- the possibility that any of the anticipated benefits of the Company’s acquisitions will not be realized or will not be realized within the expected time period;
- the effect of changes in accounting policies and practices;
- changes in consumer spending, borrowing and saving and changes in unemployment;
- changes in customers’ performance and creditworthiness;
- the costs and effects of litigation and of unexpected or adverse outcomes in such litigation;
- current and future economic and market conditions, including the effects of declines in housing prices, high unemployment rates, U.S. fiscal debt, budget and tax matters, geopolitical matters, and any slowdown in global economic growth;
- the adverse impact on the U.S. economy, including the markets in which we operate, of the novel coronavirus, which causes the Coronavirus disease 2019 (“COVID-19”), global pandemic, and the impact of a slowing U.S. economy and increased unemployment on the performance of our loan and lease portfolio, the market value of our investment securities, the availability of sources of funding and the demand for our products;
- our capital and liquidity requirements (including under regulatory capital standards, such as the Basel III capital standards) and our ability to generate capital internally or raise capital on favorable terms;
- financial services reform and other current, pending or future legislation or regulation that could have a negative effect on our revenue and businesses, including the Dodd-Frank Act and other legislation and regulation relating to bank products and services;
- the effect of the current interest rate environment or changes in interest rates or in the level or composition of our assets or liabilities on our net interest income, net interest margin and our mortgage originations, mortgage servicing rights and mortgage loans held for sale;
- the effect of a fall in stock market prices on our brokerage, asset and wealth management businesses;
- a failure in or breach of our operational or security systems or infrastructure, or those of our third-party vendors or other service providers, including as a result of cyber attacks;
- the effect of changes in the level of checking or savings account deposits on our funding costs and net interest margin; and
- our ability to develop and execute effective business plans and strategies.

Additional factors that may cause our actual results to differ materially from those described in our forward-looking statements can be found in our Form 10-K for the year ended December 31, 2019, as well as our other filings with the SEC, which are available on the SEC website at www.sec.gov.

All forward-looking statements included in this filing are made as of the date hereof and are based on information available at the time of the filing. Except as required by law, the Company does not assume any obligation to update any forward-looking statement.

About First Financial Bancorp.

First Financial Bancorp. is a Cincinnati, Ohio based bank holding company. As of June 30, 2020, the Company had $15.9 billion in assets, $10.2 billion in loans, $11.7 billion in deposits and $2.2 billion in shareholders' equity. The Company's subsidiary, First Financial Bank, founded in 1863, provides banking and financial services products through its six lines of business: Commercial, Retail Banking, Investment Commercial Real Estate, Mortgage Banking, Commercial Finance and Wealth Management. These business units provide traditional banking services to business and retail clients. Wealth Management provides wealth planning, portfolio management, trust and estate, brokerage and retirement plan services and had approximately $2.8 billion in assets under management as of June 30, 2020. The Company operated 141 full service banking centers as of June 30, 2020, primarily in Ohio, Indiana and Kentucky, while the Commercial Finance business lends into targeted industry verticals on a nationwide basis. Additional information about the Company, including its products, services and banking locations, is available at www.bankatfirst.com.

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Selected Financial Information

June 30, 2020

(unaudited)

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FIRST FINANCIAL BANCORP.
CONSOLIDATED FINANCIAL HIGHLIGHTS

(Dollars in thousands, except per share data)

(Unaudited)

	Three Months Ended,					Six months ended,	
	June 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Sep. 30, 2019	June 30, 2019	June 30, 2020	June 30, 2019
RESULTS OF OPERATIONS							
Net income	$ 37,393	$ 28,628	$ 48,677	$ 50,856	$ 52,703	$ 66,021	$ 98,542
Net earnings per share - basic	$ 0.38	$ 0.29	$ 0.49	$ 0.52	$ 0.54	$ 0.68	$ 1.01
Net earnings per share - diluted	$ 0.38	$ 0.29	$ 0.49	$ 0.51	$ 0.53	$ 0.67	$ 1.00
Dividends declared per share	$ 0.23	$ 0.23	$ 0.23	$ 0.23	$ 0.22	$ 0.46	$ 0.44
KEY FINANCIAL RATIOS							
Return on average assets	0.96 %	0.79 %	1.34 %	1.41 %	1.50 %	0.88 %	1.42 %
Return on average shareholders' equity	6.88 %	5.21 %	8.60 %	9.13 %	9.85 %	6.04 %	9.37 %
Return on average tangible shareholders' equity	12.90 %	9.71 %	15.84 %	16.15 %	17.33 %	11.29 %	16.66 %
Net interest margin	3.38 %	3.71 %	3.84 %	3.91 %	3.99 %	3.54 %	4.02 %
Net interest margin (fully tax equivalent) (1)	3.44 %	3.77 %	3.89 %	3.96 %	4.04 %	3.60 %	4.07 %
Ending shareholders' equity as a percent of ending assets	13.99 %	14.47 %	15.49 %	15.62 %	15.16 %	13.99 %	15.16 %
Ending tangible shareholders' equity as a percent of:							
Ending tangible assets	8.09 %	8.25 %	9.07 %	9.17 %	9.34 %	8.09 %	9.34 %
Risk-weighted assets	10.85 %	10.50 %	11.09 %	11.34 %	11.82 %	10.85 %	11.82 %
Average shareholders' equity as a percent of average assets	13.91 %	15.21 %	15.53 %	15.43 %	15.22 %	14.54 %	15.12 %
Average tangible shareholders' equity as a percent of average tangible assets	7.94 %	8.79 %	9.07 %	9.35 %	9.26 %	8.34 %	9.11 %
Book value per share	$ 22.66	$ 22.25	$ 22.82	$ 22.59	$ 22.18	$ 22.66	$ 22.18
Tangible book value per share	$ 12.26	$ 11.82	$ 12.42	$ 12.33	$ 12.79	$ 12.26	$ 12.79
Common equity tier 1 ratio (2)	11.44 %	11.27 %	11.30 %	11.52 %	12.00 %	11.44 %	12.00 %
Tier 1 ratio (2)	11.83 %	11.66 %	11.69 %	11.91 %	12.40 %	11.83 %	12.40 %
Total capital ratio (2)	15.13 %	13.54 %	13.39 %	13.62 %	14.20 %	15.13 %	14.20 %
Leverage ratio (2)	8.98 %	9.49 %	9.58 %	9.75 %	10.02 %	8.98 %	10.02 %
AVERAGE BALANCE SHEET ITEMS							
Loans (3)	$10,002,379	$ 9,220,643	$ 9,149,222	$ 9,014,092	$ 8,852,662	$ 9,611,511	$ 8,813,206
Investment securities	3,164,243	3,115,723	3,102,867	3,290,666	3,408,994	3,139,983	3,382,510
Interest-bearing deposits with other banks	91,990	39,332	36,672	38,569	33,255	65,661	33,978
Total earning assets	$13,258,612	$12,375,698	$12,288,761	$12,343,327	$12,294,911	$12,817,155	$12,229,694
Total assets	$15,710,204	$14,524,422	$14,460,288	$14,320,514	$14,102,733	$15,117,313	$14,028,058
Noninterest-bearing deposits	$ 3,335,866	$ 2,643,240	$ 2,638,908	$ 2,513,458	$ 2,484,214	$ 2,989,553	$ 2,470,974
Interest-bearing deposits	8,395,229	7,590,791	7,583,531	7,504,708	7,612,146	7,993,010	7,611,125
Total deposits	$11,731,095	$10,234,031	$10,222,439	$10,018,166	$10,096,360	$10,982,563	$10,082,099
Borrowings	$ 1,272,819	$ 1,735,767	$ 1,613,696	$ 1,816,983	$ 1,656,570	$ 1,504,293	$ 1,622,011
Shareholders' equity	$ 2,185,865	$ 2,209,733	$ 2,245,107	$ 2,210,327	$ 2,146,997	$ 2,197,799	$ 2,120,762
CREDIT QUALITY RATIOS							
Allowance to ending loans	1.56 %	1.55 %	0.63 %	0.62 %	0.69 %	1.56 %	0.69 %
Allowance to nonaccrual loans	233.74 %	296.51 %	119.69 %	93.18 %	119.86 %	233.74 %	119.86 %
Allowance to nonperforming loans	208.06 %	203.42 %	96.73 %	71.46 %	69.33 %	208.06 %	69.33 %
Nonperforming loans to total loans	0.75 %	0.76 %	0.65 %	0.87 %	0.99 %	0.75 %	0.99 %
Nonperforming assets to ending loans, plus OREO	0.77 %	0.78 %	0.67 %	0.89 %	1.00 %	0.77 %	1.00 %
Nonperforming assets to total assets	0.49 %	0.48 %	0.42 %	0.56 %	0.62 %	0.49 %	0.62 %
Classified assets to total assets	0.79 %	0.83 %	0.62 %	0.92 %	1.02 %	0.79 %	1.02 %
Net charge-offs to average loans (annualized)	0.12 %	(0.04)%	0.15 %	0.45 %	0.08 %	0.05 %	0.36 %

(1) The tax equivalent adjustment to net interest income recognizes the income tax savings when comparing taxable and tax-exempt assets and assumes a 21% tax rate. Management believes that it is a standard practice in the banking industry to present net interest margin and net interest income on a fully tax equivalent basis. Therefore, management believes these measures provide useful information to investors by allowing them to make peer comparisons. Management also uses these measures to make peer comparisons.
(2) June 30, 2020 regulatory capital ratios are preliminary.
(3) Includes loans held for sale.

FIRST FINANCIAL BANCORP.
CONSOLIDATED STATEMENTS OF INCOME

(Dollars in thousands, except per share data)

(Unaudited)

	Three months ended, June 30, 2020	Three months ended, June 30, 2019	% Change	Six months ended, June 30, 2020	Six months ended, June 30, 2019	% Change
Interest income						
Loans and leases, including fees	$ 105,900	$ 126,365	(16.2)%	$ 221,675	$ 249,421	(11.1)%
Investment securities						
Taxable	18,476	23,616	(21.8)%	37,481	47,851	(21.7)%
Tax-exempt	4,937	4,336	13.9 %	9,519	8,594	10.8 %
Total investment securities interest	23,413	27,952	(16.2)%	47,000	56,445	(16.7)%
Other earning assets	47	206	(77.2)%	189	416	(54.6)%
Total interest income	129,360	154,523	(16.3)%	268,864	306,282	(12.2)%
Interest expense						
Deposits	11,751	20,612	(43.0)%	28,116	39,855	(29.5)%
Short-term borrowings	1,274	6,646	(80.8)%	6,361	12,606	(49.5)%
Long-term borrowings	4,759	4,963	(4.1)%	8,529	10,004	(14.7)%
Total interest expense	17,784	32,221	(44.8)%	43,006	62,465	(31.2)%
Net interest income	111,576	122,302	(8.8)%	225,858	243,817	(7.4)%
Provision for credit losses-loans and leases [1]	17,859	6,658	168.2 %	41,739	20,741	101.2 %
Provision for credit losses-unfunded commitments [1]	2,370	(132)	N/M	3,938	(126)	N/M
Net interest income after provision for credit losses	91,347	115,776	(21.1)%	180,181	223,202	(19.3)%
Noninterest income						
Service charges on deposit accounts	6,001	9,819	(38.9)%	14,436	18,722	(22.9)%
Trust and wealth management fees	4,114	3,943	4.3 %	8,583	8,013	7.1 %
Bankcard income	2,844	6,497	(56.2)%	5,542	12,083	(54.1)%
Client derivative fees	2,984	4,905	(39.2)%	6,089	6,609	(7.9)%
Foreign exchange income	6,576	17	N/M	16,542	17	N/M
Net gains from sales of loans	16,662	3,432	385.5 %	19,493	5,322	266.3 %
Net gains (losses) on sale of investment securities	2	(37)	105.4 %	(57)	(215)	73.5 %
Other	3,542	6,062	(41.6)%	7,481	10,914	(31.5)%
Total noninterest income	42,725	34,638	23.3 %	78,109	61,465	27.1 %
Noninterest expenses						
Salaries and employee benefits	55,925	53,985	3.6 %	110,747	101,897	8.7 %
Net occupancy	5,378	5,596	(3.9)%	11,482	12,226	(6.1)%
Furniture and equipment	3,681	4,222	(12.8)%	7,734	7,638	1.3 %
Data processing	7,019	4,984	40.8 %	13,408	10,111	32.6 %
Marketing	1,339	1,976	(32.2)%	2,559	3,582	(28.6)%
Communication	907	747	21.4 %	1,797	1,475	21.8 %
Professional services	2,205	2,039	8.1 %	4,480	4,291	4.4 %
State intangible tax	1,514	1,307	15.8 %	3,030	2,617	15.8 %
FDIC assessments	1,290	1,065	21.1 %	2,695	2,015	33.7 %
Intangible amortization	2,791	2,044	36.5 %	5,583	4,089	36.5 %
Other	6,640	6,545	1.5 %	14,840	13,062	13.6 %
Total noninterest expenses	88,689	84,510	4.9 %	178,355	163,003	9.4 %
Income before income taxes	45,383	65,904	(31.1)%	79,935	121,664	(34.3)%
Income tax expense	7,990	13,201	(39.5)%	13,914	23,122	(39.8)%
Net income	$ 37,393	$ 52,703	(29.0)%	$ 66,021	$ 98,542	(33.0)%
ADDITIONAL DATA						
Net earnings per share - basic	$ 0.38	$ 0.54		$ 0.68	$ 1.01	
Net earnings per share - diluted	$ 0.38	$ 0.53		$ 0.67	$ 1.00	
Dividends declared per share	$ 0.23	$ 0.22		$ 0.46	$ 0.44	
Return on average assets	0.96 %	1.50 %		0.88 %	1.42 %	
Return on average shareholders' equity	6.88 %	9.85 %		6.04 %	9.37 %	
Interest income	$ 129,360	$ 154,523	(16.3)%	$ 268,864	$ 306,282	(12.2)%
Tax equivalent adjustment	1,664	1,416	17.5 %	3,288	2,939	11.9 %
Interest income - tax equivalent	131,024	155,939	(16.0)%	272,152	309,221	(12.0)%
Interest expense	17,784	32,221	(44.8)%	43,006	62,465	(31.2)%
Net interest income - tax equivalent	$ 113,240	$ 123,718	(8.5)%	$ 229,146	$ 246,756	(7.1)%
Net interest margin	3.38 %	3.99 %		3.54 %	4.02 %	
Net interest margin (fully tax equivalent) [2]	3.44 %	4.04 %		3.60 %	4.07 %	
Full-time equivalent employees	2,076	2,076				

(1) Beginning January 1,2020, calculation is based on current expected loss methodology. Prior to January 1, 2020, calculation was based on the incurred loss methodology.

(2) The tax equivalent adjustment to net interest income recognizes the income tax savings when comparing taxable and tax-exempt assets and assumes a 21% tax rate. Management believes that it is a standard practice in the banking industry to present net interest income on a fully tax equivalent basis. Therefore, management believes these measures provide useful information to investors by allowing them to make peer comparisons. Management also uses these measures to make peer comparisons.

FIRST FINANCIAL BANCORP.
CONSOLIDATED QUARTERLY STATEMENTS OF INCOME

(Dollars in thousands, except per share data)
(Unaudited)

	2020			
	Second Quarter	First Quarter	Full Year	% Change Linked Qtr.
Interest income				
Loans and leases, including fees	$105,900	$115,775	$221,675	(8.5)%
Investment securities				
Taxable	18,476	19,005	37,481	(2.8)%
Tax-exempt	4,937	4,582	9,519	7.7 %
Total investment securities interest	23,413	23,587	47,000	(0.7)%
Other earning assets	47	142	189	(66.9)%
Total interest income	129,360	139,504	268,864	(7.3)%
Interest expense				
Deposits	11,751	16,365	28,116	(28.2)%
Short-term borrowings	1,274	5,087	6,361	(75.0)%
Long-term borrowings	4,759	3,770	8,529	26.2 %
Total interest expense	17,784	25,222	43,006	(29.5)%
Net interest income	111,576	114,282	225,858	(2.4)%
Provision for credit losses-loans and leases (1)	17,859	23,880	41,739	(25.2)%
Provision for credit losses-unfunded commitments (1)	2,370	1,568	3,938	51.1 %
Net interest income after provision for credit losses	91,347	88,834	180,181	2.8 %
Noninterest income				
Service charges on deposit accounts	6,001	8,435	14,436	(28.9)%
Trust and wealth management fees	4,114	4,469	8,583	(7.9)%
Bankcard income	2,844	2,698	5,542	5.4 %
Client derivative fees	2,984	3,105	6,089	(3.9)%
Foreign exchange income	6,576	9,966	16,542	(34.0)%
Net gains from sales of loans	16,662	2,831	19,493	488.6 %
Net gains (losses) on sale of investment securities	2	(59)	(57)	103.4 %
Other	3,542	3,939	7,481	(10.1)%
Total noninterest income	42,725	35,384	78,109	20.7 %
Noninterest expenses				
Salaries and employee benefits	55,925	54,822	110,747	2.0 %
Net occupancy	5,378	6,104	11,482	(11.9)%
Furniture and equipment	3,681	4,053	7,734	(9.2)%
Data processing	7,019	6,389	13,408	9.9 %
Marketing	1,339	1,220	2,559	9.8 %
Communication	907	890	1,797	1.9 %
Professional services	2,205	2,275	4,480	(3.1)%
State intangible tax	1,514	1,516	3,030	(0.1)%
FDIC assessments	1,290	1,405	2,695	(8.2)%
Intangible amortization	2,791	2,792	5,583	0.0 %
Other	6,640	8,200	14,840	(19.0)%
Total noninterest expenses	88,689	89,666	178,355	(1.1)%
Income before income taxes	45,383	34,552	79,935	31.3 %
Income tax expense	7,990	5,924	13,914	34.9 %
Net income	$ 37,393	$ 28,628	$ 66,021	30.6 %
ADDITIONAL DATA				
Net earnings per share - basic	$ 0.38	$ 0.29	$ 0.68	
Net earnings per share - diluted	$ 0.38	$ 0.29	$ 0.67	
Dividends declared per share	$ 0.23	$ 0.23	$ 0.46	
Return on average assets	0.96 %	0.79 %	0.88 %	
Return on average shareholders' equity	6.88 %	5.21 %	6.04 %	
Interest income	$129,360	$139,504	$268,864	(7.3)%
Tax equivalent adjustment	1,664	1,624	3,288	2.5 %
Interest income - tax equivalent	131,024	141,128	272,152	(7.2)%
Interest expense	17,784	25,222	43,006	(29.5)%
Net interest income - tax equivalent	$113,240	$115,906	$229,146	(2.3)%
Net interest margin	3.38 %	3.71 %	3.54 %	
Net interest margin (fully tax equivalent) (2)	3.44 %	3.77 %	3.60 %	
Full-time equivalent employees	2,076	2,067		

(1) Beginning January 1,2020, calculation is based on current expected loss methodology. Prior to January 1, 2020, calculation was based on the incurred loss methodology.

(2) The tax equivalent adjustment to net interest income recognizes the income tax savings when comparing taxable and tax-exempt assets and assumes a 21% tax rate. Management believes that it is a standard practice in the banking industry to present net interest income on a fully tax equivalent basis. Therefore, management believes these measures provide useful information to investors by allowing them to make peer comparisons. Management also uses these measures to make peer comparisons.

FIRST FINANCIAL BANCORP.
CONSOLIDATED QUARTERLY STATEMENTS OF INCOME

(Dollars in thousands, except per share data)
(Unaudited)

	2019				
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Full Year
Interest income					
Loans and leases, including fees	$122,802	$126,786	$126,365	$123,056	$499,009
Investment securities					
Taxable	20,137	22,180	23,616	24,235	90,168
Tax-exempt	4,545	4,457	4,336	4,258	17,596
Total investment securities interest	24,682	26,637	27,952	28,493	107,764
Other earning assets	167	222	206	210	805
Total interest income	147,651	153,645	154,523	151,759	607,578
Interest expense					
Deposits	19,026	20,151	20,612	19,243	79,032
Short-term borrowings	5,430	7,199	6,646	5,960	25,235
Long-term borrowings	4,293	4,760	4,963	5,041	19,057
Total interest expense	28,749	32,110	32,221	30,244	123,324
Net interest income	118,902	121,535	122,302	121,515	484,254
Provision for credit losses-loans and leases (1)	4,629	5,228	6,658	14,083	30,598
Provision for credit losses-unfunded commitments (1)	177	(216)	(132)	6	(165)
Net interest income after provision for credit losses	114,096	116,523	115,776	107,426	453,821
Noninterest income					
Service charges on deposit accounts	9,343	9,874	9,819	8,903	37,939
Trust and wealth management fees	3,913	3,718	3,943	4,070	15,644
Bankcard income	3,405	3,316	6,497	5,586	18,804
Client derivative fees	4,194	4,859	4,905	1,704	15,662
Foreign exchange income	6,014	1,708	17	0	7,739
Net gains from sales of loans	4,723	4,806	3,432	1,890	14,851
Net gains on sale of investment securities	(296)	105	(37)	(178)	(406)
Other	5,472	4,754	6,062	4,852	21,140
Total noninterest income	36,768	33,140	34,638	26,827	131,373
Noninterest expenses					
Salaries and employee benefits	53,952	53,212	53,985	47,912	209,061
Net occupancy	6,334	5,509	5,596	6,630	24,069
Furniture and equipment	4,145	4,120	4,222	3,416	15,903
Data processing	5,996	5,774	4,984	5,127	21,881
Marketing	1,980	1,346	1,976	1,606	6,908
Communication	882	910	747	728	3,267
Professional services	2,192	4,771	2,039	2,252	11,254
State intangible tax	1,767	1,445	1,307	1,310	5,829
FDIC assessments	1,055	(1,097)	1,065	950	1,973
Intangible amortization	3,150	2,432	2,044	2,045	9,671
Other	11,434	8,020	6,545	6,517	32,516
Total noninterest expenses	92,887	86,442	84,510	78,493	342,332
Income before income taxes	57,977	63,221	65,904	55,760	242,862
Income tax expense (benefit)	9,300	12,365	13,201	9,921	44,787
Net income	$ 48,677	$ 50,856	$ 52,703	$ 45,839	$ 198,075
ADDITIONAL DATA					
Net earnings per share - basic	$ 0.49	$ 0.52	$ 0.54	$ 0.47	$ 2.01
Net earnings per share - diluted	$ 0.49	$ 0.51	$ 0.53	$ 0.47	$ 2.00
Dividends declared per share	$ 0.23	$ 0.23	$ 0.22	$ 0.22	$ 0.90
Return on average assets	1.34 %	1.41 %	1.50 %	1.33 %	1.39 %
Return on average shareholders' equity	8.60 %	9.13 %	9.85 %	8.88 %	9.11 %
Interest income	$147,651	$153,645	$154,523	$151,759	$607,578
Tax equivalent adjustment	1,630	1,759	1,416	1,523	6,328
Interest income - tax equivalent	149,281	155,404	155,939	153,282	613,906
Interest expense	28,749	32,110	32,221	30,244	123,324
Net interest income - tax equivalent	$120,532	$123,294	$123,718	$123,038	$490,582
Net interest margin	3.84 %	3.91 %	3.99 %	4.05 %	3.95 %
Net interest margin (fully tax equivalent) (2)	3.89 %	3.96 %	4.04 %	4.10 %	4.00 %
Full-time equivalent employees	2,065	2,064	2,076	2,087	

(1) Beginning January 1,2020, calculation is based on current expected loss methodology. Prior to January 1, 2020, calculation was based on the incurred loss methodology.

(2) The tax equivalent adjustment to net interest income recognizes the income tax savings when comparing taxable and tax-exempt assets and assumes a 21% tax rate. Management believes that it is a standard practice in the banking industry to present net interest income on a fully tax equivalent basis. Therefore, management believes these measures provide useful information to investors by allowing them to make peer comparisons. Management also uses these measures to make peer comparisons.

FIRST FINANCIAL BANCORP.
CONSOLIDATED STATEMENTS OF CONDITION

(Dollars in thousands)

(Unaudited)

	June 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Sep. 30, 2019	June 30, 2019	% Change Linked Qtr.	% Change Comp Qtr.
ASSETS							
Cash and due from banks	$ 283,639	$ 261,892	$ 200,691	$ 242,482	$ 169,694	8.3 %	67.1 %
Interest-bearing deposits with other banks	38,845	71,071	56,948	39,669	101,668	(45.3)%	(61.8)%
Investment securities available-for-sale	2,897,413	2,908,688	2,852,084	2,850,502	3,152,970	(0.4)%	(8.1)%
Investment securities held-to-maturity	127,347	136,744	142,862	148,778	154,327	(6.9)%	(17.5)%
Other investments	132,366	143,581	125,020	124,965	127,439	(7.8)%	3.9 %
Loans held for sale	43,950	27,334	13,680	23,528	20,244	60.8 %	117.1 %
Loans and leases							
Commercial and industrial	3,322,374	2,477,773	2,465,877	2,470,017	2,547,997	34.1 %	30.4 %
Lease financing	80,087	82,602	88,364	92,616	90,638	(3.0)%	(11.6)%
Construction real estate	506,085	500,311	493,182	515,960	497,683	1.2 %	1.7 %
Commercial real estate	4,343,702	4,278,257	4,194,651	4,015,908	3,903,654	1.5 %	11.3 %
Residential real estate	1,043,745	1,061,792	1,055,949	1,055,007	1,015,820	(1.7)%	2.7 %
Home equity	764,171	781,243	771,869	776,885	787,139	(2.2)%	(2.9)%
Installment	79,150	80,085	82,589	88,275	89,149	(1.2)%	(11.2)%
Credit card	42,397	45,756	49,184	49,010	48,706	(7.3)%	(13.0)%
Total loans	10,181,711	9,307,819	9,201,665	9,063,678	8,980,786	9.4 %	13.4 %
Less:							
Allowance for credit losses (1)	158,661	143,885	57,650	56,552	61,549	10.3 %	157.8 %
Net loans	10,023,050	9,163,934	9,144,015	9,007,126	8,919,237	9.4 %	12.4 %
Premises and equipment	211,164	212,787	214,506	213,681	211,313	(0.8)%	(0.1)%
Goodwill	937,771	937,771	937,771	937,689	879,727	0.0 %	6.6 %
Other intangibles	70,325	73,258	76,201	79,506	36,349	(4.0)%	93.5 %
Accrued interest and other assets	1,105,020	1,120,507	747,847	812,519	664,695	(1.4)%	66.2 %
Total Assets	$ 15,870,890	$ 15,057,567	$ 14,511,625	$ 14,480,445	$ 14,437,663	5.4 %	9.9 %
LIABILITIES							
Deposits							
Interest-bearing demand	$ 2,657,841	$ 2,498,109	$ 2,364,881	$ 2,316,301	$ 2,332,692	6.4 %	13.9 %
Savings	3,287,314	2,978,250	2,960,979	2,924,200	2,953,114	10.4 %	11.3 %
Time	2,241,212	2,435,858	2,240,441	2,308,617	2,321,908	(8.0)%	(3.5)%
Total interest-bearing deposits	8,186,367	7,912,217	7,566,301	7,549,118	7,607,714	3.5 %	7.6 %
Noninterest-bearing	3,515,048	2,723,341	2,643,928	2,534,739	2,501,290	29.1 %	40.5 %
Total deposits	11,701,415	10,635,558	10,210,229	10,083,857	10,109,004	10.0 %	15.8 %
Federal funds purchased and securities sold under agreements to repurchase	154,347	215,824	165,181	85,286	260,621	(28.5)%	(40.8)%
FHLB short-term borrowings	0	1,181,900	1,151,000	1,128,900	1,052,700	(100.0)%	(100.0)%
Total short-term borrowings	154,347	1,397,724	1,316,181	1,214,186	1,313,321	(89.0)%	(88.2)%
Long-term debt	1,285,767	325,566	414,376	498,778	547,042	294.9 %	135.0 %
Total borrowed funds	1,440,114	1,723,290	1,730,557	1,712,964	1,860,363	(16.4)%	(22.6)%
Accrued interest and other liabilities	508,342	519,336	323,134	422,311	280,107	(2.1)%	81.5 %
Total Liabilities	13,649,871	12,878,184	12,263,920	12,219,132	12,249,474	6.0 %	11.4 %
SHAREHOLDERS' EQUITY							
Common stock	1,635,070	1,633,950	1,640,771	1,639,333	1,623,699	0.1 %	0.7 %
Retained earnings	675,532	660,653	711,249	685,368	657,730	2.3 %	2.7 %
Accumulated other comprehensive income (loss)	36,431	11,788	13,323	15,450	5,193	209.1 %	601.5 %
Treasury stock, at cost	(126,014)	(127,008)	(117,638)	(78,838)	(98,433)	(0.8)%	28.0 %
Total Shareholders' Equity	2,221,019	2,179,383	2,247,705	2,261,313	2,188,189	1.9 %	1.5 %
Total Liabilities and Shareholders' Equity	$ 15,870,890	$ 15,057,567	$ 14,511,625	$ 14,480,445	$ 14,437,663	5.4 %	9.9 %

(1) Beginning January 1,2020, calculation is based on current expected loss methodology. Prior to January 1, 2020, calculation was based on the incurred loss methodology.

FIRST FINANCIAL BANCORP.
AVERAGE CONSOLIDATED STATEMENTS OF CONDITION

(Dollars in thousands)

(Unaudited)

	Quarterly Averages					Year-to-Date Averages	
	June 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Sep. 30, 2019	June 30, 2019	June 30, 2020	June 30, 2019
ASSETS							
Cash and due from banks	$ 284,726	$ 235,696	$ 221,060	$ 191,000	$ 173,278	$ 260,211	$ 177,463
Interest-bearing deposits with other banks	91,990	39,332	36,672	38,569	33,255	65,661	33,978
Investment securities	3,164,243	3,115,723	3,102,867	3,290,666	3,408,994	3,139,983	3,382,510
Loans held for sale	36,592	13,174	21,050	18,197	13,258	24,883	9,844
Loans and leases							
Commercial and industrial	3,058,677	2,450,893	2,469,810	2,509,782	2,533,981	2,754,785	2,521,696
Lease financing	81,218	85,782	91,225	94,858	94,458	83,500	92,760
Construction real estate	495,407	501,471	501,892	509,742	457,962	498,439	476,952
Commercial real estate	4,381,647	4,209,345	4,102,288	3,925,028	3,834,404	4,295,496	3,798,558
Residential real estate	1,052,996	1,055,456	1,053,707	1,035,975	989,923	1,054,226	975,832
Home equity	772,424	773,082	773,119	781,340	789,087	772,753	798,376
Installment	79,016	81,234	85,515	88,760	89,778	80,125	90,520
Credit card	44,402	50,206	50,616	50,410	49,811	47,304	48,668
Total loans	9,965,787	9,207,469	9,128,172	8,995,895	8,839,404	9,586,628	8,803,362
Less:							
Allowance for credit losses [(1)]	155,454	121,126	56,649	61,911	58,335	138,290	57,715
Net loans	9,810,333	9,086,343	9,071,523	8,933,984	8,781,069	9,448,338	8,745,647
Premises and equipment	213,903	215,545	215,171	215,671	211,714	214,724	212,457
Goodwill	937,771	937,771	937,710	899,888	879,726	937,771	879,137
Other intangibles	72,086	75,014	78,190	51,365	37,666	73,550	38,777
Accrued interest and other assets	1,098,560	805,824	776,045	681,174	563,773	952,192	548,245
Total Assets	$ 15,710,204	$ 14,524,422	$ 14,460,288	$ 14,320,514	$ 14,102,733	$ 15,117,313	$ 14,028,058
LIABILITIES							
Deposits							
Interest-bearing demand	$ 2,602,917	$ 2,418,193	$ 2,373,962	$ 2,325,405	$ 2,334,322	$ 2,510,555	$ 2,302,313
Savings	3,173,274	2,976,518	2,995,395	2,945,076	3,057,100	3,074,896	3,086,167
Time	2,619,038	2,196,080	2,214,174	2,234,227	2,220,724	2,407,559	2,222,645
Total interest-bearing deposits	8,395,229	7,590,791	7,583,531	7,504,708	7,612,146	7,993,010	7,611,125
Noninterest-bearing	3,335,866	2,643,240	2,638,908	2,513,458	2,484,214	2,989,553	2,470,974
Total deposits	11,731,095	10,234,031	10,222,439	10,018,166	10,096,360	10,982,563	10,082,099
Federal funds purchased and securities sold under agreements to repurchase	145,291	164,093	206,800	185,156	126,872	154,692	115,075
FHLB short-term borrowings	548,183	1,189,765	952,625	1,112,091	982,993	868,974	948,674
Total short-term borrowings	693,474	1,353,858	1,159,425	1,297,247	1,109,865	1,023,666	1,063,749
Long-term debt	579,345	381,909	454,271	519,736	546,705	480,627	558,262
Total borrowed funds	1,272,819	1,735,767	1,613,696	1,816,983	1,656,570	1,504,293	1,622,011
Accrued interest and other liabilities	520,425	344,891	379,046	275,038	202,806	432,658	203,186
Total Liabilities	13,524,339	12,314,689	12,215,181	12,110,187	11,955,736	12,919,514	11,907,296
SHAREHOLDERS' EQUITY							
Common stock	1,634,405	1,638,851	1,640,066	1,629,286	1,622,994	1,636,628	1,624,105
Retained earnings	658,312	660,108	691,236	662,899	635,629	659,210	623,252
Accumulated other comprehensive loss	19,888	31,200	13,986	11,985	(12,889)	25,544	(26,268)
Treasury stock, at cost	(126,740)	(120,426)	(100,181)	(93,843)	(98,737)	(123,583)	(100,327)
Total Shareholders' Equity	2,185,865	2,209,733	2,245,107	2,210,327	2,146,997	2,197,799	2,120,762
Total Liabilities and Shareholders' Equity	$ 15,710,204	$ 14,524,422	$ 14,460,288	$ 14,320,514	$ 14,102,733	$ 15,117,313	$ 14,028,058

(1) Beginning January 1,2020, calculation is based on current expected loss methodology. Prior to January 1, 2020, calculation was based on the incurred loss methodology.

FIRST FINANCIAL BANCORP.
NET INTEREST MARGIN RATE/VOLUME ANALYSIS

(Dollars in thousands)
(Unaudited)

	Quarterly Averages						Year-to-Date Averages			
	June 30, 2020		March 31, 2020		June 30, 2019		June 30, 2020		June 30, 2019	
	Balance	Yield	Balance	Yield	Balance	Yield	Balance	Yield	Balance	Yield
Earning assets										
Investments:										
Investment securities	$ 3,164,243	2.97 %	$ 3,115,723	3.04 %	$ 3,408,994	3.29 %	$ 3,139,983	3.02 %	$ 3,382,510	3.37 %
Interest-bearing deposits with other banks	91,990	0.20 %	39,332	1.45 %	33,255	2.48 %	65,661	0.58 %	33,978	2.47 %
Gross loans [1]	10,002,379	4.25 %	9,220,643	5.04 %	8,852,662	5.73 %	9,611,511	4.65 %	8,813,206	5.71 %
Total earning assets	13,258,612	3.91 %	12,375,698	4.52 %	12,294,911	5.04 %	12,817,155	4.23 %	12,229,694	5.05 %
Nonearning assets										
Allowance for credit losses	(155,454)		(121,126)		(58,335)		(138,290)		(57,715)	
Cash and due from banks	284,726		235,696		173,278		260,211		177,463	
Accrued interest and other assets	2,322,320		2,034,154		1,692,879		2,178,237		1,678,616	
Total assets	$ 15,710,204		$14,524,422		$14,102,733		$15,117,313		$14,028,058	
Interest-bearing liabilities										
Deposits:										
Interest-bearing demand	$ 2,602,917	0.11 %	$ 2,418,193	0.45 %	$ 2,334,322	0.60 %	$ 2,510,555	0.27 %	$ 2,302,313	0.55 %
Savings	3,173,274	0.17 %	2,976,518	0.45 %	3,057,100	0.78 %	3,074,896	0.31 %	3,086,167	0.77 %
Time	2,619,038	1.49 %	2,196,080	1.88 %	2,220,724	2.02 %	2,407,559	1.68 %	2,222,645	1.98 %
Total interest-bearing deposits	8,395,229	0.56 %	7,590,791	0.86 %	7,612,146	1.09 %	7,993,010	0.71 %	7,611,125	1.06 %
Borrowed funds										
Short-term borrowings	693,474	0.74 %	1,353,858	1.51 %	1,109,865	2.40 %	1,023,666	1.25 %	1,063,749	2.39 %
Long-term debt	579,345	3.29 %	381,909	3.96 %	546,705	3.64 %	480,627	3.58 %	558,262	3.61 %
Total borrowed funds	1,272,819	1.90 %	1,735,767	2.05 %	1,656,570	2.81 %	1,504,293	2.00 %	1,622,011	2.81 %
Total interest-bearing liabilities	9,668,048	0.74 %	9,326,558	1.08 %	9,268,716	1.39 %	9,497,303	0.91 %	9,233,136	1.36 %
Noninterest-bearing liabilities										
Noninterest-bearing demand deposits	3,335,866		2,643,240		2,484,214		2,989,553		2,470,974	
Other liabilities	520,425		344,891		202,806		432,658		203,186	
Shareholders' equity	2,185,865		2,209,733		2,146,997		2,197,799		2,120,762	
Total liabilities & shareholders' equity	$ 15,710,204		$14,524,422		$14,102,733		$15,117,313		$14,028,058	
Net interest income	$ 111,576		$ 114,282		$ 122,302		$ 225,858		$ 243,817	
Net interest spread		3.17 %		3.44 %		3.65 %		3.32 %		3.69 %
Net interest margin		3.38 %		3.71 %		3.99 %		3.54 %		4.02 %
Tax equivalent adjustment		0.06 %		0.06 %		0.05 %		0.06 %		0.05 %
Net interest margin (fully tax equivalent)		3.44 %		3.77 %		4.04 %		3.60 %		4.07 %

[1] Loans held for sale and nonaccrual loans are included in gross loans.

FIRST FINANCIAL BANCORP.
NET INTEREST MARGIN RATE/VOLUME ANALYSIS [(1)]
(Dollars in thousands)
(Unaudited)

	Linked Qtr. Income Variance			Comparable Qtr. Income Variance			Year-to-Date Income Variance		
	Rate	Volume	Total	Rate	Volume	Total	Rate	Volume	Total
Earning assets									
Investment securities	$ (533)	$ 359	$ (174)	$ (2,728)	$ (1,811)	$ (4,539)	$ (5,815)	$ (3,630)	$ (9,445)
Interest-bearing deposits with other banks	(122)	27	(95)	(189)	30	(159)	(318)	91	(227)
Gross loans [(2)]	(18,152)	8,277	(9,875)	(32,638)	12,173	(20,465)	(46,158)	18,412	(27,746)
Total earning assets	(18,807)	8,663	(10,144)	(35,555)	10,392	(25,163)	(52,291)	14,873	(37,418)
Interest-bearing liabilities									
Total interest-bearing deposits	$ (5,740)	$ 1,126	$ (4,614)	$ (9,957)	$ 1,096	$ (8,861)	$ (13,082)	$ 1,343	$ (11,739)
Borrowed funds									
Short-term borrowings	(2,600)	(1,213)	(3,813)	(4,607)	(765)	(5,372)	(5,996)	(249)	(6,245)
Long-term debt	(633)	1,622	989	(472)	268	(204)	(97)	(1,378)	(1,475)
Total borrowed funds	(3,233)	409	(2,824)	(5,079)	(497)	(5,576)	(6,093)	(1,627)	(7,720)
Total interest-bearing liabilities	(8,973)	1,535	(7,438)	(15,036)	599	(14,437)	(19,175)	(284)	(19,459)
Net interest income [(1)]	$ (9,834)	$ 7,128	$ (2,706)	$ (20,519)	$ 9,793	$ (10,726)	$ (33,116)	$ 15,157	$ (17,959)

[(1)] Not tax equivalent.

[(2)] Loans held for sale and nonaccrual loans are included in gross loans.

FIRST FINANCIAL BANCORP.
CREDIT QUALITY
(Dollars in thousands)
(Unaudited)

						Six months ended	
	June 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Sep. 30, 2019	June 30, 2019	June 30, 2020	June 30, 2019
ALLOWANCE FOR CREDIT LOSS ACTIVITY							
Balance at beginning of period	$ 143,885	$ 57,650	$ 56,552	$ 61,549	$ 56,722	$ 57,650	$ 56,542
Day one adoption impact of ASC 326	0	61,505	0	0	0	61,505	0
Provision for credit losses	17,859	23,880	4,629	5,228	6,658	41,739	20,741
Gross charge-offs							
Commercial and industrial	1,282	1,091	2,919	9,556	1,873	2,373	14,201
Lease financing	0	0	62	0	0	0	100
Construction real estate	0	0	0	0	0	0	0
Commercial real estate	2,037	4	1,854	535	86	2,041	1,300
Residential real estate	148	115	167	278	150	263	232
Home equity	428	267	807	627	689	695	1,157
Installment	7	61	31	65	78	68	127
Credit card	234	311	319	598	289	545	630
Total gross charge-offs	4,136	1,849	6,159	11,659	3,165	5,985	17,747
Recoveries							
Commercial and industrial	275	2,000	1,796	556	291	2,275	531
Lease financing	0	0	0	0	0	0	0
Construction real estate	14	0	0	0	5	14	68
Commercial real estate	424	234	439	347	254	658	327
Residential real estate	93	52	72	64	101	145	137
Home equity	156	339	243	335	572	495	757
Installment	27	31	49	93	61	58	109
Credit card	64	43	29	39	50	107	84
Total recoveries	1,053	2,699	2,628	1,434	1,334	3,752	2,013
Total net charge-offs	3,083	(850)	3,531	10,225	1,831	2,233	15,734
Ending allowance for credit losses	$ 158,661	$ 143,885	$ 57,650	$ 56,552	$ 61,549	$158,661	$ 61,549
NET CHARGE-OFFS TO AVERAGE LOANS AND LEASES (ANNUALIZED)							
Commercial and industrial	0.13 %	(0.15)%	0.18 %	1.42 %	0.25 %	0.01 %	1.09 %
Lease financing	0.00 %	0.00 %	0.27 %	0.00 %	0.00 %	0.00 %	0.22 %
Construction real estate	(0.01)%	0.00 %	0.00 %	0.00 %	0.00 %	(0.01)%	(0.03)%
Commercial real estate	0.15 %	(0.02)%	0.14 %	0.02 %	(0.02)%	0.06 %	0.05 %
Residential real estate	0.02 %	0.02 %	0.04 %	0.08 %	0.02 %	0.02 %	0.02 %
Home equity	0.14 %	(0.04)%	0.29 %	0.15 %	0.06 %	0.05 %	0.10 %
Installment	(0.10)%	0.15 %	(0.08)%	(0.13)%	0.08 %	0.03 %	0.04 %
Credit card	1.54 %	2.15 %	2.27 %	4.40 %	1.92 %	1.86 %	2.26 %
Total net charge-offs	0.12 %	(0.04)%	0.15 %	0.45 %	0.08 %	0.05 %	0.36 %
COMPONENTS OF NONPERFORMING LOANS, NONPERFORMING ASSETS, AND UNDERPERFORMING ASSETS							
Nonaccrual loans (1)							
Commercial and industrial	$ 33,906	$ 21,126	$ 24,346	$ 28,358	$ 18,502	$33,906	$ 18,502
Lease financing	1,353	222	223	284	295	1,353	295
Construction real estate	0	0	0	5	6	0	6
Commercial real estate	14,002	10,050	7,295	14,889	15,981	14,002	15,981
Residential real estate	12,813	11,163	10,892	11,655	11,627	12,813	11,627
Home equity	5,604	5,821	5,242	5,427	4,745	5,604	4,745
Installment	201	145	167	75	195	201	195
Nonaccrual loans	67,879	48,527	48,165	60,693	51,351	67,879	51,351
Accruing troubled debt restructurings (TDRs)	8,377	22,206	11,435	18,450	37,420	8,377	37,420
Total nonperforming loans	76,256	70,733	59,600	79,143	88,771	76,256	88,771
Other real estate owned (OREO)	1,872	1,467	2,033	1,613	1,421	1,872	1,421
Total nonperforming assets	78,128	72,200	61,633	80,756	90,192	78,128	90,192
Accruing loans past due 90 days or more	124	120	201	287	107	124	107
Total underperforming assets	$ 78,252	$ 72,320	$ 61,834	$ 81,043	$ 90,299	$78,252	$ 90,299
Total classified assets	$ 125,543	$ 124,510	$ 89,250	$ 132,500	$ 147,753	$125,543	$147,753
CREDIT QUALITY RATIOS							
Allowance for credit losses to							
Nonaccrual loans	233.74 %	296.51 %	119.69 %	93.18 %	119.86 %	233.74 %	119.86 %
Nonperforming loans	208.06 %	203.42 %	96.73 %	71.46 %	69.33 %	208.06 %	69.33 %
Total ending loans	1.56 %	1.55 %	0.63 %	0.62 %	0.69 %	1.56 %	0.69 %
Nonperforming loans to total loans	0.75 %	0.76 %	0.65 %	0.87 %	0.99 %	0.75 %	0.99 %
Nonperforming assets to							
Ending loans, plus OREO	0.77 %	0.78 %	0.67 %	0.89 %	1.00 %	0.77 %	1.00 %
Total assets	0.49 %	0.48 %	0.42 %	0.56 %	0.62 %	0.49 %	0.62 %
Nonperforming assets, excluding accruing TDRs to							
Ending loans, plus OREO	0.68 %	0.54 %	0.55 %	0.69 %	0.59 %	0.68 %	0.59 %
Total assets	0.44 %	0.33 %	0.35 %	0.43 %	0.37 %	0.44 %	0.37 %
Classified assets to total assets	0.79 %	0.83 %	0.62 %	0.92 %	1.02 %	0.79 %	1.02 %

(1) Nonaccrual loans include nonaccrual TDRs of $32.7 million, $18.4 million, $18.5 million, $21.5 million, and $11.0 million, as of June 30, 2020, March 31, 2020, December 31, 2019, September 30, 2019, and June 30, 2019, respectively.

FIRST FINANCIAL BANCORP.
CAPITAL ADEQUACY

(Dollars in thousands, except per share data)

(Unaudited)

	June 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Sep. 30, 2019	June 30, 2019	Six months ended, June 30, 2020	Six months ended, June 30, 2019
PER COMMON SHARE							
Market Price							
High	$ 16.38	$ 25.52	$ 26.04	$ 25.49	$ 25.80	$ 25.52	$ 28.56
Low	$ 11.52	$ 12.67	$ 23.24	$ 22.37	$ 22.16	$ 11.52	$ 22.16
Close	$ 13.89	$ 14.91	$ 25.44	$ 24.48	$ 24.22	$ 13.89	$ 24.22
Average shares outstanding - basic	97,220,748	97,736,690	98,684,706	98,517,025	98,083,799	97,478,719	98,005,379
Average shares outstanding - diluted	97,988,600	98,356,214	99,232,167	99,077,723	98,648,384	98,172,408	98,542,947
Ending shares outstanding	98,018,858	97,968,958	98,490,998	100,094,819	98,647,690	98,018,858	98,647,690
Total shareholders' equity	$ 2,221,019	$ 2,179,383	$ 2,247,705	$ 2,261,313	$ 2,188,189	$2,221,019	$2,188,189
REGULATORY CAPITAL	*Preliminary*					*Preliminary*	
Common equity tier 1 capital	$ 1,267,609	$ 1,243,152	$ 1,245,746	$ 1,253,803	$ 1,281,406	$1,267,609	$1,281,406
Common equity tier 1 capital ratio	11.44 %	11.27 %	11.30 %	11.52 %	12.00 %	11.44 %	12.00 %
Tier 1 capital	$ 1,310,276	$ 1,285,705	$ 1,288,185	$ 1,296,399	$ 1,323,905	$1,310,276	$1,323,905
Tier 1 ratio	11.83 %	11.66 %	11.69 %	11.91 %	12.40 %	11.83 %	12.40 %
Total capital	$ 1,676,532	$ 1,493,100	$ 1,475,813	$ 1,482,708	$ 1,515,382	$1,676,532	$1,515,382
Total capital ratio	15.13 %	13.54 %	13.39 %	13.62 %	14.20 %	15.13 %	14.20 %
Total capital in excess of minimum requirement	$ 513,267	$ 335,229	$ 318,315	$ 339,935	$ 394,571	$ 513,267	$ 394,571
Total risk-weighted assets	$11,078,714	$11,027,347	$11,023,795	$10,883,554	$10,674,393	$11,078,714	$10,674,393
Leverage ratio	8.98 %	9.49 %	9.58 %	9.75 %	10.02 %	8.98 %	10.02 %
OTHER CAPITAL RATIOS							
Ending shareholders' equity to ending assets	13.99 %	14.47 %	15.49 %	15.62 %	15.16 %	13.99 %	15.16 %
Ending tangible shareholders' equity to ending tangible assets	8.09 %	8.25 %	9.07 %	9.17 %	9.34 %	8.09 %	9.34 %
Average shareholders' equity to average assets	13.91 %	15.21 %	15.53 %	15.43 %	15.22 %	14.54 %	15.12 %
Average tangible shareholders' equity to average tangible assets	7.94 %	8.79 %	9.07 %	9.35 %	9.26 %	8.34 %	9.11 %
REPURCHASE PROGRAM [1]							
Shares repurchased	0	880,000	1,609,778	1,143,494	0	880,000	0
Average share repurchase price	N/A	$ 18.96	$ 24.13	$ 23.94	N/A	$ 18.96	N/A
Total cost of shares repurchased	N/A	$ 16,686	$ 38,846	$ 27,372	N/A	$ 16,686	N/A

[1] Represents share repurchases as part of publicly announced plans.

N/A = Not applicable

Earnings Presentation

Second Quarter 2020

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Forward Looking Statement Disclosure

Certain statements contained in this report which are not statements of historical fact constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as ‘‘believes,’’ ‘‘anticipates,’’ “likely,” “expected,” “estimated,” ‘‘intends’’ and other similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. Examples of forward-looking statements include, but are not limited to, statements we make about (i) our future operating or financial performance, including revenues, income or loss and earnings or loss per share, (ii) future common stock dividends, (iii) our capital structure, including future capital levels, (iv) our plans, objectives and strategies, and (v) the assumptions that underlie our forward-looking statements.

As with any forecast or projection, forward-looking statements are subject to inherent uncertainties, risks and changes in circumstances that may cause actual results to differ materially from those set forth in the forward-looking statements. Forward-looking statements are not historical facts but instead express only management’s beliefs regarding future results or events, many of which, by their nature, are inherently uncertain and outside of management’s control. It is possible that actual results and outcomes may differ, possibly materially, from the anticipated results or outcomes indicated in these forward-looking statements. Important factors that could cause actual results to differ materially from those in our forward-looking statements include the following, without limitation:

- economic, market, liquidity, credit, interest rate, operational and technological risks associated with the Company’s business;
- future credit quality and performance, including our expectations regarding future loan losses and our allowance for credit losses;
- the effect of and changes in policies and laws or regulatory agencies, including the Dodd-Frank Wall Street Reform and Consumer Protection Act and other legislation and regulation relating to the banking industry; (iv) management’s ability to effectively execute its business plans;
- mergers and acquisitions, including costs or difficulties related to the integration of acquired companies;
- the possibility that any of the anticipated benefits of the Company’s acquisitions will not be realized or will not be realized within the expected time period;
- the effect of changes in accounting policies and practices;
- changes in consumer spending, borrowing and saving and changes in unemployment;
- changes in customers’ performance and creditworthiness;
- the costs and effects of litigation and of unexpected or adverse outcomes in such litigation;
- current and future economic and market conditions, including the effects of declines in housing prices, high unemployment rates, U.S. fiscal debt, budget and tax matters, geopolitical matters, and any slowdown in global economic growth;
- the adverse impact on the U.S. economy, including the markets in which we operate, of the novel coronavirus, which causes the Coronavirus disease 2019 (“COVID-19”), global pandemic, and the impact of a slowing U.S. economy and increased unemployment on the performance of our loan and lease portfolio, the market value of our investment securities, the availability of sources of funding and the demand for our products;
- our capital and liquidity requirements (including under regulatory capital standards, such as the Basel III capital standards) and our ability to generate capital internally or raise capital on favorable terms;

Forward Looking Statement Disclosure

- financial services reform and other current, pending or future legislation or regulation that could have a negative effect on our revenue and businesses, including the Dodd-Frank Act and other legislation and regulation relating to bank products and services;
- the effect of the current interest rate environment or changes in interest rates or in the level or composition of our assets or liabilities on our net interest income, net interest margin and our mortgage originations, mortgage servicing rights and mortgage loans held for sale;
- the effect of a fall in stock market prices on our brokerage, asset and wealth management businesses;
- a failure in or breach of our operational or security systems or infrastructure, or those of our third-party vendors or other service providers, including as a result of cyber attacks;
- the effect of changes in the level of checking or savings account deposits on our funding costs and net interest margin; and
- our ability to develop and execute effective business plans and strategies.

Additional factors that may cause our actual results to differ materially from those described in our forward-looking statements can be found in our Form 10-K for the year ended December 31, 2019, as well as our other filings with the SEC, which are available on the SEC website at www.sec.gov.

All forward-looking statements included in this filing are made as of the date hereof and are based on information available at the time of the filing. Except as required by law, the Company does not assume any obligation to update any forward-looking statement.

2Q 2020 Results

119th Consecutive Quarter of Profitability

Profitability	Net income = $37.4 million or $0.38 per diluted share. Adjusted[1] net income = $39.0 million or $0.40 per diluted share[2] Return on average assets = 0.96%. Adjusted[1] return on average assets = 1.00% Return on average shareholders' equity = 6.88%. Adjusted[1] return on average shareholders' equity = 7.18% Return on average tangible common equity = 12.90%[1]. Adjusted[1] return on average tangible common equity = 13.47%
Income Statement	Net interest income = $111.6 million Net interest margin of 3.38% on a GAAP basis; 3.44% on a fully tax equivalent basis[1] Noninterest income = $42.7 million Noninterest expense = $88.7 million; $86.5 million[1] as adjusted Efficiency ratio = 57.48%. Adjusted[1] efficiency ratio = 56.10% Effective tax rate of 17.6%. Adjusted[1] effective tax rate of 17.8%
Balance Sheet	EOP assets increased $813.3 million compared to the linked quarter to $15.9 billion EOP loans increased $873.9 million compared to the linked quarter to $10.2 billion Average deposits increased $1.5 billion compared to the linked quarter to $11.7 billion EOP investment securities decreased $31.9 million compared to the linked quarter
Asset Quality	Provision expense = $20.2 million. Net charge-offs = $3.1 million. NCOs / Avg. Loans = 0.12% annualized Nonperforming Loans / Total Loans = 0.75%. Nonperforming Assets / Total Assets = 0.49% ACL / Nonaccrual Loans = 233.74%. Classified Assets / Total Assets = 0.79% ACL / Total loans = 1.56%; 1.71% of loans excluding PPP
Capital	Total capital ratio = 15.13% Tier 1 common equity ratio = 11.44% Tangible common equity ratio = 8.09%; 8.62% excluding PPP loans Tangible book value per share = $12.26

[1] Non-GAAP financial measure which management believes facilitates a better understanding of the Company's financial condition. See Appendix for Non-GAAP reconciliation.
[2] See Slide 30 for Adjusted Earnings detail.

2Q 2020 Highlights

- Quarterly earnings impacted by elevated provision expense
  - Adjusted[1] earnings per share - $0.40
  - Adjusted[1] return on assets – 1.00%
  - Adjusted[1] pre-tax, pre-provision return on assets – 1.73%
  - Adjusted[1] return on average tangible common equity – 13.47%
- Strong loan and deposit growth
  - Loan balances increased $873.9 million compared to the linked quarter; 37.8% on an annualized basis; included $885.3 million of PPP loans, net of unearned fees
  - End of period deposit balances grew $1.1 billion compared to linked quarter; 40.3% on an annualized basis
- Net interest margin (FTE) stronger than expected given decline in interest rates
  - 33 bp decline driven by the previous Fed rate cuts and the normalization of LIBOR, partially offset by disciplined funding management
- Strong fee income
  - Mortgage banking revenue increased $13.8 million, or 488.6%
  - Foreign exchange income of $6.6 million despite COVID-19 headwinds
  - Continued strong client derivative fee income
  - Service charges declined $2.4 million, or 28.9%
- Core expenses in line with initial expectations
  - Adjusted[1] noninterest expense of $86.5 million; adjusted for $0.7 million of COVID-19 related expenses and approximately $1.5 million of other non-recurring costs such as branch consolidation costs
  - $0.8 million of incremental expenses related to PPP
- Elevated Allowance for credit loss (ACL) and provision expense reflects COVID-19 impact on expected lifetime losses
  - Adopted CECL as of January 1
  - Loans and leases - ACL of $158.7 million or 1.56% of total loans; $17.9 provision expense
  - Unfunded Commitments - ACL of $16.7 million; $2.4 million provision expense
  - Substantially all of second quarter provision expense related to expected economic impact from COVID-19
- Strong Capital ratios and Liquidity
  - Issued $150 million of sub-debt
  - Total capital of 15.13%; Tier 1 common equity of 11.44%; Tangible common equity of 8.09%
  - Tangible book value increased to $12.26
  - No shares repurchased during the quarter; suspended share buybacks on March 13th
  - Ample liquidity, with $6.1 billion of funding capacity

[1] Non-GAAP financial measure which management believes facilitates a better understanding of the Company's financial condition. See Appendix for Non-GAAP reconciliations.

Adjusted[1] Net Income

The table below lists certain adjustments that the Company believes are significant to understanding its quarterly performance.

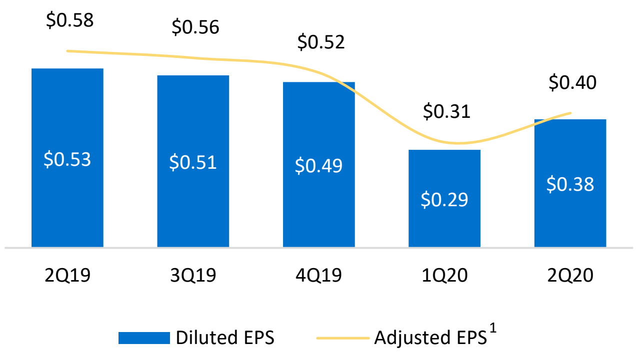
	2Q 2020		1Q 2020	
	As Reported	Adjusted	As Reported	Adjusted
Net interest income	$ 111,576	$ 111,576	$ 114,282	$ 114,282
Provision for credit losses-loans and leases	$ 17,859	$ 17,859	$ 23,880	$ 23,880
Provision for credit losses-unfunded commitments	$ 2,370	$ 2,370	$ 1,568	$ 1,568
Noninterest income	$ 42,725	$ 42,725	$ 35,384	$ 35,384
less: gains (losses) on investment securities	-	128 A	-	(157) A
Total noninterest income	$ 42,725	$ 42,597	$ 35,384	$ 35,541
Noninterest expense	$ 88,689	$ 88,689	$ 89,666	$ 89,666
less: severance and merger-related expenses	-	35 A	-	329 A
less: COVID-19 donations and costs	-	660 A	-	1,011 A
less: other	-	1,507 A	-	1,139 A
Total noninterest expense	$ 88,689	$ 86,487	$ 89,666	$ 87,187
Income before income taxes	$ 45,383	$ 47,457	$ 34,552	$ 37,188
Income tax expense	$ 7,990	$ 7,990	$ 5,924	$ 5,924
plus: tax effect of adjustments (A) @ 21% statutory rate	-	436	-	554
Total income tax expense	$ 7,990	$ 8,426	$ 5,924	$ 6,478
Net income	$ 37,393	$ 39,031	$ 28,628	$ 30,710
Net earnings per share - diluted	$ 0.38	$ 0.40	$ 0.29	$ 0.31
Pre-tax, pre-provision return on average assets	1.68%	1.73%	1.66%	1.73%

[1] Non-GAAP financial measure which management believes facilitates a better understanding of the Company's financial condition. See Appendix for Non-GAAP reconciliations.

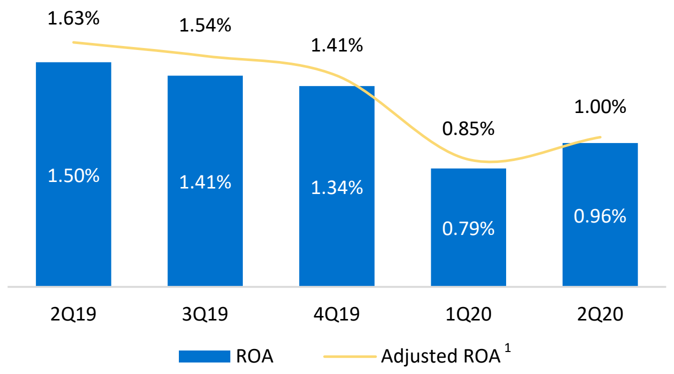
All dollars shown in thousands, except per share amounts

Profitability

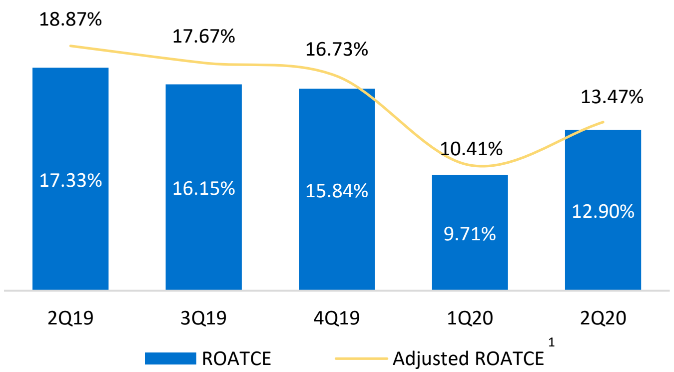
Diluted EPS



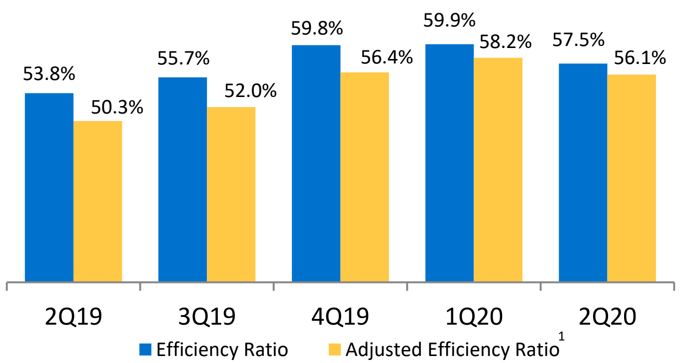
Return on Average Assets



Return on Avg Tangible Common Equity



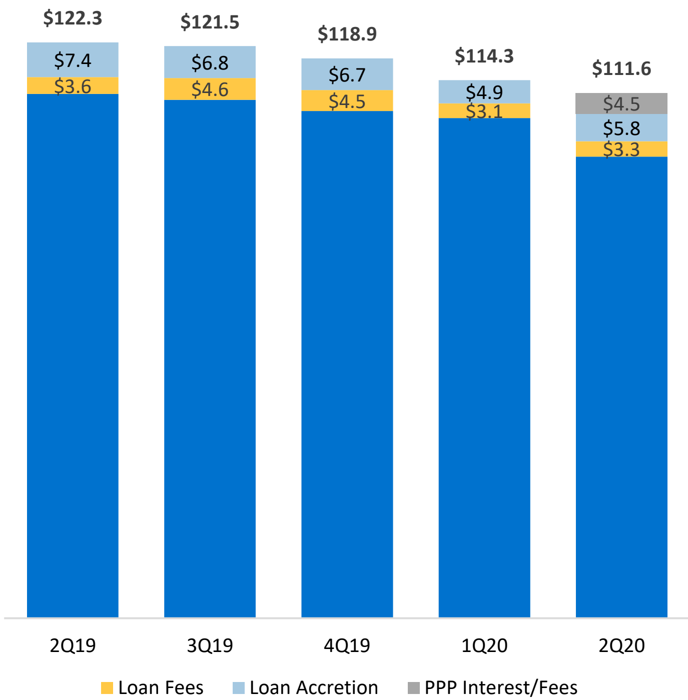
Efficiency Ratio



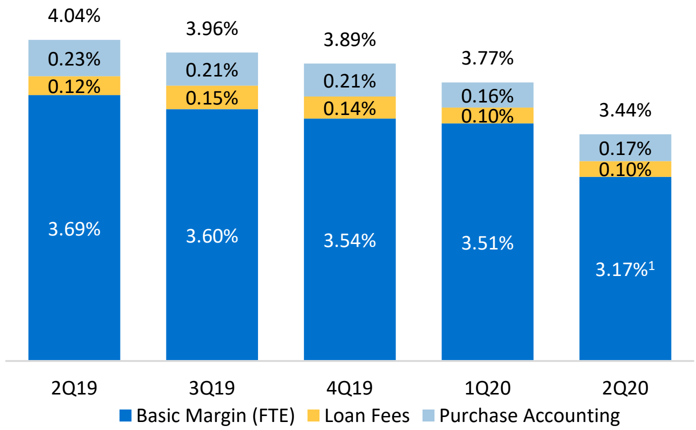
[1] Non-GAAP financial measure which management believes facilitates a better understanding of the Company's financial condition. See Appendix for Non-GAAP reconciliation.

Net Interest Income & Margin

Net Interest Income



Net Interest Margin (FTE)



2Q20 NIM (FTE) Progression

1Q20	3.77%
Asset yield / mix	-0.57%
Funding cost / mix	0.26%
PPP Loan/Funding	-0.03%
Purchase accounting and other	0.01%
2Q20	**3.44%**

[1] includes 3 bps dilution from PPP
All dollars shown in millions

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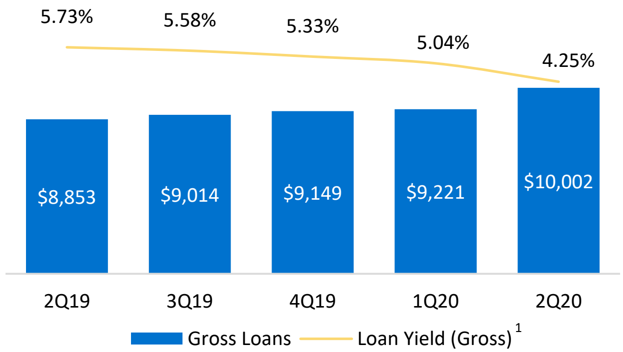
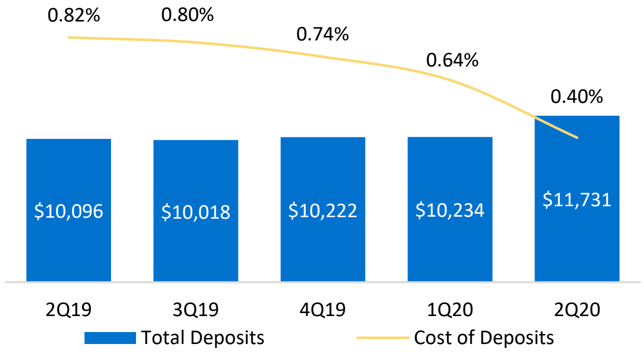
Average Balance Sheet

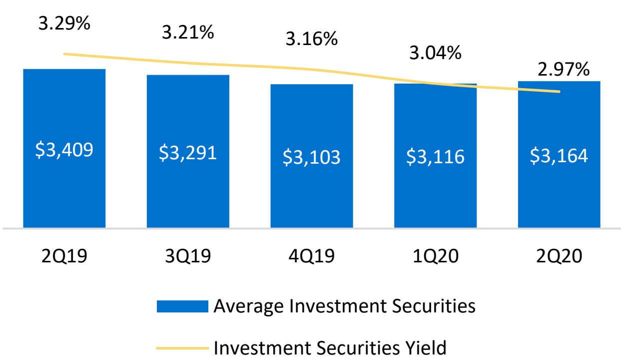
Average Loans



Average Deposits



Average Securities

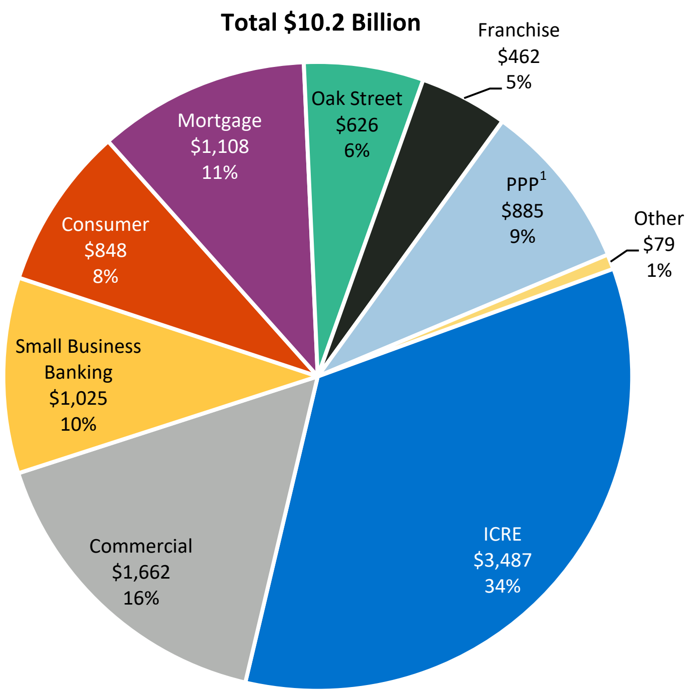


All dollars shown in millions

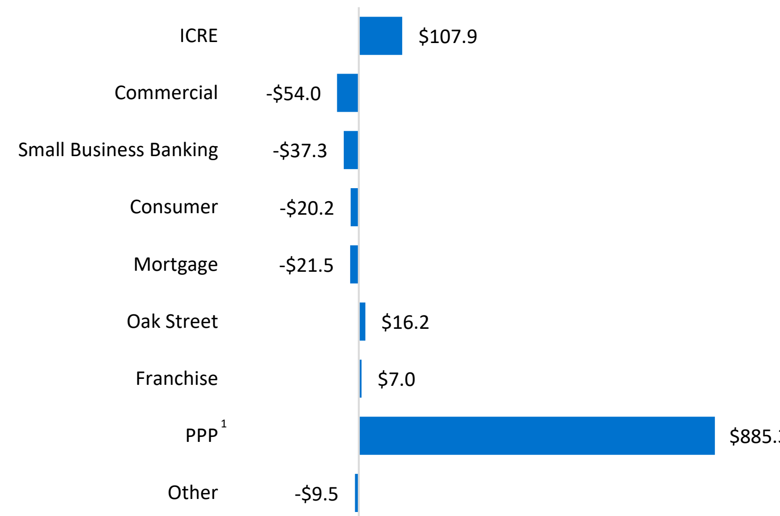
[1] Includes loans fees and purchase accounting accretion

Loan Portfolio

Loan LOB Mix (EOP)



Net Loan Change-LOB (Linked Quarter)

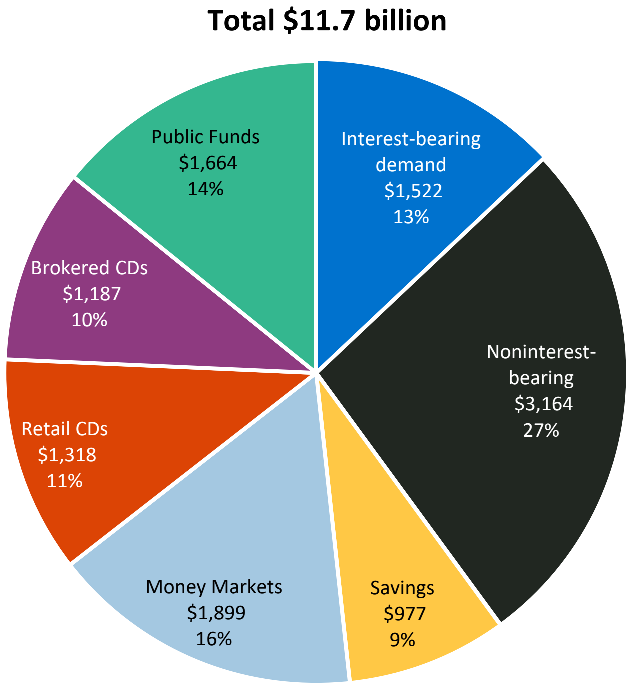


Total growth/(decline):
$873.9 million

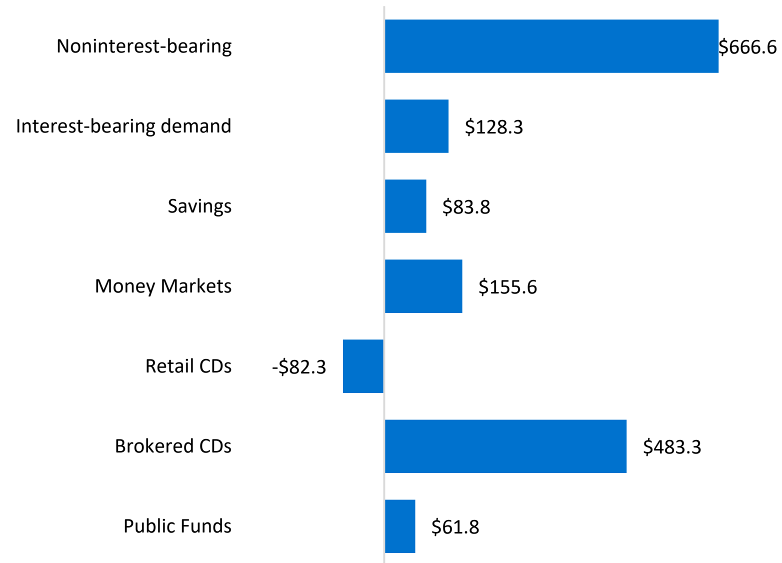
[1] Net of unearned fees of $27.6 million
All dollars shown in millions

Deposits

Deposit Product Mix (Avg)



2Q20 Average Deposit Progression



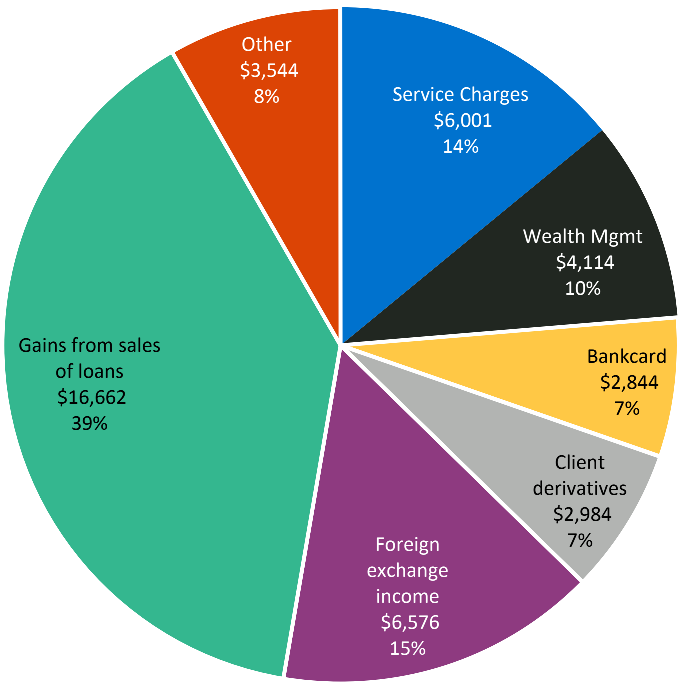
Total growth/(decline): $1.5 billion

All dollars shown in millions

Noninterest Income

Noninterest Income

Total $42.7 million



2Q20 Highlights

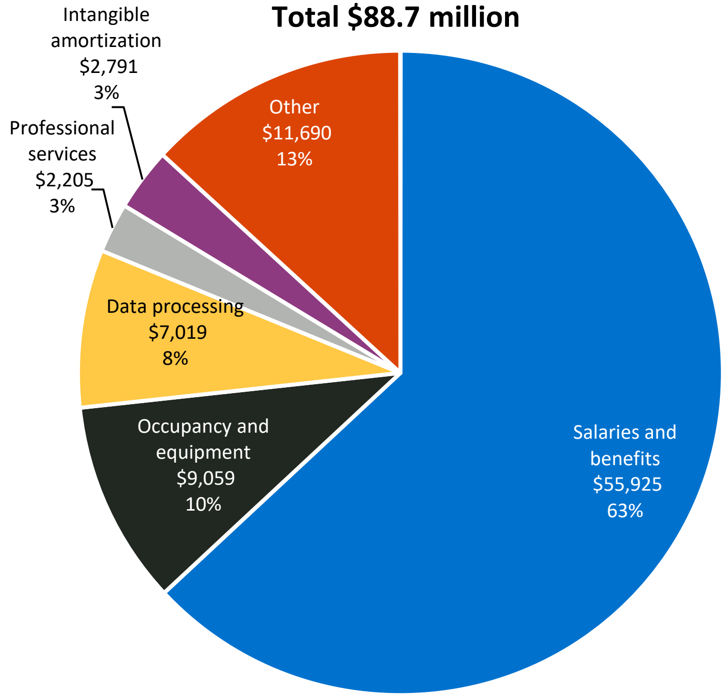
- $16.7 million of gains from sales of loans; a $13.8 million, or 488.6% increase from 1Q20
- $6.6 million of foreign exchange income despite COVID-19 headwinds
- Continued momentum with $3.0 million of client derivative fees
- Trust and wealth management fees of $4.1 million
- Service charges declined $2.4 million, or 28.9% to $6.0 million due to impact of COVID

All dollars shown in thousands

Noninterest Expense

Noninterest Expense

Total $88.7 million



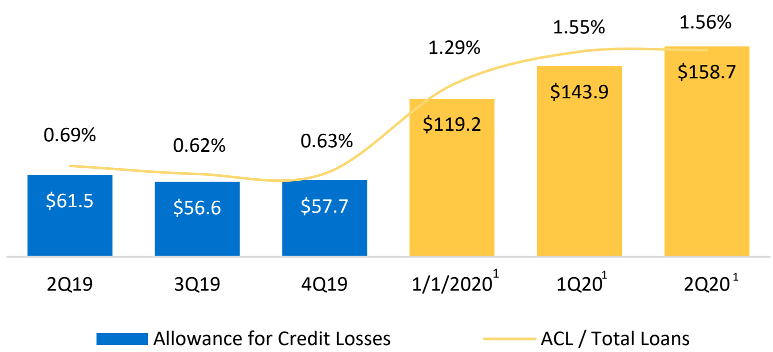
2Q20 Highlights

- Includes $0.7 million of COVID-19 related expenses
- $1.5 million related to other non-recurring expenses such as merger related and branch consolidation costs
- $0.8 million of incremental expenses related to PPP

All dollars shown in thousands

Current Expected Credit Losses - Loans and Leases

ACL/Total Loans



2Q20 Highlights

- $158.7 million, or 1.56% of loan balances; 1.71% excluding PPP
- $17.9 million provision expense substantially driven by expected economic impact of COVID-19
- Utilizes final June Moody's baseline forecast in quantitative model
- $16.7 million ACL – unfunded commitments; $2.4 million provision expense

ACL by Loan Type

	12/31/2019	1/1/2020	3/31/2020	6/30/2020
Loans				
Commercial and industrial	$ 18,584	$ 28,485	$ 45,409	$ 50,421
Lease financing	971	1,089	1,494	1,431
Real estate -construction	2,381	13,960	13,511	15,357
Real estate - commercial	23,579	47,697	53,155	62,340
Real estate - residential	5,299	10,789	11,284	10,581
Home equity	4,787	13,217	14,827	14,236
Installment	392	1,193	1,238	1,226
Credit card	1,657	2,726	2,967	3,069
ACL-loan and lease losses [1]	$ 57,650	$ 119,155	$ 143,885	$ 158,661
ACL-unfunded commitments [1]	$ 585	$ 12,740	$ 14,308	$ 16,678

Adoption Impact

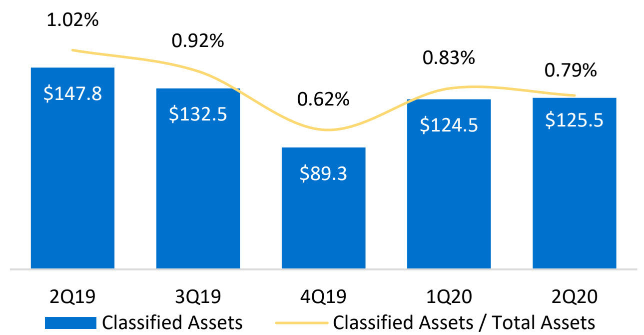
- $119.2 million, an increase of $61.5 million from 12/31/19
- Day 1 increase driven by acquired loans and life of loan expectations compared to the incurred loss model

[1] Beginning January 1, 2020, calculation is based on current expected credit loss methodology. Prior to January 1, 2020, calculation was based on the incurred loss methodology.

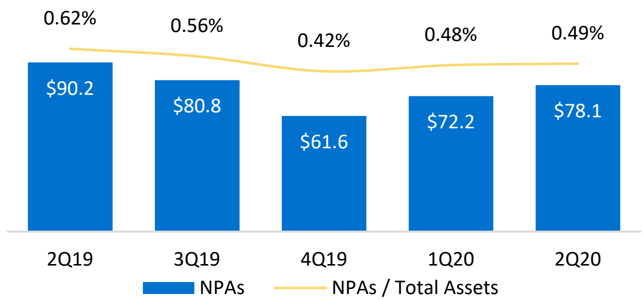
All dollars shown in thousands

Asset Quality

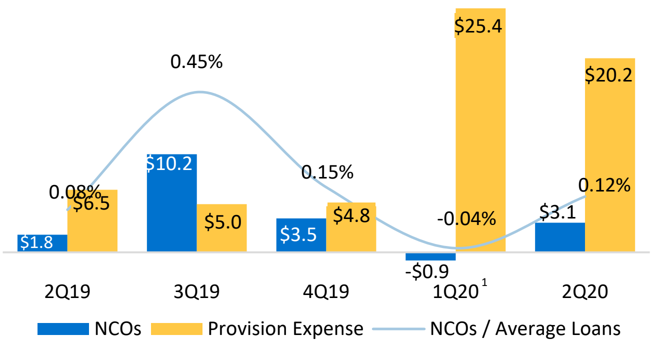
Classified Assets / Total Assets



Nonperforming Assets / Total Assets



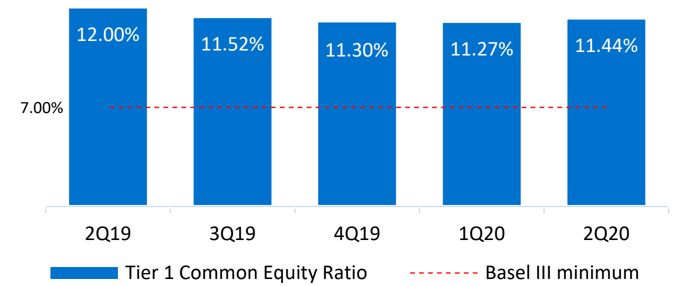
Net Charge Offs & Provision Expense



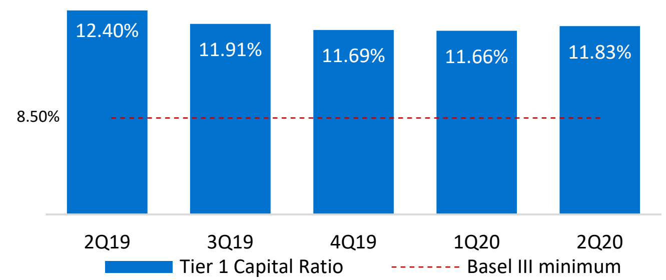
[1] Beginning January 1,2020, calculation is based on current expected loss methodology. Prior to January 1, 2020, calculation was based on the incurred loss methodology.
[2] Provision includes both loans & leases and unfunded commitments
All dollars shown in millions

Capital

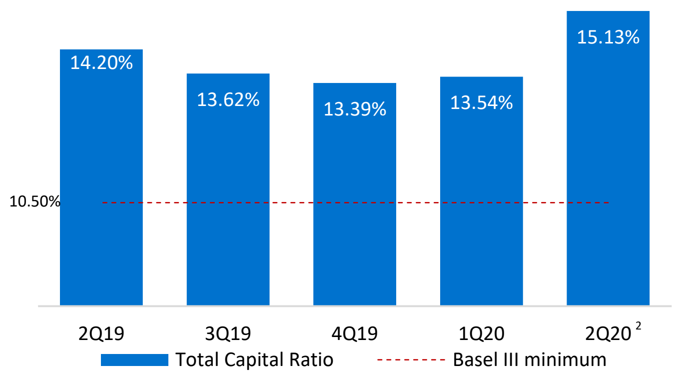
Tier 1 Common Equity Ratio



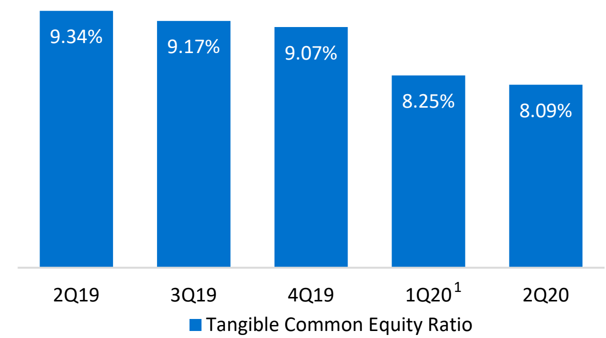
Tier 1 Capital Ratio



Total Capital Ratio



Tangible Common Equity Ratio



6/30 Risk Weighted Assets = $11,078,714

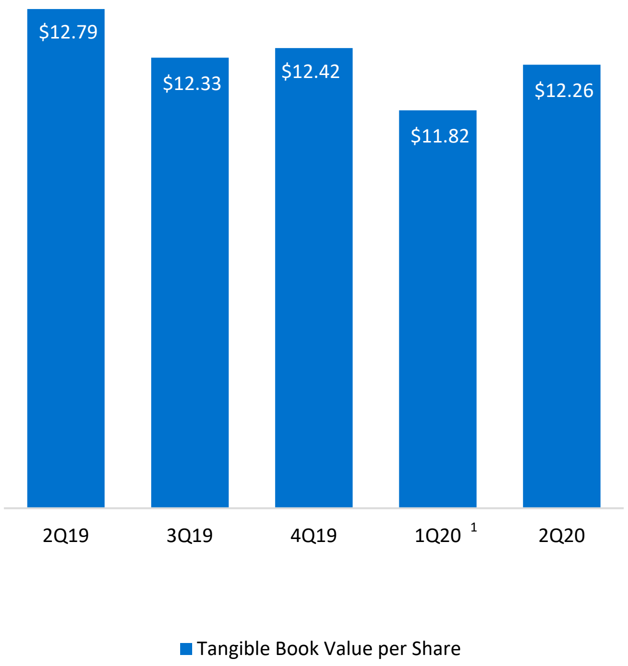
[1] Decline related to adoption of CECL during the quarter

[2] Increased 134 basis points due to sub-debt issuance in beginning of second quarter

All capital numbers are considered preliminary.

Capital Strategy

Tangible Book Value Per Share



[1] Decline related to adoption of CECL during the quarter

Strategy & Deployment

- 6.6% annualized dividend yield
- July 2020 stress testing indicates capital ratios above regulatory minimums in all modeled scenarios
- Targeted dividend payout ratio remains 40 - 45% over the long term, but is subject to change based on economic conditions and the Company's financial performance
- No shares repurchased in second quarter; suspended share buybacks on March 13th

COVID – 19 Related Information

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Relief Program Overview

Associates

- More than half of our associates are working from home.
- Up to four weeks of pandemic pay is available for associates who cannot work on-site or at home.
- Protocols have been implemented for cleaning and distancing at all worksites.
- Financial assistance, like payment deferrals, line of credit increases, and access to our experts is available to all.
- Mental wellbeing is being emphasized as we promote our employee assistance program.

Consumers

- Introductions of hardship relief programs like, payment deferrals, fee-waivers, and the suspension of new foreclosures.
- Modifications have been made to many products and service channels to make it easier and faster to make transactions, open accounts and conduct banking from home.
- Virtually all transactions can be handled via the drive-thru, including the ability to provide official checks, money orders, and replacement debit cards.
- A hardship phone line and online form make it easy for clients to reach out and request help.
- As of June 30, we have successfully modified over $126 million in consumer loans, including almost $103 million of residential mortgages.

Businesses

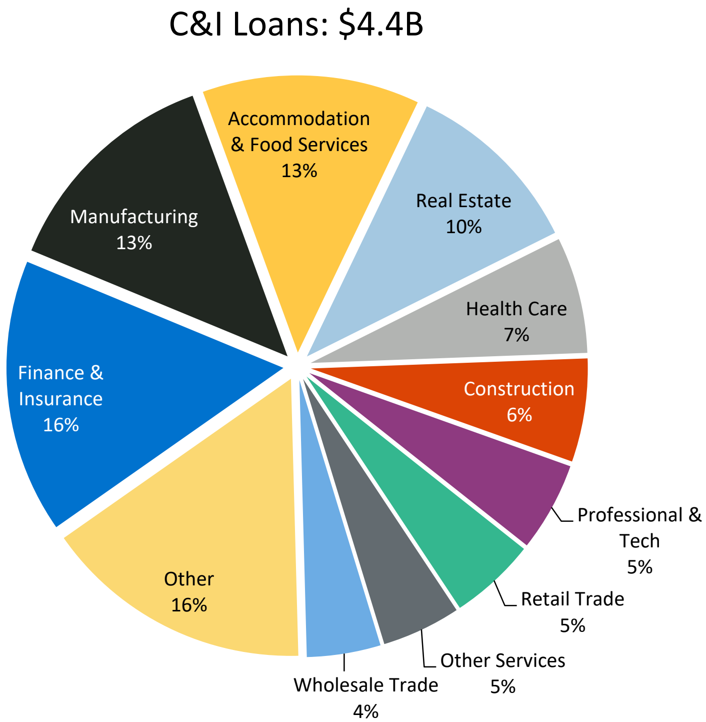
- Prudently working with clients to provide access to capital, defer payments when appropriate, and provide support during this difficult time.
- Our experienced team is helping clients leverage relief programs such as the SBA Disaster Loan program, the CARES Act Paycheck Protection Program, and the Main Street Lending Program.
- As of June 30, we have received over 8,000 loan requests totaling $1.2 billion, securing PPP SBA approval for approximately 6,800 loans totaling $913 million.
- As of June 30, we have modified over $2.0 billion in loan balances.

Communities

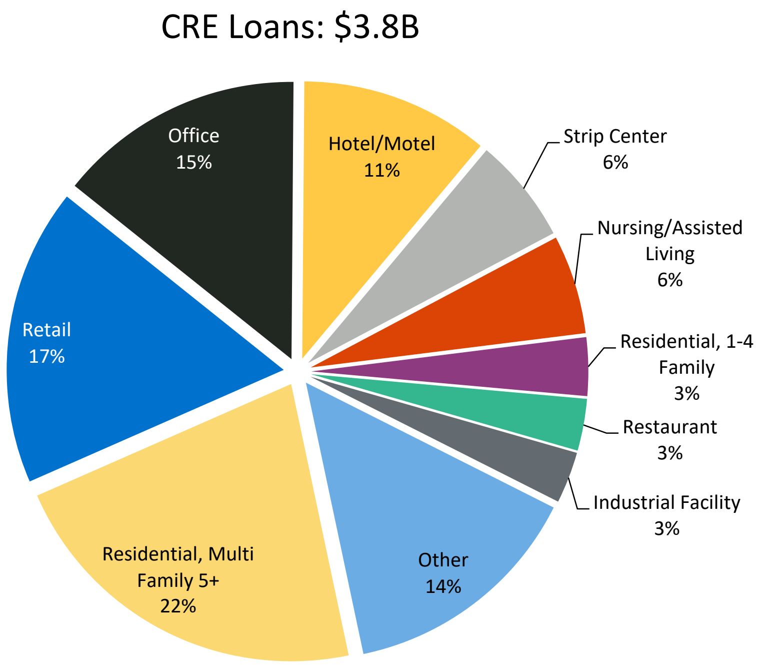
- Many organizations in our communities are mobilizing to help provide assistance to those impacted economically by Coronavirus.
- First Financial has helped to lead those efforts by contributing $1 million to help fund COVID-19 relief efforts throughout our footprint in the first quarter of 2020.

Loan Concentrations

C&I Loans by Industry [1]



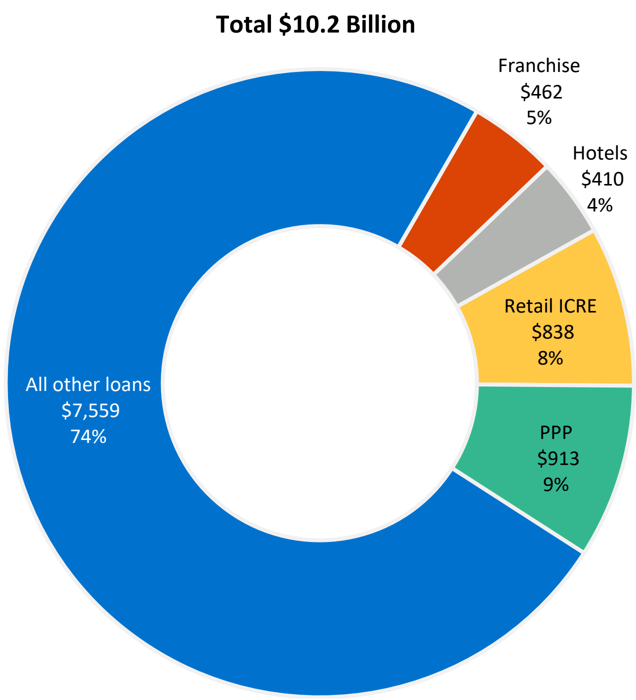
CRE Loans by Collateral [2]



[1] Industry types included in Other representing greater than 1% of total C&I loans include Agriculture, Transportation & Warehousing, Public Administration, Waste Management, Arts & Recreation, and Educational Services. Includes owner-occupied CRE.
[2] Collateral types included in Other representing greater than 1% of total CRE loans include Warehouse, Medical Office, Student Housing, Real Estate IUB Other, and Vacant Land Not Held for Development.

Loan Portfolio - Areas of Focus

Loans (EOP)



Areas of Focus

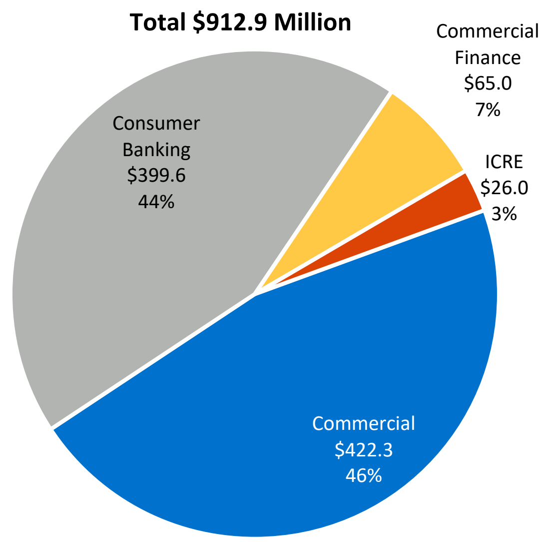
- Asset classes with areas of focus
  - PPP: $913 million in balances or 9% of total loans
  - Franchise: $462 million in balances, or 5% of total loans
  - Hotels: $410 million in balances, or 4% of total loans
  - Retail CRE: $838 million in balances, or 8% of total loans

All dollars shown in millions

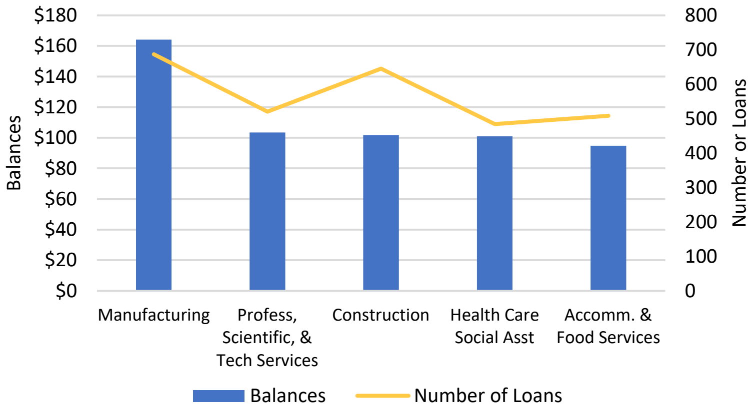
Area of Focus – Paycheck Protection Program

- $913MM, or 9% of the total portfolio; $27.6 million of unearned fees as of June 30
- Program remains open but demand is minimal
- Forgiveness process awaiting final guidance from the SBA
  - Internal processes ready
  - Expected to launch in the next 30 days
- Receiving some forgiveness inquiry, but to date, demand is low
  - Majority of customers retaining stimulus

PPP Portfolio by Division



PPP Portfolio Top 5 Industries

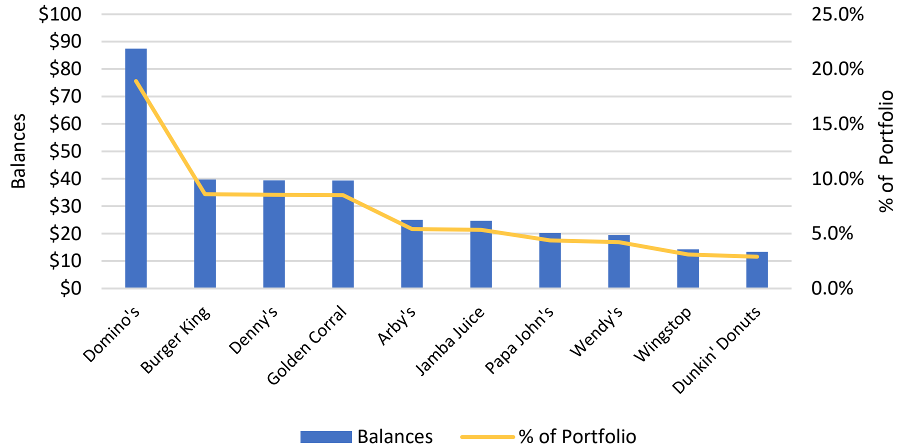


All dollars shown in millions

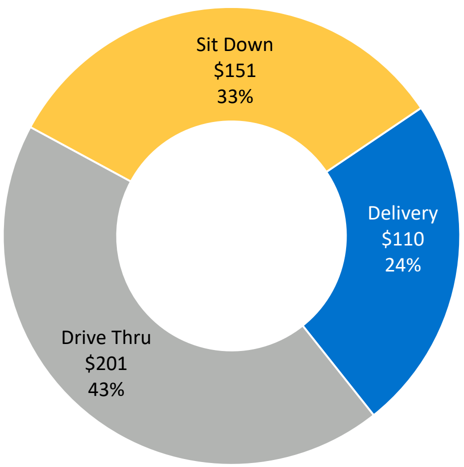
Areas of Focus - Franchise Portfolio

- $462 million in balances or 5% of total loans
- 93% of portfolio was pass rated as of 6/30
- 9 of top 10 largest relationships include some real estate collateral
- $296 million, or 64%, secured an initial 90 day payment deferral; majority set to expire in late July, August
  - $157 million of deferred loans have returned to making full principal and interest payments
  - $84 million of deferred loans have requested and been granted a second deferral

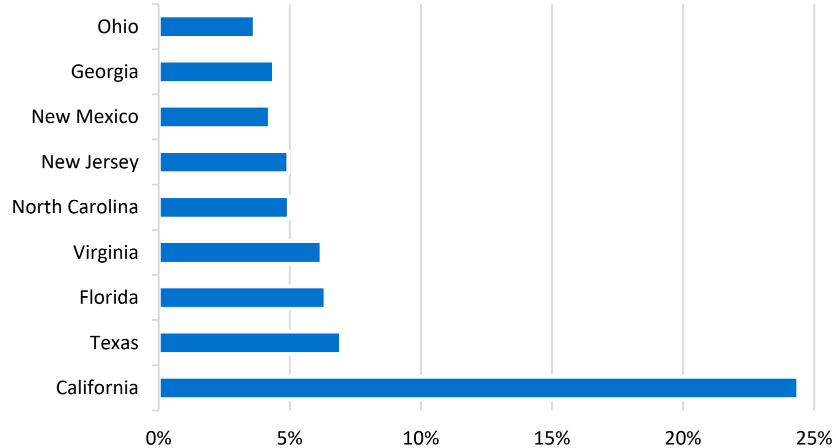
Top 10 Concepts



Restaurant Type



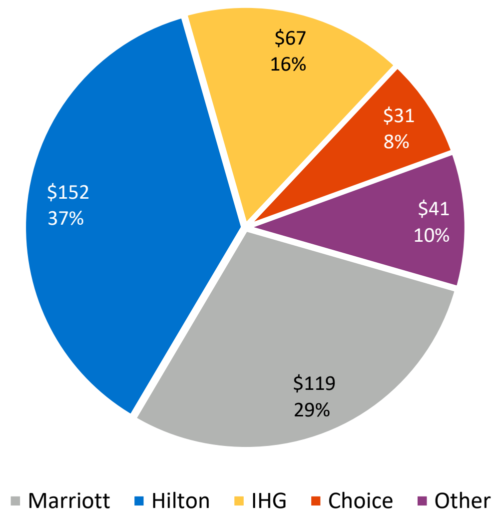
Geography

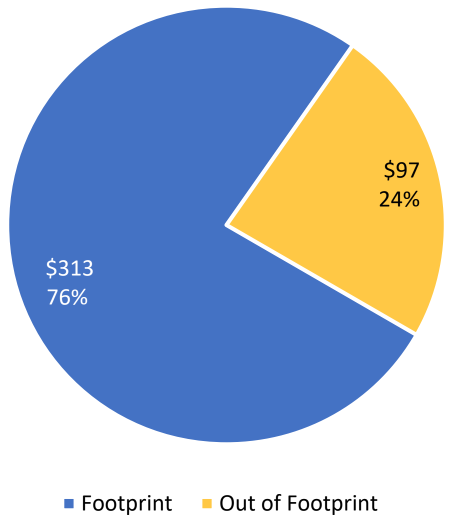


All dollars shown in millions

Area of Focus - Hotel Portfolio

- $410 million balance represents 4% of the total loan portfolio
- 76% of the hotel portfolio is located within the Bank's geographic footprint
- $370 million, or 90%, secured an initial 90 day payment deferral; given continued low occupancy rates, majority expected to request a second 90 day full P&I or interest-only deferral
- 2019 data (pre-COVID 19) indicates the hotel portfolio was strong with an average LTV of 63% and DSC of 1.58x.
- Majority concentrated in Midwest Metro markets reliant on business travel
- Overall we have little exposure to large convention center hotels or fly-to-leisure destinations.





All dollars shown in millions

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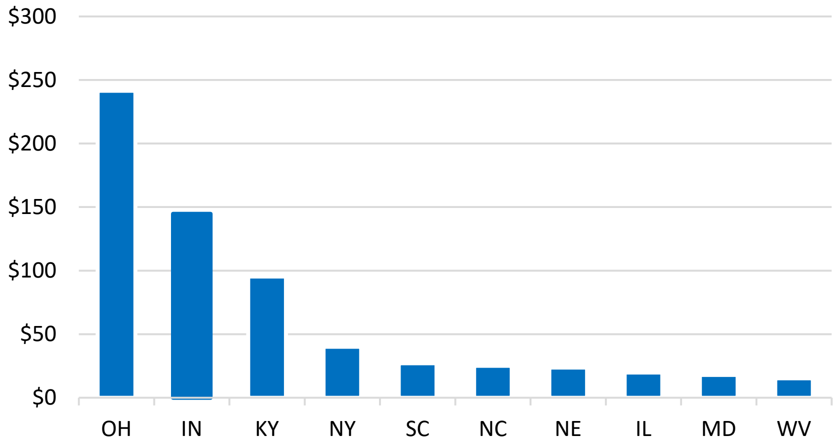
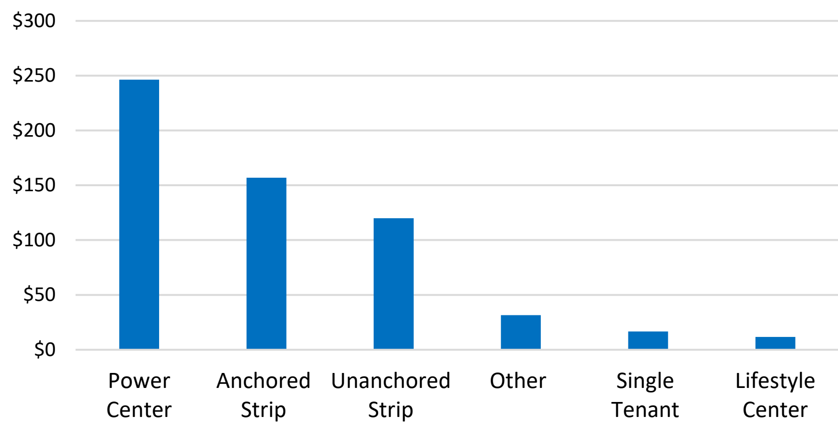
Area of Focus - ICRE Retail

- $838 million, or 8% of the total portfolio
- 60% of the portfolio is located within the Bank's geographic footprint
- Bank has focused on strong locations with adequately capitalized sponsors
- 2019 data (pre-COVID) indicates the portfolio has an average LTV of 67%
- $507 million, or 61%, secured an initial 90 day payment deferral

State



Retail Properties >$3 million



All dollars shown in millions

Outlook Commentary[1]

Balance Sheet	• Loan growth expected to be in low single digits, excluding impact of PPP • Deposit balances expected to remain elevated in near-term; gradual decline with eventual spending of PPP/stimulus
Net Interest Margin	• Expected to be positively impacted by PPP forgiveness • Under slight pressure given low interest rate environment
Credit	• Elevated provision expense in near term • Higher credit losses anticipated in back half of the year
Noninterest income	• Elevated mortgage income expected in near-term, with normalized premiums and seasonal declines in volume later in the year • Slowly returning deposit overdraft, service charge and interchange revenues • Foreign exchange income expected to rebound in near-term
Noninterest Expense	• Will gradually increase as business activities normalize • Near-term pause in discretionary expenditures and significant investments except where critical
PPP	• Originated approximately $913 million of PPP loans with average fees of 3.3% • Forgiveness payoffs expected to start in 3Q and be concentrated in 4Q and early 2021.

[1] See Forward Looking Statement Disclosure on page 2 of this presentation for a discussion of factors that could affect management's expectations and results in future periods.

Appendix: Non-GAAP Measures

The Company's Investor Presentation contains certain financial information determined by methods other than in accordance with accounting principles generally accepted in the United States (GAAP). Such non-GAAP financial information should be considered supplemental to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. However, we believe that non-GAAP reporting provides meaningful information and therefore we use it to supplement our GAAP information. We have chosen to provide this supplemental information to investors, analysts and other interested parties to enable them to perform additional analyses of operating results, to illustrate the results of operations giving effect to the non-GAAP adjustments and to provide an additional measure of performance. We believe this information is helpful in understanding the results of operations separate and apart from items that may, or could, have a disproportional positive or negative impact in any given period. For a reconciliation of the differences between the non-GAAP financial measures and the most comparable GAAP measures, please refer to the following reconciliation tables.

Appendix: Non-GAAP to GAAP Reconciliation

Net interest income and net interest margin - fully tax equivalent

	Three months ended				
	June 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Sep. 30, 2019	June 30, 2019
Net interest income	$ 111,576	$ 114,282	$ 118,902	$ 121,535	$ 122,302
Tax equivalent adjustment	1,664	1,624	1,630	1,759	1,416
Net interest income - tax equivalent	$ 113,240	$ 115,906	$ 120,532	$ 123,294	$ 123,718
Average earning assets	$ 13,258,612	$ 12,375,698	$ 12,288,761	$ 12,343,327	$ 12,294,911
Net interest margin[1]	3.38 %	3.71 %	3.84 %	3.91 %	3.99 %
Net interest margin (fully tax equivalent)[1]	3.44 %	3.77 %	3.89 %	3.96 %	4.04 %

[1] Margins are calculated using net interest income annualized divided by average earning assets.

The tax equivalent adjustment to net interest income recognizes the income tax savings when comparing taxable and tax-exempt assets and assumes a 21% tax rate. Management believes that it is a standard practice in the banking industry to present net interest margin and net interest income on a fully tax equivalent basis. Therefore, management believes these measures provide useful information to investors by allowing them to make peer comparisons. Management also uses these measures to make peer comparisons.

All dollars shown in thousands

Appendix: Non-GAAP to GAAP Reconciliation

Additional non-GAAP ratios

(Dollars in thousands, except per share data)	Three months ended June 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Sep. 30, 2019	June 30, 2019
Net income (a)	$ 37,393	$ 28,628	$ 48,677	$ 50,856	$ 52,703
Average total shareholders' equity	2,185,865	2,209,733	2,245,107	2,210,327	2,146,997
Less:					
Goodwill	(937,771)	(937,771)	(937,710)	(899,888)	(879,726)
Other intangibles	(72,086)	(75,014)	(78,190)	(51,365)	(37,666)
MSR's	(10,254)	(10,608)	(10,367)	(10,118)	(9,906)
Average tangible equity (b)	1,165,754	1,186,340	1,218,840	1,248,956	1,219,699
Total shareholders' equity	2,221,019	2,179,383	2,247,705	2,261,313	2,188,189
Less:					
Goodwill	(937,771)	(937,771)	(937,771)	(937,689)	(879,727)
Other intangibles	(70,325)	(73,258)	(76,201)	(79,506)	(36,349)
MSR's	(11,250)	(10,278)	(10,650)	(10,293)	(10,086)
Ending tangible equity (c)	1,201,673	1,158,076	1,223,083	1,233,825	1,262,027
Total assets	15,870,890	15,057,567	14,511,625	14,480,445	14,437,663
Less:					
Goodwill	(937,771)	(937,771)	(937,771)	(937,689)	(879,727)
Other intangibles	(70,325)	(73,258)	(76,201)	(79,506)	(36,349)
MSR's	(11,250)	(10,278)	(10,650)	(10,293)	(10,086)
Ending tangible assets (d)	14,851,544	14,036,260	13,487,003	13,452,957	13,511,501
Risk-weighted assets (e)	11,078,714	11,027,347	11,023,795	10,883,554	10,674,394
Total average assets	15,710,204	14,524,422	14,460,288	14,320,514	14,102,733
Less:					
Goodwill	(937,771)	(937,771)	(937,710)	(899,888)	(879,726)
Other intangibles	(72,086)	(75,014)	(78,190)	(51,365)	(37,666)
MSR's	(10,254)	(10,608)	(10,367)	(10,118)	(9,906)
Average tangible assets (f)	$ 14,690,093	$ 13,501,029	$ 13,434,021	$ 13,359,143	$ 13,175,435
Ending shares outstanding (g)	98,018,858	97,968,958	98,490,998	100,094,819	98,647,690
Ratios					
Return on average tangible shareholders' equity (a)/(b)	12.90%	9.71%	15.84%	16.15%	17.33%
Ending tangible equity as a percent of:					
Ending tangible assets (c)/(d)	8.09%	8.25%	9.07%	9.17%	9.34%
Risk-weighted assets (c)/(e)	10.85%	10.50%	11.09%	11.34%	11.82%
Average tangible equity as a percent of average tangible assets (b)/(f)	7.94%	8.79%	9.07%	9.35%	9.26%
Tangible book value per share (c)/(g)	$ 12.26	$ 11.82	$ 12.42	$ 12.33	$ 12.79

All dollars shown in thousands

Appendix: Non-GAAP to GAAP Reconciliation

Additional non-GAAP measures

(Dollars in thousands, except per share data)	2Q20 As Reported	2Q20 Adjusted	1Q20 As Reported	1Q20 Adjusted	4Q19 As Reported	4Q19 Adjusted	3Q19 As Reported	3Q19 Adjusted	2Q19 As Reported	2Q19 Adjusted
Net interest income (f)	$ 111,576	$ 111,576	$ 114,282	$ 114,282	$ 118,902	$ 118,902	$ 121,535	$ 121,535	$ 122,302	$ 122,302
Provision for credit losses-loans and leases (j)	17,859	17,859	23,880	23,880	4,629	4,629	5,228	5,228	6,658	6,658
Provision for credit losses-unfunded commitments (j)	2,370	2,370	1,568	1,568						
Noninterest income	42,725	42,725	35,384	35,384	36,768	36,768	33,140	33,140	34,638	34,638
less: gains (losses) on sale of investment securities		128		(157)		(56)		208		52
Total noninterest income (g)	42,725	42,597	35,384	35,541	36,768	36,824	33,140	32,932	34,638	34,586
Noninterest expense	88,689	88,689	89,666	89,666	93,064	93,064	86,226	86,226	84,378	84,378
less: severance and merger-related expenses		35		329		693		5,192		5,187
less: historic tax credit write-down @ 21%						2,862				
less: COVID-19 costs		660		1,011						
less: other		1,507		1,139		1,740		711		336
Total noninterest expense (e)	88,689	86,487	89,666	87,187	93,064	87,769	86,226	80,323	84,378	78,855
Income before income taxes (i)	45,383	47,457	34,552	37,188	57,977	63,328	63,221	68,916	65,904	71,375
Income tax expense	7,990	7,990	5,924	5,924	9,300	9,300	12,365	12,365	13,201	13,201
plus: tax effect of adjustments		436		554		377		926		785
plus: after-tax impact of historic tax credit write-down @ 35%						2,261				
Total income tax expense (h)	7,990	8,426	5,924	6,478	9,300	11,938	12,365	13,291	13,201	13,986
Net income (a)	$ 37,393	$ 39,031	$ 28,628	$ 30,710	$ 48,677	$ 51,390	$ 50,856	$ 55,625	$ 52,703	$ 57,389
Average diluted shares (b)	97,989	97,989	98,356	98,356	99,232	99,232	99,078	99,078	98,648	98,648
Average assets (c)	15,710,204	15,710,204	14,524,422	14,524,422	14,460,288	14,460,288	14,320,514	14,320,514	14,102,733	14,102,733
Average shareholders' equity	2,185,865	2,185,865	2,209,733	2,209,733	2,245,107	2,245,107	2,210,327	2,210,327	2,146,997	2,146,997
Less:										
Goodwill and other intangibles	(1,020,111)	(1,020,111)	(1,023,393)	(1,023,393)	(1,026,267)	(1,026,267)	(961,371)	(961,371)	(927,298)	(927,298)
Average tangible equity (d)	1,165,754	1,165,754	1,186,340	1,186,340	1,218,840	1,218,840	1,248,956	1,248,956	1,219,699	1,219,699
Ratios										
Net earnings per share - diluted (a)/(b)	$ 0.38	$ 0.40	$ 0.29	$ 0.31	$ 0.49	$ 0.52	$ 0.51	$ 0.56	$ 0.53	$ 0.58
Return on average assets - (a)/(c)	0.96%	1.00%	0.79%	0.85%	1.34%	1.41%	1.41%	1.54%	1.50%	1.63%
Pre-tax, pre-provision return on average assets - ((a)+(j)+(h))/(c)	1.68%	1.73%	1.66%	1.73%	1.72%	1.86%	1.90%	2.05%	2.06%	2.22%
Return on average tangible shareholders' equity - (a)/(d)	12.90%	13.47%	9.71%	10.41%	15.84%	16.73%	16.15%	17.67%	17.33%	18.87%
Efficiency ratio - (e)/((f)+(g))	57.5%	56.1%	59.9%	58.2%	59.8%	56.4%	55.7%	52.0%	53.8%	50.3%
Effective tax rate - (h)/(i)	17.6%	17.8%	17.1%	17.4%	16.0%	18.9%	19.6%	19.3%	20.0%	19.6%

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