Investor Presentation

Fourth Quarter 2020

first financial bancorp

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:

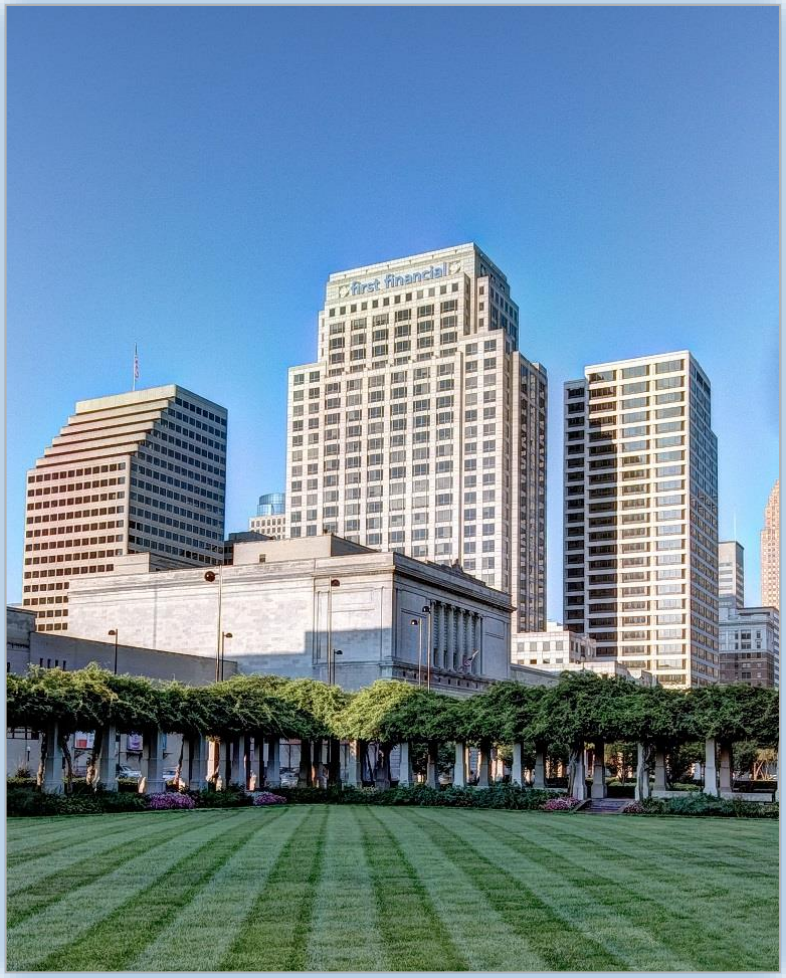
- economic, market, liquidity, credit, interest rate, operational and technological risks associated with the Company’s business;
- future credit quality and performance, including our expectations regarding future loan losses and our allowance for credit losses;
- the effect of and changes in policies 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.



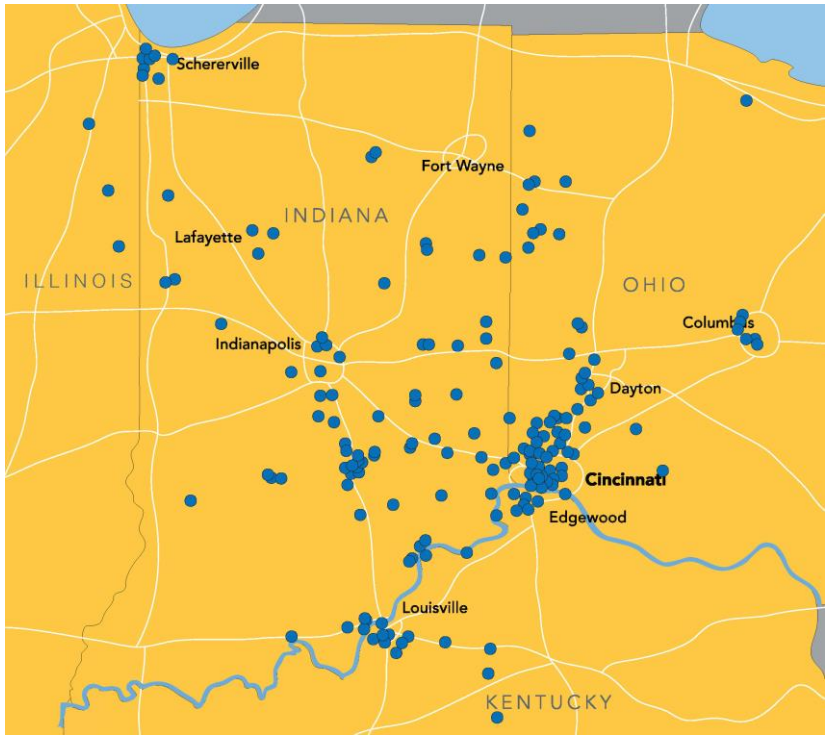
Presentation Contents

About First Financial Bancorp

Financial Performance

Appendix

Our Franchise



$16.0B
in assets

$9.9B/$12.2B
loans / deposits

$4.6B
wealth management

1.79%
Adj. PTPP ROAA[1]

NASDAQ: **FFBC**

Headquarters: **Cincinnati, Ohio**

Founded: **1863**

Banking Centers: **143**

Employees: **2,075**

Market Cap (12/31/20): **$1.7B**

Dividend Yield (12/31/20): **5.2%**

TCE Ratio: **8.47%**





Lines of Business

Commercial
C&I, O-CRE, ABL, Equipment Finance, Treasury, Bannockburn Global Forex

Retail Banking
Consumer, Business Banking, Small Business

Mortgage Banking

Wealth Management / Private Banking

Investment Commercial Real Estate

Commercial Finance

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

Key Investment Highlights

Proven & sustainable business model spanning 150+ years

- Well managed through past credit cycles
- Conservative operating philosophy
- Consistent profitability – **121 consecutive quarters**

Premier Midwest franchise with top quartile performance

High quality balance sheet & robust capital position (11.82% CET1 / 8.47% TCE)

Prudent risk management & credit culture with strong asset quality

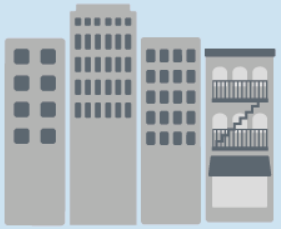
Increased scale to continue investments in technology

Track record of well-executed acquisitions with a well-defined M&A strategy

Experienced and proven management team

Complementary Market Centric Strategies

METRO MARKETS



Louisville, KY
Columbus, OH
Indianapolis, IN
Dayton, OH

▼ Low brand awareness
Low market share

Loans $3.0B / Deposits $2.0B

- Build relationships through becoming the Premier Business Bank
- Bank the business, the business owners and the employees
- Leads to targeted growth across all business lines

COMMUNITY MARKETS



Southern IN
South Central IN
Northwest IN
Northern OH

▲ High brand awareness
High market share

Loans $1.7B / Deposits $5.0B

- Deepen relationships
- Expand product offering
- Word-of-mouth referrals
- Leads to organic growth

HEADQUARTERS



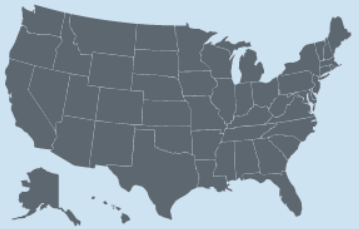
Greater Cincinnati
Northern KY

4th in market share
All business lines represented

Loans $3.0B / Deposits $4.1B

- Significant branch network
- Alternative to larger banks
- Mass player, based on brand, reputation and legacy
- Visible presence
- Large associate population

NATIONAL



Industry Specific

▶ Niche offering

Loans $1.1B

- Oak Street Funding
- First Franchise Capital
- Bannockburn Global Forex

Note: Loan and deposit balances exclude special assets, loan marks, other out of market and corporately held balances.

Diversified Lines of Business

FIRST first financial bank

Go-to-Market Strategies

COMMERCIAL BANKING

Vision
To be known and operate as the Premier Business Bank and to provide banking solutions to the business, to the owner(s) and to their employees.

Target Audience
- High Demander
- $10MM-100MM Sales Revenue
- 50+ Employees

Current Portfolio
Approx 3,500 Relationships
$2.5B Commitments
$1.7B Balances
$1.8B Business Deposits
$1.6B Pub Fund Deposits

Value Proposition
We offer the products of our large regional competitors and, through personal relationship building, we become their trusted financial partner.

Business Line Goals
- Loan Growth
- Deposit Growth
- Fee Revenue
- Added new Forex product line through Bannockburn acquisition

RETAIL BANKING

Vision
Achieve organic growth by creating long-lasting relationships by finding ways to help our clients succeed.

Target Audience
- Consumers
- Small Business
- Business Banking

Goals
- Core Deposit Growth
- Client Retention
- Share of Wallet
- Business Banking

Value Proposition
Centers on our ability to remain relevant and offer the products and services that our larger competitors do, but with a level of client intimacy that is difficult for larger competitors to sustain. Our clients look to us as their partner, and we will seek to provide them every product and service that they need—but nothing that they don't.

Current Portfolio

	Consumer	Business	Pub Funds
Number of Clients	316,447	33,244	
Total Deposit Balance	$5.6B	$1.6B	$0.2B
Total Loan Balance	$0.9B	$1.0B	

MORTGAGE

Vision
To be known as a premier mortgage lender in our communities by leveraging our relationships, exceptional client service and a comprehensive selection of product options to assist our clients in obtaining their dream of homeownership.

Target Audience
Clients looking to purchase or refinance a home less than $2.5MM

Current State
- Qtr Orig Volume $326MM
- Avg loan size $202K

Business Objectives
- Grow the business
- Focus on CRA
- Regulatory Compliance
- Customer Satisfaction

Value Proposition
A team of mortgage experts that deliver a fast, consistent experience for our clients by offering a suite of products to meet the needs of all client segments.

WEALTH MANAGEMENT

Vision
Utilize a holistic wealth management approach to grow, preserve and protect client wealth.

Target Audience
Mass Affluent: $150-$499K HH income
$250K-$1MM in AUM

High Net Worth: $500K+ HH Income
$1MM-$10MM in AUM

Plan Sponsors: $1-$20MM Plan Size
100+ Participants

Value Proposition
- Convenient and efficient venue to comprehensively address all financial/banking needs
- Investment Management Process
- Expertise - Trust, Estate, Financial Planning, RPS
- Best in Class Brokerage Platform

Current Portfolio

	Relationships	Assets
Trust & Investments	2,602	$2.7B
Brokerage	6,952	$1.6B
RPS	82	$0.3B

Business Line Goals
- AUM Growth
- New Client Acquisition
- Maintain Top Quartile Investment Outcomes

INVESTMENT COMMERCIAL REAL ESTATE

Vision
To be recognized by professional developers and investors as the market leader. Through constant monitoring and application of our strategy we will build a high performing portfolio with acceptable risk and excellent financial returns.

Current Portfolio

Central OH	$1.0B
Southern OH	$1.3B
Indiana	$0.7B
Healthcare	$0.2B

Business Line Goals
- Loan Growth
- Swap Revenue
- Deposit Growth

Target Audience
Professional investors/developers with proven track-record to weather down-cycles

COMMERCIAL FINANCE

Vision
To be the market leader in client experience for commercial financing by delivering unique and diverse product offerings through cutting-edge technology and exceptional client service.

Target Audience
- Insurance Businesses (Retail, Wholesale, MGA, MGU, Risk Retention Groups, Carriers)
- Registered Investment Advisors
- Multi-Unit Restaurant Franchisees
- Certified Public Accountants
- Commercial Automotive Portfolios
- Third-Party Loan Servicing

Current Portfolio

FRA	$0.4B
OSF	$0.6B

Value Proposition
Fulfill the unique capital needs for our targeted cash flow-based industries while providing extraordinary service to our borrowers.

Business Line Goals
- Portfolio Growth
- Revenue Growth

Revenue Growth Strategies

LOB | Go-to-Market

Product & Pricing

- Regional pricing strategy
- Treasury Management product investments
- Investments in Product Management

Talent Expansion

- Up-Market Commercial talent acquisition
- Added Chief Digital Officer; building out team
- Added Enterprise Product Executive
- Added Client Experience Executive

Client Experience

- Improved Cash Management Platform
- Improved Online Banking Product
- Blend – Mortgage Origination
- nCino – Commercial loan origination and online account opening

Distribution

Defined Models

- Community
- Metro
- Headquarters
- National
- Digital

Capacity Plans

- Increased physical distribution network
- Closed 52 locations since merger
- Aligned sales teams to distribution models

Expanded Capabilities

- Acquired Bannockburn enabling us to provide foreign exchange services
- Rollout of “in-house” derivatives desk capabilities
- Exploit untapped Wealth Management opportunities for expanded client base

Technology

Enterprise Data Management

- Investment in data warehouse
- Enabling data as a strategic asset
- Connection into CRM platform

Enterprise CRM

- Company-wide implementation of SFDC
- Marketing automation and sales enablement program development
- Sales Management
- Operational Integration

Digital Transformation

- Roadmap Creation
- Increased Resource Allocation
- Enhanced Client Experience

Talent

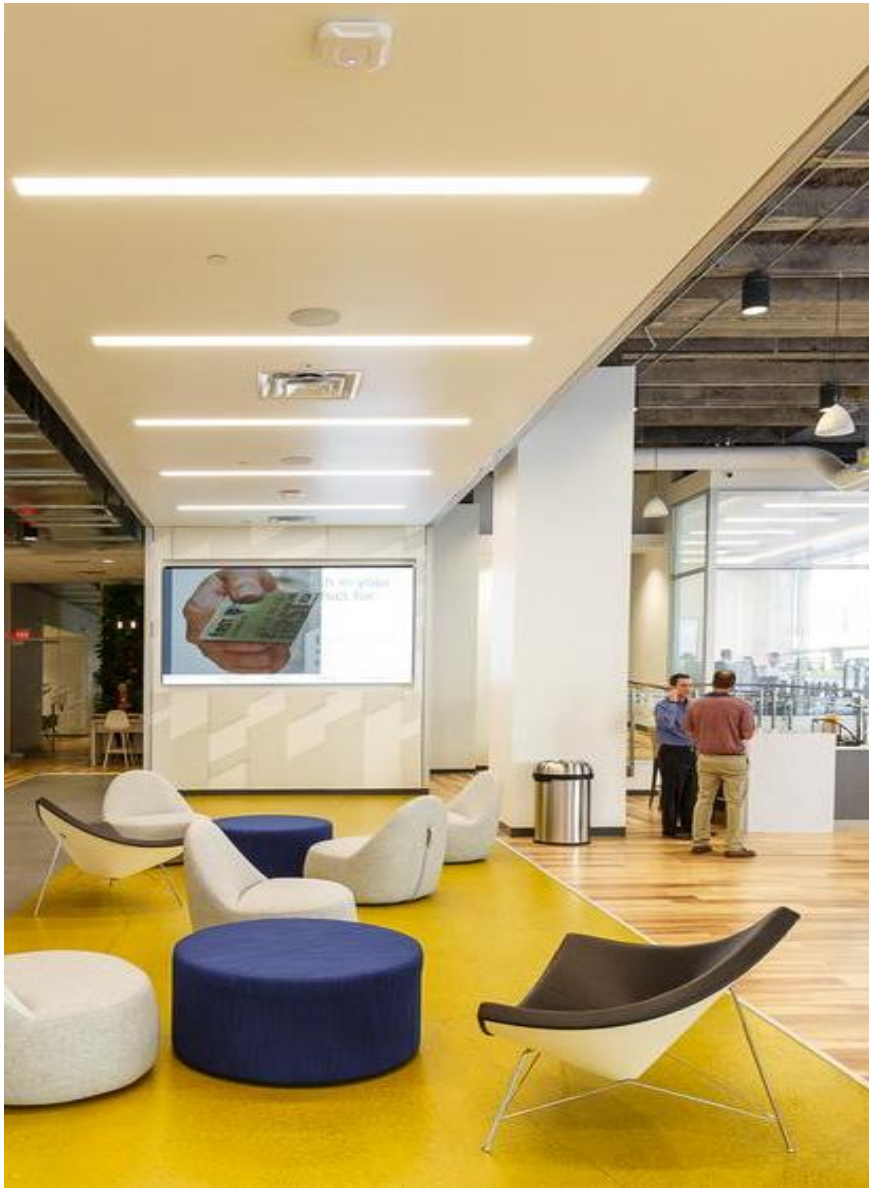
Staffing Model

- Defined new company FTE targets
- Larger salesforce in targeted Lines of Business

Culture

- Diversity and inclusion is a strategic priority
- Change Management through merger
- Refreshed Corporate Strategic Intent
- Attraction/recruitment engagement and retention programs

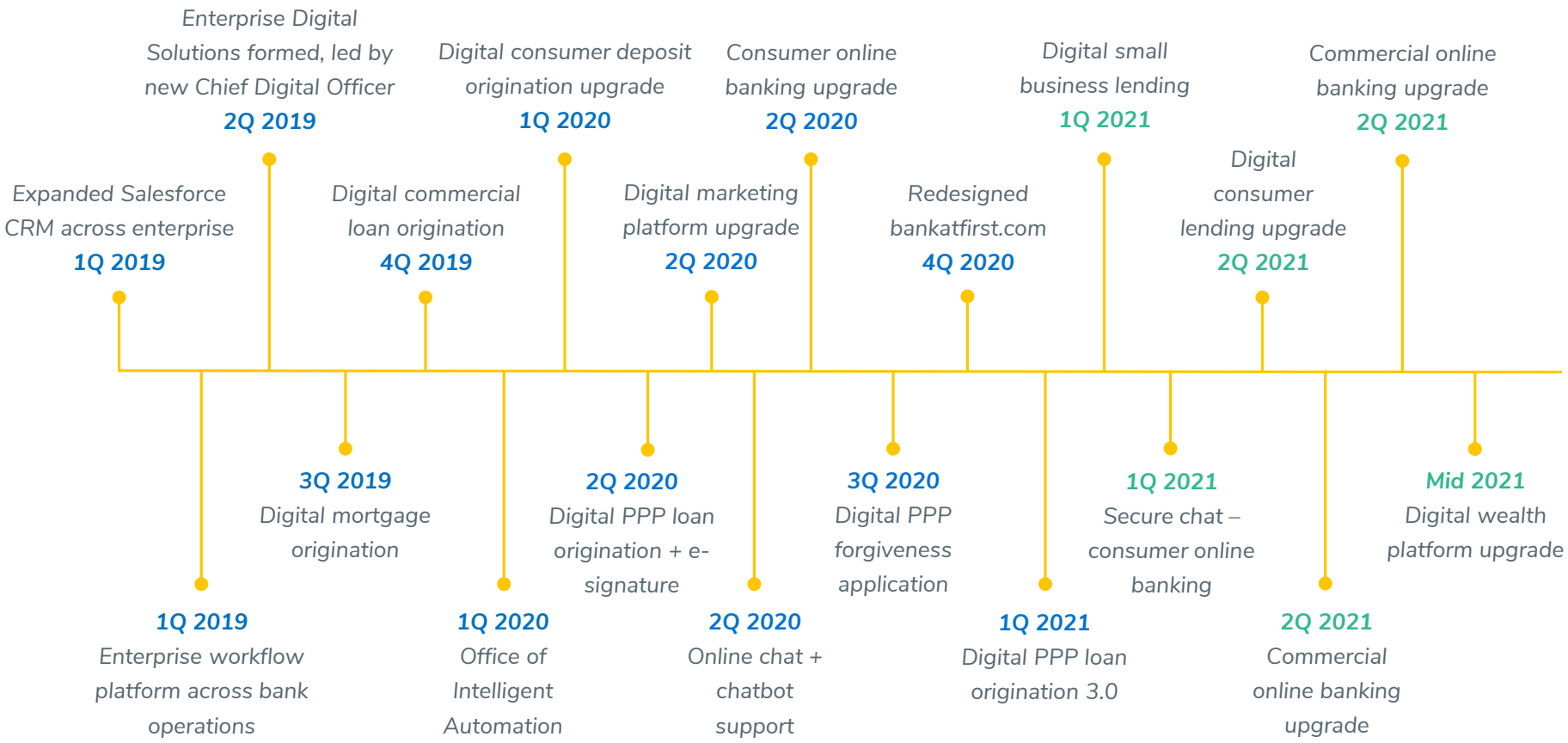
Digital + Technology Investments

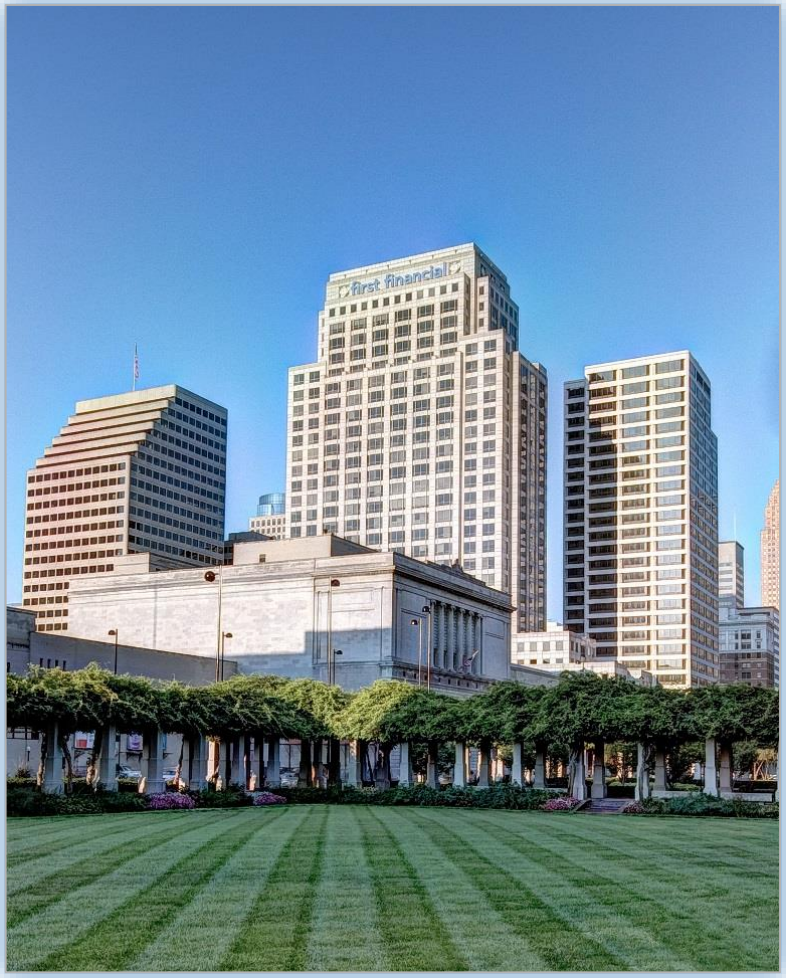


> Enabling a ***simple, consistent & seamless*** customer experience across ***digital & physical*** channels & making it ***easier for associates*** to provide best-in-class customer service.

Digital + Technology Investments

- Continued investment in digital solutions, automation + data enablement
- Early successes include mortgage, PPP origination + enhanced OLB experience





Presentation Contents

About First Financial Bancorp

Financial Performance

Appendix

4Q 2020 Results

121st Consecutive Quarter of Profitability

Profitability

- Net income = $48.3 million or $0.49 per diluted share. Adjusted[1] net income = $49.7 million or $0.51 per diluted share[2]
- Return on average assets = 1.20%. Adjusted[1] return on average assets = 1.23%
- Return on average shareholders' equity = 8.52%. Adjusted[1] return on average shareholders' equity = 8.76%
- Return on average tangible common equity = 15.50%[1]. Adjusted[1] return on average tangible common equity = 15.94%

Income Statement

- Net interest income = $118.5 million
- Net interest margin of 3.45% on a GAAP basis; 3.49% on a fully tax equivalent basis[1]
- Noninterest income = $61.5 million
- Noninterest expense = $114.8 million; $94.6 million as adjusted [1]
- Efficiency ratio = 63.78%. Adjusted[1] efficiency ratio = 56.78%
- Effective tax rate of 10.0%. Adjusted[1] effective tax rate of 17.9%

Balance Sheet

- EOP assets increased $47.5 million compared to the linked quarter to $16.0 billion
- EOP loans decreased $299.8 million compared to the linked quarter to $9.9 billion
- Average deposits increased $362.2 million compared to the linked quarter to $11.9 billion
- EOP investment securities increased $448.1 million compared to the linked quarter

Asset Quality

- Provision expense = $11.5 million. Net charge-offs = $6.6 million. NCOs / Avg. Loans = 0.26% annualized
- Nonperforming Loans / Total Loans = 0.89%. Nonperforming Assets / Total Assets = 0.56%
- ACL / Nonaccrual Loans = 217.55%. Classified Assets / Total Assets = 0.89%
- ACL / Total loans = 1.77%; 1.89% of loans excluding PPP

Capital

- Total capital ratio = 15.55%
- Tier 1 common equity ratio = 11.82%
- Tangible common equity ratio = 8.47%; 8.83% excluding PPP loans
- Tangible book value per share = $12.93

[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 38 for Adjusted Earnings detail.

4Q 2020 Highlights

- Quarterly earnings bolstered by strong fee income; negatively impacted by provision expense
  - Adjusted[1] earnings per share - $0.51
  - Adjusted[1] return on assets – 1.23%
  - Adjusted[1] pre-tax, pre-provision return on assets – 1.79%
  - Adjusted[1] return on average tangible common equity – 15.94%
- Loan balances flat, excluding PPP; strong core deposit growth
  - Loan balances decreased $299.8 million compared to the linked quarter; PPP loan balances declined $291.5 million
  - Average transactional deposit balances grew $533.8 million compared to the linked quarter; 22.2% on an annualized basis
  - Noninterest bearing deposits were 30.8% of total deposits at December 31, 2020
- Net interest margin (FTE) improved on a linked quarter basis
  - 13 bp increase driven by higher loan fees and disciplined funding management
- Strong fee income
  - Adjusted[1] noninterest income of $48.1 million; Adjusted[1] for $13.4 million of gains recognized on class B Visa stock
  - Mortgage banking revenue remained elevated at $13.1 million, despite decline from record third quarter
  - Record foreign exchange income of $12.3 million, representing a 16.9% increase from previous quarter
- Core expenses declined $0.7 million from the linked quarter, driven by decline in incentive compensation
  - Adjusted[1] noninterest expense of $94.6 million; Adjusted[1] for $7.3 million of debt extinguishment costs, $5.0 million contribution to First Financial Foundation, $5.1 million tax credit investment write-down, $2.9 million of COVID-19 related expenses and other non-recurring costs
  - Efficiency ratio of 63.8%; 56.8% as adjusted[1]
- 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 $175.7 million; 1.77% of total loans, 1.89% excluding PPP; $13.8 million provision expense
  - Unfunded Commitments - ACL of $12.5 million; $2.3 million provision recapture
- Effective tax rate of 10% positively impacted by recognition of tax credit investment; 17.9% as adjusted[1]
- Strong Capital ratios and Liquidity
  - Total capital of 15.55%; Tier 1 common equity of 11.82%; Tangible common equity of 8.47%
  - Tangible book value increased by $0.37 to $12.93

[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 Net Income[1]

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

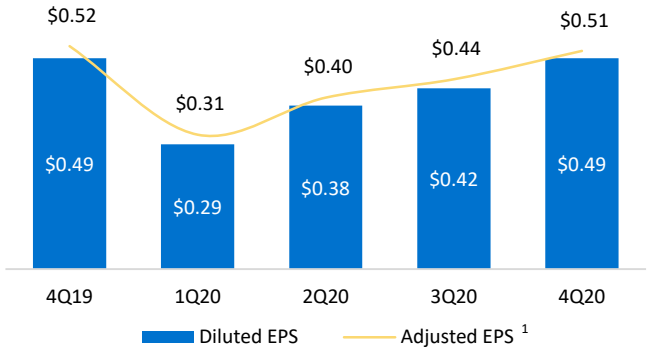
	4Q 2020			3Q 2020		
	As Reported	Adjusted		As Reported	Adjusted	
Net interest income	$ 118,473	$ 118,473		$ 112,180	$ 112,180	
Provision for credit losses-loans and leases	$ 13,758	$ 13,758		$ 15,299	$ 15,299	
Provision for credit losses-unfunded commitments	$ (2,250)	$ (2,250)		$ (1,925)	$ (1,925)	
Noninterest income	$ 61,515	$ 61,515		$ 49,499	$ 49,499	
less: gains (losses) on investment securities	-	196	A	-	20	A
less: gains from the redemption of Visa B shares	-	13,397	A	-	-	
less: other	-	(157)	A		-	
Total noninterest income	$ 61,515	$ 48,079		$ 49,499	$ 49,479	
Noninterest expense	$ 114,798	$ 114,798		$ 97,511	$ 97,511	
less: severance and merger-related expenses	-	29	A	-	95	A
less: tax credit investment	-	5,071	A	-	-	
less: contribution to First Financial Foundation	-	5,000	A	-	-	
less: debt extinguishment		7,257	A		-	
less: COVID-19 and other	-	2,877	A	-	2,126	A
Total noninterest expense	$ 114,798	$ 94,564		$ 97,511	$ 95,290	
Income before income taxes	$ 53,682	$ 60,480		$ 50,794	$ 52,995	
Income tax expense	$ 5,370	$ 5,370		$ 9,317	$ 9,317	
plus: after-tax impact of tax credit investment @ 21%	-	4,005		-	-	
plus: tax effect of adjustments (A) @ 21% statutory rate	-	1,428		-	462	
Total income tax expense	$ 5,370	$ 10,803		$ 9,317	$ 9,779	
Net income	$ 48,312	$ 49,677		$ 41,477	$ 43,216	
Net earnings per share - diluted	$ 0.49	$ 0.51		$ 0.42	$ 0.44	
Pre-tax, pre-provision return on average assets	1.62%	1.79%		1.61%	1.67%	

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

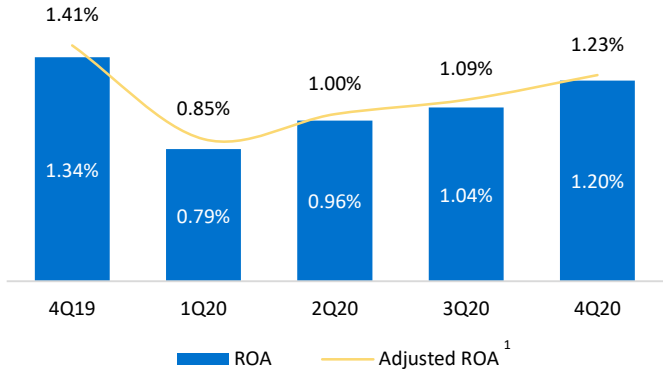
All dollars shown in thousands, except per share amounts

Profitability

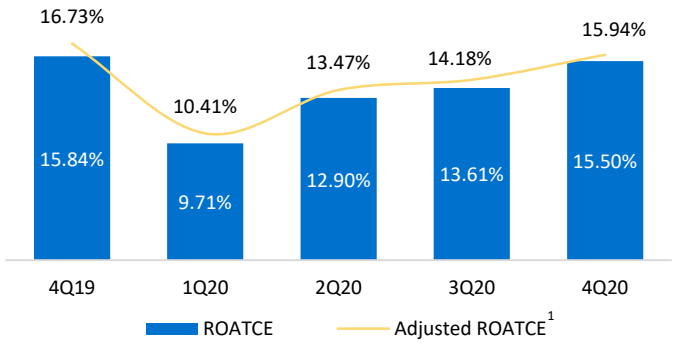
Diluted EPS



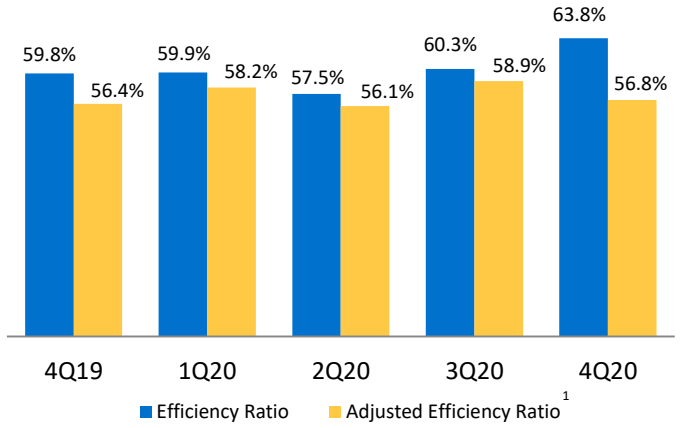
Return on Average Assets



Return on Avg Tangible Common Equity



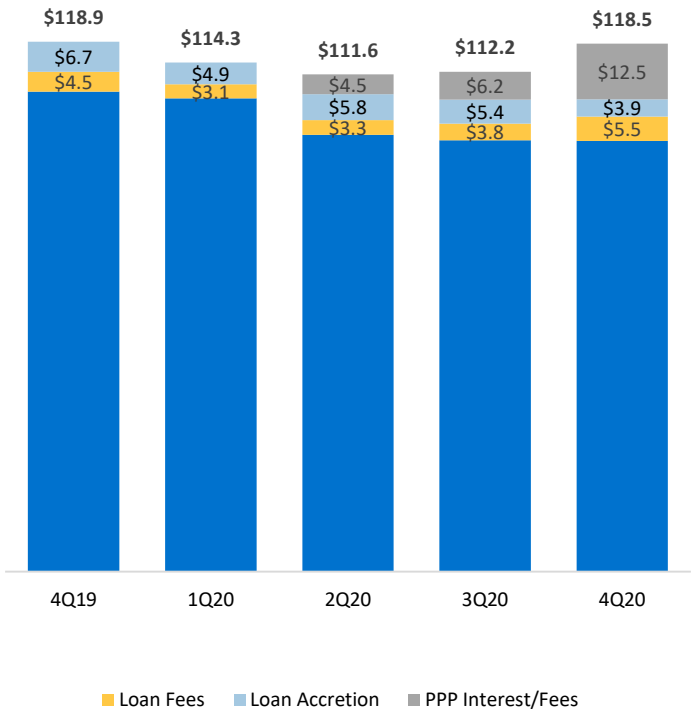
Efficiency Ratio



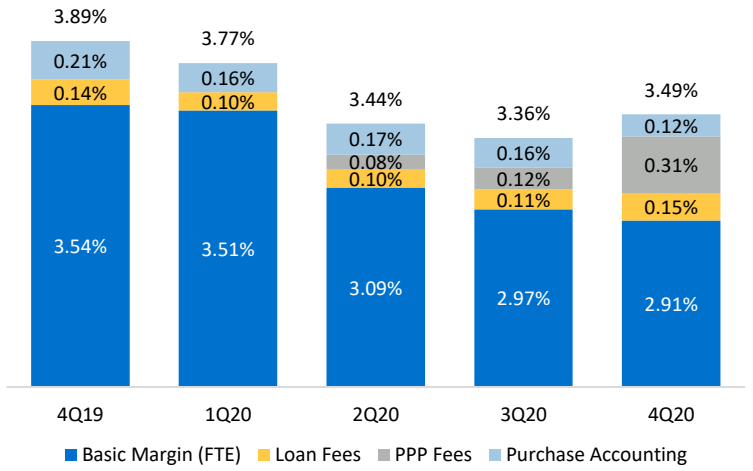
[1] Non-GAAP financial measure which management believes facilitates a better understanding of the Company's financial condition. See Appendix for Non-GAAP reconciliation.

Net Interest Income & Margin

Net Interest Income



Net Interest Margin (FTE)



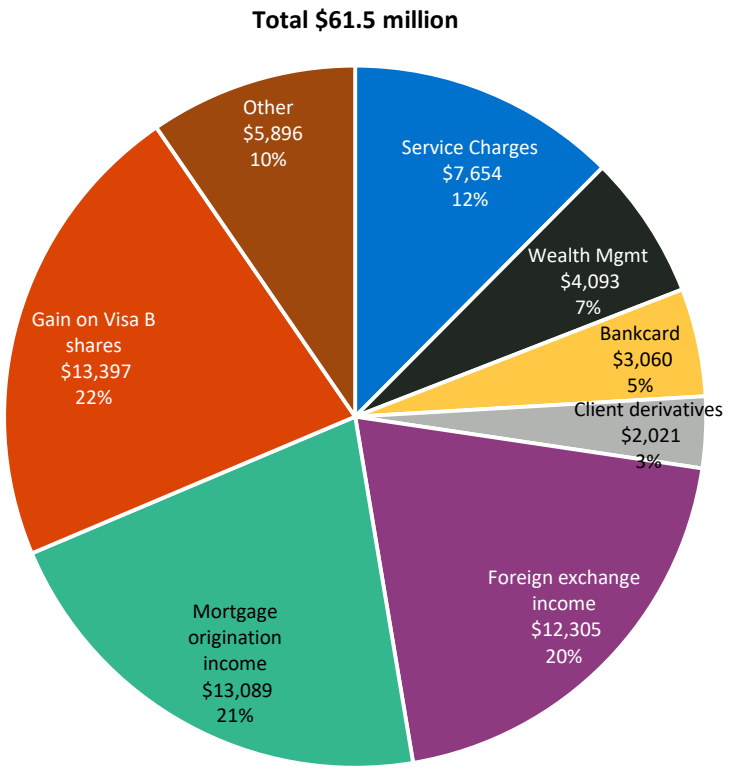
4Q20 NIM (FTE) Progression

3Q20	**3.36%**
Asset Mix	-0.05%
Purchase Accounting	-0.04%
Loan fees	0.04%
PPP fees	0.19%
Other	-0.01%
4Q20	**3.49%**

All dollars shown in millions

Diverse and Growing Fee Revenues

Noninterest Income



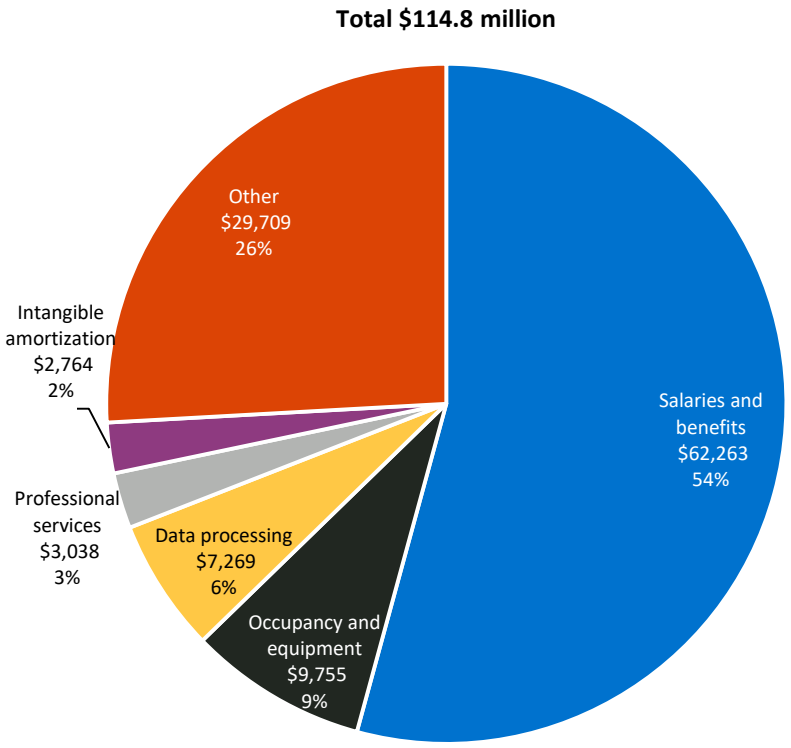
4Q20 Highlights

- Total fee income 34.2% of net revenue
- $13.1 million of mortgage origination income
- $13.4 million gain on Visa B shares
- $12.3 million of foreign exchange income; 16.9% increase from prior quarter
- Service charges increased $0.3 million, or 4.1%, to $7.7 million
- Trust and wealth management fees increased 6.2% to $4.1 million

All dollars shown in thousands

Well Managed Expenses

Noninterest Expense



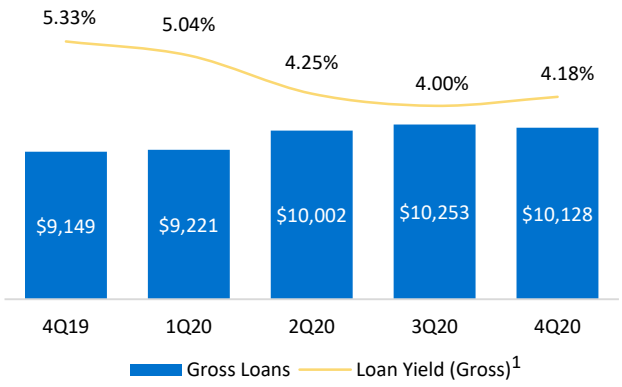
4Q20 Highlights

- Core expenses declined $0.7 million from the linked quarter, driven by decline in incentive compensation
- $7.3 million of debt extinguishment costs
- $5.1 million tax credit investment write-down
- $5.0 million contribution to First Financial Foundation
- $2.9 million related to COVID-19 and other non-recurring expenses such as merger related and branch consolidation costs

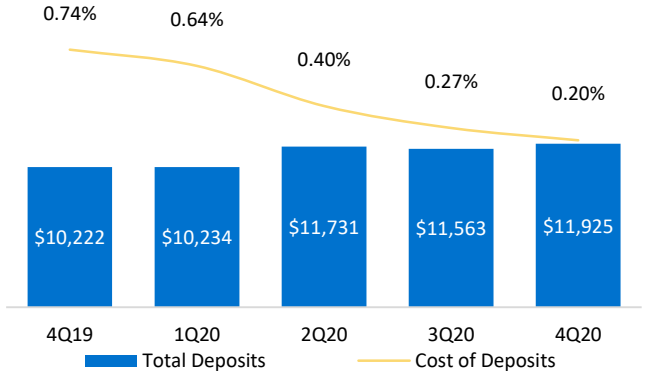
All dollars shown in thousands

Average Balance Sheet

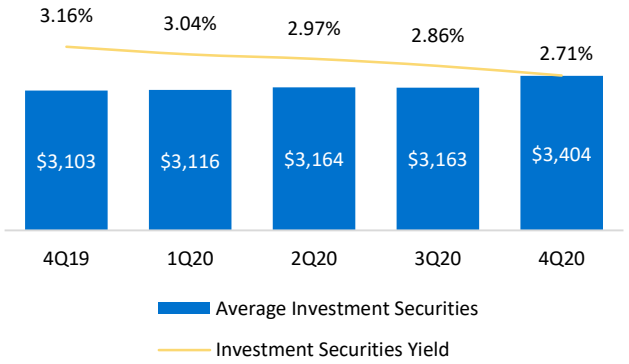
Average Loans



Average Deposits



Average Securities

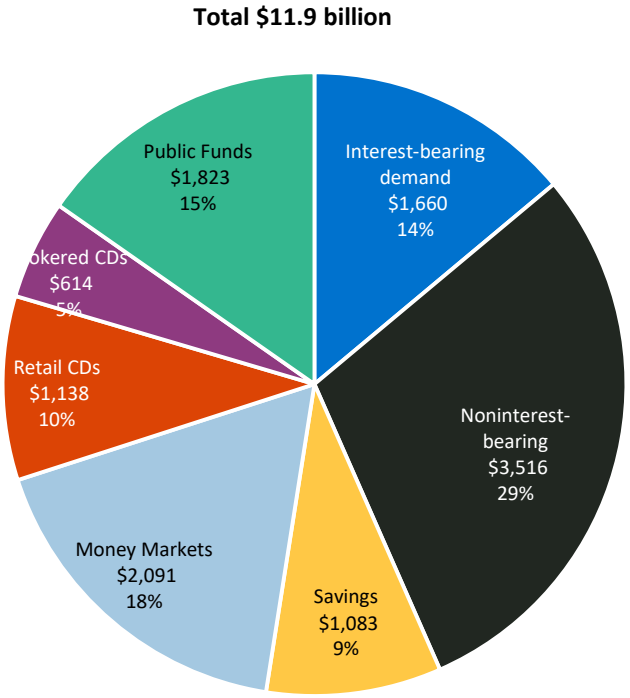


All dollars shown in millions

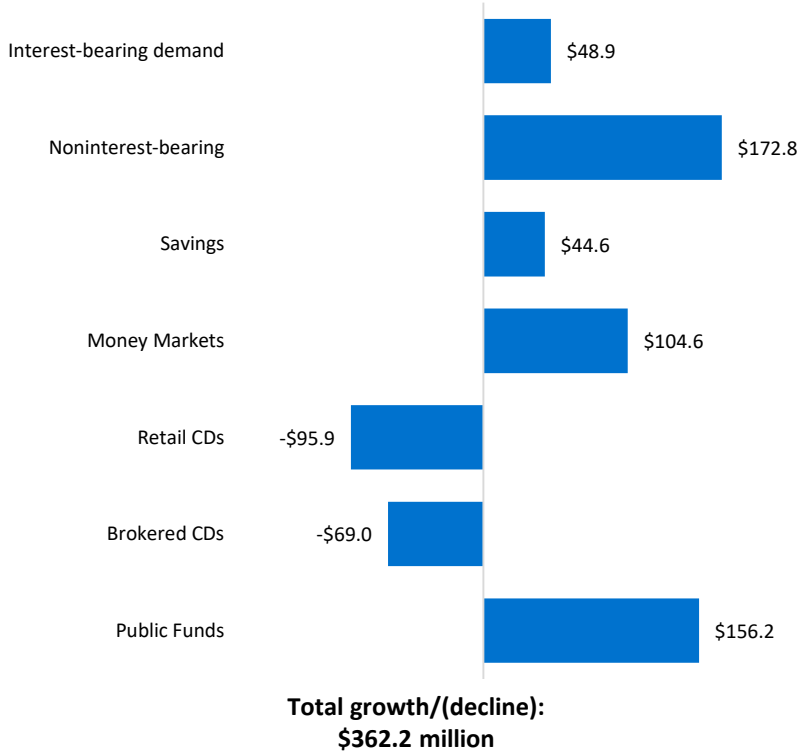
[1] Includes loans fees and purchase accounting accretion

Attractive Deposit Portfolio

Deposit Product Mix (Avg)



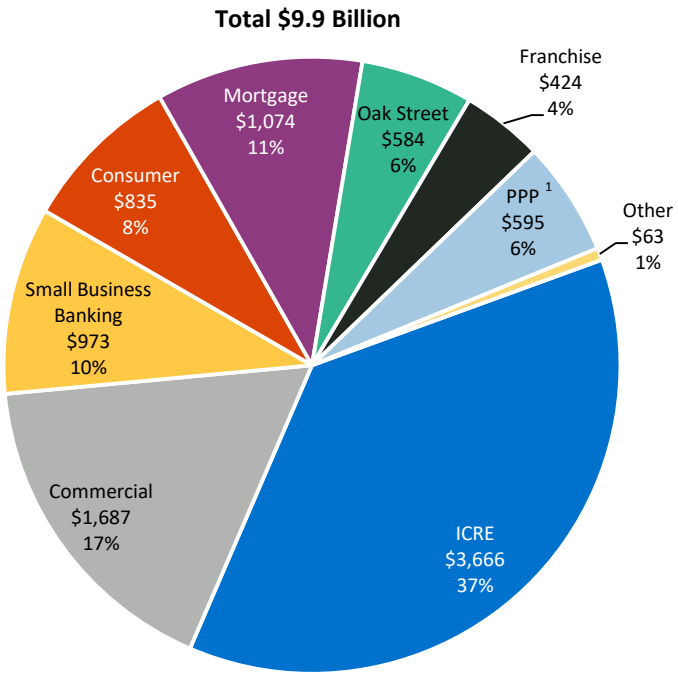
4Q20 Average Deposit Progression



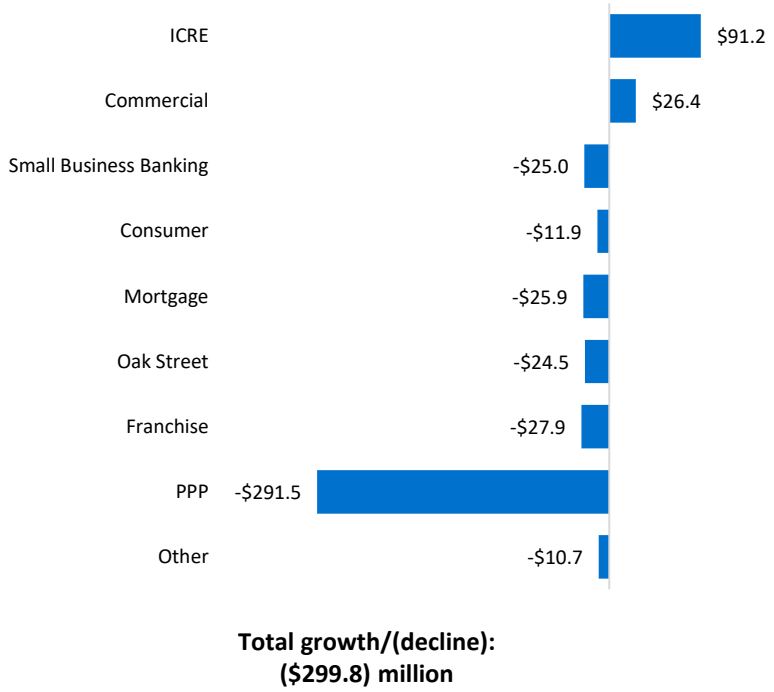
All dollars shown in millions

Loan Portfolio

Loan LOB Mix (EOP)



Net Loan Change-LOB (Linked Quarter)

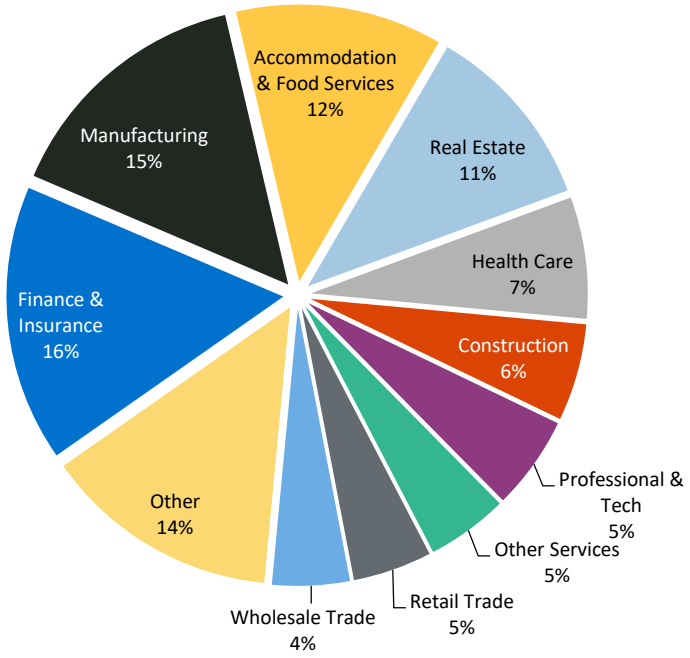


[1] Net of unearned fees of $13.7 million
All dollars shown in millions

Loan Concentrations

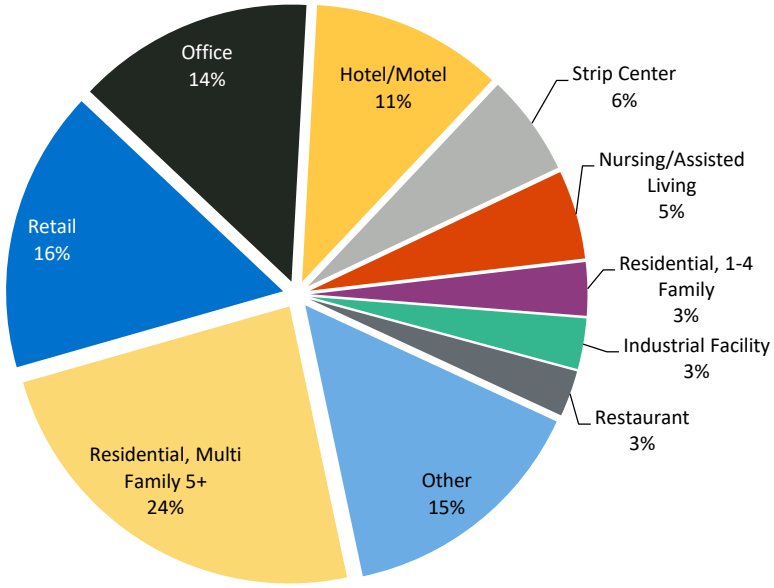
C&I Loans by Industry [1]

C&I Loans: $4.0B



CRE Loans by Collateral [2]

CRE Loans: $3.9B

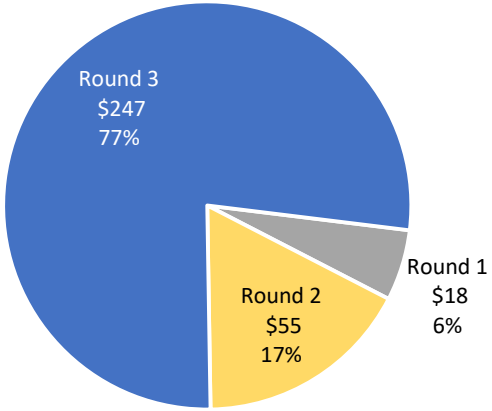


[1] Industry types included in Other representing greater than 1% of total C&I loans include Agriculture, Transportation & Warehousing, Public Administration, Arts & Recreation, Educational Services, and Waste Management. Includes owner-occupied CRE.
[2] Collateral types included in Other representing greater than 1% of total CRE loans include Warehouse, Medical Office, Real Estate IUB Other, Commercial Lot, Student Housing, and Residential Multi Family 5+ Construction.

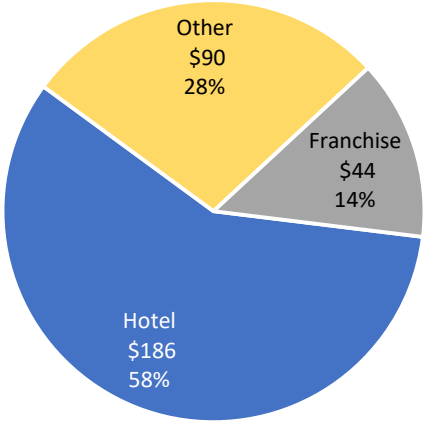
CARES Act Modifications as of 12/31/20

- $29 million of full principal and interest deferrals
- $291 million of loan modifications making interest only payments
- $320 million of total active modifications
- $186 million, or 58% of total deferrals are hotel loans
- No material credit issues among loans that have exited deferral

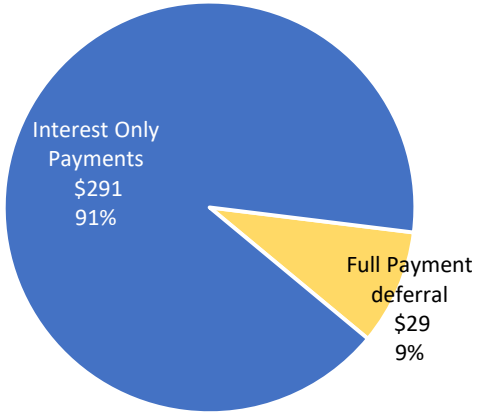
Active deferrals by round



Active modifications by category



Active modifications by payment type

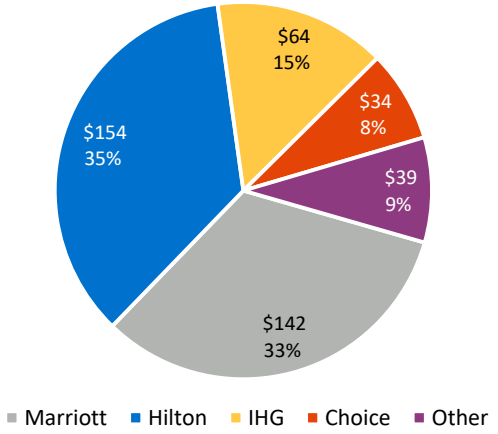


All dollars shown in millions

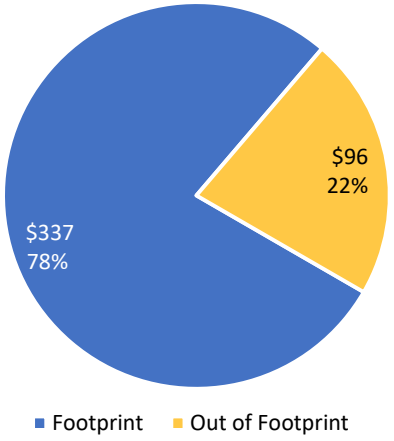
Area of Focus - Hotel Portfolio

- $433 million balance represents 5% of the total loan portfolio
- $186 million, or 43% of total hotel loans, making interest only payments as of 12/31/20
- The overall health of the hotel portfolio was strong Pre-COVID with an average DSC of 1.58x.
- Limited deterioration in average LTV reflected in updated appraisals received
- 78% of the overall hotel portfolio is located within footprint, concentrated in Midwest Metro markets
- Overall, we have little exposure to large convention center hotels or fly-to-leisure destinations

Hotels by Flag



Hotels by Geography

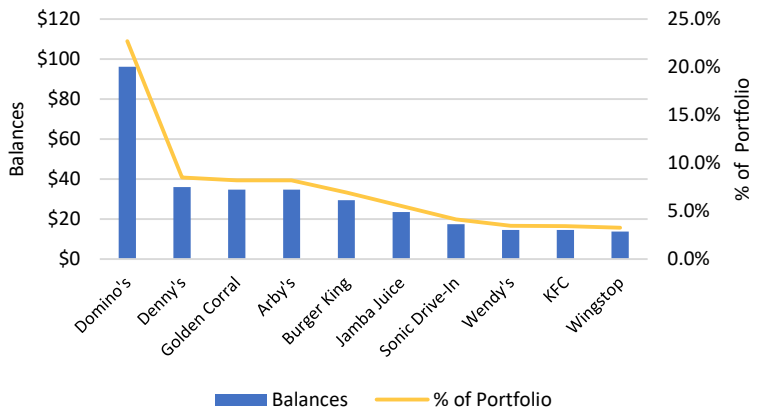


All dollars shown in millions

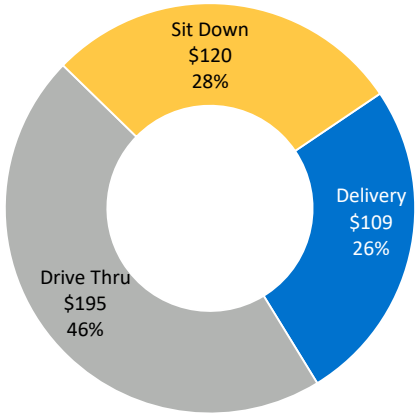
Area of Focus - Franchise Portfolio

- $424 million in balances or 4% of total loans
- Drive thru and delivery are demonstrating strong performance while a portion of our sit-down book, particularly buffet style, has encountered pandemic related headwinds
- $44 million, or 10% of total franchise loans are in deferral as of 12/31/2020; all in sit down concepts
  - $23 million, or 53% are making interest only payments
  - $21 million, or 47% are full payment deferrals

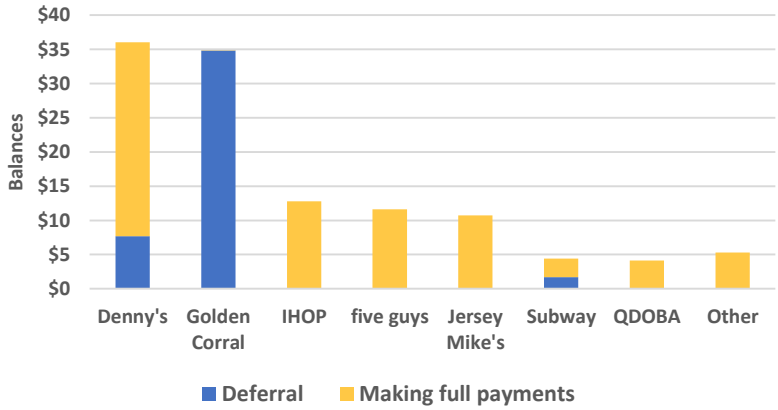
Top 10 Concepts



Restaurant Type



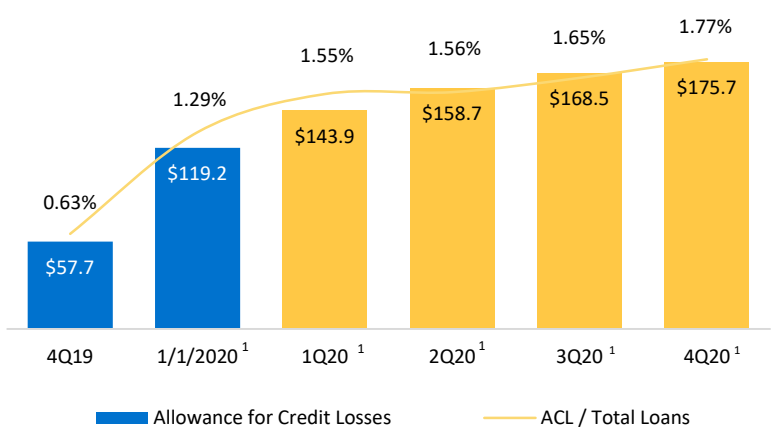
Sit-down Concepts



All dollars shown in millions

Current Expected Credit Losses - Loans and Leases

ACL / Total Loans



4Q20 Highlights

- $175.7 million, or 1.77% of loan balances; 1.89% excluding PPP
- $13.8 million provision expense driven by expected economic impact of COVID-19, partially offset by improving economic conditions
- Utilized final December Moody's baseline forecast in quantitative model
- $12.5 million ACL – unfunded commitments; $2.3 million provision recapture for this portion of the ACL due to improving economic conditions

ACL by Loan Type

	12/31/2019	1/1/2020	3/31/2020	6/30/2020	9/30/2020	12/31/2020
Loans						
Commercial and industrial	$ 18,584	$ 28,485	$ 45,409	$ 50,421	$ 50,516	$ 51,454
Lease financing	971	1,089	1,494	1,431	1,287	995
Real estate -construction	2,381	13,960	13,511	15,357	18,970	21,736
Real estate - commercial	23,579	47,697	53,155	62,340	72,207	76,795
Real estate - residential	5,299	10,789	11,284	10,581	9,286	8,560
Home equity	4,787	13,217	14,827	14,236	12,530	11,869
Installment	392	1,193	1,238	1,226	1,237	1,215
Credit card	1,657	2,726	2,967	3,069	2,511	3,055
ACL-loan and lease losses [1]	$ 57,650	$ 119,155	$ 143,885	$ 158,661	$ 168,544	$ 175,679
ACL-unfunded commitments [1]	$ 585	$ 12,740	$ 14,308	$ 16,678	$ 14,753	$ 12,503

Adoption Impact

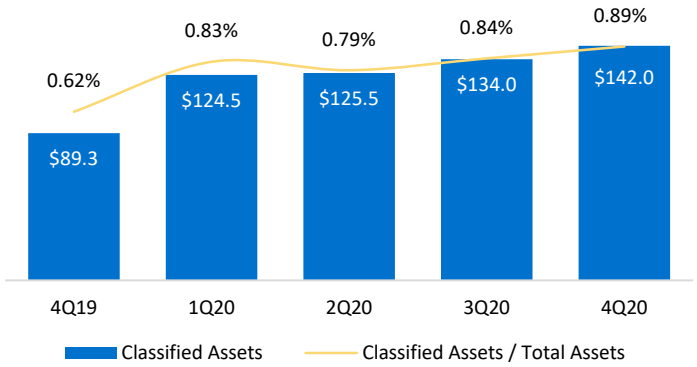
- $119.2 million, an increase of $61.5 million from 12/31/19
- Day 1 increase driven by acquired loans and life of loan expectations compared to the incurred loss model

[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.

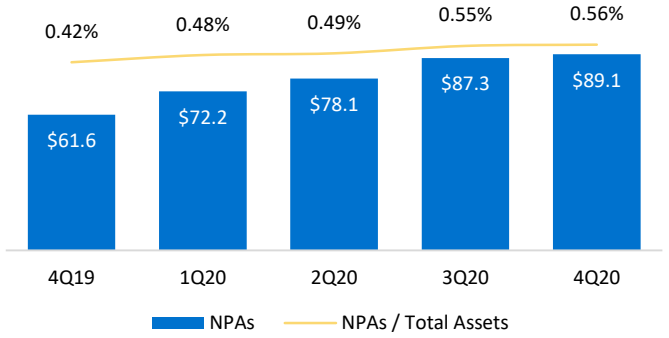
All dollars shown in thousands

Asset Quality

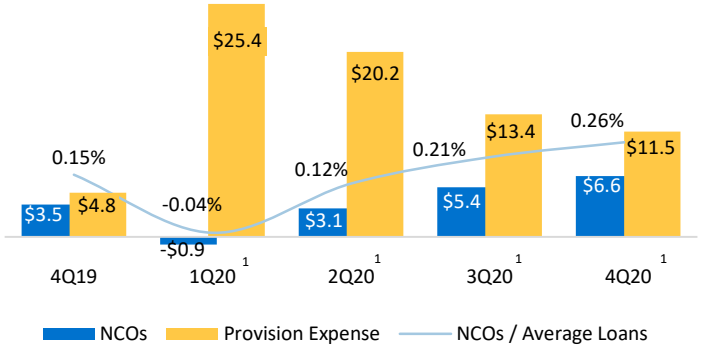
Classified Assets / Total Assets



Nonperforming Assets / Total Assets



Net Charge Offs & Provision Expense[2]

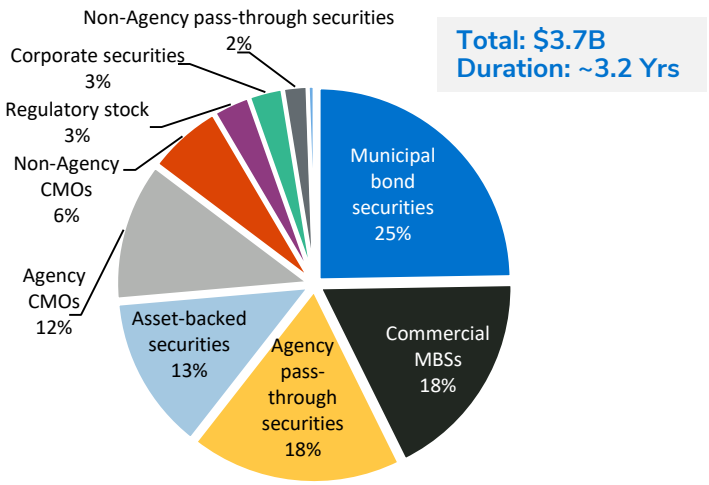


2020 NCOs = $14.3 million or 0.14% of avg. loans

[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

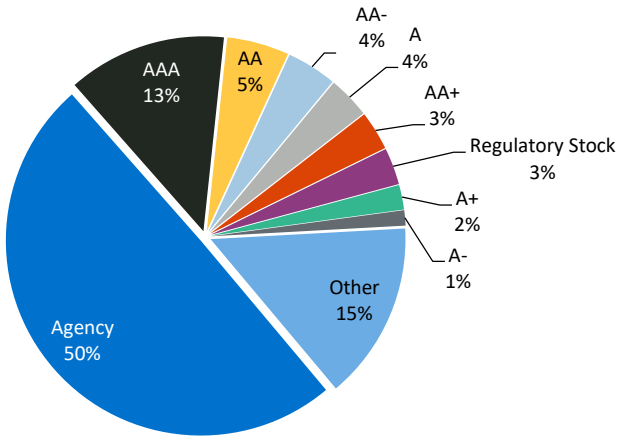
Investment Portfolio and Liquidity

Investment Portfolio Composition



Total: $3.7B
Duration: ~3.2 Yrs

Investment Portfolio Quality

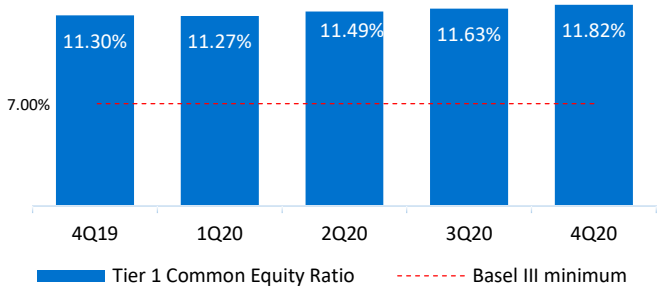


Liquidity Sources

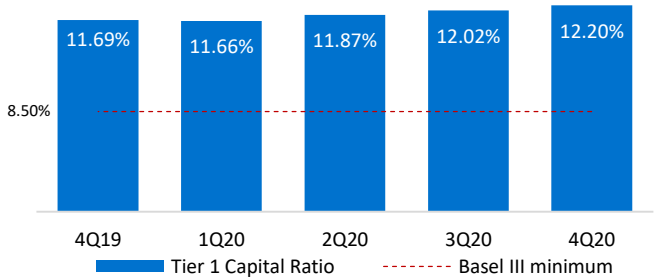
- In addition to deposits, First Financial has approximately $6.3 billion of readily available funding sources to meet customer needs through the following sources:
  - Fed funds
  - FHLB funding
  - Brokered CDs
  - Highly liquid securities
  - Fed discount window
- First Financial has the following sources of liquidity at the holding company:
  - $172.9 million in cash as of December 31, 2020
  - $198.0 million dividend capacity from First Financial Bank without prior regulatory approval

Capital

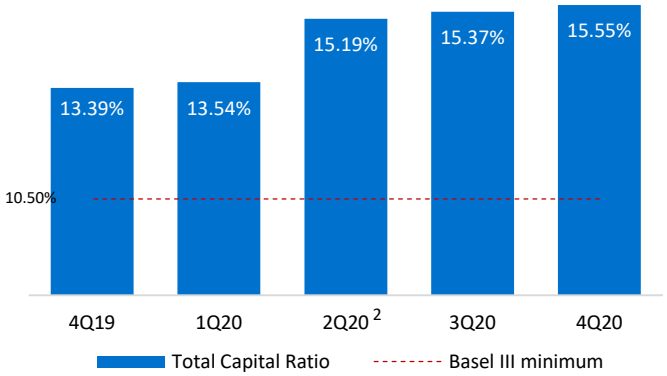
Tier 1 Common Equity Ratio



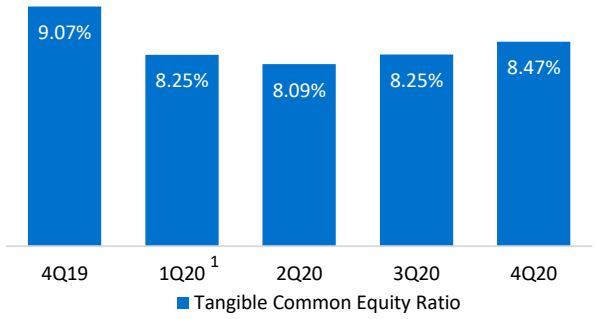
Tier 1 Capital Ratio



Total Capital Ratio



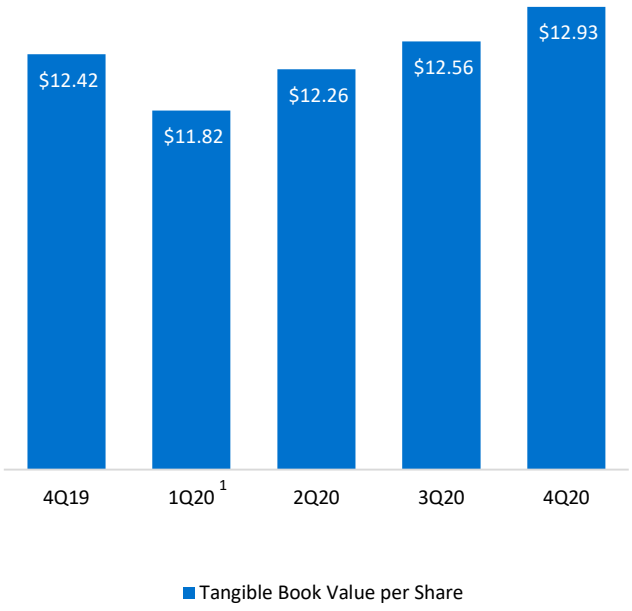
Tangible Common Equity Ratio



12/31 Risk Weighted Assets = $11,219,114
[1] Decline related to adoption of CECL during the quarter
[2] Increased 165 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

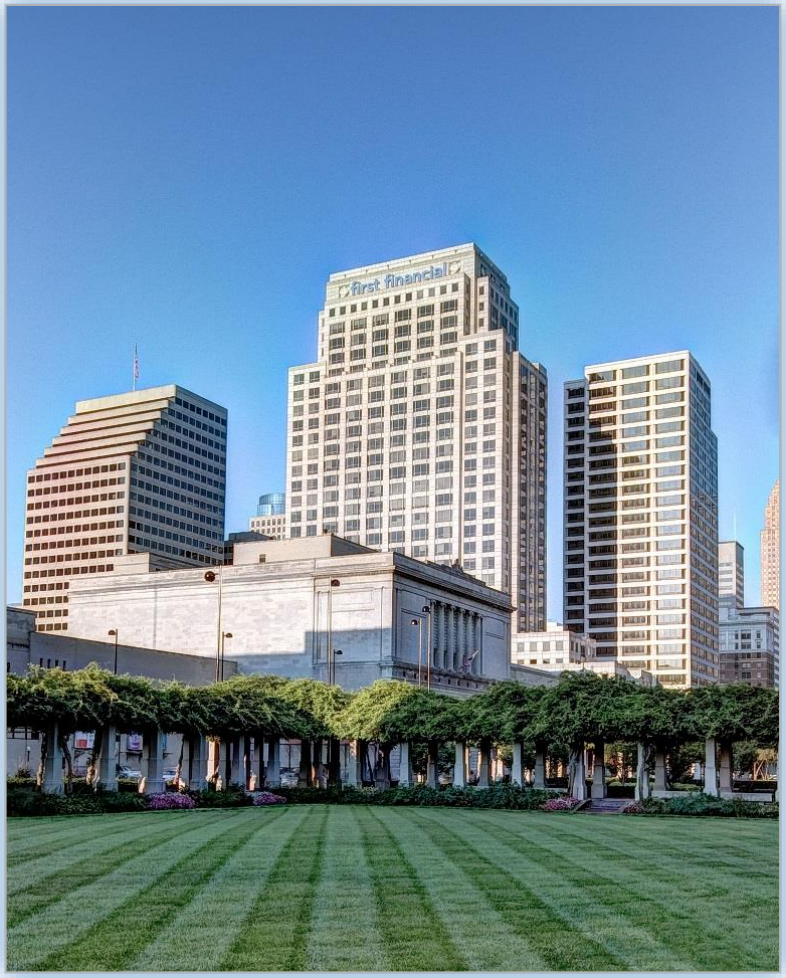
Strategy & Deployment

- 5.2% annualized dividend yield
- November 2020 stress testing indicates capital ratios above regulatory minimums in all modeled scenarios
- Dividend payout ratio to remain elevated in near-term, but is subject to change based on economic conditions and the Company's financial performance
- No shares repurchased in fourth quarter; new share buyback plan authorized

Outlook Commentary[1]

Balance Sheet	• Loan balances expected to remain flat in near term, excluding impact of PPP, with mid single digit growth for the year • Deposit balances expected to increase further with additional stimulus activity
Net Interest Margin	• Will be positively impacted by PPP forgiveness fees over first half of 2021 • Margin expected to remain relatively stable, excluding loan fee volatility and purchase accounting
Credit	• Provision expense expected to moderately decline • No further reserve build anticipated
Noninterest income	• Continued strong mortgage originations, with seasonal declines in volume and lower premiums expected in 1Q • Foreign exchange income expected to remain strong, but return to trend after record 4Q • Deposit service charges expected to continue upward trend after a seasonal low in 1Q
Noninterest Expense	• Expected to be approximately $88 - $92 million, but will fluctuate with fee income • Continue to evaluate our distribution channel for opportunities to become more efficient
Capital	• Board of Directors authorized 5,000,000 share repurchase program • Share repurchases expected to resume in 1Q21

[1] See Forward Looking Statement Disclosure on page 2-3 of this presentation for a discussion of factors that could affect management's expectations and results in future periods.



Presentation Contents

About First Financial Bancorp

Financial Performance

Appendix

Appendix: Our Markets

Greater Cincinnati

Loans	$3.0 billion
Deposits	$4.1 billion
Deposit Market Share	#4 (3.0%)
Banking Centers	51
Fortune 500 Companies	8

Indianapolis

Loans	$1.2 billion
Deposits	$0.8 billion
Deposit Market Share	#14 (1.4%)
Banking Centers	10
Fortune 500 Companies	2

Columbus, OH

Loans	$1.3 billion
Deposits	$0.5 billion
Deposit Market Share	#15 (0.6%)
Banking Centers	6
Fortune 500 Companies	5

Louisville

Loans	$0.5 billion
Deposits	$0.6 billion
Deposit Market Share	#13 (1.5%)
Banking Centers	11
Fortune 500 Companies	3

Community Markets

Loans	$1.7 billion
Deposits	$5.0 billion
Banking Centers	65

National

Loans	$1.1 billion
Deposits	$0.2 billion

All numbers as of 12/31/2020 except deposit market share which is as of 6/30/2020.
Loan and deposit balances exclude special assets, loan marks, other out of market and corporately held balances.

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

	Three months ended				
	Dec. 31, 2020	Sep. 30, 2020	June 30, 2020	Mar. 31, 2020	Dec. 31, 2019
Net interest income	$ 118,473	$ 112,180	$ 111,576	$ 114,282	$ 118,902
Tax equivalent adjustment	1,613	1,628	1,664	1,624	1,630
Net interest income - tax equivalent	$ 120,086	$ 113,808	$ 113,240	$ 115,906	$ 120,532
Average earning assets	$ 13,675,604	$ 13,456,501	$ 13,258,612	$ 12,375,698	$ 12,288,761
Net interest margin[1]	3.45 %	3.32 %	3.38 %	3.71 %	3.84 %
Net interest margin (fully tax equivalent)[1]	3.49 %	3.36 %	3.44 %	3.77 %	3.89 %

[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 Dec. 31, 2020	Sep. 30, 2020	June 30, 2020	Mar. 31, 2020	Dec. 31, 2019
Net income (a)	$ 48,312	$ 41,477	$ 37,393	$ 28,628	$ 48,677
Average total shareholders' equity	2,256,062	2,230,422	2,185,865	2,209,733	2,245,107
Less:					
Goodwill	(937,771)	(937,771)	(937,771)	(937,771)	(937,710)
Other intangibles	(66,195)	(69,169)	(72,086)	(75,014)	(78,190)
MSR's	(12,186)	(11,274)	(10,254)	(10,608)	(10,367)
Average tangible equity (b)	1,239,910	1,212,208	1,165,754	1,186,340	1,218,840
Total shareholders' equity	2,282,070	2,247,815	2,221,019	2,179,383	2,247,705
Less:					
Goodwill	(937,771)	(937,771)	(937,771)	(937,771)	(937,771)
Other intangibles	(64,552)	(67,419)	(70,325)	(73,258)	(76,201)
MSR's	(12,810)	(12,011)	(11,250)	(10,278)	(10,650)
Ending tangible equity (c)	1,266,937	1,230,614	1,201,673	1,158,076	1,223,083
Total assets	15,973,134	15,925,647	15,870,890	15,057,567	14,511,625
Less:					
Goodwill	(937,771)	(937,771)	(937,771)	(937,771)	(937,771)
Other intangibles	(64,552)	(67,419)	(70,325)	(73,258)	(76,201)
MSR's	(12,810)	(12,011)	(11,250)	(10,278)	(10,650)
Ending tangible assets (d)	14,958,001	14,908,446	14,851,544	14,036,260	13,487,003
Risk-weighted assets (e)	11,219,114	11,119,560	11,034,570	11,027,347	11,023,795
Total average assets	16,030,986	15,842,010	15,710,204	14,524,422	14,460,288
Less:					
Goodwill	(937,771)	(937,771)	(937,771)	(937,771)	(937,710)
Other intangibles	(66,195)	(69,169)	(72,086)	(75,014)	(78,190)
MSR's	(12,186)	(11,274)	(10,254)	(10,608)	(10,367)
Average tangible assets (f)	$ 15,014,834	$ 14,823,796	$ 14,690,093	$ 13,501,029	$ 13,434,021
Ending shares outstanding (g)	98,021,929	97,999,763	98,018,858	97,968,958	98,490,998
Ratios					
Return on average tangible shareholders' equity (a)/(b)	15.50%	13.61%	12.90%	9.71%	15.84%
Ending tangible equity as a percent of:					
Ending tangible assets (c)/(d)	8.47%	8.25%	8.09%	8.25%	9.07%
Risk-weighted assets (c)/(e)	11.29%	11.07%	10.89%	10.50%	11.09%
Average tangible equity as a percent of average tangible assets (b)/(f)	8.26%	8.18%	7.94%	8.79%	9.07%
Tangible book value per share (c)/(g)	$ 12.93	$ 12.56	$ 12.26	$ 11.82	$ 12.42

Appendix: Non-GAAP to GAAP Reconciliation

Additional non-GAAP measures

(Dollars in thousands, except per share data)	4Q20		3Q20		2Q20		1Q20		4Q19	
	As Reported	Adjusted	As Reported	Adjusted	As Reported	Adjusted	As Reported	Adjusted	As Reported	Adjusted
Net interest income (f)	$ 118,473	$ 118,473	$ 112,180	$ 112,180	$ 111,576	$ 111,576	$ 114,282	$ 114,282	$ 118,902	$ 118,902
Provision for credit losses-loans and leases (j)	13,758	13,758	15,299	15,299	17,859	17,859	23,880	23,880	4,629	4,629
Provision for credit losses-unfunded commitments (j)	(2,250)	(2,250)	(1,925)	(1,925)	2,370	2,370	1,568	1,568	177	177
Noninterest income	61,515	61,515	49,499	49,499	42,725	42,725	35,384	35,384	36,768	36,768
less: gains (losses) on sale of investment securities		196		20		128		(157)		(56)
less: gains from the redemption of Visa B shares		13,397								
less: other		(157)								
Total noninterest income (g)	61,515	48,079	49,499	49,479	42,725	42,597	35,384	35,541	36,768	36,824
Noninterest expense	114,798	114,798	97,511	97,511	88,689	88,689	89,666	89,666	92,887	92,887
less: severance and merger-related expenses		29		95		35		329		693
less: tax credit investments		5,071								2,862
less: contribution to First Financial Foundation		5,000								
less: debt extinguishment		7,257								
less: COVID-19 and other		2,877		2,126		2,167		2,150		1,740
Total noninterest expense (e)	114,798	94,564	97,511	95,290	88,689	86,487	89,666	87,187	92,887	87,592
Income before income taxes (i)	53,682	60,480	50,794	52,995	45,383	47,457	34,552	37,188	57,977	63,328
Income tax expense	5,370	5,370	9,317	9,317	7,990	7,990	5,924	5,924	9,300	9,300
plus: tax effect of adjustments		1,428		462		436		554		377
plus: after-tax impact of tax credit investments @ 21%		4,005								2,261
Total income tax expense (h)	5,370	10,803	9,317	9,779	7,990	8,426	5,924	6,478	9,300	11,938
Net income (a)	$ 48,312	$ 49,677	$ 41,477	$ 43,216	$ 37,393	$ 39,031	$ 28,628	$ 30,710	$ 48,677	$ 51,390
Average diluted shares (b)	98,021	98,021	98,009	98,009	97,989	97,989	98,356	98,356	99,232	99,232
Average assets (c)	16,030,986	16,030,986	15,842,010	15,842,010	15,710,204	15,710,204	14,524,422	14,524,422	14,460,288	14,460,288
Average shareholders' equity	2,256,062	2,256,062	2,230,422	2,230,422	2,185,865	2,185,865	2,209,733	2,209,733	2,245,107	2,245,107
Less:										
Goodwill and other intangibles	(1,016,152)	(1,016,152)	(1,018,214)	(1,018,214)	(1,020,111)	(1,020,111)	(1,023,393)	(1,023,393)	(1,026,267)	(1,026,267)
Average tangible equity (d)	1,239,910	1,239,910	1,212,208	1,212,208	1,165,754	1,165,754	1,186,340	1,186,340	1,218,840	1,218,840
Ratios										
Net earnings per share - diluted (a)/(b)	$ 0.49	$ 0.51	$ 0.42	$ 0.44	$ 0.38	$ 0.40	$ 0.29	$ 0.31	$ 0.49	$ 0.52
Return on average assets - (a)/(c)	1.20%	1.23%	1.04%	1.09%	0.96%	1.00%	0.79%	0.85%	1.34%	1.41%
Pre-tax, pre-provision return on average assets - ((a)+(j)+(h))/(c)	1.62%	1.79%	1.61%	1.67%	1.68%	1.73%	1.66%	1.73%	1.72%	1.86%
Return on average tangible shareholders' equity - (a)/(d)	15.50%	15.94%	13.61%	14.18%	12.90%	13.47%	9.71%	10.41%	15.84%	16.73%
Efficiency ratio - (e)/((f)+(g))	63.8%	56.8%	60.3%	58.9%	57.5%	56.1%	59.9%	58.2%	59.7%	56.2%
Effective tax rate - (h)/(i)	10.0%	17.9%	18.3%	18.5%	17.6%	17.8%	17.1%	17.4%	16.0%	18.9%

First Financial Bancorp
First Financial Center
225 East Fifth Street
Cincinnati, OH 45202

first financial bancorp

EQUAL OPPORTUNITY LENDER EQUAL HOUSING LENDER FDIC