first financial bancorp

First Financial Bancorp Announces First Quarter 2021 Financial Results

- **Earnings per diluted share of $0.48; $0.50 on an adjusted(1) basis**
- **Return on average assets of 1.20%; 1.24% as adjusted(1)**
- **Net interest margin FTE(1) of 3.40%**
- **Provision for credit losses of $4.0 million; $7.5 million decline from linked quarter**
- **Repurchased 840,115 shares during the quarter**

Cincinnati, Ohio - April 22, 2021 First Financial Bancorp. (Nasdaq: FFBC) ("First Financial" or the "Company") announced financial results for the three months ended March 31, 2021.

For the three months ended March 31, 2021, the Company reported net income of $47.3 million, or $0.48 per diluted common share. These results compare to net income of $48.3 million, or $0.49 per diluted common share, for the fourth quarter of 2020 and $28.6 million, or $0.29 per diluted common share, for the first quarter of 2020.

Return on average assets for the first quarter of 2021 was 1.20% while return on average tangible common equity was 15.24%. These compare to returns on average assets of 1.20% and 0.79%, and returns on average tangible common equity of 15.50% and 9.71%, in the fourth quarter of 2020 and the first quarter of 2020, respectively.

First quarter 2021 highlights include:

- After adjustments(1) for certain nonrecurring items:
    - Net income of $0.50 per diluted common share
    - 1.24% return on average assets
    - 15.80% return on average tangible common equity

- Net interest margin of 3.40% on a fully tax-equivalent basis(1) in line with expectations
    - 9 basis point reduction from linked quarter driven by fewer fees related to loan prepayments, and lower volume of PPP forgiveness

- Noninterest income of $40.3 million, or $40.2 million as adjusted(1)
    - Foreign exchange income of $10.8 million remains strong despite decline from record fourth quarter
    - Mortgage income of $9.5 million in line with expectations given expected seasonal declines and lower premiums

- Noninterest expenses of $92.5 million, or $90.0 million as adjusted(1)
    - Adjustments(1) include:
        - $1.3 million of severance related costs
        - $1.3 million of other nonrecurring costs such as branch consolidation costs
    - Efficiency ratio of 60.0%; 58.4% as adjusted(1)

- Excluding PPP growth, loan balances declined slightly during the quarter driven primarily by a decline in consumer and mortgage loans

- Average transactional deposit balances grew $523.7 million compared to the linked quarter; 21.1% on an annualized basis

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(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.

- Total Allowance for Credit Losses of $183.0 million; Total quarterly provision for credit losses of $4.0 million
    - Loans and leases - ACL of $169.9 million, 1.71% of total loans; 1.84% of loans excluding PPP
    - Unfunded Commitments - ACL of $13.0 million
    - First quarter provision expense driven by net charge-offs, partially offset by improvements in economic conditions

- Strong capital ratios
    - Total capital of 15.41%
    - Tier 1 common equity of 11.81%
    - Tangible common equity of 8.22%; 8.62% excluding PPP loans
    - Tangible book value per share of $12.78; $0.15 decrease compared to linked quarter
    - Repurchased 840,115 shares during first quarter

Archie Brown, President and Chief Executive Officer, remarked, “While uncertainty remains due to the ongoing pandemic, the accelerated COVID-19 vaccine distribution, unprecedented fiscal stimulus, and an accommodative Federal Reserve have led to widespread optimism for our economy, which is in stark contrast to our sentiment at this time last year. Our first quarter operating performance reflects this change in sentiment and we have renewed optimism as a result of the improved business climate, despite an operating environment that presents challenges due to very low interest rates and muted loan demand.

Mr. Brown continued, “Our first quarter financial results once again reflect our earnings power and our consistent ability to deliver value to our shareholders. Our core quarterly financial metrics remained strong with adjusted(1) earnings per share of $0.50, adjusted(1) return on assets of 1.24%, and an adjusted(1) efficiency ratio of 58.4%. Net income was bolstered by lower expenses and significantly lower credit costs. Despite expected seasonal declines, noninterest income was strong due to healthy mortgage demand, robust foreign exchange activity and higher wealth management fees. In addition, adjusted(1) noninterest expenses declined $4.6 million from the linked quarter and resulted in a sub-60% efficiency ratio. As I mentioned, credit costs were low with $4.0 million of provision expense during the quarter, and resulted in an allowance for credit losses of 1.84% of total loans, excluding PPP. Classified assets increased during the quarter, however our overall credit outlook has improved significantly and our borrowers are seeing benefits from the various stimulus actions. While first quarter net charge-offs increased slightly from previous quarters, this was driven by a single customer relationship. Given our overall credit outlook, we expect the allowance for credit losses to continue to decline over the course of 2021.”

Mr. Brown commented on balance sheet trends and capital utilization, “Excluding PPP activity, loan balances declined slightly for the quarter due to accelerated mortgage and HELOC payoffs, increased borrower liquidity, and muted business loan demand. As a result of these trends, we anticipate slower growth in the near-term, with some acceleration in the second half of the year. As of March 31, consumers and businesses were holding record levels of deposits, with average balances increasing during the quarter as a result of the stimulus package approved by Congress last December. We anticipate further deposit balance growth in the second quarter after the passage of the most recent stimulus bill. This anticipated growth will likely suppress loan demand and service charge income in the near-term. From a capital standpoint, our ratios remained strong through the first quarter. The combination of our current capital levels and our improved credit outlook, prompted us to repurchase 840,115 shares during the quarter. Absent higher priority capital deployment alternatives, we anticipate additional buyback activity in the second quarter.”

Mr. Brown concluded, “We are pleased with our improved performance and outlook from this time last year. We have started to transition associates back into their physical office locations, and we look forward to implementing the lessons learned over the past year to create an efficient, safe, and collaborative workplace. As our local and national economies continue to improve, we believe we are well positioned to deliver industry leading services to our clients and returns to our shareholders.”

Full detail of the Company’s first quarter 2021 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, April 23, 2021 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 10154329. 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;
- 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, 2020, 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 March 31, 2021, the Company had $16.2 billion in assets, $9.9 billion in loans, $12.6 billion in deposits and $2.3 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 $3.1 billion in assets under management as of March 31, 2021. The Company operated 143 full service banking centers as of March 31, 2021, primarily in Ohio, Indiana, Kentucky and Illinois, 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

March 31, 2021

(unaudited)

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FIRST FINANCIAL BANCORP.
CONSOLIDATED FINANCIAL HIGHLIGHTS

(Dollars in thousands, except per share data)

(Unaudited)

	Three Months Ended,				
	Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020	June 30, 2020	Mar. 31, 2020
RESULTS OF OPERATIONS					
Net income	$ 47,315	$ 48,312	$ 41,477	$ 37,393	$ 28,628
Net earnings per share - basic	$ 0.49	$ 0.50	$ 0.43	$ 0.38	$ 0.29
Net earnings per share - diluted	$ 0.48	$ 0.49	$ 0.42	$ 0.38	$ 0.29
Dividends declared per share	$ 0.23	$ 0.23	$ 0.23	$ 0.23	$ 0.23
KEY FINANCIAL RATIOS					
Return on average assets	1.20 %	1.20 %	1.04 %	0.96 %	0.79 %
Return on average shareholders' equity	8.44 %	8.52 %	7.40 %	6.88 %	5.21 %
Return on average tangible shareholders' equity	15.24 %	15.50 %	13.61 %	12.90 %	9.71 %
Net interest margin	3.35 %	3.45 %	3.32 %	3.38 %	3.71 %
Net interest margin (fully tax equivalent) [1]	3.40 %	3.49 %	3.36 %	3.44 %	3.77 %
Ending shareholders' equity as a percent of ending assets	13.97 %	14.29 %	14.11 %	13.99 %	14.47 %
Ending tangible shareholders' equity as a percent of:					
Ending tangible assets	8.22 %	8.47 %	8.25 %	8.09 %	8.25 %
Risk-weighted assets	11.02 %	11.29 %	11.07 %	10.89 %	10.50 %
Average shareholders' equity as a percent of average assets	14.17 %	14.07 %	14.08 %	13.91 %	15.21 %
Average tangible shareholders' equity as a percent of average tangible assets	8.38 %	8.26 %	8.18 %	7.94 %	8.79 %
Book value per share	$ 23.16	$ 23.28	$ 22.94	$ 22.66	$ 22.25
Tangible book value per share	$ 12.78	$ 12.93	$ 12.56	$ 12.26	$ 11.82
Common equity tier 1 ratio [2]	11.81 %	11.82 %	11.63 %	11.49 %	11.27 %
Tier 1 ratio [2]	12.19 %	12.20 %	12.02 %	11.87 %	11.66 %
Total capital ratio [2]	15.41 %	15.55 %	15.37 %	15.19 %	13.54 %
Leverage ratio [2]	9.34 %	9.55 %	9.55 %	8.98 %	9.49 %
AVERAGE BALANCE SHEET ITEMS					
Loans [3]	$ 9,951,855	$10,127,881	$10,253,392	$10,002,379	$ 9,220,643
Investment securities	3,782,993	3,403,839	3,162,832	3,164,243	3,115,723
Interest-bearing deposits with other banks	46,912	143,884	40,277	91,990	39,332
Total earning assets	$13,781,760	$13,675,604	$13,456,501	$13,258,612	$12,375,698
Total assets	$16,042,654	$16,030,986	$15,842,010	$15,710,204	$14,524,422
Noninterest-bearing deposits	$ 3,840,046	$ 3,720,417	$ 3,535,432	$ 3,335,866	$ 2,643,240
Interest-bearing deposits	8,531,822	8,204,306	8,027,082	8,395,229	7,590,791
Total deposits	$12,371,868	$11,924,723	$11,562,514	$11,731,095	$10,234,031
Borrowings	$ 886,379	$ 1,307,461	$ 1,519,748	$ 1,272,819	$ 1,735,767
Shareholders' equity	$ 2,272,749	$ 2,256,062	$ 2,230,422	$ 2,185,865	$ 2,209,733
CREDIT QUALITY RATIOS					
Allowance to ending loans	1.71 %	1.77 %	1.65 %	1.56 %	1.55 %
Allowance to nonaccrual loans	199.33 %	217.55 %	216.28 %	233.74 %	296.51 %
Allowance to nonperforming loans	175.44 %	199.97 %	196.69 %	208.06 %	203.42 %
Nonperforming loans to total loans	0.97 %	0.89 %	0.84 %	0.75 %	0.76 %
Nonperforming assets to ending loans, plus OREO	0.98 %	0.90 %	0.86 %	0.77 %	0.78 %
Nonperforming assets to total assets	0.60 %	0.56 %	0.55 %	0.49 %	0.48 %
Classified assets to total assets	1.22 %	0.89 %	0.84 %	0.79 %	0.83 %
Net charge-offs to average loans (annualized)	0.38 %	0.26 %	0.21 %	0.12 %	(0.04)%

[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] March 31, 2021 regulatory capital ratios are preliminary.
[3] Includes loans held for sale.

FIRST FINANCIAL BANCORP.
CONSOLIDATED QUARTERLY STATEMENTS OF INCOME

(Dollars in thousands, except per share data)

(Unaudited)

	2021	2020				
	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Full Year
Interest income						
Loans and leases, including fees	$ 98,931	$106,733	$ 103,249	$ 105,900	$ 115,775	$ 431,657
Investment securities						
Taxable	18,607	18,402	17,906	18,476	19,005	73,789
Tax-exempt	5,043	4,839	4,884	4,937	4,582	19,242
Total investment securities interest	23,650	23,241	22,790	23,413	23,587	93,031
Other earning assets	28	55	31	47	142	275
Total interest income	122,609	130,029	126,070	129,360	139,504	524,963
Interest expense						
Deposits	4,333	5,920	7,886	11,751	16,365	41,922
Short-term borrowings	67	30	51	1,274	5,087	6,442
Long-term borrowings	4,333	5,606	5,953	4,759	3,770	20,088
Total interest expense	8,733	11,556	13,890	17,784	25,222	68,452
Net interest income	113,876	118,473	112,180	111,576	114,282	456,511
Provision for credit losses-loans and leases	3,450	13,758	15,299	17,859	23,880	70,796
Provision for credit losses-unfunded commitments	538	(2,250)	(1,925)	2,370	1,568	(237)
Net interest income after provision for credit losses	109,888	106,965	98,806	91,347	88,834	385,952
Noninterest income						
Service charges on deposit accounts	7,146	7,654	7,356	6,001	8,435	29,446
Trust and wealth management fees	4,398	4,093	3,855	4,114	4,469	16,531
Bankcard income	3,128	3,060	3,124	2,844	2,698	11,726
Client derivative fees	1,556	2,021	2,203	2,984	3,105	10,313
Foreign exchange income	10,757	12,305	10,530	6,576	9,966	39,377
Net gains from sales of loans	9,454	13,089	18,594	16,662	2,831	51,176
Net gains (losses) on sale of investment securities	(166)	4,618	2	2	(59)	4,563
Unrealized gain (loss) on equity securities	112	8,975	18	150	(98)	9,045
Other	3,937	5,700	3,817	3,392	4,037	16,946
Total noninterest income	40,322	61,515	49,499	42,725	35,384	189,123
Noninterest expenses						
Salaries and employee benefits	61,253	62,263	63,769	55,925	54,822	236,779
Net occupancy	5,704	6,159	5,625	5,378	6,104	23,266
Furniture and equipment	3,969	3,596	3,638	3,681	4,053	14,968
Data processing	7,287	7,269	6,837	7,019	6,389	27,514
Marketing	1,361	1,999	1,856	1,339	1,220	6,414
Communication	838	840	855	907	890	3,492
Professional services	1,450	3,038	2,443	2,205	2,275	9,961
Debt extinguishment	0	7,257	0	0	0	7,257
State intangible tax	1,202	1,514	1,514	1,514	1,516	6,058
FDIC assessments	1,349	1,065	1,350	1,290	1,405	5,110
Intangible amortization	2,479	2,764	2,779	2,791	2,792	11,126
Other	5,614	17,034	6,845	6,640	8,200	38,719
Total noninterest expenses	92,506	114,798	97,511	88,689	89,666	390,664
Income before income taxes	57,704	53,682	50,794	45,383	34,552	184,411
Income tax expense (benefit)	10,389	5,370	9,317	7,990	5,924	28,601
Net income	$ 47,315	$ 48,312	$ 41,477	$ 37,393	$ 28,628	$ 155,810
ADDITIONAL DATA						
Net earnings per share - basic	$ 0.49	$ 0.50	$ 0.43	$ 0.38	$ 0.29	$ 1.60
Net earnings per share - diluted	$ 0.48	$ 0.49	$ 0.42	$ 0.38	$ 0.29	$ 1.59
Dividends declared per share	$ 0.23	$ 0.23	$ 0.23	$ 0.23	$ 0.23	$ 0.92
Return on average assets	1.20 %	1.20 %	1.04 %	0.96 %	0.79 %	1.00 %
Return on average shareholders' equity	8.44 %	8.52 %	7.40 %	6.88 %	5.21 %	7.02 %
Interest income	$122,609	$130,029	$ 126,070	$ 129,360	$ 139,504	$ 524,963
Tax equivalent adjustment	1,652	1,613	1,628	1,664	1,624	6,529
Interest income - tax equivalent	124,261	131,642	127,698	131,024	141,128	531,492
Interest expense	8,733	11,556	13,890	17,784	25,222	68,452
Net interest income - tax equivalent	$115,528	$120,086	$ 113,808	$ 113,240	$ 115,906	$ 463,040
Net interest margin	3.35 %	3.45 %	3.32 %	3.38 %	3.71 %	3.46 %
Net interest margin (fully tax equivalent) (1)	3.40 %	3.49 %	3.36 %	3.44 %	3.77 %	3.51 %
Full-time equivalent employees	2,063	2,075	2,065	2,076	2,067	

(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 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)

	Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020	June 30, 2020	Mar. 31, 2020	% Change Linked Qtr.	% Change Comp Qtr.
ASSETS							
Cash and due from banks	$ 210,191	$ 231,054	$ 207,128	$ 283,639	$ 261,892	(9.0)%	(19.7)%
Interest-bearing deposits with other banks	19,180	20,305	38,806	38,845	71,071	(5.5)%	(73.0)%
Investment securities available-for-sale	3,753,763	3,424,580	3,004,963	2,897,413	2,908,688	9.6 %	29.1 %
Investment securities held-to-maturity	121,945	131,687	118,072	127,347	136,744	(7.4)%	(10.8)%
Other investments	131,814	133,198	118,292	132,366	143,581	(1.0)%	(8.2)%
Loans held for sale	34,590	41,103	69,008	43,950	27,334	(15.8)%	26.5 %
Loans and leases							
Commercial and industrial	3,044,825	3,007,509	3,292,313	3,322,374	2,477,773	1.2 %	22.9 %
Lease financing	66,574	72,987	74,742	80,087	82,602	(8.8)%	(19.4)%
Construction real estate	642,709	636,096	575,648	506,085	500,311	1.0 %	28.5 %
Commercial real estate	4,396,582	4,307,858	4,347,125	4,343,702	4,278,257	2.1 %	2.8 %
Residential real estate	946,522	1,003,086	1,027,702	1,043,745	1,061,792	(5.6)%	(10.9)%
Home equity	709,667	743,099	754,743	764,171	781,243	(4.5)%	(9.2)%
Installment	82,421	81,850	84,629	79,150	80,085	0.7 %	2.9 %
Credit card	44,669	48,485	43,907	42,397	45,756	(7.9)%	(2.4)%
Total loans	9,933,969	9,900,970	10,200,809	10,181,711	9,307,819	0.3 %	6.7 %
Less:							
Allowance for credit losses	169,923	175,679	168,544	158,661	143,885	(3.3)%	18.1 %
Net loans	9,764,046	9,725,291	10,032,265	10,023,050	9,163,934	0.4 %	6.5 %
Premises and equipment	204,537	207,211	209,474	211,164	212,787	(1.3)%	(3.9)%
Goodwill	937,771	937,771	937,771	937,771	937,771	0.0 %	0.0 %
Other intangibles	61,984	64,552	67,419	70,325	73,258	(4.0)%	(15.4)%
Accrued interest and other assets	935,250	1,056,382	1,122,449	1,105,020	1,120,507	(11.5)%	(16.5)%
Total Assets	$ 16,175,071	$ 15,973,134	$ 15,925,647	$ 15,870,890	$ 15,057,567	1.3 %	7.4 %
LIABILITIES							
Deposits							
Interest-bearing demand	$ 2,914,761	$ 2,914,787	$ 2,632,467	$ 2,657,841	$ 2,498,109	0.0 %	16.7 %
Savings	4,006,181	3,680,774	3,446,678	3,287,314	2,978,250	8.8 %	34.5 %
Time	1,731,757	1,872,733	1,935,392	2,241,212	2,435,858	(7.5)%	(28.9)%
Total interest-bearing deposits	8,652,699	8,468,294	8,014,537	8,186,367	7,912,217	2.2 %	9.4 %
Noninterest-bearing	3,995,370	3,763,709	3,552,893	3,515,048	2,723,341	6.2 %	46.7 %
Total deposits	12,648,069	12,232,003	11,567,430	11,701,415	10,635,558	3.4 %	18.9 %
Federal funds purchased and securities sold under agreements to repurchase	181,387	166,594	247,658	154,347	215,824	8.9 %	(16.0)%
FHLB short-term borrowings	0	0	0	0	1,181,900	0.0 %	(100.0)%
Total short-term borrowings	181,387	166,594	247,658	154,347	1,397,724	8.9 %	(87.0)%
Long-term debt	583,722	776,202	1,341,164	1,285,767	325,566	(24.8)%	79.3 %
Total borrowed funds	765,109	942,796	1,588,822	1,440,114	1,723,290	(18.8)%	(55.6)%
Accrued interest and other liabilities	502,951	516,265	521,580	508,342	519,336	(2.6)%	(3.2)%
Total Liabilities	13,916,129	13,691,064	13,677,832	13,649,871	12,878,184	1.6 %	8.1 %
SHAREHOLDERS' EQUITY							
Common stock	1,633,137	1,638,947	1,637,489	1,635,070	1,633,950	(0.4)%	0.0 %
Retained earnings	745,220	720,429	694,484	675,532	660,653	3.4 %	12.8 %
Accumulated other comprehensive income (loss)	18,101	48,664	42,266	36,431	11,788	(62.8)%	53.6 %
Treasury stock, at cost	(137,516)	(125,970)	(126,424)	(126,014)	(127,008)	9.2 %	8.3 %
Total Shareholders' Equity	2,258,942	2,282,070	2,247,815	2,221,019	2,179,383	(1.0)%	3.7 %
Total Liabilities and Shareholders' Equity	$ 16,175,071	$ 15,973,134	$ 15,925,647	$ 15,870,890	$ 15,057,567	1.3 %	7.4 %

FIRST FINANCIAL BANCORP.
AVERAGE CONSOLIDATED STATEMENTS OF CONDITION

(Dollars in thousands)

(Unaudited)

	Quarterly Averages				
	Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020	June 30, 2020	Mar. 31, 2020
ASSETS					
Cash and due from banks	$ 232,275	$ 228,427	$ 233,216	$ 284,726	$ 235,696
Interest-bearing deposits with other banks	46,912	143,884	40,277	91,990	39,332
Investment securities	3,782,993	3,403,839	3,162,832	3,164,243	3,115,723
Loans held for sale	29,689	42,402	45,186	36,592	13,174
Loans and leases					
Commercial and industrial	3,029,716	3,182,749	3,299,259	3,058,677	2,450,893
Lease financing	70,508	74,107	78,500	81,218	85,782
Construction real estate	647,655	608,401	536,870	495,407	501,471
Commercial real estate	4,339,349	4,313,408	4,364,708	4,381,647	4,209,345
Residential real estate	980,718	1,022,701	1,041,250	1,052,996	1,055,456
Home equity	726,134	752,425	759,994	772,424	773,082
Installment	81,377	83,509	82,016	79,016	81,234
Credit card	46,709	48,179	45,609	44,402	50,206
Total loans	9,922,166	10,085,479	10,208,206	9,965,787	9,207,469
Less:					
Allowance for credit losses	177,863	172,201	165,270	155,454	121,126
Net loans	9,744,303	9,913,278	10,042,936	9,810,333	9,086,343
Premises and equipment	206,628	208,800	211,454	213,903	215,545
Goodwill	937,771	937,771	937,771	937,771	937,771
Other intangibles	63,529	66,195	69,169	72,086	75,014
Accrued interest and other assets	998,554	1,086,390	1,099,169	1,098,560	805,824
Total Assets	$ 16,042,654	$ 16,030,986	$ 15,842,010	$ 15,710,204	$ 14,524,422
LIABILITIES					
Deposits					
Interest-bearing demand	$ 2,948,682	$ 2,812,748	$ 2,668,635	$ 2,602,917	$ 2,418,193
Savings	3,815,314	3,547,179	3,342,514	3,173,274	2,976,518
Time	1,767,826	1,844,379	2,015,933	2,619,038	2,196,080
Total interest-bearing deposits	8,531,822	8,204,306	8,027,082	8,395,229	7,590,791
Noninterest-bearing	3,840,046	3,720,417	3,535,432	3,335,866	2,643,240
Total deposits	12,371,868	11,924,723	11,562,514	11,731,095	10,234,031
Federal funds purchased and securities sold under agreements to repurchase	184,483	136,795	150,088	145,291	164,093
FHLB short-term borrowings	67,222	7,937	30,868	548,183	1,189,765
Total short-term borrowings	251,705	144,732	180,956	693,474	1,353,858
Long-term debt	634,674	1,162,729	1,338,792	579,345	381,909
Total borrowed funds	886,379	1,307,461	1,519,748	1,272,819	1,735,767
Accrued interest and other liabilities	511,658	542,740	529,326	520,425	344,891
Total Liabilities	13,769,905	13,774,924	13,611,588	13,524,339	12,314,689
SHAREHOLDERS' EQUITY					
Common stock	1,636,884	1,638,032	1,636,107	1,634,405	1,638,851
Retained earnings	726,351	703,257	679,980	658,312	660,108
Accumulated other comprehensive loss	42,253	40,960	40,697	19,888	31,200
Treasury stock, at cost	(132,739)	(126,187)	(126,362)	(126,740)	(120,426)
Total Shareholders' Equity	2,272,749	2,256,062	2,230,422	2,185,865	2,209,733
Total Liabilities and Shareholders' Equity	$ 16,042,654	$ 16,030,986	$ 15,842,010	$ 15,710,204	$ 14,524,422

FIRST FINANCIAL BANCORP.
NET INTEREST MARGIN RATE/VOLUME ANALYSIS

(Dollars in thousands)
(Unaudited)

	Quarterly Averages											
	March 31, 2021		December 31, 2020		March 31, 2020		Linked Qtr. Income Variance			Comparable Qtr. Income Variance		
	Balance	Yield	Balance	Yield	Balance	Yield	Rate	Volume	Total	Rate	Volume	Total
Earning assets												
Investments:												
Investment securities	$ 3,782,993	2.54 %	$ 3,403,839	2.71 %	$ 3,115,723	3.04 %	$ (1,488)	$ 1,897	$ 409	$ (3,892)	$ 3,955	$ 63
Interest-bearing deposits with other banks	46,912	0.24 %	143,884	0.15 %	39,332	1.45 %	33	(60)	(27)	(118)	4	(114)
Gross loans [(1)]	9,951,855	4.03 %	10,127,881	4.18 %	9,220,643	5.04 %	(3,815)	(3,987)	(7,802)	(23,094)	6,250	(16,844)
Total earning assets	13,781,760	3.61 %	13,675,604	3.77 %	12,375,698	4.52 %	(5,270)	(2,150)	(7,420)	(27,104)	10,209	(16,895)
Nonearning assets												
Allowance for credit losses	(177,863)		(172,201)		(121,126)							
Cash and due from banks	232,275		228,427		235,696							
Accrued interest and other assets	2,206,482		2,299,156		2,034,154							
Total assets	$ 16,042,654		$16,030,986		$14,524,422							
Interest-bearing liabilities												
Deposits:												
Interest-bearing demand	$ 2,948,682	0.07 %	$ 2,812,748	0.08 %	$ 2,418,193	0.45 %						
Savings	3,815,314	0.13 %	3,547,179	0.15 %	2,976,518	0.45 %						
Time	1,767,826	0.60 %	1,844,379	0.86 %	2,196,080	1.88 %						
Total interest-bearing deposits	8,531,822	0.21 %	8,204,306	0.29 %	7,590,791	0.86 %	$ (1,661)	$ 74	$ (1,587)	$ (12,467)	$ 435	$ (12,032)
Borrowed funds												
Short-term borrowings	251,705	0.11 %	144,732	0.08 %	1,353,858	1.51 %	9	28	37	(4,723)	(297)	(5,020)
Long-term debt	634,674	2.77 %	1,162,729	1.91 %	381,909	3.96 %	2,509	(3,782)	(1,273)	(1,134)	1,697	563
Total borrowed funds	886,379	2.01 %	1,307,461	1.71 %	1,735,767	2.05 %	2,518	(3,754)	(1,236)	(5,857)	1,400	(4,457)
Total interest-bearing liabilities	9,418,201	0.38 %	9,511,767	0.48 %	9,326,558	1.08 %	857	(3,680)	(2,823)	(18,324)	1,835	(16,489)
Noninterest-bearing liabilities												
Noninterest-bearing demand deposits	3,840,046		3,720,417		2,643,240							
Other liabilities	511,658		542,740		344,891							
Shareholders' equity	2,272,749		2,256,062		2,209,733							
Total liabilities & shareholders' equity	$ 16,042,654		$16,030,986		$14,524,422							
Net interest income	$ 113,876		$ 118,473		$ 114,282		$ (6,127)	$ 1,530	$ (4,597)	$ (8,780)	$ 8,374	$ (406)
Net interest spread		3.23 %		3.29 %		3.44 %						
Net interest margin		3.35 %		3.45 %		3.71 %						
Tax equivalent adjustment		0.05 %		0.04 %		0.06 %						
Net interest margin (fully tax equivalent)		3.40 %		3.49 %		3.77 %						

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

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

	Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020	June 30, 2020	Mar. 31, 2020
ALLOWANCE FOR CREDIT LOSS ACTIVITY					
Balance at beginning of period	$ 175,679	$ 168,544	$ 158,661	$ 143,885	$ 57,650
Day one adoption impact of ASC 326	0	0	0	0	61,505
Provision for credit losses	3,450	13,758	15,299	17,859	23,880
Gross charge-offs					
Commercial and industrial	7,910	1,505	1,467	1,282	1,091
Lease financing	0	0	852	0	0
Construction real estate	2	0	0	0	0
Commercial real estate	1,250	6,270	3,789	2,037	4
Residential real estate	1	203	22	148	115
Home equity	611	386	460	428	267
Installment	36	21	59	7	61
Credit card	222	169	171	234	311
Total gross charge-offs	10,032	8,554	6,820	4,136	1,849
Recoveries					
Commercial and industrial	337	367	265	275	2,000
Lease financing	0	(6)	6	0	0
Construction real estate	0	3	0	14	0
Commercial real estate	195	844	760	424	234
Residential real estate	44	145	91	93	52
Home equity	177	428	209	156	339
Installment	34	65	35	27	31
Credit card	39	85	38	64	43
Total recoveries	826	1,931	1,404	1,053	2,699
Total net charge-offs	9,206	6,623	5,416	3,083	(850)
Ending allowance for credit losses	$ 169,923	$ 175,679	$ 168,544	$ 158,661	$ 143,885
NET CHARGE-OFFS TO AVERAGE LOANS AND LEASES (ANNUALIZED)					
Commercial and industrial	1.01 %	0.14 %	0.14 %	0.13 %	(0.15)%
Lease financing	0.00 %	0.03 %	4.29 %	0.00 %	0.00 %
Construction real estate	0.00 %	0.00 %	0.00 %	(0.01)%	0.00 %
Commercial real estate	0.10 %	0.50 %	0.28 %	0.15 %	(0.02)%
Residential real estate	(0.02)%	0.02 %	(0.03)%	0.02 %	0.02 %
Home equity	0.24 %	(0.02)%	0.13 %	0.14 %	(0.04)%
Installment	0.01 %	(0.21)%	0.12 %	(0.10)%	0.15 %
Credit card	1.59 %	0.69 %	1.16 %	1.54 %	2.15 %
Total net charge-offs	0.38 %	0.26 %	0.21 %	0.12 %	(0.04)%
COMPONENTS OF NONPERFORMING LOANS, NONPERFORMING ASSETS, AND UNDERPERFORMING ASSETS					
Nonaccrual loans [1]					
Commercial and industrial	$ 24,941	$ 29,230	$ 34,686	$ 33,906	$ 21,126
Lease financing	0	0	1,092	1,353	222
Construction real estate	0	0	0	0	0
Commercial real estate	44,514	34,682	24,521	14,002	10,050
Residential real estate	11,359	11,601	12,104	12,813	11,163
Home equity	4,286	5,076	5,374	5,604	5,821
Installment	146	163	153	201	145
Nonaccrual loans	85,246	80,752	77,930	67,879	48,527
Accruing troubled debt restructurings (TDRs)	11,608	7,099	7,759	8,377	22,206
Total nonperforming loans	96,854	87,851	85,689	76,256	70,733
Other real estate owned (OREO)	854	1,287	1,643	1,872	1,467
Total nonperforming assets	97,708	89,138	87,332	78,128	72,200
Accruing loans past due 90 days or more	92	169	79	124	120
Total underperforming assets	$ 97,800	$ 89,307	$ 87,411	$ 78,252	$ 72,320
Total classified assets	$ 196,782	$ 142,021	$ 134,002	$ 125,543	$ 124,510
CREDIT QUALITY RATIOS					
Allowance for credit losses to					
Nonaccrual loans	199.33 %	217.55 %	216.28 %	233.74 %	296.51 %
Nonperforming loans	175.44 %	199.97 %	196.69 %	208.06 %	203.42 %
Total ending loans	1.71 %	1.77 %	1.65 %	1.56 %	1.55 %
Nonperforming loans to total loans	0.97 %	0.89 %	0.84 %	0.75 %	0.76 %
Nonperforming assets to					
Ending loans, plus OREO	0.98 %	0.90 %	0.86 %	0.77 %	0.78 %
Total assets	0.60 %	0.56 %	0.55 %	0.49 %	0.48 %
Nonperforming assets, excluding accruing TDRs to					
Ending loans, plus OREO	0.87 %	0.83 %	0.78 %	0.68 %	0.54 %
Total assets	0.53 %	0.51 %	0.50 %	0.44 %	0.33 %
Classified assets to total assets	1.22 %	0.89 %	0.84 %	0.79 %	0.83 %

[1] Nonaccrual loans include nonaccrual TDRs of $20.9 million, $14.7 million, $29.3 million, $32.7 million, and $18.4 million, as of March 31, 2021, December 31, 2020, September 30, 2020, June 30, 2020, and March 31, 2020, respectively.

FIRST FINANCIAL BANCORP.
CAPITAL ADEQUACY

(Dollars in thousands, except per share data)

(Unaudited)

	Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020	June 30, 2020	Mar. 31, 2020
PER COMMON SHARE					
Market Price					
High	$ 26.40	$ 17.77	$ 15.15	$ 16.38	$ 25.52
Low	$ 17.62	$ 12.07	$ 11.40	$ 11.52	$ 12.67
Close	$ 24.00	$ 17.53	$ 12.01	$ 13.89	$ 14.91
Average shares outstanding - basic	96,873,940	97,253,787	97,247,080	97,220,748	97,736,690
Average shares outstanding - diluted	97,727,527	98,020,534	98,008,733	97,988,600	98,356,214
Ending shares outstanding	97,517,693	98,021,929	97,999,763	98,018,858	97,968,958
Total shareholders' equity	$ 2,258,942	$ 2,282,070	$ 2,247,815	$ 2,221,019	$ 2,179,383
REGULATORY CAPITAL	*Preliminary*				
Common equity tier 1 capital	$ 1,334,882	$ 1,325,922	$ 1,293,716	$ 1,267,609	$ 1,243,152
Common equity tier 1 capital ratio	11.81 %	11.82 %	11.63 %	11.49 %	11.27 %
Tier 1 capital	$ 1,377,892	$ 1,368,818	$ 1,336,497	$ 1,310,276	$ 1,285,705
Tier 1 ratio	12.19 %	12.20 %	12.02 %	11.87 %	11.66 %
Total capital	$ 1,741,755	$ 1,744,802	$ 1,708,817	$ 1,676,532	$ 1,493,100
Total capital ratio	15.41 %	15.55 %	15.37 %	15.19 %	13.54 %
Total capital in excess of minimum requirement	$ 554,834	$ 566,795	$ 541,263	$ 517,902	$ 335,229
Total risk-weighted assets	$11,304,012	$11,219,114	$11,119,560	$11,034,570	$11,027,347
Leverage ratio	9.34 %	9.55 %	9.55 %	8.98 %	9.49 %
OTHER CAPITAL RATIOS					
Ending shareholders' equity to ending assets	13.97 %	14.29 %	14.11 %	13.99 %	14.47 %
Ending tangible shareholders' equity to ending tangible assets	8.22 %	8.47 %	8.25 %	8.09 %	8.25 %
Average shareholders' equity to average assets	14.17 %	14.07 %	14.08 %	13.91 %	15.21 %
Average tangible shareholders' equity to average tangible assets	8.38 %	8.26 %	8.18 %	7.94 %	8.79 %
REPURCHASE PROGRAM [1]					
Shares repurchased	840,115	0	0	0	880,000
Average share repurchase price	$ 21.40	N/A	N/A	N/A	$ 18.96
Total cost of shares repurchased	$ 17,982	N/A	N/A	N/A	$ 16,686

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

N/A = Not applicable

Earnings Presentation

First Quarter 2021

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, 2020, 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.

1Q 2021 Results

122nd Consecutive Quarter of Profitability

Profitability	Net income = \$47.3 million or \$0.48 per diluted share. Adjusted[1] net income = \$49.0 million or \$0.50 per diluted share[2] Return on average assets = 1.20%. Adjusted[1] return on average assets = 1.24% Return on average shareholders' equity = 8.44%. Adjusted[1] return on average shareholders' equity = 8.75% Return on average tangible common equity = 15.24%[1]. Adjusted[1] return on average tangible common equity = 15.80%
Income Statement	Net interest income = \$113.9 million. Net interest margin of 3.35% on a GAAP basis; 3.40% on a fully tax equivalent basis[1] Noninterest income = \$40.3 million Noninterest expense = \$92.5 million; \$90.0 million as adjusted [1] Efficiency ratio = 59.99%. Adjusted[1] efficiency ratio = 58.41% Effective tax rate of 18.0%. Adjusted[1] effective tax rate of 18.4%
Balance Sheet	EOP assets increased \$201.9 million compared to the linked quarter to \$16.2 billion EOP loans increased \$33.0 million compared to the linked quarter to \$9.9 billion Average deposits increased \$447.1 million compared to the linked quarter to \$12.4 billion EOP investment securities increased \$318.1 million compared to the linked quarter
Asset Quality	Provision expense = \$4.0 million. Net charge-offs = \$9.2 million. NCOs / Avg. Loans = 0.38% annualized Nonperforming Loans / Total Loans = 0.97%. Nonperforming Assets / Total Assets = 0.60% ACL / Nonaccrual Loans = 199.33%. Classified Assets / Total Assets = 1.22% ACL / Total loans = 1.71%; 1.84% of loans excluding PPP
Capital	Total capital ratio = 15.41% Tier 1 common equity ratio = 11.81% Tangible common equity ratio = 8.22%; 8.62% excluding PPP loans Tangible book value per share = \$12.78 Repurchased 840,115 shares during the quarter

[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 27 for Adjusted Earnings detail.

1Q 2021 Highlights

- Quarterly earnings driven by strong fee income, lower expenses and lower credit costs
  - Adjusted[1] earnings per share - $0.50
  - Adjusted[1] return on assets – 1.24%
  - Adjusted[1] pre-tax, pre-provision return on assets – 1.62%
  - Adjusted[1] return on average tangible common equity – 15.80%
- Loan balances bolstered by PPP activity; strong core deposit growth
  - Loan balances increased $33.0 million compared to the linked quarter; PPP loan balances increased $95.3 million
  - Average transactional deposit balances grew $523.7 million compared to the linked quarter; 21.1% on an annualized basis
  - Noninterest bearing deposits were 31.6% of total deposits at March 31, 2021
- Net interest margin (FTE) in line with expectations
  - 9 bp decrease from fourth quarter driven by lower loan fees
  - Net interest margin, excluding loan fees and loan accretion, increased 5 bp compared to the linked quarter
- Strong fee income, despite seasonal headwinds
  - Adjusted[1] noninterest income of $40.2 million
  - Mortgage banking revenue remained elevated at $9.5 million, despite expected seasonal declines and lower premiums
  - Foreign exchange income of $10.8 million; slight decline from record fourth quarter
- Core expenses declined $4.6 million from the linked quarter, driven by decline in incentive compensation and lower professional services expenses
  - Adjusted[1] noninterest expense of $90.0 million; Adjusted[1] for $1.3 million in severance costs and $1.3 million of other non-recurring costs
  - Efficiency ratio of 60.0%; 58.4% as adjusted[1]
- Allowance for credit loss (ACL) and provision expense declined compared to linked quarter
  - Loans and leases - ACL of $169.9 million; 1.71% of total loans, 1.84% excluding PPP; $3.5 million provision expense
  - Unfunded Commitments - ACL of $13.0 million; $0.5 million provision expense
  - Lower provision expense driven by improved credit outlook, partially offset by a large charge-off on a single relationship
- Effective tax rate of 18.0% positively impacted by higher tax-exempt income; 18.4% as adjusted[1]
- Strong capital ratios
  - Total capital of 15.41%; Tier 1 common equity of 11.81%; Tangible common equity of 8.22%
  - Tangible book value decreased by $0.15 to $12.78
  - Tangible common equity of 8.62% excluding PPP
  - 840,115 shares repurchased in first quarter

[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.

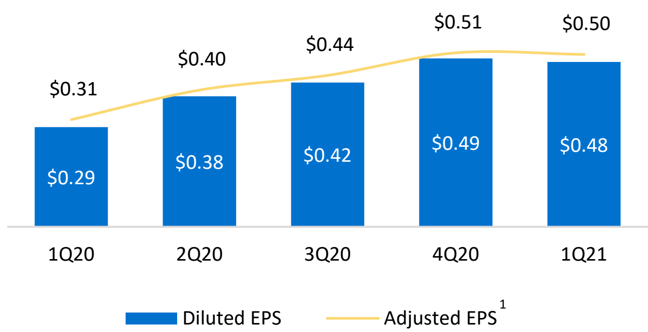
	1Q 2021		4Q 2020	
	As Reported	Adjusted	As Reported	Adjusted
Net interest income	$ 113,876	$ 113,876	$ 118,473	$ 118,473
Provision for credit losses-loans and leases	$ 3,450	$ 3,450	$ 13,758	$ 13,758
Provision for credit losses-unfunded commitments	$ 538	$ 538	$ (2,250)	$ (2,250)
Noninterest income	$ 40,322	$ 40,322	$ 61,515	$ 61,515
less: gains (losses) on investment securities	-	(54) A	-	196 A
less: gains from the redemption of Visa B shares	-	- A	-	13,397 A
less: other	-	193 A	-	(157) A
Total noninterest income	$ 40,322	$ 40,183	$ 61,515	$ 48,079
Noninterest expense	$ 92,506	$ 92,506	$ 114,798	$ 114,798
less: severance and merger-related expenses	-	1,261 A	-	29 A
less: tax credit investment	-	208 A	-	5,071 A
less: contribution to First Financial Foundation	-	- A	-	5,000 A
less: debt extinguishment	-	- A	-	7,257 A
less: COVID-19 and other	-	1,054 A	-	2,877 A
Total noninterest expense	$ 92,506	$ 89,983	$ 114,798	$ 94,564
Income before income taxes	$ 57,704	$ 60,088	$ 53,682	$ 60,480
Income tax expense	$ 10,389	$ 10,389	$ 5,370	$ 5,370
plus: after-tax impact of tax credit investment @ 21%	-	164	-	4,005
plus: tax effect of adjustments (A) @ 21% statutory rate	-	501	-	1,428
Total income tax expense	$ 10,389	$ 11,054	$ 5,370	$ 10,803
Net income	$ 47,315	$ 49,034	$ 48,312	$ 49,677
Net earnings per share - diluted	$ 0.48	$ 0.50	$ 0.49	$ 0.51
Pre-tax, pre-provision return on average assets	1.56%	1.62%	1.62%	1.79%

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

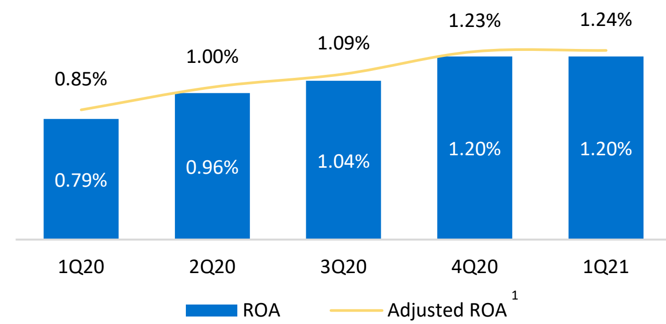
All dollars shown in thousands, except per share amounts

Profitability

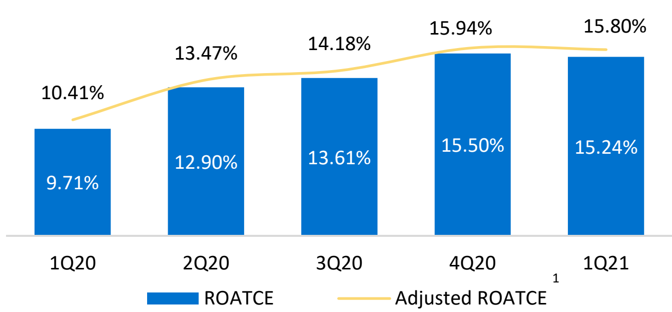
Diluted EPS



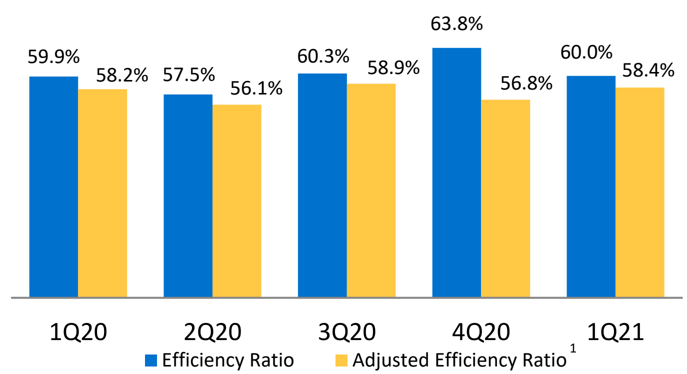
Return on Average Assets



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.

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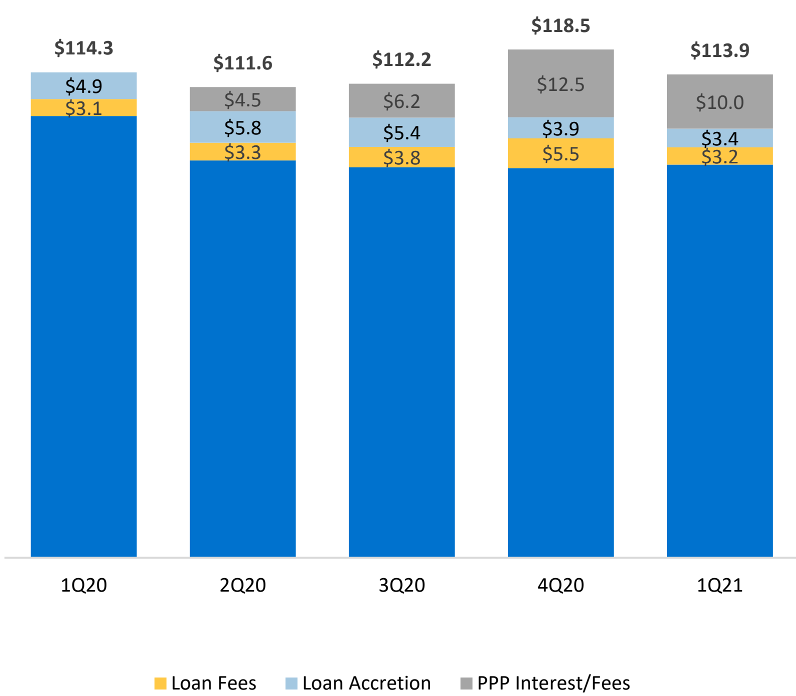
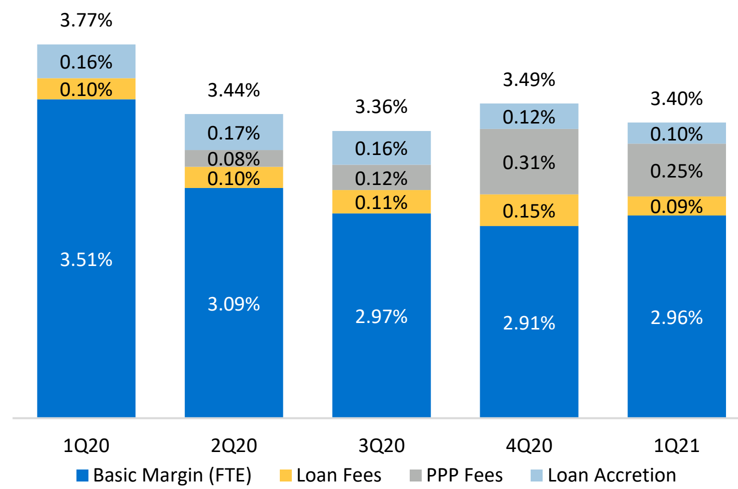
Net Interest Income & Margin

Net Interest Income



Net Interest Margin (FTE)



1Q21 NIM (FTE) Progression

4Q20	**3.49%**
Asset yields/mix	-0.05%
Loan fees	-0.06%
PPP fees	-0.06%
Deposit costs	0.05%
Funding mix	0.03%
1Q21	**3.40%**

All dollars shown in millions

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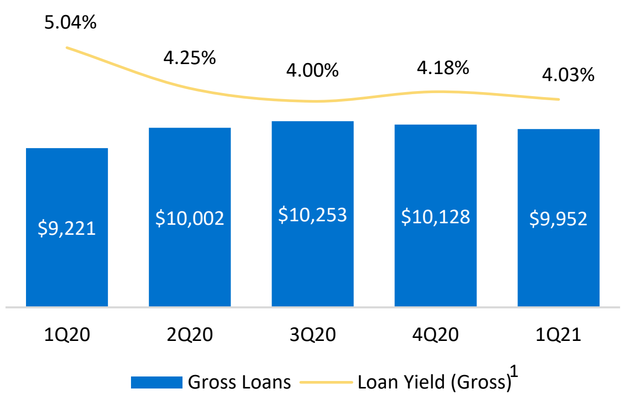
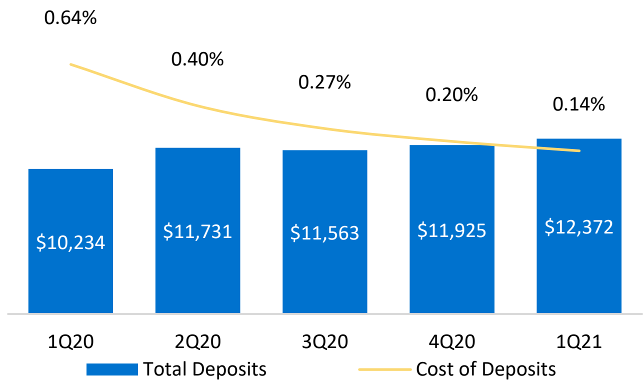
Average Balance Sheet

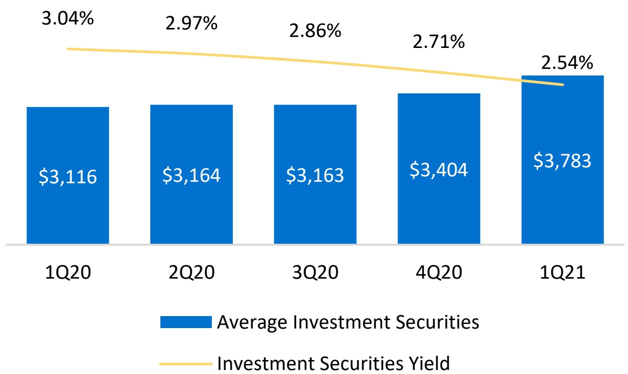
Average Loans



Average Deposits



Average Securities

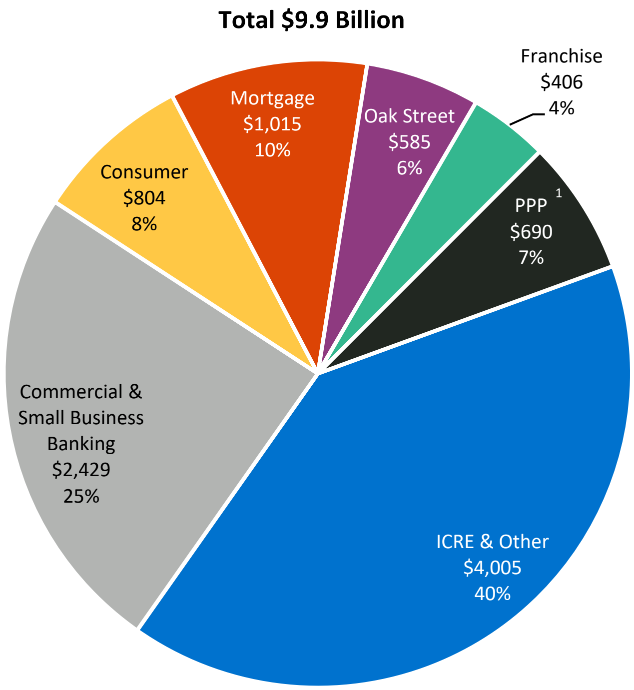


All dollars shown in millions

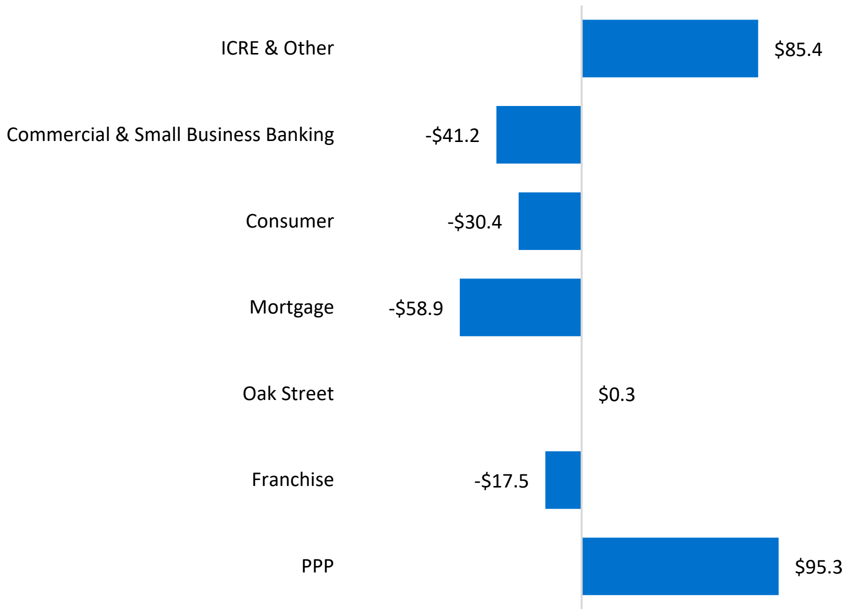
[1] Includes loans fees and loan accretion

Loan Portfolio

Loan LOB Mix (EOP)



Net Loan Change-LOB (Linked Quarter)



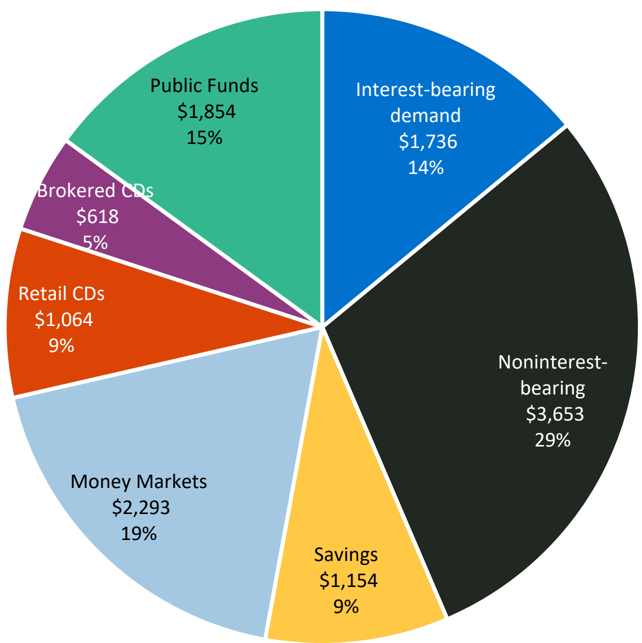
Total growth/(decline):
$33.0 million

[1] Net of unearned fees of $21.9 million
All dollars shown in millions

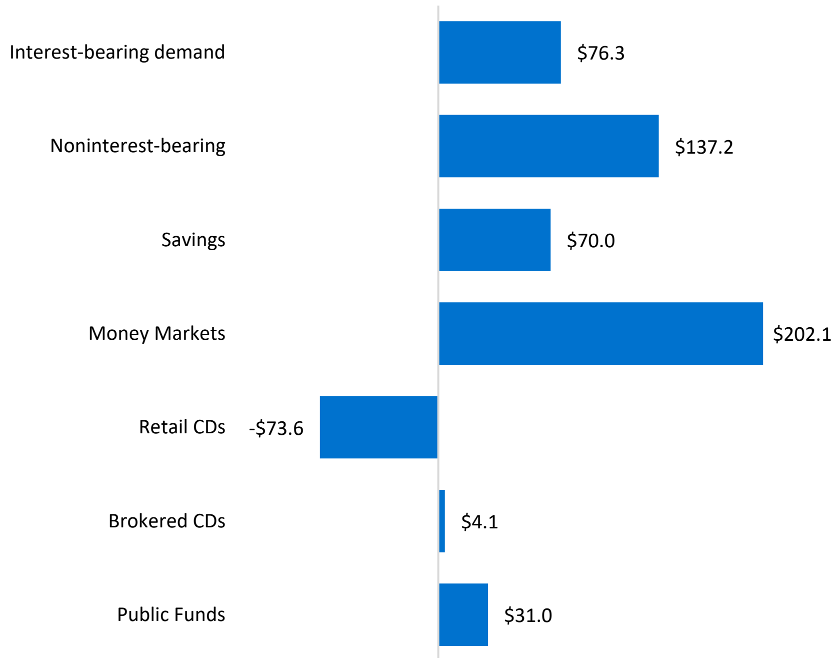
Deposits

Deposit Product Mix (Avg)

Total $12.4 billion



1Q21 Average Deposit Progression



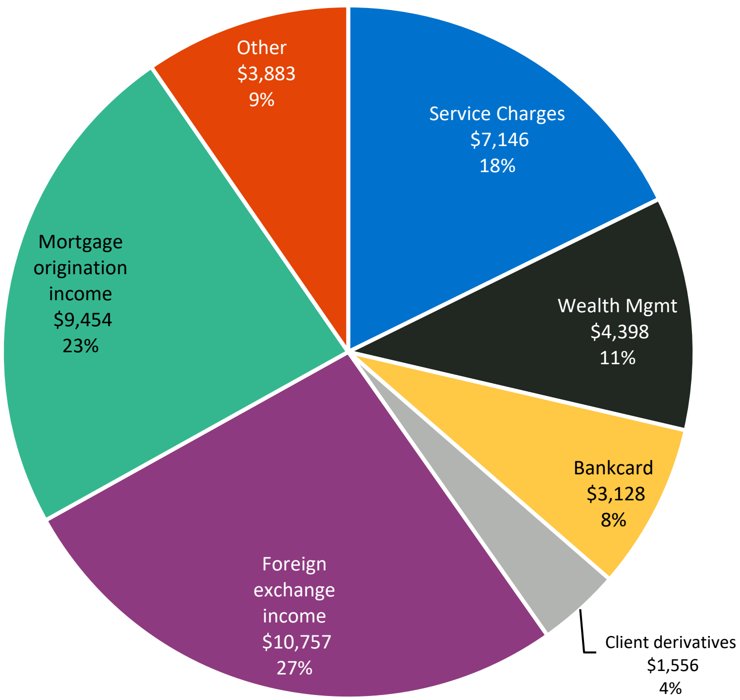
Total growth/(decline):
$447.1 million

All dollars shown in millions

Noninterest Income

Noninterest Income

Total $40.3 million



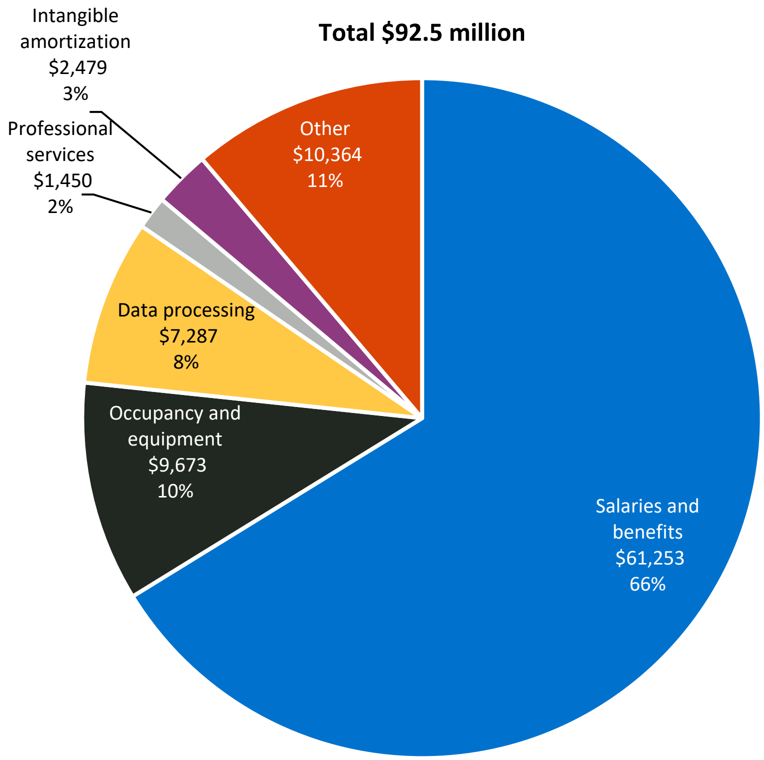
1Q21 Highlights

- Total fee income 26.1% of net revenue
- $9.5 million of mortgage banking income
- $10.8 million of foreign exchange income
- Trust and wealth management fees increased 7.5% from the linked quarter to $4.4 million

All dollars shown in thousands

Noninterest Expense

Noninterest Expense



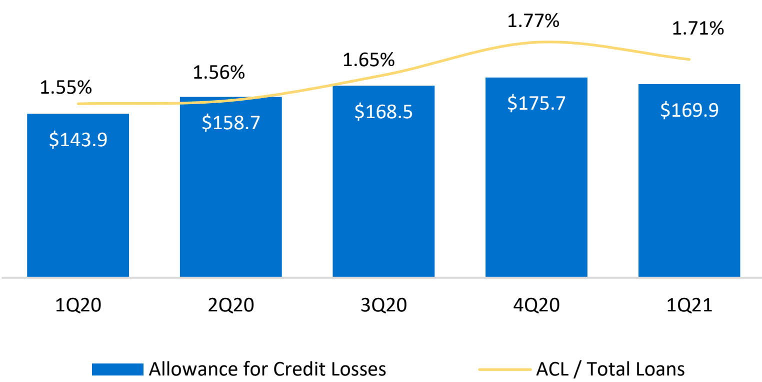
1Q21 Highlights

- Core expenses declined $4.6 million from the linked quarter, driven by decline in incentive compensation and professional services
- $1.3 million of severance costs
- $0.2 million tax credit investment write-down
- $1.1 million of other nonrecurring costs; primarily related to branch consolidation activity

All dollars shown in thousands

Current Expected Credit Losses - Loans and Leases

ACL / Total Loans



1Q21 Highlights

- $169.9 million, or 1.71% of loan balances; 1.84% excluding PPP
- $3.5 million provision expense; decline driven by improved credit outlook, partially offset by a large charge-off on a single relationship
- Utilized final March Moody's baseline forecast in quantitative model
- $13.0 million ACL – unfunded commitments; $0.5 million provision expense for this portion of the ACL due to slower prepayment speeds

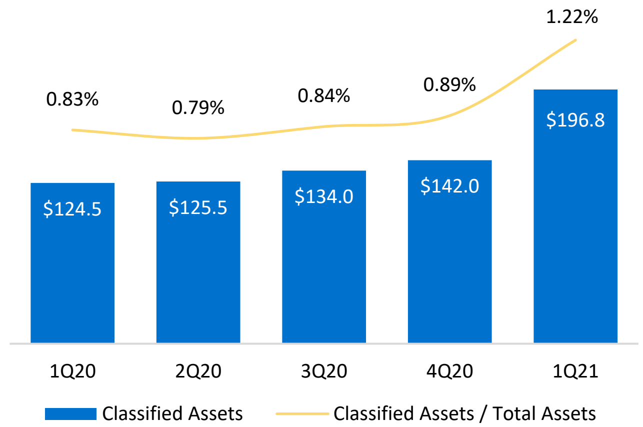
ACL by Loan Type

	3/31/2020	6/30/2020	9/30/2020	12/31/2020	3/31/2021
Loans					
Commercial and industrial	$ 45,409	$ 50,421	$ 50,516	$ 51,454	$ 45,139
Lease financing	1,494	1,431	1,287	995	1,015
Real estate -construction	13,511	15,357	18,970	21,736	22,734
Real estate - commercial	53,155	62,340	72,207	76,795	78,669
Real estate - residential	11,284	10,581	9,286	8,560	7,748
Home equity	14,827	14,236	12,530	11,869	10,760
Installment	1,238	1,226	1,237	1,215	1,235
Credit card	2,967	3,069	2,511	3,055	2,623
ACL-loan and lease losses	$ 143,885	$ 158,661	$ 168,544	$ 175,679	$ 169,923
ACL-unfunded commitments	$ 14,308	$ 16,678	$ 14,753	$ 12,503	$ 13,040

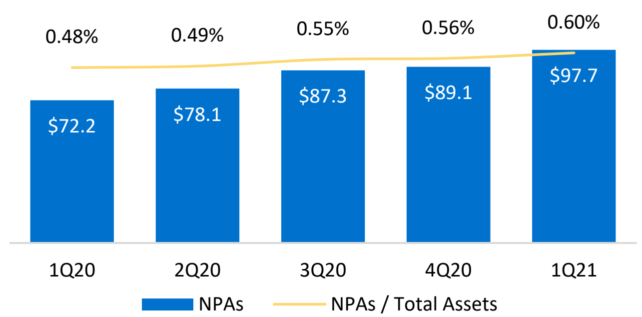
All dollars shown in thousands

Asset Quality

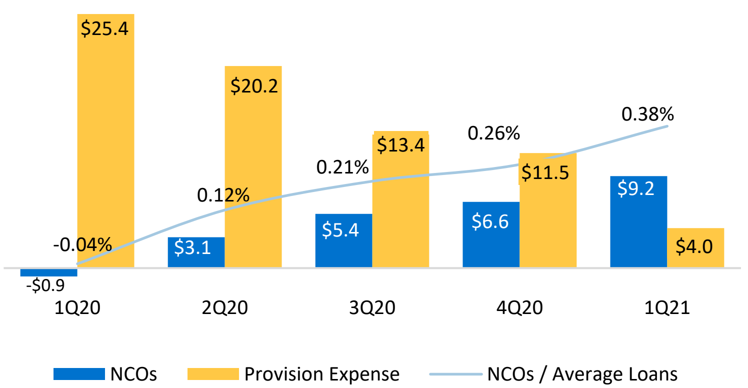
Classified Assets / Total Assets



Nonperforming Assets / Total Assets



Net Charge Offs & Provision Expense[1]



[1] Provision includes both loans & leases and unfunded commitments
All dollars shown in millions

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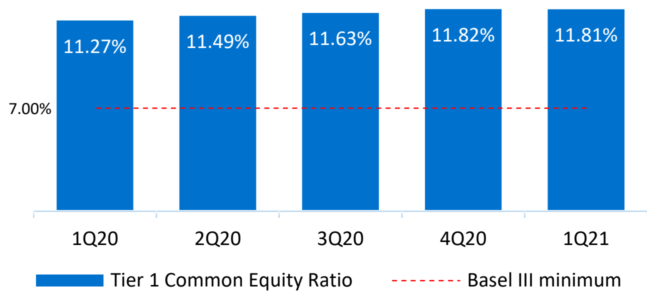
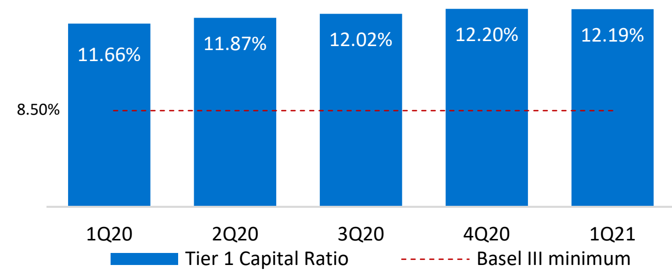
Capital

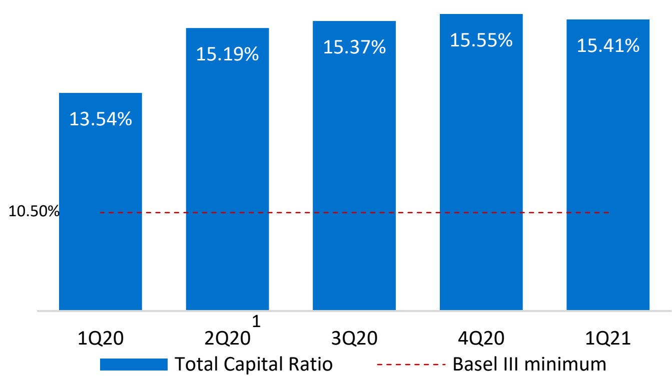
Tier 1 Common Equity Ratio



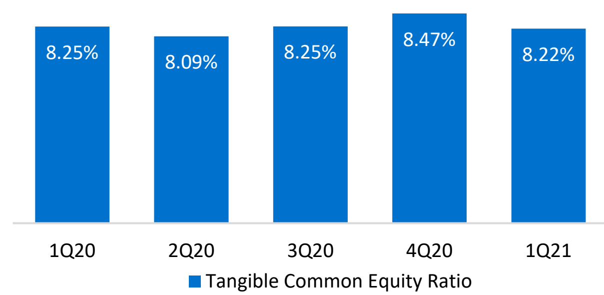
Tier 1 Capital Ratio



Total Capital Ratio



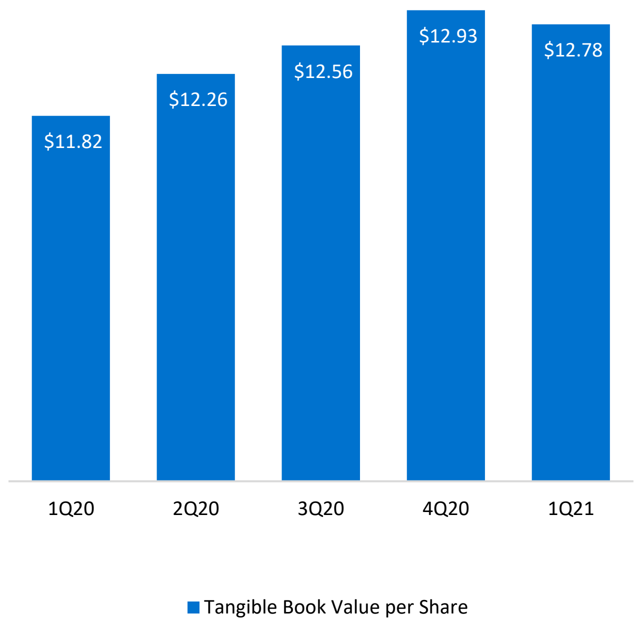
Tangible Common Equity Ratio



3/31 Risk Weighted Assets = $11,304,012
[1] 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



Strategy & Deployment

- 3.8% annualized dividend yield
- Most recent internal 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
- 840,115 shares repurchased in first quarter at an average price of $21.40

COVID – 19 Related Information

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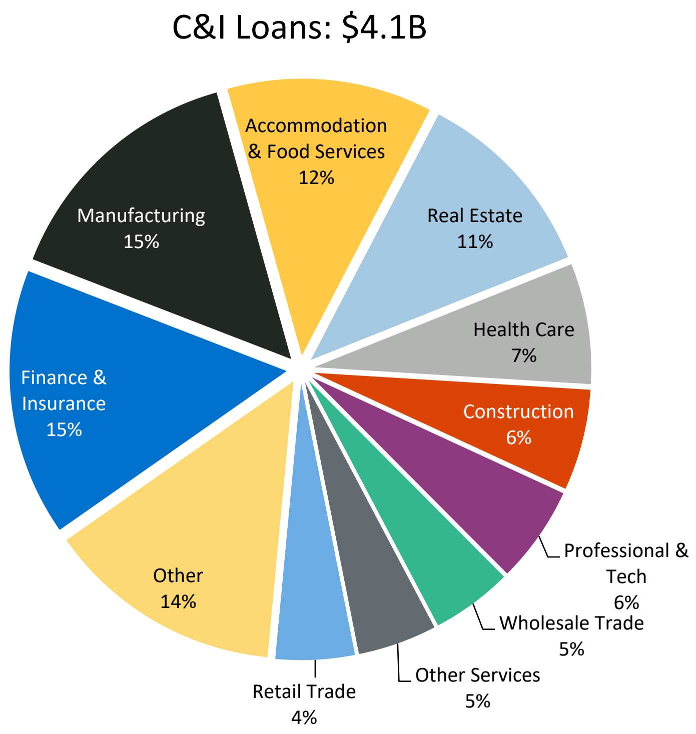
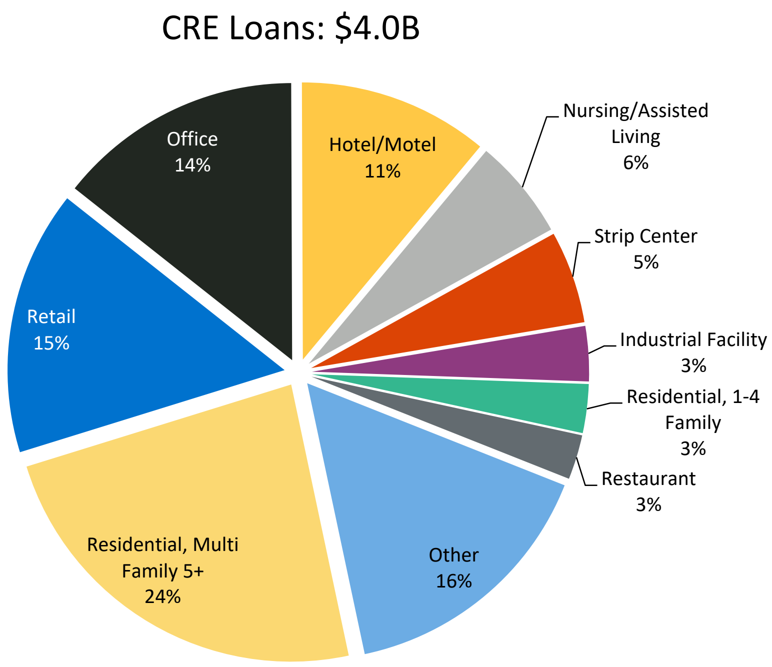
Loan Concentrations

C&I Loans by Industry [1]



CRE Loans by Collateral [2]

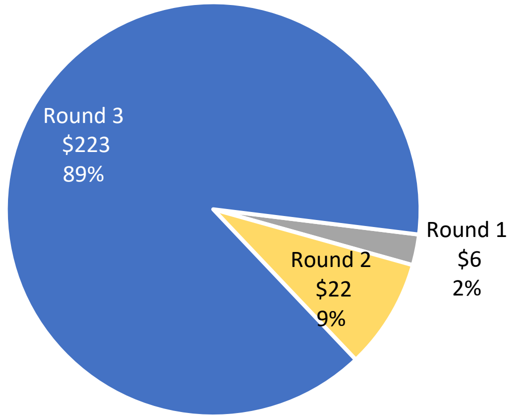


[1] Industry types included in Other representing greater than 1% of total C&I loans include Transportation & Warehousing, Agriculture, Public Administration, Arts & Recreation, Educational Services, and Waste Management. Includes owner-occupied CRE.
[2] Collateral types included in Other representing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

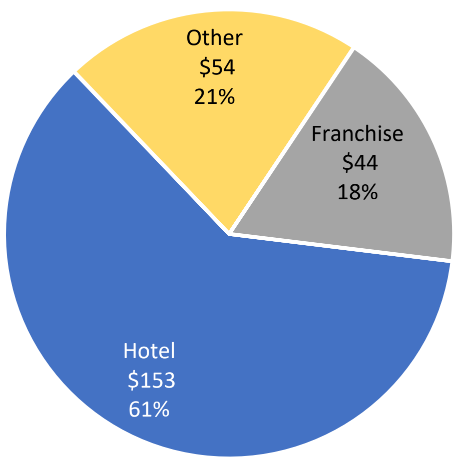
CARES Act Modifications as of 3/31/21

- $226 million of loan modifications making interest only payments
- $251 million of total active modifications; 2.5% of total loans
- $153 million, or 61% of total deferrals are hotel loans
- Expected to steadily decline through 3Q21
- No material credit issues among loans that have exited deferral

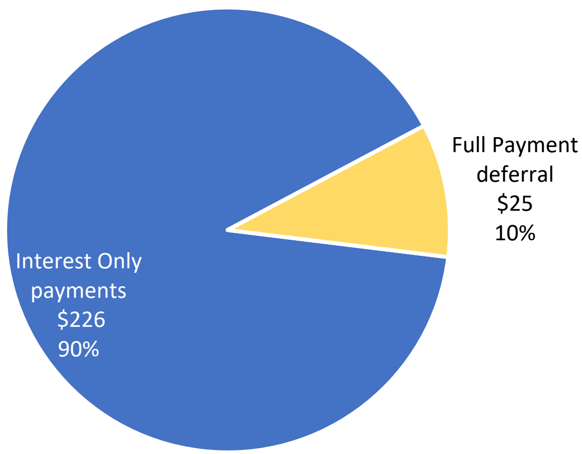
Active deferrals by round



Active modifications by category



Active modifications by payment type



All dollars shown in millions

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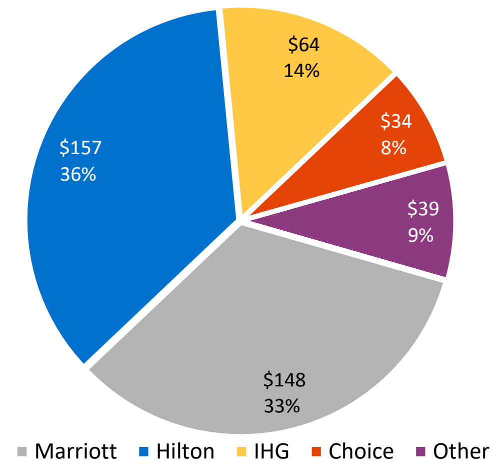
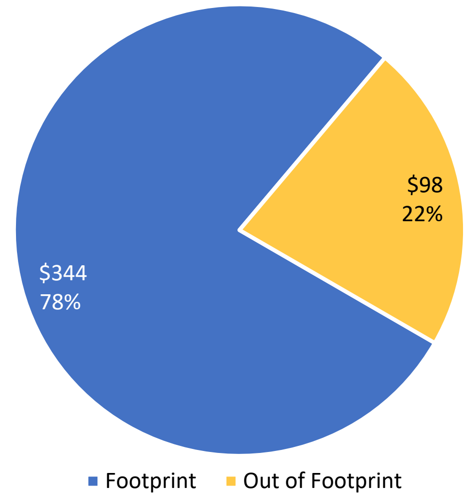
Area of Focus - Hotel Portfolio

- $442 million balance represents 4.4% of the total loan portfolio
- $143 million, or 93% of total hotel deferrals, making interest only payments as of 3/31/21
- Significant improvement in hotel occupancy and rates for 2021; in excess of 50% occupancy and $120/night
- 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
- Overall, we have little exposure to large convention center hotels or fly-to-leisure destinations
- $44.2 million rated substandard or worse

Hotels by Flag



Hotels by Geography



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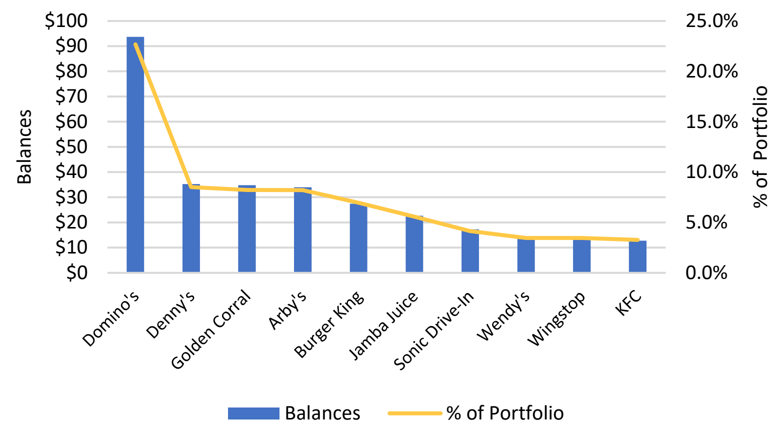
All dollars shown in millions

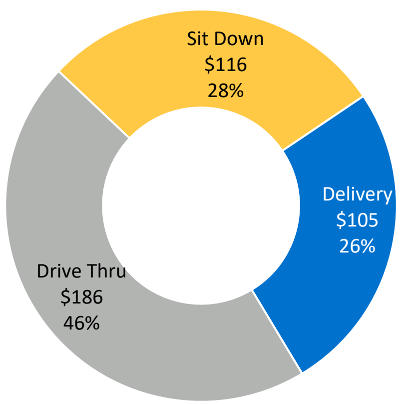
Area of Focus - Franchise Portfolio

- $406 million in balances or 4% of total loans
- Drive thru and delivery continue to provide strong performance while a portion of our sit-down book navigates pandemic related headwinds
- $44 million, or 11% of total franchise loans are in deferral as of 3/31/2021; all sit down concepts
  - $32 million, or 73% are making interest only payments

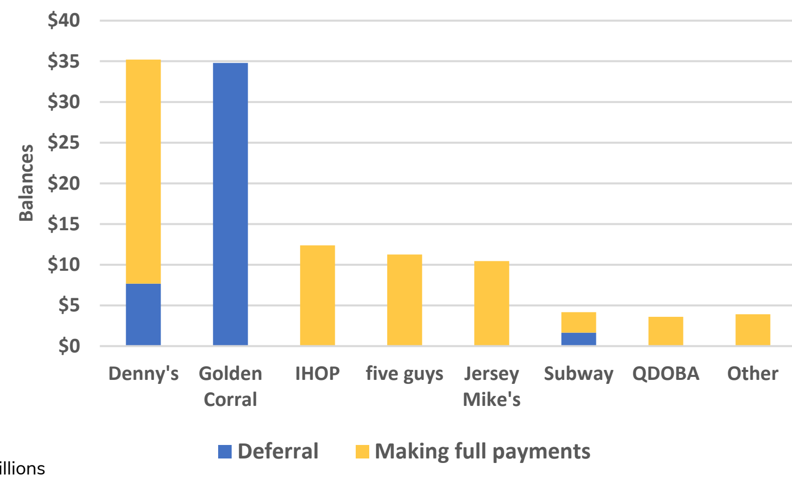
Top 10 Concepts



Restaurant Type



Sit-down Concepts



All dollars shown in millions

Outlook Commentary[1]

Balance Sheet	• Loan balances expected to remain flat in near term, excluding impact of PPP; low single digit growth expected in back half of the year • Average securities balances expected to increase approximately $250 million in second quarter • Deposit balances expected to stabilize
Net Interest Margin	• Will be impacted by timing of PPP forgiveness fees • Expected to be under modest pressure from the low interest rate environment, excess liquidity on the balance sheet and increases to the securities portfolio.
Credit	• Lower provision expense expected for remainder of the year • Allowance for credit losses expected to continually decline over 2021
Noninterest Income	• Modest increase in mortgage banking income, with seasonal increases in volume mostly offset by lower premiums • Foreign exchange income expected to remain relatively flat in near term • Deposit service charges to remain under pressure given higher deposit balances • Bankcard income to grow in near-term with increase in customer spending
Noninterest Expense	• Relatively flat in near term, but will fluctuate with fee income
Capital	• Will continue to evaluate capital deployment opportunities, including share repurchases

[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.

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				
	Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020	June 30, 2020	Mar. 31, 2020
Net interest income	$ 113,876	$ 118,473	$ 112,180	$ 111,576	$ 114,282
Tax equivalent adjustment	1,652	1,613	1,628	1,664	1,624
Net interest income - tax equivalent	$ 115,528	$ 120,086	$ 113,808	$ 113,240	$ 115,906
Average earning assets	$ 13,781,760	$ 13,675,604	$ 13,456,501	$ 13,258,612	$ 12,375,698
Net interest margin[1]	3.35 %	3.45 %	3.32 %	3.38 %	3.71 %
Net interest margin (fully tax equivalent)[1]	3.40 %	3.49 %	3.36 %	3.44 %	3.77 %

[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 Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020	June 30, 2020	Mar. 31, 2020
Net income (a)	$ 47,315	$ 48,312	$ 41,477	$ 37,393	$ 28,628
Average total shareholders' equity	2,272,749	2,256,062	2,230,422	2,185,865	2,209,733
Less:					
Goodwill	(937,771)	(937,771)	(937,771)	(937,771)	(937,771)
Other intangibles	(63,529)	(66,195)	(69,169)	(72,086)	(75,014)
MSR's	(12,749)	(12,186)	(11,274)	(10,254)	(10,608)
Average tangible equity (b)	1,258,700	1,239,910	1,212,208	1,165,754	1,186,340
Total shareholders' equity	2,258,942	2,282,070	2,247,815	2,221,019	2,179,383
Less:					
Goodwill	(937,771)	(937,771)	(937,771)	(937,771)	(937,771)
Other intangibles	(61,984)	(64,552)	(67,419)	(70,325)	(73,258)
MSR's	(13,156)	(12,810)	(12,011)	(11,250)	(10,278)
Ending tangible equity (c)	1,246,031	1,266,937	1,230,614	1,201,673	1,158,076
Total assets	16,175,071	15,973,134	15,925,647	15,870,890	15,057,567
Less:					
Goodwill	(937,771)	(937,771)	(937,771)	(937,771)	(937,771)
Other intangibles	(61,984)	(64,552)	(67,419)	(70,325)	(73,258)
MSR's	(13,156)	(12,810)	(12,011)	(11,250)	(10,278)
Ending tangible assets (d)	15,162,160	14,958,001	14,908,446	14,851,544	14,036,260
Risk-weighted assets (e)	11,304,012	11,219,114	11,119,560	11,034,570	11,027,347
Total average assets	16,042,654	16,030,986	15,842,010	15,710,204	14,524,422
Less:					
Goodwill	(937,771)	(937,771)	(937,771)	(937,771)	(937,771)
Other intangibles	(63,529)	(66,195)	(69,169)	(72,086)	(75,014)
MSR's	(12,749)	(12,186)	(11,274)	(10,254)	(10,608)
Average tangible assets (f)	$ 15,028,605	$ 15,014,834	$ 14,823,796	$ 14,690,093	$ 13,501,029
Ending shares outstanding (g)	97,517,693	98,021,929	97,999,763	98,018,858	97,968,958
Ratios					
Return on average tangible shareholders' equity (a)/(b)	15.24%	15.50%	13.61%	12.90%	9.71%
Ending tangible equity as a percent of:					
Ending tangible assets (c)/(d)	8.22%	8.47%	8.25%	8.09%	8.25%
Risk-weighted assets (c)/(e)	11.02%	11.29%	11.07%	10.89%	10.50%
Average tangible equity as a percent of average tangible assets (b)/(f)	8.38%	8.26%	8.18%	7.94%	8.79%
Tangible book value per share (c)/(g)	$ 12.78	$ 12.93	$ 12.56	$ 12.26	$ 11.82

Appendix: Non-GAAP to GAAP Reconciliation

Additional non-GAAP measures

(Dollars in thousands, except per share data)	1Q21 As Reported	1Q21 Adjusted	4Q20 As Reported	4Q20 Adjusted	3Q20 As Reported	3Q20 Adjusted	2Q20 As Reported	2Q20 Adjusted	1Q20 As Reported	1Q20 Adjusted
Net interest income (f)	$ 113,876	$ 113,876	$ 118,473	$ 118,473	$ 112,180	$ 112,180	$ 111,576	$ 111,576	$ 114,282	$ 114,282
Provision for credit losses-loans and leases (j)	3,450	3,450	13,758	13,758	15,299	15,299	17,859	17,859	23,880	23,880
Provision for credit losses-unfunded commitments (j)	538	538	(2,250)	(2,250)	(1,925)	(1,925)	2,370	2,370	1,568	1,568
Noninterest income	40,322	40,322	61,515	61,515	49,499	49,499	42,725	42,725	35,384	35,384
less: gains (losses) on sale of investment securities		(54)		196		20		128		(157)
less: gains from the redemption of Visa B shares		-		13,397						
less: other		193		(157)						
Total noninterest income (g)	40,322	40,183	61,515	48,079	49,499	49,479	42,725	42,597	35,384	35,541
Noninterest expense	92,506	92,506	114,798	114,798	97,511	97,511	88,689	88,689	89,666	89,666
less: severance and merger-related expenses		1,261		29		95		35		329
less: tax credit investments		208		5,071						
less: contribution to First Financial Foundation		-		5,000						
less: debt extinguishment		-		7,257						
less: COVID-19 and other		1,054		2,877		2,126		2,167		2,150
Total noninterest expense (e)	92,506	89,983	114,798	94,564	97,511	95,290	88,689	86,487	89,666	87,187
Income before income taxes (i)	57,704	60,088	53,682	60,480	50,794	52,995	45,383	47,457	34,552	37,188
Income tax expense	10,389	10,389	5,370	5,370	9,317	9,317	7,990	7,990	5,924	5,924
plus: tax effect of adjustments		501		1,428		462		436		554
plus: after-tax impact of tax credit investments @ 21%		164		4,005						
Total income tax expense (h)	10,389	11,054	5,370	10,803	9,317	9,779	7,990	8,426	5,924	6,478
Net income (a)	$ 47,315	$ 49,034	$ 48,312	$ 49,677	$ 41,477	$ 43,216	$ 37,393	$ 39,031	$ 28,628	$ 30,710
Average diluted shares (b)	97,728	97,728	98,021	98,021	98,009	98,009	97,989	97,989	98,356	98,356
Average assets (c)	16,042,654	16,042,654	16,030,986	16,030,986	15,842,010	15,842,010	15,710,204	15,710,204	14,524,422	14,524,422
Average shareholders' equity	2,272,749	2,272,749	2,256,062	2,256,062	2,230,422	2,230,422	2,185,865	2,185,865	2,209,733	2,209,733
Less:										
Goodwill and other intangibles	(1,014,049)	(1,014,049)	(1,016,152)	(1,016,152)	(1,018,214)	(1,018,214)	(1,020,111)	(1,020,111)	(1,023,393)	(1,023,393)
Average tangible equity (d)	1,258,700	1,258,700	1,239,910	1,239,910	1,212,208	1,212,208	1,165,754	1,165,754	1,186,340	1,186,340
Ratios										
Net earnings per share - diluted (a)/(b)	$ 0.48	$ 0.50	$ 0.49	$ 0.51	$ 0.42	$ 0.44	$ 0.38	$ 0.40	$ 0.29	$ 0.31
Return on average assets - (a)/(c)	1.20%	1.24%	1.20%	1.23%	1.04%	1.09%	0.96%	1.00%	0.79%	0.85%
Pre-tax, pre-provision return on average assets - ((a)+(j)+(h))/(c)	1.56%	1.62%	1.62%	1.79%	1.61%	1.67%	1.68%	1.73%	1.66%	1.73%
Return on average tangible shareholders' equity - (a)/(d)	15.24%	15.80%	15.50%	15.94%	13.61%	14.18%	12.90%	13.47%	9.71%	10.41%
Efficiency ratio - (e)/((f)+(g))	60.0%	58.4%	63.8%	56.8%	60.3%	58.9%	57.5%	56.1%	59.9%	58.2%
Effective tax rate - (h)/(i)	18.0%	18.4%	10.0%	17.9%	18.3%	18.5%	17.6%	17.8%	17.1%	17.4%

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