Investor 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:

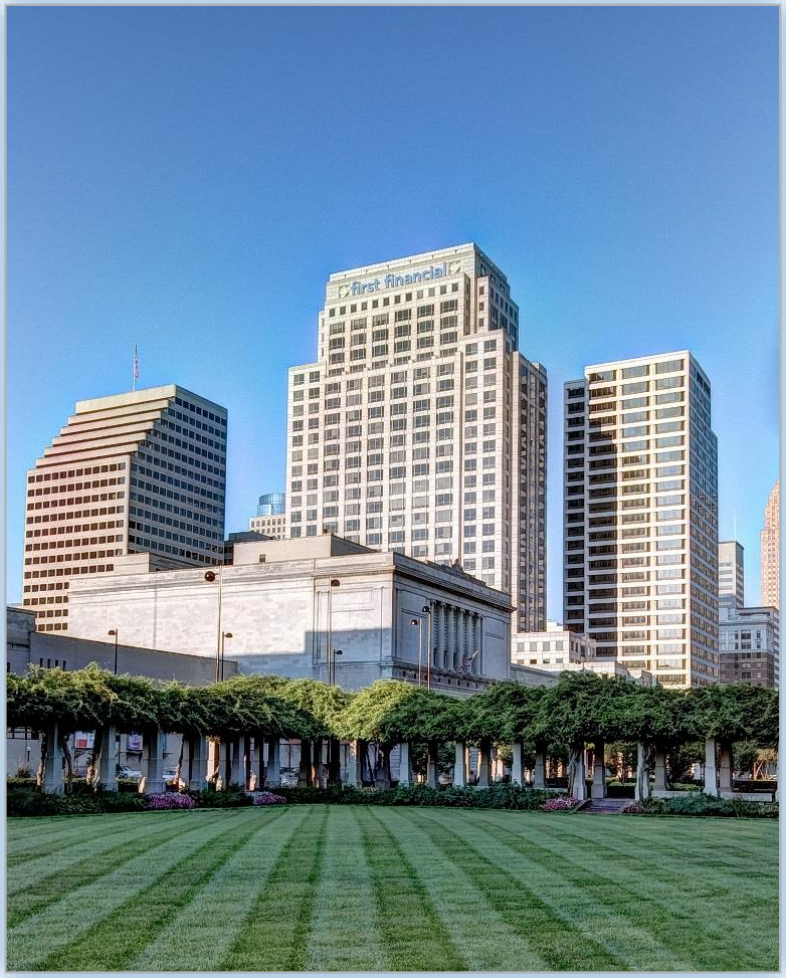
- economic, market, liquidity, credit, interest rate, operational and technological risks associated with the Company’s business;
- future credit quality and performance, including our expectations regarding future loan losses and our allowance for credit losses;
- the effect of and changes in policies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



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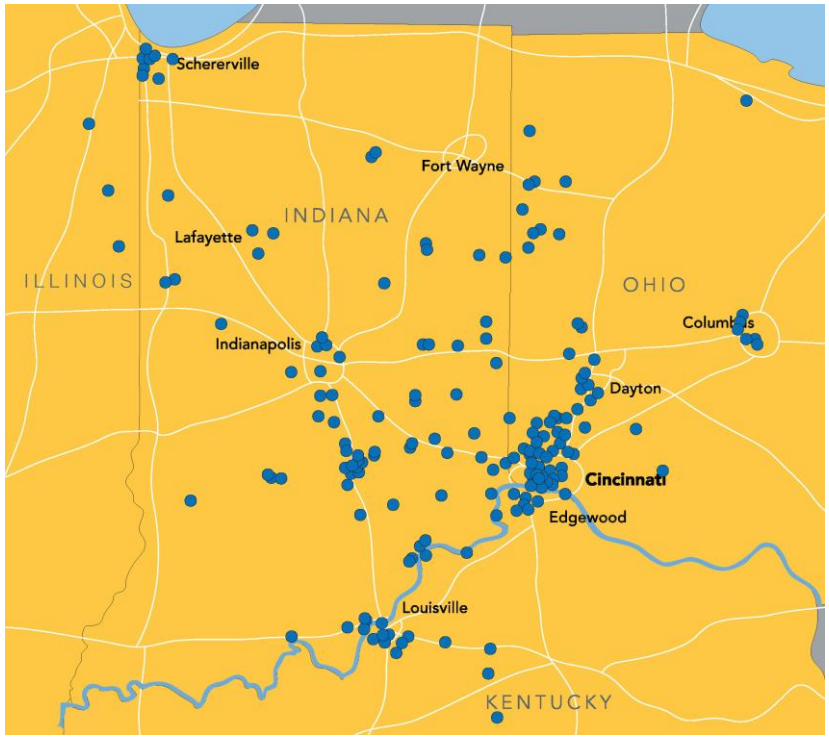
About First Financial Bancorp

Financial Performance

Appendix

Our Franchise



$16.2B
in assets

$9.9B/$12.6B
loans / deposits

$4.7B
wealth management

1.62%
Adj. PTPP ROAA[1]

NASDAQ: **FFBC**

Headquarters: **Cincinnati, Ohio**

Founded: **1863**

Banking Centers: **143**

Employees: **2,063**

Market Cap (03/31/21): **$2.3B**

Dividend Yield (03/31/21): **3.8%**

TCE Ratio: **8.22%**





Lines of Business

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

Retail Banking
Consumer, Small Business

Mortgage Banking

Wealth Management / Affluent 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 – **122 consecutive quarters**

Premier Midwest franchise with top quartile performance

High quality balance sheet & robust capital position (11.81% CET1 / 8.22% TCE)

Prudent risk management & credit culture with strong asset quality

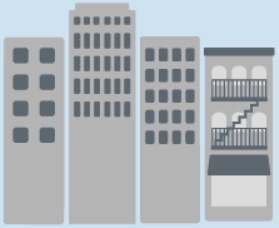
Increased scale to continue investments in technology

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 $3.1B / Deposits $4.9B

- 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 $1.4B / Deposits $4.3B

- 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 $3.6B / Deposits $3.3B

- 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 / Deposits $0.2B

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

Note: Headquarters loan and deposit balances include special assets, loan marks, and other out of market and corporately held balances. Loan balances exclude PPP 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
$3.2B Commitments
$2.1B Balances
$2.1B Business Deposits
$1.8B 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

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	316,431	32,690	
Total Deposit Balance	$5.9B	$1.5B	$0.1B
Total Loan Balance	$0.8B	$0.3B	

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 $257MM
- 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	$2.8B
Brokerage	6,882	$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 & Northern OH	$1.0B
Southern OH	$1.7B
Indiana	$0.7B
Healthcare	$0.3B
Small Exposure	$0.3B

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

The number of Trust & Investments and RPS relationships are updated as of 12/31/20. All other data as of 3/31/21.

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

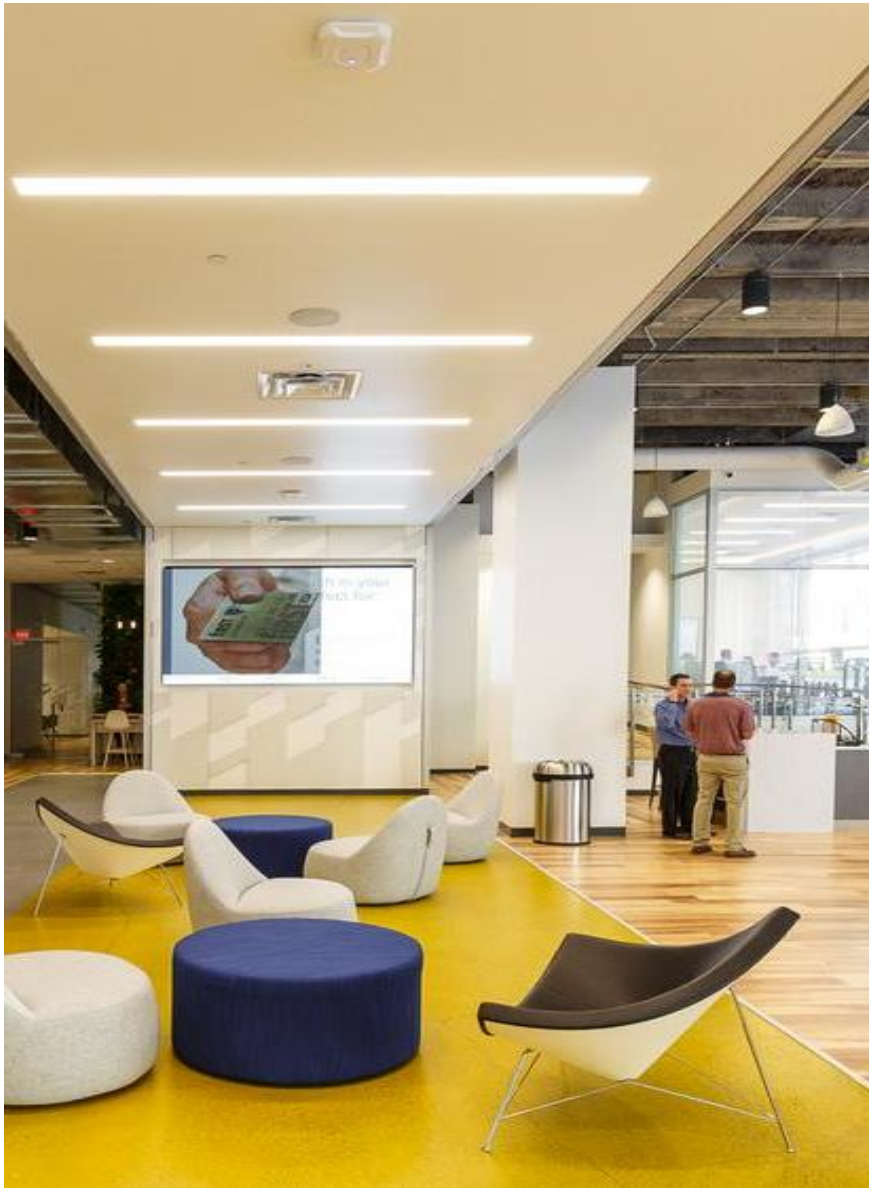
Staffing Model

- 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

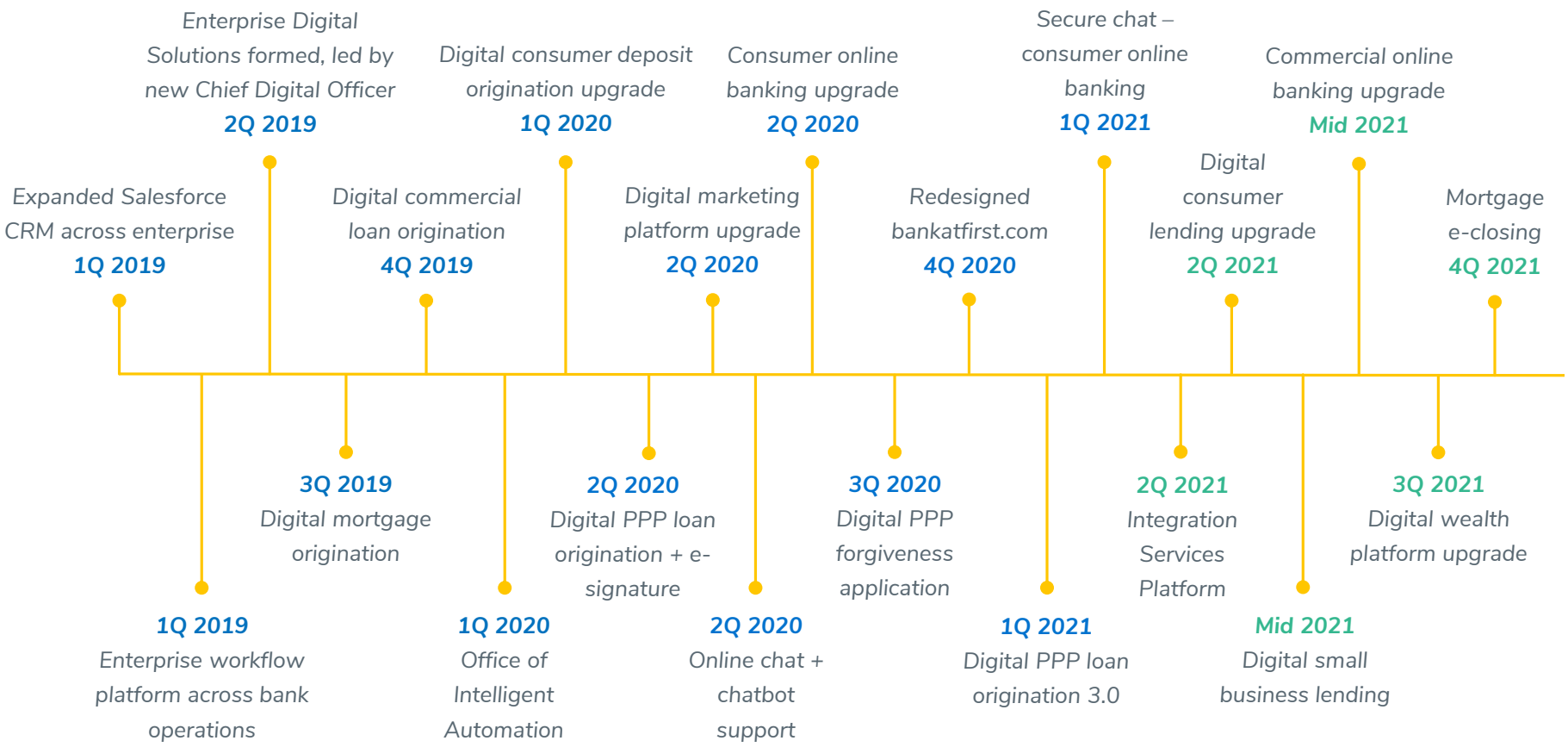
Digital + Technology Investments



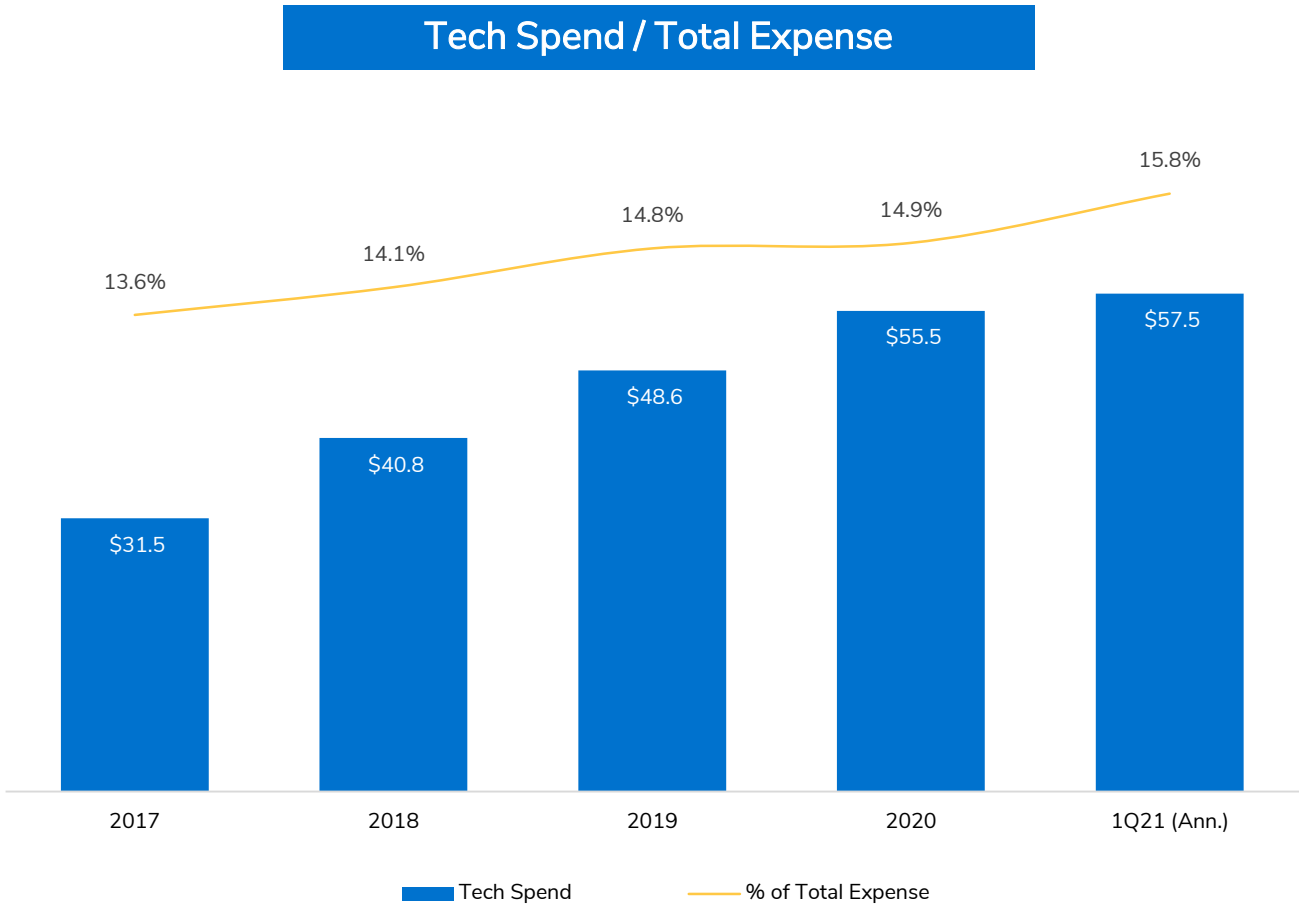
“ enabling **simple, consistent & seamless** customer experience across channels & making it **easy for associates** to provide best-in-class customer service.

Digital + Technology Investments

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

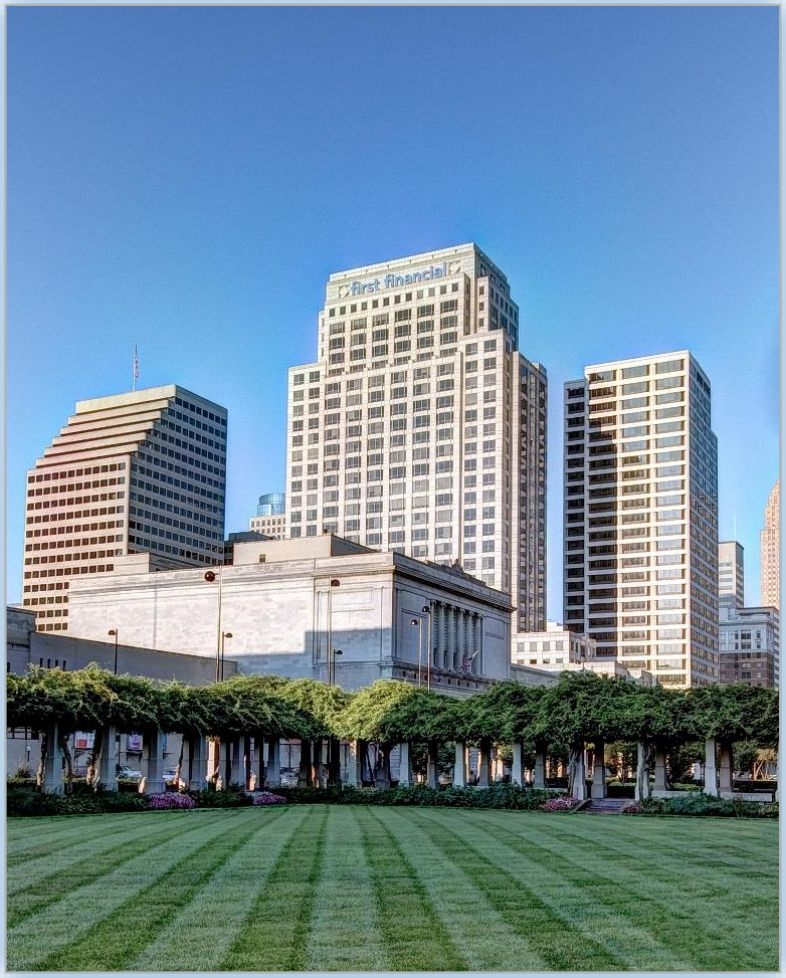


Bank Transformation



All dollars shown in millions

Tech Spend consists of Data Processing, Communications & Equipment Depreciation expenses, plus departmental expenses (primarily salaries & benefits) for the Technology, Digital & Info Security teams.



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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 39 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.

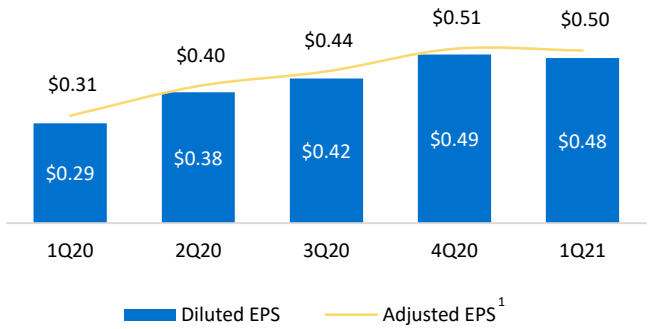
	1Q 2021			4Q 2020		
	As Reported	Adjusted		As Reported	Adjusted	
Net interest income	$ 113,876	$ 113,876		$ 118,473	$ 118,473	
Provision for credit losses-loans and leases	$ 3,450	$ 3,450		$ 13,758	$ 13,758	
Provision for credit losses-unfunded commitments	$ 538	$ 538		$ (2,250)	$ (2,250)	
Noninterest 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.

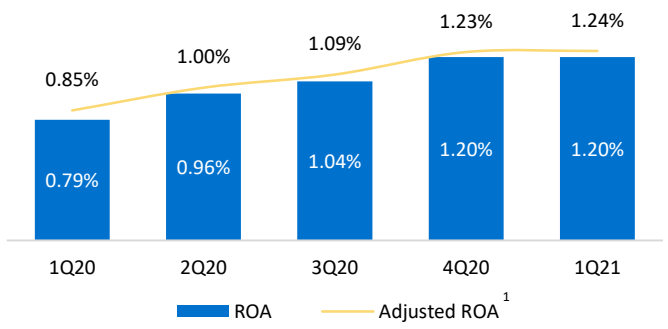
All dollars shown in thousands, except per share amounts

Profitability

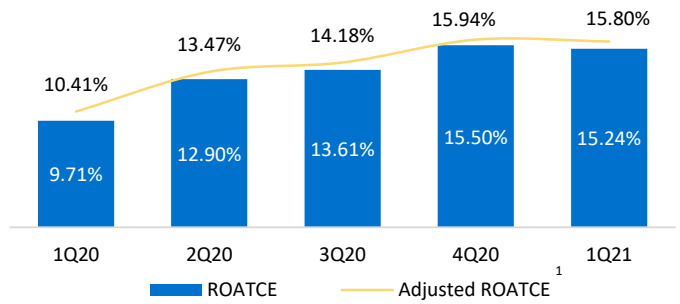
Diluted EPS



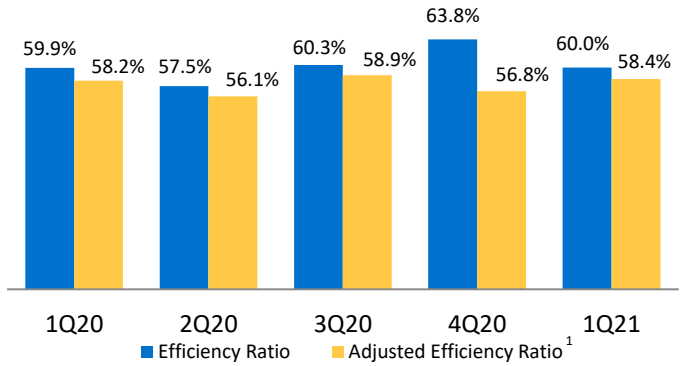
Return on Average Assets



Return on Avg Tangible Common Equity



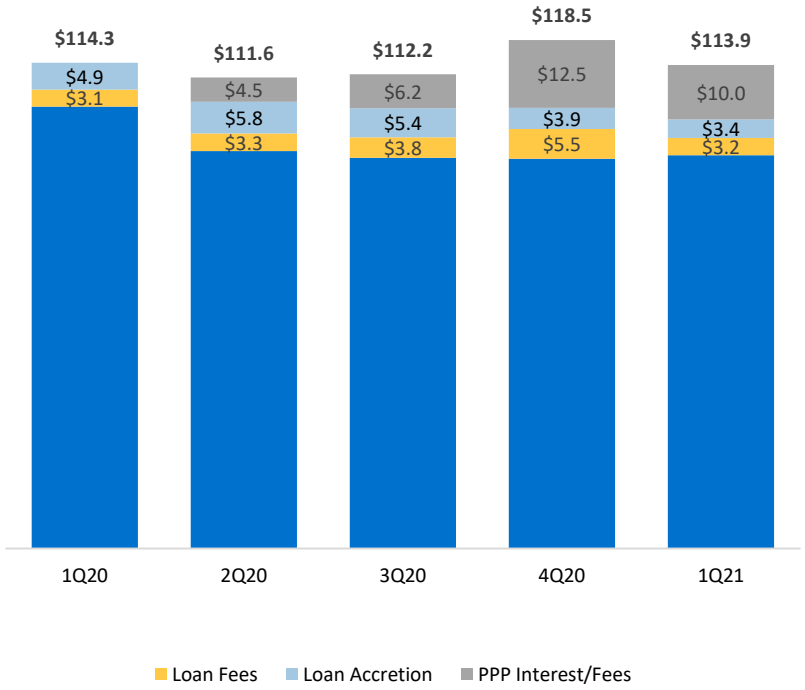
Efficiency Ratio



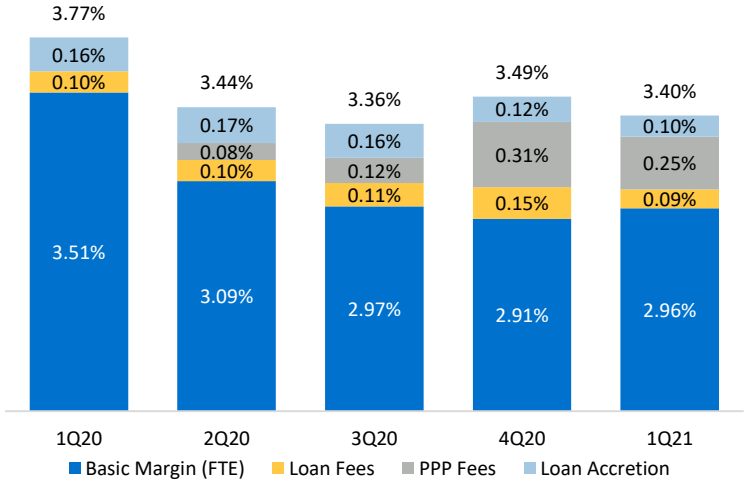
[1] Non-GAAP financial measure which management believes facilitates a better understanding of the Company's financial condition. See Appendix for Non-GAAP reconciliation.

Net Interest Income & Margin

Net Interest Income



Net Interest Margin (FTE)



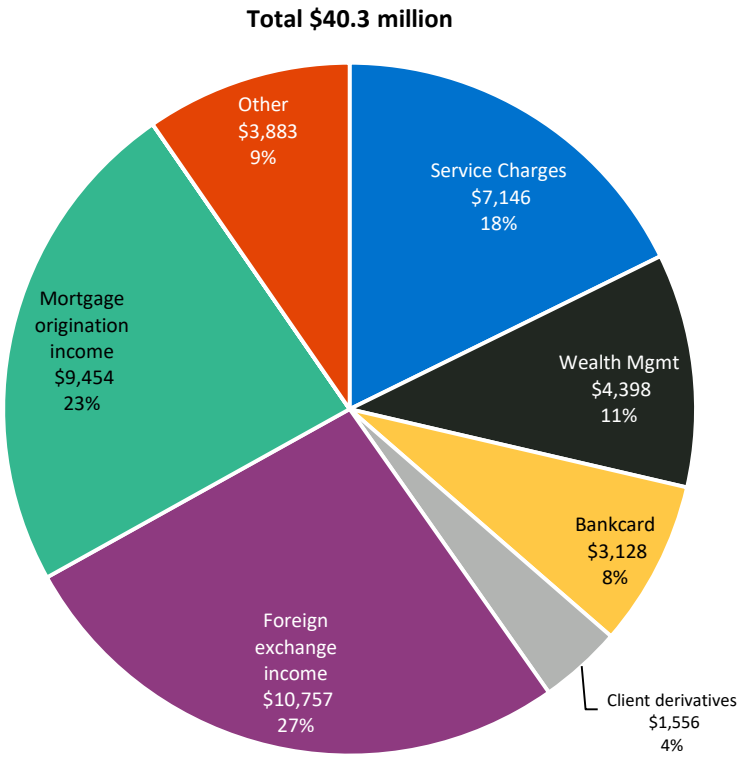
1Q21 NIM (FTE) Progression

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

Diverse and Growing Fee Revenues

Noninterest Income



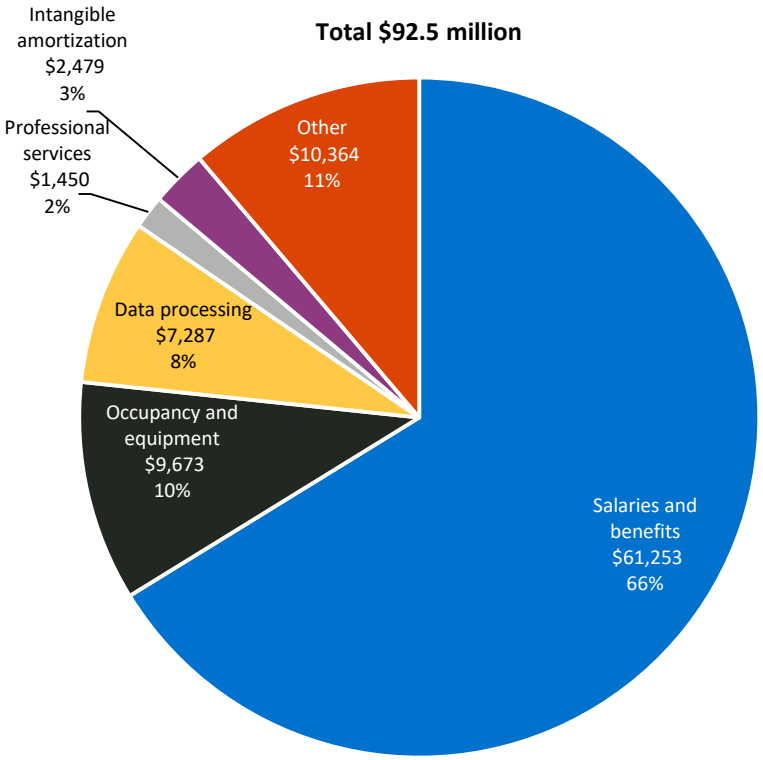
1Q21 Highlights

- 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

Well Managed Expenses

Noninterest Expense



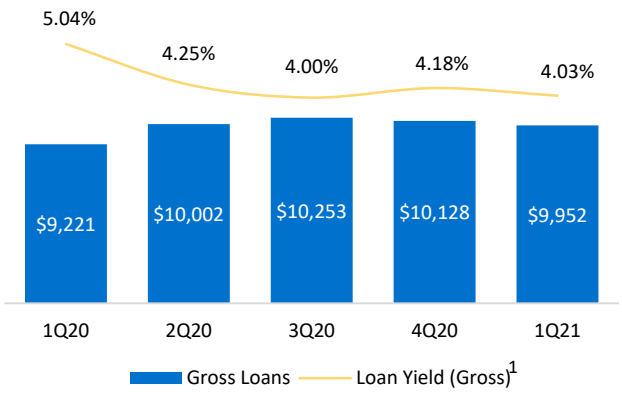
1Q21 Highlights

- 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

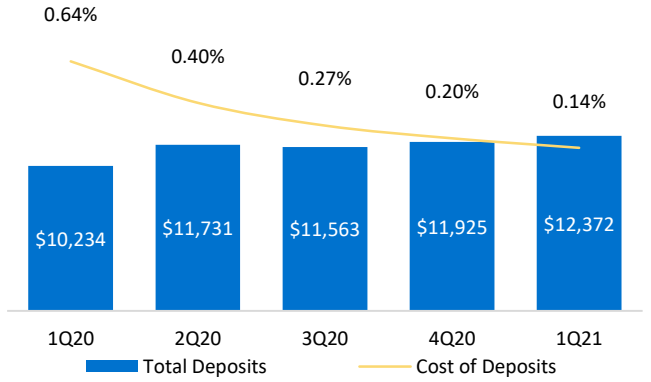
All dollars shown in thousands

Average Balance Sheet

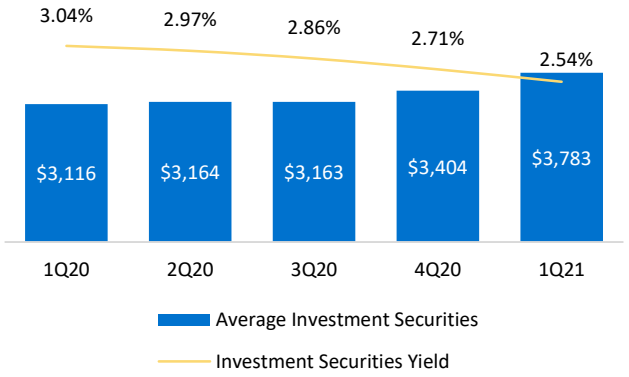
Average Loans



Average Deposits



Average Securities

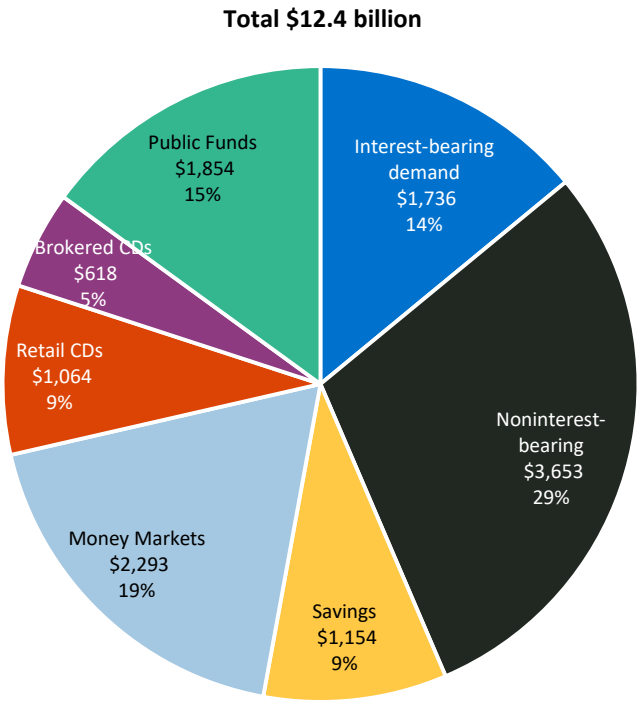


All dollars shown in millions

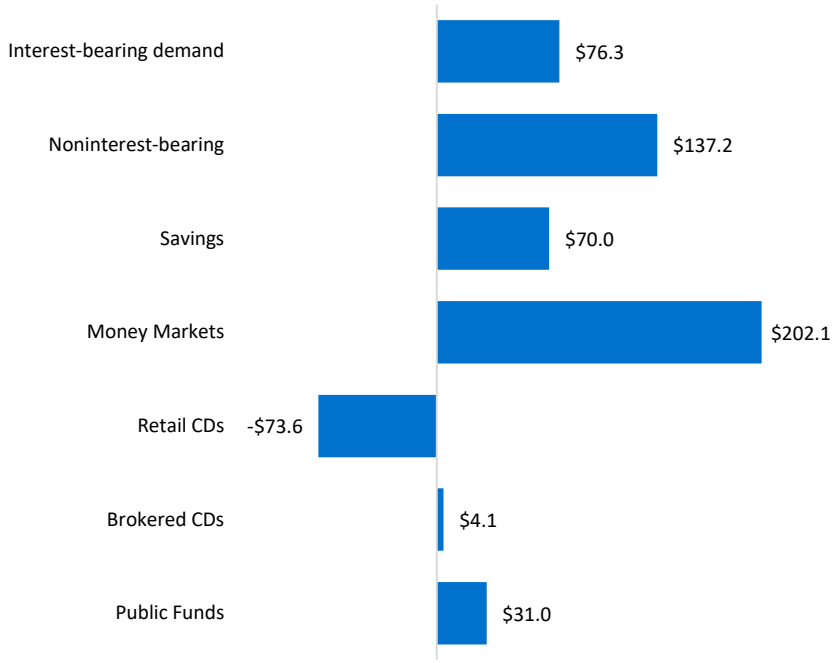
[1] Includes loans fees and loan accretion

Attractive Deposit Portfolio

Deposit Product Mix (Avg)



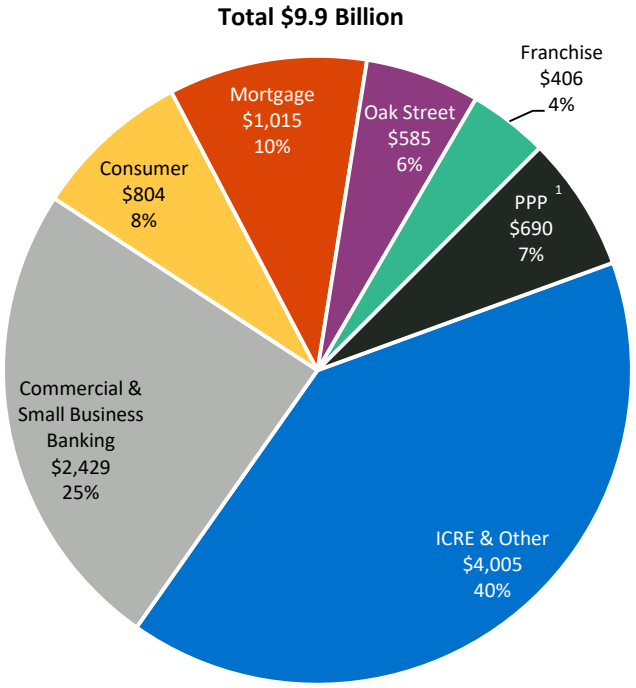
1Q21 Average Deposit Progression



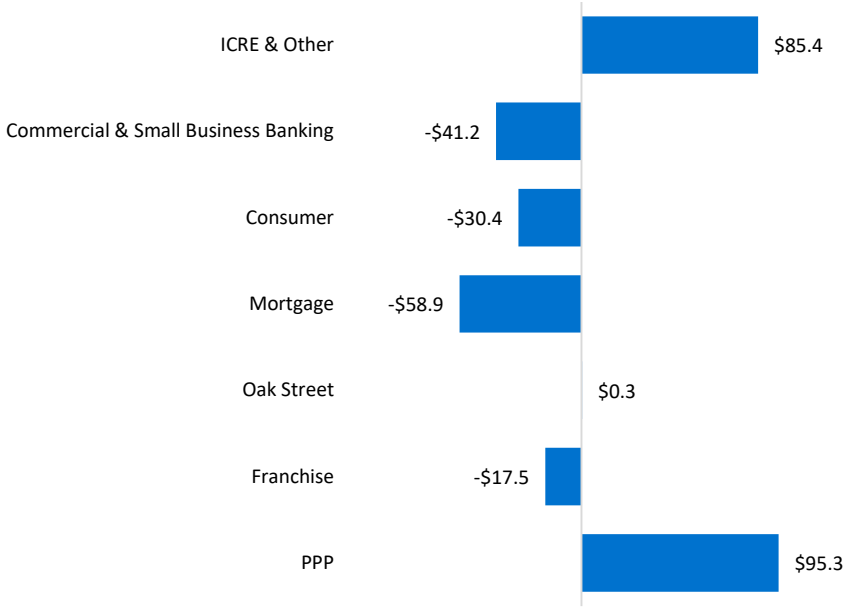
All dollars shown in millions

Loan Portfolio

Loan LOB Mix (EOP)



Net Loan Change-LOB (Linked Quarter)



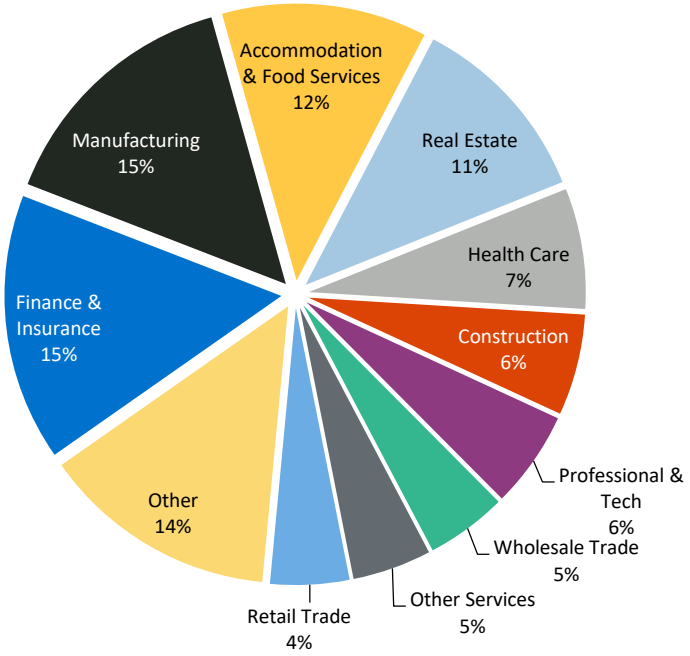
Total growth/(decline):
$33.0 million

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

Loan Concentrations

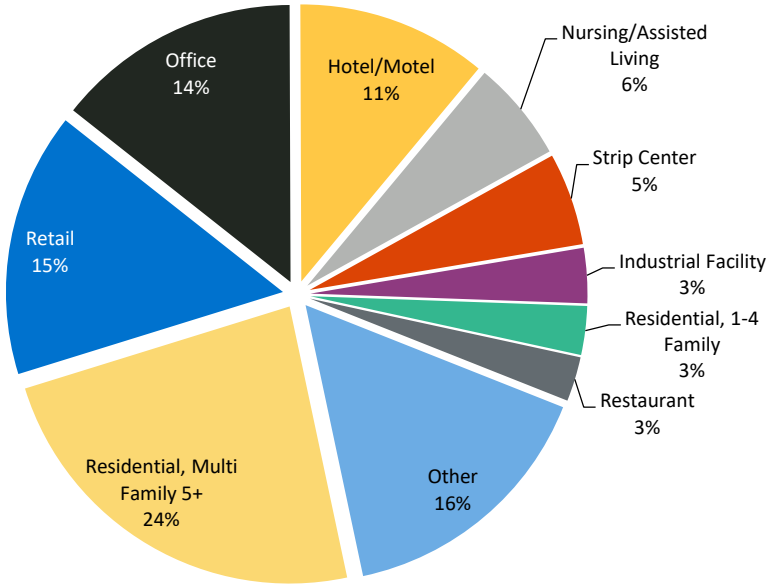
C&I Loans by Industry [1]

C&I Loans: $4.1B



CRE Loans by Collateral [2]

CRE Loans: $4.0B

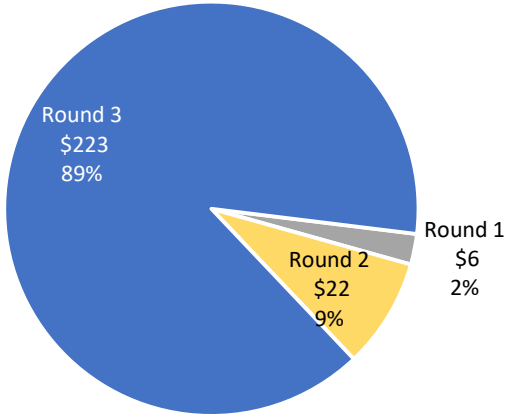


[1] Industry types included in Other representing greater than 1% of total C&I loans include Transportation & Warehousing, Agriculture, Public Administration, Arts & Recreation, Educational Services, and Waste Management. Includes owner-occupied CRE.
[2] Collateral types included in Other representing 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.

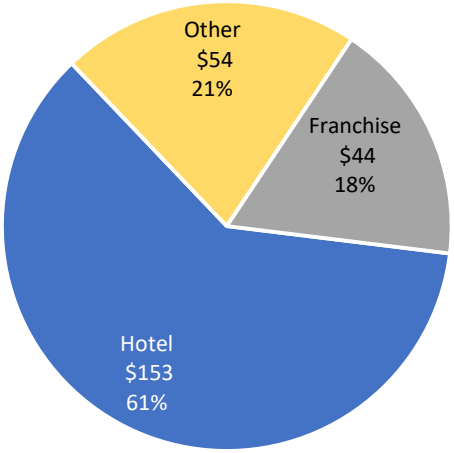
CARES Act Modifications as of 3/31/21

- $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

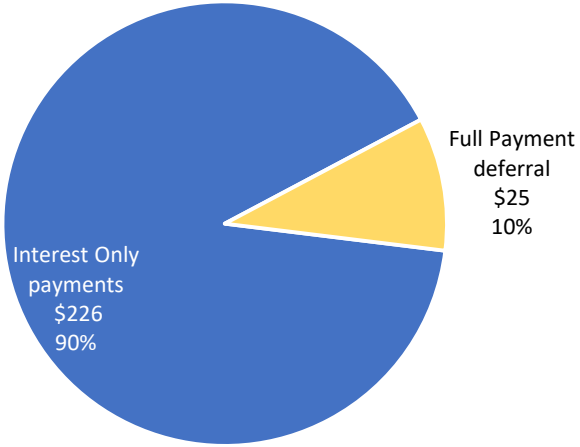
Active deferrals by round



Active modifications by category



Active modifications by payment type

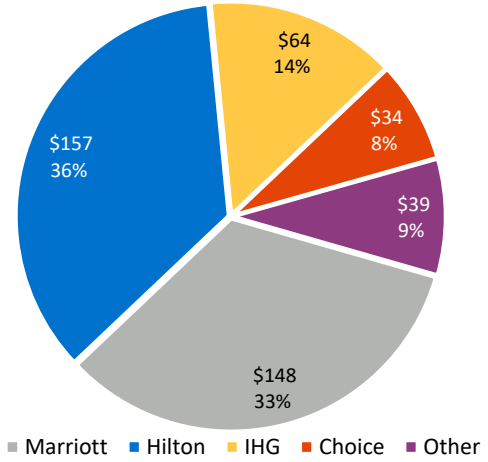


All dollars shown in millions

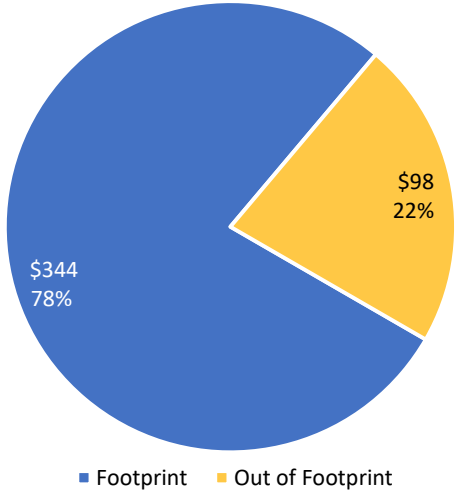
Area of Focus - Hotel Portfolio

- $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

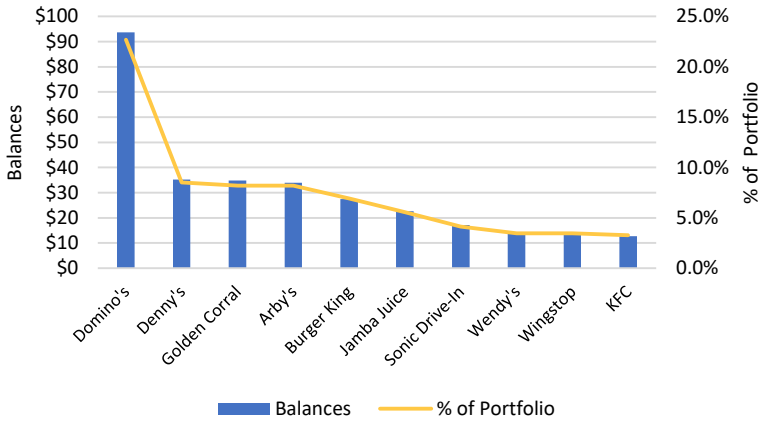


All dollars shown in millions

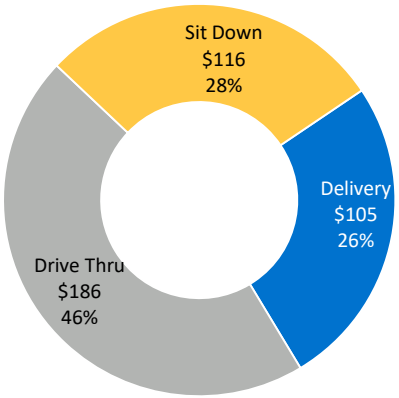
Area of Focus - Franchise Portfolio

- $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

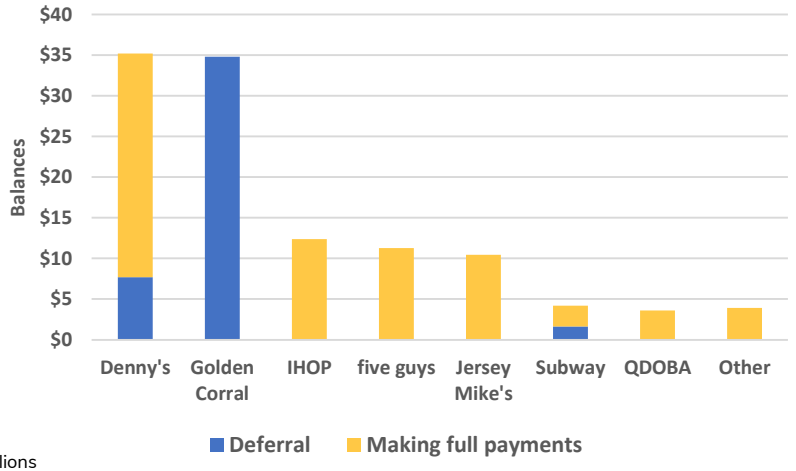
Top 10 Concepts



Restaurant Type



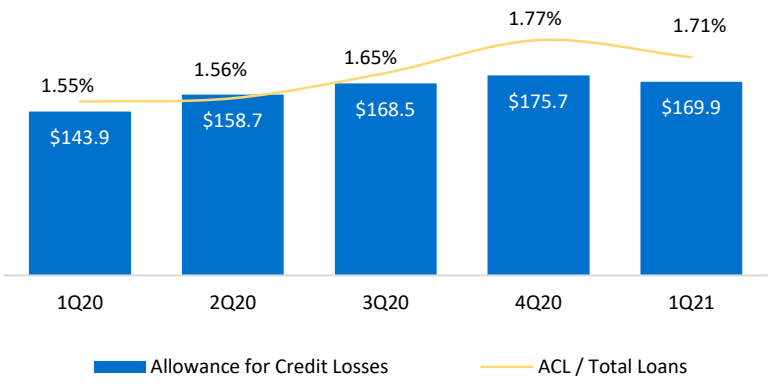
Sit-down Concepts



All dollars shown in millions

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

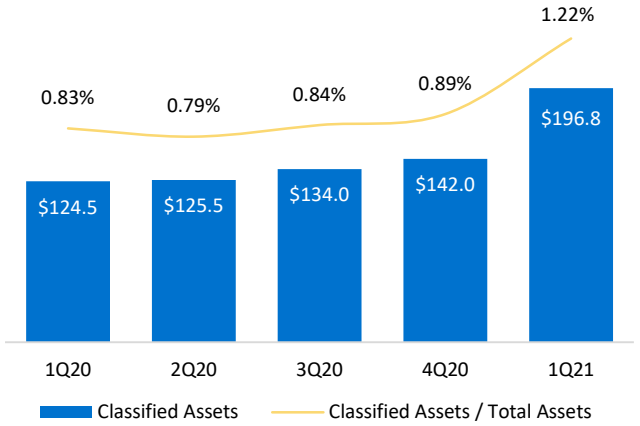
ACL by Loan Type

	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

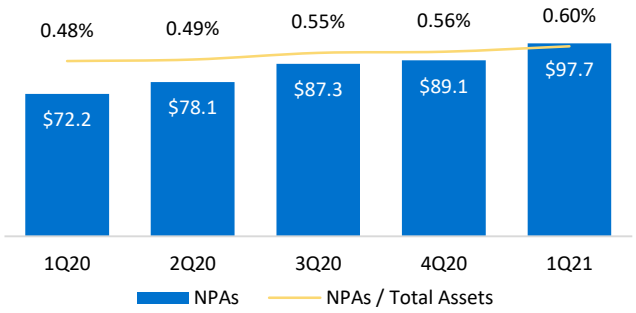
All dollars shown in thousands

Asset Quality

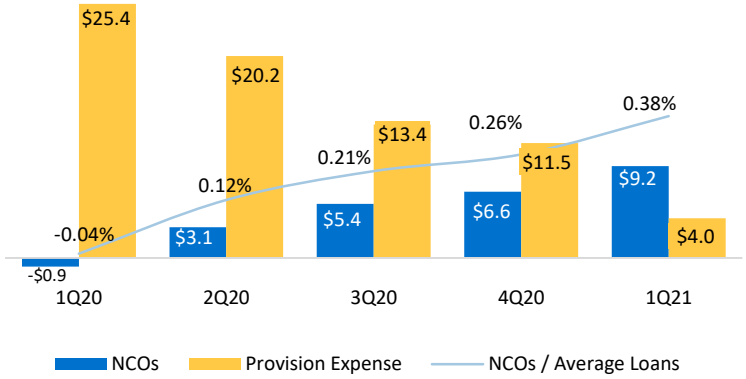
Classified Assets / Total Assets



Nonperforming Assets / Total Assets



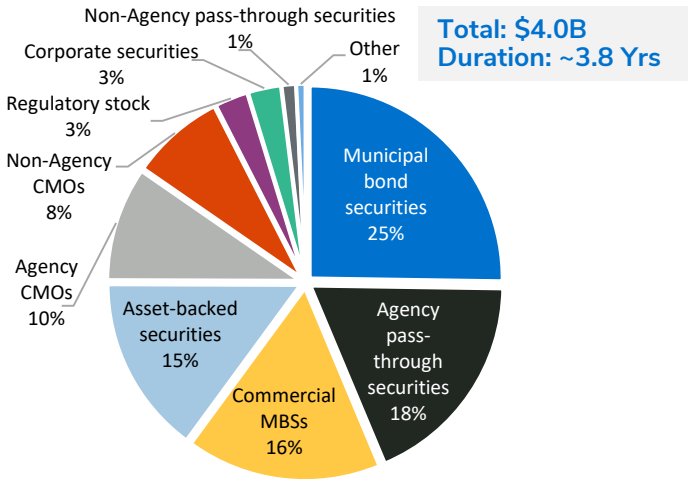
Net Charge Offs & Provision Expense[1]



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

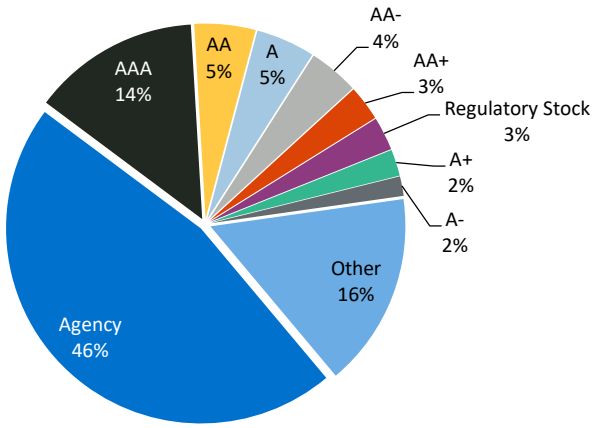
Investment Portfolio and Liquidity

Investment Portfolio Composition



Total: $4.0B
Duration: ~3.8 Yrs

Investment Portfolio Quality

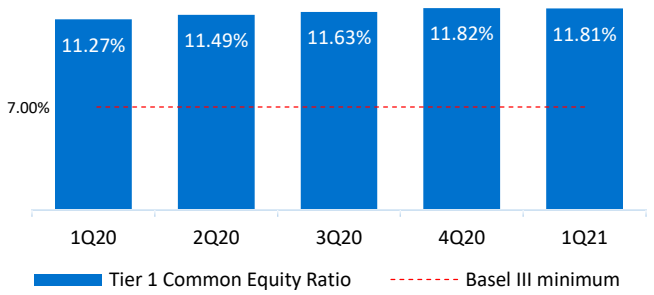


Liquidity Sources

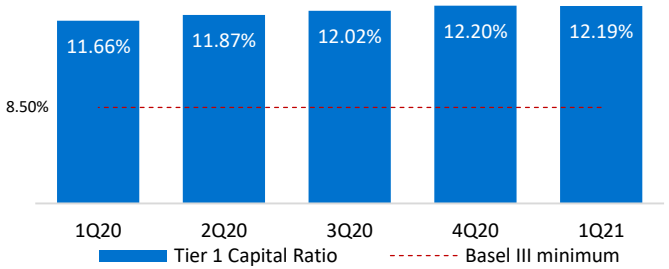
- In addition to deposits, First Financial has approximately $6.9 billion of readily available funding sources to meet customer needs through the following sources:
  - Fed funds
  - FHLB funding
  - Brokered CDs
  - Highly liquid securities
  - Fed discount window
- First Financial has the following sources of liquidity at the holding company:
  - $156.6 million in cash as of March 31, 2021
  - $132.0 million dividend capacity from First Financial Bank without prior regulatory approval

Capital

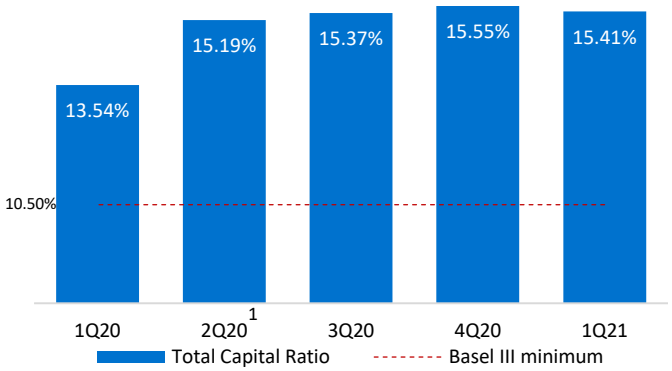
Tier 1 Common Equity Ratio



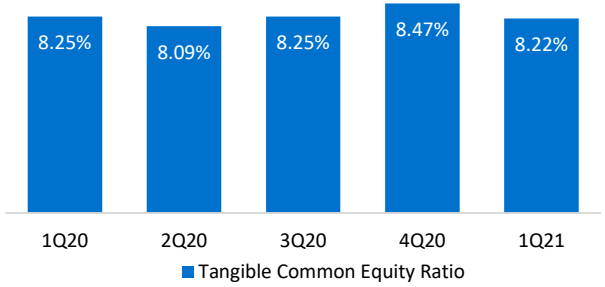
Tier 1 Capital Ratio



Total Capital Ratio



Tangible Common Equity Ratio



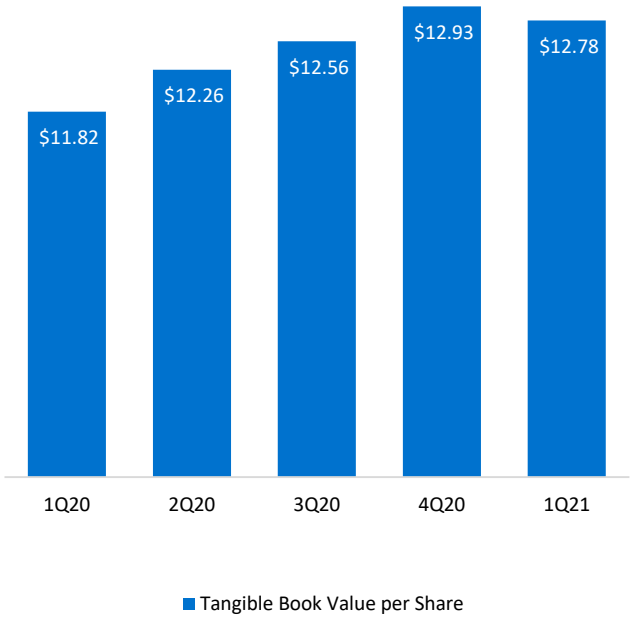
3/31 Risk Weighted Assets = $11,304,012

[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



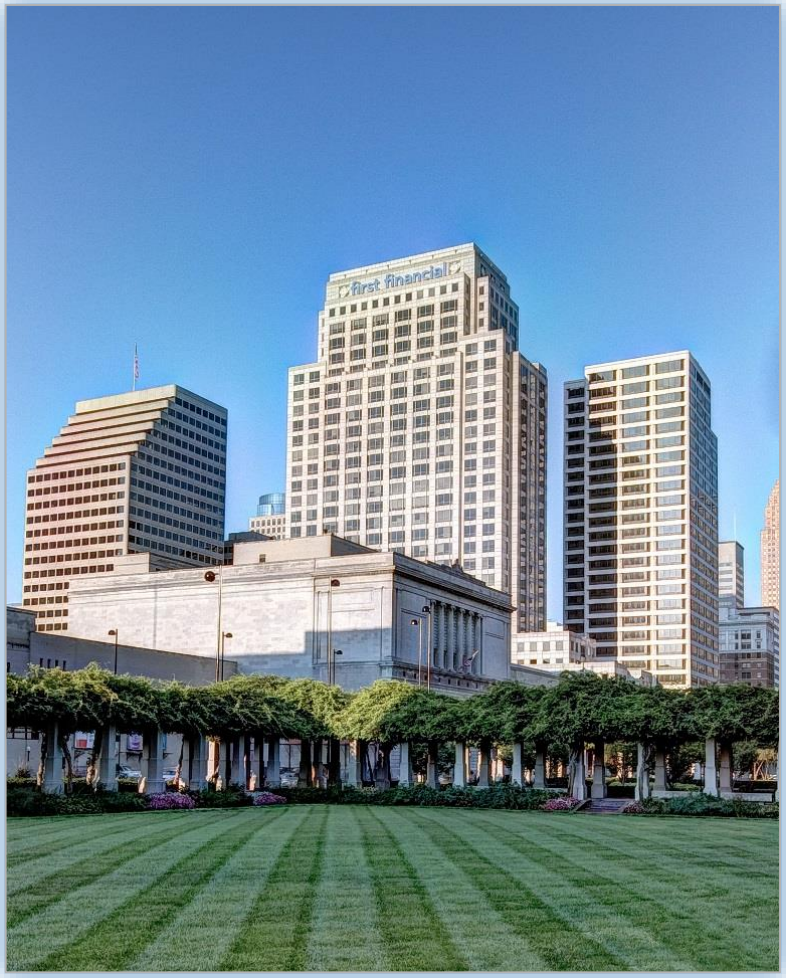
Strategy & Deployment

- 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

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.



Presentation Contents

About First Financial Bancorp

Financial Performance

Appendix

Appendix: Our Markets

Greater Cincinnati/Dayton

Loans	$4.1 billion
Deposits	$5.2 billion
Deposit Market Share	#4 (3.0%)
Banking Centers	51
Fortune 500 Companies	8

Indianapolis

Loans	$1.2 billion
Deposits	$1.9 billion
Deposit Market Share	#14 (1.4%)
Banking Centers	10
Fortune 500 Companies	2

Columbus, OH

Loans	$1.1 billion
Deposits	$0.4 billion
Deposit Market Share	#15 (0.6%)
Banking Centers	6
Fortune 500 Companies	5

Louisville

Loans	$0.5 billion
Deposits	$0.8 billion
Deposit Market Share	#13 (1.5%)
Banking Centers	11
Fortune 500 Companies	3

Community Markets

Loans	$1.4 billion
Deposits	$4.3 billion
Banking Centers	65

National

Loans	$1.1 billion
Deposits	$0.2 billion

All numbers as of 03/31/2021 except deposit market share which is as of 6/30/2020.
Greater Cincinnati/Dayton and deposit balances include special assets, loan marks, and other out of market and corporately held balances. Loan balances exclude PPP 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

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		4Q20		3Q20		2Q20		1Q20	
	As Reported	Adjusted	As Reported	Adjusted	As Reported	Adjusted	As Reported	Adjusted	As Reported	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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