investor presentation

- First Quarter 2022

EQUAL OPPORTUNITY LENDER EQUAL HOUSING LENDER FDIC

first financial bancorp

forward looking statements 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 changes in housing prices, fluctuations in 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 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;

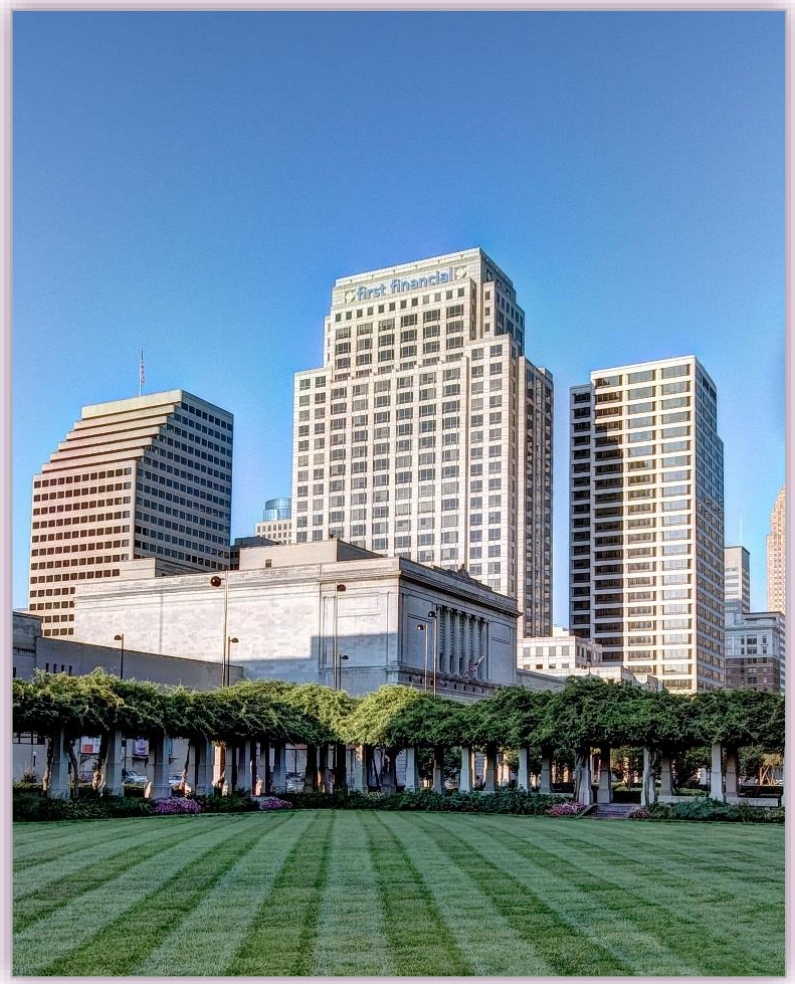
forward looking statements disclosure

- 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, 2021, as well as our other filings with the SEC, which are available on the SEC website at www.sec.gov.

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

presentation contents

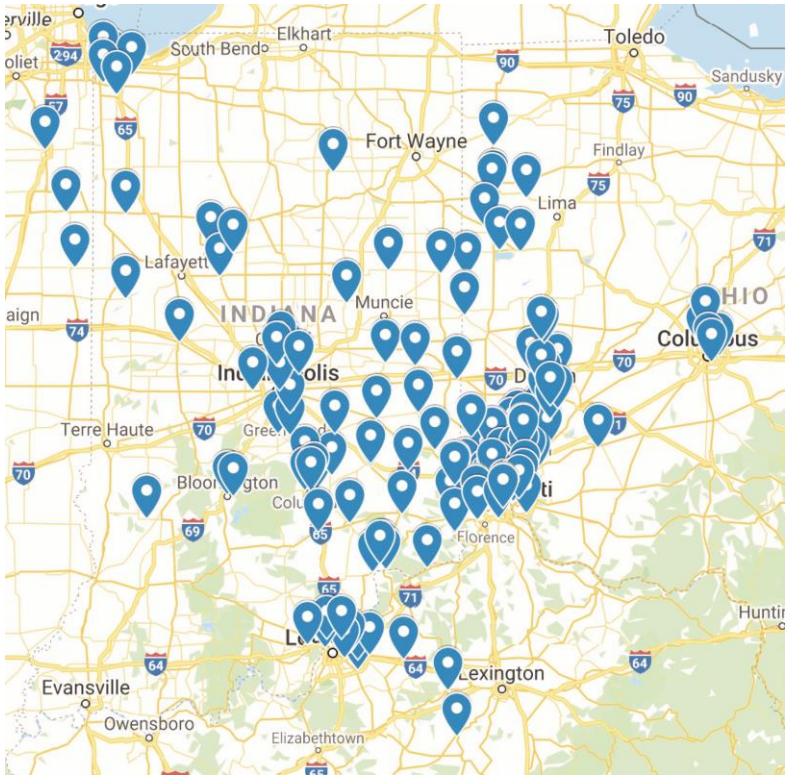


About First Financial Bancorp

Financial Performance

Appendix

our footprint







$16.0B
in assets

$9.2B/$12.8B
loans / deposits

$4.9B
wealth management

1.20%
Adj. PTPP ROAA[1]

NASDAQ: **FFBC**

Headquarters: **Cincinnati, Ohio**

Founded: **1863**

Banking Centers: **135**

Employees: **2,050**

Market Cap (03/31/22): **$2.2B**

Dividend Yield (03/31/22): **4.0%**

TCE Ratio: **6.95%**

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
Oak Street Funding / Franchise
Summit Funding Group

first financial bancorp

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

EQUAL OPPORTUNITY LENDER EQUAL HOUSING LENDER FDIC

key investment highlights

Proven & sustainable business model spanning 150+ years

- Well managed through past credit cycles
- Conservative operating philosophy
- Consistent profitability – 126 consecutive quarters

Premier Midwest franchise with top quartile performance

High quality balance sheet & robust capital position (10.87% CET1 / 6.95% TCE)

Prudent risk management & credit culture with strong asset quality

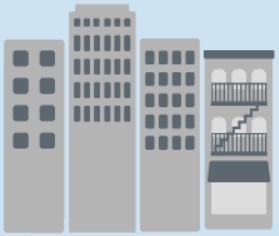
Increased scale to continue investments in technology

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 $2.7B / Deposits $3.4B

- 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 $1.5B / Deposits $5.2B

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

HEADQUARTERS



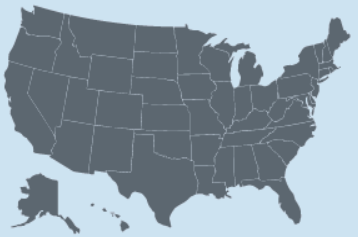
Greater Cincinnati
Northern KY

4th in market share
All business lines represented

Loans $3.9B / Deposits $4.0B

- 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 $1.2B / Deposits $0.2B

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

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

Relationships	3,852
Commitments	$3.6B
Balances	$2.4B
Business Deposits	$2.0B
Pub Fund Deposits	$2.0B

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	311,736	33,145	
Total Deposit Balance	$6.2B	$1.6B	$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 $174MM
- Avg loan size $246K

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	3,050	$3.0B
Brokerage	6,355	$1.6B
RPS	89	$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	$0.9B
Southern OH	$1.5B
Indiana	$0.5B
Healthcare	$0.3B
Small Exposure	$0.2B
Affordable	$0.1B

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	$0.3B
OSF	$0.6B

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

Business Line Goals
- Portfolio Growth
- Revenue Growth

revenue growth strategies

LOB | Go-to-Market

Product & Pricing

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

Talent Expansion

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

Client Experience

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

Distribution

Defined Models

- Community
- Metro
- Headquarters
- National
- Digital

Capacity Plans

- Increased physical distribution network
- Closed 62 locations in last 4 years
- Aligned sales teams to distribution models

Expanded Capabilities

- Acquired Bannockburn enabling us to provide foreign exchange services
- Rollout of "in-house" derivatives desk capabilities
- Investment in Wealth Mgmt.:
  - Business succession
  - Fixed income strategies
  - Alternative investments
  - Improved digital platform
- Acquired Summit providing significant improvement to lease product offering

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

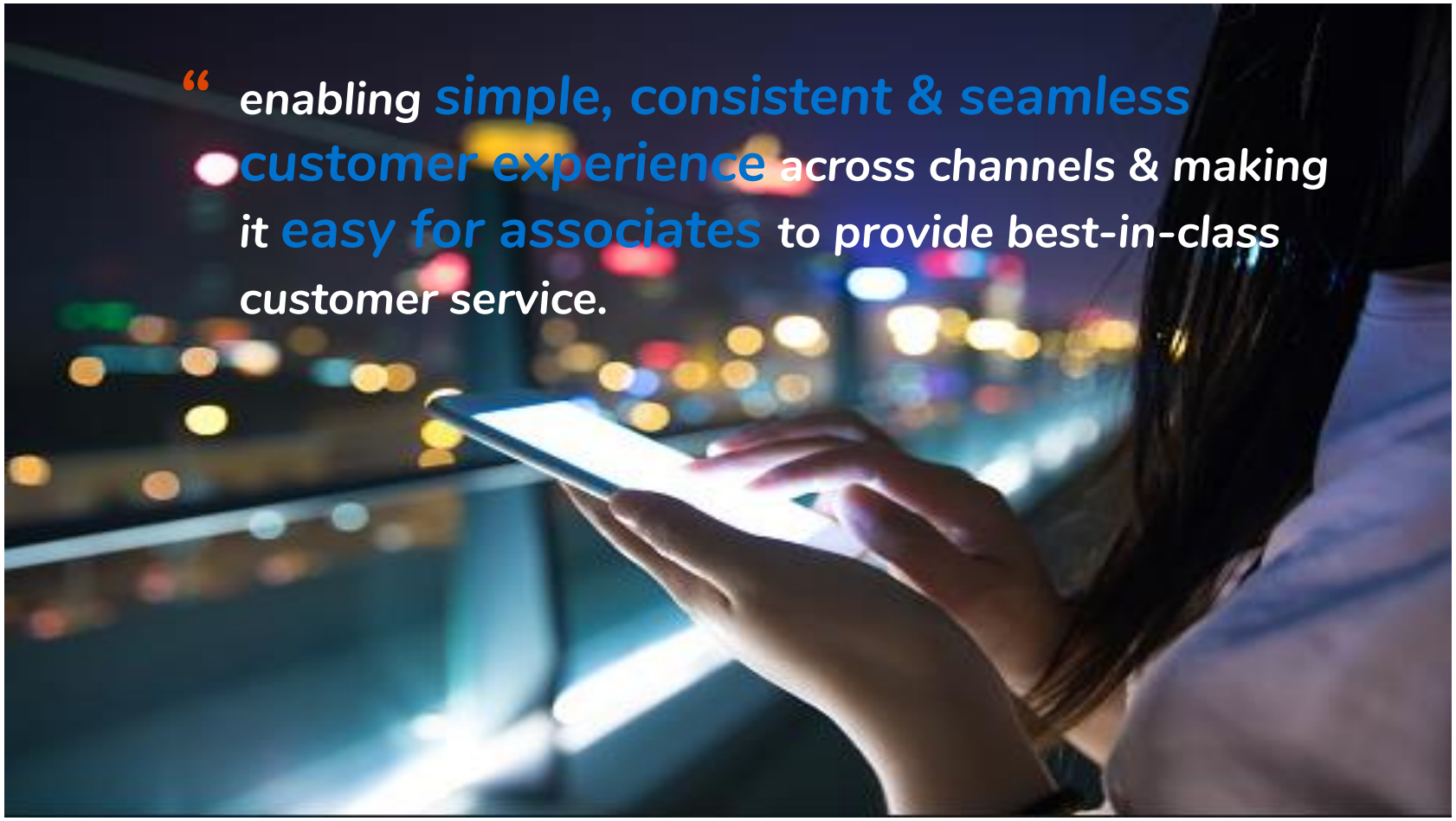
Staffing Model

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

Culture

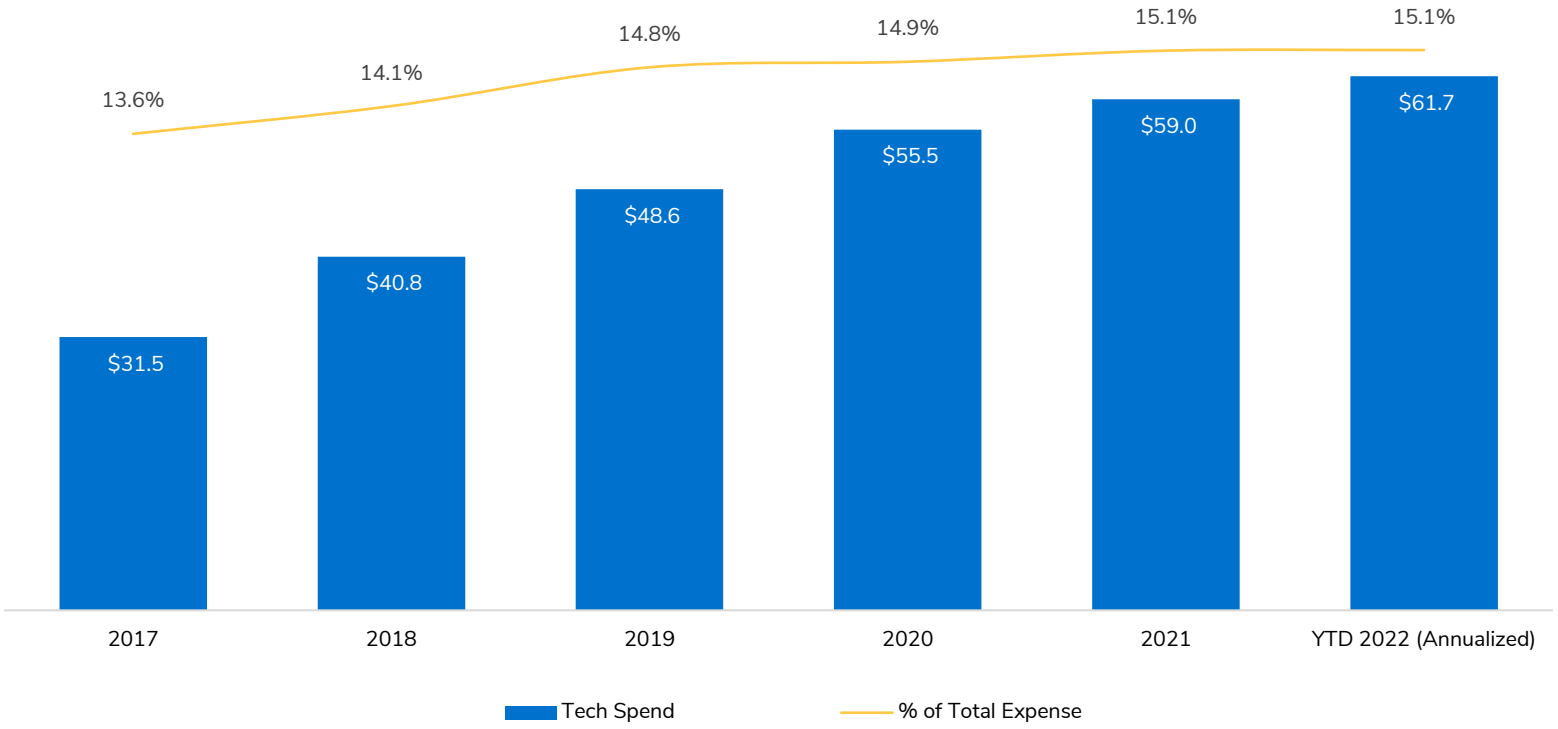
- Diversity and inclusion is a strategic priority
- Refreshed Corporate Strategic Intent
- Attraction/recruitment engagement and retention programs

digital + technology investments



bank transformation

Tech Spend / Total Expense



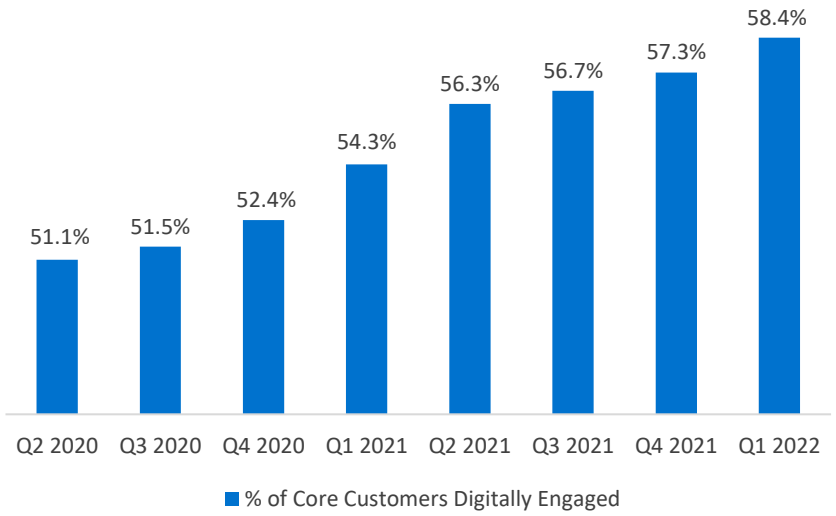
All dollars shown in millions

Tech Spend consists of data processing, communications, software / equipment depreciation & departmental expenses (primarily salaries & benefits) for the Technology, Digital & Info Security teams.

digital + technology highlights

- **engagement**
  - digital engagement across core customers increased 7.7% vs. Q1 2021
  - consumer online banking logins increased 9.9% vs. Q1 2021
- **self service**
  - consumer remote deposit volume increased 4.4% vs. Q1 2021
  - consumer online banking transaction volume increased 9.6% vs. Q1 2021
- **customer satisfaction**
  - Q1 2022 consumer mobile app rating: 4.46 [1]

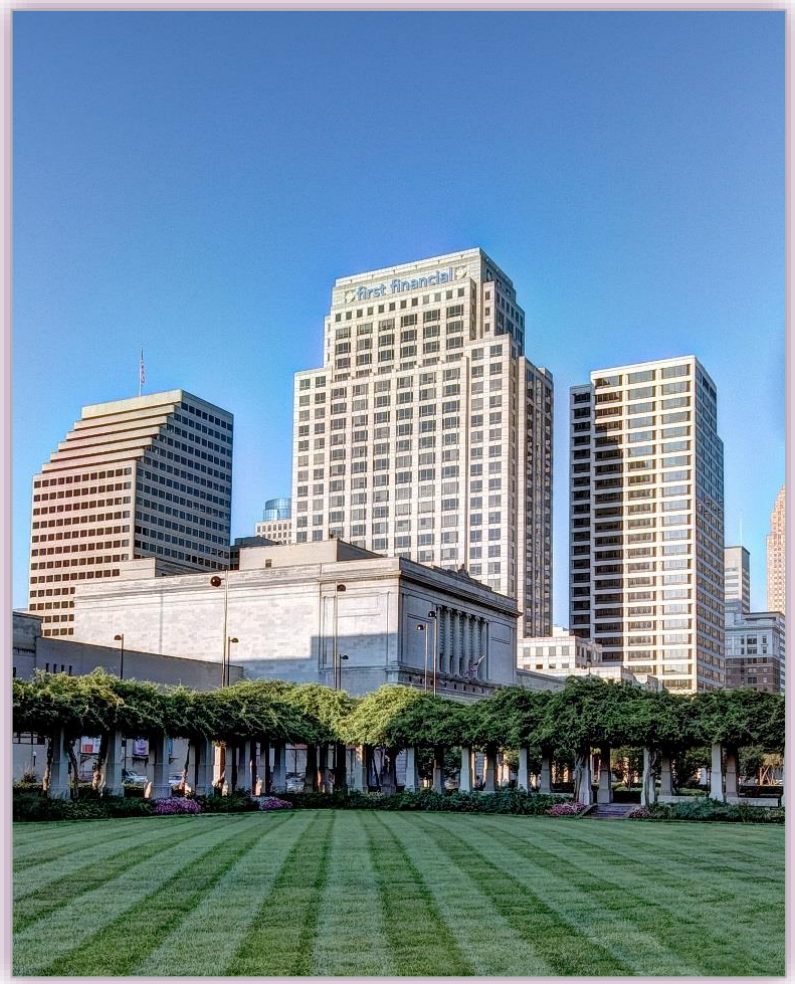
Digital Engagement[2]



1 – Composite rating
2 – Represents core customers active in online / mobile banking over the past 30 days of the quarter.

EQUAL OPPORTUNITY LENDER EQUAL HOUSING LENDER FDIC

presentation contents



About First Financial Bancorp

Financial Performance

Appendix

1Q 2022 results

126th Consecutive Quarter of Profitability

Profitability

- Net income - $41.3 million or $0.44 per diluted share. Adjusted[1] net income - $43.6 million or $0.46 per diluted share
- Return on average assets - 1.03%. Adjusted[1] return on average assets - 1.09%
- Return on average shareholders' equity – 7.53%. Adjusted[1] return on average shareholders' equity – 7.94%
- Return on average tangible common equity - 14.93%[1]. Adjusted[1] return on average tangible common equity – 15.75%

Income Statement

- Net interest income - $106.3 million
- Net interest margin of 3.12% on a GAAP basis; 3.17% on a fully tax equivalent basis[1]
- Noninterest income - $41.3 million; $41.5 million as adjusted[1]
- Noninterest expense - $102.8 million; $100.0 million as adjusted[1]
- Efficiency ratio – 69.6%. Adjusted[1] efficiency ratio – 67.7%
- Effective tax rate of 18.5%. Adjusted[1] effective tax rate of 18.8%

Balance Sheet

- EOP assets decreased $320.0 million compared to the linked quarter to $16.0 billion
- EOP loans decreased $46.7 million compared to the linked quarter to $9.2 billion
- Average deposits decreased $101.3 million compared to the linked quarter to $12.8 billion
- EOP investment securities decreased $244.2 million compared to the linked quarter

Asset Quality

- Provision recapture - $5.8 million
- Net charge-offs - $2.3 million. NCOs / Avg. Loans - 0.10% annualized
- Classified Assets / Total Assets - 0.67%
- ACL / Total loans - 1.34%

Capital

- Total capital ratio – 13.97%
- Tier 1 common equity ratio - 10.87%
- Tangible common equity ratio – 6.95%
- Tangible book value per share - $10.97
- Repurchased no 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.

1Q 2022 highlights

- Quarterly earnings driven by net interest margin, lower credit costs and diligent expense management
  - Adjusted[1] earnings per share - $0.46
  - Adjusted[1] return on assets - 1.09%
  - Adjusted[1] pre-tax, pre-provision return on assets - 1.20%
  - Adjusted[1] return on average tangible common equity – 15.75%

- End of period loan balances declined primarily due to PPP payoffs/forgiveness;
  - EOP loan balances decreased $46.7 million compared to the linked quarter; PPP loan balances decreased $34.4 million

- Average deposit balances decreased $101.3 million, driven by $167.0 million decline in brokered CD's
  - Average transactional deposit balances grew $96.3 million compared to the linked quarter
  - Average noninterest bearing deposits were 32.5% of total deposits

- Net interest margin (FTE) slightly higher than anticipated
  - 6 bp decrease from fourth quarter driven by decline in PPP forgiveness and other loan fees
  - 12 basis point increase in basic net interest margin

- Adjusted[1] noninterest income of $41.5 million
  - Mortgage banking revenue of $3.9 million, a decrease of $2.6 million, or 40.4%, compared to linked quarter due to rising rates
  - Foreign exchange income of $10.2 million, a decrease of $2.7 million, or 20.7%, from record linked quarter
  - Wealth management fees of $6.1 million remained strong; relatively unchanged compared to the linked quarter
  - Other noninterest income of $3.5 million, a decrease of $2.0 million, or 36.6%, compared to the linked quarter
  - Leasing business revenue of $6.1 million 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 reconciliations.
[2]The fair value measurements of assets acquired and liabilities assumed in the Summit acquisition are subject to refinement for up to one year after the closing date of the acquisition as additional information relative to closing date fair values becomes available.

1Q 2022 highlights

- Noninterest expenses in line with expectations
  - Adjusted[1] noninterest expense of $100.0 million; Adjusted[1] for $0.3 million in Summit acquisition costs and $2.5 million of other costs such as branch consolidation and severance expenses
  - $8.6 million of Summit expenses during the quarter, including intangible amortization
  - Higher healthcare costs and elevated payroll taxes during quarter offset impact of lower incentive compensation
  - Efficiency ratio of 69.6%; 67.7% as adjusted[1]

- Allowance for credit loss (ACL) and provision expense declined compared to linked quarter
  - Loans and leases - ACL of $124.1 million; 1.34% of total loans; $5.6 million provision recapture
  - Unfunded Commitments - ACL of $13.2 million; $0.2 million provision recapture
  - Provision recapture driven by stable credit quality
  - Classified assets flat during the quarter
  - Nonperforming assets declined $6.5 million, or 10.9% from linked quarter

- Regulatory capital ratios in excess of internal targets
  - Total capital ratio of 13.97%
  - Tier 1 common equity of 10.87%; 3 basis point increase from linked quarter
  - Tangible book value decreased by $1.29 to $10.97 due to decline in AOCI
  - Tangible common equity of 6.95%; 32 bp increase from linked quarter excluding $142.0 million decline in AOCI
  - No 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.

[2]The fair value measurements of assets acquired and liabilities assumed in the Summit acquisition are subject to refinement for up to one year after the closing date of the acquisition as additional information relative to closing date fair values becomes available.

adjusted net income[1]

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

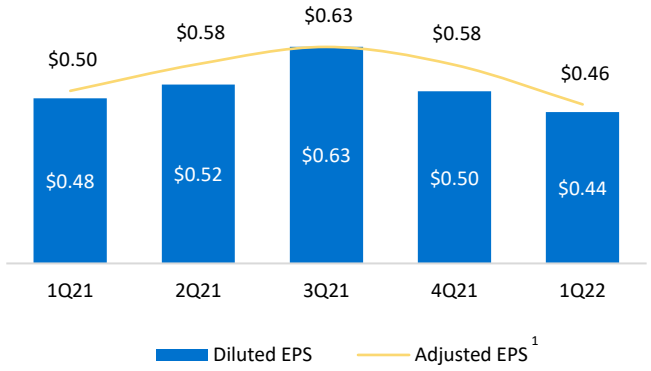
	1Q 2022			4Q 2021		
	As Reported	Adjusted [1]		As Reported	Adjusted [1]	
Net interest income	$ 106,346	$ 106,346		$ 110,806	$ 110,806	
Provision for credit losses-loans and leases	$ (5,589)	$ (5,589)		$ (9,525)	$ (9,525)	
Provision for credit losses-unfunded commitments	$ (226)	$ (226)		$ 1,799	$ 1,799	
Noninterest income	$ 41,293	$ 41,293		$ 45,660	$ 45,660	
less: gains (losses) on investment securities	-	(196)	A	-	306	A
Total noninterest income	$ 41,293	$ 41,489		$ 45,660	$ 45,354	
Noninterest expense	$ 102,805	$ 102,805		$ 109,605	$ 109,605	
less: tax credit investment	-	104	A	-	6,120	A
less: legal settlement	-	-	A	-	3,456	A
less: Summit acquistion costs	-	323	A	-	4,095	A
less: other	-	2,354	A	-	1,870	A
Total noninterest expense	$ 102,805	$ 100,024		$ 109,605	$ 94,064	
Income before income taxes	$ 50,649	$ 53,626		$ 54,587	$ 69,822	
Income tax expense	$ 9,348	$ 9,348		$ 7,642	$ 7,642	
plus: after-tax impact of tax credit investment @ 21%	-	83		-	4,835	
plus: tax effect of adjustments (A) @ 21% statutory rate	-	625		-	3,199	
Total income tax expense	$ 9,348	$ 10,056		$ 7,642	$ 15,676	
Net income	$ 41,301	$ 43,570		$ 46,945	$ 54,146	
Net earnings per share - diluted	$ 0.44	$ 0.46		$ 0.50	$ 0.58	
Pre-tax, pre-provision return on average assets	1.12%	1.20%		1.16%	1.54%	

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

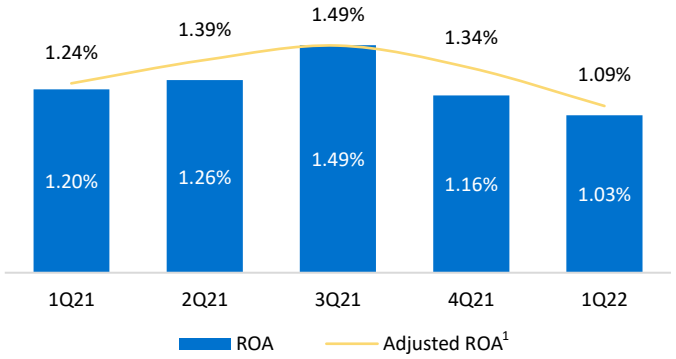
All dollars shown in thousands, except per share amounts

profitability

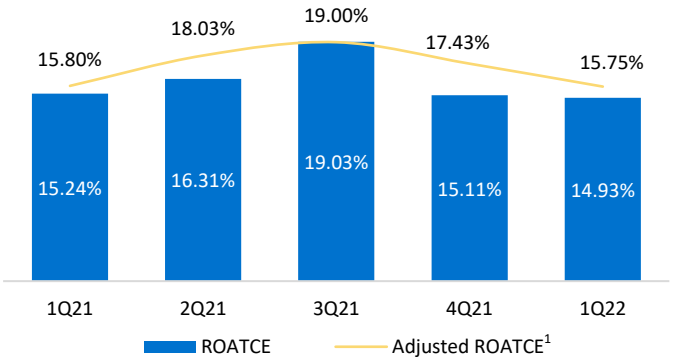
Diluted EPS



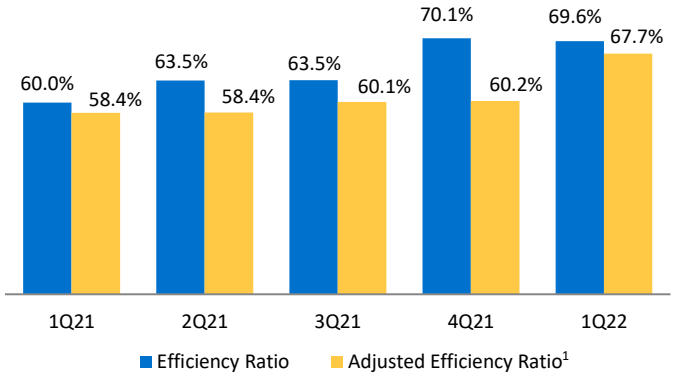
Return on Average Assets



Return on Avg Tangible Common Equity



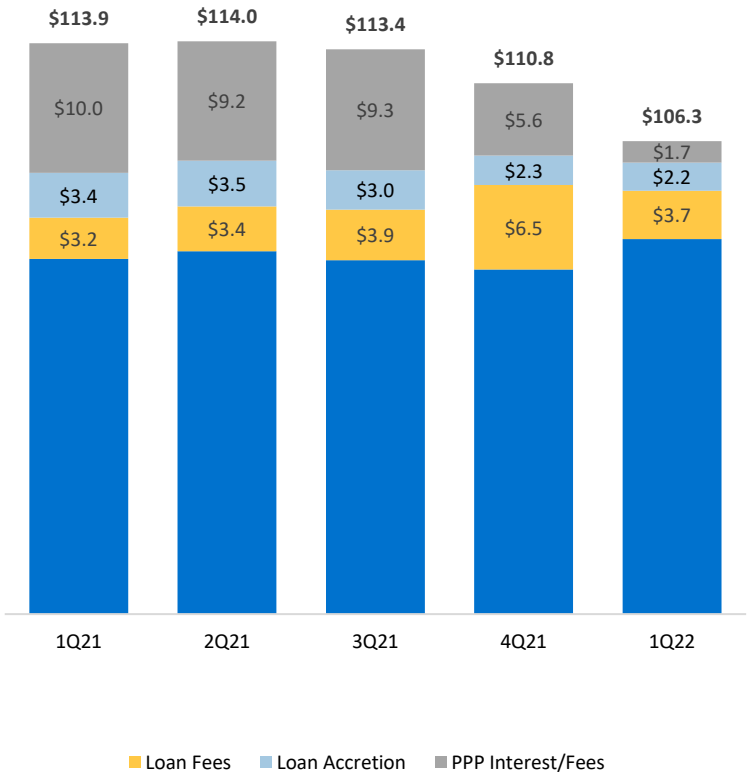
Efficiency Ratio



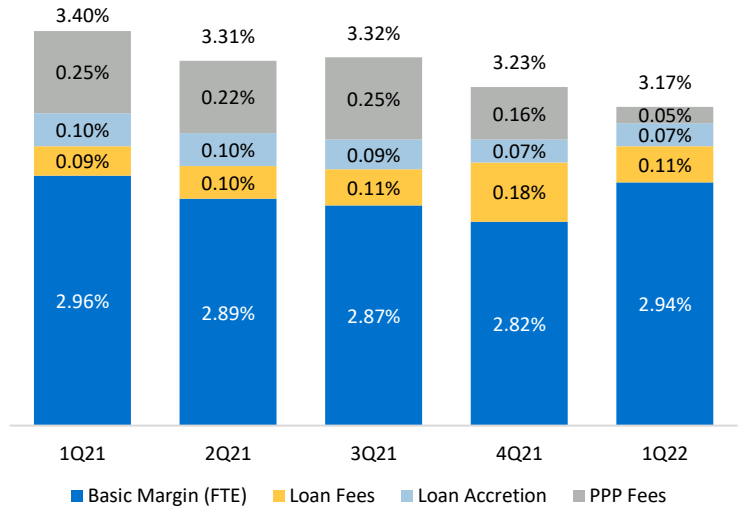
[1] Non-GAAP financial measure which management believes facilitates a better understanding of the Company's financial condition. See Appendix for Non-GAAP reconciliation.

net interest income & margin

Net Interest Income



Net Interest Margin (FTE)



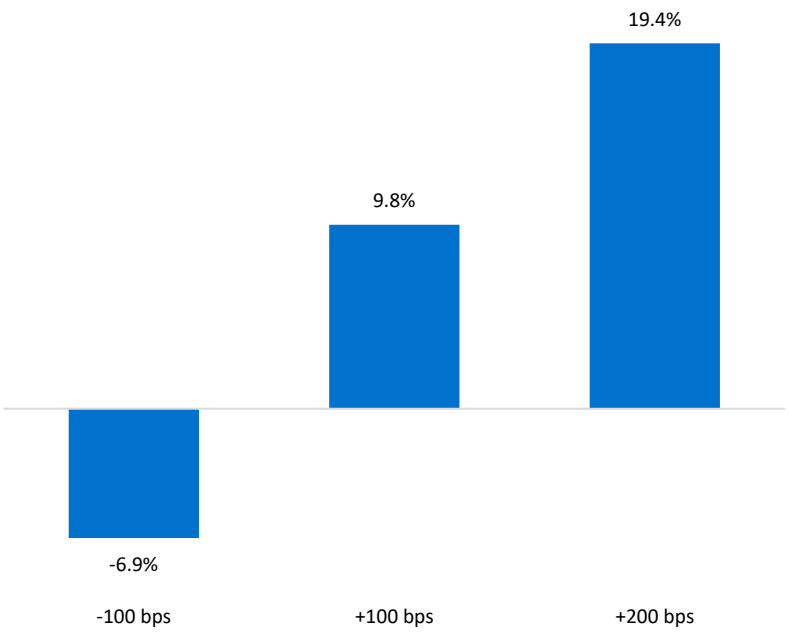
1Q22 NIM (FTE) Progression

4Q21	**3.23%**
PPP loan fees	-0.11%
Other loan fees	-0.08%
Asset yields/mix	0.11%
Deposit/funding costs/mix	-0.01%
Day count	0.03%
1Q22	**3.17%**

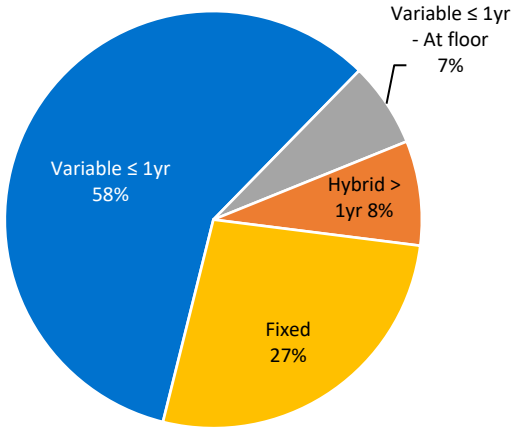
All dollars shown in millions

asset sensitive balance sheet positioning

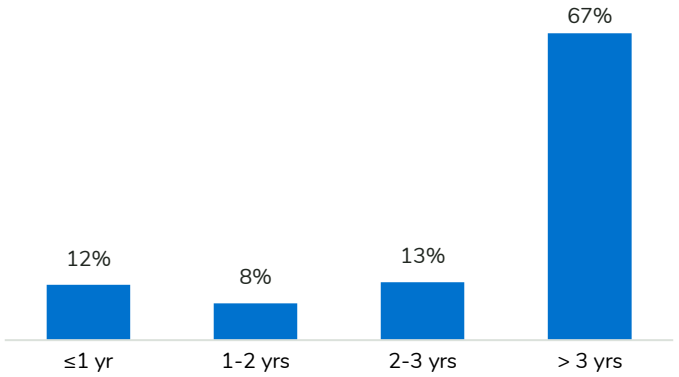
Net Interest Income Sensitivity [1]



Loans - Variable Exposure[2]



Fixed/Hybrid Years to Maturity/Repricing[3]



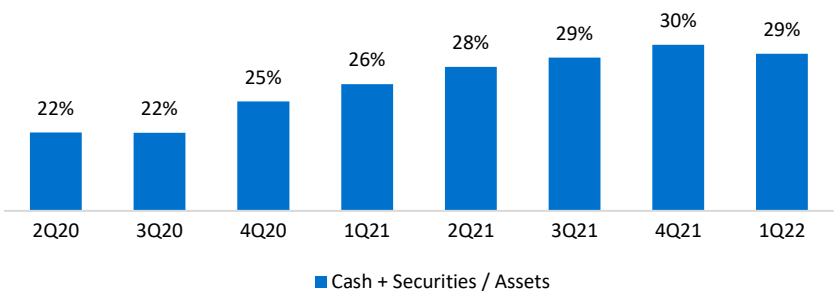
[1]NII – Year 1 impact, represents percentage change for immediate parallel changes in rates.
[2]Reflects percentage of loans classified as variable rate and repricing in ≤ 1yr, variable rate and repricing in ≤ 1yr at its floor, hybrid variable rate repricing in > 1yr, or fixed rate, including loans held for sale.
[3]Schedule reflects remaining maturity or repricing frequency for all fixed rate loans or hybrid variable rate loans repricing in > 1yr, including loans held for sale.

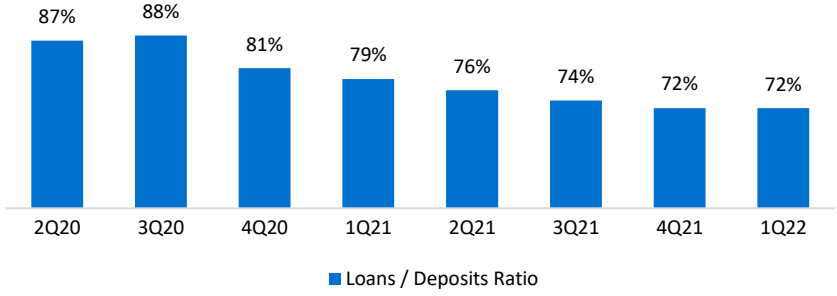
first financial bancorp

EQUAL OPPORTUNITY LENDER EQUAL HOUSING LENDER FDIC

liquid balance sheet presents opportunity

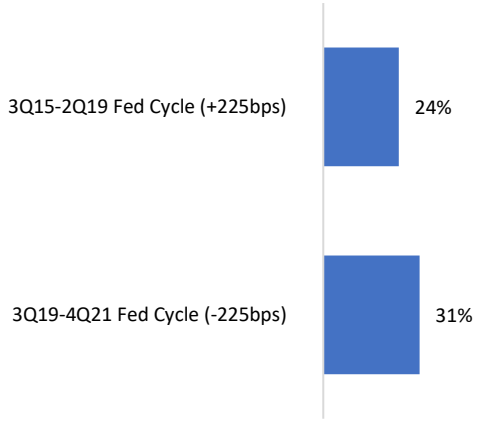
Excess Liquidity Provides Significant Tailwind



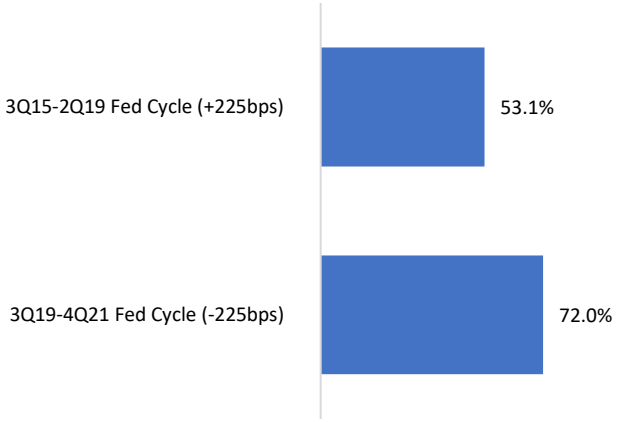


Historical Deposit and Loan Betas[1]

Total Deposit Beta



Loan Beta



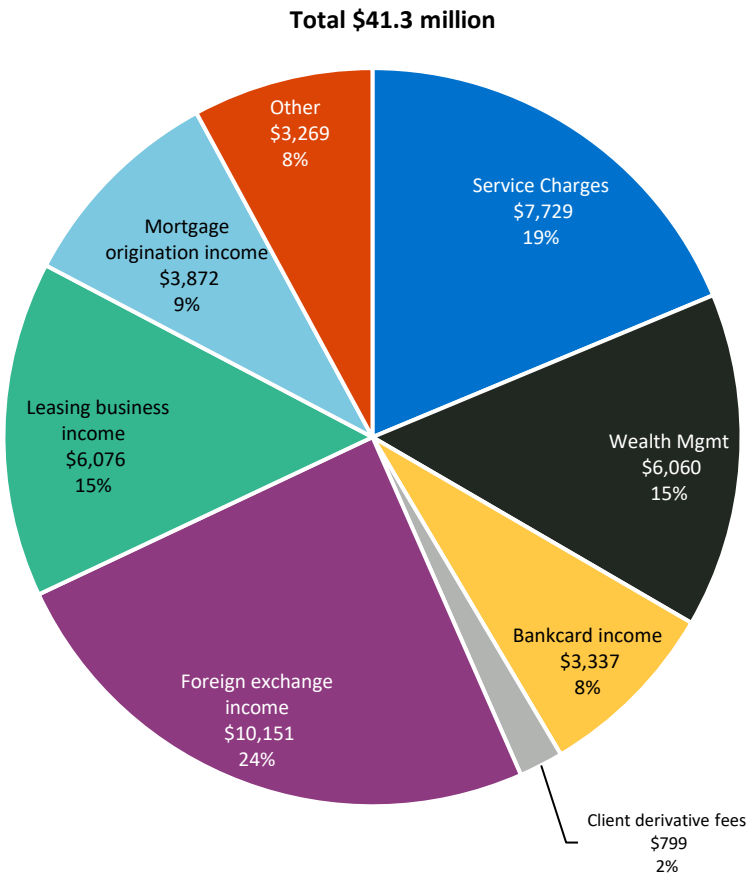
first financial bancorp

[1]Historical data adjusted for the merger with MainSource Financial Group, Inc. using the sum of the individual components.

EQUAL OPPORTUNITY LENDER EQUAL HOUSING LENDER FDIC

diverse and growing fee revenues

Noninterest Income



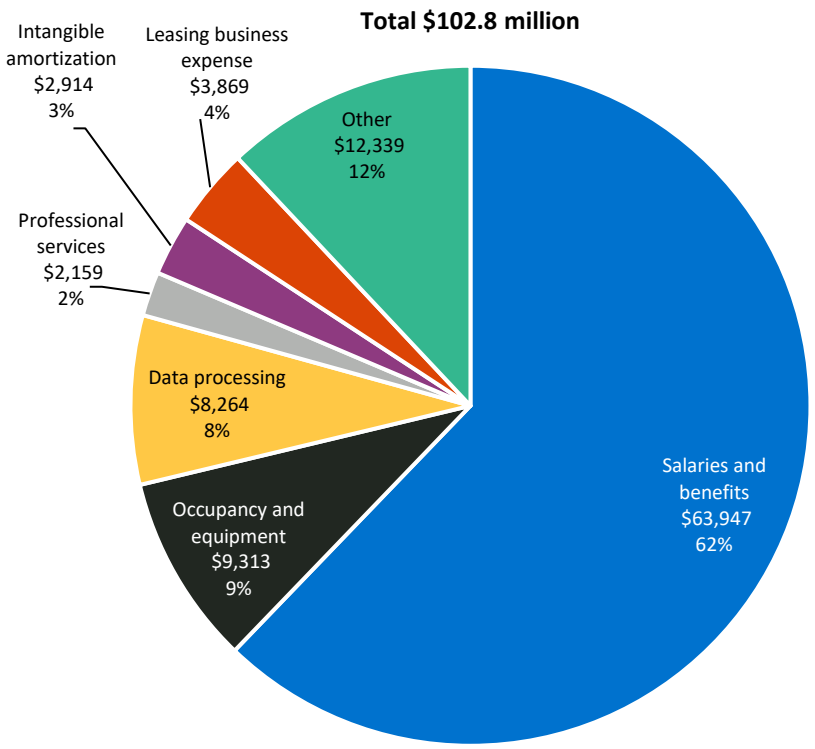
All dollars shown in thousands

1Q22 Highlights

- Total fee income 28.0% of net revenue
- Foreign exchange income of $10.2 million; decreased $2.7 million, or 20.7%, from linked quarter
- Trust and wealth management fees of $6.1 million remained flat from linked quarter
- Deposit service charge income of $7.7 million; decreased $0.9 million, or 10.6%, from the linked quarter
- Mortgage banking income of $3.9 million; decreased $2.6 million, or 40.4%, from the linked quarter
- Client derivative income of $0.8 million; decreased $1.5 million, or 65.3% from the linked quarter
- Other noninterest income of $3.3 million; decreased $2.5 million, or 43.4%, from the linked quarter

well managed expenses

Noninterest Expense

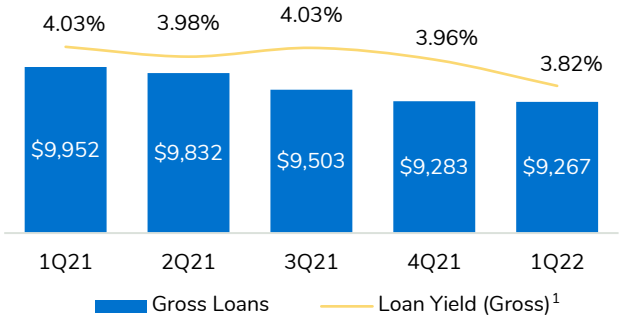


1Q22 Highlights

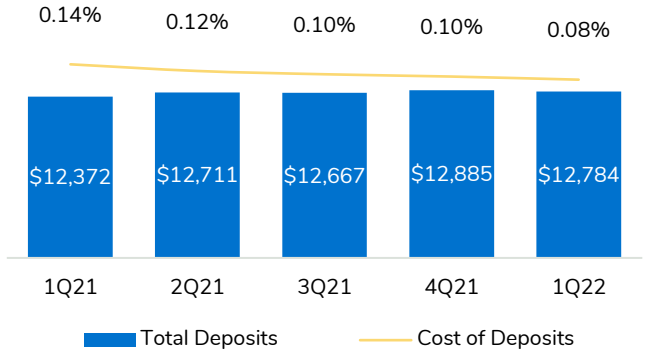
- $8.6 million of Summit expenses, including intangible amortization
- Core expenses in line with expectations as higher healthcare costs and seasonal increase in payroll taxes offset lower incentive compensation
- Adjustments include:
  - $0.3 million of acquisition related costs
  - $2.5 million of other costs not expected to recur such as branch consolidation and severance costs

average balance sheet

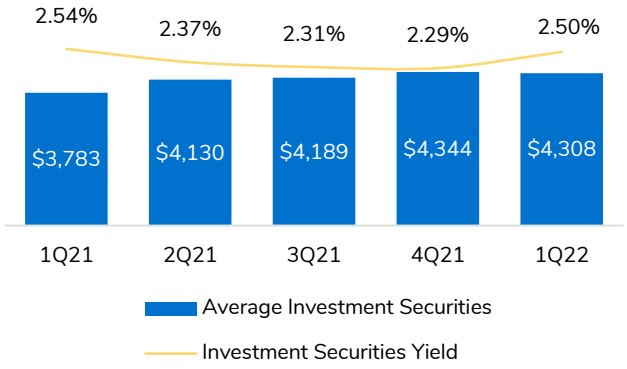
Average Loans



Average Deposits



Average Securities

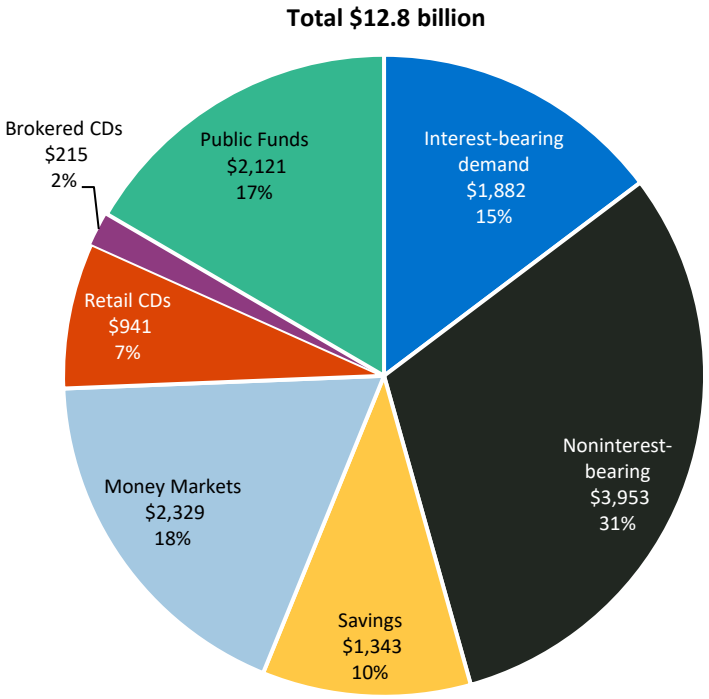


All dollars shown in millions

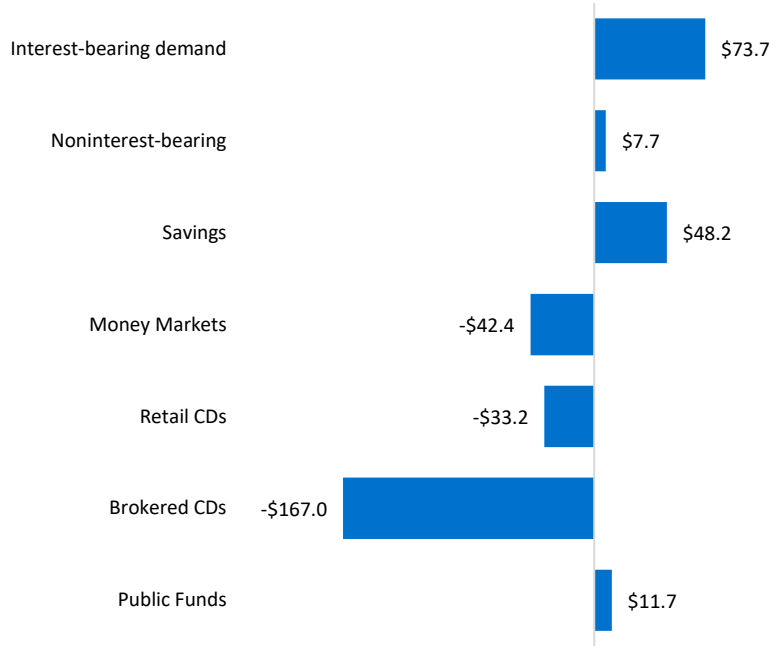
[1] Includes loans fees and loan accretion

attractive deposit portfolio

Deposit Product Mix (Avg)



1Q22 Average Deposit Progression

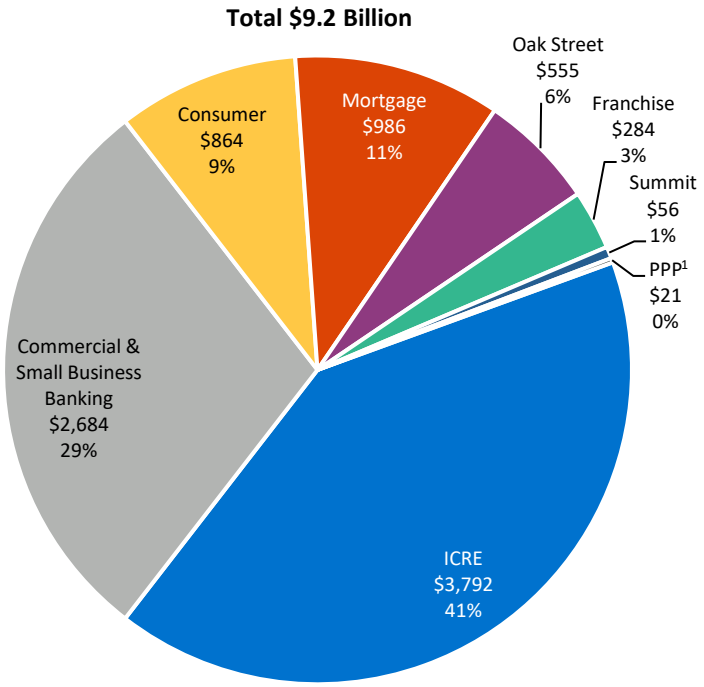


Total growth/(decline):
($101.3) million

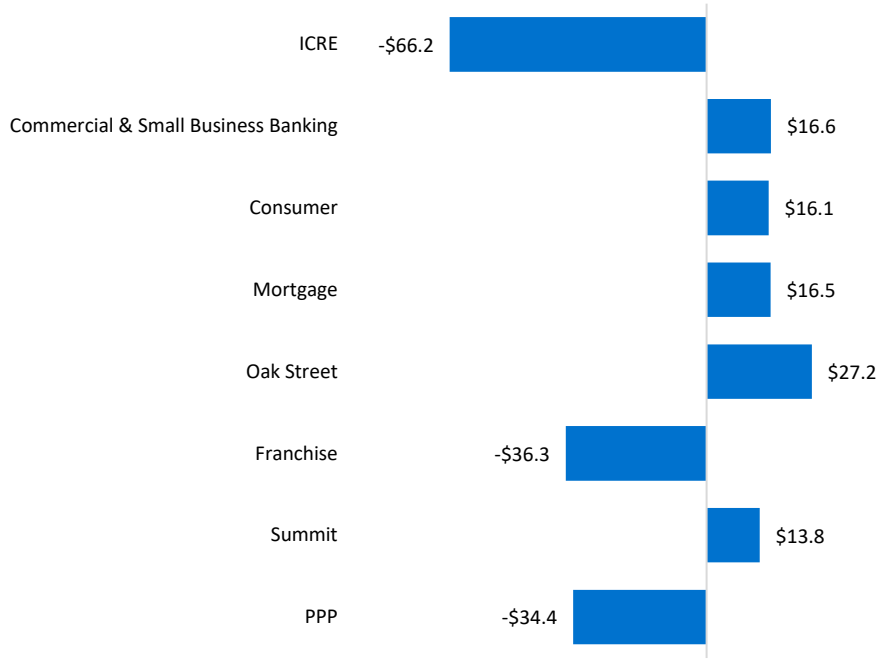
All dollars shown in millions

loan portfolio

Loan LOB Mix (EOP)



Net Loan Change-LOB (Linked Quarter)

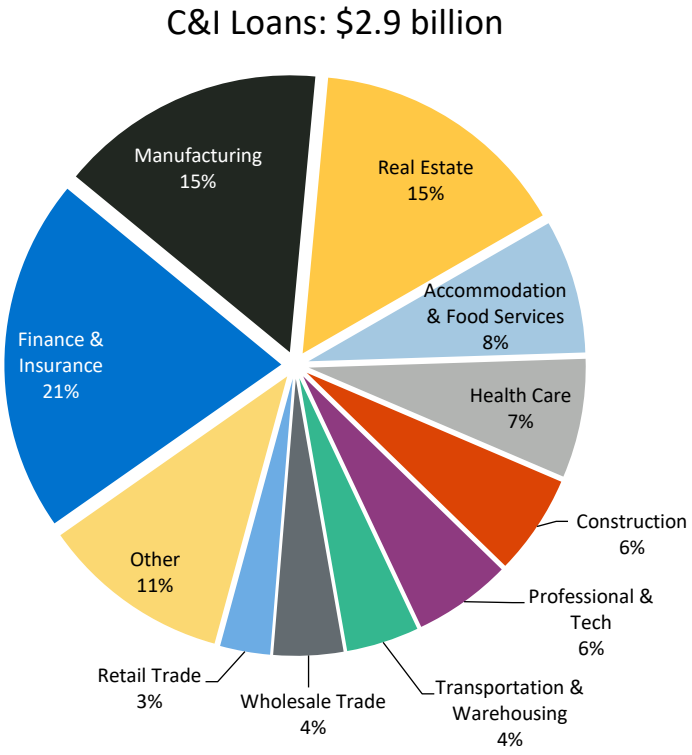


Total growth/(decline):
($46.7 million)

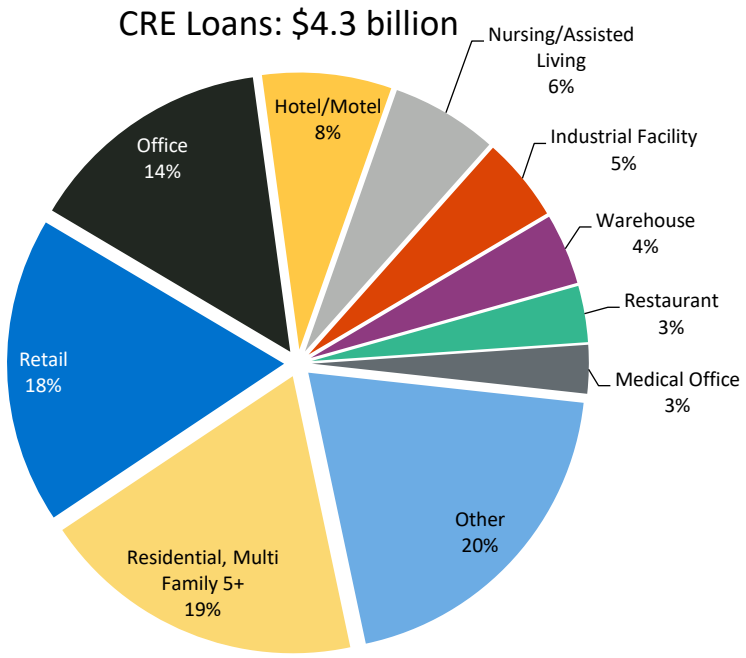
[1] Net of unearned fees of $1.0 million
All dollars shown in millions

loan concentrations

C&I Loans by Industry



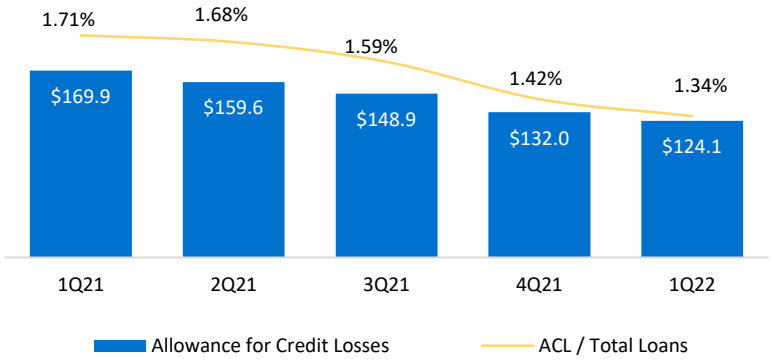
CRE Loans by Collateral



[1] Industry types included in Other representing greater than 1% of total C&I loans include Public Administration, Other Services, Agriculture, Waste Management, and Arts & Recreation. Includes owner-occupied CRE.
[2] Collateral types included in Other representing greater than 1% of total CRE loans include Manufacturing Facility, Residential 1-4 Family, Residential Multi-Family 5+ Construction, Farmland, Real Estate IUB Other, Recreation Facility, Church, and Student Housing.

current expected credit losses - loans and leases

ACL / Total Loans



All dollars shown in millions

1Q22 Highlights

- $137.3 million combined ACL; $5.8 million combined provision recapture
- $124.1 million ACL – loans and leases, or 1.34% of loan balances; $5.6 million of provision recapture; driven by strong credit quality
- Utilized March Moody's baseline forecast in quantitative model
- $13.2 million ACL – unfunded commitments; $0.2 million provision recapture for this portion of the ACL

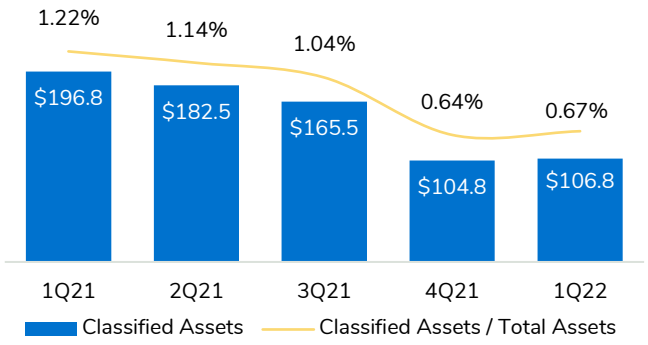
ACL by Loan Type

	1Q21	2Q21	3Q21	4Q21	1Q22
Loans					
Commercial and industrial	$ 45,139	$ 46,797	$ 43,534	$ 44,052	$ 37,783
Lease financing	1,015	1,457	1,083	1,633	2,093
Real estate -construction	22,734	20,359	15,390	11,874	11,410
Real estate - commercial	78,669	70,305	68,594	53,420	51,512
Real estate - residential	7,748	6,879	6,480	6,225	6,152
Home equity	10,760	9,684	9,538	9,643	9,676
Installment	1,235	1,211	1,177	1,097	1,075
Credit card	2,623	2,898	3,107	4,048	4,429
ACL-loan and lease losses	$ 169,923	$ 159,590	$ 148,903	$ 131,992	$ 124,130
ACL-unfunded commitments	$ 13,040	$ 13,558	$ 11,607	$ 13,406	$ 13,179

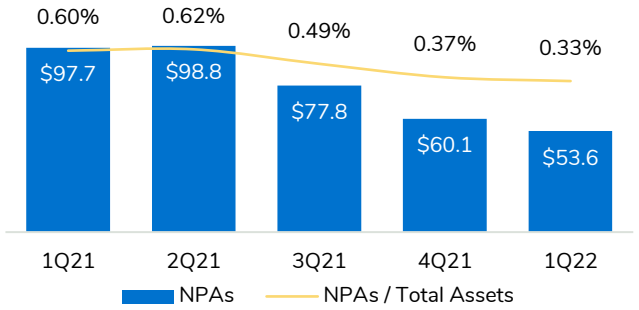
All dollars shown in thousands

asset quality

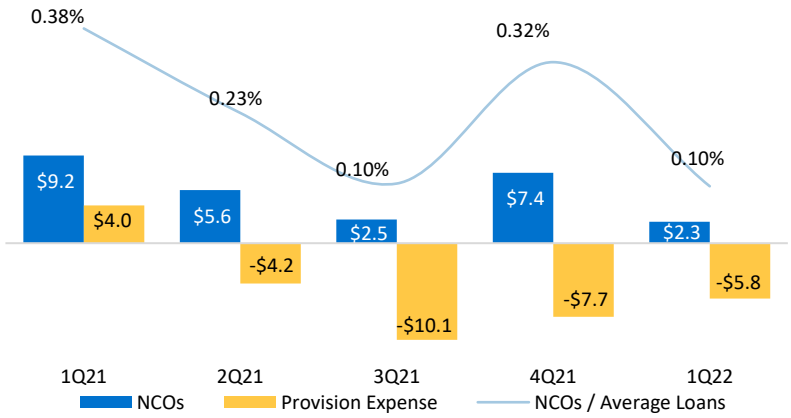
Classified Assets / Total Assets



Nonperforming Assets / Total Assets



Net Charge Offs & Provision Expense[1]

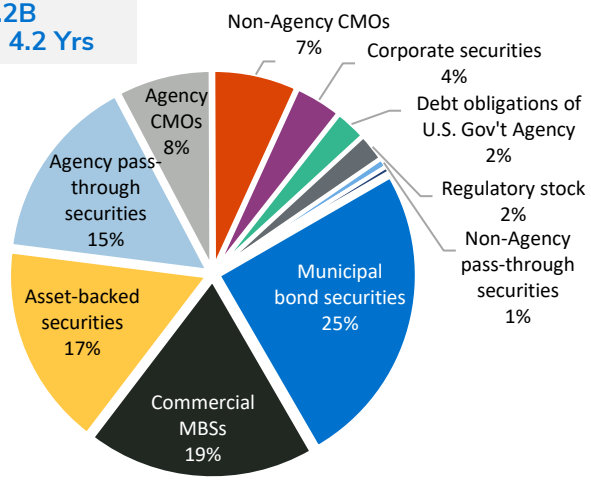


[1] Provision includes both loans & leases and unfunded commitments
All dollars shown in millions

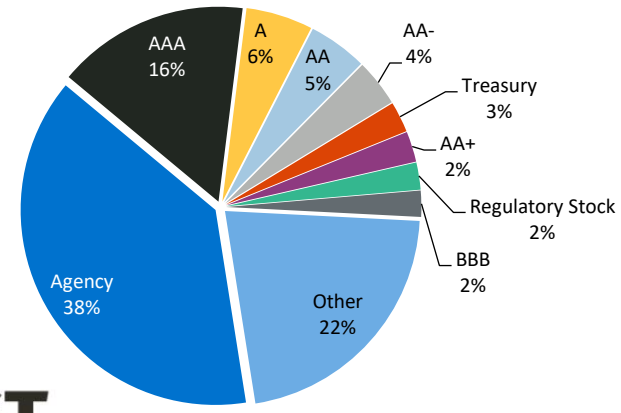
investment portfolio and liquidity

Investment Portfolio Composition

Total: $4.2B
Duration: 4.2 Yrs



Investment Portfolio Quality

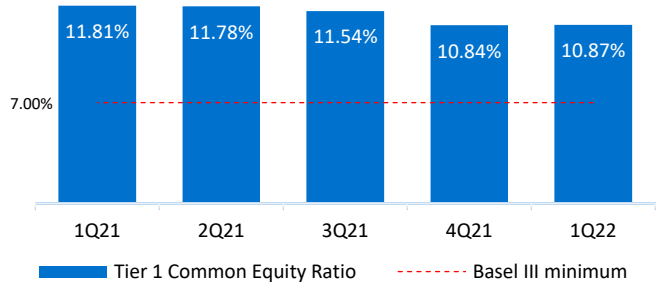


Liquidity Sources

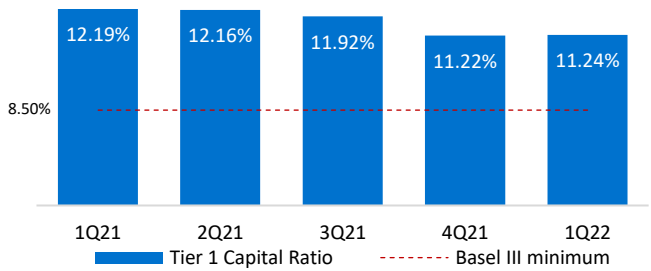
- In addition to deposits, First Financial has approximately $7.9 billion of readily available funding sources to meet customer needs through the following sources:
  - Fed funds
  - FHLB funding
  - Brokered CDs
  - Highly liquid securities
  - Fed discount window
- First Financial has the following sources of liquidity at the holding company:
  - $51.1 million in cash as of March 31, 2022
  - $143.6 million dividend capacity from First Financial Bank without prior regulatory approval

capital

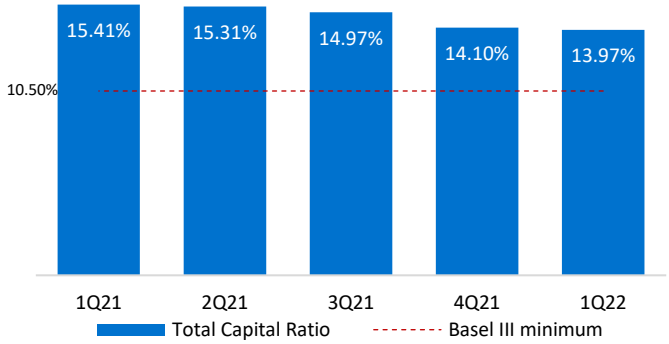
Tier 1 Common Equity Ratio



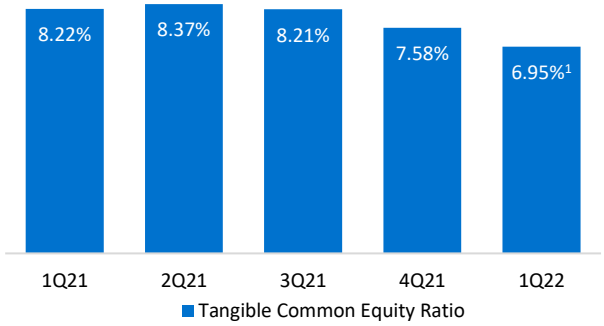
Tier 1 Capital Ratio



Total Capital Ratio



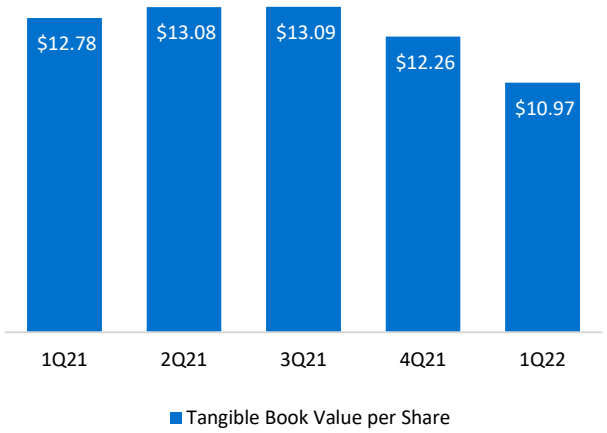
Tangible Common Equity Ratio



3/31 Risk Weighted Assets = $11,704,681
All capital numbers are considered preliminary.
[1]Decline in 1Q22 due to $142.0 million decline in AOCI

capital strategy

Tangible Book Value Per Share



- Decline in TBV per share driven by Summit acquisition and 1Q22 decline in AOCI

Strategy & Deployment

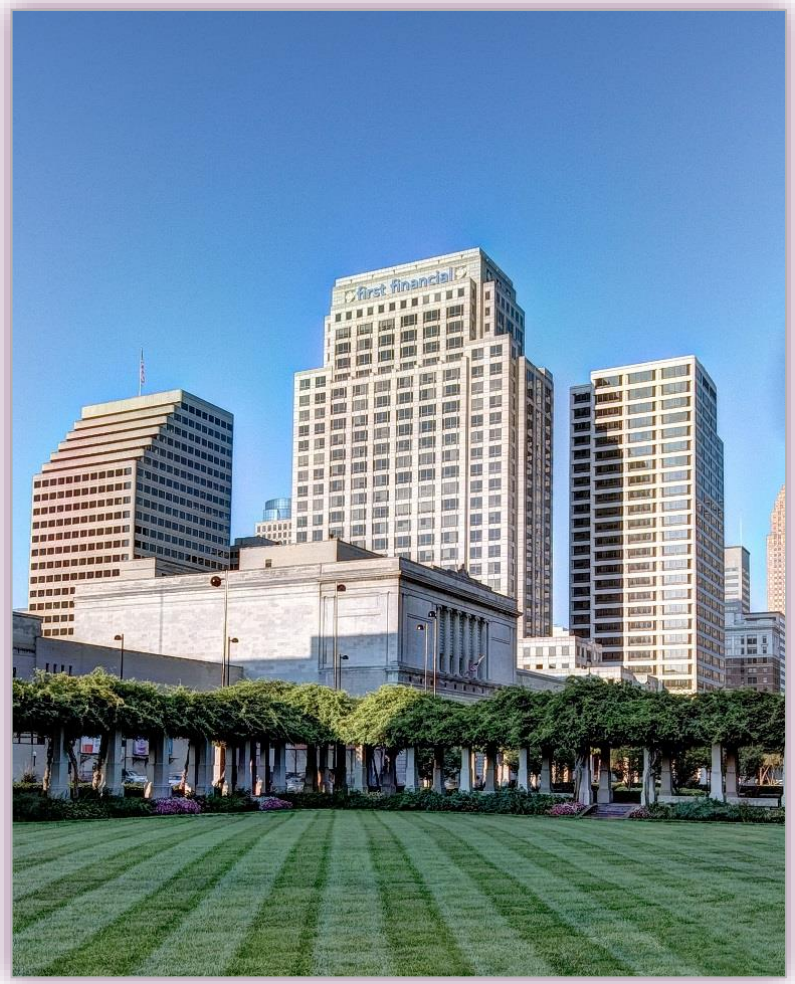
- 4.0% annualized dividend yield
- 52.3% of 1Q22 earnings returned to shareholders through common dividend
- Most recent internal stress testing indicates capital ratios above regulatory minimums in all modeled scenarios
- Common dividend expected to remain unchanged in near-term
- No shares repurchased in 1Q22; no plans to repurchase shares in near-term

outlook commentary[1]

Balance Sheet	• Loan balances expected to grow low-mid single digits in near term, excluding PPP and Summit • Securities balances expected to remain flat over the near-term • Deposit balances expected to be stable over near-term
Net Interest Margin	• Expected to improve with anticipated interest rate increases • Asset sensitive position advantageous with rising rates
Credit	• Continued improvement expected in credit quality trends • Provision recapture expected in the near term, but less than in recent quarters • Allowance for credit losses expected to decline as a percentage of loans • Uncertainty regarding supply chain, pandemic and inflation
Noninterest Income	• Total fee income expected to be $47-49 million • Mortgage banking at risk from rising rate environment • Declining overdraft fees due to program changes
Noninterest Expense	• Expected to be $100-102 million • Will fluctuate with fee income
Summit	• Unchanged outlook; negligible impact on 2022 EPS • Near-term financial impact negatively affected by intangible amortization • $400 million of annual originations, growing at double-digits
Capital	• Maintain dividend at current levels

[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 $4.3 billion
  - Deposits $5.2 billion
  - Deposit Market Share T-4 (3.0%)
  - Banking Centers 52
  - Fortune 500 Companies 8
- Columbus, OH
  - Loans $1.1 billion
  - Deposits $0.6 billion
  - Deposit Market Share #15 (0.6%)
  - Banking Centers 5
  - Fortune 500 Companies 5
- Community Markets
  - Loans $1.5 billion
  - Deposits $5.2 billion
  - Banking Centers 61
- Indianapolis
  - Loans $0.9 billion
  - Deposits $0.9 billion
  - Deposit Market Share #14 (1.3%)
  - Banking Centers 10
  - Fortune 500 Companies 2
- Louisville
  - Loans $0.3 billion
  - Deposits $0.7 billion
  - Deposit Market Share #13 (1.4%)
  - Banking Centers 7
  - Fortune 500 Companies 3
- National
  - Loans $1.2 billion
  - Deposits $0.2 billion

All numbers as of 03/31/2022 except deposit market share which is as of 6/30/2021.
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, 2022	Dec. 31, 2021	Sep. 30, 2021	June 30, 2021	Mar. 31, 2021
Net interest income	$ 106,346	$ 110,806	$ 113,410	$ 114,026	$ 113,876
Tax equivalent adjustment	1,467	1,386	1,434	1,619	1,652
Net interest income - tax equivalent	$ 107,813	$ 112,192	$ 114,844	$ 115,645	$ 115,528
Average earning assets	$ 13,809,520	$ 13,793,644	$ 13,724,403	$ 14,007,765	$ 13,781,760
Net interest margin[1]	3.12 %	3.19 %	3.28 %	3.27 %	3.35 %
Net interest margin (fully tax equivalent)[1]	3.17 %	3.23 %	3.32 %	3.31 %	3.40 %

[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.

appendix: non-GAAP to GAAP reconciliation

Additional non-GAAP ratios

(Dollars in thousands, except per share data)	Three months ended, Mar. 31, 2022	Dec. 31, 2021	Sep. 30, 2021	June 30, 2021	Mar. 31, 2021
Net income (a)	$ 41,301	$ 46,945	$ 60,012	$ 50,888	$ 47,315
Average total shareholders' equity	2,225,495	2,241,820	2,261,293	2,263,687	2,272,749
Less:					
Goodwill	(1,000,238)	(938,453)	(937,771)	(937,771)	(937,771)
Other intangibles	(87,602)	(56,120)	(58,314)	(60,929)	(63,529)
MSR's	(15,431)	(14,886)	(14,215)	(13,310)	(12,749)
Average tangible equity (b)	1,122,224	1,232,361	1,250,993	1,251,677	1,258,700
Total shareholders' equity	2,137,445	2,258,942	2,236,170	2,269,507	2,258,942
Less:					
Goodwill	(999,959)	(1,000,749)	(937,771)	(937,771)	(937,771)
Other intangibles	(85,891)	(88,898)	(56,811)	(59,391)	(61,984)
MSR's	(15,782)	(15,469)	(14,852)	(14,142)	(13,156)
Ending tangible equity (c)	1,035,813	1,153,826	1,226,736	1,258,203	1,246,031
Total assets	16,009,150	16,329,141	15,956,593	16,037,919	16,175,071
Less:					
Goodwill	(999,959)	(1,000,749)	(937,771)	(937,771)	(937,771)
Other intangibles	(85,891)	(88,898)	(56,811)	(59,391)	(61,984)
MSR's	(15,782)	(15,469)	(14,852)	(14,142)	(13,156)
Ending tangible assets (d)	14,907,518	15,224,025	14,947,159	15,026,615	15,162,160
Risk-weighted assets (e)	11,704,681	11,645,666	11,399,782	11,318,590	11,304,012
Total average assets	16,184,919	16,036,417	15,995,808	16,215,469	16,042,654
Less:					
Goodwill	(1,000,238)	(938,453)	(937,771)	(937,771)	(937,771)
Other intangibles	(87,602)	(56,120)	(58,314)	(60,929)	(63,529)
MSR's	(15,431)	(14,886)	(14,215)	(13,310)	(12,749)
Average tangible assets (f)	$ 15,081,648	$ 15,026,958	$ 14,985,508	$ 15,203,459	$ 15,028,605
Ending shares outstanding (g)	94,451,496	94,149,240	93,742,797	96,199,509	97,517,693
Ratios					
Return on average tangible shareholders' equity (a)/(b)	14.93%	15.11%	19.03%	16.31%	15.24%
Ending tangible equity as a percent of:					
Ending tangible assets (c)/(d)	6.95%	7.58%	8.21%	8.37%	8.22%
Risk-weighted assets (c)/(e)	8.85%	9.91%	10.76%	11.12%	11.02%
Average tangible equity as a percent of average tangible assets (b)/(f)	7.44%	8.20%	8.35%	8.23%	8.38%
Tangible book value per share (c)/(g)	$ 10.97	$ 12.26	$ 13.09	$ 13.08	$ 12.78

All dollars shown in thousands

appendix: non-GAAP to GAAP reconciliation

Additional non-GAAP measures

(Dollars in thousands, except per share data)	1Q22		4Q21		3Q21		2Q21		1Q21	
	As Reported	Adjusted	As Reported	Adjusted	As Reported	Adjusted	As Reported	Adjusted	As Reported	Adjusted
Net interest income (f)	$ 106,346	$ 106,346	$ 110,806	$ 110,806	$ 113,410	$ 113,410	$ 114,026	$ 114,026	$ 113,876	$ 113,876
Provision for credit losses-loans and leases (j)	(5,589)	(5,589)	(9,525)	(9,525)	(8,193)	(8,193)	(4,756)	(4,756)	3,450	3,450
Provision for credit losses-unfunded commitments (j)	(226)	(226)	1,799	1,799	(1,951)	(1,951)	517	517	538	538
Noninterest income	41,293	41,293	45,660	45,660	42,537	42,537	42,987	42,987	40,322	40,322
less: gains (losses) on sale of investment securities		(196)		306		(205)		(104)		(54)
less: other		-		-		500		-		193
Total noninterest income (g)	41,293	41,489	45,660	45,354	42,537	42,242	42,987	43,091	40,322	40,183
Noninterest expense	102,805	102,805	109,605	109,605	99,058	99,058	99,643	99,643	92,506	92,506
less: severance and merger-related expenses		-		-		-		98		1,261
less: tax credit investments		104		6,120		5,309		1,156		208
less: legal settlement		-		3,456		-		3,825		-
less: Summit acquisition costs		323		4,095		-		-		-
less: COVID-19 and other		2,354		1,870		181		2,772		1,054
Total noninterest expense (e)	102,805	100,024	109,605	94,064	99,058	93,568	99,643	91,792	92,506	89,983
Income before income taxes (i)	50,649	53,626	54,587	69,822	67,033	72,228	61,609	69,564	57,704	60,088
Income tax expense	9,348	9,348	7,642	7,642	7,021	7,021	10,721	10,721	10,389	10,389
plus: tax effect of adjustments		83		4,835		4,194		913		501
plus: after-tax impact of tax credit investments @ 21%		625		3,199		1,091		1,671		164
Total income tax expense (h)	9,348	10,056	7,642	15,676	7,021	12,306	10,721	13,305	10,389	11,054
Net income (a)	$ 41,301	$ 43,570	$ 46,945	$ 54,146	$ 60,012	$ 59,922	$ 50,888	$ 56,259	$ 47,315	$ 49,034
Average diluted shares (b)	94,264	94,264	93,762	93,762	95,144	95,144	97,010	97,010	97,728	97,728
Average assets (c)	16,184,919	16,184,919	16,036,417	16,036,417	15,995,808	15,995,808	16,215,469	16,215,469	16,042,654	16,042,654
Average shareholders' equity	2,225,495	2,225,495	2,241,820	2,241,820	2,261,293	2,261,293	2,263,687	2,263,687	2,272,749	2,272,749
Less:										
Goodwill and other intangibles	(1,103,271)	(1,103,271)	(1,009,459)	(1,009,459)	(1,010,300)	(1,010,300)	(1,012,010)	(1,012,010)	(1,014,049)	(1,014,049)
Average tangible equity (d)	1,122,224	1,122,224	1,232,361	1,232,361	1,250,993	1,250,993	1,251,677	1,251,677	1,258,700	1,258,700
Ratios										
Net earnings per share - diluted (a)/(b)	$ 0.44	$ 0.46	$ 0.50	$ 0.58	$ 0.63	$ 0.63	$ 0.52	$ 0.58	$ 0.48	$ 0.50
Return on average assets - (a)/(c)	1.03%	1.09%	1.16%	1.34%	1.49%	1.49%	1.26%	1.39%	1.20%	1.24%
Pre-tax, pre-provision return on average assets - ((a)+(j)+(h))/(c)	1.12%	1.20%	1.16%	1.54%	1.41%	1.54%	1.42%	1.62%	1.56%	1.62%
Return on average tangible shareholders' equity - (a)/(d)	14.93%	15.75%	15.11%	17.43%	19.03%	19.00%	16.31%	18.03%	15.24%	15.80%
Efficiency ratio - (e)/((f)+(g))	69.6%	67.7%	70.1%	60.2%	63.5%	60.1%	63.5%	58.4%	60.0%	58.4%
Effective tax rate - (h)/(i)	18.5%	18.8%	14.0%	22.5%	10.5%	17.0%	17.4%	19.1%	18.0%	18.4%

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