# investor presentation

- Fourth Quarter 2023

EQUAL OPPORTUNITY LENDER EQUAL HOUSING LENDER FDIC

first® 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;

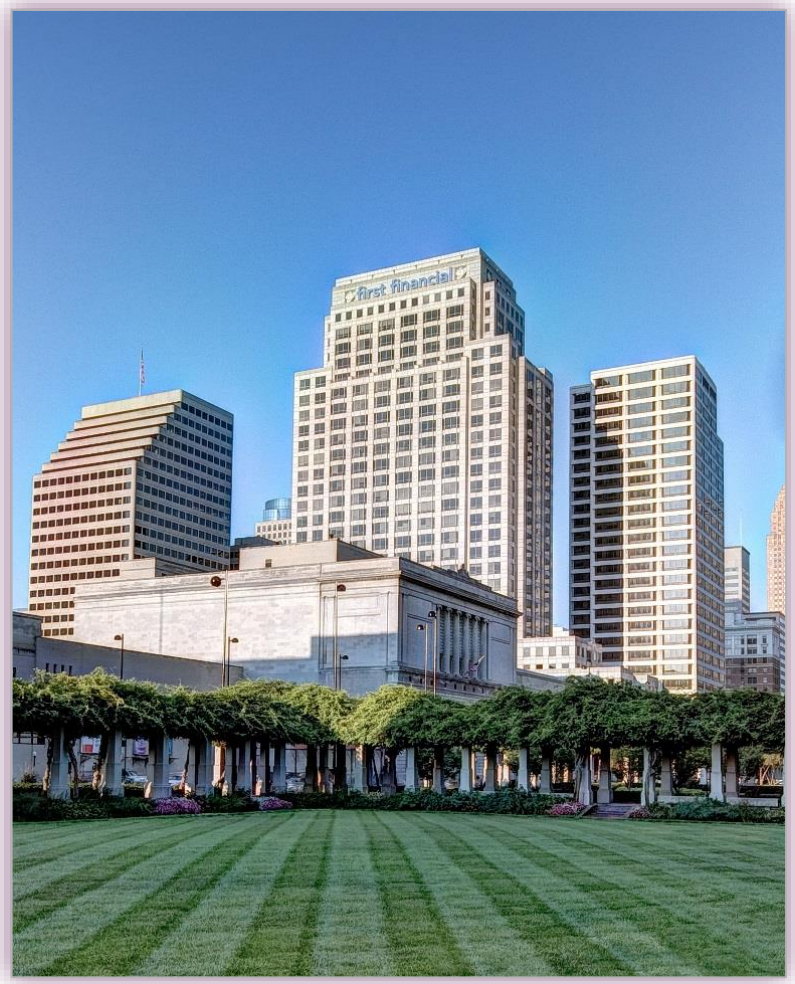
# forward looking statements disclosure

- 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, 2022, 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

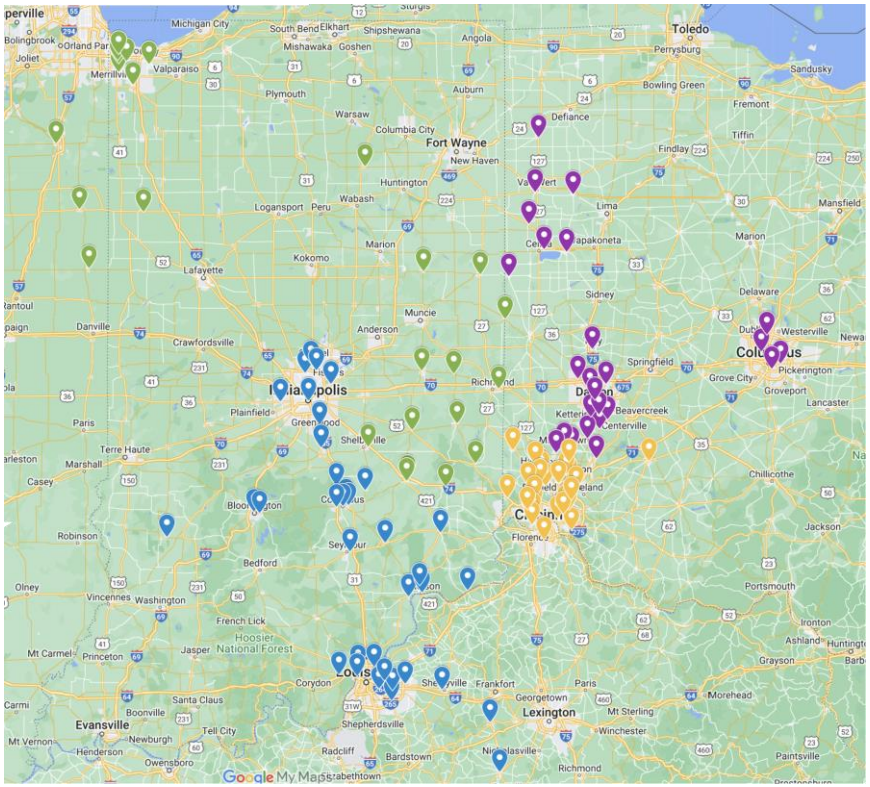



About First Financial Bancorp

Financial Performance

Appendix

# overview




**$17.5B**
in assets

**$10.9B/$13.4B**
loans / deposits

**$5.0B**
wealth management [1]

**1.96%**
4Q Adj. PTPP ROAA[2]

NASDAQ: **FFBC**

Headquarters: **Cincinnati, Ohio**

Founded: **1863**

Banking Centers: **130**

Employees: **2,129**

Market Cap (12/31/23): **$2.3B**

Dividend Yield (12/31/23): **3.9%**

CET1 Ratio: **11.73%**





## 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] Includes brokerage assets under care.
[2] 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 160 years**
  - Premier Midwest franchise with top quartile performance
  - Consistent profitability – 133 consecutive quarters
  - High quality balance sheet & robust capital position (11.73% CET1)
  - Prudent risk management & credit culture with strong asset quality
  - Well managed through past credit cycles

- **What makes us strategically distinct**
  - Local banking centered in legacy markets with a focus on growing core deposits
  - Sophisticated commercial banking model that positions us to be the alternative to “Big Banks”
  - National strategy that adds diverse fee streams and incremental earning assets while also complementing our Commercial Bank offerings

- **Experienced and proven management team**

# consistent best-in-class earnings

## Return on Average Assets

| | first financial bancorp | KRX Top Quartile[1] |
|---|---|---|
| **1-Year** | **1.51%**<br>*88% Percentile Rank* | **1.21%** |
| **3-Year** | **1.37%**<br>*83% Percentile Rank* | **1.30%** |
| **2Q18-4Q23**<br>**(since merger)** | **1.31%**<br>*77% Percentile Rank* | **1.29%** |

[1] KRX calculated as the top quartile of the current 50 KRX constituents.
Source: S&P Capital IQ Pro



EQUAL OPPORTUNITY LENDER EQUAL HOUSING LENDER FDIC

# consistent better than market earnings growth

## Earnings Per Share Growth

| | first financial bancorp | KRX Median[1] |
|---|---|---|
| 1-Year | 17%<br>*81% Percentile Rank* | -12% |
| 3-Year | 19%<br>*75% Percentile Rank* | 9% |
| 5-Year | 7%<br>*84% Percentile Rank* | 4% |
| 10-Year | 12%<br>*85% Percentile Rank* | 6% |
| 20-Year | 6%<br>*65% Percentile Rank* | 3% |

[1] KRX calculated as the median of the current 50 KRX constituents.
Source: S&P Capital IQ Pro



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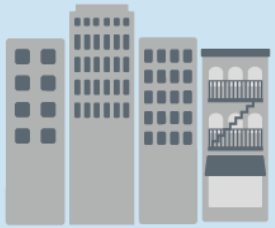
# complementary market centric strategies

## METRO MARKETS



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

▼ Low brand awareness
Low market share

**Loans $3.2B / Deposits $2.9B**

- 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 $1.7B / Deposits $5.0B**

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

## HEADQUARTERS




**Greater Cincinnati**
**Northern KY**

**4th** in market share
All business lines represented

**Loans $4.0B / Deposits $5.2B**

- 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 $2.0B / Deposits $0.2B**

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



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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.

# key business lines

***Diversified financial holding company with comprehensive and innovative solutions for individuals and businesses***

**first financial bank**

Full suite of diversified financial products for individuals and businesses

**$17.5 Billion**
Assets

**$13.4 Billion**
Deposits

**22.21%**
Adjusted MRQ ROATCE

**yellow CARDINAL ADVISORY GROUP**
a first financial company

Wealth & asset management services for individuals and businesses

**$5.0 Billion**
Assets Under Care

**$26.1 Million**
LTM Revenue

**$355 Million**
LTM Wealth Advisory Sales

**~8,700**
Relationships

**BANNOCKBURN GLOBAL FOREX**

Foreign currency advisory, hedge analytics, and transaction processing for closely held enterprises

**9 Offices**
Across the U.S.

**$54.1 Million**
LTM Revenue

**2,000+**
Clients

**oak street funding**

Specialty lender to insurance industry, RIAs, CPAs and indirect auto finance companies

**$738 Million**
Loans

**~10%**
YoY Loan Growth

**7%**
of Overall Portfolio

**first franchise capital®**

Specialty lender to quick-serve restaurant franchisees

**$252 Million**
Loans

**2%**
of Overall Portfolio

**SUMMIT Funding Group**
a first financial bank company

Full-service equipment financing company

**$500+ Million**
2023 Originations

**4th**
Largest Independent U.S. Equipment Finance Platform At Acquisition

High Yielding Portfolio

# 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 | 4,049 |
| Commitments | $4.1B |
| Balances | $2.6B |
| Business Deposits | $1.9B |
| Pub Fund Deposits | $1.8B |

**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 | 299,381 | 32,735 | |
| Total Deposit Balance | $6.1B | $1.4B | $0.1B |
| Total Loan Balance | $0.9B | $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 $151MM
- Avg loan size $282K

**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 | 2,784 | $3.2B |
| Brokerage | 5,826 | $1.6B |
| RPS | 85 | $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 | $0.8B |
| Southern OH | $1.6B |
| 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
- Registered Investment Advisors
- Multi-Unit Restaurant Franchisees
- Certified Public Accountants
- Commercial Automotive Portfolios
- Clients looking for Equipment Leasing and Financing Expertise

**Current Portfolio**

| | |
|---|---|
| Oak Street Funding | $0.7B |
| First Franchise Capital | $0.3B |
| Summit Funding Group[1] | $0.8B |

[1] Includes operating leases

**Value Proposition**
Fulfill the unique financing needs of our customers while providing extraordinary service and industry expertise

**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 new commercial sales talent to Chicago and Cleveland
- Added talent in Wealth Mgmt.:
  - Succession planning
  - Investment banking
  - Fixed income

### 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

### Capacity Plans

- Increased physical distribution network
- Closed 67 locations in last 5 years[1]
- 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
- Acquired Brady Ware Capital specializing in investment banking for mid-sized businesses

## 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 programdevelopment
- Sales Management
- Operational Integration

### Digital Transformation

- Roadmap Creation
- Increased Resource Allocation
- Enhanced Client Experience

## Talent

### Staffing Model

- Defined company FTE targets
- Larger salesforce intargeted Lines of Business

### Culture

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



[1] Post MainSource merger

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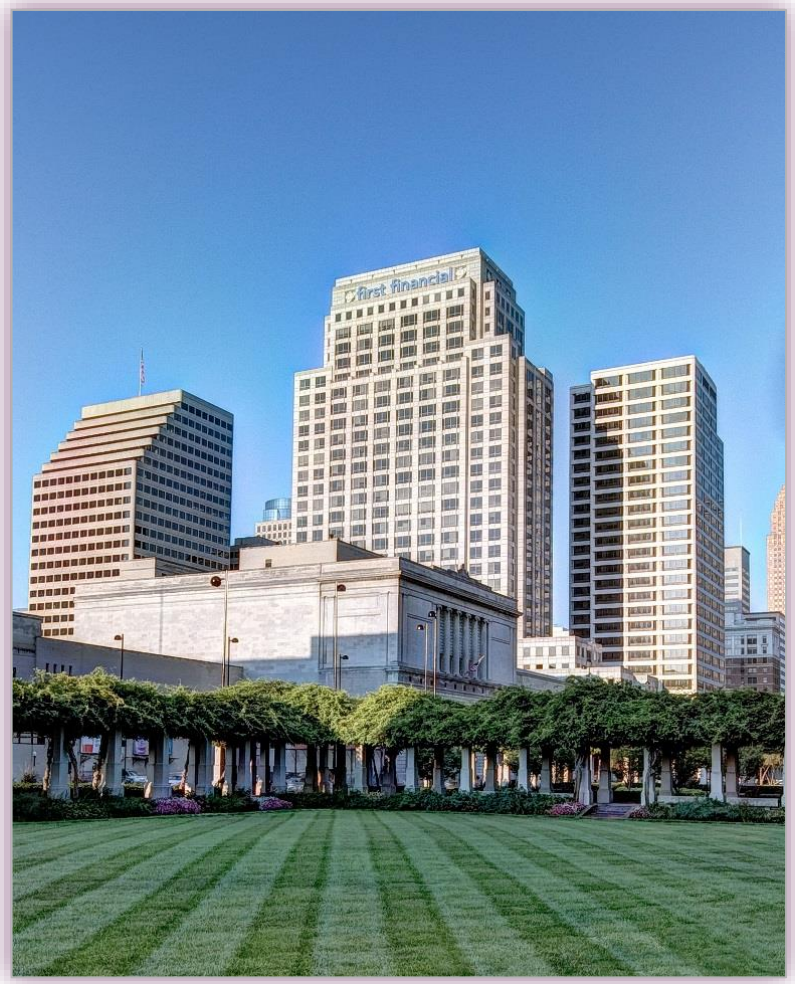


About First Financial Bancorp

Financial Performance

Appendix

# 4Q 2023 results

## 133rd Consecutive Quarter of Profitability

### Profitability

- Net income – $56.7 million or $0.60 per diluted share. Adjusted[1] net income – $59.0 million or $0.62 per diluted share
- Return on average assets – 1.31%. Adjusted [1] return on average assets – 1.37%
- Return on average shareholders' equity – 10.50%. Adjusted[1] return on average shareholders' equity – 10.91%
- Return on average tangible common equity – 21.36%[1]. Adjusted[1] return on average tangible common equity – 22.21%

### Income Statement

- Net interest income – $153.8 million
- Net interest margin of 4.21% on a GAAP basis; 4.26% on a fully tax equivalent basis[1]
- Noninterest income – $47.0 million; $47.6 million as adjusted[1]
- Noninterest expense – $119.1 million; $116.8 million as adjusted[1]
- Efficiency ratio – 59.3%. Adjusted[1] efficiency ratio – 58.0%
- Effective tax rate of 20.5%. Adjusted[1] effective tax rate of 20.7%

### Balance Sheet

- EOP assets increased $478.0 million compared to the linked quarter to $17.5 billion
- EOP loans increased $286.4 million compared to the linked quarter to $10.9 billion
- Average deposits increased $415.7 million compared to the linked quarter to $13.2 billion
- EOP investment securities decreased $27.9 million compared to the linked quarter

### Asset Quality

- Provision expense - $10.2 million
- Net charge-offs – $12.6 million. NCOs / Avg. Loans – 0.46% annualized
- Classified Assets / Total Assets - 0.80%
- NPA / Total Assets – 0.38%
- ACL / Total Loans – 1.29%

### Capital

- Total capital ratio – 13.61%
- Tier 1 common equity ratio – 11.73%
- Tangible common equity ratio – 7.17%. Adjusted[1] Tangible common equity ratio – 9.05%
- Tangible book value per share – $12.38

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

# 4Q 2023 highlights

- Quarterly earnings driven by strong net interest margin
  - Adjusted[1] earnings per share – $0.62
  - Adjusted[1] return on assets – 1.37%
  - Adjusted[1] pre-tax, pre-provision return on assets – 1.96%
  - Adjusted[1] return on average tangible common equity – 22.21%

- Loan growth accelerated during the period, exceeding expectations
  - EOP loan balances increased $286.4 million compared to the linked quarter; 10.7% on an annualized basis
  - Growth included a $70.1 million increase in ICRE, $68.0 million increase in specialty finance, a $53.2 million increase in mortgage loans, and a $109.8 million increase in finance leases

- Total average deposit balances increased $415.7 million, or 12.9% annualized
  - Growth in money market accounts, interest bearing checking accounts, retail CDs and brokered CD's offsetting declines in noninterest bearing checking and savings accounts
  - $284.4 million increase in money market accounts; $34.6 million increase in interest bearing checking; $89.1 million increase in retail CDs
  - Decline of $116.2 million in noninterest bearing deposit balances from linked quarter
  - Average noninterest bearing deposits were 25.5% of average total deposits at December 31, 2023

- Net interest margin (FTE) decreased 7 bps to 4.26%, exceeding expectations
  - Lower margin from third quarter driven by increased funding costs
  - 14 bp increase in earning asset yields partially offset 21 bp increase in cost of funds

- Adjusted[1] noninterest income of $47.6 million
  - Wealth management fees of $6.1 million
  - Foreign exchange income of $8.7 million; decline from linked quarter driven by $4.6 million loss on a trade
  - Leasing business revenue of $12.9 million, a decrease of $1.7 million, or 11.6%, compared to linked quarter
  - Adjusted[1] $0.6 million for losses on investment securities and other items not expected to recur



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

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# 4Q 2023 highlights

- Adjusted[1] noninterest expense of $116.8 million, a 3.9% decrease from third quarter
  - Adjustments[1] include $0.9 million FDIC special assessment and other costs not expected to recur such as acquisition, severance and branch consolidation costs
  - Decrease driven by lower employee costs and marketing expenses
  - Efficiency ratio of 59.3%; 58.0% as adjusted[1]

- Allowance for credit loss (ACL) and provision expense increased compared to linked quarter
  - Total ACL of $159.9 million; provision expense of $10.2 million
    - Loans and leases - ACL of $141.4 million; 1.29% of total loans
    - Unfunded Commitments - ACL of $18.4 million
  - Stable provision expense driven by net charge-offs and loan growth
  - NPA to total assets of 0.38%; 6 bp, or 12% decline from linked quarter
  - $12.6 million in net charge-offs for the quarter; 46 bps as a percentage of loans on an annualized basis
    - $9.2 million charge-off resulting from a single fraudulent relationship that was previously reserved for
  - Classified assets remained stable at 0.80% of assets
  - Nonaccrual loans of $65.8 million; $9.2 million, or 12.3% decrease from the linked quarter primarily driven by previously mentioned charge-off

- Capital ratios in excess of targets
  - Total capital ratio of 13.61%
  - Tier 1 common equity of 11.73%; 13 basis point increase from linked quarter
  - Tangible book value increased by $1.47, or 13.5%, to $12.38 due to increase in AOCI
  - Tangible common equity increased 67 bps to 7.17%; 9.05%[1] excluding ($309.8) million of AOCI
  - No shares repurchased in fourth 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.

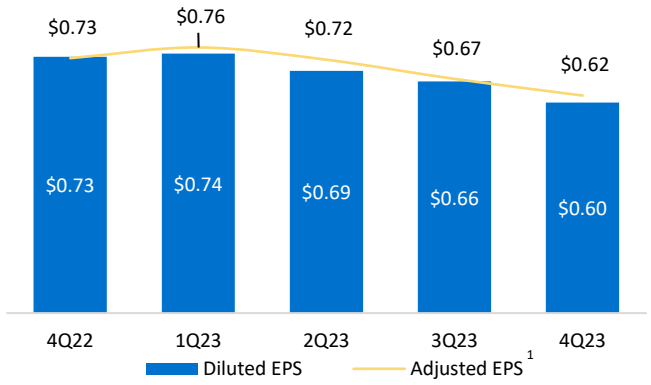
| | 4Q 2023 | | | 3Q 2023 | | |
|---|---|---|---|---|---|---|
| | As Reported | Adjusted [1] | | As Reported | Adjusted [1] | |
| Net interest income | $ 153,765 | $ 153,765 | | $ 155,455 | $ 155,455 | |
| Provision for credit losses-loans and leases | $ 8,804 | $ 8,804 | | $ 12,907 | $ 12,907 | |
| Provision for credit losses-unfunded commitments | $ 1,426 | $ 1,426 | | $ (1,234) | $ (1,234) | |
| Noninterest income | $ 46,993 | $ 46,993 | | $ 56,628 | $ 56,628 | |
| less: gains (losses) on security transactions | - | (649) | A | - | (58) | A |
| less: other | - | - | A | - | (94) | A |
| Total noninterest income | $ 46,993 | $ 47,642 | | $ 56,628 | $ 56,780 | |
| Noninterest expense | $ 119,137 | $ 119,137 | | $ 122,044 | $ 122,044 | |
| less: FDIC special assessment | - | 925 | A | - | - | A |
| less: online banking conversion costs | - | - | A | - | 787 | A |
| less: other | - | 1,363 | A | - | (291) | A |
| Total noninterest expense | $ 119,137 | $ 116,849 | | $ 122,044 | $ 121,548 | |
| Income before income taxes | $ 71,391 | $ 74,328 | | $ 78,366 | $ 79,014 | |
| Income tax expense | $ 14,659 | $ 14,659 | | $ 15,305 | $ 15,305 | |
| plus: after-tax impact of tax credit investment @ 21% | - | 276 | | - | 82 | |
| plus: tax effect of adjustments (A) @ 21% statutory rate | - | 423 | | - | 136 | |
| Total income tax expense | $ 14,659 | $ 15,358 | | $ 15,305 | $ 15,523 | |
| Net income | $ 56,732 | $ 58,970 | | $ 63,061 | $ 63,491 | |
| Net earnings per share - diluted | $ 0.60 | $ 0.62 | | $ 0.66 | $ 0.67 | |
| Pre-tax, pre-provision return on average assets | 1.89% | 1.96% | | 2.11% | 2.12% | |

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

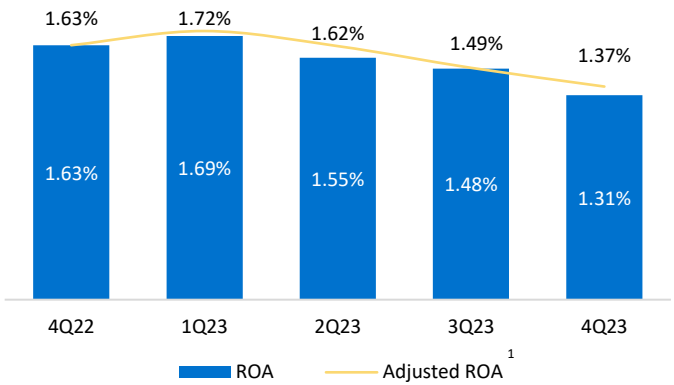
All dollars shown in thousands, except per share amounts

# profitability

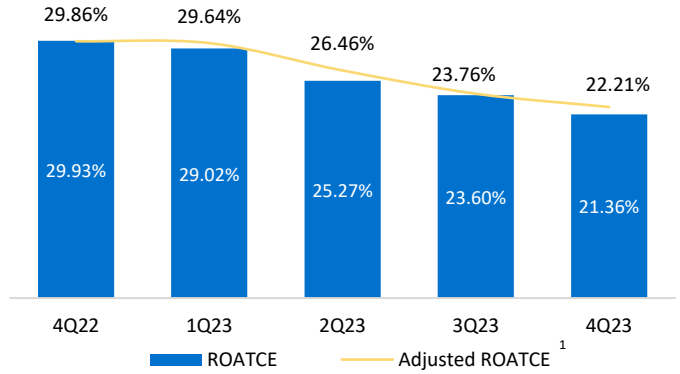
## Diluted EPS



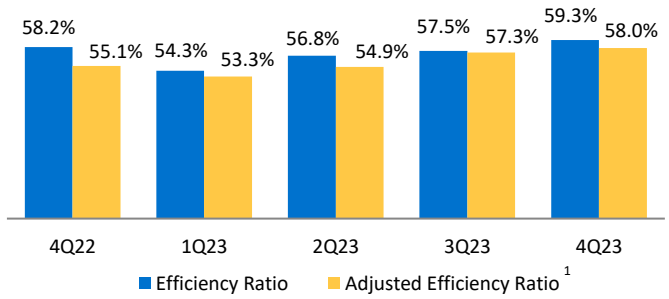

## Return on Average Assets




## Return on Avg Tangible Common Equity



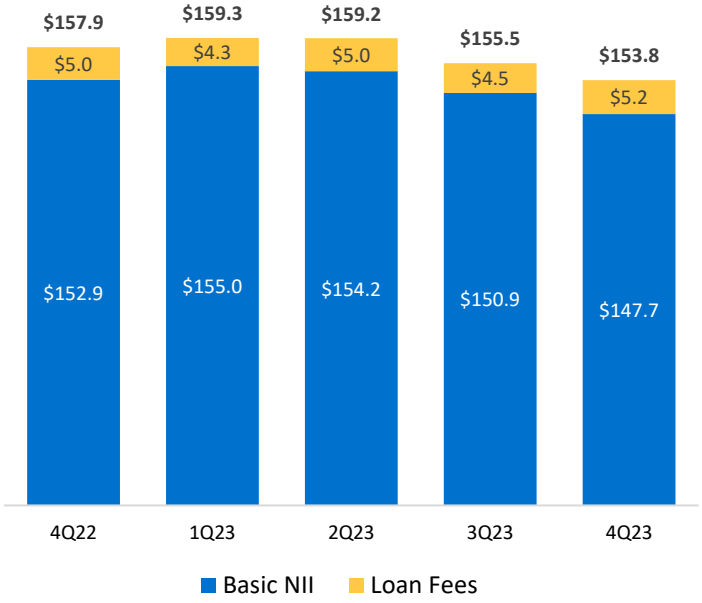

## Efficiency Ratio



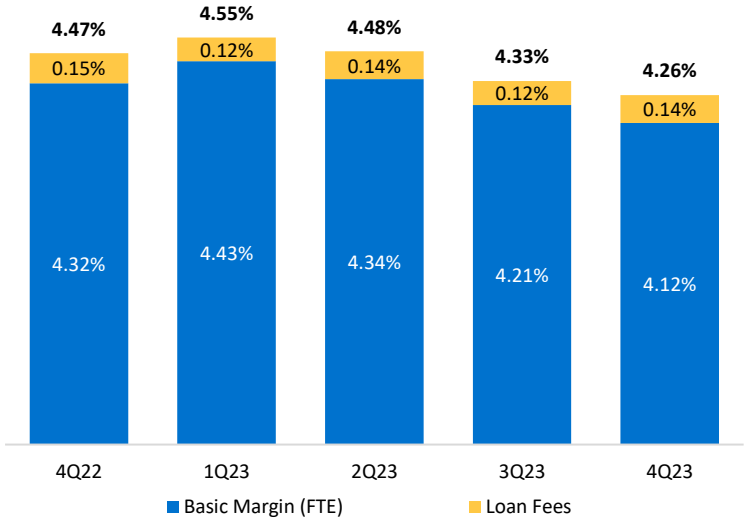

[1] Non-GAAP financial measure which management believes facilitates a better understanding of the Company's financial condition. See Appendix for Non-GAAP reconciliation.

# net interest income & margin

## Net Interest Income




## Net Interest Margin (FTE)




## 4Q23 NIM (FTE) Progression

| | |
|---|---|
| **3Q23** | **4.33%** |
| Asset yields/mix | 0.14% |
| Deposit & funding costs/mix | -0.21% |
| Other | 0.00% |
| **4Q23** | **4.26%** |

first financial bancorp

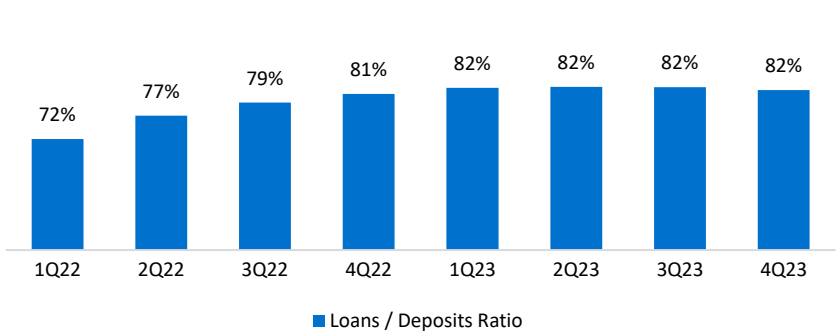
All dollars shown in millions

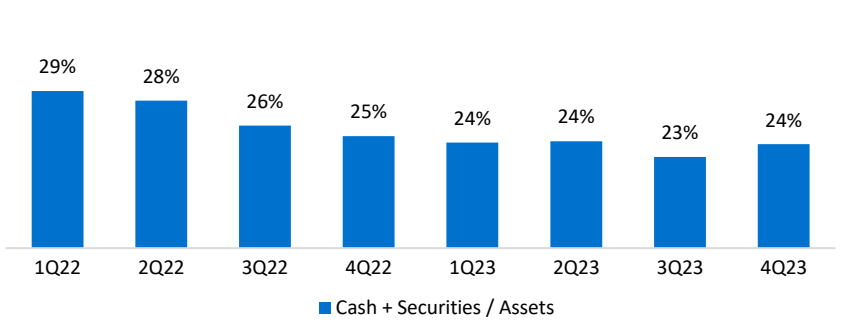


EQUAL OPPORTUNITY LENDER EQUAL HOUSING LENDER FDIC

# liquidity and beta profile

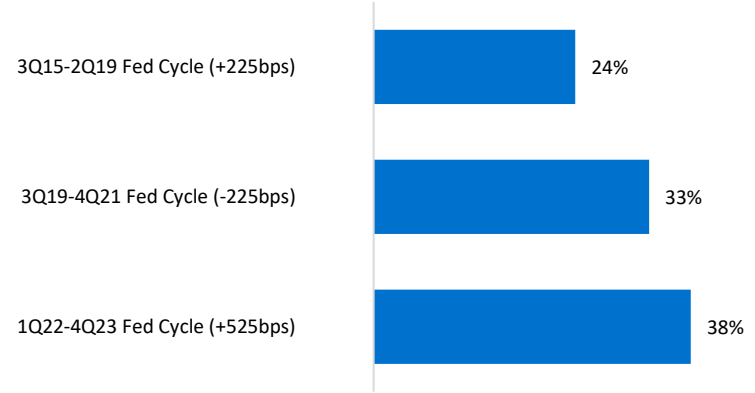
## Liquidity Trends



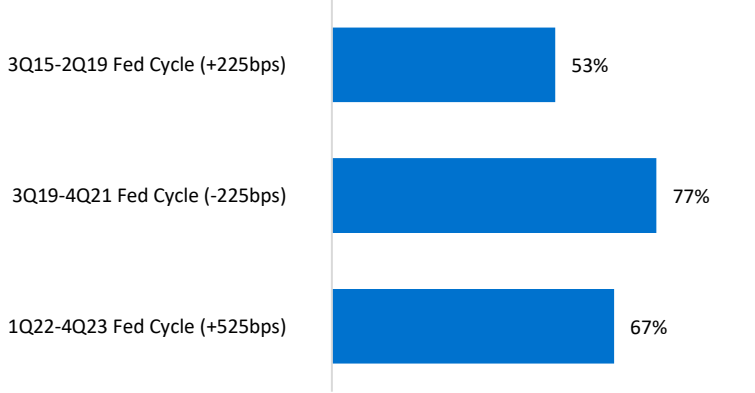




## Historical Deposit and Loan Betas[1]

### Total Deposit Beta




### Loan Beta



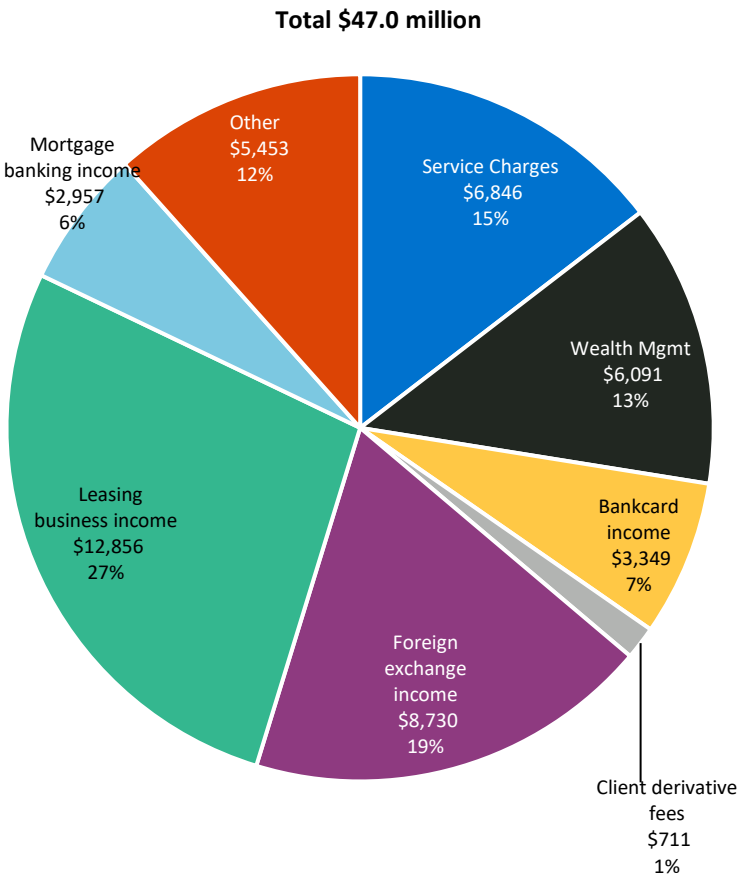

first financial bancorp

[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

# noninterest income

## Noninterest Income



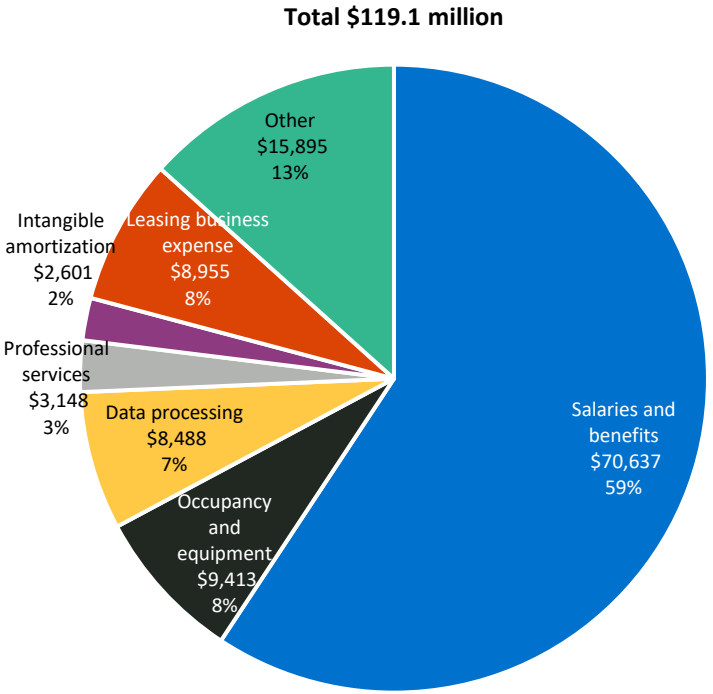

All dollars shown in thousands

## 4Q23 Highlights

- Total fee income 23.4% of net revenue
- Foreign exchange income of $8.7 million; decreased $4.7 million, or 34.8%, from the linked quarter due to $4.6 million loss on a trade
- Leasing business income of $12.9 million; decreased $1.7 million, or 11.6%, from the linked quarter
- Trust and wealth management fees of $6.1 million decreased $0.9 million, or 12.3%, from the linked quarter
- Deposit service charge income of $6.8 million decreased $0.1 or 1.6% from the linked quarter
- Mortgage banking income of $3.0 million; decreased $1.1 million, or 27.6%, from the linked quarter
- Client derivative income of $0.7 million; decreased $0.9 million, or 55.9%, from the linked quarter

# noninterest expense

## Noninterest Expense

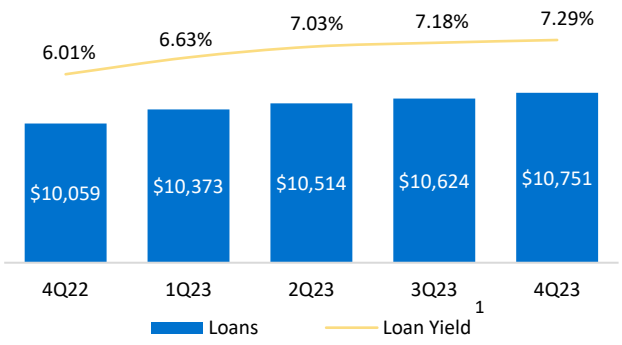



## 4Q23 Highlights

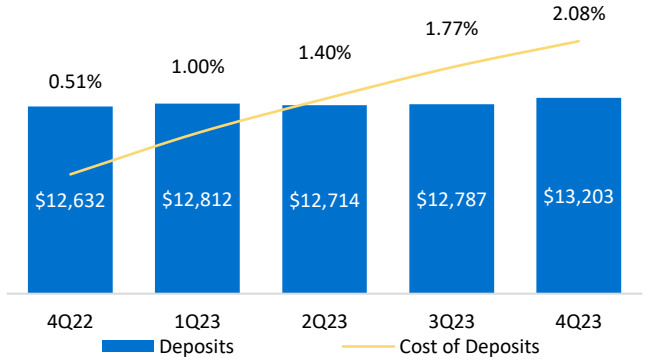
- Core expenses decreased $4.7 million, or 3.9%, primarily due to lower employee costs and marketing expenses
- $2.3 million of adjustments include:
  - $0.9 million FDIC special assessment
  - Other costs not expected to recur such as acquisition, severance and branch consolidation costs

# average balance sheet

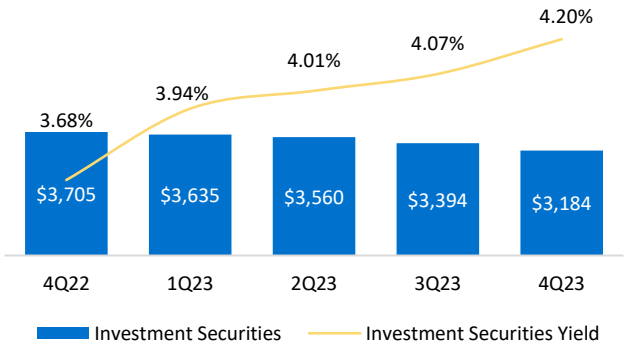
## Average Loans




## Average Deposits




## Average Securities

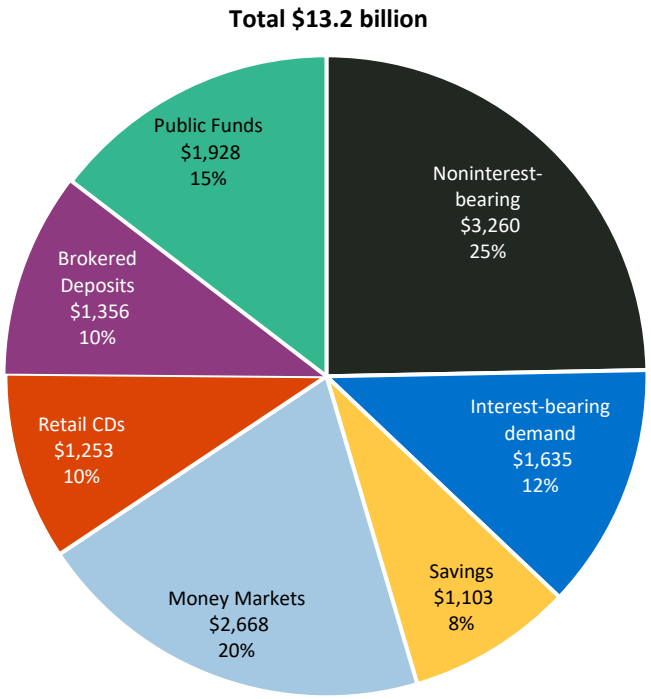



All dollars shown in millions

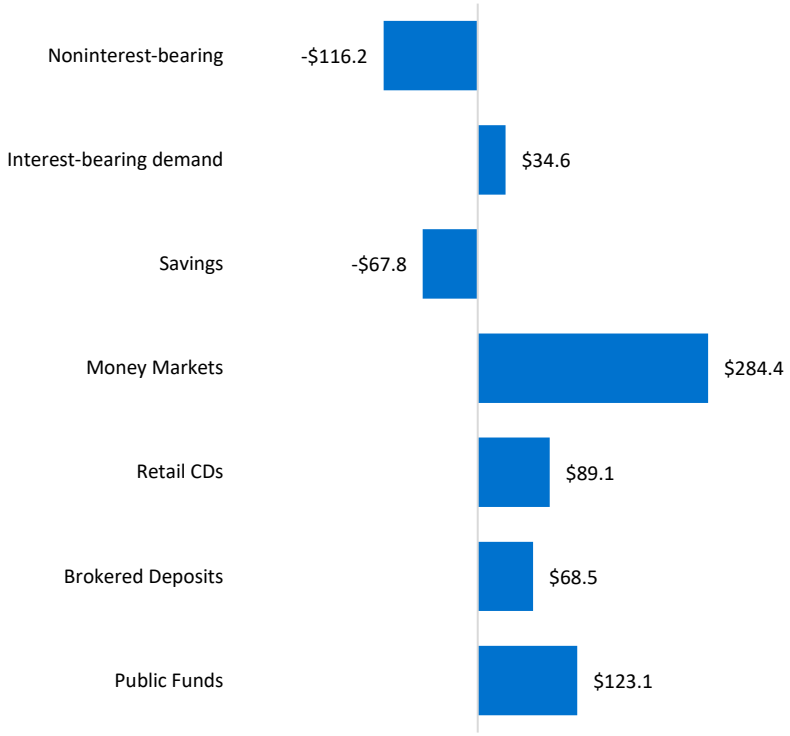
[1] Includes loans fees and loan accretion

# deposits

## Deposit Product Mix (Avg)




## 4Q23 Average Deposit Progression




**Total growth/(decline): $415.7 million**

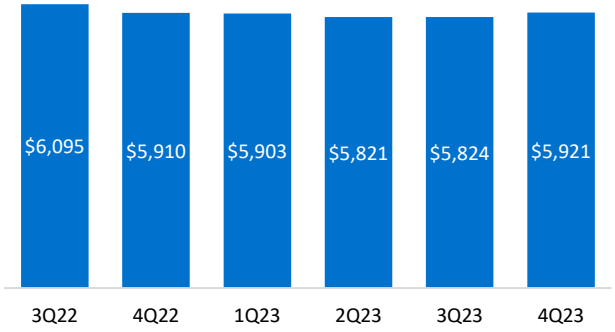
All dollars shown in millions



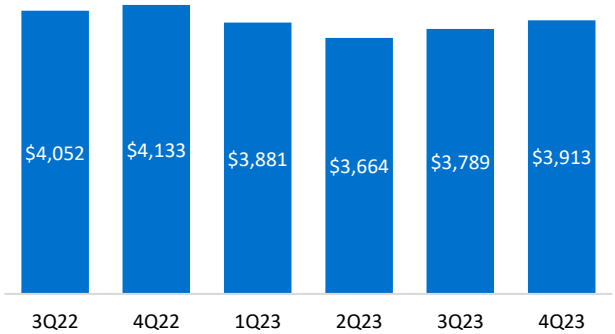

EQUAL OPPORTUNITY LENDER EQUAL HOUSING LENDER FDIC

# average deposit trends

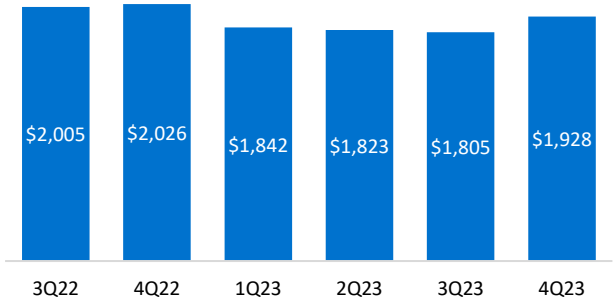
## Personal




## Business




## Public Funds




## Uninsured Deposits

| | | |
|---|---|---|
| Uninsured deposits (per call report instructions) | $ | 5,628 |
| Less: Public funds | | 1,749 |
| Less: Intercompany deposits | | 696 |
| Adjusted uninsured deposits | | 3,183 |
| Borrowing capacity | | 5,038 |
| Borrowing capacity in excess of adjusted uninsured deposits | $ | 1,855 |

| | |
|---|---|
| Borrowing capacity as a % of adjusted uninsured deposits | 158.3% |
| Adjusted uninsured deposits to total deposits | 23.8% |

All dollars shown in millions

# deposit concentrations

## Business Deposits by Sector

| NAICS Sector | 12/31/23 | % of Total Deposits |
|---|---|---|
| Manufacturing | $636.8 | 4.8% |
| Real Estate and Rental and Leasing | 455.3 | 3.4% |
| Finance and Insurance | 468.9 | 3.5% |
| Construction | 380.1 | 2.8% |
| Professional, Scientific, and Technical Services | 311.7 | 2.3% |
| Other Services (except Public Administration) | 284.6 | 2.1% |
| Health Care and Social Assistance | 225.7 | 1.7% |
| Retail Trade | 205.5 | 1.5% |
| Accommodation and Food Services | 130.1 | 1.0% |
| Wholesale Trade | 138.0 | 1.0% |
| Agriculture, Forestry, Fishing and Hunting | 86.8 | 0.7% |
| Administrative and Support and Waste Management | 85.1 | 0.6% |
| Arts, Entertainment, and Recreation | 75.7 | 0.6% |
| Transportation and Warehousing | 72.0 | 0.5% |
| Educational Services | 54.3 | 0.4% |
| Other | 328.6 | 2.5% |
| **Grand Total** | **$3,939.1** | **29.5%** |

All dollars shown in millions

# borrowing capacity & cash/investment liquidity

## Borrowing Capacity

| | | |
|---|---|---|
| FHLB borrowing availability | $ | 611,277 |
| Fed Discount Window availability | | 786,025 |
| Brokered CDs/Deposit placement services | | 2,122,260 |
| Fed funds | | 1,518,000 |
| Total as of December 31, 2023 | $ | 5,037,561 |

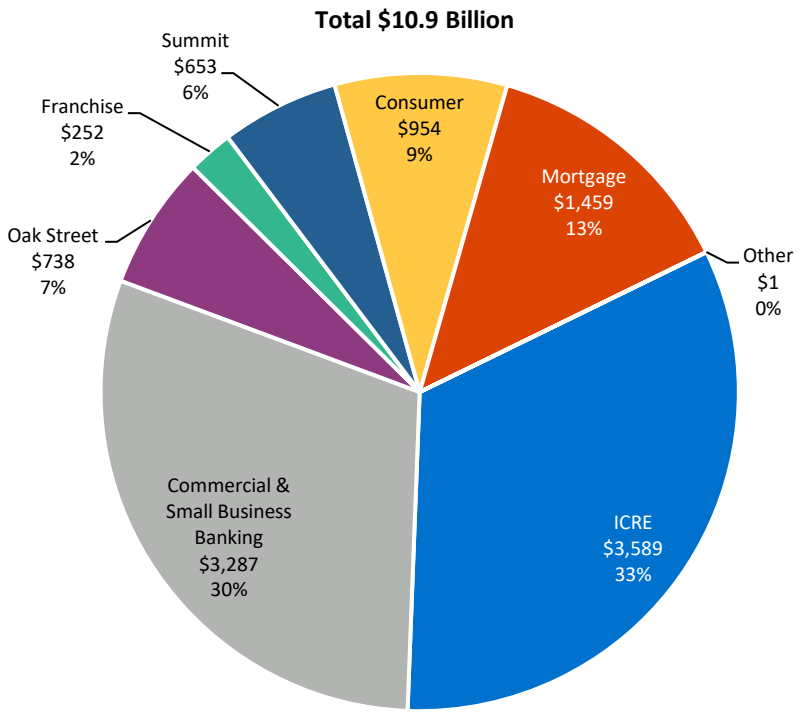
(dollars shown in thousands)

## Cash/Investment Liquidity

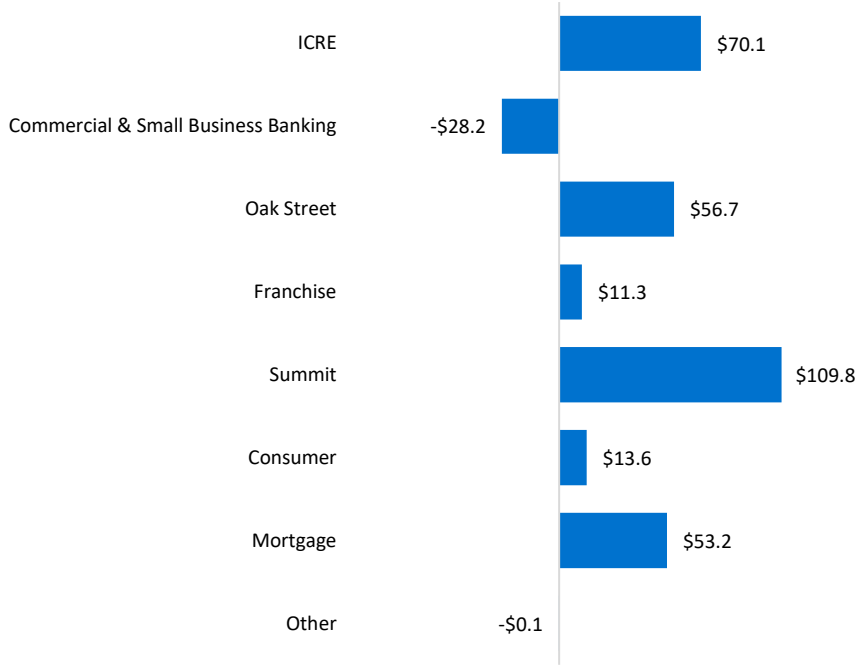
- Interest-bearing deposits with other banks of $793 million
- Investment securities portfolio:
  - 97.4% of investment portfolio classified as available-for-sale
  - $622.9 million of expected cash flow from securities portfolio in next 12 months
  - $533.3 million of floating rate securities with minimal losses
  - Portfolio duration of 4.6 years at December 31, 2023

# loan portfolio

## Loan LOB Mix (EOP)




## Net Loan Change-LOB (Linked Quarter)




**Total growth/(decline):**
**$286.4 million**

All dollars shown in millions

# loan concentrations

## C&I and Owner Occupied CRE Loans by Sector[1]

| NAICS Sector | 12/31/23 | % of Total Loans |
|---|---|---|
| Finance and Insurance | $834.6 | 7.6% |
| Real Estate and Rental and Leasing | 763.5 | 7.0% |
| Manufacturing | 557.2 | 5.1% |
| Accommodation and Food Services | 308.2 | 2.8% |
| Health Care and Social Assistance | 251.7 | 2.3% |
| Professional, Scientific, and Technical Services | 221.9 | 2.0% |
| Construction | 218.1 | 2.0% |
| Other Services (except Public Administration) | 167.1 | 1.5% |
| Agriculture, Forestry, Fishing and Hunting | 157.3 | 1.4% |
| Retail Trade | 157.1 | 1.4% |
| Wholesale Trade | 141.0 | 1.3% |
| Transportation and Warehousing | 121.6 | 1.1% |
| Administrative and Support and Waste Manageme | 96.9 | 0.9% |
| Arts, Entertainment, and Recreation | 83.4 | 0.8% |
| Public Administration | 57.6 | 0.5% |
| Other | 122.1 | 1.1% |
| **Grand Total** | **$4,259.2** | **39.0%** |

[1] Excludes Summit Funding Group

## Investor CRE Loans by Property Type

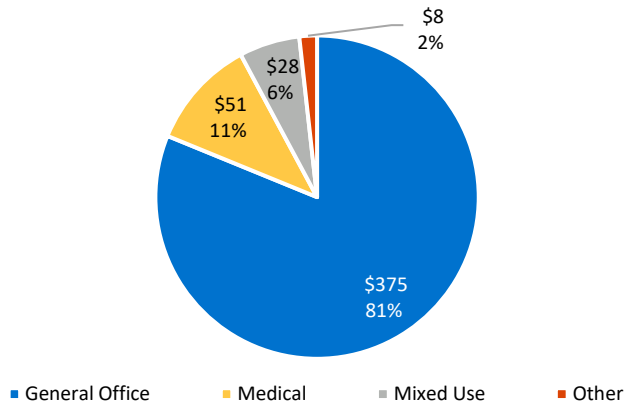
| Property Type | 12/31/23 | % of Total Loans |
|---|---|---|
| Residential Multi Family 5+ | $1,114.9 | 10.2% |
| Retail Property | 764.4 | 7.0% |
| Office | 462.4 | 4.2% |
| Industrial | 393.5 | 3.6% |
| Hospital/Nursing Home | 323.1 | 3.0% |
| Hotel | 204.1 | 1.9% |
| Land | 100.1 | 0.9% |
| Residential 1-4 Family | 95.1 | 0.9% |
| Industrial | 57.8 | 0.5% |
| Other | 74.0 | 0.7% |
| **Grand Total** | **$3,589.4** | **32.8%** |

All dollars shown in millions

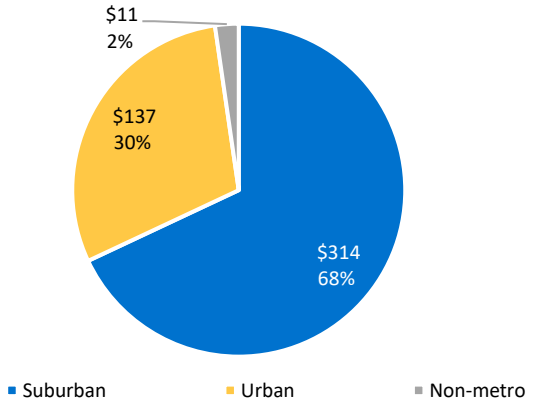
# area of focus - office portfolio (non-owner occupied)

- $462 million balance represents 4.2% of total loan portfolio
- 68% of portfolio is suburban
- Average LTV of 61%
- Majority of exposure is in our metro markets and secured by suburban Class A & Class B assets with recourse to the sponsor
- No exposure to gateway cities
- $23 million on nonaccrual status; 2 relationships
- $19 million rated special mention; 3 relationships

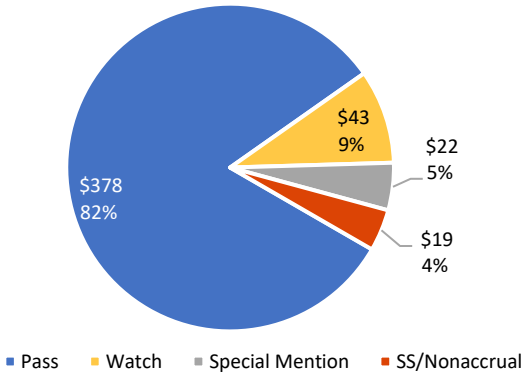
## Office Property Type




## Office Property Market



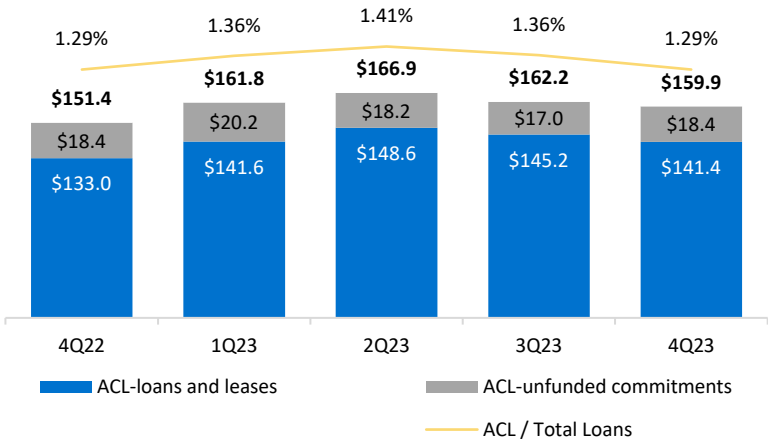

## Office Risk Classification




All dollars shown in millions

# allowance for credit losses

## ACL / Total Loans



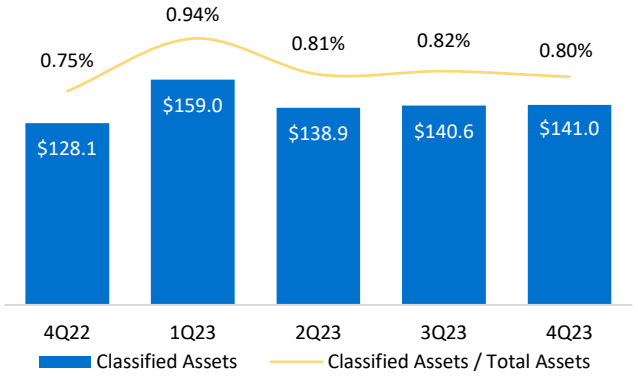

All dollars shown in millions

## 4Q23 Highlights

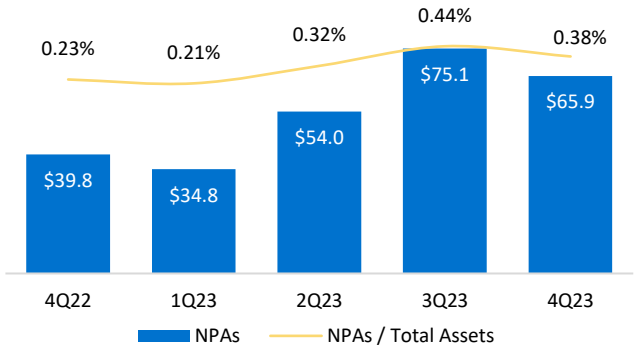
- $159.9 million combined ACL; $10.2 million combined provision expense
- $141.4 million ACL – loans and leases; increase driven by net charge-offs; 1.29% of loan balances
- Utilized Moody's December baseline forecast in quantitative model
- $18.4 million ACL – unfunded commitments

# asset quality

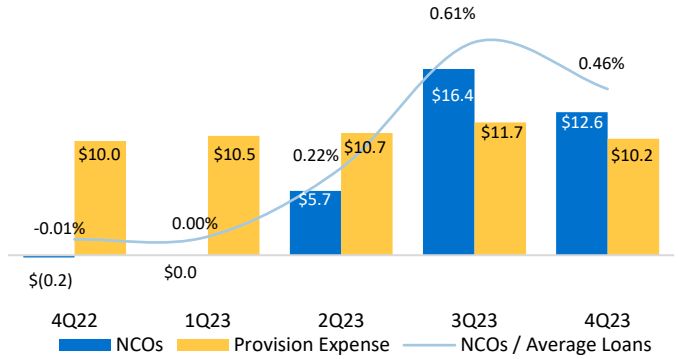
## Classified Assets / Total Assets




## Nonperforming Assets / Total Assets



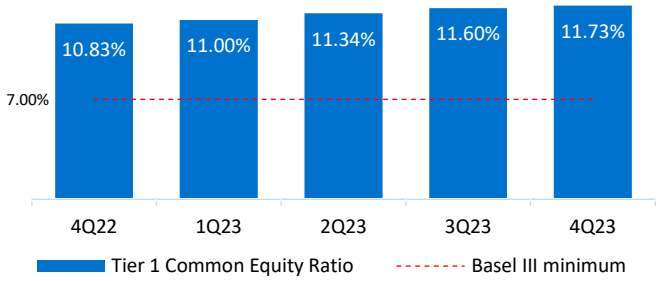

## Net Charge Offs & Provision Expense[1]



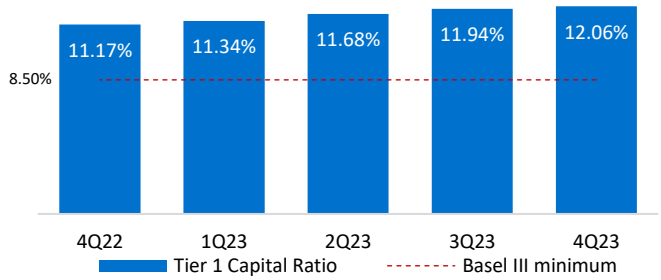

[1] Provision includes both loans & leases and unfunded commitments
All dollars shown in millions

# capital

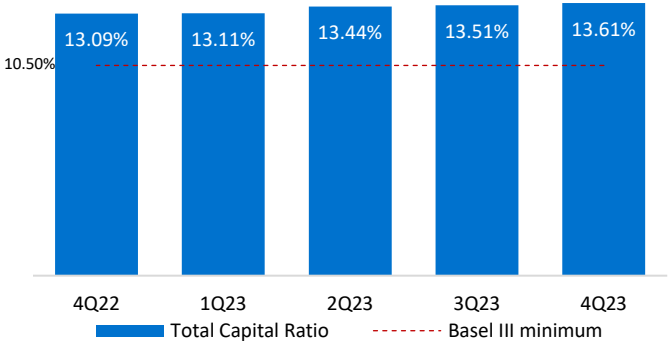
## Tier 1 Common Equity Ratio



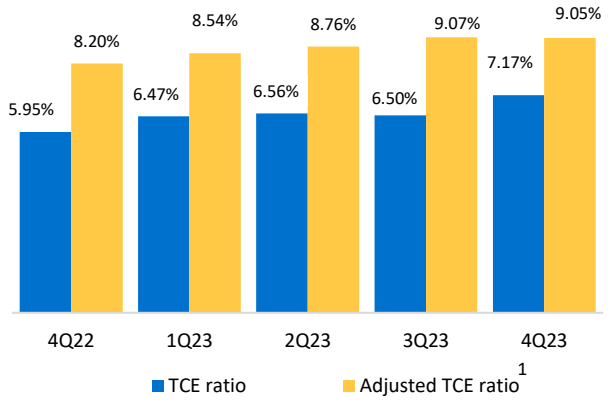

## Tier 1 Capital Ratio




## Total Capital Ratio




## Tangible Common Equity Ratio

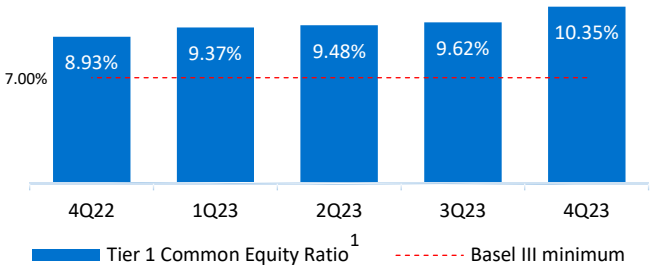



12/31 Risk Weighted Assets = $13,374,177
All capital numbers are considered preliminary.

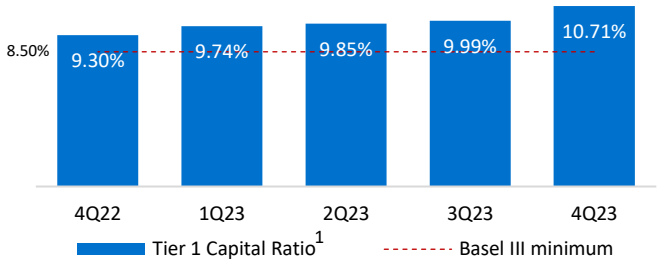
[1] Non-GAAP financial measure which management believes facilitates a better understanding of the Company's financial condition. See Appendix for Non-GAAP reconciliation. Adjusted TCE excludes impact from AOCI

# capital ratios, reflecting all unrealized losses[1]

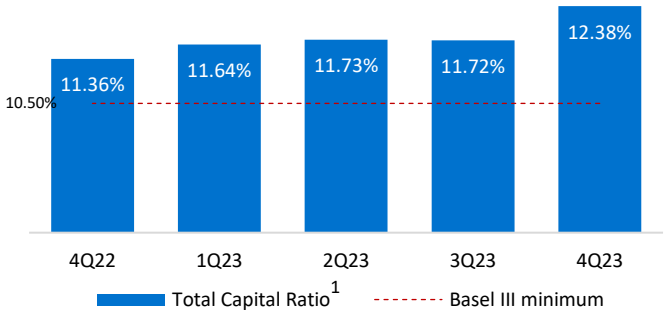
## Tier 1 Common Equity Ratio




## Tier 1 Capital Ratio




## Total Capital Ratio

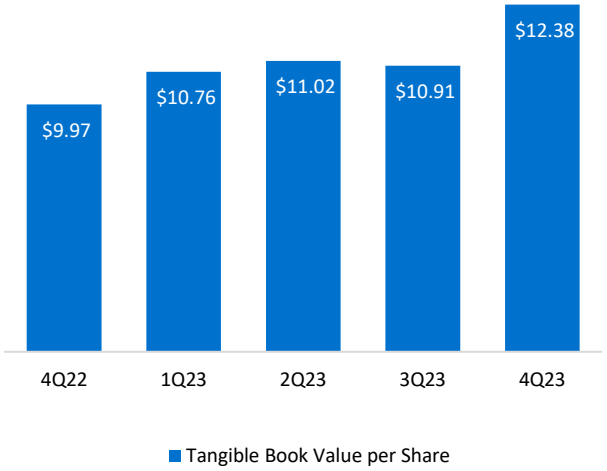



12/31 Risk Weighted Assets = $13,374,177
All capital numbers are considered preliminary.

[1] Assumes Company holds cash proceeds of securities sales

# capital strategy

## Tangible Book Value Per Share




- 13.5% Increase in TBV per share driven by earnings and improvement in AOCI

## Strategy & Deployment

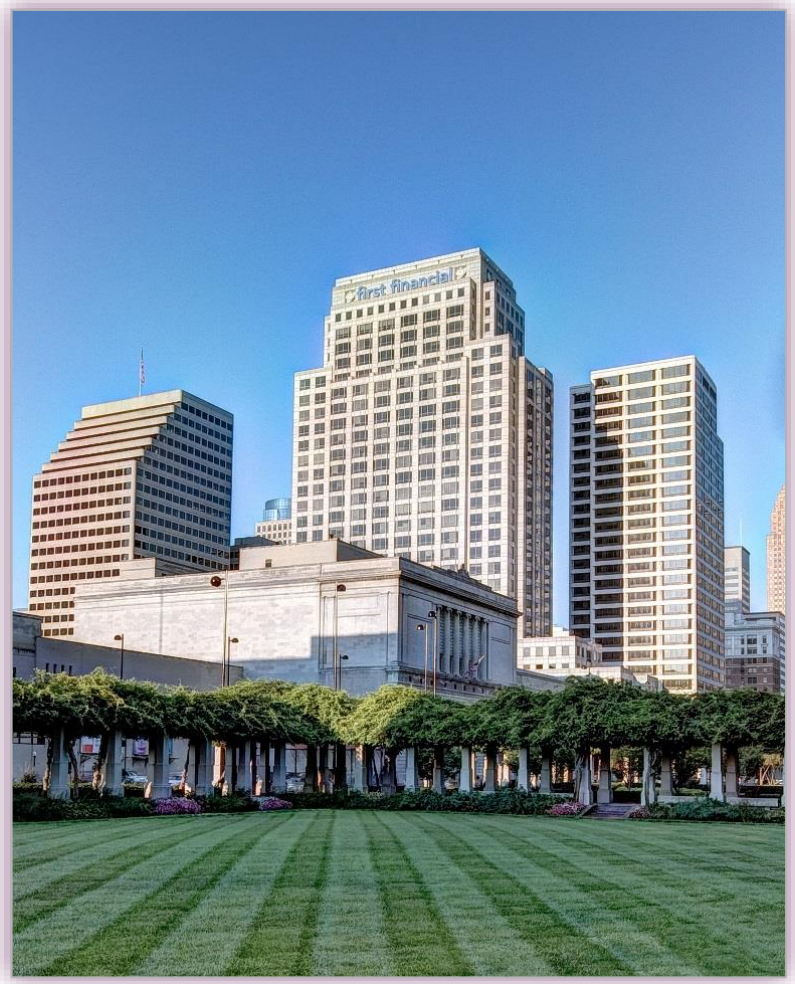
- 3.9% annualized dividend yield
- 38.6% of 4Q23 earnings returned to shareholders through common dividend
- Most recent internal stress testing indicates capital ratios above regulatory minimums in all modeled scenarios
- Common dividend expected to remain unchanged in near-term
- No shares repurchased in 4Q23; no plans to repurchase shares in near-term; re-authorized share repurchase plan that had expired

# outlook commentary[1]

| | |
|---|---|
| **Balance Sheet** | • Loan balances expected to grow mid single digits in near-term<br>• Average deposit balances expected to be stable to slightly down in near-term due to seasonality<br>• Investment portfolio expected to decline as cash flows fund loan growth |
| **Net Interest Margin** | • Expected to be 4.05% - 4.15%; assumes no Fed cuts in the first quarter |
| **Credit** | • Credit costs expected to remain flat in 1Q24<br>• Stable to slightly increasing ACL coverage as a percentage of loans expected |
| **Noninterest Income** | • Total expected fee income of $53 - 55 million |
| **Noninterest Expense** | • Total noninterest expense expected to be $120 - 122 million<br>• Incentive expense will fluctuate with fee income |
| **Capital** | • Expect to 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 $4.4 billion
  - Deposits $6.3 billion
  - Deposit Market Share #4 (2.9%)
  - Banking Centers 50
  - Fortune 500 Companies 5
- Columbus, OH
  - Loans $1.4 billion
  - Deposits $0.4 billion
  - Deposit Market Share #18 (0.4%)
  - Banking Centers 4
  - Fortune 500 Companies 4
- Community Markets
  - Loans $1.7 billion
  - Deposits $5.0 billion
  - Banking Centers 61
  - Fortune 500 Companies 1
- Indianapolis
  - Loans $1.0 billion
  - Deposits $0.7 billion
  - Deposit Market Share #14 (1.2%)
  - Banking Centers 9
  - Fortune 500 Companies 3
- Louisville
  - Loans $0.4 billion
  - Deposits $0.7 billion
  - Deposit Market Share #12 (1.1%)
  - Banking Centers 6
  - Fortune 500 Companies 1
- National
  - Loans $2.0 billion
  - Deposits $0.2 billion

All numbers as of 9/30/2023 except deposit market share which is as of 6/30/2023.
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 | | | | |
|---|---|---|---|---|---|
| | Dec. 31, 2023 | Sep. 30, 2023 | June 30, 2023 | Mar. 31, 2023 | Dec. 31, 2022 |
| Net interest income | $ 153,765 | $ 155,455 | $ 159,232 | $ 159,318 | $ 157,896 |
| Tax equivalent adjustment | 1,672 | 1,659 | 1,601 | 1,424 | 1,553 |
| Net interest income - tax equivalent | $ 155,437 | $ 157,114 | $ 160,833 | $ 160,742 | $ 159,449 |
| Average earning assets | $ 14,483,589 | $ 14,404,144 | $ 14,403,542 | $ 14,326,645 | $ 14,136,477 |
| Net interest margin[1] | 4.21 % | 4.28 % | 4.43 % | 4.51 % | 4.43 % |
| Net interest margin (fully tax equivalent)[1] | 4.26 % | 4.33 % | 4.48 % | 4.55 % | 4.47 % |

[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, Dec. 31, 2023 | Sep. 30, 2023 | June 30, 2023 | Mar. 31, 2023 | Dec. 31, 2022 |
|---|---|---|---|---|---|
| Net income (a) | $ 56,732 | $ 63,061 | $ 65,667 | $ 70,403 | $ 69,086 |
| Average total shareholders' equity | 2,144,482 | 2,153,601 | 2,137,765 | 2,082,210 | 2,009,564 |
| Less: | | | | | |
| Goodwill | (1,005,870) | (1,005,844) | (1,005,791) | (1,005,713) | (998,575) |
| Other intangibles | (85,101) | (87,427) | (89,878) | (92,587) | (95,256) |
| Average tangible equity (b) | 1,053,511 | 1,060,331 | 1,042,097 | 983,910 | 915,733 |
| Total shareholders' equity | 2,267,974 | 2,129,509 | 2,143,419 | 2,121,496 | 2,041,373 |
| Less: | | | | | |
| Goodwill | (1,005,868) | (1,005,868) | (1,005,828) | (1,005,738) | (1,001,507) |
| Other intangibles | (83,949) | (86,378) | (88,662) | (91,169) | (93,919) |
| Ending tangible equity (c) | 1,178,157 | 1,037,263 | 1,048,929 | 1,024,589 | 945,947 |
| Less: | | | | | |
| AOCI | (309,819) | (410,005) | (353,010) | (328,059) | (358,663) |
| Ending tangible equity less AOCI (d) | 1,487,976 | 1,447,268 | 1,401,939 | 1,352,648 | 1,304,610 |
| Total assets | 17,532,900 | 17,054,852 | 17,090,149 | 16,933,884 | 17,003,316 |
| Less: | | | | | |
| Goodwill | (1,005,868) | (1,005,868) | (1,005,828) | (1,005,738) | (1,001,507) |
| Other intangibles | (83,949) | (86,378) | (88,662) | (91,169) | (93,919) |
| Ending tangible assets (e) | 16,443,083 | 15,962,606 | 15,995,659 | 15,836,977 | 15,907,890 |
| Risk-weighted assets (f) | 13,374,177 | 13,170,574 | 13,118,477 | 13,025,552 | 12,923,233 |
| Total average assets | 17,124,955 | 16,951,389 | 16,968,055 | 16,942,999 | 16,767,598 |
| Less: | | | | | |
| Goodwill | (1,005,870) | (1,005,844) | (1,005,791) | (1,005,713) | (998,575) |
| Other intangibles | (85,101) | (87,427) | (89,878) | (92,587) | (95,256) |
| Average tangible assets (g) | $ 16,033,984 | $ 15,858,119 | $ 15,872,386 | $ 15,844,699 | $ 15,673,767 |
| Ending shares outstanding (h) | 95,141,244 | 95,117,180 | 95,185,483 | 95,190,406 | 94,891,099 |
| Ratios | | | | | |
| Return on average tangible shareholders' equity (a)/(b) | 21.36% | 23.60% | 25.27% | 29.02% | 29.93% |
| Ending tangible equity as a percent of: | | | | | |
| Ending tangible assets (c)/(e) | 7.17% | 6.50% | 6.56% | 6.47% | 5.95% |
| Risk-weighted assets (c)/(f) | 8.81% | 7.88% | 8.00% | 7.87% | 7.32% |
| Ending tangible equity excluding AOCI as a percent of: | | | | | |
| Ending tangible assets (d)/(e) | 9.05% | 9.07% | 8.76% | 8.54% | 8.20% |
| Average tangible equity as a percent of average tangible assets (b)/(g) | 6.57% | 6.69% | 6.57% | 6.21% | 5.84% |
| Tangible book value per share (c)/(h) | $ 12.38 | $ 10.91 | $ 11.02 | $ 10.76 | $ 9.97 |

All dollars shown in thousands

# appendix: non-GAAP to GAAP reconciliation

## Additional non-GAAP measures

| (Dollars in thousands, except per share data) | 4Q23 | | 3Q23 | | 2Q23 | | 1Q23 | |
|---|---|---|---|---|---|---|---|---|
| | As Reported | Adjusted | As Reported | Adjusted | As Reported | Adjusted | As Reported | Adjusted |
| Net interest income (f) | $ 153,765 | $ 153,765 | $ 155,455 | $ 155,455 | $ 159,232 | $ 159,232 | $ 159,318 | $ 159,318 |
| Provision for credit losses-loans and leases (j) | 8,804 | 8,804 | 12,907 | 12,907 | 12,719 | 12,719 | 8,644 | 8,644 |
| Provision for credit losses-unfunded commitments (j) | 1,426 | 1,426 | (1,234) | (1,234) | (1,994) | (1,994) | 1,835 | 1,835 |
| Noninterest income | 46,993 | 46,993 | 56,628 | 56,628 | 53,258 | 53,258 | 55,543 | 55,543 |
| less: gains (losses) on security transactions | | (649) | | (58) | | (466) | | 121 |
| less: other | | - | | (94) | | 227 | | - |
| Total noninterest income (g) | 46,993 | 47,642 | 56,628 | 56,780 | 53,258 | 53,497 | 55,543 | 55,422 |
| Noninterest expense | 119,137 | 119,137 | 122,044 | 122,044 | 120,615 | 120,615 | 116,693 | 116,693 |
| less: tax credit investment writedown | | - | | 104 | | 984 | | 104 |
| less: FDIC special assessment | | 925 | | - | | - | | - |
| less: Summit acquisition costs | | - | | 787 | | 1,717 | | 31 |
| less: Other | | 1,363 | | (395) | | 1,044 | | 2,000 |
| Total noninterest expense (e) | 119,137 | 116,849 | 122,044 | 121,548 | 120,615 | 116,870 | 116,693 | 114,558 |
| Income before income taxes (i) | 71,391 | 74,328 | 78,366 | 79,014 | 81,150 | 85,134 | 87,689 | 89,703 |
| Income tax expense | 14,659 | 14,659 | 15,305 | 15,305 | 15,483 | 15,483 | 17,286 | 17,286 |
| plus: tax effect of adjustments | | 276 | | 82 | | 81 | | 82 |
| plus: after-tax impact of tax credit investments @ 21% | | 423 | | 136 | | 837 | | 423 |
| Total income tax expense (h) | 14,659 | 15,358 | 15,305 | 15,523 | 15,483 | 16,401 | 17,286 | 17,791 |
| Net income (a) | $ 56,732 | $ 58,970 | $ 63,061 | $ 63,491 | $ 65,667 | $ 68,733 | $ 70,403 | $ 71,912 |
| Average diluted shares (b) | 95,141 | 95,141 | 95,117 | 95,117 | 95,185 | 95,185 | 95,190 | 95,190 |
| Average assets (c) | 17,124,955 | 17,124,955 | 16,951,389 | 16,951,389 | 16,968,055 | 16,968,055 | 16,942,999 | 16,942,999 |
| Average shareholders' equity | 2,144,482 | 2,144,482 | 2,153,601 | 2,153,601 | 2,137,765 | 2,137,765 | 2,082,210 | 2,082,210 |
| Less: | | | | | | | | |
| Goodwill and other intangibles | (1,090,971) | (1,090,971) | (1,093,271) | (1,093,271) | (1,095,669) | (1,095,669) | (1,098,300) | (1,098,300) |
| Average tangible equity (d) | 1,053,511 | 1,053,511 | 1,060,331 | 1,060,331 | 1,042,097 | 1,042,097 | 983,910 | 983,910 |
| Ratios | | | | | | | | |
| Net earnings per share - diluted (a)/(b) | $ 0.60 | $ 0.62 | $ 0.66 | $ 0.67 | $ 0.69 | $ 0.72 | $ 0.74 | $ 0.76 |
| Return on average assets - (a)/(c) | 1.31% | 1.37% | 1.48% | 1.49% | 1.55% | 1.62% | 1.69% | 1.72% |
| Pre-tax, pre-provision return on average assets - ((a)+(j)+(h))/(c) | 1.89% | 1.96% | 2.11% | 2.12% | 2.17% | 2.27% | 2.35% | 2.40% |
| Return on average tangible shareholders' equity - (a)/(d) | 21.36% | 22.21% | 23.60% | 23.76% | 25.27% | 26.46% | 29.02% | 29.64% |
| Efficiency ratio - (e)/((f)+(g)) | 59.3% | 58.0% | 57.5% | 57.3% | 56.8% | 54.9% | 54.3% | 53.3% |
| Effective tax rate - (h)/(i) | 20.5% | 20.7% | 19.5% | 19.6% | 19.1% | 19.3% | 19.7% | 19.8% |

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