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First Financial Bancorp

First Quarter 2011 Earnings Release

Supplemental Information

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Forward-Looking Statements Disclosure

Certain statements contained in this presentation which are not statements of historical fact constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act (the ''Act''). In addition, certain statements in future filings by First Financial with the SEC, in press releases, and in oral and written statements made by or with the approval of First Financial which are not statements of historical fact constitute forward-looking statements within the meaning of the Act. Examples of forward-looking statements include, but are not limited to, projections of revenues, income or loss, earnings or loss per share, the payment or non-payment of dividends, capital structure and other financial items, statements of plans and objectives of First Financial or its management or board of directors, and statements of future economic performances and statements of assumptions underlying such statements. Words such as ''believes'', ''anticipates'', ''likely'', ''expected'', ''intends'', and other similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. Management's analysis contains forward-looking statements that are provided to assist in the understanding of anticipated future financial performance. However, such performance involves risks and uncertainties that may cause actual results to differ materially. Factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to:

- management's ability to effectively execute its business plan;
- the risk that the strength of the United States economy in general and the strength of the local economies in which we conduct operations may continue to deteriorate resulting in, among other things, a further deterioration in credit quality or a reduced demand for credit, including the resultant effect on our loan portfolio, allowance for loan and lease losses and overall financial performance;
- the ability of financial institutions to access sources of liquidity at a reasonable cost;
- the impact of recent upheaval in the financial markets and the effectiveness of domestic and international governmental actions taken in response, such as the U.S. Treasury's TARP and the FDIC's Temporary Liquidity Guarantee Program, and the effect of such governmental actions on us, our competitors and counterparties, financial markets generally and availability of credit specifically, and the U.S. and international economies, including potentially higher FDIC premiums arising from increased payments from FDIC insurance funds as a result of depository institution failures;
- the effect of and changes in policies and laws or regulatory agencies (notably the recently enacted Dodd-Frank Wall Street Reform and Consumer Protection Act);
- inflation and possible changes in interest rates;
- our ability to keep up with technological changes;
- our ability to comply with the terms of loss sharing agreements with the FDIC;
- mergers and acquisitions, including costs or difficulties related to the integration of acquired companies and the wind-down of non-strategic operations that may be greater than expected;
- the risk that exploring merger and acquisition opportunities may detract from management's time and ability to successfully manage our company;
- expected cost savings in connection with the consolidation of recent acquisitions may not be fully realized or realized within the expected time frames, and deposit attrition, customer loss and revenue loss following completed acquisitions may be greater than expected;
- our ability to increase market share and control expenses;
- the effect of changes in accounting policies and practices, as may be adopted by the regulatory agencies as well as the Financial Accounting Standards Board and the SEC;
- adverse changes in the securities and debt markets;
- our success in recruiting and retaining the necessary personnel to support business growth and expansion and maintain sufficient expertise to support increasingly complex products and services;
- monetary and fiscal policies of the Board of Governors of the Federal Reserve System (Federal Reserve) and the U.S. government and other governmental initiatives affecting the financial services industry;
- our ability to manage loan delinquency and charge-off rates and changes in estimation of the adequacy of the allowance for loan losses; and
- the costs and effects of litigation and of unexpected or adverse outcomes in such litigation.

In addition, please refer to our Annual Report on Form 10-K for the year ended December 31, 2010, as well as our other filings with the SEC, for a more detailed discussion of these risks and uncertainties and other factors. Such forward-looking statements are meaningful only on the date when such statements are made, and First Financial undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such a statement is made to reflect the occurrence of unanticipated events.

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Pre-Tax, Pre-Provision Income

	For the three months ended				
	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010
Pre-tax, pre-provision income [1]	$ 29,768	$ 34,844	$ 33,631	$ 37,216	$ 31,126
Accelerated discount on acquired loans related to:					
Loan sales	3,085	-	362	-	1,927
Prepayments	2,698	6,113	9,086	7,408	4,171
Total accelerated discount	5,783	6,113	9,448	7,408	6,098
Plus: loss on covered OREO [2]	3,112	-	-	-	-
Less: gain on sales of non-mortgage loans [3]	-	-	2,034	-	-
Plus: FHLB prepayment penalty	-	-	8,029	-	-
Pre-tax, pre-provision income, net of accelerated discount, loss on covered OREO and other significant nonrecurring items	$ 27,097	$ 28,731	$ 30,178	$ 29,808	$ 25,028

[1] Represents income before taxes plus provision for all loans less FDIC loss sharing income

[2] Reimbursements related to losses on covered OREO are included in FDIC loss sharing income, which is excluded from the pre-tax, pre-provision income above

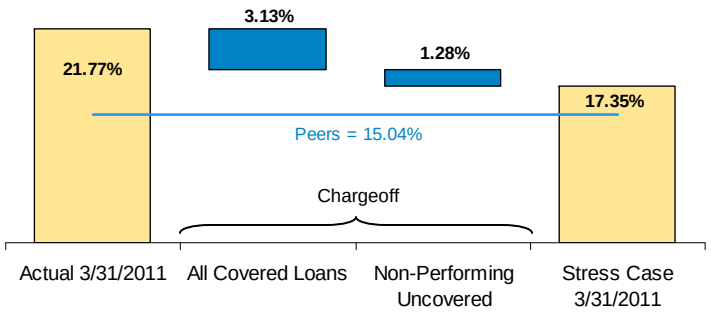
[3] Represents gain on sale of loans originated by franchise finance business

Low Risk Balance Sheet

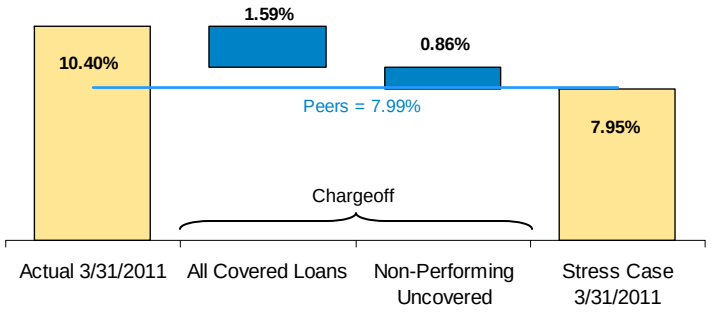
Stress Case

- Illustrates the strength of our balance sheet assuming a full charge-off of all acquired loans under FDIC loss share agreements and a full charge-off of all uncovered non-performing loans.
- Nonperforming Assets = $96 million
- Covered Loans = $1.3 billion

Risk Based Capital Ratio



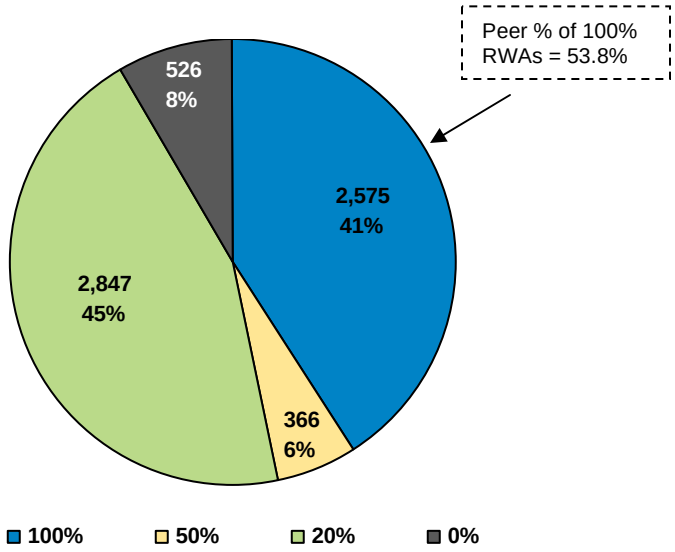
Tangible Common Equity to Tangible Assets



Total Assets by Risk Weighting %

As of March 31, 2011

(Dollars in millions)



- Return on Risk Weighted Assets = 2.07% (Peer Median[1] = 0.95%)
- Risk Weighted Assets / Total Assets = 53.45% (Peer Median[1] = 65.81%)

(1) Peer Group comprised of the component banks within the KBW Regional Bank Index (49 total companies excluding First Financial); based on peer median financial data as of December 31, 2010

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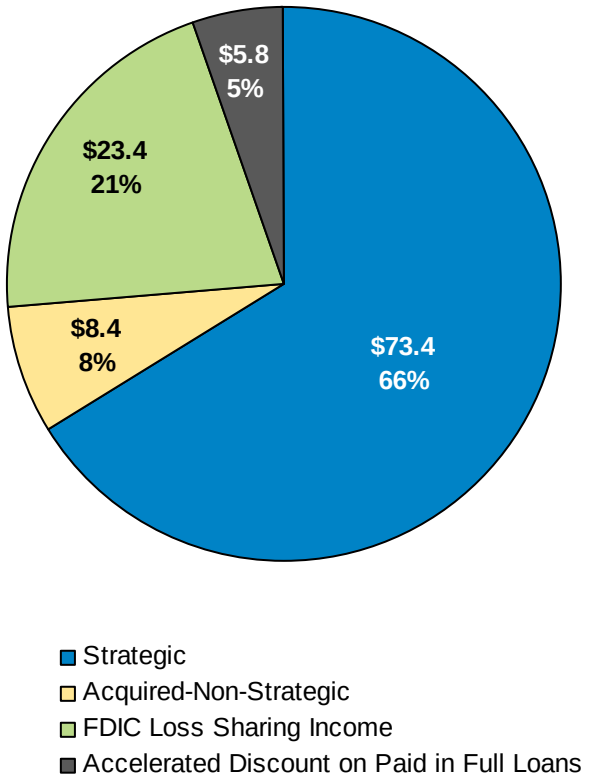
Revenue by Source

- **Strategic** – Elements of the business that either existed prior to the acquisitions or were acquired with the intent to retain and grow. On a reported basis, approximately 66% of total revenue is derived from strategic businesses. Not including the FDIC loss sharing income, strategic operations represents 84% of total revenue.
- **Acquired-Non-Strategic –** Elements of the business that the Company intends to exit but will continue to support to obtain maximum economic value. No growth or replacement is expected. Revenue will decrease over time as loans and deposits will not be renewed when they mature.
- **FDIC Loss Sharing Income –** In accordance with guidance provided by the SEC, amounts recoverable from the FDIC related to credit losses on covered loans under loss sharing agreements are required to be recorded as noninterest income
- **Accelerated Discount on Loan Prepayments and Dispositions** – The acceleration of the unrealized valuation discount. Noninterest income results from the prepayment or sale of covered loans. This item will be ongoing but diminishing as covered loan balances decline over time.

Total Revenue: $111.0 million

For the Three Months Ended March 31, 2011

(Dollars in millions)



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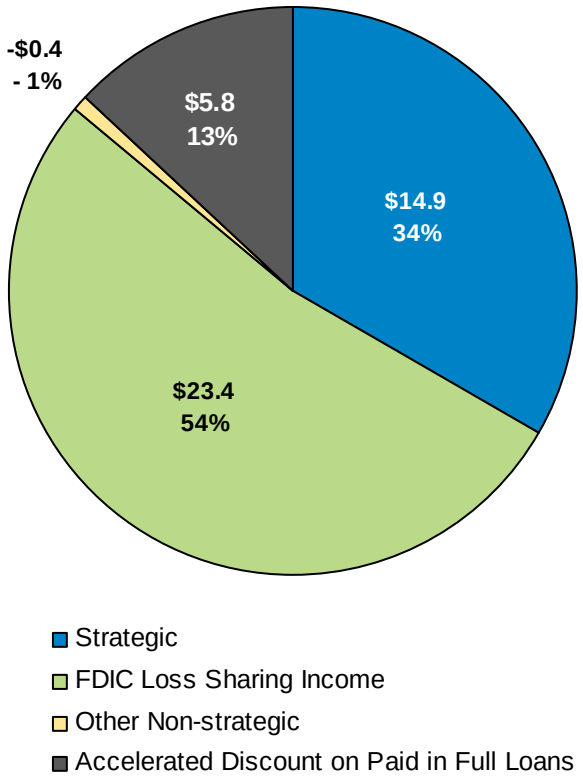
Noninterest Income and Expense

Components of Noninterest Income

For the Three Months Ended March 31, 2011

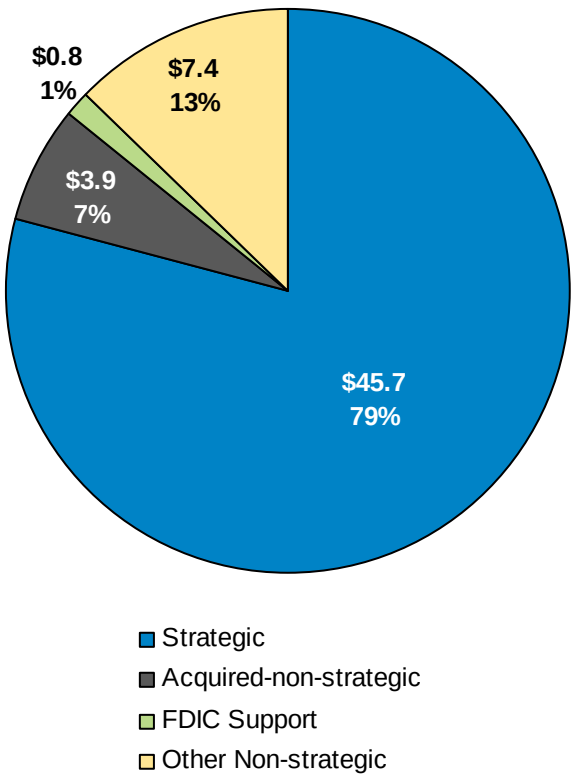
(Dollars in millions)



Components of Noninterest Expense

For the Three Months Ended March 31, 2011

(Dollars in millions)



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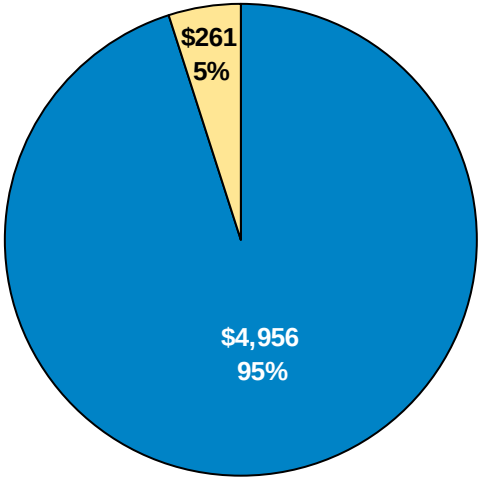
Deposit and Loan Composition

Total Deposits = $5.2 billion

As of March 31, 2011

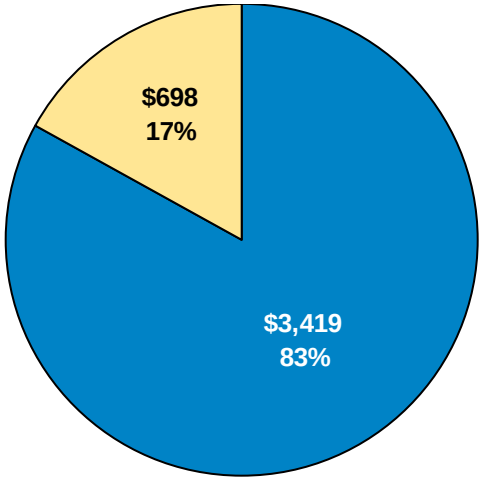
(Dollars in millions)



Gross Loans = $4.1 billion

As of March 31, 2011

(Dollars in millions)



Strategic Acquired-Non-Strategic

- Western market and Michigan and Louisville, KY branch exits are complete; acquired-non-strategic deposits consist of remaining exited market deposits and brokered CDs.

First Quarter 2011 Loan Valuation

- The majority of the loans acquired as part of the FDIC-assisted transactions are accounted for under ASC Topic 310-30 which requires the Company to periodically update its forecast of expected cash flows from these loans.
- As a result of valuation procedures performed during the first quarter 2011, the Company experienced an improvement in cash flow expectations related to certain loan pools and impairment related to other loan pools.
- There were also loan pools that were impaired in prior periods but improved during the first quarter revaluation. This improvement was recorded during the quarter as a recapture of prior period impairment which partially offset current period impairment. Loan pools that recaptured prior impairment and experienced additional improvement beyond the initial impairment are included in the "loans with improvement" listed below.

		First Quarter 2011 Valuation Results				Yield	
Dollars in thousands	Balance as of March 31, 2011	Current Period Impairment	Prior Period Impairment Recapture	Net Current Period Impairment	Improvement	Old	New
Loans with improvement	$691,473	-	($16,688)	($16,688)	$20,718	9.98%	12.00%
Loans with impairment	540,380	$32,096	(346)	31,750	-	10.93%	10.93%
Total	$1,231,853	$32,096	($17,034)	$15,062	$20,718	10.40%	11.53%
FDIC indemnification asset	$207,359	NA	NA	NA	NA	(0.76%)	(3.07%)
				Weighted average yield		8.79%	9.43%

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Components of Credit Losses Covered Assets

Dollars in thousands	For the three months ended March 31, 2011	Description
Net impairment for period	$15,062	Reduction in expected cash flows related to certain loan pools net of prior period impairment recapture
Net charge-offs	10,954	Represents actual, unexpected net charge-offs of acquired loans during the period [1]
Provision for loan and lease losses - acquired	26,016	
Loss on sale - covered OREO	3,112	
Total gross credit losses	$29,128	
FDIC loss share income (Noninterest income)	$23,435	Represents receivable due from FDIC on estimated credit losses; calculated as approximately 80% of provision for loan and lease losses related to covered loans
	$5,693	Difference between these two amounts represents actual credit costs for the period

[1] Expected losses are considered in the recorded investment value

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Tables from First Quarter 2011 Earnings Release

Noninterest Income

Table I

(Dollars in thousands)	For the Three Months Ended March 31, 2011	December 31, 2010	March 31, 2010
Total noninterest income	$ 43,658	$ 34,534	$ 26,935
Significant components of noninterest income			
Items likely to recur:			
Accelerated discount on covered loans [1, 2]	5,783	6,113	6,098
FDIC loss sharing income	23,435	11,306	7,568
Other acquired-non-strategic items	(552)	527	80
Transition-related items	-	-	366
Items expected not to recur:			
FDIC settlement and other items not expected to recur	125	551	-
Total excluding items noted above	$ 14,867	$ 16,037	$ 12,823

[1] See Section II of the earnings release for additional information

[2] Net of the corresponding valuation adjustment on the FDIC indemnification asset

Noninterest Expense

Table II

(Dollars in thousands)	For the Three Months Ended March 31, 2011	December 31, 2010	March 31, 2010
Total noninterest expense	$ 57,790	$ 56,290	$ 60,261
Significant components of noninterest expense			
Items likely to recur:			
Acquired-non-strategic operating expenses [1]	3,911	4,052	2,201
Transition-related items [1]	196	684	6,263
FDIC indemnification support	783	1,160	605
Loss share and covered asset expense	3,171	616	-
Items expected not to recur:			
Acquisition-related costs [1]	116	412	2,628
Other items not expected to recur	3,962	1,787	1,019
Total excluding items noted above	$ 45,651	$ 47,579	$ 47,545

[1] See Section II of the earnings release for additional information

Credit Quality – Excluding Covered Loans

Table III

(Dollars in thousands)	As of or for the Three Months Ended				
	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010
Total nonaccrual loans	$ 62,048	$ 62,302	$ 66,157	$ 66,671	$ 66,869
Restructured loans	18,532	17,613	13,365	12,752	7,584
Total nonperforming loans	80,580	79,915	79,522	79,423	74,453
Total nonperforming assets	95,533	97,822	97,827	96,241	92,540
Nonperforming assets as a % of:					
Period-end loans plus OREO	3.42%	3.45%	3.51%	3.42%	3.27%
Total assets	1.51%	1.57%	1.59%	1.46%	1.41%
Nonperforming loans as a % of total loans	2.90%	2.84%	2.88%	2.84%	2.65%
Provision for loan and lease losses - uncovered	$ 647	$ 9,741	$ 6,287	$ 6,158	$ 11,378
Allowance for uncovered loan & lease losses	$ 53,645	$ 57,235	$ 57,249	$ 57,811	$ 56,642
Allowance for loan & lease losses as a % of:					
Period-end loans	1.93%	2.03%	2.07%	2.07%	2.01%
Nonaccrual loans	86.5%	91.9%	86.5%	86.7%	84.7%
Nonperforming loans	66.6%	71.6%	72.0%	72.8%	76.1%
Total net charge-offs	$ 4,237	$ 9,755	$ 6,849	$ 4,989	$ 14,047
Annualized net-charge-offs as a % of average loans & leases	0.61%	1.39%	0.97%	0.71%	2.00%

Loan Portfolio – Excluding Covered Loans

Table IV

(Dollars in thousands)	As of March 31, 2011 Balance	March 31, 2011 Percent of Total	As of December 31, 2010 Balance	December 31, 2010 Percent of Total	As of March 31, 2010 Balance	March 31, 2010 Percent of Total
Commercial	$ 794,821	28.6%	$ 800,253	28.4%	$ 763,084	27.1%
Real estate - construction	145,355	5.2%	163,543	5.8%	216,289	7.7%
Real estate - commercial	1,131,306	40.7%	1,139,931	40.5%	1,091,830	38.8%
Real estate - residential	268,746	9.7%	269,173	9.6%	306,769	10.9%
Installment	66,028	2.4%	69,711	2.5%	78,682	2.8%
Home equity	339,590	12.2%	341,310	12.1%	330,973	11.8%
Credit card	28,104	1.0%	29,563	1.0%	27,960	1.0%
Lease financing	7,147	0.3%	2,609	0.1%	15	0.0%
Total	$ 2,781,097	100.0%	$ 2,816,093	100.0%	$ 2,815,602	100.0%

Investment Portfolio

Table V

(Dollars in thousands)	Book Value	Percent of Total	Book Yield	Cost Basis	Market Value	Gain/ (Loss)
	As of March 31, 2011					
U.S. Treasury notes	$ 13,650	1.2%	1.99	99.64	101.32	$ 230
Agencies	105,386	9.4%	2.76	100.00	100.34	358
CMOs (agency)	453,014	40.4%	1.78	100.72	101.07	1,563
CMOs (private)	40	0.0%	0.96	100.00	100.21	-
MBSs (agency)	442,475	39.5%	3.52	102.22	104.75	10,675
	1,014,565	90.6%	2.64	101.29	102.57	12,826
Municipal	16,528	1.5%	7.26	99.28	100.96	279
Other [1]	89,060	8.0%	3.48	102.55	103.24	599
	105,588	9.4%	4.07	102.04	102.87	878
Total investment portfolio	$ 1,120,153	100.0%	2.78	101.36	102.60	$ 13,704

Net Unrealized Gain/(Loss)	$ 13,704
Aggregate Gains	16,759
Aggregate Losses	(3,055)
Net Unrealized Gain/(Loss) % of Book Value	1.22%

[1] Other includes $78.7 million of regulatory stock

Deposit Activity

Table VI

(Dollars in thousands)	Balance as of December 31, 2010	Deposit Activity - First Quarter 2011: Strategic Portfolio	Deposit Activity - First Quarter 2011: Acquired-Non-Strategic Portfolio	Balance as of March 31, 2011
Transaction and savings accounts	$ 3,351,406	249,434	(85,884)	$ 3,514,956
Time deposits	1,662,341	(47,119)	(25,214)	1,590,008
Brokered deposits	132,502	(1,433)	(18,783)	112,286
Total deposits	$ 5,146,249	$ 200,882	$ (129,881)	$ 5,217,250

Capital Ratios

Table VII

	As of			
	March 31, 2011	December 31, 2010	March 31, 2010	"Well-Capitalized" Minimum
Leverage Ratio	11.08%	10.89%	9.76%	5.00%
Tier 1 Capital Ratio	20.49%	18.45%	17.37%	6.00%
Total Risk-Based Capital Ratio	21.77%	19.72%	18.64%	10.00%
Ending tangible shareholders' equity to ending tangible assets	10.40%	10.33%	9.38%	N/A
Ending tangible common shareholders' equity to ending tangible assets	10.40%	10.33%	9.38%	N/A

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Table VIII

Significant Acquisition Related Items

Table VIII

(Dollars in thousands)	For the Three Months Ended March 31, 2011	December 31, 2010	March 31, 2010
Income effect:			
Accelerated discount on covered loans [1, 2]	$ 5,783	$ 6,113	$ 6,098
Acquired-non-strategic net interest income	8,902	9,937	10,854
FDIC loss sharing income	23,435	11,306	7,568
Service charges on deposit accounts related to acquired-non-strategic operations	152	196	230
Other (loss) income related to acquired-non-strategic operations	(704)	331	(150)
Income related to the accelerated discount on covered loans and acquired-non-strategic operations	37,568	27,883	24,600
Expense effect:			
Provision for loan and lease losses - covered	26,016	13,997	9,460
Acquired-non-strategic operating expenses: [3]			
Salaries and employee benefits	1,497	820	122
Occupancy	2,153	161	1,415
Other	261	3,071	664
Total acquired-non-strategic operating expenses	3,911	4,052	2,201
FDIC indemnification support [3]	783	1,160	605
Loss share and covered asset expense	3,171	616	-
Acquisition-related costs: [3]			
Integration-related costs	46	9	999
Professional services fees	55	396	1,457
Other	15	7	172
Total acquisition-related costs	116	412	2,628
Transition-related items: [3]			
Salaries and benefits	166	176	4,776
Occupancy	-	172	910
Other	30	336	577
Total transition-related items	196	684	6,263
Total expense effect	34,193	20,921	21,157
Total estimated effect on pre-tax earnings	$ 3,375	$ 6,962	$ 3,443

[1] Included in noninterest income

[2] Net of the corresponding valuation adjustment on the FDIC indemnification asset

[3] Included in noninterest expense

Estimated Yields and Average Balances

Table IX	For the Three Months Ended March 31, 2011	
	Average Balance	Yield
Legacy and originated loan portfolio [1]	$ 2,961,008	5.38%
Acquired loan portfolio accounted for under ASC Topic 310-30 [2]	1,280,639	10.97%
FDIC indemnification asset [2]	208,448	-2.28%
Total	$ 4,450,095	6.63%

[1] Includes acquired revolving loans not accounted for under ASC Topic 310-30; yield estimated at time of origination or acquisition

[2] Future yield adjustments subject to change based on required, periodic valuation procedures

Covered Loan Portfolio

Table X

(Dollars in thousands)	December 31, 2010	Covered Loan Activity - First Quarter 2011					March 31, 2011
		Reduction in Recorded Investment Due to:					
		Sales	Prepayments / Renewals	Contractual Activity [1]	Net Charge-Offs [2]	Loans With Coverage Removed	
Commercial	$ 334,039	$ 1,813	$ 18,479	$ 17,090	$ 2,303	$ 54	$ 294,300
Real estate - construction	42,743	-	327	(2,376)	3	-	44,789
Real estate - commercial	855,725	34,987	29,415	18,379	5,533	5,223	762,188
Real estate - residential	147,052	-	5,547	691	558	-	140,256
Installment	21,071	-	1,469	587	893	114	18,008
Home equity	73,695		2,354	(752)	1,664		70,429
Other covered loans	7,168	-	-	1,123	-	-	6,045
Total covered loans	$ 1,481,493	$ 36,800	$ 57,591	$ 34,742	$ 10,954	$ 5,391	$ 1,336,015

[1] Includes partial paydowns, accretion of the valuation discount and advances on revolving loans

[2] Indemnified at 80% from the FDIC



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