FIRST

first financial bancorp

Another step on the path to success

Investor Presentation

Third Quarter 2015



Forward Looking Statement Disclosure

Certain statements contained in this release which are not statements of historical fact constitute forward-looking statements within the meaning of the Private Securities Litigation Reform 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. These factors include, but are not limited to: economic, market, liquidity, credit, interest rate, operational and technological risks associated with the Company’s business; 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); management’s ability to effectively execute its business plan; mergers and acquisitions, including costs or difficulties related to the integration of acquired companies; the Company’s ability to comply with the terms of loss sharing agreements with the FDIC; the effect of changes in accounting policies and practices; and the costs and effects of litigation and of unexpected or adverse outcomes in such litigation. Please refer to the Company’s Annual Report on Form 10-K for the year ended December 31, 2014, as well as its other filings with the SEC, for a more detailed discussion of these risks, uncertainties and other factors that could cause actual results to differ from those discussed in the forward-looking statements. Such forward-looking statements are meaningful only on the date when such statements are made, and the Company 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.

About First Financial Bancorp



- Founded: 1863
- Headquarters: Cincinnati, Ohio
- Banking Centers: 106
- Assets: $7.9 billion
- Loans: $5.2 billion
- Deposits: $6.1 billion
- Wealth Mgmt: $2.3 billion AUM

Lines of Business

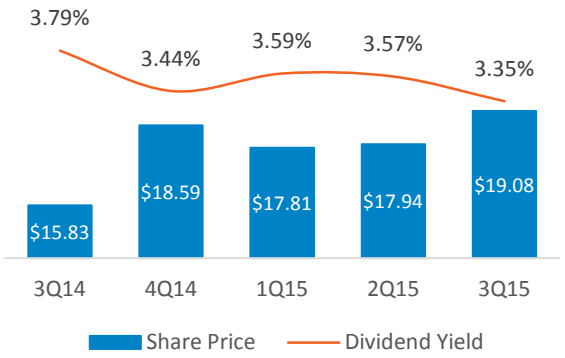
- Commercial Banking
- Specialty Finance
- Consumer Banking
- Wealth Management
- Mortgage

Nationwide Lending

- Franchise Finance
- Insurance Agency Finance

www.bankatfirst.com

NASDAQ: FFBC



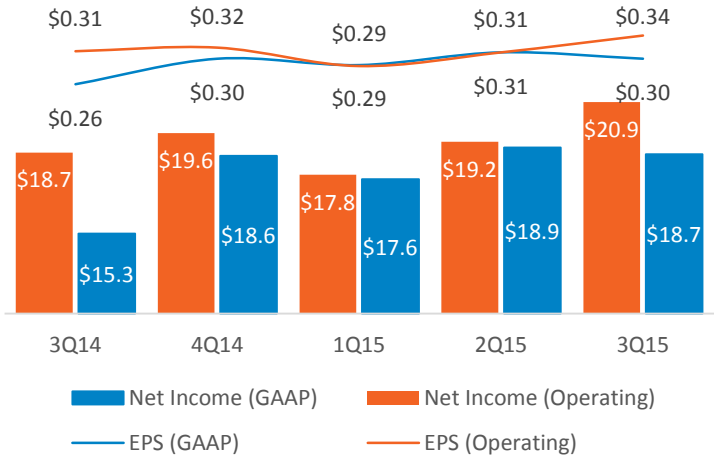
$ in millions except "per share" and where otherwise noted in the presentation

3Q 2015 Highlights – 100th Consecutive Quarter of Profitability

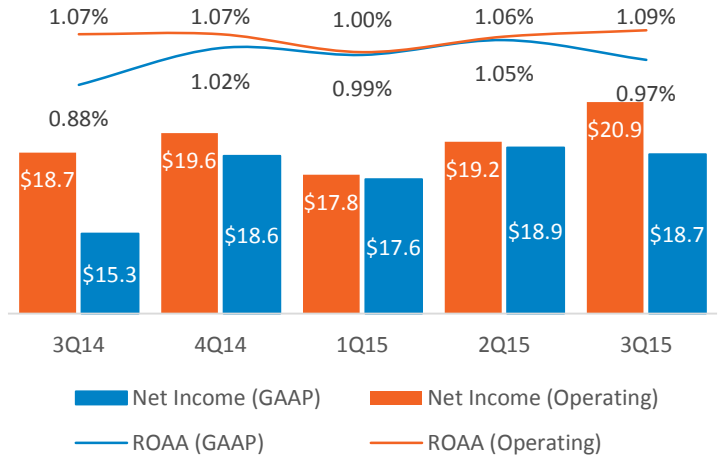
Profitability	↗ GAAP net income = $18.7 million or $0.30 per diluted share. ROAA = 0.97%. ROATCE = 12.33%. ↗ Operating net income = $20.9 million or $0.34 per diluted share. O-ROAA = 1.09%. O-ROATCE = 13.77%. ↗ GAAP efficiency ratio = 63.5%. Operating efficiency ratio = 59.4%.
Net Interest Income & Net Interest Margin	↗ Net interest income increased $4.5 million to $63.2 million compared to second quarter. ↗ Effective yield earned on loans increased 7 bps to 4.52% primarily related to the Oak Street acquisition. ↗ Net interest margin increased 5 bps to 3.67% on a fully tax equivalent basis. Oak Street contributed 10 bps.
Non-Interest Income & Non-Interest Expense	↗ Non-interest income increased $0.6 million to $17.1 million, excluding gains on securities and non-interest income related to the covered / formerly covered loan portfolio. ↗ Non-interest expenses of $53.0 million included approximately $3.3 million of non-operating expenses. ↗ Operating expense base expected to be approximately $50 million per quarter.
Balance Sheet	↗ Total assets increased $497 million to $7.9 billion compared to the second quarter. ↗ Core-bank loan portfolio grew $121 million or 10% annualized. Oak Street added $242 million. ↗ Deposits increased $366 million, including $212 million of brokered CDs (51 bps) related to Oak Street.
Asset Quality	↗ Provision expense of $2.6 million. Net charge offs of $2.2 million. NCOs / Avg. Loans = 0.17% annualized. ↗ Non-performing Loans / Total Loans = 1.07%. Non-performing Assets / Total Assets = 0.90%. ↗ ALLL / Non-accrual Loans = 149%. ALLL / Total Loans = 1.02%.
Capital	↗ Capital ratios remain strong. Total capital = 13.37%. Tier 1 capital = 10.52%. TCE ratio = 7.84%. ↗ Issued $120 million of 10-year subordinated debt at 5.125%. ↗ Repurchased 148,935 shares at weighted average price of $18.68.

Profitability

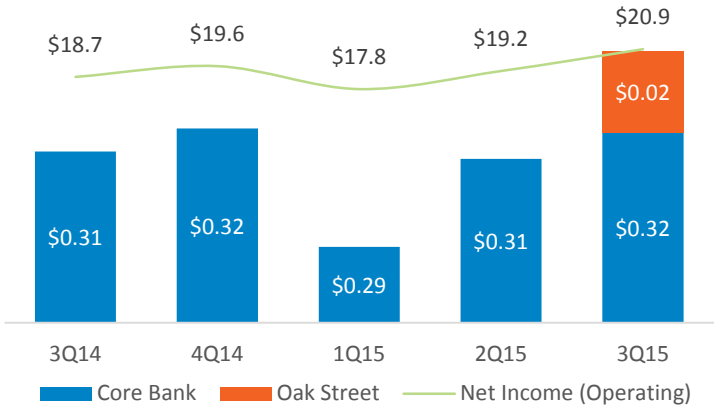
Net Income



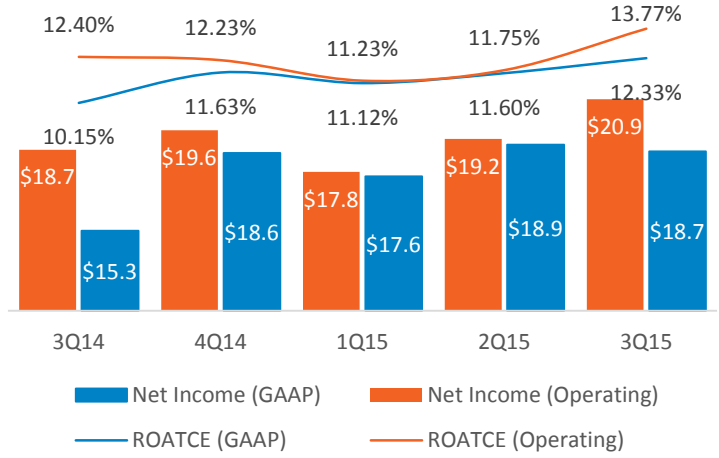
Return on Average Assets



Earnings per Share



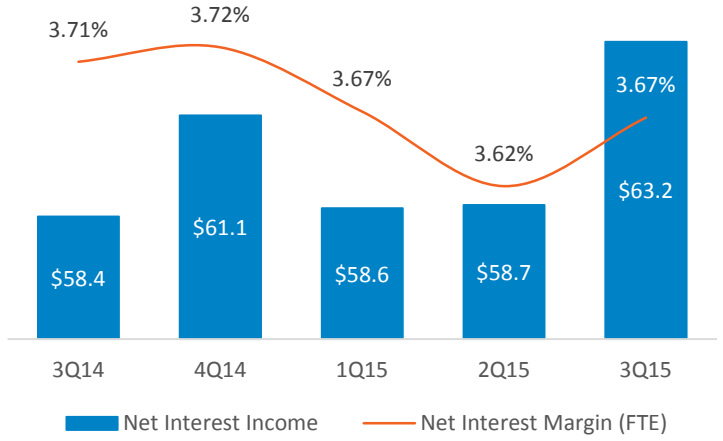
Return on Tangible Common Equity



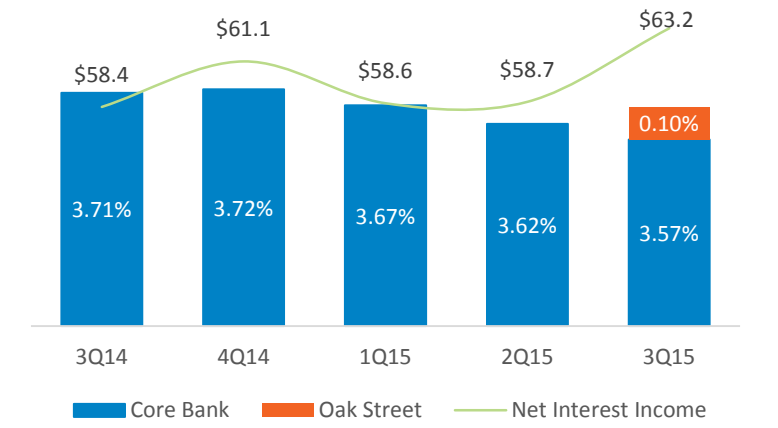
first financial bancorp

Net Interest Income / Net Interest Margin

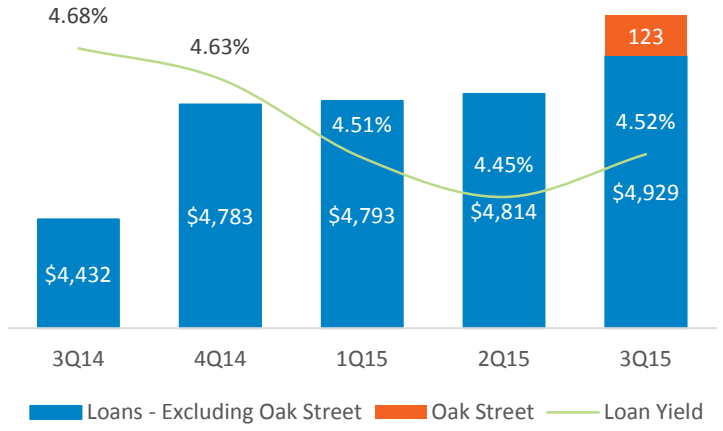
Net Interest Income



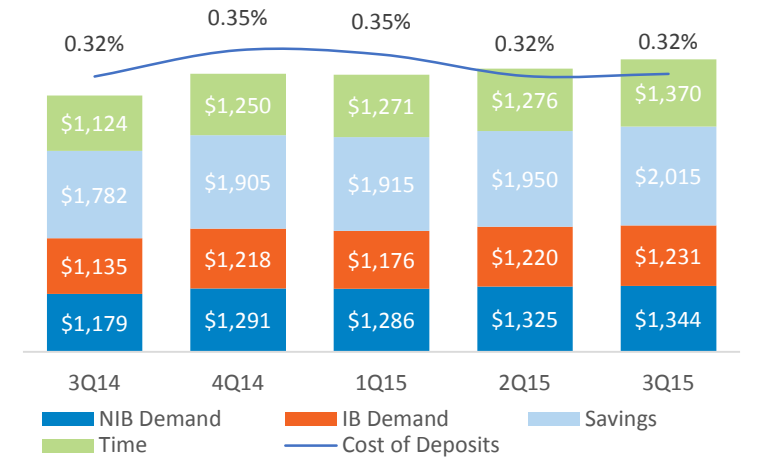
Net Interest Margin



Average Loans



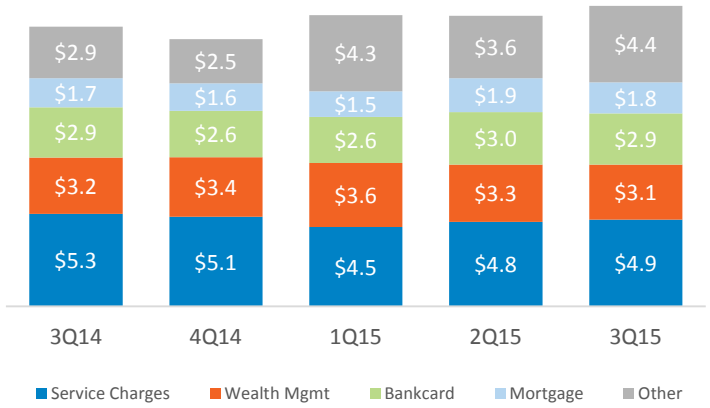
Average Deposits



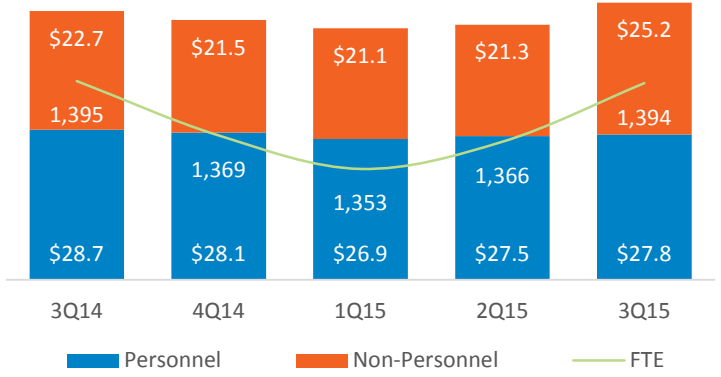
Average Loan & Deposit Balances for the Quarter

Non-Interest Income / Non-Interest Expense

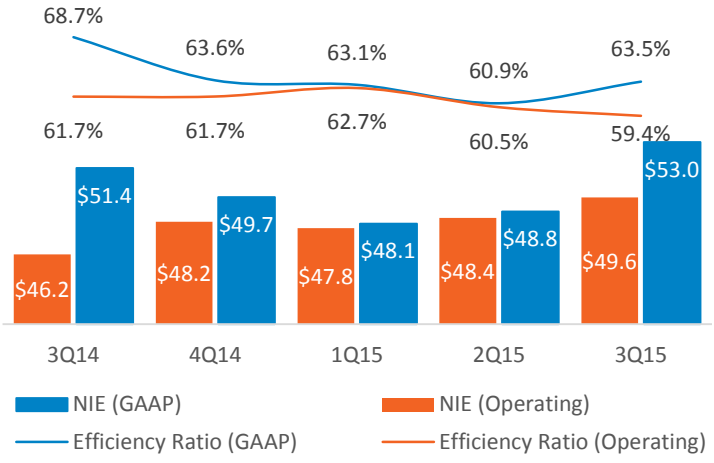
Non-Interest Income



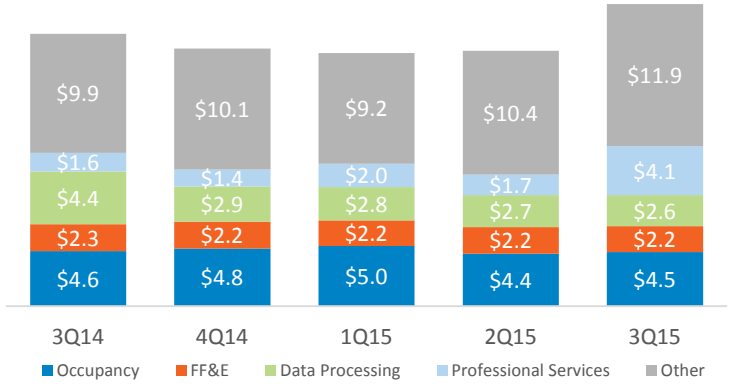
Non-Interest Expense



Efficiency Ratio



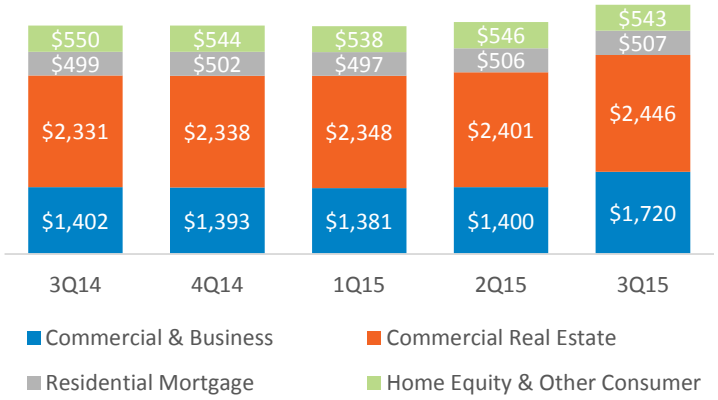
Non-Personnel Expense



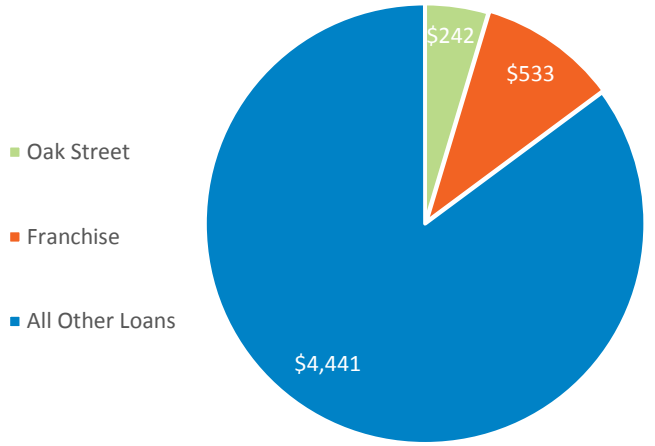
Non-Interest Income Excludes Gain on Sale of Investment Securities and Non-Interest Income Related to the Covered / Formerly Covered Loan Portfolio

Loans

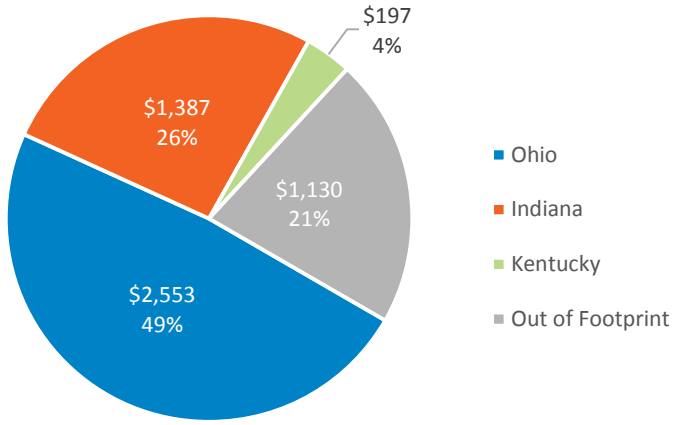
Loan Product Mix



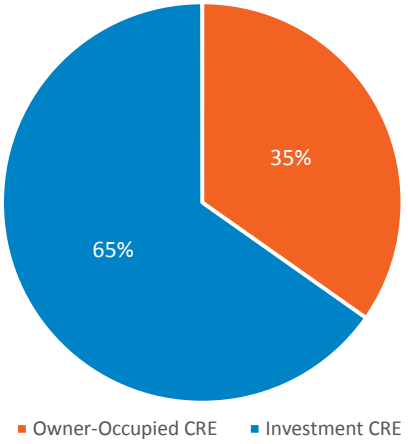
Nationwide Lending Platforms



Loan Portfolio By Geography [1]

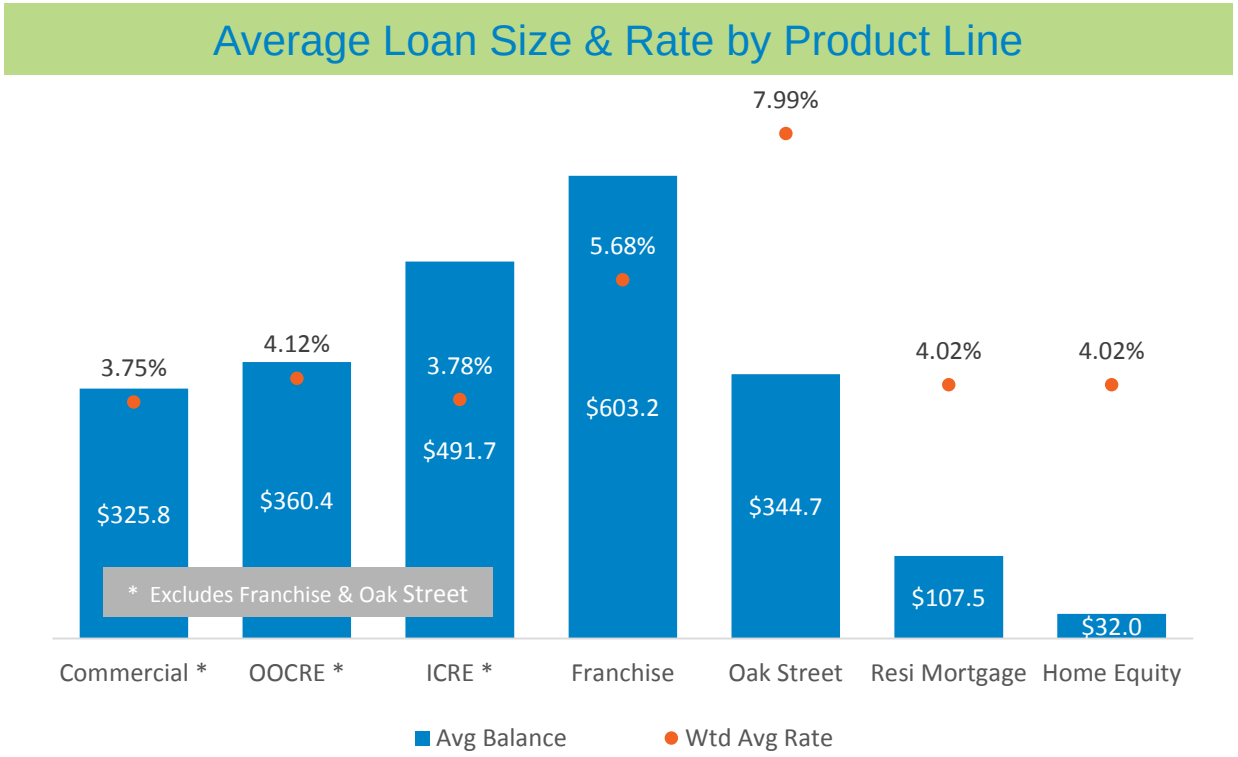


Commercial Real Estate Mix



[1] Includes loans held for sale. Excludes purchase accounting loan marks.

Loans



Average Loan Size in $000s

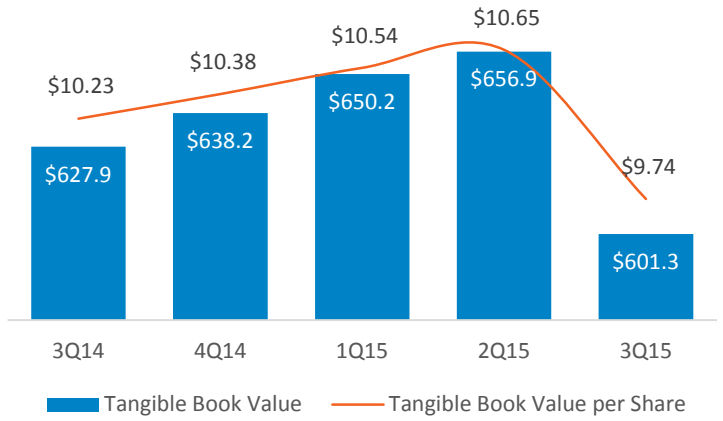
Investment Portfolio

- Investment Portfolio / Total Assets = 23.8%
- Effective yield earned during third quarter = 2.39%
- Portfolio duration = 3.2 years

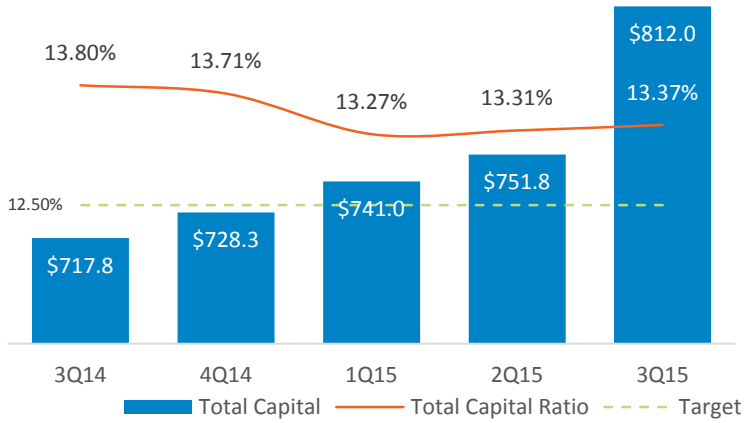
$ in 000s	Held to Maturity	Available for Sale	Other Investments	TOTAL	Percent of Portfolio
Debt obligations of the U.S. Government	$0	$99	$0	$99	0.01%
Debt obligations of U.S. Government Agency	15,968	8,964	0	24,932	1.33%
Residential Single Family Mortgage Backed Securities					
Pass-through securities:					
Agency	180,547	94,060	0	274,607	14.61%
Non-Agency	17,435	7,714	0	25,149	1.34%
Collateralized mortgage obligations:					
Agency	290,039	322,239	0	612,278	32.58%
Non-Agency	0	59,911	0	59,911	3.19%
Commercial mortgage backed securities	219,104	175,117	0	394,221	20.98%
Municipal bond securities	28,138	110,782	0	138,920	7.39%
Corporate securities	4,805	64,683	0	69,488	3.70%
Asset-backed securities	0	213,456	0	213,456	11.36%
Regulatory stock	0	0	47,643	47,643	2.54%
Other	0	12,641	5,787	18,428	0.98%
TOTAL	**$756,035**	**$1,069,667**	**$53,431**	**$1,879,133**	**100.00%**

Capital

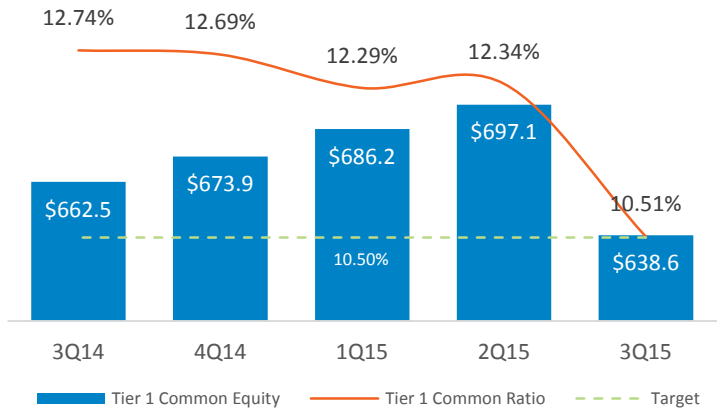
Tangible Book Value



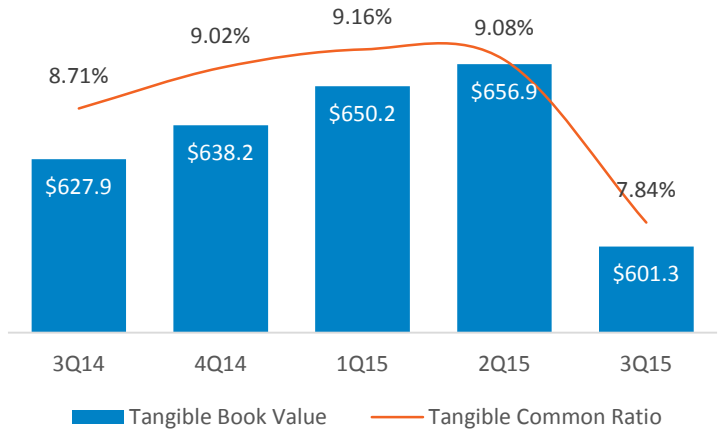
Total Capital



Tier 1 Common Equity

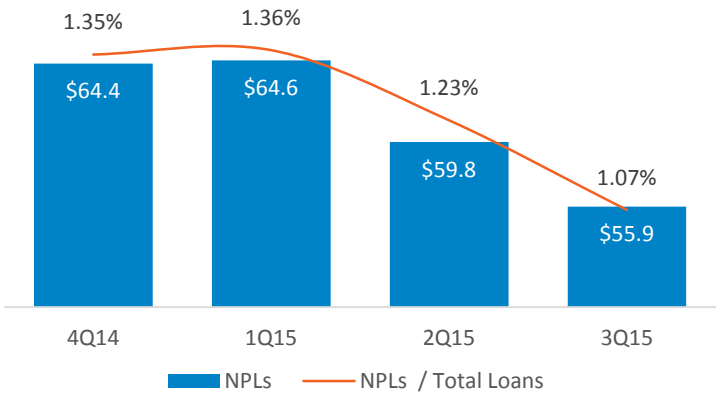


Tangible Common Equity

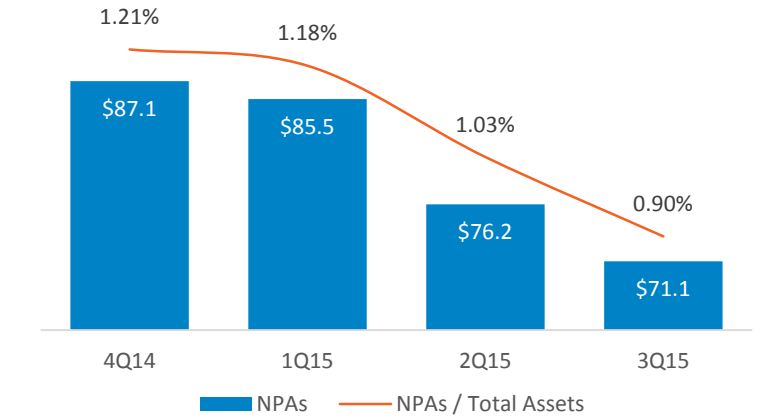


Asset Quality

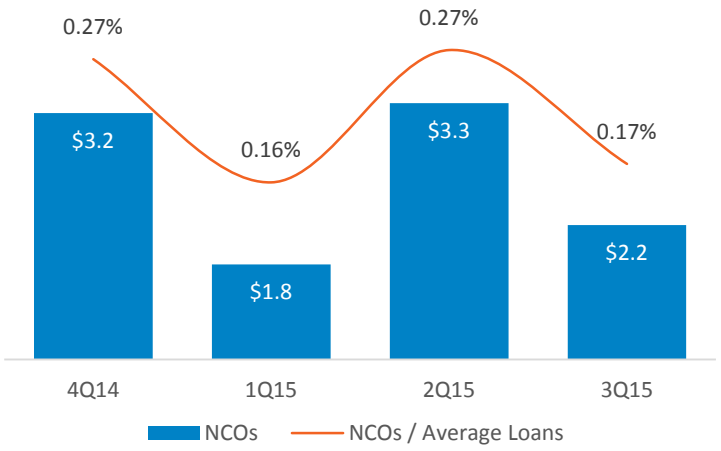
Non-Performing Loans / Total Loans



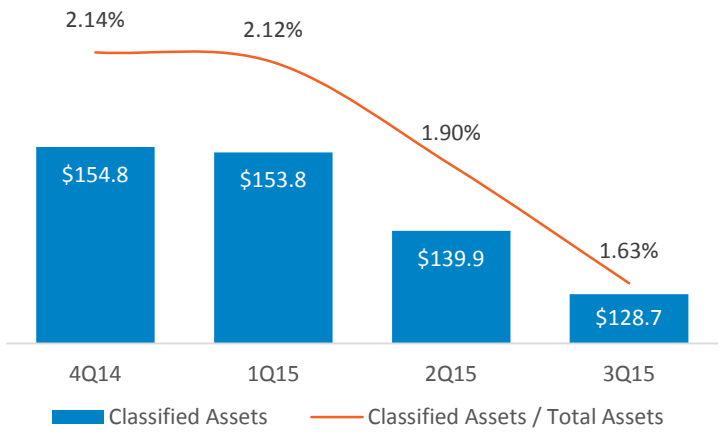
Non-Performing Assets / Total Assets



Net Charge Offs / Average Loans

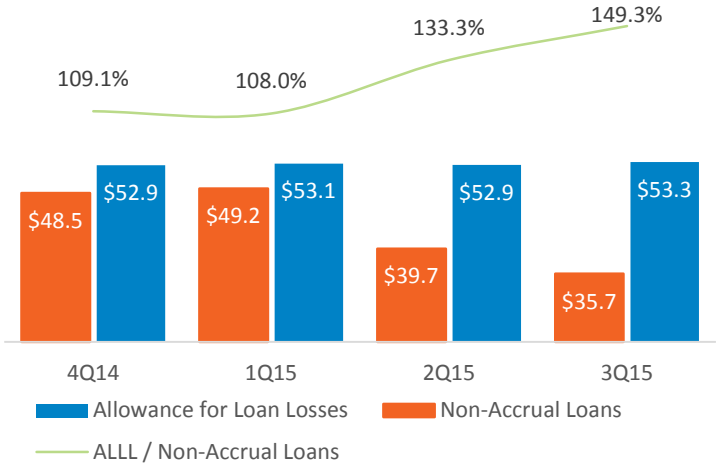


Classified Assets / Total Assets

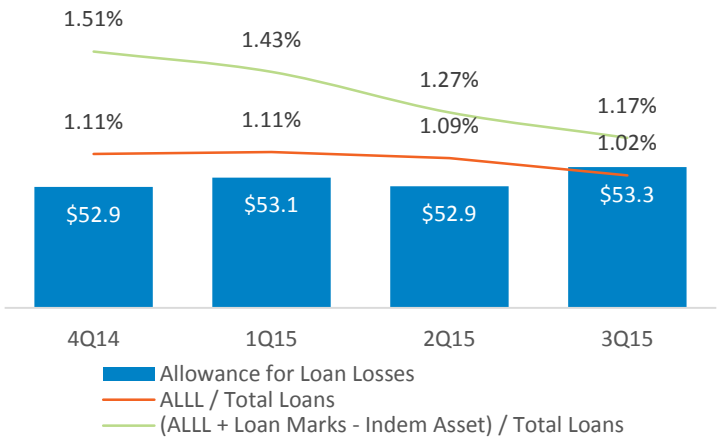


Asset Quality

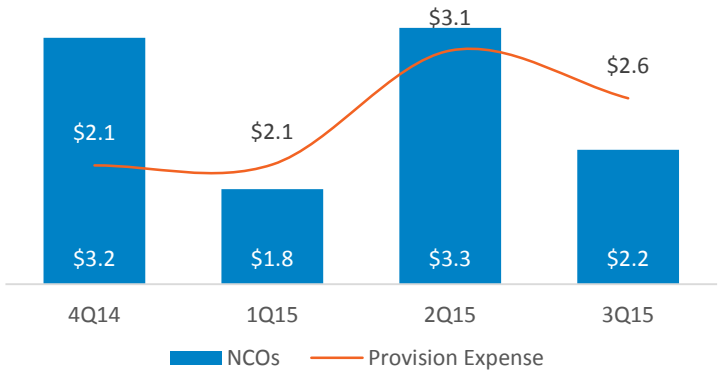
Allowance / Non-Accrual Loans



Allowance / Total Loans



Net Charge Offs & Provision Expense



first financial bancorp

2015-2016 Strategic Priorities

- Achieve growth through deepening relationships with and retaining current clients as well as redefining our approach in our metropolitan markets
- Develop standard and repeatable processes to ensure consistent delivery of our client service experience and improved operational efficiency
- Define and execute optimal allocation of resources between our physical and electronic channels
- Manage risk effectively in light of the ever-changing economic and regulatory environments
- Deploy capital in an opportunistic, risk-appropriate manner
- Actively manage our balance sheet and produce consistently strong earnings
- Proactively develop the pipeline of leadership talent needed to take us to the next level
- Transition the operations, processes, products and culture of acquired financial institutions and specialty businesses

Reconciliation of Non-GAAP Measures

$ in 000s	3Q - 2014	4Q - 2014	1Q - 2015	2Q - 2015	3Q - 2015
Net Interest Income	$ 58,363	$ 61,139	$ 58,586	$ 58,674	$ 63,159
Provision Expense	893	2,052	2,060	3,070	2,647
Net Interest Income After Provision Expense	57,470	59,087	56,526	55,604	60,512
Non-Interest Income	16,511	16,942	17,613	21,415	20,355
Non-Interest Expense - GAAP	51,419	49,662	48,068	48,786	52,992
less: Non-Operating Expense (Pre-Tax)	(5,224)	(1,479)	(289)	(371)	(3,350)
Non-Interest Expense - Operating	46,195	48,183	47,779	48,415	49,642
Income Taxes - GAAP	7,218	7,768	8,450	9,284	9,202
add: Tax Adjustment (35% Marginal Rate)	1,828	518	101	130	1,173
Income Taxes - Operating	9,046	8,286	8,551	9,414	10,375
Net Income - GAAP	15,344	18,599	17,621	18,949	18,673
add: Non-Operating Expense (After-Tax)	3,396	961	188	241	2,178
Net Income - Operating	$ 18,740	$ 19,560	$ 17,809	$ 19,190	$ 20,851
Average Diluted Shares (000s)	60,113	61,628	61,732	61,915	61,988
Average Assets (000s)	$ 6,937,283	$ 7,241,869	$ 7,201,313	$ 7,243,886	$ 7,611,389
Average Tangible Common Equity (000s)	$ 599,729	$ 634,278	$ 642,925	$ 655,133	$ 600,664
EPS - GAAP	$ 0.26	$ 0.30	$ 0.29	$ 0.31	$ 0.30
EPS - Operating	$ 0.31	$ 0.32	$ 0.29	$ 0.31	$ 0.34
ROAA - GAAP	0.88%	1.02%	0.99%	1.05%	0.97%
ROAA - Operating	1.07%	1.07%	1.00%	1.06%	1.09%
ROATCE - GAAP	10.15%	11.63%	11.12%	11.60%	12.33%
ROATCE - Operating	12.40%	12.23%	11.23%	11.75%	13.77%
Efficiency Ratio - GAAP	68.7%	63.6%	63.1%	60.9%	63.5%
Efficiency Ratio - Operating	61.7%	61.7%	62.7%	60.5%	59.4%
Days in Quarter	92	92	90	91	92
Days in Year	365	365	365	365	365

Non-Operating Expenses include acquisition-related expenses, expenses associated with efficiency initiatives and other expenses not expected to recur.

FFBC
NASDAQ
GLOBAL SELECT

first

first financial bancorp

Another step on the path to success