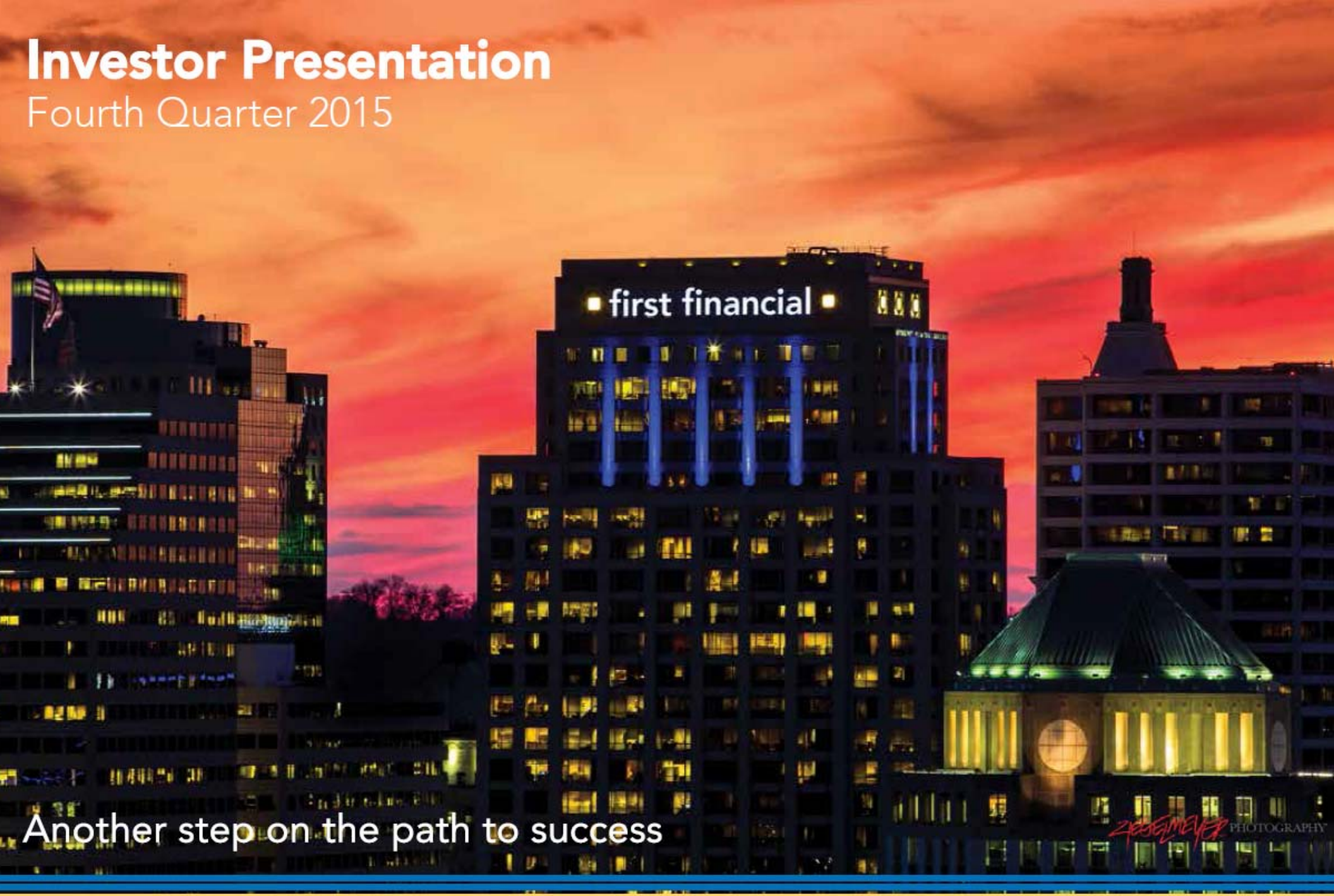
Investor Presentation

Fourth Quarter 2015



Another step on the path to success

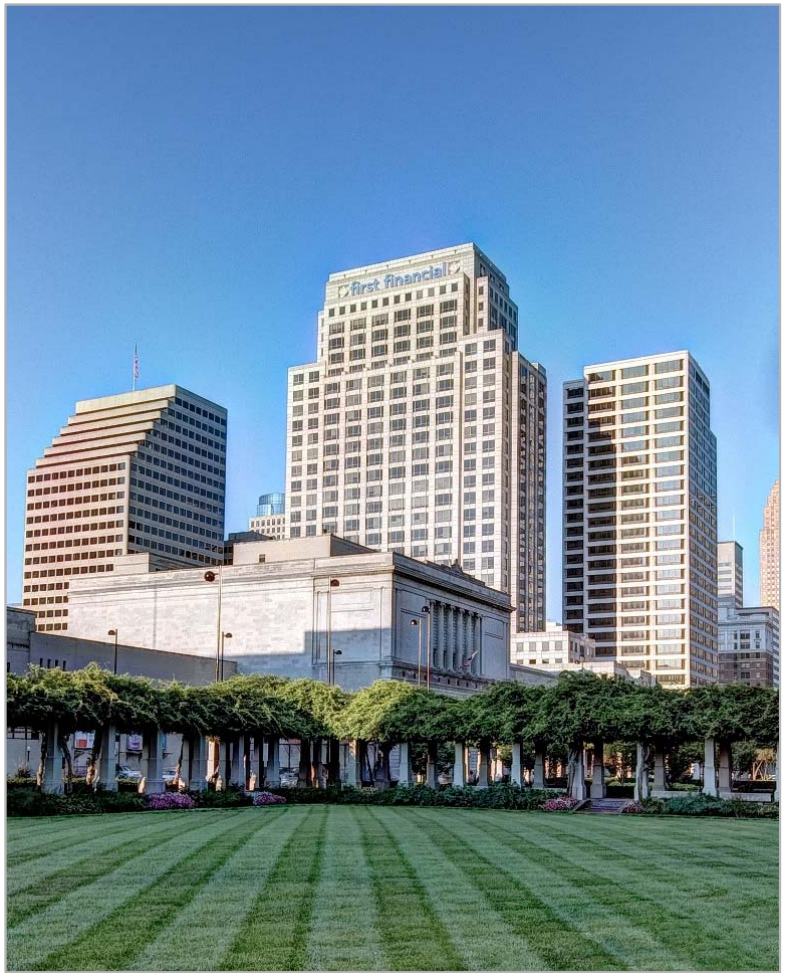
FFBC
NASDAQ
GLOBAL SELECT

fIRST

first financial bancorp

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, 2015, 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.



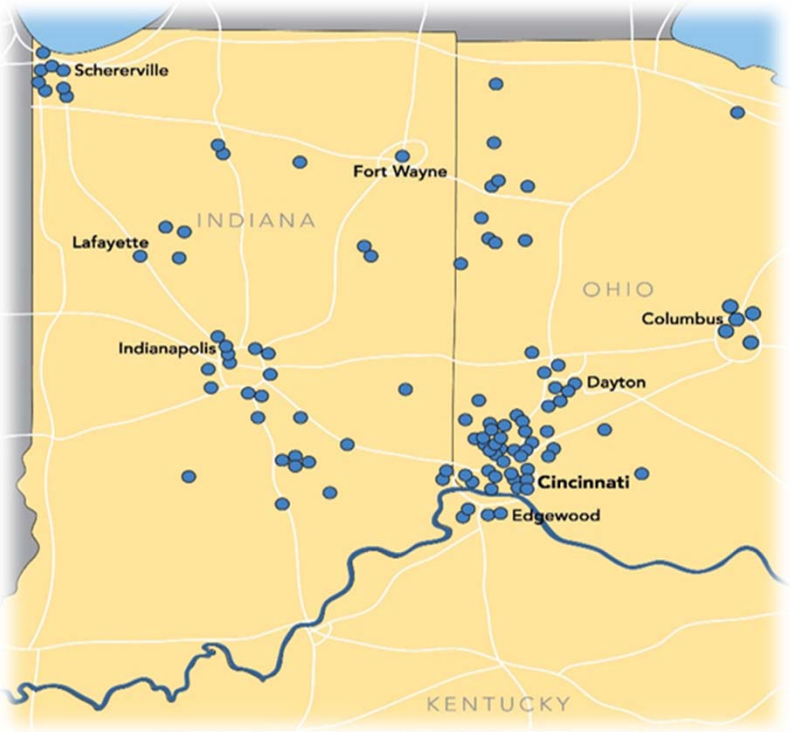
Presentation Contents

About First Financial Bancorp

Strategic Direction

Recent Financial Results

Company Overview



Overview

- Founded: 1863
- Headquarters: Cincinnati, Ohio
- Banking Centers: 106
- Assets: $8.1 billion
- Loans: $5.4 billion
- Deposits: $6.2 billion
- Wealth Mgmt: $2.3 billion AUM

Lines of Business

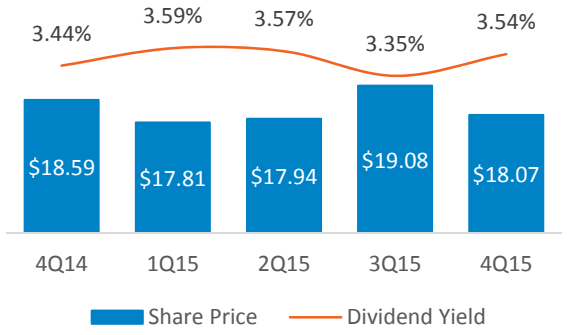
- Commercial / Private Banking
  - C&I, I-CRE, Treasury, Wealth
- Retail Banking
  - Consumer, Mortgage, Small Business
- Specialty Finance
  - Franchise, Oak Street, ABL, Equipment Finance, Syndications





www.bankatfirst.com

NASDAQ: FFBC



first financial bancorp

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

Through the Cycle

Proven Acquirer

- Two FDIC-assisted acquisitions totaling $2.5 billion in assets (2009)
- Two branch acquisitions of 38 offices in Indiana and Ohio (2011)
- Three banks in Columbus, Ohio totaling $727 million in assets (2014)
- Oak Street Finance, specialty lender focused on the insurance industry, $243 million in assets (3Q 2015)

Effective Operator

- 101 consecutive quarters of profitability through 2015
- Replaced the runoff of ~ $2 billion of high yield covered loans
- Consolidated 78 banking centers in conjunction with significant efficiency gains since 2009
- Developed robust enterprise risk management & compliance programs, with board risk committee since 2010

Investments in our Business

- Product expansions
  - Specialty lending (~ $1 billion, excluding Oak Street)
  - Mobile banking & other technology enhancements for clients
- Re-entry into mortgage business (2010)
  - 2015 originations of $320 million
- Wealth infrastructure improvements
  - Investment model
  - Real estate management, tax & insurance outsourcing
- Significant technology & infrastructure investments
- Continued expansion of risk management & compliance

Invest with First Financial

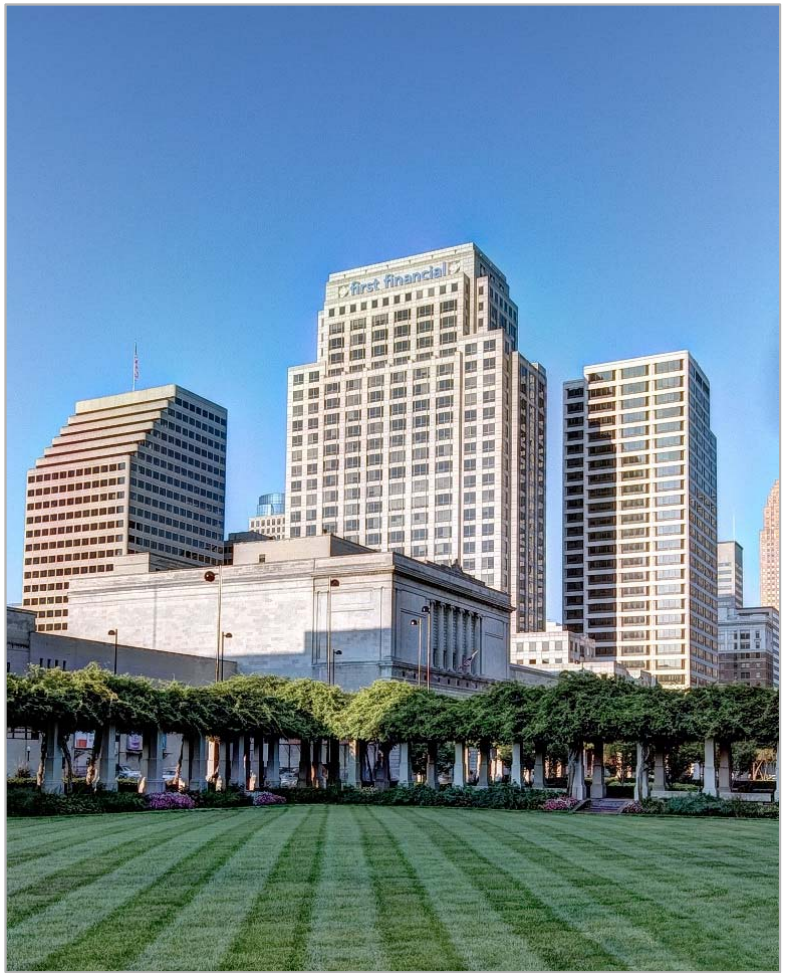
- Proven & sustainable business model
  - Well managed through the cycle
  - Conservative operating philosophy
  - Consistent profitability
- Robust capital management
  - Prudent steward of shareholders' capital
- Strong asset quality
- Well defined M&A strategy
  - Selective markets, products & asset diversification

Total Shareholder Return [1]

Company	Ticker	2008-2015	2014	2015
First Financial	FFBC	129.45%	10.55%	0.68%
KBW Regional Bank Index	KRX	30.70%	2.43%	5.99%
NASDAQ Composite	CCMP	107.45%	14.83%	7.11%
Fifth Third	FITB	-3.95%	-0.75%	1.27%
US Bancorp	USB	62.43%	13.77%	-2.81%
PNC	PNC	75.07%	20.32%	6.81%
Park National	PRK	118.47%	9.23%	6.74%
Old National	ONB	18.63%	-0.06%	-5.72%
Select Bank Average*	AVG	54.13%	8.50%	1.26%

*Simple average - assumes equal weight

[1] – includes dividend reinvestment



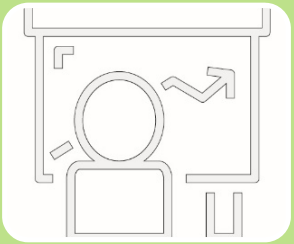
About First Financial Bancorp

Strategic Direction

Recent Financial Results

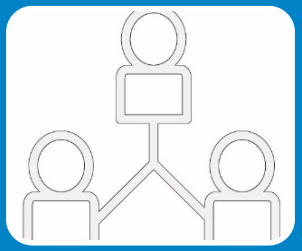
Strategic Overview

What does First Financial stand for?



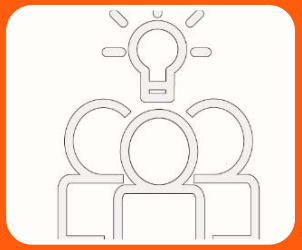
Operational Excellence

- Focus on cost, efficiency & volume



Client Intimacy

- Strong client focus
- Relationship driven



Product Leadership

- Develop new products, new markets & new techniques

Our Strategy

- Our strategy is to be the ***Premier Business Bank*** in the markets we serve
  - *"Bank the business, bank the owner & bank the employees."*
- Rationale:
  - Our value proposition – *relationship banking & sophisticated solutions* – resonates with and is desired by small / mid-size businesses
  - Alignment with our competitive advantage
  - By expanding relationships with our business clients, we can efficiently grow all areas of the bank – Consumer, Wealth & Business Banking

Connecting Strategy to Execution

METRO MARKETS

Low Brand Awareness & Low Market Share

FIRST first financial bank

Build relationships through becoming the **premier business bank**

Business Owners

Businesses

Business Employees

Leads to targeted growth across all product lines

COMMUNITY MARKETS

High Brand Awareness & High Market Share

FIRST first financial bank

Expand Product Offering

Deepen Relationships

Word of Mouth Referrals



Leads to organic growth

NICHE

National Footprint



Industry Specific

Franchised Quick Service Restaurants

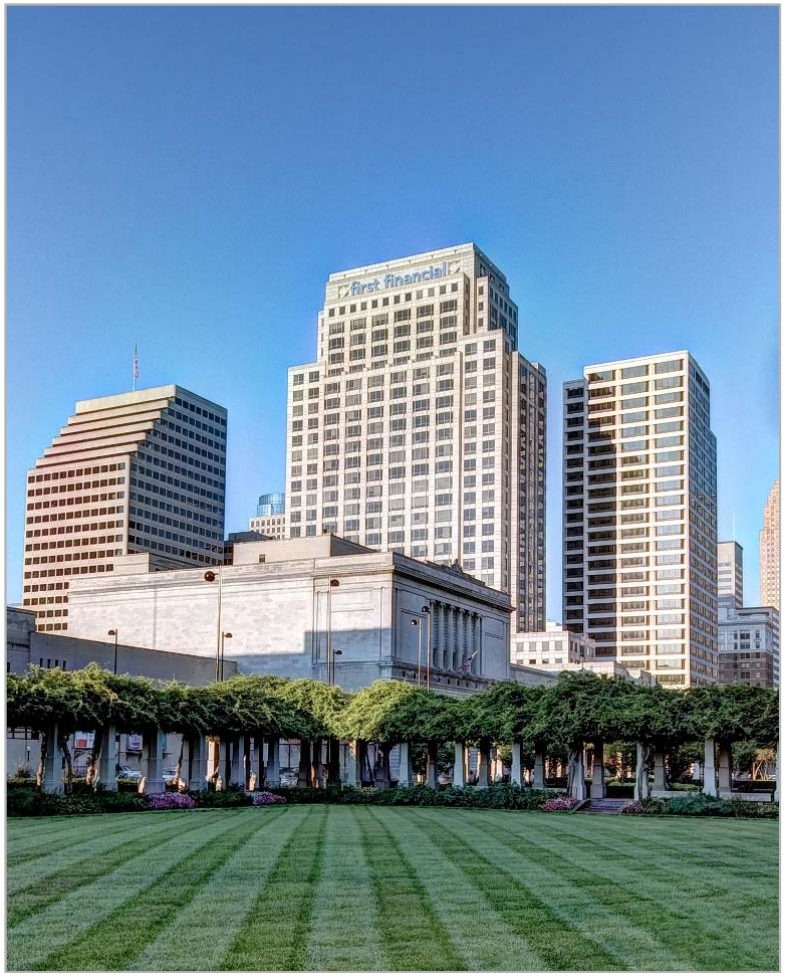


Professional Services Firms and Asset-Based Niches



Strategic Priorities

- Deliver top quartile shareholder returns
- Continue to invest in innovative solutions that enable our clients to bank with us on their terms
- Promote leadership & development within our communities
- Achieve best-in-class compliance & risk management programs
- Remain vigilant in our credit philosophy & oversight
- Focused growth efforts in metropolitan markets
- Maintain a disciplined approach to process improvement & expense management
- Deploy capital in an opportunistic & risk-appropriate manner
- Proactively develop leadership talent across the organization
- Plan & prepare for the $10B Asset Threshold



About First Financial Bancorp

Strategic Direction

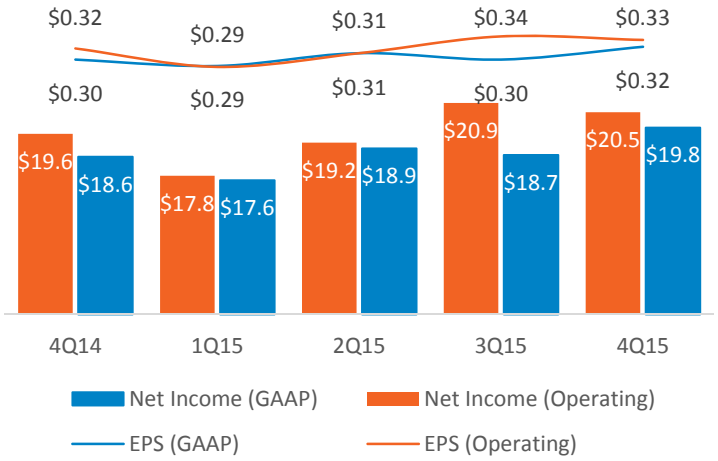
Recent Financial Results

4Q 2015 Highlights – 101st Consecutive Quarter of Profitability

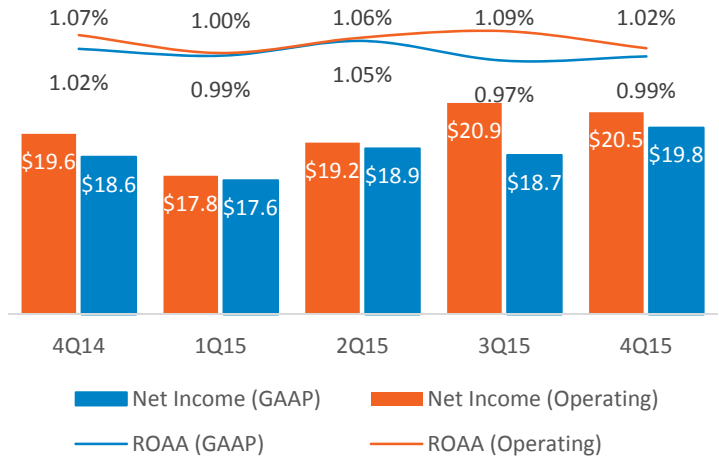
Profitability	↗ GAAP net income = $19.8 million or $0.32 per diluted share. ROAA = 0.99%. ROATCE = 12.98%. ↗ Operating net income = $20.5 million or $0.33 per diluted share. O-ROAA = 1.02%. O-ROATCE = 13.40%. ↗ GAAP efficiency ratio = 62.6%. Operating efficiency ratio = 61.4%.
Net Interest Income & Net Interest Margin	↗ Net interest income increased $2.9 million to $66.1 million compared to third quarter. ↗ Effective yield earned on loans increased 10 bps to 4.62% primarily related to the Oak Street acquisition. ↗ Net interest margin increased 2 bps to 3.69% on a fully tax equivalent basis.
Non-Interest Income & Non-Interest Expense	↗ Non-interest income declined $1.9 million to $15.2 million, excluding gains on securities and non-interest income related to the covered / formerly covered loan portfolio. ↗ Non-interest expenses of $51.3 million included approximately $1.0 million of non-operating expenses. ↗ Operating expense base expected to be approximately $50 million per quarter.
Balance Sheet	↗ Total assets increased $267 million, to $8.1 billion, compared to the third quarter. ↗ Loans increased $173 million, or 13% annualized, over the linked quarter. ↗ Deposits increased $98 million, or 6% annualized, compared to the linked quarter.
Asset Quality	↗ Provision expense of $1.9 million. Net charge offs of $1.8 million. NCOs / Avg. Loans = 0.14% annualized. ↗ Non-performing Loans / Total Loans = 1.06%. Non-performing Assets / Total Assets = 0.86%. ↗ ALLL / Non-accrual Loans = 191%. ALLL / Total Loans = 0.99%.
Capital	↗ Capital ratios remain strong. Total capital = 13.04%. Tier 1 capital = 10.29%. TCE ratio = 7.53%. ↗ Tangible book value per share = $9.69. ↗ Repurchased 91,032 shares at weighted average price of $18.85.

Profitability

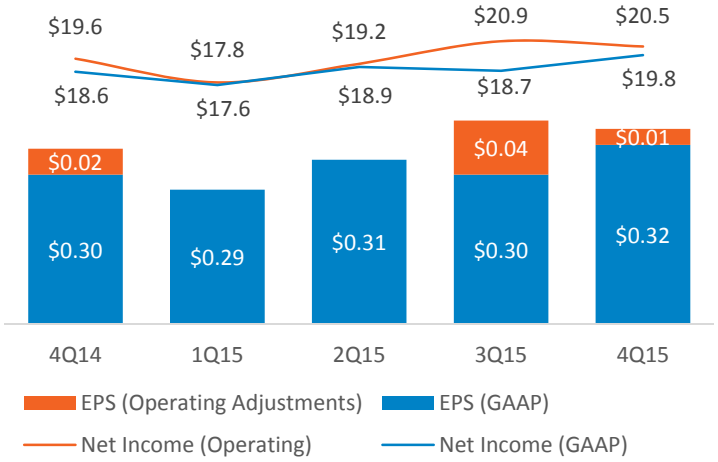
Net Income



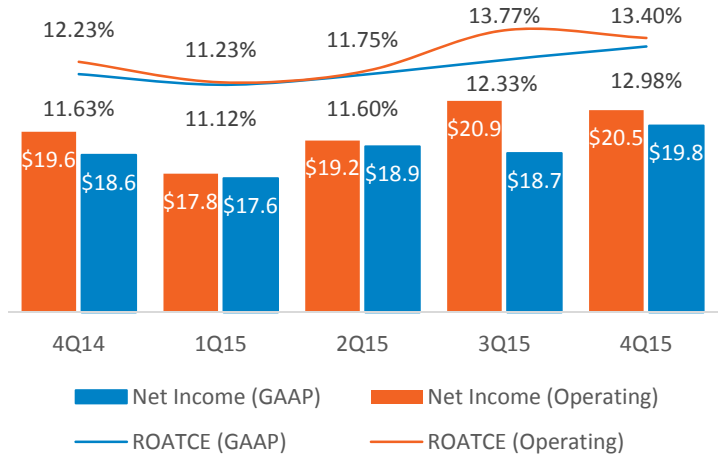
Return on Average Assets



Earnings per Share

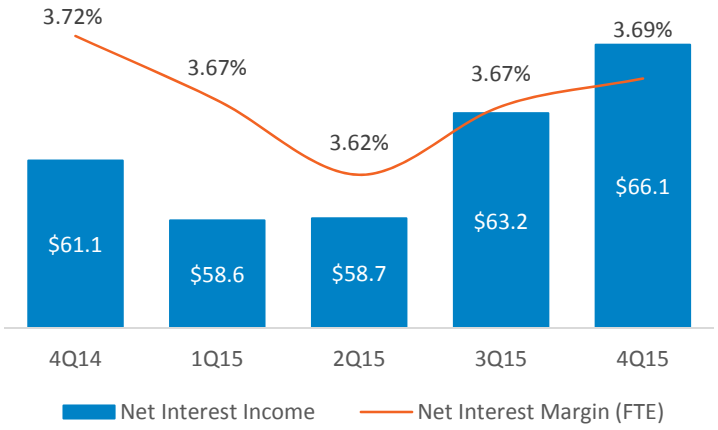


Return on Tangible Common Equity

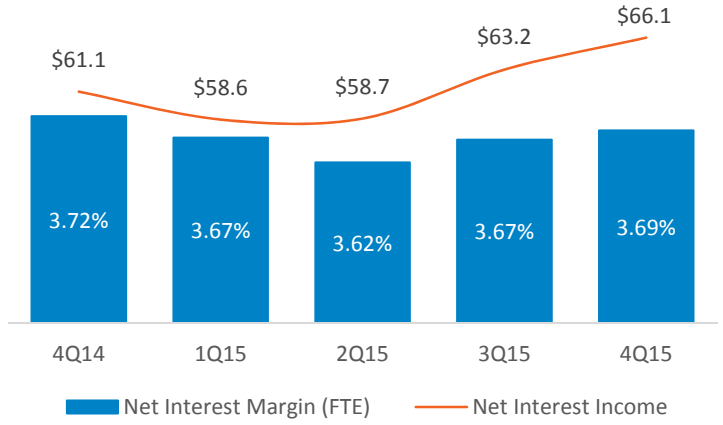


Net Interest Income / Net Interest Margin

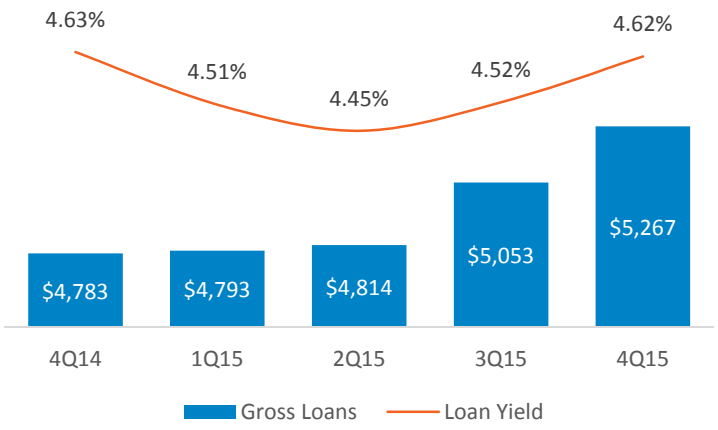
Net Interest Income



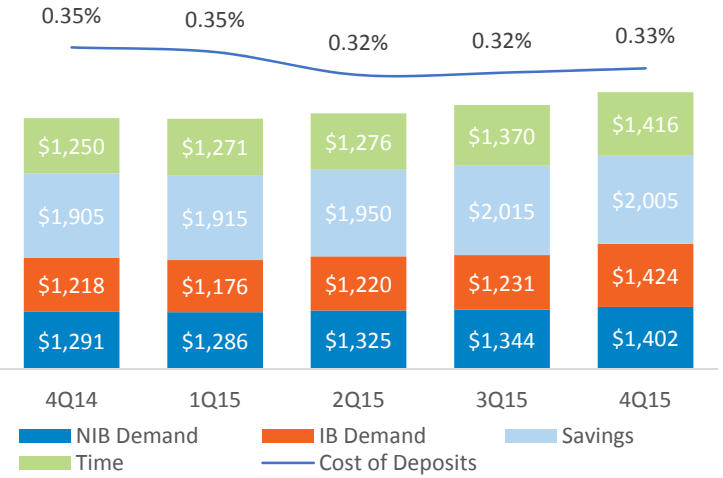
Net Interest Margin



Average Loans



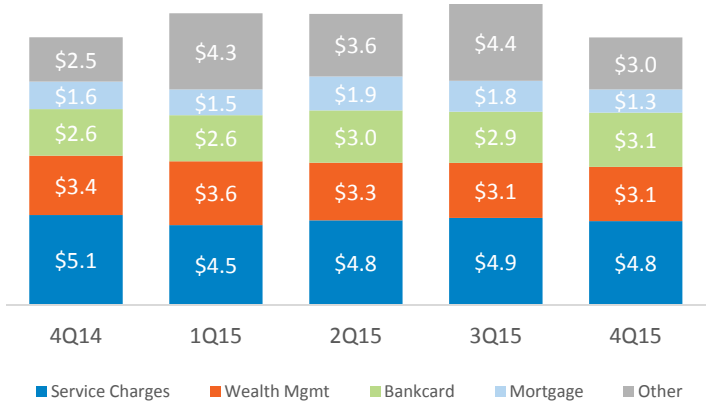
Average Deposits



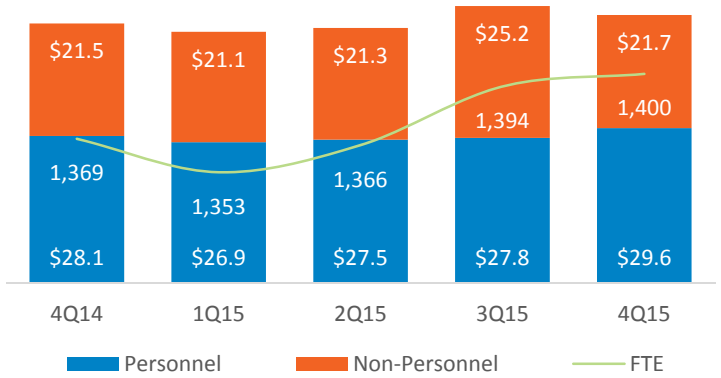
Average Loan & Deposit Balances for the Quarter
Gross loans include loans held for sale and FDIC indemnification asset

Non-Interest Income / Non-Interest Expense

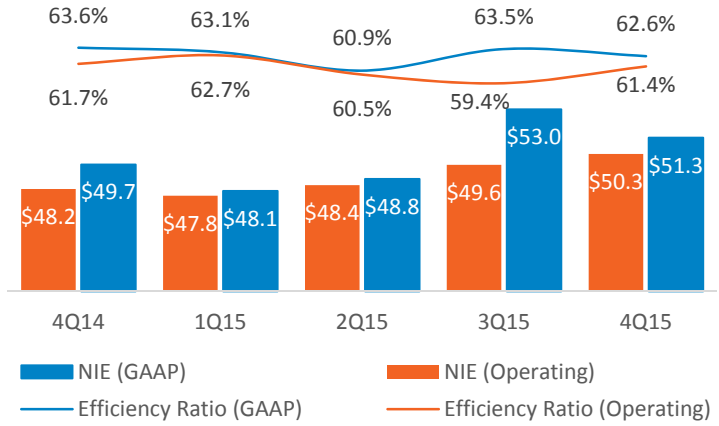
Non-Interest Income [1]



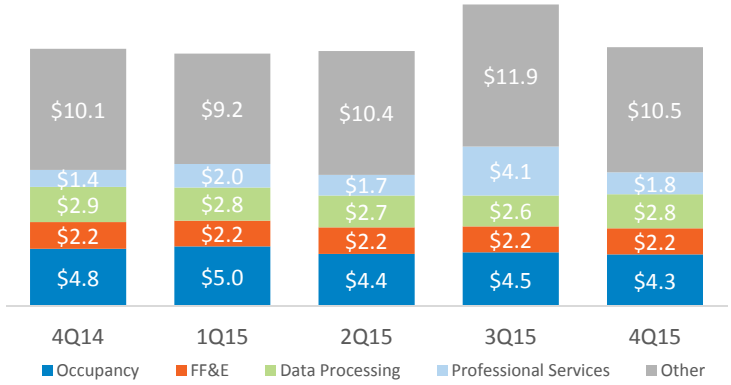
Non-Interest Expense



Efficiency Ratio



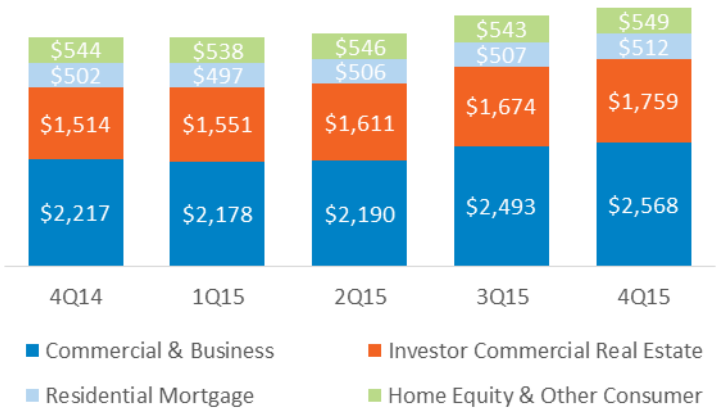
Non-Personnel Expense



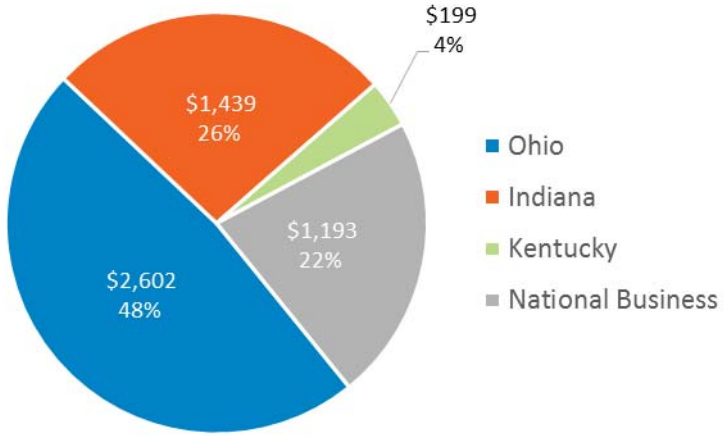
[1] Excludes Gain on Sale of Investment Securities and Non-Interest Income Related to the Covered / Formerly Covered Loan Portfolio

Loans

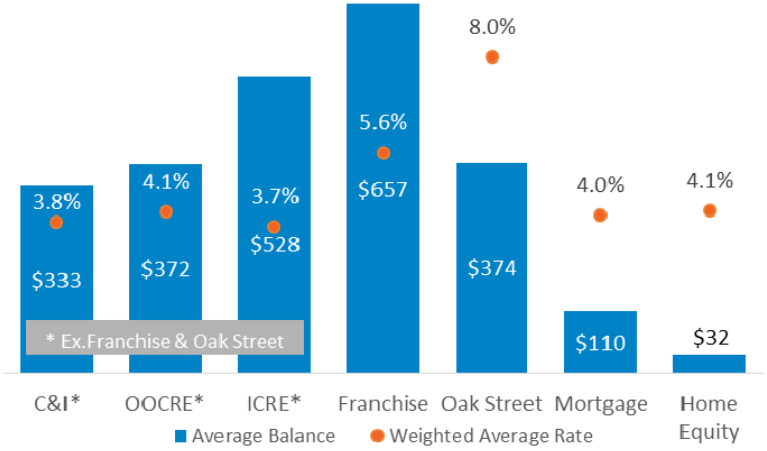
Loan Product Mix [1]



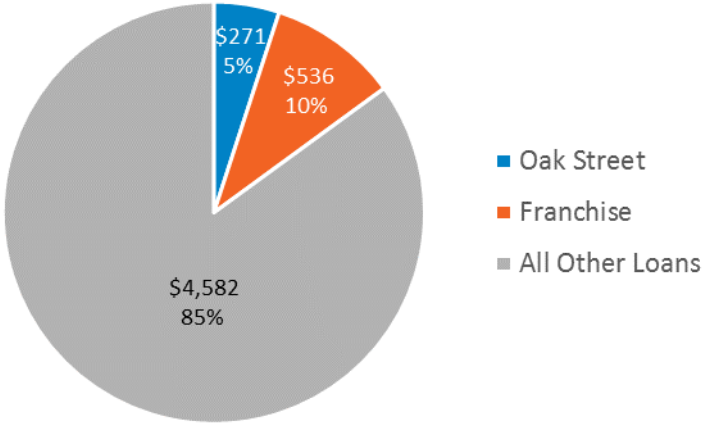
Loan Portfolio By Geography [2]



Average Loan Size & Rate [3]



Nationwide Lending Platforms

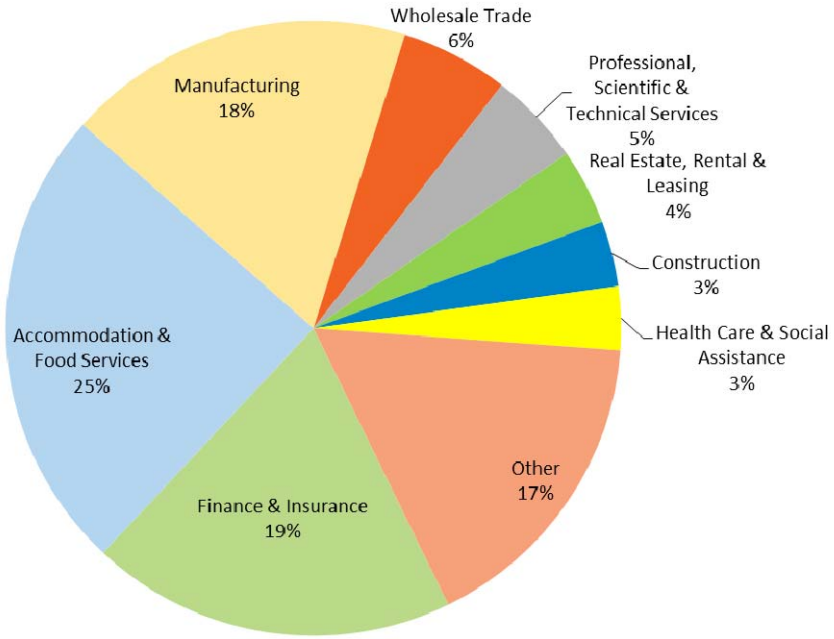


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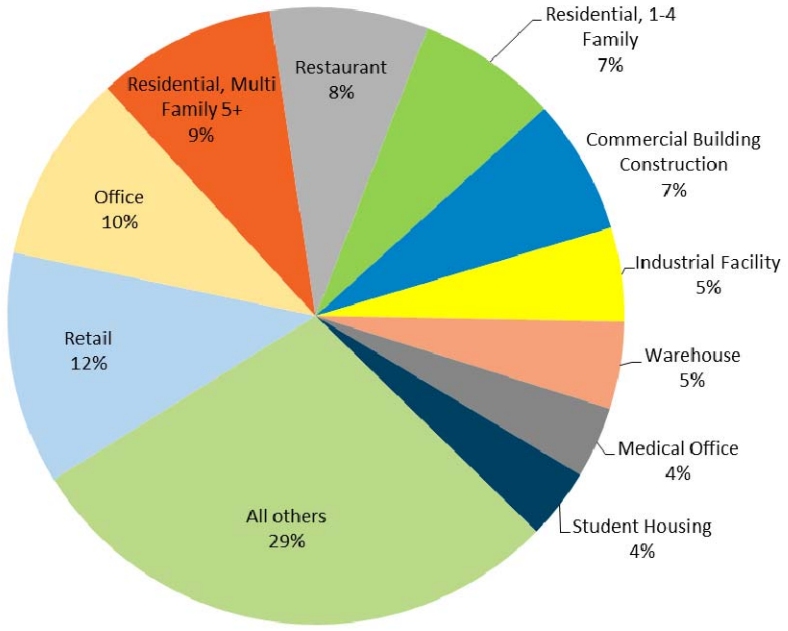
[1] Commercial & Business includes Owner Occupied Commercial Real Estate
[2] Includes loans held for sale. Excludes purchase accounting loan marks.
[3] Average loan balances in $000s.

Loans

C&I Loans By Industry [1]



CRE Loans By Collateral [2]

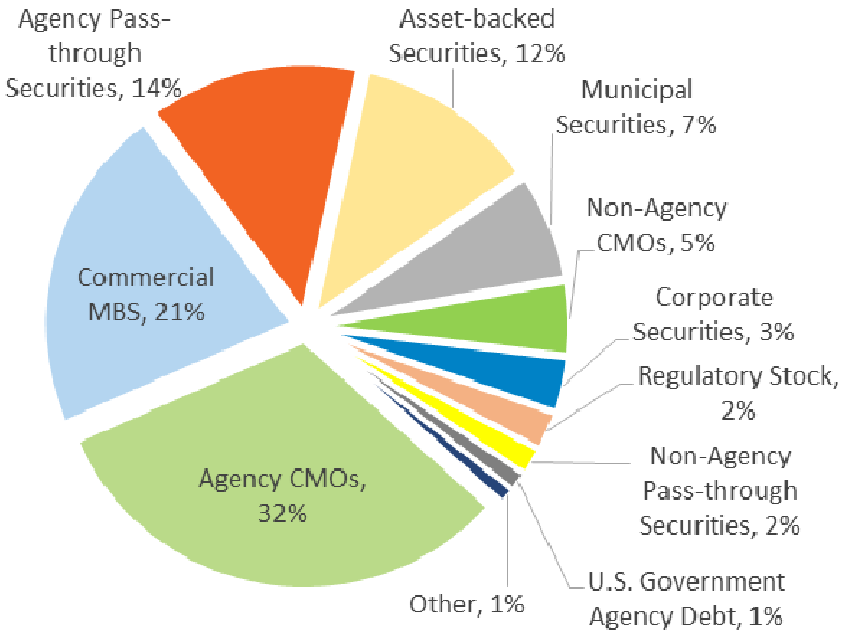


[1] Industry types included in Other representing greater than 1% of total C&I loans include Retail Trade, Agriculture, Public Administration, Waste Management, Utilities and Education.
[2] Collateral types included in Other representing greater than 1% of total CRE loans include Farmland, Manufacturing Facilities, Recreation Facilities, Commercial Lot, Hotel, Nursing, Residential Building Construction, Church, Strip Center and Education.

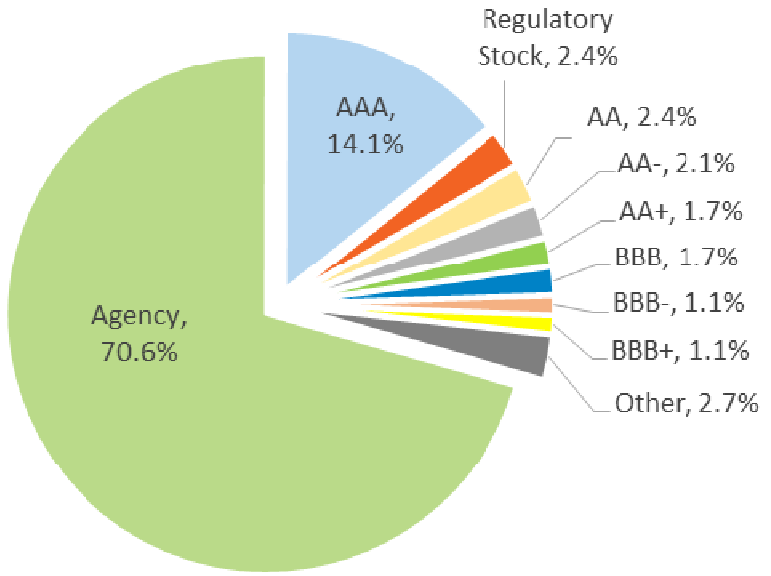
Investment Portfolio

- Total investments of $1.97 billion
- Investment Portfolio / Total Assets = 24.2%
- Effective yield earned during fourth quarter = 2.44%
- Portfolio duration = 3.4 years

Portfolio Composition

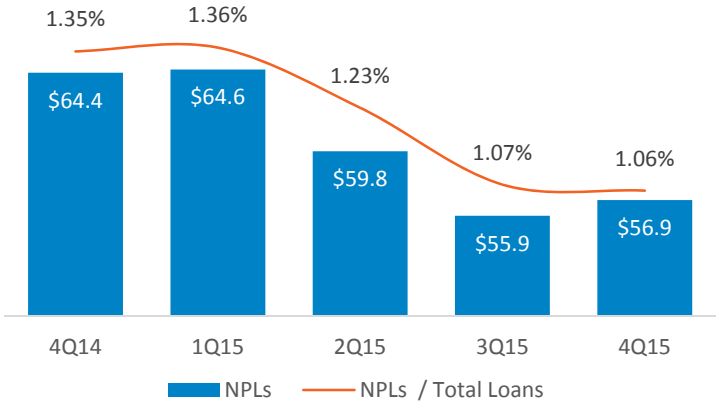


Portfolio Quality

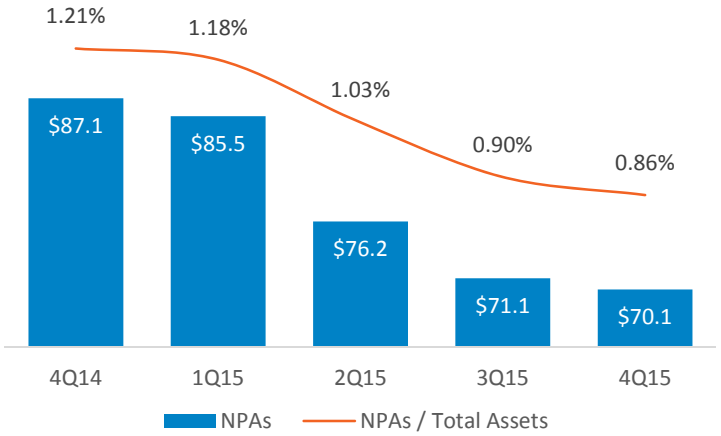


Asset Quality

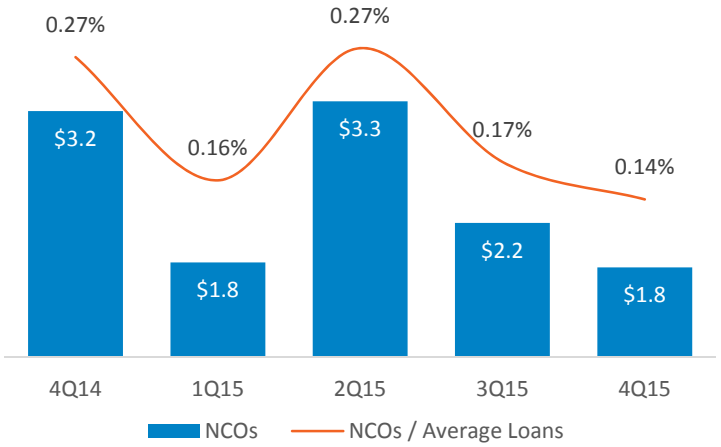
Non-Performing Loans / Total Loans



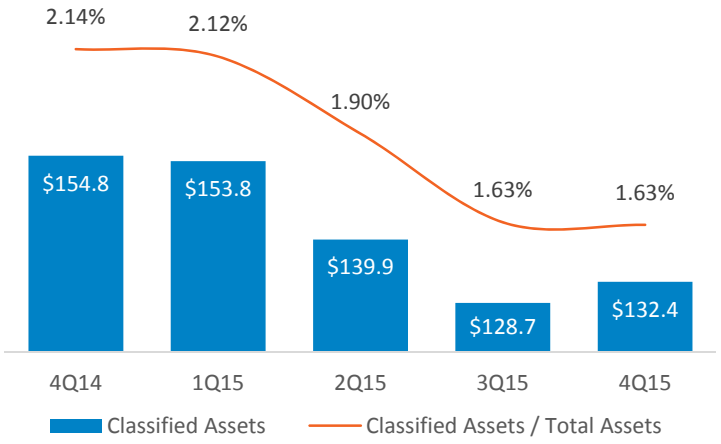
Non-Performing Assets / Total Assets



Net Charge Offs / Average Loans

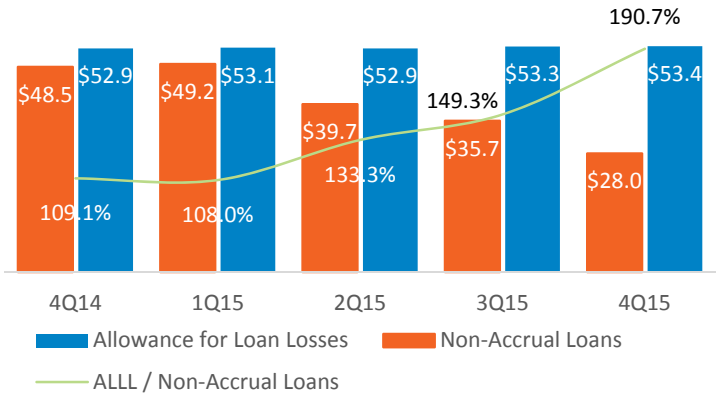


Classified Assets / Total Assets

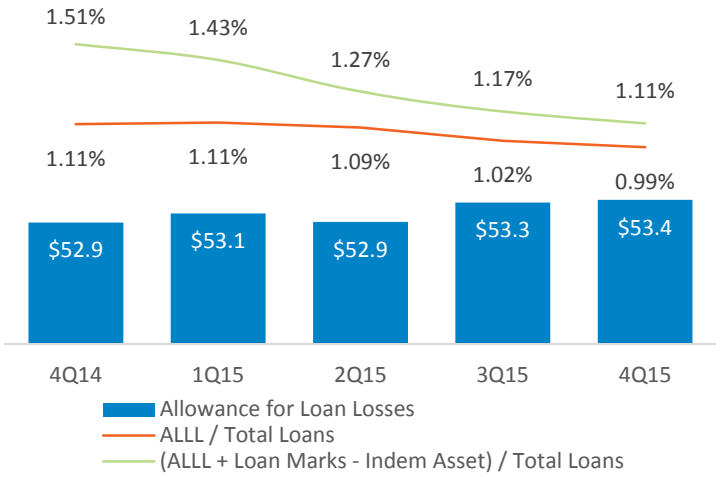


Asset Quality

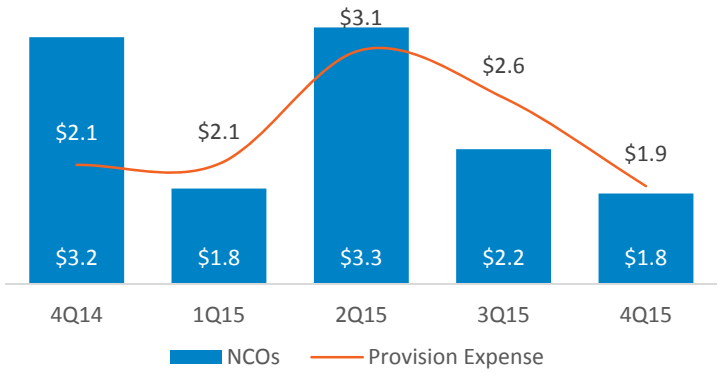
Allowance / Non-Accrual Loans



Allowance / Total Loans



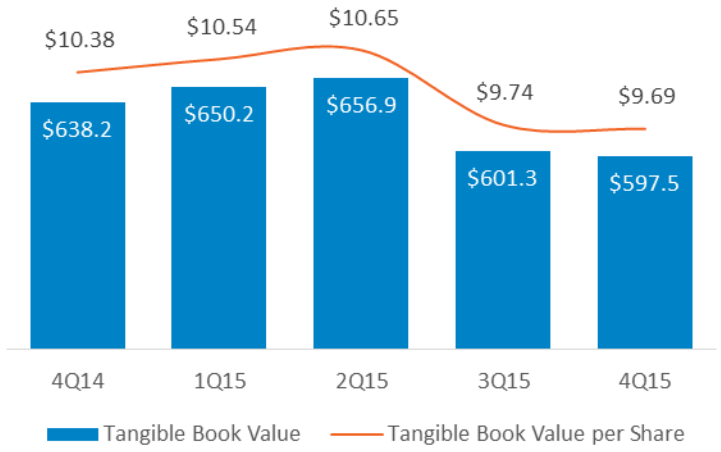
Net Charge Offs & Provision Expense



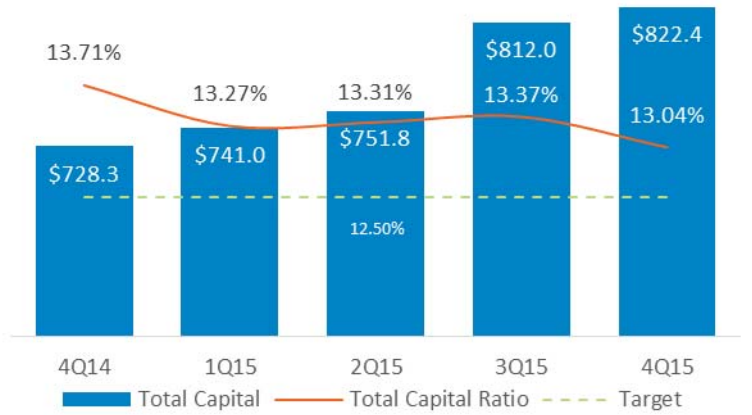
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Capital

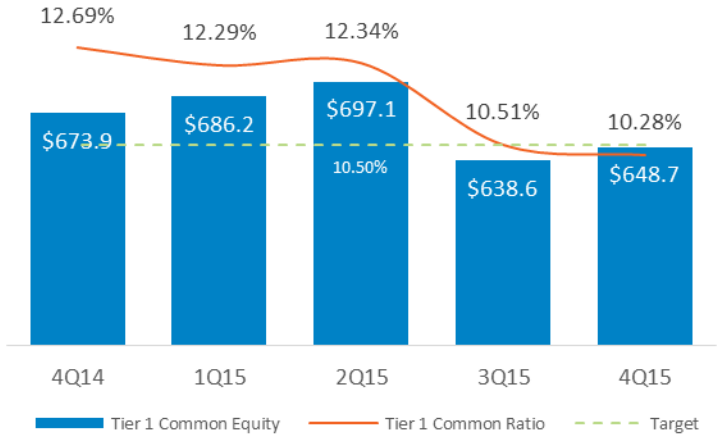
Tangible Book Value



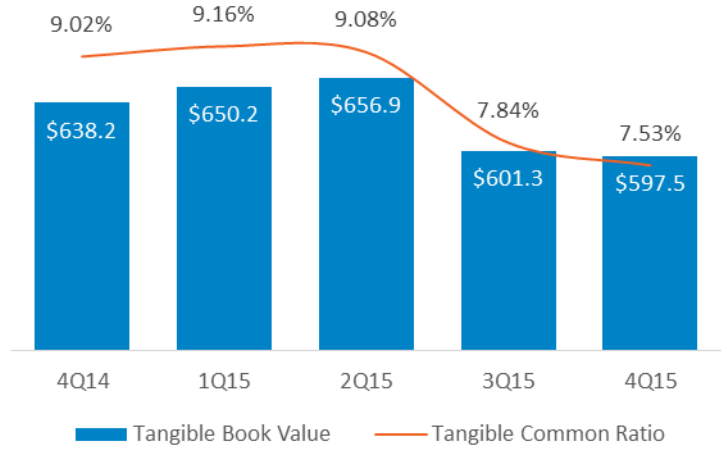
Total Capital



Tier 1 Common Equity



Tangible Common Equity



Reconciliation of Non-GAAP Measures

$ in 000s	4Q - 2014	1Q - 2015	2Q - 2015	3Q - 2015	4Q - 2015
Net Interest Income	$ 61,139	$ 58,586	$ 58,674	$ 63,159	$ 66,083
Provision Expense	2,052	2,060	3,070	2,647	1,864
Net Interest Income After Provision Expense	59,087	56,526	55,604	60,512	64,219
Non-Interest Income	16,942	17,613	21,415	20,355	15,819
Non-Interest Expense - GAAP	49,662	48,068	48,786	52,992	51,284
less: Non-Operating Expense (Pre-Tax)	(1,479)	(289)	(371)	(3,350)	(989)
Non-Interest Expense - Operating	48,183	47,779	48,415	49,642	50,295
Income Taxes - GAAP	7,768	8,450	9,284	9,202	8,934
add: Tax Adjustment (35% Marginal Rate)	518	101	130	1,173	346
Income Taxes - Operating	8,286	8,551	9,414	10,375	9,280
Net Income - GAAP	18,599	17,621	18,949	18,673	19,820
add: Non-Operating Expense (After-Tax)	961	188	241	2,178	643
Net Income - Operating	$ 19,560	$ 17,809	$ 19,190	$ 20,851	$ 20,463
Average Diluted Shares (000s)	61,628	61,732	61,915	61,988	61,861
Average Assets (000s)	$ 7,241,869	$ 7,201,313	$ 7,243,886	$ 7,611,389	$ 7,950,278
Average Tangible Common Equity (000s)	$ 634,278	$ 642,925	$ 655,133	$ 600,664	$ 605,891
EPS - GAAP	$ 0.30	$ 0.29	$ 0.31	$ 0.30	$ 0.32
EPS - Operating	$ 0.32	$ 0.29	$ 0.31	$ 0.34	$ 0.33
ROAA - GAAP	1.02%	0.99%	1.05%	0.97%	0.99%
ROAA - Operating	1.07%	1.00%	1.06%	1.09%	1.02%
ROATCE - GAAP	11.63%	11.12%	11.60%	12.33%	12.98%
ROATCE - Operating	12.23%	11.23%	11.75%	13.77%	13.40%
Efficiency Ratio - GAAP	63.6%	63.1%	60.9%	63.5%	62.6%
Efficiency Ratio - Operating	61.7%	62.7%	60.5%	59.4%	61.4%
Days in Quarter	92	90	91	92	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.

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