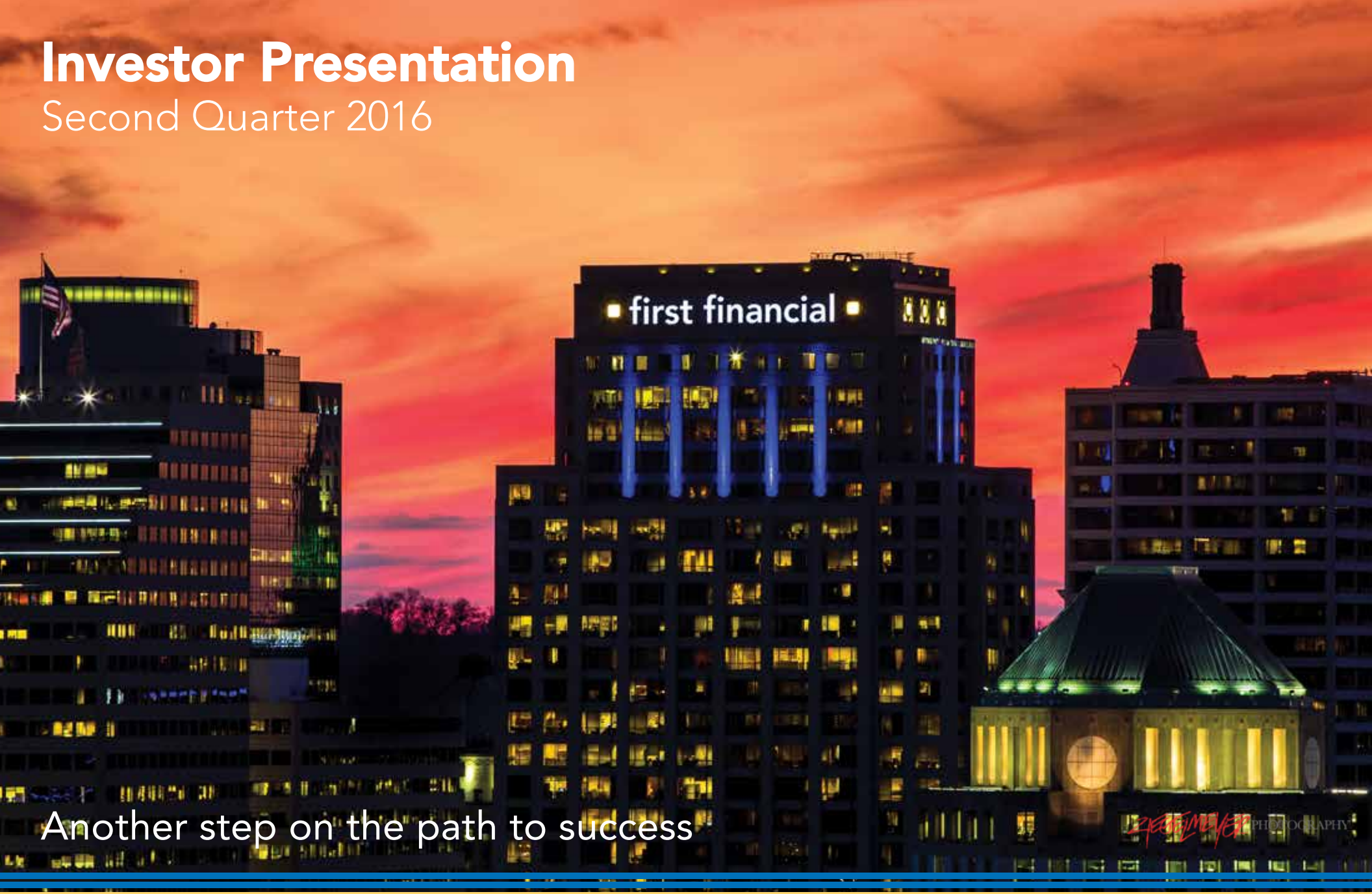
Investor Presentation

Second Quarter 2016



Another step on the path to success

FFBC
NASDAQ
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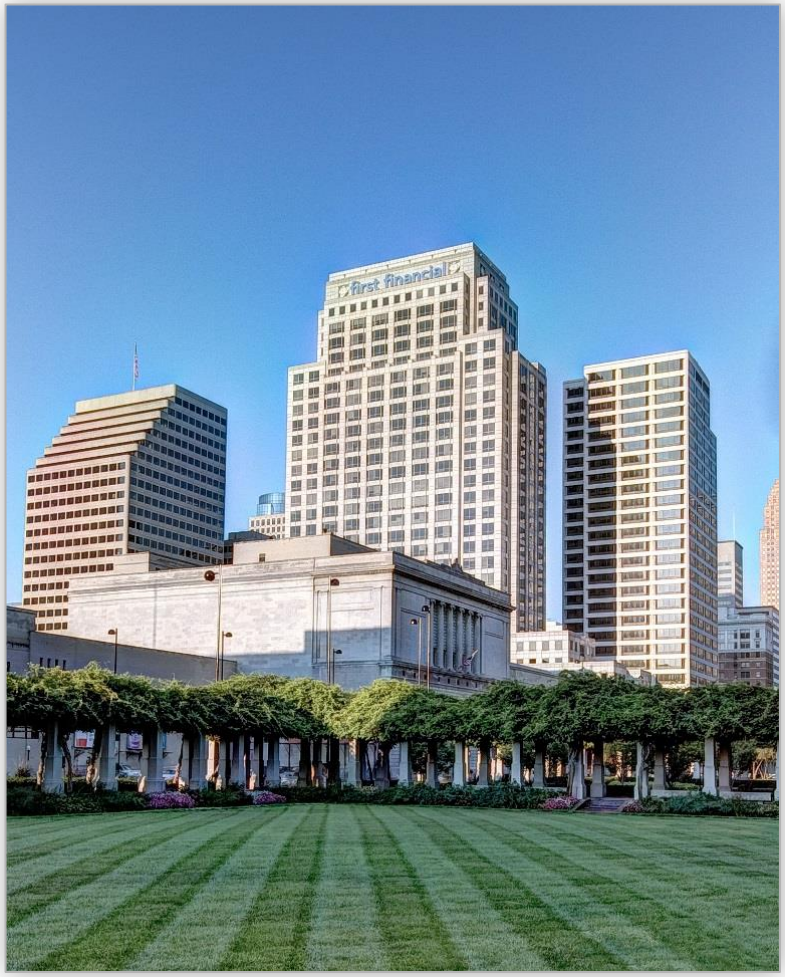
Forward Looking Statement Disclosure

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.



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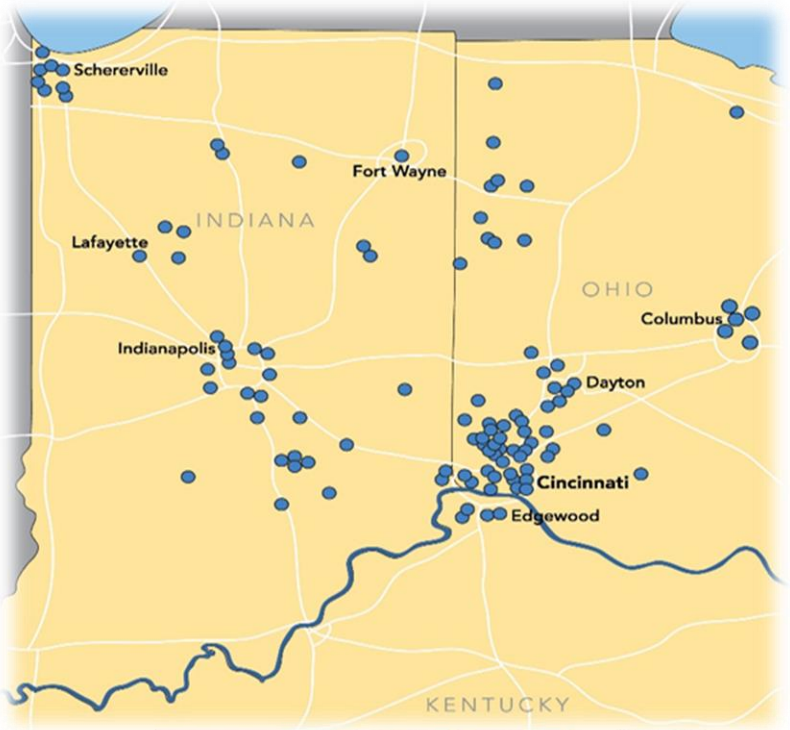
Company Overview



Overview

- Founded: 1863
- Headquarters: Cincinnati, Ohio
- Banking Centers: 101
- Assets: $8.3 billion
- Loans: $5.7 billion
- Deposits: $6.1 billion
- Wealth Mgmt: $2.4 billion AUM

Lines of Business

- Commercial / Private Banking
  - C&I, I-CRE, ABL, Equipment Finance, Treasury, Wealth
- Retail Banking
  - Consumer, Mortgage, Small Business
- Commercial Finance
  - Quick Service Restaurant, Insurance Agency Finance





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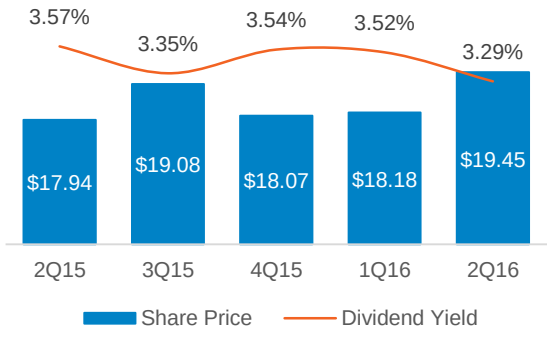


Our Markets

Greater Cincinnati

Loans	$2.0 billion
Loan Growth (Y-o-Y)	9.1%
Deposits	$2.4 billion
Deposit Market Share	#5 (2.2%)
Banking Centers	49
Fortune 500 Companies	9

Indianapolis

Loans	$0.5 billion
Loan Growth (Y-o-Y)	34.9%
Deposits	$0.5 billion
Deposit Market Share	#13 (1.2%)
Banking Centers	8
Fortune 500 Companies	3

Central OH

Loans	$0.9 billion
Loan Growth (Y-o-Y)	32.7%
Deposits	$0.4 billion
Deposit Market Share	#14 (0.9%)
Banking Centers	6
Fortune 500 Companies	4

Community Markets

Loans	$1.2 billion
Loan Growth (Y-o-Y)	0.4%
Deposits	$2.5 billion
Banking Centers	34

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 Funding, specialty lender focused on the insurance industry, $243 million in assets (3Q 2015)

Effective Operator

- 103 consecutive quarters of profitability through 2Q 2016
- 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

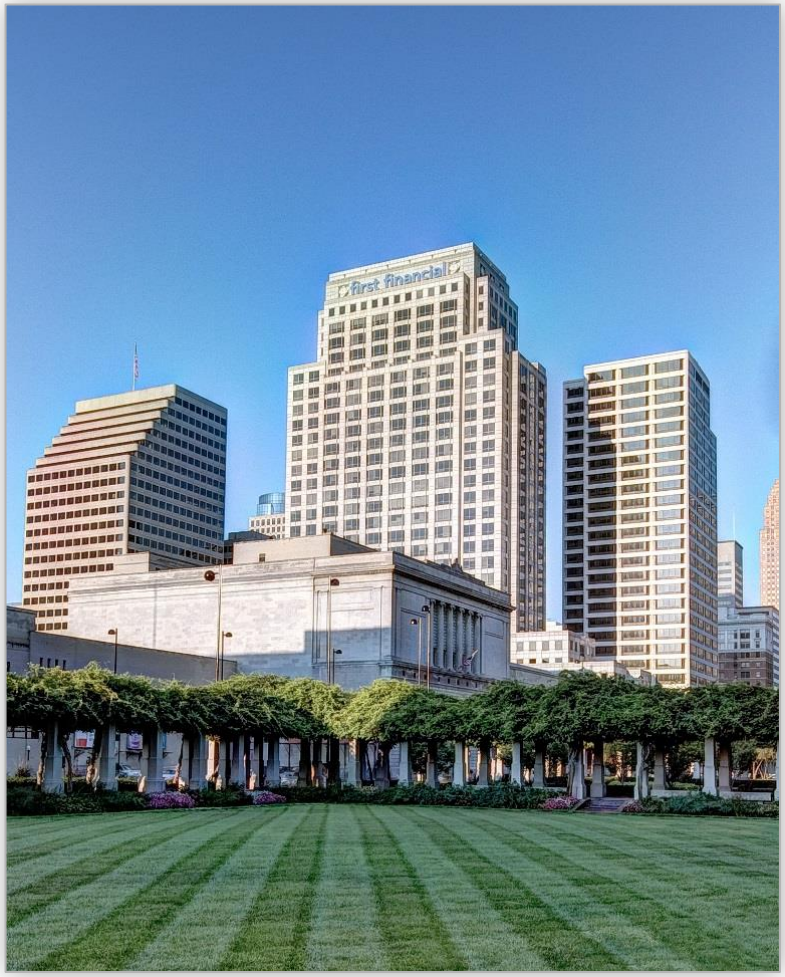
Invest with First Financial

- 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
- Direct linkage between compensation and performance
  - STI, LTI, management stock ownership targets

Total Shareholder Return [1]

Company	Ticker	2008-2Q16	2015	2016 YTD [3]
First Financial	FFBC	151.34%	0.68%	23.01%
KBW Regional Bank Index	KRX	29.21%	5.99%	8.10%
NASDAQ Composite	CCMP	102.01%	7.11%	5.47%
Fifth Third	FITB	-14.66%	1.27%	0.10%
US Bancorp	USB	55.46%	-2.81%	4.07%
PNC	PNC	51.25%	6.81%	-6.04%
Park National	PRK	126.30%	6.74%	9.58%
Old National	ONB	11.99%	-5.72%	5.08%
Select Bank Average [2]	AVG	46.07%	1.26%	2.56%

[1] – includes dividend reinvestment
[2] – simple average - assumes equal weight
[3] – 2016 YTD through 08/29/2016



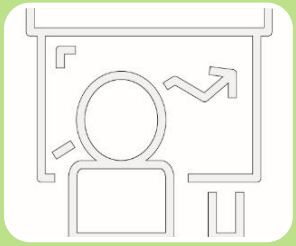
About First Financial Bancorp

Strategic Direction

Recent Financial Results

Strategic Overview

What does First Financial stand for?



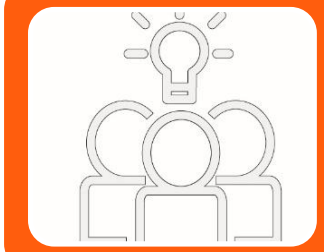
Operational Excellence

- 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

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

Expand Product Offering

Deepen Relationships

Word of Mouth Referrals



Leads to organic growth

NICHE

National Footprint



Industry Specific

Franchised Quick Service Restaurants

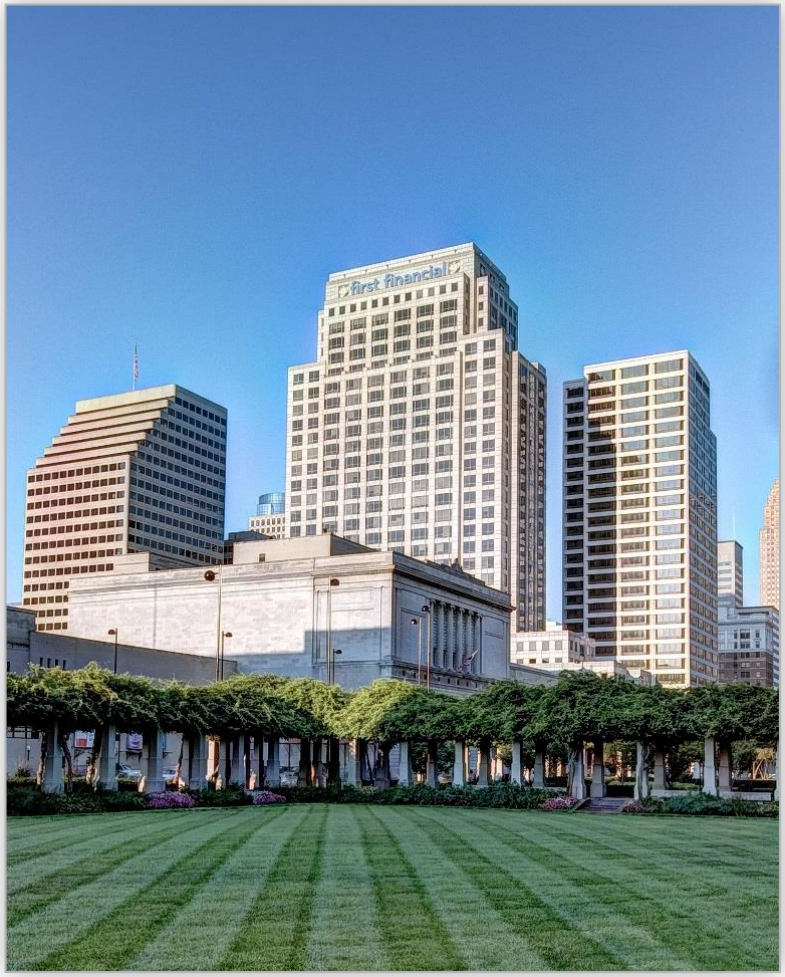


Professional Services Firms and Asset-Based Niches



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 $10 billion asset threshold
  - Pace – 3 to 5 years organic
  - Preparation – DFAST, risk, compliance, data management



About First Financial Bancorp

Strategic Direction

Recent Financial Results

2Q 2016 Highlights – 103rd Consecutive Quarter of Profitability

Profitability	↗ Net income = $22.6 million or $0.36 per diluted share. ↗ Return on average assets = 1.11%. ↗ Return on average shareholders' equity = 10.84% ↗ Return on average tangible common equity = 14.49%.
Net Interest Income & Net Interest Margin	↗ Net interest income = $67.1 million, a $0.6 million increase compared to the linked quarter. ↗ Effective yield earned on loans decreased 4 bps to 4.55%. ↗ Net interest margin decreased 1 bp to 3.61%, 3.67% on a fully tax equivalent basis.
Non-Interest Income & Non-Interest Expense	↗ Non-interest income increased $4.7 million to $20.2 million. ↗ Non-interest expense = $49.4 million. ↗ Efficiency ratio = 56.6%.
Balance Sheet	↗ Total assets increased $116.5 million, to $8.3 billion, compared to the linked quarter. ↗ EOP loans increased $196.6 million, or 14.4% annualized, compared to the linked quarter. ↗ EOP deposits decreased $57.2 million, or 3.7% annualized, compared to the linked quarter ↗ EOP investment securities decreased $84.2 million, or 4.4%, compared to the linked quarter.
Asset Quality	↗ Provision expense = $4.0 million. Net charge offs = $1.1 million. NCOs / Avg. Loans = 0.08% annualized. ↗ Non-performing Loans / Total Loans = 0.88%. Non-performing Assets / Total Assets = 0.72%. ↗ ALLL / Non-accrual Loans = 254.56%. ALLL / Total Loans = 0.99%.
Capital	↗ Total capital ratio = 12.70%. ↗ Tier 1 capital ratio = 10.07%. ↗ Tangible common equity ratio = 7.85%. ↗ Tangible book value per share = $10.26.

Strategy & Outlook

Focus remains on organic growth and executing our core strategy:

1. Growing loans at risk-appropriate returns
   - ↗ Strong organic growth opportunities resulting from the mix of markets, products & businesses built over the last five years
   - ↗ Full year 2016 loan growth trending toward high single digits to low double digits
   - ↗ Stable margin outlook in the near term, similar to 1H 2016

2. Growing core deposits to fund loan growth & generate fee income
   - ↗ Ever-present focus on growing low cost, core deposits
   - ↗ Continue repositioning our balance sheet - redeploy cash flows from securities to fund organic loan growth, similar to 1H 2016

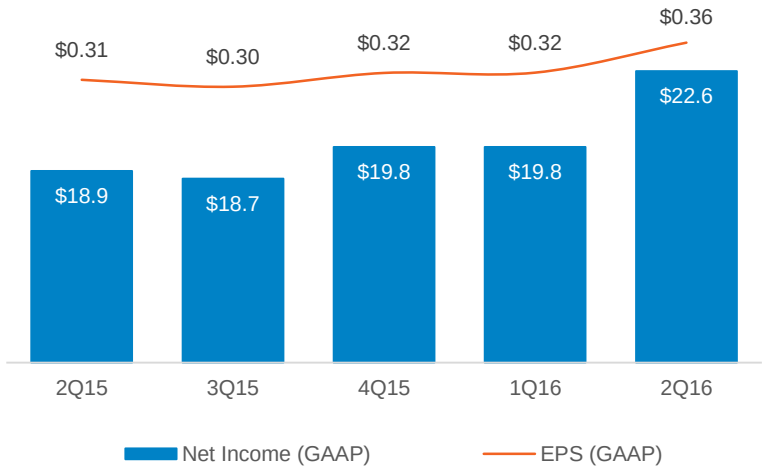
3. Growing noninterest income to help build & diversify revenue
   - ↗ Strategies focused on product pricing, governance and client penetration

4. Maintaining our focus on efficiency & diligent expense management
   - ↗ Non-interest expense base expected to be approximately $50 million per quarter

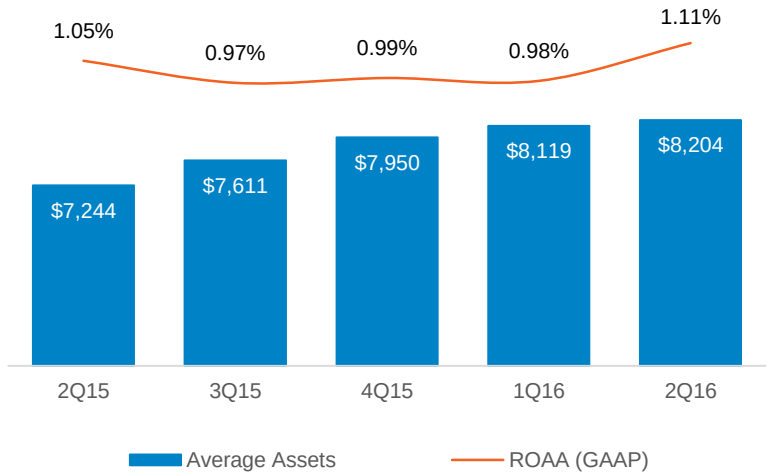
5. Remaining vigilant in our credit oversight

Profitability

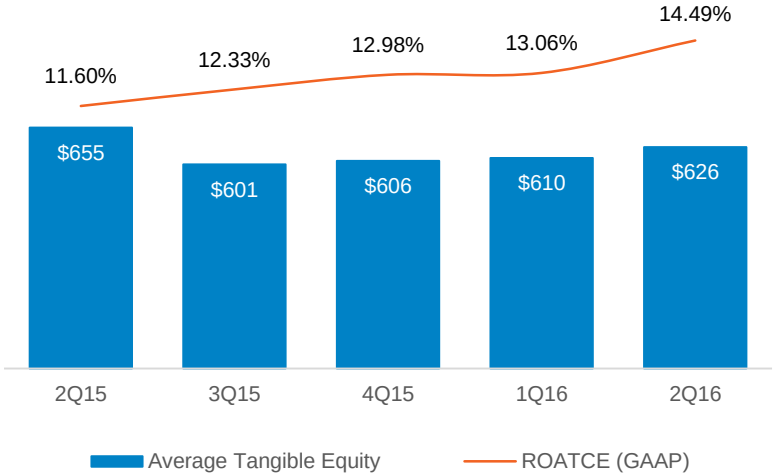
Net Income & EPS



Return on Average Assets



Return on Tangible Common Equity



All dollars shown in millions

Net Income

Reflects impact to net income from items that do not occur on a regular basis

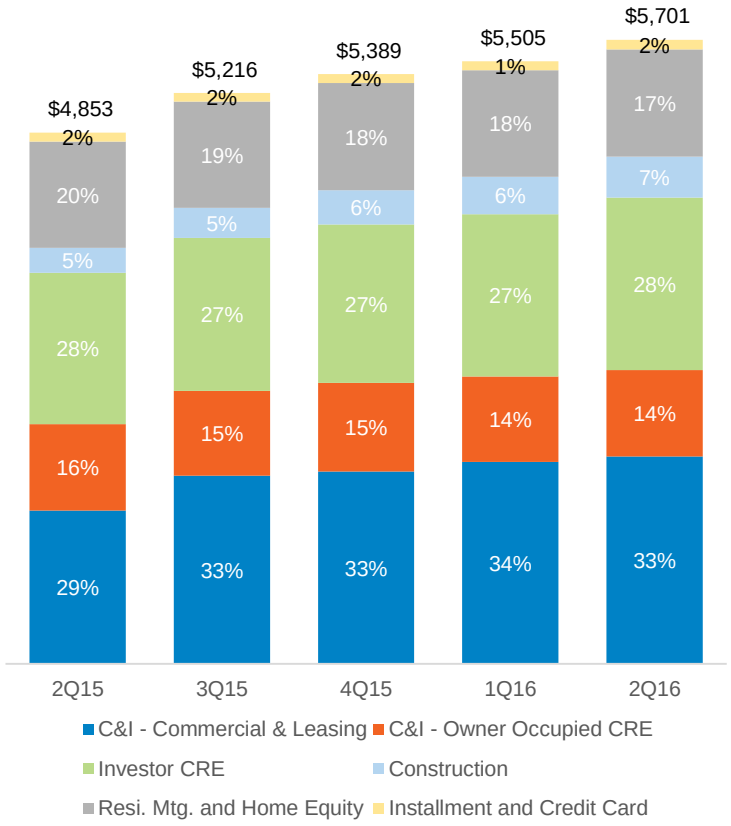
(Dollars in thousands)	2Q 2016 Earnings	2Q 2016 Earnings per share - diluted	1Q 2016 Earnings	1Q 2016 Earnings per share - diluted
GAAP net income	$ 22,568	$ 0.36	$ 19,814	$ 0.32
Less: noninterest income adjustments [1]	(2,164)		(24)	
Plus: noninterest expense adjustments [2]	162		460	
Subtotal	20,566		20,250	
Tax adjustments	843		(153)	
Adjusted net income	$ 21,409	$ 0.35	$ 20,097	$ 0.33

[1] 2Q 2016 noninterest income includes $2.4 million of previously unrealized income from the redemption of a limited partnship investment during the period and $0.2 million in losses on sales of investment securities

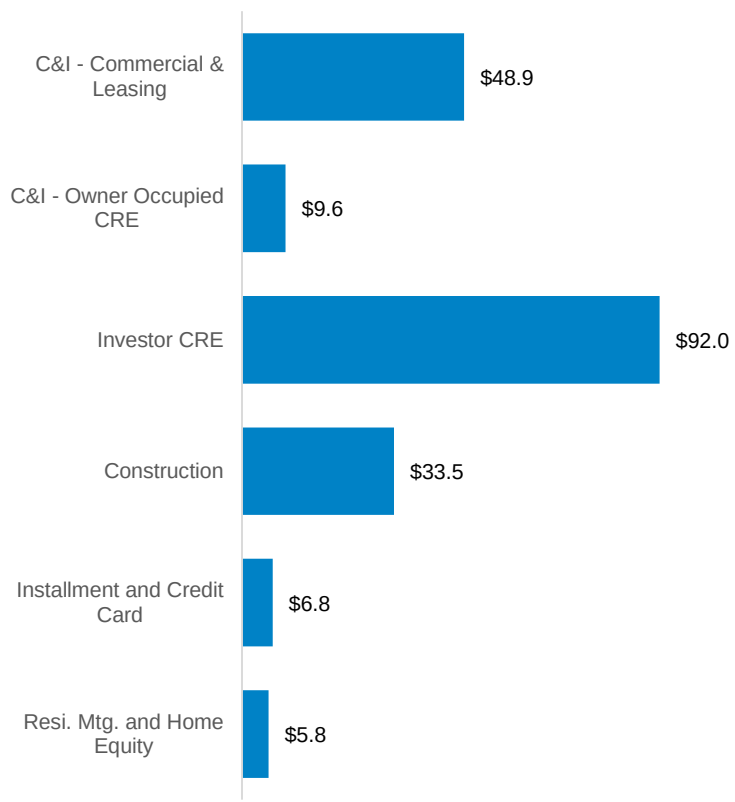
[2] 2Q 2016 adjustments include $0.2 million of expenses related to branch consolidation activities; 1Q 2016 adjustments consist primarily of expenses related to branch consolidations during the period

Loan Portfolio

Loan Product Mix (EOP)



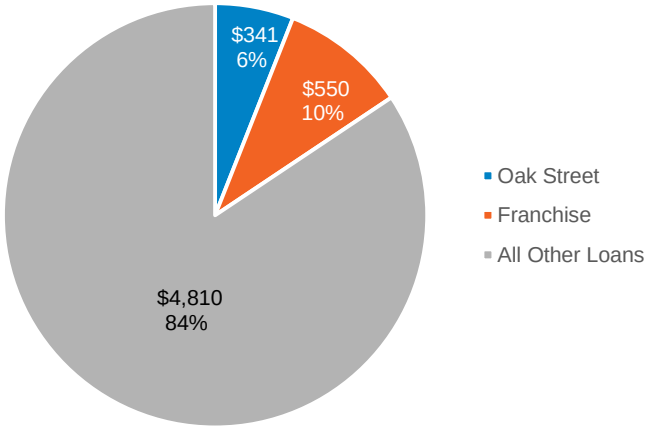
Net Loan Change (Linked Quarter)



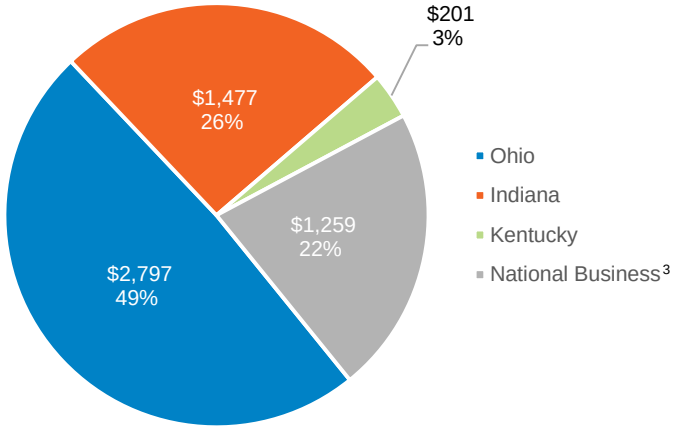
All dollars shown in millions

Loan Portfolio

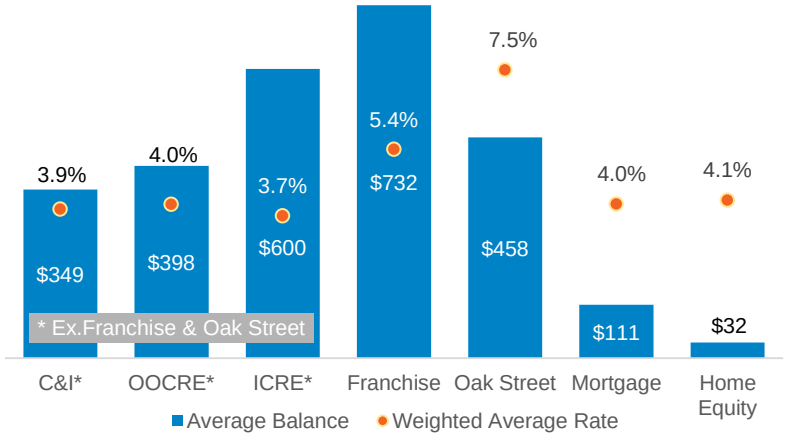
Nationwide Lending Platforms



Loan Portfolio By Geography [1]



Average Loan Size & Rate [2]



[1] Includes loans held for sale. Excludes purchase accounting loan marks.
[2] Average loan balances in $000s.
[3] Includes Oak Street, Franchise, shared national credits & other loans outside Ohio, Indiana, & Kentucky.

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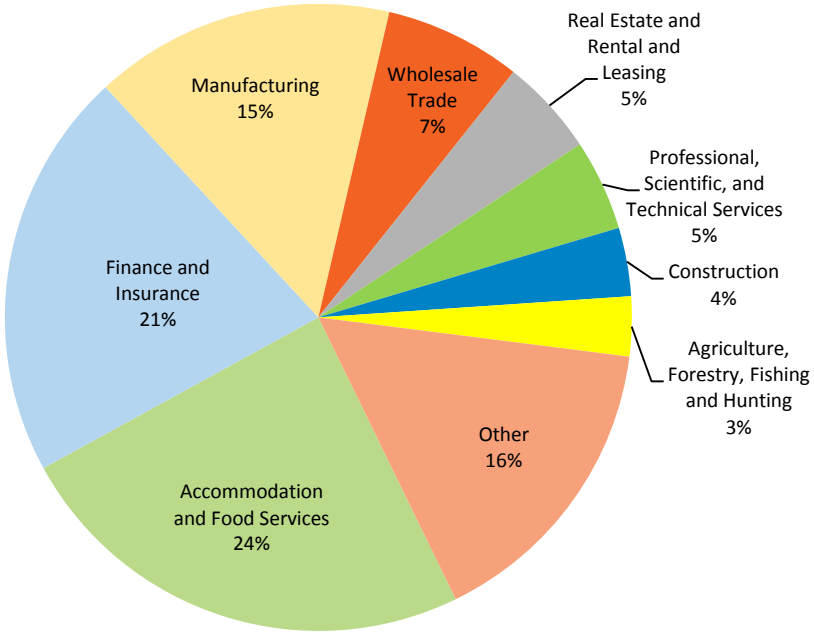
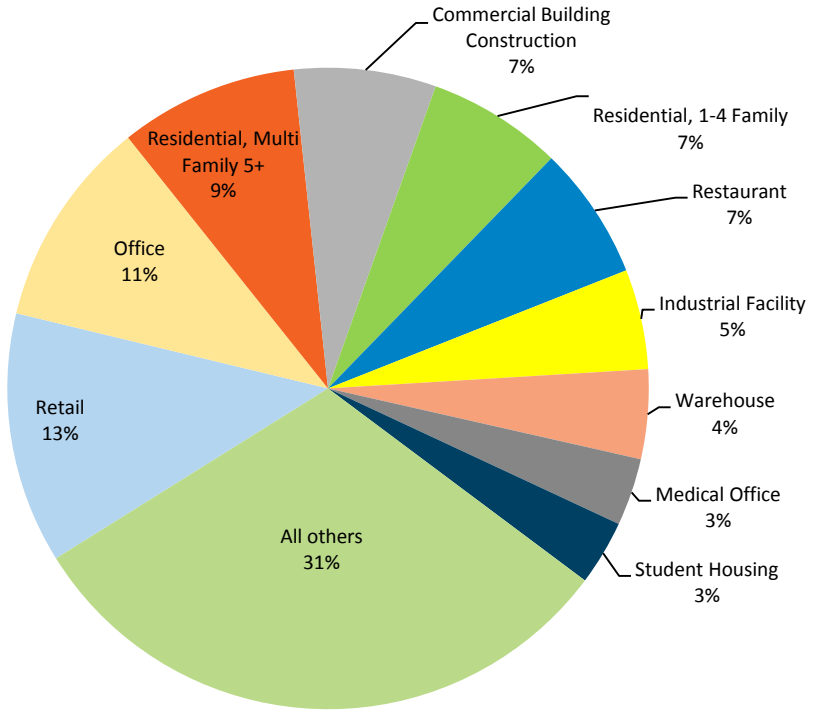
Loan Portfolio

C&I Loans By Industry [1]



CRE Loans By Collateral [2]

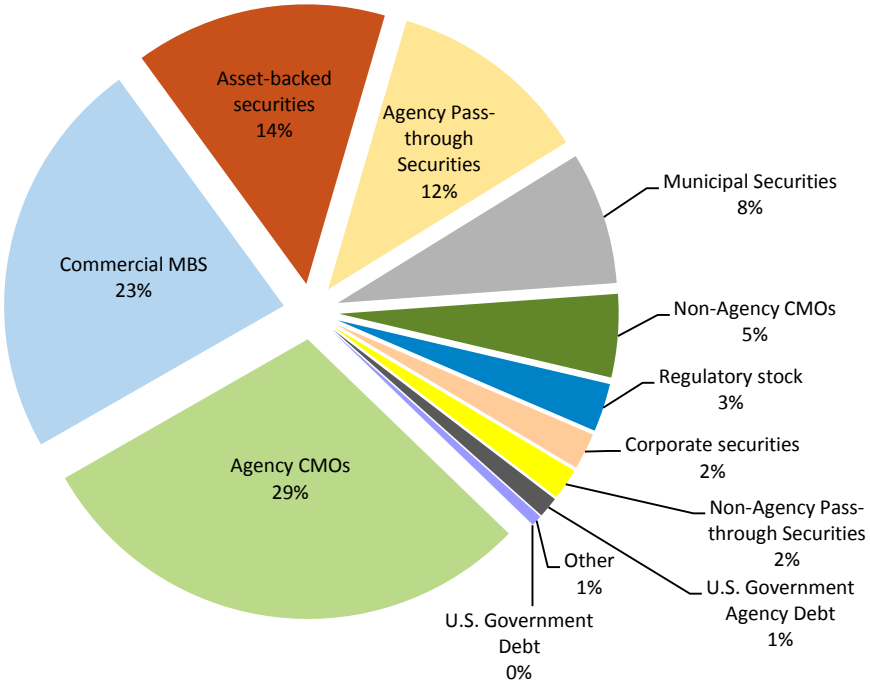


[1] Industry types included in Other representing greater than 1% of total C&I loans include Retail Trade, Health Care, Public Administration, Waste Management, and Education.
[2] Collateral types included in Other representing greater than 1% of total CRE loans include Farmland, Commercial Building Construction, Hotel/Motel, Manufacturing Facility, School/Education, Nursing/Assisted Living, Recreation Facility, Commercial Lot, Residential Building Construction, Strip Center, Church, Vacant Land 6+ Acres.

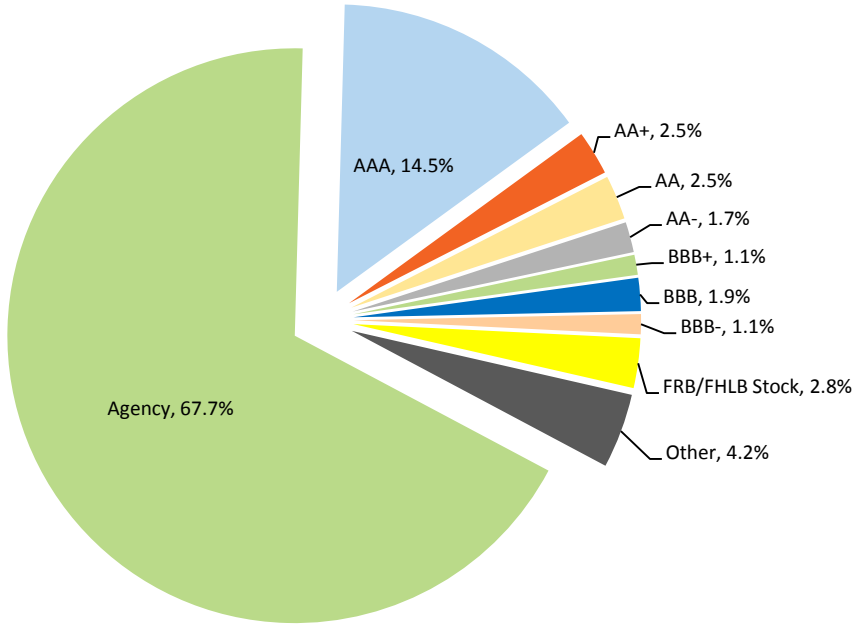
Investment Portfolio

- Total EOP investments of $1.84 billion
- Investment Portfolio / Total Assets = 22.1%
- Effective yield earned during second quarter = 2.54%
- Portfolio duration = 2.5 years

Portfolio Composition

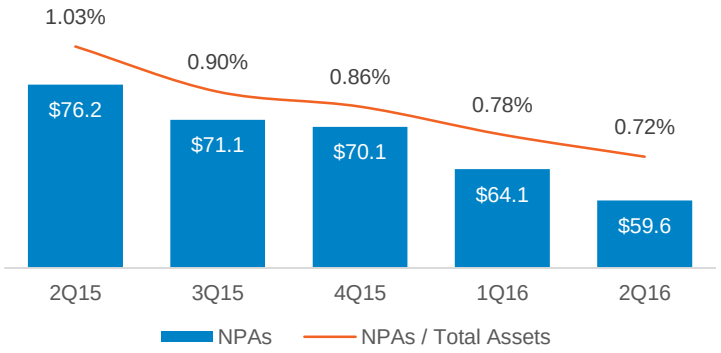


Portfolio Quality

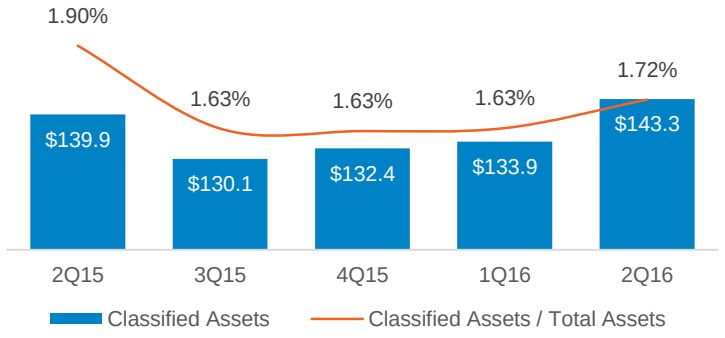


Asset Quality

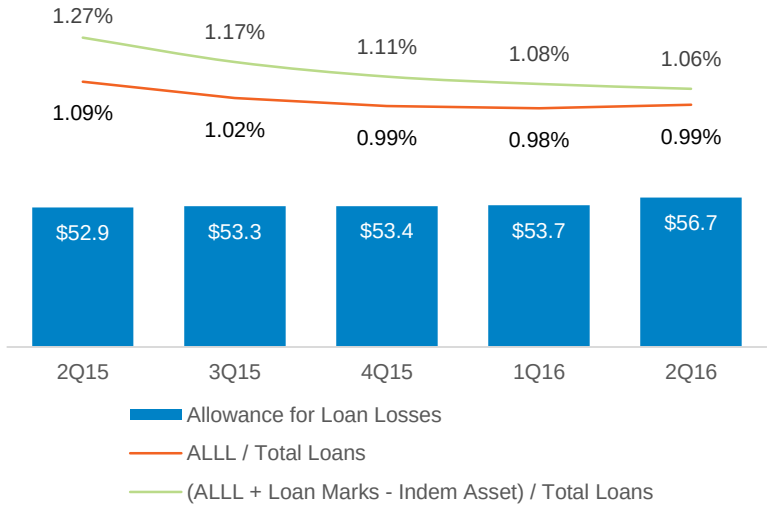
Non-Performing Assets / Total Assets



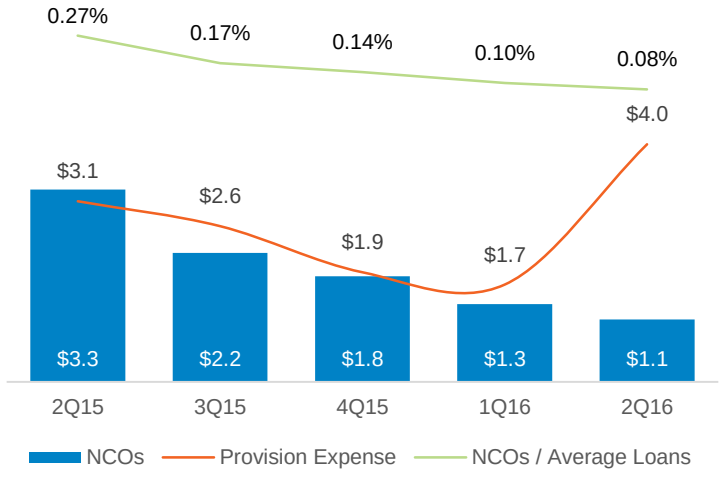
Classified Assets / Total Assets



Allowance / Total Loans



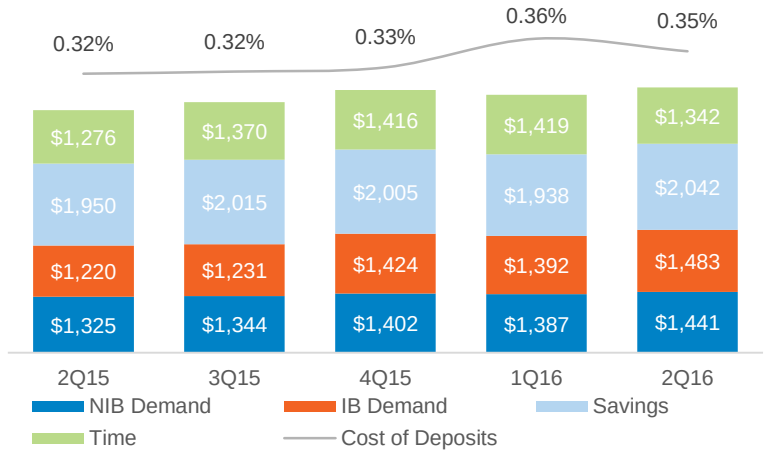
Net Charge Offs & Provision Expense



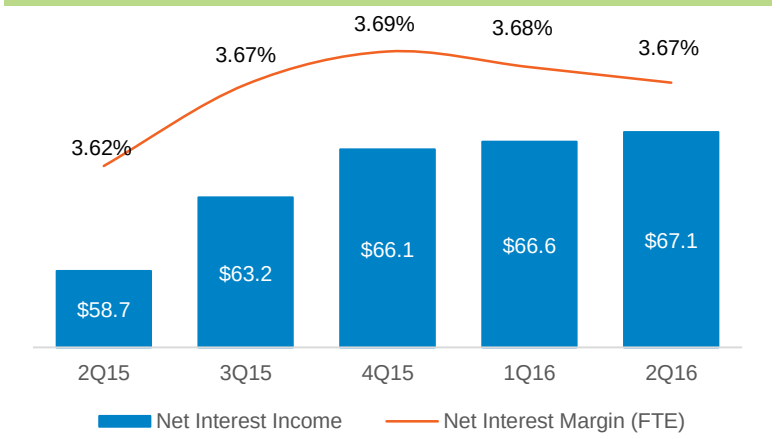
All dollars shown in millions

Net Interest Income / Net Interest Margin

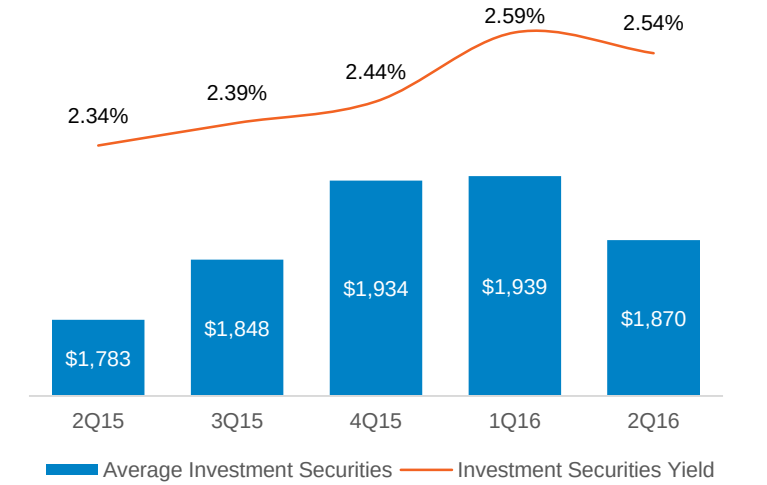
Average Deposits



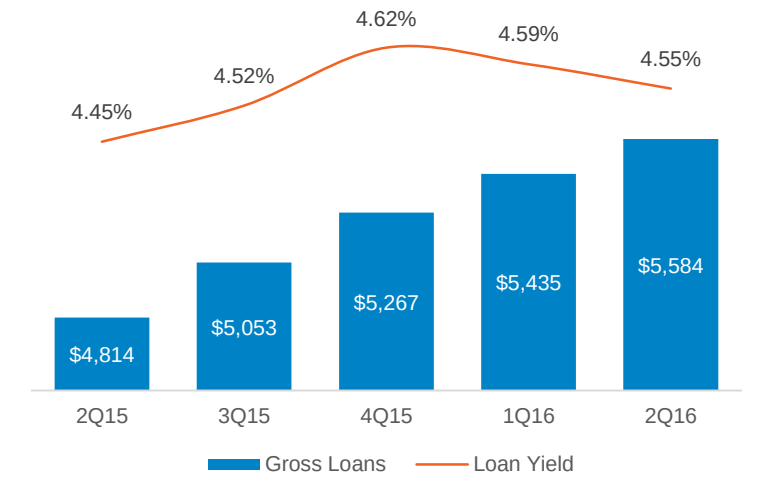
Net Interest Income



Average Securities



Average Loans

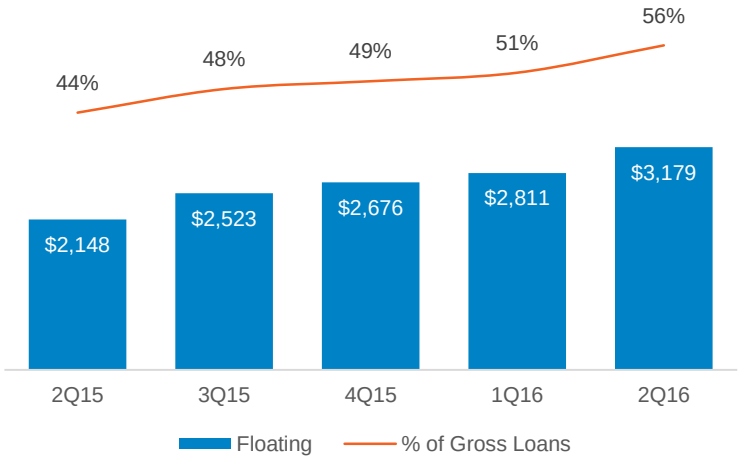


Gross loans include loans held for sale and FDIC indemnification asset
All dollars shown in millions

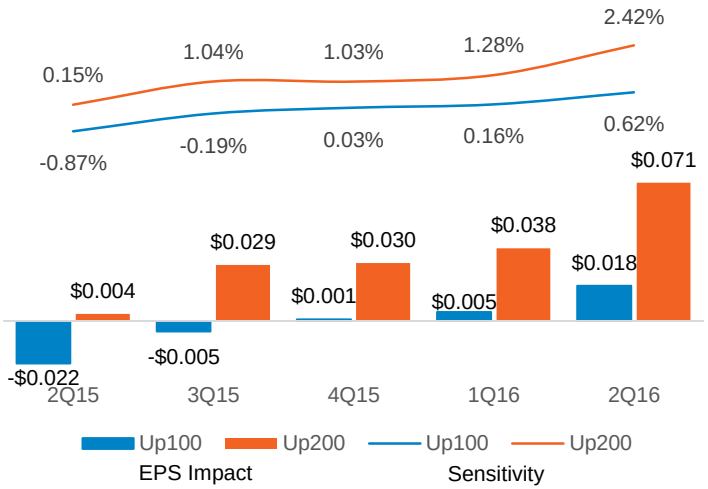
Interest Rate Sensitivity

- 48% Y-o-Y growth in floating rate lending (1)
- 34% Y-o-Y growth in client derivatives (2)
- % of loans repricing:
  - <=3 months 56%
  - <1 year 59%
- Securities portfolio duration – 2.5 years
- Non-maturity, interest bearing accounts modeled to increase 63 bps in an “Up 100” scenario

Loan Portfolio – Floating Loan Growth (1)



Sensitivity Trend (Up100, Up200) (3)



(1) As defined by EOP loans repricing in three months or less.
(2) As defined by client derivative notional balances.
(3) Immediate parallel shifts across a 12 month horizon

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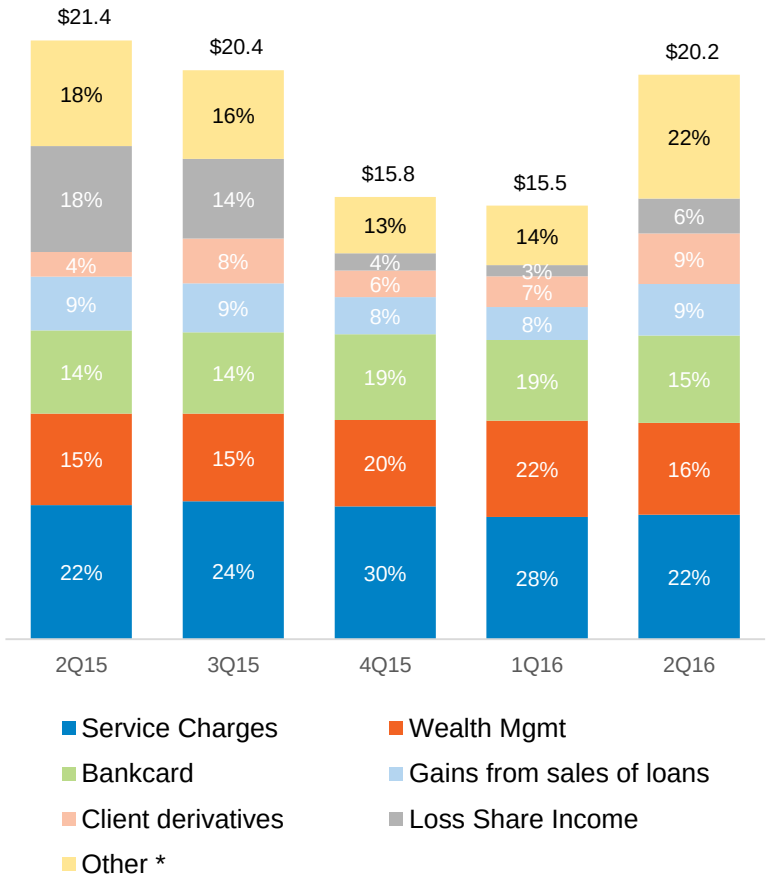
Non-Interest Income

Non-Interest Income



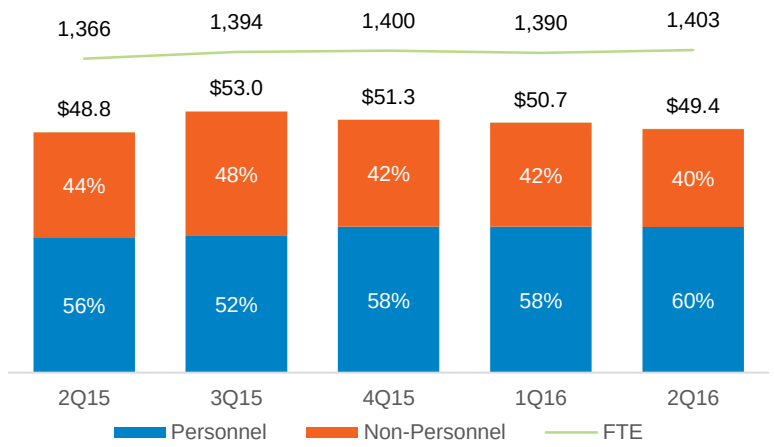
2Q16 Highlights

- ↗ Total non-interest income increased $4.7 million, or 30.2%
- ↗ Bankcard income increased $0.2 million or 8.6%
- ↗ Client derivative income increased $0.7 million or 64.3%
- ↗ Net gains from sales of loans increased $0.7 million or 56.3%
- ↗ Loss share related income increased $0.8 million or 207.9%
- ↗ Other non-interest income increased $2.5 million, or 119.6%, including $2.4 million of income from the redemption of a limited partnership investment
- ↗ $0.2 million in losses on sale of investment securities

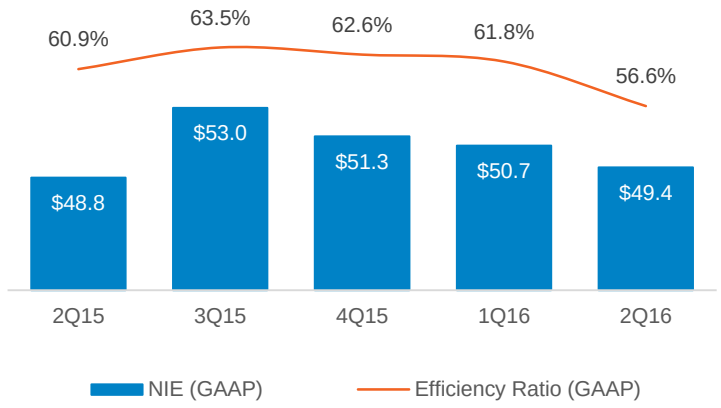
* Includes net gain on sale of investment securities and other noninterest income.
All dollars shown in millions

Non-Interest Expense

Noninterest Expense



Efficiency Ratio



2Q16 Highlights

- Total non-interest expenses declined $1.3 million, or 2.6%
- $0.5 million, or 9.4%, decline in occupancy expense primarily as a result of branch consolidation costs in the prior quarter
- $0.5 million, or 28.4%, decline in professional services expenses primarily due to seasonal wealth management related expenses in the prior quarter
- Other non-interest expense includes $0.2 million of expenses related to branch consolidation activities

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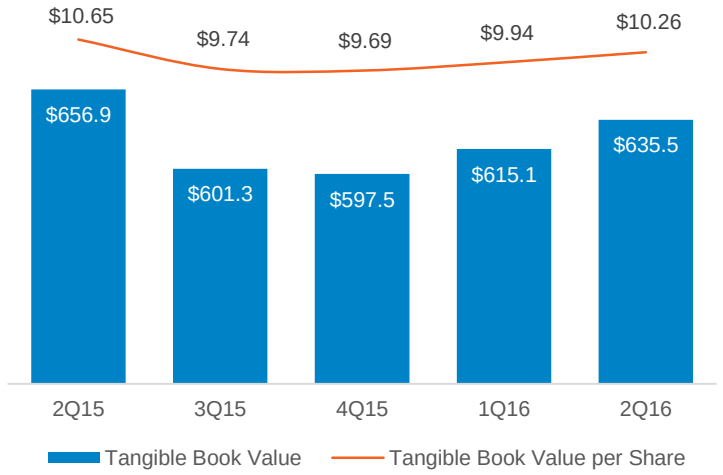
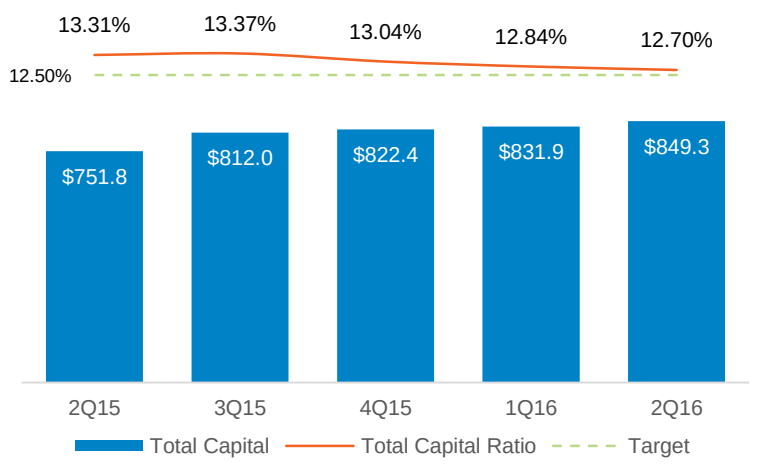
All dollars shown in millions

Capital

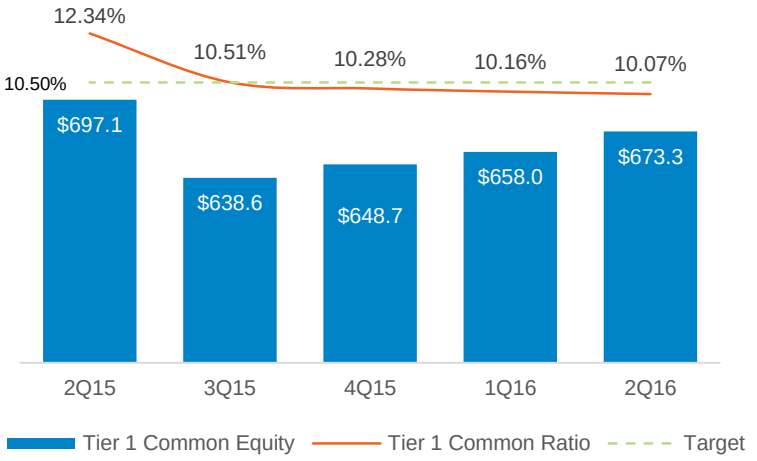
Tangible Book Value



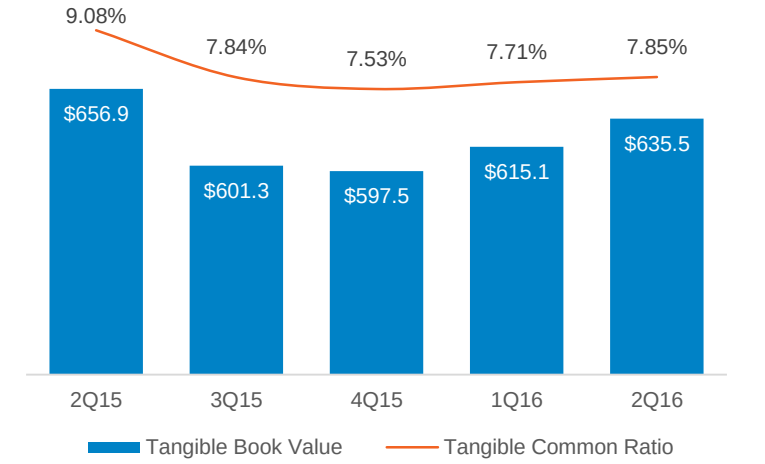
Total Capital



Tier 1 Common Equity



Tangible Common Equity



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All capital numbers are considered preliminary
All dollars shown in millions

Appendix: Non-GAAP to GAAP Reconciliation

Net interest income and net interest margin - fully tax equivalent

	Three Months Ended					YTD	
	June 30, 2016	Mar. 31, 2016	Dec. 31, 2015	Sep. 30, 2015	June 30, 2015	June 30, 2016	June 30, 2015
Net interest income	$67,132	$66,555	$66,083	$63,159	$58,674	$133,687	$117,260
Tax equivalent adjustment	1,058	1,052	1,046	1,000	988	2,110	1,971
Net interest income - tax equivalent	$68,190	$67,607	$67,129	$64,159	$59,662	$135,797	$119,231
Average earning assets	$7,475,711	$7,398,013	$7,219,995	$6,938,107	$6,616,960	$7,436,862	$6,596,921
Net interest margin*	3.61 %	3.62 %	3.63 %	3.61 %	3.56 %	3.62 %	3.58 %
Net interest margin (fully tax equivalent)*	3.67 %	3.68 %	3.69 %	3.67 %	3.62 %	3.67 %	3.64 %

* Margins are calculated using net interest income annualized divided by average earning assets.

Net interest income-tax equivalent, appears in the tables entitled “Additional Data” at the bottom of the “Consolidated Quarterly Statements of Income” pages. The tax equivalent adjustment to net interest income recognizes the income tax savings when comparing taxable and tax-exempt assets and assumes a 35% 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

Allowance and loan marks, net of the indemnification asset as a % of loans

	As of				
	June 30, 2016	Mar. 31, 2016	Dec. 31, 2015	Sep. 30, 2015	June 30, 2015
ALLL	$56,708	$53,732	$53,398	$53,332	$52,876
Loan Marks	18,644	22,022	24,258	26,948	29,428
ALLL + Marks	75,352	75,754	77,656	80,280	82,304
Less: Indem Asset	(14,504)	(16,256)	(17,630)	(18,931)	(20,338)
ALLL + Marks, net of indem	$60,848	$59,498	$60,026	$61,349	$61,966
Loans	$5,701,213	$5,504,609	$5,388,760	$5,216,063	$4,852,774
Loan marks	18,644	22,022	24,258	26,948	29,428
Gross loans	$5,719,857	$5,526,631	$5,413,018	$5,243,011	$4,882,202
ALLL + Mark, net of indem, to Loans	1.06 %	1.08 %	1.11 %	1.17 %	1.27 %

The earnings press release shows a non-GAAP ratio in the "Credit Quality" page of allowance for loan and leases losses (allowance) plus loan marks, net of the indemnification asset to total loans. Given the applications of acquisition accounting, First Financial considers the total allowance and the remaining net fair value marks on all acquired loans, less the indemnification asset balance to be a relevant measure of the Company's loan loss protection. This table provides a reconciliation of this ratio to the corresponding GAAP components.

Appendix: Non-GAAP to GAAP Reconciliation

Additional non-GAAP ratios

(Dollars in thousands, except per share data)	Three months ended June 30, 2016	Mar. 31, 2016	Dec. 31, 2015	Sep. 30, 2015	June 30, 2015	YTD June 30, 2016	June 30, 2015
Net income (a)	$22,568	$19,814	$19,820	$18,673	$18,949	$42,382	$36,570
Average total shareholders' equity	837,412	821,588	817,756	812,396	800,598	829,500	794,588
Less:							
Goodwill and other intangible	(211,199)	(211,533)	(211,865)	(211,732)	(145,465)	(211,199)	(145,465)
Average tangible equity (b)	626,213	610,055	605,891	600,664	655,133	618,301	649,123
Total shareholders' equity	846,723	826,587	809,376	813,012	802,383	846,723	802,383
Less:							
Goodwill	(211,199)	(211,533)	(211,865)	(211,732)	(145,465)	(211,199)	(145,465)
Ending tangible equity (c)	635,524	615,054	597,511	601,280	656,918	635,524	656,918
Total assets	8,310,102	8,193,554	8,147,411	7,880,533	7,383,372	8,310,102	7,383,372
Less:							
Goodwill	(211,199)	(211,533)	(211,865)	(211,732)	(145,465)	(211,199)	(145,465)
Ending tangible assets (d)	8,098,903	7,982,021	7,935,546	7,668,801	7,237,907	8,098,903	7,237,907
Risk-weighted assets (e)	6,685,158	6,478,716	6,308,139	6,073,899	5,647,658	6,685,158	5,647,658
Total average assets	8,203,837	8,118,945	7,950,278	7,611,389	7,243,886	8,161,391	7,222,717
Less:							
Goodwill	(211,199)	(211,533)	(211,865)	(211,732)	(145,465)	(211,199)	(145,465)
Average tangible assets (f)	$7,992,638	$7,907,412	$7,738,413	$7,399,657	$7,098,421	$7,950,192	$7,077,252
Ending shares outstanding (g)	61,959,529	61,855,027	61,641,680	61,713,633	61,707,847	61,959,529	61,707,847
Ratios							
Return on average tangible shareholders' equity (a)/(b)	14.49 %	13.06 %	12.98 %	12.33 %	11.60 %	13.78 %	11.36 %
Ending tangible equity as a percent of:							
Ending tangible assets (c)/(d)	7.85 %	7.71 %	7.53 %	7.84 %	9.08 %	7.85 %	9.08 %
Risk-weighted assets (c)/(e)	9.51 %	9.49 %	9.47 %	9.90 %	11.63 %	9.51 %	11.63 %
Average tangible equity as a percent of average tangible assets (b)/(f)	7.83 %	7.71 %	7.83 %	8.12 %	9.23 %	7.78 %	9.17 %
Tangible book value per share (c)/(g)	$ 10.26	$ 9.94	$ 9.69	$ 9.74	$ 10.65	$ 10.26	$10.65

The earnings press release also includes some non-GAAP ratios in the "Consolidated Financial Highlights" page. These ratios are: (1) Return on average tangible shareholders' equity; (2) Ending tangible shareholders' equity as a percent of ending tangible assets; (3) Ending tangible shareholders' equity as a percent of risk-weighted assets; (4) Average tangible shareholders' equity as a percent of average tangible assets; and (5) Tangible book value per share. The Ending tangible shareholders' equity as a percent of ending tangible assets and Average tangible shareholders' equity as a percent of average tangible assets are also shown in the "Regulatory Capital" section of the "Capital Adequacy" page in the earnings release. The Company considers these critical metrics with which to analyze banks. The ratios have been included in the earnings press release to facilitate a better understanding of the Company's capital structure and financial condition.

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