

first

first financial bancorp

Another step on the path to success

Investor Presentation

Fourth Quarter 2015



FFBC
NASDAQ
GLOBAL SELECT

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: \$8.1 billion
- Loans: \$5.4 billion
- Deposits: \$6.2 billion
- Wealth Mgmt: \$2.3 billion AUM

Lines of Business

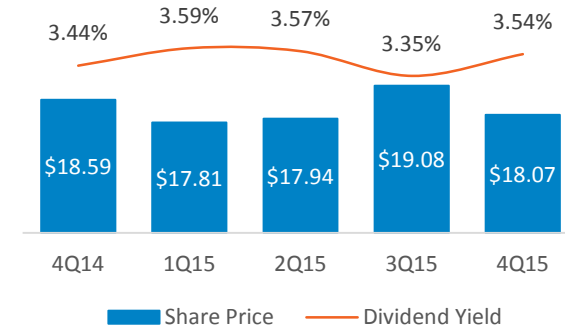
- Commercial Banking
- Specialty Finance
- Consumer Banking
- Wealth Management
- Mortgage

Nationwide Lending

- Franchise Finance
- Insurance Agency Finance



NASDAQ: FFBC



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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

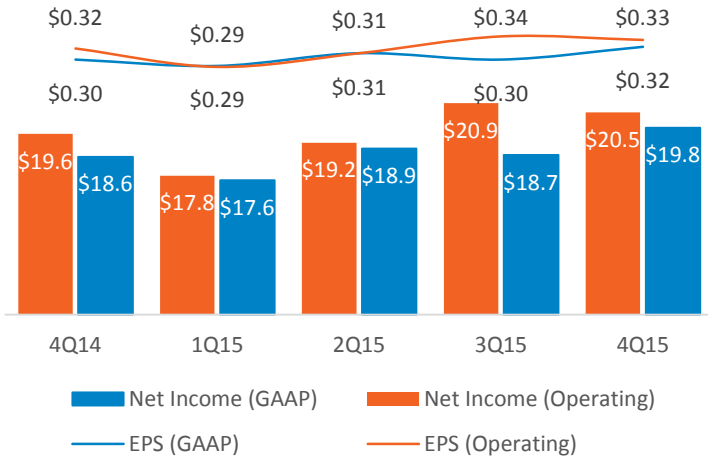
- Provision expense of \$1.9 million. Net charge offs of \$1.8 million. NCOs / Avg. Loans = 0.14% annualized.
- Non-performing Loans / Total Loans = 1.06%. Non-performing Assets / Total Assets = 0.86%.
- ALLL / Non-accrual Loans = 191%. ALLL / Total Loans = 0.99%.

Capital

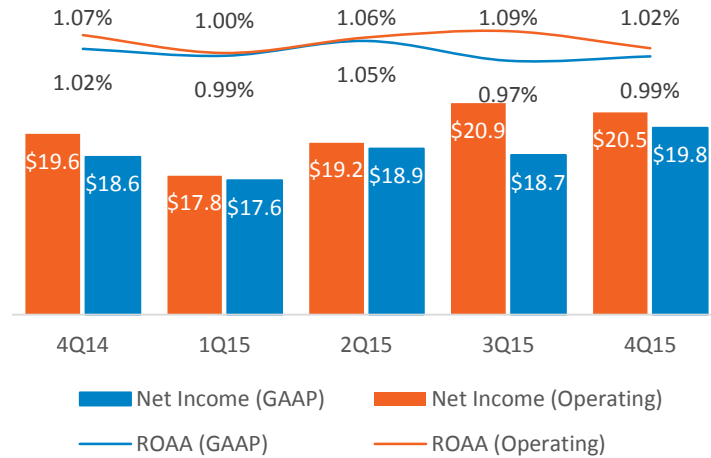
- Capital ratios remain strong. Total capital = 13.04%. Tier 1 capital = 10.29%. TCE ratio = 7.53%.
- Tangible book value per share = \$9.69.
- Repurchased 91,032 shares at weighted average price of \$18.85.

Profitability

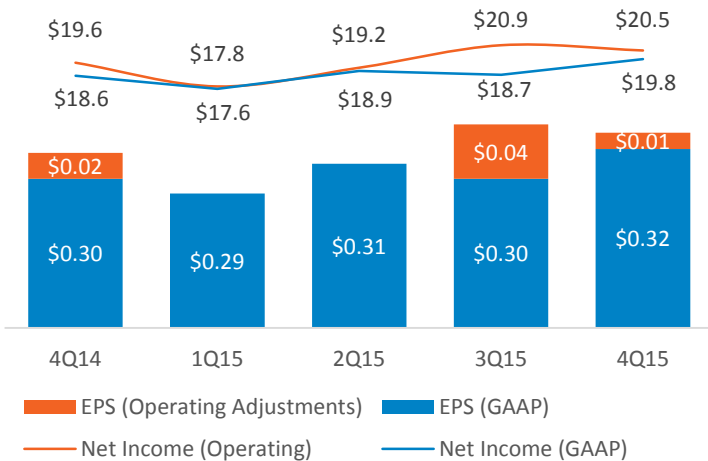
Net Income



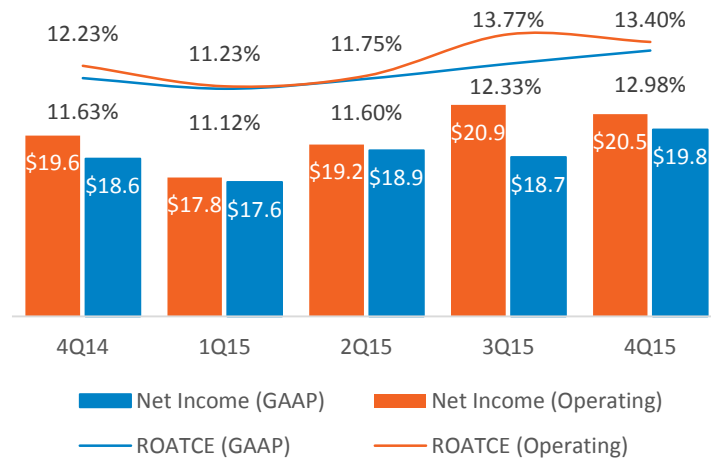
Return on Average Assets



Earnings per Share

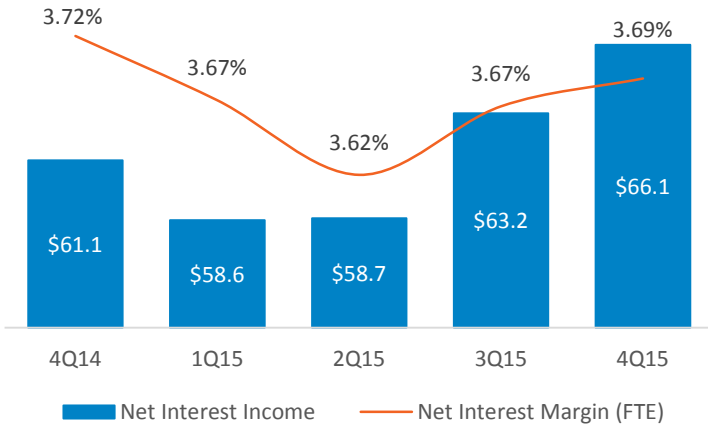


Return on Tangible Common Equity

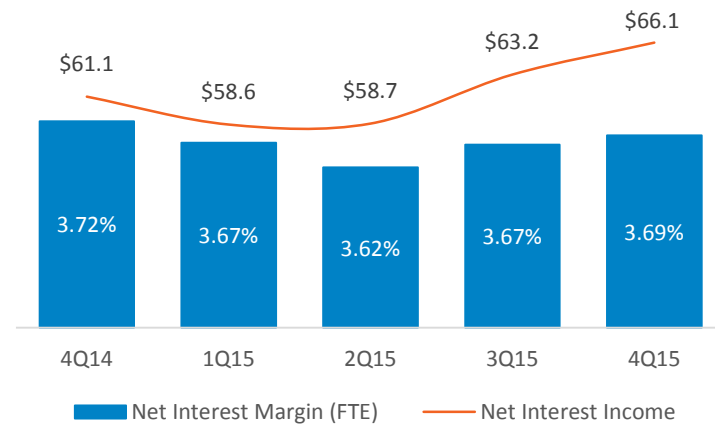


Net Interest Income / Net Interest Margin

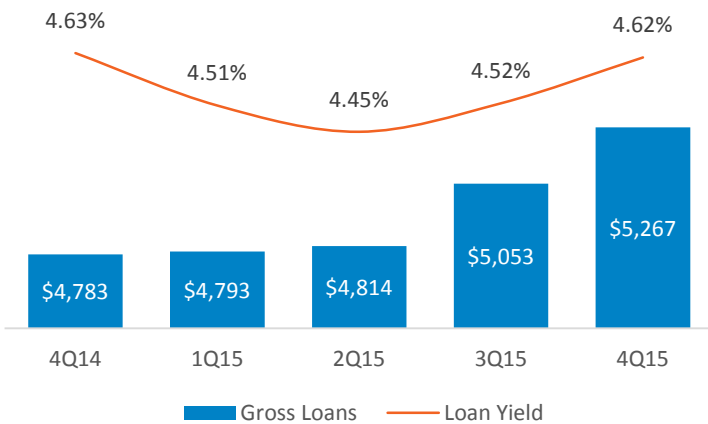
Net Interest Income



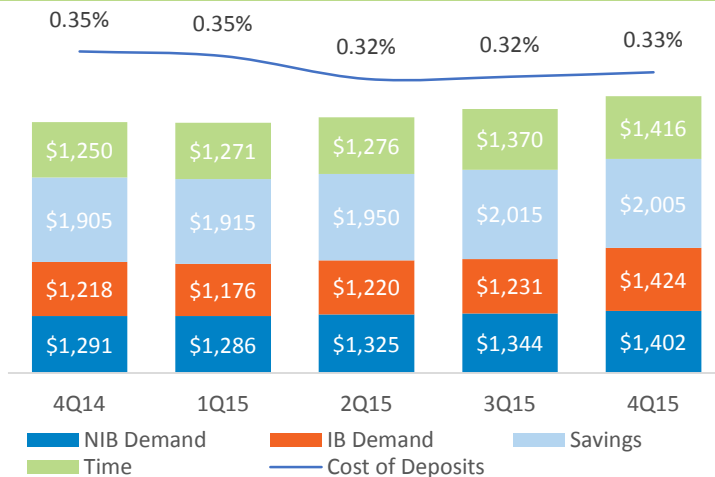
Net Interest Margin



Average Loans

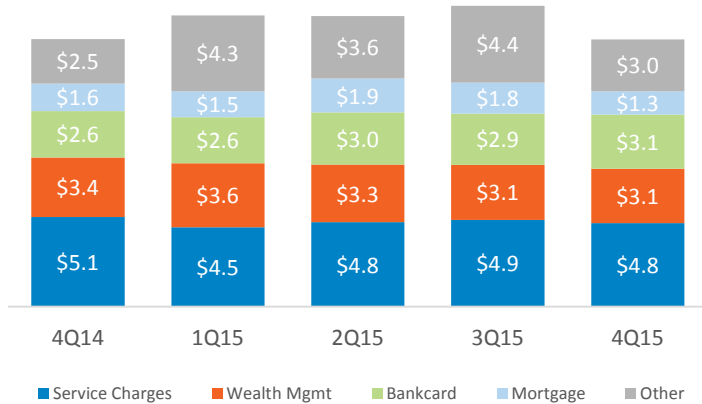


Average Deposits

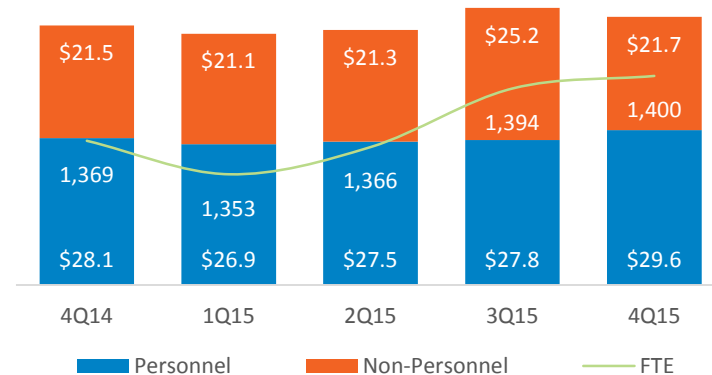


Non-Interest Income / Non-Interest Expense

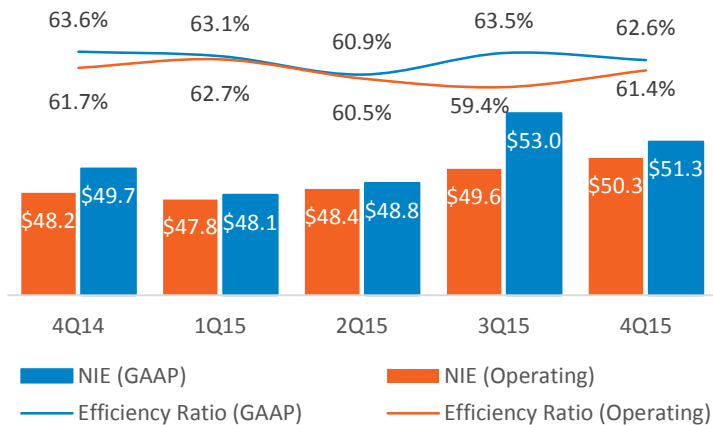
Non-Interest Income



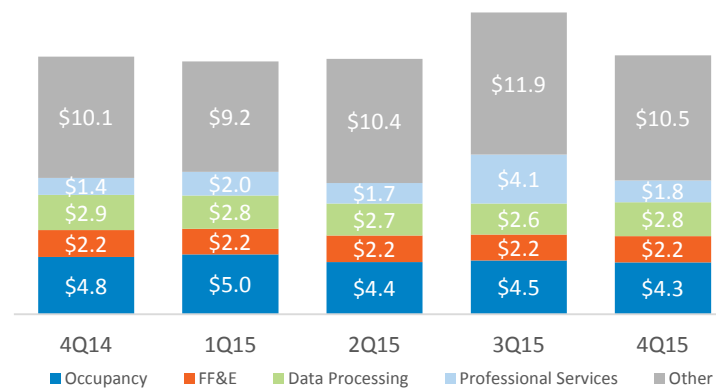
Non-Interest Expense



Efficiency Ratio

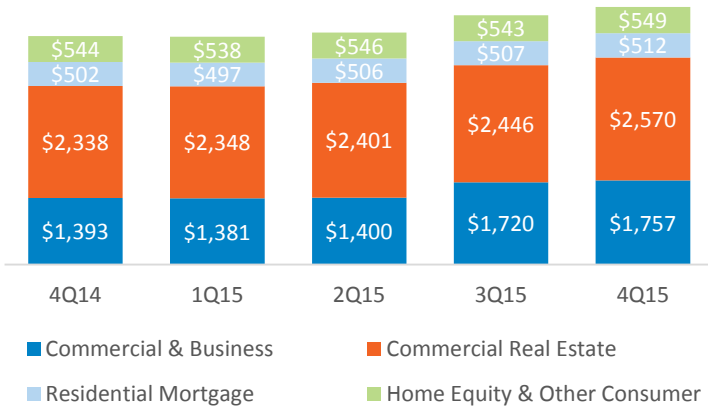


Non-Personnel Expense

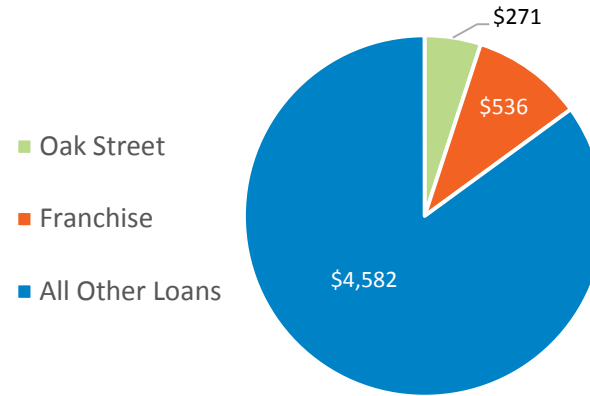


Loans

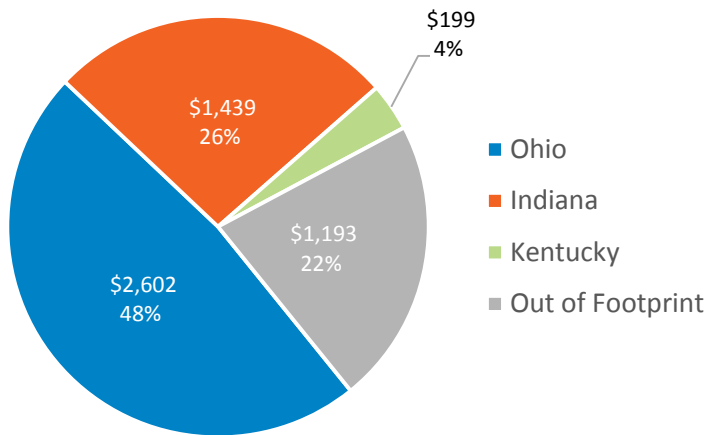
Loan Product Mix



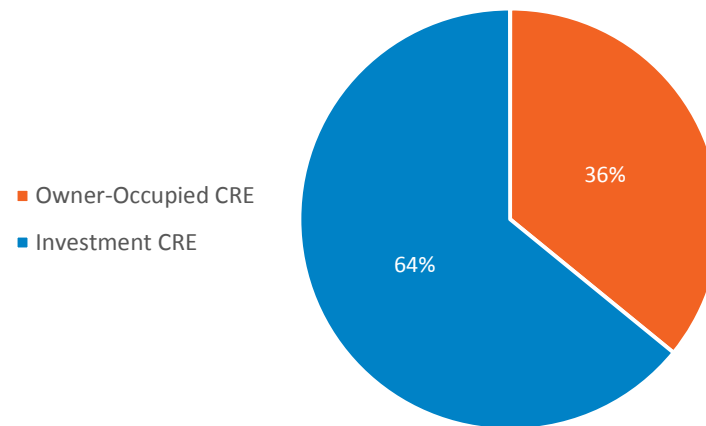
Nationwide Lending Platforms



Loan Portfolio By Geography ¹



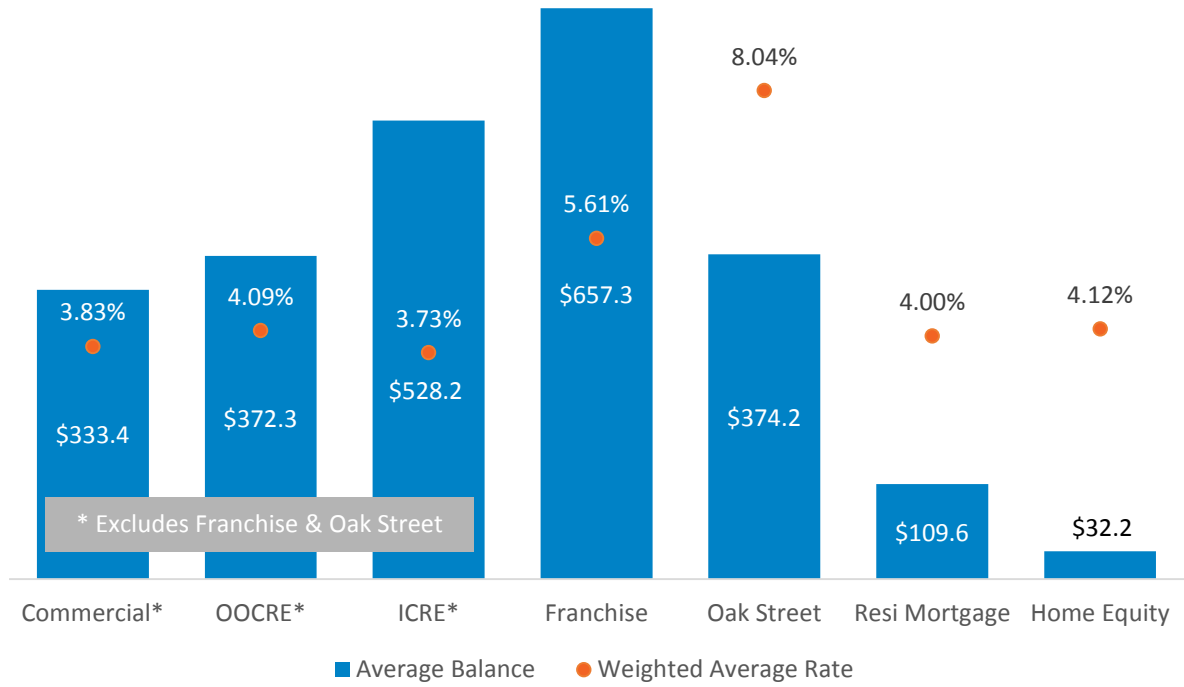
Commercial Real Estate Mix



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

Loans

Average Loan Size & Rate by Product Line



Average Loan Size in \$000s

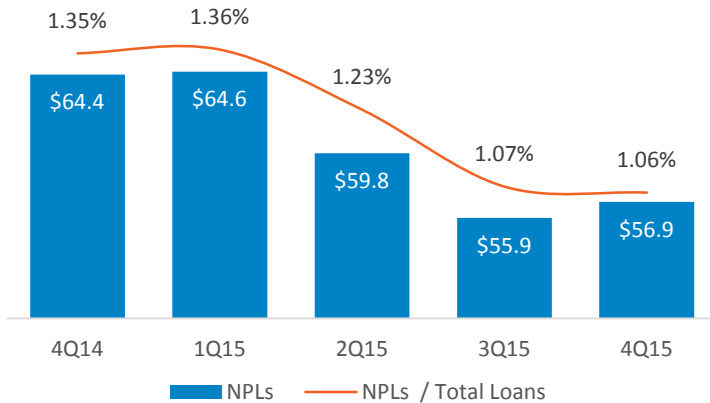
Investment Portfolio

- Investment Portfolio / Total Assets = 24.2%
- Effective yield earned during third quarter = 2.44%
- Portfolio duration = 3.4 years

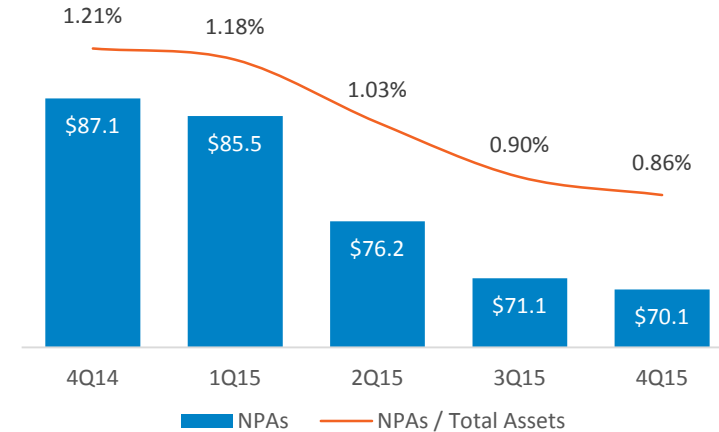
\$ in 000s	Held to Maturity	Available for Sale	Other Investments	TOTAL	Percent of Portfolio
Debt obligations of the U.S. Government	0	97	0	97	0.00%
Debt obligations of U.S. Government Agency	15,485	8,339	0	23,825	1.21%
Residential Single Family Mortgage Backed Securities					
<i>Pass-through securities:</i>					
Agency	170,855	98,940	0	269,795	13.69%
Non-Agency	17,054	17,031	0	34,085	1.73%
<i>Collateralized mortgage obligations:</i>					
Agency	273,470	351,818	0	625,287	31.73%
Non-Agency	0	92,181	0	92,181	4.68%
Commercial mortgage backed securities	216,939	205,097	0	422,036	21.42%
Municipal bond securities	27,646	107,137	0	134,783	6.84%
Corporate securities	4,809	63,747	0	68,556	3.48%
Asset-backed securities	0	233,001	0	233,001	11.82%
Regulatory stock	0	0	47,536	47,536	2.41%
Other	0	13,254	6,190	19,444	0.99%
TOTAL	726,259	1,190,642	53,725	1,970,626	100.00%

Asset Quality

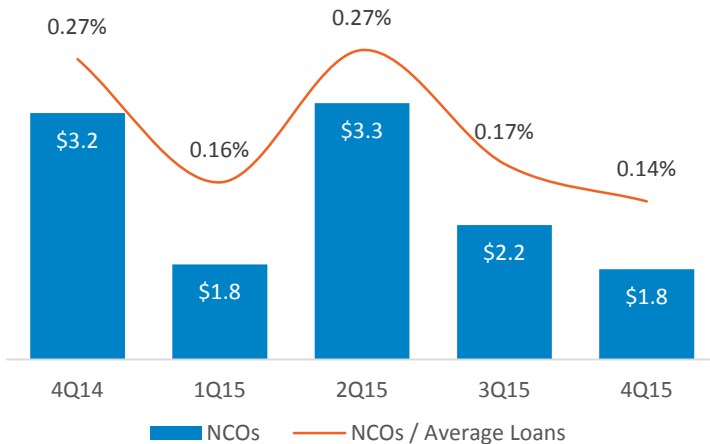
Non-Performing Loans / Total Loans



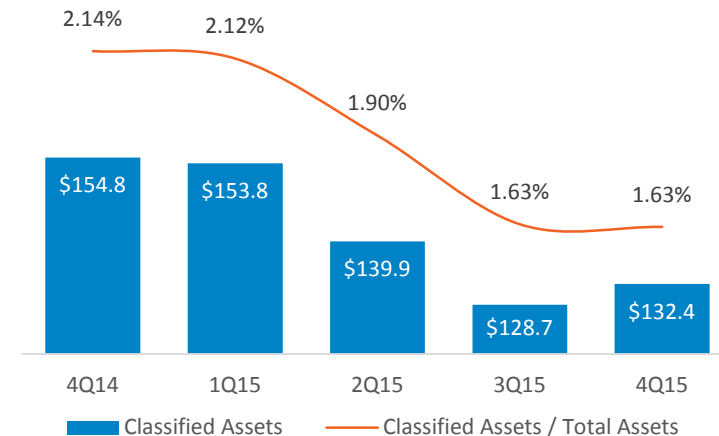
Non-Performing Assets / Total Assets



Net Charge Offs / Average Loans

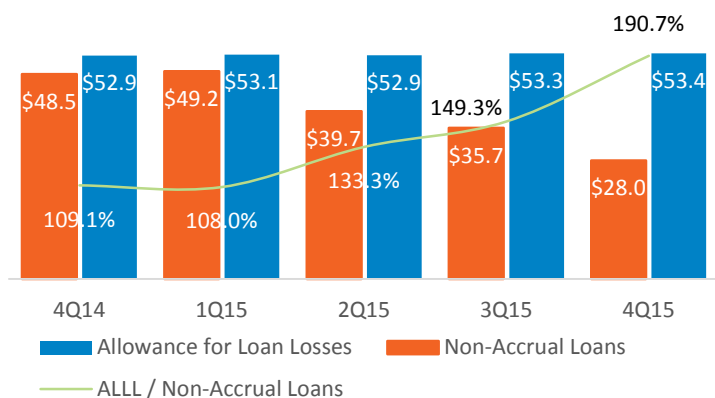


Classified Assets / Total Assets

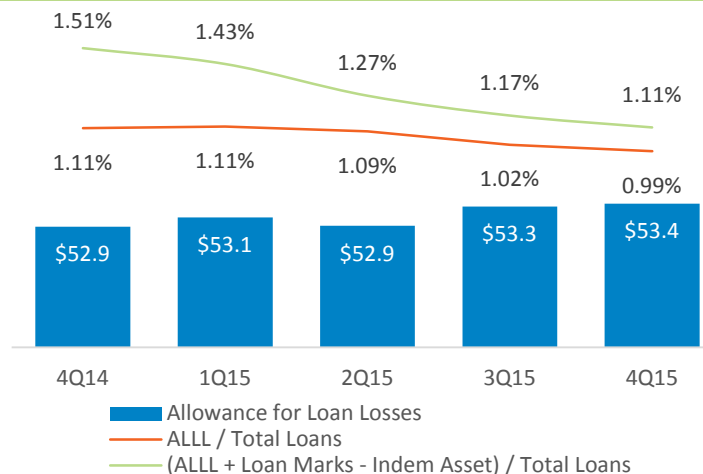


Asset Quality

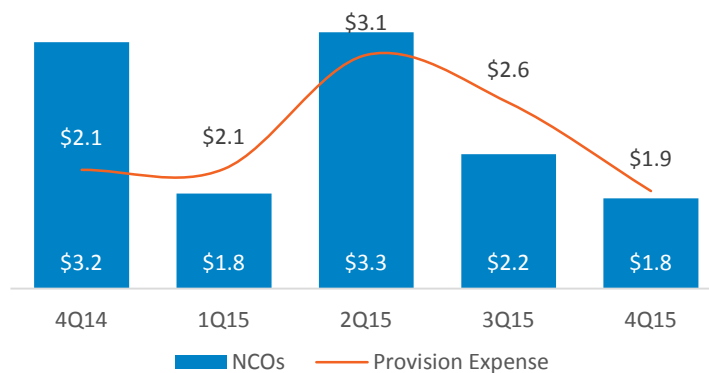
Allowance / Non-Accrual Loans



Allowance / Total Loans

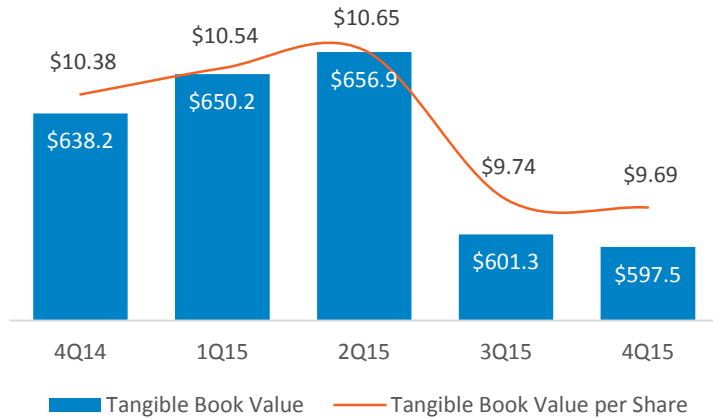


Net Charge Offs & Provision Expense

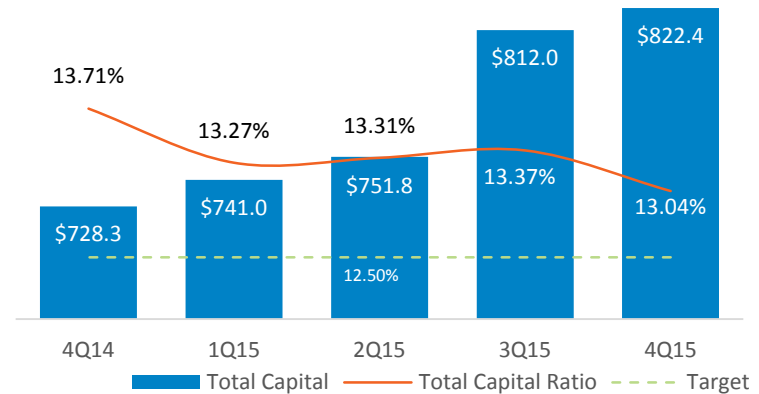


Capital

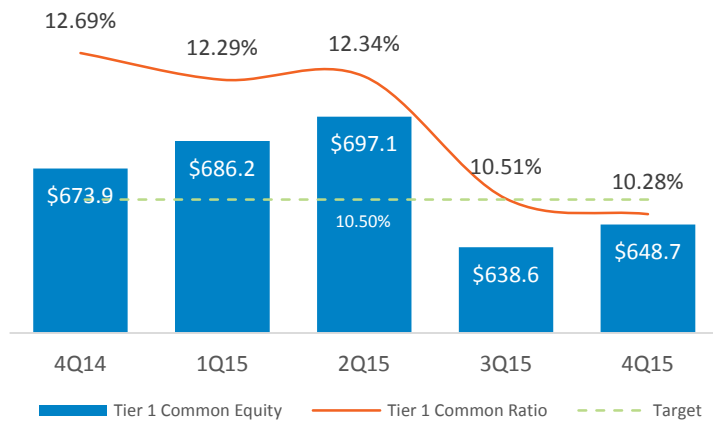
Tangible Book Value



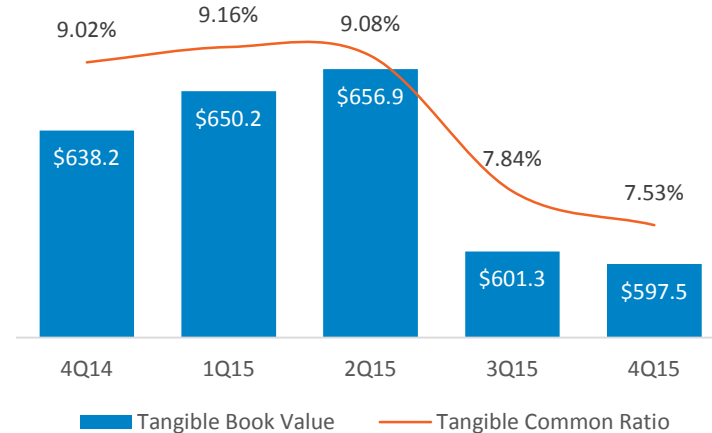
Total Capital



Tier 1 Common Equity



Tangible Common Equity



2016 Strategic Priorities

- Retain existing clients by building deeper relationships
- Prioritize focused growth efforts in 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 and compliance effectively in light of the ever-changing economic and regulatory environments
- Deploy capital in an opportunistic, risk-appropriate manner
- Actively manage our balance sheet to produce consistently strong earnings
- Proactively develop the pipeline of leadership talent across the organization
- Continue to transition the operations, processes, products and culture of acquired financial institutions and specialty businesses

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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