



# First Financial Bancorp

Acquisitions of The First Bexley Bank  
and Insight Bank

December 20, 2013

**first**

first financial bancorp

Another step on the path to success

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# Forward Looking Statement and Additional Information

## Forward Looking Statement

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 (the "Act"). Such statements include certain plans, expectations, goals, projections, and benefits relating to the merger transaction among First Financial, First Bexley and Insight, which are subject to numerous assumptions, risks, and uncertainties. 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. Please refer to First Financial's Annual Report on Form 10-K for the year ended December 31, 2012, as well as its other filings with the SEC, for a more detailed discussion of risks, uncertainties and factors that could cause actual results to differ from those discussed in the forward-looking statements.

In addition to factors previously disclosed in reports filed by First Financial with the SEC, risks and uncertainties for First Financial, First Bexley, Insight and the combined institution include, but are not limited to: the possibility that any of the anticipated benefits of the proposed mergers will not be realized or will not be realized within the expected time period; the risk that integration of First Bexley's and/or Insight's operations with those of First Financial will be materially delayed or will be more costly or difficult than expected; the inability to close the mergers in a timely manner; the inability to complete the mergers due to the failure of First Bexley and/or Insight shareholders to adopt the merger agreement; diversion of management's attention from ongoing business operations and opportunities; the failure to satisfy other conditions to completion of the mergers, including receipt of required regulatory and other approvals; the failure of the proposed mergers to close for any other reason; the challenges of integrating and retaining key employees; the effect of the announcement of the mergers on First Financial's, First Bexley's, Insight's or the combined company's respective customer relationships and operating results; the possibility that the mergers may be more expensive to complete than anticipated, including as a result of unexpected factors or events; and general competitive, economic, political and market conditions and fluctuations. All forward-looking statements included in this presentation are based on information available at the time of distribution. Neither First Financial, First Bexley nor Insight assume any obligation to update any forward-looking statement.

## Additional Information

This communication does not constitute an offer of any securities for sale. This communication is being made in respect of proposed transactions involving First Financial and First Bexley and First Financial and Insight. In connection with the proposed transactions, First Financial intends to file with the SEC registration statements on Form S-4 to register the shares of its common stock to be issued to the shareholders of First Bexley and Insight. The registration statements will include a proxy statement/prospectus which will be sent to the shareholders of First Bexley and Insight in advance of special meetings of shareholders that will be held to consider the proposed mergers. **INVESTORS AND SECURITY HOLDERS OF FIRST BEXLEY AND INSIGHT ARE URGED TO READ THE PROXY STATEMENTS/PROSPECTUS' AND ANY OTHER RELEVANT DOCUMENTS TO BE FILED WITH THE SEC IN CONNECTION WITH THE PROPOSED TRANSACTIONS BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT FIRST FINANCIAL, FIRST BEXLEY AND INSIGHT AND THE PROPOSED TRANSACTIONS.** Investors and security holders may obtain free copies of these documents through the website maintained by the SEC at <http://www.sec.gov>. Investors may also obtain these documents, without charge, from First Financial's website at <http://www.bankatfirst.com> or by contacting First Financial's investor relations department at (877) 322-9530.

First Bexley and Insight and their respective directors, executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed transactions. Information about the directors and executive officers, as well as additional information regarding the interests of such participants in the proposed transactions, will be included in the proxy statements/prospectus' when they becomes available.

# Rationale for Transactions

## Strategically Attractive Partnerships

- Provides strong entrance to the attractive Columbus, Ohio market
- Immediately positions First Financial as one of the largest community banks in the market
- Successful and profitable franchises with similar values and client-focused approach
- Strong asset generation capabilities with platform for deposit growth
- Leverages First Financial's brand, product set and capabilities to accelerate growth

## Low Operational Risk

- Straight-forward community bank operations
- Solid asset quality profiles and credit discipline
- Retention of strong management team and producers
- Will establish a Columbus advisory board to ensure continued director participation
- Size of acquired operations and core competency in integration minimizes risk

## Financially Compelling

- 7.8% accretive - \$0.09 per share – in total to 2015 diluted earnings per share
- Internal rates of return exceed 15%
- Combined tangible book value earnback of approximately three-and-a-half years
- Pro forma capital ratios remain strong and provide ability to pursue additional strategic opportunities

# Transaction Overview

	The First Bexley Bank	Insight Bank
Deal Value	↗ \$44.5 million	↗ \$36.6 million
Consideration <sup>1</sup>	<ul style="list-style-type: none"> <li>↗ Fixed price of \$30.50 per common share</li> <li>↗ 80% stock / 20% cash</li> <li>↗ <i>For explanatory purposes:</i> exchange ratio of 1.473 shares of First Financial (2,035,000 shares)</li> <li>↗ Options are cashed out</li> </ul>	<ul style="list-style-type: none"> <li>↗ Fixed price of \$20.50 per common share</li> <li>↗ 80% stock / 20% cash</li> <li>↗ <i>For explanatory purposes:</i> exchange ratio of 0.990 shares of First Financial (1,614,000 shares)</li> <li>↗ Options are cashed out</li> </ul>
Board Seat	↗ Intend to appoint one director to First Financial's board	↗ Intend to appoint one director to First Financial's board
Due Diligence	<ul style="list-style-type: none"> <li>↗ Business lines, operations, risk management and compliance</li> <li>↗ Commercial, consumer and mortgage loan review</li> </ul>	<ul style="list-style-type: none"> <li>↗ Business lines, operations, risk management and compliance</li> <li>↗ Commercial, consumer and mortgage loan review</li> </ul>
Required Approvals	<ul style="list-style-type: none"> <li>↗ First Bexley shareholders</li> <li>↗ Regulatory and customary closing conditions</li> </ul>	<ul style="list-style-type: none"> <li>↗ Insight Bank shareholders</li> <li>↗ Regulatory and customary closing conditions</li> </ul>
Closing	↗ First half 2014	↗ First half 2014

<sup>1</sup> Example exchange ratio and shares issued based on First Financial's closing price on December 17, 2013; the final exchange ratio will be based on the average closing price of First Financial's stock over the 20-consecutive trading day period ending on the third business day prior to close.



# Transaction Assumptions

## The First Bexley Bank

## Insight Bank

### Loan Mark Assumptions

- ↗ Credit mark of 1.75% on total gross loans, or \$4.5 million
- ↗ Interest rate mark of \$3.2 million

- ↗ Credit mark of 1.75% on total gross loans, or \$2.9 million
- ↗ Interest rate mark of \$4.7 million

### Cost Savings

- ↗ 20% of noninterest expenses
- ↗ 75% phased in first full year

- ↗ 30% of noninterest expenses
- ↗ 75% phased in first full year

### Core Deposit Intangible

- ↗ CDI of 1.5%, or \$2.0 million, on non-time deposits
- ↗ Eight year amortization using DDB

- ↗ CDI of 3.0%, or \$2.2 million, on non-time deposits
- ↗ Eight year amortization using DDB

### Deposit Mark Assumptions

- ↗ Rate mark of \$1.6 million on time deposits

- ↗ Rate mark of \$0.9 million on time deposits

### Restructuring Costs

- ↗ Pre-tax restructuring costs of \$3.5 million

- ↗ Pre-tax restructuring costs of \$4.5 million

### Balance Sheet Restructuring

- ↗ None

- ↗ Redemption of \$4.25 million of SBLF pref.
- ↗ Redemption of \$10.0 million FHLB adv.

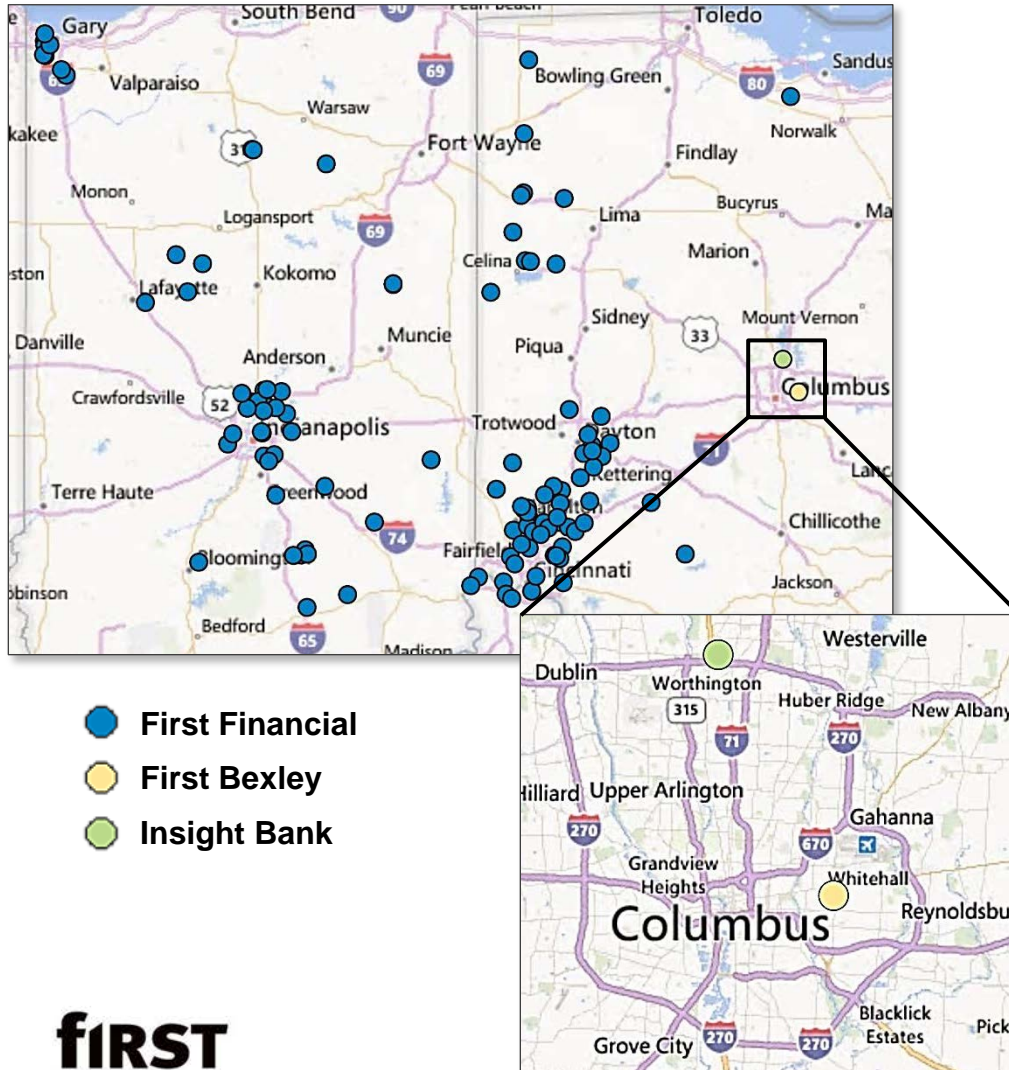
### Revenue Synergies

- ↗ Several areas of opportunity but excluded for modeling purposes

- ↗ Several areas of opportunity but excluded for modeling purposes



# Entrance to the Columbus, Ohio Market



- First Financial
- First Bexley
- Insight Bank



## Columbus MSA Market Highlights<sup>1</sup>

- Third fastest growing metropolitan market in the Midwest
- Population of 1.9 million with projected growth of 4.3% through 2017 – highest in Ohio
- Diverse economy anchored by 15 Fortune 1000 companies

## Pro Forma Deposit Market Share Columbus MSA

FDIC Deposit Data as of June 30, 2013 - Holding Company Level

2013 Rank	Name	City, State	Number of Branches	Total Deposits (\$000s)	Market Share (%)
1	Huntington Bancshares Inc.	Columbus, OH	97	14,501,332	31.4
2	JPMorgan Chase & Co.	New York, NY	80	10,889,297	23.6
3	PNC Financial Services Group Inc.	Pittsburgh, PA	62	5,901,337	12.8
4	Fifth Third Bancorp	Cincinnati, OH	59	4,171,643	9.0
5	Park National Corp.	Newark, OH	32	1,791,588	3.9
6	KeyCorp	Cleveland, OH	27	1,671,130	3.6
7	U.S. Bancorp	Minneapolis, MN	40	1,263,717	2.7
8	WesBanco Inc.	Wheeling, WV	11	506,517	1.1
9	Heartland BancCorp	Gahanna, OH	12	478,154	1.0
10	FirstMerit Corp.	Akron, OH	15	459,808	1.0
11	Union Savings Bank	Cincinnati, OH	7	448,137	1.0
12	DCB Financial Corp	Lewis Center, OH	16	447,607	1.0
13	<b>Pro Forma First Financial</b>	<b>Cincinnati, OH</b>	<b>2</b>	<b>414,336</b>	<b>0.9</b>
16	First Bexley Bank	Bexley, OH	1	248,065	0.5
21	Insight Bank	Worthington, OH	1	166,271	0.4
Other institutions			122	4,195,532	9.1
Market total			559	\$46,244,391	100.0

Source: SNL Financial LC

<sup>1</sup> Source: the Columbus Chamber, SNL Financial LC



# Historical Financial Performance

	The First Bexley Bank			Insight Bank		
	As of or for the twelve months ended December 31		Year to date September 30	As of or for the twelve months ended December 31		Year to date September 30
	2011	2012	2013 <sup>1</sup>	2011	2012	2013 <sup>1</sup>
<i>(Dollars in millions)</i>						
<b><i>Selected balance sheet amounts:</i></b>						
Total assets	\$186.1	\$229.9	\$295.4	\$157.3	\$186.1	\$200.2
<i>Growth</i>	15.2%	23.5%	38.0%	18.4%	18.3%	10.2%
Total loans	159.1	210.6	259.4	129.5	144.9	165.2
<i>Growth</i>	28.6%	32.4%	30.9%	12.9%	11.8%	18.7%
Total deposits	167.8	208.7	271.1	125.3	152.1	165.4
<i>Growth</i>	14.3%	24.4%	39.9%	20.7%	21.4%	11.7%
Tangible common shareholders' equity	17.1	19.8	22.7	17.1	19.0	20.1
<b><i>Earnings and profitability:</i></b>						
Net income <sup>2</sup>	\$1.9	\$2.7	\$2.9	\$1.6	\$1.7	\$1.1
Return on average assets	1.13%	1.28%	1.46%	1.13%	1.02%	0.78%
Return on average equity	13.04%	14.48%	18.12%	9.11%	7.88%	6.37%
Net interest margin	3.98%	4.21%	4.10%	3.95%	3.95%	3.49%
<b><i>Asset quality:</i></b>						
NPLs / total loans	1.85%	1.36%	0.72%	0.72%	1.98%	1.33%
NPAs / total assets	1.58%	1.25%	0.71%	0.59%	1.54%	1.10%
Allowance for loan losses / total loans	1.41%	1.31%	1.24%	1.55%	1.51%	1.34%
NCOs / average loans and leases	0.14%	0.72%	0.26%	0.00%	0.18%	0.06%
Allowance for loan losses / NPLs	76.51%	96.21%	173.76%	215.76%	76.26%	100.14%

<sup>1</sup> Balance sheet growth rates and NCOs / average loans and leases annualized

<sup>2</sup> Insight Bank's 2013 YTD earnings reflect significant investments made in hiring commercial lenders

Source: SNL Financial LC; call report data

# Transaction Pricing and Financial Impact

<i>(Dollars in millions, except per share amounts)</i>	The First Bexley Bank	Insight Bank
<b><u>Transaction Pricing:</u></b>		
Price per share	\$30.50	\$20.50
Total transaction value	\$44.5	\$36.6
Tangible book value per share	\$16.45	\$12.35
Price per share / tangible book value per share	185.4%	166.0%
Total transaction value to total common equity	195.9%	181.8%
Total transaction value to LTM earnings	12.1x	20.9x
<b><u>Financial Impact:</u></b>		
2014 accretion to diluted earnings per share	\$0.02 - \$0.03	\$0.01
2015 accretion to diluted earnings per share	\$0.06	\$0.03
Pro forma dilution to tangible book value (%)	(1.86%)	(1.17%)
Pro forma dilution to tangible book value (\$)	(\$0.19)	(\$0.12)
Tangible book value dilution earnback (years)	< 3.5	~ 3.5
Internal rate of return	>15%	>15%



# Pro Forma Balance Sheet and Capital Ratios

	As of September 30, 2013			
	First Financial Bancorp	The First Bexley Bank	Insight Bank	Pro Forma <sup>1</sup>
<i>(Dollars in millions, except per share amounts)</i>				
<b><i>Selected balance sheet amounts:</i></b>				
Total assets	\$6,253.4	\$295.4	\$200.2	\$6,750.4
Uncovered loans	3,430.9	259.4	165.2	3,853.1
Total deposits	4,729.0	271.1	165.4	5,167.7
Tangible common shareholders' equity	590.7	22.7	20.1	610.1
Tangible book value per share	\$10.24	\$16.45	\$12.35	\$9.93
<b><i>Balance sheet ratios:</i></b>				
Total loans / total deposits	83.5%	95.7%	99.9%	84.6%
Allowance for loan losses / total loans (uncovered)	1.33%	1.24%	1.34%	1.18%
Tangible common equity / tangible assets	9.60%	7.69%	10.05%	9.22%
<b><i>Regulatory capital ratios:</i></b>				
Tier 1 leverage ratio	10.29%	8.10%	11.99%	9.91%
Common equity tier 1 ratio	15.26%	9.69%	15.58%	14.40%
Tier 1 capital ratio	15.26%	9.69%	15.58%	14.40%
Total capital ratio	16.53%	10.94%	16.83%	15.56%

<sup>1</sup> Includes preliminary assumptions on merger and purchase accounting adjustments

# Summary of Transactions

- Entering the growth-oriented Columbus market through the acquisition of two highly successful institutions with similar client-focused business models to First Financial
- Strong business development teams will have access to greater resources, higher lending limits and wider commercial and consumer product sets to drive further growth
- Board representation and establishment of local Columbus advisory board to ensure well-connected directors remain committed to the future success of the organization
- Attractive financial returns for shareholders before factoring in potential revenue synergies resulting from the enhanced product set and capabilities
- Integration risk is manageable and will not be a distraction to current and future strategic initiatives
- Pro forma capital levels are strong, leaving First Financial well-positioned to capitalize on future organic growth and acquisition opportunities



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