



first financial bancorp

## First Financial Bancorp Announces First Quarter 2019 Results

Cincinnati, Ohio - April 25, 2019 - First Financial Bancorp. (Nasdaq: FFBC) (“First Financial” or the “Company”) announced financial results for the first quarter 2019 and a quarterly dividend of \$0.22 per share, payable on June 17, 2019 to shareholders of record as of June 3, 2019.

For the three months ended March 31, 2019, the Company reported net income of \$45.8 million, or \$0.47 per diluted common share. These results compare to net income of \$55.0 million, or \$0.56 per diluted common share, for the fourth quarter of 2018 and \$30.5 million, or \$0.49 per diluted common share, for the first quarter of 2018. Income before taxes was negatively impacted by a \$10.0 million charge-off related to a \$16.8 million franchise lending relationship, as well as recognition of \$1.8 million of primarily merger-related costs, the combination reducing earnings per diluted common share by \$0.09 on a net basis.

Return on average assets for the first quarter of 2019 was 1.33% while return on average tangible common equity was 15.95%. These compare to a return on average assets of 1.59% and return on average tangible common equity of 19.63% in the fourth quarter of 2018 and a return on average assets of 1.40% and a return on average tangible common equity of 17.18% in the first quarter of 2018.

First quarter 2019 highlights include:

- After adjustments<sup>(1)</sup> for merger-related and nonrecurring items:
  - Net income of \$0.48 per diluted common share
  - 1.38% return on average assets
  - 16.45% return on average tangible common equity
- Net interest margin of 4.10% on a fully tax-equivalent basis<sup>(1)</sup>
  - 11 basis point reduction from the linked quarter driven by lower loan fees and moderated purchase accounting impact
- Noninterest expenses of \$78.5 million, or \$76.7 million as adjusted<sup>(1)</sup>
  - Efficiency ratio of 52.9% for the first quarter; 51.7% as adjusted<sup>(1)</sup>
- Stable loan balances
  - 8% linked quarter increase in loan origination activity offset by prepayments
  - Average loan balances increased \$11.0 million compared to the linked quarter
- Modest average deposit growth as an increase in time deposits offset seasonal declines in public funds and business demand deposit accounts
- Annualized net charge-offs increased to 64 basis points as a percentage of average loans for the quarter driven by the previously mentioned \$10.0 million charge-off resulting in provision expense of \$14.1 million
- Continued capital expansion
  - Total capital of 14.24%; Tier 1 common equity of 12.03%; Tangible common equity of 9.15%
  - Tangible book value increased to \$12.19

<sup>(1)</sup> Financial information in this release that is described as “adjusted” or that is presented on a fully tax equivalent basis is non-GAAP. For details on the calculation of these non-GAAP financial measures and a reconciliation to the GAAP financial measure, see the sections titled “Use of Non-GAAP Financial Measures” in this release and “Appendix: Non-GAAP to GAAP Reconciliation” in the accompanying slide presentation.

Archie Brown, President and Chief Executive Officer, commented, "One year into operating as a combined company, we are encouraged that our core banking fundamentals and earnings power have met our initial expectations. We are disappointed that a single credit loss muted what would have otherwise been a very profitable first quarter. Aside from the \$0.08 per share impact from the franchise loss, adjusted<sup>(1)</sup> earnings per share totaled \$0.48 and our return on assets and average tangible common equity remained strong."

Mr. Brown continued, "We remain optimistic about the sustainability of our overall performance. Our net interest margin was strong, despite expected declines in purchase accounting accretion and loan fee volatility. Loan origination activity increased to its highest level post-merger, but we continue to face prepayment headwinds that are muting the impact of new production. We are also pleased with modest deposit growth as higher time deposit balances offset expected seasonal declines in business DDA and public funds. Our efficiency ratio continues to reflect disciplined expense management and we will look to maximize fee income opportunities going forward."

Mr. Brown concluded, "The Board announced a quarterly dividend of \$0.22, which equates to an attractive 3.7% yield. Our strong and growing capital ratios reflect the Company's high level performance and give us flexibility to evaluate additional capital deployment opportunities such as executing on our share repurchase plan or making strategic acquisitions that enhance fee income or strengthen our market position."

Full detail of the Company's first quarter 2019 performance is provided in the accompanying financial statements and slide presentation.

#### **Teleconference / Webcast Information**

First Financial's executive management will host a conference call to discuss the Company's financial and operating results on Friday, April 26, 2019 at 8:30 a.m. Eastern Time. Members of the public who would like to listen to the conference call should dial (877) 506-6873 (U.S. toll free), (855) 669-9657 (Canada toll free) or +1 (412) 380-2003 (International) (no passcode required). The number should be dialed five to ten minutes prior to the start of the conference call. The conference call will also be accessible as an audio webcast via the Investor Relations section of the Company's website at [www.bankatfirst.com](http://www.bankatfirst.com). A replay of the conference call will be available beginning one hour after the completion of the live call at (877) 344-7529 (U.S. toll free), (855) 669-9658 (Canada toll free) and +1 (412) 317-0088 (International); conference number 10130234. The webcast will be archived on the Investor Relations section of the Company's website for 12 months.

#### **Press Release and Additional Information on Website**

This press release as well as supplemental information are available to the public through the Investor Relations section of First Financial's website at [www.bankatfirst.com](http://www.bankatfirst.com).

#### **Use of Non-GAAP Financial Measures**

This earnings release contains GAAP financial measures and Non-GAAP financial measures where management believes it to be helpful in understanding the Company's results of operations or financial position. Where Non-GAAP financial measures are used, the comparable GAAP financial measures, as well as a reconciliation to the comparable GAAP financial measure, can be found in the section titled "Appendix: Non-GAAP to GAAP Reconciliation" in the accompanying slide presentation.

## Forward-Looking Statement

Certain statements contained in this report which are not statements of historical fact constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “believes,” “anticipates,” “likely,” “expected,” “estimated,” “intends” and other similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. Examples of forward-looking statements include, but are not limited to, statements we make about (i) our future operating or financial performance, including revenues, income or loss and earnings or loss per share, (ii) future common stock dividends, (iii) our capital structure, including future capital levels, (iv) our plans, objectives and strategies, and (v) the assumptions that underlie our forward-looking statements.

As with any forecast or projection, forward-looking statements are subject to inherent uncertainties, risks and changes in circumstances that may cause actual results to differ materially from those set forth in the forward-looking statements. Forward-looking statements are not historical facts but instead express only management’s beliefs regarding future results or events, many of which, by their nature, are inherently uncertain and outside of management’s control. It is possible that actual results and outcomes may differ, possibly materially, from the anticipated results or outcomes indicated in these forward-looking statements. Important factors that could cause actual results to differ materially from those in our forward-looking statements include the following, without limitation: (i) economic, market, liquidity, credit, interest rate, operational and technological risks associated with the Company’s business; (ii) the effect of and changes in policies and laws or regulatory agencies, including the Dodd-Frank Wall Street Reform and Consumer Protection Act and other legislation and regulation relating to the banking industry; (iii) management’s ability to effectively execute its business plans; (iv) mergers and acquisitions, including costs or difficulties related to the integration of acquired companies; (v) the possibility that any of the anticipated benefits of the Company’s merger with MainSource Financial Group, Inc. will not be realized or will not be realized within the expected time period; (vi) the effect of changes in accounting policies and practices; (vii) changes in consumer spending, borrowing and saving and changes in unemployment; (viii) changes in customers’ performance and creditworthiness; and (ix) the costs and effects of litigation and of unexpected or adverse outcomes in such litigation. Additional factors that may cause our actual results to differ materially from those described in our forward-looking statements can be found in our Form 10-K for the year ended December 31, 2018, as well as our other filings with the SEC, which are available on the SEC website at [www.sec.gov](http://www.sec.gov).

All forward-looking statements included in this filing are made as of the date hereof and are based on information available at the time of the filing. Except as required by law, the Company does not assume any obligation to update any forward-looking statement.

## About First Financial Bancorp.

First Financial Bancorp. is a Cincinnati, Ohio based bank holding company. As of March 31, 2019, the Company had \$14.1 billion in assets, \$8.8 billion in loans, \$10.1 billion in deposits and \$2.1 billion in shareholders’ equity. The Company’s subsidiary, First Financial Bank, founded in 1863, provides banking and financial services products through its six lines of business: Commercial, Retail Banking, Investment Commercial Real Estate, Mortgage Banking, Commercial Finance and Wealth Management. These business units provide traditional banking services to business and retail clients. Wealth Management provides wealth planning, portfolio management, trust and estate, brokerage and retirement plan services and had approximately \$2.6 billion in assets under management as of March 31, 2019. The Company operated 159 banking centers as of March 31, 2019, primarily in Ohio, Indiana and Kentucky, while the Commercial Finance business lends into targeted industry verticals on a nationwide basis. Additional information about the Company, including its products, services and banking locations, is available at [www.bankatfirst.com](http://www.bankatfirst.com).

## Contact Information

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### Selected Financial Information

March 31, 2019

(unaudited)

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# FIRST FINANCIAL BANCORP. CONSOLIDATED FINANCIAL HIGHLIGHTS

(Dollars in thousands, except per share data)

(Unaudited)

	Three Months Ended,				
	Mar. 31, 2019	Dec. 31, 2018	Sep. 30, 2018	Jun. 30, 2018	Mar. 31, 2018
<b>RESULTS OF OPERATIONS</b>					
Net income	\$ 45,839	\$ 55,014	\$ 50,657	\$ 36,418	\$ 30,506
Net earnings per share - basic	\$ 0.47	\$ 0.56	\$ 0.52	\$ 0.37	\$ 0.49
Net earnings per share - diluted	\$ 0.47	\$ 0.56	\$ 0.51	\$ 0.37	\$ 0.49
Dividends declared per share	\$ 0.22	\$ 0.20	\$ 0.20	\$ 0.19	\$ 0.19
<b>KEY FINANCIAL RATIOS</b>					
Return on average assets	1.33%	1.59%	1.45 %	1.05%	1.40%
Return on average shareholders' equity	8.88%	10.68%	9.94 %	7.36%	13.31%
Return on average tangible shareholders' equity	15.95%	19.63%	18.52 %	13.75%	17.18%
Net interest margin	4.05%	4.16%	4.06 %	4.10%	3.80%
Net interest margin (fully tax equivalent) <sup>(1)</sup>	4.10%	4.21%	4.12 %	4.15%	3.84%
Ending shareholders' equity as a percent of ending assets	15.14%	14.86%	14.70 %	14.46%	10.56%
Ending tangible shareholders' equity as a percent of:					
Ending tangible assets	9.15%	8.79%	8.53 %	8.30%	8.41%
Risk-weighted assets	11.61%	11.20%	10.77 %	10.52%	10.09%
Average shareholders' equity as a percent of average assets	15.01%	14.84%	14.62 %	14.33%	10.53%
Average tangible shareholders' equity as a percent of average tangible assets	8.95%	8.66%	8.42 %	8.16%	8.35%
Book value per share	\$ 21.60	\$ 21.23	\$ 20.79	\$ 20.56	\$ 15.11
Tangible book value per share	\$ 12.19	\$ 11.72	\$ 11.25	\$ 11.01	\$ 11.75
Common equity tier 1 ratio <sup>(2)</sup>	12.03%	11.87%	11.52 %	11.15%	10.77%
Tier 1 ratio <sup>(2)</sup>	12.43%	12.28%	11.93 %	11.55%	10.77%
Total capital ratio <sup>(2)</sup>	14.24%	14.10%	13.77 %	13.36%	13.17%
Leverage ratio <sup>(2)</sup>	9.84%	9.71%	9.41 %	9.06%	9.00%
<b>AVERAGE BALANCE SHEET ITEMS</b>					
Loans <sup>(3)</sup>	\$ 8,773,310	\$ 8,766,302	\$ 8,848,710	\$ 8,933,400	\$ 6,016,492
FDIC indemnification asset	—	—	—	—	1,502
Investment securities	3,355,732	3,204,758	3,168,044	3,157,339	2,042,781
Interest-bearing deposits with other banks	34,709	32,013	39,873	29,261	27,073
Total earning assets	\$ 12,163,751	\$ 12,003,073	\$ 12,056,627	\$ 12,120,000	\$ 8,087,848
Total assets	\$ 13,952,551	\$ 13,768,958	\$ 13,822,675	\$ 13,956,360	\$ 8,830,176
Noninterest-bearing deposits	\$ 2,457,587	\$ 2,476,773	\$ 2,388,976	\$ 2,421,230	\$ 1,570,572
Interest-bearing deposits	7,610,092	7,573,069	7,499,112	7,961,405	5,332,740
Total deposits	\$ 10,067,679	\$ 10,049,842	\$ 9,888,088	\$ 10,382,635	\$ 6,903,312
Borrowings	\$ 1,587,068	\$ 1,509,642	\$ 1,748,415	\$ 1,408,024	\$ 866,848
Shareholders' equity	\$ 2,094,234	\$ 2,042,884	\$ 2,021,400	\$ 2,000,093	\$ 929,474
<b>CREDIT QUALITY RATIOS</b>					
Allowance to ending loans	0.64%	0.64%	0.65 %	0.61%	0.89%
Allowance to nonaccrual loans	95.40%	79.97%	136.22 %	133.65%	179.57%
Allowance to nonperforming loans	68.94%	65.13%	92.08 %	86.80%	120.24%
Nonperforming loans to total loans	0.93%	0.98%	0.71 %	0.70%	0.74%
Nonperforming assets to ending loans, plus OREO	0.95%	1.00%	0.73 %	0.72%	0.76%
Nonperforming assets to total assets	0.60%	0.63%	0.47 %	0.46%	0.52%
Classified assets to total assets	1.01%	0.94%	1.00 %	1.00%	0.98%
Net charge-offs to average loans (annualized)	0.64%	0.29%	(0.02)%	0.18%	0.13%

(1) The tax equivalent adjustment to net interest income recognizes the income tax savings when comparing taxable and tax-exempt assets and assumes a 21% 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.

(2) March 31, 2019 regulatory capital ratios are preliminary.

(3) Includes loans held for sale.

# FIRST FINANCIAL BANCORP. CONSOLIDATED QUARTERLY STATEMENTS OF INCOME

(Dollars in thousands, except per share data)

(Unaudited)

	2019		2018			
	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Full Year
Interest income						
Loans and leases, including fees	\$ 123,056	\$ 126,580	\$ 123,397	\$ 122,290	\$ 74,920	\$ 447,187
Investment securities						
Taxable	24,235	22,761	21,801	20,844	13,670	79,076
Tax-exempt	4,258	3,896	3,807	4,068	1,657	13,428
Total investment securities interest	28,493	26,657	25,608	24,912	15,327	92,504
Other earning assets	210	192	215	177	107	691
Total interest income	151,759	153,429	149,220	147,379	90,354	540,382
Interest expense						
Deposits	19,243	17,198	14,672	14,794	10,298	56,962
Short-term borrowings	5,960	5,186	6,052	4,132	2,663	18,033
Long-term borrowings	5,041	5,086	5,011	4,474	1,581	16,152
Total interest expense	30,244	27,470	25,735	23,400	14,542	91,147
Net interest income	121,515	125,959	123,485	123,979	75,812	449,235
Provision for loan and lease losses	14,083	5,310	3,238	3,735	2,303	14,586
Net interest income after provision for loan and lease losses	107,432	120,649	120,247	120,244	73,509	434,649
Noninterest income						
Service charges on deposit accounts	8,903	10,185	10,316	9,568	5,039	35,108
Trust and wealth management fees	4,070	3,703	3,728	3,697	3,954	15,082
Bankcard income	5,586	6,247	5,261	5,343	3,394	20,245
Client derivative fees	1,704	1,433	3,029	1,463	1,757	7,682
Net gains from sales of loans	1,890	1,428	1,739	2,316	588	6,071
Net gains on sale of investment securities	(178)	36	(167)	(30)	0	(161)
Other	4,852	6,472	4,778	5,899	2,206	19,355
Total noninterest income	26,827	29,504	28,684	28,256	16,938	103,382
Noninterest expenses						
Salaries and employee benefits	47,912	51,505	50,852	55,531	31,102	188,990
Net occupancy	6,630	6,322	6,765	6,631	4,497	24,215
Furniture and equipment	3,416	3,498	4,072	5,298	2,040	14,908
Data processing	5,127	5,599	4,502	14,304	3,672	28,077
Marketing	1,606	1,651	2,502	2,644	801	7,598
Communication	728	805	785	1,118	459	3,167
Professional services	2,252	1,794	2,621	5,659	2,198	12,272
State intangible tax	1,310	1,086	1,223	1,078	765	4,152
FDIC assessments	950	1,018	734	1,323	894	3,969
Loss (gain) - other real estate owned	70	41	538	(283)	77	373
Intangible amortization	2,045	2,229	2,486	2,364	280	7,359
Other	6,453	7,804	8,335	7,088	5,503	28,730
Total noninterest expenses	78,499	83,352	85,415	102,755	52,288	323,810
Income before income taxes	55,760	66,801	63,516	45,745	38,159	214,221
Income tax expense (benefit)	9,921	11,787	12,859	9,327	7,653	41,626
Net income	\$ 45,839	\$ 55,014	\$ 50,657	\$ 36,418	\$ 30,506	\$ 172,595
<b>ADDITIONAL DATA</b>						
Net earnings per share - basic	\$ 0.47	\$ 0.56	\$ 0.52	\$ 0.37	\$ 0.49	\$ 1.95
Net earnings per share - diluted	\$ 0.47	\$ 0.56	\$ 0.51	\$ 0.37	\$ 0.49	\$ 1.93
Dividends declared per share	\$ 0.22	\$ 0.20	\$ 0.20	\$ 0.19	\$ 0.19	\$ 0.78
Return on average assets	1.33%	1.59%	1.45%	1.05%	1.40%	1.37%
Return on average shareholders' equity	8.88%	10.68%	9.94%	7.36%	13.31%	9.85%
Interest income	\$ 151,759	\$ 153,429	\$ 149,220	\$ 147,379	\$ 90,354	\$ 540,382
Tax equivalent adjustment	1,523	1,442	1,567	1,420	718	5,147
Interest income - tax equivalent	153,282	154,871	150,787	148,799	91,072	545,529
Interest expense	30,244	27,470	25,735	23,400	14,542	91,147
Net interest income - tax equivalent	\$ 123,038	\$ 127,401	\$ 125,052	\$ 125,399	\$ 76,530	\$ 454,382
Net interest margin	4.05%	4.16%	4.06%	4.10%	3.80%	4.05%
Net interest margin (fully tax equivalent) <sup>(1)</sup>	4.10%	4.21%	4.12%	4.15%	3.84%	4.10%
Full-time equivalent employees	2,087	2,073	2,028	2,118	1,289	

(1) The tax equivalent adjustment to net interest income recognizes the income tax savings when comparing taxable and tax-exempt assets and assumes a 21% tax rate. Management believes that it is a standard practice in the banking industry to present 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.

# FIRST FINANCIAL BANCORP. CONSOLIDATED STATEMENTS OF CONDITION

(Dollars in thousands)  
(Unaudited)

	Mar. 31, 2019	Dec. 31, 2018	Sep. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	% Change Linked Qtr.	% Change Comparable Qtr.
<b>ASSETS</b>							
Cash and due from banks	\$ 169,004	\$ 236,221	\$ 193,288	\$ 216,667	\$ 116,581	(28.5)%	45.0 %
Interest-bearing deposits with other banks	50,224	37,738	28,989	37,915	10,200	33.1 %	392.4 %
Investment securities available-for-sale	3,113,811	2,779,255	2,626,726	2,654,909	1,359,381	12.0 %	129.1 %
Investment securities held-to-maturity	158,305	429,328	434,369	443,957	633,722	(63.1)%	(75.0)%
Other investments	115,731	115,660	115,757	95,004	53,070	0.1 %	118.1 %
Loans held for sale	8,217	4,372	13,277	15,821	8,048	87.9 %	2.1 %
Loans and leases							
Commercial and industrial	2,543,427	2,514,661	2,426,590	2,440,596	1,943,741	1.1 %	30.9 %
Lease financing	95,573	93,415	95,317	96,198	81,617	2.3 %	17.1 %
Construction real estate	458,113	548,935	565,077	555,468	494,665	(16.5)%	(7.4)%
Commercial real estate	3,802,179	3,754,681	3,868,143	3,888,993	2,544,051	1.3 %	49.5 %
Residential real estate	975,120	955,646	932,962	918,904	468,584	2.0 %	108.1 %
Home equity	797,118	817,282	816,133	835,031	483,643	(2.5)%	64.8 %
Installment	90,689	93,212	97,413	100,726	39,248	(2.7)%	131.1 %
Credit card	46,982	46,382	45,741	48,665	46,472	1.3 %	1.1 %
Total loans	8,809,201	8,824,214	8,847,376	8,884,581	6,102,021	(0.2)%	44.4 %
Less:							
Allowance for loan and lease losses	56,722	56,542	57,715	54,076	54,380	0.3 %	4.3 %
Net loans	8,752,479	8,767,672	8,789,661	8,830,505	6,047,641	(0.2)%	44.7 %
Premises and equipment	210,676	215,652	219,940	223,950	127,046	(2.3)%	65.8 %
Goodwill	879,727	880,251	881,033	883,025	204,083	(0.1)%	331.1 %
Other intangibles	38,571	40,805	43,356	42,891	3,506	(5.5)%	N/M
Accrued interest and other assets	577,518	479,706	496,271	475,523	335,151	20.4 %	72.3 %
<b>Total Assets</b>	<b>\$ 14,074,263</b>	<b>\$ 13,986,660</b>	<b>\$ 13,842,667</b>	<b>\$ 13,920,167</b>	<b>\$ 8,898,429</b>	<b>0.6 %</b>	<b>58.2 %</b>
<b>LIABILITIES</b>							
Deposits							
Interest-bearing demand	\$ 2,235,036	\$ 2,307,071	\$ 2,284,271	\$ 2,440,088	\$ 1,442,399	(3.1)%	55.0 %
Savings	3,100,894	3,167,325	3,134,944	3,087,683	2,450,196	(2.1)%	26.6 %
Time	2,309,810	2,173,564	1,957,574	2,104,044	1,545,273	6.3 %	49.5 %
Total interest-bearing deposits	7,645,740	7,647,960	7,376,789	7,631,815	5,437,868	0.0 %	40.6 %
Noninterest-bearing	2,488,157	2,492,434	2,375,845	2,471,932	1,572,636	(0.2)%	58.2 %
Total deposits	10,133,897	10,140,394	9,752,634	10,103,747	7,010,504	(0.1)%	44.6 %
Federal funds purchased and securities sold under agreements to repurchase	95,015	183,591	123,452	88,070	56,732	(48.2)%	67.5 %
FHLB short-term borrowings	952,400	857,100	1,170,800	1,100,233	601,600	11.1 %	58.3 %
Total short-term borrowings	1,047,415	1,040,691	1,294,252	1,188,303	658,332	0.6 %	59.1 %
Long-term debt	546,423	570,739	570,037	469,423	169,695	(4.3)%	222.0 %
Total borrowed funds	1,593,838	1,611,430	1,864,289	1,657,726	828,027	(1.1)%	92.5 %
Accrued interest and other liabilities	216,109	156,587	190,224	145,757	119,913	38.0 %	80.2 %
<b>Total Liabilities</b>	<b>11,943,844</b>	<b>11,908,411</b>	<b>11,807,147</b>	<b>11,907,230</b>	<b>7,958,444</b>	<b>0.3 %</b>	<b>50.1 %</b>
<b>SHAREHOLDERS' EQUITY</b>							
Common stock	1,622,554	1,633,256	1,633,828	1,632,572	571,457	(0.7)%	183.9 %
Retained earnings	626,408	600,014	564,545	533,319	515,649	4.4 %	21.5 %
Accumulated other comprehensive loss	(19,635)	(44,408)	(52,897)	(43,008)	(34,834)	(55.8)%	(43.6)%
Treasury stock, at cost	(98,908)	(110,613)	(109,956)	(109,946)	(112,287)	(10.6)%	(11.9)%
<b>Total Shareholders' Equity</b>	<b>2,130,419</b>	<b>2,078,249</b>	<b>2,035,520</b>	<b>2,012,937</b>	<b>939,985</b>	<b>2.5 %</b>	<b>126.6 %</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 14,074,263</b>	<b>\$ 13,986,660</b>	<b>\$ 13,842,667</b>	<b>\$ 13,920,167</b>	<b>\$ 8,898,429</b>	<b>0.6 %</b>	<b>58.2 %</b>

# FIRST FINANCIAL BANCORP. AVERAGE CONSOLIDATED STATEMENTS OF CONDITION

(Dollars in thousands)

(Unaudited)

	Quarterly Averages				
	Mar. 31, 2019	Dec. 31, 2018	Sep. 30, 2018	Jun. 30, 2018	Mar. 31, 2018
<b>ASSETS</b>					
Cash and due from banks	\$ 181,695	\$ 213,927	\$ 199,843	\$ 224,824	\$ 116,095
Federal funds sold	0	0	0	786	0
Interest-bearing deposits with other banks	34,709	32,013	39,873	28,475	27,073
Investment securities	3,355,732	3,204,758	3,168,044	3,157,339	2,042,781
Loans held for sale	6,392	10,411	15,270	14,462	9,171
Loans and leases					
Commercial and industrial	2,509,274	2,402,296	2,392,229	2,421,244	1,897,726
Lease financing	91,043	94,111	94,030	94,431	86,755
Construction real estate	496,153	567,086	570,125	577,883	483,930
Commercial real estate	3,762,314	3,793,376	3,887,748	3,923,784	2,495,604
Residential real estate	961,584	941,047	918,361	929,667	468,855
Home equity	807,768	813,779	822,834	825,236	487,073
Installment	91,270	95,779	99,907	99,896	40,409
Credit card	47,512	48,417	48,206	46,797	46,969
Total loans	8,766,918	8,755,891	8,833,440	8,918,938	6,007,321
Less:					
Allowance for loan and lease losses	57,088	58,216	55,877	55,318	55,016
Net loans	8,709,830	8,697,675	8,777,563	8,863,620	5,952,305
Premises and equipment	213,208	218,430	222,718	230,475	126,016
Goodwill	878,541	878,669	882,917	883,179	204,083
Other intangibles	39,900	42,305	43,830	44,383	3,674
Accrued interest and other assets	532,544	470,770	472,617	508,817	348,978
<b>Total Assets</b>	<b>\$ 13,952,551</b>	<b>\$ 13,768,958</b>	<b>\$ 13,822,675</b>	<b>\$ 13,956,360</b>	<b>\$ 8,830,176</b>
<b>LIABILITIES</b>					
Deposits					
Interest-bearing demand	\$ 2,269,948	\$ 2,342,528	\$ 2,334,305	\$ 2,573,150	\$ 1,415,603
Savings	3,115,557	3,156,789	3,149,871	3,196,059	2,450,697
Time	2,224,587	2,073,752	2,014,936	2,192,196	1,466,440
Total interest-bearing deposits	7,610,092	7,573,069	7,499,112	7,961,405	5,332,740
Noninterest-bearing	2,457,587	2,476,773	2,388,976	2,421,230	1,570,572
Total deposits	10,067,679	10,049,842	9,888,088	10,382,635	6,903,312
Federal funds purchased and securities sold under agreements to repurchase	103,147	65,805	112,308	97,708	72,865
FHLB short-term borrowings	913,974	873,533	1,076,106	818,909	667,641
Total short-term borrowings	1,017,121	939,338	1,188,414	916,617	740,506
Long-term debt	569,947	570,304	560,001	491,407	126,342
Total borrowed funds	1,587,068	1,509,642	1,748,415	1,408,024	866,848
Accrued interest and other liabilities	203,570	166,590	164,772	165,608	130,542
<b>Total Liabilities</b>	<b>11,858,317</b>	<b>11,726,074</b>	<b>11,801,275</b>	<b>11,956,267</b>	<b>7,900,702</b>
<b>SHAREHOLDERS' EQUITY</b>					
Common stock	1,625,228	1,632,361	1,633,129	1,632,569	572,915
Retained earnings	610,737	576,145	542,835	517,548	503,140
Accumulated other comprehensive loss	(39,796)	(55,161)	(44,505)	(39,117)	(33,285)
Treasury stock, at cost	(101,935)	(110,461)	(110,059)	(110,907)	(113,296)
<b>Total Shareholders' Equity</b>	<b>2,094,234</b>	<b>2,042,884</b>	<b>2,021,400</b>	<b>2,000,093</b>	<b>929,474</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 13,952,551</b>	<b>\$ 13,768,958</b>	<b>\$ 13,822,675</b>	<b>\$ 13,956,360</b>	<b>\$ 8,830,176</b>



## FIRST FINANCIAL BANCORP. NET INTEREST MARGIN RATE/VOLUME ANALYSIS

(Dollars in thousands)

(Unaudited)

	Quarterly Averages						Linked Qtr. Income Variance			Comparable Qtr. Income Variance		
	March 31, 2019		December 31, 2018		March 31, 2018							
	Balance	Yield	Balance	Yield	Balance	Yield	Rate	Volume	Total	Rate	Volume	Total
<b>Earning assets</b>												
Investments:												
Investment securities	\$ 3,355,732	3.44 %	\$ 3,204,758	3.30 %	\$ 2,042,781	3.04 %	\$ 1,159	\$ 677	\$ 1,836	\$ 2,018	\$ 11,148	\$ 13,166
Interest-bearing deposits with other banks	34,709	2.45 %	32,013	2.38 %	27,073	1.60 %	6	12	18	57	46	103
Gross loans <sup>(1)</sup>	8,773,310	5.69 %	8,766,302	5.73 %	6,017,994	5.05 %	(890)	(2,634)	(3,524)	9,489	38,647	48,136
<b>Total earning assets</b>	<u>12,163,751</u>	<u>5.06 %</u>	<u>12,003,073</u>	<u>5.07 %</u>	<u>8,087,848</u>	<u>4.53 %</u>	<u>275</u>	<u>(1,945)</u>	<u>(1,670)</u>	<u>11,564</u>	<u>49,841</u>	<u>61,405</u>
<b>Nonearning assets</b>												
Allowance for loan and lease losses	(57,088)		(58,216)		(55,016)							
Cash and due from banks	181,695		213,927		116,095							
Accrued interest and other assets	1,664,193		1,610,174		681,249							
<b>Total assets</b>	<u>\$13,952,551</u>		<u>\$13,768,958</u>		<u>\$ 8,830,176</u>							
<b>Interest-bearing liabilities</b>												
Deposits:												
Interest-bearing demand	\$ 2,269,948	0.50 %	\$ 2,342,528	0.48 %	\$ 1,415,603	0.37 %						
Savings	3,115,557	0.76 %	3,156,789	0.66 %	2,450,697	0.64 %						
Time	2,224,587	1.94 %	2,073,752	1.75 %	1,466,440	1.41 %						
<b>Total interest-bearing deposits</b>	<u>7,610,092</u>	<u>1.03 %</u>	<u>7,573,069</u>	<u>0.90 %</u>	<u>5,332,740</u>	<u>0.78 %</u>	<u>\$ 2,377</u>	<u>\$ (332)</u>	<u>\$ 2,045</u>	<u>\$ 3,186</u>	<u>\$ 5,759</u>	<u>\$ 8,945</u>
Borrowed funds:												
Short-term borrowings	1,017,121	2.38 %	939,338	2.19 %	740,506	1.46 %	441	333	774	1,676	1,621	3,297
Long-term debt	569,947	3.59 %	570,304	3.54 %	126,342	5.07 %	70	(115)	(45)	(464)	3,924	3,460
<b>Total borrowed funds</b>	<u>1,587,068</u>	<u>2.81 %</u>	<u>1,509,642</u>	<u>2.70 %</u>	<u>866,848</u>	<u>1.99 %</u>	<u>511</u>	<u>218</u>	<u>729</u>	<u>1,212</u>	<u>5,545</u>	<u>6,757</u>
<b>Total interest-bearing liabilities</b>	<u>9,197,160</u>	<u>1.33 %</u>	<u>9,082,711</u>	<u>1.20 %</u>	<u>6,199,588</u>	<u>0.95 %</u>	<u>2,888</u>	<u>(114)</u>	<u>2,774</u>	<u>4,398</u>	<u>11,304</u>	<u>15,702</u>
<b>Noninterest-bearing liabilities</b>												
Noninterest-bearing demand deposits	2,457,587		2,476,773		1,570,572							
Other liabilities	203,570		166,590		130,542							
Shareholders' equity	2,094,234		2,042,884		929,474							
<b>Total liabilities &amp; shareholders' equity</b>	<u>\$13,952,551</u>		<u>\$13,768,958</u>		<u>\$ 8,830,176</u>							
Net interest income	<u>\$ 121,515</u>		<u>\$ 125,959</u>		<u>\$ 75,812</u>		<u>\$ (2,613)</u>	<u>\$ (1,831)</u>	<u>\$ (4,444)</u>	<u>\$ 7,166</u>	<u>\$ 38,537</u>	<u>\$ 45,703</u>
Net interest spread		<u>3.73 %</u>		<u>3.87 %</u>		<u>3.58 %</u>						
Net interest margin		<u>4.05 %</u>		<u>4.16 %</u>		<u>3.80 %</u>						
Tax equivalent adjustment		<u>0.05 %</u>		<u>0.05 %</u>		<u>0.04 %</u>						
Net interest margin (fully tax equivalent)		<u>4.10 %</u>		<u>4.21 %</u>		<u>3.84 %</u>						

<sup>(1)</sup> Loans held for sale and nonaccrual loans are included in gross loans.

# FIRST FINANCIAL BANCORP. CREDIT QUALITY

(Dollars in thousands)  
(Unaudited)

	Mar. 31, 2019	Dec. 31, 2018	Sep. 30, 2018	Jun. 30, 2018	Mar. 31, 2018
<b>ALLOWANCE FOR LOAN AND LEASE LOSS ACTIVITY</b>					
Balance at beginning of period	\$ 56,542	\$ 57,715	\$ 54,076	\$ 54,380	\$ 54,021
Provision for loan and lease losses	14,083	5,310	3,238	3,735	2,303
Gross charge-offs					
Commercial and industrial	12,328	6,060	232	4,356	885
Lease financing	100	0	0	0	0
Construction real estate	0	0	0	0	0
Commercial real estate	1,214	1,679	902	78	2,176
Residential real estate	82	80	145	101	96
Home equity	468	747	351	385	242
Installment	49	158	43	218	16
Credit card	341	392	390	684	254
Total gross charge-offs	<u>14,582</u>	<u>9,116</u>	<u>2,063</u>	<u>5,822</u>	<u>3,669</u>
Recoveries					
Commercial and industrial	240	485	627	518	436
Lease financing	0	0	0	1	0
Construction real estate	63	0	146	0	0
Commercial real estate	73	1,681	786	887	752
Residential real estate	36	44	71	70	26
Home equity	185	274	419	187	429
Installment	48	94	351	82	48
Credit card	34	55	64	38	34
Total recoveries	<u>679</u>	<u>2,633</u>	<u>2,464</u>	<u>1,783</u>	<u>1,725</u>
Total net charge-offs	<u>13,903</u>	<u>6,483</u>	<u>(401)</u>	<u>4,039</u>	<u>1,944</u>
Ending allowance for loan and lease losses	<u>\$ 56,722</u>	<u>\$ 56,542</u>	<u>\$ 57,715</u>	<u>\$ 54,076</u>	<u>\$ 54,380</u>
<b>NET CHARGE-OFFS TO AVERAGE LOANS AND LEASES (ANNUALIZED)</b>					
Commercial and industrial	1.95 %	0.92 %	(0.07)%	0.64 %	0.10 %
Lease financing	0.45 %	0.00 %	0.00 %	0.00 %	0.00 %
Construction real estate	(0.05)%	0.00 %	(0.10)%	0.00 %	0.00 %
Commercial real estate	0.12 %	0.00 %	0.01 %	(0.08)%	0.23 %
Residential real estate	0.02 %	0.02 %	0.03 %	0.01 %	0.06 %
Home equity	0.14 %	0.23 %	(0.03)%	0.10 %	(0.16)%
Installment	0.00 %	0.27 %	(1.22)%	0.55 %	(0.32)%
Credit card	2.62 %	2.76 %	2.68 %	5.54 %	1.90 %
Total net charge-offs	<u>0.64 %</u>	<u>0.29 %</u>	<u>(0.02)%</u>	<u>0.18 %</u>	<u>0.13 %</u>
<b>COMPONENTS OF NONPERFORMING LOANS, NONPERFORMING ASSETS, AND UNDERPERFORMING ASSETS</b>					
Nonaccrual loans <sup>(1)</sup>					
Commercial and industrial	\$ 19,263	\$ 30,925	\$ 4,310	\$ 3,448	\$ 6,275
Lease financing	301	22	0	0	0
Construction real estate	7	9	10	24	26
Commercial real estate	21,082	20,500	20,338	21,593	16,878
Residential real estate	13,052	13,495	11,365	9,278	3,324
Home equity	5,581	5,580	6,018	5,820	3,484
Installment	170	169	327	299	296
Nonaccrual loans	<u>59,456</u>	<u>70,700</u>	<u>42,368</u>	<u>40,462</u>	<u>30,283</u>
Accruing troubled debt restructurings (TDRs)	<u>22,817</u>	<u>16,109</u>	<u>20,313</u>	<u>21,839</u>	<u>14,943</u>
Total nonperforming loans	<u>82,273</u>	<u>86,809</u>	<u>62,681</u>	<u>62,301</u>	<u>45,226</u>
Other real estate owned (OREO)	<u>1,665</u>	<u>1,401</u>	<u>1,918</u>	<u>1,853</u>	<u>1,065</u>
Total nonperforming assets	<u>83,938</u>	<u>88,210</u>	<u>64,599</u>	<u>64,154</u>	<u>46,291</u>
Accruing loans past due 90 days or more	<u>178</u>	<u>63</u>	<u>144</u>	<u>327</u>	<u>529</u>
Total underperforming assets	<u>\$ 84,116</u>	<u>\$ 88,273</u>	<u>\$ 64,743</u>	<u>\$ 64,481</u>	<u>\$ 46,820</u>
Total classified assets	<u>\$142,014</u>	<u>\$131,668</u>	<u>\$138,868</u>	<u>\$139,317</u>	<u>\$ 87,577</u>
<b>CREDIT QUALITY RATIOS</b>					
Allowance for loan and lease losses to					
Nonaccrual loans	95.40 %	79.97 %	136.22 %	133.65 %	179.57 %
Nonperforming loans	68.94 %	65.13 %	92.08 %	86.80 %	120.24 %
Total ending loans	0.64 %	0.64 %	0.65 %	0.61 %	0.89 %
Nonperforming loans to total loans	0.93 %	0.98 %	0.71 %	0.70 %	0.74 %
Nonperforming assets to					
Ending loans, plus OREO	0.95 %	1.00 %	0.73 %	0.72 %	0.76 %
Total assets	0.60 %	0.63 %	0.47 %	0.46 %	0.52 %
Nonperforming assets, excluding accruing TDRs to					
Ending loans, plus OREO	0.69 %	0.82 %	0.50 %	0.48 %	0.51 %
Total assets	0.43 %	0.52 %	0.32 %	0.30 %	0.35 %
Classified assets to total assets	1.01 %	0.94 %	1.00 %	1.00 %	0.98 %

(1) Nonaccrual loans include nonaccrual TDRs of \$13.1 million, \$22.4 million, \$4.7 million, \$5.9 million, and \$6.0 million, as of March 31, 2019, December 31, 2018, September 30, 2018, June 30, 2018, and March 31, 2018, respectively.

# FIRST FINANCIAL BANCORP.

## CAPITAL ADEQUACY

(Dollars in thousands, except per share data)

(Unaudited)

	Mar. 31, 2019	Dec. 31, 2018	Sep. 30, 2018	June 30, 2018	Mar. 31, 2018
<b>PER COMMON SHARE</b>					
Market Price					
High	\$ 28.56	\$ 29.58	\$ 32.35	\$ 33.55	\$ 29.35
Low	\$ 23.02	\$ 22.40	\$ 29.40	\$ 28.10	\$ 26.40
Close	\$ 24.06	\$ 23.72	\$ 29.70	\$ 30.65	\$ 29.35
Average shares outstanding - basic	97,926,088	97,424,839	97,411,201	97,347,533	61,654,686
Average shares outstanding - diluted	98,436,311	98,468,237	98,484,228	98,432,072	62,180,744
Ending shares outstanding	98,613,872	97,894,286	97,914,526	97,904,897	62,213,823
Total shareholders' equity	\$ 2,130,419	\$ 2,078,249	\$ 2,035,520	\$ 2,012,937	\$ 939,985
<b>REGULATORY CAPITAL</b>					
	<i>Preliminary</i>				
Common equity tier 1 capital	\$ 1,246,004	\$ 1,215,613	\$ 1,177,630	\$ 1,142,718	\$ 779,491
Common equity tier 1 capital ratio	12.03%	11.87%	11.52%	11.15%	10.77%
Tier 1 capital	\$ 1,287,757	\$ 1,257,366	\$ 1,219,383	\$ 1,184,471	\$ 779,595
Tier 1 ratio	12.43%	12.28%	11.93%	11.55%	10.77%
Total capital	\$ 1,474,723	\$ 1,444,146	\$ 1,407,252	\$ 1,369,231	\$ 953,243
Total capital ratio	14.24%	14.10%	13.77%	13.36%	13.17%
Total capital in excess of minimum requirement	\$ 387,048	\$ 432,832	\$ 397,783	\$ 356,930	\$ 238,221
Total risk-weighted assets	\$10,358,805	\$10,241,159	\$10,222,466	\$10,251,147	\$ 7,240,731
Leverage ratio	9.84%	9.71%	9.41%	9.06%	9.00%
<b>OTHER CAPITAL RATIOS</b>					
Ending shareholders' equity to ending assets	15.14%	14.86%	14.70%	14.46%	10.56%
Ending tangible shareholders' equity to ending tangible assets	9.15%	8.79%	8.53%	8.30%	8.41%
Average shareholders' equity to average assets	15.01%	14.84%	14.62%	14.33%	10.53%
Average tangible shareholders' equity to average tangible assets	8.95%	8.66%	8.42%	8.16%	8.35%

# Earnings Presentation

First Quarter 2019

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# Forward Looking Statement Disclosure



Certain statements contained in this report which are not statements of historical fact constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “believes,” “anticipates,” “likely,” “expected,” “estimated,” “intends” and other similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. Examples of forward-looking statements include, but are not limited to, statements we make about (i) our future operating or financial performance, including revenues, income or loss and earnings or loss per share, (ii) future common stock dividends, (iii) our capital structure, including future capital levels, (iv) our plans, objectives and strategies, and (v) the assumptions that underlie our forward-looking statements.

As with any forecast or projection, forward-looking statements are subject to inherent uncertainties, risks and changes in circumstances that may cause actual results to differ materially from those set forth in the forward-looking statements. Forward-looking statements are not historical facts but instead express only management’s beliefs regarding future results or events, many of which, by their nature, are inherently uncertain and outside of management’s control. It is possible that actual results and outcomes may differ, possibly materially, from the anticipated results or outcomes indicated in these forward-looking statements. Important factors that could cause actual results to differ materially from those in our forward-looking statements include the following, without limitation: (i) economic, market, liquidity, credit, interest rate, operational and technological risks associated with the Company’s business; (ii) the effect of and changes in policies and laws or regulatory agencies, including the Dodd-Frank Wall Street Reform and Consumer Protection Act and other legislation and regulation relating to the banking industry; (iii) management’s ability to effectively execute its business plans; (iv) mergers and acquisitions, including costs or difficulties related to the integration of acquired companies; (v) the possibility that any of the anticipated benefits of the Company’s merger with MainSource Financial Group, Inc. will not be realized or will not be realized within the expected time period; (vi) the effect of changes in accounting policies and practices; (vii) changes in consumer spending, borrowing and saving and changes in unemployment; (viii) changes in customers’ performance and creditworthiness; and (ix) the costs and effects of litigation and of unexpected or adverse outcomes in such litigation. Additional factors that may cause our actual results to differ materially from those described in our forward-looking statements can be found in the Form 10-K for the year ended December 31, 2018, as well as our other filings with the SEC, which are available on the SEC website at [www.sec.gov](http://www.sec.gov).

All forward-looking statements included in this filing are made as of the date hereof and are based on information available at the time of the filing. Except as required by law, the Company does not assume any obligation to update any forward-looking statement.

# 1Q 2019 Results

## 114th Consecutive Quarter of Profitability

### Profitability

- Net income = \$45.8 million or \$0.47 per diluted share. Adjusted net income = \$47.4 million or \$0.48 per diluted share<sup>1,2</sup>.
- Return on average assets = 1.33%. Adjusted return on average assets = 1.38%<sup>1</sup>.
- Return on average shareholders' equity = 8.88%. Adjusted return on average shareholders' equity = 9.16%<sup>1</sup>.
- Return on average tangible common equity = 15.95%<sup>1</sup>. Adjusted return on average tangible common equity = 16.45%<sup>1</sup>.

### Income Statement

- Net interest income = \$121.5 million.
- Net interest margin of 4.05% on a GAAP basis; 4.10% on a fully tax equivalent basis<sup>1</sup>.
- Noninterest income = \$26.8 million; \$26.9 million<sup>1</sup> as adjusted.
- Noninterest expense = \$78.5 million; \$76.7 million<sup>1</sup> as adjusted for merger related items.
- Efficiency ratio = 52.92%. Adjusted efficiency ratio = 51.68%<sup>1</sup>.
- Effective tax rate of 17.8%. Adjusted effective tax rate of 17.9%<sup>1</sup>.

### Balance Sheet

- EOP assets increased \$87.6 million compared to the linked quarter to \$14.1 billion.
- EOP loans decreased \$15.0 million compared to the linked quarter to \$8.8 billion.
- Average deposits increased \$17.8 million compared to the linked quarter to \$10.1 billion.
- EOP investment securities increased \$63.6 million compared to the linked quarter.

### Asset Quality

- Provision expense = \$14.1 million. Net charge-offs = \$13.9 million. NCOs / Avg. Loans = 0.64% annualized.
- Net charge-offs include \$10.0 million related to a single franchise borrower
- Nonperforming Loans / Total Loans = 0.93%. Nonperforming Assets / Total Assets = 0.60%.
- ALLL / Nonaccrual Loans = 95.40%. ALLL / Total Loans = 0.64%. Classified Assets / Total Assets = 1.01%.

### Capital

- Total capital ratio = 14.24%.
- Tier 1 common equity ratio = 12.03%.
- Tangible common equity ratio = 9.15%.
- Tangible book value per share = \$12.19.

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<sup>1</sup> Non-GAAP financial measure which management believes facilitates a better understanding of the Company's financial condition. See Appendix for Non-GAAP reconciliation.

<sup>2</sup> See Slide 5 for Adjusted Earnings detail.

# 1Q 2019 Highlights

- Solid quarterly earnings
  - Adjusted<sup>1</sup> earnings per share - \$0.48
  - Adjusted<sup>1</sup> return on assets – 1.38%
  - Adjusted<sup>1</sup> return on average tangible common equity – 16.45%
  - Net income reduced by \$7.9 million after-tax, or \$0.08 per share, for a single franchise charge-off
  - Adjusted<sup>1</sup> earnings exclude \$1.8 million of merger-related costs
- Strong net interest margin
  - Decline driven by lower loan fees as well as moderated impact from purchase accounting
- Disciplined expense management
  - Well controlled adjusted<sup>1</sup> noninterest expense of \$76.7 million
  - Higher seasonal occupancy expenses offset by declines in other non-personnel expenses
- Stable loan balances
  - 8% linked quarter increase in loan origination activity offset by lower line utilization
  - Average loan balances increased \$11.0 million compared to the linked quarter
- Modest deposit growth primarily in brokered and retail CD's
  - Time deposit growth more than offset seasonal declines in business DDA and public funds
- Credit quality affected by franchise charge-off
  - Annualized net charge-offs increased to 64 bps as a percentage of average loans for the quarter
  - Decline in nonperforming assets impacted by charge-off related to a single franchise borrower as well as work out activity
- Capital expansion continues
  - Total capital of 14.24%; Tier 1 common equity of 12.03%; Tangible common equity of 9.15%
  - Tangible book value increased to \$12.19

# Adjusted Net Income <sup>1</sup>

The table below lists certain adjustments that we believe are significant to understanding our quarterly performance.

	1Q 2019		4Q 2018	
	As Reported	Adjusted	As Reported	Adjusted
Net interest income	\$ 121,515	\$ 121,515	\$ 125,959	\$ 125,959
Provision for loan and lease losses	\$ 14,083	\$ 14,083	\$ 5,310	\$ 5,310
Noninterest income	\$ 26,827	\$ 26,827	\$ 29,504	\$ 29,504
plus: losses on investment securities	-	34 A	-	60 A
less: gains from the redemption of off balance sheet securitizations	-	-	-	(1,645) A
Total noninterest income	\$ 26,827	\$ 26,861	\$ 29,504	\$ 27,919
Noninterest expense	\$ 78,499	\$ 78,499	\$ 83,352	\$ 83,352
less: merger-related expenses	-	1,651 A	-	3,264 A
less: severance expenses	-	83 A	-	4,221 A
less: other	-	78 A	-	-
Total noninterest expense	\$ 78,499	\$ 76,687	\$ 83,352	\$ 75,867
Income before income taxes	\$ 55,760	\$ 57,606	\$ 66,801	\$ 72,701
Income tax expense	\$ 9,921	\$ 9,921	\$ 11,787	\$ 11,787
plus: tax effect of adjustments (A) @ 21% statutory rate	-	388	-	1,239
Total income tax expense	\$ 9,921	\$ 10,309	\$ 11,787	\$ 13,026
Net income	<u>\$ 45,839</u>	<u>\$ 47,297</u>	<u>\$ 55,014</u>	<u>\$ 59,675</u>
Net earnings per share - diluted	\$ 0.47	\$ 0.48	\$ 0.56	\$ 0.61

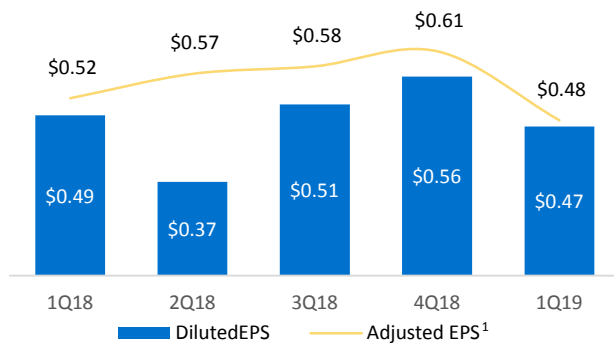
<sup>1</sup> Non-GAAP financial measure which management believes facilitates a better understanding of the Company's financial condition. See Appendix for Non-GAAP reconciliations.

All dollars shown in thousands, except per share amounts.

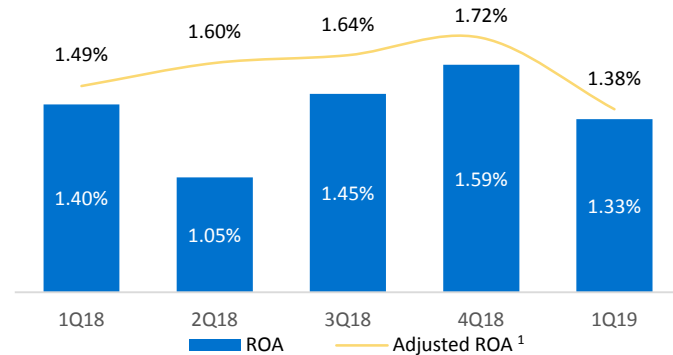


# Profitability

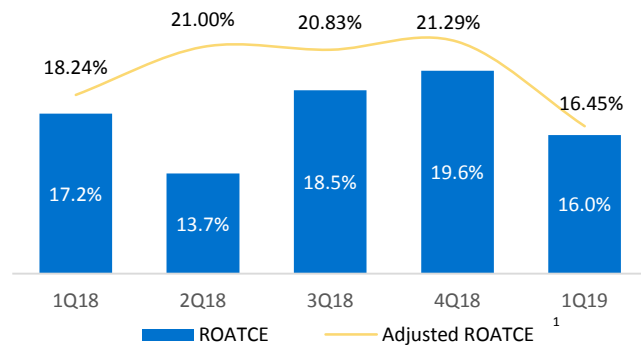
## Diluted EPS



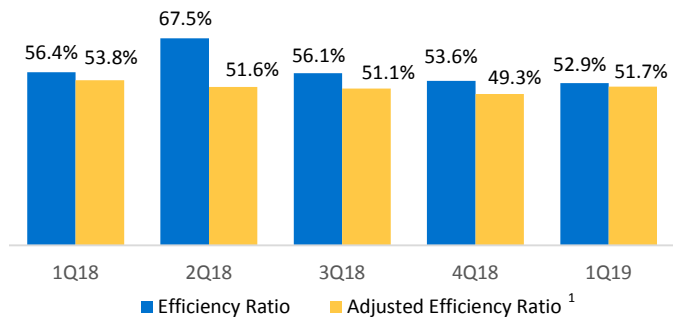
## Return on Average Assets



## Return on Avg Tangible Common Equity



## Efficiency Ratio



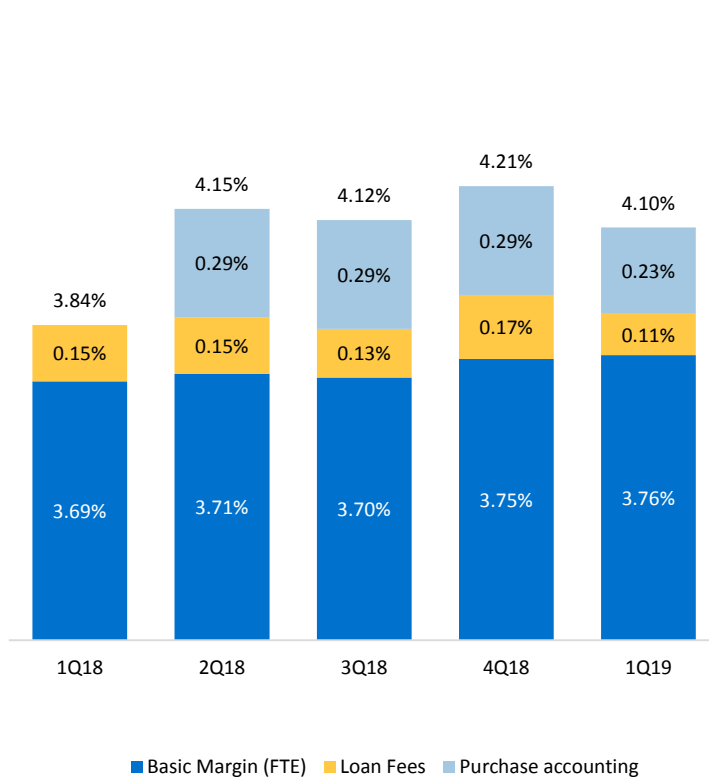
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<sup>1</sup> Non-GAAP financial measure which management believes facilitates a better understanding of the Company's financial condition. See Appendix for Non-GAAP reconciliation.

# Net Interest Margin

## Net Interest Margin (FTE)

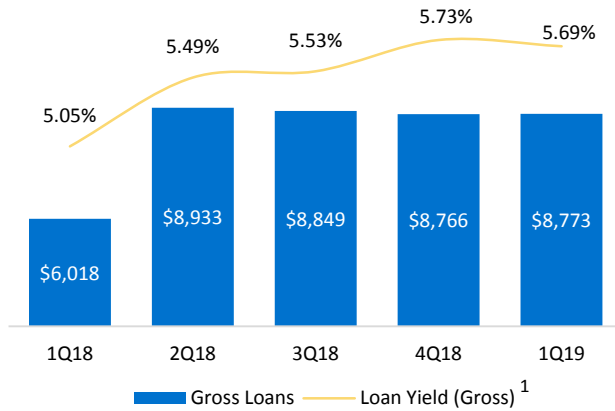


## 1Q19 NIM (FTE) Progression

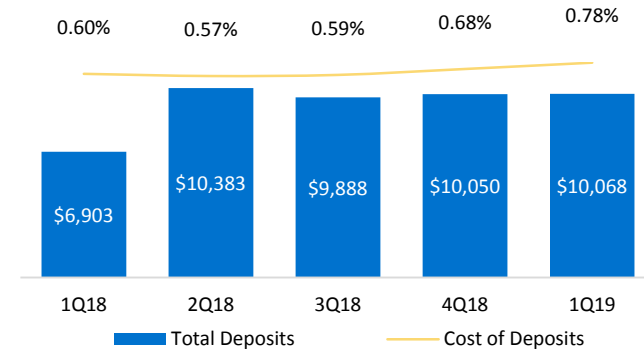
<b>4Q18</b>	<b>4.21%</b>
Asset yields	0.14%
Asset mix	-0.03%
Loan fees	-0.06%
Funding costs	-0.09%
Funding mix	-0.01%
Purchase accounting	-0.06%
<b>1Q19</b>	<b>4.10%</b>

# Average Balance Sheet

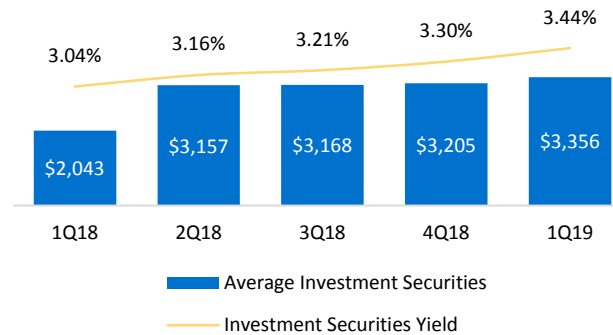
## Average Loans



## Average Deposits



## Average Securities

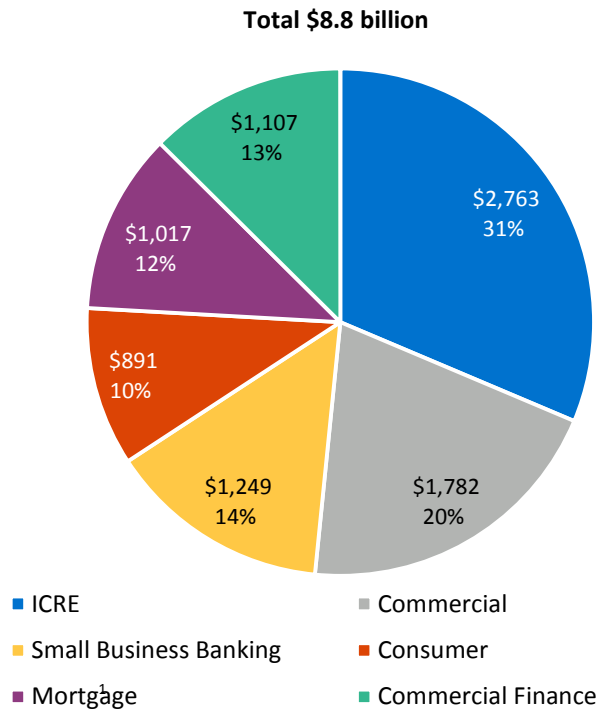


All dollars shown in millions

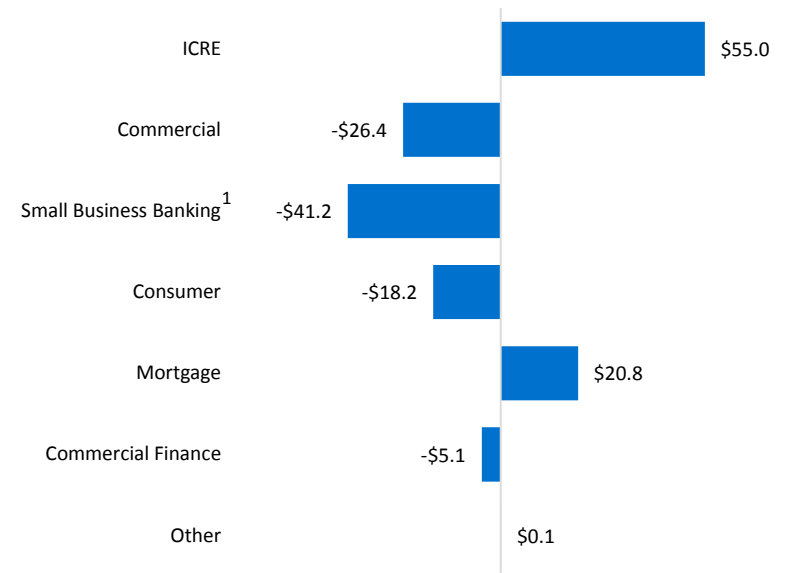
<sup>1</sup>Includes loans fees and purchase accounting accretion

# Loan Portfolio

## Loan LOB Mix (EOP)



## Net Loan Change-LOB (Linked Quarter)

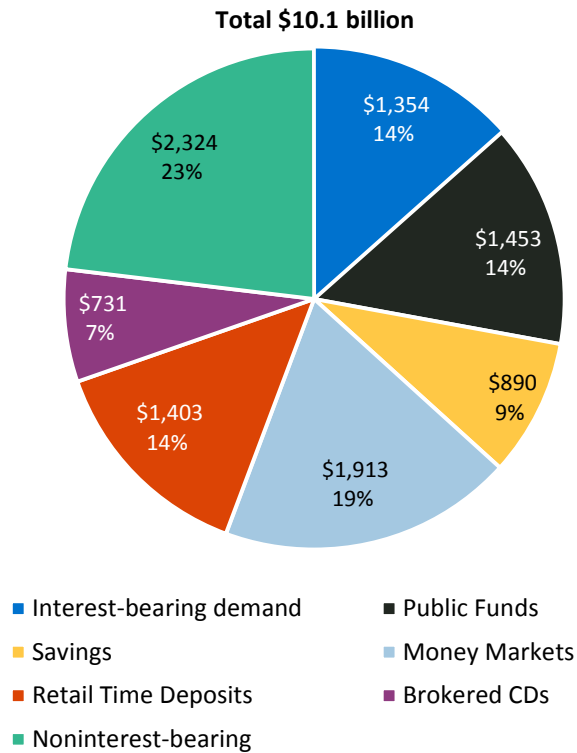


**Total growth/(decline):  
(\$15.0 million)**

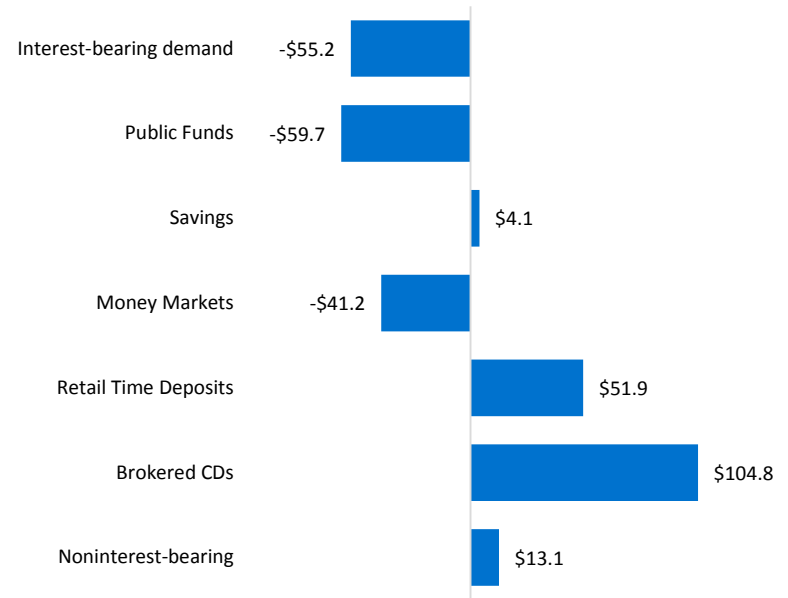
<sup>1</sup> Decline primarily related to commercial real estate loans.

# Deposits

## Deposit Product Mix (Avg)



## 1Q19 Average Deposit Progression

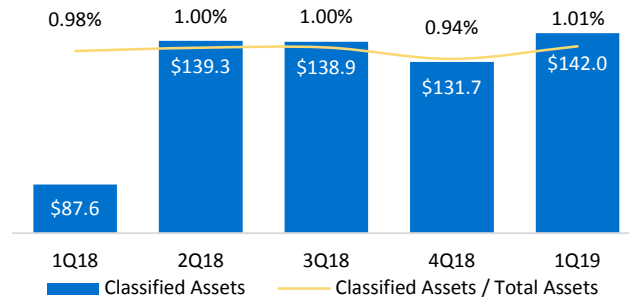


**Total growth/(decline):  
\$17.8 million**

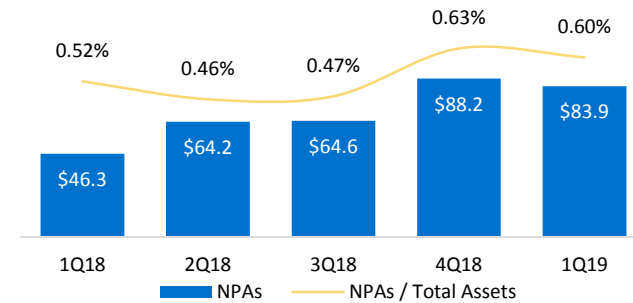
All dollars shown in millions.

# Asset Quality

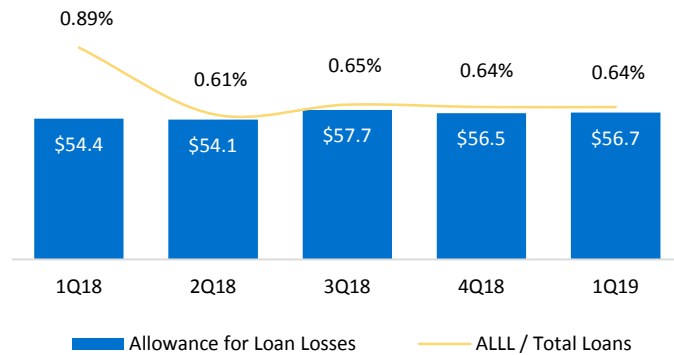
## Classified Assets / Total Assets



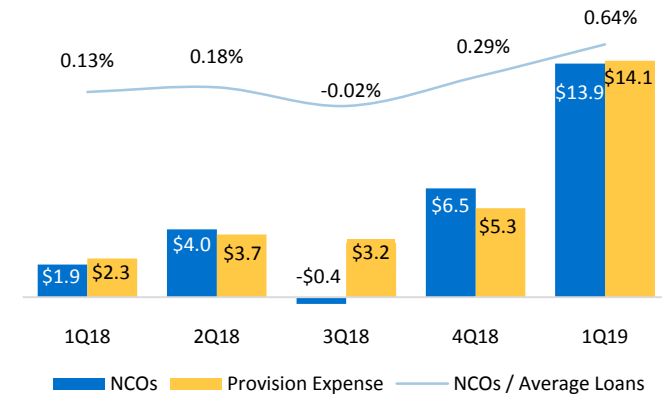
## Nonperforming Assets / Total Assets



## Allowance / Total Loans

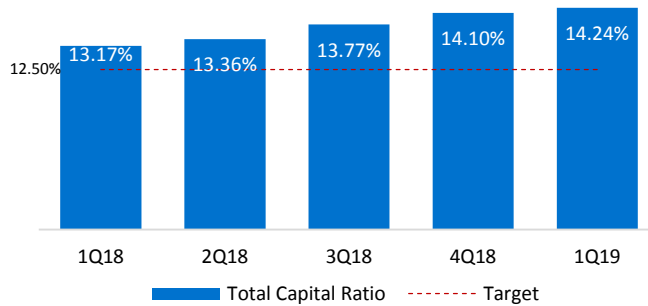


## Net Charge Offs & Provision Expense

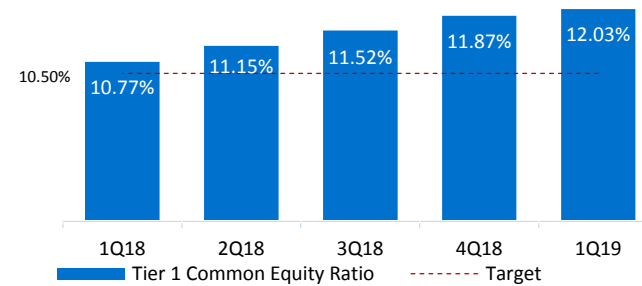


# Capital

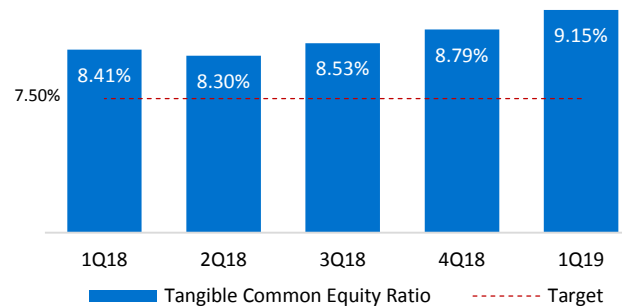
## Total Capital Ratio



## Tier 1 Common Equity Ratio



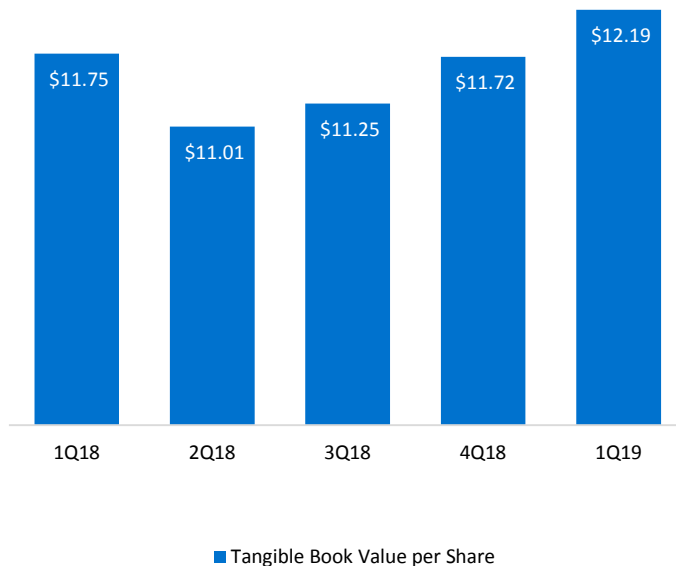
## Tangible Common Equity Ratio



All capital numbers are considered preliminary.

# Capital Strategy & Deployment

## Tangible Book Value Per Share



## Strategy & Deployment

- Announced in 1Q19 share repurchase plan of up to 5 million shares, or approximately 5.0% of the Company's issued and outstanding shares
- No shares repurchased during the first quarter
- Targeted dividend payout ratio remains 35-40%

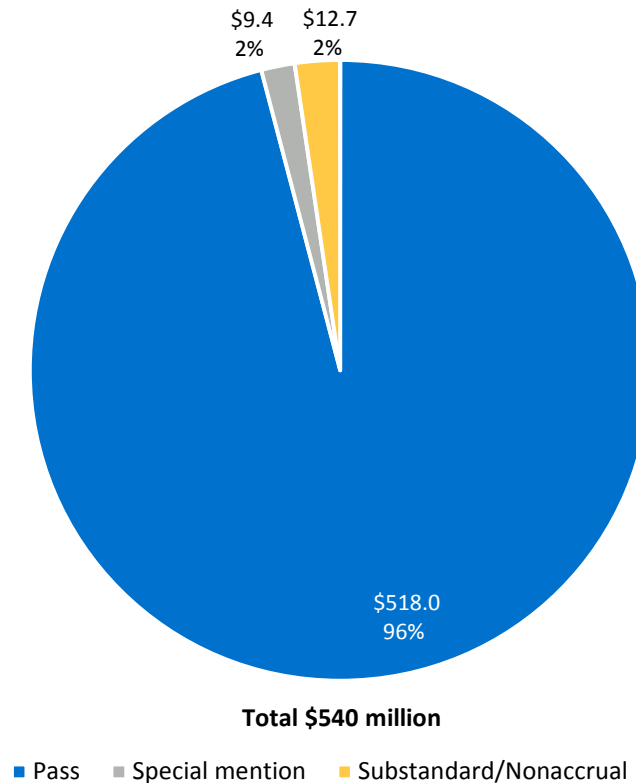


# Franchise Lending

## Portfolio Overview

- Well-regarded national brand concepts
  - Top 15 concepts comprise 80% of portfolio outstandings
  - Financing for acquisition, development of new stores, and remodeling of existing stores
- Disciplined portfolio management
  - Annual concept reviews
  - Annual reviews of borrower relationships
  - Ongoing monitoring of borrower financial performance
- Granular portfolio
  - Average relationship: \$3.4 million
  - Top 10 relationships comprise 30% of the portfolio
  - Largest relationship exposure is \$17.5 million

## Quality Portfolio



All dollars shown in millions.

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# Post-merger Success and Growth Strategies

## Post-merger Metrics<sup>1</sup>

- 1.58% return on assets
- 19.85% return on tangible common equity
- 50.91% efficiency ratio
- \$1.1 billion tangible common equity; 9.15% of tangible assets
- \$140 million total capital above internal targets and \$394 million above regulatory minimum for well capitalized
- Tangible book value increased to \$12.19 from \$11.75 pre-merger
- Dividend yield approximately 3.7% as of March 31, 2019

## Growth Plans

- Continued focus on increasing loan originations and total revenue within existing markets
- Targeted lending staff additions in new and emerging markets
- Strategic acquisitions
  - Target fee-based businesses (i.e. wealth management, capital markets, etc.)
  - Whole bank or branch deals within or adjacent to our existing geographic footprint

# 2Q19 Outlook<sup>1</sup>



Balance Sheet	<ul style="list-style-type: none"><li>▪ Annualized loan growth expected to be in the low to mid single digits on a percentage basis</li></ul>
Net Interest Margin	<ul style="list-style-type: none"><li>▪ NIM (FTE) 3.81 - 3.86%, excluding purchase accounting impact<ul style="list-style-type: none"><li>▪ Compares to 3.87% in 1Q19</li></ul></li></ul>
Credit	<ul style="list-style-type: none"><li>▪ Stable credit outlook</li></ul>
Noninterest income <sup>2</sup>	<ul style="list-style-type: none"><li>▪ Seasonal increase to \$29 - \$31 million</li></ul>
Noninterest Expense <sup>2</sup>	<ul style="list-style-type: none"><li>▪ Slight increase to \$77 - \$79 million</li><li>▪ Efficiency ratio of 50 – 52%</li></ul>
Capital	<ul style="list-style-type: none"><li>▪ All capital ratios expected to exceed current internal targets</li></ul>
Taxes	<ul style="list-style-type: none"><li>▪ Effective tax rate of approximately 19.5%</li></ul>

<sup>1</sup> See Forward Looking Statement Disclosure on page 2 of this presentation for a discussion of factors that could affect management's expectations and results in future periods.

<sup>2</sup> Management's estimated outlook excludes merger-related activities.

# Appendix: Non-GAAP Measures

The Company's earnings release and accompanying presentation contain certain financial information determined by methods other than in accordance with accounting principles generally accepted in the United States (GAAP). Such non-GAAP financial information should be considered supplemental to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. However, we believe that non-GAAP reporting provides meaningful information and therefore we use it to supplement our GAAP information. We have chosen to provide this supplemental information to investors, analysts and other interested parties to enable them to perform additional analyses of operating results, to illustrate the results of operations giving effect to the non-GAAP adjustments and to provide an additional measure of performance. We believe this information is helpful in understanding the results of operations separate and apart from items that may, or could, have a disproportional positive or negative impact in any given period. For a reconciliation of the differences between the non-GAAP financial measures and the most comparable GAAP measures, please refer to the following reconciliation tables.

# Appendix: Non-GAAP to GAAP Reconciliation

## Net interest income and net interest margin - fully tax equivalent

	Three months ended				
	Mar. 31, 2019	Dec. 31, 2018	Sep. 30, 2018	June 30, 2018	Mar. 31, 2018
Net interest income	\$ 121,515	\$ 125,959	\$ 123,485	\$ 123,979	\$ 75,812
Tax equivalent adjustment	<u>1,523</u>	<u>1,442</u>	<u>1,567</u>	<u>1,420</u>	<u>718</u>
Net interest income - tax equivalent	<u>\$ 123,038</u>	<u>\$ 127,401</u>	<u>\$ 125,052</u>	<u>\$ 125,399</u>	<u>\$ 76,530</u>
Average earning assets	\$ 12,163,751	\$ 12,003,073	\$ 12,056,627	\$ 12,120,000	\$ 8,087,848
Net interest margin*	4.05 %	4.16 %	4.06 %	4.10 %	3.80 %
Net interest margin (fully tax equivalent)*	4.10 %	4.21 %	4.12 %	4.15 %	3.84 %

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

The tax equivalent adjustment to net interest income recognizes the income tax savings when comparing taxable and tax-exempt assets and assumes a 21% 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

## Additional non-GAAP ratios

(Dollars in thousands, except per share data)	Three months ended				
	Mar. 31, 2019	Dec. 31, 2018	Sep. 30, 2018	June 30, 2018	Mar. 31, 2018
Net income (a)	\$ 45,839	\$ 55,014	\$ 50,657	\$ 36,418	\$ 30,506
Average total shareholders' equity	2,094,234	2,042,884	2,021,400	2,000,093	929,474
Less:					
Goodwill	(878,541)	(878,669)	(882,917)	(883,179)	(204,083)
Other intangibles	(39,900)	(42,305)	(43,830)	(44,383)	(3,674)
MSR's	(9,896)	(9,986)	(9,183)	(9,895)	(1,487)
Average tangible equity (b)	<u>1,165,897</u>	<u>1,111,924</u>	<u>1,085,470</u>	<u>1,062,636</u>	<u>720,230</u>
Total shareholders' equity	2,130,419	2,078,249	2,035,520	2,012,937	939,985
Less:					
Goodwill	(879,727)	(880,251)	(881,033)	(883,025)	(204,083)
Other intangibles	(38,571)	(40,805)	(43,356)	(42,891)	(3,506)
MSR's	(9,891)	(9,974)	(9,971)	(8,740)	(1,464)
Ending tangible equity (c)	<u>1,202,230</u>	<u>1,147,219</u>	<u>1,101,160</u>	<u>1,078,281</u>	<u>730,932</u>
Total assets	14,074,263	13,986,660	13,842,667	13,920,167	8,898,429
Less:					
Goodwill	(879,727)	(880,251)	(881,033)	(883,025)	(204,083)
Other intangibles	(38,571)	(40,805)	(43,356)	(42,891)	(3,506)
MSR's	(9,891)	(9,974)	(9,971)	(8,740)	(1,464)
Ending tangible assets (d)	<u>13,146,074</u>	<u>13,055,630</u>	<u>12,908,307</u>	<u>12,985,511</u>	<u>8,689,376</u>
Risk-weighted assets (e)	10,358,805	10,241,159	10,222,466	10,251,147	7,240,731
Total average assets	13,952,551	13,768,958	13,822,675	13,956,360	8,830,176
Less:					
Goodwill	(878,541)	(878,669)	(882,917)	(883,179)	(204,083)
Other intangibles	(39,900)	(42,305)	(43,830)	(44,383)	(3,674)
MSR's	(9,896)	(9,986)	(9,183)	(9,895)	(1,487)
Average tangible assets (f)	<u>\$ 13,024,214</u>	<u>\$ 12,837,998</u>	<u>\$ 12,886,745</u>	<u>\$ 13,018,903</u>	<u>\$ 8,620,932</u>
Ending shares outstanding (g)	98,613,872	97,894,286	97,914,526	97,904,897	62,213,823
<b>Ratios</b>					
Return on average tangible shareholders' equity (a)/(b)	15.95%	19.63%	18.52%	13.75%	17.18%
Ending tangible equity as a percent of:					
Ending tangible assets (c)/(d)	9.15%	8.79%	8.53%	8.30%	8.41%
Risk-weighted assets (c)/(e)	11.61%	11.20%	10.77%	10.52%	10.09%
Average tangible equity as a percent of average tangible assets (b)/(f)	8.95%	8.66%	8.42%	8.16%	8.35%
Tangible book value per share (c)/(g)	\$ 12.19	\$ 11.72	\$ 11.25	\$ 11.01	\$ 11.75

All dollars shown in thousands.

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# Appendix: Non-GAAP to GAAP Reconciliation

## Additional non-GAAP measures

(Dollars in thousands, except per share data)	1Q19		4Q18		3Q18		2Q18		1Q18	
	As Reported	Adjusted	As Reported	Adjusted	As Reported	Adjusted	As Reported	Adjusted	As Reported	Adjusted
Net interest income (f)	\$ 121,515	\$ 121,515	\$ 125,959	\$ 125,959	\$ 123,485	\$ 123,485	\$ 123,979	\$ 123,979	\$ 75,812	\$ 75,812
Provision for loan and lease losses	14,083	14,083	5,310	5,310	3,238	3,238	3,735	3,735	2,303	2,303
plus: provision expense adjustment										
Noninterest income	26,827	26,827	29,504	29,504	28,684	28,684	28,256	28,256	16,938	16,938
less: gains from the redemption of off balance sheet securitizations				(1,645)						
plus: Bankcard interchange						340		341		
plus: losses on sale of investment securities		34		60		279		30		
Total noninterest income (g)	26,827	26,861	29,504	27,919	28,684	29,303	28,256	28,627	16,938	16,938
Noninterest expense	78,499	78,499	83,352	83,352	85,415	85,415	102,755	102,755	52,288	52,288
less: severance expense		83		4,221		2,200		4,546		1,985
less: merger-related expenses		1,651		3,264		5,205		19,397		527
less: indemnification asset impairment <sup>1</sup>										(113)
less: other		78								
Total noninterest expense (e)	78,499	76,687	83,352	75,867	85,415	78,010	102,755	78,812	52,288	49,889
Income before income taxes (i)	55,760	57,606	66,801	72,701	63,516	71,540	45,745	70,059	38,159	40,558
Income tax expense	9,921	9,921	11,787	11,787	12,859	12,859	9,327	9,327	7,653	7,653
plus: tax effect of adjustments		388		1,239		1,685		5,106		504
plus: tax reform impact on DTLs & tax partnerships										
plus: after-tax impact of historic tax credit write-down @ 35%										
Total income tax expense (h)	9,921	10,309	11,787	13,026	12,859	14,544	9,327	14,433	7,653	8,157
Net income (a)	\$ 45,839	\$ 47,297	\$ 55,014	\$ 59,675	\$ 50,657	\$ 56,996	\$ 36,418	\$ 55,626	\$ 30,506	\$ 32,401
Average diluted shares (b)	98,436	98,436	98,468	98,468	98,484	98,484	98,432	98,432	62,181	62,181
Average assets (c)	13,952,551	13,952,551	13,768,958	13,768,958	13,822,675	13,822,675	13,956,360	13,956,360	8,830,176	8,830,176
Average shareholders' equity	2,094,234	2,094,234	2,042,884	2,042,884	2,021,400	2,021,400	2,000,093	2,000,093	929,474	929,474
Less:										
Goodwill and other intangibles	(928,337)	(928,337)	(930,960)	(930,960)	(935,930)	(935,930)	(937,457)	(937,457)	(209,244)	(209,244)
Average tangible equity (d)	1,165,897	1,165,897	1,111,924	1,111,924	1,085,470	1,085,470	1,062,636	1,062,636	720,230	720,230
<sup>1</sup> - Impairment charge related to preliminary agreement to terminate FDIC loss sharing agreements.										
Ratios										
Net earnings per share - diluted (a)/(b)	\$ 0.47	\$ 0.48	\$ 0.56	\$ 0.61	\$ 0.51	\$ 0.58	\$ 0.37	\$ 0.57	\$ 0.49	\$ 0.52
Return on average assets - (a)/(c)	1.33%	1.38%	1.59%	1.72%	1.45%	1.64%	1.05%	1.60%	1.40%	1.49%
Return on average tangible shareholders' equity - (a)/(d)	15.95%	16.45%	19.63%	21.29%	18.52%	20.83%	13.75%	21.00%	17.18%	18.24%
Efficiency ratio - (e)/((f)+(g))	52.9%	51.7%	53.6%	49.3%	56.1%	51.1%	67.5%	51.6%	56.4%	53.8%
Effective tax rate - (h)/(i)	17.8%	17.9%	17.6%	17.9%	20.2%	20.3%	20.4%	20.6%	20.1%	20.1%

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First Financial Bank  
First Financial Center  
255 East Fifth Street  
Suite 800  
Cincinnati, OH 45202-4248