

# **fIRST**

**first financial bancorp**

## **Investor Presentation**

**Third Quarter 2011**

# Forward Looking Statement Disclosure

Certain statements contained in this presentation which are not statements of historical fact constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act (the "Act"). In addition, certain statements in future filings by First Financial with the SEC, in press releases, and in oral and written statements made by or with the approval of First Financial which are not statements of historical fact constitute forward-looking statements within the meaning of the 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. Factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to:

- management's ability to effectively execute its business plan;
- the risk that the strength of the United States economy in general and the strength of the local economies in which we conduct operations may continue to deteriorate resulting in, among other things, a further deterioration in credit quality or a reduced demand for credit, including the resultant effect on our loan portfolio, allowance for loan and lease losses and overall financial performance;
- the effects of the potential delay or failure of the U.S. federal government to pay its debts as they become due or make payments in the ordinary course;
- the ability of financial institutions to access sources of liquidity at a reasonable cost;
- the impact of recent upheaval in the financial markets and the effectiveness of domestic and international governmental actions taken in response, such as the U.S. Treasury's TARP and the FDIC's Temporary Liquidity Guarantee Program, and the effect of such governmental actions on us, our competitors and counterparties, financial markets generally and availability of credit specifically, and the U.S. and international economies, including potentially higher FDIC premiums arising from increased payments from FDIC insurance funds as a result of depository institution failures;
- 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);
- inflation and possible changes in interest rates;
- our ability to keep up with technological changes;
- our ability to comply with the terms of loss sharing agreements with the FDIC;
- mergers and acquisitions, including costs or difficulties related to the integration of acquired companies and the wind-down of non-strategic operations that may be greater than expected, such as the previous activities of Irwin Union Bank & Trust Company and its former affiliates, including the risks and uncertainties associated with the Irwin Mortgage Corporation bankruptcy proceedings;
- the risk that exploring merger and acquisition opportunities may detract from management's time and ability to successfully manage our company;
- expected cost savings in connection with the consolidation of recent acquisitions may not be fully realized or realized within the expected time frames, and deposit attrition, customer loss and revenue loss following completed acquisitions may be greater than expected;
- our ability to increase market share and control expenses;
- the effect of changes in accounting policies and practices, as may be adopted by the regulatory agencies as well as the Financial Accounting Standards Board and the SEC;
- adverse changes in the securities and debt markets;
- our success in recruiting and retaining the necessary personnel to support business growth and expansion and maintain sufficient expertise to support increasingly complex products and services;
- monetary and fiscal policies of the Board of Governors of the Federal Reserve System (Federal Reserve) and the U.S. government and other governmental initiatives affecting the financial services industry;
- our ability to manage loan delinquency and charge-off rates and changes in estimation of the adequacy of the allowance for loan losses; and
- the costs and effects of litigation and of unexpected or adverse outcomes in such litigation.

In addition, please refer to our Annual Report on Form 10-K for the year ended December 31, 2010, as well as our other filings with the SEC, for a more detailed discussion of these risks and uncertainties and other factors. Such forward-looking statements are meaningful only on the date when such statements are made, and First Financial 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.

- Client intimate strategy focused on long-term, profitable relationships with clients
- Strong sales culture that is aggressive in attracting business with the appropriate risk and return
- Lines of business
  - Commercial
  - Retail
  - Wealth Management
  - Franchise Finance
- Target clients
  - Individuals and small / mid-size businesses located within the regional markets we serve
- Ohio, Indiana and Kentucky
  - 116 locations primarily focused on metro and near-metro markets
- Primary focus and value creation is through organic growth in key regional markets
- Key initiatives for additional revenue growth
  - Mortgage
  - Small business banking



**Top SBA Lenders - SBA Fiscal Year 2011**  
Southwest Ohio<sup>1</sup>

2011 Rank	Name	Number of Loans	Annual Increase (%)	Total Loans (\$MM)	Annual Increase (%)
1	Huntington Bank	168	124.0	\$ 19.4	65.0
2	<b>First Financial Bank</b>	<b>68</b>	<b>106.1</b>	<b>26.0</b>	<b>278.9</b>
3	US Bank	40	(20.0)	6.0	34.4
4	Chase	19	35.7	4.2	182.6
5	RiverHills Bank	18	(41.9)	4.1	(19.1)
6	Fifth Third Bank	14	(26.3)	5.8	26.0
7	Key Bank	14	75.0	3.9	153.9
7	PNC Bank	12	100.0	1.2	(28.2)
8	Stock Yards Bank & Trust	11	37.5	2.0	33.8

Source: Small Business Administration; Business Courier  
<sup>1</sup> Counties of Butler, Clermont, Hamilton and Warren

- **Consistent and solid profitability**
  - LTM ROAA of 1.01% compared to peer median of 0.83%
  - LTM ROAE of 8.93% compared to peer median of 7.44%
  - LTM net interest margin of 4.63% compared to peer median of 3.79%
  
- **Capital levels extremely robust and have capacity to support significant asset growth**
  - Tangible common equity of 10.38% compared to peer median of 8.39%
  - Total capital ratio of 20.08% compared to peer median of 15.65%
  - Estimated asset growth capacity of approximately \$2 billion
  
- **Dividend payout ratio of 100% and yield of 6.6%**
  - Peer median LTM dividend payout ratio of 39%
  - Peer median dividend yield 2.3%
  
- **Low risk balance sheet**
  - Risk weighted assets / total assets of 56% compared to peer median of 66%
  - Return on risk weighted assets of 1.76% compared to peer median of 1.19%

Peer Group comprised of the component banks within the KBW Regional Bank Index (49 total companies excluding First Financial); peer median data as of September 30, 2011 except for risk weighted asset data which is as of June 30, 2011. Dividend valuation data as of November 4, 2011.

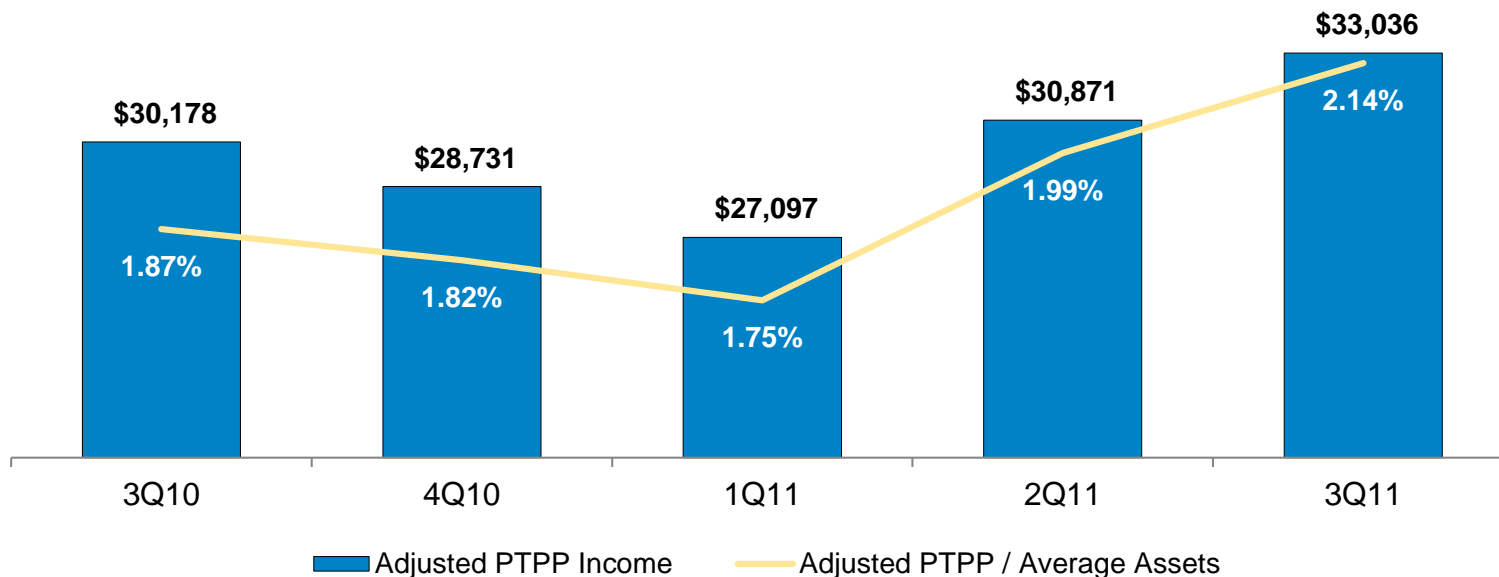
Source: Peer Group median data obtained from SNL Financial

- Quarterly net income of \$15.6 million, or \$0.27 per diluted common share
- Excluding pre-tax expenses not expected to recur of \$3.4 million, net income totaled \$17.7 million, or \$0.31 per diluted common share
- Continued strong profitability
  - Return on average assets of 1.01%
  - Return on risk-weighted assets of 1.76%
  - Return on average shareholders' equity of 8.54%
- Net income available to common shareholders for the nine months ended September 30, 2011 increased 13.3% compared to the similar period one year ago
- Adjusted pre-tax, pre-provision income increased \$2.2 million, or 7.0%, compared to second quarter 2011
- Quarterly net interest margin remains strong at 4.55%
  - Driven by yield on covered loans and continued decline in cost of deposits
- Legacy and originated loan portfolio increased 3.2% annualized compared to linked quarter, excluding impact of loans acquired from Liberty Savings Bank
  - Driven by 8.8% annualized growth in commercial portfolio
- Nonperforming assets / total assets declined to 1.40% from 1.50% as of June 30, 2011

## Pre-Tax, Pre-Provision Income Trend

- Adjusted pre-tax, pre-provision income represents income before taxes plus provision for all loans less FDIC loss share income and accelerated discount adjusted for significant nonrecurring items
- Recent growth in adjusted PTPP driven significantly by lower noninterest expenses as a result of efficiency initiatives

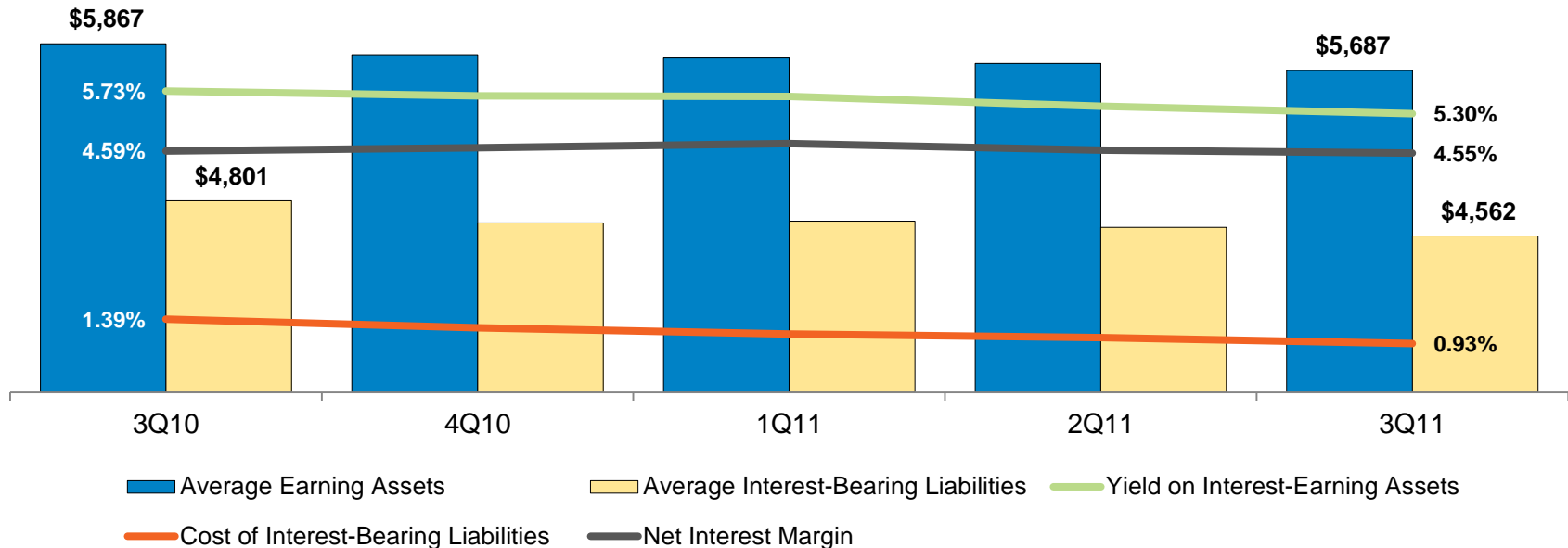
Dollars in thousands



## Components of Net Interest Margin

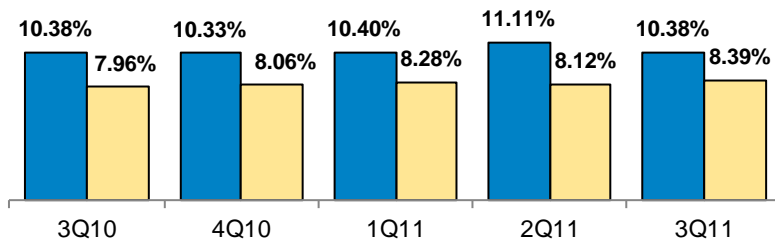
- Yield on covered loans was 11.38% during the third quarter, continuing to enhance net interest margin
- Available liquidity was used during the quarter to purchase limited amount of agency MBS and fund redemption of wholesale borrowings and maturing time deposits
- Net interest margin continues to be positively impacted by the improved deposit mix towards core transaction and savings accounts
- Deployment of elevated cash balances and implementation of strategic initiatives related to deposits provide ability to enhance net interest margin

Dollars in millions

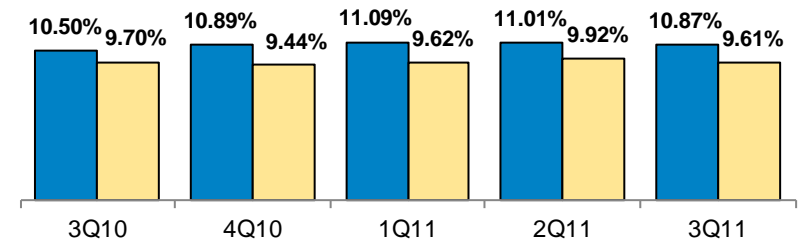


- Primary component of capital is common equity
- Capital ratios declined during the third quarter 2011 as a result of intangible assets recognized in connection with the Liberty transaction
- Capitalization levels still remain among industry leaders after closing of Liberty transaction and initiation of variable dividend

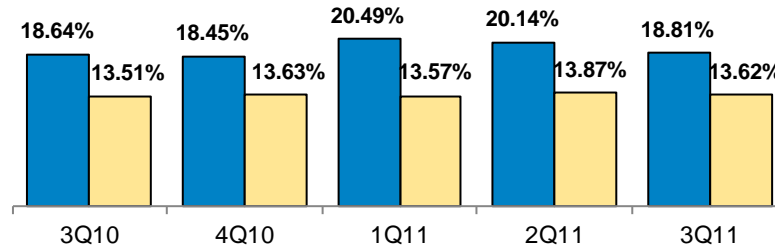
**Tangible Common Equity / Tangible Assets**



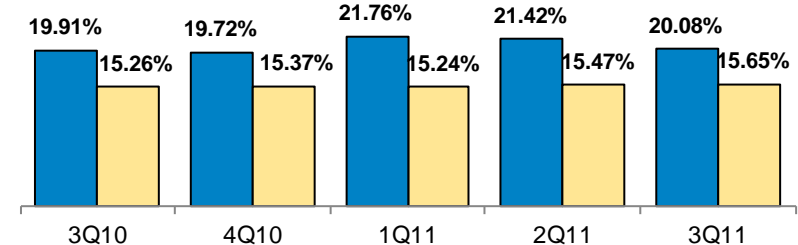
**Tier 1 Leverage Ratio**



**Tier 1 Capital Ratio**



**Total Capital Ratio**



■ First Financial    ■ Peer Group Median

Peer Group comprised of the component banks within the KBW Regional Bank Index (49 total companies excluding First Financial); based on most recent financial information as of November 4, 2011.

Source: Peer Group median data obtained from SNL Financial



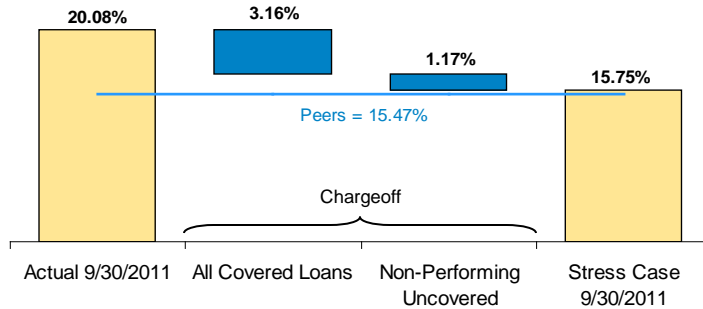
# Variable Dividend / 100% Payout Ratio

- 100% dividend payout ratio comprised of two components:
  - Regular dividend based on stated payout of between 40% - 60% of quarterly earnings; currently \$0.12 per share
  - Variable dividend based on the remainder of quarterly earnings; \$0.15 per share based on third quarter 2011 earnings
- Stated capital thresholds include a tangible equity ratio of 7%, tier 1 leverage ratio of 8% and total capital ratio of 13%; current capital levels are well in excess of these thresholds and can support significant growth
  - Strong earnings continue to generate capital to support further growth – we are returning this incremental growth capacity to shareholders with the variable dividend
- Variable dividend is intended to provide an enhanced return to our shareholders and avoid adding to our capital position until capital deployment opportunities arise, such as acquisitions or organic growth, that move the Company towards its capital thresholds.
- Board of directors will evaluate the variable dividend on a quarterly basis but expects to approve a 100% payout ratio for the foreseeable future

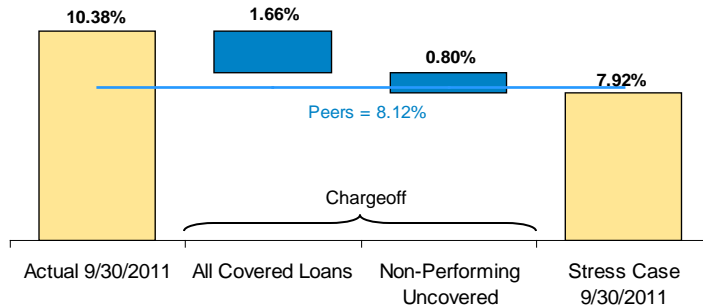
### Stress Case

- Illustrates the strength of our balance sheet assuming a full charge-off of all acquired loans under FDIC loss share agreements and a full charge-off of all uncovered non-performing loans.
- Nonperforming Assets = \$88 million
- Covered Loans = \$1.2 billion

#### Risk Based Capital Ratio



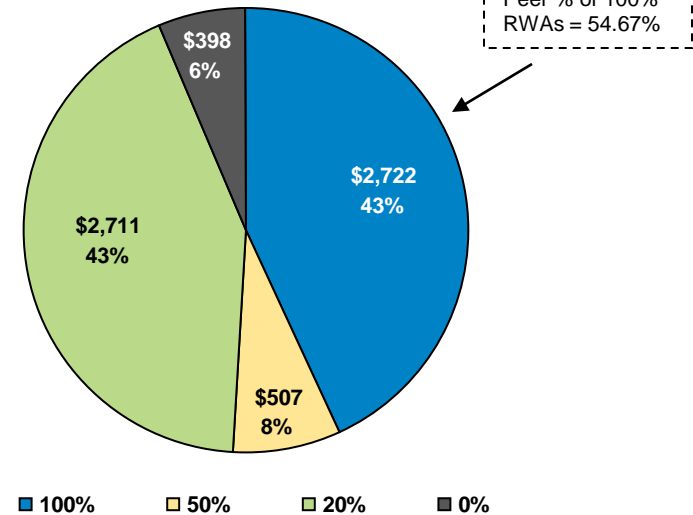
#### Tangible Common Equity to Tangible Assets



### Total Assets by Risk Weighting %

As of September 30, 2011

(Dollars in millions)

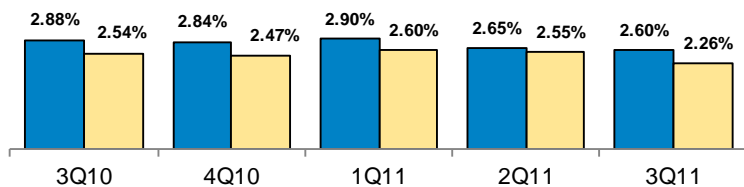


- Return on Risk Weighted Assets = 1.76% (Peer Median<sup>(1)</sup> = 1.19%)
- Risk Weighted Assets / Total Assets = 55.51% (Peer Median<sup>(1)</sup> = 65.84%)

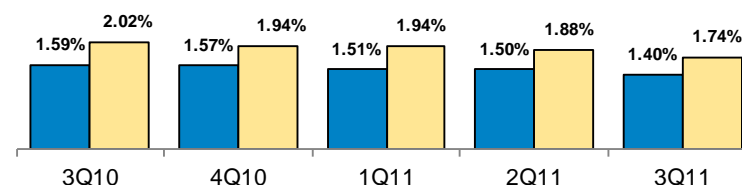
(1) Peer Group comprised of the component banks within the KBW Regional Bank Index (49 total companies excluding First Financial); based on peer median financial data as of June 30, 2011

- Total classified assets declined \$40.0 million, or 18.8%, compared to September 30, 2010
- Economic conditions in the Company's markets are still challenging; real estate loan collateral and OREO valuations will continue to impact restructurings and resolutions

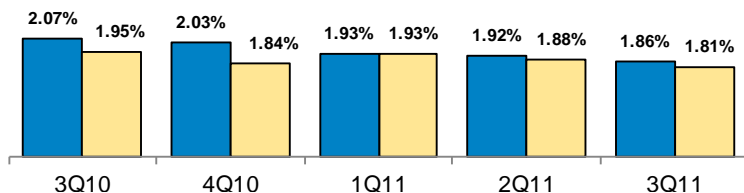
**NPLs / Total Loans**



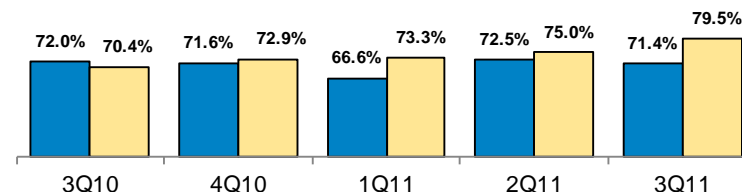
**NPAs / Total Assets**



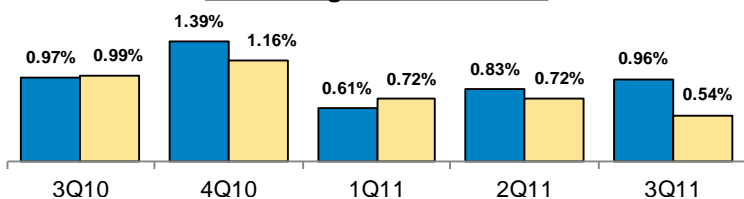
**Reserves / Total Loans**



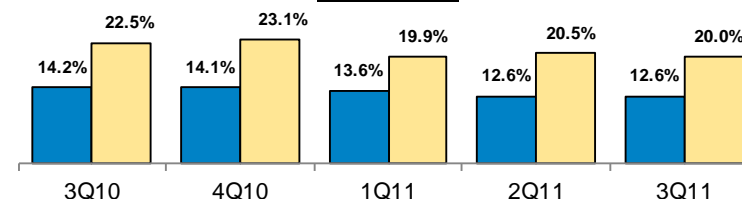
**Reserves / NPLs**



**NCOs / Avg. Loans & Leases**



**Texas Ratio**



■ First Financial ■ Peer Group Median

Peer Group comprised of the component banks within the KBW Regional Bank Index (49 total companies excluding First Financial); based on most recent financial information as of November 4, 2011.

Source: Peer Group median data obtained from SNL Financial

- Supplements organic growth strategy through expansion in strategic markets
- Transactions met all internal criteria for acquisitions
- Loss sharing arrangements provide significant protection on acquired loans
- Developed scalable covered asset and loss share management team comprised of credit, legal, accounting and finance

### Peoples (FDIC) July 31, 2009

- 19 banking centers
- \$521mm deposits
- \$331mm in loss share covered loans<sup>1</sup>
- No first loss position

### Irwin (FDIC) September 18, 2009

- 27 banking centers
- \$2.5B deposits
- \$1.8B in loss share covered loans<sup>1</sup>
- No first loss position

### Flagstar Banking Centers Ann. August 6, 2011

- 22 banking centers
- \$328mm retail deposits
- \$198mm government deposits

### Loan Portfolio June 30, 2009

- \$145 mm select performing commercial and consumer loans

### Banking Centers August 28, 2009

- 3 banking centers in Indiana
- \$85mm deposits
- \$41mm in select performing commercial and consumer loans

### Liberty Banking Centers September 23, 2011

- 16 banking centers
- \$342mm deposits
- \$127mm in select in-market performing loans

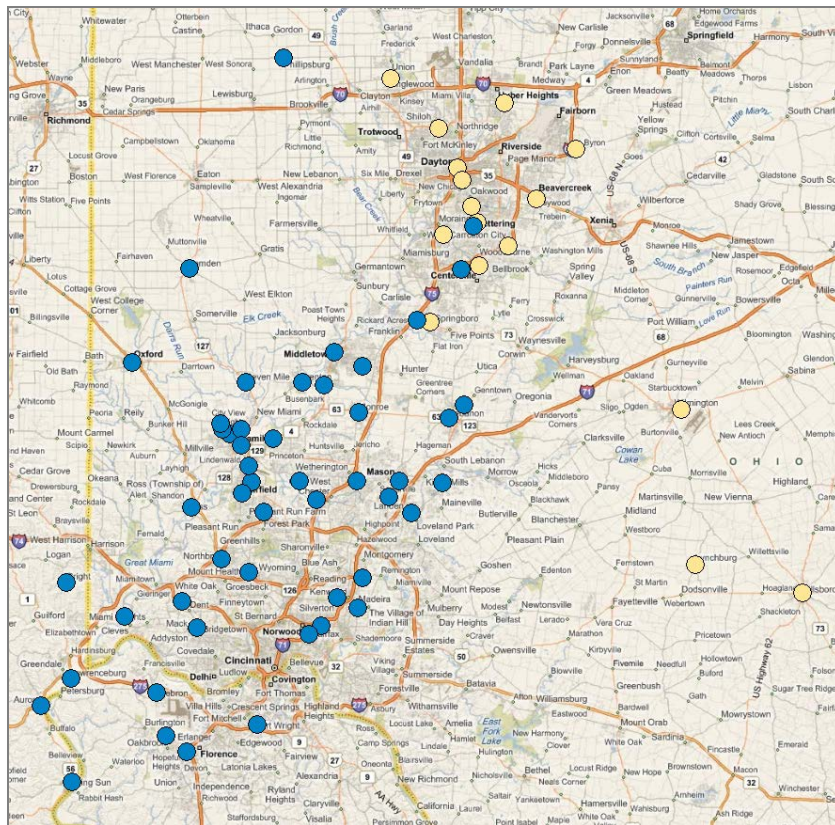
<sup>1</sup> Estimated fair market value of loans

**We will continue to evaluate opportunities but never lose sight of the core franchise**

***Core philosophy and strategy remain unchanged***

# Liberty Savings Bank Branch Acquisition Branch Map and Deposit Market Share

## Southwestern Ohio



● First Financial Bancorp.  
● Liberty Savings Bank FSB

## Pro Forma Deposit Market Share Dayton, OH MSA

FDIC Deposit Data as of June 30, 2011 - Holding Company Level

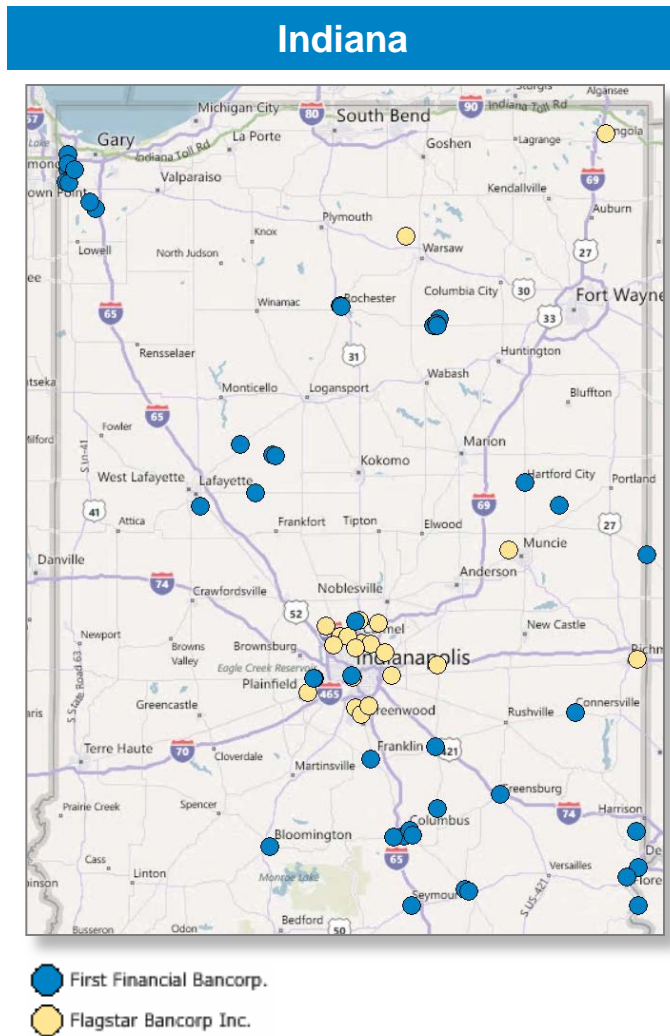
2011 Rank	Name	City, State	Number of Branches	Total Deposits (\$000s)	Market Share (%)
1	Fifth Third Bancorp	Cincinnati, OH	47	\$ 2,423,183	23.3
2	JPMorgan Chase & Co.	New York, NY	33	1,701,335	16.4
3	PNC Financial Services Grp Inc.	Pittsburgh, PA	32	1,549,300	14.9
4	KeyCorp	Cleveland, OH	20	1,054,931	10.1
5	U.S. Bancorp	Minneapolis, MN	30	756,701	7.3
6	Huntington Bancshares Inc.	Columbus, OH	12	584,777	5.6
7	<b>Pro Forma First Financial Bancorp</b>	<b>Cincinnati, OH</b>	<b>16</b>	<b>466,620</b>	<b>4.5</b>
7	U.S. Bancorp	Cincinnati, OH	5	423,480	4.1
8	<b>Liberty Capital Inc.</b>	<b>Wilmington, OH</b>	<b>12</b>	<b>295,022</b>	<b>2.8</b>
9	Park National Corp.	Newark, OH	9	291,026	2.8
10	First Financial Bancorp.	Cincinnati, OH	4	171,598	1.7
<b>Other institutions</b>			<b>52</b>	<b>992,322</b>	<b>9.5</b>
<b>Market total</b>			<b>261</b>	<b>\$10,405,113</b>	<b>100.0</b>

Source: SNL Financial LC

- Significantly enhances presence in key market of Dayton
- Deposit composition and cost of funds similar to existing First Financial deposit base
- Strong growth potential in all business lines under First Financial brand
- Positions First Financial as largest community bank operating in the Dayton MSA



# Flagstar Bank Branch Acquisition Branch Map and Deposit Market Share



### Pro Forma Deposit Market Share Indianapolis, IN MSA

FDIC Deposit Data as of June 30, 2011 - Holding Company Level

2011 Rank	Name	City, State	Number of Branches	Total Deposits (\$000s)	Market Share (%)
1	JPMorgan Chase & Co.	New York, NY	83	\$ 7,762,689	25.0
2	PNC Financial Services Grp Inc.	Pittsburgh, PA	71	6,899,386	22.2
3	Fifth Third Bancorp	Cincinnati, OH	47	2,817,795	9.1
4	BMO Financial Group	Toronto, ON	42	2,254,450	7.3
5	Huntington Bancshares Inc.	Columbus, OH	45	2,061,363	6.6
6	Natl Bank of Indianapolis Corp.	Indianapolis, IN	12	1,210,994	3.9
7	Regions Financial Corp.	Birmingham, AL	29	1,207,981	3.9
8	KeyCorp	Cleveland, OH	34	1,207,717	3.9
9	Old National Bancorp	Evansville, IN	51	762,100	2.5
10	First Merchants Corp.	Muncie, IN	17	596,578	1.9
11	<b>Pro Forma First Financial Bancorp</b>	<b>Cincinnati, OH</b>	<b>23</b>	<b>519,359</b>	<b>1.7</b>
15	<b>First Financial Bancorp.</b>	<b>Cincinnati, OH</b>	<b>5</b>	<b>260,220</b>	<b>0.8</b>
16	<b>Flagstar Bancorp Inc.</b>	<b>Troy, MI</b>	<b>18</b>	<b>259,139</b>	<b>0.8</b>
<b>Other institutions</b>			<b>138</b>	<b>3,801,648</b>	<b>12.2</b>
<b>Market total</b>			<b>592</b>	<b>\$31,102,060</b>	<b>100.0</b>

Source: SNL Financial LC

Note: Flagstar Indiana deposits do not include deposits held by Indiana-based public entities

- Significantly enhances presence in key market of Indianapolis
- Demographically desirable branch locations
- Strong growth potential in all business lines under First Financial brand
- High scarcity value – few acquisitions targets available in market with similar scale and footprint

1. Strong operating fundamentals – 84 consecutive quarters of profitability
2. Strong capital levels
3. Dividend yield of 6.6%
4. Low risk balance sheet
5. Credit metrics have remained strong throughout the economic downturn
6. Solid market share in strategic operating markets

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# Appendix



## Pre-Tax, Pre-Provision Income

	For the three months ended				
	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010
Pre-tax, pre-provision income <sup>1</sup>	\$ 31,814	\$ 32,845	\$ 29,768	\$ 34,844	\$ 33,631
Accelerated discount on acquired loans related to:					
Loan sales	198	39	3,085	-	362
Prepayments	5,009	4,717	2,698	6,113	9,086
Total accelerated discount	5,207	4,756	5,783	6,113	9,448
Plus: loss on covered OREO <sup>2</sup>	3,755	2,621	3,112	-	-
Less: gain on sales of non-mortgage loans <sup>3</sup>	700	429	-	-	2,034
Plus: acceleration of deferred swap fees associated with trust preferred redemption	-	590	-	-	-
Plus: FHLB prepayment penalty	-	-	-	-	8,029
Plus: One-time expenses related to the Liberty Savings Bank branch acquisition	1,791	-	-	-	-
Plus: One-time other exit and retention costs costs	1,583	-	-	-	-
Pre-tax, pre-provision income, net of accelerated discount, loss on covered OREO and other significant nonrecurring items	\$ 33,036	\$ 30,871	\$ 27,097	\$ 28,731	\$ 30,178

<sup>1</sup> Represents income before taxes plus provision for all loans less FDIC loss sharing income

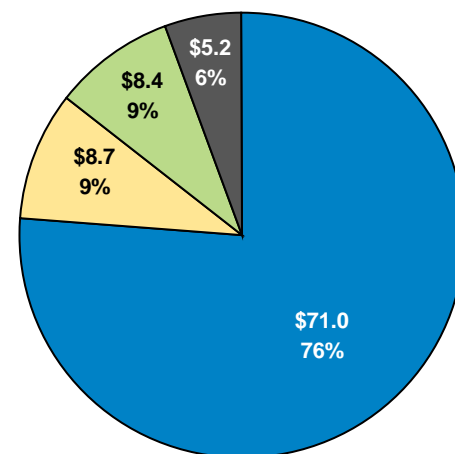
<sup>2</sup> Reimbursements related to losses on covered OREO and other credit-related costs are included in FDIC loss sharing income, which is excluded from the pre-tax, pre-provision income above

<sup>3</sup> Represents gain on sale of loans originated by franchise finance business

- Strategic** – Elements of the business that either existed prior to the acquisitions or were acquired with the intent to retain and grow. On a reported basis, approximately 76% of total revenue is derived from strategic businesses. Not including the FDIC loss sharing income, strategic operations represents 84% of total revenue.
- Acquired-Non-Strategic** – Elements of the business that the Company intends to exit but will continue to support to obtain maximum economic value. No growth or replacement is expected. Revenue will decrease over time as loans and deposits will not be renewed when they mature.
- FDIC Loss Sharing Income** – In accordance with guidance provided by the SEC, amounts recoverable from the FDIC related to credit losses on covered loans under loss sharing agreements are required to be recorded as noninterest income
- Accelerated Discount on Loan Prepayments and Dispositions** – The acceleration of the unrealized valuation discount. Noninterest income results from the prepayment or sale of covered loans. This item will be ongoing but diminishing as covered loan balances decline over time.

### Total Revenue: \$93.3 million

For the Three Months Ended September 30, 2011  
(Dollars in millions)



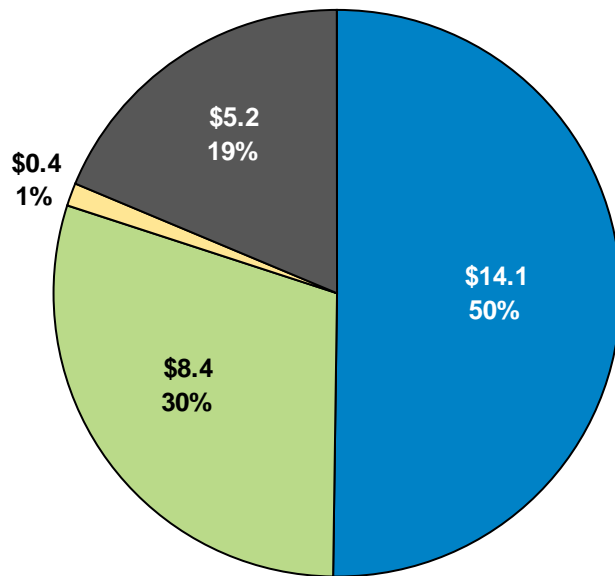
- Strategic
- Acquired-Non-Strategic
- FDIC Loss Sharing Income
- Accelerated Discount on Paid in Full Loans

## Noninterest Income and Expense

### Components of Noninterest Income

For the Three Months Ended September 30, 2011

(Dollars in millions)

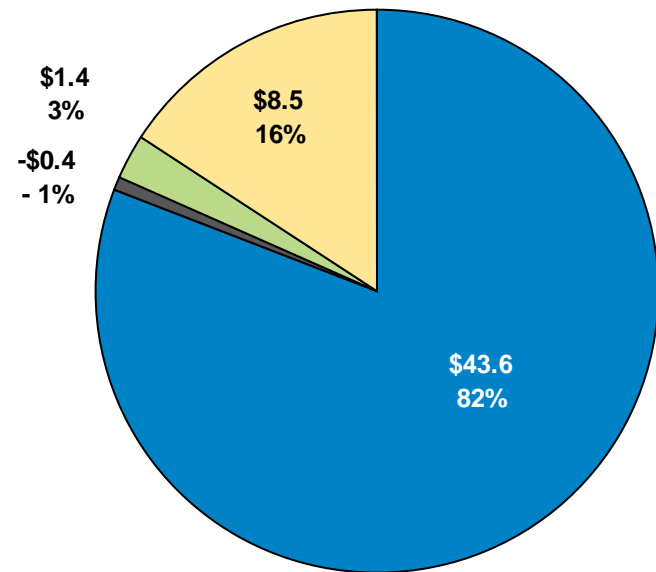


- Strategic
- FDIC Loss Sharing Income
- Other Non-strategic
- Accelerated Discount on Paid in Full Loans

### Components of Noninterest Expense

For the Three Months Ended September 30, 2011

(Dollars in millions)

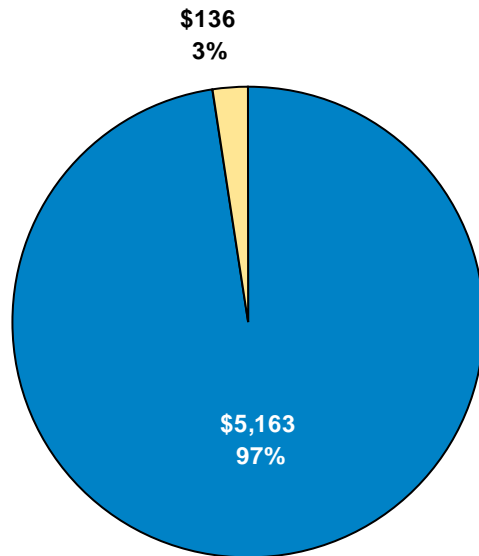


- Strategic
- Acquired-non-strategic
- FDIC Support
- Other Non-strategic

## Deposit and Loan Composition

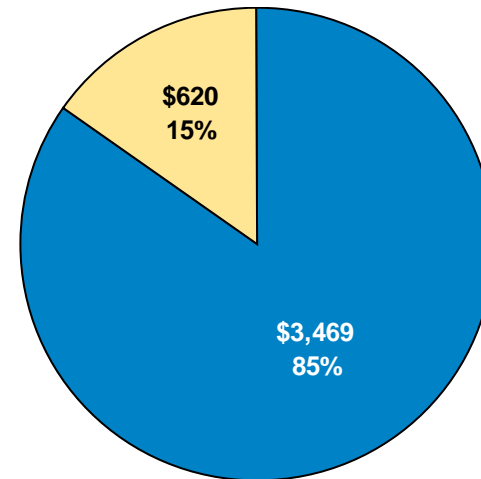
### Total Deposits = \$5.3 billion

As of September 30, 2011  
(Dollars in millions)



### Gross Loans = \$4.1 billion

As of September 30, 2011  
(Dollars in millions)



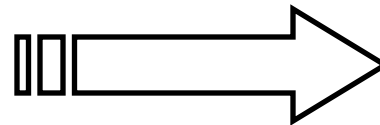
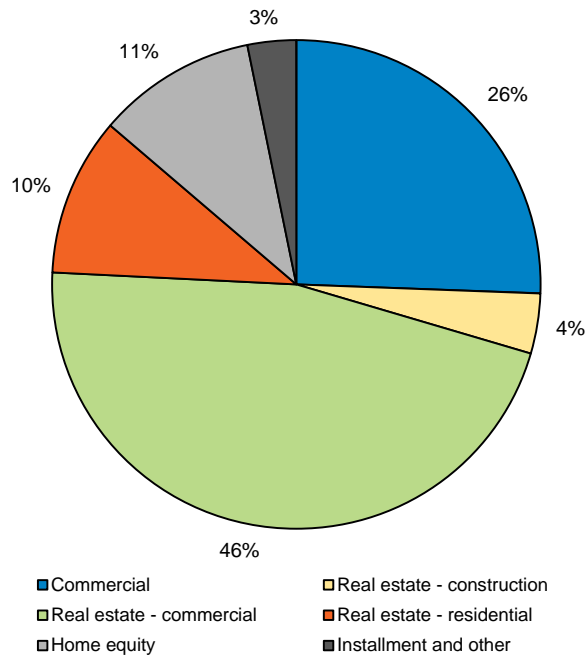
■ Strategic

■ Acquired-Non-Strategic

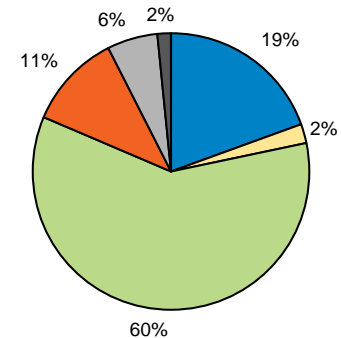
- Market exits are complete; acquired-non-strategic deposits consist primarily of time deposits in Western, Michigan and Louisville markets and brokered CDs.

- In-house lending limit of \$15 million – significantly below legal limit
- 28.2% of total loans covered under FDIC loss share agreements
- Originated portfolio increased \$148.5 million, or 21.1% annualized, compared to second quarter 2011; includes loans acquired as part of Liberty branch transaction

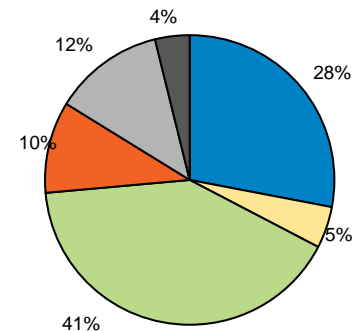
**Total Loan Portfolio – September 30, 2011**  
**\$4.1 billion**



**Covered Loans - \$1.2 billion**

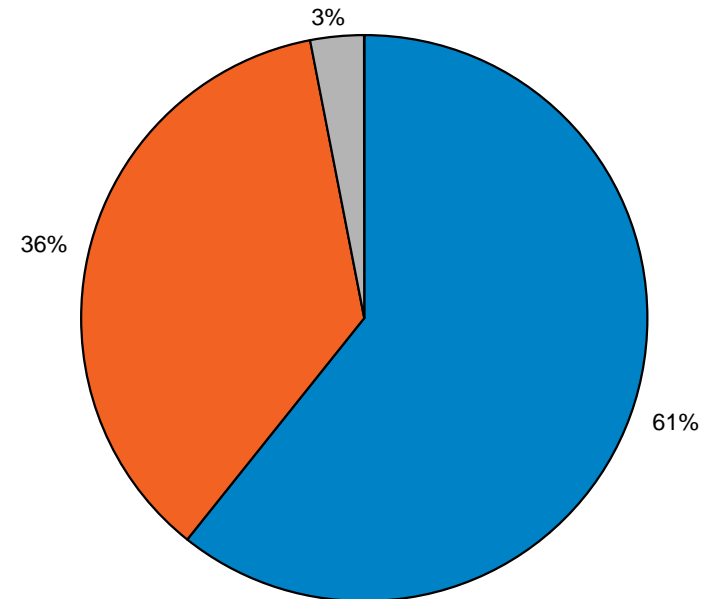
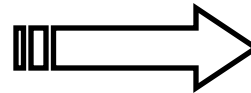
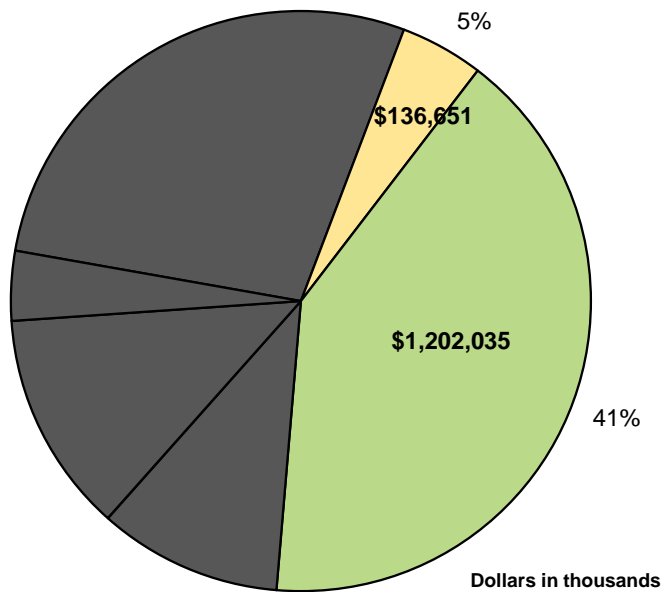


**Uncovered Loans - \$2.9 billion**



- Construction and acquisition and land development loans represent small portion of overall portfolio
- Commercial real estate and constructions loans located primarily in Ohio and Indiana markets

### Total Uncovered Loan Portfolio<sup>1</sup> – September 30, 2011 \$2.9 Billion



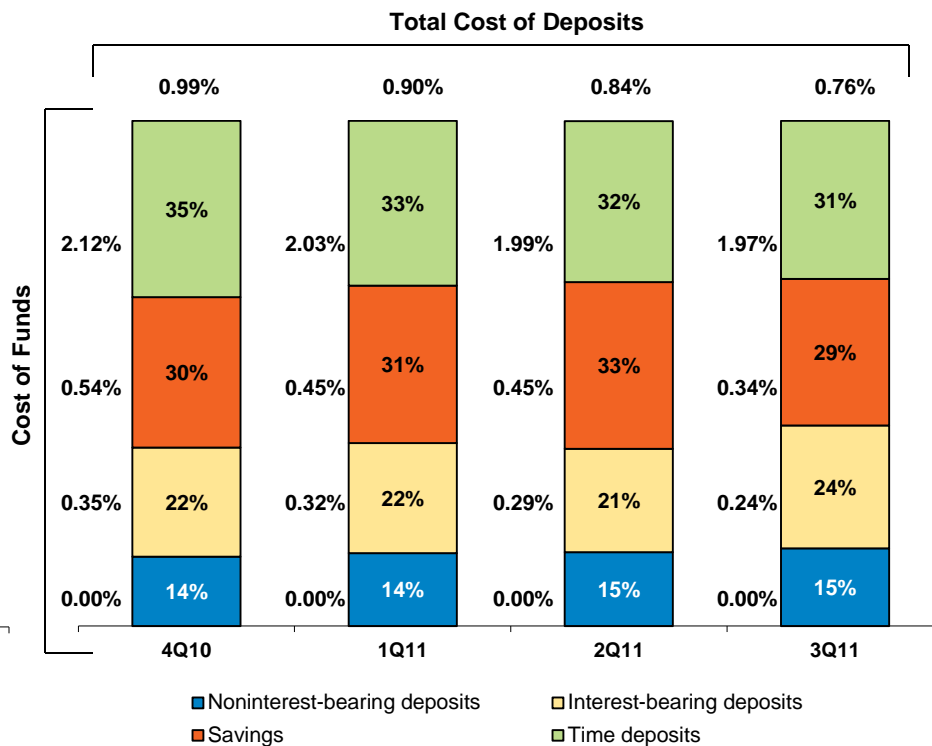
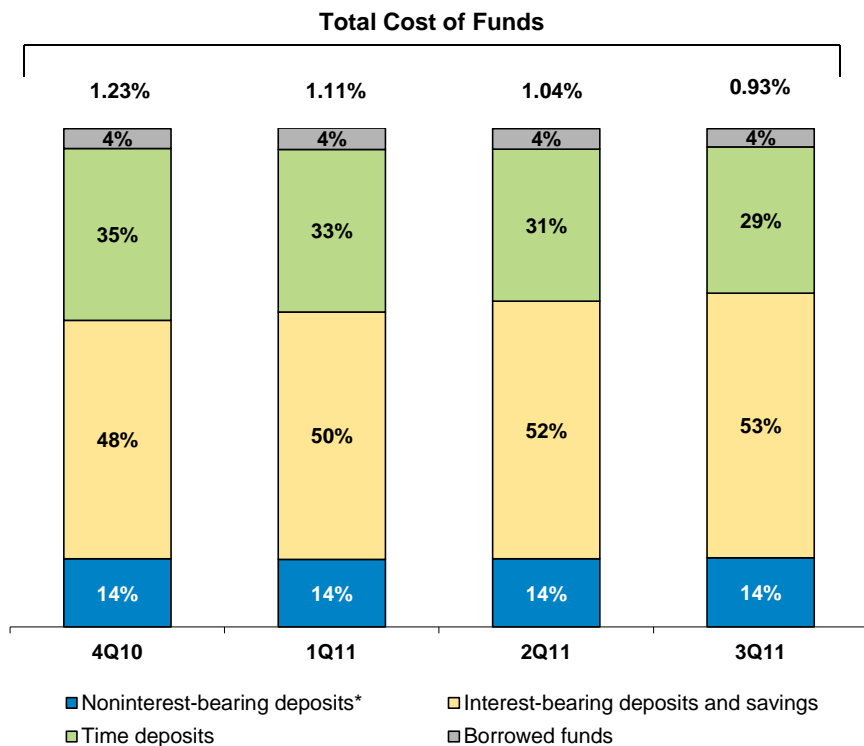
Real estate - construction    Real estate - commercial

Non-owner occupied    Owner occupied  
Acquisition & land development

<sup>1</sup> Excludes loans covered by FDIC loss sharing agreements

### Average Interest Bearing Liability Balances

### End of Period Deposit Composition



\* Not included in cost of funds calculation

	Deposit Activity - Third Quarter 2011			
	Balance as of June 30, 2011	Strategic Portfolio	Acquired- Non-Strategic Portfolio	Balance as of September 30, 2011
<i>(Dollars in thousands)</i>				
Transaction and savings accounts	\$ 3,392,807	\$ 255,114	\$ (6,852)	\$ 3,641,069
Time deposits	1,526,731	80,013	(2,522)	1,604,222
Brokered deposits	54,872	(578)	(485)	53,809
Total deposits	<u>\$ 4,974,410</u>	<u>\$ 334,549</u>	<u>\$ (9,859)</u>	<u>\$ 5,299,100</u>

- Quarterly growth in strategic transaction and savings accounts includes \$188.4 million of deposits assumed as part of Liberty transaction
- Average strategic transaction and savings accounts increased over \$67.9 million, or 8.0% annualized, compared to the second quarter 2011
- Active management of pricing and significantly improved deposit mix resulted in a 35 bp decrease in the cost of deposit funding over the past year
- Implemented a deposit rationalization strategy focused on improving core customer profitability and reducing higher-cost, non-core deposit balances



As of September 30, 2011						
(Dollars in thousands)	Book Value	Percent of Total	Book Yield	Cost Basis	Market Value	Gain/ (Loss)
Agencies	\$ 5,112	0.4%	5.49	100.00	101.69	\$ 85
CMOs (agency)	660,240	55.3%	1.94	101.23	102.90	10,706
CMOs (private)	34	0.0%	0.95	100.00	100.38	-
MBSs (agency)	433,005	36.3%	3.34	102.27	106.33	16,533
	1,098,391	92.0%	2.51	101.64	104.22	27,324
Municipal	14,266	1.2%	7.22	99.54	102.03	354
Other <sup>1</sup>	81,738	6.8%	3.44	102.85	102.96	82
	96,004	8.0%	4.00	102.36	102.81	436
<b>Total investment portfolio</b>	<b>\$ 1,194,395</b>	<b>100.0%</b>	<b>2.63</b>	<b>101.69</b>	<b>104.11</b>	<b>\$ 27,760</b>
						Net Unrealized Gain/(Loss) \$ 27,760
						Aggregate Gains 28,278
						Aggregate Losses (518)
						Net Unrealized Gain/(Loss) % of Book Value 2.32%

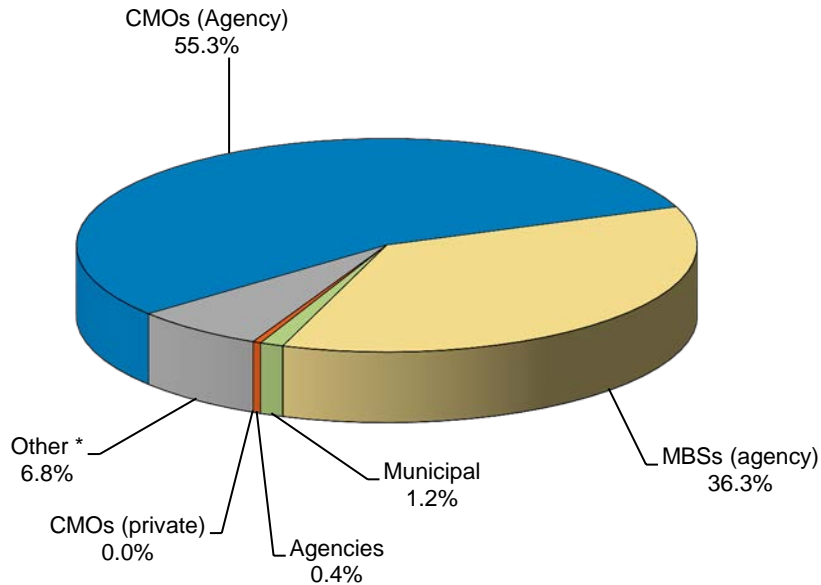
<sup>1</sup> Other includes \$71.5 million of regulatory stock

- Investment portfolio represents 18.8% of total assets
- Volatile market conditions limited new purchases to \$38.6 million of agency mortgage backed securities during the third quarter 2011
- Elevated cash balances, including cash received at closing of the Liberty transaction, will be deployed with the goal of increasing overall portfolio duration to a range of three to three-and-a-half years; current duration is approximately one year

## Investment Portfolio Composition

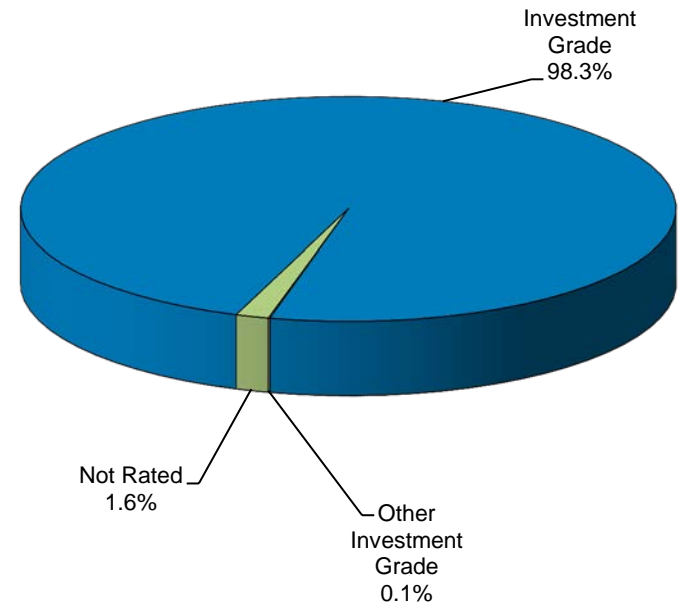
As of September 30, 2011

### Sector Allocation



\* Other consists primarily of regulatory stock

### Credit Quality



Investment Grade = A rated securities  
 Other Investment Grade = B rated securities  
 Not Rated includes an immaterial amount of securities with a non-investment grade rating

Covered Loan Activity - Third Quarter 2011							
(Dollars in thousands)	June 30, 2011	Reduction in Balance Due to:					September 30, 2011
		Sales	Prepayments	Contractual Activity <sup>1</sup>	Net Charge-Offs <sup>2</sup>	Loans With Coverage Rem.	
Commercial	\$ 251,753	\$ 3,721	\$ 17,380	\$ 5,232	\$ 1,298	\$ 240	\$ 223,882
Real estate - construction	40,811	-	5,237	8,913	768	-	25,893
Real estate - commercial	726,885	-	27,348	3,587	6,832	1,726	687,392
Real estate - residential	134,131	-	3,483	2,193	702	-	127,753
Installment	15,197	-	713	215	91	-	14,178
Home equity	68,664	-	1,771	(1,505)	501	-	67,897
Other covered loans	5,289	-	-	1,218	-	-	4,071
<b>Total covered loans</b>	<b>\$ 1,242,730</b>	<b>\$ 3,721</b>	<b>\$ 55,932</b>	<b>\$ 19,853</b>	<b>\$ 10,192</b>	<b>\$ 1,966</b>	<b>\$ 1,151,066</b>

<sup>1</sup> Includes partial paydowns, accretion of the valuation discount and advances on revolving loans

<sup>2</sup> Indemnified at 80% from the FDIC

## Third Quarter 2011 Loan Valuation

- The majority of the loans acquired as part of the FDIC-assisted transactions are accounted for under ASC Topic 310-30 which requires the Company to periodically update its forecast of expected cash flows from these loans.
- As a result of cumulative valuation procedures performed during the third quarter 2011, net impairment is now being observed in the majority of its loan pools.
- As of September 30, 2011, the allowance for loan and lease losses attributed to valuation of acquired loans was \$48.1 million, a decrease of \$2.9 million from the second quarter 2011. Expected payments from the FDIC, in the form of FDIC loss sharing income, offset approximately 80% of the recorded impairment and charge-offs.
- Covered loans continue to maintain yields significantly higher than the Company's legacy loan portfolio.

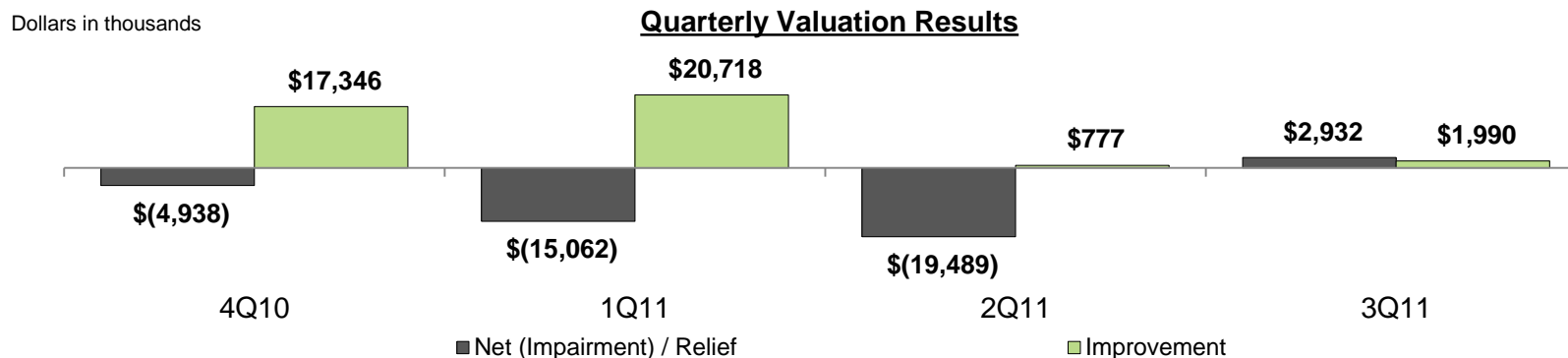
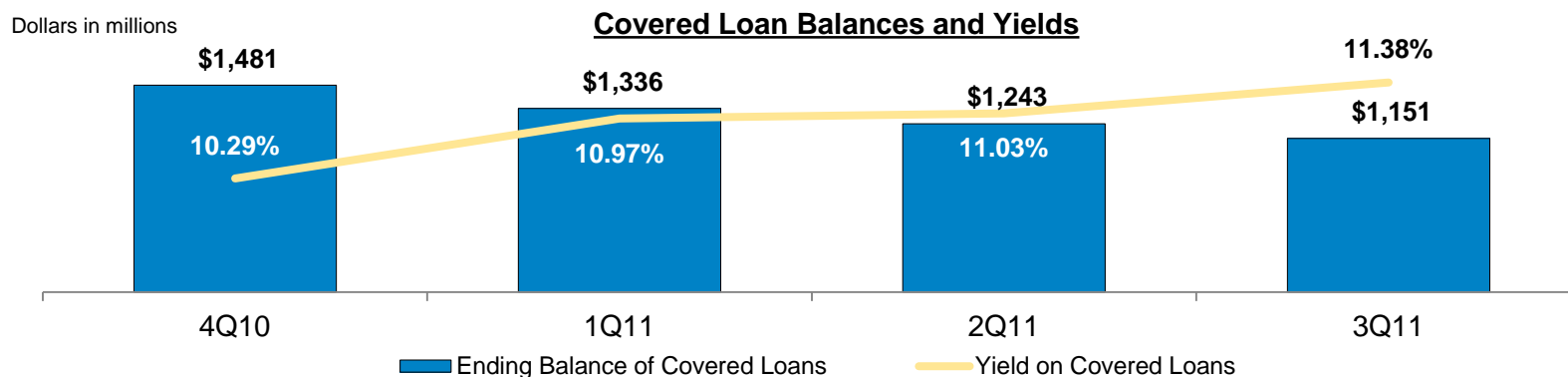
	Third Quarter 2011 Valuation Results					Projected Wtd. Avg. Rate	Life-to-Date Avg. Rate	Day 1 Projected Rate	
	Balance as of Sept. 30, 2011	Current Period Impairment	Prior Period Impairment Recapture	Net Current Period Impairment	Improvement				
<i>Dollars in thousands</i>									
Total loans	\$ 1,065,685	\$ 10,801	\$ (13,733)	\$ (2,932)	\$ 1,990	10.97% <sup>1</sup>			
Allowance for loan and lease losses	(48,112)	-	-	-	-	0.52%			
Total net loans	<u>\$ 1,017,573</u>	<u>\$ 10,801</u>	<u>\$ (13,733)</u>	<u>\$ (2,932)</u> <sup>3</sup>	<u>\$ 1,990</u>	11.49% <sup>2</sup>	10.53%	9.10%	
FDIC indemnification asset	\$ 177,814	NA	NA	NA	NA	(4.62%)	2.67%	6.50%	
						<b>Weighted average yield</b>	<b>9.09%</b>	<b>9.47%</b>	<b>8.75%</b>

<sup>1</sup> The actual yield realized may be different than the projected yield due to activity that occurs after the periodic valuation.

<sup>2</sup> Accretion rates are applied to the net carrying value of the loan which includes the allowance for loan and lease losses.

<sup>3</sup> Acquired loan provision expense of \$7.3 million was comprised of net charge-offs during the period of \$10.2 million and net impairment / (relief) of (\$2.9) million.

- While covered loans continue to decline, better than expected performance has resulted in an increasing yield on the portfolio
- Despite net impairment being recognized in a majority of the loan pools life-to-date, impairment recapture outweighed current impairment during the third quarter resulting in net relief for the period



## Components of Credit Losses Covered Assets

**For the three months ended September 30, 2011**

Dollars in thousands

Net incremental impairment for period

(\$2,932)

**Description**

Reduction in expected cash flows related to certain loan pools net of prior period impairment relief / recapture

Net charge-offs

10,192

Represents actual, unexpected net charge-offs of acquired loans during the period <sup>1</sup>

Provision for loan and lease losses - acquired

7,260

Loss on sale - covered OREO

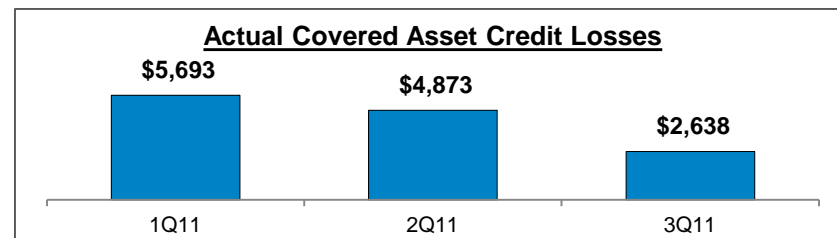
2,707

Other credit-related expenses

1,048

Total gross credit losses

\$11,015



FDIC loss share income (Noninterest income)

\$8,377

Represents receivable due from FDIC on estimated credit losses; calculated as approximately 80% of gross credit losses related to covered assets

**\$2,638**

Difference between these two amounts represents actual credit costs for the period

<sup>1</sup> Expected losses are considered in the recorded investment value

# Comparison of Financial Impact

The tables below present a comparison of the impact on diluted earnings per share under various scenarios

## Extreme Cases

- If all acquired loans were to prepay immediately, diluted EPS would benefit by **\$1.15** per share as of the third quarter 2011
- The absolute worst case scenario – a 100% loss on all acquired loans – would negatively impact diluted EPS by **\$0.88** per share as of the third quarter 2011

### Extreme Scenarios - All Acquired Loans

#### Recognition of Noninterest Income Assumes All Acquired Loans Prepay Immediately

	As of	
	9/30/11	6/30/11
<i>Dollars in millions</i>		
Unamortized discount	\$228	\$257
FDIC indemnification asset <sup>1</sup>	(172)	(174)
Allowance for loan losses - acquired	48	51
Discount net of indemnification asset and allowance	<u>\$104</u>	<u>\$134</u>

<b>Impact of immediate recognition of unamortized discount on <u>after-tax</u> diluted earnings per share <sup>2</sup></b>	<b>\$1.15</b>	<b>\$1.48</b>
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#### Estimated Maximum Credit Loss Exposure Assumes 100% Loss on Total UPB

	As of	
	9/30/11	6/30/11
<i>Dollars in millions</i>		
FFBC share of stated loss threshold	\$122	\$123
FFBC share of max. additional losses	61	61
Maximum possible credit loss	183	184
FDIC indemnification asset <sup>1</sup>	172	174
Unamortized discount	(228)	(257)
Allowance for loan losses - acquired	(48)	(51)
Adjusted max. possible credit loss	<u>\$79</u>	<u>\$50</u>

<b>Impact of immediate recognition of additional credit losses on <u>after-tax</u> diluted earnings per share <sup>2</sup></b>	<b>(\$0.88)</b>	<b>(\$0.55)</b>
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## Best Estimate

If only ASC Topic 310-30 loans were to pay as expected, the benefit to after-tax revenue per diluted share would be **\$4.27**, earned over the remaining life of the portfolio. Current weighted average life is approximately 4 years.

### Payment as Expected

#### Recognition of Interest Income Assumes Loans Amortize Over Expected Life

	As of	
	9/30/11	6/30/11
<i>Dollars in millions</i>		
Total expected cash flows	\$1,468	\$1,569
Recorded investment	1,067	1,149
Total accretable difference	401	420
FDIC indemnification asset <sup>3</sup>	(16)	(13)
Total net accretable difference	<u>\$385</u>	<u>\$407</u>

<b>Impact of accretable difference on <u>after-tax</u> revenue per diluted share over the expected life of the loans <sup>2</sup></b>	<b>\$4.27</b>	<b>\$4.50</b>
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<sup>1</sup> Represents the amount presented on the balance sheet less claims submitted to the FDIC but not yet received and FDIC indemnification on related to OREO

<sup>2</sup> Based on third quarter 2011 average diluted common shares outstanding of 58,654,099 and second quarter 2011 average diluted common shares outstanding of 58,734,662; tax rate of 35% applied

<sup>3</sup> Projected amortization of FDIC indemnification asset over average expected life of portfolio

# Summary of Acquisition-Related Items

	For the Three Months Ended		
	September 30 2011	June 30 2011	September 30 2010
<i>(Dollars in thousands)</i>			
Income effect:			
Accelerated discount on covered loans <sup>1,2</sup>	\$ 5,207	\$ 4,756	\$ 9,448
Acquired-non-strategic net interest income	8,645	8,821	10,586
FDIC loss sharing income <sup>1</sup>	8,377	21,643	17,800
Service charges on deposit accounts related to acquired-non-strategic operations	59	108	168
Other inc. (loss) related to acquired-non-strategic ops.	39	(593)	(124)
Income related to the accelerated discount on covered loans and acquired-non-strategic ops.	<u>22,327</u>	<u>34,735</u>	<u>37,878</u>
Expense effect:			
Provision for loan and lease losses - covered	7,260	23,895	20,725
Acquired-non-strategic operating expenses: <sup>3</sup>			
Salaries and employee benefits	-	499	13
Occupancy	(367)	64	91
Other	(40)	2,110	462
Total acquired-non-strategic operating expenses	<u>(407)</u>	<u>2,673</u>	<u>566</u>
FDIC loss share support <sup>3</sup>	1,382	1,369	875
Loss share and covered asset expense <sup>3</sup>	3,755	3,376	-

*Continued*

*(Dollars in thousands)*

	For the Three Months Ended		
	September 30 2011	June 30 2011	September 30 2010
Acquisition-related costs: <sup>3</sup>			
Integration-related costs	488	76	(102)
Professional services fees	127	-	1,174
Other	1,260	-	433
Total acquisition-related costs	<u>1,875</u>	<u>76</u>	<u>1,505</u>
Transition-related items: <sup>3</sup>			
Salaries and benefits	14	81	796
Occupancy	-	-	50
Other	(125)	80	-
Total transition-related items	<u>(111)</u>	<u>161</u>	<u>846</u>
Total expense effect	<u>13,754</u>	<u>31,550</u>	<u>24,517</u>
Total estimated effect on pre-tax earnings	<u>\$ 8,573</u>	<u>\$ 3,185</u>	<u>\$ 13,361</u>

<sup>1</sup> Included in noninterest income

<sup>2</sup> Net of the corresponding valuation adjustment on the FDIC indemnification asset

<sup>3</sup> Included in noninterest expense



### Noninterest Income

	For the Three Months Ended		
	September 30 2011	June 30 2011	September 30 2010
<i>(Dollars in thousands)</i>			
Total noninterest income	\$ 28,115	\$ 41,118	\$ 44,895
Significant components of noninterest income			
<u>Items likely to recur:</u>			
Accelerated discount on covered loans <sup>1</sup>	5,207	4,756	9,448
FDIC loss sharing income	8,377	21,643	17,800
Other acquired-non-strategic items	98	(485)	44
<u>Items expected not to recur:</u>			
Gain on sale of insurance business	-	-	1,356
Other items not expected to recur	288	(152)	(132)
Total excluding items noted above	<u>\$ 14,145</u>	<u>\$ 15,356</u>	<u>\$ 16,379</u>

<sup>1</sup> Net of the corresponding valuation adjustment on the FDIC indemnification asset

### Noninterest Expense

	For the Three Months Ended		
	September 30 2011	June 30 2011	September 30 2010
<i>(Dollars in thousands)</i>			
Total noninterest expense	\$ 53,142	\$ 52,497	\$ 61,310
Significant components of noninterest expense			
<u>Items likely to recur:</u>			
Acquired-non-strategic operating expenses	(407)	2,673	566
Transition-related items	(111)	161	846
FDIC loss share support	1,382	1,369	875
Loss share and covered asset expense	3,755	3,376	-
<u>Items expected not to recur:</u>			
Acquisition-related costs	1,875	76	1,505
FHLB prepayment penalty	-	-	8,029
Other items not expected to recur	1,874	1,140	493
Total excluding items noted above	<u>\$ 44,774</u>	<u>\$ 43,702</u>	<u>\$ 48,996</u>

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