

**first**

first financial bancorp

# First Financial Bancorp

## Investor Presentation

Third Quarter 2009

# Forward-Looking Statement Disclosure

This presentation should be read in conjunction with the consolidated financial statements, notes and tables in First Financial Bancorp's most recent Annual Report on Form 10-K for the year ended December 31, 2008.

Management's analysis contains forward-looking statements that are provided to assist in the understanding of anticipated future financial performance. However, such performance involves risk 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 First Financial conducts operations 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 First Financial's loan portfolio, allowance for loan and lease losses and overall financial purpose; 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 First Financial, its 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 participation in the Temporary Liquidity Guarantee Program or from increased payments from FDIC insurance funds as a result of depository institution failures; the effects of and changes in policies and laws of regulatory agencies, inflation, and interest rates; technology changes; mergers and acquisitions, including costs or difficulties related to the integration of acquired companies; 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 for revenue loss following completed acquisitions may be greater than expected; the effect of changes in accounting policies and practices; adverse changes in the securities and debt markets; First Financial's 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; the cost and effects of litigation and of unexpected or adverse outcomes in such litigation; uncertainties arising from First Financial's participation in the TARP, including impacts on employee recruitment and retention and other business practices, and uncertainties concerning the potential redemption of the U.S. Treasury's preferred stock investment under the program, including the timing of, regulatory approvals for, and conditions placed upon, any such redemption; and First Financial's success at managing the risks involved in the foregoing.

For further discussion on these and other factors that may cause such forward-looking statements to differ materially from actual results, refer to the 2008 Form 10-K and other public documents filed with the Securities and Exchange Commission (SEC), as well as the company's most recent Form 10-Q filings. These documents are available within the investor relations section of First Financial's website at [www.bankatfirst.com/investor](http://www.bankatfirst.com/investor) and on the SEC's website at [www.sec.gov](http://www.sec.gov).

# Investment Highlights

- Strong operating fundamentals, including healthy capital and liquidity levels, produced positive results throughout the recessionary period positioning the company to capitalize on strategic opportunities
- Year-to-date initiatives
  - Made significant advancement in strategic operating markets
    - Acquired 19 banking centers in key Cincinnati MSA from Peoples Community Bank in FDIC-assisted transaction
    - Acquired 27 banking centers from Irwin in FDIC-assisted transaction <sup>3</sup>
    - Purchased loans, strategic client relationships and 3 banking centers in Indiana from Irwin <sup>3</sup>
  - Issued 13.8 million shares of common stock resulting in net proceeds of \$98 million
- Overall credit quality remained relatively strong throughout most of the economic downturn
  - 2009 results impacted by higher credit costs reflecting the continued adverse impact of the prolonged downturn
  - Stress primarily in commercial and commercial construction real estate portfolios
  - Credit metrics, although higher than historical levels, remain relatively strong compared with industry and peer levels
- Well positioned to endure economic challenges
  - Adequate capital cushion in the event of a more severe and/or prolonged downturn
  - Managing the company with a long-term view

## Corporate Overview <sup>1</sup>

Total Assets: \$7.3 billion

Total Loans: \$4.9 billion

Total Deposits: \$5.8 billion

118 banking centers in the four state regions of Ohio, Indiana, Kentucky and Michigan <sup>2</sup>

## Trading Statistics <sup>1</sup>

Nasdaq: FFBC

Shares Outstanding: 51.4 million

Market Capitalization: \$620 million

YTD-2009 Average Daily Trading Volume:  
329,000 shares

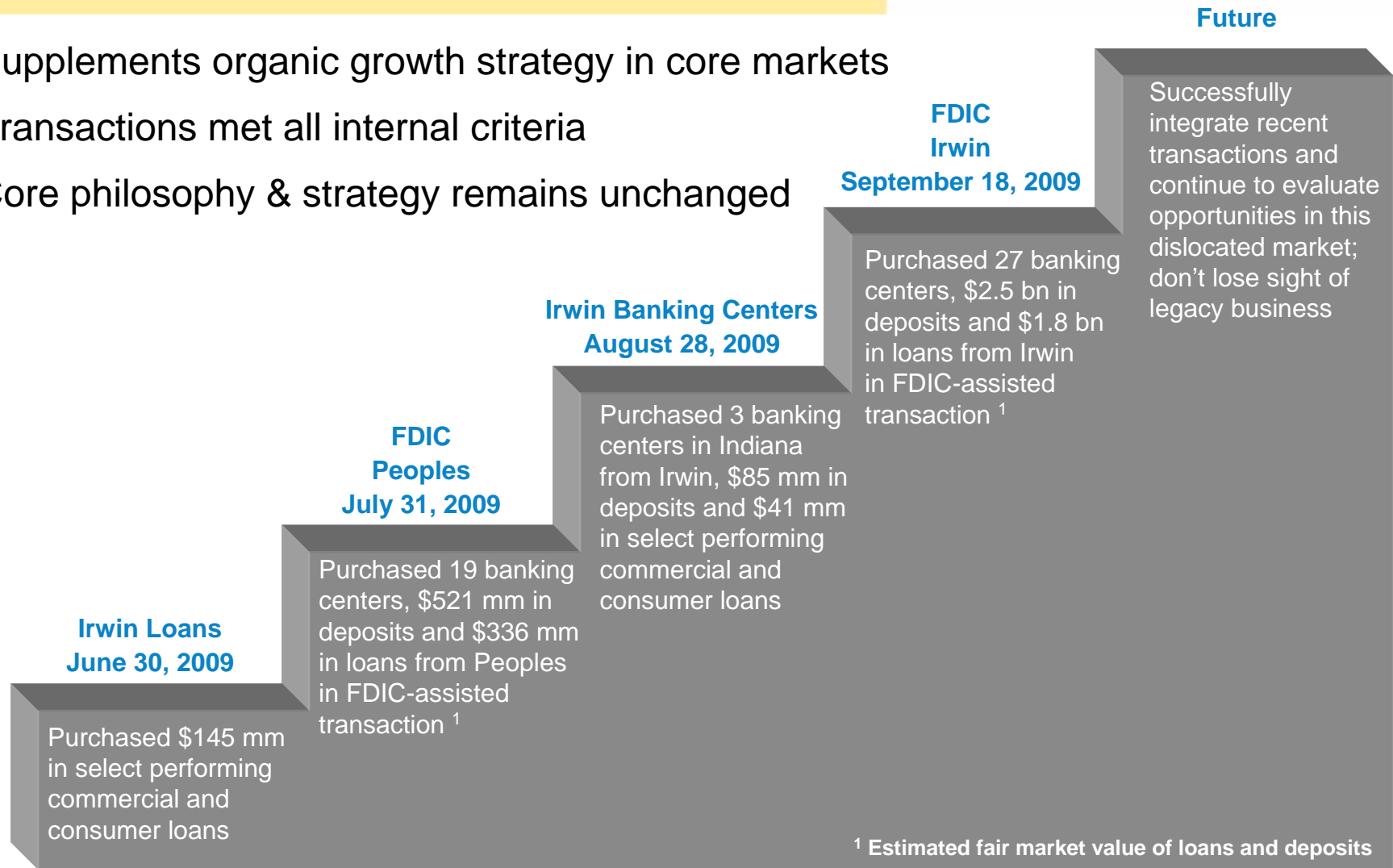
<sup>1</sup> September 30, 2009 <sup>2</sup> October 31, 2009

<sup>3</sup> Irwin Union Bank and Trust Company and Irwin Union Bank, F.S.B. (Irwin)

- First Financial Bank was founded in 1863
- 16 bank/thrift acquisitions from 1989 through 1999 resulted in multiple bank charters and brand identities
- Established Strategic (Rebuilding & Reorganization) Plan in March 2005
  - Consolidated and streamlined company to establish one charter and one brand identity
  - Restructured credit process
  - Restructured balance sheet
  - Exited non-strategic, high risk and unprofitable businesses and product lines
  - Renewed focus on expense control and efficiency
  - Upgraded infrastructure (physical, processes, technology)
  - Expanded market presence and recruited sales teams in regional metropolitan areas
  - Renewed focus on client and sales growth

## Recent Acquisitions

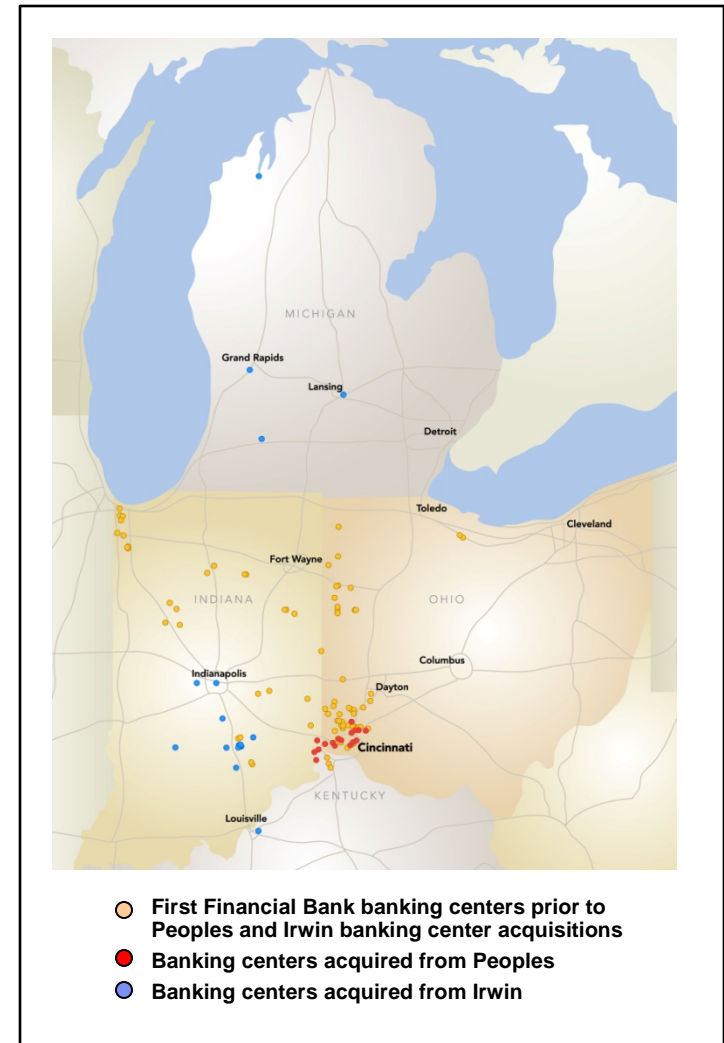
- Supplements organic growth strategy in core markets
- Transactions met all internal criteria
- Core philosophy & strategy remains unchanged



# Acquisition Highlights

- Consistent with the company's stated conservative strategy
- Acquisitions are compelling relative to cost and time to build profitable de novo banking centers
- Adds banking centers in key areas that will leverage the First Financial brand to increase market share
  - Compliments existing locations and provides entry into new markets
- Low-risk transactions
  - Loss sharing arrangements provide significant protection on the acquired loans and foreclosed real estate portfolios
- In-market locations improves operating leverage
- Adds stable funding
- Consistent with growth strategy of expanding presence in strategic locations in both existing and adjacent markets

- Acquisitions provided market expansion opportunities in key locations
  - Added 39 banking centers in strategic operating markets
  - Solidifies position in key markets and accelerates market expansion strategy by several years
  - 4<sup>th</sup> largest banking center network in Cincinnati MSA <sup>1</sup>
  - 1<sup>st</sup> or 2<sup>nd</sup> largest banking center network in many Indiana counties/communities <sup>1</sup>



<sup>1</sup> Based on deposits in market at 06/30/09; source: SNL & FDIC

- Acquired 19 banking centers in Cincinnati MSA via assumption of deposits and purchase of assets from the FDIC
  - 4th largest banking center network in the Cincinnati MSA <sup>1</sup>
    - Further solidifies position in this very attractive market
    - Accelerates growth-market expansion strategy by several years
    - Acquisition is compelling relative to cost and time to build 19 profitable de novo banking centers
- Assets, at estimated fair value
  - Including cash received from the FDIC, acquired \$566.0 million in assets, including \$336.1 million in loans and other real estate
- Liabilities, at estimated fair value
  - \$584.7 million in liabilities
  - \$520.8 million in deposits
- Technology conversion and operational integration completed
  - Consolidated 3 banking centers
  - 96 former Peoples associates accepted full-time positions, primarily within the retail banking center network

<sup>1</sup> Based on deposits in market at 06/30/09; source: SNL & FDIC



Loss Share Covered Assets	<ul style="list-style-type: none"><li>▪ Estimated <u>\$324.4</u> million in fair value</li></ul>
Loss Share Agreement	<ul style="list-style-type: none"><li>▪ FDIC stated threshold of <u>\$190</u> million, no first loss position</li><li>▪ FDIC assumes 80% of losses between <u>\$0</u> and <u>\$190</u> million</li><li>▪ FDIC assumes 95% of losses over <u>\$190</u> million</li></ul>
Uncovered Assets	<ul style="list-style-type: none"><li>▪ Cash (at book value), securities (at fair market value) and other tangible assets</li></ul>

- Acquired 27 banking centers via assumption of deposits and purchase of assets from the FDIC
  - Includes 17 banking centers in strategic operating markets
    - Indiana (12), Kentucky (1) and Michigan (4)
  - 7th largest banking center network in Indiana <sup>1</sup>
    - 1<sup>st</sup> or 2<sup>nd</sup> largest banking center network in many Indiana counties/communities where there is a presence <sup>1</sup>
- Assets, at estimated fair value
  - Including cash received from the FDIC, acquired \$3.3 billion in assets, including \$1.8 billion in loans
  - Loans acquired under a modified transaction structure
- Liabilities, at estimated fair value
  - \$2.9 billion in liabilities
  - \$2.5 billion in deposits
- Integration planning is underway for technology and operational systems

<sup>1</sup> Based on deposits in market at 06/30/09; source: SNL & FDIC

## Assets Acquired from Irwin Union Bank & Trust Company

Loss Share Covered Assets	<ul style="list-style-type: none"> <li>Estimated <u>\$1.5</u> billion in fair value           <ul style="list-style-type: none"> <li>Purchase excluded ORE, acquisition, development and construction loans (“ADC”), residential and commercial land loans</li> </ul> </li> </ul>
Loss Share Agreement	<ul style="list-style-type: none"> <li>FDIC stated threshold of <u>\$526</u> million, no first loss position</li> <li>FDIC assumes 80% of losses between <u>\$0</u> and <u>\$526</u> million</li> <li>FDIC assumes 95% of losses over <u>\$526</u> million</li> <li>Total pre-tax First Financial portion of stated threshold (20% of <u>\$526</u> million) is significantly less than the asset discount</li> </ul>
Uncovered Assets	<ul style="list-style-type: none"> <li>Cash (at book value), securities (at fair market value) and other tangible assets</li> </ul>

## Assets Acquired from Irwin Union Bank F.S.B.

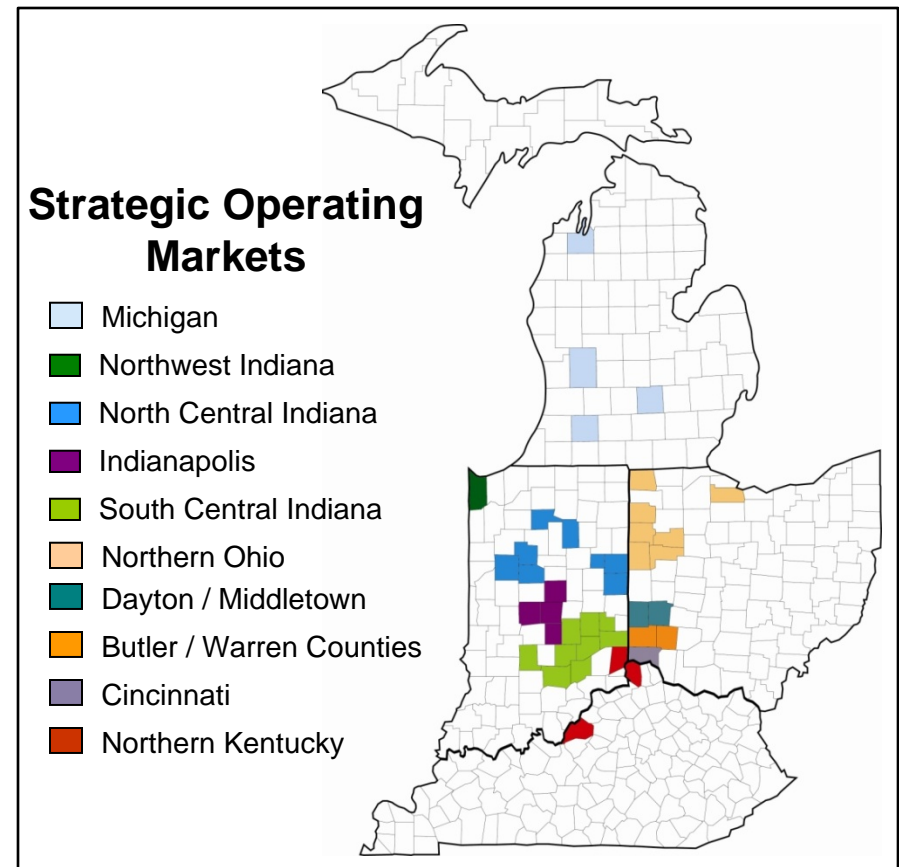
Loss Share Covered Assets	<ul style="list-style-type: none"> <li>Estimated <u>\$259.4</u> million in fair value           <ul style="list-style-type: none"> <li>Purchase excluded ORE, acquisition, development and construction loans (“ADC”), residential and commercial land loans</li> </ul> </li> </ul>
Loss Share Agreement	<ul style="list-style-type: none"> <li>FDIC stated threshold of <u>\$110</u> million, no first loss position</li> <li>FDIC assumes 80% of losses between <u>\$0</u> and <u>\$110</u> million</li> <li>FDIC assumes 95% of losses over <u>\$110</u> million</li> <li>Total pre-tax First Financial portion of stated threshold (20% of <u>\$110</u> million) is significantly less than the asset discount</li> </ul>
Uncovered Assets	<ul style="list-style-type: none"> <li>Cash (at book value), securities (at fair market value) and other tangible assets</li> </ul>

- Purchased \$145.1 million in select performing commercial and consumer loans, as well as strategic client relationships in a separate and unrelated transaction
- Purchased 3 banking centers in Indiana in another separate and unrelated transaction
  - \$84.6 million in deposits
  - \$41.1 million in performing loans
    - Loans not subject to a loss share agreement
    - Loans were acquired at par value and no premium was paid on assumed liabilities
  - Moves the company into affluent and fast-growing markets in and surrounding Indianapolis metropolitan market

- Retail Banking
- Commercial Banking
- Wealth Management

- Top-quartile performance for all stakeholders
- Sustained and consistent excellence
- Commitment to growth
- Effective management of all risks

- Client “Intimate” Strategy
  - Strategic Focus: build long-term relationships with clients by identifying and meeting their financial needs
- Target clients
  - Individuals and small / mid-size private businesses located within the regional markets we serve
- Ohio, Indiana, Kentucky, Michigan
  - 10 markets serving 74 communities
  - Markets managed by experienced, local bankers and supported by centralized experts
- Focus on organic growth supplemented by strategic acquisitions



- Credit quality trends remained relatively stable and within expected range throughout most of the economic downturn
  - Reflects discipline of originating loans within existing footprint, strong underwriting policies, and proactive management of resolution strategies for problem credits
  - Year-to-date 2009 experiencing higher credit costs reflecting the continued adverse impact of the prolonged downturn
  - Stress primarily in commercial and commercial construction real estate portfolios
  - Increased provision expense by \$16.3 million or 280% of total net charge-offs <sup>2</sup>
  - Sold entire \$34.5 million portfolio of shared national credits resulting in a net charge-off of \$2.2 million
  - Certain credit metrics may remain volatile and at historically higher levels until economic conditions begin to show consistent improvement over several quarters

**Credit Quality Trends**

	Quarter					Year		
	3Q-09	2Q-09	1Q-09	4Q-08	3Q-08	2008	2007	2006 <sup>3</sup>
<b>Net Charge-Off Ratio</b>	1.31%	1.19%	0.55%	0.73%	0.36%	0.47%	0.24%	0.48%
<b>Nonperforming Loans / Loans</b>	2.21%	1.31%	0.91%	0.68%	0.53%	0.68%	0.56%	0.44%
<b>Reserve Ratio</b>	1.94%	1.34%	1.33%	1.34%	1.14%	1.34%	1.12%	1.10%
<b>Reserves / Nonperforming Loans</b>	87.7%	102.3%	146.4%	197.3%	216.2%	197.3%	197.9%	252.8%

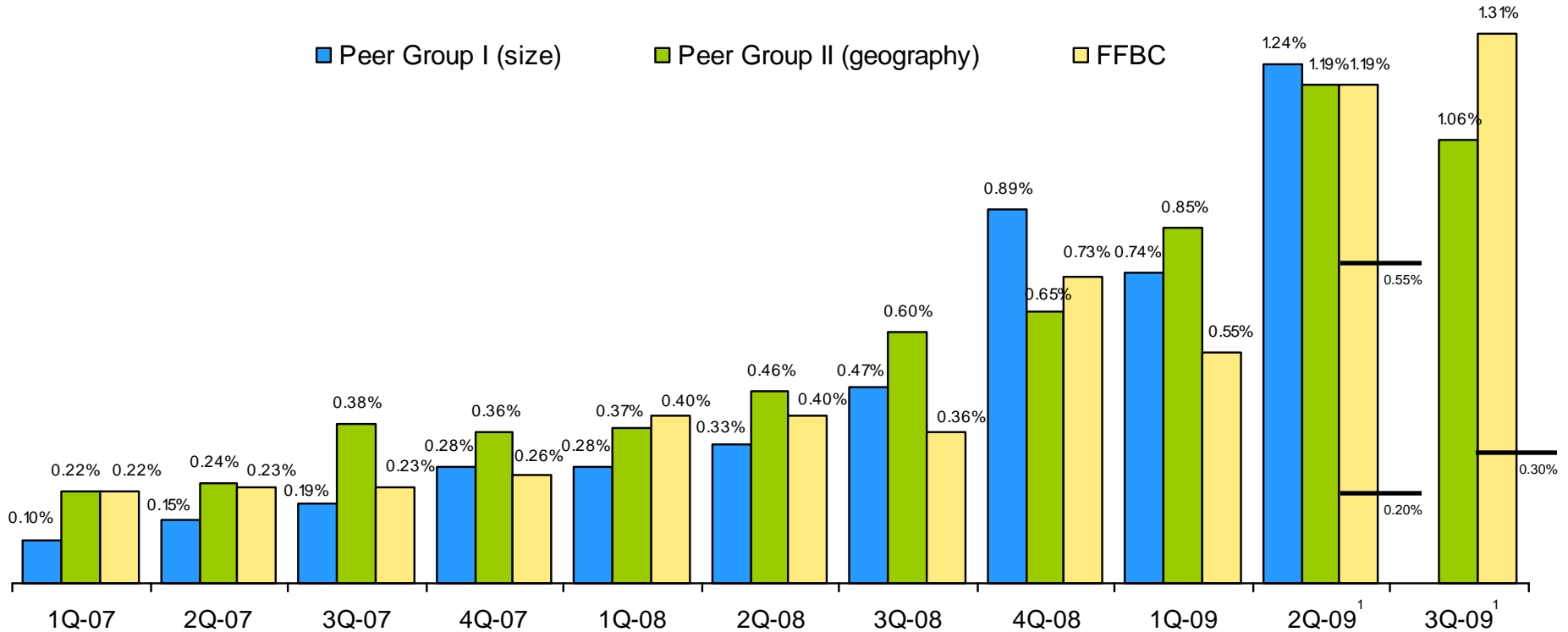
<sup>1</sup> Excludes covered assets

<sup>2</sup> Third quarter 2009 compared with second quarter 2009

<sup>3</sup> Net of loan sale



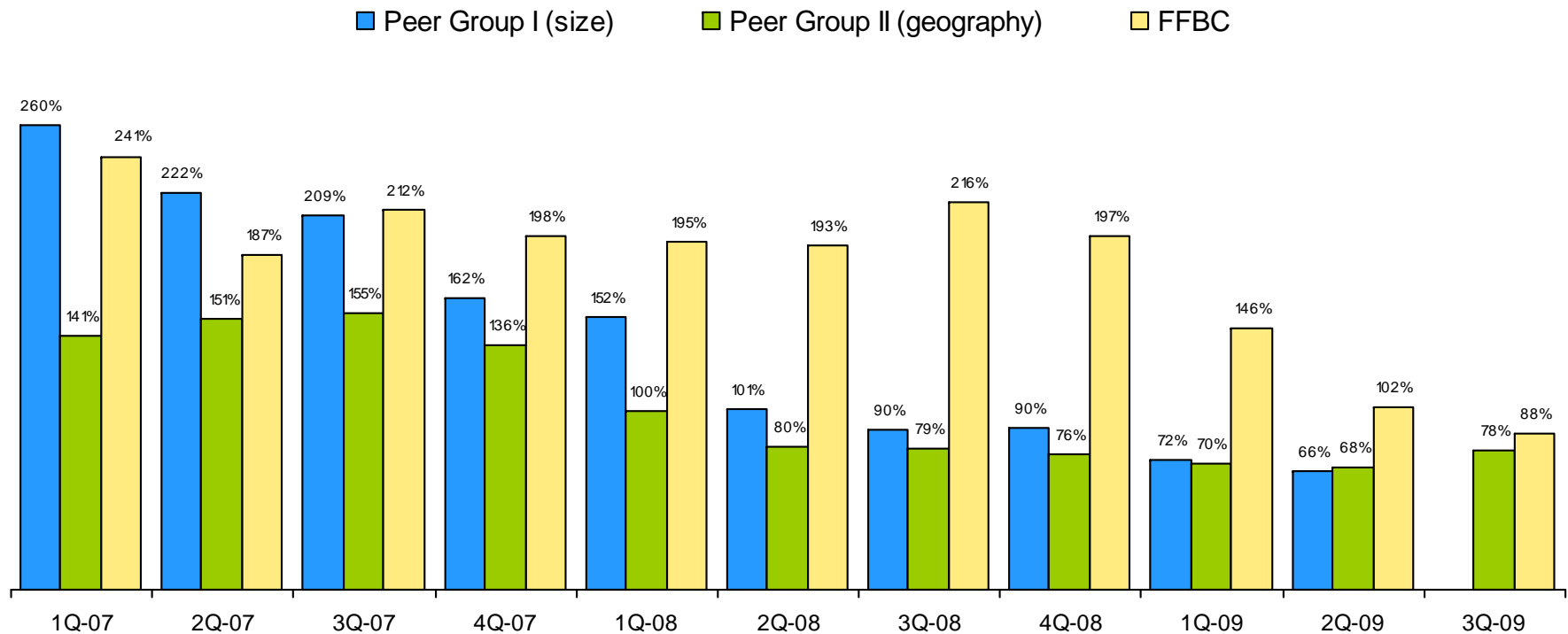
Net Charge-offs to Average Loans & Leases



Peer Group I is comprised of approximately 99 bank holding companies located throughout the United States with total asset size ranging from \$3 - \$10 billion; 3Q-09 data not yet available  
Peer Group II is comprised of 30 bank holding companies conducting business primarily in Ohio, Kentucky and Indiana; 3Q-09 includes data from 27 companies  
Source: Peer Group median data obtained from SNL Financial

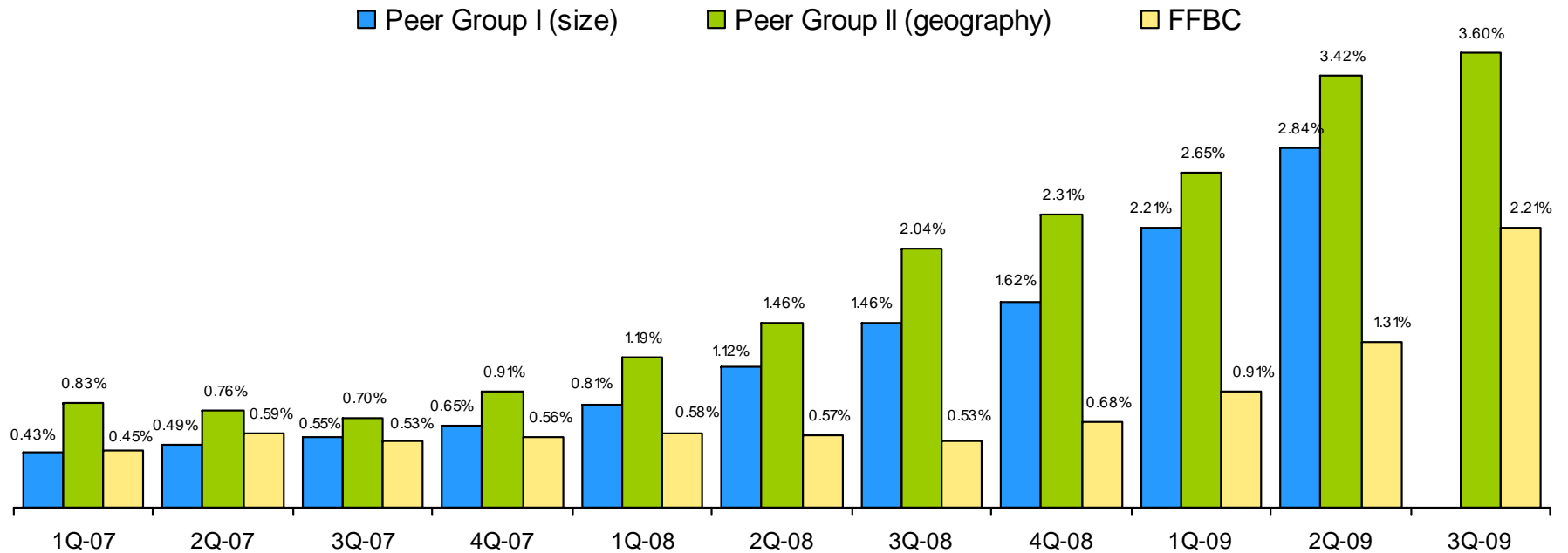
<sup>1</sup> 2Q-09: includes higher charge-offs related to one commercial real estate construction relationship (20 basis points) and two separate and unrelated floor plan relationships (55 basis points); 3Q-09: includes a charge-off related to the sale of the entire shared national credit portfolio (30 basis points)

Allowance for Loans & Leases to Nonperforming Loans



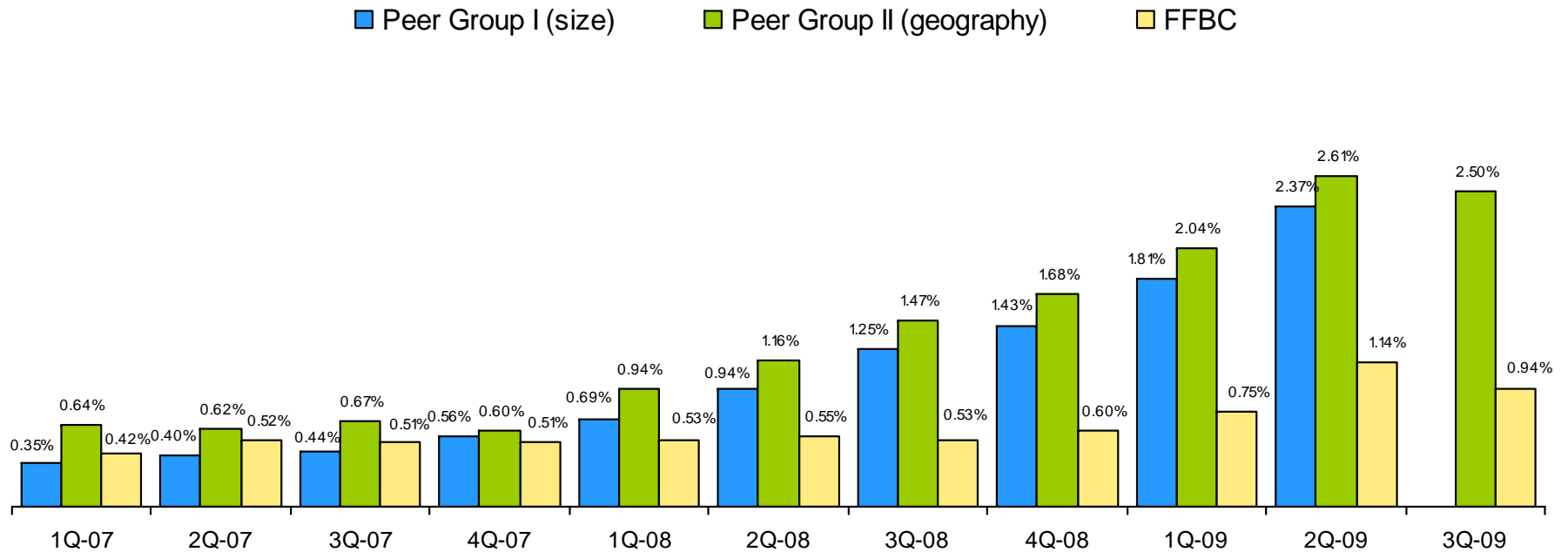
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Peer Group II is comprised of 30 bank holding companies conducting business primarily in Ohio, Kentucky and Indiana; 3Q-09 includes data from 21 companies  
Source: Peer Group median data obtained from SNL Financial

Nonperforming Loans to Total Loans



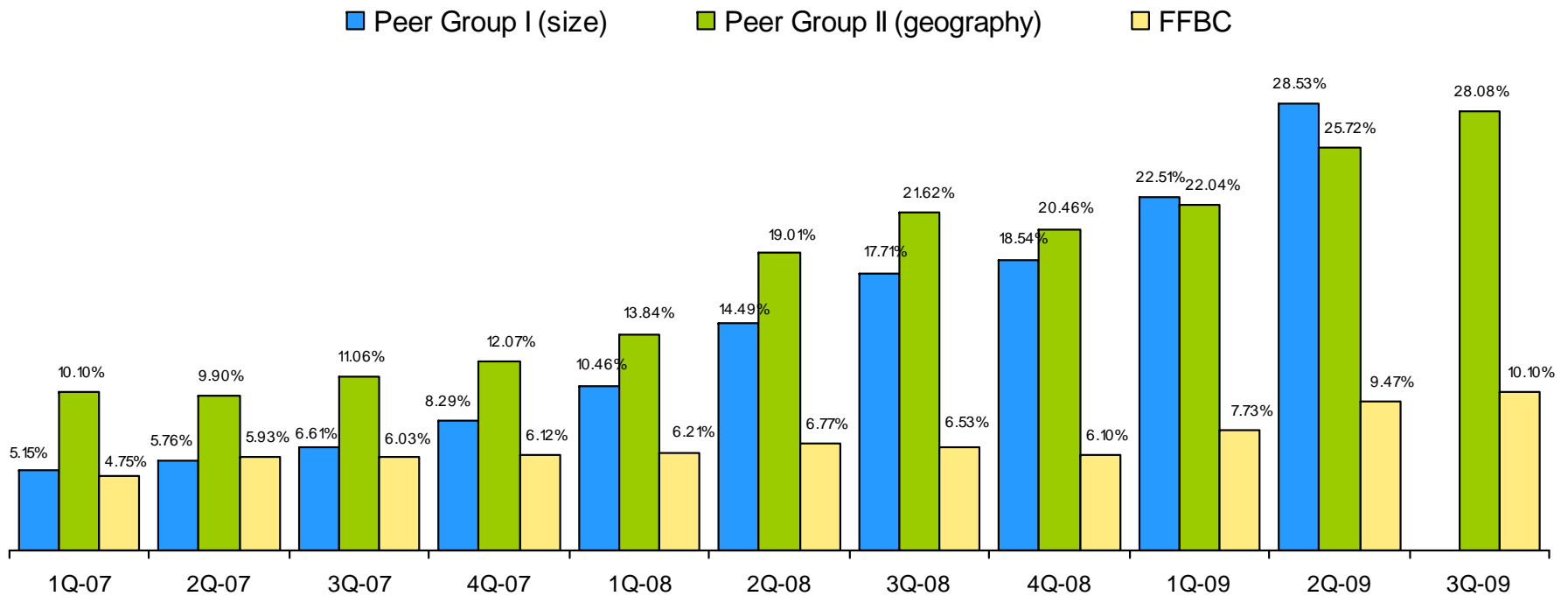
Peer Group I is comprised of approximately 99 bank holding companies located throughout the United States with total asset size ranging from \$3 - \$10 billion; 3Q-09 data not yet available  
Peer Group II is comprised of 30 bank holding companies conducting business primarily in Ohio, Kentucky and Indiana; 3Q-09 includes data from 21 companies  
Source: Peer Group median data obtained from SNL Financial

Nonperforming Assets to Total Assets



Peer Group I is comprised of approximately 99 bank holding companies located throughout the United States with total asset size ranging from \$3 - \$10 billion; 3Q-09 data not yet available  
Peer Group II is comprised of 30 bank holding companies conducting business primarily in Ohio, Kentucky and Indiana; 3Q-09 includes data from 21 companies  
Source: Peer Group median data obtained from SNL Financial

**Texas Ratio**  
(Total Nonperforming Assets to Tangible Equity + Loan Loss Reserves)



Peer Group I is comprised of approximately 99 bank holding companies located throughout the United States with total asset size ranging from \$3 - \$10 billion; 3Q-09 data not yet available  
Peer Group II is comprised of 30 bank holding companies conducting business primarily in Ohio, Kentucky and Indiana; 3Q-09 includes data from 21 companies

Source: Peer Group median data obtained from SNL Financial

- Excess consolidated capital of \$380.5 million over regulatory minimum required level
- Based on “well-capitalized” requirements, can support bank-level asset growth up to \$2.4 billion
- Announced dividend reduction to common shareholders in January 2009
  - Further improved already strong capital levels
  - Preserved approximately \$8.9 million in common equity year-to-date 2009
  - Positions the company to weather the economic challenges while still taking advantage of select growth opportunities
  - Long-term targeted dividend payout range is between 40% and 60% of earnings available to common shareholders
- Committed to maintaining a strong capital base
  - Will continue to take steps to ensure capital position remains sound throughout this period of economic uncertainty
- Capital generated from acquisitions expected to support the acquired assets as well as future growth and expansion opportunities

Ratio	3Q-09	Target	Regulatory "well-capitalized" minimum
EOP Tangible Equity / EOP Tangible Assets	8.57%	6.75% - 7.25%	N/A
EOP Tangible Common Equity / EOP Tangible Assets	7.48%	N/A	N/A
Leverage Ratio	14.60%	8.00% - 8.50%	5%
Total Risk-Based Capital Ratio	17.46%	11.50% - 12.00%	10%

- Common Share Offering
  - Completed a public offering of 13.8 million shares at \$7.50 per share
  - Total return of FFBC common stock since offering: +50.82% <sup>1</sup>
  - Net proceeds of approximately \$98 million after deducting underwriting discounts, commissions and estimated offering expenses
  - Positively impacted already strong capital levels
  - Additional capital raised during the second quarter of 2009 will reduce the number of common shares eligible for purchase by the U.S. Treasury by 50% to 465,116 shares <sup>2</sup>
  
- Net proceeds from the offering supports
  - Organic growth in key markets
  - Acquisitions and other business combinations and strategic opportunities, including the recent Peoples and Irwin acquisitions

<sup>1</sup> June 8, 2009 through September 30, 2009

<sup>2</sup> Associated with the sale of perpetual preferred securities to the U.S. Treasury under its Capital Purchase Program, the U.S. Treasury received one warrant to purchase 930,233 shares of FFBC common stock at an exercise price of \$12.90 per share

# Participation in the U.S. Treasury Capital Purchase Program

- Issued and sold to Treasury 80,000 shares of Series A Senior Preferred Stock for an aggregate purchase price of \$80 million <sup>1</sup>
- Board of directors continues to evaluate capital plan and structure
  - Including the merits of continued participation in the program after having successfully raised \$98 million in common equity and the additional capital generated from the recent acquisition
  - Capital ratios excluding CPP capital are strong and significantly exceed minimum regulatory requirements
  - Will initiate discussions with the board and regulators on the proper timing for redemption
  - Have not yet filed a formal application for repayment

<sup>1</sup> December 23, 2008



## Capital Scenario – CPP Redemption & Runoff Comparisons

	A		B		C
	Estimated 9/30/2009	+	Estimated 9/30/2009 Proforma	+	Estimated Proforma
		CPP Redemption		Est. Runoff between 9/30/2009 and 11/2/2009	
		=		=	
Tangible assets	\$7,205,866		\$7,125,866	(\$385,000)	\$6,740,866
Tangible common equity to tangible assets	7.48%		7.56%		8.00%
Risk weighted assets	\$4,020,401		\$4,004,401	(\$77,000)	\$3,927,401
Tangible common equity to risk weighted assets	13.41%		13.46%		13.72%
Total capital ratio	17.46%		15.54%		15.84%
Tier I capital	651,604		571,604		571,604
Tangible common equity	538,940		538,940		538,940
Tangible common book value per share	\$10.48		\$10.48		\$10.48
Total risk-based capital	702,102		622,102		622,102
Total classified loans	137,288		137,288		137,288
Total allowance for loan and lease losses	55,770		55,770		55,770
Classifieds to Tier I	21.07%		24.02%		24.02%

	Target	Excess %	Excess \$ / Loss Capacity	Growth Capacity
Tangible common equity to tangible assets	6.00%	1.56%	111,388	1,856,467
Total capital ratio	11.50%	4.04%	161,596	1,405,182

- Primary focus and value creation is through organic growth in key regional markets
  - 2008 expansion included a commercial lending team in Indianapolis (IN), a new business office and banking center in Kettering (OH) and a new banking center in Crown Point (IN)
  - Year-to-date 2009 plans included opening additional banking centers, including further expansion within strategic operating markets
    - Made significant advancement with the addition of 39 banking centers through acquisitions
    - Built 3 new banking centers in Cincinnati (OH), St. Marys (OH) and Edgewood (KY)
- Acquisitions can advance market position and accelerate the timing of market share compared with an organic growth only strategy
  - Pricing must be disciplined and favorable compared with the longer-term organic growth only strategy
  - Ohio, Indiana, Kentucky and Michigan where there is a strategic and geographic fit
  - Size and growth potential to help achieve corporate financial targets
  - Recent acquisitions expands presence in key metropolitan markets and leverages the First Financial brand to increase market share

## Well-Positioned Franchise

- Strong operating fundamentals have produced positive results throughout the recessionary period
- Strong market share in strategic operating markets
- Low risk balance sheet
- Capital and liquidity significantly exceed amounts necessary to be classified as well-capitalized
- Solid loan and deposit growth
- Credit metrics remained relatively strong throughout most of the economic downturn
- Well-positioned to endure the economic challenges
- Experienced management focused on driving results
- Maintained focus on expense control and efficiency
- Strong commitment to growth
- Effective management of all risks

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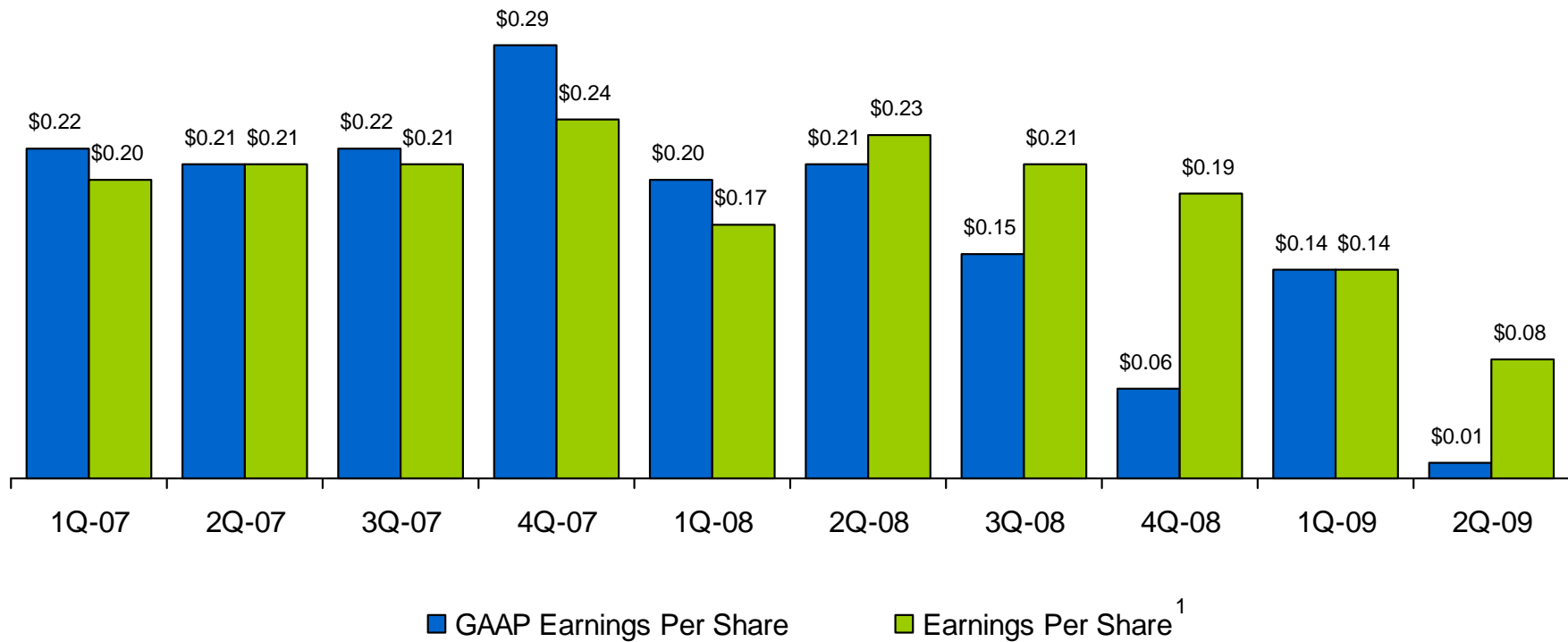
# Financial Information

- Reported net income available to common shareholders of \$225.2 million or \$4.38 per diluted common share
- Results were impacted by the following significant items
  - Irwin transaction: the estimated fair value of assets acquired exceeded the estimated fair value of liabilities assumed, resulting in an after-tax bargain purchase gain of \$241.0 million <sup>1</sup>
  - Peoples transaction: the estimated fair value of liabilities assumed exceed the estimated fair value of assets acquired, resulting in the recognition of goodwill in the amount of approximately \$18.7 million
  - Increased credit costs, including higher provision expense and elevated net charge-offs
- Net interest income increased \$8.0 million from 3Q-08 and \$6.2 million from 2Q-09
- Net interest margin declined 9 basis points from 3Q-08 and 1 basis point from 2Q-09
- Deposit and consumer-based fee income components of noninterest income showing improvement over prior quarters
- Core operating expenses primarily unchanged although there were some higher expenses related to general growth, market expansion and incentive compensation
  - Acquisition-related costs were comprised of legal, professional, technology and other integration costs
  - Increased staffing and occupancy due to additional associates and banking centers that were added during the quarter
- Continued strong capital and liquidity levels

<sup>1</sup> As required by FASB Codification Topic 805

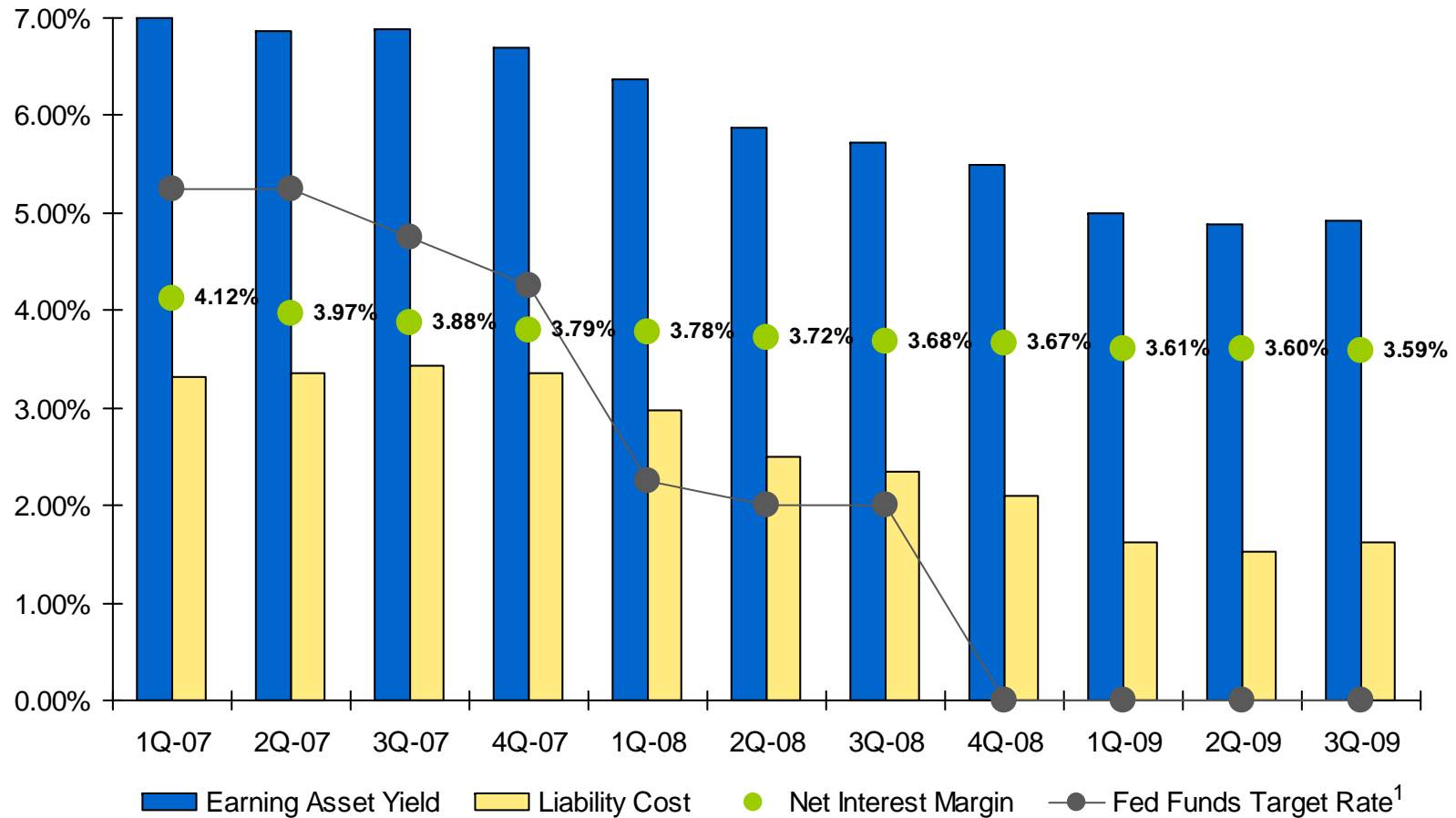
- Expanding margin
- Declining earning assets near-term due to strategic runoff
- Service charge pricing similar to legacy First Financial
- Efficiency ratio between 55 and 60 percent after integration

# Earnings Per Diluted Common Share



<sup>1</sup> Reflects the impact of certain non-recurring items. A reconciliation presenting a summary of items impacting earnings per share is on page 53

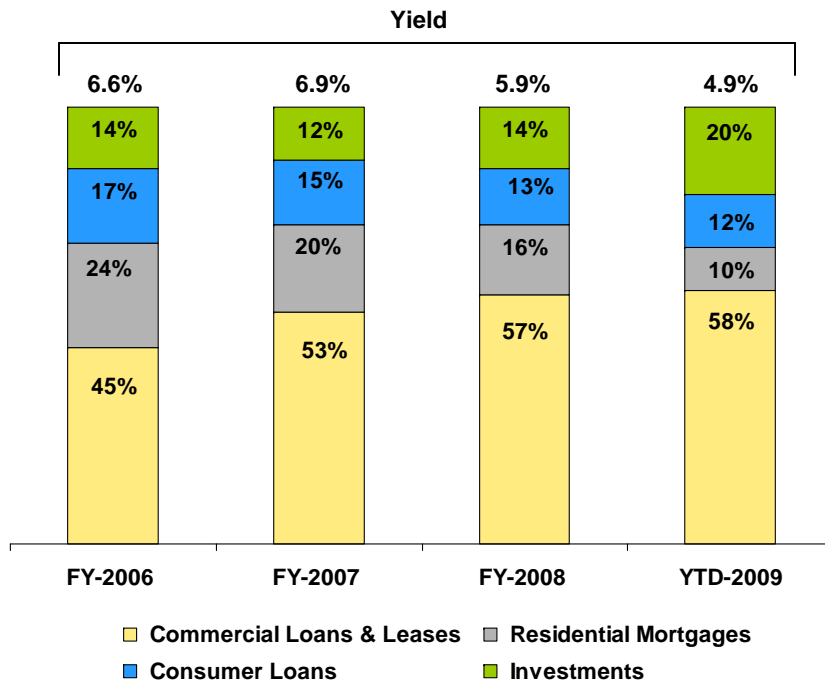
# Net Interest Margin



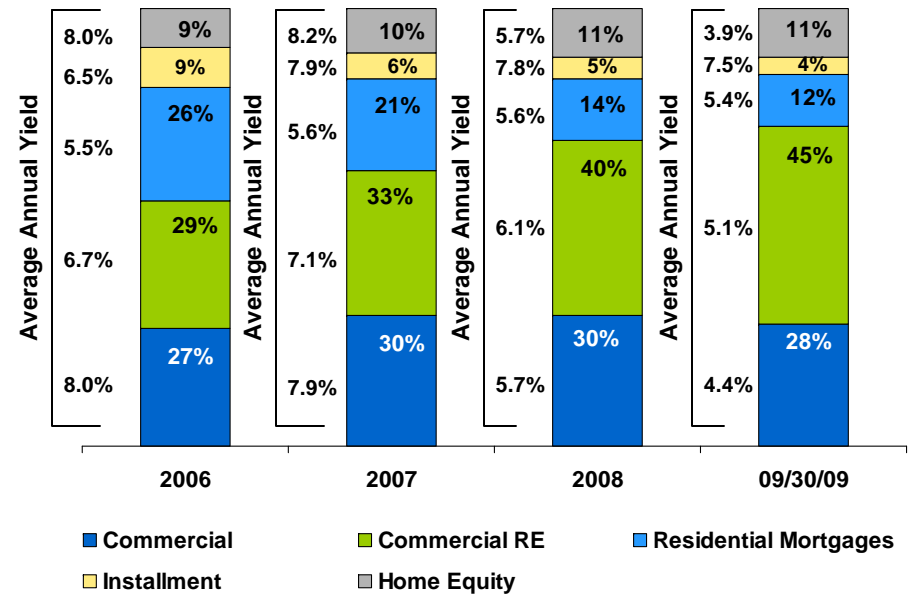
<sup>1</sup> Represents the Fed Funds Target Rate at the end of the quarter



## Average Earning Assets



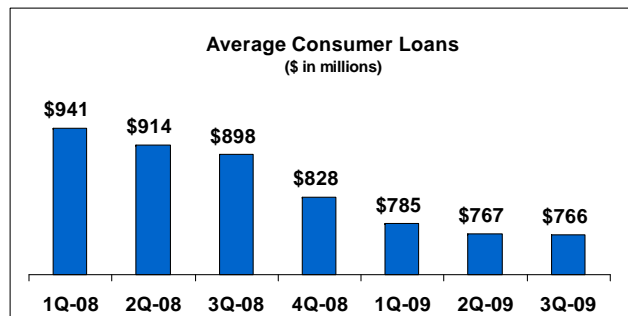
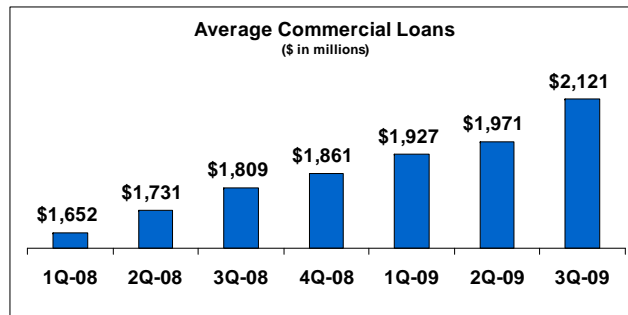
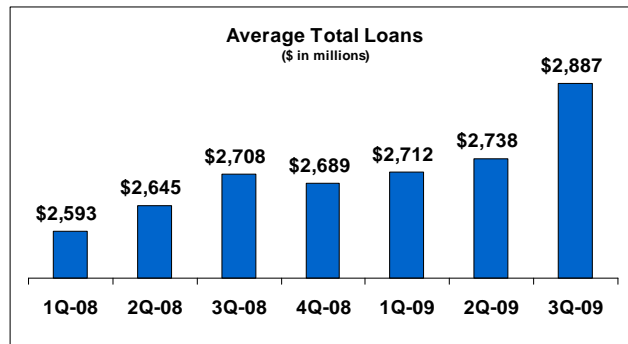
## End of Period Loan Portfolio Composition



YTD-2009 = January 1, 2009 – September 30, 2009

Yield presented is not tax-equivalent

<sup>1</sup> Excludes covered loans acquired under loss share agreements

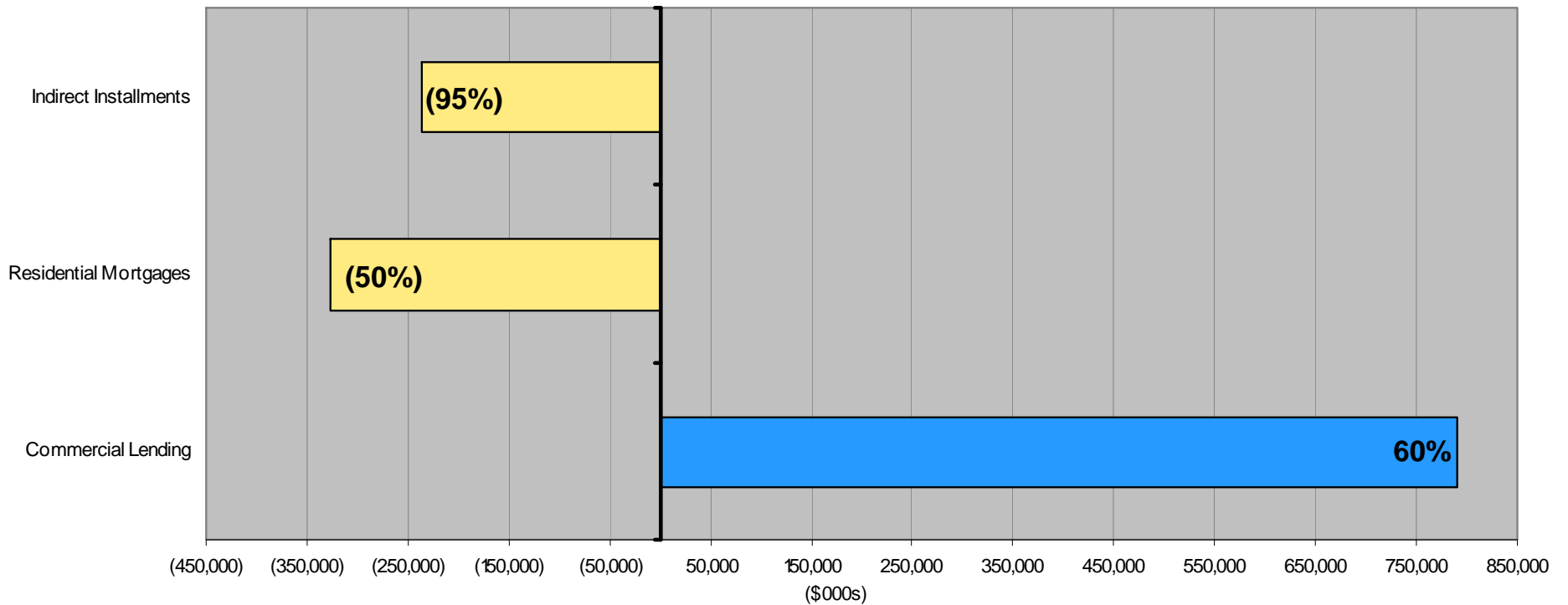


- Average total loans increased \$179.1 million or 6.6% from third quarter 2008, and \$148.5 million or 21.7% from second quarter 2009
  - Driven primarily by growth in commercial lending portfolios
- Overall declines in the average consumer lending portfolios are a result of the company's strategy to de-emphasize certain consumer-based lending activities

<sup>1</sup> Loan balances include \$41.1 million in loans purchased on 08/28/09, but exclude covered loans acquired in 3Q-09 under loss share agreements

Linked-quarter percentage growth is annualized

## Growth Since 2005 <sup>1</sup>

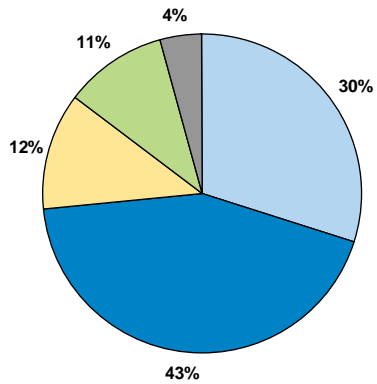


Gross loan CAGR = 2.0% due to planned runoff in indirect loans and residential mortgages

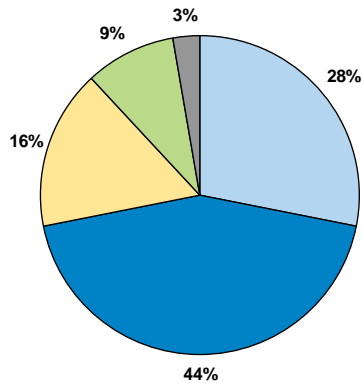
<sup>1</sup> December 31, 2005 through September 30, 2009; excludes covered loans

# Loan Composition

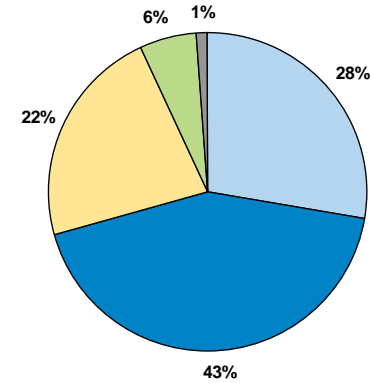
**June 30, 2009 - \$2.9 billion**



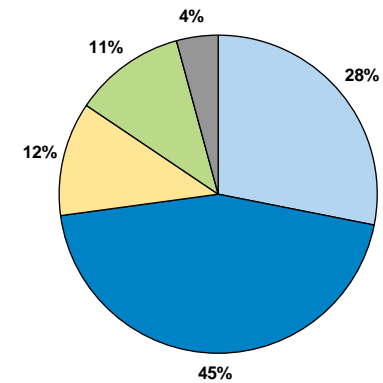
**September 30, 2009 - \$4.9 billion**



**Covered Loans - \$2.1 billion**  
(at estimated fair value)



**Uncovered Loans - \$2.9 billion**



■ Commercial 
 ■ Commercial Real Estate 
 ■ Residential Real Estate 
 ■ Home Equity 
 ■ Installments

- On-going review of various strategies to increase the size of the investment portfolio and its absolute level of earnings, while balancing capital and liquidity targets
  - Represents approximately 8.7% of total assets
  - Portfolio selection criteria avoids securities backed by sub-prime assets and those with geographic considerations

### Investment Portfolio Summary

(\$ in thousands, excluding book price and market value)						
	% of Total	Book Value	Book Yield	Book Price	September 30, 2009 Market Value	Gain/(Loss)
UST Notes & Agencies	8.7%	\$ 54,502	4.65	99.76	101.92	\$ 1,160
CMOs (Agency)	9.9%	62,342	4.62	100.47	104.30	2,294
CMOs (Private)	0.0%	68	1.12	100.00	97.97	(1)
MBSs (Agency)	61.8%	389,469	4.64	100.94	104.92	14,753
Agency Preferred	0.1%	338	-	1.69	1.69	-
<i>Subtotal</i>	80.5%	\$ 506,719	4.64	100.69	103.46	\$ 18,206
Municipal	4.1%	\$ 25,512	7.15	99.01	101.43	\$ 616
Other <sup>1</sup>	15.4%	97,083	3.70	101.50	101.91	388
<i>Subtotal</i>	19.5%	\$ 122,595	4.42	100.98	101.81	\$ 1,004
<b>Total Investment Portfolio</b>	<b>100.0%</b>	<b>\$ 629,314</b>	<b>4.60</b>	<b>100.75</b>	<b>103.17</b>	<b>\$ 19,210</b>
						Net Unrealized Gain/(Loss) \$ 19,210
						Aggregate Gains \$ 19,488
						Aggregate Losses \$ (278)
						Net Unrealized Gain/(Loss) % of Book Value 3.05%

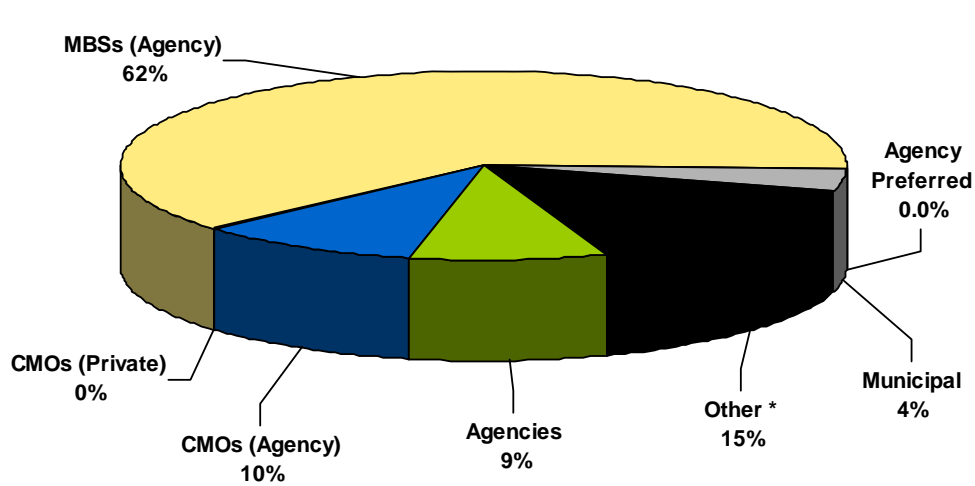
<sup>1</sup> Other includes \$88 million of regulatory stock

- Increases in the investment portfolio during the third quarter was the result of acquired investment securities from the Peoples and Irwin transactions
- All acquired securities are conforming investments as outlined in First Financial's investment policy
- The investment securities, excluding regulatory stock, were acquired at their fair market value on the acquisition dates

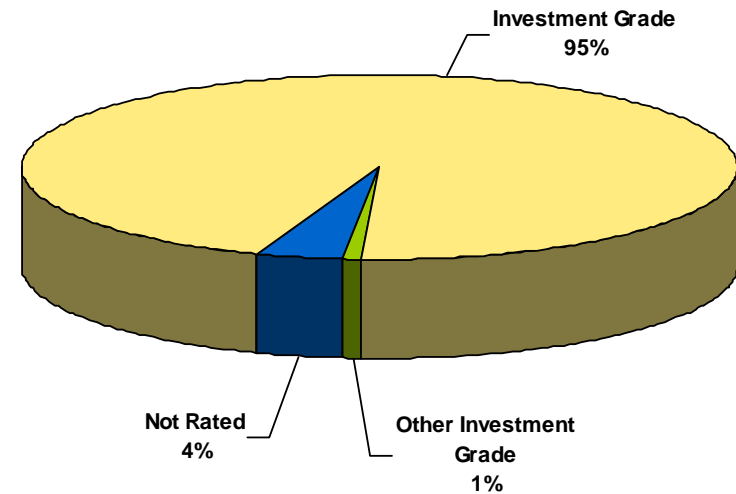
### Third Quarter 2009 Progression of Investment Portfolio

(\$ in thousands)	06/30/09 Beginning Book Value	Change			09/30/09 Ending Book Value
		Peoples	Irwin	Maturities/ Additions	
UST Notes & Agencies	\$ 41,145	\$ -	\$ 13,609	\$ (252)	\$ 54,502
CMOs (Agency)	65,879	-	-	(3,537)	62,342
CMOs (Private)	77	-	-	(9)	68
MBSs (Agency)	391,667	21,465	1,330	(24,994)	389,468
Agency Preferred	184	-	-	154	338
<i>Subtotal</i>	\$ 498,952	\$ 21,465	\$ 14,939	\$ (28,638)	\$ 506,718
Municipals	\$ 30,085	\$ 349	\$ 627	\$ (5,549)	\$ 25,512
Other *	31,839	15,867	50,021	(643)	97,084
<i>Subtotal</i>	\$ 61,924	\$ 16,216	\$ 50,648	\$ (6,192)	\$ 122,596
<b>Total Investment Portfolio</b>	<b>\$ 560,876</b>	<b>\$ 37,681</b>	<b>\$ 65,587</b>	<b>\$ (34,830)</b>	<b>\$ 629,314</b>
* Includes Regulatory Stock					
Net Unrealized Gain/(Loss)	\$ 12,108				\$ 19,210
Aggregate Gains	\$ 13,072				\$ 19,488
Aggregate Losses	\$ (964)				\$ (278)
Net Unrealized Gain/(Loss) % of Book Value	2.16%				3.05%

## Sector Allocation



## Credit Quality

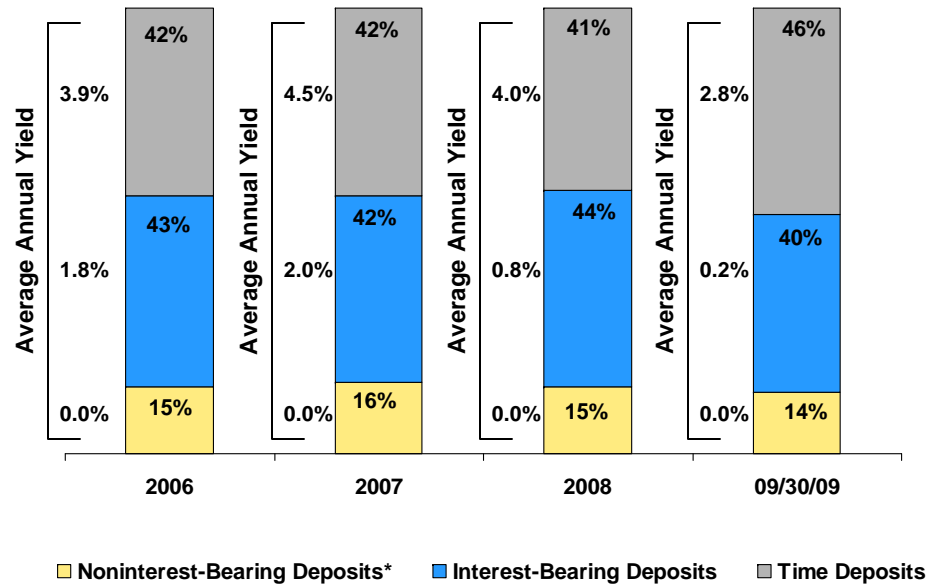
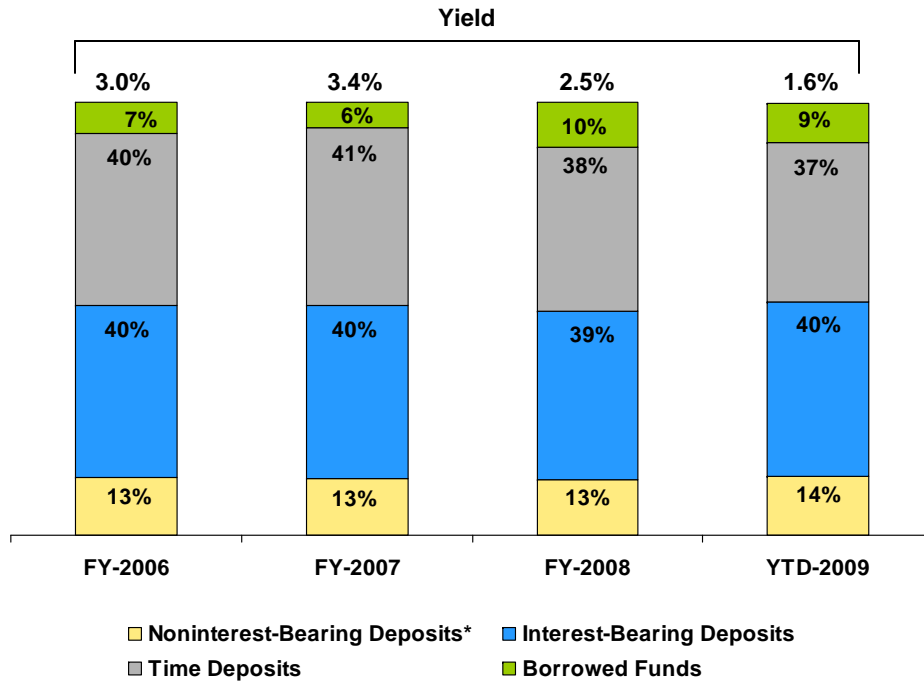


\* Other includes regulatory stock

Investment Grade = A-rated securities  
Other Investment Grade = B-rated securities

**Average Liability Mix**

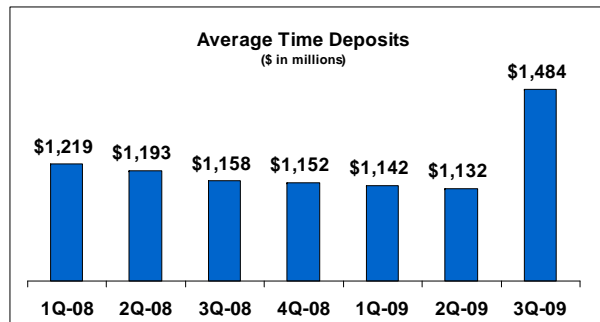
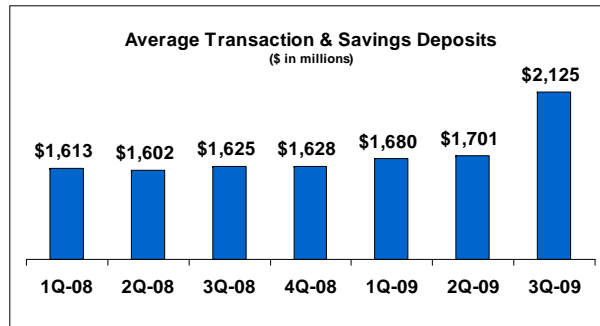
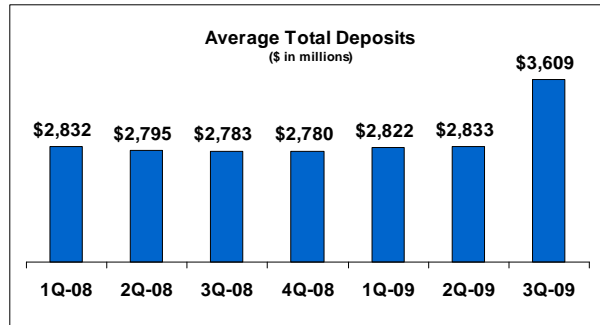
**End of Period Deposit Portfolio Composition**



\* Not included in yield calculation

YTD-2009 = January 1, 2009 – September 30, 2009





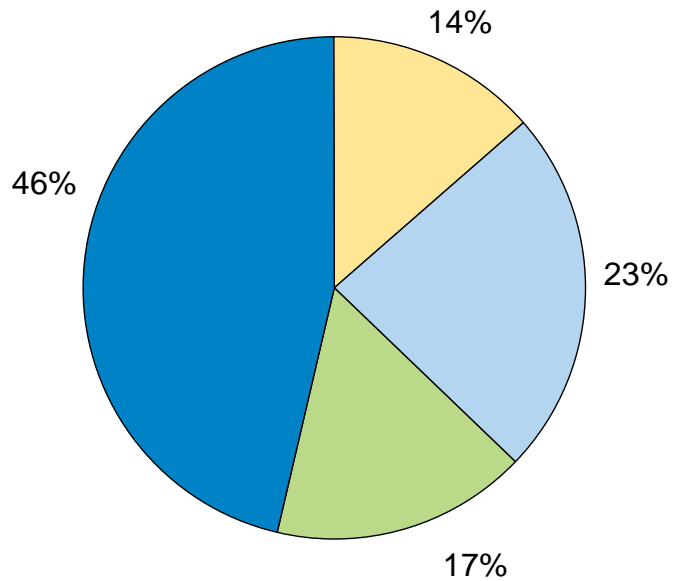
(\$ in thousands)

End of Period	Deposits, including Acquired Deposits			First Financial at 09/30/09
	First Financial at 06/30/09	All Acquired Deposits	Organic Growth	
Transaction & Savings Deposits	\$ 1,680,446	\$1,401,965	\$ 50,181	\$ 3,132,592
Time Deposits	1,032,890	950,945	44,677	2,028,512
Broker Deposits	78,509	601,332	(4,961)	674,880
<b>Total</b>	<b>\$ 2,791,845</b>	<b>\$2,954,242</b>	<b>\$ 89,897</b>	<b>\$ 5,835,984</b>

- Excluding impact of acquisitions, third quarter 2009 deposit portfolio performed consistent with expectations and showed improvement from the second quarter of 2009
- Growth seen primarily in core business transaction accounts
- All other deposit categories remained stable with modest growth
- Repriced acquired deposit portfolios as permitted by the FDIC
  - Repriced approximately \$1.0 billion in deposits
  - Through 10/31/09 approximately 36% of repriced deposits had been redeemed without penalty

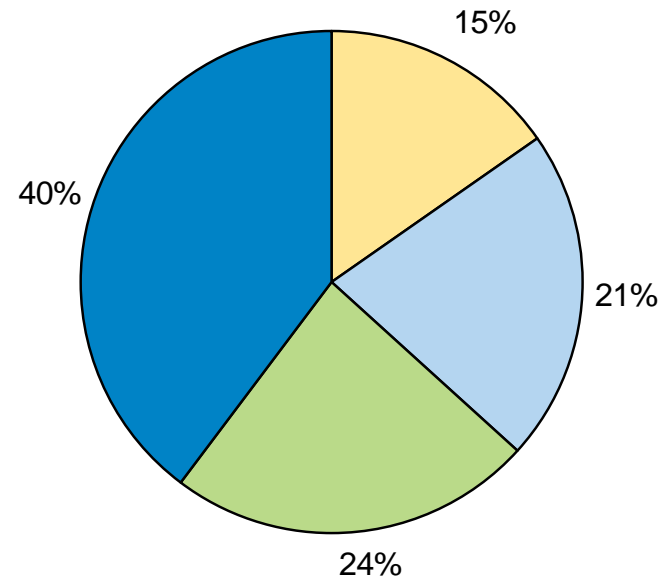
# Deposit Composition

June 30, 2009



- \$2.8 billion in deposits
- WAR = 1.29%

September 30, 2009



- \$5.8 billion in deposits
- WAR = 1.26%

■ DDA ■ NOW ■ Savings ■ Time Deposits

# Borrowed Funds

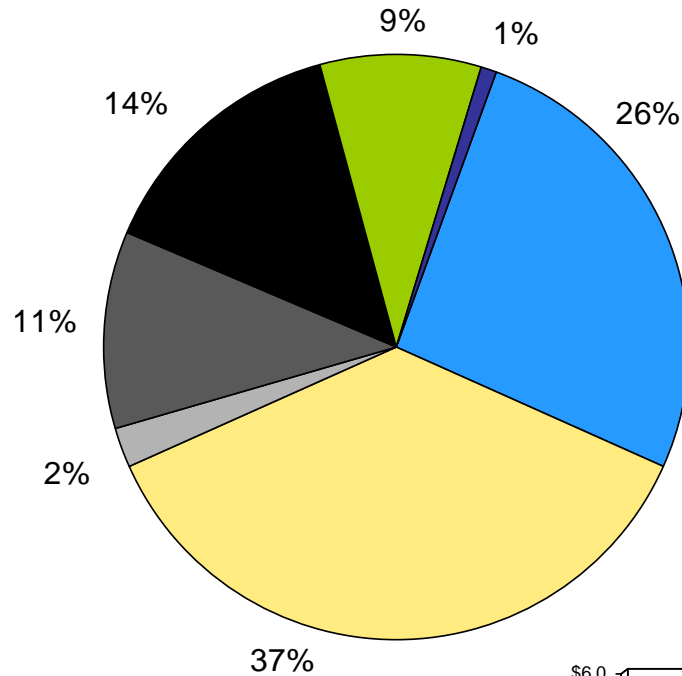
- First Financial assumed additional Federal Home Loan Bank debt with the Peoples and Irwin acquisitions
- Approximately \$83.7 million in short-term advances from Irwin matured prior to the end of the third quarter of 2009
- At September 30, 2009, First Financial had available overnight wholesale funding sources of approximately \$2.5 billion

(\$ in thousands)	06/30/09 Beginning Balance	Change			09/30/09 Ending Balance
		07/31/09 Peoples Additions	09/18/09 Irwin Additions	3Q-09 Maturities/ Additions	
<b>Borrowed Funds</b>					
Short Term Borrowings:					
Federal Funds Purchased and Securities Sold Under Agreements to Repurchase	\$ 206,777	\$ -	\$ -	\$ (171,014)	\$ 35,763
Federal Home Loan Bank Advances	125,000	-	138,700	(198,700)	65,000
Other	25,000	-	-	(25,000)	-
<b>Total Short Term Borrowings</b>	<b>\$ 356,777</b>	<b>\$ -</b>	<b>\$ 138,700</b>	<b>\$ (394,714)</b>	<b>\$ 100,763</b>
Long Term Borrowings:					
Federal Home Loan Bank Advances	\$ 70,908	\$ 63,477	\$ 216,304	\$ (5,334)	345,356
Securities Sold Under Agreements to Repurchase	65,000	-	-	-	65,000
Other	20,620	-	-	-	20,620
<b>Total Long Term Borrowings</b>	<b>\$ 156,528</b>	<b>\$ 63,477</b>	<b>\$ 216,304</b>	<b>\$ (5,334)</b>	<b>\$ 430,976</b>
<b>Total Short &amp; Long Term Borrowings</b>	<b>\$ 513,305</b>	<b>\$ 63,477</b>	<b>\$ 355,004</b>	<b>\$ (400,048)</b>	<b>\$ 531,739</b>

# Noninterest Income

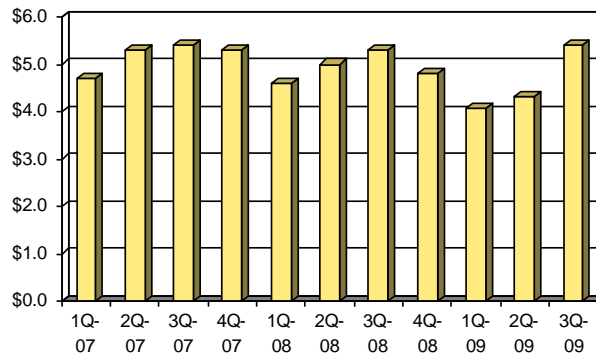
Year-to-Date 2009

Total Noninterest Income = \$37.7 million <sup>1</sup>

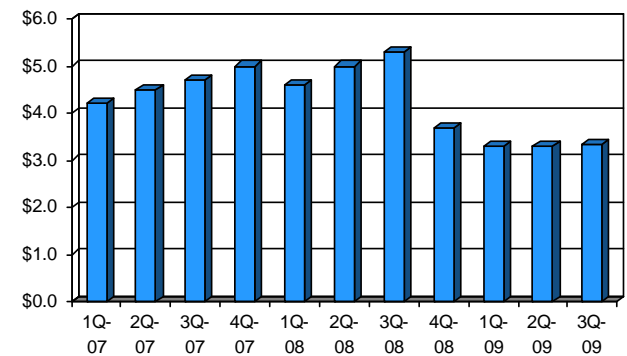


- Trust & Investment Advisory Fees - \$9.9 million
- Service Charges on Deposits - \$13.8 million
- Net Gains from Sales of Loans - \$0.9 million
- Bankcard Income - \$4.1 million
- Other Misc. Income - \$5.5 million
- Gains on Sales of Investment Securities - \$3.3 million
- Income on Preferred Securities - \$0.3 million

■ Service Charges on Deposits  
(\$ in millions)



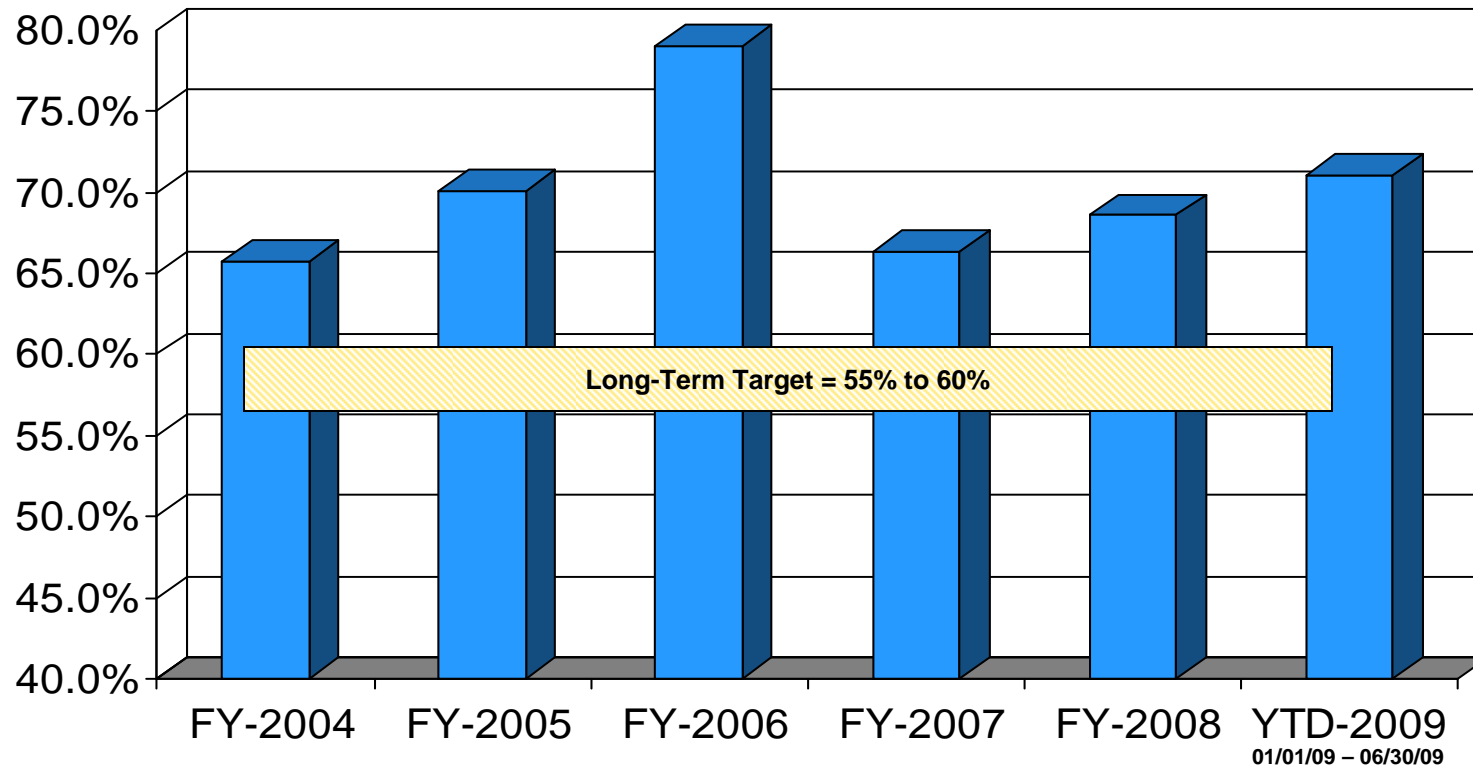
■ Trust & Investment Advisory Fees  
(\$ in millions)



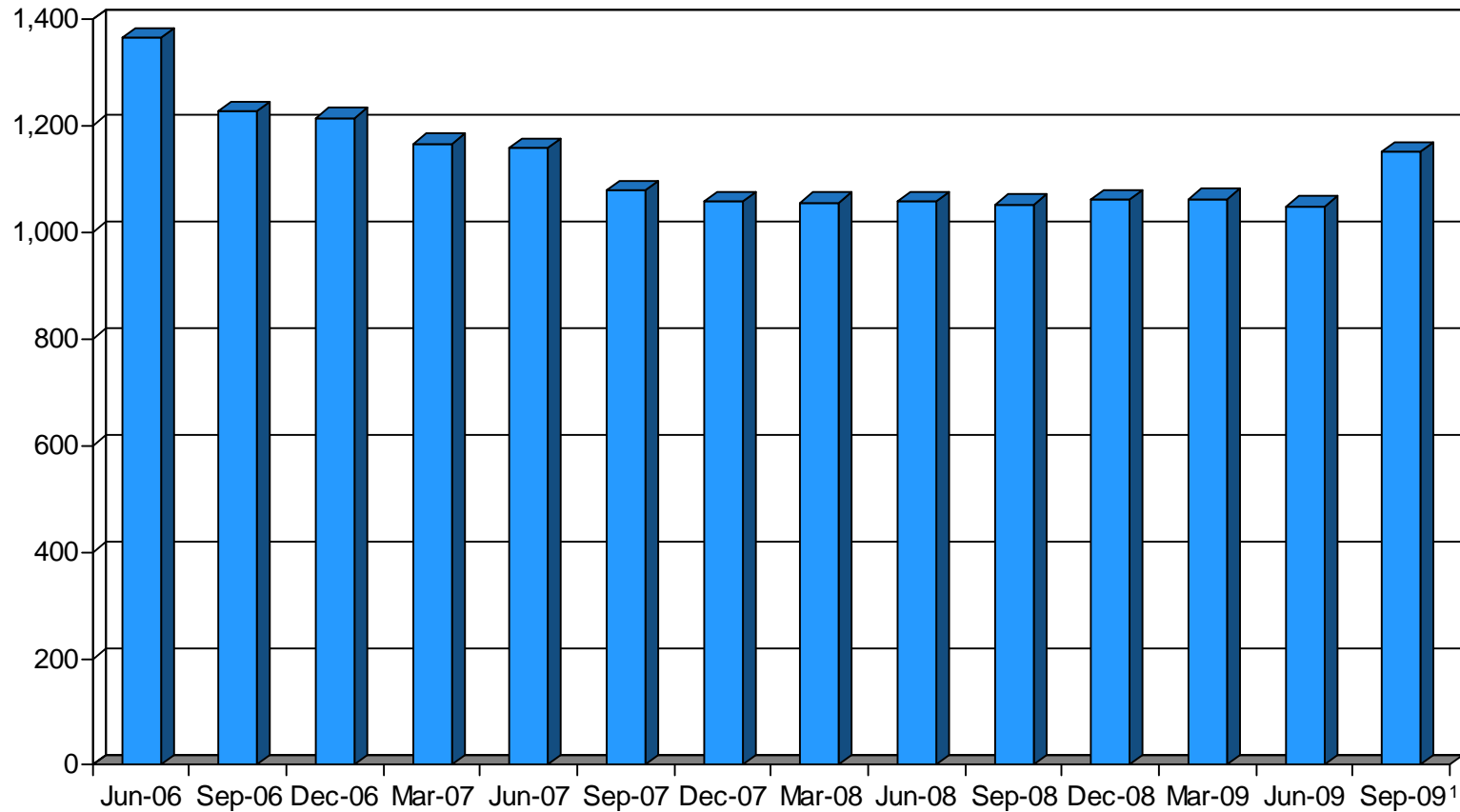
YTD-2009 = January 1, 2009 – September 30, 2009

<sup>1</sup> Excludes \$383.3 million 3Q-09 gain on acquisition

## Efficiency Ratio



## Full-Time Equivalent Personnel



<sup>1</sup> Does not include associates from acquisitions who are currently in a temporary hire status

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# Leadership

**Claude E. Davis**

**President & Chief Executive Officer**

Claude E. Davis joined First Financial in 2004 as President, Chief Executive Officer, and a member of the Board of Directors. Mr. Davis also serves as Chairman of the Board of Directors of First Financial Bank. Prior to joining the company, he served as Senior Vice President at Irwin Financial Corporation, and Chairman of Irwin Union Bank and Trust, the company's lead bank, positions he held since 2003. Earlier in his career, he served as President of Irwin Union Bank and Trust for seven years. Mr. Davis began his career as a Certified Public Accountant with the public accounting firm Coopers & Lybrand.

**C. Douglas Lefferson**

**Executive Vice President & Chief Operating Officer**

C. Douglas Lefferson has spent his entire career in various positions within First Financial Bancorp and First Financial Bank, and was appointed to his current position in 2005. Prior to his current appointment, Mr. Lefferson served as Chief Financial Officer from 2002 through 2005.

**J. Franklin Hall**

**Executive Vice President & Chief Financial Officer**

J. Franklin Hall joined First Financial in 1999 and was appointed to his current position in 2005. Prior to joining the company, he was with Firststar Bank (currently US Bancorp). He is a Certified Public Accountant (inactive), and began his career with the public accounting firm Ernst & Young, LLP. Mr. Hall also serves as President of the First Financial Bancorp subsidiary First Financial Capital Advisors, LLC, and is President of the company's proprietary mutual fund family, First Funds.

**Samuel J. Munafo**

**Ohio / Kentucky Regional President**

Samuel J. Munafo has spent his entire career in various positions within First Financial Bancorp and First Financial Bank. Prior to his current appointment, Mr. Munafo served as President of First Financial Bank (2005 – 2006), and President and Chief Executive Officer for several First Financial affiliates, including Community First Bank & Trust (2001 - 2005), Indiana Lawrence Bank (1998 – 2001), and Clyde Savings Bank (1994 – 1998). He began his career with the company as a management trainee and has served the company in a number of areas, including operations, retail, commercial lending, credit cards and security.



**Al Roszczyk**  
**Indiana Regional President**

Al Roszczyk joined First Financial in June 2009. Mr. Roszczyk oversees the company's Indiana markets. He has 26 years of banking experience with a strong background in executive management and leadership as well as extensive experience in commercial lending, treasury management, and personal banking services. Prior to joining First Financial, Mr. Roszczyk spent 14 years with Irwin Union Bank and Trust Company.

**Richard Barbercheck**  
**Senior Vice President & Chief Credit Officer**

Richard Barbercheck joined First Financial in 2005 as Senior Vice President and Chief Risk Officer, and was appointed to his current position in 2006. Mr. Barbercheck is responsible for the administration of the bank's lending portfolios as well as oversight of the company's credit policies and loan underwriting processes. Prior to joining the company, he oversaw the Credit Risk Evaluation Group at Irwin Financial Corporation (Columbus, Indiana). Earlier in his career he served at several banks in executive-level positions located in Southeastern Indiana, including Veedersburg State Bank (1989 – 1993), National City Bank (1993 - 1998), and Irwin Union Bank (1998 - 2005). Mr. Barbercheck has a total of 27 years of banking experience, with a predominance of experience in the commercial lending and credit administration areas.

**Michael Cassani**  
**Senior Vice President, Wealth Resource Group**

Michael Cassani joined First Financial in 2007 as Senior Vice President and Chief Administrative Officer to oversee the company's Wealth Resource Group. Prior to joining the company, Mr. Cassani served as President of Fund Project Services, Inc., a financial project management and consulting firm he co-founded in 1998. Earlier in his career, he served as Mutual Funds Product Manager at Fifth Third Bank, and as Institutional Investment Officer at Roulston and Company. Prior to those appointments, Mr. Cassani served as an Investment Representative for two separate companies located within the Chicago area.

**Gregory A. Gehlmann**  
**Senior Vice President, General Counsel**

Gregory A. Gehlmann joined First Financial in 2005 as Senior Vice President and General Counsel. Mr. Gehlmann also served as Chief Risk Officer for the company (2006 – 2008). Prior to joining the company, he practiced law for 16 years in Washington, D.C. Mr. Gehlmann served as partner/counsel at Manatt, Phelps & Phillips, LLP (Washington, D.C.), where he was counsel to public and private companies, as well as investors, underwriters, directors, officers, and principals regarding corporate securities, banking, and general business and transactional matters.

**John Sabath**

**Senior Vice President & Chief Risk Officer**

John Sabath joined First Financial in 2005 as Regulatory Risk Manager. Mr. Sabath was then promoted to Senior Risk Officer and First Vice President, and assumed his current position in 2008. He is responsible for management of the company's risk management function which includes commercial and retail credit, compliance, operational, market, strategic and reputation risk. Prior to joining the company, he was in the Enterprise Risk Group at Fifth Third Bank. Earlier in his career, Mr. Sabath held positions at the Federal Reserve Bank of Cleveland, National City Bank and Star Bank (currently US Bancorp).

**Jill A. Stanton**

**Senior Vice President, Retail & Small Business Lending Manager**

Jill Stanton joined First Financial in 2008. Ms. Stanton has responsibility for product line management for first mortgage loans, consumer lending and small business lending. Prior to joining the company, she served as Senior Vice President for Irwin Union Bank where she was responsible for mortgage, consumer lending, business banking, commercial credit analysis, credit administration and loan operations in their commercial banking business. Ms. Stanton has over 20 years of experience within the financial services industry.

**Anthony M. Stollings**

**Senior Vice President & Chief Accounting Officer**

Tony Stollings joined First Financial in 2006. Mr. Stollings oversees the company's corporate accounting, tax and external reporting. He is a Certified Public Accountant (inactive), and prior to joining the company, he served as Chief Accounting Officer and Controller at Provident Financial Group, Inc. (Cincinnati OH). Mr. Stollings spent 13 years at Provident and has more than 30 years experience within the financial services industry.

**Jill L. Wyman**

**Senior Vice President, Retail Banking Sales & Deposit Manager**

Jill Wyman joined First Financial in 2003 as Vice President and Sales Director. In her current position, Ms. Wyman has responsibility for leading the retail sales process, growing retail deposits, and enhancing the sales culture throughout the company's three-state banking center network. She is also responsible for market services and corporate marketing. Prior to joining the company, she spent 19 years in retail where she served as general manager at Lazarus, a division of Federated Department Stores (currently Macy's). Ms. Wyman began her career as a management trainee at Federated/Macy's and progressed to sales manager, group sales manager, assistant general manager and regional merchandise manager.

# **first**

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## **About First Financial Bancorp**

First Financial Bancorp is a Cincinnati, Ohio based bank holding company with \$7.3 billion in assets. Its banking subsidiary, First Financial Bank, N.A., founded in 1863, provides retail and commercial banking products and services, and investment and insurance products through its retail banking center network. Currently, First Financial Bank, N.A. operates 128 banking centers. Its strategic marketing operations are located within the four state regions of Ohio, Indiana, Kentucky and Michigan where it operates 118 banking centers. The bank's wealth management division, First Financial Wealth Resource Group, provides investment management, traditional trust, brokerage, private banking, and insurance services, and has approximately \$2.0 billion in assets under management. Additional information about the company, including its products, services, and banking locations, is available at [www.bankatfirst.com/investor](http://www.bankatfirst.com/investor).

# **fIRST**

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# Summary of Items Impacting Earnings Per Diluted Common Share

- The following table presents earnings excluding significant items impacting performance <sup>1</sup>

	(\$ in thousands, excluding per share data)												
	2009			2008					2007				
	Year-to-Date	2Q	1Q	Full-Year	4Q	3Q	2Q	1Q	Full-Year	4Q	3Q	2Q	1Q
Gain (Loss) on FHLMC shares <sup>1</sup>	\$ 123	\$ 112	\$ 11	\$ (3,738)	\$ (137)	\$ (3,400)	\$ (221)	\$ 20	\$ -	\$ -	\$ -	\$ -	\$ -
Increase in Loan Loss Reserve & Higher Charge-offs	-	-	-	(7,539)	(7,539)	-	-	-	-	-	-	-	-
Higher Charge-offs Related to Floor Plan Relationships	(3,752)	(3,752)	-	-	-	-	-	-	-	-	-	-	-
Gain on Sale of Property & Casualty Portion of Insurance Business	574	-	574	-	-	-	-	-	-	-	-	-	-
Gains on Sales of Investment Securities (CPP 2009; VISA 2008; MasterCard 2007)	3,349	3,349	-	1,585	-	-	-	1,585	367	-	367	-	-
Gain on Sale of Merchant Payment Processing Portfolio	-	-	-	-	-	-	-	-	5,501	5,501	-	-	-
Gain on Sale of Mortgage Servicing Rights	-	-	-	-	-	-	-	-	1,061	-	-	-	1,061
FDIC Special Assessment	(1,737)	(1,737)	-	-	-	-	-	-	-	-	-	-	-
FDIC Expense - Other	(1,969)	(1,687)	(282)	(521)	(158)	(115)	(121)	(127)	(330)	(81)	(81)	(82)	(86)
Acquisition-related Expenses	(426)	(426)	-	-	-	-	-	-	-	-	-	-	-
Severance Costs Related to Sale of Property & Casualty Insurance Business	(232)	-	(232)	-	-	-	-	-	-	-	-	-	-
Pension Settlement Charges	-	-	-	-	-	-	-	-	(2,222)	(2,222)	-	-	-
Liability for Retiree Medical Benefits	-	-	-	1,285	-	-	1,285	-	-	-	-	-	-
Visa Member Litigation Charges	-	-	-	-	-	-	-	-	(461)	(461)	-	-	-
<i>Impact to Pre-Tax Net Income</i>	<i>\$ (4,070)</i>	<i>\$ (4,141)</i>	<i>\$ 71</i>	<i>\$ (8,928)</i>	<i>\$ (7,834)</i>	<i>\$ (3,515)</i>	<i>\$ 943</i>	<i>\$ 1,478</i>	<i>\$ 3,916</i>	<i>\$ 2,737</i>	<i>\$ 286</i>	<i>\$ (82)</i>	<i>\$ 975</i>
<i>After-Tax Impact to Earnings Per Diluted Share</i>	<i>\$ (0.06)</i>	<i>\$ (0.07)</i>	<i>\$ 0.00</i>	<i>\$ (0.15)</i>	<i>\$ (0.14)</i>	<i>\$ (0.06)</i>	<i>\$ 0.02</i>	<i>\$ 0.03</i>	<i>\$ 0.07</i>	<i>\$ 0.05</i>	<i>\$ 0.00</i>	<i>\$ (0.00)</i>	<i>\$ 0.02</i>

<sup>1</sup> Gain (Loss) related to the company's investment in 200,000 Federal Home Loan Mortgage Corporation (FHLMC) perpetual preferred series V shares

<sup>1</sup> The company believes that excluding these items presents a more representative comparison of operational performance for each period without the volatility of credit quality that is typically present in times of economic stress, as well as other significant items not related to the company's core business

# Pre-Tax, Pre-Provision Income Excluding Significant Items

- The following table presents pre-tax, pre-provision income excluding significant items <sup>1</sup>

	(\$ in thousands)				
	Quarter			Year-to-Date	
	2Q-09	1Q-09	2Q-08	June 30, 2009	June 30, 2008
Pre-Tax Income	\$ 2,152	\$ 8,768	\$ 11,700	\$ 10,920	\$ 22,581
Excluding Provision Expense	10,358	4,259	2,493	14,617	5,716
<i>Pre-Tax, Pre-Provision Income</i>	<u>\$ 12,510</u>	<u>\$ 13,027</u>	<u>\$ 14,193</u>	<u>\$ 25,537</u>	<u>\$ 28,297</u>
Significant Items <sup>2</sup>	1,298	353	1,064	1,651	2,669
<i>Pre-Tax, Pre-Provision Income, excluding Significant Items</i>	<u>\$ 11,212</u>	<u>\$ 12,674</u>	<u>\$ 13,129</u>	<u>\$ 23,886</u>	<u>\$ 25,628</u>

<sup>2</sup> Includes significant items summarized on page 29, with the exception of FDIC Expense - Other and provision-related items

<sup>1</sup> The company believes that excluding these items presents a more representative comparison of operational performance for each period without the volatility of credit quality that is typically present in times of economic stress, as well as other significant items not related to the company's core business