

# first

## investor presentation

- First Quarter 2023



**first**<sup>®</sup> first financial bancorp

# forward looking statements disclosure

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

As with any forecast or projection, forward-looking statements are subject to inherent uncertainties, risks and changes in circumstances that may cause actual results to differ materially from those set forth in the forward-looking statements. Forward-looking statements are not historical facts but instead express only management’s beliefs regarding future results or events, many of which, by their nature, are inherently uncertain and outside of management’s control. It is possible that actual results and outcomes may differ, possibly materially, from the anticipated results or outcomes indicated in these forward-looking statements. Important factors that could cause actual results to differ materially from those in our forward-looking statements include the following, without limitation:

- economic, market, liquidity, credit, interest rate, operational and technological risks associated with the Company’s business;
- future credit quality and performance, including our expectations regarding future loan losses and our allowance for credit losses;
- the effect of and changes in policies and laws or regulatory agencies, including the Dodd-Frank Wall Street Reform and Consumer Protection Act and other legislation and regulation relating to the banking industry; (iv) management’s ability to effectively execute its business plans;
- mergers and acquisitions, including costs or difficulties related to the integration of acquired companies;
- the possibility that any of the anticipated benefits of the Company’s acquisitions will not be realized or will not be realized within the expected time period;
- the effect of changes in accounting policies and practices;
- changes in consumer spending, borrowing and saving and changes in unemployment;
- changes in customers’ performance and creditworthiness;
- the costs and effects of litigation and of unexpected or adverse outcomes in such litigation;
- current and future economic and market conditions, including the effects of changes in housing prices, fluctuations in unemployment rates, U.S. fiscal debt, budget and tax matters, geopolitical matters, and any slowdown in global economic growth;
- the adverse impact on the U.S. economy, including the markets in which we operate, of the novel coronavirus, which causes the Coronavirus disease 2019 (“COVID-19”), global pandemic, and the impact on the performance of our loan and lease portfolio, the market value of our investment securities, the availability of sources of funding and the demand for our products;
- our capital and liquidity requirements (including under regulatory capital standards, such as the Basel III capital standards) and our ability to generate capital internally or raise capital on favorable terms;

# forward looking statements disclosure

- financial services reform and other current, pending or future legislation or regulation that could have a negative effect on our revenue and businesses, including the Dodd-Frank Act and other legislation and regulation relating to bank products and services;
- the effect of the current interest rate environment or changes in interest rates or in the level or composition of our assets or liabilities on our net interest income, net interest margin and our mortgage originations, mortgage servicing rights and mortgage loans held for sale;
- the effect of a fall in stock market prices on our brokerage, asset and wealth management businesses;
- a failure in or breach of our operational or security systems or infrastructure, or those of our third-party vendors or other service providers, including as a result of cyber attacks;
- the effect of changes in the level of checking or savings account deposits on our funding costs and net interest margin; and
- our ability to develop and execute effective business plans and strategies.

Additional factors that may cause our actual results to differ materially from those described in our forward-looking statements can be found in our Form 10-K for the year ended December 31, 2022, as well as our other filings with the SEC, which are available on the SEC website at [www.sec.gov](http://www.sec.gov).

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

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About First Financial Bancorp

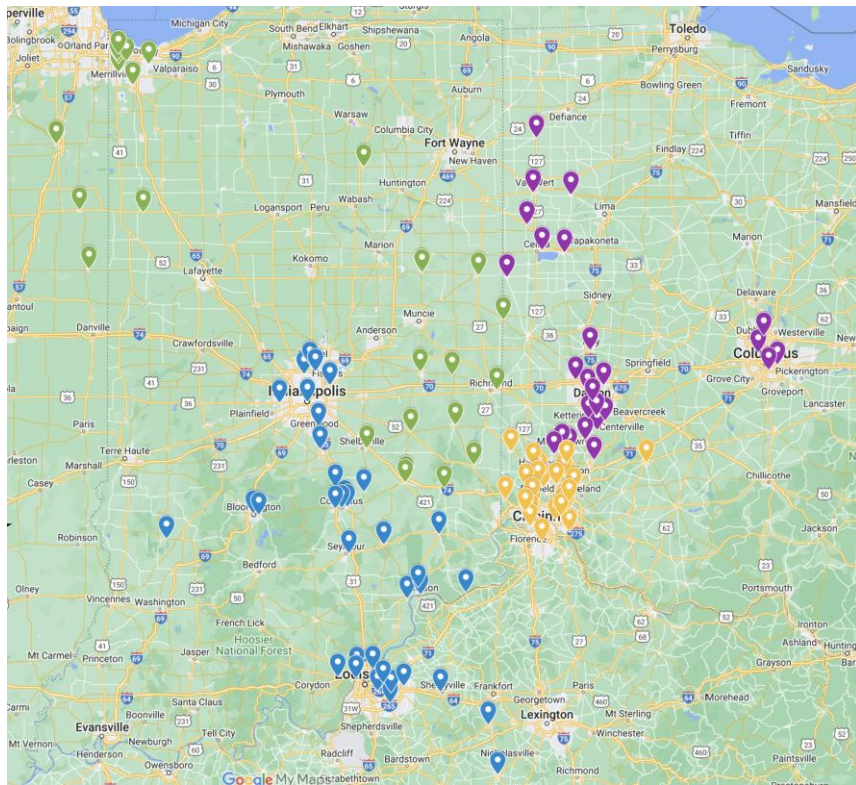
Financial Performance

Appendix

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# overview



**\$16.9B**

in assets

**\$10.4B/\$12.7B**

loans / deposits

**\$4.9B**

wealth management <sup>(1)</sup>

**2.40%**

1Q Adj. PTPP ROAA<sup>(2)</sup>

NASDAQ: **FFBC**

Headquarters: **Cincinnati, Ohio**

Founded: **1863**

Banking Centers: **130**

Employees: **2,066**

Market Cap <sup>(3/31/23)</sup>: **\$2.1B**

Dividend Yield <sup>(3/31/23)</sup>: **4.2%**

CET1 Ratio: **11.00%**

## Lines of Business

### Commercial

C&I, O-CRE, ABL, Equipment Finance,  
Treasury, Bannockburn Global Forex

### Retail Banking

Consumer, Small Business

### Mortgage Banking

### Wealth Management / Affluent Banking

### Investment Commercial Real Estate

### Commercial Finance

Oak Street Funding / Franchise  
Summit Funding Group



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<sup>1</sup> Includes brokerage assets under care.

<sup>2</sup> Non-GAAP financial measure which management believes facilitates a better understanding of the Company's financial condition. See Appendix for Non-GAAP reconciliation.

# key investment highlights



## Proven & sustainable business model spanning 160 years

- Well managed through past credit cycles
- Conservative operating philosophy
- Consistent profitability – 130 consecutive quarters



## Premier Midwest franchise with top quartile performance



## High quality balance sheet & robust capital position (11.00% CET1)



## Prudent risk management & credit culture with strong asset quality



## Increased scale to continue investments in technology



## Track record of well-executed acquisitions with a well-defined M&A strategy



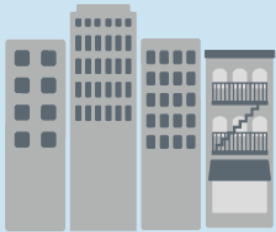
## Experienced and proven management team

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# complementary market centric strategies

## METRO MARKETS



Louisville, KY  
Columbus, OH  
Indianapolis, IN  
Dayton, OH

▼ Low brand awareness  
Low market share

Loans **\$3.0B** / Deposits **\$2.8B**

Build relationships through becoming the Premier Business Bank

Bank the business, the business owners and the employees

Leads to targeted growth across all business lines

## COMMUNITY MARKETS



Southern IN  
South Central IN  
Northwest IN  
Northern OH

▲ High brand awareness  
High market share

Loans **\$1.7B** / Deposits **\$4.8B**

Deepen relationships

Expand product offering

Word-of-mouth referrals

Leads to organic growth

## HEADQUARTERS



Greater Cincinnati  
Northern KY

**T-4th** in market share  
All business lines represented

Loans **\$4.1B** / Deposits **\$4.9B**

Significant branch network

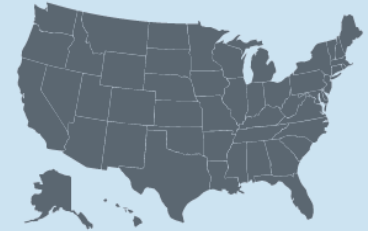
Alternative to larger banks

Mass player, based on brand, reputation and legacy

Visible presence

Large associate population

## NATIONAL



Industry Specific

▶ Niche offering

Loans **\$1.7B** / Deposits **\$0.2B**

Oak Street Funding

First Franchise Capital

Bannockburn Global Forex

Summit Funding Group

# key business lines

Diversified financial holding company with comprehensive and innovative solutions for individuals and businesses

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 yellow  
**CARDINAL**  
ADVISORY GROUP  
a first financial company

 **BANNOCKBURN**  
GLOBAL FOREX

**oak street**  
funding 

**FIRST**  
first franchise capital®

 **SUMMIT**  
Funding Group  
a first financial bank company

Full suite of diversified financial products for individuals and businesses

**\$16.9 Billion**  
Assets

**\$12.7 Billion**  
Deposits

**29.64%**  
Adjusted MRQ  
ROATCE

Wealth & asset management services for individuals and businesses

**\$4.9 Billion**  
Assets Under Care

**\$23.7 Million**  
LTM Revenue

**\$456 Million**  
Record LTM Wealth  
Advisory Sales

**~10,000**  
Relationships

Foreign currency advisory, hedge analytics, and transaction processing for closely held enterprises

**9 Offices**  
Across the U.S.

**\$61.7 Million**  
Record LTM Revenue

**2,000+**  
Clients

Specialty lender to insurance industry, RIAs, CPAs and indirect auto finance companies

**\$667 Million**  
Loans

**~20%**  
YoY Loan Growth

**6%**  
of Overall Portfolio

Specialty lender to quick-serve restaurant franchisees

**\$259 Million**  
Loans

**2%**  
of Overall Portfolio

Full-service equipment financing company

**\$400+ Million**  
2022 Originations

**4<sup>th</sup>**  
Largest Independent  
U.S. Equipment  
Finance Platform At  
Acquisition

High Yielding Portfolio

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# diversified lines of business

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## Go-to-Market Strategies

### COMMERCIAL BANKING

#### Vision

To be known and operate as the Premier Business Bank and to provide banking solutions to the business, to the owner(s) and to their employees.

#### Target Audience

- High Demander
- \$10MM-100MM Sales Revenue
- 50+ Employees

#### Current Portfolio

Relationships	3,894
Commitments	\$4.1B
Balances	\$2.6B
Business Deposits	\$1.7B
Pub Fund Deposits	\$1.6B

#### Value Proposition

We offer the products of our large regional competitors and, through personal relationship building, we become their trusted financial partner.

#### Business Line Goals

- Loan Growth
- Deposit Growth
- Fee Revenue
- Added new Forex product line through Bannockburn acquisition

### RETAIL BANKING

#### Vision

Achieve organic growth by creating long-lasting relationships by finding ways to help our clients succeed.

#### Target Audience

- Consumers
- Small Business

#### Goals

- Core Deposit Growth
- Client Retention
- Share of Wallet
- Business Banking

#### Value Proposition

Centers on our ability to remain relevant and offer the products and services that our larger competitors do, but with a level of client intimacy that is difficult for larger competitors to sustain. Our clients look to us as their partner, and we will seek to provide them every product and service that they need—but nothing that they don't.

#### Current Portfolio

	Consumer	Business	Pub Funds
Number of Clients	298,905	32,478	
Total Deposit Balance	\$5.9B	\$1.5B	\$0.1B
Total Loan Balance	\$0.9B	\$0.3B	

### MORTGAGE

#### Vision

To be known as a premier mortgage lender in our communities by leveraging our relationships, exceptional client service and a comprehensive selection of product options to assist our clients in obtaining their dream of homeownership.

#### Target Audience

Clients looking to purchase or refinance a home less than \$2.5MM

#### Current State

- Qtr Orig Volume \$130MM
- Avg loan size \$287K

#### Business Objectives

- Grow the business
- Focus on CRA
- Regulatory Compliance
- Customer Satisfaction

#### Value Proposition

A team of mortgage experts that deliver a fast, consistent experience for our clients by offering a suite of products to meet the needs of all client segments.

### WEALTH MANAGEMENT

#### Vision

Utilize a holistic wealth management approach to grow, preserve and protect client wealth.

#### Target Audience

Mass Affluent:	\$150-\$499K HH income
	\$250K-\$1MM in AUM
High Net Worth:	\$500K+ HH Income
	\$1MM-\$10MM in AUM
Plan Sponsors:	\$1-\$20MM Plan Size
	100+ Participants

#### Value Proposition

- Convenient and efficient venue to comprehensively address all financial/banking needs
- Investment Management Process
- Expertise - Trust, Estate, Financial Planning, RPS
- Best in Class Brokerage Platform

#### Current Portfolio

	Relationships	Assets
Trust & Investments	3,311	\$3.1B
Brokerage	6,209	\$1.5B
RPS	84	\$0.3B

#### Business Line Goals

- AUM Growth
- New Client Acquisition
- Maintain Top Quartile Investment Outcomes

### INVESTMENT COMMERCIAL REAL ESTATE

#### Vision

To be recognized by professional developers and investors as the market leader. Through constant monitoring and application of our strategy we will build a high performing portfolio with acceptable risk and excellent financial returns.

#### Current Portfolio

Central & Northern OH	\$0.7B
Southern OH	\$1.5B
Indiana	\$0.6B
Healthcare	\$0.4B
Small Exposure	\$0.2B
Affordable	\$0.1B

#### Business Line Goals

- Loan Growth
- Swap Revenue
- Deposit Growth

#### Target Audience

Professional investors/developers with proven track-record to weather down-cycles

### COMMERCIAL FINANCE

#### Vision

To be the market leader in client experience for commercial financing by delivering unique and diverse product offerings through cutting-edge technology and exceptional client service.

#### Target Audience

- Insurance Businesses
- Registered Investment Advisors
- Multi-Unit Restaurant Franchisees
- Certified Public Accountants
- Commercial Automotive Portfolios
- Clients looking for Equipment Leasing and Financing Expertise

#### Current Portfolio

Oak Street Funding	\$0.7B
First Franchise Capital	\$0.3B
Summit Funding Group <sup>1)</sup>	\$0.5B

<sup>1)</sup> Includes operating leases

#### Value Proposition

Fulfill the unique financing needs of our customers while providing extraordinary service and industry expertise

#### Business Line Goals

- Portfolio Growth
- Revenue Growth

# revenue growth strategies

## LOB | Go-to-Market

### Product & Pricing

- Regional pricing strategy
- Treasury Management product investments
- Investments in Product Management

### Talent Expansion

- Up-Market Commercial talent acquisition
- Added new commercial sales talent to Chicago and Cleveland
- Added Chief Transformation Officer; building out team
- Added Enterprise Product Executive
- Added Client Experience Executive

### Client Experience

- Improved Cash Management Platform
- Improved Online Banking Product
- Blend – Mortgage Origination
- nCino – Commercial loan origination and online account opening

## Distribution

### Defined Models

- Community
- Metro
- Headquarters
- National
- Digital

### Capacity Plans

- Increased physical distribution network
- Closed 67 locations in last 5 years<sup>1</sup>
- Aligned sales teams to distribution models

### Expanded Capabilities

- Acquired Bannockburn enabling us to provide foreign exchange services
- Rollout of “in-house” derivatives desk capabilities
- Investment in Wealth Mgmt.:
  - Business succession
  - Fixed income strategies
  - Alternative investments
  - Improved digital platform
- Acquired Summit providing significant improvement to lease product offering
- Acquired Brady Ware Capital specializing in investment banking for mid-sized businesses

## Technology

### Enterprise Data Management

- Investment in data warehouse
- Enabling data as a strategic asset
- Connection into CRM platform

### Enterprise CRM

- Company-wide implementation of SFDC
- Marketing automation and sales enablement program development
- Sales Management
- Operational Integration

### Digital Transformation

- Roadmap Creation
- Increased Resource Allocation
- Enhanced Client Experience

## Talent

### Staffing Model

- Defined company FTE targets
- Larger salesforce in targeted Lines of Business

### Culture

- Diversity and inclusion is a strategic priority
- Refreshed Corporate Strategic Intent
- Attraction/recruitment engagement and retention programs

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# digital + technology investments

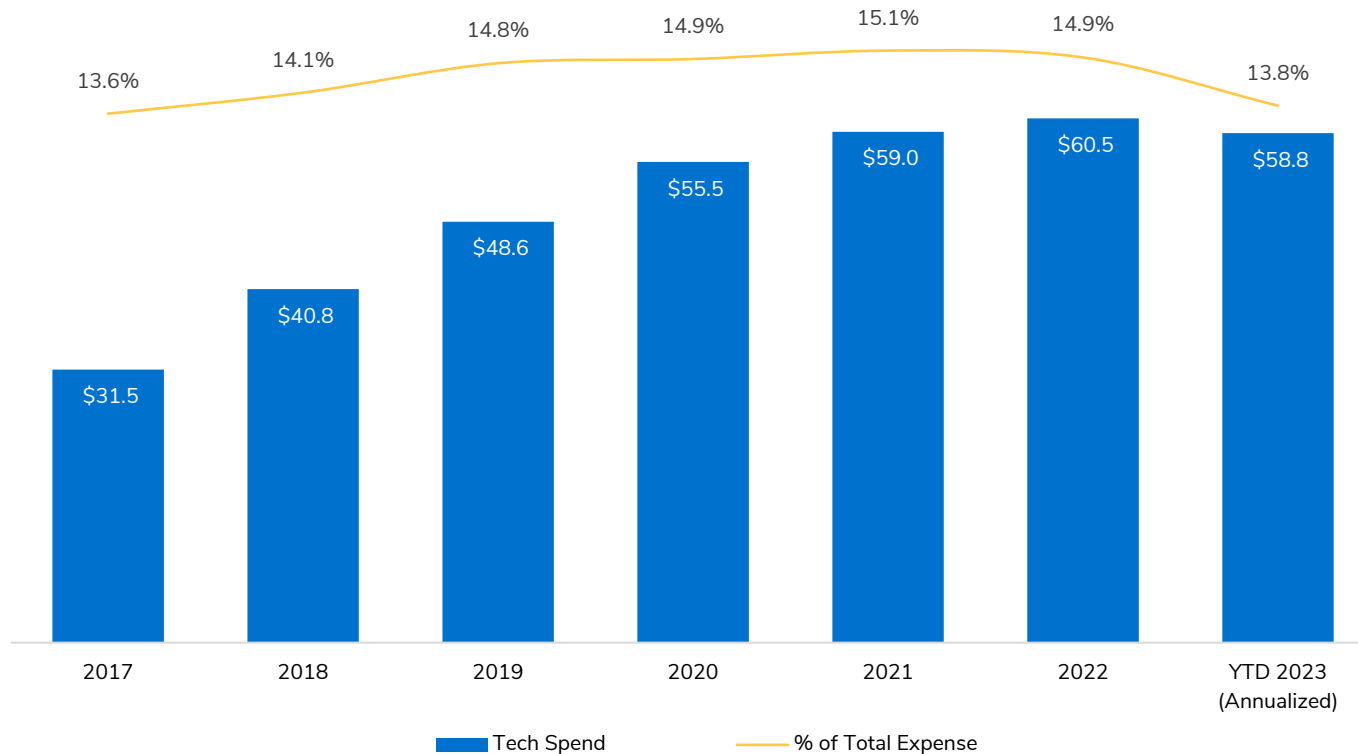
“ enabling simple, consistent & seamless customer experience across channels & making it easy for associates to provide best-in-class customer service.

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# digital + technology investments

## Tech Spend<sup>1</sup> / Total Expense<sup>2</sup>



All dollars shown in millions

1 – Tech Spend consists of data processing, communications, software / equipment depreciation & departmental expenses (primarily salaries & benefits) for the Technology, Digital & Info Security teams.

2 – Total Expense excludes Leasing Business Expense.

# digital + technology highlights

- **engagement**

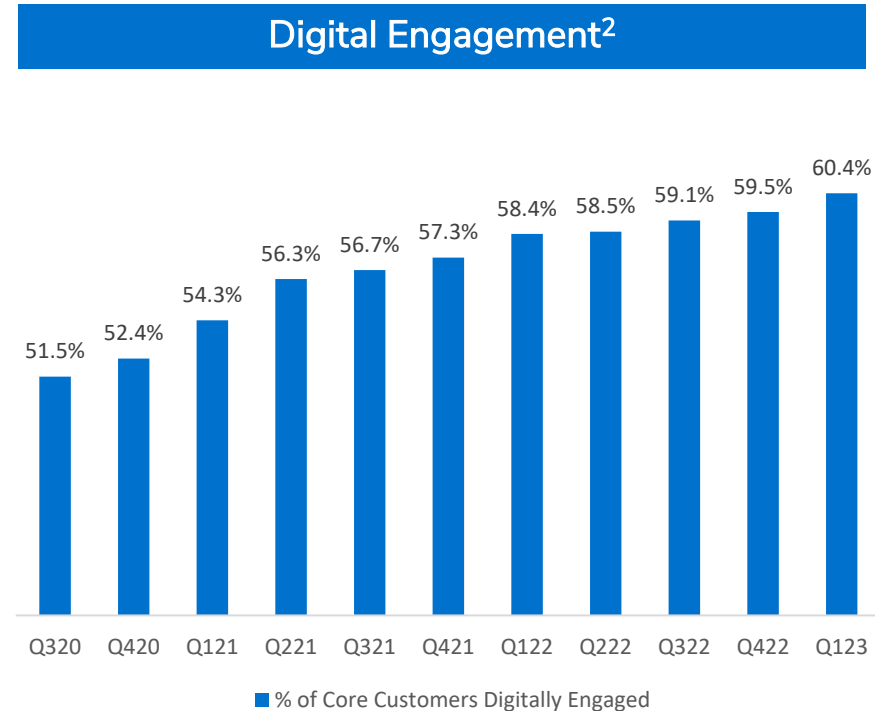
- digital engagement across core customers increased 3.4% vs. Q1 2022
- consumer online banking logins increased 11.2% vs. Q1 2022

- **self service**

- consumer online banking transaction volume increased 7.0% vs. Q1 2022

- **customer satisfaction**

- Q1 2023 consumer mobile app rating: 4.57<sup>1</sup>



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# 1Q 2023 results

## 130th Consecutive Quarter of Profitability

### Profitability

- Net income - \$70.4 million or \$0.74 per diluted share. Adjusted<sup>1</sup> net income - \$71.9 million or \$0.76 per diluted share
- Return on average assets - 1.69%. Adjusted<sup>1</sup> return on average assets – 1.72%
- Return on average shareholders' equity - 13.71%. Adjusted<sup>1</sup> return on average shareholders' equity - 14.01%
- Return on average tangible common equity - 29.02%<sup>1</sup>. Adjusted<sup>1</sup> return on average tangible common equity - 29.64%

### Income Statement

- Net interest income - \$159.3 million
- Net interest margin of 4.51% on a GAAP basis; 4.55% on a fully tax equivalent basis<sup>1</sup>
- Noninterest income - \$55.5 million; \$55.4 million as adjusted<sup>1</sup>
- Noninterest expense - \$116.7 million; \$114.6 million as adjusted<sup>1</sup>
- Efficiency ratio - 54.31%. Adjusted<sup>1</sup> efficiency ratio – 53.35%
- Effective tax rate of 19.7%. Adjusted<sup>1</sup> effective tax rate of 19.8%

### Balance Sheet

- EOP assets decreased \$69.4 million compared to the linked quarter to \$16.9 billion
- EOP loans increased \$134.4 million compared to the linked quarter to \$10.4 billion
- Average deposits increased \$179.8 million compared to the linked quarter to \$12.8 billion
- EOP investment securities decreased \$25.2 million compared to the linked quarter

### Asset Quality

- Provision expense - \$10.5 million
- Net charge-offs – \$0.0 million. NCOs / Avg. Loans – 0.00% annualized
- Classified Assets / Total Assets - 0.94%
- NPA / Total Assets – 0.21%
- ACL / Total Loans – 1.36%

### Capital

- Total capital ratio – 13.66%
- Tier 1 common equity ratio – 11.00%
- Tangible common equity ratio – 6.47%. Adjusted<sup>1</sup> Tangible common equity ratio– 8.54%
- Tangible book value per share – \$10.76

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

# 1Q 2023 highlights

- Quarterly earnings driven by strong net interest margin and record fee income
  - Adjusted<sup>1</sup> earnings per share - \$0.76
  - Adjusted<sup>1</sup> return on assets - 1.72%
  - Adjusted<sup>1</sup> pre-tax, pre-provision return on assets – 2.40%
  - Adjusted<sup>1</sup> return on average tangible common equity – 29.64%
- End of period loan balances increased during the period, in line with expectations
  - EOP loan balances increased \$134.4 million compared to the linked quarter; 5.3% on an annualized basis
  - Growth included a \$52.8 million increase in residential mortgage loans; a \$39.0 million increase in C&I; and a \$37.8 million increase in finance leases
- Total average deposit balances increased \$179.8 million, or 5.8% annualized
  - \$661.5 million increase in brokered CDs offset declines in transactional accounts due to seasonal trends and rate pressures
  - \$108.7 million increase in retail CDs
  - Seasonal decline in public fund balances of \$184.3 million
  - Decline of \$227.7 million in noninterest bearing deposit balances from linked quarter
  - Average noninterest bearing deposits were 30.9% of average total deposits at March 31, 2023
- Net interest margin (FTE) increased 8 bps, in line with expectations
  - 8 bp increase from fourth quarter driven by increasing asset yields
  - 62 bp increase in loan yields offset 49 bp increase in cost of deposits
- Record adjusted<sup>1</sup> noninterest income of \$55.4 million
  - Record leasing business revenue of \$13.7 million, an increase of \$2.5 million, or 22.8% compared to linked quarter
  - Strong foreign exchange income of \$16.9 million, a decrease of \$2.7 million, or 13.8%, from linked quarter
  - Record trust and wealth management fees of \$6.3 million
  - Adjusted<sup>1</sup> for \$0.1 million gain on investment securities



# 1Q 2023 highlights

- Adjusted<sup>1</sup> noninterest expense of \$114.6 million, a 2.4% decline from fourth quarter
  - Adjusted<sup>1</sup> for \$0.5 million of contract termination costs as well as \$1.6 million of other costs not expected to recur such as acquisition, severance and branch consolidation costs
  - \$7.7 million decline from fourth quarter driven by lower professional services, tax credit investment write-downs, charitable contributions, and incentive costs
  - Efficiency ratio of 54.3%; 53.3% as adjusted<sup>1</sup>
- Allowance for credit loss (ACL) and provision expense increased compared to linked quarter
  - Total ACL of \$161.8 million; provision expense of \$10.5 million
    - Loans and leases - ACL of \$141.6 million; 1.36% of total loans
    - Unfunded Commitments - ACL of \$20.2 million
  - Increase in provision expense driven by loan growth, slowing prepayments and economic forecasts
  - NPA to total assets of 0.21%
  - De minimis net charge-offs for the quarter
  - Nonaccrual loans of \$34.6 million; \$6.0 million increase compared to linked quarter
  - Classified assets increased \$30.8 million to \$159.0 million due to primarily to the downgrade of three relationships
- Capital ratios in excess of targets
  - Total capital ratio of 13.66%
  - Tier 1 common equity of 11.00%; 17 basis point increase from linked quarter
  - Tangible book value increased by \$0.79, or 8%, to \$10.76 due to strong earnings
  - Tangible common equity increased 52 bps to 6.47%; 8.54%<sup>1</sup> excluding (\$328.1) million of AOCI
  - No shares repurchased in first quarter

# adjusted net income<sup>1</sup>

The table below lists certain adjustments that the Company believes are significant to understanding its quarterly performance.

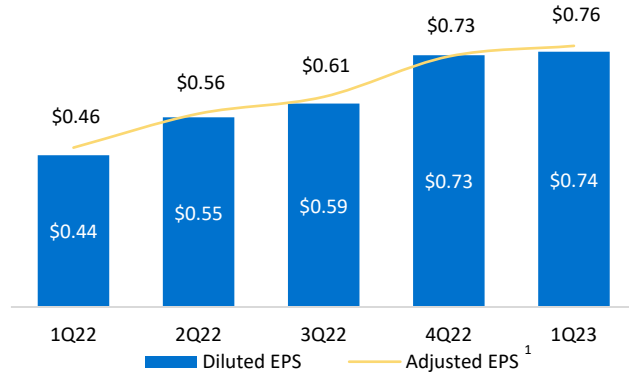
	1Q 2023		4Q 2022	
	As Reported	Adjusted <sup>1</sup>	As Reported	Adjusted <sup>1</sup>
Net interest income	\$ 159,318	\$ 159,318	\$ 157,896	\$ 157,896
Provision for credit losses-loans and leases	\$ 8,644	\$ 8,644	\$ 8,689	\$ 8,689
Provision for credit losses-unfunded commitments	\$ 1,835	\$ 1,835	\$ 1,341	\$ 1,341
Noninterest income	\$ 55,543	\$ 55,543	\$ 56,035	\$ 56,035
less: gains (losses) on security transactions	-	121 A	-	922 A
Total noninterest income	\$ 55,543	\$ 55,422	\$ 56,035	\$ 55,113
Noninterest expense	\$ 116,693	\$ 116,693	\$ 124,442	\$ 124,442
less: tax credit investment	-	104 A	-	6,406 A
less: Summit acquisition costs	-	31 A	-	149 A
less: other	-	2,000 A	-	558 A
Total noninterest expense	\$ 116,693	\$ 114,558	\$ 124,442	\$ 117,329
Income before income taxes	\$ 87,689	\$ 89,703	\$ 79,459	\$ 85,650
Income tax expense	\$ 17,286	\$ 17,286	\$ 10,373	\$ 10,373
plus: after-tax impact of tax credit investment @ 21%	-	82	-	5,061
plus: tax effect of adjustments (A) @ 21% statutory rate	-	423	-	1,300
Total income tax expense	\$ 17,286	\$ 17,791	\$ 10,373	\$ 16,734
Net income	\$ 70,403	\$ 71,912	\$ 69,086	\$ 68,916
Net earnings per share - diluted	\$ 0.74	\$ 0.76	\$ 0.73	\$ 0.73
Pre-tax, pre-provision return on average assets	2.35%	2.40%	2.12%	2.26%

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

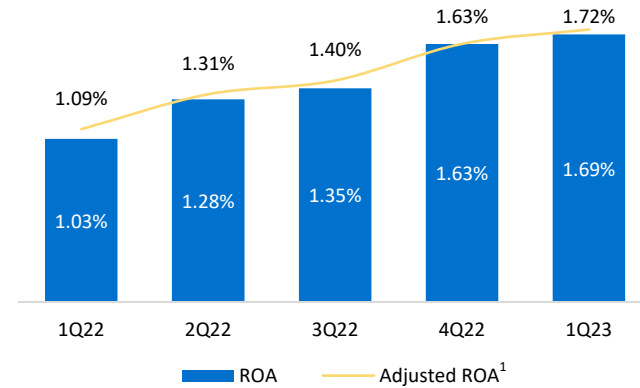
All dollars shown in thousands, except per share amounts

# profitability

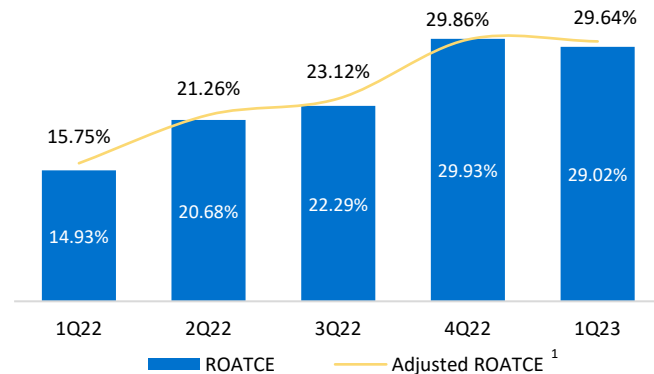
## Diluted EPS



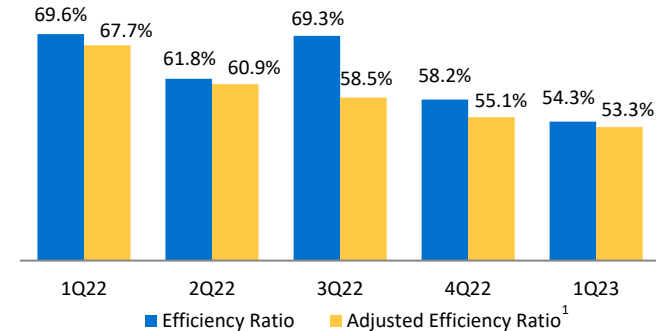
## Return on Average Assets



## Return on Avg Tangible Common Equity

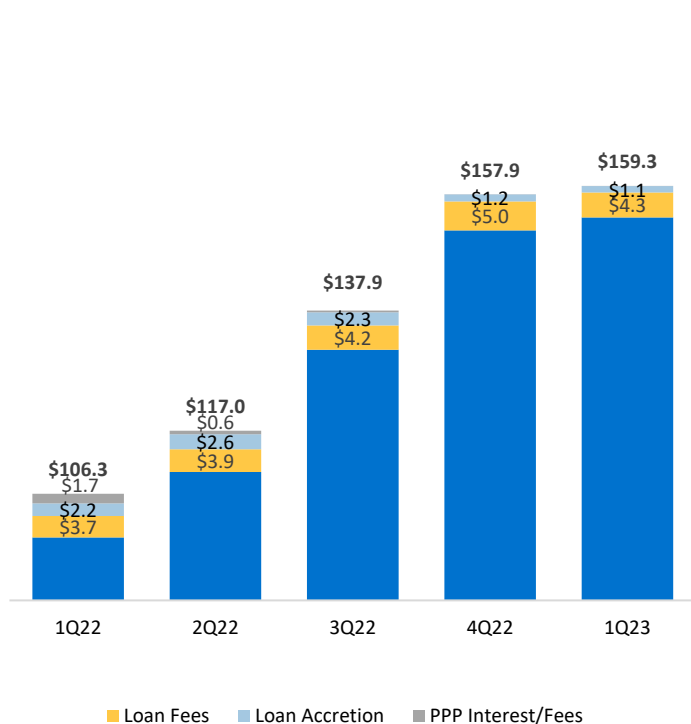


## Efficiency Ratio

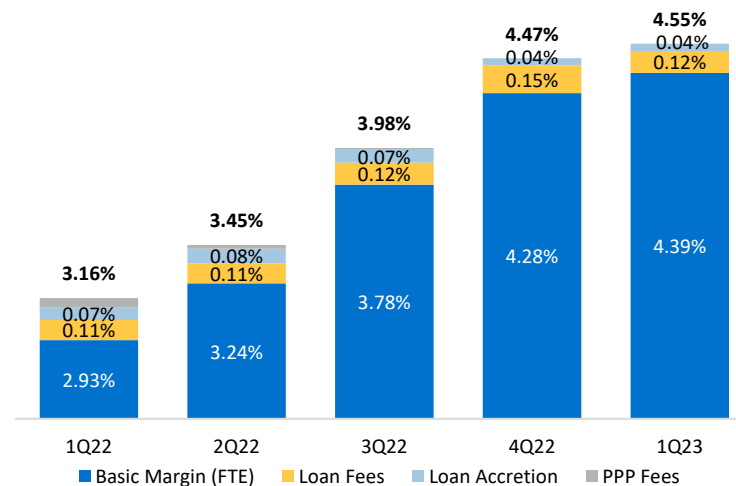


# net interest income & margin

## Net Interest Income



## Net Interest Margin (FTE)



## 1Q23 NIM (FTE) Progression

**4Q22** **4.47%**

Asset yields/mix 0.55%

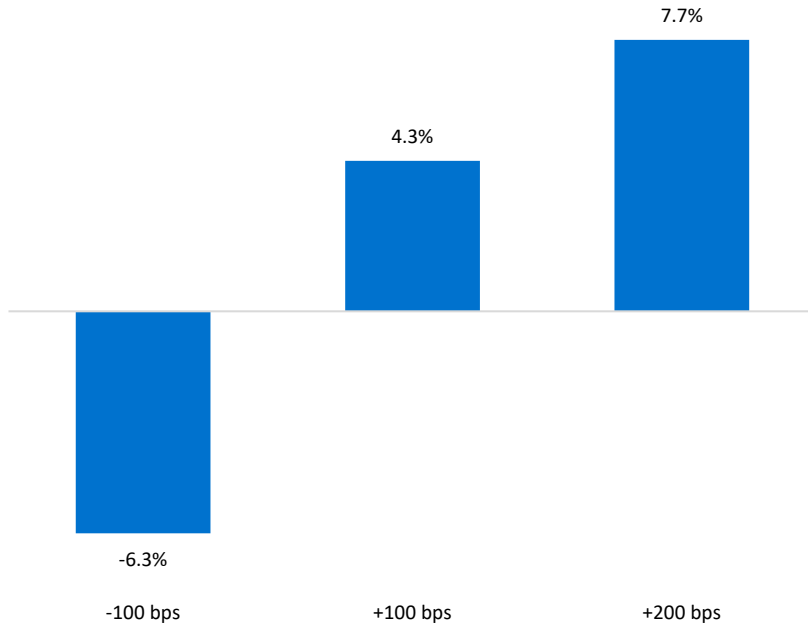
Deposit & funding costs/mix -0.51%

Accretion/other 0.04%

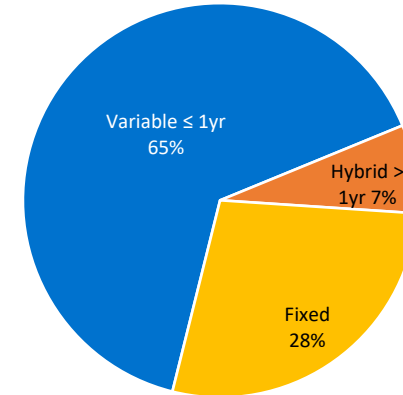
**1Q23** **4.55%**

# asset sensitive balance sheet position

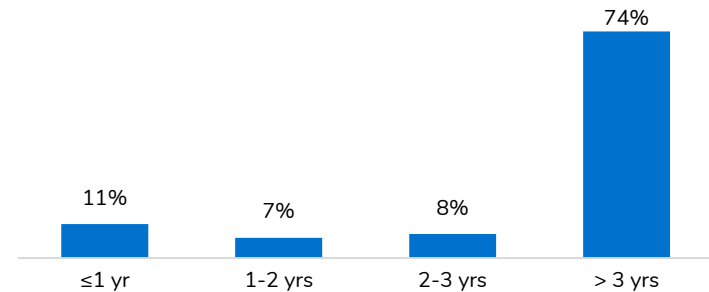
## Net Interest Income Sensitivity <sup>1</sup>



## Loans - Variable Exposure<sup>2</sup>



## Fixed/Hybrid Years to Maturity/Repricing<sup>3</sup>



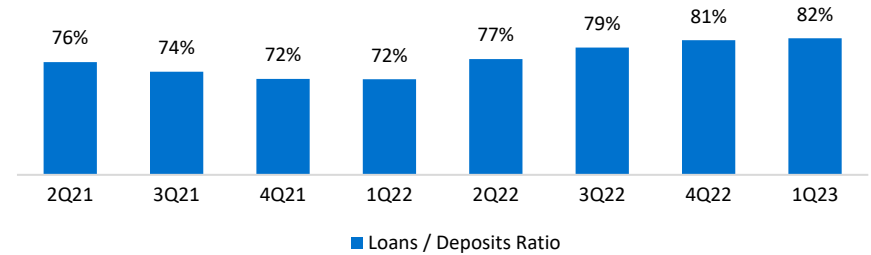
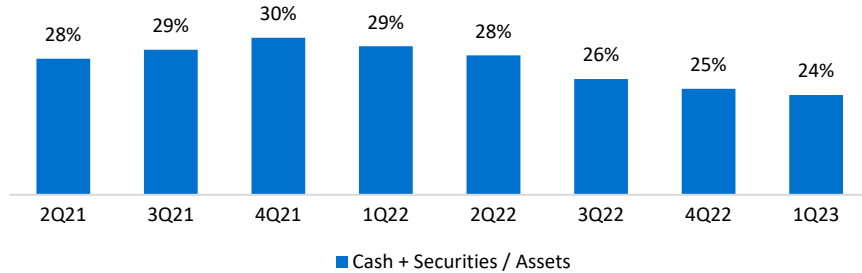
<sup>1</sup>NII – Year 1 impact, represents percentage change for immediate parallel changes in rates.

<sup>2</sup>Reflects percentage of loans classified as variable rate and repricing in  $\leq$  1yr, hybrid variable rate repricing in > 1yr, or fixed rate, including loans held for sale.

<sup>3</sup>Schedule reflects remaining maturity or repricing frequency for all fixed rate loans or hybrid variable rate loans repricing in > 1yr, including loans held for sale.

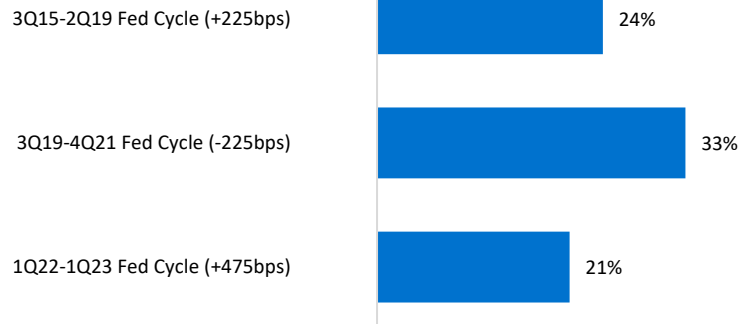
# liquidity and beta profile

## Liquidity Trends

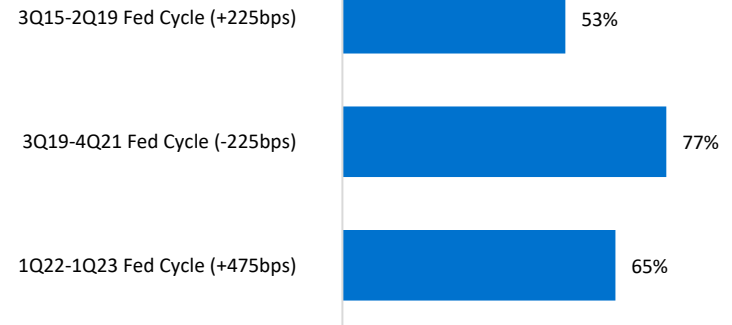


## Historical Deposit and Loan Betas<sup>1</sup>

### Total Deposit Beta

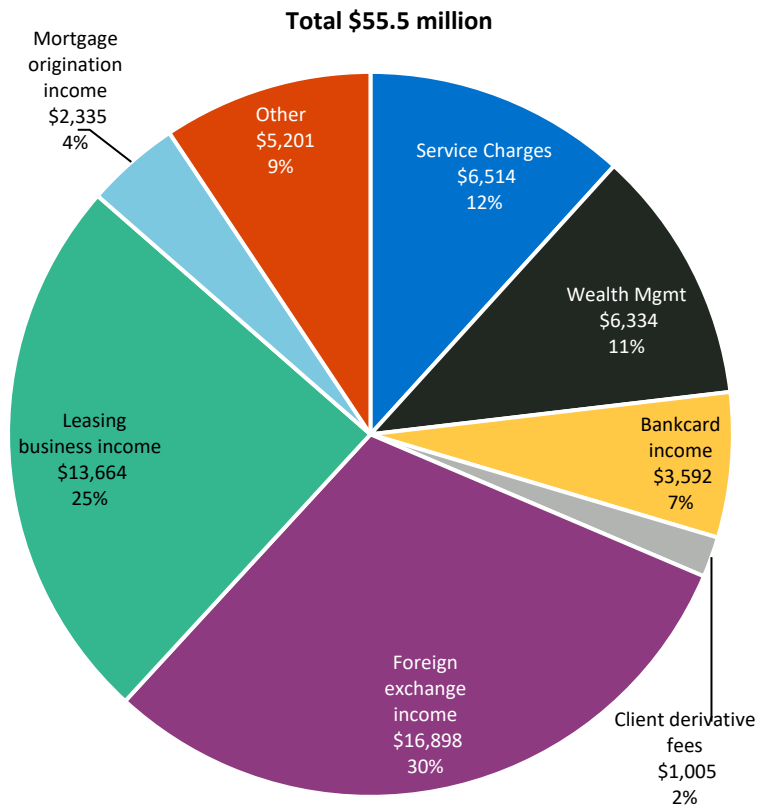


### Loan Beta



# noninterest income

## Noninterest Income



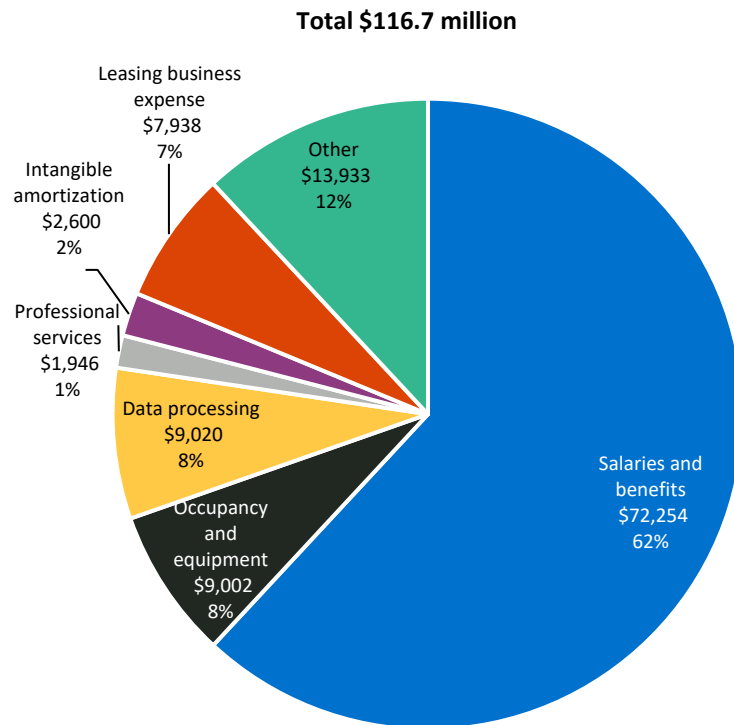
All dollars shown in thousands

## 1Q23 Highlights

- Total fee income 25.9% of net revenue
- Foreign exchange income of \$16.9 million; decreased \$2.7 million, or 13.8%, from record fourth quarter
- Record leasing business income of \$13.7 million; increased \$2.5 million, or 22.8%, from the linked quarter
- Record trust and wealth management fees of \$6.3 million increased \$0.7 million, or 12.1%, from the linked quarter
- Deposit service charge income of \$6.5 million; increased \$0.1 million, or 1.7%, from the linked quarter
- Mortgage banking income of \$2.3 million; increased \$0.1 million, or 5.8%, from the linked quarter
- Client derivative income of \$1.0 million; \$0.8 million, or 44.8%, decrease from the linked quarter

# noninterest expense

## Noninterest Expense



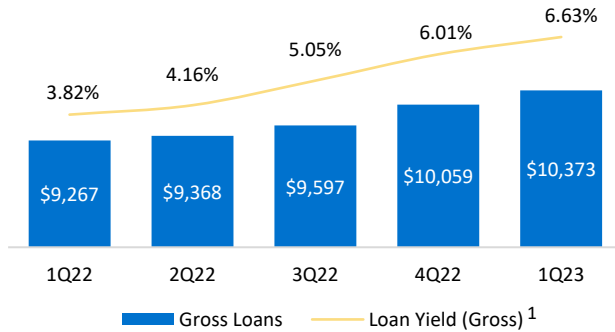
## 1Q23 Highlights

- Core expenses decreased due to fewer professional services expenses in the current period as well as elevated incentive costs and charitable donations in the fourth quarter
- Adjustments include:
  - \$0.5 million of contract termination costs
  - \$1.6 million of other costs not expected to recur such as acquisition, branch consolidation and severance costs

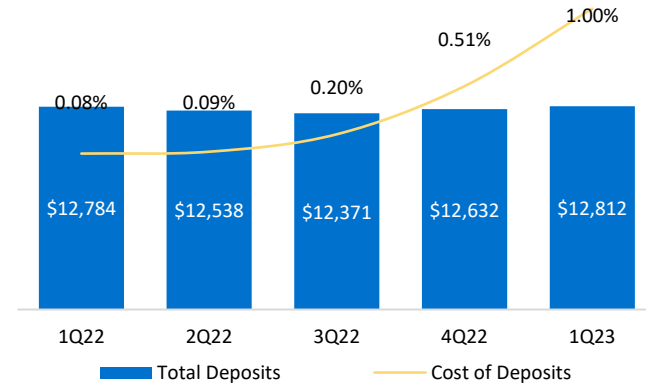


# average balance sheet

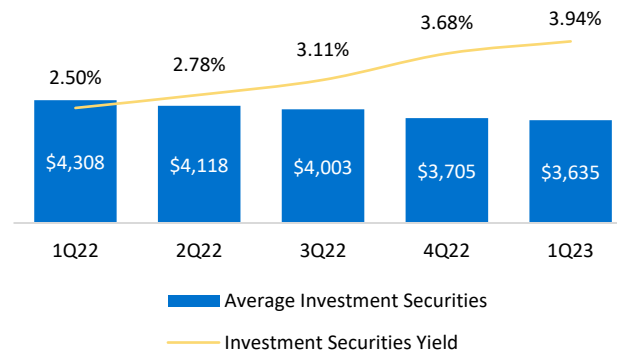
## Average Loans



## Average Deposits



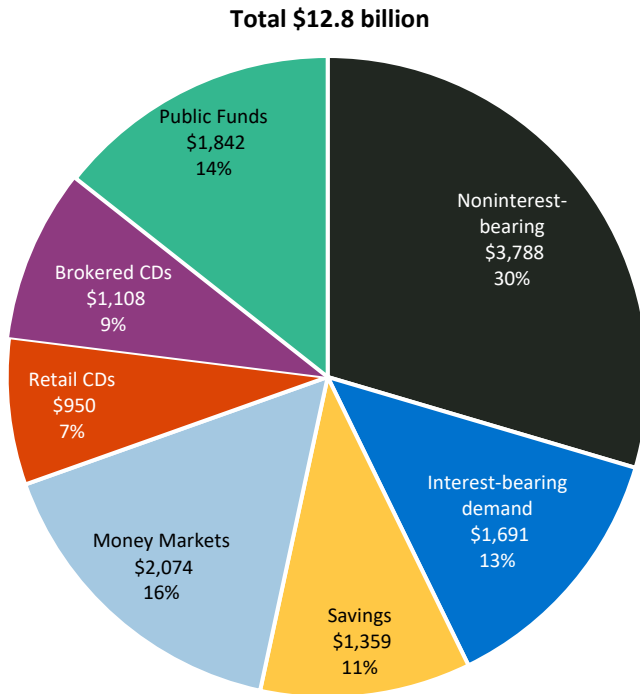
## Average Securities



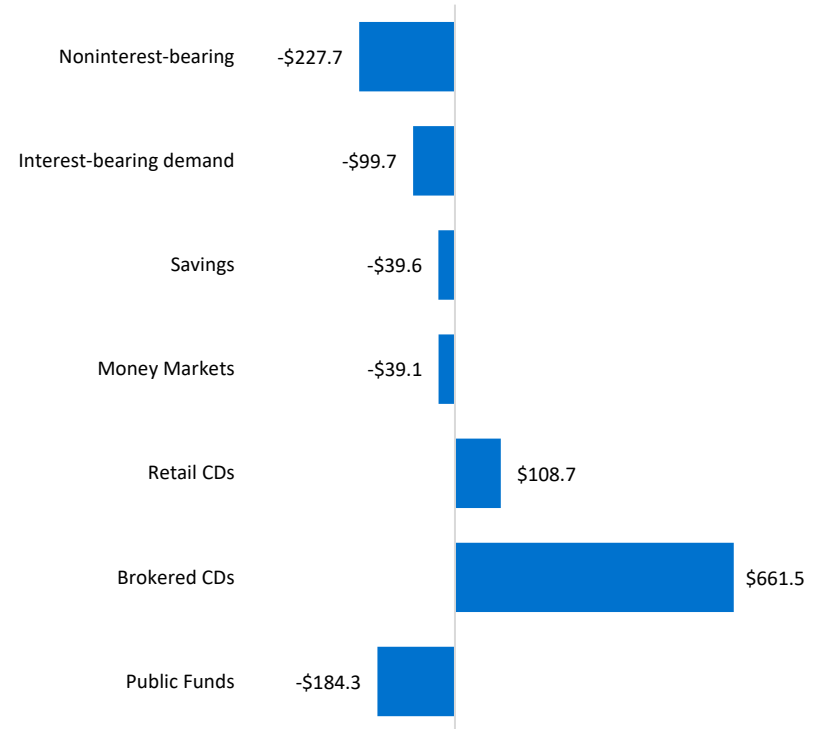
All dollars shown in millions  
<sup>1</sup> Includes loans fees and loan accretion.

# deposits

## Deposit Product Mix (Avg)



## 1Q23 Average Deposit Progression

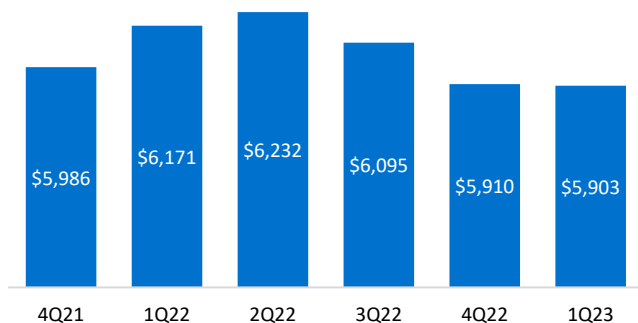


Total growth/(decline):  
\$179.8 million

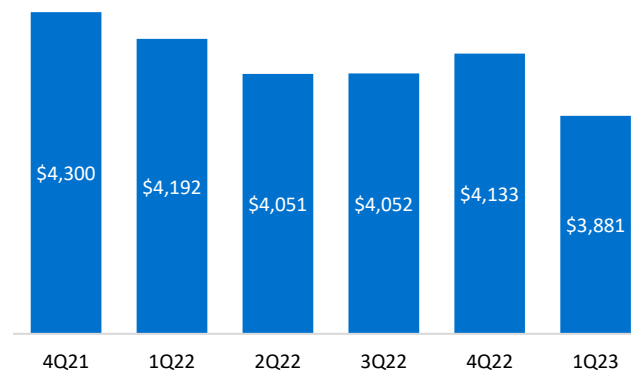
All dollars shown in millions

# average deposit trends

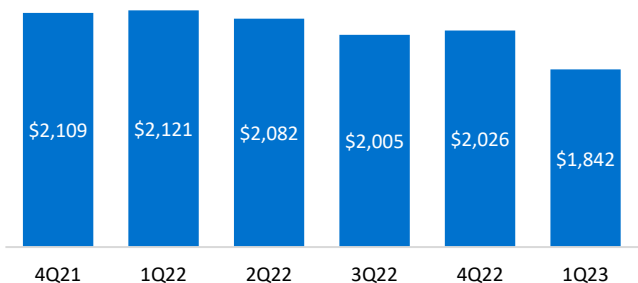
## Personal



## Business



## Public Funds



## Uninsured Deposits

Uninsured deposits (per call report instructions)	\$ 4,937
Less: Public funds	1,591
Less: Intercompany deposits	462
Adjusted uninsured deposits	2,885
Borrowing capacity	5,245
Borrowing capacity in excess of adjusted uninsured deposits	\$ 2,360

Borrowing capacity as a % of adjusted uninsured deposits	181.8%
Adjusted uninsured deposits to total deposits	22.8%

# deposit concentrations

## Business Deposits by Sector

NAICS Sector	3/31/23	% of Total Deposits
Manufacturing	\$534.8	4.2%
Real Estate and Rental and Leasing	457.0	3.6%
Finance and Insurance	421.9	3.3%
Construction	321.6	2.5%
Other Services (except Public Administration)	290.7	2.3%
Professional, Scientific, and Technical Services	282.4	2.2%
Health Care and Social Assistance	228.3	1.8%
Retail Trade	184.5	1.5%
Accommodation and Food Services	143.3	1.1%
Wholesale Trade	122.5	1.0%
Agriculture, Forestry, Fishing and Hunting	96.1	0.8%
Administrative and Support and Waste Management	85.7	0.7%
Transportation and Warehousing	73.4	0.6%
Arts, Entertainment, and Recreation	62.8	0.5%
Educational Services	54.0	0.4%
Other	333.2	2.6%
<b>Grand Total</b>	<b>\$3,692.0</b>	<b>29.1%</b>

# borrowing capacity & cash/investment liquidity

## Borrowing Capacity

FHLB borrowing availability	\$ 488,174
Fed Discount Window availability	952,015
Brokered CDs/Deposit placement services	2,116,732
Fed funds	<u>1,688,000</u>
Total as of March 31, 2023	<u>\$ 5,244,922</u>

(dollars shown in thousands)

## Cash/Investment Liquidity

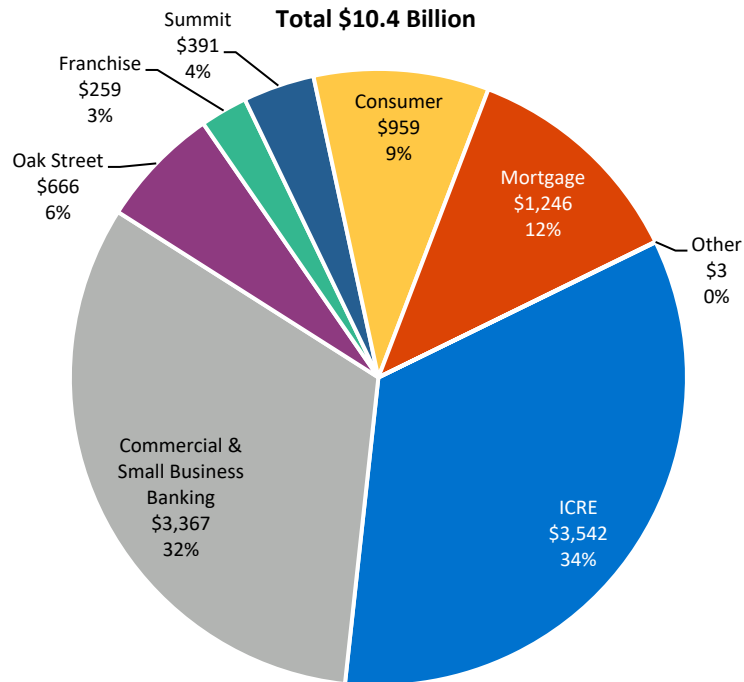
- Interest-bearing deposits with other banks of \$306 million
- Investment securities portfolio:
  - 98% of investment portfolio classified as available-for-sale
  - \$704 million of expected cash flow from securities portfolio in next 12 months
  - \$278 million of securities available to be sold at breakeven
  - \$676 million of floating rate securities with minimal losses
  - Portfolio duration of 4.4 years at 3/31

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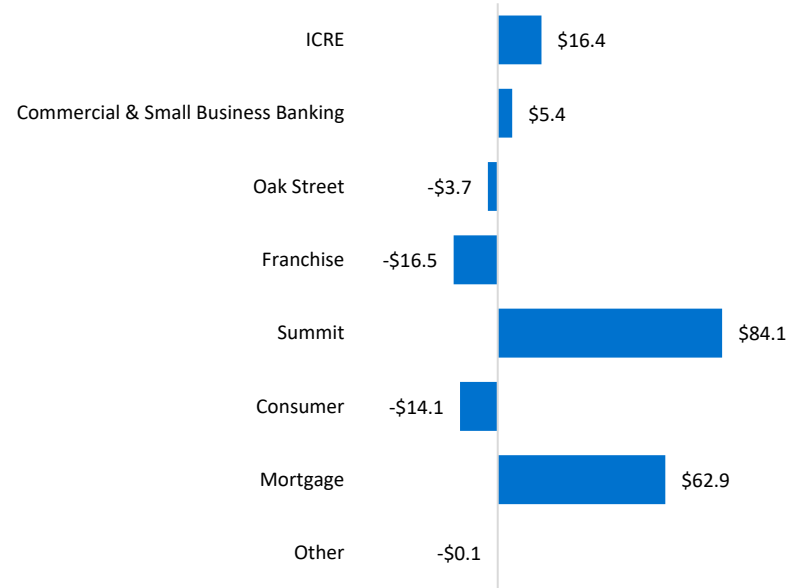
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# loan portfolio

## Loan LOB Mix (EOP)



## Net Loan Change-LOB (Linked Quarter)



**Total growth/(decline):  
\$134.4 million**

# loan concentrations

## C&I and Owner Occupied CRE Loans by Sector<sup>1</sup>

NAICS Sector	3/31/23	% of Total Loans
Real Estate and Rental and Leasing	\$784.8	7.5%
Finance and Insurance	771.9	7.4%
Manufacturing	592.1	5.7%
Accommodation and Food Services	333.3	3.2%
Health Care and Social Assistance	261.3	2.5%
Construction	222.2	2.1%
Professional, Scientific, and Technical Services	204.2	2.0%
Retail Trade	189.5	1.8%
Other Services (except Public Administration)	167.3	1.6%
Agriculture, Forestry, Fishing and Hunting	148.3	1.4%
Wholesale Trade	135.1	1.3%
Transportation and Warehousing	129.4	1.2%
Administrative and Support and Waste Management	89.2	0.9%
Arts, Entertainment, and Recreation	72.6	0.7%
Public Administration	63.5	0.6%
Other	131.3	1.3%
<b>Grand Total</b>	<b>\$4,295.9</b>	<b>41.1%</b>

<sup>1</sup> Excludes Summit Funding Group

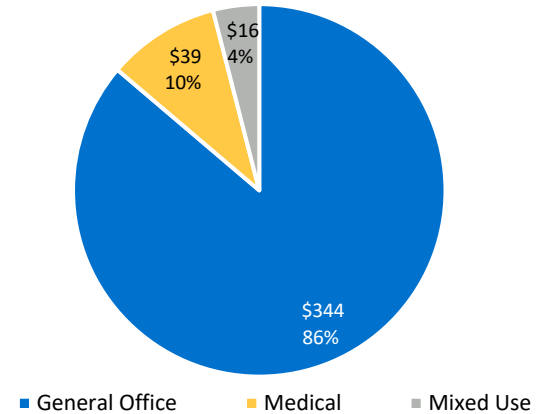
## Investor CRE Loans by Property Type

Property Type	3/31/23	% of Total Loans
Residential Multi Family 5+	\$958.8	9.2%
Retail Property	808.0	7.7%
Office	499.2	4.8%
Industrial	401.9	3.8%
Hospital/Nursing Home	359.7	3.4%
Hotel	275.4	2.6%
Land	83.7	0.8%
Residential 1-4 Family	79.5	0.8%
Other Real Estate	47.6	0.5%
Other	28.3	0.3%
<b>Grand Total</b>	<b>\$3,542.2</b>	<b>33.9%</b>

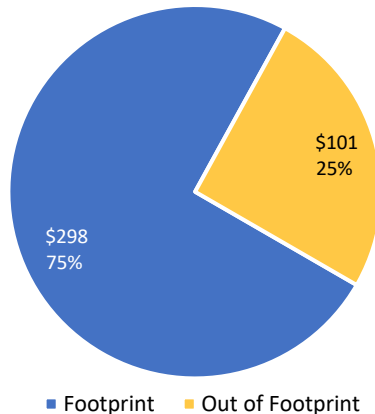
# area of focus - office portfolio (non-owner occupied)<sup>1</sup>

- \$499 million balance represents 4.8% of total loan portfolio
  - \$100 million are less than \$2.5 million individually; 100% pass risk rating
  - \$399 managed by investor real estate line of business
- Average LTV of 64%
- Majority of exposure is in our metro markets and secured by suburban Class A & Class B assets with recourse to the sponsor
- No exposure to gateway cities
- \$9 million rated substandard or worse

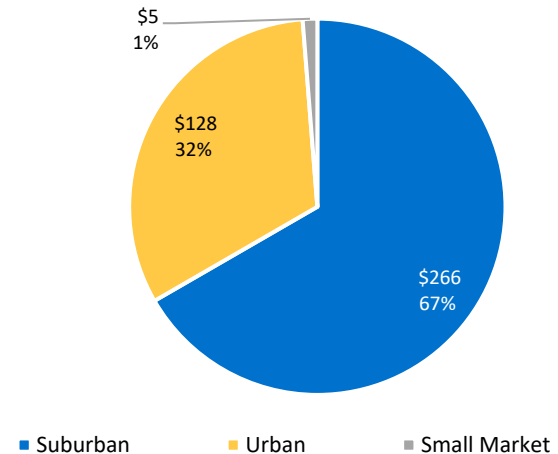
## Office Property Type



## Office Property Footprint



## Office Property Market

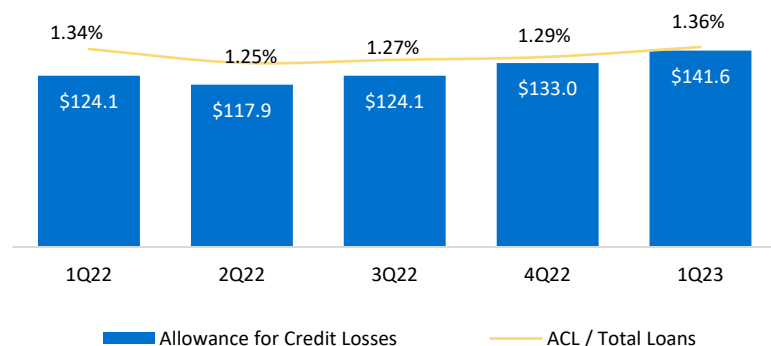


<sup>1</sup> All graphs depicted on this slide only include office loans greater than \$2.5 million.  
All dollars shown in millions



# current expected credit losses - loans and leases

## ACL / Total Loans



## 1Q23 Highlights

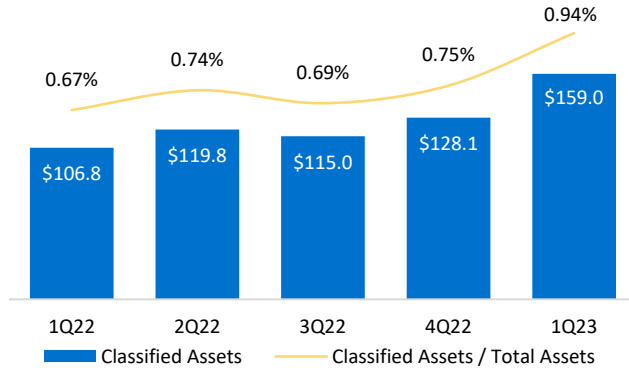
- \$161.8 million combined ACL; \$10.5 million combined provision expense
- \$141.6 million ACL – loans and leases; increase driven by loan growth, slower prepayment rates and economic forecasts; 1.36% of loan balances
- Utilized Moody's March baseline forecast in quantitative model
- \$20.2 million ACL – unfunded commitments

## ACL by Loan Type

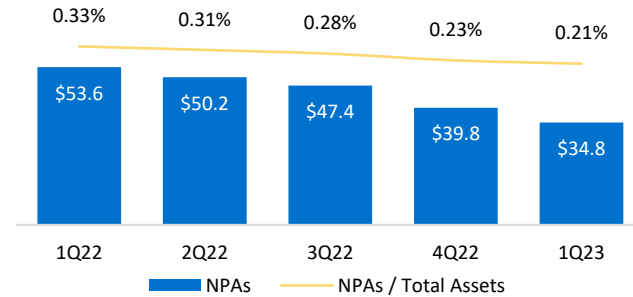
	1Q22	2Q22	3Q22	4Q22	1Q23
Loans					
Commercial and industrial	\$ 37,783	\$ 39,179	\$ 41,032	\$ 42,313	\$ 45,905
Lease financing	2,093	2,212	2,450	3,571	3,950
Real estate -construction	11,410	11,965	14,046	13,527	13,646
Real estate - commercial	51,512	39,856	38,071	41,106	42,020
Real estate - residential	6,152	7,383	9,422	12,684	15,536
Home equity	9,676	10,980	11,620	12,447	13,380
Installment	1,075	1,189	4,855	4,945	4,693
Credit card	4,429	5,121	2,600	2,384	2,461
ACL-loan and lease losses	<u>\$ 124,130</u>	<u>\$ 117,885</u>	<u>\$ 124,096</u>	<u>\$ 132,977</u>	<u>\$ 141,591</u>
ACL-unfunded commitments	<u>\$ 13,179</u>	<u>\$ 16,661</u>	<u>\$ 17,046</u>	<u>\$ 18,388</u>	<u>\$ 20,223</u>

# asset quality

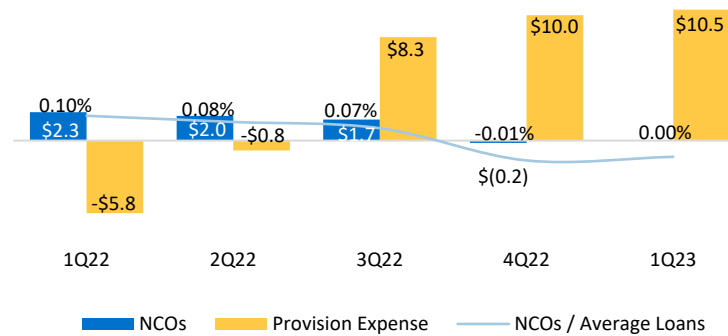
## Classified Assets / Total Assets



## Nonperforming Assets / Total Assets



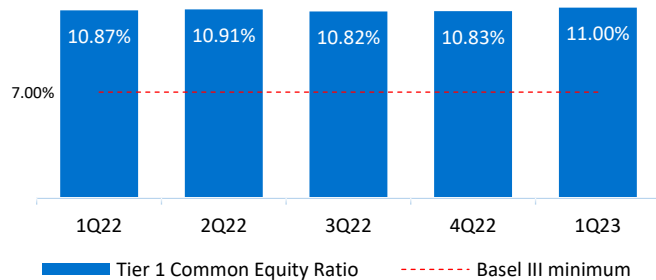
## Net Charge Offs & Provision Expense<sup>1</sup>



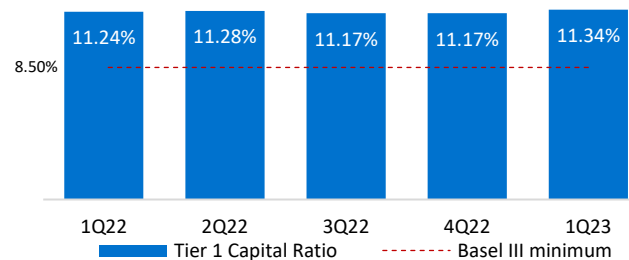
<sup>1</sup> Provision includes both loans & leases and unfunded commitments.  
All dollars shown in millions

# capital

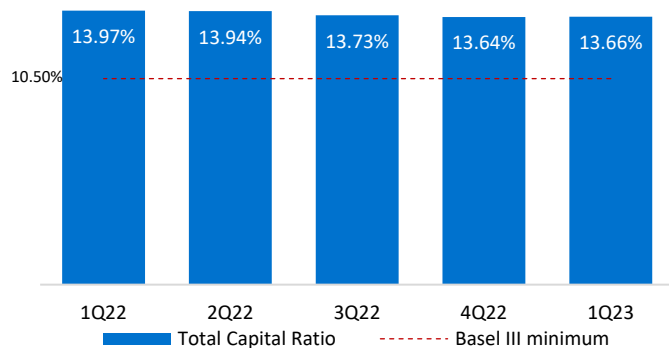
## Tier 1 Common Equity Ratio



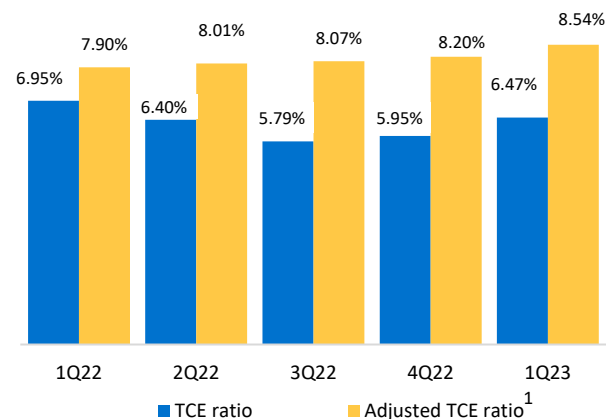
## Tier 1 Capital Ratio



## Total Capital Ratio

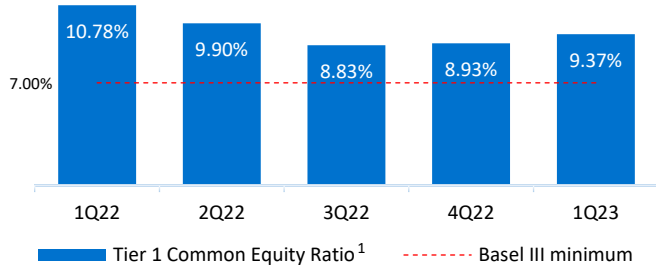


## Tangible Common Equity Ratio

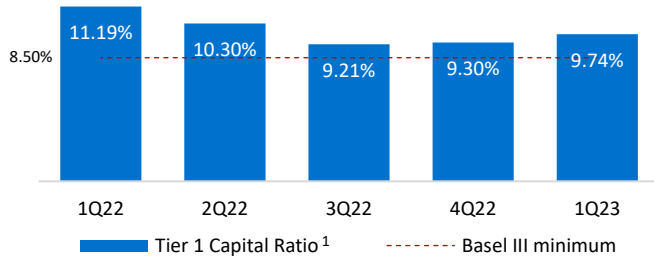


# capital ratios including all unrealized losses<sup>1</sup>

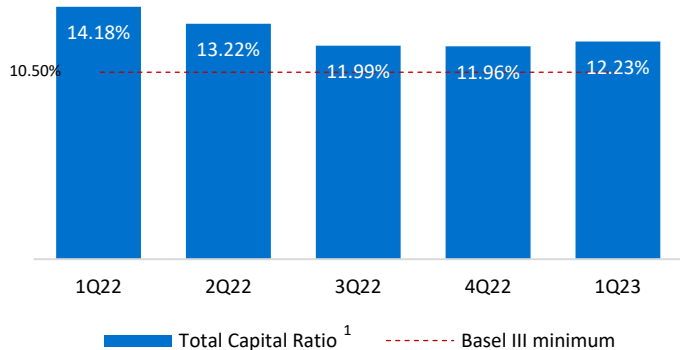
## Tier 1 Common Equity Ratio



## Tier 1 Capital Ratio

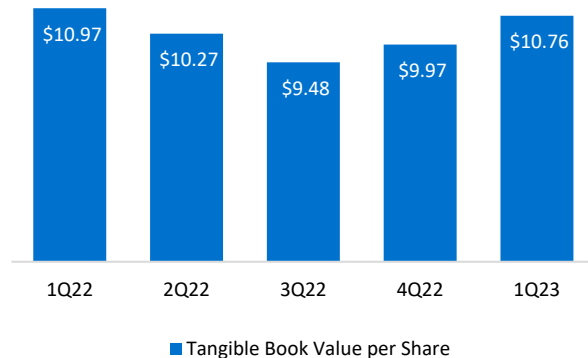


## Total Capital Ratio



# capital strategy

## Tangible Book Value Per Share



- 8% increase in TBV per share driven by strong earnings during the period

## Strategy & Deployment

- 4.2% annualized dividend yield
- 30.9% of 1Q23 earnings returned to shareholders through common dividend
- Most recent internal stress testing indicates capital ratios above regulatory minimums in all modeled scenarios
- Common dividend expected to remain unchanged in near-term
- No shares repurchased in 1Q23; no plans to repurchase shares in near-term

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# outlook commentary<sup>1</sup>

## Balance Sheet

- Loan balances to grow mid single digits in near-term
- Deposit balances to stabilize in near-term
- Investment portfolio to decline as loan portfolio grows

## Net Interest Margin

- Expected to be 4.35% - 4.45% with additional 25 bp Fed Funds hike in May
- Uncertainty remains around Fed Funds path, deposit repricing, loan growth

## Credit

- Continued stability in credit quality trends
- ACL coverage expected to be slightly higher
- Uncertainty regarding inflation and macroeconomic environment

## Noninterest Income

- Total fee income expected to be \$57 - 59 million
- Modestly lower excluding growth in leasing business income

## Noninterest Expense

- Expected to be \$118 - 120 million
- Stable excluding growth in leasing business expense
- Incentive expense will fluctuate with fee income

## Capital

- Expect to maintain dividend at current levels

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<sup>1</sup> See Forward Looking Statement Disclosure on page 2-3 of this presentation for a discussion of factors that could affect management's expectations and results in future periods.

# presentation contents



About First Financial Bancorp

Financial Performance

Appendix

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# appendix: our markets

## • Greater Cincinnati/Dayton

• Loans	\$4.5 billion
• Deposits	\$6.0 billion
• Deposit Market Share	T- #4 (2.7%)
• Banking Centers	50
• Fortune 500 Companies	8

## • Columbus, OH

• Loans	\$1.3 billion
• Deposits	\$0.4 billion
• Deposit Market Share	#18 (0.4%)
• Banking Centers	4
• Fortune 500 Companies	5

## • Community Markets

• Loans	\$1.7 billion
• Deposits	\$4.8 billion
• Banking Centers	61

## • Indianapolis

• Loans	\$1.0 billion
• Deposits	\$0.7 billion
• Deposit Market Share	#14 (1.2%)
• Banking Centers	9
• Fortune 500 Companies	2

## • Louisville

• Loans	\$0.3 billion
• Deposits	\$0.6 billion
• Deposit Market Share	#12 (1.3%)
• Banking Centers	6
• Fortune 500 Companies	3

## • National

• Loans	\$1.7 billion
• Deposits	\$0.2 billion

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All numbers as of 3/31/2023 except deposit market share which is as of 6/30/2022.  
Greater Cincinnati/Dayton and deposit balances include special assets, loan marks, and other out of market and corporately held balances. Loan balances exclude PPP balances.



# appendix: non-GAAP measures

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

# appendix: non-GAAP to GAAP reconciliation

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

	Three months ended				
	Mar. 31, 2023	Dec. 31, 2022	Sep. 30, 2022	June 30, 2022	Mar. 31, 2022
Net interest income	\$ 159,318	\$ 157,896	\$ 137,892	\$ 117,010	\$ 106,345
Tax equivalent adjustment	<u>1,424</u>	<u>1,553</u>	<u>1,712</u>	<u>1,625</u>	<u>1,467</u>
Net interest income - tax equivalent	<u>\$ 160,742</u>	<u>\$ 159,449</u>	<u>\$ 139,604</u>	<u>\$ 118,635</u>	<u>\$ 107,812</u>
Average earning assets	\$ 14,326,645	\$ 14,136,477	\$ 13,917,815	\$ 13,780,243	\$ 13,848,596
Net interest margin <sup>1</sup>	4.51 %	4.43 %	3.93 %	3.41 %	3.11 %
Net interest margin (fully tax equivalent) <sup>1</sup>	4.55 %	4.47 %	3.98 %	3.45 %	3.16 %

<sup>1</sup> Margins are calculated using net interest income annualized divided by average earning assets.

The tax equivalent adjustment to net interest income recognizes the income tax savings when comparing taxable and tax-exempt assets and assumes a 21% tax rate. Management believes that it is a standard practice in the banking industry to present net interest margin and net interest income on a fully tax equivalent basis. Therefore, management believes these measures provide useful information to investors by allowing them to make peer comparisons. Management also uses these measures to make peer comparisons.

# appendix: non-GAAP to GAAP reconciliation

## Additional non-GAAP ratios

(Dollars in thousands, except per share data)	Three months ended,				
	Mar. 31, 2023	Dec. 31, 2022	Sep. 30, 2022	June 30, 2022	Mar. 31, 2022
Net income (a)	\$ 70,403	\$ 69,086	\$ 55,705	\$ 51,520	\$ 41,301
Average total shareholders' equity	2,082,210	2,009,564	2,089,179	2,099,670	2,225,495
Less:					
Goodwill	(1,005,713)	(998,575)	(999,690)	(999,958)	(1,000,238)
Other intangibles	(92,587)	(95,256)	(97,781)	(100,354)	(103,033)
Average tangible equity (b)	983,910	915,733	991,708	999,358	1,122,224
Total shareholders' equity	2,121,496	2,041,373	1,994,132	2,068,670	2,137,445
Less:					
Goodwill	(1,005,738)	(1,001,507)	(998,422)	(999,959)	(999,959)
Other intangibles	(91,169)	(93,919)	(96,528)	(99,019)	(101,673)
Ending tangible equity (c)	1,024,589	945,947	899,182	969,692	1,035,813
Less:					
AOCI	(328,059)	(358,663)	(354,570)	(243,328)	(142,477)
Ending tangible equity less AOCI (d)	1,352,648	1,304,610	1,253,752	1,213,020	1,178,290
Total assets	16,933,884	17,003,316	16,623,793	16,243,714	16,009,150
Less:					
Goodwill	(1,005,738)	(1,001,507)	(998,422)	(999,959)	(999,959)
Other intangibles	(91,169)	(93,919)	(96,528)	(99,019)	(101,673)
Ending tangible assets (e)	15,836,977	15,907,890	15,528,843	15,144,736	14,907,518
Risk-weighted assets (f)	13,025,552	12,923,233	12,467,422	11,982,860	11,705,447
Total average assets	16,942,999	16,767,598	16,385,989	16,185,978	16,184,919
Less:					
Goodwill	(1,005,713)	(998,575)	(999,690)	(999,958)	(1,000,238)
Other intangibles	(92,587)	(95,256)	(97,781)	(100,354)	(103,033)
Average tangible assets (g)	\$ 15,844,699	\$ 15,673,767	\$ 15,288,518	\$ 15,085,666	\$ 15,081,648
Ending shares outstanding (h)	95,190,406	94,891,099	94,833,964	94,448,792	94,451,496
Ratios					
Return on average tangible shareholders' equity (a)/(b)	29.02%	29.93%	22.29%	20.68%	14.93%
Ending tangible equity as a percent of:					
Ending tangible assets (c)/(e)	6.47%	5.95%	5.79%	6.40%	6.95%
Risk-weighted assets (c)/(f)	7.87%	7.32%	7.21%	8.09%	8.85%
Ending tangible equity excluding AOCI as a percent of:					
Ending tangible assets (d)/(e)	8.54%	8.20%	8.07%	8.01%	7.90%
Average tangible equity as a percent of average tangible assets (b)/(g)	6.21%	5.84%	6.49%	6.62%	7.44%
Tangible book value per share (c)/(h)	\$ 10.76	\$ 9.97	\$ 9.48	\$ 10.27	\$ 10.97

All dollars shown in thousands

# appendix: non-GAAP to GAAP reconciliation

## Additional non-GAAP measures

(Dollars in thousands, except per share data)	1Q23		4Q22		3Q22		2Q22	
	As Reported	Adjusted	As Reported	Adjusted	As Reported	Adjusted	As Reported	Adjusted
Net interest income (f)	\$ 159,318	\$ 159,318	\$ 157,896	\$ 157,896	\$ 137,892	\$ 137,892	\$ 117,010	\$ 117,010
Provision for credit losses-loans and leases (j)	8,644	8,644	8,689	8,689	7,898	7,898	(4,267)	(4,267)
Provision for credit losses-unfunded commitments (j)	1,835	1,835	1,341	1,341	386	386	3,481	3,481
Noninterest income	55,543	55,543	56,035	56,035	42,534	42,534	49,778	49,778
less: gains (losses) on security transactions		121		922		(880)		(1,054)
less: other		-		-		-		-
Total noninterest income (g)	55,543	55,422	56,035	55,113	42,534	43,414	49,778	50,832
Noninterest expense	116,693	116,693	124,442	124,442	125,068	125,068	103,034	103,034
less: tax credit investments		104		6,406		17,212		104
less: Summit acquisition costs		31		149		76		100
less: Other		2,000		558		1,671		666
Total noninterest expense (e)	116,693	114,558	124,442	117,329	125,068	106,109	103,034	102,164
Income before income taxes (i)	87,689	89,703	79,459	85,650	47,074	66,913	64,540	66,464
Income tax expense	17,286	17,286	10,373	10,373	(8,631)	(8,631)	13,020	13,020
plus: tax effect of adjustments		82		5,061		13,598		82
plus: after-tax impact of tax credit investments @ 21%		423		1,300		4,166		404
Total income tax expense (h)	17,286	17,791	10,373	16,734	(8,631)	9,133	13,020	13,506
Net income (a)	\$ 70,403	\$ 71,912	\$ 69,086	\$ 68,916	\$ 55,705	\$ 57,780	\$ 51,520	\$ 52,958
Average diluted shares (b)	95,190	95,190	94,832	94,832	94,794	94,794	94,450	94,450
Average assets (c)	16,942,999	16,942,999	16,767,598	16,767,598	16,385,989	16,385,989	16,185,978	16,185,978
Average shareholders' equity	2,082,210	2,082,210	2,009,564	2,009,564	2,089,179	2,089,179	2,099,670	2,099,670
Less:								
Goodwill and other intangibles	(1,098,300)	(1,098,300)	(1,093,831)	(1,093,831)	(1,097,471)	(1,097,471)	(1,100,312)	(1,100,312)
Average tangible equity (d)	983,910	983,910	915,733	915,733	991,708	991,708	999,358	999,358
Ratios								
Net earnings per share - diluted (a)/(b)	\$ 0.74	\$ 0.76	\$ 0.73	\$ 0.73	\$ 0.59	\$ 0.61	\$ 0.55	\$ 0.56
Return on average assets - (a)/(c)	1.69%	1.72%	1.63%	1.63%	1.35%	1.40%	1.28%	1.31%
Pre-tax, pre-provision return on average assets - ((a)+(j)+(h))/(c)	2.35%	2.40%	2.12%	2.26%	1.34%	1.82%	1.58%	1.63%
Return on average tangible shareholders' equity - (a)/(d)	29.02%	29.64%	29.93%	29.86%	22.29%	23.12%	20.68%	21.26%
Efficiency ratio - (e)/((f)+(g))	54.3%	53.3%	58.2%	55.1%	69.3%	58.5%	61.8%	60.9%
Effective tax rate - (h)/(i)	19.7%	19.8%	13.1%	19.5%	-18.3%	13.6%	20.2%	20.3%

All dollars shown in thousands

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First Financial Center  
255 East Fifth Street  
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