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first financial bancorp

First Financial Bancorp

FDIC Assisted Acquisition of
Irwin Union Bank & Trust and
Irwin Union Bank, F.S.B.

September 21, 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 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; our ability to successfully integrate the recently purchased banking centers of Peoples Community Bank, Irwin Union Bank and Trust Company, and Irwin Union Bank, F.S.B.; the effect of changes in accounting policies and practices; expected costs associated with recent FDIC-assisted transactions may be materially more than expected; 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 most recent Form 10-Q filing for the quarter ended June 30, 2009. These documents are available within the investor relations section of First Financial's website at www.bankatfirst.com/investor and on the SEC's website at www.sec.gov.

This presentation contains financial information determined by methods other than in accordance with accounting principles generally accepted in the United States of America (“GAAP”). First Financial’s management uses these “non-GAAP” measures in their analysis of the Corporation’s performance. First Financial’s management believes that these non-GAAP financial measures provide a greater understanding of ongoing operations and enhance comparability of results with prior periods as well as demonstrating the effects of significant gains and charges in the current period. The Company believes that a meaningful analysis of its financial performance requires an understanding of the factors underlying that performance. First Financial’s management believes that investors may use these non-GAAP financial measures to analyze financial performance without the impact of unusual items that may obscure trends in the Company’s underlying performance. These disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies. First Financial’s non-GAAP disclosures include cash basis results, which adjust GAAP performance to exclude the amortization of intangibles and purchase accounting mark-to-market adjustments. First Financial’s management uses these measures to evaluate the underlying performance and efficiency of its operations. First Financial’s management believes these measures reflect core trends of the business, excluding purchase accounting amortization that will cease in the future, while the acquired business will remain. Tangible common equity and Tier 1 common equity ratios are non-GAAP measures. First Financial’s management uses these measures to assess the quality of capital and believes that investors may find them useful in their analysis of the Corporation. These capital measures are not necessarily comparable to similar capital measures that may be presented by other companies.

- Analysis and discussion based on preliminary estimates from the FDIC unless otherwise noted and may materially change
- Fair value calculations may materially change the actual values and results
- Fair value work will be disclosed in 3Q financial results
- Presentation is intended to illustrate concepts and the potential magnitude of value created for our shareholders
- Further information on final values and expectations of future pro forma performance will be disclosed when available

- First Financial has purchased and assumed select assets and liabilities from the FDIC as receiver of Irwin Union Bank & Trust and Irwin Union Bank, F.S.B. (collectively “Irwin”)
 - Transaction excludes non-performing loans, ORE, acquisition, development & construction loans (“ADC”) and residential & commercial land loans
 - FFBC has received additional indemnifications from the FDIC
- Purchasing assets which include an estimated \$2.5 billion of assets covered by FDIC loss share protection
 - No first loss position
 - 80% of losses covered up to the stated threshold of \$636 million; 95% of losses covered thereafter
 - Realized losses expected to be in-line with or less than FDIC stated threshold
- Assuming approximately \$2.5 billion in deposits
- All regulatory approvals received
- Both institutions seized on September 18, 2009
- Branches opened for normal business hours on Saturday, September 19, 2009
- Barclays Capital Inc. served as exclusive financial advisor and Squire, Sanders & Dempsey L.L.P. as legal counsel to First Financial in connection with this transaction

- Accelerates growth strategy
 - Adding Irwin’s 12 Indiana branches; the pro forma franchise will rank 5th by deposit market share in Indiana according to FDIC deposit data
 - Branches in Michigan (4), Nevada (3), Arizona (2), California (2), Kentucky (1), Missouri (1), New Mexico (1) and Utah (1) will be evaluated for long-term strategic fit
- Loan portfolio was purchased in a modified offering by the FDIC in which non-performing loans, ORE, ADC and residential & commercial land loans were excluded
- Anticipated cost savings and integration expenses evaluated in the context of the complexity of the institution acquired and the compliance process required for an assisted transaction – refinements to occur over time
- Acquisition will be accretive to earnings and book value
- Loss sharing and asset purchase discount limit the downside risk of transaction
- Not expected to require additional capital and will likely remain well positioned to repay CPP when appropriate

Loss Share Covered Assets

Loss Share Covered Assets

- Estimated \$2.5 billion of covered assets
 - Excludes non-performing loans, ORE, acquisition, development & construction loans (“ADC”) and residential & commercial land loans

Loss Share Agreement

- FDIC stated threshold of \$636 million, no first loss position
- FDIC assumes 80% of losses between \$0 and \$636 million
- FDIC assumes 95% of losses over \$636 million
- Total pre-tax First Financial portion of stated threshold (20% of \$636 million) is significantly less than the asset discount

Uncovered Assets

- Cash (at book value), securities (at fair market value) and other tangible assets

Value Creation for Shareholders

Summary of Estimated Key Deal Terms

(\$ in millions)

Covered Assets	\$2,500
Asset Discount	\$652
Deposit Premium ¹	\$14
FFBC Loss at Stated Threshold	\$127
Maximum Possible Loss ²	\$220

Estimated Maximum Credit Loss Exposure

(\$ in millions)

FDIC Stated Loss Threshold	\$636
FFBC Share @ 20%	127
FDIC Share @ 80%	509
Max. Additional Losses	\$1,864
FFBC Share @ 5%	93
FDIC Share @ 95%	1,771
Maximum Possible Loss²	\$220

FDIC Stated Loss Threshold as a percent of estimated Covered Assets = 25.44%

Estimated based on information received from the FDIC and Company estimates.

- Based on FFBC's bid of a 1% deposit premium on \$1.4 billion of core deposits at Irwin Union Bank and Trust per FDIC provided data. No deposit premium paid for the deposits of Irwin Union Bank F.S.B.
- Assuming 100% loss on covered assets.

Value Creation for Shareholders

Estimated Value Creation ¹

(\$ in millions)

Asset Discount	\$652
Fair Value Adjustment	(636)
FDIC Indemnification Asset ²	509
Pre-tax Value Created	\$525
After-tax Value Created	\$341

- Value creation will be allocated between immediate gain as a result of negative goodwill and yield enhancement over time on covered assets
- Calculations and conclusions based on current accounting rules and sample fair values – actual fair values may be materially different

Estimated Impact of Fair Value

(\$ in millions)

Fair Value Adjustment to Loans		Value
% of Loans	\$ Adj.	Created
25.5%	636	341

- Higher fair value on loan portfolio = higher value creation
- Performing loans may have higher value than the illustrated loss share threshold assumed loss amounts
- Restructuring costs will reduce the value creation

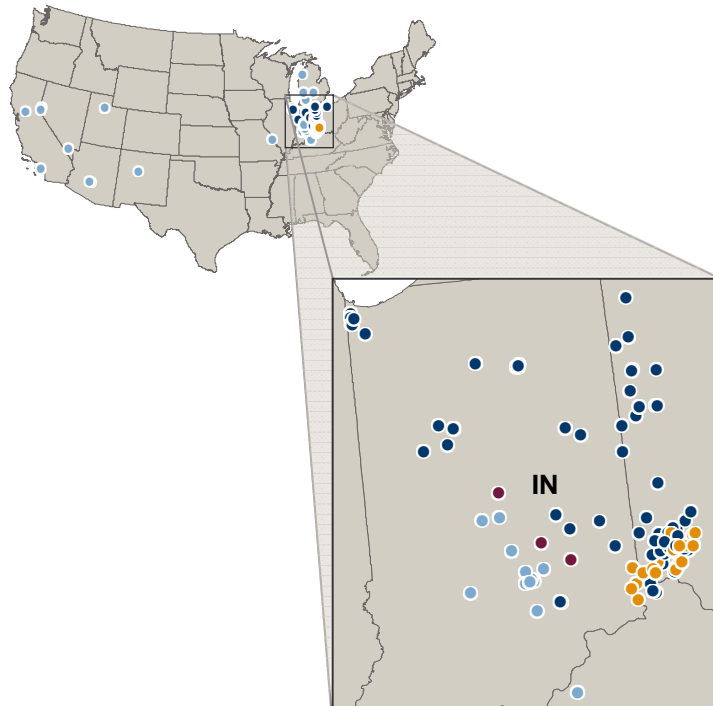
Estimated based on information received from the FDIC and Company estimates.

- Amounts will change based on fair value adjustments.
- FDIC indemnification asset calculated based on expected loss share payments to FFBC (80% of mark).

- Pro forma capital ratios inclusive of the Peoples and Irwin transactions will be significantly above regulatory “well capitalized” thresholds.

	Capital Ratios As of Q2 '09	Regulatory “Well-Capitalized”	Expected Ratios As of Q3 '09
TCE / TA	9.1%	N/A	Greater than 7.0%
Tier 1 Common	11.6%	4.0%	Greater than 14.0%
Tier 1 Leverage	12.0%	5.0%	Greater than 9.0%
Tier 1 Capital	14.8%	6.0%	Greater than 15.0%
Total Capital	16.0%	10.0%	Greater than 16.0%

Pro Forma Branch Footprint



- First Financial Bank banking centers prior to People and Irwin banking center purchases
- Banking centers acquired from Peoples
- Banking centers acquired from Irwin on 8/28/09
- Banking centers acquired from Irwin on 9/18/09

Pro Forma Deposit Market Share ¹

Top 10 Indiana Counties by Market Share

County	Deposits (\$000)	Market Rank	Market Share	Offices
Bartholomew	\$2,004,877	1	79.7 %	10
Blackford	48,601	2	42.8	2
Carroll	64,372	2	27.9	3
Ohio	17,440	3	21.0	1
Jennings	49,206	3	19.3	2
Wabash	49,700	3	14.3	4
Dearborn	107,269	4	12.2	3
Decatur	58,044	4	12.1	1
Fulton	31,298	4	11.8	2
Shelby	64,813	4	11.4	1
State				
Indiana	\$3,478,278	5	3.9 %	49

- Pro forma First Financial will be in 24 counties in Indiana
- Deposits of \$983 million in counties not listed above of which approximately 50% are in Lake County where we have a 6.6% market share and are ranked 7th

1. Based on FDIC branch/deposit data as of June 30, 2008. Total deposits in Indiana and Bartholomew include approximately \$1.0 B in corporate deposits. Excluding corporate deposits, the pro forma entity would rank #8 in Indiana and continue to rank #1 in Bartholomew.

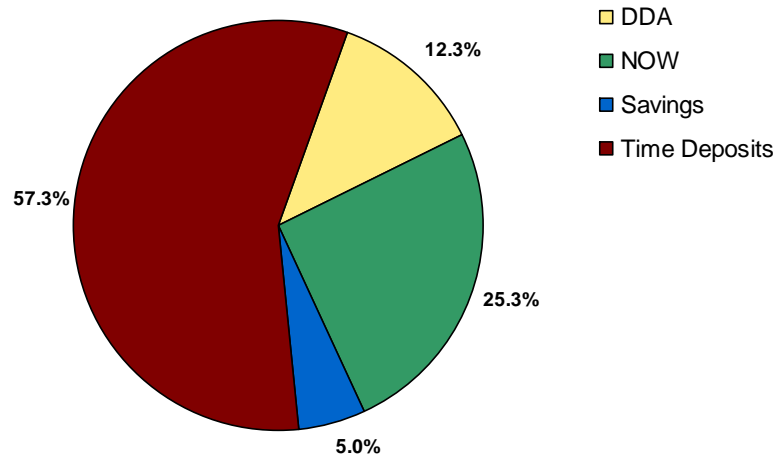
(\$ in billions except per share)

	6/30/2009	Estimated Pro Forma for Recent Acquisitions 6/30/2009
Assets	\$3.8	Greater than \$7.0
Loans	\$2.9	Greater than \$5.0
Deposits	\$2.8	Greater than \$5.0
Ohio Branches	49	64
Indiana Branches	30	49
TCE/TA	9.1%	Greater than 7.0%
Common Shares Outstanding	51.4 million	51.4 million

- Growth without share dilution
- Loss sharing to lessen risk profile of loan portfolio
- Emerging as a profitable and safe regional player

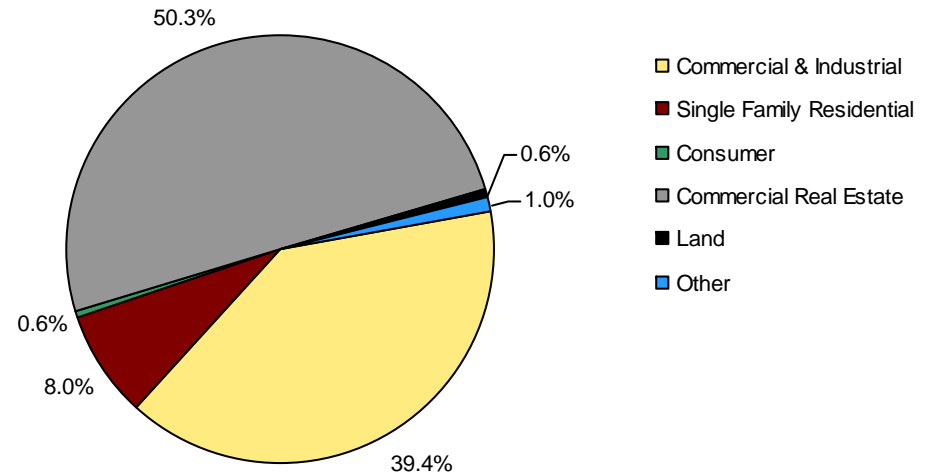
Irwin Deposit & Loan Composition

Deposits



- Total deposits of approximately \$2.5 billion
- Expect to reprice deposits appropriately for First Financial and customers
- Weighted average interest rate: 2.71% ¹

Loan Portfolio

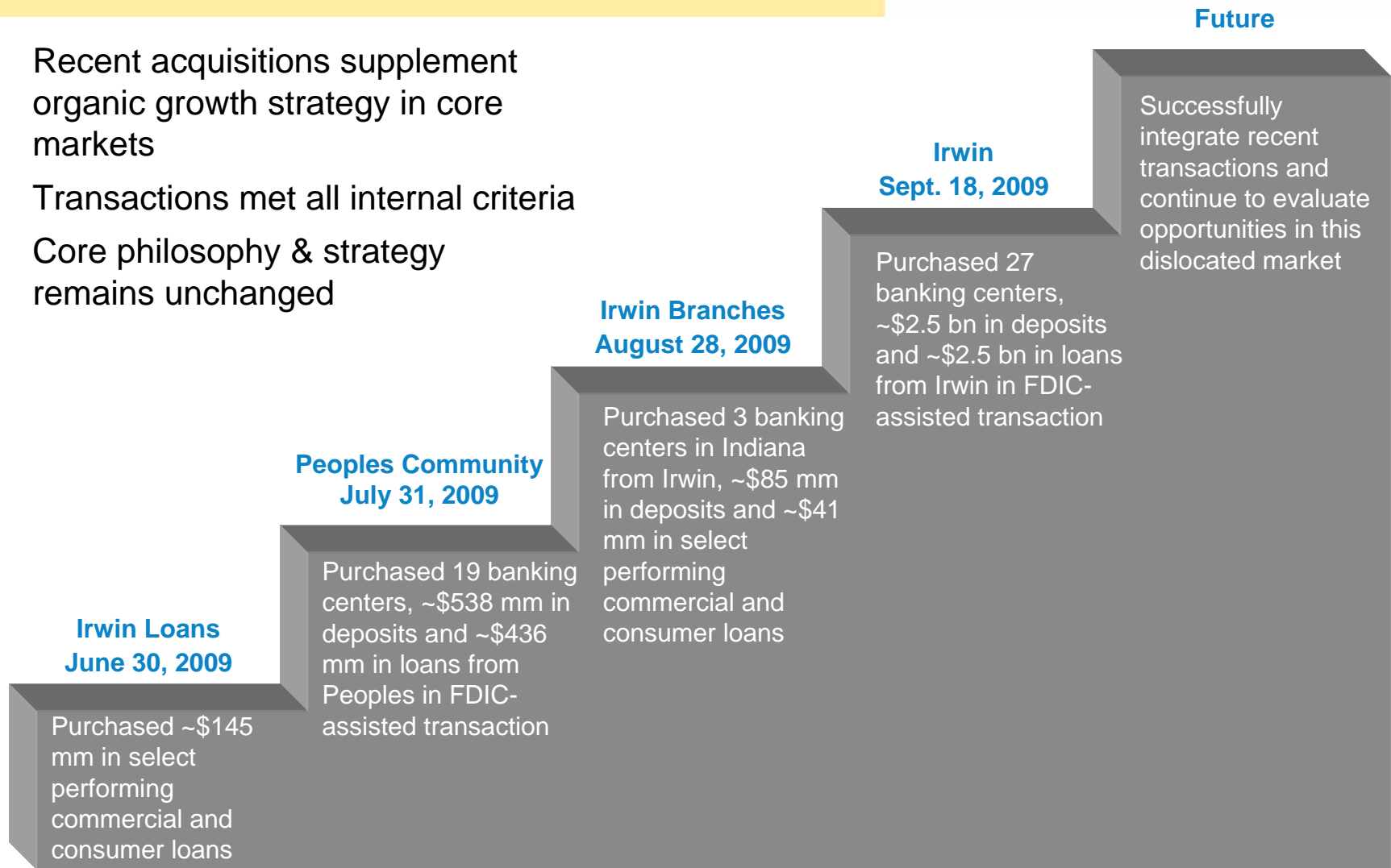


- Total loans of approximately \$2.5 billion
- Acquired only performing loans
- Weighted average interest rate: 6.61%
- First Financial is not acquiring
 - Non-performing loans
 - ORE
 - Acquisition, Development & Construction loans ("ADC")
 - Residential & Commercial Land Loans

Per most recent data provided by the FDIC.

1. Based on GAAP 1H '09 cost of interest bearing deposits.

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



- First Financial recently acquired 3 branches from Irwin and is familiar with its people, operations and systems facilitating a seamless transition
- Depositors in all Irwin branches have access to their funds
- Will not be disruptive to on-going integration of Peoples Community Bank
- Branches will be integrated into First Financial's existing banking network and reviewed for long-term strategic fit
- Branches will be locally managed by First Financial and Irwin's team of experienced bankers with centralized support
- First Financial will leverage Irwin's experienced banking professionals and offer a broad array of banking products and services to Irwin's customer base including those of First Financial Wealth Resource Group
- Building a robust team to manage FDIC loss share compliance

Well-Positioned Franchise

- Strong market share in strategic 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 remain relatively strong compared with industry and peer levels
- 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

- Accelerates strategic expansion in Indiana moving First Financial into the top 5 by deposit market share ¹
- Transaction will be accretive to earnings and book value with conservative assumptions
- Loss sharing and asset discount provide credit risk protection and sufficient value to manage the operational complexities
- Integration will be seamless to customers of Irwin and is already in process
- Integration of Peoples Community on track and acquisition will not be disruptive to that process
- Pro forma capital ratios expected to be well in excess of regulatory minimums
- Company continues to evaluate its participation in CPP

1. Based on FDIC branch/deposit data as of June 30, 2008.