UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)
☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2020
OR
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES ACT OF 1934
Commission File Number 001-34762

FIRST FINANCIAL BANCORP.
(Exact name of registrant as specified in its charter)

Ohio	**31-1042001**
(State of incorporation)	(I.R.S. Employer Identification No.)
255 East Fifth Street, Suite 800 Cincinnati Ohio	**45202**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (877) 322-9530
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol	Name of each exchange on which registered
Common stock, No par value	**FFBC**	**The NASDAQ Stock Market LLC**

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
☒ Yes ☐ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Date File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
☐ Yes ☒ No

The aggregate market value of the voting stock held by non-affiliates of the registrant, computed by reference to the sales price of the last trade of such stock as of June 30, 2020, was $1,334,086,000. (The exclusion from such amount of the market value of the shares owned by any person shall not be deemed an admission by the registrant that such person is an affiliate of the registrant.)

As of February 18, 2021, there were issued and outstanding 97,374,512 common shares of the registrant.

Documents Incorporated by Reference:

Portions of the registrant’s Annual Report to Shareholders for the year ended December 31, 2020 are incorporated by reference into Parts I and II. Portions of the registrant’s definitive Proxy Statement for the Annual Meeting of Shareholders to be held on May 25, 2021 are incorporated by reference into Part III.

FORM 10-K CROSS REFERENCE INDEX

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Annual Report on Form 10-K and the documents incorporated by reference that are not statements of historical fact, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, the statements specifically identified as forward-looking statements within this document. In addition, certain statements in future filings by us with the SEC, in press releases, and in oral and written statements made by or with our approval, which are not statements of historical fact constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Examples of forward-looking statements include: (i) projections of income or expense, earnings per share, the payment or non-payment of dividends, capital structure and other financial items; (ii) statements of our plans and objectives or our management or Board of Directors, including those relating to products or services; (iii) statements of future economic performance; and (iv) statements of assumptions underlying such statements. Words such as “believes,” “anticipates,” “expects,” “intends,” “targeted” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying those statements.

The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for forward-looking statements to encourage companies to provide prospective information so long as those statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those discussed in the forward-looking statements. We desire to take advantage of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995.

Forward-looking statements involve risks and uncertainties. Actual results may differ materially from those predicted by the forward-looking statements because of various factors and possible events, including those factors and events identified (i) in "Item 1A. Risk Factors" of this Annual Report on Form 10-K and (ii) in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of First Financial's 2020 Annual Report (included within Exhibit 13 to this Annual Report on Form 10-K and incorporated by reference into Item 7 of this Annual Report on Form 10-K).

Forward-looking statements speak only as of the date on which they are made, and, except as may be required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made to reflect unanticipated events. All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are qualified in their entirety by the foregoing cautionary statements.

PART I

Item 1. Business.

First Financial Bancorp.

First Financial Bancorp., an Ohio corporation (First Financial or the Company), was formed in 1982. First Financial is a mid-sized, regional bank holding company headquartered in Cincinnati, Ohio, which has elected to become a financial holding company. References in this Form 10-K to "we," "us" or "our" refer, as the context requires, to First Financial and its subsidiaries, collectively or to First Financial as the holding company.

First Financial engages in the business of commercial banking and other banking and banking-related activities through its wholly-owned subsidiary, First Financial Bank (the Bank), which was founded in 1863. Effective December 30, 2016, the Bank converted its charter to an Ohio state chartered bank from a nationally chartered bank.

The range of banking services provided by First Financial to individuals and businesses includes commercial lending, real estate lending and consumer financing. Real estate loans are loans secured by a mortgage lien on the real property of the borrower, which may either be residential property (one to four family residential housing units) or commercial property (owner-occupied and/or investor income producing real estate, such as apartments, shopping centers, or office buildings). Risk of loss related to lending activities is managed by adherence to standard loan policies that establish certain levels of performance prior to the extension of a loan to the borrower. In addition, First Financial offers deposit products that include interest-bearing and noninterest-bearing accounts, time deposits and cash management services for commercial customers. A full range of trust and wealth management services is also provided through First Financial's Wealth Management line of business.

Commercial and industrial loans are made to all types of businesses for a variety of purposes including, but not limited to, inventory, receivables and equipment. First Financial works with businesses to meet their shorter term working capital needs while also providing long-term financing for their business plans. First Financial also offers lease and equipment financing through a wholly-owned subsidiary of the Bank, First Financial Equipment Finance LLC (First Equipment Finance). Credit risk for lending activities is managed through standardized loan policies, established and authorized credit limits, centralized portfolio management and the diversification of market area and industries. The overall strength of the borrower is evaluated through the credit underwriting process and includes a variety of analytical activities, including the review of historical and projected cash flows, financial performance, financial strength of the principals and guarantors and collateral values, where applicable.

Commercial and industrial lending activities also include equipment and leasehold improvement financing for franchisees throughout the U.S., principally in the quick service and casual dining sector. The underwriting of these loans incorporates basic credit proficiencies combined with knowledge of select franchise concepts to measure the creditworthiness of proposed multi-unit borrowers. The focus is on a limited number of concepts that we believe have sound economics, lower closure rates, and higher brand awareness within specified local, regional or national markets. Loan terms for equipment are generally up to 84 months fully amortizing and up to 180 months on real estate-related requests.

First Financial also offers secured commercial financing throughout the U.S. through two wholly-owned subsidiaries of the Bank, Oak Street Funding LLC (Oak Street) and First Franchise Capital Corporation (First Franchise). Oak Street lends to the insurance industry, registered investment advisors, certified public accountants and indirect auto finance companies, while First Franchise lends to restaurant franchisees. Together, these niche lending activities are driven by acquisitions, ownership transitions and financing general working capital needs. The underwriting of Oak Street's loans involves analyses of collateral (through use of Oak Street's proprietary system) that consists of revenue, which is then continuously monitored by Oak Street throughout the life of the loans.

Commercial real estate loans are secured by a mortgage lien on the real property. The credit underwriting for both owner-occupied and investor income producing real estate loans includes detailed market analysis, historical and projected cash flow analysis, appropriate equity margins, assessment of lessees and lessors, type of real estate and other analyses. Market diversification within First Financial's service area and industry diversification are other means by which First Financial manages the risk. First Financial does not have a significant exposure to residential builders and developers.

The majority of residential real estate loans originated by the Bank conform to secondary market underwriting standards and are sold within a short timeframe to unaffiliated third parties. The Bank sells the loans with both servicing retained and servicing released, depending on pricing and other market conditions. The credit underwriting standards adhere to a required level of documentation, verifications, valuation and overall credit performance of the borrower. The underwriting of these loans includes an evaluation of these and other pertinent factors prior to the extension of credit. These underwriting standards increase the marketability and address the credit risk associated with the loans.

Consumer loans are primarily loans made to individuals. These types of loans include new and used vehicle loans, second mortgages on residential real estate and unsecured loans. Risk elements in the consumer loan portfolio are primarily focused on the borrower's cash flow and credit history, which are key indicators of the ability to repay. A level of security is provided through liens on automobile titles and second mortgage liens, where applicable. Consumer loans are generally smaller dollar amounts than other types of lending and are made to a large number of customers, increasing diversification within the portfolio. Economic conditions that affect consumers in First Financial's markets have a direct impact on the credit quality of these loans. Higher levels of unemployment, lower levels of income growth and weaker economic growth are factors that may impact consumer loan credit quality.

Home equity lines of credit consist mainly of revolving lines of credit secured by residential real estate. Home equity lines of credit are generally governed by the same lending policies and subject to the same credit risks as described previously for residential real estate loans.

Information regarding statistical disclosure required by the Securities and Exchange Commission's Industry Guide 3 is included on the "Statistical Information" page in First Financial's Annual Report to Shareholders for the year ended December 31, 2020, and is incorporated herein by reference.

First Financial's executive office is located at 255 East Fifth Street, Suite 800, Cincinnati, Ohio 45202, and the telephone number is (877) 322-9530. We maintain a website with the address www.bankatfirst.com. The information contained on our website is not included, a part of or incorporated by reference into this Annual Report on Form 10-K. First Financial makes available its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all amendments to those reports, free of charge, as soon as reasonably practicable after filing with the Securities and Exchange Commission (SEC), through its website, www.bankatfirst.com under the "Investor Relations" link, under "Financial Reporting." Copies of such reports also can be found on the SEC's website at www.sec.gov.

COVID-19

The Company's operations and financial results in 2020 were substantially influenced by the COVID-19 pandemic. The pandemic negatively impacted the global economy, disrupted global supply chains, lowered equity market valuations, created significant volatility and disruption in financial markets, increased unemployment levels and decreased consumer confidence generally. In addition, the pandemic resulted in temporary closures of many businesses and the institution of social distancing and sheltering in place requirements in many states and communities, which directly impacted our financial results and operations.

In response, the Company updated operating protocols to ensure all banking services virtually while prioritizing the health and safety of clients and associates. Banking centers offered drive through services without interruption, while lobbies were fully open or accessible to clients via appointment depending on loacal conditions. Sales associates, support teams and management largely continued working remotely; however, associates located in the Company's corporate offices and operations centers began to gradually return to those locations at reduced capacity levels in the third quarter. In addition, the Company has maintained its focus on enhancing remote, mobile and online processes.

To assist clients during the pandemic, the Company implemented distinct COVID-19 relief programs to provide payment deferrals, fee waivers, and suspension of vehicle repossessions and residential property foreclosures. The Company also actively monitored the actions of federal and state governments to proactively assist clients and ensure awareness of each financial assistance program available.

The Bank underwent a significant level of cross training and redeployment of associate resources to rapidly meet the influx of client requests in response to the passage of the CARES Act, the establishment of the Paycheck Protection Program and the approval of the Consolidated Appropriations Act. As of December 31, 2020, the Company had approximately 4,900 active PPP loans with $594.6 million in balances, net of unearned fees of $13.7 million.

Further, as of December 31, 2020, the Company had $320.2 million in loans, or 3.2% of the total portfolio, that were deferred to provide relief to borrowers adversely impacted by the pandemic. These deferrals consisted of $291.5 million of loans in which borrowers were temporarily making interest-only payments and $28.7 million of loans in which borrowers were provided temporary relief from full P&I payments.

First Financial also contributed $1.0 million in the first quarter of 2020 to help fund agencies providing COVID-19 relief efforts in communities throughout its footprint.

Human Capital

At December 31, 2020, First Financial had approximately 2,107 full-time employees located primarily in the states of Ohio, Indiana, Kentucky, and Illinois.

Employee Wellbeing. A key motive behind the Company's strategic intent is "Investing in our People." To achieve this goal, First Financial has developed a "Wellbeing Program" that is designed to support employees and their families in a holistic way, focusing on the five core areas of wellbeing: physical, financial, social, community and purpose. The program provides employees with incentives (such as health savings account contributions, paid time off and reimbursements) in exchange for participation in a range of activities, including an annual physical, webinar participation and enrollment in Company fitness activities. In 2020, 62% of eligible employees qualified for benefits under the Wellbeing Program.

Compensation and Benefits. First Financial offers employees competitive short-term and long-term compensation, a comprehensive set of benefits including health, dental and vision insurance, free or low-cost access to an independent provider of primary care clinics, product discounts and various expense reimbursement programs. First Financial also provides all eligible employees with an annual allocation to the First Financial Pension Plan of 5% of eligible annual pay. The pension allocation is 100% company-paid, fully-vested and portable. We regularly review our compensation practices to ensure we are paying employees equitably, taking into consideration such factors as experience, education, and performance.

Employee Engagement. First Financial launched its engagement initiative in 2020, partnering with a third party to measure associate engagement and develop action plans for continued improvement. In 2020, we hosted virtual town hall meetings for all associates, opening the lines of communications and answering associate concerns. In conjunction with the town hall meetings, pulse surveys were completed with themes around wellbeing, return to work, diversity and inclusion, and career coaching and development. These surveys provided insight into our associates' needs and desires, which we can use in future program development.

Diversity, Equity and Inclusion. First Financial prioritizes diversity, equity and inclusion (DEI) as an employer, a financial institution and as a member of the communities in which we operate. The DEI Committee of the Board provides guidance and oversight to First Financial's executive committee, the Manager of Diversity, Equity and Inclusion, and the First Financial Diversity Council, which is comprised of 10 associates from across our footprint. First Financial supports several associate-led business resource groups designed to facilitate networking and leadership development. First Financial is in the process of building its DEI strategy which includes establishing goals for increased associate and management diversity. During 2020, First Financial's CEO held a series of listening sessions with diverse associates as part of our goal to foster a more inclusive environment.

Subsidiaries

A listing of each of First Financial's subsidiaries can be found in Exhibit 21 to this Form 10-K.

Business Combinations

In April 2018, First Financial acquired MainSource Financial Group, Inc., an Indiana bank holding company, in a stock-for-stock transaction, and MainSource Bank, a wholly owned subsidiary of MainSource, merged into First Financial Bank. Under the terms of the merger agreement, shareholders of MainSource received 1.3875 common shares of First Financial for each share of MainSource common stock. At the effective time of the merger, MainSource had assets of approximately $4.5 billion and operated 88 full-service offices in Indiana, Ohio, Illinois and Kentucky.

In August 2019, the Company acquired Bannockburn Global Forex, LLC, an industry-leading capital markets firm. The Cincinnati-based company provides transactional currency payments, foreign exchange hedging and other advisory products to closely held enterprises, financial sponsors and downstream financial institutions across the United States. Bannockburn became a division of the Bank and will continue to operate under the name "Bannockburn Global Forex", taking advantage of its existing brand recognition within the foreign exchange industry. The total purchase consideration was $114.6 million consisting of $53.7 million in cash and $60.9 million of First Financial common stock.

Market and Competitive Information

First Financial utilizes a community banking business model and serves a combination of metropolitan and non-metropolitan markets through its full-service banking centers primarily in Indiana, Ohio, Kentucky and Illinois. Market selection is based upon a number of factors, but markets are primarily chosen for their potential for growth, long-term profitability and customer reach. First Financial's goal is to develop a competitive advantage through a local market focus, building long-term relationships with clients to help them reach greater levels of financial success.

We also compete on a nationwide basis through Oak Street, which lends to the insurance industry, registered investment advisors, certified public accountants and indirect auto finance companies, First Franchise, which lends to restaurant franchisees, and Bannockburn, which provides foreign exchange services to customers throughout the United States.

The Company's markets support many different types of business activities, such as manufacturing, agriculture, education, healthcare and professional services. Within these markets, growth is projected to continue in key demographic groups and populations. First Financial's market evaluation includes demographic measures such as income levels, median household income and population growth. The Midwestern markets that First Financial serves have historically not experienced the level of economic volatility experienced in other areas of the country, although material fluctuations may occur.

First Financial believes that it is well positioned to compete in its markets. Smaller than super-regional and multi-national bank holding companies, First Financial believes that it can meet the needs of its markets through a local decision-making process and that it is better positioned to compete than smaller community banks that may have size or geographic limitations. First Financial's targeted customers include individuals and small to medium sized businesses within the Bank's geographic footprint. Through its diversified delivery systems of banking centers, ATMs, internet banking and telephone-based transactions, First Financial is able to meet the needs of its customers in an ever-changing marketplace.

First Financial faces strong competition from financial institutions and other non-financial organizations. Its competitors include local and regional financial institutions, savings and loans and bank holding companies, as well as some of the largest banking organizations in the United States. In addition, other types of financial institutions, such as credit unions, offer a wide range of loan and deposit services that are competitive with those offered by First Financial. The consumer is also served by brokerage firms and mutual funds that provide checking services, credit cards, margin loans and other services similar to those offered by First Financial. Online lenders also create additional competition, particularly in the mortgage and consumer lending areas. Major consumer retail stores compete for loans by offering credit cards and retail installment contracts. It is anticipated that competition from other financial and non-financial services entities will continue and, for certain products and services, intensify.

Supervision and Regulation

First Financial and its subsidiaries are subject to an extensive system of laws and regulations that are intended primarily for the protection of consumers, depositors, borrowers, the Deposit Insurance Fund (DIF) of the Federal Deposit Insurance Corporation (FDIC), and the banking system in general and not for the protection of shareholders. These laws and regulations govern areas such as capital, permissible activities, allowance for credit losses, loans and investments, interest rates that can be charged on loans and consumer protection communications and disclosures. Certain elements of selected laws and regulations are described in more detail in the sections that follow. These descriptions are not intended to be complete and are qualified in their entirety by reference to the full text of the statutes and regulations described.

Bank Holding Company Regulation

As a bank holding company that has elected to become a financial holding company, First Financial is subject to the provisions of the Bank Holding Company Act of 1956, as amended (the BHCA), and is subject to supervision and examination by the Federal Reserve Board. The BHCA requires prior approval by the Federal Reserve Board in any case where a financial holding company proposes to: (i) acquire direct or indirect ownership or control of more than 5% of the voting shares of any bank that is not already majority-owned by the financial holding company; (ii) acquire all or substantially all of the assets of another bank or another financial or bank holding company; or (iii) merge or consolidate with any other financial or bank holding company. In addition, First Financial's acquisition of a savings and loan association requires prior Federal Reserve Board approval.

A qualifying bank holding company that has elected to become a financial holding company may affiliate with securities firms and insurance companies and engage in other activities that are financial in nature and not otherwise permissible for a bank holding company, if: (i) the holding company is "well managed" and "well capitalized" and (ii) each of its subsidiary banks (a) is well capitalized under the Federal Deposit Insurance Corporation Act of 1991 prompt corrective action provisions, (b) is well managed, and (c) has at least a "satisfactory" rating under the Community Reinvestment Act (CRA). No regulatory approval is required under the BHCA for a financial holding company to acquire a company, other than a bank or savings association, engaged in activities that are financial in nature or incidental to activities that are financial in nature, as determined by the Federal Reserve Board.

The Financial Services Modernization Act defines “financial in nature” to include:

- securities underwriting, dealing and market making;
- sponsoring mutual funds and investment companies;
- insurance underwriting and agency;
- merchant banking; and
- activities that the Federal Reserve Board has determined to be closely related to banking.

If a financial holding company or a subsidiary bank fails to maintain all requirements for the holding company to maintain financial holding company status, material restrictions may be placed on the activities of the holding company and its subsidiaries and on the ability of the holding company to enter into certain transactions and obtain regulatory approvals for new activities and transactions. The holding company could also be required to divest itself of subsidiaries that engage in activities that are not permitted for bank holding companies that are not financial holding companies. If restrictions are imposed on the activities of a financial holding company, the existence of such restrictions may not be made publicly available pursuant to confidentiality regulations of the bank regulatory agencies.

Each subsidiary bank of a financial holding company is subject to certain restrictions on the maintenance of reserves against deposits, extensions of credit to the financial holding company and its subsidiaries, investments in the stock and other securities of the financial holding company and its subsidiaries and the taking of such stock and securities as collateral for loans to borrowers. Further, a financial holding company and its subsidiaries are prohibited from engaging in certain tying arrangements in connection with any extension of credit, lease or sale of property or furnishing of any services. Various consumer laws and regulations also affect the operations of these subsidiaries.

In April 2020, the Federal Reserve Board adopted a final rule to revise its regulations related to determinations of whether a company has the ability to exercise control over another company for purposes of the Bank Holding Company Act. The final rule expands and codifies the presumptions for use in such determinations. By codifying the presumptions, the final rule provides greater transparency on the types of relationships that the Federal Reserve Board generally views as supporting a facts-and-circumstances determination that one company controls another company. The Federal Reserve Board’s final rule applies to questions of control under the Bank Holding Company Act, but does not extend to the Change in Bank Control Act.

The Federal Reserve Board also has extensive enforcement authority over bank holding companies, including the ability to assess civil monetary penalties, issue cease and desist or removal orders, and require that a bank holding company divest subsidiaries (including a subsidiary bank). In general, the Federal Reserve Board may initiate enforcement actions for violations of laws and regulations and unsafe or unsound practices. A bank holding company is required by law and Federal Reserve Board policy to act as a source of financial strength to each subsidiary bank and to commit resources to support such subsidiary bank. The Federal Reserve Board may require a bank holding company to contribute additional capital to an undercapitalized subsidiary bank and may disapprove of the payment of dividends to its shareholders if the Federal Reserve Board believes the payment of such dividends would be an unsafe or unsound practice.

Economic Growth, Regulatory Relief and Consumer Protection Act

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as amended (the Dodd-Frank Act), has had a broad impact on the financial services industry, imposing significant regulatory and compliance requirements, including the imposition of increased capital, leverage, and liquidity requirements, and numerous other provisions designed to improve supervision and oversight of, and strengthen safety and soundness within, the financial services sector. Additionally, the Dodd-Frank Act established a new framework of authority to conduct systemic risk oversight within the United States financial system to be distributed among new and existing federal regulatory agencies, including the United States Financial Stability Oversight Council, the Federal Reserve Board, and the FDIC.

On May 25, 2018, the Economic Growth, Regulatory Relief and Consumer Protection Act (the Regulatory Relief Act) was enacted to modify or remove certain financial reform rules and regulations, including some of those implemented under the Dodd-Frank Act. Bank holding companies with consolidated assets of less than $100 billion, including First Financial, are no longer subject to the enhanced capital, liquidity, risk management and other prudential standards established under the Dodd-Frank Act. The Regulatory Relief Act also relieves bank holding companies and banks with consolidated assets of less than $100 billion, including First Financial, from certain record-keeping, reporting and disclosure requirements. Certain other regulatory requirements applied only to banks with assets in excess of $50 billion and so did not apply to the Company even before the enactment of the Regulatory Relief Act.

Depository Institution Regulation

The Bank, as a bank chartered under the laws of the State of Ohio and a member of the Federal Reserve Bank of Cleveland (Federal Reserve Bank), is subject to supervision and examination by the Federal Reserve Board and the Ohio Division of Financial Institutions (ODFI). The Bank's deposits are insured up to the legal limits by the DIF, which is administered by the FDIC and is subject to the provisions of the Federal Deposit Insurance Act, as amended (FDIA). The Bank is also subject to regulations of the Consumer Financial Protection Bureau (CFPB), which was established by the Dodd-Frank Act and has broad powers to adopt and enforce consumer protection regulations.

Regulatory Capital

Financial institutions and their holding companies are required to maintain capital as a way of absorbing losses. The Federal Reserve Board has adopted risk-based capital guidelines for bank holding companies as well as state banks that are members of a Federal Reserve Bank. The guidelines provide a systematic analytical framework that makes regulatory capital requirements sensitive to differences in risk profiles among banking organizations, takes off-balance sheet exposures expressly into account in evaluating capital adequacy and incentivizes to holding liquid, low-risk assets. Capital levels as measured by these standards are also used to categorize financial institutions for purposes of prompt corrective action regulatory provisions.

In July 2013, the United States banking regulators approved final rules (the Basel III Capital Rules) implementing the Basel III framework set forth by the Basel Committee on Banking Supervision, as well as certain provisions of the Dodd-Frank Act. Community banking organizations, including First Financial and the Bank, began transitioning to the new rules when the new minimum capital requirements became effective on January 1, 2015. A capital conservation buffer (i.e. common equity) and additional deductions from common equity capital were phased in through January 1, 2019.

The Basel III capital rules include (i) a minimum common equity tier 1 capital ratio of at least 4.5%, (ii) a minimum tier 1 capital ratio of at least 6.0%, (iii) a minimum total capital ratio of 8.0% and (iv) a minimum leverage ratio of 4.0%.

Common equity for the common equity tier 1 capital ratio includes common stock (plus related surplus) and retained earnings, plus limited amounts of minority interests in the form of common stock, less the majority of certain regulatory deductions.

Tier 1 capital includes common equity as defined for the common equity tier 1 capital ratio, plus certain non-cumulative preferred stock and related surplus, cumulative preferred stock and related surplus, trust preferred securities that have been grandfathered (but which are not otherwise permitted), and limited amounts of minority interests in the form of additional tier 1 capital instruments, less certain deductions.

Tier 2 capital, which can be included in the total capital ratio, includes certain capital instruments (such as subordinated debt) and limited amounts of the allowance for loan and lease losses, subject to specified eligibility criteria, less applicable deductions.

The deductions from common equity tier 1 capital include goodwill and other intangibles, certain deferred tax assets, mortgage-servicing assets above certain levels, gains on sale in connection with a securitization, investments in a banking organization’s own capital instruments and investments in the capital of unconsolidated financial institutions (above certain levels).

The Basel III Capital Rules also place restrictions on the payment of capital distributions, including dividends and stock repurchases, and certain discretionary bonus payments to executive officers if the Company does not hold a capital conservation buffer greater than 2.5% composed of common equity tier 1 capital compared to its minimum risk-based capital requirements, or if its eligible retained income is negative in that quarter and its capital conservation buffer ratio was less than 2.5% at the beginning of the quarter.

Federal banking regulators have established regulations governing prompt corrective action to resolve capital deficient banks. Under these regulations, institutions that become undercapitalized become subject to mandatory regulatory scrutiny and limitations, which increase as capital continues to decrease. Each such institution is also required to file a capital plan with its primary federal regulator, and its holding company must guarantee the capital shortfall up to 5% of the assets of the capital deficient institution at the time it becomes undercapitalized.

In accordance with the Basel III Capital Rules, in order to be “well-capitalized” under the prompt corrective action guidelines, a bank must have a common equity tier 1 capital ratio of at least 6.5%, a total risk-based capital ratio of at least 10.0%, a tier 1 risk-based capital ratio of at least 8.0% and a leverage ratio of at least 5.0%, and the bank must not be subject to any written agreement, order, capital directive or prompt corrective action directive to meet and maintain a specific capital level or any capital measure. At December 31, 2020, the Bank met the capital ratio requirements to be deemed “well-capitalized.”

A bank with a capital level that might qualify for well capitalized or adequately capitalized status may nevertheless be treated as though the bank is in the next lower capital category if the bank’s primary federal banking supervisory authority determines that an unsafe or unsound condition or practice warrants that treatment. A bank’s operations can be significantly affected by its capital classification under the prompt corrective action rules. For example, a bank that is not well capitalized generally is prohibited from accepting brokered deposits and offering interest rates on deposits higher than the prevailing rate in its market without advance regulatory approval. These deposit-funding limitations can have an effect on the bank’s liquidity. At each successively lower capital category, an insured depository institution is subject to additional restrictions. Undercapitalized banks are required to take specified actions to increase their capital or otherwise decrease the risks to the DIF. Bank regulatory agencies generally are required to appoint a receiver or conservator within 90 days after a bank becomes critically undercapitalized with a leverage ratio of less than 2%. The FDIA provides that a federal bank regulatory authority may require a bank holding company to divest itself of an undercapitalized bank subsidiary if the agency determines that divestiture will improve the bank’s financial condition and prospects.

In December 2018, the federal banking agencies issued a final rule to address regulatory treatment of credit loss allowances under the current expected credit loss (CECL) model (accounting standard). The rule revised the federal banking agencies’ regulatory capital rules to identify which credit loss allowances under the CECL model are eligible for inclusion in regulatory capital and to provide banking organizations the option to phase in over three years the day-one adverse effects on regulatory capital that may result from the adoption of the CECL model. Concurrent with the enactment of the Coronavirus Aid, Relief, and Economic Security Act of 2020, as amended (the CARES Act), discussed below, federal banking agencies issued an interim final rule that delayed the estimated impact on regulatory capital resulting from the adoption of CECL. The interim final rule provided banking organizations that implemented CECL prior to the end of 2020 the option to delay for two years the estimated impact of CECL on regulatory capital relative to regulatory capital determined under the prior incurred loss methodology, followed by a three-year transition period to phase out the aggregate amount of capital benefit provided during the initial two-year delay. First Financial adopted the capital transition relief over the five year permissible period.

Debit Card Interchange Fees

The “Durbin Amendment” to the Dodd-Frank Act, also known as Regulation II, was enacted into law in July 2010. The Durbin Amendment limits the amount of interchange fees that banks with assets of $10 billion or more may charge to process electronic debit transactions. Under the Durbin Amendment and the Federal Reserve Board’s implementing regulations, bank issuers which are not exempt may only receive an interchange fee from merchants that is reasonable and proportional to the cost of clearing the transaction. The maximum permissible interchange fee is equal to no more than $0.21 plus 5 basis points of the transaction value for many types of debit interchange transactions. A debit card issuer may also recover $0.01 per transaction for fraud prevention purposes if the issuer complies with certain fraud-related requirements established by the Federal Reserve Board. In addition, the Federal Reserve Board has rules governing routing and exclusivity that require issuers to offer two unaffiliated networks for routing transactions on each debit or prepaid product.

First Financial became subject to the Durbin Amendment on July 1, 2019, which reduced noninterest income by $11.8 million in 2020.

Limitations on Dividends and Other Payments

There are various legal limitations on the extent to which a subsidiary bank may finance or otherwise supply funds to its parent holding company. Under applicable federal and state laws, the Bank may not, subject to certain limited exceptions, make loans or extensions of credit to, or investments in the securities of, First Financial. A subsidiary bank is also subject to collateral security requirements for any loan or extension of credit permitted by such exceptions.

The Bank may not pay dividends out of its surplus if, after paying these dividends, it would fail to meet the required minimum capital levels established by the Federal Reserve Board. The amount of dividends payable by the Bank is also restricted if the Bank does not hold a capital conservation buffer as described above. In addition, the Bank must have the approval of the Federal Reserve Board and the ODFI if a dividend in any year would cause the total dividends for that year to exceed the sum of the Bank's current year's net income and the retained net income for the preceding two years, less required transfers to surplus or to fund the retirement of preferred stock. Under Ohio law, the Bank may pay a dividend from surplus only with the approval of First Financial (as the sole shareholder of the Bank) and the approval of the ODFI. Payment of dividends by the Bank may be restricted at any time at the discretion of its regulatory authorities, if such regulatory authorities deem such dividends to constitute unsafe and/or unsound banking practices or if necessary to maintain adequate capital.

The ability of First Financial to obtain funds for the payment of dividends, for the servicing of indebtedness and for other cash requirements is largely dependent on the amount of dividends that may be declared by the Bank. However, because the Federal Reserve Board expects First Financial to serve as a source of strength to the Bank, as discussed above, payment of dividends by the Bank may be restricted at any time at the discretion of the Federal Reserve Board if the Federal Reserve Board deems such dividends to constitute an unsafe and/or unsound banking practice.

The Federal Reserve Board has issued a policy statement with regard to the payment of cash dividends by bank holding companies. The policy statement provides that, as a matter of prudent banking, a bank holding company should not maintain a rate of cash dividends unless its net income available to common shareholders has been sufficient to fully fund the dividends, and the prospective rate of earnings retention appears to be consistent with the bank holding company's capital needs, asset quality, and overall financial condition. Accordingly, a bank holding company generally should not pay cash dividends that exceed its net income or can only be funded in ways that weaken the bank holding company's financial health, such as by borrowing. Under certain circumstances, a bank holding company must provide notice to the Federal Reserve Board of an intended dividend payment, to which the Federal Reserve Board might object if it determines the payment would be an unsafe or unsound practice.

Insurance of Accounts

The FDIC maintains the DIF, which insures the deposit accounts of the Bank to the maximum amount provided by law. The general insurance limit is $250,000 per separately insured depositor. This insurance is backed by the full faith and credit of the United States government.

The FDIC assesses deposit insurance premiums on each insured institution quarterly based on risk characteristics of the institution. As a bank with assets of more than $10 billion, First Financial is subject to a deposit assessment based on a scorecard issued by the FDIC. This scorecard considers, among other things, the Bank's CAMELS rating, results of asset-related stress testing and funding-related stress, as well as its use of core deposits, among other things. Depending on the results of the Bank's performance under that scorecard, the total base assessment rate is between 1.5 and 40 basis points. The FDIC may also impose a special assessment in an emergency situation.

Pursuant to the Dodd-Frank Act, the FDIC has established 2.0% as the designated reserve ratio (DRR), which is the ratio of the DIF to insured deposits of the total industry. In March 2016, the FDIC adopted final rules designed to meet the statutory minimum DRR of 1.35% by September 30, 2020, the deadline imposed by the Dodd-Frank Act. The FDIC's rules reduced assessment rates on all banks but imposed a surcharge on banks with assets of $10 billion or more until the DRR reached 1.35%. The reserve ratio reached 1.36% on September 30, 2018, and, as a result, the surcharge on banks with assets of $10 billion or more ceased with the first assessment invoice in 2019. In addition, once the DRR reached 1.38%, the FDIC applied an assessment credit to banks that had assets below $10 billion at any time during the credit calculation period, which includes the Bank.

As insurer, the FDIC is authorized to conduct examinations of and to require reporting by DIF-insured institutions. Insurance of deposits may be terminated by the FDIC upon a finding that the institution has engaged or is engaging in unsafe and unsound practices, is in an unsafe or unsound condition to continue operations or has violated any applicable law, regulation, rule, order or condition imposed by the FDIC or written agreement entered into with the FDIC.

Consumer Protection Laws and Regulations

Banks are subject to regular examination to ensure compliance with federal statutes and regulations applicable to their business, including consumer protection statutes and implementing regulations. The Dodd-Frank Act established the CFPB, which has extensive regulatory and enforcement powers over consumer financial products and services. As a bank with total assets in excess of $10 billion, the Bank is primarily examined by the CFPB with respect to consumer protection laws and regulations. The CFPB has adopted numerous rules with respect to consumer protection laws and has commenced related enforcement actions. The following are just a few of the consumer protection laws applicable to the Bank:

- The CRA: imposes a continuing and affirmative obligation to fulfill the credit needs of its entire community, including low- and moderate-income neighborhoods.

- Equal Credit Opportunity Act: prohibits discrimination in any credit transaction on the basis of any of various criteria.

- Truth in Lending Act: requires that credit terms are disclosed in a manner that permits a consumer to understand and compare credit terms more readily and knowledgeably.

- Fair Housing Act: makes it unlawful for a lender to discriminate in its housing-related lending activities against any person on the basis of any of certain criteria.

- Home Mortgage Disclosure Act: requires financial institutions to collect data that enables regulatory agencies to determine whether the financial institutions are serving the housing credit needs of the communities in which they are located.

- Real Estate Settlement Procedures Act: requires that lenders provide borrowers with disclosures regarding the nature and cost of real estate settlements and prohibits abusive practices that increase borrowers' costs.

- Privacy provisions of the Gramm-Leach-Bliley Act: requires financial institutions to establish policies and procedures to restrict the sharing of non-public customer data with non-affiliated parties and to protect customer information from unauthorized access.

The banking regulators also use their authority under the Federal Trade Commission Act to take supervisory or enforcement action with respect to unfair or deceptive acts or practices by banks that may not necessarily fall within the scope of specific banking or consumer finance law.

On July 22, 2020, the CFPB issued a final small dollar loan rule related to payday, vehicle title and certain high cost installment loans (the Small Dollar Rule) that modified a former rule that was issued in November 2013. Specifically, the Small Dollar Rule revokes provisions contained in the 2013 rule that: (i) provide that it is an unfair and abusive practice for a lender to make a covered short-term or longer-term balloon-payment loan, including payday and vehicle title loans, without reasonably determining that consumers have the ability to repay those loans according to their terms; (ii) prescribe mandatory underwriting requirements for making the ability-to-repay determination; (iii) exempt certain loans from mandatory underwriting requirements; and (iv) establish related definitions, reporting, and recordkeeping requirements.

Separately, in May 2018, the OCC published guidance that encourages national banks and federal savings associations to offer responsible short-term, small-dollar installment loans with terms between two and twelve months and equal amortizing payments. Pursuant to the OCC's guidance on this issue, banks are encouraged to offer these products in a manner that is consistent with sound risk management principles and clear, documented underwriting guidelines. Further, the federal bank regulatory agencies issued interagency guidance on May 20, 2020, to encourage banks, savings associations, and credit unions to offer responsible small-dollar loans to customers for consumer and small business purposes. The Small Dollar Rule did not have a material effect on First Financial's financial condition or results of operations on a consolidated basis in 2020.

Community Reinvestment Act

Under the CRA, every FDIC-insured institution is obligated, consistent with safe and sound banking practices, to help meet the credit needs of its entire community, including low and moderate income neighborhoods. The CRA requires the appropriate federal banking regulator, in connection with the examination of an insured institution, to assess the institution's record of meeting the credit needs of its community and to consider this record in its evaluation of certain applications to banking regulators, such as an application for approval of a merger or the establishment of a branch. An unsatisfactory rating may be used as the basis for the denial of an application and will prevent a bank holding company from making an election to become a financial holding company. As of its last examination, the Bank received a CRA rating of "satisfactory."

Privacy Rules

Federal banking regulators, as required under the Gramm-Leach-Bliley Act, as amended (the GLBA), have adopted rules limiting the ability of banks and other financial institutions to disclose nonpublic information about consumers to non-affiliated third parties. The rules require disclosure of privacy policies to consumers and, in some circumstances, allow consumers to prevent disclosure of certain personal information to non-affiliated third parties. The privacy provisions of the GLBA affect how consumer information is transmitted through diversified financial services companies and conveyed to outside vendors.

Fiscal and Monetary Policies

The earnings of banks, and, therefore, the earnings of First Financial (and its subsidiaries), are affected by the fiscal and monetary policies of the United States government and its agencies, including the Federal Reserve Board. An important function of the Federal Reserve Board is to regulate the national supply of bank credit in an effort to prevent recession and to restrain inflation. Among the procedures used to implement these objectives are open market operations in United States government securities, changes in the discount rate on member bank borrowings, and changes in reserve requirements on member bank deposits. These policies are used in varying degrees and combinations to directly affect the availability of bank loans and deposits, as well as the interest rates charged on loans and paid on deposits.

Volcker Rule

In December 2013, five federal agencies adopted a final regulation implementing the so-called Volcker Rule provision of the Dodd-Frank Act (the Volcker Rule). The Volcker Rule places limits on the trading activity of insured depository institutions and entities affiliated with depository institutions, subject to certain exceptions. Such trading activity includes the purchase or sale as principal of a security derivative, commodity future, option, or similar instrument in order to benefit from short-term price movements or to realize short-term profits. The Volcker Rule exempts trading in specified United States government, agency, state and/or municipal obligations. The Volcker Rule also excludes: (i) trading conducted in certain capacities, including as a broker or other agent, through a deferred compensation or pension plan, as a fiduciary on behalf of customers; (ii) to satisfy a debt previously contracted; (iii) trading under certain repurchase and securities lending agreements; and (iv) trading in connection with risk-mitigating hedging activities. Further, the Volcker Rule prohibits a banking entity from having an ownership interest in, or certain relationships with, a hedge fund or private equity fund, also known as “covered funds,” subject to a number of exceptions.

On June 25, 2020, the federal bank regulatory agencies finalized a rule modifying the Volcker Rule’s prohibition on banking entities investing in or sponsoring covered funds. The new rule permits certain banking entities to offer financial services and engage in other activities that do not raise concerns that the Volcker Rule was originally intended to address. To the extent First Financial engages in any of the trading activities or has any ownership interests in or relationship with any of the types of funds regulated by the Volcker Rule, First Financial believes that its activities and relationships comply with such rule, as modified through rule-making.

Office of Foreign Assets Control Regulation

The United States Treasury Department’s Office of Foreign Assets Control (OFAC) administers and enforces economic and trade sanctions against targeted foreign countries and regimes, under authority of various laws, including designated foreign countries, nationals and others. OFAC publishes lists of specially designated targets and countries. First Financial is responsible for, among other things, blocking accounts of, and transactions with, such targets and countries, prohibiting unlicensed trade and financial transactions with them and reporting blocked transactions after their occurrence. Failure to comply with these sanctions could have serious financial, legal and reputational consequences, including causing applicable bank regulatory authorities not to approve merger or acquisition transactions when regulatory approval is required or to prohibit such transactions even if approval is not required. Regulatory authorities have imposed cease and desist orders and civil money penalties against institutions found to be violating these obligations.

Cybersecurity

In March 2015, federal regulators issued two related statements regarding cybersecurity. One statement indicates that financial institutions should design multiple layers of security controls to establish several lines of defense and to ensure that their risk management processes also address the risk posed by compromised customer credentials, including security measures to reliably authenticate customers accessing Internet-based services of the financial institution. The other statement indicates that a financial institution's management is expected to maintain sufficient business continuity planning processes to ensure the rapid recovery, resumption and maintenance of the financial institution's operations after a cyber-attack involving destructive malware. A financial institution is also expected to develop appropriate processes to enable recovery of data and business operations and address rebuilding network capabilities and restoring data if the financial institution or its critical service providers fall victim to this type of cyber-attack. If First Financial fails to observe the regulatory guidance, it could be subject to various regulatory sanctions, including financial penalties.

In February 2018, the SEC published interpretive guidance to assist public companies in preparing disclosures about cybersecurity risks and incidents. These SEC guidelines, and any other regulatory guidance, are in addition to notification and disclosure requirements under state and federal banking law and regulations.

State regulators have also been increasingly active in implementing privacy and cybersecurity standards and regulations. Recently, several states have adopted regulations requiring certain financial institutions to implement cybersecurity programs and providing detailed requirements with respect to these programs, including data encryption requirements. Many states have also recently implemented or modified their data breach notification and data privacy requirements. First Financial expects this trend of new state-level activity to continue and is actively monitoring developments in the states in which we conduct business.
In the ordinary course of business, First Financial relies on electronic communications and information systems to conduct its operations and to store sensitive data. First Financial employs an in-depth, layered, defensive approach that leverages people, processes and technology to manage and maintain cybersecurity controls. First Financial utilizes a variety of preventative and detective tools to monitor, block, and provide alerts regarding suspicious activity, as well as report on any suspected advanced persistent threats. Notwithstanding the strength of First Financial's defensive measures, the threat from cyber-attacks is severe, attacks are sophisticated and increasing in volume, and attackers respond rapidly to changes in defensive measures. Risks and exposures related to cybersecurity attacks are expected to remain high for the foreseeable future due to the rapidly evolving nature and sophistication of these threats, in addition to the expanding use of Internet banking, mobile banking and other technology-based products and services by us and our customers.

Patriot Act

In response to the terrorist events of September 11, 2001, the Uniting and Strengthening of America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the Patriot Act) was signed into law in October 2001. The Patriot Act gives the United States government powers to address terrorist threats through enhanced domestic security measures, expanded surveillance powers, increased information sharing and broadened anti-money laundering requirements. Title III of the Patriot Act takes measures intended to encourage information sharing among bank regulatory agencies and law enforcement bodies. Further, certain provisions of Title III impose affirmative obligations on a broad range of financial institutions. Among other requirements, Title III and related regulations require regulated financial institutions to establish a program specifying procedures for obtaining identifying information from customers seeking to open new accounts and establish enhanced due diligence policies, procedures and controls designed to detect and report suspicious activity. The Bank has established policies and procedures that it considers to be in compliance with the requirements of the Patriot Act.

State Law

As an Ohio-chartered bank, the Bank is subject to regular examination by the ODFI. State banking regulation affects the Bank's internal organization and corporate governance, capital distributions, activities, acquisitions of other institutions and branching. State banking regulation may contain limitations on an institution's activities that are in addition to limitations imposed under federal banking law. The ODFI may initiate supervisory measures or formal enforcement actions, and under certain circumstances, it may take control of an Ohio-chartered bank.

The Coronavirus Aid, Relief, and Economic Security Act of 2020

In response to the novel COVID-19 pandemic, the CARES Act was signed into law on March 27, 2020, to provide national emergency economic relief measures. Many of the CARES Act's programs are dependent upon the direct involvement of United States financial institutions, such as the Company and the Bank, and have been implemented through rules and guidance adopted by federal departments and agencies, including the United States Department of Treasury, the Federal Reserve Board and other federal banking agencies, including those with direct supervisory jurisdiction over the Company and the Bank. Furthermore, as COVID-19 evolves, federal regulatory authorities continue to issue additional guidance with respect to the implementation, lifecycle, and eligibility requirements for the various CARES Act programs as well as industry-specific recovery procedures for COVID-19. In addition, it is possible that Congress will enact supplementary COVID-19 response legislation, including amendments to the CARES Act or new bills comparable in scope to the CARES Act. The Company is continuing to assess the impact of the CARES Act and other statues, regulations and supervisory guidance related to COVID-19.

The CARES Act amended the loan program of the Small Business Administration (the SBA) in which the Bank participates to create a guaranteed, unsecured loan program, the Paycheck Protection Program (the PPP), to fund operational costs of eligible businesses, organizations and self-employed persons during COVID-19. In June 2020, the Paycheck Protection Program Flexibility Act was enacted, which, among other things, gave borrowers additional time and flexibility to use PPP loan proceeds. Shortly thereafter, and due to the evolving impact of COVID-19, additional legislation was enacted authorizing the SBA to resume accepting PPP applications on July 6, 2020, and extending the PPP application deadline to August 8, 2020. As a participating lender in the PPP, the Bank continues to monitor related legislative, regulatory, and supervisory developments. On September 29, 2020, the federal bank regulatory agencies issued a final rule that neutralizes the regulatory capital and liquidity coverage ratio effects of participating in certain COVID-19 liquidity facilities due to the fact there is no credit or market risk in association with exposures pledged to such facilities. As a result, the final rule supports the flow of credit to households and businesses affected by COVID-19.

The CARES Act encouraged the Federal Reserve Board, in coordination with the Secretary of the Treasury, to establish or implement various programs to help mitigate the adverse effects of COVID-19 on midsize businesses, nonprofits, and municipalities. In April 2020, the Federal Reserve Board established the Main Street Lending Program (MSLP) to implement certain of these recommendations. The MSLP supported lending to small and medium-sized businesses that were in sound financial condition before the onset of COVID-19. On November 19, 2020, Treasury Secretary Steven Mnuchin indicated that he would not reauthorize extending the MSLP past December 31, 2020. However, the Federal Reserve Board extended the program to January 8, 2021, in order to process loans that were submitted on or before December 14, 2020. The program ended on January 8, 2021.

Item 1A. Risk Factors.

The risks listed here are not the only risks we face. Additional risks that are not presently known, or that we presently deem to be immaterial, also could have a material effect on our financial condition, results of operations, business and prospects. (See also "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" for certain forward looking statements.)

Risks Related to Economic and Market Conditions

The COVID-19 pandemic is adversely affecting us and our customers, employees, and third-party service providers, and the adverse impacts on our business, financial position, results of operations, and prospects could be significant.

COVID-19 has negatively impacted the global economy, disrupted global supply chains, lowered equity market valuations, created significant volatility and disruption in financial markets, increased unemployment levels and decreased consumer confidence, generally. In addition, the pandemic has resulted in temporary closures of many businesses and the institution of social distancing and sheltering in place requirements in many states and communities. The pandemic could influence the recognition of credit losses in our loan portfolios and increase our allowance for credit losses, particularly as businesses remain closed and as more customers are expected to draw on their lines of credit or seek additional loans to help finance their businesses. Furthermore, the pandemic could affect the stability of our deposit base as well as our capital and liquidity position, impair the ability of borrowers to repay outstanding loans, impair the value of collateral securing loans, result in lost revenue and cause us to incur additional expenses. Similarly, because of changing economic and market conditions affecting issuers, we may be required to recognize other-than-temporary impairments in future periods on the securities we hold as well as reductions in other comprehensive income.

The extent of the impact of the COVID-19 pandemic on our capital, liquidity, and other financial positions and on our business, results of operations, and prospects will depend on a number of evolving factors, including:

- *The duration, extent, and severity of the pandemic*. COVID-19 has not been contained and could affect significantly more households and businesses. The duration and severity of the pandemic continue to be impossible to predict.
- *The response of governmental and nongovernmental authorities*. Many of the actions taken by authorities have been directed at curtailing personal and business activity to contain COVID-19 while simultaneously deploying fiscal-and monetary-policy measures to assist in mitigating the adverse effects on individuals and businesses. These actions are not consistent across jurisdictions but, in general, have been rapidly expanding in scope and intensity.

- *The effect on our customers, counterparties, employees, and third-party service providers*. COVID-19 and its associated consequences and uncertainties may affect individuals, households, and businesses differently and unevenly. In the near-term if not longer, however, our credit, operational, and other risks are generally expected to increase.
- *The effect on economies and markets*. Whether the actions of governmental and nongovernmental authorities will be successful in mitigating the adverse effects of COVID-19 is unclear. National, regional, and local economies and markets could suffer lasting disruptions.
- *The success of hardship relief efforts to bridge the gap to reopening the economy*. The U.S. government has implemented programs to directly compensate individuals and grant or loan money to businesses in an effort to provide funding while the economy is shut down. Many banks, including the Bank, have implemented hardship relief programs that include payment deferral and short-term funding options. The success of these programs could mute the effect on the Company's credit losses, which may be difficult to determine.

The duration of these business interruptions and related impacts on our business and operations, which will depend on future developments, are highly uncertain and cannot be reasonably estimated at this time. The pandemic could cause us to experience higher credit losses in our lending portfolio, impairment of our goodwill and other financial assets, reduced demand for our products and services, and other negative impacts on our financial position, results of operations, and prospects. You should consider that the effects of COVID-19 could be particularly pronounced with respect to certain of our lending portfolios:

- *Commercial real estate-retail, including retail shopping centers*, due to declining interest in such spaces by their users and declining interest in visiting large shared spaces. As of December 31, 2020, the retail portion of our ICRE portfolio was $875.2 million, or 8.8% of our loan portfolio.
- *Residential real estate*, due to customers' potential loss of income. As of December 31, 2020, this portfolio was $1.0 billion, or 10.1% of our loan portfolio.
- *Franchise*, which primarily includes quick service and casual dining, due to stay at home orders and requirements that restaurants provide carry-out only service. As of December 31, 2020, this portfolio was $423.8 million, or 4.3% of our loan portfolio.
- *Hospitality*, including hotel and motel lending, due to travel limitations implemented by governments and businesses as well as declining interest in travel generally. As of December 31, 2020, this portfolio was $433.0 million, or 4.4% of our loan portfolio.

The cumulative effects of COVID-19 and the measures implemented by governments to combat the pandemic on mortgaged properties may cause borrowers to be unable to meet their payment obligations under mortgage loans that we hold and may result in significant losses.

The extent to which COVID-19 impacts our business, results of operations and financial condition will depend on future developments, which are uncertain and difficult to predict. Even after COVID-19 has subsided, we may continue to experience materially adverse impacts to our business as a result of the virus's global economic impact, including the availability of credit, adverse impacts on our liquidity and any recession that has occurred or may occur in the future.

There are no comparable recent events that provide guidance as to the effect the spread of COVID-19 as a global pandemic may have, and, as a result, the ultimate impact of the outbreak is highly uncertain and subject to change. The effects could have a material impact on our results of operations and heighten many of the other risk factors identified below.

Weakness in the economy and in the real estate market, including specific weakness within our geographic footprint, may affect us, including requiring us to record additional loan loss provision or to charge off loans.

First Financial’s success depends, in part, on economic and political conditions, local and national, as well as governmental fiscal and monetary policies. Conditions such as inflation, recession, unemployment, changes in interest rates, fiscal and monetary policy and other factors beyond First Financial’s control, especially in light of COVID-19, may affect its deposit levels and composition, demand for loans, the ability of borrowers to repay their loans and the value of the collateral securing the loans it makes. Economic turmoil in different regions of the world affect the economy and stock prices in the United States, which can affect First Financial’s earnings and capital and the ability of its customers to repay loans. Due to First Financial's volume of real estate loans, declining real estate values could affect the value of property used as collateral as well as First Financial’s ability to sell the collateral upon foreclosure.

If the strength of the United States economy in general and the strength of the local economies in which we conduct operations decline, this could result in, among other things, a deterioration of credit quality or a reduced demand for credit, including a

resultant effect on our loan portfolio and allowance for credit losses. These factors could also result in higher delinquencies and greater charge-offs in future periods, which would materially affect our financial condition and results of operations.
There is no assurance that our non-impaired loans will not become impaired or that our impaired loans will not suffer further deterioration in value. The fluctuations in national, regional and local economic conditions, including those related to local residential, commercial real estate and construction markets, may result in increased charge-offs and, consequently, reduce our net income. These fluctuations are not predictable, cannot be controlled and may have a material impact on our operations and financial condition even if other favorable events occur.

Weakness in the real estate market, including the secondary market for residential mortgage loans, could affect us.

Disruptions in the secondary market for residential mortgage loans limit the market for and liquidity of many mortgage loans. The effects of mortgage market challenges, combined with reductions in residential real estate market prices and reduced levels of home sales, could affect the value of collateral securing mortgage loans that we hold, mortgage loan originations and profits on sales of mortgage loans. Such conditions could result in higher losses or charge-offs in our mortgage loan portfolio and other lines of business. Declines in real estate values, home sale volumes, financial stress on borrowers as a result of job losses, interest rate resets on adjustable rate mortgage loans or other factors could have further effects on borrowers that could result in higher delinquencies and greater charge-offs in future periods, which would affect our financial condition or results of operations. Additionally, declines in real estate values might affect the creditworthiness of state and local governments, resulting in decreased profitability or credit losses from loans made to such governments. A decline in home values or overall economic weakness could also have an impact upon the value of real estate or other assets which we own upon foreclosing a loan and our ability to realize value on such assets.

Changes in market interest rates or capital markets could affect our revenues and expenses, the value of assets and obligations, and the availability and cost of capital or liquidity.

Given our business mix, and the fact that most of our assets and liabilities are financial in nature, we tend to be sensitive to market interest rate movements and the performance of the financial markets. Our primary source of income is net interest income, which is the difference between the interest income generated by our interest-earning assets (consisting primarily of loans and, to a lesser extent, securities) and the interest expense generated by our interest-bearing liabilities. Prevailing economic conditions, fiscal and monetary policies and the policies of various regulatory agencies all affect market rates of interest and the availability and cost of credit, which, in turn, significantly affect financial institutions' net interest income. If the interest we pay on deposits and other borrowings increases at a faster rate than increases in the interest we receive on loans and investments, net interest income, and, therefore, our earnings, could be affected. Earnings could also be affected if the interest we receive on loans and other investments falls more quickly than the interest we pay on deposits and other borrowings.
In addition to the general impact of the economy, changes in interest rates or in valuations in the debt or equity markets could directly impact us in one or more of the following ways:

- the yield on earning assets and rates paid on interest bearing liabilities may change in disproportionate ways;
- the value of certain balance sheet and off-balance sheet financial instruments or the value of equity investments that we hold could decline;
- the value of assets for which we provide processing services could decline;
- the demand for loans and refinancings may decline, which could negatively impact income related to loan originations; or
- to the extent we access capital markets to raise funds to support our business, such changes could affect the cost of such funds or the ability to raise such funds.

Although we have implemented procedures we believe will reduce the potential effects of changes in interest rates on our results of operations, these procedures may not always be successful. In addition, any substantial or prolonged change in market interest rates could affect our financial condition, results of operations and liquidity.

We may be impacted by the transition from LIBOR as a reference rate.

The London Interbank Offered Rate (LIBOR) is used extensively in the United States and globally as a reference rate for various commercial and financial contracts, including adjustable rate mortgages, corporate debt, interest rate swaps and other derivatives. In November 2020, the Federal Reserve Board issued a statement supporting the release of a proposal and supervisory statements designed to provide a clear end date for U.S. Dollar LIBOR (USD LIBOR), and the federal banking agencies issued a release encouraging banks to stop entering into USD LIBOR contracts by the end of 2021, noting that most legacy contracts will mature prior to the date LIBOR ceases to be issued. It is uncertain at this time the extent to which those entering into financial contracts will transition to any other particular benchmark. Other benchmarks may perform differently than LIBOR or other alternative benchmarks or have other consequences that cannot currently be anticipated. It is also uncertain what will happen with instruments that rely on LIBOR for future interest rate adjustments and which remain outstanding when LIBOR ceases to exist.

The Federal Reserve Board, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large financial institutions, is considering replacing USD LIBOR with a new index calculated by short-term repurchase agreements, backed by United States Treasury securities, otherwise known as the Secured Overnight Financing Rate (SOFR). SOFR is observed and backward looking, which stands in contrast with LIBOR under the current methodology, which is an estimated forward-looking rate and relies, to some degree, on the expert judgment of submitting panel members. Given that SOFR is a secured rate backed by government securities, it will be a rate that does not take into account bank credit risk (as is the case with LIBOR). SOFR is therefore likely to be lower than LIBOR and is less likely to correlate with the funding costs of financial institutions. The extent to which SOFR attains traction as a LIBOR replacement tool is not known, although transactions using SOFR have been completed, including by Fannie Mae. Both Fannie Mae and Freddie Mac ceased accepting adjustable rate mortgages tied to LIBOR and began accepting mortgages based on SOFR in 2020, and many issuers are now utilizing SOFR.

First Financial has established a working group to manage the LIBOR transition process. The working group has identified all LIBOR-related contracts and determined which will require amended language to incorporate a substitute reference rate. The working group has also developed and implemented flexible language regarding reference rates for all new loan products and agreements. First Financial continues to consider a replacement index for 2021 and beyond.

Until this replacement rate is identified and all agreements have been addressed, we will continue to have a significant number of loans, derivative contracts, borrowings and other financial instruments with attributes that are directly or indirectly dependent on LIBOR. The transition from LIBOR could create considerable costs and additional risk for us. Since proposed alternative rates are calculated differently, payments under contracts referencing new rates will differ from those referencing LIBOR. The transition will change our market risk profiles, requiring changes to risk and pricing models, valuation tools, product design and hedging strategies. Further, our failure to adequately manage this transition process with our customers could impact our reputation. Although we are currently unable to assess what the ultimate impact of the transition from LIBOR will be, any market-wide transition away from LIBOR could adversely affect our business, financial condition and results of operations.

Declining values of real estate, increases in unemployment, insurance market disruptions and the related effects on local economies may increase our credit losses, which would negatively affect our financial results.

We offer a variety of secured loans, including commercial lines of credit, commercial term loans, real estate, construction, home equity, consumer and other loans. Many of our loans are secured by real estate (both residential and commercial) within our market area. A major change in the real estate market, such as deterioration in the value of collateral, or in the local or national economy, could affect our customers' ability to pay these loans, which in turn could impact our results of operations and financial condition. Additionally, increases in unemployment also may affect the ability of certain clients to repay loans and the financial results of commercial clients in localities with higher unemployment, may result in loan defaults and foreclosures and may impair the value of our collateral. This is especially relevant in light of the impact COVID-19 has had on national and local economies. Loan defaults and foreclosures are unavoidable in the banking industry, and we try to limit our exposure to this risk by monitoring carefully our extensions of credit. Additionally, a concentration of natural disasters or a significant disruption in the insurance market could impact the risk relating to our insurance lending business. We cannot fully eliminate credit risk, and as a result, credit losses may increase in the future.

Our financial instruments carried at fair value expose us to certain market risks.

We maintain an available-for-sale investment securities portfolio, which includes assets with various types of instruments and maturities. At times, we also maintain certain assets that are classified and accounted for as trading assets. The changes in fair value of available-for-sale securities are recognized in shareholders' equity as a component of other comprehensive income. The changes in fair value of financial instruments classified as trading assets are carried at fair value with changes in fair value recognized in earnings. The fair value of financial instruments carried at fair value is exposed to market risks related to changes in interest rates and market liquidity. We manage the market risks associated with these instruments through broad asset/liability management strategies. Changes in the market values of these financial instruments could have a material impact on our financial condition or results of operations. We may classify additional financial assets or financial liabilities at fair value in the future.

Risks Related to Our Business

When we loan money, commit to loan money or enter into a letter of credit or other contract with a counterparty, we incur credit risk, or the risk of loss if our borrowers do not repay their loans or our counterparties fail to perform according to the terms of their contracts.

As lending is one of our primary business activities, the credit quality of our portfolio can have a significant impact on our earnings. We estimate and establish reserves for credit risks and probable incurred credit losses inherent in our loan portfolio. This process, which is critical to our financial results and condition, requires difficult, subjective and complex judgments, including reviews of economic conditions and how these economic conditions might impair the ability of our borrowers to repay their loans. As is the case with any such assessments, there is always the chance that we will fail to identify the proper factors or that we will fail to accurately estimate the impacts of factors that we identify. In addition, large loans, letters of credit and contracts with individual counterparties in our portfolio magnify the credit risk that we face, as the impact of large borrowers and counterparties not repaying their loans or performing according to the terms of their contracts has a disproportionately significant impact on our credit losses and reserves.

The information that we use in managing our credit risk may be inaccurate or incomplete, which may result in an increased risk of default and otherwise have an effect on our business, results of operations and financial condition.

In deciding whether to extend credit or enter into other transactions with clients and counterparties, we may rely on information furnished by or on behalf of clients and counterparties, including financial statements and other financial information. We also may rely on representations of clients and counterparties as to the accuracy and completeness of that information and, with respect to financial statements, on reports of independent auditors. Although we regularly review our credit exposure to specific clients and counterparties and to specific industries that we believe may present credit concerns, default risk may arise from events or circumstances that are difficult to detect, such as fraud. Moreover, such circumstances, including fraud, may become more likely to occur or be detected in periods of general economic uncertainty. We may also fail to receive full information with respect to the risks of a counterparty. In addition, in cases where we have extended credit against collateral, we may find that we are under-secured, for example, as a result of sudden declines in market values that reduce the value of collateral or due to fraud with respect to such collateral. If such events or circumstances were to occur, it could result in a potential loss of revenue and have an effect on our business, results of operations and financial condition.

Our allowance for credit losses may prove to be insufficient to absorb losses in our loan portfolio.

We maintain an allowance for credit losses to provide for loans in our portfolio that may not be repaid in their entirety. We believe that our allowance for credit losses is maintained at a level adequate to absorb expected losses over the life of the life of the loans in the loan portfolio as of the corresponding balance sheet date. However, our allowance for credit losses may not be sufficient to cover actual loan losses, and future provision for credit losses could materially affect our operating results. The accounting measurements related to the allowance for credit losses require significant estimates which are subject to uncertainty and change related to new information and changing circumstances. Management estimates the allowance using relevant available information from both internal and external sources, relating to past events, current conditions and reasonable and supportable forecasts. Historical credit loss experience paired with economic forecasts provide the basis for the quantitatively modeled estimation of expected credit losses. First Financial adjusts its quantitative model, as necessary, to reflect conditions not already considered by the quantitative model. Our estimates of the risk of loss and amount of loss on any loan are complicated by the significant uncertainties surrounding our borrowers' abilities to successfully execute their business models through changing economic environments, competitive challenges and other factors. Because of the degree of uncertainty and susceptibility of these factors to change, our actual losses may vary from our current estimates.

In addition, bank regulators periodically review our allowance for credit losses and may require us to increase our provision for loan losses or recognize further loan charge-offs. Moreover, the FASB has changed its requirements for establishing the allowance for credit losses. The new accounting guidance requires banks to record, at the time of origination, credit losses expected throughout the life of the asset on loans, leases and held-to-maturity debt securities, as opposed to the previous practice of recording losses when it was probable that a loss event had occurred. We adopted the CECL accounting guidance in 2020 and recognized a one-time cumulative effect adjustment to our allowance for credit losses and retained earnings as of January 1, 2020. Concurrent with the enactment of the CARES Act, federal bank regulatory agencies issued an interim final rule that delays the estimated impact on regulatory capital resulting from the adoption of CECL. The interim final rule provided banking organizations that implemented CECL prior to the end of 2020 the option to delay for two years the estimated impact of CECL on regulatory capital relative to regulatory capital determined under the prior incurred loss methodology, followed by a three-year transition period to phase out the aggregate amount of capital benefit provided during the initial two-year delay.

We adopted CECL in the first quarter of 2020, including the regulatory phase-in. As a result, credit loss allowances, including reserves for unfunded commitments, increased $73.7 million on January 1, 2020, resulting in a corresponding decrease in retained earnings and a delayed impact to regulatory capital. CECL implementation poses operational risk, including the failure to properly transition internal processes or systems, which could lead to errors, financial misstatements or operational losses. As a result of CECL, our financial results may be negatively affected as soon as weak or deteriorating economic conditions are forecasted and alter our expectations for credit losses. In addition, we incurred a significant provision expense of $70.6 million during 2020, primarily as a result of COVID-19, and may incur significant provision expense for credit losses in future periods as well.

Projections for new business initiatives and strategies may prove inaccurate.

The introduction, implementation, withdrawal, success and timing of business initiatives and strategies, including, but not limited to, the opening of new banking centers or entering into new product lines, may be less successful or may be different than anticipated, which could affect our business. The Bank makes certain projections and develops plans and strategies for its banking and financial products. If we do not accurately determine demand for our banking and financial products, it could result in us incurring significant expenses without the anticipated increases in revenue, which could result in a material effect on the Bank's business.

We may be required to repurchase mortgage loans or indemnify mortgage loan purchasers as a result of breaches of representations and warranties, borrower fraud, or certain borrower defaults, which could harm our liquidity, results of operations and financial condition.

When we sell mortgage loans, whether as whole loans or pursuant to a securitization, we are required to make customary representations and warranties to the purchaser about the mortgage loans and the manner in which they were originated. Our whole loan sale agreements require us to repurchase or substitute mortgage loans in the event we breach any of these representations or warranties. In addition, we may be required to repurchase mortgage loans as a result of borrower fraud. While we have taken steps to enhance our underwriting policies and procedures, there can be no assurance that these steps will be effective or reduce risk associated with loans sold in the past. If the level of repurchase and indemnity activity becomes material, our liquidity, results of operations and financial condition may be affected.

Competition in the financial services industry is intense and could result in our losing business or experiencing reduced margins.

We operate in a highly competitive industry that could become even more competitive as a result of legislative, regulatory and technological changes, and continued consolidation. We face aggressive competition from other domestic and foreign lending institutions as well as from numerous other providers of financial services. The ability of non-banking financial institutions to provide services previously limited to commercial banks has intensified competition. Because non-banking financial institutions are not subject to the same regulatory restrictions as banks and bank holding companies, they can often operate with greater flexibility and lower cost structures. Securities firms and insurance companies that elect to become financial holding companies may acquire banks and other financial institutions. The OCC has also announced that it will accept applications for national bank charters from non-depository financial technology companies engaged in banking activities. These developments may significantly change the competitive environment in which we conduct business. Some of our competitors have greater financial resources and/or face fewer regulatory constraints. Credit unions that compete with us have advantages that allow them to price products and services more competitively. As a result of these various sources of competition, we could lose business to competitors or be forced to price products and services on less advantageous terms to retain or attract clients, either of which would affect our profitability.

The principal bases for competition are pricing (including the interest rates charged on loans or paid on interest bearing deposits), product structure, the range of products and services offered, and the quality of customer service (including convenience and responsiveness to customer needs and concerns). The ability to access and use technology is an increasingly important competitive factor in the financial services industry, and it is a critically important component to customer satisfaction as it affects our ability to deliver the right products and services.

Failure to adequately address the competitive pressures we face could make it harder for us to attract and retain customers across our businesses. Similarly, meeting these competitive pressures could require us to incur significant additional expense, to reevaluate the number of branches through which we serve our customers, or to accept risk beyond what we would otherwise view as desirable under the circumstances. In addition, competitive pressure to increase rates on deposits or decrease rates on loans could reduce our net interest margin with a resulting negative impact on our net interest income.

Clients could pursue alternatives to bank deposits, causing us to lose a relatively inexpensive source of funding.

Checking and savings account balances and other forms of client deposits could decrease if clients perceive alternative investments as providing superior expected returns. When clients move money out of bank deposits in favor of alternative investments, we can lose a relatively inexpensive source of funds, increasing our funding costs.

Consumers may decide not to use banks to complete their financial transactions, or deposit funds electronically with banks having no branches within our market area, which could affect net income.

Technology and other changes allow parties to complete financial transactions without banks. For example, consumers can pay bills and transfer funds directly without banks. Consumers can also shop for higher deposit interest rates at banks across the country, which may offer higher rates because they have few or no physical branches and open deposit accounts electronically. This process could result in the loss of fee income, as well as the loss of client deposits, in addition to increasing our funding costs.

Our wealth management business subjects us to a variety of investment and market risks.

At December 31, 2020, we had $3.0 billion in assets under management. A sharp decline in the stock market could negatively impact the amount of assets under management and thus subject our earnings to additional risks and uncertainties.

Our foreign exchange business is largely dependent upon a small number of large clients and volatility in the markets.

In August 2019, First Financial acquired Bannockburn, which is engaged in various foreign exchange market activities. Bannockburn’s business model relies, to some extent, upon a small number of large clients engaged in foreign currency transactions. The loss of one or more of these large client would adversely affect the revenue derived from Bannockburn. Additionally, foreign currency transactions increase as volatility in the market increases. Sustained periods of stability in the financial markets could adversely affect Bannockburn’s revenue.

Negative public opinion could damage our reputation and impact business operations and revenues.

As a financial institution, our earnings and capital are subject to risks associated with negative public opinion. Negative public opinion could result from our actual or alleged conduct in any number of activities, including lending practices, the failure of any product or service sold by us to meet our clients’ expectations or applicable regulatory requirements, corporate governance and acquisitions, social media and other marketing activities, or from actions taken by government regulators and community organizations in response to any of the foregoing. Negative public opinion could affect our ability to attract and/or retain clients, could expose us to litigation and regulatory action, and could have a material adverse effect on our stock price or result in heightened volatility. Negative public opinion could also affect our ability to borrow funds in the unsecured wholesale debt markets.

We rely on other companies to provide key components of our business infrastructure, creating risks of failures by such companies and cybersecurity incidents involving our customers’ information.

Third parties provide key components of our business infrastructure, such as processing and Internet connections and network access. These vendors also provide services that support our operations, including the storage and processing of sensitive consumer and business customer data, as well as our sales efforts. Any disruption in such services provided by these third parties or any failure of these third parties to handle current or higher volumes could affect our ability to deliver products and services to clients and to efficiently and effectively conduct our business. Technological or financial difficulties of a third-party service provider could affect our business to the extent those difficulties result in the interruption or discontinuation of services provided by that party. Further, the operations of our third-party vendors could fail or otherwise become delayed as a result of COVD-19.

A cybersecurity breach of a vendor's system may result in theft of our data or disruption of business processes. A material breach of customer data security at a service provider's site may negatively impact our business reputation and cause a loss of customers, result in increased expense to contain the event and/or require that we provide credit monitoring services for affected customers, result in regulatory fines and sanctions, and may result in litigation. We may experience liability to our customers for losses arising from a breach of a vendor's data security system. We rely on our outsourced service providers to implement and maintain prudent cybersecurity controls. Furthermore, we may not be insured against all types of losses as a result of third-party failures, and our insurance coverage may be inadequate to cover all losses resulting from system failures or other disruptions. Failures in our business infrastructure could interrupt the operations or increase the costs of doing business.

We rely on our systems, employees and certain counterparties, and certain failures could affect our operations.

We are exposed to many types of operational risk, including the risk of fraud by employees and outsiders, clerical and record-keeping errors, and computer/telecommunications systems malfunctions. Our businesses are dependent on our ability to process a large number of increasingly complex transactions. If any of our financial, accounting or other data processing systems fail or have other significant shortcomings, we could be affected. We depend on internal systems and outsourced technology to support these data storage and processing operations. Our inability to use or access these information systems at critical points in time could unfavorably impact the timeliness and efficiency of our business operations. In recent years, some banks have experienced denial of service attacks in which individuals or organizations flood the bank's website with extraordinarily high volumes of traffic, with the goal and effect of disrupting the ability of the bank to process transactions.

Additionally, we could be affected if one of our employees causes a significant operational break-down or failure, either as a result of human error or where an individual purposefully sabotages or fraudulently manipulates our operations or systems. We are also at risk of an impact on our systems and operations from natural disasters, terrorism and international hostilities. Such events can also impact power or communications systems operated by others on which we rely.

Misconduct by employees could include fraudulent, improper or unauthorized activities on behalf of clients or improper use of confidential information. We may not be able to prevent employee errors or misconduct, and the precautions we take to detect this type of activity might not be effective in all cases. Employee errors or misconduct could subject us to civil claims for negligence or regulatory enforcement actions, including fines and restrictions on our business.

In addition, there have been instances where financial institutions have been victims of fraudulent activity in which criminals pose as customers to initiate wire and automated clearinghouse transactions out of customer accounts. The breach of the systems of a credit bureau in 2019 presents additional threats as criminals now have more information about a larger portion of our country's population than past breaches have involved, which could be used by criminals to pose as customers initiating transfers of money from customer accounts. Although we have policies and procedures in place to verify the authenticity of our customers, we cannot assure that such policies and procedures will prevent all fraudulent transfers. Such activity can result in financial liability and harm to our reputation.

Unauthorized disclosure of sensitive or confidential client or customer information, whether through a breach of our computer systems or otherwise, or other breaches in the security of our systems could harm our business.

As part of our business, we collect, process and retain sensitive and confidential client and customer information on behalf of our subsidiaries and other third parties. Despite the security measures we have in place, our facilities and systems, and those of our third-party service providers, may be vulnerable to security breaches, acts of vandalism, computer viruses, theft of information, misplaced or lost data, programming and/or human errors, or other similar events. If information security is breached, information can be lost or misappropriated, resulting in financial loss or costs to us or damages to others. Our systems can be rendered inoperable, resulting in our inability to provide service to our customers. Any security breach involving the misappropriation, loss, destruction or unauthorized disclosure of confidential customer information, whether by us or by our vendors, could severely damage our reputation, expose us to the risk of litigation and liability, disrupt our operations and have a material effect on our business.

Cybersecurity risk management programs are expensive to maintain and will not protect us from all risks associated with maintaining the security of customer data and our proprietary data from external and internal intrusions, disaster recovery and failures in the controls used by our vendors. Employee error or misconduct may result in failure to implement policies and procedures designed to avoid risks. Moreover, as technology and cyberattacks change over time, we must continually monitor and change systems to guard against new threats. We may not know of and be able to guard against a new threat until after an attack has occurred. Congress and the legislatures of states in which we operate regularly consider legislation that would impose more stringent data privacy requirements.

Any of these occurrences could result in our diminished ability to operate one or more of our businesses, potential liability to clients, reputational damage and regulatory intervention in the form of requirements, restrictions and penalties, which could affect us.

We may not pay dividends on our common shares.

Holders of our common shares are only entitled to receive such dividends as our Board of Directors may declare out of funds legally available for such payments. Although we have historically declared cash dividends on our common shares, we are not required to do so and may reduce or eliminate our common share dividend in the future. Additionally, our funds to pay dividends on common shares are dependent upon dividends paid to us by the Bank, which are subject to regulatory restrictions in certain circumstances. A reduction in our dividend rate could affect the market price of our common shares.

Our liquidity is dependent upon our ability to receive dividends from our subsidiaries, which accounts for most of our revenue and could affect our ability to pay dividends, and we may be unable to enhance liquidity from other sources.

We are a separate and distinct legal entity from our subsidiaries, notably the Bank. We receive substantially all of our revenue from dividends from our subsidiaries. These dividends are the principal source of funds to pay dividends on our common shares and interest and principal on outstanding debt. Various federal and/or state laws and regulations limit or restrict the amount of dividends that the Bank and certain of our non-bank subsidiaries may pay us. Additionally, if our subsidiaries' earnings are not sufficient to make dividend payments to us while maintaining adequate capital levels, we may not be able to make dividend payments to our common shareholders. As of December 31, 2020, the Bank had $198.0 million available to pay dividends to First Financial without prior regulatory approval.

To enhance liquidity, we may borrow under credit facilities or from other sources. Turbulence in the capital and credit markets may cause many lenders and institutional investors to reduce or cease to provide funding to borrowers and, as a result, we may not be able to further increase liquidity through additional borrowings.

Limitations on our ability to receive dividends from our subsidiaries or an inability to increase liquidity through additional borrowings, or inability to maintain, renew or replace existing credit facilities, could have a material effect on our liquidity and on our ability to pay dividends on our common shares and interest and principal on our debt.

As of December 31, 2020, we had indebtedness of $942.8 million.

Disruptions in our ability to access capital markets on desirable terms may affect our capital resources, liquidity and business.

We depend on wholesale capital markets to provide us with sufficient capital resources and liquidity to meet our commitments and business needs, and to accommodate the transaction and cash management needs of our clients. Other sources of funding available to us, and upon which we rely as regular components of our liquidity risk management strategy, include inter-bank borrowings, repurchase agreements and borrowings from the Federal Home Loan Bank system. Any occurrence that may limit our access to these sources on acceptable or desirable terms, such as a decline in the confidence of debt purchasers, a downgrade in our credit rating, or a downgrade in the credit rating of our depositors or counterparties participating in the capital markets, may affect our capital costs and our ability to raise capital and, in turn, our liquidity.

In addition, prior debt offerings could potentially have important consequences to us and our debt and equity investors, including:

- requiring a substantial portion of our cash flow from operations to make interest payments;
- making it more difficult to satisfy debt service and other obligations;
- increasing the risk of a future credit ratings downgrade of our debt, which could increase future debt costs and limit the future availability of debt financing;
- increasing our vulnerability to general adverse economic and industry conditions;
- reducing the cash flow available to fund capital expenditures and other corporate purposes and to grow our business;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- placing us at a competitive disadvantage relative to our competitors that may not be as highly leveraged with debt; and
- limiting our ability to borrow additional funds as needed or take advantage of business opportunities as they arise, pay cash dividends or repurchase securities.

We are continuing to evaluate these risks on an ongoing basis.

Significant or sustained declines in our current market capitalization could impact the carrying value of our goodwill.

Numerous facts and circumstances are considered when evaluating the carrying value of our goodwill. One of those considerations is our market capitalization, evaluated over a reasonable period of time, in relation to the aggregate estimated fair value of the reporting unit. While this comparison provides some relative market information regarding the estimated fair value of our reporting unit, it is not determinative and needs to be evaluated in the context of the current economic and political environment. However, significant and/or sustained declines in First Financial's market capitalization, especially in relation to First Financial's book value, could be an indication of potential impairment of goodwill.

Other considerations include forecasts of revenues and expenses derived from internal management projections for a period of five years, changes in working capital estimates, company specific discount rate derived from a rate build up approach, externally sourced bank peer group market multiples and externally sourced bank peer group change in control premium, all of which are highly subjective and require significant management judgment. Changes in these key assumptions could materially affect our estimate of the reporting unit fair value and could affect our conclusion regarding the existence of potential impairment.

A reduction in our credit rating could affect us or the holders of our securities.

The credit rating agencies assessing our creditworthiness regularly evaluate the Company, and credit ratings are based on a number of factors, including our financial strength and ability to generate earnings, as well as factors not entirely within our control, including changes in rating methodologies and conditions affecting the financial services industry and the economy. There can be no assurance that we will maintain our current credit rating. A downgrade of the credit rating of the Company could affect our access to liquidity and capital, and could significantly increase our cost of funds, trigger additional collateral or funding requirements and decrease the number of investors and counterparties willing to lend to us or purchase our securities. This could affect our growth, profitability and financial condition, including liquidity.

Potential acquisitions may disrupt our business and dilute shareholder value, and we may not be able to successfully consummate or integrate such acquisitions.

Acquiring other banks, businesses, or branches involves various risks commonly associated with acquisitions, including, among other things:

- potential exposure to unknown or contingent liabilities of the target company;
- exposure to potential asset quality issues of the target company;
- difficulty and expense of integrating the operations and personnel of the target company;
- difficulty or added costs in the wind-down of non-strategic operations;
- potential disruption to our business;
- potential diversion of our management's time and attention;
- the possible loss of key employees and customers of the target company;
- difficulty in estimating the value (including goodwill) of the target company;
- difficulty in receiving appropriate regulatory approval for any proposed transaction; and
- potential changes in banking, or tax laws or regulations or accounting rules that may affect the target company.

We regularly evaluate merger and acquisition opportunities and conduct due diligence activities related to possible transactions with other financial institutions and financial services companies. Acquisitions could involve the payment of a premium over book and market values, and, therefore, dilution of our tangible book value and net income per common share may occur in connection with any such transaction. Furthermore, any difficulty integrating businesses acquired as a result of a merger or acquisition and the failure to realize the expected revenue increases, cost savings, increases in geographic or product presence, and/or other projected benefits from an acquisition could have an impact on our liquidity, results of operations and financial condition and any such integration could divert management's time and attention from managing our company in an effective manner.

Any merger or acquisition opportunity that we decide to pursue will ultimately be subject to regulatory approval or other closing conditions. We may expend substantial time and resources pursuing potential acquisitions which may not be consummated because regulatory approval or other closing requirements are not satisfied. Additionally, the banking regulators and applicable laws and regulations may restrict our ability to engage in acquisitions under certain circumstances.

Our accounting policies and processes are critical to how we report our financial condition and results of operations. They require management to make estimates about matters that are uncertain.

Accounting policies and processes are fundamental to how we record and report our financial condition and results of operations. Management must exercise judgment in selecting and applying many of these accounting policies and processes so they comply with Generally Accepted Accounting Principles in the United States (GAAP).

Management has identified certain accounting policies as being critical because they require management's judgment to ascertain the valuations of assets, liabilities, commitments and contingencies. A variety of factors could affect the ultimate valuation that is made when recording income, recognizing an expense, recovering an asset, valuing an asset or liability, or reducing a liability. We have established detailed policies and control procedures that are intended to ensure these critical accounting estimates and judgments are well controlled and applied consistently. In addition, our policies and procedures are intended to ensure that the process for changing methodologies occurs in an appropriate manner. Because of the uncertainty surrounding our judgments and the estimates pertaining to these matters, we cannot guarantee that we will not be required to adjust accounting policies or re-state prior period financial statements.

See the "Critical Accounting Policies" in the Management's Discussion and Analysis of Financial Condition and Results of Operations and Note 1- Summary of Significant Accounting Policies in the Notes to Consolidated Financial Statements, in our 2020 Annual Report (included within Exhibit 13 to this Form 10-K) for more information.

Changes in our accounting policies or in accounting standards could materially affect how we report our financial results and condition.

From time to time, the FASB and SEC change the financial accounting and reporting standards that govern the preparation of our financial statements. These changes can be hard to predict and can materially impact how we record and report our financial condition and results of operations. In some cases, we could be required to apply a new or revised standard retroactively, resulting in us restating prior period financial statements.

In June 2016, FASB issued CECL. CECL was expected to result in earlier recognition of credit losses and required consideration of not only past and current events but also reasonable and supportable forecasts that affect collectability. The Bank became subject to the new standard in the first quarter of 2020. Concurrent with the enactment of the CARES Act, federal banking agencies issued an interim final rule that delays the estimated impact on regulatory capital resulting from the adoption of CECL. The interim final rule provided banking organizations that implemented CECL prior to the end of 2020 the option to delay for two years the estimated impact of CECL on regulatory capital relative to regulatory capital determined under the prior incurred loss methodology, followed by a three-year transition period to phase out the aggregate amount of capital benefit provided during the initial two-year delay. The CECL standard requires financial institutions to determine periodic estimates of lifetime expected credit losses on loans and recognize the expected credit losses as allowances for credit losses. See Note 2 - Accounting Standards Recently Adopted or Issued and Note 6 - Allowance for Credit Losses in the Company's Form 10-K for further information regarding the Company's adoption of CECL and the corresponding allowance for credit losses.

Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud.

Our disclosure controls and procedures are designed to reasonably assure that information required to be disclosed by us in reports we file or submit under the Securities Exchange Act of 1934 (Exchange Act) is accurately accumulated and communicated to management, and recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. We believe that any disclosure controls and procedures or internal controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of management's system of controls are met.

These inherent limitations include the realities that judgments in decision making can be faulty, that alternative reasoned judgments can be drawn, or that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in management's system of controls, misstatements due to error or fraud may occur and not be detected.

Our revenues derived from investment securities may be volatile and subject to a variety of risks.

We generally maintain investment securities and trading positions in the fixed income markets. Unrealized gains and losses associated with our investment portfolio and mark to market gains and losses associated with our investment portfolio are affected by many factors, including our credit position, interest rate volatility and volatility in capital markets, among other economic factors. Our return on such investments could experience volatility, and such volatility may affect our financial condition and results of operations. Additionally, accounting regulations may require us to record a charge prior to the actual realization of a loss when market valuations of such securities are impaired and such impairment is considered to be other than temporary.

Risks Related to the Legal and Regulatory Environment

If our regulators deem it appropriate, they can take regulatory actions that could impact our ability to compete for new business, constrain our ability to fund our liquidity needs and increase the cost of our services.

First Financial and its subsidiaries are subject to the supervision and regulation of various state and federal regulators, including the Federal Reserve Board, the FDIC, the SEC, the CFPB, the Financial Industry Regulatory Authority, and the ODFI. As such, we are subject to a wide variety of laws and regulations. As part of their supervisory process, which includes periodic examinations and continuous monitoring, the regulators have the authority to impose restrictions or conditions on our activities and the manner in which we operate our business. These actions could impact the Company and the Bank in a variety of ways, including subjecting us to fines, restricting our ability to pay dividends, precluding mergers or acquisitions, limiting our ability to offer certain products or services, or imposing additional capital, operating, or oversight requirements.

General Risk Factors

Weaknesses of other financial institutions could affect us.

Our ability to engage in routine funding transactions could be affected by the actions and lack of commercial soundness of other financial institutions. Financial services institutions are interrelated as a result of trading, clearing, and counterparty relationships, among others. As a result, defaults by, or even rumors or questions about, one or more financial services institutions, or the financial services industry in general, have led to market-wide liquidity problems and could lead to losses or defaults by us or by other institutions in the future. A default, or threatened default, of a large institution could negatively impact the entire financial system, and could expose us to credit risk in the event of default of our counterparty or client. In addition, our credit risk may be exacerbated when the collateral held by us cannot be realized upon or is liquidated at prices not sufficient to recover the full amount of the financial instrument exposure due us. There is no assurance that any such losses would not affect our financial condition or results of operations.

Maintaining or increasing market share depends on market acceptance and regulatory approval of new products and services.

Our success depends, in part, on our ability to adapt products and services to evolving industry standards. There is increasing pressure to provide products and services at lower prices, which can reduce net interest income and noninterest income from fee-based products and services. In addition, the widespread adoption of new technologies could require us to make substantial capital expenditures to modify or adapt existing products and services or develop new products and services. We may not be successful in introducing new products and services in response to industry trends or developments in technology or those new products may not achieve market acceptance. As a result, we could lose business, be forced to price products and services on less advantageous terms to retain or attract clients, or be subject to increased costs.

The fiscal and monetary policies of the United States government and its agencies could have an effect on our earnings.

The Federal Reserve Board regulates the supply of money and credit in the United States. Its policies determine in large part the cost of funds for lending and investing and the returns earned on those loans and investments, both of which affect the net interest margin. The resultant changes in interest rates can also materially affect the value of certain financial assets we hold, such as debt securities. The policies of the Federal Reserve Board can also affect borrowers, potentially increasing the risk that they may fail to repay their loans. Changes in Federal Reserve Board policies are beyond our control and difficult to predict; consequently, the impact of these changes on our activities and results of operations is difficult to predict.

Changes in tax laws could affect our performance.

We are subject to extensive federal, state and local taxes, including income, excise, sales/use, payroll, property, franchise, withholding and ad valorem taxes. Changes to our tax liability could have a material effect on our results of operations. In addition, our customers are subject to a wide variety of federal, state and local taxes. Changes in taxes paid by our customers may affect their ability to purchase homes or consumer products, which could affect their demand for our loans and deposit products. In addition, such negative effects on our customers could result in defaults on the loans we have made and decrease the value of mortgage-backed securities in which we have invested.

Item 1B. Unresolved Staff Comments.
None.

Item 2. Properties.
At December 31, 2020, the Company operated 143 full service banking centers, 32 of which are leased facilities. Our core banking operating markets are located within the four state region of Ohio, Indiana, Kentucky and Illinois. First Financial's executive office is a leased facility located in Cincinnati, Ohio and we operate 63 banking centers in Ohio, three banking centers in Illinois, 63 banking centers in Indiana and 14 banking centers in Kentucky. In addition, we operate our Commercial Finance division, responsible for our insurance lending business and franchise lending business, from a non-banking center location in Indiana.

Item 3. Legal Proceedings.
We are from time to time engaged in various litigation matters including the defense of claims of improper or fraudulent loan practices or lending violations, and other matters, and we have a number of unresolved claims pending. In addition, as part of the ordinary course of business, we are parties to litigation involving claims to the ownership of funds in particular accounts, the collection of delinquent accounts, challenges to security interests in collateral, and foreclosure interests, that are incidental to our regular business activities. While the ultimate liability with respect to these other litigation matters and claims cannot be determined at this time, we believe that damages, if any, and other amounts relating to pending matters are not likely to be material to our consolidated financial position or results of operations. Reserves are established for these various matters of litigation, when appropriate under FASB ASC Topic 450, Contingencies, based in part upon the advice of legal counsel.

Item 4. Mine Safety Disclosures.
Not applicable.

Supplemental Item. Information About Our Executive Officers.

The following table sets forth information concerning the executive officers of First Financial as of February 19, 2021. The executive officers perform policy-making functions for First Financial. The officers are elected annually at the organizational meeting of the board of directors and serve until the next organizational meeting, or until their successors are elected and duly qualified.

	Position with First Financial Bancorp	Age
Archie M. Brown	President and Chief Executive Officer	60
James M. Anderson	EVP, Chief Financial Officer	49
Andrew K. Hauck	EVP, Chief Commercial Banking Officer	59
Catherine M. Myers	EVP, Consumer Banking	59
John M. Gavigan	EVP, Chief Operating Officer	42
Karen B. Woods	EVP, General Counsel and Chief Risk Officer	52
William R. Harrod	EVP, Chief Credit Officer	53
Amanda N. Neeley	EVP, Chief Strategy Officer	40

The following is a brief description of the business experience over the past five years of the individuals named above.

Archie M. Brown - Archie Brown is the President, Chief Executive Officer and a director of First Financial and the Bank, having been appointed to these positions on April 1, 2018 following First Financial's acquisition of MainSource Financial Group, Inc. Previously, he served as the President and Chief Executive Officer of MainSource from August 2008 until April 2018 and chairman of the board of MainSource from April 2011 until April 2018.

James M. Anderson - Jamie Anderson became the Chief Financial Officer of First Financial and the Bank on April 1, 2018 following the merger of First Financial and MainSource. Previously Mr. Anderson served as the Chief Financial Officer of MainSource from January 2006 to April 2018. Prior to that role, he served in the following roles at MainSource: Administrative Vice President and Principal Accounting Officer from March 2005 to January 2006, Controller and Principal Accounting Officer from March 2002 to March 2005, and Controller from September 2000 to March 2002. Mr. Anderson is a certified public accountant (inactive).

Andrew K. Hauck - Andy Hauck is the Chief Commercial Banking Officer of First Financial. Mr. Hauck joined the organization in January 2019 following a long career with another institution. In his current capacity, he is responsible for all facets of the wholesale business of the Bank, including direct lending, treasury and other fee-based services, deposit gathering in the Commercial and Industrial space, as well as the Bank's specialized units (Investor Commercial Real Estate, Business Capital, Equipment Finance and Foreign Exchange). Mr. Hauck's prior experience includes these areas as well as International Banking, Capital Markets, and other forms of specialty finance.

Catherine M. Myers - Cathy Myers serves as Executive Vice President, Consumer Banking for First Financial and the Bank. She is responsible for Retail Banking, Wealth Management, Mortgage Banking and Business Banking. Cathy joined First Financial in 2018 and has over 34 years of experience in the banking industry. Prior to joining First Financial, Cathy served in various leadership capacities at U.S. Bank and Key Bank. Most recently she was the USB Consumer Bank Technology Executive. She began her career in banking as a Management Trainee for First National Bank of Southwestern Ohio.

John M. Gavigan - John Gavigan is the Executive Vice President, Chief Operating Officer for First Financial where he is responsible for Enterprise Digital Solutions, Information Technology, Operations, Customer Support Center, Project Management and Corporate Facilities. Mr. Gavigan was appointed to his current role in late 2018, having previously served as Chief Administrative Officer for the majority of 2018 and Chief Financial Officer from 2014 through early 2018. He joined the Company in 2008 as Assistant Controller and also served as Corporate Controller from 2011 into 2014. Mr. Gavigan is a certified public accountant (inactive).

Karen B. Woods - Karen Woods serves as General Counsel and Chief Risk Officer of First Financial. She joined First Financial in April 2018 following the merger of First Financial and MainSource. She previously served as Corporate Counsel and Chief Risk Officer of MainSource from January 2016 to April 2018. Prior to joining MainSource, Ms. Woods was a partner at Krieg DeVault LLP in Indianapolis, Indiana. Ms. Woods previously served as a judicial law clerk to the Honorable John G. Baker, Indiana Court of Appeals.

William R. Harrod - Bill Harrod is the Chief Credit Officer of First Financial, a role he has held since October 2017. He is responsible for managing and monitoring the loan portfolio and other related credit functions in a risk appropriate manner including underwriting, approval, and collections. Mr. Harrod first joined First Financial in 2015 and has held various credit and management positions since then in specialty banking, corporate banking, commercial and industrial lending and commercial finance.

Amanda N. Neeley - Mandy Neeley is the Chief Strategy Officer of First Financial, a role she has held since 2016. Ms. Neeley is responsible for the launch and evolution of the First Financial brand, the introduction of the Premier Business Bank acquisition strategy, the advancement of sales process and enterprise CRM, and development of a formalized strategic planning program. Ms. Neeley has spent her entire career in banking with the Bank, beginning as a part-time teller during college and, after graduating in 2003, Marketing Coordinator.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

(a) **Market information, holders, dividends**

First Financial's common shares are listed on The NASDAQ Global Select Stock Market® under the symbol "FFBC." The information contained in the "Quarterly Financial And Common Stock Data" in First Financial's Annual Report to Shareholders for the year ended December 31, 2020, with respect to our stock price and dividends, is incorporated herein by reference in response to this item.

As of February 18, 2021, our common shares were held by approximately 4,103 shareholders of record, a number that does not include beneficial owners who hold shares in "street name," or shareholders from previously acquired companies that have not exchanged their stock. At December 31, 2020, a total of 27,451 stock options and 763,283 shares of restricted stock were outstanding. Additional information about stock options, restricted stock and restricted stock units is included in Note 20 - Stock Options and Awards in the Notes to Consolidated Financial Statements in First Financial's 2020 Annual Report and in Item 12 below.

The payment of future cash dividends is at the discretion of our Board of Directors and subject to a number of factors, including results of operations, general business conditions, growth, financial condition, regulatory limitation and other factors deemed relevant by the Board. Further, our ability to pay future cash dividends is subject to certain regulatory requirements and restrictions discussed in the Supervision and Regulation section in Item 1 above. For further information see Note 3 - Restrictions on Cash and Dividends in the Notes to Consolidated Financial Statements of First Financial's 2020 Annual Report (included as Exhibit 13 of this report), which is incorporated by reference in response to this item.

Stock Performance Graph

The stock performance graph contained in "Total Return to Shareholders" of First Financial's 2020 Annual Report (included as Exhibit 13 of this report), is incorporated herein by reference in response to this item.

(b) Unregistered Sales of Equity Securities and Use of Proceeds

None.

(c) Issuer Purchases of Equity Securities

In December 2018 the Board approved a stock repurchase plan pursuant to which the Company was authorized to repurchase up to 5,000,000 shares of stock through December 31, 2020. On December 22, 2020, the Board announced that it authorized a new repurchase plan that provided for the purchase of up to 5,000,000 additional shares of common stock of the Company (the 2020 Repurchase Plan). The 2020 Repurchase Plan became effective January 1, 2021, upon the expiration of the previously authorized stock repurchase plan, and will expire December 31, 2022. First Financial did not repurchase any shares in the fourth quarter of 2020 under this Plan.

Item 6. Selected Financial Data.
The information contained in Table 1 of the Management's Discussion and Analysis section of First Financial's 2020 Annual Report (included as Exhibit 13 of this report), is incorporated herein by reference in response to this item.

Item 7. Management's Discussion and Analysis of Financial Condition and Results Of Operations.
The information contained in the Management's Discussion and Analysis section (including certain forward looking statements) of First Financial's 2020 Annual Report (included as Exhibit 13 of this report) is incorporated herein by reference in response to this item.

Item 7A. Quantitative and Qualitative Disclosure About Market Risk.
The information contained in the Market Risk section and in Table 14 - Market Risk Disclosure of the Management's Discussion and Analysis section in First Financial's 2020 Annual Report (included as Exhibit 13 of this report), is incorporated herein by reference in response to this item.

Item 8. Financial Statements and Supplementary Data.
The consolidated financial statements and the reports of our independent registered public accounting firm included in the Consolidated Financial Statements and the Notes to Consolidated Financial Statements in First Financial’s 2020 Annual Report (included as Exhibit 13 of this report), are incorporated herein by reference.

The Quarterly Financial and Common Stock Data at the end of the Notes to Consolidated Financial Statements in First Financial’s 2020 Annual Report (included as Exhibit 13 of this report), is incorporated herein by reference.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.
None.

Item 9A. Controls and Procedures.
Evaluation of Disclosure Controls and Procedures
First Financial’s chief executive officer and chief financial officer, together with other members of senior management, have evaluated First Financial’s disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act)
as of the end of the fiscal year covered by this report. Based upon that evaluation, First Financial’s chief executive officer and chief financial officer have concluded that such disclosure controls and procedures are effective to ensure that material information required to be disclosed by First Financial, including its consolidated subsidiaries, in the reports that it files or submits under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms.

Internal Control Over Financial Reporting
Management's Report on Internal Control Over Financial Reporting and the Report of Independent Registered Public Accounting Firm included in First Financial’s 2020 Annual Report (included as Exhibit 13 of this report), are incorporated herein by reference.

Changes in Internal Controls Over Financial Reporting
There were no changes in First Financial’s internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the fiscal quarter ended December 31, 2020 that have materially affected, or are reasonably likely to materially affect, First Financial’s internal control over financial reporting.

Item 9B. Other Information.
None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.
Certain information concerning executive officers of First Financial has been supplied in the "Supplemental Item. Executive Officers of the Registrant" of this Form 10-K. Information appearing under "Election of Directors," "Corporate Governance - Board Committees," "Shareholder Nominations for Election to the Board" and "Delinquent Section 16(a) Reports" of First Financial's Definitive Proxy Statement with respect to the Annual Meeting of Shareholders to be held on May 25, 2021, and which is expected to be filed with the SEC, pursuant to Regulation 14A of the Exchange Act (First Financial's Proxy Statement) within 120 days of the close of our fiscal year, is incorporated herein by reference in response to this item.

Item 11. Executive Compensation.
The information appearing under the headings "Meetings of the Board of Directors and Committees of the Board," "Compensation Discussion and Analysis," "Executive Compensation," "Compensation Committee Interlocks and Insider Participation," and "Compensation Committee Report" in First Financial's Proxy Statement is incorporated herein by reference in response to this item.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.
The information appearing under the heading "Shareholdings of Directors, Executive Officers, and Nominees for Director" of First Financial's Proxy Statement is incorporated herein by reference in response to this item.

Equity Compensation Plan Information

The following table sets forth information as of December 31, 2020 with respect to compensation plans under which our common shares may be issued:

Securities authorized for issuance under equity compensation plans

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) (1)
Equity compensation plans approved by security holders	27,451	$ 10.53	5,454,816
Equity compensation plans not approved by security holders	N/A	N/A	N/A

(1) The securities included in this column are available for issuance under the First Financial Bancorp. 2020 Stock Plan, which was approved by the shareholders at the 2020 Annual Meeting.

Item 13. Certain Relationships and Related Transactions.
The information appearing in Note 13 - Loans to Related Parties in the Notes to Consolidated Financial Statements included in First Financial's 2020 Annual Report (included as Exhibit 13 of this report) is incorporated herein by reference in response to this item. The information appearing under the heading "Corporate Governance-Transactions with Related Parties" in First Financial's Proxy Statement is incorporated herein by reference in response to this item.

Item 14. Principal Accounting Fees and Services.
Information appearing under the heading "Independent Registered Public Accounting Firm Fees" in First Financial's Proxy Statement is incorporated herein by reference in response to this item.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) (1) The consolidated financial statements (and report thereon) listed below are incorporated herein by reference from First Financial's 2020 Annual Report (included as Exhibit 13 of this report) as noted:

Reports of Independent Registered Public Accounting Firm - Incorporated by reference from First Financial's 2020 Annual Report

Consolidated Balance Sheets as of December 31, 2020 and 2019 - Incorporated by reference from First Financial's 2020 Annual Report

Consolidated Statements of Income for years ended December 31, 2020, 2019 and 2018 - Incorporated by reference from First Financial's 2020 Annual Report

Consolidated Statements of Comprehensive Income for years ended December 31, 2020, 2019 and 2018 - Incorporated by reference from First Financial's 2020 Annual Report

Consolidated Statements of Changes in Shareholders' Equity for the years ended December 31, 2020, 2019 and 2018 - Incorporated by reference from First Financial's 2020 Annual Report

Consolidated Statements of Cash Flows for years ended December 31, 2020, 2019 and 2018 - Incorporated by reference from First Financial's 2020 Annual Report

Notes to Consolidated Financial Statements - Incorporated by reference from First Financial's 2020 Annual Report

(2) Financial Statement Schedules: Schedules to the consolidated financial statements required by Regulation S-X are not required under the related instructions, or are inapplicable, and therefore have been omitted

(3) Exhibits:

The documents listed below are filed/furnished with this Annual Report on Form 10-K as exhibits or incorporated into this Annual Report on Form 10-K by reference as noted:

Exhibit Number	
2.1	Agreement and Plan of Merger, dated July 25, 2017 between First Financial Bancorp. and MainSource Financial Group, Inc. (Incorporated by reference from Exhibit 2.1 to the Current Report on Form 8-K filed on July 27, 2017) (certain schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K) (File No. 001-34762).
2.2	Agreement and Plan of Merger dated as of June 18, 2019, by and among First Financial Bancorp., First Financial Bank, Wallace Merger Sub, LLC, Bannockburn Global Forex, LLC and Fortis Advisors, LLC, solely in its capacity as Member Representative (filed as Exhibit 1.1 to First Financial's Current Report on Form 8-K filed on June 19, 2019) (File No. 001-34762).
2.3	Amendment No. 1 to Agreement and Plan of Merger, dated as of August 6, 2019, by and among First Financial Bancorp., First Financial Bank, Wallace Merger Sub, Bannockburn Global Forex, LLC, and Fortis Advisors, LLC, solely in its capacity as the Member Representative (Incorporated by reference from Exhibit 2.1 to the Current Report on Form 8-K filed on August 6, 2019)(/File No. 001-34762).
2.4	Amendment No. 2 to Agreement and Plan of Merger, dated as of August 29, 2019, by and among First Financial Bancorp., First Financial Bank, Wallace Merger Sub LLC, Bannockburn Global Forex, LLC, and Fortis Advisors, LLC, solely in its capacity as the Member Representative (filed as Exhibit 2.1 to First Financial's Current Report on Form 8-K filed on September 3, 2019, and incorporated herein by reference).
3.1	Amended Articles of Incorporation of First Financial Bancorp (reflecting all amendments filed with the Ohio Secretary of State) [for purposes of SEC reporting compliance only - not filed with the Ohio Secretary of State] (filed as exhibit 3.2 to the Form S-3 on July 31, 2014 and incorporated hereby by reference)(File No. 333-197771).
3.2	Amended and Restated Regulations of First Financial Bancorp, amended as of July 28, 2015 (filed as Exhibit 3.1 to the Form 8-K filed on July 29, 2015 and incorporated herein by reference) (File No. 000-34762).
4.1	Letter Agreement, dated as of December 23, 2008, between First Financial Bancorp. and the United States Department of the Treasury, which includes the Securities Purchase Agreement - Standard Terms (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on December 30, 2008, and incorporated herein by reference) (File No. 000-12379).

4.2	Warrant to Purchase up to 930,233 shares of Common Stock dated as of December 23, 2008 (filed as Exhibit 4.1 to the Form 8-K filed on December 30, 2008 and incorporated herein by reference) (File No. 000-12379).
4.3	Indenture, dated as of August 25, 2015, by and between First Financial Bancorp. and Wells Fargo Bank, National Association, as Trustee. (filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on August 26, 2015, and incorporated herein by reference) (File No. 000-34762).
4.4	Supplemental Indenture, dated as of August 25, 2015, by and between First Financial Bancorp. and Wells Fargo Bank, National Association, as Trustee. (filed as Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed on August 26, 2015, and incorporated herein by reference) (File No. 000-34762).
4.5	Form of 5.125% Subordinated Note due 2025 (included as part of Exhibit 4.4 to this Annual Report).
4.6	Indenture dated as of December 19, 2002 between MainSource Financial Group, Inc., as issuer, and State Street Bank and Trust Company of Connecticut, N.A., as trustee, re: floating rate junior subordinated deferrable interest debentures due 2032 (incorporated by reference to Exhibit 4.6 to the Annual Report on Form 10-K of MainSource Financial Group, Inc. for the fiscal year ended December 31, 2002 filed March 28, 2003 with the Commission).
4.7	Amended and Restated Declaration of Trust dated as of December 19, 2002 among State Street Bank and Trust Company of Connecticut, N.A., as institutional trustee, MainSource Financial Group, Inc., as sponsor, and James L. Saner Sr., Donald A. Benziger and James M. Anderson, as administrators (incorporated by reference to Exhibit 4.7 to the Annual Report on Form 10-K of MainSource Financial Group, Inc. for the fiscal year ended December 31, 2002 filed March 28, 2003 with the Commission).
4.8	Guarantee Agreement dated as of December 19, 2002 between MainSource Financial Group, Inc., and State Street Bank and Trust Company of Connecticut, N.A (incorporated by reference to Exhibit 4.8 to the Annual Report on Form 10-K of MainSource Financial Group, Inc. for the fiscal year ended December 31, 2002 filed March 28, 2003 with the Commission).
4.9	Indenture dated as of April 1, 2003 between MainSource Financial Group, Inc., as issuer, and U.S. Bank, N.A., as trustee, re: floating rate junior subordinated deferrable interest debentures due 2033 (incorporated by reference to Exhibit 4.1 to the Quarterly Report on Form 10-Q of MainSource Financial Group, Inc. for the quarter ended June 30, 2003 filed August 14, 2003 with the Commission).
4.10	Amended and Restated Declaration of Trust dated as of April 1, 2003 among U.S. Bank, N.A., as institutional trustee, MainSource Financial Group, Inc., as sponsor, and James L. Saner Sr., Donald A. Benziger and James M. Anderson, as administrators (incorporated by reference to Exhibit 4.2 to the Quarterly Report on Form 10-Q of MainSource Financial Group, Inc. for the quarter ended June 30, 2003 filed August 14, 2003 with the Commission).
4.11	Guarantee Agreement dated as of April 1, 2003 between MainSource Financial Group, Inc., and U.S. Bank, N.A (incorporated by reference to Exhibit 4.3 to the Quarterly Report on Form 10-Q of MainSource Financial Group, Inc. for the quarter ended June 30, 2003 filed August 14, 2003 with the Commission).
4.12	Indenture dated as of June 12, 2003 between MainSource Financial Group, Inc., as issuer, and The Bank of New York, as trustee, re: rate junior subordinated deferrable interest debentures due (incorporated by reference to Exhibit 4.4 to the Quarterly Report on Form 10-Q of MainSource Financial Group, Inc. for the quarter ended June 30, 2003 filed August 14, 2003 with the Commission).
4.13	Amended and Restated Declaration of Trust dated as of June 12, 2003 among The Bank of New York, as institutional trustee, MainSource Financial Group, Inc., as sponsor, and James L. Saner Sr., Donald A. Benziger and James M. Anderson, as administrators (incorporated by reference to Exhibit 4.5 to the Quarterly Report on Form 10-Q of MainSource Financial Group, Inc. for the quarter ended June 30, 2003 filed August 14, 2003 with the Commission).
4.14	Guarantee Agreement dated as of June 12, 2003 between MainSource Financial Group, Inc., and The Bank of New York (incorporated by reference to Exhibit 4.6 to the Quarterly Report on Form 10-Q of MainSource Financial Group, Inc. for the quarter ended June 30, 2003 filed August 14, 2003 with the Commission).
4.15	Form of Amended and Restated Declaration of Trust dated as of October 13, 2006, of MainSource Statutory Trust IV, among MainSource Financial Group, Inc. as sponsor, Wells Fargo Delaware Trust Company as Delaware trustee and Wells Fargo Bank, National Association, as institutional trustee (incorporated by reference to Exhibit 10.1 to the periodic report on Form 8-K of MainSource Financial Group, Inc. filed October 17, 2006 with the Commission).
4.16	Form of Indenture dated as of October 13, 2006, between MainSource Financial Group, Inc. and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 10.2 to the periodic report on Form 8-K of MainSource Financial Group, Inc. filed October 17, 2006 with the Commission).
4.17	Form of Guarantee Agreement dated as of October 13, 2006, between MainSource Financial Group, Inc., as guarantor, and Wells Fargo Bank, National Association, as guarantee trustee (incorporated by reference to Exhibit 10.3 to the periodic report on Form 8-K of MainSource Financial Group, Inc. filed October 17, 2006 with the Commission).
4.18	Warrant for the Purchase of Shares of MainSource Financial Group, Inc. Common Stock (incorporated by reference to Exhibit 4.2 to the Report on Form 8-K of MainSource Financial Group, Inc. filed January 20, 2009 with the Commission).

4.19	Second Supplemental Indenture, dated April 30, 2020, between First Financial Bancorp. and Wells Fargo Bank, National Association (Incorporated by reference from Exhibit 4.2 to the Current Report on Form 8-K filed on April 30, 2020)(File No. 001-34762).
4.20	Form of 5.25% Fixed-to-Floating Rate Subordinated Notes due 2030 (Included in Exhibit 4.19 of this Form 10-K)(Incorporated by reference from Exhibit 4.3 to the Current Report on Form 8-K filed on April 30, 2020) (File No. 001-34762).)
4.21	Description of Registrant's Securities (filed as Exhibit 4.19 to the Annual Report on Form 10-K filed on February 221, 2020).
10.1	First Financial Bancorp. 1999 Stock Incentive Plan for Officers and Employees, dated April 27, 1999 (filed as Exhibit A to the Registrant's Proxy Statement filed on March 22, 1999, and incorporated herein by reference) (File No. 000-12379).*
10.2	Form of Stock Option Agreement for Non-Qualified Stock Options (2005-2008) under the First Financial Bancorp. 1999 Stock Incentive Plan for Officers and Employees (filed as Exhibit 10.2 to the Form 8-K filed on April 22, 2005 and incorporated herein by reference) (File No. 000-12379).*
10.3	Form of Executive Supplemental Retirement Agreement (filed as Exhibit 10.7 to the Form 10-Q for the quarter ended March 31, 2010 and incorporated herein by reference) (File No. 000-12379).*
10.4	Form of Endorsement Method Split Dollar Agreement (filed as Exhibit 10.8 to the Form 10-Q for the quarter ended March 31, 2010 and incorporated herein by reference) (File No. 000-12379).*
10.5	First Financial Bancorp. Amended and Restated Deferred Compensation Plan (filed as Exhibit 10.9 to the Form 10-Q for the quarter ended March 31, 2010 and incorporated herein by reference) (File No. 000-12379).*
10.6	First Financial Bancorp. Key Executive Short Term Incentive Plan Amended and Restated March 10, 2015 (originally established in 2011)(filed as Exhibit 10.1 to the Form 8-K on May 25, 2016 and incorporated herein by reference) (File No. 001-34762).*
10.7	Form of Agreement for Stock Award pursuant to the Key Executive Incentive Plan between First Financial Bancorp. (3-year holding period) (filed as Exhibit 10.21 to First Financial Bancorp's Annual Report for the year ended December 31, 2015 and incorporated herein by reference) (File No. 001-34762).*
10.8	First Financial Bancorp. 2012 Stock Plan (filed as Appendix A to the Definitive Proxy Statement filed on April 13, 2012 and incorporated herein by reference) (File No. 001-34762).*
10.9	Form of Agreement for 2015 Performance Stock Awards under the First Financial Bancorp. 2012 Stock Plan (3-year vesting/accrual of dividends)) (filed as Exhibit 10.26 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2015 and incorporated herein by reference) (File No. 001-34762).*
10.10	Form of Agreement for Restricted Stock Awards under the First Financial Bancorp. 2012 Stock Plan (employees of First Financial Bank, 3-year vesting/accrual of dividends)) (filed as Exhibit 10.27 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2015 and incorporated herein by reference) (File No. 001-34762).*
10.11	Form of Agreement for Restricted Stock Awards under the First Financial Bancorp. 2012 Stock Plan (employees of Oak Street Funding, 3-year vesting/accrual of dividends)) (filed as Exhibit 10.28 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2015 and incorporated herein by reference) (File No. 001-34762).*
10.12	Form of Agreement for Performance Stock Awards under the First Financial Bancorp. 2012 Stock Plan (3-year vesting/accrual of dividends)) (filed as Exhibit 10.29 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2015 and incorporated herein by reference) (File No. 001-34762).*
10.13	Form of Agreement for Performance Stock Awards under the First Financial Bancorp. 2012 Stock Plan (employees of Oak Street Funding, 3-year vesting/accrual of dividends)) (filed as Exhibit 10.30 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2015 and incorporated herein by reference) (File No. 001-34762).*
10.14	Form of Agreement for Restricted Stock Awards under the First Financial Bancorp. 2012 Stock Plan (Directors, 1-year vest/accrual of dividends)) (filed as Exhibit 10.31 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2015 and incorporated herein by reference) (File No. 001-34762).*
10.15	Executive Supplemental Savings Agreement between First Financial Bancorp. and Claude E. Davis, President and Chief Executive Officer dated December 31, 2013 (filed as Exhibit 10.1 to the Form 8-K filed on January 7, 2014 and incorporated herein by reference) (File No. 001-34762).*
10.16	Employment and Non-Competition Agreement between First Financial Bank and Richard S. Dennen, President of Oak Street Funding, LLC dated July 23, 2015 (filed as exhibit 10.37 to the Form 10-K for the year ended December 31, 2015 and incorporated herein by reference) (File No. 001-34762).*
10.17	First Financial Bancorp Amended and Restated 2012 Stock Plan (filed as Exhibit A to the Definitive Proxy Statement filed on April 13, 2017 and incorporated herein by reference) (File No. 001-34762).*
10.18	Form of Agreement for Restricted Stock Awards under the First Financial Bancorp. Amended and Restated 2012 Stock Plan (Directors, 1-year vest/accrual of dividends) (filed as Exhibit 10.2 to the Form10-Q for the quarter ended June 30, 2017 and incorporated herein by reference).*

10.19	Form of Agreement for Restricted Stock Awards under the First Financial Bancorp. Amended and Restated 2012 Stock Plan (employees of First Financial Bank, 3-year vesting/accrual of dividends) (filed as Exhibit 10.3 to the Form10-Q for the quarter ended June 30, 2017 and incorporated herein by reference).*
10.20	Form of Agreement for Restricted Stock Awards under the First Financial Bancorp. Amended and Restated 2012 Stock Plan (employees of Oak Street Funding, 3-year vesting/accrual of dividends) (filed as Exhibit 10.4 to the Form10-Q for the quarter ended June 30, 2017 and incorporated herein by reference).*
10.21	Form of Agreement for Restricted Stock Awards under the First Financial Bancorp. Amended and Restated 2012 Stock Plan (employees of First Franchise Capital Corporation, 3-year vesting/accrual of dividends) (filed as Exhibit 10.5 to the Form10-Q for the quarter ended June 30, 2017 and incorporated herein by reference).*
10.22	Form of Agreement for Stock Awards under the Key Executive Short Term Incentive Plan and the First Financial Bancorp. Amended and Restated 2012 Stock Plan (immediate vest, 1-year holding) (filed as Exhibit 10.8 to the Form10-Q for the quarter ended June 30, 2017 and incorporated herein by reference).*
10.23	Form of Agreement for Performance Stock Awards under the First Financial Bancorp. Amended and Restated 2012 Stock Plan (employees of First Financial Bank) 3-year vesting/accrual of dividends)(filed as Exhibit 10.36 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2017 and incorporated herein by reference) (File No. 001-34762).*
10.24	Form of Agreement for Performance Stock Awards under the First Financial Bancorp. Amended and Restated 2012 Stock Plan (employees of Oak Street Funding, 3-year vesting/accrual of dividends)(filed as Exhibit 10.37 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2017 and incorporated herein by reference) (File No. 001-34762).*
10.25	Employment and Non-Competition Agreement between Archie M. Brown, Jr. and First Financial Bancorp. and First Financial bank, dated as of July 25, 2017 (filed as Exhibit 10.1 of the Registrant’s Current Report on Form 8-K filed on July 27, 2017 and incorporated herein by reference) (File No. 001-34762).*
10.26	Employment and Non-Competition Agreement between Claude E. Davis and First Financial Bancorp. and First Financial bank, dated as of July 25, 2017 (filed as Exhibit 10.2 of the Registrant’s Current Report on Form 8-K filed on July 27, 2017 and incorporated herein by reference) (File No. 001-34762).*
10.27	Severance and Change in Control Agreement between John M. Gavigan and First Financial Bank dated September 22, 2017 (filed as exhibit 10.2 of the Registrant’s Current Report on Form 8-K filed on September 22, 2017 and incorporated herein by reference) (File No. 001-34762).*
10.28	Severance and Change in Control Agreement between James M. Anderson and First Financial Bank dated September 18, 2017 (filed as exhibit 10.4 of the Registrant’s Current Report on Form 8-K filed on September 22, 2017 and incorporated herein by reference) (File No. 001-34762).*
10.29	Amended and Restated Employment Agreement and Non-Competition Agreement between First Financial Bank and Anthony M. Stollings dated October 13, 2017 (filed as exhibit 10.1 of the Registrant’s Current Report on Form 8-K filed on October 13, 2017 and incorporated herein by reference) (File No. 001-34762).*
10.30	MainSource Financial Group, Inc. 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.9 to the Annual Report on Form 10-K of MainSource Financial Group, Inc. for the year ending December 31, 2007, filed March 17, 2008 with the Commission).*
10.31	Loan Agreement between U.S. Bank National Association and MainSource Financial Group, Inc., dated April 28, 2016 (filed as Exhibit 10.1 to the Quarterly Report on Form 10-Q of MainSource Financial Group, Inc. filed on August 8, 2016).
10.32	Letter Agreement dated June 3, 2019, between Claude E. Davis and First Financial Bancorp (filed as Exhibit 10.2 to First Financial's Current Report on Form 8-K filed on June 5, 2019 and incorporated herein by reference).
10.33	First Financial Bancorp. 2020 Stock Plan (Incorporated by reference from Exhibit 10.1 to the Current Report on Form 8-K filed on May 27, 2020) (File No. 001-34762) .*
10.34	Form of Agreement for Restricted Stock Awards under the First Financial Bancorp. 2020 Stock Plan (filed herewith).*
10.35	Form of Agreement for Performance Stock Awards under the First Financial Bancorp. 2020 Stock Plan (filed herewith).*
13	Registrant's annual report to shareholders for the year ended December 31, 2020.
14.1	First Financial Bancorp. Code of Conduct, as approved January 28, 2020 (filed as Exhibit 14.1 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2019 and incorporated herein by reference) (File No. 001-34762).
14.2	Code of Ethics for the CEO and Senior Financial Officers (filed as Exhibit 10.2 to the Registrant’s Current Report on Form 8-K filed on October 29, 2012 and incorporated herein by reference) (File No. 001-34762).
21	First Financial Bancorp. Subsidiaries.
23	Consent of Crowe LLP, Independent Registered Public Accounting Firm.
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 filed herewith.
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 filed herewith.

32.1	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 furnished herewith.
32.2	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 furnished herewith.
101.1	Financial statements from the Annual Report on Form 10-K of the Company for the year ended December 31, 2020, formatted in XBRL: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Income, (iii) Consolidated Statements of Cash Flows, (iv) Consolidated Statements of Shareholders’ Equity, and (v) Notes to Consolidated Financial Statements, as blocks of text and in detail.**

First Financial will furnish, without charge, to a security holder upon request a copy of the documents, portions of which are incorporated by reference (Annual Report to Shareholders and Proxy Statement), and will furnish any other Exhibit upon the payment of reproduction costs.

* Compensation plan(s) or arrangement(s).
** As provided in Rule 406T of Regulation S-T, this information shall not be deemed "filed" for purposes of Section 11 and 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934 or otherwise subject to liability under those sections.

Item 16. Form 10-K Summary.
None.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FIRST FINANCIAL BANCORP.

By: /s/ Archie M. Brown
Archie M. Brown, Director
President and Chief Executive Officer

Date 2/19/2021

Pursuant to the requirements of the Securities Exchange Act of 1934, the report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Archie M. Brown
Archie M. Brown, Director
President and Chief Executive Officer

Date 2/19/2021

/s/ James M. Anderson
James M. Anderson, Executive Vice President and Chief Financial Officer

Date 2/19/2021

/s/ Claude E. Davis
Claude E. Davis, Director
Chairman of the Board

Date 2/19/2021

/s/ Scott T. Crawley
Scott T. Crawley, First Vice President and Controller
(Principal Accounting Officer)

Date 2/19/2021

/s/ J. Wickliffe Ach
J. Wickliffe Ach, Director

Date 2/19/2021

/s/ William G. Barron
William G. Barron, Director

Date 2/19/2021

/s/ Vincent A. Berta
Vincent A. Berta, Director

Date 2/19/2021

/s/ Cynthia O. Booth
Cynthia O. Booth, Director

Date 2/19/2021

/s/ Corinne R. Finnerty
Corinne R. Finnerty, Director

Date 2/19/2021

/s/ Susan L. Knust
Susan L. Knust, Director

Date 2/19/2021

/s/ William J. Kramer
William J. Kramer, Director

Date 2/19/2021

/s/ John T. Neighbours
John T. Neighbours, Director

Date 2/19/2021

/s/ Thomas M. O'Brien	/s/ Maribeth S. Rahe
Thomas M. O'Brien, Director	Maribeth S. Rahe, Director
Date 2/19/2021	Date 2/19/2021