

FIRST FINANCIAL BANCORP /OH/  
Form S-4  
September 22, 2017  
TABLE OF CONTENTS

As filed with the Securities and Exchange Commission on September 22, 2017.

Registration No. 333-

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM S-4  
REGISTRATION STATEMENT

*UNDER  
THE SECURITIES ACT OF 1933*

**FIRST FINANCIAL BANCORP.**  
(Exact Name of Registrant as Specified in its Charter)

<b>Ohio</b>	<b>6021</b>	<b>31-1042001</b>
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

255 East Fifth Street, Suite 700  
Cincinnati, Ohio 45202  
(877) 322-9530  
(Address, including Zip Code, and Telephone Number, including Area Code, of Registrant's Principal  
Executive Offices)

**Shannon M. Kuhl**  
Senior Vice President and Chief Legal Officer  
255 East Fifth Street, Suite 700  
Cincinnati, Ohio 45202  
(513) 979-5773  
(Name, Address, including Zip Code, and Telephone Number, including Area Code, of Agent for Service)

*With copies to:*

<b>James J. Barresi, Esq.</b>	<b>John W. Tanselle</b>
<b>Squire Patton Boggs (US) LLP</b>	<b>SmithAmundsen LLC</b>
<b>221 E. Fourth Street, Suite 2900</b>	<b>201 North Illinois Street, Suite 1400</b>
<b>Cincinnati, Ohio 45292</b>	<b>Indianapolis, Indiana 46204</b>
<b>(513)-361-1260</b>	<b>(317) 464-4148</b>

Approximate date of commencement of the proposed sale of the securities to the public:

As soon as practicable after this Registration Statement becomes effective and upon completion of the merger described in the enclosed document.

Edgar Filing: FIRST FINANCIAL BANCORP /OH/ - Form S-4

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

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

Large accelerated filer ☐ Accelerated filer ☐  
 Non-accelerated filer ☐ (Do not check if a smaller reporting company) 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 7(a)(2)(B) of the Securities Act. ☐

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) ☐

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) ☐

# CALCULATION OF REGISTRATION FEE

Title of each class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee <sup>(3)</sup>
Common Stock, no par value	36,496,060 <sup>(1)</sup>	N/A	\$ 885,374,665.56 <sup>(2)</sup>	\$ 102,614.92

Represents the maximum number of shares of First Financial Bancorp. ( First Financial ) common stock estimated to be issuable upon completion of the merger described herein. This number is based on the number of shares of MainSource Financial Group, Inc. ( MainSource ) common stock outstanding and reserved for issuance under various equity plans and shares that may be issued upon exercise of outstanding warrants and options as of (1) September 19, 2017, and the exchange of each such share of MainSource common stock for 1.3875 shares of First Financial common stock, pursuant to the terms of the Agreement and Plan of Merger, dated as of July 25, 2017, by and between First Financial and MainSource (the merger agreement ), which is attached to the joint proxy statement/prospectus as Annex A.

(2) The proposed maximum aggregate offering price of the registrant's common stock was calculated based upon the market value of shares of MainSource common stock in accordance with Rules 457(c) and 457(f) under the Securities Act as follows: the product of (A) \$33.66, the average of the high and low prices per share of MainSource common stock as reported on The NASDAQ Stock Market LLC on September 15, 2017 and (B)

26,303,466, the estimated maximum number of shares of MainSource common stock that may be exchanged for the merger consideration, including shares reserved for issuance under various equity plans, and that are to be registered.

(3) Estimated solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act. **The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

TABLE OF CONTENTS

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This document shall not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**PRELIMINARY—SUBJECT TO COMPLETION—SEPTEMBER 22, 2017**

**Proxy Statement Prospectus**

**MERGER PROPOSED—YOUR VOTE IS VERY IMPORTANT**

Dear Shareholder:

On July 25, 2017, First Financial Bancorp., or First Financial, and MainSource Financial Group, Inc., or MainSource, entered into an Agreement and Plan of Merger (which we refer to as the merger agreement) that provides for the combination of the two companies. Under the merger agreement, MainSource will merge with and into First Financial, with First Financial as the surviving corporation, in a transaction we refer to as the merger. Following the completion of the merger, MainSource Bank, a wholly-owned bank subsidiary of MainSource, will merge with and into First Financial Bank, a wholly-owned subsidiary of First Financial, with First Financial Bank as the surviving bank, in a transaction we refer to as the bank merger. The merger will combine two Midwest community banks to create a \$13 billion institution with scale and strength in commercial and retail banking, wealth management, and specialty finance.

In the merger, each outstanding share of MainSource common stock (except for certain specified shares of MainSource common stock held by MainSource or First Financial) will be automatically converted into the right to receive 1.3875 shares of First Financial common stock (which we refer to as the exchange ratio). Although the number of shares of First Financial common stock that each MainSource shareholder will receive is fixed, the market value of the merger consideration will fluctuate with the market price of First Financial common stock and will not be known at the time MainSource shareholders vote on the merger. Based on the closing price of First Financial's common stock on The NASDAQ Stock Market LLC, or NASDAQ, on July 25, 2017, the last trading day before public announcement of the merger, the exchange ratio represented approximately \$38.99 in value for each share of MainSource common stock. Based on First Financial's closing price on [ ], 2017, of \$[ ], the exchange ratio represented approximately \$[ ] in value for each share of MainSource common stock. Based on the exchange ratio and the number of shares of MainSource common stock outstanding and reserved for issuance under various equity plans as of [ ], 2017, the maximum number of shares of First Financial common stock issuable in the merger is [ ]. **We urge you to obtain current market quotations for First Financial (trading symbol FFBC) and MainSource (trading symbol MFSG).**

MainSource and First Financial will each hold a special meeting of their shareholders in connection with the merger. MainSource and First Financial shareholders will be asked to vote to adopt the merger agreement and approve related matters, as described in the attached joint proxy statement/prospectus. Adoption of the merger agreement requires the affirmative vote of the holders of two-thirds of the outstanding shares of First Financial common stock and the affirmative vote of the holders of a majority of the outstanding shares of MainSource common stock.

The special meeting of First Financial shareholders will be held on [ ] at [ ] local time. The First Financial special meeting may be attended in person, at the Taft Centre at Fountain Square, 425 Walnut Street, Second Floor,

Cincinnati, Ohio 45202, or viewed through a webcast via the Internet at [www.virtualshareholdermeeting.com/ffbc17SM](http://www.virtualshareholdermeeting.com/ffbc17SM).

The special meeting of MainSource shareholders will be held on [ ] at 2105 North State Road 3 Bypass, Greensburg, Indiana 47240, at [ ] local time.

MainSource's board of directors unanimously recommends that MainSource shareholders vote FOR the adoption of the merger agreement and FOR the other matters to be considered at the MainSource special meeting.

First Financial's board of directors unanimously recommends that First Financial shareholders vote FOR the adoption of the merger agreement and FOR the other matters to be considered at the First Financial special meeting.

The attached joint proxy statement/prospectus describes the special meeting of First Financial, the special meeting of MainSource, the merger, the documents related to the merger, and other related matters. Please carefully read the entire joint proxy statement/prospectus, including Risk Factors beginning on page 25, for a discussion of the risks relating to the merger. You also can obtain information about First Financial and MainSource from documents that each has filed with the Securities and Exchange Commission.

Claude E. Davis	Archie M. Brown, Jr.
Chief Executive Officer	President and Chief Executive Officer
First Financial Bancorp.	MainSource Financial Group, Inc.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in the merger or passed upon the adequacy or accuracy of this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.**

**The securities to be issued in the merger are not savings or deposit accounts or other obligations of any bank or non-bank subsidiary of either First Financial or MainSource, and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.**

The date of this joint proxy statement/prospectus is [ ], 2017, and it is first being mailed or otherwise delivered to the shareholders of First Financial and MainSource on or about [ ], 2017.

## TABLE OF CONTENTS

### **NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

To the Shareholders of First Financial Bancorp.:

First Financial Bancorp. (which we refer to as First Financial ) will hold a special meeting (which we refer to as the First Financial special meeting ) of holders of common stock of First Financial (which we refer to as First Financial shareholders ) at [ ] local time, on [ ]. You may attend the First Financial special meeting in person at the Taft Centre at Fountain Square, 425 Walnut Street, Second Floor, Cincinnati, Ohio 45202. You may also view a webcast of the First Financial special meeting via the Internet at [www.virtualshareholdermeeting.com/ffbc17SM](http://www.virtualshareholdermeeting.com/ffbc17SM) when you enter your 12-digit control number included with the proxy card. Instructions on how to view the First Financial special meeting via the webcast are posted at [www.virtualshareholdermeeting.com/ffbc17SM](http://www.virtualshareholdermeeting.com/ffbc17SM). You will not be able to vote your shares during the First Financial special meeting if you are attending via webcast. While our management will address questions from First Financial shareholders physically present or who have submitted their questions electronically prior to the First Financial special meeting, the webcast will not allow you to ask questions of management during the First Financial special meeting. You may visit [www.proxyvote.com](http://www.proxyvote.com) at any time prior to the First Financial special meeting to ask questions of our executive management that may be addressed in the First Financial special meeting. The purpose of the First Financial special meeting will be to consider and vote upon the following matters:

a proposal to adopt the Agreement and Plan of Merger, dated as of July 25, 2017, by and between MainSource Financial Group, Inc. (which we refer to as MainSource ) and First Financial, as such agreement may be amended from time to time, pursuant to which MainSource will merge with and into First Financial, with First Financial as the surviving corporation, as more fully described in the attached joint proxy statement/prospectus (which we refer to as the First Financial merger proposal ), a copy of which is attached as Annex A; and  
a proposal to adjourn the First Financial special meeting, if necessary or appropriate, to solicit additional proxies in favor of the First Financial merger proposal (which we refer to as the First Financial adjournment proposal ). We have fixed the close of business on [ ] as the record date for the First Financial special meeting. Only First Financial shareholders of record at that time are entitled to notice of, and to vote at, the First Financial special meeting, or any adjournment or postponement of the First Financial special meeting. Approval of the First Financial merger proposal requires the affirmative vote of holders of two-thirds of the outstanding shares of common stock of First Financial (which we refer to as First Financial common stock ). The First Financial adjournment proposal will be approved if a majority of the votes present and entitled to vote at the First Financial special meeting are voted in favor of the adjournment proposal.

**First Financial's board of directors has unanimously approved the merger agreement, has determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable and in the best interests of First Financial and its shareholders, and unanimously recommends that First Financial shareholders vote FOR the First Financial merger proposal and FOR the First Financial adjournment proposal.**

**Your vote is very important.** We cannot complete the merger unless First Financial's shareholders adopt the merger agreement.

**Regardless of whether you plan to attend the First Financial special meeting, please vote as soon as possible. If you hold stock in your name as a shareholder of record of First Financial, please complete, sign, date, and return the accompanying proxy card in the enclosed postage-paid return envelope. If you hold your stock in street name through a bank or broker, please follow the instructions on the voting instruction card furnished**

**by the record holder.**

TABLE OF CONTENTS

The enclosed joint proxy statement/prospectus provides a detailed description of the First Financial special meeting, the merger, the documents related to the merger, and other related matters. **We urge you to read the joint proxy statement/prospectus, including any documents incorporated in the joint proxy statement/prospectus by reference, and its annexes carefully and in their entirety.**

BY ORDER OF THE BOARD OF  
DIRECTORS,

Claude E. Davis  
Chief Executive Officer  
First Financial Bancorp.



TABLE OF CONTENTS

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

To the Shareholders of MainSource Financial Group, Inc.:

MainSource Financial Group, Inc. (which we refer to as MainSource ) will hold a special meeting of holders of common stock of MainSource (which we refer to as MainSource shareholders ) at [ ] local time, on [ ], at 2105 North State Road 3 Bypass, Greensburg, Indiana 47240 (which we refer to as the MainSource special meeting ) to consider and vote upon the following matters:

a proposal to adopt the Agreement and Plan of Merger, dated as of July 25, 2017, by and between MainSource and First Financial Bancorp. (which we refer to as First Financial ), as such agreement may be amended from time to time, pursuant to which MainSource will merge with and into First Financial, with First Financial as the surviving corporation, as more fully described in the attached joint proxy statement/prospectus (which we refer to as the

MainSource merger proposal ), a copy of which is attached as Annex A;

a proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to MainSource's named executive officers in connection with the merger, and the agreements or understandings pursuant to which such compensation may be paid or become payable (which we refer to as the MainSource compensation proposal ); and

a proposal to adjourn the MainSource special meeting, if necessary or appropriate, to solicit additional proxies in favor of the MainSource merger proposal (which we refer to as the MainSource adjournment proposal ).

We have fixed the close of business on [ ] as the record date for the MainSource special meeting. Only MainSource shareholders of record at that time are entitled to notice of, and to vote at, the MainSource special meeting, or any adjournment or postponement of the MainSource special meeting. Approval of the MainSource merger proposal requires the affirmative vote of holders of a majority of the outstanding shares of common stock of MainSource (which we refer to as MainSource common stock ). Approval of each of the MainSource compensation proposal and the MainSource adjournment proposal requires a majority of the votes present and entitled to vote at the MainSource special meeting to be voted in favor of such proposal.

**MainSource's board of directors has unanimously approved the merger agreement, has determined that the merger, on the terms and conditions set forth in the merger agreement, is advisable and in the best interests of MainSource and its shareholders, and unanimously recommends that MainSource shareholders vote FOR the MainSource merger proposal, FOR the MainSource compensation proposal and FOR the MainSource adjournment proposal.**

**Your vote is very important.** We cannot complete the merger unless MainSource's shareholders adopt the merger agreement.

**Regardless of whether you plan to attend the MainSource special meeting, please vote as soon as possible. If you hold stock in your name as a shareholder of record of MainSource, please complete, sign, date, and return the accompanying proxy card in the enclosed postage-paid return envelope. If you hold your stock in street name through a bank or broker, please follow the instructions on the voting instruction card furnished by the record holder.**

TABLE OF CONTENTS

The enclosed joint proxy statement/prospectus provides a detailed description of the MainSource special meeting, the merger, the documents related to the merger, and other related matters. **We urge you to read the joint proxy statement/prospectus, including any documents incorporated in the joint proxy statement/prospectus by reference, and its annexes carefully and in their entirety.**

BY ORDER OF THE BOARD OF  
DIRECTORS,

Archie M. Brown, Jr.  
President and Chief Executive Officer  
MainSource Financial Group, Inc.

**TABLE OF CONTENTS**

**REFERENCES TO ADDITIONAL INFORMATION**

This joint proxy statement/prospectus incorporates important business and financial information about First Financial Bancorp. (which we refer to as First Financial ) and MainSource Financial Group, Inc. (which we refer to as MainSource ) from documents filed with the Securities and Exchange Commission (which we refer to as the SEC ) that are not included in or delivered with this joint proxy statement/prospectus. You can obtain any of the documents filed with or furnished to the SEC by First Financial and/or MainSource at no cost from the SEC's website at <http://www.sec.gov>. You may also request copies of these documents, including documents incorporated by reference in this joint proxy statement/prospectus at no cost by contacting the appropriate company at the following address and phone number:

<b>First Financial Bancorp.</b>	<b>MainSource Financial Group, Inc.</b>
255 East 5 <sup>th</sup> Street, 29 <sup>th</sup> Floor	2105 North State Road 3 Bypass
Cincinnati, Ohio 45202	Greensburg, Indiana 47240
Attention: Investor Relations	Attention: Investor Relations
(845) 369-8040	(812) 663-6734

**You will not be charged for any of these documents that you request. To obtain timely delivery of these documents, you must request them no later than five business days before the date of your meeting. This means that First Financial shareholders requesting documents must do so by [ ], in order to receive them before the First Financial special meeting, and MainSource shareholders requesting documents must do so by [ ], in order to receive them before the MainSource special meeting.**

You should rely only on the information contained in, or incorporated by reference into, this document. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this document. This document is dated [ ], and you should assume that the information in this document is accurate only as of such date. You should assume that the information incorporated by reference into this document is accurate as of the date of such document. Neither the mailing of this document to MainSource shareholders or First Financial shareholders, nor the issuance by First Financial of shares of common stock in connection with the merger, will create any implication to the contrary.

**This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Except where the context otherwise indicates, information contained in this document regarding MainSource has been provided by MainSource and information contained in this document regarding First Financial has been provided by First Financial.**

Please see Where You Can Find More Information for more details.

TABLE OF CONTENTS

**TABLE OF CONTENTS**

<u>QUESTIONS AND ANSWERS</u>	<u>1</u>
<u>SUMMARY</u>	<u>9</u>
<u>SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF FIRST FINANCIAL</u>	<u>17</u>
<u>SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF MAINSOURCE</u>	<u>19</u>
<u>SELECTED UNAUDITED PRO FORMA FINANCIAL DATA</u>	<u>21</u>
<u>COMPARATIVE HISTORICAL AND UNAUDITED PRO FORMA PER SHARE DATA</u>	<u>22</u>
<u>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS</u>	<u>23</u>
<u>RISK FACTORS</u>	<u>25</u>
<u>THE FIRST FINANCIAL SPECIAL MEETING</u>	<u>31</u>
<u>Date, Time, and Place of Meeting</u>	<u>31</u>
<u>Matters to Be Considered</u>	<u>31</u>
<u>Recommendation of First Financial’s Board of Directors</u>	<u>31</u>
<u>First Financial Record Date and Quorum</u>	<u>31</u>
<u>Vote Required; Treatment of Abstentions and Failure to Vote</u>	<u>31</u>
<u>Shares Held by Officers and Directors</u>	<u>32</u>
<u>Voting of Proxies; Incomplete Proxies</u>	<u>32</u>
<u>Shares Held in Street Name : Broker Non-Votes</u>	<u>32</u>
<u>Revocability of Proxies and Changes to a First Financial Shareholder’s Vote</u>	<u>33</u>
<u>Participants in the First Financial 401(k) Savings Plan</u>	<u>33</u>
<u>Solicitation of Proxies</u>	<u>33</u>
<u>Attending the First Financial Special Meeting in Person</u>	<u>34</u>
<u>Attending the First Financial Special Meeting Virtually</u>	<u>34</u>
<u>Delivery of Proxy Materials to Shareholders Sharing an Address</u>	<u>34</u>
<u>Assistance</u>	<u>34</u>
<u>FIRST FINANCIAL PROPOSALS</u>	<u>35</u>
<u>PROPOSAL NO. 1: FIRST FINANCIAL MERGER PROPOSAL</u>	<u>35</u>
<u>PROPOSAL NO. 2: FIRST FINANCIAL ADJOURNMENT PROPOSAL</u>	<u>35</u>
<u>THE MAINSOURCE SPECIAL MEETING</u>	<u>36</u>
<u>Date, Time, and Place of Meeting</u>	<u>36</u>
<u>Matters to Be Considered</u>	<u>36</u>
<u>Recommendation of MainSource’s Board of Directors</u>	<u>36</u>
<u>MainSource Record Date and Quorum</u>	<u>36</u>
<u>Vote Required; Treatment of Abstentions and Failure to Vote</u>	<u>36</u>
<u>Shares Held by Officers and Directors</u>	<u>37</u>
<u>Voting of Proxies; Incomplete Proxies</u>	<u>37</u>
<u>Shares Held in Street Name : Broker Non-Votes</u>	<u>38</u>
<u>Revocability of Proxies and Changes to a MainSource Shareholder’s Vote</u>	<u>38</u>

<u>Participants in the MainSource 401(k) and Employee Stock Ownership Plan</u>	<u>38</u>
<u>Solicitation of Proxies</u>	<u>39</u>
<u>Attending the MainSource Special Meeting</u>	<u>39</u>
<u>Delivery of Proxy Materials to Shareholders Sharing an Address</u>	<u>39</u>
<u>Assistance</u>	<u>39</u>
<u>MAINSOURCE PROPOSALS</u>	<u>40</u>
<u>PROPOSAL NO. 1: MAINSOURCE MERGER PROPOSAL</u>	<u>40</u>
<u>PROPOSAL NO. 2: MAINSOURCE COMPENSATION PROPOSAL</u>	<u>40</u>
<u>PROPOSAL NO. 3: MAINSOURCE ADJOURNMENT PROPOSAL</u>	<u>40</u>
<u>INFORMATION ABOUT FIRST FINANCIAL</u>	<u>41</u>
<u>INFORMATION ABOUT MAINSOURCE</u>	<u>41</u>

## TABLE OF CONTENTS

<u>THE MERGER</u>	<u>42</u>
<u>Terms of the Merger</u>	<u>42</u>
<u>Background of the Merger</u>	<u>42</u>
<u>First Financial's Reasons for the Merger;</u> <u>Recommendation of First Financial's</u> <u>Board of Directors</u>	<u>48</u>
<u>Opinion of Sandler O'Neill &amp; Partners,</u> <u>L.P.</u>	<u>50</u>
<u>MainSource's Reasons for the Merger;</u> <u>Recommendation of MainSource's Board</u> <u>of Directors</u>	<u>63</u>
<u>Opinion of Keefe, Bruyette &amp; Woods,</u> <u>Inc.</u>	<u>66</u>
<u>Interests of First Financial's Directors and</u> <u>Executive Officers in the Merger</u>	<u>77</u>
<u>Interests of MainSource's Directors and</u> <u>Executive Officers in the Merger</u>	<u>79</u>
<u>Other Compensation Matters</u>	<u>82</u>
<u>Merger-Related Compensation for</u> <u>MainSource's Named Executive Officers</u>	<u>82</u>
<u>Indemnification; Directors' and Officers'</u> <u>Insurance</u>	<u>84</u>
<u>Board of Directors of First Financial and</u> <u>First Financial Bank Following the</u> <u>Merger</u>	<u>84</u>
<u>First Financial's Dividend Policy</u>	<u>85</u>
<u>Public Trading Markets</u>	<u>85</u>
<u>Dissenters' Rights in the Merger</u>	<u>85</u>
<u>Regulatory Approvals Required for the</u> <u>Merger</u>	<u>85</u>
<u>Additional Regulatory Approvals and</u> <u>Notices</u>	<u>86</u>
<u>THE MERGER AGREEMENT</u>	<u>88</u>
<u>Structure of the Merger</u>	<u>88</u>
<u>Merger Consideration</u>	<u>88</u>
<u>Fractional Shares</u>	<u>88</u>
<u>Governing Documents; Directors and</u> <u>Officers; Governance Matters;</u> <u>Headquarters</u>	<u>88</u>
<u>Treatment of MainSource Equity-Based</u> <u>Awards</u>	<u>89</u>
<u>Closing and Effective Time of the Merger</u>	<u>89</u>

<u>Conversion of Shares; Exchange of Certificates</u>	<u>89</u>
<u>Letter of Transmittal</u>	<u>89</u>
<u>Withholding</u>	<u>90</u>
<u>Dividends and Distributions</u>	<u>90</u>
<u>Representations and Warranties</u>	<u>90</u>
<u>Covenants and Agreements</u>	<u>92</u>
<u>Shareholder Meetings and Recommendation of MainSource's and First Financial's Boards of Directors</u>	<u>96</u>
<u>Agreement Not to Solicit Other Offers</u>	<u>97</u>
<u>Conditions to Complete the Merger</u>	<u>98</u>
<u>Termination of the Merger Agreement</u>	<u>98</u>
<u>Effect of Termination</u>	<u>99</u>
<u>Termination Fee</u>	<u>100</u>
<u>Expenses and Fees</u>	<u>100</u>
<u>Amendment, Waiver, and Extension of the Merger Agreement</u>	<u>100</u>
<u>ACCOUNTING TREATMENT</u>	<u>100</u>
<u>MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER</u>	<u>101</u>
<u>Tax Consequences of the Merger Generally</u>	<u>101</u>
<u>Tax Consequences to U.S. Holders</u>	<u>102</u>
<u>Backup Withholding and Information Reporting</u>	<u>102</u>
<u>UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS</u>	<u>104</u>
<u>DESCRIPTION OF CAPITAL STOCK OF FIRST FINANCIAL</u>	<u>114</u>
<u>Authorized Capital Stock</u>	<u>114</u>
<u>Common Shares</u>	<u>114</u>
<u>Preferred Shares</u>	<u>114</u>
<u>Anti-Takeover Effects of Certain Provisions of First Financial's Articles of Incorporation and Ohio Law</u>	<u>115</u>

TABLE OF CONTENTS

<u>COMPARISON OF RIGHTS OF FIRST FINANCIAL SHAREHOLDERS AND MAINSOURCE SHAREHOLDERS</u>	<u>118</u>
<u>COMPARATIVE MARKET PRICES AND DIVIDENDS</u>	<u>122</u>
<u>LEGAL MATTERS</u>	<u>123</u>
<u>EXPERTS</u>	<u>123</u>
<u>First Financial</u>	<u>123</u>
<u>MainSource</u>	<u>123</u>
<u>DEADLINES FOR SUBMITTING SHAREHOLDER PROPOSALS</u>	<u>124</u>
<u>First Financial</u>	<u>124</u>
<u>MainSource</u>	<u>124</u>
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	<u>124</u>
 <u>ANNEX A – Agreement and Plan of Merger</u>	 <u>A-1</u>
<u>ANNEX B – Opinion of Sandler O’Neill &amp; Partners, L.P.</u>	<u>B-1</u>
<u>ANNEX C – Opinion of Keefe, Bruyette &amp; Woods, Inc.</u>	<u>C-1</u>



## TABLE OF CONTENTS

### **QUESTIONS AND ANSWERS**

**The following are some questions that you may have about the merger and the First Financial special meeting or the MainSource special meeting, and brief answers to those questions. We urge you to read carefully the remainder of this joint proxy statement/prospectus because the information in this section does not provide all of the information that might be important to you with respect to the merger, the First Financial special meeting or the MainSource special meeting. Additional important information is also contained in the documents incorporated by reference into this joint proxy statement/prospectus. Please see **Where You Can Find More Information**.**

#### **Q: What is the merger?**

First Financial and MainSource have entered into an Agreement and Plan of Merger, dated as of July 25, 2017 (which we refer to as the **merger agreement** ). Under the merger agreement, MainSource will be merged with and into First Financial, with First Financial continuing as the surviving corporation (which we refer to as the **merger** ).  
A: Following the completion of the merger, MainSource Bank, a wholly-owned bank subsidiary of MainSource, will merge with and into First Financial Bank, a wholly-owned bank subsidiary of First Financial, with First Financial Bank continuing as the surviving bank (which we refer to as the **bank merger** ). A copy of the merger agreement is included in this joint proxy statement/prospectus as Annex A.

If the merger is completed, MainSource shareholders will receive 1.3875 shares of First Financial common stock for each share of MainSource common stock they hold immediately prior to the merger, plus cash in lieu of fractional shares. As a result of the foregoing, based on the number of shares of First Financial and MainSource common stock outstanding as of July 25, 2017, on a fully diluted basis, approximately 63.4% and 36.6% of First Financial common stock will be held by First Financial shareholders and former holders of MainSource common stock, respectively, immediately following the effectiveness of the merger.

The merger cannot be completed unless, among other things, both First Financial shareholders and MainSource shareholders approve their respective proposals to adopt the merger agreement.

#### **Q: Why am I receiving this joint proxy statement/prospectus?**

We are delivering this document to you because it is a joint proxy statement being used by both the First Financial  
A: and MainSource boards of directors to solicit proxies of their respective shareholders in connection with approval of the merger and related matters.

In order to approve the merger and related matters, First Financial has called a special meeting of its shareholders. This document serves as the proxy statement for the First Financial special meeting and describes the proposals to be presented at the First Financial special meeting.

MainSource has also called a special meeting of its shareholders to approve the merger and related matters.

This document serves as the proxy statement for the MainSource special meeting and describes the proposals to be presented at the MainSource special meeting.

Finally, this document is also a prospectus that is being delivered to MainSource shareholders because, in connection with the merger, First Financial is offering shares of its common stock to MainSource shareholders in a 1.3875:1 exchange ratio.

This joint proxy statement/prospectus contains important information about the merger and the other proposals being voted on at the First Financial and MainSource special meetings and important information to consider in connection with an investment in First Financial common stock. You should read it carefully and in its entirety. The enclosed materials allow you to have your shares of common stock voted by proxy without attending your meeting. Your vote is important and we encourage you to submit your proxy as soon as possible.

## TABLE OF CONTENTS

### **Q: What are First Financial shareholders being asked to vote on at the First Financial special meeting?**

A: First Financial is soliciting proxies from its shareholders with respect to the following proposals:

a proposal to adopt the merger agreement, as such agreement may be amended from time to time (which we refer to as the First Financial merger proposal ); and

a proposal to adjourn the First Financial special meeting, if necessary or appropriate, to solicit additional proxies in favor of the First Financial merger proposal (which we refer to as the First Financial adjournment proposal ).

### **Q: What are MainSource shareholders being asked to vote on at the MainSource special meeting?**

A: MainSource is soliciting proxies from its shareholders with respect to the following proposals:

a proposal to adopt the merger agreement, as such agreement may be amended from time to time (which we refer to as the MainSource merger proposal );

a proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to MainSource's named executive officers in connection with the merger, and the agreements or understandings pursuant to which such compensation may be paid or become payable (which we refer to as the MainSource compensation proposal ); and

a proposal to adjourn the MainSource special meeting, if necessary or appropriate, to solicit additional proxies in favor of the MainSource merger proposal (which we refer to as the MainSource adjournment proposal ).

### **Q: What will MainSource shareholders receive in the merger?**

If the merger is completed, MainSource shareholders will receive 1.3875 shares of First Financial common stock for each share of MainSource common stock held immediately prior to the merger. First Financial will not issue any fractional shares of First Financial common stock in the merger. First Financial will pay to each former MainSource shareholder who holds fractional shares an amount in cash determined by multiplying the average of the closing sale prices of First Financial common stock for the twenty consecutive trading days ending on the day immediately preceding the closing date of the merger (which we refer to as the First Financial share closing price ) by the fraction of a share (rounded to the nearest thousandth when expressed in decimal form) of First Financial common stock that such shareholder would otherwise be entitled to receive. We refer to the shares of First Financial common stock and the cash in lieu of any fractional shares to be received in the merger for each share of MainSource common stock as the merger consideration.

### **Q: What will First Financial shareholders receive in the merger?**

If the merger is completed, First Financial shareholders will not receive any merger consideration and will continue to hold the shares of First Financial common stock that they currently hold. Following the merger, shares of First Financial common stock will continue to be traded on The NASDAQ Global Select Stock Market® (which we refer to as NASDAQ ) under the symbol FFBC.

### **Q: How will the merger affect MainSource equity awards?**

A: The MainSource equity awards will be affected as follows:

*Options:* At the effective time of the merger, each option granted by MainSource to purchase shares of MainSource common stock that is outstanding and unexercised immediately prior to the effective time, whether vested or unvested, shall without any further action on the part of the holder thereof, be assumed by First Financial and converted into an option to purchase from First Financial common shares on the same terms and conditions as were applicable under such MainSource options, a number of shares of First Financial common stock (rounded down to the nearest whole share) determined by multiplying (x) the number of shares of MainSource common stock subject to such MainSource common stock option immediately prior to the effective time by (y) the exchange ratio, at a per share exercise price (rounded up to the nearest whole cent) equal to the quotient obtained by dividing (i) the per share exercise price for each share of MainSource common stock subject to such MainSource stock option by (ii) the exchange ratio.

## TABLE OF CONTENTS

*Restricted Stock:* Immediately prior to the effective time of the merger, each outstanding restricted share of MainSource common stock will fully vest (with any performance-based vesting condition deemed satisfied to the extent provided in the applicable award agreement) and be cancelled and converted automatically into the right to receive the merger consideration, less applicable tax withholdings.

*Performance Share Units:* Immediately prior to the effective time of the merger, each outstanding performance share unit award in respect of MainSource common stock will fully vest (with any performance-based vesting condition applicable to such performance share unit deemed satisfied at target) and shall be cancelled and converted automatically into the right to receive the merger consideration in respect of each share of MainSource common stock underlying such performance share unit, less applicable tax withholdings.

**Q: Will the value of the merger consideration change between the date of this joint proxy statement/prospectus and the time the merger is completed?**

Yes. Although the merger consideration is fixed, the value of the merger consideration will fluctuate between the date of this joint proxy statement/prospectus and the completion of the merger based upon the market value for First Financial common stock. Any fluctuation in the market price of First Financial common stock after the date of this joint proxy statement/prospectus will change the value of the shares of First Financial common stock that MainSource shareholders will receive.

**Q: How does the First Financial board of directors recommend that I vote at the First Financial special meeting?**

A: First Financial's board of directors unanimously recommends that you vote FOR the First Financial merger proposal, and FOR the First Financial adjournment proposal.

**Q: How does the MainSource board of directors recommend that I vote at the MainSource special meeting?**

A: MainSource's board of directors unanimously recommends that you vote FOR the MainSource merger proposal, FOR the MainSource compensation proposal, and FOR the MainSource adjournment proposal.

**Q: When and where are the meetings?**

A: The First Financial special meeting will be held on [ ], at [ ] local time. Shareholders of First Financial may attend the First Financial special meeting in person at the Taft Centre at Fountain Square, 425 Walnut Street, Second Floor, Cincinnati, Ohio 45202. The First Financial special meeting may also be viewed through a webcast via the Internet at [www.virtualshareholdermeeting.com/ffbc17SM](http://www.virtualshareholdermeeting.com/ffbc17SM).

The MainSource special meeting will be held at 2105 North State Road 3 Bypass, Greensburg, Indiana 47240 on [ ], at [ ] local time.

**Q: What do I need to do now?**

A: After you have carefully read this joint proxy statement/prospectus and have decided how you wish to vote your shares, please vote your shares promptly so that your shares are represented and voted at the First Financial special meeting and/or the MainSource special meeting, as applicable. If you are a shareholder of both First Financial and MainSource, you will need to vote your First Financial and MainSource shares separately and to submit a separate proxy card to each company. If you hold your shares in your name as a shareholder of record, you must complete, sign, date, and mail your proxy card in the enclosed postage-paid return envelope as soon as possible. Alternatively, you may vote through the Internet or by telephone. Information and applicable deadlines for voting through the Internet or by telephone are set forth in the enclosed proxy card instructions. If you hold your shares in street name through a bank or broker, you must direct your bank or broker how to vote in accordance with the instructions you have received from your bank or broker. Street name shareholders who wish to vote in person at the First Financial special meeting or MainSource special meeting will need to obtain a legal proxy from the institution that holds their shares.

## TABLE OF CONTENTS

### **Q: What constitutes a quorum for the First Financial special meeting?**

A: The presence at the First Financial special meeting, in person or by proxy, of holders of a majority of the outstanding shares of First Financial common stock entitled to vote at the First Financial special meeting will constitute a quorum for the transaction of business. Abstentions will be included in determining the number of shares present at the meeting for the purpose of determining the presence of a quorum.

### **Q: What constitutes a quorum for the MainSource special meeting?**

A: The presence at the MainSource special meeting, in person or by proxy, of holders of a majority of the outstanding shares of MainSource common stock entitled to vote at the MainSource special meeting will constitute a quorum for the transaction of business. Abstentions will be included in determining the number of shares present at the meeting for the purpose of determining the presence of a quorum.

### **Q: What is the vote required to approve each proposal?**

A: *First Financial merger proposal:*

Standard: Approval of the First Financial merger proposal requires the affirmative vote of the holders of at least two-thirds of the outstanding shares of First Financial common stock entitled to vote on the proposal.

Effect of abstentions and broker non-votes: If you fail to vote, mark **ABSTAIN** on your proxy card, or fail to instruct your bank or broker with respect to the First Financial merger proposal, it will have the same effect as a vote **AGAINST** the proposal.

*First Financial adjournment proposal:*

Standard: Approval of the First Financial adjournment proposal requires the affirmative vote of the holders of at least a majority of the votes present and entitled to vote at the First Financial special meeting.

Effect of abstentions and broker non-votes: If you mark **ABSTAIN** on your proxy card, it will have the same effect as a vote **AGAINST** the First Financial adjournment proposal. However, if you fail to submit a proxy card or vote in person at the First Financial special meeting, or fail to instruct your bank or broker how to vote with respect to the First Financial adjournment proposal, it will have no effect on the proposal.

### **Q: What is the vote required to approve each proposal at the MainSource special meeting?**

A: *MainSource merger proposal:*

Standard: Approval of the MainSource merger proposal requires the affirmative vote of the holders of at least a majority of the outstanding shares of MainSource common stock entitled to vote on the proposal.

Effect of abstentions and broker non-votes: If you fail to vote, mark **ABSTAIN** on your proxy card, or fail to instruct your bank or broker with respect to the MainSource merger proposal, it will have the same effect as a vote **AGAINST** the proposal.

*MainSource compensation proposal:*

Standard: Approval of the MainSource compensation proposal requires the affirmative vote of the holders of at least a majority of the votes present and entitled to vote at the MainSource special meeting.

Effect of abstentions and broker non-votes: If you mark **ABSTAIN** on your proxy card, it will have the same effect as a vote **AGAINST** the MainSource compensation proposal. However, if you fail to submit a proxy card or vote in person at the MainSource special meeting, or fail to instruct your bank or broker how to vote with respect to the MainSource compensation proposal, it will have no effect on the proposal.

*MainSource adjournment proposal:*

Standard: Approval of the MainSource adjournment proposal requires the affirmative vote of the holders of at least a majority of the votes present and entitled to vote at the MainSource special meeting.

Effect of abstentions and broker non-votes: If you mark **ABSTAIN** on your proxy card, it will have the same effect as a vote **AGAINST** the MainSource adjournment proposal. However, if you fail to submit a proxy card or vote in person at the MainSource special meeting, or fail to instruct your bank or broker how to vote with respect to the MainSource adjournment proposal, it will have no effect on the proposal.

## TABLE OF CONTENTS

### **Q: Why is my vote important?**

If you do not vote, it will be more difficult for First Financial or MainSource to obtain the necessary quorum to hold their special meetings. In addition, your failure to submit a proxy or vote in person, or failure to instruct your bank or broker how to vote, or abstention will have the same effect as a vote AGAINST adoption of the merger agreement.

### **Q: If my shares of common stock are held in street name by my bank or broker, will my bank or broker automatically vote my shares for me?**

No. Your bank or broker cannot vote your shares without instructions from you. If your shares are held in street name through a bank, broker, or other holder of record, you must provide the record holder of your shares with instructions on how to vote the shares. Please follow the voting instructions provided by the bank or broker. You may not vote shares held in street name by returning a proxy card directly to First Financial or MainSource, or by voting in person at the First Financial special meeting or the MainSource special meeting, unless you provide a legal proxy, which you must obtain from your broker, bank, or other nominee. Further, brokers, banks, or other nominees who hold shares of First Financial common stock or MainSource common stock on behalf of their customers may not give a proxy to First Financial or MainSource to vote those shares with respect to any of the proposals without specific instructions from their customers, as brokers, banks, and other nominees do not have discretionary voting power on these matters. Failure to instruct your bank or broker how to vote will have the same effect as a vote AGAINST adoption of the merger agreement.

### **Q: How do I vote if I own shares through the First Financial 401(k) Savings Plan?**

If you participate in the First Financial 401(k) Savings Plan (the First Financial Savings Plan) and common shares have been allocated to your account in the First Financial Savings Plan, you are entitled to instruct the trustee of the First Financial Savings Plan, confidentially, as to how to vote those common shares pursuant to the instructions provided to plan participants. You will receive your voting instructions card separately. The trustee will vote your shares in accordance with your duly executed instructions received by 4:00 p.m. Eastern Time on [ ], 2017. If you do not send instructions, your instructions are not timely received, or your instructions are not properly completed, the shares credited to your account in the First Financial Savings Plan will be voted by the trustee in the same proportion that it votes shares in the First Financial Savings Plan for which it did receive timely instructions. You may also revoke previously given voting instructions by 4:00 p.m. Eastern Time on [ ], 2017 by filing with the trustee either a written notice of revocation or a properly completed and signed voting instruction card bearing a later date.

### **Q: How do I vote if I own shares through the MainSource 401(k) Plan and Employee Stock Ownership Plan?**

If you participate in the MainSource Financial Group, Inc. 401(k) and Employee Stock Ownership Plan (the MainSource Plan) and common shares have been allocated to your account in the MainSource Plan, you are entitled to instruct First Bankers Trust Services, Inc., the trustee of the MainSource Plan, confidentially, as to how to vote those common shares pursuant to the instructions provided to plan participants. You will receive your voting instructions card separately. The trustee will vote your shares in accordance with your duly executed instructions received by 4:00 p.m. Eastern Time on [ ], 2017. If you do not send instructions, your instructions are not timely received, or your instructions are not properly completed, the shares credited to your account in the MainSource Plan will be voted by the trustee in the same proportion that it votes shares in the MainSource Plan for which it did receive timely instructions. You may also revoke previously given voting instructions by 4:00 p.m. Eastern Time on [ ], 2017 by filing with the trustee either a written notice of revocation or a properly completed and signed voting instruction card bearing a later date.

### **Q: Can I attend the First Financial and MainSource special meetings and vote my shares in person?**

Yes. All holders of the common stock of First Financial and MainSource, including shareholders of record and shareholders who hold their shares through banks, brokers, nominees, or any other holder of record, are invited to attend their respective special meetings. Holders of record of First Financial and MainSource common stock can vote in person at the First Financial special meeting and MainSource special meeting, respectively. If you are not a shareholder of record (i.e., if your shares are held for you in street name),



## TABLE OF CONTENTS

you must obtain a legal proxy, executed in your favor, from the record holder of your shares, such as a broker, bank, or other nominee, to be able to vote in person at the meetings. If you only hold common stock in your capacity as a participant in the First Financial Savings Plan or the MainSource Plan, you may not instruct the respective trustee in person.

If you plan to attend your meeting in person, you must hold your shares in your own name, have a valid proxy from a record holder, or have a letter from the record holder of your shares confirming your ownership. In addition, you must bring a form of personal photo identification with you in order to be admitted to the meeting. First Financial and MainSource reserve the right to refuse admittance to anyone without proper proof of share ownership or without proper photo identification. Whether or not you intend to be present at the First Financial special meeting or the MainSource special meeting, you are urged to sign, date, and return your proxy card, or to vote via the Internet or by telephone, promptly. If you are then present and wish to vote your shares in person, your original proxy may be revoked by voting at the special meeting.

### **Q: Can I attend the First Financial and MainSource special meetings virtually?**

All holders of the common stock of First Financial may view the First Financial special meeting virtually through a webcast. Holders of the common stock of First Financial may view the webcast of the meeting via the Internet at [www.virtualshareholdermeeting.com/ffbc17SM](http://www.virtualshareholdermeeting.com/ffbc17SM) when you enter your 12-digit control number included with the proxy card. Instructions on how to view the First Financial special meeting via the webcast are posted at [www.virtualshareholdermeeting.com/ffbc17SM](http://www.virtualshareholdermeeting.com/ffbc17SM). You will not be able to vote your First Financial shares or revoke your proxy while viewing the First Financial special meeting virtually. While First Financial management will address questions from shareholders physically present or who have submitted their questions electronically prior to the meeting, the webcast will not allow shareholders to ask questions of management during the meeting. Holders of the common stock of First Financial may visit [www.proxyvote.com](http://www.proxyvote.com) at any time prior to the First Financial special meeting to ask questions of our executive management that may be addressed in the meeting. MainSource will not hold a virtual or webcast special meeting. Shareholders interested in attending MainSource's special meeting must attend in person.

### **Q: Can I change my vote?**

*First Financial shareholders:* Yes. If you are a holder of record of First Financial common stock, you may change your vote or revoke any proxy at any time before it is voted at the special meeting by: (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to First Financial's corporate secretary, (3) attending the special meeting in person, notifying the corporate secretary of your revocation of your proxy, and voting by ballot at the special meeting, or (4) voting by telephone or the Internet at a later time. Attendance at the special meeting will not automatically revoke your proxy. A revocation or later-dated proxy received by First Financial after the vote will not affect the vote. You will not be able to vote your shares or revoke your proxy during the First Financial special meeting if you are attending via webcast. First Financial's corporate secretary's mailing address is: Attn: Shannon M. Kuhl, Corporate Secretary, First Financial Bancorp., 255 East 5<sup>th</sup> Street, Suite 2900, Cincinnati, Ohio 45202. If you hold your shares in street name through a bank, broker, or other holder of record, you should contact your record holder to change your vote.

*MainSource shareholders:* Yes. If you are a holder of record of MainSource common stock, you may change your vote or revoke any proxy at any time before it is voted at the MainSource special meeting by: (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to MainSource's corporate secretary, (3) attending the special meeting in person, notifying the corporate secretary of your revocation of your proxy, and voting by ballot at the special meeting, or (4) voting by telephone or the Internet at a later time. Attendance at the special meeting will not automatically revoke your proxy. A revocation or later-dated proxy received by MainSource after the vote will not affect the vote. MainSource's corporate secretary's mailing address is: Attn: James M. Anderson, Corporate Secretary, MainSource Financial Group, Inc., 2105 North State Road 3 Bypass, Greensburg, Indiana 47240. If you hold your shares in street name through a bank, broker, or other holder of record, you should contact your record holder to change your vote.





## TABLE OF CONTENTS

**Q: Will First Financial be required to submit the proposal to adopt the merger agreement to its shareholders even if First Financial's board of directors has withdrawn, modified, or qualified its recommendation?**

Yes. Unless the merger agreement is terminated before the First Financial special meeting, First Financial is required to submit the proposal to adopt the merger agreement to its shareholders even if First Financial's board of directors has withdrawn or modified its recommendation.

**Q: Will MainSource be required to submit the proposal to adopt the merger agreement to its shareholders even if MainSource's board of directors has withdrawn, modified, or qualified its recommendation?**

Yes. Unless the merger agreement is terminated before the MainSource special meeting, MainSource is required to submit the proposal to adopt the merger agreement to its shareholders even if MainSource's board of directors has withdrawn or modified its recommendation.

**Q: What are the U.S. federal income tax consequences of the merger to MainSource shareholders?**

It is a condition to the completion of the merger that First Financial and MainSource receive written opinions from their respective counsel to the effect that the merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (which we refer to as the Code). Subject to the limitations and qualifications described in the section entitled Material U.S. Federal Income Tax Consequences of the Merger, if you are a U.S. holder of MainSource common stock, you will not recognize gain or loss pursuant to the merger, except in the case of cash received instead of fractional shares of First Financial common stock. For a definition of U.S. holder and a more detailed discussion of the material United States federal income tax consequences of the merger, see the section entitled Material U.S. Federal Income Tax Consequences of the Merger beginning on page 101 of this joint proxy statement/prospectus.

The U.S. federal income tax consequences described above may not apply to all holders of MainSource common stock. We strongly urge you to consult your independent tax advisor for a full understanding of the application of U.S. federal income tax laws to your particular situation as well as any tax consequences arising under the U.S. federal estate or gift tax rules, or under the laws of any state, local, foreign, or other taxing jurisdiction or under any applicable treaty.

**Q: Are MainSource shareholders entitled to dissenters' rights?**

No, MainSource shareholders are not entitled to dissenters' rights. For further information, see The Merger—Dissenters' Rights in the Merger.

**Q: If I am a MainSource shareholder, should I send in my MainSource common stock certificate(s) now?**

No. Please do not send in your MainSource common stock certificates with your proxy. After the merger, an exchange agent will send you instructions for exchanging MainSource common stock certificates for the merger consideration. See The Merger Agreement—Conversion of Shares; Exchange of Certificates.

**Q: What should I do if I hold my shares of MainSource common stock in book-entry form?**

You are not required to take any special additional actions if your shares of MainSource common stock are held in book-entry form. After the completion of the merger, shares of MainSource common stock held in book-entry form automatically will be exchanged for book-entry shares of First Financial common stock.

**Q: What should I do if I receive more than one set of voting materials?**

First Financial and MainSource shareholders may receive more than one set of voting materials, including multiple copies of this joint proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold shares of First Financial and/or MainSource common stock in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold such shares. If you are a holder of record of First Financial common stock or MainSource common stock and your shares are registered in more than one name, you will receive more than one proxy card. In addition, if you are a holder of both First Financial common stock and MainSource common stock,

## TABLE OF CONTENTS

you will receive one or more separate proxy cards or voting instruction cards for each company. Please complete, sign, date, and return each proxy card and voting instruction card that you receive or otherwise follow the voting instructions set forth in this joint proxy statement/prospectus to ensure that you vote every share of First Financial common stock and/or MainSource common stock that you own.

### **Q: When do you expect to complete the merger?**

First Financial and MainSource expect to complete the merger in early 2018. However, neither First Financial nor MainSource can assure you of when, or if, the merger will be completed. First Financial and MainSource must obtain the approval of First Financial shareholders and MainSource shareholders to adopt the merger agreement at their respective special meetings, and also must obtain necessary regulatory approvals in addition to satisfying certain other closing conditions.

### **Q: What happens if the merger is not completed?**

If the merger is not completed, MainSource shareholders will not receive any consideration for their shares of MainSource common stock in connection with the merger. Instead, MainSource will remain an independent, public company and MainSource common stock will continue to be listed and traded on NASDAQ. In addition, if the merger agreement is terminated in certain circumstances, a termination fee may be required to be paid by MainSource. See The Merger Agreement—Termination Fee for a complete discussion of the circumstances under which termination fee will be required to be paid.

### **Q: Whom should I call with questions?**

*First Financial shareholders:* If you have any questions concerning the merger or this joint proxy statement/prospectus, would like additional copies of this joint proxy statement/prospectus, or need help voting your shares of First Financial common stock, please contact First Financial's proxy solicitor, Advantage Proxy, at P.O. Box 13581, Des Moines, WA 98198, or toll-free at (877) 870-8565.

*MainSource shareholders:* If you have any questions concerning the merger or this joint proxy statement/prospectus, would like additional copies of this joint proxy statement/prospectus, or need help voting your shares of MainSource common stock, please contact MainSource Investor Relations at (812) 663-6734.

TABLE OF CONTENTS**SUMMARY**

**This summary highlights selected information from this joint proxy statement/prospectus. It may not contain all of the information that is important to you. We urge you to read carefully the entire joint proxy statement/prospectus, including the annexes, and the other documents to which we refer in order to fully understand the merger. Please see Where You Can Find More Information. Each item in this summary refers to the page of this joint proxy statement/prospectus on which that subject is discussed in more detail.**

**In the Merger, MainSource Shareholders Will Receive First Financial Common Stock (page 88)**

First Financial and MainSource are proposing a strategic merger. If the merger is completed, MainSource shareholders will receive 1.3875 shares of First Financial common stock for each share of MainSource common stock they hold immediately prior to the merger. First Financial will not issue any fractional shares of First Financial common stock in the merger. MainSource shareholders who would otherwise be entitled to a fraction of a share of First Financial common stock upon the completion of the merger will instead receive, for the fraction of a share, an amount in cash (rounded to the nearest cent) based on the First Financial per share closing price.

As a result of the foregoing, based on the number of shares of First Financial and MainSource common stock outstanding as of July 25, 2017, on a fully diluted basis, approximately 63.4% and 36.6% of First Financial common stock will be held by First Financial shareholders and former MainSource shareholders, respectively, immediately following the effectiveness of the merger.

First Financial common stock is listed on NASDAQ under the symbol FFBC, and MainSource common stock is listed on NASDAQ under the symbol MSFG. The following table shows the closing sale prices of First Financial common stock and MainSource common stock as reported on NASDAQ on July 25, 2017, the last full trading day before the public announcement of the merger agreement, and on [ ], 2017, the last practicable trading day before the date of this joint proxy statement/prospectus. This table also shows the implied value of the merger consideration payable for each share of MainSource common stock, which was calculated by multiplying the closing price of First Financial common stock on those dates by the exchange ratio of 1.3875.

	<b>First Financial Common Stock</b>	<b>MainSource Common Stock</b>	<b>Implied Value of One Share of MainSource Common Stock</b>
July 25, 2017	\$ 28.10	\$ 33.81	\$ 38.99
[ ]	\$ [ ]	\$ [ ]	\$ [ ]

The merger agreement governs the merger. The merger agreement is included in this joint proxy statement/prospectus as Annex A. All descriptions in this summary and elsewhere in this joint proxy statement/prospectus of the terms and conditions of the merger are qualified by reference to the merger agreement. Please read the merger agreement carefully for a more complete understanding of the merger.

**First Financial's Board of Directors Unanimously Recommends that First Financial Shareholders Vote FOR the First Financial Merger Proposal and the Other Proposals Presented at the First Financial Special Meeting (page 48)**

First Financial's board of directors has determined that the merger, the merger agreement, and the transactions contemplated by the merger agreement are advisable and in the best interests of First Financial and its shareholders and has unanimously approved the merger agreement. First Financial's board of directors unanimously recommends that First Financial shareholders vote **FOR** the adoption of the merger agreement and **FOR** the other proposals presented at the First Financial special meeting. For the factors considered by First Financial's board of directors in reaching its decision to approve the merger agreement, see **The Merger— First Financial's Reasons for the Merger; Recommendation of First Financial's Board of Directors** beginning on page 48.

Each of First Financial's directors, solely in his or her capacity as a First Financial shareholder, has entered into a voting agreement with MainSource, pursuant to which each such director has agreed to vote in favor of the First Financial merger proposal.

## TABLE OF CONTENTS

### **MainSource's Board of Directors Unanimously Recommends that MainSource Shareholders Vote FOR the Adoption of the Merger Agreement and the Other Proposals Presented at the MainSource Special Meeting (page 63)**

MainSource's board of directors has determined that the merger, the merger agreement, and the transactions contemplated by the merger agreement are advisable and in the best interests of MainSource and its shareholders, and has unanimously approved the merger agreement. MainSource's board of directors unanimously recommends that MainSource shareholders vote FOR the adoption of the merger agreement and FOR the other proposals presented at the MainSource special meeting. For the factors considered by MainSource's board of directors in reaching its decision to approve the merger agreement, see The Merger—MainSource's Reasons for the Merger; Recommendation of MainSource's Board of Directors beginning on page 63.

Each of MainSource's directors, solely in his or her capacity as a MainSource shareholder, has entered into a voting agreement with First Financial, pursuant to which each such director has agreed to vote in favor of the MainSource merger proposal.

### **Opinion of Sandler O'Neill & Partners, L.P. (page 50 and Annex B)**

At the July 25, 2017 meeting at which the First Financial board of directors considered and approved the merger agreement, Sandler O'Neill & Partners, L.P. (which we refer to as Sandler O'Neill) delivered to the board of directors its oral opinion, which was subsequently confirmed in writing, to the effect that, as of such date, and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations described in Sandler O'Neill's opinion, the exchange ratio provided for in the merger was fair to First Financial from a financial point of view.

**The full text of Sandler O'Neill's opinion is attached as Annex B to this joint proxy statement/prospectus. The opinion outlines the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by Sandler O'Neill in rendering its opinion.**

**First Financial shareholders are urged to read the entire opinion carefully in connection with their consideration of the proposed merger.**

**Sandler O'Neill's opinion speaks only as of the date of the opinion. The opinion was directed to First Financial's board of directors in connection with its consideration of the merger and is directed only to the fairness, from a financial point of view, of the exchange ratio to First Financial. Sandler O'Neill's opinion does not constitute a recommendation to any First Financial shareholder as to how such First Financial shareholder should vote at any meeting of shareholders called to consider and vote upon the First Financial merger proposal. It does not address the underlying business decision of First Financial to engage in the merger, the form or structure of the merger, the relative merits of the merger as compared to any other alternative business strategies that might exist for First Financial, or the effect of any other transaction in which First Financial might engage.**

For further information, see The Merger—Opinion of Sandler O'Neill & Partners L.P. beginning on page 50.

### **Opinion of Keefe, Bruyette & Woods, Inc. (page 66 and Annex C)**

In connection with the merger, MainSource's financial advisor, Keefe, Bruyette & Woods, Inc. (KBW), delivered a written opinion, dated July 25, 2017, to the MainSource board of directors as to the fairness, from a financial point of view and as of the date of the opinion, to the holders of MainSource common stock of the exchange ratio in the proposed merger. The full text of the opinion, which describes the procedures followed, assumptions made, matters

considered, and qualifications and limitations on the review undertaken by KBW in preparing the opinion, is attached as Annex C to this joint proxy statement/prospectus. **The opinion was for the information of, and was directed to, the MainSource board of directors (in its capacity as such) in connection with its consideration of the financial terms of the merger. The opinion did not address the underlying business decision of MainSource to engage in the merger or enter into the merger agreement or constitute a recommendation to the MainSource board of directors in connection with the merger, and it does not constitute a recommendation to any holder of MainSource common stock or any shareholder of any other entity as to how to vote in connection with the merger or any other matter.**

For further information, see The Merger—Opinion of Keefe, Bruyette & Woods, Inc. beginning on page 66.

## TABLE OF CONTENTS

### **Treatment of MainSource Equity-Based Awards (page 89)**

*Options.* At the effective time of the merger, each option granted by MainSource to purchase shares of MainSource common stock that is outstanding and unexercised immediately prior to the effective time, whether vested or unvested, shall without any further action on the part of the holder thereof, be assumed by First Financial and converted into an option to purchase from First Financial, on the same terms and conditions as were applicable under such MainSource options, a number of shares of First Financial common stock (rounded down to the nearest whole share) determined by multiplying (x) the number of shares of MainSource common stock subject to such MainSource stock option immediately prior to the effective time by (y) the exchange ratio, at a per share exercise price (rounded up to the nearest whole cent) equal to the quotient obtained by dividing (i) the per share exercise price for each share of MainSource common stock subject to such MainSource stock option by (ii) the exchange ratio.

*Restricted Stock.* Immediately prior to the effective time of the merger, each outstanding restricted share of MainSource common stock will fully vest (with any performance-based vesting condition deemed satisfied to the extent provided in the applicable award agreement) and be cancelled and converted automatically into the right to receive the merger consideration, less applicable tax withholdings.

*Performance Share Units.* Immediately prior to the effective time of the merger, each outstanding performance share unit award in respect of MainSource common stock will fully vest (with any performance-based vesting condition applicable to such performance share unit deemed satisfied at target) and shall be cancelled and converted automatically into the right to receive the merger consideration in respect of each share of MainSource common stock underlying such performance share unit, less applicable tax withholdings.

For further information, see The Merger Agreement—Treatment of MainSource Equity-Based Awards beginning on page 89.

### **First Financial Will Hold its Special Meeting on [ ] (page 31)**

The First Financial special meeting will be held on [ ], at [ ] local time. Shareholders of First Financial will be able to attend the First Financial special meeting in person, at the Taft Centre at Fountain Square, 425 Walnut Street, Second Floor, Cincinnati, Ohio 45202, and will be able to view a webcast of the special meeting via the Internet at [www.virtualshareholdermeeting.com/ffbc17SM](http://www.virtualshareholdermeeting.com/ffbc17SM). At the First Financial special meeting, First Financial shareholders will be asked to:

- approve the First Financial merger proposal; and
- approve the First Financial adjournment proposal.

Only holders of record of First Financial common stock at the close of business on [ ] will be entitled to vote at the First Financial special meeting (which we refer to as the First Financial record date ). Each share of First Financial common stock is entitled to one vote on each proposal to be considered at the First Financial special meeting. As of the First Financial record date, there were [ ] shares of First Financial common stock entitled to vote at the special meeting. The directors and executive officers of First Financial and their affiliates beneficially owned, and were entitled to vote, approximately [ ] shares of First Financial common stock, representing approximately [ ]% of the shares of First Financial common stock outstanding on the First Financial record date.

For further information, see The First Financial Special Meeting—Date, Time, and Place of Meeting beginning on page 31.

### **MainSource Will Hold its Special Meeting on [ ] (page 36)**

The MainSource special meeting will be held on [       ], at [       ] local time, at 2105 North State Road 3 Bypass, Greensburg, Indiana 47240. At the MainSource special meeting, MainSource shareholders will be asked to:

- approve the MainSource merger proposal;
- approve the MainSource compensation proposal; and
- approve the MainSource adjournment proposal.

11



## TABLE OF CONTENTS

Only holders of record of MainSource common stock at the close of business on [ ] will be entitled to vote at the MainSource special meeting (which we refer to as the MainSource record date ). Each share of MainSource common stock is entitled to one vote on each proposal to be considered at the MainSource special meeting. As of the MainSource record date, there were [ ] shares of MainSource common stock entitled to vote at the special meeting. The directors and executive officers of MainSource and their affiliates beneficially owned, and were entitled to vote, approximately [ ] shares of MainSource common stock, representing approximately [ ]% of the shares of MainSource common stock outstanding on the MainSource record date.

For further information, see The MainSource Special Meeting—Date, Time, and Place of Meeting beginning on page 36.

### **First Financial Special Meeting Proposals: Required Vote; Treatment of Abstentions and Failure to Vote (page 31)**

#### *First Financial merger proposal:*

Standard: Approval of the First Financial merger proposal requires the affirmative vote of the holders of at least two-thirds of the outstanding shares of First Financial common stock entitled to vote on the proposal.

Effect of abstentions and broker non-votes: If you fail to vote, mark ABSTAIN on your proxy card, or fail to instruct your bank or broker with respect to the First Financial merger proposal, it will have the same effect as a vote AGAINST the proposal.

#### *First Financial adjournment proposal:*

Standard: Approval of the First Financial adjournment proposal requires the affirmative vote of the holders of at least a majority of the votes present and entitled to vote at the First Financial special meeting.

Effect of abstentions and broker non-votes: If you mark ABSTAIN on your proxy card, it will have the same effect as a vote AGAINST the First Financial adjournment proposal. However, if you fail to submit a proxy card or vote in person at the First Financial special meeting, or fail to instruct your bank or broker how to vote with respect to the First Financial adjournment proposal, it will have no effect on the proposal.

For further information, see The First Financial Special Meeting — Vote Required; Treatment of Abstentions and Failure to Vote beginning on page 31.

### **MainSource Special Meeting Proposals: Required Vote; Treatment of Abstentions and Failure to Vote (page 36)**

#### *MainSource merger proposal:*

Standard: Approval of the MainSource merger proposal requires the affirmative vote of the holders of at least a majority of the outstanding shares of MainSource common stock entitled to vote on the proposal.

Effect of abstentions and broker non-votes: If you fail to vote, mark ABSTAIN on your proxy, or fail to instruct your bank or broker with respect to the MainSource merger proposal, it will have the same effect as a vote AGAINST the proposal.

#### *MainSource compensation proposal:*

**Standard:** Approval of the MainSource compensation proposal requires the affirmative vote of the holders of at least a majority of the votes present and entitled to vote at the MainSource special meeting.

**Effect of abstentions and broker non-votes:** If you mark ABSTAIN on your proxy card, it will have the same effect as a vote AGAINST the MainSource compensation proposal. However, if you fail to submit a proxy card or vote in person at the MainSource special meeting, or fail to instruct your bank or broker how to vote with respect to the MainSource compensation proposal, it will have no effect on the proposal.

*MainSource adjournment proposal:*

**Standard:** Approval of the MainSource adjournment proposal requires the affirmative vote of the holders of at least a majority of the votes present and entitled to vote at the MainSource special meeting.

**Effect of abstentions and broker non-votes:** If you mark ABSTAIN on your proxy card, it will have the same effect as a vote AGAINST the MainSource adjournment proposal. However, if you fail to submit a proxy card

## **TABLE OF CONTENTS**

or vote in person at the MainSource special meeting, or fail to instruct your bank or broker how to vote with respect to the MainSource adjournment proposal, you will not be deemed to have cast a vote with respect to the proposal and it will have no effect on the proposal.

For further information, see The MainSource Special Meeting—Vote Required; Treatment of Abstentions and Failure to Vote beginning on page 36.

### **Material U.S. Federal Income Tax Consequences of the Merger (page 101)**

It is a condition to the completion of the merger that First Financial and MainSource receive written opinions from their respective counsel to the effect that the merger will be treated as a reorganization within the meaning of Section 368(a) of the Code. Subject to the limitations and qualifications described in the section entitled Material U.S. Federal Income Tax Consequences of the Merger, if you are a U.S. holder of MainSource common stock, you will not recognize gain or loss pursuant to the merger, except in the case of cash received instead of fractional shares of First Financial common stock.

For a definition of U.S. holder and a more detailed discussion of the material United States federal income tax consequences of the merger, see the section entitled Material U.S. Federal Income Tax Consequences of the Merger beginning on page 100 of this joint proxy statement/prospectus.

The U.S. federal income tax consequences described above may not apply to all holders of MainSource common stock. We strongly urge you to consult your independent tax advisor for a full understanding of the application of U.S. federal income tax laws to your particular situation as well as any tax consequences arising under the U.S. federal estate or gift tax rules, or under the laws of any state, local, foreign, or other taxing jurisdiction or under any applicable treaty.

### **First Financial's Officers and Directors Have Financial Interests in the Merger that Differ from Your Interests (page 77)**

First Financial shareholders should be aware that First Financial's directors and executive officers have interests in the merger that are different from, or in addition to, interests of First Financial shareholders generally. These interests include, among others, continued service as a director for certain First Financial directors, continued employment for certain executive officers of First Financial, and rights to ongoing indemnification and insurance coverage by the surviving corporation for acts or omissions occurring prior to the merger.

The First Financial board of directors was aware of and considered those interests, among other matters, in reaching its decisions to approve the merger agreement and the transactions contemplated thereby and to recommend the adoption of the merger agreement to First Financial shareholders. See the section entitled The Merger—Interests of First Financial's Directors and Executive Officers in the Merger beginning on page 77 of this joint proxy statement/prospectus for a more detailed description of these interests.

### **MainSource's Officers and Directors Have Financial Interests in the Merger that Differ from Your Interests (page 79)**

MainSource's shareholders should be aware that MainSource's directors and executive officers have interests in the merger that are different from, or in addition to, interests of MainSource shareholders generally. These interests include, among others, the treatment of outstanding MainSource equity awards pursuant to the merger agreement, certain payments and benefits payable under change in control agreements entered into with certain officers, continued employment for certain executive officers of MainSource, and rights to ongoing indemnification and insurance

coverage by the surviving corporation for acts or omissions occurring prior to the merger.

Pursuant to the merger agreement, First Financial has agreed to cause the number of directors that will comprise the board of directors of First Financial effective as of the effective time of the merger to be 15. Effective as of the effective time of the merger, the board of directors of First Financial shall consist of nine current members of the First Financial board of directors (the First Financial Continuing Directors ) and six current members of the MainSource board of directors (the MainSource Continuing Directors ). The First Financial Continuing Directors and the MainSource Continuing Directors shall be mutually agreed upon by the chairperson of the board of directors and Chief Executive Officer of First Financial and the lead director and Chief Executive Officer of MainSource.

## TABLE OF CONTENTS

Pursuant to the terms of the merger agreement, as of the date of the merger agreement, Claude E. Davis, Chief Executive Officer of First Financial, and Archie M. Brown, Jr., President and Chief Executive Officer of MainSource, entered into employment agreements which shall become effective at the effective time of the merger. Upon completion of the merger, Mr. Davis will become Executive Chairman and Mr. Brown will become President and Chief Executive Officer of the combined company. In addition, Chris M. Harrison, James M. Anderson, and Karen B. Woods, current executive officers of MainSource, will continue as officers of First Financial following the closing of the merger.

The MainSource board of directors was aware of and considered those interests, among other matters, in reaching its decisions to approve the merger agreement and the transactions contemplated thereby and to recommend the adoption of the merger agreement to MainSource shareholders. See the section entitled The Merger—Interests of MainSource’s Directors and Executive Officers in the Merger beginning on page 79 of this joint proxy statement/prospectus for a more detailed description of these interests.

### **MainSource Shareholders WILL NOT Be Entitled To Assert Dissenters’ Rights (page 85)**

Under the Indiana Business Corporation Law (which we refer to as the IBCL ), which is the law under which MainSource is incorporated, the holders of MainSource common stock will not be entitled to any dissenters’ rights in connection with the merger.

For more information, see The Merger—Dissenters’ Rights in the Merger beginning on page 85.

### **Regulatory Approvals Required for the Merger (page 85)**

Subject to the terms of the merger agreement, both MainSource and First Financial have agreed to use their reasonable best efforts to obtain as promptly as practicable all regulatory approvals necessary or advisable to complete the transactions contemplated by the merger agreement and to comply with the terms and conditions of all such approvals. These approvals include approvals from, among others, the Board of Governors of the Federal Reserve System, which we refer to as the Federal Reserve Board, and the Ohio Division of Financial Institutions, which we refer to as the ODFI. First Financial and MainSource plan to file applications and notifications to obtain the required regulatory approvals.

Although neither MainSource nor First Financial knows of any reason why it cannot obtain these regulatory approvals in a timely manner, MainSource and First Financial cannot be certain when or if they will be obtained. For more information, see The Merger—Regulatory Approvals Required for the Merger beginning on page 85.

### **Conditions that Must Be Satisfied or Waived for the Merger to Occur (page 98)**

Each party’s obligation to complete the merger is subject to the satisfaction or waiver (to the extent permitted under applicable law) of certain conditions, including:

- the approval of the First Financial merger proposal by the requisite vote of First Financial shareholders;
- the approval of the MainSource merger proposal by the requisite vote of MainSource shareholders;
- the receipt of all required regulatory approvals and expiration or termination of all statutory waiting periods in respect thereof, each as described above;
- authorization for listing on NASDAQ of the shares of First Financial common stock to be issued in the merger;
- effectiveness of the registration statement on Form S-4 for the First Financial common stock to be issued in the merger;
-

the absence of any order, injunction, or other legal restraint preventing the completion of the merger or making the completion of the merger illegal;  
• subject to certain exceptions, the accuracy of the representations and warranties of each of First Financial and MainSource;  
• performance in all material respects by each of First Financial and MainSource of its obligations under the merger agreement; and  
• receipt by each of First Financial and MainSource of an opinion from its counsel to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code.

14

## **TABLE OF CONTENTS**

Neither MainSource nor First Financial can be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed. For more information, see The Merger Agreement—Conditions to Complete the Merger beginning on page 98.

### **Termination of the Merger Agreement (page 98)**

The merger agreement may be terminated at any time by First Financial or MainSource prior to the effective time of the merger under the following circumstances:

by mutual written consent;

if any governmental entity issues a final and nonappealable order permanently enjoining or otherwise prohibiting the consummation of the merger or the other transactions contemplated by the merger agreement;

by either party, if the merger is not consummated by October 31, 2018, unless the failure of the merger to be

consummated by that date is due to the failure of the party seeking to terminate the merger agreement to perform or observe its covenants and agreements under the merger agreement; and

subject to cure rights, if there shall have been a breach of any of the covenants or agreements, or any inaccuracy of

any of the representations or warranties of the other party, such that the conditions to the terminating party's obligations to complete the merger would not be satisfied.

In addition, the merger agreement may be terminated:

by MainSource if, prior to obtaining the approval of the First Financial shareholders of the First Financial merger proposal, the First Financial board of directors makes an adverse recommendation change or breaches its obligations with respect to calling a meeting of its shareholders or recommending that its shareholders adopt the merger agreement; or

by First Financial if, prior to obtaining the approval of the MainSource shareholders of the MainSource merger proposal, the MainSource board of directors makes an adverse recommendation change or breaches its obligations with respect to the non-solicitation of acquisition proposals, calling a meeting of its shareholders, or recommending that its shareholders adopt the merger agreement; or

by MainSource, in the event that (i) the volume-weighted average price of shares of First Financial common stock quoted on NASDAQ for the 20 consecutive trading days preceding the Determination Date (as defined below) (the

First Financial Average Closing Price ) is less than \$22.18 per share, and (ii) the First Financial Average Closing Price for such period underperforms the KBW Regional Banking Index by greater than 20%. If MainSource exercises its termination right described in the preceding sentence, First Financial will have the option to keep the merger agreement in full force and effect by increasing the exchange ratio to adjust for such decrease in market value. The merger agreement defines Determination Date as the latest of (i) the date on which all regulatory approvals (and waivers, if applicable) necessary for consummation of the merger have been received (disregarding any waiting period); or (ii) the date on which the shareholder approvals of both MainSource and First Financial have been received.

For more information, see The Merger Agreement—Termination of the Merger Agreement beginning on page 98.

### **Termination Fee (page 100)**

If the merger agreement is terminated under certain circumstances, including circumstances involving alternative acquisition proposals and changes in the recommendation of MainSource's board of directors, MainSource may be required to pay to First Financial a termination fee equal to \$40 million. This termination fee could discourage other companies from seeking to acquire or merge with MainSource. For more information, see The Merger Agreement—Termination Fee beginning on page 100.

### **Information About the Companies (page 41)**

*First Financial Bancorp.*

First Financial is an Ohio corporation, organized in 1982, that owns all of the outstanding shares of common stock of First Financial Bank. At June 30, 2017, First Financial had, on a consolidated basis, \$8.7 billion in



## TABLE OF CONTENTS

assets, \$5.9 billion in loans, \$6.5 billion in deposits, and shareholders' equity of \$0.9 billion. First Financial Bank, a growing full-service bank founded in 1863, is headquartered in Cincinnati, Ohio and is the principal bank subsidiary of First Financial. With \$8.7 billion in assets and 1,429 full-time equivalent employees as of June 30, 2017, First Financial Bank accounts for substantially all of First Financial's consolidated assets and results of operation. First Financial provides banking and financial services products through its four lines of business: Commercial and Private Banking, Retail Banking, Investment Commercial Real Estate, and Commercial Finance. These business units provide traditional banking services to business and retail clients including time and transaction deposit accounts, commercial loans, real estate loans, and consumer loans. Commercial and Private Banking includes First Financial Wealth Management, which provides wealth planning, portfolio management, trust and estate, brokerage, and retirement plan services.

First Financial's principal office is located at 255 East Fifth Street, Suite 700, Cincinnati, Ohio 45202, and its telephone number at that location is (877) 322-9530. First Financial's stock is traded on NASDAQ under the symbol FFBC. Additional information about First Financial and its subsidiaries is included in documents incorporated by reference in this joint proxy statement/prospectus. For more information, see Information About First Financial beginning on page 41 and Where You Can Find More Information beginning on page 124.

### *MainSource Financial Group, Inc.*

MainSource is an Indiana corporation, organized in 1993, that owns all of the outstanding shares of common stock of MainSource Bank, which was established on January 1, 1904. At June 30, 2017, MainSource had, on a consolidated basis, \$4.6 billion in assets, \$3.0 billion in loans, \$3.5 billion in deposits, and shareholders' equity of \$0.5 billion. MainSource Bank is headquartered in Greensburg, Indiana and is the principal bank subsidiary of MainSource. With \$4.6 billion in assets and 979 full-time equivalent employees as of June 30, 2017, MainSource Bank accounts for substantially all of MainSource's consolidated assets and results of operation. Within its geographic area, MainSource provides traditional banking products and services including time and transaction deposit accounts; consumer, commercial, agribusiness and real estate loans; corporate trust services; and other sophisticated financial products and services to business and retail clients.

MainSource's principal office is located at 2105 North State Road 3 Bypass, Greensburg, Indiana 47240, and its telephone number at that location is (812) 663-6734. MainSource's stock is traded on NASDAQ under the symbol MSFG. Additional information about MainSource and its subsidiaries is included in documents incorporated by reference in this joint proxy statement/prospectus. For more information, see Information About MainSource beginning on page 41 and Where You Can Find More Information beginning on page 124.

### **Risk Factors (page 25)**

You should consider all the information contained in or incorporated by reference into this joint proxy statement/prospectus in deciding how to vote for the proposals presented in the joint proxy statement/prospectus. In particular, you should consider the factors described under Risk Factors beginning on page 25.

TABLE OF CONTENTS**SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF FIRST FINANCIAL**

The following table summarizes selected historical consolidated financial data of First Financial for the periods and as of the dates indicated. This information has been derived from First Financial's consolidated financial statements filed with the SEC. Historical financial data as of and for the six months ended June 30, 2017 and June 30, 2016 are unaudited and include, in management's opinion, all normal recurring adjustments considered necessary to present fairly the results of operations and financial condition of First Financial. You should not assume the results of operations for past periods and for the six months ended June 30, 2017 and 2016 indicate results for any future period.

You should read this information in conjunction with First Financial's consolidated financial statements and related notes thereto included in First Financial's Annual Report on Form 10-K for the year ended December 31, 2016, and in First Financial's Quarterly Report on Form 10-Q for the six months ended June 30, 2017, which are incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information" beginning on page 124 of this proxy statement/prospectus.

	At or for the six months ended June 30,			At or for the twelve months ended December 31,			
<i>(Dollars in thousands, except share and per share data)</i>	2017	2016	2016	2015	2014	2013	2012
<b>Selected year-end balances:</b>							
Total assets	\$ 8,710,042	\$ 8,310,102	\$ 8,437,967	\$ 8,147,411	\$ 7,217,821	\$ 6,417,213	\$ 6,497,048
Earning assets	7,973,274	7,580,843	7,719,285	7,431,707	6,594,626	5,840,849	5,961,727
Investment securities <sup>(1)</sup>	2,048,132	1,835,721	1,854,201	1,970,626	1,761,090	1,798,300	1,874,343
Total loans and leases	5,873,765	5,701,213	5,757,482	5,388,760	4,777,235	3,963,514	3,927,180
FDIC indemnification asset	9,599	14,504	12,017	17,630	22,666	45,091	119,607
Interest-bearing demand deposits	1,496,173	1,436,078	1,513,771	1,414,291	1,225,378	1,125,723	1,160,815
Savings deposits	2,398,262	1,974,449	2,142,189	1,945,805	1,889,473	1,612,005	1,623,614
Time deposits	1,097,911	1,279,934	1,321,843	1,406,124	1,255,364	952,327	1,068,637
Noninterest-bearing demand deposits	1,476,563	1,429,163	1,547,985	1,413,404	1,285,527	1,147,452	1,102,774
Total deposits	6,468,909	6,119,624	6,525,788	6,179,624	5,655,742	4,837,507	4,955,840
Short-term borrowings	1,088,333	1,115,084	807,912	938,425	661,392	748,749	624,570
Long-term debt	119,669	119,596	119,589	119,540	48,241	60,780	75,202
Shareholders' equity	898,117	846,723	865,224	809,376	784,077	682,161	710,425
<b>Summary of operations:</b>							

Edgar Filing: FIRST FINANCIAL BANCORP /OH/ - Form S-4

Interest Income	\$	159,617	\$	149,978	\$	305,950	\$	269,759	\$	247,859	\$	245,208	\$	280,930
Tax equivalent adjustment <sup>(2)</sup>		2,519		2,110		4,215		4,017		3,224		2,142		1,055
Interest income tax – equivalent <sup>(2)</sup>		162,136		152,088		310,165		273,776		251,083		247,350		281,985
Interest expense		22,165		16,291		33,279		23,257		19,234		16,888		27,589
<b>Net interest income tax – equivalent<sup>(2)</sup></b>	\$	139,971	\$	135,797	\$	276,886	\$	250,519	\$	231,849	\$	230,462	\$	254,396
Interest income	\$	159,617	\$	149,978	\$	305,950	\$	269,759	\$	247,859	\$	245,208	\$	280,930
Interest expense		22,165		16,291		33,279		23,257		19,234		16,888		27,589
<b>Net interest income</b>		137,452		133,687		272,671		246,502		228,625		228,320		253,341
Provision for loan and lease losses		834		5,692		10,140		9,641		1,528		8,909		50,020
Noninterest income		34,818		35,706		69,601		75,202		63,965		73,647		122,421
Noninterest expenses		102,601		100,133		201,401		201,130		196,034		225,475		221,997
Income before income taxes		68,835		63,568		130,731		110,933		95,028		67,583		103,745
Income tax expense		21,685		21,186		42,205		35,870		30,028		19,234		36,442
<b>Net Income</b>	\$	47,150	\$	42,382	\$	88,526	\$	75,063	\$	65,000	\$	48,349	\$	67,303
<b>Per Share Data:</b>														
<b>Earnings per common share</b>														
Basic	\$	0.77	\$	0.69	\$	1.45	\$	1.23	\$	1.11	\$	0.84	\$	1.16
Diluted	\$	0.76	\$	0.68	\$	1.43	\$	1.21	\$	1.09	\$	0.83	\$	1.14
<b>Cash dividends declared per common share</b>														
	\$	0.34	\$	0.32	\$	0.64	\$	0.64	\$	0.61	\$	0.94	\$	1.18
Average common shares outstanding-basic (in thousands)		61,471,347		61,115,525		61,206,093		61,062,657		58,662,836		57,270,233		57,876,685
Average common shares outstanding-diluted (in thousands)		62,187,473		61,912,366		61,985,422		61,847,547		59,392,667		58,073,054		58,868,792

TABLE OF CONTENTS

	At or for the six months ended June 30,			At or for the twelve months ended December 31,			
<i>(Dollars in thousands, except share and per share data)</i>	2017	2016	2016	2015	2014	2013	2012
<b>Selected Financial Ratios:</b>							
Average loans to average deposits <sup>(3)</sup>	88.58 %	88.29 %	89.33 %	84.00 %	83.20 %	82.12 %	75.66 %
Net charge-offs to average loans and leases	0.14 %	0.09 %	0.10 %	0.18 %	0.27 %	0.99 %	1.34 %
Average shareholders' equity to average total assets	10.36 %	10.16 %	10.24 %	10.73 %	10.75 %	11.17 %	11.30 %
Return on average assets	1.12 %	1.04 %	1.07 %	1.00 %	0.96 %	0.77 %	1.07 %
Return on average equity	10.80 %	10.27 %	10.48 %	9.33 %	8.94 %	6.89 %	9.43 %
Net interest margin	3.56 %	3.62 %	3.62 %	3.60	3.71 %	3.97 %	4.37 %
Net interest margin (tax equivalent basis) <sup>(2)</sup>	3.63 %	3.67 %	3.68 %	3.66 %	3.76 %	4.01 %	4.39 %
Dividend payout	44.16 %	46.38 %	44.14 %	52.03 %	54.95 %	111.90 %	101.72 %
<b>Capital Ratios:</b>							
Leverage ratio	8.69 %	8.38 %	8.60 %	8.33 %	9.44 %	10.11 %	10.25 %
Tier 1 risk-based capital ratio	10.54 %	10.07 %	10.46 %	10.29 %	12.69 %	14.61 %	16.32 %
Total risk-based capital ratio	13.05 %	12.70 %	13.10 %	13.04 %	13.71 %	15.88 %	17.60 %
Average tangible equity to average tangible assets	8.09 %	7.78 %	7.89 %	8.13 %	8.79 %	9.72 %	9.83 %
<b>Asset Quality Ratios:</b>							
Allowance for loan and lease losses to							
Nonaccrual loans	150.05 %	254.56 %	326.91 %	190.73 %	109.06 %	116.55 %	73.46 %
Nonperforming loans	96.77 %	112.74 %	120.83 %	93.89 %	82.08 %	83.17 %	62.95 %
Total ending loans	0.93 %	0.99 %	1.01 %	0.99 %	1.11 %	1.25 %	1.50 %
Nonperforming loans to total loans	0.97 %	0.88 %	0.83 %	1.06 %	1.35 %	1.50 %	2.39 %
Nonperforming assets to							
Ending loans, plus OREO	1.07 %	1.04 %	0.94 %	1.30 %	1.81 %	2.06 %	2.77 %
Total assets	0.72 %	0.72 %	0.64 %	0.86 %	1.21 %	1.13 %	1.36 %
Nonperforming assets, excluding accruing TDRs to							
Ending loans, plus OREO	0.72 %	0.55 %	0.42 %	0.76 %	1.48 %	1.63 %	2.43 %
Total assets	0.49 %	0.38 %	0.28 %	0.51 %	0.99 %	0.89 %	1.19 %
Classified assets to total assets	1.13 %	1.72 %	1.48 %	1.63 %	2.14 %	1.72 %	1.99 %

(1) Includes investment securities held-to-maturity, investment securities available-for-sale, investment securities trading, and other investments.

(2) Tax equivalent basis was calculated using a 35.00% tax rate in all years presented.

(3) Includes covered loans and loans held for sale.

TABLE OF CONTENTS**SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF MAINSOURCE**

The following table summarizes selected historical consolidated financial data of MainSource for the periods and as of the dates indicated. This information has been derived from MainSource's consolidated financial statements filed with the SEC. Historical financial data as of and for the six months ended June 30, 2017 and June 30, 2016 are unaudited and include, in management's opinion, all normal recurring adjustments considered necessary to present fairly the results of operations and financial condition of MainSource. You should not assume the results of operations for past periods and for the six months ended June 30, 2017 and 2016 indicate results for any future period.

You should read this information in conjunction with MainSource's consolidated financial statements and related notes thereto included in MainSource's Annual Report on Form 10-K for the year ended December 31, 2016, and in MainSource's Quarterly Report on Form 10-Q for the six months ended June 30, 2017, which are incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information" beginning on page 124 of this proxy statement/prospectus.

	At or for the six months ended June 30,			At or for the twelve months ended December 31,			
<i>(Dollars in thousands, except share and per share data)</i>	2017	2016	2016	2015	2014	2013	2012
<b>Selected year-end balances:</b>							
Total assets	\$ 4,589,556	\$ 3,994,584	\$ 4,080,257	\$ 3,385,408	\$ 3,122,516	\$ 2,847,209	\$ 2,769,288
Earning assets – EOP	4,147,605	3,628,773	3,706,119	3,112,938	2,851,399	2,590,154	2,495,938
Investment securities <sup>(1)</sup>	1,079,555	1,032,380	1,007,540	925,279	867,760	891,106	902,341
Total loans and leases	3,028,686	2,548,803	2,651,673	2,155,392	1,957,765	1,671,926	1,553,383
FDIC indemnification asset	—	—	—	—	—	—	—
Interest-bearing demand deposits	1,274,062	1,179,926	1,163,010	1,084,786	1,054,780	884,128	855,049
Savings deposits	863,537	757,506	749,391	599,729	559,761	501,494	470,265
Time deposits	535,274	484,273	431,311	324,821	340,387	378,456	454,573
Noninterest-bearing demand deposits	849,470	677,654	767,159	641,439	513,393	436,550	405,167
Total deposits	3,522,343	3,099,359	3,110,871	2,650,775	2,468,321	2,200,628	2,185,054
Short-term borrowings	210,338	130,946	209,672	28,363	26,349	38,594	34,519
Long-term debt	318,126	291,047	290,897	310,727	255,652	294,252	191,470
Shareholders' equity	516,424	453,782	449,494	381,360	360,662	305,526	323,751

**Summary of operations:**

Interest Income	\$	74,408	\$	59,616	\$	128,327	\$	111,110	\$	103,095	\$	101,279	\$	108,768
Tax equivalent adjustment <sup>(2)</sup>		3,932		3,676		7,410		7,214		6,736		7,010		6,972
Interest income tax – equivalent <sup>(2)</sup>		78,340		63,292		135,737		118,324		109,831		108,289		115,740
Interest expense		6,610		5,046		10,726		8,385		8,607		9,979		14,686

**Net interest income tax – equivalent<sup>(2)</sup>**

	\$	71,730	\$	58,246	\$	125,011	\$	109,939	\$	101,224	\$	98,310	\$	101,054
Interest income	\$	74,408	\$	59,616	\$	128,327	\$	111,110	\$	103,095	\$	101,279	\$	108,768
Interest expense		6,610		5,046		10,726		8,385		8,607		9,979		14,686

**Net interest income**

		67,798		54,570		117,601		102,725		94,488		91,300		94,082
Provision for loan and lease losses		100		705		1,705		1,625		1,500		4,534		9,850
Noninterest income		26,527		25,327		52,612		50,272		43,007		43,129		43,891
Noninterest expenses		65,864		60,254		118,048		105,597		99,220		98,231		94,838
Income before income taxes		28,361		18,938		50,460		45,775		36,775		31,664		33,285
Income tax expense		6,634		4,055		12,137		10,233		7,779		5,319		6,027
<b>Net Income</b>	\$	21,727	\$	14,883	\$	38,323	\$	35,542	\$	28,996	\$	26,345	\$	27,258

**Per share data:****Earnings per common share**

Basic	\$	0.88	\$	0.67	\$	1.66	\$	1.64	\$	1.40	\$	1.26	\$	1.31
Diluted		0.87		0.66		1.64		1.62		1.39		1.26		1.30

**Cash dividends declared per common share**

	\$	0.33	\$	0.30	\$	0.61	\$	0.54	\$	0.42	\$	0.28	\$	0.08
--	----	------	----	------	----	------	----	------	----	------	----	------	----	------

Average common shares outstanding – basic (in thousands)

	24,631,354	22,165,535	23,105,317	21,637,775	20,706,688	20,375,365	20,265,761
--	------------	------------	------------	------------	------------	------------	------------

Average common shares outstanding – diluted (in thousands)

	25,031,865	22,441,142	23,431,355	21,909,370	20,854,068	20,432,852	20,324,657
--	------------	------------	------------	------------	------------	------------	------------

TABLE OF CONTENTS

	At or for the six months ended June 30,			At or for the twelve months ended December 31,			
<i>(Dollars in thousands, except share and per share data)</i>	2017	2016	2016	2015	2014	2013	2012
<b>Selected Financial Ratios:</b>							
Average loans to average deposits <sup>(3)</sup>	85.18 %	80.95 %	81.86 %	78.52 %	76.31 %	72.46 %	71.76 %
Net charge-offs to average loans and leases	0.02 %	0.11 %	0.05 %	0.14 %	0.33 %	0.57 %	1.13 %
Average shareholders' equity to average total assets	11.29 %	11.38 %	11.36 %	11.46 %	11.27 %	11.32 %	12.12 %
Return on average assets	1.04 %	0.85 %	1.01 %	1.10 %	0.99 %	0.95 %	0.99 %
Return on average equity	9.19 %	7.45 %	8.93 %	9.56 %	8.81 %	8.35 %	8.15 %
Net interest margin	3.56 %	3.41 %	3.44 %	3.49 %	3.56 %	3.63 %	3.79 %
Net interest margin (tax equivalent basis) <sup>(2)</sup>	3.76 %	3.64 %	3.65 %	3.74 %	3.82 %	3.91 %	4.07 %
Dividend payout	37.50 %	44.78 %	36.75 %	32.93 %	30.00 %	22.22 %	6.11 %
<b>Capital Ratios:</b>							
Leverage ratio	9.74 %	10.30 %	9.80 %	10.20 %	10.20 %	10.10 %	10.40 %
Tier 1 risk-based capital ratio	12.62 %	13.70 %	13.90 %	14.50 %	14.90 %	15.40 %	16.50 %
Total risk-based capital ratio	13.30 %	14.50 %	14.70 %	15.50 %	16.00 %	16.70 %	17.80 %
Average tangible equity to average tangible assets	8.35 %	9.22 %	9.05	9.26 %	9.06 %	9.03 %	9.87 %
<b>Asset Quality Ratios</b>							
Allowance for loan and lease losses to							
Nonaccrual loans	114.77 %	132.56 %	142.33 %	171.46 %	171.01 %	123.58 %	90.91 %
Nonperforming loans	114.77 %	131.54 %	125.39 %	171.46 %	171.01 %	123.50 %	89.48 %
Total ending loans	0.74 %	0.84 %	0.85 %	1.02 %	1.19 %	1.65 %	2.07 %
Nonperforming loans to total loans	0.64 %	0.64 %	0.68 %	0.60 %	0.69 %	1.34 %	2.32 %
Nonperforming assets to							
Ending loans, plus OREO	0.81 %	0.90 %	0.87 %	0.83 %	1.61 %	1.83 %	3.70 %
Total assets	0.54 %	0.58 %	0.57 %	0.53 %	1.00 %	1.07 %	2.09 %
Nonperforming assets, excluding accruing TDRs to							
Ending loans, plus OREO	0.71 %	0.76 %	0.75 %	0.69 %	0.83 %	1.58 %	2.74 %
Total assets	0.47 %	0.49 %	0.49 %	0.44 %	0.52 %	0.93 %	1.54 %
Classified assets to total assets	0.93 %	1.04 %	0.94 %	0.65 %	1.26 %	1.89 %	2.58 %

(1) Includes investment securities held-to-maturity, investment securities available-for-sale, investment securities trading, and other investments.



(2) Tax equivalent basis was calculated using a 35.00% tax rate in all years presented.

(3) Includes covered loans and loans held for sale.

TABLE OF CONTENTS**SELECTED UNAUDITED PRO FORMA FINANCIAL DATA**

The following table shows selected unaudited pro forma condensed combined financial information about the financial condition and results of operations of First Financial giving effect to the merger with MainSource. The selected unaudited pro forma condensed combined financial information assumes that the merger is accounted for under the acquisition method of accounting, with First Financial treated as the acquirer. Under the acquisition method of accounting, the assets and liabilities of MainSource, as of the effective date of the merger, will be recorded by First Financial at their respective estimated fair values, and the excess of the merger consideration over the fair value of MainSource's net assets will be allocated to goodwill.

The pro forma financial condition data set forth in the table below assumes that the transactions became effective on June 30, 2017. The accompanying unaudited pro forma condensed combined income statement for the periods ended December 31, 2016 and June 30, 2017 present the pro forma results of operations of First Financial giving effect to the merger as if it became effective on January 1, 2016. The unaudited pro forma condensed combined balance sheet information as of June 30, 2017 gives effect to the merger as if it occurred on June 30, 2017, and combines the historical balance sheets of First Financial and MainSource as of June 30, 2017. The selected unaudited pro forma condensed combined financial data has been derived from, and should be read in conjunction with, the unaudited pro forma condensed combined financial information, including the notes thereto, which is included in this joint proxy statement/prospectus under Unaudited Pro Forma Condensed Combined Financial Statements.

The selected unaudited pro forma condensed combined financial information is presented for illustrative purposes only and does not necessarily indicate the financial results of the combined companies had the companies actually been combined at the beginning of the period presented. The selected unaudited pro forma condensed combined financial information also does not consider any potential impacts of current market conditions on revenues, potential revenue enhancements, anticipated cost savings and expense efficiencies, or asset dispositions, among other factors. Further, as explained in more detail in the notes accompanying the more detailed unaudited pro forma condensed combined financial information included under Unaudited Pro Forma Condensed Combined Financial Information, the pro forma allocation of the purchase price reflected in the selected unaudited pro forma condensed combined financial information is subject to adjustment and may vary from the actual purchase price allocation that will be recorded at the time the merger is completed. Additionally, the adjustments made in the unaudited pro forma condensed financial information, which are described in the notes thereto, are preliminary and may be revised.

**Selected Unaudited Pro Forma Financial Data**

	<b>For the six months ended June 30, 2017</b>	<b>For the year ended December 31, 2016</b>
<i>(Dollars in thousands, except per share data)</i>		
Unaudited Pro Forma Condensed Combined Income Statement Information		
Net interest income	\$ 204,518	\$ 387,725
Provision for loan and lease losses	834	10,140
Income before income taxes	92,591	170,132
Net income	65,884	119,661
	<b>As of June 30, 2017</b>	

Unaudited Pro Forma Condensed Combined Balance Sheet Information

Loans and leases, net	\$ 8,818,392
Total assets	13,806,092
Deposits	9,987,298
Total shareholders' equity	1,913,682

TABLE OF CONTENTS**COMPARATIVE HISTORICAL AND UNAUDITED PRO FORMA PER SHARE DATA**

Presented below are First Financial's historical per share data for the six months ended June 30, 2017, as derived from unaudited financial statements of First Financial, and MainSource's historical per share data for the six months ended June 30, 2017, as derived from unaudited financial statements of MainSource. The pro forma combined per share data for the six months ended June 30, 2017 and the per equivalent MainSource share information provided in the table below is unaudited. The unaudited pro forma data and equivalent per share information give effect to the merger as if the transaction had been effective on the dates presented, in the case of the book value data, and as if the transactions had become effective on June 30, 2017 in the case of the earnings per share and dividends declared data. This information should be read together with the historical consolidated financial statements and related notes of First Financial and MainSource filed by each with the SEC, and incorporated by reference in this document, and with the unaudited pro forma condensed combined financial statements included under Unaudited Pro Forma Condensed Combined Financial Statements.

The unaudited pro forma financial information is presented for illustrative purposes only and does not necessarily indicate the financial results of the combined companies had the companies actually been combined at the beginning of the period presented. The unaudited pro forma financial information also does not consider any potential impacts of current market conditions on revenues, potential revenue enhancements, anticipated cost savings and expense efficiencies, or asset dispositions, among other factors.

	<b>First Historical</b>	<b>MainSource Historical</b>	<b>Pro Forma Combined</b>	<b>Per Equivalent MainSource Share<sup>(3)</sup></b>
<b>For the six months ended June 30, 2017:</b>				
Basic earnings per common share <sup>(1)</sup>	\$ 0.77	\$ 0.88	\$ 0.69	\$ 0.96
Diluted earnings per share <sup>(1)</sup>	0.76	0.87	0.68	0.94
Cash dividends declared per common share <sup>(2)</sup>	0.34	0.33	0.34	0.47
<b>Tangible book value per share as of June 30, 2017</b>	11.07	14.34	10.67	14.81
<b>Book value per share as of June 30, 2017</b>	14.45	20.19	19.60	27.20

Pro forma combined earnings per share data excludes the impact of anticipated cost savings (refer to Note 4 below (1) in Notes to Unaudited Pro Forma Condensed Combined Financial Information) and potential revenue enhancements that may be realized through the merger.

(2) Pro forma combined cash dividends declared are based upon First Financial's historical amounts.

(3) Pro forma per equivalent MainSource share information is calculated based on pro forma combined multiplied by the 1.3875 exchange ratio.

## TABLE OF CONTENTS

### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

Some of the statements contained or incorporated by reference in this joint proxy statement/prospectus are forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 giving First Financial's or MainSource's expectations or predictions of future financial or business performance or conditions.

Forward-looking statements are typically identified by words such as believe, expect, anticipate, intend, target, estimate, continue, positions, projections, prospects, or potential, by future conditional verbs such as will, should, could, or may, or by variations of such words or by similar expressions. Such forward-looking statements include, but are not limited to, statements about the benefits of the merger or the bank merger, including future financial and operating results of First Financial, MainSource, or the combined company following the merger, the combined company's plans, objectives, expectations, and intentions, the expected timing of the completion of the merger, financing plans and the availability of capital, the likelihood of success and impact of litigation, and other statements that are not historical facts. These statements are only predictions based on First Financial's and MainSource's current expectations and projections about future events. There are important factors that could cause First Financial's and MainSource's actual results, level of activity, performance, or achievements to differ materially from the results, level of activity, performance, or achievements expressed or implied by the forward-looking statements. In particular, you should consider the numerous risks and uncertainties described in the section entitled Risk Factors beginning on page 25.

These forward-looking statements are subject to numerous assumptions, risks, and uncertainties which change over time. In addition to factors previously disclosed in First Financial's and MainSource's reports filed with the SEC, the following factors, among others, could cause actual results to differ materially from forward-looking statements:

- the inability to close the merger and the bank merger in a timely manner;
- the failure to complete the merger due to the failure of First Financial or MainSource shareholders to approve the First Financial or MainSource merger proposals;
- failure to obtain applicable regulatory approvals and meet other closing conditions to the merger on the expected terms and schedule;
- the potential impact of announcement or consummation of the proposed merger with MainSource on relationships with third parties, including customers, employees, and competitors;
- business disruption following the merger;
- difficulties and delays in integrating the First Financial and MainSource businesses or fully realizing cost savings and other benefits;
- First Financial's potential exposure to unknown or contingent liabilities of MainSource;
- the impact of the combined company exceeding \$10 billion in assets;
- the challenges of integrating, retaining, and hiring key personnel;
- failure to attract new customers and retain existing customers in the manner anticipated;
- the outcome of pending or threatened litigation, or of matters before regulatory agencies, whether currently existing or commencing in the future, including litigation related to the merger;
- any interruption or breach of security resulting in failures or disruptions in customer account management, general ledger, deposit, loan, or other systems;
- changes in First Financial's stock price before closing, including as a result of the financial performance of MainSource prior to closing;
- operational issues stemming from, and/or capital spending necessitated by, the potential need to adapt to industry changes in information technology systems, on which First Financial and MainSource are highly dependent;

## TABLE OF CONTENTS

changes in legislation, regulation, policies, or administrative practices, whether by judicial, governmental, or legislative action, including, but not limited to, the Dodd-Frank Wall Street Reform and Consumer Protection Act, which we refer to as the Dodd-Frank Act, and other changes pertaining to banking, securities, taxation, rent regulation and housing, financial accounting and reporting, environmental protection, and insurance, and the ability to comply with such changes in a timely manner;

changes in the monetary and fiscal policies of the U.S. Government, including policies of the U.S. Department of the Treasury and the Federal Reserve Board;

changes in interest rates, which may affect First Financial's or MainSource's net income, prepayment penalty income, mortgage banking income, and other future cash flows, or the market value of First Financial's or MainSource's assets, including its investment securities;

changes in accounting principles, policies, practices, or guidelines;

changes in First Financial's credit ratings or in First Financial's ability to access the capital markets;

natural disasters, war, or terrorist activities; and

other economic, competitive, governmental, regulatory, technological, and geopolitical factors affecting First Financial's or MainSource's operations, pricing, and services.

Additionally, the timing and occurrence or non-occurrence of events may be subject to circumstances beyond First Financial's or MainSource's control.

For any forward-looking statements made in this joint proxy statement/prospectus or in any documents incorporated by reference into this joint proxy statement/prospectus, First Financial and MainSource claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this joint proxy statement/prospectus or the date of the applicable document incorporated by reference in this joint proxy statement/prospectus. Except to the extent required by applicable law, First Financial and MainSource do not undertake to update forward-looking statements to reflect facts, circumstances, assumptions, or events that occur after the date the forward-looking statements are made. All written and oral forward-looking statements concerning the merger or other matters addressed in this joint proxy statement/prospectus and attributable to First Financial, MainSource, or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this joint proxy statement/prospectus.

## TABLE OF CONTENTS

### **RISK FACTORS**

*In addition to general investment risks and the other information contained in or incorporated by reference into this joint proxy statement/prospectus, including the matters addressed under the section Cautionary Statement Regarding Forward-Looking Statements, you should carefully consider the following risk factors in deciding how to vote for the proposals presented in this joint proxy statement/prospectus. You should also consider the other information in this joint proxy statement/prospectus and the other documents incorporated by reference into this joint proxy statement/prospectus. Please see Where You Can Find More Information.*

#### **Risks Related to the Merger and First Financial's Business Upon Completion of the Merger**

***Because the market price of First Financial common stock will fluctuate, MainSource shareholders cannot be certain of the market value of the merger consideration they will receive.***

Upon completion of the merger, each outstanding share of MainSource common stock (except for shares of MainSource common stock owned by MainSource as treasury stock or owned by MainSource or First Financial or a subsidiary of either (in each case other than in a fiduciary or agency capacity or as a result of debts previously contracted)) will be converted into 1.3875 shares of First Financial common stock. The market value of the merger consideration will vary from the closing price of First Financial common stock on the date First Financial and MainSource announced the merger, on the date that this joint proxy statement/prospectus is mailed to MainSource shareholders, on the date of the special meeting of the MainSource shareholders, and on the date the merger is completed. Any change in the market price of First Financial common stock prior to the completion of the merger will affect the market value of the merger consideration that MainSource shareholders will receive upon completion of the merger, and there will be no adjustment to the merger consideration for changes in the market price of either shares of First Financial common stock or shares of MainSource common stock.

The market price of First Financial's common stock could be subject to significant fluctuations due to changes in sentiment in the market regarding First Financial's operations or business prospects, including market sentiment regarding First Financial's entry into the merger agreement. These risks may be affected by:

- operating results that vary from the expectations of First Financial's management or of securities analysts and investors;
- developments in First Financial's business or in the financial services sector generally;
- regulatory or legislative changes affecting First Financial's industry generally or its business and operations;
- operating and securities price performance of companies that investors consider to be comparable to First Financial;
- changes in estimates or recommendations by securities analysts or rating agencies;
- announcements of strategic developments, acquisitions, dispositions, financings, and other material events by First Financial or its competitors; and
- changes in global financial markets and economies and general market conditions, such as interest or foreign exchange rates, stock, commodity, credit, or asset valuations or volatility.

Therefore, at the time of the MainSource special meeting, you will not know the precise market value of the consideration you will receive at the effective time of the merger. You should obtain current market quotations for shares of First Financial common stock and for shares of MainSource common stock.

***The market price of First Financial common stock after the merger may be affected by factors different from those affecting the shares of MainSource or First Financial currently.***

Upon completion of the merger, holders of MainSource common stock will become holders of First Financial common stock. First Financial's business differs in important respects from that of MainSource, and, accordingly, the

results of operations of the combined company and the market price of First Financial common stock after the completion of the merger may be affected by factors different from those currently affecting the independent results of operations of each of First Financial and MainSource. For a discussion of the businesses of First Financial and MainSource and of some important factors to consider in connection with those businesses, see the documents incorporated by reference in this joint proxy statement/prospectus and referred to under [Where You Can Find More Information](#).



## TABLE OF CONTENTS

***Regulatory approvals may not be received, may take longer than expected, or may impose conditions that are not presently anticipated or that could have an adverse effect on the combined company following the merger.***

Before the merger and the bank merger may be completed, First Financial and MainSource must obtain approvals from the Federal Reserve Board and the ODFI. Other approvals, waivers, or consents from regulators may also be required. In determining whether to grant these approvals, the regulators consider a variety of factors, including the regulatory standing of each party and the factors described under The Merger—Regulatory Approvals Required for the Merger. An adverse development in either party's regulatory standing or these factors could result in an inability to obtain approval or delay their receipt. These regulators may impose conditions on the completion of the merger or the bank merger or require changes to the terms of the merger or the bank merger. Such conditions or changes could have the effect of delaying or preventing completion of the merger or the bank merger or imposing additional costs on or limiting the revenues of the combined company following the merger and the bank merger, any of which might have an adverse effect on the combined company following the merger. See The Merger—Regulatory Approvals Required for the Merger.

In a recent approval order, the Federal Reserve Board has stated that if material weaknesses are identified by examiners before a banking organization applies to engage in expansionary activity, the Federal Reserve Board will not in the future allow the application to remain pending while the banking organization addresses its weaknesses. The Federal Reserve Board explained that, in the future, if issues arise during the processing of an application, it will require the applicant banking organization to withdraw its application pending resolution of any supervisory concerns. Accordingly, if there is an adverse development in either party's regulatory standing, First Financial may be required to withdraw some or all of the applications for approval of the proposed mergers and, if possible, resubmit it after the applicable supervisory concerns have been resolved. See The Merger—Regulatory Approvals Required for the Merger.

***The success of the merger and integration of First Financial and MainSource will depend on a number of uncertain factors.***

The success of the merger will depend on a number of factors, including, without limitation:

- First Financial's ability to integrate the branches acquired from MainSource Bank in the merger (which we refer to as the acquired branches) into First Financial Bank's current operations;
- First Financial's ability to limit the outflow of deposits held by its new customers in the acquired branches and to successfully retain and manage interest-earning assets (i.e., loans) acquired in the merger;
- First Financial's ability to control the incremental non-interest expense from the acquired branches in a manner that enables it to maintain a favorable overall efficiency ratio;
- First Financial's ability to retain and attract the appropriate personnel to staff the acquired branches; and
- First Financial's ability to earn acceptable levels of interest and non-interest income, including fee income, from the acquired branches.

Integrating the acquired branches will be an operation of substantial size and expense and may be affected by general market and economic conditions or government actions affecting the financial industry generally. Integration efforts will also likely divert First Financial's management's attention and resources. No assurance can be given that First Financial will be able to integrate the acquired branches successfully, and the integration process could result in the loss of key employees, the disruption of ongoing business, or inconsistencies in standards, controls, procedures, and policies that adversely affect First Financial's ability to maintain relationships with clients, customers, depositors and employees or to achieve the anticipated benefits of the merger. First Financial may also encounter unexpected difficulties or costs during the integration that could adversely affect its earnings and financial condition, perhaps materially. Additionally, no assurance can be given that the operation of the acquired branches will not adversely affect First Financial's existing profitability, that First Financial will be able to achieve results in the future similar to those achieved by its existing banking business, or that First Financial will be able to manage any growth resulting

from the merger effectively.

## TABLE OF CONTENTS

***Combining First Financial and MainSource may be more difficult, costly, or time consuming than expected and the anticipated benefits and cost savings of the merger may not be realized.***

First Financial and MainSource have operated and, until the completion of the merger, will continue to operate, independently. The success of the merger, including anticipated benefits and cost savings, will depend, in part, on First Financial's ability to successfully combine and integrate the businesses of First Financial and MainSource in a manner that permits growth opportunities and does not materially disrupt the existing customer relations nor result in decreased revenues due to loss of customers. It is possible that the integration process could result in the loss of key employees, the disruption of either company's ongoing businesses, or inconsistencies in standards, controls, procedures and policies that adversely affect the combined company's ability to maintain relationships with clients, customers, depositors and employees, or to achieve the anticipated benefits and cost savings of the merger. The loss of key employees could adversely affect First Financial's ability to successfully conduct its business, which could have an adverse effect on First Financial's financial results and the value of its common stock. If First Financial experiences difficulties with the integration process, the anticipated benefits of the merger may not be realized fully or at all, or may take longer to realize than expected. As with any merger of financial institutions, there also may be business disruptions that cause First Financial and/or MainSource to lose customers or cause customers to remove their accounts from First Financial and/or MainSource and move their business to competing financial institutions. Integration efforts between the two companies will also divert management attention and resources. These integration matters could have an adverse effect on each of MainSource and First Financial during this transition period and for an undetermined period after completion of the merger on the combined company. In addition, the actual cost savings of the merger could be less than anticipated.

***The combined company may be unable to retain First Financial and/or MainSource personnel successfully after the merger is completed.***

The success of the merger will depend in part on the combined company's ability to retain the talents and dedication of key employees currently employed by First Financial and MainSource. It is possible that these employees may decide not to remain with First Financial or MainSource, as applicable, while the merger is pending or with the combined company after the merger is consummated. If key employees terminate their employment, or if an insufficient number of employees is retained to maintain effective operations, the combined company's business activities may be adversely affected and management's attention may be diverted from successfully integrating MainSource to hiring suitable replacements, all of which may cause the combined company's business to suffer. In addition, First Financial and MainSource may not be able to locate suitable replacements for any key employees who leave either company, or to offer employment to potential replacements on reasonable terms.

***The unaudited pro forma condensed combined financial statements included in this document are preliminary and the actual financial condition and results of operations of First Financial after the merger may differ materially.***

The unaudited pro forma condensed combined financial statements in this document are presented for illustrative purposes only and are not necessarily indicative of what First Financial's actual financial condition or results of operations would have been had the merger been completed on the dates indicated. The unaudited pro forma condensed combined financial statements reflect adjustments, which are based upon preliminary estimates, to record the MainSource identifiable assets acquired and liabilities assumed at fair value and the resulting goodwill recognized. The purchase price allocation reflected in this document is preliminary, and final allocation of the purchase price will be based upon the actual purchase price and the fair value of the assets and liabilities of MainSource as of the date of the completion of the merger. Accordingly, the final acquisition accounting adjustments may differ materially from the pro forma adjustments reflected in this document. For more information, please see Unaudited Pro Forma Condensed Combined Financial Statements beginning on page 104.

***Certain of MainSource's directors and executive officers have interests in the merger that may differ from the interests of MainSource's shareholders.***

MainSource's shareholders should be aware that some of MainSource's directors and executive officers have interests in the merger and have arrangements that are different from, or in addition to, those of MainSource's shareholders generally. MainSource's board of directors was aware of these interests and considered these interests, among other matters, when making its decision to approve the merger agreement, and in recommending that MainSource's shareholders vote in favor of adopting the merger agreement.

## TABLE OF CONTENTS

For a more complete description of these interests, please see The Merger—Interests of MainSource's Directors and Executive Officers in the Merger.

### ***Termination of the merger agreement could negatively impact MainSource or First Financial.***

If the merger agreement is terminated, there may be various consequences. For example, MainSource's or First Financial's businesses may have been impacted adversely by the failure to pursue other beneficial opportunities due to the focus of management on the merger, without realizing any of the anticipated benefits of completing the merger. Additionally, if the merger agreement is terminated, the market price of MainSource's or First Financial's common stock could decline to the extent that the current market prices reflect a market assumption that the merger will be completed. If the merger agreement is terminated under certain circumstances, MainSource may be required to pay to First Financial a termination fee of \$40 million.

### ***MainSource and First Financial will be subject to business uncertainties and contractual restrictions while the merger is pending.***

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on MainSource or First Financial. These uncertainties may impair MainSource's or First Financial's ability to attract, retain, and motivate key personnel until the merger is completed, and could cause customers and others that deal with MainSource or First Financial to seek to change existing business relationships with MainSource or First Financial. Retention of certain employees by MainSource or First Financial may be challenging while the merger is pending, as certain employees may experience uncertainty about their future roles with the combined company. If key employees depart because of issues relating to the uncertainty and difficulty of integration, or a desire not to remain with MainSource or First Financial, MainSource's business or First Financial's business could be harmed. In addition, subject to certain exceptions, each of First Financial and MainSource has agreed to operate its business in the ordinary course prior to closing. See The Merger Agreement—Covenants and Agreements for a description of the restrictive covenants applicable to MainSource and First Financial.

### ***If the merger is not completed, First Financial and MainSource will have incurred substantial expenses without realizing the expected benefits of the merger.***

Each of First Financial and MainSource has incurred and will incur substantial expenses in connection with the negotiation and completion of the transactions contemplated by the merger agreement, as well as the costs and expenses of filing, printing, and mailing this joint proxy statement/prospectus, and all filing and other fees paid to the SEC in connection with the merger. If the merger is not completed, First Financial and MainSource would have to recognize these expenses without realizing the expected benefits of the merger.

The merger agreement limits MainSource's ability to pursue acquisition proposals and requires MainSource to pay a termination fee to First Financial of \$40 million under limited circumstances, including circumstances relating to acquisition proposals. Additionally, certain provisions of the First Financial and MainSource amended and restated articles of incorporation, amended and restated regulations, and amended and restated bylaws (referenced throughout this joint proxy statement/prospectus as articles of incorporation, regulations, and bylaws) may deter potential acquirers.

The merger agreement prohibits MainSource from initiating, soliciting, knowingly encouraging, or knowingly facilitating certain third-party acquisition proposals. See The Merger Agreement—Agreement Not to Solicit Other Offers. The merger agreement also provides that MainSource will be required to pay a termination fee in the amount of \$40 million in the event that the merger agreement is terminated under certain circumstances, including a change of recommendation by MainSource's board of directors. See The Merger Agreement—Termination Fee. These provisions

might discourage a potential competing acquirer that might have an interest in acquiring all or a significant part of MainSource from considering or proposing such an acquisition. Certain provisions of the MainSource or First Financial articles of incorporation, regulations, or bylaws, or of the IBCL or OGCL, as applicable, could make it more difficult for a third-party to acquire control of MainSource or First Financial and may discourage a potential competing acquirer.

***The shares of First Financial common stock to be received by MainSource shareholders as a result of the merger will have different rights from the shares of MainSource common stock.***

Upon completion of the merger, MainSource shareholders will become First Financial shareholders and their rights as shareholders will be governed by the OGCL and the First Financial articles of incorporation and regulations. The rights associated with MainSource common stock are different from the rights associated with

## TABLE OF CONTENTS

First Financial common stock. Please see Comparison of Rights of First Financial Shareholders and MainSource Shareholders beginning on page 118 for a discussion of the different rights associated with First Financial common stock.

***Holders of MainSource and First Financial common stock will have a reduced ownership and voting interest in the combined company after the merger and will exercise less influence over management.***

Holders of MainSource and First Financial common stock currently have the right to vote in the election of the board of directors and on other matters affecting MainSource and First Financial, respectively. Upon completion of the merger, each MainSource shareholder who receives shares of First Financial common stock will become a shareholder of First Financial, with a percentage ownership of First Financial that is smaller than the shareholder's percentage ownership of MainSource. Based on the number of shares outstanding on July 25, 2017 and the shares expected to be issued in the merger, the former shareholders of MainSource as a group will receive shares in the merger constituting approximately 36.6% of the outstanding shares of First Financial common stock immediately after the merger. As a result, current shareholders of First Financial as a group will own approximately 63.4% of the outstanding shares of First Financial common stock immediately after the merger. Because of this, MainSource shareholders may have less influence on the management and policies of First Financial than they now have on the management and policies of MainSource, and current First Financial shareholders may have less influence than they now have on the management and policies of First Financial.

***MainSource shareholders will not have dissenters' rights in the merger.***

Dissenters' rights are statutory rights that, if applicable under law, enable shareholders to dissent from an extraordinary transaction, such as a merger, and to demand that the corporation pay the fair value for their shares as determined by a court in a judicial proceeding instead of receiving the consideration offered to shareholders in connection with the extraordinary transaction. Under the IBCL, a shareholder may not dissent from a merger as to shares that are listed on a national securities exchange at the record date fixed to determine the shareholders entitled to receive notice of the meeting of shareholders to vote upon the agreement of merger or consolidation.

Because MainSource common stock is listed on NASDAQ, a national securities exchange, and is expected to continue to be so listed on the record date, and because the merger otherwise satisfies the foregoing requirements of the IBCL, holders of MainSource common stock will not be entitled to dissenters' rights in the merger with respect to their shares of MainSource common stock.

***Upon completion of the merger, First Financial will exceed \$10 billion in assets, and as a result, it will become subject to increased regulatory requirements, which could materially and adversely affect it.***

Upon completion of the merger, First Financial's bank subsidiary's total assets will exceed \$10 billion, and First Financial and its bank subsidiary will therefore become subject to increased regulatory requirements. The Dodd-Frank Act and its implementing regulations impose various additional requirements on bank holding companies with \$10 billion or more in total assets, including compliance with portions of the Federal Reserve Board's enhanced prudential oversight requirements and annual stress testing requirements. Failure to meet the enhanced prudential standards and stress testing requirements could limit, among other things, First Financial's ability to engage in expansionary activities or make dividend payments to its shareholders. In addition, banks with \$10 billion or more in total assets are primarily examined by the Consumer Financial Protection Bureau (CFPB) with respect to various federal consumer financial protection laws and regulations. Currently, First Financial's bank subsidiary is subject to regulations adopted by the CFPB, but the Federal Reserve Board is primarily responsible for examining First Financial's bank subsidiary's compliance with federal consumer financial protection laws and those CFPB regulations. As a relatively new agency with evolving regulations and practices, there is uncertainty as to how the CFPB's examination and regulatory

authority might impact First Financial's business.

With respect to deposit-taking activities, banks with assets in excess of \$10 billion are subject to two changes. First, these institutions are subject to a deposit assessment based on a new scorecard issued by the Federal Deposit Insurance Corporation (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 First Financial's 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 2.5 to 45 basis points. Any increase in First Financial's bank subsidiary's deposit insurance assessments may result in an increased expense related to its use of deposits as a funding source.



## TABLE OF CONTENTS

Additionally, banks with over \$10 billion in total assets are no longer exempt from the requirements of the Federal Reserve Board's rules on interchange transaction fees for debit cards. This means that, beginning on July 1 following the bank's crossing the \$10 billion threshold at the end of a calendar year, First Financial's bank subsidiary will be limited to receiving only a reasonable interchange transaction fee for any debit card transactions processed using debit cards issued to its customers. The Federal Reserve Board has determined that it is unreasonable for a bank with more than \$10 billion in total assets to receive more than \$0.21 plus 5 basis points of the transaction plus a \$0.01 fraud adjustment for an interchange transaction fee for debit card transactions. A reduction in the amount of interchange fees First Financial's bank subsidiary receives for electronic debit interchange will reduce its revenues. During fiscal year 2016, First Financial's bank subsidiary collected \$13.7 million in debit card interchange fees. First Financial estimates that had it been subject to this limitation during 2016 its interchange fee revenue would have been reduced by approximately \$6.2 million.

In anticipation of becoming subject to the heightened regulatory requirements, First Financial has begun to reorganize its compliance and risk personnel and implement various initiatives to address these requirements. However, compliance with these requirements may necessitate that it hire additional compliance or other personnel, design and implement additional internal controls, and/or incur other significant expenses, any of which could have a material adverse effect on its business, financial condition, or results of operations. Compliance with the annual stress testing requirements, part of which must be publicly disclosed, may also be misinterpreted by the market generally or First Financial's customers and, as a result, may adversely affect First Financial's stock price or ability to retain customers or effectively compete for new business opportunities. To ensure compliance with these heightened requirements when effective, First Financial's regulators may require it to take actions to prepare for compliance even before First Financial or First Financial's bank subsidiary's total assets equal or exceed \$10 billion at the end of four consecutive quarters. As a result, First Financial has incurred and expects to continue to incur compliance-related costs before it is otherwise required. First Financial's regulators may also consider its preparation for compliance with these regulatory requirements when examining its operations generally or considering any request for regulatory approval it may make, even requests for approvals on unrelated matters.

### **Risks Related to First Financial's Business**

You should read and consider risk factors specific to First Financial's business that will also affect the combined company after the merger. These risks are described in the sections entitled "Risk Factors" in First Financial's Annual Report on Form 10-K for the fiscal year ended December 31, 2016 and in other documents incorporated by reference into this joint proxy statement/prospectus. Please see the section entitled "Where You Can Find More Information" beginning on page 124 of this joint proxy statement/prospectus for the location of information incorporated by reference into this joint proxy statement/prospectus.

### **Risks Related to MainSource's Business**

You should read and consider risk factors specific to MainSource's business that will also affect the combined company after the merger. These risks are described in the sections entitled "Risk Factors" in MainSource's Annual Report on Form 10-K for the fiscal year ended December 31, 2016 and in other documents incorporated by reference into this proxy statement/prospectus. Please see the section entitled "Where You Can Find More Information" beginning on page 124 of this joint proxy statement/prospectus for the location of information incorporated by reference into this joint proxy statement/prospectus.

## TABLE OF CONTENTS

### **THE FIRST FINANCIAL SPECIAL MEETING**

This section contains information for First Financial shareholders about the special meeting that First Financial has called to allow its shareholders to consider and vote on the merger agreement and other related matters. First Financial is mailing this joint proxy statement/prospectus to you, as a First Financial shareholder, on or about [      ]. This joint proxy statement/prospectus is accompanied by a notice of the special meeting of First Financial shareholders and a form of proxy card that First Financial's board of directors is soliciting for use at the special meeting and at any adjournments or postponements of the special meeting.

#### **Date, Time, and Place of Meeting**

The special meeting of First Financial shareholders will be held at [      ], local time, on [      ]. First Financial shareholders will be able to attend the First Financial special meeting in person at the Taft Centre at Fountain Square, 425 Walnut Street, Second Floor, Cincinnati, Ohio 45202. First Financial shareholders will also be able to view a webcast of the special meeting via the Internet at [www.virtualshareholdermeeting.com/ffbc17SM](http://www.virtualshareholdermeeting.com/ffbc17SM) when you enter your 12-digit control number included with the proxy card. Instructions on how to view the special meeting via the webcast are posted at [www.virtualshareholdermeeting.com/ffbc17SM](http://www.virtualshareholdermeeting.com/ffbc17SM). First Financial shareholders will not be able to vote or revoke a proxy while viewing the First Financial special meeting virtually. While First Financial's management will address questions from shareholders physically present or who have submitted their questions electronically prior to the special meeting, the webcast will not allow First Financial shareholders to ask questions of management during the meeting. First Financial shareholders may visit [www.proxyvote.com](http://www.proxyvote.com) at any time prior to the special meeting to ask questions of First Financial's executive management that may be addressed in the special meeting. On or about [      ], First Financial commenced mailing this document and the enclosed form of proxy card to its shareholders entitled to vote at the First Financial special meeting.

#### **Matters to Be Considered**

At the First Financial special meeting, First Financial shareholders will be asked to consider and vote upon the following matters:

- the First Financial merger proposal; and
- the First Financial adjournment proposal.

#### **Recommendation of First Financial's Board of Directors**

The First Financial board of directors recommends that you vote **FOR** the First Financial merger proposal and **FOR** the First Financial adjournment proposal. See **The Merger—First Financial's Reasons for the Merger; Recommendation of First Financial's Board of Directors** for a more detailed discussion of the First Financial board of directors recommendation.

#### **First Financial Record Date and Quorum**

The First Financial board of directors has fixed the close of business on [      ], as the record date for determining the holders of First Financial common stock entitled to receive notice of and to vote at the First Financial special meeting.

As of the First Financial record date, there were [      ] shares of First Financial common stock outstanding and entitled to vote at the First Financial special meeting held by [      ] holders of record. Each share of First Financial common stock entitles the holder of record as of the First Financial record date to one vote at the First Financial special meeting on each proposal to be considered at the First Financial special meeting.

A quorum must exist before business can be conducted at the special meeting. Under First Financial's regulations, a quorum will exist if a majority of the common shares outstanding as of the record date are present in person or by proxy. All shares of First Financial common stock, whether present in person or represented by proxy, including abstentions, will be treated as present for purposes of determining the presence or absence of a quorum for all matters voted on at the First Financial special meeting.

**Vote Required; Treatment of Abstentions and Failure to Vote**

*First Financial merger proposal:*

Standard: Approval of the First Financial merger proposal requires the affirmative vote of the holders of at least two-thirds of the outstanding shares of First Financial common stock entitled to vote on the proposal.

## TABLE OF CONTENTS

Effect of abstentions and broker non-votes: If you fail to vote, mark **ABSTAIN** on your proxy card, or fail to instruct your bank or broker with respect to the First Financial merger proposal, it will have the same effect as a vote **AGAINST** the proposal.

*First Financial adjournment proposal:*

Standard: Approval of the First Financial adjournment proposal requires the affirmative vote of the holders of at least a majority of the votes present and entitled to vote at the First Financial special meeting.

Effect of abstentions and broker non-votes: If you mark **ABSTAIN** on your proxy card, it will have the same effect as a vote **AGAINST** the First Financial adjournment proposal. However, if you fail to submit a proxy card or vote in person at the First Financial special meeting, or fail to instruct your bank or broker how to vote with respect to the First Financial adjournment proposal, it will have no effect on the proposal.

## **Shares Held by Officers and Directors**

As of the First Financial record date, the directors and executive officers of First Financial beneficially owned, and were entitled to vote, [ ] shares of First Financial common stock, representing approximately [ ]% of the shares of First Financial common stock outstanding on that date. As of the First Financial record date, MainSource, the directors and executive officers of MainSource and their affiliates owned, and were entitled to vote, [ ] shares of First Financial common stock, representing approximately [ ]% of the shares of First Financial common stock outstanding on that date.

Each of First Financial's directors, solely in his or her capacity as a First Financial shareholder, has entered into a voting agreement with MainSource, pursuant to which each such director has agreed to vote in favor of the First Financial merger proposal.

## **Voting of Proxies; Incomplete Proxies**

A First Financial shareholder may vote by proxy or in person at the First Financial special meeting. If you hold your shares of First Financial common stock in your name as a shareholder of record, to submit a proxy, you, as a First Financial shareholder, may use one of the following methods:

By telephone: by calling the toll-free number indicated on your proxy card and following the recorded instructions.

Through the Internet: by visiting the website indicated on your proxy card and following the instructions.

Complete and return the proxy card in the enclosed envelope. The envelope requires no additional postage if mailed in the United States.

First Financial requests that First Financial shareholders vote by telephone, over the Internet, or by completing and signing the accompanying proxy card and returning it to First Financial as soon as possible in the enclosed postage-paid envelope. When the accompanying proxy card is returned properly executed, the shares of First Financial stock represented by it will be voted at the First Financial special meeting in accordance with the instructions contained on the proxy card. If any proxy card is returned without indication as to how to vote, the shares of First Financial common stock represented by the proxy card will be voted as recommended by the First Financial board of directors.

Every First Financial shareholder's vote is important. Accordingly, each First Financial shareholder should sign, date, and return the enclosed proxy card, or vote via the Internet or by telephone, whether or not the First Financial shareholder plans to attend the First Financial special meeting in person. Sending in your proxy card or voting by telephone or on the Internet will not prevent you from voting your shares personally at the meeting, since you may

revoke your proxy at any time before it is voted.

**Shares Held in Street Name ; Broker Non-Votes**

If you are a First Financial shareholder and your shares are held in street name through a bank, broker, or other holder of record, you must provide the record holder of your shares with instructions on how to vote the shares. Please follow the voting instructions provided by the bank or broker. You may not vote shares held in street name by returning a proxy card directly to First Financial or by voting in person at the First Financial

## TABLE OF CONTENTS

special meeting unless you provide a legal proxy, which you must obtain from your broker, bank, or other nominee. Further, brokers, banks, or other nominees who hold shares of First Financial common stock on behalf of their customers may not give a proxy to First Financial to vote those shares with respect to any of the proposals without specific instructions from their customers, as brokers, banks, and other nominees do not have discretionary voting power on the proposals that will be voted upon at the First Financial special meeting.

### **Revocability of Proxies and Changes to a First Financial Shareholder's Vote**

You have the power to change your vote at any time before your shares of First Financial common stock are voted at the First Financial special meeting by:

- signing and returning a proxy card with a later date;
- voting by telephone or the Internet at a later time;
- delivering a written revocation letter to First Financial's corporate secretary; or
- attending the First Financial special meeting in person, notifying the corporate secretary of your revocation of your proxy, and voting by ballot at the First Financial special meeting.

Shareholders attending the First Financial special meeting virtually will not be able to revoke their proxy through the webcast. Physical attendance at the special meeting will not automatically revoke your proxy. A revocation or later-dated proxy received by First Financial after the vote will not affect the vote. First Financial's corporate secretary's mailing address is: Attn: Shannon M. Kuhl, Corporate Secretary, First Financial Bancorp., 255 East 5<sup>th</sup> Street, Suite 2900, Cincinnati, Ohio 45202.

If you choose to send a completed proxy card bearing a later date than your original proxy card, the new proxy card must be received before the beginning of the First Financial special meeting. If you have instructed a bank, broker, or other nominee to vote your shares of First Financial common stock, you must follow the directions you receive from your bank, broker, or other nominee in order to change or revoke your vote.

### **Participants in the First Financial 401(k) Savings Plan**

If you participate in the First Financial Savings Plan and common shares have been allocated to your account in the First Financial Savings Plan, you are entitled to instruct the trustee of the First Financial Savings Plan, confidentially, as to how to vote those common shares pursuant to the instructions provided to plan participants. You will receive your voting instructions card separately. The trustee will vote your shares in accordance with your duly executed instructions received by 4:00 p.m. Eastern Time on [     ], 2017. If you do not send instructions, your instructions are not timely received, or your instructions are not properly completed, the shares credited to your account in the First Financial Savings Plan will be voted by the trustee in the same proportion that it votes shares in the First Financial Savings Plan for which it did receive timely instructions. You may also revoke previously given voting instructions by 4:00 p.m. Eastern Time on [     ], 2017 by filing with the trustee either a written notice of revocation or a properly completed and signed voting instruction card bearing a later date.

### **Solicitation of Proxies**

First Financial is soliciting your proxy in conjunction with the merger. First Financial will bear the entire cost of soliciting proxies from you. In addition to solicitation of proxies by mail, First Financial will request that banks, brokers, and other record holders send proxies and proxy material to the beneficial owners of First Financial common stock and secure their voting instructions. First Financial will reimburse the record holders for their reasonable expenses in taking those actions. If necessary, First Financial may use its directors and several of its regular employees, who will not be specially compensated, to solicit proxies from the First Financial shareholders, either personally or by telephone, facsimile, letter, or electronic means. First Financial has also made arrangements with

Advantage Proxy to assist it in soliciting proxies and has agreed to pay Advantage Proxy approximately \$6,750, plus the reimbursement of certain expenses, for these services.

## **TABLE OF CONTENTS**

### **Attending the First Financial Special Meeting in Person**

All holders of First Financial common stock, including holders of record and shareholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the First Financial special meeting. Shareholders of record can vote in person at the First Financial special meeting. If you are not a shareholder of record, you must obtain a proxy executed in your favor from the record holder of your shares, such as a broker, bank, or other nominee, to be able to vote in person at the First Financial special meeting. If you plan to attend the First Financial special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership. In addition, you must bring a form of personal photo identification with you in order to be admitted. First Financial reserves the right to refuse admittance to anyone without proper proof of share ownership and without proper photo identification. The use of cameras, sound recording equipment, communications devices, or any similar equipment during the First Financial special meeting is prohibited without First Financial's express written consent.

### **Attending the First Financial Special Meeting Virtually**

All holders of the common stock of First Financial may view the First Financial special meeting virtually through a webcast. Holders of the common stock of First Financial may view the webcast of the meeting via the Internet at [www.virtualshareholdermeeting.com/ffbc17SM](http://www.virtualshareholdermeeting.com/ffbc17SM) when you enter your 12-digit control number included with the proxy card. Instructions on how to view the First Financial special meeting via the webcast are posted at [www.virtualshareholdermeeting.com/ffbc17SM](http://www.virtualshareholdermeeting.com/ffbc17SM). You will not be able to vote your First Financial shares or revoke your proxy while attending the First Financial special meeting virtually. While First Financial management will address questions from shareholders physically present or who have submitted their questions electronically prior to the meeting, the webcast will not allow shareholders to ask questions of management during the meeting. Holders of the common stock of First Financial may visit [www.proxyvote.com](http://www.proxyvote.com) at any time prior to the First Financial special meeting to ask questions of our executive management that may be addressed in the meeting.

### **Delivery of Proxy Materials to Shareholders Sharing an Address**

The SEC has adopted rules that permit companies to mail a single proxy statement to two or more shareholders sharing the same address. This practice is known as householding. Householding provides greater convenience to shareholders and saves First Financial money by reducing excess printing costs. You may have been identified as living at the same address as another First Financial shareholder. If this is the case, and unless First Financial receives contrary instructions from you, First Financial will continue to household your proxy statement for the reasons stated above.

On written or oral request to Investor Relations, 255 East 5<sup>th</sup> Street, Suite 2900, Cincinnati, Ohio 45202, or toll free at (877) 322-9530, or First Financial's proxy solicitor, Advantage Proxy, at P.O. Box 13581, Des Moines, WA 98198, or toll-free at (877) 870-8565, First Financial will deliver promptly a separate copy of this document to a shareholder at a shared address to which a single copy of the document was delivered.

### **Assistance**

If you have any questions concerning the merger or this joint proxy statement/prospectus, would like additional copies of this joint proxy statement/prospectus or need help voting your shares of First Financial common stock, please contact Investor Relations, 255 East 5<sup>th</sup> Street, Suite 2900, Cincinnati, Ohio 45202, or toll free at (877) 322-9530, or First Financial's proxy solicitor, Advantage Proxy, at P.O. Box 13581, Des Moines, WA 98198, or toll-free at (877) 870-8565.





## TABLE OF CONTENTS

### **FIRST FINANCIAL PROPOSALS**

#### **PROPOSAL NO. 1: FIRST FINANCIAL MERGER PROPOSAL**

First Financial is asking its shareholders to adopt the merger agreement and approve the transactions contemplated thereby, including the merger, the bank merger, and the issuance of common stock in the merger pursuant to the merger agreement. Holders of First Financial common stock should read this joint proxy statement/prospectus carefully and in its entirety, including the annexes, for more detailed information concerning the merger agreement and the merger. A copy of the merger agreement is attached to this joint proxy statement/prospectus as Annex A.

After careful consideration, the First Financial board of directors, by a unanimous vote of all directors, approved the merger agreement and declared the merger agreement and the transactions contemplated thereby, including the merger, the bank merger, and the issuance of common stock in the merger pursuant to the merger agreement, to be advisable and in the best interests of First Financial and the shareholders of First Financial. See The Merger— First Financial's Reasons for the Merger; Recommendation of First Financial's Board of Directors included elsewhere in this joint proxy statement/prospectus for a more detailed discussion of the First Financial board of directors recommendation.

The First Financial board of directors recommends a vote FOR the First Financial merger proposal.

#### **PROPOSAL NO. 2: FIRST FINANCIAL ADJOURNMENT PROPOSAL**

The First Financial special meeting may be adjourned to another time or place, if necessary or appropriate, to permit, among other things, further solicitation of proxies if necessary to obtain additional votes in favor of the First Financial merger proposal.

If, at the First Financial special meeting, the number of shares of First Financial common stock present or represented and voting in favor of the First Financial merger proposal is insufficient to approve such proposal, First Financial intends to move to adjourn the First Financial special meeting in order to solicit additional proxies for the adoption of the merger agreement. In this proposal, First Financial is asking its shareholders to authorize the holder of any proxy solicited by the First Financial board of directors on a discretionary basis to vote in favor of adjourning the First Financial special meeting to another time and place for the purpose of soliciting additional proxies, including the solicitation of proxies from First Financial shareholders who have previously voted.

The First Financial board of directors recommends a vote FOR the First Financial adjournment proposal.

## TABLE OF CONTENTS

### **THE MAINSOURCE SPECIAL MEETING**

This section contains information for MainSource shareholders about the special meeting that MainSource has called to allow its shareholders to consider and vote on the merger agreement and other related matters. MainSource is mailing this joint proxy statement/prospectus to you, as a MainSource shareholder, on or about [ ]. This joint proxy statement/prospectus is accompanied by a notice of the special meeting of MainSource shareholders and a form of proxy card that MainSource's board of directors is soliciting for use at the special meeting and at any adjournments or postponements of the special meeting.

#### **Date, Time, and Place of Meeting**

The special meeting of MainSource shareholders will be held on [ ] at 2105 North State Road 3 Bypass, Greensburg, Indiana 47240, at [ ] local time. On or about [ ], MainSource commenced mailing this document and the enclosed form of proxy card to its shareholders entitled to vote at the MainSource special meeting.

#### **Matters to Be Considered**

At the special meeting of shareholders, you will be asked to consider and vote upon the following matters:

- the MainSource merger proposal;
- the MainSource compensation proposal; and
- the MainSource adjournment proposal.

#### **Recommendation of MainSource's Board of Directors**

MainSource's board of directors has determined that the merger is advisable and in the best interests of MainSource and its shareholders and has unanimously approved the merger agreement. MainSource's board of directors unanimously recommends that MainSource shareholders vote FOR the MainSource merger proposal, FOR the MainSource compensation proposal, and FOR the MainSource adjournment proposal. See The Merger—MainSource's Reasons for the Merger; Recommendation of MainSource's Board of Directors for a more detailed discussion of the MainSource board of directors' recommendation.

#### **MainSource Record Date and Quorum**

MainSource's board of directors has fixed the close of business on [ ] as the record date for determining the holders of MainSource common stock entitled to receive notice of and to vote at the MainSource special meeting.

As of the MainSource record date, there were [ ] shares of MainSource common stock outstanding and entitled to vote at the MainSource special meeting held by approximately [ ] holders of record. Each share of MainSource common stock entitles the holder to one vote at the MainSource special meeting on each proposal to be considered at the MainSource special meeting.

The presence at the MainSource special meeting, in person or by proxy, of holders of a majority of the outstanding shares of MainSource common stock entitled to vote at the special meeting will constitute a quorum for the transaction of business. All shares of MainSource common stock present in person or represented by proxy, including abstentions, will be treated as present for purposes of determining the presence or absence of a quorum for all matters voted on at the MainSource special meeting.

#### **Vote Required; Treatment of Abstentions and Failure to Vote**

*MainSource merger proposal:*

Standard: Approval of the MainSource merger proposal requires the affirmative vote of the holders of at least a majority of the outstanding shares of MainSource common stock entitled to vote on the proposal.

Effect of abstentions and broker non-votes: If you fail to vote, mark **ABSTAIN** on your proxy, or fail to instruct your bank or broker with respect to the MainSource merger proposal, it will have the same effect as a vote **AGAINST** the proposal.

## TABLE OF CONTENTS

### *MainSource compensation proposal:*

Standard: Approval of the MainSource compensation proposal requires the affirmative vote of the holders of at least a majority of the votes present and entitled to vote at the MainSource special meeting.

Effect of abstentions and broker non-votes: If you mark **ABSTAIN** on your proxy card, it will have the same effect as a vote **AGAINST** the MainSource compensation proposal. However, if you fail to submit a proxy card or vote in person at the MainSource special meeting, or fail to instruct your bank or broker how to vote with respect to the MainSource compensation proposal, it will have no effect on the proposal.

### *MainSource adjournment proposal:*

Standard: Approval of the MainSource adjournment proposal requires the affirmative vote of the holders of at least a majority of the votes present and entitled to vote at the MainSource special meeting.

Effect of abstentions and broker non-votes: If you mark **ABSTAIN** on your proxy card, it will have the same effect as a vote **AGAINST** the MainSource adjournment proposal. However, if you fail to submit a proxy card or vote in person at the MainSource special meeting, or fail to instruct your bank or broker how to vote with respect to the MainSource adjournment proposal, you will not be deemed to have cast a vote with respect to the proposal and it will have no effect on the proposal.

## **Shares Held by Officers and Directors**

As of the MainSource record date, the directors and executive officers of MainSource beneficially owned and were entitled to vote approximately [ ] shares of MainSource common stock, representing approximately [ ]% of the shares of MainSource common stock outstanding on that date. As of the MainSource record date, First Financial, the directors and executive officers of First Financial, and their affiliates beneficially owned [ ] shares of MainSource common stock representing approximately [ ]% of the shares of MainSource common stock outstanding on that date.

Each of MainSource's directors, solely in his or her capacity as a MainSource shareholder, has entered into a voting agreement with First Financial, pursuant to which each such director has agreed to vote in favor of the MainSource merger proposal.

## **Voting of Proxies; Incomplete Proxies**

A MainSource shareholder may vote by proxy or in person at the MainSource special meeting. If you hold your shares of MainSource common stock in your name as a shareholder of record, you, as a MainSource shareholder, may use one of the following methods:

• By telephone: by calling the number indicated on your proxy card and following the recorded instructions.

• Through the Internet: by visiting the website indicated on your proxy card and following the instructions.

• Complete and return the proxy card in the enclosed envelope. The envelope requires no additional postage if mailed in the United States.

MainSource requests that MainSource shareholders vote by telephone, over the Internet, or by completing and signing the accompanying proxy card and returning it to MainSource as soon as possible in the enclosed postage-paid envelope. When the accompanying proxy card is returned properly executed, the shares of MainSource common stock represented by it will be voted at the MainSource special meeting in accordance with the instructions contained on the proxy card. If any proxy card is returned without indication as to how to vote, the shares of MainSource common

stock represented by the proxy card will be voted as recommended by the MainSource board of directors.

Every MainSource shareholder's vote is important. Accordingly, each MainSource shareholder should sign, date, and return the enclosed proxy card, or vote via the Internet or by telephone, whether or not the MainSource shareholder plans to attend the MainSource special meeting in person. Sending in your proxy card or voting by telephone or on the Internet will not prevent you from voting your shares personally at the meeting, since you may revoke your proxy at any time before it is voted.

## TABLE OF CONTENTS

All shares represented by valid proxies that MainSource receives through this solicitation, and that are not revoked, will be voted in accordance with your instructions on the proxy card. If you make no specification on your proxy card as to how you want your shares voted before signing and returning it, your proxy will be voted FOR the MainSource merger proposal, FOR the MainSource compensation proposal, and FOR the MainSource adjournment proposal. No matters other than the matters described in this joint proxy statement/prospectus are anticipated to be presented for action at the special meeting or at any adjournment or postponement of the special meeting. However, if other business properly comes before the special meeting, the proxy agents will, in their discretion, vote upon such matters in their best judgment.

### **Shares Held in Street Name ; Broker Non-Votes**

If you are a MainSource shareholder and your shares are held in street name through a bank, broker, or other holder of record, you must provide the record holder of your shares with instructions on how to vote the shares. Please follow the voting instructions provided by the bank or broker. You may not vote shares held in street name by returning a proxy card directly to MainSource or by voting in person at the MainSource special meeting unless you provide a legal proxy, which you must obtain from your broker, bank, or other nominee. Further, brokers, banks, or other nominees who hold shares of MainSource common stock on behalf of their customers may not give a proxy to MainSource to vote those shares with respect to any of the proposals without specific instructions from their customers, as brokers, banks, and other nominees do not have discretionary voting power on the proposals that will be voted upon at the MainSource special meeting.

### **Revocability of Proxies and Changes to a MainSource Shareholder's Vote**

You have the power to change your vote at any time before your shares of MainSource common stock are voted at the MainSource special meeting by:

- signing and returning a proxy card with a later date;
- voting by telephone or the Internet at a later time;
- delivering a written revocation letter to MainSource's Corporate Secretary; or
- attending the MainSource special meeting in person, notifying the corporate secretary of your revocation of your proxy, and voting by ballot at the MainSource special meeting.

Attendance at the special meeting will not automatically revoke your proxy. A revocation or later-dated proxy received by MainSource after the vote will not affect the vote. MainSource's corporate secretary's mailing address is: Corporate Secretary, MainSource Financial Group, 2105 North State Road 3 Bypass, Greensburg, Indiana 47240.

If you choose to send a completed proxy card bearing a later date than your original proxy card, the new proxy card must be received before the beginning of the MainSource special meeting. If you have instructed a bank, broker, or other nominee to vote your shares of MainSource common stock, you must follow the directions you receive from your bank, broker, or other nominee in order to change or revoke your vote.

### **Participants in the MainSource 401(k) and Employee Stock Ownership Plan**

If you participate in the MainSource Plan and common shares have been allocated to your account in the MainSource Plan, you are entitled to instruct First Bankers Trust Services, Inc., the trustee of the MainSource Plan, confidentially, as to how to vote those common shares pursuant to the instructions provided to plan participants. You will receive your voting instructions card separately. The trustee will vote your shares in accordance with your duly executed instructions received by 4:00 p.m. Eastern Time on [ ], 2017. If you do not send instructions, your instructions are not timely received, or your instructions are not properly completed, the shares credited to your account in the MainSource Plan will be voted by the trustee in the same proportion that it votes shares in the MainSource Plan for

which it did receive timely instructions. You may also revoke previously given voting instructions by 4:00 p.m. Eastern Time on [ ], 2017 by filing with the trustee either a written notice of revocation or a properly completed and signed voting instruction card bearing a later date.



## **TABLE OF CONTENTS**

### **Solicitation of Proxies**

MainSource is soliciting your proxy in conjunction with the merger. MainSource will bear the cost of soliciting proxies from you. In addition to solicitation of proxies by mail, MainSource will request that banks, brokers, and other record holders send proxies and proxy material to the beneficial owners of MainSource common stock and secure their voting instructions. MainSource will reimburse the record holders for their reasonable expenses in taking those actions. If necessary, MainSource may use its directors and several of its regular employees, who will not be specially compensated, to solicit proxies from the MainSource shareholders, either personally or by telephone, facsimile, letter, or electronic means. MainSource may also contract with a proxy solicitor to solicit proxies if it determines such services are necessary.

### **Attending the MainSource Special Meeting**

All holders of MainSource common stock, including holders of record and shareholders who hold their shares through banks, brokers, nominees, or any other holder of record, are invited to attend the MainSource special meeting. Shareholders of record can vote in person at the special meeting. If you are not a shareholder of record, you must obtain a proxy executed in your favor from the record holder of your shares, such as a broker, bank, or other nominee, to be able to vote in person at the special meeting. If you plan to attend the MainSource special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership. In addition, you must bring a form of personal photo identification with you in order to be admitted. MainSource reserves the right to refuse admittance to anyone without proper proof of share ownership and without proper photo identification. The use of cameras, sound recording equipment, communications devices, or any similar equipment during the MainSource special meeting is prohibited without MainSource's express written consent.

### **Delivery of Proxy Materials to Shareholders Sharing an Address**

The SEC has adopted rules that permit companies to mail a single proxy statement to two or more shareholders sharing the same address. This practice is known as householding. Householding provides greater convenience to shareholders and saves MainSource money by reducing excess printing costs. You may have been identified as living at the same address as another MainSource shareholder. If this is the case, and unless MainSource receives contrary instructions from you, MainSource will continue to household your proxy statement for the reasons stated above.

On written or oral request to Investor Relations at 2105 North State Road 3 Bypass, Greensburg, Indiana 47240, or at (812) 663-6734, MainSource will deliver promptly a separate copy of this document to a shareholder at a shared address to which a single copy of the document was delivered.

### **Assistance**

If you have any questions concerning the merger or this joint proxy statement/prospectus, would like additional copies of this joint proxy statement/prospectus, or need help voting your shares of MainSource common stock, please contact Investor Relations, 2105 North State Road 3 Bypass, Greensburg, Indiana 47240, or at (812) 663-6734.

## TABLE OF CONTENTS

### **MAINSOURCE PROPOSALS**

#### **PROPOSAL NO. 1: MAINSOURCE MERGER PROPOSAL**

MainSource is asking its shareholders to adopt the merger agreement and approve the transactions contemplated thereby. Holders of MainSource common stock should read this joint proxy statement/prospectus carefully and in its entirety, including the annexes, for more detailed information concerning the merger agreement and the merger. A copy of the merger agreement is attached to this joint proxy statement/prospectus as Annex A.

After careful consideration, the MainSource board of directors, by a unanimous vote of all directors, determined that the merger, on the terms and conditions set forth in the merger agreement, is in the best interests of MainSource and its shareholders. Please see The Merger—MainSource's Reasons for the Merger; Recommendation of MainSource's Board of Directors included elsewhere in this joint proxy statement/prospectus for a more detailed discussion of the MainSource board of directors' recommendation.

The MainSource board of directors unanimously recommends that MainSource shareholders vote **FOR** the MainSource merger proposal.

#### **PROPOSAL NO. 2: MAINSOURCE COMPENSATION PROPOSAL**

Pursuant to the Dodd-Frank Act and Rule 14a-21(c) of the Securities Exchange Act of 1934, as amended (the Exchange Act), MainSource is seeking non-binding, advisory approval from its shareholders of the compensation of MainSource's named executive officers that is based on or otherwise relates to the merger, as disclosed in The Merger—Interests of MainSource Directors and Executive Officers in the Merger and The Merger—Merger-Related Compensation for MainSource's Named Executive Officers beginning on pages 79 and 82, respectively. The proposal gives MainSource's shareholders the opportunity to express their views on the merger-related compensation of MainSource's named executive officers. Accordingly, MainSource is requesting its shareholders to adopt the following resolution, on a non-binding, advisory basis:

RESOLVED, that the compensation that may be paid or become payable to MainSource's named executive officers in connection with the merger, and the agreements or understandings pursuant to which such compensation may be paid or become payable, in each case as disclosed pursuant to Item 402(t) of Regulation S-K in The Merger—Interests of MainSource Directors and Executive Officers in the Merger and The Merger—Merger-Related Compensation for MainSource's Named Executive Officers, are hereby APPROVED.

Approval of this proposal is not a condition to completion of the merger, and the vote with respect to this proposal is advisory only and will not be binding on First Financial or MainSource. If the merger is completed, the merger-related compensation may be paid to MainSource's named executive officers to the extent payable in accordance with the terms of the compensation agreements and arrangements even if MainSource shareholders fail to approve the advisory vote regarding merger-related compensation.

The MainSource board of directors unanimously recommends that MainSource shareholders vote **FOR** the MainSource compensation proposal.

#### **PROPOSAL NO. 3: MAINSOURCE ADJOURNMENT PROPOSAL**

The MainSource special meeting may be adjourned to another time or place, if necessary or appropriate, to permit, among other things, further solicitation of proxies if necessary to obtain additional votes in favor of the MainSource merger proposal.

If, at the MainSource special meeting, the number of shares of MainSource common stock present or represented and voting in favor of the MainSource merger proposal is insufficient to approve such proposal, MainSource intends to move to adjourn the MainSource special meeting in order to solicit additional proxies for the adoption of the merger agreement. In accordance with the MainSource bylaws, a vote to approve the proposal to adjourn the MainSource special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the MainSource special meeting to approve the MainSource merger proposal may be taken in the absence of a quorum.

In this proposal, MainSource is asking its shareholders to authorize the holder of any proxy solicited by the MainSource board of directors on a discretionary basis to vote in favor of adjourning the MainSource special meeting to another time and place for the purpose of soliciting additional proxies, including the solicitation of proxies from MainSource shareholders who have previously voted.

## TABLE OF CONTENTS

The MainSource board of directors unanimously recommends that MainSource shareholders vote **FOR** the MainSource adjournment proposal.

### **INFORMATION ABOUT FIRST FINANCIAL**

First Financial is an Ohio corporation organized in 1982 that owns all of the outstanding shares of common stock of First Financial Bank. At June 30, 2017, First Financial had, on a consolidated basis, \$8.7 billion in assets, \$5.9 billion in loans, \$6.5 billion in deposits, and shareholders' equity of \$0.9 billion. First Financial Bank, a growing full-service bank founded in 1863, is headquartered in Cincinnati, Ohio and is the principal bank subsidiary of First Financial. With \$8.7 billion in assets and 1,429 full-time equivalent employees as of June 30, 2017, First Financial Bank accounts for substantially all of First Financial's consolidated assets and results of operation. First Financial provides banking and financial services products through its four lines of business: Commercial and Private Banking, Retail Banking, Investment Commercial Real Estate, and Commercial Finance. These business units provide traditional banking services to business and retail clients including time and transaction deposit accounts, commercial loans, real estate loans, and consumer loans. Commercial and Private Banking includes First Financial Wealth Management, which provides wealth planning, portfolio management, trust and estate, brokerage, and retirement plan services.

First Financial's principal office is located at 255 East Fifth Street, Suite 700, Cincinnati, Ohio 45202, and its telephone number at that location is (877) 322-9530. First Financial's stock is traded on NASDAQ under the symbol **FFBC**. Additional information about First Financial and its subsidiaries is included in documents incorporated by reference in this joint proxy statement/prospectus. For more information, see **Where You Can Find More Information** beginning on page 124.

### **INFORMATION ABOUT MAINSOURCE**

MainSource is an Indiana corporation organized in 1993 that owns all of the outstanding shares of common stock of MainSource Bank, which was established on January 1, 1904. At June 30, 2017, MainSource had, on a consolidated basis, \$4.6 billion in assets, \$3.0 billion in loans, \$3.5 billion in deposits, and shareholders' equity of \$0.5 billion. MainSource Bank is headquartered in Greensburg, Indiana and is the principal bank subsidiary of MainSource. With \$4.6 billion in assets and 979 full-time equivalent employees as of June 30, 2017, MainSource Bank accounts for substantially all of MainSource's consolidated assets and results of operation. Within its geographic area, MainSource provides traditional banking products and services including time and transaction deposit accounts; consumer, commercial, agribusiness and real estate loans; corporate trust services; and other sophisticated financial products and services to business and retail clients.

MainSource's principal office is located at 2105 North State Road 3 Bypass, Greensburg, Indiana 47240, and its telephone number at that location is (812) 663-6734. MainSource's stock is traded on NASDAQ under the symbol **MSFG**. Additional information about MainSource and its subsidiaries is included in documents incorporated by reference in this joint proxy statement/prospectus. For more information, see **Where You Can Find More Information** beginning on page 124.

## TABLE OF CONTENTS

### **THE MERGER**

The following discussion contains certain information about the merger. The discussion is subject, and qualified in its entirety by reference, to the merger agreement attached as Annex A to this joint proxy statement/prospectus and incorporated herein by reference. We urge you to read carefully this entire joint proxy statement/prospectus, including the merger agreement attached as Annex A, for a more complete understanding of the merger.

#### **Terms of the Merger**

Each of First Financial's and MainSource's respective boards of directors has unanimously approved the merger agreement. The merger agreement provides for the merger of MainSource with and into First Financial, with First Financial continuing as the surviving corporation. Following the completion of the merger, MainSource Bank, a wholly-owned bank subsidiary of MainSource, will merge with and into First Financial Bank, a wholly-owned bank subsidiary of First Financial. First Financial Bank will be the surviving bank in the bank merger.

In the merger, each share of MainSource common stock issued and outstanding immediately prior to the completion of the merger, except for shares of MainSource common stock owned by MainSource as treasury stock or owned by MainSource or First Financial or a subsidiary of either (in each case other than in a fiduciary or agency capacity or as a result of debts previously contracted), will be converted into the right to receive 1.3875 shares of First Financial common stock, without par value. No fractional shares of First Financial common stock will be issued in connection with the merger.

In January, 2009, MainSource issued a warrant to the United States Department of Treasury to purchase 571,906 shares of MainSource common stock at an initial per-share exercise price of \$14.95. The warrant provides for the adjustment of the exercise price and the number of shares of common stock issuable upon exercise pursuant to customary anti-dilution provisions, including in the event MainSource's quarterly dividend exceeds \$0.145/share. The warrant, which was subsequently sold under auction by Treasury in a private transaction, has a term of ten years and is currently exercisable for 573,256 shares of common stock. As such, if no further adjustments to the warrant occur prior to the consummation of the merger, the warrant will represent the right to purchase 795,393 shares of First Financial, which represents the number of shares of First Financial that would be issuable in exchange for 573,256 MainSource shares after giving effect to the exchange ratio.

MainSource shareholders and First Financial shareholders are being asked to adopt the merger agreement. See "The Merger Agreement" for additional and more detailed information regarding the legal documents that govern the merger, including information about conditions to the completion of the merger and provisions for terminating or amending the merger agreement.

#### **Background of the Merger**

In connection with the ongoing consideration and evaluation of long-term strategic alternatives and prospects, MainSource's board of directors and executive management have considered and regularly reviewed the strategic direction and business objectives of the organization as part of their continuous efforts to enhance value to shareholders and other constituencies. For the past several years this strategic planning exercise included an annual strategic planning retreat in which the board and management evaluated the merits and drawbacks of (i) continuing to operate as an independent institution, (ii) continued expansion through de novo branch expansion or the strategic acquisition of other institutions and branch offices, and (iii) entering into a strategic merger with another financial institution. On several occasions the board and management invited representatives of investment banks, including Keefe, Bruyette & Woods, Inc. ( KBW ), to participate in its strategic planning meetings to provide additional perspective and market information regarding potential acquisition targets and potential acquirors. Management and

the board also considered various anticipated opportunities and challenges facing MainSource as it sought to achieve its strategic goals.

Additionally, from time to time during the past several years, MainSource's President and Chief Executive Officer, Archie Brown, met socially with chief executive officers from other financial institutions in MainSource's footprint to discuss the banking market in general and each institution's goals and objectives. Mr. Brown also used these meetings to gauge other institutions' appetite for strategic transactions in the short or long term. These meetings were generally informal and often occurred over lunch, but also took place informally or formally at investor or banking industry conferences.

## TABLE OF CONTENTS

One of the most significant challenges facing MainSource during the past several years has been the predominantly rural nature of its franchise. Specifically, MainSource's branches have historically been located in small, non-metropolitan markets. These markets were characterized by slower growth and presented few opportunities for economies through consolidation. Beginning in 2009, MainSource's board of directors established a strategic goal of growing through acquisitions and de novo branching with an emphasis on entering into higher growth markets within its footprint, including the metropolitan markets of Cincinnati, Indianapolis, and Louisville. Since then MainSource has implemented this growth strategy, during which time it has:

- opened de novo branches in Indianapolis (2), Columbus (3), Seymour and Bloomington, Indiana, Cincinnati, Ohio, and Louisville, Kentucky;

- consummated 3 whole-bank acquisitions, including MBT Bancorp in Cincinnati, Ohio; Cheviot Financial Corp. in Cincinnati, Ohio; and FCB Bancorp in Louisville, Kentucky; and

- made 9 branch purchases since 2009, including branches in Hope, Greensburg, Richmond, Batesville, Brownstown, and Portland, Indiana; Lawrenceburg and Shelbyville, Kentucky; and Union City, Ohio.

On December 4-5, 2016, the MainSource board of directors and management engaged in their annual strategic planning retreat in Indianapolis, Indiana. Representatives of KBW were invited to join portions of the retreat to discuss the state of banking and potential merger and acquisition opportunities. Mr. Brown and MainSource's Chief Financial Officer, James M. Anderson, also led a discussion of the board and management regarding strategic alternatives that might be available to the company, including remaining independent, continuing to grow through acquisitions and de novo branching, engaging in a strategic merger, or being acquired. During this discussion, the board expressed confidence in the MainSource management team, its history of and ability to implement MainSource's strategic plan and the company's general economic outlook, while acknowledging the challenges facing MainSource in the future in the achievement of its strategic goals. The board further expressed its disinterest in engaging in a transaction which would result in MainSource accepting another company's stock without MainSource management having a role in the management of the combined company.

On February 28, 2017, Mr. Brown met with First Financial's Chief Executive Officer, Claude E. Davis, over lunch as they had done once or twice per year in previous years. Mr. Brown and Mr. Davis discussed the state of the banking industry, strategic issues and challenges for community banks in general, the cultures and business models of MainSource and First Financial, and related topics, such as MainSource's recent acquisitions and First Financial's preparations to cross \$10 billion in total assets, a threshold for increased regulatory oversight and related compliance costs as well as certain limitations on revenues. During this meeting, it became clear to each of Mr. Brown and Mr. Davis that they had complementary views and strategies on many of these topics, and they concluded that it would be prudent to begin to evaluate whether a potential business combination made sense for the companies. No specific terms of a business combination were discussed and no confidential information was exchanged.

On March 13, 2017, Mr. Brown met with the executive committee of the MainSource board of directors to relay the substance of his February 28, 2017 conversations with Mr. Davis. The Executive Committee requested that Mr. Brown continue to meet with Mr. Davis to gather more information regarding First Financial.

On March 16, 2017, Mr. Brown and Mr. Davis met again to discuss the culture and business strategy of their respective companies and to evaluate whether continued discussions regarding a business combination between First Financial and MainSource would make sense. In order to facilitate a candid discussion, Mr. Brown and Mr. Davis exchanged a letter agreement providing for the confidentiality of any information exchanged during the preliminary discussions. The discussion focused on the general rationale for a business combination and potential operational synergies between the companies. Mr. Brown and Mr. Davis also discussed potential board and management organizational models for a combined company, which included a blend of First Financial and MainSource board members and management, and First Financial's merger and acquisition structure guidelines. No specific terms of a business combination were discussed, but Mr. Brown and Mr. Davis agreed to speak again soon and to include in their

discussion certain key members of their executive management teams for the purpose of determining what specific information might be shared in order to help each company properly consider a potential business combination.

On March 27, 2017, MainSource held its regularly-scheduled meeting of the board of directors. During the executive session of the board of directors, Mr. Brown informed the board members of his meetings with



## TABLE OF CONTENTS

Mr. Davis and the matters that had been discussed. The board discussed their previously stated goal of remaining independent based on their confidence in management and management's ability to successfully implement the company's strategy. Based on the preliminary discussions between Mr. Brown and Mr. Davis, the board of directors discussed the need to obtain additional information regarding First Financial in order that a full evaluation of a potential combination could occur.

On March 31, 2017, Mr. Brown, Mr. Davis, the Chief Financial Officers of each of First Financial and MainSource, and the President, Chief Banking Officer of First Financial held a conference call for purposes of discussing various items to be shared between the parties in order that each party could assess the financial impact of a business combination, including potential expense savings and one-time costs.

On April 11, 2017, MainSource and First Financial entered into a Mutual Confidentiality Agreement.

In April 2017, two follow-up meetings and a conference call were conducted for the purpose of discussing financial information about the respective companies, how the companies might fit together including potential executive management and board structures, how fulsome due diligence might be conducted, and the status of discussions between such executives and their respective boards of directors, each of which had been informed by Mr. Brown and Mr. Davis, respectively, of the discussions. The first of such meetings occurred on April 11 among Mr. Brown, Mr. Davis, and key members of their executive management teams. The second such meeting occurred on April 18 between Mr. Brown and Mr. Davis. During the April 18 meeting, Mr. Davis presented Mr. Brown with a pricing approach for a proposed transaction which included certain pricing principles and assumptions as well as a preliminary indicative range of exchange ratios for a transaction whereby MainSource shareholders might receive 1.35 - 1.40 shares of First Financial common stock for every share of MainSource common stock they held. On April 26, 2017, Mr. Brown and Mr. Davis participated in a teleconference to discuss the First Financial board of directors agreement to continue discussions with MainSource.

On May 3, 2017, during MainSource's regularly-scheduled meeting of the board of directors, Mr. Brown reviewed all of the previous discussions between MainSource and First Financial, as well as the preliminary financial information shared by the parties. The board discussed the benefits and challenges of remaining independent versus engaging in a strategic merger; the strategic rationale for such a merger; an overview of First Financial, including its financial highlights, market presence, lines of business, and leadership; a preliminary pro forma financial analysis of the combined entity; the impact of such a merger on MainSource's constituents, including shareholders, customers, employees, and communities; and the discussions between Mr. Davis and Mr. Brown regarding board structure and leadership of the surviving institution. Mr. Brown also reviewed certain similar transactions with other potential strategic partners, as well as the financial ability of each potential strategic partner to enter into such a transaction. MainSource's legal counsel discussed with the board of directors its fiduciary duties under Indiana law, including the board's duties of care, loyalty and good faith. The board discussed the need for additional information in order that the board could make an informed decision regarding MainSource's strategy and direction. The board requested that Mr. Brown outline a Phase 1 diligence process for the board's consideration prior to engaging in further discussions.

On May 11, 2017, the MainSource board of directors held a special meeting to review an outline of the proposed Phase 1 diligence process. Mr. Brown reviewed the goals of Phase 1, which included a detailed analysis of various strategic alternatives; analysis of various organizational issues such as the effect of a combination on the employees and community of Greensburg, Indiana; preliminary financial, credit, regulatory, and legal diligence; and the establishment of a transaction outline which would include the presentation by First Financial of a term sheet at the conclusion of Phase 1. Mr. Brown also reviewed the goals of Phase 2, should the board agree following Phase 1 to continue discussions. The board discussed the potential scope and outcomes of Phase 1, as well as the various questions that would be answered. Following discussion, the board authorized Mr. Brown to proceed to Phase 1.

In mid-May 2017, First Financial and MainSource began conducting formal due diligence with regard to the potential combination. Throughout May 2017, certain key executives of First Financial and MainSource held meetings to further discuss operational synergies and cultural fit of First Financial and MainSource. Each party also received a formal report on the results of due diligence conducted to date by its respective legal advisors.

On May 22, 2017, Mr. Davis and Mr. Brown met to discuss the organizational structure of a combined company, including the creation of an executive chair role, the division of responsibilities between the executive chair and

## TABLE OF CONTENTS

the Chief Executive Officer, the remaining executive roles, the size of a combined board and the representation of each party on that board. Mr. Davis and Mr. Brown discussed the process and timing by which decisions regarding a proposed organizational structure could be made.

Also on May 22, 2017, MainSource and First Financial amended the Mutual Confidentiality Agreement dated April 11, 2017, to expand the definition of Confidential Information in order to allow the parties to share certain customer-related information.

On June 1, 2017, Mr. Davis and Mr. Brown had dinner with certain members of MainSource's board of directors and certain members of First Financial's board of directors. General information regarding First Financial and MainSource was presented along with Mr. Davis and Mr. Brown's views of the synergies and value created through a strategic merger of the companies.

On June 5, 2017, the First Financial board of directors held a special meeting to consider a potential combination with MainSource and the terms of a non-binding term sheet to be submitted to MainSource. First Financial's legal counsel discussed with the board its fiduciary duties under Ohio law, including the board's duties of care, loyalty and good faith. First Financial's management team outlined the results of due diligence conducted to date and its thoughts with respect to how a combination with MainSource could advance First Financial's business plan, including by providing scale and access to key markets and by providing enhanced retail banking capabilities and management depth. First Financial's financial advisor, Sandler O'Neill, also provided an initial analysis of the strategic and financial implications of a potential business combination, as contemplated by the draft, non-binding term sheet provided to the board.

On June 5, 2017, First Financial submitted a non-binding term sheet to MainSource. First Financial proposed a fixed exchange ratio of between 1.375 and 1.425 shares of First Financial common stock for each outstanding share of MainSource common stock, which, based on the then-current trading price of First Financial, would have a value of between \$34.86 and \$36.12 per share of MainSource common stock. First Financial's term sheet indicated that, following the merger, the board of directors of First Financial would consist of nine current members of the First Financial board of directors and six current members of the MainSource board of directors. The term sheet also proposed alternative management structures, one of which included Mr. Davis as Executive Chairman following the merger with Mr. Brown assuming the role of President and Chief Executive Officer of the merged entity. In addition, the term sheet contemplated retention of a significant number of MainSource employees, and a commitment to invest in the community of Greensburg, Indiana. The term sheet also proposed to complete due diligence and negotiate and sign a definitive transaction agreement by mid-July.

On that same date, MainSource's board of directors held a special meeting in Indianapolis, Indiana, to review the results of Phase 1 and the term sheet presented by First Financial. MainSource's management and representatives of KBW, acting as MainSource's financial advisor in connection with the potential transaction, attended portions of the meeting at the board's request. During the meeting, the board and management reviewed, with the assistance of KBW:

- the proposed structure of the transaction, including the financial terms proposed by First Financial;
- the pro forma financial impact of the proposed combination terms on the resulting company;
- the strategic rationale for the merger of MainSource and First Financial;
- the potential impact of the transaction on key constituencies, including employees, communities, shareholders, and customers;
- the various strategic alternatives that might be available to MainSource, including remaining independent, continued acquisitions, or merger, with a review of the positive and negative attributes and effects of each alternative;
- the financial performance, financial condition, and market performance of First Financial, including then current trading multiples, historic P/E multiples and publicly available research analysts' estimates of earnings per share and

dividend growth;

• additional potential merger partners and the financial ability and capacity of each to pay in a similar transaction;

45

## TABLE OF CONTENTS

selected bank merger and acquisition transactions, including strategic transactions, transformational transactions, and transactions of similar sized institutions; and additional information regarding First Financial, including its strategy and vision, structure, lines of business, long-term performance, financial highlights, leadership, financial performance, valuation, and financial comparison to peers.

The MainSource board also reviewed various additional proposed transaction terms, the proposed structure of the board of directors and senior management, the effect of the transaction on Decatur County, Indiana, including certain commitments that First Financial had made to keeping employees in and financially supporting the Greensburg, Indiana community, and the results of Phase 1 diligence. Additionally, the board and management reviewed certain strategic benefits of considering a business combination, including the additional resources needed to stay competitive in technology and the creation of a larger platform with which to grow shareholder value. The board reviewed each term of the proposed term sheet. At the conclusion of the meeting, the board voted to approve Mr. Brown's execution of the term sheet with certain revisions, including downside protection in the event First Financial's stock price dropped in excess of a market decline, a more definitive commitment to the Greensburg, Indiana community, and inclusion of the management structure naming Mr. Brown as President and Chief Executive Officer of the merged entity.

During the days following the June 5, 2017 MainSource board meeting, management of First Financial and MainSource negotiated the terms of the non-binding term sheet. On June 7, 2017, MainSource executed and delivered the term sheet.

In the first half of June 2017, certain key executives of First Financial and MainSource held additional meetings to further discuss operational matters related to the potential combination of their respective companies, including the need to create a combined management structure and team that would enable the combined company to: (i) leverage the best attributes of each of First Financial and MainSource across a larger business and footprint; and (ii) successfully address the enhanced regulatory obligations resulting from crossing the \$10 billion asset threshold. Certain of these meetings also included other members of the executive management teams of First Financial or MainSource. Also during June, each of First Financial and MainSource conducted supplemental due diligence on each other. On June 23, 2017, Squire Patton Boggs (US) LLP (which we refer to as "Squire Patton Boggs"), on behalf of First Financial, sent to SmithAmundsen LLC, on behalf of MainSource, a draft merger agreement for the proposed transaction, and the parties subsequently discussed and negotiated such draft agreement.

On June 26, 2017, Mr. Davis attended the executive session of MainSource's regularly-scheduled meeting of the board of directors. Mr. Davis and the MainSource board of directors discussed the advantages and benefits of a merger, including the synergies he saw between MainSource and First Financial.

On June 27, 2017, the MainSource and First Financial credit teams met to discuss and compare commercial credit strategy and credit administration practices of the two companies. Mr. Brown, Mr. Davis, Mr. Anderson, and Mr. Gavigan also met to discuss the merger agreement. That evening, Mr. Brown and Mr. Davis had dinner with the members of the First Financial board of directors.

In early July, Mr. Brown, Mr. Davis, and certain members of their executive management teams continued to discuss financial information, the business of each company, and the potential organizational structure and management of a combined company. On July 12, 2017, the Compensation Committee of First Financial's board of directors conducted a meeting with First Financial's Chief Talent Officer, its compensation consultant, and its legal counsel to evaluate potential management and compensation and benefits structures for the combined company and a process to prepare to make recommendations to the full board of First Financial. As part of this meeting, First Financial's legal counsel discussed fiduciary duties with the Compensation Committee, following up on a presentation made to First Financial's entire board of directors in June. Likewise, First Financial's Chief Talent Officer and compensation consultant advised

the Compensation Committee on matters of organizational design and compensation. Members of the Compensation Committee discussed these issues at length and asked questions of all of First Financial's Chief Talent Officer, compensation consultant, and legal counsel.

Mr. Brown and Mr. Davis continued to discuss transaction terms, including financial terms and management structure and compensation. On July 18, 2017, representatives of First Financial further discussed the terms of the proposed business combination with representatives of MainSource. During such discussion, First Financial

## TABLE OF CONTENTS

and MainSource verbally agreed, subject to board approval, to a fixed exchange ratio of 1.3875 which, based on the then-current trading price of First Financial's common stock, would provide consideration with a value of \$38.23 per share of MainSource common stock. First Financial and MainSource subsequently confirmed that they each had completed due diligence and were interested in finalizing and announcing a definitive transaction on the terms discussed.

On July 19, 2017, the MainSource board of directors held a special meeting for purposes of: reviewing a draft of the Agreement and Plan of Merger, a copy of which had been provided to the board; reviewing financial aspects of the transaction with KBW; reviewing merger-related employee benefit matters which would be considered more fully by the Executive Compensation Committee at a meeting on July 25, 2017; and reviewing the timeline and communication plan for the signing and announcement of the merger. During the meeting, MainSource's legal counsel reviewed the merger agreement with the board and the board engaged in a discussion regarding each material term of the draft agreement, which contemplated, among other things, that: (i) MainSource would merge with and into First Financial with First Financial surviving the merger, (ii) following the merger, MainSource Bank would merge with and into First Financial Bank, (iii) the exchange ratio would be 1.3875 shares of First Financial common stock for each outstanding share of MainSource common stock, (iv) First Financial would set the number of directors at 15 and appoint six MainSource directors to the First Financial board of directors and the First Financial Bank board of directors, (v) the proposed employment agreements for Mr. Brown and Mr. Davis, and (vi) following the merger, certain executive officers of MainSource would continue as executive officers of First Financial. The board asked numerous questions regarding the proposed merger terms and terms of similar transactions.

Also at this meeting, KBW discussed with the MainSource board of directors financial aspects of the proposed transaction, including, among other things, a comparison of transaction multiples as of June 2, 2017 and July 17, 2017, a comparison of the proposed transaction to selected bank merger and acquisition transactions announced since January 1, 2016 and certain potential pro forma effects of the transaction on First Financial, and discussed on a preliminary basis the fairness opinion to be delivered by KBW with respect to the exchange ratio in the proposed merger. Mr. Anderson and KBW also discussed with the MainSource board of directors the cost savings and one-time costs that could result from the merger. With the assistance of KBW, the MainSource board of directors again considered other potential merger partners for MainSource and the apparent financial ability and capacity of each to pay in a similar transaction. The MainSource board also considered the value of a strategic merger with First Financial, including the financial strength and market presence of the combined company.

On July 24, First Financial's Compensation Committee conducted a follow-up meeting, again including First Financial's Chief Talent Officer, compensation consultant, and legal counsel, and adopted a resolution recommending to the full board of directors a post-merger organizational structure involving a position of Executive Chairman, to be occupied by Mr. Davis, and a Chief Executive Officer position, to be occupied by Mr. Brown, as well as employment agreements for each of Mr. Davis and Mr. Brown.

On July 25, 2017, the First Financial board of directors met to consider approval of the merger agreement and the transactions contemplated by the merger agreement, including the merger. Representatives of Sandler O'Neill and Squire Patton Boggs attended this meeting. At the meeting, the First Financial board of directors reviewed a copy of the current draft of the merger agreement which contemplated, among other things, that: (i) MainSource would merge with and into First Financial with First Financial surviving the merger, (ii) following the merger, MainSource Bank would merge with and into First Financial Bank, (iii) the fixed exchange ratio would be 1.3875 shares of First Financial common stock for each outstanding share of MainSource common stock, (iv) First Financial would set the number of directors at 15 and appoint six MainSource directors to the First Financial board of directors and the First Financial Bank board of directors, (v) the proposed employment agreements for Mr. Brown and Mr. Davis, and (vi) following the merger, certain executive officers of MainSource would continue as executive officers of First Financial. At the special meeting, First Financial's legal counsel reviewed with members of the board of directors their

fiduciary duties and the material terms of the proposed merger agreement. Also at this special meeting, representatives of Sandler O'Neill reviewed with the First Financial board of directors Sandler O'Neill's financial analysis of the exchange ratio and rendered an oral opinion, confirmed by delivery of a written opinion, dated July 25, 2017, to the First Financial board of directors to the effect that, as of such date and based on and subject to various assumptions made, procedures followed, matters considered, and limitations and qualifications on the review undertaken as described in such opinion, the exchange ratio was fair, from a financial point of view, to First Financial.



## TABLE OF CONTENTS

The board of directors discussed the rationale for and analysis of the transaction, its financial terms and other terms in the merger agreement. The board of directors asked numerous questions of First Financial's management, legal counsel, and financial advisors in evaluating and considering these matters. Following these discussions and review and discussion among the members of the First Financial board of directors, including consideration of the factors described under —First Financial's Reasons for the Merger; Recommendation of the First Financial Board of Directors, the First Financial board of directors unanimously determined that the merger with MainSource was advisable and in the best interests of First Financial and voted unanimously to adopt the merger agreement, to approve the merger agreement and the transactions contemplated thereby, and to recommend that First Financial's shareholders approve the merger agreement.

Also on July 25, 2017, the MainSource board of directors met to consider and discuss the terms of the proposed merger with First Financial. MainSource's management and legal and financial advisors were also participants at this meeting. MainSource's legal counsel presented the final draft of the merger agreement and discussed the revisions to the agreement since the board's meeting on July 19, 2017. The board and management MainSource's legal counsel also discussed the regulatory review and approval process for the merger. KBW reviewed the financial aspects of the proposed merger and rendered to the MainSource board an opinion (which was initially rendered verbally and confirmed in writing by delivery of KBW's written opinion, dated July 25, 2017) to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW as set forth in its opinion, the exchange ratio in the proposed merger was fair, from a financial point of view, to the holders of MainSource common stock.

The MainSource board discussed the merger agreement and the exchange ratio at length and asked many questions of MainSource's management and legal and financial advisors. The board reviewed again the strategic rationale for the merger compared to the prospects and challenges with remaining independent or pursuing other corporate or strategic opportunities. The board discussed at length the overall structure of the proposed merger transaction including the financial, organizational, and strategic opportunities created by the merger. Following a lengthy discussion, and for the reasons described under —MainSource's Reasons for the Merger; Recommendation of the MainSource Board of Directors, the MainSource board of directors unanimously determined that the merger with First Financial was advisable and in the best interests of MainSource and voted unanimously to adopt the merger agreement, to approve the merger agreement and the transactions contemplated thereby, and to recommend that MainSource's shareholders approve the merger agreement.

On the afternoon of July 25, 2017, the parties finalized and executed the merger agreement. Following market close on July 25, 2017, MainSource and First Financial issued a joint press release announcing the execution of the merger agreement.

### **First Financial's Reasons for the Merger; Recommendation of First Financial's Board of Directors**

In evaluating the merger, the First Financial board of directors consulted with First Financial management, as well as independent legal and financial advisors, and, in the course of reaching its decision to adopt the merger agreement, to approve the merger and the other transactions contemplated by the merger agreement, and to recommend that First Financial's shareholders adopt the merger agreement, the First Financial board of directors considered a number of factors, including the following material factors:

its understanding of the current and prospective environment in which First Financial and MainSource operate, including national and local economic conditions, the interest rate environment, increased operating costs resulting from regulatory initiatives and compliance mandates as a result of exceeding \$10 billion in total assets, the competitive environment for financial institutions generally, and the likely effect of these factors on First Financial both with and without the proposed transaction;

each of First Financial's, MainSource's, and the combined company's business, operations, financial condition, asset quality, earnings, and prospects. In reviewing these factors, the First Financial board of directors considered its view that MainSource's financial condition and asset quality were sound, that MainSource's business and operations complemented those of First Financial, and that the merger would result in a combined company with a larger market presence and more diversified product mix as well as an attractive funding base, including through core deposit funding, and stronger asset quality. The First Financial board of directors further considered that MainSource's earnings and prospects, and

## TABLE OF CONTENTS

synergies potentially available in the proposed transaction, created an opportunity for the combined company to have superior future earnings and prospects compared to First Financial's earnings and prospects on a stand-alone basis. In particular, the First Financial board of directors considered the following:

- the potential for combining two high-performing Midwest community banks which would have industry leading profitability and efficiency, a stable, low-cost funding base, and would be well-positioned for an increasing interest rate environment;
- the complementary nature of the customers and markets of First Financial and MainSource across Ohio, Indiana, and Kentucky with continued expansion in key markets such as Cincinnati and Indianapolis and the creation of an immediate sizable position in Louisville;
- the long histories (over 100 years) of each company built on strong core values and the similarity of the companies' cultures and operating philosophies;
- each company's history of successful acquisitions providing the necessary experience for estimating potential cost savings as well as planning and executing the integration;
- the complementary nature of First Financial's and MainSource's banking products including high quality, low risk loan portfolios;
- the similarity of the businesses and management teams;
- the strength of MainSource's retail base including its favorable composition of core deposits which First Financial intends to leverage across the combined footprint going forward;
- the expanded possibilities, including organic growth and future acquisitions, that would be available to the combined company given its larger size, asset base, capital, and footprint;
- its review and discussions with First Financial's management and advisors concerning First Financial's due diligence examination of MainSource's business;
- the regulatory implications for the combined organization, including the fact that although the combined organization will cross well over the \$10 billion threshold resulting in greater regulatory burdens, the merger serves as an efficient and effective means of offsetting the costs of moving beyond this threshold;
- the anticipated pro forma financial impact of the merger on the combined company, including an estimated 5% accretion, or \$0.09 in First Financial's earnings per share in 2018, and 9% accretion, or \$0.17 in earnings per share in 2019 (exclusive of restructuring charges and inclusive of estimated cost savings);
- the anticipated positive impact of the merger on the combined company's capital position, including regulatory capital levels, and the combined company's potential ability to generate substantial internal capital to support future growth;
- the participation of six of MainSource's directors in the combined company which the First Financial board of directors believed would enhance the likelihood of realizing the strategic benefits that First Financial expects to derive from the merger;
- the strength of the combined management team following completion of the merger which will provide First Financial with the necessary depth to support a larger institution and position First Financial for future growth;
- the expectation that the transaction will be generally tax-free for United States federal income tax purposes to First Financial's shareholders;
- the financial analyses of Sandler O'Neill presented on July 25, 2017 to the First Financial board of directors, as well as the related opinion of Sandler O'Neill, dated July 25, 2017, to the effect that, as of such date and based on and subject to the various assumptions made, procedures followed,

## TABLE OF CONTENTS

matters considered and limitations and qualifications on the review undertaken by Sandler O'Neill, as more fully described in the opinion, the exchange ratio set forth in the merger agreement was fair, from a financial point of view, to First Financial;

the fact that First Financial's shareholders will have a chance to vote on the merger; and its review with First Financial's independent legal advisor, Squire Patton Boggs, of the terms of the merger agreement, including deal protection and termination fee provisions.

The First Financial board of directors also considered potential risks relating to the merger but concluded that the anticipated benefits of the merger were likely to substantially outweigh these risks. These potential risks included:

the possibility of encountering difficulties in achieving anticipated cost savings in the amounts estimated or in the time frame contemplated;

the possibility of encountering difficulties in successfully integrating MainSource's business, operations, and workforce with those of First Financial;

the transaction-related restructuring charges and other merger-related costs, including the payments and other benefits to be received by MainSource management in connection with the merger pursuant to existing MainSource plans and compensation arrangements and the merger agreement;

- initial dilution to tangible book value per common share is estimated to be \$0.64 or 5.4% at closing, which First Financial's management believes can be earned back within approximately three years;

diversion of management attention and resources from the operation of First Financial's business towards the completion of the merger; and

the regulatory and other approvals required in connection with the merger and the risk that such regulatory approvals will not be received in a timely manner or may impose unacceptable conditions.

The foregoing discussion of the information and factors considered by the First Financial board of directors is not intended to be exhaustive, but includes the material factors considered by the First Financial board of directors. In reaching its decision to adopt the merger agreement, to approve the merger and the other transactions contemplated by the merger agreement, and to recommend that First Financial's shareholders adopt the merger agreement, the First Financial board of directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The First Financial board of directors considered all these factors as a whole and overall considered the factors to be favorable to, and to support, its determination.

For the reasons set forth above, the First Financial board of directors unanimously determined that the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of First Financial and unanimously voted to adopt the merger agreement, to approve the merger and the transactions contemplated by it, and to recommend that First Financial's shareholders adopt the merger agreement.

The First Financial board of directors unanimously recommends that First Financial shareholders vote **FOR** the approval of the merger proposal and other merger-related proposals.

It should be noted that this explanation of the First Financial board of directors' reasoning presented in this section contains information that is forward-looking in nature, and therefore should be read in light of the factors discussed under the heading **Cautionary Statement Regarding Forward-Looking Statements** beginning on page 23.

### **Opinion of Sandler O'Neill & Partners, L.P.**

By letter dated May 23, 2017, First Financial retained Sandler O'Neill to render a fairness opinion to the First Financial board of directors in connection with First Financial's consideration of a possible business combination with MainSource. Sandler O'Neill is a nationally recognized investment banking firm whose principal business specialty is financial institutions. In the ordinary course of its investment banking business, Sandler O'Neill is regularly engaged in

the valuation of financial institutions and their securities in connection with mergers and acquisitions and other corporate transactions.

## TABLE OF CONTENTS

Sandler O'Neill acted as an independent financial advisor in connection with the proposed transaction and participated in certain of the negotiations leading to the execution of the merger agreement. At the July 25, 2017 meeting at which the First Financial board considered and approved the merger agreement, Sandler O'Neill delivered to the First Financial board its oral opinion, which was subsequently confirmed in writing, to the effect that, as of such date, the exchange ratio provided for in the merger agreement was fair to First Financial from a financial point of view. **The full text of Sandler O'Neill's opinion is attached as Annex B to this joint proxy statement/prospectus. The opinion outlines the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by Sandler O'Neill in rendering its opinion. The description of the opinion set forth below is qualified in its entirety by reference to the full text of the opinion. First Financial shareholders are urged to read the entire opinion carefully in connection with their consideration of First Financial's merger proposal.**

**Sandler O'Neill's opinion speaks only as of the date of the opinion. The opinion was directed to the First Financial board in connection with its consideration of the merger and is directed only to the fairness, from a financial point of view, of the exchange ratio to First Financial. Sandler O'Neill's opinion does not constitute a recommendation to any First Financial shareholder as to how such First Financial shareholder should vote at any meeting of shareholders called to consider and vote upon the First Financial share issuance proposal. It does not address the underlying business decision of First Financial to engage in the merger, the form or structure of the merger, the relative merits of the merger as compared to any other alternative business strategies that might exist for First Financial, or the effect of any other transaction in which First Financial might engage.** Sandler O'Neill did not express any opinion as to the fairness of the amount or nature of the compensation to be received in the merger by any First Financial or MainSource officers, directors, or employees, or class of such persons, if any, relative to the compensation to be received in the merger by any other shareholders. Sandler O'Neill's opinion was approved by Sandler O'Neill's fairness opinion committee.

In connection with rendering its opinion, Sandler O'Neill reviewed and considered, among other things:

- an execution copy of the merger agreement, dated July 25, 2017;
- certain publicly available financial statements and other historical financial information of First Financial that Sandler O'Neill deemed relevant;
- certain publicly available financial statements and other historical financial information of MainSource that Sandler O'Neill deemed relevant;
- publicly available median analyst earnings per share estimates for First Financial for the years ending December 31, 2017 and December 31, 2018 and estimated dividends per share for the year ending December 31, 2017;
- long-term First Financial earnings per share growth rates for the years after the year ending December 31, 2018 and
- dividend payout ratios for the years after the year ending December 31, 2017, as discussed with the senior management of First Financial;
- publicly available consensus analyst earnings per share estimates for MainSource for the years ending December 31, 2017 and December 31, 2018;
- estimated dividends per share for the years ending December 31, 2017 and December 31, 2018 and estimated
- long-term earnings per share growth rates and dividend payout ratios for the years thereafter, as discussed with the senior management of MainSource;
- the pro forma financial impact of the merger on First Financial based on certain assumptions relating to transaction expenses, purchase accounting adjustments, cost savings, and anticipated regulatory and compliance costs, as provided by the senior management of First Financial;
- the relative contribution of assets, liabilities, equity, and earnings of First Financial and MainSource to the combined entity;

## TABLE OF CONTENTS

the publicly reported historical price and trading activity for First Financial common stock and MainSource common stock, including a comparison of certain stock trading information for First Financial common stock, MainSource common stock, and certain stock indices as well as similar publicly available information for certain other companies the securities of which are publicly traded;

a comparison of certain financial information for First Financial and MainSource with similar bank institutions for which information is publicly available;

the financial terms of certain recent business combinations in the bank and thrift industry (on a nationwide basis), to the extent publicly available;

the current market environment generally and the banking environment in particular; and

such other information, financial studies, analyses, and investigations and financial, economic, and market criteria as Sandler O'Neill considered relevant.

Sandler O'Neill also discussed with certain members of the senior management of First Financial the business, financial condition, results of operations, and prospects of First Financial and held similar discussions with certain members of the senior management of MainSource and its representatives regarding the business, financial condition, results of operations, and prospects of MainSource.

In performing its review, Sandler O'Neill relied upon the accuracy and completeness of all of the financial and other information that was available to and reviewed by Sandler O'Neill from public sources, that was provided to Sandler O'Neill by First Financial, MainSource, or their respective representatives or that was otherwise reviewed by Sandler O'Neill and Sandler O'Neill assumed such accuracy and completeness for purposes of rendering its opinion without any independent verification or investigation. Sandler O'Neill further relied on the assurances of the respective managements of First Financial and MainSource that they are not aware of any facts or circumstances that would have made any of such information inaccurate or misleading. Sandler O'Neill was not asked to and did not undertake an independent verification of any of such information and Sandler O'Neill did not assume any responsibility or liability for the accuracy or completeness thereof. Sandler O'Neill did not make an independent evaluation or perform an appraisal of the specific assets, the collateral securing assets or the liabilities (contingent or otherwise) of First Financial or MainSource, nor was Sandler O'Neill furnished with any such evaluations or appraisals. Sandler O'Neill rendered no opinion or evaluation on the collectability of any assets or the future performance of any loans of First Financial or MainSource. Sandler O'Neill did not make an independent evaluation of the adequacy of the allowance for loan losses of First Financial or MainSource, or the combined entity after the merger and Sandler O'Neill did not review any individual credit files relating to First Financial or MainSource. Sandler O'Neill assumed, with First Financial's consent, that the respective allowances for loan losses for both First Financial and MainSource are adequate to cover such losses and will be adequate on a pro forma basis for the combined entity.

In preparing its analyses, Sandler O'Neill used publicly available median analyst earnings per share estimates for First Financial for the years ending December 31, 2017 and December 31, 2018, estimated dividends per share for the year ending December 31, 2017, long-term earnings per share growth rates for the years after the year ending December 31, 2018 and long-term dividend payout ratios for the years after the year ending December 31, 2017, as discussed with the senior management of First Financial. In addition, in preparing its analyses Sandler O'Neill used publicly available consensus analyst earnings per share estimates for MainSource for the years ending December 31, 2017 and December 31, 2018, estimated dividends per share for the years ending December 31, 2017 and December 31, 2018, estimated long-term earnings per share growth rates for the years after the year ending December 31, 2018 and long-term dividend payout ratios for the years after the year ending December 31, 2018, as discussed with the senior management of MainSource. Sandler O'Neill also received and used in its pro forma analyses certain assumptions relating to transaction expenses, purchase accounting adjustments, cost savings, and anticipated regulatory and compliance costs, as provided by the senior management of First Financial. With respect to the foregoing information, the respective managements of First Financial and MainSource confirmed to Sandler O'Neill that such information reflected (or, in the case of the publicly available analyst earnings per share estimates referred to above, were consistent with) the best currently available projections, estimates, and judgments of those respective managements of

the future financial performance of First Financial and MainSource, respectively, and Sandler O'Neill assumed that such performance would be achieved. Sandler O'Neill expressed no opinion as to such information, or the assumptions on which such information was based. Sandler O'Neill also assumed that there had been no material change in First



## TABLE OF CONTENTS

Financial s or MainSource s assets, financial condition, results of operations, business, or prospects since the date of the most recent financial statements made available to Sandler O Neill. Sandler O Neill assumed in all respects material to its analysis that First Financial and MainSource will remain as going concerns for all periods relevant to Sandler O Neill s analyses.

Sandler O Neill also assumed, with First Financial s consent, that (i) each of the parties to the merger agreement will comply in all material respects with all material terms and conditions of the merger agreement and all related agreements, that all of the representations and warranties contained in such agreements are true and correct in all material respects, that each of the parties to such agreements will perform in all material respects all of the covenants and other obligations required to be performed by such party under such agreements, and that the conditions precedent in such agreements were not and will not be waived, (ii) in the course of obtaining the necessary regulatory or third party approvals, consents, and releases with respect to the merger, no delay, limitation, restriction, or condition will be imposed that would have an adverse effect on First Financial, MainSource. or the merger or any related transaction, (iii) the merger and any related transaction will be consummated in accordance with the terms of the merger agreement without any waiver, modification, or amendment of any material term, condition or agreement thereof and in compliance with all applicable laws and other requirements, and (iv) the merger will qualify as a tax-free reorganization for federal income tax purposes. Finally, with First Financial s consent, Sandler O Neill relied upon the advice that First Financial received from its legal, accounting, and tax advisors as to all legal, accounting, and tax matters relating to the merger and the other transactions contemplated by the merger agreement. Sandler O Neill expressed no opinion as to any such matters.

Sandler O Neill s opinion was necessarily based on financial, economic, market, and other conditions as in effect on, and the information made available to Sandler O Neill as of, the date thereof. Events occurring after the date thereof could materially affect Sandler O Neill s opinion. Sandler O Neill has not undertaken to update, revise, reaffirm, or withdraw its opinion or otherwise comment upon events occurring after the date thereof. Sandler O Neill expressed no opinion as to the trading values of First Financial common stock or MainSource common stock at any time or what the value of First Financial common stock will be once it is actually received by the holders of MainSource common stock.

In rendering its opinion, Sandler O Neill performed a variety of financial analyses. The summary below is not a complete description of the financial analyses underlying the opinion or the presentation made by Sandler O Neill to the First Financial board, but summarizes the material analyses performed and presented in connection with such opinion. The financial analyses summarized below include information presented in tabular format. **In order to fully understand the financial analyses, these tables must be read together with the accompanying text. The tables alone do not constitute a complete description of the financial analyses.** The preparation of a fairness opinion is a complex process involving subjective judgments as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. The process, therefore, is not necessarily susceptible to a partial analysis or summary description. Sandler O Neill believes that its analyses must be considered as a whole and that selecting portions of the factors and analyses to be considered without considering all factors and analyses, or attempting to ascribe relative weights to some or all such factors and analyses, could create an incomplete view of the evaluation process underlying its opinion. Also, no company included in Sandler O Neill s comparative analyses described below is identical to First Financial or MainSource, and no transaction is identical to the merger. Accordingly, an analysis of comparable companies or transactions involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other factors that could affect the public trading values or merger transaction values, as the case may be, of First Financial and MainSource and the companies to which they are being compared. In arriving at its opinion, Sandler O Neill did not attribute any particular weight to any analysis or factor that it considered, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Sandler O Neill did not form an opinion as to whether any individual analysis or factor (positive or negative) considered in isolation supported or failed to support its opinion, rather, Sandler O Neill

made its determination as to the fairness of the exchange ratio on the basis of its experience and professional judgment after considering the results of all its analyses taken as a whole.

In performing its analyses, Sandler O'Neill made numerous assumptions with respect to industry performance, general business, economic, market, and financial conditions and other matters, many of which are beyond the control of Sandler O'Neill, First Financial, and MainSource. The analyses performed by Sandler O'Neill are not

TABLE OF CONTENTS

necessarily indicative of actual values or future results, both of which may be significantly more or less favorable than suggested by such analyses. Sandler O'Neill prepared its analyses solely for purposes of rendering its opinion and provided such analyses to First Financial's board of directors at its July 25, 2017 meeting. Estimates on the values of businesses or securities do not purport to be appraisals or to reflect the prices at which such businesses or securities might actually be sold. Accordingly, Sandler O'Neill's analyses do not necessarily reflect the value of First Financial common stock or the prices at which First Financial common stock or MainSource common stock may be sold at any time Sandler O'Neill's opinion was among several factors taken into consideration by the First Financial board in making its determination to approve the merger agreement and the merger. Consequently, the analyses described below should not be viewed as determinative of the decision of the First Financial board with respect to the fairness of the exchange ratio. The type and amount of consideration payable in the merger were determined through negotiation between First Financial and MainSource and the decision to enter into the merger agreement was solely that of the First Financial board.

*Summary of Proposed Merger Consideration and Implied Transaction Metrics*

Sandler O'Neill reviewed the financial terms of the proposed merger. Pursuant to the terms of the merger agreement, upon the effective time of the merger, each share of MainSource common stock that is issued and outstanding immediately before the effective date, except for certain shares of MainSource Common Stock as specified in the merger agreement, shall be converted into and exchanged for the right to receive 1.3875 shares of common stock of First Financial. Using First Financial's July 25, 2017 closing stock price of \$28.10 and based upon the following (as provided by MainSource management), (a) 25,575,804 shares of MainSource common stock outstanding and 36,442 performance share units that are assumed to be converted to common stock at close, (b) 115,417 outstanding MainSource options with a weighted average strike price of \$11.36, and (c) 572,813 outstanding MainSource warrants outstanding with a weighted average strike price of \$14.92, Sandler O'Neill calculated an implied transaction value per share of \$38.99 and an aggregate implied transaction value of approximately \$1.0 billion. Based upon historical financial information for MainSource as of or for the last twelve months (LTM) ended June 30, 2017, Sandler O'Neill calculated the following implied transaction metrics:

Transaction Price / MainSource LTM Earnings Per Share <sup>(1)</sup>	19.3 x
Transaction Price / MainSource 2017 Median Analyst Estimated Earnings Per Share	18.3 x
Transaction Price / MainSource 2018 Median Analyst Estimated Earnings Per Share	16.4 x
Transaction Price / MainSource Book Value Per Share	193 %
Transaction Price / MainSource Tangible Book Value Per Share	272 %
Tangible Book Premium / Core Deposits <sup>(2)</sup>	19.3 %
Market Premium as of July 25, 2017	15.3 %

(1) Excludes \$4.8 million in after tax merger adjustments incurred during last twelve months

(2) Core deposits excludes time deposit accounts greater than \$100,000; Premium based on consideration to MainSource shareholders

**TABLE OF CONTENTS***Contribution Analysis*

Sandler O'Neill reviewed the relative contribution of various balance sheet and income statement items to be made by First Financial and MainSource to the combined company based on historical financial information for both companies as of June 30, 2017 and based on publicly available median analyst net income estimates for each of First Financial and MainSource for the years ending December 31, 2017 and December 31, 2018 and a long-term annual earnings per share growth rate for each of First Financial and MainSource for the year ending December 31, 2019, as discussed with the respective managements of First Financial and Main Source. The results of this analysis with the implied pro forma ownership percentages of First Financial and MainSource shareholders in the combined company based on the exchange ratio provided for in the merger agreement and assuming 100% stock consideration are set forth in the following table:

	<b>First</b>		<b>MainSource</b>	
	<b>Financial</b>			
Total Assets	65.5	%	34.5	%
Tangible Assets	65.7	% <sup>(3)</sup>	34.3	%
Total Loans – Excluding HFS	66.0	%	34.0	%
Total Intangibles	58.2	% <sup>(3)</sup>	41.8	%
Total Deposits	64.7	%	35.3	%
Core Deposits <sup>(1)</sup>	64.4	%	35.6	%
Tangible Common Equity	65.3	% <sup>(3)</sup>	34.7	%
Last Twelve Months Net Income <sup>(2)</sup>	65.1	%	34.9	%
2017E Net Income	64.4	%	35.6	%
2018E Net Income	63.5	%	36.5	%
2019E Net Income	63.3	%	36.7	%
Market Capitalization as of July 25, 2017	66.9	%	33.1	%
Fully-Diluted Pro Forma Ownership	63.4	%	36.6	%

(1)Excludes all time deposits greater than \$100,000

(2)Excludes \$4.8 million in after tax merger adjustments incurred during last twelve months for MainSource

Intangible assets per regulatory filings as reported by SNL Financial in calculating total intangibles, tangible (3)common equity, and tangible assets. Intangible assets for the aforementioned calculations exclude mortgage servicing rights of \$1.5 million

*Stock Trading History*

Sandler O'Neill reviewed the historical publicly reported trading prices of First Financial common stock and MainSource common stock for the three year period ending July 25, 2017. Sandler O'Neill then compared the relationship between the movements in the price of First Financial common stock and MainSource common stock, respectively, to movements in their respective peer groups (as described below) as well as certain stock indices.

**First Financial's Three-Year Stock Performance**

<b>Beginning</b>	<b>Ending</b>
<b>Value</b>	<b>Value</b>
<b>July 25,</b>	<b>July 25,</b>
<b>2014</b>	<b>2017</b>

First Financial	100	%	169.4	%
First Financial Peer Group	100	%	163.9	%
NASDAQ Bank Index	100	%	149.8	%

**MainSource s Three-Year Stock Performance**

	<b>Beginning Value July 25, 2014</b>	<b>Ending Value July 25, 2017</b>	
MainSource	100	%	198.4 %
MainSource Peer Group	100	%	174.0 %
NASDAQ Bank Index	100	%	149.8 %

TABLE OF CONTENTS*First Financial Comparable Company Analysis*

Using publicly available information, Sandler O'Neill compared selected financial information for First Financial with a group of financial institutions selected by Sandler O'Neill. The First Financial peer group consisted of publicly-traded banks headquartered in the Midwest region with total assets between \$4.0 billion and \$20.0 billion, whose securities are publicly traded on a major exchange and excludes mutual holding companies, announced merger targets, and thrifts (the First Financial Peer Group). The First Financial Peer Group included the following companies:

1st Source Corporation	Great Western Bancorp, Inc.
Chemical Financial Corporation	Heartland Financial USA, Inc.
Community Trust Bancorp, Inc.	Lakeland Financial Corporation
Enterprise Financial Services Corp	MainSource Financial Group, Inc.
First Busey Corporation	MB Financial, Inc.
First Merchants Corporation	Old National Bancorp
First Midwest Bancorp, Inc.	Park National Corporation
Great Southern Bancorp, Inc.	Republic Bancorp, Inc.

The analysis compared publicly available financial information for First Financial with the corresponding data for the First Financial Peer Group as of or for the twelve months ending June 30, 2017 (unless otherwise noted), with pricing data as of July 25, 2017, unless otherwise noted. The table below sets forth the data for First Financial and the median, mean, high and low data for the First Financial Peer Group:

	<b>First Financial</b>	<b>First Financial Peer Group Median</b>	<b>First Financial Peer Group Mean</b>	<b>First Financial Peer Group High</b>	<b>First Financial Peer Group Low</b>
Total assets (\$ in millions)	8,531	6,507	8,706	19,965	4,042
Loans / Deposits <sup>(1)</sup> (%)	88.1	94.6	95.2	125.0	75.6
Non-performing assets <sup>(2)</sup> / Total assets (%)	0.45	0.53	0.65	1.34	0.23
Tangible common equity/Tangible assets (%)	8.07	8.96	9.30	12.34	7.50
Leverage Ratio <sup>(3)</sup> (%)	8.69	10.26	10.37	13.23	8.58
Total Risk-based Capital Ratio <sup>(4)</sup> (%)	13.19	13.91	13.85	18.05	11.36
CRE / Total Risk-based Capital Ratio <sup>(5)</sup> (%)	210.8	188.0	180.8	386.3	53.5
LTM Return on avg. assets (%)	1.12	1.10	1.08	1.33	0.82
LTM Return on avg. tangible common equity <sup>(6)</sup> (%)	14.5	12.7	12.5	15.0	8.4
LTM Net interest margin (%)	3.68	3.67	3.70	4.10	3.22
LTM Efficiency ratio (%)	57.8	58.3	57.5	67.6	46.2
Price/Tangible book value (%)	261	228	215	263	125
Price/LTM Earnings per share	18.7	18.5	18.3	22.6	14.8
Price/2017 Est. Earnings per share <sup>(7)</sup> (x)	17.9	16.6	16.8	20.8	14.6
Price/2018 Est. Earnings per share <sup>(7)</sup> (x)	16.3	14.7	15.1	19.2	12.9
Current Dividend Yield (%)	2.4	2.0	2.1	3.8	0.9
Market value (\$ in millions)	1,746	1,359	1,662	3,589	675

- (1) Loans/Deposits as of March 31, 2017 for MB Financial, Inc. and Park National Corporation
- (2) Excludes restructured loans, regulatory data for First Financial Bancorp as of March 31, 2017
- (3) Leverage Ratio as of March 31, 2017 for MB Financial, Inc., Park National Corporation, Enterprise Financial Services Corp, and Republic Bancorp, Inc.
- (4) Total Risk-based Capital Ratio as of March 31, 2017 for Park National Corporation and Republic Bancorp, Inc.
- (5) CRE defined as total non-owner-occupied CRE loans (including construction and land development loans); most recent regulatory data available used
- (6) LTM Return on average tangible common equity as of March 31, 2017 for Enterprise Financial Services Corp
  - (7) Price/forward earnings multiples based on analyst consensus median estimates from SNL CapIQ

TABLE OF CONTENTS

Note: Chemical Financial Corporation, First Midwest Bancorp, Inc., Great Western Bancorp, Inc., Heartland Financial USA, Inc., First Merchants Corporation, First Busey Corporation, MainSource Financial Group, Inc., and First Financial Bancorp data as of March 31, 2017.

*MainSource Comparable Company Analysis*

Using publicly available information, Sandler O'Neill compared selected financial information for MainSource with a group of financial institutions selected by Sandler O'Neill. The MainSource peer group consisted of publicly-traded banks headquartered in the Midwest region with total assets between \$3.0 billion and \$10.0 billion, whose securities are publicly traded on a major exchange and excludes mutual holding companies, announced merger targets, and thrifts (the MainSource Peer Group). The MainSource Peer Group also excluded Byline Bancorp due to their recent initial public offering. The MainSource Peer Group included the following companies:

1st Source Corporation	Lakeland Financial Corporation
Community Trust Bancorp, Inc.	Mercantile Bank Corporation
Enterprise Financial Services Corp	Midland States Bancorp, Inc.
First Busey Corporation	MidWestOne Financial Group, Inc.
First Financial Bancorp	Park National Corporation
First Merchants Corporation	Peoples Bancorp Inc.
Great Southern Bancorp, Inc.	QCR Holdings, Inc.
Heartland Financial USA, Inc.	Republic Bancorp, Inc.
Horizon Bancorp	Stock Yards Bancorp, Inc.

The analysis compared publicly available financial information for MainSource with the corresponding data for the MainSource Peer Group as of or for the twelve months ending June 30, 2017 (unless otherwise noted), with pricing data as of July 25, 2017, unless otherwise noted. The table below sets forth the data for MainSource and the median, mean, high and low data for the MainSource Peer Group:

	MainSource	MainSource Peer Group Median	MainSource Peer Group Mean	MainSource Peer Group High	MainSource Peer Group Low
Total assets (\$ in millions)	4,042	4,420	4,938	8,531	3,033
Loans / Deposits <sup>(1)</sup> (%)	82.9	91.6	94.4	125.0	75.6
Non-performing assets <sup>(2)</sup> / Total assets (%)	0.54	0.50	0.58	1.34	0.23
Tangible common equity/Tangible assets (%)	8.89	9.11	9.37	12.34	7.50
Leverage Ratio <sup>(3)</sup> (%)	9.93	10.55	10.55	13.23	8.69
Total Risk-based Capital Ratio <sup>(4)</sup> (%)	14.60	13.74	14.05	18.05	12.01
CRE / Total Risk-based Capital Ratio <sup>(5)</sup> (%)	162.4	197.1	188.3	386.3	53.5
LTM Return on average assets (%)	1.06	1.11	1.09	1.43	0.71
LTM Return on average tangible common equity <sup>(6)</sup> (%)	12.5	12.4	12.4	14.7	8.4
LTM Net interest margin (%)	3.67	3.71	3.71	4.10	3.22
LTM Efficiency ratio (%)	60.8	59.4	59.0	67.6	46.7
Price/Tangible book value (%)	233	213	209	265	125



Edgar Filing: FIRST FINANCIAL BANCORP /OH/ - Form S-4

Price/LTM Earnings per share (x)	19.7	18.3	18.1	21.2	14.8
Price/2017 Estimated Earnings per share <sup>(7)</sup> (x)	15.9	17.2	16.9	20.8	14.2
Price/2018 Estimated Earnings per share <sup>(7)</sup> (x)	14.2	15.3	15.3	19.2	12.9
Current Dividend Yield (%)	2.0	2.0	2.0	3.8	0.4
Market value (\$ in millions)	865	806	977	1,746	427

(1) Loans/Deposits as of March 31, 2017 for Park National Corporation and QCR Holdings, Inc.

(2) Excludes restructured loans, regulatory data for First Financial Bancorp and QCR Holdings, Inc. as of March 31, 2017

## TABLE OF CONTENTS

- (3) Leverage Ratio as of March 31, 2017 for Park National Corporation, Enterprise Financial Services Corp, and Republic Bancorp, Inc.
- (4) Total Risk-based Capital Ratio as of March 31, 2017 for Park National Corporation and Republic Bancorp, Inc.
- (5) CRE defined as total non-owner-occupied CRE loans (including construction and land development loans); most recent regulatory data available used
- (6) LTM Return on average tangible common equity as of March 31, 2017 for Enterprise Financial Services Corp
- (7) Price/ forward earnings multiples based on analyst consensus median estimates from SNL CapIQ
- Note: First Financial Bancorp, Heartland Financial USA, Inc., First Merchants Corporation, First Busey Corporation, Midland States Bancorp, Inc., Horizon Bancorp, MidWestOne Financial Group, Inc., Stock Yards Bancorp, Inc., and MainSource Financial Group, Inc. data as of March 31, 2017.

### *Selected Transactions Analysis*

Sandler O'Neill reviewed recent merger and acquisition transactions consisting of a national group. The national group consisted of nationwide bank and thrift transactions with target total assets between \$2.5 billion and \$7.5 billion announced between January 1, 2015 and July 25, 2017 (which we refer to as the Nationwide Precedent Transactions in this section).

The Nationwide Precedent Transactions group was composed of the following transactions:

<b>Acquiror:</b>	<b>Target:</b>
Associated Banc-Corp	Bank Mutual Corp.
Union Bankshares Corporation	Xenith Bankshares, Inc.
South State Corporation	Park Sterling Corporation
PacWest Bancorp	CU Bancorp
Home BancShares, Inc.	Stonegate Bank
IBERIABANK Corporation	Sabadell United Bank N.A.
Pinnacle Financial Partners, Inc.	BNC Bancorp
Columbia Banking System, Inc.	Pacific Continental Corporation
First Interstate BancSystem, Inc.	Cascade Bancorp
United Bankshares, Inc.	Cardinal Financial Corporation
F.N.B. Corporation	Yadkin Financial Corporation
Chemical Financial Corporation	Talmer Bancorp, Inc.
BBCN Bancorp, Inc.	Wilshire Bancorp, Inc.
MB Financial, Inc.	American Chartered Bancorp, Inc.
Bank of the Ozarks, Inc.	Community & Southern Holdings, Inc.
Yadkin Financial Corporation	NewBridge Bancorp
F.N.B. Corporation	Metro Bancorp, Inc.
PacWest Bancorp	Square 1 Financial, Inc.

**TABLE OF CONTENTS**

Using the latest publicly available information prior to the announcement of the relevant transaction, Sandler O'Neill reviewed the following transaction metrics: transaction price to last-twelve-months earnings per share, transaction price to median analyst estimated earnings per share, transaction price to book value per share, transaction price to tangible book value per share, core deposit premium, and 1-day market premium. Sandler O'Neill compared the indicated transaction metrics for the merger to the median, mean, high, and low metrics of the Nationwide Precedent Transactions group.

	<b>First</b>		<b>Median</b>		<b>Mean</b>		<b>High</b>		<b>Low</b>	
	<b>Financial/</b>		<b>Nationwide</b>		<b>Nationwide</b>		<b>Nationwide</b>		<b>Nationwide</b>	
	<b>MainSource</b>		<b>Precedent</b>		<b>Transactions</b>		<b>Transactions</b>		<b>Transactions</b>	
Transaction price/LTM earnings per share	19.3	x <sup>(2)</sup>	23.1	x	24.5	x	38.4	x	14.8	x
Transaction price/Median analyst estimated earnings per share <sup>(1)</sup>	18.3	x	19.7	x	20.8	x	28.2	x	12.7	x
Transaction price/Book value per share	193	%	182	%	186	%	262	%	143	%
Transaction price/Tangible book value per share	272	%	221	%	219	%	317	%	146	%
Core deposit premium	19.3	% <sup>(3)</sup>	17.5	%	16.7	%	23.0	%	9.4	%
1-Day market premium	15.3	%	7.2	%	10.5	%	36.1	%	(2.2	%)

Union Bankshares Corporation and Xenith Bankshares, Inc. represents Price / 1<sup>st</sup> Quarter 2017 Annualized EPS in (1) order to exclude the impact of Xenith's 3<sup>d</sup> Quarter 2016 outsized provision, nonrecurring merger expenses, and DTA reversal

(2) Excludes \$4.8 million in after tax merger adjustments incurred during last twelve months

(3) Core deposits excludes time deposit accounts greater than \$100,000. Premium based on consideration to

MainSource shareholders

*Net Present Value Analyses*

Sandler O'Neill performed an analysis that estimated the net present value per share of First Financial's common stock, assuming First Financial performed in accordance with publicly available analyst median consensus earnings per share estimates for First Financial for the years ending December 31, 2017 and December 31, 2018, and estimated dividends per share for the year ending December 31, 2017, as well as long-term earnings per share growth rates for the years after the year ending December 31, 2018 and long-term dividend payout ratios for the years after the year ending December 31, 2017, as discussed and confirmed with the senior management of First Financial. To approximate the terminal value of First Financial common stock at December 31, 2021, Sandler O'Neill applied price to 2021 earnings per share multiples ranging from 16.0x to 21.0x and multiples of December 31, 2021 tangible book value per share ranging from 180% to 260%. The terminal values were then discounted to present values using different discount rates ranging from 8.5% to 11.5%, which were chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of First Financial common stock. As illustrated in the following tables, the analysis indicated an imputed range of values per share of First Financial common stock of \$23.03 to \$33.09 when applying multiples of earnings per share and \$20.31 to \$31.68 when applying multiples of tangible book value per share.

**Earnings Per Share Multiples**

<b>Discount</b>						
<b>Rate</b>	<b>16.0x</b>	<b>17.0x</b>	<b>18.0x</b>	<b>19.0x</b>	<b>20.0x</b>	<b>21.0x</b>
8.5%	\$ 25.89	\$ 27.33	\$ 28.77	\$ 30.21	\$ 31.65	\$ 33.09

Edgar Filing: FIRST FINANCIAL BANCORP /OH/ - Form S-4

9.0%	\$ 25.38	\$ 26.79	\$ 28.20	\$ 29.61	\$ 31.02	\$ 32.43
9.5%	\$ 24.89	\$ 26.27	\$ 27.65	\$ 29.03	\$ 30.41	\$ 31.79
10.0%	\$ 24.41	\$ 25.76	\$ 27.11	\$ 28.47	\$ 29.82	\$ 31.17
10.5%	\$ 23.94	\$ 25.26	\$ 26.59	\$ 27.91	\$ 29.24	\$ 30.56
11.0%	\$ 23.48	\$ 24.78	\$ 26.07	\$ 27.37	\$ 28.67	\$ 29.97
11.5%	\$ 23.03	\$ 24.30	\$ 25.57	\$ 26.85	\$ 28.12	\$ 29.39

TABLE OF CONTENTS**Tangible Book Value Per Share Multiples**

<b>Discount</b>					
<b>Rate</b>	<b>180%</b>	<b>200%</b>	<b>220%</b>	<b>240%</b>	<b>260%</b>
8.5%	\$ 22.81	\$ 25.03	\$ 27.25	\$ 29.46	\$ 31.68
9.0%	\$ 22.37	\$ 24.54	\$ 26.71	\$ 28.88	\$ 31.05
9.5%	\$ 21.94	\$ 24.06	\$ 26.19	\$ 28.32	\$ 30.44
10.0%	\$ 21.52	\$ 23.60	\$ 25.68	\$ 27.76	\$ 29.85
10.5%	\$ 21.10	\$ 23.14	\$ 25.18	\$ 27.23	\$ 29.27
11.0%	\$ 20.70	\$ 22.70	\$ 24.70	\$ 26.70	\$ 28.70
11.5%	\$ 20.31	\$ 22.27	\$ 24.23	\$ 26.19	\$ 28.15

Sandler O'Neill also considered and discussed with the First Financial board of directors how this analysis would be affected by changes in the underlying assumptions, including variations with respect to net income. To illustrate this impact, Sandler O'Neill performed a similar analysis, assuming First Financial's net income varied from 20% above estimates to 20% below estimates. This analysis resulted in the following range of per share values for First Financial common stock, applying the price to 2021 earnings per share multiples ranging from 16.0x to 21.0x referred to above and a discount rate of 10.00%.

**Earnings Per Share Multiples**

<b>Annual Estimated Variance</b>	<b>16.0x</b>	<b>17.0x</b>	<b>18.0x</b>	<b>19.0x</b>	<b>20.0x</b>	<b>21.0x</b>
(20.0%)	\$ 20.08	\$ 21.16	\$ 22.24	\$ 23.32	\$ 24.41	\$ 25.49
(15.0%)	\$ 21.16	\$ 22.31	\$ 23.46	\$ 24.61	\$ 25.76	\$ 26.91
(10.0%)	\$ 22.24	\$ 23.46	\$ 24.68	\$ 25.89	\$ 27.11	\$ 28.33
(5.0%)	\$ 23.32	\$ 24.61	\$ 25.89	\$ 27.18	\$ 28.47	\$ 29.75
0.0%	\$ 24.41	\$ 25.76	\$ 27.11	\$ 28.47	\$ 29.82	\$ 31.17
5.0%	\$ 25.49	\$ 26.91	\$ 28.33	\$ 29.75	\$ 31.17	\$ 32.59
10.0%	\$ 26.57	\$ 28.06	\$ 29.55	\$ 31.04	\$ 32.52	\$ 34.01
15.0%	\$ 27.65	\$ 29.21	\$ 30.77	\$ 32.32	\$ 33.88	\$ 35.43
20.0%	\$ 28.74	\$ 30.36	\$ 31.98	\$ 33.61	\$ 35.23	\$ 36.85

Sandler O'Neill also performed two analyses that estimated the net present value per share of MainSource common stock under various circumstances. The first analysis assumed MainSource performed in accordance with publicly available analyst consensus estimates for MainSource for the years ending December 31, 2017 and December 31, 2018 and estimated dividends per share for the years ending December 31, 2017 and December 31, 2018, as well as estimated long-term earnings per share growth rates for the years thereafter and long-term dividend payout ratios for the years after the year ending December 31, 2018, as discussed and confirmed with the senior management of MainSource (the "MainSource Stand Alone NPV Analysis"). For the second analysis, Sandler O'Neill used the same assumptions as the MainSource Stand Alone NPV Analysis, but also included assumptions related to after-tax cost savings, as discussed with the senior management of First Financial (the "MainSource Adjusted NPV Analysis").

For both the MainSource Stand Alone NPV Analysis and MainSource Adjusted NPV Analysis, to approximate the terminal value of MainSource common stock at December 31, 2021, Sandler O'Neill applied price to 2021 earnings per share multiples ranging from 16.0x to 21.0x and multiples of December 31, 2021 tangible book value per share

ranging from 160% to 250%. The terminal values were then discounted to present values using different discount rates ranging from 9.5% to 12.5%, which were chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of MainSource common stock. As illustrated in the following tables, the MainSource Stand Alone NPV Analysis indicated an imputed range of values per share of MainSource common stock of \$29.52 to \$42.76 when applying multiples of earnings per share and the MainSource Adjusted NPV Analysis indicated an imputed range of values per share of MainSource common stock of \$40.57 to \$59.14 when applying multiples of earnings per share. In addition, as illustrated in the following tables, the MainSource Stand Alone NPV Analysis indicated an imputed range of values per share of MainSource common stock of \$24.16 to \$40.88 when applying multiples of tangible book value per share and

**TABLE OF CONTENTS**

the MainSource Adjusted NPV Analysis indicated an imputed range of values per share of MainSource common stock of \$27.29 to \$46.41 when applying multiples of tangible book value per share.

**Earnings Per Share Multiples (MainSource Stand Alone NPV Analysis)**

<b>Discount</b>						
<b>Rate</b>	<b>16.0x</b>	<b>17.0x</b>	<b>18.0x</b>	<b>19.0x</b>	<b>20.0x</b>	<b>21.0x</b>
9.5%	\$ 33.20	\$ 35.11	\$ 37.03	\$ 38.94	\$ 40.85	\$ 42.76
10.0%	\$ 32.55	\$ 34.42	\$ 36.30	\$ 38.17	\$ 40.04	\$ 41.91
10.5%	\$ 31.91	\$ 33.75	\$ 35.58	\$ 37.42	\$ 39.25	\$ 41.09
11.0%	\$ 31.29	\$ 33.09	\$ 34.89	\$ 36.69	\$ 38.48	\$ 40.28
11.5%	\$ 30.69	\$ 32.45	\$ 34.21	\$ 35.97	\$ 37.73	\$ 39.50
12.0%	\$ 30.10	\$ 31.82	\$ 33.55	\$ 35.28	\$ 37.00	\$ 38.73
12.5%	\$ 29.52	\$ 31.21	\$ 32.90	\$ 34.60	\$ 36.29	\$ 37.98

**Earnings Per Share Multiples (MainSource Adjusted NPV Analysis)**

<b>Discount</b>						
<b>Rate</b>	<b>16.0x</b>	<b>17.0x</b>	<b>18.0x</b>	<b>19.0x</b>	<b>20.0x</b>	<b>21.0x</b>
9.5%	\$ 45.68	\$ 48.37	\$ 51.06	\$ 53.76	\$ 56.45	\$ 59.14
10.0%	\$ 44.78	\$ 47.41	\$ 50.05	\$ 52.69	\$ 55.32	\$ 57.96
10.5%	\$ 43.89	\$ 46.48	\$ 49.06	\$ 51.64	\$ 54.23	\$ 56.81
11.0%	\$ 43.03	\$ 45.56	\$ 48.09	\$ 50.63	\$ 53.16	\$ 55.69
11.5%	\$ 42.19	\$ 44.67	\$ 47.15	\$ 49.63	\$ 52.11	\$ 54.59
12.0%	\$ 41.37	\$ 43.80	\$ 46.23	\$ 48.66	\$ 51.10	\$ 53.53
12.5%	\$ 40.57	\$ 42.95	\$ 45.34	\$ 47.72	\$ 50.10	\$ 52.48

**Tangible Book Value Per Share Multiples (MainSource Stand Alone NPV Analysis)**

<b>Discount</b>						
<b>Rate</b>	<b>160%</b>	<b>180%</b>	<b>200%</b>	<b>220%</b>	<b>235%</b>	<b>250%</b>
9.5%	\$ 27.14	\$ 30.19	\$ 33.24	\$ 36.30	\$ 38.59	\$ 40.88
10.0%	\$ 26.61	\$ 29.60	\$ 32.59	\$ 35.58	\$ 37.83	\$ 40.07
10.5%	\$ 26.10	\$ 29.03	\$ 31.96	\$ 34.89	\$ 37.08	\$ 39.28
11.0%	\$ 25.59	\$ 28.46	\$ 31.34	\$ 34.21	\$ 36.36	\$ 38.51
11.5%	\$ 25.10	\$ 27.92	\$ 30.73	\$ 33.54	\$ 35.65	\$ 37.76
12.0%	\$ 24.62	\$ 27.38	\$ 30.14	\$ 32.90	\$ 34.96	\$ 37.03
12.5%	\$ 24.16	\$ 26.86	\$ 29.56	\$ 32.26	\$ 34.29	\$ 36.32

**Tangible Book Value Per Share Multiples (MainSource Adjusted NPV Analysis)**

<b>Discount</b>						
<b>Rate</b>	<b>160%</b>	<b>180%</b>	<b>200%</b>	<b>220%</b>	<b>235%</b>	<b>250%</b>
9.5%	\$ 30.68	\$ 34.18	\$ 37.67	\$ 41.17	\$ 43.79	\$ 46.41
10.0%	\$ 30.08	\$ 33.50	\$ 36.93	\$ 40.35	\$ 42.92	\$ 45.49

Edgar Filing: FIRST FINANCIAL BANCORP /OH/ - Form S-4

10.5%	\$ 29.50	\$ 32.85	\$ 36.20	\$ 39.56	\$ 42.08	\$ 44.59
11.0%	\$ 28.92	\$ 32.21	\$ 35.50	\$ 38.79	\$ 41.25	\$ 43.72
11.5%	\$ 28.37	\$ 31.59	\$ 34.81	\$ 38.03	\$ 40.45	\$ 42.86
12.0%	\$ 27.82	\$ 30.98	\$ 34.14	\$ 37.29	\$ 39.66	\$ 42.03
12.5%	\$ 27.29	\$ 30.39	\$ 33.48	\$ 36.58	\$ 38.90	\$ 41.22

Sandler O'Neill also considered and discussed with the First Financial board of directors how this analysis would be affected by changes in the underlying assumptions, including variations with respect to net income. To illustrate this impact, Sandler O'Neill performed a similar analysis assuming MainSource's net income varied from 20% above estimates to 20% below estimates for both the MainSource Stand Alone NPV Analysis and MainSource Adjusted NPV Analysis. This analysis resulted in the following range of per share values for MainSource common stock, applying the price to 2021 earnings multiples range of 16.0x to 21.0x referred to above and a discount rate of 11.00%.



TABLE OF CONTENTS**Earnings Per Share Multiples (MainSource Stand Alone NPV Analysis)**

<b>Annual Estimate Variance</b>	<b>16.0x</b>	<b>17.0x</b>	<b>18.0x</b>	<b>19.0x</b>	<b>20.0x</b>	<b>21.0x</b>
(20.0%)	\$ 25.54	\$ 26.98	\$ 28.42	\$ 29.86	\$ 31.29	\$ 32.73
(15.0%)	\$ 26.98	\$ 28.51	\$ 30.04	\$ 31.56	\$ 33.09	\$ 34.62
(10.0%)	\$ 28.42	\$ 30.04	\$ 31.65	\$ 33.27	\$ 34.89	\$ 36.51
(5.0%)	\$ 29.86	\$ 31.56	\$ 33.27	\$ 34.98	\$ 36.69	\$ 38.39
0.0%	\$ 31.29	\$ 33.09	\$ 34.89	\$ 36.69	\$ 38.48	\$ 40.28
5.0%	\$ 32.73	\$ 34.62	\$ 36.51	\$ 38.39	\$ 40.28	\$ 42.17
10.0%	\$ 34.17	\$ 36.15	\$ 38.12	\$ 40.10	\$ 42.08	\$ 44.06
15.0%	\$ 35.61	\$ 37.68	\$ 39.74	\$ 41.81	\$ 43.88	\$ 45.94
20.0%	\$ 37.05	\$ 39.20	\$ 41.36	\$ 43.52	\$ 45.67	\$ 47.83

**Earnings Per Share Multiples (MainSource Adjusted NPV Analysis)**

<b>Annual Estimate Variance</b>	<b>16.0x</b>	<b>17.0x</b>	<b>18.0x</b>	<b>19.0x</b>	<b>20.0x</b>	<b>21.0x</b>
(20.0%)	\$ 37.28	\$ 39.45	\$ 41.62	\$ 43.79	\$ 45.97	\$ 48.14
(15.0%)	\$ 38.72	\$ 40.98	\$ 43.24	\$ 45.50	\$ 47.76	\$ 50.03
(10.0%)	\$ 40.16	\$ 42.51	\$ 44.86	\$ 47.21	\$ 49.56	\$ 51.91
(5.0%)	\$ 41.59	\$ 44.04	\$ 46.48	\$ 48.92	\$ 51.36	\$ 53.80
0.0%	\$ 43.03	\$ 45.56	\$ 48.09	\$ 50.63	\$ 53.16	\$ 55.69
5.0%	\$ 44.47	\$ 47.09	\$ 49.71	\$ 52.33	\$ 54.95	\$ 57.58
10.0%	\$ 45.91	\$ 48.62	\$ 51.33	\$ 54.04	\$ 56.75	\$ 59.46
15.0%	\$ 47.35	\$ 50.15	\$ 52.95	\$ 55.75	\$ 58.55	\$ 61.35
20.0%	\$ 48.78	\$ 51.67	\$ 54.57	\$ 57.46	\$ 60.35	\$ 63.24

In connection with its analyses, Sandler O'Neill considered and discussed with the First Financial board of directors how the present value analyses would be affected by changes in the underlying assumptions. Sandler O'Neill noted that the net present value analysis is a widely used valuation methodology, but the results of such methodology are highly dependent upon the numerous assumptions that must be made, and the results thereof are not necessarily indicative of actual values or future results.

*Pro Forma Merger Analysis*

Sandler O'Neill analyzed certain potential pro forma effects of the merger on First Financial assuming the merger close at the end of the first calendar quarter of 2018. Sandler O'Neill utilized the following information and assumptions: (i) publicly available median analyst earnings per share estimates for First Financial for the years ending December 31, 2017 and December 31, 2018 and estimated dividends per share for the year ending December 31, 2017, as well as long-term earnings per share growth rates for the years after the year ending December 31, 2018 and long-term dividend payout ratios for the years after the year ending December 31, 2017, as discussed and confirmed with the senior management of First Financial, (ii) publicly available consensus analyst earnings per share estimates for MainSource for the years ending December 31, 2017 and December 31, 2018, and estimated long-term annual asset

and earnings per share growth rates, dividends per share for the year ending December 31, 2017 and December 31, 2018 and long-term dividend payout ratio for years thereafter, as discussed and confirmed with the senior management of MainSource, and (iii) certain assumptions related to transaction expenses, purchase accounting adjustments, as well as certain cost savings assumptions, as provided by the senior management of First Financial. The analysis indicated that the merger could be accretive to First Financial's earnings per share (excluding one-time transaction costs and expenses) in the years ending December 31, 2018 and thereafter and dilutive to First Financial's estimated tangible book value per share at close.

In connection with this analysis, Sandler O'Neill considered and discussed with the First Financial board how the analysis would be affected by changes in the underlying assumptions and noted that the actual results achieved by the combined company may vary from projected results and the variations may be material.

## TABLE OF CONTENTS

### *Sandler O'Neill's Relationship*

Sandler O'Neill is acting as First Financial's financial advisor in connection with the merger and First Financial has agreed to pay Sandler O'Neill a fee for such services in an amount equal to \$4.0 million, which fee is contingent upon the closing of the merger. Sandler O'Neill also received a fee from First Financial in an amount equal to \$500,000 upon rendering its opinion. First Financial has also agreed to indemnify Sandler O'Neill against certain claims and liabilities arising out of Sandler O'Neill's engagement and to reimburse Sandler O'Neill for certain of its out-of-pocket expenses incurred in connection with Sandler O'Neill's engagement. Sandler O'Neill did not provide any other investment banking services to First Financial in the two years preceding the date of its opinion, nor did Sandler O'Neill provide any investment banking services to MainSource in the two years preceding the date thereof. In the ordinary course of its business as a broker-dealer, Sandler O'Neill may purchase securities from or sell securities to First Financial, MainSource, or their respective affiliates. Sandler O'Neill may also actively trade the equity or debt securities of First Financial, MainSource, or their respective affiliates for its own account and for the accounts of its customers.

### **MainSource's Reasons for the Merger; Recommendation of MainSource's Board of Directors**

After careful consideration, the MainSource board of directors, at a meeting held on July 25, 2017, determined that the merger with First Financial is in the best interests of MainSource and its shareholders and approved and declared advisable the merger agreement and the transactions contemplated therein, including the merger, and recommends that MainSource's shareholders vote **FOR** the adoption of the MainSource merger proposal. In reaching its decision to approve and recommend the adoption of the merger agreement, the MainSource board of directors evaluated the merger agreement and the merger in consultation with MainSource's management, as well as MainSource's financial and legal advisors, and considered a number of factors, including the following material factors which are not intended to be exhaustive and are not presented in any relative order of importance:

the belief that the merger will create a premier Midwest community bank with a meaningful presence in large, high-growth metropolitan markets, including Northwest Indiana, Louisville, Kentucky, Indianapolis, Indiana, and Cincinnati and Columbus, Ohio, with industry leading profitability and efficiency;

the anticipated earnings per share accretion for MainSource shareholders as a result of the merger;

the anticipated increase in the dividend of approximately \$0.066 per share, based upon MainSource's and

- First Financial's third quarter 2017 dividends, to be paid to MainSource's shareholders based on First Financial's current and forecasted dividend payout ratio;

the proposed terms of the merger transaction with First Financial and the value of the proposed terms to MainSource shareholders, including the attractive valuation, which allows MainSource shareholders to lock in stock price appreciation gains to date plus a premium of 15.3% based upon the closing prices of MainSource common stock and First Financial stock on July 25, 2017, the day of the public announcement of the execution of the merger agreement;

the fact that MainSource shareholders will own approximately 36% of the combined company following the merger; the significant overlap of the two bank franchises, including the fact that 35% of First Financial deposits are within 5 miles of a MainSource branch, which provides an opportunity for the combined company to achieve significant cost savings through branch closures without affecting customer service;

the expectation that the merger will result in approximately \$43 million in annual net cost savings following the completion of the merger and full integration of the two companies;

the business, earnings, operations, financial condition, stock price, performance, management, prospects, capital levels, and credit quality of each of MainSource and First Financial, based upon MainSource's diligence of First Financial;

the current and prospective business and economic environment of the banking industry, the scarcity of prospects for acquisition within the markets in which MainSource operates, and in particular the Indianapolis market, the competitive pricing for acquisition targets and the regulatory burdens on financial institutions;



## TABLE OF CONTENTS

the resulting company's enhanced competitive position as the 6<sup>th</sup> largest bank by deposit market share in Indiana and the 4<sup>th</sup> largest bank by deposit market share in Cincinnati, Ohio;

the overall size of the combined company, which will position it to cross over the \$10 billion asset threshold in an efficient and meaningful way, thereby reducing the potential negative impact on the combined company's earnings as a result of its assets exceeding \$10 billion, including the limit on the amount of debit card interchange fees that the combined company will be able to charge under the Durbin Amendment under the Dodd-Frank Act, and the increased regulatory burden and cost on the bank of having total assets in excess of \$10 billion, including becoming subject to oversight by the CFPB;

the overall size and anticipated earnings of the combined company, which are anticipated to give the combined company the resources to grow and to compete against larger financial institutions in such areas as investment in technology innovation;

the MainSource board of directors' consideration of potential alternative (upstream) merger partners, including review of the resulting footprint, cultural compatibility, and ability to pay for each potential merger partner;

the MainSource board of directors' evaluation and views of MainSource's potential strategic alternatives compared to a strategic merger with First Financial, including remaining independent, continuing to grow through de novo branching or acquisitions, merger of equals, or acquisition by a larger merger partner;

the potential to combine the strengths of each company, including MainSource's low cost core deposits and First Financial's diversified business lines, to create an even stronger, more competitive financial institution;

the fact that the management team of the combined company will consist of current executives of both MainSource and First Financial, including the Chief Executive Officer and Chief Financial Officer of MainSource, which will allow for management continuity, deeper experience and greater opportunities for succession planning;

the fact that the board of directors following the merger will consist of nine current directors of First Financial and six current directors of MainSource, which will allow MainSource to have a significant influence on the organization following the merger and which the MainSource board of directors believes will enhance the likelihood of realizing the strategic benefits that the combined company expects to derive from the merger;

the complementary and compatible aspects of the business of MainSource and First Financial, including similar cultures, similar focus on the communities in which the banks operate and similar management philosophies with respect to credit and operations;

the compatible credit metrics and credit cultures (both strong), plus increased lending limits available in the merged company;

the potential revenue synergy opportunities resulting from the merger, including opportunities to cross-sell expanded products and services to a larger combined customer base and to larger customers;

the increased liquidity that MainSource shareholders will have with the combined company;

the fact that MainSource's shareholders will have a chance to vote on the merger;

the commitment made by First Financial to Decatur County, Indiana, which includes an investment of \$1 million during the five years following the merger for charitable or community groups and the retention of at least 100 jobs in Greensburg;

the combined acquisition and integration experience of the MainSource and First Financial management teams;

- the expanded possibilities, including organic growth and future acquisitions, that would be available to the combined company given its larger size, asset base, capital, lending capacity, and footprint;

## TABLE OF CONTENTS

the views of the MainSource board of directors as to the likelihood that the regulatory approvals necessary to complete the merger would be obtained;

the views of the MainSource board of directors as to the ability of MainSource's and First Financial's management teams to successfully integrate and operate the business of the combined company after the merger;

the financial presentation, dated July 25, 2017, of KBW to the MainSource board of directors and opinion, dated July 25, 2017, of KBW to the MainSource board of directors as to the fairness, from a financial point of view and as of the date of the opinion, to the holders of MainSource common stock of the exchange ratio in the proposed merger, as more fully described below under —Opinion of Keefe, Bruyette & Woods, Inc. ;

the termination and walk-away provisions of merger agreement, which allow the MainSource board of directors to: withdraw its recommendation to MainSource's shareholders under certain circumstances to accept a superior business combination proposal;

terminate the merger agreement in order to enter into a definitive agreement with respect to a superior proposal (subject to payment of a \$40 million termination fee); and

terminate the merger agreement in the event of a decline in First Financial's stock price by a certain amount in excess of a certain decline in the KBW regional banking index; and

the MainSource board of directors' review and discussions with its management, financial and legal advisors concerning MainSource's due diligence examination of First Financial's business and the terms of the merger agreement.

The board of directors of MainSource also considered the potential risks related to the merger but concluded that the anticipated benefits of the merger were likely to substantially outweigh these risks. These potential risks included:

that the exchange ratio for the merger consideration is fixed, so that if the market price of First Financial common stock is lower at the time of the closing of the merger, the implied market value of the per share merger consideration to be received by MainSource's shareholders in exchange for their shares of MainSource common stock will also be lower;

the potential risks associated with achieving anticipated cost synergies and savings and successfully integrating MainSource's business, operations, and workforce with those of First Financial, or achieving anticipated cost synergies and savings within the expected period of time;

the transaction-related restructuring charges and other merger-related costs;

the risk that the market would react negatively to First Financial's announcement of the merger transaction;

the potential impact of the merger on MainSource's employees on communities, including the anticipated loss of jobs and branch closures;

the reduction in board and management control of the combined entity;

the potential risk of diverting management attention and resources from the operation of MainSource's business and towards the completion of the merger;

the fact that MainSource will incur substantial transaction costs even if the merger is not consummated; and

the regulatory and other approvals required in connection with the merger and the expectation that such regulatory approvals will be received in a timely manner and without the imposition of unacceptable conditions.

In addition, the MainSource board of directors was aware of and considered the fact that some of MainSource's directors and executive officers may have other interests in the merger that may be different from, or in addition

## TABLE OF CONTENTS

to, their interests as MainSource shareholders, as more fully described under —Interests of MainSource's Directors and Executive Officers in the Merger. The MainSource board of directors also realized that there can be no assurance about future results, including results expected or considered in the factors listed above.

The foregoing discussion of the information and factors considered by the MainSource board of directors is not intended to be exhaustive, but includes the material factors considered by the MainSource board of directors. In reaching its decision to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, the MainSource board of directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The MainSource board of directors considered all these factors as a whole, and overall considered the factors to be favorable to, and to support, its determination.

### **Opinion of Keefe, Bruyette & Woods, Inc.**

MainSource engaged Keefe, Bruyette & Woods, Inc. ( KBW ) to render financial advisory and investment banking services to MainSource, including an opinion to the MainSource board of directors as to the fairness, from a financial point of view, to the holders of MainSource common stock of the exchange ratio in the proposed merger of MainSource with and into First Financial. MainSource selected KBW because KBW is a nationally recognized investment banking firm with substantial experience in transactions similar to the merger. As part of its investment banking business, KBW is continually engaged in the valuation of financial services businesses and their securities in connection with mergers and acquisitions.

As part of its engagement, representatives of KBW attended the meeting of the MainSource board held on July 25, 2017, at which the MainSource board evaluated the proposed merger. At this meeting, KBW reviewed the financial aspects of the proposed merger and rendered to the MainSource board an opinion to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW as set forth in its opinion, the exchange ratio in the proposed merger was fair, from a financial point of view, to the holders of MainSource common stock. The MainSource board approved the merger agreement at this meeting.

The description of the opinion set forth herein is qualified in its entirety by reference to the full text of the opinion, which is attached as Annex C to this document and is incorporated herein by reference, and describes the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW in preparing the opinion.

**KBW's opinion speaks only as of the date of the opinion. The opinion was for the information of, and was directed to, the MainSource board (in its capacity as such) in connection with its consideration of the financial terms of the merger. The opinion addressed only the fairness, from a financial point of view, of the exchange ratio in the merger to the holders of MainSource common stock. It did not address the underlying business decision of MainSource to engage in the merger or enter into the merger agreement or constitute a recommendation to the MainSource board in connection with the merger, and it does not constitute a recommendation to any holder of MainSource common stock or any shareholder of any other entity as to how to vote in connection with the merger or any other matter, nor does it constitute a recommendation regarding whether or not any such shareholder should enter into a voting, shareholders' or affiliates' agreement with respect to the merger or exercise any dissenters' or appraisal rights that may be available to such shareholder.**

KBW's opinion was reviewed and approved by KBW's Fairness Opinion Committee in conformity with its policies and procedures established under the requirements of Rule 5150 of the Financial Industry Regulatory Authority.

In connection with the opinion, KBW reviewed, analyzed and relied upon material bearing upon the financial and operating condition of MainSource and First Financial and bearing upon the merger, including, among other things:

- a draft of the merger agreement, dated July 19, 2017 (the most recent draft then made available to KBW);
- the audited financial statements and the Annual Reports on Form 10-K for the three fiscal years ended December 31, 2016 of MainSource;



## TABLE OF CONTENTS

the unaudited quarterly financial statements and Quarterly Report on Form 10-Q for the period ended March 31, 2017 of MainSource;

certain draft and unaudited quarterly financial results for the quarter ended June 30, 2017 of MainSource (provided to KBW by representatives of MainSource);

the audited financial statements and Annual Reports on Form 10-K for the three fiscal years ended December 31, 2016 of First Financial;

the unaudited quarterly financial results and Quarterly Report on Form 10-Q for the period ended March 31, 2017 of First Financial;

- certain draft and unaudited quarterly financial results for the quarter ended June 30, 2017 of First Financial (provided to KBW by representatives of First Financial);

certain regulatory filings of MainSource and First Financial and their respective subsidiaries, including the quarterly reports on Form FR Y-9C and call reports filed with respect to each quarter during the three-year period ended December 31, 2016 and the quarter ended March 31, 2017;

certain other interim reports and other communications of MainSource and First Financial to their respective shareholders; and

other financial information concerning the businesses and operations of MainSource and First Financial that was furnished to KBW by MainSource and First Financial or which KBW was otherwise directed to use for purposes of KBW's analyses.

KBW's consideration of financial information and other factors that it deemed appropriate under the circumstances or relevant to its analyses included, among others, the following:

the historical and current financial position and results of operations of MainSource and First Financial;

the assets and liabilities of MainSource and First Financial;

the nature and terms of certain other merger transactions and business combinations in the banking industry;

a comparison of certain financial and stock market information for MainSource and First Financial with similar information for certain other companies the securities of which were publicly traded;

publicly available consensus street estimates of MainSource, as well as assumed long-term MainSource growth rates provided to KBW by MainSource management, all of which information was discussed with KBW by MainSource management and used and relied upon by KBW at the direction of such management and with the consent of the MainSource board;

publicly available consensus street estimates of First Financial, as well as assumed long-term First Financial growth rates provided to KBW by First Financial management, all of which information was discussed with KBW by First Financial management and used and relied upon by KBW based on such discussions, at the direction of MainSource management and with the consent of the MainSource board; and

estimates regarding certain pro forma financial effects of the merger on First Financial (including, without limitation, the cost savings and related expenses expected to result or be derived from the merger) that were prepared by, and provided to and discussed with KBW by, First Financial management and that were used and relied upon by KBW based on such discussions, at the direction of MainSource management and with the consent of the MainSource board.

KBW also performed such other studies and analyses as it considered appropriate and took into account its assessment of general economic, market, and financial conditions and its experience in other transactions, as well as its experience in securities valuation and knowledge of the banking industry generally. KBW also participated in discussions held by the managements of MainSource and First Financial regarding the past and current

## TABLE OF CONTENTS

business operations, regulatory relations, financial condition, and future prospects of their respective companies and such other matters as KBW deemed relevant to its inquiry. KBW was not requested to, and did not, assist MainSource in soliciting indications of interest from third parties other than First Financial regarding a potential transaction with MainSource.

In conducting its review and arriving at its opinion, KBW relied upon and assumed the accuracy and completeness of all of the financial and other information that was provided to it or that was publicly available and KBW did not independently verify the accuracy or completeness of any such information or assume any responsibility or liability for such verification, accuracy or completeness. KBW relied upon the management of MainSource as to the reasonableness and achievability of the publicly available consensus street estimates of MainSource and the assumed MainSource long-term growth rates referred to above (and the assumptions and bases therefor), and KBW assumed that all such information was reasonably prepared and represented, or in the case of the MainSource street estimates referred to above that such estimates were consistent with, the best currently available estimates and judgments of such management and that the forecasts, projections, and estimates reflected in such information would be realized in the amounts and in the time periods estimated. KBW further relied, with the consent of MainSource, upon First Financial management as to the reasonableness and achievability of the publicly available consensus street estimates of First Financial, the assumed First Financial long-term growth rates, and the estimates regarding certain pro forma financial effects of the merger on First Financial, all as referred to above (and the assumptions and bases for all such information, including, without limitation, the cost savings and related expenses expected to result or be derived from the merger), and KBW assumed that all such information was reasonably prepared and represented, or in the case of the First Financial street estimates referred to above that such estimates were consistent with, the best currently available estimates and judgments of First Financial management and that the forecasts, projections, and estimates reflected in such information would be realized in the amounts and in the time periods estimated.

It is understood that the portion of the foregoing financial information of MainSource and First Financial that was provided to KBW was not prepared with the expectation of public disclosure, that all of the foregoing financial information, including the publicly available consensus street estimates of MainSource and First Financial, was based on numerous variables, and assumptions that are inherently uncertain, including, without limitation, factors related to general economic and competitive conditions and that, accordingly, actual results could vary significantly from those set forth in such information. KBW assumed, based on discussions with the respective managements of MainSource and First Financial and with the consent of the MainSource board, that all such information provided a reasonable basis upon which KBW could form its opinion and KBW expressed no view as to any such information or the assumptions or bases therefor. KBW relied on all such information without independent verification or analysis and did not in any respect assume any responsibility or liability for the accuracy or completeness thereof.

KBW also assumed that there were no material changes in the assets, liabilities, financial condition, results of operations, business, or prospects of either MainSource or First Financial since the date of the last financial statements of each such entity that were made available to KBW. KBW is not an expert in the independent verification of the adequacy of allowances for loan and lease losses and KBW assumed, without independent verification and with MainSource's consent, that the aggregate allowances for loan and lease losses for MainSource and First Financial are adequate to cover such losses. In rendering its opinion, KBW did not make or obtain any evaluations or appraisals or physical inspection of the property, assets or liabilities (contingent or otherwise) of MainSource or First Financial, the collateral securing any of such assets or liabilities, or the collectability of any such assets, nor did KBW examine any individual loan or credit files, nor did it evaluate the solvency, financial capability, or fair value of MainSource or First Financial under any state or federal laws, including those relating to bankruptcy, insolvency, or other matters. Estimates of values of companies and assets do not purport to be appraisals or necessarily reflect the prices at which companies or assets may actually be sold. Because such estimates are inherently subject to uncertainty, KBW assumed no responsibility or liability for their accuracy.



## TABLE OF CONTENTS

KBW assumed, in all respects material to its analyses:

that the merger and any related transactions (including the subsidiary bank merger) would be completed substantially in accordance with the terms set forth in the merger agreement (the final terms of which KBW assumed would not differ in any respect material to KBW's analyses from the draft reviewed and referred to above) with no adjustments to the exchange ratio and with no other consideration or payments in respect of MainSource common stock;

that the representations and warranties of each party in the merger agreement and in all related documents and instruments referred to in the merger agreement were true and correct;

that each party to the merger agreement and all related documents would perform all of the covenants and agreements required to be performed by such party under such documents;

that there were no factors that would delay or subject to any adverse conditions, any necessary regulatory or governmental approval for the merger or any related transactions (including the subsidiary bank merger) and that all conditions to the completion of the merger and any related transaction would be satisfied without any waivers or modifications to the merger agreement or any of the related documents; and

that in the course of obtaining the necessary regulatory, contractual, or other consents or approvals for the merger and any related transaction (including the subsidiary bank merger), no restrictions, including any divestiture requirements, termination or other payments, or amendments or modifications, would be imposed that would have a material adverse effect on the future results of operations or financial condition of MainSource, First Financial, or the pro forma entity, or the contemplated benefits of the merger, including without limitation the cost savings and related expenses expected to result or be derived from the merger.

KBW assumed that the merger would be consummated in a manner that complies with the applicable provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and all other applicable federal and state statutes, rules, and regulations. KBW was further advised by representatives of MainSource that MainSource relied upon advice from its advisors (other than KBW) or other appropriate sources as to all legal, financial reporting, tax, accounting, and regulatory matters with respect to MainSource, First Financial, the merger and any related transaction (including the subsidiary bank merger), and the merger agreement. KBW did not provide advice with respect to any such matters.

KBW's opinion addressed only the fairness, from a financial point of view, as of the date of the opinion, of the exchange ratio in the merger to the holders of MainSource common stock. KBW expressed no view or opinion as to any other terms or aspects of the merger or any term or aspect of any related transaction (including the subsidiary bank merger), including without limitation, the form or structure of the merger or any such related transaction, any consequences of the merger or any such related transaction to MainSource, its shareholders, creditors, or otherwise, or any terms, aspects, merits, or implications of any employment, consulting, voting, support, shareholder, or other agreements, arrangements, or understandings contemplated or entered into in connection with the merger or otherwise. KBW's opinion was necessarily based upon conditions as they existed and could be evaluated on the date of such opinion and the information made available to KBW through such date. Developments subsequent to the date of KBW's opinion may have affected, and may affect, the conclusion reached in KBW's opinion and KBW did not and does not have an obligation to update, revise, or reaffirm its opinion. For purposes of its analyses, KBW did not incorporate then recently-announced proposed changes to United States tax laws regarding corporate tax rates. KBW's opinion did not address, and KBW expressed no view or opinion with respect to:

- the underlying business decision of MainSource to engage in the merger or enter into the merger agreement;
- the relative merits of the merger as compared to any strategic alternatives that are, have been, or may be available to or contemplated by MainSource or the MainSource board;
- the fairness of the amount or nature of any compensation to any of MainSource's officers, directors, or employees, or any class of such persons, relative to the compensation to the holders of MainSource common stock;

## TABLE OF CONTENTS

the effect of the merger or any related transaction on, or the fairness of the consideration to be received by, holders of any class of securities of MainSource (other than the holders of MainSource common stock, solely with respect to the exchange ratio as described in KBW's opinion and not relative to the consideration to be received by holders of any other class of securities) or holders of any class of securities of First Financial or any other party to any transaction contemplated by the merger agreement;

any adjustment (as provided in the merger agreement) to the exchange ratio assumed for purposes of KBW's opinion;

- the actual value of First Financial common stock to be issued in the merger;

the prices, trading range, or volume at which MainSource common stock or First Financial common stock would trade following the public announcement of the merger or the prices, trading range, or volume at which First Financial common stock would trade following the consummation of the merger;

any advice or opinions provided by any other advisor to any of the parties to the merger or any other transaction contemplated by the merger agreement; or

any legal, regulatory, accounting, tax, or similar matters relating to MainSource, First Financial, their respective shareholders, or relating to or arising out of or as a consequence of the merger or any related transaction (including the subsidiary bank merger), including whether or not the merger would qualify as a tax-free reorganization for United States federal income tax purposes.

In performing its analyses, KBW made numerous assumptions with respect to industry performance, general business, economic, market, and financial conditions and other matters, which are beyond the control of KBW, MainSource, and First Financial. Any estimates contained in the analyses performed by KBW are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by these analyses.

Additionally, estimates of the value of businesses or securities do not purport to be appraisals or to reflect the prices at which such businesses or securities might actually be sold. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty. In addition, KBW's opinion was among several factors taken into consideration by the MainSource board in making its determination to approve the merger agreement and the merger. Consequently, the analyses described below should not be viewed as determinative of the decision of the MainSource board with respect to the fairness of the exchange ratio. The type and amount of consideration payable in the merger were determined through negotiation between MainSource and First Financial and the decision of MainSource to enter into the merger agreement was solely that of the MainSource board.

The following is a summary of the material financial analyses presented by KBW to the MainSource board in connection with its opinion. **The summary is not a complete description of the financial analyses underlying the opinion or the presentation made by KBW to the MainSource board, but summarizes the material analyses performed and presented in connection with such opinion. The financial analyses summarized below include information presented in tabular format. The tables alone do not constitute a complete description of the financial analyses.** The preparation of a fairness opinion is a complex analytic process involving various determinations as to appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, KBW did not attribute any particular weight to any analysis or factor that it considered, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Accordingly, KBW believes that its analyses and the summary of its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on the information presented below in tabular format, without considering all analyses and factors or the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the process underlying its analyses and opinion.

For purposes of the financial analyses described below, KBW utilized an implied transaction value for the merger of \$1,001.0 million, or \$38.43 per outstanding share of MainSource common stock, based on the 1.3875x exchange ratio in the proposed merger and the closing price of First Financial common stock on July 21, 2017. In addition to the

financial analyses described below, KBW reviewed with the MainSource board for

70

TABLE OF CONTENTS

informational purposes, among other things, implied transaction multiples for the proposed merger (based on the implied transaction value for the merger of \$1,001.0 million) of 18.4x MainSource's estimated 2017 net income and 16.1x MainSource's estimated 2018 net income using publicly available consensus street estimates of MainSource.

*MainSource Selected Companies Analysis.* Using publicly available information, KBW compared the financial performance, financial condition and market performance of MainSource to 13 selected banks which were traded on NASDAQ, the New York Stock Exchange, or the New York Stock Exchange Market and headquartered in the Midwest United States and which had total assets between \$3.0 billion and \$6.0 billion. Merger targets were excluded from the selected companies.

The selected companies were as follows:

1st Source Corporation	Midland States Bancorp, Inc.
Community Trust Bancorp, Inc.	MidWestOne Financial Group, Inc.
Enterprise Financial Services Corp	Peoples Bancorp Inc.
Great Southern Bancorp, Inc.	QCR Holdings, Inc.
Horizon Bancorp	Republic Bancorp, Inc.
Lakeland Financial Corporation	Stock Yards Bancorp, Inc.
Mercantile Bank Corporation	

To perform this analysis, KBW used profitability and other financial information as of, or for the fiscal quarter or latest 12 months ( LTM ) period ended, March 31, 2017 (or, where noted in the case of MainSource, June 30, 2017) and market price information as of July 21, 2017. Assets, capital ratios, balance sheet data, and book value and tangible book value multiples for Midland States Bancorp, Inc., QCR Holdings, Inc., and Horizon Bancorp were pro forma for pending or recently completed acquisitions. KBW also used 2017 and 2018 earnings per share ( EPS ) estimates taken from consensus street estimates for MainSource and the selected companies. Certain financial data prepared by KBW, and as referenced in the tables presented below, may not correspond to the data presented in MainSource's historical financial statements, or the data prepared by Sandler O'Neill presented under the section —Opinion of Sandler O'Neill & Partners, L.P., as a result of the different periods, assumptions and methods used by KBW to compute the financial data presented.

KBW's analysis showed the following concerning the financial performance of MainSource and the selected companies:

	Selected Companies						
	MainSource (3/31/17) <sup>(2)</sup>	MainSource (6/30/17)	25 <sup>th</sup> Percentile	Median	Average	75 <sup>th</sup> Percentile	
LTM Core Return on Average Assets <sup>(1)</sup>	1.20 %	1.17 %	0.99 %	1.06 %	1.10 %	1.24 %	
LTM Core Return on Average Equity <sup>(1)</sup>	10.63 %	10.31 %	8.52 %	9.44 %	10.15 %	11.90 %	
LTM Core Return on Average Tangible Common Equity <sup>(1)</sup>	13.91 %	14.06 %	10.82 %	11.79 %	11.70 %	12.68 %	
LTM Net Interest Margin	3.46 %	3.51 %	3.46 %	3.61 %	3.60 %	3.79 %	
LTM Fee Income/Revenue Ratio	30.3 %	29.0 %	17.4 %	24.9 %	24.5 %	31.5 %	
LTM Non-Interest Expense / Average Assets	2.88 %	2.70 %	2.57 %	2.74 %	2.75 %	2.97 %	
LTM Efficiency Ratio	60.8 %	58.4 %	62.3 %	60.2 %	59.1 %	56.9 %	

- (1) Core income excluded extraordinary items, non-recurring items, gains/losses on sale of securities, and amortization of intangibles as calculated by SNL Financial.
- (2) Assets, capital ratios, and balance sheet data were pro forma for the then pending acquisition of FCB Bancorp, Inc.



**TABLE OF CONTENTS**

KBW's analysis also showed the following concerning the financial condition of MainSource and the selected companies:

	Selected Companies						
	MainSource (3/31/17) <sup>(2)</sup>	MainSource (6/30/17)	25 <sup>th</sup> Percentile	Median	Average	75 <sup>th</sup> Percentile	
Tangible Common Equity / Tangible Assets	8.07 %	8.26 %	8.26 %	9.70 %	9.61 %	10.73 %	
Leverage Ratio	9.16 %	NA	9.38 %	10.57 %			