FIRST FINANCIAL BANCORP /OH/
Form DEF 14A
March 20, 2008

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934

Filed by the Registrant þ
Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement
o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
þ Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to §240.14a-12

First Financial Bancorp.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing fee (Check the appropriate box)

þ No fee required.
o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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1) Amount Previously Paid:

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FIRST FINANCIAL BANCORP.
4000 Smith Road, Suite 400
Cincinnati, Ohio 45209
NOTICE OF ANNUAL MEETING
OF
SHAREHOLDERS
To Be Held April 29, 2008

Cincinnati, Ohio
March 20, 2008

To the Shareholders:

The Annual Meeting of Shareholders of First Financial Bancorp. (the Corporation) will be held at the Queen City Club, Recess Room 331, East 4th Street, Cincinnati, Ohio 45202, on April 29, 2008, at 10:00 A.M., local time, for the following purposes:

1. To elect the following two nominees as directors with terms expiring in 2011 (Class I): Claude E. Davis and Susan L. Knust.

2. To ratify the appointment of Ernst & Young as the Corporation s independent registered accounting firm for the fiscal year ending December 31, 2008.

3. To consider and act upon such other matters as may properly come before the Annual Meeting or any adjournment thereof.

Important notice regarding the availability of Proxy Materials for the Annual Meeting of Shareholders to be held on April 29, 2008: This Proxy Statement and our 2007 Annual Report are available on First Financial s website at www.bankatfirst.com under the Investor Relations link by clicking SEC Filings or go directly to http://www.snl.com/irweblinkx/docs.aspx?iid=100255.

Shareholders of record of the Corporation at the close of business on March 3, 2008, are entitled to notice of and to vote at the Annual Meeting and at any adjournment thereof. Each shareholder is entitled to one vote for each common share held regarding each matter properly brought before the Annual Meeting.

By Order of the Board of Directors,
Gregory A. Gehlmann
General Counsel, Chief Risk Officer
& Secretary

EVERY SHAREHOLDER S VOTE IS IMPORTANT. IF YOU ARE UNABLE TO BE PRESENT AT THE ANNUAL MEETING, YOU ARE REQUESTED TO COMPLETE AND RETURN PROMPTLY THE ENCLOSED PROXY SO THAT YOUR SHARES WILL BE REPRESENTED. A STAMPED, ADDRESSED ENVELOPE IS ENCLOSED FOR YOUR CONVENIENCE.

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FIRST FINANCIAL BANCORP.
4000 Smith Road, Suite 400
Cincinnati, Ohio 45209
(513) 979-5770
PROXY STATEMENT
ANNUAL MEETING OF SHAREHOLDERS
Approximate Date to Mail March 24, 2008

On behalf of the Board of Directors of First Financial Bancorp. (the Corporation), a Proxy is solicited from you to be used at the Corporation s Annual Meeting of Shareholders (Annual Meeting) scheduled for April 29, 2008, at 10:00 A.M., local time, to be held at the Queen City Club, Recess Room, 331 East 4th Street, Cincinnati, Ohio 45202.

RECORD DATE AND VOTING SECURITIES

As of March 3, 2008, the record date fixed for the determination of shareholders entitled to vote at the Annual Meeting, there were 37,363,698 common shares outstanding, which is the only outstanding class of capital stock of the Corporation. Each such share is entitled to one vote on each matter properly coming before the Annual Meeting.

HOUSEHOLDING DISCLOSURE STATEMENT

In accordance with notices previously sent to shareholders, the Corporation is delivering one Annual Report and Proxy Statement in one envelope addressed to all shareholders who share a single address unless they have notified the Corporation that they wish to revoke their consent to the program known as householding. Householding is intended to reduce printing and postage costs. The Corporation will mail separately a proxy card for each registered shareholder.

You may revoke your consent at any time by notifying the Corporation s transfer agent, Registrar & Transfer Company, as indicated below:

By Phone:	(800) 368-5948
By Fax:	(908) 497-2318
By e-mail:	info@rtco.com

If you revoke your consent, you will be removed from the householding program within 30 days of receipt of your revocation, and the Corporation will reinstate mailing the Annual Report and Proxy Statement to each shareholder at your address.

The Company hereby undertakes to deliver upon oral or written request a separate copy of its Proxy Statement and Annual Report to a security holder at a shared address to which a single copy was delivered. If such shareholder wishes to receive a separate copy of such documents, contact Gregory A. Gehlmann, Corporate Secretary at 4000 Smith Road, Suite 400, Cincinnati, Ohio 45209 (or by phone at 877-322-9530) by April 19, 2008 to ensure timely delivery.

If you own First Financial Bancorp stock beneficially through a bank or broker, you may already be subject to householding if you meet the criteria. If you wish to receive a separate Proxy Statement and Annual Report in future mailings, you should contact your bank or broker.

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VOTING OF SHARES

Assuming a quorum is present at the Annual Meeting, either in person or represented by proxy, (i) the two nominees receiving the greatest number of votes cast by the holders of common shares entitled to vote on the matter will be elected as directors; and (ii) the appointment of Ernst & Young as the Corporation s independent registered accounting firm for the fiscal year ended December 31, 2008 will be ratified by a majority of the votes cast.

Proxies in the form enclosed herewith are being solicited on behalf of the Corporation s Board of Directors. Proxies which are properly executed and returned will be voted at the Annual Meeting as directed. Proxies indicating an abstention from voting on any matter will be tabulated as a vote withheld on such matter and will be included in computing the number of common shares present for purposes of determining the presence of a quorum for the Annual Meeting. Proxies properly executed and returned which indicate no direction will be voted in favor of the proposals set forth in the Notice of Annual Meeting attached hereto and more fully described in this Proxy Statement. If a broker indicates on the form of Proxy that it does not have discretionary authority as to certain common shares to vote on a particular matter, those common shares will be considered as present for the purpose of determining the presence of a quorum but not entitled to vote with respect to that matter. Any shareholder giving the enclosed Proxy has the power to revoke it prior to its exercise by filing with the Secretary of the Corporation a written revocation or a duly executed Proxy bearing a later date or by giving notice of revocation in open meeting. Proxies cannot be voted for a greater number of persons other than the number of nominees named.

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PRINCIPAL SHAREHOLDERS

The table below identifies all persons known to the Corporation to own beneficially more than 5% of the Corporation s outstanding common shares.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership of Common Shares	Percentage of Class
First Financial Bank, National Association 300 High Street Hamilton, Ohio 45012-0476	4,678,702(1)	12.52%
Barclays Global Investors, NA Barclays Global Fund Advisors 45 Fremont Street San Francisco, California 9410 Barclays Global Investors, LTD 1 Royal Mintt Court London, EC3N 4HH	2,187,508(2)	5.85%

(1) Information based upon Schedule 13G filed on February 14, 2008. These shares are held by the trust department of First Financial Bank, National Association (First Financial Bank) (the Trustee) in its fiduciary capacity under various agreements. Trustee has sole voting power for 4,642,479 shares, shared voting power for 24,749 shares, sole dispositive power for 1,542,699 shares and shared dispositive power for 2,356,786 shares. Officers and directors of the Corporation disclaim beneficial ownership of the common shares beneficially owned by the Trustee. Included in the foregoing shares are 24,474 common shares that are directly owned by certain directors and executive officers of First Financial and are reported in the following table showing shareholdings of directors, executive officers, and nominees for director.

(2) Information based upon Schedules 13G filed on February 5, 2008. Includes shares beneficially owned as follows: Barclays Global Investors (1,177,417 shares); Barclays Global Fund Advisors (978,665 shares); and Barclays Global Investors, LTD (31,426 shares). Other related interests with no beneficial ownership, include Barclays Global Investors Japan Trust and Banking Company LTD, Barclays Global Investors Japan Limited, Barclays Global Investors Canada Limited, Barclays Global Investors Australia Limited, and Barclays Global Investors (Deutschland) AG.

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SHAREHOLDINGS OF DIRECTORS, EXECUTIVE OFFICERS AND NOMINEES FOR DIRECTOR

As of March 3, 2008, the directors of the Corporation, including the two nominees for election as directors, the executive officers of the Corporation named in the Summary Compensation Table who are not also directors, and all executive officers and directors of the Corporation as a group beneficially owned common shares of the Corporation as set forth below.

		Amount and Nature of Beneficial Ownership		
Name	**Position**	**Common Shares Beneficially Owned Excluding Options (1)**	**Stock Options Exercisable within 60 Days of Record Date (2)**	**Total Common Shares Beneficially Owned (1)**
J. Wickliffe Ach	Director	4,500(3)		4,500
Donald M. Cisle, Sr.	Director	487,703(4)	23,521	511,224
Claude E. Davis	Director and CEO	127,828(7)	102,948	230,776
Corinne R. Finnerty	Director	31,048(3)	23,521	54,569
Murph Knapke	Director	45,397(5)	17,326	62,723
Susan L. Knust	Director	12,298(6)	8,663	20,961
William J. Kramer	Director	11,995(5)	8,663	20,658
Richard E. Olszewski	Director	17,603(3)	8,663	26,266
Barry S. Porter	Director	35,137(5)	17,326	52,463
J. Franklin Hall	EVP and CFO	24,530(7)	53,695	78,225
C. Douglas Lefferson	EVP and COO	56,371(7)	90,721	147,092
Samuel J. Munafo	EVP, Banking	78,635(7)	74,529	153,164
Gregory A. Gehlmann	SVP, CRO & Gen Counsel	15,381(7)	18,848	34,235
All executive officers, directors and nominees as a group (15 persons)		963,621(7)	460,772	1,424,393

(1) Includes shares held in the name of spouses, minor children, trusts and estates as to which beneficial ownership may be disclaimed.

At March 3, 2008, the only director or executive officer who owned at least 1% of the Corporation s common shares was Donald Cisle, Sr. who beneficially owned 533,073 shares or 1.36%. However, all of the directors and executive officers as a group (16 persons) beneficially owned approximately 3.81% of the Corporation s outstanding common shares. Percent ownership numbers are computed based on the sum of (i) 37,363,698 common shares outstanding on March 3, 2008 and (b) the number of common shares to which the group has the right to acquire beneficial ownership upon the exercise of options which are currently exercisable or will first become exercisable within 60 days after March 3, 2008. Fractional shares are rounded to the nearest whole number.

(2) All 460,772 options have a strike price above the closing price of First Financial Common Stock on March 3, 2008 which was $11.42 per share.

(3) Includes 4,035 restricted shares that vest 1/3 equally over a three-year period beginning May 1, 2008. Director retains voting and dividend rights. See Board Compensation.

(4) Of these shares, 458,850 are owned by Seward-Murphy Inc. of which Mr. Cisle, Sr. has sole voting and investment power for 201,894 shares and shared voting power for 256,668 shares.

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(5) Includes 3,766 restricted shares that vest 1/3 equally over a three-year period beginning April 25, 2007. Director retains voting and dividend rights. At March 3, 2008, 1,254 shares had vested. See Board Compensation.

(6) Ms. Knust shares voting and investment power for 1,463 shares which are held by K.P. Properties of Ohio LLC, of which Ms. Knust and her husband are the only two members.

(7) Includes restricted shares (Davis 87,400; Hall 15,000; Lefferson 22,750: Munafo 17,865; Gehlmann 14,100; and all executive officers as a group (7) 168,115) subject to a four year vesting schedule and certain performance triggers. As of March 3, 2008, no shares had vested. Officers retain voting and dividend rights. See Compensation Discussion and Analysis.

PROPOSAL 1 ELECTION OF DIRECTORS
(Item 1 on Proxy Card)

Our Board of Directors currently consists of nine members, eight of whom are non-employee directors. Our Regulations provide that the Board of Directors shall consist of not less than nine nor more than 25 persons, with the exact number to be fixed and determined from time to time by resolution of the Board of Directors or by resolution of the shareholders at any annual or special meeting of shareholders. The Board of Directors has determined that the Board shall consist of ten members. Steven C. Posey, resigned from the board of directors on February 7, 2008. Mr. Posey has generously given valuable years of guidance and service to the Corporation and its subsidiary banks. His enthusiasm and wit will be missed. His position as a Class I director will remain vacant as the Corporation conducts a search to fill the vacancy. Any vacancy may be filled by the Board of Directors in accordance with law and the Corporation s Regulations for the remainder of the full term of the vacant directorship. However, pursuant to recently adopted corporate governance principles, any new director appointed to fill a vacancy will be put up for election to fill the remaining term at the next meeting of shareholders after his/her appointment.

Our Board has approved the nomination of two persons as candidates for Class I Directors, each for a three-year term. The terms of the remaining directors in Classes II and III will continue as indicated below. It is intended that the accompanying Proxy will be voted for the election of Claude E. Davis and Susan L. Knust, both incumbent directors. The Corporate Governance and Nominating Committee recommended both nominees to the Board of Directors, which approved the two nominees. In the event that any one or more of such nominees becomes unavailable or unable to serve as a candidate, the accompanying Proxy will be voted to elect the remaining nominees and any substitute nominee or nominees designated by the Board. The two nominees for Class I Directors receiving the most votes at the Annual Meeting will be elected as Class I Directors.

The Board of Directors unanimously recommends a vote FOR the election of each of the nominees.

Set forth below is certain information concerning the Corporation s nominees and directors. For information regarding ownership of shares of the Corporation by nominees and directors of the Corporation, see Shareholdings of Directors, Executive Officers and Nominees for Director above. There are no arrangements or understandings between any director or any nominee, and any other person pursuant to which such director or nominee is or was nominated to serve as director.

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Name and Age (1)	Position with Corporation and/or Principal Occupation or Employment For the Last Five Years	Director Since
Nominee Class I Directors Terms Expiring in 2011:		
Claude E. Davis 47	President and Chief Executive Officer of the Corporation since October 1, 2004; Director and Chairman of the Board of First Financial Bank, N.A., Hamilton, Ohio; former Director of Community First Bank & Trust, Celina, Ohio, and Sand Ridge Bank, Schererville, Indiana; Senior Vice President, Irwin Financial Corporation and Chairman of Irwin Union Bank and Trust, Columbus, Indiana, from May 2003 until September 2004; President, Irwin Union Bank and Trust, from 1996 until May 2003.	2004
Susan L. Knust 54	Managing Partner of K.P. Properties of Ohio LLC (industrial real estate); Managing Partner of Omega Warehouse Services LLC (public warehousing); former President of Precision Packaging and Services, Inc; Director of Middletown Regional Health System, Middletown, Ohio; Director of First Financial Bank, N.A., Hamilton, Ohio.	2005
Class II Directors Terms Expiring in 2009:		
Murph Knapke 60	Partner of Knapke Law Office, Celina, Ohio; Director of First Financial Bank, N.A., Hamilton, Ohio; former Director and Chair of Community First Bank & Trust, Celina, Ohio. Mr. Knapke is Vice Chair of the Corporation s Board.	1983
William J. Kramer 47	Vice President and General Manager, Val-Co Pax Inc, Coldwater, Ohio (since 2002); previously president of Pax Steel Products, Inc. from 1984-2002 (predecessor corporation to Val-Co.); employed by Deloitte & Touche, LLP, Dayton, Ohio from 1982-1984. Director of First Financial Bank, N.A., Hamilton, Ohio.	2005
Barry S. Porter 70	Retired Chief Financial Officer/Treasurer of Ohio Casualty Corporation (insurance holding company) and its affiliated companies; Director of First Financial Bank, N.A., Hamilton, Ohio; independent consultant. Currently an elected member of council and mayor of the City of Wyoming, Ohio. Mr. Porter is Chairman of the Corporation s Board.	1988
Class III Directors Terms Expiring in 2010:		
J. Wickliffe Ach 59	President and CEO of Hixson Inc, Cincinnati, Ohio, an architectural engineering firm since 1983. Directors of First Financial Bank, N.A., Hamilton, Ohio.	2007
Donald M. Cisle, Sr. 53	President of Don S. Cisle, Sr. Contractor, Inc. (construction contractor); Director of First Financial Bank, N.A., Hamilton, Ohio.	1996
		1998

Corinne R. Finnerty 51	Partner in law firm of McConnell Finnerty Waggoner PC, North Vernon, Indiana (trial attorney); Director of First Financial Bank, N.A., Hamilton, Ohio; former Director and Chair of CPX, Inc., North Vernon, Indiana; former Director of Heritage Community Bank, Columbus, Indiana.	
Richard E. Olszewski 58	Operator of two 7-Eleven Food Stores, Griffith, Indiana. Director of First Financial Bank, N.A., Hamilton, Ohio.	2005

(1) Ages are listed as of December 31, 2007.

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CORPORATE GOVERNANCE

General

The business and affairs of the Corporation are managed under the direction of the Board of Directors. Members of the Board are kept informed through discussions with the President and the Corporation s other officers, by reviewing materials provided to them and by participating in meetings of the Board and its committees. All members of the Board also served as directors of the Corporation s subsidiary bank, First Financial Bank, N.A. during 2007.

Director Independence

The Board of Directors has determined that eight of its current nine members are independent directors as that term is defined under the rules of the Nasdaq Stock Market (the Nasdaq). The independent directors are J. Wickliffe Ach, Donald M. Cisle, Sr., Corinne R. Finnerty, William J. Kramer, Murph Knapke, Susan L. Knust, Richard E. Olszewski, and Barry S. Porter. Claude E. Davis is not independent because he is the president and chief executive officer of the Corporation.

To assist it in making determinations of independence, the Board has concluded that the following relationships are immaterial and that a director whose only relationships with the Corporation and its affiliates fall within these categories is independent:

A loan made by the First Financial Bank to a director, his or her immediate family or an entity affiliated with a director or his or her immediate family, or a loan personally guaranteed by such persons if such loan (i) complies with federal regulations on insider loans, where applicable; and (ii) is not classified by the bank s credit committee or by any bank regulatory agency which supervised the bank as substandard, doubtful or loss;

A deposit, trust, insurance brokerage, investment advisory, securities brokerage or similar client relationship between First Financial Bank or its subsidiaries and a director, his or her immediate family or an affiliate of his or her immediate family if such relationship is on customary and usual market terms and conditions;

The employment by the Corporation or its subsidiaries of any immediate family member of the director if the associate serves below the level of a senior vice president;

Purchases of goods or services by the Corporation or any of its subsidiaries from a business in which a director or his or her spouse or minor children is a partner, shareholder or officer, if the director, his or her spouse and minor children own five (5%) percent or less of the equity interests of that business and do not serve as an executive officer of the business; or

Purchases of goods or services by the Corporation, or any of its subsidiaries, from a director or a business in which the director or his or her spouse or minor children is a partner, shareholder or officer if the annual aggregate purchases of goods or services from the director, his or her spouse or minor children or such business in the last calendar year does not exceed the greater of $200,000 or 5% of the gross revenues of the business.

Pursuant to its charter, the Audit and Risk Management Committee reviews and ratifies all related transactions. Any loans to a director or a related interest are approved in accordance with banking laws. For a discussion of such relationships, see Other Business Relationships.

Other Business Relationships

Corinne R. Finnerty, a director of the Corporation, is a shareholder and an officer of McConnell Finnerty Waggoner PC, which has been retained by First Financial Bank, N.A. and previous Corporation bank subsidiaries during the prior fiscal year and the current fiscal year. During 2007, the Corporation s subsidiaries paid the firm $70,373 in legal fees and expenses. The Board of Directors has determined that these payments, which are below the applicable limits established by the rules of the Nasdaq, do not affect Ms. Finnerty s status as an independent director.

Murph Knapke, a director of the Corporation, is a partner of Knapke Law Office, Celina, Ohio. Mr. Knapke s law firm provides real estate title searches for First Financial Bank, N.A. clients. The firm received $12,815 in fees from clients of the First Financial Bank, N.A. during 2007. The Board of Directors has determined that these payments, which are below the applicable limits estimated by the rules of the Nasdaq, do not affect Mr. Knapke s status as an independent director.

Indebtedness of Directors and Management

Some of the officers and directors of the Corporation and the companies with which they are associated were clients of the banking subsidiary of the Corporation. The loans to such officers and directors and the companies with which they are associated (a) were made in the ordinary course of business, (b) were made on substantially the same terms, including interest and nature of collateral, as those prevailing at the time for comparable transactions with other persons, and (c) did not involve more than the normal risk of collectibility or present other unfavorable features.

First Financial Bank has had, and expects to have in the future, banking transactions in the ordinary course of business with directors, officers, principal shareholders and their associates on the same terms, including interest rates and collateral on loans, as those prevailing at the same time for comparable transactions with others.

Executive Sessions of Non-Management Directors

The independent directors meet in regularly scheduled meetings at which only the independent directors are present. During 2007, the independent directors held six such meetings.

Communicating with the Board of Directors

The Board of Directors has established a process by which shareholders may communicate with the Board of Directors. Shareholders may send communications to the Corporation s Board of Directors or to individual directors by writing to:

Attn: Board of Directors (or name of individual director)
First Financial Bancorp.
P.O. Box 1242
Hamilton, OH 45012-1242

Letters mailed to this post office box will be received by the director who serves as chair of the Audit and Risk Management Committee or the director who serves as chair of the Nominating Committee, as alternate. A letter addressed to an individual director will be forwarded unopened to that director by the chair of the Audit and Risk Management Committee.

Information regarding this process is also available through the Corporation s Web site at www.bankatfirst.com under the Investor Information link, by clicking on Corporate Governance. For questions regarding this process, shareholders may call the Corporation s General Counsel, Chief Risk Officer & Secretary, Gregory A. Gehlmann, at (513) 979-5772.

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Meetings of the Board of Directors and Committees of the Board

Board Meetings

During the last fiscal year, the Board of Directors held seven regularly scheduled meetings and two special meetings. All of the incumbent directors attended 75% or more of those meetings and the meetings held by all board committees on which they served, during the periods that they served as directors.

The Board of Directors believes that it is important for directors to participate in scheduled board and committee meetings and to attend the Annual Meeting. It is the policy of the Board of Directors that directors who participate in fewer than 75% of scheduled board and committee meetings, or who do not attend the Annual Meeting, unless excused by the Board of Directors, are subject to not being re-nominated to the Board of Directors. During 2007 both of the nominees attended more than 75% of the scheduled meetings. All of the Corporation s nine directors then in office attended the 2007 Annual Meeting.

Board Committees

The Board of Directors has a Corporate Governance and Nominating Committee, a Compensation Committee and an Audit and Risk Management Committee. Other committees are formed as needed.

Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee (the Nominating Committee) reports to the Board on corporate governance matters, including the evaluation of the Board and its Committees and the recommendation of appropriate Board Committee structures and membership. The committee also establishes procedures for the director nomination process and recommends director nominees for Board approval. The committee is comprised of the following directors, each of whom satisfies the definition of independence for nominating committee members under the rules of the Nasdaq: Murph Knapke (Chair), Corinne R. Finnerty, and Richard E. Olszewski. The committee held four meetings during the 2007 fiscal year.

Nominating Procedures

It is the Corporate Governance and Nominating Committee s policy that it will consider director candidates recommended by shareholders in accordance with the procedures outlined in the Corporation s Regulations. Under those procedures, shareholders who wish to nominate individuals for election as directors must provide:

- The name and address of the shareholder making the nomination and the name and address of the proposed nominee;
- The age and principal occupation or employment of the proposed nominee;
- The number of common shares of the Corporation beneficially owned by the proposed nominee;
- A representation that the shareholder making the nomination:
  - Is a holder of record of shares entitled to vote at the meeting, and
  - Intends to appear in person or by proxy at the meeting to make the nomination;
- A description of all arrangements or understandings between the shareholder making the nomination and the proposed nominee;
- Any additional information regarding the proposed nominee required by the proxy rules of the Securities and Exchange Commission (the SEC) to be included in a proxy statement if the proposed nominee has been nominated by the Corporation s Board of Directors; and
- The consent of the proposed nominee to serve as a director if elected.

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In order to be recommended for a position on the Corporation s Board of Directors by the committee, a proposed nominee must, at a minimum, (i) be able to comply with the Corporation s Corporate Governance Guidelines, and (ii) through a combination of experience and education have the skills necessary to make an effective contribution to the Board of Directors. In accordance with the Corporation s Regulations, no one may be elected to the Board of Directors after reaching his or her seventieth birthday.

In connection with next year s Annual Meeting of Shareholders, the committee will consider director nominees recommended by shareholders provided that notice of a proposed nomination is received by the Corporation no later than January 29, 2009, as provided in the Corporation s Regulations. Notice of a proposed nomination must include the information outlined above and should be sent to First Financial Bancorp., Attention: Gregory A. Gehlmann, General Counsel, Chief Risk Officer & Secretary, 4000 Smith Road, Suite 400, Cincinnati, Ohio 45209.

The committee identifies nominees for director through recommendations by shareholders and through its own search efforts, which may include the use of external search firms. The committee evaluates nominees for director based upon criteria established by the committee and applies the same evaluation process to all director nominees regardless of whether the nominee is recommended by a shareholder. The criteria evaluated by the committee include, among other things, the candidate s judgment, integrity, leadership ability, business experience, and ability to contribute to board member diversity. The committee also considers whether the candidate meets independence standards, is financially literate or a financial expert, is available to serve, and is not subject to any disqualifying factor.

Compensation Committee. The Compensation Committee s primary responsibilities include:

determining and approving the compensation of the CEO and each executive officer of the Corporation as determined pursuant to Rule 16a-1(f) under the Securities Exchange Act of 1934;

evaluating the performance of the Corporation s CEO for all elements of compensation and other executive officers with respect to incentive goals and objectives approved by the committee and then approving all executive officers compensation based on those evaluations and other individual performance evaluations provided to the committee;

reviewing and evaluating all benefit plans of the Corporation in accordance with applicable laws, rules and regulations;

overseeing the preparation of the compensation discussion and analysis and recommending to the full Board its inclusion in the annual proxy statement in accordance with applicable laws, rules and regulations; and

recommending to the Board of Directors compensation for directors.

The committee has the authority to retain compensation consultants to assist in the evaluation of director and executive compensation. During 2007, the committee utilized the services of Watson Wyatt, an independent compensation consultant.

The Compensation Committee is comprised of the following directors, each of whom satisfies the definition of independence for compensation committee members under the rules of the Nasdaq and SEC: Barry S. Porter (Chair), J. Wickliffe Ach, Donald M Cisle, Sr., William J. Kramer, and Susan L. Knust. The Compensation Committee held three meetings during 2007.

Audit and Risk Management Committee. The Audit and Risk Management Committee serves in a dual capacity as the Audit and Risk Management Committee of the Corporation and First Financial Bank, N.A., and is responsible for overseeing the Corporation s accounting and financial reporting processes, the external auditors qualifications and independence, the performance of the Corporation s internal audit function and the external auditors, and the Corporation s compliance with applicable legal and regulatory requirements. The committee also assists the Board in overseeing the Corporation s enterprise-wide risks, including interest rate, credit, reputation, strategic, technology, operational, legal, regulatory and reporting risks. The Audit and Risk Management Committee operates pursuant to a written charter that was adopted by the Board of Directors. The Audit and Risk Management Committee is comprised of the following directors, each of whom satisfies the definition of independence for audit committee members under the rules of the Nasdaq and the SEC: William J. Kramer (Chair), J. Wickliffe Ach, and Richard E. Olszewski. The Board of Directors has determined William J. Kramer is an audit committee financial expert serving on the Audit and Risk Management Committee. The Audit and Risk Management Committee held eight meetings during the fiscal year.

Corporate Headquarters Special Committee. During 2007, the Board of Directors formed a special committee to evaluate the options of moving the corporate headquarters. The committee recommended that the Corporation s headquarters be moved to Cincinnati and that the corporate headquarters of its wholly-owned subsidiary First Financial Bank, N.A., remain in Hamilton, Ohio. On November 27, 2007, the Board of Directors adopted the committee s recommendation. Members of the Committee included Murph Knapke (chair), Corrine R. Finnerty, J. Wickliffe Ach and Donald M. Cisle, Sr.

Availability of Committee Charters. The Corporate Governance and Nominating Committee, Compensation Committee and Audit and Risk Management Committee each operates pursuant to a separate written charter adopted by the Board. Each committee reviews the charter at least annually. Copies of the charters are available through our Web site at www.bankatfirst.com under the Investor Information link, by clicking on Corporate Governance. The information contained on the website is not incorporated by reference or otherwise considered a part of this document.

Code of Business Conduct and Ethics and Corporate Governance Guidelines

We have adopted a Code of Business Conduct and Ethics which applies to all First Financial (including subsidiaries) directors, officers and associates. The Code governs the actions and working relationships of First Financial associates, officers and directors. The Code addresses, among other items, conflicts of interest, corporate opportunities, confidentiality, fair dealing, protection and proper use of corporate assets and compliance with laws, rules and regulations and encourages the reporting of any illegal or unethical behavior.

We also maintain a Code of Ethics for Senior Financial Officers which addresses some of the same issues as the Code of Business Conduct, such as the importance of honesty, integrity and confidentiality, but establishes specific standards related to financial controls and reporting for senior financial officers of First Financial. We will disclose any substantive amendments to or waiver from provisions of the code made with respect to the chief executive officer, principal financial officer or principal accounting officer on our website.

We have also adopted Corporate Governance Principles, which are intended to provide guidelines for the governance of First Financial by the Board and its committees. The Corporate Governance Principles cover, among other issues, executive sessions of the board of directors, director qualifications, director responsibility, director independence, voting for directors, limitations on other boards, continuing education for members of the board of directors, and internal performance evaluations.

These documents are available through the Corporation s Web site at www.bankatfirst.com under the Investor Information link, by clicking on Corporate Governance. They also are available in print to any shareholder who requests them.

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BOARD COMPENSATION

Set forth below is a breakdown of fees paid to non-employee directors for the year ended December 31, 2007. Each component is discussed in detail below.

Name	Fees Earned or Paid in Cash ($)(1)(2)	Stock Awards ($)	All Other Compen-sation ($)(4)	Total ($)
J. Wickliffe Ach	$ 37,400	$ 20,000(3)	$ 3,386	$ 60,786
Donald M. Cisle, Sr.	38,150	20,000(3)	3,025	61,175
Corinne R. Finnerty	39,250	20,000(3)	3,423	62,359
Murph Knapke	42,250	19,374(5)	3,109	64,733
Susan L. Knust	38,050		776	38,826
William J. Kramer	46,550	19,374(5)	3,198	69,122
Richard E. Olszewski	40,550	19,374(5)	3,450	63,809
Barry S. Porter	61,850	19,374(5)	3,885	85,109
Steven C. Posey	26,300		586	26,836

(1) Includes retainers, board and committee attendance fees, and retainers for committee chairs for both First Financial Bancorp and First Financial Bank.

(2) Pursuant to the Corporation s Director Fee Stock Plan, directors may elect to have all or any part of the annual retainer fee paid in the Corporation s common shares. See also - Director Fee Plan. This column includes shares purchased under such plan as follows:

Name	Amount of Fees Used to Purchase Common Shares
J. Wickliffe Ach	$ 4,375
Donald M. Cisle, Sr.	13,200
Corinne R. Finnerty	13,200
Murph Knapke	13,200
Susan L. Knust	10,000
William J. Kramer	13,200
Richard E. Olszewski	13,200
Barry S. Porter	13,200
Steven C. Posey	15,000

(3) Total value is computed utilizing the grant date market value for restricted stock awards. See Note 17 Stock Options and Awards of the Corporation s Annual Report on Form 10-K for additional information on SFAS No. 123R valuation methodology. Shares vest over a three-year period. See Director Stock Plan.

(4) Includes taxes imposed on directors fees by the City of Hamilton, Ohio and dividends paid on unvested restricted stock awards (except Ms. Knust and Mr. Posey).

(5) Based on the closing price of First Financial s common shares as of the date of vesting (April 25, 2007) of $15.45 per share. A total of 1,254 shares vested.

Board/Committee Fees

Non-employee directors of the Corporation and First Financial Bank received (a) annual retainers of $10,000 and $10,000, respectively; and (b) $750 and $750 for each board and committee meeting attended, respectively. Committee chairs receive annual retainers of $2,000; however, the chair of the Audit and Risk Management Committee of the Corporation receives a $4,000 annual retainer. These chair retainers are to recognize the

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extensive time that is devoted to committee matters including meetings with management, auditors, attorneys and consultants and preparing committee agendas. Furthermore, the Chair and Vice Chair of the Corporation receive annual retainers of $30,000 and $4,000 annually, respectively. Director fees are paid on the last day of each quarter.

Director Stock Plan

In 2006, First Financial s shareholders approved the Amended and Restated Director Stock Plan. The plan provides that directors can receive options and/or restricted stock awards. Beginning in 2006, upon election or re-election to a three-year term, each non-employee director receives $60,000 in value of restricted stock which vest 1/3 each year after the first year following election or re-election. Prior to 2006, upon election or re-election to a three-year term, each non-employee director received stock options with an expected value of $60,000 at the time of grant. Grants are made on the date of the annual meeting based on the closing price of the Corporation s common shares that day.

Director Fee Stock Plan

Each year directors are given the opportunity to have all or a portion of their board fees invested in the Corporation s common stock. Elections are made once a year. Shares are purchased by an independent broker dealer after the payment of the quarterly board fees.

Reimbursement

Directors are entitled to reimbursement of their reasonable travel expenses for attending Board of Director and Committee meetings. Claude Davis, who is also an employee of the Corporation did not receive any additional fees for serving on the Board of Directors and therefore has been omitted from the table. For a discussion of Mr. Davis compensation, see Executive Compensation.

Stock Ownership Guidelines

In January 2007, the Compensation Committee adopted stock compensation guidelines whereby directors are required to own Corporation stock equal to at least three times the director s annual retainer within three years of first becoming a director of the Corporation. The requirement in the First Financial Bank, N.A. Bylaws that a director own at least $1,000 of Bancorp stock upon election or appointment to the Board is still in place.

Director Change in Status

In the event of a change in the principal occupation, business association or residence of a director, such director shall submit his/her resignation to the Chair of the Corporate Governance & Nominating Committee. The Corporate Governance & Nominating Committee shall determine if it is in the best interest of the Corporation to accept the resignation or to allow for such director to continue to serve as a member of the board of directors.

Other Directorships and Committee Memberships

To preserve independence and to avoid conflicts of interest, directors are to limit the number of other public Corporation boards on which they serve to three or fewer. Directors are to advise the Chairman of the Board and the Chair of the Corporate Governance & Nominating Committee before accepting an invitation to serve on another public corporation board. Members of the Audit & Risk Management Committee and Compensation Committee are discouraged from serving on a number of similar committees of other public companies that would affect their ability to function effectively on the Boards and their committees. In addition:

The CEO is limited to serving on the boards of no more than two additional public companies.

All Board members are to limit their board membership on non-public/charitable organizations to no more than five.

REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis that immediately follows this report. Based on this review and discussion, the Compensation Committee has recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement and incorporated by reference into our Annual Report on Form 10-K for the year ended December 31, 2007.

Barry S. Porter, Chair	Susan L. Knust
J. Wickliffe Ach	William J. Kramer
Donald M. Cisle, Sr.	

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS (CD&A)

Introduction

Discussed herein is the executive compensation philosophy that the Compensation Committee believes best supports the Corporation s strategy. As such, the executive compensation program is intended to support the achievement of our business strategy while aligning each executive s financial interests with those of shareholders.

Our core strategy is to:

Follow a People Led strategy. Our primary competitive advantage must be our people. Their knowledge and expertise in providing financial products and commitment to exceptional service quality will be what separates us from competitors.

Be an Employer of Choice for high performance associates in our various communities.

Be a top quartile performer in both return and growth compared to our peers.

The following statement of philosophy is intended to serve as the foundation upon which our executive compensation program is structured and administered, and serve as a basis for guiding the continuing development and evolution of the program:

The executive compensation philosophy of First Financial is to provide compensation opportunities to associates that are both market based and reflect the value delivered by the individual to the organization. The objectives of the executive compensation programs are to recruit, retain and incent the best talent in our industry to provide top quartile performance to all of our stakeholders on a consistent basis over the long-term.

Philosophical Principles and Guidelines

Our executive compensation program seeks to:

support the creation of shareholder value along with the achievement of other key corporate goals and objectives

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- focus attention and appropriately balance both current priorities and our longer-term strategy
- attract and retain top organizational contributors to ensure we have the caliber of executives needed to perform at the highest levels of the industry
- provide a totally integrated program that is aligned with performance results in a cost effective manner
- encourage teamwork and cooperation while recognizing individual contributions by linking variable compensation to Corporation and individual performance, based on position responsibilities and the ability to influence financial and organizational results
- be designed and administered in a manner that achieves external competitiveness and internal equity
- award compensation based on the performance of the individual and our company, and not as an entitlement based on position or tenure
- demonstrate executives commitment to our corporation and shareholder value creation through executive stock ownership
- be administered in an objective, consistent, fair, and fact-based manner
- avoid payouts if the Corporation or individual fails to meet minimum acceptable performance standards
- provide flexibility and some discretion in applying the compensation principles to appropriately reflect individual circumstances as well as changing business conditions and priorities

The total compensation mix attributable to the relative weighting of each element reflects the competitive market and our priorities

- As such, the mix of pay may be adjusted from time to time to best support our immediate and longer-term objectives
- As associates move to higher levels of responsibility with greater ability to influence our results, the percentage of pay at risk generally increases

Process

Throughout the year, the Compensation Committee meets with the Chief Executive Officer and other executive officers to solicit and obtain recommendations with respect to the Corporation s compensation programs and practices; however, the Committee makes the final determinations with respect to all forms of compensation for the executive officers of the Corporation, and no executive officer is part of the final deliberations and decisions impacting their own compensation. In reaching its decisions, the Committee considers recommendations from the Chief Executive Officer, utilizes information provided by the human resources department, and engages the services of an independent outside consultant with nationally recognized experience and credentials in public company compensation matters. During 2007, the services of Watson Wyatt were utilized. See also External Benchmarks.

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Components of Compensation

To achieve the above principles, our primary compensation program includes the following elements:

- base salary
- short-term performance-based incentive compensation
- long-term equity incentive compensation
  - stock options time-based
  - restricted stock time and performance-based
- retirement and other benefits
- perquisites and other personal benefits

These elements of compensation have been chosen to create a flexible package that reflects the long-term nature of the banking business and can reward both short and long-term performance of the Corporation and individual. Each element is discussed below.

Base Salaries

- provide a level of financial security that is appropriate for the executive s position within our corporation
- are a function of the competitive labor market for specific positions in the organization and recognize the relative value an individual s work brings to the Corporation, in addition to how well the executive is executing the position s responsibilities
- are generally targeted at the 50th percentile of the relevant labor market with an appropriate range to recognize experience, performance and contributions, and other relevant circumstances
- are reviewed at least annually and adjusted, as appropriate, to reflect changes in the labor market in addition to factors such as individual performance, range of responsibilities, value, experience and contribution to the organization
- except for Claude Davis, whose base salary was not increased from 2006 to 2007, the named executives received a 3% increase in their base salaries for 2007

Non-Equity Incentive Awards Performance Based (Short-Term Incentive Plan)

- Annual incentives serve as a key mechanism of adjusting pay levels to reflect company wide short-term performance, thereby ensuring affordability and a competitive return to shareholders
- Variable incentive pay must be earned annually which downplays entitlement and emphasizes pay for performance
- Annual incentives will reward executives for annual financial performance and achievement of established corporate objectives

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Annual non-equity incentives are made by the Committee at a meeting in April of each year

In March 2007, the Compensation Committee approved parameters of the Short-Term Incentive Plan. All of the Corporation s associates, including the Corporation s Named Executive Officers, participate in the plan. The Short-Term Incentive Plan went in effect beginning with fiscal 2006. Under the plan, a target percentage is established for each participant at the beginning of each fiscal year, based upon median competitive award levels for short-term incentive compensation within the financial services industry. The target percentage, after being adjusted for performance as described below, is applied to gross wages paid for the fiscal year.

For the 2007 Short-Term Incentive Plan, two performance measures, return on equity (ROE) and growth in earnings per share (EPS), were used to determine the actual awards under the plan. In April 2007, the Compensation Committee established threshold, target and maximum ROE levels based upon the performance of publicly traded bank holding companies of between $3-10 billion in asset size as published by SNL Financial. In addition, the Compensation Committee established threshold, target and maximum EPS growth levels based upon reasonable growth expectations for the Corporation. At the end of fiscal 2007, the amount of the target percentage was multiplied by a factor ranging from zero times the target percentage (for performance at or below the threshold ROE) up to two times the target percentage (for performance at or above the maximum ROE). After adjusting the target percentage based upon ROE performance (the Adjusted Percentage), the amount of the Adjusted Percentage was further modified based upon EPS growth. The EPS modifier ranged from a 20% reduction to the Adjusted Percentage (for performance at or below the threshold EPS growth rate) to a 20% increase to the Adjusted Percentage (for performance at or above the maximum EPS growth rate). After applying the EPS modifier to the Adjusted Percentage, the resulting percentage was applied to gross wages paid for the fiscal year to determine the actual award. The 2007 plan targets were ROE of 13% and EPS of $1.00 per share. In 2007, the Corporation had a ROE of 12.73% and an EPS of $0.93 per share.

The 2007 short-term incentive target percentages for Messrs. Davis, Lefferson, Hall, Munafo and Gehlmann were 50%, 40%, 40%, 35% and 40% of base salary, respectively. Based on the performance of the Corporation, the executives received approximately 78% of their bonus targets pursuant to the 2007 Short Term Incentive Plan. In addition, the Compensation Committee approved additional bonuses to Messrs. Hall and Gehlmann of $18,250 and $13,100, respectively, due to their additional responsibilities in 2007 (Wealth Resource Group and Risk Management, respectively). Furthermore, the target bonus percentage for Messrs. Hall and Gehlmann was increased from 35% and 30% of base salary, respectively, to both at 40% of base salary.

Long-Term and Stock Based-Incentives

serve as a means of attracting, retaining and rewarding executives who are in a position to most directly influence the longer-term success of the Corporation

balance short-term decision making with a long-term perspective, thereby encouraging decisions that have a positive impact on long-term shareholder value creation and our company as a whole

support our capital structure and strategy taking into consideration both Corporation and executive perspectives, and provide a source of executive capital accumulation commensurate with value created for shareholders

are generally targeted to approximate the median competitive market practices, taking into consideration internal equity and the organizational structure

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as earned are a function of long-term financial and operational results relative to company objectives and industry performance

may be awarded in cash, equity or some combination to address Corporation objectives and executive stock ownership

all equity awards will be made at or above the market price at the time of grant

for 2007 grants were approximately 120% of base salary for Mr. Davis, 50% of base salary for Mr. Lefferson and 40% of base salary for Messrs. Hall, Munafo and Gehlmann; consisting of approximately 50% stock options and 50% restricted stock grants in addition, in April 2007 the Committee approved additional grants of restricted stock to these individuals to recognize their efforts in the successful restructuring of the Corporation over a number of years to position it for future growth and lower operating expenses. These awards vest over a four-year period and are subject to performance triggers. See also Summary Compensation Table and Outstanding Equity Awards at Fiscal Year End.

Annual awards of equity compensation are made at a Committee meeting in the beginning of each year

Newly hired executives may receive new hire bonus equity awards. If such awards are granted, they are received on the last business day of the quarter in which they are hired and such awards are priced at market value on that date

The 1999 Stock Incentive Plan provides for incentive compensation to our executive officers tied to the enhancement of shareholder value. Under the 1999 Stock Incentive Plan, the Compensation Committee reviewed and approved in April 2007 stock option grants and restricted stock awards for the Named Executive Officers. The option exercise price and the value of restricted shares are determined based on the fair market value of the stock at the close of business on the date of grants. The Compensation Committee reviewed management s recommendation on the amount of the stock option grants and restricted stock awards based on market practice, the officer s level in the organization, the performance of the Corporation, and a review of stock option grants and restricted stock awards made in prior years. After discussing and modifying the recommendations, the awards are ratified. Beginning in 2005, vesting of restricted shares vest over a four-year period and are subject to performance triggers and beginning in 2005, options vest over a four-year period. These awards are discussed elsewhere in this Proxy Statement at Summary Compensation Table and Grants of Plan-Based Awards.

Non Performance Based Benefits

The benefits program, in total, attempts to meet the essential needs of executives in a manner which is market competitive and cost-effective for both the executive and the Corporation

Executives can participate in group medical and life insurance programs and a percentage match by the Corporation under the 401(k) plan, and a cash balance or final pay average formula defined benefit plan, which are generally available to all of our associates on a non-discriminatory basis. The benefits will serve to protect executives and their families against financial risks associated with illness, disability and death and will provide financial security during retirement through a combination of personal savings and Corporation contributions, taking advantage of tax-deferral opportunities where permitted

The Named Executive Officers also receive certain fringe benefits, such as participation in the SERP and Deferred Compensation Plan. In addition, the Named Executive Officers are reimbursed for business-related expenses they incur, receive a monthly car allowance, some are reimbursed for club memberships, long term disability, and are entitled to up to $2,000 reimbursement for tax/investment advice. Furthermore, relocation benefits are available for qualifying executives. Management believes that the costs of reimbursement of such expenses and allowances constitute ordinary and necessary business expenses that facilitate job performance and minimize work-related expenses incurred by the Named Executive Officers. Finally, biennial (annual after 50) physical examinations are available to senior officers in hopes of ensuring the continued health of key managers and executives of the Corporation. Those approved benefits that are not business-related, however, are paid/reimbursed but taxed as a personal benefit.

Employment agreements provide added benefits to the Named Executives in event of a change-in-control and/or termination for other than cause. See Employment Agreements and Other Potential Post-Employment Payments.

External Benchmarks

In evaluating the levels of compensation, the Compensation Committee also utilizes the services of Watson Wyatt, an independent compensation consulting firm. Watson Wyatt presents information from survey resources available to Watson Wyatt in addition to information from a customized proxy analysis of similarly sized publicly-traded financial services/banking organizations. In evaluating the market date provided by Watson Wyatt, the committee will also consider:

The primary labor market peer group against which executive compensation and performance is benchmarked (generally comprised of companies with a financial services/banking industry focus and of a similar asset size to ensure market competitiveness)

Companies representative of the broader general industry population may provide appropriate compensation benchmarks for certain positions that are not specific to the financial services/banking industry

Pay opportunities are established based on median market practices. Actual compensation earned should reflect overall performance of the Corporation so that in years of strong performance, executives may earn higher levels of compensation as compared to executives in similar positions of responsibility at comparative companies. Conversely, in years of below average performance, executives may be paid below average compensation.

Employment Agreements

The Corporation has employment agreements with each of the Named Executive Officers currently employed by the Corporation as described below.

Employment Agreement with Mr. Davis

In 2004, the Corporation entered into an agreement with Mr. Davis. The agreement was amended and restated on August 24, 2006 (the Agreement). The initial term of the Agreement was for one year from the commencement of Mr. Davis s employment on October 1, 2004 (the Commencement Date). The Agreement automatically renews for successive one-year periods after the initial term, unless and until terminated in accordance with the terms of the Agreement. The Agreement provides that Mr. Davis will receive an annual salary, incentive awards, non-incentive related compensation (including executive benefits/perquisites), and broad-based

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employee benefits as determined from time-to-time by the Board. Mr. Davis s annual base salary was not increased in 2006 and remained at $450,000.

Pursuant to the agreement and in connection with his initial hiring, Mr. Davis was entitled to a bonus of $33,000 on each of the first three anniversaries of his employment, ending October 1, 2007. Furthermore, pursuant to the Agreement, Mr. Davis received (i) a stock option grant, subject to the terms of the Corporation s 1999 Stock Incentive Plan, for 50,000 shares of the Company s common shares that vested on October 1, 2005 with an exercise price equal to the fair market value on the date of grant; and (ii) a restricted stock award, subject to the terms of the stock plan, for 35,000 shares of the Corporation s common shares (17,500 vested on October 1, 2005, 8,750 vested on October 1, 2006, and 8,750 vested on October 1, 2007).

Termination. Mr. Davis s employment with the Corporation:

- Will terminate automatically upon his death;
- May be terminated either by the Corporation or Mr. Davis at the end of the agreement s initial term or any renewal term upon 90 days prior written notice from either of them to the other;
- May be terminated by Mr. Davis at any time for Good Reason, meaning the occurrence, without Mr. Davis s consent, of a significant reduction in his base salary or his authority or responsibilities as set forth in the Agreement;
- May be terminated by the Corporation immediately upon notice to Mr. Davis at any time for Cause, as defined in the Agreement; or
- May be terminated by the Corporation immediately upon notice to Mr. Davis at any time if he is then under a Long-Term Disability, as defined in the Agreement.

Severance. If Mr. Davis s employment is terminated as follows:

- By the Corporation, without Cause (as defined in the Agreement), by providing 90 days written notice prior to the end of the Agreement s initial term or any renewal term;
- By the Corporation, without Cause, immediately upon notice to Mr. Davis at any time, if he is then under a Long-Term Disability, as defined in the Agreement; or
- By Mr. Davis at any time for Good Reason, as defined in the Agreement; and

Mr. Davis has provided the Corporation with a separate, written release and covenant not to sue; then Mr. Davis will be entitled to receive termination compensation equal to:

- compensation equal to 24 months of his Base Salary
- a termination bonus equal to twice the target payment under the Corporation s Short-Term Incentive Bonus Plan for the calendar year in which the termination occurred;
- any additional bonuses not yet paid under the Agreement, and
- if the termination occurs within 12 months of a Change in Control as such term is defined in the Agreement, Mr. Davis will receive a payment equal to the present value of the death benefit he would have received under a Employee Split Dollar Agreement and calculated as if Mr. Davis died at age 75.

The termination compensation will be paid over a two-year Severance Period as such term is defined in the Agreement. Following any termination, should Mr. Davis elect COBRA coverage, the Corporation shall pay the premiums for the first 12 months of such coverage. Mr. Davis shall also be entitled to executive outplacement assistance with an agency selected by the Corporation in an amount not to exceed 5% of Mr. Davis s base salary.

In the event the receipt of any payment under the Agreement, in combination with any other payments to Mr. Davis from the Corporation, will result in the payment by Mr. Davis of any excise tax under Section 280G and Section 4999 of the Internal Revenue Code (Code), the Corporation will pay to Mr. Davis an additional amount equal to the amount of such excise tax and the additional federal, state and local income taxes for which Mr. Davis

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will be liable as a result of this additional payment. Furthermore, the Agreement is subject to the limitations of Section 409A of the Code.

Employment Agreements with Named Executive Officers Other than Mr. Davis

The Corporation is party to employment agreements with each of the Named Executive Officers other than Mr. Davis (each referred to as an Officer). Each agreement is for a term of one or two years. Unless and until terminated in accordance with the terms of the agreement, each agreement renews annually from and after the initial term unless the Corporation or the Officer gives three to six months prior notice of termination.

The agreements can be terminated upon the Officer s death or disability; at the end of the initial term or any renewal term if not renewed upon six month s prior written notice; for Cause, as defined in the agreements; or for Good Reason, meaning:

a change in the duties of the Officer s position or the transfer to a new position in violation of the terms of the agreement;

a substantial alteration in the nature or status of the Officer s responsibilities in violation of the agreement;

a reduction in the Officer s base salary;

refusal by the Corporation or its successor to renew the term of the agreement for any reason prior to the Officer reaching his or her normal retirement date under the Corporation s retirement plan; or

a change in the Officer s employment benefits in violation of the terms of the agreement.

Except as otherwise provided in the agreements, if the Officer is terminated for any reason other than Cause, and the Officer has provided the Corporation with a separate, written release and covenant not to sue in accordance with the agreement and does not revoke such release and covenant, then the Officer will be entitled to receive the following:

The Officer s base salary will be continued for a period of 12- 24 months from the date of termination of employment (such period being called the Severance Pay Period).

During the Severance Pay Period, only medical and dental benefits continue.

If, prior to the Officer s date of termination, the Officer has participated in the Corporation s Short-Term Incentive Plan for a complete calendar year, the Officer will receive a payment in one lump-sum in an amount equal to one or two times the percentage of the incentive payment made or required to be made for the calendar year pursuant to the plan immediately preceding the calendar year in which the Officer s date of termination occurs.

Notwithstanding the above, if the employment of an Officer is terminated as follows:

By the Corporation, with Cause, the Officer will receive a payment in one lump-sum in an amount equal to one or two times the percentage of the incentive payment made or required to be made for the calendar year pursuant to the Short-Term Inventive Plan immediately preceding the calendar year in which the Officer s date of termination occurs.

If the Officer s date of termination of employment is within 12 months after a change in control (as defined in the agreements), the Officer will receive a payment equal to: (A) with respect to shares subject to an option granted as of the time of the change in control under the Corporation s 1991 and 1999 stock plans that the Officer cannot exercise due to the termination of employment, the difference between the fair market value of such common shares determined as of the date of termination of employment and the option exercise price, and (B) with respect to any restricted stock granted under the Corporation s 1991 Stock Incentive Plan as of the time of the change in control which the Officer forfeits as a result of the termination of employment, the fair market value of such restricted shares determined as of the date of termination of employment and as if all restrictions had been removed.

If the receipt of any payments described above to the Officers (other than Mr. Munafo), in combination with any other payments to them, shall, in the opinion of independent tax counsel selected by the Corporation, result in liability for the payment by the Officer of any excise tax pursuant to Sections 280G and 4999 of the Code, the Corporation will pay to the Officer within 60 days of the date his or her employment terminates an additional amount equal to the amount of such excise tax and the additional federal, state, and local income taxes for which he or she will be liable as the result of this additional payment. Furthermore, the Agreements are subject to the limitations of Section 409A of the Code.

Confidentiality and Non-Competition

The Named Executive Officers, including Mr. Davis, are prohibited, at all times, from disclosing any confidential information, as defined in the agreements, except as required by law, and must return all confidential information to the Corporation upon termination of their employment. During the term of each Named Executive Officer s employment and for a period of six months following termination of the officer s employment for any reason other than by the Corporation for Cause (as defined in the agreements), the Named Executive Officer has agreed not to be employed by, serve as an officer or director of, consultant to, or advisor to any business that engages either directly or indirectly in commercial banking, savings banking, or mortgage lending in the geographic area of Ohio, Indiana, or Kentucky, or which is reasonably likely to engage in such businesses in the same geographic area.

Tax and Accounting Implications

Deductibility of Executive Compensation. Section 162(m) of the Code generally disallows a corporate tax deduction for annual compensation paid to executive officers to the extent that it exceeds $1,000,000. It is the policy of the Compensation Committee that compensation to executive officers should, in general, be structured to qualify for deductibility under Section 162(m). For those exceptional circumstances where executive compensation may exceed the deductible amount, the Corporation has adopted a deferred compensation plan which provides for the mandatory deferral of such excess compensation.

Nonqualified Deferred Compensation. On October 22, 2004, the American Jobs Creation Act of 2004 was signed into law, changing the tax rules applicable to nonqualified deferred compensation arrangements. In April 2007, the IRS adopted final regulations with full compliance by December 31, 2008. The Corporation believes it is operating in good faith compliance with the statutory provisions which were effective January 1, 2005 and will amend a applicable plans and agreements within the prescribed time-frame to ensure compliance.

Accounting for Stock-Based Compensation. Beginning on January 1, 2006, the Corporation began accounting for stock-based payments in accordance with the requirements of Financial Accounting Standards Statement No. 123(R) (FAS 123(R)).

Incentive Stock Options. Federal income tax rules impose limits to the favorable tax treatment for incentive options. The limit is that no employee may hold incentive options that become exercisable in a single calendar year

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whose total value exceeds $100,000. If this limit is exceeded, the excess above $100,000 becomes a non-qualified stock option and does not receive the favorable tax treatment described above. In the event options granted to the Named Executive Officers exceed the $100,000 limit, they automatically become non-qualified options.

Other Information

The Corporation currently does not have any stock ownership guidelines for executive officers.

Summary

The total compensation mix attributable to the relative weighting of each element reflects the competitive market and our priorities. As such, the mix of pay may be adjusted from time to time to best support our immediate and longer-term objectives. Generally, as associates move to higher levels of responsibility with greater ability to influence our results, the percentage of pay at risk may increase.

We believe our approach to executive compensation is a critical element to the successful attraction and retention of the right talent to effectively implement our strategic plan. We can apply multiple approaches and tactics but the key principles of market based compensation, adjusted for the value created by the individual and organizational performance should be the cornerstones of our philosophy. We believe the compensation packages provided to the Named Executive Officers are appropriate and consistent with our compensation philosophy.

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SUMMARY COMPENSATION TABLE

The following Summary Compensation Table sets forth the compensation of Corporation s Principal Executive Officer, Principal Financial Officer and the next three highest compensated executive officers. All of the executive officers named in the Summary Compensation Table are referred to hereafter as the Named Executive Officers for fiscal years 2007 and 2006.

Name and Principal Position	Year	Salary ($)(1)	Bonus ($)(2)	Stock Awards ($)(3)	Option Awards ($)(4)	Non-Equity Incentive Plan Compensation ($)(5)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(6)	All Other Compensation ($)(7)	Total ($)
Claude E. Davis	2007	450,000		396,340	269,979	176,175	42,863	70,757	1,406,114
President & CEO	2006	440,769		277,146	299,232		31,549	57,998	1,106,694
C. Douglas Lefferson	2007	271,573		107,280	68,160	85,057	72,963	27,712	632,745
EVP and Chief Operating Officer	2006	262,404		67,284	73,440		60,162	29,787	493,077
J. Franklin Hall	2007	230,583	18,250	70,030	46,406	72,219	24,170	22,932	484,590
EVP and Chief Financial Officer	2006	220,673		46,458	49,824		15,876	17,055	349,866
Samuel J. Munafo	2007	235,707		67,050	47,373	64,596	241,756	25,762	682,244
EVP, Banking Markets	2006	228,461		48,060	50,976		110,352	32,891	470,740
Gregory A. Gehlmann	2007	235,707	13,100	67,050	47,373	73,823	13,138	18,780	468,971
SVP, Chief Risk Officer and General Counsel	2006	219,327		44,856	47,520		10,971	19,197	341,871

(1) The dollar value of base salary (cash and non-cash) earned during the fiscal year.

(2) The dollar value of bonus (cash and non-cash) earned during the fiscal year. With respect to Mr. Davis, does not include $33,000 in both 2007 and 2006 paid pursuant to his employment agreement in connection with him joining the Corporation in 2004 and not tied to any performance during the periods. See also Employment Agreements Employment Agreement with Mr. Davis. With respect to Messrs. Hall and Gehlmann in 2007, reflects increased responsibilities during the fiscal year (Wealth Resource Group and Risk Management, respectively).

(3) The aggregate grant date fair value of stock awards computed in accordance with FAS 123(R). In addition to vesting over a four year period, restricted stock awards do not vest unless the Corporation meets certain performance targets. For 2007, includes additional grants of restricted stock to these individuals to recognize

their efforts in the successful restructuring of the Corporation over a number of years to position it for future growth and lower operating expenses (Davis 8,000 shares; Lefferson 2,500 shares; Hall -1,500 shares; Munafo 1,200 shares; and Gehlmann 1,200 shares). With respect to Mr. Davis, does not include the vesting of restricted stock awards (8,750 shares each in 2007 and 2006 at $13.59 and $15.91 per share, respectively, or $118,912 and $139,212, respectively) in connection with the Corporation hiring Mr. Davis in October 2004. See also Employment Agreements Employment Agreement with Mr. Davis. During fiscal 2006, the Corporation did not reach its target and therefore one-fourth of the 2005 and 2006 awards did not vest in 2007, but may vest in subsequent years if performance targets are met. During 2007, the Corporation met its target and therefore one fourth of the 2005, 2006 and 2007 awards will vest in April 2008. See also - Outstanding Equity Awards at Fiscal Year End.

(4) The aggregate grant date fair value of option awards computed in accordance with FAS 123(R). Options vest over a four-year period. See also Grants of Plan Based Awards.

(5) The dollar value of all earnings for services performed during the fiscal year pursuant to awards under non-equity incentive plans and all earnings on any outstanding awards. Payouts under the 2007 short term incentive plan were approximately 78% of target and were paid in February 2008. No payouts were made under the 2006 short-term incentive plan as the Corporation did not meet the minimum performance metrics. See Compensation Discussion and Analysis Components of Compensation Non-Equity Incentive Awards Performance Based (Short-Term Incentive Plan) and Plan Based Awards.

(6) The aggregate change in the actuarial present value of accumulated benefits under all defined benefit and actuarial pension plans (Employees Pension Plan and Supplemental Retirement Plan) (Employees Pension Plan only with respect to Mr. Gehlmann) from the plan measurement date used for financial statement reporting purposes with respect to the prior completed fiscal year to the plan measurement date used for financial statement reporting purposes with respect to the covered fiscal year (e.g., interest rate and mortality rate assumptions). Includes amounts which the named executive may not currently be entitled to receive because such amounts are not vested.

(7) All other compensation for the year that could not properly be reported in any other column. The column titled Other below includes long term disability, tax/investment advice (Messrs. Davis, Hall, and Lefferson), organization dues (Messrs. Davis and Munafo), and spouse travel to awards ceremony (Davis and Hall), of which none individually exceeded $10,000.

2007

Name	Automobile Allowance	Company Match Under 401 (k) Plan	Split Dollar Insurance Premiums	Dividends on Unvested Restricted Stock	Other	Total
Mr. Davis	$ 9,000	$ 6,750	$ 895	$ 35,936	$ 18,176	$ 70,757
Mr. Lefferson	9,000	6,750	419	9,594	1,948	27,712
Mr. Hall	6,000	6,750	282	6,253	3,647	22,932
Mr. Munafo	8,400	6,750	955	7,871	1,786	25,762
Mr. Gehlmann	6,000	6,750	446	4,704	879	18,780

2006

Name	Automobile Allowance	Company Match Under 401 (k) Plan	Split Dollar Insurance Premiums	Dividends on Unvested Restricted Stock	Other	Total
Mr. Davis	$ 9,078	$ 6,581	$ 2,254	$ 27,488	$ 12,597	$ 57,998
Mr. Lefferson	9,068	6,574	898	8,751	4,496	29,787
Mr. Hall	6,000	2,296	715	5,547	2,497	17,055
Mr. Munafo	8,686	6,853	2,863	6,399	8,090	32,891
Mr. Gehlmann	6,000	6,466	742	2,368	3,621	19,197

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GRANTS OF PLAN-BASED AWARDS

The following table shows all individual grants of stock awards to the Named Executive Officers of the Corporation during the fiscal year ended December 31, 2007. Total value is computed utilizing the grant date market value for restricted stock awards and the grant date fair value in accordance with FAS 123(R)on stock option awards.

Estimated Future Payouts Under Equity Incentive Plans(5)

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plans (1)	Threshold	Target ($)	Maximum	All Other Stock Awards: No. of Shares of Stock or Units (#) (2)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise Or Base Price of Option Awards (3)	Grant Date Fair Value of Stock and Option Awards (4)
Davis	4/30/07	NONE	N/A	666,319	N/A	26,600			$ 396,340
							111,700	$ 14.90	269,979
Lefferson	4/30/07	NONE	N/A	175,440	N/A	7,200			107,280
							28,200	$ 14.90	68,160
Hall	4/30/07	NONE	N/A	116,436	N/A	4,700			70,030
							19,200	$ 14.90	46,406
Munafo	4/30/07	NONE	N/A	114,323	N/A	4,500			67,050
							19,600	$ 14.90	47,373
Gehlmann	4/30/07	NONE	N/A	113,323	N/A	4,500			67,050
							19,600	$ 14.90	47,373

1. Payouts under the 2007 Short Term Incentive Plan were made in February 2008 and are reported in the Summary Compensation Table.

2. Restricted shares vest over a four-year period and are subject to certain performance triggers. During 2007, the Corporation reached its target and therefore one-fourth of such awards will vest in April 2008. Additional shares may vest in subsequent years if performance targets are met**.** During 2007, the Corporation met its target and therefore one fourth of the 2005, 2006 and 2007 awards will vest in April 2008. See also Note 3 in the Summary Compensation Table. and Outstanding Equity Awards at Fiscal Year End.

3. Closing price of the Corporation s common shares on the date of grant.

4. The grant date fair value of each stock option, calculated using the Black-Scholes option pricing model is $2.417. This reflects compensation costs recognized under FAS 123(R) in 2007. All options are granted at 100% of fair market value on the date of grant. The options are exercisable ratably over a four-year period (25% per year) commencing one year after the date of grant. In no event can options be exercised later than 10 years after the date of grant, provided that the optionee remains in the employment of the Corporation or its affiliates. The option exercise period may be shortened upon an optionee s disability, retirement or death. Shares acquired upon option exercise must be held one year from the date of exercise.

5. The amounts of the estimated future payouts under the equity incentive plans column represent the opportunities in the event the Corporation meets certain targets pursuant to the terms of the stock awards. For 2007, grants were targeted at approximately 120% of base salary for Mr. Davis, 50% of base salary for Mr. Lefferson and

40% of base salary for Messrs. Hall, Munafo and Gehlmann. In addition, in April 2007 the Committee approved additional grants of restricted stock to these individuals to recognize their efforts in the successful restructuring of the Corporation over a number of years to position its for future growth and lower operating expenses. See Summary Compensation Table , Note 3.

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OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END

The following table represents stock options and restricted stock awards outstanding for each named executive officer as of December 31, 2007. All stock options and restricted awards have been adjusted for stock dividends and stock splits. The closing per share price of the Corporation s stock on the last trading date of the fiscal year was $11.40.

Name	Option Awards: Number of Securities Underlying Unexercised Options (#) Exercisable	Option Awards: Number of Securities Underlying Unexercised Options (#) Unexercisable		Option Awards: Option Exercise Price ($)	Option Awards: Option Expiration Date	Restricted Stock Awards: Number of Shares or Units of Stock That Have Not Vested (#) (1)	Restricted Stock Awards: Market Value of Shares or Units of Stock That Have Not Vested ($)
Claude E. Davis						60,700	$ 691,980
	50,000	0		$ 17.19	10/01/2014		
	42,049	42,051	(2)	$ 17.51	04/18/2015		
	25,974	77,926	(3)	$ 16.02	04/24/2016		
	0	111,700	(5)	$ 14.90	04/30/2017		
C. Douglas Lefferson						17,650	$ 201,210
	1,271	0		$ 19.09	01/27/2008		
	4,201	0		$ 22.57	01/25/2009		
	1,574	0		$ 22.57	06/12/2010		
	12,127	0		$ 17.56	01/24/2010		
	10,500	0		$ 16.01	01/23/2011		
	10,000	0		$ 17.20	01/17/2012		
	10,000	0		$ 16.58	01/22/2013		
	2,500	0		$ 17.09	01/21/2014		
	12,499	12,501	(2)	$ 17.51	04/18/2015		
	6,374	19,121	(3)	$ 16.02	04/24/2016		
	0	28,200	(5)	$ 14.90	04/30/2017		
J. Franklin Hall						11,500	$ 131,100
	6,772	0		$ 17.56	01/24/2010		
	5,250	0		$ 16.01	01/22/2011		
	5,000	0		$ 17.20	01/17/2012		
	10,000	0		$ 16.58	01/22/2013		
	2,500	0		$ 17.09	01/21/2014		
	7,149	7,151	(2)	$ 17.51	04/18/2015		
	4,324	12,976	(3)	$ 16.02	04/24/2016		
	0	19,200	(5)	$ 14.90	04/30/2007		

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	Option Awards					Restricted Stock Awards	
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable		Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#) (1)	Market Value of Shares or Units of Stock That Have Not Vested ($)
Samuel J. Munafo						11,150	$ 128,225
	7,624	0		$ 19.09	01/27/2008		
	8,662	0		$ 22.57	01/25/2009		
	15,120	0		$ 17.56	01/24/2010		
	7,875	0		$ 16.01	01/22/2011		
	5,000	0		$ 17.20	01/17/2012		
	5,000	0		$ 16.58	01/22/2013		
	2,500	0		$ 17.09	01/21/2014		
	5,999	6,001	(2)	$ 17.51	04/18/2015		
	4,424	13,276	(3)	$ 16.02	04/24/2016		
	0	19,600	(5)	$ 14.90	04/30/2017		
Gregory A. Gehlmann						9,600	$ 109,440
	5,699	5,701	(4)	$ 18.63	06/21/2015		
	4,125	12,373	(3)	$ 16.02	04/24/2016		
	0	19,600	(5)	$ 14.90	04/30/2017		

(1) Performance-based restricted shares will vest according to the following schedule:

Vesting Date	Davis	Lefferson	Hall	Munafo	Gehlmann
April 18, 2008	4,200	1,250	725	600	575
April 24, 2008	4,325	1,050	725	750	700
April 30, 2008	6,650	1,800	1,175	1,125	1,125
April 18, 2009	4,200	1,250	725	600	575
April 24, 2009	4,325	1,050	725	750	700
April 30, 2009	6,650	1,800	1,175	1,125	1,125
April 24, 2010	4,325	1,050	725	750	700
April 30, 2010	6,650	1,800	1,175	1,125	1,125
April 30, 2011	6,650	1,800	1,175	1,125	1,125

Note: with respect to awards vesting in 2009-2011 it is assumed that the Corporation s return on equity equals or exceeds 12%. If return on equity is lower than 12%, the shares will not vest for that year but may vest later if average return on equity during the vesting period exceeds 12%. Certain awards that are include in the table are not listed as vesting as it is probable they will never vest. See Summary Compensation Table , Note 3.

(2) The unvested portion of this option grant will vest 75% on April 18, 2008, and 100% on April 18, 2009.

(3) The unvested portion of this option grant will vest 50% on April 24, 2008, 75% on April 24, 2009, and 100% on April 24, 2010.

(4) The unvested portion of this option grant will vest 75% on June 21, 2008, and 100% on June 21, 2009.

(5) The unvested portion of this option grant will vest 25% on April 30, 2008, 50% on April 30, 2009, 75% on April 30, 2010; and 100% on April 30, 2010.

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OPTION EXERCISES AND STOCK VESTED

The following table shows the stock options exercised and restricted stock that vested by the named executive officers in 2007 and the value realized upon exercise.

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)(1)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)(2)
Claude E. Davis		$	8,750	$ 118,912
C. Douglas Lefferson			3,765	60,566
J. Franklin Hall			2,480	40,126
Samuel J. Munafo	4,193	21,152	1,250	20,050
Gregory A. Gehlmann				

(1) Aggregate market value on the exercise date of shares covered by the option less the aggregate price paid by the Named Executive Officer.

(2) The value realized on vesting of restricted stock awards represents the aggregate dollar amount realized upon vesting by multiplying the number of shares of stock by the market value of the underlying shares as of the prior day s close. With respect to Mr. Davis, shares vested pursuant to an employment agreement. See also Compensation Discussion and Analysis Employment Agreements Employment Agreement with Mr. Davis.

The Corporation has no long-term incentive plans relating to future compensation of the Named Executive Officers other than the 1991 Stock Incentive Plan and the 1999 Stock Incentive Plan. No additional awards can be granted under the 1991 Stock Incentive Plan.

POST EMPLOYMENT BENEFITS

The Corporation has a thrift plan, a retirement plan, a supplemental retirement plan and a deferred compensation plan. It also maintains Split Dollar Agreements covering the Named Executive Officers and certain other management associates. The retirement plan and the thrift plan cover the majority of the employees of the Corporation and its subsidiaries, including the officers of the Corporation. The deferred compensation plan is a nonqualified deferred compensation plan in which only executive officers of the Corporation are eligible to participate. Participants may elect to defer up to 50% of their base salary and 100% of their bonus or incentive pay for any year. See Non-Qualified Deferred Compensation.

Thrift Plan. The thrift plan covers associates who reached age 21. Participation is immediately available and participants may contribute up to 50% of their base salary (unless limited by law or regulation) to the plan. The Corporation s subsidiaries matching contributions are a dollar for dollar match on each participant s contribution up to 3% of base salary of each participant and $0.50 on the dollar for additional contributions up to 2% and become fully vested when made.

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Defined Benefit Pension Plan. The Corporation s Employee Pension Plan covers associates of the Corporation s subsidiaries who have attained age 21 and completed one year of credited service. An associate is vested after five years of service and receives benefits upon retirement pursuant to a formula based on average salary and years of service. Effective in the third quarter of 2007, First Financial amended the defined benefit pension plan formula to change the determination of participant benefits from a final average earnings plan to a cash balance plan. Pension plan participants prior to July 1, 2007, will transition to the amended plan on January 1, 2008. After July 1, 2007, newly eligible participants will enter the amended plan upon their eligibility date.

Supplemental Retirement Plan. The Corporation maintains a supplemental executive retirement plan (SERP) to supplement the payments under the pension plan for certain senior officers of the Corporation and its subsidiaries who may be designated from time-to-time by the Compensation Committee. The SERP s purpose is to make up for limits under the Corporation s qualified plan.

PENSION BENEFITS

The following table shows each pension plan that the named executive officer participates in, the number of years of credited service and the present value of accumulated benefits.

Name(3)	Plan Name	Number of Years of Credited Service (#)(1)	Present Value of Accumulated Benefit ($)(2)	Payments During Last Fiscal Year ($)
Claude E. Davis	Pension Plan	3	$ 37,423	$ 0
	SERP	3	58,862	$ 0
C. Douglas Lefferson	Pension Plan	22	214,940	$ 0
	SERP	22	88,807	$ 0
J. Franklin Hall	Pension Plan	9	58,444	$ 0
	SERP	9	6,226	$ 0
Samuel J. Munafo	Pension Plan	36	795,391	$ 0
	SERP	36	128,669	$ 0
Gregory A. Gehlmann	Pension Plan	3	28,840	$ 0
	SERP	3	3,675	$ 0

(1) The number of years of service credited to the named executive officers under the plan, computed as of the same pension plan measurement date used for financial statement reporting purposes with respect to the registrant s audited financial statements for the last completed fiscal year.

(2) The actuarial present value of the named executive officer s accumulated benefit under the plan, computed as of the same pension plan measurement date used for financial statement reporting purposes with respect to the registrant s audited financial statements for the last completed fiscal year.

(3) Assumptions: Discount Rate 6.12%; Lump Sum Interest Rate 6.00%; Lump Sum Mortality Basis RR01-62; Assumed Retirement Age 65; no pre-retirement mortality.

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Split Dollar Life Insurance. The Split Dollar Agreement is an endorsement method split dollar arrangement which applies to a life insurance policy owned by the Corporation which, upon a Named Executive Officer s death, first pays the Corporation the premiums which the Corporation paid for the policy, and then pays the Named Executive Officer s beneficiary a death benefit equal to three times the executive s base salary in effect at his or her death. If the Named Executive Officer terminated employment before death and, when employment terminated, he or she was eligible to receive an immediate retirement benefit under the early retirement provisions of the Corporation s retirement plan and had been employed for at least five years, the Corporation keeps the policy in force until the executive s death and the death benefit is equal to three times the executive s base salary at the time of his or her termination of employment. In either case, any amounts payable under the policy after the payment to the Named Executive Officer s beneficiary are paid to the Corporation.

NONQUALIFIED DEFERRED COMPENSATION

Pursuant to the Corporation s Deferred Compensation Plan, certain executives, including the named executives, may defer up to 50% of his or her base salary and 100% of his/her bonus or incentive pay of any plan year. The following table provides information on the non-qualified deferred compensation to the named executives in 2007. This information also appears in the Summary Compensation table provided earlier in this document but was not provided in such table in proxies for previous years.

Name	Executive Contributions in Last FY ($)	Registrant Contributions in Last FY ($)	Aggregate Earnings in Last FY ($)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last FYE ($)
Claude E. Davis	33,000(1)		1,867(2)		108,466(3)

(1) The amount shown above for Mr. Davis is that portion of an employment agreement benefit that he elected to defer in 2007. This amount was disclosed in the bonus column in the Summary Compensation Table and related footnotes.

(2) Includes actual earnings less unrealized depreciation. During 2007 the Corporation paid interest on deferred compensation balances. However, because this rate does not exceed the threshold rate requiring disclosure on the Summary Compensation Table and, therefore, the amounts are not included on that table.

(3) The amounts are reported as compensation to Mr. Davis in the Corporation s Summary Compensation Table in previous years.

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OTHER POTENTIAL POST-EMPLOYMENT PAYMENTS

The following table sets forth the severance amounts that each of Messrs. Davis, Lefferson, Hall, Munafo and Gehlmann would be entitled to receive if their employment relationship with the Corporation had been terminated as described above on December 31, 2007. The following table is for illustrative purposes only and contains many assumptions that could be different in an actual event:

Severance Benefits Table Termination upon Change in Control

Executive	(a) Multiple of Base Pay (2 times) $	(b) Multiple of Short-Term Incentive(1) $	(c) Unvested In-the-Money Option Value(2) $	(d) Unvested Restricted Stock Value(3) $	(e) Accel. of Life Ins. Benefit $	(f) Total Benefits per Contract (columns (a) through (e) (4) $	(g) Gross Up Payment (Claw-back) for Additional Tax Imposed by Section 280G of the Tax Code ($)(5)	(h) Estimated Total Payment Post Gross-Up (Claw-back) $
C. Davis	900,000	450,000		691,980	373,798	2,083,186	Not triggered	2,083,186
D. Lefferson	545,900	170,114		201,210	193,252	933,489	Not triggered	933,489
F. Hall	463,500	144,438		131,100	134,222	727,280	145,143	872,423
S. Munafo	473,800	129,190		128,225	318,,151	923,170	(94,484)	828,686
G. Gehlmann	473,800	73,283		109,440	187,932	844,455	86,222	930,677

1. 2x target for Mr. Davis, 2x of actual for all others except for Mr. Gehlmann (1x of actual).

2. All unvested options at December 31, 2008 were above the per share closing price of the Corporation s common shares ($11.40) on that date

3. Includes all outstanding but unvested shares as of December 31, 2007.

4. Does not include the following payments to which the executive is entitled: executive outplacement services equal to up to 5% of the executive s base salary and COBRA premiums for 12 months after termination (with respect to Mr. Davis). In the event an executive was terminated for good reason, the executive would not be entitled to the acceleration of stock awards in columns (c) and (d). Benefits are paid in a lump sum in the event of a change-in-control but are paid over the severance pay period (24 months 12 months for Mr. Gehlmann until June 6, 2008, then 24 months).

5. In the event severance payments exceed approximately three times an executive s salary, Section 280G of the Code requires such payments to be taxed at an excise rate of 20% in addition to regular tax rates. The employment agreements for Messrs. Davis, Lefferson, Hall and Gehlmann provide that the Corporation will make such additional tax payments on behalf of the executive while employment agreements for Mr. Munafo provides that any excess payments will be reduced to avoid the additional tax. Excessive payments are not deductible to the Corporation. If an executive is terminated for cause, all benefits stop and the executive would not be entitled to any severance benefits.

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Retirement Benefits

In the event of retirement by the Named Executives, they would be entitled to certain retirement benefits that can be paid over time or taken in a lump sum. Below is a presentation regarding lump sum benefits for early retirement under the pension plan.

Named Executive Officers	Total Present Value of Accumulated Benefit using FAS87 Assumptions (1)	Total Present Value Vested Accumulated Benefit using Actual Lump Sum Basis (2)	Incremental Value due to Difference between FAS87 Assumptions and Actual Lump Sum Basis	Incremental Value due due to Early Ret. Subsidies(3)
Claude Davis	$ 96,285	$	$	$
C. Douglas Lefferson	303,747	438,388	134,642	
J. Franklin Hall	64,671	99,401	34,721	
Samuel J. Munafo	924,060	1,262,075	188,666	149,349
Gregory A. Gehlm	32,515			

(1) See Pension Benefits .

(2) Calculated assuming Named Executive Officer terminates employment on December 31, 2007 and receives an immediate lump sum distribution using the rate in effect for December 2007 payments, 4.52%.

(3) For information purposes only. Allocates the increase in retirement value over the values shown in the Pension Benefit Table to its two primary sources:

Difference between FAS lump sum interest rate assumption and actual basis

Value of early retirement subsidies that are included in the actual lump sum payment if the Named Executive Officer terminates employment

REPORT OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

In accordance with its written charter, the Audit and Risk Management Committee oversees the Corporation s financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for the financial statements and the reporting process including the systems of internal controls. The Corporation s independent registered public accounting firm, Ernst & Young LLP (Ernst & Young), is responsible for expressing an opinion on the conformity of the Corporation s audited financial statements to generally accepted accounting principles.

In fulfilling its oversight responsibilities, the Committee reviewed the audited financial statements in the Annual Report with management including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements. The Committee discussed with Ernst & Young those matters required to be discussed by SAS 61 (Codification of Statements on Auditing Standards, AU 380). In addition, the Committee received from Ernst & Young the written disclosures and the letter required by Independence Standards Board Standard No. 1 and discussed with them their independence.

The Committee discussed with the Corporation s internal auditors and Ernst & Young the overall scope and plans for their respective audits. The Committee met with the internal auditors and with Ernst & Young, with and without management present, to discuss the results of their examinations, their evaluations of the Corporation s internal controls, and the overall quality of the Corporation s financial reporting.

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In reliance on the reviews and discussions referred to above, the Committee recommended to the Board of Directors, and the Board has approved, that the audited financial statements be included in the Annual Report on Form 10-K for the year ended December 31, 2007, for filing with the SEC. The Committee has approved the selection of Ernst & Young as the Corporation s independent registered public accounting firm for 2008.

Audit and Risk Management Committee

William J. Kramer, Chair   Richard E. Olszewski
J. Wickliffe Ach

PROPOSAL II RATIFICATION OF THE APPOINTMENT OF AUDITORS
(Item 2 on Proxy Card)

The Audit Committee of the board has appointed Ernst & Young as First Financial s auditors for the year 2008 and, in accordance with established policy, that appointment is being submitted to shareholders for ratification. In the event the appointment is not ratified by a majority of votes cast, in person or by proxy, it is anticipated that no change in auditors would be made for the current year because of the difficulty and expense of making any change so long after the beginning of the current year, but that vote would be considered in connection with the auditors appointment for 2009.

Ernst & Young were the Corporation s auditors for the year ended December 31, 2007, and a representative of the firm is expected to attend the meeting, respond to appropriate questions and, if the representative desires, which is not now anticipated, make a statement.

The Board of Directors unanimously recommends a vote FOR the ratification of the appointment of Ernst & Young as the Corporation s independent registered accounting firm for the fiscal year ended December 31, 2008.

ACCOUNTING FIRM FEES

The following table sets forth the aggregate fees billed to the Corporation and related entities for the last two fiscal years by the Corporation s independent registered public accounting firm.

Fees by Category	2007	2006
Audit Fees	$ 487,520	$ 661,000
Audit-Related Fees (1)	33,000	33,000
Tax Fees (2)		
All Other Fees (3)	65,800	61,550
Total	$ 586,320	$ 755,550

(1) Services covered by these fees consist of employee benefit plan audits.

(2) No professional tax services were performed during the periods indicated.

(3) Services covered by these fees consist of audit and tax compliance work billed to the First Funds / Legacy Funds Group of mutual funds for which the Corporation s subsidiary, First Financial Capital Advisors LLC, serves as investment advisor.

It is the policy of the Audit and Risk Management Committee that, before the Corporation engages an accounting firm to render audit services as the Corporation s independent registered public accounting firm, the engagement must be approved by the Audit and Risk Management Committee. In addition, before an accounting firm serving as the Corporation s independent registered public accounting firm is engaged by the Corporation to render non-audit services, the engagement must be approved by the Audit and Risk Management Committee.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Except for Mr. Kramer, all members of the Compensation Committee, or their affiliates, have engaged in loan transactions with First Financial Bank. All such loans were made in the ordinary course of business of the bank. No other relationships required to be reported under the rules promulgated by the Securities and Exchange Commission exist with respect to members of the Corporation s Compensation Committee.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires the Corporation s officers, directors and persons who own more than 10 percent of a registered class of the Corporation s equity securities to file reports of ownership and changes in ownership on Forms 3, 4 and 5 with the SEC. Officers, directors and greater than 10 percent shareholders are required by SEC regulations to furnish the Corporation with copies of all Forms 3, 4 and 5 they file.

Based solely on the Corporation s review of the copies of such forms that it has received and written representations from certain reporting persons that they were not required to file a Form 5 for the specified fiscal year, the Corporation believes that all of its officers, directors and greater than 10 percent shareholders complied with all filing requirements applicable to them with respect to transactions during fiscal 2007.

SHAREHOLDER PROPOSALS

If an eligible shareholder wishes to present a proposal to be included in the Corporation s Proxy Statement and form of Proxy relating to the 2008 Annual Meeting of Shareholders, it must be presented to management by certified mail, written receipt requested, not later than November 15, 2008. Any such proposal must comply with Rule 14a-8 promulgated by the SEC pursuant to the Securities Exchange Act of 1934, as amended. Any shareholder who intends to propose any other matter to be acted upon at the 2009 Annual Meeting of Shareholders must inform the Corporation no later than January 31, 2008. If notice is not provided by that date, the person(s) named in the Corporation s Proxy for the 2009 Annual Meeting will be allowed to exercise his or her discretionary authority to vote upon any such proposal without the matter having been discussed in the Proxy Statement for the 2008 Annual Meeting. Proposals should be sent to First Financial Bancorp., Attention: Gregory A. Gehlmann, General Counsel, Chief Risk Officer & Secretary, 4000 Smith Road, Suite 400, Cincinnati, Ohio 45209.

ANNUAL REPORT

The Corporation s financial statements are not included in this Proxy Statement as they are not deemed material to the exercise of prudent judgment by the shareholders with respect to any proposal to be submitted at the Annual Meeting. The Corporation s Annual Report for the year ended December 31, 2007, is being mailed to shareholders with the Proxy and Proxy Statement in accordance with the Corporation s house-holding program, but such Annual Report is not incorporated in this Proxy Statement and is not deemed to be a part of the Proxy soliciting material.

A shareholder of the Corporation may obtain a copy of the Annual Report on Form 10-K, including financial statements and schedules thereto, for the fiscal year ended December 31, 2007, and as filed with the SEC, without charge by submitting a written request to the following address:

First Financial Bancorp.
Attn: Gregory A. Gehlmann, General Counsel.
Chief Risk Officer & Secretary
4000 Smith Road, Suite 400
Cincinnati, Ohio 45209

The Annual Report on Form 10-K is also available through the Corporation s Web site at www.bankatfirst.com under the Investor Relations link, by clicking on SEC Filings or go directly to **http://www.snl.com/irweblinkx/docs.aspx?iid=100255.**

Management and the Board of Directors of the Corporation know of no business to be brought before the meeting other than as set forth in this Proxy Statement. However, if any matters other than those referred to in this Proxy Statement should properly come before the meeting, it is the intention of the persons named in the enclosed Proxy to vote such Proxy on such matters in accordance with their best judgment.

The expense of proxy solicitation will be borne by the Corporation. Proxies will be solicited by mail and may be solicited for no additional compensation by some of the officers, directors and associates of the Corporation or its subsidiaries by telephone or in person. Brokerage houses and other custodians, nominees and fiduciaries may be requested to forward soliciting material to the beneficial owners of shares of the Corporation and will be reimbursed for their related expenses.

By Order of the Board of Directors,
Gregory A. Gehlmann
General Counsel, Chief Risk Officer & Secretary
March 20, 2008

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PLEASE MARK VOTES
X AS IN THIS EXAMPLE

REVOCABLE PROXY
FIRST FINANCIAL BANCORP.
ANNUAL MEETING OF SHAREHOLDERS April 29, 2008

Each undersigned shareholder of First Financial Bancorp. (the Corporation) hereby constitutes and appoints Donna Jordan and Charlene Staarmann or either of them, with full power of substitution in each of them, the proxy or proxies of the undersigned to vote only at the Annual Meeting of Shareholders of the Corporation to be held at the Queen City Club, Recess Room 331 East 4th Street, Cincinnati, Ohio 45202, on April 29, 2008, at 10:00 A.M., local time, and at any adjournment thereof, all of the shares of the Corporation which the undersigned would be entitled to vote if personally present at such meeting or any adjournment thereof:

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE FOLLOWING ITEMS:

1. The election as directors of all nominees listed (except as marked to the contrary below):

   _____ FOR

   _____ WITHHOLD

   _____ FOR ALL EXCEPT

   CLASS I EXPIRING IN 2011: Claude E. Davis and Susan L. Knust

   INSTRUCTION: To withhold authority to vote for any individual nominee, mark For All Except and write that nominee s name in the space provided below.

2. To ratify the appointment of Ernst & Young as the Corporation s independent registered accounting firm for the fiscal year ended December 31, 2008.

   _____ FOR

   _____ AGAINST

   _____ ABSTAIN

3. To consider and act upon, in their discretion, such other matters as may properly come before the meeting or any adjournment thereof.

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THIS PROXY WILL BE VOTED IN ACCORDANCE WITH THE SPECIFIC INDICATIONS ABOVE. IN THE ABSENCE OF SUCH INDICATIONS THIS PROXY WILL BE VOTED (I) FOR THE ELECTION OF EACH OF THE ABOVE NAMED NOMINEES FOR DIRECTOR, AND (II) IN FAVOR OF THE PROPOSAL IN ITEM NUMBER TWO.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS and may be revoked prior to its exercise. Receipt of the accompanying Proxy Statement is hereby acknowledged.

Please be sure to sign and date this Proxy in the box below.

Date

Shareholder sign above Co-holder (if any) sign above

Detach above card, sign, date and mail in postage paid envelope provided.

FIRST FINANCIAL BANCORP.

The signature or signatures on this Proxy should be the same as the name or names which appear hereon. Persons signing in a fiduciary capacity should give full title as such.

PLEASE MARK, DATE, SIGN AND RETURN PROMPTLY IN THE ENCLOSED POSTAGE-PAID ENVELOPE.