

FIRST FINANCIAL BANCORP /OH/
Form 8-K
January 27, 2011

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): January 26, 2011

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

Ohio
(State or other jurisdiction
of incorporation)

0-12379
(Commission File
Number)

31-1042001
(IRS Employer
Identification No.)

201 East Fourth Street, Suite 1900
Cincinnati, Ohio
(Address of principal executive
offices)

45202
(Zip Code)

Registrant's telephone number, including area code: (513) 979-5837

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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First Financial Bancorp.

Item 2.02 Results of Operations and Financial Condition.

On January 26, 2011, First Financial Bancorp. issued its earnings press release that included the results of operations and financial condition for the fourth quarter and full year of 2010. A copy of the earnings press release is attached as Exhibit 99.1.

The earnings press release includes some non-GAAP financial measures. The first non-GAAP financial measure, Net interest margin (fully tax equivalent), appears in the table entitled “Consolidated Financial Highlights” under the section “Key Financial Ratios.” It also appears in the two tables entitled “Consolidated Quarterly Statements of Income”, as well as the “Consolidated Statements of Income” under “Additional Data”. The second non-GAAP measure appears in the tables entitled “Additional Data” at the bottom of the two “Consolidated Quarterly Statements of Income” pages and the “Consolidated Statements of Income” page. The tax equivalent adjustment to net interest income recognizes the income tax savings when comparing taxable and tax-exempt assets and assumes a 35% tax rate. Management believes that it is a standard practice in the banking industry to present net interest margin and net interest income on a fully tax equivalent basis. Therefore, management believes these measures provide useful information to investors by allowing them to make peer comparisons. Management also uses these measures to make peer comparisons.

Below is a table showing “net interest income” calculated and presented in accordance with GAAP and the adjustments made to arrive at the non-GAAP financial measure “net interest income – tax equivalent.” The table also shows “net interest margin” calculated and presented in accordance with GAAP and the method used to arrive at the non-GAAP financial measure “net interest margin (fully tax equivalent).”

	Three Months Ended				Twelve Months Ended		
	Dec. 31, 2010	Sep. 30, 2010	June 30, 2010	Mar. 31, 2010	Dec. 31, 2009	Dec. 30, 2010	Dec. 31, 2009
	(Dollars in thousands)						
Net interest income	\$ 67,906	\$ 67,846	\$ 67,738	\$ 72,020	\$ 73,182	\$ 275,510	\$ 175,983
Tax equivalent adjustment	220	222	212	212	295	866	1,265
Net interest income - tax equivalent	\$ 68,126	\$ 68,068	\$ 67,950	\$ 72,232	\$ 73,477	\$ 276,376	\$ 177,248
Average earning assets	5,792,624	5,867,311	6,000,760	5,971,305	6,241,790	5,907,399	4,342,804
Net interest margin*	4.65%	4.59%	4.53%	4.89%	4.65%	4.66%	4.05%
Net interest margin (fully tax equivalent)*	4.67%	4.60%	4.54%	4.91%	4.67%	4.68%	4.08%

* Margins are calculated using net interest income annualized divided by average earning assets.

The earnings press release also includes some non-GAAP ratios in the “Consolidated Financial Highlights” page. These ratios are: (1) Return on average tangible common shareholders' equity; (2) Ending tangible common equity as a percent of ending tangible assets; (3) Ending tangible common equity as a percent of risk-weighted assets; (4) Average tangible common equity as a percent of average tangible assets; and (5) Tangible book value per common share. The Ending tangible common equity as a percent of ending tangible assets and Average tangible common equity as a percent of average tangible assets are also shown in the “Regulatory Capital” section of the “Capital Adequacy” page in the earnings release. The following table provides a reconciliation of these ratios to GAAP. The company considers these critical metrics with which to analyze banks. The ratios have been included in the earnings press release to facilitate a better understanding of the company’s capital structure and financial condition.

	Three Months Ended				Twelve Months Ended		
	Dec. 31, 2010	Sep. 30, 2010	June 30, 2010	Mar. 31, 2010	Dec. 31, 2009	Dec. 30, 2010	2009
	(Dollars in thousands, except per share data)						
Net income available to common shareholders (a)	\$ 14,300	\$ 15,579	\$ 17,774	\$ 9,733	\$ 12,795	\$ 57,386	\$ 217,759
Average total shareholders' equity	\$ 697,016	\$ 684,112	\$ 671,051	\$ 679,567	\$ 654,631	\$ 682,987	\$ 466,610
Less:							
Average Preferred stock	0	0	0	(47,521)	(78,573)	(11,717)	(78,241)
Goodwill	(51,820)	(51,820)	(51,820)	(51,820)	(51,820)	(51,820)	(51,820)
Intangible assets	(5,604)	(6,049)					