

3rd Quarter 2016 Earnings

October 31, 2016



Lynell Walton

Investor Relations



Forward-Looking Statements



This presentation contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, descriptions of Old National Bancorp's ("Old National's") financial condition, results of operations, asset and credit quality trends and profitability. Forward-looking statements can be identified by the use of the words "anticipate," "believe," "expect," "intend," "could" and "should," and other words of similar meaning. These forward-looking statements express management's current expectations or forecasts of future events and, by their nature, are subject to risks and uncertainties and there are a number of factors that could cause actual results to differ materially from those in such statements. Factors that might cause such a difference include, but are not limited to: expected cost savings, synergies and other financial benefits from the recently completed mergers might not be realized within the expected timeframes and costs or difficulties relating to integration matters might be greater than expected; market, economic, operational, liquidity, credit and interest rate risks associated with Old National's business; competition; government legislation and policies (including the impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act and its related regulations); ability of Old National to execute its business plan (including integrating the recently completed merger with Anchor Bancorp Wisconsin Inc.); changes in the economy which could materially impact credit quality trends and the ability to generate loans and gather deposits; failure or circumvention of our internal controls; failure or disruption of our information systems; significant changes in accounting, tax or regulatory practices or requirements; new legal obligations or liabilities or unfavorable resolutions of litigations; disruptive technologies in payment systems and other services traditionally provided by banks; computer hacking and other cybersecurity threats; other matters discussed in this presentation and other factors identified in our Annual Report on Form 10-K and other periodic filings with the SEC. These forward-looking statements are made only as of the date of this presentation, and Old National does not undertake an obligation to release revisions to these forward-looking statements to reflect events or conditions after the date of this presentation.

Non-GAAP Financial Measures

These slides contain non-GAAP financial measures. For purposes of Regulation G, a non-GAAP financial measure is a numerical measure of the registrant's historical or future financial performance, financial position or cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with GAAP in the statement of income, balance sheet or statement of cash flows (or equivalent statements) of the registrant; or includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. In this regard, GAAP refers to generally accepted accounting principles in the United States. Pursuant to the requirements of Regulation G, Old National Bancorp has provided reconciliations within the slides, as necessary, of the non-GAAP financial measure to the most directly comparable GAAP financial measure.

3Q16 Highlights

- Net income of \$34.7 million, or \$0.25 per share
 - Results include \$5.5 million of pre-tax merger and integration charges
- 4.1% annualized organic loan growth
- Stable Core Net Interest Margin¹
- Decline in Noninterest Expenses
- Increase in Tangible Book Value Per Share¹ of 2.4% from 2Q16
- Return on Tangible Common Equity¹ of 13.3%
- Successful conversion of Anchor Bank

¹ Non-GAAP financial measure which Management believes is useful in evaluating the financial results of the Company – see Appendix for Non-GAAP reconciliation

Jim Sandgren

President, Chief Operating Officer



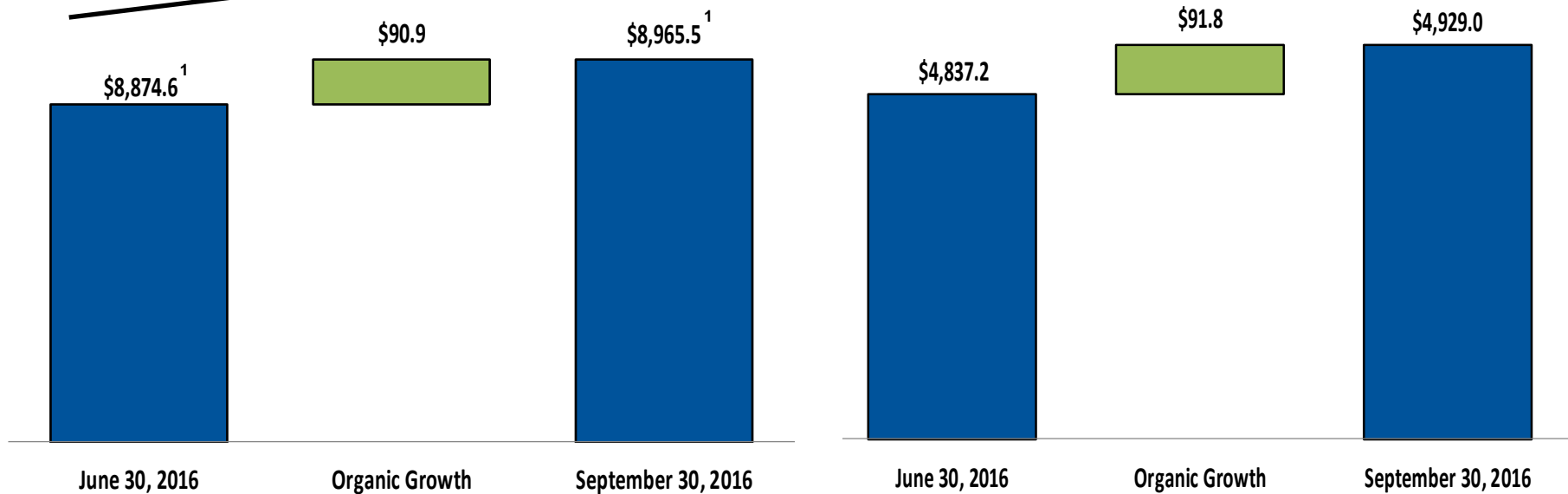
Loan Growth

Total Loan Growth

C&I/CRE Loan Growth

Annualized Organic Growth of 4.1%

Annualized Organic Growth of 7.6%

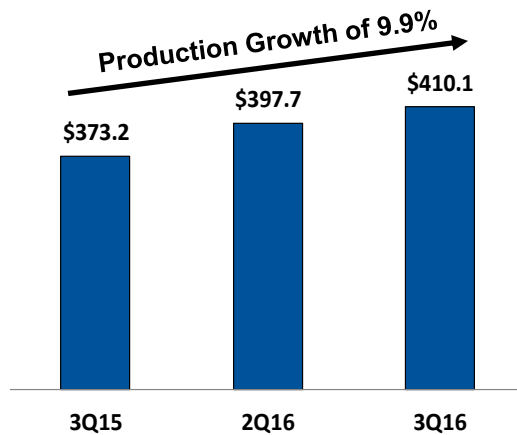


\$ in millions – End of Period Balances

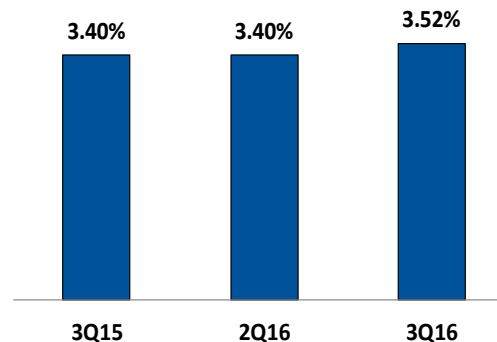
¹ Includes Loans Held for Sale

Commercial & Commercial Real Estate

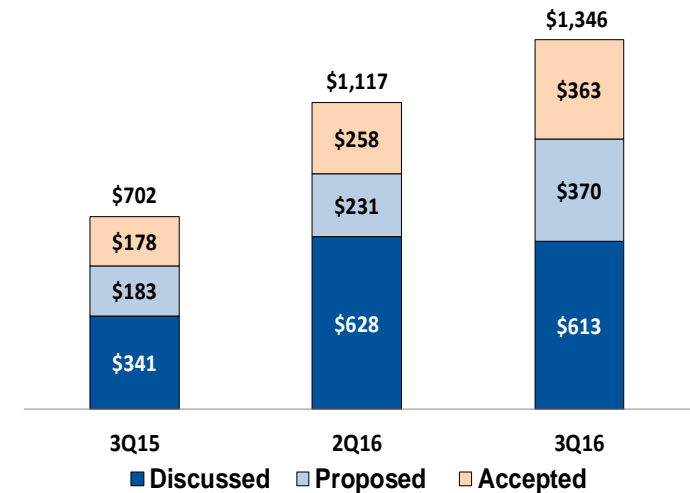
New Quarterly Production¹



Production Yield²



Loan Pipeline



Average loan size of 3Q16 production is less than \$520,000

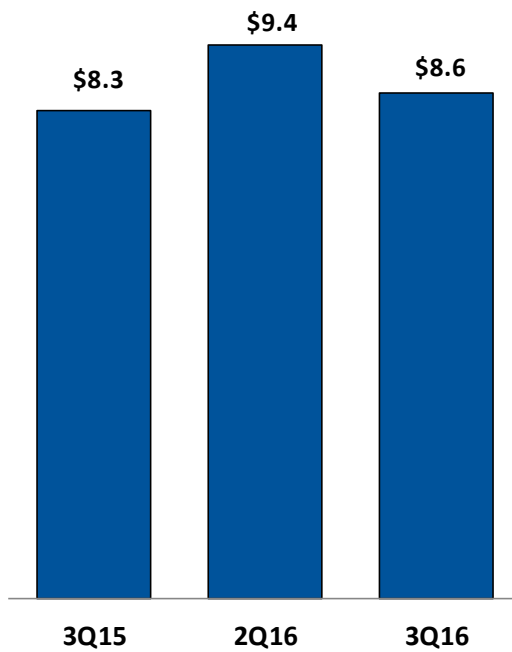
\$ in millions

¹New Quarterly Production includes 50% credit for line of credit unfunded commitments ²Yield is based on funded balances only

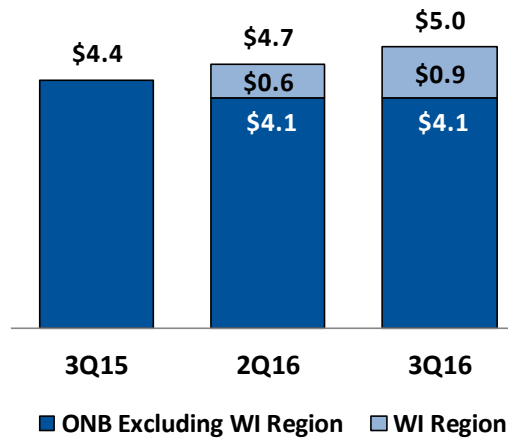
Fee-Based Business Revenue



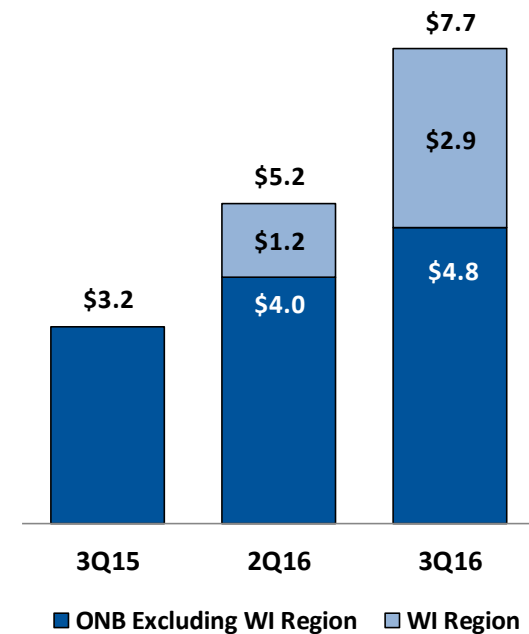
Wealth Management



Investments



Mortgage Banking



\$ in millions

Jim Ryan

Chief Financial Officer



Pre-Tax, Pre-Provision Income¹

	3Q15	2Q16	3Q16
Net Interest Income (FTE Basis)	\$102,069	\$104,607	\$113,123
Noninterest Income	59,744	93,385	47,243
Noninterest Expense	(102,617)	(121,472)	(108,062)
Pre-Tax, Pre-Provision Income	\$59,196	\$76,520	\$52,304
Gain on Sale of Branches / Insurance	(15,355)	(41,864)	-
Merger and Integration Charges	-	7,159	5,487
Foundation Funding/Community Support	800	4,900	-
Branch Consolidation Expense/Divestiture	1,420	1,108	-
Severance	385	583	-
Adjusted Pre-Tax, Pre-Provision Income	\$46,446	\$48,406	\$57,791

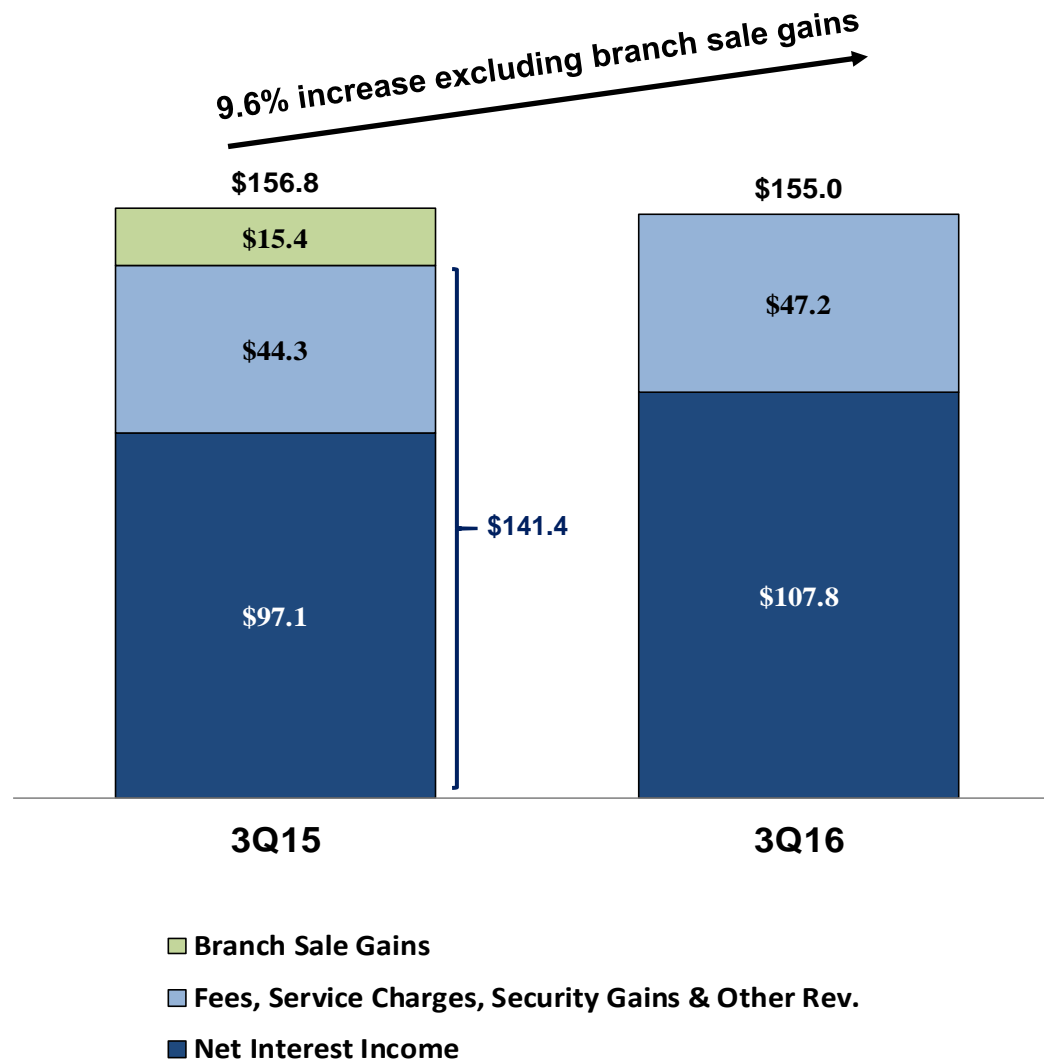
19.4% increase

24.4% increase

\$ in thousands

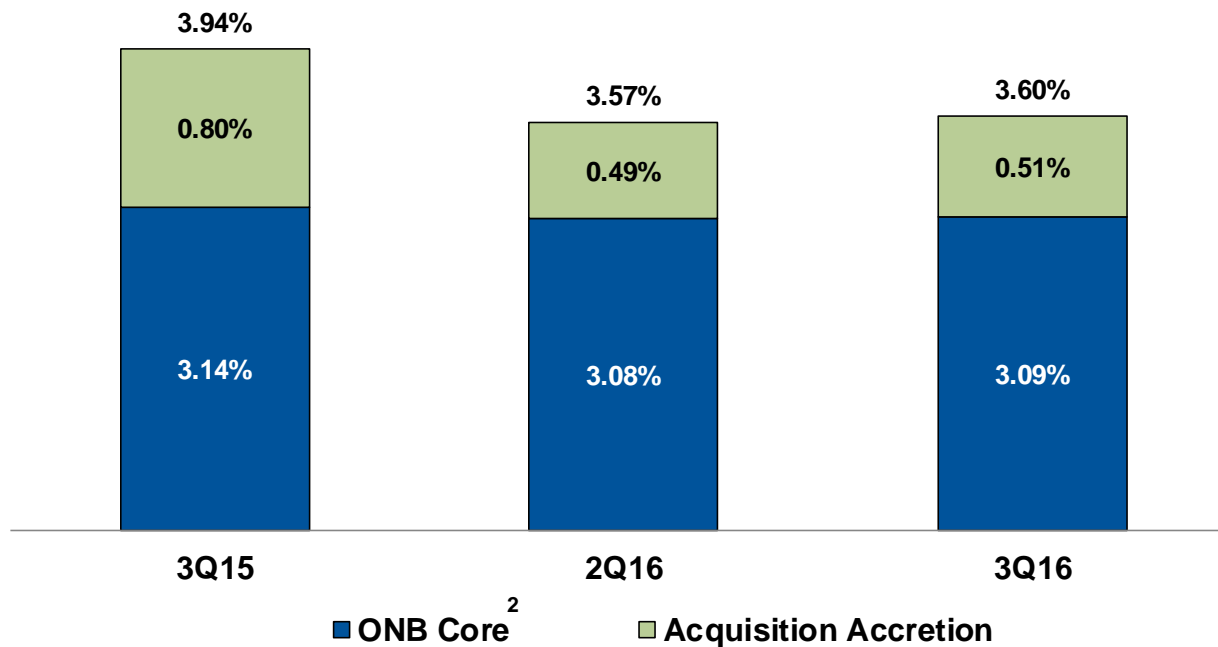
¹ Pre-Tax, Pre-Provision Income is a non-GAAP financial measure which Management believes is useful in evaluating the financial results of the Company

Total Revenue



\$ in millions

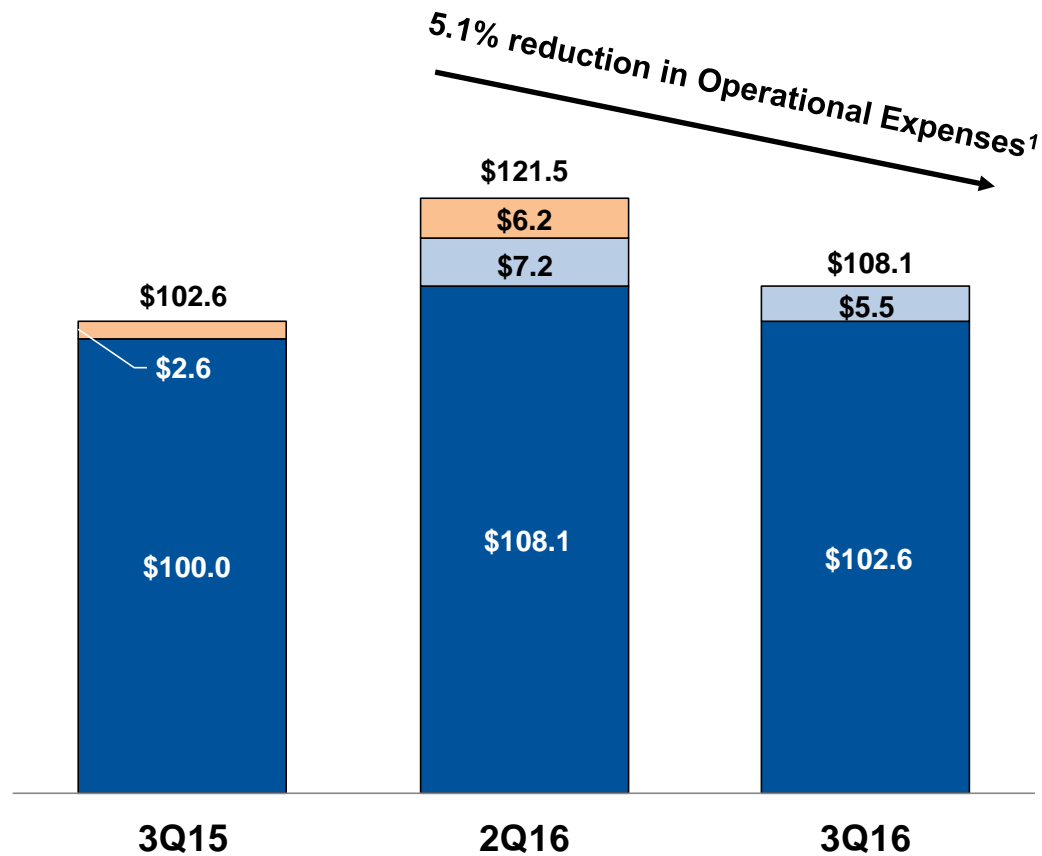
Net Interest Margin¹



¹ Fully taxable equivalent basis, non-GAAP financial measure which Management believes is useful in evaluating the financial results of the Company – see Appendix for Non-GAAP reconciliation

² ONB Core includes contractual interest income of prior acquisitions

Noninterest Expense



- Foundation/Community Support, Branch Consolidations & Severance
- Merger/Integration Costs
- Operational Expenses

\$ in millions

¹Operational expenses = total noninterest expense less merger/integration costs, Foundation/Community Support, Branch Consolidations and severance

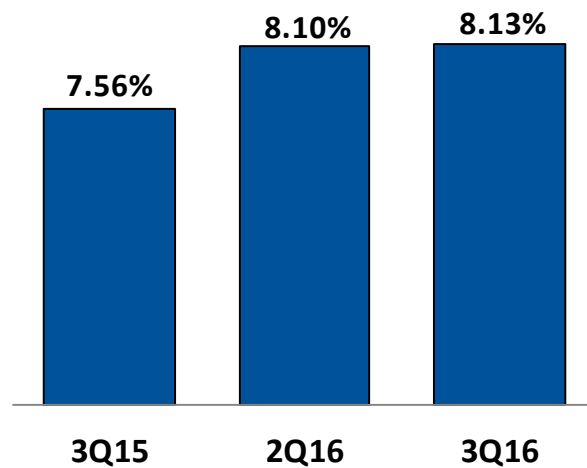
Notable Items Impacting Earnings

<i>(Items shown pre-tax)</i>	3Q16 Actual Charges	4Q16 Estimated Charges	2017 Annual Estimated Cost Savings
Anchor Merger and Integration Charges	\$(5.5)	\$(2.5)	N/A
Branch Consolidation	-	(5.8)	\$4.0 to \$5.0
Pension Termination	-	(9.6)	\$2.0

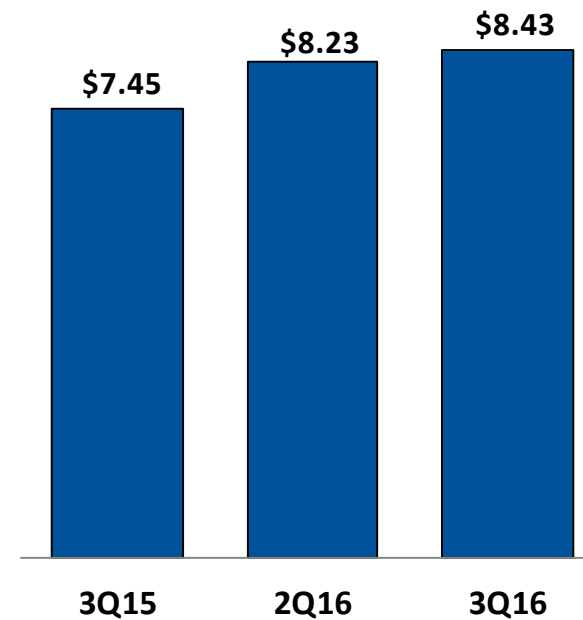
\$ in millions
N/A = Not Applicable

Capital Trends

**Tangible Common Equity to
Tangible Assets¹**



Tangible Common Book Value¹



¹ Non-GAAP financial measure which Management believes is useful in evaluating the financial results of the Company – see Appendix for Non-GAAP reconciliation

Daryl Moore

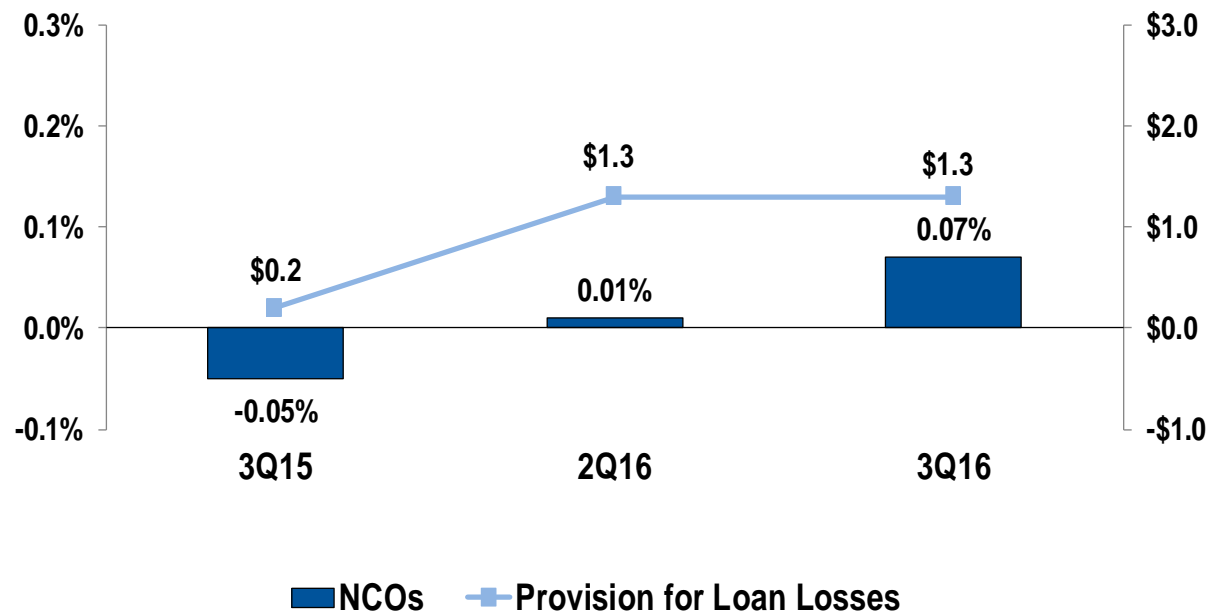
Chief Credit Executive



Net Charge-Offs / Provision



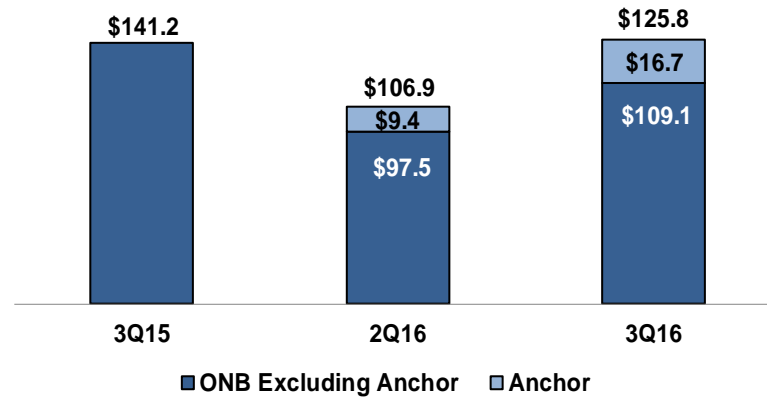
Net Charge-Offs / Provision



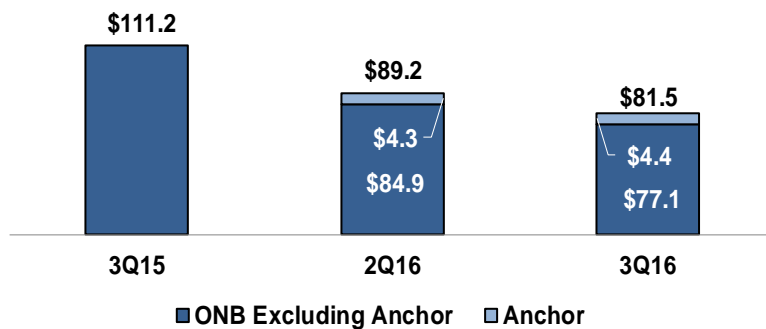
\$ in millions

Credit Quality Trends

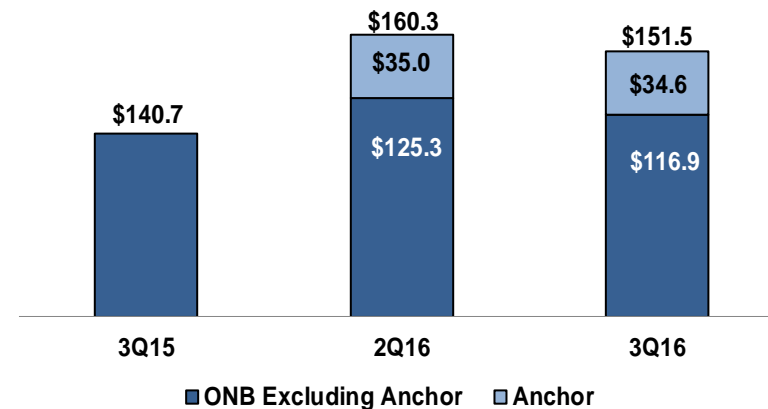
Special Mention Loans



Substandard Accruing Loans



Substandard Nonaccruing + Doubtful Loans



\$ in millions

Bob Jones

Chief Executive Officer



- Strengths

- Strong underlying fundamentals
- Strong commercial organic loan growth
- Stable credit metrics
- Tangible book value growth
- Stable core net interest margin
- Growth in fee-based businesses

- Opportunities

- Synergies post Anchor conversion
- Continued focus on efficiencies
- Current higher equity market values

- Risks

- No short-term rate increases/flattening yield curve
- Lower deposit service charges
- Volatility in equity market values and corresponding impact on wealth management and investments

Wisconsin Region Update

- Successful system conversion completed in September
- Remain on target with original cost saving projections
- Strong commercial loan growth
- Cultural integration as well or better than any previous partnerships

Thank You

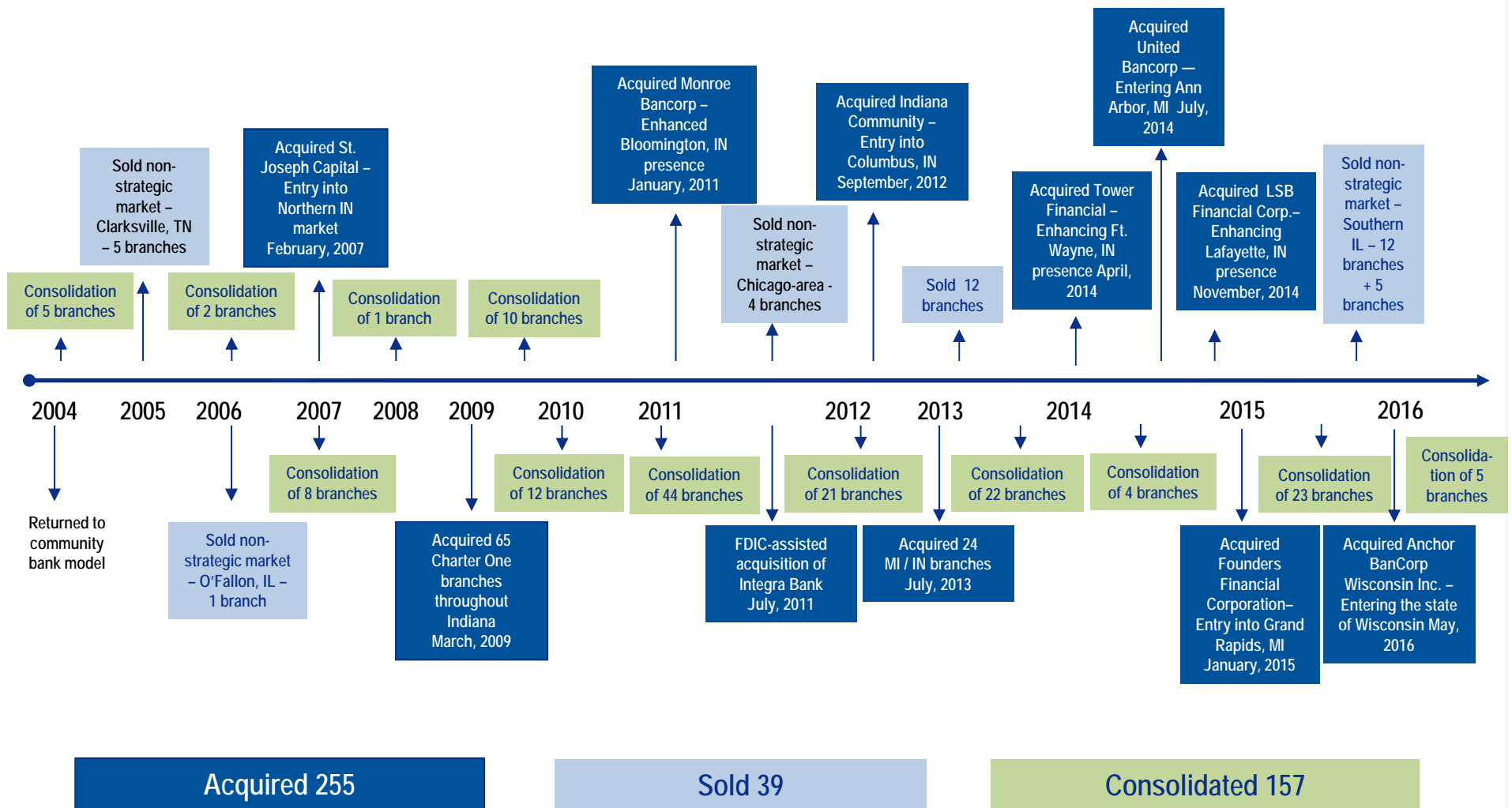
Q&A



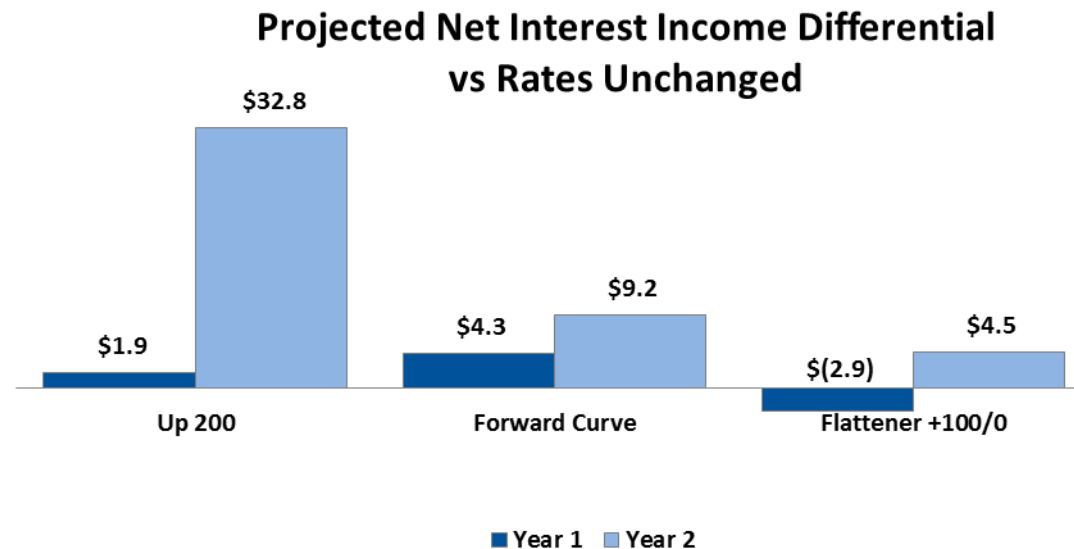
Appendix



Transforming Old National's Landscape



Modeled Interest Rate Sensitivity



- Total non-maturity, interest-bearing accounts increase from 0.09% to 0.37% in the “Up 100 bps” scenario
- 18.7% of total non-interest bearing DDA are considered rate sensitive
- Investment portfolio duration of 3.75 at 9/30/16, up from 3.59 at 6/30/16.
- 46% of C&I and CRE loans repriced within one year
- 13% of loans have floors; less than 1% of these loans are currently below their floor rates

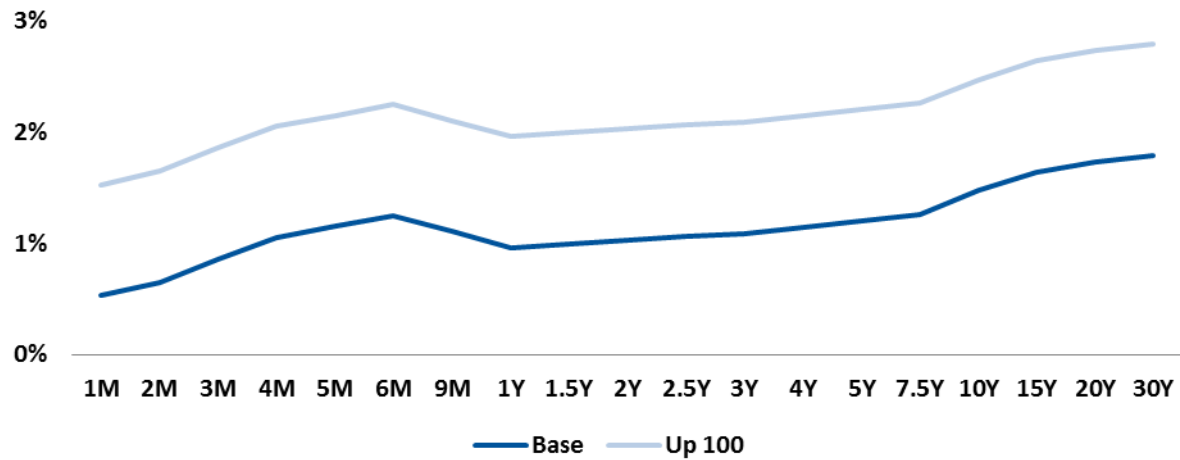
\$ in millions

Change to Net Interest Income based on a two year time horizon

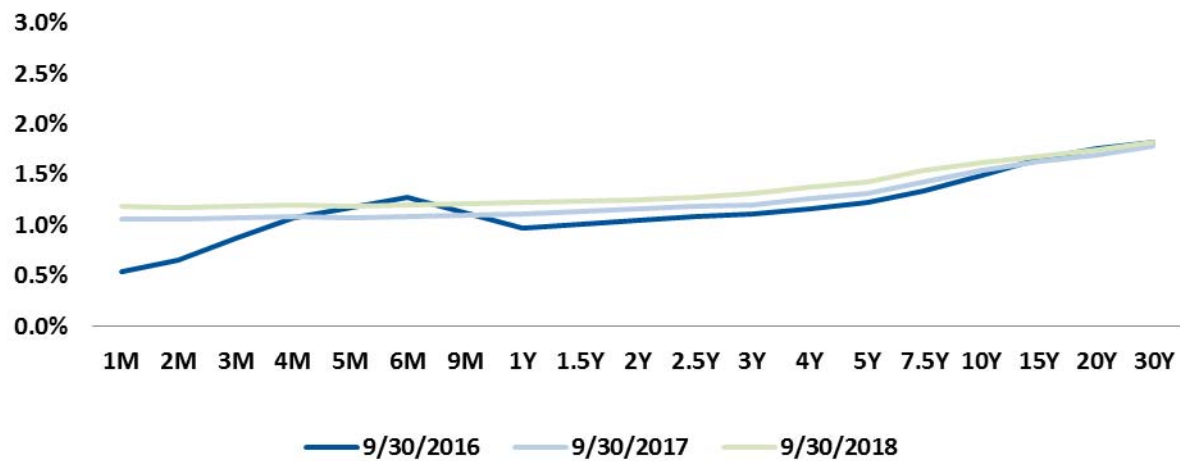
Refer to slide 27 for rate curves

Interest Rate Curves

Up 100 vs. Base



Forward Curves



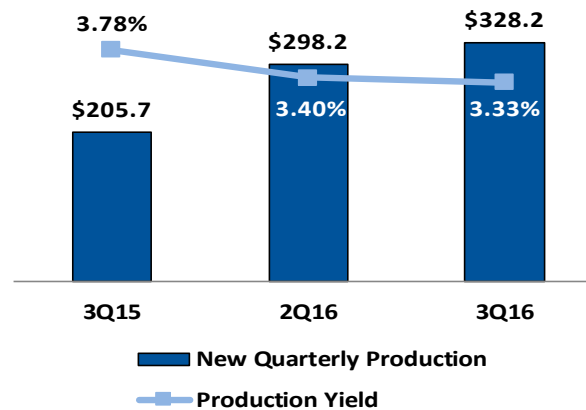
Investment Portfolio

\$ in thousands	Effective Duration Jun 30, 2016	Effective Duration Sep 30, 2016	Book Value Jun 30, 2016	Book Value Sep 30, 2016
Money Market Investments ¹	0.01	0.01	\$56,681	\$31,882
Treasuries	2.12	2.48	11,963	8,960
Agencies	2.31	2.41	678,948	610,907
Pools	1.65	1.81	295,937	274,154
CMOs	2.77	2.99	1,040,669	1,206,314
Municipals	5.95	6.11	1,110,264	1,132,363
Corporates	3.18	3.24	144,960	144,570
ABS	0.97	0.82	174,851	173,365
Totals	3.53	3.72	\$3,514,273	\$3,582,515

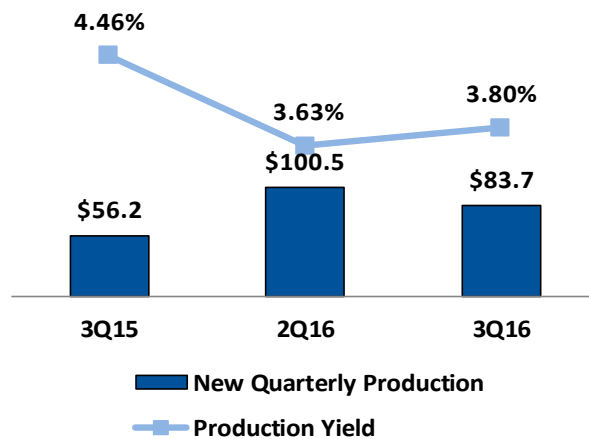
¹Money market investments includes balances in the Federal Reserve Bank Account

Consumer Loan Production & Yield Trends

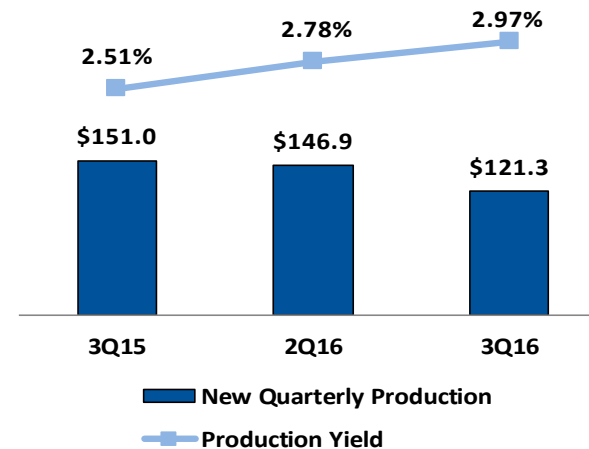
Residential Mortgage



Consumer Direct



Consumer Indirect



\$ in millions

New quarterly production includes unfunded commitments – Yield is based on funded balances only
 Quick Home Refinance (residential mortgage product) is included in the Residential Mortgage graph
 Direct Consumer includes Home Equity Lines of Credit

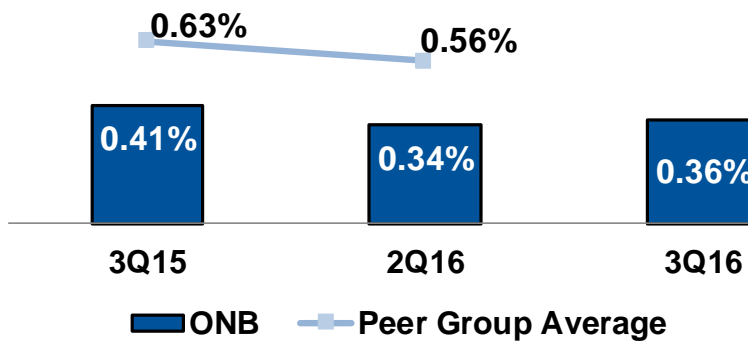
Auto Loan Portfolio

Auto Loan Portfolio - As of 09/30/2016		
Direct	\$63.4	5.5%
Indirect	\$1,083.2	94.5%
Total Auto	\$1,146.6	100.0%
New	\$441.4	38.5%
Used	\$705.2	61.5%
Total Auto	\$1,146.6	100.0%

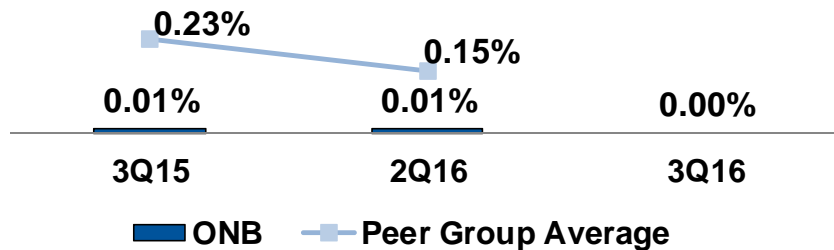
Loans are originated within the ONB footprint

- Total portfolio average original loan term of 70 months and weighted average FICO score of 762
- Total Portfolio yield of 2.66%
- 30+ Days Delinquency at 9/30/2016 is 0.44%

30+ Day Delinquent Loans¹



90+ Day Delinquent Loans¹



¹As a % of end of period total loans
Peer Group data per SNL Financial
See Appendix for definition of Peer Group

ALLL and Remaining Purchase Discount Summary

At September 30, 2016	ONB Excluding Anchor ¹	Anchor	ONB Consolidated
Allowance for Loan Losses (ALLL)	\$51.5	\$0.0	\$51.5
Remaining Loan Discount	\$78.8	\$65.5	\$144.3
Total ALLL + Remaining Discount	\$130.3	\$65.5	\$195.8
Pre-Discount Loan Balance	\$7,469.8	\$1,579.5	\$9,049.3
ALLL/Pre-Discount Loan Balance	0.69%	0.00%	0.57%
Mark/Pre-Discount Loan Balance	1.05%	4.15%	1.59%
Combined ALLL & Discount/Pre-Discount Loan Balance ²	1.74%	4.15%	2.16%

\$ in millions

¹ Includes discount on loans acquired through previous partnerships

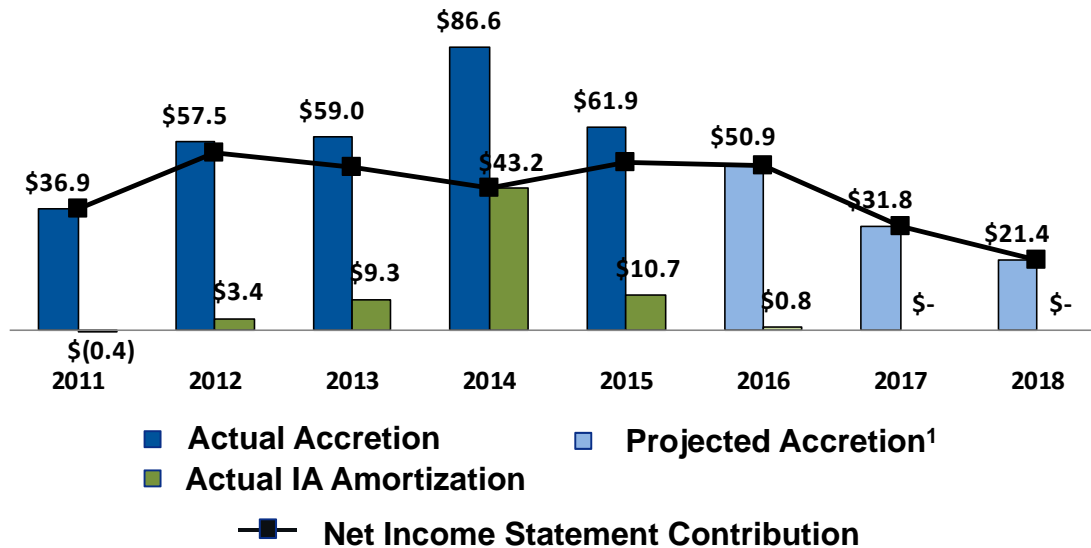
² Non-GAAP financial measure which Management believes useful to demonstrate that the remaining discount considers credit risk and should be included as part of total coverage

Projected Purchase Accounting Impact



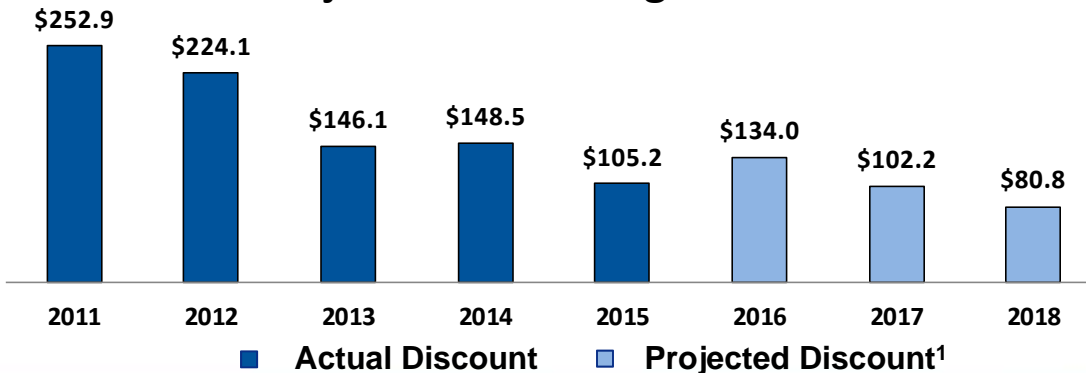
Manageable declines in purchase accounting impact expected in future periods

Projected Accretion Income



- Projections assume no prepayments
- \$144.3 million in remaining discount

Projected Remaining Discount

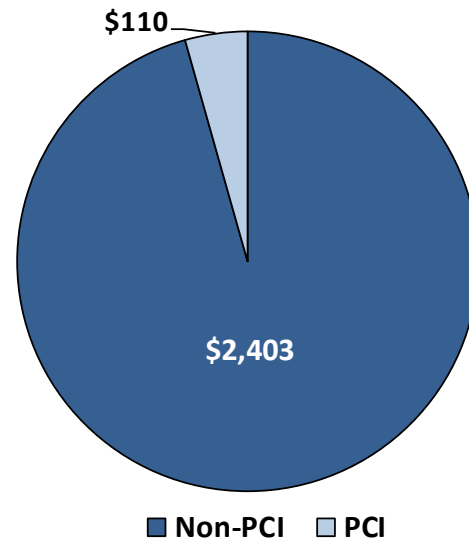


\$ in millions

¹ Updated quarterly – subject to change IA = Indemnification Asset

Acquired Loans

Acquired Loans Before Discount



PCI = Purchased Credit Impaired

Remaining Discount		
Non-PCI	4%	(\$107)
PCI	34%	(\$37)

Non-GAAP Reconciliations

end of period balances	3Q15	2Q16	3Q16
Total Shareholders' Equity	\$1,476.0	\$1,811.1	\$1,834.5
Deduct: Goodwill and Intangible Assets	(622.8)	(699.8)	(696.1)
Tangible Common Shareholders' Equity	\$853.2	\$1,111.4	\$1,138.3
Total Assets	\$11,913.8	\$14,420.3	\$14,703.1
Add: Trust Overdrafts	0.1	0.3	0.0
Deduct: Goodwill and Intangible Assets	(622.8)	(699.8)	(696.1)
Tangible Assets	\$11,291.2	\$13,720.8	\$14,007.0
Tangible Equity to Tangible Assets	7.56%	8.10%	8.13%
Tangible Common Equity to Tangible Assets	7.56%	8.10%	8.13%
Net Income	\$37.7	\$39.1	\$34.7
After-Tax Intangible Amortization	2.6	3.2	3.2
Tangible Net Income	\$40.3	\$42.3	\$37.9
ROTCE	18.88%	15.22%	13.33%

\$ in millions

Non-GAAP Reconciliations

end of period balances	3Q15	2Q16	2Q16
Total Shareholders' Equity	\$1,476.0	\$1,811.1	\$1,834.5
Deduct: Goodwill and Intangible Assets	(622.8)	(699.8)	(696.1)
Tangible Common Shareholders' Equity	\$853.2	\$1,111.4	\$1,138.3
Risk Weighted Assets	\$7,597.3	\$9,625.0	\$9,703.2
Tangible Common Equity to Risk Weighted Assets	11.23%	11.55%	11.73%

end of period balances	3Q15	2Q16	3Q16
Total Shareholders' Equity	\$1,476.0	\$1,811.1	\$1,834.5
Deduct: Goodwill and Intangible Assets	(622.8)	(699.8)	(696.1)
Tangible Common Shareholders' Equity	\$853.2	\$1,111.4	\$1,138.3
Common Shares Issued and Outstanding at Period End	114,523	135,005	134,985
Tangible Common Book Value	\$7.45	\$8.23	\$8.43

\$ in millions

Shares in thousands

Non-GAAP Reconciliations

	3Q15	2Q16	3Q16
Net Interest Income (\$ in 000's)	\$97,104	\$99,340	\$107,803
Taxable Equivalent Adjustment	4,965	5,267	5,320
Net Interest Income – Taxable Equivalent	\$102,069	\$104,607	\$113,123
Average Earning Assets	\$10,364,691	\$11,726,383	\$12,575,454
Net Interest Margin	3.75%	3.39%	3.43%
Net Interest Margin – Fully Taxable Equivalent	3.94%	3.57%	3.60%

	3Q15	2Q16	2Q16
Net Interest Income (\$ in 000's)	\$97,104	\$99,340	\$107,803
Taxable Equivalent Adjustment	4,965	5,267	5,320
Net Interest Income – Taxable Equivalent	\$102,069	\$104,607	\$113,123
Less Accretion	20,645	14,184	15,941
Net Interest Income – Taxable Equivalent Less Accretion	\$81,424	\$90,423	\$97,182
Average Earning Assets	\$10,364,691	\$11,726,383	\$12,575,454
Core Net Interest Margin - Fully Taxable Equivalent	3.14%	3.08%	3.09%

Old National's 2016 Peer Group

Like-size, publicly-traded financial services companies, generally in the Midwest, serving comparable demographics with comparable services as ONB

Associated Banc-Corporation	ASB	IberiaBank Corporation	IBKC
BancFirst Corporation	BANF	MB Financial Inc.	MBFI
BancorpSouth, Inc.	BXS	Park National Corporation	PRK
Bank of Hawaii Corporation	BOH	PrivateBancorp, Inc.	PVTB
Chemical Financial Corporation	CHFC	Prosperity Bancshares Inc.	PB
Commerce Bancshares, Inc.	CBSH	Renasant Corporation	RNST
Cullen/Frost Bankers, Inc.	CFR	South State Corporation	SSB
F.N.B. Corporation	FNB	TCF Financial Corporation	TCB
First Commonwealth Financial Corporation	FCF	Trustmark Corporation	TRMK
First Financial Bancorp.	FFBC	UMB Financial Corporation	UMBF
First Merchants Corporation	FRME	United Bankshares Inc.	UBSI
First Midwest Bancorp Inc.	FMBI	Valley National Bancorp	VLY
Fulton Financial Corporation	FULT	WesBanco Inc.	WSBC
Hancock Holding Company	HBHC	Wintrust Financial Corporation	WTFC
Home Bancshares, Inc.	HOMB		

Old National Investor Relations Contact

OLD
NATIONAL

Additional information can be found on the
Investor Relations web pages at
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