

1st Quarter 2017 Earnings

April 25, 2017



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; 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.

1Q17 Highlights

- Net income of \$36.0 million, or \$0.27 per share
 - Results include \$1.4 million in pre-tax branch consolidation charges
- 6.8% annualized growth in commercial and commercial real estate loans
- 6.9% decline in operational expenses¹ from 4Q16
- Return on Tangible Common Equity² of 13.13%
- Year-over-year growth in Tangible Book Value² of 9.5%

¹ See Slide 13 for definition of operational expenses

² Non-GAAP financial measure which Management believes is useful in evaluating the financial results of the Company – see Appendix for Non-GAAP reconciliation

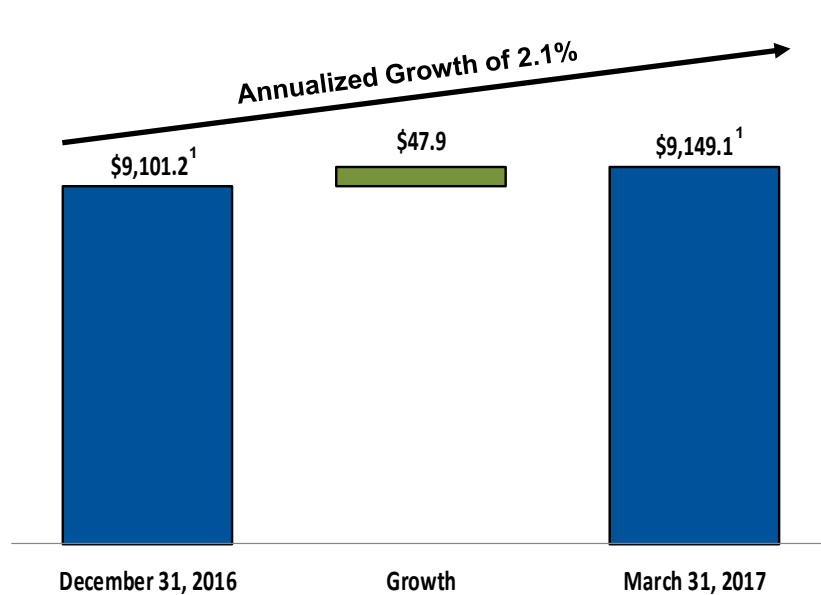
Jim Sandgren

President, Chief Operating Officer

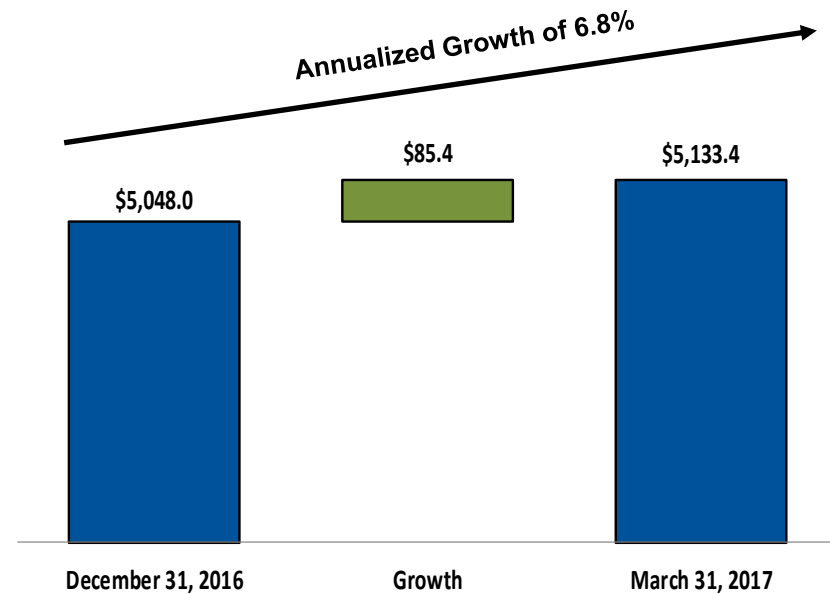


Loan Growth

Total Loan Growth



C&I/CRE Loan Growth



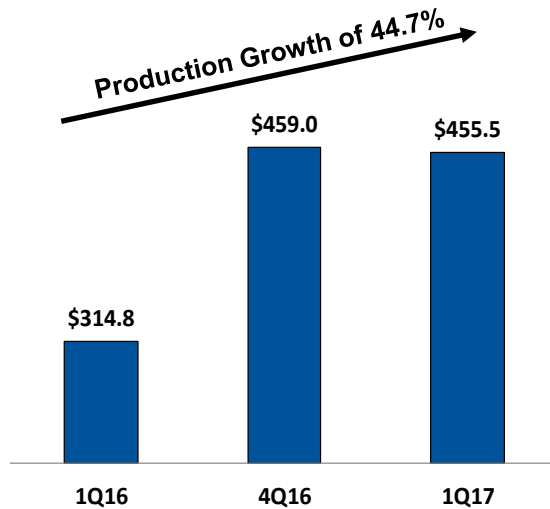
Total loan growth includes a \$73.3 million reduction in residential mortgage loans held for sale

\$ in millions – End of Period Balances

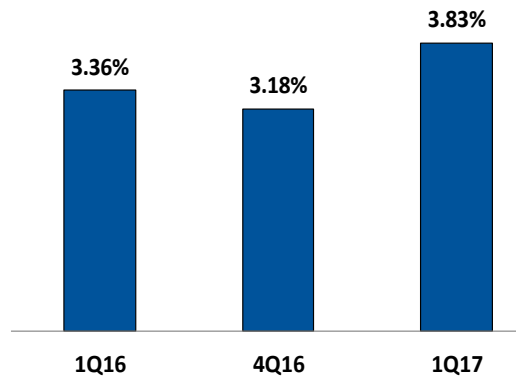
¹ *Includes Loans Held for Sale*

Commercial & Commercial Real Estate

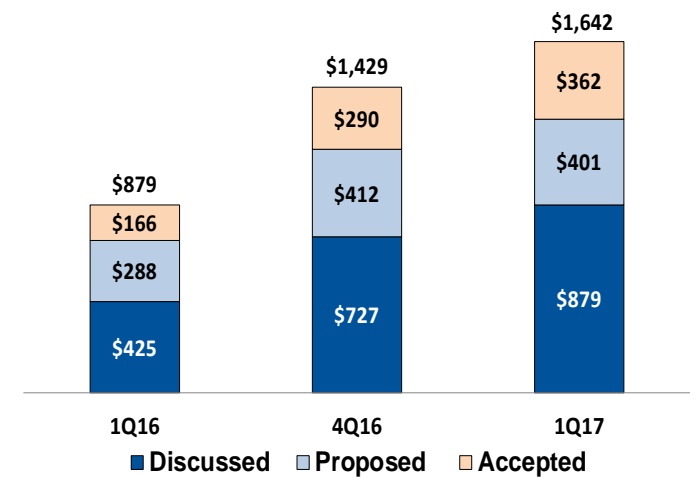
New Production¹



Production Yield²



Loan Pipeline

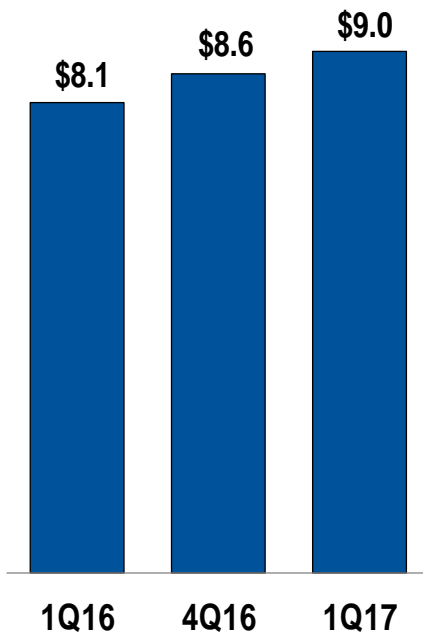


\$ in millions

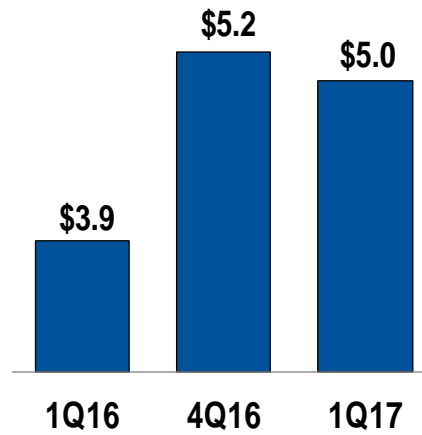
¹New Production includes 50% credit for line of credit unfunded commitments ²Yield is based on funded balances only

Fee-Based Business Revenue

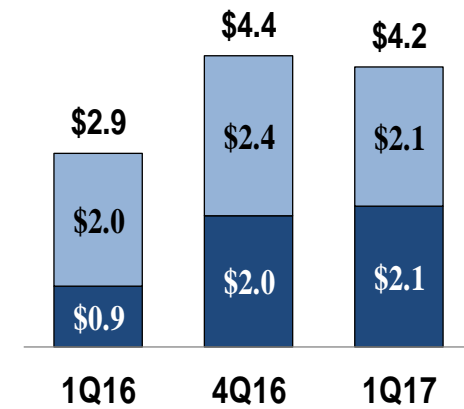
Wealth Management



Investments



Mortgage



Net Gains on Sales & Fees

Net Mortgage Servicing Income

\$ in millions

Jim Ryan

Chief Financial Officer



Pre-Tax, Pre-Provision Income¹



	1Q16	1Q17
Net Interest Income (FTE Basis)	\$90,843	\$111,489
Noninterest Income	49,451	42,920
Total Revenue (FTE Basis)	\$140,294	\$154,409
Noninterest Expense	98,355	101,891
Pre-Tax, Pre-Provision Income ¹	\$41,939	\$52,518
Branch Rationalization	-	1,360
Merger and Integration Charges	1,390	-
Adjusted Pre-Tax, Pre-Provision Income ¹	\$43,329	\$53,878

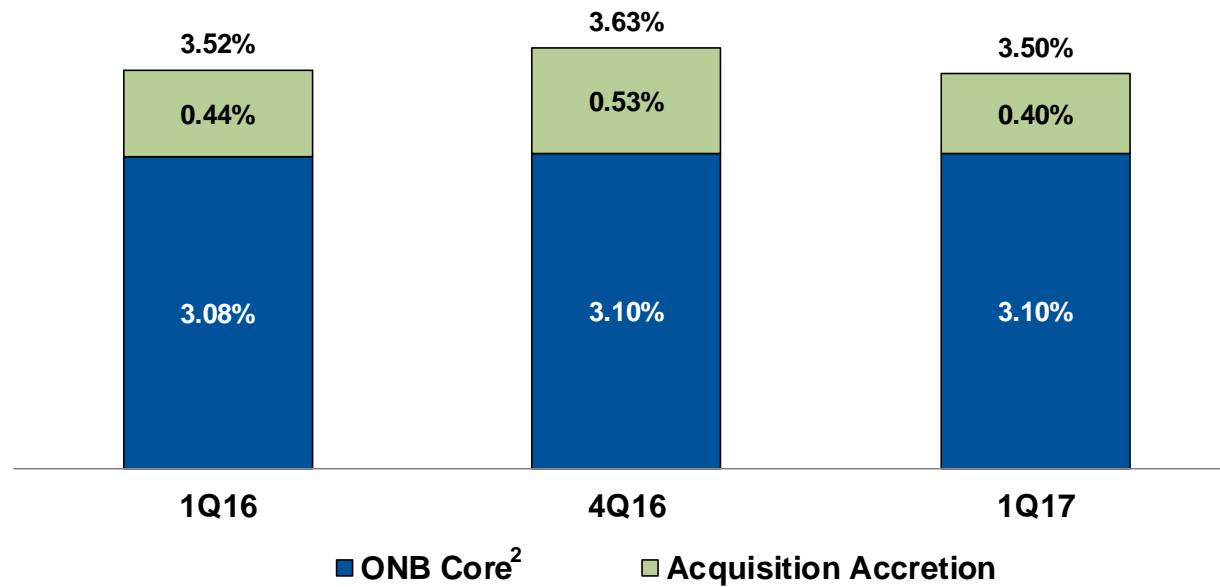
➔ **10.1% increase
in Total Revenue**

24.3% increase

\$ in thousands

¹ Pre-Tax, Pre-Provision Income and Adjusted Pre-Tax, Pre-Provision are non-GAAP financial measures which Management believes are useful in evaluating the financial results of the Company

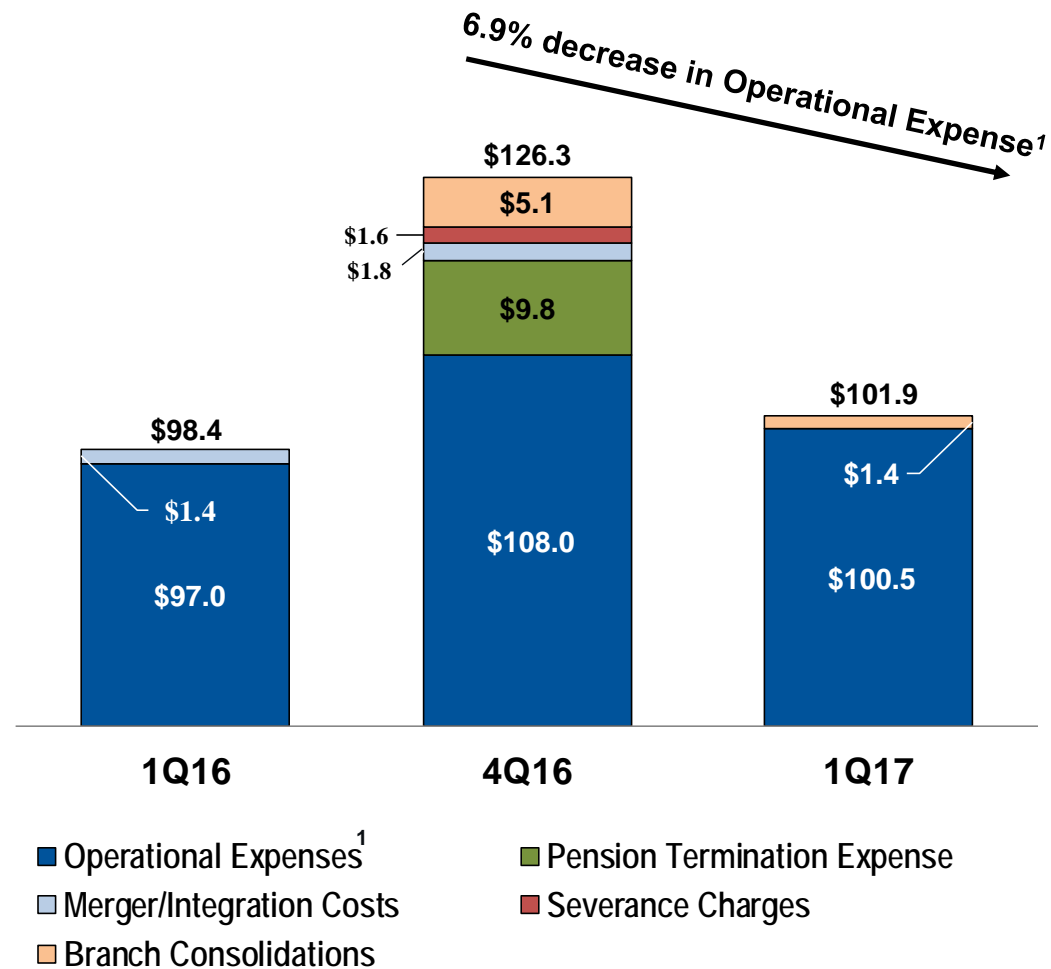
Net Interest Margin¹



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

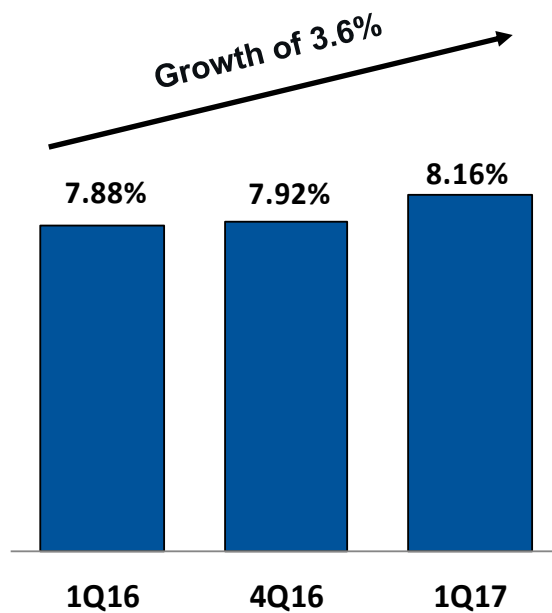


\$ in millions

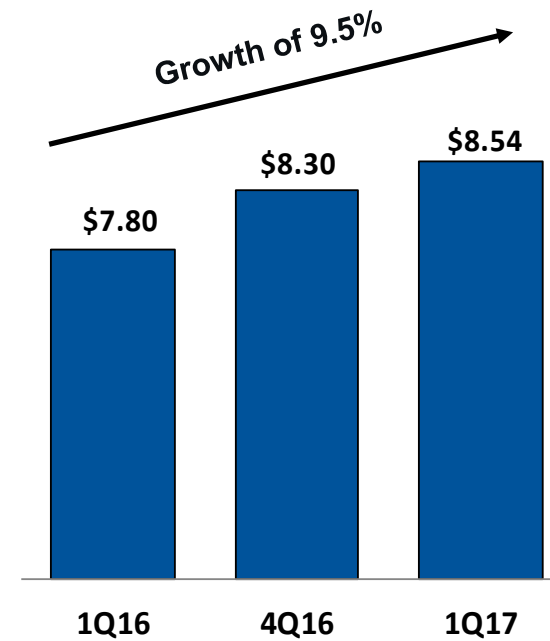
¹Operational expenses = total noninterest expense less pension termination expense, merger/integration costs, branch consolidations and severance. Operational expenses is a non-GAAP financial measure which Management believes is useful in evaluating the financial results of the Company

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

Historic Tax Credit Business

- We anticipate our full-year 2017 effective tax rate on an FTE basis to be 31% and on a GAAP basis to be 23%
 - The improvement in our tax rates is the result of historic tax credit projects that are expected to be placed in service in 2017
 - We anticipate investment impairment charges to impact “Other Expense” of approximately \$4.4 million and \$5.5 million in 3Q17 and 4Q17
- The net benefit to full-year 2017 net income is expected to be approximately \$2 million
- Full-year 2017 total noninterest expenses are expected to be \$405 million to \$410 million (includes anticipated impact of impairment charges noted above)
- Additional tax credit projects could impact 2017 projections

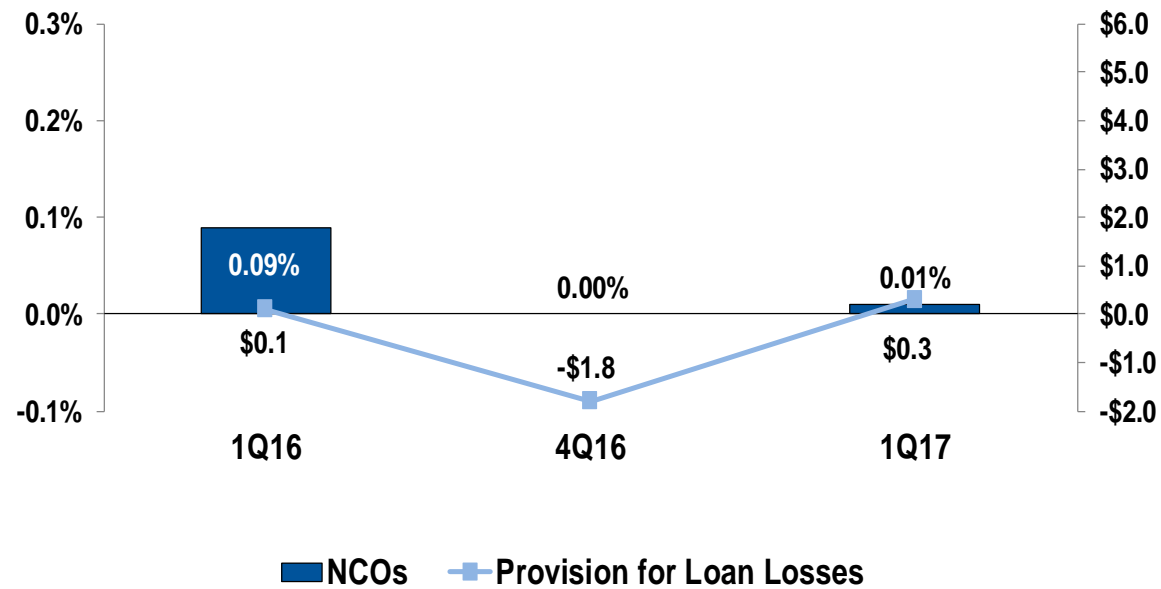
Daryl Moore

Chief Credit Executive



Net Charge-Offs / Provision

Net Charge-Offs / Provision



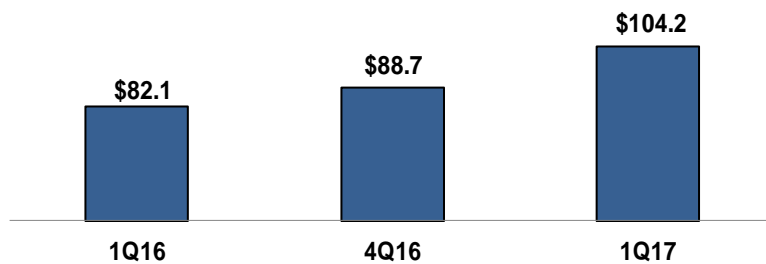
\$ in millions

Credit Quality Trends

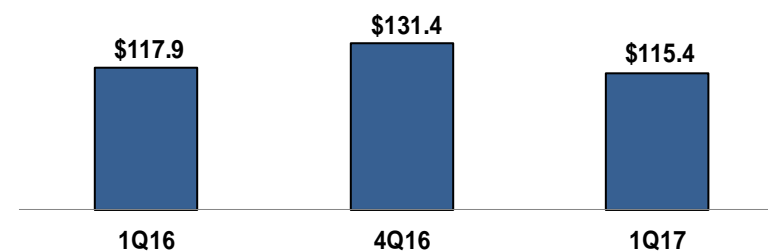
Special Mention Loans



Substandard Accruing Loans



Substandard Nonaccruing + Doubtful Loans



\$ in millions

Bob Jones

Chief Executive Officer



Closing Comments

- Platform for optimism remains
- Make hay while the sun shines
- Still no compulsion to do a deal
- Pop, pop, fizz, fizz, oh what a relief it is

Thank You

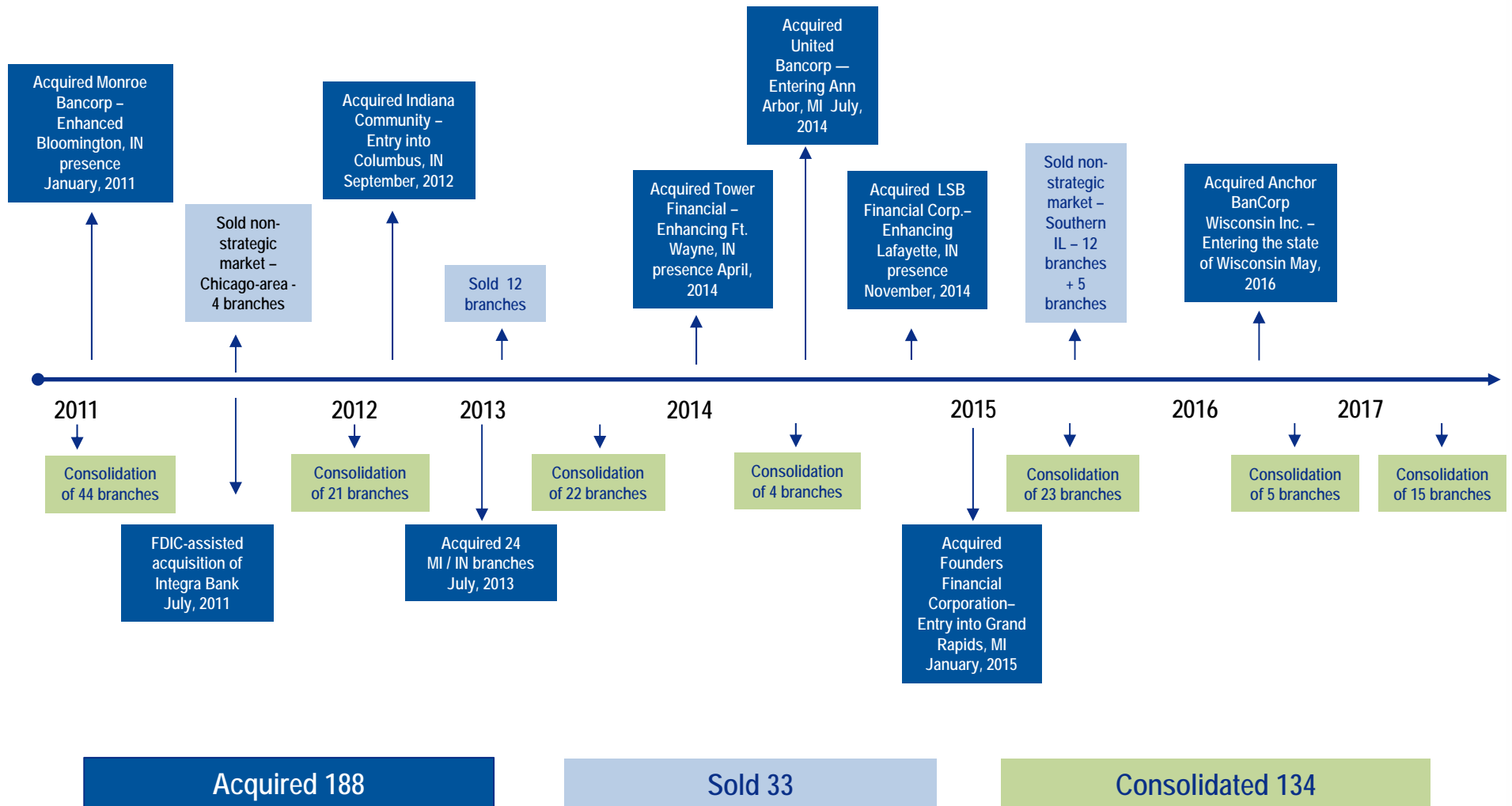
Q&A



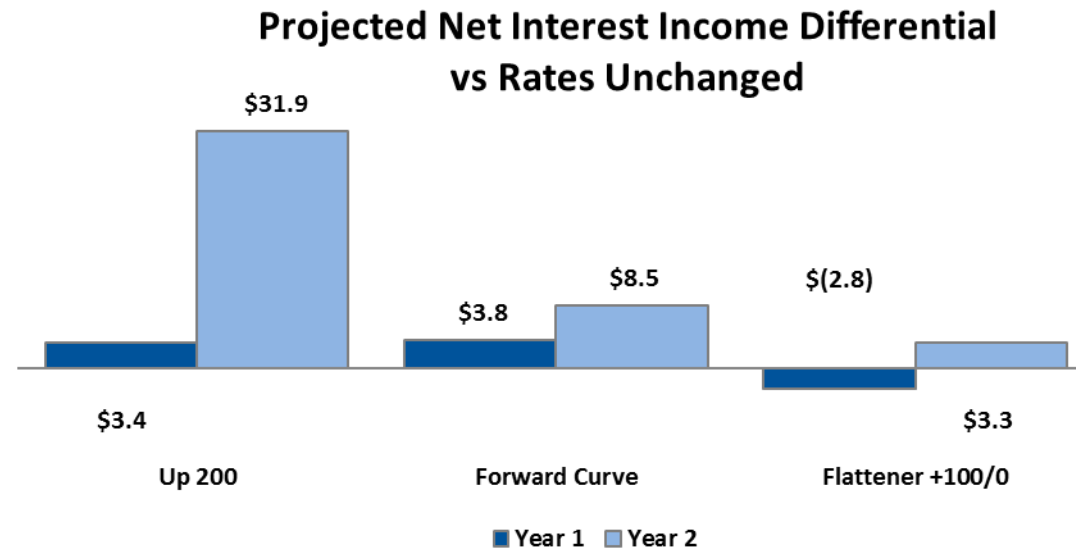
Appendix



Transforming Old National's Landscape



Modeled Interest Rate Sensitivity



- Total non-maturity, interest-bearing accounts increase from 0.10% to 0.39% in the “Up 100 bps” scenario
- 19.04% of total non-interest bearing DDA are considered rate sensitive
- Investment portfolio duration of 4.53 at 3/31/17, down from 4.61 at 12/31/16.
- 48% of C&I and CRE loans repriced within one year
- 12% of loans have floors; less than 1% of these loans are currently below their floor rates

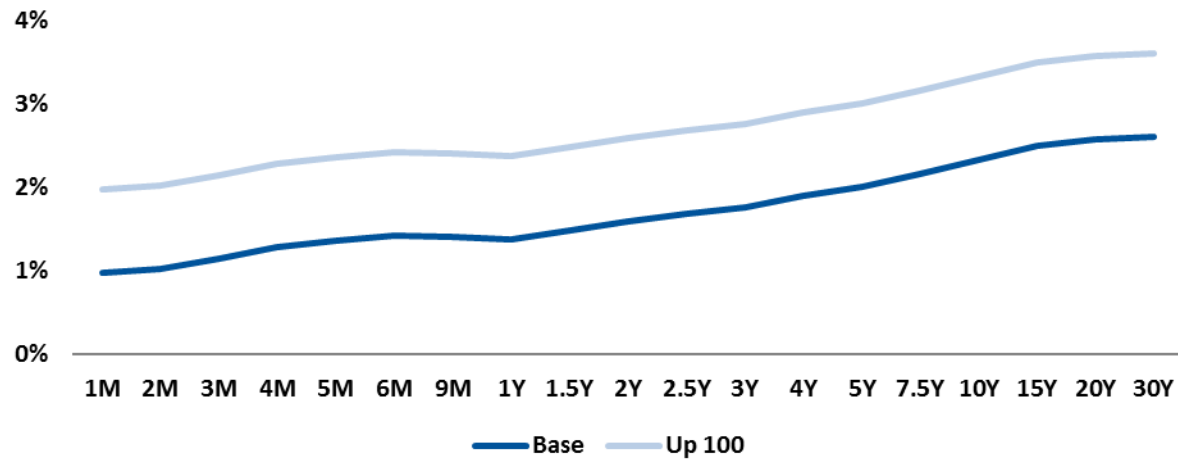
\$ in millions

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

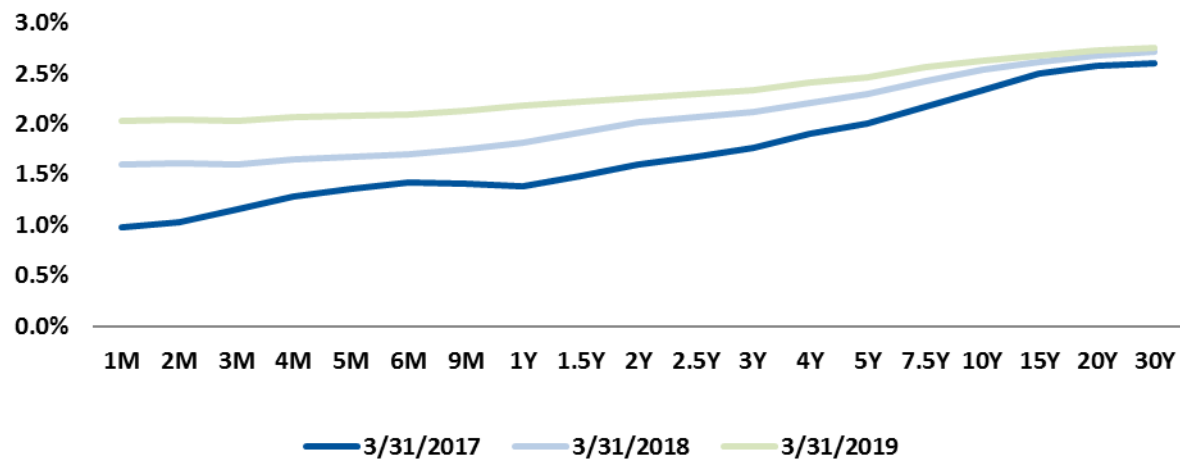
Refer to slide 25 for rate curves

Interest Rate Curves

Up 100 vs. Base



Forward Curves



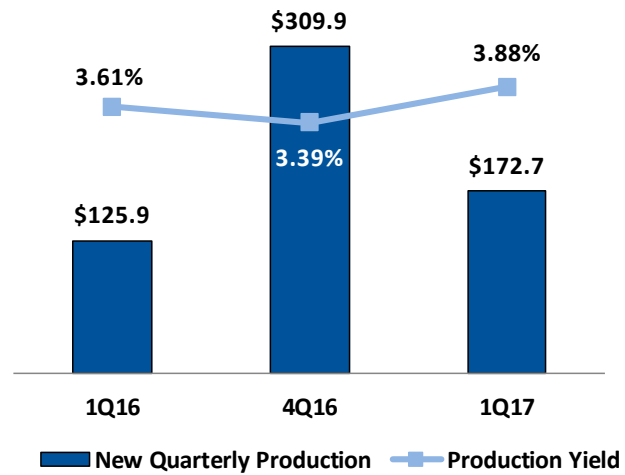
Investment Portfolio

\$ in thousands	Effective Duration Dec 31, 2016	Effective Duration Mar 31, 2017	Book Value Dec 31, 2016	Book Value Mar 31, 2017
Money Market Investments ¹	0.01	0.01	\$36,496	\$24,460
Treasuries	2.91	1.58	6,963	11,966
Agencies	4.34	4.07	546,365	593,224
Pools	2.52	2.53	213,486	182,662
CMOs	4.08	3.88	1,348,619	1,323,524
Municipals	6.40	6.45	1,140,322	1,149,219
Corporates	3.16	3.26	143,691	144,689
ABS	1.04	1.01	169,204	165,214
Totals	4.61	4.50	\$3,605,146	\$3,594,958

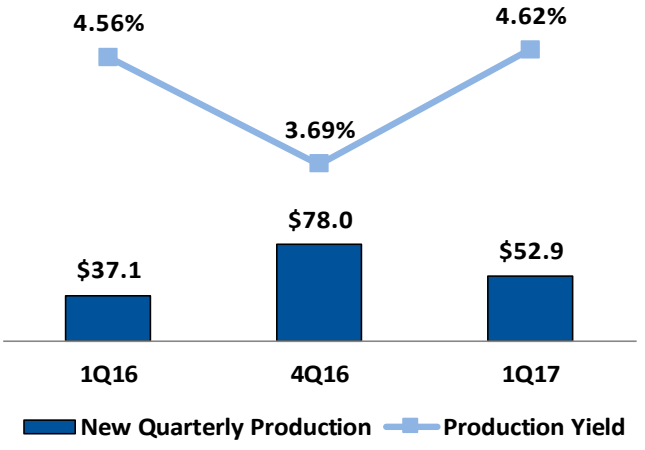
¹Money market investments includes balances in the Federal Reserve Bank Account

Consumer Loan Production & Yield Trends

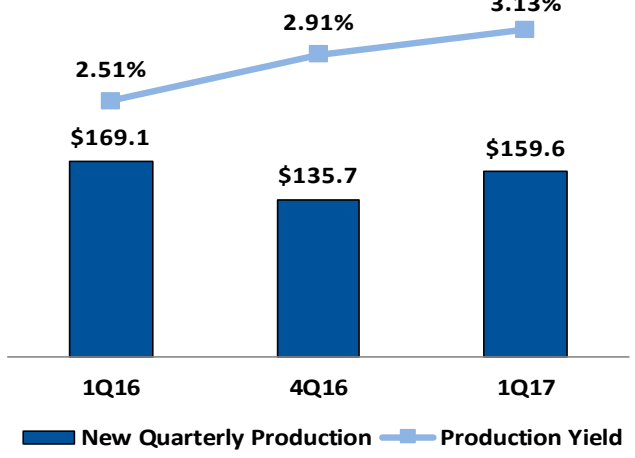
Residential Mortgage



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

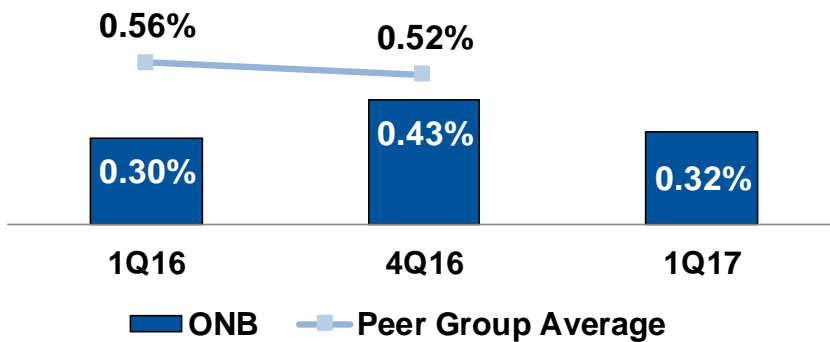
Auto Loan Portfolio

Auto Loan Portfolio - As of 3/31/2017		
Direct	\$60.4	5.0%
Indirect	\$1,139.2	95.0%
Total Auto	\$1,199.6	100.0%
New	\$471.2	39.3%
Used	\$728.4	60.7%
Total Auto	\$1,199.6	100.0%

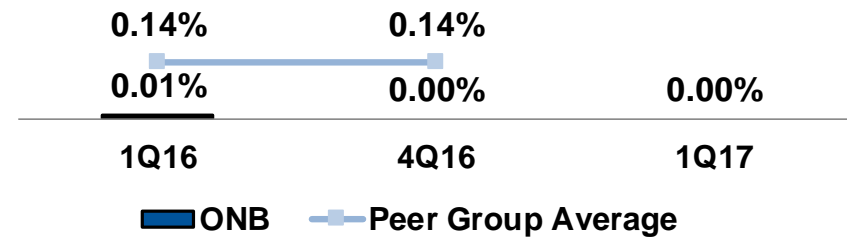
Loans are originated within the ONB footprint

- Total portfolio average original loan term of 70 months and weighted average FICO score of 761
- Total Portfolio yield of 2.81%
- 30+ Days Delinquency at 3/31/2017 is 0.35%

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 March 31, 2017	ONB Excluding Anchor ¹	Anchor	ONB Consolidated
Allowance for Loan Losses (ALLL)	\$49.8	\$0.0	\$49.8
Remaining Loan Discount	\$62.0	\$55.1	\$117.1
Total ALLL + Remaining Discount	\$111.8	\$55.1	\$166.9
Pre-Discount Loan Balance	\$7,844.8	\$1,404.0	\$9,248.8
ALLL/Pre-Discount Loan Balance	0.64%	0.00%	0.54%
Mark/Pre-Discount Loan Balance	0.79%	3.93%	1.27%
Combined ALLL & Discount/Pre-Discount Loan Balance ²	1.42%	3.93%	1.80%

\$ in millions

¹ Includes discount on loans acquired through previous partnerships

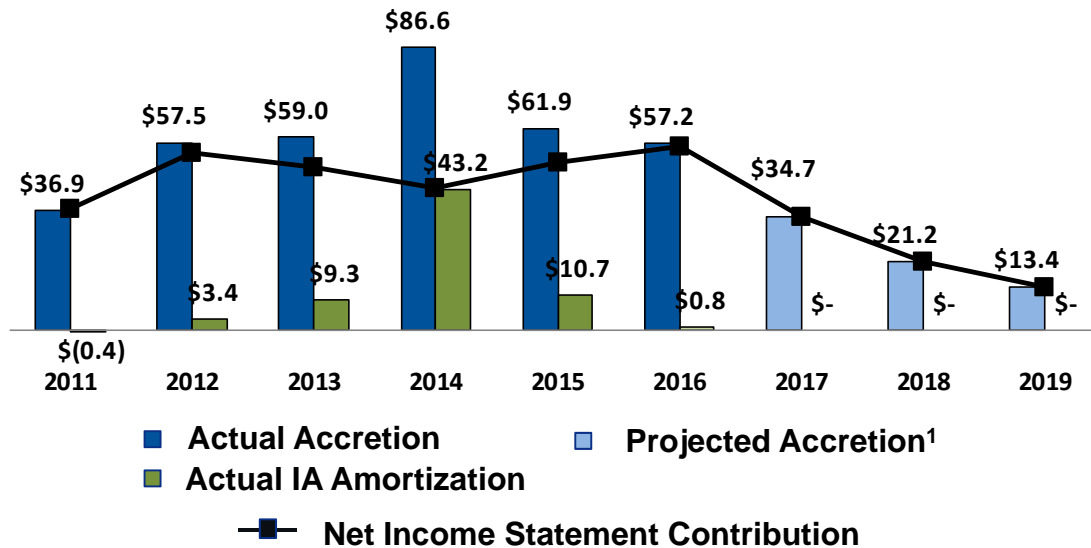
² Non-GAAP financial measure which Management believes useful to demonstrate that the remaining discount considers credit risk and should be included as part of total coverage

Projected Purchase Accounting Impact



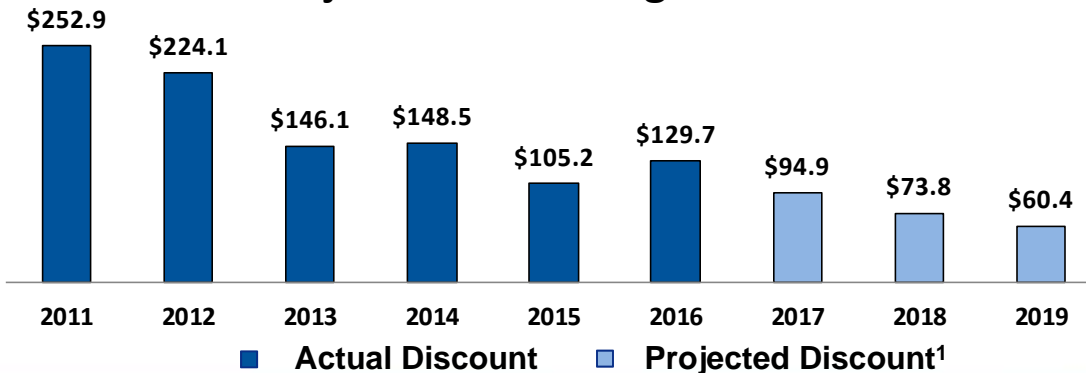
Manageable declines in purchase accounting impact expected in future periods

Projected Accretion Income



- Projections assume no prepayments
- \$117.1 million in remaining discount

Projected Remaining Discount

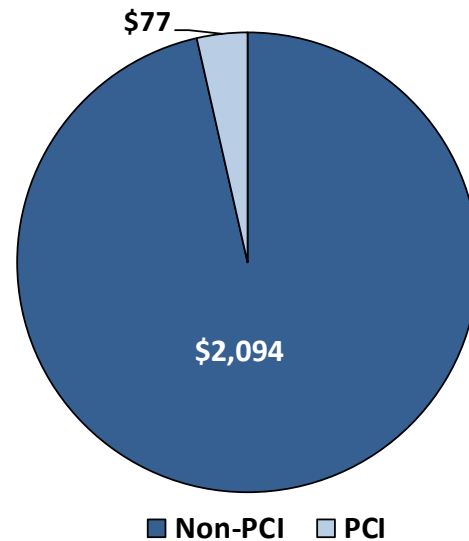


\$ in millions

¹ Updated quarterly – subject to change IA = Indemnification Asset

Acquired Loans

Acquired Loans Before Discount



PCI = Purchased Credit Impaired

Remaining Discount		
Non-PCI	4%	(\$87)
PCI	39%	(\$30)

\$ in millions – as of March 31, 2017

Non-GAAP Reconciliations

end of period balances	1Q16	4Q16	1Q17
Total Shareholders' Equity	\$1,508.6	\$1,814.4	\$1,846.4
Deduct: Goodwill and Intangible Assets	(617.1)	(692.7)	(689.7)
Tangible Common Shareholders' Equity	\$891.6	\$1,121.7	\$1,156.7
Total Assets	\$11,932.3	\$14,860.2	\$14,869.6
Add: Trust Overdrafts	0.0	0.1	0.1
Deduct: Goodwill and Intangible Assets	(617.1)	(692.7)	(689.7)
Tangible Assets	\$11,315.3	\$14,167.7	\$14,180.1
Tangible Equity to Tangible Assets	7.88%	7.92%	8.16%
Tangible Common Equity to Tangible Assets	7.88%	7.92%	8.16%
Net Income	\$27.0	\$33.5	\$36.0
After-Tax Intangible Amortization	1.7	2.1	2.0
Tangible Net Income	\$28.7	\$35.6	\$38.0
ROTCE	12.88%	12.68%	13.13%

\$ in millions

Non-GAAP Reconciliations

end of period balances	1Q16	4Q16	1Q17
Total Shareholders' Equity	\$1,508.6	\$1,814.4	\$1,846.4
Deduct: Goodwill and Intangible Assets	(617.1)	(692.7)	(689.7)
Tangible Common Shareholders' Equity	\$891.6	\$1,121.7	\$1,156.7
Risk Weighted Assets	\$7,795.6	\$10,099.6	\$10,171.5
Tangible Common Equity to Risk Weighted Assets	11.44%	11.11%	11.37%

end of period balances	1Q16	4Q16	1Q17
Total Shareholders' Equity	\$1,508.6	\$1,814.4	\$1,846.4
Deduct: Goodwill and Intangible Assets	(617.1)	(692.7)	(689.7)
Tangible Common Shareholders' Equity	\$891.6	\$1,121.7	\$1,156.7
Common Shares Issued and Outstanding at Period End	114,352	135,159	135,435
Tangible Common Book Value	\$7.80	\$8.30	\$8.54

\$ in millions

Shares in thousands

Non-GAAP Reconciliations

	1Q16	4Q16	1Q17
Net Interest Income (\$ in 000's)	\$85,643	\$109,917	\$105,801
Taxable Equivalent Adjustment	5,200	5,506	5,688
Net Interest Income – Taxable Equivalent	\$90,843	\$115,423	\$111,489
Average Earning Assets	\$10,331,029	\$12,713,345	\$12,742,858
Net Interest Margin	3.32%	3.46%	3.32%
Net Interest Margin – Fully Taxable Equivalent	3.52%	3.63%	3.50%

	1Q16	4Q16	1Q17
Net Interest Income (\$ in 000's)	\$85,643	\$109,917	\$105,801
Taxable Equivalent Adjustment	5,200	5,506	5,688
Net Interest Income – Taxable Equivalent	\$90,843	\$115,423	\$111,489
Less Accretion	11,227	16,785	12,585
Net Interest Income – Taxable Equivalent Less Accretion	\$79,616	\$98,638	\$98,904
Average Earning Assets	\$10,331,029	\$12,713,345	\$12,742,858
Core Net Interest Margin - Fully Taxable Equivalent	3.08%	3.10%	3.10%

Old National's 2017 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
BancorpSouth, Inc.	BXS	International Bancshares Corp	IBOC
Bank of Hawaii Corporation	BOH	MB Financial Inc.	MBFI
Bank of the Ozarks, Inc.	OZRK	Prosperity Bancshares Inc.	PB
Chemical Financial Corporation	CHFC	TCF Financial Corporation	TCB
Commerce Bancshares, Inc.	CBSH	Trustmark Corporation	TRMK
Cullen/Frost Bankers, Inc.	CFR	UMB Financial Corporation	UMBF
F.N.B. Corporation	FNB	United Bankshares Inc.	UBSI
First Midwest Bancorp Inc.	FMBI	Valley National Bancorp	VLY
Fulton Financial Corporation	FULT	Western Alliance Bancorporation	WAL
Great Western Bancorp, Inc.	GWB	Wintrust Financial Corporation	WTFC
Hancock Holding Company	HBHC		

Old National Investor Relations Contact

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Additional information can be found on the
Investor Relations web pages at
www.oldnational.com

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NASDAQ
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