

# Old National Bancorp

## Acquisition of Bank of America Branches

January 9, 2013

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# Lynell Walton

**Senior Vice President  
Investor Relations Officer  
Old National Bancorp**

# Forward-Looking Statement

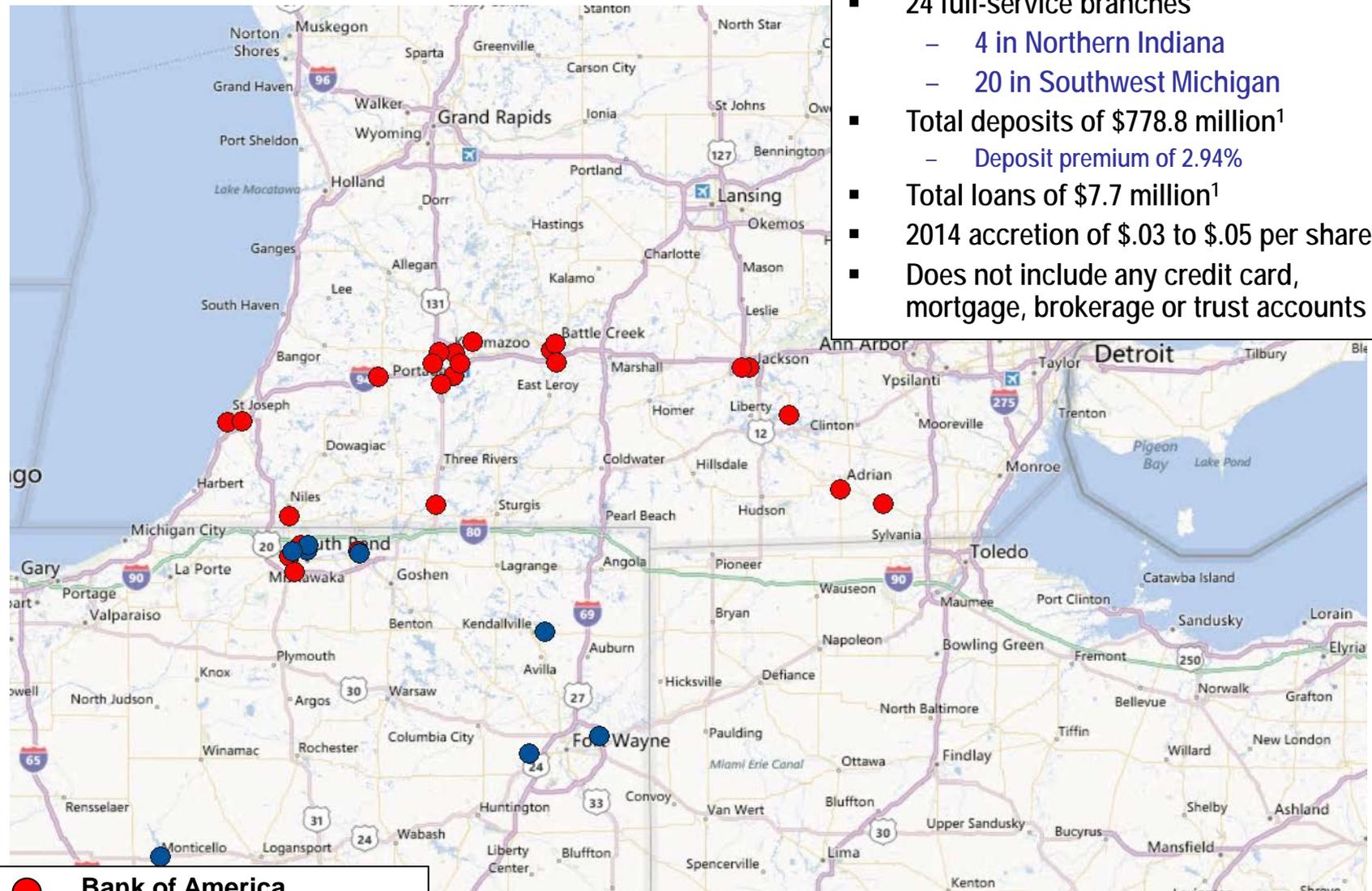
This presentation contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, descriptions of Old National's financial condition, results of operations, asset and credit quality trends and profitability and statements about the expected timing, completion, financial benefits and other effects of the proposed branch purchase transaction. 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 proposed branch transaction not being realized within the expected time frames and costs or difficulties relating to integration matters might be greater than expected; the requisite regulatory approvals for the proposed branch transaction might not be obtained; 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 the proposed branch transaction) and satisfy the items addressed in Old National's Consent Order with the Office of the Comptroller of the Currency, changes in the economy which could materially impact credit quality trends and the ability to generate loans and gather deposits, failure or circumvention of Old National's internal controls, failure or disruption of our information systems, failure to adhere to or significant changes in accounting, tax or regulatory practices or requirements, new legal obligations or liabilities or unfavorable resolutions of litigations, other matters discussed in this presentation and other factors identified in the Company's Annual Report on Form 10-K and other periodic filings with the Securities and Exchange Commission. These forward-looking statements are made only as of the date of this presentation, and Old National undertakes no 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 issuer; 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.

# ONB Acquiring 24 BofA Branches

- 24 full-service branches
  - 4 in Northern Indiana
  - 20 in Southwest Michigan
- Total deposits of \$778.8 million<sup>1</sup>
  - Deposit premium of 2.94%
- Total loans of \$7.7 million<sup>1</sup>
- 2014 accretion of \$.03 to \$.05 per share
- Does not include any credit card, mortgage, brokerage or trust accounts



 Bank of America  
 Old National Bancorp

<sup>1</sup> Deposit and loan balances as of August 2012

# **Bob Jones**

**President & CEO**  
**Old National Bancorp**

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# Executive Summary



## ***Continues Market Transformation Strategy***

- Doubles South Bend/Elkhart presence
- Logical market extension in Southwest Michigan with similar characteristics
- Enhances organic growth potential while increasing partnership opportunities
- Provides additional scale to leverage existing operating platform, adds \$778.8 million in deposits, 24 branches, \$7.7 million in small business loans and 2 small business bankers
- Consistent with ONB's stated community bank M&A strategy



## ***Financially Attractive***

- Effective deployment of capital
  - EPS accretion (excluding estimated one-time charges of \$5 million) positive in 2013
  - Accretive to 2014 earnings of \$.03 to \$.05 per share (depending on rates and loan and investment opportunities)
  - No external financing expected
  - Pro forma TCE at close > 8.25%



## ***Low Risk***

- Comprehensive due diligence completed
- Established core deposit base with low-cost deposits
- 2.94% deposit premium lower than precedent industry branch transactions
- Core competency in integration/conversion process – estimated closing/conversion 3Q13

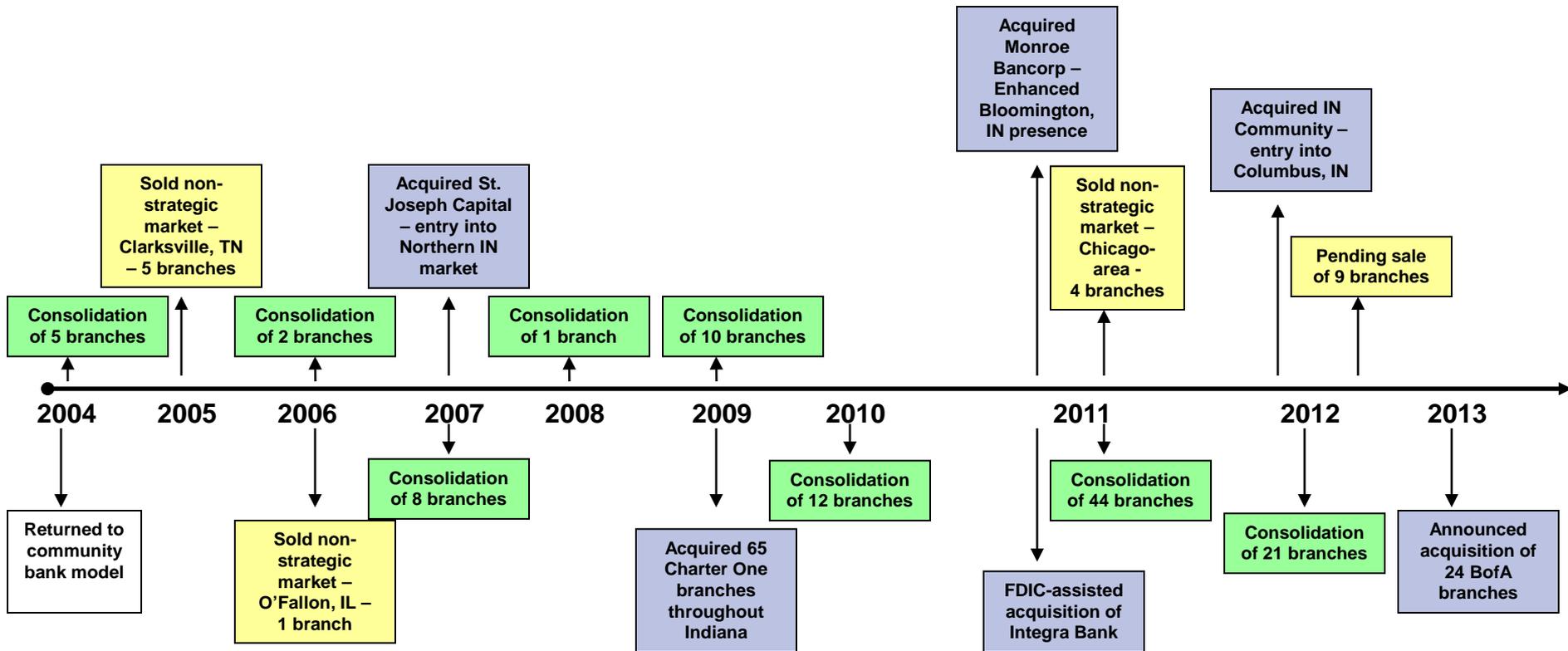
# Transforming Old National's Landscape<sup>1</sup>

- Shifting to higher-growth markets from lower-growth markets
  - Entry and fill-in of existing higher-growth markets through strategic acquisitions
    - Acquired 151 branches
  - Sale or consolidations in lower-growth, non-core markets
    - Consolidated 103 branches
    - Sold 10 branches
    - Expected sale of 9 branches in 1Q13

<sup>1</sup> 2004 to January 9, 2013

Transaction subject to regulatory approval

# Transforming Old National's Landscape



# South Bend / Elkhart Branches

- Doubles Old National's branch presence and deposit totals in Northern Indiana
  - Key Indiana market
  - Adds 4 branches
  - Adds \$134 million in deposits
  - Growth market opportunities

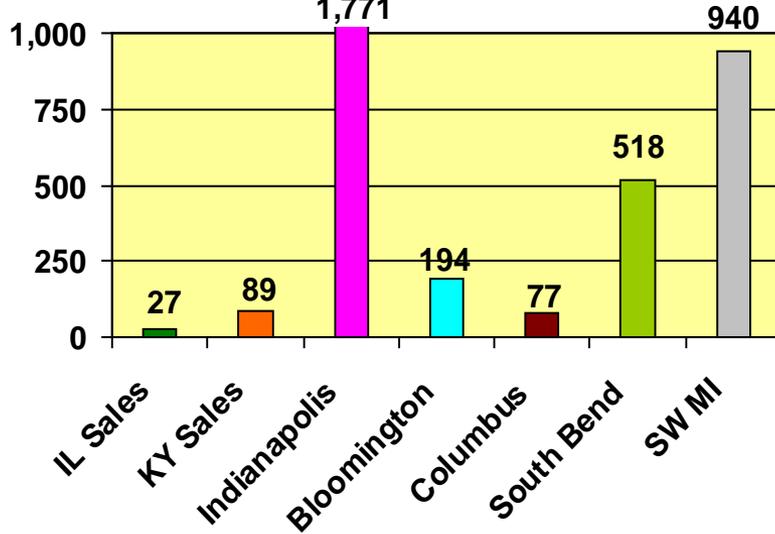
# Michigan Expansion

- **SW Michigan a logical market extension**
  - Culturally similar to current footprint
  - Economic similarities
  - Adds 20 branches and \$645 million in deposits
  - MSAs of Adrian, Battle Creek, Jackson, Kalamazoo, Niles and Sturgis
- **Michigan competitive dynamic**
  - Recent market disruption
- **Platform for further expansion**
  - Plans to build full-service commercial banking, mortgage, investment and wealth teams

# Improving Demographic Profile of ONB

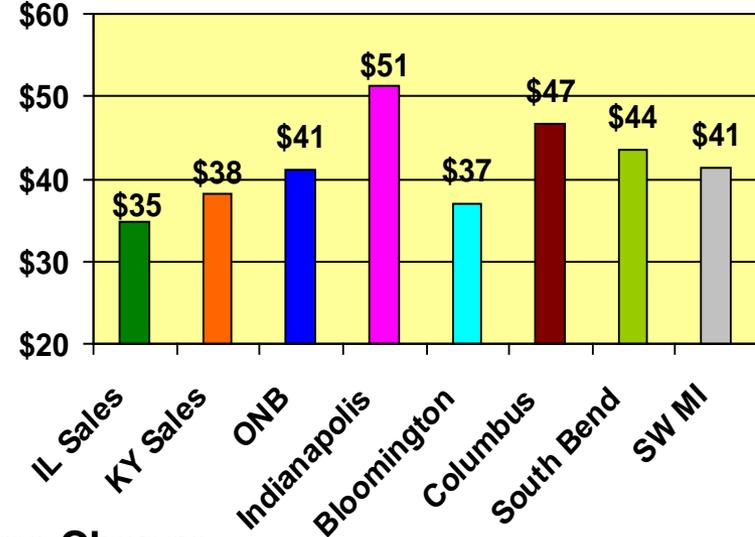
Population (2011)

(in 000s)

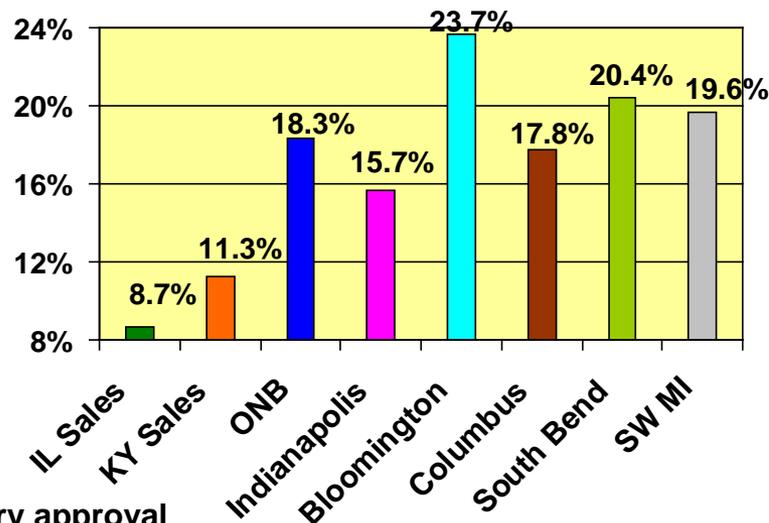


Median HH Income (2011)

(in 000s)



Projected HH Income Change  
(2011-2016)



# Conservative Financial Assumptions

- 2014 accretion = \$.03 to \$.05 per share
  - Assumes proceeds invested in securities
  - Core deposit intangible of \$3 million amortized over 7 years
  - Deposit attrition of 25% over 12 months
  - Integration costs of \$5 million
  - Pro forma TCE > 8.25% at close
  - No revenue synergies included

# Implications of Crossing Over \$10 Billion

- Debit interchange rule (Durbin)
  - Asset size measured as of year end (12-31)
  - Effective July 1 of the following year
  - Estimated gross impact of \$8 million to \$12 million per year
- Could delever balance sheet to remain under \$10 billion<sup>1</sup>

<sup>1</sup> Would reduce earnings  
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# Old National Bancorp

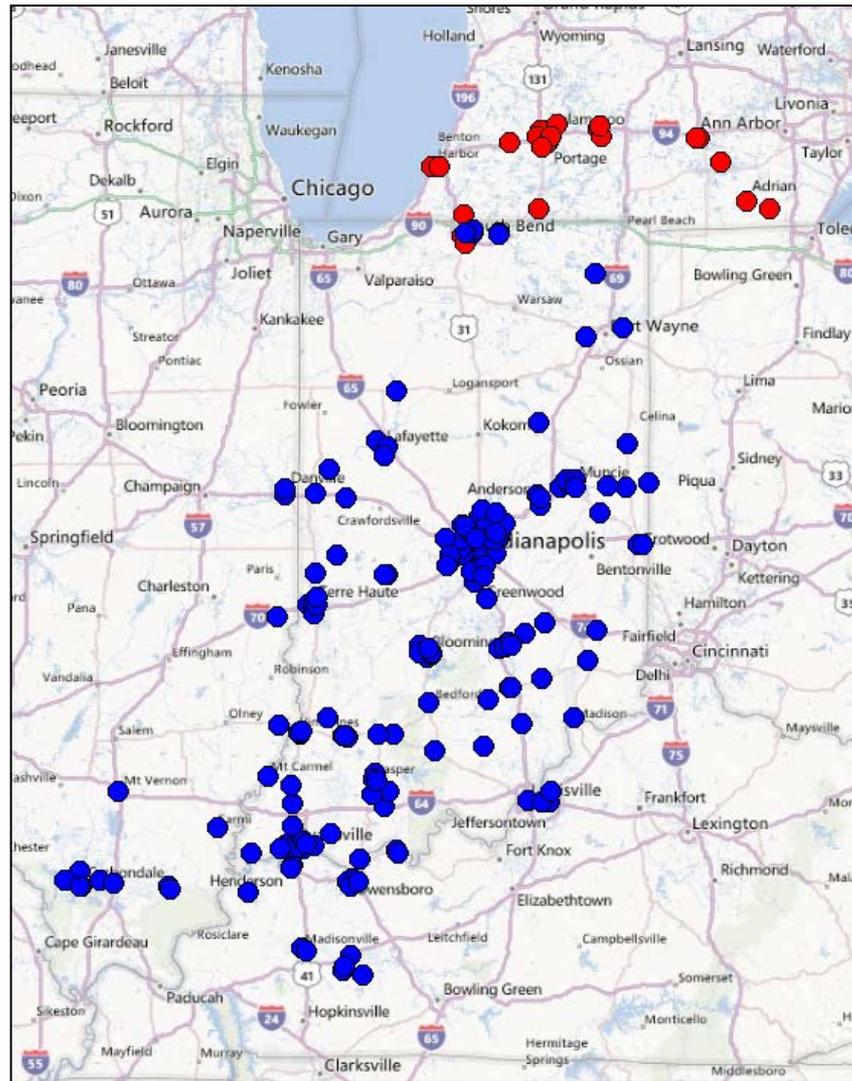
Thank You

Q&A

# Old National Bancorp

## Appendix

# Pro Forma Old National Footprint



# Southwest Michigan Major Employers



**EATON**

*Powering Business Worldwide*



**Pfizer**



**Kellogg's**



**W**

WESTERN MICHIGAN  
UNIVERSITY



 **BRONSON**



**stryker**<sup>®</sup>

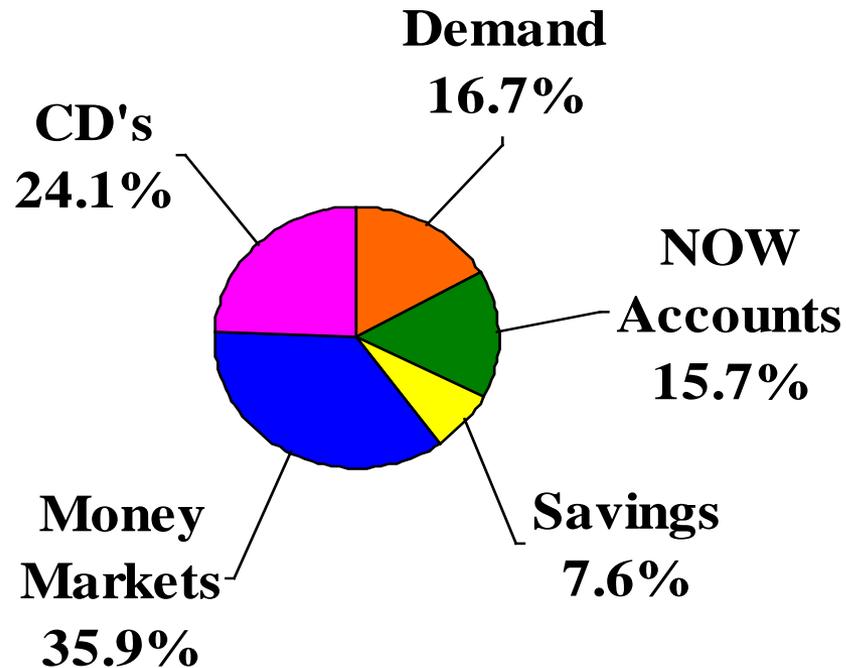


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# Composition of Deposits To Be Acquired



# MSA Detail of Deposits To Be Acquired

Michigan MSAs	# of Branches	\$ Deposits <sup>1</sup>	October 2012 Unemployment %	Population (2011)	Median HH Income (2011) \$	Projected HH Income Change (2011-2016) %
Kalamazoo-Portage, MI	8	\$307,827	6.2%	326,943	\$41,413	21.75%
Battle Creek, MI	3	106,013	6.1%	135,716	\$38,506	19.18%
Jackson, MI	3	86,830	7.0%	160,379	\$42,003	19.65%
Niles, MI	3	81,222	7.3%	156,053	\$37,429	19.43%
Adrian, MI	2	47,961	7.3%	99,317	\$51,217	8.89%
Sturgis, MI	1	15,504	6.8%	61,265	\$43,494	14.73%
Michigan Totals/Wtg. Averages	20	\$645,357		939,673	\$41,292	19.63%

Indiana MSAs	# of Branches	\$ Deposits <sup>1</sup>	October 2012 Unemployment %	Population (2011)	Median HH Income (2011) \$	Projected HH Income Change (2011-2016) %
South-Bend-Mishawaka, IN-MI	3	\$104,578	8.2%	319,303	\$42,501	21.59%
Elkhart-Goshen, IN	1	28,886	8.3%	198,428	\$47,074	16.24%
Indiana Totals/Wtg. Averages	4	\$133,464		517,731	\$43,491	20.43%

<sup>1</sup>Deposits as of August 2012

Unemployment data per the Bureau of Labor Statistics – Population and HH Income data per SNL Financial  
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# County Detail of Pending Branch Sales

Illinois Counties	# of Branches	\$ Deposits <sup>1</sup>	October 2012 Unemployment %	Population (2011)	Median HH Income (2011) \$	Projected HH Income Change (2011-2016) %
Gallatin	1	\$25,642	8.1%	5,579	\$30,205	8.98%
Johnson	1	\$17,470	9.7%	12,637	\$37,850	6.87%
Pope	1	\$14,912	9.4%	4,468	\$36,424	10.93%
Hardin	1	\$13,314	10.7%	4,282	\$38,290	7.77%
Illinois Totals/Wtg. Averages	4	\$71,338		26,966	\$34,886	8.65%

Kentucky Counties	# of Branches	\$ Deposits <sup>1</sup>	October 2012 Unemployment %	Population (2011)	Median HH Income (2011) \$	Projected HH Income Change (2011-2016) %
Hopkins	1	\$10,069	6.8%	47,056	\$37,700	13.01%
Union	1	\$28,842	6.2%	14,943	\$42,093	9.03%
Webster	2	\$20,056	6.6%	13,549	\$36,087	18.32%
Caldwell	1	\$22,811	6.6%	13,076	\$35,137	7.17%
Kentucky Totals/Wtg. Averages	5	\$81,777		88,624	\$38,139	11.28%

<sup>1</sup>Deposits as of December 2012

Unemployment data per the Bureau of Labor Statistics – Population and HH Income data per SNL Financial  
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