



**OLD NATIONAL BANCORP<sup>®</sup>**

NASDAQ: ONB  
oldnational.com

# **Old National Bancorp**

## **Fourth-Quarter 2013**

## **Financial Review**

February 3, 2014





**OLD NATIONAL BANCORP<sup>®</sup>**

NASDAQ: ONB  
oldnational.com

# **Lynell Walton**

## **Investor Relations**



## Additional Information for Shareholders of Tower Financial Corporation

Communications in this presentation do not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. In connection with the proposed merger, Old National Bancorp (“Old National”) has filed with the Securities and Exchange Commission (“SEC”) a Registration Statement on Form S-4 (Registration No. 333-192671) that includes a Proxy Statement of Tower Financial Corporation (“Tower”) and a Prospectus of Old National, as well as other relevant documents concerning the proposed transaction. The SEC declared the Form S-4 Registration Statement effective on December 19, 2013. Shareholders of Tower are urged to read the Registration Statement and the Proxy Statement/Prospectus regarding the merger and any other relevant documents filed with the SEC, as well as any amendments or supplements to those documents, because they contain important information. A free copy of the Proxy Statement/Prospectus, as well as other filings containing information about Old National and Tower, may be obtained at the SEC’s Internet site (<http://www.sec.gov>). You will also be able to obtain these documents, free of charge, from Old National at [www.oldnational.com](http://www.oldnational.com) under the tab “Investor Relations” and then under the heading “Financial Information” or from Tower by accessing Tower’s website at [www.towerbank.net](http://www.towerbank.net) under the tab “Investor Relations” and then under the heading “SEC Filings.”

Old National and Tower and certain of their directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of Tower in connection with the proposed merger. Information about the directors and executive officers of Old National is set forth in the proxy statement for Old National’s 2013 annual meeting of shareholders, as filed with the SEC on a Schedule 14A on March 15, 2013. Information about the directors and executive officers of Tower is set forth in the proxy statement for Tower’s 2013 annual meeting of shareholders, as filed with the SEC on a Schedule 14A on March 28, 2013. Additional information regarding the interests of those participants and other persons who may be deemed participants in the transaction may be obtained by reading the Proxy Statement/Prospectus regarding the proposed merger. Free copies of this document may be obtained as described in the preceding paragraph.

## **Additional Information for Shareholders of United Bancorp, Inc.**

**Communications in this presentation do not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. In connection with the proposed merger, Old National Bancorp (“Old National”) will file with the Securities and Exchange Commission (“SEC”) a Registration Statement on Form S-4 that will include a Proxy Statement of United Bancorp, Inc. (“United”) and a Prospectus of Old National, as well as other relevant documents concerning the proposed transaction. Shareholders are urged to read the Registration Statement and the Proxy Statement/Prospectus regarding the merger when it becomes available and any other relevant documents filed with the SEC, as well as any amendments or supplements to those documents, because they will contain important information. A free copy of the Proxy Statement/Prospectus, as well as other filings containing information about Old National and United, may be obtained at the SEC’s Internet site (<http://www.sec.gov>). You will also be able to obtain these documents, free of charge, from Old National at [www.oldnational.com](http://www.oldnational.com) under the tab “Investor Relations” and then under the heading “Financial Information” or from United by accessing United’s website at [www.ubat.com](http://www.ubat.com) under the heading “About Us” and then under the tab “Investor Relations” and then under the tab “SEC Filings.”**

**Old National and United and certain of their directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of United in connection with the proposed merger. Information about the directors and executive officers of Old National is set forth in the proxy statement for Old National’s 2013 annual meeting of shareholders, as filed with the SEC on a Schedule 14A on March 15, 2013. Information about the directors and executive officers of United is set forth in the proxy statement for United’s 2013 annual meeting of shareholders, as filed with the SEC on a Schedule 14A on March 25, 2013. Additional information regarding the interests of those participants and other persons who may be deemed participants in the transaction may be obtained by reading the Proxy Statement/Prospectus regarding the proposed merger when it becomes available. Free copies of this document may be obtained as described in the preceding paragraph.**

# 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 benefit and other effects of the proposed mergers with Tower and United. 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: 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 acquisitions of Tower and United); 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.

# Executing the Plan – 4Q13 Highlights

## Net Income

- Net income of \$24.5 million, or \$.25 per share
- 6.7% increase over \$23.0 million, or \$.23 per share, in 4Q12
- ROAA of 1.02%
- ROTCE<sup>1</sup> of 13.31%

## Balance Sheet & Capital

- Increased quarterly cash dividend 10%
- Repurchased 889,124 shares of common stock in the open market
- TCE/TA<sup>1</sup> increased to 8.52%
- No effect on Trust Preferred Securities due to change in Volcker rule

## Net Interest Margin

- Margin increased 15 bps to 4.11%
- Rate on total interest-bearing deposits dropped .07% to .26%

## Noninterest Income & Expense

- Efficiency Ratio improved to 66.56%
- Consolidated 4 branches
- Completed sale of 3 branches

## M&A

- Announced partnership with United Bancorp of Ann Arbor, Michigan

<sup>1</sup> See Appendix for Non-GAAP reconciliation



# Executing the Plan – 2013 Highlights

## Net Income

- Net income of \$100.9 million, or \$1.00 per share
- 10.1% increase over \$91.7 million, or \$.95 per share, in 2012
- ROAA of 1.05%
- ROTCE<sup>1</sup> of 13.70%

## Balance Sheet & Capital

- Annualized growth in period-end commercial loans of 2.7%
- Third year of dividend increases
- Repurchased 1.6 million shares of common stock in the open market
- Full-year net charge-offs of .10%

## Net Interest Margin

- Margin remained above 4% - at 4.02%
- Rate on total interest-bearing deposits dropped .20% to .35%
- Sold \$96.9 million in fixed-rate residential mortgage loans

## Noninterest Income & Expense

- 4<sup>th</sup> year of improvement in the efficiency ratio
- Highest Wealth Management & Investment product revenue in over a decade
- Consolidated 22 branches and completed sale of 12 branches

## M&A

- Acquired MI/IN branches & entered Southern Michigan Markets
- Announced partnership with Tower Financial of Fort Wayne, Indiana
- Announced partnership with United Bancorp of Ann Arbor, Michigan

<sup>1</sup> See Appendix for Non-GAAP reconciliation





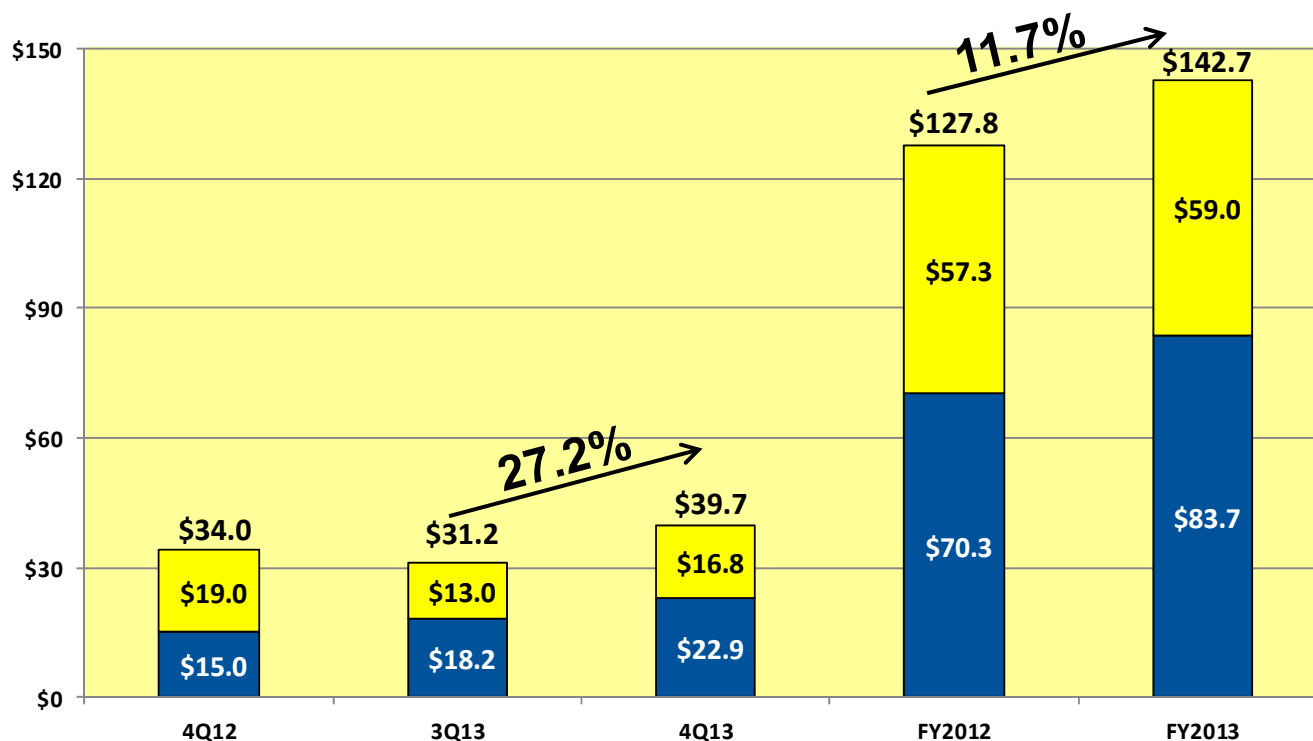
**OLD NATIONAL BANCORP<sup>®</sup>**

NASDAQ: ONB  
oldnational.com

**Chris Wolking**  
**Chief Financial Officer**



# Pre-Tax, Pre-Provision Income<sup>1</sup>



- Increase of 16.8%  
4Q12 to 4Q13

■ Accretion Income - The Amortization/Accretion of the Discounted Carrying Value of Acquired Assets and Liabilities (Excludes Contractual Interest)  
■ Pre-Tax, Pre-Provision Income, Net of Securities Gains and Merger and Integration Expenses

\$ in millions

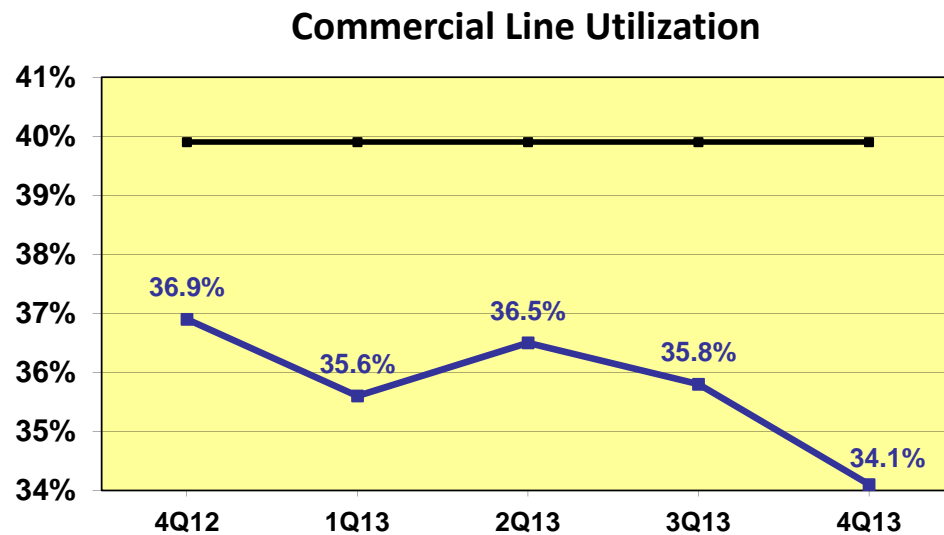
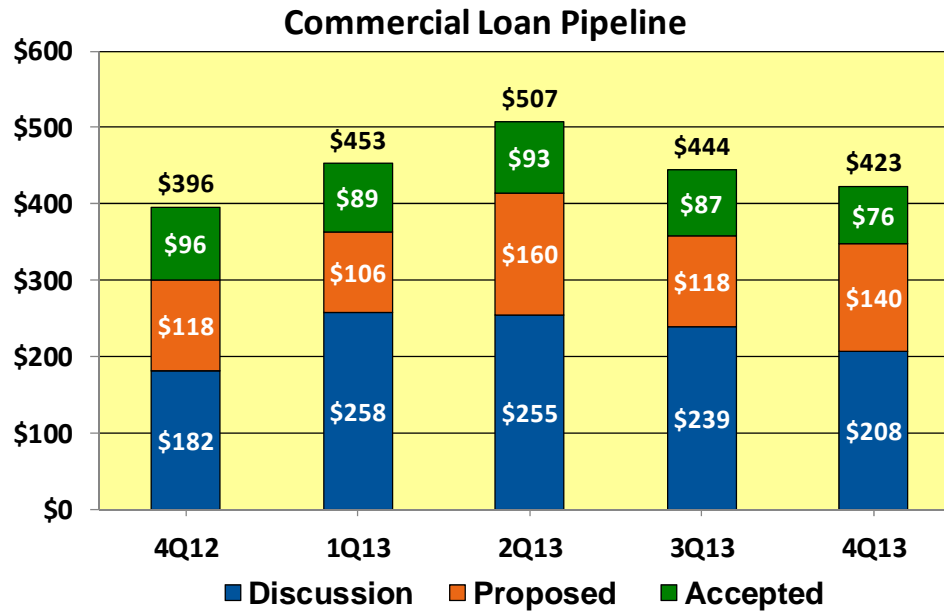
<sup>1</sup> Non-GAAP financial measure which Management believes is useful in evaluating the financial results of the Company – see Appendix for Non-GAAP reconciliation

# Organic Growth – Loan Production

	2012 Volume	2013 Volume	\$ Change	% Change
Indirect	\$255.1	\$332.9	\$77.8	30.5%
Consumer Direct	440.6	461.2	20.6	4.7%
Mortgage	386.8	309.3	(77.5)	(20%)
Commercial & CRE	701.4	733.1	31.7	4.5%
Total	\$1,783.9	\$1,836.5	\$52.6	2.9%

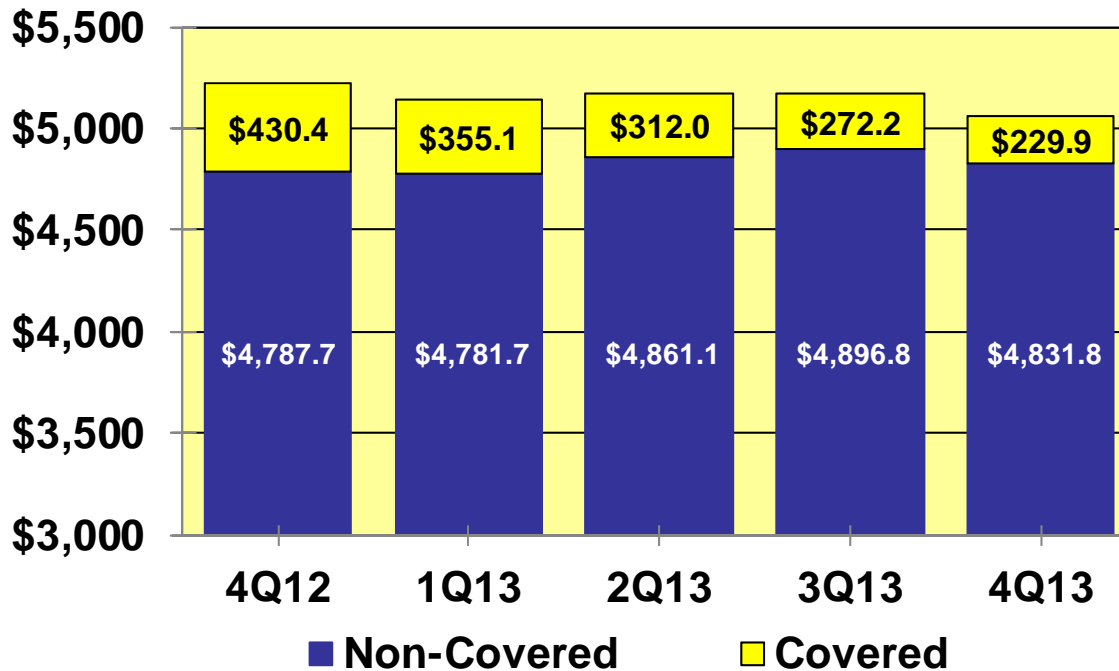
Commercial loans at face value – new lines of credit assume 50% utilization

# Commercial Loans



\$ in millions

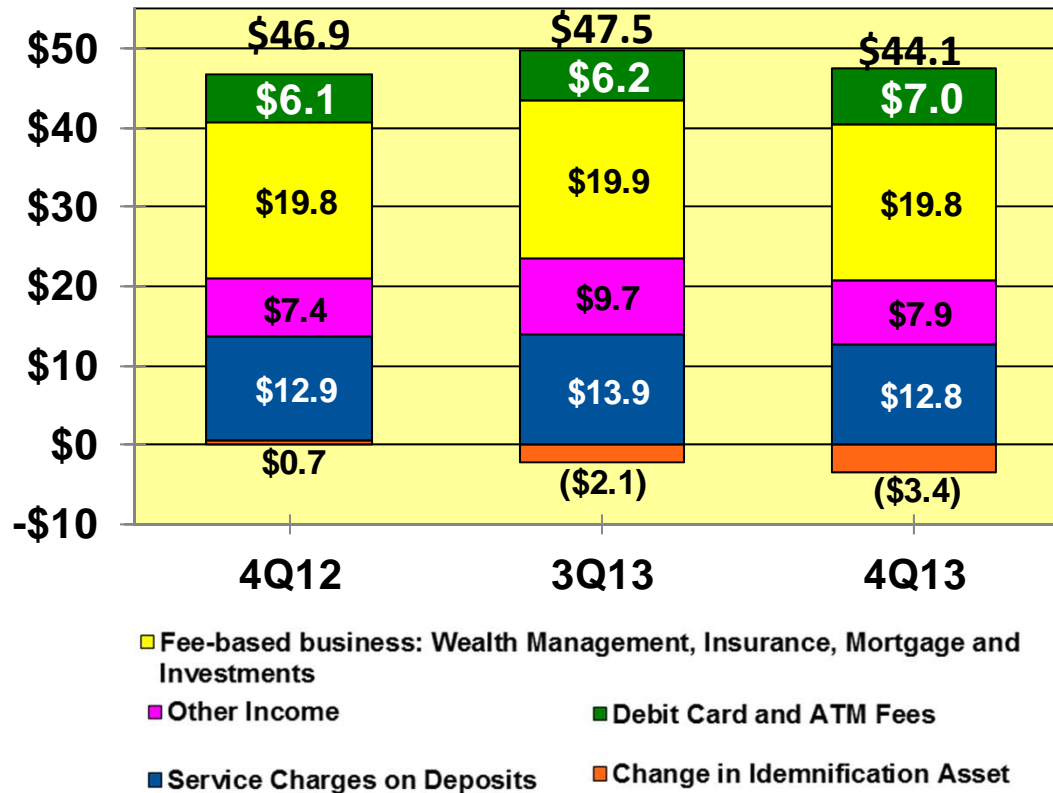
# Average Total Loan Trends



- 4Q12 to 4Q13 increase of \$44.1 million, or 1%, in average non-covered loans
- Sold \$11.6 million in leases in mid-3Q13 and \$96.9 million in residential mortgage late-3Q13

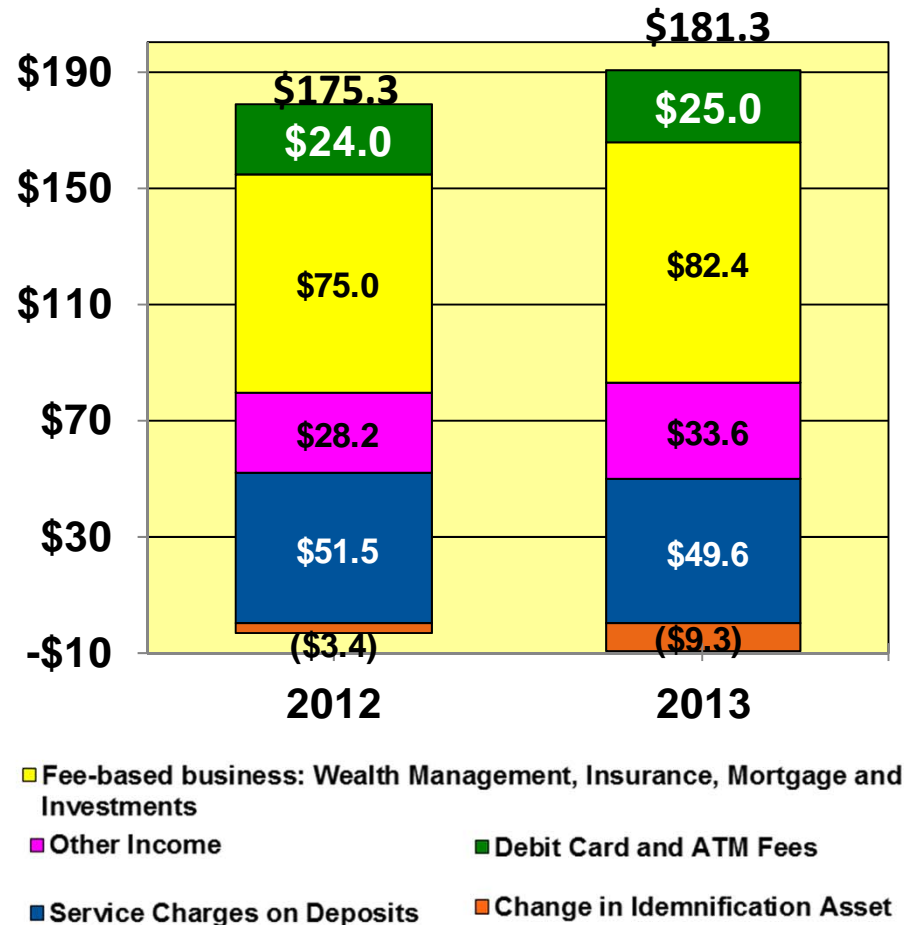
\$ in millions – Quarterly averages – excludes residential loans and leases held for sale

# Quarterly Noninterest Income



- Acquired MI / IN branches contributed \$1.8 million in 4Q13, with \$1.2 million in service charges

# Annual Noninterest Income

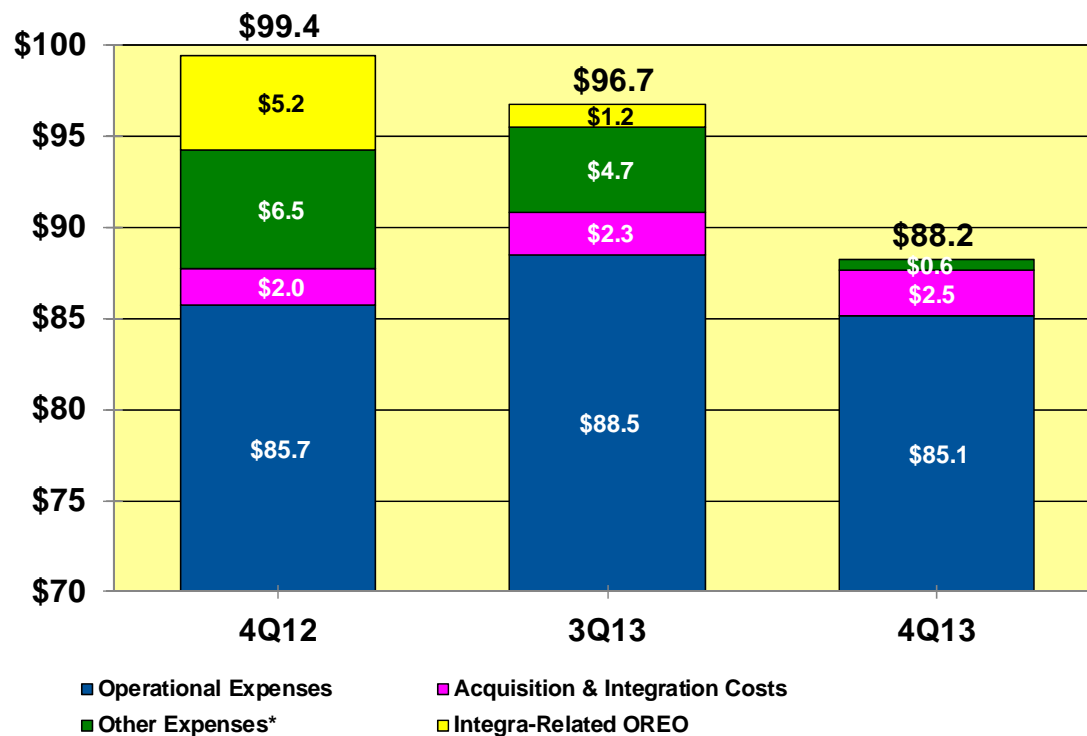


- Acquired MI / IN branches contributed \$3.9 million in 2013
- Acquired IN Community contributed \$2.1 million in 2012 and \$7.9 million in 2013

\$ in millions



# Quarterly Noninterest Expense



- Acquired MI / IN branch operations added \$3.0 million in 3Q13 and \$3.4 million in 4Q13 Operational Expenses

**\*Other Expenses include:**

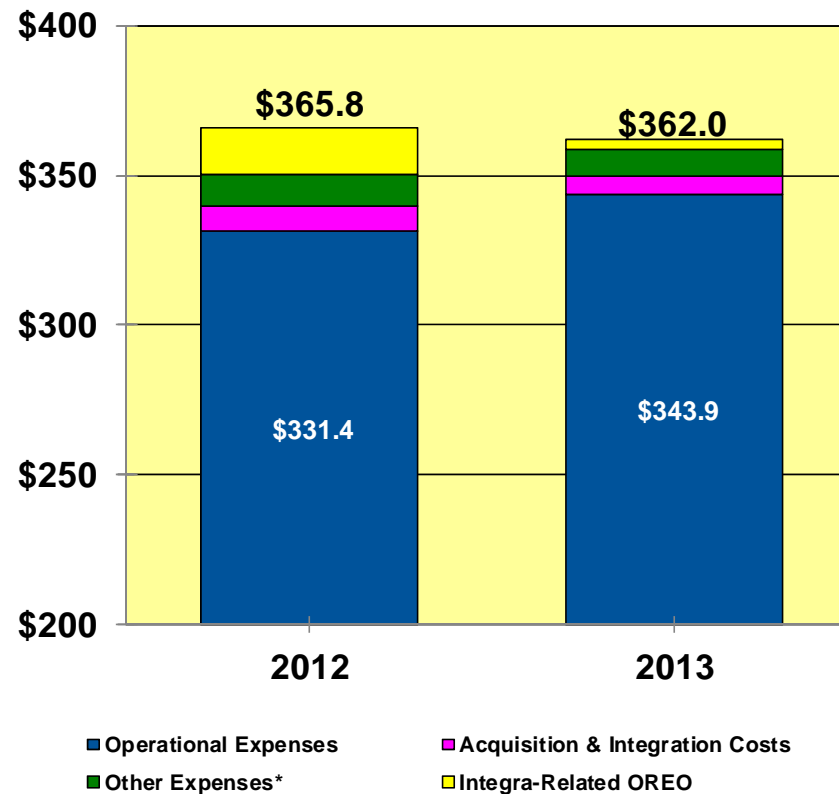
In 4Q12, \$2.6 for ATM/branch optimization, a \$2.3 contribution to the ONB Foundation and other charitable organizations, \$1.9 in pension and other benefit expense, \$1.9 in debt extinguishment charges, and a \$2.1 million reversal of provision for unfunded commitments

In 3Q13, \$2.7 million for branch closures, \$1.2 million in contribution to ONB Foundation, \$0.5 million provision for unfunded commitments, and \$0.3 million in pension adjustments

In 4Q13, \$0.5 in BSA/AML penalties, \$0.4 million in pension adjustments and a \$0.3 million reversal of provision for unfunded commitments

\$ in millions

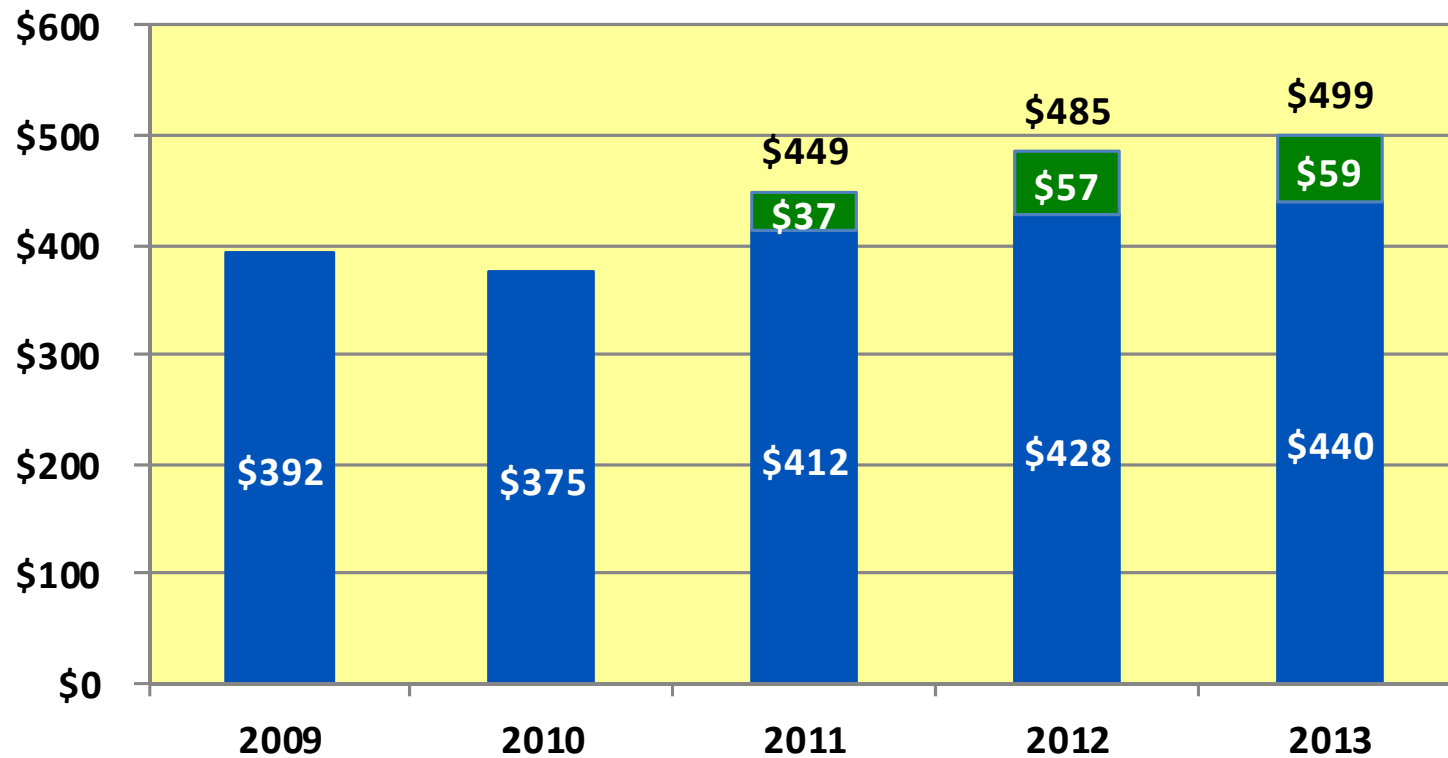
# Annual Noninterest Expense



- Acquired MI / IN branch operations added \$6.4 million in 2013 Operational Expenses
- Acquired IN Community added \$2.4 million in 2012 and \$6.4 million in 2013 in Operational Expenses

\$ in millions

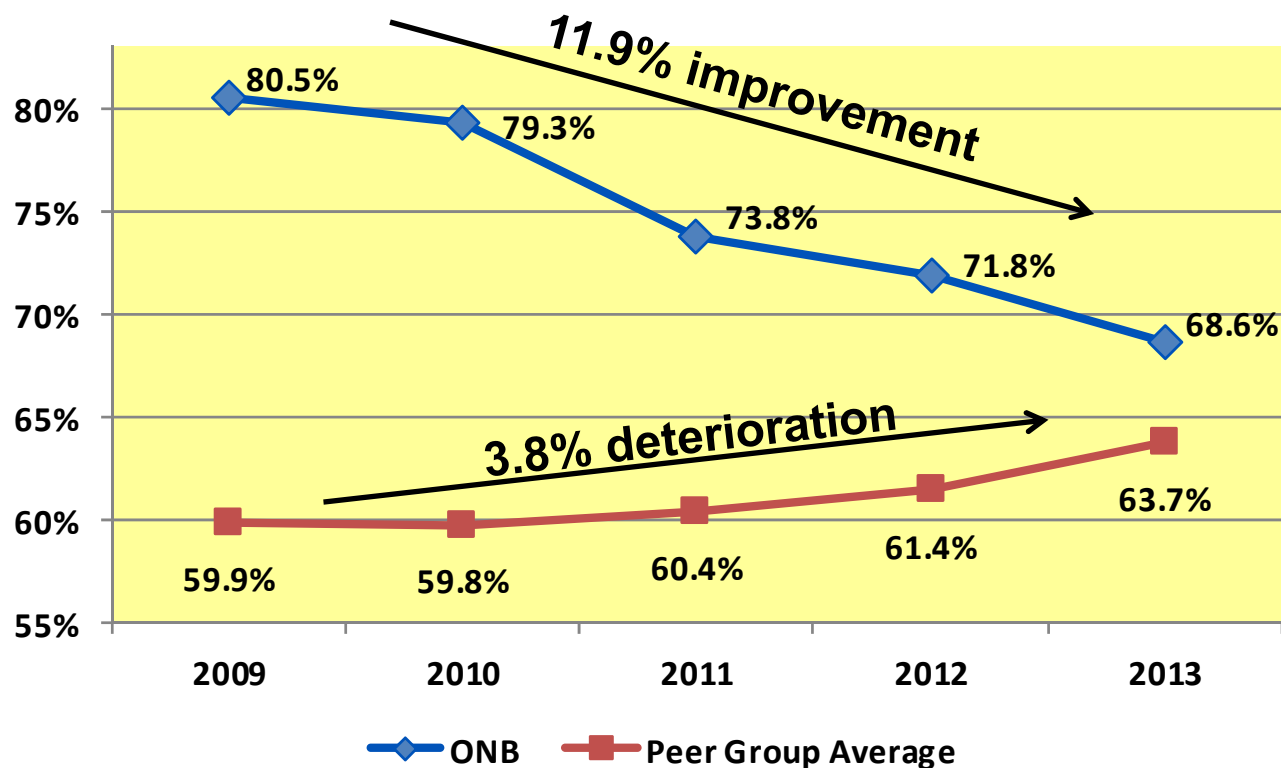
# Total Revenue



■ Revenue Less Securities Gains & Accretion Income ■ Accretion Income

- Revenue Less Securities Gains and Accretion Income has increased 12.2% since 2009

# Annual Efficiency Ratio<sup>1</sup>

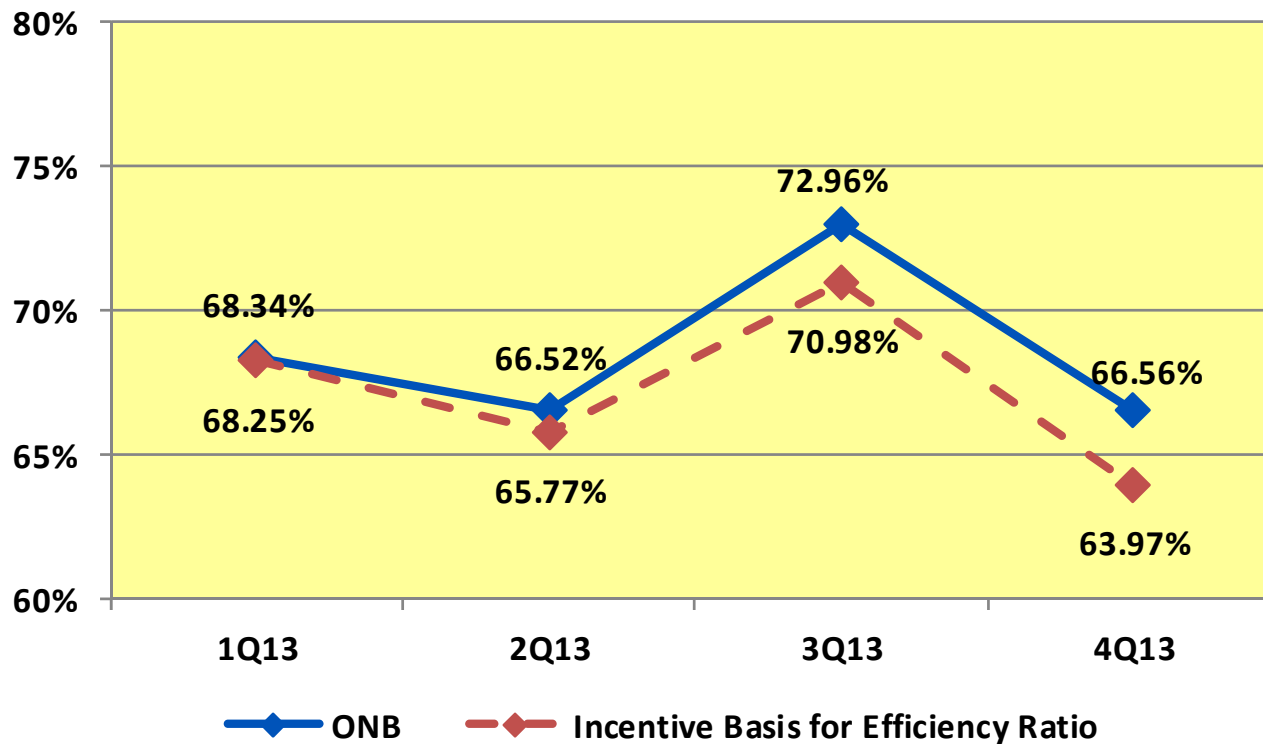


- Continuous improvement for four years

Peer Group data per SNL Financial  
See Appendix for definition of Peer Group

<sup>1</sup> Calculation excludes net securities gains and intangible amortization

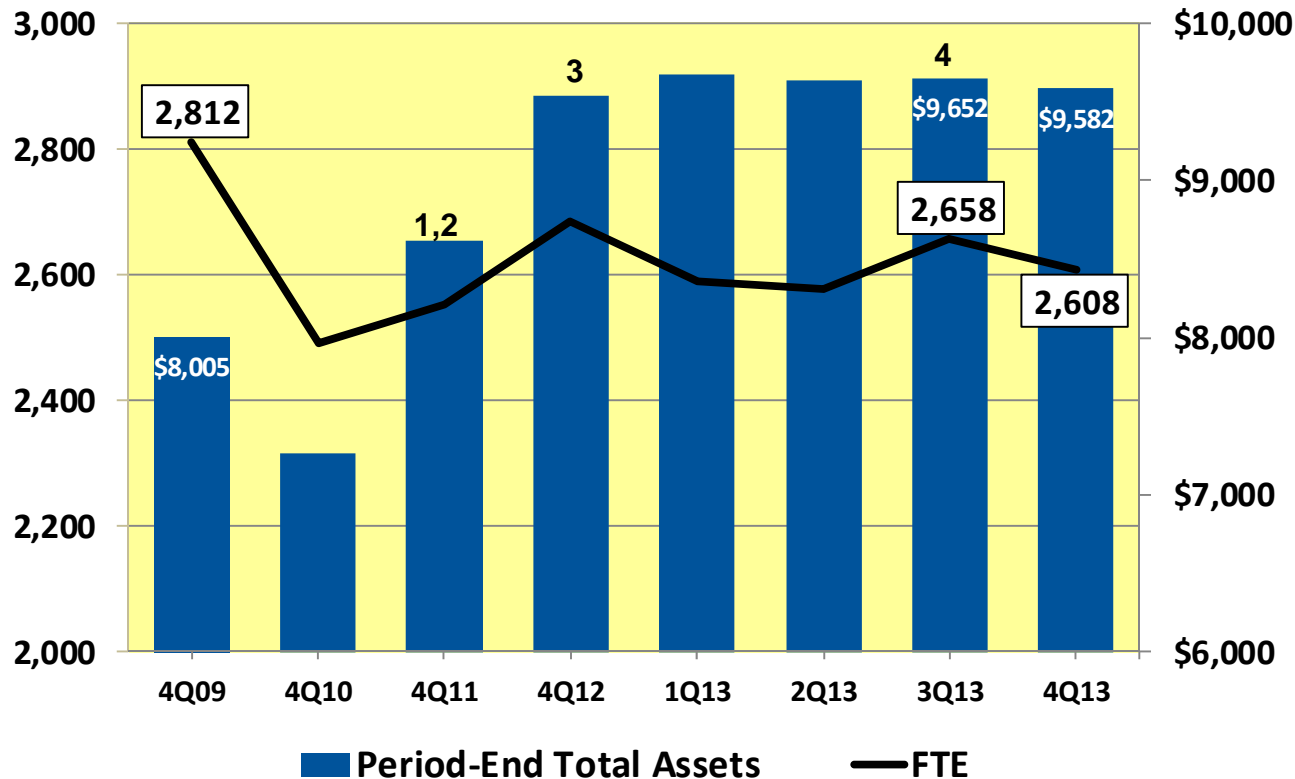
# Quarterly Efficiency Ratio<sup>1</sup>



- Incentive basis calculation excludes merger and integration charges and impact for new MI / IN branches

<sup>1</sup> Calculation excludes net securities gains and intangible amortization

# FTE and Asset Change



- 20% increase in total assets with a corresponding 7.3% decrease in FTE

<sup>1</sup> Acquired Monroe Bancorp January 1, 2011, increasing FTE by 177

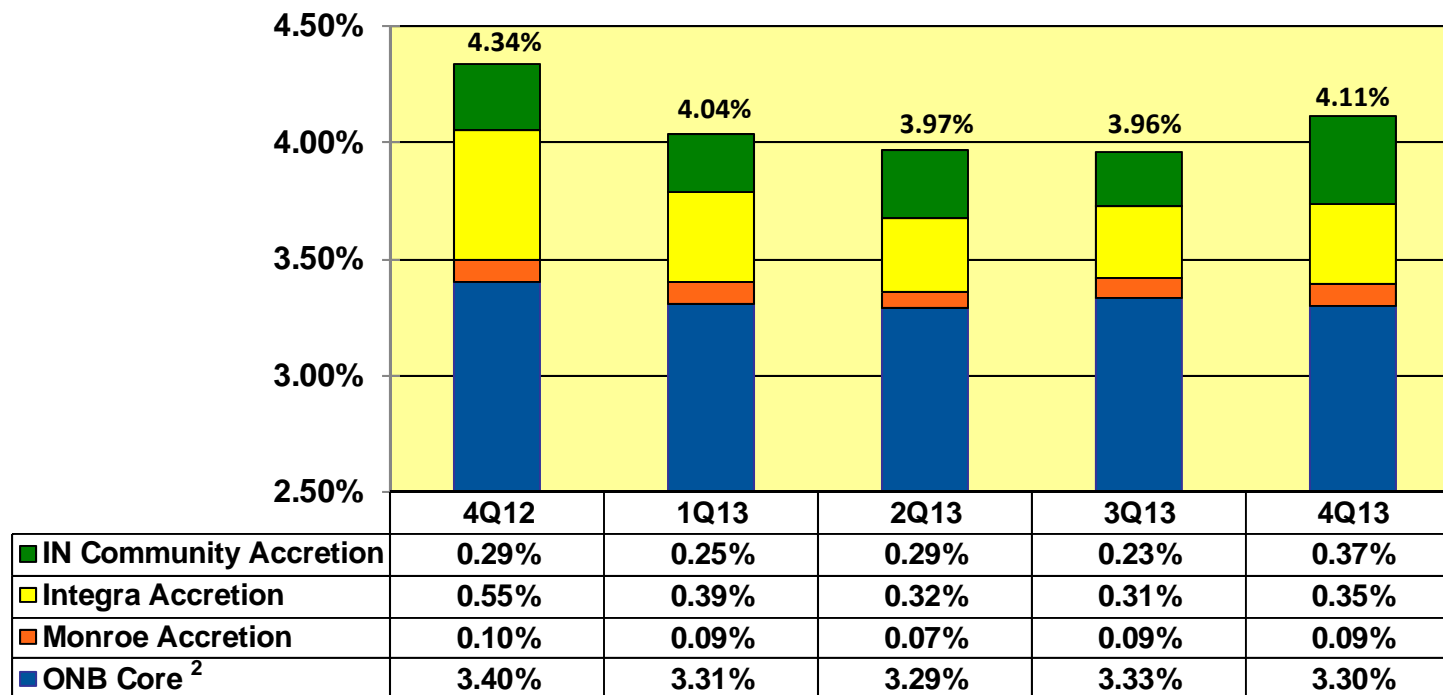
<sup>2</sup> Acquired Integra Bank July 29, 2011, increasing FTE by 449

<sup>3</sup> Acquired IN Community Bank September 25, 2012, increasing FTE by 115

<sup>4</sup> Acquired MI/IN branches July 15, 2013, increasing FTE by 159

\$ in millions

# Net Interest Margin<sup>1</sup>



Earning assets reflect purchased assets, net of discount

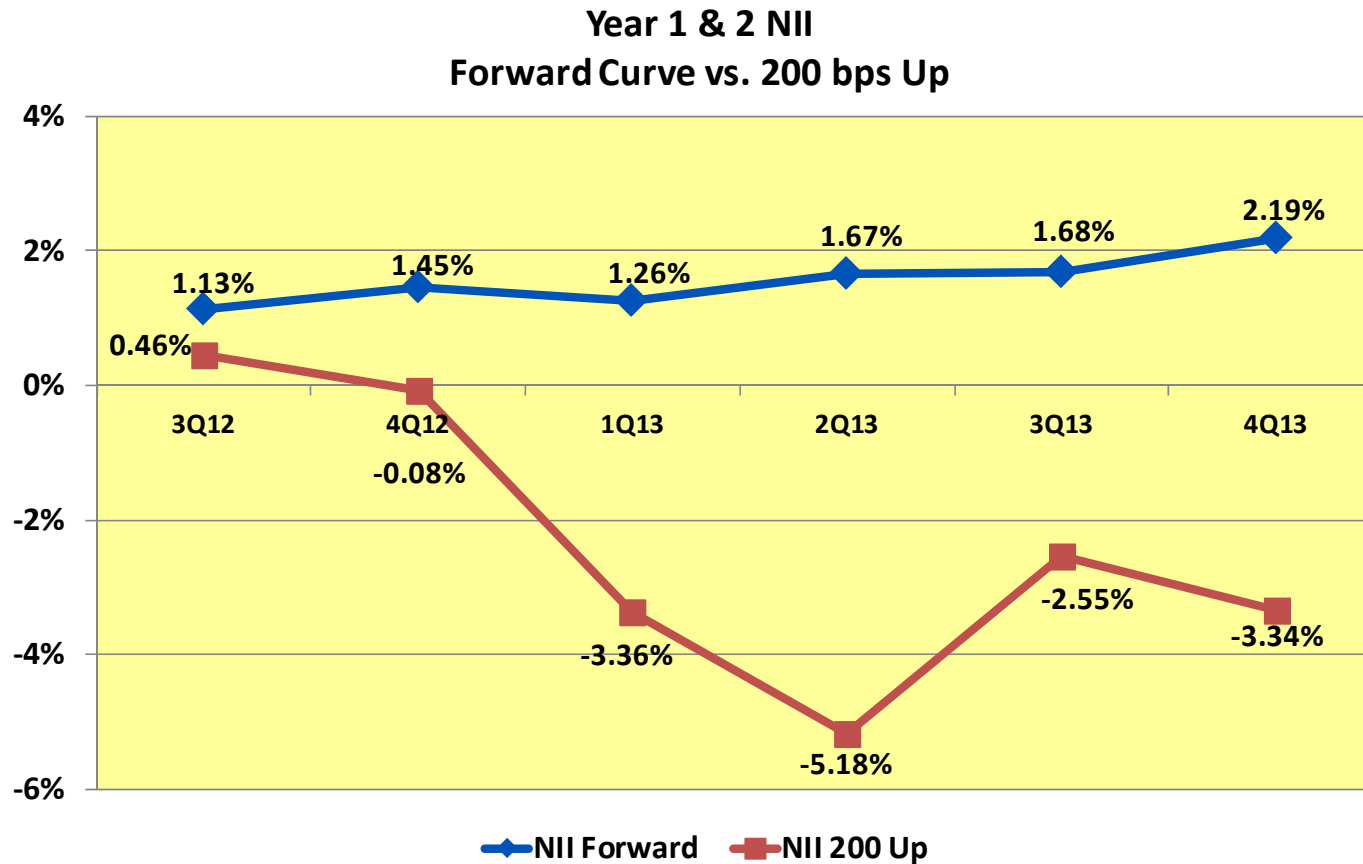
<sup>1</sup> Fully taxable equivalent basis

<sup>2</sup> ONB Core includes contractual interest income of Monroe, Integra and IN Community loans



# Interest Rate Sensitivity

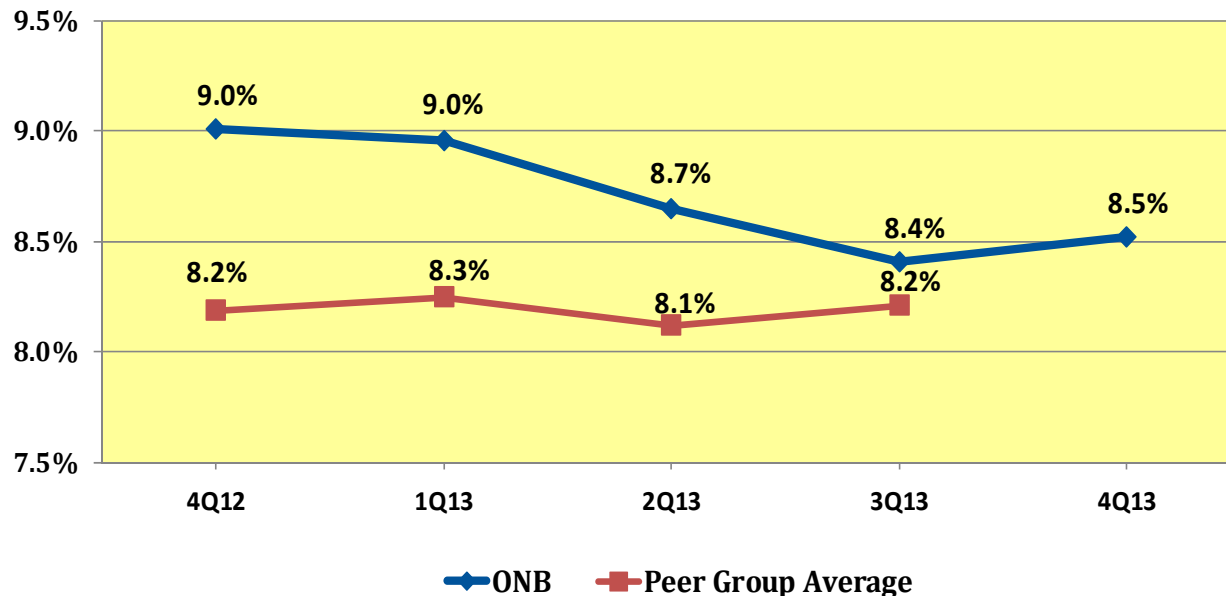
## Change in Net Interest Income<sup>1</sup>



<sup>1</sup> Comparisons from flat rates, which assume stable rates and a stable balance sheet. These scenarios do not take into account changes in customer behavior that could result in changes to mix and/or volumes in the balance sheet.

# Capital Ratios

Tangible Common Equity to Tangible Assets



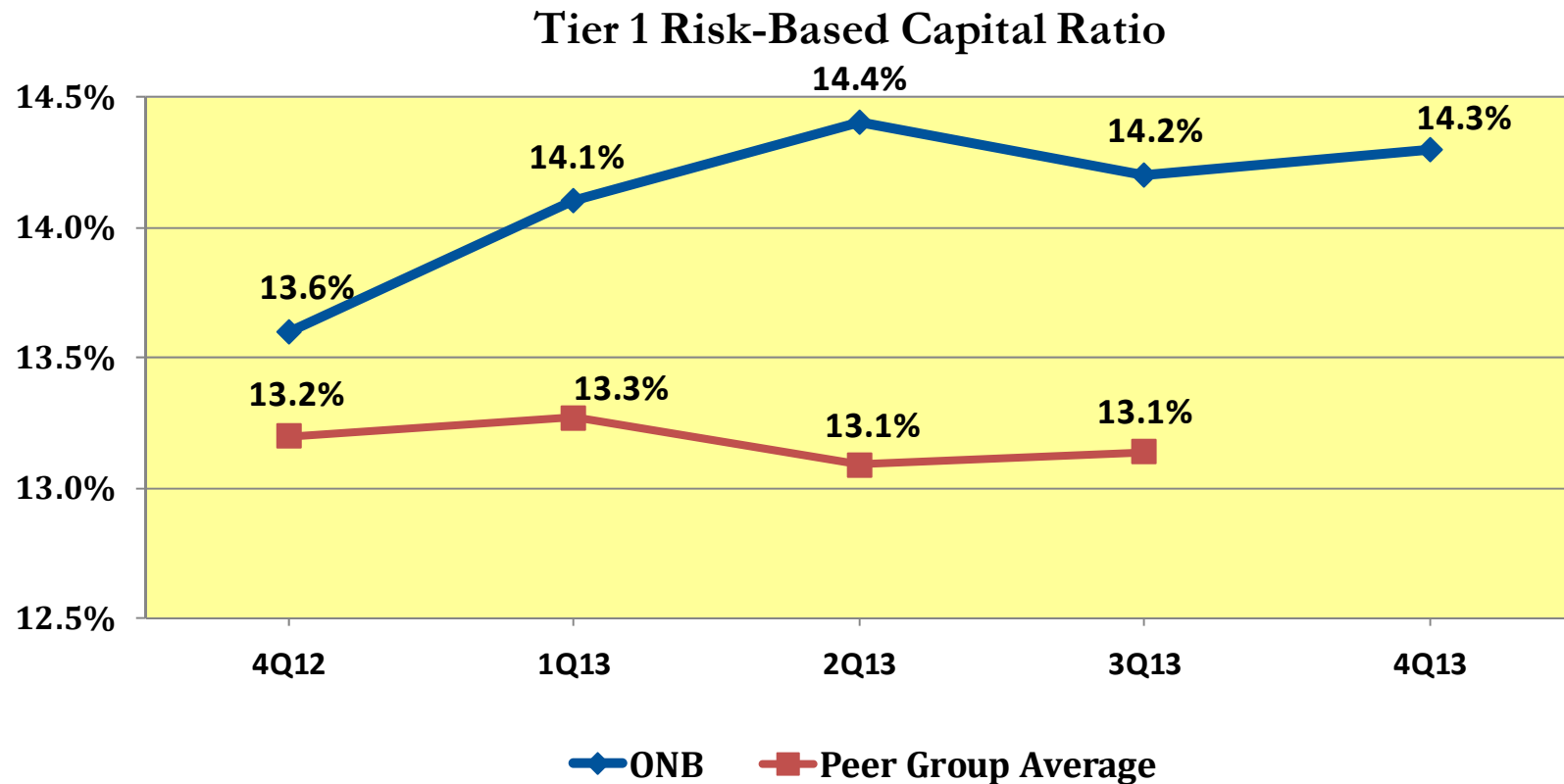
- 4Q13 included the repurchase of 889,124 shares of ONB common stock on the open market
- On January 23, 2014, ONB announced a 10% increase to the quarterly cash dividend and authorized a stock-repurchase plan of up to two million shares

Tangible Common Equity - 9/30/2013	\$779.9
4Q Earnings	24.5
4Q Share Repurchase	(13.2)
4Q Dividend	(10.0)
Changes in OCI - Securities	(5.3)
Changes in OCI - Other	7.5
Changes in Goodwill & Intangibles	0.6
Tangible Common Equity - 12/31/2013	\$784.0

\$ in millions

Peer Group data per SNL Financial  
See Appendix for definition of Peer Group

# Capital Ratios



Peer Group data per SNL Financial  
See Appendix for definition of Peer Group

# BSA/AML – Cost to Comply

BSA/AML Project Spend 2010-2013	
Capital Expense:	
System	\$1.1
Expenses:	
One-time Operational/Programming	0.7
Professional Fees	1.3
Lookback	2.2
Penalites	0.5
Total Project Capital & Expense	\$5.8

- 4Q13 included \$0.5 million in BSA/AML penalties

On-going Pre-Tax Expenses Comparison - 2010 to Current	
Pre-Tax Expense 2010	\$0.7
Increases:	
Salary Expense	0.7
Audit Fees	0.4
Equipment, Processing, Other	0.2
On-going Pre-Tax Expense 2013	\$2.0

\$ in millions



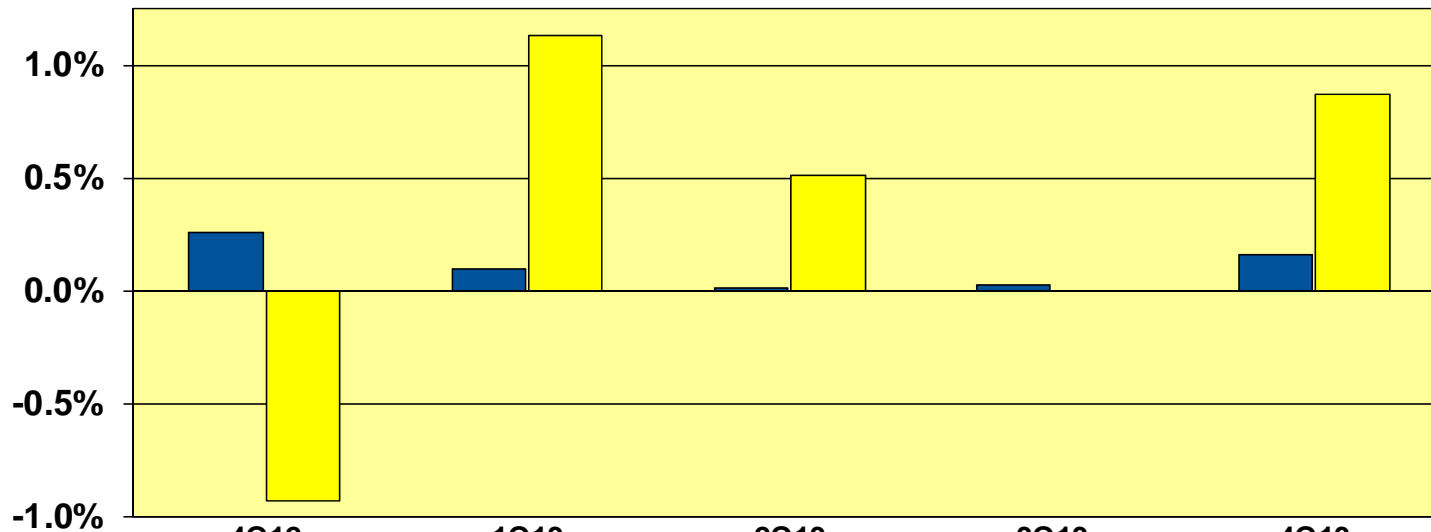
**OLD NATIONAL BANCORP<sup>®</sup>**

NASDAQ: ONB  
oldnational.com

**Daryl Moore**  
**Chief Credit Officer**



# Credit Quality – Net Charge-Offs

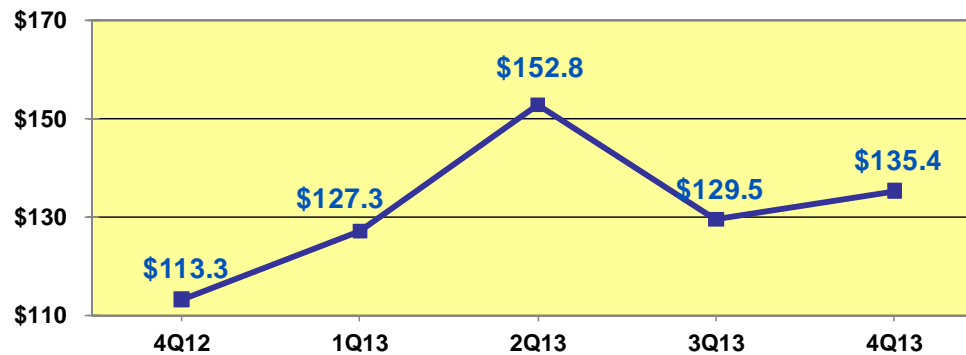


Non-Covered	0.26%	0.10%	0.01%	0.03%	0.16%	0.07%
Covered	-0.93%	1.13%	0.51%	0.00%	0.87%	0.63%
Consolidated NCOs	0.17%	0.17%	0.04%	0.02%	0.19%	0.10%
Provision for Loan Losses <sup>1</sup>	\$1.8	(\$0.6)	(\$3.3)	(\$1.3)	\$1.3	(\$3.9)
Consolidated Provision for Loan Losses	\$2.2	\$0.8	(\$3.7)	(\$1.7)	\$2.3	(\$2.3)

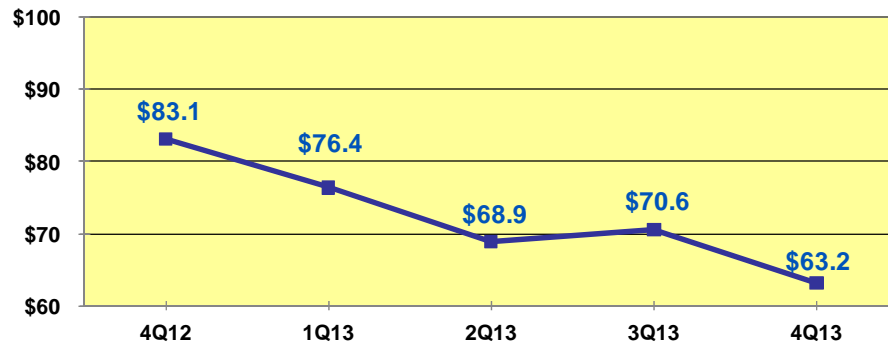
- Consolidated Provision for Loan Losses decreased from \$5.0 million in 2012 to (\$2.3) million in 2013

# Credit Quality – Excluding Covered Loans

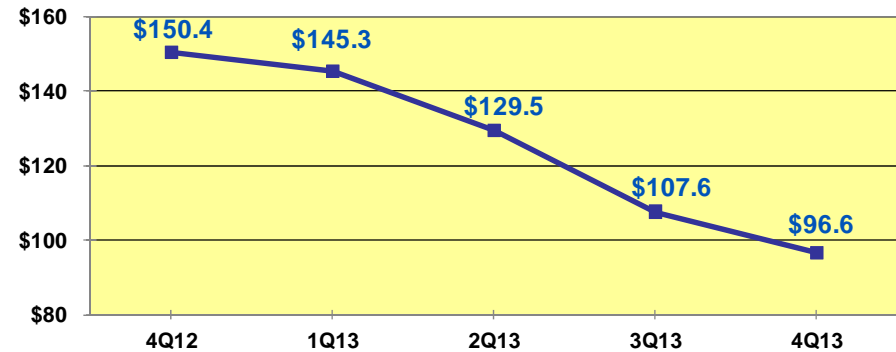
## Special Mention Loans



## Substandard Accruing Loans



## Substandard Nonaccruing + Doubtful Loans



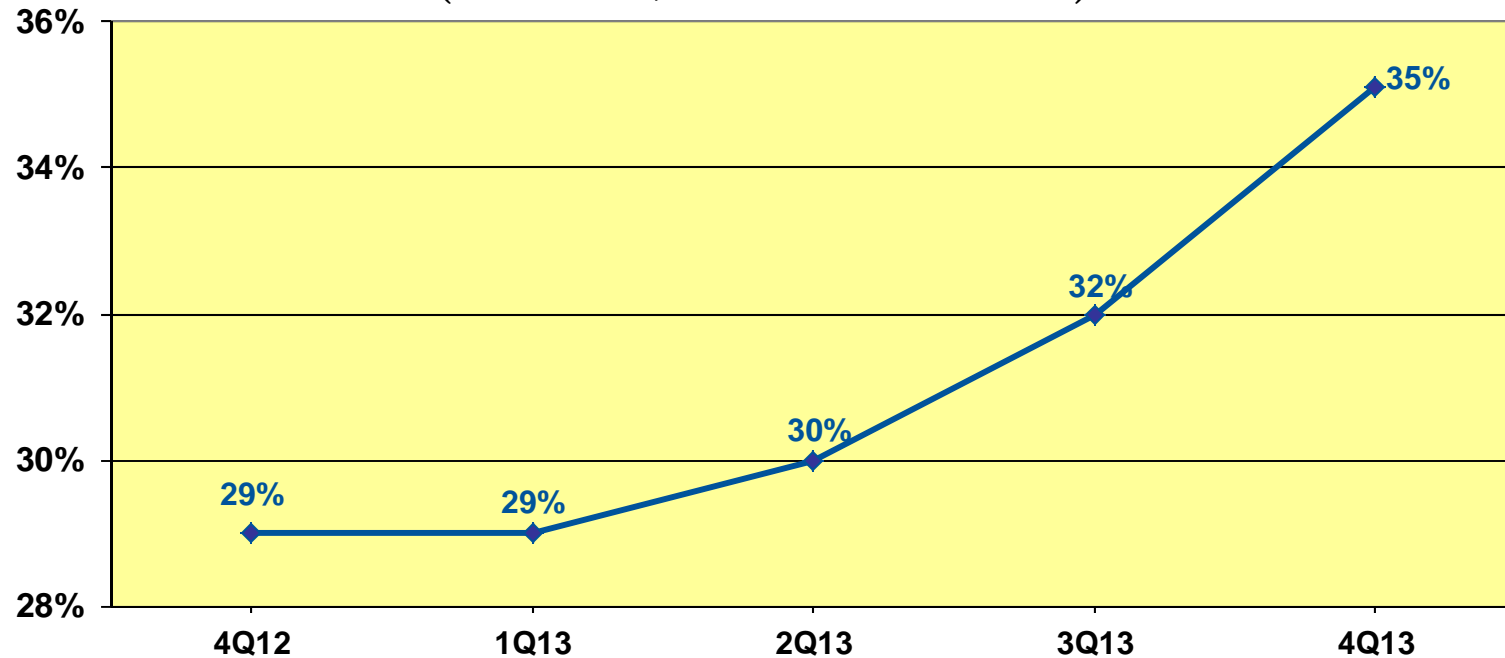
\$ in millions

Refer to Appendix for ONB Risk Grade Table



# Credit Quality – Excluding Covered Loans

Allowance for Loan Losses to Non-Performing Assets  
(Nonaccrual, Restructured & OREO)



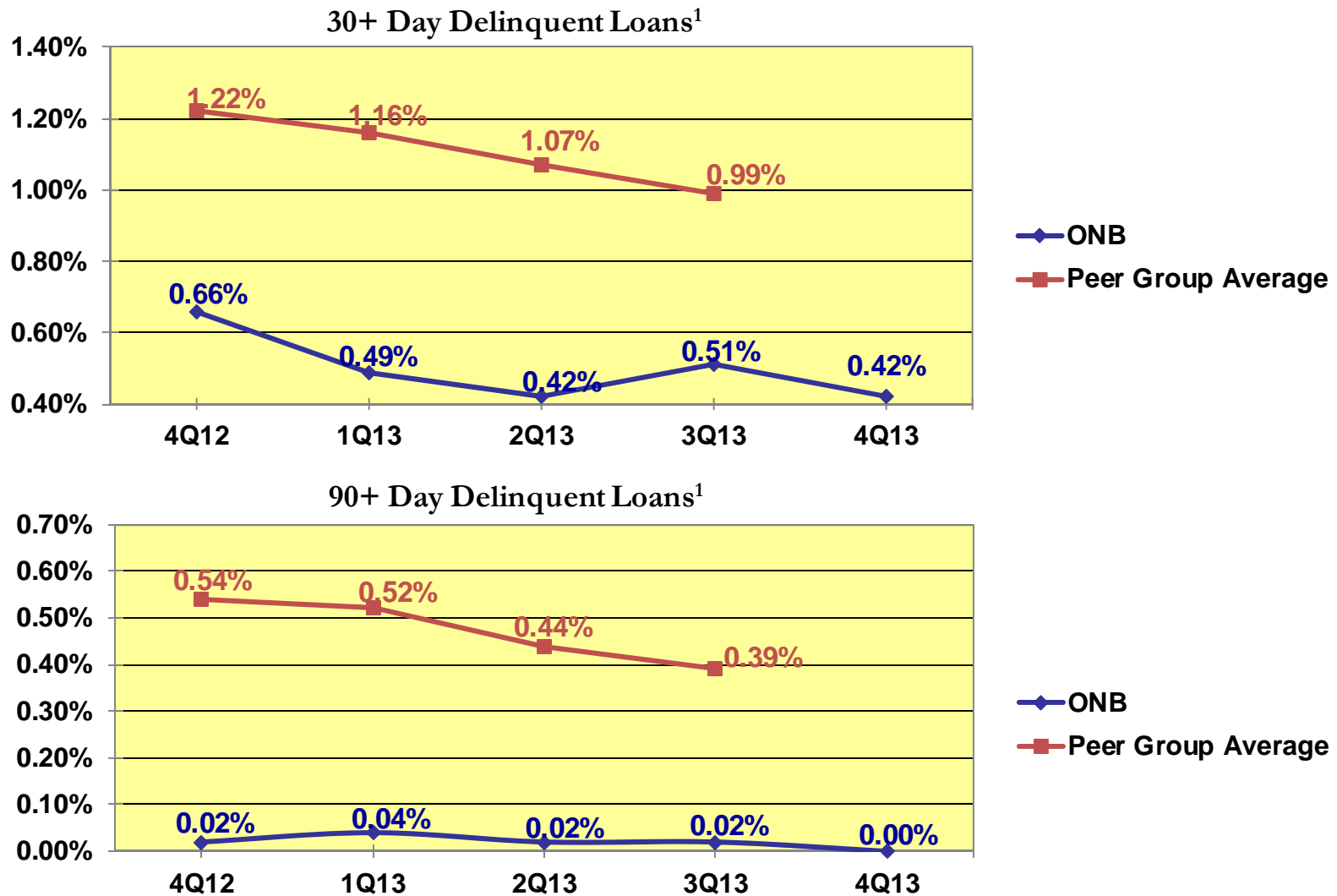
# Credit Quality – ALLL and Mark Summary

Allowance For Loan and Lease Loss/Loan Mark Summary					
At December 31, 2013	ONB Legacy	Monroe	Integra	IN Community	Total
Allowance for Loan Losses (ALLL)	\$39.2	\$2.5	\$5.5	\$0.0	\$47.1
Loan Mark	N/A	\$11.0	\$96.4	\$38.7	\$146.1
Total ALLL/Mark	\$39.2	\$13.5	\$101.8	\$38.7	\$193.2
Pre-Mark Loan Balance	\$4,473.3	\$164.2	\$327.6	\$264.0	\$5,229.1
ALLL/Pre-Mark Loan Balance	0.88%	1.52%	1.67%	N/A	0.90%
Mark/Pre-Mark Loan Balance	N/A	6.72%	29.42%	14.65%	2.79%
Combined ALLL & Mark/Pre-Mark Loan Balance <sup>1</sup>	0.88%	8.24%	31.10%	14.65%	3.69%

\$ in millions

<sup>1</sup> 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      N/A = not applicable

# Credit Quality – Excluding Covered Loans



Peer Group data per SNL Financial  
See Appendix for definition of Peer Group

<sup>1</sup>As a % of end of period total loans



**OLD NATIONAL BANCORP<sup>®</sup>**

NASDAQ: ONB  
oldnational.com

**Bob Jones**  
**Chief Executive Officer**



# Executing The Plan – 2014

- 2014 economic outlook
- Old National's 2014 plan
  - Grow core revenue
  - Continued focus on expenses
  - Transformation of the franchise
- Updates
  - Michigan branch purchase
  - Tower Financial
  - United Bank and Trust

# Old National Bancorp

Thank You

Q&A



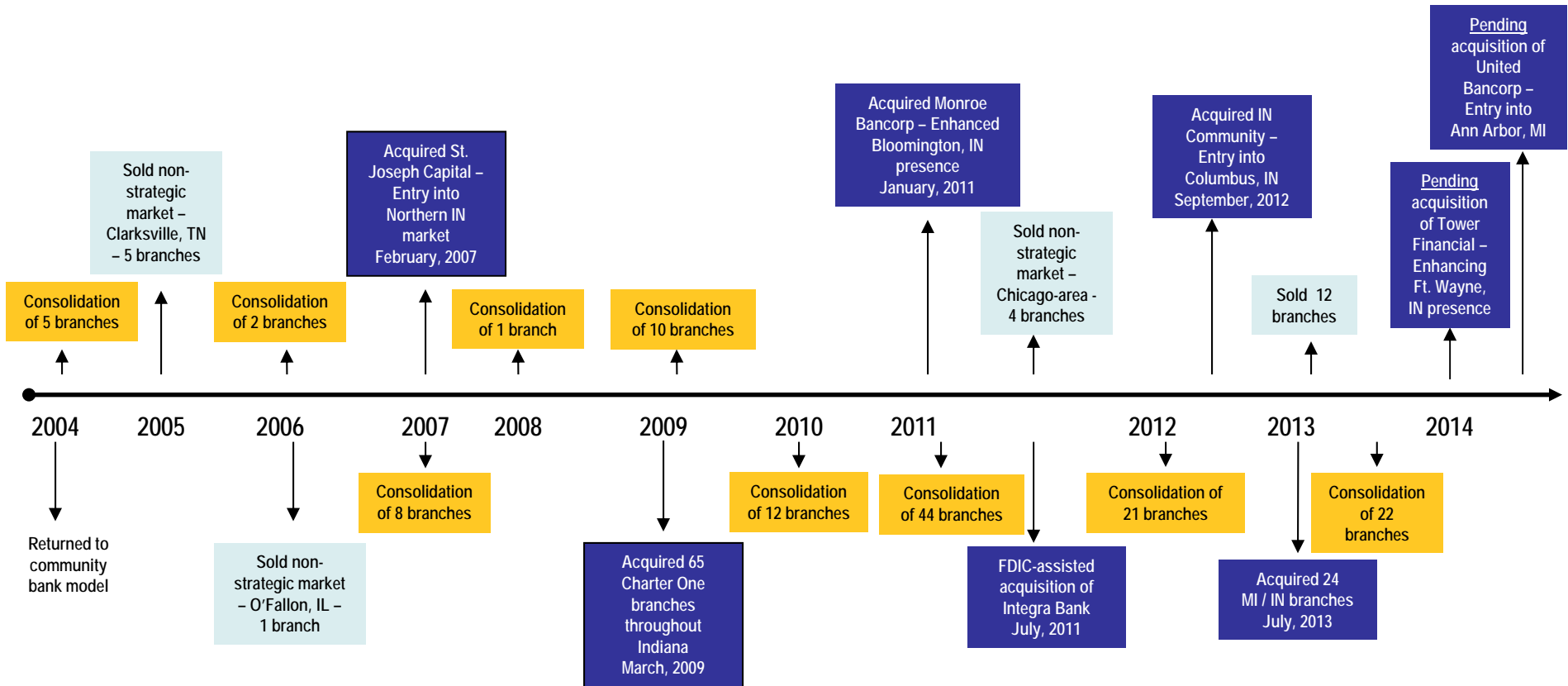
# Old National Bancorp

## Appendix





# Transforming Old National's Landscape



Purchased 175 + 25 pending

Sold 22

Consolidated 125

# Pre-Tax, Pre-Provision Income<sup>1</sup>

\$ in millions	4Q12	3Q13	4Q13	FY2012	FY2013
		(7.4%)	(.2%)		.7%
Total Revenues	\$135.6	\$125.8	\$125.6	\$498.6	\$502.2
Less: Provision for Loan Losses	(2.2)	1.7	(2.3)	(5.0)	2.3
Less: Noninterest Expense	(99.4)	(96.7)	(88.2)	(365.8)	(362.0)
Pre-tax Income	34.0	30.8	35.2	127.8	142.5
Add: Provision for Loan Losses	2.2	(1.7)	2.3	5.1	(2.3)
Pre-Tax, Pre-Provision Income <sup>1</sup>	\$36.2	\$29.1	\$37.5	\$132.9	\$140.2
Less: Securities Gains/Losses	(4.2)	(0.2)	(0.3)	(13.6)	(3.3)
Add: Merger and Integration Expenses	2.0	2.3	2.5	8.5	5.8
Pre-Tax, Pre-Provision Income, Net of Securities Gains and Merger and Integration Expenses <sup>1</sup>	\$34.0	\$31.2	\$39.7	\$127.8	\$142.7

<sup>1</sup>Non-GAAP financial measure management believes is useful in evaluating the financial results of the Company

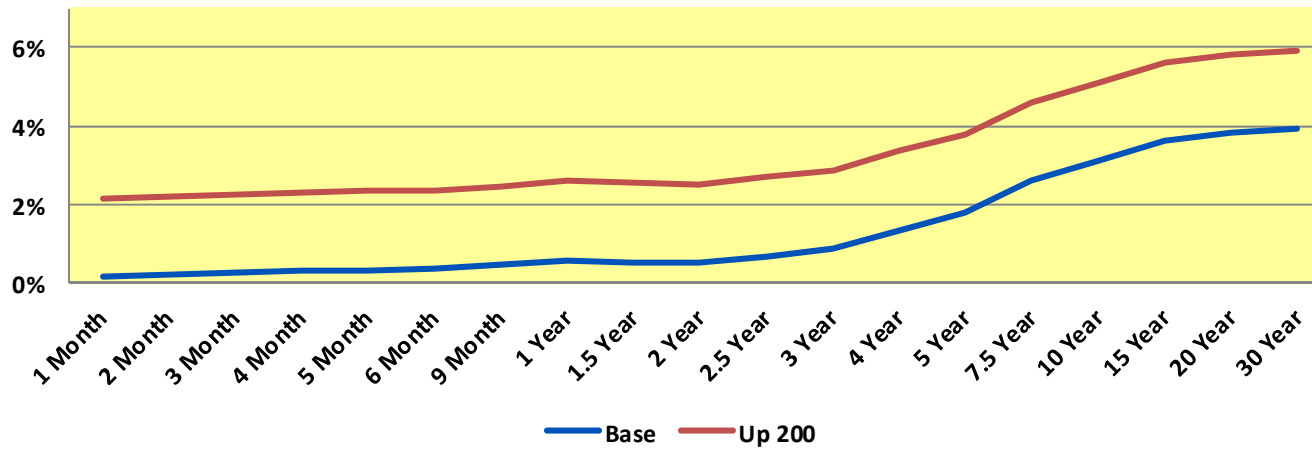
16.8%

27.2%

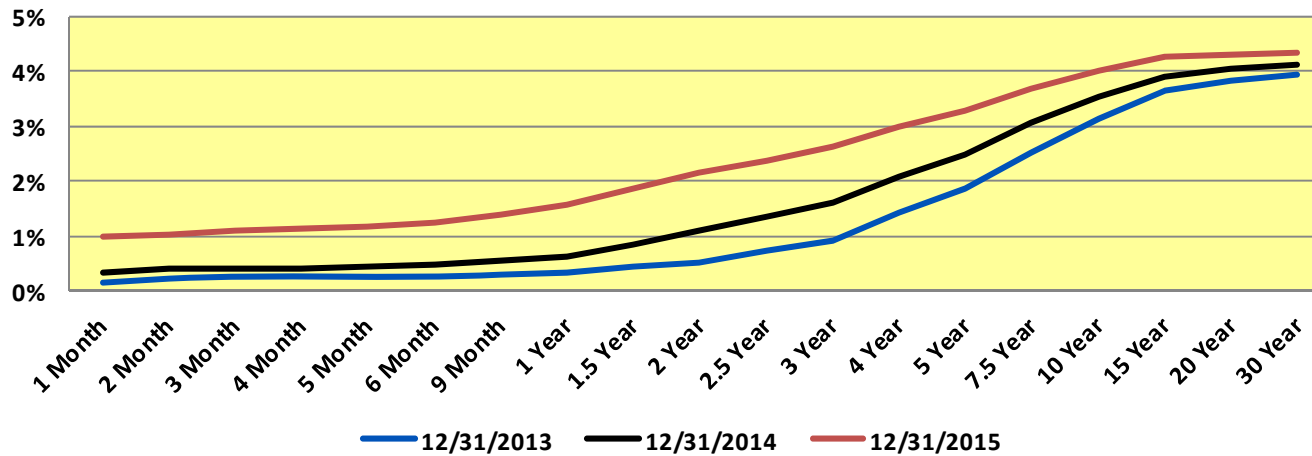
11.7%

# Interest Rate Curves

## Up 200 vs. Base



## Forward Curves



# Investment Portfolio

\$ in millions	Book Value Sep. 30, 2013	Book Value Dec. 31, 2013	Market Value <sup>1</sup> Sep. 30, 2013	Market Value <sup>1</sup> Dec. 31, 2013	Market Value \$ Change
Federal National Mortgage Association			\$372.2	\$364.4	
Federal Home Loan Mortgage Corporation			157.2	162.6	
Federal Farm Credit Bank			33.9	73.4	
Federal Farmer Mac			8.5	13.6	
Subtotal U.S. Government Agencies-Senior Debentures	\$580.3	\$626.7	\$571.8	\$614.0	\$42.2
U.S. Treasury	\$28.1	\$13.0	\$28.3	\$13.1	(\$15.2)
Issued or guaranteed by FNMA, FHLMC, GNMA	1,434.4	1,335.6	1,431.3	1,325.6	
Nonagency guaranteed	18.1	17.0	18.4	17.4	
Subtotal Mortgage Backed Securities	\$1,452.5	\$1,352.6	\$1,449.7	\$1,343.0	(\$106.7)
Trust Preferred	35.6	31.9	21.0	20.0	
Other Corporate	192.5	272.8	193.3	273.1	
Subtotal Corporate Securities	\$228.1	\$304.7	\$214.3	\$293.1	\$78.8
Municipal Securities – Taxable	\$242.8	\$237.5	\$254.6	\$247.7	(\$6.9)
Municipal Securities – Tax Exempt	\$571.0	\$579.6	\$579.2	\$587.1	\$7.9
Other Securities	\$95.5	\$95.5	\$95.5	\$95.5	\$0.0
Totals	\$3,198.3	\$3,209.6	\$3,193.4	\$3,193.5	\$0.1

<sup>1</sup>Includes market value for both available for sale and held to maturity securities

# Investment Portfolio

\$ in thousands	Effective Duration Sept. 30, 2013	Effective Duration Dec. 31, 2013	Book Value Sept. 30, 2013	Book Value Dec. 31, 2013
Money Market Investments <sup>1</sup>	0.01	0.01	\$24,659	\$11,221
Treasuries	1.23	2.40	28,131	12,995
Agencies	4.83	4.76	580,323	626,743
Pools	2.42	2.73	617,639	555,494
CMOs	3.66	3.90	833,613	811,912
Municipals	8.18	8.14	813,774	817,068
Corporates	2.54	2.81	137,393	136,010
ABS	1.96	1.13	91,342	169,624
Totals	4.66	4.84	\$3,126,874	\$3,141,067

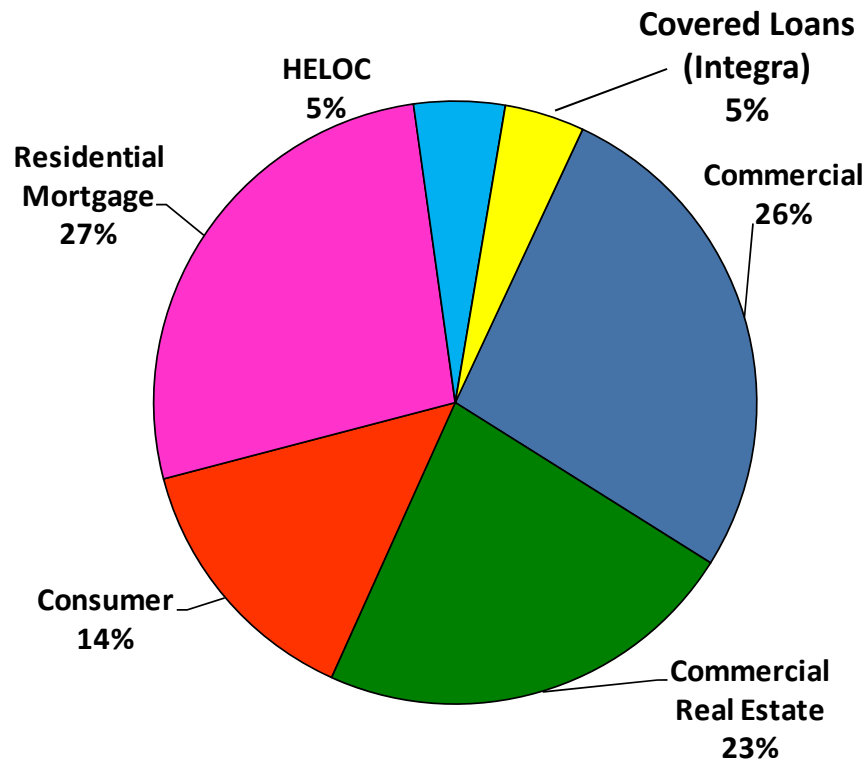
<sup>1</sup>Money market investments includes balances in the Federal Reserve Bank Account

# Securities with OTTI

<sup>1</sup> Lowest credit rating provided by any nationally recognized credit rating agency. \$ in thousands	Vintage	Lowest Credit Rating <sup>1</sup>	Book Value at Dec. 31, 2013	YTD OTTI 2013	OTTI Life to Date
BAFC Ser 4	2007	CCC	\$9,517		\$441
CWALT Ser 73CB (security sold 2Q13)	2005				441
CWALT Ser 73CB (security sold 2Q13)	2005				644
CWHL 2006-10 (security sold 1Q11)	2006				1,071
CWHL 2005-20	2005				111
FHASI Ser 4 (security sold 3Q12)	2007				1,192
HALO Ser 1R (security sold 3Q12)	2006				149
RFMSI Ser S9 (security sold 4Q10)	2006				2,803
RFMSI Ser S10	2006	D	2,493		668
RALI QS2 (security sold 4Q10)	2006				1,017
RAST A9 (security sold 3Q12)	2004				142
RFMSI S1 (security sold 2Q12)	2006				206
Totals Non-Agency Mortgage Backed Securities			\$12,010		\$8,885
TROPC (security sold 4Q12)	2003				\$4,849
MM Community Funding IX	2003	D	1,067	\$1,000	3,777
Reg Div Funding	2004	D	4,012		5,685
PRETSL XII	2003				1,897
PRETSL XV (security sold 1Q13)	2004				3,374
Reg Div Funding (security written down 4Q12)	2005				4,078
Totals Pooled Trust Preferred Securities			\$5,079		\$23,660
Grand Totals			\$17,089	\$1,000	\$32,545

# Loan Portfolio at December 31, 2013

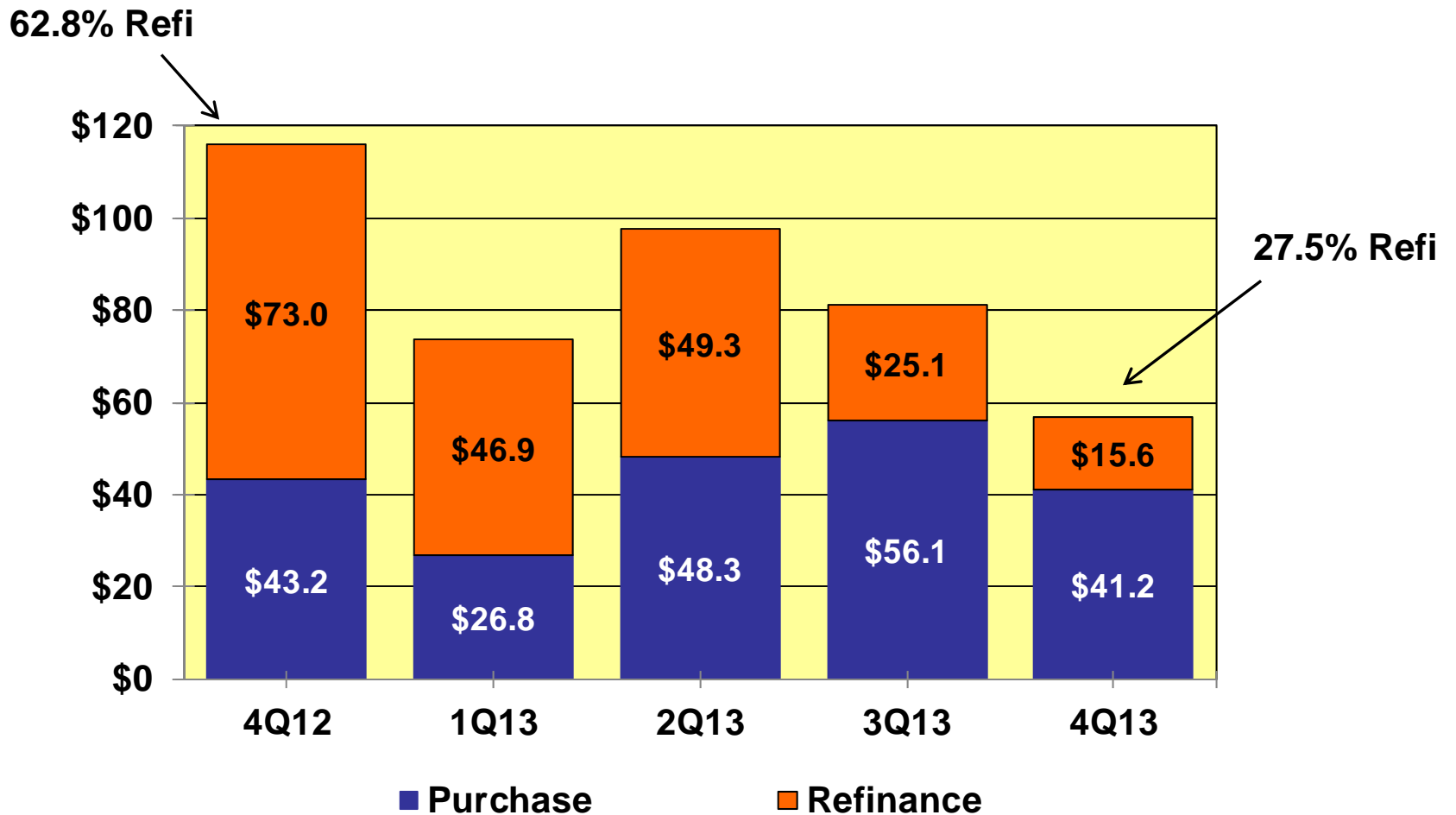
\$29.3 Comml, \$81.9 CRE, \$78.7 Consumer, \$27.9 Resi Mortg



Commercial	\$1,373.4
Commercial Real Estate	1,160.9
Consumer	722.8
Residential Mortgage	1,367.2
HELOC	248.5
Covered Loans (Integra)	217.8
Total Loans	\$5,090.6

\$ in millions – period-end balances

# Residential Mortgage Production<sup>1</sup>



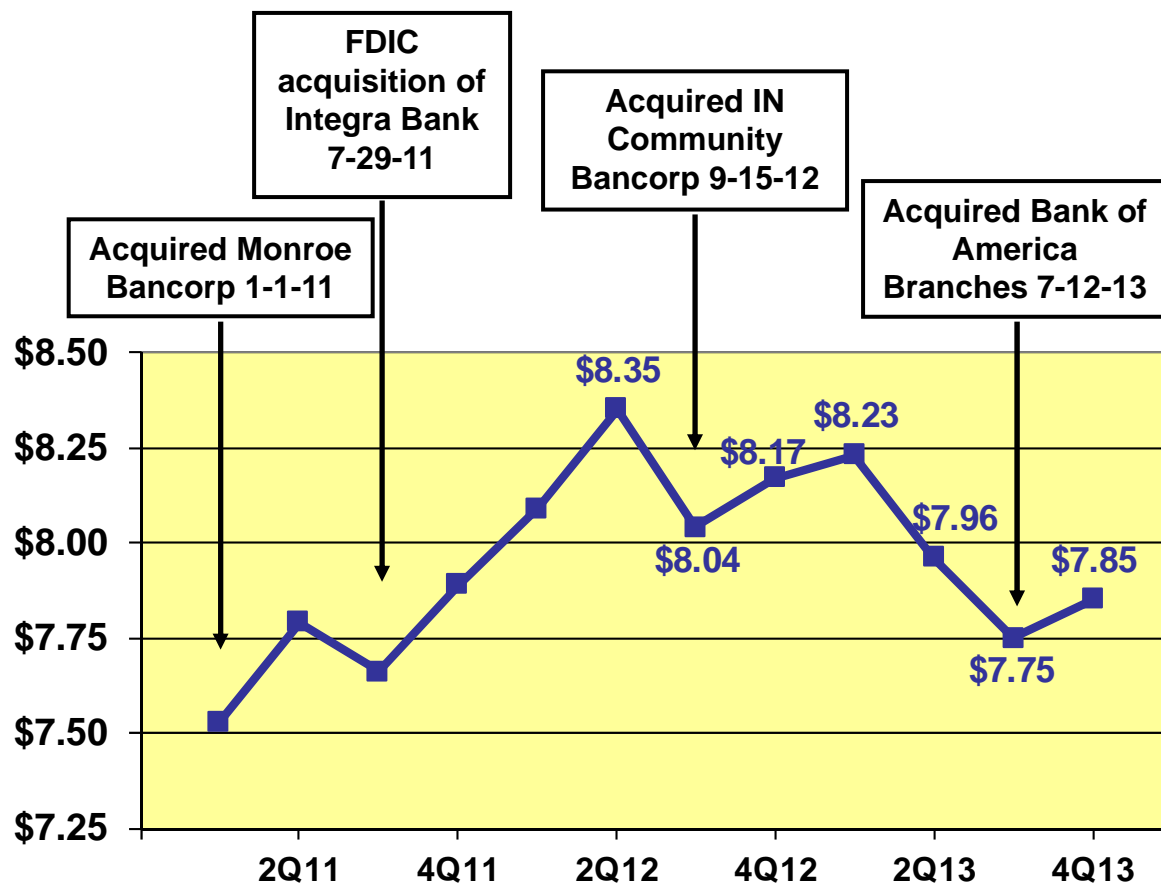
Application pipeline as of 1-16-14 is 68.4% purchase

\$ in millions

<sup>1</sup> Excludes Quick Home Refinance (QHR) product



# Tangible Common Book Value<sup>1</sup>



- Old National Bancorp purchased 889,124 shares of ONB stock in the open market during 4Q13

<sup>1</sup> Non-GAAP financial measure management believes is useful in evaluating the financial results of the Company – see Appendix for Non-GAAP reconciliation

# Covered Assets / Risk Grades

	4Q12	1Q13	2Q13	3Q13	4Q13
Loans 90+ Days & Over	\$-	\$-	\$-	\$0.1	\$-
Grades 1 through 6 - Pass	\$111.4	\$108.1	\$89.1	\$87.0	\$70.7
Special Mention	9.3	14.2	14.0	10.0	8.4
Substandard Accruing	17.6	15.7	6.6	4.4	3.3
Substandard Nonaccruing + Doubtful	100.1	62.0	60.3	37.5	28.8
Retail Loans	133.9	126.4	118.6	111.9	106.6
Total Covered Loans	\$372.3	\$326.4	\$288.6	\$250.8	\$217.8
Other Real Estate Owned	\$26.1	\$26.1	\$23.1	\$18.2	\$13.7

Commercial Loans

ONB Grade	Risk Grade Name
0	Investment Grade
1	Minimal Risk
2	Modest Risk
3	Average Risk
4	Monitor
5	Weak Monitor
6	Watch
7	Criticized (Special Mention)
8	Classified (Substandard Accruing)
9	Nonaccruing + Doubtful

On this portfolio of covered loans\*, the FDIC will reimburse Old National for 80% of the losses up to \$275.0 million, 0% of losses from \$275.0 million up to \$467.2 million and 80% of losses in excess of \$467.2 million.

\$ in millions – period-end balances

\*Covered loans shown net of \$96.3 million discount

# CD Maturity Schedule

Bucket	Amount (\$ in 000's)	Rate
0-30 days	75,865	0.89%
31-60 days	41,625	0.41%
61-90 days	59,747	0.45%
91-120 days	44,429	0.56%
121-150 days	37,170	0.54%
151-180 days	44,148	0.48%
181-210 days	54,913	0.60%
211-240 days	60,423	0.75%
241-270 days	51,260	0.58%
271-300 days	39,100	0.57%
301-330 days	40,667	0.48%
331-365 days	38,067	0.60%
1-2 years	182,543	1.63%
2-3 years	145,331	3.03%
3-4 years	37,575	1.01%
4-5 years	35,681	1.23%
Over 5 years	29,431	1.79%

Represents CD maturities at December 31, 2013

# Non-GAAP Reconciliations

end of period balances	4Q12	1Q13	2Q13	3Q13	4Q13	FY2013
Total Shareholders' Equity	\$1,194.6	\$1,199.7	\$1,167.0	\$1,159.3	\$1,162.6	\$1,162.6
Deduct: Goodwill and Intangible Assets	(368.0)	(365.5)	(364.4)	(379.3)	(378.7)	(378.7)
Tangible Common Shareholders' Equity	\$826.5	\$834.2	\$802.6	\$779.9	\$784.0	\$784.0
Total Assets	\$9,543.6	\$9,673.7	\$9,641.1	\$9,652.1	\$9,581.7	\$9,581.7
Add: Trust Overdrafts	0.1	0.2	0.1	0.1	0.1	0.1
Deduct: Goodwill and Intangible Assets	(368.0)	(365.5)	(364.4)	(379.3)	(378.7)	(378.7)
Tangible Assets	\$9,175.7	\$9,308.4	\$9,276.7	\$9,272.8	\$9,203.1	\$9,203.1
Tangible Equity to Tangible Assets	9.01%	8.96%	8.65%	8.41%	8.52%	8.52%
Tangible Common Equity to Tangible Assets	9.01%	8.96%	8.65%	8.41%	8.52%	8.52%
Net Income	\$23.0	\$23.9	\$28.5	\$23.9	\$24.5	\$100.9
After-Tax Intangible Amortization	1.7	1.9	1.5	1.5	1.5	6.5
Tangible Net Income	\$24.7	\$25.8	\$30.0	\$25.5	\$26.1	\$107.4
ROTCE	11.95%	12.42%	14.95%	13.05%	13.31%	13.70%

\$ in millions

# Non-GAAP Reconciliations

end of period balances- \$ in millions	4Q12	1Q13	2Q13	3Q13	4Q13
Total Shareholders' Equity	\$1,194.6	\$1,199.7	\$1,167.0	\$1,159.3	\$1,162.6
Deduct: Goodwill and Intangible Assets	(368.0)	(365.5)	(364.4)	(379.3)	(378.7)
Tangible Common Shareholders' Equity	\$826.5	\$834.2	\$802.6	\$779.9	\$784.0
Risk Weighted Assets	\$5,604.9	\$5,595.2	\$5,640.7	\$5,680.6	\$5,734.0
Tangible Common Equity to Risk Weighted Assets	14.75%	14.91%	14.23%	13.73%	13.67%

\$ in millions

# Non-GAAP Reconciliations

\$ in thousands	4Q12	1Q13	2Q13	3Q13	4Q13
Net Interest Income	\$84,361	\$79,050	\$79,191	\$77,996	\$81,187
Taxable Equivalent Adjustment	3,545	3,912	4,243	4,362	4,359
Net Interest Income – Taxable Equivalent	\$87,906	\$82,962	\$83,434	\$82,358	\$85,546
Average Earning Assets	\$8,093,291	\$8,210,526	\$8,406,635	\$8,309,417	\$8,322,334
Net Interest Margin	4.17%	3.85%	3.77%	3.75%	3.90%
Net Interest Margin – Fully Taxable Equivalent	4.34%	4.04%	3.97%	3.96%	4.11%

# Old National's Peer Group

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

1st Source Corporation	SRCE	Heartland Financial USA, Inc.	HTLF
BancFirst Corporation	BANF	IBERIABANK Corporation	IBKC
BancorpSouth, Inc.	BXS	MB Financial, Inc.	MBFI
Bank of Hawaii Corporation	BOH	Park National Corporation	PRK
Chemical Financial Corporation	CHFC	Pinnacle Financial Partners, Inc.	PNFP
Commerce Bancshares, Inc.	CBSH	Prosperity Bancshares, Inc.	PB
Cullen/Frost Bankers, Inc.	CFR	Renasant Corp.	RNST
F.N.B. Corporation	FNB	S&T Bancorp, Inc.	STBA
First Commonwealth Financial Corporation	FCF	Susquehanna Bancshares, Inc.	SUSQ
First Financial Bancorp.	FFBC	Trustmark Corporation	TRMK
First Interstate BancSystem, Inc.	FIBK	UMB Financial Corporation	UMBF
First Merchants Corporation	FRME	United Bankshares, Inc.	UBSI
First Midwest Bancorp, Inc.	FMBI	Valley National Bancorp	VLY
FirstMerit Corporation	FMER	WesBanco, Inc.	WSBC
Fulton Financial	FULT	Wintrust Financial Corporation	WTFC
Glacier Bancorp, Inc.	GBCI		

# Old National Investor Relations Contact

Additional information can be found on the  
Investor Relations web pages at  
[www.oldnational.com](http://www.oldnational.com)

Investor Inquiries:

Lynell J. Walton, CPA

SVP – Director of Investor Relations

812-464-1366

[lynell.walton@oldnational.com](mailto:lynell.walton@oldnational.com)