

2nd Quarter 2017 Earnings

July 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.

2Q17 Highlights



- Net income of \$38.9 million, or \$0.28 per share
 - Results include \$0.5 million in pre-tax net branch consolidation charges and \$1.0 million in pre-tax charges related to a client experience improvement initiative
- 10.0% annualized growth in commercial and commercial real estate loans
- 14.8% growth in noninterest income
- 7.5% growth in tangible book value¹ from 2Q16

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

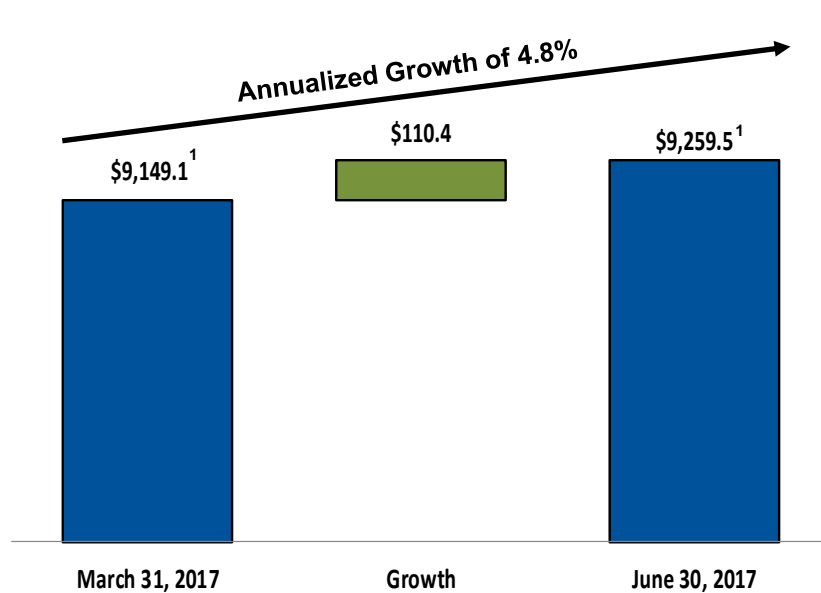
Jim Sandgren

President, Chief Operating Officer

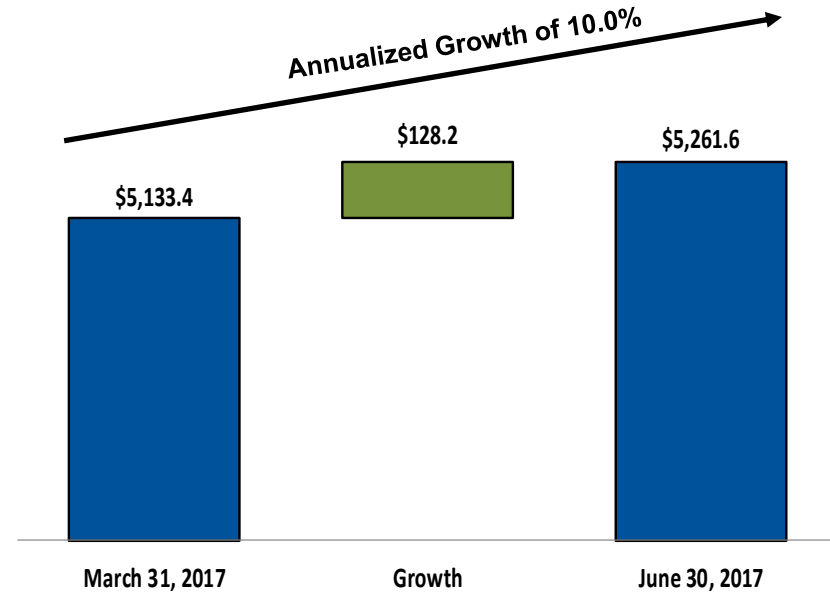


Loan Growth

Total Loan Growth



C&I/CRE Loan Growth



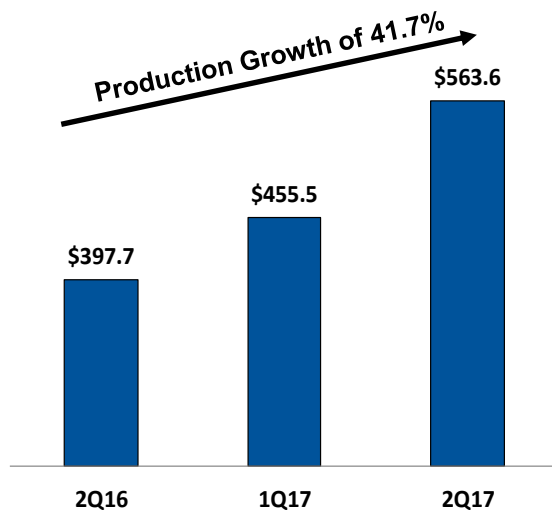
\$ in millions – End of Period Balances

¹ Includes Loans Held for Sale

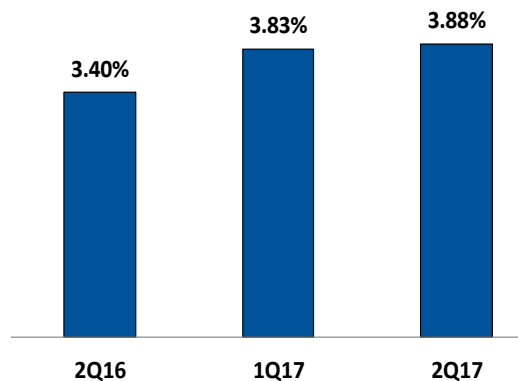
Commercial & Commercial Real Estate



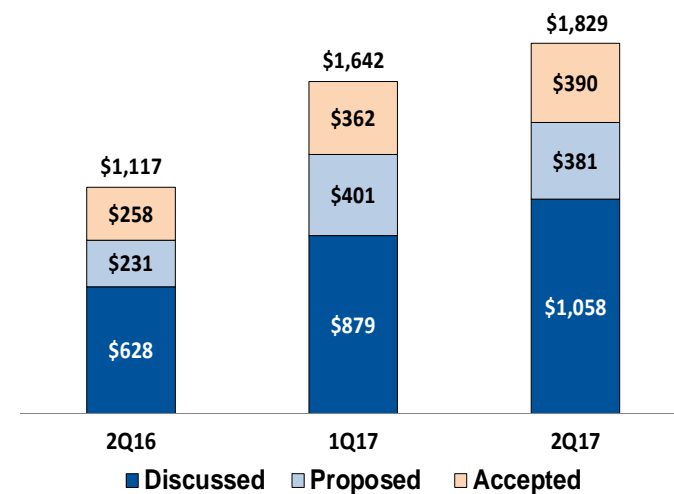
New Production¹



Production Yield²



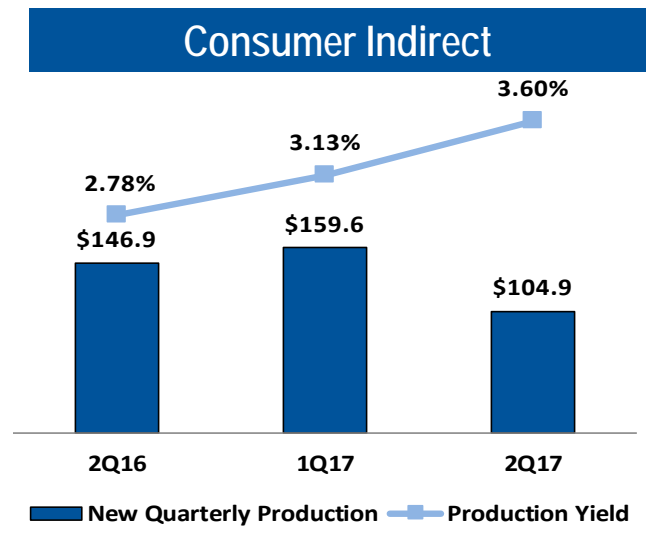
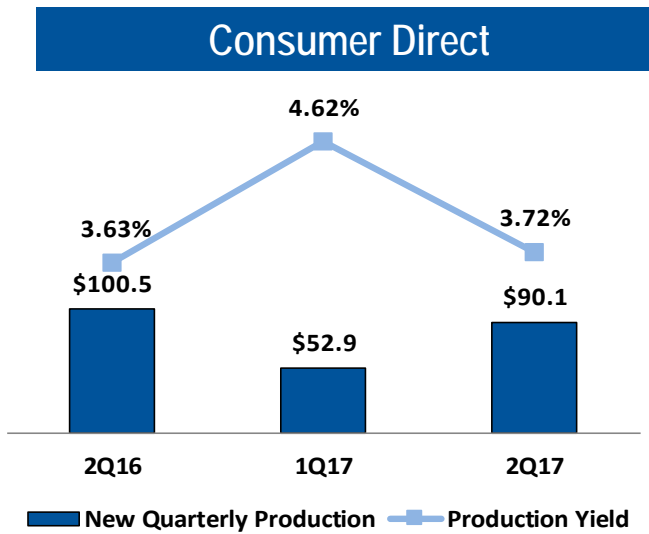
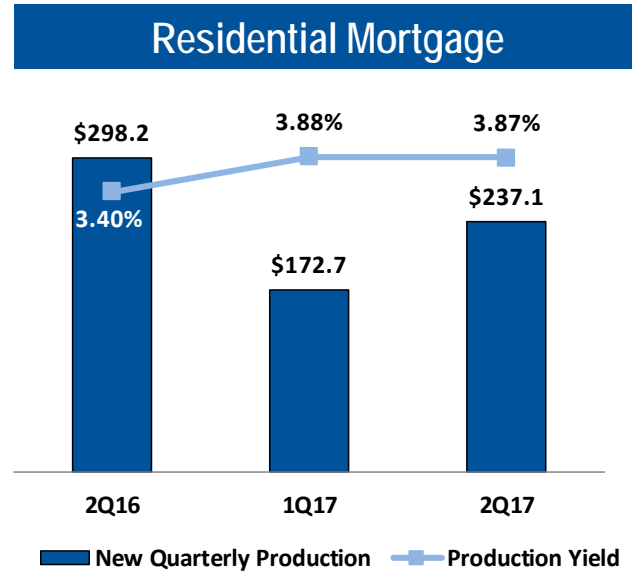
Loan Pipeline



\$ in millions

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

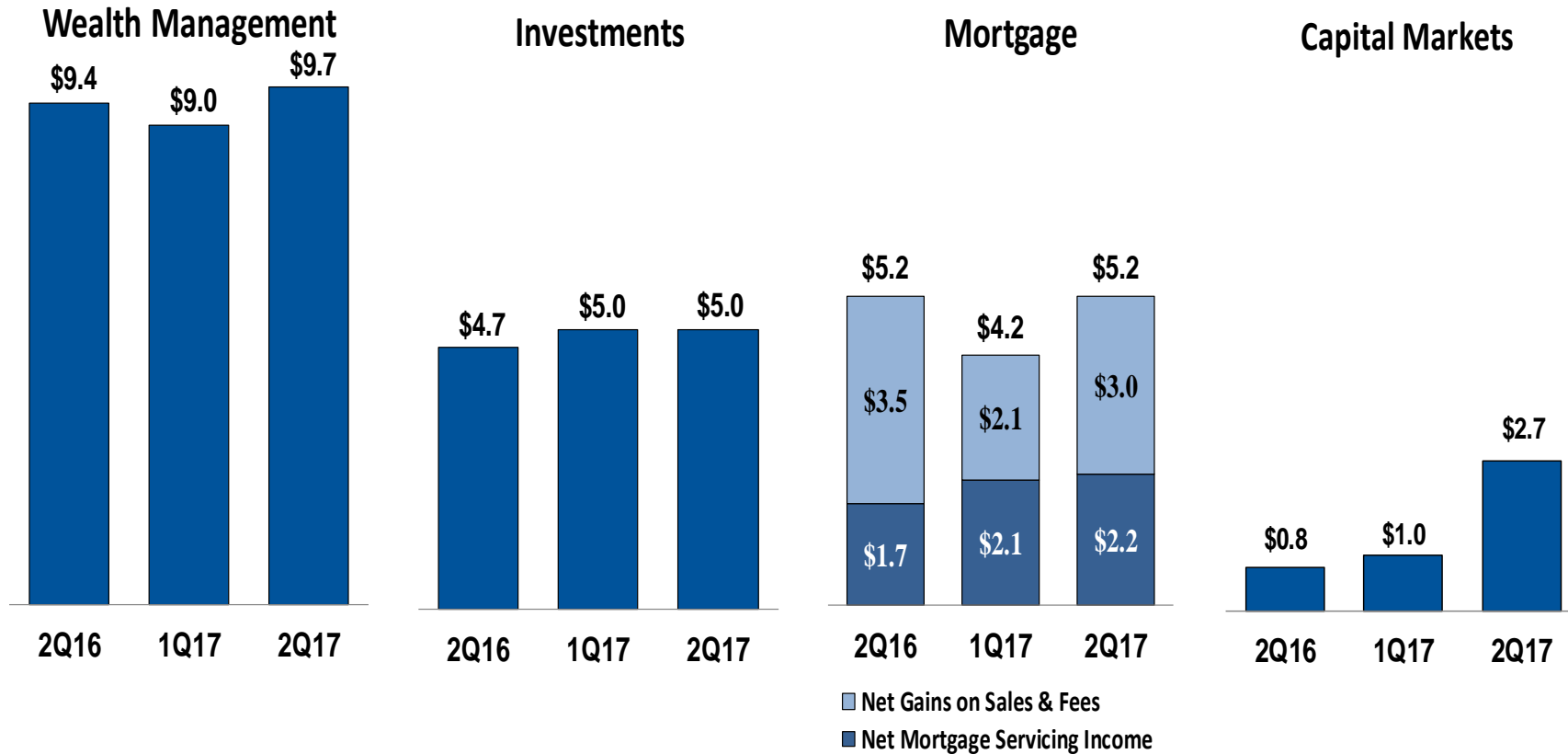
Loan Production & Yield Trends



\$ 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

Fee-Based Business Revenue



\$ in millions

Jim Ryan

Chief Financial Officer



Pre-Tax, Pre-Provision Income¹

	2Q16	1Q17	2Q17
Net Interest Income (FTE Basis)	\$104,607	\$111,489	\$109,976
Noninterest Income	93,385	42,920	49,271
Total Revenue (FTE Basis)	\$197,992	\$154,409	\$159,247
Noninterest Expense	(121,472)	(101,891)	(102,811)
Pre-Tax, Pre-Provision Income ¹	\$76,520	\$52,518	\$56,436
Gain on Sale of Insurance Subsidiary	(41,864)	-	-
Foundation Funding/Community Support	4,900	-	-
Branch Rationalization	1,108	1,360	563
Merger and Integration Charges	7,159	-	-
Severance	583	-	-
Adjusted Pre-Tax, Pre-Provision Income ¹	\$48,406	\$53,878	\$56,999



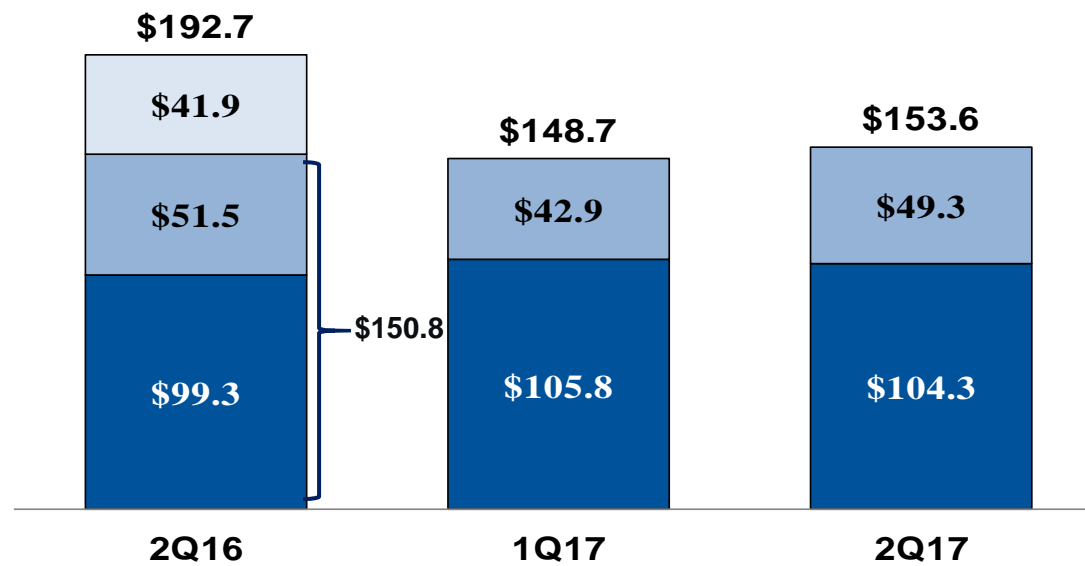
**3.1%
increase in
Total
Revenue
1Q17 to 2Q17**

17.8% increase
5.8% 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

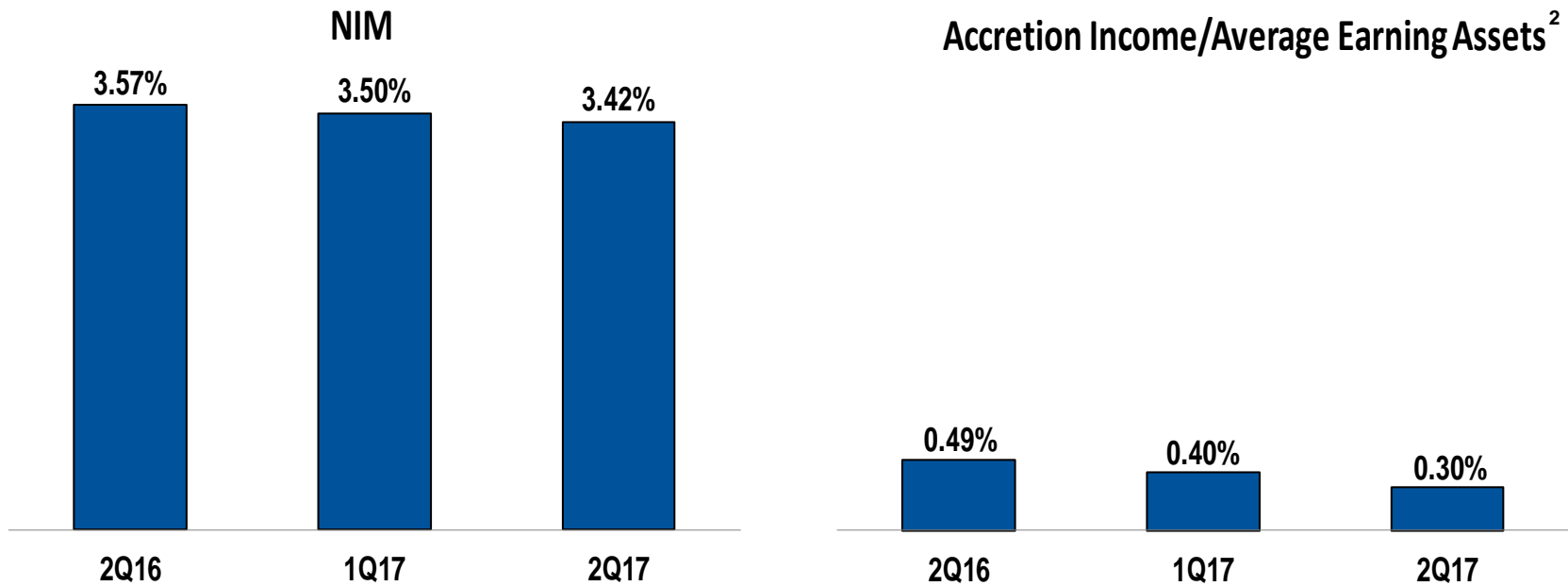
Total Revenue



- Gain on Sale of Insurance Business
- Fees, Service Charges, Security Gains & Other Rev.
- Net Interest Income

\$ in millions

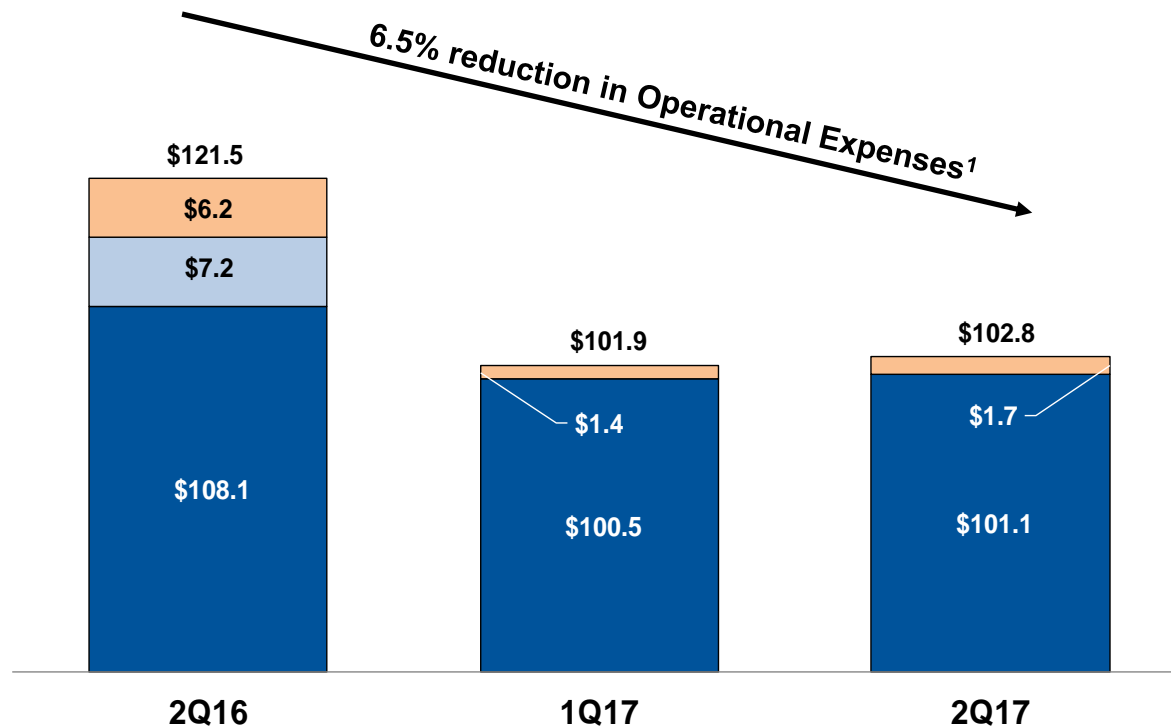
Net Interest Margin¹



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 Accretion income is interest income in excess of contractual interest income associated with acquired loans and is an important component of the Company's net interest margin

Noninterest Expense



- 2Q17 includes annual merit increases of approximately \$1.0 million

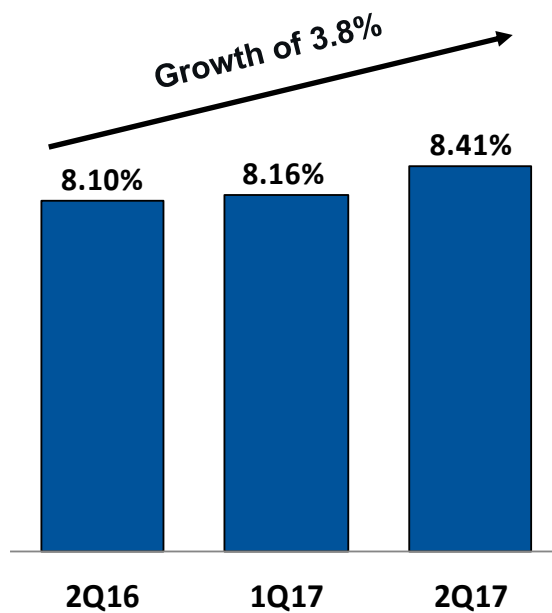
- Foundation/Community Support, Branch Consolidations, Severance and Client Experience Initiative Charges
- Merger/Integration Costs
- Operational Expenses

\$ in millions

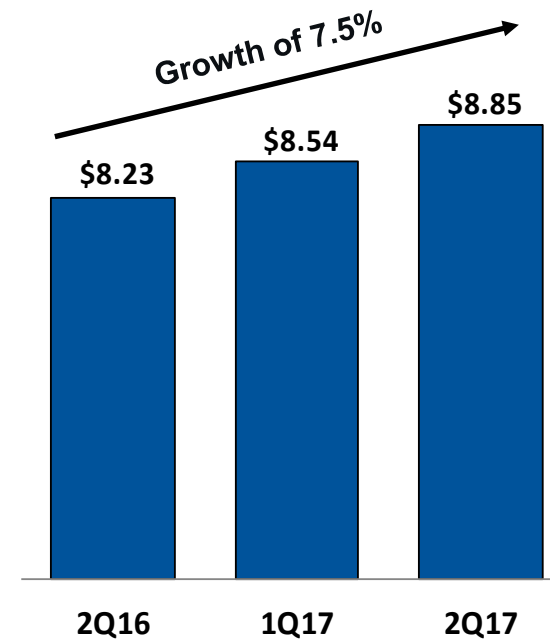
¹Operational expenses = total noninterest expense less Foundation/community support, merger/integration costs, branch consolidation charges, severance and client experience initiative charges. Operational expenses is a non-GAAP financial measure which Management believes is useful in evaluating the financial 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 22%
 - 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
- Additional tax credit projects could impact 2017 projections

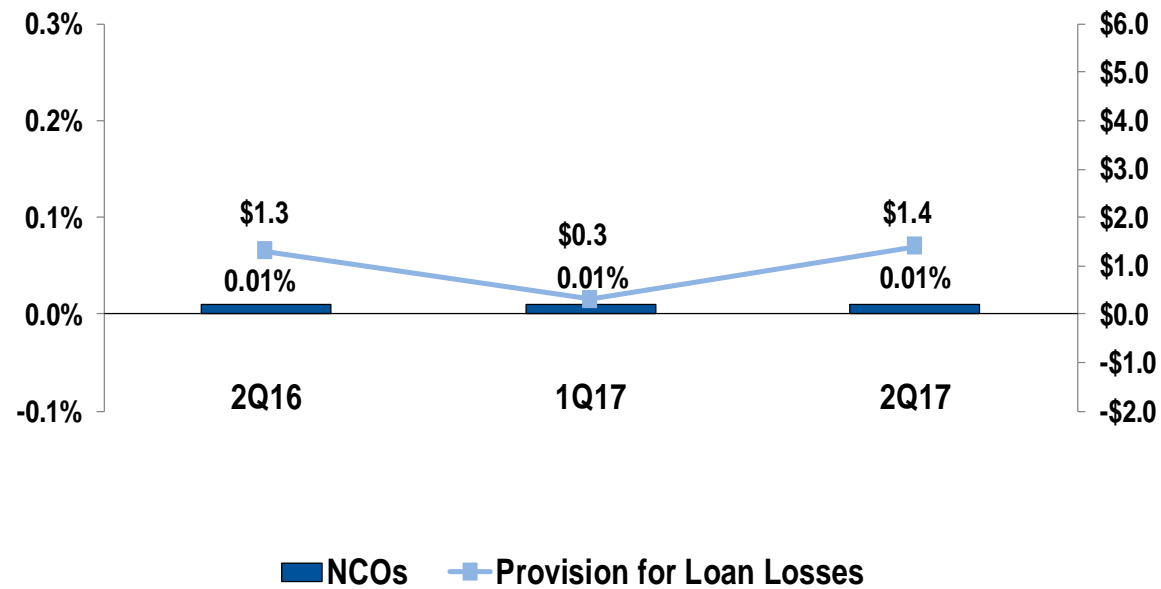
Daryl Moore

Chief Credit Executive



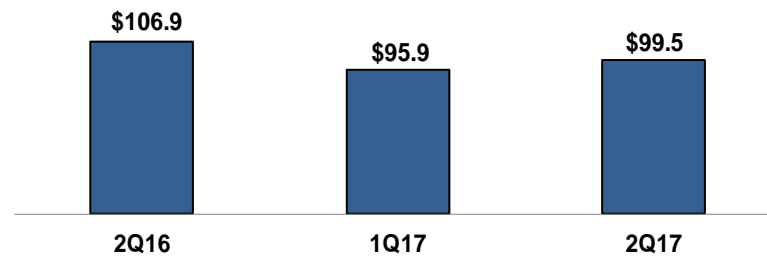
Net Charge-Offs / Provision

Net Charge-Offs / Provision

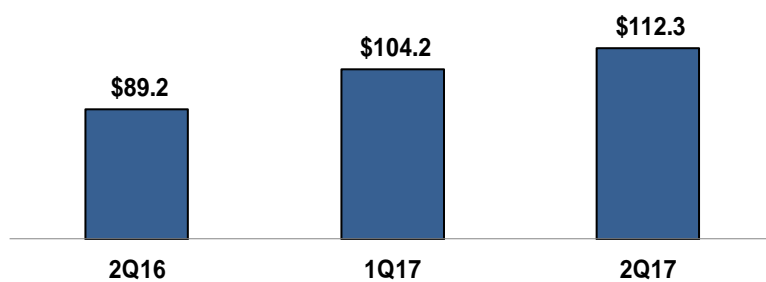


Credit Quality Trends

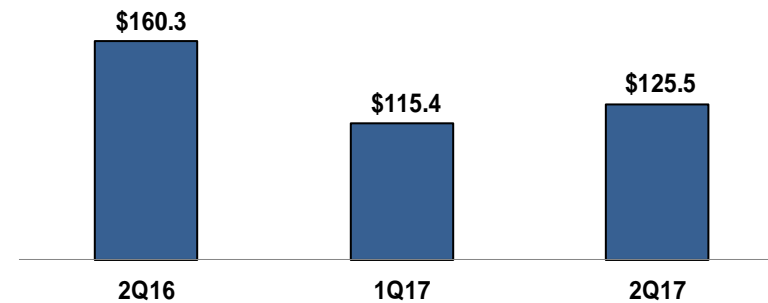
Special Mention Loans



Substandard Accruing Loans



Substandard Nonaccruing + Doubtful Loans



\$ in millions

Bob Jones

Chief Executive Officer



- Positive trends continue
- “One is the Loneliest Number”
- Tinder activity
- “New Kid in Town”

Thank You

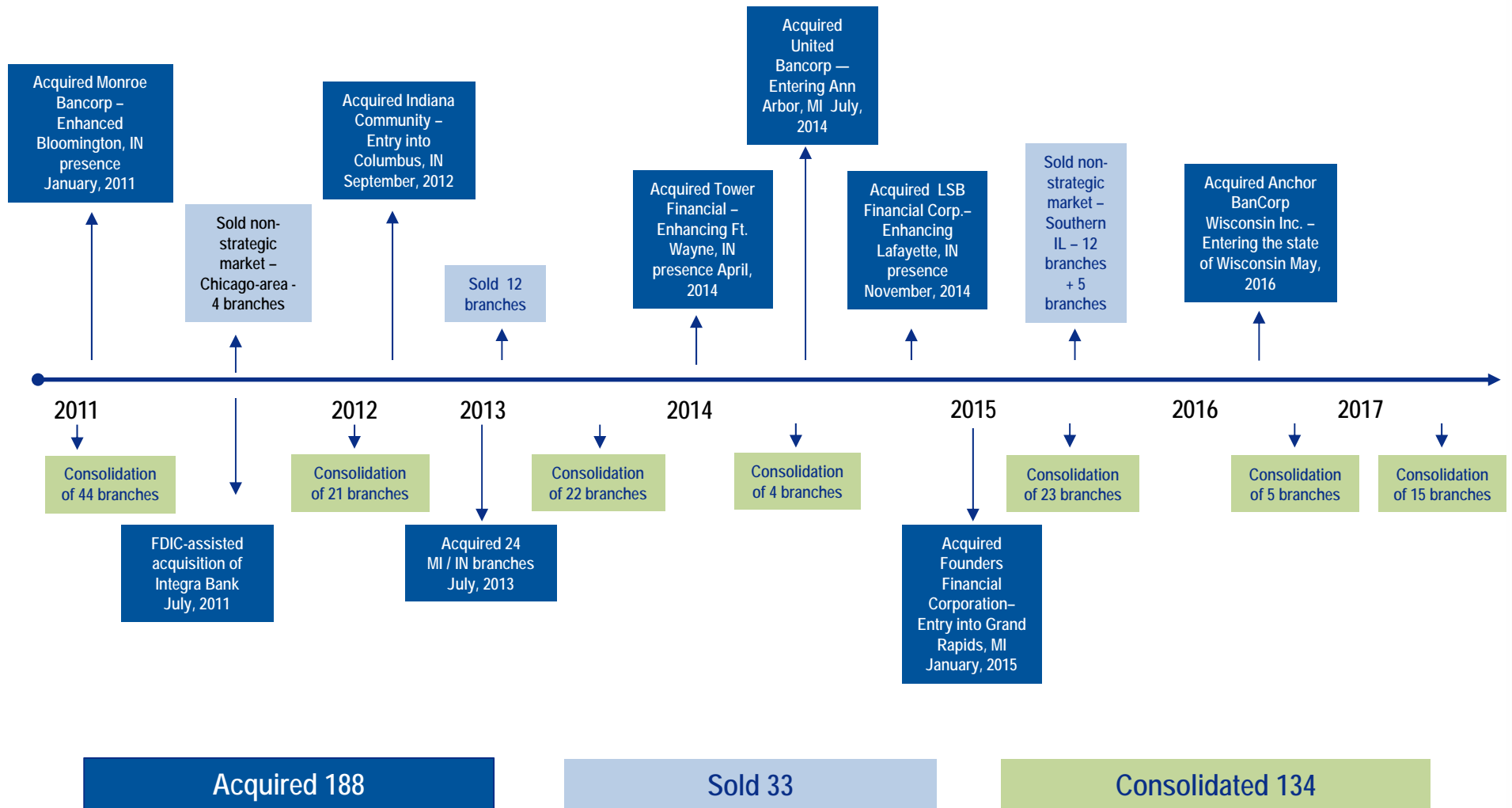
Q&A



Appendix

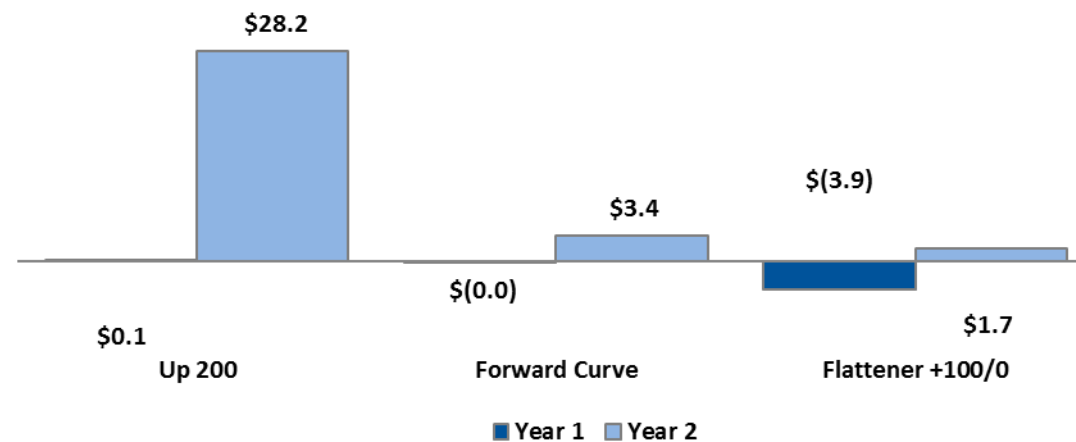


Transforming Old National's Landscape



Modeled Interest Rate Sensitivity

Projected Net Interest Income Differential vs Rates Unchanged



- Total non-maturity, interest-bearing accounts increase from 0.10% to 0.39% in the “Up 100 bps” scenario
- 19.01% of total non-interest bearing DDA are considered rate sensitive
- Investment portfolio duration of 4.25 at 6/30/17, down from 4.53 at 3/31/17.
- 48% of C&I and CRE loans repriced within one year
- 11% of loans have floors; less than 1% of these loans are currently below their floor rates

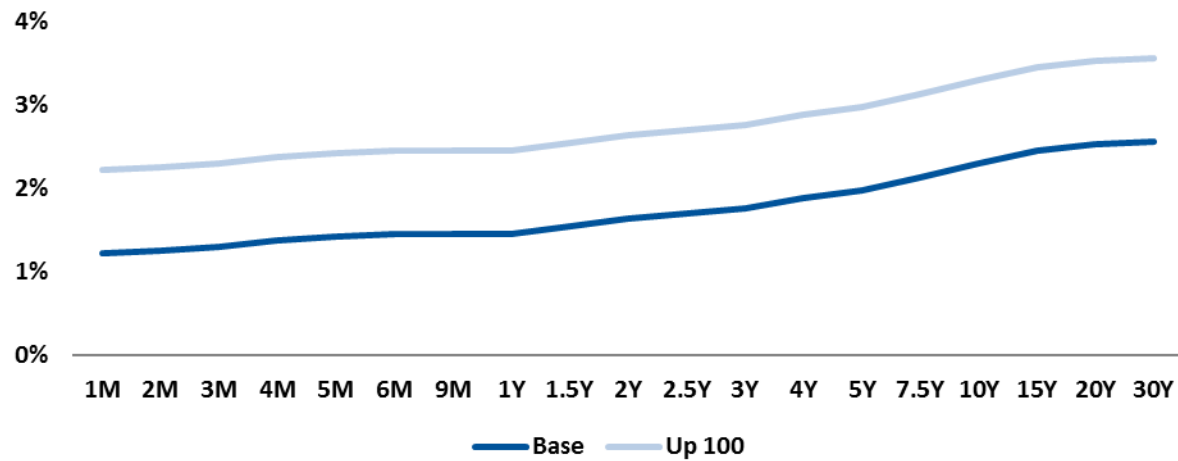
\$ in millions

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

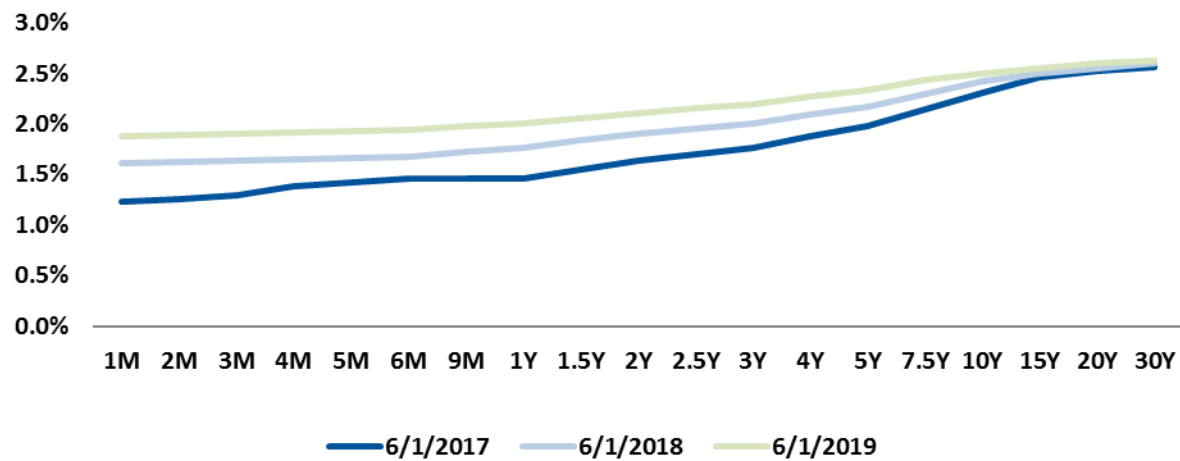
Refer to slide 27 for rate curves

Interest Rate Curves

Up 100 vs. Base



Forward Curves



Investment Portfolio

\$ in thousands	Effective Duration Mar 31, 2017	Effective Duration Jun 30, 2017	Book Value Mar 31, 2017	Book Value Jun 30, 2017
Money Market Investments ¹	0.01	0.01	\$24,460	\$22,117
Treasuries	1.58	3.12	11,966	5,470
Agencies	4.07	3.65	593,224	586,175
Pools	2.53	2.38	182,662	160,497
CMOs	3.88	3.57	1,323,524	1,321,453
Municipals	6.45	6.10	1,149,219	1,112,963
Corporates	3.26	3.31	144,689	148,093
ABS	1.01	0.98	165,214	159,380
Totals	4.50	4.25	\$3,594,958	\$3,516,148

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

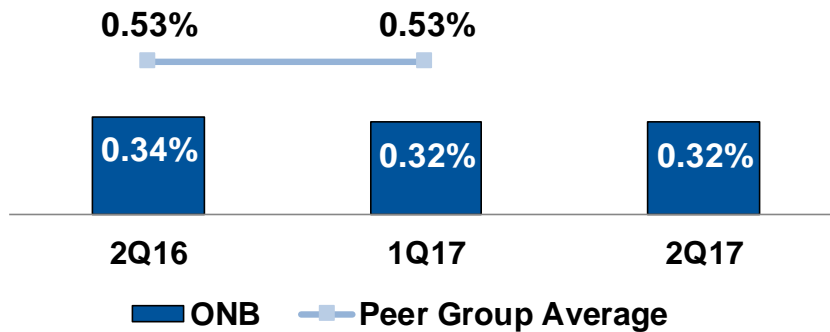
Auto Loan Portfolio

Auto Loan Portfolio - As of 6/30/2017		
Direct	\$61.2	5.2%
Indirect	\$1,120.1	94.8%
Total Auto	\$1,181.3	100.0%
New	\$463.6	39.2%
Used	\$717.7	60.8%
Total Auto	\$1,181.3	100.0%

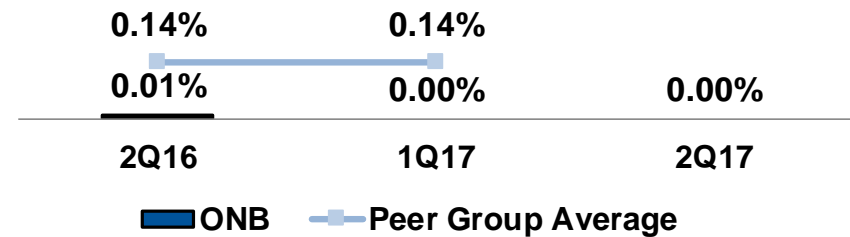
Loans are originated within the ONB footprint

- Total portfolio average original loan term of 70 months and weighted average FICO score of 765
- Total Portfolio yield of 2.90%
- 30+ Days Delinquency at 6/30/2017 is 0.37%

30+ Day Delinquent Loans¹



90+ Day Delinquent Loans¹



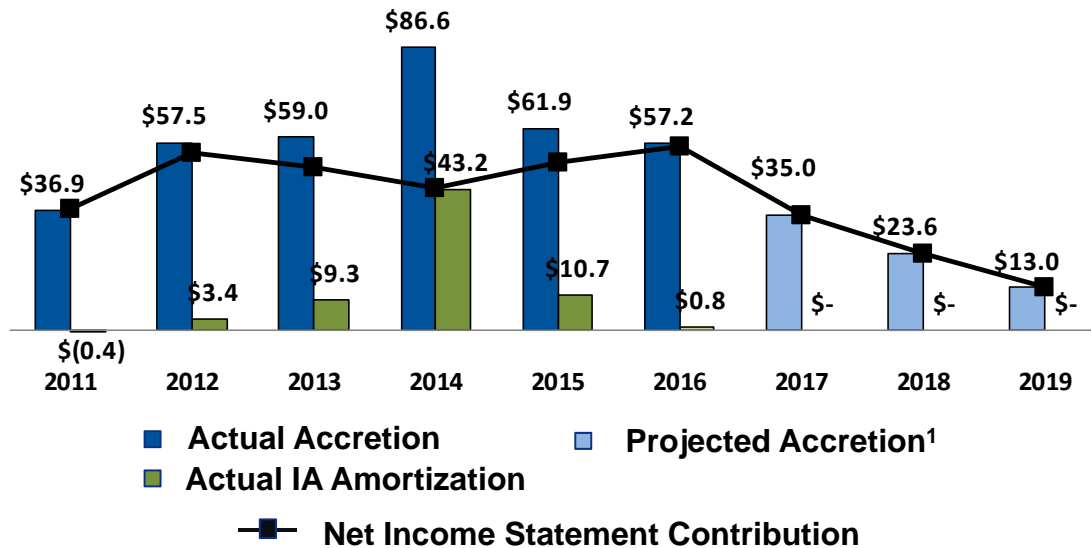
¹As a % of end of period total loans
Peer Group data per SNL Financial
See Appendix for definition of Peer Group

Projected Purchase Accounting Impact



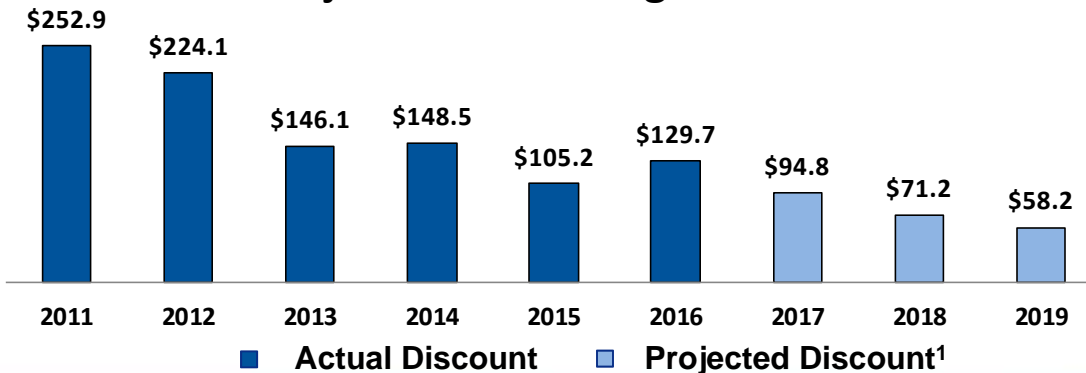
Manageable declines in purchase accounting impact expected in future periods

Projected Accretion Income



- Projections assume no prepayments
- \$107.6 million in remaining discount

Projected Remaining Discount

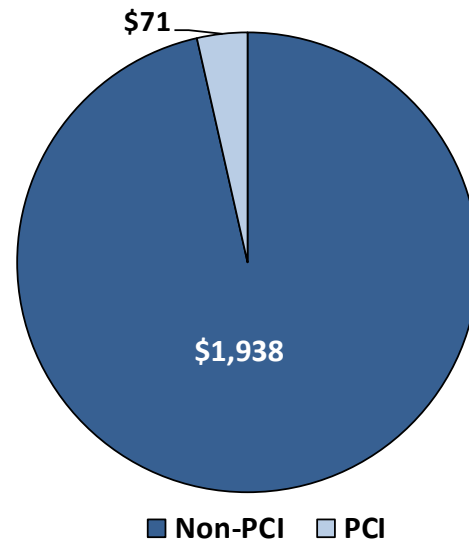


\$ in millions

¹ Updated quarterly – subject to change IA = Indemnification Asset

Acquired Loans

Acquired Loans Before Discount



PCI = Purchased Credit Impaired

Remaining Discount		
Non-PCI	4%	(\$79)
PCI	41%	(\$29)

Non-GAAP Reconciliations

end of period balances	2Q16	1Q17	2Q17
Total Shareholders' Equity	\$1,811.1	\$1,846.4	\$1,886.6
Deduct: Goodwill and Intangible Assets	(699.8)	(689.7)	(686.9)
Tangible Common Shareholders' Equity	\$1,111.4	\$1,156.7	\$1,199.7
Total Assets	\$14,420.3	\$14,869.6	\$14,957.3
Add: Trust Overdrafts	0.3	0.1	0.0
Deduct: Goodwill and Intangible Assets	(699.8)	(689.7)	(686.9)
Tangible Assets	\$13,720.8	\$14,180.1	\$14,270.4
Tangible Equity to Tangible Assets	8.10%	8.16%	8.41%
Tangible Common Equity to Tangible Assets	8.10%	8.16%	8.41%
Net Income	\$39.1	\$36.0	\$38.9
After-Tax Intangible Amortization	2.2	2.0	1.8
Tangible Net Income	\$41.3	\$38.0	\$40.7
ROTCE	14.87%	13.13%	13.56%

\$ in millions

Non-GAAP Reconciliations

end of period balances	2Q16	1Q17	2Q17
Total Shareholders' Equity	\$1,811.1	\$1,846.4	\$1,886.6
Deduct: Goodwill and Intangible Assets	(699.8)	(689.7)	(686.9)
Tangible Common Shareholders' Equity	\$1,111.4	\$1,156.7	\$1,199.7
Risk Weighted Assets	\$9,625.0	\$10,171.5	\$10,367.8
Tangible Common Equity to Risk Weighted Assets	11.55%	11.37%	11.57%

end of period balances	2Q16	1Q17	2Q17
Total Shareholders' Equity	\$1,811.1	\$1,846.4	\$1,886.6
Deduct: Goodwill and Intangible Assets	(699.8)	(689.7)	(686.9)
Tangible Common Shareholders' Equity	\$1,111.4	\$1,156.7	\$1,199.7
Common Shares Issued and Outstanding at Period End	135,005	135,435	135,516
Tangible Common Book Value	\$8.23	\$8.54	\$8.85

\$ in millions

Shares in thousands

Non-GAAP Reconciliations

	2Q16	1Q17	2Q17
Net Interest Income (\$ in 000's)	\$99,340	\$105,801	\$104,333
Taxable Equivalent Adjustment	5,267	5,688	5,643
Net Interest Income – Taxable Equivalent	\$104,607	\$111,489	\$109,976
Average Earning Assets	\$11,726,383	\$12,742,858	\$12,844,504
Net Interest Margin	3.39%	3.32%	3.25%
Net Interest Margin – Fully Taxable Equivalent	3.57%	3.50%	3.42%

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	TCF
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
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