

1st-Quarter 2019 Financial Review

April 22, 2019



Forward-Looking Statements; Non-GAAP; New Accounting Standards

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. 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 merger with Klein that 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:

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.

New Accounting Standards:

For the three months ended March 31, 2018, amounts reflect the reclassification of \$0.5 million of agency costs from data processing expense to investment product fee revenue as a result of the implementation of the revenue recognition accounting standard.

First-Quarter 2019 Key Performance Indicators

Earnings:

- Record net income increased 17% from a year ago to \$56.3mm, or \$0.32 per share
- Adjusted net income of \$57.3mm, or \$0.33 per share, excludes \$1.2mm in merger charges

Loans and Deposits²:

- Total loans decreased to \$12.1bn from \$12.3bn at December 31, 2018
- Record high commercial pipeline at \$2.0bn; production was \$424.1mm
- Loan outstandings impacted by higher payoffs in commercial and planned runoff in indirect
- Total deposits increased to \$14.4bn from \$14.3bn at December 31, 2018
 - Low cost of total deposits at 46 bps, up 6 bps from 4Q18, with a 18.2% deposit beta³ through the cycle

Operating Leverage and Expense Management:

- Positive adjusted operating leverage¹ of over 491 bps year-over-year
- 14.1% year-over-year increase in adjusted revenue¹
- 9.2% year-over-year increase in adjusted noninterest expense¹
- Adjusted efficiency ratio¹ of 59.51% improved 380 bps from the fourth quarter of 2018

Return Profile:

- Pre-provision net revenue return on average assets¹ was 1.49%
- Adjusted pre-provision net revenue return on average assets¹ was 1.52%

Capital Actions:

- 1.5 million shares repurchased at a weighted average price of \$16.45 per share

¹ Non-GAAP financial measure which Management believes is useful in evaluating the financial results of the Company – see Appendix for Non-GAAP reconciliation ² Based on end-of-period balances ³ Deposit beta defined as the increase in cost of interest bearing deposits divided by the increase in end of period fed funds target rate since 3Q15

First Quarter 2019 Results

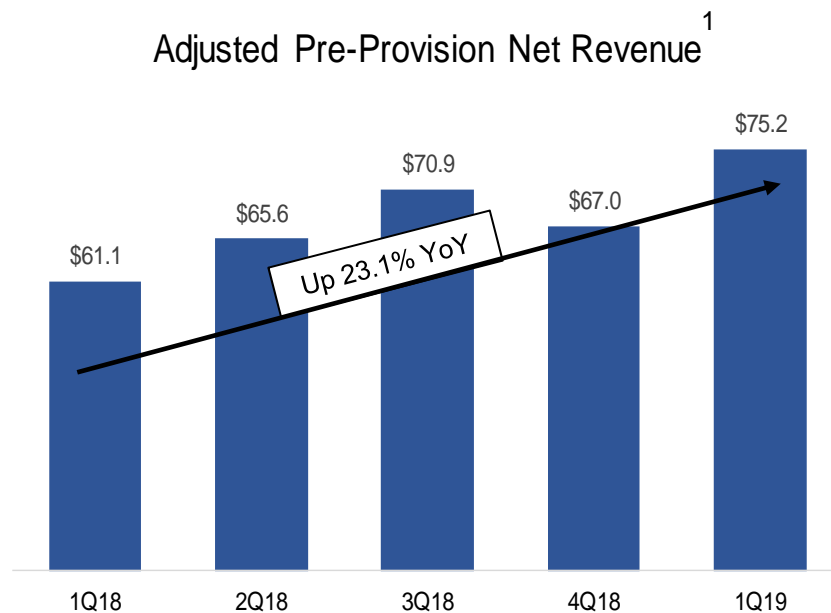
	1Q19	Change From	
		4Q18	1Q18
End of period total loans	\$ 12,083	(\$176)	\$827
End of period total deposits	14,429	79	1,641
Net interest income (FTE)	\$150.2	\$0.9	\$18.9
Provision for loan losses	1.0	(2.4)	0.6
Noninterest income	46.4	(11.8)	4.5
Noninterest expense ex. tax credit amort.	122.7	(26.5)	6.3
Amortization of tax credit investments	0.3	(0.8)	(0.4)
Income taxes (FTE)	16.3	10.0	8.6
Net income	\$56.3	\$8.8	\$8.3
Earnings per share	\$0.32	\$0.04	\$0.01
Adjusted earnings per share¹	\$0.33	\$0.01	(\$0.01)
Net charge-offs (recoveries)/avg loans	0.03%	1 bp	2 bps

Performance Drivers

- Net income increase of \$8.8 mm vs. 4Q18
- Credit metrics remain strong – net charge-offs of 0.03%
- Reported noninterest expense includes \$1.2mm in merger charges

\$ in millions, except per-share data ¹ Non-GAAP financial measure which Management believes is useful in evaluating the financial results of the Company – see Appendix for Non-GAAP reconciliation

Pre-Provision Net Revenue



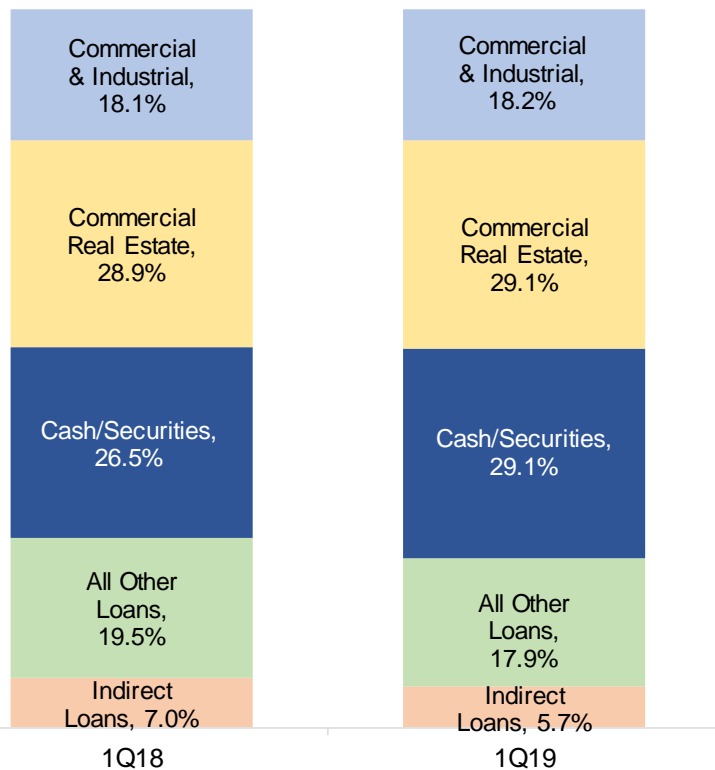
- Adjusted pre-provision net revenue¹ increased 23.1% Y/Y
- Improvement driven by successful execution of our stated strategy
 - Improved balance sheet mix
 - Low cost core deposit funding
 - Strong expense management

	1Q18	1Q19
Adjusted total revenue ¹	\$172.4	\$196.7
Adjusted noninterest expense ¹	\$111.3	\$121.5
Basis point change in adj. total revenue		1,407
Basis point change in adj. noninterest exp.		916
Operating leverage		491

- Positive operating leverage continues
 - 491 bps Y/Y improvement

\$ in millions ¹Non-GAAP financial measure which management believes is useful in evaluating the financial results of the Company – see Appendix for Non-GAAP reconciliation – includes the 4Q18 impact of the \$7.6mm in incentive compensation annual true-ups and benefit adjustments

Average Earning Asset Mix



Loans

- Loans: 71% of earning assets
- Total commercial loans: 47% of earning assets
- Indirect auto: 6% of earning assets, down 1.3% Y/Y

Securities

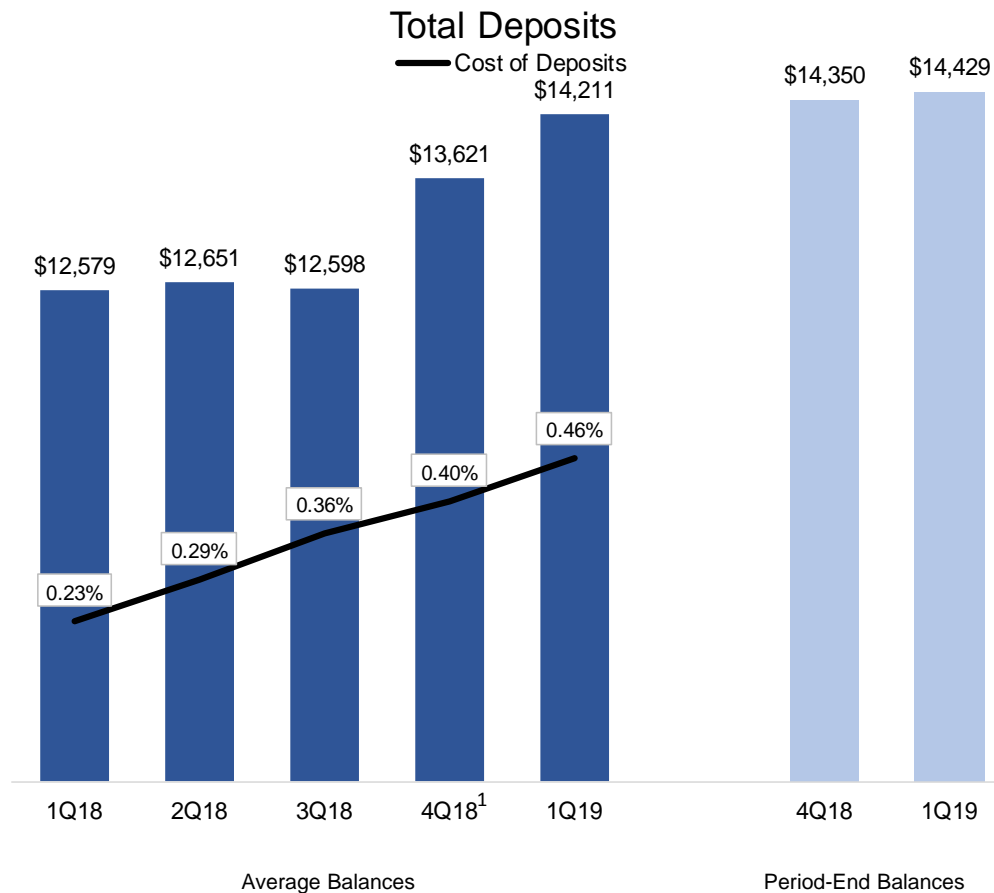
- Duration of 3.65 vs. 4.00 in 4Q18
- 1Q19 yield was 3.03%
- 1Q19 new money yield was 3.69%
- Estimated NTM cash flows of \$808.8mm
- Net unrealized pre-tax gain of \$13.1m¹
- Net unamortized premium of \$55.6mm

Asset yields

- Increased 2 bps from 4Q18, excluding accretion income
- Increased 60 bps through the current interest rate cycle², excluding accretion income

\$ in millions ¹ On the available-for-sale (AFS) portfolio ² Since 3Q15

Stable Funding Costs



18.2% deposit beta² through the current interest rate cycle

Total deposit costs of 46 bps

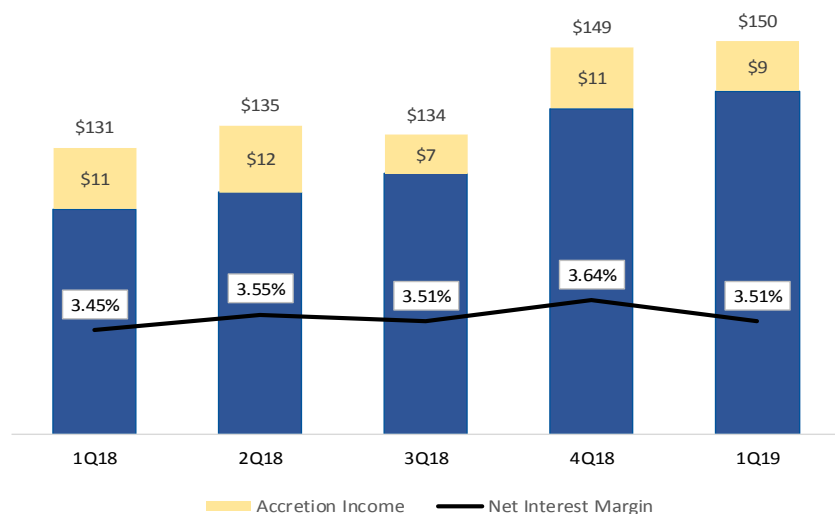
Total Interest-bearing deposit costs were 64 bps, up 8 bps from 4Q18

Low loan to deposit ratio of 83.7%

\$ in millions ¹ Reflects closing of Klein Partnership ² Deposit beta defined as the increase in cost of interest bearing deposits divided by the increase in end of period fed funds target rate since 3Q15

Net Interest Income & Net Interest Margin¹

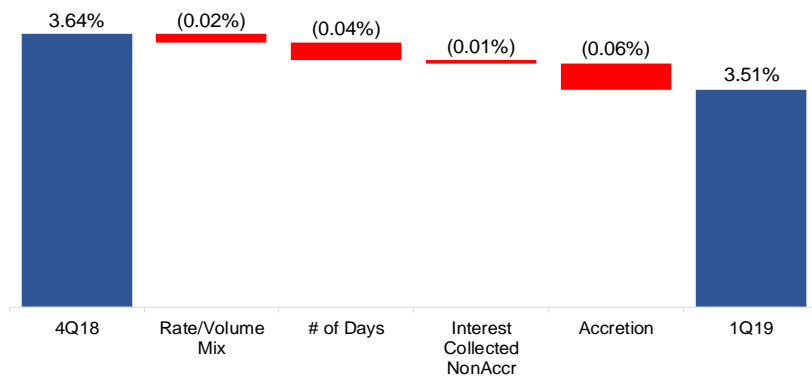
Net Interest Income



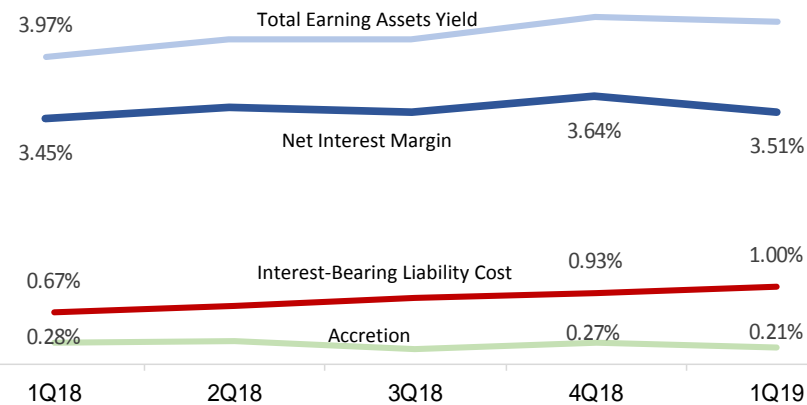
Key Performance Drivers

- NIM decreased 13 bps vs. 4Q18
 - - 6 bps accretion
 - - 4 change due to # of days
 - - 2 bps interest rate increase/volume/mix
 - - 1 bps interest collected on nonaccruals

Net Interest Margin



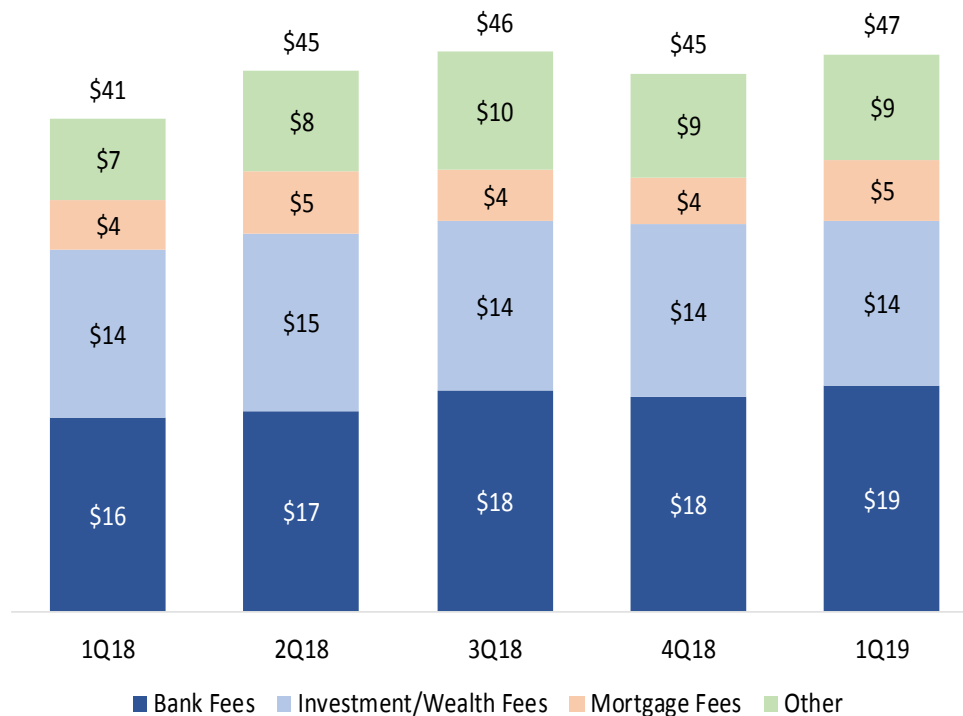
Net Interest Margin



\$ in millions ¹Tax 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

Noninterest Income

Adjusted Noninterest Income¹



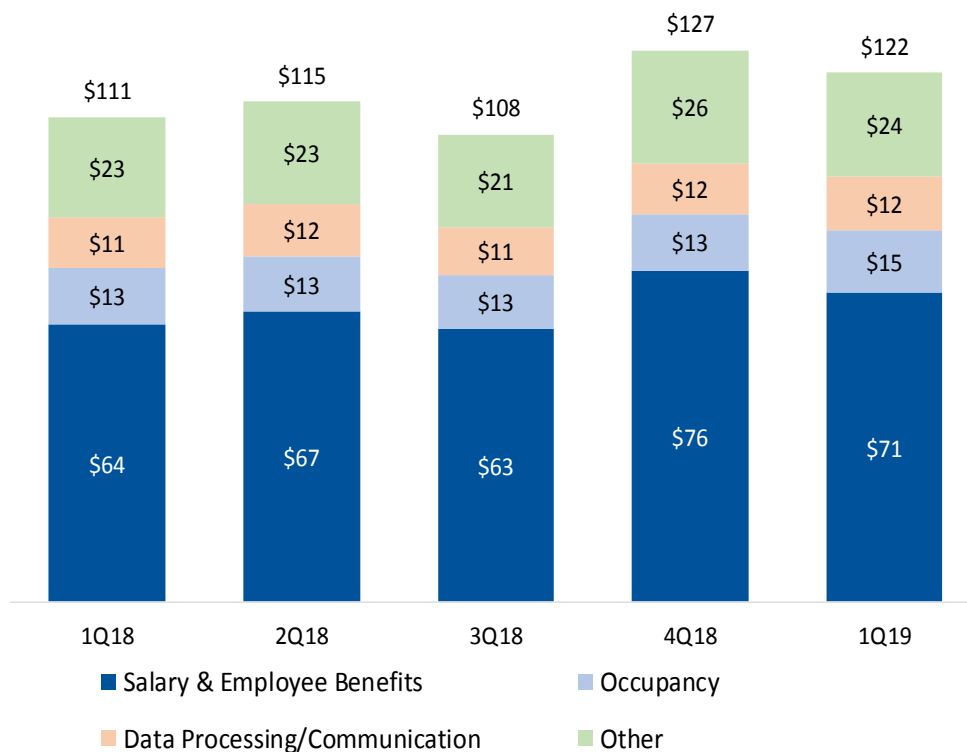
Key Performance Drivers

- Adjusted noninterest income¹
 - \$1.1mm increase in mortgage banking revenue
 - \$1.7mm increase in capital markets income
- Mortgage revenue
 - 1Q19 net gains on sales and fees was \$2.9mm and net servicing income was \$2.1mm
 - 1Q19 production was \$162.9mm
 - 77% purchase / 23% refi
 - 64% sold in secondary market

\$ in millions ¹Non-GAAP financial measure which management believes is useful in evaluating the financial results of the Company – see Appendix for Non-GAAP reconciliation Residential mortgage production includes quick home refinance product

Noninterest Expense

Adjusted Noninterest Expense¹

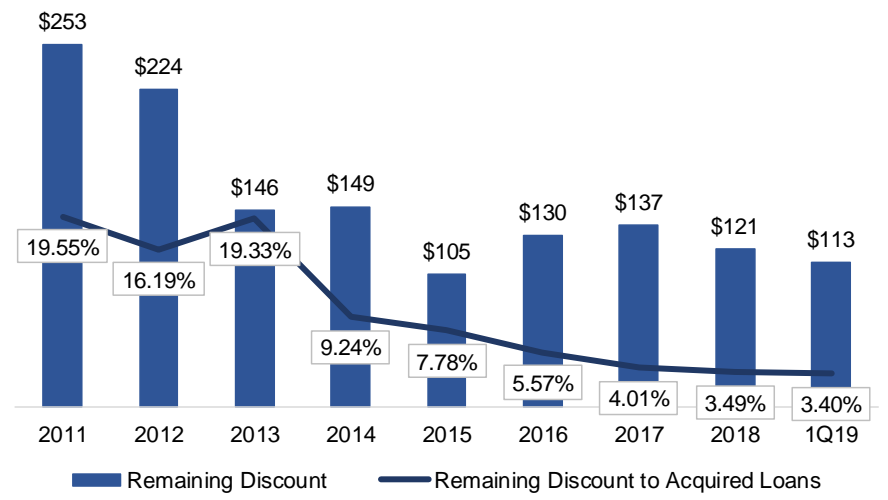
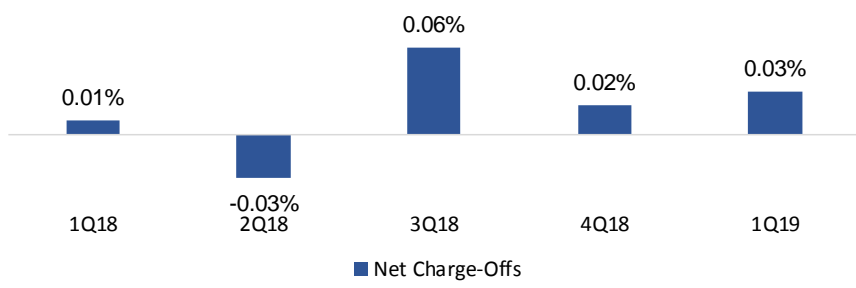
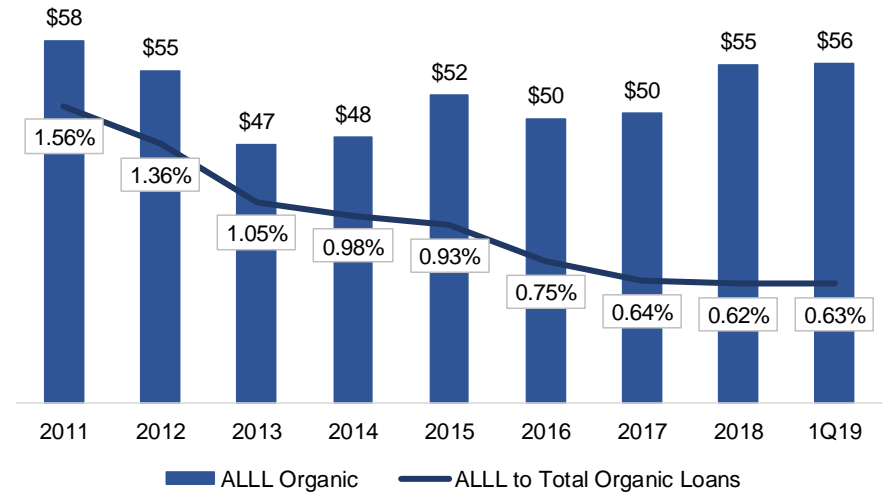
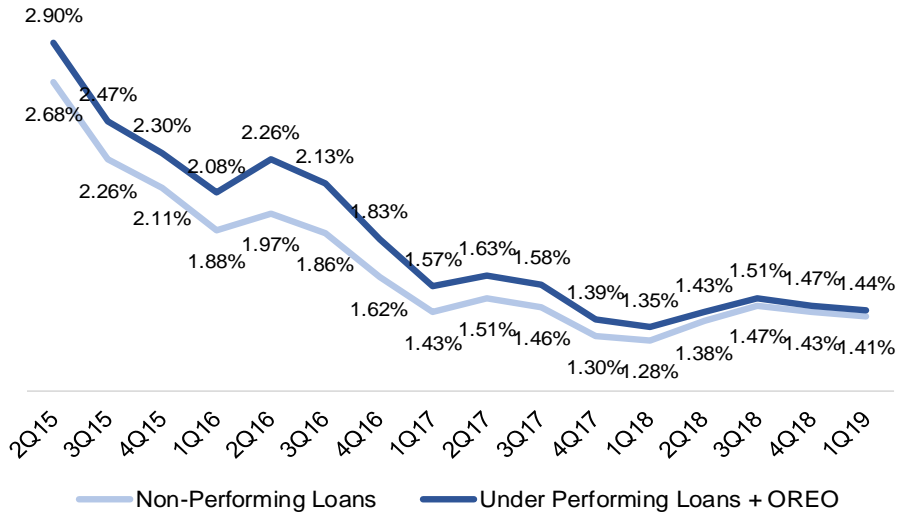


Key Performance Drivers

- Adjusted noninterest expense¹
 - Reflects ongoing focus on disciplined expense management
- Adjusted Efficiency Ratio¹ of 59.51%
 - 299 bps improvement from first quarter of 2018

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

Credit



\$ in millions

1Q19 Takeaways

Strong low-cost core deposit franchise

- Low 18.2% deposit beta¹ through the current interest rate cycle
- Low 1Q cost of total deposits at 46 bps; cost of interest bearing at 64 bps
- Loan to deposit ratio of 83.7% demonstrates ample balance sheet liquidity
- 57% retail deposits; 13% of total deposits with special pricing

Disciplined approach to risk and credit management

- Net charge-offs of just 0.03%
- Nonperforming loans of 1.41%
- Lower risk model with risk weighted assets/total assets at 70% vs. peers at 79%²

Strong commercial loan activity

- Record high pipeline at \$2.0bn

Improvement in adjusted operating leverage³

- Remain focused on generating revenue growth at rates above expense growth
- Efficiency ratio continues to improve; 491 bps operating leverage improvement vs 1Q18
- Benefits of franchise evolution and increased scale being realized

¹ Deposit beta defined as the increase in cost of interest-bearing deposits divided by the increase in end-of-period fed funds target rate since 3Q15 ² Peer group data per S&P Global Market Intelligence – See Appendix for definition of peer group – Peer group data as of December 31, 2018 ³Non-GAAP financial measure which Management believes is useful in evaluating the financial results of the Company – see Appendix for Non-GAAP reconciliation

Outlook for 2019

Driving shareholder value

- Expect commercial loan production to increase
- FTE NIM, excluding accretion income, should benefit from low-cost deposits and improving asset yields; yield curve dynamics remain challenging
- Noninterest income remain subject to normal seasonal patterns
- Noninterest expenses should follow normal seasonal trends in salaries (2Q annual merit); majority of Klein cost saves expected in 2H19
- Full-year 2019 tax rates expected to be ~24% FTE and ~21% GAAP; immaterial impact from tax credit business given fund structure
- Klein conversion completed April 2019; continued footprint consolidations

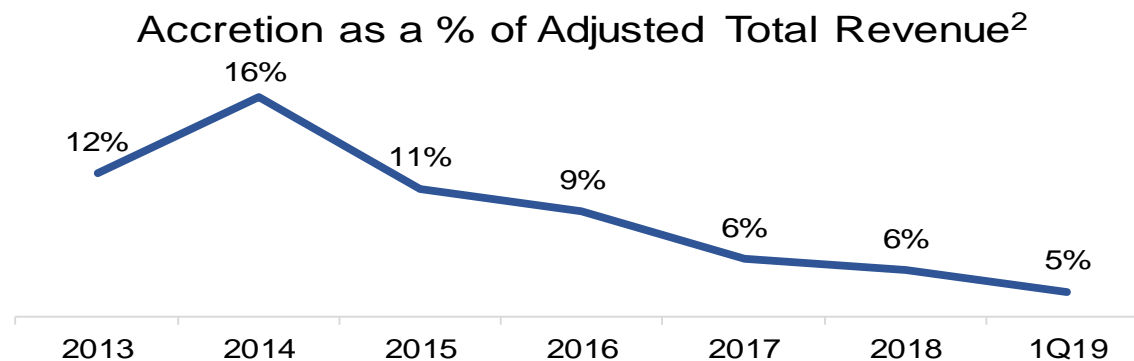
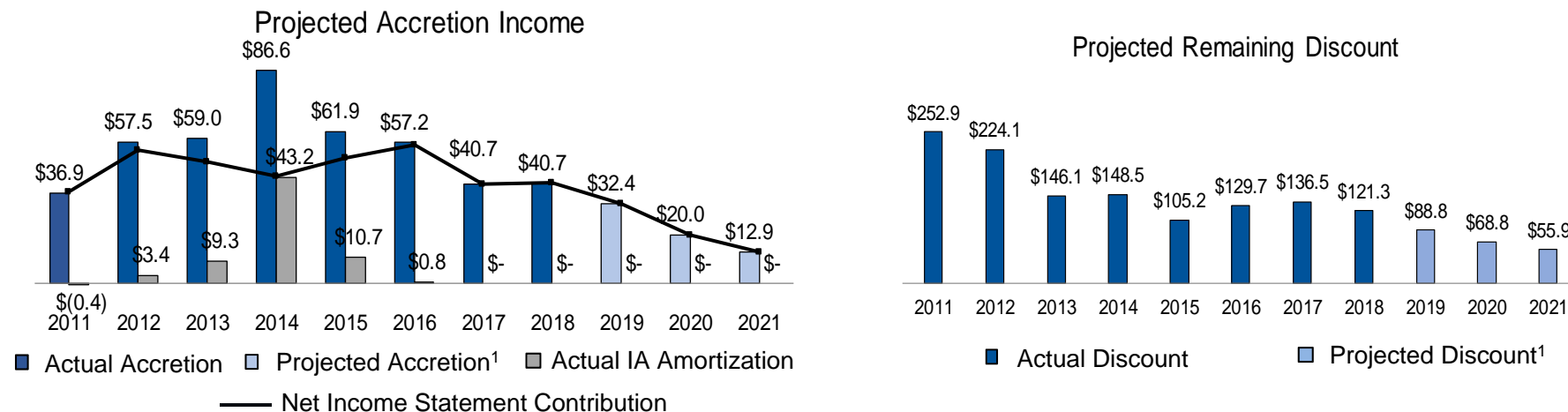
Category	1Q19 Adjusted Results ¹
Commercial Loan Production	Record pipeline of \$2.0bn; production of \$424.1mm
Net Interest Margin	FTE NIM was 3.51%, including 21 bps of accretion income
Noninterest Income	\$46.5mm, excluding debt securities gains ²
Noninterest Expense	\$121.5mm, excluding amortization of tax credit investments and merger charges ³
Tax Rate/Credits	FTE income tax rate was 22.5% with \$0.3m in tax credit amortization
M&A/Branch Actions	KFI converted April 2019 Client/associate retention as expected; cost saves remain on track

¹ Non-GAAP financial measure which Management believes is useful in evaluating the financial results of the Company – see Appendix for Non-GAAP reconciliation ² Other gains related to branch actions ³ Excludes charges relate to branch actions, mergers, and severance

Appendix

Projected Purchase Accounting Impact

Manageable declines in purchase accounting impact expected in future periods



\$ in millions ¹ Projections are updated quarterly, assume no prepayments and are subject to change IA = Indemnification Asset ² Non-GAAP financial measure which Management believes is useful in evaluating the financial results of the Company – see Appendix for Non-GAAP reconciliation

Non-GAAP Reconciliations

	1Q18	4Q18	1Q19
As Reported:			
Net Interest Income (FTE)	\$131.3	\$149.3	\$150.2
Add: Fee Income	41.9	58.2	46.4
Total Revenue (FTE)	\$173.2	\$207.5	\$196.6
Less: Provision	(0.4)	(3.4)	(1.0)
Less: Noninterest Expense	(117.1)	(150.3)	(123.0)
Pre-Tax Income	\$55.7	\$53.8	\$72.6
Less: Income Taxes (FTE)	7.7	6.3	16.3
Net Income	\$48.0	\$47.5	\$56.3
Earnings Per Share	\$0.31	\$0.28	\$0.32
Adjustments:			
Less: Debt Securities Gains/Losses	(\$0.8)	\$0.4	\$0.1
Add: M&A Charges	2.3	14.8	1.2
Add: Branch Action Charges (Net of Gain)	2.8	(14.0)	-
Add: Foundation Funding	-	7.5	-
Net Total Adjustments	\$4.3	\$8.7	\$1.3
Tax Effect on Net Total Adjustments	1.1	2.1	0.3
After-Tax Net Total Adjustments	\$3.2	\$6.6	\$1.0
Adjusted Net Income	\$51.2	\$54.1	\$57.3
Adjusted Earnings Per Share	\$0.34	\$0.32	\$0.33

\$ in millions, except per share data

Non-GAAP Reconciliations

	1Q18	2Q18	3Q18	4Q18	1Q19
As Reported:					
Net Interest Income (FTE)	\$131.3	\$134.8	\$133.6	\$149.3	\$150.2
Add: Fee Income	41.9	49.3	46.0	58.2	46.4
Total Revenue (FTE)	\$173.2	\$184.1	\$179.6	\$207.5	\$196.6
Less: Noninterest Expense	117.1	130.5	119.4	150.3	123.0
Pre-Provision Net Revenue (PPNR)	\$56.1	\$53.6	\$60.2	\$57.2	\$73.6
Revenue Adjustments:					
Less: Debt Securities Gains/Losses	(\$0.8)	(\$1.5)	(\$0.1)	\$0.4	\$0.1
Less: Gain on Sale of Student Loans	-	(2.2)	-	-	-
Less: Gain on Branch Actions	-	(0.3)	(0.2)	(14.0)	-
Adjusted Total Revenue	\$172.4	\$180.1	\$179.3	\$193.9	\$196.7
Expense Adjustments:					
Less: M&A Charges	(\$2.3)	(\$2.5)	(\$1.7)	(\$14.8)	(\$1.2)
Less: Branch Action Charges	(2.8)	(1.2)	(0.1)	-	-
Less: Severance	-	(0.4)	-	-	-
Less: Foundation Funding	-	-	-	(7.5)	-
Less: Amortization of Tax Credit Investments	(0.7)	(11.9)	(9.2)	(1.1)	(0.3)
Adjusted Noninterest Expense	\$111.3	\$114.5	\$108.4	\$126.9	\$121.5
Adjusted Pre-Provision Net Revenue (PPNR)	\$61.1	\$65.6	\$70.9	\$67.0	\$75.2
Average assets	\$17,443.9	\$17,417.7	\$17,433.6	\$18,853.5	\$19,808.3
Pre-Provision Net Revenue to Average Assets	1.29%	1.23%	1.38%	1.21%	1.49%
Adjusted Pre-Provision Net Revenue to Average Assets	1.40%	1.51%	1.62%	1.42%	1.52%
Accretion Income	\$11.0	\$11.5	\$7.3	\$11.3	\$8.9
Accretion Income as a % of Total Revenue	6.3%	6.2%	4.1%	5.4%	4.5%
Accretion Income as a % of Adjusted Total Revenue	6.4%	6.4%	4.1%	5.8%	4.5%

\$ in millions

Non-GAAP Reconciliations

	1Q18	1Q19
Noninterest Expense As Reported	\$117.1	\$123.0
Less: Merger and Integration Charges	(2.3)	(\$1.2)
Less: Branch Action Charges, Severance, Foundation Funding and Client Experience Initiative Charges	(2.8)	-
Noninterest Expense less Charges	\$112.0	\$121.8
Less: Amortization of Tax Credit Investments	(0.7)	(\$0.3)
Adjusted Noninterest Expense	\$111.3	\$121.5
Less: Intangible Amortization	(3.6)	(\$4.5)
Adjusted Noninterest Expense Less Intangible Amortization	\$107.7	\$117.0
Net Interest Income As Reported	\$128.5	\$147.0
Add: FTE Adjustment	2.8	\$3.2
Net Interest Income (FTE)	\$131.3	\$150.2
Noninterest Income As Reported	\$41.9	\$46.4
Total Revenue (FTE)	\$173.2	\$196.6
Less: Debt Securities Gains/Losses	(0.8)	\$0.1
Adjusted Total Revenue (FTE)	\$172.4	\$196.7
Reported Efficiency Ratio	65.84%	60.26%
Adjusted Efficiency Ratio	62.50%	59.51%
Operating Leverage¹ (basis points)		848
Adjusted Operating Leverage² (basis points)		491

\$ in millions ¹ Year-over-year basis point change in noninterest expense plus change in total revenue ² Year-over-year basis point change in adjusted noninterest expense plus change in adjusted total revenue

Non-GAAP Reconciliations

	1Q18	4Q18	1Q19
Net Interest Income As Reported	\$128.5	\$146.2	\$147.0
FTE Adjustment	2.8	3.1	3.2
Net Interest Income (FTE)	131.3	149.3	150.2
Average Earning Assets	\$15,205.9	\$16,398.3	\$17,143.6
Net Interest Margin	3.38%	3.57%	3.43%
Net Interest Margin (FTE)	3.45%	3.64%	3.51%

	1Q18	2Q18	3Q18	4Q18	1Q19
Noninterest Income As Reported	\$41.9	\$49.3	\$46.0	\$58.2	\$46.4
Less: Securities Gains/Losses	(0.8)	(1.5)	(0.1)	0.4	0.1
Less: Gain on Sale of Student Loans	-	(2.2)	-	-	-
Less: Gain on Branch Actions	-	(0.3)	(0.2)	(14.0)	-
Adjusted Noninterest Income	\$41.1	\$45.3	\$45.7	\$44.6	\$46.5

	4Q18	1Q19
Shareholders' Equity As Reported	\$2,689.6	\$2,751.9
Less: Goodwill and Intangible Assets	(1,113.3)	(1,108.8)
Tangible Common Shareholders' Equity	\$1,576.3	\$1,643.1
Common Shares Issued and Outstanding at Period End	175.1	174.0
Tangible Common Book Value	\$9.00	\$9.44

\$ in millions, except per-share data

Peer Group

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

Associated Banc-Corp	ASB
BancorpSouth Bank	BXS
Bank of Hawaii Corporation	BOH
Bank OZK	OZK
Chemical Financial Corporation	CHFC
Commerce Bancshares, Inc.	CBSH
Cullen/Frost Bankers, Inc.	CFR
F.N.B. Corporation	FNB
First Midwest Bancorp, Inc.	FMBI
Fulton Financial Corporation	FULT
Great Western Bancorp, Inc.	GWB
Hancock Whitney Corporation	HWC
IBERIABANK Corporation	IBKC
International Bancshares Corporation	IBOC
Prosperity Bancshares, Inc.	PB
TCF Financial Corporation	TCF
Trustmark Corporation	TRMK
UMB Financial Corporation	UMBF
United Bankshares, Inc.	UBSI
Valley National Bancorp	VLY
Western Alliance Bancorporation	WAL
Wintrust Financial Corporation	WTFC