
3rd Quarter 2020 Financial Review

October 19, 2020

Forward-Looking Statements; Non-GAAP

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, such as statements about the potential impacts of the COVID-19 pandemic. 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: the severity, magnitude and duration of the COVID-19 pandemic, including impacts of the pandemic and of businesses' and governments' responses to the pandemic on our operations and personnel, and on commercial activity and demand across our and our customers' businesses; market, economic, operational, liquidity, credit and interest rate risks associated with Old National's business (including developments and volatility arising from the COVID-19 pandemic); 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 anticipated impact from the ONB Way strategic plan that may differ from current estimates; 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, including the impact of the CECL standard as well as changes to address the impact of COVID-19; 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.

3rd Quarter Highlights

EPS / Net Income	Adj. EPS/Net Income¹	Adj PPNR¹
\$0.47/ \$77.9mm	\$0.46/ \$76.4mm	\$94.6mm +3.4% YoY
Adj. ROATCE¹	Adj. Oper. Leverage¹	Adj. Eff. Ratio¹
17.54%	+298 bps	53.1%

Performance Drivers

- End of period **commercial loans** \$255mm **increase** +10.5% annualized due to strong production
- End of period **core deposits** \$281.1mm **increase** driven by noninterest-bearing deposit growth
- **Provision** for credit losses \$0.0mm; **net recoveries** of \$3.0mm
- Adj. **noninterest income**¹ \$1.7mm **increase** due to service charges on deposits and mortgage
- Adj. **noninterest expense**¹ \$0.8mm **decrease** due to achieved ONB Way efficiencies

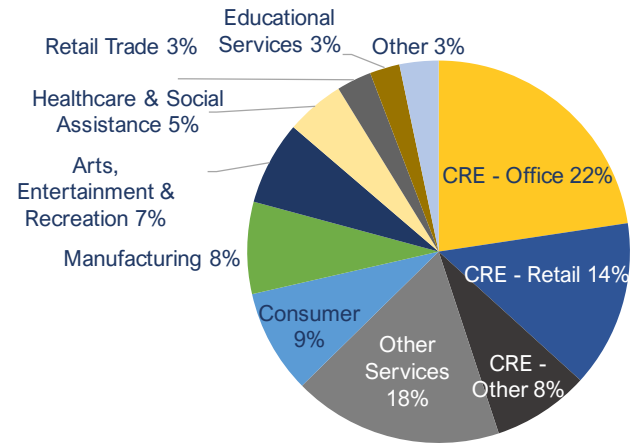
¹ Non-GAAP financial measure which Management believes is useful in evaluating the financial results of the Company – see Appendix for Non-GAAP reconciliation

Client Relief Programs

Deferrals

Ever Deferred	Ever % of Portfolio ¹	Active Deferrals	Active % of Portfolio ¹
\$1,304	10%	\$138	1%

Deferrals by Industry/CRE Collateral

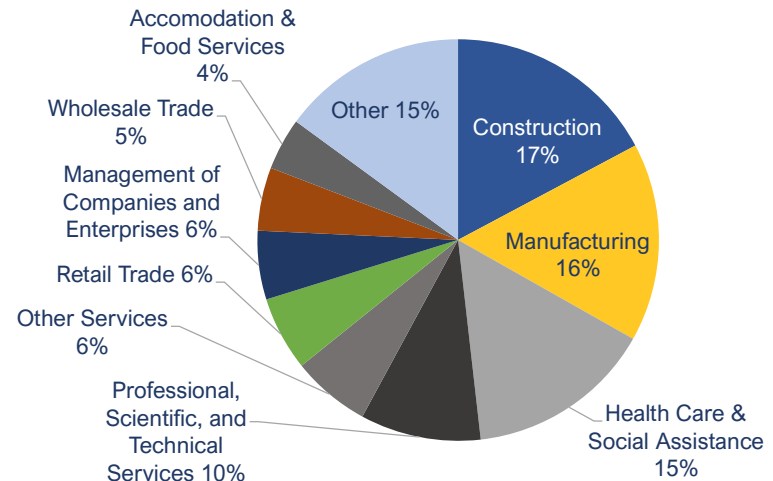


Paycheck Protection Program (PPP)

#	Balance	Remaining Fees
9,788	\$1,517	\$37.8

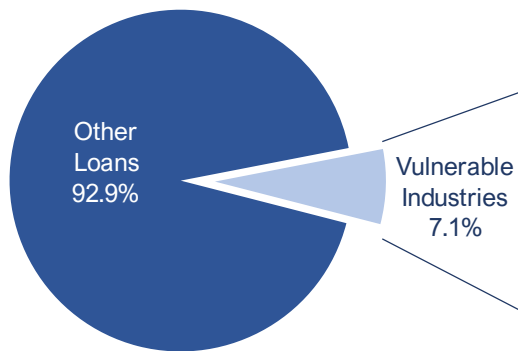
- 5,624 loans <= \$50,000 ~\$109mm
- 2,355 loans ~\$486mm have been submitted to the SBA for forgiveness²

PPP by Industry



\$ in millions Data as of 9/30/2020 ¹ Excludes PPP loans ² Data of 10/15/2020

Credit Quality

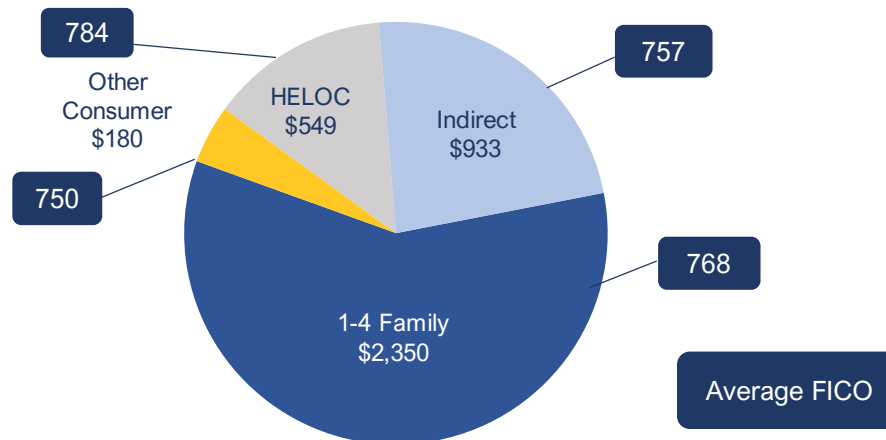


Excludes PPP Loans

Vulnerable Industries

Industry	Balance	% of	
		Total Loans	Exposure
CRE - Senior Housing	\$285	2.3%	\$325
Restaurants	\$211	1.7%	\$230
Arts/Entertainment	\$142	1.1%	\$176
C&I - Retail	\$109	0.9%	\$253
Hotels	\$83	0.7%	\$85
Oil/Gas	\$54	0.4%	\$128
Total	\$884	7.1%	\$1,197

Consumer Portfolio¹

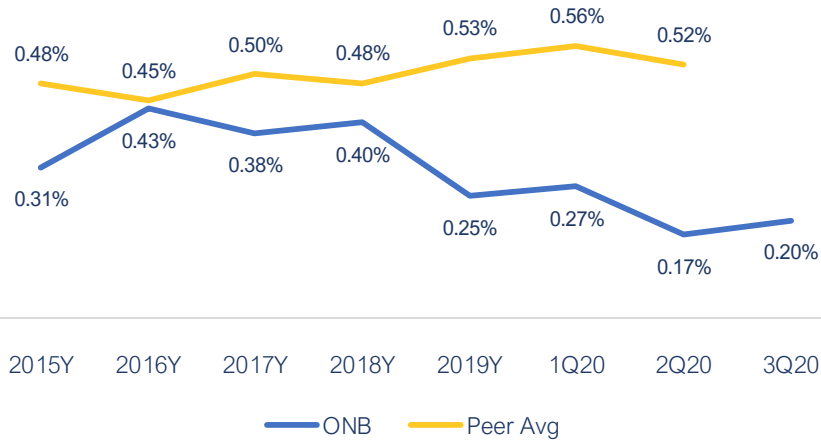


2.2% of total consumer loans are subprime (FICO < 660)

¹ Includes loans held for sale \$ in millions Data as of 9/30/2020

Credit

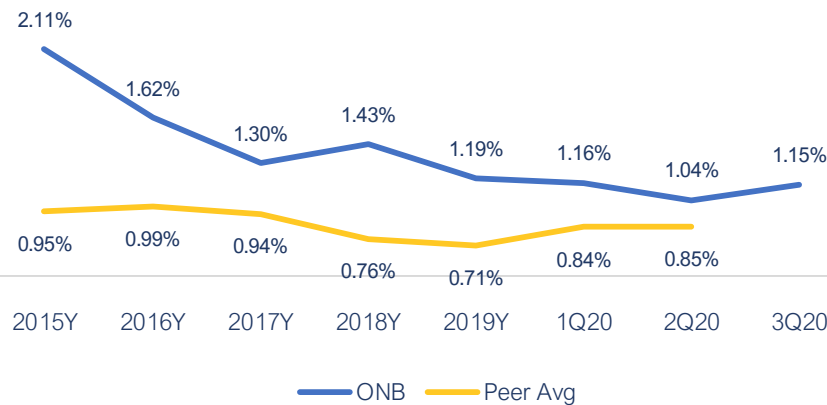
30+ Day Delinquency



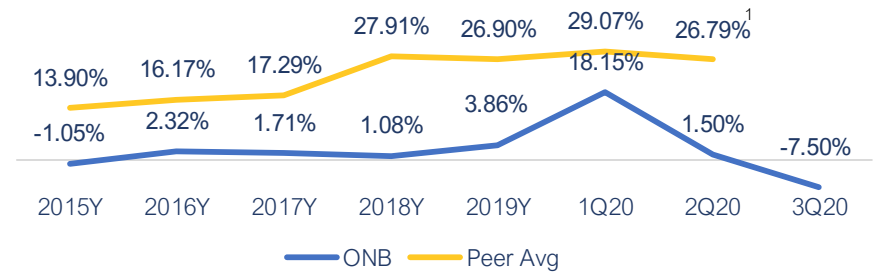
Net Charge-offs



Non-Performing Loans

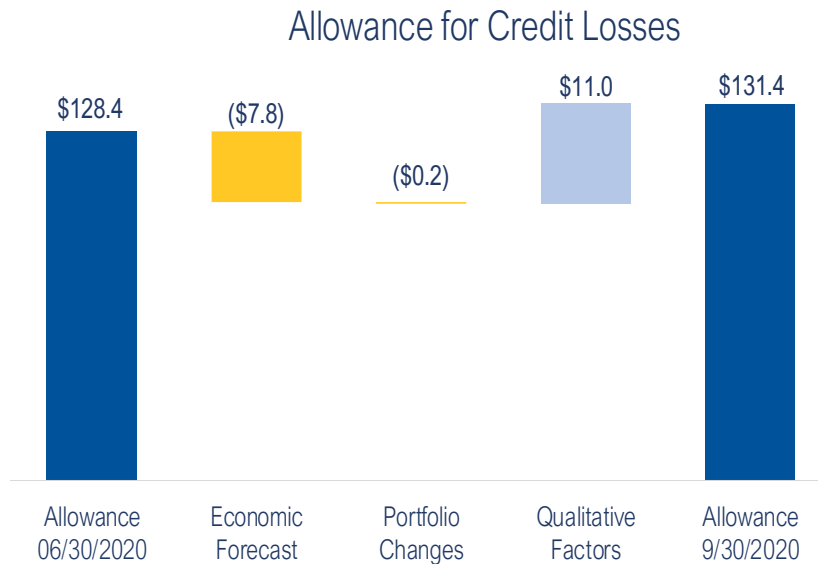


Net Charge-offs / NPL's



Peer Group data per S&P Global Market Intelligence as of 6/30/2020- See Appendix for definition of Peer Group
¹ 2Q20 excludes Hancock Whitney

Allowance for Credit Losses



Key Economic Assumptions

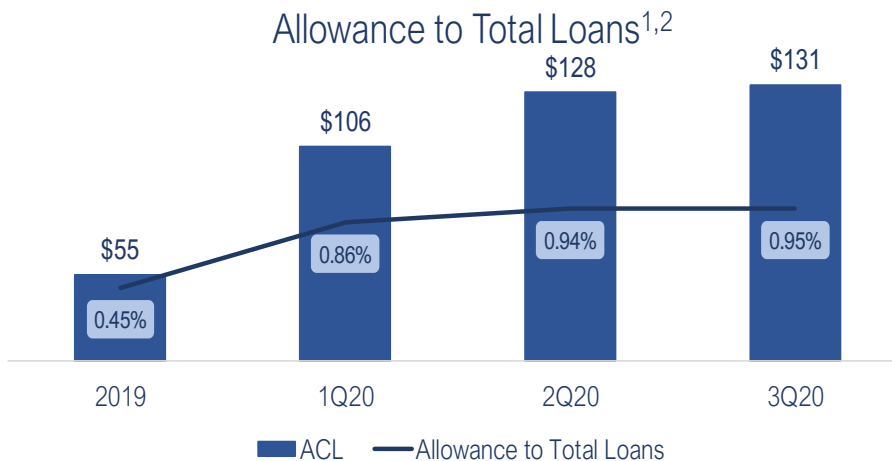
	3Q20	4Q20	2021	2022	2023	2024
GDP Change	26.6%	2.9%	3.5%	5.0%	3.8%	2.4%
Unemployment Rate	8.9%	9.1%	8.4%	6.4%	4.8%	4.5%
BBB Spread/10Y Treasury	2.7%	2.7%	2.7%	2.5%	2.5%	2.5%

Other Key Model Inputs

- Commercial Asset Quality Ratings
- Consumer Credit Bureau Score
- Loan To Value
- Portfolio segment
- Seasoning

Discount on acquired portfolio

- \$56mm remaining as of 9/30/2020



¹Beginning January 1, 2020, calculation is based on current expected loss methodology. Prior to January 1, 2020, calculation was based on incurred loss methodology. ²Excludes loans held for sale. \$ in millions

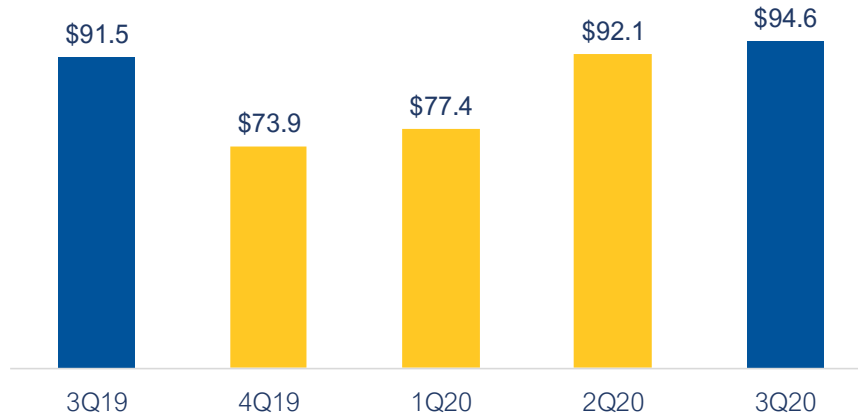
Third-Quarter 2020 Results

	3Q20	Change vs.		Linked-Quarter Performance Drivers
		2Q20	3Q19	
End of period total loans	\$ 13,978	\$ 240	\$ 1,902	• Strong total commercial production of \$978mm
End of period total deposits	16,507	188	2,059	• Noninterest-bearing demand deposit growth
Net interest income (FTE)	149.0	-	(7.3)	• PPP fees/interest benefit of \$8.8mm
Provision for credit losses	-	(22.5)	(1.4)	• Improved economic forecast and net recoveries lead to \$0 provision
Noninterest income	64.7	6.2	10.8	• Service charges on deposits increased \$1.1mm • Mortgage banking revenue increased \$0.8mm
Noninterest expense ex. tax credit amort., ONB Way charges & merger charges	114.2	(0.8)	(4.1)	• Benefit of ONB Way expense initiatives
Amortization of tax credit investments	3.1	2.8	1.9	• Discrete item with benefit to income taxes
ONB Way & merger charges	2.9	(2.0)	(0.2)	
Income taxes (FTE)	15.6	2.5	(0.8)	• Current FTE tax rate of 16.6%
Net income	\$77.9	\$26.2	\$8.1	
Earnings per diluted share	\$0.47	\$0.15	\$0.06	
Adjusted earnings per diluted share¹	\$0.46	\$0.13	\$0.04	
Net charge-offs (recoveries)/avg loans	-0.09%	-11 bps	-12 bps	

\$ in millions, except per-share data Amounts tax-effected using the current statutory FTE tax rates (federal + state) of 25%
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 Revenue



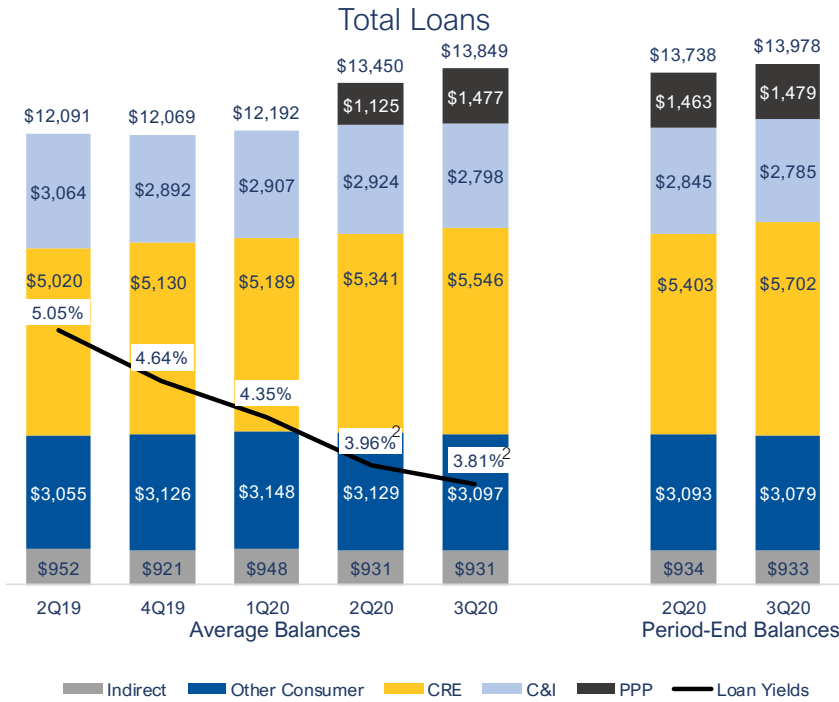
- Adjusted pre-provision net revenue increased 3.4% Y/Y
- Improvement driven by successful execution of our stated strategy
 - Strong commercial loan production
 - Improved fee income
 - Low cost core deposit funding
 - Strong expense management

	3Q19	3Q20
Adjusted total revenue ¹	\$209.8	\$208.8
Adjusted noninterest expense ¹	\$118.3	\$114.2
Basis point change in adj. total revenue		(49)
Basis point change in adj. noninterest exp.		(347)
Adjusted Operating leverage		298

- Adjusted Positive operating leverage continues
 - 298 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

Earning Assets¹



Commercial loans, excl. PPP

- Commercial production of \$978mm
- Average new production size ~\$1mm
- Commercial pipeline at quarter end of \$2.9bn
- Line utilization was stable

Loan yields decreased 15 bps²

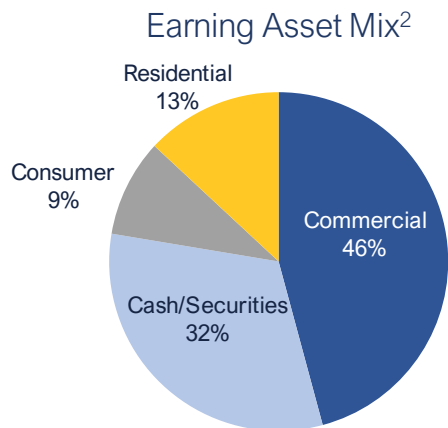
- - 14 bps loan coupons/mix/volume
- - 1 bp accretion income

3Q20 new production avg yields, excl. PPP

- Commercial and industrial: 3.12%
- Commercial real estate: 2.89%
- Residential real estate: 3.19%

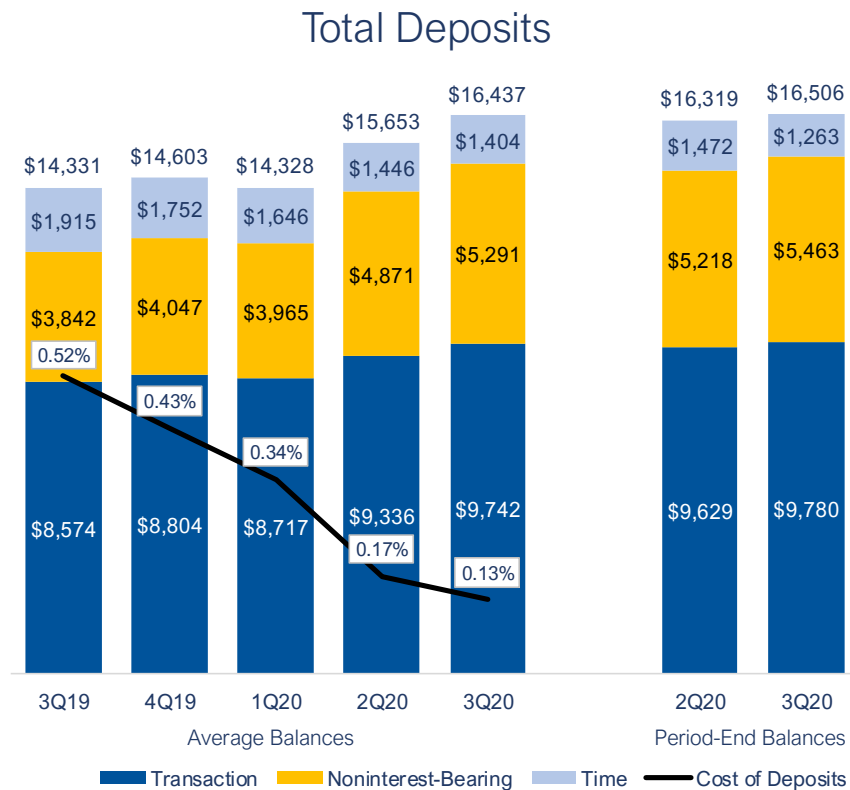
Securities

- Duration of 3.94 vs. 3.54 in 2Q20
- 3Q20 yield was 2.45%
- 3Q20 new money yield was 1.40%



\$ in millions ¹ Includes loans held for sale ² Excludes PPP Loans

Deposits



\$ in millions

Growth in noninterest-bearing and savings lead to higher deposit balances

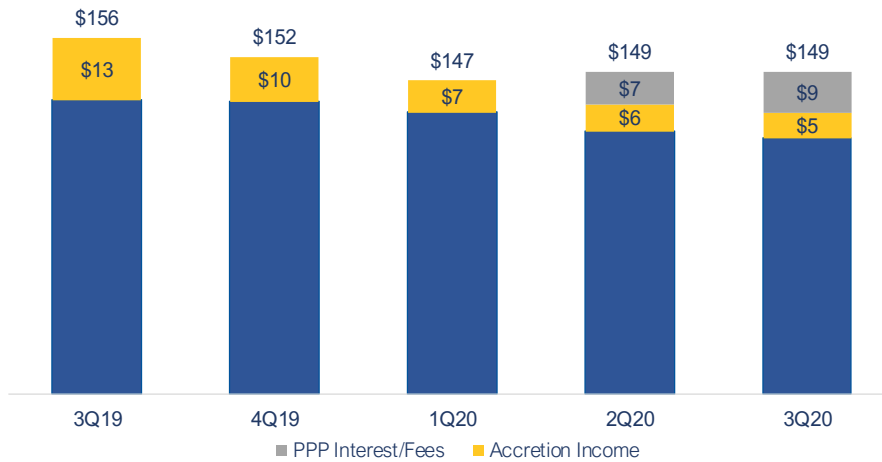
Deposit costs continue to decline

- 3Q20 total deposit costs of 13 bps
 - Improved to 11 bps by the end of September
- Total interest-bearing deposit costs were 19 bps, down 6 bps from 2Q20

Low loan to deposit ratio of 85%

Net Interest Income & Net Interest Margin¹

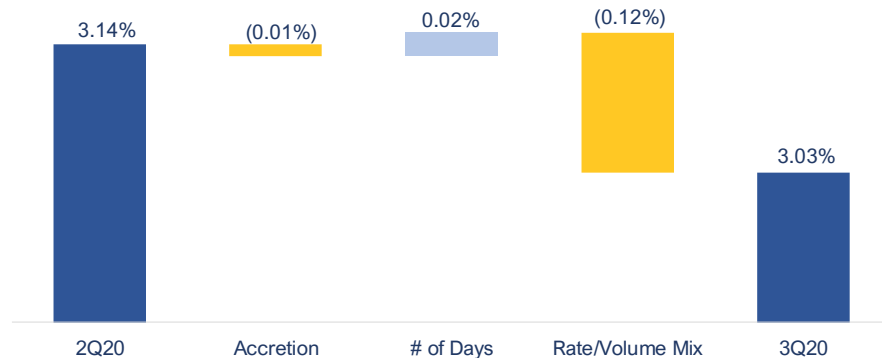
Net Interest Income



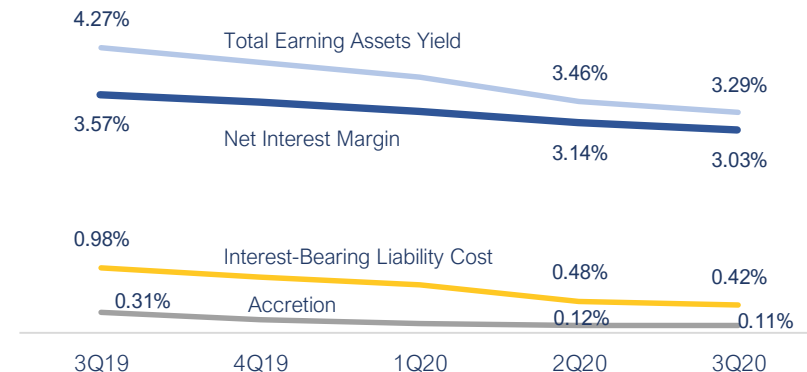
Key Performance Drivers

- Lower new business yields
- PPP 1% coupon + fees
 - Increases NII, neutral to NIM
- NIM decreased 11 bps vs. 2Q20
 - - 17 bps asset yields
 - +5 bps funding costs
 - - 1 bp accretion
 - + 2 bps # of days

Net Interest Margin



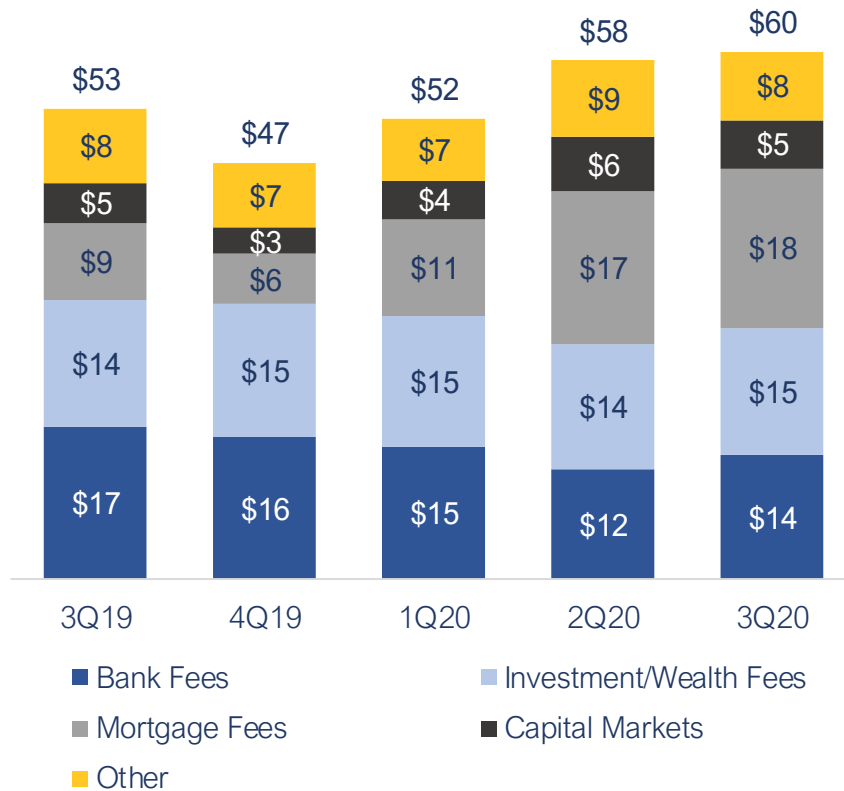
Net Interest Margin



\$ 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



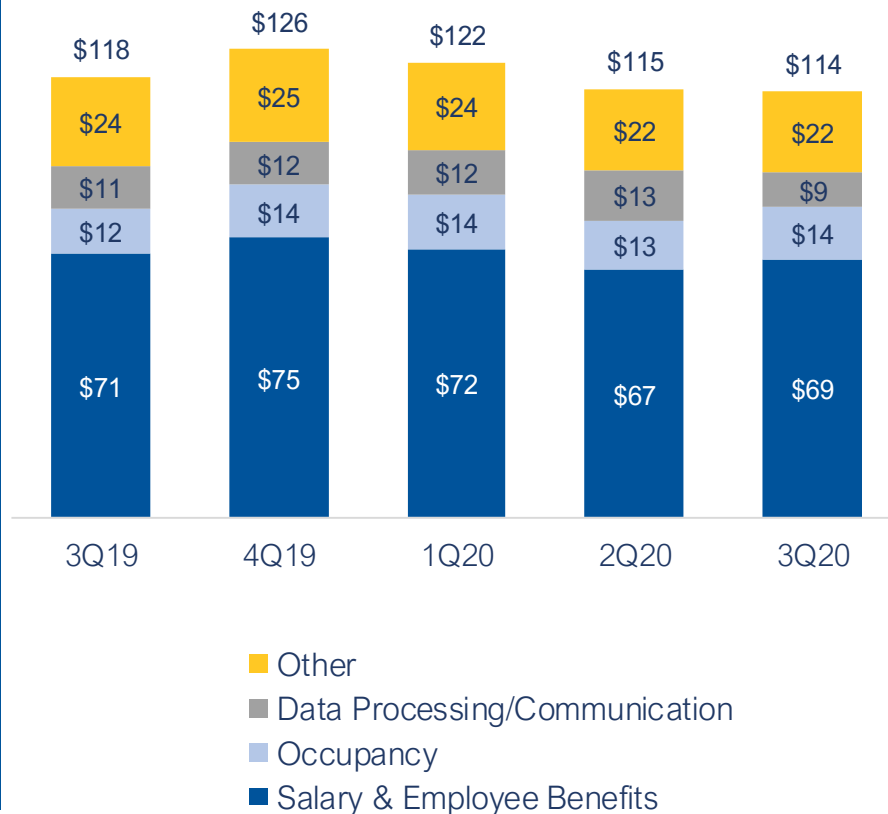
Key Performance Drivers

- 3Q20 adjusted noninterest income
 - \$1.1mm increase in service charges on deposits
 - \$0.8mm increase in mortgage banking revenue
- Mortgage activity
 - 3Q20 production was \$628mm
 - 49% purchase / 51% refi
 - 71% sold in secondary market
 - Quarter end pipeline at \$429mm

\$ 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

- 3Q20 adjusted noninterest expense
 - Additional ONB Way cost savings
- 3Q20 adjusted efficiency ratio of 53.1%
 - 73 bps improvement from 2Q20

ONB Way charges in the 3rd quarter were \$2.9mm

- \$1.2mm related to branch facilities (other expenses)
- \$0.5mm in personnel
- \$0.5mm in equipment
- \$0.7mm in data processing, occupancy and professional fees

\$ 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

Outlook

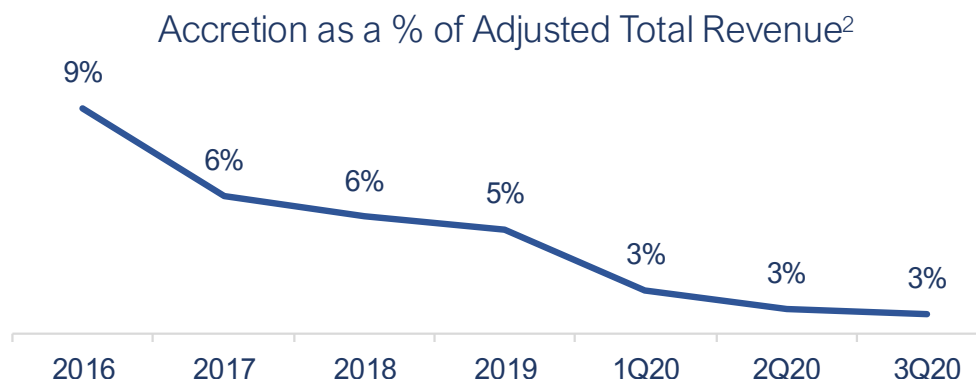
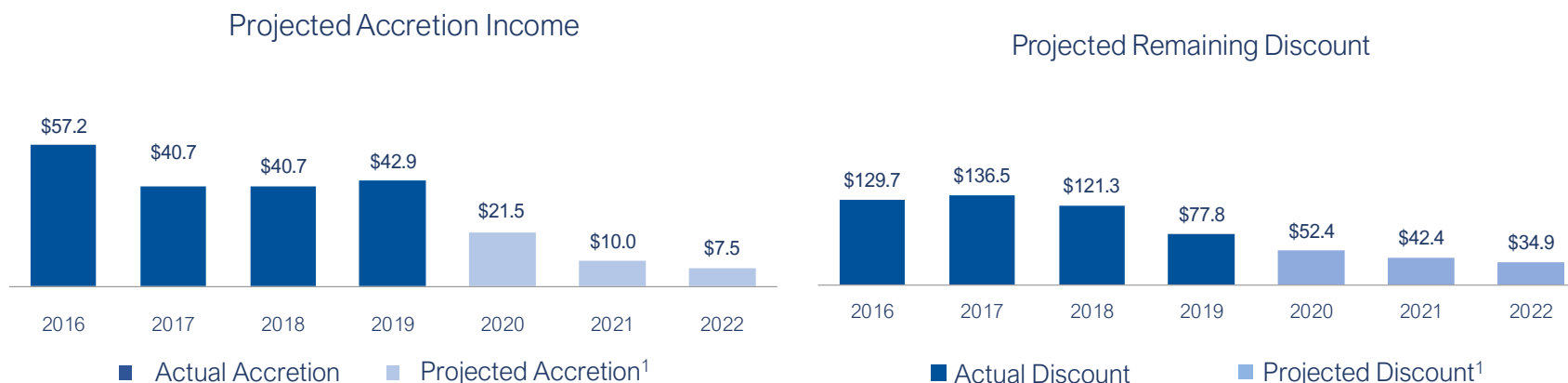
COVID-19 will impact performance going forward

Category	Outlook
Commercial Loans	Strong pipeline heading into the 4 th quarter; PPP runoff expected to begin in 4Q but majority in 2021
Net Interest Margin	FTE NIM, excluding accretion income, under pressure given the low interest rate environment; CD repricing should provide some opportunity to move total deposits costs marginally lower; timing of PPP fee recognition will coincide with timing of loan forgiveness
Noninterest Income	Mortgage revenue should trend seasonally lower in the fourth quarter; all other fees should remain stable
Noninterest Expense	Noninterest expenses, excluding ONB Way charges and tax credit amortization charges, should trend slightly higher over the next several quarters, given investment in ONB Way revenue initiatives; tax credit amortization likely higher in the 4 th quarter given completion of several historic tax credit projects
Capital and Liquidity	Strong capital position validated by internal stress test model; liquidity position remains strong with a low loan to deposit ratio of 85%; confident with ability to continue current dividend level
Tax Rate/Credit	4Q2020 tax rates expected to be significantly lower given completion of several historic tax credit projects; FY2021 tax rates expected to be ~19% FTE and ~15% GAAP

Appendix

Projected Purchase Accounting Impact

Manageable declines in purchase accounting impact expected in future periods



\$ in millions ¹ Projections are updated quarterly, assumes no prepayments and are subject to change 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

	3Q19	2Q20	3Q20
As Reported:			
Net Interest Income (FTE)	\$156.3	\$149.0	\$149.0
Add: Fee Income	53.9	58.5	64.7
Total Revenue (FTE)	\$210.2	\$207.5	\$213.7
Less: Provision	(1.4)	(22.5)	-
Less: Noninterest Expense	(122.6)	(120.2)	(120.2)
Pre-Tax Income	\$86.2	\$64.8	\$93.5
Less: Income Taxes (FTE)	16.4	13.1	15.6
Net Income	\$69.8	\$51.7	\$77.9
Earnings Per Share	\$0.41	\$0.32	\$0.47
Adjustments:			
Less: Debt Securities Gains/Losses	(\$0.4)	(\$0.5)	(\$4.9)
Add: Loss on Branch Actions	-	0.1	-
Add: ONB Way Charges	1.8	4.9	2.9
Add: M&A Charges	1.3	-	-
Net Total Adjustments	\$2.7	\$4.5	(\$2.0)
Tax Effect on Net Total Adjustments	0.7	1.1	(0.5)
After-Tax Net Total Adjustments	\$2.0	\$3.4	(\$1.5)
Adjusted Net Income	\$71.8	\$55.1	\$76.4
Adjusted Earnings Per Diluted Share	\$0.42	\$0.33	\$0.46

\$ in millions, except per share data

Non-GAAP Reconciliations

As Reported:

Net Interest Income (FTE)

Add: Fee Income

Total Revenue (FTE)

Less: Noninterest Expense

Pre-Provision Net Revenue (PPNR)

Revenue Adjustments:

Less: Debt Securities Gains/Losses

Less: Gain/Loss on Branch Actions

Adjusted Total Revenue

Expense Adjustments:

Less: ONB Way Charges

Less: M&A Charges

Less: Amortization of Tax Credit Investments

Adjusted Noninterest Expense

Adjusted Pre-Provision Net Revenue (PPNR)

Average assets

Pre-Provision Net Revenue to Average Assets

Adjusted Pre-Provision Net Revenue to Average Assets

Accretion Income

Accretion Income as a % of Total Revenue

Accretion Income as a % of Adjusted Total Revenue

	3Q19	4Q19	1Q20	2Q20	3Q20
Net Interest Income (FTE)	\$156.3	\$152.2	\$147.1	\$149.0	\$149.0
Add: Fee Income	53.9	47.7	57.5	58.5	64.7
Total Revenue (FTE)	\$210.2	\$199.9	\$204.6	\$207.5	\$213.7
Less: Noninterest Expense	122.6	134.7	158.7	120.2	120.2
Pre-Provision Net Revenue (PPNR)	\$87.6	\$65.2	\$45.9	\$87.3	\$93.5
Less: Debt Securities Gains/Losses	(\$0.4)	(\$0.4)	(\$5.2)	(\$0.5)	(\$4.9)
Less: Gain/Loss on Branch Actions	-	-	-	0.1	-
Adjusted Total Revenue	\$209.8	\$199.5	\$199.4	\$207.1	\$208.8
Less: ONB Way Charges	(\$1.8)	(\$8.2)	(\$31.2)	(\$4.9)	(\$2.9)
Less: M&A Charges	(1.3)	(0.2)	-	-	-
Less: Amortization of Tax Credit Investments	(1.2)	(0.7)	(5.5)	(0.3)	(3.1)
Adjusted Noninterest Expense	\$118.3	\$125.6	\$122.0	\$115.0	\$114.2
Adjusted Pre-Provision Net Revenue (PPNR)	\$91.5	\$73.9	\$77.4	\$92.1	\$94.6
Average assets	\$20,147.2	\$20,218.8	\$20,366.5	\$21,617.8	\$22,273.7
Pre-Provision Net Revenue to Average Assets	1.74%	1.29%	0.90%	1.62%	1.68%
Adjusted Pre-Provision Net Revenue to Average Assets	1.82%	1.46%	1.52%	1.70%	1.70%
Accretion Income	\$13.4	\$9.5	\$6.7	\$5.8	\$5.4
Accretion Income as a % of Total Revenue	6.4%	4.7%	3.3%	2.8%	2.5%
Accretion Income as a % of Adjusted Total Revenue	6.4%	4.8%	3.4%	2.8%	2.6%

\$ in millions

Non-GAAP Reconciliations

	3Q19	2Q20	3Q20
Noninterest Expense As Reported	\$122.6	\$120.2	\$120.2
Less: ONB Way Charges	(1.8)	(4.9)	(2.9)
Less: Merger and Integration Charges	(1.3)	-	-
Noninterest Expense Less Charges	\$119.5	\$115.3	\$117.3
Less: Amortization of Tax Credit Investments	(1.2)	(0.3)	(3.1)
Adjusted Noninterest Expense	\$118.3	\$115.0	\$114.2
Less: Intangible Amortization	(4.2)	(3.6)	(3.4)
Adjusted Noninterest Expense Less Intangible Amortization	\$114.1	\$111.4	\$110.8
Net Interest Income As Reported	\$153.1	\$145.6	\$145.6
Add: FTE Adjustment	3.2	3.4	3.4
Net Interest Income (FTE)	\$156.3	\$149.0	\$149.0
Noninterest Income As Reported	\$53.9	\$58.5	\$64.7
Total Revenue (FTE)	\$210.2	\$207.5	\$213.7
Less: Debt Securities Gains/Losses	(0.4)	(0.5)	(4.9)
Less: Gain/Loss on Branch Actions	-	0.1	-
Adjusted Total Revenue (FTE)	\$209.8	\$207.1	\$208.8
Reported Efficiency Ratio	56.44%	56.29%	55.93%
Adjusted Efficiency Ratio	54.40%	53.79%	53.06%
Operating Leverage¹ (basis points)			357
Adjusted Operating Leverage² (basis points)			298

\$ 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

	1Q20	2Q20	3Q20
Net Interest Income As Reported	\$143.8	\$145.6	\$145.6
FTE Adjustment	3.3	3.4	3.4
Net Interest Income (FTE)	\$147.1	\$149.0	\$149.0
Average Earning Assets	\$17,774.0	\$19,007.7	\$19,654.3
Net Interest Margin	3.24%	3.06%	2.96%
Net Interest Margin (FTE)	3.31%	3.14%	3.03%

	3Q19	4Q19	1Q20	2Q20	3Q20
Noninterest Income As Reported	\$53.9	\$47.7	\$57.5	\$58.5	\$64.7
Less: Debt Securities Gains/Losses	(0.4)	(0.4)	(5.2)	(0.5)	(4.9)
Less: Gain/Loss on Branch Actions	-	-	-	0.1	-
Adjusted Noninterest Income	\$53.5	\$47.3	\$52.3	\$58.1	\$59.8

	3Q20
Net Income As Reported	\$77.9
Add: Intangible Amortization (net of tax)	2.6
Tangible Net Income	\$80.5
Less: Securities Gains/Losses (net of tax)	(3.7)
Add: ONB Way Charges (net of tax)	2.2
Adjusted Tangible Net Income (Loss)	\$79.0
Average Total Shareholders' Equity As Reported	\$2,889.5
Less: Average Goodwill	(1,037.0)
Less: Average Intangibles	(50.9)
Average Tangible Shareholders' Equity	\$1,801.6
Return on Average Tangible Common Equity	17.88%
Adjusted Return on Average Tangible Common Equity	17.54%

\$ in millions

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 OZK	OZK
Commerce Bancshares, Inc.	CBSH
Cullen/Frost Bankers, Inc.	CFR
F.N.B. Corporation	FNB
First Financial Bancorp.	FFBC
First Midwest Bancorp, Inc.	FMBI
Fulton Financial Corporation	FULT
Great Western Bancorp, Inc.	GWB
Hancock Whitney Corporation	HWC
TCF Financial Corporation	TCF
Trustmark Corporation	TRMK
UMB Financial Corporation	UMBF
Valley National Bancorp	VLV
Western Alliance Bancorporation	WAL
Wintrust Financial Corporation	WTFC