

1st-Quarter 2020 Financial Review

April 20, 2020



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, 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 new 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.

First-Quarter 2020 Key Performance Indicators

Earnings:

- Net income of \$22.6mm, or \$0.13 per diluted share
- Adjusted net income¹ of \$42.1mm, or \$0.25 per diluted share,
 - Excludes \$31.2mm in ONB Way charges and \$5.2mm in debt securities gains

Loans and Deposits²:

- Total loans³ grew 9.0% annualized over prior quarter
- Commercial and commercial real estate loans grew 13.6% annualized
- Commercial production at \$647mm
- Low cost of total deposits down 9 bps to 34 bps
- Net interest margin, excluding accretion income, down 9 bps from prior quarter

Operating Leverage and Expense Management:

- Positive adjusted operating leverage¹ of 102 bps year-over-year
- Adjusted efficiency ratio¹ of 59.31% improved 166 bps from the 4th quarter of 2019
- On track with ONB Way efficiency improvements

Capital Actions:

- 4.9 million shares repurchased at a weighted average price of \$16.05 per share, excluding commissions; suspended March 18, 2020

CECL:

- Adoption of CECL accounting standard January 1, 2020

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 Includes loans held for sale

Our Response to COVID-19

Team Members

- Enabling many team members to work remotely
- Granted additional sick time and PTO
- Expanded paid family and medical leave benefits to those who are “at risk” or have an “at risk” person in their household
- Expanded *ONE Wish* program for unforeseen financial needs

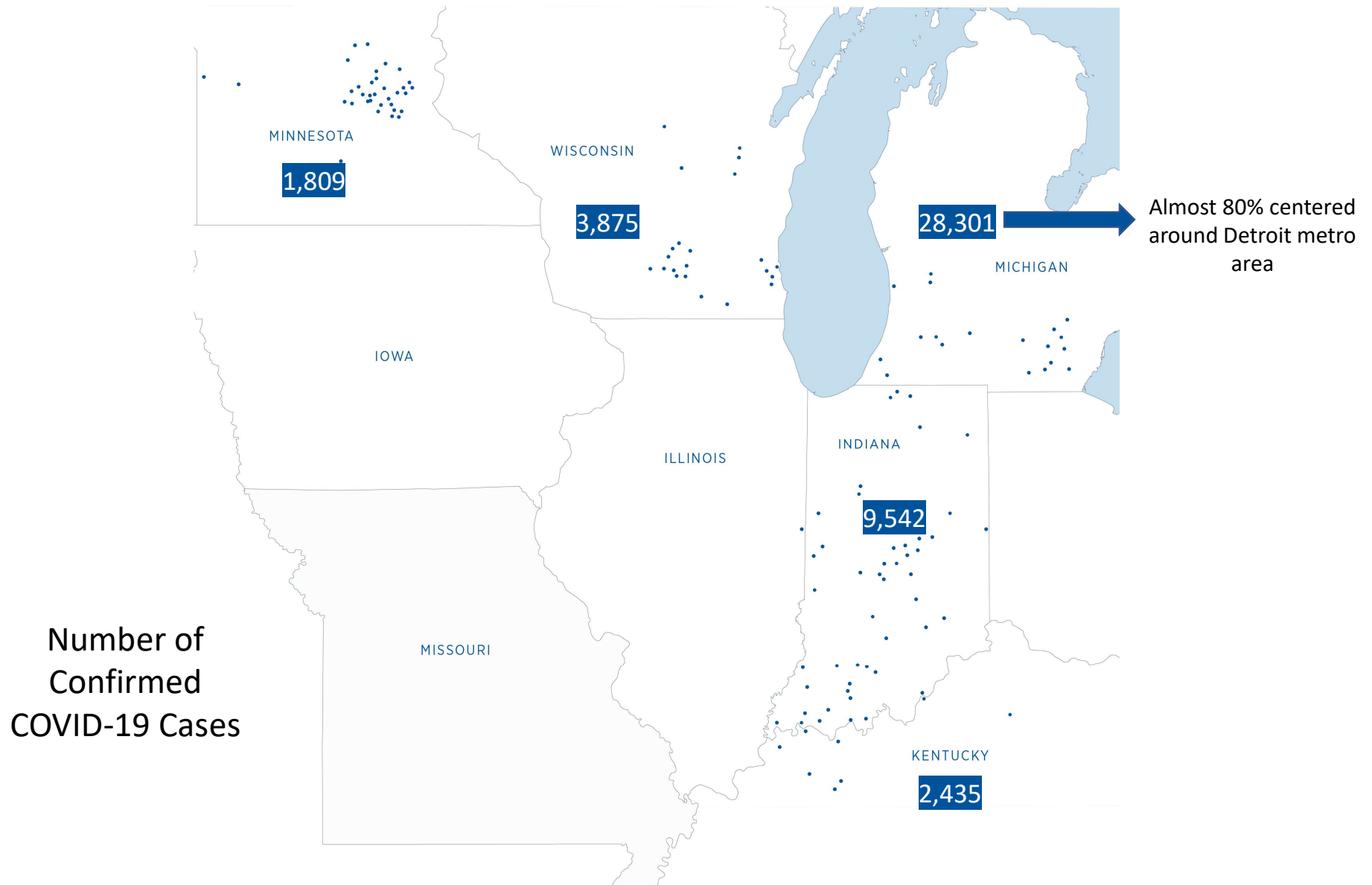
Clients

- All branches remain open (drive-thru) with lobbies appointment only
- Provided information on digital banking options and change in our service delivery model via oldnational.com, email, direct mail and social media platforms
- We continue to lend to qualified clients
- Granting loan extension, deferrals and forbearances
- Not reporting payment deferrals due to the pandemic to credit bureaus
- Waiving or refunding certain fees
- No new efforts to repossess vehicles or start property foreclosures on consumer real estate
- Helping business clients access the Small Business Administration’s Paycheck Protection Program
- Created Coronavirus Resources page and Coronavirus Business Resources page
- Penalty-free CD withdrawal

Communities

- \$1.2mm commitment to relief efforts
 - \$600,000 for immediate needs, with an emphasis on low-to-moderate income communities
 - \$600,000 in Foundation grant funding with a focus on longer-term restoration
- Supporting local businesses

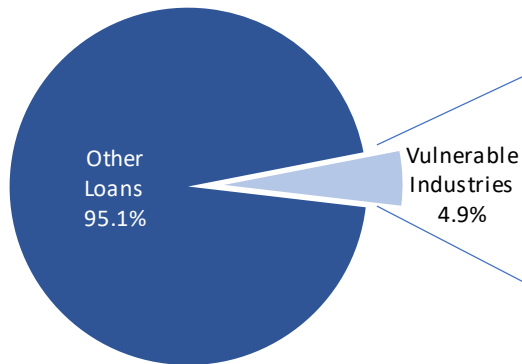
COVID-19 in the Old National Footprint



Source: Johns Hopkins University of Medicine Coronavirus website as of April 17, 2020 at 1:00 p.m. Central

Credit Quality

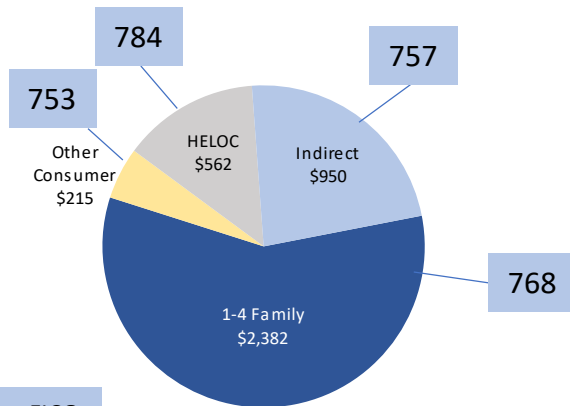
Vulnerable Industries



Industry	% of		
	Balance	Total Loans	Exposure
Restaurants	\$178	1.4%	\$188
Transportation	\$138	1.1%	\$165
Arts/Entertainment	\$128	1.0%	\$147
Hotels	\$86	0.7%	\$89
Oil/Gas	\$72	0.6%	\$126
Travel-Related	\$9	0.1%	\$11
Total	\$611	4.9%	\$726

Total loans of \$12.4bn¹

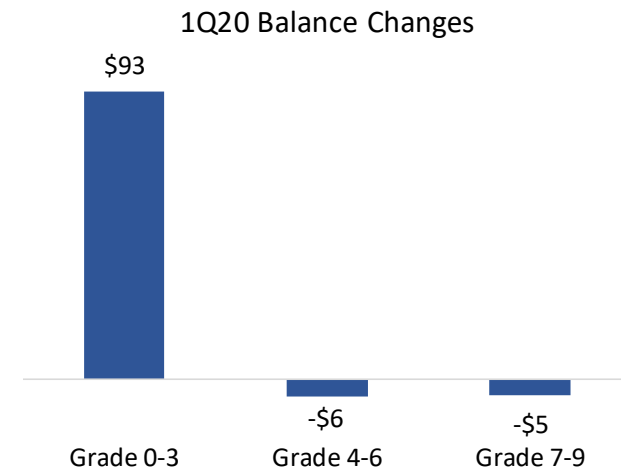
Consumer Portfolio¹



Average FICO

2.2% of total consumer loans are subprime²

Commercial Line Utilization



Client Relief Programs

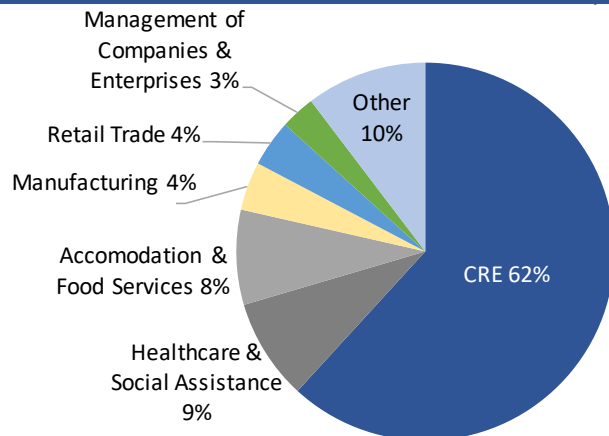
Deferrals

Type	Approved #	Approved \$	Approved % of Portfolio
Commercial	908	\$1,125	14%
Consumer	1,538	\$43	2%
Mortgage	229	\$60	3%
Total	2,675	\$1,228	10%

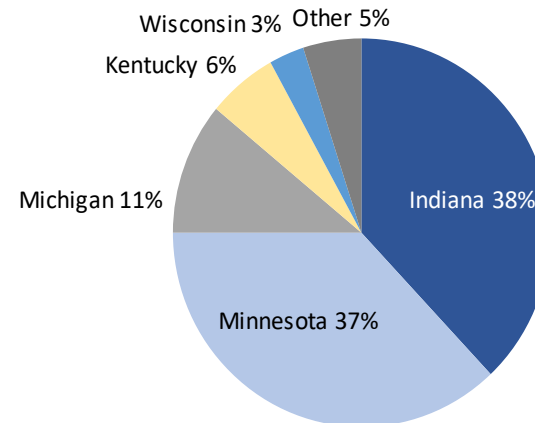
Paycheck Protection Program (PPP)

- 5,194 applications have been processed and approved, representing \$1.35bn in client funding

Commercial Booked Deferrals by Industry



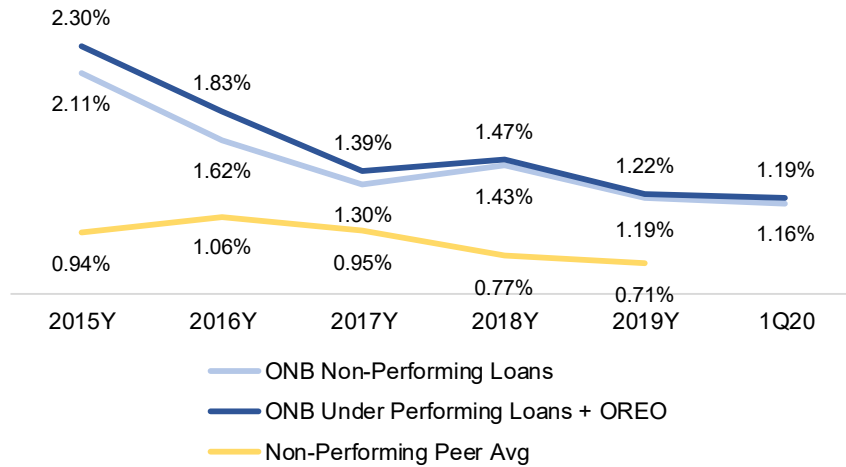
PPP by State



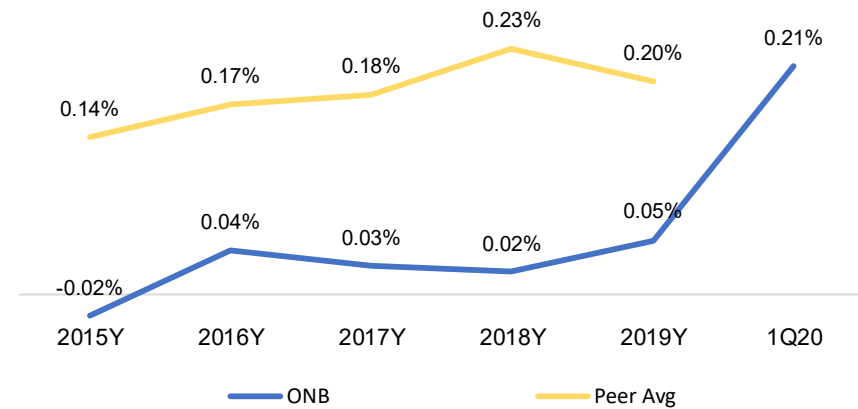
\$ in millions Deferral data as of 4/17/2020

Credit

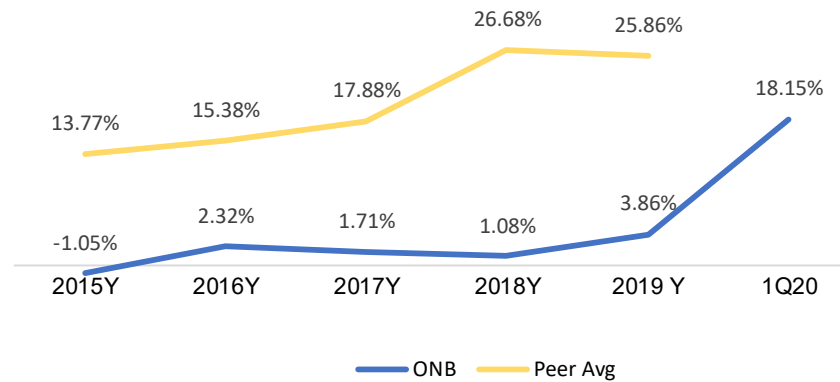
Non-Performing Loans



Net Charge-offs



Net Charge-offs / NPL's



Peer Group data per S&P Global Market Intelligence - See Appendix for definition of Peer Group

CECL

Moody's Critical Pandemic Forecast

- Released March 20th
- New infections peak in April
- 2% mortality rate
- Infections abate by July-August
- V-shaped recovery with GDP contracting in 1Q through 3Q and returning to growth in 4Q
- Unemployment stays elevated through 2023

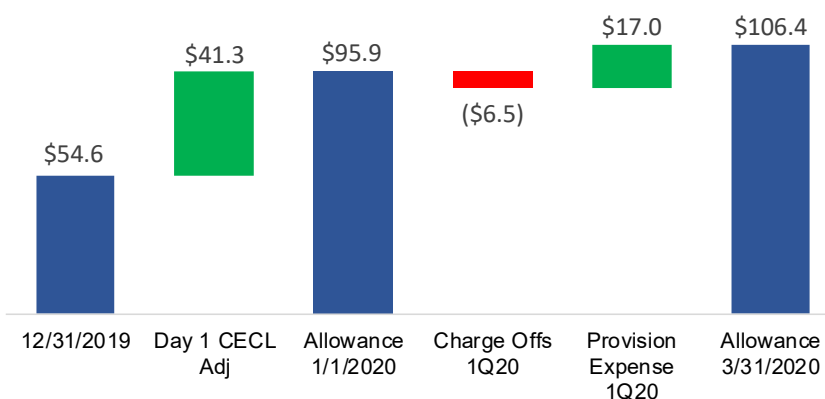
Key Model Inputs

- Economic Inputs
 - Unemployment
 - GDP
 - BBB Spread over 10yr Treasury
 - House Price Index (HPI)
- Portfolio Credit Characteristics
 - Commercial Asset Quality Ratings
 - Consumer FICO and credit history

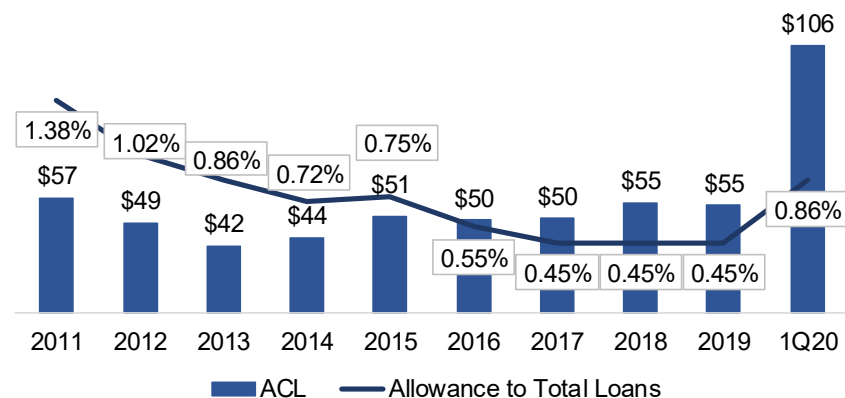
Qualitative Considerations

- Significant downside risk to economic forecast
- Mitigated by unprecedented fiscal stimulus
 - Direct payments to individuals
 - Enhanced unemployment benefits
 - Government sponsored loan programs
- Financial health of consumer and commercial borrowers
- Low exposure to highest risk industries

Allowance for Credit Losses



Allowance to Total Loans^{1,2}



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

First-Quarter 2020 Results

	1Q20	Change From	
		4Q19	1Q19
End of period total loans	\$ 12,439	\$ 274	\$ 356
End of period total deposits	14,305	(248)	(124)
Net interest income (FTE)	\$147.1	(\$5.1)	(\$3.1)
Provision for credit losses	17.0	15.7	16.0
Noninterest income	57.5	9.8	11.1
Noninterest expense ex. tax credit amort., ONB Way charges & merger charges	122.0	(3.6)	0.5
Amortization of tax credit investments	5.5	4.8	5.2
ONB Way & merger charges	31.2	22.8	30.0
Income taxes (FTE)	6.3	(8.4)	(10.0)
Net income	\$22.6	(\$26.6)	(\$33.7)
Earnings per diluted share	\$0.13	(\$0.16)	(\$0.19)
Adjusted earnings per diluted share¹	\$0.25	(\$0.07)	(\$0.08)
Net charge-offs (recoveries)/avg loans	0.21%	9 bps	18 bps

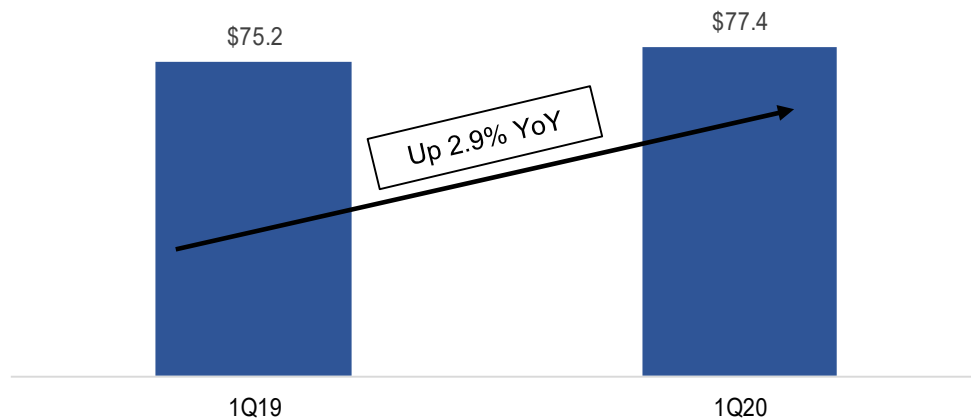
Performance Drivers

- Total loans increased \$274.4mm
- Net interest margin, less accretion, down 9 bps
- Provision for credit losses driven higher by implementation of the CECL accounting standard which uses an economic forecast including the impact of the novel coronavirus pandemic
- \$5.5mm increase in mortgage banking fee income
- Reported noninterest expense includes \$31.2mm in ONB Way charges and \$5.5mm in tax credit amortization

\$ 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 Revenue¹



- Adjusted pre-provision net revenue¹ increased 2.9% Y/Y
- Improvement driven by successful execution of our stated strategy
 - Improved fee income
 - Low cost core deposit funding
 - Strong expense management

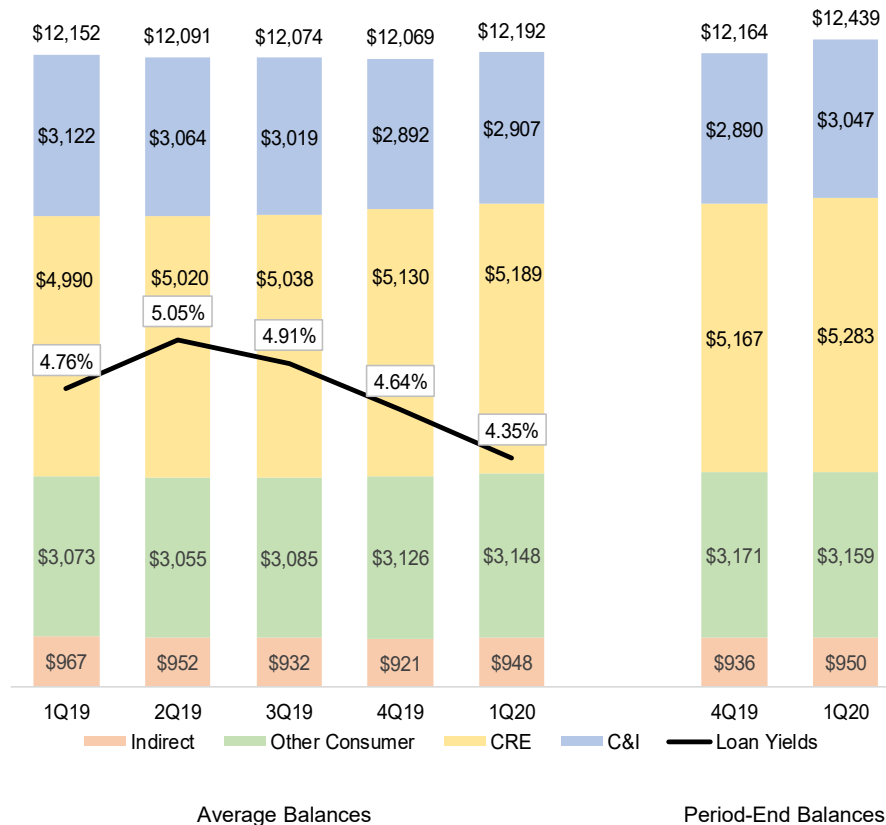
	1Q19	1Q20
Adjusted total revenue ¹	\$196.7	\$199.4
Adjusted noninterest expense ¹	\$121.5	\$122.0
Basis point change in adj. total revenue		142
Basis point change in adj. noninterest exp.		40
Adjusted Operating leverage		102

- Positive operating leverage continues
 - 102 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

Loans¹

Total Loans



Quarterly total loan growth of 9.0% annualized

- Commercial production of \$647mm
- Average new production size < \$1mm
- Commercial pipeline at quarter end of \$2.8bn
- Line utilization was 35.2% at quarter end

Loan yields decreased 29 bps

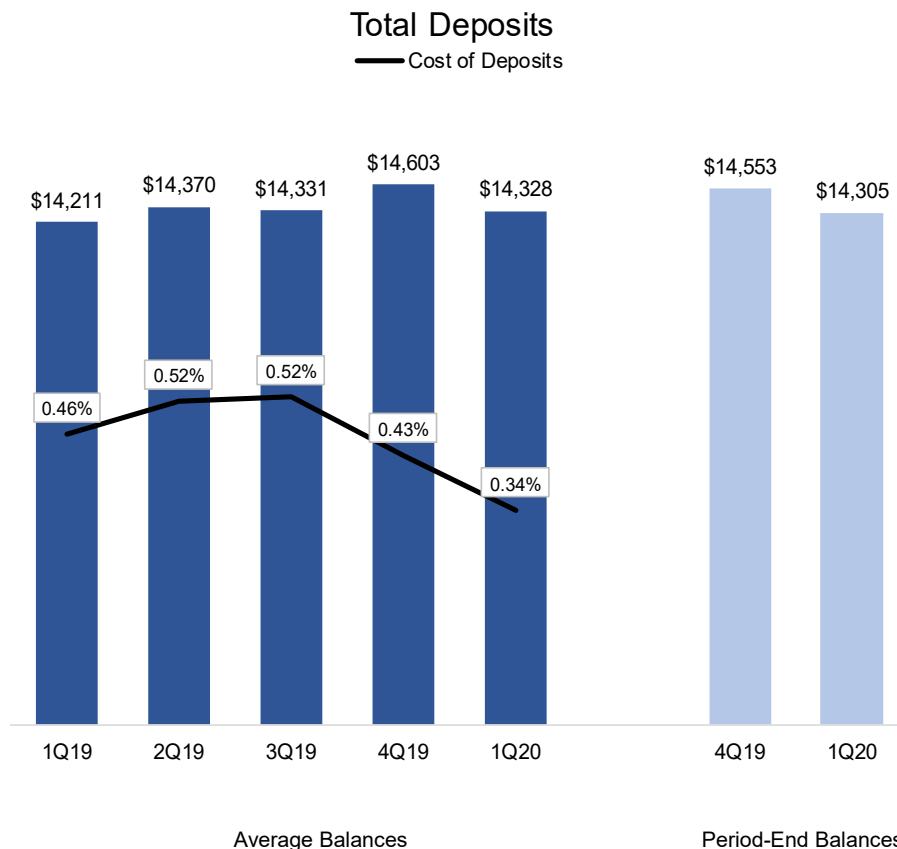
- -9 bps accretion income
- -14 bps loan coupons/mix/volume/days
- - 6 bp interest collected on nonaccruals

1Q20 new production average yields

- Commercial & industrial: 3.41%
- Commercial real estate: 3.60%
- Residential real estate: 3.57%
- Indirect lending: 3.54%

\$ in millions ¹ Includes loans held for sale

Deposits



Expected seasonal decline in balances

Deposit costs continue to decline

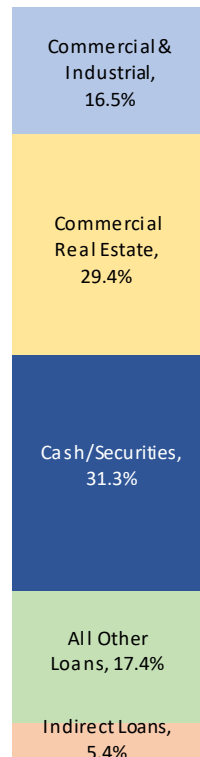
- 1Q20 total deposit costs of 34 bps
 - Improved to 21 bps by the end of March
- Total interest-bearing deposit costs were 48 bps, down 11 bps from 4Q19

Low loan to deposit ratio of 87%

\$ in millions

Average Balance Sheet Mix

Earning Assets



1Q20

Loans



4Q19



1Q20

Loans

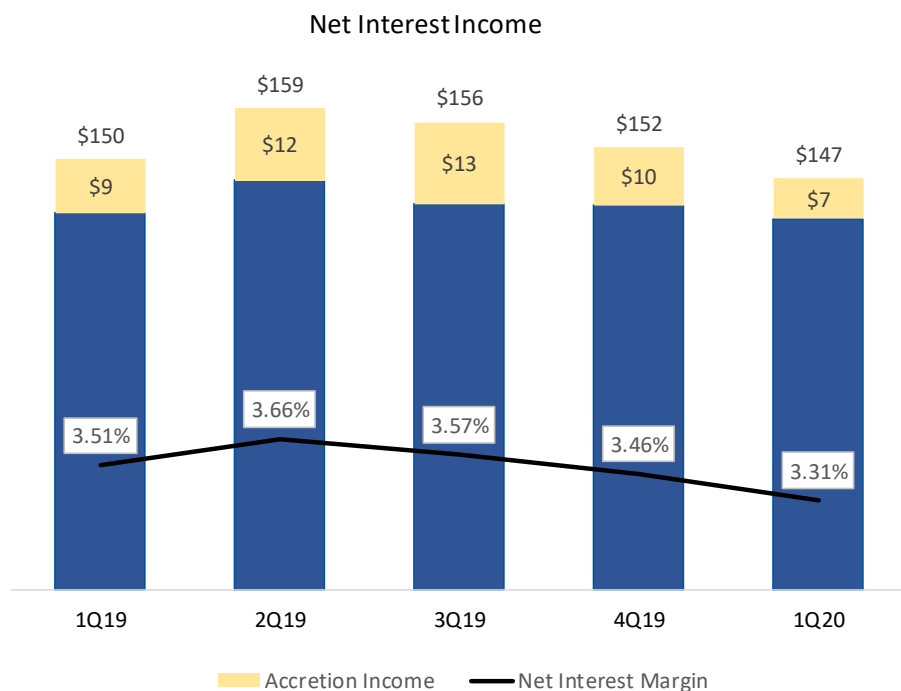
- Total commercial loans: 66.4% of total loans, down 0.4% Y/Y
- Indirect auto: 7.8% of earning assets, down 0.2% Y/Y

Securities

- Duration of 3.10 vs. 3.86 in 4Q19
- 1Q20 yield was 2.71%
- 1Q20 new money yield was 2.42%
- Estimated NTM cash flows of \$1,335mm
- Net unrealized pre-tax gain of \$170.5mm
- Net unamortized premium of \$61.4mm

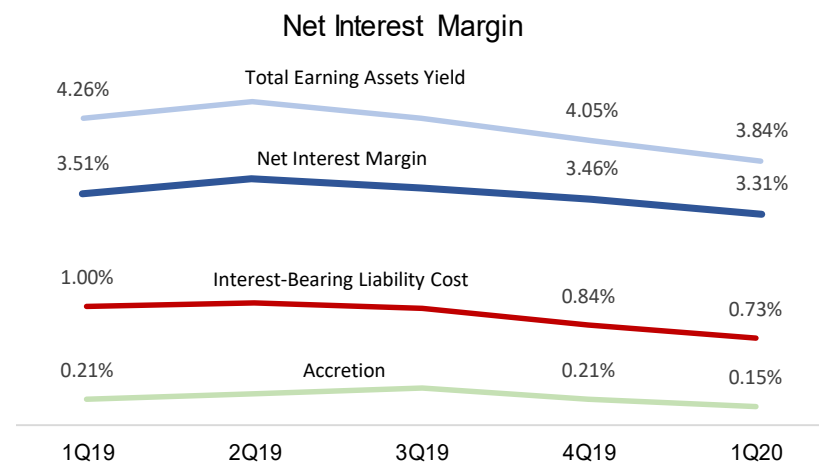
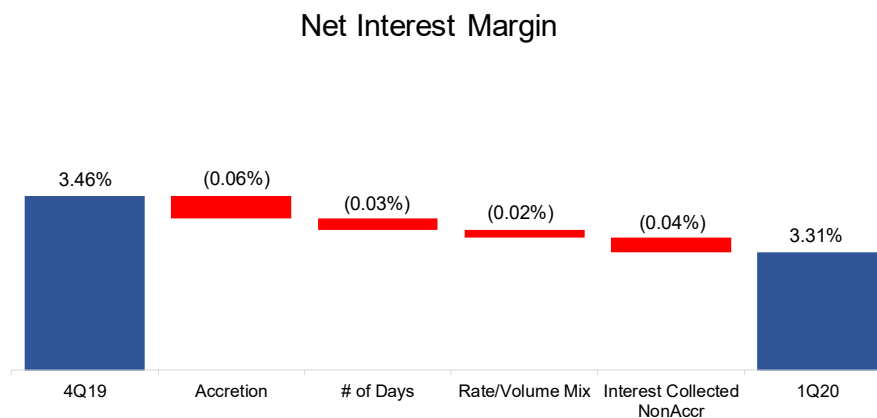
\$ in millions

Net Interest Income & Net Interest Margin¹



Key Performance Drivers

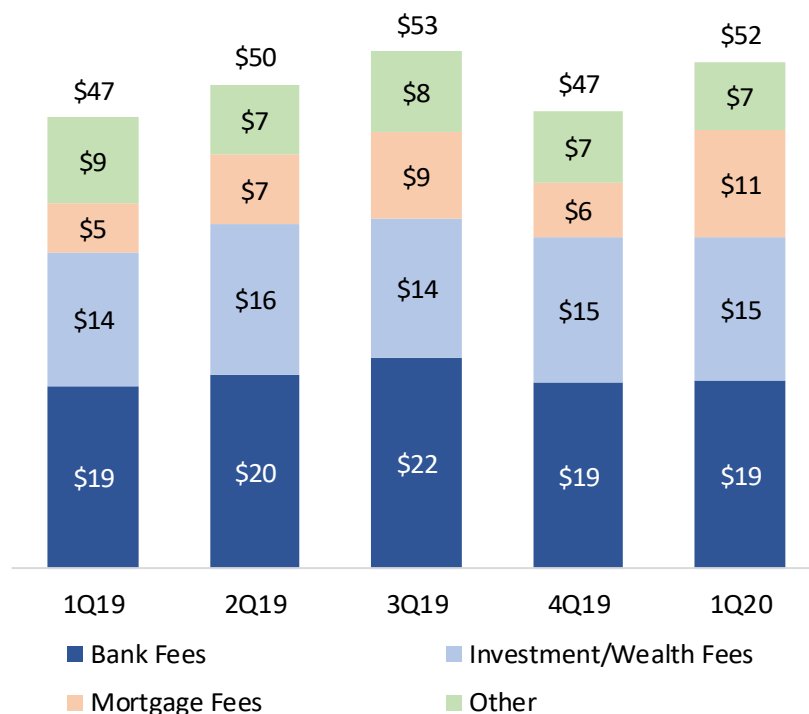
- Rate cuts in March
- NIM decreased 15 bps vs. 4Q19
 - - 6 bps accretion
 - - 10 bps asset yields
 - + 8 bps funding costs
 - - 4 bps interest collected on nonaccruals
 - - 3 bps # of days



\$ 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

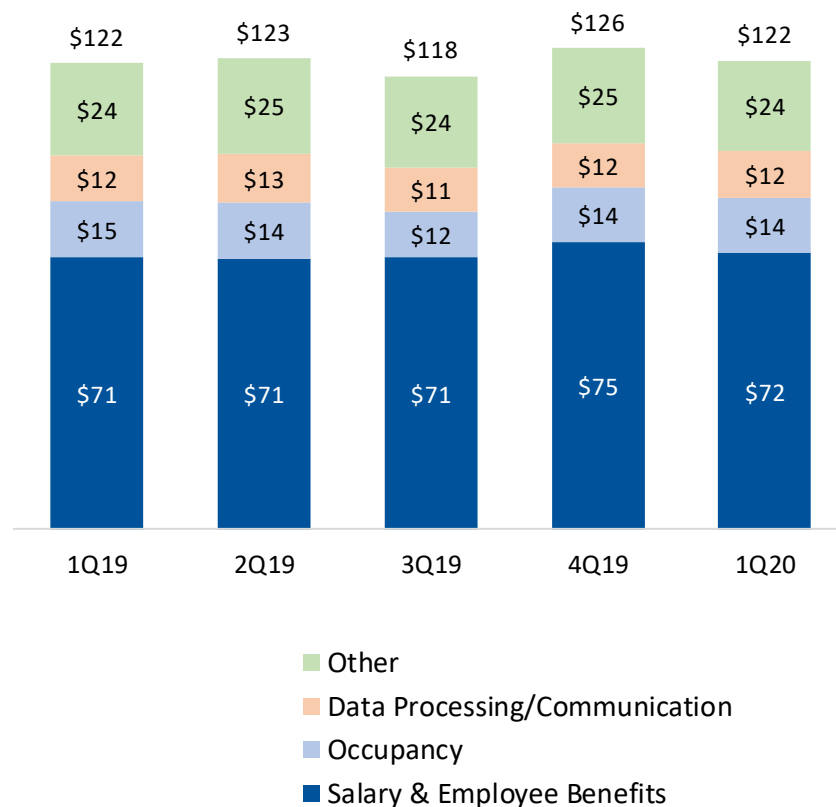


Key Performance Drivers

- 1Q20 adjusted noninterest income¹
 - \$5.5mm increase in mortgage banking revenue
 - \$4.8mm related to pipeline valuation
 - \$1.3mm increase in capital markets income
- Mortgage activity
 - 1Q20 production was \$360.9mm
 - 51.5% purchase / 48.5% refi
 - 61.9% sold in secondary market
 - Quarter-end pipeline at \$581mm

Noninterest Expense

Adjusted Noninterest Expense¹



Key Performance Drivers

- 1Q20 adjusted noninterest expense¹
 - ONB Way cost savings beginning to materialize
 - Contains \$1.7mm in provision for unfunded commitments, a \$1.4mm increase from 4th quarter
- 1Q20 Adjusted Efficiency Ratio¹ of 59.31%
 - 166 bps improvement from 4Q19

ONB Way expense savings remain on track

ONB Way charges in the 1st quarter were \$31.2mm

- \$20.8mm related to branch facilities (other expenses)
- \$7.0mm in personnel charges
- \$1.4mm in equipment charges
- \$1.3mm in professional fees
- \$0.7mm in occupancy

Outlook

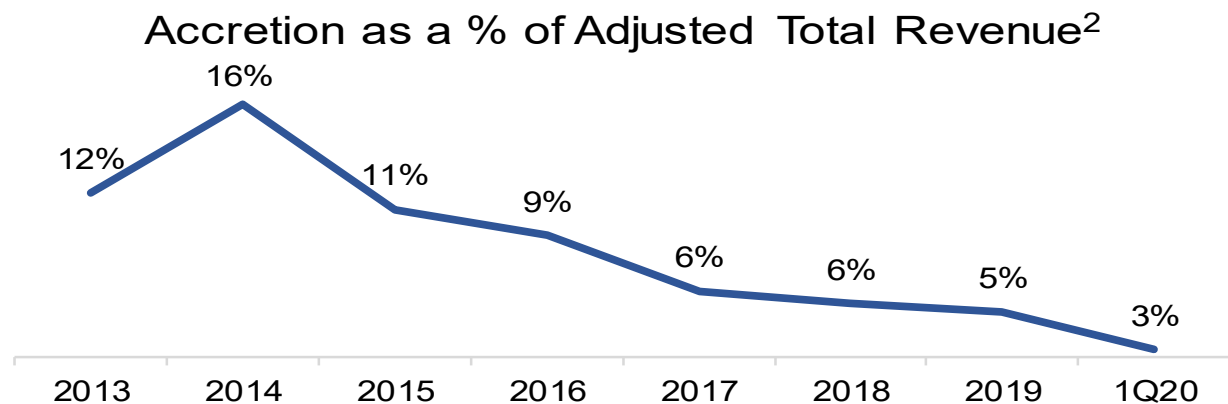
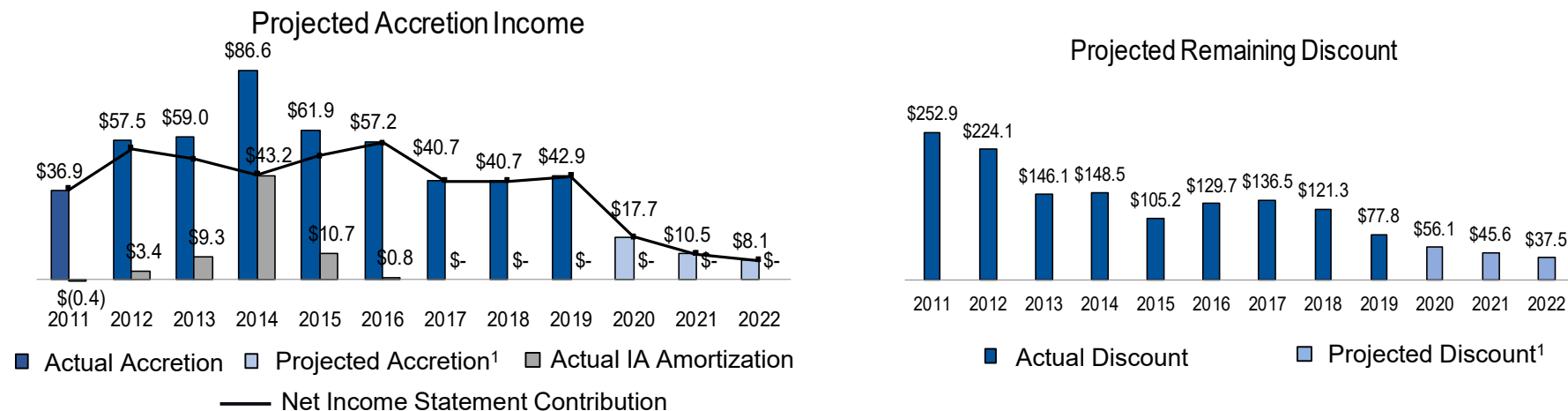
COVID-19 will impact performance going forward

Category	Outlook
Commercial Loan Production	Strong pipeline heading into the 2 nd quarter but pull through rates likely to be impacted; PPP loans of \$1.35bn will increase outstandings in 2Q20
Net Interest Margin	FTE NIM, excluding accretion income, under pressure given historically low interest rates; CD repricing should provide opportunity to move total deposits costs lower; PPP loans carry a 1% coupon and average fee of ~3%, which flows through NIM over the 2-year term
Noninterest Income	Wealth and Investment fees should trend lower given market declines; overdraft fees and interchange income trending downward given reduced consumer/business spending; mortgage revenue should trend lower as 1Q20 high pipeline valuation reverses faster in current market
Noninterest Expense	Noninterest expenses, excluding ONB Way charges and tax credit amortization charges, should trend lower given positive impact of ONB Way efficiency initiatives (additional savings of \$4mm in 2Q20, additional \$2mm in 3Q20 and an additional \$2mm in 4Q20); 31 banking centers to be closed by April 24, 2020; FY2020 (pre-tax) tax credit amortization of \$6mm
Capital and Liquidity	Strong capital position validated by internal stress test model; buyback program currently suspended; Liquidity position remains strong with a low loan to deposit ratio of 87%, and ample cash, unencumbered securities and various other liquidity sources
Tax Rate/Credits	FY2020 tax rates expected to be ~19.5% FTE and ~14.5% GAAP

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

	1Q19	4Q19	1Q20
As Reported:			
Net Interest Income (FTE)	\$150.2	\$152.2	\$147.1
Add: Fee Income	46.4	47.7	57.5
Total Revenue (FTE)	\$196.6	\$199.9	\$204.6
Less: Provision	(1.0)	(1.3)	(17.0)
Less: Noninterest Expense	(123.0)	(134.7)	(158.7)
Pre-Tax Income	\$72.6	\$63.9	\$28.9
Less: Income Taxes (FTE)	16.3	14.7	6.3
Net Income	\$56.3	\$49.2	\$22.6
Earnings Per Share	\$0.32	\$0.29	\$0.13
Adjustments:			
Less: Debt Securities Gains/Losses	\$0.1	(\$0.4)	(\$5.2)
Add: ONB Way Charges	-	8.2	31.2
Add: M&A Charges	1.2	0.2	-
Net Total Adjustments	\$1.3	\$8.0	\$26.0
Tax Effect on Net Total Adjustments	0.3	2.0	6.5
After-Tax Net Total Adjustments	\$1.0	\$6.0	\$19.5
Adjusted Net Income	\$57.3	\$55.2	\$42.1
Adjusted Earnings Per Diluted Share	\$0.33	\$0.32	\$0.25

\$ in millions, except per share data

Non-GAAP Reconciliations

	1Q19	2Q19	3Q19	4Q19	1Q20
As Reported:					
Net Interest Income (FTE)	\$150.2	\$158.5	\$156.3	\$152.2	\$147.1
Add: Fee Income	46.4	51.2	53.9	47.7	57.5
Total Revenue (FTE)	\$196.6	\$209.7	\$210.2	\$199.9	\$204.6
Less: Noninterest Expense	123.0	128.1	122.6	134.7	158.7
Pre-Provision Net Revenue (PPNR)	\$73.6	\$81.6	\$87.6	\$65.2	\$45.9
Revenue Adjustments:					
Less: Debt Securities Gains/Losses	\$0.1	(\$1.2)	(\$0.4)	(\$0.4)	(\$5.2)
Adjusted Total Revenue	\$196.7	\$208.5	\$209.8	\$199.5	\$199.4
Expense Adjustments:					
Less: ONB Way Charges	-	(\$1.4)	(\$1.8)	(\$8.2)	(\$31.2)
Less: M&A Charges	(1.2)	(3.3)	(1.3)	(0.2)	-
Less: Amortization of Tax Credit Investments	(0.3)	(0.6)	(1.2)	(0.7)	(5.5)
Adjusted Noninterest Expense	\$121.5	\$122.8	\$118.3	\$125.6	\$122.0
Adjusted Pre-Provision Net Revenue (PPNR)	\$75.2	\$85.7	\$91.5	\$73.9	\$77.4
~~~~~					
Average assets	\$19,808.3	\$19,953.6	\$20,147.2	\$20,218.8	\$20,366.5
<b>Pre-Provision Net Revenue to Average Assets</b>	<b>1.49%</b>	<b>1.64%</b>	<b>1.74%</b>	<b>1.29%</b>	<b>0.90%</b>
<b>Adjusted Pre-Provision Net Revenue to Average Assets</b>	<b>1.52%</b>	<b>1.72%</b>	<b>1.82%</b>	<b>1.46%</b>	<b>1.52%</b>
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Accretion Income	\$8.9	\$11.8	\$13.4	\$9.5	\$6.7
Accretion Income as a % of Total Revenue	4.5%	5.6%	6.4%	4.7%	3.3%
Accretion Income as a % of Adjusted Total Revenue	4.5%	5.7%	6.4%	4.8%	3.4%

\$ in millions

Non-GAAP Reconciliations

	1Q19	4Q19	1Q20
Noninterest Expense As Reported	\$123.0	\$134.7	\$158.7
Less: ONB Way Charges	-	(8.2)	(31.2)
Less: Merger and Integration Charges	(1.2)	(0.2)	-
Noninterest Expense Less Charges	\$121.8	\$126.3	\$127.5
Less: Amortization of Tax Credit Investments	(0.3)	(0.7)	(5.5)
Adjusted Noninterest Expense	\$121.5	\$125.6	\$122.0
Less: Intangible Amortization	(4.5)	(3.9)	(3.8)
Adjusted Noninterest Expense Less Intangible Amortization	\$117.0	\$121.7	\$118.2
Net Interest Income As Reported	\$147.0	\$148.9	\$143.8
Add: FTE Adjustment	3.2	3.3	3.3
Net Interest Income (FTE)	\$150.2	\$152.2	\$147.1
Noninterest Income As Reported	\$46.4	\$47.7	\$57.5
Total Revenue (FTE)	\$196.6	\$199.9	\$204.6
Less: Debt Securities Gains/Losses	0.1	(0.4)	(5.2)
Adjusted Total Revenue (FTE)	\$196.7	\$199.5	\$199.4
Reported Efficiency Ratio	60.26%	65.57%	77.71%
Adjusted Efficiency Ratio	59.51%	60.97%	59.31%
Operating Leverage¹ (basis points)			(2,498)
Adjusted Operating Leverage² (basis points)			102

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

Non-GAAP Reconciliations

	3Q19	4Q19	1Q20
Net Interest Income As Reported	\$153.1	\$148.9	\$143.8
FTE Adjustment	3.2	3.3	3.3
Net Interest Income (FTE)	\$156.3	\$152.2	\$147.1
Average Earning Assets	\$17,510.5	\$17,577.8	\$17,774.0
Net Interest Margin	3.50%	3.39%	3.24%
Net Interest Margin (FTE)	3.57%	3.46%	3.31%

	1Q19	2Q19	3Q19	4Q19	1Q20
Noninterest Income As Reported	\$46.4	\$51.2	\$53.9	\$47.7	\$57.5
Less: Securities Gains/Losses	0.1	(1.2)	(0.4)	(0.4)	(5.2)
Adjusted Noninterest Income	\$46.5	\$50.0	\$53.5	\$47.3	\$52.3

	1Q19	4Q19	1Q20
Shareholders' Equity As Reported	\$2,751.9	\$2,852.5	\$2,823.4
Less: Goodwill and Intangible Assets	(1,108.8)	(1,097.1)	(1,093.3)
Tangible Common Shareholders' Equity	\$1,643.1	\$1,755.4	\$1,730.1
Common Shares Issued and Outstanding at Period End	174.0	169.6	165.1
Tangible Common Book Value	\$9.44	\$10.35	\$10.48

\$ 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 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
IBERIABANK Corporation	IBKC
TCF Financial Corporation	TCF
Trustmark Corporation	TRMK
UMB Financial Corporation	UMBF
Valley National Bancorp	VLY
Western Alliance Bancorporation	WAL
Wintrust Financial Corporation	WTFC