

2021 ANNUAL REPORT

WITH PROXY STATEMENT AND
NOTICE OF ANNUAL MEETING



Jim Ryan
Chief Executive Officer



Michael Scudder
Executive Chairman

 **BETTER
TOGETHER**

Dear Old National Owners,

As we reflect on 2021 and look ahead to an incredibly bright future, two words best describe the position your company finds itself in: *Better Together*. A simple yet powerful mantra, Better Together defines the rationale for our recently completed partnership with Chicago-based First Midwest Bancorp, Inc. This transformative merger combines two storied community banks with similar cultures and a shared passion for strengthening communities and exceeding client expectations. It also signifies the beginning of a new Old National—one with \$46 billion in total assets, a vibrant and expanded footprint, stronger leadership and enhanced capabilities.

We are thrilled that 98% of our collective shareholders voted to approve this historic transaction. As a result, Old National is now the 6th largest commercial bank headquartered in the Midwest and one of the largest public banking companies in the nation. Because of your overwhelming support for our strategic vision, we stand poised to become THE premier bank headquartered in the Midwest.

Better Together also describes the approach your company has taken throughout our 188-year history when it comes to serving both clients and community. By helping our customers thrive and our communities grow, we continue to ensure the long-term strength and stability of Old National.

In 2021, the constraints of a lingering pandemic compelled us to take a creative, agile approach to delivering on our commitment to corporate social responsibility. Our team members devoted nearly 40,000 volunteer hours to over 1,500 organizations, and we invested roughly \$6.1 million in our markets through sponsorships and Foundation grants. Looking ahead, we will continue to invest in the communities we serve—a commitment highlighted by a five-year, \$8.3 billion Community Growth Plan that will be detailed later in this letter.

Finally, *Better Together* is an ideal way to describe Old National's continuing commitment to our most valuable asset: our team members. Their talent, passion and expertise help drive our success, and we strive to reward these efforts by consistently investing in their growth and development.

2021 Financial Results

Our full-year financial results established numerous records for your company. What's particularly noteworthy is that we achieved these record results while also working diligently to prepare the path for a successful partnership integration. This included combining two strong, experienced leadership teams, integrating hundreds of systems and processes, and ensuring that we maintained—and effectively blended—the best qualities of each organization's culture.

It's also important to note that these 2021 results reflect our financial performance prior to the partnership. Full-year results include:

- Record high net income of \$277.5 million, a 23% increase over full-year 2020 net income of \$226.4 million.
- Record high commercial loan production of \$3.9 billion.
- Record wealth revenue of \$65 million.
- Record Small Business Administration (SBA) production of \$157 million.
- Record net credit recoveries of \$4.8 million.

In addition, our credit quality and capital position remained strong during the year as we defended our margin well in the face of continued economic headwinds. And our adjusted efficiency ratio of 56.8% demonstrated our ongoing commitment to excellent expense management.

Similarly, First Midwest's full-year 2021 earnings were also strong, including net income of \$182 million applicable to common shares, an 86% increase over 2020; record mortgage and wealth management results; robust business production; well controlled expenses; and strong credit metrics.

Combining these two successful organizations generates significant positive momentum and strong operating leverage as we continue to work together toward the completion of our branch and systems conversion in July of this year. With more than 250 branches, the new Old National also boasts a strong, stable deposit franchise that positions your company very well should the Federal Reserve continue to raise interest rates.

Full-year stock performance

While Old National's 2021 stock performance lagged our peers, this was not unexpected. Historically, banks that embark on transformational mergers experience a short-term decline relative to peers as investors initially take a wait-and-see approach to the combination.

However, we are exceptionally confident that this partnership strengthens your company and bolsters our stated strategy of building long-term shareholder value. The next portion of this letter is devoted to detailing why we are so confident in this assessment.

First Midwest Bank

A closer look at our First Midwest partnership

As previously noted, this partnership positions us with more than \$46 billion in total assets. Other details include:

- Old National is now among the top 35 banks in the nation and the 6th largest commercial bank headquartered in the Midwest.
- Your company has \$36 billion in retail deposits and \$34 billion in assets under management.
- We have expanded into several vibrant Greater Chicago communities where the Old National brand should resonate exceptionally well.

More specifically, the increased scale and expanded footprint benefit Old National in several meaningful ways.

- **It significantly accelerates our investments in talent and technology.** By taking a "best of both" approach to combining our information technology and operations functions, we have freed up dollars to reinvest in:
 - *Talent.* This includes investing in the growth and development of our existing team members and seeking to attract the strongest possible new talent.
 - *Technology.* By making smart, strategic investments in emerging technologies and digital capabilities, we can keep pace with our largest competitors and exceed the expectations of our clients.
- **It positions us to deliver specialized banking services while simultaneously identifying key verticals for increased focus.** The expertise of our newly combined team positions us to better serve clients in numerous categories (including healthcare, manufacturing, agriculture banking and municipal financing) while being strategic about which verticals/categories to focus on in a larger, more comprehensive way.

- **It enables us to provide customized lending services with larger credit limits.** This partnership positions Old National to be a true Midwestern leader in commercial expansion and acquisitions, inventory and equipment, cash flow and more. Our enhanced lending scale and scope includes lines of credit, commercial and investment real estate, term loans, and SBA loans—all of which positions us well for organic growth.
- **It raises the bar on our ability to attract and serve Wealth Management clients.** The additional scale of our partnership creates a strong, distinctive value proposition for current and prospective Wealth clients. This includes new efficiencies, differentiated service models, an enhanced suite of offerings and improved technology. *More to follow later in this letter about Old National's approach to serving high net worth clients.*

A shared commitment to team members and communities

We could easily devote several more paragraphs to the many ways this partnership strengthens your company strategically. But instead, we want to shift the focus to what initially drew both sides to this partnership: the outstanding cultural fit. In First Midwest, Old National found a partner that not only shared our commitment to investing in team members and creating an inclusive work environment for them to grow and thrive, but also a relentless passion for strengthening communities through corporate giving, strategic partnerships and volunteerism.

As we thought about how best to leverage this shared commitment to corporate social responsibility, we began by elevating the position of Chief Diversity, Equity & Inclusion Officer and welcoming Corliss Garner as a member of our senior-most executive leadership team. She held a similar position with First Midwest while also directing the company's Corporate Social Responsibility efforts.

Additionally, as mentioned earlier in the letter, Old National announced an \$8.3 billion Community Growth Plan in early 2022 that builds on our long-standing commitment to supporting historically underserved and economically disadvantaged individuals, families and communities. This five-year plan, developed in collaboration with the National Community Reinvestment Coalition (NCRC) and its members, includes:

- \$2 billion in loans to promote increased home ownership and home improvement for Low-to-Moderate Income households, particularly Black and Hispanic borrowers and those located in majority-minority communities.
- \$3 billion+ in loans to businesses with annual revenues of \$1 million or less and to small businesses located within low-to-moderate income areas.
- \$24 million in funds to organizations and for causes that provide community benefits as defined under the Community Reinvestment Act.
- Establishing a \$2.5 million loan subsidy to assist borrowers in qualifying for residential loans.

As we stated in our 2021 Environmental, Social and Governance (ESG) Report, Old National's collective commitment to corporate social responsibility has not changed. It is more than just a strategic priority; it is woven into the fabric of our cultural DNA. We are proud to partner with NCRC to build on our strong legacy of service and make a lasting impact on the many communities we serve.

Other 2021 highlights

We celebrated a decade on the World's Most Ethical Companies® list



In 2021, Old National was named to the Ethisphere Institute's prestigious World's Most Ethical Companies® list for the 10th consecutive year. We are also proud to report that we are one of just five banks to be named a World's Most Ethical Company for 2022.

Strong governance and adherence to ethics was a hallmark of the First Midwest culture as well, so you can be certain that Old National will continue to prioritize being an industry leader in ethics and integrity now that we have become one of the nation's top 35 banks.

We assisted thousands of clients with Paycheck Protection Program (PPP) loans

In 2021, Old National continued to assist clients with the Paycheck Protection Program, which was introduced in 2020 to help small businesses and non-profits navigate the pandemic. At times, our team members worked around the clock to assist our clients.

All totaled, Old National and First Midwest assisted more than 23,000 PPP clients during 2020 and 2021, for a total combined loan value of nearly \$4 billion. More than 90% of our combined PPP loans have completed the forgiveness process.

We continued to add top-tier talent

In 2021, both Old National and First Midwest continued to welcome industry-leading performers to our combined family. This included proven “big bank” performers in commercial, wealth and other segments who chose to join us because they are inspired by our strategic vision and excited about our culture.

Specifically, we were thrilled to hire three proven executives—Jim Steiner, Joseph Colianni and Eric Holman—to lead a new Investment Management and High Net Worth (HNW) division, including portfolio management, investment research, HNW advisory and institutional wealth management services. The trio joined Old National after spending the past decade overseeing an arm of Wells Fargo called Abbot Downing, which centered on ultra-high net worth clients.

The addition of this dynamic team is a crucial milestone in Old National’s vision to build upon the strong foundation of our Wealth Management services. Along with hiring these critical new leaders, Old National expanded our geography in early 2022 with the establishment of a Scottsdale, Arizona office.

We achieved record results in SBA lending

Old National is considered a Preferred Lender by the U.S. Small Business Administration. In 2021, Old National recorded a record \$157 million in total SBA loan production. Additionally, we ranked as the #1 Indiana-based SBA 7(a) lender in Indiana, the #2 SBA 7(a) lender in Minnesota and the #3 SBA 7(a) lender in our banking footprint.

Our success and expertise in SBA lending is a strength Old National will continue to leverage as we expand into new markets.

Looking ahead to 2022 and beyond

As mentioned previously, 2021 was a year that saw Old National demonstrate the many ways that we are *Better Together*. As 2022 progresses, we continue to build upon the positive momentum created over the past 12 months as we solidify our position as one of the leading financial institutions in the Midwest.

As we write this letter, it’s safe to say our nation is experiencing economic headwinds caused by supply chain issues, inflation, the conflict in Ukraine and other factors. As a result of these concerns (particularly rising inflation), Federal Reserve Chairman Jerome Powell has signaled that the Fed may take “a more aggressive approach” to raising interest rates in the months to come.

Regardless of what the remainder of 2022 holds in store for our country, our region and our industry, we are very confident that Old National’s proven strategic approach—which has always placed a premium on strength, stability and long-term growth—coupled with our strong deposit franchise positions us to weather any and all challenges while continuing to grow our client base and our organization.

Specifically, we are focused on several near-term goals for your company:

- **Delivering top-quartile shareholder returns while continuing to seek strategic growth/expansion opportunities.** Old National now boasts a powerful market share position throughout key Midwest markets with a liquid and well-capitalized balance sheet, yet we have no intention of standing pat. As always, our executive leadership team will be patient and meticulous when it comes to vetting partnership opportunities.
- **Building upon our long-standing commitment to exceeding client expectations and strengthening our communities.** For years, Old National has staked our success on building lasting relationships with our clients and investing in our communities. Not only are we doubling down on this approach, we are doing so from a position of strength that is fueled by new investments in technology, enhanced product offerings and the ability to serve a different breed of commercial and wealth client.
- **Being recognized as the employer of choice for top banking talent.** We believe that your company—now one of the premier banks headquartered in the Midwest—should boast the very best talent in the industry. As a result, we will continue to invest in the growth and development of our existing team members while continuously seeking to add top-flight talent in all areas of the organization.
- **Becoming an industry leader in ESG-related issues.** We are a true champion in our industry when it comes to ESG, particularly as it relates to diversity, equity and inclusion issues and serving underrepresented populations. We believe the five-year community growth plan detailed earlier, coupled with other community commitments underway throughout our footprint, have put us on the proper path. In fact, Moody’s Investors Service recently gave Old National an ESG Credit Impact Score of CIS-2 (neutral-to-low), which is its 2nd best rating possible.

- **Consistently delivering top-tier performance for you, our owners.** While never compromising our risk appetite nor our ethical principles for the sake of short-term gains, Old National is committed to being innovative, agile and relentless in our quest to become a consistent top-quartile performer that sets the standard for other mid-sized banks. We believe that you, our owners, deserve this level of impassioned success, as do our clients, communities and team members.

We would like to close by adding one more layer to our *Better Together* theme. We hope this letter has left you, our owners, sharing in our confidence that each of you—and Old National—are *Better Together*. We would also be remiss if we failed to welcome those who became Old National shareholders in February of this year when our First Midwest partnership closed.

Thank you for trusting Old National with your investment. We look forward to rewarding you with positive long-term results.

Sincerely,



Jim Ryan
CEO



Michael Scudder
Executive Chairman

WITH TREMENDOUS GRATITUDE

We would like to offer a sincere thank you to our departing Board members from Old National and First Midwest.

Their outstanding leadership, meaningful contributions and loyal and dedicated service have been instrumental to the growth and success of both companies and have positioned the newly combined Old National well for the next chapter in our journey. You have made a difference in helping us serve our clients, team members and communities, and we truly appreciate it.

Phupinder S. Gill	Andrew E. Goebel
Jerome F. Henry, Jr.	Phelps L. Lambert
Frank B. Modruson	Randall T. Shepard
Linda E. White	

Forward-Looking Statements

This letter 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, profitability and business plans or opportunities. Forward-looking statements can be identified by the use of the words "anticipate," "believe," "expect," "intend," "may," "will," "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 or outcomes to differ materially from those in such statements. Factors that might cause such a difference include, but are not limited to: the continued impact of the COVID-19 pandemic on our business as well as the business of our customers; competition; government legislation, regulations and policies; ability of Old National to execute its business plan, including the completion of the integration and systems conversion related to the merger between Old National and First Midwest Bancorp, Inc. and the achievement of the synergies and other benefits from the merger; 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 litigation; disruptive technologies in payment systems and other services traditionally provided by banks; computer hacking and other cybersecurity threats; other matters discussed in this letter; and other factors identified in our Annual Report on Form 10-K for the year ended December 31, 2021 and other filings with the Securities and Exchange Commission. These forward-looking statements are made only as of the date of this letter, and Old National does not undertake an obligation to update these forward-looking statements to reflect events or conditions after the date of this letter.

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Old National Bancorp is the holding company for Old National Bank. With more than \$46 billion in assets and \$34 billion of assets under management, it ranks among the top 35 banking companies based in the U.S. and is the sixth largest banking company headquartered in the Midwest. Old National has been recognized as a World's Most Ethical Company by the Ethisphere Institute for 11 consecutive years. Since its founding in Evansville in 1834, Old National Bank has focused on community banking by building long-term, highly valued partnerships and keeping our clients at the center of all we do. Today, Old National's footprint includes Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota and Wisconsin. In addition to providing extensive services in retail and commercial banking, Old National offers comprehensive wealth management, investment and capital market services. For more information and financial data, please visit Investor Relations at oldnational.com.