

REFINITIV

DELTA REPORT

10-Q

ONB - OLD NATIONAL BANCORP /IN/

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 1211

CHANGES	410
DELETIONS	453
ADDITIONS	348

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **September 30, 2023** **March 31, 2024**

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number **001-15817**

Old National Bancorp

(Exact name of registrant as specified in its charter)

Indiana

35-1539838

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

One Main Street

47708

Evansville, Indiana

(Zip Code)

(Address of principal executive offices)

(800) 731-2265

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered	
Common stock, no par value		ONB	Stock Global Select Market LLC
Depository Shares, each representing a 1/40th interest in a share of Non-Cumulative Perpetual Preferred Stock, Series A		ONBPP	Stock Global Select Market LLC
Depository Shares, each representing a 1/40th interest in a share of Non-Cumulative Perpetual Preferred Stock, Series C		ONBPO	Stock Global Select Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The registrant has one class of common stock (no par value) with **292,621,000** **318,971,000** shares outstanding at **October 31, 2023** **April 30, 2024**.

OLD NATIONAL BANCORP
FORM 10-Q

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GLOSSARY OF ABBREVIATIONS AND ACRONYMS

As used in this report, references to "Old National," "the Company," "we," "our," "us," and similar terms refer to the consolidated entity consisting of Old National Bancorp and its wholly-owned subsidiaries. Old National Bancorp refers solely to the parent holding company, and Old National Bank refers to Old National Bancorp's **wholly-owned** bank subsidiary.

The acronyms and abbreviations identified below are used throughout this report, including the Notes to Consolidated Financial Statements (Unaudited). You may find it helpful to refer to this page as you read this report.

AOCI: accumulated other comprehensive income (loss)

AQR: asset quality rating
 ASC: Accounting Standards Codification
 ASU: Accounting Standards Update
 ATM: automated teller machine
 BBCC: business banking credit center (small business)
 CapStar: CapStar Financial Holdings, Inc.
 CECL: current expected credit loss
 Common Stock: Old National Bancorp common stock, no par value
 DTI: debt-to-income
 FASB: Financial Accounting Standards Board
 FDIC: Federal Deposit Insurance Corporation
 FHLB: Federal Home Loan Bank
 FHTC: Federal Historic Tax Credit
 FICO: Fair Isaac Corporation
 First Midwest: First Midwest Bancorp, Inc.
 GAAP: U.S. generally accepted accounting principles
 LGD: loss given default
 LIBOR: London Interbank Offered Rate
 LIHTC: Low Income Housing Tax Credit
 LTV: loan-to-value
 N/A: not applicable
 N/M: not meaningful
 NASDAQ: The NASDAQ Stock Global Select Market LLC
 NMTC: New Markets Tax Credit
 NOW: negotiable order of withdrawal
 OCC: Office of the Comptroller of the Currency
 PCD: purchased credit deteriorated
 PD: probability of default
 Renewable Energy: investment tax credits for solar projects
 SEC: U.S. Securities and Exchange Commission
 SOFR: Secured Overnight Financing Rate
 TDR: troubled debt restructuring
 UMB: UMB Bank, n.a.

OLD NATIONAL BANCORP
CONSOLIDATED BALANCE SHEETS

(dollars and shares in thousands, except per share data)	(dollars and shares in thousands, except per share data)	September 30, 2023	December 31, 2022	(dollars and shares in thousands, except per share data)	March 31, 2024	December 31, 2023
(unaudited)						
Assets	Assets	Assets			(unaudited)	
Cash and due from banks	Cash and due from banks	\$ 381,343	\$ 453,432			
Money market and other interest-earning investments	Money market and other interest-earning investments	1,282,087	274,980			
Total cash and cash equivalents	Total cash and cash equivalents	1,663,430	728,412			
Equity securities, at fair value	Equity securities, at fair value	69,880	52,507			
Investment securities - available-for-sale, at fair value (amortized cost \$7,719,944 and \$7,772,603, respectively)	6,414,761	6,773,712				
Investment securities - held-to-maturity, at amortized cost (fair value \$2,393,621 and \$2,643,682, respectively)	3,027,914	3,089,147				

Investment securities - available-for-sale, at fair value (amortized cost \$7,834,082 and \$7,684,889, respectively)			
Investment securities - available-for-sale, at fair value (amortized cost \$7,834,082 and \$7,684,889, respectively)			
Investment securities - available-for-sale, at fair value (amortized cost \$7,834,082 and \$7,684,889, respectively)			
Investment securities - held-to-maturity, at amortized cost (fair value \$2,547,576 and \$2,601,188, respectively)			
Federal Home Loan	Federal Home		
Bank/Federal Reserve Bank	Bank/Federal Reserve Bank		
stock, at cost	stock, at cost	365,588	314,168
Loans held-for-sale, at fair value	Loans held-for-sale, at fair value	122,033	11,926
Loans: Commercial	Loans: Commercial	9,333,448	9,508,904
Commercial			
Commercial			
Commercial real estate	Commercial real estate	13,916,221	12,457,070
Residential real estate	Residential real estate	6,696,288	6,460,441
Consumer credit, net of unearned income		2,631,877	2,697,226
Total loans		32,577,834	31,123,641
Consumer			
Total loans, net of unearned income			
Allowance for credit losses on loans	Allowance for credit losses on loans	(303,982)	(303,671)
Net loans	Net loans	32,273,852	30,819,970
Premises and equipment, net	Premises and equipment, net	565,607	557,307
Operating lease right-of-use assets		179,284	189,714
Accrued interest receivable		209,503	190,521
Goodwill			
Goodwill			
Goodwill	Goodwill	1,998,716	1,998,716
Other intangible assets	Other intangible assets	108,119	126,405

Company-owned life insurance	Company-owned life insurance	774,517	768,552
Other assets		1,286,244	1,142,315
Accrued interest receivable and other assets			
Total assets			
Liabilities			
Deposits:	Deposits:		
Deposits:			
Deposits:			
Noninterest-bearing demand	Noninterest-bearing demand		
Noninterest-bearing demand	Noninterest-bearing demand		
Noninterest-bearing demand	Noninterest-bearing demand	\$10,091,352	\$11,930,798
Interest-bearing:	Interest-bearing:		
Checking and NOW			
Checking and NOW			
Checking and NOW	Checking and NOW	7,495,417	8,340,955
Savings	Savings	5,296,985	6,326,158
Money market	Money market	8,793,218	5,389,139
Time deposits	Time deposits	5,575,704	3,013,780
Total deposits	Total deposits	37,252,676	35,000,830
Federal funds purchased and interbank borrowings	Federal funds purchased and interbank borrowings	918	581,489
Securities sold under agreements to repurchase	Securities sold under agreements to repurchase	279,061	432,804
Federal Home Loan Bank advances	Federal Home Loan Bank advances	4,412,576	3,829,018
Other borrowings	Other borrowings	863,455	743,003
Operating lease liabilities		199,937	211,964
Accrued expenses and other liabilities			
Accrued expenses and other liabilities			
Accrued expenses and other liabilities	Accrued expenses and other liabilities	811,288	835,669
Total liabilities	Total liabilities	43,819,911	41,634,777
Shareholders' Equity	Shareholders' Equity		
Preferred stock, 2,000 shares authorized, 231	Preferred stock, 2,000 shares authorized, 231		
shares issued and outstanding	shares issued and outstanding	230,500	230,500

Common stock, no par value, \$1.00 per share stated value, 600,000 shares authorized, 292,586 and 292,903 shares issued and outstanding, respectively	292,586	292,903
Preferred stock, 2,000 shares authorized, 231 shares issued and outstanding		
Preferred stock, 2,000 shares authorized, 231 shares issued and outstanding		
Common stock, no par value, \$1.00 per share stated value, 600,000 shares authorized, 293,330 and 292,655 shares issued and outstanding, respectively		
Capital surplus	Capital surplus	4,153,977
Retained earnings	Retained earnings	1,531,289
Accumulated other comprehensive income (loss), net of tax	Accumulated other comprehensive income (loss), net of tax	(968,815)
Total shareholders' equity	Total shareholders' equity	5,239,537
Total liabilities and shareholders' equity	Total liabilities and shareholders' equity	\$49,059,448
		\$46,763,372

The accompanying notes to consolidated financial statements are an integral part of these statements.

OLD NATIONAL BANCORP

CONSOLIDATED STATEMENTS OF INCOME (unaudited)

	Three Months		Nine Months Ended		
	Ended	September 30,	Ended	September 30,	
	March 31,		March 31,		
(dollars and shares in thousands, except per share data)	(dollars and shares in thousands, except per share data)	2023	2022	2023	2022
Interest Income	Interest Income				
Loans including fees:	Loans including fees:				
Taxable	Taxable	\$474,387	\$331,271	\$1,334,658	\$800,535
Nontaxable	Nontaxable	11,181	6,461	32,318	14,770
					(dollars and shares in thousands, except per share data)
					2024
					2023

Investment securities:	Investment securities:				
Taxable	Taxable	66,924	56,765	191,797	145,633
Taxable					
Taxable					
Nontaxable	Nontaxable	10,833	11,086	33,039	32,370
Money market and other interest-earning investments	Money market and other interest-earning investments				
		13,194	935	25,258	3,073
Total interest income	Total interest income	576,519	406,518	1,617,070	996,381
Interest Expense	Interest Expense				
Deposits	Deposits				
Deposits	Deposits				
Deposits	Deposits	147,428	10,820	310,995	19,201
Federal funds purchased and interbank borrowings	Federal funds purchased and interbank borrowings				
		910	720	11,404	722
Securities sold under agreements to repurchase	Securities sold under agreements to repurchase				
		710	106	2,389	287
Federal Home Loan Bank advances	Federal Home Loan Bank advances				
		40,382	13,027	123,466	25,915
Other borrowings	Other borrowings				
		12,003	5,256	30,071	13,410
Total interest expense	Total interest expense	201,433	29,929	478,325	59,535
Net interest income	Net interest income				
		375,086	376,589	1,138,745	936,846
Provision for credit losses	Provision for credit losses				
		19,068	15,490	47,292	133,391
Net interest income after provision for credit losses	Net interest income after provision for credit losses				
		356,018	361,099	1,091,453	803,455
Noninterest Income	Noninterest Income				
Wealth and investment services fees	Wealth and investment services fees				
		26,687	25,359	80,128	75,183
Wealth and investment services fees	Wealth and investment services fees				
Service charges on deposit accounts	Service charges on deposit accounts				
		18,524	20,042	53,278	54,392
Debit card and ATM fees	Debit card and ATM fees				
		10,818	10,608	31,453	29,429

Mortgage banking revenue	Mortgage banking revenue	5,063	5,360	12,628	19,127
Capital markets income					
Capital markets income					
Capital markets income	Capital markets income	5,891	8,906	19,003	20,609
Company-owned life insurance	Company-owned life insurance	3,740	3,361	11,624	11,456
Debt securities gains (losses), net	Debt securities gains (losses), net	(241)	(172)	(5,440)	85
Other income	Other income	10,456	6,921	30,574	24,461
Total noninterest income	Total noninterest income	80,938	80,385	233,248	234,742
Noninterest Expense	Noninterest Expense				
Salaries and employee benefits					
Salaries and employee benefits					
Salaries and employee benefits	Salaries and employee benefits	131,541	147,203	404,715	433,167
Occupancy	Occupancy	25,795	26,418	80,162	73,933
Equipment	Equipment	8,284	7,328	23,394	20,046
Marketing	Marketing	9,448	10,361	28,698	23,756
Technology	Technology	20,592	20,269	59,850	64,914
Communication	Communication	4,075	5,392	12,768	14,687
Professional fees	Professional fees	5,956	6,559	19,085	32,686
FDIC assessment	FDIC assessment	9,000	6,249	29,028	13,523
Amortization of intangibles	Amortization of intangibles	6,040	7,089	18,286	19,070
Amortization of tax credit investments	Amortization of tax credit investments	2,644	2,662	8,167	5,703
Property optimization		—	—	1,559	—
Other expense					
Other expense					
Other expense	Other expense	21,401	22,914	56,359	54,023
Total noninterest expense	Total noninterest expense	244,776	262,444	742,071	755,508
Income before income taxes	Income before income taxes	192,180	179,040	582,630	282,689
Income tax expense	Income tax expense	44,304	38,887	133,118	55,137
Net income	Net income	147,876	140,153	449,512	227,552
Preferred dividends	Preferred dividends	(4,034)	(4,034)	(12,101)	(10,084)

Net income applicable to common shareholders	Net income applicable to common shareholders	\$143,842	\$136,119	\$ 437,411	\$217,468
Net income per common share - basic	Net income per common share - basic	\$ 0.49	\$ 0.47	\$ 1.50	\$ 0.81
Net income per common share - diluted	Net income per common share - diluted	0.49	0.47	1.50	0.80
Weighted average number of common shares outstanding - basic	Weighted average number of common shares outstanding - basic	290,648	290,961	290,763	269,843
Weighted average number of common shares outstanding - diluted	Weighted average number of common shares outstanding - diluted	291,717	292,483	291,809	271,123
Dividends per common share	Dividends per common share	\$ 0.14	\$ 0.14	\$ 0.42	\$ 0.42

The accompanying notes to consolidated financial statements are an integral part of these statements.

OLD NATIONAL BANCORP

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (unaudited)

		Three Months Ended September 30,		Nine Months Ended September 30,			
		Three Months Ended March 31,		Three Months Ended March 31,			
		Three Months Ended March 31,		Three Months Ended March 31,			
(dollars in thousands)	(dollars in thousands)	2023	2022	2023	2022	(dollars in thousands)	
Net income	Net income	\$147,876	\$140,153	\$449,512	\$ 227,552		2024
Other comprehensive income (loss):	Other comprehensive income (loss):						2023
Other comprehensive income (loss):	Other comprehensive income (loss):						
Change in debt securities available-for-sale:	Change in debt securities available-for-sale:						
Change in debt securities available-for-sale:	Change in debt securities available-for-sale:						
Change in debt securities available-for-sale:	Change in debt securities available-for-sale:						

Unrealized holding gains (losses) for the period	Unrealized holding gains (losses) for the period	(208,626)	(285,798)	(304,061)	(1,019,782)
Reclassification for securities transferred to held-to-maturity	—	—	—	165,473	
Unrealized holding gains (losses) for the period					
Unrealized holding gains (losses) for the period					
Reclassification adjustment for securities (gains) losses realized in income					
Reclassification adjustment for securities (gains) losses realized in income					
Reclassification adjustment for securities (gains) losses realized in income	Reclassification adjustment for securities (gains) losses realized in income	241	172	5,440	(85)
Income tax effect	Income tax effect	51,903	68,356	83,092	202,999
Unrealized gains (losses) on available-for-sale securities	Unrealized gains (losses) on available-for-sale securities	(156,482)	(217,270)	(215,529)	(651,395)
Change in securities held-to-maturity:	Change in securities held-to-maturity:				
Adjustment for securities transferred from available-for-sale	—	—	—	(165,473)	
Change in securities held-to-maturity:					
Change in securities held-to-maturity:					
Amortization of unrealized losses on securities transferred from available-for-sale					
Amortization of unrealized losses on securities transferred from available-for-sale					
Amortization of unrealized losses on securities transferred from available-for-sale	Amortization of unrealized losses on securities transferred from available-for-sale	5,623	6,772	16,574	10,774
Income tax effect	Income tax effect	(1,430)	(1,651)	(2,861)	37,621
Changes from securities held-to-maturity	Changes from securities held-to-maturity	4,193	5,121	13,713	(117,078)

Change in hedges:	Change in hedges:					
Change in hedges:						
Change in hedges:						
Net unrealized derivative gains (losses) on hedges						
Net unrealized derivative gains (losses) on hedges	Net unrealized derivative gains (losses) on hedges	(15,574)	(36,755)	45,547	(49,679)	
Reclassification adjustment for (gains) losses realized in net income	Reclassification adjustment for (gains) losses realized in net income	4,927	749	(19,893)	(139)	
Income tax effect	Income tax effect	2,754	8,846	(6,094)	12,240	
Changes from hedges	Changes from hedges	(7,893)	(27,160)	19,560	(37,578)	
Change in defined benefit pension plans:	Change in defined benefit pension plans:					
Change in defined benefit pension plans:						
Change in defined benefit pension plans:						
Amortization of net (gains) losses recognized in income						
Amortization of net (gains) losses recognized in income						
Amortization of net (gains) losses recognized in income	Amortization of net (gains) losses recognized in income	—	(11)	(182)	(32)	
Income tax effect	Income tax effect	—	3	45	8	
Changes from defined benefit pension plans	Changes from defined benefit pension plans	—	(8)	(137)	(24)	
Other comprehensive income (loss), net of tax	Other comprehensive income (loss), net of tax	(160,182)	(239,317)	(182,393)	(806,075)	
Comprehensive income (loss)	Comprehensive income (loss)	\$ (12,306)	\$ (99,164)	\$ 267,119	\$ (578,523)	

The accompanying notes to consolidated financial statements are an integral part of these statements.

OLD NATIONAL BANCORP

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (unaudited)

(dollars in thousands, except per share data)	Preferred Stock	Common Stock	Capital Surplus	Retained Earnings	Comprehensive Income (Loss)	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance, December 31, 2021	\$ —	\$ 165,838	\$ 1,880,545	\$ 968,010	\$ (2,375)	\$ 3,012,018	

Net income (loss)	—	—	—	(27,586)	—	—	(27,586)
Other comprehensive income (loss)	—	—	—	—	—	(335,824)	(335,824)
First Midwest Bancorp, Inc. merger:							
Issuance of common stock	—	129,365	2,316,947	—	—	—	2,446,312
Issuance of preferred stock, net of issuance costs	230,500	—	13,219	—	—	—	243,719
Cash dividends:							
Common (\$0.14 per share)	—	—	—	(40,782)	—	—	(40,782)
Preferred dividends	—	—	—	(2,017)	—	—	(2,017)
Common stock issued	—	10	155	—	—	—	165
Common stock repurchased	—	(3,890)	(66,188)	—	—	—	(70,078)
Share-based compensation expense	—	—	6,284	—	—	—	6,284
Stock activity under incentive compensation plans	—	1,636	(1,368)	(365)	—	—	(97)
Balance, March 31, 2022	230,500	292,959	4,149,594	897,260	(338,199)	5,232,114	
Net income	—	—	—	114,985	—	—	114,985
Other comprehensive income (loss)	—	—	—	—	—	(230,934)	(230,934)
Cash dividends:							
Common (\$0.14 per share)	—	—	—	(40,901)	—	—	(40,901)
Preferred dividends	—	—	—	(4,033)	—	—	(4,033)
Common stock issued	—	10	152	—	—	—	162
Common stock repurchased	—	(21)	(301)	—	—	—	(322)
Share-based compensation expense	—	—	7,813	—	—	—	7,813
Stock activity under incentive compensation plans	—	(55)	285	(331)	—	—	(101)
Balance, June 30, 2022	230,500	292,893	4,157,543	966,980	(569,133)	5,078,783	
Net income	—	—	—	140,153	—	—	140,153
Other comprehensive income (loss)	—	—	—	—	—	(239,317)	(239,317)
Cash dividends:							
Common (\$0.14 per share)	—	—	—	(40,907)	—	—	(40,907)
Preferred dividends	—	—	—	(4,034)	—	—	(4,034)
Common stock issued	—	17	213	—	—	—	230
Common stock repurchased	—	(34)	(497)	—	—	—	(531)
Share-based compensation expense	—	—	7,485	—	—	—	7,485
Stock activity under incentive compensation plans	—	4	1,839	(322)	—	—	1,521
Balance, September 30, 2022	\$ 230,500	\$ 292,880	\$ 4,166,583	\$ 1,061,870	\$ (808,450)	\$ 4,943,383	

**CONSOLIDATED STATEMENTS OF
CHANGES IN SHAREHOLDERS' EQUITY**

OLD NATIONAL BANCORP

(unaudited) – (Continued)

(dollars in thousands, except per share data)	(dollars in thousands, except per share data)	Preferred Stock	Common Stock	Capital Surplus	Retained Earnings	Comprehensive Income (Loss)	Shareholders' Equity	(dollars in thousands, except per share data)	Preferred Stock	Common Stock	Capital Surplus	Retained Earnings	Comprehensive Income (Loss)	Shareholders' Equity
Balance, December 31, 2022	Balance, December 31, 2022													
		\$ 230,500	\$ 292,903	\$ 4,174,265	\$ 1,217,349	\$ (786,422)	\$ 5,128,595							
Net income														
Net income														
Net income														

Other comprehensive income (loss)							
Cash dividends:							
Cash dividends:							
Cash dividends:							
Common (\$0.14 per share)							
Common (\$0.14 per share)							
Common (\$0.14 per share)							
Preferred (\$17.50 per share)							
Common stock issued							
Common stock repurchased							
Share-based compensation expense							
Stock activity under incentive compensation plans							
Balance, March 31, 2023							
December 31, 2023							
December 31, 2023							
Net income							
Net income							
Net income	Net income	—	—	—	146,600	—	146,600
Other comprehensive income (loss)	Other comprehensive income (loss)	—	—	—	—	78,064	78,064
Cash dividends:	Cash dividends:						
Common (\$0.14 per share)	Common (\$0.14 per share)	—	—	—	(41,088)	—	(41,088)
Preferred dividends	Preferred dividends	—	—	—	(4,034)	—	(4,034)
Common (\$0.14 per share)	Common (\$0.14 per share)						
Common stock issued	Common stock issued	—	15	247	—	—	262
Common stock repurchased	Common stock repurchased	—	(2,598)	(41,112)	—	—	(43,710)
Share-based compensation expense	Share-based compensation expense	—	—	12,742	—	—	12,742
Stock activity under incentive compensation plans	Stock activity under incentive compensation plans	—	1,602	(1,412)	(195)	—	(5)
Balance, March 31, 2023	230,500	291,922	4,144,730	1,318,632	(708,358)	5,277,426	

Net income	—	—	—	155,036	—	155,036
Other comprehensive income (loss)	—	—	—	—	(100,275)	(100,275)
Cash dividends:						
Common (\$0.14 per share)	—	—	—	(40,932)	—	(40,932)
Preferred dividends	—	—	—	(4,033)	—	(4,033)
Common stock issued	—	20	252	—	—	272
Common stock repurchased	—	(8)	(97)	—	—	(105)
Share-based compensation expense	—	—	5,247	—	—	5,247
Stock activity under incentive compensation plans	—	663	(1,043)	(161)	—	(541)
Balance, June 30, 2023	230,500	292,597	4,149,089	1,428,542	(808,633)	5,292,095
Net income	—	—	—	147,876	—	147,876
Other comprehensive income (loss)	—	—	—	—	(160,182)	(160,182)
Cash dividends:						
Common (\$0.14 per share)	—	—	—	(40,933)	—	(40,933)
Preferred dividends	—	—	—	(4,034)	—	(4,034)
Common stock issued	—	20	243	—	—	263
Common stock repurchased	—	(31)	(420)	—	—	(451)
Share-based compensation expense	—	—	4,914	—	—	4,914
Stock activity under incentive compensation plans	—	—	151	(162)	—	(11)
Balance, September 30, 2023	\$230,500	\$292,586	\$4,153,977	\$1,531,289	\$ (968,815)	\$ 5,239,537

**Balance,
March 31,
2024**

The accompanying notes to consolidated financial statements are an integral part of these statements.

OLD NATIONAL BANCORP
CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

		Nine Months Ended September 30,			
		Three Months Ended March 31,		Three Months Ended March 31,	
(dollars in thousands)	(dollars in thousands)	2023	2022	(dollars in thousands)	2024
Cash Flows					
From Operating Activities					
Cash Flows From Operating Activities					
Net income	Net income	\$ 449,512	\$ 227,552		
Adjustments to reconcile net income to cash provided by operating activities:	Adjustments to reconcile net income to cash provided by operating activities:				
Depreciation					
Depreciation					
Depreciation	Depreciation	28,162	26,893		

Amortization of other intangible assets	Amortization of other intangible assets	18,286	19,070
Amortization of tax credit investments	Amortization of tax credit investments	8,167	5,703
Net premium amortization on investment securities	Net premium amortization on investment securities	8,673	14,625
Accretion income related to acquired loans	Accretion income related to acquired loans	(17,484)	(63,472)
Share-based compensation expense	Share-based compensation expense	22,903	21,582
Provision for credit losses	Provision for credit losses	47,292	133,391
Debt securities (gains) losses, net	Debt securities (gains) losses, net	5,440	(85)
Net (gains) losses on sales of loans and other assets	Net (gains) losses on sales of loans and other assets	(727)	(5,911)
Increase in cash surrender value of company-owned life insurance	Increase in cash surrender value of company-owned life insurance	(11,624)	(11,456)
Residential real estate loans originated for sale	Residential real estate loans originated for sale	(366,340)	(490,288)
Proceeds from sales of residential real estate loans	Proceeds from sales of residential real estate loans	366,485	531,121
(Increase) decrease in interest receivable	(Increase) decrease in interest receivable	(18,982)	(29,088)
(Increase) decrease in other assets	(Increase) decrease in other assets	(56,116)	36,049

Increase (decrease) in accrued expenses and other liabilities	Increase (decrease) in accrued expenses and other liabilities	(40,132)	271,625
Net cash flows provided by (used in) operating activities	Net cash flows provided by (used in) operating activities	443,515	687,311
Cash Flows			Cash Flows
From			From
Investing			Investing
Activities			Activities
Cash received from merger, net			— 1,912,629
Purchases of investment securities available-for-sale			
Purchases of investment securities available-for-sale			
Purchases of investment securities available-for-sale	Purchases of investment securities available-for-sale	(626,820)	(1,367,896)
Purchases of investment securities held-to-maturity	Purchases of investment securities held-to-maturity	(1,941)	(156,378)
Purchases of Federal Home Loan Bank/Federal Reserve Bank stock	Purchases of Federal Home Loan Bank/Federal Reserve Bank stock	(99,158)	(115,488)
Purchases of equity securities	Purchases of equity securities	(20,862)	(5,843)
Proceeds from maturities, prepayments, and calls of investment securities available-for-sale	Proceeds from maturities, prepayments, and calls of investment securities available-for-sale	614,782	1,117,620
Proceeds from sales of investment securities available-for-sale	Proceeds from sales of investment securities available-for-sale	54,056	13,371

Proceeds from maturities, prepayments, and calls of investment securities held-to-maturity	Proceeds from maturities, prepayments, and calls of investment securities held-to-maturity	76,276	61,172
Proceeds from sales of Federal Home Loan Bank/Federal Reserve Bank stock		47,738	108,697
Proceeds from sales of equity securities			
Proceeds from sales of equity securities			
Proceeds from sales of equity securities	Proceeds from sales of equity securities	2,610	52,034
Loan originations and payments, net	Loan originations and payments, net	(2,269,544)	(2,481,620)
Proceeds from sales of commercial loans	Proceeds from sales of commercial loans	679,952	—
Proceeds from company-owned life insurance death benefits	Proceeds from company-owned life insurance death benefits	5,865	8,716
Proceeds from sales of premises and equipment and other assets	Proceeds from sales of premises and equipment and other assets	3,513	3,202
Purchases of premises and equipment and other assets	Purchases of premises and equipment and other assets	(28,074)	(28,739)
Net cash flows provided by (used in) investing activities	Net cash flows provided by (used in) investing activities	(1,561,607)	(878,523)
Cash Flows	Cash Flows		
From Financing Activities	From Financing Activities		
Net increase (decrease) in:	Net increase (decrease) in:		
Deposits	Deposits	2,251,846	235,064

Federal funds purchased and interbank borrowings	Federal funds purchased and interbank borrowings	(580,571)	300,755
Securities sold under agreements to repurchase	Securities sold under agreements to repurchase	(153,743)	(89,416)
Other borrowings	Other borrowings	114,251	152,324
Payments for maturities of Federal Home Loan Bank advances	Payments for maturities of Federal Home Loan Bank advances	(1,850,150)	(1,674,875)
Proceeds from Federal Home Loan Bank advances	Proceeds from Federal Home Loan Bank advances		
Proceeds from Federal Home Loan Bank advances	Proceeds from Federal Home Loan Bank advances		
Cash dividends paid	Cash dividends paid		
Cash dividends paid	Cash dividends paid		
Cash dividends paid	Cash dividends paid	(135,054)	(132,674)
Common stock repurchased	Common stock repurchased	(44,266)	(70,931)
Common stock issued	Common stock issued		
Common stock issued	Common stock issued		
Common stock issued	Common stock issued	797	557
Net cash flows provided by (used in) financing activities	Net cash flows provided by (used in) financing activities	2,053,110	170,804
Net increase (decrease) in cash and cash equivalents	Net increase (decrease) in cash and cash equivalents	935,018	(20,408)
Cash and cash equivalents at beginning of period	Cash and cash equivalents at beginning of period	728,412	822,019
Cash and cash equivalents at end of period	Cash and cash equivalents at end of period	\$1,663,430	\$ 801,611

OLD NATIONAL BANCORP

CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited) – (Continued)

Nine Months Ended
September 30,

Three Months Ended March 31,				Three Months Ended March 31,
(dollars in thousands)	(dollars in thousands)	2023	2022	(dollars in thousands)
Supplemental	Supplemental			2024
cash flow	cash flow			2023
information:	information:			
Total interest paid	Total interest paid	\$ 450,939	\$ 62,207	
Total interest paid	Total interest paid			
Total income taxes paid	Total income taxes paid			
(net of refunds)	(net of refunds)	158,478	14,759	
Common stock issued for merger, net		—	2,446,312	
Preferred stock issued for merger, net		—	243,870	
Investment securities purchased but not settled		—	3,858	
Securities transferred from available-for-sale to held-to-maturity		—	2,986,736	
Operating lease right-of-use assets obtained in exchange for lease obligations				
Operating lease right-of-use assets obtained in exchange for lease obligations				
Operating lease right-of-use assets obtained in exchange for lease obligations		7,899	17,376	
Finance lease right-of-use assets obtained in exchange for lease obligations		10,019	629	

The accompanying notes to consolidated financial statements are an integral part of these statements.

OLD NATIONAL BANCORP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 1 – BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements include the accounts of Old National Bancorp and its wholly-owned subsidiaries (hereinafter collectively referred to as "Old National") and have been prepared in conformity with accounting principles generally accepted in the United States of America and prevailing practices within the banking industry. Such principles require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and the disclosures of contingent assets and liabilities at the date of the financial statements and amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. In the

opinion of management, the consolidated financial statements contain all the normal and recurring adjustments necessary for a fair statement of the financial position of Old National as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, and the results of its operations for the three and nine months ended **September 30, 2023** **March 31, 2024** and **2022, 2023**. Interim results do not necessarily represent annual results. Certain information and disclosures normally included in notes to consolidated annual financial statements prepared in accordance with GAAP have been condensed or omitted in this Quarterly Report on Form 10-Q pursuant to SEC rules and regulations. These financial statements should be read in conjunction with Old National's Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023**.

All intercompany transactions and balances have been eliminated. Certain prior year amounts have been reclassified to conform to the current presentation. Such reclassifications had no effect on prior period net income or shareholders' equity and were insignificant amounts.

Financial Difficulty Modifications

Any loans that are modified are reviewed by Old National to identify if a financial difficulty modification has occurred, which is when Old National Bank modifies a loan related to a borrower experiencing financial difficulties. Terms may be modified to fit the ability of the borrower to repay in line with its current financial status. The modification of the terms of such loans includes one or a combination of the following: a reduction of the stated interest rate of the loan, an extension of the maturity date, a permanent reduction of the recorded investment of the loan, or an other-than-insignificant payment delay. The adoption of ASU 2022-02 on January 1, 2023 eliminated the recognition and measurement of TDRs and enhanced disclosures for modifications to loans related to borrowers experiencing financial difficulties. See Note 2 to the consolidated financial statements for additional detail regarding the adoption of ASU 2022-02.

Other than the changes for financial difficulty modifications, there have been no material changes from the significant accounting policies disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

NOTE 2 – RECENT ACCOUNTING PRONOUNCEMENTS

Accounting Guidance Adopted in **2023 2024**

FASB ASC 805 820 – In **October 2021**, **June 2022**, the FASB issued ASU **2021-08, 2022-03**, *Business Combinations Fair Value Measurement (Topic 805) 820): Accounting for Contract Assets and Contract Liabilities From Contracts With Customers Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*, to address diversity clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in practice and inconsistency related to the accounting for revenue contracts with customers acquired in a business combination. The amendments require that the acquirer recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606. At the acquisition date, an acquirer should account for the related revenue contracts in accordance with Topic 606 as if it had originated the contracts. The ASU also provides certain practical expedients for acquirers when recognizing and measuring acquired contract assets and liabilities. fair value. The amendments in this update are effective for fiscal years beginning after **December 15, 2022** **December 15, 2023**, and interim periods within those fiscal years. Entities should apply the amendments prospectively to business combinations that occur after the effective date. The adoption of this guidance on **January 1, 2023** **January 1, 2024** did not have a material impact on the consolidated financial statements.

FASB ASC 815 323 – In **March 2022**, **2023**, the FASB issued ASU **2022-01, 2023-02**, *Derivatives Investments—Equity Method and Hedging Joint Ventures (Topic 815) 323): Fair Value Hedging—Portfolio Layer Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method*, which allows reporting entities to expand elect to account for qualifying tax equity investments using the current single-layer proportional amortization method, regardless of electing hedge accounting the program giving rise to allow multiple hedged layers of a single closed portfolio under the method and rename the last-of-layer method the portfolio layer method. The amendments in this update are related income tax credits. This ASU is effective for fiscal years beginning after **December 15**.

2022, and December 15, 2023, including interim periods within those fiscal years. The adoption of this guidance on **January 1, 2023** did not have a material impact on the consolidated financial statements.

FASB ASC 326 – In **March 2022**, the FASB issued ASU **2022-02**, *Financial Instruments—Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures*, to eliminate the TDR recognition and measurement guidance and, instead, require that an entity evaluate (consistent with the accounting for other loan modifications) whether the modification represents a new loan or a continuation of an existing loan. The amendments also enhance existing disclosure requirements and introduce new requirements related to certain modifications of receivables made to borrowers experiencing financial difficulty. The amendments require that an entity disclose current-period gross charge-offs by year of origination for financing receivables and net investment in leases within the vintage disclosures required by ASC 326. The amendments in this update are effective for fiscal years beginning after **December 15, 2022**, including interim periods within those fiscal years. Old National adopted the provision in ASU 2022-02 related to the recognition and measurement of TDRs on a prospective modified retrospective basis on **January 1, 2023**, which **January 1, 2024** did not have a material impact on the consolidated financial statements.

FASB ASC 848 – In **March 2020**, the FASB issued ASU **2020-04**, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which provides temporary, optional guidance to ease the potential burden in accounting for, or recognizing the effects of, the transition away from LIBOR or other interbank offered rate on financial reporting. The guidance is applicable only to contracts or hedge accounting relationships that reference LIBOR or another reference rate expected to be discontinued.

In December 2022, the FASB issued ASU **2022-06**, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848*, which defers the sunset date of relief provisions within Topic 848 from December 31, 2022 to December 31, 2024. The objective of the guidance in Topic 848 is to provide relief during the transition period.

The amendments in this ASU are effective March 12, 2020 through December 31, 2024. As of **March 31, 2024**, substantially all of the Company's LIBOR exposure was addressed and remaining LIBOR-based contracts are expected to transition to alternate reference rates at their next index reset dates. Old National believes the adoption of this guidance on activities subsequent to **September 30, 2023** **March 31, 2024** will not have a material impact on the consolidated financial statements.

Accounting Guidance Pending Adoption

FASB ASC 820-280 – In June 2022, November 2023, the FASB issued ASU 2022-03, 2023-07, *Fair Value Measurement Segment Reporting (Topic 820) 280: Fair Value Measurement Improvements to Reportable Segment Disclosures*. The amendments are intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. In addition, the amendments enhance interim disclosure requirements, clarify circumstances in which an entity can disclose multiple segment measures of Equity Securities Subject profit or loss, provide new segment disclosure requirements for entities with a single reportable segment, and contain other disclosure requirements. The purpose of the amendments is to Contractual Sale Restrictions, enable investors to clarify that a contractual restriction better understand an entity's overall performance and assess potential future cash flows. A public entity should apply the amendments retrospectively to all prior periods presented in the financial statements. Upon transition, the segment expense categories and amounts disclosed in the prior periods should be based on the sale significant segment expense categories identified and disclosed in the period of an equity security adoption. This ASU is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The amendments in this update are effective for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years, years beginning after December 15, 2024. Early adoption is permitted. Old National is currently evaluating the impact of adopting the new guidance on the consolidated financial statements.

FASB ASC 842-740 – In March December 2023, the FASB issued ASU 2023-01, 2023-09, *Leases Income Taxes (Topic 842) 740: Common Control Arrangements Improvements to Income Tax Disclosures*, which requires all . Among other things, these amendments require that public business entities to amortize leasehold improvements associated on an annual basis disclose additional information in specified categories with common control leases over the useful life respect to the common control group. This reconciliation of the effective tax rate to the statutory rate for federal, state, and foreign income taxes. It also requires greater detail about individual reconciling items in the rate reconciliation to the extent the impact of those items exceeds a quantitative threshold (if the effect of those reconciling items is equal to or greater than 5 percent of the amount computed by multiplying pretax income (loss) by the applicable statutory income tax rate). In addition, the ASU is requires information pertaining to taxes paid (net of refunds received) to be disaggregated for federal, state, and foreign taxes and further disaggregated for specific jurisdictions to the extent the related amounts are equal to or greater than 5 percent of total income taxes paid (net of refunds received). The amendments in this ASU are effective for fiscal years annual periods beginning after December 15, 2023, including interim periods within those fiscal years, December 15, 2024. Early adoption is permitted for both interim and annual financial statements that have not yet been made available for issuance. If an entity adopts the amendments in an interim period, it must adopt them as of the beginning of the fiscal year that includes that interim period. Transition can be done either retrospectively or prospectively permitted. Old National is currently evaluating the impact of adopting the new guidance on the consolidated financial statements.

FASB ASC 323 – In March 2023, the FASB issued ASU 2023-02, *Investments—Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method*, which allows reporting entities to elect to account for qualifying tax equity investments using the proportional amortization method, regardless of the program giving rise to the related income tax credits. This ASU is effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption is permitted for all entities in any interim period. Old National is currently evaluating the impact of adopting the new guidance on the consolidated financial statements.

NOTE 3 – ACQUISITION AND DIVESTITURE ACTIVITY

Merger

First Midwest Bancorp, Inc.

On February 15, 2022, Old National completed its previously announced merger of equals transaction with First Midwest pursuant to an agreement and plan of merger, dated as of May 30, 2021, to combine in an all-stock transaction. The combined organization has a presence in additional Midwestern markets, strong commercial banking capabilities, a robust retail footprint, a significant wealth management platform, and an enhanced ability to attract talent. The combined organization also creates the scale and profitability to accelerate digital and technology capabilities to drive future investments in consumer and commercial banking, as well as wealth management services.

As of December 31, 2022, Old National finalized its valuation of all assets acquired and liabilities assumed. Transaction costs totaling \$23.2 million associated with the merger have been expensed for the nine months ended September 30, 2023, compared to \$100.6 million during the nine months ended September 30, 2022. Additional transaction and integration costs will be expensed in future periods as incurred.

Divestiture

On November 18, 2022, Old National completed its previously announced transaction with UMB, pursuant to which UMB acquired Old National's business of acting as a qualified custodian for, and administering, health savings accounts. Old National served as custodian for health savings accounts comprised of both investment accounts and deposit accounts. At closing, the health savings accounts held in deposit accounts that were transferred totaled approximately \$382 million and the transaction resulted in a \$90.7 million pre-tax gain.

Pending Acquisition

CapStar Financial Holdings, Inc.

On October 26, 2023, Old National announced that it had entered into a definitive merger agreement pursuant to which Old National will acquire CapStar Financial Holdings, Inc. ("CapStar") and its wholly-owned subsidiary, CapStar Bank, in an all-stock transaction. On April 1, 2024, Old National completed its acquisition of CapStar. This partnership transaction will strengthen Old National's recently formed Nashville, Tennessee presence and add several new high-growth markets. As of September 30, 2023, At closing, CapStar had approximately \$3.3 \$3.0 billion of total assets, \$2.3 billion of total loans, and \$2.8 \$2.6 billion of deposits. Under the terms of the merger agreement, each outstanding share of CapStar common stock will be converted into the right to receive 1.155 shares of Old National common stock valuing the transaction at approximately \$344.4 plus cash in lieu of fractional shares, resulting in consideration paid of \$418 million or \$16.64 per share, based on Old National's 30-day volume weighted average closing stock price ending October 25, 2023. The of \$17.41 per share at close. Old National expects systems conversions related to the transaction value is likely to change until closing due to fluctuations be completed in the price of Old National common stock. The definitive merger agreement has been approved by the Board of Directors of each company. The transaction remains subject to regulatory approval and the approval of CapStar shareholders. The transaction is anticipated to close in the second third quarter of 2024.

NOTE 4 – NET INCOME PER COMMON SHARE

Basic and diluted net income per common share are calculated using the two-class method. Net income applicable to common shares is divided by the weighted-average number of common shares outstanding during the period. Adjustments to the **weighted average** **weighted-average** number of common shares outstanding are made only when such adjustments will dilute net income per common share. Net income applicable to common shares is then divided by the weighted-average number of common shares and common share equivalents during the period.

The following table presents the calculation of basic and diluted net income per common share:

		Three Months Ended September 30,		Nine Months Ended September 30,			
		Three Months Ended March 31,					
		Three Months Ended March 31,					
(dollars and shares in thousands, except per share data)		(dollars and shares in thousands, except per share data)		(dollars and shares in thousands, except per share data)			
Net income	Net income	\$147,876	\$140,153	\$449,512	\$227,552	2024	2023
Preferred dividends	Preferred dividends	(4,034)	(4,034)	(12,101)	(10,084)		
Net income applicable to common shares	Net income applicable to common shares	\$143,842	\$136,119	\$437,411	\$217,468		
Net income applicable to common shares							
Weighted average common shares outstanding:							
Weighted average common shares outstanding:							
Weighted average common shares outstanding (basic)							
Weighted average common shares outstanding (basic)							
Weighted average common shares outstanding (basic)	Weighted average common shares outstanding (basic)	290,648	290,961	290,763	269,843		
Effect of dilutive securities:	Effect of dilutive securities:						
Restricted stock							
Restricted stock							

Restricted stock	Restricted stock	1,069	1,516	1,045	1,273
Stock appreciation rights	Stock appreciation rights	—	6	1	7
Weighted average diluted shares outstanding	Weighted average diluted shares outstanding	291,717	292,483	291,809	271,123
Basic Net Income Per Share	Basic Net Income Per Share	\$ 0.49	\$ 0.47	\$ 1.50	\$ 0.81
Diluted Net Income Per Share	Diluted Net Income Per Share	\$ 0.49	\$ 0.47	\$ 1.50	\$ 0.80

NOTE 5 – INVESTMENT SECURITIES

The following table summarizes the amortized cost and fair value of the available-for-sale and held-to-maturity investment securities portfolios and the corresponding amounts of gross unrealized gains, unrealized losses, and basis adjustments in AOCI and gross unrecognized gains and losses.

(dollars in thousands)	(dollars in thousands)	Basis					(dollars in thousands)	Amortized Cost	Unrealized Gains	Unrealized Losses	Basis Adjustments (1)	Fair Value							
		Amortized Cost	Unrealized Gains	Unrealized Losses	Adjustments (1)	Fair Value													
September 30, 2023																			
March 31, 2024																			
Available-for-Sale																			
Available-for-Sale																			
U.S. Treasury																			
U.S. Treasury	Treasury	\$ 616,608	\$ 98	\$ (10,258)	\$ (58,322)	\$ 548,126													
U.S. government-sponsored entities and agencies	U.S. government-sponsored entities and agencies	1,475,307	—	(229,113)	(103,294)	1,142,900													
Mortgage-backed securities - Agency	Mortgage-backed securities - Agency	4,686,448	17	(823,760)	—	3,862,705													
States and political subdivisions	States and political subdivisions	592,495	7	(47,058)	(500)	544,944													
Pooled trust preferred securities	Pooled trust preferred securities	13,794	—	(2,669)	—	11,125													
Other securities	Other securities	335,292	112	(30,443)	—	304,961													

Total available-for-sale securities	Total available-for-sale securities	\$ 7,719,944	\$ 234	\$ (1,143,301)	\$ (162,116)	\$ 6,414,761
Held-to-Maturity	Held-to-Maturity					
U.S. government-sponsored entities and agencies	U.S. government-sponsored entities and agencies	\$ 824,223	\$ —	\$ (207,213)	\$ —	\$ 617,010
U.S. government-sponsored entities and agencies	U.S. government-sponsored entities and agencies					
Mortgage-backed securities -	Mortgage-backed securities -					
Agency	Agency	1,043,585	—	(195,933)	—	847,652
States and political subdivisions	States and political subdivisions	1,160,256	—	(231,147)	—	929,109
Allowance for securities held-to-maturity	Allowance for securities held-to-maturity	(150)	—	—	—	(150)
Allowance for securities held-to-maturity	Allowance for securities held-to-maturity					
Total held-to-maturity securities	Total held-to-maturity securities	\$ 3,027,914	\$ —	\$ (634,293)	\$ —	\$ 2,393,621
December 31, 2022						
December 31, 2023						
December 31, 2023						
Available-for-Sale	Available-for-Sale					
U.S. Treasury	U.S. Treasury	\$ 253,148	\$ 5	\$ (5,189)	\$ (47,037)	\$ 200,927
U.S. government-sponsored entities and agencies	U.S. government-sponsored entities and agencies	1,451,736	—	(169,248)	(107,408)	1,175,080

Mortgage-backed securities - Agency	Mortgage-backed securities - Agency	4,986,354	976	(617,428)	—	4,369,902
States and political subdivisions	States and political subdivisions	688,159	1,789	(26,096)	—	663,852
Pooled trust preferred securities	Pooled trust preferred securities	13,783	—	(2,972)	—	10,811
Other securities	Other securities	379,423	258	(26,541)	—	353,140
Total available-for-sale securities	Total available-for-sale securities	\$ 7,772,603	\$ 3,028	\$ (847,474)	\$ (154,445)	\$ 6,773,712
Held-to-Maturity	Held-to-Maturity					
U.S. government-sponsored entities and agencies	U.S. government-sponsored entities and agencies	\$ 819,168	\$ —	\$ (162,810)	\$ —	\$ 656,358
U.S. government-sponsored entities and agencies	U.S. government-sponsored entities and agencies					
Mortgage-backed securities - Agency	Mortgage-backed securities - Agency	1,106,817	—	(123,854)	—	982,963
States and political subdivisions	States and political subdivisions	1,163,312	221	(159,022)	—	1,004,511
Allowance for securities held-to-maturity	Allowance for securities held-to-maturity	(150)	—	—	—	(150)
Total held-to-maturity securities	Total held-to-maturity securities	\$ 3,089,147	\$ 221	\$ (445,686)	\$ —	\$ 2,643,682

(1) Basis adjustments represent the cumulative amount of fair value hedging adjustments included in the carrying amounts of fixed-rate investment securities assets designated in fair value hedging arrangements. See Note 15 to the consolidated financial statements for additional information regarding these derivative financial instruments.

Substantially all of the mortgage-backed securities in the investment portfolio are residential mortgage-backed securities.

Proceeds from sales or calls of available-for-sale investment securities and the resulting realized gains and realized losses were as follows:

	Three Months Ended September 30,	Nine Months Ended September 30,
	Three Months Ended March 31,	

Three Months Ended March 31,									
Three Months Ended March 31,								2024	2023
(dollars in thousands)	(dollars in thousands)	2023	2022	2023	2022	(dollars in thousands)			
Proceeds	Proceeds	\$28,531	\$5,221	\$111,419	\$78,568				
Realized gains	Realized gains	54	17	1,002	528				
Realized losses	Realized losses	(295)	(189)	(6,442)	(443)				

The table below shows the amortized cost and fair value of the investment securities portfolio by contractual maturity. Expected maturities may differ from contractual maturities if borrowers have the right to call or prepay obligations with or without call or prepayment penalties. Weighted average yield is based on amortized cost.

September 30, 2023				March 31, 2024						
(dollars in thousands)	(dollars in thousands)	Amortized Cost	Fair Value	Weighted Average Yield	(dollars in thousands)	Amortized Cost	Fair Value	Weighted Average Yield		
Maturity										
Available-for-Sale										
Available-for-Sale	Available-for-Sale									
Available-for-Sale	Available-for-Sale									
Within one year	Within one year	\$ 539,157	\$ 535,193	4.71 %	Within one year	\$ 177,458	\$ 174,950	3.39 %		
One to five years	One to five years	1,567,565	1,395,867	2.80						
Five to ten years	Five to ten years	3,987,461	3,285,183	2.37						
Beyond ten years	Beyond ten years	1,625,761	1,198,518	2.46						
Total	Total	\$7,719,944	\$6,414,761	2.64 %	Total	\$ 7,834,082	\$ 6,791,652	2.81 %		
Held-to-Maturity	Held-to-Maturity									
Within one year	Within one year									
Within one year	Within one year									
Within one year	Within one year									
One to five years	One to five years	\$ 161,837	\$ 127,716	2.68 %						
Five to ten years	Five to ten years	954,756	797,284	2.64						
Beyond ten years	Beyond ten years	1,911,321	1,468,621	2.71						
Total	Total	\$3,027,914	\$2,393,621	2.69 %	Total	\$ 3,001,349	\$ 2,547,576	2.68 %		

The following table summarizes the available-for-sale investment securities with unrealized losses for which an allowance for credit losses has not been recorded by aggregated major security type and length of time in a continuous unrealized loss position:

(dollars in thousands)	Less than 12 months						12 months or longer						Total					
	Less than 12 months		12 months or longer		Total		Less than 12 months		12 months or longer		Total		Less than 12 months		12 months or longer		Total	
	(dollars in thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	(dollars in thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	(dollars in thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	
September 30, 2023																		

March 31, 2024	
Available- for-Sale	Available- for-Sale
Available-for-Sale	
Available-for-Sale	
U.S. Treasury	
U.S. Treasury	
U.S. Treasury	U.S. Treasury
	\$ 37,492
	\$ (144)
	\$ 178,540
	\$ (10,114)
	\$ 216,032
	\$ (10,258)
U.S. government- sponsored entities and agencies	U.S. government- sponsored entities and agencies
	32,821
	(58)
	1,110,079
	(229,055)
	1,142,900
	(229,113)
Mortgage- backed securities - Agency	Mortgage- backed securities - Agency
	124,895
	(5,798)
	3,736,306
	(817,962)
	3,861,201
	(823,760)
States and political subdivisions	States and political subdivisions
	258,362
	(7,749)
	260,563
	(39,309)
	518,925
	(47,058)
Pooled trust preferred securities	Pooled trust preferred securities
	—
	—
	11,125
	(2,669)
	11,125
	(2,669)
Other securities	Other securities
	11,737
	(323)
	262,912
	(30,120)
	274,649
	(30,443)
Total available- for-sale	Total available- for-sale
	\$ 465,307
	\$ (14,072)
	\$ 5,559,525
	\$ (1,129,229)
	\$ 6,024,832
	\$ (1,143,301)

December 31, 2022	
Available- for-Sale	Available- for-Sale
Available-for-Sale	
Available-for-Sale	
U.S. Treasury	
U.S. Treasury	
U.S. Treasury	U.S. Treasury
	\$ 130,967
	\$ (3,264)
	\$ 66,992
	\$ (1,925)
	\$ 197,959
	\$ (5,189)
U.S. government- sponsored entities and agencies	U.S. government- sponsored entities and agencies
	454,854
	(75,795)
	720,226
	(93,453)
	1,175,080
	(169,248)
Mortgage- backed securities - Agency	Mortgage- backed securities - Agency
	3,207,319
	(358,507)
	1,116,205
	(258,921)
	4,323,524
	(617,428)
States and political subdivisions	States and political subdivisions
	414,813
	(25,555)
	2,703
	(541)
	417,516
	(26,096)

Pooled trust	Pooled trust					
preferred securities	preferred securities	—	—	10,811	(2,972)	10,811
Other securities	Other securities	257,775	(17,045)	75,309	(9,496)	333,084
Total available-for-sale	Total available-for-sale	\$4,465,728	\$(480,166)	\$1,992,246	\$ (367,308)	\$6,457,974
						\$(847,474)

The following table summarizes the held-to-maturity investment securities with unrecognized losses aggregated by major security type and length of time in a continuous loss position:

(dollars in thousands)	(dollars in thousands)	Less than 12 months		12 months or longer		Total		Less than 12 months		12 months or longer		Total	
		Fair Value	Unrecognized Losses	Fair Value	Unrecognized Losses	Fair Value	Unrecognized Losses	Fair Value	Unrecognized Losses	Fair Value	Unrecognized Losses	Fair Value	Unrecognized Losses
		September 30, 2023	March 31, 2024	Held-to-Maturity	Held-to-Maturity	Held-to-Maturity	Held-to-Maturity	Held-to-Maturity	Held-to-Maturity	Held-to-Maturity	Held-to-Maturity	Held-to-Maturity	Held-to-Maturity
Held-to-Maturity													
U.S. government-sponsored entities and agencies													
U.S. government-sponsored entities and agencies													
U.S. government-government-sponsored entities and agencies													
Mortgage-backed securities -													
Agency	Agency	—	—	847,652	(195,933)	847,652	(195,933)						
States and political subdivisions	States and political subdivisions	64,441	(4,877)	864,668	(226,270)	929,109	(231,147)						
Total held-to-maturity	Total held-to-maturity	\$ 64,441	\$ (4,877)	\$ 2,329,330	\$ (629,416)	\$ 2,393,771	\$ (634,293)						
December 31, 2022													
December 31, 2023													
December 31, 2023													
Held-to-Maturity	Held-to-Maturity												
U.S. government-sponsored entities and agencies													

U.S. government-sponsored entities and agencies						
U.S. government-sponsored entities and agencies	U.S. government-sponsored entities and agencies	\$ 354,293	\$ (110,523)	\$ 302,066	\$ (52,287)	\$ 656,359
Mortgage-backed securities - Agency	Mortgage-backed securities - Agency	367,849	(42,438)	615,114	(81,416)	982,963
States and political subdivisions	States and political subdivisions	838,689	(127,355)	135,573	(31,667)	974,262
Total held-to-maturity	Total held-to-maturity	\$ 1,560,831	\$ (280,316)	\$ 1,052,753	\$ (165,370)	\$ 2,613,584
						\$ (445,686)
Total held-to-maturity						
Total held-to-maturity						

The unrecognized losses on held-to-maturity investment securities presented in the table above do not include unrecognized losses on securities that were transferred from available-for-sale to held-to-maturity totaling **\$132.3 million** **\$123.3 million** at **September 30, 2023** **March 31, 2024** and **\$148.9 million** **\$127.6 million** at **December 31, 2022** **December 31, 2023**. These unrecognized losses are included as a separate component of shareholders' equity and are being amortized over the remaining term of the securities.

No allowance for credit losses on available-for-sale debt securities was needed at **September 30, 2023** **March 31, 2024** or **December 31, 2022** **December 31, 2023**.

An allowance on held-to-maturity debt securities is maintained for certain municipal bonds to account for expected lifetime credit losses. Substantially all of the U.S. government-sponsored entities and agencies and agency mortgage-backed securities are either explicitly or implicitly guaranteed by the U.S. government, are highly rated by major credit rating agencies, and have a long history of no credit losses. Therefore, for those securities, we do not record expected credit losses. The allowance for credit losses on held-to-maturity debt securities was \$0.2 million at **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**.

Accrued interest receivable on the securities portfolio is excluded from the estimate of credit losses and totaled **\$38.0 million** **\$40.3 million** at **September 30, 2023** **March 31, 2024** and **\$50.9 million** **\$50.3 million** at **December 31, 2022** **December 31, 2023**.

At **September 30, 2023** **March 31, 2024**, Old National's securities portfolio consisted of **3,007** **2,941** securities, **2,917** **2,702** of which were in an unrealized loss position. The unrealized losses attributable to our U.S. Treasury, U.S. government-sponsored entities and agencies, agency mortgage-backed securities, states and political subdivisions, and other securities are the result of fluctuations in interest rates and **temporary** market movements. Old National's pooled trust preferred securities are evaluated using collateral-specific assumptions to estimate the expected future interest and principal cash flows. At **September 30, 2023** **March 31, 2024**, we had no intent to sell any securities that were in an unrealized loss position nor is it expected that we would be required to sell the securities prior to their anticipated recovery.

Old National's **two** pooled trust preferred securities with **fair values totaling \$11.1 million** and **unrealized losses totaling \$2.7 million** have experienced credit defaults. However, we believe that the value of the instruments lies in the full and timely interest payments that will be received through maturity, the steady amortization that will be experienced until maturity, and the full return of principal by the final maturity of the collateralized debt obligations. Old National did not recognize any losses on these securities for the **nine** **three** months ended **September 30, 2023** **March 31, 2024** or **2022** **2023**.

Equity Securities

Equity securities consist of mutual funds for Community Reinvestment Act qualified investments and diversified investment securities held in a grantor trust for participants in the Company's nonqualified deferred compensation plan. Old National's equity securities with readily determinable fair values totaled **\$69.9 million** **\$85.0 million** at **September 30, 2023**.

2023 **March 31, 2024** and **\$52.5** **\$80.4 million** at **December 31, 2022** **December 31, 2023**. There were **losses** **gains** on equity securities of **\$0.3 million** during the three months ended **March 31, 2024**, compared to losses of **\$0.8 million** during the three months ended **September 30, 2023** and losses of **\$1.4 million** during the nine months ended **September 30, 2023**, compared to losses of **\$0.7 million** and **\$4.9 million** during the three and nine months ended **September 30, 2022**, respectively. **March 31, 2023**.

Alternative Investments

Old National has alternative investments without readily determinable fair values that are included in other assets totaling **\$418.3 million** **\$474.7 million** at **September 30, 2023** **March 31, 2024**, consisting of **\$242.3 million** **\$270.6 million** of illiquid investments in partnerships, limited liability companies, and other ownership interests that support affordable housing and **\$176.0 million** **\$204.1 million** of economic development and community revitalization initiatives in low-to-moderate income neighborhoods. These alternative investments totaled **\$396.8 million** **\$449.3 million** at **December 31, 2022** **December 31, 2023**. There have been no impairments or adjustments on equity securities without readily determinable fair values, except for amortization of tax credit investments in the **nine** **three** months ended **September 30, 2023** **March 31, 2024** and **2022** **2023**. See Note 9 to the consolidated financial statements for detail regarding these investments.

NOTE 6 – LOANS AND ALLOWANCE FOR CREDIT LOSSES

Loans

Old National's loans consist primarily of loans made to consumers and commercial clients in many diverse industries, including real estate rental and leasing, manufacturing, healthcare, wholesale trade, construction, and agriculture, among others. Most of Old National's lending activity occurs within our principal geographic markets in the Midwest region of the United States. Old National manages concentrations of credit exposure by industry, product, geography, client relationship, and loan size.

Old National has loan participations, which qualify as participating interests, with other financial institutions. At March 31, 2024, these loans totaled \$3.0 billion, of which \$1.3 billion had been sold to other financial institutions and \$1.7 billion was retained by Old National. The loan participations convey proportionate ownership rights with equal priority to each participating interest holder; involve no recourse (other than ordinary representations and warranties) to, or subordination by, any participating interest holder; all cash flows are divided among the participating interest holders in proportion to each holder's share of ownership; and no holder has the right to pledge the entire financial asset unless all participating interest holders agree.

The loan categories used to monitor and analyze interest income and yields are different than the portfolio segments used to determine the allowance for credit losses on loans. The allowance for credit losses was calculated by pooling loans of similar credit risk characteristics and credit monitoring procedures. The four loan portfolios used to monitor and analyze interest income and yields – commercial, commercial real estate, residential real estate, and consumer – are reclassified into seven segments of loans – commercial, commercial real estate, BBCC, residential real estate, indirect, direct, and home equity for purposes of determining the allowance for credit losses on loans. The commercial and commercial real estate loan categories shown on the balance sheet include the same pool of loans as the commercial, commercial real estate, and BBCC portfolio segments. The consumer loan category shown on the balance sheet is comprised of the same loans in the indirect, direct, and home equity portfolio segments. The portfolio segment reclassifications follow:

(dollars in thousands)	Balance Sheet Line Item	Portfolio Segment Reclassifications		After Reclassifications		
		Portfolio Segment	After Reclassifications			
September 30, 2023						
Loans:						
Commercial	\$ 9,333,448	\$ (226,353)	\$ 9,107,095			
Commercial real estate	13,916,221	(165,593)	13,750,628			
BBCC	N/A	391,946	391,946			
Residential real estate	6,696,288	—	6,696,288			
Consumer	2,631,877	(2,631,877)	N/A			
Indirect	N/A	1,047,224	1,047,224			
Direct	N/A	542,689	542,689			
Home equity	N/A	1,041,964	1,041,964			
Total	\$ 32,577,834	—	\$ 32,577,834			
December 31, 2022						
Loans:						
Commercial	\$ 9,508,904	\$ (210,280)	\$ 9,298,624			
Commercial real estate	12,457,070	(158,322)	12,298,748			
BBCC	N/A	368,602	368,602			
Residential real estate	6,460,441	—	6,460,441			
Consumer	2,697,226	(2,697,226)	N/A			
Indirect	N/A	1,034,257	1,034,257			
Direct	N/A	629,186	629,186			
Home equity	N/A	1,033,783	1,033,783			
Total	\$ 31,123,641	—	\$ 31,123,641			

The composition of loans by portfolio segment follows:

(dollars in thousands)	Balance Sheet Line Item	September 30, 2023		December 31, 2022	Balance Sheet Line Item	Portfolio Segment Reclassifications	Portfolio Segment After Reclassifications					
		(dollars in thousands)	(dollars in thousands)									
March 31, 2024												
March 31, 2024												

March 31, 2024					
Commercial (1)					
Commercial (1)					
Commercial	Commercial				
(1)	(1)	\$ 9,107,095	\$ 9,298,624		
Commercial	Commercial				
real estate	real estate	13,750,628	12,298,748		
BBCC	BBCC	391,946	368,602		
Residential	Residential				
real estate	real estate	6,696,288	6,460,441		
Consumer		Consumer	2,659,713	(2,659,713)	N/A
Indirect	Indirect	1,047,224	1,034,257		
Direct	Direct	542,689	629,186		
Home	Home				
equity	equity	1,041,964	1,033,783		
Total loans		32,577,834	31,123,641		
Total loans (2)					
Allowance for credit losses on loans	Allowance for credit losses on loans	(303,982)	(303,671)		
Net loans	Net loans	\$32,273,852	\$30,819,970		
December 31, 2023					
December 31, 2023					
December 31, 2023					
Commercial (1)					
Commercial (1)					
Commercial (1)					
Commercial					
real estate					
BBCC					
Residential					
real estate					
Consumer		Consumer	2,639,625	(2,639,625)	N/A
Indirect					
Direct					
Home					
equity					
Total loans (2)					
Allowance for credit losses on loans					
Net loans					

(1) Includes direct finance leases of \$173.0 million \$161.7 million at September 30, 2023 March 31, 2024 and \$188.1 \$169.7 million at December 31, 2022 December 31, 2023.

(2) Includes unearned income of \$88.9 million at March 31, 2024 and \$93.7 million at December 31, 2023.

The risk characteristics of each loan portfolio segment are as follows:

Commercial

Commercial loans are classified primarily on the identified cash flows of the borrower and secondarily on the underlying collateral provided by the borrower. The cash flows of borrowers, however, may not be as expected and the collateral securing these loans may fluctuate in value. Most commercial loans are secured by the assets being financed or

other business assets such as accounts receivable or inventory and may incorporate a personal guarantee; however, some loans may be made on an unsecured basis. In the case of loans secured by accounts receivable, the availability of funds for the repayment of these loans may be substantially dependent on the ability of the borrower to collect amounts due from its clients.

Commercial Real Estate

Commercial real estate loans are viewed primarily as cash flow loans and secondarily as loans secured by real estate. Commercial real estate lending typically involves higher loan principal amounts, and the repayment of these loans is generally dependent on the successful operation of the property securing the loan or the business conducted on the property securing the loan. Commercial real estate loans may be adversely affected by conditions in the real estate markets or in the general economy. The properties securing Old National's commercial real estate portfolio are diverse in terms of type and geographic location. Management monitors and evaluates commercial real estate loans based on collateral, geography, and risk grade criteria. In addition, management tracks the level of owner-occupied commercial real estate loans versus non-owner occupied non-owner-occupied loans.

Included with commercial real estate are construction loans, which are underwritten utilizing independent appraisal reviews, sensitivity analysis of absorption and lease rates, financial analysis of the developers and property owners, and feasibility studies, if available. Construction loans are generally based on estimates of costs and value associated with the complete project. These estimates may be inaccurate. Construction loans often involve the disbursement of substantial funds with repayment substantially dependent on the success of the ultimate project. Sources of repayment for these types of loans may be pre-committed permanent loans from approved long-term lenders (including Old National), sales of developed property, or an interim loan commitment from Old National until permanent financing is obtained. These loans are closely monitored by on-site inspections and are considered to have higher risks than other real estate loans due to their ultimate repayment being sensitive to interest rate changes, governmental regulation of real property, general economic conditions, and the availability of long-term financing.

At 245% 242%, Old National Bank's applicable investor commercial real estate loans as a percentage of its risk-based Tier 1 capital plus the allowance for credit losses attributable to loans and leases remained below the regulatory guideline limit of 300% at September 30, 2023 March 31, 2024.

BBCC

BBCC loans are typically granted to small businesses with gross revenues of less than \$5 million and aggregate debt of less than \$1 million. Old National has established minimum debt service coverage ratios, minimum FICO scores for owners and guarantors, and the ability to show relatively stable earnings as criteria to help mitigate risk. Repayment of these loans depends on the personal income of the borrowers and the cash flows of the business. These factors can be affected by factors such as changes in economic conditions and unemployment levels.

Residential

With respect to residential loans that are secured by 1 - 4 family residences and are generally owner occupied, Old National typically establishes a maximum loan-to-value ratio and generally requires private mortgage insurance if that ratio is exceeded. Repayment of these loans is primarily dependent on the personal income of the borrowers, which can be impacted by economic conditions in their market areas such as unemployment levels. Repayment can also be impacted by changes in residential property values. Portfolio risk is mitigated by the fact that the loans are of smaller individual amounts and spread over a large number of borrowers.

Indirect

Indirect loans are secured by automobile collateral, generally new and used cars and trucks from auto dealers that operate within our footprint. Old National typically mitigates the risk of indirect loans by establishing minimum FICO scores, maximum loan-to-value ratios, and maximum debt-to-income ratios. Repayment of these loans depends largely on the personal income of the borrowers, which can be affected by changes in economic conditions such as unemployment levels. Portfolio risk is mitigated by the fact that the loans are of smaller amounts spread over many borrowers conservative credit policies, and ongoing reviews of dealer relationships.

Direct

Direct loans are typically secured by collateral such as auto or real estate or are unsecured. Old National has established conservative underwriting standards such as minimum FICO scores, maximum loan-to-value ratios, and maximum debt-to-income ratios. Repayment of these loans depends largely on the personal income of the borrowers, which can be affected by changes in economic conditions such as unemployment levels. Portfolio risk is mitigated by the fact that the loans are of smaller amounts spread over many borrowers along with conservative credit policies. borrowers.

Home Equity

Home equity loans are generally secured by 1 - 4 family residences that are owner occupied, owner-occupied. Old National has established conservative underwriting standards such as minimum FICO scores, maximum loan-to-value ratios, and maximum debt-to-income ratios. Repayment of these loans depends largely on the personal income of the borrowers, which can be affected by changes in economic conditions such as unemployment levels. Portfolio risk is mitigated by the fact that the loans are of smaller amounts spread over many borrowers, along with conservative credit policies as well as monitoring of updated borrower credit scores.

Allowance for Credit Losses

Loans

Credit quality within the loans held for investment portfolio is continuously monitored by management and is reflected within the allowance for credit losses on loans. The allowance for credit losses is an estimate of expected losses inherent within the Company's loans held for investment portfolio. Credit quality is assessed and monitored by evaluating various attributes and the results of those evaluations are utilized in underwriting new loans and in our process for estimating expected credit losses. Expected credit loss inherent in non-cancelable off-balance-sheet credit exposures is accounted for as a separate liability included in other liabilities on the balance sheet. The allowance for credit losses on loans held for investment is adjusted by a credit loss expense, which is reported in earnings, and reduced by the charge-off of loan amounts, net of recoveries. Old National has made a policy election to report accrued interest receivable as a separate line item on the balance sheet. Accrued interest receivable on loans is excluded from the estimate of credit losses and totaled \$162.8 million at September 30, 2023 and \$137.7 million at December 31, 2022.

The allowance for credit loss estimation process involves procedures to appropriately consider the unique characteristics of our loan portfolio segments. These segments are further disaggregated into loan classes based on the level at which credit risk is monitored. When assumptions used when computing the level of expected credit losses credit loss assumptions are estimated using a model that categorizes loan pools based on loss history, delinquency status, and other credit trends and risk characteristics, including current

conditions and reasonable and supportable forecasts about the future. Determining the appropriateness of the allowance is complex and requires judgment by management about the effect of matters that are inherently uncertain. In future periods, evaluations of the overall loan portfolio, in light of the factors and forecasts then prevailing, may result in significant changes in the allowance and credit loss expense in those future periods.

The allowance level is influenced by loan volumes, loan AQR migration or delinquency status, changes in historical loss experience, and other conditions influencing loss expectations, such as reasonable and supportable forecasts of economic conditions. The methodology for estimating the amount of expected credit losses reported in the allowance for credit losses has two basic components: first, an asset-specific component involving individual loans that do not share risk characteristics with other loans and the measurement of expected credit losses for such individual loans; and second, a pooled component for estimated expected credit losses for pools of loans that share similar risk characteristics.

The base forecast scenario considers unemployment, gross domestic product, and the BBB ratio (BBB spread to the 10-year U.S. Treasury rate). In addition to the quantitative inputs, several qualitative factors are considered. These factors include the risk that unemployment, gross domestic product, housing product index, and the BBB ratio prove to be more severe and/or prolonged than our baseline forecast due to a variety of factors including monetary actions to control inflation, recent instability in the banking sector, conflict in Ukraine, global military conflicts, and global supply chain issues. Old National's activity in the allowance for credit losses on loans by portfolio segment was as follows:

		Balance at Beginning of Period	Allowance for Acquired PCD Loans	Charge-offs	Recoveries	Provision for Loan Losses	Balance at End of Period
(dollars in thousands)	(dollars in thousands)						
Three Months Ended							
September 30, 2023							
(dollars in thousands)							
(dollars in thousands)							
Three Months Ended							
March 31, 2024							
Three Months Ended							
March 31, 2024							
Three Months Ended							
March 31, 2024							
Commercial							
Commercial	Commercial	\$ 127,403	\$ —	\$(16,705)	\$ 1,616	\$ 12,441	\$ 124,755
Commercial	Commercial						
real estate	real estate	136,897	—	(2,291)	102	10,267	144,975
BBCC	BBCC	2,776	—	(1,049)	70	912	2,709
Residential	Residential						
real estate	real estate	20,421	—	(15)	28	346	20,780
Indirect	Indirect	1,407	—	(490)	325	79	1,321
Direct	Direct	4,755	—	(2,180)	580	416	3,571
Home	Home						
equity	equity	6,896	—	(20)	341	(1,346)	5,871
Total	Total	\$ 300,555	\$ —	\$(22,750)	\$ 3,062	\$ 23,115	\$ 303,982
Three Months Ended							
September 30, 2022							
Three Months Ended							
March 31, 2023							
Three Months Ended							
March 31, 2023							
Commercial							
Commercial	Commercial	\$ 102,819	\$ 3,740	\$(2,696)	\$ 2,206	\$ 6,344	\$ 112,413
Commercial	Commercial						
real estate	real estate	141,802	6,818	(4,772)	287	(45)	144,090

BBCC	BBCC	2,064	—	—	108	(4)	2,168
Residential real estate	Residential real estate	19,729	—	(20)	66	1,481	21,256
Indirect	Indirect	1,641	—	(624)	379	189	1,585
Direct	Direct	14,412	—	(3,299)	442	4,541	16,096
Home equity	Home equity	5,536	—	(29)	357	(1,218)	4,646
Total	Total	\$ 288,003	\$ 10,558	\$ (11,440)	\$ 3,845	\$ 11,288	\$ 302,254

Nine Months Ended

September 30, 2023

Commercial	\$ 120,612	\$ —	\$ (37,459)	\$ 3,713	\$ 37,889	\$ 124,755
Commercial real estate	138,244	—	(5,938)	1,394	11,275	144,975
BBCC	2,431	—	(1,171)	174	1,275	2,709
Residential real estate	21,916	—	(256)	153	(1,033)	20,780
Indirect	1,532	—	(2,089)	1,349	529	1,321
Direct	12,116	—	(8,018)	1,798	(2,325)	3,571
Home equity	6,820	—	(330)	471	(1,090)	5,871
Total	\$ 303,671	\$ —	\$ (55,261)	\$ 9,052	\$ 46,520	\$ 303,982

Nine Months Ended

September 30, 2022

Commercial	\$ 27,232	\$ 38,780	\$ (5,919)	\$ 3,219	\$ 49,101	\$ 112,413
Commercial real estate	64,004	49,419	(5,596)	789	35,474	144,090
BBCC	2,458	—	(48)	256	(498)	2,168
Residential real estate	9,347	136	(344)	636	11,481	21,256
Indirect	1,743	—	(1,636)	921	557	1,585
Direct	528	31	(6,550)	1,712	20,375	16,096
Home equity	2,029	723	(107)	540	1,461	4,646
Total	\$ 107,341	\$ 89,089	\$ (20,200)	\$ 8,073	\$ 117,951	\$ 302,254

Accrued interest receivable on loans is excluded from the estimate of credit losses and totaled \$171.6 million at March 31, 2024, compared to \$169.8 million at December 31, 2023.

Unfunded Loan Commitments

Old National maintains an allowance for credit losses on unfunded loan commitments to provide for the risk of loss inherent in these arrangements. The allowance is computed using a methodology similar to that used to determine the allowance for credit losses on loans, modified to take into account the probability of a drawdown on the commitment. The allowance for credit losses on unfunded loan commitments is classified as a liability account on the balance sheet within accrued expenses and other liabilities, while the corresponding provision for unfunded loan commitments is included in the provision for credit losses. Old National's activity in the allowance for credit losses on unfunded loan commitments was as follows:

	Three Months Ended September 30,	Nine Months Ended September 30,	
	Three Months Ended March 31,		
	Three Months Ended March 31,		
	Three Months Ended March 31,		
(dollars in thousands)	(dollars in thousands)	2023	2022
		2023	2022
		(dollars in thousands)	
			2024
			2023

Allowance for credit losses on unfunded loan commitments:	Allowance for credit losses on unfunded loan commitments:							
Balance at beginning of period	Balance at beginning of period	\$37,007	\$21,966	\$32,188	\$10,879			
Provision for credit losses on unfunded loan commitments acquired during the period		—	—	—	11,013			
(Recapture of) provision for credit losses on unfunded loan commitments								
Balance at beginning of period	Balance at beginning of period	(4,047)	4,203	772	4,277			
Provision (release) for credit losses on unfunded loan commitments								
Provision (release) for credit losses on unfunded loan commitments								
Provision (release) for credit losses on unfunded loan commitments								
Balance at end of period	Balance at end of period	\$32,960	\$26,169	\$32,960	\$26,169			

Credit Quality

Old National's management monitors the credit quality of its loans on an ongoing basis with the AQR for commercial loans reviewed annually or at renewal and the performance of its residential and consumer loans based upon the accrual status refreshed at least quarterly. Internally, management assigns an AQR to each non-homogeneous commercial, commercial real estate, and BBCC loan in the portfolio. The primary determinants of the AQR are the reliability of the primary source of repayment and the past, present, and projected financial condition of the borrower. The AQR will also consider current industry conditions. Major factors used in determining the AQR can vary based on the nature of the loan, but commonly include factors such as debt service coverage, internal cash flow, liquidity, leverage, operating performance, debt burden, FICO scores, occupancy, interest rate sensitivity, and expense burden. Old National uses the following definitions for risk ratings:

Criticized. Special mention loans that have a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date.

Classified – Substandard. Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.

Classified – Nonaccrual. Loans classified as nonaccrual have all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection in full, on the basis of currently existing facts, conditions, and values, in doubt.

Classified – Doubtful. Loans classified as doubtful have all the weaknesses inherent in those classified as nonaccrual, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

Pass rated loans are those loans that are other than criticized, classified – substandard, classified – nonaccrual, or classified – doubtful.

The following table summarizes the amortized cost of term loans by risk category of commercial, commercial real estate, and BBCC loans by loan portfolio segment, class of loan, and origination year:

(dollars in thousands)	(dollars in thousands)	Origination Year					Revolving			
		2023	2022	2021	2020	2019	Prior	Revolving	to Term	Total
September 30, 2023										
2024										

2024												2023	2022	2021	2020	Prior	Revolving	Total
March 31, 2024																		
Commercial:	Commercial:																	
Commercial:																		
Commercial:																		
Pass																		
Pass																		
Pass	Pass	\$1,615,716	\$1,690,168	\$1,095,758	\$ 553,187	\$ 479,907	\$ 501,610	\$2,000,147	\$ 454,995	\$ 8,391,488								
Criticized	Criticized	27,469	110,893	21,107	46,241	22,674	54,738	107,105	32,247	422,474								
Classified:	Classified:																	
Substandard																		
Substandard																		
Substandard	Substandard	19,509	40,694	32,135	38,892	9,970	20,431	66,977	15,417	244,025								
Nonaccrual	Nonaccrual	—	5,748	2,034	284	2,718	—	—	—	10,784								
Doubtful	Doubtful	—	18,838	5,626	1,762	962	11,136	—	—	38,324								
Total	Total	\$1,662,694	\$1,866,341	\$1,156,660	\$ 640,366	\$ 516,231	\$ 587,915	\$2,174,229	\$ 502,659	\$ 9,107,095								
Commercial																		
real estate:	Commercial real estate:																	
Commercial real estate:																		
Commercial real estate:																		
Pass																		
Pass																		
Pass	Pass	\$1,805,852	\$3,432,536	\$2,715,562	\$1,734,359	\$1,117,895	\$1,273,742	\$ 73,590	\$ 796,442	\$12,949,978								
Criticized	Criticized	58,440	62,461	42,128	28,716	27,978	90,549	9,959	21,023	341,254								
Classified:	Classified:																	
Substandard																		
Substandard																		
Substandard	Substandard	21,214	84,269	23,589	16,822	78,165	41,313	—	50,424	315,796								
Nonaccrual	Nonaccrual	—	2,983	11,470	1,428	52	11,385	—	792	28,110								
Doubtful	Doubtful	—	1,649	33,564	4,142	38,199	37,936	—	—	115,490								
Total	Total	\$1,885,506	\$3,583,898	\$2,826,313	\$1,785,467	\$1,262,289	\$1,454,925	\$ 83,549	\$ 868,681	\$13,750,628								
BBCC:	BBCC:																	
BBCC:																		
BBCC:																		
Pass																		
Pass																		
Pass	Pass	\$ 74,658	\$ 76,281	\$ 49,463	\$ 42,980	\$ 30,085	\$ 14,488	\$ 66,281	\$ 18,582	\$ 372,818								
Criticized	Criticized	2,295	2,469	1,114	76	1,110	—	2,470	2,264	11,798								
Classified:	Classified:																	
Substandard																		
Substandard																		
Substandard	Substandard	98	733	619	24	401	1,196	100	438	3,609								
Nonaccrual	Nonaccrual	216	451	310	340	—	87	477	278	2,159								
Doubtful	Doubtful	—	865	492	50	67	88	—	—	1,562								
Total	Total	\$ 77,267	\$ 80,799	\$ 51,998	\$ 43,470	\$ 31,663	\$ 15,859	\$ 69,328	\$ 21,562	\$ 391,946								
(dollars in thousands)	(dollars in thousands)	Origination Year										Revolving						
December 31, 2022	2022	2021	2020	2019	2018	Prior	Revolving	to Term	Total									
2023																		

2023		2022	2021	2020	2019	Prior	Revolving	Total		
December 31,										
2023										
Commercial:										
Commercial:										
Commercial:										
Pass										
Pass										
Pass	Pass	\$2,388,618	\$1,754,364	\$ 796,340	\$ 738,208	\$ 362,986	\$ 388,617	\$ 1,988,763	\$ 329,119	\$ 8,747,015
Criticized	Criticized	40,856	30,661	63,557	33,490	9,195	5,312	61,036	4,327	248,434
Classified:	Classified:									
Substandard										
Substandard										
Substandard	Substandard	37,223	47,522	16,540	22,925	4,844	21,204	67,402	25,143	242,803
Nonaccrual	Nonaccrual	3,627	1,453	566	—	—	—	1,634	6,623	13,903
Doubtful	Doubtful	2,821	17,604	3,720	8,005	5,968	8,351	—	—	46,469
Total	Total	\$2,473,145	\$1,851,604	\$ 880,723	\$ 802,628	\$ 382,993	\$ 423,484	\$ 2,118,835	\$ 365,212	\$ 9,298,624
Commercial real estate:										
Commercial real estate:										
Commercial real estate:										
Pass										
Pass										
Pass	Pass	\$3,066,960	\$2,828,758	\$ 1,989,000	\$ 1,219,025	\$ 675,572	\$ 1,018,719	\$ 57,818	\$ 689,553	\$ 11,545,405
Criticized	Criticized	75,306	34,422	22,569	82,637	86,504	56,864	—	23,282	381,584
Classified:	Classified:									
Substandard										
Substandard										
Substandard	Substandard	46,231	16,928	24,319	78,468	57,824	21,591	—	4,108	249,469
Nonaccrual	Nonaccrual	3,151	9,541	5,014	—	2,312	22,155	—	3,257	45,430
Doubtful	Doubtful	1,934	38,386	10,011	4,605	1,523	20,401	—	—	76,860
Total	Total	\$3,193,582	\$2,928,035	\$ 2,050,913	\$ 1,384,735	\$ 823,735	\$ 1,139,730	\$ 57,818	\$ 720,200	\$ 12,298,748
BBCC:										
BBCC:										
BBCC:										
Pass										
Pass										
Pass	Pass	\$ 90,341	\$ 64,161	\$ 52,304	\$ 36,868	\$ 23,618	\$ 11,333	\$ 60,016	\$ 18,881	\$ 357,522
Criticized	Criticized	1,504	525	368	692	353	—	1,006	1,603	6,051
Classified:	Classified:									
Substandard	Substandard	811	143	—	421	—	—	543	682	2,600
Substandard										
Substandard										
Nonaccrual	Nonaccrual	42	37	118	—	429	284	—	639	1,549
Doubtful	Doubtful	40	107	439	157	64	73	—	—	880
Total	Total	\$ 92,738	\$ 64,973	\$ 53,229	\$ 38,138	\$ 24,464	\$ 11,690	\$ 61,565	\$ 21,805	\$ 368,602

For residential real estate and consumer loan classes, Old National evaluates credit quality based on the aging status of the loan and by payment activity. The performing or nonperforming status is updated on an on-going basis dependent upon improvement and deterioration in credit quality. The following table presents the amortized cost of term residential real estate and consumer loans based on payment activity and origination year:

Origination Year										Revolving		to Term							
(dollars in thousands)	(dollars in thousands)	2023	2022	2021	2020	2019	Prior	Revolving	Revolving	Total									
September 30, 2023											to Term								
(dollars in thousands)																			
March 31, 2024												2024	2023	2022	2021	2020	Prior	Revolving	Total
Residential real estate:																			
Residential real estate:																			
Residential real estate:																			
Risk Rating:	Risk Rating:																		
Risk Rating:																			
Risk Rating:																			
Performing																			
Performing	Performing	\$ 362,518	\$ 1,504,933	\$ 1,861,729	\$ 1,732,039	\$ 444,411	\$ 750,037	\$ —	\$ 279	\$ 6,655,946									
Nonperforming	Nonperforming	—	3,529	2,905	4,538	3,343	26,027	—	—	40,342									
Total	Total	\$ 362,518	\$ 1,508,462	\$ 1,864,634	\$ 1,736,577	\$ 447,754	\$ 776,064	\$ —	\$ 279	\$ 6,696,288									
Indirect:	Indirect:																		
Indirect:																			
Indirect:																			
Risk Rating:	Risk Rating:																		
Risk Rating:																			
Risk Rating:																			
Performing																			
Performing	Performing	\$ 309,220	\$ 390,012	\$ 181,235	\$ 96,148	\$ 46,877	\$ 19,666	\$ —	\$ 196	\$ 1,043,354									
Nonperforming	Nonperforming	120	1,270	1,175	604	361	340	—	—	3,870									
Total	Total	\$ 309,340	\$ 391,282	\$ 182,410	\$ 96,752	\$ 47,238	\$ 20,006	\$ —	\$ 196	\$ 1,047,224									
Direct:	Direct:																		
Direct:																			
Direct:																			
Risk Rating:	Risk Rating:																		
Risk Rating:																			
Risk Rating:																			
Performing																			
Performing	Performing	\$ 84,749	\$ 99,625	\$ 107,539	\$ 54,070	\$ 35,065	\$ 87,207	\$ 63,877	\$ 4,852	\$ 536,984									
Nonperforming	Nonperforming	87	486	522	403	316	3,874	6	11	5,705									
Total	Total	\$ 84,836	\$ 100,111	\$ 108,061	\$ 54,473	\$ 35,381	\$ 91,081	\$ 63,883	\$ 4,863	\$ 542,689									
Home equity:	Home equity:																		
Home equity:																			
Home equity:																			
Risk Rating:	Risk Rating:																		
Risk Rating:																			
Risk Rating:																			
Performing																			

Performing																			
Performing	Performing	\$	1	\$	692	\$	387	\$	690	\$	743	\$	5,736	\$	994,797	\$	23,918	\$	1,026,964
Nonperforming	Nonperforming	—	24	219	203	758	4,810	1,692	7,294	15,000									
Total	Total	\$	1	\$	716	\$	606	\$	893	\$	1,501	\$	10,546	\$	996,489	\$	31,212	\$	1,041,964
Origination Year																			
2022	2021	2020	2019	2018	Prior	Revolving	to Term	Total											
December 31, 2022																			
Origination Year																			
2023	2023	2023																	
December 31, 2023																			
Residential real estate:																			
Residential real estate:																			
Residential real estate:	Residential real estate:																		
Risk Rating:	Risk Rating:																		
Risk Rating:																			
Risk Rating:																			
Performing	Performing																		
Performing	Performing																		
Performing	Performing	\$	1,327,168	\$	1,945,792	\$	1,825,762	\$	478,529	\$	136,260	\$	712,175	\$	7	\$	88	\$	6,425,781
Nonperforming	Nonperforming	59	529	861	873	1,826	30,512	—	—	—	—	—	—	—	34,660				
Total	Total	\$	1,327,227	\$	1,946,321	\$	1,826,623	\$	479,402	\$	138,086	\$	742,687	\$	7	\$	88	\$	6,460,441
Indirect:																			
Indirect:																			
Indirect:	Indirect:																		
Risk Rating:	Risk Rating:																		
Risk Rating:																			
Risk Rating:																			
Performing	Performing																		
Performing	Performing																		
Performing	Performing	\$	504,410	\$	249,407	\$	144,265	\$	82,304	\$	31,484	\$	19,095	\$	—	\$	62	\$	1,031,027
Nonperforming	Nonperforming	348	1,074	645	531	304	328	—	—	—	—	—	—	—	3,230				
Total	Total	\$	504,758	\$	250,481	\$	144,910	\$	82,835	\$	31,788	\$	19,423	\$	—	\$	62	\$	1,034,257
Direct:																			
Direct:																			
Direct:	Direct:																		
Risk Rating:	Risk Rating:																		
Risk Rating:																			
Risk Rating:																			
Performing	Performing																		
Performing	Performing																		
Performing	Performing	\$	132,934	\$	164,126	\$	77,406	\$	57,919	\$	45,299	\$	59,212	\$	87,622	\$	671	\$	625,189
Nonperforming	Nonperforming	115	851	614	205	327	1,526	5	354	—	—	—	—	—	3,997				
Total	Total	\$	133,049	\$	164,977	\$	78,020	\$	58,124	\$	45,626	\$	60,738	\$	87,627	\$	1,025	\$	629,186
Home equity:																			
Home equity:																			
Home equity:	Home equity:																		

Home equity:																							
Risk Rating:		Risk Rating:																					
Risk Rating:																							
Performing																							
Performing																							
Performing	Performing	\$ 919	\$ 896	\$ 1,849	\$ 1,497	\$ 983	\$ 11,646	\$ 990,001	\$ 14,792	\$ 1,022,583													
Nonperforming	Nonperforming	166	160	166	446	794	4,308	1,698	3,462	11,200													
Total	Total	\$ 1,085	\$ 1,056	\$ 2,015	\$ 1,943	\$ 1,777	\$ 15,954	\$ 991,699	\$ 18,254	\$ 1,033,783													

The following table summarizes the gross charge-offs of loans by loan portfolio segment and origination year:

Origination Year												
Origination Year												
Origination Year												
Origination Year												
(dollars in thousands)	(dollars in thousands)	2023	2022	2021	2020	2019	Prior	Revolving	Total			
Three Months Ended September 30, 2023												
(dollars in thousands)												
(dollars in thousands)												
Three Months Ended March 31, 2024	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial
real estate	real estate	—	—	—	1,744	—	547	—	2,291			
BBCC	BBCC	499	501	49	—	—	—	—	1,049			
Residential real estate	Residential real estate	—	—	—	—	—	15	—	15			
Indirect	Indirect	75	276	86	12	10	31	—	490			
Direct	Direct	19	429	423	112	270	60	867	2,180			
Home equity	Home equity	—	—	—	—	—	20	—	20			
Total gross charge-offs	Total gross charge-offs	\$ 593	\$ 5,360	\$ 12,829	\$ 1,868	\$ 280	\$ 736	\$ 1,084	\$ 22,750			
Nine Months Ended September 30, 2023												
Origination Year												
Origination Year												
Origination Year												
2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023
2022	2021	2020	2019	Prior	Revolving	Total						

Three										
Months										
Ended										
March 31,										
2023										
Commercial										
Commercial										
Commercial	Commercial	\$ —	\$ 6,254	\$ 23,432	\$ 120	\$ 6,789	\$ 302	\$ 562	\$ 37,459	
Commercial	Commercial									
real estate	real estate	—	54	735	2,144	—	3,005	—	5,938	
BBCC	BBCC	499	548	77	47	—	—	—	1,171	
Residential	Residential									
real estate	real estate	—	—	—	—	—	256	—	256	
Indirect	Indirect	85	954	640	153	137	120	—	2,089	
Direct	Direct	19	1,330	1,805	570	1,011	450	2,833	8,018	
Home	Home									
equity	equity	—	—	—	—	—	330	—	330	
Total	Total									
gross	gross									
charge-	charge-									
offs	offs	\$ 603	\$ 9,140	\$ 26,689	\$ 3,034	\$ 7,937	\$ 4,463	\$ 3,395	\$ 55,261	

Nonaccrual and Past Due Loans

Old National does not record interest on nonaccrual loans until principal is recovered. For all loan classes, a loan is generally placed on nonaccrual status when principal or interest becomes 90 days past due unless it is well secured and in the process of collection, or earlier when concern exists as to the ultimate collectability of principal or interest. Interest accrued but not received is reversed against earnings. Cash interest received on these loans is applied to the principal balance until the principal is recovered or until the loan returns to accrual status. Loans may be returned to accrual status when all the principal and interest amounts contractually due are brought current, remain current for a prescribed period, and future payments are reasonably assured.

The following table presents the aging of the amortized cost basis in past due loans by class of loans:

Commercial	Commercial	\$ 14,147	\$ 4,801	\$ 11,080	\$ 30,028	\$ 9,268,596	\$ 9,298,624
Commercial	Commercial						
real estate	real estate	47,240	1,312	32,892	81,444	12,217,304	12,298,748
BBCC	BBCC	730	365	603	1,698	366,904	368,602
Residential	Residential	24,181	5,033	11,753	40,967	6,419,474	6,460,441
Indirect	Indirect	6,302	2,118	958	9,378	1,024,879	1,034,257
Direct	Direct	5,404	2,118	1,928	9,450	619,736	629,186
Home equity	Home equity	6,585	1,966	4,707	13,258	1,020,525	1,033,783
Total	Total	\$ 104,589	\$ 17,713	\$ 63,921	\$ 186,223	\$ 30,937,418	\$ 31,123,641

The following table presents the amortized cost basis of loans on nonaccrual status and loans past due 90 days or more and still accruing by class of loan:

September 30, 2023				December 31, 2022			
March 31, 2024							
March 31, 2024							
(dollars in thousands)							
(dollars in thousands)	(dollars in thousands)	Nonaccrual	Past Due	Nonaccrual	With No	90 Days or	Past Due
(dollars in thousands)	(dollars in thousands)	Amortized Cost	With No Related Allowance	90 Days or More and Accruing	Nonaccrual Amortized Cost	Related Allowance	90 Days or More and Accruing
Commercial	Commercial	\$ 49,108	\$ 13,432	\$ 577	\$ 60,372	\$ 7,873	\$ 152
Commercial							
Commercial							
Commercial real estate							
Commercial real estate							
Commercial real estate	Commercial real estate	143,600	29,721	104	122,290	33,445	—
BBCC	BBCC	3,721	—	—	2,429	—	—
BBCC							
BBCC							
Residential							
Residential	Residential	40,342	—	—	34,660	—	1,808
Indirect	Indirect	3,870	—	54	3,230	—	28
Indirect							
Indirect							
Direct							
Direct	Direct	5,705	—	109	3,997	—	133
Home equity	Home equity	15,000	—	348	11,200	—	529
Home equity							
Home equity							
Total							
Total							
Total	Total	\$ 261,346	\$ 43,153	\$ 1,192	\$ 238,178	\$ 41,318	\$ 2,650

Interest income recognized on nonaccrual loans was insignificant during the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023.

When management determines that foreclosure is probable, expected credit losses for collateral dependent loans are based on the fair value of the collateral at the reporting date, adjusted for selling costs as appropriate. A loan is considered collateral dependent when the borrower is experiencing financial difficulty, and the loan is expected to be repaid substantially through the operation or sale of the collateral. The class of loan represents the primary collateral type associated with the loan. Significant quarter-over-quarter changes are reflective of changes in nonaccrual status and not necessarily associated with credit quality indicators like appraisal value. The following table presents the amortized cost basis of collateral dependent loans by class of loan:

(dollars in thousands)	Type of Collateral					
	Real Estate	Blanket Lien	Investment Securities/Cash		Auto	Other
September 30, 2023						
Commercial	\$ 13,635	\$ 31,856	466	\$ 288	\$ 347	
Commercial real estate	131,826	—	1,205	—	—	6,184
BBCC	2,131	1,174	—	416	—	
Residential	40,342	—	—	—	—	
Indirect	—	—	—	3,870	—	
Direct	4,622	1	3	296	31	
Home equity	15,000	—	—	—	—	
Total loans	\$ 207,556	\$ 33,031	1,674	\$ 4,870	\$ 6,562	
December 31, 2022						
Commercial	\$ 8,962	\$ 42,754	2,690	\$ 1,611	\$ 980	
Commercial real estate	108,871	—	1,718	—	—	6,411
BBCC	1,939	478	—	12	—	
Residential	34,660	—	—	—	—	
Indirect	—	—	—	3,230	—	
Direct	2,991	13	—	232	23	
Home equity	11,200	—	—	—	—	
Total loans	\$ 168,623	\$ 43,245	4,408	\$ 5,085	\$ 7,414	

Loan Participations

Old National has loan participations, which qualify as participating interests, with other financial institutions. At September 30, 2023, these loans totaled \$2.8 billion, of which \$1.2 billion had been sold to other financial institutions and \$1.6 billion was retained by Old National. The loan participations convey proportionate ownership rights with equal priority to each participating interest holder; involve no recourse (other than ordinary representations and warranties) to, or subordination by, any participating interest holder; all cash flows are divided among the participating interest holders in proportion to each holder's share of ownership; and no holder has the right to pledge the entire financial asset unless all participating interest holders agree.

(dollars in thousands)	Type of Collateral					
	Real Estate	Blanket Lien	Investment Securities/Cash		Auto	Other
March 31, 2024						
Commercial	\$ 11,284	\$ 39,258	5,728	\$ 11,582	\$ 319	
Commercial real estate	163,753	—	1,133	—	—	6,031
BBCC	3,793	1,701	—	278	—	
Residential	47,022	—	—	—	—	
Indirect	—	—	—	4,408	—	
Direct	4,559	—	7	386	48	
Home equity	17,958	—	—	—	—	
Total loans	\$ 248,369	\$ 40,959	6,868	\$ 16,654	\$ 6,398	
December 31, 2023						
Commercial	\$ 14,303	\$ 24,729	2,577	\$ 280	\$ 328	
Commercial real estate	146,425	—	1,167	—	—	6,107
BBCC	3,522	794	—	390	—	
Residential	41,771	—	—	—	—	

Indirect	—	—	—	4,207	—
Direct	4,727	1	3	366	29
Home equity	16,248	—	—	—	—
Total loans	\$ 226,996	\$ 25,524	\$ 3,747	\$ 5,243	\$ 6,464

Financial Difficulty Modifications

Occasionally, Old National modifies loans to borrowers experiencing financial difficulty in the form of principal forgiveness, term extension, an other-than-insignificant payment delay, or interest rate reduction (or a combination thereof). When principal forgiveness is provided, the amount of forgiveness is charged-off against the allowance for credit losses on loans.

The following table presents the amortized cost basis of financial difficulty modifications at September 30, 2023 that were modified during the three and nine months ended September 30, 2023 for borrowers experiencing financial difficulty, by class of loans and type of modification:

	Total	Class			
	Term	of			
(dollars in thousands)	(dollars in thousands)	Extension	Term	Extension	Total
Three Months Ended					
September 30, 2023					
(dollars in thousands)					
Three					
Months					
Ended					
March 31,					
2024					
Commercial					
Commercial					
Commercial	Commercial	\$ 3,502 0.0 %	\$ 29,426 0.3 0.3 %		
Commercial	Commercial				
real estate	real estate	93,844 0.7 %	real estate 120,891 0.8 0.8 %		
Total	Total	\$ 97,346 0.3 %			
Nine Months Ended					
September 30, 2023					
Total					
Total			\$ 150,317		0.4 %
Three Months Ended					
March 31, 2023					
Three Months Ended					
March 31, 2023					
Three Months Ended					
March 31, 2023					
Commercial					
Commercial					
Commercial	Commercial	\$ 20,811 0.2 %	\$ 17,342 0.2 0.2 %		
Commercial	Commercial				
real estate	real estate	116,580 0.8 %	real estate 9,926 0.1 0.1 %		
Total	Total	\$ 137,391 0.4 %			
Total			\$ 27,268		0.1 %

Old National closely monitors the performance of financial difficulty modifications to understand the effectiveness of its efforts. The following table presents the performance of loans identified as financial difficulty modifications at September 30, 2023: modifications:

	Past Due						(dollars in thousands)	30-59 Days Past Due	60-89 Days Past Due	Past Due 90 Days or More	Total Past Due	Current	Total Loans	
	60-89 Days	30-59 Days	Days Past Due	Days Past Due	Days Past Due	Total								
(dollars in thousands)	Past Due	Past Due	or	Past Due	Total	Loans	(dollars in thousands)	Past Due	Past Due	More	Total	Past Due	Current	Total Loans
September 30, 2023														
March 31, 2024														
Commercial														
Commercial														
Commercial	Commercial	\$ —	\$ —	\$ 2,541	\$ 2,541	\$ 18,270	\$ 20,811							
Commercial	Commercial													
real estate	real estate	1,086	—	—	1,086	115,494	116,580							
Total	Total	\$1,086	\$ —	\$ 2,541	\$ 3,627	\$ 133,764	\$ 137,391							
Total														
Total														
December 31, 2023														
December 31, 2023														
December 31, 2023														
Commercial														
Commercial														
Commercial														
Commercial	Commercial													
real estate	real estate													
Total	Total													
Total	Total													
Total	Total													

The following table summarizes the nature of the financial difficulty modifications during the three and nine months ended September 30, 2023 by class of loans:

(dollars in thousands)	Weighted-Average Term Extension (in months)
Three Months Ended September 30, 2023 March 31, 2024	
Commercial	7.3 9.1
Commercial real estate	9.2 8.1
Total	9.2 8.6
Nine Months Ended September 30, 2023 March 31, 2023	
Commercial	5.7 6.8
Commercial real estate	8.9 4.1
Total	8.4 5.6

There were no payment defaults on these loans subsequent to their modifications during the three and nine months ended September 30, 2023. At September 30, 2023, March 31, 2024 or 2023, Old National had not committed to lend any material additional funds to the borrowers whose loans were modified due to financial difficulties. difficulties at March 31, 2024 or December 31, 2023.

NOTE 7 – LEASES

Old National has operating and finance leases for land, office space, banking centers, and equipment. These leases are generally for periods of 5 to 20 years with various renewal options. We include certain renewal options in the measurement of our right-of-use assets and lease liabilities if they are reasonably certain to be exercised. Variable lease

payments that are dependent on an index or a rate are initially measured using the index or rate at the commencement date and are included in the measurement of the lease liability. Variable lease payments that are not dependent on an index or a rate are excluded from the measurement of the lease liability and are recognized in profit and loss when incurred. Variable lease payments are defined as payments made for the right to use an asset that vary because of changes in facts or circumstances occurring after the commencement date, other than the passage of time.

Old National has lease agreements with lease and non-lease components, which are generally accounted for separately. For real estate leases, non-lease components and other non-components, such as common area maintenance charges, real estate taxes, and insurance are not included in the measurement of the lease liability since they are generally able to be segregated. For certain equipment leases, Old National accounts for the lease and non-lease components as a single lease component using the practical expedient available for that class of assets. Old National does not have any material sub-lease agreements.

The components of lease expense were as follows:

		Three Months Ended September 30,		Nine Months Ended September 30,			
		Affected Line Item in the Statement of Income	Affected Line Item in the Statement of Income	Affected Line Item in the Statement of Income	Affected Line Item in the Statement of Income		
(dollars in thousands)	(dollars in thousands)	2023	2022	2023	2022	(dollars in thousands)	
Operating lease cost	Operating lease cost	\$7,462	\$7,657	\$23,569	\$21,323		
Finance lease cost:	Finance lease cost:						
Amortization of right-of-use assets	Amortization of right-of-use assets	742	680	2,170	2,003		
Amortization of right-of-use assets							
Interest on lease liabilities	Interest on lease liabilities	183	105	536	315		
Sub-lease income	Sub-lease income	(119)	(87)	(281)	(389)		
Sub-lease income							
Total	Total	\$8,268	\$8,355	\$25,994	\$23,252		

Supplemental balance sheet information related to leases was as follows:

		September 30, 2023	December 31, 2022			March 31, 2024	December 31, 2023
(dollars in thousands)	(dollars in thousands)		(dollars in thousands)				
Operating Leases	Operating Leases						

Operating lease right-of-use assets	Operating lease assets	\$179,284	\$189,714				
Operating lease right-of-use assets							
Operating lease liabilities	Operating lease liabilities	199,937	211,964				
Finance Leases	Finance Leases						
Premises and equipment, net	Premises and equipment, net	20,571	10,799				
Other borrowings	Other borrowings	21,595	13,469				
Weighted-Average Remaining Lease Term (in Years)	Weighted-Average Remaining Lease Term (in Years)						
Weighted-Average Remaining Lease Term (in Years)							
Operating leases	Operating leases	8.5	9.1				
Finance leases	Finance leases	10.6	7.2	Finance leases			
Weighted-Average Discount Rate	Weighted-Average Discount Rate						
Weighted-Average Discount Rate							
Operating leases	Operating leases	2.93 %	2.88 %				
Finance leases	Finance leases	3.89 %	3.30 %	Finance leases			

Supplemental cash flow information related to leases was as follows:

		Nine Months Ended September 30,		Three Months Ended March 31,	
		Three Months Ended March 31,		Three Months Ended March 31,	
(dollars in thousands)	(dollars in thousands)	2023	2022	(dollars in thousands)	2024
Cash paid for amounts included in the measurement of lease liabilities:					
Operating cash flows from operating leases	Operating cash flows from operating leases	\$23,766	\$22,223		
Operating cash flows from operating leases					
Operating cash flows from finance leases	Operating cash flows from finance leases	536	315		
Financing cash flows from finance leases	Financing cash flows from finance leases	1,893	1,839		

The following table presents a maturity analysis of the Company's lease liability by lease classification at **September 30, 2023** **March 31, 2024**:

(dollars in thousands)	(dollars in thousands)	Operating Leases	Finance Leases	Operating Leases	Finance Leases
		Leases	Leases	(dollars in thousands)	
2023		\$ 7,959	\$ 826		
2024	2024	31,183	3,357		
2025	2025	29,564	3,380		
2026	2026	28,622	2,154		
2027	2027	27,662	2,157		
2028					
Thereafter	Thereafter	102,282	14,809		
Total undiscounted lease payments	Total undiscounted lease payments	227,272	26,683		
Amounts representing interest	Amounts representing interest	(27,335)	(5,088)		
Lease liability	Lease liability	\$ 199,937	\$ 21,595		

NOTE 8 – GOODWILL AND OTHER INTANGIBLE ASSETS

The following table presents the changes in the carrying amount of goodwill:

(dollars in thousands)	Three Months Ended		Nine Months Ended	
	September 30, 2023	2022	September 30, 2023	2022
Balance at beginning of period	\$ 1,998,716	\$ 1,991,534	\$ 1,998,716	\$ 1,036,994
Acquisitions and adjustments	—	11,065	—	965,605
Balance at end of period	\$ 1,998,716	\$ 2,002,599	\$ 1,998,716	\$ 2,002,599

The increase in goodwill for the three and nine months ended September 30, 2022 was due to the First Midwest merger. See Note 3 to the consolidated financial statements for additional detail regarding this transaction.

(dollars in thousands)	Three Months Ended	
	March 31, 2024	2023
Balance at beginning of period	\$ 1,998,716	\$ 1,998,716
Acquisitions and adjustments	—	—
Balance at end of period	\$ 1,998,716	\$ 1,998,716

Old National performed the required annual goodwill impairment test as of August 31, 2023 and concluded that there was no impairment. No events or circumstances since the August 31, 2023 annual impairment test were noted that would indicate it was more likely than not a goodwill impairment exists.

The gross carrying amounts and accumulated amortization of other intangible assets were as follows:

(dollars in thousands)	Gross Carrying Amount	Accumulated Amortization and Impairment	Net Carrying Amount
September 30, 2023			
March 31, 2024			
Core deposit	\$ 143,511	\$ (68,312)	\$ 75,199
Customer trust relationships	52,621	(19,701)	32,920
Total other intangible assets	\$ 196,132	\$ (88,013)	\$ 108,119
December 31, 2022			
December 31, 2023			
December 31, 2023			
Core deposit			
Core deposit			
Core deposit	\$ 170,642	\$ (80,951)	\$ 89,691
Customer trust relationships	56,243	(19,529)	36,714
Total other intangible assets	\$ 226,885	\$ (100,480)	\$ 126,405

Other intangible assets consist of core deposit intangibles and customer relationship intangibles and are being amortized primarily on an accelerated basis over their estimated useful lives, generally over a period of 5 to 15 years.

Old National reviews other intangible assets for possible impairment whenever events or changes in circumstances indicate that carrying amounts may not be recoverable. No impairment charges were recorded during the nine three months ended September 30, 2023 March 31, 2024 or 2022, 2023. Total amortization expense associated with intangible assets was

\$6.0 million and \$18.3 million for the three and nine months ended September 30, 2023 March 31, 2024, respectively, compared to \$7.1 million and \$19.1 million for the three and nine months ended September 30, 2022, respectively, March 31, 2023.

Estimated amortization expense for future years is as follows:

(dollars in thousands)	(dollars in thousands)
2023 remaining	\$ 5,869
2024	21,239
2024 remaining	
2025	18,358
2026	15,555
2027	12,867
2028	
Thereafter	34,231
Total	\$108,119

NOTE 9 – QUALIFIED AFFORDABLE HOUSING PROJECTS AND OTHER TAX CREDIT INVESTMENTS

Old National is a limited partner in several tax-advantaged limited partnerships whose purpose is to invest in approved qualified affordable housing, renewable energy, or other renovation or community revitalization projects. These investments are included in other assets on the balance sheet, with any unfunded commitments included with other liabilities. As of September 30, 2023 March 31, 2024, Old National expects to recover its remaining investments through the use of the tax credits that are generated by the investments.

The following table summarizes Old National's investments in qualified affordable housing projects and other tax credit investments:

(dollars in thousands)	(dollars in thousands)	September 30, 2023		December 31, 2022		(dollars in thousands)	March 31, 2024		December 31, 2023		
		Unfunded		Unfunded			Unfunded		Unfunded		
		Investment	Accounting Method	Investment	Commitment ⁽¹⁾		Investment	Accounting Method	Investment	Commitment ⁽¹⁾	
LIHTC	LIHTC	Proportional amortization	\$ 93,214	\$ 54,440	\$ 84,428	\$ 55,754					
FHTC	FHTC	Equity	36,715	27,214	19,316	9,588					
NMTC	NMTC	Consolidation	45,637	—	51,912	—					
Renewable Energy	Renewable Energy	Equity	385	—	1,099	—					
Total	Total		\$ 175,951	\$ 81,654	\$ 156,755	\$ 65,342					

(1) All commitments will be paid by Old National by December 31, 2027.

(2) Old National's FHTC investments were previously accounted for under the Equity method of accounting prior to the adoption of ASU 2023-02 on January 1, 2024.

The following table summarizes the amortization expense and tax benefit recognized for Old National's qualified affordable housing projects and other tax credit investments:

(dollars in thousands)	(dollars in thousands)	Tax Expense Amortization (Benefit)	(dollars in thousands)	Amortization Expense ⁽¹⁾	Tax Expense (Benefit) Recognized ⁽²⁾
Three Months Ended September 30, 2023					
Three Months Ended March 31, 2024					
Three Months Ended March 31, 2024					
Three Months Ended March 31, 2024					
LIHTC	LIHTC	\$ 3,208	\$ (3,582)		
FHTC	FHTC	330	(399)		

NMTC	NMTC	2,092	(2,611)
Renewable Energy	Renewable Energy	222	—
Total	Total	\$ 5,852	\$ (6,592)

Three Months Ended

September 30, 2022

Three Months Ended

March 31, 2023

Three Months Ended

March 31, 2023

Three Months Ended

March 31, 2023

LIHTC

LIHTC

LIHTC	LIHTC	\$ 1,240	\$ (1,650)
FHTC	FHTC	215	(262)
NMTC	NMTC	2,237	(2,788)
Renewable Energy	Renewable Energy	210	—
Total	Total	\$ 3,902	\$ (4,700)

Nine Months Ended

September 30, 2023

LIHTC	\$ 6,135	\$ (7,398)
FHTC	1,178	(1,423)
NMTC	6,275	(7,833)
Renewable Energy	714	—
Total	\$ 14,302	\$ (16,654)

Nine Months Ended

September 30, 2022

LIHTC	\$ 3,734	\$ (4,950)
FHTC	635	(776)
NMTC	4,439	(5,538)
Renewable Energy	629	—
Total	\$ 9,437	\$ (11,264)

(1) The amortization expense for the LIHTC and FHTC investments is included in our income tax expense. The Prior to the adoption of ASU 2023-02, FHTC amortization expense was included in noninterest expense. NMTC amortization is recognized in noninterest expense in correlation to the recognition of tax credits on our tax return. Amortization expense for the FHTC, NMTC, and Renewable Energy tax credits is included in noninterest expense.

(2) All of the tax benefits recognized are included in our income tax expense. The tax benefit recognized for the FHTC, NMTC and Renewable Energy investments primarily reflects the tax credits generated from the investments and excludes the net tax expense (benefit) and deferred tax liability of the investments' income (loss).

NOTE 10 – SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE

Securities sold under agreements to repurchase are secured borrowings. Old National pledges investment securities to secure these borrowings. The following table presents securities sold under agreements to repurchase and related weighted-average interest rates:

At or for the Nine Months Ended September 30,		At or for the Three Months Ended March 31,	
(dollars in thousands)	(dollars in thousands)	2023	2024
			2023

Outstanding at period end	Outstanding at period end	\$279,061	\$438,053
Average amount outstanding during the period	Average amount outstanding during the period	351,362	450,966
Maximum amount outstanding at any month-end during the period	Maximum amount outstanding at any month-end during the period	430,537	509,275
Weighted-average interest rate:	Weighted-average interest rate:		
During the period	During the period	0.91 %	0.09 %
During the period		1.25 %	0.77 %
At period end	At period end	1.35 %	0.40 %
	At period end	3.61 %	0.88 %

At December 31, 2022 December 31, 2023, securities sold under agreements to repurchase totaled \$432.8 \$285.2 million with a weighted-average interest rate of 1.31% 3.64%.

The following table presents the contractual maturity of our secured borrowings and class of collateral pledged:

At September 30, 2023						
Remaining Contractual Maturity of the Agreements						
(dollars in thousands)	Overnight and Continuous	Up to 30 Days	30-90 Days	Greater Than 90 days	Total	
Repurchase Agreements:						
U.S. Treasury and agency securities	\$ 279,061	\$ —	\$ —	\$ —	\$ —	\$ 279,061
Total	\$ 279,061	\$ —	\$ —	\$ —	\$ —	\$ 279,061

The fair value of securities pledged to secure repurchase agreements may decline. Old National has pledged securities valued at 107% of the gross outstanding balance of repurchase agreements at September 30, 2023 to manage this risk.

At March 31, 2024						
Remaining Contractual Maturity of the Agreements						
(dollars in thousands)	Overnight and Continuous	Up to 30 Days	30-90 Days	Greater Than 90 days	Total	
Repurchase Agreements:						
U.S. Treasury and agency securities	\$ 274,493	\$ —	\$ —	\$ —	\$ —	\$ 274,493
Total	\$ 274,493	\$ —	\$ —	\$ —	\$ —	\$ 274,493

NOTE 11 – FEDERAL HOME LOAN BANK ADVANCES

The following table summarizes Old National Bank's FHLB advances:

	September 30, 2023	December 31, 2022	(dollars in thousands)	March 31, 2024	December 31, 2023

FHLB advances (fixed rates 0.00% to 5.61% and variable rates 5.35% to 5.36%) maturing December 2023 to September 2024	\$4,450,528	\$3,850,677
FHLB advances (fixed rates 2.19% to 5.53% and variable rates 5.33% to 5.36%) maturing June 2024 to March 2044		
Fair value hedge basis adjustments and unamortized prepayment fees	(37,952)	(21,659)
Total	\$4,412,576	\$3,829,018

FHLB advances had weighted-average rates of 3.36% 3.58% at September 30, 2023 March 31, 2024 and 3.15% 3.45% at December 31, 2022 December 31, 2023. Certain FHLB advances are collateralized by designated assets that may include qualifying commercial real estate loans, residential and multifamily mortgages, home equity loans, and certain investment securities up to 190% securities.

At September 30, 2023 March 31, 2024, total unamortized prepayment fees related to all FHLB advance debt modifications completed in prior years totaled \$15.7 \$12.7 million, compared to \$20.2 \$14.2 million at December 31, 2022 December 31, 2023.

Contractual maturities of FHLB advances at September 30, 2023 March 31, 2024 were as follows:

(dollars in thousands)			
Due in 2023 2024		\$ 100,000	100,243
Due in 2024			25,243
Due in 2025			550,285
Due in 2026			100,000
Due in 2028			850,000
Thereafter		3,675,000	2,625,000
Fair value hedge basis adjustments and unamortized prepayment fees		(37,952)	(32,489)
Total		\$ 4,412,576	4,193,039

NOTE 12 – OTHER BORROWINGS

The following table summarizes Old National's other borrowings:

(dollars in thousands)	September 30, 2023	December 31, 2022	(dollars in thousands)	March 31, 2024	December 31, 2023
Old National Bancorp:	Old National Bancorp:	Old National Bancorp:			
Senior unsecured notes (fixed rate 4.125%) maturing August 2024	Senior unsecured notes (fixed rate 4.125%) maturing August 2024		\$ 175,000	\$ 175,000	

Unamortized debt issuance costs related to senior unsecured notes	Unamortized debt issuance costs related to senior unsecured notes	(130)	(247)
Subordinated debentures (fixed rate 5.875%) maturing September 2026	Subordinated debentures (fixed rate 5.875%) maturing September 2026	150,000	150,000
Junior subordinated debentures (rates of 6.95% to 9.21%) maturing July 2031 to September 2037	Junior subordinated debentures (rates of 6.95% to 9.15%) maturing July 2031 to September 2037	136,643	136,643
Junior subordinated debentures (rates of 6.95% to 9.15%) maturing July 2031 to September 2037	Junior subordinated debentures (rates of 6.95% to 9.15%) maturing July 2031 to September 2037		
Other basis adjustments	Other basis adjustments	19,496	23,363
Old National Bank:	Old National Bank:		
Finance lease liabilities	Finance lease liabilities	21,595	13,469
Subordinated debentures (variable rate 9.99%) maturing October 2025	Subordinated debentures (variable rate 9.99%) maturing October 2025	12,000	12,000
Finance lease liabilities	Finance lease liabilities		
Subordinated debentures (3-month SOFR plus 4.61%; variable rate 9.94%) maturing October 2025	Subordinated debentures (3-month SOFR plus 4.61%; variable rate 9.94%) maturing October 2025		
Leveraged loans for NMTC (fixed rates of 1.00% to 1.43%) maturing December 2046 to June 2060	Leveraged loans for NMTC (fixed rates of 1.00% to 1.43%) maturing December 2046 to June 2060	143,745	143,187
Other (1)	Other (1)	205,106	89,588
Total other borrowings	Total other borrowings	\$ 863,455	\$ 743,003

(1) Includes overnight borrowings to collateralize certain derivative positions totaling \$204.5 million at September 30, 2023 and \$88.0 million at December 31, 2022 December 31, 2023.

Contractual maturities of other borrowings at **September 30, 2023** **March 31, 2024** were as follows:

(dollars in thousands)			
Due in 2023 2024		\$	205,160 311,233
Due in 2024			177,653
Due in 2025			14,740 14,747
Due in 2026			151,576 151,582
Due in 2027			1,636 1,641
Due in 2028			1,598
Thereafter			292,738 315,407
Unamortized debt issuance costs and other basis adjustments			19,952 17,005
Total		\$	863,455 813,213

Junior Subordinated Debentures

Junior subordinated debentures related to trust preferred securities are classified in "other borrowings." Junior subordinated debentures qualify as Tier 2 capital for regulatory purposes, subject to certain limitations.

Through various mergers and acquisitions, Old National assumed junior subordinated debenture obligations related to various trusts that issued trust preferred securities. Old National guarantees the payment of distributions on the trust preferred securities issued by the trusts. Proceeds from the issuance of each of these securities were used to purchase junior subordinated debentures with the same financial terms as the securities issued by the trusts.

Old National, at any time, may redeem the junior subordinated debentures at par and, thereby cause a redemption of the trust preferred securities in whole or in part.

The following table summarizes the terms of our outstanding junior subordinated debentures at **September 30, 2023** **March 31, 2024**:

(dollars in thousands)					Rate at September 30, 2023	Maturity Date
Name of Trust	Issuance Date	Issuance Amount	Rate			
Bridgeview Statutory Trust I	July 2001	\$ 15,464	3-month SOFR plus 3.58%		9.21%	July 31, 2031
Bridgeview Capital Trust II	December 2002	15,464	3-month SOFR plus 3.35%		8.92%	January 7, 2033
First Midwest Capital Trust I	November 2003	37,825	6.95% fixed		6.95%	December 1, 2033
St. Joseph Capital Trust II	March 2005	5,155	3-month SOFR plus 1.75%		7.42%	March 17, 2035
Northern States Statutory Trust I	September 2005	10,310	3-month SOFR plus 1.80%		7.47%	September 15, 2035
Anchor Capital Trust III	August 2005	5,000	3-month SOFR plus 1.55%		7.21%	September 30, 2035
Great Lakes Statutory Trust II	December 2005	6,186	3-month SOFR plus 1.40%		7.07%	December 15, 2035
Home Federal Statutory						
Trust I	September 2006	15,464	3-month SOFR plus 1.65%		7.32%	September 15, 2036
Monroe Bancorp Capital						
Trust I	July 2006	3,093	3-month SOFR plus 1.60%		7.17%	October 7, 2036
Tower Capital Trust 3	December 2006	9,279	3-month SOFR plus 1.69%		7.36%	March 1, 2037
Monroe Bancorp Statutory						
Trust II	March 2007	5,155	3-month SOFR plus 1.60%		7.27%	June 15, 2037
Great Lakes Statutory Trust III	June 2007	8,248	3-month SOFR plus 1.70%		7.37%	September 15, 2037
Total		\$ 136,643				

Subordinated Debentures

Old National assumed \$12.0 million of subordinated fixed-to-floating notes related to the acquisition of Anchor Bancorp, Inc. (MN). The debentures currently have a floating rate of interest equal to the three-month term SOFR rate plus 4.618%.

Old National assumed \$150.0 million of subordinated fixed rate notes related to the First Midwest merger. The subordinated debentures have a 5.875% fixed rate of interest through the September 29, 2026 maturity date.

(dollars in thousands)				Rate at March 31, 2024	Maturity Date
Name of Trust	Issuance Date	Issuance Amount	Rate		
Bridgeview Statutory Trust I	July 2001	\$ 15,464	3-month SOFR plus 3.58%	9.15%	July 31, 2031
Bridgeview Capital Trust II	December 2002	15,464	3-month SOFR plus 3.35%	8.93%	January 7, 2033

First Midwest Capital Trust I	November 2003	37,825	6.95% fixed	6.95%	December 1, 2033
St. Joseph Capital Trust II	March 2005	5,155	3-month SOFR plus 1.75%	7.34%	March 17, 2035
Northern States Statutory Trust I	September 2005	10,310	3-month SOFR plus 1.80%	7.39%	September 15, 2035
Anchor Capital Trust III	August 2005	5,000	3-month SOFR plus 1.55%	7.11%	September 30, 2035
Great Lakes Statutory Trust II	December 2005	6,186	3-month SOFR plus 1.40%	6.99%	December 15, 2035
Home Federal Statutory Trust I	September 2006	15,464	3-month SOFR plus 1.65%	7.24%	September 15, 2036
Monroe Bancorp Capital Trust I	July 2006	3,093	3-month SOFR plus 1.60%	7.18%	October 7, 2036
Tower Capital Trust 3	December 2006	9,279	3-month SOFR plus 1.69%	7.29%	March 1, 2037
Monroe Bancorp Statutory Trust II	March 2007	5,155	3-month SOFR plus 1.60%	7.19%	June 15, 2037
Great Lakes Statutory Trust III	June 2007	8,248	3-month SOFR plus 1.70%	7.29%	September 15, 2037
Total		\$ 136,643			

Leveraged Loans

The leveraged loans are directly related to the NMTC structure. As part of the transaction structure, Old National has the right to sell its interest in the entity that received the leveraged loans at an agreed upon price to the leveraged lender at the end of the NMTC seven-year compliance period. See Note 9 to the consolidated financial statements for additional information on the Company's NMTC investments.

Finance Lease Liabilities

Old National has long-term finance lease liabilities for certain banking centers and equipment totaling \$21.6 million \$20.1 million at September 30, 2023 March 31, 2024. See Note 7 to the consolidated financial statements for a maturity analysis of the Company's finance lease liabilities.

NOTE 13 – ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following table summarizes the changes within each classification of AOCI, net of tax:

(dollars in thousands)	(dollars in thousands)	Unrealized Gains and Losses on Available-for-Sale Debt Securities	Unrealized Gains and Losses on Held-to-Maturity Securities	Unrealized Gains and Losses on Hedges	Defined Benefit Pension Plans	Total
		Gains and Losses on Securities	Gains and Losses on Securities	Gains and Losses on Hedges	Defined Benefit Pension Plans	Total
Three Months Ended September 30, 2023						
Three Months Ended March 31, 2024						
Three Months Ended March 31, 2024						
Three Months Ended March 31, 2024						
Balance at beginning of period						
Balance at beginning of period						
Balance at beginning of period						
Balance at beginning of period						
Balance at beginning of period						
Other comprehensive income (loss) before reclassifications	Other comprehensive income (loss) before reclassifications	\$(701,393) \$(103,144) \$ (4,096) \$ — \$(808,633)				
Other comprehensive income (loss) before reclassifications	Other comprehensive income (loss) before reclassifications	(156,660)	(11,546)	(168,206)		

Amounts reclassified from AOCI to income ⁽¹⁾	Amounts reclassified from AOCI to income ⁽¹⁾	178	4,193	3,653	—	8,024
Balance at end of period	Balance at end of period	\$ (857,875)	\$ (98,951)	\$ (11,989)	\$ —	\$ (968,815)

**Three Months Ended September
30, 2022**

**Three Months Ended March 31,
2023**

**Three Months Ended March 31,
2023**

**Three Months Ended March 31,
2023**

Balance at beginning of period

Balance at beginning of period

Balance at beginning of period	Balance at beginning of period	\$ (437,075)	\$ (122,199)	\$ (9,875)	\$ 16	\$ (569,133)
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Other comprehensive income (loss) before reclassifications	Other comprehensive income (loss) before reclassifications	(217,401)	—	(27,725)	—	(245,126)
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Amounts reclassified from AOCI to income ⁽¹⁾	Amounts reclassified from AOCI to income ⁽¹⁾	131	5,121	565	(8)	5,809
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Balance at end of period	Balance at end of period	\$ (654,345)	\$ (117,078)	\$ (37,035)	\$ 8	\$ (808,450)
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**Nine Months Ended September
30, 2023**

Balance at beginning of period	\$ (642,346)	\$ (112,664)	\$ (31,549)	\$ 137	\$ (786,422)
Other comprehensive income (loss) before reclassifications	(219,562)	1,325	34,279	—	(183,958)
Amounts reclassified from AOCI to income ⁽¹⁾	4,033	12,388	(14,719)	(137)	1,565
Balance at end of period	\$ (857,875)	\$ (98,951)	\$ (11,989)	\$ —	\$ (968,815)

Balance at beginning of period	\$ (2,950)	\$ —	\$ 543	\$ 32	\$ (2,375)
Other comprehensive income (loss) before reclassifications	(651,330)	(125,229)	(37,473)	—	(814,032)
Amounts reclassified from AOCI to income ⁽¹⁾	(65)	8,151	(105)	(24)	7,957
Balance at end of period	\$ (654,345)	\$ (117,078)	\$ (37,035)	\$ 8	\$ (808,450)

(1) See table below for details about reclassifications to income.

The following table summarizes the amounts reclassified out of each component of AOCI for the three months ended **September 30, 2023** **March 31, 2024** and **2022**: **2023**:

(dollars in thousands)	Three Months Ended September 30,	
	2023	2022

Details about AOCI Components		Amount Reclassified from AOCI		Affected Line Item in the Statement of Income	
Unrealized gains and losses on available-for-sale securities		\$ (241)	\$ (172)	Debt securities gains (losses), net	
		63	41	Income tax (expense) benefit	
		<u><u>\$ (178)</u></u>	<u><u>\$ (131)</u></u>	Net income (loss)	
Unrealized gains and losses on held-to-maturity securities		\$ (5,623)	\$ (6,772)	Interest income (expense)	
		1,430	1,651	Income tax (expense) benefit	
		<u><u>\$ (4,193)</u></u>	<u><u>\$ (5,121)</u></u>	Net income (loss)	
Gains and losses on hedges					
Interest rate contracts		\$ (4,927)	\$ (749)	Interest income (expense)	
		1,274	184	Income tax (expense) benefit	
		<u><u>\$ (3,653)</u></u>	<u><u>\$ (565)</u></u>	Net income (loss)	
Amortization of defined benefit pension items					
Actuarial gains (losses)		\$ —	\$ 11	Salaries and employee benefits	
		—	(3)	Income tax (expense) benefit	
		<u><u>\$ —</u></u>	<u><u>\$ 8</u></u>	Net income (loss)	
Total reclassifications for the period		<u><u>\$ (8,024)</u></u>	<u><u>\$ (5,809)</u></u>	Net income (loss)	

The following table summarizes the amounts reclassified out of each component of AOCI for the nine months ended September 30, 2023 and 2022:

(dollars in thousands)	Nine Months Ended September 30,		Three Months Ended March 31,			Affected Line Item
			(dollars in thousands)	2024	2023	
	Details about AOCI Components	Amount Reclassified from AOCI		Details about AOCI Components	Amount Reclassified from AOCI	
Unrealized gains and losses on available-for-sale securities	Unrealized gains and losses on available-for-sale securities	\$ (5,440)	\$ 85	Unrealized gains and losses on available-for-sale securities	\$ (16)	Debt securities gains (losses), net
	Income tax (expense) benefit	1,407	(20)		4	Debt securities gains (losses), net
	Net income	<u><u>\$ (4,033)</u></u>	<u><u>65</u></u>		<u><u>1,349</u></u>	Income tax (expense) benefit
	Interest income					Net income
Unrealized gains and losses on held-to-maturity securities	Interest income	<u><u>\$ (16,574)</u></u>	<u><u>\$ (10,774)</u></u>		<u><u>\$ (3,867)</u></u>	Net income

Amortization of unrealized losses on held-to-maturity securities transferred from available-for-sale	Amortization of unrealized losses on held-to-maturity securities transferred from available-for-sale	\$ (4,318)	\$ (5,829)	Interest income (expense)	
	Income tax (expense) benefit	4,186	2,623	Income tax (expense) benefit	Income tax (expense) benefit
	Net income	<u><u>\$ (12,388)</u></u>	<u><u>\$ (8,151)</u></u> (loss)	<u><u>\$ (3,221)</u></u>	<u><u>\$ (4,373)</u></u> Net income
Gains and losses on hedges	Gains and losses on hedges				
Interest rate contracts	Interest rate contracts	\$ 19,893	\$ 139	Interest income	Interest income (expense)
	Income tax (expense) benefit	(5,174)	(34)	Income tax (expense) benefit	Income tax (expense) benefit
	Net income	<u><u>\$ 14,719</u></u>	<u><u>\$ 105</u></u> (loss)	<u><u>\$ (3,616)</u></u>	<u><u>\$ (5,436)</u></u> Net income
Amortization of defined benefit pension items	Amortization of defined benefit pension items			Amortization of defined benefit pension items	
Actuarial gains (losses)	Actuarial gains (losses)	\$ 182	\$ 32	Salaries and employee benefits	Salaries and employee benefits
	Income tax (expense) benefit	(45)	(8)	Income tax (expense) benefit	Income tax (expense) benefit
	Net income	<u><u>\$ 137</u></u>	<u><u>\$ 24</u></u> (loss)	<u><u>\$ 141</u></u>	<u><u>Net income</u></u>
Total reclassifications for the period	Total reclassifications for the period	<u><u>\$ (1,565)</u></u>	<u><u>\$ (7,957)</u></u> (loss)		
Total reclassifications for the period					
Total reclassifications for the period				<u><u>\$ (6,849)</u></u>	<u><u>\$ (13,535)</u></u> Net income

NOTE 14 – INCOME TAXES

Following The following is a summary of the major items comprising the differences in taxes from continuing operations computed at the federal statutory rate and as recorded in the consolidated statements of income:

(dollars in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Provision at statutory rate of 21%	\$ 40,358	\$ 37,598	\$ 122,352	\$ 59,365

Tax-exempt income:				
Tax-exempt interest	(4,625)	(3,929)	(13,716)	(10,335)
Section 291/265 interest disallowance	675	85	1,593	150
Company-owned life insurance income	(743)	(684)	(2,315)	(2,340)
Tax-exempt income	(4,693)	(4,528)	(14,438)	(12,525)
State income taxes	8,163	7,050	24,856	7,808
Interim period effective rate adjustment	116	(31)	(607)	3,042
Tax credit investments - federal	(2,071)	(2,407)	(7,122)	(4,968)
Officer compensation limitation	1,040	401	3,120	1,053
Non-deductible FDIC premiums	1,949	1,178	6,096	2,549
Other, net	(558)	(374)	(1,139)	(1,187)
Income tax expense (benefit)	\$ 44,304	\$ 38,887	\$ 133,118	\$ 55,137
Effective tax rate	23.1 %	21.7 %	22.9 %	19.5 %

The provision for income taxes was recorded at September 30, 2023 and 2022 based on the current estimate of the effective annual rate.

The higher effective tax rate during the nine months ended September 30, 2023 compared to the same period in 2022 reflected an increase in pre-tax book income combined with smaller increases in tax-exempt income and tax credits. Other contributing factors were increases in non-deductible officer compensation and non-deductible FDIC premiums as well as the First Midwest merger in February 2022.

(dollars in thousands)	Three Months Ended March 31,	
	2024	2023
Provision at statutory rate of 21%	\$ 32,082	\$ 39,484
Tax-exempt income:		
Tax-exempt interest	(4,958)	(4,486)
Section 291/265 interest disallowance	885	386
Company-owned life insurance income	(694)	(627)
Tax-exempt income	(4,767)	(4,727)
State income taxes	5,147	8,142
Interim period effective rate adjustment	944	(1,717)
Tax credit investments - federal	(3,055)	(2,526)
Officer compensation limitation	765	1,040
Non-deductible FDIC premiums	1,747	2,110
Other, net	(375)	(385)
Income tax expense	\$ 32,488	\$ 41,421
Effective tax rate	21.3 %	22.0 %

Net Deferred Tax Assets

Net deferred tax assets are included in other assets on the balance sheet. At September 30, 2023 March 31, 2024, net deferred tax assets totaled \$480.7 million \$418.3 million, compared to \$435.8 million \$423.3 million at December 31, 2022 December 31, 2023. No valuation allowance was required on the Company's deferred tax assets at September 30, 2023 March 31, 2024 or December 31, 2022 December 31, 2023.

The Company's retained earnings at September 30, 2023 March 31, 2024 included an appropriation for acquired thrifts' tax bad debt allowances totaling \$58.6 million for which no provision for federal or state income taxes has been made. If in the future, this portion of retained earnings were distributed as a result of the liquidation of the Company or its subsidiaries, federal and state income taxes would be imposed at the then applicable rates.

Old National has federal net operating loss carryforwards totaling \$68.4 million \$60.1 million at September 30, 2023 March 31, 2024 and \$81.5 million \$63.6 million at December 31, 2022 December 31, 2023. This federal net operating loss was acquired from the acquisition of Anchor BanCorp Wisconsin Inc. in 2016 and First Midwest Bancorp, Inc. in 2022. If not used, the federal net operating loss carryforwards will begin expiring in 2030 and later. Old National has recorded state net operating loss carryforwards totaling \$115.6 million \$114.2 million at September 30, 2023 March 31, 2024 and \$124.4 million \$116.9 million at December 31, 2022 December 31, 2023. If not used, the state net operating loss carryforwards will expire from 2027 to 2036.

The federal and recorded state net operating loss carryforwards are subject to an annual limitation under Internal Revenue Code section 382. Old National believes that all of the federal and recorded state net operating loss carryforwards will be used prior to expiration.

NOTE 15 – DERIVATIVE FINANCIAL INSTRUMENTS

As part of our overall interest rate risk management, Old National uses derivative instruments, including interest rate swaps, collars, caps, and floors. The notional amount does not represent amounts exchanged by the parties. The amount exchanged is determined by reference to the notional amount and the other terms of the individual agreements. Derivative instruments are recognized on the balance sheet at their fair value and are not reported on a net basis.

Credit risk arises from the possible inability of counterparties to meet the terms of their contracts. Old National's exposure is limited to the termination value of the contracts rather than the notional, principal, or contract amounts. There are provisions in our agreements with the counterparties that allow for certain unsecured credit exposure up to an agreed threshold. Exposures in excess of the agreed thresholds are collateralized. In addition, we minimize credit risk through credit approvals, limits, and monitoring procedures.

Derivatives Designated as Hedges

Subsequent changes in fair value for a hedging instrument that has been designated and qualifies as part of a hedging relationship are accounted for in the following manner:

Cash flow hedges: changes in fair value are recognized as a component in other comprehensive income (loss).

Fair value hedges: changes in fair value are recognized concurrently in earnings.

As long as a hedging instrument is designated and the results of the effectiveness testing support that the instrument qualifies for hedge accounting treatment, 100% of the periodic changes in fair value of the hedging instrument are accounted for as outlined above. This is the case whether or not economic mismatches exist in the hedging relationship. As a result, there is no periodic measurement or recognition of ineffectiveness. Rather, the full impact of hedge gains and losses is recognized in the period in which the hedged transactions impact earnings.

The change in fair value of the hedging instrument that is included in the assessment of hedge effectiveness is presented in the same income statement line item that is used to present the earnings effect of the hedged item.

Cash Flow Hedges

Interest rate swaps of certain borrowings were designated as cash flow hedges totaling \$150.0 million notional amount at both **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**. Interest rate swaps, collars, and floors related to variable-rate commercial loan pools were designated as cash flow hedges totaling **\$1.5 billion** **\$1.8 billion** notional amount at **September 30, 2023** **March 31, 2024** and **\$1.9 billion** **\$1.6 billion** notional amount at **December 31, 2022** **December 31, 2023**. The hedges were determined to be effective during all periods presented and we expect them to remain effective during the remaining terms.

Old National has designated its interest rate collars as cash flow hedges. The structure of these instruments is such that Old National pays the counterparty an incremental amount if the collar index exceeds the cap rate. Conversely, Old National receives an incremental amount if the index falls below the floor rate. No payments are required if the collar index falls between the cap and floor rates.

Old National has designated its interest rate floor transactions as cash flow hedges. The structure of these instruments is such that Old National receives an incremental amount if the index falls below the floor strike rate. No payments are required if the index remains above the floor strike rate.

Fair Value Hedges

Interest rate swaps of certain borrowings were designated as fair value hedges totaling **\$700.0 million** **\$900.0 million** notional amount at **September 30, 2023** **both March 31, 2024** and **\$300.0 million** notional amount at **December 31, 2022** **December 31, 2023**. Interest rate swaps of certain available-for-sale investment securities were designated as fair value hedges totaling \$998.1 million notional amount at **September 30, 2023** **both March 31, 2024** and **\$910.0 million** notional amount at **December 31, 2022** **December 31, 2023**. The hedges were determined to be effective during all periods presented and we expect them to remain effective during the remaining terms.

The following table summarizes Old National's derivatives designated as hedges:

		September 30, 2023		December 31, 2022						March 31, 2024		December 31, 2023			
		Fair Value		Fair Value						Fair Value		Fair Value			
		March 31, 2024		Fair Value						March 31, 2024		December 31, 2023			
(dollars in thousands)	(dollars in thousands)	Notional	(1)	Assets (1)	Liabilities (2)	Notional	(1)	Assets (1)	Liabilities (2)	Notional	Assets (1)	Liabilities (2)	Notional	Assets (1)	Liabilities (2)
Cash flow hedges	Cash flow hedges														
Interest rate collars and floors on loan pools		\$1,500,000	\$2,214	\$ 27,749	\$ 1,900,000	\$ 11,764	\$ 47,859								
Interest rate swaps, collars, and floors on loan pools															
Interest rate swaps, collars, and floors on loan pools															

Interest rate swaps, collars, and floors on loan pools									
Interest rate swaps on borrowings (3)	Interest rate swaps on borrowings (3)	150,000	—	—	150,000	—	—	—	—
Fair value hedges	Fair value hedges								
Interest rate swaps on investment securities (3)									
Interest rate swaps on investment securities (3)	Interest rate swaps on investment securities (3)	998,107	—	—	909,957	—	—	—	—
Interest rate swaps on borrowings (3)	Interest rate swaps on borrowings (3)	700,000	—	—	300,000	—	—	—	—
Total	Total	\$2,214	\$ 27,749		\$11,764	\$ 47,859			

(1) Derivative assets are included in other assets on the balance sheet.

(2) Derivative liabilities are included in other liabilities on the balance sheet.

(3) The fair values of certain counterparty interest rate swaps are zero due to the settlement of centrally cleared variation margin rules.

The effect of derivative instruments in fair value hedging relationships on the consolidated statements of income were as follows:

(dollars in thousands)	(dollars in thousands)	Location of Gain or Recognized										Gain (Loss) Location of Gain or Recognized in Income	
		Location of Gain or Recognized					Location of Gain or Recognized						
		or	Gain (Loss)	or	Gain (Loss)	or	Gain (Loss)	or	Gain (Loss)	or	Gain (Loss)		
Derivatives in Fair Value Hedging Relationships	Derivatives in Fair Value Hedging Relationships	(Loss) Recognized in Income on Derivative	in Income on Derivative	in Fair Value Relationships	in Fair Value Relationships	on Hedged Item	on Hedged Item	on Related Hedged Items	on Related Hedged Items	in Income on Derivative	in Income on Derivative	in Fair Value Relationships	
Fair Value Hedging Relationships	Fair Value Hedging Relationships	in Income on Derivative	in Income on Derivative	on Hedging	on Hedging	Related Hedged Items	Related Hedged Items	Derivatives in Fair Value Hedging Relationships	Derivatives in Fair Value Hedging Relationships	on Hedging	on Hedging	in Fair Value Relationships	
Three Months Ended September 30, 2023													
Three Months Ended March 31, 2024													
Three Months Ended March 31, 2024													
Three Months Ended March 31, 2024													
Interest rate contracts	Interest rate contracts												
Interest rate contracts	Interest rate contracts	Interest income/(expense) \$ (9,553)		Fixed-rate debt income/(expense) \$ 9,566									
Interest rate contracts	Interest rate contracts	Interest income/(expense) 45,537		Fixed-rate investment securities income/(expense) (46,055)									
Total	Total	\$ 35,984											

Three Months Ended
September 30, 2022

Three Months Ended
March 31, 2023

Three Months Ended
March 31, 2023

Three Months Ended
March 31, 2023

Interest rate contracts
Interest rate contracts

Interest rate contracts	Interest rate contracts	Interest income/(expense) \$ (532)	Fixed-rate debt income/(expense) \$ 638
			Fixed-rate investment interest
Interest rate contracts	Interest rate contracts	Interest income/(expense) <u>47,963</u>	securities income/(expense) <u>(47,975)</u>
Total	Total	\$ 47,431	\$ (47,337)

Nine Months Ended
September 30, 2023

Interest rate contracts	Interest income/(expense) \$ (18,500)	Fixed-rate debt income/(expense) \$ 18,303
		Fixed-rate investment interest
Interest rate contracts	Interest income/(expense) <u>7,268</u>	securities income/(expense) <u>(7,671)</u>
Total	\$ (11,232)	\$ 10,632

Nine Months Ended
September 30, 2022

Interest rate contracts	Interest income/(expense) \$ (7,889)	Fixed-rate debt income/(expense) \$ 8,193
		Fixed-rate investment interest
Interest rate contracts	Interest income/(expense) <u>159,397</u>	securities income/(expense) <u>(159,767)</u>
Total	\$ 151,508	\$ (151,574)

The effect of derivative instruments in cash flow hedging relationships on the consolidated statements of income were as follows:

		Three Months Ended March 31,				Three Months Ended March 31,		Three Months Ended March 31,	
(dollars in thousands)						2024	2023	2024	2023
		Three Months Ended September 30,							
(dollars in thousands)		2023	2022	2023	2022				
Derivatives in	Derivatives in	Location of Gain or	Gain (Loss) Recognized in	Gain (Loss)					
Cash Flow	Cash Flow	Reclassified from	Other	Reclassified					
Hedging	Hedging	from AOCI into	Comprehensive Income on	from AOCI into					
Relationships	Relationships	Income	Derivative	Income					
Interest rate contracts	Interest income/(expense) \$ (15,574)		\$ (36,755)	\$ (5,960)					
Derivatives in									
Cash Flow Hedging									
Relationships									
Nine Months Ended September 30,									

	2023	2022	2023	2022				
	Location of Gain or		Gain (Loss)					
	Derivatives in	Derivatives in	Recognized in	Gain (Loss)				
Cash Flow	Cash Flow	Reclassified	Comprehensive	from	Location of Gain or	Recognized in Other	Gain (Loss)	Reclassified from
Hedging	Hedging	from AOCI into	Income on	AOCI into	(Loss) Reclassified	Comprehensive	AOCI into	Income
Relationships	Relationships	Income	Derivative	Income	from AOCI into Income	Income on Derivative	Income	Income
Interest rate contracts	Interest rate contracts	Interest income/(expense) \$ 4,302 \$(49,679)	\$ 17,481	\$ 139				

Amounts reported in AOCI related to cash flow hedges will be reclassified to interest income or interest expense as interest payments are received or paid on Old National's derivative instruments. During the next 12 months, we estimate that **\$5.8 million** **\$23.3 million** will be reclassified to interest income and **\$26.3 million** **\$4.5 million** will be reclassified to interest expense.

Derivatives Not Designated as Hedges

Commitments to fund certain mortgage loans (interest rate lock commitments) and forward commitments for the future delivery of mortgage loans to third party investors are considered derivatives. These derivative contracts do not qualify for hedge accounting. At **September 30, 2023** **March 31, 2024**, the notional amounts of the interest rate lock commitments were **\$42.5 million** **\$68.0 million** and forward commitments were **\$54.7 million** **\$77.6 million**. At **December 31, 2022** **December 31, 2023**, the notional amounts of the interest rate lock commitments were **\$21.4 million** **\$25.2 million** and forward commitments were **\$30.3 million** **\$39.5 million**. It is our practice to enter into forward commitments for the future delivery of residential mortgage loans to third party investors when interest rate lock commitments are entered into in order to economically hedge the effect of changes in interest rates resulting from our commitment to fund the loans.

Old National also enters into derivative instruments for the benefit of its clients. The notional amounts of these customer derivative instruments and the offsetting counterparty derivative instruments were **\$5.8 billion** **\$5.9 billion** at **September 30, 2023** **March 31, 2024** and **\$5.2 billion** **\$6.0 billion** at **December 31, 2022** **December 31, 2023**. These derivative contracts do not qualify for hedge accounting. These instruments include interest rate swaps, caps, and collars. Commonly, Old National will economically hedge significant exposures related to these derivative contracts entered into for the benefit of clients by entering into offsetting contracts with approved, reputable, independent counterparties with substantially matching terms.

Old National enters into derivative financial instruments as part of its foreign currency risk management strategies. These derivative instruments consist of foreign currency forward contracts to accommodate the business needs of its clients. Old National does not designate these foreign currency forward contracts for hedge accounting treatment.

The following table summarizes Old National's derivatives not designated as hedges:

	September 30, 2023				December 31, 2022					
	Fair Value				Fair Value					
	March 31, 2024				March 31, 2024				December 31, 2023	
	Fair Value				Fair Value				Fair Value	
(dollars in thousands)	(dollars in thousands)	Notional	Assets (1)	Liabilities (2)	Notional	Assets (1)	Liabilities (2)	(dollars in thousands)	Notional	
Interest rate lock commitments	Interest rate lock commitments	\$ 42,492	\$ —	\$ 146	\$ 21,401	\$ 93	\$ —			
Forward mortgage loan contracts	Forward mortgage loan contracts	54,730	1,031	—	30,330	32	—			
Customer interest rate swaps	Customer interest rate swaps	5,775,638	1,208	379,864	5,220,363	5,676	326,924			
Counterparty interest rate swaps (3)	Counterparty interest rate swaps (3)	5,775,634	222,907	1,213	5,220,363	151,111	5,711			
Customer foreign currency contracts	Customer foreign currency contracts	13,234	218	156	8,341	253	42			

Counterparty	Counterparty					
foreign	foreign					
currency	currency					
contracts	contracts	12,970	255	141	8,297	72
Total	Total	\$225,619	\$381,520		\$157,237	\$332,845

(1) Derivative assets are included in other assets on the balance sheet.

(2) Derivative liabilities are included in other liabilities on the balance sheet.

(3) The fair values of certain counterparty interest rate swaps are zero due to the settlement of centrally cleared variation margin rules.

The effect of derivatives not designated as hedging instruments on the consolidated statements of income were as follows:

Three Months Ended March 31,			Three Months Ended March 31,	
(dollars in thousands)			(dollars in thousands)	
			2024	2023
			Three Months Ended September 30,	
(dollars in thousands)			2023	2022
Location of Gain				
Derivatives Not Designated as Hedging Instruments	or (Loss) Recognized in Income on Derivative	Gain (Loss) Recognized in Income on Derivative		
Interest rate contracts (1)				
Interest rate contracts (1)				
Interest rate contracts (1)				
Mortgage contracts	Mortgage contracts	Mortgage banking		
Foreign currency contracts	Foreign currency contracts	Other	391	638
Total	Total		\$ 814	\$ 821
Nine Months Ended September 30,				
			2023	2022
Location of Gain				
Derivatives Not Designated as Hedging Instruments	or (Loss) Recognized in Income on Derivative	Gain (Loss) Recognized in Income on Derivative		
Interest rate contracts (1)	Other	income/(expense)	\$ 1,125	\$ 1,058
Mortgage contracts	Mortgage banking			
Foreign currency contracts	Other	revenue	760	(735)
Total		income/(expense)	(16)	113
			\$ 1,869	\$ 436

(1) Includes the valuation differences between the customer and offsetting swaps.

Fair Value of Offsetting Derivatives

Certain derivative instruments are subject to master netting agreements with counterparties that provide rights of setoff. The Company records these transactions at their gross fair values and does not offset derivative assets and liabilities in the Consolidated Balance Sheet. The following table presents the fair value of the Company's derivatives and offsetting positions:

	March 31, 2024		December 31, 2023	
	Assets	Liabilities	Assets	Liabilities
(dollars in thousands)				
Gross amounts recognized	\$ 167,479	\$ 297,403	\$ 166,302	\$ 268,916
Less: amounts offset in the Consolidated Balance Sheet	—	—	—	—
Net amount presented in the Consolidated Balance Sheet	167,479	297,403	166,302	268,916
Gross amounts not offset in the Consolidated Balance Sheet				
Offsetting derivative positions	(26,443)	(26,443)	(39,360)	(39,360)
Cash collateral pledged	—	(134,459)	—	(97,840)
Net credit exposure	\$ 141,036	\$ 136,501	\$ 126,942	\$ 131,716

NOTE 16 – COMMITMENTS, CONTINGENCIES, AND FINANCIAL GUARANTEES

Litigation

At **September 30, 2023** **March 31, 2024**, there were certain legal proceedings pending against the Company and its subsidiaries in the ordinary course of business. While the outcome of any legal proceeding is inherently uncertain, based on information currently available, the Company's management does not expect that any potential liabilities arising from pending **legal matters** **litigation** will have a material adverse effect on the Company's business, financial position, or results of operations.

Credit-Related Financial Instruments

Old National holds instruments, in the normal course of business with clients, that are considered financial guarantees and are recorded at fair value. Standby letters of credit guarantees are issued in connection with agreements made by clients to counterparties. Standby letters of credit are contingent upon failure of the client to perform the terms of the underlying contract. Credit risk associated with standby letters of credit is essentially the same as that associated with extending loans to clients and is subject to normal credit policies. The term of these standby letters of credit is typically one year or less. These commitments are not recorded in the consolidated financial statements.

The following table summarizes Old National Bank's unfunded loan commitments and standby letters of credit:

	September 30, 2023		December 31, 2022	(dollars in thousands)	March 31, 2024	December 31, 2023
	(dollars in thousands)	30, 2023	31, 2022			
Unfunded loan commitments	Unfunded loan commitments	\$ 9,142,538	\$ 8,979,334			
Standby letters of credit ⁽¹⁾	Standby letters of credit ⁽¹⁾	184,027	174,070			

(1) Notional amount, which represents the maximum amount of future funding requirements. The carrying value was \$1.2 million at **September 30, 2023** **March 31, 2024** and \$0.8 million at **December 31, 2022** **December 31, 2023**.

At **September 30, 2023** **March 31, 2024**, approximately 4% of the unfunded loan commitments had fixed rates, with the remainder having floating rates ranging from 0% to 23% to 2.10% to 22.49%. The allowance for unfunded loan commitments totaled \$33.0 million at **September 30, 2023** **March 31, 2024** and \$32.2 million at **December 31, 2022** **December 31, 2023**.

Old National is a party in risk participation transactions of interest rate swaps, which had total notional amounts of \$522.5 million at **September 30, 2023** **March 31, 2024** and \$398.9 million at **December 31, 2022** **December 31, 2023**.

Visa Class B Restricted Shares

In 2008, Old National received Visa Class B restricted shares as part of Visa's initial public offering. These shares are transferable only under limited circumstances until they can be converted into the publicly traded Class A common shares. This conversion will not occur until the final settlement of certain litigation for which Visa is indemnified by the holders of Visa's Class B shares, including Old National. Visa funded an escrow account from its initial public offering to settle these litigation claims. Increases in litigation claims requiring Visa to fund the escrow account due to insufficient funds will result in a reduction of the conversion ratio of each Visa Class B share to unrestricted Class A shares. As of September 30, 2023, the conversion ratio was 1.5875. Based on the existing transfer restriction and the uncertainty of the outcome of the Visa litigation, the 65,466 Class B shares that Old National owns at September 30, 2023 are carried at a zero cost basis and are included in other assets with our equity securities that have no readily determinable fair value.

NOTE 17 – FAIR VALUE

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

- Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
- Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 – Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Old National used the following methods and significant assumptions to estimate the fair value of each type of financial instrument:

Investment securities and equity securities: The fair values for investment securities and equity securities are determined by quoted market prices, if available (Level 1). For securities where quoted prices are not available, fair values are calculated based on market prices of similar securities (Level 2). For securities where quoted prices or market prices of similar securities are not available, fair values are calculated using discounted cash flows or other market indicators (Level 3). Discounted cash flows are calculated using swap and SOFR curves plus spreads that adjust for loss severities, volatility, credit risk, and optionality. During times when trading is more liquid, broker quotes are used (if available) to validate the model. Rating agency and industry research reports as well as defaults and deferrals on individual securities are reviewed and incorporated into the calculations.

Loans held-for-sale: The fair value of loans held-for-sale is determined using quoted prices for a similar asset, adjusted for specific attributes of that loan (Level 2).

Derivative financial instruments: The fair values of derivative financial instruments are based on market quotes developed using observable inputs as of the valuation date (Level 2).

Recurring Basis

Assets and liabilities measured at fair value on a recurring basis, including financial assets and liabilities for which we have elected the fair value option, are summarized below:

Fair Value Measurements at September 30, 2023 Using										Fair Value Measurements at March 31, 2024 Using											
(dollars in thousands)	(dollars in thousands)	Fair Value Measurements at March 31, 2024 Using										(dollars in thousands)	Carrying Value	Significant			(dollars in thousands)	Carrying Value	Significant		
		Quoted Prices in Active Markets for Identical Assets			Other Observable Inputs			Significant Unobservable Inputs			Quoted Prices in Active Markets for Identical Assets			Other Observable Inputs					Significant Unobservable Inputs		
		Value	(Level 1)	(Level 2)	Inputs	(Level 2)	Inputs	(Level 3)	Inputs	(Level 3)	Value	(Level 1)	(Level 2)	Inputs	(Level 2)	Inputs	(Level 3)	Value	(Level 1)	(Level 2)	Inputs
Financial Assets	Financial Assets											Financial Assets									
Equity securities	Equity securities	\$ 69,880	\$ 69,880	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —											
Investment securities available-for-sale:	Investment securities available-for-sale:											Financial Assets									
U.S. Treasury	U.S. Treasury	548,126	548,126	—	—	—	—	—	—	—											
U.S. government-sponsored entities and agencies	U.S. government-sponsored entities and agencies	1,142,900	—	1,142,900	—	—	—	—	—	—											
Mortgage-backed securities -	Mortgage-backed securities -																				
Agency	Agency	3,862,705	—	3,862,705	—	—	—	—	—	—											
States and political subdivisions	States and political subdivisions	544,944	—	544,944	—	—	—	—	—	—											

Pooled trust	Pooled trust				
preferred	preferred				
securities	securities	11,125	—	11,125	—
Other	Other				
securities	securities	304,961	—	304,961	—
Loans held-for-sale	Loans held-for-sale				
		122,033	—	122,033	—
Derivative assets	Derivative assets				
		227,833	—	227,833	—
Financial Liabilities	Financial Liabilities				
Derivative liabilities	Derivative liabilities				
		409,269	—	409,269	—

Derivative liabilities

Derivative liabilities

(dollars in thousands)	Fair Value Measurements at December 31, 2022 Using					Fair Value Measurements at December 31, 2023 Using		
	(dollars in thousands)	Carrying Value	Significant			(dollars in thousands)	Carrying Value	Significant
			Quoted Prices in Active Markets for Identical Assets	Other Observable Inputs	Significant Unobservable Inputs			
			(Level 1)	(Level 2)	(Level 3)			
Financial Assets	Financial Assets		Financial Assets					
Equity securities	Equity securities	\$ 52,507	\$ 52,507	\$ —	\$ —			
Investment securities available-for-sale:	Investment securities available-for-sale:							
U.S. Treasury								
U.S. Treasury								
U.S. Treasury	U.S. Treasury	200,927	200,927	—	—			
U.S. government-sponsored entities and agencies	U.S. government-sponsored entities and agencies	1,175,080	—	1,175,080	—			
Mortgage-backed securities -	Mortgage-backed securities -							
Agency	Agency	4,369,902	—	4,369,902	—			
States and political subdivisions	States and political subdivisions	663,852	—	663,852	—			
Pooled trust preferred securities	Pooled trust preferred securities	10,811	—	10,811	—			
Other securities	Other securities	353,140	—	353,140	—			
Loans held-for-sale	Loans held-for-sale	11,926	—	11,926	—			
Derivative assets	Derivative assets	169,001	—	169,001	—			

Financial Liabilities	Financial Liabilities
Derivative liabilities	Derivative liabilities
380,704	380,704

Derivative liabilities

Derivative liabilities

Non-Recurring Basis

Assets measured at fair value at **September 30, 2023** **March 31, 2024** on a non-recurring basis are summarized below:

(dollars in thousands)	Fair Value Measurements at September 30, 2023 Using					Fair Value Measurements at March 31, 2024 Using			
	(dollars in thousands)	Significant			(dollars in thousands)	Significant			(dollars in thousands)
		Carrying Value	Identical Assets (Level 1)	Other Inputs (Level 2)		Significant Unobservable Inputs (Level 3)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	
Collateral	Collateral					Collateral Dependent Loans:			
Dependent	Dependent								
Loans:	Loans:								
Commercial	Commercial								
loans	loans	\$10,783	\$	—	\$	10,783			
Commercial	Commercial								
real estate	real estate								
loans	loans	75,720		—	—	75,720			
Foreclosed	Foreclosed								
Assets:	Assets:								
Commercial	Commercial	1,879		—	—	1,879			
Commercial	Commercial								
Commercial	Commercial								

Commercial and commercial real estate loans that are deemed collateral dependent are valued using the discounted cash flows. The liquidation amounts are based on the fair value of the underlying collateral using the most recently available appraisals with certain adjustments made based on the type of property, age of appraisal, current status of the property, and other related factors to estimate the current value of the collateral. These commercial and commercial real estate loans had a principal amount of **\$117.5 million** **\$142.2 million**, with a valuation allowance of **\$31.0 million** **\$32.7 million** at **September 30, 2023** **March 31, 2024**. Old National recorded provision expense associated with these loans totaling **\$2.1 million** and **\$21.9 million** **\$9.6 million** for the three and nine months ended **September 30, 2023** **March 31, 2024**, respectively. Old National recorded provision expense associated with commercial and commercial real estate loans that were deemed collateral dependent totaling **\$7.3 million** and **\$20.1 million** compared to **\$11.9 million** for the three and nine months ended **September 30, 2022**, respectively. **March 31, 2023**.

Other real estate owned and other repossessed property is measured at fair value less costs to sell on a non-recurring basis. Old National did not have any other real estate owned or other repossessed property measured at fair value on a non-recurring basis and had a net carrying amount of **\$1.9 million** at **September 30, 2023** **March 31, 2024**. There were **\$26 thousand** of **no** write-downs on other real estate owned for the three months ended **September 30, 2023** and **\$0.1 million** for nine months ended **September 30, 2023**. There were write-downs totaling **\$0.2 million** and **\$0.6 million** **March 31, 2024**, compared to **\$27 thousand** for the three and nine months ended **September 30, 2022**, respectively.

Loan servicing rights are evaluated for impairment based upon the fair value of the rights as compared to the carrying amount. If the carrying amount of an individual tranche exceeds fair value, impairment is recorded on that tranche so that the servicing asset is carried at fair value. Fair value is determined at a tranche level, based on market prices for comparable mortgage servicing contracts when available, or alternatively based on a valuation model that calculates the present value of estimated future net servicing income. The valuation model utilizes a discount rate, weighted average prepayment speed, and other economic factors that market participants would use in estimating future net servicing income and that can be validated against available market data (Level 2). There was no valuation allowance for loan servicing rights with impairments at **September 30, 2023** and no impairments or recoveries recorded during the three or nine months ended **September 30, 2023**. Old National recorded immaterial recoveries associated with loan servicing rights during the three and nine months ended **September 30, 2022** **March 31, 2023**.

Assets measured at fair value at **December 31, 2022** **December 31, 2023** on a non-recurring basis are summarized below:

(dollars in thousands)	Fair Value Measurements at December 31, 2022 Using					Fair Value Measurements at December 31, 2023 Using			
	(dollars in thousands)	Significant			(dollars in thousands)	Significant			(dollars in thousands)
		Carrying Value	Identical Assets (Level 1)	Other Inputs (Level 2)		Significant Unobservable Inputs (Level 3)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	

Collateral	Collateral	Collateral Dependent Loans:		
Dependent	Dependent			
Loans:	Loans:			
Commercial	Commercial			
loans	loans	\$22,562	\$22,562	
Commercial	Commercial			
real estate	real estate			
loans	loans	48,026	48,026	
Foreclosed				
Assets:				
Commercial real estate				
Commercial real estate				
Commercial real estate				

At December 31, 2022 December 31, 2023, commercial and commercial real estate loans that are deemed collateral dependent had a principal amount of \$92.0 million \$134.3 million, with a valuation allowance of \$21.5 million \$27.9 million.

The table below provides quantitative information about significant unobservable inputs used in fair value measurements within Level 3 of the fair value hierarchy:

(dollars in thousands)	Fair Value	Valuation Techniques	Unobservable Input	Range (Weighted Average) (1)
September 30, 2023 March 31, 2024				
Collateral Dependent Loans				
Commercial loans	\$ 10,783 26,057	Discounted cash flow	Discount for type of property, age of appraisal, and current status	10% 2% - 40% (33% 38% (29%))
Commercial real estate loans	75,720 83,492	Discounted cash flow	Discount for type of property, age of appraisal, and current status	1% - 38% (17% 34% (13%))
Foreclosed Assets				
Commercial real estate	1,879 1,669	Fair value of collateral	Discount for type of property, age of appraisal, and current status	4% - 17% (6% 8% (4%))
December 31, 2022 2023				
Collateral Dependent Loans				
Commercial loans	\$ 22,562 11,017	Discounted cash flow	Discount for type of property, age of appraisal, and current status	10% 5% - 47% (28% 37% (27%))
Commercial real estate loans	48,026 95,457	Discounted cash flow	Discount for type of property, age of appraisal, and current status	1% 2% - 26% (11% 38% (16%))
Foreclosed Assets				
Commercial real estate	1,669	Fair value of collateral	Discount for type of property, age of appraisal, and current status	4% - 8% (4%)

(1) Unobservable inputs were weighted by the relative fair value of the instruments.

Fair Value Option

Old National may elect to report most financial instruments and certain other items at fair value on an instrument-by-instrument basis with changes in fair value reported in net income. After the initial adoption, the election is made at the acquisition of an eligible financial asset, financial liability, or firm commitment or when certain specified reconsideration events occur. The fair value election may not be revoked once an election is made.

Loans Held-For-Sale

Old National has elected the fair value option for loans held-for-sale. For these loans, interest income is recorded in the consolidated statements of income based on the contractual amount of interest income earned on the financial assets (except any that are on nonaccrual status). None of these loans are 90 days or more past due, nor are any on nonaccrual status. Interest income for loans held-for-sale is included in the income statement totaling \$0.4 million and \$0.9 million \$0.3 million for the three and nine months ended September 30, 2023 March 31, 2024, respectively, compared to \$0.4 million and \$1.6 million \$0.2 million for the three and nine months ended September 30, 2022, respectively, March 31, 2023.

Newly originated conforming fixed-rate and adjustable-rate first mortgage loans are intended for sale and are hedged with derivative instruments. Old National has elected the fair value option to mitigate accounting mismatches in cases where hedge accounting is complex and to achieve operational simplification. The fair value option was not elected for

loans held for investment.

The difference between the aggregate fair value and the aggregate remaining principal balance for loans for which the fair value option has been elected was as follows:

(dollars in thousands)	Aggregate Fair Value	Contractual Principal	(dollars in thousands)	Aggregate Fair Value	Difference	Contractual Principal
September 30, 2023						
March 31, 2024	March 31, 2024					
Loans held-for-sale	\$ 122,033	\$ 72	\$ 121,961			
December 31, 2022						
December 31, 2023						
Loans held-for-sale	\$ 11,926	\$ 221	\$ 11,705			
Loans held-for-sale						
Loans held-for-sale						

Accrued interest at period end is included in the fair value of the instruments.

The following table presents the amount of gains and losses from fair value changes included in income before income taxes for financial assets carried at fair value:

(dollars in thousands)	Other Gains	and Interest Income	Interest (Expense)	Total Changes in Fair Values Included in Current Period Earnings	(dollars in thousands)	Other Gains and (Losses)	Interest Income	Total Changes in Fair Values Included in Current Period Earnings
Three Months Ended September 30, 2023								
Three Months Ended March 31, 2024								
Three Months Ended March 31, 2024								
Three Months Ended March 31, 2024								
Loans held-for-sale								
Loans held-for-sale								
Loans held-for-sale	\$ (327)	\$ 12	\$ —	\$ (315)				
Three Months Ended September 30, 2022								
Three Months Ended March 31, 2023								
Three Months Ended March 31, 2023								
Three Months Ended March 31, 2023								
Loans held-for-sale								
Loans held-for-sale	\$ (710)	\$ 1	\$ —	\$ (709)				
Nine Months Ended September 30, 2023								

Loans held-for-sale	Loans held-for-sale	\$ (151)	\$ 2	\$ —	\$ (149)
Nine Months Ended September 30, 2022					
Loans held-for-sale					
		\$ (1,775)	\$ 7	\$ —	\$ (1,768)

Financial Instruments Not Carried at Fair Value

The carrying amounts and estimated **exit price** fair values of financial instruments not carried at fair value were as follows:

(dollars in thousands)	(dollars in thousands)	Fair Value Measurements at September 30, 2023 Using			Fair Value Measurements at March 31, 2024 Using		
		Significant			(dollars in thousands)	Carrying Value	Quoted Prices in Active Markets for Identical Assets (Level 1)
		Quoted Prices in Active Markets	Other Observable Inputs	Significant Unobservable Inputs (Level 3)			
		Carrying Value	Assets (Level 1)	Inputs (Level 2)			
Financial Assets	Financial Assets				Financial Assets		
Cash, due from banks, money market, and other interest-earning investments	Cash, due from banks, money market, and other interest-earning investments	\$ 1,663,430	\$ 1,663,430	\$ —	—	—	—
Investment securities held-to-maturity: U.S. government-sponsored entities and agencies	Investment securities held-to-maturity: U.S. government-sponsored entities and agencies	824,223	—	617,010	—	—	—
U.S. government-sponsored entities and agencies							
Mortgage-backed securities - Agency	Mortgage-backed securities - Agency	1,043,585	—	847,652	—	—	—
State and political subdivisions	State and political subdivisions	1,160,106	—	928,959	—	—	—
Loans, net:	Loans, net:						
Commercial	Commercial	9,207,028	—	—	9,078,129	—	—

Commercial real estate	Commercial real estate	13,770,202	—	—	13,302,502
Residential real estate	Residential real estate	6,675,508	—	—	5,630,855
Consumer credit	Consumer credit	2,621,114	—	—	2,526,277
Accrued interest receivable	Accrued interest receivable	209,503	1,093	45,597	162,813
Financial Liabilities	Financial Liabilities				
Deposits:	Deposits:				
Deposits:	Deposits:				
Noninterest-bearing demand deposits	Noninterest-bearing demand deposits				
Noninterest-bearing demand deposits	Noninterest-bearing demand deposits	\$10,091,352	\$ 10,091,352	\$ —	\$ —
Checking, NOW, savings, and money market interest-bearing deposits	Checking, NOW, savings, and money market interest-bearing deposits	21,585,620	21,585,620	—	—
Time deposits	Time deposits	5,575,704	—	5,527,361	—
Federal funds purchased and interbank borrowings	Federal funds purchased and interbank borrowings	918	918	—	—
Securities sold under agreements to repurchase	Securities sold under agreements to repurchase	279,061	279,061	—	—
FHLB advances	FHLB advances	4,412,576	—	4,167,911	—
Other borrowings	Other borrowings	863,455	—	843,629	—
Accrued interest payable	Accrued interest payable	46,934	—	46,934	—
Standby letters of credit	Standby letters of credit	1,224	—	—	1,224
Off-Balance Sheet Financial Instruments	Off-Balance Sheet Financial Instruments				
Off-Balance Sheet Financial Instruments	Off-Balance Sheet Financial Instruments				

Off-Balance Sheet Financial

Instruments

Commitments to extend credit	Commitments to extend credit	\$	—	\$	—	\$	—	\$	3,582
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Commitments to extend

credit

Commitments to extend

credit

(dollars in thousands)	Fair Value Measurements at December 31, 2022 Using						Fair Value Measurements at December 31, 2023 Using					
	Significant						Significant					
	Quoted Prices in Active Markets		Other	Significant		Quoted Prices in Active Markets		Other	Significant		Significant	
	for Identical Assets (Level 1)	(Level 2)	Inputs	Inputs (Level 3)		(dollars in thousands)	Carrying Value	Inputs (Level 1)	Other Observable	Inputs (Level 2)	Inputs (Level 3)	
Financial Assets	Financial Assets						Financial Assets					
Cash, due from banks, money market, and other interest-earning investments	Cash, due from banks, money market, and other interest-earning investments	\$ 728,412	\$ 728,412	\$ —	\$ —							
Investment securities held-to-maturity:	Investment securities held-to-maturity:											
U.S. government-sponsored entities and agencies	U.S. government-sponsored entities and agencies	819,168	—	656,358	—							
U.S. government-sponsored entities and agencies	U.S. government-sponsored entities and agencies											
Mortgage-backed securities - Agency	Mortgage-backed securities - Agency	1,106,817	—	982,963	—							
State and political subdivisions	State and political subdivisions	1,163,162	—	1,004,361	—							
Loans, net:	Loans, net:											
Commercial	Commercial											
Commercial	Commercial	9,386,862	—	—	9,066,583							
Commercial real estate	Commercial real estate	12,317,825	—	—	11,867,851							
Residential real estate	Residential real estate	6,438,525	—	—	5,372,491							

Consumer credit	Consumer credit	2,676,758	—	—	2,557,115
Accrued interest receivable	Accrued interest receivable	190,521	758	52,081	137,682
Financial Liabilities	Financial Liabilities				
Deposits:	Deposits:				
Deposits:					
Deposits:					
Noninterest-bearing demand deposits					
Noninterest-bearing demand deposits	Noninterest-bearing demand deposits	\$ 11,930,798	\$ 11,930,798	\$ —	\$ —
Checking, NOW, savings, and money market	Checking, NOW, savings, and money market				
interest-bearing deposits	interest-bearing deposits	20,056,252	20,056,252	—	—
Time deposits	Time deposits	3,013,780	—	2,976,389	—
Federal funds purchased and interbank borrowings	Federal funds purchased and interbank borrowings	581,489	581,489	—	—
Securities sold under agreements to repurchase	Securities sold under agreements to repurchase	432,804	432,804	—	—
FHLB advances	FHLB advances	3,829,018	—	3,739,780	—
Other borrowings	Other borrowings	743,003	—	703,156	—
Accrued interest payable	Accrued interest payable	19,547	—	19,547	—
Standby letters of credit	Standby letters of credit	755	—	—	755
Off-Balance Sheet Financial Instruments	Off-Balance Sheet Financial Instruments				
Off-Balance Sheet Financial Instruments					
Commitments to extend credit	Commitments to extend credit	\$ —	\$ —	\$ —	\$ 3,666

Commitments to extend credit

Commitments to extend credit

The methods utilized to measure the fair value of financial instruments at **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023** represent an approximation of exit price, however, an actual exit price may differ.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following **discussion** is an analysis **and discussion** of our results of operations for the three **and nine** months ended **September 30, 2023** **and 2022**, **March 31, 2024** compared to the three months ended **March 31, 2023**, and financial condition as of **September 30, 2023**, **March 31, 2024** compared to **December 31, 2022** **December 31, 2023**. This discussion and analysis should be read in conjunction with the consolidated financial statements and related notes, as well as our **2022** **2023** Annual Report on Form 10-K.

FORWARD-LOOKING STATEMENTS

This report contains certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Act"), notwithstanding that such statements are not specifically identified as such. In addition, certain statements may be contained in our future filings with the SEC, in press releases, and in oral and written statements made by us or **with our approval** that are not statements of historical fact and constitute forward-looking statements within the meaning of the Act. These statements include, but are not limited to, descriptions of 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 **such as** "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "intend," "may," "outlook," "plan," "potential," "predict," "should," "would," and "will," 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, **statements**, **including**, but **are not limited to**: competition; government legislation, regulations and policies; the ability of Old National to execute its business plan; unanticipated changes in our liquidity position, including but not limited to changes in our access to sources of liquidity and capital to address our liquidity needs; changes in economic conditions and economic and business uncertainty which could materially impact credit quality trends and the ability to generate loans and gather deposits; inflation and governmental responses to inflation, including increasing interest rates; market, economic, operational, liquidity, credit, and interest rate risks associated with our business; our ability to successfully manage our credit risk and the sufficiency of our allowance for credit losses; **uncertainty about the discontinued use** expected cost savings, synergies, and other financial benefits from the merger (the "Merger") between Old National and CapStar not being realized within the expected time frames and costs or difficulties relating to integration matters being greater than expected; potential adverse reactions or changes to business or employee relationships, including those resulting from the completion of **LIBOR** and the **transition to an alternative rate**; **Merger**; the potential impact of **current and future business combinations** on our performance and financial condition, including our ability to successfully integrate the businesses and the success of revenue-generating and cost reduction initiatives; failure or circumvention of our internal controls; operational risks or risk management failures by us or critical third parties, including without limitation with respect to data processing, information systems, cybersecurity, technological changes, vendor issues, business interruption, and fraud risks; significant changes in accounting, tax or regulatory practices or requirements; new legal obligations or liabilities; disruptive technologies in payment systems and other services traditionally provided by banks; failure or disruption of our information systems; computer hacking and other cybersecurity threats; the effects of climate change on Old National and its customers, borrowers, or service providers; political and economic uncertainty and instability; the impacts of pandemics, epidemics, and other infectious disease outbreaks; other matters discussed in this report; and other factors identified in filings with the SEC. These forward-looking statements are made only as of the date of this report and are not guarantees of future results, performance, or outcomes.

Such forward-looking statements are based on assumptions and estimates, which although believed to be reasonable, may turn out to be incorrect. Therefore, undue reliance should not be placed upon these estimates and statements. We cannot assure that any of these statements, estimates, or beliefs will be realized and actual results or outcomes may differ from those contemplated in these forward-looking statements. **We** **Old National does not undertake** **no** **an** **obligation to** **publicly** **update** **any** **these** **forward-looking statements** **whether as a result of new information, future to reflect events or otherwise conditions** after the date of this report. You are advised to consult further disclosures we may make on related subjects in our filings with the SEC.

Investors should consider these risks, uncertainties, and other factors in addition to the factors under the heading "Risk Factors" included in our other filings with the SEC.

FINANCIAL HIGHLIGHTS

The following table sets forth certain financial highlights of Old National for the previous five quarters:

Three Months Ended										Three Months Ended		
Three Months Ended										Three Months Ended		
(dollars and shares in thousands, except per share data)	(dollars and shares in thousands, except per share data)	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	(dollars and shares in thousands, except per share data)	December 31, 2024	March 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
Income Statement:	Income Statement:											
Net interest income	Net interest income	\$ 375,086	\$ 382,171	\$ 381,488	\$ 391,090	\$ 376,589						

Taxable equivalent						
adjustment ^{(1) (4)}	5,837	5,825	5,666	5,378	4,950	
Net interest income -						
taxable equivalent basis ⁽⁴⁾	380,923	387,996	387,154	396,468	381,539	
Provision for credit losses ⁽²⁾	19,068	14,787	13,437	11,408	15,490	
Net interest income						
Net interest income						
Taxable						
equivalent						
adjustment ⁽¹⁾						
(3)						
Net interest						
income -						
taxable						
equivalent						
basis ⁽³⁾						
Provision for						
credit losses						
Noninterest Noninterest						
income income	80,938	81,629	70,681	165,037	80,385	
Noninterest expense ⁽²⁾	244,776	246,584	250,711	282,675	262,444	
Noninterest expense						
Net income Net income						
available to available to						
common common						
shareholders shareholders	\$ 143,842	\$ 151,003	\$ 142,566	\$ 196,701	\$ 136,119	
Per Per						
Common Common						
Share Data: Share Data:						
Weighted Weighted						
average average						
diluted diluted						
common common						
shares shares	291,717	291,266	292,756	293,131	292,483	
Weighted average diluted						
common shares						
Weighted average diluted						
common shares						
Net income Net income						
(diluted) (diluted)	\$ 0.49	\$ 0.52	\$ 0.49	\$ 0.67	\$ 0.47	
Cash Cash						
dividends dividends	0.14	0.14	0.14	0.14	0.14	
Common dividend payout						
ratio ⁽³⁾	29 %	27 %	29 %	21 %	30 %	
Common						
dividend						
payout ratio						
(2)						
35 % 32 % 29 % 27 % 29 %						
Book value Book value	\$ 17.07	\$ 17.25	\$ 17.24	\$ 16.68	\$ 16.05	
Stock price Stock price	14.54	13.94	14.42	17.98	16.47	
Tangible common book						
value ⁽⁴⁾	9.87	10.03	9.98	9.42	8.75	
Tangible						
common						
book value ⁽³⁾						

Performance		Performance				
Ratios:		Ratios:				
Return on average assets	Return on average assets	1.22 %	1.29 %	1.25 %	1.74 %	1.22 %
Return on average assets						
Return on average assets				0.98	% 1.09	% 1.22
Return on average assets				1.29 %	% 1.29	% 1.25 %
Return on average common equity	Return on average common equity	11.39	12.01	11.58	16.77	11.13
Return on tangible common equity (4)		20.54	21.20	20.20	29.25	22.07
Return on average tangible common equity (4)		20.18	21.35	21.03	31.53	20.49
Net interest margin (4)		3.49	3.60	3.69	3.85	3.71
Efficiency ratio (4)		51.66	51.22	52.81	49.12	55.26
Efficiency ratio (prior presentation) (5)		N/A		N/A	N/A	56.17
Return on average tangible common equity (3)						
Return on average tangible common equity (3)						
Return on average tangible common equity (3)						
Net interest margin (3)						
Efficiency ratio (3)						
Net charge-offs (recoveries)	Net charge-offs (recoveries)					
to average loans	to average loans	0.24	0.13	0.21	0.05	0.10
Allowance for credit losses on loans to ending loans	Allowance for credit losses on loans to ending loans	0.93	0.93	0.94	0.98	0.99
Allowance for credit losses (6) to ending loans		1.03	1.04	1.05	1.08	1.08
Allowance for credit losses (4) to ending loans						
Non-performing loans to ending loans	Non-performing loans to ending loans	0.80	0.91	0.74	0.81	0.81
Balance Sheet:	Balance Sheet:					
Total loans						
Total loans	Total loans	\$32,577,834	\$32,432,473	\$31,822,374	\$31,123,641	\$30,528,933
Total assets	Total assets	49,059,448	48,496,755	47,842,644	46,763,372	46,215,526
Total deposits	Total deposits	37,252,676	36,231,315	34,917,792	35,000,830	36,053,663

Total borrowed funds	Total borrowed funds	5,556,010	6,034,008	6,740,454	5,586,314	4,264,750						
Total shareholders' equity	Total shareholders' equity	5,239,537	5,292,095	5,277,426	5,128,595	4,943,383						
Capital Ratios:	Capital Ratios:											
Risk-based capital ratios:	Risk-based capital ratios:											
Risk-based capital ratios:	Risk-based capital ratios:											
Tier 1 common equity	Tier 1 common equity											
Tier 1 common equity	Tier 1 common equity	10.41 %	10.14 %	9.98 %	10.03 %	9.88 %	10.76	%	10.70	%	10.41	%
Tier 1	Tier 1	11.06	10.79	10.64	10.71	10.58						
Total	Total	12.32	12.14	11.96	12.02	11.84						
Leverage ratio (to average assets)	Leverage ratio (to average assets)	8.70	8.59	8.53	8.52	8.26						
Total equity to assets (averages)	Total equity to assets (averages)	10.88	10.96	11.00	10.70	11.18						
Tangible common equity to tangible assets ⁽⁴⁾	Tangible common equity to tangible assets ⁽⁴⁾	6.15	6.33	6.37	6.18	5.82						
Tangible common equity to tangible assets ⁽³⁾	Tangible common equity to tangible assets ⁽³⁾											
Nonfinancial Data:	Nonfinancial Data:											
Full-time equivalent employees	Full-time equivalent employees	3,981	4,021	4,023	3,967	4,008						
Full-time equivalent employees	Full-time equivalent employees											
Banking centers	Banking centers	257	256	256	263	263						

(1) Calculated using the federal statutory tax rate in effect of 21% for all periods.

(2) Provision for unfunded loan commitments is included in the provision for credit losses. The reclassification of the provision for unfunded loan commitments out of other expense as a component of noninterest expense was made to amounts prior to December 31, 2022 to conform to the current period presentation.

(3) Cash dividends per common share divided by net income per common share (basic).

(4) Represents a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures" section for reconciliations to GAAP financial measures.

(5) Presented as calculated prior to December 31, 2022, which included the provision for unfunded loan commitments in noninterest expense. Management believes that removing the provision for unfunded loan commitments from this metric enhances comparability for peer comparison purposes.

(6) Includes the allowance for credit losses on loans and unfunded loan commitments.

The following table sets forth certain financial highlights of Old National for the year-to-date periods:

	Nine Months Ended September 30,	
(dollars and shares in thousands, except per share data)	2023	2022

Income Statement:			
Net interest income	\$ 1,138,745	\$ 936,846	
Taxable equivalent adjustment ^{(1) (4)}	17,328	13,036	
Net interest income - taxable equivalent basis ⁽⁴⁾	1,156,073	949,882	
Provision for credit losses ⁽²⁾	47,292	133,391	
Noninterest income	233,248	234,742	
Noninterest expense ⁽²⁾	742,071	755,508	
Net income available to common shareholders	\$ 437,411	\$ 217,468	
Per Common Share Data:			
Weighted average diluted common shares	291,809	271,123	
Net income (diluted)	\$ 1.50	\$ 0.80	
Cash dividends	0.42	0.42	
Common dividend payout ratio ⁽³⁾	28 %	53 %	
Book value	\$ 17.07	\$ 16.05	
Stock price	14.54	16.47	
Tangible common book value ⁽⁴⁾	9.87	8.75	
Performance Ratios:			
Return on average assets	1.25 %	0.72 %	
Return on average common equity	11.66	6.26	
Return on tangible common equity ⁽⁴⁾	20.82	12.05	
Return on average tangible common equity ⁽⁴⁾	20.85	11.50	
Net interest margin ⁽⁴⁾	3.59	3.34	
Efficiency ratio ⁽⁴⁾	51.89	62.17	
Efficiency ratio (prior presentation) ⁽⁵⁾	N/A	63.46	
Net charge-offs (recoveries) to average loans	0.19	0.06	
Allowance for credit losses on loans to ending loans	0.93	0.99	
Allowance for credit losses ⁽⁶⁾ to ending loans	1.03	1.08	
Non-performing loans to ending loans	0.80	0.81	
Balance Sheet:			
Total loans	\$ 32,577,834	\$ 30,528,933	
Total assets	49,059,448	46,215,526	
Total deposits	37,252,676	36,053,663	
Total borrowed funds	5,556,010	4,264,750	
Total shareholders' equity	5,239,537	4,943,383	
Capital Ratios:			
Risk-based capital ratios:			
Tier 1 common equity	10.41 %	9.88 %	
Tier 1	11.06	10.58	
Total	12.32	11.84	
Leverage ratio (to average assets)	8.70	8.26	
Total equity to assets (averages)	10.95	11.43	
Tangible common equity to tangible assets ⁽⁴⁾	6.15	5.82	
Nonfinancial Data:			
Full-time equivalent employees	3,981	4,008	
Banking centers	257	263	

(1) Calculated using the federal statutory tax rate in effect of 21% for all periods.

(2) Provision for unfunded loan commitments is included in the provision for credit losses. The reclassification of the provision for unfunded loan commitments out of other expense as a component of noninterest expense was made to amounts prior to December 31, 2022 to conform to the current period presentation.

(3) Cash dividends per common share divided by net income per common share (basic).

(4) Represents a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures" section for reconciliations to GAAP financial measures.

(5) Presented as calculated prior to December 31, 2022, which included the provision for unfunded loan commitments in noninterest expense. Management believes that removing the provision for unfunded loan commitments from this metric enhances comparability for peer comparison purposes.

(6) Includes the allowance for credit losses on loans and unfunded loan commitments.

NON-GAAP FINANCIAL MEASURES

The Company's accounting and reporting policies conform to GAAP and general practices within the banking industry. As a supplement to GAAP, the Company provides non-GAAP performance results, which the Company believes are useful because they assist **investors** **users** of the financial information in assessing the Company's operating performance. Where non-GAAP financial measures are used, the comparable GAAP financial measure, as well as the reconciliation to the comparable GAAP financial measure, can be found in the following table.

The Company presents net income per common share and net income applicable to common shares, adjusted for certain notable items. These items include gain on sale of Visa Class B restricted shares, the expense associated with the distribution of excess pension assets, FDIC special assessment expense, contract termination charges, merger-related charges associated with completed and pending acquisitions, debt securities gains/losses, expenses related to the tragic April 10, 2023 event at our downtown Louisville location ("Louisville expenses"), and property optimization charges. Management believes excluding these items from net income per common share and net income applicable to common shares may be useful in assessing the Company's underlying operational performance since these items do not pertain to its core business operations and their exclusion may facilitate better comparability between periods. Management believes that excluding merger-related charges from these metrics may be useful to the Company, as well as analysts and investors, since these expenses can vary significantly based on the size, type, and structure of each acquisition. Additionally, management believes excluding these items from these metrics may enhance comparability for peer comparison purposes.

The taxable equivalent adjustment to net interest income and net interest margin recognizes the income tax savings when comparing taxable and tax-exempt assets. Interest income and yields on tax-exempt securities and loans are presented using the current federal income tax rate of 21%. Management believes that it is standard practice in the banking industry to present net interest income and net interest margin on a fully tax-equivalent basis and that it may enhance comparability for peer comparison purposes.

In management's view, tangible common equity measures are capital adequacy metrics that may be meaningful to the Company, as well as **analysts** **and** **investors**, **users** of the financial information, in assessing the Company's use of equity and in facilitating comparisons with peers. These non-GAAP measures are valuable indicators of a financial institution's capital strength since they eliminate intangible assets from shareholders' equity and retain the effect of AOCI in shareholders' equity.

Although intended to enhance **investors'** understanding of the Company's business and performance, these non-GAAP financial measures should not be considered an alternative to GAAP. In addition, these non-GAAP financial measures may differ from those used by other financial institutions to assess their business and performance. See the previously provided tables and the following reconciliations in the "Non-GAAP Reconciliations" section for details on the calculation of these measures to the extent presented herein.

The following table presents GAAP to non-GAAP reconciliations for the previous five quarters:

Three Months Ended					Three Months Ended				
					March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
(dollars and shares in thousands, except per share data)	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	(dollars and shares in thousands, except per share data)			
Net income per common share:									
Net income applicable to common shares									
Net income applicable to common shares									
Net income applicable to common shares									
Adjustments:									
Distribution of excess pension assets expense									
Distribution of excess pension assets expense									
Distribution of excess pension assets expense									
FDIC special assessment									

Merger-
related
charges
Debt
securities
(gains)
losses
Gain on
sale of Visa
Class B
restricted
shares
Contract
termination
charge
Louisville
expenses
Property
optimization
charges
Less: tax
effect on
net total
adjustments

(2)

Net
income
applicable
to
common
shares,
adjusted

(1)

Weighted
average
diluted
common
shares
outstanding
Net income
per common
share, diluted
Adjusted net
income per
common
share, diluted

(4)

Tangible	Tangible
common	common

book value: book value:

Shareholders' common
equity

Shareholders' common
equity

Shareholders'	Shareholders'
common	common
equity	\$ 4,995,818
	\$ 5,048,376
	\$ 5,033,707
	\$ 4,884,876
	\$ 4,699,664

Deduct:	Deduct:					
Goodwill and intangible assets	Goodwill and intangible assets	2,106,835	2,112,875	2,118,935	2,125,121	2,135,792
Tangible shareholders' common equity (1)	Tangible shareholders' common equity (1)	\$ 2,888,983	\$ 2,935,501	\$ 2,914,772	\$ 2,759,755	\$ 2,563,872
Tangible shareholders' common equity (1)	Tangible shareholders' common equity (1)					
Period end common shares	Period end common shares	292,586	292,597	291,922	292,903	292,880
Tangible common book value (1)	Tangible common book value (1)	9.87	10.03	9.98	9.42	8.75
Return on tangible common equity:	Return on average tangible common equity:					
Net income applicable to common shares	Net income applicable to common shares					
Net income applicable to common shares	Net income applicable to common shares					
Net income applicable to common shares	Net income applicable to common shares	\$ 143,842	\$ 151,003	\$ 142,566	\$ 196,701	\$ 136,119
Add: Intangible amortization (net of tax) (2)	Add: Intangible amortization (net of tax) (2)	4,530	4,545	4,639	5,090	5,317
Tangible net income (1)	Tangible net income (1)	\$ 148,372	\$ 155,548	\$ 147,205	\$ 201,791	\$ 141,436
Tangible shareholders' common equity (1) (see above)	Tangible shareholders' common equity (1) (see above)	\$ 2,888,983	\$ 2,935,501	\$ 2,914,772	\$ 2,759,755	\$ 2,563,872
Return on tangible common equity (1)	Return on tangible common equity (1)	20.54 %	21.20 %	20.20 %	29.25 %	22.07 %
Return on average tangible common equity:	Return on average tangible common equity:					
Tangible net income (1) (see above)	Tangible net income (1) (see above)	\$ 148,372	\$ 155,548	\$ 147,205	\$ 201,791	\$ 141,436
Average shareholders' common equity	Average shareholders' common equity					
Average shareholders' common equity	Average shareholders' common equity					
Average shareholders' common equity	Average shareholders' common equity	\$ 5,050,353	\$ 5,030,083	\$ 4,922,469	\$ 4,692,863	\$ 4,890,434

Deduct:	Deduct:										
Average goodwill and intangible assets	Average goodwill and intangible assets										
	2,109,944	2,115,894	2,122,157	2,132,480	2,129,858						
Average tangible shareholders' common equity ⁽¹⁾	Average tangible shareholders' common equity ⁽¹⁾	\$ 2,940,409	\$ 2,914,189	\$ 2,800,312	\$ 2,560,383	\$ 2,760,576					
Average tangible shareholders' common equity ⁽¹⁾	Average tangible shareholders' common equity ⁽¹⁾										
Average tangible shareholders' common equity ⁽¹⁾	Average tangible shareholders' common equity ⁽¹⁾										
Return on average tangible common equity ⁽¹⁾	Return on average tangible common equity ⁽¹⁾										
Return on average tangible common equity ⁽¹⁾	Return on average tangible common equity ⁽¹⁾	20.18 %	21.35 %	21.03 %	31.53 %	20.49 %	14.93 %	18.11 %	20.18 %	21.35 %	21.03 %
Net interest margin:	Net interest margin:										
Net interest income	Net interest income										
Net interest income	Net interest income										
Net interest income	Net interest income										
Net interest income	Net interest income	\$ 375,086	\$ 382,171	\$ 381,488	\$ 391,090	\$ 376,589					
Taxable equivalent adjustment	Taxable equivalent adjustment	5,837	5,825	5,666	5,378	4,950					
Net interest income - taxable equivalent basis ⁽¹⁾	Net interest income - taxable equivalent basis ⁽¹⁾	\$ 380,923	\$ 387,996	\$ 387,154	\$ 396,468	\$ 381,539					
Average earning assets	Average earning assets	\$ 43,617,456	\$ 43,097,198	\$ 41,941,913	\$ 41,206,695	\$ 41,180,026					
Net interest margin ⁽¹⁾	Net interest margin ⁽¹⁾	3.49 %	3.60 %	3.69 %	3.85 %	3.71 %	3.28 %	3.39 %	3.49 %	3.60 %	3.69 %
Efficiency ratio:	Efficiency ratio:										
Noninterest expense	Noninterest expense										
Noninterest expense	Noninterest expense										
Noninterest expense	Noninterest expense	\$ 244,776	\$ 246,584	\$ 250,711	\$ 282,675	\$ 262,444					
Deduct: Intangible amortization expense	Deduct: Intangible amortization expense	6,040	6,060	6,186	6,787	7,089					
Adjusted noninterest expense ⁽¹⁾	Adjusted noninterest expense ⁽¹⁾	\$ 238,736	\$ 240,524	\$ 244,525	\$ 275,888	\$ 255,355					

Net interest income - taxable equivalent basis ⁽¹⁾ (see above)	Net interest income - taxable equivalent basis ⁽¹⁾ (see above)	\$ 380,923	\$ 387,996	\$ 387,154	\$ 396,468	\$ 381,539
Noninterest income	Noninterest income	80,938	81,629	70,681	165,037	80,385
Deduct: Debt securities gains	Deduct: Debt securities gains					
(losses), net	(losses), net	(241)	17	(5,216)	(173)	(172)
Adjusted total revenue ⁽¹⁾	Adjusted total revenue ⁽¹⁾	\$ 462,102	\$ 469,608	\$ 463,051	\$ 561,678	\$ 462,096
Efficiency ratio ⁽¹⁾	Efficiency ratio ⁽¹⁾	51.66 %	51.22 %	52.81 %	49.12 %	55.26 %
Tangible common equity to tangible assets:	Tangible common equity to tangible assets:					
Tangible shareholders' equity ⁽¹⁾ (see above)	Tangible shareholders' equity ⁽¹⁾ (see above)	\$ 2,888,983	\$ 2,935,501	\$ 2,914,772	\$ 2,759,755	\$ 2,563,872
Tangible shareholders' equity ⁽¹⁾ (see above)	Tangible shareholders' equity ⁽¹⁾ (see above)					
Assets	Assets	\$ 49,059,448	\$ 48,496,755	\$ 47,842,644	\$ 46,763,372	\$ 46,215,526
Deduct: Goodwill and intangible assets	Deduct: Goodwill and intangible assets					
Deduct: Goodwill and intangible assets	Deduct: Goodwill and intangible assets					
Tangible assets ⁽¹⁾	Tangible assets ⁽¹⁾	\$ 46,952,613	\$ 46,383,880	\$ 45,723,709	\$ 44,638,251	\$ 44,079,734
Tangible assets ⁽¹⁾	Tangible assets ⁽¹⁾					
Tangible common equity to tangible assets ⁽¹⁾	Tangible common equity to tangible assets ⁽¹⁾	6.15 %	6.33 %	6.37 %	6.18 %	5.82 %

(1) Represents a non-GAAP financial measure.

(2) Calculated using management's estimate of the annual fully taxable equivalent income tax rates (federal and state).

The following table presents GAAP to non-GAAP reconciliations for the year-to-date periods:

	Nine Months Ended September 30,	
	2023	2022
(dollars and shares in thousands, except per share data)		
Tangible common book value:		
Shareholders' common equity	\$ 4,995,818	\$ 4,699,664

Deduct: Goodwill and intangible assets		2,106,835	2,135,792
Tangible shareholders' common equity ⁽¹⁾	\$	2,888,983	\$ 2,563,872
Period end common shares		292,586	292,880
Tangible common book value ⁽¹⁾		9.87	8.75
Return on tangible common equity:			
Net income applicable to common shares	\$	437,411	\$ 217,468
Add: Intangible amortization (net of tax) ⁽²⁾		13,714	14,302
Tangible net income ⁽¹⁾	\$	451,125	\$ 231,770
Tangible shareholders' common equity ⁽¹⁾ (see above)	\$	2,888,983	\$ 2,563,872
Return on tangible common equity ⁽¹⁾		20.82 %	12.05 %
Return on average tangible common equity:			
Tangible net income ⁽¹⁾ (see above)	\$	451,125	\$ 231,770
Average shareholders' common equity	\$	5,001,437	\$ 4,628,831
Deduct: Average goodwill and intangible assets		2,115,953	1,941,270
Average tangible shareholders' common equity ⁽¹⁾	\$	2,885,484	\$ 2,687,561
Return on average tangible common equity ⁽¹⁾		20.85 %	11.50 %
Net interest margin:			
Net interest income	\$	1,138,745	\$ 936,846
Taxable equivalent adjustment		17,328	13,036
Net interest income - taxable equivalent basis ⁽¹⁾	\$	1,156,073	\$ 949,882
Average earning assets	\$	42,891,660	\$ 37,924,490
Net interest margin ⁽¹⁾		3.59 %	3.34 %
Efficiency ratio:			
Noninterest expense	\$	742,071	\$ 755,508
Deduct: Intangible amortization expense		18,286	19,070
Adjusted noninterest expense ⁽¹⁾	\$	723,785	\$ 736,438
Net interest income - taxable equivalent basis ⁽¹⁾ (see above)	\$	1,156,073	\$ 949,882
Noninterest income		233,248	234,742
Deduct: Debt securities gains (losses), net		(5,440)	85
Adjusted total revenue ⁽¹⁾	\$	1,394,761	\$ 1,184,539
Efficiency ratio ⁽¹⁾		51.89 %	62.17 %
Tangible common equity to tangible assets:			
Tangible shareholders' equity ⁽¹⁾ (see above)	\$	2,888,983	\$ 2,563,872
Assets	\$	49,059,448	\$ 46,215,526
Deduct: Goodwill and intangible assets		2,106,835	2,135,792
Tangible assets ⁽¹⁾	\$	46,952,613	\$ 44,079,734
Tangible common equity to tangible assets ⁽¹⁾		6.15 %	5.82 %

(1) Represents a non-GAAP financial measure.

(2) Calculated using management's estimate of the annual fully taxable equivalent rates (federal and state).

EXECUTIVE SUMMARY

Old National is the sixth largest commercial bank headquartered in the Midwest by asset size and ranks among the top 30 banking companies headquartered in the United States with consolidated assets of approximately \$49 billion \$50 billion at **September 30, 2023** **March 31, 2024**. The Company's corporate headquarters and principal executive office is located in Evansville, Indiana with commercial and consumer banking operations headquartered in Chicago, Illinois. Old National, through Old National Bank, provides Through our wholly-owned banking subsidiary and non-bank affiliates, we provide a wide range of banking services primarily throughout the Midwest region of the United States and elsewhere, including commercial and consumer loan and depository services, as well as private banking, capital markets, brokerage, wealth management, trust, investment advisory, and other traditional banking services. Old National also provides services to supplement its traditional banking business including fiduciary and wealth management services, investment and brokerage services, investment consulting, and other financial services.

Net income applicable to common shareholders shares for the **third** **first** quarter of **2023** **2024** was \$143.8 million \$116.3 million, or \$0.49 \$0.40 per diluted common share, compared to \$151.0 million \$128.4 million, or \$0.52 \$0.44 per diluted common share, for the **second** **fourth** quarter of 2023.

Results for the **third** first quarter of 2024 were impacted by a \$13.3 million non-cash, pre-tax expense associated with the distribution of excess pension plan assets with the resolution of the legacy First Midwest defined benefit pension plan, as well as pre-tax charges of \$3.0 million for an FDIC special assessment and \$2.9 million of merger-related charges. Results for the fourth quarter of 2023 were impacted by \$6.3 million the \$21.6 million pre-tax gain on sale of Visa Class B restricted shares, \$19.1 million for an FDIC special assessment, and \$9.9 million of merger-related charges. The second and other expenses. Excluding these items, net income applicable to common shares for the first quarter of 2024 was impacted by pre-tax charges \$130.8 million, or \$0.45 per diluted common share on an adjusted basis, compared to \$134.6 million, or \$0.46 per diluted common share on an adjusted basis, for the fourth quarter of \$3.4 million related to the tragic April 10 event at our downtown Louisville location ("Louisville expenses"), merger-related charges of \$2.4 million, and \$0.2 million for property optimization. 2023.

We achieved strong results during the **third** first quarter of 2023, 2024, including growth in total **deposits** **loans** and **loans**, **deposits**, modest compression of net interest income reflective of the rate environment, **stable** **strong** credit quality, and disciplined expense management.

Deposits: Period-end total deposits increased **\$1.0 billion**, or 3%, **\$464.2 million** to **\$37.3** **\$37.7 billion**, reflecting continued efforts to compete for new client relationships as well as **seasonal** **normal** **seasonally lower** patterns in **business** **checking** and **public** **funds** compared to **June 30, 2023** **December 31, 2023**.

Loans: Our loan balances, excluding loans held-for-sale, increased **\$145.4 million** **\$631.4 million** to **\$32.6** **\$33.6 billion** at **September 30, 2023** **March 31, 2024** compared to **June 30, 2023** **December 31, 2023**. This was primarily driven by broad-based, disciplined **commercial** and **commercial real estate** **loan** **growth**, partially offset by **\$389 million** of **commercial** **loan** **sales** during the **quarter**. **growth**.

Net Interest Income: Net interest income decreased **\$7.1 million** **\$8.0 million** to **\$375.1 million** **\$356.5 million** compared to the **second** **fourth** quarter of 2023 driven by higher funding costs and **fewer** **days** in the **quarter**, partly offset by loan growth and higher rates on **interest-earning** **assets**. **growth**.

Provision for Credit Losses: Provision for credit losses increased **\$4.3 million** **\$7.3 million** to **\$19.1 million** **\$18.9 million** compared to the **second** **fourth** quarter of 2023 reflecting net charge-offs and loan growth, as well as economic factors.

Noninterest Income: Noninterest income decreased **\$0.7 million** **\$22.6 million** to **\$80.9 million** **\$77.5 million** compared to the **second** **fourth** quarter of 2023 reflecting the **\$21.6 million** pre-tax gain on sale of Visa Class B restricted shares in the **fourth** quarter of 2023. Excluding this gain, noninterest income decreased slightly driven by lower **company-owned** **life** **insurance** and **other** **capital** **markets** **income**, partially offset by increases in **all** **fee** **income** **categories**. **mortgage fees**, **wealth fees**, and **other** **income**.

Noninterest Expense: Noninterest expense decreased **\$1.8 million** **\$21.9 million** compared to the **second** **fourth** quarter of 2023. **Noninterest** For the first quarter of 2024, **noninterest** expense included **\$6.3 million** a **\$13.3 million** non-cash, pre-tax expense associated with the distribution of excess pension assets with the resolution of the legacy First Midwest plan, as well as pre-tax charges of \$3.0 million for the FDIC special assessment, and \$2.9 million of merger-related expenses compared to pre-tax charges of \$19.1 million for the FDIC special assessment and \$9.9 million of merger-related and other expenses in the **third** quarter of 2023 compared to **\$6.0 million** of **Louisville** **expenses**, **merger-related** **charges**, and **charges** for **property** **optimization** in the **second** **fourth** quarter of 2023. Excluding these expenses, noninterest expense decreased **\$2.1 million** **\$12.1 million** compared to the **second** **fourth** quarter of 2023 primarily due to elevated performance-driven incentive accruals and higher **salary** and **employee** **benefits** in **amortization** of **tax** **credit** **investments** for the **second** **fourth** quarter of 2023, resulting from performance-driven incentive accruals, as well as lower **professional** **fees** and **other** **expense** for the first quarter of 2024, partially offset by higher **payroll** **taxes** due to **timing**.

RESULTS OF OPERATIONS

The following table sets forth certain income statement information of Old National:

(dollars in thousands, except per share data)	Three Months Ended			Nine Months Ended			%	%
	September 30, 2023	2022	% Change	September 30, 2023	2022	% Change		
Income Statement Summary:								
Net interest income	\$ 375,086	\$ 376,589	(0.4) %	\$ 1,138,745	\$ 936,846	21.6 %		
Provision for credit losses	19,068	15,490	23.1	47,292	133,391	(64.5)		
Noninterest income	80,938	80,385	0.7	233,248	234,742	(0.6)		
Noninterest expense	244,776	262,444	(6.7)	742,071	755,508	(1.8)		
Net income applicable to common shareholders	143,842	136,119	5.7	437,411	217,468	101.1		
Net income per common share - diluted	0.49	0.47	4.3	1.50	0.80	87.5		
Other Data:								
Return on average common equity	11.39 %	11.13 %		11.66 %	6.26 %			
Return on tangible common equity ⁽¹⁾	20.54	22.07		20.82	12.05			
Return on average tangible common equity ⁽¹⁾	20.18	20.49		20.85	11.50			
Efficiency ratio ⁽¹⁾	51.66	55.26		51.89	62.17			
Efficiency ratio (prior presentation) ⁽²⁾	N/A	56.17		N/A	63.46			
Tier 1 leverage ratio	8.70	8.26		8.70	8.26			

Net charge-offs (recoveries) to average loans	0.24	0.10	0.19	0.06
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(1) Represents a non-GAAP financial measure. Refer to "Non-GAAP Financial Measures" section for reconciliations to GAAP financial measures.

RESULTS OF OPERATIONS

The following table sets forth certain income statement information of Old National:

(dollars in thousands, except per share data)	Three Months Ended			%
	March 31, 2024	2023	Change	
Income Statement Summary:				
Net interest income	\$ 356,458	\$ 381,488	(6.6)	%
Provision for credit losses	18,891	13,437	40.6	
Noninterest income	77,522	70,681	9.7	
Noninterest expense	262,317	250,711	4.6	
Net income applicable to common shareholders	116,250	142,566	(18.5)	
Net income per common share - diluted	0.40	0.49	(18.4)	
Other Data:				
Return on average common equity	8.74 %	11.58 %		
Return on average tangible common equity ⁽¹⁾	14.93	21.03		
Efficiency ratio ⁽¹⁾	58.34	52.81		
Tier 1 leverage ratio	8.96	8.53		
Net charge-offs (recoveries) to average loans	0.14	0.21		

(2) (1) Presented as calculated prior. Represents a non-GAAP financial measure. Refer to December 31, 2022, which included the provision "Non-GAAP Financial Measures" section for unfunded loan commitments in noninterest expense. Management believes that removing the provision for unfunded loan commitments from this metric enhances comparability for peer comparison purposes. Reconciliations to GAAP financial measures.

Net Interest Income

Net interest income is the most significant component of our earnings, comprising 83% 82% of revenues for the nine three months ended September 30, 2023 March 31, 2024. Net interest income and net interest margin are influenced by many factors, primarily the volume and mix of earning assets, funding sources, and interest rate fluctuations. Other factors include the level of accretion income on purchased loans, prepayment risk on mortgage and investment-related assets, and the composition and maturity of interest-earning assets and interest-bearing liabilities.

Interest The Federal Reserve held its interest rates increased steady during the third first quarter of 2023, 2024 and increased interest rates compared to March 31, 2023. The Federal Reserve's Federal Funds Rate is currently in a target range of 5.25% to 5.50%, with the Effective Federal Funds Rate increasing 25 basis points from June 30, 2023 to of 5.33% at September 30, 2023 March 31, 2024. Management actively takes balance sheet restructuring, derivative, and deposit pricing actions to help mitigate interest rate risk. See the section of this Item 7 titled "Market Risk" for additional information regarding this risk.

Loans typically generate more interest income than investment securities with similar maturities. Funding from client deposits generally costs less than wholesale funding sources. Factors such as general economic activity, Federal Reserve monetary policy, and price volatility of competing alternative investments can also exert significant influence on our ability to optimize our mix of assets and funding, net interest income, and net interest margin.

Net interest income is the excess of interest received from interest-earning assets over interest paid on interest-bearing liabilities. For analytical purposes, net interest income is presented in the table that follows, adjusted to a taxable equivalent basis to reflect what our tax-exempt assets would need to yield in order to achieve the same after-tax yield as a taxable asset. We used the current federal statutory tax rate in effect of 21% for all periods. This analysis portrays the income tax benefits related to tax-exempt assets and helps to facilitate a comparison between taxable and tax-exempt assets. Management believes that it is a standard practice in the banking industry to present net interest margin and net interest income on a fully taxable equivalent basis and that it may enhance comparability for peer comparison purposes for both management and investors.

The following table presents the average balance sheet for each major asset and liability category, its related interest income and yield, or its expense and rate.

(Tax equivalent basis, dollars in thousands)	Three Months Ended September 30, 2023						Three Months Ended September 30, 2022						Three Months Ended March 31, 2024						Th
	Earning Assets	Average Balance	Income Expense	Average Rate	Yield/ Balance	Income Expense	Average Rate	Yield/ Assets	Average Balance	Income Expense	Average Rate	Yield/ Balance	Income Expense	Average Rate	Yield/ Assets	Average Balance	Income Expense	Average Rate	

Money market and other interest-earning investments	Money market and other interest-earning investments	\$ 980,813	\$ 13,194	5.34 %	\$ 514,362	\$ 935	0.72 %	Money market and other interest-earning investments	\$ 757,244	\$ 9,985	5.30	5.30 %
Investment securities:	Investment securities:											
Treasury and government sponsored agencies	Treasury and government sponsored agencies	2,376,864	23,037	3.88 %	2,326,070	13,212	2.27 %					
Treasury and government sponsored agencies	Treasury and government sponsored agencies											
Mortgage-backed securities	Mortgage-backed securities	5,079,091	33,237	2.62 %	5,891,283	36,157	2.45 %	Mortgage-backed securities	5,357,085	38,888	38,888	2.90 %
States and political subdivisions	States and political subdivisions	1,737,037	14,220	3.27 %	1,829,322	14,631	3.20 %	States and political subdivisions	1,680,175	13,976	13,976	3.33 %
Other securities	Other securities	793,196	10,127	5.11 %	718,735	6,781	3.77 %	Other securities	770,438	12,173	12,173	6.32 %
Total investment securities	Total investment securities	9,986,188	80,621	3.23 %	10,765,410	70,781	2.63 %	Total investment securities	10,170,175	88,303	88,303	3.47 %
Loans: (2)	Loans: (2)											
Commercial real estate	Commercial real estate	9,612,102	163,869	6.82 %	9,045,009	113,491	5.02 %	Commercial real estate	9,540,385	167,263	167,263	7.01 %
Residential real estate loans	Residential real estate loans	13,711,156	219,575	6.41 %	11,929,892	136,780	4.59 %	Residential real estate	14,368,370	230,086	230,086	6.41 %
Consumer	Consumer	6,712,269	62,775	3.74 %	6,189,503	56,432	3.65 %	Consumer	6,693,814	63,003	63,003	3.76 %
Total loans	Total loans	32,650,455	488,541	5.98 %	29,900,254	339,752	4.54 %	Total loans	33,247,660	503,946	503,946	6.07 %
Total earning assets	Total earning assets	43,617,456	\$ 582,356	5.34 %	41,180,026	\$ 411,468	3.99 %	Total earning assets	44,175,079	\$ 602,234	5.46	5.46 %
Deduct: Allowance for credit losses on loans	Deduct: Allowance for credit losses on loans	(300,071)			(290,215)							
Non-Earning Assets	Non-Earning Assets											
Non-Earning Assets	Non-Earning Assets											
Cash and due from banks	Cash and due from banks											
Cash and due from banks	Cash and due from banks											
Cash and due from banks	Cash and due from banks	382,755			503,841							
Other assets	Other assets	4,960,383			4,522,171							
Other assets	Other assets											

Total assets																						
Total assets																						
Total assets	Total assets \$ 48,660,523 \$ 45,915,823																					
Interest-Bearing Liabilities																						
Interest-Bearing Liabilities																						
Checking and NOW																						
Checking and NOW	\$ 7,515,439 \$ 25,531 1.35 % \$ 8,681,392 \$ 5,751 0.26 % \$ 7,141,201 \$ \$ 25,252 1.42 1.42 % \$ 7,988,579																					
Savings	Savings	5,414,775	4,268	0.31 %	6,733,465	547	0.03 %	Savings	5,025,400	5,017	5,017	0.40 % 0.40 %										
Money market	Money market	7,979,999	65,549	3.26 %	5,344,567	2,072	0.15 %	market	9,917,572	94,213	94,213	3.82 % 3.82 %										
Time deposits		5,412,920	52,080	3.82 %	2,508,152	2,450	0.39 %															
Time deposits, excluding brokered deposits																						
Brokered deposits								Time deposits, excluding brokered deposits	4,689,136	47,432	47,432	4.07 % 4.07 %										
Total interest-bearing deposits	Total interest-bearing deposits	26,323,133	147,428	2.22 %	23,267,576	10,820	0.18 %	Total interest-bearing deposits	27,820,449	185,439	185,439	2.68 % 2.68 %										
Federal funds purchased and interbank borrowings	Federal funds purchased and interbank borrowings	62,921	910	5.74 %	122,311	720	2.34 %	Federal funds purchased and interbank borrowings	69,090	961	961	5.59 % 5.59 %										
Securities sold under agreements to repurchase	Securities sold under agreements to repurchase	302,305	710	0.93 %	436,225	106	0.10 %	Securities sold under agreements to repurchase	296,236	917	917	1.25 % 1.25 %										
FHLB advances	FHLB advances	4,537,250	40,382	3.53 %	3,025,844	13,027	1.71 %	FHLB advances	4,386,492	41,167	41,167	3.77 % 3.77 %										
Other borrowings	Other borrowings	841,307	12,003	5.66 %	676,874	5,256	3.08 %	Other borrowings	825,846	11,039	11,039	5.38 % 5.38 %										
Total borrowed funds	Total borrowed funds	5,743,783	54,005	3.73 %	4,261,254	19,109	1.78 %	Total borrowed funds	5,577,664	54,084	54,084	3.90 % 3.90 %										
Total interest-bearing liabilities	Total interest-bearing liabilities	\$ 32,066,916	\$ 201,433	2.49 %	\$ 27,528,830	\$ 29,929	0.43 %	Total interest-bearing liabilities	\$ 33,398,113	\$	\$ 239,523	2.88 % 2.88 %										
Noninterest-Bearing Liabilities and Shareholders' Equity	Noninterest-Bearing Liabilities and Shareholders' Equity																					

Noninterest-Bearing Liabilities and Shareholders' Equity			
Demand deposits			
Demand deposits			
Demand deposits	Demand deposits	\$10,338,267	\$12,575,011
Other liabilities	Other liabilities	961,268	677,829
Other liabilities			
Shareholders' equity			
Shareholders' equity	Shareholders' equity	5,294,072	5,134,153
Total liabilities and shareholders' equity	Total liabilities and shareholders' equity	\$48,660,523	\$45,915,823
Total liabilities and shareholders' equity			
Net interest income - taxable equivalent basis			
Net interest income - taxable equivalent basis	Net interest income - taxable equivalent basis	\$380,923 3.49 %	\$381,539 3.71 %
Taxable equivalent adjustment	Taxable equivalent adjustment	(5,837)	(4,950)
Net interest income (GAAP)	Net interest income (GAAP)	\$375,086 3.44 %	\$376,589 3.66 %
Net interest income (GAAP)			
Net interest income (GAAP)			

(1) Interest income is reflected on a fully taxable equivalent basis.

(2) Includes loans held-for-sale.

(Tax equivalent basis, dollars in thousands)	Nine Months Ended September 30, 2023				Nine Months Ended September 30, 2022			
	Average Balance	Income (1)/ Expense	Yield/ Rate	Average Balance	Income (1)/ Expense	Yield/ Rate		
Earning Assets								
Money market and other interest-earning investments	\$ 736,225	\$ 25,258	4.59 %	\$ 976,579	\$ 3,073	0.42 %		
Investment securities:								
Treasury and government sponsored agencies	2,266,177	58,923	3.47 %	2,336,897	33,249	1.90 %		
Mortgage-backed securities	5,268,509	102,618	2.60 %	5,593,341	94,067	2.24 %		
States and political subdivisions	1,771,155	43,306	3.26 %	1,801,053	42,839	3.17 %		
Other securities	785,474	28,726	4.88 %	682,937	16,392	3.20 %		
Total investment securities	10,091,315	233,573	3.09 %	10,414,228	186,547	2.39 %		

Loans: (2)							
Commercial	9,644,541	475,210	6.57 %	7,888,730	264,517	4.47 %	
Commercial real estate	13,180,509	598,337	6.05 %	10,753,988	327,733	4.06 %	
Residential real estate loans	6,626,551	181,592	3.65 %	5,369,844	142,105	3.53 %	
Consumer	2,612,519	120,428	6.16 %	2,521,121	85,442	4.53 %	
Total loans	32,064,120	1,375,567	5.72 %	26,533,683	819,797	4.12 %	
Total earning assets	42,891,660	\$ 1,634,398	5.08 %	37,924,490	\$ 1,009,417	3.55 %	
Deduct: Allowance for credit losses on loans	(301,909)			(247,558)			
Non-Earning Assets							
Cash and due from banks	412,998			350,848			
Other assets	4,917,592			4,249,986			
Total assets	\$ 47,920,341			\$ 42,277,766			
Interest-Bearing Liabilities							
Checking and NOW	\$ 7,793,561	\$ 69,248	1.19 %	\$ 7,977,524	\$ 8,133	0.14 %	
Savings	5,791,780	9,745	0.22 %	6,295,628	1,809	0.04 %	
Money market	6,577,317	120,917	2.46 %	4,819,252	3,791	0.11 %	
Time deposits	4,540,042	111,085	3.27 %	2,253,711	5,468	0.32 %	
Total interest-bearing deposits	24,702,700	310,995	1.68 %	21,346,115	19,201	0.12 %	
Federal funds purchased and interbank borrowings	306,480	11,404	4.97 %	41,993	722	2.30 %	
Securities sold under agreements to repurchase	351,362	2,389	0.91 %	450,966	287	0.09 %	
FHLB advances	4,699,074	123,466	3.51 %	2,891,347	25,915	1.20 %	
Other borrowings	806,575	30,071	4.98 %	574,589	13,410	3.12 %	
Total borrowed funds	6,163,491	167,330	3.63 %	3,958,895	40,334	1.36 %	
Total interest-bearing liabilities	\$ 30,866,191	\$ 478,325	2.07 %	\$ 25,305,010	\$ 59,535	0.31 %	
Noninterest-Bearing Liabilities and Shareholders' Equity							
Demand deposits	\$ 10,864,375			\$ 11,540,293			
Other liabilities	944,619			601,619			
Shareholders' equity	5,245,156			4,830,844			
Total liabilities and shareholders' equity	\$ 47,920,341			\$ 42,277,766			
Net interest income - taxable equivalent basis		\$ 1,156,073	3.59 %		\$ 949,882	3.34 %	
Taxable equivalent adjustment		(17,328)			(13,036)		
Net interest income (GAAP)		\$ 1,138,745	3.54 %		\$ 936,846	3.29 %	

(1) Interest income is reflected on a fully taxable equivalent basis.

(2) Includes loans held-for-sale.

The following table presents the dollar amount of changes in taxable equivalent net interest income attributable to changes in the average balances of assets and liabilities and the yields earned or rates paid.

	From Three Months Ended March 31, 2023 to Three Months Ended March 31, 2024	
	From Three Months Ended March 31, 2023 to Three Months Ended March 31, 2024	
	From Three Months Ended March 31, 2023 to Three Months Ended March 31, 2024	
	From Three Months Ended September 30, 2022 to Three Months Ended September 30, 2023	From Nine Months Ended September 30, 2022 to Nine Months Ended September 30, 2023
	Total	Attributed to

(dollars in thousands)	(dollars in thousands)	Change (1)	Volume	Rate	Change (1)	Volume	Rate
(dollars in thousands)							
(dollars in thousands)							
Interest Income							
Interest Income							
Interest Income	Interest Income						
Money market and other interest-earning investments	Money market and other interest-earning investments						
investments	investments	\$ 12,259	\$ 3,583	\$ 8,676	\$ 22,185	\$ (4,544)	\$ 26,729
Money market and other interest-earning investments							
Money market and other interest-earning investments							
Investment securities (2)							
Investment securities (2)							
Investment securities (2)	Investment securities (2)	9,840	(5,708)	15,548	47,026	(6,630)	53,656
Loans (3)	Loans (3)	148,789	36,149	112,640	555,770	203,985	351,785
Loans (3)							
Loans (3)							
Total interest income							
Total interest income							
Total interest income	Total interest income	170,888	34,024	136,864	624,981	192,811	432,170
Interest Expense							
Interest Expense							
Checking and NOW deposits							
Checking and NOW deposits							
Checking and NOW deposits	Checking and NOW deposits	19,780	(2,318)	22,098	61,115	(951)	62,066
Savings deposits	Savings deposits	3,721	(554)	4,275	7,936	(474)	8,410
Savings deposits							
Savings deposits							
Money market deposits	Money market deposits	63,477	11,456	52,021	117,126	16,819	100,307
Time deposits	Time deposits	49,630	15,478	34,152	105,617	30,621	74,996
Money market deposits							
Money market deposits							
Time deposits, excluding brokered deposits							
Time deposits, excluding brokered deposits							
Time deposits, excluding brokered deposits							
Brokered deposits							
Brokered deposits							
Brokered deposits							

Federal funds purchased and interbank borrowings							
Federal funds purchased and interbank borrowings							
Federal funds purchased and interbank borrowings	Federal funds purchased and interbank borrowings	190	(599)	789	10,682	7,200	3,482
Securities sold under agreements to repurchase	Securities sold under agreements to repurchase	604	(170)	774	2,102	(375)	2,477
Securities sold under agreements to repurchase							
Securities sold under agreements to repurchase							
FHLB advances	FHLB advances	27,355	10,010	17,345	97,551	31,804	65,747
Other borrowings	Other borrowings	6,747	1,824	4,923	16,661	7,028	9,633
Other borrowings							
Other borrowings							
Total interest expense							
Total interest expense							
Total interest expense	Total interest expense	171,504	35,127	136,377	418,790	91,672	327,118
Net interest income	Net interest income	\$ (616)	\$ (1,103)	\$ 487	\$ 206,191	\$ 101,139	\$ 105,052
Net interest income							
Net interest income							

(1) The variance not solely due to rate or volume is allocated equally between the rate and volume variances.

(2) Interest income on investment securities includes taxable equivalent adjustments of \$2.9 million and \$8.7 million \$2.8 million during the three and nine months ended September 30, 2023, respectively, March 31, 2024 using the federal statutory rate in effect of 21%.

(3) Interest income on loans includes taxable equivalent adjustments of \$3.0 million and \$8.6 million \$3.5 million during the three and nine months ended September 30, 2023, respectively, March 31, 2024 using the federal statutory rate in effect of 21%.

The decrease in net interest income for the three months ended September 30, 2023 March 31, 2024 when compared to the same period in 2022 2023 was primarily due to higher balances costs and costs balances of average interest-bearing liabilities, and lower accretion income, partially offset by higher rates on loans and as well as loan growth. The increase in net interest income for the nine months ended September 30, 2023 when compared to the same period in 2022 was primarily due to higher rates on loans and loan growth, partially offset by higher balances and costs of average interest-bearing liabilities and lower accretion income. Accretion income associated with acquired loans and borrowings totaled \$7.5 million and \$22.1 million \$5.1 million in the three and nine months ended September 30, 2023, respectively, March 31, 2024 compared to \$25.4 million and \$76.2 million \$7.9 million in the three and nine months ended September 30, 2022, respectively, March 31, 2023.

The decrease in the net interest margin on a fully taxable equivalent basis for the three months ended September 30, 2023 March 31, 2024 compared to the same period in 2022 2023 was primarily due to higher costs of interest-bearing liabilities, partially offset by higher yields on interest earning assets. The increase in the net interest margin on a fully taxable equivalent basis for the nine months ended September 30, 2023 when compared to the same period in 2022 was primarily due to higher yields on interest earning assets, partially offset by higher costs of interest-bearing liabilities. The yield on interest earning assets increased 135 67 basis points and the cost of interest-bearing liabilities increased 206 130 basis points in the three months ended September 30, 2023 March 31, 2024 compared to the same quarter a year ago. The yield on interest earning assets increased 153 basis points and the cost of interest-bearing liabilities increased 176 basis points in the nine months ended September 30, 2023 when compared to the nine months ended September 30, 2022. Accretion income represented 75 basis points of the net interest margin in both of the three and nine months ended September 30, 2023 March 31, 2024, compared to 25 basis points and 27 8 basis points in the three and nine months ended September 30, 2022, respectively, March 31, 2023.

Average earning assets were \$43.6 billion \$44.2 billion and \$41.2 billion \$41.9 billion for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively, an increase of \$2.4 billion \$2.2 billion, or 6% 5%, primarily due to strong commercial, commercial real estate, and residential real estate loan growth. Average earning assets were \$42.9 billion and \$37.9 billion for the nine months ended September 30, 2023 and 2022, respectively, an increase of \$5.0 billion, or 13%, primarily due to the merger with First Midwest and strong loan growth.

Average loans, including loans held-for-sale, increased \$2.8 billion and \$5.5 billion \$2.0 billion for the three and nine months ended September 30, 2023, respectively, March 31, 2024 when compared to the same periods period in 2022. The increase for the three months ended September 30, 2023 was 2023 primarily due to strong commercial commercial real estate and residential real estate loan growth. The increase for the nine months ended September 30, 2023 was primarily due to the merger with First Midwest and strong loan growth.

Average investments decreased \$779.2 million and \$322.9 million for the three and nine months ended September 30, 2023, respectively, when compared to the same periods in 2022. These decreases reflect the utilization of securities cash flows to fund loan growth.

Average noninterest-bearing deposits decreased \$2.2 billion \$2.3 billion while average interest-bearing deposits increased \$3.1 billion \$4.4 billion for the three months ended September 30, 2023 March 31, 2024 when compared to the same period in 2022 2023 reflecting total deposit growth and a mix shift as a result of the current rate environment. Average noninterest-bearing deposits decreased \$675.9 million while interest-bearing deposits increased \$3.4 billion for the nine months ended September 30, 2023 when compared to the nine months ended September 30, 2022 primarily due to the First Midwest merger environment and a mix shift as a result of the current rate environment. organic growth.

Average borrowed funds increased \$1.5 billion and \$2.2 billion for the three and nine months ended September 30, 2023, respectively, when compared to the same periods in 2022.

Provision for Credit Losses

The following table details the components of the provision for credit losses:

		Three Months Ended September 30,			Nine Months Ended September 30,		
					%		
		Three Months Ended March 31,					
		Three Months Ended March 31,					
		Three Months Ended March 31,					
(dollars in thousands)							
(dollars in thousands)							
(dollars in thousands)	(dollars in thousands)	2023	2022	Change	2023	2022	Change
Provision for credit losses on loans	Provision for credit losses on loans	\$ 23,115	\$ 11,288	104.8 %	\$ 46,520	\$ 117,951	(60.6) %
Provision for credit losses on loans	Provision for credit losses on loans						
Provision (release) for credit losses on unfunded loan commitments	Provision (release) for credit losses on unfunded loan commitments	(4,047)	4,203	(196.3)	772	15,290	(95.0)
Provision for credit losses on held-to-maturity securities	Provision for credit losses on held-to-maturity securities	—	(1)	(100.0)	—	150	(100.0)
Provision (release) for credit losses on unfunded loan commitments	Provision (release) for credit losses on unfunded loan commitments						
Provision (release) for credit losses on unfunded loan commitments	Provision (release) for credit losses on unfunded loan commitments						
Total provision for credit losses	Total provision for credit losses						
Total provision for credit losses	Total provision for credit losses						
Total provision for credit losses	Total provision for credit losses	\$ 19,068	\$ 15,490	23.1 %	\$ 47,292	\$ 133,391	(64.5) %
Net (charge-offs) recoveries on non-PCD loans	Net (charge-offs) recoveries on non-PCD loans	\$ (20,143)	\$ (1,405)	N/M %	\$ (28,870)	\$ (1,386)	N/M %

The Total provision for credit losses on loans increased in the nine months ended September 30, 2022 included \$96.3 million to establish an allowance for credit losses on non-PCD loans acquired in the First Midwest merger. The provision for credit losses on unfunded March 31, 2024 reflecting loan commitments in the nine months ended September 30, 2022 included \$11.0 million for unfunded loan commitments acquired in the First Midwest merger. Net charge-offs on non-PCD loans for the three growth and nine months ended September 30, 2023 included a \$12.2 million charge-off related to a single commercial credit that is not representative of broader credit concerns. macroeconomic factors. Continued loan growth in future periods, a decline in our current level of recoveries, or an increase in charge-offs could result in an increase in provision expense. Additionally, provision expense may be volatile due to changes in CECL model assumptions of credit quality, macroeconomic factors and conditions, and loan composition, which drive the allowance for credit losses balance.

Noninterest Income

We generate revenues in the form of noninterest income through client fees, sales commissions, and gains and losses from our core banking franchise and other related businesses, such as wealth management, investment consulting, and investment products. The following table details the components in noninterest income:

Three Months Ended September 30,	%	Nine Months Ended September 30,	%
Three Months Ended March 31,			
Three Months Ended March 31,			
Three Months Ended March 31,			

(dollars in thousands)	(dollars in thousands)	2023	2022	Change	2023	2022	Change
(dollars in thousands)							
(dollars in thousands)							
Wealth and investment services fees							
Wealth and investment services fees	Wealth and investment services fees	\$ 26,687	\$ 25,359	5.2 %	\$ 80,128	\$ 75,183	6.6 %
Service charges on deposit accounts	Service charges on deposit accounts	18,524	20,042	(7.6)	53,278	54,392	(2.0)
Debit card and ATM fees	Debit card and ATM fees	10,818	10,608	2.0	31,453	29,429	6.9
Debit card and ATM fees							
Debit card and ATM fees							
Mortgage banking revenue	Mortgage banking revenue	5,063	5,360	(5.5)	12,628	19,127	(34.0)
Mortgage banking revenue							
Mortgage banking revenue							
Capital markets income							
Capital markets income							
Capital markets income	Capital markets income	5,891	8,906	(33.9)	19,003	20,609	(7.8)
Company-owned life insurance	Company-owned life insurance	3,740	3,361	11.3	11,624	11,456	1.5
Company-owned life insurance							
Company-owned life insurance							
Debt securities gains (losses), net							
Debt securities gains (losses), net							
Debt securities gains (losses), net	Debt securities gains (losses), net	(241)	(172)	40.1	(5,440)	85	N/M
Other income	Other income	10,456	6,921	51.1	30,574	24,461	25.0
Other income							
Other income							
Total noninterest income	Total noninterest income	\$ 80,938	\$ 80,385	0.7 %	\$ 233,248	\$ 234,742	(0.6) %

Total noninterest income	\$ 77,522	\$ 70,681	9.7	%
Total noninterest income	\$ 77,522	\$ 70,681	9.7	%

Noninterest income increased \$0.6 million \$6.8 million for the three months ended September 30, 2023 March 31, 2024 compared to the same period in 2022 2023 primarily due to higher other income and wealth and investment services fees, substantially offset by lower capital markets income and service charges on deposit accounts. Noninterest income decreased \$1.5 million for the nine months ended September 30, 2023 compared to the same period in 2022 primarily due to lower mortgage banking revenue, capital markets income, and \$5.4 million \$5.2 million of net losses on sales of debt securities in the nine three months ended September 30, 2023, partially offset by the full-period 2023 impact of the First Midwest merger which occurred in February of 2022 March 31, 2023.

Wealth and investment services fees Mortgage banking revenue increased \$1.3 million and \$4.9 million \$1.1 million for the three and nine months ended September 30, 2023, respectively, compared to the same periods in 2022 primarily due to higher wealth management fees as a result of continued sales to new and existing customers as well as favorable market conditions. In addition, wealth and investment services fees increased for the nine months ended September 30, 2023 March 31, 2024 compared to the same period in 2022 2023 primarily due to the full-period 2023 impact of the First Midwest merger which occurred in February of 2022. higher mortgage originations and increased loan sales.

Service charges on deposit accounts Capital markets income decreased \$4.0 million for the three and nine months ended September 30, 2023 were impacted by several enhancements to overdraft protection programs implemented in late 2022 to provide clients with more flexibility. The changes included the elimination of the non-sufficient fund ("NSF") fee when an item is returned, among other modifications that benefit consumers. The impact of these enhancements for the nine months ended September 30, 2023 March 31, 2024 compared to the same period in 2022 was substantially offset by increased service charges on deposit accounts due to the full-period 2023 impact of the First Midwest merger which occurred in February of 2022.

Mortgage banking revenue decreased \$0.3 million and \$6.5 million for the three and nine months ended September 30, 2023, respectively, compared to the same periods in 2022 primarily due to the higher rate environment and lower gain on sale margins.

Capital markets income decreased \$3.0 million and \$1.6 million for the three and nine months ended September 30, 2023, respectively, compared to the same periods in 2022 primarily due to lower levels of commercial real estate client interest rate swap fees and tax credit fees.

Other income partially offset by higher foreign currency exchange fees. The decrease increased \$2.0 million for the nine months ended September 30, 2023 compared to the same period in 2022 was partially offset by the full-period 2023 impact of the First Midwest merger which occurred in February of 2022.

Other income increased \$3.5 million and \$6.1 million for the three and nine months ended September 30, 2023, respectively, compared to the same periods in 2022 primarily due to higher commercial loan fees and net gains on sales of other assets in the three months ended September 30, 2023. fees.

Noninterest Expense

The following table details the components in noninterest expense:

		Three Months Ended September 30,			Nine Months Ended September 30,					
		Three Months Ended September 30,		%	Three Months Ended March 31,		%			
		Three Months Ended March 31,								
(dollars in thousands)	(dollars in thousands)	2023	2022	Change	2023	2022	Change	\$	\$	\$
(dollars in thousands)										
(dollars in thousands)										
Salaries and employee benefits										
Salaries and employee benefits	Salaries and employee benefits	\$131,541	\$147,203	(10.6) %	\$404,715	\$433,167	(6.6) %	\$149,803	\$137,364	9.1 %
Occupancy	Occupancy	25,795	26,418	(2.4)	80,162	73,933	8.4			9.1 %
Equipment	Equipment	8,284	7,328	13.0	23,394	20,046	16.7			9.1 %
Equipment										
Equipment										

Marketing	Marketing	9,448	10,361	(8.8)	28,698	23,756	20.8
Technology	Technology	20,592	20,269	1.6	59,850	64,914	(7.8)
Technology							
Communication							
Communication							
Communication	Communication	4,075	5,392	(24.4)	12,768	14,687	(13.1)
Professional fees	Professional fees	5,956	6,559	(9.2)	19,085	32,686	(41.6)
Professional fees							
Professional fees							
FDIC assessment							
FDIC assessment							
FDIC assessment	FDIC assessment	9,000	6,249	44.0	29,028	13,523	114.7
Amortization of intangibles	Amortization of intangibles	6,040	7,089	(14.8)	18,286	19,070	(4.1)
Amortization of intangibles							
Amortization of intangibles							
Amortization of tax credit investments	Amortization of tax credit investments	2,644	2,662	(0.7)	8,167	5,703	43.2
Property optimization	—	—	N/A	1,559	—	N/A	
Amortization of tax credit investments							
Amortization of tax credit investments							
Other expense							
Other expense							
Other expense	Other expense	21,401	22,914	(6.6)	56,359	54,023	4.3
Total noninterest expense	Total noninterest expense	\$244,776	\$262,444	(6.7) %	\$742,071	\$755,508	(1.8) %
Total noninterest expense							
Total noninterest expense							
					\$ 262,317	\$ 250,711	4.6 %

Noninterest expense decreased \$17.7 million increased \$11.6 million for the three months ended September 30, 2023 March 31, 2024 compared to the same period in 2022. Noninterest 2023 primarily due to a \$13.3 million non-cash, pre-tax expense included \$6.3 million associated with the distribution of merger-related excess pension assets with the resolution of the legacy First Midwest plan in the three months ended March 31, 2024. Merger-related expenses totaled \$2.9 million in the three months ended March 31, 2024, compared to \$14.6 million in the three months ended March 31, 2023. In addition, the three months ended March 31, 2024 were impacted by \$3.0 million for the FDIC special assessment and the three months ended March 31, 2023 were impacted by \$1.3 million of property optimization charges. Excluding these items, total noninterest expense was \$243.1 million and \$234.8 million for the three months ended September 30, 2023, compared to \$22.7 million for the three months ended September 30, 2022. Excluding these expenses, March 31, 2024 and 2023, respectively. The resulting \$8.3 million increase in noninterest expense for the three months ended September 30, 2023 was stable compared to the same period in 2022 as fully achieved merger-related benefits were substantially offset driven by higher FDIC assessment expense.

Noninterest expense decreased \$13.4 million for the nine months ended September 30, 2023 compared to the same period in 2022. Noninterest expense included merger-related expenses totaled \$23.2 million for the nine months ended September 30, 2023, compared to \$100.6 million for the nine months ended September 30, 2022. In addition, noninterest expense for the nine months ended September 30, 2023 included \$3.4 million of Louisville expenses salary and \$1.6 million for property optimization. Excluding these expenses, noninterest expense for the nine months ended September 30, 2023 increased \$59.1 million, reflective of the additional operating costs associated with the full-period 2023 impact of the First Midwest merger which occurred in February of 2022, marketing campaigns, employee benefits reflecting merit and higher FDIC assessment expense performance-driven incentive accruals.

FDIC assessment expense increased \$2.8 million and \$15.5 million for the three and nine months ended September 30, 2023, respectively, when compared to the same periods in 2022 primarily due to higher assessment rates and deposit balances.

Amortization of tax credit investments increased \$2.5 million for the nine months ended September 30, 2023 when compared to the same period in 2022. The recognition of tax credit amortization expense is contingent upon the successful completion of the rehabilitation of a historic building or completion of a solar project within the reporting period. Many factors including weather, labor availability, building regulations, inspections, and other unexpected construction delays related to a rehabilitation project can cause a project to exceed its estimated completion date. See Note 9 to the consolidated financial statements for additional information on our tax credit investments.

FDIC Special Assessment Proposed Rule

On May 11, 2023, the Federal Deposit Insurance Corporation ("FDIC") released a proposed rule that would impose special assessments to recover the losses to the deposit insurance fund ("DIF") resulting from the FDIC's use, in March 2023, of the systemic risk exception to the least-cost resolution test under the Federal Deposit Insurance Act in connection with the receiverships of Silicon Valley Bank and Signature Bank. The FDIC stated that it currently estimates those assessed losses to total \$15.8 billion and that the amount of the special assessments would be adjusted as the loss estimate changes. Under the proposed rule, the assessment base would be an insured depository institution's ("IDI") estimated uninsured deposits, as reported in the IDI's December 31, 2022 Call Report, excluding the first \$5 billion in estimated uninsured deposits. The special assessments would be collected at an annual rate of approximately 12.5 basis points per year (3.13 basis points per quarter) over eight quarters in 2024.

and 2025, with the first assessment period beginning January 1, 2024 (with the first assessment payment due by June 28, 2024). Under the proposed rule, the estimated loss pursuant to the systemic risk determination would be periodically adjusted, and the FDIC would retain the ability to cease collection early, extend the special assessment collection period and impose a final shortfall special assessment on a one-time basis. In its December 31, 2022 Call Report, Old National Bank reported estimated uninsured deposits of approximately \$12.0 billion. Old National expects the special assessments would be tax deductible. Although the proposal could be changed and the timing of accounting recognition is still under consideration, if the assessments, as proposed, were recorded as an expense in a single quarter, the estimated \$17 million expense would significantly affect noninterest expense and results of operations for that quarter.

Provision for Income Taxes

We record a provision for income taxes currently payable and for income taxes payable or benefits to be received in the future, which arise due to timing differences in the recognition of certain items for financial statement and income tax purposes. The major difference between the effective tax rate applied to our financial statement income and the federal statutory tax rate is caused by a tax benefit from our tax credit investments and interest on tax-exempt securities and loans. The effective tax rate was 23.1% 21.3% for the three months ended **September 30, 2023** **March 31, 2024**, compared to 21.7% 22.0% for the same period in 2022. The effective tax rate was 22.9% for the nine months ended **September 30, 2023**, compared to 19.5% for the same period in 2022 **2023** reflecting an increase decreases in pre-tax book income and state income taxes combined with smaller increases an increase in tax-exempt income and tax credits. Other contributing factors were increases in non-deductible officer compensation and non-deductible FDIC premiums as well as the First Midwest merger in February 2022. See Note 14 to the consolidated financial statements for additional information.. In accordance with ASC 740-270, Accounting for Interim Reporting, the provision for income taxes was recorded at **September 30, 2023** **March 31, 2024** based on the current estimate of the effective annual rate.

FINANCIAL CONDITION

Overview

At **September 30, 2023** **March 31, 2024**, our assets were \$49.1 billion \$49.5 billion, a \$2.3 billion \$445.1 million increase compared to assets of \$46.8 billion \$49.1 billion at **December 31, 2022** **December 31, 2023**. The increase was driven by disciplined loan growth, and higher partially offset by lower cash balances funded through higher deposits balances.

Earning Assets

Our earning assets are comprised of investment securities, portfolio loans, loans held-for-sale, money market investments, interest-earning accounts with the Federal Reserve, and equity securities. Earning assets were \$43.9 \$44.5 billion at **September 30, 2023** **March 31, 2024**, a \$2.2 billion \$534.2 million increase compared to earning assets of \$41.6 billion \$43.9 billion at **December 31, 2022** **December 31, 2023** driven primarily by loan growth.

Investment Securities

We classify the majority of our investment securities as available-for-sale to give management the flexibility to sell the securities prior to maturity if needed, based on fluctuating interest rates or changes in our funding requirements. During 2022, we transferred \$3.0 billion of securities available-for-sale to held-to-maturity due to rising interest rates and related effects on the value of our investment securities.

The investment securities portfolio, including equity securities, was \$9.9 billion at September 30, 2023 compared to \$10.2 billion at December 31, 2022. Investment securities and represented 23% of earning assets at **September 30, 2023**, compared to 25% at **December 31, 2022** both **March 31, 2024** and **December 31, 2023**. At **September 30, 2023** **March 31, 2024**, we had no intent to sell any securities that were in an unrealized loss position nor is it expected that we would be required to sell the securities prior to their anticipated recovery.

The investment securities available-for-sale portfolio had net unrealized losses of \$1.1 billion \$914.2 million and \$869.5 million at **September 30, 2023** **March 31, 2024** and **December 31, 2023**, compared to net unrealized losses of \$844.4 million at **December 31, 2022**, respectively. The investment securities held-to-maturity portfolio had net unrealized losses of \$634.3 million \$453.8 million and \$412.3 million at **September 30, 2023** **March 31, 2024** and **December 31, 2023**, compared to net unrealized losses of \$445.5 million at **December 31, 2022**. Net unrealized losses increased from **December 31, 2022** to **September 30, 2023** primarily due to higher market interest rates, respectively.

The investment securities available-for-sale portfolio including securities hedges had an effective duration of 4.33 4.35 at **September 30, 2023** **March 31, 2024**, compared to 4.57 4.24 at **December 31, 2022** **December 31, 2023**. The total investment securities portfolio had an effective duration of 5.48 5.42 at **September 30, 2023** **March 31, 2024**, compared to 6.45 5.35 at **December 31, 2022** **December 31, 2023**. Effective duration represents the percentage change in the fair value of the portfolio in response to a change in interest rates and is used to evaluate the portfolio's price volatility at a single point in time. Generally, there is more uncertainty in interest rates over a longer average maturity, resulting in a higher duration percentage. The annualized average yields on investment securities, on a taxable equivalent basis, were 3.23% and 3.09% 3.47% for the three and nine months ended **September 30, 2023** **March 31, 2024**, respectively, compared to 2.63% and 2.39% 2.95% for the three and nine months ended **September 30, 2022**, respectively, **March 31, 2023**.

Loan Portfolio

We lend to commercial and commercial real estate clients in many diverse industries including real estate rental and leasing, manufacturing, healthcare, wholesale trade, construction, and agriculture, among others. Old National manages concentrations of credit exposure by industry, product, geography, client relationship, and loan size. The following table presents the composition of the loan portfolio:

(dollars in thousands)	September 30, 2023		December 31, 2022		%	\$ Change	Change	(dollars in thousands)	March 31, 2024		December 31, 2023	\$ Change	%				
	Commercial	Commercial real estate	Commercial real estate	Residential real estate	Consumer	Commercial	Commercial	Residential	Consumer	Commercial	Commercial	Residential	Consumer				
Commercial	Commercial	\$ 9,333,448	\$ 9,508,904	\$ (175,456)	(2)	%	Commercial	Commercial	Commercial	\$ 9,648,269	\$ \$	9,512,230	\$ \$	136,039	1.4	1.4	%
Commercial real estate	Commercial real estate	13,916,221	12,457,070	1,459,151	12												
Residential real estate	Residential real estate	6,696,288	6,460,441	235,847	4												
Consumer	Consumer	2,631,877	2,697,226	(65,349)	(2)												
Total loans	Total loans	\$32,577,834	\$31,123,641	\$1,454,193	5	%	Total loans	Total loans	Total loans	\$ 33,623,319	\$ \$	32,991,927	\$ \$	631,392	1.9	1.9	%

Commercial and Commercial Real Estate Loans

Commercial and commercial real estate loans are the largest classifications within earning assets, representing 53% 55% of earning assets at both September 30, 2023 and December 31, 2022 March 31, 2024, compared to 54% at December 31, 2023. The increase in commercial and commercial real estate loans at September 30, 2023 compared to December 31, 2022 March 31, 2024 from December 31, 2023 was driven by disciplined loan production that was well balanced across our market footprint and product lines, partially offset by commercial loan sales, lines.

The following table provides detail on commercial loans by industry classification (as defined by the North American Industry Classification System) and by loan size.

(dollars in thousands)	September 30, 2023			December 31, 2022			(dollars in thousands)	March 31, 2024			December 31, 2022			
	(dollars in thousands)	Outstanding	Exposure ⁽¹⁾	Nonaccrual	Outstanding	Exposure ⁽¹⁾	Nonaccrual	(dollars in thousands)	Outstanding	Exposure ⁽¹⁾	Nonaccrual	Outstanding	Exposure ⁽¹⁾	Nonaccrual
By Industry: By Industry:														
Manufacturing	Manufacturing	\$1,626,629	\$ 2,699,161	\$ 6,154	\$1,757,907	\$ 2,803,883	\$ 2,464							
Health care and social assistance	Health care and social assistance	1,338,875	1,719,741	7,529	1,588,392	2,043,105	11,806							
Wholesale trade	Wholesale trade	802,398	1,577,859	4,262	857,400	1,552,985	2,895							
Real estate rental and leasing	Real estate rental and leasing	655,993	1,008,673	1,307	642,511	962,549	1,135							
Finance and insurance	Construction	624,767	1,429,685	1,828	556,913	1,307,582	1,517							
Construction	Construction	583,107	953,601	6	484,532	858,391	17							
Professional, scientific, and technical services	Transportation and warehousing	475,731	702,232	2,372	422,643	633,267	3,496							
Transportation and warehousing	Transportation and warehousing	422,730	770,941	4,304	507,940	832,407	4,735							

Accommodation and food services	Accommodation and food services	363,025	488,254	425	399,915	512,025	596
Retail trade	Retail trade	362,840	660,614	5,948	332,367	538,135	7,386
Administrative and support and waste management and remediation services	Administrative and support and waste management and remediation services	310,439	481,089	169	315,785	446,655	13,860
Educational services	Educational services	246,121	425,426	7	210,850	378,955	3,750
Agriculture, forestry, fishing, and hunting	Agriculture, forestry, fishing, and hunting	223,203	364,732	417	261,355	382,376	996
Other services	Other services	221,141	394,719	12,429	194,998	356,743	2,656
Public administration	Public administration	219,090	294,745	—	231,453	325,834	846
Other	Other	857,359	1,141,447	1,618	743,943	1,122,409	739
Total	Total	\$9,333,448	\$15,112,919	\$ 48,775	\$9,508,904	\$15,057,301	\$ 58,894
By Loan Size:	By Loan Size:						
By Loan Size:							
By Loan Size:							
Less than \$200,000							
Less than \$200,000							
Less than \$200,000	Less than \$200,000	3 %	3 %	4 %	3 %	3 %	3 %
\$200,000 to \$1,000,000	\$200,000 to \$1,000,000	11	11	22	11	11	20
\$1,000,000 to \$5,000,000	\$1,000,000 to \$5,000,000	25	26	43	25	26	36
\$5,000,000 to \$10,000,000	\$5,000,000 to \$10,000,000	15	15	7	15	15	24
\$10,000,000 to \$25,000,000	\$10,000,000 to \$25,000,000	31	28	24	31	27	17
Greater than \$25,000,000	Greater than \$25,000,000	15	17	—	15	18	—
Total	Total	100 %	100 %	100 %	100 %	100 %	100 %
Total	Total	100 %	100 %	100 %	100 %	100 %	100 %

(1) Includes unfunded loan commitments.

The following table provides detail on commercial real estate loans classified by property type.

September 30, 2023				December 31, 2022				December 31, 2023			
March 31, 2024								March 31, 2024			
(dollars in thousands)	(dollars in thousands)	Outstanding Exposure ⁽¹⁾	Nonaccrual Outstanding	(dollars in thousands)	Outstanding Exposure ⁽¹⁾	Nonaccrual	(dollars in thousands)	Outstanding Exposure ⁽¹⁾	Nonaccrual	Outstanding Exposure ⁽¹⁾	Nonaccrual
By Property Type:	By Property Type:										
Multifamily	Multifamily	\$ 4,584,203	\$ 6,542,155	\$ 7,519	\$ 4,188,137	\$ 5,920,414	\$ 13,749				
Warehouse	Warehouse										
/ Industrial	/ Industrial	2,593,868	3,304,937	5,381	1,976,804	2,533,892	9,090				

Retail	Retail	1,903,321	1,978,067	30,804	1,808,041	1,895,345	18,155
Office	Office	1,900,752	2,104,761	36,971	1,813,007	1,979,272	13,728
Senior housing							
Single family	Single family	446,134	471,469	3,984	515,390	615,216	7,022
Other (2)	Other (2)	2,487,943	2,934,260	60,638	2,155,691	2,667,780	61,977
Other (2)							
Other (2)							
Total	Total	\$13,916,221	\$17,335,649	\$ 145,297	\$12,457,070	\$15,611,919	\$ 123,721

(1) Includes unfunded loan commitments.

(2) Other includes commercial development, agriculture real estate, hotels, self-storage, senior housing, land development, religion, and mixed-use properties.

The mix of properties securing the loans in our commercial real estate portfolio is balanced between owner-occupied and non-owner-occupied categories and is diverse in terms of type and geographic location, generally within the

Company's primary market area. Approximately 28% of the commercial real estate portfolio is owner-occupied as of March 31, 2024, compared to 25% at December 31, 2023.

The Company actively reviews its broader loan portfolio in the normal course of business and has performed a targeted review of contractual maturities in its non-owner-occupied commercial real estate portfolio as part of its response to current market conditions to identify exposure to credit risk associated with renewals. At March 31, 2024, the Company held \$430.2 million of non-owner-occupied commercial real estate loans, or 1.3% of total loans, that mature within 18 months with an interest rate below 4%.

Residential Real Estate Loans

At September 30, 2023 March 31, 2024, residential real estate loans held in our loan portfolio were \$6.7 billion, a decrease of \$38.1 million compared to December 31, 2023. Changes in interest rates may impact the number of refinancings and new originations of residential real estate loans. If interest rates decrease in the future, there may be an increase in refinancings and new originations of \$235.8 million compared to December 31, 2022. Future residential real estate loans. Conversely, future increases in interest rates could result in a decline in the level of refinancings and new originations of residential real estate loans.

Consumer Loans

Consumer loans, including automobile loans, personal, and home equity loans and lines of credit, decreased \$65.3 million increased \$20.1 million to \$2.6 billion \$2.7 billion at September 30, 2023 March 31, 2024 compared to December 31, 2022 December 31, 2023 reflecting lower direct higher indirect loans.

Other Assets

Other assets at September 30, 2023 increased \$143.9 million from December 31, 2022 primarily due to higher net deferred tax assets related to the market value adjustments of certain investment securities and higher derivative assets.

Funding

The following table summarizes Old National's total funding, comprised of deposits and wholesale borrowings:

	September		December		%	(dollars in thousands)	March 31, 2024	December 31, 2023	\$ Change	% Change
	(dollars in thousands)	30, 2023	31, 2022	\$ Change						
Deposits:	Deposits:									
Noninterest-bearing demand	Noninterest-bearing demand	\$10,091,352	\$11,930,798	\$(1,839,446)	(15)%					
Noninterest-bearing demand										
Noninterest-bearing demand						\$ 9,257,709		\$ 9,664,247		\$ (406,538) (4.2)%
Interest-bearing:	Interest-bearing:									
Checking and NOW										
Checking and NOW										
Checking and NOW	Checking and NOW	7,495,417	8,340,955	(845,538)	(10)%	7,236,667	7,331,487	7,331,487	(94,820)	(94,820) (1.3)%
Savings	Savings	5,296,985	6,326,158	(1,029,173)	(16)%	Savings	5,020,095	5,099,186	5,099,186	(79,091) (79,091)%

Money market	Money market	8,793,218	5,389,139	3,404,079	63 %	Money market	10,234,113	9,561,116	9,561,116	672,997	672,997
Time deposits	Time deposits	5,575,704	3,013,780	2,561,924	85 %	Time deposits	5,950,834	5,579,144	5,579,144	371,690	371,690
Total deposits	Total deposits	37,252,676	35,000,830	2,251,846	6 %	Total deposits	37,699,418	37,235,180	37,235,180	464,238	464,238
Wholesale borrowings:	Wholesale borrowings:										
Federal funds purchased and interbank borrowings	Federal funds purchased and interbank borrowings	918	581,489	(580,571)	(100) %						
Federal funds purchased and interbank borrowings	Federal funds purchased and interbank borrowings					50,416			390	50,026	50,026
Securities sold under agreements to repurchase	Securities sold under agreements to repurchase	279,061	432,804	(153,743)	(36) %	Securities sold under agreements to repurchase	274,493	285,206	285,206	(10,713)	(10,713)
Federal Home Loan Bank advances	Federal Home Loan Bank advances	4,412,576	3,829,018	583,558	15 %	Federal Home Loan Bank advances	4,193,039	4,280,681	4,280,681	(87,642)	(87,642)
Other borrowings	Other borrowings	863,455	743,003	120,452	16 %	Other borrowings	813,213	764,870	764,870	48,343	48,343
Total wholesale borrowings	Total wholesale borrowings	5,556,010	5,586,314	(30,304)	(1) %	Total wholesale borrowings	5,331,161	5,331,147	5,331,147	14	14
Total funding	Total funding	\$42,808,686	\$40,587,144	\$ 2,221,542	5 %	Total funding	\$43,030,579	\$	\$ 42,566,327	\$ 464,252	1.1 1.1

We use wholesale funding to augment deposit funding and to help maintain our desired interest rate risk position. Wholesale funding as a percentage of total funding was 12% at March 31, 2024, compared to 13% at September 30, 2023 compared to 14% at December 31, 2022 December 31, 2023.

Capital

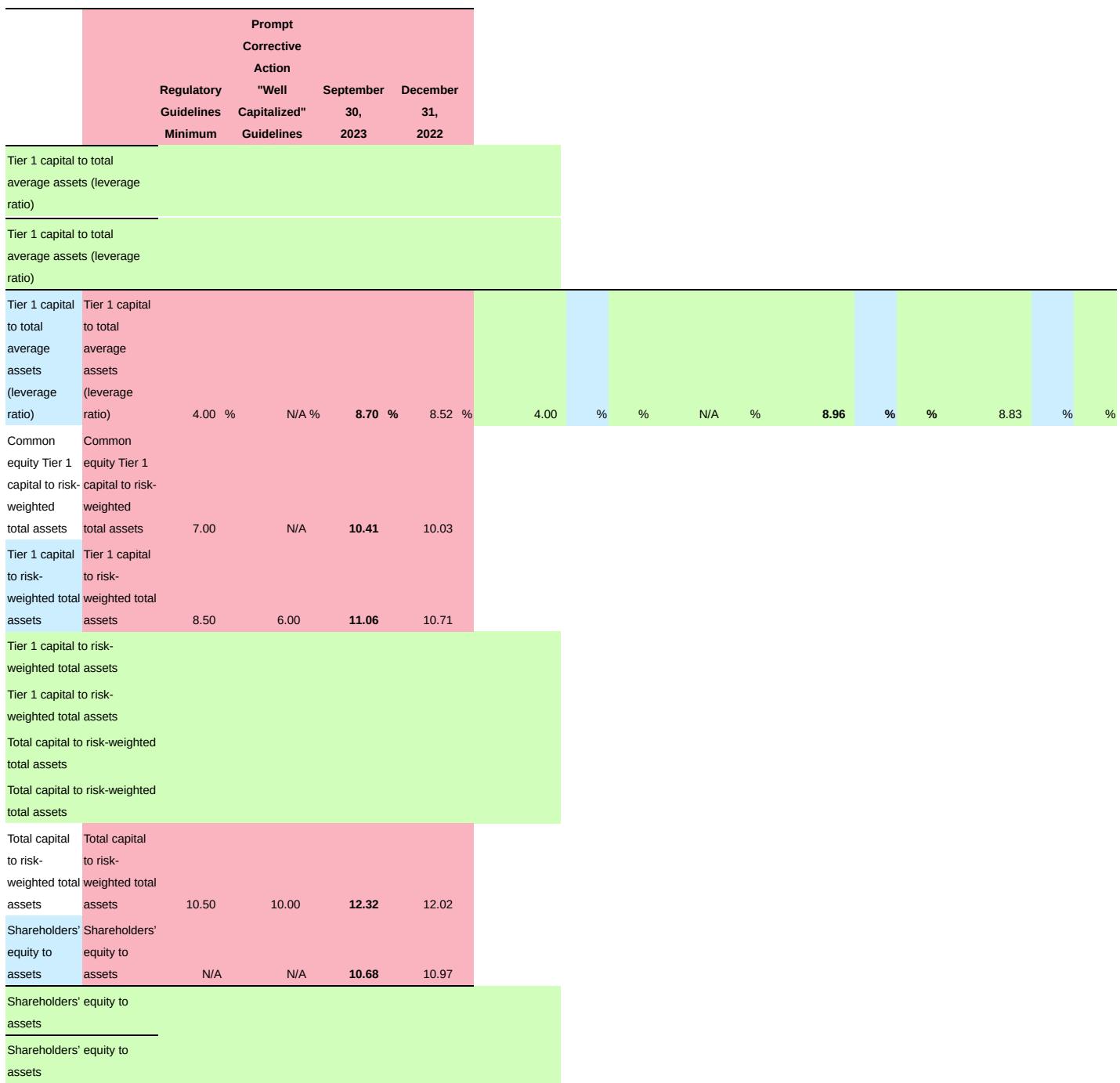
Shareholders' equity totaled \$5.2 billion \$5.6 billion at September 30, 2023, compared to \$5.1 billion at December 31, 2022 both March 31, 2024 and December 31, 2023. This increase was driven by retained earnings along with changes in unrealized gains (losses) on derivatives. These increases were partially offset by dividends and changes in unrealized gains (losses) on available-for-sale investment securities and derivatives during the repurchase of 1.8 million shares of Common Stock in the nine three months ended September 30, 2023 (all of which were repurchased in the first quarter of 2023) under a stock repurchase plan that was approved by the Company's Board of Directors, which reduced equity by \$29.5 million March 31, 2024.

Capital Adequacy

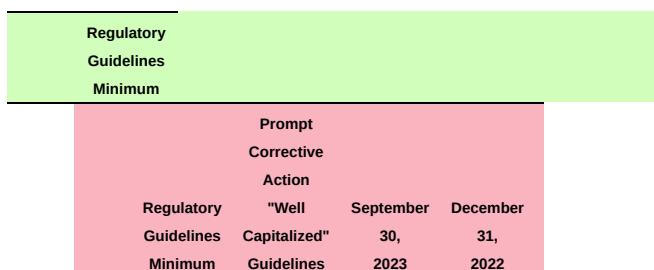
Old National and the banking industry are subject to various regulatory capital requirements administered by the federal banking agencies. At September 30, 2023 March 31, 2024, Old National and its bank subsidiary exceeded the regulatory minimums and Old National Bank met the regulatory definition of "well-capitalized" based on the most recent regulatory definition.

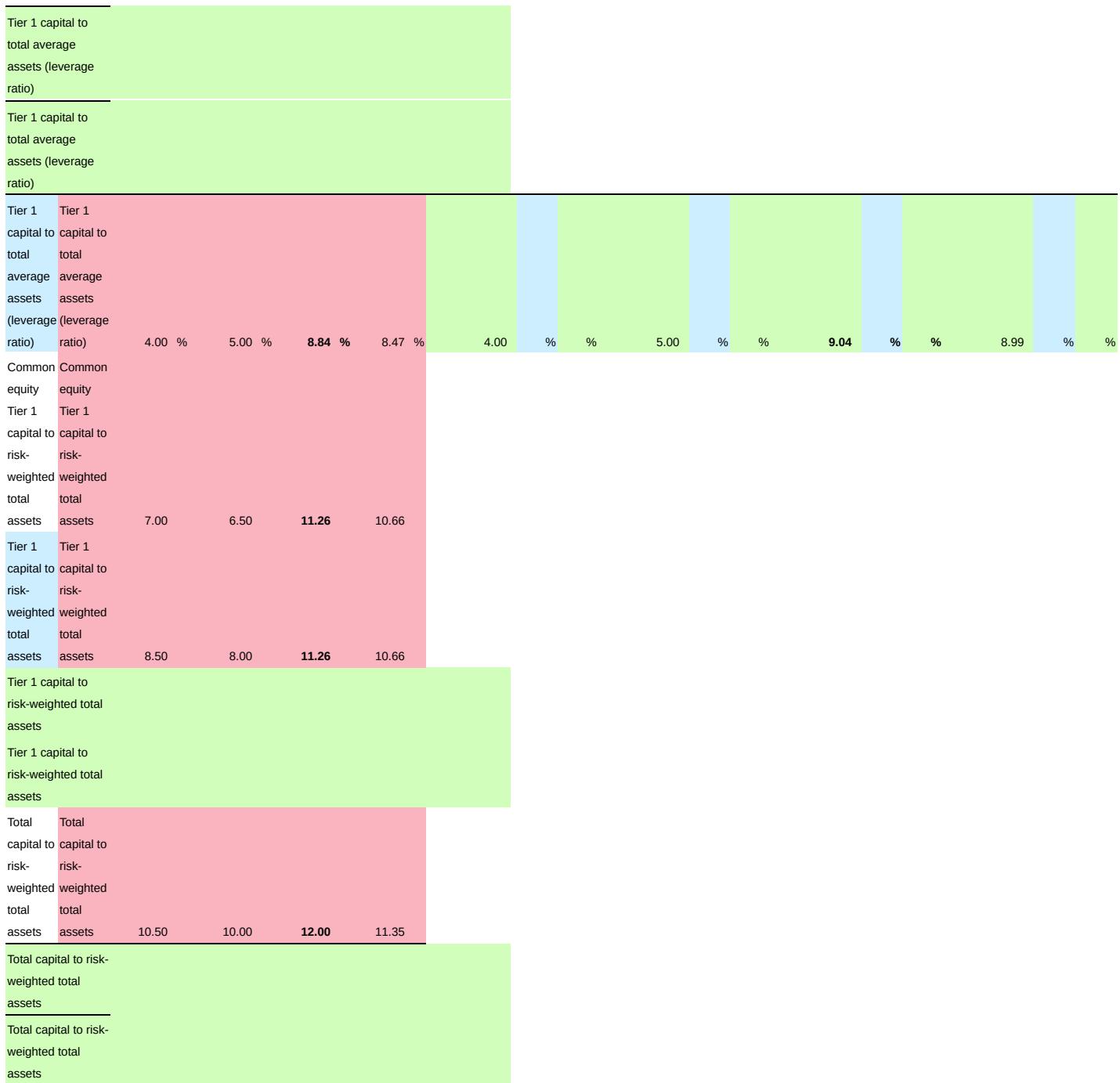
Old National's consolidated capital position remains strong as evidenced by the following key industry ratios.

Regulatory Guidelines	Minimum



Old National Bank, Old National's bank subsidiary, maintained a strong capital position as evidenced by the following key industry ratios.





During 2020, the OCC, the Board of Governors of the Federal Reserve System, and the FDIC issued final rules to delay the estimated impact on regulatory capital stemming from the implementation of CECL. The final rules provide banking organizations the option to delay for two years an estimate of CECL's effect on regulatory capital, relative to the incurred loss methodology's effect on regulatory capital, followed by a three-year transition period (five-year transition option). Old National adopted the capital transition relief over the permissible five-year period.

Management views stress testing as an integral part of the Company's risk management and strategic planning activities. Old National performs stress testing periodically throughout the year. The primary objective of the stress test is to ensure that Old National has a robust, forward-looking stress testing process and maintains sufficient capital to continue operations throughout times of economic and financial stress. Management also uses the stress testing framework to evaluate decisions relating to pricing, loan concentrations, capital deployment, and mergers and acquisitions to ensure that strategic decisions align with Old National's risk appetite statement. Old National's stress testing process incorporates key risks that include strategic, market, liquidity, credit, operational, regulatory, compliance, legal, and reputational risks. Old National's stress testing policy outlines steps that will be taken if stress test results do not meet internal thresholds under severely adverse economic scenarios.

RISK MANAGEMENT

Overview

Old National has adopted a Risk Appetite Statement to enable our Board of Directors, Executive Leadership Team, and Senior Management to better assess, understand, monitor, and mitigate Old National's risks. The Risk Appetite Statement addresses the following major risks: strategic, market, liquidity, credit, operational, talent management, compliance and regulatory, legal, and reputational. Our Chief Risk Officer provides quarterly reports to the Board's Enterprise Risk Committee on various risk topics. The following discussion addresses certain of these major risks including credit, market, and liquidity. Discussion of operational, compliance and regulatory, legal, strategic, talent management, and reputational risks is provided in the section entitled "Risk Factors" in the Company's [2022](#) [2023](#) Annual Report on Form 10-K.

Credit Risk

Credit risk represents the risk of loss arising from an obligor's inability or failure to meet contractual payment or performance terms. Our primary credit risks result from our investment and lending activities.

Asset Quality

We lend to commercial and commercial real estate clients in many diverse industries including, among others, real estate rental and leasing, manufacturing, healthcare, wholesale trade, construction, and agriculture. Old National manages concentrations of credit exposure by industry, product, geography, client relationship, and loan size. At [September 30, 2023](#) [March 31, 2024](#), our average commercial loan size was approximately [\\$630,000](#) [\\$720,000](#) and our average commercial real estate loan size was approximately [\\$1,400,000](#) [\\$1,530,000](#). In addition, while loans to lessors of residential and non-residential real estate exceed 10% of total loans, no individual sub-segment category within those broader categories reaches the 10% threshold. At [September 30, 2023](#) [March 31, 2024](#), we had minimal exposure to foreign borrowers and no sovereign debt. Our policy is to concentrate our lending activity in the geographic market areas we serve, primarily in the Midwest [region](#) [region of the United States](#).

The following table presents a summary of under-performing, criticized, and classified assets:

		September	December
(dollars in thousands)	(dollars in thousands)	30, 2023	31, 2022
Total nonaccrual loans	Total nonaccrual loans	\$ 261,346	\$ 238,178
TDRs still accruing ⁽¹⁾		N/A	15,313
Loans 90 days or more past due and still accruing		1,192	2,650
Total nonaccrual loans			
Total nonaccrual loans			
Total past due loans (90 days or more and still accruing)			
Total past due loans (90 days or more and still accruing)			
Total past due loans (90 days or more and still accruing)			
Foreclosed assets			
Foreclosed assets	Foreclosed assets	9,761	10,845
Total under-performing assets	Total under-performing assets	\$ 272,299	\$ 266,986
Classified loans (includes nonaccrual, TDRs still accruing, past due 90 days, and other problem loans) ⁽¹⁾		\$ 825,965	\$ 745,485
Other classified assets ⁽²⁾		48,998	24,735
Total under-performing assets			
Total under-performing assets			
Classified loans (includes nonaccrual, past due 90 days, and other problem loans)			
Classified loans (includes nonaccrual, past due 90 days, and other problem loans)			

Classified loans (includes nonaccrual, past due 90 days, and other problem loans)			
Other classified assets ⁽¹⁾			
Other classified assets ⁽¹⁾			
Other classified assets ⁽¹⁾			
Criticized loans			
Criticized loans			
Criticized loans	Criticized loans	775,526	636,069
Total criticized and classified assets	Total criticized and classified assets	\$1,650,489	\$1,406,289
<u>Total criticized and classified assets</u>			
<u>Total criticized and classified assets</u>			
Asset Quality Ratios:	Asset Quality Ratios:		
Nonaccrual loans/total loans ⁽³⁾	0.80 %	0.77 %	
Non-performing loans/total loans ⁽³⁾	0.80	0.81	
Under-performing assets/total loans ⁽³⁾	0.84	0.86	
<u>Asset Quality Ratios:</u>			
Nonaccrual loans/total loans ⁽²⁾			
Nonaccrual loans/total loans ⁽²⁾			
Nonaccrual loans/total loans ⁽²⁾		0.98 %	0.83 %
Under-performing assets/total loans ⁽²⁾			
Under-performing assets/total loans ⁽²⁾			
Under-performing assets/total loans ⁽²⁾			
Under-performing assets/total assets	Under-performing assets/total assets	0.56	0.57
Allowance for credit losses on loans/under-performing assets	Allowance for credit losses on loans/under-performing assets	111.64	113.74
Allowance for credit losses on loans/under-performing assets			
Allowance for credit losses on loans/under-performing assets			
Allowance for credit losses on loans/nonaccrual loans	Allowance for credit losses on loans/nonaccrual loans	116.31	127.50

Allowance for credit losses on loans/nonaccrual loans
Allowance for credit losses on loans/nonaccrual loans

(1) As a result of the adoption of ASU 2022-02 on January 1, 2023, the TDR classification is no longer applicable.

(2) Includes investment securities that fell below investment grade rating.

(3) (2) Loans exclude loans held-for-sale.

(4) Non-performing loans include nonaccrual loans and TDRs still accruing for periods prior to January 1, 2023.

Under-performing assets increased to \$272.3 million \$340.2 million at September 30, 2023 March 31, 2024, compared to \$267.0 million \$285.2 million at December 31, 2022 December 31, 2023. Under-performing assets as a percentage of total loans at September 30, 2023 March 31, 2024 were 0.84% 1.01%, a 215 basis point decrease increase from 0.86% at December 31, 2022 December 31, 2023.

Nonaccrual loans increased \$23.2 million \$53.8 million from December 31, 2022 December 31, 2023 to September 30, 2023 March 31, 2024 reflecting PCD loan the migration in the of certain commercial real estate portfolio credits as they progress to resolution. As a percentage of nonaccrual loans, the allowance for credit losses on loans was 116.31% 97.28% at September 30, 2023 March 31, 2024, compared to 127.50% 111.93% at December 31, 2022 December 31, 2023.

Total criticized and classified assets were \$1.7 billion \$1.8 billion at September 30, 2023 March 31, 2024, an increase of \$244.2 million \$70.8 million from December 31, 2022 December 31, 2023 primarily due to higher criticized and classified commercial real estate loans. Other classified assets include investment securities that fell below investment grade rating totaling \$49.0 million \$54.4 million at September 30, 2023 March 31, 2024, compared to \$24.7 million \$48.9 million at December 31, 2022 December 31, 2023.

Allowance for Credit Losses on Loans and Unfunded Commitments

Net charge-offs on loans totaled \$19.7 million \$11.8 million during the three months ended September 30, 2023 March 31, 2024, compared to \$7.6 million \$16.4 million for the same period in 2022 2023. Annualized, net charge-offs to average loans were 0.24% 0.14% for the three months ended September 30, 2023 March 31, 2024, compared to 0.10% 0.21% for the same period in 2022 2023. The three months ended September 30, 2023 March 31, 2024 included net recoveries charge-offs on PCD loans totaling \$0.5 million \$5.7 million, or (0.01)% 0.07% on an annualized basis of average loans,

compared to net charge-offs on PCD loans totaling \$6.2 million \$12.4 million, or 0.08% 0.16% on an annualized basis of average loans for the three months ended September 30, 2022. Net charge-offs on loans totaled \$46.2 million during the nine months ended September 30, 2023, compared to \$12.1 million for the same period in 2022. Annualized, net charge-offs to average loans were 0.19% for the nine months ended September 30, 2023, compared to 0.06% for the same period in 2022. The nine months ended September 30, 2023 included net charge-offs on PCD loans totaling \$17.3 million, or 0.07% on an annualized basis of average loans, compared to net charge-offs on PCD loans totaling \$10.7 million, or 0.05% on an annualized basis of average loans for the nine months ended September 30, 2022. In addition, the three and nine months ended September 30, 2023 included a \$12.2 million charge-off related to a single commercial credit that is not representative of broader credit concerns. Management will continue its efforts to reduce the level of non-performing loans and may consider the possibility of sales of troubled and non-performing loans, which could result in additional charge-offs to the allowance for credit losses on loans. 2023.

Credit quality within the loans held for investment portfolio is continuously monitored by management and is reflected within the allowance for credit losses on loans. The allowance for credit losses is an estimate of expected losses inherent within the Company's loans held for investment portfolio. Credit quality is assessed and monitored by evaluating various attributes and the results of those evaluations are utilized in underwriting new loans and in our process for estimating expected credit losses. Expected credit loss inherent in non-cancelable off-balance-sheet credit exposures is accounted for as a separate liability included in other liabilities on the balance sheet. The allowance for credit losses on loans held for investment and unfunded loan commitments is adjusted by a credit loss expense, which is reported in earnings, and reduced by the charge-off of loan amounts, net of recoveries. Accrued interest receivable is excluded from the estimate of credit losses.

The allowance for credit loss estimation process involves procedures to consider the unique characteristics of our loan portfolio segments. These segments are further disaggregated into loan classes based on the level at which credit risk of the loan is monitored. When computing the level of expected credit losses, credit loss assumptions are estimated using a model that categorizes loan pools based on loss history, delinquency status, and other credit trends and risk characteristics, including current conditions and reasonable and supportable forecasts about the future. Determining the appropriateness of the allowance is complex and requires judgment by management about the effect of matters that are inherently uncertain. In future periods, evaluations of the overall loan portfolio, in light of the factors and forecasts then prevailing, may result in significant changes in the allowance and credit loss expense in those future periods.

The allowance level is influenced by loan volumes, loan AQR migration or delinquency status, changes in historical loss experience, and other conditions influencing loss expectations, such as reasonable and supportable forecasts of economic conditions. The methodology for estimating the amount of expected credit losses reported in the allowance for credit losses on loans has two basic components: first, an asset-specific component involving individual loans that do not share risk characteristics with other loans and the measurement of expected credit losses for such individual loans; and second, a pooled component for estimated expected credit losses for pools of loans that share similar risk characteristics.

The allowance for credit losses on loans was \$304.0 million \$319.7 million at September 30, 2023 March 31, 2024, compared to \$303.7 million \$307.6 million at December 31, 2022 December 31, 2023. Continued loan growth in future periods, a decline in our current level of recoveries, or an increase in charge-offs could result in an increase in provision expense. Additionally, provision expense may be volatile due to changes in CECL model assumptions of credit quality, macroeconomic factors and conditions, and loan composition, which drive the allowance for credit losses balance.

We maintain an allowance for credit losses on unfunded loan commitments to provide for the risk of loss inherent in these arrangements. The allowance is computed using a methodology similar to that used to determine the allowance for credit losses on loans, modified to take into account the probability of a drawdown on the commitment. The allowance for credit losses on unfunded loan commitments is classified as a liability account on the balance sheet within accrued expenses and other liabilities, while the

corresponding provision for unfunded loan commitments is included in the provision for credit losses. The allowance for credit losses on unfunded loan commitments totaled \$33.0 million \$26.3 million at September 30, 2023 March 31, 2024, compared to \$32.2 million \$31.2 million at December 31, 2022 December 31, 2023.

See the section entitled "Risk Factors" in the Company's 2022 2023 Annual Report on Form 10-K for further discussion of our credit risk.

Market Risk

Market risk is the risk that the estimated fair value of our assets, liabilities, and derivative financial instruments will decline as a result of changes in interest rates or financial market volatility, or that our net income will be significantly reduced by interest rate changes.

The objective of our interest rate management process is to maximize net interest income while operating within acceptable limits established for interest rate risk and maintaining adequate levels of funding and liquidity.

Potential cash flows, sales, or replacement value of many of our assets and liabilities, especially those that earn or pay interest, are sensitive to changes in the general level of interest rates. This interest rate risk arises primarily from our normal business activities of gathering deposits and extending loans. Many factors affect our exposure to changes in interest rates, such as general economic and financial conditions, client preferences, historical pricing relationships, and re-pricing characteristics of financial instruments. Our earnings can also be affected by the monetary and fiscal policies of the U.S. Government and its agencies, particularly the Federal Reserve.

In managing interest rate risk, we establish guidelines for asset and liability management, including measurement of short and long-term sensitivities to changes in interest rates, which are reviewed with the Enterprise Risk Committee of our Board of Directors. Based on the results of our analysis, we may use different techniques to manage changing trends in interest rates including:

- adjusting balance sheet mix or altering interest rate characteristics of assets and liabilities;
- changing product pricing strategies;
- modifying characteristics of the investment securities portfolio; or
- using derivative financial instruments, to a limited degree.

A key element in our ongoing process is to measure and monitor interest rate risk using a model to quantify the likely impact of changing interest rates on Old National's results of operations. The model quantifies the effects of various possible interest rate scenarios on projected net interest income. The model measures the impact on net interest income relative to a base case scenario, scenario over a two-year cumulative horizon resulting from an immediate change in interest rates using multiple rate scenarios. The base case scenario assumes that the balance sheet and interest rates are held at current levels. The model shows our projected net interest income sensitivity based on interest rate changes only and does not consider other forecast assumptions. Due to the dynamics of future interest rate expectations, we also measure and monitor interest rate risk using the forward curve, which may be a more probable scenario of our interest rate exposure. The forward curve represents the relationship between the price of forward contracts and the time to maturity of the forward contracts at a point in time. Presentation of the forward curve model is included in the following table as of March 31, 2024.

The following table illustrates our projected net interest income sensitivity over a two-year cumulative horizon based on the asset/liability model at September 30, 2023 March 31, 2024 and 2022 2023:

Immediate Rate Decrease				Immediate Rate Increase				Immediate Rate Decrease				Immediate Rate Increase			
Immediate Rate Decrease		Immediate Rate Increase		Immediate Rate Decrease		Immediate Rate Increase		Immediate Rate Decrease		Immediate Rate Increase		Immediate Rate Decrease		Immediate Rate Increase	
(dollars in thousands)	(dollars in thousands)	-300 Basis Points	-200 Basis Points	-100 Basis Points	Base	+100 Basis Points	+200 Basis Points	+300 Basis Points	(dollars in thousands)	-300 Basis Points	-200 Basis Points	-100 Basis Points	Base	+100 Basis Points	+200 Basis Points
September 30, 2023															
March 31, 2024															
Projected interest income:	Projected interest income:														
Projected interest income:	Projected interest income:														
Money market, other interest earning investments, and investment securities	Money market, other interest earning investments, and investment securities														
Money market, other interest earning investments, and investment securities	Money market, other interest earning investments, and investment securities														

Money market, other interest earning investments, and investment securities	Money market, other interest earning investments, and investment securities	\$ 660,169	\$ 680,882	\$ 721,850	\$ 762,793	\$ 803,703
Money market, other interest earning investments, and investment securities						
Money market, other interest earning investments, and investment securities						
Loans						
Loans	Loans	2,715,952	2,885,275	3,225,849	3,560,475	3,894,295
Total interest income	Total interest income	3,376,121	3,566,157	3,947,699	4,323,268	4,697,998
Total interest income						
Projected interest expense:						
Projected interest expense:	Projected interest expense:					
Deposits	Deposits	106,667	166,603	372,461	578,311	784,154
Deposits	Deposits					
Borrowings	Borrowings	263,032	286,909	337,834	388,779	439,751
Total interest expense	Total interest expense	369,699	453,512	710,295	967,090	1,223,905
Total interest expense						
Total interest expense						
Net interest income						
Net interest income	Net interest income	\$3,006,422	\$3,112,645	\$3,237,404	\$3,356,178	\$3,474,093
Change from base	Change from base	\$ (106,223)	\$ 124,759	\$ 243,533	\$ 361,448	
Change from base						
Change from base						

% change from base	% change from base	(3.41)%	4.01 %	7.82 %	11.61 %
<hr/>					
<hr/>					

Our projected net interest income increased year over year due to loan growth and rising interest rates.

A key element in the measurement and modeling of interest rate risk is the re-pricing assumptions of our transaction deposit accounts, which have no contractual maturity dates. Because the models are driven by expected behavior in various interest rate scenarios and many factors besides market interest rates affect our net interest income, we recognize that model outputs are not guarantees of actual results. For this reason, we model many different combinations of interest rates and balance sheet assumptions to understand our overall sensitivity to market interest rate changes, including shocks, ramps, yield curve flattening, yield curve steepening, as well as forecasts of likely interest rate scenarios tested.

We use cash flow and fair value hedges, primarily interest rate swaps, collars, and floors, to mitigate interest rate risk. Derivatives designated as hedging instruments were in a net liability position with a fair value loss of ~~\$25.5~~ \$12.4 million and ~~\$36.1~~ million at September 30, 2023 and December 31, 2022 ~~March 31, 2024~~, respectively, compared to a net asset position with a fair value gain of \$4.5 million at

December 31, 2023. See Note 15 to the consolidated financial statements for further discussion of derivative financial instruments.

Liquidity Risk

Liquidity risk arises from the possibility that we may not be able to satisfy current or future financial commitments or may become unduly reliant on alternative funding sources. We establish liquidity risk guidelines that we review with the Enterprise Risk Committee of our Board of Directors and monitor through our Asset/Liability Executive Management Committee. The objective of liquidity management is to ensure we have the ability to fund balance sheet growth and meet deposit and debt obligations in a timely and cost-effective manner. Management monitors liquidity through a regular review of asset and liability maturities, funding sources, and loan and deposit forecasts. We maintain strategic and contingency liquidity plans to ensure sufficient available funding to satisfy requirements for balance sheet growth, to properly manage capital markets' funding sources, and to address unexpected liquidity requirements. On May 31, 2023, we filed an automatic shelf registration statement with the SEC that permits us to issue an unspecified amount of debt or equity securities.

Loan repayments and maturing investment securities are a relatively predictable source of funds. However, deposit flows, calls of investment securities, and prepayments of loans and mortgage-related securities are not as predictable as they are strongly influenced by interest rates, events at other banking organizations, the housing market, general and local economic conditions, and competition in the marketplace. We continually monitor marketplace trends to identify patterns that might improve the predictability of the timing of deposit flows or asset prepayments.

A maturity schedule for Old National Bank's time deposits is shown in the following table at ~~September 30, 2023~~ ~~March 31, 2024~~.

(dollars in thousands)	(dollars in thousands)	Maturity Bucket	Bucket	Amount	Rate				
2023		\$1,474,228	3.62 %						
<hr/>									
Maturity Bucket									
Maturity Bucket									
2024									
2024	2024	3,832,949	4.33	\$	4,898,915		4.54	4.54	%
2025	2025	151,114	1.66						
2026	2026	66,492	0.91						
2026									
2026									
2027	2027	34,479	0.70						
2027									
2027									
2028									
2028									
2028									
2027 and beyond									
2027 and beyond									
2027 and beyond	2027 and beyond	16,442	1.25						

Total	Total	\$5,575,704	4.00	%
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Total

\$	5,950,834	4.35	%
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Our ability to acquire funding at competitive prices is influenced by rating agencies' views of our credit quality, liquidity, capital, and earnings.

The credit ratings of Old National and Old National Bank at **September 30, 2023** **March 31, 2024** are shown in the following table.

	Moody's Investors Service	
	Long-term	Short-term
Old National	Baa1	N/A
Old National Bank	A1	P-1

Old National Bank maintains relationships in capital markets with brokers and dealers to issue certificates of deposit and short-term and medium-term bank notes as well. At **September 30, 2023** **March 31, 2024**, Old National and its subsidiaries had the following availability of liquid funds and borrowings:

(dollars in thousands)	(dollars in thousands)	Parent Company	Subsidiaries
Available liquid funds:	Available liquid funds:		
Cash and due from banks			
Cash and due from banks			
Cash and due from banks	Cash and due from banks	\$1,409,813	\$ 253,617
Unencumbered government-issued debt securities	Unencumbered government-issued debt securities	—	297,043
Unencumbered investment grade municipal securities	Unencumbered investment grade municipal securities	—	114,908
Unencumbered corporate securities	Unencumbered corporate securities	—	34,618
Availability of borrowings*:	Availability of borrowings*:		
Amount available from Federal Reserve discount window	Amount available from Federal Reserve discount window	—	875,670
Amount available from Federal Reserve Bank Term Funding Program	—	2,354,901	
Amount available from Federal Reserve discount window			
Amount available from Federal Reserve discount window			
Amount available from Federal Home Loan Bank			
Amount available from Federal Home Loan Bank			

Amount available from Federal Home Loan Bank	Amount available from Federal Home Loan Bank	—	5,536,299
Total available funds	Total available funds	\$1,409,813	\$ 9,467,056

* Based on collateral pledged

Old National Bancorp has routine funding requirements consisting primarily of operating expenses, dividends to shareholders, debt service, net derivative cash flows, and funds used for acquisitions. Old National Bancorp can obtain funding to meet its obligations from dividends and management fees collected from its subsidiaries, operating line of credit, and through the issuance of debt securities. Additionally, Old National Bancorp has a shelf registration in place with the SEC permitting ready access to the public debt and equity markets. At **September 30, 2023** **March 31, 2024**, Old National Bancorp's other borrowings outstanding were **\$481.0 million** **\$478.5 million**. Management believes the Company has the ability to generate and obtain adequate amounts of liquidity to meet its requirements in the short-term and the long-term.

Federal banking laws regulate the amount of dividends that may be paid by Old National Bank to Old National Bancorp on an unconsolidated basis without obtaining prior regulatory approval. Prior regulatory approval is required if dividends to be declared in any year would exceed net earnings of the current year plus retained net profits for the preceding two years. Prior regulatory approval to pay dividends was not required in **2022** **2023** and is not currently required.

CRITICAL ACCOUNTING ESTIMATES

Our most significant accounting policies are described in Note 1 to the consolidated financial statements included in our Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023**. Certain of these accounting policies require management to use significant judgment and estimates, which can have a material impact on the carrying value of certain assets and liabilities. We consider these policies to be our critical accounting estimates. The judgment and assumptions made are based upon historical experience, future forecasts, or other factors that management believes to be reasonable under the circumstances. Because of the nature of the judgment and assumptions, actual results could differ from estimates, which could have a material effect on our financial condition and results of operations.

For additional information regarding critical accounting estimates, see the section titled "Critical Accounting Estimates" included in Item 7 of our Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023**. There have been no material changes in the Company's application of critical accounting estimates since **December 31, 2022** **December 31, 2023**.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See Management's Discussion and Analysis of Financial Condition and Results of Operations – Market Risk and Liquidity Risk.

ITEM 4. CONTROLS AND PROCEDURES

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Evaluation of Disclosure Controls and Procedures. Old National's principal executive officer and principal financial officer have concluded that Old National's disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended), based on their evaluation of these controls and procedures as of the end of the period covered by this quarterly report on Form 10-Q, are effective at the reasonable assurance level as discussed below to ensure that information required to be disclosed by Old National in the reports it files under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and that such information is accumulated and communicated to Old National's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Limitations on the Effectiveness of Controls. Management, including **our** **the** principal executive officer and principal financial officer, does not expect that Old National's disclosure controls and internal controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls.

The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be only reasonable assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, the system of controls may become inadequate because of changes in conditions or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Changes in Internal Control over Financial Reporting. There were no changes in Old National's internal control over financial reporting that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, Old National's internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1A. RISK FACTORS

There have been no material changes from the risk factors disclosed in the section entitled "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023**.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(c) ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽²⁾	Maximum Dollar Value of Shares that		
				Period	Total Number of Shares Purchased ⁽¹⁾	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans
					Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽²⁾
Period	Purchased ⁽¹⁾	Share	or Programs ⁽²⁾	Period	Purchased ⁽¹⁾	Share
07/01/23	01/24 -			07/01/23	27,973	1,208
07/01/23	24	\$14.01	16.91	07/01/23	24	—
08/02/01/23	24			08/31/23	229,379	\$16.76
08/31/23	02/29/24			08/31/23	229,379	16.53
09/03/01/23	24			09/30/23	3,479	203,382
09/30/23	03/31/24			09/30/23	3,479	\$15.79
				Total	31,755	433,969
					\$14.24	16.55
						—
						\$170,476,849
						200,000,000

(1) Consists of shares acquired pursuant to the Company's share-based incentive programs. Under the terms of the Company's share-based incentive programs, the Company accepts previously owned shares of common stock surrendered to satisfy tax withholding obligations associated with the vesting of restricted stock. **Stock or performance shares earned.**

(2) On **February 22, 2023** **February 21, 2024**, the Company issued a press release announcing that its Company's Board of Directors approved a stock repurchase program, that authorizes **under which the Company is authorized** to repurchase up to \$200 million of the Company's outstanding shares of common stock as conditions warrant, through **February 28, 2025**. This stock repurchase program replaced the prior \$200 million program that **expired on February 29, 2024**.

ITEM 5. OTHER INFORMATION

(a) None

(b) There have been no material changes in the procedure by which security holders recommend nominees to the Company's board of directors.

(c) During the three months ended **September 30, 2023** **March 31, 2024**, no director or Section 16 officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

ITEM 6. EXHIBITS

Exhibit No.	Description
2.1	Agreement and Plan of Merger dated as of October 26, 2023 by and between Old National and CapStar Financial Holdings, Inc. (the schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K) (incorporated by reference to Exhibit 2.1 of Old National's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 31, 2023).
3.1	Fifth Amended and Restated Articles of Incorporation of Old National, amended April 30, 2020 (incorporated by reference to Exhibit 3.1 of Old National's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 18, 2020).
3.2	Articles of Amendment to the Fifth Amended and Restated Articles of Incorporation of Old National authorizing additional shares of Old National capital stock (incorporated by reference to Exhibit 3.2 of Old National's Current Report on Form 8-K filed with the Securities and

	Exchange Commission on February 16, 2022).
3.3	Articles of Amendment to the Fifth Amended and Restated Articles of Incorporation of Old National designating the New Old National Series A Preferred Stock (incorporated by reference to Exhibit 3.3 of Old National's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 16, 2022).
3.4	Articles of Amendment to the Fifth Amended and Restated Articles of Incorporation of Old National designating the New Old National Series C Preferred Stock (incorporated by reference to Exhibit 3.4 of Old National's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 16, 2022).
3.5	Amended and Restated By-Laws of Old National, amended April 20, 2020 February 21, 2024 (incorporated by reference to Exhibit 3.23.1 of Old National's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 18, 2020 February 27, 2024).
	Amendment to Amended and Restated By-Laws of Old National (incorporated by reference to Exhibit 3.6 of Old National's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 16, 2022).
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following materials from Old National's Form 10-Q Report for the quarterly period ended September 30, 2023 March 31, 2024 , formatted in inline XBRL: (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Income, (Loss), (iii) the Consolidated Statements of Comprehensive Income (Loss), (iv) the Consolidated Statements of Changes in Shareholders' Equity, (v) the Consolidated Statements of Cash Flows, and (vi) the Notes to Consolidated Financial Statements.
104	The cover page from Old National's Form 10-Q Report for the quarterly period ended September 30, 2023 March 31, 2024 , formatted in inline XBRL and contained in Exhibit 101.
	SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

OLD NATIONAL BANCORP

(Registrant)

By: /s/ Brendon B. Falconer John V. Moran, IV

Brendon B. Falconer John V. Moran, IV

Senior Executive Vice President, Interim Chief

Financial Officer,

and Chief Financial Strategy Officer

Duly Authorized Officer and Principal Financial
Officer

Date: November 1, 2023 May 1, 2024

7868

Exhibit 31.1

FORM OF SECTION 302 CERTIFICATION

I, James C. Ryan, III, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Old National Bancorp;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15 (e) and 15d-15 (e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

- c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November May 1, 2023 2024

By: /s/ James C. Ryan, III

James C. Ryan, III

Chairman and Chief Executive Officer

(Principal Executive Officer)

Exhibit 31.2

FORM OF SECTION 302 CERTIFICATION

I, Brendon B. Falconer, John V. Moran, IV certify that:

1. I have reviewed this quarterly report on Form 10-Q of Old National Bancorp;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15 (e) and 15d-15 (e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November May 1, 2023 2024

By: /s/ Brendon B. Falconer John V. Moran, IV

Brendon B. Falconer John V. Moran, IV
Executive Vice President, Interim Chief Financial Officer, and Chief Strategy Officer
(Principal Financial Officer)

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Old National Bancorp (the "Company") on Form 10-Q for the quarter ending September 30, 2023 March 31, 2024 as filed with the

Securities and Exchange Commission on the date hereof (the "Report"), I, James C. Ryan, III, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ James C. Ryan, III

James C. Ryan, III

Chairman and Chief Executive
Officer

(Principal Executive Officer)

Date: November 1, 2023 May 1,
2024

Exhibit 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Old National Bancorp (the "Company") on Form 10-Q for the quarter ending September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brendon B. Falconer, John V. Moran, IV, Executive Vice President, Interim Chief Financial Officer, and Chief Strategy Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Brendon B. Falconer John V.
Moran, IV

Brendon B. Falconer John V.

Moran, IV

Executive Vice President, Interim
Chief Financial Officer, and Chief
Strategy Officer

(Principal Financial Officer)

Date: November 1, 2023 May 1,
2024

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