

Old National Bancorp
Basel III Pillar 3 Regulatory Capital Disclosures
December 31, 2024

OLD NATIONAL BANCORP
DECEMBER 31, 2024 BASEL III PILLAR 3 REGULATORY CAPITAL DISCLOSURES
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GLOSSARY OF ABBREVIATIONS AND ACRONYMS

The acronyms and abbreviations identified below are used throughout this report.

Acronym/Abbreviation	Definition
AOCI	Accumulated other comprehensive income (loss)
Basel Committee	Basel Committee on Banking Supervision
BHC Act	Bank Holding Company Act of 1956, as amended
Bremer	Bremer Financial Corporation
Capital Rules	Final rules establishing a new comprehensive capital framework for U.S. banking organizations
CECL	Current expected credit losses
CET1	Common Equity Tier 1 Capital, defined by Basel III capital rules
CFR	Code of Federal Regulation
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010
FDIA	Federal Deposit Insurance Act
FDIC	Federal Deposit Insurance Corporation
Federal Reserve	Board of Governors of the Federal Reserve System
FHLB	Federal Home Loan Bank
GAAP	U.S. Generally Accepted Accounting Principles
Merger	Merger between Old National and Bremer
OCC	Office of the Comptroller of the Currency
Old National Bank or the Bank	Old National Bank, a wholly owned subsidiary of Old National Bancorp
Old National or the Company	Old National Bancorp, collectively with its consolidated subsidiaries
OTC	Over-the-counter
SEC	U.S. Securities and Exchange Commission

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 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 words such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “guidance,” “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, including, but 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; the failure to obtain necessary regulatory approvals for the Merger (and the risk that such approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the proposed transaction) and the possibility that the Merger does not close when expected or at all because required regulatory approvals, the approval by Bremer’s shareholders, or other approvals and the other conditions to closing are not received or satisfied on a timely basis or at all; the occurrence of any event, change or other circumstances that could give rise to the right of one or both of the parties to terminate the merger agreement between Old National and Bremer; the expected cost savings, synergies, and other financial benefits from the Merger 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 the Merger; the impact of purchase accounting with respect to the Merger, or any change in the assumptions used regarding the assets acquired and liabilities assumed to determine their fair value and credit marks; risks relating to the potential dilutive effect of shares of Old National’s common stock to be issued in the Merger; the potential impact of future business combinations on our performance and financial condition, including our ability to successfully integrate the businesses, the success of revenue-generating and cost reduction initiatives and the diversion of management’s attention from ongoing business operations and opportunities; 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. Old National does not undertake an obligation to update these forward-looking statements to reflect events or 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 Item 1A of Part I of Old National’s 2024 Form 10-K and our other filings with the SEC.

Organization

Old National Bancorp, the financial holding company of Old National Bank, our wholly owned banking subsidiary, is incorporated in the state of Indiana, is the sixth largest Midwestern-headquartered bank by asset size with consolidated assets of \$53.6 billion at December 31, 2024, and ranks among the top 30 banking companies headquartered in the United States. The Company's corporate headquarters and principal executive office are located in Evansville, Indiana with commercial and consumer banking operations headquartered in Chicago, Illinois. Through our wholly owned banking subsidiary and non-bank affiliates, we provide a wide range of services primarily throughout the Midwest and Southeast regions of the United States. In addition to providing extensive services in consumer and commercial banking, Old National offers comprehensive wealth management and capital markets services.

Old National is subject to extensive and comprehensive regulation under federal and state laws. The regulatory framework is intended primarily for the protection of depositors, federal deposit insurance funds, and the banking system as a whole and not for the protection of shareholders or non-depository creditors.

As a bank holding company and financial holding company, Old National Bancorp is subject to supervision, examination and regulation by the Federal Reserve under the BHC Act, and is required to file reports with the Federal Reserve and to provide the Federal Reserve any additional information it may require. As a national bank, Old National Bank is subject to primary regulation, supervision, and examination by the OCC.

Regulatory Capital Standards and Disclosures

Capital Requirements. Old National Bancorp and Old National Bank are each required to comply with certain risk-based capital and leverage requirements under capital rules adopted by the Federal Reserve, the OCC, and the FDIC (the "Basel III Capital Rules"). These rules implement the Basel III framework set forth by the Basel Committee as well as certain provisions of the Dodd-Frank Act.

The Basel III Capital Rules define qualifying capital instruments and specify minimum amounts of capital as a percentage of assets that banking organizations are required to maintain. Under the Basel III Capital Rules, risk-based capital ratios are calculated by dividing CET1 capital, Tier 1 capital and total risk-based capital, respectively, by risk-weighted assets. Assets and off-balance sheet credit equivalents are assigned a risk weight based primarily on supervisory assessments of relative credit risk.

Under the Basel III Capital Rules, the Company and Old National Bank are each required to maintain the following:

- A minimum ratio of CET1 to risk-weighted assets of 4.5%, plus a 2.5% "capital conservation buffer" that is composed entirely of CET1 capital (effectively resulting in a minimum ratio of CET1 to risk-weighted assets of 7.0%).
- A minimum ratio of Tier 1 capital to risk-weighted assets of 6.0%, plus the capital conservation buffer (effectively resulting in a minimum Tier 1 capital ratio of 8.5%).
- A minimum ratio of total capital (Tier 1 capital plus Tier 2 capital) to risk-weighted assets of 8.0%, plus the capital conservation buffer (effectively resulting in a minimum total capital ratio of 10.5%).
- A minimum leverage ratio of 4.0%, calculated as the ratio of Tier 1 capital to average assets.

The capital conservation buffer is designed to absorb losses during periods of economic stress. Banking institutions with a ratio of CET1 to risk-weighted assets above the minimum, but below the conservation buffer, will face constraints on dividends, equity repurchases, and compensation based on the amount of the shortfall and the institution's "eligible retained income" (that is, the greater of (i) net income for the preceding four quarters, net of distributions and associated tax effects not reflected in net income and (ii) average net income over the preceding four quarters).

The Basel III Capital Rules also provide for a number of deductions from and adjustments to CET1 capital. As a "non-advanced approaches" firm under the Basel III Capital Rules, the Company is subject to rules that provide for simplified capital requirements relating to the threshold deductions for mortgage servicing assets, deferred tax assets arising from temporary differences that a banking organization could not realize through net operating loss carry backs, and investments in the capital of unconsolidated financial institutions, as well as the inclusion of minority interests in regulatory capital.

The Company and Old National Bank, as non-advanced approaches banking organizations under the Basel III Capital Rules, made a one-time permanent election to exclude the effects of certain AOCI items included in shareholders' equity under GAAP in determining regulatory capital ratios.

In December 2017, the Basel Committee published standards that it described as the finalization of the Basel III post-crisis regulatory reforms. Among other things, these standards revise the Basel Committee's standardized approach for credit risk (including the recalibration of risk weights and introducing new capital requirements for certain "unconditionally cancellable commitments," such as unused credit card lines of credit) and provide a new standardized approach for operational risk capital. Under the current U.S. capital rules, operational risk capital requirements and a capital floor apply only to advanced approaches banking organizations, and therefore not to the Company or Old National Bank.

On July 27, 2023, the federal banking regulators proposed revisions to the Basel III Capital Rules to implement the Basel Committee's 2017 standards and make other changes to the Basel III Capital Rules. The proposal introduces revised credit risk, equity risk, operational risk, credit valuation adjustment risk, and market risk requirements, among other changes. However, the revised capital requirements of the proposed rule would not apply to the Company or Old National Bank because they have less than \$100 billion in total consolidated assets and trading assets and liabilities below the threshold for market risk requirements. The Federal Reserve has indicated that it expects to work with the other federal banking regulators in 2025 on a revised proposal.

Prompt Corrective Action. The FDIA requires the federal banking agencies to take "prompt corrective action" for depository institutions that do not meet the minimum capital requirements described above. The FDIA includes the following five capital categories: "well-capitalized," "adequately capitalized," "undercapitalized," "significantly undercapitalized" and "critically undercapitalized." An insured depository institution is considered:

- "Well-capitalized" if the institution has a total risk-based capital ratio of 10.0% or greater, a Tier 1 risk-based capital ratio of 8.0% or greater, a CET1 capital ratio of 6.5% or greater, and a leverage ratio of 5.0% or greater, and is not subject to any order or written directive by any such regulatory authority to meet and maintain a specific capital level for any capital measure.
- "Adequately capitalized" if the institution has a total risk-based capital ratio of 8.0% or greater, a Tier 1 risk-based capital ratio of 6.0% or greater, a CET1 capital ratio of 4.5% or greater, and a leverage ratio of 4.0% or greater and is not "well-capitalized."
- "Undercapitalized" if the institution has a total risk-based capital ratio of less than 8.0%, a Tier 1 risk-based capital ratio of less than 6.0%, a CET1 capital ratio of less than 4.5%, or a leverage ratio of less than 4.0%.
- "Significantly undercapitalized" if the institution has a total risk-based capital ratio of less than 6.0%, a Tier 1 risk-based capital ratio of less than 4.0%, a CET1 capital ratio of less than 3.0% or a leverage ratio of less than 3.0%.
- "Critically undercapitalized" if the institution's tangible equity is equal to or less than 2.0% of average quarterly tangible assets.

An institution may be downgraded to, or deemed to be in, a capital category that is lower than indicated by its capital ratios if it is determined to be in an unsafe or unsound condition or if it receives an unsatisfactory examination rating for certain matters. A bank's capital category is determined solely for the purpose of applying prompt corrective action regulations, and the capital category may not constitute an accurate representation of the bank's overall financial condition or prospects for other purposes. As of December 31, 2024, Old National Bank's capital ratios were all in excess of the minimum requirements for "well-capitalized" status under such rules.

The federal banking regulators must take certain mandatory supervisory actions, and are authorized to take other discretionary actions, with respect to institutions that are less than adequately capitalized, with supervisory actions progressively becoming more restrictive as the institution's capital category declines. Supervisory actions include: (i) restrictions on payment of capital distributions and management fees, (ii) requirements that a federal bank regulator monitor the condition of the institution and its efforts to restore its capital, (iii) submission of a capital restoration plan, (iv) restrictions on the growth of the institution's assets and (v) requirements for prior regulatory approval of certain expansion proposals. A bank that is "critically undercapitalized" will be subject to further restrictions and generally will be placed in conservatorship or receivership within 90 days.

The FDIA prohibits an insured depository institution from accepting brokered deposits or offering interest rates on any deposits significantly higher than the prevailing rate in the bank's normal market area or nationally (depending upon where the deposits are solicited), unless it is well-capitalized or is adequately capitalized and receives a waiver from the FDIC. A depository institution that is adequately capitalized and accepts brokered deposits under a waiver from the FDIC may not pay an interest rate on any deposits in excess of 75 basis points over certain prevailing market areas.

The FDIA's prompt corrective action provisions apply only to depository institutions, and not to bank holding companies. Under the Federal Reserve's regulations, a bank holding company is considered "well capitalized" if the bank holding company (i) has a total risk based capital ratio of at least 10%, (ii) has a Tier 1 risk-based capital ratio of at least 6%, and (iii) is not subject to any written agreement order, capital directive or prompt corrective action directive to meet and maintain a specific capital level for any capital measure. Although prompt corrective action regulations apply only to depository institutions and not to bank holding companies, a bank that is required to submit a capital restoration plan generally must concurrently submit a performance guarantee by its parent holding company. The liability of the parent holding company under any such guarantee is limited to the lesser of five percent of the bank's assets at the time it became "undercapitalized", or the amount needed to comply.

Disclosures. The qualitative and quantitative disclosures in this report regarding Old National's capital structure, capital adequacy, risk exposures, risk-weighted assets, and market risk are based on management's current understanding of Basel III as described in Title 12 CFR Subsections 61-63 and other factors, which may be subject to change as additional clarification and implementation guidance is received from regulators and the interpretation of the rule evolves over time. The disclosures were reviewed and approved in accordance with Old National's financial reporting disclosure policy, which has been approved by Old National's Board of Directors.

These Regulatory Capital Disclosures should be read in conjunction with Old National's 2024 Form 10-K as well as the Consolidated Financial Statements for Holding Companies - FR Y-9C dated December 31, 2024. The Regulatory Capital Disclosures Matrix presented in Appendix 1 specifies where all disclosures required by the Basel III Capital Rules are located.

Scope of Application

Old National's basis of consolidation for both financial and regulatory reporting purposes conforms to U.S. GAAP and prevailing practices within the banking industry. Additionally, where applicable, the policies conform to the accounting and reporting guidelines prescribed by bank regulatory authorities. Some of Old National's equity investments accounted for under either the proportional method, equity method, or cost method are neither consolidated nor deducted from regulatory capital under Basel III, but instead are assigned an appropriate risk weight. There are no entities within Old National that are deconsolidated or whose capital is deducted for Basel III. As of December 31, 2024, total capital for Old National and Old National Bank exceeded their respective minimum required regulatory capital amount. For additional information about Old National's basis of presentation and consolidation, see Note 1, Basis of Presentation and Significant Accounting Policies, to the consolidated financial statements included in Item 8 of Part II of Old National's 2024 Form 10-K.

Transactions with Affiliates. Any transactions between Old National Bank and its subsidiaries and Old National Bancorp or any other subsidiary of Old National Bancorp are regulated under federal banking law. The Federal Reserve Act imposes quantitative and qualitative requirements and collateral requirements on covered transactions by Old National Bank with, or for the benefit of, its affiliates, and generally requires those transactions to be on terms at least as favorable to Old National Bank as would be a transaction conducted between unaffiliated third-parties. For further information, see "Transactions with Affiliates" in Item 1 of Part I of Old National's 2024 Form 10-K.

Dividends Limitations. A substantial portion of Old National Bancorp's revenue is derived from dividends paid to it by Old National Bank. Under OCC regulations, national banks generally may not declare a dividend in excess of the bank's undivided profits or, absent OCC approval, if the total amount of dividends declared by the national bank in any calendar year exceeds the total of the national bank's retained net income year-to-date combined with its retained net income for the preceding two years. For further information, see "Dividends Limitations" in Part I, Item 1 and Note 21, "Regulatory Restrictions" of Old National's 2024 Form 10-K.

Share Repurchase Program. On February 19, 2025, the Company's Board of Directors approved a stock repurchase program, under which the Company is authorized to repurchase up to \$200 million of its outstanding common stock through February 28, 2026. Share repurchases under this program may be made from time to time on the open market, in privately negotiated transactions, or through accelerated share repurchase programs in the discretion of, and at prices to be determined by, the Company.

Capital Structure

Old National has issued a variety of capital instruments to meet its regulatory capital requirements and business interests. Old National's current qualifying regulatory capital instruments consist of common stock that qualifies as CET1, non-cumulative perpetual preferred stock that qualifies as additional Tier 1 capital, and subordinated debt that qualifies as Tier 2 capital. Each share of common stock is entitled to one vote on all matters submitted to a vote of shareholders. Except as otherwise required by law or provided in any resolution adopted by the Board with respect to any series of preferred stock, the holders of common stock possess all voting power. Holders of shares of common stock do not have cumulative voting rights. In the event of any liquidation, dissolution, or winding up of the Company, holders of shares of common stock are entitled to ratable distribution of the remaining assets available for distribution to shareholders, subject to the rights of any outstanding series of preferred stock. Each depository share of Old National's preferred stock entitles the holder to proportional rights and preferences (including dividend, voting, redemption, and liquidation rights).

The Company and Old National Bank, as non-advanced approaches banking organizations under the Basel III Capital Rules, made a one-time permanent election to exclude the effects of certain AOCI items included in shareholders' equity under GAAP in determining regulatory capital ratios.

Table 2: Reconciliation of shareholders' equity to total capital

The following table reconciles total shareholders' equity to the amount of CET1 capital, tier 1 capital, and total regulatory capital.

(dollars in thousands)	Old National Bancorp	Old National Bank
December 31, 2024		
Preferred stock	\$ 230,500	\$ —
Common stock	318,980	65,069
Capital surplus	4,570,865	4,916,366
Retained earnings	1,966,048	1,923,270
Accumulated other comprehensive income (loss), net of tax	(746,043)	(745,563)
Total shareholders' equity	6,340,350	6,159,142
Less: Preferred stock, including related capital surplus	(243,719)	—
Add: CECL transition	9,008	9,008
Total common shareholders' equity	6,105,639	6,168,150
Less adjustments and deductions:		
Goodwill and intangibles, net of associated deferred tax liabilities	(2,252,930)	(2,163,962)
Deferred tax assets	(11,078)	(7,110)
AOCI-related adjustments	746,043	745,563
Total CET1 capital	4,587,674	4,742,641
Add: Preferred stock, including related capital surplus	243,719	—
Total Tier 1 capital	4,831,393	4,742,641
Qualifying subordinated debt	196,643	—
Allowance for credit losses included in Tier 2 capital	360,846	360,846
Tier 2 capital	557,489	360,846
Total regulatory capital	\$ 5,388,882	\$ 5,103,487

Further details about Old National's regulatory capital can be found in Schedule HC-R to the December 31, 2024 Consolidated Financial Statements for Holding Companies – Form FR Y-9C.

Capital Adequacy

Capital Adequacy Process. Old National and the banking industry are subject to various regulatory capital requirements administered by the federal banking agencies. Management routinely analyzes Old National's capital to ensure an optimized capital structure. Accordingly, such evaluations may result in Old National taking a capital action. 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-weighted Assets

Table 3-1: Risk-weighted assets by exposure type

The following table presents risk-weighted assets by exposure type, using the categorization based on the standardized definitions and per the Basel III requirements.

(dollars in thousands)	Old National Bancorp	Old National Bank
December 31, 2024		
Cash and balances due from depository institutions	\$ 24,566	\$ 24,566
Exposures to state and local governments in the U.S.	1,965,660	1,965,660
Corporate exposures	370,571	289,502
Residential mortgage exposures	6,055,482	6,054,482
High volatility commercial real estate loans	123,171	123,171
Past due loans	478,436	478,436
Other loan exposure, including held-for-sale	24,021,917	24,021,917
Other assets	2,840,719	2,778,035
Separate account bank-owned life insurance	188,233	153,947
Securitization exposures	4,869	4,869
Standby letters of credit	165,150	165,150
Unused and cancellable commitments	3,795,268	3,795,268
Derivatives	275,198	275,198
Other off-balance sheet items	5,566	5,566
Total risk-weighted assets	\$ 40,314,805	\$ 40,135,767

Further details about Old National's risk-weighted assets can be found in Schedule HC-R to Old National's December 31, 2024 Consolidated Financial Statements for Holding Companies – Form FR Y-9C.

Risk-based Capital Ratios

Old National and Old National Bank are subject to various regulatory capital requirements administered by federal banking agencies. Failure to meet minimum capital requirements can elicit certain mandatory actions by regulators that, if undertaken, could have a direct material effect on Old National's financial statements.

Table 3-2: Summary of regulatory capital positions and ratios

The following table summarizes capital ratios for Old National and Old National Bank:

	Actual		Regulatory Minimum ⁽¹⁾		Prompt Corrective Action "Well Capitalized" Guidelines ⁽²⁾	
(dollars in thousands)	Amount	Ratio	Amount	Ratio	Amount	Ratio
December 31, 2024						
CET1 capital to risk-weighted assets						
Old National Bancorp	\$ 4,587,674	11.38 %	\$ 2,822,036	7.00 %	N/A	N/A
Old National Bank	\$ 4,742,641	11.82 %	\$ 2,809,504	7.00 %	\$ 2,608,825	6.50 %
Tier 1 capital to risk-weighted assets						
Old National Bancorp	\$ 4,831,393	11.98 %	\$ 3,426,758	8.50 %	\$ 2,418,888	6.00 %
Old National Bank	\$ 4,742,641	11.82 %	\$ 3,411,540	8.50 %	\$ 3,210,861	8.00 %
Total capital to risk-weighted assets						
Old National Bancorp	\$ 5,388,882	13.37 %	\$ 4,233,054	10.50 %	\$ 4,031,480	10.00 %
Old National Bank	\$ 5,103,487	12.72 %	\$ 4,214,255	10.50 %	\$ 4,013,577	10.00 %
Tier 1 capital to average assets (leverage ratio)						
Old National Bancorp	\$ 4,831,393	9.21 %	\$ 2,097,820	4.00 %	N/A	N/A
Old National Bank	\$ 4,742,641	9.07 %	\$ 2,090,427	4.00 %	\$ 2,613,033	5.00 %

(1) "Regulatory Minimum" capital ratios include the 2.5% "capital conservation buffer" required under the Basel III Capital Rules.

(2) "Well-capitalized" minimum common equity Tier 1 capital to risk-weighted assets and Tier 1 capital to average assets ratios are not formally defined under applicable banking regulations for bank holding companies.

At December 31, 2024, Old National and Old National Bank each exceeded the capital ratios required to be considered "well-capitalized" under applicable regulations. There have been no events since December 31, 2024 that management believes have changed the capital adequacy classification of Old National or Old National Bank.

Capital Conservation Buffer

Under the Basel III Capital Rules, the Company and Old National Bank are each required to have a minimum capital conservation buffer of 2.5% above the minimum required risk-weighted asset ratios. The capital conservation buffer is designed to absorb losses during periods of economic stress. Banking institutions with a ratio of CET1 to risk-weighted assets above the minimum, but below the conservation buffer, will face constraints on dividends, equity repurchases, and compensation based on the amount of the shortfall and the institution's "eligible retained income" (that is, the greater of (i) net income for the preceding four quarters, net of distributions and associated tax effects not reflected in net income and (ii) average net income over the preceding four quarters). The capital conservation buffer is calculated as the lowest of the (i) CET1 ratio less minimum CET1 requirement, (ii) Tier 1 ratio less minimum Tier 1 requirement and (iii) Total capital ratio less minimum Total capital requirement. Old National Bancorp and Old National Bank had \$523.1 million and \$584.2 million, respectively, of eligible retained income as of December 31, 2024.

Table 4: Capital conservation buffer

The following table presents the calculation of the capital conservation buffer.

(dollars in thousands)	Old National Bancorp	Old National Bank
December 31, 2024		
CET1 capital	11.38 %	11.82 %
Less: stated minimum requirement	4.50 %	4.50 %
	6.88 %	7.32 %
Tier 1 capital	11.98 %	11.82 %
Less: stated minimum requirement	6.00 %	6.00 %
	5.98 %	5.82 %
Total capital	13.37 %	12.72 %
Less: stated minimum requirement	8.00 %	8.00 %
	5.37 %	4.72 %
Capital conservation buffer (lowest of subtotals above)	5.37 %	4.72 %

Credit Risk

Old National has adopted a Risk Appetite Statement to enable our Board of Directors, Enterprise Risk Committee of our Board, Executive Leadership Team, and Senior Management to better assess, understand, monitor, and mitigate Old National's risks. Our Chief Risk Officer provides quarterly reports to the Board's Enterprise Risk Committee on various risk topics. 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. Community-based lending personnel, along with region-based independent underwriting and analytic support staff, extend credit under guidelines established and administered by management and overseen by our Enterprise Risk Committee. This committee, which meets quarterly, is made up of independent outside directors. The committee monitors credit quality through its general review of information such as delinquencies, credit exposures, peer comparisons, problem loans, and charge-offs. In addition, the committee provides oversight of loan policy changes as recommended by management with the objective of maintaining an appropriate lending policy for the current lending environment. For a more comprehensive discussion of our risks, see the "Risk Factors" section in Part I, Item 1A of Old National's 2024 Form 10-K.

Old National's business depends on the creditworthiness of our clients. We maintain allowances for credit losses for loans and debt securities to provide for defaults and nonperformance, which represent an estimate of expected losses over the remaining contractual lives of the loan and debt security portfolios. This estimate is the result of our continuing evaluation of specific credit risks and loss experience, current loan and debt security portfolio quality, present economic, political, and regulatory conditions, industry concentrations, reasonable and supportable forecasts for future conditions, and other factors that may indicate losses. The determination of the appropriate levels of the

allowances for loan and debt security credit losses inherently involves a high degree of subjectivity and judgment and requires us to make estimates of current credit risks and future trends, all of which may undergo material changes. Generally, our nonperforming loans, other real estate owned, and other repossessed property reflect operating difficulties of individual borrowers and weaknesses in the economies of the markets we serve. The allowances may not be adequate to cover actual losses, and future allowance for credit losses could materially and adversely affect our financial condition, results of operations, and cash flows.

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.

Any loans that are modified are reviewed by Old National to identify if a financial difficulty modification has occurred, which is when Old National 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.

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 (unfunded loan commitments) 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. For further discussion regarding the evaluation of the allowance for credit losses on loans, see Note 1 "Basis of Presentation and Significant Accounting Policies" in Part II, Item 8 of Old National's 2024 Form 10-K.

Table 5-1: Geographic distribution of loan exposures

The following table presents the distribution of loan exposures by state.

(dollars in thousands)	Commercial	Commercial Real Estate	Residential Real Estate	Consumer	Total Loans	Percent of Total
December 31, 2024						
Illinois	\$ 4,657,081	\$ 3,933,253	\$ 1,399,215	\$ 1,092,106	\$ 11,081,655	24 %
Indiana	2,712,124	2,055,127	1,090,964	1,768,395	7,626,610	16
Minnesota	1,594,598	2,333,372	618,314	438,254	4,984,538	11
Wisconsin	1,313,368	2,394,023	492,205	345,655	4,545,251	10
Michigan	930,406	1,513,306	673,443	544,477	3,661,632	8
Tennessee	691,652	1,435,617	212,057	532,159	2,871,485	6
Kentucky	489,529	638,405	275,160	483,613	1,886,707	4
Florida	278,604	463,802	380,676	65,068	1,188,150	2
Texas	371,676	315,941	260,126	22,153	969,896	2
California	228,846	27,308	417,028	61,960	735,142	1
Ohio	381,141	382,840	5,990	18,181	788,152	2
Other	2,463,772	2,756,665	1,102,599	176,461	6,499,497	14
Total	\$ 16,112,797	\$ 18,249,659	\$ 6,927,777	\$ 5,548,482	\$ 46,838,715	100 %

Table 5-2: Loans and related commitments by industry⁽¹⁾

The following table presents the credit exposure of loans by industry.

(dollars in thousands)	Exposure	Percent of Total Loan Exposure
December 31, 2024		
Commercial:		
Manufacturing	\$ 2,884,035	6 %
Health care and social assistance	1,982,352	4
Real estate rental and leasing	1,500,570	3
Wholesale trade	1,480,859	3
Construction	1,680,577	4
Finance and insurance	1,018,320	2
Accommodation and food services	679,087	1
Professional, scientific, and technical services	987,800	2
Transportation and warehousing	597,413	1
Administrative and support and waste management and remediation services	573,061	1
Retail trade	554,620	1
Agriculture, forestry, fishing, and hunting	391,072	1
Educational services	372,777	1
Other services	366,265	1
Public administration	191,005	1
Other	852,984	2
Total commercial loans	16,112,797	34
Commercial real estate:		
Multifamily	6,752,819	14
Warehouse / Industrial	3,331,289	7
Retail	2,372,912	5
Office	2,256,299	5
Senior housing	872,162	2
Single family	545,717	1
Other	2,118,461	5
Total commercial real estate loans	18,249,659	39
Residential real estate	6,927,777	15
Consumer:		
Home equity	3,656,504	8
Other	1,891,978	4
Total consumer loans	5,548,482	12
Total	\$ 46,838,715	100 %

(1) Industry is defined as two-digit NAICS industry code for commercial loans, property type for the commercial real estate loans, and product type for residential real estate and consumer loans.

Table 5-3: Remaining contractual maturity by exposure type

The following table presents the remaining contractual maturity by exposure type.

(dollars in thousands)	1 Year or Less	After 1 - 5 Years	After 5 - 15 Years	After 15 Years	Netting	Total
December 31, 2024						
Cash and cash equivalents	\$ 1,227,968	\$ —	\$ —	\$ —	\$ —	\$ 1,227,968
Debt securities	192,182	2,534,606	6,850,249	836,303	—	10,413,340
Loans	6,910,902	19,535,472	5,792,395	4,047,118	—	36,285,887
Derivatives	(1,178)	(52,605)	(43,980)	3	24,098	(73,662)
Total on-balance sheet	\$ 8,329,874	\$ 22,017,473	\$ 12,598,664	\$ 4,883,424	\$ 24,098	\$ 47,853,533
Unfunded commitments ⁽¹⁾	\$ 3,076,830	\$ 5,281,789	\$ 634,821	\$ 1,799,666	\$ —	\$ 10,793,106
Standby letters of credit	174,026	19,736	10	551	—	194,323
Total off-balance sheet	\$ 3,250,856	\$ 5,301,525	\$ 634,831	\$ 1,800,217	\$ —	\$ 10,987,429

(1) Includes cancellable loan commitments totaling \$2.5 billion.

Table 5-4: Past due and nonaccrual by geography

The following table presents loans past due 30-89 days, loans past due 90 days or more, and non-accrual loans by state.

(dollars in thousands)	Accruing Loans		Nonaccrual Loans
	30-89 Days Past Due	Past Due 90 Days or More	
December 31, 2024			
Illinois	\$ 18,594	\$ —	\$ 124,770
Indiana	21,779	90	36,673
Minnesota	3,100	—	96,775
Wisconsin	4,616	—	16,664
Michigan	6,688	816	37,430
Kentucky	7,399	72	5,349
Tennessee	16,579	1,833	65,400
Iowa	632	—	481
Other	13,754	1,249	64,437
Total	\$ 93,141	\$ 4,060	\$ 447,979

Refer to Note 4 “Loans and Allowance for Credit Losses” in Part II, Item 8 of Old National’s 2024 Form 10-K for information on aging and accrual status by class of loan.

For the year ended December 31, 2024, total gross charge-offs were \$71.3 million and total net charge-offs were \$62.0 million. Refer to Note 4 “Loans and Allowance for Credit Losses” in Part II, Item 8 of Old National’s 2024 Form 10-K for a reconciliation of the changes in the allowance for credit losses on loans by portfolio segment.

Table 5-5: Municipal securities by geography

The following table presents the amortized cost and relative percentage of our municipal securities by state.

(dollars in thousands)	Amount	Percent of Total
December 31, 2024		
Indiana	\$ 607,360	37 %
Texas	240,477	14
Minnesota	116,874	7
Michigan	77,639	5
Kentucky	61,258	4
Wisconsin	58,505	4
Washington	52,390	3
Missouri	39,675	2
Massachusetts	33,527	2
Oregon	31,979	2
Other ⁽¹⁾	342,781	20
Total	\$ 1,662,465	100 %

(1) No other state exceeds 2% of the portfolio.

Counterparty Credit Risk-Related Exposures

Counterparty exposure is the risk that the other party in a financial transaction will not fulfill its obligation. Counterparty credit risk related to OTC derivatives is limited to the termination value of contracts rather than the notional, principal, or contract amounts. All agreements with a counterparty are subject to an International Swaps and Derivative Association master agreement. If Old National has multiple contracts with a single counterparty, a master netting agreement can be utilized to obtain the right to offset, resulting in a net settlement of all contracts through a single payment in the event of default on or termination of any one contract.

Certain derivative instruments are subject to centrally cleared variation margin rules. These payments are considered in determining the fair value of all centrally cleared derivative instruments, effectively reducing the counterparty credit risk exposure.

Refer to Note 19 “Derivative Financial Instruments” in Part II, Item 8 of Old National’s 2024 Form 10-K for a table presenting the fair value of the Company’s derivatives and offsetting positions, including cash collateral pledged and net credit exposure.

Credit Risk Mitigation

Old National’s strategy for credit risk management includes well-defined credit policies, disciplined underwriting process, and ongoing risk monitoring and review processes. 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 and Southeast regions of the United States. Old National manages concentrations of credit exposure by industry, product, geography, client relationship, and loan size.

To mitigate its credit risk exposure on derivatives, Old National adheres to the same credit approval process used for traditional lending activities. Old National has established thresholds for credit approvals and limits, as well as monitoring procedures. In addition, Old National requires collateral for transactions above certain thresholds for each counterparty based upon their credit standing. Old National will enter into collateralization agreements with its derivative counterparties such that at no time will the unsecured credit exposure to a derivative counterparty exceed the limits of the Counterparty Credit Risk Policy. Credit exposure includes both the mark-to-market gain or loss and the net accrued interest receivable or payable on each transaction outstanding with the counterparty.

To mitigate additional credit risk exposure, Old National enters into risk participation agreements. With these agreements, Old National essentially shares a percentage of the credit risk related to interest rate swap transactions.

The fair value of the underlying swap is adjusted to include only Old National's portion of the termination value, rather than the whole amount, which reduces Old National's overall credit risk exposure in the event of default. For the notional amounts of purchased and sold risk participation agreements, see Schedule HC-L to Old National's December 31, 2024 Consolidated Financial Statements for Holding Companies – Form FR Y-9C.

Securitizations

Our securitization-related activity has generally been limited to investing in securitized products created by third parties, as we do not currently originate or sponsor securitizations. In determining what exposures constitute securitization exposures, we use the definition as provided in Basel III. Our current securitization exposure is not significant. See Note 3 "Investment Securities" in Part II, Item 8 of Old National's 2024 Form 10-K for more information regarding the securities that we hold.

Equities Not Subject to Market Risk Rule

Old National's equity investments not subject to the market risk rule include restricted equity investments in FHLB and Federal Reserve Bank stock, mutual funds for Community Reinvestment Act qualified investments, diversified investment securities held in a grantor trust for participants in the Company's nonqualified deferred compensation plan, and alternative investments that support affordable housing and other economic development and community revitalization initiatives.

FHLB and Federal Reserve Bank stock are carried at cost and periodically evaluated for impairment. Investments in marketable equity securities are recorded at fair value. Non-marketable equity securities are generally recorded either at historical cost or using the equity method.

Table 9-1: Equity exposures not subject to market risk rule

The following table summarizes the balance sheet carrying value of Old National's equity securities not subject to the market risk rule.

(dollars in thousands)	Book Value	Fair Value
December 31, 2024		
Non-publicly traded	\$ 987,921	\$ 987,983
Publicly traded	94,502	91,884
Total	\$ 1,082,423	\$ 1,079,867

Table 9-2: Capital requirements of equity exposures by risk-weight

The following table summarizes the balance sheet carrying value of Old National's equity securities not subject to the market risk rule.

(dollars in thousands)	Exposure Amount	Risk-Weighted Asset Amount
December 31, 2024		
Simple risk-weight approach:		
0%	\$ 149,443	\$ —
20%	229,262	45,852
100%	703,718	703,718
Total	\$ 1,082,423	\$ 749,570

Interest Rate Risk for Non-Trading Activities

Information on interest rate risk, interest rate sensitivity analysis, and our interest rate management process can be found in "Market Risk" in Part II, Item 7 of Old National's 2024 Form 10-K.

APPENDIX 1: BASEL III REGULATORY CAPITAL DISCLOSURES MATRIX

Disclosure Requirement	Description	Page References	
		Disclosures Report	2024 Form 10-K
Scope of Application	Name of top corporate entity	5	5, 81
	Aggregate amount of total capital that is less than minimum capital	6	12, 132
	Descriptions of differences in basis for consolidating entities	7	81
	Restrictions on transfers of funds or total capital within the group	7	12, 66, 132
	Aggregate amount of surplus capital of insurance subsidiaries	N/A	—
Capital structure	Terms and conditions of capital instruments	8	76
	Capital composition	8	76, 79
Capital adequacy	Capital adequacy assessment process	9	12, 132
	Risk-weighted assets by exposure type	9	—
	Capital ratios	10	11, 12, 40, 133
Capital conservation buffer	Eligible retained income	11	—
	Calculation of capital conservation buffer	11	11, 133
Credit risk	Policies and practices	11	56, 83, 127
	Credit risk exposures:		
	Geographic distribution of loan exposures	13	52
	Loans and related commitments by industry	14	53
	Remaining contractual maturity	15	51, 94
	Past due and non-accrual loans by geography	15	—
	Charge-offs during the period	15	61, 99
	Reconciliation of changes in allowance for credit losses on loans	15	61, 99
	Municipal securities by geography	16	—
Counterparty credit risk-related exposures	Policies and practices	16	56, 85
	Exposures covered by eligible financial collateral	16	130
	Exposures covered by guarantees/credit derivatives and related risk-weighted assets	16	130, 131
Securitizations	Policies and practices	17	—
	Securitizations exposure	17	—
Equities not subject to the market risk rule	Policies and practices	17	81, 82, 111
	Amortized cost and fair value by type/nature and public versus non-public	17	123
	Risk-weighted approaches	17	—
	Capital requirements	17	—
Interest rate risk for non-trading activities	Nature, key assumptions, and frequency of measurement	17	63
	Earnings sensitivity for upward/downward rate shocks	17	64