

Old National Bancorp Announces Agreement to Sell ONB Insurance Group, Inc. to Prime Risk Partners

Deal Value: \$93.0 million

Sandler O'Neill served as exclusive financial advisor to Old National Bancorp in connection with this transaction.

Overall, this represents Sandler O'Neill's 97th financial services transaction since January 1, 2015, more than any other investment bank during that time period.¹ Since January 1, 2012, Sandler O'Neill has advised on 26 insurance transactions, more than any other full-service investment bank during that time period.²

Evansville, Indiana – May 2, 2016 – Old National Bancorp (NASDAQ: ONB) announced today that it has agreed to sell the Company's insurance agency subsidiary, ONB Insurance Group, Inc., d/b/a Old National Insurance, to Prime Risk Partners.

Upon the completion of the transaction, Old National Insurance will operate under the name ONI Risk Partners. Included in the sale are Old National Insurance's two third-party administrator subsidiaries, Employee Plans, LLC and JWF Specialty. The transaction is expected to close in the second quarter of 2016, and is subject to customary closing conditions.

The sale of Old National Insurance provides Old National Bancorp the opportunity to focus on its core community banking business, improve its operating leverage and enhance its overall capital position. As a result of this transaction, Old National expects to receive approximately \$93.0 million in cash and recognize an after-tax gain of approximately \$16 million to \$18 million. Based on March 31, 2016, reported results, goodwill and intangible assets of approximately \$47.7 million will be eliminated as part of this transaction and result in a \$0.56 improvement in the Company's tangible book value per share. Old National anticipates the redeployment of capital will support ongoing organic loan growth as well as future potential strategic opportunities. Old National Insurance had total revenues of approximately \$42.7 million and direct expenses represented approximately \$36.3 million in 2015. As of March 31, 2016, Old National Insurance had 279 employees.

The parties will enter into a marketing services agreement so that Old National and ONI Risk Partners can continue to work closely to provide Old National clients with outstanding insurance products and services. Current Old National Insurance Chairman & Chief Executive Officer Tom Flynn will remain with ONI Risk Partners. In addition, ONI Risk Partners will remain an Indiana corporation with its headquarters located in Indianapolis.

(1) Source: SNL Financial. Includes financial services transactions in all geographies since January 1, 2015. Excludes terminated transactions, self-advisory roles and managed care transactions.

(2) Source: SNL Financial and Sandler O'Neill. Full service investment banks defined as those with an average disclosed deal value of \$25 million or greater. Excludes terminated transactions, self-advisory roles and managed care insurance transactions.

Sandler O'Neill Contacts:

1251 Avenue of the Americas, 6th Floor
New York, NY 10020

Mark Biche Managing Director (312) 281-3483	John Hendrix Managing Director (212) 466-7797	Manu Singh Director (212) 466-7959	Max Kaftal Vice President (212) 466-8073	Derek Wang Analyst (212) 466-8046
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