

# Breakout II: After the Deal: Measuring, Managing and Monitoring Risk Post M&A

#AOBA23

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# After the Deal: Measuring, Managing and Monitoring Risk Post M&A

# OVERVIEW

## Summary<sup>1</sup>

Headquarters	Evansville, IN
Market Cap	\$5,676
P/ TBV	221 %
Dividend Yield	2.9 %
LTM Average Daily Volume (Actual)	2,355,260
Total Assets	\$46,216
Wealth Assets Under Management	\$26,768
3Q22 ROATCE As Reported/ Adjusted <sup>2</sup>	20.5% / 22.6%

## Company Description

- 6<sup>th</sup> largest commercial bank headquartered in Midwest - top 35 banking company based in the U.S. by assets
  - 263 branches and 355 ATMs

## Key Financial Metrics<sup>3</sup>

Loans to Total Deposits	84.7%
Cost of Total Deposits	12 bps
Tangible Book Value	\$8.75
Noninterest Income/ Total Revenue (FTE)	17.4%
Efficiency Ratio As Reported/ Adjusted <sup>2</sup>	56.2% / 50.7%
Net Charge Offs (Recoveries)/ Average Loans	0.10%
Net Charge Offs (Recoveries)/ Average Loans, Excluding PCD Loans	0.02 %
90+ Day Delinquent Loans	0.00%
Non-Performing Loans/ Total Loans	0.81%
Tangible Common Equity to Tangible Assets	5.8%

### Loan Mix<sup>3,4</sup>



### Deposit Mix<sup>3</sup>



\$ in millions, except as noted <sup>1</sup> Market data as of 10/28/2022 <sup>2</sup> Non-GAAP financial measures that management believes is useful in evaluating the financial results of the Company - see Appendix for Non-GAAP reconciliation <sup>3</sup> As of 09/30/2022 <sup>4</sup> Includes loans held for sale and excludes PPP loans

# ON Credit Intelligence. Born from a Bank.



OakNorth  
Bank

7

YEARS SINCE  
LAUNCH

27.3%

RORE

\$10B+

LENT

11bps

COST OF RISK

8bps

ANNUAL COST  
OF RISK

26%

EFFICIENCY  
RATIO



OakNorth  
CREDIT INTELLIGENCE

Lend SMARTER.

Lend FASTER.

Lend MORE.

# Identify risk up to 12 months earlier with a consistent, granular view

## MOST BANKS' EXISTING PROCESS

### BACKWARD LOOKING SCENARIOS

Scenarios rely on historical correlations



### 10-20 SECTOR MODELS

Traditional analysis on generic sectors



### PORTFOLIO-LEVEL FOCUS

Unable to dive deeper in a consistent manner

PORTFOLIO



## WITH OAKNORTH



### DYNAMIC FORWARD-LOOKING SCENARIOS

Millions of data points and fundamental analysis



### 274 INDUSTRY FORECAST MODELS

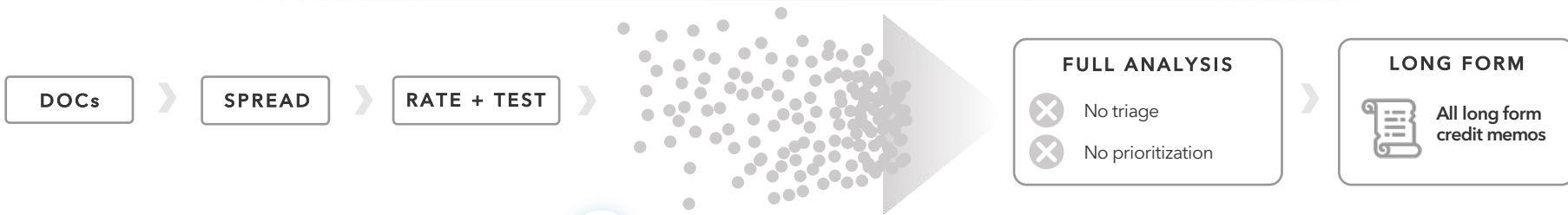
Powered by quant ML and qualitative analysis

**DRILL UP AND DOWN**  
From the portfolio level down to the individual borrower level

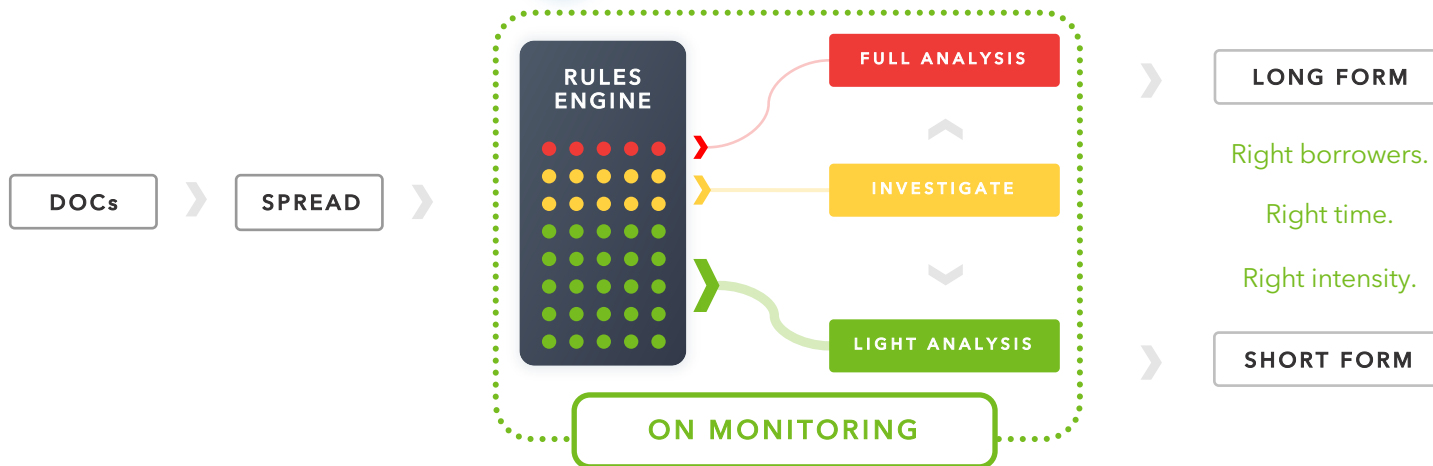


# Reduce time spent on reviews **by 33%**

## MOST BANKS' EXISTING PROCESSES



## WITH OAKNORTH





ON CLIMATE

# Make climate part of your **playbook**



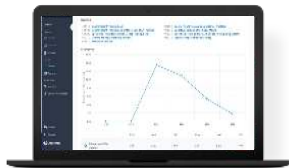
## Measure financed emissions without the hassle

Report on Scope 1 and Scope 2 financed emissions quickly without costly and time-consuming data collection exercises.



## Embed climate scenarios in your credit risk framework

Run climate-related scenarios, identify portfolio and climate impact metrics, and prepare for regulatory discussions.



## Help borrowers understand how climate impacts them

Increase customer retention and wallet share by equipping front line teams with the information they need to facilitate meaningful conversations with customers.