

Second-Quarter 2018 Financial Review

July 23, 2018



Additional Information for Shareholders of Klein Financial, Inc.

Communications in this document do not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. In connection with the proposed merger, Old National Bancorp (“ONB”) will file with the Securities and Exchange Commission (“SEC”) a Registration Statement on Form S-4 that will include a Proxy Statement of Klein Financial, Inc. (“KFI”) and a Prospectus of ONB, as well as other relevant documents concerning the proposed transaction. Shareholders are urged to read the Registration Statement and the Proxy Statement/Prospectus regarding the merger when it becomes available and any other relevant documents filed with the SEC, as well as any amendments or supplements to those documents, because they will contain important information. A free copy of the Proxy Statement/Prospectus, as well as other filings containing information about ONB and KFI, may be obtained at the SEC’s Internet site (<http://www.sec.gov>). You will also be able to obtain these documents, free of charge, from ONB at www.oldnational.com under the tab “Investor Relations” and then under the heading “Financial Information” or from KFI by accessing KFI’s website at www.kleinbank.com under the tab “About.”

ONB and KFI and certain of their directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of KFI in connection with the proposed merger. Information about the directors and executive officers of ONB is set forth in the proxy statement for ONB’s 2018 annual meeting of shareholders, as filed with the SEC on a Schedule 14A on March 5, 2018. Additional information regarding the interests of those participants and other persons who may be deemed participants in the transaction may be obtained by reading the Proxy Statement/Prospectus regarding the proposed merger when it becomes available. Free copies of this document may be obtained as described in the preceding paragraph.

Forward-Looking Statements; Non-GAAP; New Accounting Standards

Forward-Looking Statements:

This presentation contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, descriptions of Old National Bancorp's ("Old National's") financial condition, results of operations, asset and credit quality trends and profitability. Forward-looking statements can be identified by the use of the words "anticipate," "believe," "expect," "intend," "could" and "should," and other words of similar meaning. These forward-looking statements express management's current expectations or forecasts of future events and, by their nature, are subject to risks and uncertainties. There are a number of factors that could cause actual results to differ materially from those in such statements. Factors that might cause such a difference include, but are not limited to: expected cost savings, synergies and other financial benefits from the merger with Anchor-Minnesota that might not be realized within the expected timeframes and costs or difficulties relating to integration matters might be greater than expected; market, economic, operational, liquidity, credit and interest rate risks associated with Old National's business; competition; government legislation and policies (including the impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act and its related regulations); ability of Old National to execute its business plan; changes in the economy which could materially impact credit quality trends and the ability to generate loans and gather deposits; failure or circumvention of our internal controls; failure or disruption of our information systems; significant changes in accounting, tax or regulatory practices or requirements; new legal obligations or liabilities or unfavorable resolutions of litigations; disruptive technologies in payment systems and other services traditionally provided by banks; computer hacking and other cybersecurity threats; other matters discussed in this presentation; and other factors identified in our Annual Report on Form 10-K and other periodic filings with the SEC. These forward-looking statements are made only as of the date of this presentation, and Old National does not undertake an obligation to release revisions to these forward-looking statements to reflect events or conditions after the date of this presentation.

Non-GAAP:

These slides contain non-GAAP financial measures. For purposes of Regulation G, a non-GAAP financial measure is a numerical measure of the registrant's historical or future financial performance, financial position or cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with GAAP in the statement of income, balance sheet or statement of cash flows (or equivalent statements) of the registrant; or includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. In this regard, GAAP refers to generally accepted accounting principles in the United States. Pursuant to the requirements of Regulation G, Old National Bancorp has provided reconciliations within the slides, as necessary, of the non-GAAP financial measure to the most directly comparable GAAP financial measure.

New Accounting Standards:

For the three months ended March 31, 2018, amounts reflect the reclassification of \$0.5 million of agency costs from data processing expense to investment product fee revenue as a result of the implementation of the revenue recognition accounting standard.

Second Quarter 2018 Key Performance Indicators

Earnings:

- Net income of \$44.0mm, a 13% increase over second quarter of 2017
- Earnings per share of \$0.29, an increase of 4%
- Adjusted net income¹ was \$44.1mm and adjusted EPS¹ was \$0.29 when excluding the following pre-tax items:
 - \$2.2mm gain on sale of student loans
 - \$1.5mm in securities gains
 - \$2.5mm in merger & integration charges
 - \$1.3mm branch action charges (net of \$0.3mm gain)

Loans and Deposits:

- 4.6% annualized total loan growth, net of \$64.9mm in student loans sold²
 - 21.5% annualized growth in commercial and industrial loans² with record commercial production of \$598.2mm
- Seasonal decline in total deposit balances²
 - Low cost of total deposits at 29 basis points, increasing 6 basis points from 1Q18

Operating leverage:

- Positive adjusted operating leverage¹ of over 220 basis points year-over-year
- 15% year-over-year increase in adjusted revenue¹
- 13% year-over-year increase in adjusted noninterest expense¹

Efficiency Ratio:

- Adjusted efficiency ratio¹ improved 134 basis points from the second quarter of 2017

Return Profile:

- Pre-provision net revenue return on average assets¹ was 1.23%
- Adjusted pre-provision net revenue return on average assets¹ was 1.51%

¹ Non-GAAP financial measure which Management believes is useful in evaluating the financial results of the Company – see Appendix for Non-GAAP reconciliation ² Based on end-of-period balances

Second Quarter 2018 Results

	2Q18	Change From	
		1Q18	2Q17
End of period total loans	\$11,322	\$66	\$2,062
End of period total deposits	12,596	(192)	1,913
Net interest income (FTE)	\$134.8	\$3.5	\$24.8
Provision for loan losses	2.4	2.0	1.0
Noninterest income	49.3	7.4	0.1
Noninterest expense ex. tax credit amort.	118.6	2.2	15.8
Amortization of tax credit investments	11.9	11.2	11.9
Income taxes (FTE)	7.2	(0.5)	(9.0)
Net income	\$44.0	(\$4.0)	\$5.2
Earnings per share	\$0.29	(\$0.02)	\$0.01
Adjusted earnings per share¹	\$0.29	(\$0.05)	\$0.01
Net charge-offs (recoveries)/avg loans	(0.03%)	- 4 bps	- 4 bps

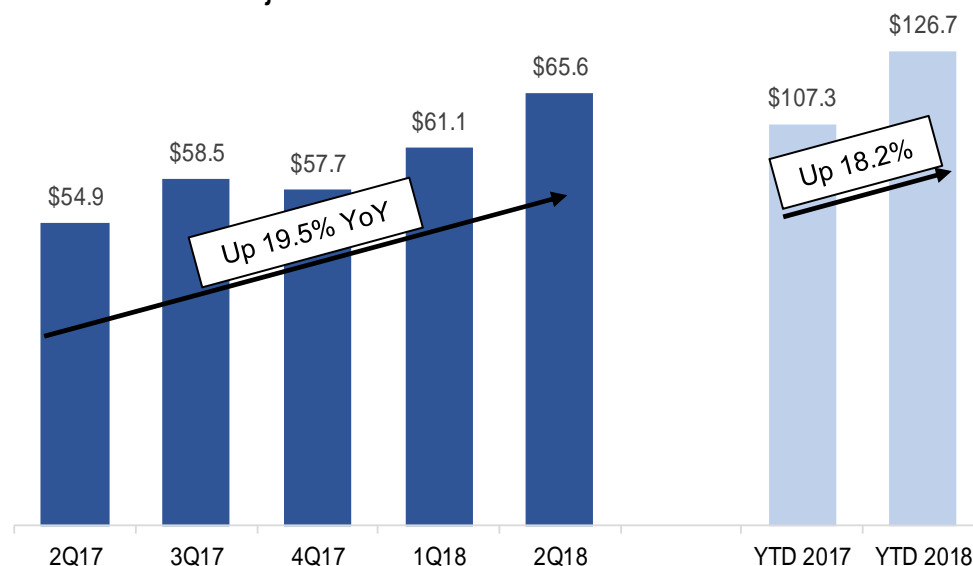
Performance Drivers

- Total loan growth² of 4.6% annualized (net of \$64.9mm in student loans sold)
- Strong commercial and industrial loan growth² of 21.5% annualized
- Credit metrics remain strong – net recoveries of 0.03%
- Reported noninterest income increase includes a \$2.2mm gain on the sale of student loans
- Reported noninterest expense includes \$2.5mm in merger charges, \$1.6mm in branch action charges and \$11.9mm in tax credit amortization

\$ in millions, except per-share data ¹ Non-GAAP financial measure which Management believes is useful in evaluating the financial results of the Company – see Appendix for Non-GAAP reconciliation ² Based on end-of-period balances

Pre-Provision Net Revenue

Adjusted Pre-Provision Net Revenue¹



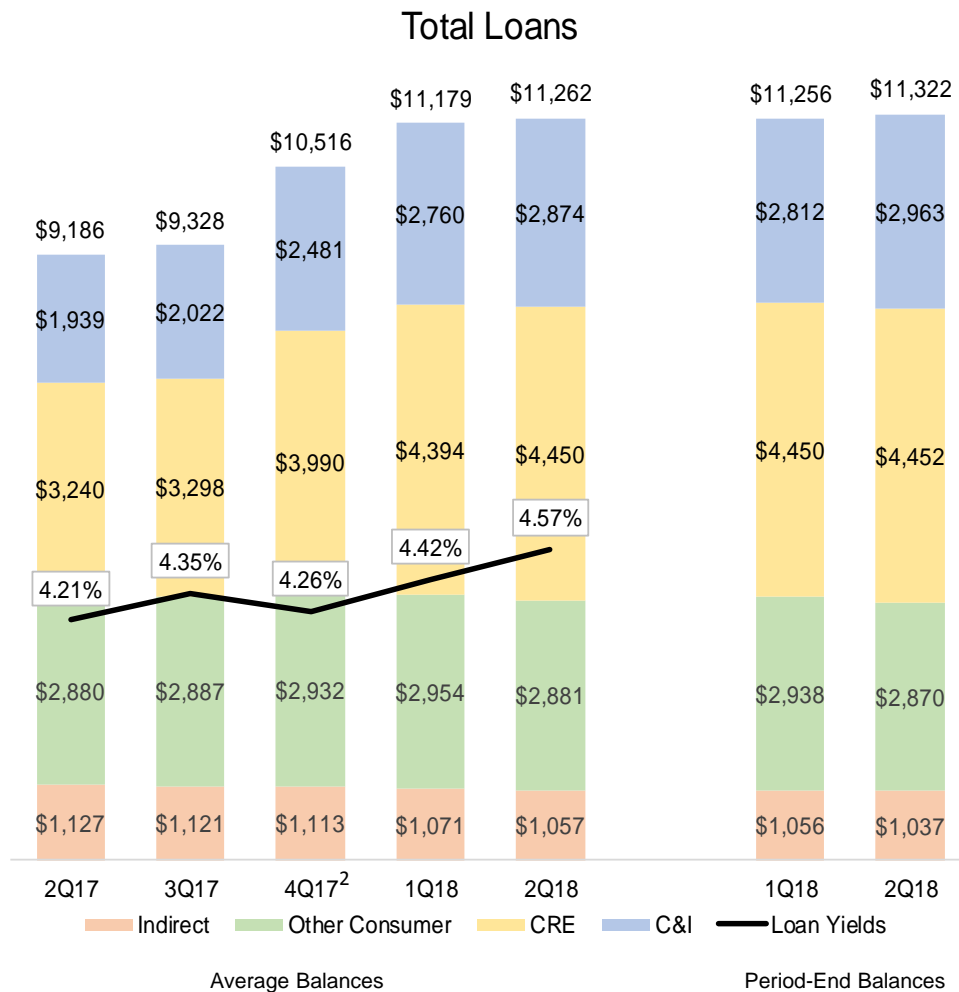
- Adjusted pre-provision net revenue¹ increased 19.5% Y/Y
- Improvement driven by successful execution of our stated strategy
 - Strong commercial and industrial loan growth
 - Improved balance sheet mix
 - Low cost core deposit funding
 - Strong expense management

	2Q17	2Q18	YTD 2017	YTD 2018
Adjusted total revenue ¹	\$156.0	\$180.1	\$308.9	\$352.5
Adjusted noninterest expense ¹	\$101.1	\$114.5	\$201.6	\$225.8
Basis point change in adj. total revenue		1,547		1,414
Basis point change in adj. noninterest exp.		1,323		1,201
Operating leverage		224		213

- Positive operating leverage continues
 - 224 bps Y/Y improvement
 - 213 bps YTD improvement
- Further improvement from Anchor MN partnership

\$ in millions ¹Non-GAAP financial measure which management believes is useful in evaluating the financial results of the Company – see Appendix for Non-GAAP reconciliation

Loans



Total loans increased 4.6%¹

- Net of \$64.9mm student loans sold
- + 21.5% Commercial & industrial
- + 0.2% Commercial real estate
- - 7% Indirect consumer

Commercial and industrial loans increased 21.5%¹

- Strong growth in Minneapolis, Louisville, Central Michigan, Southern Indiana and Indianapolis
- Record quarterly commercial production of \$598.2mm
- Commercial pipeline at quarter end was \$1.7 billion
- Line utilization was 36.6% at quarter end

Loan yields increased 15 basis points

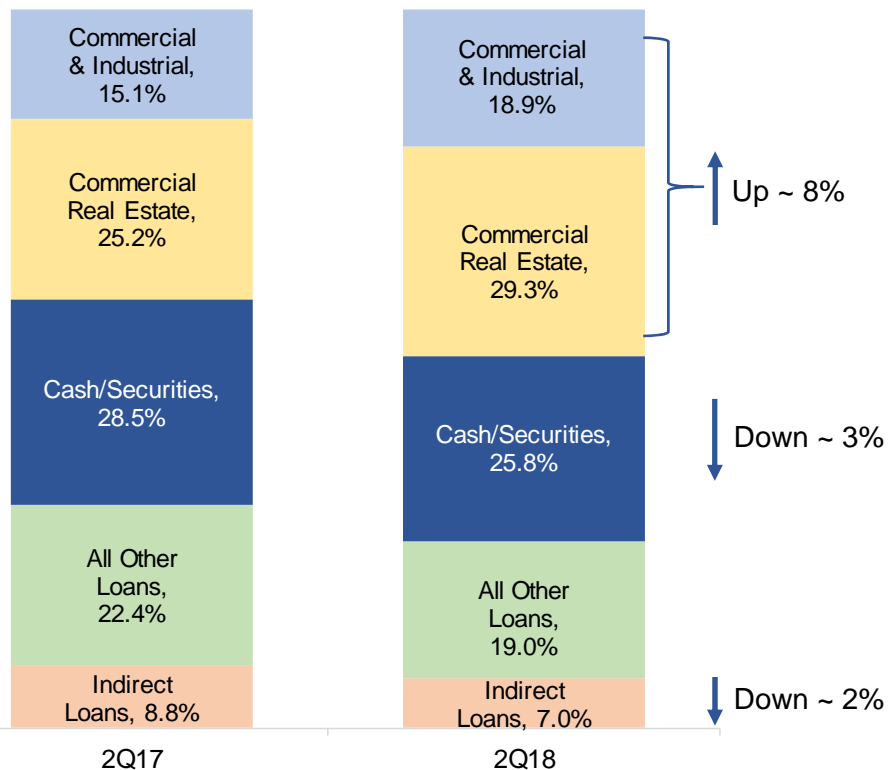
- + 2 bps accretion income
- + 12 bps loan coupons/mix/volume/days
- + 1 bp interest collected on nonaccruals

2Q18 new production average yields

- Commercial & industrial: 4.17%
- Commercial real estate: 4.64%
- Residential real estate: 4.41%
- Indirect lending: 3.99%

\$ in millions ¹ Includes loans held for sale; based on period-end balances; growth is annualized
² Reflects closing of Minnesota Partnership

Average Earning Asset Mix



Loans

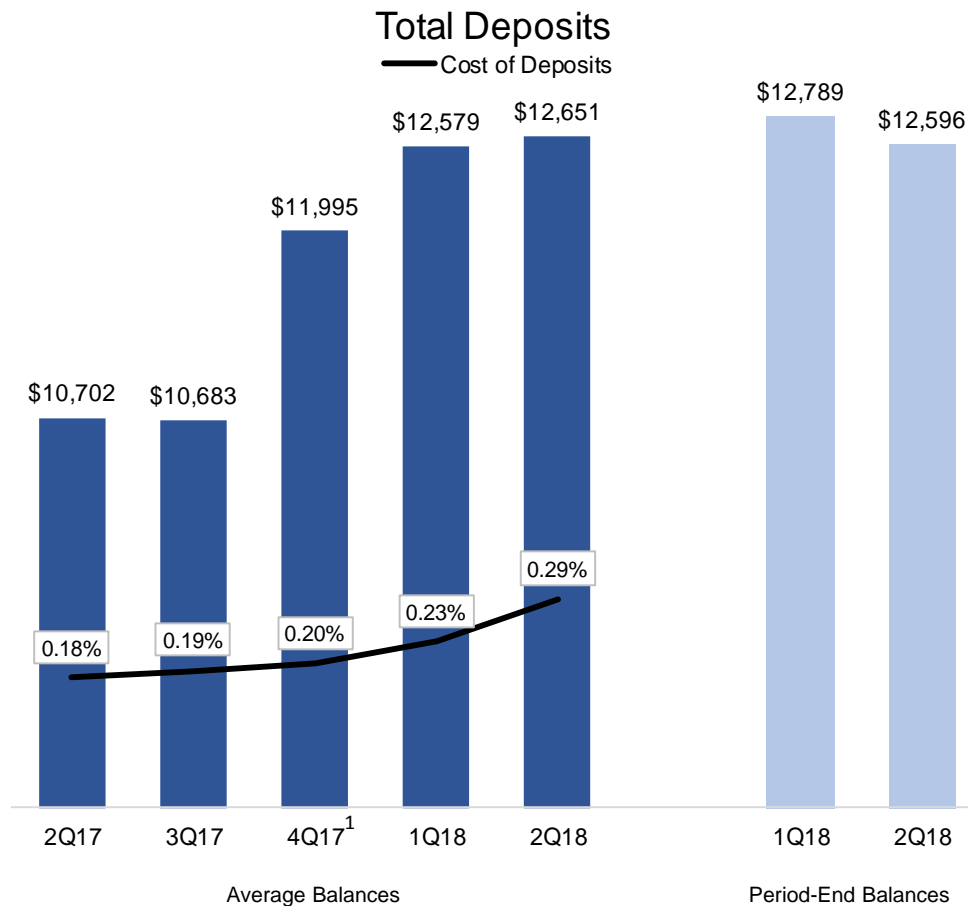
- Loans: 74% of earning assets, up 2.7% Y/Y
- Total commercial loans: 48% of earning assets, up 8% Y/Y
- Indirect auto: 7% of earning assets, down 2% Y/Y

Securities

- Duration of 4.46 vs. 4.30 in 1Q18
- 2Q18 yield was 2.77%
- 2Q18 new money yield was 3.39%
- Estimated NTM cash flows of \$404mm
- Net unrealized pre-tax loss of \$78mm¹
- Net unamortized premium of \$51mm

\$ in millions ¹ On the available-for-sale (AFS) portfolio

Stable Funding Costs



10.3% deposit beta through the current interest rate cycle

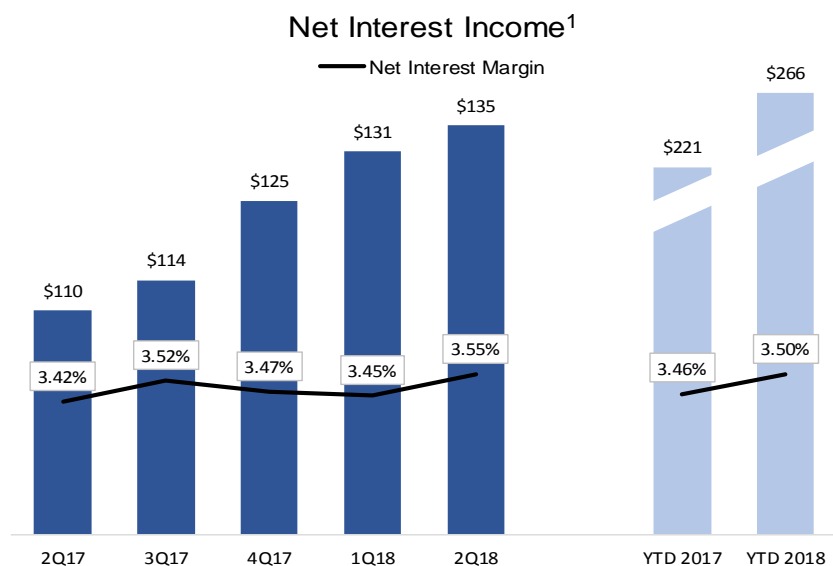
Total deposit costs increased 6 basis points to 29 bps

Seasonal decline in end-of-period total deposits

- Quarterly increase in average total deposits

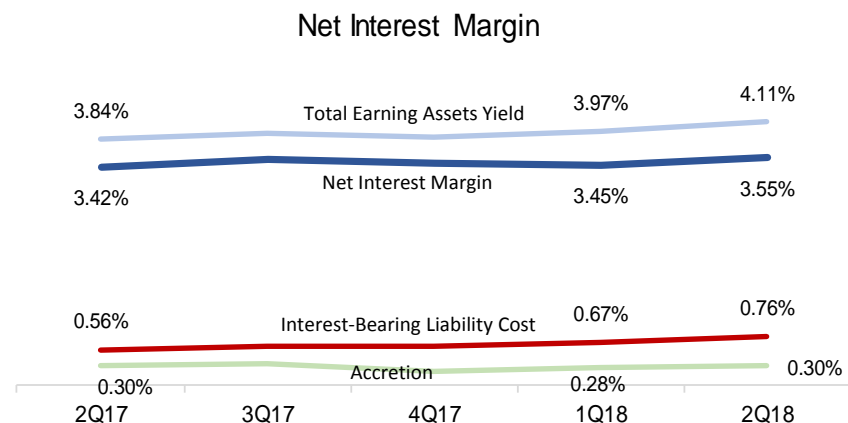
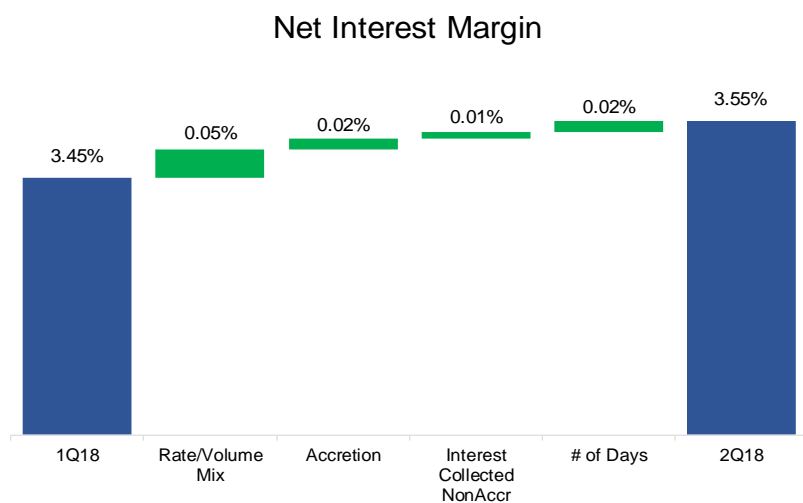
\$ in millions ¹ Reflects closing of Minnesota Partnership

Net Interest Income & Net Interest Margin¹



Key Performance Drivers

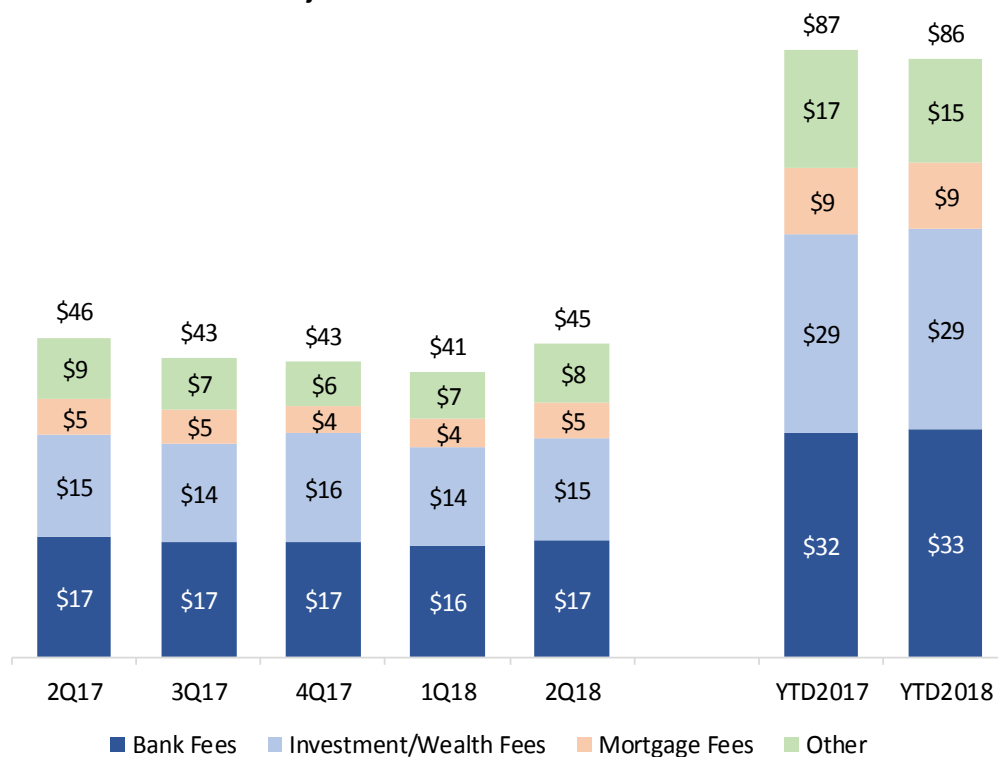
- NIM increased 10 basis points vs. 1Q18
 - + 5 bps interest rate increase/volume/mix
 - + 2 bps accretion
 - + 1 bp interest collected on nonaccruals
 - + 2 bps # of days



\$ in millions ¹Tax Equivalent Basis; Non-GAAP financial measure which Management believes is useful in evaluating the financial results of the Company – see Appendix for Non-GAAP reconciliation

Noninterest Income

Adjusted Noninterest Income¹



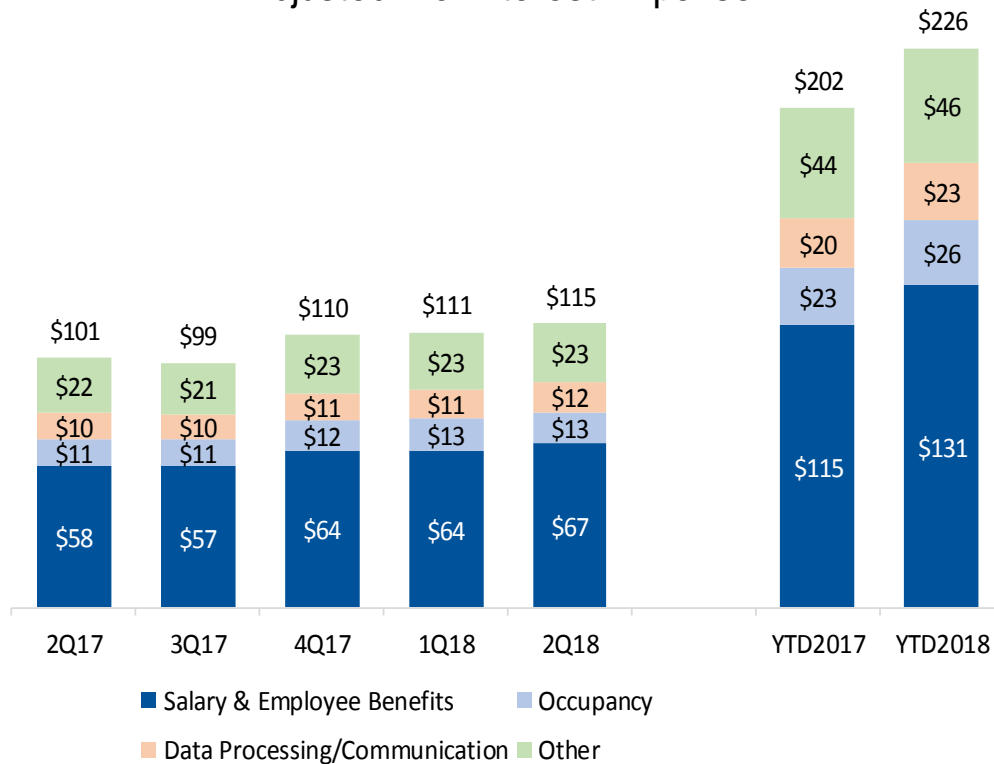
Key Performance Drivers

- Adjusted noninterest income¹
 - \$0.7mm increase in wealth management fees (seasonal tax preparation fees)
 - \$1.0mm seasonal increase in mortgage banking revenue
 - \$0.4mm increase in capital markets income
- Mortgage revenue
 - 2Q18 net gains on sales and fees was \$2.8mm and net servicing income was \$2.4mm
 - 2Q18 production was \$233mm
 - 83% purchase / 17% refi
 - 63% sold in secondary market

\$ in millions ¹Non-GAAP financial measure which management believes is useful in evaluating the financial results of the Company – see Appendix for Non-GAAP reconciliation Residential mortgage production includes quick home refinance product

Noninterest Expense

Adjusted Noninterest Expense¹

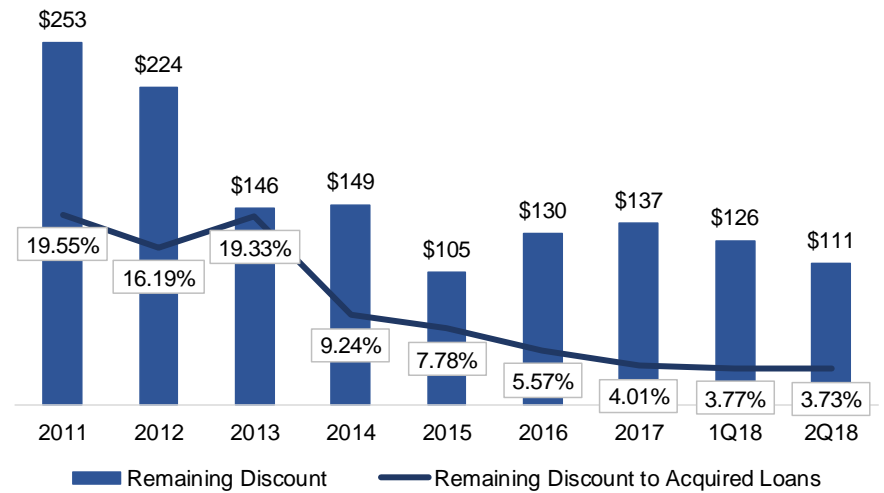
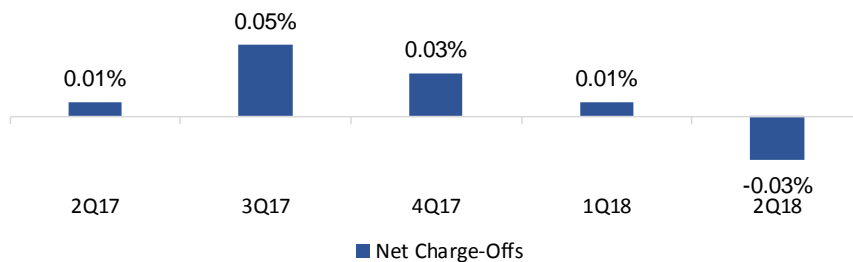
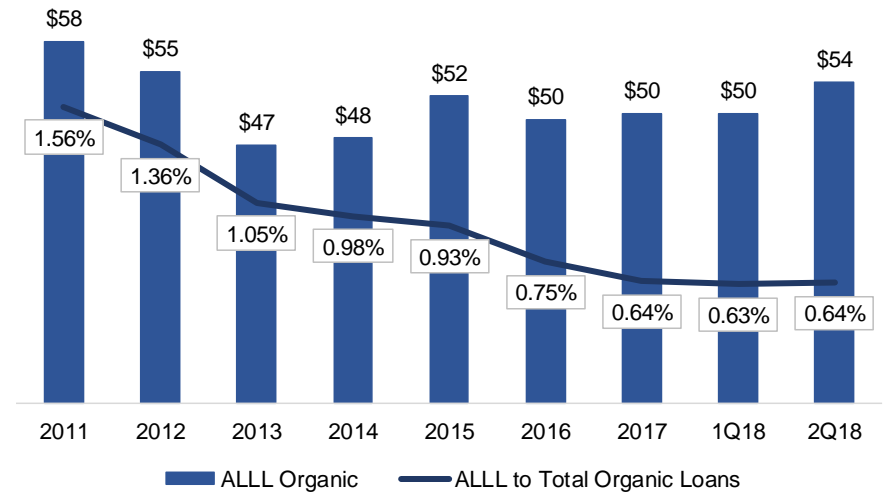
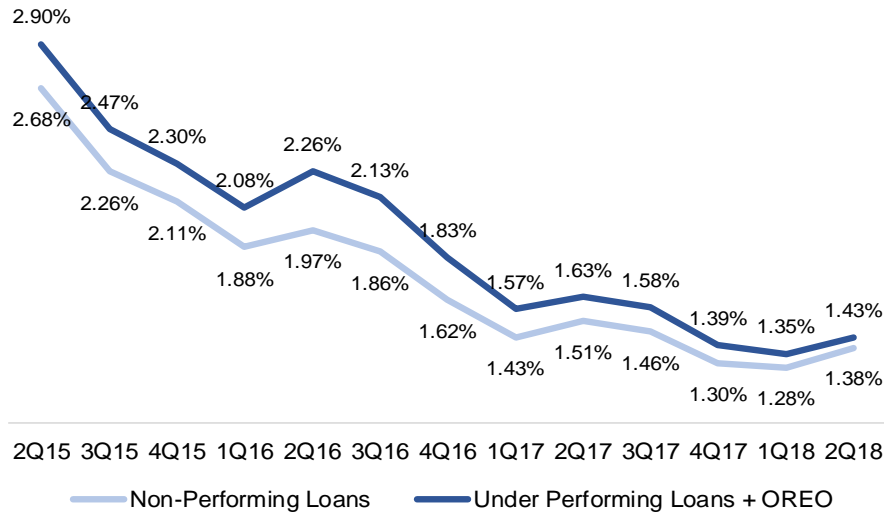


Key Performance Drivers

- Adjusted noninterest expense in line with projections and include increased salary and benefits expense due to annual merit increases and a YTD 401k benefit enhancement
- Reflects ongoing focus on disciplined expense management
- Adjusted Efficiency Ratio of 61.68%
 - 134 basis point improvement from second quarter of 2017

\$ in millions ¹Non-GAAP financial measure which management believes is useful in evaluating the financial results of the Company – see Appendix for Non-GAAP reconciliation

Credit



\$ in millions

Tax Matters

2Q18 tax credit business impact

- After-tax impact of tax credits: (\$4.1)mm or (\$0.3) per share
- Tax credit amortization (recognized in noninterest expense): \$11.9mm

3Q18 tax credit business forecast

- After-tax impact of tax credits: ~(\$0.01) per share
- Tax credit amortization (recognized in noninterest expense): \$9mm to \$11mm
- Effective tax rate (FTE): ~14%

Full-year 2018 tax credit business forecast

- After-tax impact of tax credits: ~\$3mm or ~\$0.02 per share
- Tax credit amortization (recognized in noninterest expense): \$22mm to \$24mm
- Effective tax rate (FTE) ~14% and GAAP tax rate ~10%

Second Quarter 2018 Takeaways

Focus on execution that delivers positive results for our shareholders...

- 19.5% increase in adjusted pre-provision net revenue¹ year over year
- Over 21% growth in commercial and industrial loans with record commercial production
- Continued balance sheet remix, with commercial loans now 48% of earning assets
- Strong low-cost core deposit franchise

... With continuous improvement

- Over 220 basis point improvement YoY in positive operating leverage
- Sustained focus on disciplined expense management

Strong credit metrics

- Net recoveries of 0.03%
- Non-performing loans of 1.38%
- \$110.7mm remaining discount on acquired loans

Strong capital

- Tier 1 common equity ratio of 10.9%
- Leverage ratio of 8.3%
- Tangible book value¹ up \$0.15 from 1Q18

¹ Non-GAAP financial measure which Management believes is useful in evaluating the financial results of the Company – see Appendix for Non-GAAP reconciliation

Outlook

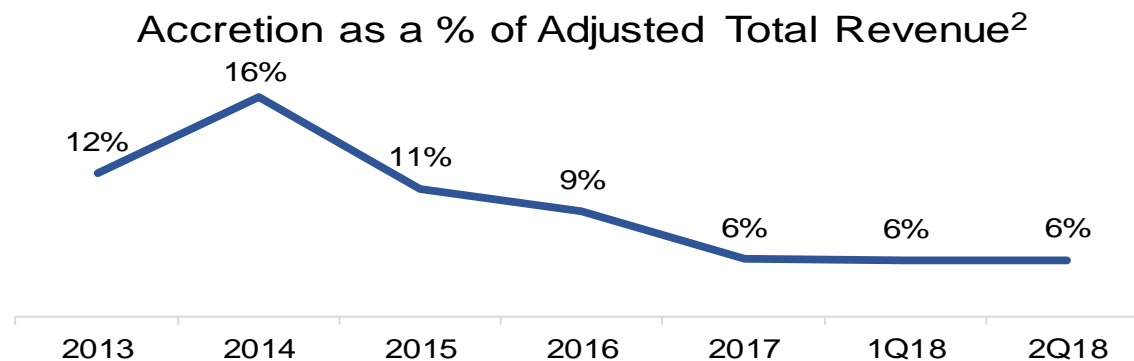
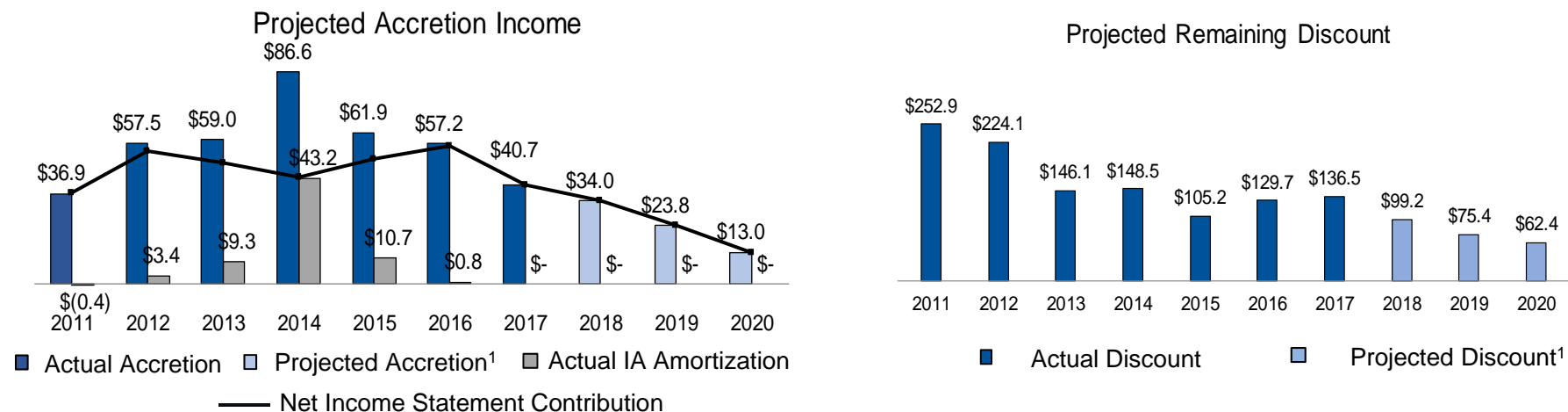
	2Q18 Adjusted ¹ Results	Balance of the Year Outlook
Loan growth	<ul style="list-style-type: none"> 4.6% annualized total loan growth² net of student loan sale 21.5% annualized commercial and industrial loan growth² 	<ul style="list-style-type: none"> Mid-single digit organic total loan growth Organic commercial and commercial real estate loan growth of approximately 10%
Net interest margin	<ul style="list-style-type: none"> FTE net interest margin was 3.55%, including 30 basis points of accretion 	<ul style="list-style-type: none"> FTE NIM, excluding accretion income, should be stable to moderately improving, assuming no rate hikes; yield curve dynamics temper expectations
Noninterest income ¹	<ul style="list-style-type: none"> \$45.3mm, excluding securities gains and other gains³ 	<ul style="list-style-type: none"> Slightly lower vs. 2Q18 levels with normal seasonal trends
Noninterest expense ¹	<ul style="list-style-type: none"> \$114.5mm, excluding amortization of tax credit investments and other charges⁴ 	<ul style="list-style-type: none"> ~\$220mm in run-rate noninterest expenses in 2H18 (excluding amortization of tax credit investments and other charges⁴) Expect to close sale of 10 WI branches in 4Q18
Tax rate	<ul style="list-style-type: none"> FTE income tax rate was 14.0% 	<ul style="list-style-type: none"> Full-year 2018 tax rates expected to be ~14% FTE and ~10% GAAP Expectations include impact of tax credit business
MSP partnerships	<ul style="list-style-type: none"> Almost 13% annualized loan growth since closing 	<ul style="list-style-type: none"> Conversion completed in May Remain on track for 36% cost savings KFI expected to close 4Q18

¹ Non-GAAP financial measure which Management believes is useful in evaluating the financial results of the Company – see Appendix for Non-GAAP reconciliation ² Based on period-end balances ³ Other gains related to the sale of student loans and branch actions ⁴ Other charges relate to branch actions, mergers, and severance

Appendix

Projected Purchase Accounting Impact

Manageable declines in purchase accounting impact expected in future periods



\$ in millions ¹ Projections are updated quarterly, assume no prepayments and are subject to change IA = Indemnification Asset ² Non-GAAP financial measure which Management believes is useful in evaluating the financial results of the Company – see Appendix for Non-GAAP reconciliation

Non-GAAP Reconciliations

	2Q17	1Q18	2Q18
As Reported:			
Net Interest Income (FTE)	\$110.0	\$131.3	\$134.8
Fee Income	49.2	41.9	49.3
Total Revenue (FTE)	\$159.2	\$173.2	\$184.1
Provision	1.4	0.4	2.4
Noninterest Expense	102.8	117.1	130.5
Pre-Tax Income	\$55.0	\$55.7	\$51.2
Income Taxes	16.2	7.7	7.2
Net Income	\$38.8	\$48.0	\$44.0
Average Diluted Shares	135.7	152.4	152.6
Earnings Per Share	\$0.28	\$0.31	\$0.29
Adjustments:			
Securities Gains	(\$3.1)	(\$0.8)	(\$1.5)
Gain on Sale of Student Loans	-	-	(2.2)
M&A Charges	-	2.3	2.5
Branch Action Charges (Net of Gain)	0.6	2.8	0.9
Severance	-	-	0.4
Client Experience Initiative	1.0	-	-
Net Total Adjustments	(\$1.5)	\$4.3	\$0.1
Tax Effect on Net Total Adjustments	(0.4)	1.1	0.0
After-Tax Net Total Adjustments	(\$1.1)	\$3.2	\$0.1
Estimated DTA revaluation	-	-	-
Adjusted Net Income	\$37.7	\$51.2	\$44.1
Adjusted Earnings Per Share	\$0.28	\$0.34	\$0.29

\$ in millions

Non-GAAP Reconciliations

	2Q17	3Q17	4Q17	1Q18	2Q18	YTD 2017	YTD 2018
As Reported:							
Net Interest Income (FTE)	\$110.0	\$114.1	\$124.7	\$131.3	\$134.8	\$221.5	\$266.1
Fee Income	49.2	46.4	44.8	41.9	49.3	92.1	91.2
Total Revenue (FTE)	\$159.2	\$160.5	\$169.5	\$173.2	\$184.1	\$313.6	\$357.3
Noninterest Expense	102.8	103.7	140.4	117.1	130.5	204.7	247.6
Pre-Provision Net Revenue (PPNR)	\$56.4	\$56.8	\$29.1	\$56.1	\$53.6	\$108.9	\$109.7
Revenue Adjustments:							
Securities Gains	(\$3.1)	(\$3.0)	(\$1.6)	(\$0.8)	(\$1.5)	(\$4.6)	(\$2.3)
Gain on Sale of Student Loans	-	-	-	-	(2.2)	\$0.0	(\$2.2)
Gain on Branch Actions	(0.1)	-	-	-	(0.3)	(0.1)	(0.3)
Adjusted Total Revenue	\$156.0	\$157.5	\$167.9	\$172.4	\$180.1	\$308.9	\$352.5
Expense Adjustments:							
M&A Charges	\$0.0	\$0.4	\$11.9	\$2.3	\$2.5	\$0.0	\$4.8
Branch Action Charges	0.7	2.1	3.0	2.8	1.2	2.1	4.0
Severance	-	0.3	1.6	-	0.4	-	0.4
Foundation Funding	-	-	1.3	-	-	-	-
Client Experience Initiative	1.0	1.9	0.7	-	-	1.0	-
Amortization of Tax Credit Investments	-	-	11.7	0.7	11.9	-	12.6
Adjusted Noninterest Expense	\$101.1	\$99.0	\$110.2	\$111.3	\$114.5	\$201.6	\$225.8
Adjusted Pre-Provision Net Revenue (PPNR)	\$54.9	\$58.5	\$57.7	\$61.1	\$65.6	\$107.3	\$126.7

Average assets	\$14,854.5	\$14,987.2	\$16,587.0	\$17,443.9	\$17,417.7	\$14,810.3	\$17,430.7
Pre-Provision Net Revenue to Average Assets	1.52%	1.51%	0.70%	1.29%	1.23%	1.47%	1.26%
Adjusted Pre-Provision Net Revenue to Average Assets	1.48%	1.56%	1.39%	1.40%	1.51%	1.45%	1.45%

Accretion Income	\$9.7	\$11.1	\$7.5	\$11.0	\$11.5	\$22.3	\$22.5
Accretion Income as a % of Total Revenue	6.1%	6.9%	4.4%	6.3%	6.2%	7.1%	6.3%
Accretion Income as a % of Adjusted Total Revenue	6.2%	7.0%	4.5%	6.4%	6.4%	7.2%	6.4%

\$ in millions

Non-GAAP Reconciliations

	2Q17	2Q18
Noninterest Expense As Reported	\$102.8	\$130.5
Less: Merger and Integration Charges	-	(2.5)
Less: Branch Action Charges, Severance and Client Experience Initiative Charges	(1.7)	(1.6)
Noninterest Expense less Charges	\$101.1	\$126.4
Less: Amortization of Tax Credit Investments	-	(11.9)
Adjusted Noninterest Expense	\$101.1	\$114.5
Less: Intangible Amortization	(2.8)	(3.4)
Adjusted Noninterest Expense Less Intangible Amortization	\$98.3	\$111.1
Net Interest Income As Reported	\$104.3	\$132.0
FTE Adjustment	5.7	2.8
Net Interest Income (FTE)	\$110.0	\$134.8
Noninterest Income As Reported	\$49.2	\$49.3
Total Revenue (FTE)	\$159.2	\$184.1
Less: Securities Gains	(3.1)	(1.5)
Less: Gain on Student Loan Sale	0.0	(2.2)
Less: Gain on Branch Sales	(0.1)	(0.3)
Adjusted Total Revenue	\$156.0	\$180.1
Reported Efficiency Ratio	64.05%	69.58%
Adjusted Efficiency Ratio	63.02%	61.68%
Operating Leverage¹ (basis points)		(1,125)
Adjusted Operating Leverage² (basis points)		224

\$ in millions ¹ Year-over-year basis point change in noninterest expense plus change in total revenue ² Year-over-year basis point change in adjusted noninterest expense plus change in adjusted total revenue

Non-GAAP Reconciliations

	2Q17	3Q17	4Q17	1Q18	2Q18
Net Interest Income As Reported	\$104.3	\$108.5	\$118.6	\$128.5	\$132.0
FTE Adjustment	5.7	5.6	6.1	2.8	2.8
Net Interest Income (FTE)	110.0	114.1	124.7	131.3	134.8
Average Earning Assets	\$12,844.5	\$12,959.7	\$14,389.5	\$15,205.9	\$15,176.7
Net Interest Margin	3.25%	3.35%	3.30%	3.38%	3.48%
Net Interest Margin (FTE)	3.42%	3.52%	3.47%	3.45%	3.55%

	2Q17	3Q17	4Q17	1Q18	2Q18
Noninterest Income As Reported	\$49.2	\$46.4	\$44.8	\$41.9	\$49.3
Less: Securities Gains	(3.1)	(3.0)	(1.6)	(0.8)	(1.5)
Less: Gain on Sale of Student Loans	-	-	-	-	(2.2)
Less: Gain on Branch Actions	(0.1)	-	-	-	(0.3)
Adjusted Noninterest Income	\$46.0	\$43.4	\$43.2	\$41.1	\$45.3

	1Q18	2Q18
Shareholders' Equity As Reported	\$2,179.1	\$2,200.2
Less: Goodwill and Intangible Assets	(877.6)	(874.2)
Tangible Common Shareholders' Equity	\$1,301.5	\$1,326.0
Common Shares Issued and Outstanding at Period End	152.2	152.4
Tangible Common Book Value	\$8.55	\$8.70

Peer Group

Like-size, publicly-traded financial services companies, generally in the Midwest, serving comparable demographics with comparable services as ONB

Associated Banc-Corp	ASB
BancorpSouth Bank	BXS
Bank of Hawaii Corporation	BOH
Bank OZK	OZK
Chemical Financial Corporation	CHFC
Commerce Bancshares, Inc.	CBSH
Cullen/Frost Bankers, Inc.	CFR
F.N.B. Corporation	FNB
First Midwest Bancorp, Inc.	FMBI
Fulton Financial Corporation	FULT
Great Western Bancorp, Inc.	GWB
Hancock Whitney Corporation	HWC
IBERIABANK Corporation	IBKC
International Bancshares Corporation	IBOC
MB Financial, Inc.	MBFI
Prosperity Bancshares, Inc.	PB
TCF Financial Corporation	TCF
Trustmark Corporation	TRMK
UMB Financial Corporation	UMBF
United Bankshares, Inc.	UBSI
Valley National Bancorp	VLY
Western Alliance Bancorporation	WAL
Wintrust Financial Corporation	WTFC