



Old National Bancorp to Partner with Minnesota's Anchor Bancorp, Inc.



August 8, 2017

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 Anchor Bancorp, Inc. (“Anchor”) 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 Anchor, 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 Anchor by accessing Anchor’s website at www.anchorlink.com under the tab “About Us.”

ONB and Anchor and certain of their directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of Anchor 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 2016 annual meeting of shareholders, as filed with the SEC on a Schedule 14A on March 6, 2017. 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

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, statements about the expected timing, completion, financial benefits and other effects of the proposed merger between ONB and Anchor. 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 and 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 proposed merger might not be realized within the expected time frames and costs or difficulties relating to integration matters might be greater than expected; the requisite shareholder and regulatory approvals for the proposed merger might not be obtained; satisfaction of other closing conditions; delay in closing the proposed merger; the reaction to the transaction of the companies' customers and employees; market, economic, operational, liquidity, credit and interest rate risks associated with ONB's and Anchor's businesses; 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 ONB and Anchor to execute their respective business plans (including integrating the ONB and Anchor businesses); 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; other factors identified in ONB's Annual Report on Form 10-K and other periodic filings with the SEC and other factors identified in this presentation. These forward-looking statements are made only as of the date of this presentation, and ONB undertakes no obligation to release revisions to these forward-looking statements to reflect events or conditions after the date of this presentation.

Non-GAAP Financial Measures

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.

Strategic and Financial Rationale

ANCHOR  BANK®



Right market



Right price



Right people

Strategic and Financial Rationale



Right Market

- Franchise extends to Twin Cities– a commercially dense MSA with attractive growth demographics and competitive dynamics that favor ONB's basic bank strategy
- ONB enters with immediate scale (over \$2 billion in assets) and a #7 deposit market share position¹
- Market leading C&I lending team (34% of 6-30-17 total loans) enhances ONB commercial banking business and accelerates strategic plans around balance sheet remix (pro forma 1-4 fam + consumer drops 400 bps)
- Attractive, low-cost core deposit base (14 bps cost of total deposits) includes 32% non-interest bearing, providing substantial funding flexibility
- Advances long-term performance goals by driving enhanced operating leverage and efficiencies

Right Price

- Attractive financial metrics and disciplined pricing – in-line with our stated parameters:
 - 9.2% accretive to 2019 estimated earnings per share, with fully phased-in cost savings
 - TBV per share dilution of 3.6% at closing, inclusive of restructuring charges
 - TBV per share earn back of 3.1 years using crossover method (3.4 years² using simple method)
 - 18.0x LTM EPS and 189% of TBV; multiples in-line with comparable deals
- Pro forma capital ratios remain strong – pro forma closing TCE ~8.0%

Right People

- Well positioned for successful execution:
 - Retention of key Anchor personnel to maintain local leadership and relationships
 - Highly compatible business philosophies and operating/credit cultures
 - Extensive due diligence completed by both parties over many months
 - ONB track record of 11 successful partnerships and subsequent integrations since 2007, including market extensions

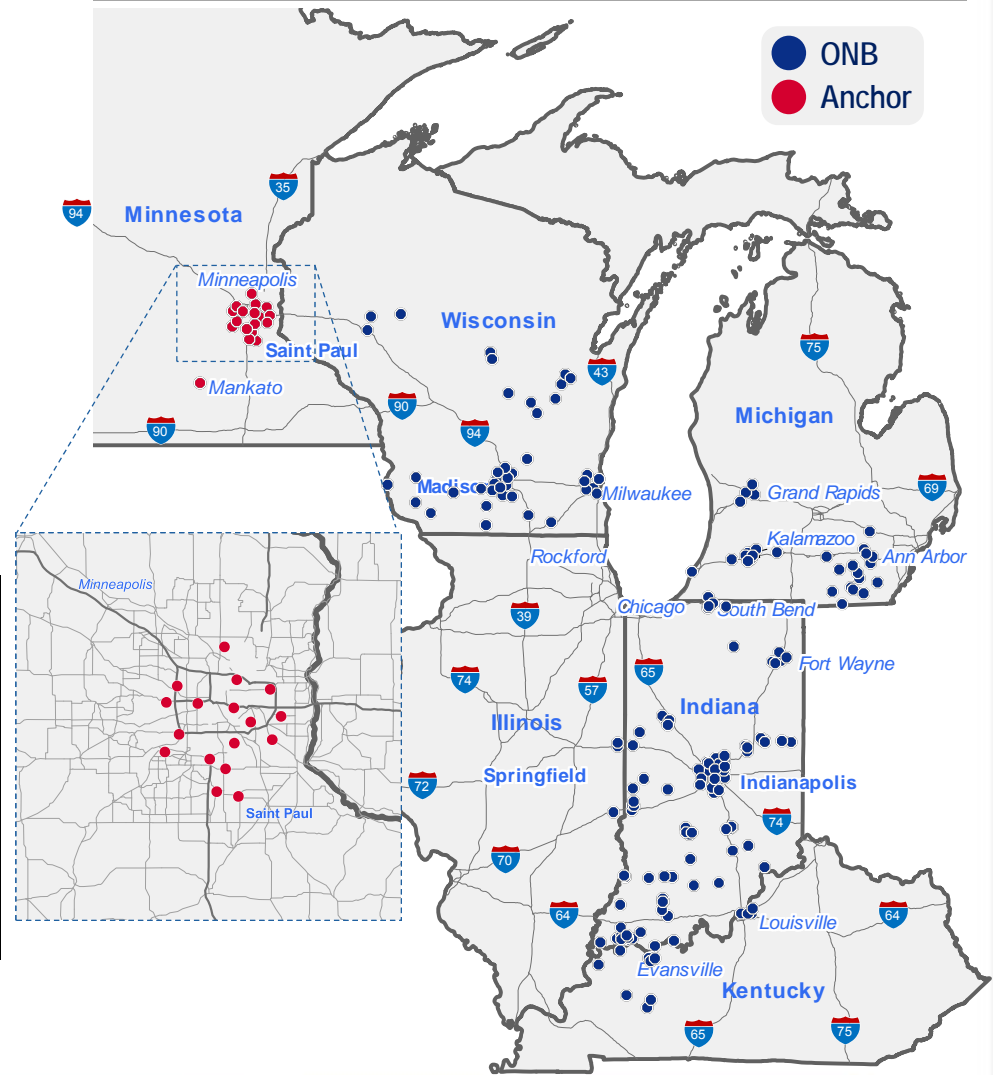
¹ Source: SNL Financial; based on Summary of Deposits as of 6/30/16 ² Assumes inclusion of all restructuring charges in 2018

Expanding Big 10 Presence in Growth Markets



- ✓ Consistent with our strategy of expansion into metropolitan markets with attractive growth prospects and competitive dynamics
- ✓ Minneapolis-St. Paul is the third largest MSA in the Midwest and becomes largest MSA in the Old National footprint
- ✓ Minnesota is ranked #5 in the U.S. in business climate (Forbes)
- ✓ Adds branch in attractive Mankato market

Pro Forma Branch Footprint

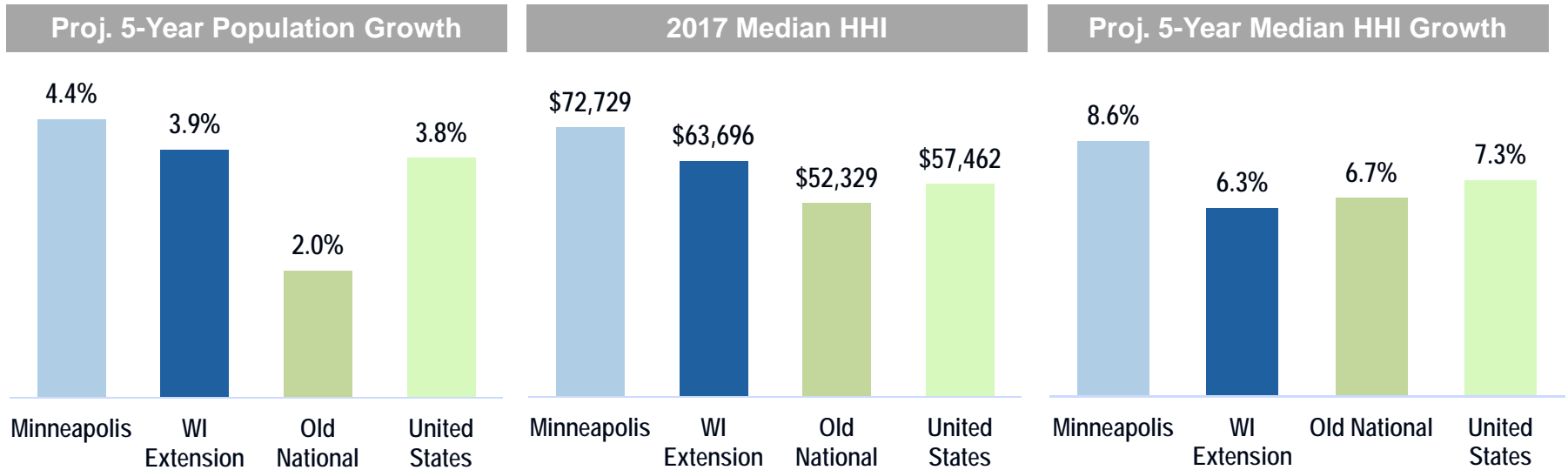


Minneapolis MSA Deposit Market Share ¹

Market Rank	Institution	Branches (#)	Deposits (\$000s)	Deposit Market Share (%)
1	Wells Fargo & Co. (CA)	98	\$81,385,635	45.65%
2	U.S. Bancorp (MN)	101	58,577,823	32.86%
3	TCF Financial Corp. (MN)	87	5,887,940	3.30%
4	Bremer Financial Corp. (MN)	25	3,802,689	2.13%
5	Bank of Montreal	32	3,313,914	1.86%
6	Associated Banc-Corp (WI)	24	1,690,951	0.95%
7	Old National Bancorp (IN) Pro Forma	17	1,568,957	0.88%
8	Klein Financial Inc. (MN)	19	1,462,659	0.82%
9	Bridgewater Bancshares Inc. (MN)	7	964,207	0.54%
10	MidWestOne Financial Grp Inc. (IA)	15	790,664	0.44%
Total Market Deposits			\$178,265,709	

¹ Source: SNL Financial; based on Summary of Deposits as of 6/30/16

Attractive Demographics with Commercial Density



Minneapolis is the 16th largest MSA in the United States, with a population of 3.6 million. Over 64% of Minnesota's population is in the Minneapolis MSA.

Minneapolis is home to 16 Fortune 500 companies



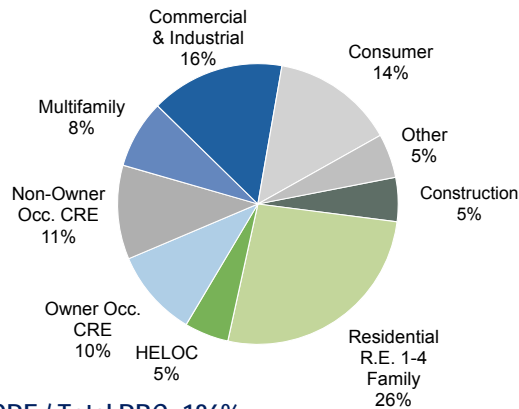
Source: SNL Financial
WI Extension includes the Madison and Milwaukee, Wisconsin MSAs

Pro Forma Loan & Deposit Compositions

Loans

Old National

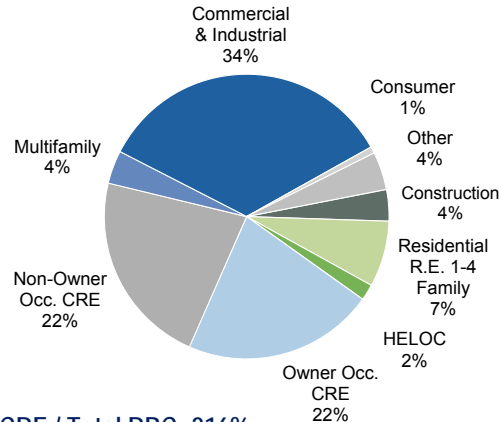
Total: \$9.3B
MRQ Yield: 4.23%



CRE / Total RBC: 186%
CLD / Total RBC: 37%

Anchor

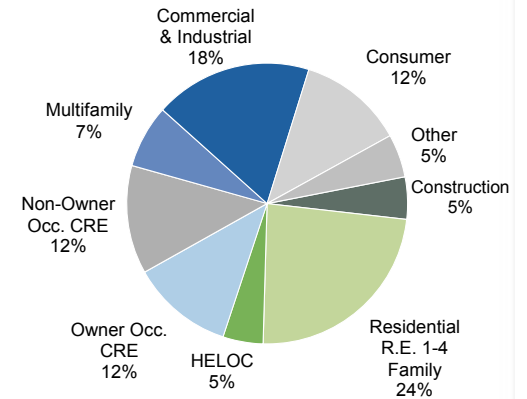
Total: \$1.6B
MRQ Yield: 4.27%



CRE / Total RBC: 216%
CLD / Total RBC: 26%

Pro Forma ¹

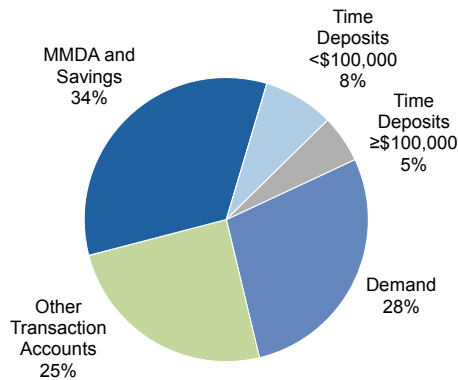
Total: \$10.9B
MRQ Yield: 4.24%



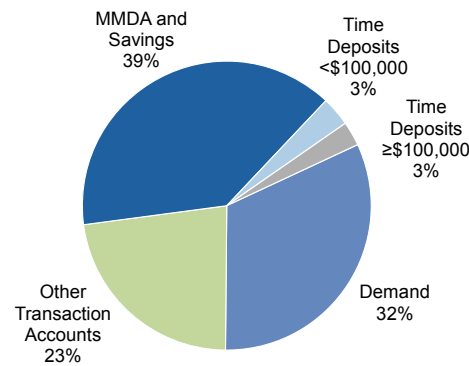
CRE / Total RBC: 200%
CLD / Total RBC: 37%

Deposits

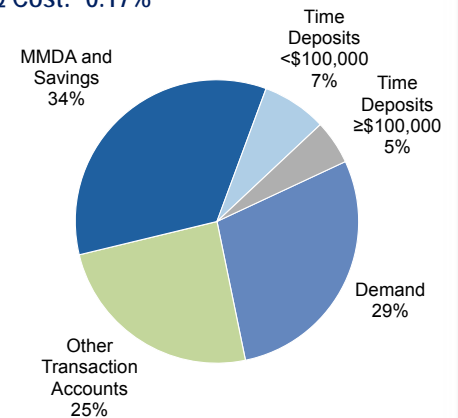
Total: \$10.7B
MRQ Cost:² 0.18%



Total: \$1.7B
MRQ Cost:² 0.14%



Total: \$12.4B
MRQ Cost:² 0.17%



Information as of 6/30/17

¹ Pro forma yield and cost exclude any merger or purchase accounting adjustments

² Represents cost of total deposits

Transaction Consideration & Multiples

Consideration

- 1.350 shares of ONB common stock and \$2.625 per share in cash for each share of Anchor common stock
- 89.5% stock / 10.5% cash
- \$303.2 million in aggregate consideration ¹
- \$24.83 purchase price per share ¹

Preferred & Debt Redemption

- \$10.0 million in convertible preferred will receive the merger consideration; \$6.7 million in preferred will be redeemed with cash at closing
- \$9.7 million in fixed rate TruPS will be redeemed with cash at closing

Valuation Multiples

- 189% of tangible book value per share ²
- 18.0x LTM earnings per share; 10.1x LTM earnings per share (with cost savings ³)
- 8.6% Core deposit premium

Pro Forma Ownership

- ~89% ONB / ~11% Anchor

Required Approvals

- Customary regulatory approvals – Shareholder approval of Anchor

Expected Closing/Conversion

- Expected to close early first quarter 2018 with conversion in the second quarter

¹ Based upon ONB's closing price of \$16.45 on 8/7/17. Includes consideration for 11,626,074 shares outstanding, 500,000 shares of common stock from the conversion of Anchor's Series II Convertible Preferred Stock, and the in-the-money value of 170,222 options outstanding at a weighted average exercise price of approximately \$12.83.

² Based on Anchor's 6/30/17 diluted tangible book value per share of \$13.15, which includes the conversion of Anchor's Series II Convertible Preferred Stock

³ Based on pre-tax cost savings of approximately \$20 million

Financial Impact & Assumptions

EPS Accretion	<ul style="list-style-type: none"> 7.0% in 2018 excluding transaction expenses, 9.2% in 2019 (with fully phased cost savings)
TBV Value Impact	<ul style="list-style-type: none"> 3.6% TBV dilution¹, earnback of 3.1 years using crossover method², 3.4 years using the simple method³
Internal Rate of Return	<ul style="list-style-type: none"> 20%+ IRR, above internal targets
Pro Forma Capital	<ul style="list-style-type: none"> -8.0% tangible common equity / tangible assets estimated at closing -11.4% total risk based capital ratio estimated at closing
Cost Savings	<ul style="list-style-type: none"> Estimated \$15 million in 2018 <ul style="list-style-type: none"> Estimated \$20 million thereafter; ~36% of Anchor's total noninterest expense base
One-Time Expenses	<ul style="list-style-type: none"> Total pre-tax merger-related costs of \$25.2 million
Credit Mark	<ul style="list-style-type: none"> Gross credit mark on Anchor's loan portfolio of 1.23% or \$19.4 million <ul style="list-style-type: none"> Comprehensive review process; credit quality strong with NPAs 0.45% of assets Credit review included 44% of total loan balances
Other Purchase Accounting Adjustments	<ul style="list-style-type: none"> \$19.8 million loan interest rate mark, or 1.25% of loans, accreted through earnings over 2.65 years Other fair value adjustments of \$3.5 million (negative impact to equity) \$24.2 million CDI created (1.5% of non-time deposits), amortized over 10 years using sum of years digits
Regulatory Adjustments	<ul style="list-style-type: none"> \$0.7 million pre-tax annual interchange fee revenue loss due to Durbin Amendment

¹ See Appendix for non-GAAP reconciliation

² Based on when pro forma tangible book value per share crosses over and begins to exceed projected standalone ONB tangible book value per share

³ Simple earnback is calculated as tangible book value per share dilution at closing, inclusive of all transaction expenses incurred in 2018, implying tangible book value per share dilution of approximately \$0.37, divided by 2019 earnings per share accretion of approximately \$0.11

Transforming Old National's Landscape

Top 10 MSA's by Deposits

MSA	Market Rank (#)	Branches (#)	Deposit Deposits (\$000s)	Market Share (%)	% of Pro Forma Deposits	2017 Population
Evansville, IN-KY	1	15	\$1,923,959	34.4%	15.8%	316,782
Minneapolis-St. Paul-Bloomington, MN-WI	7	17	\$1,568,957	0.9%	12.9%	3,573,772
Madison, WI	5	21	\$1,043,884	6.4%	8.6%	651,828
Indianapolis-Carmel-Anderson, IN	12	24	\$969,009	2.1%	7.9%	2,017,134
Bloomington, IN	1	5	\$622,483	25.1%	5.1%	167,154
Fort Wayne, IN	7	5	\$427,345	5.5%	3.5%	433,872
Terre Haute, IN	2	5	\$338,240	13.7%	2.8%	170,420
Adrian, MI	1	7	\$334,784	35.1%	2.7%	98,315
Jasper, IN	2	5	\$332,833	21.7%	2.7%	55,127
Ann Arbor, MI	9	5	\$281,656	3.4%	2.3%	362,474

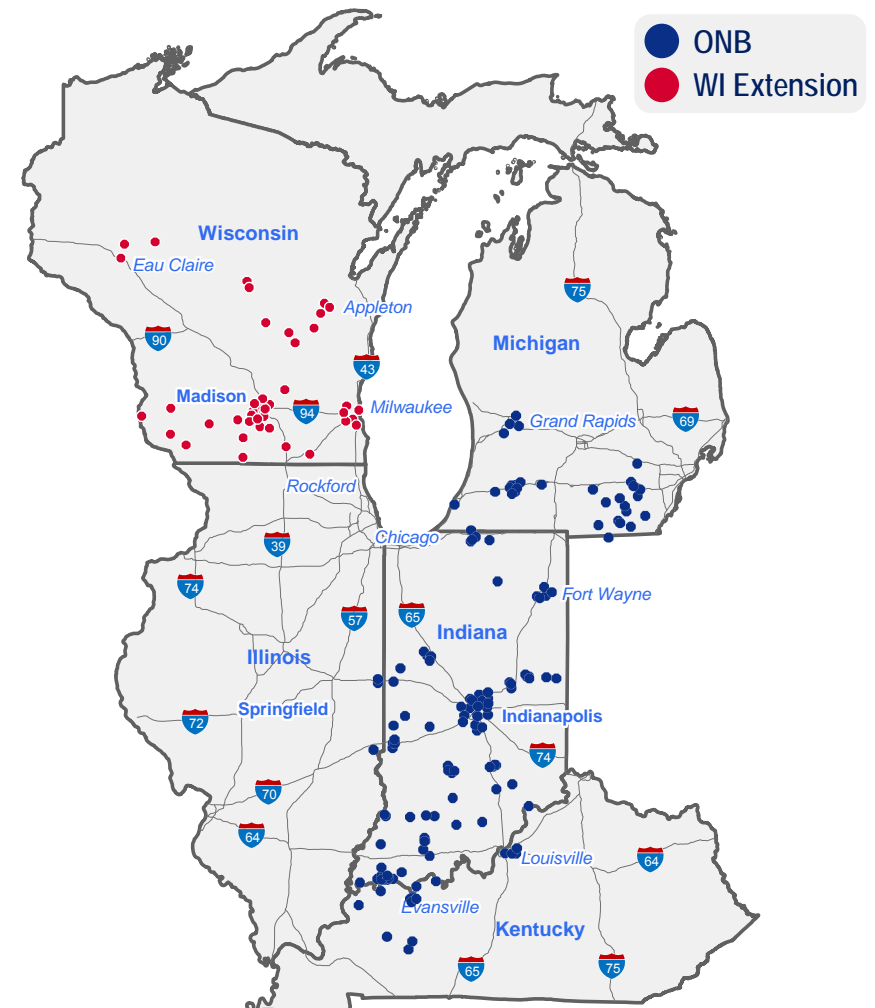
Highlighted MSAs represent newly entered or enhanced markets as part of ONB's transformational strategy

Success With Wisconsin Market Extension

Since September, 2016 conversion

- ✓ 7.1% growth in total commercial loans
 - ✓ 26% of ONB's consolidated 2Q17 total commercial production
- ✓ 60% increase in commercial pipeline
 - ✓ 31% of ONB's consolidated 2Q17 total pipeline
- ✓ Deposit attrition lower than modeled

Wisconsin Market Extension

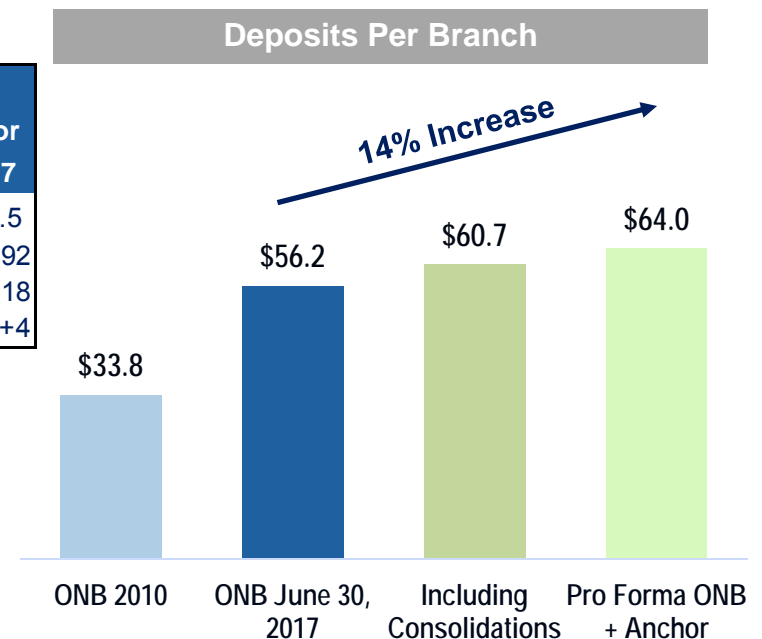


Additional Branch Rationalization Actions



- Continued focus on operating expenses and efficiency
 - ✓ 14 ONB banking centers expected to close November, 2017
 - ✓ Cost savings of approximately \$4.0 million in 2018
 - ✓ One-time charges of approximately \$5.0 million in 2017

	ONB Dec. 31, 2010	ONB June 30, 2017	Including Consolidations June 30, 2017	Pro Forma ONB + Anchor June 30, 2017
Core Deposits ¹	\$5,442.7	\$10,561.2	\$10,561.2	\$12,278.5
# of Branches	161	188	174	192
Branch Count Change			-14	+18
Net Branch Count Change				+4



¹ Excludes brokered CDs

Accelerates Strategic Objectives

- **Attractive Anchor Partnership**

- ✓ 9% EPS accretion with 3 year TBV earn-back
- ✓ Continues ONB's expansion to higher growth, commercially dense MSA with favorable competitive dynamics
- ✓ Enters MSP with immediate scale (over \$2 billion in assets) and a #7 deposit market share
- ✓ Accelerates strategic balance sheet remix towards more commercial lending
- ✓ Maintains key senior leaders to lead new Region and minimize execution risk
- ✓ Model does not include potential revenue opportunities (capital markets, enhanced residential lending products, wealth management/trust, and private banking)

- **Continued Focus on Efficiency and Operating Leverage**

- ✓ Branch rationalization drives an additional \$4 million in identified cost savings in 2018
- ✓ Drives continued efficiency ratio and return profile improvement
- ✓ Client experience initiative continues

- **Executing on Our Basic Bank Strategy**

- ✓ Focus on profitable, prudent organic growth supplemented with disciplined partnerships
- ✓ Strong credit quality with local decision making reporting to centralized Chief Credit Officer
- ✓ Key Senior Leaders drive local strategy and growth while providing continuity
- ✓ Community partners – strengthen the communities that we serve

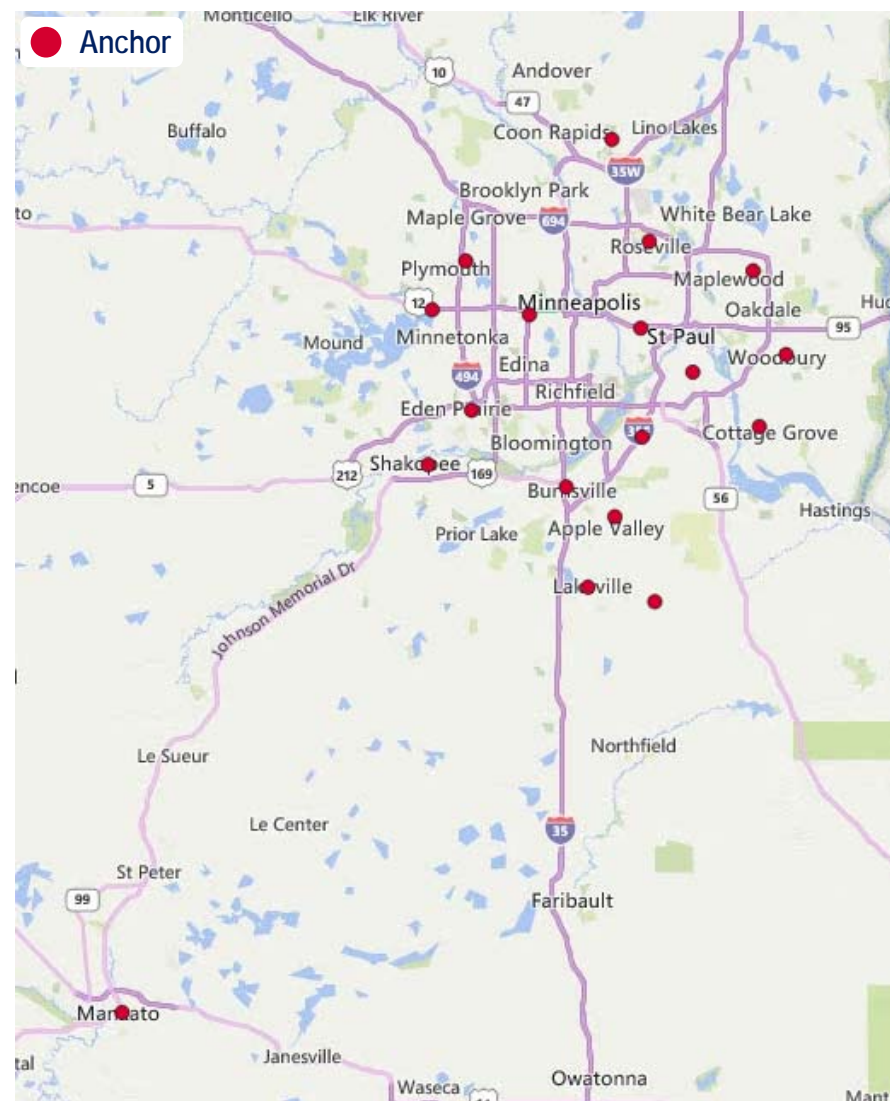
Appendix

Anchor Bancorp, Inc. Overview

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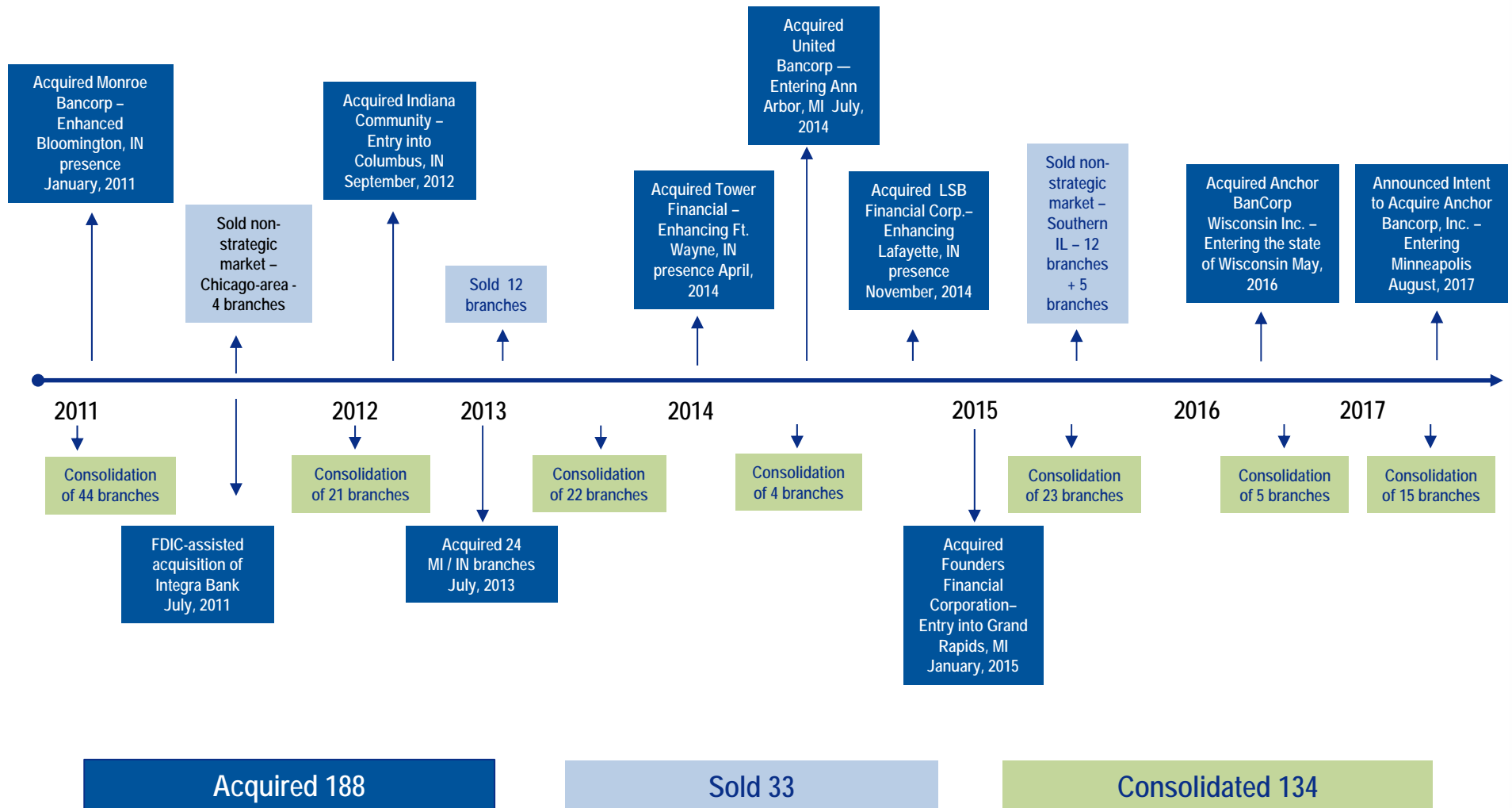
Financial Highlights

<i>(dollars in thousands)</i>	<i>(6/30/17)</i>
Headquarters	Saint Paul, MN
Branches	18
Total Assets	\$2,055,961
Total Gross Loans	1,578,719
Total Deposits	1,717,345
Tangible Common Equity	149,185
Preferred Equity	16,746
Total Equity	180,652
LTM Net Income	\$17,758
LTM Net Interest Income	\$66,503
LTM Noninterest Income	\$16,580
LTM Noninterest Expense	\$54,443
LTM ROAA	0.88%
LTM Net Interest Margin (FTE)	3.64%
LTM Efficiency Ratio (FTE)	63.1%
TCE Ratio	7.31%
Tier 1 Capital Ratio	10.51%
Total RBC Ratio	12.08%
NPAs / Assets	0.45%
Reserves / Loans	1.20%



Source: SNL Financial and Anchor Bancorp's 2Q17 company filings

Transforming Old National's Landscape



14 Branch Consolidations

- **Six in Wisconsin**

- Berlin
- Boscobel
- Glendale
- Menomonee Falls
- Plover
- Ripon

- **One in Illinois**

- Marshall

- **Five in Indiana**

- Columbus-Brentwood
- Williamsport
- Washington-Depot
- Farmland
- Madison

- **Two in Michigan**

- Blissfield
- Morenci

Non-GAAP Reconciliation

Tangible Book Value Dilution			
	(\$mm)	Shares (mm)	\$ Per Share
ONB Standalone			
ONB Tangible Book Value at 6/30/17	\$1,200	136	\$8.85
(+) Two Quarters of Consensus Mean Earnings Prior to Close	70		
(-) Consensus Dividends Remaining of \$0.27 Per Share	(36)		
(+) Amortization of Existing Core Deposit Intangibles	5		
Standalone ONB TBV at Close	\$1,239	136	\$9.14
Pro Forma			
ONB Tangible Book Value at 12/31/17	\$1,239	136	\$9.14
(+) Equity Consideration to Anchor	271	16	
(+) Total Intangibles Created	(171)		
Pro Forma ONB TBV at 12/31/17	\$1,339	152	\$8.81
ONB (Dilution) - \$			(\$0.33)
ONB (Dilution) - %			(3.6%)
Tangible Book Value Earnback (Crossover Method)		~ 3.1 years	
Tangible Book Value Earnback (Simple Method) ¹		~ 3.4 years	

Intangibles Created	
	(\$mm)
Deal Value ²	\$303
Anchor TCE at Close ³	167
(+) AT One-Time Costs at Close	(11)
(+) Net AT FV Marks & Purch Acct	(14)
Adjusted Tangible Book Value	\$141
Excess Over Adjusted TBV	\$162
(+) Core Deposit Intangible Created	(24)
(+) DTL on CDI	8
Goodwill Created	\$147
Total Intangibles Created	\$171

Note: Model assumes a 12/31/17 closing date

¹ Simple earnback is calculated as tangible book value per share dilution at closing, inclusive of restructuring charges incurred in 2018, implying tangible book value per share dilution of approximately \$0.37, divided by 2019 earnings per share accretion of approximately \$0.11

² Based upon ONB's closing price of \$16.45 on 8/7/17. Includes consideration for 11,626,074 shares outstanding, 500,000 shares of common stock from the conversion of Anchor's Series II convertible preferred equity, and the in-the-money value of 170,222 options outstanding at a weighted average exercise price of approximately \$12.83.

³ Includes the conversion of Anchor's Series II convertible preferred equity

Non-GAAP Reconciliation

(dollars in millions except per share)

Estimated Earnings Accretion		
Standalone Net Income:	2018	2019
ONB Consensus Net Income to Common Estimate	\$152.9	\$160.1
Anchor Net Income to Common Estimate	\$17.9	\$19.8
After-tax Pro Forma Adjustments:		
Cost Savings ¹	\$9.7	\$13.5
Purchase Accounting Adjustments (Net Accretable Yield)	5.1	5.2
Interest Expense Add-back on Redemption of Preferred, TruPs, & Term Loan ²	1.8	1.6
Restructuring Charges	(5.5)	0.0
Core Deposit Intangible Amortization	(2.9)	(2.6)
Other Merger Adjustments	(1.1)	(1.5)
Pro Forma Net Income	\$178.1	\$196.2
ONB Average Diluted Shares	135.3	135.7
Shares Issued to Anchor	16.5	16.5
ONB Pro Forma Average Diluted Shares	151.8	152.2
Stand Alone EPS for ONB	\$1.13	\$1.18
Pro Forma EPS for ONB	\$1.17	\$1.29
Accretion to ONB Including Restructuring Charges - \$	\$0.04	\$0.11
Accretion to ONB Including Restructuring Charges - %	3.8%	9.2%
Pro Forma EPS for ONB	\$1.17	\$1.29
Plus: After-tax Restructuring Charges	\$0.04	\$0.00
Pro Forma EPS (Excluding Restructuring Charges)	\$1.21	\$1.29
Accretion to ONB Excluding Restructuring Charges - \$	\$0.08	\$0.11
Accretion to ONB Excluding Restructuring Charges - %	7.0%	9.2%

Note: Model assumes a 12/31/17 closing date.

¹ \$20 million of pre-tax cost savings in 2018 and \$20.8 million in 2019; phased 75% in 2018, 100% thereafter

² Based on the redemption of all outstanding preferred equity, \$4.7M of TruPs (8.25% fixed), \$5.0M of TruPs (8.00% fixed), and a term loan (3mL+200bps)

Investor Contact

OLD
NATIONAL

Additional information can be found on the
Investor Relations web pages at

www.oldnational.com

ONB

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