

Anchor Bancorp, Inc. (Private; Saint Paul, MN) has agreed to merge with Old National Bancorp (NASDAQ: ONB; Evansville, IN)

Deal Value: \$303.2 Million

Sandler O'Neill acted as financial advisor and rendered a fairness opinion to Anchor Bancorp, Inc. in this transaction. This transaction represents Sandler O'Neill's 138th bank or thrift transaction nationwide since January 1, 2015 representing \$44.7 billion in aggregate transaction value. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions and for a greater aggregate deal value than any other investment bank during that time period.¹

This transaction represents the largest deal value of any Minnesota depository acquisition since 2000.

Since January 1, 2015, Sandler O'Neill has advised on 26 bank or thrift transactions in the Midwest region for an aggregate transaction value of \$13.1 billion, more than any other investment bank during that period.¹

Evansville, Ind. and St. Paul, Minn. (August 8, 2017) – Evansville, Indiana-based Old National Bancorp (NASDAQ: ONB) (“Old National”) and St. Paul, Minnesota-based Anchor Bancorp, Inc., (“Anchor”) jointly announced today the execution of a definitive agreement under which Old National will acquire Anchor through a stock and cash merger. When completed, this transaction will position Old National as the seventh largest deposit holder in the Twin Cities market.

Under the terms of the agreement, Anchor shareholders will receive 1.35 shares of Old National common stock and \$2.625 in cash for each share of common stock of Anchor they hold. Based on Old National's closing share price on August 7, 2017, of \$16.45, this represents a total transaction value of approximately \$303.2 million.

With \$2.1 billion in total assets, \$1.6 billion in total loans, \$1.7 billion in deposits, and \$164 million in common shareholder's equity as of June 30, 2017, Anchor is a bank holding company with Anchor Bank, N.A. (“Anchor Bank”) as its wholly-owned subsidiary. Founded in 1967 and with 18 total branches, Anchor Bank is one of the largest community banks headquartered in the Twin Cities, and also serves Mankato, Minnesota.

“This partnership, which marks Old National's entry into Minnesota, is a natural extension of our franchise,” said Old National President & CEO Bob Jones. “Not only does it position us in strong, vibrant markets with proven growth potential, it also represents a perfect cultural fit and an opportunity to continue the strong legacy of service that has distinguished Anchor Bank for 50 years.”

“As we were looking for new ways to help Anchor support our growth, and the growth of our customers, we concluded that partnering with a larger organization would be the best option for our shareholders, employees and customers,” Carl Jones, Anchor Bank CEO said. “I'm looking forward to introducing the Twin Cities to Old National Bank, which has built a solid reputation for Midwestern sensibility, community-values and strong underlying ethics.”

The definitive merger agreement has been unanimously approved by the Board of Directors of both Old National and Anchor. The transaction remains subject to regulatory approval and the vote of Anchor shareholders. The transaction is anticipated to close early in first quarter 2018.

Financial Highlights

(Dollars in millions)

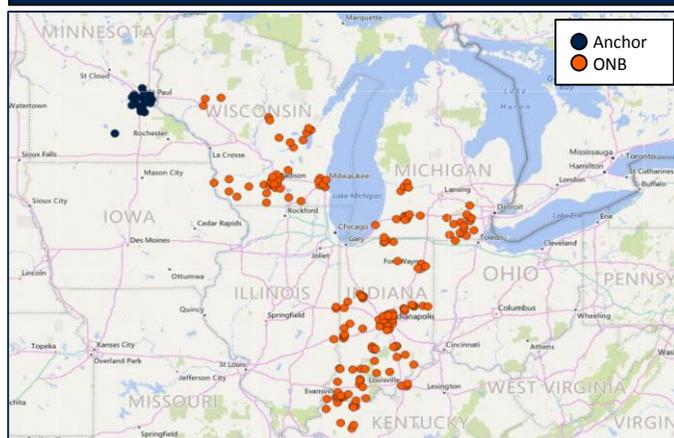
	<u>Anchor Bancorp, Inc.</u>	<u>Old National Bancorp</u>
Total Assets	\$2,056	\$14,957
Total Net Loans	\$1,560	\$9,208
Total Deposits	\$1,717	\$10,684
Total Equity	\$181	\$1,887
TCE / TA	7.3%	8.4%

Financial data as of June 30, 2017

¹ Excludes terminated transactions and self-advisory roles

Source: SNL Financial, Company Documents, Press Release

Pro Forma Map



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