

INDIANA COMMUNITY BANCORP

Form 425

January 25, 2012

Old National Bancorp

Acquisition of

Indiana Community

Bancorp

January 25, 2012

Filed by Old National Bancorp

Pursuant to Rule

425 under the Securities Act of 1933

Subject Company: Indiana Community Bancorp

Commission File No.: 000-18847

Set forth below are slides from an investor presentation given on January 25, 2012 by Old National Bancorp regarding the proposed merger transaction between Old National Bancorp and Indiana Community Bancorp.

Lynell Walton
Senior Vice President
Investor Relations Officer
Old National Bancorp

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Additional Information for Shareholders

In connection with the proposed merger, Old National Bancorp will file with the Securities and Exchange Commission a Registration Statement on Form S-4 that will include a Proxy Statement of Indiana Community Bancorp and a Prospectus of Old National Bancorp, 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 Old National Bancorp and Indiana Community Bancorp, 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
Old
National
Bancorp
at
www.oldnational.com

under
the
tab Investor
Relations
and
then
under
the
heading

Financial
Information
or
from
Indiana
Community
Bancorp

by
accessing
Indiana
Community
Bancorp's
website

at
www.myindianabank.com

under
the
tab

Shareholder
Relations
and

then under the heading Documents.

Old National Bancorp and Indiana Community Bancorp and certain of their directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of Indiana Community Bancorp in connection with the proposed merger. Information about the directors and executive officers of Old National Bancorp is set forth in the proxy statement for Old National's 2011 annual meeting of shareholders, as filed with the SEC on a Schedule 14A on March 25, 2011. Information about the directors and executive officers of Indiana Community Bancorp is set forth in the proxy statement for Indiana Community Bancorp's 2011 annual meeting of shareholders, as filed with the SEC

on a Schedule 14A on March 22, 2011. 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.

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Forward-Looking Statement
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
and
Indiana
Community
Bancorp s
financial
condition,
results
of
operations,
asset
and
credit
quality
trends
and
profitability
and
statements
about
the
expected
timing,
completion,
financial
benefits

and
other
effects
of
the
proposed
merger.
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
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; market, economic, operational, liquidity, credit and interest rate risks associated with Old National Bancorp s and Indiana

Community Bancorp'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); the ability of Old National Bancorp to execute its business plan (including the proposed acquisition of Indiana Community Bancorp); changes in the economy which could

materially
impact
credit
quality
trends
and
the
ability
to
generate
loans
and
gather
deposits;
failure
or
circumvention
of
either
Old
National
Bancorp s
or
Indiana
Community
Bancorp s
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
matters
discussed
in
this
presentation
and
other
factors
identified
in
the
Old
National
Bancorp s
Annual
Report
on
Form
10-K
and
other
periodic
filings
with
the
Securities
and
Exchange
Commission.
These
forward-looking
statements
are
made
only
as
of
the
date
of
this
Report,
and
neither

Old
National
Bancorp
nor
Indiana
Community
Bancorp
undertakes
an
obligation
to
release
revisions
to
these
forward-looking
statements
to
reflect
events
or
conditions
after
the
date
of
this
presentation.

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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 issuer; 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.

Bob Jones
President & CEO
Old National Bancorp

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ONB to Acquire Indiana Community Bancorp
Compelling
Strategic
Rationale

Advances
objective

of
being
Indiana s
bank

Provides
entry
into
attractive
I-65
corridor
markets

Adds
17
full
service
branches

-
\$863.3
million
in
deposits
and
\$713.8
million
in
loans
Financially
Attractive

Effective
deployment
of
capital

EPS accretion of \$.06 to \$.08 per share in first full year

Exceeds internal IRR hurdle

Significant operating efficiencies

Over 35% cost saves expected
Low Risk

Comprehensive due diligence completed

Core competency in integration/conversion processes

Retention of key management members

Strong cultural fit

Financial data at December 30, 2011, per Company filings

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Indiana Community Bancorp

Founded in 1908

State chartered commercial bank

17 full service branches

\$985 million total assets

\$714 million total loans

\$896 million total liabilities

\$863 million total deposits

\$273 million trust assets

Financial data at December 30, 2011, per Company filings

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Why Indiana Community?

Effective deployment of capital

Revenue growth opportunities

Entry with #2 market share in strong Columbus,
Indiana market

Immediately accretive to earnings
Continued expense synergies
Enhances ONB's strategy of being Indiana's
bank

Fills
strategic
gap

I-65
corridor
Intangible benefits

Same cultural values

Strong management team

10
Evansville
Strategic fill-in of attractive I-65 corridor
in South Eastern Indiana
Area is home to Cummins Inc. and
Honda Manufacturing of Indiana
Old National Bancorp
Indiana Community Bancorp

ONB to Acquire Indiana Community Bancorp
Headquartered in
Columbus, Indiana
NASDAQ: INCB

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Attractive Columbus, IN Market (MSA)

INCB corporate headquarters

5 full service branches

Deposits of \$322.0 million

37.5% of franchise

Market rank of #2 with 27.1% share

Major employer Cummins Inc

June 2011

announced expansion with new office building
to add 600 new professionals (average
salaries of \$80,000) by 2013 and employ nearly
3,000 individuals

Financial data at June 30, 2011, per SNL Financial

12
Bartholomew County/Columbus, IN
Bartholomew County population of 75,950

Columbus population of 40,730
Median HH Income
\$53,356
\$53,650

\$55,877

\$54,442

\$53,000

\$54,000

\$55,000

\$56,000

Barth.

Co.

Indiana

National

ONB

Projected HH Income Change

2010-2015

13.3%

13.2%

13.6%

12.4%

11%

12%

13%

14%

Barth. Co.

Indiana

National

ONB

Nov. 2011 Unemployment

9.0%

7.0%

8.6%

6%

7%

8%

9%

10%

Bartholomew

County

Indiana

National

HH income data per SNL Financial

Unemployment data provided by Indiana Department of Workforce Development and Bureau of Labor Statistics

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Entry Into Seymour, IN (MSA)

3 full service branches

Deposits of \$190.6 million

22.2% of franchise

Market rank of #2 with 25.5% share

Financial data at June 30, 2011, per SNL Financial

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ONB to Acquire INCB
Highlights
Transaction
Due Diligence
Financial Impact
Capital
TARP Repayment

Acceptable Risk Profile
Closing

Consideration:

100%
stock
transaction
at
an
exchange
ratio
of
1.90,
resulting
in
6.6
million
shares
issued

Deal
value
=
\$79.2
million
at
ONB
price
of
\$12.00

Tangible
premium/core
deposits
(deposits
less
jumbo
CDs)
of
1.58%

Price
to
tangible
book
of
1.17%

Comprehensive
review

of
all
operations
and
business
lines

Extensive
credit
review

Obtained
in-depth
look
at
culture

Expected
to
be
immediately
accretive
to
EPS
in
2012,
excluding
one-time
charges
of
approximately
\$19.3
million

Expected
EPS
accretion
\$.06
to
\$.08
per
share
in
first
full
year

Expected
cost
saves

of
over
35%,
phased
in
75%
in
2012
and
100%
thereafter

Exceeds
internal
IRR
hurdle

Loan
credit
mark
estimated
at
\$87
million,
or
12%
of
total
loans*

Loan
interest
rate
mark
estimated
at
\$32
million

Create
goodwill
of
approximately
\$75
million

No
additional
capital
raise

needed

INCB to redeem TARP prior to closing, subject to regulatory approval

Strong
cultural
fit

Transaction
anticipated
to
close
2Q12,
subject
to
regulatory
and
INCB
shareholder
approval
and
other
customary
closing
conditions
*

Possible
credit-related
adjustments
to
exchange
ratio
Pricing
based
on
ONB
stock
price
of
\$12.00

20
day
average
12-21-2011
to
1-20-2012

15
Possible Credit-Related Adjustments to Exchange Ratio
Deal
value
subject
to
change
based

on
increase
or
decrease of credit mark and delinquencies

1.9987 to 1.3396
Loan mark based on changes in impairment
Delinquencies based on changes in delinquent
loans
from announcement date to closing date

Delinquencies

Nonaccruals

Restructured

OREO

Net charge-offs
All based on Old National's credit methodology

16
Estimated Merger and Acquisition Charges
Severance
\$4.3
Other HR related expenses
\$1.9
Processing and communication expense
\$7.3

Occupancy expense

\$2.6

Professional fees

\$2.6

Marketing

\$.6

Total estimated acquisition charges

\$19.3

\$ in millions

17
Pro Forma Capital Ratios
ONB
9-30-2011
1
Projected
at Closing
Tangible Common Equity/Tangible Assets

8.40%

8.27%

Tangible Common Equity/Risk Weighted Assets

13.42%

12.65%

Leverage Ratio

7.9%

8.0%

Tangible Book Value Per Share

\$7.66

\$7.37

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See Appendix for Non GAAP Reconciliation

Old National Bancorp
Thank You
Q&A

Old National Bancorp
Appendix

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ONB's M&A Strategy

Branch acquisition

FDIC assisted

transaction

Whole bank purchase

Must enhance Old National's mission of being a true community bank

Must align both strategically and culturally

Must meet/exceed financial targets

Must pass rigorous due diligence process

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ONB's M&A Strategy

Focus on community banking, client
relationships and consistent quality
earnings

Target geographic markets

Mid-sized markets within or near existing

franchise with average to above average
growth rates

In market community banks where
significant cost saves could be achieved

22
Balance Sheet Mix
As of 9-30-2011
Commercial
30.1%
Residential
Mortgage
21.0%

Commercial
 Real Estate
 27.2%
 HELOC
 5.4%
 Other
 Consumer
 16.3%
 Commercial
 16.4%
 Mortgage
 13.1%
 Commercial
 Real Estate
 56.6%
 HELOC
 12.5%
 Other
 Consumer
 1.4%
 CD's
 24.4%
 Money
 Markets
 4.5%
 NOW
 Accounts
 22.2%
 Savings
 23.7%
 Demand
 25.3%
 Old National
 Pro Forma
 CD's
 33.1%
 Money
 Markets
 28.1%
 NOW
 Accounts
 19.8%
 Savings
 6.2%
 Demand
 12.8%
 Old National
 Pro Forma
 Commercial
 28.1%

Indiana Community

Indiana Community

Residential
Mortgage
19.8%
Commercial
Real Estate
31.5%
HELOC
6.4%
Other
Consumer
14.1%
CD's
25.3%
Money
Markets
7.1%
NOW
Accounts
21.9%
Savings
21.8%
Demand
23.9%
Excludes covered loans
Financial data at September 30, 2011, per SNL Financial

23
Indiana Market Share
Financial data at June 30, 2011, per SNL Financial

24
Loan Mark Impairment Based On
Collateral value
Cash flow
Documentation
Quality and timeliness of financial
statements
Guarantor strength

25
Non-GAAP Reconciliations
(end of period balances-
\$ in millions)
ONB at
9-30-2011
Projected at
Closing

Total Shareholders
 Equity
 \$1,027.7
 \$1,114.4
 Deduct: Goodwill and Intangible Assets
 (302.3)
 (367.4)
 Tangible Common Shareholders
 Equity
 \$725.4
 \$746.9
 Total Assets
 \$8,932.7
 \$9,395.3
 Add: Trust Overdrafts
 .4
 .6
 Deduct: Goodwill and Intangible Assets
 (302.3)
 (367.4)
 Tangible Assets
 \$8,630.8
 \$9,028.5
 Tangible Common Equity to Tangible Assets
 8.40%
 8.27%
 (end of period balances-
 \$ in millions)
 ONB at
 9-30-2011
 Projected at
 Closing
 Total Shareholders
 Equity
 \$1,027.7
 \$1,114.4
 Deduct: Goodwill and Intangible Assets
 (302.3)
 (367.4)
 Tangible Common Shareholders
 Equity
 \$737.8
 \$746.9
 Risk Adjusted Assets
 \$5,406.5
 \$5,906.1
 Tangible Common Equity to Risk Weighted Assets
 13.42%
 12.65%

26
(end of period balances-
\$ in millions)
ONB at
9-30-2011
Projected at
Closing
Total Shareholders

Equity
\$1,027.7
\$1,114.4
Deduct: Goodwill and Intangible Assets
(302.3)
(367.4)
Tangible Common Shareholders
Equity
\$725.4
\$746.9
Common Shares Issued and Outstanding
94,654
101,360
Tangible Book Value per Share
\$7.66
\$7.37
Non-GAAP Reconciliations