

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](http://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](http://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.

4  
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-  
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believe,  
expect,  
intend,  
could  
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should,  
and  
other  
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of  
similar  
meaning.  
These  
forward-looking  
statements  
express  
management's  
current  
expectations  
or  
forecasts  
of  
future  
events  
and,  
by  
their  
nature,  
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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

7  
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

8

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

9

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

11

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

13

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

14  
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

1

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