

# Old National Bancorp

## Acquisition of Indiana Community Bancorp

January 25, 2012



# Lynell Walton

**Senior Vice President  
Investor Relations Officer  
Old National Bancorp**



# 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.

# 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.

# 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**



# 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

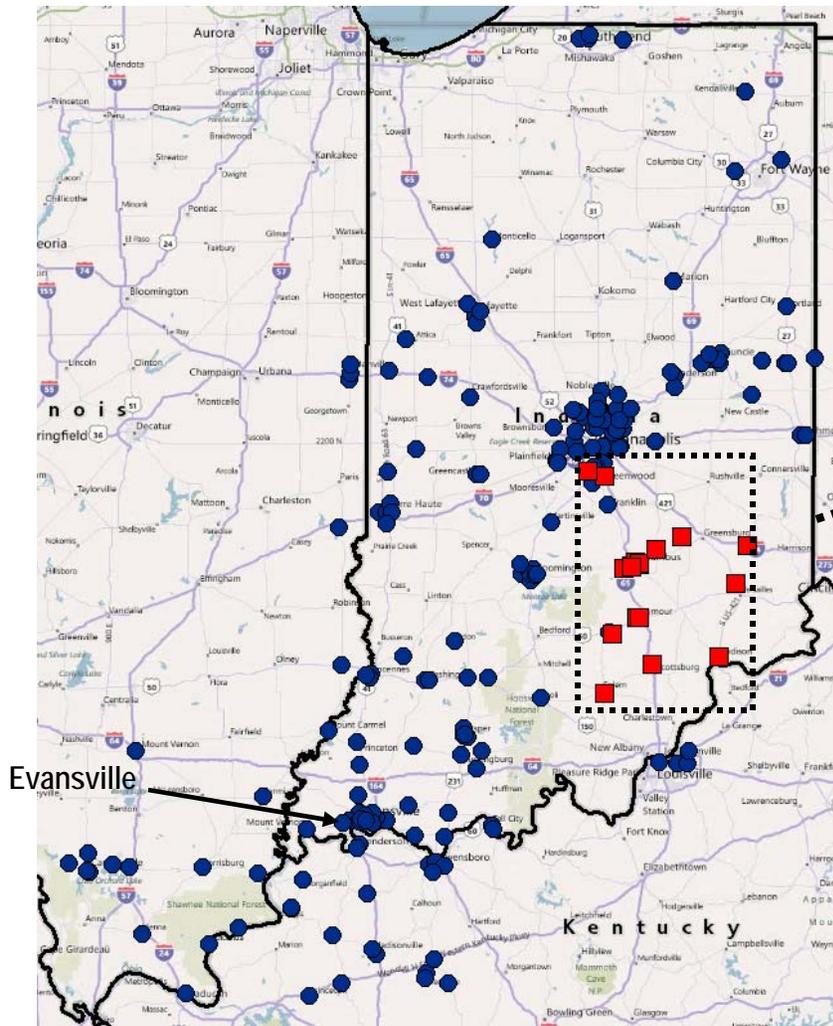
# Indiana Community Bancorp

- 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

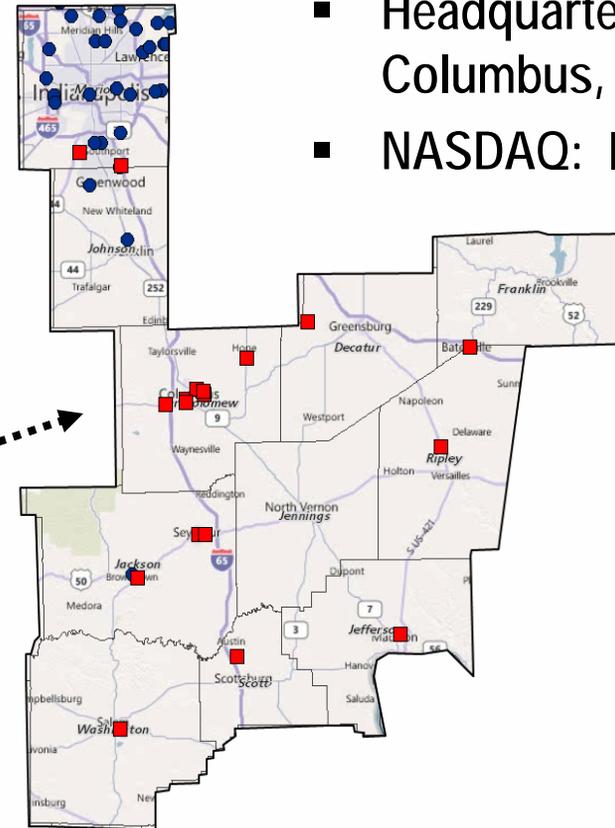
# Why Indiana Community?

- 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

# ONB to Acquire Indiana Community Bancorp



- Old National Bancorp
- Indiana Community Bancorp



- Headquartered in Columbus, Indiana
- NASDAQ: INCB

Strategic fill-in of attractive I-65 corridor in South Eastern Indiana

Area is home to Cummins Inc. and Honda Manufacturing of Indiana

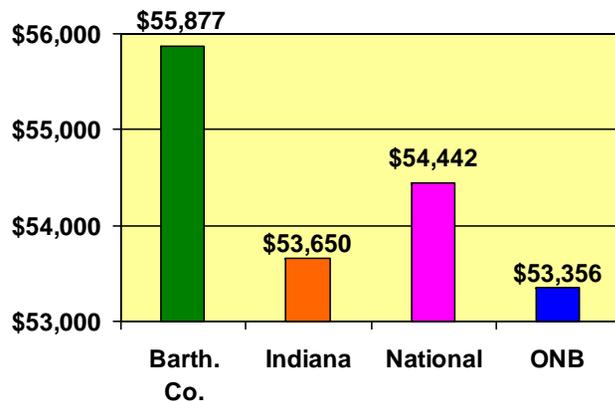
# Attractive Columbus, IN Market (MSA)

- 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

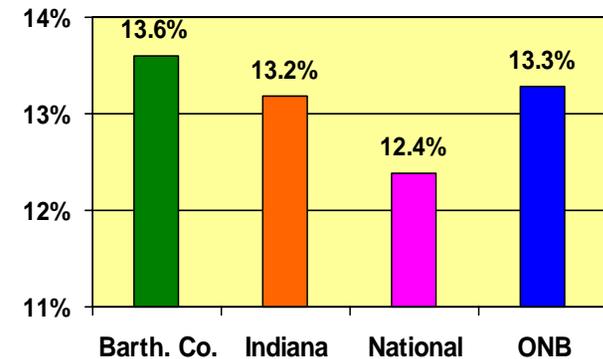
# Bartholomew County/Columbus, IN

- Bartholomew County population of 75,950
  - Columbus population of 40,730

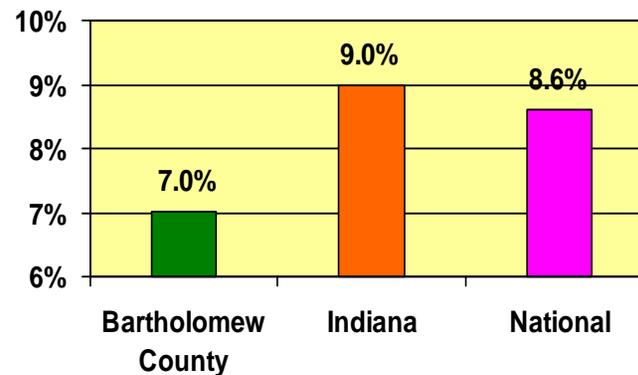
Median HH Income



Projected HH Income Change 2010-2015



Nov. 2011 Unemployment



HH income data per SNL Financial

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

# 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

# ONB to Acquire INCB – Highlights

Transaction	<ul style="list-style-type: none"><li>• Consideration: 100% stock transaction at an exchange ratio of 1.90, resulting in 6.6 million shares issued</li><li>• Deal value = \$79.2 million at ONB price of \$12.00</li><li>• Tangible premium/core deposits (deposits less jumbo CDs) of 1.58%</li><li>• Price to tangible book of 1.17%</li></ul>
Due Diligence	<ul style="list-style-type: none"><li>• Comprehensive review of all operations and business lines</li><li>• Extensive credit review</li><li>• Obtained in-depth look at culture</li></ul>
Financial Impact	<ul style="list-style-type: none"><li>• Expected to be immediately accretive to EPS in 2012, excluding one-time charges of approximately \$19.3 million</li><li>• Expected EPS accretion \$.06 to \$.08 per share in first full year</li><li>• Expected cost saves of over 35%, phased in 75% in 2012 and 100% thereafter</li><li>• Exceeds internal IRR hurdle</li><li>• Loan credit mark estimated at \$87 million, or 12% of total loans*</li><li>• Loan interest rate mark estimated at \$32 million</li></ul>
Capital	<ul style="list-style-type: none"><li>• Create goodwill of approximately \$75 million</li><li>• No additional capital raise needed</li></ul>
TARP Repayment	<ul style="list-style-type: none"><li>• INCB to redeem TARP prior to closing, subject to regulatory approval</li></ul>
Acceptable Risk Profile	<ul style="list-style-type: none"><li>• Strong cultural fit</li></ul>
Closing	<ul style="list-style-type: none"><li>• Transaction anticipated to close 2Q12, subject to regulatory and INCB shareholder approval and other customary closing conditions</li></ul>

Pricing based on ONB stock price of \$12.00 – 20 day average 12-21-2011 to 1-20-2012

\* Possible credit-related adjustments to exchange ratio

## 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

# 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

# Pro Forma Capital Ratios

	ONB 9-30-2011 <sup>1</sup>	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

<sup>1</sup> See Appendix for Non GAAP Reconciliation

# Old National Bancorp

**Thank You**  
**Q&A**



# Old National Bancorp

## Appendix



# ONB's M&A Strategy

FDIC assisted transaction

Branch acquisition

Whole bank purchase

Must pass rigorous due diligence process

Must align both strategically and culturally

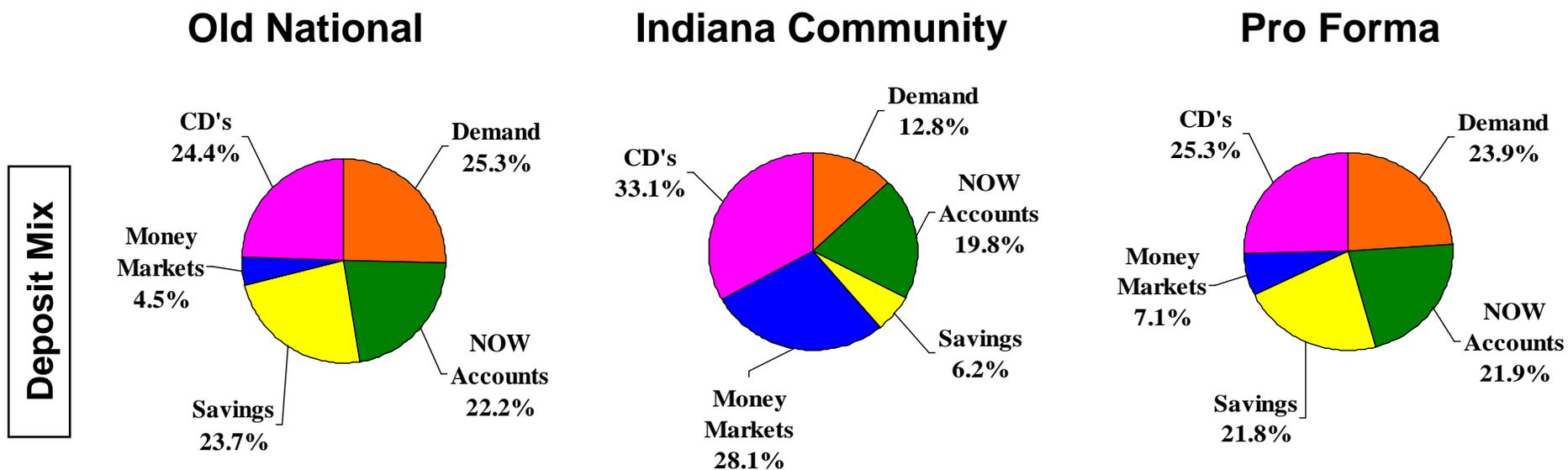
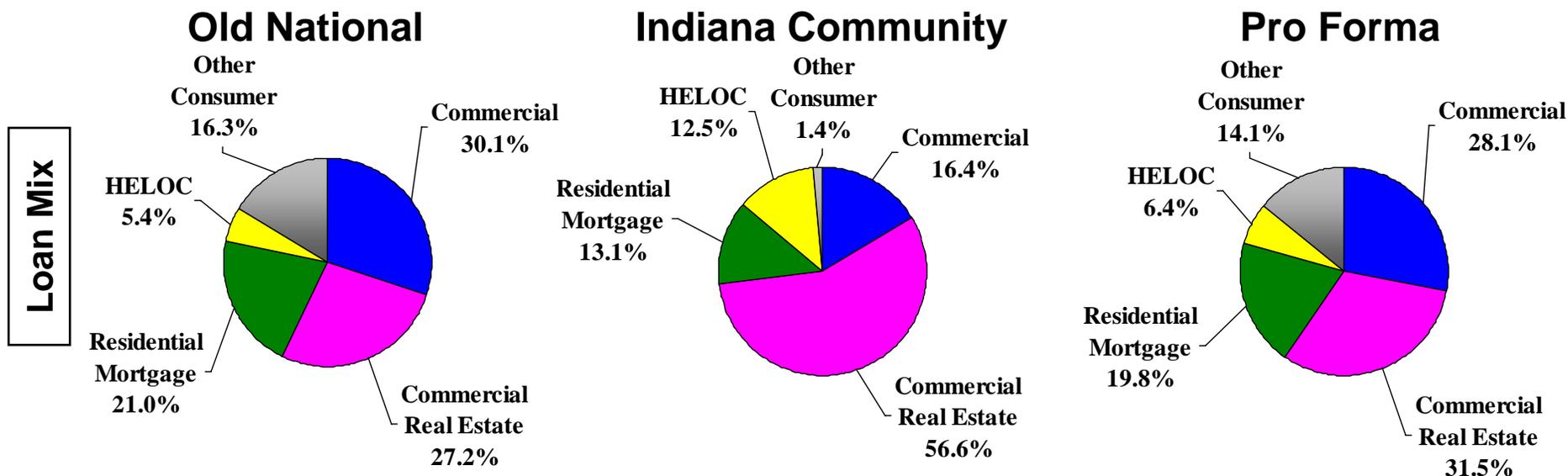
Must meet/exceed financial targets

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

# 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

# Balance Sheet Mix – As of 9-30-2011



Excludes covered loans

# Indiana Market Share

2011 Rank	Company	Branches	Deposits \$ Millions	Market Share
1	JP Morgan Chase (NY)	190	\$12.776	12.92
2	PNC Financial Services Group	166	10.479	10.59
3	Fifth Third Bancorp (OH)	143	6.577	6.65
4	Pro Forma	165	6.567	6.64
4	Old National Bancorp (IN)	146	5.708	5.77
5	BMO Financial Group	83	3.546	3.58
6	1 <sup>st</sup> Source Corp (IN)	70	3.361	3.40
7	First Merchants Corp. (IN)	79	2.956	2.99
8	Wells Fargo & Co (CA)	39	2.832	2.86
9	KeyCorp (OH)	73	2.600	2.63
10	First Financial Bancorp (OH)	64	2.515	2.54
23	Indiana Community Bancorp (IN)	19	.860	.87

# Loan Mark Impairment Based On

- Collateral value
- Cash flow
- Documentation
- Quality and timeliness of financial statements
- Guarantor strength

# 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%

# 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
Common Shares Issued and Outstanding	94,654	101,360
Tangible Book Value per Share	\$7.66	\$7.37