

UNITED BANCORP INC /MI/  
Form 425  
January 08, 2014

Filed by Old National Bancorp

Pursuant to Rule 425 under the Securities Act of 1933

Subject Company: United Bancorp, Inc.

Commission File No.: 000-16640

Set forth below are slides from a presentation given by executive officers of Old National Bancorp to investors and analysts on January 8, 2014 regarding the proposed merger transaction between Old National Bancorp and United Bancorp, Inc.

\* \* \*

Old National Bancorp To Partner With  
United Bancorp, Inc.  
A Winning Combination  
January 8, 2014

Lynell Walton  
Investor Relations  
Old National Bancorp

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Additional Information for Shareholders of United Bancorp, Inc.

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

will

file

with

the  
Securities  
and  
Exchange  
Commission  
(SEC)

a  
Registration  
Statement  
on  
Form

S-4 that will include a Proxy Statement of United Bancorp, Inc. ( United  
or UBMI ) and a

Prospectus of Old National Bancorp ( Old National  
or 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 Old National and United, 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 at  
[www.oldnational.com](http://www.oldnational.com) under the tab Investor Relations  
and then under the heading Financial  
Information

or from United by accessing United's website at [www.ubat.com](http://www.ubat.com) under the heading About  
Us

and then under the tab Investor Relations  
and then under the tab SEC Filings.

Old National and United and certain of their directors and executive officers may be deemed to be  
participants in the solicitation of proxies from the shareholders of United in connection with the proposed  
merger. Information about the directors and executive officers of Old National is set forth in the proxy  
statement for Old National's 2013 annual meeting of shareholders, as filed with the SEC on a Schedule 14A  
on March 15, 2013. Information about the directors and executive  
officers of United is set forth in the proxy  
statement for United's 2013 annual meeting of shareholders, as filed with the SEC on a Schedule 14A on  
March 25, 2013. 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  
Additional Information for Shareholders of Tower Financial Corporation  
Communications  
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at  
[www.oldnational.com](http://www.oldnational.com)  
under  
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Disclosures

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's financial condition, results of operations and credit quality trends and profitability and statements about the expected timing, completion, financial benefit and other effects of the proposed mergers. 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: market, economic, operational, liquidity, credit and interest rate risks associated with National's business; 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 Old National to execute its business plan, including the proposed acquisitions of Tower Financial Corporation and United Bancorp, Inc.; changes in the economy which could materially impact quality trends and the ability to generate loans and gather deposits; failure or circumvention of Old National's internal controls; failure or disruption of our information systems; failure to adhere to or 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 Old National'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 presentation, and Old National undertakes no obligation to release revisions to these forward-looking statements to reflect events or conditions after the date of 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.

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Old National Bancorp to Partner With United Bancorp, Inc.

Expansion in Michigan is a key part of

ONB's strategy.

ONB can leverage UBMI's expertise in

small business administration lending

throughout ONB's footprint.

UBMI's talented mortgage servicing

operation can be expanded across  
ONB's footprint.

United (OTCQB: UBMI) offers 18 branches  
and \$806 million of deposits in the  
Southeastern Michigan area, doubling ONB's  
presence in Michigan.

Includes branches from pending TOFC transaction

7  
Returned to  
community  
bank model  
2004  
2005  
Sold non-  
strategic

market  
Clarksville, TN

5 branches  
2006  
Sold non-  
strategic market

O Fallon, IL  
1 branch  
2007  
2008  
2009  
2010  
2011  
2012  
2013

Acquired St.  
Joseph Capital  
Entry into  
Northern IN  
market  
February, 2007  
Acquired 65  
Charter One  
branches  
throughout  
Indiana  
March, 2009  
Acquired Monroe  
Bancorp  
Enhanced  
Bloomington, IN  
presence  
January, 2011  
Acquired IN  
Community  
Entry into  
Columbus, IN  
September, 2012  
FDIC-assisted  
acquisition of  
Integra Bank  
July, 2011  
Sold non-  
strategic  
market  
Chicago-area -  
4 branches  
Consolidation of

21 branches  
Acquired 24  
MI / IN branches  
July, 2013  
Consolidation  
of 2 branches  
Consolidation  
of 8 branches  
Consolidation  
of 1 branch  
Consolidation  
of 10 branches  
Consolidation  
of 12 branches  
Consolidation  
of 44 branches  
Consolidation  
of 5 branches  
Sold 12  
branches  
Consolidation  
of 22  
branches  
Purchased 175 + 25 pending  
22 Sold  
125 Consolidations  
Pending  
acquisition  
of Tower  
Financial  
Enhancing  
Ft. Wayne,  
IN presence  
Transforming Old National's Landscape  
Pending  
acquisition of  
United  
Bancorp  
Entry into  
Ann Arbor, MI  
2014

8  
2004  
2014  
8  
Transforming Old National's Landscape  
Pending Tower and United locations

9

-

New markets since 2004

Per SNL Financial

2014 map includes pending Tower locations

Market

MSA Population

Adding Markets with Greater Populations

2004

Bloomington, IN

162,131

Kalamazoo, MI

328,709

South Bend, IN

319,575

Indianapolis, IN

1,913,665

>50k

<50k

Counties with Populations

Columbus, IN

77,943

Ft. Wayne, IN

421,029

Lafayette, IN

205,437

Louisville, KY

1,247,256

Ann Arbor, MI

348,690

2014

Bob Jones  
President and CEO  
Old National Bancorp

11  
ONB to Partner With UBMI  
Compelling  
Strategic  
Rationale

Strengthen ONB's Michigan footprint by expanding into new, high-quality markets

Adds 18 full-service branches -  
\$806 million in deposits and \$643  
million in loans<sup>2</sup>

Adds attractive fee business with \$869 million in wealth management assets under  
management and \$963 million in loan servicing with experienced residential  
mortgage and SBA lending teams

Financially  
Attractive

Allows Old National to deploy excess capital in an attractive manner

Approximately 80% stock / 20% cash deal

Expected EPS accretion of approximately \$.06 in 2015, excluding acquisition  
charges

Exceeds internal IRR hurdle

Expected operating efficiencies of approximately 32%

Low Risk  
Opportunity

Comprehensive due diligence completed

Will cross the Durbin threshold

Retention of key management members

Complementary customer base and business mix

Positive relationship with United management and board

Financial data as of September 30, 2013, per SNL Financial and Company documents

Consideration of .70 shares<sup>1</sup> of ONB stock + \$2.66 in cash for each share of UBMI stock

Implied

Transaction

value

of

approximately

\$13.17

per

UBMI

share

and

\$173.1

million

in

the

aggregate,

assum

ing ONB price of \$15.02 (as of January 6, 2014)

1

The exchange ratio is subject to adjustment under certain circumstances as provided in the merger agreement.

2

Excludes loans held for sale

12

Using U.S. census data, SNL Financial 2013 market share data

Promising Markets

Ann Arbor, Michigan

Highest median household income MSA in Michigan

Fifth largest MSA in Michigan

Unemployment rate of 6.0%, compared to the national rate of 7.3%

Listed in Forbes  
2013 Best Places for Business and  
Careers  
and was Livability.com's 13th Best Place  
to Live  
\$332 million of UBMI deposits and 4.82% market  
share in Washtenaw county  
Adrian, Michigan  
Includes UBMI's Tecumseh headquarters, which has  
been used for 117+ years of their 120-year history  
UBMI has dominant market share, at 39.95% with  
\$396 million in deposits in Lenawee county  
Notable business operations in Ann Arbor  
Projected 2017 Median Household Income

13  
ONB to Partner With UBMI  
Highlights  
Transaction  
Financial Impact  
Marks  
Capital  
Closing

Consideration: .70 shares<sup>1</sup> of ONB stock + \$2.66 in cash for each share of UBMI stock

Assumes 9.2 million shares of ONB common stock issued

Deal value = approximately \$13.17 per UBMI share and \$173.1 million in the aggregate, assuming ONB price of \$15.02 (as of January 6, 2014)

Price / 2015 Estimated adjusted EPS (includes all synergies) of 9.7x

Price to tangible book of 208%

Expected  
to  
be  
immediately  
accretive  
to  
EPS  
in  
2014,  
excluding  
acquisition  
charges  
of  
approximately \$18.0 million

Expected EPS accretion of approximately \$.06 in 2015

Expected cost saves of approximately 32%, phased in 25% in 2014 and 100% thereafter

Approximate TBV dilution of 8% earned back in approximately 4 years using the incremental earnings method

Exceeds internal IRR hurdle

No revenue synergies assumed in model

Expected to create goodwill of approximately \$121.8 million

No additional capital raise needed

Transaction anticipated to close late in 2Q14, subject to regulatory and UBMI shareholder approval and other customary closing conditions

Loan credit mark estimated at \$55.4 million, or 8.6% of total gross loans

Loan interest rate mark estimated at \$22.7 million

1

The exchange ratio is subject to adjustment under certain circumstances as provided in the merger agreement.

14  
Pro Forma Capital Ratios  
ONB      Projected  
9-30-2013  
1  
at Closing  
2  
Peer

Group

Average

9-30-2013

3

Tangible Common Equity/Tangible Assets

8.4%

7.6%

8.3%

Tangible Common Equity/Risk Weighted Assets

13.7%

12.0%

11.8%

Tier 1 Risk-Based Capital

14.2%

13.1%

13.1%

Total Risk-Based Capital

15.1%

13.8%

14.8%

1

See Appendix for Non GAAP Reconciliation

3

See Appendix for definition of ONB's Peer Group

2

Assumes ONB actual ratios at September 30, 2013, plus First Call Street Estimates, Tower transaction closing in 1Q14, and continuation of \$.10 quarterly cash dividend

15

Summary

ONB has a proven track record of performance

Material earnings accretion expected, excluding transaction costs

Achievable cost saves expected

Revenue potential (not built into model) from Wealth Management,  
SBA and mortgage  
Last three bank deals met or exceeded  
expectations on  
expense saves, internal rate of return, earnings per share  
accretion, credit  
performance and tangible book value earn  
back  
Financially attractive  
Efficient use of capital  
Strategic fill-in of attractive Ann Arbor market

Old National Bancorp  
Thank You  
Q&A

Old National Bancorp  
Appendix

18  
Balance Sheet Mix

As of September 30, 2013  
Old National  
United  
Pro Forma  
Old National

United  
Pro Forma  
Per SNL Financial/company documents

19  
Estimated Merger and Acquisition Charges  
HR-related expenses  
\$5.9  
Processing and communication expense  
6.4  
Professional fees  
3.4

Occupancy expense

1.8

Marketing

.5

Total estimated merger and acquisition charges

1

\$18.0

\$ in millions

1

Assumed in model to be booked at close

does not include \$4.8 million in

amortizable transaction costs

20  
(end of period balances-  
\$ in millions)  
ONB at  
9-30-2013  
Projected at  
Closing<sup>1</sup>  
Total Shareholders

Equity  
 \$1,159.3  
 \$1,395.7  
 Deduct: Goodwill and Intangible Assets  
 (379.3)  
 (607.9)  
 Tangible Common Shareholders  
 Equity  
 \$779.9  
 \$787.8  
 Total Assets  
 \$9,652.1  
 \$10,942.7  
 Add: Trust Overdrafts  
 .1  
 0  
 Deduct: Goodwill and Intangible Assets  
 (379.3)  
 (607.9)  
 Tangible Assets  
 \$9,272.8  
 \$10,334.8  
 Tangible Common Equity to Tangible Assets  
 8.41%  
 7.6%  
 (end of period balances-  
 \$ in millions)  
 ONB at  
 9-30-2013  
 Projected at  
 Closing<sup>1</sup>  
 Total Shareholders  
 Equity  
 \$1,159.3  
 \$1,395.7  
 Deduct: Goodwill and Intangible Assets  
 (379.3)  
 (607.9)  
 Tangible Common Shareholders  
 Equity  
 \$779.9  
 \$787.8  
 Risk Adjusted Assets  
 \$5,680.6  
 \$6,554.9  
 Tangible Common Equity to Risk Weighted Assets  
 13.73%  
 12.0%

1  
 Assumes ONB actual ratios at September 30, 2013, plus First Call

Street Estimates, Tower transaction closing in 1Q14, and continuation of  
\$.10 quarterly cash dividend  
Non-GAAP Reconciliations

21  
ONB's Peer Group  
1st Source Corporation  
SRCE  
Heartland Financial USA, Inc.  
HTLF  
BancFirst Corporation  
BANF

IBERIABANK Corporation  
IBKC  
BancorpSouth, Inc.  
BXS  
MB Financial, Inc.  
MBFI  
Bank of Hawaii Corporation  
BOH  
Park National Corporation  
PRK  
Chemical Financial Corporation  
CHFC  
Pinnacle Financial Partners, Inc.  
PNFP  
Commerce Bancshares, Inc.  
CBSH  
Prosperity Bancshares, Inc.  
PB  
Cullen/Frost Bankers, Inc.  
CFR  
Renasant Corp.  
RNST  
F.N.B. Corporation  
FNB  
S&T Bancorp, Inc.  
STBA  
First Commonwealth Financial Corporation  
FCF  
Susquehanna Bancshares, Inc.  
SUSQ  
First Financial Bancorp.  
FFBC  
Trustmark Corporation  
TRMK  
First Interstate BancSystem, Inc.  
FIBK  
UMB Financial Corporation  
UMBF  
First Merchants Corporation  
FRME  
United Bankshares, Inc.  
UBSI  
First Midwest Bancorp, Inc.  
FMBI  
Valley National Bancorp  
VLY  
FirstMerit Corporation  
FMER  
WesBanco, Inc.  
WSBC

Fulton Financial

FULT

Wintrust Financial Corporation

WTFC

Glacier Bancorp, Inc.

GBCI

Like-size, publicly-traded financial services companies, generally in the Midwest, serving comparable demographics with comparable services as ONB

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Old National Investor Relations Contact  
Additional information can be found on the  
Investor Relations web pages at  
[www.oldnational.com](http://www.oldnational.com)

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SVP

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