

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 under the tab Investor Relations
and then under the heading Financial
Information

or from United by accessing United's website at 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.

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Additional Information for Shareholders of Tower Financial Corporation
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
has
filed
with
the
Securities
and
Exchange
Commission
(SEC)
a
Registration
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on
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S-4
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includes
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Proxy
Statement
of
Tower
Financial
Corporation
and
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Prospectus
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Old
National
Bancorp,
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other
relevant
documents
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the
proposed
transaction.
The
SEC
declared
the
Form
S-4
Registration
Statement
effective
on
December
19,
2013.
Shareholders
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Tower
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Corporation
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A
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the
Proxy
Statement/Prospectus,
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other
filings
containing
information
about
Old
National
Bancorp
and
Tower
Financial

Corporation,
may
be
obtained
at
the
SEC's
Internet
site
(<http://www.sec.gov>).

You
will
also
be
able
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obtain
these
documents,
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of
charge,
from
Old
National
Bancorp
at
www.oldnational.com
under
the
tab

Investor
Relations
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Financial
Information
or
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accessing
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at
www.towerbank.net
under
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shareholders
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Corporation
in
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proposed
merger.
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executive
officers
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March
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directors
and
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officers

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SEC
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Schedule
14A
on
March
28,
2013.
Additional
information
regarding
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interests
of
those
participants
and
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persons
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may
be
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transaction
may
be
obtained
by
reading
the
Proxy
Statement/Prospectus
regarding
the
proposed
merger.
Free
copies
of
this
document
may
be
obtained
as
described
in
the
preceding
paragraph.

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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

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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 loans²

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 shares¹ 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 shares¹ 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.

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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

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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

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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
Closing¹
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
 Closing¹
 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

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SVP

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lynell.walton@oldnational.com