

Old National Bancorp has Completed its Acquisition of Founders Financial Corporation

Founders Financial Corporation

Founders Financial Corporation ("Founders"), headquartered in Grand Rapids, Michigan, is the bank holding company for Founders Bank & Trust (the "Bank"). Founded in 1991, and boasting 79 consecutive profitable quarters, Founders Bank & Trust operates four full-service banking centers in economically vibrant Kent County, home to Grand Rapids and several of Michigan's largest employers including Amway, Meijer, Spectrum Health and Steelcase. As of September 30, 2014, Founders Bank & Trust had total assets of approximately \$477 million, gross loans of \$361 million, total deposits of \$392 million, and \$359 million of trust assets under management.

Old National Bancorp

Old National Bancorp (NASDAQ: ONB) ("Old National") was founded in Evansville, Indiana in 1834, with nearly \$11.2 billion in total assets and 206 banking centers (pro forma with Founders) as of September 30, 2014. Old National, the parent company of Old National Bank, is the largest financial services holding company headquartered in Indiana. On a pro forma basis, Old National Bank will have 40 branches and approximately \$1.5 billion of deposits in the State of Michigan.

The Transaction

On January 1, 2015, pursuant to an Agreement and Plan of Merger, dated July 25, 2014 (the "Merger Agreement"), by and between Old National and Founders, Founders merged with and into Old National, with Old National as the surviving corporation (the "Merger"). Immediately following the Merger, effective as of January 1, 2015, Founders Bank & Trust merged with and into Old National Bank, a national banking association, with Old National Bank as the surviving bank.

At the effective time of the Merger (the "Effective Time"), each issued and outstanding share of common stock of Founders converted into the right to receive (i) \$38.00 in cash (the "Cash Consideration") and (ii) 3.25 (the "Exchange Ratio") fully paid and nonassessable shares of common stock of Old National. At the Effective Time, pursuant to elections made by each option holder as provided under the Merger Agreement, all outstanding Founders stock options converted into the right to receive an amount of cash for each share of Founders common stock subject to such stock options equal to (i) the sum of (a) the Exchange Ratio multiplied by \$14.44 (which amount represents the average per share closing price of Old National common stock as reported on The NASDAQ Global Select Market for the 10 trading days ending on December 23, 2014) and (b) the Cash Consideration minus (ii) the amount of the exercise price per share of such stock options.

As a result of the Merger, Old National delivered approximately \$41 million in cash (including cash payable to Founders stock option holders in connection with the conversion of Founders stock options into a right to receive cash as described above) and 3,402,275 shares of Old National common stock to former holders of Founders common stock. Based upon the December 31, 2014, closing price of \$14.88 per share of Old National common stock, the transaction is valued at approximately \$87.61 per share of Founders common stock, or approximately \$91.7 million. At time of announcement shareholders' equity at Founders, the transaction value represents a multiple of 2.21x book value.

Donnelly Penman & Partners initiated the transaction, acted as financial advisor to Founders and assisted in the negotiations in connection with the transaction and delivered a fairness opinion. Please contact [John Donnelly](#) at (313) 393-3054, [Andrew Christians](#), CFA at (313) 393-3074, or [Gregory Cunningham](#) at (313) 393-3070 for further information.

Donnelly Penman & Partners

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