

OLD NATIONAL BANCORP /IN/

Form 10-Q

May 03, 2013

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2013

.. **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number 1-15817

OLD NATIONAL BANCORP

(Exact name of Registrant as specified in its charter)

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INDIANA
(State or other jurisdiction of
incorporation or organization)

35-1539838
(I.R.S. Employer
Identification No.)

One Main Street
Evansville, Indiana
(Address of principal executive offices)

47708
(Zip Code)

(812) 464-1294

(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to the filing requirements for at least the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (s232.405 of this chapter) during the preceding 12 months (or for shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock. The Registrant has one class of common stock (no par value) with 101,367,000 shares outstanding at March 31, 2013.

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(dollars and shares in thousands, except per share data)	March 31, 2013 (unaudited)	December 31, 2012	March 31, 2012 (unaudited)
Assets			
Cash and due from banks	\$ 133,939	\$ 218,276	\$ 143,584
Money market and other interest-earning investments	19,964	45,784	16,857
Total cash and cash equivalents	153,903	264,060	160,441
Trading securities at fair value	3,217	3,097	2,972
Investment securities available-for-sale, at fair value			
U.S. Treasury	11,582	11,841	65,496
U.S. Government-sponsored entities and agencies	404,740	517,325	276,002
Mortgage-backed securities	1,548,011	1,193,984	1,295,776
States and political subdivisions	665,339	577,324	449,083
Other securities	218,738	200,310	165,825
Total investment securities available-for-sale	2,848,410	2,500,784	2,252,182
Investment securities held-to-maturity, at amortized cost (fair value \$423,325, \$433,201 and \$496,356 respectively)	392,379	402,828	472,377
Federal Home Loan Bank stock, at cost	37,927	37,927	30,835
Residential loans held for sale, at fair value	14,583	12,591	3,883
Loans:			
Commercial	1,315,136	1,336,820	1,180,535
Commercial real estate	1,230,310	1,255,883	1,026,899
Residential real estate	1,352,679	1,324,703	1,059,977
Consumer credit, net of unearned income	887,520	906,855	847,274
Covered loans, net of discount	326,397	372,333	548,552
Total loans	5,112,042	5,196,594	4,663,237
Allowance for loan losses	(47,313)	(49,047)	(54,726)
Allowance for loan losses covered loans	(6,168)	(5,716)	(1,190)
Net loans	5,058,561	5,141,831	4,607,321
FDIC indemnification asset	109,861	116,624	154,301
Premises and equipment, net	89,847	89,868	73,089
Accrued interest receivable	46,575	46,979	42,281
Goodwill	338,820	338,820	253,177
Other intangible assets	26,695	29,220	31,603
Company-owned life insurance	272,273	270,629	250,164
Assets held for sale	10,353	15,047	16,816
Other real estate owned and repossessed personal property	9,103	11,179	6,474
Other real estate owned covered	26,114	26,137	24,705
Other assets	235,070	236,002	198,437
Total assets	\$ 9,673,691	\$ 9,543,623	\$ 8,581,058
Liabilities			
Deposits:			
Noninterest-bearing demand	\$ 1,973,265	\$ 2,007,770	\$ 1,767,972

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Interest-bearing:			
NOW	1,691,231	1,827,665	1,558,007
Savings	1,916,880	1,869,377	1,672,196
Money market	294,744	292,860	295,347
Time	1,190,199	1,281,281	1,374,255
Total deposits	7,066,319	7,278,953	6,667,777
Short-term borrowings	644,021	589,815	352,758
Other borrowings	536,798	237,493	289,477
Accrued expenses and other liabilities	226,888	242,797	220,635
Total liabilities	8,474,026	8,349,058	7,530,647
Shareholders Equity			
Preferred stock, series A, 1,000 shares authorized, no shares issued or outstanding			
Common stock, \$1 stated value, 150,000 shares authorized, 101,367, 101,179 and 94,674 shares issued and outstanding, respectively	101,367	101,179	94,674
Capital surplus	917,064	916,918	833,976
Retained earnings	160,416	146,667	103,034
Accumulated other comprehensive income, net of tax	20,818	29,801	18,727
Total shareholders equity	1,199,665	1,194,565	1,050,411
Total liabilities and shareholders equity	\$ 9,673,691	\$ 9,543,623	\$ 8,581,058

The accompanying notes to consolidated financial statements are an integral part of these statements.

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	Three Months Ended March 31,	
	2013	2012
(dollars and shares in thousands, except per share data)		
Interest Income		
Loans including fees:		
Taxable	\$ 64,218	\$ 62,130
Nontaxable	2,179	2,219
Investment securities, available-for-sale:		
Taxable	11,072	11,344
Nontaxable	4,550	3,580
Investment securities, held-to-maturity, taxable	4,070	4,975
Money market and other interest-earning investments	13	15
 Total interest income	 86,102	 84,263
Interest Expense		
Deposits	5,268	7,682
Short-term borrowings	267	127
Other borrowings	1,517	2,181
 Total interest expense	 7,052	 9,990
 Net interest income	 79,050	 74,273
Provision for loan losses	845	2,056
 Net interest income after provision for loan losses	 78,205	 72,217
Noninterest Income		
Wealth management fees	5,656	5,096
Service charges on deposit accounts	11,098	12,862
ATM fees	5,798	6,333
Mortgage banking revenue	1,273	559
Insurance premiums and commissions	10,943	9,614
Investment product fees	3,583	2,931
Company-owned life insurance	1,644	1,495
Net securities gains	1,019	619
Total other-than-temporary impairment losses		(96)
Loss recognized in other comprehensive income		