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mily:Times New Roman" SIZE="2">600,588 0.40% 534,184 0.60%

Certificate accounts:

Less than one year

23,173 0.26% 43,130 0.75%

12 to 23 months

45,957 0.68% 59,789 1.20%

24 to 35 months

115,171 1.36% 122,896 2.02%

36 to 59 months

62,526 3.13% 76,446 3.43%

60 to 120 months

15,928 3.04% 16,898 3.83%

Total certificate accounts

262,755 1.66% 319,159 2.13%

Total Deposits

$ 863,343 0.79% $ 853,343 1.17%

Certificate accounts include certificates of deposit and wholesale deposits. At December 31, 2011 and 2010, certificate accounts in amounts of $100,000 or more totaled $80.0 million and $103.2 million, respectively.

A summary of certificate accounts by scheduled maturities at December 31, 2011 is as follows: (dollars in thousands)

	2012	2013	2014	2015	2016	Thereafter	Total
0.99% or less	$ 62,864	$ 26,178	$ 1,748	$ 54	$ 5	$ 0	$ 90,849
1.00% or 1.99%	68,005	25,419	3,757	808	2,598	1,635	102,222
2.00% to 2.99%	6,204	6,417	28,585	2,081	518	872	44,677
3.00% to 3.99%	2,077	4,098	432	184	251	0	7,042
4.00% to 4.99%	16,869	368	302	13	6	5	17,563
Over 5.00%	402	0	0	0	0	0	402
Total Certificate Accounts	**$ 156,421**	**$ 62,480**	**$ 34,824**	**$ 3,140**	**$ 3,378**	**$ 2,512**	**$ 262,755**

A summary of interest expense on deposits is as follows: (dollars in thousands)

	Year Ended Dec 2011	Year Ended Dec 2010
Checking	$ 1,365	$ 1,836
Savings	69	72
Money market	1,327	1,686
Certificate accounts	5,488	8,635
Total Interest Expense	**$ 8,249**	**$ 12,229**

Aggregate deposits to senior officers and directors included above were $5.0 million and $4.4 million as of December 31, 2011 and 2010, respectively. Such deposits are made in the ordinary course of business and are made on substantially the same terms as those prevailing at the time for comparable transactions with other depositors.

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8. FEDERAL HOME LOAN BANK ADVANCES

No Federal Home Loan Bank advances were outstanding at December 31, 2011. The Company was eligible to borrow from the FHLB additional amounts up to $136.1 million and $66.2 million at December 31, 2011 and 2010, respectively. The Bank has pledged eligible assets totaling $277.4 million to support additional borrowings. The assets include securities and qualifying loans on residential properties, multifamily properties and commercial real estate.

In 2011 the Company, as part of a balance sheet restructuring strategy, repaid $55 million of FHLB advances through the liquidation of securities. In addition the Company paid a $1.4 million prepayment penalty associated with these advances which were originally issued in 2010. In 2010, the Company repaid $55.0 million of FHLB advances by rolling the net present value of the advances being repaid into the funding cost of $55.0 million which was subsequently repaid in 2011. The present value of the cash flows under the terms of the 2010 FHLB advances was less than ten percent different from the present value of the remaining cash flows under the terms of the original FHLB advances. Based on these criteria, the $2.5 million penalty associated with prepaying the original FHLB advances was amortized as an adjustment of interest expense over the remaining term of the FHLB advances issued in 2010 using the interest method.

9. OTHER BORROWINGS

Junior Subordinated Debt

On September 15, 2006, the Company entered into several agreements providing for the private placement of $15.0 million of Capital Securities due September 15, 2036 (the Capital Securities). The Capital Securities were issued by the Company s Delaware trust subsidiary, Home Federal Statutory Trust I (the Trust), to JP Morgan Chase formerly Bear, Stearns & Co., Inc. (the Purchaser). The Company bought $464,000 in Common Securities (the Common Securities) from the Trust. The proceeds of the sale of Capital Securities and Common Securities were used by the Trust to purchase $15.5 million in principal amount of Junior Subordinated Debt Securities (the Debentures) from the Company pursuant to an Indenture (the Indenture) between the Company and Bank of America National Association, as trustee (the Trustee).

The Common Securities and Capital Securities will mature in 30 years, require quarterly distributions of interest and bear a floating variable rate equal to the prevailing three-month LIBOR rate plus 1.65% per annum. Interest on the Capital Securities and Common Securities is payable quarterly in arrears each December 15, March 15, June 15 and September 15. The Company may redeem the Capital Securities and the Common Securities, in whole or in part, without penalty, on or after September 15, 2011, or earlier upon the occurrence of certain events described below with the payment of a premium upon redemption.

The Company, as Guarantor, entered into a Guarantee Agreement with Bank of America National Association, as Guarantee Trustee, for the benefit of the holders of the Capital Securities. Pursuant to the Guarantee Agreement, the Company unconditionally agreed to pay to the holders of the Capital Securities all amounts becoming due and payable with respect to the Capital Securities, to the extent that the Trust has funds available for such payment at the time. The Company s guarantee obligation under the Guarantee Agreement is a general unsecured obligation of the Company and is subordinate and junior in right of payment to all of the Company s long term debt.

The Debentures bear interest at the same rate and on the same dates as interest is payable on the Capital Securities and the Common Securities. The Company has the option, as long as it is not in default under the Indenture, at any time and from time to time, to defer the payment of interest on the Debentures for up to twenty consecutive quarterly interest payment periods. During any such deferral period, or while an event of default exists under the Indenture, the Company may not declare or pay dividends or distributions on, redeem, purchase, or make a liquidation payment with respect to, any of its capital stock, or make payments of principal, interest or premium on, or repay or repurchase, any other debt securities that rank equal or junior to the Debentures, subject to certain limited exceptions.

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The Debentures mature 30 years after their date of issuance, and can be redeemed in whole or in part by the Company, without penalty, at any time after September 15, 2011. The Company may also redeem the Debentures upon the occurrence of a capital treatment event, an investment company event or a tax event as defined in the Indenture. The payment of principal and interest on the Debentures is subordinate and subject to the right of payment of all Senior Indebtedness of the Company as described in the Indenture.

ONB, pursuant to its previously reported merger agreement with the Company, has agreed to assume the Debentures at the closing of the merger.

Long Term Debt

Effective February 2, 2009, the Company entered into a credit agreement with Cole Taylor Bank under which the Company has the authority to borrow, repay and reborrow, up to $5 million during a period ending September 13, 2012, none of which was used as of December 31, 2011 or 2010. The Company also has a sub-limit of $2 million available under the line for the issuance of letters of credit. Advances are to bear interest at a floating variable rate equal to the prevailing three-month LIBOR rate plus 3.50% per annum (4.1% on December 31, 2011); in no event shall the rate be less than 5.0%. Interest is payable quarterly and the repayment of advances is secured by a pledge of the Bank s capital stock.

Other Borrowings

The Company has a $15.0 million overdraft line of credit with the Federal Home Loan Bank none of which was used as of December 31, 2011. The line of credit had a balance of $12.1 million as of December 31, 2010. The line of credit accrues interest at a variable rate (0.4% on December 31, 2011). The Company also had letters of credit for $3.6 million and $4.0 million, as of December 31, 2011 and 2010, respectively, none of which was used as of either year end.

10. INCOME TAXES

An analysis of the income tax provision (benefit) is as follows: (dollars in thousands)

	Year Ended Dec 2011	Year Ended Dec 2010
Current:		
Federal	$ (1,456)	$ 2,202
State	(17)	121
Deferred		
Federal	(135)	(337)
State	(887)	160
Income Tax Provision (Benefit)	**$ (2,495)**	**$ 2,146**

The difference between the financial statement provision and amounts computed by using the statutory rate of 34% is reconciled as follows: (dollars in thousands)

Period Ended	**Dec 2011**	**Dec 2010**
Income tax provision (benefit) at federal statutory rate	$ (1,441)	$ 2,648
State tax, net of federal tax benefit (provision)	(597)	185
Tax exempt interest	(205)	(266)
Increase in cash surrender value of life insurance	(180)	(190)
Community development tax credit	(108)	(108)
Other, net	36	(123)
Income Tax Provision (Benefit)	**$ (2,495)**	**$ 2,146**

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The Company is allowed to deduct an addition to a reserve for bad debts in determining taxable income. This addition differs from the provision for loan losses for financial reporting purposes. No deferred taxes have been provided on the income tax bad debt reserves which total $6.0 million, for years prior to 1988. This tax reserve for bad debts is included in taxable income of later years only if the bad debt reserves are subsequently used for purposes other than to absorb bad debt losses. Because the Company does not intend to use the reserves for purposes other than to absorb losses, no deferred income taxes were provided at December 31, 2011 and 2010 respectively. The Company has recognized the deferred tax consequences of differences between the financial statement and income tax treatment of allowances for loan losses arising after June 30, 1987.

The Company s deferred income tax assets and liabilities, included in prepaid expenses and other assets, are as follows: (dollars in thousands)

As Of	**Dec 2011**	**Dec 2010**
Deferred tax assets:		
Bad debt reserves, net	$ 6,090	$ 5,830
Net unrealized loss on securities available for sale and other than temporary impairment losses on debt securities	0	464
Sale leaseback gain	549	600
Foreclosed assets	506	500
Net operating loss	547	0
Other	30	0
Deferred compensation and other benefits	2,438	2,214
Total deferred tax assets	10,160	9,608
Deferred tax liabilities:		
Difference in basis of fixed assets	539	627
FHLB dividend	161	185
Unrealized gain on securities available for sale	860	0
Deferred fees	344	382
Other	0	46
Total deferred tax liabilities	1,904	1,240
Net Deferred Tax Asset	**$ 8,256**	**$ 8,368**

The Indiana net operating loss of approximately $9.5 million may be carried forward for 15 years, (expires 2026), following the loss year and applied in any year in which there is Indiana taxable income. No valuation allowance was deemed necessary for the deferred tax asset. The Company s tax years still subject to examination by taxing authorities are years subsequent to 2007.

11. REGULATORY MATTERS

The Company and the Bank are subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possible additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company s and Bank s financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank s assets, liabilities and certain off-balance sheet items as calculated under regulatory guidance. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

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Quantitative measures that have been established by regulation to ensure capital adequacy require the Company and the Bank to maintain minimum amounts and ratios (set forth in the following table), of total and Tier 1 capital (as defined in the regulations) to risk-weighted assets (as defined), and of Tier I capital (as defined) to average assets (as defined). As of December 31, 2011 and 2010, the Company and the Bank met all capital adequacy requirements to which they were subject.

As of December 31, 2011, the most recent notifications from the Federal Reserve categorized the Company and the Bank as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized the Company and the Bank must maintain minimum total risk-based, Tier 1 risk-based, and Tier 1 leverage ratios as set forth in the table. There are no conditions or events since that notification that management believes have changed either entity s category.

A summary of capital amounts and ratios as of December 31, 2011 and 2010:

(dollars in thousands)

	Actual		For Capital Adequacy Purposes		To Be Categorized As Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of December 31, 2011						
Total risk-based capital						
(to risk-weighted assets)						
Indiana Bank and Trust Company	$ 108,463	13.41%	$ 64,714	8.0%	$ 80,893	10.0%
Indiana Community Bancorp Consolidated	$ 110,254	13.61%	$ 64,788	8.0%	$ 80,985	10.0%
Tier 1 risk-based capital						
(to risk-weighted assets)						
Indiana Bank and Trust Company	$ 98,291	12.15%	$ 32,357	4.0%	$ 48,536	6.0%
Indiana Community Bancorp Consolidated	$ 100,071	12.36%	$ 32,394	4.0%	$ 48,591	6.0%
Tier 1 leverage capital						
(to average assets)						
Indiana Bank and Trust Company	$ 98,291	10.17%	$ 38,657	4.0%	$ 48,321	5.0%
Indiana Community Bancorp Consolidated	$ 100,071	10.35%	$ 38,687	4.0%	$ 48,359	5.0%

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	Actual		For Capital Adequacy Purposes		To Be Categorized As Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of December 31, 2010						
Total risk-based capital (to risk-weighted assets)						
Indiana Bank and Trust Company	$ 110,788	12.93%	$ 68,568	8.0%	$ 85,711	10.0%
Indiana Community Bancorp Consolidated	$ 114,412	13.33%	$ 68,645	8.0%	$ 85,807	10.0%
Tier 1 risk-based capital (to risk-weighted assets)						
Indiana Bank and Trust Company	$ 100,026	11.67%	$ 34,284	4.0%	$ 51,426	6.0%
Indiana Community Bancorp Consolidated	$ 103,638	12.08%	$ 34,323	4.0%	$ 51,484	6.0%
Tier 1 leverage capital (to average assets)						
Indiana Bank and Trust Company	$ 100,026	9.27%	$ 43,169	4.0%	$ 53,961	5.0%
Indiana Community Bancorp Consolidated	$ 103,638	9.60%	$ 43,203	4.0%	$ 54,003	5.0%

Dividend Restrictions

The principal source of income and funds for the Company is dividends from the Bank. At the request of its regulators, the Bank s Board of Directors has adopted regulations requiring the approval of the DFI and the Federal Reserve before any Bank declaration of dividends. The Bank did not request regulatory approval to pay any dividends to the Company for the years ended December 2011 and December 2010.

Additionally, eligible deposit account holders at the time of conversion, January 14, 1988, were granted priority in the event of a future liquidation of the Bank. Consequently, a special reserve account was established equal to the Bank s $9.4 million equity at December 31, 1986. No dividends may be paid to shareholders or outstanding shares repurchased if such payments reduce the equity of the Bank below the amount required for the liquidation account.

On December 12, 2008, Indiana Community Bancorp issued 21,500 shares of the Company s Fixed Rate Cumulative Perpetual Preferred Stock, Series A (the Series A Preferred Stock) and a warrant to purchase 188,707 shares of the Company s common stock, without par value (the Common Stock), for an aggregate purchase price of $21.5 million in cash. Pursuant to the Certificate of Designations for the Series A Preferred Stock, the ability of the Company to declare or pay dividends or distributions on, or repurchase, redeem or otherwise acquire for consideration, shares of its Common Stock will be subject to restrictions in the event that the Company fails to declare and pay full dividends (or declare and set aside a sum sufficient for payment thereof) on its Series A Preferred Stock. ONB has agreed in its previously disclosed merger agreement with the Company to fund the redemption of the TARP preferred stock on or before the closing of the merger, subject to regulatory approval.

12. EMPLOYEE BENEFIT PLANS

Multi-employer Pension Plan

Prior to April 1, 2008, the Company participated in the Pentegra Defined Benefit Plan for Financial Institutions (the Pentegra Plan), a noncontributory multi-employer pension plan covering all qualified employees. The Company chose to freeze its defined benefit pension plan effective April 1, 2008. The trustees of the Financial Institutions Retirement Fund administer the Pentegra Plan, employer identification number 13-5645888 and plan number 333. The Pentegra Plan operates as a multi-employer plan for accounting purposes and as a multiple-

employer plan under the Employee Retirement Income Security Act of 1974 and the internal Revenue Code. There are no collective bargaining agreements in place that require contributions to the Pentegra Plan.

The Pentegra Plan is a single plan under Internal Revenue Code Section 413(c) and, as a result, all of the assets stand behind all of the liabilities. Accordingly, under the Pentegra Plan contributions made by a participating employer may be used to provide benefits to participants of other participating employers. There is no separate valuation of the Pentegra Plan benefits or segregation of the Pentegra Plan assets specifically for the Company, because the Pentegra Plan is a multi-employer plan and separate actuarial valuations are not made with respect to each employer. The funded status of the Pentegra Plan, market value of plan assets divided by funding target, as of July 1, 2011 and 2010 was 84.4% and 86.7%, respectively.

The Company had expenses of $881,000 and $527,000 for the years ended December 2011 and 2010, respectively. Company cash contributions to the Pentegra Plan for these same periods were $159,000 and $657,000, respectively. Total contributions made to the Pentegra Plans were $203.6 million and $133.9 million for the plan years ended June 30, 2010 and 2009, respectively. The Company s contributions to the Pentegra Plan were not more than 5% of the total contributions to the plan.

Supplemental Retirement Plan

The Company has entered into supplemental retirement agreements for certain officers (the Plan). These agreements are unfunded. However, the Company has entered into life insurance contracts to offset the expense of these agreements. Benefits under these arrangements are generally paid over a 15 year period. The Company uses a December 31 measurement date for the plan. The following table sets forth the Plan s funded status at December 31, 2011 and 2010, and the amount recognized in the Company s consolidated statements of income for the years ended December 31, 2011 and 2010 as well as the projected benefit cost for 2012: (dollars in thousands)

	Dec 2011	Dec 2010
Economic assumptions:		
Discount rate	4.8%	5.3%
Salary rate	4.0%	4.0%
Components of net periodic pension expense:		
Interest cost on projected benefit obligation	$ 214	$ 216
Service cost	112	103
Prior service cost	62	54
Net Periodic Benefit Cost	**$ 388**	**$ 373**

A reconciliation of the prior and ending balances of the Benefit Obligation for 2011 and 2010 is as follows: (dollars in thousands)

	Dec 2011	Dec 2010
Benefit obligation at beginning of year	$ 4,212	$ 4,057
Interest cost	214	216
Service cost	112	103
Actuarial loss	315	47
Benefits paid during year	(293)	(211)
Benefit Obligation at End of Year (unfunded status)	**$ 4,560**	**$ 4,212**

The liability recognized in the balance sheet at December 31, 2011 and 2010 was $4.6 million and $4.2 million, respectively.

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Amounts recognized in accumulated other comprehensive income not yet recognized as a component of net periodic benefit cost consist of: (dollars in thousands)

Pension benefits	**Dec 2011**	**Dec 2010**
Net loss, net of tax of ($300) and ($174)	$ 458	$ 265
Prior service cost, net of tax of ($95) and ($116)	144	177
Total	**$ 602**	**$ 442**

Other changes in plan assets and benefit obligations recognized in other comprehensive income are as follows for the years ended December 31, 2011 and 2010: (dollars in thousands)

	Dec 2011	**Dec 2010**
Net loss, net of tax of $127 and $19	$ 193	$ 29
Amortization of prior service cost, net of tax of $21 and $21	(32)	(33)
Total recognized in other comprehensive income	$ 161	$ (4)
Total recognized in net periodic benefit cost and other comprehensive income, net of tax of ($272) and ($145)	$ 415	$ 221

The estimated net loss and prior service cost for the Plan that will be amortized from accumulated other comprehensive income into net periodic benefit cost over the next fiscal year are $41,000 and $54,000, respectively. As of December 31, 2011 and 2010, the projected benefit obligation was $4.6 million and $4.2 million, respectively.

Prior service cost is amortized over the estimated remaining employee service lives of approximately eight years. The Company expects to make no contributions to the plan in 2012. The Bank anticipates paying benefits over the next five years and in the aggregate for the five years thereafter as follows: 2012 - $246,000, 2013 - $272,000, 2014 - $272,000, 2015 - $273,000, 2016 - $292,000 and 2017 through 2021 - $2,150,000.

401(k) Plan

The Company has an employee thrift plan established for substantially all full-time employees. Effective January 1, 2008, the Company increased the maximum 401(k) match to 50% of an employee s 401(k) contribution, up to a maximum contribution of 3.0% of an individual s total eligible salary. Previously the maximum contribution was 1.5% of an individual s total eligible salary. The Company contributed $250,000 and $246,000 during the years ended December 31, 2011 and 2010, respectively, to this plan.

13. STOCK-BASED COMPENSATION

The Company has equity incentive plans which provide for the grant of nonqualified and incentive stock options and the award of restricted stock for the benefit of officers, other key employees and directors. As of December 31, 2011, 265,625 shares of the Company s common stock were reserved for future equity awards under those plans. The option price is not to be less than the fair market value of the common stock on the date the option is granted, and the stock options are exercisable at any time within the maximum term of 10 years and one day from the grant date, limited by general vesting terms up to a maximum amount of $100,000 per year on incentive stock options. The options are nontransferable and are forfeited upon termination of employment, subject to certain exceptions. The Company issues new common shares to satisfy exercises of stock options.

The pre-tax compensation cost for the stock options charged against income was $4,000, $25,000 and $75,000 in the income statements for the years ended December 31, 2011, 2010, and 2009, respectively. The related income tax benefit recognized in the same years was $2,000, $7,000, and $28,000 respectively. No options were granted during the years ended December 31, 2011, 2010 and 2009.

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The following is the stock option activity for the years ended December 31, 2011 and 2010 and the stock options outstanding at the end of the respective periods:

Options	Shares	Weighted Average Exercise Price	Weighted Average Life (in years)	Aggregate Intrinsic Value
Outstanding December 31, 2009	**300,965**			
Forfeited	(20,543)			
Outstanding December 31, 2010	**280,422**	$ 23.26		
Forfeited	(46,474)	18.37		
Outstanding December 31, 2011	**233,948**	$ 24.23	4.1	$ 0
Exercisable at December 31, 2011	**233,948**	**$ 24.23**	**4.1**	**$ 0**

Options outstanding at December 31, 2011 are all vested. As of December 31, 2011 and 2010, there was approximately zero and $4,000 of unrecognized compensation cost related to the unvested shares, respectively. No options were exercised in 2011 and 2010.

Restricted stock awards generally have transfer restrictions which lapse periodically over a three year period. Accordingly, the compensation expense related to the restricted stock will be amortized over the vesting period. The pre-tax compensation cost for the restricted stock charged against income was $501,000 and $146,000 in the income statements for the year ended December 31, 2011 and 2010, respectively. The related income tax benefit recognized in the same year was $198,000 and $40,000, respectively.

The following is the restricted stock activity for the year ended December 31, 2011 and 2010 and the nonvested restricted stock outstanding at the end of the respective periods.

Restricted Stock	Shares	Weighted Average Grant-Date Fair Value
Nonvested December 31, 2009	**0**	
Granted	27,000	
Nonvested December 31, 2010	**27,000**	$ 12.15
Granted	39,300	15.15
Vested	(13,800)	13.83
Forfeited	(2,000)	12.15
Nonvested December 31, 2011	**50,500**	**$ 14.03**

As of December 31, 2011, there was approximately $269,000 of unrecognized compensation cost related to the nonvested restricted stock. The December 31, 2011 cost is expected to be recognized over the remaining vesting period, which approximates 2 years.

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14. COMMITMENTS

Financial Instruments with Off-Balance Sheet Risk

In the normal course of business, the Company makes various commitments to extend credit that are not reflected in the accompanying consolidated balance sheets. Commitments, which are disbursed subject to certain limitations, extend over various periods of time. Generally, unused commitments are cancelled upon expiration of the commitment term as outlined in each individual contract. The following table summarizes the Company s significant commitments: (dollars in thousands)

	Dec 2011	Dec 2010
Commitments to extend credit:		
Commercial mortgage and commercial loans (1)	$ 76,279	$ 76,505
Residential mortgage loans	14,098	14,519
Revolving home equity lines of credit	38,453	38,944
Other	15,725	16,436
Standby letters of credit	5,123	5,100
Commitments to sell loans:		
Residential mortgage loans	15,743	15,562

1) Commercial mortgage and commercial loan commitments to extend credit are presented net of the portion of participation interests due to investors.

Management believes that none of these arrangements exposes the Company to any greater risk of loss than already reflected on our balance sheet, so accordingly, no reserves have been established for these commitments.

The Company s exposure to credit loss in the event of nonperformance by the other parties to the financial instruments for commitments to extend credit is represented by the contract amount of those instruments. The Company uses the same credit policies and collateral requirements in making commitments as it does for on-balance sheet instruments.

Lease Obligations

The Company leases banking facilities and other office space under operating leases that expire at various dates through 2022 and that contain certain renewal options. Rent expenses charged to operations were $674,000 and $513,000 for the years ended December 31, 2011 and 2010, respectively. As of December 31, 2011, future minimum annual rental payments under these leases are as follow: (dollars in thousands)

Year Ended December	Amount
2012	$ 535
2013	533
2014	535
2015	547
2016	559
Thereafter	3,091
Total Minimum Operating Lease Payments	**$ 5,800**

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15. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP established a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value and describes three levels of inputs that may be used to measure fair value:

Level 1	Quoted prices in active markets for identical assets or liabilities.
Level 2	Observable inputs other than Level 1 prices; such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
Level 3	Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such instrument pursuant to the valuation hierarchy.

Securities Available for Sale

When quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Bond money market funds are included in Level 1. If quoted market prices are not available, then fair values are estimated by using pricing models and quoted prices of securities with similar characteristics. The fair value measurements consider observable data that may include dealer quotes, market spreads, cash flows, the U.S. Treasury yield curve, live trading levels, trade execution data, market consensus prepayment speeds, credit information and the bond s terms and conditions. Level 2 securities include collateralized mortgage obligations, mortgage backed securities, corporate debt, and agency and municipal bonds. In certain cases where Level 1 and Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy and consist of equity securities.

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The following table presents the fair value measurements of assets recognized in the accompanying consolidated balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2011 and 2010. (dollars in thousands)

	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Fair Value
December 31, 2011				
Municipal bonds	$ 0	$ 46,313	$ 0	$ 46,313
Collateralized mortgage obligations issued by:				
GSE agencies	0	27,766	0	27,766
Private label	0	49,399	0	49,399
Mortgage backed securities issued by agencies	0	55,817	0	55,817
Corporate debt	0	1,400	0	1,400
Equity securities	0	0	75	75
Securities Available for Sale	**$ 0**	**$ 180,695**	**$ 75**	**$ 180,770**
December 31, 2010				
Municipal bonds	$ 0	$ 63,854	$ 0	$ 63,854
Asset backed securities	0	42	0	42
Collateralized mortgage obligations issued by:				
GSE agencies	0	50,599	0	50,599
Private label	0	96,407	0	96,407
Mortgage backed securities issued by agencies	0	13,261	0	13,261
Corporate debt	0	1,459	0	1,459
Bond money market funds	768	0	0	768
Equity securities	0	0	75	75
Securities Available for Sale	**$ 768**	**$ 225,622**	**$ 75**	**$ 226,465**

The following table presents a reconciliation of the beginning and ending balances of recurring securities available for sale fair value measurements recognized in the accompanying consolidated balance sheets using significant unobservable (Level 3) inputs for the year ended December 31, 2011 and 2010. Activity in 2010 primarily relates to commercial paper which was classified as level 3. (dollars in thousands)

Total Fair Value Measurements	Available for Sale Debt Securities	
	Year Ended December 31,	
Level 3 Instruments Only	2011	2010
Beginning Balance	$ 75	$ 75
Purchases	0	88,978
Settlements	0	(88,978)

Ending Balance	**$ 75**	**$ 75**

There were no realized or unrealized gains or losses recognized in the accompanying consolidated statement of operations using significant unobservable (Level 3) inputs for the years ended December 31, 2011 and 2010.

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The following table presents the fair value measurements of assets recognized in the accompanying consolidated balance sheets measured at fair value on a non recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2011 and 2010. (dollars in thousands)

	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Fair Value
December 31, 2011				
Impaired loans	$ 0	$ 0	$ 24,879	$ 24,879
Other real estate owned	0	0	295	295
December 31, 2010				
Impaired loans	0	0	33,170	33,170
Other real estate owned	0	0	1,602	1,602

At December 31, 2011, collateral dependent impaired loans which had an evaluation adjustment during 2011 had an aggregate cost of $25.4 million and had been written down to a fair value of $24.9 million measured using Level 3 inputs within the fair value hierarchy. At December 31, 2010, collateral dependent impaired loans which had an evaluation adjustment during 2010 had an aggregate cost of $36.3 million and had been written down to a fair value of $33.2 million measured using Level 3 inputs within the fair value hierarchy. Level 3 inputs for impaired loans included current and prior appraisals and discounting factors.

At December 31, 2011, other real estate owned was reported at fair value less cost to sell of $295,000 measured using Level 3 inputs within the fair value hierarchy. At December 31, 2010, other real estate owned was reported at fair value less cost to sell of $1.6 million measured using Level 3 inputs within the fair value hierarchy. Level 3 inputs for other real estate owned included third party appraisals adjusted for cost to sell.

The disclosure of the estimated fair value of financial instruments is as follows: (dollars in thousands)

	Dec 2011		Dec 2010	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets:				
Cash and cash equivalents	$ 40,595	$ 40,595	$ 13,063	$ 13,063
Securities available for sale	180,770	180,770	226,465	226,465
Loans held for sale	6,464	6,617	7,666	7,827
Loans, net	692,102	699,191	732,795	761,838
Accrued interest receivable	3,085	3,085	3,785	3,785
Federal Home Loan Bank stock	6,563	6,563	7,507	7,507
Liabilities:				
Deposits	863,343	868,322	853,343	861,739
FHLB advances	0	0	53,284	55,028
Junior subordinated debt	15,464	10,628	15,464	9,281
Short-term borrowings	0	0	12,088	12,088
Advance payments by borrowers for taxes and insurance	325	325	272	272
Accrued interest payable	61	61	84	84

The Company, using available market information and appropriate valuation methodologies, has determined the estimated fair values of all financial instruments not recognized in the accompanying consolidated balance sheets. Considerable judgment is required in interpreting market data to develop the estimates of fair

value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that the Company could realize in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Cash, Interest-bearing Deposits, Accrued Interest Receivable, Advance Payments by Borrowers for Taxes and Insurance, Accrued Interest Payable and Short-term Borrowings

The carrying amount as reported in the Consolidated Balance Sheets is a reasonable estimate of fair value.

Loans Held for Sale and Loans, net

The fair value is estimated by discounting the future cash flows using the current rates for loans of similar credit risk and maturities. The estimate of credit losses is equal to the allowance for loan losses. Loans held for sale are based on current market prices.

Federal Home Loan Bank Stock

The fair value is estimated to be the carrying value, which is par.

Deposits

The fair value of demand deposits, savings accounts and money market deposit accounts is the amount payable on demand at the reporting date. The fair value of fixed-maturity certificates of deposit is estimated, by discounting future cash flows, using rates currently offered for deposits of similar remaining maturities.

FHLB Advances

The fair value is estimated by discounting future cash flows using rates currently available to the Company for advances of similar maturities.

Junior Subordinated Debt and Long Term Debt

Rates currently available to the Company for debt with similar terms and remaining maturities are used to estimate fair value of existing debt. Fair value of Junior Subordinated Debt is based on quoted market prices for a similar liability when traded as an asset in an active market.

The fair value estimates presented herein are based on information available to management at December 31, 2011. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since that date, and, therefore, current estimates of fair value may differ significantly from the amounts presented herein.

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16. PARENT COMPANY FINANCIAL STATEMENTS

The condensed financial statements of Indiana Community Bancorp are as follows: (dollars in thousands)

As of	**Dec 2011**	**Dec 2010**
Condensed Balance Sheets *(Parent Company only)*		
Assets:		
Cash	$ 1,449	$ 3,291
Investment in subsidiary	101,280	100,037
Other	996	954
Total Assets	$ 103,725	$ 104,282
Liabilities:		
Junior subordinated debt	$ 15,464	$ 15,464
Payable to subsidiary	10	0
Other	117	169
Total liabilities	15,591	15,633
Shareholders equity	88,134	88,649
Total Liabilities and Shareholders Equity	$ 103,725	$ 104,282

Period Ended	**Dec 2011**	**Dec 2010**
Condensed Statements of Operations *(Parent Company only)*		
Interest on securities	$ 9	$ 9
Non interest income	3	35
Total income	12	44
Interest on junior subordinated debt	308	312
Non interest expenses	604	544
Total expenses	912	856
Loss before taxes and change in undistributed earnings of subsidiary	(900)	(812)
Applicable income tax benefit	(354)	(321)
Loss before change in undistributed earnings of subsidiary	(546)	(491)
Increase/(decrease) in undistributed earnings of subsidiary	(1,198)	6,133
Net Income /(Loss)	$ (1,744)	$ 5,642

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Period Ended	Dec 2011	Dec 2010
Condensed Statements of Cash Flows *(Parent Company only)*		
Operating Activities:		
Net income/(loss)	$ (1,744)	$ 5,642
Adjustments to reconcile net income to net cash provided by operating activities:		
Increase in other assets	(42)	(1)
Decrease in other liabilities	(42)	(154)
(Increase)/decrease in undistributed earnings of subsidiary	1,198	(6,133)
Net cash used by operating activities	(630)	(646)
Investing Activities:		
Investment in subsidiary	0	0
Proceeds from divestiture of inactive subsidiary	0	722
Net cash provided/(used) by investing activities	0	722
Financing Activities:		
Payment of dividends on preferred stock	(1,075)	(1,075)
Payment of dividends on common stock	(137)	(135)
Preferred stock and warrants issued	0	0
Net cash provided/(used) by financing activities	(1,212)	(1,210)
Net increase/(decrease) in cash	(1,842)	(1,134)
Cash at beginning of period	3,291	4,425
Cash at End of Period	**$ 1,449**	**$ 3,291**

17. CAPITAL PURCHASE PROGRAM

On December 12, 2008, Indiana Community Bancorp entered into a Letter Agreement (the Purchase Agreement) with the United States Department of the Treasury (Treasury), pursuant to which the Company agreed to issue and sell (a) 21,500 shares of the Company s Fixed Rate Cumulative Perpetual Preferred Stock, Series A (the Series A Preferred Stock) and (b) a warrant (the Warrant) to purchase 188,707 shares of the Company s common stock, without par value (the Common Stock), for an aggregate purchase price of $21.5 million in cash.

The Series A Preferred Stock qualifies as Tier 1 capital and will pay cumulative dividends at a rate of 5% per annum for the first five years, and 9% per annum thereafter. The Series A Preferred Stock is non-voting except with respect to certain matters affecting the rights of the holders thereof, and may be redeemed by the Company, subject to certain limitations in the first three years after issuance of the Series A Preferred Stock. The Warrant has a 10-year term and is immediately exercisable upon its issuance, with an exercise price, subject to anti-dilution adjustments, equal to $17.09 per share of the Common Stock. Pursuant to the Purchase Agreement, Treasury has agreed not to exercise voting power with respect to any shares of Common Stock issued upon exercise of the Warrant.

In the Purchase Agreement, the Company agreed that, until such time as Treasury ceases to own any debt or equity securities of the Company acquired pursuant to the Purchase Agreement, the Company will take all necessary action to ensure that its benefit plans with respect to its senior executive officers comply with Section 111(b) of the Emergency Economic Stabilization Act of 2008 (the EESA) as implemented by any guidance or regulation under the EESA that has been issued and is in effect as of the date of issuance of the Series A Preferred Stock and the Warrant, and has agreed to not adopt any benefit plans with respect to, or which cover, its senior executive officers that do not comply with the EESA, and the applicable executives have consented to the foregoing.

Pursuant to the Certificate of Designations for the Series A Preferred Stock, the ability of the Company to declare or pay dividends or distributions on, or repurchase, redeem or otherwise acquire for consideration, shares of its Common Stock will be subject to restrictions in the event that the Company fails to declare and pay full dividends (or declare and set aside a sum sufficient for payment thereof) on its Series A Preferred Stock.

ONB has agreed in its previously disclosed merger agreement with the Company to fund the redemption of the TARP preferred stock on or before the closing of the merger, subject to regulatory approval.

18. SUBSEQUENT EVENT

The Company and Old National Bancorp (NYSE:ONB) executed a definitive agreement on January 25, 2012, pursuant to which Old National will acquire the Company through a merger. Under the terms of the merger agreement, which was approved by the boards of both companies, Indiana Community Bancorp shareholders will receive 1.90 shares of Old National Bancorp common stock for each share of the Company s common stock held by them. Based upon a $12.00 per share Old National Bancorp common stock price (stock price based on 20 day average from December 21, 2011, to January 20, 2012) the transaction is valued at approximately $79.2 million. The transaction value will likely change before close due to fluctuations in the price of Old National common stock. As provided in the merger agreement, the exchange ratio is subject to certain adjustments (calculated prior to closing) under circumstances where the consolidated shareholders equity of the Company is below a specified amount, the loan delinquencies of the Company exceed a specified amount or the credit mark for certain loans of the Company falls outside a specified range.

The transaction is expected to close in the second quarter of 2012 and is subject to approval by federal and state regulatory authorities and the Company s shareholders and the satisfaction of the closing conditions provided in the merger agreement. Old National intends, subject to regulatory approval, for the outstanding preferred stock issued by the Company in connection with its participation in the U. S. Treasury s Capital Purchase Program under TARP to be redeemed prior to the closing of the transaction. The merger agreement also provides that Indiana Bank and Trust Company will be merged into Old National Bank simultaneous with the merger of the holding companies.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

There are no such changes and disagreements during the applicable period.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures. As of December 31, 2011, an evaluation was carried out under the supervision and with the participation of the Company s management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934). Based on their evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of December 31, 2011, the Company s disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms and are designed to ensure that information required to be disclosed in these reports is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Annual Report on Internal Control Over Financial Reporting. The management of Indiana Community Bancorp (the Company) is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13A-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, a company s principal executive and principal financial officers and effected by a company s board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of

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financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America (Generally Accepted Accounting Principles) and includes those policies and procedures that:

Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;

Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company s management assessed the effectiveness of the Company s internal control over financial reporting as of December 31, 2011. In making this assessment, the Company s management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework.

Based on our assessment, management believes that, as of December 31, 2011, the Company s internal control over financial reporting is effective based on those criteria.

Changes in Internal Controls. Our Chief Executive Officer and Chief Financial Officer have concluded that, during the Company s fiscal quarter ended December 31, 2011, there have been no changes in the Company s internal control over financial reporting identified in connection with the Company s evaluation of controls that occurred during the Company s last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company s internal control over financial reporting.

Item 9B. Other Information

Not applicable.

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PART III

Item 10. Directors, Executive Officers, and Corporate Governance.

The Board of Directors currently consists of six members. The By-Laws provide that the Board of Directors is to be divided into three classes as nearly equal in number as possible. The members of each class are elected for a term of three years (unless a shorter period is specified) and until their successors are elected and qualified. One class of directors is elected annually.

The following table provides information on the Company s directors:

Name	Age	Positions Held With the Company	Director of the Bank Since	Director of the Company Since	Term to Expire
John M. Miller	61	Director	2002	2002	2015
John T. Beatty	61	Director	1991	1992	2013
William J. Blaser	62	Director	2006	2006	2013
Harold Force	60	Director	1991	1992	2013
John K. Keach, Jr.	60	Chairman of the Board, President and Chief Executive Officer	1990	1990	2014
David W. Laitinen, MD	59	Director	1990	1990	2014

Presented below is information concerning the directors of the Company. Each of the directors and director nominees has particular experience, qualifications, attributes and skills that qualify him to serve as a director of the Company. These particular attributes are set forth below.

John T. Beatty is President and Treasurer of Beatty Insurance, Inc. He has owned and operated this successful small insurance business for over 40 years. He is active in the Bank s market area, in particular in the business community in those markets. He serves several local civic and charitable organizations. He is valuable to the Company and the Bank in dealing with insurance matters and lending to the insurance industry. His experience assists the Company and the Bank with business lending strategies.

William J. Blaser is Managing Partner of L.M. Henderson & Company, LLP (certified public accountants and consultants), in Indianapolis, Indiana. He has been a CPA for over 40 years and has served as the managing partner of a public accounting firm since 1990. He has had years of experience in preparing and reviewing financial statements, including those of financial institutions. Mr. Blaser s extensive accounting background enables him to provide value in his role as the Board s Audit Committee financial expert and as Chairman of the Company s Audit Committee.

Harold Force has been President of Force Construction Company, Inc. since 1976. He has operated this successful business for over 30 years. He also serves as Executive Vice President of Force Design, Inc. He also plays an active role in economic development in the Bank s market area. As a business owner, he has had significant experience working with financial institutions. Mr. Force s experience is of great value to the Company and the Bank as it relates to commercial and commercial real estate lending. His community involvement has also proven valuable to the Company and Bank, as members of the community have been referred for products and services.

John K. Keach, Jr. has been employed by the Bank since 1974. In 1985, he was elected Senior Vice President - Financial Services; in 1987 he became Executive Vice President, and in 1988 he became President and Chief Operating Officer. In 1994, he became President and Chief Executive Officer. In 1999, he was appointed Chairman of the Board of Directors of Home Federal Bancorp,

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which changed its name to Indiana Community Bancorp. This extensive background and experience with the Bank and its operations enhances Mr. Keach, Jr. s ability to provide leadership to the Company in his roles as President and Chief Executive Officer.

David W. Laitinen, MD has been an orthopedic surgeon in Seymour, Indiana since 1983. Dr. Laitinen has been involved in one of the Bank s primary market areas for over 25 years, and his knowledge of the health care industry is of particular value to the Company and Bank as it relates to lending to members of the medical community.

John M. Miller is the President of Best Beers, Inc. (beer distributor) in Bloomington, Indiana. He has served as an owner and operator of the beer distributor for over 30 years, which has grown from 1 to over 100 employees during his involvement with the company. He is also active on the financial side of his business. His small business experience as well as his role as a successful real estate investor provide valuable expertise with respect to the commercial and commercial real estate lending activities of the Bank. He also has significant experience serving as a director of financial institutions, having served on the board of a commercial bank for ten years prior to his service on the Company s board.

Information concerning the Company s executive officers who are not also directors is included in item 3.5 in part 1 of this report.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires that the Company s officers and directors and persons who own more than 10% of the Company s Common Stock file reports of ownership and changes in ownership with the Securities and Exchange Commission (the SEC). Officers, directors and greater than 10% shareholders are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms that they file.

Based solely on its review of the copies of the forms it received and/or written representations from reporting persons that no Forms 5 were required for those persons, the Company believes that during the fiscal year ended December 31, 2011, all filing requirements applicable to its officers, directors and greater than 10% beneficial owners with respect to Section 16(a) of the 1934 Act were satisfied in a timely manner, except that John M. Miller filed approximately 20 days late a Form 4 reporting the purchase of 233 shares at $16.04 per share on May 9, 2011.

Audit Committee and Financial Expert

The Company s Board of Directors has an Audit Committee among its other Board Committees. All committee members are appointed by the Board of Directors.

The Audit Committee, the members of which are Messrs. Blaser (Chairman), Beatty, Force, and Dr. Laitinen, recommends the appointment of the Company s independent accountants in connection with its annual audit, and meets with them to outline the scope and review the results of the audit. In addition, the Board of Directors has determined that William J. Blaser is a financial expert as that term is defined in Item 407(d)(5) of Regulation S-K promulgated under the Securities Exchange Act of 1934 (the Exchange Act). The Audit Committee met four times during the fiscal year ended December 31, 2011. The Board of Directors has adopted a written charter for the Audit Committee, which is posted on the Company s website at http://www.myindianabank.com. The Board of Directors reviews and approves changes to the Audit Committee charter annually.

The Company has adopted an Ethics Policy that applies to all officers, employees, and directors of the Company and its subsidiaries.

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There have been no changes in the procedures by which shareholders may recommend director nominees since the Company provided disclosure of such procedures in its last definitive proxy statement mailed to shareholders.

Item 11. Executive Compensation.

Summary Compensation Table for 2011

The following table presents information for compensation awarded to, earned by, or paid to the Company s named executive officers for 2011 and 2010.

Name and Principal Position	Year	Salary ($)(1)	Stock Awards (2)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)(3)	All Other Compensation ($)(4)	Total ($)
John K. Keach, Jr.	2011	$ 475,000	$ 181,440			$7,350	$663,790
Chairman of the Board,	2010	475,000	109,350			7,125	591,475
President and Chief							
Executive Officer							
Mark T. Gorski	2011	220,375	45,360			7,350	273,085
Executive Vice President, Chief	2010	215,000	36,450		107,500	7,350	
Financial Officer, Treasurer							366,300
and Secretary							

(1) Includes any amounts earned but deferred, including amounts deferred under the Bank s 401(k) Plan.

(2) The amounts reflected in this column are the aggregate grant date fair value of stock awards calculated in accordance with FAS ASC Topic 718. The weighted average grant date fair value per share for these stock awards was $12.15 in 2010 and $15.12 in 2011.

(3) The amounts in this column represent the amounts that were earned under the Senior Management Annual Incentive Compensation Plan for Mark T. Gorski. The amount earned in 2011 was paid in January 2012.

(4) Includes the Bank s matching contributions and allocations under its 401(k) Plan, and dividends paid on restricted stock awards to the extent those dividends were not factored into the grant date fair value for the stock awards as reported under the Stock Awards column. The named executive officers received certain perquisites during the reported years, but the incremental cost of providing those perquisites did not exceed $10,000.

Option Plans

1995, 1999, and 2001 Option Plans. The Company had previously adopted and submitted to shareholders for approval three stock option plans in 1995, 1999 and 2001. Upon shareholder approval of the 2010 Stock Option and Incentive Plan, those prior plans were no longer available for the grant of new stock options, including with respect to shares returned to those plans upon the lapse of unexercised stock options. As of

March 5, 2012, options for 44,573 shares of Common Stock remain outstanding under the 1995 Option Plan for an average price per share of $24.639. Options for 4,161 shares of Common Stock remain outstanding under the 1999 Option Plan with an average price per share of $25.1872, and options for 177,214 shares of Common Stock remain outstanding under the 2001 Option Plan with an average price per share of $24.167.

2010 Stock Option and Incentive Plan. The Board of Directors adopted the 2010 Stock Option and Incentive Plan (the 2010 Option Plan), which was approved by shareholders at the 2010 annual meeting. The 2010 Option Plan provides for the grant of any or all of the following types of awards: (1) stock options, including incentive stock options and non-qualified stock options; (2) stock appreciation rights; (3) restricted stock; (4) unrestricted stock; and (5) performance shares or performance units. Directors, employees and consultants of the Company and its subsidiaries are eligible for awards under the Plan. Pursuant to the 2010 Option Plan, the maximum number of shares with respect to which awards may be made under the 2010 Option Plan is 329,925 shares. The shares with respect to which awards may be made under the 2010 Option Plan may either be authorized or unissued shares or treasury shares. As of March 5, 2012, awards of 62,800 shares of restricted stock had been made under the 2010 Option Plan, and there remain 267,125 shares available for future grants under the 2010 Option Plan.

The purpose of the 2010 Option Plan is to promote the long-term interests of the Company and its shareholders by providing a means for attracting and retaining officers and employees of the Company and its subsidiaries. The 2010 Option Plan is administered by the Stock Option Committee consisting of all directors except John K. Keach, Jr., each of whom is a non-employee director as provided under Rule 16b-3 of the Exchange Act, and an outside director under Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code). Options granted are adjusted for capital changes such as stock splits and stock dividends. The Committee has full and complete authority and discretion, except as expressly limited by the Plan, to grant awards and to provide for their terms and conditions.

The option price of each share of stock is to be paid in full at the time of exercise in cash or by delivering shares of the Company common stock owned for at least six months with a market value of the exercise price, or by a combination of cash and such shares. In the event an option recipient terminates his or her employment or service as an employee or director, the options will terminate during specified periods. In the event of a change in control of the Company, all options not previously exercisable shall become fully exercisable. For this purpose, change in control includes an acquisition by a third party of 25% or more of the Company s outstanding shares, a change in a majority of the Company s directors as a result of a tender offer, merger, sale of assets or similar transaction, or shareholder approval of a sale or disposition of all or substantially all of the Company s assets or another transaction following which the Company would no longer be an independent publicly-owned entity; provided that such events will not be deemed a change in control if a majority of the Board of Directors of the Company adopts a resolution to provide that such events will not be deemed a change in control.

Awards of restricted shares are generally subject to transfer restrictions for three years and vest at the rate of 33-1/3 % per year over the three-year period. If the service of an option holder terminates involuntarily within eighteen months after a change in control of the Company (as defined above), any restricted transfer period to which the restricted shares are then subject will terminate and the shares will fully vest.

Because of restrictions under the TARP Capital Purchase Program, any restricted stock awards made to the Company s President and Chief Executive Officer will generally vest in two installments on the second anniversary of the date of grant (as to 2/3 of the award) and on January 1st of the year following such second anniversary (to the extent of the remaining 1/3 of the award). The shares granted will not be transferrable until the TARP preferred stock has been redeemed by the Company.

Senior Management Annual Incentive Compensation Plan

On January 26, 2010, the Board of Directors of the Company adopted the Senior Management Annual Incentive Compensation Plan (the Annual Incentive Plan). The Annual Incentive Plan is intended to provide select senior officers of the Company and Bank, with an annual incentive award for contributions to annual financial and business objectives.

Pursuant to the Annual Incentive Plan, the Board of Directors will approve measurement criteria for minimum, target and maximum performance thresholds based on projections for the Company s fully diluted earnings per common share for the year.

The compensation committee recommended, and the Board of Directors approved, a list of senior officers eligible to participate in the Annual Incentive Plan for 2010, along with the recommended payout percentages of salary for the minimum, target and maximum performance levels applicable to the earnings per share goals.

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Included among these senior officers was Mark T. Gorski, the Company s Executive Vice President, Chief Financial Officer, Treasurer and Secretary. Because of restrictions applicable under the TARP Capital Purchase Program, Mr. Keach, the Company s President and Chief Executive Officer, is not eligible to participate in this plan. Mark T. Gorski was eligible for a payout percentage of his respective salary of 12.5% if the minimum performance goal was achieved, 25% if the target performance goal was achieved, and 50% if the maximum performance goal was achieved. In addition to Mark T. Gorski, ten members of senior management were eligible to participate in the plan. Each of these officers was eligible for a payout percentage of their respective salary of 7.5% if the minimum performance goal was achieved, 15% if the target performance goal was achieved, and 30% if the maximum performance goal was achieved. The Board of Directors approved similar percentages of salary and performance levels for 2011 and 2012. The awards made to Mr. Gorski for 2010 and 2011, after determination that the goals had been achieved, are set forth in the 2011 Summary Compensation Table set forth above.

401(k) Plan

Employees who are over 21 years of age with at least one month of service may participate in the Bank s 401(k) Savings Plan. Participants may elect to make monthly contributions up to 75% of their salary, subject to any applicable limits under the Code. The Bank makes a matching contribution of 50% of the employee s contribution that does not exceed 3.0% of the employee s salary with respect to employees who have at least six months of service. These contributions may be invested at each employee s direction in one or more of a number of investment options available under the Plan. Matching employer contributions may also be invested at an employee s direction in a fund which invests in Company Common Stock. An employee may not invest more than 25% of his or her account balance in the Company stock fund. Employee contributions to the 401(k) Plan are fully vested upon receipt. Matching contributions generally vest over a 3-year period, with 100% vesting after the third year of service. Most employees upon termination of employment elect to maintain their account under the 401(k) Plan. Other options, such as a lump sum distribution or rollover distribution, may be selected.

Outstanding Equity Awards at December 31, 2011

The following table presents information on stock options and stock awards held by the named executive officers on December 31, 2011.

	Option Awards					Stock Awards		
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Unexercisable	Option Exercise Price ($)	Date of Full Vesting of Unexercisable Options	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)(1)	Date of Full Vesting of Stock Awards
John K. Keach, Jr.	10,000		$ 25.23000		03/28/2015	9,000	$ 131,670	01/01/2013(2)
	10,000		$ 21.49500		04/22/2018	12,000	175,560	01/01/2014(2)
	15,000		$ 25.65950		03/19/2016			
Mark T. Gorski	10,000		$ 24.45000		06/05/2015	2,000	29,260	01/01/2013
	10,000		$ 25.65950		03/20/2016	3,000	43,890	01/01/2014
	5,000		$ 21.49500		04/21/2018			

(1) The market value of these awards is determined by multiplying the number of shares by the closing price of the Company s common stock on December 30, 2011, which was $14.63 per share.

(2) These shares may not be transferred by Mr. Keach until the Company s TARP Preferred Stock is redeemed.

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Pentegra Group Pension Plan

The Pentegra Group defined benefit pension plan is a noncontributory, multi-employer comprehensive pension plan. The Bank froze the Pension Plan effective April 1, 2008. Separate actuarial valuations are not made for individual employer members of the Pension Plan. An employee s pension benefits are 100% vested after five years of service.

The Pension Plan provides for monthly retirement benefits determined on the basis of the employee s years of service and base salary for the five consecutive years of his or her employment producing the highest average. Early retirement, disability, and death benefits are also payable under the Pension Plan, depending upon the participant s age and years of service. The Bank recorded expenses totaling $881,000 for the Pension Plan during the fiscal year ended December 31, 2011. Benefits are currently subject to maximum Code limitations of $200,000 per year.

Excess Benefit Plan

On April 1, 2001, the Bank entered into an excess benefit plan agreement with John K. Keach, Jr. Under this agreement, Mr. Keach, Jr. is provided retirement benefits equal to the annual benefits he would have received under the Bank s pension plan had he received full credit for his annual salary and if the pension plan did not have to make certain reductions in benefits required under § 415 and § 401 of the Code, less the annual benefits he is entitled to under the pension plan. The benefits are to be paid on an annual basis for the life of Mr. Keach, Jr. The projected annual benefit payable to Mr. Keach, Jr. under this agreement is approximately $138,000. Death benefits are also provided in the agreement.

The benefits are paid from the general assets of the Bank. The Bank has secured key person life insurance which is expected to provide the Bank with the funds necessary to provide the benefits described above.

Supplemental Retirement Income Program

The Bank has entered into supplemental retirement agreements with its executive officers and with ten other current or former employees deemed by the management of the Bank to be key employees. These agreements provide each of the executive officers of the Bank with supplemental retirement benefits after the employee terminates his employment for any reason, unless such termination is for cause; provided that in no event will such retirement benefits commence before the employee has reached age 50. The agreements also provide for death and burial benefits, and, for some employees, disability benefits prior to specified ages.

The annual benefits for the Named Executive Officers are equal to the amounts specified below:

John K. Keach, Jr.	$ 82,664
Mark T. Gorski	$ 50,000

The annual benefits are payable to those persons for a period of 15 years.

If Mr. Gorski ceases to be an employee following a change in control of the Company, he will receive increased benefits under his supplemental executive retirement agreement. Had Mr. Gorski been terminated at December 31, 2011, following a change in control of the Company, he would have been entitled to an annual benefit of $24,762 payable over a 15-year period beginning 60 days after his separation from service. The value of this benefit as of December 31, 2011 was $293,659 assuming a change in control had occurred on that date. This amount is subject to possible reductions under §280G of the Code. Under Mr. Gorski s agreement, a change in control occurs if:

a person or group acquires ownership of stock representing more than 50% of the Bank s or the Company s total fair value or total voting power of the stock of the Bank or the Company and stock of the Bank or the Company remains outstanding after the transaction;

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a person or group acquires ownership of stock representing 30% or more of the total voting power of the stock of the Bank or the Company;

during a twelve-month period, a majority of the directors of the Company is replaced by directors whose appointment or election is not endorsed by a majority of the members of the Company s Board in office before the date of the appointment or election, unless another corporation is a majority shareholder of the Company; or

a person or group, other than shareholders of the Bank or an entity controlled by shareholders of the Bank, acquires more than 40% of the total gross fair market value of the Bank s assets, unless the person or group owns 50% or more of the total value or voting power of the Bank s stock.

Mr. Keach, Jr. may receive benefits upon a change of control, but since his retirement benefits are already fully vested, those benefits will not increase as a result of a change in control of the Company.

The benefits are paid from the general assets of the Bank. The Bank has secured key person life insurance in order to provide the Bank with the funds necessary to provide the benefits described above. Under the supplemental retirement agreements, if an executive officer or employee is terminated for cause, all benefits under his agreement are forfeited.

Compensation of Directors

The following table provides information concerning the compensation paid to or earned by the members of the Company s Board of Directors other than John K. Keach, Jr. for the Company s last fiscal year, whether or not deferred:

Name (1)	Fees Earned or Paid in Cash ($)	Stock Awards (2)	Option Awards ($)	Nonqualified Deferred Compensation Earnings (3)	All Other Compensation ($)(4)	Total ($)
John T. Beatty	$ 8,200	$ 19,656				$ 27,856
William J. Blaser	15,200	19,656				34,856
Harold Force	8,450	19,656				28,106
David W. Laitinen,	7,650	19,656				27,306
John M. Miller	5,900	19,656				25,556
Harvard W. Nolting, Jr. (5)	8,700	19,656		$ 4,943		33,299

(1) Information on Mr. Keach, Jr., who is a Named Executive Officer, is included in the Summary Compensation Table.

(2) The amounts reflected in this column are the aggregate grant date fair value of stock awards calculated in accordance with FAS ASC Topic 718. The weighted average grant date fair value was $15.12 for these stock awards.

(3) This column includes above-market earnings on deferred compensation to which Mr. Nolting is entitled under his Directors Deferred Compensation Plan for Outside Directors. Director Nolting (whose benefits are currently in pay status) received interest under the Plan in 2011 at the rate of 12%. The market rate for this plan for 2011 was 9.12% for Mr. Nolting.

(4) The directors received certain perquisites during 2011, but the incremental cost of providing those perquisites did not exceed the $10,000 disclosure threshold.

(5) Mr. Nolting retired from the Board of Directors as of December 31, 2011, because of age limitations in the Company s By-Laws.

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At December 31, 2011, John M. Miller had outstanding a fully vested nonqualified stock option for 13,500 shares with an option price of $22.89 which expires on July 23, 2012. Mr. Blaser had a ten-year nonqualified stock option for 10,000 shares with an option exercise price of $28.49 per share, which expires on November 28, 2016, and vested in full on November 28, 2007. He also had a ten-year nonqualified stock option for 3,500 shares with an option exercise price of $21.495, which expires on April 22, 2018, and vested in full on April 23, 2010.

All of the other non-employee directors had the following fully vested nonqualified stock options outstanding at December 31, 2011**:**

A stock option for 1,431 shares with an exercise price of $21.875 per share which expires on October 22, 2012.

A stock option for 1,431 shares with an exercise price of $27.40 per share which expires on October 28, 2013.

Directors of the Company do not receive director fees. The Bank paid its directors $550 for each regular meeting attended and $250 for each committee meeting attended during 2011. The Chairman of the Company s Audit Committee received a $2,000 quarterly retainer during 2011. If a director misses more than three consecutive meetings, he is removed from the Board. Total fees paid to directors for the year ended December 31, 2011 were $54,100 (excluding awards of restricted stock). Also directors with deferred compensation agreements accrued total interest of $59,700 during 2011. The Company made the decision in 2011 to replace the directors retainers with awards of restricted stock granted under the 2010 Option Plan. For 2011, 1,300 shares of restricted stock that vested on November 22, 2011, were awarded to all outside directors in lieu of the payment of a retainer for 2011.

Deferred Compensation for Outside Directors. As of January 1, 2006, the Bank entered into deferred compensation agreements with three of its outside directors: Harold Force, John Beatty and David Laitinen. Under these agreements, the balance of director fees and accrued interest for each director under a superseded deferred director fee agreement was allocated to a separate account as of January 1, 2006. The balances for these other three directors accrue interest at the annual interest rate payable on a Single Premium Immediate Annuity providing for a 15-year term certain as quoted by Cincinnati Life Insurance Company or another comparable insurance company selected by the Board of the Directors of the Bank. The balance of the director s account under the plan will be paid in 180 monthly installments after the director attains age 60. Upon separation of service of a director before that time, similar benefits will be paid after the director attains age 60. Death benefits are also provided for in the agreement. Upon termination for cause, the director will be entitled only to the director fees he had previously deferred, without any interest credited thereon.

As of December 31, 2011, the balance held in an account for each director who has not yet started receiving benefits was as follows:

Name of Individual	**Balance of Account at December 31, 2011**	
David W. Laitinen, MD	$	430,988
Harold Force	$	404,988

Mr. Beatty is currently receiving benefits under his plan of $31,835 per year through 2025. Harvard W. Nolting, Jr., who retired from the Board of Directors as of December 31, 2011, is currently receiving benefits under a similar deferred compensation agreement of $31,308 per year through 2019.

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Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table provides information as of March 5, 2012, about each person known by the Company to own beneficially 5% or more of the Common Stock.

Name and Address of Beneficial Owner	Number of Shares of Common Stock Beneficially Owned	Percent of Class
Financial Edge Fund, L.P. Financial Edge-Strategic Fund, L.P. Goodbody/PL Capital, L.P. PL Capital, LLC PL Capital Advisors, LLC Goodbody/PL Capital, LLC John W. Palmer Richard J. Lashley PL Capital/Focused Fund, L.P. 20 East Jefferson Avenue, Suite 22 Naperville, Illinois 60540	317,877(1)	9.3%
Otter Creek Partners I, L.P. Otter Creek International Ltd. Otter Creek Management, Inc. 222 Lakeview Avenue Suite 1100 West Palm Beach, Florida 33401	228,962(2)	6.7%
Stieven Financial Investors, L.P. Stieven Financial Offshore Investors, Ltd. Stieven Capital Advisors, L.P. Joseph A. Stieven Steven L. Covington Daniel M. Elletson	281,389(3)	8.2%

12412 Powerscourt Drive

Suite 250

St. Louis, Missouri 63131

(1) According to an Amendment to Schedule 13D, filed August 4, 2008, includes (1) 145,638, 52,870, and 50,035 shares owned by Financial Edge Fund, L.P., Financial Edge-Strategic Fund, L.P., and PL Capital/Focused Fund, L.P., respectively, each of which is advised by PL Capital Advisors, LLC, and has PL Capital, LLC as its general partner, (2) 69,234 shares held by Goodbody/PL Capital, L.P., whose general partner is Goodbody/PL Capital, LLC, and whose investment advisor is PL Capital Advisors LLC, and (3) 100 shares beneficially owned by Richard J. Lashley in his individual capacity. Richard J. Lashley and John W. Palmer are managing members of PL Capital, LLC, Goodbody/PL Capital, LLC, and PL Capital Advisors, LLC.

(2) According to an Amendment to Schedule 13G filed February 10, 2012, 98,165 shares are owned by Otter Creek Partners I, L.P. (OCP), a Delaware limited partnership as to which Otter Creek Management, Inc. (OCM), a Delaware corporation, is the sole general partner and investment adviser, and 130,797 shares are owned by Otter Creek International Ltd. (OCI), a British Virgin Islands international business company, as to which OCM serves as investment adviser. OCM has the authority to vote and dispose of the shares held by OCP and OCI.

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(3) According to a Schedule 13G filed on February 1, 2012, includes 239,711 shares owned by Stieven Financial Investors, L.P. (SFI), a Delaware limited partnership, and 41,678 shares owned by Stieven Financial Offshore Investors, Ltd. (SFOI), a Cayman Islands exempted company. Stieven Capital Advisors, L.P. (SCA), a Delaware limited partnership, serves as investment manager to SFI and SFOI. Joseph A. Stieven is Chief Executive Officer of SCA, and Steven Covington and Daniel M. Elletson are managing directors of SCA, with respect to the beneficial ownership of shares of common stock owned by SFI and SFOI.

The following table provides the number and percent of shares of Common Stock beneficially owned as of March 5, 2012, by the Company s directors. The table also includes information on the number of shares of Common Stock beneficially owned by executive officers of the Company who are not directors, and by all directors and executive officers of the Company as a group.

Name	Positions Held With the Company	Shares of Common Stock Beneficially Owned on 3/05/12 (1)	Percent of Class
Directors			
John M. Miller	Director	25,500 (2)	*
John T. Beatty	Director	23,886 (3)	*
William J. Blaser	Director	24,800 (4)	*
Harold Force	Director	31,533 (5)	*
John K. Keach, Jr.	Chairman of the Board, President and Chief Executive Officer	170,557 (6)	4.9 %
David W. Laitinen, MD	Director	34,637 (7)	*
Executive Officers			
Mark T. Gorski	Executive Vice President, Chief Financial Officer, Treasurer and Secretary	57,538 (8)	1.7 %
All executive officers and directors as a group (7 persons)		368,451 (9)	10.5 %

* Less than 1%.

(1) Includes shares beneficially owned by members of the immediate families of the directors, director nominees, or executive officers residing in their homes. Unless otherwise indicated, each nominee, director or executive officer has sole investment and/or voting power with respect to the shares shown as beneficially owned by him or her.

(2) Includes 700 shares held by children who reside with Mr. Miller, and stock options for 13,500 shares granted under the Company s stock option plans.

(3) Includes 21,024 shares held jointly by Mr. Beatty and his wife, and 2,862 shares subject to stock options granted under the Company s stock option plans.

(4) Includes 6,000 shares jointly held by Mr. Blaser and his wife, and 13,500 shares subject to stock options granted under the Company s stock option plans.

(5) Includes 24,371 shares held jointly by Mr. Force and his wife, and 2,862 shares subject to stock options granted under the Company s stock option plans.

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(6) Includes 71,127 shares held jointly by Mr. Keach and his wife, 19,562 shares held by his wife, 958 shares held by Mr. Keach s children, 35,000 shares subject to stock options granted under the Company s stock option plans, 21,000 shares of restricted stock over which Mr. Keach has voting but not dispositive power, and 22,910 whole shares allocated as of December 31, 2011, to Mr. Keach s account under the 401(k) Plan.

(7) Includes 31,775 shares held jointly by Dr. Laitinen and his wife, and 2,862 shares subject to stock options granted under the Company s stock option plans. 30,475 of these shares have been pledged to secure a joint brokerage account of Dr. and Mrs. Laitinen.

(8) Includes 25,000 shares subject to stock options granted under the Company s stock option plans, 3,000 shares of restricted stock over which Mr. Gorski has voting but not dispositive power, and 1,192 whole shares allocated as of December 31, 2011, to Mr. Gorski s account under the 401(k) Plan.

(9) Includes 95,586 shares subject to stock options granted under the Company s stock option plans, 24,000 shares of restricted stock as to which the owners have voting but not dispositive power, and 24,102 whole shares allocated to the accounts of participants in the 401(k) Plan as of December 31, 2011.

Equity Compensation Plan Information

The following table provides the information about the Bancorp s common stock that may be issued upon the exercise of options and rights under all existing equity compensation plans of the Bancorp as of December 31, 2011.

Plan category	**Number of securities to be issued upon exercise of outstanding options, warrants and rights as of December 31, 2011 (a)**	**Weighted-average exercise price of outstanding options, warrants and rights (b)**	**Number of securities remaining available for future issuance under equity compensation plans as of December 31, 2011 (excluding securities reflected in column (a)) (c)**
Equity compensation plans approved by security holders	284,448(1)	$24.23(2)	265,625
Equity compensation plans not approved by security holders	0	0	0
Total	284,448	$24.23	265,625

(1) Includes 233,948 shares subject to stock options granted under the Company s 1995 stock option plan, 1999 stock option plan, and 2001 stock option plan; 19,000 shares of restricted stock granted under the Company s 2010 stock option and incentive plan, and 31,500 shares of restricted stock granted under the Company s 2011 stock option and incentive plan.

(2) The average exercise price relates only to stock options, as the restricted shares authorized under the 2010 and 2011 stock option and incentive plan have no exercise price.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The Bank follows a policy of offering to its directors, officers, and employees real estate mortgage loans secured by their principal residence, consumer loans, and, in certain cases, commercial loans. All loans to directors and executive officers must be approved in advance by a majority of the disinterested members of the Board of Directors. Loans to directors, director nominees, executive officers, and their associates (including immediate family members) totaled approximately $3,220,219 or 3.65% of equity capital at December 31, 2011. All such loans were made in the ordinary course of business, were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable loans with persons not related to the Bank, and did not involve more than normal risk of collectability or present other unfavorable features.

Item 14. Principal Accountant Fees and Services.

Audit Fees. The firm of BKD, LLP served as the Company s independent registered public accounting firm for the fiscal years ended December 31, 2010 and December 31, 2011. The aggregate fees billed by BKD, LLP for the audit of the Company s financial statements included in its annual report on Form 10-K; and for the review of its financial statements included in its quarterly reports on Form 10-Q for the fiscal years ended December 31, 2010, and December 31, 2011, were $166,805 and $188,060, respectively.

Audit-Related Fees. There were no fees billed in the fiscal year ended December 31, 2010, or in the fiscal year ended December 31, 2011, for assurance and related services that are reasonably related to the audit or review of the Company s financial statements and that were not covered in the Audit Fees disclosed above, other than $6,750 paid in 2011 for an audit of HUD loan activity.

Tax Fees. The aggregate fees billed in each of the fiscal years ended December 31, 2010, and December 31, 2011, for professional services rendered for tax compliance, tax advice or tax planning were $25,720 and $28,435, respectively.

All Other Fees. There were no fees billed in fiscal 2010 and fiscal 2011 for professional services rendered, except as disclosed above.

Audit Committee Pre-Approval. The Company s Audit Committee formally adopted resolutions pre-approving the engagement of BKD, LLP to act as the Company s independent registered public accounting firm for the fiscal years ended December 31, 2010, and December 31, 2011. The Audit Committee has not adopted pre-approval policies and procedures in accordance with paragraph (c) (7) (i) of Rule 2-01 of Regulation S-X, because it anticipates that in the future the engagement of BKD, LLP will be made by the Audit Committee and all non-audit and audit services to be rendered by BKD, LLP will be pre-approved by the Audit Committee. One hundred percent of audit-related and tax services for the fiscal years ended December 31, 2010 and 2011, were pre-approved by the Audit Committee. The Company s independent auditors performed substantially all work described above with their respective full-time, permanent employees.

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PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) List the following documents are filed as a part of this report:

(b) The exhibits filed herewith or incorporated by reference herein are set forth on the Exhibit Index on page 56.

(c) All schedules are omitted as the required information either is not applicable or is included in the Consolidated Financial Statements or related notes.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on behalf of the undersigned, thereto duly authorized, this 15th day of March 2012.

		INDIANA COMMUNITY BANCORP
DATE: March 15, 2012	By:	/S/ John K. Keach, Jr.
		John K. Keach, Jr., President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on this 15th day of March 2012.

/s/Mark T. Gorski Mark T Gorski, Executive Vice President, Treasurer Chief Financial Officer and Secretary (Principal Financial Officer)	/s/John K. Keach, Jr. John K. Keach, Jr., Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer)
/s/Melissa A. McGill Melissa A. McGill, Sr. Vice President and Controller (Principal Accounting Officer)	/s/John K. Keach, Jr. John K. Keach, Jr., Director
/s/David W. Laitinen David W. Laitinen, Director	/s/John T. Beatty John T. Beatty, Director
/s/Harold Force Harold Force, Director	/s/John M. Miller John M. Miller, Director
/s/ William J. Blaser William J. Blaser, Director	

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EXHIBIT INDEX

Reference to Regulation S-K Exhibit Number	Document	Sequential Page Number
2(a)	Agreement and Plan of Merger between Indiana Community Bancorp and Old National Bancorp dated January 24, 2012 (incorporated by reference from Exhibit 2.1 to Registrant s Form 8-K filed January 25, 2012)	
3(a)	Articles of Incorporation (incorporated by reference from Exhibit 3.1 to Registrant s Form 8-K filed April 28, 2008)	
3(b)	Code of By-Laws (incorporated by reference from Exhibit 3.1 to Registrant s Form 8-K filed July 28, 2009)	
3(c)	Certificate of Designations for Series A Preferred Stock (incorporated by reference from Exhibit 3.1 to Registrant s Form 8-K filed December 16, 2008)	
4(a)	Articles of Incorporation (incorporated by reference from Exhibit 3.1 to Registrant s Form 8-K filed April 28, 2008)	
4(b)	Code of By-Laws (incorporated by reference from Exhibit 3.1 to Registrant s Form 8-K dated November 27, 2007)	
4(c)	Form of Certificate for Series A Preferred Stock (incorporated by reference from Exhibit 4.1 to Registrant s Form 8-K filed December 16, 2008)	
4(d)	Warrant for Purchase of Shares of Common Stock (incorporated by reference from Exhibit 4.2 to Registrant s Form 8-K filed December 16, 2008)	
10(a)	1995 Stock Option Plan (incorporated by reference from Exhibit A to Registrant s Proxy Statement for its 1995 annual shareholder meeting); amendment thereto is (incorporated by reference to Exhibit 10.1 of Registrant s Form 8-K dated March 28, 2005)	
10(b)	1999 Stock Option Plan incorporated by reference to Exhibit J to the registrant s Proxy Statement for its 1999 annual shareholder s meeting; amendment thereto is incorporated by reference to Exhibit 10.1 of the Registrant s Form 8-K dated March 28, 2005	
10(c)	2001 Stock Option Plan (incorporated by reference from Exhibit B to the Registrant s Proxy Statement for its 2001 annual shareholder meeting); amendment thereto is incorporated by reference to Exhibit 10.1 of Registrant s Form 8-K dated March 28, 2005	
10(d)	Form of Non-Qualified Stock Option Agreement (incorporated by reference to Exhibit 10.2 to Registrant s Form 8-K dated March 28, 2005)	
10(e)	Form of Incentive Stock Option Agreement (incorporated by reference to Exhibit 10(aw) to Registrant s Form 10-K for the fiscal year ended December 31, 2005)	
10(f)	Form of Indiana Community Bancorp Indianapolis Market Growth Plan (incorporated by reference to Exhibit 10.1 of Registrant s Form 8-K dated November 28, 2006)	

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10(g)	Form of Award Agreement under Indiana Community Bancorp Indianapolis Market Growth Plan (incorporated by reference from Exhibit 10.2 to Registrant s Form 8-K dated November 28, 2006)
10(h)	Indiana Community Bancorp Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to Registrant s Form 8-K filed May 31, 2005)
10(i)	Form of Indiana Community Bancorp Long-Term Incentive Plan Award Agreement (incorporated by reference to Exhibit 10.1 to Registrant s Form 8-K filed April 23, 2008)
10(j)	Excess Benefit Plan Agreement between the Bank and John K. Keach, Jr.
	dated April 1, 2001 (incorporated by reference to Exhibit 10 (f) of Registrant s Form 10-K for the year ended June 30, 2001); First Amendment thereto effective January 1, 2005, is incorporated by reference to Exhibit 10.4 to Registrant s Form 8-K filed July 27, 2007
10(k)	Supplemental Executive Retirement Plan with John K. Keach, Jr. dated April 1, 2001 (incorporated by reference from Exhibit 10(n) to Registrant s Form 10-K for the year ended June 30, 2002); First Amendment thereto effective January 1, 2005, is incorporated by reference to Exhibit 10.5 to Registrant s Form 8-K filed July 24, 2007
10(l)	Supplemental Executive Retirement Agreement with Mark T. Gorski effective July 1, 2005 (incorporated by reference to Exhibit 10.4 to Registrant s Form 8-K dated November 22, 2005); first amendment thereto dated November 3, 2005 (incorporated by reference to Exhibit 10(j) of Registrant s Form 10-K for the fiscal year ended December 31, 2005); second amendment thereto effective July 1, 2005, is incorporated by reference to Exhibit 10.6 to Registrant s Form 8-K filed July 27, 2007
10(m)	Amended and Restated Supplemental Executive Retirement Income Agreement for Charles R. Farber effective January 1, 2005 (incorporated by reference to Exhibit 10.8 to Registrant s Form 8-K filed July 27, 2007)
10(n)	Director Deferred Fee Agreement between the Bank and John Beatty (incorporated by reference to Exhibit 10.2 of Registrant s Form 8-K dated November 22, 2005); First Amendment thereto effective January 1, 2006 is incorporated by reference to Exhibit 10.1 to Registrant s Form 8-K filed July 24, 2007; Second Amendment thereto dated April 27, 2010, is incorporated by reference to Exhibit 10.1 to Registrant s Form 8-K filed April 29, 2010
10(o)	Director Deferred Fee Agreement between the Bank and Harold Force (incorporated by reference to Exhibit 10.1 of Registrant s Form 8-K dated November 22, 2005); First Amendment thereto effective January 1, 2006, is incorporated by reference to Exhibit 10.2 to Registrant s Form 8-K filed July 24, 2007; Second Amendment thereto dated April 27, 2010, is incorporated by reference to Exhibit 10.2 to Registrant s Form 8-K filed April 29, 2010
10(p)	Director Deferred Fee Agreement between the Bank and David W. Laitinen (incorporated by reference to Exhibit 10.3 of Registrant s 8-K dated November 22, 2005); First Amendment thereto is incorporated by reference to Exhibit 10.3 to Registrant s Form 8-K filed July 24, 2007; Second Amendment thereto dated April 27, 2010, is incorporated by reference to Exhibit 10.3 to Registrant s Form 8-K filed April 29, 2010

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10(q)	Director Deferred Compensation Agreement with William Nolting (incorporated by reference from Exhibit 10(ag) to Registrant s Form 10-K for the fiscal year ended June 30, 1992); first and second amendments thereto (incorporated by reference from Exhibit 10(ag) to Registrant s Form 10-K for the year ended June 30, 1998)
10(r)	Placement Agreement, dated September 13, 2006, among Indiana Community Bancorp, the Home Federal Statutory Trust I, and Cohen & Company (incorporated by reference to Exhibit 1.1 of Registrant s Form 8-K dated September 15, 2006)
10(s)	Indenture dated as of September 15, 2006, between Indiana Community Bancorp and LaSalle Bank National Association as Trustee (incorporated by reference to Exhibit 4.1 of Registrant s Form 8-K dated September 15, 2006)
10(t)	Amended and Restated Declaration of Trust of HomeFederal Statutory Trust I, dated as of September 15, 2006 (incorporated by reference to Exhibit 4.2 of Registrant s Form 8-K dated September 15, 2006)
10(u)	Guarantee Agreement of Indiana Community Bancorp dated as of September 15, 2006 (incorporated by reference to Exhibit 10.1 of Registrant s Form 8-K dated September 15, 2006)
10(v)	Letter Agreement dated December 12, 2008 by and between Registrant and the United States Department of the Treasury, including the Securities Purchase Agreement - Standard Terms incorporated by reference therein (incorporated by reference from Exhibit 10.1 to Registrant s Form 8-K filed December 16, 2008)
10(w)	2010 Stock Option and Incentive Plan (incorporated by reference from Exhibit 10.4 to Registrant s Form 8-K filed April 29, 2010)
10(x)	Form of Nonqualified Stock Option Agreement for 2010 Stock Option and Incentive Plan (incorporated by reference from Exhibit 10.5 to Registrant s Form 8-K filed April 29, 2010)
10(y)	Form of Incentive Stock Option Agreement for 2010 Stock Option and Incentive Plan (incorporated by reference from Exhibit 10.6 to Registrant s Form 8-K filed April 29, 2010)
10(z)	Form of Agreement for Restricted Stock under 2010 Stock Option and Incentive Plan (incorporated by reference from Exhibit 10.7 to Registrant s Form 8-K filed April 29, 2010)
10(aa)	Form of Long-Term Restricted Stock Agreement under the 2010 Stock Option and Incentive Plan (incorporated by reference from Exhibit 10.1 to Registrant s Form 8-K filed May 28, 2010)
10(bb)	Senior Management Annual Incentive Compensation Plan (incorporated by reference from Exhibit 10.1 to Registrant s Form 8-K filed January 29, 2010)
10(cc)	Voting Agreement dated January 24, 2012 (incorporated by reference from Exhibit 10.1 to Registrant s Form 8-K filed January 25, 2012)
14	Code of Ethics (incorporated by reference to Exhibit 14 of Registrant s Form10-K for the fiscal year ended December 31, 2003)

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21	Subsidiaries of the Registrant
23.1	Independent Registered Public Accounting Firm Consent
31.1	Certification of John K. Keach, Jr. required by 12 C.F.R. § 240.13a-14(a)
31.2	Certification of Mark T. Gorski required by 12 C.F.R. § 240.13a-14(a)
32	Certification pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
33	TARP Fiscal Year Certification of John K. Keach, Jr.
34	TARP Fiscal Year Certification of Mark T. Gorski
	101.INS XBRL Instance Document
	101.SCH XBRL Taxonomy Extension Schema
	101.CAL XBRL Taxonomy Extension Calculation Linkbase
	101.DEF XBRL Taxonomy Extension Definition Linkbase
	101.LAB XBRL Taxonomy Extension Label Linkbase
	101.PRE XBRL Taxonomy Extension Presentation Linkbase

*Users of the XBRL related information in Exhibit 101 of this Annual Report on Form 10-K are advised, in accordance with Regulation S-T Rule 406T, that this Interactive Data File is deemed not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections. The financial information contained in the XBRL related documents is unaudited and unreviewed.