

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

OLD NATIONAL BANCORP /IN/

CIK: **707179** | IRS No.: **351539838** | State of Incorporation: **IN** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **001-15817** | Film No.: **09544150**
SIC: **6021** National commercial banks

Mailing Address
*ONE MAIN ST
EVANSVILLE IN 47708*

Business Address
*ONE MAIN ST
EVANSVILLE IN 47708
8124641434*

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): January 26, 2009

OLD NATIONAL BANCORP

(Exact name of registrant as specified in its charter)

| | | |
|---|--|--|
| Indiana (State or other Jurisdiction of Incorporation) | 001-15817 (Commission File Number) | 35-1539838 (IRS Employer Identification No.) |
|---|--|--|

| | |
|--|----------------------------|
| One Main Street Evansville, Indiana (Address of Principal Executive Offices) | 47708 (Zip Code) |
|--|----------------------------|

Registrant's telephone number, including area code: **(812) 464-1294**

(Former name or former address if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition

On January 26, 2009, Old National Bancorp reported its results for the fourth quarter and full year of 2008. The press release is included as Exhibit 99.1 hereto and is incorporated herein by reference. Old National Bancorp also released the financial trends including its fourth-quarter and full-year 2008 results. The financial trends are included as Exhibit 99.2 hereto and are incorporated herein by reference. In connection therewith, a slide presentation outlining fourth-quarter and full-year 2008 earnings, recent strategic developments and the company's financial outlook will be available on Old National's website to compliment the conference call to be held on January 26, 2009, at 10:00 a.m. CST and will be accessible at <http://www.oldnational.com> before the conference call begins.

Item 9.01 Financial Statements and Exhibits

(c) **Exhibits.** The following exhibits are furnished herewith:

The following exhibits are furnished herewith and this list constitutes the exhibit index:

99.1 Press Release issued by Old National Bancorp on January 26, 2009

99.2 Financial Trends issued by Old National Bancorp on January 26, 2009

* * * * *

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: January 26, 2009

OLD NATIONAL BANCORP

By: /s/ Christopher A. Wolking
Christopher A. Wolking
Senior Executive Vice President and
Chief Financial Officer

EXHIBIT INDEX

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|---|
| 99.1 | Press Release issued by Old National Bancorp on January 26, 2009 |
| 99.2 | Financial Trends issued by Old National Bancorp on January 26, 2009 |



NYSE: ONB
www.oldnational.com

FINANCIAL NEWS
 January 26, 2009

**OLD NATIONAL REPORTS FOURTH-QUARTER EARNINGS OF
 \$6.6 MILLION, OR \$.10 PER SHARE**

Liquidity and capital positions remain strong

Growth in commercial loans

Growth in key deposit categories

Net interest margin improves

Total revenue increase of 9.7% over last year

Non-performing loan coverage improves to 105%

Contacts:

Financial Community:
 Lynell J. Walton - (812) 464-1366
 Senior Vice President - Investor Relations

Media:
 Kathy A. Schoettlin - (812) 465-7269
 Executive Vice President - Communications

Fourth-Quarter vs. Third-Quarter Highlights:

End-of-period commercial loans increase \$98.2 million, or 5.5%

End-of period noninterest-bearing demand deposits increase \$42.9 million, or 5.1%

End-of-period NOW accounts increase \$69.6 million, or 5.7%

Net interest margin expands 17 bps to 3.96%

Non-performing loans decline \$4.4 million

Revenue increased by 2.1%

Old National Bancorp (NYSE: ONB) today reported fourth-quarter earnings of \$6.6 million, or \$.10 per share. As was previously disclosed in a Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission on January 13, 2009, the fourth quarter of 2008 included a higher than anticipated provision for loan losses of \$17.0 million and the write-off of a check fraud loss in the amount of \$6.3 million. These fourth-quarter results compare to third-quarter of 2008 earnings of \$17.0 million, or \$.26 per share, and \$22.0 million, or \$.34 per share, earned in the fourth quarter of 2007.

Net income for the twelve-months ended December 31, 2008 was \$62.5 million, or \$.95 per share. This compares to full-year 2007 net income of \$74.9 million, or \$1.14 per share.

President and CEO Bob Jones commented, "We were very pleased with the operating fundamentals of the Company this quarter. Growth in our revenue, commercial loans, net interest margin and demand deposits is a result of the discipline to adhere to our strategic imperatives. However, consistent with what has been our cautious view of the economy for some time, we were not immune from the impact of the economy on our borrowers, which led to a substantial increase in our credit costs for the fourth quarter."



Strategic Imperatives

Old National continues to be guided by three strategic imperatives that are critical in establishing the Company's presence as a high-performing financial institution:

1. Strengthen the risk profile.
2. Enhance management discipline.
3. Achieve consistent quality earnings.

Strengthen the Risk Profile

Old National's key credit quality trends are as follows:

| (\$ in millions) | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 3Q08 | 4Q08 |
|---------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Non-Performing Loans | \$104.6 | \$54.9 | \$55.6 | \$41.6 | \$40.8 | \$64.0 | \$68.4 | \$64.0 |
| Problem Loans | \$343.9 | \$192.2 | \$136.6 | \$153.2 | \$115.1 | \$214.7 | \$173.8 | \$214.7 |
| Special Mention Loans | \$215.7 | \$148.1 | \$83.2 | \$119.8 | \$103.2 | \$124.9 | \$114.3 | \$124.9 |
| Net Charge-Off Ratio | 1.21 % | .61 % | .60 % | .37 % | .44 % | .87 % | .46 % | 1.14 % |
| Provision for Loan Losses | \$85.0 | \$22.4 | \$23.1 | \$7.0 | \$4.1 | \$51.5 | \$6.8 | \$17.0 |

At December 31, 2008, the reserve for loan losses was \$67.1 million, an increase of \$3.6 million from the \$63.5 million at September 30, 2008. Importantly, the ratio of allowance to non-performing loans increased for Old National to 105% at December 31, 2008, from 93% at September 30, 2008.

Chief Credit Officer Daryl Moore noted, "While we were very pleased to report that non-performing loans fell in the quarter, migration of loans into the Problem and Special Mention categories was significant in the period, not inconsistent with the deepening economic difficulties currently being experienced not only throughout our region, but nationally. Until we see marked improvement in general economic conditions, we would expect to see continuing challenges for our borrowing clients."

Enhance Management Discipline

Capital Management

Old National's strong capital position was further enhanced during the fourth quarter of 2008 by the Company's participation in the U.S. Treasury Department Capital Purchase Program for healthy financial institutions. Under the program, Old National sold preferred, non-voting shares of its stock valued at \$100 million to the U.S. Treasury Department. At December 31, 2008, Old National reported total risk-based capital ratio at 15.44%, tier 1 risk-based capital ratio at 13.11% and the leverage ratio at 9.75%. All three capital ratios are well above the FDIC guidelines for "well capitalized" institutions. In addition, tangible common equity as a percentage of tangible assets was 6.51% at the end of 2008, well within the Company's targeted range to 6% to 7%. Refer to Table 1 for Non-GAAP reconciliation of the tangible capital ratios.

"Old National's participation in the U.S. Treasury Department's Capital Purchase Program was an extremely cost-effective way to enhance our already strong capital position, which ultimately benefits our clients, shareholders and communities," stated Chris Wolking, Chief Financial Officer. "We believe improving our capital position in this manner is prudent given the economy is likely to face greater challenges in 2009."

Old National repurchased no shares of common stock through the open market in 2008.

Expense Management

Old National reported total noninterest expenses for the fourth quarter of 2008 of \$79.0 million compared to \$72.5 million and \$71.0 million reported for the third quarter of 2008 and the fourth quarter of 2007, respectively. Without the \$6.3 million check fraud related charge previously disclosed, fourth-quarter 2008 noninterest expenses would have been \$72.7 million.

On a year-to-date basis, total noninterest expenses for 2008 were \$297.2 million compared to \$278.0 million in 2007. The majority of the increase from 2007 related to a \$13.2 million increase in occupancy expense incurred from Old National's sale leaseback transaction as well as the check fraud charge reported in the Other Expense category.

Achieve Consistent Quality Earnings

Balance Sheet & Margin

Total loans for Old National at December 31, 2008, were \$4.778 billion, an increase of \$84.6 million from the \$4.693 billion at September 30, 2008. Commercial loans and leases constituted the majority of the increase, with growth of \$98.2 million. The commercial real estate loan portfolio, which the Company has continued to manage down over the last two years, declined \$15.9 million during the fourth quarter. For the full-year 2008, commercial loans increased \$203.2 million, or 12.0%, while commercial real estate loans declined \$115.5 million, or 9.1%.

At December 31, 2008, total investments were \$2.296 billion, up \$197.9 million from the \$2.098 billion at September 30, 2008. As a percentage of total assets, the investment portfolio increased to 29.2% from 27.7% at the end of the third quarter.

Total deposits, including demand and interest-bearing deposits, increased \$76.1 million during the fourth quarter and ended the year at \$5.422 billion. Importantly, the increase was primarily in the most desirable deposit categories, as noninterest-bearing demand deposits increased \$42.9 million, or 5.1%, while NOW accounts increased \$69.6 million, or 5.7%.

Total borrowed funds at December 31, 2008, were \$1.485 billion, a \$105.5 million increase from the \$1.379 billion at September 30, 2008.

During the fourth quarter of 2008, net interest income on a fully tax equivalent basis was \$68.0 million and represented a net interest margin on total average earning assets of 3.96%. This compares to net interest income of \$64.5 million and a margin of 3.79% for the third quarter of 2008 and net interest income of \$62.2 million and a margin of 3.56% for the fourth quarter of 2007. For the full-year 2008, net interest income amounted to \$262.7 million and represented a margin of 3.82%, noticeable increases over the 2007 net interest income amount of \$236.4 million and margin of 3.28%.

"We are very pleased with our net interest income and margin performance during 2008," stated Chris Wolking, Chief Financial Officer. "Our disciplined deposit pricing philosophy, combined with the Federal Reserve rate reductions, resulted in the 54 bps improvement in our net interest margin during the year as well as an 11.1% growth in our net interest income."

Fees, Service Charges and Other Revenue

Fees, service charges and other revenue for the fourth quarter of 2008 were \$36.6 million. This compares to \$39.1 million for the third quarter of 2008 and \$43.7 million in the fourth quarter of 2007. The category showing the largest decrease from the third quarter of 2008 was Company-owned life insurance while the largest variance from the fourth quarter of 2007 was in other income and related to the one-time gain recorded in 2007 on the Company's sale leaseback transactions.

Charter One Update

As announced on November 25, 2008, Old National entered into an agreement with Citizens Financial Group to acquire 65 locations of Charter One. These locations are primarily in the key market of Indianapolis, but also include locations in other key growth markets of Lafayette, Fort Wayne, Bloomington and Anderson, Indiana. The Company has formed 15 task force teams aimed at a conversion date of late March 2009. "As pleased as we were with the strong strategic alignment of the Indiana Charter One franchise with Old National's, as we began the integration process, the true strength of the partnership has become the quality of the associates at Charter One," said Barbara Murphy, Senior Executive Vice President and Chief Banking Officer. "The associates at Charter One share the same passion that we do in serving their clients and we are very pleased with how the integration process has moved along."

About Old National

Old National Bancorp, celebrating its 175th anniversary in 2009, is the largest financial services holding company headquartered in Indiana and, with \$7.9 billion in assets, ranks among the top 100 banking companies in the United States. Since its founding in Evansville in 1834, Old National has focused on community banking by building long-term, highly valued partnerships with clients in its primary footprint of Indiana, Illinois and Kentucky. In addition to providing extensive services in retail and commercial banking, wealth management, investments and brokerage, Old National also owns one of the largest independent insurance agencies headquartered in Indiana, offering complete personal and commercial insurance solutions. For more information and financial data, please visit the Company's website at www.oldnational.com.

Conference Call

Old National will hold a conference call at 10:00 a.m. Central on Monday, January 26, 2009, to discuss fourth-quarter 2008 financial results, strategic developments, and the Company's earnings outlook for 2009. The live audio web cast of the call, along with the corresponding presentation slides, will be available on the Company's Investor Relations web page at www.oldnational.com and will be archived there for 12 months. A replay of the call will also be available from 1:00 p.m. Central on January 26 through February 9. To access the replay, dial 1-800-642-1687, conference code 80127832.

Forward-Looking Statement

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, descriptions of Old National's financial condition, results of operations, asset and credit quality trends and profitability. Forward-looking statements can be identified by the use of the words "anticipate," "believe," "expect," "intend," "could" and "should," and other words of similar meaning. These forward-looking statements express management's current expectations or forecasts of future events and, by their nature, are subject to risks and uncertainties and there are a number of factors that could cause actual results to differ materially from those in such statements. Factors that might cause such a difference include, but are not limited to, market, economic, operational, liquidity, credit and interest rate risks associated with Old National's business, competition, government legislation and policies, ability of Old National to execute its business plan, including acquisition plans, changes in the economy which could materially impact credit quality trends and the ability to generate loans and gather deposits, failure or circumvention of our internal controls, failure or disruption of our information systems, significant changes in accounting, tax or regulatory practices or requirements, new legal obligations or liabilities or unfavorable resolutions of litigations, other matters discussed in this press release and other factors identified in the Company's Annual Report on Form 10-K and other periodic filings with the Securities and Exchange Commission. These forward-looking statements are made only as of the date of this press release, and Old National undertakes no obligation to release revisions to these forward-looking statements to reflect events or conditions after the date of this release.

Table 1: Non-GAAP Reconciliation-Tangible Common Equity

| (end of period balances - \$ in millions) | December 31, 2008 | September 30, 2008 |
|---|--------------------------|---------------------------|
| Total Shareholders' Equity | \$730.9 | \$635.4 |
| Deduct: Goodwill and Intangible Assets | (186.8) | (187.8) |
| Tangible Shareholders' Equity | \$544.1 | \$447.6 |
| Deduct: Preferred Stock | \$97.1 | - |
| Deduct: Other Comprehensive Income | (53.5) | (56.5) |
| Tangible Common Shareholders' Equity | \$500.5 | \$504.1 |
| Total Assets | \$7,873.9 | \$7,568.3 |
| Add: Trust Overdrafts | 1.0 | .3 |
| Deduct: Goodwill and Intangible Assets | (186.8) | (187.8) |
| Tangible Assets | \$7,688.0 | \$7,380.9 |
| Tangible Equity to Tangible Assets | 7.08 % | 6.06 % |
| Tangible Common Equity to Tangible Assets | 6.51 % | 6.83 % |

OLD NATIONAL BANCORP
Financial Highlights

| (\$ in thousands except per-share data) (FTE) Fully taxable equivalent basis. | Three-Months Ended | | Change | % Change |
|--|--------------------|-------------|-------------|----------|
| | December 31, | | | |
| | 2008 | 2007 | | |
| Income Data: | | | | |
| Net Interest Income (FTE) | \$68,046 | \$62,206 | \$5,840 | 9.4 % |
| Fees, Service Charges and Other Revenues | 36,633 | 43,743 | (7,110) | (16.3) |
| Securities Gains (Losses) | 937 | 140 | 797 | N/M |
| Derivative Gains (Losses) | 15 | 188 | (173) | (92.0) |
| Total Revenue (FTE) | 105,631 | 106,277 | (646) | (.6) |
| Provision for Loan Losses | 17,017 | 1,673 | 15,344 | N/M |
| Noninterest Expense | 78,996 | 71,036 | 7,960 | 11.2 |
| Income before Taxes | 9,618 | 33,568 | (23,950) | (71.3) |
| Provision for Taxes (FTE) | 2,970 | 11,583 | (8,613) | (74.4) |
| Net Income | 6,648 | 21,985 | (15,337) | (69.8) |
| Preferred Stock Dividends & Amortization | (298) | – | (298) | N/M |
| Net Income Available to Common Shareholders | 6,350 | 21,985 | (15,635) | (71.1) |
| Per Common Share Data: (Diluted) (a) | | | | |
| Net Income | .10 | .34 | (.24) | (70.6) |
| Average Diluted Shares Outstanding | 65,922 | 65,707 | 215 | .3 |
| Book Value | 9.56 | 9.86 | (.30) | (3.0) |
| Stock Price | 18.16 | 14.96 | 3.20 | 21.4 |
| Performance Ratios: | | | | |
| Return on Average Assets | .35 % | 1.14 % | (.79)% | (69.3) |
| Return on Average Common Equity (b) | 4.05 | 13.39 | (9.34) | (69.8) |
| Net Interest Margin (FTE) | 3.96 | 3.56 | .40 | 11.2 |
| Other Expense to Revenue (Efficiency Ratio) | 74.79 | 66.84 | 7.95 | 11.9 |
| Net Charge-offs to Average Loans (c) | 1.14 | .79 | .35 | 44.3 |
| Reserve for Loan Losses to Ending Loans | 1.41 | 1.20 | .21 | 17.5 |
| Non-Performing Loans to Ending Loans (c) | 1.34 | .87 | .47 | 54.0 |
| Balance Sheet: | | | | |
| Average Assets | \$7,631,726 | \$7,723,558 | \$(91,832) | (1.2) |
| End of Period Balances: | | | | |
| Assets | 7,873,890 | 7,846,126 | 27,764 | .4 |
| Investments (Including Money Market Investments) | 2,295,896 | 2,316,980 | (21,084) | (.9) |
| Commercial Loans | 1,897,966 | 1,694,736 | 203,230 | 12.0 |
| Commercial Real Estate Loans | 1,154,916 | 1,270,408 | (115,492) | (9.1) |
| Consumer Loans | 1,210,951 | 1,187,764 | 23,187 | 2.0 |
| Residential Real Estate Loans | 496,526 | 533,448 | (36,922) | (6.9) |
| Residential Real Estate Loans Held for Sale | 17,155 | 13,000 | 4,155 | 32.0 |
| Earning Assets | 7,073,410 | 7,016,336 | 57,074 | .8 |
| Core Deposits (Excluding Brokered CDs) | 5,250,800 | 5,447,402 | (196,602) | (3.6) |
| Borrowed Funds (Including Brokered CDs) | 1,655,977 | 1,510,950 | 145,027 | 9.6 |
| Preferred Shareholders' Equity | 97,060 | – | 97,060 | N/M |
| Common Shareholders' Equity | 633,805 | 652,881 | (19,076) | (2.9) |

(a) Assumes conversion of stock options and restricted stock.

(b) Based on average common shareholders' equity of \$626,536 and \$656,945, respectively, for 2008 and 2007.

(c) Includes residential loans held for sale.

N/M Not meaningful.

OLD NATIONAL BANCORP
Financial Highlights

| (\$ in thousands except per-share data) (FTE) Fully taxable equivalent basis. | Three-Months Ended | | Change | % Change |
|--|----------------------|-----------------------|-----------|----------|
| | December 31, 2008 | September 30, 2008 | | |
| Income Data: | | | | |
| Net Interest Income (FTE) | \$68,046 | \$64,474 | \$3,572 | 5.5 % |
| Fees, Service Charges and Other Revenues | 36,633 | 39,136 | (2,503) | (6.4) |
| Securities Gains (Losses) | 937 | 45 | 892 | N/M |
| Derivative Gains (Losses) | 15 | (186) | 201 | N/M |
| Total Revenue (FTE) | 105,631 | 103,469 | 2,162 | 2.1 |
| Provision for Loan Losses | 17,017 | 6,842 | 10,175 | 148.7 |
| Noninterest Expense | 78,996 | 72,463 | 6,533 | 9.0 |
| Income before Taxes | 9,618 | 24,164 | (14,546) | (60.2) |
| Provision for Taxes (FTE) | 2,970 | 7,149 | (4,179) | (58.5) |
| Net Income | 6,648 | 17,015 | (10,367) | (60.9) |
| Preferred Stock Dividends & Amortization | (298) | – | (298) | N/M |
| Net Income Available to Common Shareholders | 6,350 | 17,015 | (10,665) | (62.7) |
| Per Common Share Data: (Diluted) (a) | | | | |
| Net Income | .10 | .26 | (.16) | (61.5) |
| Average Diluted Shares Outstanding | 65,922 | 65,790 | 132 | .2 |
| Book Value | 9.56 | 9.59 | (.03) | (.3) |
| Stock Price | 18.16 | 20.02 | (1.86) | (9.3) |
| Performance Ratios: | | | | |
| Return on Average Assets | .35 % | .90 % | (.55)% | (61.1) |
| Return on Average Common Equity (b) | 4.05 | 10.50 | (6.45) | (61.4) |
| Net Interest Margin (FTE) | 3.96 | 3.79 | .17 | 4.5 |
| Other Expense to Revenue (Efficiency Ratio) | 74.79 | 70.03 | 4.76 | 6.8 |
| Net Charge-offs to Average Loans (c) | 1.14 | .46 | .68 | 147.8 |
| Reserve for Loan Losses to Ending Loans | 1.41 | 1.36 | .05 | 3.7 |
| Non-Performing Loans to Ending Loans (c) | 1.34 | 1.46 | (.12) | (8.2) |
| Balance Sheet: | | | | |
| Average Assets | \$7,631,726 | \$7,563,607 | \$68,119 | .9 |
| End of Period Balances: | | | | |
| Assets | 7,873,890 | 7,568,288 | 305,602 | 4.0 |
| Investments (Including Money Market Investments) | 2,295,896 | 2,098,041 | 197,855 | 9.4 |
| Commercial Loans | 1,897,966 | 1,799,764 | 98,202 | 5.5 |
| Commercial Real Estate Loans | 1,154,916 | 1,170,775 | (15,859) | (1.4) |
| Consumer Loans | 1,210,951 | 1,203,265 | 7,686 | .6 |
| Residential Real Estate Loans | 496,526 | 508,112 | (11,586) | (2.3) |
| Residential Real Estate Loans Held for Sale | 17,155 | 11,118 | 6,037 | 54.3 |
| Earning Assets | 7,073,410 | 6,791,075 | 282,335 | 4.2 |
| Core Deposits (Excluding Brokered CDs) | 5,250,800 | 5,154,957 | 95,843 | 1.9 |
| Borrowed Funds (Including Brokered CDs) | 1,655,977 | 1,570,227 | 85,750 | 5.5 |
| Preferred Shareholders' Equity | 97,060 | – | 97,060 | N/M |
| Common Shareholders' Equity | 633,805 | 635,353 | (1,548) | (.2) |

(a) Assumes conversion of stock options and restricted stock.

(b) Based on average common shareholders' equity of \$626,536 and \$648,068, respectively, for December 31, 2008, and September 30, 2008.

(c) Includes residential loans held for sale.

N/M Not meaningful.

OLD NATIONAL BANCORP
Financial Highlights

| (\$ in thousands except per-share data) (FTE) Fully taxable equivalent basis. | Twelve-Months Ended December 31, | | Change | % Change |
|--|-------------------------------------|-------------|--------------|----------|
| | 2008 | 2007 | | |
| Income Data: | | | | |
| Net Interest Income (FTE) | \$262,651 | \$236,351 | \$26,300 | 11.1 % |
| Fees, Service Charges and Other Revenues | 160,551 | 157,995 | 2,556 | 1.6 |
| Securities Gains (Losses) | 7,562 | (3,023) | 10,585 | N/M |
| Derivative Gains (Losses) | (1,144) | 166 | (1,310) | N/M |
| Total Revenue (FTE) | 429,620 | 391,489 | 38,131 | 9.7 |
| Provision for Loan Losses | 51,464 | 4,118 | 47,346 | N/M |
| Noninterest Expense | 297,229 | 277,998 | 19,231 | 6.9 |
| Income before Taxes | 80,927 | 109,373 | (28,446) | (26.0) |
| Provision for Taxes (FTE) | 18,449 | 34,483 | (16,034) | (46.5) |
| Net Income | 62,478 | 74,890 | (12,412) | (16.6) |
| Preferred Stock Dividends & Amortization | (298) | – | (298) | N/M |
| Net Income Available to Common Shareholders | 62,180 | 74,890 | (12,710) | (17.0) |
| Per Common Share Data: (Diluted) (a) | | | | |
| Net Income | .95 | 1.14 | (.19) | (16.7) |
| Average Diluted Shares Outstanding | 65,776 | 65,750 | 26 | -0- |
| Book Value | 9.56 | 9.86 | (.30) | (3.0) |
| Stock Price | 18.16 | 14.96 | 3.20 | 21.4 |
| Performance Ratios: | | | | |
| Return on Average Assets | .82 % | .94 % | (.12)% | (12.8) |
| Return on Average Common Equity (b) | 9.49 | 11.67 | (2.18) | (18.7) |
| Net Interest Margin (FTE) | 3.82 | 3.28 | .54 | 16.5 |
| Other Expense to Revenue (Efficiency Ratio) | 69.18 | 71.01 | (1.83) | (2.6) |
| Net Charge-offs to Average Loans (c) | .87 | .44 | .43 | 97.7 |
| Reserve for Loan Losses to Ending Loans | 1.41 | 1.20 | .21 | 17.5 |
| Non-Performing Loans to Ending Loans (c) | 1.34 | .87 | .47 | 54.0 |
| Balance Sheet: | | | | |
| Average Assets | \$7,617,822 | \$7,984,985 | \$(367,163) | (4.6) |
| End of Period Balances: | | | | |
| Assets | 7,873,890 | 7,846,126 | 27,764 | .4 |
| Investments (Including Money Market Investments) | 2,295,896 | 2,316,980 | (21,084) | (.9) |
| Commercial Loans | 1,897,966 | 1,694,736 | 203,230 | 12.0 |
| Commercial Real Estate Loans | 1,154,916 | 1,270,408 | (115,492) | (9.1) |
| Consumer Loans | 1,210,951 | 1,187,764 | 23,187 | 2.0 |
| Residential Real Estate Loans | 496,526 | 533,448 | (36,922) | (6.9) |
| Residential Real Estate Loans Held for Sale | 17,155 | 13,000 | 4,155 | 32.0 |
| Earning Assets | 7,073,410 | 7,016,336 | 57,074 | .8 |
| Core Deposits (Excluding Brokered CDs) | 5,250,800 | 5,447,402 | (196,602) | (3.6) |
| Borrowed Funds (Including Brokered CDs) | 1,655,977 | 1,510,950 | 145,027 | 9.6 |
| Preferred Shareholders' Equity | 97,060 | – | 97,060 | N/M |
| Common Shareholders' Equity | 633,805 | 652,881 | (19,076) | (2.9) |

(a) Assumes conversion of stock options and restricted stock.

(b) Based on average common shareholders' equity of \$654,936 and \$641,848, respectively, for December 31, 2008, and 2007.

(c) Includes residential loans held for sale.

N/M Not meaningful.



Old National Bancorp

**Financial Trends
Fourth Quarter 2008
January 26, 2009**

Please direct inquiries to:

Christopher A. Wolking, Senior Executive Vice President & Chief Financial Officer (812) 464-1322
or **Joan M. Kissel**, Senior Vice President & Corporate Controller (812) 465-7290

Notes: -All share and per share data have been adjusted for stock dividends.

-Summations may not equal due to rounding.

Old National Bancorp
Financial Summary
Fourth Quarter 2008

| 2005 | 2006 | 2007 | 2008 | | 2007 | | | | 2008 | | | | | |
|---------|---------|---------|---------|--|---------|---------|---------|---------|---------|---------|---------|---------|--|--|
| | | | | | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | | |
| | | | | Profitability (in millions) | | | | | | | | | | |
| \$ 63.8 | \$ 79.4 | \$ 74.9 | \$ 62.5 | NET INCOME | \$ 10.8 | \$ 19.6 | \$ 22.6 | \$ 22.0 | \$ 19.3 | \$ 19.5 | \$ 17.0 | \$ 6.6 | | |
| (14.8) | - | - | - | INCOME from Discontinued Operations (net of tax) | - | - | - | - | - | - | - | - | | |
| 78.6 | 79.4 | 74.9 | 62.5 | INCOME from Continuing Operations (net of tax) | 10.8 | 19.6 | 22.6 | 22.0 | 19.3 | 19.5 | 17.0 | 6.6 | | |
| | | | | Diluted EPS | | | | | | | | | | |
| \$ 0.93 | \$ 1.20 | \$ 1.14 | \$ 0.95 | Net Income | \$ 0.16 | \$ 0.30 | \$ 0.34 | \$ 0.34 | \$ 0.29 | \$ 0.30 | \$ 0.26 | \$ 0.10 | | |
| (0.22) | - | - | - | Income from Discontinued Operations | - | - | - | - | - | - | - | - | | |
| 1.15 | 1.20 | 1.14 | 0.95 | Income from Continuing Operations | 0.16 | 0.30 | 0.34 | 0.34 | 0.29 | 0.30 | 0.26 | 0.10 | | |
| | | | | Ratios – Net Income | | | | | | | | | | |
| 9.31 % | 12.43% | 11.67% | 9.49 % | Return on Average Common Equity | 6.74 % | 12.30% | 14.22% | 13.39% | 11.51% | 11.58% | 10.50% | 4.05 % | | |
| 0.74 % | 0.97 % | 0.94 % | 0.82 % | Return on Average Assets | 0.52 % | 0.96 % | 1.15 % | 1.14 % | 1.01 % | 1.03 % | 0.90 % | 0.35 % | | |
| | | | | Ratios – Income from Continuing Operations | | | | | | | | | | |
| 11.47% | 12.43% | 11.67% | 9.49 % | Return on Average Common Equity | 6.74 % | 12.30% | 14.22% | 13.39% | 11.51% | 11.58% | 10.50% | 4.05 % | | |
| 0.91 % | 0.97 % | 0.94 % | 0.82 % | Return on Average Assets | 0.52 % | 0.96 % | 1.15 % | 1.14 % | 1.01 % | 1.03 % | 0.90 % | 0.35 % | | |
| 65.58% | 68.54% | 71.01% | 69.18% | Efficiency Ratio | 80.44% | 70.31% | 67.46% | 66.84% | 63.87% | 68.37% | 70.03% | 74.79% | | |
| 3.09 % | 3.15 % | 3.28 % | 3.82 % | Net Interest Margin (FTE) | 3.00 % | 3.20 % | 3.37 % | 3.56 % | 3.68 % | 3.85 % | 3.79 % | 3.96 % | | |
| | | | | Capital Ratios: | | | | | | | | | | |
| | | | | Risk-Based Capital Ratios (EOP): | | | | | | | | | | |
| 10.6 % | 11.1 % | 10.6 % | 13.1 % | Tier 1 | 9.8 % | 10.1 % | 10.5 % | 10.6 % | 11.0 % | 11.2 % | 11.4 % | 13.1 % | | |
| 14.4 % | 14.5 % | 13.3 % | 15.4 % | Total | 13.1 % | 13.4 % | 13.9 % | 13.3 % | 13.8 % | 14.1 % | 14.3 % | 15.4 % | | |
| 7.7 % | 8.0 % | 7.7 % | 9.7 % | Leverage Ratio (to Average Assets) | 7.1 % | 7.3 % | 7.7 % | 7.7 % | 8.0 % | 8.2 % | 8.3 % | 9.7 % | | |
| 7.94 % | 7.81 % | 8.04 % | 8.67 % | Total Equity to Assets (Averages) | 7.77 % | 7.83 % | 8.08 % | 8.51 % | 8.75 % | 8.86 % | 8.57 % | 8.48 % | | |
| | | | | Per Common Share Data: | | | | | | | | | | |
| 0.76 | 0.84 | 1.11 | 0.69 | Cash Dividends Declared (1) | 0.22 | 0.22 | 0.22 | 0.45 | - | 0.23 | 0.23 | 0.23 | | |
| 81 % | 70 % | 97 % | 73 % | Dividend Payout Ratio (1) | 134 % | 74 % | 64 % | 134 % | - | 77 % | 89 % | 228 % | | |
| 9.61 | 9.66 | 9.86 | 9.56 | Common Book Value (EOP) | 9.65 | 9.45 | 9.78 | 9.86 | 10.20 | 9.80 | 9.59 | 9.56 | | |
| 21.64 | 18.92 | 14.96 | 18.16 | Market Value (EOP) | 18.18 | 16.61 | 16.57 | 14.96 | 18.00 | 14.26 | 20.02 | 18.16 | | |
| | | | | Other Statistics | | | | | | | | | | |
| 2,572 | 2,568 | 2,494 | 2,507 | Full Time Equivalent Employees (2) | 2,572 | 2,535 | 2,481 | 2,494 | 2,478 | 2,499 | 2,489 | 2,507 | | |

FTE – Fully taxable equivalent basis

EOP – End of period actual balances

- (1) The 1st Qtr 2008 dividend was declared in December 2007 and is included in the 2007 totals.
- (2) Based on the number of employees associated with continuing operations.

Old National Bancorp
INCOME STATEMENT
(\$ In Millions except EPS information)

| Twelve Months | | Change | | | Fourth Quarter | | Change | | |
|--|----------|------------|----------|---|----------------|----------|------------|----------|--|
| 2008 | 2007 | \$ | % | | 2008 | 2007 | \$ | % | |
| \$ 411.8 | \$ 478.5 | \$ (66.7) | -13.9 % | Interest Income (FTE) | \$ 100.8 | \$ 115.6 | \$ (14.8) | -12.8 % | |
| 149.2 | 242.2 | (93.0) | -38.4 % | Less: Interest Expense | 32.7 | 53.4 | (20.6) | -38.6 % | |
| 262.7 | 236.4 | 26.3 | 11.1 % | <i>Net Interest Income (FTE)</i> | 68.0 | 62.2 | 5.8 | 9.4 % | |
| 17.4 | 18.7 | (1.3) | -7.2 % | Wealth Management Fees | 3.7 | 4.4 | (0.7) | -16.3 % | |
| 45.2 | 44.8 | 0.4 | 0.9 % | Service Charges on Deposit Accounts | 11.8 | 11.8 | 0.0 | 0.3 % | |
| 17.2 | 14.5 | 2.8 | 19.1 % | ATM Fees | 4.2 | 4.0 | 0.2 | 5.8 % | |
| 5.1 | 4.4 | 0.7 | 14.9 % | Mortgage Banking Revenue | 1.1 | 1.1 | (0.0) | -2.2 % | |
| 39.2 | 39.0 | 0.2 | 0.4 % | Insurance Premiums and Commissions | 9.0 | 9.3 | (0.3) | -3.4 % | |
| 9.5 | 10.7 | (1.2) | -11.5 % | Investment Product Fees | 2.0 | 2.4 | (0.4) | -16.8 % | |
| 9.2 | 9.8 | (0.6) | -6.5 % | Company-owned Life Insurance | 0.7 | 2.6 | (1.9) | -71.7 % | |
| 17.9 | 16.1 | 1.8 | 11.0 % | Other Income | 4.0 | 8.0 | (4.0) | -50.2 % | |
| 160.6 | 158.0 | 2.6 | 1.6 % | <i>Total Fees, Service Charges & Other Rev.</i> | 36.6 | 43.7 | (7.1) | -16.3 % | |
| 7.6 | (3.0) | 10.6 | N/M | Gains (Losses) Sales of Securities | 0.9 | 0.1 | 0.8 | N/M | |
| (1.1) | 0.2 | (1.3) | N/M | Gains (Losses) Derivatives | 0.0 | 0.2 | (0.2) | N/M | |
| 167.0 | 155.1 | 11.8 | 7.6 % | <i>Total Noninterest Income</i> | 37.6 | 44.1 | (6.5) | -14.7 % | |
| 429.6 | 391.5 | 38.1 | 9.7 % | <i>Total Revenues (FTE)</i> | 105.6 | 106.3 | (0.6) | -0.6 % | |
| 167.8 | 163.7 | 4.0 | 2.5 % | Salaries and Employee Benefits | 41.8 | 41.2 | 0.6 | 1.5 % | |
| 39.7 | 26.5 | 13.2 | 49.9 % | Occupancy | 10.6 | 8.7 | 2.0 | 22.6 % | |
| 9.5 | 11.1 | (1.6) | -14.8 % | Equipment | 2.0 | 2.5 | (0.5) | -19.2 % | |
| 9.6 | 8.4 | 1.1 | 13.6 % | Marketing | 1.8 | 2.1 | (0.4) | -16.6 % | |
| 19.0 | 19.2 | (0.2) | -1.0 % | Data Processing | 4.7 | 4.7 | 0.0 | 0.5 % | |
| 9.3 | 9.3 | (0.1) | -0.7 % | Communication | 2.4 | 2.3 | 0.2 | 7.8 % | |
| 7.2 | 7.7 | (0.5) | -6.7 % | Professional Fees | 1.9 | 2.2 | (0.2) | -11.5 % | |
| 6.6 | 6.0 | 0.7 | 11.0 % | Loan Expenses | 1.7 | 1.4 | 0.4 | 25.9 % | |
| 3.3 | 3.5 | (0.2) | -6.1 % | Supplies | 0.9 | 0.9 | (0.0) | -4.8 % | |
| 25.4 | 22.6 | 2.8 | 12.5 % | Other Expense | 11.1 | 5.1 | 6.0 | 116.1 % | |
| 297.2 | 278.0 | 19.2 | 6.9 % | <i>Total Noninterest Expense</i> | 79.0 | 71.0 | 8.0 | 11.2 % | |
| 51.5 | 4.1 | 47.3 | N/M | Provision for loan losses | 17.0 | 1.7 | 15.3 | N/M | |
| 80.9 | 109.4 | (28.4) | -26.0 % | <i>Income before Income Taxes and Discontinued Operations (FTE)</i> | 9.6 | 33.6 | (23.9) | -71.3 % | |
| (0.9) | 17.3 | (18.2) | -105.1 % | Income Taxes on Continuing Ops. | (2.5) | 7.2 | (9.7) | -134.4 % | |
| 19.3 | 17.2 | 2.2 | 12.6 % | FTE Adjustment | 5.5 | 4.4 | 1.1 | 24.6 % | |
| 18.4 | 34.5 | (16.0) | -46.5 % | <i>Total Taxes (FTE)</i> | 3.0 | 11.6 | (8.6) | -74.4 % | |
| \$ 62.5 | \$ 74.9 | \$ (12.4) | -16.6 % | <i>Net Income</i> | \$ 6.6 | \$ 22.0 | \$ (15.3) | -69.8 % | |
| EPS | | | | | | | | | |
| \$ 0.95 | \$ 1.14 | \$ (0.19) | -16.3 % | Diluted Net Income | \$ 0.10 | \$ 0.34 | \$ (0.23) | -69.9 % | |
| Average Common Shares Outstanding (000' s) | | | | | | | | | |
| 65,660 | 65,684 | (24) | 0.0 % | Basic | 65,730 | 65,607 | 123 | 0.2 % | |
| 65,776 | 65,750 | 25 | 0.0 % | Diluted | 65,922 | 65,707 | 215 | 0.3 % | |
| 66,321 | 66,205 | 116 | 0.2 % | Common Shares Outstanding (EOP) (000' s) | 66,321 | 66,205 | 116 | 0.2 % | |

FTE – Fully taxable equivalent basis

EOP – End of period actual balances

N/M = Not meaningful

Old National Bancorp
NET INCOME TRENDS
Fourth Quarter 2008
(\$ In Millions except EPS information)

| 2005 | 2006 | 2007 | 2008 | | 2007 | | | | 2008 | | | |
|----------|----------|----------|----------|---|----------|----------|----------|----------|----------|----------|----------|----------|
| | | | | | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr |
| \$ 446.8 | \$ 471.2 | \$ 478.5 | \$ 411.8 | Interest Income (FTE) | \$ 120.5 | \$ 122.2 | \$ 120.3 | \$ 115.6 | \$ 108.5 | \$ 102.0 | \$ 100.6 | \$ 100.8 |
| 206.1 | 239.0 | 242.2 | 149.2 | Less: Interest Expense | 64.5 | 63.6 | 60.7 | 53.4 | 44.3 | 36.0 | 36.1 | 32.7 |
| 240.7 | 232.2 | 236.4 | 262.7 | <i>Net Interest Income (FTE)</i> | 56.0 | 58.6 | 59.5 | 62.2 | 64.2 | 65.9 | 64.5 | 68.0 |
| 20.3 | 19.5 | 18.7 | 17.4 | Wealth Management Fees | 4.9 | 4.8 | 4.6 | 4.4 | 4.6 | 4.9 | 4.2 | 3.7 |
| 47.2 | 42.3 | 44.8 | 45.2 | Service Charges on Deposit Accounts | 10.2 | 11.2 | 11.5 | 11.8 | 10.2 | 11.3 | 11.8 | 11.8 |
| 11.1 | 12.1 | 14.5 | 17.2 | ATM Fees | 3.2 | 3.5 | 3.8 | 4.0 | 4.0 | 4.5 | 4.5 | 4.2 |
| 4.9 | 4.1 | 4.4 | 5.1 | Mortgage Banking Revenue | 1.0 | 1.1 | 1.2 | 1.1 | 1.2 | 1.4 | 1.4 | 1.1 |
| 35.2 | 41.5 | 39.0 | 39.2 | Insurance Premiums and Commissions | 10.6 | 10.2 | 8.9 | 9.3 | 12.1 | 9.3 | 8.8 | 9.0 |
| 9.0 | 8.7 | 10.7 | 9.5 | Investment Product Fees | 2.9 | 2.8 | 2.7 | 2.4 | 2.7 | 2.4 | 2.3 | 2.0 |
| 8.1 | 9.0 | 9.8 | 9.2 | Company-owned Life Insurance | 2.4 | 2.4 | 2.4 | 2.6 | 2.8 | 2.8 | 2.9 | 0.7 |
| 28.3 | 13.8 | 16.1 | 17.9 | Other Income | 2.3 | 2.9 | 2.9 | 8.0 | 5.4 | 5.2 | 3.2 | 4.0 |
| 164.1 | 150.9 | 158.0 | 160.6 | <i>Total Fees, Service Charges & Other Rev.</i> | 37.4 | 39.0 | 37.9 | 43.7 | 43.1 | 41.7 | 39.1 | 36.6 |
| 0.9 | 1.5 | (3.0) | 7.6 | Gains (Losses) Sales of Securities | (2.7) | (0.0) | (0.5) | 0.1 | 4.5 | 2.1 | 0.0 | 0.9 |
| (3.4) | 1.5 | 0.2 | (1.1) | Gains (Losses) Derivatives | 0.0 | (0.2) | 0.2 | 0.2 | (0.7) | (0.3) | (0.2) | (0.0) |
| 161.6 | 153.9 | 155.1 | 167.0 | <i>Total Noninterest Income</i> | 34.8 | 38.7 | 37.6 | 44.1 | 46.9 | 43.5 | 39.0 | 37.6 |
| 402.3 | 386.2 | 391.5 | 429.6 | <i>Total Revenues (FTE)</i> | 90.8 | 97.3 | 97.1 | 106.3 | 111.1 | 109.5 | 103.5 | 105.6 |
| 147.8 | 157.6 | 163.7 | 167.8 | Salaries and Employee Benefits | 41.3 | 41.5 | 39.6 | 41.2 | 42.3 | 43.2 | 40.5 | 41.8 |
| 20.4 | 19.9 | 26.5 | 39.7 | Occupancy | 6.4 | 5.5 | 5.9 | 8.7 | 9.6 | 9.6 | 9.8 | 10.6 |
| 14.4 | 12.7 | 11.1 | 9.5 | Equipment | 3.1 | 2.8 | 2.7 | 2.5 | 2.6 | 2.5 | 2.4 | 2.0 |
| 8.3 | 10.4 | 8.4 | 9.6 | Marketing | 2.3 | 2.2 | 1.7 | 2.1 | 2.0 | 2.7 | 3.1 | 1.8 |
| 21.2 | 18.0 | 19.2 | 19.0 | Data Processing | 5.1 | 4.8 | 4.7 | 4.7 | 4.6 | 4.9 | 4.8 | 4.7 |
| 9.9 | 9.2 | 9.3 | 9.3 | Communication | 2.4 | 2.3 | 2.3 | 2.3 | 2.3 | 2.2 | 2.3 | 2.4 |
| 9.3 | 7.6 | 7.7 | 7.2 | Professional Fees | 2.0 | 1.9 | 1.7 | 2.2 | 1.7 | 1.9 | 1.7 | 1.9 |
| 5.3 | 5.7 | 6.0 | 6.6 | Loan Expenses | 1.2 | 1.9 | 1.5 | 1.4 | 1.3 | 1.7 | 1.9 | 1.7 |
| 3.8 | 3.4 | 3.5 | 3.3 | Supplies | 1.0 | 0.8 | 0.8 | 0.9 | 0.9 | 0.7 | 0.8 | 0.9 |
| 23.5 | 20.2 | 22.6 | 25.4 | Other Expense | 8.3 | 4.7 | 4.5 | 5.1 | 3.6 | 5.4 | 5.2 | 11.1 |
| 263.8 | 264.7 | 278.0 | 297.2 | <i>Total Noninterest Expense</i> | 73.0 | 68.4 | 65.5 | 71.0 | 70.9 | 74.8 | 72.5 | 79.0 |
| 23.1 | 7.0 | 4.1 | 51.5 | Provision for Loan Losses | 2.4 | - | - | 1.7 | 21.9 | 5.7 | 6.8 | 17.0 |
| 115.4 | 114.5 | 109.4 | 80.9 | <i>Income before Income Taxes and Discontinued Operations (FTE)</i> | 15.3 | 28.9 | 31.6 | 33.6 | 18.2 | 28.9 | 24.2 | 9.6 |
| 15.3 | 15.6 | 17.3 | (0.9) | Income Taxes on Continuing Ops. | 0.3 | 5.1 | 4.7 | 7.2 | (5.5) | 4.8 | 2.3 | (2.5) |
| 21.5 | 19.5 | 17.2 | 19.3 | FTE Adjustment | 4.2 | 4.3 | 4.3 | 4.4 | 4.4 | 4.6 | 4.9 | 5.5 |
| 36.8 | 35.1 | 34.5 | 18.4 | <i>Total Taxes (FTE)</i> | 4.5 | 9.3 | 9.0 | 11.6 | (1.1) | 9.4 | 7.1 | 3.0 |
| 78.6 | 79.4 | 74.9 | 62.5 | Income from Continuing Ops., (net of tax) | 10.8 | 19.6 | 22.6 | 22.0 | 19.3 | 19.5 | 17.0 | 6.6 |
| (14.8) | - | - | - | Income from Discontinued Ops., (net of tax) | - | - | - | - | - | - | - | - |
| \$ 63.8 | \$ 79.4 | \$ 74.9 | \$ 62.5 | Net Income | \$ 10.8 | \$ 19.6 | \$ 22.6 | \$ 22.0 | \$ 19.3 | \$ 19.5 | \$ 17.0 | \$ 6.6 |
| \$ 1.15 | \$ 1.20 | \$ 1.14 | \$ 0.95 | Diluted EPS | \$ 0.16 | \$ 0.30 | \$ 0.34 | \$ 0.34 | \$ 0.29 | \$ 0.30 | \$ 0.26 | \$ 0.10 |
| (0.22) | - | - | - | Income from Discontinued Operations | - | - | - | - | - | - | - | - |
| \$ 0.93 | \$ 1.20 | \$ 1.14 | \$ 0.95 | Net Income | \$ 0.16 | \$ 0.30 | \$ 0.34 | \$ 0.34 | \$ 0.29 | \$ 0.30 | \$ 0.26 | \$ 0.10 |
| 68,095 | 66,226 | 65,684 | 65,660 | Average Basic Common Shares (000' s) | 65,806 | 65,723 | 65,601 | 65,607 | 65,623 | 65,640 | 65,645 | 65,730 |
| 68,256 | 66,261 | 65,750 | 65,776 | Average Diluted Common Shares (000' s) | 65,863 | 65,804 | 65,658 | 65,707 | 65,754 | 65,812 | 65,790 | 65,922 |

FTE – Fully taxable equivalent basis

Old National Bancorp
Balance Sheet (EOP)
Fourth Quarter 2008
(\$ in Millions)

| | 12/31/2008 | 9/30/2008 | 6/30/2008 | 3/31/2008 | 12/31/2007 | Change from Prior Year | | 12/31/2006 | 12/31/2005 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------------|---------------|-------------------|-------------------|
| | | | | | | 12/31/2008 vs. 12/31/2007 | | | |
| | | | | | | | \$ | % | |
| Assets | | | | | | | | | |
| Investments: | | | | | | | | | |
| Treasury & Gov't Sponsored Agencies | \$ 389.3 | \$ 319.8 | \$ 333.2 | \$ 469.3 | \$ 688.9 | \$ (299.7) | -43.5 % | \$ 680.2 | \$ 509.7 |
| Mortgage-backed Securities | 1,172.6 | 1,203.6 | 1,105.3 | 1,115.6 | 1,048.8 | 123.8 | 11.8 % | 1,147.0 | 1,253.3 |
| States & Political Subdivisions | 482.2 | 327.4 | 328.0 | 294.3 | 294.9 | 187.3 | 63.5 % | 273.3 | 488.4 |
| Other Securities | 221.7 | 219.4 | 260.8 | 267.5 | 275.9 | (54.2) | -19.6 % | 275.7 | 265.1 |
| Fed Funds Sold & Resell Agreements | 0.0 | 9.3 | 1.2 | - | - | 0.0 | N/M | 283.5 | 123.9 |
| Money Market Investments | 30.1 | 18.6 | 10.3 | 72.8 | 8.5 | 21.6 | 255.1 % | 4.1 | 33.1 |
| Total Investments | 2,295.9 | 2,098.0 | 2,038.8 | 2,219.6 | 2,317.0 | (21.1) | -0.9 % | 2,663.7 | 2,673.5 |
| Residential Real Estate Loans Held for Sale | 17.2 | 11.1 | 16.6 | 10.2 | 13.0 | 4.2 | 32.0 % | 16.6 | 43.8 |
| Loans: | | | | | | | | | |
| Commercial Loans & Leases | 1,898.0 | 1,799.8 | 1,826.1 | 1,740.3 | 1,694.7 | 203.2 | 12.0 % | 1,629.9 | 1,553.7 |
| Commercial & Agriculture Real Estate | 1,154.9 | 1,170.8 | 1,196.5 | 1,235.3 | 1,270.4 | (115.5) | -9.1 % | 1,386.4 | 1,534.4 |
| Consumer: | | | | | | | | | |
| Home Equity | 270.0 | 262.0 | 252.2 | 245.9 | 250.1 | 19.8 | 7.9 % | 284.8 | 337.4 |
| Other Consumer Loans | 941.0 | 941.3 | 935.9 | 930.8 | 937.6 | 3.3 | 0.4 % | 914.1 | 924.4 |
| Subtotal of Commercial & Consumer Loans | 4,263.8 | 4,173.8 | 4,210.7 | 4,152.3 | 4,152.9 | 110.9 | 2.7 % | 4,215.1 | 4,349.9 |
| Residential Real Estate | 496.5 | 508.1 | 516.0 | 528.5 | 533.4 | (36.9) | -6.9 % | 484.9 | 543.9 |
| Total Loans | 4,760.4 | 4,681.9 | 4,726.7 | 4,680.8 | 4,686.4 | 74.0 | 1.6 % | 4,700.0 | 4,893.8 |
| Total Earning Assets | 7,073.4 | 6,791.1 | 6,782.2 | 6,910.6 | 7,016.3 | 57.1 | 0.8 % | 7,380.3 | 7,611.2 |
| Allowance for Loan Losses | (67.1) | (63.5) | (62.1) | (72.2) | (56.5) | 10.6 | 18.8 % | (67.8) | (78.8) |
| Nonearning Assets: | | | | | | | | | |
| Cash and Due from Banks | 162.9 | 166.1 | 223.1 | 228.7 | 255.2 | (92.3) | -36.2 % | 210.3 | 245.4 |
| Premises & Equipment | 44.6 | 46.7 | 44.3 | 45.8 | 48.7 | (4.0) | -8.3 % | 122.9 | 199.9 |
| Goodwill & Intangible Assets | 186.8 | 187.8 | 188.7 | 190.3 | 191.0 | (4.2) | -2.2 % | 134.2 | 136.3 |
| Company-owned Life Insurance | 223.1 | 222.4 | 219.7 | 216.9 | 214.5 | 8.6 | 4.0 % | 198.0 | 193.5 |
| Other Assets | 250.1 | 217.8 | 206.0 | 203.4 | 176.9 | 73.1 | 41.3 % | 171.6 | 184.7 |
| Total Nonearning Assets | 867.6 | 840.7 | 881.7 | 885.1 | 886.3 | (18.7) | -2.1 % | 837.0 | 959.7 |
| Total Assets | \$ 7,873.9 | \$ 7,568.3 | \$ 7,601.8 | \$ 7,723.5 | \$ 7,846.1 | \$ 27.8 | 0.4 % | \$ 8,149.5 | \$ 8,492.0 |
| Liabilities & Equity | | | | | | | | | |
| Noninterest-bearing Demand Deposits | \$ 888.6 | \$ 845.7 | \$ 858.6 | \$ 861.1 | \$ 855.4 | \$ 33.1 | 3.9 % | \$ 877.9 | \$ 891.5 |
| NOW Accounts | 1,292.6 | 1,223.0 | 1,322.7 | 1,312.2 | 1,410.7 | (118.1) | -8.4 % | 1,449.2 | 1,640.7 |
| Savings Accounts | 874.6 | 923.2 | 900.6 | 923.4 | 774.1 | 100.5 | 13.0 % | 437.7 | 480.4 |
| Money Market Accounts | 420.8 | 448.7 | 483.2 | 517.8 | 562.1 | (141.3) | -25.1 % | 925.3 | 869.0 |
| Other Time under \$100,000 | 1,224.2 | 1,209.8 | 1,191.2 | 1,125.3 | 1,283.0 | (58.8) | -4.6 % | 1,369.0 | 1,378.0 |
| Other Time \$100,000 & over | 550.0 | 504.6 | 470.3 | 476.4 | 562.1 | (12.1) | -2.1 % | 932.6 | 840.9 |
| Total Core Deposits | 5,250.8 | 5,155.0 | 5,226.5 | 5,216.2 | 5,447.4 | (196.6) | -3.6 % | 5,991.6 | 6,100.5 |
| Brokered CD's | 171.5 | 191.3 | 145.9 | 130.3 | 216.0 | (44.5) | -20.6 % | 329.9 | 365.1 |
| Total Deposits | 5,422.3 | 5,346.2 | 5,372.4 | 5,346.5 | 5,663.4 | (241.1) | -4.3 % | 6,321.5 | 6,465.6 |
| Short-term Borrowings | 649.6 | 541.6 | 575.3 | 640.5 | 638.2 | 11.4 | 1.8 % | 312.9 | 302.8 |
| Long-term Borrowings | 834.9 | 837.3 | 783.4 | 834.9 | 656.7 | 178.1 | 27.1 % | 747.5 | 954.9 |
| Total Borrowed Funds | 1,484.5 | 1,379.0 | 1,358.7 | 1,475.4 | 1,295.0 | 189.5 | 14.6 % | 1,060.5 | 1,257.7 |
| Accrued Expenses & Other Liabilities | 236.2 | 207.8 | 221.7 | 226.2 | 234.9 | 1.4 | 0.6 % | 125.2 | 118.8 |
| Total Liabilities | 7,143.0 | 6,932.9 | 6,952.8 | 7,048.1 | 7,193.2 | (50.2) | -0.7 % | 7,507.1 | 7,842.1 |
| Preferred Stock, Surplus & Retained Earnings | 97.1 | - | - | - | - | 97.1 | N/M | - | - |
| Common Stock, Surplus & Retained Earnings | 687.3 | 692.0 | 689.4 | 684.2 | 664.2 | 23.1 | 3.5 % | 667.5 | 671.7 |
| Other Comprehensive Income | (53.5) | (56.7) | (40.4) | (8.8) | (11.3) | (42.2) | N/M | (25.1) | (21.8) |
| Total Shareholders Equity | 730.9 | 635.4 | 649.0 | 675.4 | 652.9 | 78.0 | 11.9 % | 642.4 | 649.9 |
| Total Liabilities & Shareholders Equity | \$ 7,873.9 | \$ 7,568.3 | \$ 7,601.8 | \$ 7,723.5 | \$ 7,846.1 | \$ 27.8 | 0.4 % | \$ 8,149.5 | \$ 8,492.0 |

EOP – End of period actual balances

N/M = Not meaningful

Old National Bancorp
Balance Sheet Trends
 PERIOD AVERAGES
 (\$ in Millions)

| 2005 | 2006 | 2007 | 2008 | 2007 | | | | 2008 | | | | |
|---------------------------------|-------------------|-------------------|-------------------|---------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | | | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | |
| Assets | | | | | | | | | | | | |
| Investments: | | | | | | | | | | | | |
| \$ 574.1 | \$ 584.3 | \$ 636.8 | \$ 439.1 | | \$ 648.8 | \$ 595.2 | \$ 641.5 | \$ 661.7 | \$ 653.4 | \$ 405.7 | \$ 356.5 | \$ 340.9 |
| 1,346.9 | 1,215.0 | 1,112.9 | 1,130.7 | | 1,161.4 | 1,130.5 | 1,096.5 | 1,063.0 | 1,059.5 | 1,132.1 | 1,146.8 | 1,184.2 |
| 536.9 | 408.5 | 263.7 | 329.4 | | 269.4 | 263.7 | 259.3 | 262.4 | 287.6 | 310.6 | 327.4 | 392.0 |
| 273.9 | 254.6 | 268.6 | 251.4 | | 272.6 | 263.2 | 260.9 | 277.5 | 276.2 | 265.8 | 252.1 | 211.7 |
| 16.0 | 72.8 | 109.5 | 1.6 | | 245.3 | 188.2 | 4.3 | 0.4 | 0.0 | 0.4 | 3.5 | 2.5 |
| 21.1 | 14.8 | 7.7 | 20.3 | | 5.1 | 11.2 | 5.2 | 9.2 | 12.4 | 31.6 | 18.1 | 19.3 |
| <u>2,769.0</u> | <u>2,550.0</u> | <u>2,399.1</u> | <u>2,172.6</u> | | <u>2,602.5</u> | <u>2,452.1</u> | <u>2,267.7</u> | <u>2,274.1</u> | <u>2,289.1</u> | <u>2,146.2</u> | <u>2,104.3</u> | <u>2,150.7</u> |
| Loans: | | | | | | | | | | | | |
| 1,578.2 | 1,592.3 | 1,679.6 | 1,779.4 | | 1,675.9 | 1,687.7 | 1,677.5 | 1,677.4 | 1,710.3 | 1,772.9 | 1,800.9 | 1,833.6 |
| 1,604.2 | 1,466.2 | 1,374.7 | 1,205.1 | | 1,433.2 | 1,419.2 | 1,351.5 | 1,294.9 | 1,251.2 | 1,218.7 | 1,182.3 | 1,168.2 |
| Consumer: | | | | | | | | | | | | |
| 357.6 | 307.1 | 267.1 | 254.9 | | 285.1 | 271.1 | 259.1 | 253.1 | 248.3 | 249.6 | 256.2 | 265.5 |
| 889.9 | 929.7 | 937.4 | 935.7 | | 915.7 | 933.4 | 954.0 | 946.5 | 933.0 | 932.3 | 937.7 | 939.8 |
| 4,429.9 | 4,295.3 | 4,258.8 | 4,175.1 | | 4,309.9 | 4,311.3 | 4,242.1 | 4,172.0 | 4,142.9 | 4,173.5 | 4,177.0 | 4,207.1 |
| 584.7 | 527.9 | 556.0 | 528.0 | | 550.3 | 570.4 | 557.6 | 545.9 | 542.0 | 535.9 | 523.2 | 511.2 |
| 5,014.7 | 4,823.1 | 4,814.9 | 4,703.1 | | 4,860.3 | 4,881.7 | 4,799.7 | 4,717.9 | 4,684.9 | 4,709.3 | 4,700.1 | 4,718.3 |
| <u>7,783.6</u> | <u>7,373.1</u> | <u>7,214.0</u> | <u>6,875.7</u> | | <u>7,462.7</u> | <u>7,333.8</u> | <u>7,067.4</u> | <u>6,992.0</u> | <u>6,973.9</u> | <u>6,855.5</u> | <u>6,804.5</u> | <u>6,868.9</u> |
| (82.9) | (76.5) | (68.2) | (62.0) | | (71.0) | (71.7) | (67.6) | (62.5) | (56.1) | (67.9) | (62.0) | (62.0) |
| 925.8 | 876.7 | 839.2 | 804.1 | | 849.6 | 857.0 | 856.2 | 794.0 | 764.1 | 806.3 | 821.2 | 824.8 |
| <u>\$ 8,626.5</u> | <u>\$ 8,173.4</u> | <u>\$ 7,985.0</u> | <u>\$ 7,617.8</u> | | <u>\$ 8,241.4</u> | <u>\$ 8,119.0</u> | <u>\$ 7,856.0</u> | <u>\$ 7,723.6</u> | <u>\$ 7,682.0</u> | <u>\$ 7,594.0</u> | <u>\$ 7,563.6</u> | <u>\$ 7,631.7</u> |
| Liabilities & Equity | | | | | | | | | | | | |
| \$ 837.6 | \$ 800.7 | \$ 828.5 | \$ 835.0 | | \$ 822.5 | \$ 837.5 | \$ 821.6 | \$ 832.2 | \$ 811.2 | \$ 824.9 | \$ 841.9 | \$ 861.8 |
| 1,754.9 | 1,429.8 | 1,490.4 | 1,249.5 | | 1,542.1 | 1,616.6 | 1,452.6 | 1,350.4 | 1,310.8 | 1,264.7 | 1,204.7 | 1,217.7 |
| 485.3 | 441.3 | 622.4 | 886.4 | | 539.4 | 583.0 | 619.8 | 747.4 | 828.4 | 906.3 | 922.6 | 888.1 |
| 695.0 | 886.2 | 758.6 | 487.5 | | 882.6 | 811.9 | 735.2 | 604.6 | 541.0 | 498.1 | 473.4 | 437.5 |
| 2,202.4 | 2,277.9 | 2,134.9 | 1,696.4 | | 2,347.4 | 2,239.1 | 2,042.7 | 1,910.3 | 1,737.3 | 1,593.5 | 1,694.6 | 1,760.2 |
| <u>5,975.2</u> | <u>5,835.8</u> | <u>5,834.7</u> | <u>5,154.7</u> | | <u>6,134.0</u> | <u>6,088.2</u> | <u>5,671.8</u> | <u>5,444.9</u> | <u>5,228.7</u> | <u>5,087.6</u> | <u>5,137.2</u> | <u>5,165.4</u> |
| 376.2 | 338.4 | 291.5 | 170.7 | | 321.3 | 315.6 | 306.3 | 222.6 | 196.8 | 112.8 | 187.0 | 186.2 |
| <u>6,351.3</u> | <u>6,174.2</u> | <u>6,126.2</u> | <u>5,325.4</u> | | <u>6,455.3</u> | <u>6,403.8</u> | <u>5,978.2</u> | <u>5,667.5</u> | <u>5,425.5</u> | <u>5,200.4</u> | <u>5,324.2</u> | <u>5,351.6</u> |
| 388.2 | 402.2 | 461.8 | 616.9 | | 375.0 | 376.4 | 525.0 | 570.8 | 625.4 | 679.6 | 568.4 | 594.4 |
| 1,094.6 | 835.6 | 615.9 | 810.1 | | 644.0 | 592.8 | 594.3 | 632.5 | 754.7 | 832.5 | 817.8 | 835.2 |
| 1,482.8 | 1,237.8 | 1,077.7 | 1,427.0 | | 1,018.9 | 969.2 | 1,119.3 | 1,203.2 | 1,380.1 | 1,512.1 | 1,386.2 | 1,429.6 |
| 107.1 | 123.0 | 139.3 | 205.2 | | 127.2 | 110.2 | 123.9 | 195.9 | 204.2 | 208.6 | 205.1 | 203.0 |
| <u>7,941.2</u> | <u>7,535.1</u> | <u>7,343.1</u> | <u>6,957.7</u> | | <u>7,601.4</u> | <u>7,483.2</u> | <u>7,221.3</u> | <u>7,066.6</u> | <u>7,009.7</u> | <u>6,921.1</u> | <u>6,915.5</u> | <u>6,984.3</u> |
| - | - | - | 5.2 | | - | - | - | - | - | - | - | 20.9 |
| 690.9 | 666.2 | 666.8 | 688.7 | | 666.9 | 659.1 | 667.5 | 673.7 | 675.9 | 688.7 | 695.0 | 695.2 |
| (5.6) | (27.8) | (25.0) | (33.7) | | (26.9) | (23.3) | (32.9) | (16.7) | (3.6) | (15.8) | (46.9) | (68.7) |
| 685.3 | 638.4 | 641.8 | 660.2 | | 640.0 | 635.8 | 634.7 | 656.9 | 672.3 | 672.9 | 648.1 | 647.5 |
| <u>\$ 8,626.5</u> | <u>\$ 8,173.4</u> | <u>\$ 7,985.0</u> | <u>\$ 7,617.8</u> | | <u>\$ 8,241.4</u> | <u>\$ 8,119.0</u> | <u>\$ 7,856.0</u> | <u>\$ 7,723.6</u> | <u>\$ 7,682.0</u> | <u>\$ 7,594.0</u> | <u>\$ 7,563.6</u> | <u>\$ 7,631.7</u> |

(1) Includes residential loans held for sale.

Old National Bancorp
Interest Rate Trends (FTE basis)
PERIOD AVERAGES

| 2005 | 2006 | 2007 | 2008 | | 2007 | | | | 2008 | | | |
|--------------------------------------|--------|--------|--------|--|---------|---------|---------|---------|---------|---------|---------|---------|
| | | | | | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr |
| Earning Assets: | | | | | | | | | | | | |
| Investments: | | | | | | | | | | | | |
| 3.44 % | 4.55 % | 5.07 % | 4.90 % | Treasury & Gov' t Sponsored Agencies | 4.87 % | 5.11 % | 5.14 % | 5.17 % | 4.66 % | 4.97 % | 5.03 % | 5.14 % |
| 4.24 % | 4.55 % | 4.68 % | 5.01 % | Mortgage-backed Securities | 4.61 % | 4.64 % | 4.74 % | 4.74 % | 4.79 % | 5.03 % | 5.07 % | 5.14 % |
| 6.88 % | 6.93 % | 7.07 % | 6.91 % | States & Political Subdivisions | 7.05 % | 7.04 % | 7.10 % | 7.12 % | 6.85 % | 6.76 % | 6.80 % | 7.15 % |
| 4.55 % | 5.14 % | 5.25 % | 5.54 % | Other Securities | 5.32 % | 5.11 % | 5.22 % | 5.33 % | 5.31 % | 5.30 % | 5.47 % | 6.22 % |
| 4.08 % | 5.20 % | 5.35 % | 3.40 % | Fed Funds Sold, Resell Agr & Money Mkt | 5.41 % | 5.18 % | 8.98 % | 5.50 % | 10.74% | 2.42 % | 2.74 % | 1.34 % |
| 4.61 % | 5.01 % | 5.14 % | 5.32 % | <i>Total Investments</i> | 5.07 % | 5.10 % | 5.19 % | 5.22 % | 5.11 % | 5.26 % | 5.36 % | 5.58 % |
| Loans: | | | | | | | | | | | | |
| 6.39 % | 7.32 % | 7.47 % | 5.88 % | Commercial Loans & Leases | 7.54 % | 7.57 % | 7.54 % | 7.25 % | 6.64 % | 5.86 % | 5.63 % | 5.44 % |
| 6.36 % | 7.27 % | 7.56 % | 6.22 % | Commercial & Agriculture Real Estate | 7.35 % | 7.73 % | 7.85 % | 7.31 % | 6.70 % | 6.25 % | 6.01 % | 5.90 % |
| Consumer: | | | | | | | | | | | | |
| 6.28 % | 8.04 % | 8.17 % | 5.51 % | Home Equity | 8.29 % | 8.27 % | 8.33 % | 7.78 % | 6.71 % | 5.49 % | 5.30 % | 4.60 % |
| 6.93 % | 7.13 % | 7.61 % | 7.66 % | Other Consumer Loans | 7.40 % | 7.60 % | 7.70 % | 7.71 % | 7.79 % | 7.66 % | 7.60 % | 7.57 % |
| 6.48 % | 7.31 % | 7.57 % | 6.35 % | Subtotal of Commercial & Consumer Loans | 7.50 % | 7.67 % | 7.73 % | 7.40 % | 6.92 % | 6.35 % | 6.16 % | 5.99 % |
| 5.47 % | 5.54 % | 5.86 % | 5.87 % | Residential Real Estate Loans (1) | 5.73 % | 5.90 % | 5.89 % | 5.91 % | 5.92 % | 5.85 % | 5.87 % | 5.84 % |
| 6.36 % | 7.12 % | 7.38 % | 6.30 % | <i>Total Loans (1)</i> | 7.29 % | 7.46 % | 7.51 % | 7.23 % | 6.81 % | 6.29 % | 6.11 % | 5.97 % |
| 5.74 % | 6.39 % | 6.63 % | 5.99 % | <i>Total Earning Assets</i> | 6.51 % | 6.67 % | 6.77 % | 6.58 % | 6.25 % | 5.97 % | 5.89 % | 5.85 % |
| Interest-bearing Liabilities: | | | | | | | | | | | | |
| 1.44 % | 1.92 % | 2.12 % | 0.51 % | NOW Accounts | 2.34 % | 2.43 % | 2.16 % | 1.48 % | 0.84 % | 0.52 % | 0.45 % | 0.21 % |
| 0.87 % | 1.28 % | 2.43 % | 1.46 % | Savings Accounts | 2.35 % | 2.29 % | 2.50 % | 2.54 % | 2.03 % | 1.50 % | 1.46 % | 0.88 % |
| 2.71 % | 3.32 % | 3.11 % | 1.12 % | Money Market Accounts | 3.55 % | 3.31 % | 3.06 % | 2.32 % | 1.71 % | 1.14 % | 1.04 % | 0.47 % |
| 3.32 % | 4.15 % | 4.64 % | 3.74 % | Other Time | 4.64 % | 4.70 % | 4.63 % | 4.58 % | 4.26 % | 3.67 % | 3.52 % | 3.50 % |
| 2.36 % | 3.12 % | 3.38 % | 2.04 % | <i>Total Interest-bearing Deposits</i> | 3.56 % | 3.52 % | 3.38 % | 3.04 % | 2.51 % | 1.98 % | 1.94 % | 1.72 % |
| 4.64 % | 4.57 % | 4.72 % | 4.25 % | Brokered CD' s | 4.74 % | 4.76 % | 4.83 % | 4.53 % | 4.32 % | 4.01 % | 4.26 % | 4.30 % |
| 2.52 % | 3.21 % | 3.46 % | 2.13 % | <i>Total Interest-bearing Deposits & CD' s</i> | 3.62 % | 3.59 % | 3.47 % | 3.11 % | 2.59 % | 2.03 % | 2.04 % | 1.83 % |
| 2.48 % | 3.98 % | 3.94 % | 1.77 % | Short-term Borrowings | 4.11 % | 4.02 % | 4.12 % | 3.60 % | 2.53 % | 1.81 % | 1.79 % | 0.92 % |
| 5.26 % | 6.03 % | 6.64 % | 5.29 % | Long-term Borrowings | 6.55 % | 6.77 % | 6.82 % | 6.43 % | 5.69 % | 5.25 % | 5.13 % | 5.11 % |
| 4.53 % | 5.37 % | 5.48 % | 3.77 % | <i>Total Borrowed Funds</i> | 5.65 % | 5.70 % | 5.55 % | 5.09 % | 4.27 % | 3.70 % | 3.76 % | 3.37 % |
| 2.95 % | 3.61 % | 3.80 % | 2.52 % | <i>Total Interest-bearing Liabilities</i> | 3.93 % | 3.90 % | 3.84 % | 3.51 % | 2.98 % | 2.46 % | 2.45 % | 2.20 % |
| 2.79 % | 2.78 % | 2.83 % | 3.47 % | Net Interest Rate Spread | 2.58 % | 2.77 % | 2.93 % | 3.07 % | 3.27 % | 3.51 % | 3.45 % | 3.65 % |
| 3.09 % | 3.15 % | 3.28 % | 3.82 % | Net Interest Margin | 3.00 % | 3.20 % | 3.37 % | 3.56 % | 3.68 % | 3.85 % | 3.79 % | 3.96 % |

FTE – Fully taxable equivalent basis

(1) Includes residential loans held for sale.

Old National Bancorp
Asset Quality (EOP)
(\$ in Millions)

| 2005 | 2006 | 2007 | 2008 | | 2007 | | | | 2008 | | | |
|-------------------------|------------|------------|------------|--|------------|------------|------------|------------|------------|------------|------------|------------|
| | | | | | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr |
| \$ 85.7 | \$ 78.8 | \$ 67.8 | \$ 56.5 | Beginning Allowance for Loan Losses | \$ 67.8 | \$ 71.3 | \$ 67.5 | \$ 64.1 | \$ 56.5 | \$ 72.2 | \$ 62.1 | \$ 63.5 |
| 23.1 | 7.0 | 4.1 | 51.5 | Provision for Loan Losses | 2.4 | - | - | 1.7 | 21.9 | 5.7 | 6.8 | 17.0 |
| - | - | 5.7 | - | Acquired from acquisition | 5.7 | - | - | - | - | - | - | - |
| - | - | - | - | Transfer to Allow. Unfunded Commitments | - | - | - | - | - | - | - | - |
| (36.1) | (27.9) | (26.9) | (51.2) | Gross Charge-offs | (7.7) | (6.0) | (4.2) | (9.0) | (8.7) | (18.0) | (8.7) | (15.9) |
| (5.3) | (2.8) | (5.3) | - | Write-downs from Loans Sold | - | (1.1) | (1.4) | (2.8) | - | - | - | - |
| 11.5 | 12.7 | 11.1 | 10.4 | Gross Recoveries | 3.1 | 3.3 | 2.3 | 2.4 | 2.6 | 2.1 | 3.2 | 2.5 |
| (30.0) | (18.1) | (21.1) | (40.8) | Net Charge-offs | (4.6) | (3.8) | (3.3) | (9.3) | (6.1) | (15.9) | (5.5) | (13.4) |
| \$ 78.8 | \$ 67.8 | \$ 56.5 | \$ 67.1 | Ending Allowance for Loan Losses | \$ 71.3 | \$ 67.5 | \$ 64.1 | \$ 56.5 | \$ 72.2 | \$ 62.1 | \$ 63.5 | \$ 67.1 |
| 0.60 % | 0.37 % | 0.44 % | 0.87 % | Net Charge-offs / Average Loans (1) | 0.38 % | 0.31 % | 0.28 % | 0.79 % | 0.52 % | 1.35 % | 0.46 % | 1.14 % |
| \$ 5,014.7 | \$ 4,823.1 | \$ 4,814.9 | \$ 4,703.1 | Average Loans Outstanding (1) | \$ 4,860.3 | \$ 4,881.7 | \$ 4,799.7 | \$ 4,717.9 | \$ 4,684.9 | \$ 4,709.3 | \$ 4,700.1 | \$ 4,718.3 |
| \$ 4,937.6 | \$ 4,716.6 | \$ 4,699.4 | \$ 4,777.5 | EOP Loans Outstanding (1) | \$ 4,900.2 | \$ 4,873.1 | \$ 4,763.7 | \$ 4,699.4 | \$ 4,691.0 | \$ 4,743.4 | \$ 4,693.0 | \$ 4,777.5 |
| 1.61 % | 1.44 % | 1.20 % | 1.41 % | Allowance for Loan Loss / EOP Loans (2) | 1.46 % | 1.39 % | 1.35 % | 1.20 % | 1.54 % | 1.31 % | 1.36 % | 1.41 % |
| Underperforming Assets: | | | | | | | | | | | | |
| \$ 1.8 | \$ 2.1 | \$ 1.5 | \$ 2.9 | Loans 90 Days & over (still accruing) | \$ 0.5 | \$ 1.0 | \$ 2.2 | \$ 1.5 | \$ 1.5 | \$ 1.6 | \$ 1.9 | \$ 2.9 |
| Non-performing Loans: | | | | | | | | | | | | |
| 55.6 | 41.5 | 40.8 | 64.0 | Nonaccrual Loans | 60.4 | 58.5 | 49.3 | 40.8 | 70.2 | 68.1 | 68.4 | 64.0 |
| - | 0.1 | - | - | Renegotiated Loans | 0.0 | 0.0 | - | - | - | - | - | - |
| 55.6 | 41.6 | 40.8 | 64.0 | Total Non-performing Loans | 60.5 | 58.5 | 49.3 | 40.8 | 70.2 | 68.1 | 68.4 | 64.0 |
| 3.6 | 3.3 | 2.9 | 2.9 | Foreclosed properties | 3.6 | 2.3 | 7.9 | 2.9 | 2.3 | 3.3 | 3.2 | 2.9 |
| \$ 61.0 | \$ 47.0 | \$ 45.2 | \$ 69.9 | Total Underperforming Assets | \$ 64.6 | \$ 61.8 | \$ 59.4 | \$ 45.2 | \$ 74.1 | \$ 72.9 | \$ 73.6 | \$ 69.9 |
| \$ 136.6 | \$ 153.2 | \$ 115.1 | \$ 214.7 | Classified Loans - "Problem Loans" | \$ 166.4 | \$ 131.8 | \$ 130.2 | \$ 115.1 | \$ 153.7 | \$ 149.8 | \$ 173.8 | \$ 214.7 |
| 83.2 | 119.8 | 103.2 | 124.9 | Criticized Loans - "Special Mention Loans" | 97.8 | 89.8 | 79.1 | 103.2 | 103.8 | 97.5 | 114.3 | 124.9 |
| \$ 219.8 | \$ 273.0 | \$ 218.3 | \$ 339.5 | Total Classified & Criticized Loans | \$ 264.2 | \$ 221.6 | \$ 209.3 | \$ 218.3 | \$ 257.5 | \$ 247.3 | \$ 288.2 | \$ 339.5 |
| 1.13 % | 0.88 % | 0.87 % | 1.34 % | Non-performing loans / EOP Loans (1) | 1.23 % | 1.20 % | 1.04 % | 0.87 % | 1.50 % | 1.43 % | 1.46 % | 1.34 % |
| 142 % | 163 % | 138 % | 105 % | Allowance to Non-performing Loans | 118 % | 115 % | 130 % | 138 % | 103 % | 91 % | 93 % | 105 % |
| 1.24 % | 1.00 % | 0.96 % | 1.46 % | Under-performing Assets / EOP Loans (1) | 1.32 % | 1.27 % | 1.25 % | 0.96 % | 1.58 % | 1.54 % | 1.57 % | 1.46 % |
| \$ 8,492.0 | \$ 8,149.5 | \$ 7,846.1 | \$ 7,873.9 | EOP Total Assets | \$ 8,331.6 | \$ 7,987.7 | \$ 7,832.5 | \$ 7,846.1 | \$ 7,723.5 | \$ 7,601.8 | \$ 7,568.3 | \$ 7,873.9 |
| 0.72 % | 0.58 % | 0.58 % | 0.89 % | Under-performing Assets / EOP Assets | 0.77 % | 0.77 % | 0.76 % | 0.58 % | 0.96 % | 0.96 % | 0.97 % | 0.89 % |

EOP – End of period actual balances

- (1) Includes residential loans held for sale.
- (2) Excludes residential loans held for sale.