

# **First-Quarter 2008 Review**

**April 28, 2008**

**Lynell Walton**

**Vice President  
Investor Relations**

# Forward-Looking Statement

This presentation contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, descriptions of Old National's financial condition, results of operations, asset and credit quality trends, profitability and projected earnings. Forward-looking statements can be identified by the use of 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 and to remediate the credit issues identified in this presentation, 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, other matters discussed in this presentation and other factors identified in the Company's Form 10-K and other periodic filings with the Securities and Exchange Commission. These forward-looking statements are made only as of the date of this presentation, and Old National undertakes no obligation to release revisions to these forward-looking statements to reflect events or conditions after the date of this presentation.

# Non-GAAP Financial Measures

These slides contain non-GAAP financial measures. For purposes of Regulation G, a non-GAAP financial measure is a numerical measure of the registrant's historical or future financial performance, financial position or cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with GAAP in the statement of income, balance sheet or statement of cash flows (or equivalent statements) of the issuer; or includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. In this regard, GAAP refers to generally accepted accounting principles in the United States. Pursuant to the requirements of Regulation G, Old National Bancorp has provided reconciliations within the slides, as necessary, of the non-GAAP financial measure to the most directly comparable GAAP financial measure.

# Agenda

- First-quarter earnings overview
- Credit update
- First-quarter review
- Financial outlook
- Q & A

**Bob Jones**

**President**

**Chief Executive Officer**

# Quarterly Highlights

- Net income of \$19.3 million, or \$.29 per share
  - Commercial loans increase \$45.6 million
  - Net interest margin improves 12bps to 3.68%
  - Fees, service charges and other revenue up 15.1%
  - Efficiency ratio improves to 63.87%

# 1Q08 Adjusted Earnings

	(\$ in millions)	Per-Share
<b>1Q08 net income (GAAP)</b>	<b>\$19.3</b>	<b>\$.29</b>
<b>Securities gains / derivative losses (net)</b>	<b>(2.5)</b>	<b>(.04)</b>
<b>Provision relating to misconduct of former Indianapolis loan officer</b>	<b>11.1</b>	<b>.17</b>
<b>Gain on redemption of VISA shares</b>	<b>(1.0)</b>	<b>(.01)</b>
<b>Reversal of income tax liability</b>	<b>(6.6)</b>	<b>(.10)</b>
<b>Adjusted 1Q08 net income (non-GAAP)</b>	<b>\$20.3</b>	<b>\$.31</b>



# Regional Balance Sheet

<b>Commercial Loans and Leases (\$ in millions)</b>	<b>1Q08 Actual</b>	<b>4Q07 Actual</b>	<b>\$ Change</b>	<b>% Change</b>
<b>North Central (Bloomington, IN)</b>	<b>\$34.5</b>	<b>\$28.8</b>	<b>\$5.7</b>	<b>19.8%</b>
<b>Northeast (Muncie, IN)</b>	<b>116.2</b>	<b>104.4</b>	<b>11.8</b>	<b>11.3</b>
<b>Northwest (Terre Haute, IN)</b>	<b>224.0</b>	<b>201.2</b>	<b>22.8</b>	<b>11.3</b>
<b>Jasper, IN</b>	<b>134.3</b>	<b>128.9</b>	<b>5.4</b>	<b>4.2</b>
<b>Evansville, IN</b>	<b>509.9</b>	<b>506.1</b>	<b>3.8</b>	<b>.8</b>
<b>Southern Illinois (Carbondale, IL)</b>	<b>58.5</b>	<b>58.3</b>	<b>.2</b>	<b>.3</b>
<b>Louisville, KY</b>	<b>147.3</b>	<b>149.6</b>	<b>(2.3)</b>	<b>(1.5)</b>
<b>Vincennes, IN</b>	<b>68.4</b>	<b>71.2</b>	<b>(2.8)</b>	<b>(3.9)</b>
<b>Indianapolis, IN</b>	<b>246.4</b>	<b>260.2</b>	<b>(13.8)</b>	<b>(5.3)</b>
<b>Northern (Mishawaka, IN)</b>	<b>100.9</b>	<b>106.9</b>	<b>(6.0)</b>	<b>(5.6)</b>
<b>Western Kentucky</b>	<b>66.5</b>	<b>72.6</b>	<b>(6.1)</b>	<b>(8.4)</b>
<b>Subtotal</b>	<b>\$1,706.9</b>	<b>\$1,688.2</b>	<b>\$18.7</b>	<b>1.1%</b>
<b>Other</b>	<b>33.4</b>	<b>6.5</b>	<b>26.9</b>	<b>413.8</b>
<b>Total</b>	<b>\$1,740.3</b>	<b>\$1,694.7</b>	<b>\$45.6</b>	<b>2.7%</b>

N/M = Not Meaningful

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# Regional Balance Sheet

<b>Consumer Loans, excluding home equity lines (\$ in millions)</b>	<b>1Q08 Actual</b>	<b>4Q07 Actual</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Louisville, KY</b>	<b>\$29.8</b>	<b>\$27.8</b>	<b>\$2.0</b>	<b>7.2%</b>
<b>Indianapolis, IN</b>	<b>62.3</b>	<b>60.6</b>	<b>1.7</b>	<b>2.8</b>
<b>Northern (Mishawaka, IN)</b>	<b>14.0</b>	<b>13.6</b>	<b>.4</b>	<b>2.9</b>
<b>Western Kentucky</b>	<b>121.7</b>	<b>119.6</b>	<b>2.1</b>	<b>1.8</b>
<b>Evansville, IN</b>	<b>304.8</b>	<b>307.0</b>	<b>(2.2)</b>	<b>(.7)</b>
<b>Southern Illinois (Carbondale, IL)</b>	<b>46.4</b>	<b>46.8</b>	<b>(.4)</b>	<b>(.9)</b>
<b>Northwest (Terre Haute, IN)</b>	<b>169.1</b>	<b>172.0</b>	<b>(2.9)</b>	<b>(1.7)</b>
<b>Vincennes, IN</b>	<b>33.3</b>	<b>34.1</b>	<b>(.8)</b>	<b>(2.3)</b>
<b>Jasper, IN</b>	<b>27.6</b>	<b>28.8</b>	<b>(1.2)</b>	<b>(4.2)</b>
<b>Northeast (Muncie, IN)</b>	<b>105.9</b>	<b>110.5</b>	<b>(4.6)</b>	<b>(4.2)</b>
<b>North Central (Bloomington, IN)</b>	<b>14.5</b>	<b>15.5</b>	<b>(1.0)</b>	<b>(6.5)</b>
<b>Subtotal</b>	<b>\$929.4</b>	<b>\$936.3</b>	<b>\$(6.9)</b>	<b>(.7)%</b>
<b>Other</b>	<b>1.4</b>	<b>1.3</b>	<b>.1</b>	<b>7.7</b>
<b>Total</b>	<b>\$930.8</b>	<b>\$937.6</b>	<b>\$(6.8)</b>	<b>(.7)%</b>

# Regional Balance Sheet

<b>Noninterest-Bearing Demand Deposits (\$ in millions)</b>	<b>1Q08 Actual</b>	<b>4Q07 Actual</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Northern (Mishawaka, IN)</b>	<b>\$43.1</b>	<b>\$37.6</b>	<b>\$5.5</b>	<b>14.6%</b>
<b>Indianapolis, IN</b>	<b>78.2</b>	<b>70.3</b>	<b>7.9</b>	<b>11.2</b>
<b>Southern Illinois (Carbondale, IL)</b>	<b>56.7</b>	<b>54.2</b>	<b>2.5</b>	<b>4.6</b>
<b>Northwest (Terre Haute, IN)</b>	<b>144.6</b>	<b>138.4</b>	<b>6.2</b>	<b>4.5</b>
<b>Jasper, IN</b>	<b>44.4</b>	<b>42.9</b>	<b>1.5</b>	<b>3.5</b>
<b>Western Kentucky</b>	<b>74.0</b>	<b>72.9</b>	<b>1.1</b>	<b>1.5</b>
<b>North Central (Bloomington, IN)</b>	<b>23.3</b>	<b>23.1</b>	<b>.2</b>	<b>.9</b>
<b>Northeast (Muncie, IN)</b>	<b>76.2</b>	<b>78.1</b>	<b>(1.9)</b>	<b>(2.4)</b>
<b>Vincennes, IN</b>	<b>44.2</b>	<b>45.5</b>	<b>(1.3)</b>	<b>(2.9)</b>
<b>Evansville, IN</b>	<b>225.3</b>	<b>245.4</b>	<b>(20.1)</b>	<b>(8.2)</b>
<b>Louisville, KY</b>	<b>12.2</b>	<b>15.8</b>	<b>(3.6)</b>	<b>(22.8)</b>
<b>Subtotal</b>	<b>\$822.2</b>	<b>\$824.2</b>	<b>\$(2.0)</b>	<b>(.2)%</b>
<b>Other</b>	<b>38.9</b>	<b>31.2</b>	<b>7.7</b>	<b>24.7</b>
<b>Total</b>	<b>\$861.1</b>	<b>\$855.4</b>	<b>\$5.7</b>	<b>.7%</b>

# New Financial Center Growth

<b>Total Core Deposits</b> (\$ in millions)	<b>1Q08 Actual</b>	<b>4Q07 Actual</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Indianapolis:</b>				
<b>Fishers (3/03)</b>	<b>\$19.3</b>	<b>\$19.0</b>	<b>\$.3</b>	<b>1.6%</b>
<b>Carmel (4/03)</b>	<b>27.9</b>	<b>24.6</b>	<b>3.3</b>	<b>13.4</b>
<b>Greenwood (6/03)</b>	<b>22.9</b>	<b>25.8</b>	<b>(2.9)</b>	<b>(11.2)</b>
<b>96<sup>th</sup> and Gray (8/04)</b>	<b>18.6</b>	<b>17.7</b>	<b>.9</b>	<b>5.1</b>
<b>Zionsville (relocated 11/04)</b>	<b>37.2</b>	<b>40.0</b>	<b>(2.8)</b>	<b>(7.0)</b>
<b>Clay Terrace (7/05)</b>	<b>13.0</b>	<b>12.0</b>	<b>1.0</b>	<b>8.3</b>
<b>Broadripple (8/05)</b>	<b>11.9</b>	<b>9.6</b>	<b>2.3</b>	<b>24.0</b>
<b>Geist (10/06)</b>	<b>4.2</b>	<b>2.6</b>	<b>1.6</b>	<b>61.5</b>
<b>Greenwood East (10/06)</b>	<b>4.9</b>	<b>5.0</b>	<b>(.1)</b>	<b>(2.0)</b>
<b>Louisville:</b>				
<b>Preston Pointe (10/04)</b>	<b>38.3</b>	<b>40.5</b>	<b>(2.2)</b>	<b>(5.4)</b>
<b>Shelbyville Road (5/06)</b>	<b>11.1</b>	<b>12.1</b>	<b>(1.0)</b>	<b>(8.3)</b>
<b>Hurstbourne Lane (1/07)</b>	<b>6.5</b>	<b>5.4</b>	<b>1.1</b>	<b>20.4</b>
<b>Lafayette:</b>				
<b>Lafayette Pavilions (11/06)</b>	<b>11.3</b>	<b>10.7</b>	<b>.6</b>	<b>5.6</b>

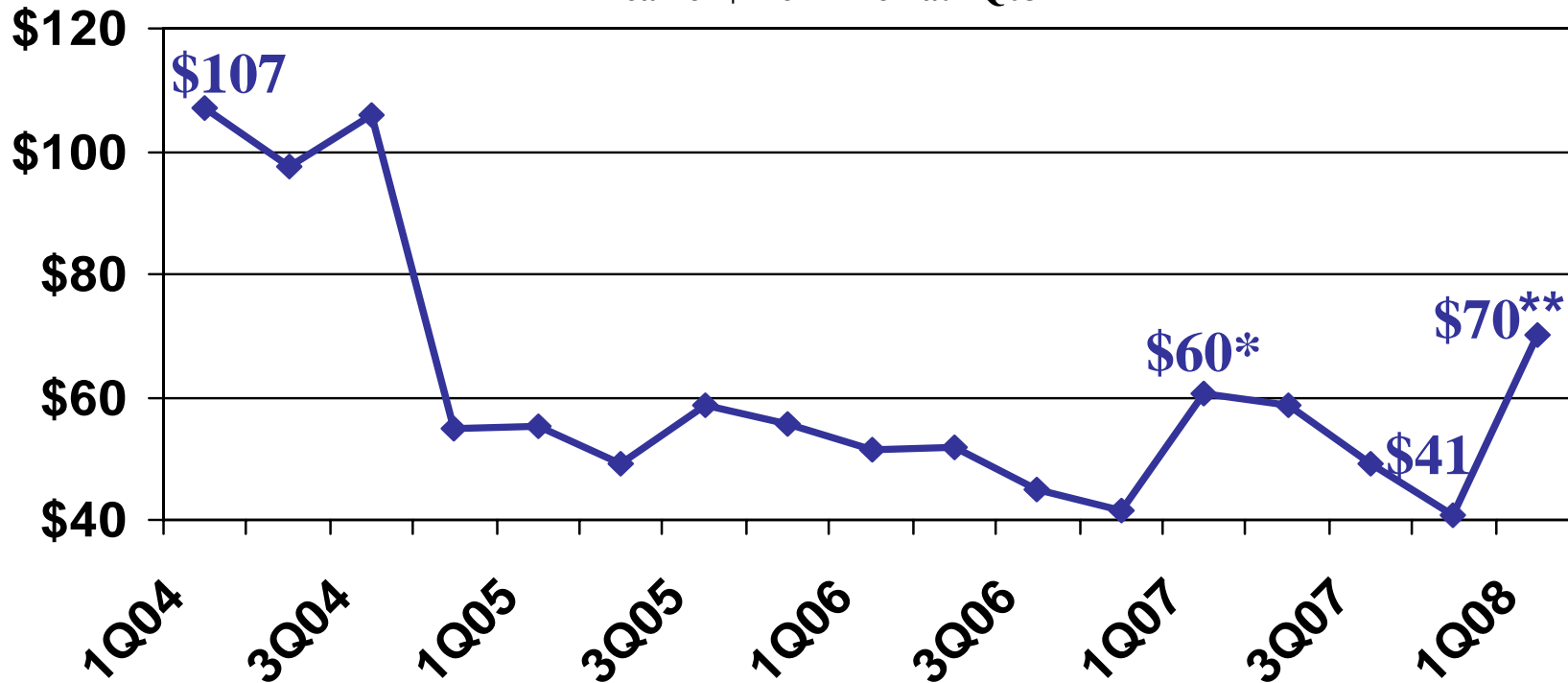
**Daryl Moore**

**Executive Vice President  
Chief Credit Officer**

# Risk Profile

## Nonaccrual Loans (\$ in Millions)

Peak of \$146 million at 2Q03



\*Includes a \$12.3 million increase associated with the St. Joseph acquisition.

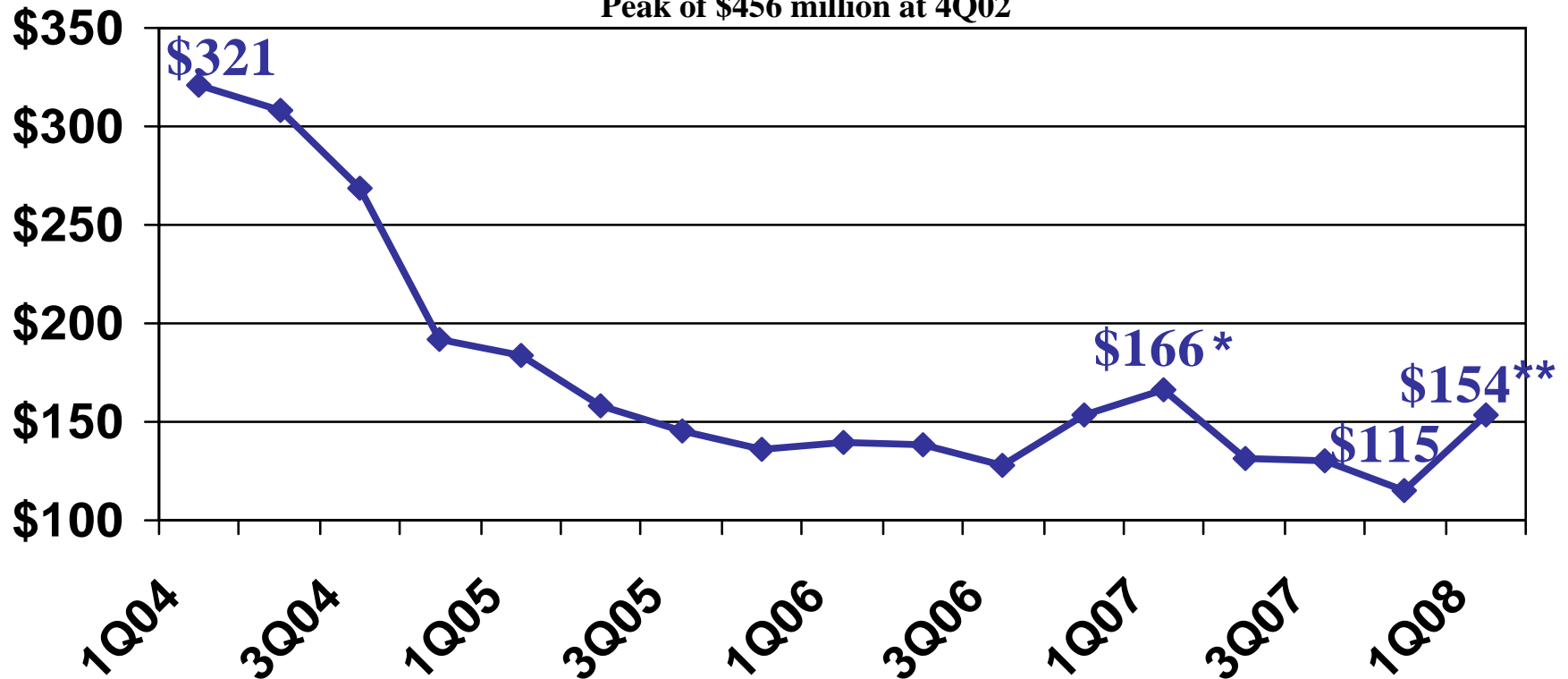
\*\*Includes \$23.0 million associated with the misconduct of a former Indianapolis loan officer.

# Risk Profile

## Classified Loans (includes nonaccrual loans)

(\$ in Millions)

Peak of \$456 million at 4Q02



Classified loans are loans with a well-defined weakness that jeopardizes the liquidation of the debt and characterized by the distinct “possibility” that the bank will sustain some loss if the deficiencies are not corrected.

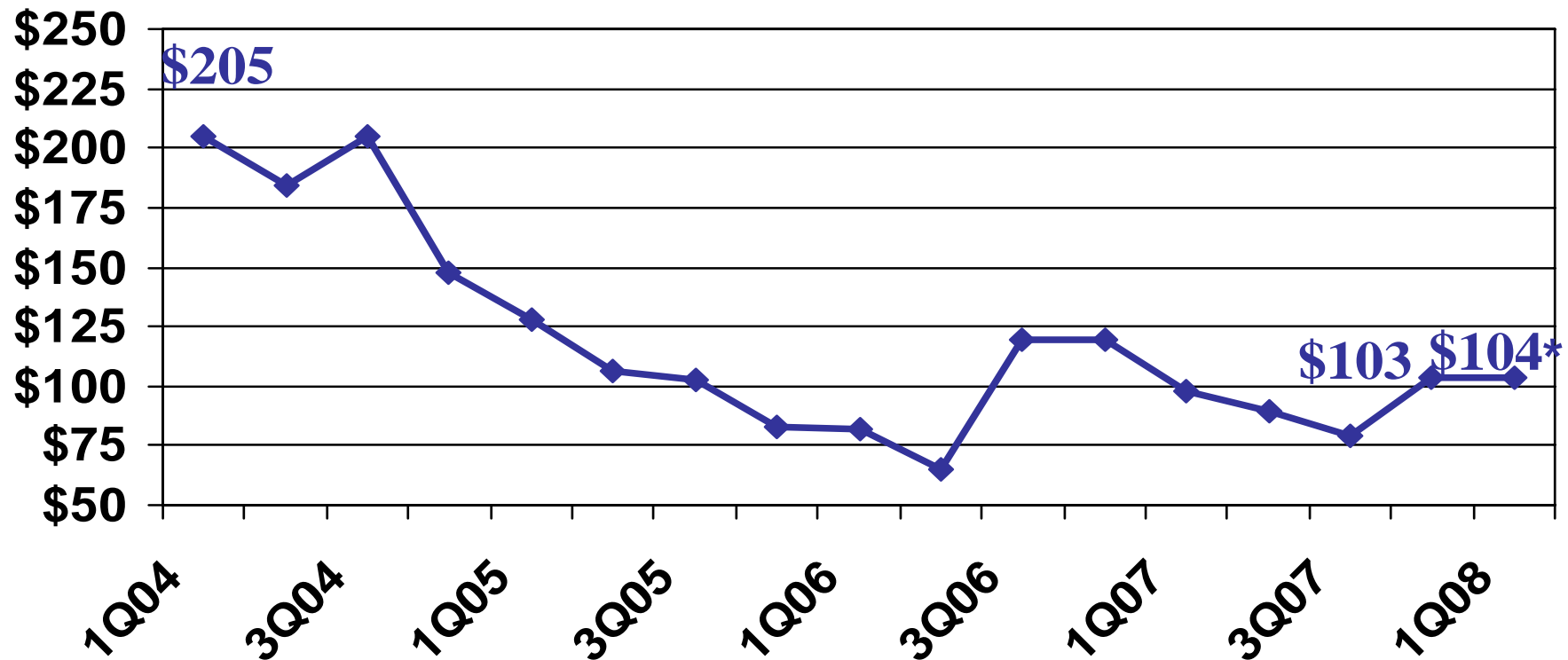
\*Includes an \$18.5 million increase associated with the St. Joseph acquisition.

\*\*Includes \$31.8 million associated with the misconduct of a former Indianapolis loan officer.

# Risk Profile

## Criticized Loans (\$ in Millions)

Peak of \$371 million at 1Q02



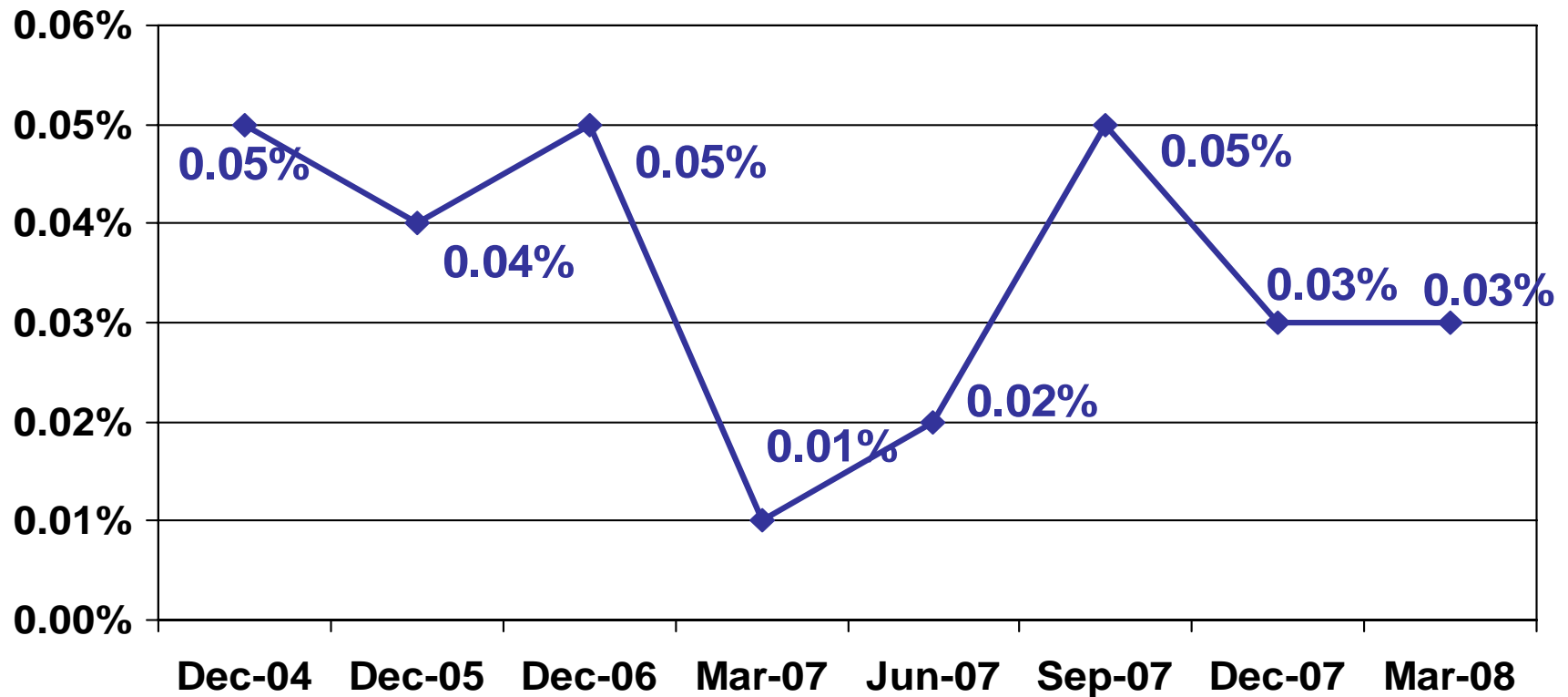
Criticized loans are loans exhibiting a potential weakness that deserves management's close attention.

\*Includes \$13.3 million associated with the misconduct of a former Indianapolis loan officer.



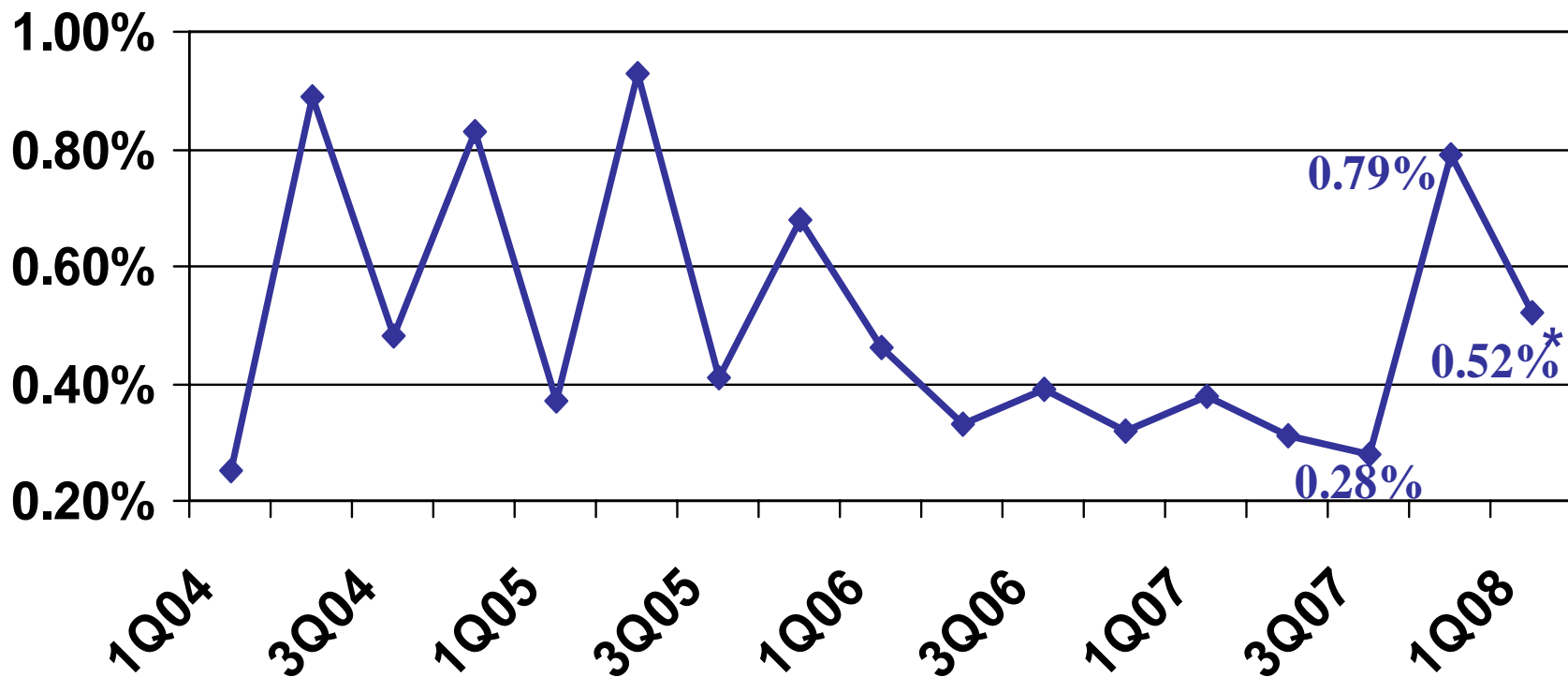
# Risk Profile

## 90+ Day Delinquent Loans/Total Loans



# Risk Profile

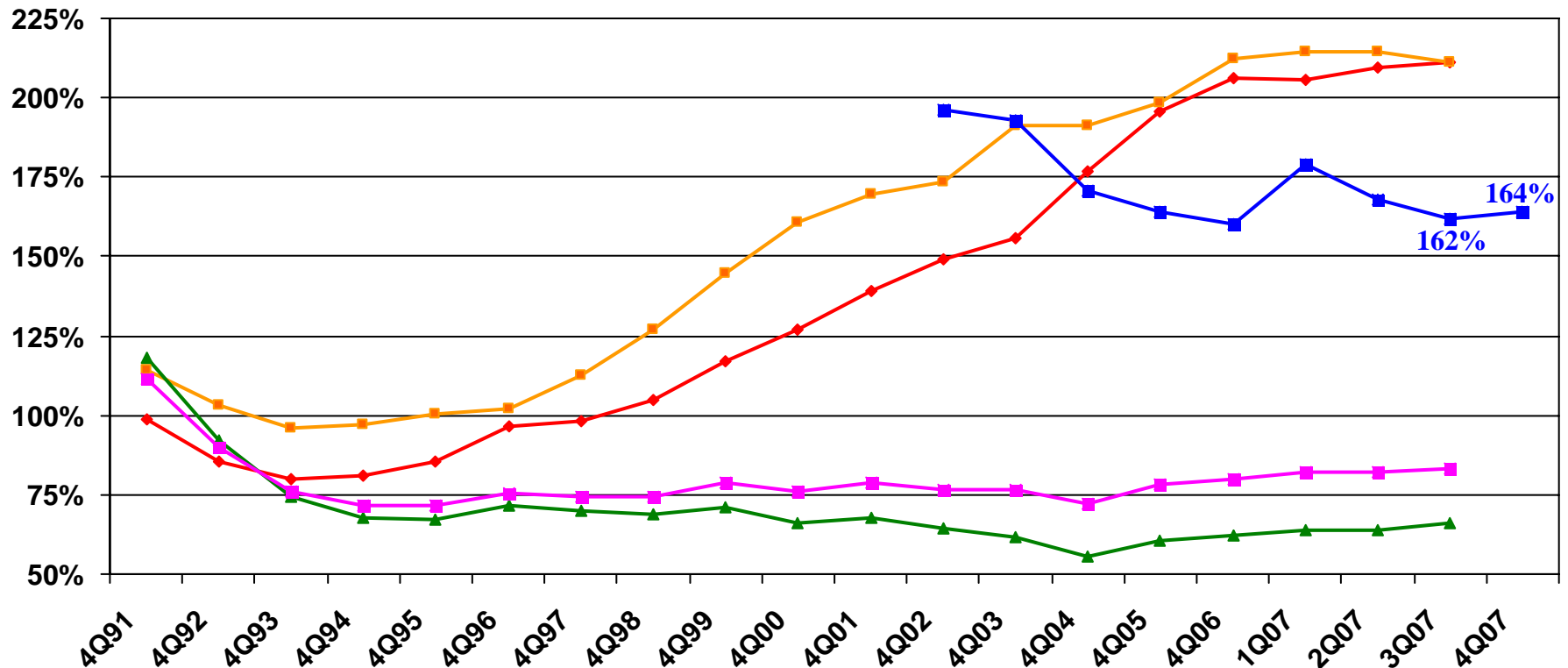
## Net Charge-Offs



\*Includes .26% associated with the misconduct of a former Indianapolis loan officer.

# CRE as a % of Capital

Community Banks Mid-Sized Banks Large Banks All National Banks ONB



Source: Call Reports. CRE: Construction & Land Development + Multifamily RE + Nonfarm Nonresidential + Unsecured C&I for RE; Capital: Total RBC.

\*Effective 1Q07, the Call Reports segregated owner and non-owner occupied non-farm non-residential loans, and the proportion was applied retroactively to adjust historical data in order to conform to OCC 2006-46 (Concentrations in Commercial Real Estate Lending, Sound Risk Management Practices: Interagency Guidance on CRE Concentration Risk Management).

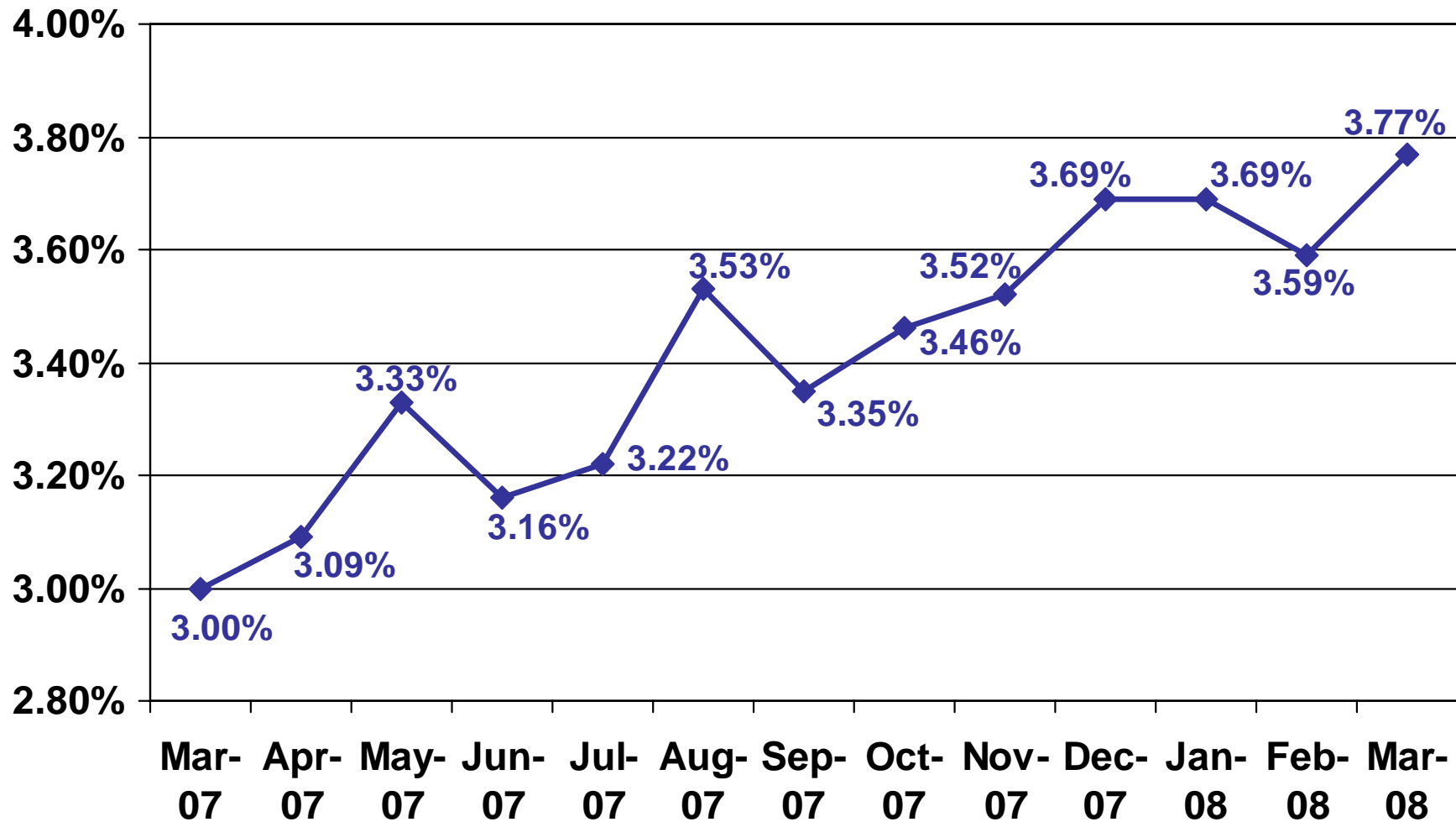
## **Chris Wolking**

**Senior Executive Vice President  
Chief Financial Officer**

# Net Interest Margin

- Net interest margin of 3.68%, increase 12 bps from 4Q07
  - Net interest income increase of \$2.0 million, or 3.2%
  - Average earning assets declined \$18.1 million, or .26%
- Net interest margin increase of 68 bps from 1Q07

# Monthly Net Interest Margin



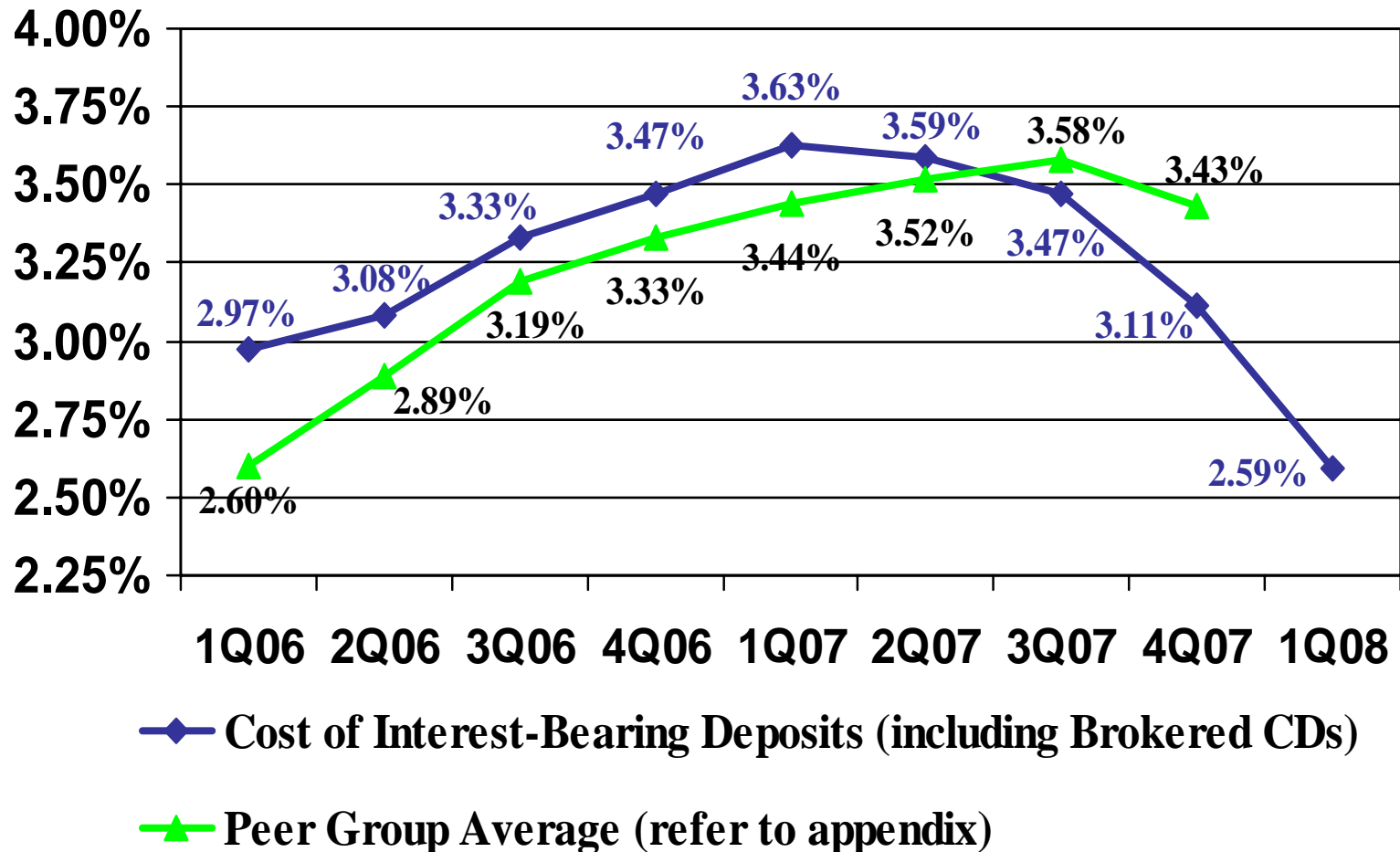
May and August include interest recoveries with a margin impact of 17 bps and 27 bps, respectively.

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# Net Interest Margin Analysis

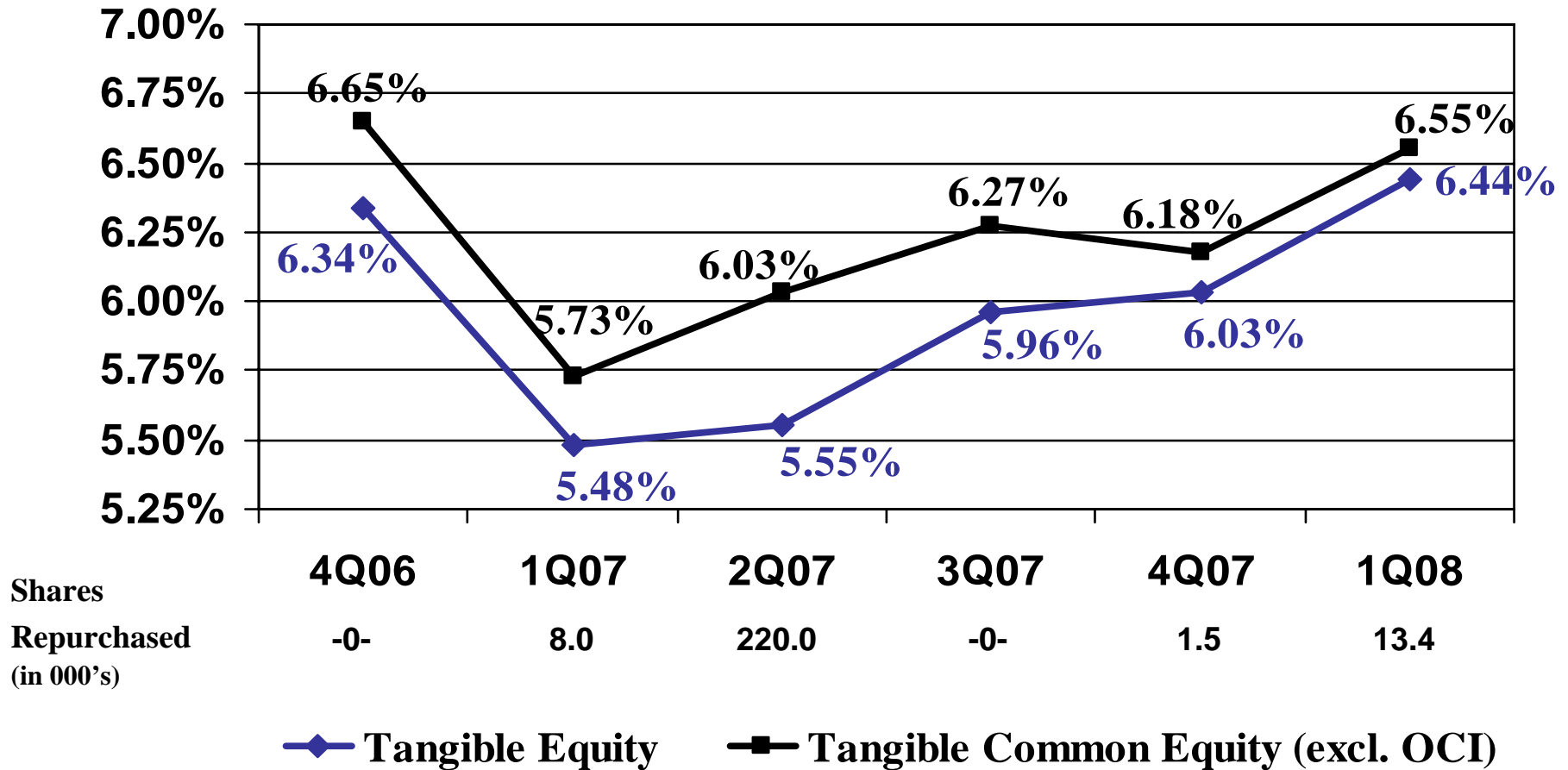
<b>4Q07 Net Interest Margin</b>	<b>3.56%</b>
<b>Asset Yields</b>	<b>(.34)%</b>
<b>Interest-Bearing Liability Costs</b>	<b>.50%</b>
<b>Mix/Volume/Other</b>	<b>(.03)%</b>
<b># of Days</b>	<b>(.01)%</b>
<b>1Q08 Net Interest Margin</b>	<b>3.68%</b>

# Deposit Costs





# Tangible Equity Ratios\*



\*Long-term financial target of 6% to 7%.

Note: Refer to the appendix of this presentation for a complete explanation and reconciliation of all non-gaap numbers.

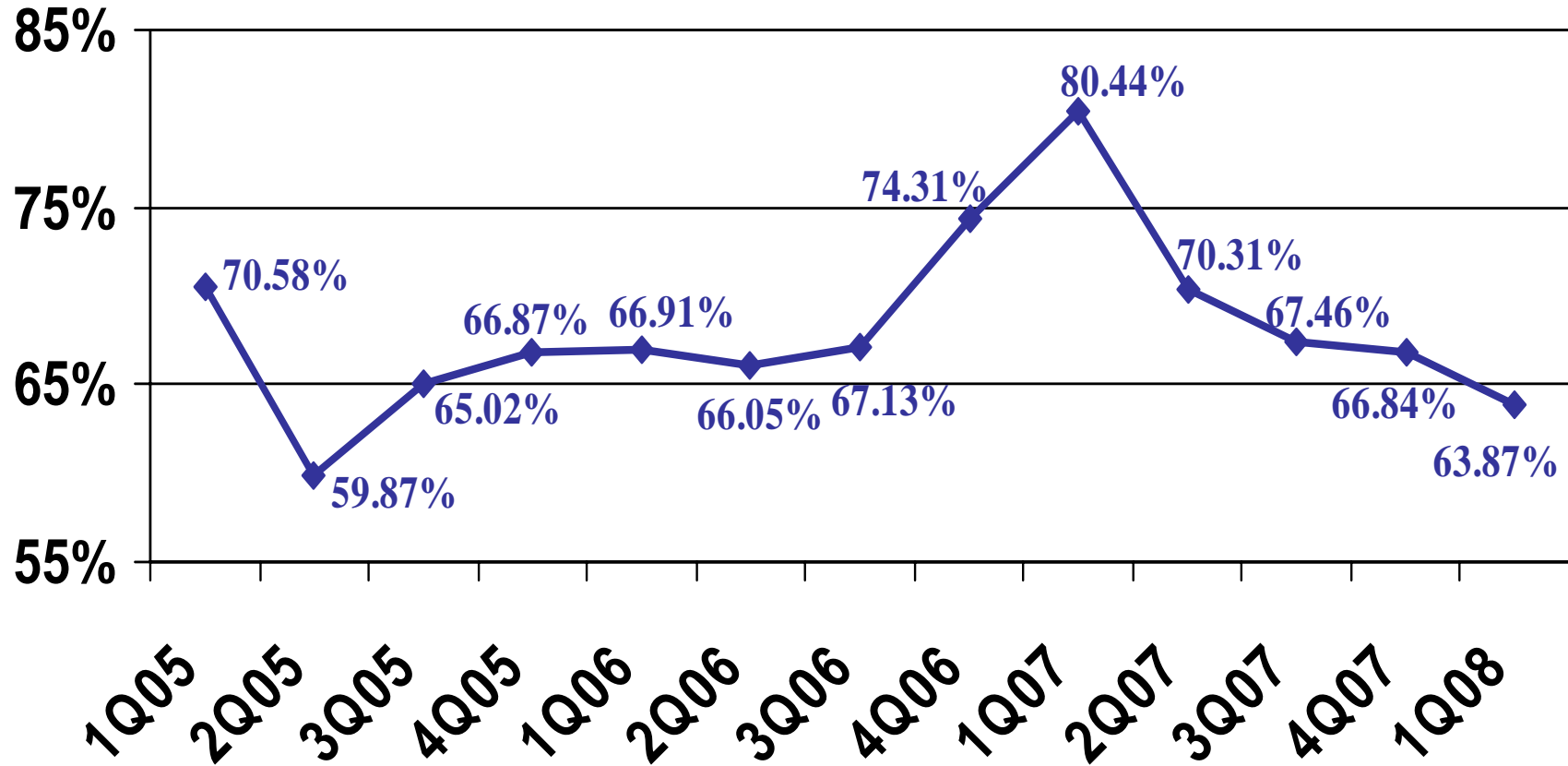
# Noninterest Income

- Fees, service charges and other revenue totaled \$43.1 million for 1Q08
  - Represents a 15.1% increase over 1Q07 and a 1.6% decrease from 4Q07
    - 4Q07 includes \$4.3 million in upfront gains from sale leaseback transactions
  - Includes \$1.5 million related to the redemption of Class B VISA shares

# Noninterest Expenses

- Noninterest expenses totaled \$70.9 million for 1Q08
  - Represents a decline of \$2.1 million from 1Q07 and \$.1 million from \$71.0 million in 4Q07
- Reversal of \$6.6 million in income tax liability related to an uncertain tax position

# Efficiency Ratio\*



\*Based on Income from Continuing Operations

**Bob Jones**

**President**

**Chief Executive Officer**

# 2008 Outlook

	<b>Full-Year 2008 Financial Targets</b>
<b>Earnings per share</b>	<b>\$1.13 to \$1.19</b>
<b>Provision for loan losses</b>	<b>\$27 million to \$33 million</b>
<b>Annualized net charge-off %</b>	<b>.55% to .65%</b>
<b>Net interest margin</b>	<b>3.60% to 3.70%</b>

**Thank you**

**Questions**

## Appendix



# Non-GAAP Reconciliations

(end of period balances- \$ in millions)	4Q06	1Q07	2Q07	3Q07	4Q07	1Q08
<b>Total Shareholders' Equity</b>	\$642.4	\$640.7	\$625.6	\$647.4	\$652.9	\$675.4
<b>Deduct: Goodwill and Intangible Assets</b>	(134.2)	(194.4)	(192.8)	(191.9)	(191.0)	(190.3)
<b>Tangible Shareholders' Equity</b>	508.2	446.3	432.8	455.5	461.9	485.1
<b>Deduct: Other Comprehensive Income</b>	(25.1)	(20.2)	(37.0)	(23.4)	(11.3)	(8.7)
<b>Tangible Common Shareholders' Equity</b>	\$533.3	\$466.5	\$469.8	\$479.0	\$473.2	\$493.8
<b>Total Assets</b>	\$8,149.5	\$8,331.6	\$7,987.7	\$7,832.5	\$7,846.1	\$7,723.5
<b>Add: Trust Overdrafts</b>	.8	.3	.2	.1	1.7	.1
<b>Deduct: Goodwill and Intangible Assets</b>	(134.2)	(194.4)	(192.8)	(191.9)	(191.0)	(190.3)
<b>Tangible Assets</b>	\$8,016.2	\$8,137.5	\$7,795.1	\$7,640.7	\$7,656.8	\$7,533.2
<b>Tangible Equity to Tangible Assets</b>	6.34%	5.48%	5.55%	5.96%	6.03%	6.44%
<b>Tangible Common Equity to Tangible Assets</b>	6.65%	5.73%	6.03%	6.27%	6.18%	6.55%

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# Peer Group

<b>Name</b>	<b>Ticker</b>	<b>Name</b>	<b>Ticker</b>
<b>1st Source Corp</b>	<b>SRCE</b>	<b>Hancock Holding</b>	<b>HBHC</b>
<b>AMCORE Financial</b>	<b>AMFI</b>	<b>Integra Bank Corp</b>	<b>IBNK</b>
<b>Associated Banc Corp</b>	<b>ASBC</b>	<b>International Bancshrs</b>	<b>IBOC</b>
<b>Bank of Hawaii</b>	<b>BOH</b>	<b>Irwin Financial</b>	<b>IFC</b>
<b>BancorpSouth Inc</b>	<b>BXS</b>	<b>Old National Bancorp</b>	<b>ONB</b>
<b>BOK Financial Group</b>	<b>BOKF</b>	<b>South Financial Group</b>	<b>TSFG</b>
<b>Citizens Republic Bancorp</b>	<b>CRBC</b>	<b>Susquehanna Bancshrs</b>	<b>SUSQ</b>
<b>Colonial Bancorp</b>	<b>CNB</b>	<b>TCF Financial</b>	<b>TCB</b>
<b>Cullen Frost Bankers</b>	<b>CFR</b>	<b>Trustmark Corp</b>	<b>TRMK</b>
<b>First Merchants Corp</b>	<b>FRME</b>	<b>UMB Financial Corp</b>	<b>UMBF</b>
<b>First Midwest Bancorp</b>	<b>FMBI</b>	<b>Valley National Bancorp</b>	<b>VLV</b>
<b>FirstMerit Corp</b>	<b>FMER</b>	<b>Whitney Holding Corp</b>	<b>WTNY</b>
<b>Fulton Financial Corp</b>	<b>FULT</b>		