



The Art of Community Banking

ACCOUNTABILITY

Fourth-Quarter 2006 Earnings

Analyst Presentation

January 29, 2007

COMMUNITY

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. Forward-looking statements include expressions such as "expect," "intend," "believe," "anticipate," "could," and "should," which are statements of belief as to the expected outcomes of future events. Actual results could materially differ from those contained in or implied by such statements. Internal and external 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 plans, including acquisition plans, and other matters discussed in this presentation, changes in the economy which could materially impact credit quality trends and the ability to generate loans and gather deposits, significant changes in accounting, tax or regulatory practices or requirements and other factors identified in the company's form 10-K and other periodic filings with the Securities and Exchange Commission. Old National undertakes no obligation to release revisions to these forward-looking statements or 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

- **Earnings highlights**
- **Net interest margin analysis**
- **Credit quality trends**
- **St. Joseph acquisition update**
- **Strategic initiatives**
- **Outlook for 2007**
- **Q & A**

4Q06 Overview

- **Continued improvement in overall credit quality**
- **Growth in commercial loans**
- **Strong core deposit growth**
- **Actions taken to strengthen performance**

HIGH PERFORMANCE

Chris Wolking

**Executive Vice President
Chief Financial Officer**

3Q06 to 4Q06 Highlights

- **Earnings from continuing operations of \$17.5 million, or \$.27 per share**
- **Noninterest expenses increase \$6.6 million;**
 - **4Q06 included**
 - \$1.4 million pension settlement expense
 - \$.9 million in severance accruals
 - \$.8 million impairment on financial center consolidations
 - \$.4 provision for unfunded commitments
 - **3Q06 included a \$1.5 million reversal of performance-based restricted stock expense**

3Q06 to 4Q06 Highlights

- **Net interest margin at 3.09%, decline of 6 bps**
- **Fees, service charges and other revenue increase \$1.4 million**
- **No provision for loan losses for both fourth and third quarters**
 - **Nonaccrual loans decreased 7.6%**
 - **Net charge-offs declined to .32%**



3Q06 to 4Q06 Balance Sheet*

- **Commercial loans and leases increased \$31.8 million**
- **Commercial real estate loans decreased \$20.5 million**

*End of period balances

Regional Balance Sheet

| Commercial Loans and Leases (\$ in millions) | 3Q06 Actual | 4Q06 Actual | \$ Change | % Change |
|---|----------------|----------------|-----------|----------|
| Louisville, KY | \$129.2 | \$148.3 | \$19.1 | 14.8% |
| North Central (Bloomington, IN) | 50.3 | 52.6 | 2.3 | 4.6 |
| Southern Illinois (Carbondale, IL) | 31.2 | 32.5 | 1.3 | 4.2 |
| Evansville, IN | 517.0 | 534.2 | 17.2 | 3.3 |
| Northwest (Terre Haute, IN) | 185.2 | 186.7 | 1.5 | .8 |
| Western Kentucky | 54.6 | 54.7 | .1 | .2 |
| South Central (Jasper, IN) | 237.8 | 237.2 | (.6) | (.3) |
| Northeast (Muncie, IN) | 124.6 | 122.7 | (1.9) | (1.5) |
| Indianapolis, IN | 267.6 | 261.2 | (6.4) | (2.4) |
| Subtotal | \$1,597.5 | \$1,630.1 | \$32.6 | 2.0% |
| Other | .6 | (.2) | (.8) | (133.3) |
| Total | \$1,598.1 | \$1,629.9 | \$31.8 | 2.0% |



3Q06 to 4Q06 Balance Sheet*(cont)

- **Total core deposits increased \$243.8 million**
- **Noninterest-bearing demand deposits increased \$33.0 million**
 - **4Q06 net new checking accounts of (645)**
 - 2Q06 through 4Q06 net new checking accounts of 3,543

*End of period balances



Regional Balance Sheet

| Noninterest-Bearing Demand Deposits (\$ in millions) | 3Q06 Actual | 4Q06 Actual | \$ Change | % Change |
|---|----------------|----------------|-----------|----------|
| Louisville, KY | \$14.2 | \$20.2 | \$6.0 | 42.3% |
| South Central (Jasper, IN) | 86.8 | 97.0 | 10.2 | 11.8 |
| Northwest (Terre Haute, IN) | 109.8 | 121.5 | 11.7 | 10.7 |
| Evansville, IN | 278.2 | 305.7 | 27.5 | 9.9 |
| Northeast (Muncie, IN) | 72.3 | 72.7 | .4 | .6 |
| North Central (Bloomington, IN) | 54.9 | 52.5 | (2.4) | (4.4) |
| Southern Illinois (Carbondale, IL) | 42.2 | 40.2 | (2.0) | (4.7) |
| Western Kentucky | 59.5 | 50.6 | (8.9) | (15.0) |
| Indianapolis, IN | 78.7 | 64.1 | (14.6) | (18.6) |
| Subtotal | \$796.6 | \$824.5 | \$27.9 | 3.5% |
| Other | 48.3 | 53.4 | 5.1 | 10.6 |
| Total | \$844.9 | \$877.9 | \$33.0 | 3.9% |



New Financial Center Growth

| Total Core Deposits (\$ in millions) | Dec. 2005 Actual | Dec. 2006 Actual | \$ Change | % Change |
|---|---------------------|---------------------|-----------|----------|
| Indianapolis: | | | | |
| Fishers (3/03) | \$22.3 | \$26.9 | \$4.6 | 20.6% |
| Carmel (4/03) | 34.1 | 35.1 | 1.0 | 2.9 |
| Greenwood (6/03) | 21.2 | 25.1 | 3.9 | 18.4 |
| 96th and Gray (8/04) | 13.5 | 18.8 | 5.3 | 39.3 |
| Zionsville (relocated 11/04) | 43.9 | 47.1 | 3.2 | 7.3 |
| Clay Terrace (7/05) | 2.8 | 17.5 | 14.7 | 525.0 |
| Broadripple (8/05) | 2.2 | 9.7 | 7.5 | 340.9 |
| Geist (10/06) | - | .7 | .7 | N/M |
| Greenwood East (10/06) | - | 2.1 | 2.1 | N/M |
| Louisville: | | | | |
| Preston Pointe (10/04) | 38.7 | 51.8 | 13.1 | 33.9 |
| Shelbyville Road (5/06) | - | 12.1 | 12.1 | N/M |
| Lafayette: | | | | |
| Lafayette Pavilions (11/06) | - | 6.1 | 6.1 | N/M |

N/M = Not Meaningful

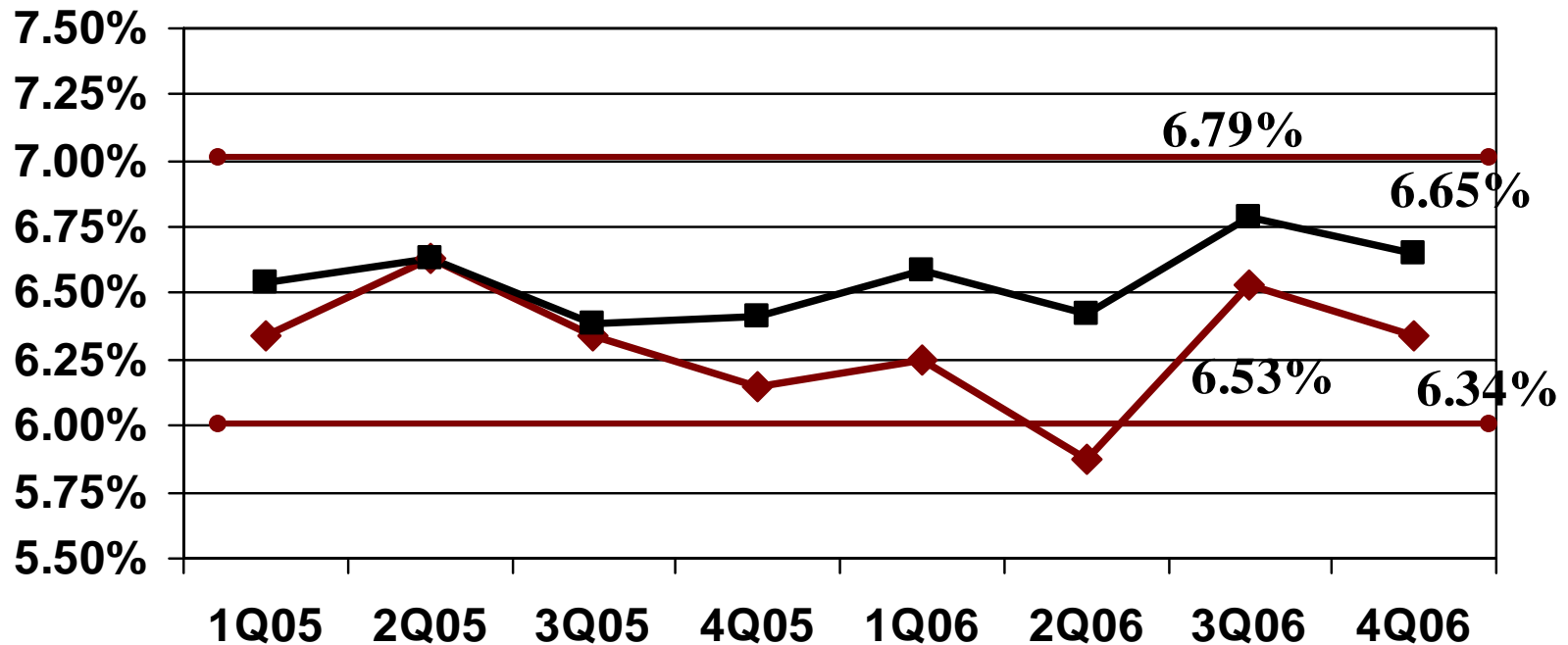
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New Financial Centers

| | Recent Openings | Planned Openings |
|-------------------------------|-----------------|------------------|
| Indianapolis, Indiana: | | |
| Geist | 4Q06 | |
| Greenwood East | 4Q06 | |
| Louisville, Kentucky: | | |
| Hurstbourne Lane | 1Q07 | |
| Brownsboro Road | | 4Q07 |
| Lafayette, Indiana: | | |
| Lafayette Pavilions | 4Q06 | |
| Concord Road | | 4Q07 |

Tangible Equity Ratio



Shares
Repurchased

850,200 733,800 986,500 429,625 449,000 869,079 127,100 -0-

◆ Tangible Equity ■ Tangible Equity excl. OCI

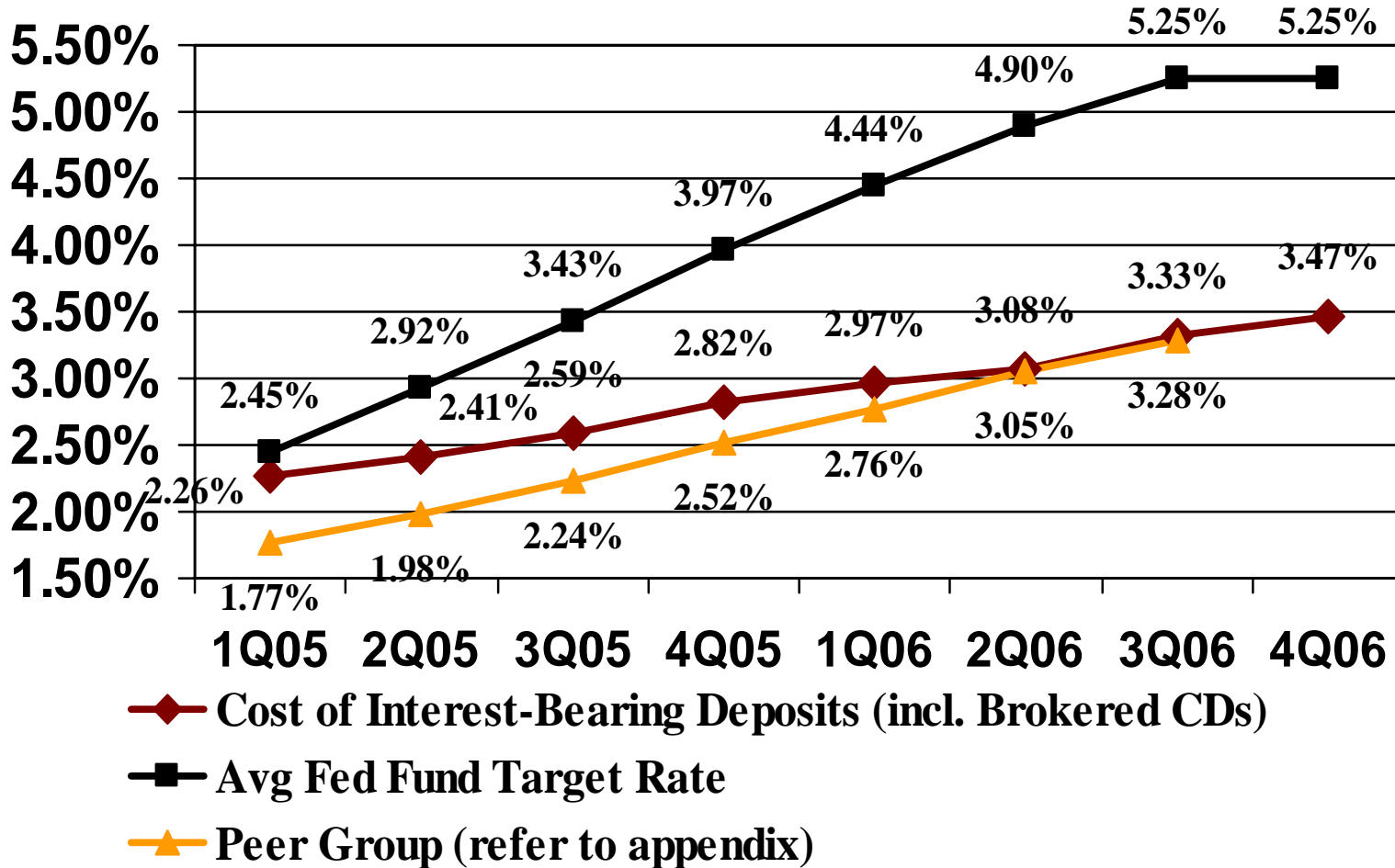
Note: Refer to the appendix of this presentation for a complete explanation and reconciliation of all non-gaap numbers.

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Net Interest Margin Analysis

| | |
|---|---------------|
| 3Q06 Net Interest Margin | 3.15% |
| Asset Yields | .08% |
| Interest-Bearing Liability Costs | (.12)% |
| Mix/Volume/Other | (.02)% |
| # of Days | -0-% |
| 4Q06 Net Interest Margin | 3.09% |

Deposit Costs



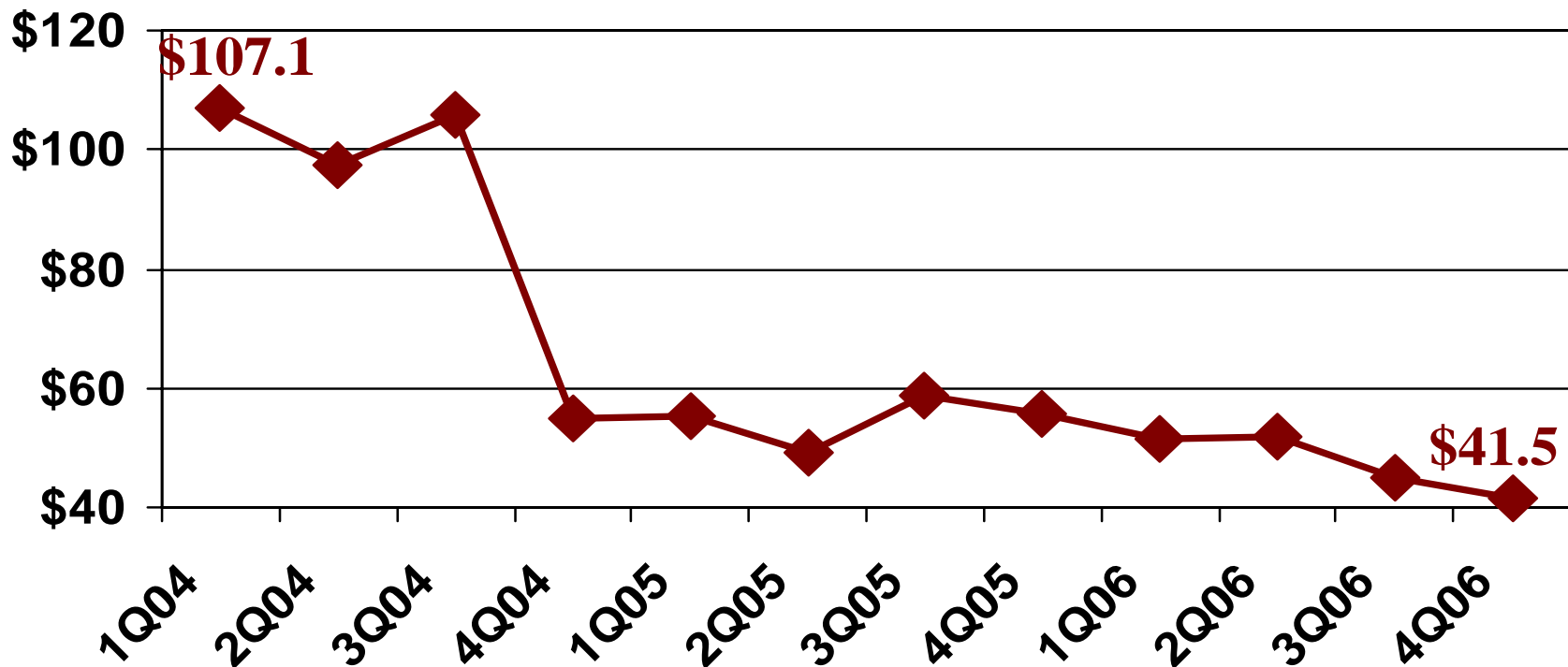
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Daryl Moore

**Executive Vice President
Chief Credit Officer**

Risk Profile Improving

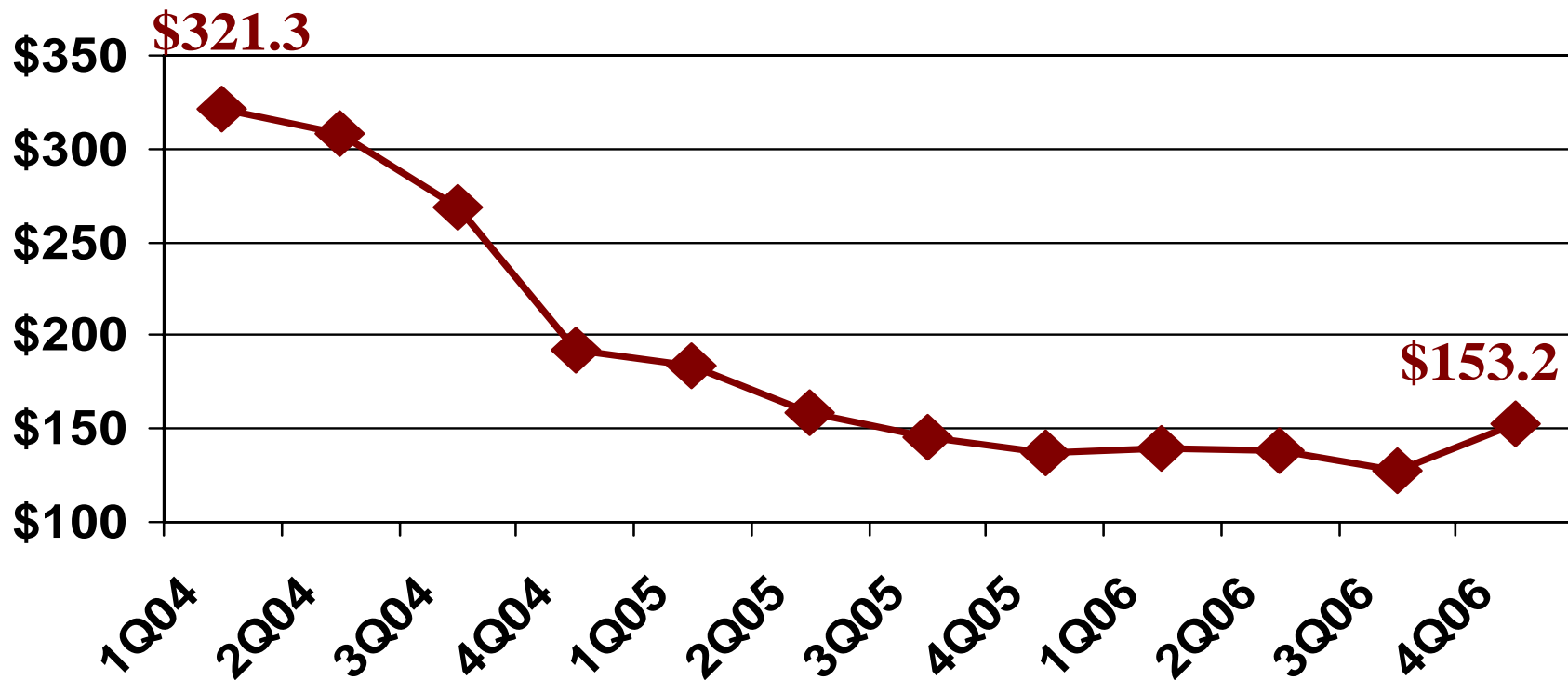
Nonaccrual Loans (\$ in Millions)





Risk Profile Improving

Classified Loans* (\$ in Millions)

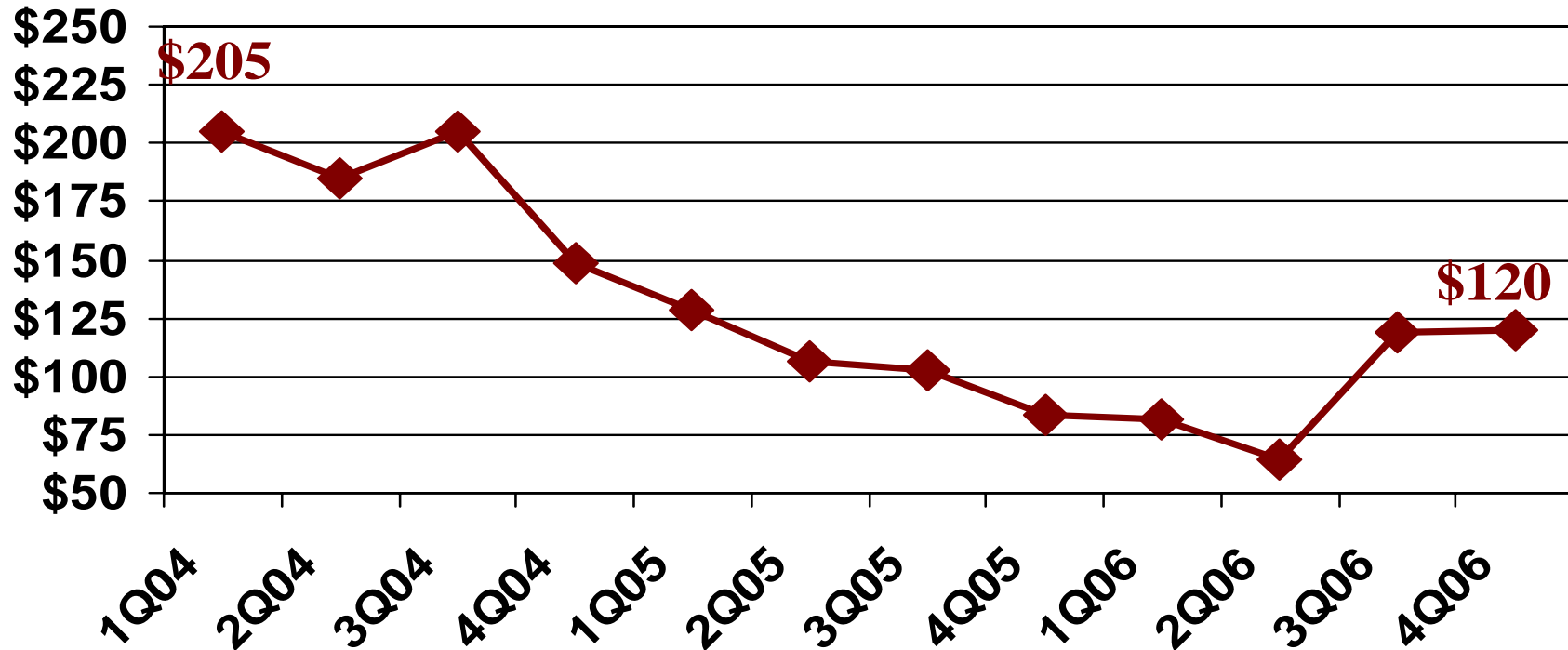


*Loans with a well-defined weakness that jeopardizes the liquidation of the debt and characterized by the distinct “possibility” that the bank will sustain some loss if the deficiencies are not corrected.

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Risk Profile Improving

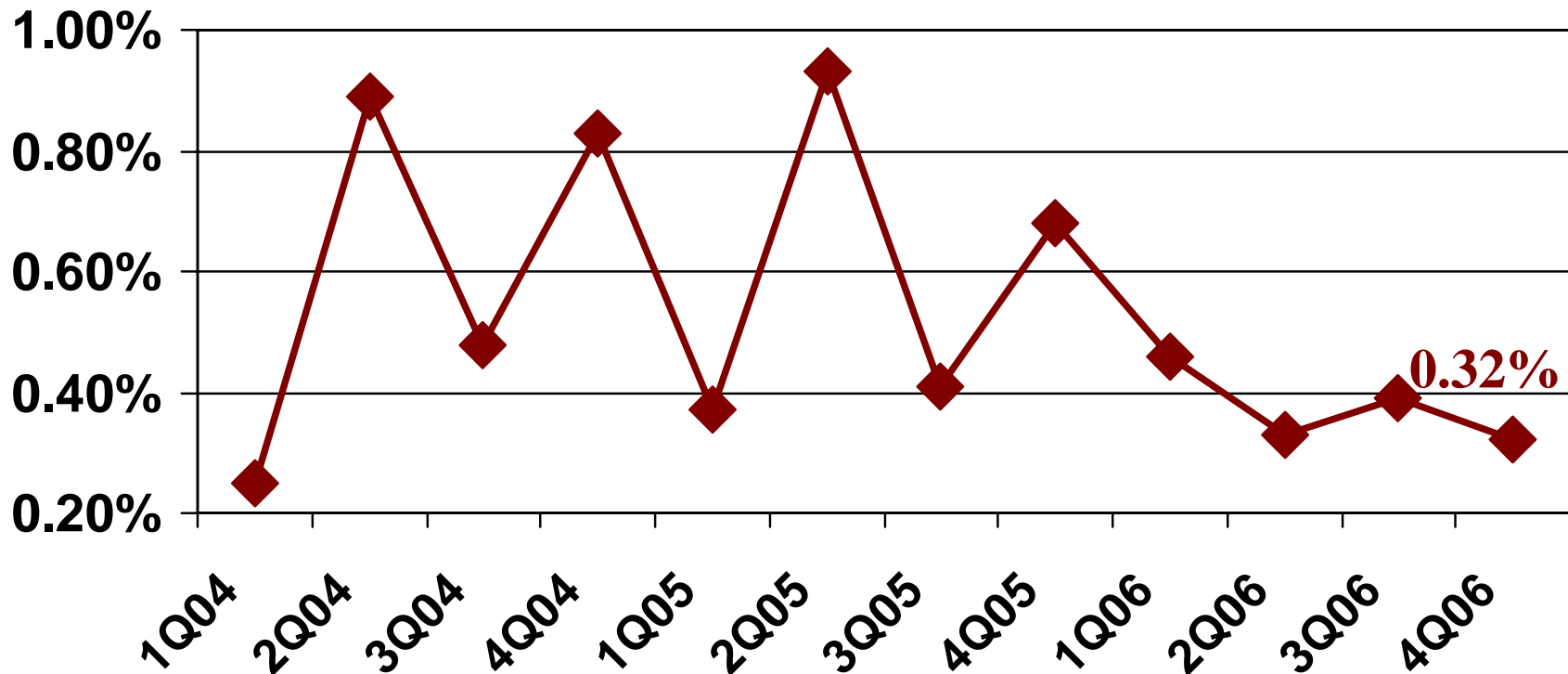
Criticized Loans* (\$ in Millions)



*Loans that have a potential weakness that deserves management's close attention.

Risk Profile Improving

Net Charge-Offs



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Bob Jones

**President
Chief Executive Officer**



St. Joseph Capital Corporation

- **Merger expected to close 2-1-07**
- **Integration activities**
- **Leadership team**

Strengthening the Platform

- **4Q06**
 - **\$.9 million in severance accruals**
 - **\$.8 million impairment on financial center consolidations**
 - **Sale leaseback transaction completed**
- **1Q07 anticipated charges**
 - **\$6 to \$7 million balance sheet restructuring**
 - **\$1 to \$2 million severance and other charges**

2007 Areas of Focus

- **Execution**
 - **Sales / sales management process**
 - **Net interest margin**
 - **Distribution system**
 - **Credit quality**



2007 Earnings Outlook*

- **First-Quarter 2007**
 - **\$.15 to \$.18 per share**
- **Full-Year 2007**
 - **\$1.11 to \$1.17 per share**

*Includes the impact of 1Q07 charges discussed on slide 26 and the impact of the anticipated merger with St. Joseph Capital Corporation

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Thank You

Questions

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Appendix



Non-GAAP Reconciliations

| Earnings from Continuing Operations (\$ in millions) | 1Q05 | 2Q05 | 3Q05 | 4Q05 | 1Q06 | 2Q06 | 3Q06 | 4Q06 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|
| Income from continuing operations, as currently reported | \$15.6 | \$24.7 | \$18.9 | \$19.5 | \$20.7 | \$20.2 | \$21.0 | \$17.5 |
| Adjustment for accounting treatment of derivatives, net of tax | 3.8 | (3.5) | 4.2 | 2.5 | - | - | - | - |
| Adjusted income from continuing operations | \$19.4 | \$21.2 | \$23.1 | \$22.0 | \$20.7 | \$20.2 | \$21.0 | \$17.5 |

| Earnings Per Share | 1Q05 | 2Q05 | 3Q05 | 4Q05 | 1Q06 | 2Q06 | 3Q06 | 4Q06 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|
| Income from continuing operations, as currently reported | \$.22 | \$.37 | \$.28 | \$.28 | \$.31 | \$.30 | \$.32 | \$.27 |
| Adjustment for accounting treatment of derivatives, net of tax | .06 | (.06) | .06 | .05 | - | - | - | - |
| Adjusted income from continuing operations | \$.28 | \$.31 | \$.34 | \$.33 | \$.31 | \$.30 | \$.32 | \$.27 |



Non-GAAP Reconciliations

| Net Interest Income (FTE) (\$ in millions) | 1Q05 | 2Q05 | 3Q05 | 4Q05 | 1Q06 | 2Q06 | 3Q06 | 4Q06 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|
| Net interest income, as currently reported | \$60.8 | \$60.2 | \$60.9 | \$58.8 | \$59.5 | \$59.6 | \$57.1 | \$56.0 |
| Adjustment for accounting treatment of derivatives | 3.4 | 2.5 | 1.9 | 1.3 | - | - | - | - |
| Adjusted net interest income | \$64.2 | \$62.7 | \$62.8 | \$60.1 | \$59.5 | \$59.6 | \$57.1 | \$56.0 |

| Net Interest Margin (FTE) | 1Q05 | 2Q05 | 3Q05 | 4Q05 | 1Q06 | 2Q06 | 3Q06 | 4Q06 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|
| Net interest margin, as currently reported | 3.05% | 3.07% | 3.16% | 3.09% | 3.18% | 3.18% | 3.15% | 3.09% |
| Adjustment for accounting treatment of derivatives | .17% | .13% | .10% | .07% | - | - | - | - |
| Adjusted net interest margin | 3.22% | 3.20% | 3.26% | 3.16% | 3.18% | 3.18% | 3.15% | 3.09% |

(FTE) = Fully taxable equivalent basis

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Non-GAAP Reconciliations

| | 1Q05 | 2Q05 | 3Q05 | 4Q05 | 1Q06 | 2Q06 | 3Q06 | 4Q06 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Tangible Common Shareholders' Equity | | | | | | | | |
| Total Shareholders' Equity | \$667.6 | \$701.6 | \$669.1 | \$649.9 | \$642.4 | \$614.7 | \$642.8 | \$642.4 |
| Deduct: Goodwill and Intangible Assets | (117.5) | (137.5) | (137.0) | (136.3) | (135.8) | (135.2) | (134.7) | (134.2) |
| Tangible Shareholders' Equity | 550.1 | 564.1 | 532.1 | 513.6 | 506.6 | 479.5 | 508.0 | 508.2 |
| Deduct: Other Comprehensive Income | (17.5) | (.5) | (4.6) | (21.8) | (27.6) | (44.8) | (20.4) | (25.1) |
| Tangible Common Shareholders' Equity | \$567.6 | \$564.6 | \$536.7 | \$535.3 | \$534.2 | \$524.2 | \$528.4 | \$533.3 |
| Tangible Assets | | | | | | | | |
| Total Assets | \$8,793.0 | \$8,648.5 | \$8,535.3 | \$8,492.0 | \$8,244.9 | \$8,306.5 | \$7,919.9 | \$8,149.5 |
| Add: Trust Overdrafts | 1.8 | .5 | .5 | .6 | 1.7 | .2 | .3 | .8 |
| Deduct: Goodwill and Intangible Assets | (117.5) | (137.5) | (137.0) | (136.3) | (135.8) | (135.2) | (134.7) | (134.2) |
| Tangible Assets | \$8,677.4 | \$8,511.5 | \$8,398.8 | \$8,356.3 | \$8,110.9 | \$8,171.5 | \$7,785.5 | \$8,016.2 |
| Tangible Equity to Tangible Assets | 6.34% | 6.63% | 6.34% | 6.15% | 6.25% | 5.87% | 6.53% | 6.34% |
| Tangible Common Equity to Tangible Assets | 6.54% | 6.63% | 6.39% | 6.41% | 6.59% | 6.42% | 6.79% | 6.65% |

End of period balances – \$ in millions

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Peer Group

| Name | Ticker | Name | Ticker |
|-----------------------|--------|-------------------------|--------|
| 1st Source Corp | SRCE | Integra Bank Corp | IBNK |
| AMCORE Financial | AMFI | International Bancshrs | IBOC |
| Associated Banc Corp | ASBC | Irwin Financial | IFC |
| Bancorpsouth Inc | BXS | Mercantile Bankshares | MRBK |
| BOK Financial Group | BOKF | Old National Bancorp | ONB |
| Citizens Banking Corp | CBCF | Sky Financial Group | SKYF |
| Commerce Bancshares | CBSH | South Financial Group | TSFG |
| Cullen Frost Bankers | CFR | Susquehanna Bancshrs | SUSQ |
| First Horizon | FHN | TCF Financial | TCB |
| First Merchants Corp | FRME | Trustmark Corp | TRMK |
| First Midwest Bancorp | FMBI | UMB Financial Corp | UMBF |
| Firstmerit Corp | FMER | Valley National Bancorp | VLV |
| Fulton Financial Corp | FULT | Whitney Holding Corp | WTNY |