



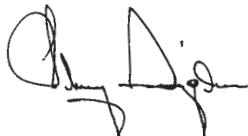
2 0 1 0 A N N U A L R E P O R T

With Proxy Statement and Notice of Annual Meeting

To our valued shareholders:

Throughout 2010, it was our distinct privilege to share the Old National story with a number of audiences including financial analysts, potential clients and community leaders. Yet the discussions we valued most took place with you, our owners.

In the spirit of this invaluable dialogue, we present you with straightforward answers to the questions most commonly posed by Old National shareholders during the past 12 months. We hope that our answers will provide you with even greater insight into the principles and imperatives that guide your company.



Larry Dunigan
Chairman
Old National Bancorp Board of Directors



Bob Jones
President and Chief Executive Officer
Old National Bancorp

Question 1: How would you assess Old National's 2010 financial performance?

Our 2010 financial results represented a notable improvement over 2009. Accomplishments included a nearly 290% increase in net income available to common shareholders; a net interest margin that improved steadily throughout the year; and a 7.3% or \$24.7 million reduction in expenses.

Credit metrics remained well-controlled

Our reduction in the net charge-off ratio and provision expense for the full year 2010 suggests that your company's credit metrics remain well controlled as we continue our consistent, conservative approach to managing risk. Net loan charge-offs for the full year fell to .75%. This represented a 46% improvement from our full year 2009 mark of 1.40%, and our provision expense declined \$32.5 million or 51.4%.

Indicative of the continued challenges facing all financial institutions, our allowance for loan losses was \$72.3 million at December 31, 2010, compared to \$69.5 million at December 31, 2009. While we are hopeful that the credit market will improve in 2011, our realistic assessment is that loan demand is likely to remain at depressed levels for several more quarters.

Deposit balances remained steady

Deposit balances remained relatively steady despite the elimination of our free checking product on July 19, 2010. Some have asked why we chose to be among the first to move away from free checking. The simple answer is we felt it was the right thing for your company. During an early 2010 product pricing review, we considered two significant factors: a decrease in loan demand and loan balances due to the financial crisis, and changes in the regulatory environment that would restrict our ability to collect overdraft fee income.

At the time of our decision, we were confident that eliminating free checking was the best option available. Initial results suggest that we acted appropriately:

- Approximately 83% of net accounts closed between July 19, 2010 and December 31, 2010 had balances less than \$100.
- Our average balance in our most basic checking account on July 31, 2010 was \$2,087; on January 31, 2011, it was \$2,596 – a 24% increase.
- Total balances for all products affected by this change on July 31, 2010 were \$481 million; on January 31, 2011, this number had risen to \$492 million – a 2% increase.

Capital and liquidity ratios remained strong; Board approved stock repurchase plan

We're pleased to report that your company's capital position remained strong in 2010, with regulatory tier 1 and total risk-based capital ratios at December 31, 2010, of 13.6% and 14.8%, respectively. In addition, our ratio of tangible common equity to tangible assets improved to 9.68% at December 31, 2010, compared to 8.25% at December 31, 2009.

Ongoing commitment to expense management

As mentioned, your company reduced expenses by 7.3% or \$24.7 million compared to 2009. We believe this illustrates our ongoing commitment to expense management and improved efficiencies, company-wide. This is an area that we will continue to emphasize as we strive to serve clients as efficiently and effectively as possible.

Monroe Bancorp acquisition

On January 1, 2011, your company completed its previously announced merger with Monroe Bancorp of Bloomington, Indiana. Based on the closing price of \$11.89 per share of Old National common stock on December 31, 2010, the transaction was valued at approximately \$90.1 million.

This acquisition included 15 banking centers in central and south central Indiana, giving Old National the number one market share position in the Bloomington market, while representing a strong cultural fit for the clients and communities served by both institutions.

Question 2: When do you believe that financial stocks will rebound, and how do you assess Old National's 2010 stock performance?

It is difficult to say with certainty when financial stocks will return to a period of normalized performance. Over the longer term, we think that valuations will be based upon investor perceptions of financial stocks as long-term value investments, as opposed to growth stocks. This is how financial sector investments were customarily valued prior to the mid-1990s, and we anticipate a return to this more traditional valuation approach once the economy fully stabilizes.

In terms of Old National's stock price performance, we manage your company's business with a view toward building long-term shareholder value. As a result, we have always preferred to take a long-term approach to evaluating our stock performance or, for that matter, any company's stock performance.

We believe the comparative performance of our stock over the past two years illustrates why a long-term approach is appropriate. In 2009, a historically severe recession and a significant decline in consumer borrowing placed tremendous downward pressure on bank stocks. Yet because of our prudent risk management, Old National's stock outperformed our peer group for the year in virtually every key category.

In 2010, we improved our net income and net interest margin, maintained strong capital and liquidity ratios and significantly reduced expenses in multiple categories. Yet 2010 proved to be a transitional year for bank stocks with loan growth largely replacing credit metrics as the primary driver of stock price. As a result, institutions with significantly depressed 2009 results tended to experience a more substantial gain in their stock price, on a percentage basis, than comparatively steady post-crisis performers like Old National.

As the stewards of your company, we are not satisfied with our 2010 stock performance. Yet we will not compromise our strategic imperatives – and your long-term investment – for the sake of short-term gains. During 2011, we will continue to work hard to increase loan and deposit growth and to improve our efficiency ratio through expense management initiatives. This commitment to expense reduction led us to suspend company-wide incentives and senior management bonuses, and they remain suspended today. It also spurred cost-saving innovations like our new Commercial Banking Unit and Quick Home Refinance product.

Question 3: What makes Old National Bancorp stock a good long-term investment?

When evaluating a bank stock, investors and analysts look for quality earnings growth, disciplined expense management, a well-managed balance sheet, consistency in credit, a strong capital position and transparency in corporate governance.

We think that Old National fares very well when evaluated under these criteria. Our 2010 financial results reflect significant improvement in net income and net interest margin, along with substantial expense reductions. We also remain well capitalized with strong credit metrics. Our continued financial strength positions us to seek out and take advantage of strategic opportunities, such our recent Monroe Bancorp acquisition.

Yet perhaps the most significant reason, in our estimation, that Old National stock remains a strong long-term investment is our commitment to our strategic imperatives:

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

These imperatives have guided your board and management team's decision-making since we established them in 2004, and we believe that continuing to focus on these imperatives will allow us to deliver the greatest long-term value for you, our shareholders. We also believe that our commitment to being an industry leader in corporate governance and transparency, coupled with our consistent, conservative approach to managing risk and capital, has positioned us to weather future economic and industry challenges and to capitalize on positive movements in the economy. To us, this basic, risk-measured approach to community banking continues to define Old National Bancorp stock as a prudent long-term investment.

Question 4: What factors go into determining the quarterly dividend?

When establishing the quarterly dividend, your board and management team must consider not only the present circumstances facing your company, but also challenges and opportunities that may impact future earnings. A number of variables are closely examined on a quarterly basis. These include the economic climate, unemployment, and capital and regulatory concerns such as the recently proposed Basel III guidelines which require banks to hold more capital than ever before.

Please rest assured that every member of your board and management team appreciates the significance of the quarterly dividend to you, our shareholders. We remain committed to paying you first (which is one of the reasons why your company's senior management bonuses remain suspended), and will increase the quarterly dividend as soon as such a decision becomes practical.

Question 5: What differentiates Old National as a financial institution?

We believe this question is more relevant today than ever before as families and businesses search for a partner they can trust to help them build (and in some cases, rebuild) their finances. There are a number of factors that differentiate your company from other institutions, be they large banks, community banks or credit unions.

Strength and stability

Our strength and stability are evident in our financial results, in our capital and liquidity positions and in our ability to engage in consolidation activities. Our strong position is also reinforced by industry leaders like Bauer Financial, which recently rated Old National a 4-star or "excellent" institution, and Forbes Magazine, which in December 2010 ranked Old National among the top 25 banks in the nation for the second consecutive year.

Most importantly, our strength and stability are tied directly to our strategic imperatives, which will continue to guide our mission as a basic, community bank focused on serving the needs of clients and the communities they – and we – call home.

Committed to community engagement and community partnerships

In June 2010, Old National was humbled and honored to join AT&T, the Campbell Soup Company and Intel as 2010 recipients of the Points of Light Corporate Engagement Award of Excellence, arguably the highest annual recognition of corporate volunteer service and community engagement given to a U.S. company.

As a community bank, we continually work to strengthen families and impact lives through Foundation grants, corporate sponsorships and associate volunteerism. In 2010, Old National funded nearly \$3 million in grants and sponsorships, and our associates donated more than 74,000 total volunteer hours in support of more than 2,000 organizations.

Recognized as a leader in ethics and risk management

In 2009 and again in 2010, Old National's corporate culture was certified by the Ethisphere™ Institute, an independent firm that examines a company's organizational health and culture, ethics and compliance programs, and corporate governance systems. Old National was the first financial institution to receive this Ethisphere certification.

Equally noteworthy is our strong RiskMetrics governance rating, which reflects our continued desire to be a world leader in transparency and business ethics and underscores our commitment to risk management.

Question 6: What is Old National's primary focus for 2011?

There are three main areas of concentration for your company in 2011: increasing revenue, continuing to reduce expenses and aggressively pursuing merger and acquisition opportunities.

Increasing revenue

While admittedly this is a challenge for all banks given the current slow growth, low rate environment, we believe our strategy is sound. We continue to streamline processes to make it simpler, easier and faster for our clients to do business with us; we are focused on client acquisition; and we continue to concentrate on innovative cross-selling opportunities, such as marketing our insurance and wealth management products to commercial clients.

Reducing expenses

As detailed in the answer to Question 1, we made significant expense management strides in 2010. And we assure you this will continue to be a primary focus area in 2011. At times this commitment will require difficult decisions. However, your board and management team are committed to making the tough choices necessary to protect your investment and improve the overall efficiency of Old National.

Targeting mergers and acquisitions

We continue to focus on partnership opportunities in growth markets along with opportunities where significant cost savings and synergies can be achieved. Such strategic consolidations improve your company's bottom line while expanding our distribution network. Prospective partners must align well strategically and culturally; must pass a rigorous due diligence process; must meet or exceed key financial targets; and must enhance our mission of being a true community bank.

We will continue to aggressively pursue merger and acquisition opportunities in 2011, while also continuing to be very selective. We owe it to you, our shareholders, to be 100% certain that any potential partnership represents a proper cultural fit for your company while helping to build long-term shareholder value.

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Holiday Management Company
Chairman of the Board
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Retired Chairman and CEO
Bank One Indiana Corp.

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Vectren Corporation

Andrew E. Goebel

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Vectren Corporation

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President and CEO
Old National Wealth Management

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Old National Bancorp is the largest financial services holding company headquartered in Indiana and, with \$7.3 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 Old National Insurance which is one of the top 100 largest agencies in the U.S. and the 10th largest bank-owned insurance agency. For more information and financial data, please visit Investor Relations at oldnational.com.