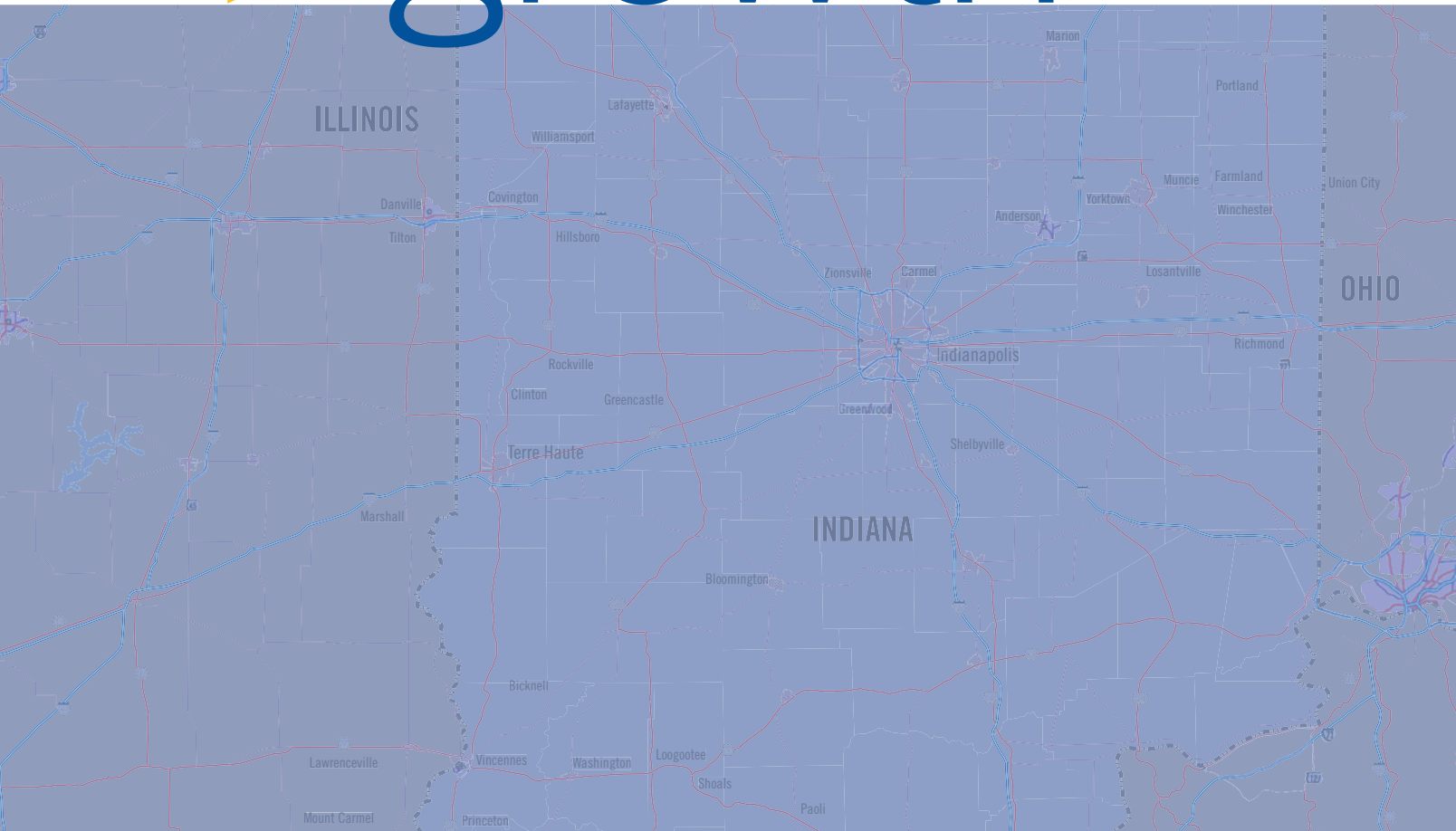


OLD NATIONAL BANCORP

POSITIONED FOR
> growth



2006 ANNUAL REPORT





FINANCIAL highlights

YEAR ENDED DECEMBER 31,

(dollars in thousands, except per share data)

	2006	2005
Income Data		
Net interest income (1)	\$232,243	\$240,670
Fee, service charge and other income	147,902	147,836
Net securities gains	1,471	901
Gain on branch divestitures	3,036	14,597
Gain (loss) on derivatives	1,511	(3,436)
Provision for loan losses	7,000	23,100
Salaries and other operating expenses	264,561	262,107
Income from continuing operations	79,373	78,589
Loss from discontinued operations	-	(14,825)
Net income	79,373	63,764
Per Share Data		
Income from continuing operations (diluted) (2)	1.20	1.15
Loss from discontinued operations (diluted) (2)	-	(0.22)
Net income (diluted) (2)	1.20	0.93
Book value	9.66	9.61
Balance Sheet		
Assets	8,149,515	8,492,022
Loans (3)	4,716,637	4,937,631
Deposits	6,321,494	6,465,636
Shareholders' equity	642,369	649,898
Performance Ratios		
Return on average assets	0.97%	0.74%
Return on average shareholders' equity	12.43	9.31

(1) Includes taxable equivalent adjustments of \$19.5 million for 2006 and \$21.5 million for 2005 using the federal statutory tax rate in effect of 35% for all periods.

(2) Diluted data assumes the exercise of stock options and the vesting of restricted stock.

(3) Includes residential loans held for sale.

2006



annual report

Old National Bancorp is the largest financial services holding company headquartered in Indiana and, with \$8.1 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.


About

Old National Bancorp

POSITIONED FOR growth

As we chart the course for growth for Old National Bank, the landmarks and road signs that direct us are, quite simply, our shared values. These seven principles guide each of us – from board member to manager to teller – in building a solid foundation for sustainable growth and long-term shareholder value.

- It is with **INTEGRITY** that we adhere to the highest ethical standards and business practices.
- The spirit of **TEAMWORK** infuses our associates, creating a palpable energy and momentum as we serve each Old National client.
- **LEADERSHIP** is a responsibility we all share, and the development of our leaders – both today's and those for our future – is a strategic investment for our company.
- Our roots as a **COMMUNITY** bank are deep and wide. Through associate volunteerism and partnerships with visionary organizations we strengthen our communities and impact lives.
- A culture of **RESPONSIBILITY WITH ACCOUNTABILITY** guides our investments and drives our decision making.
- Our **BIAS FOR ACTION** motivates us to be prepared with the best information, tools and products in order to execute with confidence.
- Pride and passion drive us to achieve **EXCELLENCE** in all that we do.



We have consciously chosen to chart a road to long-term growth rather than take shortcuts that produce only temporary improvement – acknowledging that this is a more challenging route requiring time and effort.

To My Fellow Shareholders:

As shareholders, you elect the Old National Bancorp board of directors and entrust us with our primary function of providing oversight of your company. Our role is to define goals and enforce sound standards upon which executive management act in your best interest as they run your company. In turn, the role of Old National executive management is to be responsible for running day-to-day operations and keeping the board informed regarding progress toward our goals. As we worked together in 2006 in our corresponding roles, each decision and subsequent action was clearly focused on positioning Old National for growth.

As our CEO, Bob Jones, will discuss in his letter, your company's management took many steps last year to improve future performance. Through its discussion and approval process, your board was actively involved in these initiatives, which we believe were clearly the right steps to implement as we work to attain our goal of high performance. And though 2006 was a difficult year for our stock, we have confidence that the initiatives that were undertaken do, indeed, position the company for growth.

Your board believes that accountability lies at the very heart of Old National's values and, ultimately, provides the key to building long-term shareholder value. We have clearly and consistently articulated and acted upon this principle to ensure that our board of directors and management team consistently meet the highest standards and adhere to a stringent code of ethics.

Throughout the past year, board committees continued their work. Because of our confidence in the company's long-term potential, midyear we created a mergers and acquisitions committee and endorsed the creation of a management position for corporate development through mergers and acquisitions. The board subsequently approved Old National's acquisition of St. Joseph Capital Corporation in a unanimous October vote.

To strengthen the board's link with the Old National Trust Company and ONB Insurance Group, Inc., the board appointed director Kelly Stanley as chairman of the boards of these subsidiaries. His presence has ensured the full board of continual and objective feedback on these lines of business and first-hand reports regarding their operations.

As the national spotlight continues to shine on issues related to business ethics and corporate governance, the Old National Bancorp board has continued to demonstrate its commitment to strong corporate governance principles in the interest of enhancing the long-term value of your company.

As a board, we strive to stay at the forefront of meaningful and value-added corporate governance practices. We set high ethical standards for our directors and associates alike. Through strong corporate governance standards, we build the confidence of associates, clients and the investment community.

We continue to believe that the separation of the CEO and Chairman positions has created an appropriate and healthy exchange between the board and management. We have established an environment that promotes thoughtful interaction about key decisions, and that benefits you, the shareholder.

In July the board of directors unanimously approved measures that further enhance our corporate governance guidelines through implementation of a majority vote standard for director elections. They also proposed to eliminate staggered terms for Old National Bancorp directors. These board actions demonstrate our unwavering commitment to maintain sound and defined corporate governance practices.

Majority Vote Policy

The new policy guideline states that any nominee for director in an uncontested election who receives a greater number of votes "withheld" from his or her election than votes "for" his or her election shall tender his or her resignation to the chairman of the corporate governance and nominating committee. The committee would then recommend to the board whether the resignation should be accepted. This policy will be in effect for the Old National Bancorp 2007 Annual Meeting of Shareholders.

Annual Election of All Directors

At the Old National Bancorp 2007 Annual Meeting of Shareholders, the board will propose and recommend for approval changes to Old National's Articles of Incorporation to remove the classification of the Old National board and instead provide for an annual election of all directors.

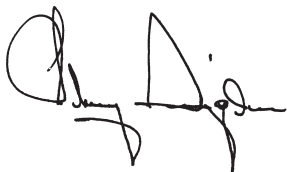
Our pledge to meet the highest standards in corporate governance has been validated by our most recent Institutional Shareholder Services (ISS) Corporate Governance Quotient which ranked Old National in the top 5.3% of financial services companies. The ISS Corporate Governance Quotient (CGQ[®]) rating, provided on more than 8,000 companies worldwide, evaluates the strengths, deficiencies and risks of a company's corporate governance practices and board of directors.

CGQ uses a comprehensive set of objectives and consistently applies criteria for each of the companies rated. The database includes underlying data points for up to 63 corporate variables, categorized under eight areas of focus: 1) board structure and composition, 2) audit issues, 3) charter and bylaw provisions, 4) laws of the state of incorporation, 5) executive and director compensation, 6) progressive practices, 7) director and officer stock ownership, and 8) director education. To facilitate analytical comparison, each company is scored individually, relative to its market index and its industry group.

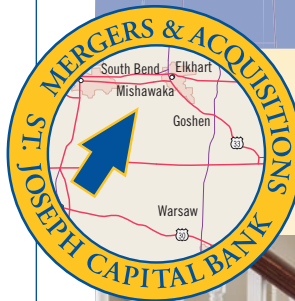
This rating validates our commitment to maintain sound and defined corporate governance practices. We believe these practices are an essential component in our efforts to become a high-performing organization that provides long-term shareholder value.

As a board, we will continue to establish the performance goals for your company. We have consciously chosen to chart a road to long-term growth rather than take shortcuts that produce only temporary improvement – acknowledging that this is a more challenging route requiring time and effort. This path is based solidly on your company's values of integrity, teamwork, leadership, community, responsibility with accountability, bias for action and excellence in all we do. I, along with the entire board of directors, remain committed to this company and to strengthening a decision-making process that reflects our fiduciary responsibility to do what is right for you, the shareholders of Old National Bancorp.

Sincerely,



Larry Dunigan
Chairman
Old National Bancorp Board of Directors



Strategy = Expansion



A similar corporate culture and shared focus on client care serve as the foundation for a successful merger between Old National and St. Joseph Capital. Mishawaka team members include Marion Fulce, VP, Client Advisor - Wealth Management; Jeff Corey, VP, Commercial Relationship Manager; Lennie Gentner, VP, Cash Management Officer; Mary Klute, AVP, Deposit Services; Patti McNarney, VP, Commercial Relationship Manager and Carsten Schmidt, SVP, Commercial Relationship Executive.

- On **October 23** Old National announced a definitive agreement to acquire St. Joseph Capital Corporation.
- St. Joseph has two locations – **Mishawaka and Elkhart, Ind.** – with approximately \$450 million in assets.
- The merger was completed on Feb. 1, 2007.
- The acquisition of **St. Joseph Capital Corporation** was the first bank transaction made by Old National Bancorp since 2000 and was the third largest, by asset size, in the company's history.



“The St. Joseph team is thrilled to merge with such a reputable and community-focused institution. Along with an unwavering commitment to the communities it serves, Old National has a rich history of providing unequalled client care and solutions. This partnership will enable us to provide a multitude of new products and services to our clients.”

John Rosenthal, Sr.
Northern Region CEO, Old National Bank
Former Chairman, President and CEO,
St. Joseph Capital Corporation

proactive partnerships yield big opportunities

When it comes to business clients, Old National Bank has an advantage over our competition: Our clients enjoy “big bank” business services delivered locally by the most passionate, dedicated community bankers in the industry.

When **CheckCare Enterprises**, one of the largest check guarantors in the United States, expanded its online check transaction business, it chose Old National over the big national banks because of our local presence and accessibility. Forming a strong partnership are Rob Snyder, VP, Louisville Preston Pointe Financial Center Manager, Old National; Chris McCarty, Chairman, CheckCare; Debbie Doan, AVP, Cash Management Officer, Old National; Dennis Heishman, Eastern Region CEO, Old National and Cindy Schneider, EVP, Business Development, CheckCare.



“There were a lot of larger banks that had the services we needed,” said Cindy Schneider, executive vice president of Louisville-based CheckCare Enterprises. “But one of the things we found incredibly attractive is Old National’s local presence and accessibility. Every person at Old National, from the president down, has always taken our calls.

“They have always helped us with any issue we have. That’s huge.”

Old National has had a relationship with CheckCare for several years. In 2006, the company began looking for a bank to handle online check transactions, now a cornerstone of their business.

Not only did Old National have the technology to handle CheckCare’s new online needs, our bankers showed the company how we could tailor other products to serve them better.

Old National’s long-term success is clearly intertwined with the success of our clients. Defined as “partnership banking,” this symbiosis is based on much more than transactions, it is a commitment to long-term relationships and exemplary service.

“That’s where our growth is coming from,” said Barbara Murphy, chief banking officer of Old National Bank. “We’re not going after the mega-loan deals; we’re focusing on providing full relationship services with multiple products, so we can take care of our clients and all their needs.

“Businesses want delivery according to that model. We are winning more business – and helping more clients – by being a proactive partner.”

That focus on having the best products and service made Old National Bank the right choice for the French Lick Resort Casino when it opened in late 2006.

The \$382 million historic restoration of **French Lick Resorts and Casino** has created many new opportunities in Southern Indiana including a strong banking partnership between the resort and Old National. Integral to this relationship are: Dan Weindruch, CFO, French Lick Resorts and Casino; Thomas Lamb, VP, Paoli Banking Center Manager, Old National; Linda Perin, Director of Casino Finance, French Lick Resorts and Casino; Scott Spurlock, General Manager, French Lick Resort; John Key, President, South Central Indiana/Illinois Region, Old National; Brenda Sorley, Financial Controller, French Lick Resorts and Casino; Brenda Schaus, Cash Management Officer, Old National.



“Old National demonstrated the desire to get our business at a much higher and more enthusiastic level than anyone else,” said Dan Weindruch, chief financial officer for the resort and casino. “They’ve been very responsive to our every need and request. We couldn’t ask for more.” All of French Lick’s depository accounts are handled by Old National Bank.

According to Weindruch, many banks were equipped to handle their business. However, no other bank was as committed to serving them.

“They always have someone on call for us – we have cell phone numbers,” Weindruch said. “I’ve never been in a casino in which we didn’t run into instances where there was an emergency and we needed the attention of our banking institution. They have done everything they can, from the beginning, to make this a positive relationship and meet our needs.”

2006 OLD NATIONAL BANCORP roadmap to growth

January
2006

Began the **Year of Unbeatable Checking** with a clear, company-wide focus on new direct deposit account growth.

Launched the Old National Foundation to help us achieve our commitment to strengthen communities and impact lives.

Began a strategic **shift in focus from middle-market businesses to small businesses** and increased our emphasis on delivering cash management products and services.

March
2006

Divested holdings in O'Fallon, Ill.

April
2006

Improved management efficiency, company-wide, and streamlined mortgage operations.

May
2006

Opened our second financial center in the **Louisville market** on Shelbyville Road.

June
2006

Named Harold "Slug" Clemmons Jr. to facilitate and oversee **mergers and acquisitions**.

Established a strategic mortgage relationship with **SunTrust Mortgage, Inc.**

October
2006

Partnered with the Principal Group to outsource investments and administration of associate benefits plans.

Opened two new financial centers (Geist and Greenwood East) in the **Indianapolis market**.

Announced our intention to **acquire St. Joseph Capital Corporation** of Mishawaka, Ind.

November
2006

Announced **strategic consolidations** in several markets to strengthen banking operations.

Opened our first full-service financial center in **Lafayette, Ind.** on Creasy Lane.

Unveiled a **process-driven performance optimization plan** focusing on expense reduction, fee income increases and improved margin.

Named **Barbara Murphy** to **chief banking officer** position to strengthen communications among regions and enhance corporate-wide performance.

December
2006

Completed the **sale and leaseback** of three Old National properties in downtown Evansville, Ind.

Reported the contribution of more than **31,000 associate volunteer hours** with 1,200-plus organizations in 2006.

2007



A culture of accountability at every level of the company is critical to our drive for high performance.

Dear Fellow Shareholder:

In 2006, Old National took conscious and consistent steps to position itself for growth. While there is no question that this was a difficult year for our stock, I do believe that our strategy is successfully building a platform for sustainable growth and long-term shareholder value.

We began 2006 with our share price at \$21.64 and ended the year with a price of \$18.92. This is clearly not the performance that you expect or that we believe reflects the potential of your company. In this letter, I want to explain why we saw this occur and, more importantly, convey the passion and confidence that I have in your company.

We did continue to make important progress in 2006 in turning your company around. The actions listed on page five are largely responsible for the improvement. However, rising interest rates and a slowing Midwestern economy did create a difficult operating environment for banks. That, in addition to the competitive landscape in which we operate, made our efforts to improve performance more challenging.

Due in part to these external factors, it is taking longer to improve Old National's performance than I had anticipated. Another factor is the elongated cycle of change that needed to occur within the company. Without a doubt, we have wonderful people. Our associates share a passion for Old National and are willing to do all that it takes to achieve the goals we have set. But in order to capitalize on their dedication and initiative, we needed to build a necessary support structure to allow them to excel at their jobs.

Part of that support structure is maintaining a healthy balance between loan growth and credit quality. Because taking on increased credit risk will not position us for healthy and sustainable growth, we remain very cautious regarding certain areas of our economy, most notably commercial real estate. There is certainly growth occurring in the sector. Our prudent caution may result in balance sheet growth that is slower than some of our peers. I acknowledge that if we have been overly cautious, it may impact short-term growth; but should we take on risk that proves unwise, it can cause long-term credit problems that, ultimately, impede consistent and sustainable earnings.

Our goal of becoming a high performance company – one that ranks in the top quartile of our peers in the key financial measures we use to calibrate our performance – though ambitious is clearly attainable. To achieve it, our associates need to embrace a consistent strategy they know will not be subject to constant change. While we will continue to refine the actions we take to fulfill our strategy, we strongly believe we have charted a direction that is taking us to high performance.

Allow me to update you on the three strategic imperatives that comprise the basis of our decision-making.

Strengthen the Risk Profile

The ongoing need to strengthen our risk profile is the foundation of our strategic imperatives. Risk management is a basic tenet of banking, and banks that fail to adequately manage their credit, compliance and balance sheet risk cannot build long-term, sustainable shareholder value.

Old National's credit risk continued to improve last year. Non-accrual loans, those that are the worst in terms of credit quality, were reduced by 25% from 2005. In addition, charged-off loans were at their lowest level in four years and the amount of loan provision we were required to take to offset potential credit losses was at its lowest level since 1995. While we made significant and measurable progress, we have not yet attained levels needed to achieve high performance. We remain diligent in our efforts to improve the credit process while continuing to build and expand client relationships.

We also continued to strengthen our internal controls and monitoring. Federal regulations and guidelines mandate programs like the Bank Secrecy Act to protect our clients and others in today's banking environment. We work closely with the agencies that provide oversight to ensure that we fully meet these obligations, and we will continue to provide associates with all the necessary training and tools needed to accomplish that goal.

In the first quarter of 2007, we took additional action to improve the risk on our balance sheet. In conjunction with our acquisition of St. Joseph Capital Corporation, located in Mishawaka and Elkhart, Ind., we sold a portion of our lower yielding investments. This action, in combination with the sale and leaseback of three downtown Evansville buildings in late 2006, improves our net interest margin. This is very significant as for many years we have lagged behind our peer group in this important driver of earnings.

Enhance Management Discipline

A culture of accountability at every level of the company is critical to our drive for high performance. In addition to monthly scorecard meetings with line of business managers and regional presidents, our Chief Financial Officer Chris Wolking established financial budgets at the banking center level, linking each center's compensation to achievement of their budget. In addition, Chris and his team visited nearly every banking center to reinforce their important role in achieving high performance.



Old National + Colts



When it comes to partnerships, there are many ways to define success. And by any measure you choose, Old National Bancorp's 2006 sponsorship of the **Super Bowl Champion Indianapolis Colts** was a winning affair.

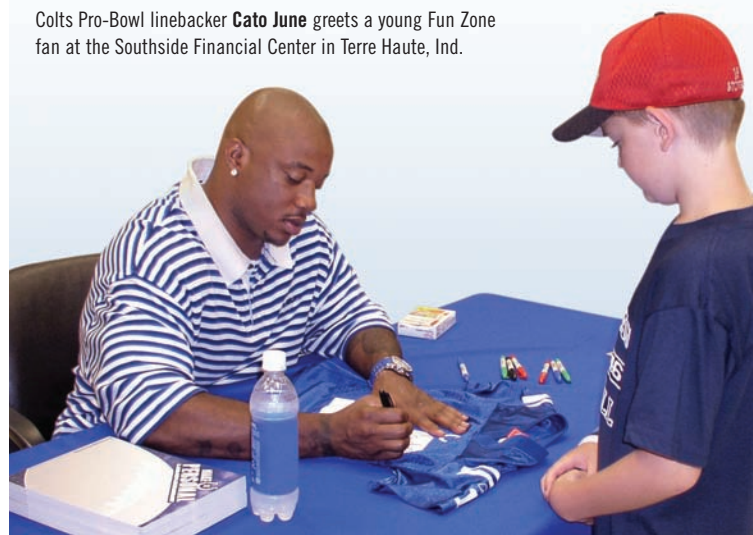
Nearly 30% of these accounts were opened by new bank clients. And these new checking account owners have an average of 4.4 services per household.



Other highlights of our 2006 Colts sponsorship:

- More than **675,000** RCA Dome attendees experienced the Old National name and message in a variety of ways including logo placement on the JumboTron scoreboard.
- We generated valuable traffic at Old National Bank locations by hosting **Colts Fun Zone** activities and player appearance special events in a number of communities including Muncie, Terre Haute, Bloomington and Evansville.
- In a company-wide survey, **83%** of Old National associates responded favorably to the sponsorship with many pointing out that it generated brand awareness and created new sales opportunities.

Colts Pro-Bowl linebacker **Cato June** greets a young Fun Zone fan at the Southside Financial Center in Terre Haute, Ind.



We also continued our focus on ensuring the best return for the dollars we spend. A complete review of our branch system determined that seven banking centers had not and could not achieve the financial targets necessary to provide a proper return on shareholder investment. Consequently, we decided to consolidate these centers with others in close proximity to their service areas. In making these decisions, we felt we could continue to serve our communities and clients through these consolidated locations while enhancing shareholder return.

A very important 2007 goal is to continually improve client service and relationship building. We employ excellent bankers. My job is to give them the tools and products that allow them to best serve their clients. This means we need to regularly review our long-standing processes and eliminate those our clients no longer consider necessary or important.

To that end, we appointed Barbara Murphy, a talented individual with more than 30 years of banking experience, as our chief banking officer. Her expertise is assisting us in designing systems and processes that better equip associates to exceed our clients' expectations. I have great confidence that Barbara, along with our excellent regional management team, will significantly improve our levels of sales and service.

Achieve Consistent Quality Earnings

While we have not yet attained this goal, I am confident that fulfilling the first two strategic imperatives will build the platform we need to achieve high performance that produces consistent quality earnings. To do so, we continue to focus on execution and strategic investment in both existing and new markets.

As we work to reach this goal, I ask myself the following questions:

Are we doing all that is necessary to turn Old National around?

Yes. I firmly believe we are. There are certainly areas we will continue to develop and opportunities that we may need to address. But our focus remains constant on the key areas that can improve the performance of your company. Yes, it is taking longer than expected, but we have never wavered from our belief that we are laying a foundation that will ultimately provide you with sustainable, long-term value.

There is a passion and excitement that continues to build inside Old National. I believe this, as much as anything, positions us well for growth. There is also a belief from analysts that follow your company that we are taking all the necessary steps to improve our performance. Our participation in investor

(continued on page 8)



We combine our large bank product and service expertise with the passion and local focus of a smaller community bank. This combination gives us a truly unique competitive advantage.

conferences and meetings around the country, as well as the Analyst/Investor Conference we hosted in Evansville in November have clearly demonstrated our commitment to open and honest communication with the entire investment community. Most of those who attended that event shared with us their belief that management is implementing the necessary strategies to improve the company's performance.

That said, as a fellow shareholder, I share your frustration with the price of our stock. But I also want to assure you that while the actions we are taking may cause the turnaround to be slower than desired, they will create a solid foundation free from long-term problems that could cause us to regress to the performance levels of prior years.

Do we have the right people and are they passionate about their clients?

Absolutely. Associates like Barb Cox, the 2007 Wayne Henning Volunteer Award winner; Client Care Group Supervisor Mary West; and Chris Kroll in Bloomington, our newest Regional President, make Old National the special place it is.

Wherever I travel, clients tell me how committed our associates are to serving them. When I visit Old National support team members, I am at times overwhelmed by the passion these critical associates bring to their jobs. Their passion, in turn, empowers those at the front line to serve our clients more efficiently and effectively. I realize how blessed I am to be able to depend day in and day out on such a hard working, dedicated team of associates.

In February 2005, Old National enlisted Bank Administrative Institute (BAI), a leading provider of research, education and training to financial services companies, to help us increase associate commitment in ways that would positively impact performance and profitability. BAI was so impressed with our progress that it published a research article last August highlighting our improvement, noting:

- 24% improvement in our associate commitment score,
- 28% decline in our turnover rates, and
- strengthened associate emotional tie to the organization, further enhancing client value and our "employer of choice" position.

The BAI report attributes these gains to the two-way communication tools we established between associates and leadership including Associate Commitment Teams, a suggestion e-mail box, the *Ask Bob* e-mails I receive, our all-associate Town Hall meetings and the development of a scorecard for top leaders.

Our associates' overwhelming response to the call to volunteerism through our *ONe* Community program also confirms we have the right people on our team. They contributed more than 31,000 total hours in 2006, serving more than 1,200 social service organizations within their communities. In addition, the establishment of the Old National Bank Foundation helped advance our mission in accordance with our strategic plan and allows us to continue our rich history of charitable giving. Associates frequently share with me the pride they feel in your company as they represent us in efforts that impact lives and strengthen their communities.

I am optimistic about the future because we have great people working for Old National. It is my responsibility to break down any barriers that prevent them from doing their jobs successfully, instill in them the confidence and pride they deserve to have in their company and then encourage them to be passionate about serving their clients. That is what is making us a winner again.

Are we in the right markets and can we achieve our goals in these markets?

I believe we are and we can. That said, we continue to strengthen our market position. With strategic investments in Indianapolis and Louisville, we added three new banking centers in these key and growing areas. In addition, we opened a new, full-service banking center in Lafayette, Ind., in November, with another slated to open before the end of this year.

These investments, along with our acquisition of St. Joseph Capital Corporation, located in its strong Northern Indiana market, enhance our position for growth. But I also believe there is untapped growth potential in every market we serve. Two of our best-performing regions in 2006 were Western Kentucky and Terre Haute, Ind., neither of which is known for strong economic growth. But both markets have terrific teams and their presidents, Peggy Williams and Don Schroeder, respectively, focus on implementing our strategies and continually improving performance. These successes give me well-founded hope that we can win in any market.

We are the largest financial institution headquartered in Indiana, and it is our goal to be Indiana's bank. I believe there is great value to both our shareholders and the state to have a strong, viable bank headquartered here. This vision, coupled with our commitment to local market accountability, confirms my sense that we are in the right places.

Do we have a competitive advantage in our strategic positioning?

We do because we combine our large bank product and service expertise with the passion and local focus of a smaller community bank. This combination gives us a truly unique competitive advantage. Our commitment to our communities is incomparable, and we believe this emphasis strengthens the economic viability of our markets. Our focus on local market accountability allows us to be truly responsive to each community and its unique clients. When a client has a more sophisticated banking need, such as a complex credit, cash management, investment or trust need – we can deliver it. And more importantly, we deliver it locally, giving us a tremendous advantage over our competition. When you combine this advantage with the quality of our associates, it gives me great confidence that we can compete very well in every market we serve.

I am often asked if I am happy that I made the move to Old National. I answer with a resounding “yes.” This is a great company with a terrific heritage and outstanding people. Your board of directors is working tirelessly to ensure that we meet your needs as shareholders, and I could not ask for a better business environment in which to work. I love this company and feel a strong obligation to you to ensure we meet our goals.

We position for growth by building on the foundation that is Old National: maintaining our focus as a true community bank and increasing the passion with which we serve our clients and communities. We will continue to create a culture where our associates know they are winners and because of this will share an intense pride in their company that makes it unbeatable. Finally, we will implement this business model to build long-term shareholder value so that you will feel as positive about your company as I do.

I continue to invest in and passionately believe in your company. As always, I deeply appreciate your support, guidance and interest.

Sincerely,



Bob Jones
President and Chief Executive Officer
Old National Bancorp



Checking * Relationships



The opening of a new banking center in Lafayette, Ind., allows us to introduce Unbeatable Checking to a market ripe with business and retail banking opportunities. In its first six weeks of operation, the center exceeded \$6.4 million in deposits.



UNBEATABLE CHECKING

Increasing low-cost demand deposit accounts – both business and personal – was the goal for every Old National associate in 2006.

- In 2006, ONB sold **45,878** personal checking accounts and **5,194** business checking accounts.
- Overall checking household retention increased from **81.22%** to **84.13%**.
- We successfully introduced our Community Hero checking account, an affinity product exclusively for healthcare workers, teachers, active military/veterans and law enforcement and emergency personnel.
- Introduction of ONB Rewards “Refer a Friend” program produced more than **13,000** new checking accounts due to referrals from associates and clients. Referrers can earn free gifts when they recommend friends and family to Old National.

Top checking performers for 2006 were:

- Top Producer: Highest Checking Deposit Dollars – **Iva “Jo” Haley**, Carmi, Ill.
- Top Producer: Highest Number of Checking Accounts – **Kimberly Walters**, Carbondale, Ill.
- Top Teller: Most Checking Account Referrals – **Carol Rivest**, Muncie, Ind.

OLD NATIONAL

A mission to succeed

Mission

To consistently exceed the expectations of our clients, associates and shareholders.

Vision

To be recognized in our communities as THE bank that builds long-term, highly valued relationships with our clients. These loyal relationships will be earned through the passionate commitment of our enthusiastic and energetic team of associates that provide unequalled client care and solutions. This commitment and focus on our clients and communities will result in consistent quality earnings for our shareholders.

Values

Integrity
Teamwork
Leadership
Community
Responsibility with Accountability
Bias for Action
Excellence



Chris Dennis

**2007 CEO
Award Winner**

**Banking Center Manager
Greenville, Ky.**

Each quarter, Old National associates nominate colleagues for *One Vision* awards to recognize teams or individuals who live out the company's values of integrity, teamwork, leadership, community, responsibility with accountability, bias for action and excellence. Fourteen winners are chosen each quarter, representing each banking region and line of business.

Beginning this year, the CEO Award honors one associate for "truly exceptional representation of Old National Values." From among the 56 quarterly recipients in 2006, CEO Bob Jones selected Assistant Vice President and Banking Center Manager Chris Dennis of Greenville, Ky., to receive the honor.

Chris joined Old National at age 17 and, for nearly 15 years, has built a career that with every decision and choice reflects his company's values. In his community, he's known for his leadership in activities ranging from the American Cancer Society's Relay for Life to Junior Achievement and youth sports. He was among those who headed to Mississippi in the aftermath of Hurricane Katrina and, last summer, spent vacation days re-roofing a home in an impoverished Nashville, Tenn., neighborhood.

"Chris epitomizes the values of Old National both on the job and in the community," says President and CEO Bob Jones. "He continually displays a can-do attitude with a positive vigor that's reflected in his associates. Most of all, he selflessly serves his clients and community for their benefit – not his own."

"I grew up in sports," Chris explains, "and our value of teamwork means a great deal to me. I love my community, and I'm grateful to work for a company that believes it's part of my job to impact lives and strengthen communities through volunteering."



OLD NATIONAL

directors, executive leadership and bank management

Board of Directors

Larry E. Dunigan
Chairman and CEO
Holiday Management Company
Chairman of the Board
Old National Bancorp

Joseph D. Barnette Jr.
President
The Sexton Companies

Alan W. Braun
Chairman, President and CEO
Industrial Contractors, Inc.

David E. Eckerle
Retired Community Chairman
and CEO
Old National Bank, Jasper, Indiana

Niel C. Ellerbrook
Chairman, President and CEO
Vectren Corporation

Andrew E. Goebel
Retired President and COO
Vectren Corporation

Robert G. Jones
President and CEO
Old National Bancorp

Phelps L. Lambert
Partner, Lambert & Lambert
Real Estate Development

Marjorie Z. Soyugenc
Executive Director and CEO
Welborn Baptist Foundation, Inc.

Kelly N. Stanley
President
BMH Foundation, Inc.

Charles D. Storms
Chairman, President and CEO
Red Spot Paint & Varnish Co., Inc.

Executive Leadership Group

Robert G. Jones
President
CEO

Barbara A. Murphy
Senior Executive Vice President
Chief Banking Officer

Christopher A. Wolking
Senior Executive Vice President
Chief Financial Officer

Caroline J. Ellspermann
Executive Vice President, Bancorp
President, Wealth Management

Thomas A. Flynn
President and CEO
ONB Insurance Group

Dennis P. Heishman
Eastern Region CEO

Annette W. Hudgins
Executive Vice President
Chief Administrative Officer

Jeffrey L. Knight
Executive Vice President
Chief Legal Counsel/Government Relations

Daryl D. Moore
Executive Vice President
Chief Credit Officer

Allen R. Mounts
Executive Vice President
Chief Human Resources Officer

Candice J. Rickard
Executive Vice President
Chief Risk Officer

John W. Rosenthal Sr.
Northern Region CEO

Donald A. Schroeder
Central Region CEO

John W. Stanley
Southern Region CEO

Ex-Officio Member
Richard W. Dubé
Executive Vice President
Chief Audit Executive

Bank Management

Barbara A. Murphy
Chairman
Old National Bank

Dennis P. Heishman
Eastern Region CEO
Louisville, Kentucky

John W. Rosenthal Sr.
Northern Region CEO
Mishawaka and Elkhart, Indiana

Donald A. Schroeder
Central Region CEO
Terre Haute, Covington, Clinton
Greencastle, Lafayette and
Rockville, Indiana; Danville, Illinois

John W. Stanley
Southern Region CEO
Evansville, Tell City, Mt. Vernon, Boonville, Newburgh
and Princeton, Indiana; Carmi and Mt. Carmel, Illinois;
Henderson and Morganfield, Kentucky

Jeffrey S. Carnes
President, Northeast Region
Muncie, Anderson, Winchester, Richmond
and Portland, Indiana; Union City, Ohio

John W. Key
President, South Central Indiana/Illinois Region
Jasper, Vincennes, Washington and Paoli, Indiana;
Lawrenceville, Illinois

Christopher J. Kroll
President, North Central Region
Bloomington, Indiana

Randall D. Reichmann
President, Indianapolis Region
Indianapolis, Greenwood, Carmel
and Zionsville, Indiana

Jeffrey J. Speith
President, Southern Illinois Region
Carbondale, Harrisburg, Marion
and Mt. Vernon, Illinois

Peggy M. Williams
President, Western Kentucky Region
Greenville, Madisonville and
Owensboro, Kentucky

SELECTED financial data

Results of Operations

(dollars in thousands, except per share data)	2006	2005	2004	2003	2002	2001	Five-Year Growth Rate
Net interest income (1)	\$232,243	\$240,670	\$255,652	\$280,414	\$304,697	\$312,620	(5.8)%
Fee and service charge income	147,902	147,836	149,162	140,512	122,972	108,197	6.5
Net securities gains (losses)	1,471	901	2,936	23,556	12,444	4,770	(21.0)
Gain on branch divestitures	3,036	14,597	-	-	12,473	-	N/M
Gain (loss) on derivatives	1,511	(3,436)	10,790	8,874	25,959	-	N/M
Loss on extinguishment of debt	(129)	-	-	-	-	-	N/M

Total revenue (1)	386,034	400,568	418,540	453,356	478,545	425,587	(1.9)
Provision for loan losses	7,000	23,100	22,400	85,000	33,500	28,700	(24.6)
Salaries and other operating expenses	264,561	262,107	309,403	275,801	252,317	245,109	1.5
Merger and restructuring costs	-	-	-	-	-	9,703	N/M
Income taxes (1)	35,100	36,772	26,424	29,504	65,230	49,031	(6.5)
Income from continuing operations	79,373	78,589	60,313	63,051	127,498	93,044	(3.1)
Discontinued operations (after-tax)	-	(14,825)	2,751	2,471	632	-	N/M
Net income	\$ 79,373	\$ 63,764	\$ 63,064	\$ 65,522	\$128,130	\$ 93,044	(3.1)%

Per Share Data

Income from continuing operations (diluted) (2)	\$1.20	\$1.15	\$0.86	\$0.90	\$1.80	\$1.29	(1.4)%
Net income (diluted) (2)	1.20	0.93	0.90	0.93	1.81	1.29	(1.4)
Cash dividends paid	0.84	0.76	0.72	0.69	0.63	0.56	8.4
Book value at year-end	9.66	9.61	10.16	10.31	10.67	9.03	1.4
Stock price at year-end	18.92	21.64	24.63	20.72	20.99	20.77	(1.8)

Balance Sheet Data (at December 31)

Total assets	\$8,149,515	\$8,492,022	\$8,898,304	\$9,363,232	\$9,612,556	\$9,080,473	(2.1)%
Loans (3)	4,716,637	4,937,631	4,987,326	5,586,455	5,769,635	6,132,854	(5.1)
Deposits	6,321,494	6,465,636	6,418,709	6,494,839	6,436,935	6,616,440	(0.9)
Other borrowings	747,545	954,925	1,306,953	1,613,942	1,220,171	1,083,046	(7.1)
Shareholders' equity	642,369	649,898	704,092	720,880	750,991	639,235	0.1

Performance Ratios

Return on average assets	0.97%	0.74%	0.69%	0.69%	1.38%	1.05%	
Return on average shareholders' equity	12.43	9.31	8.83	8.72	18.43	14.45	
Dividend payout	70.02	81.06	79.72	73.82	34.28	43.13	
Average equity to average assets	7.81	7.94	7.83	7.86	7.50	7.27	
Net interest margin (1)	3.15	3.09	3.08	3.18	3.54	3.77	
Efficiency ratio							
(noninterest expense/revenue) (1)	68.53	65.43	73.92	60.84	52.73	59.87	
Net charge-offs to average loans (3)	0.37	0.60	0.61	1.21	0.34	0.45	
Allowance for loan losses to ending loans (3)	1.44	1.60	1.72	1.70	1.52	1.21	

Other Data

Number of full-time equivalent employees	2,568	2,572					
Number of shareholders	25,672	26,446					
Number of shares traded (in thousands) (2)	46,829	31,534					

(1) Includes the effect of taxable equivalent adjustments of \$19.5 million for 2006, \$21.5 million for 2005, \$23.9 million for 2004, \$25.1 million for 2003, \$25.2 million for 2002, and \$21.3 million for 2001, using the federal statutory tax rate in effect of 35% for all periods.

(2) All share and per share data have been adjusted for stock dividends. Diluted data assumes the exercise of stock options and the vesting of restricted stock.

(3) Includes residential loans held for sale.

N/M = Not meaningful



CORPORATE information

Annual Meeting

The Annual Meeting of Shareholders will be held Thursday, May 17, 2007, at 9:00 a.m. Central Daylight Time at Shanklin Theatre on the campus of the University of Evansville, 1800 Lincoln Avenue, Evansville, Indiana.

Corporate Office

One Main Street
Evansville, Indiana 47708
812-464-1291
oldnational.com

Stock Information

Old National stock is traded on the New York Stock Exchange (NYSE) under the ticker symbol ONB. The Stock Transfer Agent is Old National Bancorp, Post Office Box 929, Evansville, Indiana, 47706-0929. There were 25,672 shareholders of record as of December 31, 2006.

Stock Purchase and Dividend Reinvestment Program

The company offers a direct stock purchase and dividend reinvestment plan to all interested investors.

For information concerning this convenient method of purchasing shares of stock, contact:

Shareholder Services Department
Old National Bancorp
Post Office Box 929
Evansville, Indiana 47706-0929
812-464-1296
800-677-1749
shareholderservices@oldnational.com

Additional Information

Shareholders and interested investors may obtain information about the company upon written request or by calling:

Lynell J. Walton, CPA
Vice President, Director of Investor Relations
Old National Bancorp
Post Office Box 718
Evansville, Indiana 47705-0718
812-464-1366
lynell.walton@oldnational.com

Equal Opportunity Employer

The company maintains its commitment to equal opportunity and affirmative action in employment practices, policies and procedures, and pledges to recruit, train and promote individuals in all job classifications without regard to race, color, religion, age, sex, sexual orientation, gender identity, national origin, disability or military service.



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