

2 0 0 9 A N N U A L R E P O R T

With Proxy Statement and Notice of Annual Meeting



Financial Highlights

Year Ended December 31,

2009

2008

(dollars in thousands, except per share data)

Income Data

Net interest income (1)	\$252,230	\$262,651
Fee, service charge and other income	153,984	154,231
Net securities gains (losses)	27,251	7,562
Impairment on securities, net	(24,795)	-
Gain (loss) on derivatives	719	(1,144)
Gain on sale leasebacks	6,301	6,320
Provision for loan losses	63,280	51,464
Salaries and other operating expenses	338,956	297,229
Net income	13,737	62,478
Earnings available to common shareholders	9,845	62,180

Per Common Share Data (2)

Net income (diluted)	0.14	0.95
Book value	9.68	9.56

Balance Sheet

Assets	8,005,335	7,873,890
Loans (3)	3,908,276	4,777,514
Deposits	5,903,488	5,422,287
Preferred shareholders' equity	-	97,358
Common shareholders' equity	843,826	633,507

Performance Ratios

Return on average assets	0.17 %	0.82 %
Return on average common shareholders' equity	1.41	9.49

- (1) Includes taxable equivalent adjustments of \$20.8 million for 2009 and \$19.3 million for 2008 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 and finance leases held for sale.

Annual Meeting

The Annual Meeting of Shareholders will be held Tuesday, May 11, 2010, at 9am Central Daylight/Evansville Time at the William L. Ridgway University Student Center on the Campus of the University of Evansville, 1800 Lincoln Avenue, Evansville, Indiana.

About Old National Bancorp

Old National Bancorp, which celebrated its 175th anniversary in 2009, is the largest financial services holding company headquartered in Indiana and, with \$8.0 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. The common stock of Old National Bancorp trades on the New York Stock Exchange under the symbol "ONB." Investor information is available on the company's website at oldnational.com.

Old National is an equal opportunity and affirmative action employer.

Letter to Shareholders

From Chairman of the Board Larry Dunigan and President and CEO Bob Jones

Dear Fellow Shareholder:

A year ago in this report, we predicted that 2009 would be a year of significant economic challenges. Unfortunately, this prediction was confirmed. With a global recession gripping the nation and unemployment reaching 10% in many communities, 2009 was a difficult one for countless families and businesses.

It was also an exceptionally trying year for banks – on Wall Street and on Main Street. A total of 140 institutions failed, compared to 25 in 2008, and most experts believe that number will climb in 2010.

Yet Old National Bancorp remained a beacon of strength and stability in 2009, its landmark 175th anniversary year, as evidenced by positive annual earnings derived in an environment when so many financial institutions lost money. We're pleased to report that throughout the year your company was recognized by ratings organizations, regulatory officials, banking analysts and business publications as a well-capitalized financial institution with strong operating fundamentals and sound credit metrics.

Old National and the Troubled Asset Relief Program (TARP)

In late 2008, the federal government and the Federal Reserve implemented the Direct Capital Purchase Program, which became better known as TARP. Originally intended to allow banks with distressed or "toxic" assets to remove them from their books, TARP ultimately became a direct capital investment program, with the U.S. Treasury purchasing preferred shares of banks.

As reported last year, Old National chose, after considerable analysis, to participate in the Direct Capital Purchase Program for

healthy banks because the Board and management team believed it was the right decision for your company, our communities and the country. But the rules and perceptions surrounding the program changed dramatically in early 2009, and participation became akin to a scarlet letter. We reacted to these changes swiftly, and your company was among the first four banks in the nation to repay TARP and buy back the associated warrant. The dividend rate on the payback was 5%, with total cash paid to the government equaling \$2.7 million (\$1.5 million in dividends, plus \$1.2 million to buy back the warrant).

"Old National was among the first four banks in the nation to repay TARP and buy back the associated warrant."

Prior to taking this significant step, Old National voluntarily conducted a stress test of the company's financial health with the assistance of an independent third party. The company passed this self-administered test with flying colors, demonstrating that its capital position was more than sufficient to pay back the TARP funds.

2009 Results

Given the extraordinary challenges facing the banking industry in 2009, we were pleased to report full-year earnings for Old National Bancorp of \$.14 per common share, which equates to net income available to common shareholders of \$9.8 million. While this represents a significant decline from full-year 2008 results of \$.95 per common share and \$62.2 million in net income available to common shareholders, it is important to note that the economic crisis that impacted both the industry and

the global economy rose to the surface in late 2008. In this historically difficult operating environment, achieving positive earnings in 2009 was a challenge for virtually all banks and an impossible task for many.

This difficult environment particularly impacted lending, where the challenges facing loan clients required Old National to provide \$63.3 million to the 2009 reserve for loan losses, compared to \$51.5 million during 2008. Throughout the year, the demand for borrowing was severely diminished, resulting in decreases in all major loan categories. As a consequence, net interest income on a fully taxable equivalent

basis declined \$10.4 million during the year to \$252.2 million, and net interest margin for 2009 was 3.52% compared to 3.82% in 2008. Despite this significant reduction in loan demand, we remain optimistic as we continue to work with clients, strengthening those relationships and standing ready to serve their needs when the economy rebounds.

Indicative of the times, Old National recorded other-than-temporary impairment charges relating to credit losses on select securities totaling \$24.8 million during the year. However, these charges were offset with gains on securities sales of \$27.3 million during 2009. Most of these securities sales helped to better position the company's investment portfolio for inevitable increases in interest rates. It also shortened the duration of the portfolio in the second half of 2009, providing greater flexibility as clients' borrowing needs increase.

Non-interest expenses did increase in 2009, primarily due to the addition of the Indiana network of Charter One, which was acquired

in March, as well as the increased FDIC assessment charges levied on all banks. Total expenses for the year were \$339 million, including an increase in salaries and benefits of \$13.6 million and an increase in occupancy expense of \$7.4 million. Most of these increases were related to the Charter One acquisition.

The FDIC assessment expense was \$12.4 million for 2009, an increase of \$10.9 million over 2008 levels.

While earnings fell during 2009, the financial health and stability of Old National continued. Despite the increase in provision expense, loan quality was well controlled and statistics in this area compared very favorably to peers. Non-performing loans, the worst loan category, represented just 1.71% of the total loan portfolio, compared to 3.21% for our peer group.

Old National capital metrics also topped the peer group, with tier 1 capital at 14.3% and total risk-based capital at 16.1%, compared to peer group averages of 12.0% and 13.5%, respectively. In addition, the tangible common equity ratio at the end of 2009 was 8.25%, while the peer group average was 6.58%. Your company's financial stability and liquidity were also evidenced by an increase in total core deposits, which ended 2009 at \$5.8 billion compared to just \$5.3 billion at the end of 2008. Indeed, depositors recognized the strength and stability of Old National during these trying times.

As the chart at right illustrates, Old National stock depreciated 28.96% in 2009. While this performance is superior to peer group average – and the three-year average performance is significantly better than peer group – we clearly understand that you expect better.

“Forbes Magazine...published an online ranking of the 100 largest banks in the United States. We're proud to say your company ranked 18th best, the highest of any Indiana- or Kentucky-based bank.”

The Definition of a Community Bank

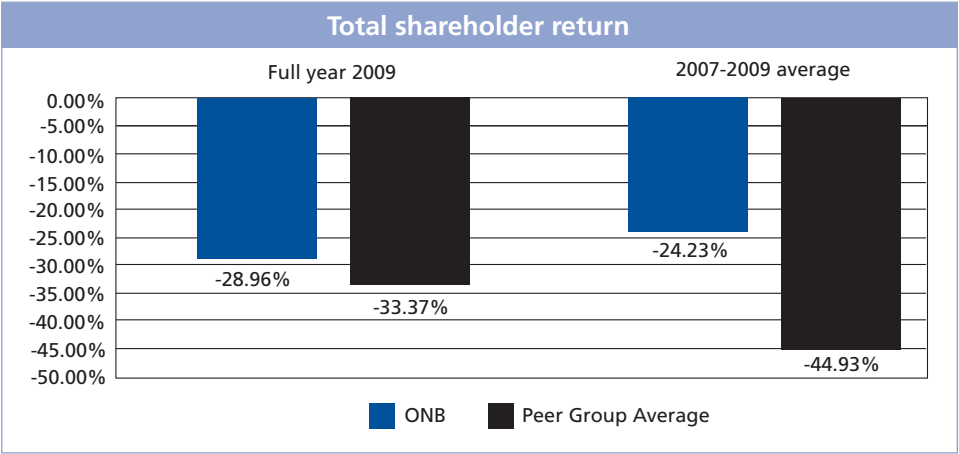
We continue to make progress toward positioning Old National as a top-tier performer by following the company's three strategic imperatives: *to strengthen the risk profile, to enhance management discipline and to achieve consistent quality earnings.*

These imperatives drive our strategy as a community bank, which begs the question: What does it mean to be a community bank in 2010? At Old National, it means being a basic, conservative bank focused on serving the needs of clients as well as the communities they – and we – call home. It also means investing in those communities and empowering associates to do the same. While some may characterize community banking as old fashioned or even a bit boring, we disagree. To us, community banking is a simple yet powerful way of doing business that provides a strong platform for consistent quality performance, today and well into the future.

2009 Highlights: New Team Members, National Recognition and an Enhanced Commitment to Community

Despite the economy, there were more than a few highlights for your company in 2009.

- In March, 356 new associates from the Indiana network of Charter One joined the Old National family. This partnership, which added 65 banking centers and numerous ATM locations in key Indiana markets like Indianapolis, Lafayette and Anderson, elevated our branch distribution network to the third largest in the state.
- On the final day of 2009, *Forbes Magazine* – one of the most prestigious business and financial publications in the world – published an online ranking of the 100 largest banks in the United States. We're proud to say your company cracked the Forbes top 20, with a ranking of 18th best (the highest ranking of any bank headquartered in Indiana or Kentucky). Based on comprehensive financial and credit metrics, this ranking provides further evidence that Old National is being recognized nationally as a solid performer that is poised for continued success.
- In September, Old National raised \$196 million in capital, attracting many of the nation's leading bank investors. Intended for general corporate purposes, this capital helps to insulate your company from the economic challenges that we believe still lie ahead,



while allowing us to more aggressively pursue merger and acquisition opportunities.

The core of the merger and acquisition strategy is to elevate the company's financial performance in two ways: by expanding Old National's presence in existing markets and by entering key new markets within Indiana, Kentucky, Illinois and, potentially, beyond. We will continue to pursue this strategy in 2010 by targeting FDIC-assisted transactions in targeted areas, as well as branch acquisitions and whole bank acquisitions. Know that we remain judicious in our efforts to make the right deal for you, our shareholders.

- In addition to the 65 branches acquired in the Indiana Charter One partnership, Old National expanded its reach in Michiana

- Throughout this 175th anniversary year, Old National associates elected to celebrate by giving back through volunteer service. Recognizing the deep needs within their communities, associates devoted more than 75,000 total hours to service, an amazing 66% increase over 2008. We firmly believe this associate commitment is at the very heart of community banking.

Looking at 2010

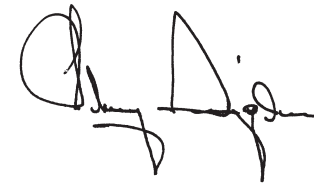
While we would prefer to deliver a different message, we firmly believe that 2010 promises to be as challenging, if not more challenging, than 2009. True, we are beginning to see evidence of economic recovery. But unemployment concerns are still negatively impacting consumers, and

Old National certainly values and welcomes the role of regulators, and while we agree that certain changes to the financial system are clearly warranted, we are disappointed by what appears to be a one-size-fits-all approach to many of the government's proposed solutions. As 2010 progresses, we will continue to monitor and assess proposed changes within the industry and share our concerns and opinions, when appropriate, with governmental leaders. Once final decisions are made, we will ensure that your company is compliant.

In closing, we thank you for your support, guidance and input. These are difficult times for shareholders, and we very much appreciate your loyalty. We pledge to you, our shareholders, to continue to work tirelessly to build upon the strengths of Old National, and to make your company even stronger.

As we emerge from the economic hardships and troubling times that Old National faced in 2009 and will likely face in 2010, we will do so from a position of strength and security, while remaining passionately committed to doing what is right for you, the owners of Old National.

Sincerely,



Larry Dunigan
Chairman of the Board
Old National Bancorp



Bob Jones
President and Chief Executive Officer
Old National Bancorp

“In December, Old National became the first bank in the nation to have its corporate culture certified by Ethisphere™ Institute.”

with the addition of a new financial center in Granger, Ind. And we're excited to be adding a fourth center in that region with the opening of a location in South Bend, Ind. this spring.

- In December, Old National became the first bank in the nation to have its corporate culture certified by Ethisphere™ Institute, an independent firm that examines more than 100



criteria, including organizational health and culture, ethics and compliance programs, corporate governance systems and more. This achievement, coupled with a 99.0% Risk Metrics governance score (the highest score in our peer group), reflects your company's desire to be a world leader in transparency and honesty.

exceptionally weak loan demand from consumer and commercial borrowers continues to impact banks of every size, in every market.

In addition, the financial industry continues to be the subject of unprecedented focus and scrutiny. Much of this stems from the financial meltdown of 2008, which was fueled by a relatively small number of financial institutions that made risky decisions for the sake of short-term gains. Unfortunately, few in Washington D.C. or in the media seem interested in making the distinction between Wall Street banking and Main Street banking when in fact there are significant differences. While investment banks primarily concentrate on raising money through issuing and selling securities in capital markets and by offering a variety of strategic advisory services, community banks like Old National work to address the financial needs of families and businesses.

Selected Financial Data

							Five-Year Growth Rate
(dollars in thousands, except per share data)	2009	2008	2007	2006	2005	2004	
Results of Operations							
Net interest income (1)	\$252,230	\$262,651	\$236,351	\$232,243	\$240,670	\$255,652	(0.3) %
Fee and service charge income	153,984	154,231	151,734	147,902	149,540	149,162	0.6
Net securities gains (losses)	27,251	7,562	(3,023)	1,471	901	2,936	56.1
Impairment on securities, net	(24,795)	-	-	-	-	-	N/M
Gain on branch divestitures	-	-	-	3,036	14,597	-	N/M
Gain on sale leasebacks	6,301	6,320	6,261	-	-	-	N/M
Gain (loss) on derivatives	719	(1,144)	166	1,511	(3,436)	10,790	(41.8)
Total revenue (1)	415,690	429,620	391,489	386,163	402,272	418,540	(0.1)
Provision for loan losses	63,280	51,464	4,118	7,000	23,100	22,400	23.1
Salaries & other operating expenses	338,956	297,229	277,998	264,690	263,811	309,403	1.8
Income taxes (benefit) (1)	(283)	18,449	34,483	35,100	36,772	26,424	N/M
Income from continuing operations	13,737	62,478	74,890	79,373	78,589	60,313	(25.6)
Discontinued operations (after-tax)	-	-	-	-	(14,825)	2,751	N/M
Net income	13,737	62,478	74,890	79,373	63,764	63,064	(26.3)
Preferred stock dividends and discount accretion	3,892	298	-	-	-	-	N/M
Net income available to common shareholders	\$ 9,845	\$ 62,180	\$ 74,890	\$ 79,373	\$ 63,764	\$ 63,064	(31.0) %
Per Common Share Data (2)							
Income from continuing operations (diluted)	\$ 0.14	\$ 0.95	\$ 1.14	\$ 1.20	\$ 1.15	\$ 0.86	(30.4) %
Net income (diluted)	0.14	0.95	1.14	1.20	0.93	0.90	(31.1)
Cash dividends (5)	0.44	0.69	1.11	0.84	0.76	0.72	(9.4)
Book value at year-end	9.68	9.56	9.86	9.66	9.61	10.16	(1.0)
Stock price at year-end	12.43	18.16	14.96	18.92	21.64	24.63	(12.8)
Balance Sheet Data (at December 31)							
Total assets	\$8,005,335	\$7,873,890	\$7,846,126	\$8,149,515	\$8,492,022	\$8,898,304	(2.1) %
Loans (3)	3,908,276	4,777,514	4,699,356	4,716,637	4,937,631	4,987,326	(4.8)
Deposits	5,903,488	5,422,287	5,663,383	6,321,494	6,465,636	6,418,709	(1.7)
Other borrowings	699,059	834,867	656,722	747,545	954,925	1,306,953	(11.8)
Shareholders' equity	843,826	730,865	652,881	642,369	649,898	704,092	3.7
Performance Ratios							
Return on average assets	0.17%	0.82 %	0.94%	0.97%	0.74%	0.69%	
Return on average common shareholders' equity	1.41	9.49	11.67	12.43	9.31	8.83	
Common dividend payout (4) (5)	308.59	73.51	97.38	70.02	81.06	79.72	
Average equity to average assets	9.06	8.67	8.04	7.81	7.94	7.83	
Net interest margin (1)	3.52	3.82	3.28	3.15	3.09	3.08	
Efficiency ratio (noninterest expense/revenue) (1)	81.54	69.18	71.01	68.54	65.58	73.92	
Net charge-offs to average loans (3)	1.37	0.87	0.44	0.37	0.60	0.61	
Allowance for loan losses to ending loans (6)	1.81	1.41	1.20	1.44	1.61	1.73	
Other Data							
Number of full-time equivalent employees	2,812	2,507	2,494				
Number of shareholders	26,204	25,372	30,086				
Number of shares traded (in thousands)	199,183	232,666	99,851				

- (1) Includes the effect of taxable equivalent adjustments of \$20.8 million for 2009, \$19.3 million for 2008, \$17.2 million for 2007, \$19.5 million for 2006, \$21.5 million for 2005, and \$23.9 million for 2004, 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 and finance leases held for sale.
- (4) Common stock dividends divided by income available to common stockholders.
- (5) 2007 includes cash dividends of \$.88 paid in 2007 and cash dividends of \$.23 declared for the first quarter of 2008.
- (6) Excludes residential loans and finance leases held for sale.
- N/M = Not meaningful

Corporate Information

Old National Bancorp Board of Directors

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

Joseph D. Barnette Jr.
Retired Chairman and CEO
Bank One Indiana Corp.

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

Niel C. Ellerbrook
Chairman 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
Managing Partner
Lambert & Lambert
Real Estate Development

Arthur H. McElwee, Jr.
Chairman of the Board
Toefco Engineered
Coating Systems, Inc.

Marjorie Z. Soyugenc
Chairman of the Board
Evansville Metal Products

Kelly N. Stanley
Chairman of the Board
Ball Memorial Hospital
Foundation, Inc.

Linda E. White
President and CEO
Deaconess Health System, Inc.

Old National Bancorp Executive Leadership Group

Robert G. Jones
President
Chief Executive Officer

Barbara A. Murphy
Senior Executive Vice President
Chief Banking Officer

Christopher A. Wolking
Senior Executive Vice President
Chief Financial Officer

Dan L. Doan
Northern Region CEO

Caroline J. Ellspermann
Executive Vice President
Old National Wealth
Management

Thomas A. Flynn
President and CEO
Old National Insurance

Dennis P. Heishman
Kentucky Region CEO

Annette W. Hudgions
Executive Vice President
Chief Client Services Officer

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

Daryl D. Moore
Executive Vice President
Chief Credit Officer

Allen R. Mounts
Executive Vice President
Chief Administrative Officer

Candice J. Rickard
Executive Vice President
Chief Risk Officer

Randall D. Reichmann
Indianapolis Region CEO

James C. Ryan III
Executive Vice President
Director of Corporate Strategy

James A. Sandgren
Southern Region CEO

Kathy A. Schoettlin
Executive Vice President
Chief Marketing and
Communications Officer

Donald A. Schroeder
Central Region CEO

Kendra L. Vanzo
Executive Vice President
Chief Human Resources
Officer

Ex-Officio Member

Richard W. Dubé
Executive Vice President
Chief Audit Executive
Chief Ethics Officer

Stock Purchase and Dividend Reinvestment Program

- Old National stock is traded under the ticker symbol “ONB” on the New York Stock Exchange
- The Stock Transfer Agent is Old National Bancorp
- There were 26,204 shareholders of record as of December 31, 2009
- 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
Senior Vice President, Director of Investor Relations
Old National Bancorp
Post Office Box 718, Evansville, Indiana 47705-0718
812-464-1366
lynell.walton@oldnational.com

Old National Bancorp
Corporate Office

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