UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[x] **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2004

[ ] **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ____________ to ____________

Commission File Number 1-15817

OLD NATIONAL BANCORP

(Exact name of Registrant as specified in its charter)

INDIANA	**35-1539838**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
420 Main Street **Evansville, Indiana**	**47708**
(Address of principal executive offices)	(Zip Code)

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(812) 464-1434
(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to the filing requirements for at least the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes [X] No [ ]

Indicate the number of shares outstanding of each of the issuer's classes of common stock. The Registrant has one class of common stock (no par value) with 66,357,000 shares outstanding at April 30, 2004.

OLD NATIONAL BANCORP

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OLD NATIONAL BANCORP
CONSOLIDATED BALANCE SHEET

	March 31, (unaudited)		December 31,
(dollars and shares in thousands)	**2004**	2003	2003
Assets			
Cash and due from banks	**$ 176,022**	$ 210,980	$ 222,385
Money market investments	**15,733**	5,916	14,504
Total cash and cash equivalents	**191,755**	216,896	236,889
Investment securities-available-for-sale, at fair value			
U.S. Treasury	**13,117**	5,316	26,057
U.S. Government agencies and corporations	**552,228**	635,434	580,820
Mortgage-backed securities	**1,298,932**	1,633,788	1,298,881
States and political subdivisions	**664,264**	683,726	655,068
Other securities	**140,579**	119,647	145,514
Investment securities - available-for-sale	**2,669,120**	3,077,911	2,706,340
Investment securities - held-to-maturity, at amortized cost			
(fair value $205,812, $236,825 and $209,316 respectively)	**204,406**	236,825	210,905
Residential loans held for sale	**17,895**	52,999	16,338
Loans:			
Commercial	**1,614,516**	1,690,403	1,618,095
Commercial real estate	**1,830,532**	1,871,861	1,849,275
Residential real estate	**939,156**	974,329	939,422
Consumer credit, net of unearned income	**1,175,450**	1,050,317	1,163,325
Total loans	**5,559,654**	5,586,910	5,570,117
Allowance for loan losses	**(108,600)**	(83,993)	(104,571)
Net loans	**5,451,054**	5,502,917	5,465,546
Premises and equipment, net	**194,262**	143,433	181,398
Goodwill	**129,251**	110,648	129,251
Other intangible assets	**41,113**	27,044	41,912
Mortgage servicing rights	**12,319**	10,464	14,659
Accrued interest receivable and other assets	**348,159**	346,039	350,658
Total assets	**$9,259,334**	$9,725,176	$9,353,896
Liabilities			
Deposits:			
Noninterest-bearing demand	**$ 794,502**	$ 727,077	$ 823,146
Interest-bearing:			
NOW	**1,587,353**	1,397,363	1,612,145
Savings	**467,575**	514,758	441,427
Money market	**593,222**	594,104	608,177
Time	**2,942,451**	3,087,641	3,008,197
Total deposits	**6,385,103**	6,320,943	6,493,092
Short-term borrowings	**471,403**	974,835	414,588
Other borrowings	**1,533,202**	1,364,946	1,624,092
Guaranteed preferred beneficial interests in subordinated debentures	**-**	165,042	-
Accrued expenses and other liabilities	**128,765**	156,373	106,634
Total liabilities	**8,518,473**	8,982,139	8,638,406
Shareholders' Equity			
Preferred stock, 2,000 shares authorized, no shares issued or outstanding	-	-	-
Common stock, $1 stated value, 150,000 shares authorized,			
66,449, 63,593 and 66,575 shares issued and outstanding, respectively	**66,449**	63,593	66,575
Capital surplus	**578,650**	522,404	581,224
Retained earnings	**59,987**	110,795	53,107
Accumulated other comprehensive income, net of tax	**35,775**	46,245	14,584
Total shareholders' equity	**740,861**	743,037	715,490
Total liabilities and shareholders' equity	**$9,259,334**	$9,725,176	$9,353,896

The accompanying notes to consolidated financial statements are an integral part of this statement.

OLD NATIONAL BANCORP
CONSOLIDATED STATEMENT OF INCOME

(dollars and shares in thousands, except per share data) (unaudited)	Three Months Ended March 31, 2004	2003
Interest Income		
Loans including fees:		
Taxable	**$ 74,382**	$ 84,955
Nontaxable	**4,367**	4,264
Investment securities, available-for-sale:		
Taxable	**19,893**	25,982
Nontaxable	**7,362**	8,029
Investment securities, held-to-maturity, taxable	**2,097**	277
Money market investments	**20**	71
Total interest income	**108,121**	123,578
Interest Expense		
Deposits	**29,365**	38,079
Short-term borrowings	**990**	2,574
Other borrowings	**12,655**	13,122
Total interest expense	**43,010**	53,775
Net interest income	**65,111**	69,803
Provision for loan losses	**7,500**	9,000
Net interest income after provision for loan losses	**57,611**	60,803
Noninterest Income		
Trust and asset management fees	**7,500**	7,360
Service charges on deposit accounts	**10,765**	10,778
ATM fees	**1,965**	1,867
Mortgage banking revenue	**(320)**	4,403
Insurance premiums and commissions	**14,509**	8,247
Investment product fees	**3,185**	2,678
Bank-owned life insurance	**2,053**	1,685
Net securities gains	**1,985**	2,730
Other income	**3,986**	3,172
Total noninterest income	**45,628**	42,920
Noninterest Expense		
Salaries and employee benefits	**49,269**	41,660
Occupancy	**4,851**	4,521
Equipment	**3,562**	3,698
Marketing	**2,358**	2,427
Outside processing	**4,970**	4,192
Communication and transportation	**2,969**	3,119
Professional fees	**3,088**	2,416
Loan expense	**1,467**	1,379
Supplies	**1,059**	1,262
Other real estate owned expense	**1,656**	547
Other expense	**5,204**	4,944
Total noninterest expense	**80,453**	70,165
Income before income taxes	**22,786**	33,558
Income tax expense	**3,277**	7,298
Net income	**$ 19,509**	$ 26,260
Net Income Per Common Share		
Basic	**$0.29**	$0.39
Diluted	**0.29**	0.39
Weighted Average Number Of Common Shares Outstanding		
Basic	**66,359**	66,889
Diluted	**66,460**	66,945
Dividends Per Common Share	**$0.19**	$0.18

The accompanying notes to consolidated financial statements are an integral part of this statement.

OLD NATIONAL BANCORP
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(dollars and shares in thousands) (unaudited)	Common Stock Shares	Common Stock Amount	Capital Surplus	Retained Earnings	Accumulated Other Comprehensive Income	Total Shareholders' Equity
Balance, December 31, 2002	63,856	$63,856	$528,379	$ 96,652	$51,823	$740,710
Net income	-	-	-	26,260	-	26,260
Unrealized net securities losses, net of $(2,659) tax	-	-	-	-	(3,849)	(3,849)
Reclassification adjustment for gains included in net income, net of $(1,116) tax	-	-	-	-	(1,614)	(1,614)
Net unrealized derivative losses on cash flow hedges, net of $(102) tax	-	-	-	-	(159)	(159)
Reclassification adjustment on cash flow hedges, net of $28 tax	-	-	-	-	44	44
Cash dividends	-	-	-	(12,117)	-	(12,117)
Stock repurchased	(560)	(560)	(12,011)	-	-	(12,571)
Stock reissued under stock option and stock purchase plans	297	297	6,036	-	-	6,333
Balance, March 31, 2003	63,593	$63,593	$522,404	$110,795	$46,245	$743,037
Balance, December 31, 2003	**66,575**	**$66,575**	**$581,224**	**$ 53,107**	**$14,584**	**$715,490**
Net income	**-**	**-**	**-**	**19,509**	**-**	**19,509**
Unrealized net securities gains, net of $15,922 tax	**-**	**-**	**-**	**-**	**21,929**	**21,929**
Reclassification adjustment for gains included in net income, net of $(835) tax	**-**	**-**	**-**	**-**	**(1,150)**	**(1,150)**
Net unrealized derivative gains on cash flow hedges, net of $235 tax	**-**	**-**	**-**	**-**	**365**	**365**
Reclassification adjustment on cash flow hedges, net of $31 tax	**-**	**-**	**-**	**-**	**47**	**47**
Cash dividends	**-**	**-**	**-**	**(12,629)**	**-**	**(12,629)**
Stock repurchased	**(468)**	**(468)**	**(9,613)**	**-**	**-**	**(10,081)**
Stock reissued under stock option and stock purchase plans	**342**	**342**	**7,039**	**-**	**-**	**7,381**
Balance, March 31, 2004	**66,449**	**$66,449**	**$578,650**	**$ 59,987**	**$35,775**	**$740,861**

The accompanying notes to consolidated financial statements are an integral part of this statement.

OLD NATIONAL BANCORP
CONSOLIDATED STATEMENT OF CASH FLOWS

(dollars in thousands) (unaudited)	Three Months Ended March 31, 2004	2003
Cash Flows From Operating Activities		
Net income	**$ 19,509**	$ 26,260
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation	**3,229**	3,197
Amortization of other intangible assets	**799**	524
Net premium amortization on investment securities	**2,175**	2,773
Provision for loan losses	**7,500**	9,000
Net securities gains	**(1,985)**	(2,730)
Gains on sale of other assets	**(1,362)**	(3,737)
Residential real estate loans originated for sale	**(83,911)**	(261,559)
Proceeds from sale of residential real estate loans	**82,857**	264,499
(Increase) decrease in other assets	**16,864**	(11,428)
Increase in accrued expenses and other liabilities	**6,778**	43,862
Total adjustments	**32,944**	44,401
Net cash flows provided by operating activities	**52,453**	70,661
Cash Flows From Investing Activities		
Purchases of investment securities available-for-sale	**(389,151)**	(580,903)
Proceeds from maturities, prepayments and calls of investment securities available-for-sale	**254,910**	293,445
Proceeds from sales of investment securities available-for-sale	**207,394**	278,085
Purchases of investment securities held-to-maturity	**-**	(236,846)
Proceeds from maturities, prepayments and calls of investment securities held-to-maturity	**6,242**	-
Net principal collected from customers	**6,992**	116,977
Proceeds from sale of premises and equipment	**806**	249
Purchases of premises and equipment	**(16,261)**	(12,083)
Net cash flows provided by (used in) investing activities	**70,932**	(141,076)
Cash Flows From Financing Activities		
Net increase (decrease) in deposits and short-term borrowings:		
Noninterest-bearing demand deposits	**(28,644)**	(51,352)
Savings, NOW and money market deposits	**(13,599)**	76,359
Time deposits	**(65,746)**	(143,344)
Short-term borrowings	**56,815**	56,486
Payments for maturities on other borrowings	**(156,559)**	(70,309)
Proceeds from issuance of other borrowings	**54,543**	201,600
Cash dividends paid	**(12,629)**	(12,117)
Common stock repurchased	**(10,081)**	(12,571)
Common stock reissued under stock option and stock purchase plans	**7,381**	6,333
Net cash flows provided by (used in) financing activities	**(168,519)**	51,085
Net decrease in cash and cash equivalents	**(45,134)**	(19,330)
Cash and cash equivalents at beginning of period	**236,889**	236,226
Cash and cash equivalents at end of period	**$ 191,755**	$ 216,896
Total interest paid	**$42,051**	$55,490
Total taxes paid	**$ -**	$ 1,735

The accompanying notes to consolidated financial statements are an integral part of this statement.

OLD NATIONAL BANCORP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements include the accounts of Old National Bancorp and its wholly-owned affiliates ("Old National") and have been prepared in conformity with generally accepted accounting principles and prevailing practices within the banking industry. Such principles require management to make estimates and assumptions that affect the reported amounts of assets, liabilities and the disclosures of contingent assets and liabilities at the date of the financial statements and amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. All significant intercompany transactions and balances have been eliminated. Certain prior year amounts have been reclassified to conform with the 2004 presentation. Such reclassifications had no effect on net income. In the opinion of management, the consolidated financial statements contain all the normal and recurring adjustments necessary for a fair statement of the financial position of Old National as of March 31, 2004 and 2003, and December 31, 2003, and the results of its operations for the three months ended March 31, 2004 and 2003. Interim results do not necessarily represent annual results.

NOTE 2 - IMPACT OF ACCOUNTING CHANGES

In December 2003, the Financial Accounting Standards Board ("FASB") revised SFAS No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits." This statement requires annual disclosures in addition to those in the original SFAS No. 132, which provides additional information regarding assets, obligations, cash flows and net periodic benefit costs of defined benefit pension plans. In addition, interim disclosure of the components of net periodic benefit costs is required. The revised SFAS No. 132 is effective for financial statements with fiscal years ending after December 15, 2003. Old National adopted this statement as of December 31, 2003, and has included all such required disclosures in Note 9.

In December 2003, the FASB revised FASB Interpretation No. 46 ("FIN 46"), "Consolidation of Variable Interest Entities," which was initially released in January 2003. FIN 46 provides guidance with respect to variable interest entities and when the assets, liabilities, noncontrolling interest and results of operations of a variable interest entity need to be included in a company's consolidated financial statements. FIN 46 was effective for companies with "special-purpose entities" as of December 31, 2003. Old National does not have special-purpose entities. However, under this new guidance, Old National was required to deconsolidate ONB Capital Trust I and ONB Capital Trust II as these trusts no longer meet the definition of a related subsidiary under the terms of FIN 46. This change also resulted in the remaining debt being disclosed in "other borrowings" beginning with the period ending December 31, 2003, compared to the separate disclosure on the balance sheet prior to that date. The effect of this deconsolidation was an increase of $4.6 million to both assets and liabilities with no impact to the results of operations. The effective date for consolidation of all other entities was after March 15, 2004. Old National consolidated various low income housing partnerships on March 31, 2004, for which the impact on the results of operations and financial position was immaterial.

Old National applies APB Opinion No. 25 and related Interpretations in accounting for the stock option plan. Accordingly, no compensation costs have been recognized. In accordance with SFAS No. 148, "Accounting for Stock-based Compensation – Transition and Disclosure" and SFAS No. 123, "Accounting for Stock-Based Compensation," Old National has presented in the table below net income and net income per share adjusted to proforma amounts had compensation cost for Old National's stock option plan been recorded based on the fair value at the grant dates for awards under the plan. All per share data has been adjusted for stock dividends, including a 5% stock dividend distributed to shareholders on January 27, 2004.

(dollars in thousands, except per share data)	Three Months Ended March 31, 2004	2003
Net income as reported	**$19,509**	$26,260
Deduct total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	**(1,663)**	(1,099)
Proforma net income	**$17,846**	$25,161
Basic net income per share:		
As reported	**$0.29**	$0.39
Proforma	**0.27**	0.37
Diluted net income per share:		
As reported	**$0.29**	$0.39
Proforma	**0.27**	0.37

NOTE 3 - NET INCOME PER SHARE

Basic net income per share is computed by dividing net income by the weighted-average number of common shares outstanding during each year, adjusted to reflect all stock dividends. Diluted net income per share is computed as above and assumes the conversion of outstanding stock options. The following table reconciles basic and diluted net income per share for the three months ended March 31:

(dollars and shares in thousands, except per share data)	Three Months Ended March 31, 2004			Three Months Ended March 31, 2003		
	Income	Shares	Amount	Income	Shares	Amount
Basic Net Income Per Share						
Income from operations	**$19,509**	**66,359**	**$0.29**	$26,260	66,889	$0.39
Effect Of Dilutive Securities						
Stock options	**-**	**101**		-	56	
Diluted Net Income Per Share						
Income from operations and assumed conversions	**$19,509**	**66,460**	**$0.29**	$26,260	66,945	$0.39

NOTE 4 - INVESTMENT SECURITIES

The market value and amortized cost of investment securities as of March 31 are set forth below:

(dollars in thousands)	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
2004				
Available-for-sale	**$2,609,506**	**$68,873**	**$(9,259)**	**$2,669,120**
Held-to-maturity	**204,406**	**1,406**	**-**	**205,812**
2003				
Available-for-sale	$3,000,957	$80,157	$(3,203)	$3,077,911
Held-to-maturity	236,825	-	-	236,825

NOTE 5 - ALLOWANCE FOR LOAN LOSSES

Activity in the allowance for loan losses was as follows:

(dollars in thousands)	2004	2003
Balance, January 1	**$ 104,571**	$87,742
Additions:		
Provision charged to expense	**7,500**	9,000
Deductions:		
Loans charged-off	**5,652**	14,378
Recoveries	**(2,181)**	(1,629)
Net charge-offs	**3,471**	12,749
Balance, March 31	**$108,600**	$83,993

The following is a summary of information pertaining to impaired loans at March 31:

(dollars in thousands)	2004	2003
Impaired loans without a valuation allowance	**$22,137**	$ 45,624
Impaired loans with a valuation allowance	**71,913**	225,780
Total impaired loans	**$94,050**	$271,404
Valuation allowance related to impaired loans	**$27,475**	$62,003

A loan is considered impaired under SFAS No. 114, "Accounting by Creditors for Impairment of a Loan, an amendment of FASB Statement No. 5 and 15" when based on current information and events, it is probable that a creditor will be unable to collect all amounts due according to the contractual terms of the loan agreement. An impaired loan does not include larger groups of smaller-balance homogeneous loans that are collectively evaluated for impairment, loans that are measured at fair value or at the lower of cost or fair value, leases and debt securities.

For the three months ended March 31, 2004, the average balance of impaired loans was $92.8 million for which $0.1 million of interest was recorded. For the three months ended March 31, 2003, the average balance of impaired loans was $287.3 million for which $10.7 million of interest was recorded. During the third quarter of 2003, Old National revised its interpretation of impaired loans to strictly follow SFAS No. 114. Previous to this change, Old National's interpretation of impaired loans more conservatively included all problem credits with a potential collateral deficiency in the event of default and nonaccrual loans in larger groups of smaller-balance homogeneous loans. Had Old National applied this interpretation in the prior year, impaired loans would have totaled $96.7 million with a valuation allowance of $18.9 million rather than $271.4 million with a valuation allowance of $62.0 million as reported at March 31, 2003. No additional funds are committed to be advanced in connection with impaired loans. Loans deemed impaired are evaluated primarily using the fair value of the underlying collateral.

NOTE 6 - GOODWILL AND OTHER INTANGIBLE ASSETS

At March 31, 2004 and 2003, Old National had goodwill in the amount of $129.3 million and $110.6 million, respectively. During 2003, Old National performed its annual goodwill impairment testing resulting in no impairment. At March 31, 2004, the community banking segment and the non-bank services segment had goodwill of $70.9 million and $58.3 million, respectively. There was no change in the carrying amount of goodwill by segment for the three month period ended March 31, 2004.

Old National continues to amortize definite-lived intangible assets over the estimated remaining life of each respective asset. At March 31, 2004, Old National had $41.1 million in unamortized intangible assets compared with $27.0 million in unamortized identifiable intangible assets at March 31, 2003. Indefinite-lived assets of $2.8 million were included in each year.

The following table shows the gross carrying amounts and accumulated amortization for intangible assets as of March 31:

(dollars in thousands)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
2004			
Amortized intangible assets:			
Core deposit	**$ 5,574**	**$(3,198)**	**$ 2,376**
Customer business relationships	**36,676**	**(2,544)**	**34,132**
Non-compete agreements	**1,100**	**(96)**	**1,004**
Technology	**1,300**	**(499)**	**801**
Total amortized intangible assets	**44,650**	**(6,337)**	**38,313**
Unamortized intangible assets:			
Trade name	**2,800**	**-**	**2,800**
Total intangible assets	**$47,450**	**$(6,337)**	**$41,113**
2003			
Amortized intangible assets:			
Core deposit	$ 5,574	$(2,556)	$ 3,018
Customer business relationships	19,720	(638)	19,082
Non-compete agreements	1,100	(42)	1,058
Technology	1,300	(214)	1,086
Total amortized intangible assets	27,694	(3,450)	24,244
Unamortized intangible assets:			
Trade name	2,800	-	2,800
Total intangible assets	$30,494	$(3,450)	$27,044

Total amortization expense associated with intangible assets for the three months ended was $799 thousand in 2004 and $524 thousand in 2003. The following is the estimated amortization expense for the future years:

(dollars in thousands) **For the years ended:**	**Estimated Amortization Expense**
2004 remaining	$ 2,376
2005	3,065
2006	2,849
2007	2,386
2008	2,213
2009	2,122
Thereafter	23,302
Total	$38,313

NOTE 7 - MORTGAGE SERVICING RIGHTS

Mortgage servicing rights derived from loans sold with servicing retained were $12.3 million and $10.5 million at March 31, 2004 and 2003, respectively. Loans serviced for others are not included in the consolidated balance sheet of Old National. The unpaid principal balance of mortgage loans serviced for others at March 31 was $1.737 billion in 2004 and $1.627 billion in 2003. At March 31, 2004 and 2003, the fair value of capitalized mortgage servicing rights, net of valuation allowance, was $12.4 million and $10.5 million, respectively. Old National's key economic assumptions used in determining the fair value of mortgage servicing rights were a weighted average prepayment rate of 436 PSA and a discount rate of 8.50% at March 31, 2004 and a weighted average prepayment rate of 558 PSA and a discount rate of 8.50% at March 31, 2003.

The following summarizes the activities related to mortgage servicing rights and the related valuation allowance at March 31:

(dollars in thousands)	2004	2003
Balance before valuation allowance, January 1	**$15,790**	$13,423
Rights capitalized	**830**	2,290
Amortization	**(1,725)**	(932)
Balance before valuation allowance, March 31	**14,895**	14,781
Valuation allowance:		
Balance, January 1	**(1,131)**	(2,056)
Additions to valuation allowance	**(1,940)**	(2,261)
Reductions to valuation allowance	**495**	-
Balance, March 31	**(2,576)**	(4,317)
Mortgage servicing rights, net	**$12,319**	$10,464

NOTE 8 - FINANCING ACTIVITIES

The following table summarizes Old National's other borrowings at March 31:

(dollars in thousands)	2004	2003
Old National Bancorp:		
Medium-term notes, Series 1997 (fixed rates 3.50% to 7.03%) maturities July 2004 to June 2008	**$ 113,200**	$ 43,200
Junior subordinated debentures (fixed rates 8.00% to 9.50%) maturities March 2030 to April 2032	**150,000**	-
SFAS 133 hedge and other basis adjustments	**11,416**	208
Old National Bank:		
Securities sold under agreements to repurchase (variable rates 1.12% to 2.69%) maturities March 2006 to December 2008	**298,000**	183,000
Federal Home Loan Bank advances (fixed rates 3.59% to 8.34% and variable rates 1.92% to 2.12%) maturities April 2004 to October 2022	**608,788**	814,848
Senior unsecured bank notes (fixed rate 3.95% and variable rates 1.32% to 2.12%) maturities June 2004 to February 2008	**190,000**	160,000
Subordinated bank notes (fixed rate 6.75%) maturing October 2011	**150,000**	150,000
Capital lease obligation	**4,543**	-
SFAS 133 hedge and other basis adjustments	**7,255**	13,690
Total other borrowings	**$1,533,202**	$1,364,946

Contractual maturities of other borrowings at March 31, 2004, were as follows:

(dollars in thousands)	
Due in 2004	$ 101,721
Due in 2005	195,082
Due in 2006	252,402
Due in 2007	160,034
Due in 2008	343,037
Thereafter	462,255
SFAS 133 hedge and other basis adjustments	18,671
Total	$1,533,202

FEDERAL HOME LOAN BANK
Federal Home Loan Bank advances had weighted-average rates of 5.24% and 5.42% at March 31, 2004, and 2003, respectively. These borrowings are secured by investment securities and residential real estate loans up to 150% of outstanding debt.

SUBORDINATED BANK NOTES
Subordinated bank notes qualify as Tier 2 Capital for regulatory purposes and are in accordance with the senior and subordinated global bank note program in which Old National Bank may issue and sell up to a maximum of $1 billion. Notes issued by Old National Bank under the global note program are not obligations of, or guaranteed by, Old National Bancorp.

GUARANTEED PREFERRED BENEFICIAL INTERESTS IN COMPANY'S SUBORDINATED DEBENTURES
ONB Capital Trust II issued $100 million in preferred securities in April 2002. The preferred securities have a liquidation amount of $25 per share with a cumulative annual distribution rate of 8.0% or $2.00 per share payable quarterly and maturing on April 15, 2032. Proceeds from the issuance of these securities were used to purchase junior subordinated debentures with the same financial terms as the securities issued by ONB Capital Trust II. Old National guarantees the payment of distributions on the preferred securities issued by ONB Capital Trust II.

ONB Capital Trust I issued $50 million in preferred securities in March 2000. The preferred securities have a liquidation amount of $25 per share with a cumulative annual distribution rate of 9.5% or $2.375 per share payable quarterly and maturing on March 15, 2030. Proceeds from the issuance of these securities were used to purchase junior subordinated debentures with the same financial terms as the securities issued by ONB Capital Trust I. Old National guarantees the payment of distributions on the preferred securities issued by ONB Capital Trust I.

Old National may redeem the junior subordinated debentures and thereby cause a redemption of the trust preferred securities in whole (or in part from time to time) on or after March 15, 2005 (for debentures owned by ONB Capital Trust I) and on or after April 12, 2007 (for debentures owned by ONB Capital Trust II), and in whole (but not in part) following the occurrence and continuance of certain adverse federal income tax or capital treatment events. These securities qualify as Tier 1 capital for regulatory purposes and the SEC registration related to these securities has remaining funding capacity of $50 million.

In accordance with FIN 46, the outstanding junior subordinated debentures related to these trust preferred securities were reclassified to "other borrowings" at December 31, 2003, from the separate disclosure on the balance sheet prior to that date.

CAPITAL LEASE OBLIGATION
On January 1, 2004, Old National entered into a long-term capital lease obligation for a new branch office building in Owensboro, Kentucky, which extends for 25 years with one renewal option for 10 years. The economic substance of this lease is that Old National is financing the acquisition of the building through the lease and accordingly, the building is recorded as an asset and the lease is recorded as a liability. The fair value of the capital lease obligation was estimated using a discounted cash flow analysis based on Old National's current incremental borrowings rate for similar types of borrowing arrangements. At March 31, 2004, the future minimum lease payments under the capital lease were as follows:

(dollars in thousands) **For the year ending:**	**Minimum Lease Payments**
2004 remaining	$ 278
2005	371
2006	371
2007	371
2008	371
Thereafter	13,265
Total minimum lease payments	15,027
Less amounts representing interest	10,484
Present value of net minimum lease payments	$ 4,543

NOTE 9 - EMPLOYEE BENEFIT PLANS

RETIREMENT PLAN
The following table sets forth the components of the net periodic benefit cost for Old National's noncontributory defined benefit retirement plan for the three months ended March 31:

	Three Months Ended March 31,	
(dollars in thousands)	**2004**	**2003**
Service cost	**$ 537**	$ 486
Interest cost	**975**	846
Expected return on plan assets	**(851)**	(504)
Amortization of prior service cost	**8**	8
Amortization of transitional asset	**(108)**	(108)
Recognized actuarial loss	**397**	249
Net periodic benefit cost	**$ 958**	$ 977

STOCK OPTIONS
On February 2, 2004, Old National granted 0.3 million stock options to key employees at an option price of $21.45, the closing price of Old National's stock on that date. The options vest 100% on December 31, 2004, and expire in ten years. On January 31, 2003, Old National granted 2.6 million stock options to key employees at an option price of $21.71, the closing price of Old National's stock on that date. The options vest 25% per year over a four-year period and expire in ten years. If certain financial targets are achieved, vesting is accelerated. Old National was authorized to grant up to 7.3 million shares of common stock under the 1999 Equity Incentive Plan. At March 31, 2004, Old National had 6.3 million of stock options outstanding.

Old National applies APB Opinion No. 25 and related Interpretations in accounting for the stock option plan. Accordingly, no compensation costs have been recognized. See Note 2 for proforma net income and net income per share data.

NOTE 10 - DERIVATIVE FINANCIAL INSTRUMENTS

The following table summarizes the derivative financial instruments utilized by Old National at March 31:

	2004			2003		
	Notional	Estimated Fair Value		Notional	Estimated Fair Value	
(dollars in thousands)	Amount	Gain	Loss	Amount	Gain	Loss
Fair Value Hedges						
Received fixed interest rate swaps	**$1,068,096**	**$22,118**	**$(5,877)**	$ 753,000	$26,957	$(1,277)
Interest rate lock commitments	**65,535**	**129**	**-**	130,813	1,446	-
Forward mortgage loan contracts	**72,428**	**-**	**(81)**	133,050	-	(698)
Options on contracts purchased	**4,000**	**-**	**-**	-	-	-
Loans held for sale warehouse	**17,895**	**33**	**-**	52,999	718	-
Mortgage rate lock derivative	**65,535**	**101**	**-**	130,813	197	-
Cash Flow Hedges						
HELOC cash flow	**100,000**	**2,073**	**-**	100,000	791	(61)
Pay fixed interest rate swaps	**150,000**	**109**	**(468)**	-	-	-
Customer interest rate swaps	**44,523**	**1,097**	**(69)**	2,916	54	-
Customer interest rate swaps with counterparty	**44,523**	**69**	**(1,097)**	2,916	-	(54)
Customer interest rate cap	**15,300**	**-**	**(53)**	-	-	-
Customer interest rate cap with counterparty	**15,300**	**53**	**-**	-	-	-
Total	**$1,663,135**	**$25,782**	**$(7,645)**	$1,306,507	$30,163	$(2,090)

For further information regarding derivative financial instruments, see Note 16 of the notes to the consolidated financial statements of the 2003 annual report.

NOTE 11 - INCOME TAXES

The following is a summary of the major items comprising the differences in taxes computed at the federal statutory rate and as recorded in the consolidated statement of income for the three months ended March 31:

	2004	2003
Provision at statutory rate	**35.0 %**	35.0 %
Tax-exempt income	**(21.1)**	(13.1)
Other, net	**0.5**	(0.2)
Effective tax rate	**14.4 %**	21.7 %

For the three months ended March 31, 2004, the effective tax rate was significantly lower than for the same period of last year. The decrease in the effective tax rate resulted from a higher percentage of tax-exempt income to total income for the quarter ended March 31, 2004, compared to the quarter ended March 31, 2003.

NOTE 12 - COMPREHENSIVE INCOME

	Three Months Ended March 31,	
(dollars in thousands)	**2004**	**2003**
Net income:	**$19,509**	$26,260
Unrealized gains (losses) on securities:		
Unrealized holding gains (losses) arising during the period, net of tax	**21,929**	(3,849)
Less: reclassification adjustment for securities gains realized in net income, net of tax	**(1,150)**	(1,614)
Cash flow hedges:		
Net unrealized derivative gains (losses) on cash flow hedges, net of tax	**365**	(159)
Less: reclassification adjustment on cash flow hedges, net of tax	**47**	44
Net unrealized gains (losses)	**21,191**	(5,578)
Comprehensive income	**$40,700**	$20,682

NOTE 13 - COMMITMENTS AND CONTINGENCIES

LITIGATION

In the normal course of business, various legal actions and proceedings, which are being vigorously defended, are pending against Old National and its affiliates.

Among these are several lawsuits relating to activities during 1995 of First National Bank & Trust Company, Carbondale, Illinois, ("First National"), which was purchased by Old National in 1999. These lawsuits include one class action brought by alleged third-party creditors of structured settlement trusts. The lawsuits are pending against Old National Bank, as successor to First National, and allege actual damages totaling approximately $31 million, as well as unspecified punitive damages, and other damages and attorneys' fees. The cases are pending against Old National Bank in the City of St. Louis, Missouri; St. Clair County, Madison County and Cook County, Illinois; and U.S. Federal District Court in Southern Illinois.

During the fourth quarter of 2003, Old National advanced steps to settle certain litigation arising out of these claims and established a reserve of $10 million for settlement. During the quarter ended March 31, 2004, Old National paid $8 million of this reserve to settle $10 million of the exposure. $16 million of the estimated $31 million exposure has been ruled in favor of Old National at the trial court level and is currently on appeal. The $2 million remaining in the reserve for litigation settlement is deemed to be adequate to cover the remaining $5 million of exposure. It is not expected that any future losses will have a material impact on Old National's results of operations.

BUILDING COMMITMENT

On October 11, 2002, Old National entered into a $52 million contract awarded to a company controlled by a director for the construction of its Evansville-based main banking center and bank headquarters. Construction began on June 27, 2002, and is expected to be complete in the third quarter of 2004.

CREDIT-RELATED FINANCIAL INSTRUMENTS

In the normal course of business, Old National's banking affiliates have entered into various agreements to extend credit, including loan commitments of $1.520 billion, commercial letters of credit of $19.5 million and standby letters of credit of $96.1 million at March 31, 2004. At March 31, 2003, loan commitments were $1.362 billion, commercial letters of credit were $73.8 million and standby letters of credit were $56.1 million. These commitments are not reflected in the consolidated financial statements. No material losses are expected to result from these transactions.

At March 31, 2004 and 2003, Old National had credit extensions of $72.4 million and $49.1 million, respectively, with various unaffiliated banks related to letter of credit commitments issued on behalf of Old National's customers. At March 31, 2004 and 2003, Old National provided collateral to the unaffiliated banks to secure credit extensions totaling $41.0 million and $12.5 million, respectively. Old National did not provide collateral for the remaining credit extensions.

NOTE 14 - FINANCIAL GUARANTEES

Old National holds instruments, in the normal course of business with customers, that are considered financial guarantees in accordance with FIN 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others." Standby letters of credit guarantees are issued in connection with agreements made by customers to counterparties. Standby letters of credit are contingent upon failure of the customer to perform the terms of the underlying contract. Credit risk associated with standby letters of credit is essentially the same as that associated with extending loans to customers and is subject to normal credit policies. The term of these standby letters of credit is typically one year or less. At March 31, 2004, the notional amount of standby letters of credit was $96.1 million, which represents the maximum amount of future funding requirements, and the carrying value was $0.4 million.

Old National also enters into forward contracts for the future delivery of conforming residential real estate loans at a specified interest rate to reduce interest rate risk associated with loans held for sale. These forward contracts are considered derivative instruments accounted for under SFAS No. 133. See additional information in Note 10.

NOTE 15 - SEGMENT INFORMATION

Old National operates in three reportable segments: community banking, non-bank services and treasury. The community banking segment serves customers in both urban and rural markets providing a wide range of financial services including commercial, real estate and consumer loans; lease financing; checking, savings, time deposits and other depository accounts; cash management services; and debit cards and other electronically accessed banking services and Internet banking. The non-bank services segment combines the management and operations of trust, asset management, insurance, brokerage and investment and annuity sales. Treasury manages investments, wholesale funding, interest rate risk, liquidity and leverage for Old National. Additionally, treasury provides other miscellaneous capital markets products for its corporate banking customers.

In order to measure performance for each segment, Old National allocates capital, corporate overhead and income tax provision to each segment. Capital and corporate overhead are allocated to each segment using various methodologies, which are subject to periodic changes by management. Income taxes are allocated using the effective tax rate. Tax-exempt income is primarily within the treasury segment, creating a tax benefit for this segment. Intersegment sales and transfers are not significant.

Old National uses a funds transfer pricing ("FTP") system to eliminate the effect of interest rate risk from the community banking and non-bank services segments net interest income. The FTP system is used to credit or charge each segment for the funds the segments create or use. The net FTP credit or charge is reflected in segment net interest income.

The financial information for each operating segment is reported on the basis used internally by Old National's management to evaluate performance and is not necessarily comparable with similar information for any other financial institution.

Summarized financial information concerning segments is shown in the following table for the three months ended March 31:

(dollars in thousands)	Community Banking	Non-bank Services	Treasury	Other	Total
2004					
Net interest income	**$ 70,191**	**$ 142**	**$ (1,909)**	**$ (3,313)**	**$ 65,111**
Provision for loan losses	**7,442**	**-**	**58**	**-**	**7,500**
Noninterest income	**15,030**	**23,963**	**4,099**	**2,536**	**45,628**
Noninterest expense	**59,470**	**21,161**	**599**	**(777)**	**80,453**
Income tax expense (benefit)	**4,401**	**955**	**(2,079)**	**-**	**3,277**
Segment profit	**13,908**	**1,989**	**3,612**	**-**	**19,509**
Total assets	**5,731,111**	**121,665**	**3,276,565**	**129,993**	**9,259,334**
2003					
Net interest income	$ 70,212	$ 54	$ (1,460)	$ 997	$ 69,803
Provision for loan losses	9,000	-	-	-	9,000
Noninterest income	20,394	16,953	4,468	1,105	42,920
Noninterest expense	52,464	15,358	241	2,102	70,165
Income tax expense (benefit)	8,516	565	(1,783)	-	7,298
Segment profit	20,626	1,084	4,550	-	26,260
Total assets	5,908,926	88,330	3,624,637	103,283	9,725,176

NOTE 16 - SUBSEQUENT EVENTS

Subsequent to March 31, 2004, Old National entered into a Commitment Letter to execute a Whole Loan Sale and Servicing Agreement to sell approximately $427 million of residential real estate loans with servicing retained. This transaction is expected to be completed by the quarter ended June 30, 2004 and is not expected to have a material impact on Old National’s results of operations.

PART I. FINANCIAL INFORMATION
ITEM 2.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

EXECUTIVE SUMMARY
Net income for the quarter ended March 31, 2004, decreased significantly compared to the quarter ended March 31, 2003, driven primarily by declining interest rates and slow loan demand that resulted in significant decreases in both the net interest income and mortgage banking revenue. In addition, noninterest expense included charges for severance payments to three senior executives who left the company during the quarter ended March 31, 2004 and an increase in incentive expense compared to the quarter ended March 31, 2003.

As a result of management's balance sheet strategies, Old National's financial condition showed a decrease in assets and liabilities at March 31, 2004, compared to March 31, 2003 and December 31, 2003, reflecting heavy refinancing of residential real estate loans during 2003, a reduction in the investment portfolio, and a reduction of certificates of deposits and borrowed funds. Management uses various indicators such as return on assets, return on equity and asset quality ratios in order to evaluate the performance of the business. These are discussed throughout this "Management's Discussion and Analysis of Financial Condition and Results of Operations."

FINANCIAL BASIS AND FORWARD-LOOKING STATEMENTS
This discussion analyzes Old National's results of operations for the three months ended March 31, 2004 and 2003, and financial condition as of March 31, 2004, compared to March 31, 2003, and December 31, 2003.

This management's discussion and analysis contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include expressions such as "expects," "intends," "believes," "anticipates," and "should," which are statements of belief as to the expected outcomes of future events. 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 plan and implement the "Ascend" project initiatives (see "Results of Operations" for further information on the "Ascend" project), credit quality trends and the ability to generate loans, and other matters discussed in this management's discussion and analysis. These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. Actual results could materially differ from those presented. Old National undertakes no obligation to release revisions to these forward-looking statements or reflect events or conditions after the date on which the forward looking statement is made or to reflect the occurrence of unanticipated events.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES
The "Management's Discussion and Analysis of Financial Condition and Results of Operations," as well as disclosures found elsewhere in this report, are based upon Old National's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires Old National to make estimates and judgements that affect the reported amounts of assets, liabilities, revenues and expenses. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for loan losses, the valuation of the mortgage servicing rights and the valuation of goodwill and intangibles. Actual results could differ from those estimates.

- **Allowance for Loan Losses.** The allowance for loan losses is maintained at a level believed adequate by management to absorb probable losses inherent in the consolidated loan portfolio. Management's evaluation of the adequacy of the allowance is an estimate based on reviews of individual loans, assessments of the impact of current and anticipated economic conditions on the portfolio and historical loss experience. The allowance represents management's best estimate, but significant downturns in circumstances relating to loan quality and economic conditions could result in a requirement for additional allowance in the near future. Likewise, an upturn in loan quality and improved economic conditions may allow a reduction in the required reserve. In either instance, unanticipated changes could have a significant impact on results of operations.

The allowance is increased through a provision charged to operating expense. Uncollectible loans are charged-off through the allowance. Recoveries of loans previously charged-off are added to the allowance. A loan is considered impaired when it is probable that contractual interest and principal payments will not be collected either for the amounts or by the dates as scheduled in the loan agreement. Old National's policy for recognizing income on impaired loans is to accrue interest unless a loan is placed on nonaccrual status.

- **Mortgage Servicing Rights.** Mortgage servicing rights are recognized as separate assets when loans are sold with servicing retained. The total price of loans sold is allocated between the loans sold and the mortgage servicing rights retained based on the relative fair values of each. The fair value of capitalized mortgage servicing rights is estimated by calculating the present value of estimated future net servicing income derived from related cash flows. Amortization of capitalized mortgage servicing rights is determined in proportion to and over the period of estimated net servicing income of the underlying financial assets. Impairment of mortgage servicing rights exists if the book value of the mortgage servicing rights exceed its estimated fair value. In determining impairment, mortgage servicing rights are stratified by interest rates. Critical assumptions used in determining fair value include expected mortgage loan prepayment rates, discount rates and other economic factors, which are determined based on current market conditions. The expected rates of mortgage loan prepayments are the most significant factors driving the value of mortgage servicing rights. Increases in expected mortgage loan prepayments reduce estimated future net servicing cash flows because the life of the underlying loan is reduced. Fair values, using estimated mortgage loan prepayment rates, are derived from a third-party statistical model. Negative adjustments to the value, if any, are recognized through a valuation allowance by charges against mortgage servicing income. The use of a valuation allowance enables the recovery of this value as market conditions become more favorable.

- **Goodwill and Intangibles.** For purchase acquisitions, Old National is required to record the assets acquired, including identified intangible assets, and the liabilities assumed at their fair value, which in many instances involves estimates based on third party valuations, such as appraisals, or internal valuations based on discounted cash flow analyses or other valuation techniques that may include estimates of attrition, inflation, asset growth rates or other relevant factors. In addition, the determination of the useful lives for which an intangible asset will be amortized is subjective.

  Under Statement of Financial Accounting Standards ("SFAS") No. 142 "Goodwill and Other Intangible Assets," goodwill and indefinite-lived assets recorded must be reviewed for impairment on an annual basis, as well as on an interim basis if events or changes indicate that the asset might be impaired. An impairment loss must be recognized for any excess of carrying value over fair value of the goodwill or the indefinite-lived intangible with subsequent reversal of the impairment loss being prohibited. The tests for impairment fair values are based on internal valuations using management's assumptions of future growth rates, future attrition, discount rates, multiples of earnings or other relevant factors. Changes is these factors, as well as downturns in economic or business conditions, could have a significant adverse impact on the carrying values of goodwill or intangibles and could result in impairment losses affecting the financials of the company as a whole and the individual lines of business in which the goodwill or intangibles reside.

Management believes the accounting estimates related to the allowance for loan losses; the capitalization, amortization and valuations of mortgage servicing rights; and the valuation of goodwill and intangibles are "critical accounting estimates" because: (1) the estimates are highly susceptible to change from period to period because they require company management to make assumptions concerning, among other factors, the changes in the types and volumes of the portfolios, rates of future prepayments, valuation assumptions and anticipated economic conditions, and (2) the impact of recognizing an impairment or loan loss could have a material effect on Old National's assets reported on the balance sheet as well as net income. Management has discussed the development and selection of these critical accounting estimates with the Audit Committee of the Board of Directors and the Audit Committee has reviewed the company's disclosure relating to it in this Management's Discussion and Analysis.

RESULTS OF OPERATIONS

Earnings Summary

Old National reported net income of $19.5 million for the three months ended March 31, 2004, a reduction of 25.7% from the $26.3 million recorded for the three months ended March 31, 2003. On a diluted per share basis, net income was $0.29 for the quarter ended March 31, 2004, compared to $0.39 for the quarter ended March 31, 2003. Old National's return on average assets for the three months ended March 31, 2004, was 0.84% and return on shareholders' equity was 10.68%, compared to the three months ended March 31, 2003, ratios of 1.11% and 14.03%, respectively.

Earnings for the three months ended March 31, 2004, were impacted primarily by significant decreases in net interest income resulting from continued weak commercial loan demand and declining interest rates, decreases in mortgage banking revenue related to declines in values of mortgage servicing rights as well as reduced new loan originations, increases to salary expense relating primarily to severance payments to three senior executives who left Old National during the quarter and an increase in incentive accruals over the quarter ended March 31, 2003.

A company-wide program, "Ascend," was announced in late 2003 and, at March 31, 2004, was nearing the implementation phase. The project was conducted with the assistance of EHS Partners and designed to be an intense evaluation of every aspect of operations for expense reductions and revenue growth ideas. All initiatives arising from the project are scheduled to be fully implemented over the next 18 months and Old National is expecting to realize approximately $55-$60 million in annualized pre-tax earnings, excluding one-time implementation charges which will be recognized in the second quarter of 2004. Approximately 65%-70% of the annualized benefit is expected to come from efficiency improvement/cost reduction initiatives, including position eliminations, with the remainder from revenue enhancement initiatives.

Net Interest Income

Net interest income is the difference between interest income earned on interest-earning assets, such as loans and investments, and interest expense incurred on interest-bearing liabilities, such as deposits and borrowed funds. Net interest income and margin are influenced by many factors, primarily the volume and mix of earning assets, funding sources and interest rate fluctuations. Other factors include accelerated prepayments of mortgage-related assets and the composition and maturity of earning assets and interest-bearing liabilities. Net interest income and net interest margin in the following discussion is presented on a fully taxable equivalent basis, which adjusts tax-exempt or nontaxable interest income to an amount that would be comparable to interest subject to income taxes using the federal statutory tax rate in effect of 35% for all periods. Net income is unaffected by these taxable equivalent adjustments as the offsetting increase of the same amount is made in the income tax section. Net interest income included taxable equivalent adjustments of $6.1 million and $6.4 million for the three months ended March 31, 2004 and 2003, respectively.

Taxable equivalent net interest income was $71.2 million for the three months ended March 31, 2004, a 6.5% decrease from the $76.2 million reported for the same period of 2003. The net interest margin was 3.37% for the three months ended March 31, 2004, compared to 3.46% reported for the three months ended March 31, 2003. The reduction in both net interest income and net interest margin reflects a smaller portfolio of average earning assets and lower levels of interest rates when compared to the three months ended March 31, 2003. Average earning assets were $8.461 billion for the three months ended March 31, 2004, compared to $8.796 billion for the same period of 2003, a decrease of 3.8% or $334.5 million. This decrease resulted primarily from reductions in investment portfolio assets and residential mortgages.

The overall decrease in interest rates during 2003 and continuing into 2004 had a significant impact on the mix and yield of earning assets. Driven by lower rates, many of the company's residential real estate loans were refinanced in 2003, with the new loan production being sold into the secondary loan market, shrinking the residential loan portfolio. Additionally, commercial and commercial real estate loans did not grow appreciably during 2003 and the lack of growth continued into the three months ended March 31, 2004, a result of both continued weak loan demand in Old National's markets and more stringent loan underwriting standards. In a continuation of a strategy begun during 2003, the company reduced its investment portfolio assets in recognition of the narrow spreads available on those assets in the current rate environment.

Provision for Loan Losses
The provision for loan losses is the charge to earnings that management determines necessary to provide an adequate allowance for losses in the loan portfolio. The provision for loan losses was $7.5 million for the three months ended March 31, 2004, compared to $9.0 million for the three months ended March 31, 2003, a result of lower charge-offs during the quarter ended March 31, 2004. Refer to "Allowance for Loan Losses and Asset Quality" section for further discussion of non-performing loans, charge-offs and additional items impacting the provision.

Noninterest Income
Old National generates revenues in the form of noninterest income through fees and sales commissions from its core banking franchise and other related businesses, such as trust and asset management, investment products and insurance. This source of revenue has grown as a percentage of total revenue to 41.2% in the three months ended March 31, 2004, compared to 38.1% in the three months ended March 31, 2003. Old National will continue to focus on noninterest income revenue growth while carefully managing balance sheet risk positions to ensure that Old National is well-positioned for the anticipated turnaround in market conditions.

Noninterest income for the three months ended March 31, 2004, was $45.6 million, an increase of $2.7 million, or 6.3% over the $42.9 million reported for the three months ended March 31, 2003. Total fee and service charge income, excluding gains on sales of securities, for the quarter ended March 31, 2004, was $43.6 million compared to $40.2 million for the quarter ended March 31, 2003. Insurance premiums and commissions, the largest component of this category of revenue, increased to $14.5 million for the three months ended March 31, 2004, compared to $8.2 million for the three months ended March 31, 2003. Acquisitions of various insurance agencies beginning in the second quarter of 2003, accounted for $4.9 million of the increase. These increases were offset by a decrease in mortgage banking revenue totaling $4.7 million. This decrease was mostly attributable to a reduced level of originations for the quarter ended March 31, 2004 compared to the quarter ended March 31, 2003, due to a lower level of loan refinancing. Residential real estate loan originations for the three months ended March 31, 2004, were $145.6 million resulting from 1,493 loans closed compared to $296.5 million resulting from 3,062 loans closed for the three months ended March 31, 2003. Also during the quarter ended March 31, 2004, a net impairment charge was recognized on the mortgage servicing rights asset of $1.4 million. This charge in addition to the reduced level of loan originations resulted in negative mortgage banking revenue for the quarter ended March 31, 2004.

Noninterest Expense
Noninterest expense for the three months ended March 31, 2004, totaled $80.5 million, an increase of $10.3 million, or 14.7% over the $70.2 million recorded for the same period of 2003. Salaries and benefits, the largest component of noninterest expense, totaled $49.3 million for the three months ended March 31, 2004, compared to $41.7 million for the three months ended March 31, 2003, an increase of $7.6 million. This increase in 2004 resulted from $2.9 million in severance expense related to three senior executives, including the chief executive officer, who left the company during the quarter ended March 31, 2004, $3.0 million directly attributed to acquisitions of insurance agencies that occurred after the first quarter of 2003 and an increase of incentive expenses of $2.0 million over the three months ended March 31, 2003.

All other components of noninterest expense totaled $31.2 million for the three months ended March 31, 2004, compared to the $28.5 million for the three months ended March 31, 2003, an increase of $2.7 million or 9.4%. Of this increase, $1.0 million was directly related to the acquisitions of insurance agencies during 2003 and $1.4 million resulted from write-downs of foreclosed real estate during the quarter ended March 31, 2004.

As a part of "Ascend," Old National anticipates improvements in noninterest expense at the program's completion by the end of 2005, however it is expected that a significant charge for the initial phase of the implementation will occur in the quarter ending June 30, 2004.

Provision for Income Taxes
Old National records a provision for income taxes currently payable and for income taxes payable in the future, which arise due to timing differences in the recognition of certain items for financial statement and income tax purposes. The major difference between the effective tax rate applied to Old National's financial statement income and the federal statutory tax rate is caused by interest on tax-exempt securities and loans. The provision for income taxes, as a percentage of pre-tax income, was 14.4% for the three months ended March 31, 2004, compared to 21.7% in the three months ended March 31, 2003. The decreased effective tax rate in 2004 resulted from a higher percentage of tax-exempt income to total income.

FINANCIAL CONDITION

Overview

Old National initiated balance sheet strategies beginning in the second half of 2003 to reduce the assets and liabilities of the company, including a reduction in the investment portfolio and a reduction in certificates of deposits and borrowed funds. Old National's assets at March 31, 2004, were $9.259 billion, a 4.8% decrease compared to March 31, 2003, and a 4.0% decrease compared to December 31, 2003. Investments and loans decreased $441.2 million and $27.3 million, respectively, since March 31, 2003, and decreased $43.7 million and $10.5 million, respectively, since December 31, 2003. Total liabilities declined $463.7 million compared to March 31, 2003, and $119.9 million since December 31, 2003. Total shareholders' equity decreased $2.2 million from March 31, 2003, but showed an increase over December 31, 2003, of $25.4 million due to changes in the unrealized gains on investment securities.

Earning Assets

Old National's earning assets are comprised of loans and loans held for sale, investment securities and money market investments. Earning assets were $8.467 billion at March 31, 2004, a decrease of 5.5% from March 31, 2003, and a decrease of 2.4% since December 31, 2003. The reduction in earning assets is due to a continuation of balance sheet strategies initiated by management during the second half of 2003. Old National reduced its investment portfolio in light of fewer attractive investment opportunities and the company's desire to reduce its sensitivity to rising interest rates. Total loans decreased only slightly, which can be attributed to continued weakness in commercial lending, partially offset by growth in consumer loans. In addition, the decrease in total loans from March 31, 2004, compared to March 31, 2003, was also affected by the sales of $62.7 million of nonaccrual commercial and residential real estate loans during the second and third quarters of 2003. Money market investments at March 31, 2004, increased by $9.8 million from March 31, 2003, primarily attributable to acquisitions that occurred after the first quarter of 2003.

Investment Securities

Old National has classified all investment securities as available-for-sale or held-to-maturity on the date of purchase. The majority of Old National's investment securities are classified as available-for-sale, which gives management the flexibility to sell the securities prior to maturity, if needed, based on fluctuating interest rates or changes in the company's funding requirements.

At March 31, 2004, the investment securities portfolio was $2.874 billion compared to $3.315 billion at March 31, 2003, a decrease of $441.2 million or 13.3%. Investment securities decreased $43.7 million at March 31, 2004, compared to December 31, 2003, a decrease of 6.0%. Investment securities represented 33.9% of earning assets at March 31, 2004, compared to 37.0% at March 31, 2003, and 34.2% at December 31, 2003. During the first half of 2003, Old National increased the investment portfolio as a short-term alternative source of earning assets to offset declining residential real estate and minimal commercial and consumer loan growth. During the second half of 2003 and continuing into 2004, Old National decreased the size of the investment portfolio and used the cash flows generated by the declining investment portfolio to reduce borrowed funds. Stronger economic activity and stronger commercial loan demand would likely result in increased investments in loans and a reduction in the investment securities portfolio.

The investment securities available-for-sale portfolio had net unrealized gains of $59.6 million at March 31, 2004, compared to $77.0 million at March 31, 2003. The decrease of $17.4 million was the result of higher market interest rates and a smaller portfolio of securities available-for-sale at March 31, 2004. Unrealized gains increased by $35.9 million due to somewhat reduced market interest rates resulting in a higher unrealized gain at March 31, 2004, compared to December 31, 2003.

The investment portfolio had an average life of 4.30 years at March 31, 2004, compared to 3.59 years at March 31, 2003 and 4.86 years at December 31, 2003. The average yields on investment securities, on a taxable equivalent basis, were 4.62% for the quarter ended March 31, 2004, compared to 4.99% for the quarter ended March 31, 2003 and 4.70% for the quarter ended December 31, 2003. This decrease was primarily due to prepayments of mortgage-backed securities and calls of higher coupon agency securities that left lower coupon securities in the portfolio.

Residential Loans Held for Sale
Residential loans held for sale were $17.9 million at March 31, 2004, compared to $53.0 million at March 31, 2003, a decrease of 66.2%, and compared to $16.3 million at December 31, 2003. Residential loans held for sale are loans that are closed, but not yet sold on the secondary market. The amount of residential loans held for sale on the balance sheet varies depending on the timing of movement of originations and loan sales to the secondary market. At March 31, 2004, residential real estate loan origination activity was down as compared to March 31, 2003, primarily due to a reduced level of loan refinancing.

Commercial and Consumer Loans
Commercial and consumer loans are the largest classification within the earning assets of Old National representing 54.6% of earning assets at March 31, 2004, an increase from 51.5% at March 1, 2003, and 54.4% at December 31, 2003. At March 31, 2004, commercial and commercial real estate loans were $3.445 billion, a slight decrease of $117.2 million since March 31, 2003, and a decrease of $22.3 million since December 31, 2003. During the third quarter of 2003, Old National sold $48.2 million of non-performing commercial loans. Weak loan demand in Old National's non-urban markets impacted commercial loan growth in 2003 and continues into 2004.

At March 31, 2004, consumer loans, including automobile loans, personal and home equity loans and lines of credit, and student loans, increased $125.1 million or 11.9% compared to March 31, 2003, and increased $12.1 million or 4.2% since December 31, 2003, primarily due to enhancements to marketing and customer contact programs.

Residential Real Estate Loans
Residential real estate loans, primarily 1-4 family properties, have decreased in significance to the loan portfolio over the past five years due to higher levels of loan sales into the secondary market, primarily to Federal Home Loan Mortgage Corporation and Federal National Mortgage Association. Old National sells the majority of residential real estate loans it originates as a strategy to better manage interest rate risk and liquidity. These loans are sold with loan servicing retained in order to maintain customer relationships and generate noninterest income and fees. By using this strategy, Old National is able to recognize an immediate gain in noninterest income versus a small net interest income spread over a longer period of time. Old National sells the majority of the residential real estate loans without recourse, currently having less than 1% of loans sold with recourse.

At March 31, 2004, residential real estate loans were $939.2 million, a decrease of $35.2 million or 3.6% from March 31, 2003. Residential real estate loans liquidated at high levels during 2003 due to the low interest rate environment and the related boom in refinancing. Residential real estate loans were virtually unchanged from December 31, 2003, to March 31, 2004, as new loans originated and held on the balance sheet replaced the maturities and prepayments of existing loans. Old National's residential real estate loan portfolio was also affected by the sales of delinquent loans in the second and third quarters of 2003. These sales were to improve credit quality and reduce the level of non-performing loans and are not a part of Old National's ongoing strategy. Delinquent residential real estate loans of $14.5 million were sold to independent investors resulting in write-downs of $3.4 million recorded against the allowance for loan losses. During 2003, Old National developed additional mortgage products that fit within the company's interest rate risk profile that will be retained by the bank. As a result of this strategy, Old National has begun to see increased stabilization of residential real estate loans on the consolidated balance sheet.

Allowance for Loan Losses and Asset Quality Administration
Old National monitors the quality of its loan portfolio on an on-going basis and uses a combination of detailed credit assessments by relationship managers and credit officers, historic loss trends, and economic and business environment factors in determining its allowance for loan losses. Old National records provisions for loan losses based on current and projected loans outstanding, grade changes, mix of loans and expected losses. A detailed loan loss evaluation on an individual loan basis for the company's highest risk loans is performed quarterly.

Each month, problem loan reports are prepared and reviewed, which include borrowers that show indications of being unable to meet debt obligations in the normal course of business, and loans which have other characteristics deemed by bank management to warrant special attention or have been criticized by regulators in the examination process. Classified loans include non-performing loans, past due 90 days and other problem loans while criticized loans, also known as special mention loans, are loans that have potential weaknesses that deserve management's close attention and require specific quarterly reviews by the bank.

Assets determined by the various evaluation processes to be under-performing receive special attention by Old National management. Under-performing assets consist of: 1) nonaccrual loans where the ultimate collectibility of interest or principal is uncertain; 2) loans renegotiated in some manner, primarily to provide for a reduction or deferral of interest or principal payments because the borrower's financial condition deteriorated; 3) loans with principal or interest past due ninety (90) days or more; and 4) foreclosed properties.

A loan is generally placed on nonaccrual status when principal or interest become 90 days past due unless it is well secured and in the process of collection, or earlier when concern exists as to the ultimate collectibility of principal or interest. When loans are classified as nonaccrual, interest accrued during the year is reversed against earnings; interest accrued in the prior year, if any, is charged to the allowance for loan losses. Cash received while a loan is classified as nonaccrual is recorded to principal.

Old National analyzes on a quarterly basis the composition of the loan portfolio to determine if there is any concentration of loans in any single industry exceeding 10% of its portfolio, and has determined that no such concentration exists as of March 31, 2004, as measured by Old National. In addition, Old National has no exposure to foreign borrowers or lesser-developed countries.

Allowance for Loan Losses and Asset Quality

At March 31, 2004, the allowance for loan losses was $108.6 million, an increase of $24.6 million compared to $84.0 million at March 31, 2003, and an increase of $4.0 million compared to $104.6 million at December 31, 2003. As a percentage of total loans held for investment, the allowance increased to 1.95% at March 31, 2004, from 1.50% at March 31, 2003, and 1.88% from December 31, 2003. The significantly higher allowance for loan losses at March 31, 2004, compared to March 31, 2003, was due to Old National's increased provision during 2003, reflecting higher than normal losses in 2003. Loan collateral values in the markets served by Old National have deteriorated and recent experience has elevated the rate of expected future losses compared to earlier periods in 2003. For the three months ended March 31, 2004, the provision for loan losses amounted to $7.5 million, a decrease of $1.5 million from the three months ended March 31, 2003.

Charge-offs, net of recoveries, totaled $3.5 million for the three months ended March 31, 2004, the lowest level since the second quarter of 2002, and a decrease of $9.3 million from the three months ended March 31, 2003. Net charge-offs to average loans were 0.2% for the three months ended March 31, 2004, as compared to 0.9% for the three months ended March 31, 2003. The net charge-offs were higher for the quarter ended March 31, 2003, primarily due to the charge-off of a single commercial credit of $8.5 million.

Under-performing assets totaled $114.8 million at March 31, 2004, remaining relatively unchanged from December 31, 2003, and significantly lower than the $139.7 million at March 31, 2003. As a percent of total loans and foreclosed properties, under-performing assets at March 31, 2004, were 2.06%, a reduction from the December 31, 2003 ratio of 2.12% and the March 31, 2003 ratio of 2.47%. Nonaccrual loans were $107.1 million at March 31, 2004, compared to $104.6 million at December 31, 2003, and $116.5 million at March 31, 2003. Management believes that it has appropriately identified and reserved for loan losses related to nonaccrual loans at March 31, 2004. Approximately $47.2 million of nonaccrual loans less than thirty days delinquent were contractually performing at March 31, 2004. Management will continue its efforts to reduce the level of non-performing loans and may consider the possibility of additional sales of troubled and non-performing loans, which could result in additional write-downs to the allowance for loan losses.

While the level of nonaccrual loans has remained relatively unchanged over the last three quarters, the total portfolio of loans identified by Old National as problem credits continues to decline. Total classified and criticized loans were $526.4 million at March 31, 2004, a decrease of $33.2 million from December 31, 2003 and a decrease of $126.0 million from March 31, 2003. While the absolute level of classified and criticized loans at March 31, 2004, decreased, management believes it has taken a prudent approach to the evaluation of under-performing credits and the loan portfolio in general, both in acknowledging the portfolio's general condition and in establishing the allowance for loan losses.

Old National has been affected by weakness in the economy of its non-urban markets, which has resulted in minimal growth of commercial loans and tighter credit underwriting standards. Management expects that trends in nonaccrual loans will be influenced by the degree to which the economy strengthens. The longer the significant softness in manufacturing continues, the more stress it puts on Old National's borrowers, increasing the potential for additional nonaccrual loans.

The table below shows the various components of under-performing assets:

	March 31,		December 31,
(dollars in thousands)	**2004**	2003	**2003**
Nonaccrual loans	**$107,122**	$116,547	$104,627
Renegotiated loans	**-**	-	-
Past due loans (90 days or more)	**2,334**	14,112	5,120
Foreclosed properties	**5,304**	8,999	8,763
Total under-performing assets	**$114,760**	$139,658	$118,510
Classified loans (includes non-performing loans, past due 90 days and other problem loans)	**$321,328**	$445,151	$343,943
Criticized loans	**205,101**	207,293	215,700
Total criticized and classified loans	**$526,429**	$652,444	$559,643
Asset Quality Ratios: (1)			
Non-performing loans/total loans (1) (2)	**1.92 %**	2.07 %	1.87 %
Under-performing assets/total loans and foreclosed properties (1)	**2.06**	2.47	2.12
Under-performing assets/total assets	**1.24**	1.44	1.27
Allowance for loan losses/under-performing assets	**94.63**	60.14	88.24

(1) Items referring to loans are net of unearned income and include residential loans held for sale.
(2) Non-performing loans include nonaccrual and renegotiated loans.

Premises and Equipment
Premises and equipment was $194.3 million at March 31, 2004, an increase of $50.8 million or 35.4% since March 31, 2003, and an increase of $12.9 million or 28.4% since December 31, 2003. The increase is primarily due to the construction-in-progress of Old National's Evansville-based corporate headquarters and main banking center. The building is expected to be complete in the third quarter of 2004 at which time depreciation will begin.

Goodwill and Other Intangible
The non-bank services segment acquired various financial services companies in the second and third quarters of 2003, increasing goodwill to $129.3 million at March 31, 2004, from $110.6 million at March 31, 2003. Also as a result of these acquisitions, other intangible assets related to customer business relationships increased to $41.1 million at March 31, 2004, from $27.0 million at March 31, 2003. Old National performs impairment testing of goodwill and other intangibles on an annual basis. As of March 31, 2004 and 2003, there was no impairment.

Funding
Total funding, comprised of deposits and wholesale borrowings, was $8.390 billion at March 31, 2004, a decrease of 4.9% from $8.826 billion at March 31, 2003, and a decrease of 6.7% from $8.532 billion at December 31, 2003. Total deposits were $6.385 billion at March 31, 2004, an increase of 1.0% compared to March 31, 2003, and a decrease of 6.7% compared to December 31, 2003. Old National experienced growth in demand deposits and other low cost transaction accounts when comparing March 31, 2004 to March 31, 2003, due to the lower rate environment and customer preference for transaction accounts. When comparing March 31, 2004 to December 31, 2003, Old National's transaction accounts were lower due to seasonal deposit declines. Old National experienced a reduction in time accounts from March 31, 2004, compared to March 31, 2003 and December 31, 2003, due to the maturity of a group of higher interest rate certificates of deposits during the first quarter of 2004.

Old National uses wholesale funding to augment deposit funding and to help maintain its desired interest rate risk position. At March 31, 2004, wholesale borrowings, including short-term borrowings and other borrowings, decreased 20.0% and 6.7% from March 31, 2003, and December 31, 2003, respectively. Wholesale funding was increased during the first half of 2003 to finance investment portfolio growth, offset a reduction in certificates of deposits, and take advantages of favorable interest rates. During the second half of 2003 and continuing into 2004, wholesale borrowings decreased as the investment portfolio growth slowed. Wholesale borrowings as a percentage of total funding was 23.9% at March 31, 2004 compared to 28.4% at March 31, 2003 and 23.9% at December 31, 2003. The lower level of earning assets and stable levels of total core deposits during the first quarter of 2004 reduced the company's reliance on wholesale funding.

Capital Resources and Regulatory Guidelines
Shareholders' equity totaled $740.9 million at March 31, 2004, essentially unchanged from March 31, 2003, and an increase of 14.2% compared to December 31, 2003. A higher unrealized gain on investment securities was the primary contributor to the increase in shareholders' equity from December 31, 2003 to March 31, 2004.

Old National paid cash dividends of $0.19 per share for the three months ended March 31, 2004, which decreased equity by $12.6 million, compared to cash dividends of $0.18 per share for the three months ended March 31, 2003, (restated for the 5% stock dividend distributed on January 27, 2004), which decreased equity by $12.1 million. Old National purchased shares of its stock in the open market under an ongoing repurchase program, reducing shareholders' equity by $10.1 million during the first quarter of 2004 and $12.6 million during the first quarter of 2003. Shares reissued for stock options and stock purchase plans increased shareholders' equity by $7.4 million during the first quarter of 2004 compared to $6.3 million during the first quarter of 2003.

Old National and the banking industry are subject to various regulatory capital requirements administered by the federal banking agencies. Old National's consolidated capital position remains strong as evidenced by the following comparisons of key industry ratios.

	Regulatory Guidelines Minimum	March 31, 2004	March 31, 2003	December 31, 2003
Risk-based capital:				
Tier 1 capital to total avg assets (leverage ratio)	4.00 %	7.53 %	7.56 %	7.35 %
Tier 1 capital to risk-adjusted total assets	4.00	11.08	11.31	10.96
Total capital to risk-adjusted total assets	8.00	14.76	14.95	14.65
Shareholders' equity to assets	N/A	8.00	7.64	7.65

ITEM 3. QUANTITIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

MARKET RISK MANAGEMENT
Inherent in Old National's balance sheet is market risk, defined as the sensitivity of income, fair market values and capital to changes in interest rates, foreign currency exchange rates, commodity prices and other relevant market rates or prices. The primary market risk to which Old National has exposure is interest rate risk. Interest rate risk arises because assets and liabilities may reprice, mature or prepay at different times or based upon different indices as market interest rates change. Changes in the slope of the yield curve and the pace of changes in interest rates may also impact net interest income and the fair value of the balance sheet.

Old National manages interest rate risk within an overall asset and liability management framework that includes attention to credit risk, liquidity risk and capitalization. A principal objective of asset/liability management is to manage the sensitivity of net interest income to changing interest rates. Asset and liability management activity is governed by a policy reviewed and approved annually by the Board of Directors. The Board of Directors has delegated the oversight of the administration of this policy to the Funds Management Committee, a committee of the Board of Directors, which meets quarterly. In addition, a second oversight committee, the Balance Sheet Management Committee comprised of senior executive managers, provides guidance for the execution of the activities.

Old National uses two modeling techniques to quantify the impact of changing interest rates on the company, Net Interest Income at Risk and Economic Value of Equity. Net Interest Income at Risk is used by management and the Board of Directors to evaluate the impact of changing rates over a two-year horizon while Economic Value of Equity is more useful for long-term interest rate risk. These models simulate the likely behavior of the company's net interest income and the likely change in the company's market value due to changes in interest rates under various possible interest rate scenarios. Because the models are driven by expected behavior in various interest rate scenarios and many factors besides market interest rates impact the company's net interest income and value, Old National recognizes that model outputs are not guarantees of actual results. For this reason, Old National models many different combinations of interest rates and balance sheet assumptions to best understand its overall sensitivity to market interest rate changes.

Old National's Board of Directors, through its Funds Management Committee, monitors the company's interest rate risk. The Funds Management Committee establishes policy guidelines for the allowable change in cumulative net interest income over a two-year period and the change in Economic Value of Equity in an up or down 200 basis point instantaneous parallel change to the yield curve (+/- 200 basis point yield curve shock). The current guideline for Net Interest Income at Risk is +/- 5% of net interest income over a two-year period in a 200 basis point shock to the yield curve. The current guideline for the allowable fluctuation in Economic Value of Equity is +/- 12% in a 200 basis point shock to the yield curve. In addition, Old National has included the output of its rate risk model in up and down 50 and 100 basis point yield curve shocks to provide a better understanding of Old National's sensitivity to market interest rate changes.

At March 31, 2004 and 2003, Old National was slightly outside its policy of Economic Value of Equity in a -200 basis point interest rate shock. Management and the Funds Management Committee have determined that this is an acceptable variance given the unusually low interest rates. The following table shows Old National’s market risk in various interest rate scenarios.

Interest Rate Risk /Static Balance Sheet Model

Interest Rate Change	**Estimated 24- Month Cumulative Impact On Net Interest Income**		**Estimated Change in Economic Value of Equity**	
(basis points)	**Policy**	**Actual**	**Policy**	**Actual**
2004				
+200	**+/- 5.00 %**	**-4.55 %**	**+/- 12.00 %**	**-8.43 %**
+100		**-2.01**		**-2.94**
+50		**-0.80**		**-1.61**
-50		**0.34 %**		**-1.51 %**
-100		**-0.45**		**-3.21**
-200	**+/- 5.00 %**	**-3.87**	**+/- 12.00 %**	**-13.85**
2003				
+200	+/- 5.00 %	-0.78 %	+/- 12.00 **%**	-2.15 %
+100		0.39		0.57
+50		0.42		0.44
-50		0.01 %		-2.49 %
-100		-0.73		-5.04
-200	+/- 5.00 %	-3.49	+/- 12.00 **%**	-13.36

The company’s rate risk model output depicted in the preceding table is based on a static, or unchanged future balance sheet. Based on management’s expected balance sheet, which includes expected changes in the company’s asset and funding mix, Old National expects net interest income to be impacted positively by the market’s current expectation of gradually increasing interest rates during 2004 and 2005.

Old National uses derivatives to manage interest rate risk in the ordinary course of business. See Note 10 to the consolidated financial statements for a discussion of derivative financial instruments. These transactions serve to better balance the repricing of assets and liabilities in various rate change scenarios and protect the company from changes in interest rates.

LIQUIDITY MANAGEMENT
The Funds Management Committee of the Board of Directors and the Balance Sheet Management Committee establish liquidity risk guidelines and monitor liquidity risk. The objective of liquidity management is to ensure Old National has the ability to fund balance sheet growth and meet deposit and debt obligations in a timely and cost-effective manner. Management monitors liquidity through a regular review of asset and liability maturities, funding sources, and loan and deposit forecasts to minimize funding risk. The company maintains strategic and contingency liquidity plans to ensure sufficient available funding to satisfy requirements for balance sheet growth, properly manage capital markets' funding sources and to address unexpected liquidity requirements.

Old National's ability to raise funding at competitive prices is influenced by rating agencies' views of the company's credit quality, liquidity, capital and earnings. The senior debt ratings of Old National Bancorp and Old National Bank at March 31, 2004, are shown in the following table.

SENIOR DEBT RATINGS

	Standard and Poor's		Moody's Investor Services		Fitch, Inc.	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
Old National Bancorp	BBB	N/A	Baa1	N/A	BBB	F2
Old National Bank	BBB+	A2	A3	P-2	BBB	F2

N/A = not applicable

On January 30, 2004, Fitch, Inc. lowered its ratings on Old National Bancorp and Old National Bank to BBB and changed its outlook on Old National from "negative" to "stable."

As of March 31, 2004 Old National Bank had the capacity to borrow $1.037 billion from the Federal Reserve Bank's discount window. Old National Bank is also a member of the Federal Home Loan Bank ("FHLB") of Indianapolis, which provides a source of funding through FHLB advances. Old National also maintains relationships in capital markets with brokers and dealers to issue certificates of deposits and short-term and medium-term bank notes. In addition, at March 31, 2004, Old National had $660 million available for issuance under a $1 billion global bank note program for senior and subordinated debt.

Old National Bancorp, the parent company, has routine funding requirements consisting primarily of operating expenses, dividends to shareholders, debt service, net derivative cash flows and funds used for acquisitions. Old National Bancorp obtains funding to meet its obligations from dividends and management fees collected from its subsidiaries and the issuance of debt securities. At March 31, 2004 the parent company's other borrowings outstanding was $274.6 million, compared with $43.4 million at March 31, 2003. This increase in other borrowings was driven by the issuance of $100 million of fixed-rate medium-term notes and the reclassification of $161.9 million related to guaranteed preferred beneficial interests in subordinated debentures, which was partially offset by medium-term note maturities of $30 million. See Note 8 to the consolidated financial statements for a discussion of the reclassification. Old National Bancorp's debt scheduled to mature in the next 12-months is $3.2 million. These debt obligations are expected to be met through current cash balances and dividends from subsidiaries. Federal banking laws regulate the amount of dividends that may be paid by banking subsidiaries without prior approval. For further information regarding dividend restrictions, see Note 19 of the notes to the consolidated financial statements of the 2003 annual report. At March 31, 2004, Old National had an SEC shelf registration in place for the issuance of $200 million preferred securities by a series of Trusts. Old National has issued $150 million of these securities, called trust preferred securities, and has the capacity to issue an additional $50 million.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures. Old National's principal executive officer and principal financial officer have concluded that Old National's disclosure controls and procedures (as defined in Exchange Act Rule 13a-14(c) under the Securities Exchange Act of 1934, as amended), based on their evaluation of these controls and procedures as of the end of the period covered by this Form 10-Q, are effective at the reasonable assurance level as discussed below to ensure that information required to be disclosed by Old National in the reports it files under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission and that such information is accumulated and communicated to Old National's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Limitations on the Effectiveness of Controls. Management, including the principal executive officer and principal financial officer, does not expect that Old National's disclosure controls and internal controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include the realities that judgements in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls.

The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be only reasonable assurance that any design will succeed in achieving its stated goals under all potential future conditions, over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II
OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

NONE

ITEM 2. CHANGES IN SECURITIES

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publically Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
01/01/04 - 01/31/04	346,139	$21.31	346,139	2,965,183
02/01/04 - 02/29/04	94,100	21.28	94,100	2,867,307
03/01/04 - 03/31/04	27,500	22.36	27,500	2,854,710
Year-to-date 3/31/04	467,739	$21.55	467,739	2,854,710

NOTE: Old National announced on December 4, 2003, that the board of directors approved the continuation of the company's stock repurchase program up to 5% of the company's outstanding stock for 2004.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

NONE

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

NONE

ITEM 5. OTHER INFORMATION

NONE

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

The exhibits filed as part of this report and exhibits incorporated herein by reference to other documents are as follows:

Exhibit Number	
3 (i)	Articles of Incorporation of Old National (incorporated by reference to Exhibit 3(i) of Old National's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002).
3 (ii)	By-Laws of Old National, amended and restated effective April 22, 2004, are filed herewith.
4	Instruments defining rights of security holders, including indentures
	Form of Indenture between Old National and Bank One Trust Company, NA, as trustee (incorporated by reference to Exhibit 4.1 to Old National's Registration Statement on Form S-3, Registration No. 333-87573, filed with the Securities and Exchange Commission on September 22, 1999).

10 Material contracts

(a) Form of Severance Agreement for Thomas F. Clayton, Michael R. Hinton, Daryl D. Moore and John S. Poelker, as amended, is filed herewith.*

(b) Form of Change of Control Agreement for Thomas F. Clayton, Michael R. Hinton, Daryl D. Moore and John S. Poelker, as amended, is filed herewith.*

(c) Severance Agreement, between Old National and James A. Risinger, is filed herewith.*

(d) Old National Bancorp 1999 Equity Incentive Plan (incorporated by reference to Old National's Form S-8 filed on July 20, 2001).*

(e) Construction Manager Contract, dated as of May 30, 2002, between Old National Bancorp and Industrial Contractors, Inc. (incorporated by reference to Old National's Quarterly Report on Form 10-Q for the quarter ended September 30, 2002).

(f) Owner-Contractor Agreement, dated as of October 11, 2002, between Old National Bancorp and Industrial Contractors, Inc. (incorporated by reference to Old National's Quarterly Report on Form 10-Q for the quarter ended September 30, 2002).

(g) Summary of Old National Bancorp's Outside Director Compensation Program (incorporated by reference to Old National's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003).*

31.1 Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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* Management contract or compensatory plan or arrangement

(b) Reports on Form 8-K filed during the quarter ended March 31, 2004.

Old National filed a current report on Form 8-K dated February 18, 2004. The purpose of this Form 8-K was to report the retirement of Old National's Chairman and Chief Executive Officer, James A. Risinger.

Old National filed a current report on Form 8-K dated January 23, 2004. The purpose of this Form 8-K was to report the transcript of the conference call held by Old National for the fourth quarter 2003.

Old National filed a current report on Form 8-K dated January 22, 2004. The purpose of this Form 8-K was to report Old National's results for the fourth quarter 2003.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

OLD NATIONAL BANCORP
(Registrant)

By: /s/ John S. Poelker

John S. Poelker
Executive Vice President and Chief Financial Officer
Duly Authorized Officer and Principal Financial Officer

Date: May 10, 2004