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 September 30, 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.)
One Main Street **Evansville, Indiana**	**47708**
(Address of principal executive offices)	(Zip Code)

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(812) 464-1294
(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 65,845,000 shares outstanding at October 31, 2004.

OLD NATIONAL BANCORP

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OLD NATIONAL BANCORP
CONSOLIDATED BALANCE SHEET

(dollars and shares in thousands) (unaudited)	September 30, 2004	September 30, 2003	December 31, 2003
Assets			
Cash and due from banks	**$ 205,495**	$ 172,962	$ 222,385
Money market investments	**163,098**	97,025	14,504
Total cash and cash equivalents	**368,593**	269,987	236,889
Investment securities - available-for-sale, at fair value:			
U.S. Treasury	**67,195**	13,194	26,057
U.S. Government agencies and corporations	**633,713**	602,702	580,820
Mortgage-backed securities	**1,191,735**	1,426,944	1,298,881
States and political subdivisions	**631,893**	653,456	655,068
Other securities	**146,034**	116,169	145,514
Investment securities - available-for-sale	**2,670,570**	2,812,465	2,706,340
Investment securities - held-to-maturity, at amortized cost:			
Mortgage-backed securities (fair value $184,426, $214,813, and $209,316, respectively)	**185,392**	217,536	210,905
Residential loans held for sale	**22,061**	16,922	16,338
Loans:			
Commercial	**1,586,600**	1,684,795	1,618,095
Commercial real estate	**1,713,795**	1,832,500	1,849,275
Residential real estate	**554,079**	934,175	939,422
Consumer credit, net of unearned income	**1,227,196**	1,134,789	1,163,325
Total loans	**5,081,670**	5,586,259	5,570,117
Allowance for loan losses	**(96,322)**	(92,650)	(95,235)
Net loans	**4,985,348**	5,493,609	5,474,882
Premises and equipment, net	**212,237**	168,873	181,398
Goodwill	**129,947**	129,479	129,251
Other intangible assets	**39,490**	42,714	41,912
Mortgage servicing rights	**16,381**	14,790	14,659
Accrued interest receivable and other assets	**351,696**	358,144	350,658
Total assets	**$8,981,715**	$9,524,519	$9,363,232
Liabilities			
Deposits:			
Noninterest-bearing demand	**$ 825,721**	$ 756,367	$ 823,146
Interest-bearing:			
NOW	**1,823,368**	1,491,781	1,612,145
Savings	**470,954**	445,817	441,427
Money market	**581,822**	644,822	608,177
Time	**2,706,264**	3,058,250	3,008,197
Total deposits	**6,408,129**	6,397,037	6,493,092
Short-term borrowings	**338,531**	653,953	414,588
Other borrowings	**1,405,522**	1,470,937	1,624,092
Guaranteed preferred beneficial interests in subordinated debentures	**-**	163,207	-
Accrued expenses and other liabilities	**117,187**	117,616	115,970
Total liabilities	**8,269,369**	8,802,750	8,647,742
Shareholders' Equity			
Preferred stock, 2,000 shares authorized, no shares issued or outstanding	**-**	-	-
Common stock, $1 stated value, 150,000 shares authorized, 66,221, 63,629 and 66,575 shares issued and 65,960, 63,629, and 66,575 shares outstanding, respectively	**65,960**	63,629	66,575
Capital surplus	**567,714**	523,426	581,224
Retained earnings	**64,317**	125,483	53,107
Accumulated other comprehensive income, net of tax	**14,355**	9,231	14,584
Total shareholders' equity	**712,346**	721,769	715,490
Total liabilities and shareholders' equity	**$8,981,715**	$9,524,519	$9,363,232

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 September 30, 2004	2003	Nine Months Ended September 30, 2004	2003
Interest Income				
Loans including fees:				
Taxable	**$ 68,260**	$ 78,580	**$215,333**	$245,050
Nontaxable	**4,203**	4,314	**12,894**	12,860
Investment securities, available-for-sale:				
Taxable	**19,082**	22,141	**57,970**	72,336
Nontaxable	**7,275**	7,496	**21,978**	23,351
Investment securities, held-to-maturity, taxable	**1,944**	2,140	**6,028**	4,756
Money market investments	**714**	90	**824**	219
Total interest income	**101,478**	114,761	**315,027**	358,572
Interest Expense				
Deposits	**26,866**	32,659	**83,179**	107,234
Short-term borrowings	**704**	1,643	**2,757**	6,225
Other borrowings	**12,903**	12,987	**37,818**	39,373
Total interest expense	**40,473**	47,289	**123,754**	152,832
Net interest income	**61,005**	67,472	**191,273**	$205,740
Provision for loan losses	**7,400**	27,500	**22,400**	59,000
Net interest income after provision for loan losses	**53,605**	39,972	**168,873**	146,740
Noninterest Income				
Trust and asset management fees	**7,734**	7,604	**23,276**	22,687
Service charges on deposit accounts	**12,622**	11,471	**35,773**	33,830
ATM fees	**2,265**	1,831	**6,420**	5,723
Mortgage banking revenue	**246**	8,039	**7,065**	17,307
Insurance premiums and commissions	**11,655**	10,056	**40,545**	27,371
Investment product fees	**2,547**	2,633	**9,507**	7,994
Bank-owned life insurance	**1,787**	1,689	**5,622**	5,129
Net securities gains	**303**	75	**2,309**	23,555
Other income	**2,972**	2,375	**8,314**	8,010
Total noninterest income	**42,131**	45,773	**138,831**	151,606
Noninterest Expense				
Salaries and employee benefits	**43,281**	43,408	**146,076**	129,203
Occupancy	**5,187**	4,684	**14,705**	13,741
Equipment	**3,745**	3,735	**10,783**	11,261
Marketing	**2,702**	2,829	**7,092**	8,054
Outside processing	**5,109**	4,975	**15,698**	14,028
Communication and transportation	**2,646**	2,953	**8,366**	8,846
Professional fees	**3,195**	1,964	**23,308**	6,831
Loan expense	**1,471**	2,177	**4,742**	5,172
Supplies	**1,002**	1,072	**3,035**	3,682
Other losses	**2,203**	1,471	**4,899**	3,040
Other expense	**4,884**	6,197	**15,861**	15,732
Total noninterest expense	**75,425**	75,465	**254,565**	219,590
Income before income taxes	**20,311**	10,280	**53,139**	78,756
Income tax expense (benefit)	**2,127**	(1,530)	**4,163**	13,619
Net income	**$ 18,184**	$ 11,810	**$ 48,976**	$ 65,137
Net Income Per Common Share				
Basic	**$0.28**	$0.17	**$0.74**	$0.97
Diluted	**0.27**	0.17	**0.73**	0.97
Weighted Average Number Of Common Shares Outstanding				
Basic	**66,051**	66,904	**66,247**	66,813
Diluted	**66,731**	67,071	**66,692**	66,880
Dividends Per Common Share	**$0.19**	$0.18	**$0.57**	$0.54

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	-	-	-	65,137	-	65,137
Unrealized net securities losses, net of $(20,842) tax	-	-	-	-	(27,808)	(27,808)
Reclassification adjustment for gains included in net income, net of $(7,850) tax	-	-	-	-	(15,705)	(15,705)
Net unrealized derivative gains on cash flow hedges, net of $512 tax	-	-	-	-	790	790
Reclassification adjustment on cash flow hedges, net of $84 tax	-	-	-	-	131	131
Stock issued for acquisitions	929	929	20,393	-	-	21,322
Cash dividends	-	-	-	(36,306)	-	(36,306)
Stock repurchased	(1,461)	(1,461)	(31,510)	-	-	(32,971)
Stock issued under stock option and stock purchase plans	305	305	6,164	-	-	6,469
Balance, September 30, 2003	63,629	$63,629	$523,426	$125,483	$ 9,231	$721,769
Balance, December 31, 2003	**66,575**	**$66,575**	**$581,224**	**$ 53,107**	**$ 14,584**	**$715,490**
Net income	**-**	**-**	**-**	**48,976**	**-**	**48,976**
Unrealized net securities gains, net of $1,704 tax	**-**	**-**	**-**	**-**	**2,667**	**2,667**
Reclassification adjustment for gains included in net income, net of $(961) tax	**-**	**-**	**-**	**-**	**(1,348)**	**(1,348)**
Net unrealized derivative losses on cash flow hedges, net of ($1,092) tax	**-**	**-**	**-**	**-**	**(1,689)**	**(1,689)**
Reclassification adjustment on cash flow hedges, net of $93 tax	**-**	**-**	**-**	**-**	**141**	**141**
Cash dividends	**-**	**-**	**-**	**(37,766)**	**-**	**(37,766)**
Adjustments to stock issued for prior acquisitions	**(3)**	**(3)**	**(61)**	**-**	**-**	**(64)**
Stock repurchased	**(1,145)**	**(1,145)**	**(25,010)**	**-**	**-**	**(26,155)**
Stock issued under stock option, restricted stock and stock purchase plans	**533**	**533**	**11,561**	**-**	**-**	**12,094**
Balance, September 30, 2004	**65,960**	**$65,960**	**$567,714**	**$ 64,317**	**$ 14,355**	**$712,346**

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)	Nine Months Ended September 30, 2004	2003
Cash Flows From Operating Activities		
Net income	**$ 48,976**	$ 65,137
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation	**10,089**	9,793
Amortization of other intangible assets	**2,390**	1,810
Net premium amortization on investment securities	**6,197**	10,421
Amortization of unearned stock compensation	**378**	-
Provision for loan losses	**22,400**	59,000
Net securities gains	**(2,309)**	(23,555)
Net gains on sales and write-downs of loans and other assets	**(3,712)**	(10,545)
Residential real estate loans originated for sale	**(268,456)**	(742,230)
Proceeds from sale of residential real estate loans	**266,204**	827,181
Increase in other assets	**(4,980)**	(29,769)
Increase in accrued expenses and other liabilities	**2,228**	12,856
Total adjustments	**30,429**	114,962
Net cash flows provided by operating activities	**79,405**	180,099
Cash Flows From Investing Activities		
Cash and cash equivalents of subsidiaries acquired	-	1,497
Purchases of investment securities available-for-sale	**(751,547)**	(2,014,121)
Proceeds from maturities, prepayments and calls of investment securities available-for-sale	**525,752**	1,212,310
Proceeds from sales of investment securities available-for-sale	**260,441**	1,008,711
Purchases of investment securities held-to-maturity	**-**	(237,190)
Proceeds from maturities, prepayments and calls of investment securities held-to-maturity	**24,811**	19,020
Purchases of subsidiary, net of cash acquired	**-**	(14,335)
Proceeds from sale of loans	**404,424**	47,934
Net principal collected from (loans made to) customers	**61,955**	(4,477)
Proceeds from sale of premises and equipment and other assets	**4,787**	1,079
Purchases of premises and equipment	**(46,006)**	(41,191)
Net cash flows provided by (used in) investing activities	**484,617**	(20,763)
Cash Flows From Financing Activities		
Net increase (decrease) in deposits and short-term borrowings:		
Noninterest-bearing demand deposits	**2,575**	(22,062)
Savings, NOW and money market deposits	**214,395**	152,554
Time deposits	**(301,933)**	(172,735)
Short-term borrowings	**(76,057)**	(264,396)
Payments for maturities on other borrowings	**(273,636)**	(137,728)
Proceeds from issuance of other borrowings	**54,543**	381,600
Cash dividends paid	**(37,766)**	(36,306)
Common stock repurchased	**(26,155)**	(32,971)
Common stock issued under stock option, restricted stock and stock purchase plans	**11,716**	6,469
Net cash flows used in financing activities	**(432,318)**	(125,575)
Net increase in cash and cash equivalents	**131,704**	33,761
Cash and cash equivalents at beginning of period	**236,889**	236,226
Cash and cash equivalents at end of period	**$ 368,593**	$ 269,987
Total interest paid	**$123,404**	$156,052
Total taxes paid	**$ 11,419**	$ 22,184

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 accounting principles generally accepted in the United States of America 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 September 30, 2004 and 2003, and December 31, 2003, and the results of its operations for the three and nine months ended September 30, 2004 and 2003. Interim results do not necessarily represent annual results.

NOTE 2 - IMPACT OF ACCOUNTING CHANGES

In March 2004, the Emerging Issues Task Force ("EITF"), a unit of the Financial Accounting Standards Board ("FASB"), reached a consensus on EITF Issue 03-1, "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments." This EITF Issue provides guidance on evaluating when securities losses should be deemed "other-than-temporary" and, consequently, written down through earnings. In November 2003, a consensus was reached on the section of this EITF Issue that mandates certain disclosures in annual financial statements for all investments in an unrealized loss position for which "other-than-temporary" impairments have not been recognized. The recognition and measurement guidance of this EITF Issue was effective for reporting periods beginning after June 15, 2004, and the disclosure requirements were effective for annual financial statements for fiscal years ending after December 15, 2003. Old National made the required disclosures in Note 3 to the consolidated financial statements of the 2003 annual report. On September 30, 2004, the FASB issued a Final FASB Staff Position that delayed the effective date for the measurement and recognition guidance included in this EITF Issue to enable the FASB to issue implementation guidance. Until such guidance is finalized, it is uncertain whether this EITF Issue will have a material impact on Old National.

In December 2003, the Financial Accounting Standards Board revised Statement of Financial Accounting Standards ("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 10.

In December 2003, the FASB revised FASB Interpretation No. 46 ("FIN 46R"), "Consolidation of Variable Interest Entities," which was initially released in January 2003. FIN 46R 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 46R 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 46R. 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 Accounting Principles Board Opinion No. 25 and related Interpretations in accounting for stock-based compensation plans, under which no compensation cost has been recognized for any of the periods presented, except with respect to restricted stock plans as disclosed in the accompanying table. 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 following table net income and net income per share adjusted to proforma amounts had compensation costs for Old National's stock-based compensation plans been recorded based on fair values at grant dates. All per share data has been adjusted for stock dividends, including a 5% stock dividend distributed to shareholders on January 27, 2004.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(dollars in thousands, except per share data)	**2004**	**2003**	**2004**	**2003**
Net income as reported	**$18,184**	$11,810	**$48,976**	$65,137
Restricted Stock:				
Add: restricted stock compensation expense included in reported net income, net of related tax effects	**245**	-	**245**	-
Deduct: restricted stock compensation expense determined under fair value based method for all awards, net of related tax effects	**(238)**	-	**(238)**	-
Stock Options:				
Deduct: stock option compensation expense determined under fair value based method for all awards, net of related tax effects	**(779)**	(1,128)	**(3,297)**	(3,439)
Proforma net income	**$17,412**	$10,682	**$45,686**	$61,698
Basic net income per share:				
As reported	**$0.28**	$0.17	**$0.74**	$0.97
Proforma	**0.26**	0.16	**0.69**	0.92
Diluted net income per share:				
As reported	**$0.27**	$0.17	**$0.73**	$0.97
Proforma	**0.26**	0.16	**0.69**	0.92

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 period, adjusted to reflect all stock dividends. Diluted earnings per share reflects additional common shares that would have been outstanding if dilutive potential common shares had been issued. The following table reconciles basic and diluted net income per share for the three and nine months ended September 30.

(dollars and shares in thousands, except per share data)	Three Months Ended September 30, 2004			Three Months Ended September 30, 2003		
	Income	**Shares**	**Amount**	**Income**	**Shares**	**Amount**
Basic Net Income Per Share						
Income from operations	**$18,184**	**66,051**	**$0.28**	$11,810	66,904	$0.17
Effect Of Dilutive Securities						
Restricted stock	**-**	**42**		-	-	
Stock options	**-**	**638**		-	167	
Diluted Net Income Per Share						
Income from operations and assumed conversions	**$18,184**	**66,731**	**$0.27**	$11,810	67,071	$0.17

(dollars and shares in thousands, except per share data)	Nine Months Ended September 30, 2004			Nine Months Ended September 30, 2003		
	Income	Shares	Amount	Income	Shares	Amount
Basic Net Income Per Share						
Income from operations	**$48,976**	**66,247**	**$0.74**	$65,137	66,813	$0.97
Effect Of Dilutive Securities						
Restricted stock	**-**	**42**		-	-	
Stock options	**-**	**403**		-	67	
Diluted Net Income Per Share						
Income from operations and assumed conversions	**$48,976**	**66,692**	**$0.73**	$65,137	66,880	$0.97

NOTE 4 - INVESTMENT SECURITIES

The market value and amortized cost of investment securities as of September 30 are set forth below:

(dollars in thousands)	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
2004				
Available-for-sale	**$2,644,759**	**$48,587**	**$(22,776)**	**$2,670,570**
Held-to-maturity	**185,392**	**308**	**(1,274)**	**184,426**
2003				
Available-for-sale	$2,798,478	$53,420	$(39,433)	$2,812,465
Held-to-maturity	217,536	-	(2,723)	214,813

NOTE 5 - LOANS HELD FOR SALE

Residential loans held for sale are recorded at lower of cost or market value determined as of the balance sheet date. Interest rate risk on Old National's residential loans held for sale has been hedged using fair value hedge accounting in accordance with SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended. The loans' carrying bases reflects the effects of the SFAS No. 133 adjustments. At September 30, 2004 and 2003, Old National had residential loans held for sale of $22.1 million and $16.9 million, respectively. As of September 30, 2004 and 2003, ineffectiveness related to the hedge as calculated in accordance with SFAS No. 133 was immaterial.

During the third quarter of 2004, Old National entered into an ongoing agency agreement with a third party for assistance with facilitation of periodic loan sales. At September 30, 2004, no loans were held for sale under this arrangement. During the second quarter of 2004, residential real estate loans held for investment of $405.6 million were reclassified to residential loans held for sale and sold for $404.4 million resulting in a write-down on loans transferred to held for sale of $1.2 million, which was recorded as a reduction to the allowance for loan losses. Also in connection with this transaction, mortgage servicing rights of $2.7 million were capitalized, and a net gain of $2.7 million was recognized. During the third quarter of 2003, nonaccrual residential real estate loans of $3.4 million and commercial loans of $48.2 million held for investment were reclassified to loans held for sale and sold for $2.2 million and $36.9 million, respectively. This resulted in write-downs on loans transferred to held for sale of $1.2 million and $11.3 million, respectively, which were recorded as reductions to the allowance for loan losses. Also, during the second quarter of 2003, nonaccrual residential real estate loans held for investment of $11.1 million were reclassified to residential loans held for sale and sold for $8.9 million resulting in a write-down on loans transferred to held for sale of $2.2 million, which was recorded as a reduction to the allowance for loans losses.

NOTE 6 - ALLOWANCE FOR LOAN LOSSES

Activity in the allowance for loan losses was as follows:

(dollars in thousands)	**2004**	**2003**
Balance, January 1	**$104,571**	$87,742
Transfer to allowance for unfunded commitments	**(8,581)**	(6,771)
Additions:		
Provision charged to expense	**22,400**	59,000
Deductions:		
Write-downs on loans transferred to held for sale	**1,177**	14,744
Loans charged-off	**29,417**	39,414
Recoveries	**(8,526)**	(6,837)
Net charge-offs and other charges	**22,068**	47,321
Balance, September 30	**$ 96,322**	$92,650

During the third quarter of 2004, Old National reclassified $8.6 million of the allowance for loan losses related to unfunded loan commitments to other liabilities. Prior period amounts deemed to be material were reclassified for conformity of presentation and comparability of ratios related to the allowance for loan losses.

The following is a summary of information pertaining to impaired loans at September 30:

(dollars in thousands)	**2004**	**2003**
Impaired loans without a specific valuation allowance	**$25,393**	$40,797
Impaired loans with a specific valuation allowance	**68,469**	58,028
Total impaired loans	**$93,862**	$98,825
Valuation allowance related to impaired loans	**$26,233**	$20,614

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. Impaired loans do 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 or debt securities.

For the nine months ended September 30, 2004, the average balance of impaired loans was $91.0 million for which no interest was recorded. For the nine months ended September 30, 2003, the average balance of impaired loans was $235.5 million for which no interest was recorded. 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.

During the third quarter of 2003, Old National revised its interpretation of impaired loans to strictly follow SFAS No. 114. Prior 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 the current interpretation in the prior year, average impaired loans at September 30, 2003, would have totaled $103.0 million rather than $235.5 million.

NOTE 7 - GOODWILL AND OTHER INTANGIBLE ASSETS

At September 30, 2004 and 2003, Old National had goodwill in the amount of $129.9 million and $129.5 million, respectively. During the quarter ended September 30, 2004, Old National performed its annual goodwill impairment testing resulting in no impairment. The change in the carrying amount of goodwill by segment for the nine months ended September 30, 2004, was as follows:

(dollars in thousands)	**Community Banking**	**Non-bank Services**	**Total**
Balance, January 1	**$70,944**	**$58,307**	**$129,251**
Adjustments to goodwill acquired in prior year	**-**	**696**	**696**
Balance, September 30	**$70,944**	**$59,003**	**$129,947**

Old National continues to amortize definite-lived intangible assets over the estimated remaining life of each respective asset. At September 30, 2004, Old National had $36.7 million in unamortized intangible assets compared with $39.9 million in unamortized intangible assets at September 30, 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 September 30:

(dollars in thousands)	**Gross Carrying Amount**	**Accumulated Amortization**	**Net Carrying Amount**
2004			
Amortized intangible assets:			
Core deposit	**$ 5,574**	**$(3,499)**	**$ 2,075**
Customer business relationships	**36,608**	**(3,628)**	**32,980**
Non-compete agreements	**1,100**	**(124)**	**976**
Technology	**1,300**	**(641)**	**659**
Total amortized intangible assets	**44,582**	**(7,892)**	**36,690**
Unamortized intangible assets:			
Trade name	**2,800**	**-**	**2,800**
Total intangible assets	**$47,382**	**$(7,892)**	**$39,490**
2003			
Amortized intangible assets:			
Core deposit	$ 5,574	$(2,890)	$ 2,684
Customer business relationships	36,676	(1,421)	35,255
Non-compete agreements	1,100	(69)	1,031
Technology	1,300	(356)	944
Total amortized intangible assets	44,650	$(4,736)	39,914
Unamortized intangible assets:			
Trade name	2,800	-	2,800
Total intangible assets	$47,450	$(4,736)	$42,714

Total amortization expense associated with intangible assets for the three months ended September 30 was $0.8 million in 2004 and $0.7 million in 2003. Year-to-date amortization expense as of September 30, 2004 and 2003, was $2.4 million and $1.8 million, respectively.

The following is the estimated amortization expense for the future years:

(dollars in thousands) **For the years ended:**	**Estimated Amortization Expense**
2004 remaining	$ 782
2005	3,055
2006	2,840
2007	2,376
2008	2,213
2009	2,122
Thereafter	23,302
Total	$36,690

NOTE 8 - MORTGAGE SERVICING RIGHTS

Mortgage servicing rights derived from loans sold with servicing retained were $16.6 million and $16.2 million at September 30, 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 September 30 was $1.967 billion in 2004 and $1.706 billion in 2003. At September 30, 2004 and 2003, the fair value of capitalized mortgage servicing rights was $17.1 million and $14.8 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 319 PSA and discount rates ranging from 9.0% to 10.50% at September 30, 2004, and a weighted average prepayment rate of 305 PSA and a discount rate of 8.5% at September 30, 2003.

The following summarizes the activities related to mortgage servicing rights and the related valuation allowance at September 30:

(dollars in thousands)	2004	2003
Balance before valuation allowance, January 1	**$15,790**	$13,423
Rights capitalized	**5,454**	7,485
Amortization	**(4,613)**	(4,748)
Balance before valuation allowance, September 30	**16,631**	16,160
Valuation allowance:		
Balance, January 1	**(1,131)**	(2,056)
Additions to valuation allowance	**(2,190)**	(5,749)
Reductions to valuation allowance	**3,071**	6,435
Balance, September 30	**(250)**	(1,370)
Mortgage servicing rights, net	**$16,381**	$14,790

NOTE 9 - FINANCING ACTIVITIES

The following table summarizes Old National's other borrowings at September 30:

(dollars in thousands)	2004	2003
Old National Bancorp:		
Medium-term notes, Series 1997 (fixed rates 3.50% to 7.03%) maturities August 2007 to June 2008	**$ 110,000**	$ 113,200
Junior subordinated debentures (fixed rates 8.00% to 9.50%) maturities March 2030 to April 2032	**150,000**	-
SFAS 133 fair value hedge and other basis adjustments	**4,951**	(1,559)
Old National Bank:		
Securities sold under agreements to repurchase (fixed rates 1.67% to 4.73% and variable rates 1.61% to 2.55%) maturities March 2006 to December 2008	**248,000**	198,000
Federal Home Loan Bank advances (fixed rates 4.28% to 8.34% and variable rates 1.97% to 2.03%) maturities November 2004 to October 2022	**569,924**	812,428
Senior unsecured bank notes (fixed rate 3.95% and variable rates 1.88% to 2.03%) maturities January 2005 to February 2008	**165,000**	190,000
Subordinated bank notes (fixed rate 6.75%) maturing October 2011	**150,000**	150,000
Capital lease obligation	**4,530**	-
SFAS 133 fair value hedge and other basis adjustments	**3,117**	8,868
Total other borrowings	**$1,405,522**	$1,470,937

Contractual maturities of other borrowings at September 30, 2004, were as follows:

(dollars in thousands)	
Due in 2004	$ 35,008
Due in 2005	195,082
Due in 2006	202,402
Due in 2007	160,034
Due in 2008	343,037
Thereafter	461,891
SFAS 133 fair value hedge and other basis adjustments	8,068
Total	$1,405,522

FEDERAL HOME LOAN BANK
Federal Home Loan Bank advances had weighted-average rates of 5.30% and 5.39% at September 30, 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.

In accordance with FIN 46R, 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 September 30, 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	$ 93
2005	371
2006	371
2007	371
2008	371
Thereafter	13,265
Total minimum lease payments	14,842
Less amounts representing interest	10,312
Present value of net minimum lease payments	$ 4,530

NOTE 10 - 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 and nine months ended September 30:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(dollars in thousands)	2004	2003	2004	2003
Service cost	**$ 485**	$ 460	**$ 1,507**	$ 1,406
Interest cost	**999**	1,000	**2,973**	2,846
Expected return on plan assets	**(901)**	(636)	**(2,653)**	(1,776)
Amortization of prior service cost	**8**	8	**24**	24
Amortization of transitional asset	**(108)**	(108)	**(324)**	(324)
Recognized actuarial loss	**392**	348	**1,181**	945
Net periodic benefit cost	**$ 875**	$ 1,072	**$ 2,708**	$ 3,121

STOCK-BASED COMPENSATION

Under the 1999 Equity Incentive Plan, Old National is authorized to grant up to 7.3 million shares of common stock. At September 30, 2004, 6.3 million shares were outstanding under the plan, including 6.0 million stock options and 0.3 million shares of restricted stock issued, not outstanding, as described below, and 1.0 million shares were available for issuance. Old National accounts for its stock-based compensation plans in accordance with APB Opinion 25 and related Interpretations, under which no compensation cost has been recognized, except with respect to restricted stock plans. See Note 2 for proforma net income and net income per share data.

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. At September 30, 2004, Old National had 6.0 million of stock options outstanding.

Restricted Stock

On July 22, 2004, Old National's Board of Directors approved a restricted stock award to certain key officers. The shares vest at the end of a thirty-two month period based on the achievement of certain targets. Shares are subject to certain restrictions and risk of forfeiture by the participants. At September 30, 2004, 0.3 million shares were issued, not outstanding at an estimated value of $6.5 million.

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 and nine months ended September 30:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(dollars in thousands)	**2004**	2003	**2004**	2003
Provision at statutory rate of 35%	**$ 7,109**	$ 3,598	**$18,599**	$ 27,565
Tax-exempt income	**(4,560)**	(4,630)	**(13,960)**	(14,288)
Other, net	**(422)**	(498)	**(476)**	342
Income tax expense (benefit)	**$ 2,127**	$ (1,530)	**$ 4,163**	$13,619
Effective tax rate	**10.5 %**	(14.9) %	**7.8 %**	17.3 %

For the three months ended September 30, 2004, the effective tax rate was significantly higher than for the three months ended September 30, 2003. For the nine months ended September 30, 2004, the effective tax rate was significantly lower than for the nine months ended September 30, 2003. Tax-exempt income has remained relatively flat as illustrated above; however, the percentage of tax-exempt income to total income has fluctuated among the periods presented, resulting in the corresponding fluctuations in the effective rates.

NOTE 12 - COMPREHENSIVE INCOME

	Three Months Ended September 30,		Nine Months Ended September 30,	
(dollars in thousands)	**2004**	2003	**2004**	2003
Net income	**$18,184**	$ 11,810	**$48,976**	$ 65,137
Unrealized gains (losses) on securities:				
Unrealized holding gains (losses) arising during the period, net of tax	**43,021**	(45,842)	**2,667**	(27,808)
Less: reclassification adjustment for securities gains realized in net income, net of tax	**(185)**	(46)	**(1,348)**	(15,705)
Cash flow hedges:				
Net unrealized derivative gains (losses) on cash flow hedges, net of tax	**(2,205)**	(208)	**(1,689)**	790
Less: reclassification adjustment on cash flow hedges, net of tax	**47**	43	**141**	131
Net unrealized gains (losses)	**40,678**	(46,053)	**(229)**	(42,592)
Comprehensive income (loss)	**$58,862**	$(34,243)	**$48,747**	$ 22,545

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 in 1995 of First National Bank & Trust Company, Carbondale, Illinois, ("First National"), which Old National acquired in 1999. These lawsuits are pending against Old National Bank, as successor to First National, and were filed by alleged third-party creditors of certain structured settlement trusts. The lawsuits filed by the third-party creditors allege actual damages totaling approximately $31 million, as well as unspecified punitive damages and other damages and attorneys' fees. In addition, certain of the corporate defendants in these lawsuits have filed lawsuits asserting contribution and indemnity against Old National Bank. The cases are pending in the City of St. Louis and St. Louis County in Missouri; St. Clair County, Madison County and Cook County in Illinois; and U.S. Federal District Court in southern Illinois.

During the fourth quarter of 2003, Old National established a reserve of $10 million for settlement of certain of the lawsuits pending in the City of St. Louis and St. Louis County in Missouri and St. Clair County and Madison County in Illinois. As of September 30, 2004, Old National has paid $9.1 million of this reserve to settle a number of lawsuits representing approximately $12 million in alleged damages. The approximate $0.9 million remaining in the reserve for litigation settlement is deemed at this time to be adequate to cover the remaining exposure of approximately $3.0 million.

Old National has obtained a summary judgement in its favor at the trial court level on lawsuits representing $16 million of the estimated $31 million exposure. These cases were in Cook County, Illinois and are currently on appeal to the Court of Appeals in Illinois. It is not expected that future judgments or settlements in these matters will have a material impact on Old National's results of operations.

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 $1.374 billion, commercial letters of credit of $14.4 million and standby letters of credit of $109.8 million at September 30, 2004. At September 30, 2003, loan commitments were $1.409 billion, commercial letters of credit were $28.3 million and standby letters of credit were $79.5 million. These commitments are not reflected in the consolidated financial statements. At September 30, 2004, the balance of the allowance for unfunded loan commitments was $8.7 million.

At September 30, 2004 and 2003, Old National had credit extensions of $72.8 million and $75.7 million, respectively, with various unaffiliated banks related to letter of credit commitments issued on behalf of Old National's customers. At September 30, 2004 and 2003, Old National provided collateral to the unaffiliated banks to secure credit extensions totaling $40.9 million and $38.7 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 September 30, 2004, the notional amount of standby letters of credit was $109.8 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 16 to the consolidated financial statements of the 2003 annual report.

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.

The following table summarizes financial information concerning segments for the three and nine months ended September 30:

(dollars in thousands)	Community Banking	Non-bank Services	Treasury	Other	Total
Three months ended September 30, 2004					
Net interest income (loss)	**$ 66,717**	**$ 108**	**$ (2,060)**	**$ (3,760)**	**$ 61,005**
Provision for loan losses	**7,343**	**-**	**57**	**-**	**7,400**
Noninterest income	**17,212**	**22,132**	**2,161**	**626**	**42,131**
Noninterest expense	**57,987**	**20,463**	**109**	**(3,134)**	**75,425**
Income tax expense (benefit)	**4,212**	**552**	**(2,637)**	**-**	**2,127**
Segment profit	**14,387**	**1,225**	**2,572**	**-**	**18,184**
Total assets	**5,336,181**	**119,040**	**3,374,712**	**151,782**	**8,981,715**
Three months ended September 30, 2003					
Net interest income (loss)	$ 72,014	$ 57	$ (5,595)	$ 996	$ 67,472
Provision for loan losses	27,500	-	-	-	27,500
Noninterest income	24,698	18,921	1,816	338	45,773
Noninterest expense	55,912	17,983	236	1,334	75,465
Income tax expense (benefit)	2,422	296	(4,248)	-	(1,530)
Segment profit	10,878	699	233	-	11,810
Total assets	5,809,293	133,301	3,474,004	107,921	9,524,519
Nine months ended September 30, 2004					
Net interest income (loss)	**$ 208,770**	**$ 416**	**$ (7,310)**	**$ (10,603)**	**$ 191,273**
Provision for loan losses	**22,227**	**-**	**173**	**-**	**22,400**
Noninterest income	**56,359**	**70,640**	**8,531**	**3,301**	**138,831**
Noninterest expense	**191,130**	**68,227**	**2,510**	**(7,302)**	**254,565**
Income tax expense (benefit)	**11,578**	**883**	**(8,298)**	**-**	**4,163**
Segment profit	**40,194**	**1,946**	**6,836**	**-**	**48,976**
Total assets	**5,336,181**	**119,040**	**3,374,712**	**151,782**	**8,981,715**
Nine months ended September 30, 2003					
Net interest income (loss)	$ 211,988	$ 180	$ (9,903)	$ 3,475	$ 205,740
Provision for loan losses	59,000	-	-	-	59,000
Noninterest income	66,463	54,019	28,827	2,297	151,606
Noninterest expense	163,523	49,723	572	5,772	219,590
Income tax expense (benefit)	14,076	1,491	(1,948)	-	13,619
Segment profit	41,852	2,985	20,300	-	65,137
Total assets	5,809,293	133,301	3,474,004	107,921	9,524,519

PART I. FINANCIAL INFORMATION

ITEM 2.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

EXECUTIVE SUMMARY

Net income for the three months ended September 30, 2004, increased compared to the three months ended September 30, 2003, primarily due to lower provisions for loan losses, a result of the improvement in Old National's credit quality performance. While expenses remained relatively steady, the improvement from lower provisions was somewhat offset by decreases in mortgage banking revenue and net interest income. Net income for the nine months ended September 30, 2004, decreased significantly compared to the nine months ended September 30, 2003, impacted primarily by nonrecurring charges related to "Ascend", decreased securities gains and reduced mortgage banking activity offset in part by reduced provisions for loan losses.

Old National experienced a decrease in assets and liabilities at September 30, 2004, compared to September 30, 2003 and December 31, 2003, reflective of the disposition of residential real estate loans during the second quarter of 2004 and reductions in the commercial loan and investment portfolios. As a result, borrowed funds and deposits also reflect a reduction at September 30, 2004. Management uses various indicators such as return on assets, return on equity and asset quality ratios 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 and nine months ended September 30, 2004 and 2003, and financial condition as of September 30, 2004, compared to September 30, 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 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, 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 allowance. 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 exceeds 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 acquisitions, Old National is required to record the assets acquired, including identified intangible assets, and the liabilities assumed at their fair values. These often involve 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 determination of 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 in 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 valuation 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".

NON-GAAP FINANCIAL MEASURES

In January 2003, the United States Securities and Exchange Commission ("SEC") issued Regulation G, "Conditions for Use of Non-GAAP Financial Measures." This "Management's Discussion and Analysis" may contain non-GAAP financial measures. For purposes of Regulation G, a non-GAAP financial measure is a numerical measure of the registrant's historical or future financial performance, financial position or cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with GAAP in the statement of income, balance sheet or statement of cash flows (or equivalent statements) of the issuer; or includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. In this regard, GAAP refers to generally accepted accounting principles in the United States. Pursuant to the requirements of Regulation G, Old National Bancorp has provided reconciliations, as necessary, of the non-GAAP financial measure to the most directly comparable GAAP financial measure. See the "Earnings Summary" of this "Management's Discussion and Analysis" below for Non-GAAP financial measures.

RESULTS OF OPERATIONS

Earnings Summary
Old National reported net income of $18.2 million for the three months ended September 30, 2004, an increase of $6.4 million or 54.0% from the $11.8 million recorded for the three months ended September 30, 2003. For the nine months ended September 30, 2004, net income was $49.0 million, a reduction of 24.8% from the $65.1 million recorded for the nine months ended September 30, 2003. On a diluted per share basis, net income was $0.27 for the three months ended September 30, 2004, compared to $0.17 for the three months ended September 30, 2003. Diluted earnings per share were $0.73 for the nine months ended September 30, 2004, compared to $0.97 for the nine months ended September 30, 2003.

Positive factors affecting the results of operations for the three months ended September 30, 2004, as compared to the three months ended September 30, 2003, included decreased provisions for loan losses and increased insurance premiums and commissions, and service charge income. These factors were offset by decreased net interest income and decreased mortgage origination activity. The sale of $405.6 million of residential real estate loans during the second quarter of 2004 and the reduction of the investment portfolio significantly contributed to the decrease in net interest income. In addition, the capitalization of interest related to the construction of the new Evansville main banking center and corporate headquarters was discontinued on August 11, 2004 when the building was placed in service, causing an increase in interest expense for the three months ended September 30, 2004, compared to September 30, 2003. See additional details of the new Evansville main banking center and corporate headquarters below.

The decrease in the results of operations for the nine months ended September 30, 2004, compared to the nine months ended September 30, 2003, was primarily attributable to the nonrecurring pre-tax charges relating to "Ascend" of $25.5 million, or $17.4 million after tax, that were recorded primarily during the second quarter of 2004. Other factors included decreased net interest income, decreased mortgage origination activity, reduced securities gains, and severance payments to three executive officers who left the company during the first quarter of 2004. Partially offsetting these items were reduced provisions for loan losses and increased trust and asset management fees, insurance premiums and commissions, investment product fees, and service charge income.

For the three months ended September 30, 2004, Old National's return on average assets was 0.81% and return on average shareholders' equity was 10.58%, compared to 0.49% and 6.37%, respectively, for the three months ended September 30, 2003. Old National's return on average assets was 0.71% and return on average shareholders' equity was 9.20% for the nine months ended September 30, 2004, compared to 0.90% and 11.59% for the nine months ended September 30, 2003, respectively. Excluding the nonrecurring implementation charges related to "Ascend" of $17.4 million, after-tax, Old National's return on average assets and return on average shareholders' equity for the nine months ended September 30, 2004, was 0.96% and 12.48%, respectively, as reconciled in the following table and compared to the nine months ended September 30, 2003.

	Return on Assets	Return on Equity
As reported September 30, 2004	0.71%	9.20%
Effect of "Ascend" implementation charges	0.25%	3.28%
Excluding "Ascend" implementation charges	0.96%	12.48%
As reported September 30, 2003	0.90%	11.59%

In 2001, the Board of Directors approved construction of a new Evansville main banking center and corporate headquarters to be constructed prior to expiration of the operating leases on the buildings then occupied. Prior to this decision, the Board of Directors evaluated renewal options for the leases on the then-occupied buildings including capital investments that would be required for improvements to the leased facilities. It was determined that the costs associated with continuing the leases and making the required capital investments would be relatively comparable to constructing a new building. The new Evansville main banking center and corporate headquarters was placed into service on August 11, 2004. The total project cost is approximately $73.6 million including building components of $58.4 million, furniture, fixtures and equipment of $7.2 million, land of $4.9 million and capitalized interest of $3.1 million.

Net Interest Income
Net interest income and margin are influenced by many factors, primarily the volume and mix of earning assets, funding sources and interest rate fluctuations. 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. Net income is unaffected by these taxable equivalent adjustments as an offsetting increase of the same amount is made in the income tax section. Net interest income included taxable equivalent adjustments of $6.0 million and $6.2 million for the three months ended September 30, 2004 and 2003, respectively. Taxable equivalent adjustments for the nine months ended September 30, 2004 and 2003, were $18.1 million and $18.9 million, respectively.

Taxable equivalent net interest income was $67.0 million and $209.4 million for the three and nine months ended September 30, 2004, respectively, compared to $73.6 million and $224.6 million reported for the three and nine months ended September 30, 2003, respectively. The reduction in net interest income reflects a smaller portfolio of average earning assets when compared to the three and nine months ended September 30, 2003. Average earning assets were $8.117 billion for the three months ended September 30, 2004, compared to $8.880 billion for the three months ended September 30, 2003, a decrease of 8.6% or $763.0 million. Average earning assets were $8.338 billion for the nine months ended September 30, 2004, compared to $8.872 billion for the nine months ended September 30, 2003, a decrease of 6.0% or $534.0 million.

The decrease in interest rates during 2003 and early 2004 had a significant impact on the volume, mix and yield of earning assets. Driven by lower rates, many of the company's residential real estate loans were refinanced in 2003. Because new loan production was sold into the secondary loan market, residential real estate loans declined in 2003 and 2004. Additionally, the sale of $405.6 million of residential real estate loans at the end of the second quarter of 2004 significantly impacted earning assets for the three and nine months ended September 30, 2004, compared to the three and nine months ended September 30, 2003. Commercial and commercial real estate loans declined during 2003 and during the first nine months of 2004, a result of 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 continued to reduce its investment portfolio assets because of the narrow spreads available on those assets in the current rate environment. The net interest margin was relatively unchanged at 3.30% and 3.35% for the three and nine months ended September 30, 2004, respectively, compared to 3.32% and 3.38% for the three and nine months ended September 30, 2003, respectively.

Provision for Loan Losses
The provision for loan losses was $7.4 million and $22.4 million for the three and nine months ended September 30, 2004, respectively, compared to $27.5 million and $59.0 million for the three and nine months ended September 30, 2003, respectively. The lower provisions in 2004 are the result of improvements in credit quality as well as the continued reduction in classified loans. Refer to the "Allowance for Loan Losses and Asset Quality" section of this "Management's Discussion and Analysis" for further discussion of non-performing loans, charge-offs and additional items impacting the provision.

Noninterest Income
Noninterest income for the three months ended September 30, 2004, was $42.1 million, a decrease of $3.7 million, or 8.0% from the $45.8 million reported for the three months ended September 30, 2003. For the nine months ended September 30, 2004, noninterest income amounted to $138.8 million, a decrease of $12.8 million or 8.4% over the $151.6 million reported for the nine months ended September 30, 2003. Total fee and service charge income, excluding gains on sales of securities, was $41.8 million and $136.5 million for the three and nine months ended

September 30, 2004, respectively compared to $45.7 million and $128.1 million for the three and nine months ended September 30, 2003, respectively.

Primarily as a result of insurance agency acquisitions beginning in the second quarter of 2003, insurance premiums and commissions, increased to $11.7 million and $40.5 million for the three and nine months ended September 30, 2004, compared to $10.1 million and $27.4 million for the three and nine months ended September 30, 2003, a 15.9% and 48.1% increase, respectively.

Income related to service charges on deposit accounts increased to $12.6 million and $35.8 million for the three and nine months ended September 30, 2004, compared to $11.5 million and $33.8 million for the three and nine months ended September 30, 2003, a 10.0% and 5.7% increase, respectively. The generation of increased revenue was attributable to growth in transaction accounts as well as an increased sales and marketing focus on this element of revenue.

Mortgage banking revenue decreased to $0.2 million for the three months ended September 30, 2004, compared to $8.0 million for the three months ended September 30, 2003, a $7.8 million decrease. For the nine months ended September 30, 2004, mortgage banking revenue was $7.1 million compared to $17.3 million for the nine months ended September 30, 2003, a $10.2 million or 59.2% decrease. These decreases were primarily attributable to the reduction in mortgage origination activity during 2004. Residential real estate loan originations for the three months ended September 30, 2004, were $137.0 million compared to $407.6 for the three months ended September 30, 2003. Residential real estate loan originations for the nine months ended September 30, 2004, were $0.470 billion compared to $1.132 billion for the nine months ended September 30, 2003. For the nine months ended September 30, 2004, net recoveries to the mortgage servicing rights valuation allowance of $0.8 million and a net gain of $2.7 million from the sale of $405.6 million of residential real estate loans in the second quarter of 2004, partially offset reductions in income attributable to decreased mortgage origination activity.

Net securities gains increased by $0.2 million and decreased by $21.2 million for the three and nine months ended September 30, 2004 and 2003, respectively. The gains in 2003 were part of a continuing strategy to address the impact of interest rate and yield curve shifts on the investment portfolio.

Noninterest Expense
Noninterest expense for the three months ended September 30, 2004, totaled $75.4 million, relatively unchanged compared to $75.5 million for the three months ended September 30, 2003. For the nine months ended September 30, 2004, noninterest expense was $254.6 million, an increase of $35.0 million or 15.9% over the $219.6 million recorded for the nine months ended September 30, 2003.

Salaries and benefits, the largest component of noninterest expense, remained stable for the three months ended September 30, 2004, compared to the three months ended September 30, 2003, and totaled $146.1 million for the nine months ended September 30, 2004, compared to $129.2 million for the nine months ended September 30, 2003, an increase of $16.9 million or 13.1%. The increase for the nine months ended September 30, 2004, is primarily attributable to nonrecurring expenses related to "Ascend", including severance costs for employees whose positions have been or will be eliminated and expenses related to broad-based incentive programs for employees participating in the "Ascend" project. Other factors significantly affecting the increase in salaries and employee benefits for the nine months ended September 30, 2004, included $2.9 million in severance expense related to three senior executives, including the chief executive officer, who left the company during the first quarter of 2004 and additional salaries and benefit expenses attributable to acquisitions of insurance agencies that occurred after the first quarter of 2003.

Professional fees totaled $3.2 million for the three months ended September 30, 2004, compared to $2.0 million for the three months ended September 30, 2003, an increase of $1.2 million or 62.8%. The increase related primarily to fees paid in connection with complying with Section 404 of the Sarbanes-Oxley Act and upgrading internal systems and controls. For the nine months ended September 30, 2004, professional fees were $23.3 million compared to $6.8 million for the nine months ended September 30, 2003, an increase of $16.5 million. Consulting fees paid to EHS Partners during 2004 in connection with "Ascend" accounted for the majority of these increases for the nine months ended September 30, 2004.

All other components of noninterest expense totaled $28.9 million for the three months ended September 30, 2004, compared to the $30.1 million for the three months ended September 30, 2003. For the nine months ended September 30, 2004 and 2003, all other components of noninterest expense totaled $85.2 million and $83.6 million, respectively. The increase for the nine months ended September 30, 2004 was attributable to write-downs of surplus real estate of $1.0 million in connection with "Ascend". Also affecting the increase for the nine months ended September 30, 2004, was increased occupancy expense partially related to the new Evansville main banking center and corporate headquarters and increased processing expense partially offset by decreases in several other noninterest expense accounts. See additional details of the new Evansville main banking center and corporate headquarters in the "Results of Operations" section of this "Management's Discussion and Analysis."

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 tax expense, as a percentage of pre-tax income, was 10.5% for the three months ended September 30, 2004, compared to the income tax benefit of 14.9% for the three months ended September 30, 2003. The provision for income tax expense, as a percentage of pre-tax income, was 7.8% for the nine months ended September 30, 2004, compared to 17.3% for the nine months ended September 30, 2003. While tax-exempt income has remained relatively flat, the percentage of tax-exempt income to total income has fluctuated among the periods presented, resulting in the corresponding fluctuations in the effective tax rates.

FINANCIAL CONDITION

Overview

For the three and nine months ended September 30, 2004, Old National continued balance sheet strategies initiated in the second half of 2003 to mitigate its sensitivity to rising interest rates, including continued reductions in the investment and residential real estate loan portfolios as well as reductions in certificates of deposit and borrowed funds. Old National's assets at September 30, 2004, were $8.982 billion, a 5.7% decrease compared to September 30, 2003, and a 5.4% decrease compared to December 31, 2003. Investments and loans decreased $174.0 million and $504.6 million, respectively, since September 30, 2003, and decreased $61.3 million and $488.4 million, respectively, since December 31, 2003. Total liabilities declined $533.4 million compared to September 30, 2003, and $378.4 million since December 31, 2003. Total shareholders' equity decreased $9.4 million from September 30, 2003, and decreased $3.1 million compared to December 31, 2003

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 $8.123 billion at September 30, 2004, a decrease of 7.0% from September 30, 2003, and a decrease of 6.2% 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 at September 30, 2004, including residential loans held for sale, decreased $499.5 million compared to September 30, 2003, and $482.7 million compared to December 31, 2003. This decrease can be attributed primarily to the sale of $405.6 million in residential real estate loans during the second quarter of 2004 as well as to continued weakness in commercial lending. These decreases are partially offset by the growth in consumer loans. Money market investments at September 30, 2004, increased by $66.1 million from September 30, 2003, and $148.6 million from December 31, 2003, which is attributable to the investment of a portion of the proceeds from the sale of residential real estate loans during the second quarter of 2004.

Investment Securities

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. Emerging Issues Task Force ("EITF") Issue 03-1, "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments," may potentially impact the treatment of investments in an unrealized loss position. Until final guidance is issued by the Financial Accounting Standards Board ("FASB"), it is uncertain whether this EITF Issue will have a material impact on Old National.

At September 30, 2004, the investment securities portfolio was $2.856 billion compared to $3.030 billion at September 30, 2003, a decrease of $174.0 million or 5.7%. Investment securities decreased $61.3 million at September 30, 2004, compared to December 31, 2003, a decrease of 2.8%. Despite these decreases, investment securities as a percentage of earning assets remained relatively flat at 35.2% at September 30, 2004, 34.7% at September 30, 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 $25.8 million at September 30, 2004, compared to net unrealized gains of $14.0 million at September 30, 2003, and $23.7 million at December 31, 2003. These unrealized gains are impacted by interest rate conditions.

The investment portfolio had an effective duration of 3.66 years at September 30, 2004, compared to 4.24 years at September 30, 2003, and 4.31 years at December 31, 2003. The average yield on investment securities, on a taxable equivalent basis, was 4.49% for the three months ended September 30, 2004, compared to 4.71% for the three months ended September 30, 2003, and 4.70% for the three months ended December 31, 2003. Average yields on investment securities, on a taxable equivalent basis, were 4.55%, 4.95% and 4.98% for the nine months ended September 30, 2004 and 2003, and for the year ended December 31, 2003, respectively. The decrease from December 31, 2003 to September 30, 2004, was due to maturities or sales of higher coupon bonds coupled with the purchase of shorter duration lower yielding bonds as part of the company's strategy to reduce the maturity of the portfolio.

Residential Loans Held for Sale

Residential loans held for sale were $22.1 million at September 30, 2004, compared to $16.9 million at September 30, 2003, and $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. During the three and nine months ended September 30, 2004, residential real estate loan origination activity was down as compared to the three and nine months ended September 30, 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 55.7% of earning assets at September 30, 2004, an increase from 53.3% at September 30, 2003, and 54.4% at December 31, 2003. At September 30, 2004, commercial and commercial real estate loans were $3.300 billion, a decrease of $216.9 million since September 30, 2003, and a decrease of $167.0 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 markets impacted commercial loan growth in 2003 and continues into 2004.

At September 30, 2004, consumer loans, including automobile loans, personal and home equity loans and lines of credit, and student loans, increased to $1.227 billion, an increase of $92.4 million or 8.1% compared to $1.135 billion at September 30, 2003, and an increase of $63.9 million or 7.3% compared to $1.163 billion at December 31, 2003. This growth was primarily the result of 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 generally sold with loan servicing retained in order to maintain customer relationships and generate noninterest income and fees. By using this strategy, Old National is generally 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 September 30, 2004, residential real estate loans were $554.1 million, a decrease of $380.1 million or 40.7% from September 30, 2003, and $385.3 million or 54.7% from December 31, 2003. The sale of $405.6 million of residential real estate loans during the three months ended June 30, 2004, was the most significant contributor to this decrease. In comparison, Old National's residential real estate loan portfolio was also affected by the sales of $14.5 million 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.

Allowance for Loan Losses and Asset Quality Administration
Old National monitors the quality of its loan portfolio on an ongoing 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 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, loans past due 90 days or more and other loans deemed to have well-defined weaknesses while criticized loans, also known as special mention loans, are loans that are deemed to 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 semi-annual 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 September 30, 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 September 30, 2004, the allowance for loan losses was $96.3 million, an increase of $3.7 million compared to $92.7 million at September 30, 2003, and an increase of $1.1 million compared to $95.2 million at December 31, 2003. As a percentage of total loans, including loans held for sale, the allowance increased to 1.89% at September 30, 2004, from 1.65% at September 30, 2003, and 1.70% from December 31, 2003. The improvement in coverage of total loans at September 30, 2004, is a result of increased provisions during 2003 followed by reductions in total loans during 2004, primarily the sale of $405.6 million of residential real estate loans during the three months ended June 30, 2004.

In keeping with evolving industry practice, during the three months ended September 30, 2004, $8.6 million of the allowance for loan losses account, which represented the amount attributable to the allowance for unfunded loan commitments, was reclassified into a liability account on the balance sheet. The allowance for unfunded loan commitments has been reclassified for quarterly periods beginning September 30, 2003, for consistency in presentation. The balance of the allowance for unfunded loan commitments was insignificant for reclassification prior to September 30, 2003. See Note 6 to the consolidated financial statements for additional details.

For the three months ended September 30, 2004, the provision for loan losses amounted to $7.4 million, a decrease of $20.1 million from the three months ended September 30, 2003. The provision for the nine months ended

September 30, 2004, amounted to $22.4 million compared to $59.0 million for the nine months ended September 30, 2003. The reduced provisions are reflective of a decline in under-performing assets and total criticized and classified loans since September 30, 2003 and December 31, 2003, as further discussed below.

Net charge-offs for the three months ended September 30, 2004, totaled $6.1 million compared to $26.1 million for the three months ended September 30, 2003, which included $12.5 million in write-downs on residential real estate loans and commercial loans sold. Net charge-offs for the nine months ended September 30, 2004, including $1.2 million of write-downs on the residential real estate loans sold, totaled $22.1 million compared to $47.3 million for the nine months ended September 30, 2003, which included $14.7 million in write-downs on residential real estate and commercial loans sold. Net charge-offs to average loans were 0.48% and 0.54% on an annualized basis for the three and nine months ended September 30, 2004, respectively, as compared to 1.85% and 1.11% for the three and nine months ended September 30, 2003.

Under-performing assets totaled $116.6 million at September 30, 2004, a decrease of $14.8 million from September 30, 2003, and slightly lower than the $118.5 million at December 31, 2003. As a percent of total loans and foreclosed properties, under-performing assets at September 30, 2004, were 2.28%, a reduction from the September 30, 2003 ratio of 2.34% and an increase from the December 31, 2003 ratio of 2.12%. Nonaccrual loans decreased to $106.0 million at September 30, 2004, compared to $110.2 million at September 30, 2003, and increased slightly from $104.6 million at December 31, 2003.

Changes to separate the loan production functions from the underwriting functions, significant strengthening of the commercial underwriting processes and the elevation of the Credit Policy Committee to a board level committee have all served to continue the emphasis on improving credit quality over the past year. Management believes that it has appropriately identified and reserved for loan losses related to nonaccrual loans at September 30, 2004. Approximately $41.3 million of commercial nonaccrual loans less than thirty days delinquent were contractually performing at September 30, 2004. Management will continue its efforts to reduce the level of non-performing loans and is currently considering additional sales of troubled and non-performing loans, which could result in additional write-downs to the allowance for loan losses.

The total portfolio of loans identified by Old National as problem credits continues to decline. Total classified and criticized loans were $473.3 million at September 30, 2004, a decrease of $134.8 million from September 30, 2003, and $86.3 million from December 31, 2003. 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 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:

(dollars in thousands)	September 30, 2004	September 30, 2003	December 31, 2003
Nonaccrual loans	**$106,002**	$110,165	$104,627
Renegotiated loans	**-**	-	-
Past due loans (90 days or more)	**6,722**	11,406	5,120
Foreclosed properties	**3,842**	9,809	8,763
Total under-performing assets	**$116,566**	$131,380	$118,510
Classified loans (includes non-performing loans, past due 90 days and other problem loans)	**$268,474**	$384,997	$343,943
Criticized loans	**204,844**	223,161	215,700
Total criticized and classified loans	**$473,318**	$608,158	$559,643
Asset Quality Ratios: (1)			
Non-performing loans/total loans (1) (2)	**2.08 %**	1.97 %	1.87 %
Under-performing assets/total loans and foreclosed properties (1)	**2.28**	2.34	2.12
Under-performing assets/total assets	**1.30**	1.38	1.27
Allowance for loan losses/under-performing assets	**82.63**	70.52	80.36

(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 $212.2 million at September 30, 2004, an increase of $43.4 million or 25.7% since September 30, 2003, and an increase of $30.8 million or 22.7% since December 31, 2003. The increase is primarily due to the construction of Old National's Evansville main banking center and corporate headquarters, which began in April 2002, and has an estimated total project cost of $73.6 million. The building was placed in service on August 11, 2004.

Goodwill and Other Intangibles
Goodwill was $129.9 million at September 30, 2004, an increase of $0.5 million since September 30, 2003 and an increase of $0.7 million since December 31, 2003. The increase is attributable to adjustments to purchase prices for previous acquisitions in the non-bank segment of the company offset by the removal of goodwill related to the sales of the Greencastle, Indiana insurance operations during the third quarter of 2004 and the Fort Wayne, Indiana trust operations during the fourth quarter of 2003. Other intangible assets related to customer business relationships decreased to $39.5 million at September 30, 2004, from $42.7 million at September 30, 2003, and $41.9 million at December 31, 2003, primarily due to amortization. Old National performs impairment testing of goodwill and other intangibles on an annual basis. As of September 30, 2004 and 2003, there was no impairment.

Funding
Total funding, comprised of deposits and wholesale borrowings, was $8.152 billion at September 30, 2004, a decrease of 6.1% from $8.685 billion at September 30, 2003, and a decrease of 5.9% from $8.532 billion at December 31, 2003. Total deposits were $6.408 billion, including $3.702 billion in transaction accounts and $2.706 billion in time deposits at September 30, 2004. Total deposits increased 0.2% or $11.1 million compared to September 30, 2003, and decreased 1.7% or $85.0 million compared to December 31, 2003. Transaction accounts increased 10.9% or $363.1 million compared to September 30, 2003, and 8.3% or $217.0 million compared to December 31, 2003. Time deposits decreased 11.5% or $352.0 million compared to September 30, 2003, and 13.4% or $301.9 million compared to December 31, 2003. Old National experienced growth in demand deposits and other low cost transaction accounts offset by a reduction in time accounts when comparing these time periods due to the lower rate environment and customer preference for transaction accounts. The reduction in time accounts from September 30, 2004, compared to September 30, 2003 and December 31, 2003, was also 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 September 30, 2004, wholesale borrowings, including short-term borrowings and other borrowings, decreased 23.8% and 19.3% from September 30, 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 advantage 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 21.4% at September 30, 2004, compared to 26.3% at September 30, 2003, and 23.9% at December 31, 2003. The lower level of earning assets, primarily due to a residential real estate loan sale of $405.6 million during second quarter of 2004, reduced the company's reliance on wholesale funding.

Refer to the "Liquidity Management" section of this "Management's Discussion and Analysis" regarding information pertaining to a shelf registration filed during the third quarter of 2004.

Capital Resources and Regulatory Guidelines
Shareholders' equity totaled $712.3 million at September 30, 2004, a reduction of 1.3% or $9.4 million from September 30, 2003, and a decrease of $3.1 million or 0.6% compared to December 31, 2003. The primary contributors to the decline in shareholders' equity at September 30, 2004, compared to September 30, 2003, were decreased net income for the year ended December 31, 2003, compared to the year ended December 31, 2002, as well as for the nine months ended September 30, 2004, compared to the nine months ended September 30, 2003, and the absence of stock issuances for acquisitions during the nine months ended September 30, 2004, compared to the nine months ended September 30, 2003. These factors were offset by changes in the components of comprehensive income during the nine months ended September 30, 2004, compared to the nine months ended September 30, 2003.

As reflected in the Consolidated Statement of Changes in Shareholders' Equity, Old National paid cash dividends of $0.19 and $0.57 per share for the three and nine months ended September 30, 2004, respectively, decreasing equity by $37.8 million, compared to cash dividends of $0.18 and $0.54 per share for the three and nine months ended September 30, 2003, respectively, (restated for the 5% stock dividend distributed on January 27, 2004), which decreased equity by $36.3 million. Old National purchased shares of its stock in the open market under an ongoing repurchase program, reducing shareholders' equity by $26.2 million during the nine months ended September 30, 2004, and $33.0 million during the nine months ended September 30, 2003. Shares issued for stock options, restricted stock and stock purchase plans increased shareholders' equity by $12.1 million during the nine months ended September 30, 2004, compared to $6.5 million during the nine months ended September 30, 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 well above regulatory guidelines as evidenced by the following comparisons of key industry ratios.

	Regulatory Guidelines Minimum	September 30, 2004	September 30, 2003	December 31, 2003
Risk-based capital:				
Tier 1 capital to total avg assets (leverage ratio)	4.00 %	**7.69 %**	7.27 %	7.34 %
Tier 1 capital to risk-adjusted total assets	4.00	**11.43**	11.07	10.97
Total capital to risk-adjusted total assets	8.00	**15.22**	14.74	14.65
Shareholders' equity to assets	N/A	**7.93**	7.58	7.64

On October 28, 2004, the Board of Directors adopted a resolution authorizing management to file an S-3 Registration statement with the Securities and Exchange Commission for the purpose of amending the Old National Bancorp Stock Purchase and Dividend Reinvestment Plan. The plan has two main purposes. First, the plan allows investors and shareholders a convenient, low-cost way to buy shares and reinvest cash dividends in additional shares of Old National common stock. Secondly, the plan gives Old National the ability to raise capital by selling newly issued shares of common stock. A key feature is the ability for Old National to sell newly issued shares at a discount from the market price. Common stock totaling 3.5 million shares can be issued under this plan. Old National anticipates filing the S-3 during November 2004.

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 market instruments as market interest rates change. Changes in the slope of the yield curve and the pace of interest rate changes 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 administration of this policy to the Funds Management Committee, a committee of the Board of Directors, and the Balance Sheet Management Committee, a committee comprised of senior company management. The Funds Management Committee meets quarterly and oversees adherence to policy and recommends policy changes to the Board. The Balance Sheet Management Committee meets monthly and provides guidance to Treasury and other operating units of the company regarding the execution of asset and liability management strategies.

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. Economic Value of Equity is used to evaluate 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 to the output of the model in up and down 200 basis points shocks to the yield curve, Old National has provided 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 September 30, 2004, modeling indicated that Old National was at its policy limit of Net Interest Income at Risk in an up 200 basis points yield curve shock. Estimated Change in Economic Value of Equity, however, in an up 200 basis points yield curve shock is -4.63%, well within the policy limit of -12%. Estimated Change in Economic Value of Equity in a down 200 basis point yield curve shock is –14.42%, outside of the company's policy guideline of –12%. The Funds Management Committee has deemed this an acceptable risk given the company's outlook for rising 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 (basis points)	Estimated 24- Month Cumulative Impact On Net Interest Income		Estimated Change in Economic Value of Equity	
	Policy	**Actual**	**Policy**	**Actual**
2004				
+200	**+/- 5.00 %**	**-5.03 %**	**+/- 12.00 %**	**-4.63 %**
+100		**-2.19**		**-1.13**
+50		**-1.01**		**-0.13**
-50		**0.40 %**		**-1.10 %**
-100		**0.64**		**-3.56**
-200	**+/- 5.00 %**	**-2.70**	**+/- 12.00 %**	**-14.42**
2003				
+200	+/- 5.00 %	-5.89 %	+/- 12.00 %	-9.69 %
+100		-2.57		-4.02
+50		-1.18		-1.70
-50		1.28 %		1.90 %
-100		1.18		2.40
-200	+/- 5.00 %	-0.55	+/- 12.00 %	-2.43

The most significant change in the company's rate risk profile is reflected in the decrease in the company's Estimated Change in Economic Value of Equity resulting from an up 200 basis points yield curve shock. Economic Value of Equity at risk changed from -9.69% in September 2003 to -4.63% in September 2004. The company reduced its long term exposure to rising interest rates by reducing the effective duration of the investment portfolio to 3.66 years at September 30, 2004, compared to 4.24 years at September 30, 2003, by selling $ 405.6 million residential mortgages in June 2004, and by executing $365.0 million in forward-starting interest rate swaps that become effective in 6 to 21 months. Old National will pay a fixed rate and receive a floating rate on these derivatives beginning on future dates. These derivatives will serve to fix the interest rates of future debt issuance. The fixed interest rates range from 2.75% to 4.69% and have maturities of 2 to 3 years after the swaps become effective.

Old National uses derivatives, primarily interest rate swaps, to manage interest rate risk in the ordinary course of business. The company's derivatives had a market value of -$2.3 million at September 30, 2004 compared to a market value of $17.7 million at September 30, 2003. The decline in market value is due both to the increase in interest rates during the year and the fact that Old National terminated certain receive fixed rate swaps. As explained above, Old National added forward-starting pay fixed rate swaps in 2004. All of these transactions served to better position the company's balance sheet for rising rates. See Note 16 to the consolidated financial statements of the 2003 annual report for further discussion of derivative financial instruments.

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. 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 September 30, 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

All three ratings agencies have issued a stable outlook in conjunction with their ratings as of September 30, 2004.

As of September 30, 2004, Old National Bank had the capacity to borrow $831.7 million 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 maintains relationships in capital markets with brokers and dealers to issue certificates of deposits and short-term and medium-term bank notes as well. In addition, at September 30, 2004, Old National had $685 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 September 30, 2004, the parent company's other borrowings outstanding was $265.0 million, compared with $111.6 million at September 30, 2003. This increase in other borrowings was driven by the reclassification of guaranteed preferred beneficial interests in subordinated debentures as described in Note 9 to the consolidated financial statements. Old National Bancorp, the parent company, has no debt scheduled to mature in the next 12-months. 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 to the consolidated financial statements of the 2003 annual report.

On August 19, 2004, Old National Bancorp filed a Form S-3 for a $750 million global shelf registration with the Securities and Exchange Commission. The shelf, once effective, will permit the issuance of a variety of securities including debt, common and preferred stock, depositary shares, units and warrants of Old National Bancorp. The proceeds of any issuance will be added to the general funds of the Company and may be used for debt reduction or debt refinancing, including the refinancing of our outstanding capital securities, investments in or advances to subsidiaries, repurchase of shares of our common stock or other securities, and other general corporate purposes.

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. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(c) **ISSUER PURCHASES OF EQUITY SECURITIES**

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
07/01/04 - 07/31/04	253,700	24.16	253,700	2,320,191
08/01/04 - 08/31/04	122,400	23.60	122,400	2,193,538
09/01/04 - 09/30/04	40,000	24.51	40,000	2,153,144
Quarter-to-date	416,100	$24.03	416,100	2,153,144

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

(a) On September 7, 2004, Old National entered into a Severance Agreement and a Change of Control Agreement with its President and Chief Executive Officer, Robert G. Jones. The Severance Agreement is filed as an exhibit to this Form 10-Q, and the Change of Control Agreement is incorporated by reference as an exhibit to this Form 10-Q.

ITEM 6. 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 September 30, 2002).

3 (ii) By-Laws of Old National, amended and restated effective April 22, 2004 (incorporated by reference to Exhibit 3(ii) of Old National's Quarterly Report on Form 10-Q for the quarter ended March 31, 2004).

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) Severance Agreement, between Old National and Robert G. Jones, is filed herewith.*

(b) Form of Severance Agreement for Thomas F. Clayton, Michael R. Hinton, Daryl D. Moore and John S. Poelker, as amended (incorporated by reference to Exhibit 10(a) of Old National's Quarterly Report on Form 10-Q for the quarter ended March 31, 2004).*

(c) Severance Agreement, between Old National and James A. Risinger (incorporated by reference to Exhibit 10(c) of Old National's Quarterly Report on Form 10-Q for the quarter ended March 31, 2004).*

(d) Form of Change of Control Agreement for Thomas F. Clayton, Michael R. Hinton, Daryl D. Moore John S. Poelker, and Robert G. Jones, as amended (incorporated by reference to Exhibit 10(b) of Old National's Quarterly Report on Form 10-Q for the quarter ended March 31, 2004).*

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

(f) First Amendment to the Old National Bancorp 1999 Equity Incentive Plan, is filed herewith.*

(g) Form of "Performance-Based" Restricted Stock Award Agreement between Old National and Robert G. Jones, Thomas F. Clayton, Michael R. Hinton, Daryl Moore, and John S. Poelker, is filed herewith.*

(h) Form of Executive Stock Option Award Agreement between Old National and Robert G. Jones, Thomas F. Clayton, Michael R. Hinton, Daryl Moore, and John S. Poelker, is filed herewith.*

(i) 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).

(j) 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).

(k) 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 September 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

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: November 9, 2004