NEWS RELEASE

Old National Reports Third Quarter Operating Earnings Per Share 4.8% Ahead of 2001; Year-To-Date Per Share Results of $1.36 Up 14.3% Over 2001

2002-10-24

EVANSVILLE, Ind., Oct 24, 2002
Old National Bancorp (ONB) announced today that operating earnings for the third quarter of 2002 amounted to $26.5 million or $.44 per share compared to $26.1 million and $.42 per share in the same quarter last year. The quarterly per share results represent a 4.8% improvement over last year.

On a year-to-date basis through September 30, 2002, operating earnings totaled $82.9 million, or $1.36 per share. This compares with operating results for the first nine months of 2001 of $74.2 million and $1.19 per share and represents an improvement in per share results of 14.3%.

During the third quarter, Old National recognized an $8.3 million after-tax gain in connection with the sale of eight branches located in markets no longer considered consistent with the company's strategy. That gain is not included in the operating earnings results referred to above. Including the gain, net income for the first nine months of 2002 was $91.2 million, a $22.9 million improvement over net income for the same period in 2001. The 2001 net income included a $5.9 million after-tax charge against earnings for restructuring costs related to the realignment of the banking operations administrative structure incurred in the second quarter.

Net income per share for the first nine months of 2002 amounted to $1.49, a 37% improvement over the $1.09 recorded during the same period in 2001.

Chairman and CEO Jim Risinger commented, "We have been gratified with our ability to sustain a consistent stream of earnings for our shareholders during these uncertain times. While the results of our various operating units are

affected differently by changing economic and interest rate conditions, we have managed to keep the combined performance on track and in line with our financial objectives. We are very confident that our continued focus on adding to our products and services, building a dynamic sales culture, expanding our markets, streamlining our operations, and keeping a very close eye on risk management will serve us well once the economy turns around."

Total assets at September 30, 2002, were $9.326 billion, an increase of 4.3% over the $8.944 billion at September 30, 2001. Total shareholders' equity at the end of the period was $728 million and represented book value per share of $11.99, up 13.3% over the book value per share at September 30, 2001, of $10.58.

Return on average assets during the third quarter was 1.14% and return on average equity was 15.81%. Year-to-date results for these two performance ratios were 1.20% and 16.87%, respectively, compared to 1.12% and 15.89% for the same period in 2001.

Balance Sheet and Funding

Old National closed the sales of eight branches during the third quarter. The branches, in the communities of Oblong, Robinson, Hoopeston, Rankin and Potomac, Illinois, Lynn, Indiana, and Fulton, Kentucky, had total deposits of $203 million and total loans of $107 million. The sale resulted in a total gain of $12.5 million and an after-tax gain of $8.3 million. The impact of the sale was to reduce average deposits during the third quarter by $111 million and average loans by $67 million.

Balance sheet changes over recent quarters have been dominated by sluggish commercial and consumer loan growth, heavy volumes of residential mortgage loan refinancings, and strong core deposit growth. This flow of liquidity has resulted in very significant increases in the funds invested in investment portfolio assets.

Average commercial and consumer loans outstanding during the third quarter, net of the impact of the branch sales, were basically unchanged from the second quarter. The lack of growth in these loan categories continues to reflect weak economic activity and continued diligent underwriting scrutiny associated with the current uncertain economic environment. Total commercial and consumer loans at September 30, 2002, were $4.573 billion compared to $4.681 billion at the same date last year.

Ongoing reductions in interest rates continue to provide attractive refinancing opportunities for residential mortgage customers. Mortgage loans at September 30, 2002, stood at $1.253 billion compared with $1.585 billion at September 30, 2001. Consistent with the company's overall balance sheet management process, the majority of new mortgage loan originations are sold in the secondary market, with servicing retained by Old National.

Core deposits continue to increase as both commercial and individual customers look to bank deposit products as a

safe and economical haven for cash and excess funds. Average core deposits, which exclude wholesale brokered CD's, grew $54 million during the quarter net of the impact of the branch sales. Total core deposits at September 30, 2002, were $6.070 billion.

Investment Portfolio

As a direct result of these balance sheet dynamics, the investment portfolio of Old National continues to grow. The portfolio at September 30, 2002, was $2.782 billion, an increase of $701 million from the same date in 2001. The company views the investment portfolio as both an important source of liquidity and earnings and as a natural hedge against the impact of interest rate fluctuations on other aspects of the operation.

The hedge value of the portfolio has been particularly significant during this recent period of economic downturn. As interest rates have fallen, the market value of the investment portfolio has increased and the unrealized market value gain in the portfolio at September 30, 2002, was $94.8 million, an increase of $30.6 million since June 30, 2002, and $68.7 million since the beginning of the year.

In response to rapid changes in credit spreads, duration characteristics, and the shape of the interest rate yield curve, the company continues to manage the portfolio to insure it is appropriately structured. During the third quarter, Old National recognized gains on the sale and reinvestment of investment portfolio assets of $5.8 million bringing the total of such gains for the year to date to $8.3 million.

Credit Quality

Net charge-offs for the third quarter were $5.7 million compared to $6.7 million in the third quarter of 2001. While net charge-offs did increase from their second quarter levels, year to date net charge-offs for the first nine months of 2002 totaled $14.0 million compared to $15.9 million during the comparable period in 2001. These charge-offs on an annualized basis represent .32% of average loans for 2002 compared to .34% in 2001.

Non-performing loans at September 30, 2002, rose to $65.2 million from the $41.8 million at June 30, 2002. The increase is primarily attributable to loans to one borrower in the transportation segment of the commercial loan portfolio. Old National does not have a significant concentration exposure to this industry. Non-performing loans at September 30, 2001, were $40.6 million. As a percentage of total loans outstanding, this ratio stood at 1.12% at the end of the quarter.

Daryl Moore, Executive Vice President & Chief Credit Officer, noted, "Credit quality continues to be a significant variable in the earnings of most banking companies. We are continuing to work closely with our customers that are facing financial challenges brought on by these difficult economic conditions.

"While net charge-offs are running at rates less than last year, the increase in non-performing assets during the third quarter was symptomatic of the continued pressure on borrowers' financial positions. While the third quarter did not result in a significant increase in newly identified problem credits, previously identified problem credits continue to be challenged by the weaker than expected economic environment. We do not see any indicators of a near term improvement in economic conditions which would have a positive impact on our credit portfolio. In light of these uncertainties, we continue to add to our reserve for loan losses and to increase the reserve as a percentage of our total loan portfolio. We are obviously pleased that our solid revenue increases have helped to soften the impact of this continued reserve strengthening."

During the third quarter of 2002, Old National made a provision for loan losses of $11.0 million, an increase of $3.6 million compared to the third quarter of 2001. For the year to date, the provision for loan losses in 2002 was $26.0 million, an $8.6 million increase over the year earlier levels.

The reserve for loan losses at September 30, 2002, amounted to $86.1 million. The reserve to total loans at the end of the quarter was 1.48% compared to 1.20% at the same date last year. The net addition to this important protection of future earnings has been $11.9 million since the beginning of the year.

Net Interest Income

Net interest income for the third quarter of 2002 was $78.0 million, a modest decline from the $78.9 million recorded in the same quarter of 2001. A combination of soft loan demand and falling interest rates over the last eighteen months has continued to have a dampening effect on Old National's ability to increase this important component of revenue.

Despite this challenging asset growth and interest rate environment, net interest income for the first nine months of the year amounted to $237.9 million, a 2.3% increase over the $232.6 million earned during the comparable period in 2001. This increase reflects higher levels of total earning assets which includes both loans and investment portfolio assets.

Significant shifts in the mix of the balance sheet have resulted in narrowing net interest margins. A steadily increasing percentage of earning assets is being invested in lower yielding investment securities. The net interest margin for the third quarter was 3.60%, down from 3.71% in the second quarter of 2002 and 3.82% in the third quarter of 2001.

According to Executive Vice President & Chief Financial Officer John Poelker, "We are continuing to focus our funding and investment strategies on managing our interest rate risk within our long term guidelines despite the

fact that this environment puts pressure on short term results. As long as this weak economic environment continues, it will be difficult to significantly increase net interest income.

"In the meantime, we are focused on carefully shepherding this balance sheet through these turbulent times so that we will be positioned to take full advantage of a turnaround in the economy. We remain committed to our risk management disciplines and are striving to optimize current earnings within those constraints. Our successes in this regard have come from intense efforts in monitoring and managing customer loan and deposit pricing, actively managing the structure and risk/duration aspects of the growing investment portfolio, and the constant rebalancing of our wholesale funding book. We are very pleased that our year to date results have been positive in this regard."

Other Income

Fee and service charge revenue continues to grow in importance as a component of total revenue for the company. These sources of revenue totaled $34.2 million during the third quarter, a 28.8% increase over the third quarter of 2001, and represented 29.0% of total revenue during the quarter. Through the first nine months of the year, fees and service charge revenue amounted to $93.3 million, a 16.5% increase over the comparable period in 2001.

Total revenue for the first three quarters of 2002, including net interest income but excluding the gains on the sales of securities, has increased over the same period of 2001 by $18.6 million or 5.9%, a solid performance given the weak economic environment.

An important contributor to the increase in fee related revenue has been the continued strong performance of the mortgage banking activities of the company. For the year to date, mortgage-related revenue was $10.0 million compared to $6.3 million during the first nine months of 2001, an increase of 60%. Loan origination volumes reached record levels during the third quarter with total originations of $298 million compared to $170 million in the second quarter of this year.

Revenue from the recently restructured Old National Signature Group, under which the company has combined the management and operations of trust, asset management, insurance brokerage and investment and annuity sales, continues to grow in importance. Revenue from these products and services totaled $13.1 million during the third quarter compared to $9.7 million during the same quarter of 2001. For the first nine months of the year, these units generated $35.4 million of revenue, an increase of 15.5% over the same period in 2001.

A significant contributor to the increase during the quarter was the acquisition on July 1, 2002, of Fund Evaluation Group (FEG). FEG is an asset management consulting and advisory firm headquartered in Cincinnati, Ohio that contributed $2.7 million of fee income during the quarter.

Other Expense

Total operating expenses for the third quarter were $66.7 million, up from $60.5 million in the second quarter and $58.6 million in the third quarter of 2001. Several factors contributed to an increase in these costs during the third quarter.

The acquisition of FEG accounted for approximately $2.1 million of the increase in operating expenses compared to prior quarters.

Two other projects undertaken during the quarter also contributed to the increase. Old National has consolidated its mortgage banking activities into a centralized structure under the name Old National Mortgage. Origination, production and servicing functions previously conducted throughout the company have been organized into a single unit and the servicing of mortgages held by Old National and serviced for others has been subcontracted to an outside servicing company.

This restructuring has resulted in an increase in costs related to the mortgage banking activities which has been more than offset by increased revenues. The new structure also better positions the company to grow this important source of customer relationships and to manage the risks inherent in the business.

The other major initiative during the quarter was the research, development and launch of a new branding campaign for Old National. The new campaign will be used to better describe the broadening scope of financial services and markets being served by the company and will use the tag-line "Old National - Reach" in advertising and marketing communication programs. Most of the development costs associated with this program were incurred during the third quarter.

Jim Risinger commented, "We continue to focus on the long-term interests of our shareholders who we believe will be best served by building on the momentum we have established within our markets over the last few years. While we are intensely focused on managing our near-term risks through these difficult economic circumstances, we have not been tempted to abandon our longer term strategies. We remain highly confident that our direction is appropriate and that the investments we continue to make will serve our shareholders well."

Old National Bancorp, a $9.3 billion financial holding company headquartered in Evansville, IN, employs more than 3,000 professionals who advise, design and facilitate financial solutions to help clients reach their goals. Founded in 1834, Old National has grown to include 133 community-focused financial services centers and 252 ATMs throughout Indiana, Illinois, Ohio, Kentucky and Tennessee. With a special attention to service quality, Old National provides individuals and businesses financial solutions through a broad range of banking services as well as trust

and investment services, insurance brokerage services and investment products.

Old National will hold its third quarter Conference Call at 2:30 p.m. Central today. The live audio Webcast of the conference call will be available on the company's Shareholder Relations Web page at www.oldnational.com and will be archived there for 14 days. A replay of the call will also be available from 5:30 p.m. Central on October 24 through 12:00 midnight on November 7. To access the replay, dial 1-888-203-1112, confirmation code 444027.

Forward-Looking Statement

This press release 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," and "should," which are necessarily statements of belief as to the expected outcomes of future events. Actual results could materially differ from those presented. Internal and external factors that might cause such a difference include, but are not limited to, market, economic, operational, liquidity, credit and interest rate risks associated with Old National's business, competition, government legislation and policies, ability of Old National to execute its business plan, softening in the economy which could materially impact credit quality trends and the ability to generate loans, and other matters discussed in this news release. Actual results could materially differ from those contained in or implied by such statements. Old National undertakes no obligation to release revisions to these forward-looking statements or reflect events or conditions after the date of this release.

Old National Bancorp
Financial Highlights
($ in thousands except per share data)

	Three Months Ended September 30		
	2002	2001	Change
Income Data:			
Net Interest Income (FTE)	$77,954	$78,870	$(916)
Noninterest Income	34,227	26,580	7,647
Security Gains	5,813	745	5,068
Total Revenue	117,994	106,195	11,799
Provision for Loan Losses	11,000	7,400	3,600
Other Expense	66,729	58,639	8,090
Income before Taxes	40,265	40,156	109
Provision for Taxes	13,718	14,022	(304)
Operating Earnings	26,547	26,134	413
Gain on Branch Sales	8,282	-	8,282
Restructuring Charges (After-Tax)	-	-	-
Net Income	34,829	26,134	8,695
Per Share Data: (Diluted)(1)(2)			
Operating Earnings	.44	.42	.02

Operating Earnings (Cash Basis)(3)	.44	.45	(.01)
Net Income	.57	.42	.15
Average Diluted Shares Outstanding	61,024	61,819	(795)
Book Value at 9-30	11.99	10.58	1.41
Stock Price at 9-30	24.86	24.76	.10
Performance Ratios: (Based on Operating Earnings)			
Return on Average Assets	1.14%	1.18%	(.04)
Return on Average Equity (4)	15.81	16.88	(1.07)
Net Interest Margin	3.60	3.82	(.22)
Other Expense to Revenue (Efficiency Ratio)	56.55	55.22	1.33
Net Charge-offs to Average Loans	.39	.42	(.03)
Reserve for Loan Losses to Ending Loans	1.48	1.20	.28
Non-Performing Loans to Ending Loans	1.12	.65	.47
Balance Sheet:			%Change
Average Assets	9,328,320	8,829,424	5.7%
End of Period Balances:			
Assets	9,326,487	8,943,766	4.3
Commercial and Consumer Loans	4,572,993	4,681,400	(2.3)
Residential Real Estate Loans	1,253,267	1,584,740	(20.9)
Core Deposits (excluding Brokered CD's)	6,069,760	5,954,502	1.9
Shareholders' Equity	727,876	650,587	11.9

(1) All share and per share data have been adjusted for stock dividends and stock splits.

(2) Assumes conversion of the convertible subordinated debentures.

(3) Excludes after-tax impact of amortization of intangible assets.

(4) Based on average shareholders' equity of $671,627 and $619,270, respectively, for 2002 and 2001, which excludes other comprehensive income.

Old National Bancorp
Financial Highlights
($ in thousands except per share data)

	Nine Months Ended September 30		
	2002	2001	Change
Income Data:			
Net Interest Income (FTE)	$237,927	$232,608	$5,319
Noninterest Income	93,336	80,095	13,241
Security Gains	8,335	1,758	6,577
Total Revenue	339,598	314,461	25,137
Provision for Loan Losses	26,000	17,400	8,600
Other Expense	188,538	182,709	5,829
Income before Taxes	125,060	114,352	10,708
Provision for Taxes	42,139	40,115	2,024
Operating Earnings	82,921	74,237	8,684

Gain on Branch Sales	8,282	-	8,282
Restructuring Charges (After-Tax)	-	(5,920)	5,920
Net Income	91,203	68,317	22,886
Per Share Data: (Diluted)(1)(2)			
Operating Earnings	1.36	1.19	.17
Operating Earnings (Cash Basis)(3)	1.37	1.27	.10
Net Income	1.49	1.09	.40
Average Diluted Shares Outstanding	61,186	62,504	(1,318)
Book Value at 9-30	11.99	10.58	1.41
Stock Price at 9-30	24.86	24.76	.10
Performance Ratios:(Based on Operating Earnings)			
Return on Average Assets	1.20%	1.12%	.08
Return on Average Equity(4)	16.87	15.89	.98
Net Interest Margin	3.70	3.76	(.06)
Other Expense to Revenue (Efficiency Ratio)	55.52	58.10	(2.58)
Net Charge-offs to Average Loans	.32	.34	(.02)
Reserve for Loan Losses to Ending Loans	1.48	1.20	.28
Non-Performing Loans to Ending Loans	1.12	.65	.47
Balance Sheet:			%Change
Average Assets	9,206,578	8,816,272	4.4%
End of Period Balances:			
Assets	9,326,487	8,943,766	4.3
Commercial and Consumer Loans	4,572,993	4,681,400	(2.3)
Residential Real Estate Loans	1,253,267	1,584,740	(20.9)
Core Deposits (excluding Brokered CD's)	6,069,760	5,954,502	1.9
Shareholders' Equity	727,876	650,587	11.9

(1) All share and per share data have been adjusted for stock dividends and stock splits.

(2) Assumes conversion of the convertible subordinated debentures.

(3) Excludes after-tax impact of amortization of intangible assets.

(4) Based on average shareholders' equity of $655,187 and $623,133, respectively, for 2002 and 2001, which excludes other comprehensive income.

Old National Bancorp
John Poelker, 812/461-9099
or
Lynell Walton, 812/464-1366