



Christopher A. Wolking  
Senior Executive Vice President  
Chief Financial Officer  
Old National Bancorp  
chris.wolking@oldnational.com



LETTER OF COMMENT NO. 85

March 25, 2009

Technical Director  
Financial Accounting Standards Board  
401 Merritt 7  
Norwalk, CT 06856-5116

RE: Proposed FSP FAS 115-a, FAS 124-a, and EITF 99-20-b

Dear Director:

Old National Bancorp appreciates the opportunity to comment on this proposed FASB Staff Position (FSP). We understand that the intent of this proposed FSP would change the amount recognized in earnings when there is a credit loss associated with an impaired debt security for which management asserts that it does not have the intent to sell the security and it is more likely than not that it will not have to sell the security before recovery of its cost basis. The notice of this proposed FSP and request for comment asks constituents to provide comments on five questions. Old National Bancorp is pleased to have the opportunity to comment on three of these questions.

Question 1 asks whether the separation of a security's impairment into two components, the credit component and the noncredit component, provides decision-useful information. We believe this separate presentation does provide useful information. The proposed treatment identifies the amount of the investment that will likely not be recaptured due to impaired credit from the amount that more likely than not will be recaptured if an entity intends and has the ability to keep the security until maturity. Recognizing the amount of the security loss related to impaired credit through the income statement in the current period is consistent with other GAAP income statement accounting requirements. An investor should gain a clear perspective of how much of the investment's impairment truly represents loss and how much is attributable to non-credit factors, including market illiquidity.

Question 2 asks whether current guidance is clear and operational for estimating credit losses and whether we agree with the separate recognition of the credit component in income and the remaining portion in other comprehensive income. We believe current guidance is sufficient and operational for estimating credit losses. In practice, our OTTI analysis determines likely losses

One Main Street  
P.O. Box 718  
Evansville, IN 47705-0718  
T: 812.464.1322  
F: 812.464.1567  
oldnational.com

Technical Director  
Financial Accounting Standards Board  
Page 2  
March 25, 2009

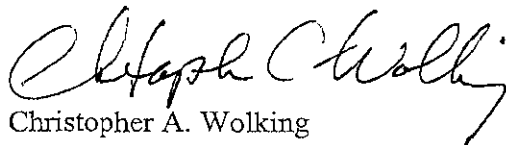
related to credit. We agree that the expected loss due to impaired credit in an investment security should be recognized as a loss through the income statement. An investment amount no longer deemed recoverable should be removed from the balance sheet. An impairment amount that is more likely than not to be recovered by maturity date should be recognized in other comprehensive income as an unrealized loss. Additional losses due to credit impairment would be recognized in the period when analysis determines the losses are likely. From a commercial banker's perspective, the proposal will better align securities' accounting with accounting for loans and loan loss reserves. This will ensure consistency of accounting across asset classes.

Question 5 asks whether the proposed effective date for periods after March 15, 2009, is operational. We believe this effective date is attainable. Under Issue 99-20 the analysis by which an entity would determine loss related to credit impairment is currently being performed. An entity's ability to comply with the effective date should not require significant additional work.

Old National Bancorp fully supports the adoption of this proposed FSP to modify the recognition of impairment on securities. Further, we believe the effective date of March 15, 2009, is tenable.

Thank you for your time and consideration with respect to our views on this matter. Please contact me at 812-464-1322 with questions or if you need additional information.

Sincerely,



Christopher A. Wolking  
Senior Executive Vice President  
Chief Financial Officer