

GERMAN AMERICAN BANCORP, INC.

Form 425

September 04, 2018

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS When used in this presentation and our oral statements, the words or phrases “believe,” “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” “plans,” or similar expressions are intended to identify “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this presentation, and we do not undertake any obligation to update any forward-looking statement to reflect

Edgar Filing: GERMAN AMERICAN BANCORP, INC. - Form 425

circumstances or events that occur in the future. By their nature, these statements are subject to numerous risks and uncertainties that could cause actual results to differ materially from those anticipated in the statements. Factors that could cause actual results and performance to vary materially from those expressed or implied by any forward-looking statement include those that are discussed in Item 1, “Business – Forward Looking Statements and Associated Risk,” and Item 1A, “Risk Factors,” in our Annual Report on Form 10-K for 2017 as updated and supplemented by our other SEC reports filed from time to time. 3

Diversified Economic Base Regional Education & Health Care Life Sciences & Technology Agriculture, Manufacturing & Logistics MAJOR INDIANA
EMPLOYERS: Education Manufacturing & Logistics Life Sciences & Technology Indiana University Aisin U.S.A. MFG, Inc. Baxter BioPharma Solutions
University of Southern Indiana ALCOA Warrick Operations Crane Naval Surface Weapons Center Vincennes University Amazon Fulfillment Service Cook
Group, Inc. Greater Clark County School Corp American Commercial Lines/Jeffboat Mead Johnson Nutrition Evansville Vanderburgh County School Corp Berry

Edgar Filing: GERMAN AMERICAN BANCORP, INC. - Form 425

Global Monroe County School Corporation Cummins, Inc. (Cummins Diesel) Energy New Albany – Floyd County School Corp Grote Industries Inc Duke Energy
Jasper Engines & Transmissions Vectren Health Care Kimball International, Inc. Koch Enterprises, Inc. Indiana University Health MasterBrand Cabinets, Inc.
Columbus Regional Hospital NTN Driveshaft Inc Clark Memorial Hospital OFS Brands (Office-Furniture Systems) Deaconess Hospital Toyota Motor Mfg –
Indiana Baptist Health Floyd Hospital Good Samaritan Hospital King's Daughters' Hospital Memorial Hospital St Vincent's Medical Center 5

Kentucky 7

Capitalize upon Market Strength & Growth Indiana Small MSA Market Expansion Total Market GABC Deposit Market Share # of Market Deposits Market
 Share*** Position Branches Heritage Markets* \$ 4,992,622 32% #1 31 Evansville/Newburgh \$ 4,198,662 13% #3 7 Bloomington \$ 2,399,939 8% #4 3 Columbus
 \$ 1,204,599 11% #3 5 Louisville MSA (Indiana Portion)** \$ 3,048,433 3% #11 5 Total Indiana Growth \$ 10,851,633 Markets * Includes the Indiana counties of
 Daviess, Dubois, Gibson, Jefferson, Knox, Lawrence, Martin, Perry, Pike & Spencer ** Includes the Indiana counties of Clark & Floyd *** Source: FDIC

Edgar Filing: GERMAN AMERICAN BANCORP, INC. - Form 425

06/30/17 Statistics. Includes the market share of MainSource Bank (completed branch purchase) in Columbus and of First Security Bank (merger pending) in Evansville/Newburgh. 8

Capitalize upon Market Strength & Growth Kentucky Small MSA Market Expansion Total Market GABC Deposit Market Share # of Market Deposits Market
Share* Position* Branches* Owensboro \$ 2,674,220 7% #5 2 Bowling Green \$ 2,336,068 4% #9 3 Lexington \$ 7,011,274 .4% #19 2 Total Kentucky \$
12,021,562 Growth Markets * German American deposits adjusted to include First Security Bank (merger pending) deposit market share, market share position,
and branches 9

Capitalize upon Market Strength & Growth *Heritage Markets 2017 2007** 2017 # of (millions) Deposits Share Deposits Share Increase Offices 1 German American \$ 1,612 32.3% \$ 1,129 26.0% 42.8% 31 2 Old National Bank \$ 1,063 21.3% \$ 1,354 31.2% - 21.5% 16 3 Fifth Third Bank \$ 456 9.1% \$ 452 10.4% 0.9% 9 Market Total \$ 4,993 \$ 4,340 15.0% * Heritage Markets include the Indiana counties of Daviess, Dubois, Gibson, Jefferson, Knox, Lawrence, Martin, Perry, Pike & Spencer ** 2007 Deposits adjusted to include branches subsequently acquired by surviving banks Source: FDIC 06/30/17 Statistics 10

Capitalize upon Market Strength & Growth Evansville/Newburgh Markets 2017* 2007** 2017 # of (millions) Deposits Share Deposits Share Increase Offices 1
 Old National Bank \$ 1,690 40.3% \$ 2,228 53.8% -24.1% 14 2 Fifth Third Bank \$ 1,208 28.8% \$ 1,184 28.6% 2.0% 12 3 German American \$ 535 12.7% \$ 271
 6.5% 97.4% 7 Market Total \$ 4,199 \$ 4,140 1.4% * 2017 German American deposits adjusted to include First Security Bank deposit data (merger pending) **
 2007 Deposits adjusted to include branches subsequently acquired by surviving banks Source: FDIC 06/30/17 Statistics 11

History of Superior Financial Performance Eight Years of Consecutive Record Earnings Performance Double-Digit Return on Equity for Past 13 Consecutive Fiscal Years Bank Director Magazine - Bank Performance Scorecard • Top 20 National Ranking for Past 4 Years (2015 – 2018) for \$1 - \$5 billion Publicly-traded Institutions • Top 25 Bank Ranking Among Publicly-traded Institutions of all Sizes in 2018 Raymond James 2012 thru 2017 Community Bankers Cup Recipient 12

Net Income & Earnings Per Share	Earnings Per Share*	\$45,000	\$40,676	\$40,000	\$35,184	\$35,000	\$30,064	\$30,000	\$28,344	\$25,413	\$25,000	\$22,910	\$19,395
		\$20,000	\$1.77	\$1.57	\$1.43	\$1.51	\$15,000	\$1.32	\$1.00	\$10,000	\$0.85	\$5,000	\$-
			12/31/13	12/31/14	12/31/15	12/31/16	12/31/17	06/30/17	06/30/18	YTD	YTD		

(Dollars in Thousands, Except Per Share Amounts) *Earnings Per Share adjusted for 3-for-2 stock split completed in 2017 14

Total Assets	Annualized Return on Assets	\$3,500	\$3,345	\$3,144	\$2,956	\$3,000	\$2,500	\$2,374	\$2,164	\$2,237	\$2,000	\$1,500	1.44%	1.33%	1.35%	1.25%	1.31%
		\$1,000	\$500	\$-		12/31/13	12/31/14	12/31/15	12/31/16	12/31/17	06/30/18	(Dollars in Millions)	15				

Total Loans, Net of Unearned Income Commercial & Agricultural Loans as % of Total Loans \$2,500 \$2,319 \$2,250 \$2,142 \$1,990 \$2,000 \$1,750 \$1,564 \$1,448
\$1,500 \$1,382 \$1,250 \$1,000 \$750 81% 81% 82% 81% 81% 80% \$500 \$250 \$- 12/31/13 12/31/14 12/31/15 12/31/16 12/31/17 06/30/18 (Dollars in Millions) 16

Loan Portfolio Composition As of June 30, 2018 Total Loans \$2,318.5 million Residential Mortgage Loans, \$ 222.1 million, 10% Construction & Development Loans, \$ 140.5 million, 6% Home Equity Loans, Agricultural Loans, \$ 169.4 million, 7% \$ 351.6 million, 15% Consumer Loans, \$ 52.0 million, 2% Multi-Family Residential Properties, \$ 123.5 million, 5% Commercial & Industrial Loans, Commercial Real Estate \$ 508.8 million, 22% Non-Owner Occupied, \$ 553.0 million, 24% Commercial Real Estate Owner Occupied, \$ 197.6 million, 9% 1417

Non-Performing Assets to Total Assets	2.50%	2.00%	1.45%	1.50%	1.04%	1.00%	0.84%	0.76%	0.48%	0.47%*	0.50%	0.44%	0.29%	0.38%	0.15%	0.14%	0.28%
	0.00%	12/31/13	12/31/14	12/31/15	12/31/16	12/31/17	06/30/18	GABC Peer Group	* Peer Group Information as of 3/31/18	18							

Total Deposits Non-Maturity Deposit Accounts as % of Total Deposits \$3,000 \$2,601 \$2,484 \$2,500 \$2,350 \$2,000 \$1,812 \$1,780 \$1,826 \$1,500 86% 83% 84%
84% 81% 81% \$1,000 \$500 \$- 12/31/13 12/31/14 12/31/15 12/31/16 12/31/17 06/30/18 (Dollars in Millions) 19

Total Deposit Composition as of June 30, 2018 Total Deposits \$2,601.4 million Non-Interest Bearing Demand, \$629.7 million, 24% Interest Bearing Demand, Savings & Money Market, \$1,611.6 million, 62% Cost of Funds 2013 0.37% 2014 0.30% 2015 0.28% Time Deposits, \$360.1 million, 14% 2016 0.32% 2017 0.40% 06/30/18 YTD 0.52% 20

Total Shareholders' Equity	Annualized Return on Equity	\$400	\$365	\$371	\$350	\$330	\$300	\$252	\$250	\$229	\$200	\$200	\$150	13.40%	13.21%	12.47%	12.57%
		10.94%	11.59%	\$100	\$50	\$-	12/31/13	12/31/14	12/31/15	12/31/16	12/31/17	06/30/18	(Dollars in Millions)	21			

Net Interest Income (Tax Equivalent)	Net Interest Margin	\$120,000	\$105,057	\$99,470	\$100,000	\$79,072	\$80,000	\$76,991	\$70,319	\$60,000	\$54,403	\$52,099							
3.76%	3.75%	3.76%	3.70%	3.82%	3.67%	\$40,000	3.71%	\$20,000	\$-	12/31/13	12/31/14	12/31/15	12/31/16	12/31/17	06/30/2017	06/30/2018	YTD	YTD	(Dollars
in Thousands) 22																			

Non-Interest Income	Non-Interest Income as % of Total Revenue	\$35,000	\$32,013	\$31,854	\$30,000	\$27,444	\$25,000	\$23,615	\$23,937	\$20,000	\$18,374	\$15,985								
26%	\$15,000	25%	25%	24%	24%	23%	23%	\$10,000	\$5,000	\$-	12/31/13	12/31/14	12/31/15	12/31/16	12/31/17	06/30/17	06/30/18	YTD	YTD	(Dollars in
Thousands) 23																				

Non-Interest Expense Efficiency Ratio	\$90,000	\$80,000	\$76,587	\$77,803	\$70,000	\$61,326	\$57,713	\$60,000	\$54,905	\$50,000	\$42,163	\$38,032	\$40,000	58.5%					
58.3%	\$30,000	57.2%	57.6%	56.8%	57.9%	\$20,000	55.9%	\$10,000	\$-	12/31/13	12/31/14	12/31/15	12/31/16	12/31/17	06/30/17	06/30/18	YTD	YTD	(Dollars in
																			Thousands)

24

Net Income & Earnings Per Share	Earnings Per Share*	\$45,000	\$40,676	\$40,000	\$35,184	\$35,000	\$30,064	\$30,000	\$28,344	\$25,413	\$25,000	\$22,910	\$19,395
		\$20,000	\$1.77	\$1.57	\$1.43	\$1.51	\$15,000	\$1.32	\$1.00	\$10,000	\$0.85	\$5,000	\$-
			12/31/13	12/31/14	12/31/15	12/31/16	12/31/17	06/30/17	06/30/18	YTD	YTD		

(Dollars in Thousands, Except Per Share Amounts) *Earnings Per Share adjusted for 3-for-2 stock split completed in 2017 25

Why Invest in GABC? * GABC Earnings Per Share Growth \$1.77 \$1.51 \$1.57 \$1.43 \$1.27 \$1.32 \$1.07 \$0.81 \$0.77 \$0.73 As of 12/31 for years shown *Earnings
Per Share adjusted for 3-for-2 stock split completed in 2017 27

Why Invest in GABC? GABC Tangible Book Value Per Share * \$13.45 \$11.94 \$11.57 \$10.40 \$8.92 \$8.62 \$7.64 As of 12/31 for years shown *Tangible Book Value Per Share adjusted for 3-for-2 stock split completed in 2017 28

Why Invest in GABC? * GABC Stock Price Appreciation \$35.07 \$35.33 \$22.21 \$20.35 \$18.95 \$14.48 \$12.13 As of 12/31 for years shown *Stock Price adjusted for 3-for-2 stock split completed in 2017 29

Why Invest in GABC? Increasing long-term institutional ownership • Proven Executive Management Team • Track Record of Consistent Top Quartile Financial Performance • Experienced in Operating Plan Execution and M & A Transitions • Potential Growth within New Market Areas – Small MSA Focus • Existing Platform for Operating Efficiency • Infrastructure in Place for Perpetuating Ongoing EPS Growth • Consistent Strong Dividend Yield and Dividend Pay-out Capacity 30
