

German  
American  
Bancorp, Inc.



*Strong Ties.  
Strong Solutions.*

A BENCHMARK *performance*

SUMMARY ANNUAL REPORT 2006



*our mission*

*Building relationships that are mutually  
beneficial to our clients and our shareholders.*

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# 2006



## OUR VISION

German American Bancorp, Inc. will build a regional presence offering a full array of integrated financial products and services. We will always be mindful of our community roots and the importance of enhancing and growing the relationships we have with our shareholders, customers, employees and communities.

## A Benchmark Performance

2006 was another record year for German American Bancorp, Inc., marked by strong performance in a number of areas. Clearly, our business model and organizational structure, which are based on customer responsiveness and local decision-making, are being embraced by the commercial, agricultural and retail businesses along with consumers located throughout our market area.

German American Bancorp, Inc., is uniquely positioned to provide comprehensive financial services across our entire market footprint and our success in growing our business during the past several years is evidence of our customer's recognition and acceptance of the value our business model delivers. As German American moves forward, we look for innovative approaches to deliver on our promise of providing strong financial solutions with strong local ties to the communities we serve. While maintaining our strategy of focused execution, we persistently look for creative, innovative ways to deliver products and services that truly benefit our customers.

Our persistent strong performance and commitment to growth ensures better opportunities today than at any time in our history. We continue to grow; growing our relationships with existing customers, growing into new markets, and growing in expertise as we hire new talented professionals and enhance the skills of our existing team. While we look to expand and move into new markets, nothing takes us away from our goal of putting our customers first. Our primary interest remains one of enhancing the scope of our products and services while providing top level customer care.

Moving forward from this year's benchmark performance, we will continue to implement our growth strategy with the same discipline and vigor which has resulted in a formula that works; creating new opportunities for German American Bancorp, Inc. shareholders to share in the success of their Company. As we pursue new avenues for growth, we remain committed to our approach of offering the finest financial products and services, delivered by trusted local leadership.



**German American Bancorp, Inc.**

*Strong Ties.  
Strong Solutions.*



**Mark A. Schroeder**  
President and CEO of  
German American Bancorp, Inc.

## Dear Shareholders

We're pleased to have delivered to you, our shareholders, a continuing level of outstanding financial performance during 2006 as we achieved yet again another record during the past year, both in terms of net income and earnings per share. It is particularly noteworthy that this 2006 record financial performance came on the heels of the previous record performance reported in 2005. This year's Summary Annual Report "**A Benchmark Performance**" denotes the strides made during the year not only in terms of exceptional financial performance but also in the expansion of our market footprint into the Bloomington and Bedford, Indiana markets and the expansion of our expertise with the addition to our staff of a number of experienced and talented financial professionals during the year. The 2006 net income of \$10,221,000 is the first time in our Company's history that we surpassed the \$10 million milestone and is a testament to the dedication of our staff and the loyalty of our customers. We further anticipate the significant loan growth we experienced in 2006 along with the market expansion of our banking footprint will provide a baseline upon which to build continued strong financial performance for many years to come.

Our record level of financial performance during 2006 was the result of a number of factors, including a nearly \$4,000,000 increase, representing a 12% improvement, in the level of net interest income driven by both an increased level of earning assets and slightly higher net interest margin. Your Company's recent trend of solid balance sheet growth also continued during 2006 as evidenced by the \$144 million of loan growth generated during the year. This loan growth, which was in excess of 20%, was generated from a variety of sources, including \$54 million of organic growth, \$48 million from the acquisition of Stone City Bancshares, Inc. in January 2006, and \$42 million from the purchase of the Southern Indiana-based agricultural loan portfolio of a regional banking company in December 2006. This strong growth, which occurred within every category of loans, was particularly significant within the commercial and agricultural lending resulting in the ninth consecutive year of growth within these components of our portfolio.

During the past year, we also continued to enhance and expand our capabilities within the core banking segment of our business. In January of 2006, we completed the acquisition of Stone City Bank of Bedford, Indiana which provided us with a vehicle to not only expand our geographic reach into this new market area for the Company, but also provided us an opportunity to build upon that platform to open our first banking office in the economically vibrant Bloomington, Indiana market in February 2007. Additionally, during the second quarter of 2006, we completed the fourth in a series of recent purchases of non-controlling investments in small banking companies operating in larger markets adjacent to our own banking footprint. With the completion of this transaction, your Company now holds non-controlling investments in banks operating in the Evansville, Indianapolis, Louisville, and Terre Haute/Lafayette market areas. As a result of making these investments, the Company has an opportunity, as needed and requested by these banks, to participate in lending opportunities within these larger, more economically diverse markets.

In 2006, we reported the fifth consecutive year of record levels of revenue generated from our trust and investment advisory services and from our insurance operations. We likewise expanded our market area for these segments of our operations by opening a financial advisory office within the Bedford market as well as through the acquisition in October 2006 of the insurance agency business of Keach & Grove Insurance, Inc., based in Bedford. As a result of the operations of our two principal non-banking subsidiaries, German American Financial Advisors & Trust Company and German American Insurance, Inc., your Company's percentage of income generated from non-interest income sources in 2006 once again placed us near the top of this important benchmark measure as compared to similarly-sized banking companies nationwide. With the anticipated long-term impact of expected increasingly competitive pricing on both loans and deposits, we fully expect these non-interest dependent sources of revenue will continue to grow in importance in the coming years as we further expand these segments of our business, both geographically and across a broader spectrum of our existing customer base.

As we look to further our growth through both organic and geographic expansion opportunities, we remain acutely aware, however, that the most important factor in our future growth and success revolves around our ability to attract and retain highly qualified and motivated financial professionals. We're also pleased to inform you that we believe German American has become the employer of choice within the financial services industry throughout Southern Indiana. During 2006, we successfully recruited a number of experienced banking, investment, and insurance professionals to join our organization. These highly talented individuals, who recognize and appreciate the value of our unique business model, will work hand-in-hand with our entire staff of dedicated professionals to meet the entire financial needs – banking, insurance, and investment – of our growing customer base. In doing so, our entire staff of dedicated financial professionals will help enhance the long-term value of your investment in German American Bancorp, Inc.

Clearly, our business model, which is based on customer responsiveness and local decision-making, coupled with our financial professionals, who intimately know their local markets, and our wide array of offerings of state-of-the-art banking, investment, and insurance products and services are being embraced by the agricultural, commercial and retail businesses along with consumers located throughout our market area. German American is uniquely positioned to provide comprehensive financial services across our entire market footprint and our success in growing our business during the past several years is evidence of our customers' recognition and acceptance of the value our business model delivers.

At this year's Annual Meeting in April, Bill Hoffman and Chet Thompson, two long-time, valued members of our Board of Directors, will be retiring. Bill Hoffman, who joined the board of German American in 1986 following our very first merger transaction with the Bank of Ireland, helped guide your Company through over 20 years of dynamic growth. Chet Thompson, who joined the German American board in 1997 in connection with the Peoples Bank merger, has provided valuable counsel regarding the Company's recent entry into the insurance and investment advisory lines of business as well as providing market insight relative to the western portion of our market area. We sincerely thank Bill and Chet for their many years of dedicated service to the German American shareholders and wish both of them the very best in their retirement.

In closing, on behalf of the directors, officers and staff of your Company, I would like to thank each of you, our shareholders, for your continued support of our vision of creating a preeminent regional financial services company. Our growth and success during 2006 places us one step closer to fulfillment of that vision.

Sincerely,



Mark A. Schroeder  
President and Chief Executive Officer  
March 5, 2007

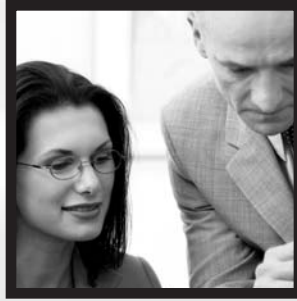


## Our Employees, Our Communities

German American Bancorp, Inc., and its family of financial services companies employ talented, compassionate people throughout the organization, truly making German American special. Delivering genuine, customized, personal service with a focus on truly serving customers and communities well, our employees bring the Shield of Excellence commitment to life each and every interaction. As committed professionals who volunteer time and talents in civic groups or other volunteer organizations, our family of employees is well-known and respected in our communities. Our family of employees understands the true meaning of community focus and relationship building, which involves a genuine commitment to making the community better each and every day with time, effort, and sharing of talents. Whether we are working within the office or within a community project, our employees make German American special because of their sincerity and dedication.

We take pleasure in serving our customers. Whether financing a home, making the dream of education become a reality, helping a spouse surprise their loved one with a trip of a lifetime, we enjoy helping our customers with their financial decisions. To us, offering financial assistance and counsel is more than providing rates and terms. We attach great importance to the fact that we are also helping to make our customers' lives better, and we take that responsibility seriously, providing our services with passion and commitment.

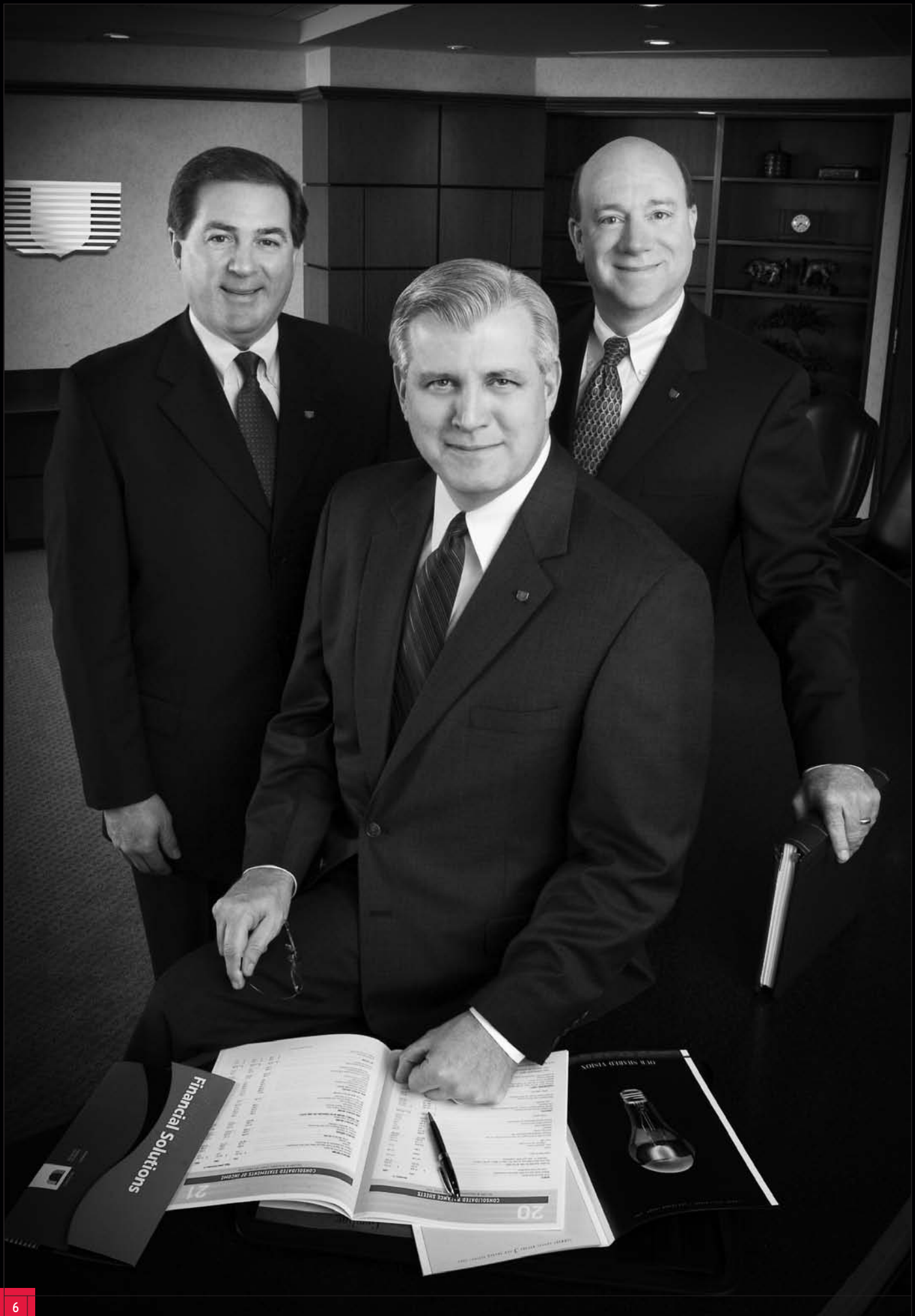
We are large enough to serve the most sophisticated customer needs while being as customer-focused and agile as smaller organizations. Our customers benefit from the best of both worlds.



## Local Leadership and Decision-making

German American Bancorp, Inc.'s family of affiliated financial services companies each have local leadership in their respective markets. The local leadership model allows our organization to make specific, timely decisions that benefit the customers and communities served in those markets. In addition, local leadership has the resources of a holding company with over \$1 billion in assets supporting them. We are large enough to serve the most sophisticated clients, and small enough to do so very quickly with a personal touch. Our local leadership has proven especially powerful for commercial lending growth. Business and agriculture customers appreciate responsive decision-making by people they know and trust.

Located in Southern Indiana, German American Bancorp, Inc.'s community banking roots are firmly planted throughout the communities we serve. We understand that our organization has a responsibility and an opportunity to help build a healthy regional economy. The markets served provide a diverse regional economy that supports manufacturing, agriculture, tourism, retail, and a variety of service industries. German American and its family of affiliated financial services companies provide the necessary funding and financial management for all types of local businesses. For families and individuals in the area, German American also takes great pride in offering home ownership opportunities and financial planning services.





## Office of the President

To continue our focus on customers and our steadfast commitment to serve local markets exceptionally well, we have enhanced our organizational structure to provide further specialization and optimized delivery. With the creation of the Office of the President, we now have three executives who guide the German American team. Led by President and CEO, Mark Schroeder, the three executives work in tandem to ensure that the entire organization operates with an eye on truly delivering our pledge of quality and our commitment of excellence.

Ken Sendelweck, President of Commercial Financial Services, leads your Company's commercial banking, cash management, insurance, and the trust and financial advisory group. Ken and his team of exceptional financial services providers are responsible for serving business customers throughout all of our markets.

The Retail Financial Services President, Clay Ewing, leads your Company's retail banking sales and operations, which includes all of the services offered to consumers and the delivery of those products and services such as our network of banking centers located throughout Southern Indiana. Clay is also responsible for the operational departments within your Company.

Working together, the Office of the President leads your Company and its team of talented professionals in delivering the very best to our customers each and every day. This enhanced organizational structure has already proven beneficial as evidenced by our second consecutive year of record financial performance. Our focus continues to generate the desired results.

(PICTURED LEFT TO RIGHT ON PAGE 6)


Kenneth L. Sendelweck,  
Mark A. Schroeder,  
Clay W. Ewing

## Our Shareholders

The loyalty of our Shareholders is frequently made apparent when we assist with shares that have been passed from generation to generation. This loyalty and allegiance to German American is greatly appreciated and recognized as something that must continue to be earned.


Our directors and management team take every step to ensure that we fully evaluate our opportunities to enhance shareholder value while maintaining a very prudent approach.





“The best way to inspire people to superior performance is to convince them by everything you do and by your everyday attitude that you are wholeheartedly supporting them.”

- HAROLD S. GENEEN



“The thing about performance is that it is  
a celebration of the fact that we do contain  
within ourselves infinite possibilities.”

- DANIEL DAY LEWIS



## Corporate Profile

German American Bancorp, Inc. is a one billion dollar financial services holding company that was formed in 1982. Our family of six community banking divisions (with a total of 30 banking locations), six independent insurance agencies and a financial advisory trust company services ten counties throughout Southern Indiana, providing leading edge financial products and services to some 60,000 individuals, organizations and businesses.

The Company conducts operations from its main office located in Jasper, Indiana. Through any of German American Bancorp, Inc. affiliate banking centers, you can find the products and the same great service you need to manage your finances. These products and services include a full line of Prestige checking accounts, savings accounts, 24-hour bank by phone, electronic banking, check cards, credit cards, and a complete line of loan services including mortgage, consumer and commercial credit.

Our mortgage banking operation specializes in the origination of secondary market eligible loans. Many mortgage loan customers appreciate the one-stop shopping convenience of our mortgage services.

Our full-service insurance agency offices provide a full range of personal and corporate property and casualty, title, credit life, and accident and health insurance benefits.

Our financial advisor and trust company offers trust, investment and financial planning options to fit the needs of virtually every potential customer, putting money to work for clients at each affiliate bank.

By combining traditional retail and commercial banking, brokerage and trust services, and full service insurance, German American Bancorp, Inc. creates a unique opportunity for customers to meet a variety of needs with a single relationship.

## Report of Independent Registered Public Accounting Firm

We have audited in accordance with the standards of the Public Company Accounting Oversight Board (United States) the consolidated balance sheets of German American Bancorp, Inc. as of December 31, 2006 and 2005, and the related consolidated statements of income, changes in shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2006, appearing in the Annual Report on Form 10-K, not appearing herein. In our report dated February 27, 2007, also appearing in the Annual Report on Form 10-K, we expressed an unqualified opinion on those consolidated financial statements.

In our opinion, the information set forth in the condensed consolidated financial statements presented on pages 14 and 15 is fairly stated, in all material respects, in relation to the consolidated financial statements from which they have been derived.

*Crowe Chizek and Company LLC*

Crowe Chizek and Company LLC  
Louisville, Kentucky  
February 27, 2007

## Five Year Summary

The following selected data should be read in conjunction with the Company's Annual Report on Form 10-K for 2006.

*(dollars in thousands except per share data)*

	2006	2005	2004	2003	2002
<b>SUMMARY OF OPERATIONS:</b>					
Interest Income	\$ 63,594	\$ 50,197	\$ 47,710	\$ 50,619	\$ 60,494
Interest Expense	27,398	17,984	16,471	21,084	28,492
Net Interest Income	36,196	32,213	31,239	29,535	32,002
Provision for Loan Losses	925	1,903	2,015	811	1,115
Net Interest Income after Provision					
For Loan Losses	35,271	30,310	29,224	28,724	30,887
Non-interest Income	15,390	14,194	9,620 <sup>(1)</sup>	12,934	9,509
Non-interest Expense	36,456	31,448	30,609	32,219 <sup>(2)</sup>	28,967
Income before Income Taxes	14,205	13,056	8,235	9,439	11,429
Income Tax Expense	3,984	3,335	996	1,271	1,987
Net Income	\$ 10,221	\$ 9,721	\$ 7,239	\$ 8,168	\$ 9,442
<b>YEAR-END BALANCES:</b>					
Total Assets	\$ 1,093,424	\$ 946,467	\$ 942,094	\$ 925,946	\$ 957,005
Total Loans, Net of Unearned Income	796,259	651,956	629,793	611,866	610,741
Total Deposits	867,618	746,821	750,383	717,133	707,194
Total Long-term Debt	68,333	66,606	69,941	76,880 <sup>(2)</sup>	121,687
Total Shareholders' Equity	92,391	82,255	83,669	83,126 <sup>(3)</sup>	104,519
<b>AVERAGE BALANCES:</b>					
Total Assets	\$ 1,029,838	\$ 925,851	\$ 927,528	\$ 938,992	\$ 1,000,167
Total Loans, Net of Unearned Income	715,260	634,526	622,240	618,340	644,990
Total Deposits	814,440	730,220	731,467	711,310	718,763
Total Shareholders' Equity	88,451	84,479	82,558	87,703 <sup>(3)</sup>	103,301
<b>PER SHARE DATA<sup>(4)</sup>:</b>					
Net Income	\$ 0.93	\$ 0.89	\$ 0.66	\$ 0.73 <sup>(3)</sup>	\$ 0.79
Cash Dividends	0.56	0.56	0.56	0.53	0.51
Book Value at Year-end	8.39	7.73	7.68	7.60 <sup>(3)</sup>	8.72
<b>OTHER DATA AT YEAR-END:</b>					
Number of Shareholders	3,438	3,494	3,219	3,198	3,299
Number of Employees	397	367	372	383	390
Weighted Average Number of Shares <sup>(4)</sup>	10,994,739	10,890,987	10,914,622	11,176,766 <sup>(3)</sup>	12,007,009
<b>SELECTED PERFORMANCE RATIOS:</b>					
Return on Assets	0.99%	1.05%	0.78%	0.87%	0.94%
Return on Equity	11.56%	11.51%	8.77%	9.31% <sup>(3)</sup>	9.14%
Equity to Assets	8.45%	8.69%	8.88%	8.98% <sup>(3)</sup>	10.92%
Dividend Payout	60.30%	62.83%	84.46%	73.26%	64.99%
Net Charge-offs to Average Loans	0.50%	0.26%	0.24%	0.14%	0.19%
Allowance for Loan Losses to Loans	0.90%	1.42%	1.40%	1.35%	1.36%
Net Interest Margin	3.96%	3.92%	3.86%	3.61%	3.67%

(1) In 2004, the Company recognized a \$3.7 million non-cash pre-tax charge (which reduced Non-interest Income) for the other-than-temporary decline in value of its FHLMC and FNMA preferred stock portfolio. In 2006, the Company sold these same FHLMC and FNMA preferred stocks and recognized a pre-tax gain of \$951.

(2) In 2003, the Company prepaid \$40.0 million of FHLB borrowings within its mortgage banking segment. The prepayment fees associated with the extinguishment of these borrowings totaled \$1.9 million.

(3) In March 2003, the Company purchased 1,110,444 (approximately 9% of the number of shares that were then outstanding) of its common shares at \$19.05 per share pursuant to a self tender offer at a total cost, including fees and expenses incurred in connection with the offer, of approximately \$21.4 million.

(4) Share and Per Share Data has been retroactively adjusted to give effect for stock dividends and excludes the dilutive effect of stock options.

Year to year financial information comparability is affected by the purchase accounting treatment for mergers and acquisitions.

## Consolidated Balance Sheets

(dollars in thousands except per share data)

	December 31,	
	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
Cash and Due from Banks	\$ 23,960	\$ 27,644
Federal Funds Sold and Other Short-term Investments	5,735	5,287
Cash and Cash Equivalents	29,695	32,931
Interest-bearing Time Deposits with Banks	200	—
Securities Available-for-Sale, at Fair Value	179,222	181,150
Securities Held-to-Maturity, at Cost (Fair value of \$6,192 and \$8,811 on December 31, 2006 and 2005, respectively)	6,135	8,684
Loans Held-for-Sale	1,601	1,901
Loans	798,635	653,514
Less: Unearned Income	(2,376)	(1,558)
Allowance for Loan Losses	(7,129)	(9,265)
Loans, Net	789,130	642,691
Stock in FHLB of Indianapolis and Other Restricted Stock, at Cost	10,621	14,095
Premises, Furniture and Equipment, Net	23,245	20,233
Other Real Estate	845	506
Goodwill	9,655	3,813
Intangible Assets	4,924	2,388
Company Owned Life Insurance	21,710	19,067
Accrued Interest Receivable and Other Assets	16,441	19,008
<b>TOTAL ASSETS</b>	<b>\$ 1,093,424</b>	<b>\$ 946,467</b>
<b>LIABILITIES</b>		
Non-interest-bearing Demand Deposits	\$ 137,671	\$ 130,383
Interest-bearing Demand, Savings, and Money Market Accounts	329,690	307,007
Time Deposits	400,257	309,431
Total Deposits	867,618	746,821
FHLB Advances and Other Borrowings	119,889	105,394
Accrued Interest Payable and Other Liabilities	13,526	11,997
<b>TOTAL LIABILITIES</b>	<b>1,001,033</b>	<b>864,212</b>
<b>SHAREHOLDERS' EQUITY</b>		
Preferred Stock, \$10 par value; 500,000 shares authorized, no shares issued	—	—
Common Stock, no par value, \$1 stated value; 20,000,000 shares authorized	11,008	10,643
Additional Paid-in Capital	68,216	63,784
Retained Earnings	13,450	9,391
Accumulated Other Comprehensive Loss	(283)	(1,563)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>92,391</b>	<b>82,255</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 1,093,424</b>	<b>\$ 946,467</b>
End of period shares issued and outstanding	<u>11,008,562</u>	<u>10,643,514</u>

See Annual Report on Form 10-K



## Consolidated Income Statements

(dollars in thousands except per share data)

	Years Ended December 31,		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>INTEREST INCOME</b>			
Interest and Fees on Loans	<b>\$ 53,490</b>	\$ 41,751	\$ 39,257
Interest on Federal Funds Sold and Other Short-term Investments	<b>545</b>	316	129
Interest and Dividends on Securities:			
Taxable	<b>7,763</b>	5,954	5,455
Non-taxable	<b>1,796</b>	2,176	2,869
TOTAL INTEREST INCOME	<b>63,594</b>	50,197	47,710
<b>INTEREST EXPENSE</b>			
Interest on Deposits	<b>21,329</b>	13,389	11,747
Interest on FHLB Advances and Other Borrowings	<b>6,069</b>	4,595	4,724
TOTAL INTEREST EXPENSE	<b>27,398</b>	17,984	16,471
<b>NET INTEREST INCOME</b>	<b>36,196</b>	32,213	31,239
Provision for Loan Losses	<b>925</b>	1,903	2,015
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	<b>35,271</b>	30,310	29,224
<b>NON-INTEREST INCOME</b>			
Trust and Investment Product Fees	<b>2,210</b>	2,081	2,046
Service Charges on Deposit Accounts	<b>3,901</b>	3,723	3,537
Insurance Revenues	<b>5,094</b>	4,703	4,666
Other Operating Income	<b>2,384</b>	2,687	2,074
Net Gains on Sales of Loans and Related Assets	<b>850</b>	1,000	975
Net Gain / (Loss) on Securities	<b>951</b>	-	(3,678)
TOTAL NON-INTEREST INCOME	<b>15,390</b>	14,194	9,620
<b>NON-INTEREST EXPENSE</b>			
Salaries and Employee Benefits	<b>21,491</b>	18,511	17,814
Occupancy Expense	<b>2,797</b>	2,396	2,121
Furniture and Equipment Expense	<b>2,191</b>	2,008	2,171
Data Processing Fees	<b>1,646</b>	1,322	1,186
Professional Fees	<b>1,786</b>	1,703	1,690
Advertising and Promotion	<b>940</b>	784	888
Supplies	<b>619</b>	544	527
Other Operating Expenses	<b>4,986</b>	4,180	4,212
TOTAL NON-INTEREST EXPENSE	<b>36,456</b>	31,448	30,609
Income before Income Taxes	<b>14,205</b>	13,056	8,235
Income Tax Expense	<b>3,984</b>	3,335	996
<b>NET INCOME</b>	<b>\$ 10,221</b>	\$ 9,721	\$ 7,239
Earnings per Share	<b>\$ 0.93</b>	\$ 0.89	\$ 0.66
Diluted Earnings per Share	<b>\$ 0.93</b>	\$ 0.89	\$ 0.66

See Annual Report on Form 10-K

## Locations

### **CITIZENS STATE BANK**

Main Office  
305 East Main Street  
Petersburg, IN 47567  
812.354.8471  
[www.citizensstatebankcsb.com](http://www.citizensstatebankcsb.com)

### **FIRST AMERICAN BANK**

Main Office  
Third and Busseron Streets  
Vincennes, IN 47591  
812.882.4528  
[www.firstamericanbankfab.com](http://www.firstamericanbankfab.com)

### **FIRST STATE BANK**

Main Office  
645 Main Street  
Tell City, IN 47586  
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### **GERMAN AMERICAN BANK**

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### **GERMAN AMERICAN FINANCIAL ADVISORS & TRUST COMPANY**

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711 Main Street  
Jasper, IN 47546  
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### **GERMAN AMERICAN INSURANCE, INC.**

Main Office  
246 3rd Avenue  
Jasper, IN 47546  
812.482.2866  
[www.germanamericaninsurance.com](http://www.germanamericaninsurance.com)

### **PEOPLES BANK**

Main Office  
201 East Main Street  
Washington, IN 47501  
812.254.4630  
[www.peoplesbankpb.com](http://www.peoplesbankpb.com)

### **STONE CITY BANK**

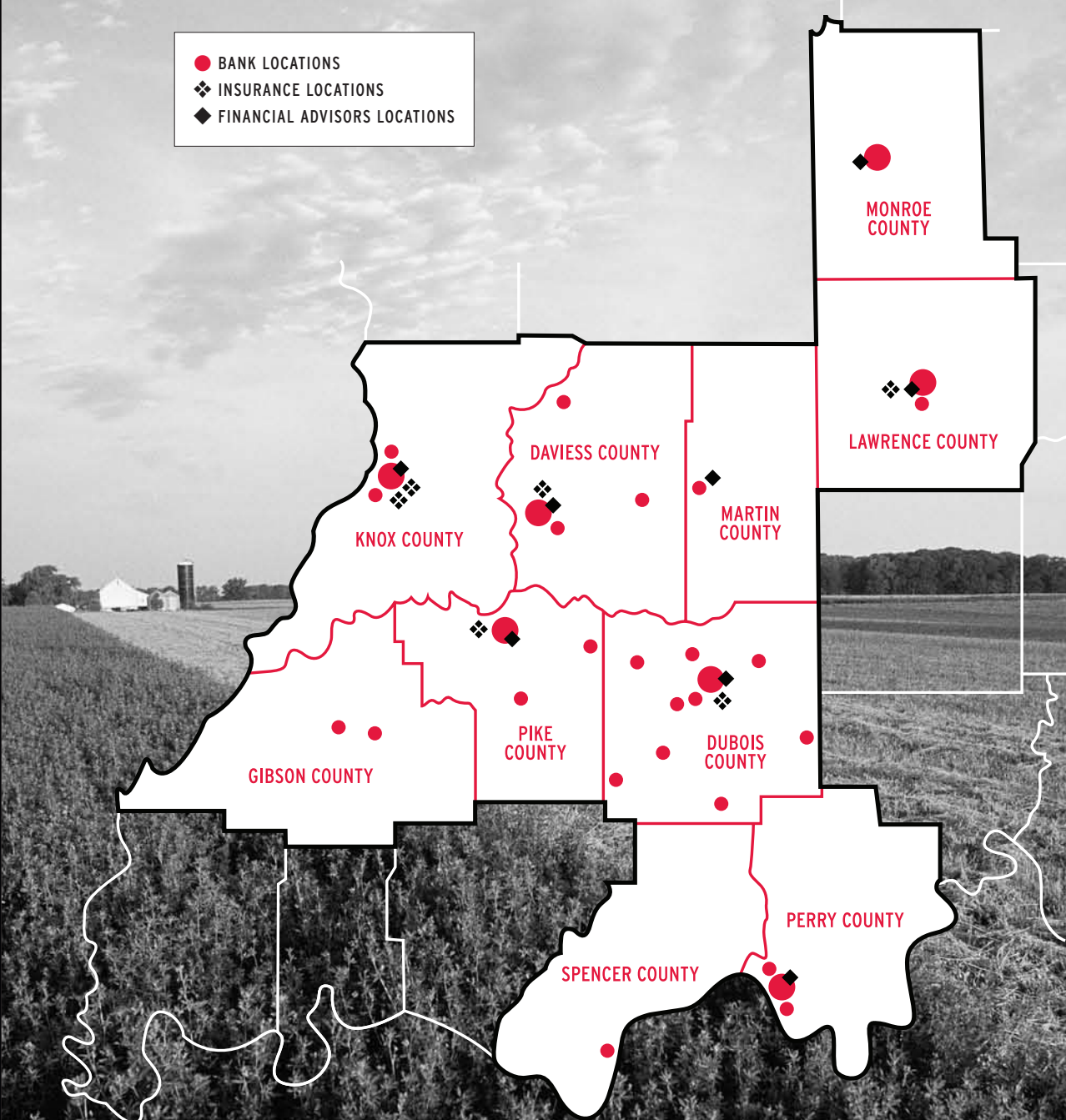
Main Office  
1502 I Street  
Bedford, IN 47421  
812.279.6604  
[www.stonecitybanksb.com](http://www.stonecitybanksb.com)

### **GERMAN AMERICAN BANCORP**

Bloomington  
2614 East 3rd Street  
Bloomington, IN 47401  
[www.germanamericanbancorp.com](http://www.germanamericanbancorp.com)

Each of our affiliated Banks is a division of  
German American Bancorp, which is a banking  
subsidiary of German American Bancorp, Inc.

- BANK LOCATIONS
- ❖ INSURANCE LOCATIONS
- ◆ FINANCIAL ADVISORS LOCATIONS



## Directors and Senior Officers

### **GERMAN AMERICAN BANCORP, INC.**

Mark A. Schroeder  
*President & Chief Executive Officer*

Douglas A. Bawel  
Christina M. Ernst  
Richard E. Forbes  
William R. Hoffman  
U. Butch Klem  
J. David Lett  
Gene C. Mehne  
Larry J. Seger  
Chet L. Thompson  
Michael J. Voyles

#### **Senior Officers:**

Clay W. Ewing  
*President Retail Financial Services*

Kenneth L. Sendelweck  
*President Commercial Financial Services*

Stan J. Ruhe  
*Executive Vice President Credit Administration*

Tonya J. Brothers-Bridge  
*Senior Vice President Retail Delivery, Marketing & Training*

Diane S. Hasenour  
*Senior Vice President Technology & Operations*

Bradley M. Rust  
*Senior Vice President Chief Financial Officer*

Gene L. Thewes  
*Senior Vice President Branch Administration*

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James W. Bobe  
Joe A. Dedman  
Clay W. Ewing  
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Gene C. Mehne  
Stan J. Ruhe  
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Kenneth L. Sendelweck  
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James W. Bobe  
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William R. Hoffman  
U. Butch Klem  
Greg W. Kuper  
Phil C. Schneider  
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Ray W. Snowden  
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Bryan S. Bullock  
David F. Crane  
Dan J. Gregory  
J. David Lett  
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Mark A. Schroeder  
Chet L. Thompson  
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David M. Parker  
Mark A. Schroeder

Each of our affiliated Banks is a division of German American Bancorp, which is a banking subsidiary of German American Bancorp, Inc.

## Strong Ties, Strong Solutions

German American Bancorp, Inc. is a financial services holding company that owns a commercial bank with six community banking divisions, a property and casualty insurance operation with six agencies, and a trust and investment advisory firm. Our approach to offering clients complete financial solutions has proven very successful for your Company. Our core banking group continues to expand our offerings of loans and other products and services to businesses and other customers in our communities, and we enjoy growing revenue from our financial advisory and insurance operations. We invite you to afford us the opportunity to both serve you as a customer and increase the value of your investment by allowing us to provide all your banking, insurance, and investment needs. Know that you can expect excellence, in all areas of financial services, where you see our Shield of Excellence.



#### CAUTIONARY NOTE RE: FORWARD-LOOKING STATEMENTS

This Summary Annual Report, including our President's letter to our Shareholders on pages 2 and 3, includes forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, relating to such matters as our anticipated future financial performance, our potential increased participation in loans that are generated in other markets, the anticipated future expansion of our trust and investment advisory and insurance operations, and our success in the recruitment and retention of financial services professionals. Readers are cautioned that actual results and performance may differ materially from any of our present expectations that are expressed or implied by any forward-looking statement due to the inherent uncertainties in predicting the future, and risks affecting the Company and its stock, including those that are described in Item 1, Business-Forward Looking Statements and Associated Risks and in Item 1A, Risk Factors, in our accompanying Annual Report on Form 10-K for 2006. If you did not receive a copy of the Form 10-K Annual Report with this Summary Annual Report, you may review that document (and our other SEC filings) via the Internet through the Investors section of our website, [www.germanamericanbancorp.com](http://www.germanamericanbancorp.com).



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Strong Solutions.*

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