

an is dedicated to  
individuals, families and  
achieve greater prosperity  
of life. Together, our  
financial team builds lasting client  
relationships based on integrity,  
responsive service, innovation,  
and shared values. We support the  
communities we serve because we  
believe that when a community  
thrives, its people prosper.

2015

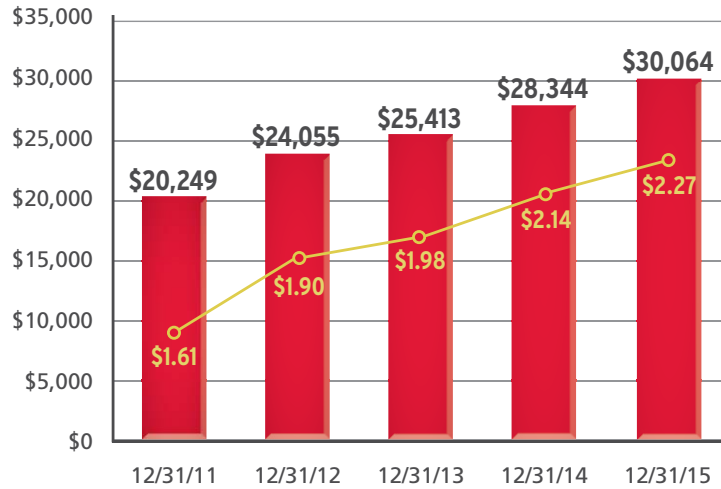
# Summary Annual Report



**German American Bancorp, Inc.**

### Net Income & Diluted Earnings Per Share

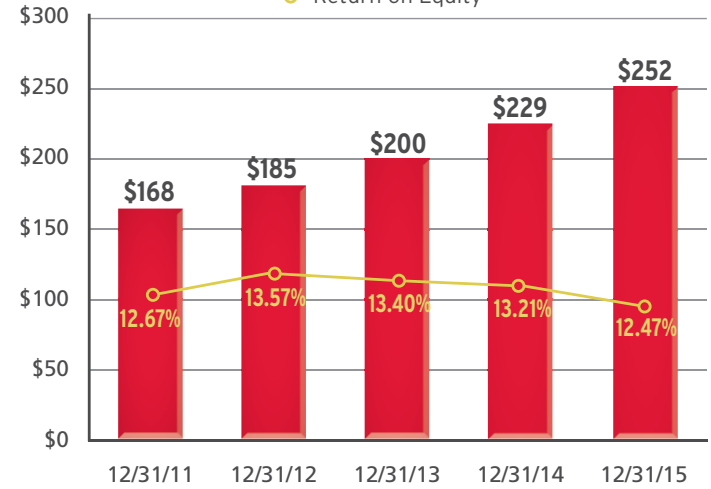
(dollars in thousands, except per share amounts)



### Total Shareholders' Equity

(dollars in millions)

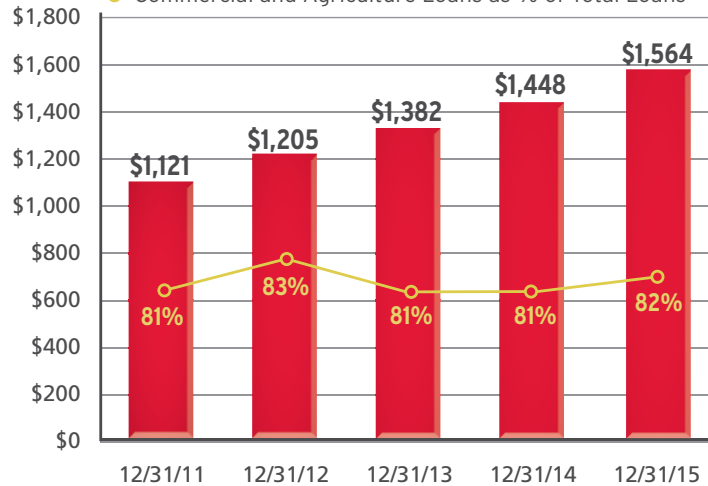
Return on Equity



### Total Loans, Net of Unearned Income

(dollars in millions)

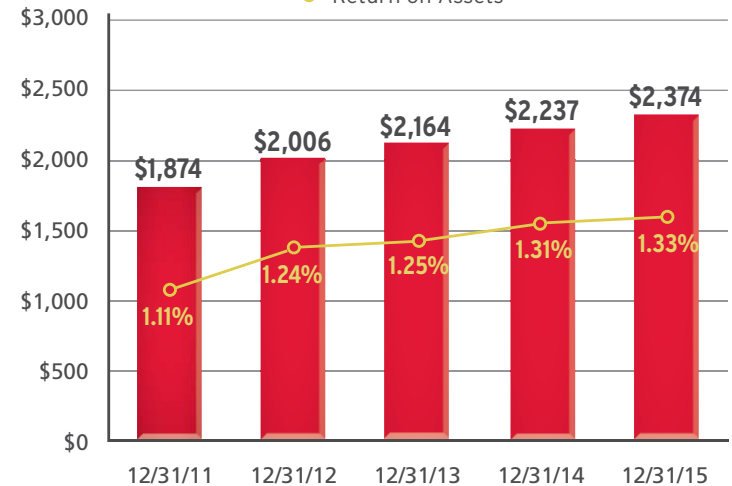
Commercial and Agriculture Loans as % of Total Loans



### Total Assets

(dollars in millions)

Return on Assets



Dear Shareholders:

I am extremely pleased to report to you, our shareholders, that your Company, in 2015, continued the trend of exceptional financial performance generated over the course of the past decade. Our 2015 reported net income of \$30.1 million, or \$2.27 per share, was an increase of approximately 6% over the prior year's earnings of \$28.3 million, or \$2.14 per share. This level of performance in 2015 represented the 6th consecutive year in which your Company has posted record annual earnings and the 11th consecutive year of double-digit annual return on shareholders' equity.

Most importantly, from your perspective as a shareholder, this consistent pattern of strong earnings performance, which has grown at a compound annual growth rate of in excess of 13%, on a per share basis, over the course of the past 5 year period, has resulted in a similar level of superior performance in total return for our shareholders. On a total return basis, our share value has more than doubled over this same 5 year period and has significantly outperformed the index of publicly-traded Indiana banking companies, as well as the Russell Microcap Index and the Russell 2000 Index, both of which include German American in their broader market-based indices.

During 2015, we remained focused, as always, on the realization that the ultimate driver of our performance lies in our clients' continued acceptance of our array of offerings of financial products and services. We also fully recognize that our clients' satisfaction with and loyalty to German American is dependent upon our ability to deliver those financial products and services in a manner that provides exceptional value to our clients, in terms of not only the product benefits, but also the counsel and advice of our team of financial professionals as they make good on our pledge of exceptional customer service. We believe our ability to successfully do so over the course of the past decade, as well as our ability to do so going forward, is directly linked to our business model and philosophy of developing and recruiting teams of the very best local financial professionals, who are fully committed to and exceedingly knowledgeable about their clients and their local communities.

It is for this reason that in this year's Summary Annual Report, we have chosen to highlight the Mission, Vision, and Core Values by which your Company is governed and to highlight several of those teams of talented local financial professionals, who make good, day-in and day-out, on our pledge of delivering exceptional value-added financial products and services to their clients throughout southern Indiana. While our business model and philosophy is not complicated, it does require an unwavering commitment to all of our clients and each of our local communities to successfully execute. Obviously, our success over the course of

the past decade has proven this approach to doing business is valued by our clients and is a model that our competitors have not been able to replicate. I encourage you to take the time to review this year's Summary Annual Report to learn more about German American's "secret to success."

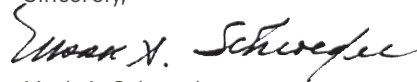
Over the past decade, we have remained committed to our Mission, Vision, and Core Values while pursuing our strategy of disciplined geographic growth into adjacent southern Indiana market areas. This disciplined growth strategy continued in 2015 with the October announcement of the pending merger transaction with River Valley Bancorp of Madison, Indiana. This transaction, which was completed in March 2016, positions your Company to enhance our previously stated objective of expanding our southern Indiana footprint into the vibrant southeast Indiana market area. River Valley has built a solid community banking franchise in three distinct market areas, which we believe will represent an excellent opportunity for growth as we take our successful approach to doing business to each of these markets.

River Valley is headquartered in the Madison, Indiana market, which is very similar to our other heritage markets in southern Indiana. Much like German American's experience within our heritage markets, River Valley has operated in Madison for over a century and is a leader in the market from both a business and civic perspective. Additionally, River Valley has a strong presence with five banking offices in the vibrant and rapidly growing market area of the Indiana side of the Louisville, Kentucky MSA, a market which German American entered in early 2015 with a commercial loan production office. They

also have banking offices in the Seymour and North Vernon, Indiana markets, which match-up very well with our existing growing franchise in the adjacent Columbus, Indiana market. This opportunity to enhance our existing presence in two of German American's newest markets, as well as allowing for a new market presence in Madison, Indiana, makes this merger a perfect fit for our Company.

In closing, I would like to welcome the River Valley customers, employees, and shareholders to German American, and to thank all of you, as German American shareholders, for your continued investment and support.

Sincerely,



Mark A. Schroeder  
Chairman & CEO



Mark A. Schroeder  
Chairman and CEO

## Mission

A company rich in history and founded in 1910, German American is dedicated to helping individuals, families and businesses achieve greater prosperity and quality of life. Together, our financial team builds lasting client relationships based on integrity, responsive service, innovation, and shared values. We support the communities we serve because we believe that when a community thrives, its people prosper.

## Vision

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

We are deeply rooted and engaged with the communities we serve. The German American professionals build strong relationships based on a winning combination of discipline and conservative management with a keen eye for arising opportunities.

**6th** consecutive year German American has achieved record earnings

**\$30.1**  
million

**\$2.27**  
per share

increase of approximately 6% in reported net income in 2015

**11th** consecutive year of double digit return on equity

**4.3%**

December 2015 average unemployment rate of the 19 counties German American serves in the southern Indiana area

\*Indiana state average was 4.6%.

\*\*United States average was 5.0%.

Rates listed are non-seasonally adjusted.

\*Source: DWD, Local Area Unemployment Statistics

\*\*Source: Bureau of Labor Statistics

**630**

\*number of German American team members inclusive of River Valley

\*Includes full and part time employees



A strong internal culture prepares our team to provide responsive service with integrity and confidence. Our financial professionals commit to being accessible and accountable to one another as we focus on growing the client relationship. Our team meetings have representation from all divisions and areas of expertise within our company, which helps us gain a deeper understanding of our clients' needs. Structuring financial strategies based on teamwork, smart solutions and a desire to achieve has proven successful for our clients, our company, and our shareholders.

At German American, it's not about selling a product or service; it's about helping people succeed. Our company is managed with

conservative values based on a keen eye for opportunities, which anchors our success. We promote and encourage this management style to our clients, whether they are running a business or managing their individual or family finances. From helping clients protect assets, plan and grow a financial portfolio, and expand businesses, to managing everyday financial transactions, the German American team rises above the competition.



John Lamb, Regional President



Alvin Basham, Lindsay Botsch, Tracy Helmer, Diana Wilderman,  
Rob Bingham and Dave Mitchell





Mason Seay  
Jim McDonald

## Ag Services

A strong commitment to local, responsive service puts our Agricultural financial experts in the driver's seat of German American Ag Services trucks. Southern Indiana is a leader in crop and animal farming. German American has been serving farmers since our company was organized in 1910. We listen. We research. We study. Then, we serve the Ag community with financial products and services to help achieve present and long-term strategies.



Many financial services companies state they are community focused. At German American, we live it. Our employees and our clients live, work, raise families, coach youth teams, teach financial literacy, volunteer for nonprofits, celebrate community festivals, and help each other in time of need. Quite simply, besides being the right thing to do, being a strong community partner is a good business decision for us. Creating healthy communities that thrive and attract talent and employment is vital to our success and the success of our clients.

Mark Franklin, Regional President

# local...responsive... committed

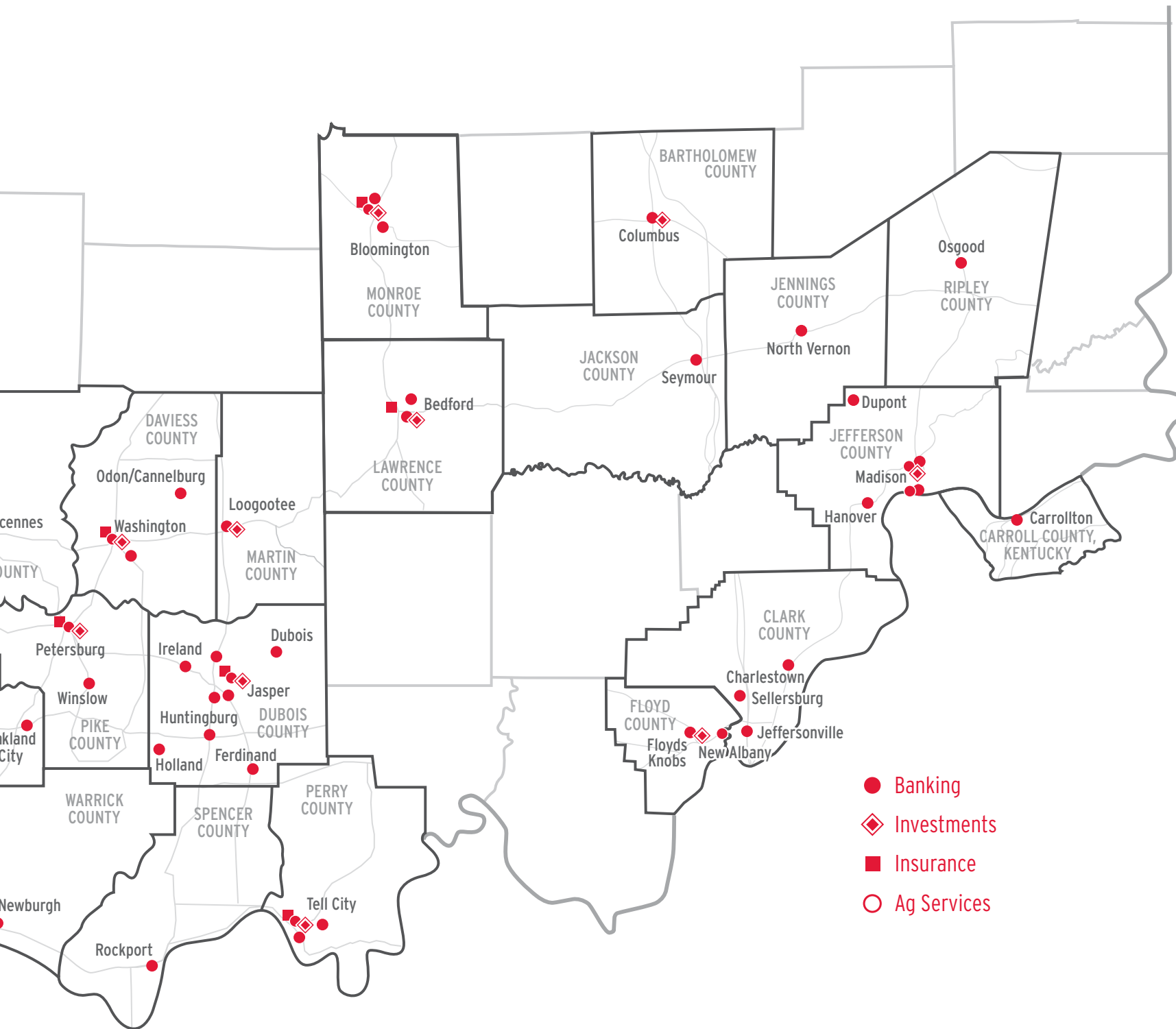
"We are in a 'people' business, and we affect the lives of thousands upon thousands of customers and the many communities we serve. Staffing our banks and financial

services companies with local people who are helping local people succeed financially in each of our markets is a key ingredient of our success."

**Mark Schroeder**  
Chairman  
and CEO







- Banking
- ◆ Investments
- Insurance
- Ag Services

Board of Directors and Shareholders  
German American Bancorp, Inc.  
Jasper, Indiana

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, 2015 and 2014, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2015, appearing in the Annual Report on Form 10-K, not appearing herein. In our report dated March 9, 2016, 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 consolidated balance sheets and consolidated statements of income presented on pages 10 and 11 is fairly stated, in all material respects, in relation to the consolidated financial statements from which they have been derived.



*Crowe Horwath LLP*

Crowe Horwath LLP  
Indianapolis, Indiana  
March 9, 2016

The following selected data should be read in conjunction with the Company's Annual Report on Form 10-K for 2015.

	2015	2014	2013	2012	2011
<b>Summary of Operations:</b>					
Interest Income	\$ 81,620	\$ 80,386	\$ 75,672	\$ 77,160	\$ 80,161
Interest Expense	6,068	6,047	7,155	10,912	16,180
Net Interest Income	75,552	74,339	68,517	66,248	63,981
Provision for Loan Losses	-	150	350	2,412	6,800
Net Interest Income after Provision for Loan Losses	75,552	74,189	68,167	63,836	57,181
Non-interest Income	27,444	23,937	23,615	21,811	21,576
Non-interest Expense	61,326	57,713	54,905	50,923	50,782
Income before Income Taxes	41,670	40,413	36,877	34,724	27,975
Income Tax Expense	11,606	12,069	11,464	10,669	7,726
Net Income	\$ 30,064	\$ 28,344	\$ 25,413	\$ 24,055	\$ 20,249
<b>Year-end Balances:</b>					
Total Assets	\$ 2,373,701	\$ 2,237,099	\$ 2,163,827	\$ 2,006,300	\$ 1,873,767
Total Loans, Net of Unearned Income	1,564,347	1,447,982	1,382,382	1,204,866	1,120,993
Total Deposits	1,826,376	1,779,761	1,812,156	1,640,931	1,556,198
Total Long-term Debt	95,606	64,591	87,237	89,472	90,974
Total Shareholders' Equity	252,348	228,824	200,097	185,026	167,610
<b>Average Balances:</b>					
Total Assets	\$ 2,267,555	\$ 2,170,761	\$ 2,037,236	\$ 1,934,123	\$ 1,823,703
Total Loans, Net of Unearned Income	1,483,752	1,406,000	1,272,055	1,147,891	1,114,181
Total Deposits	1,825,913	1,783,348	1,695,796	1,618,712	1,521,204
Total Shareholders' Equity	241,017	214,496	189,689	177,207	159,765
<b>Per Share Data:</b>					
Net Income <sup>(1)</sup>	\$ 2.27	\$ 2.14	\$ 1.98	\$ 1.90	\$ 1.61
Cash Dividends	0.68	0.64	0.60	0.56	0.56
Book Value at Year-end	19.00	17.31	15.19	14.64	13.31
<b>Other Data at Year-end:</b>					
Number of Shareholders	3,343	3,398	3,444	3,105	3,221
Number of Employees	479	473	478	439	417
Weighted Average Number of Shares <sup>(1)</sup>	13,258,916	13,223,178	12,807,678	12,637,743	12,587,748
<b>Selected Performance Ratios:</b>					
Return on Assets	1.33 %	1.31 %	1.25 %	1.24 %	1.11 %
Return on Equity	12.47 %	13.21 %	13.40 %	13.57 %	12.67 %
Equity to Assets	10.63 %	10.23 %	9.25 %	9.22 %	8.95 %
Dividend Payout	29.97 %	29.81 %	30.18 %	29.38 %	34.80 %
Net Charge-offs (Recoveries) to Average Loans	0.03 %	(0.01) %	0.10 %	0.19 %	0.43 %
Allowance for Loan Losses to Loans	0.92 %	1.03 %	1.05 %	1.29 %	1.37 %
Net Interest Margin	3.70 %	3.76 %	3.67 %	3.74 %	3.84 %

<sup>(1)</sup> Share and Per Share Data includes the dilutive effect of stock options.





### Assets

Cash and Due from Banks	Federal Funds Sold and Other Short-term Investments	Cash and Cash Equivalents	Interest-bearing Time Deposits with Banks	Securities Available-for-Sale, at Fair Value	Securities Held-to-Maturity, at Cost (Fair value of \$95 and \$186 on December 31, 2015 and 2014, respectively)	Loans Held-for-Sale, at Fair Value	Loans	Less:    Unearned Income	Allowance for Loan Losses	Loans, Net	Stock in FHLB of Indianapolis and Other Restricted Stock, at Cost	Premises, Furniture and Equipment, Net	Other Real Estate	Goodwill	Intangible Assets	Company Owned Life Insurance	Accrued Interest Receivable and Other Assets	TOTAL ASSETS
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### Liabilities

Non-interest-bearing Demand Deposits	Interest-bearing Demand, Savings, and Money Market Accounts	Time Deposits	Total Deposits	FHLB Advances and Other Borrowings	Accrued Interest Payable and Other Liabilities	TOTAL LIABILITIES
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### Shareholders' Equity

Preferred Stock, no par value; 500,000 shares authorized, no shares issued	Common Stock, no par value, \$1 stated value; 30,000,000 shares authorized	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	TOTAL SHAREHOLDERS' EQUITY	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	End of period shares issued and outstanding
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	December 31,	
	2015	2014
	\$ 36,062	\$ 33,481
	15,947	8,965
	52,009	42,446
	-	100
	637,840	630,995
	95	184
	10,762	6,311
	1,568,075	1,451,990
	(3,728)	(4,008)
	(14,438)	(14,929)
	1,549,909	1,433,053
	8,571	7,040
	37,817	39,930
	169	356
	20,536	20,536
	1,283	2,074
	32,732	32,043
	21,978	22,031
	\$ 2,373,701	\$ 2,237,099
	\$ 465,357	\$ 428,016
	1,054,983	1,018,320
	306,036	333,425
	1,826,376	1,779,761
	273,323	206,064
	21,654	22,450
	2,121,353	2,008,275
	-	-
	13,279	13,216
	110,145	108,660
	125,112	104,058
	3,812	2,890
	252,348	228,824
	\$ 2,373,701	\$ 2,237,099
	13,278,824	13,215,800

	Years Ended December 31,		
	2015	2014	2013
<b>Interest Income</b>			
Interest and Fees on Loans	\$ 66,740	\$ 65,597	\$ 61,632
Interest on Federal Funds Sold and Other Short-term Investments	13	12	30
Interest and Dividends on Securities:			
Taxable	9,017	10,409	11,091
Non-taxable	5,850	4,368	2,919
TOTAL INTEREST INCOME	81,620	80,386	75,672
<b>Interest Expense</b>			
Interest on Deposits	3,976	4,128	4,697
Interest on FHLB Advances and Other Borrowings	2,092	1,919	2,458
TOTAL INTEREST EXPENSE	6,068	6,047	7,155
NET INTEREST INCOME	75,552	74,339	68,517
Provision for Loan Losses	-	150	350
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	75,552	74,189	68,167
<b>Non-Interest Income</b>			
Trust and Investment Product Fees	3,957	3,675	3,358
Service Charges on Deposit Accounts	4,826	4,829	4,144
Insurance Revenues	7,489	7,255	6,217
Company Owned Life Insurance	846	826	965
Interchange Fee Income	2,127	1,961	1,854
Other Operating Income	4,515	2,018	2,003
Net Gains on Sales of Loans	2,959	1,892	2,645
Net Gains on Securities	725	1,481	2,429
TOTAL NON-INTEREST INCOME	27,444	23,937	23,615
<b>Non-Interest Expense</b>			
Salaries and Employee Benefits	35,042	32,710	31,482
Occupancy Expense	4,939	5,094	4,545
Furniture and Equipment Expense	1,873	1,953	1,898
FDIC Premiums	1,144	1,113	1,050
Data Processing Fees	3,541	3,675	3,133
Professional Fees	2,661	2,294	2,577
Advertising and Promotion	3,669	1,977	1,863
Intangible Amortization	790	1,254	1,416
Other Operating Expenses	7,667	7,643	6,941
TOTAL NON-INTEREST EXPENSE	61,326	57,713	54,905
Income before Income Taxes	41,670	40,413	36,877
Income Tax Expense	11,606	12,069	11,464
<b>Net Income</b>	\$ 30,064	\$ 28,344	\$ 25,413
Basic Earnings per Share	\$ 2.27	\$ 2.15	\$ 1.99
Diluted Earnings per Share	\$ 2.27	\$ 2.14	\$ 1.98







Douglas A. Bawel



Lonnie D. Collins



Christina M. Ernst



Marc D. Fine



U. Butch Klem



J. David Lett



Chris A. Ramsey



M. Darren Root



Mark A. Schroeder



Thomas W. Seger



Raymond W. Snowden



Michael J. Voyles

This Summary Annual Report, including our CEO's letter to our Shareholders on Page 1, includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, relating to our expectations for future growth and other matters. Readers are cautioned that actual results and performance may differ materially from 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 German American 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. You may review that document (and our other SEC filings) via the internet through the Investor Relations section of our website, [www.germanamerican.com](http://www.germanamerican.com). This report speaks only as of March 9, 2016, and we do not promise anyone that it will be updated for changes or events after that date.





**German American Bancorp, Inc.**

A company rich in history  
and **founded in 1910,**

German American  
helping individual  
businesses  
and quality  
financial  
ret