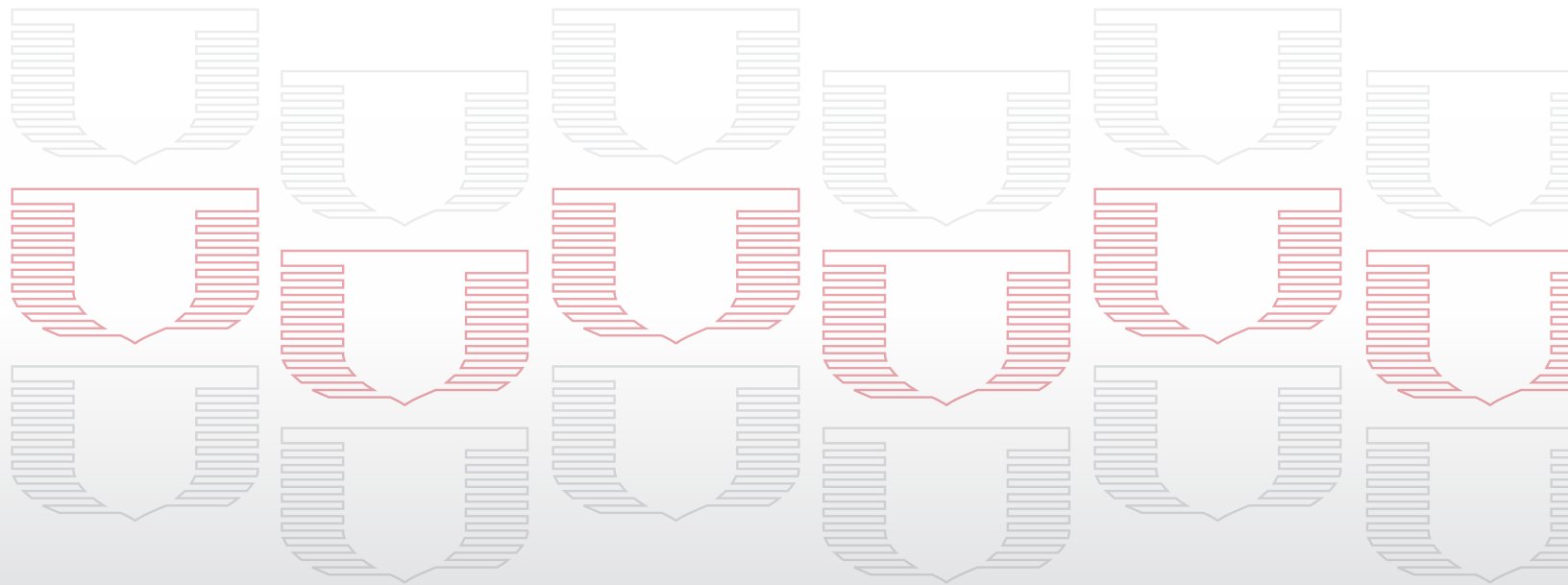


2023 Summary Annual Report

# Achieving Our Purpose

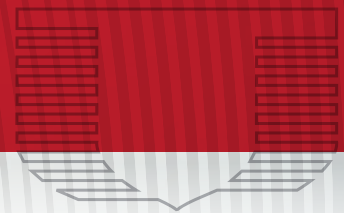


German American Bancorp, Inc.

*We have a long-standing commitment to  
providing financial support and stability  
in the communities we serve.*

# Our Purpose

German American helps individuals, families and businesses achieve their financial dreams to improve their quality of life and place. We support the communities we serve and believe that when a community thrives, its people prosper.



## Cautionary Note Regarding Forward-Looking Statements

Statements made in this Summary Annual Report that are not statements of historical fact are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. This includes any statements regarding management's plans and objectives for future operations and expectations about the Company's financial and business performance and economic and market conditions and trends. Such forward-looking statements may be identified by the use of words such as "anticipate," "believe," "estimate," "expect," "plan," "intend," "should," "would," "could," "can," "may," "will," "might" and similar expressions. Forward-looking statements are based on management's current expectations and, by their nature, are subject to risks and uncertainties. Actual results may differ materially from those contained in the forward-looking statements. Factors which may cause actual results to differ materially from those contained in such forward-looking statements include those identified in Item 1, "Business - Forward Looking Statements and Associated Risks," and Item 1A, "Risk Factors," in our accompanying Annual Report on Form 10-K and in other documents that we file with or furnish to the Securities and Exchange Commission. These forward-looking statements speak only as of February 27, 2024. We do not undertake, and expressly disclaim, any duty or obligation to update or revise any forward-looking statements to reflect changes in assumptions, the occurrence of unanticipated events, or otherwise, except as required by law.

**11th**  
consecutive year  
of increased cash  
dividends

Improved earnings  
performance in  
**13**  
of the past 14 years

**19th**  
consecutive fiscal  
year of double-digit  
return on equity

## Letter to Our Shareholders

Dear Shareholders:

2023 was a volatile year for the banking industry, one marked by challenging economic conditions, continued rising interest rates, aggressive deposit competition, and high profile bank failures across our country. German American has a history of successfully navigating through such difficult times and remained steadfast in our commitment to our customers, employees, communities and shareholders.

Throughout the year, German American remained financially strong, with solid liquidity, strong capital levels, and a diverse core deposit base, which continues to speak to the strength and resilience of our Company.

We were pleased to report record net income for the year, combined with our 19th consecutive year of double digit return on equity and 11th consecutive year of increased dividends to our shareholders.

We have completed a long-planned transition of the senior leadership team, designed to assure the Company will be led by an extremely qualified executive management team for years to come.

We continue to advance and execute on our strategic plan as we adapt to the ever-changing economic and banking landscape. We continue to add digital/technology talent, products and platforms to provide the best tools for improved high-tech experiences. We continue to invest in fraud detection, prevention and

*continued on page 2...*

**D. Neil Dauby**  
Chairman and CEO



## Letter to Our SHAREHOLDERS

continued...

mitigation tools to protect our stakeholders' assets and data. We continue to invest in top talent throughout our footprint to provide you the best local customer experience with high-touch advice and service. We continue to invest and partner with all of our communities to improve quality of life and place. We work hard every day in **Achieving Our Purpose** to be the best we can be to all our stakeholders.

We are extremely pleased with our operating results in 2023 and proud to continue our decades-long trend of exceptional financial performance. Thanks to the

dedicated efforts of our relationship focused team of professionals, we are confident that our strong community presence, healthy financial condition and disciplined approach to risk management and earnings growth will continue to drive future profitability while enhancing the future vitality and growth of our Indiana and Kentucky communities.

Thank you for your continued investment in German American.

Sincerely,



D. Neil Dauby  
Chairman and CEO

## GABC Management Succession



Keith A. Leinenbach

Effective April 1, 2024, in conjunction with our Company's executive management succession plan, W. Scott Powell will assume the position of Executive Vice President and Chief Credit Officer, succeeding Keith A. Leinenbach, who will retire from the Company on April 30, 2024.

Keith will retire after 24 years with the organization. He served 11 of those years as a Regional Commercial Credit Officer and a Commercial Banking Officer before being named Executive Vice President and Chief Credit Officer of the Company in January of 2012.

Scott joined German American Bank through the acquisition of First Security Bank in 2018, where he served as Chief Credit Officer. He has vast credit administration experience with nearly 30 years of commercial risk and banking experience with community and large national banks. Scott currently serves as Regional Executive Vice President, Commercial Credit Officer with the Company. Scott holds a bachelor degree from McKendree College and his MBA from University of Southern Indiana.

*"We wish Keith the best in his well-deserved retirement years. He has played a critical role in strengthening and maintaining our high standards in credit quality. He has been instrumental in driving our Company to superior financial performance through both organic growth and acquisitions," states Neil Dauby, Chairman and Chief Executive Officer. "We are also excited to expand Scott's leadership role within our organization as part of the executive management succession plan. He consistently demonstrates the qualities that define German American's culture with an unwavering commitment to maintaining credit quality combined with our commitment to our customers, employees, shareholders and communities."*



W. Scott Powell



# Our Values

## **Integrity**

We trust each other in words and actions. We value honesty, transparency, and diverse perspectives for high ethical standards in all we do.

## **Relationships**

We develop relationships based on integrity, trust and mutual respect to create positive outcomes and experiences for all.

## **Excellence**

Because performance is vital, we are encouraged to take initiative, accept challenges, and be collaborative to achieve performance and operating excellence for our customers, shareholders, and communities.

## **Service**

Service to our communities, customers, and each other is fun, rewarding and powerful. We develop valuable relationships by providing outstanding service to all.

## **Inclusion**

We are committed to an inclusive workplace where diverse representation, perspectives and experiences foster an atmosphere of empowerment, collaboration and respect.

## Notable Awards

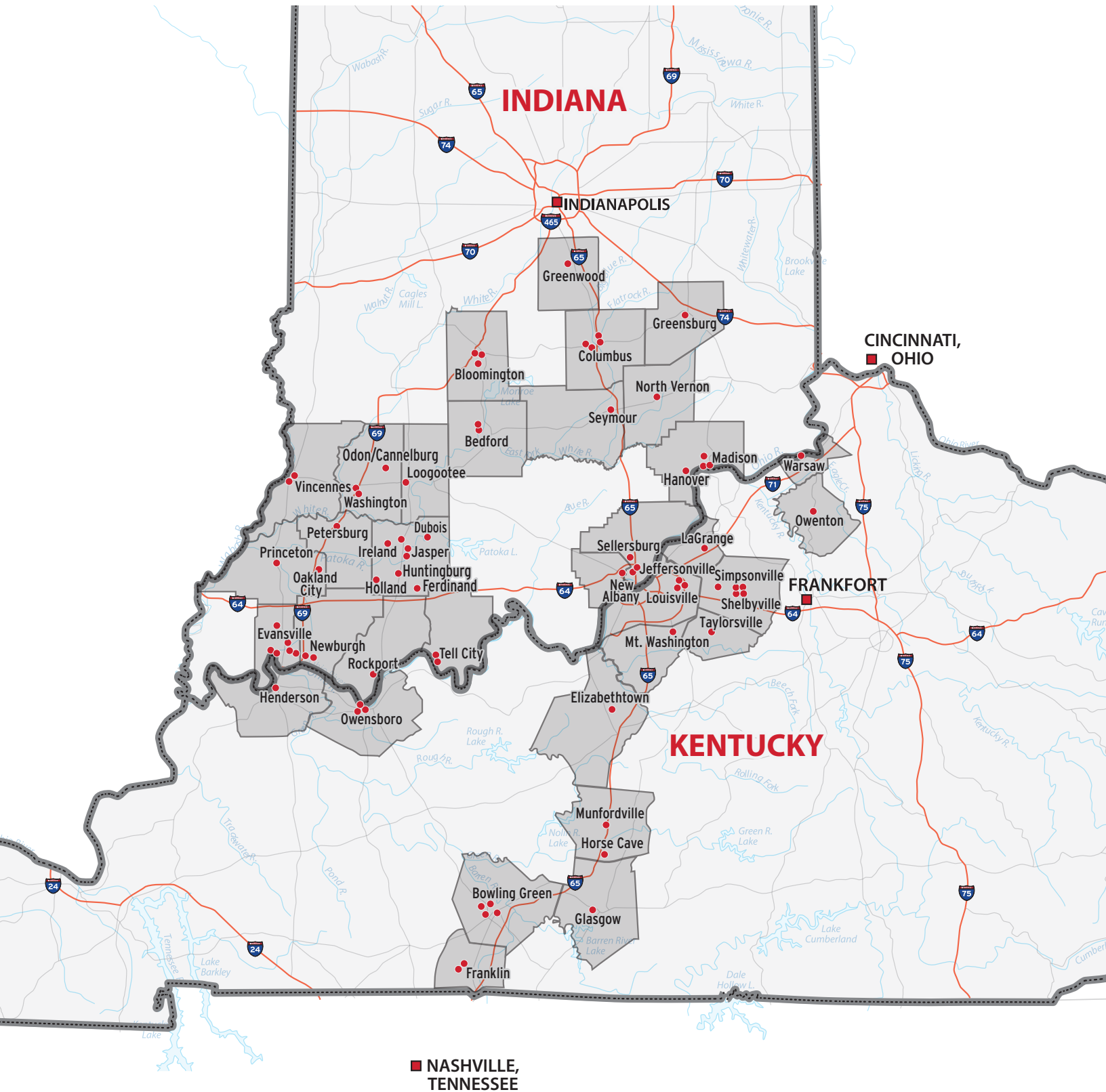


Listed as a top community bank in Indiana and Kentucky with 5-star ratings in both state rankings.



Earned the 5-Star Superior rating for the 34th consecutive quarter.

# The Strength of Together









# Standing the Test of Time

**Achieving Our Purpose** year after year is our steadfast commitment to our customers, communities, employees and shareholders. Since 1910, individuals, families and businesses have trusted German American Bank to manage and save their hard-earned money; purchase, build and remodel homes; open and grow businesses and farm operations; retire comfortably; and build wealth and pass it to future generations.

Throughout our 114 years of operation, our strong model of community banking has played vital roles in addressing community needs and providing funding efforts to improve the quality of life in the communities we serve. Our local leaders are deeply involved in the communities where we live, work and do business. We're focused on building long-lasting relationships which is consistent with **Our Values** of integrity, relationships, excellence, service and inclusion. Maintaining quality service, high ethical standards, and a safe, financially sound Company are fundamental, tried-and-true business practices we focus on daily.

Even with continuing advancements in technology, we believe people want to do business with people. Our team prides itself on being available when our customers need us in the office, by phone, email or live chat. We strive to consistently surpass what is expected from us as not only a community bank, yet also from each other as friends, neighbors, community leaders, colleagues and financial professionals.

***Achieving Our Purpose based on Our Values helps us set higher standards in banking.***

Providing a positive work experience

**900+**  
employees

**people**  
focused

Maintaining a culture characterized by people who work together to drive success

Volunteer hours served in local communities in 2023

**5,300+**  
hours

**\$237+**  
million

Invested in community support in 2023 to help urban and rural communities throughout Indiana and Kentucky thrive so their people can prosper

Helping individuals, families and businesses achieve their financial dreams to improve their quality of life and place

**achieve**  
goals

**\$406,000+**  
to local schools

Donated to local schools participating in our School Spirit Card program (2016 - 2023)

# Report of Independent Registered Public Accounting Firm

Shareholders and the Board of Directors  
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, 2023 and 2022, and the related consolidated statements of income, comprehensive income (loss), changes in shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2023, appearing in the Annual Report on Form 10-K, not appearing herein. In our report dated February 27, 2024, also appearing in the Annual Report on Form 10-K, we expressed an unqualified opinion on those consolidated financial statements.

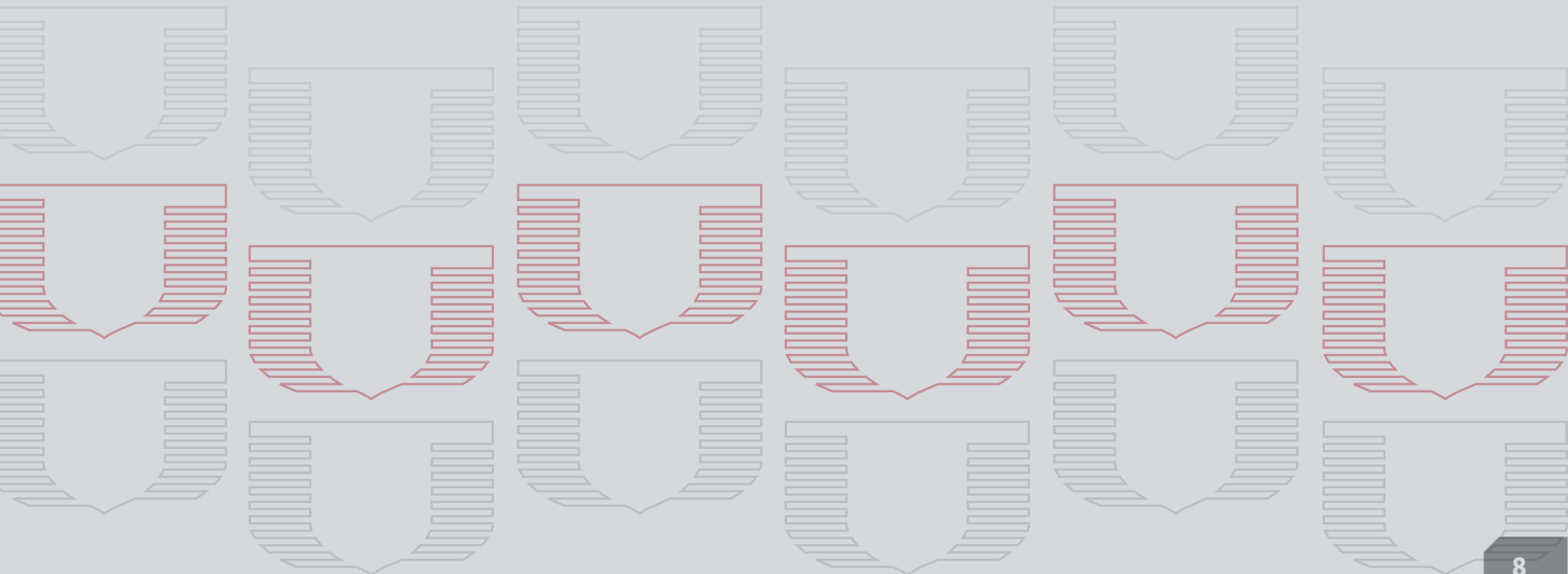
In our opinion, the information set forth in the consolidated balance sheets and consolidated statements of income presented on pages 10 and 11 is fairly stated, in all material respects, in relation to the consolidated financial statements from which they have been derived.



Crowe LLP

Louisville, Kentucky

February 27, 2024





# Five Year Summary

The following selected data should be read in conjunction with the Company's Annual Report on Form 10-K for 2023.

Dollars in thousands, except share and per share data

	2023	2022	2021	2020	2019
<b>Summary of Operations:</b>					
Interest Income	\$ 256,656	\$ 218,926	\$ 170,379	\$ 174,369	\$ 176,474
Interest Expense	66,223	18,342	9,549	19,126	31,249
Net Interest Income	190,433	200,584	160,830	155,243	145,225
Provision for Credit Losses	2,550	6,350	(6,500)	17,550	5,325
Net Interest Income after Provision for Credit Losses	187,883	194,234	167,330	137,693	139,900
Non-interest Income	60,261	59,133	59,462	54,474	45,501
Non-interest Expense	144,497	154,191	124,007	117,123	114,162
Income before Income Taxes	103,647	99,176	102,785	75,044	71,239
Income Tax Expense	17,759	17,351	18,648	12,834	12,017
Net Income	\$ 85,888	\$ 81,825	\$ 84,137	\$ 62,210	\$ 59,222
<b>Year-end Balances:</b>					
Total Assets	\$ 6,152,198	\$ 6,155,991	\$ 5,608,539	\$ 4,977,577	\$ 4,397,672
Total Loans, Net of Unearned Income	3,971,082	3,784,934	3,004,264	3,088,072	3,077,091
Total Deposits	5,252,963	5,350,051	4,744,316	4,106,530	3,430,021
Total Long-term Debt	127,969	102,645	83,855	141,624	181,950
Total Shareholders' Equity	663,558	558,393	668,459	624,709	573,820
<b>Average Balances:</b>					
Total Assets	\$ 6,037,874	\$ 6,514,030	\$ 5,369,707	\$ 4,729,006	\$ 4,128,535
Total Loans, Net of Unearned Income	3,835,157	3,680,708	3,072,302	3,185,542	2,899,939
Total Deposits	5,196,475	5,700,499	4,493,853	3,860,397	3,293,934
Total Shareholders' Equity	584,106	610,066	642,934	594,781	519,010
<b>Per Share Data:</b>					
Net Income	\$ 2.91	\$ 2.78	\$ 3.17	\$ 2.34	\$ 2.29
Cash Dividends	1.00	0.92	0.84	0.76	0.68
Book Value at Year-end	22.43	18.93	25.17	23.57	21.51
Tangible Book Value Per Share <sup>(1)</sup>	16.12	12.50	20.37	18.63	16.49
<b>Other Data at Year-end:</b>					
Number of Shareholders	3,065	3,163	3,109	3,218	3,672
Number of Employees (Full-time Equivalent)	838	854	724	776	821
Weighted Average Number of Shares	29,557,567	29,464,591	26,537,311	26,539,024	25,824,538
<b>Selected Performance Ratios:</b>					
Return on Assets	1.42 %	1.26 %	1.57 %	1.32 %	1.43 %
Return on Equity	14.70 %	13.41 %	13.09 %	10.46 %	11.41 %
Equity to Assets	10.79 %	9.07 %	11.92 %	12.55 %	13.05 %
Dividend Payout	34.27 %	33.02 %	26.41 %	32.37 %	29.64 %
Net Charge-offs (Recoveries) to Average Loans	0.08 %	0.06 %	0.11 %	0.08 %	0.17 %
Allowance for Credit Losses to Loans	1.10 %	1.17 %	1.23 %	1.52 %	0.53 %
Net Interest Margin	3.58 %	3.45 %	3.31 %	3.63 %	3.92 %

<sup>(1)</sup> Tangible Book Value per Share is defined as Total Shareholders' Equity less Goodwill and Other Intangible Assets divided by End of Period Shares Outstanding.

# Consolidated Balance Sheets

Dollars in thousands, except share and per share data

	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Cash and Due from Banks	\$ 78,805	\$ 75,476
Federal Funds Sold and Other Short-term Investments	36,525	41,905
Cash and Cash Equivalents	115,330	117,381
Interest-bearing Time Deposits with Banks	500	500
Securities Available-for-Sale, at Fair Value (Amortized Cost \$1,871,260 for December 31, 2023; Amortized Cost \$2,094,826 for December 31, 2022; No Allowance for Credit Losses)	1,596,832	1,761,669
Other Investments	353	353
Loans Held-for-Sale, at Fair Value	5,226	8,600
Loans	3,977,900	3,788,645
Less: Unearned Income	(6,818)	(3,711)
Allowance for Credit Losses	(43,765)	(44,168)
Loans, Net	3,927,317	3,740,766
Stock in FHLB of Indianapolis and Other Restricted Stock, at Cost	14,687	15,037
Premises, Furniture and Equipment, Net	106,776	112,237
Other Real Estate	-	-
Goodwill	180,357	180,357
Intangible Assets	6,307	9,426
Company Owned Life Insurance	85,840	83,998
Accrued Interest Receivable and Other Assets	112,673	125,667
<b>TOTAL ASSETS</b>	<b>\$ 6,152,198</b>	<b>\$ 6,155,991</b>
<b>Liabilities</b>		
Non-interest-bearing Demand Deposits	\$ 1,493,160	\$ 1,691,804
Interest-bearing Demand, Savings, and Money Market Accounts	2,992,761	3,229,778
Time Deposits	767,042	428,469
Total Deposits	5,252,963	5,350,051
FHLB Advances and Other Borrowings	193,937	203,806
Accrued Interest Payable and Other Liabilities	41,740	43,741
<b>TOTAL LIABILITIES</b>	<b>5,488,640</b>	<b>5,597,598</b>
<b>Shareholders' Equity</b>		
Common Stock, no par value, \$1 stated value; 45,000,000 shares authorized	29,585	29,493
Additional Paid-in Capital	389,411	387,171
Retained Earnings	461,622	405,167
Accumulated Other Comprehensive Income (Loss)	(217,060)	(263,438)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>663,558</b>	<b>558,393</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 6,152,198</b>	<b>\$ 6,155,991</b>
End of period shares issued and outstanding	29,584,709	29,493,193

# Consolidated Statements of Income

Dollars in thousands, except per share data

	Years Ended December 31,		
	2023	2022	2021
<b>Interest Income</b>			
Interest and Fees on Loans	\$ 212,517	\$ 169,158	\$ 139,151
Interest on Federal Funds Sold and Other Short-term Investments	1,677	5,765	488
Interest and Dividends on Securities:			
Taxable	20,614	20,453	12,962
Non-taxable	21,848	23,550	17,778
TOTAL INTEREST INCOME	256,656	218,926	170,379
<b>Interest Expense</b>			
Interest on Deposits	56,916	13,514	4,955
Interest on FHLB Advances and Other Borrowings	9,307	4,828	4,594
TOTAL INTEREST EXPENSE	66,223	18,342	9,549
NET INTEREST INCOME	190,433	200,584	160,830
Provision for Credit Losses	2,550	6,350	(6,500)
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	187,883	194,234	167,330
<b>Non-Interest Income</b>			
Wealth Management Fees	11,711	10,076	10,321
Service Charges on Deposit Accounts	11,538	11,457	7,723
Insurance Revenues	9,596	10,020	9,268
Company Owned Life Insurance	1,731	2,264	1,529
Interchange Fee Income	17,452	15,820	13,116
Other Operating Income	5,830	5,116	6,991
Net Gains on Sales of Loans	2,363	3,818	8,267
Net Gains on Securities	40	562	2,247
TOTAL NON-INTEREST INCOME	60,261	59,133	59,462
<b>Non-Interest Expense</b>			
Salaries and Employee Benefits	83,244	84,145	68,570
Occupancy Expense	10,887	11,223	11,081
Furniture and Equipment Expense	3,580	3,698	3,750
FDIC Premiums	2,829	1,860	1,419
Data Processing Fees	11,112	15,406	7,611
Professional Fees	5,575	6,295	5,009
Advertising and Promotion	4,857	4,416	4,197
Intangible Amortization	2,840	3,711	2,731
Other Operating Expenses	19,573	23,437	19,639
TOTAL NON-INTEREST EXPENSE	144,497	154,191	124,007
Income before Income Taxes	103,647	99,176	102,785
Income Tax Expense	17,759	17,351	18,648
<b>Net Income</b>	\$ 85,888	\$ 81,825	\$ 84,137
Basic Earnings per Share	\$ 2.91	\$ 2.78	\$ 3.17
Diluted Earnings per Share	\$ 2.91	\$ 2.78	\$ 3.17







# Board of Directors



Zachary W. Bawel



Angela Curry



D. Neil Dauby



Sue J. Ellspermann



Marc D. Fine



Jason M. Kelly



Diane B. Medley



M. Darren Root



Christina M. Ryan



Thomas W. Seger

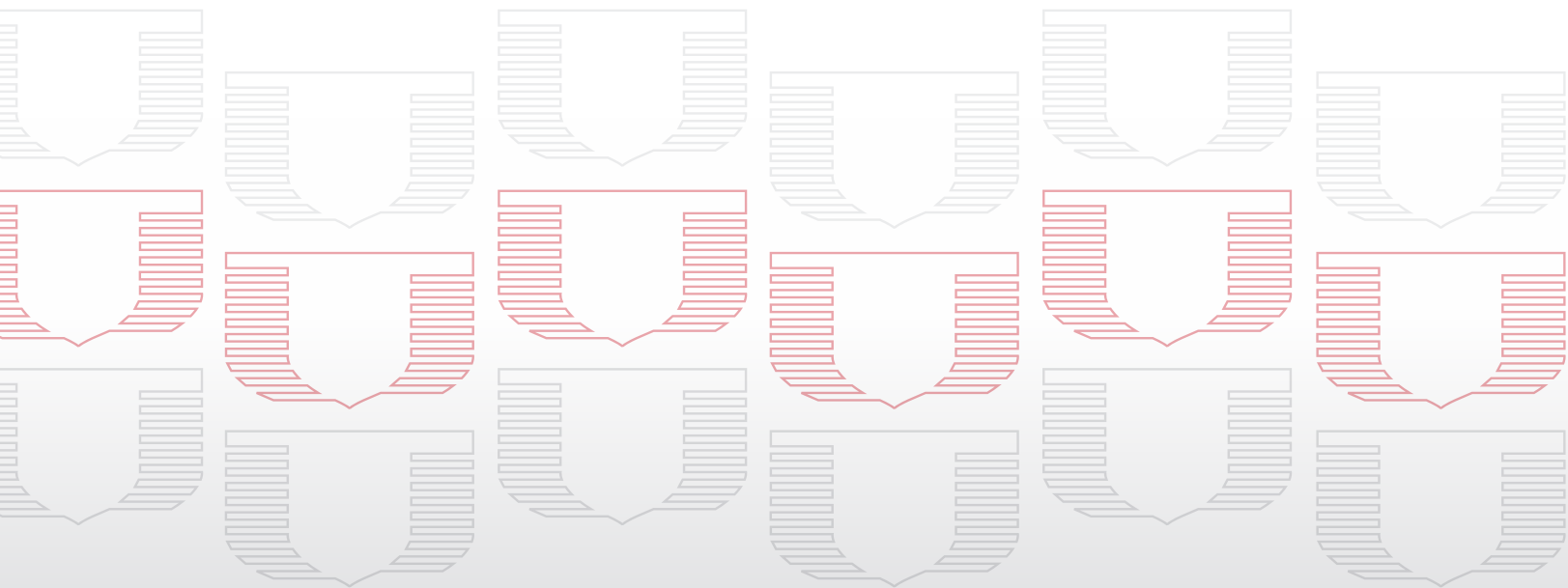


Jack W. Sheidler



Tyson J. Wagler





**German American Bancorp, Inc.**