

German American

Symbol: GABC

September 9 – 10, 2020

Raymond James U.S. Bank
Conference

Yesterday.
Today.
Tomorrow.

CELEBRATING **110** YEARS

1910 - 2020



German American Bancorp, Inc.



Presented By

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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 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 2019 as updated and supplemented by our other SEC reports filed from time to time.



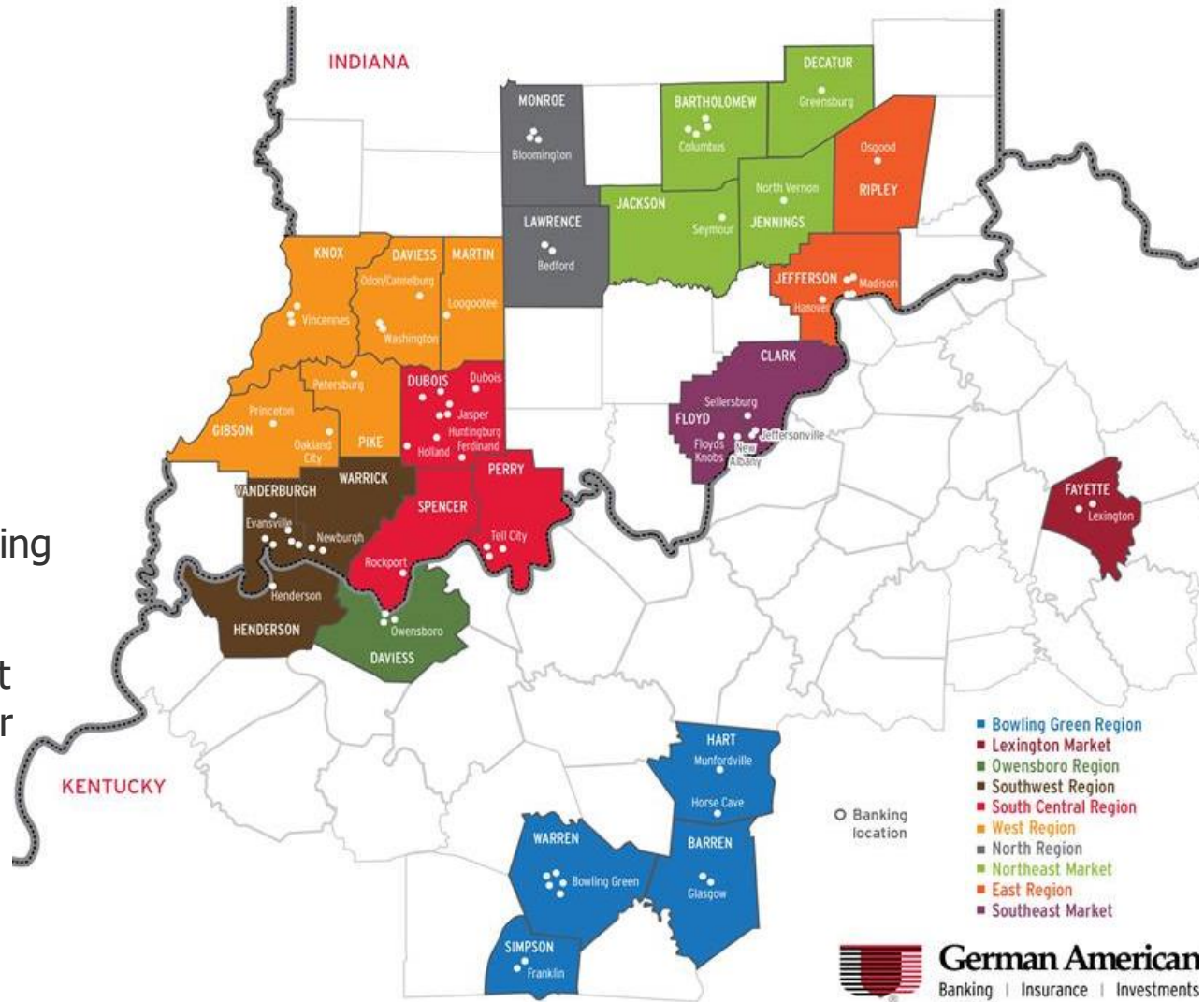
German American Bancorp, Inc.



Who We Are

Indiana & Kentucky Community-focused Financial Services Organization

- Banking, Insurance, Investments & Trust
- \$4.9 Billion Total Banking Assets
- \$1.6 Billion Investment and Trust Assets Under Management
- \$60 Million Annual Insurance Premiums
- 825+ FTEs
- 73 Banking Offices

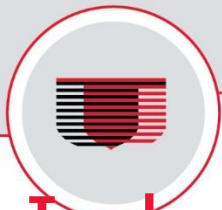


German American
Banking | Insurance | Investments
Member FDIC



COVID-19 Credit Risk Management

- Industry Segment Risk Profile
- COVID-19 Related Loan Deferrals
- Paycheck Protection Program
- Strong Capital Structure



Industry Segment Profiles Affected by COVID-19

As of August 31, 2020

(Dollars in Thousands)

Industry Segment	Number of Loans	Outstanding Balance	% Of Total Loans (excludes PPP Loans)	% of Industry Segment Under Deferral
Lodging/Hotels	49	\$131,972	4.6%	33.3%
Student Housing	107	\$94,000	3.3%	0.0%
Retail Shopping/Strip Centers	62	\$92,863	3.2%	17.6%
Restaurants	188	\$49,656	1.7%	8.6%



COVID-19 Related Loan Deferrals

As of August 31, 2020

(Dollars in Thousands)

Types of Loans	Number of Loans	Outstanding Balance	% of Loan Category (Excludes PPP Loans)	
			As of 8.31.20	As of 6.30.20
Commercial & Industrial Loans	23	\$2,752	0.1%	10.8%
Commercial Real Estate Loans	40	\$77,890	2.7%	15.3%
Agricultural Loans	-	-	0.0%	0.3%
Consumer Loans	10	\$117	n/m	0.4%
Residential Mortgage Loans	<u>17</u>	<u>\$1,610</u>	0.1%	8.2%
Total	<u>90</u>	<u>\$82,369</u>	2.9%	10.4%

n/m = not meaningful



SBA Payroll Protection Plan

As of August 31, 2020

- 3,070 SBA payroll protection plan loans
- \$351 million total
- \$12.7 million potential fees (gross)



Strong Capital Structure

Key Ratios as of June 30, 2020

TCE/ Tangible Assets	9.79%
Total Risk-based	15.22%
Tier 1 Risk-based	13.35%
Leverage	9.97%



Diversified Economic Base Regional Education, Health Care Manufacturing & Logistics Life Sciences & Technology Energy

MAJOR INDIANA EMPLOYERS:

Education

Indiana University
Indiana University Southeast
University of Southern Indiana
Vincennes University
Greater Clark County School Corp
Evansville Vanderburgh County School Corp
Monroe County School Corporation
New Albany – Floyd County School Corp

Health Care

Indiana University Health
Baptist Health Floyd Hospital
Columbus Regional Hospital
Clark Memorial Hospital
Deaconess Health System
Good Samaritan Hospital
King's Daughters' Hospital
Margaret Mary Hospital and Health
Memorial Hospital
St Vincent's Medical Center

Manufacturing & Logistics

Aisin U.S.A. MFG, Inc.
ALCOA Warrick Operations
Amazon Fulfillment Service
Batesville Services Inc
Berry Global
Best Chairs Inc
Costco Home & Office Products
Cummins, Inc. (Cummins Diesel)
Faurecia Gladstone
Grote Industries Inc
Hillenbrand Inc
Honda Manufacturing LLC
Jasper Engines & Transmissions
Kimball Electronics
Kimball International, Inc.
Koch Enterprises, Inc.
Lowe's Distribution Center
MasterBrand Cabinets, Inc.
NTN Driveshaft Inc
OFS Brands (Office-Furniture Systems)
TMMI
Walmart Distribution Center
Waupaca Foundry Inc
Valeo Sylvania LLC

Life Sciences & Technology

Baxter BioPharma Solutions
Crane Naval Surface Weapons Center
Cook Group, Inc.
Mead Johnson Nutrition
Samtec

Energy

Duke Energy
Vectren



Diversified Economic Base

Regional Education
Health Care & Social Assistance
Manufacturing & Logistics
Retail & Government

MAJOR KENTUCKY EMPLOYERS:

Education

University of Kentucky
Western Kentucky University
Davies County Public School System
Fayette County Public Schools
Warren County Public Schools

Health Care & Social Assistance

Owensboro Health Regional Hospital
Commonwealth Health Corp
Baptist Health Lexington
Family Bluegrass
Federal Medical Center
Lexington Clinic Pfc
St. Joseph East Emergency
St. Joseph Hospital
UK Advance Eye Care
UK Albert B Chandler Hospital
US Veterans Medical Ctr
VA Medical Center- Leestown

Manufacturing & Logistics

Bowling Green Metal Forming
Fruit of the Loom
Ashland Oil Corporate Headquarters
Lexmark International Inc
General Motors Co
UPS Customer Center
Lockheed Martin
Conduent, Inc.

Retail

Amazon
Houchens Industries

Government

Lexington-Fayette Urban County

Capitalize upon Market Strength & Growth

Indiana Small MSA Market Expansion

Market	Total Market Deposits	GABC Deposit Market Share***	Market Share Position***	# of Branches
Heritage Markets*	\$ 5,300,573	34%	#1	31
Evansville/Newburgh	\$ 4,830,382	10%	#3	8
Bloomington	\$ 2,474,524	9%	#4	3
Columbus	\$ 1,297,390	11%	#3	5
Louisville MSA (Indiana Portion)**	\$ 3,260,863	5%	#8	5
Total Indiana Growth Markets	\$ 11,863,159			

* Includes the Indiana counties of Daviess, Dubois, Gibson, Jefferson, Knox, Lawrence, Martin, Perry, Pike & Spencer

** Includes the Indiana counties of Clark & Floyd

*** Source: FDIC 06/30/19 Statistics.

Capitalize upon Market Strength & Growth

Kentucky Small MSA Market Expansion

Market	Total Market Deposits	GABC Deposit Market Share*	Market Share Position*	# of Branches*
Owensboro	\$ 2,719,563	5%	#6	3
Bowling Green	\$ 2,679,918	10%	#4	6
Lexington	\$ 7,899,671	.2%	#25	2
Total Kentucky Growth Markets	\$ 13,299,152			

* German American deposits adjusted to include Citizens First Bank (merger completed 7/1/19) deposit market share, market share position, and branches

Source: FDIC 06/30/19 Statistics



History of Superior Financial Performance

Ten Years of Consecutive Record Earnings Performance

Double-Digit Return on Equity for Past 15 Consecutive Fiscal Years

Raymond James 2012 thru 2017 Community Bankers Cup Recipient

Bank Director Magazine - Bank Performance Scorecard Top 15 National Ranking for 2016 – 2019 (\$1 - \$5 billion Publicly-traded Companies)

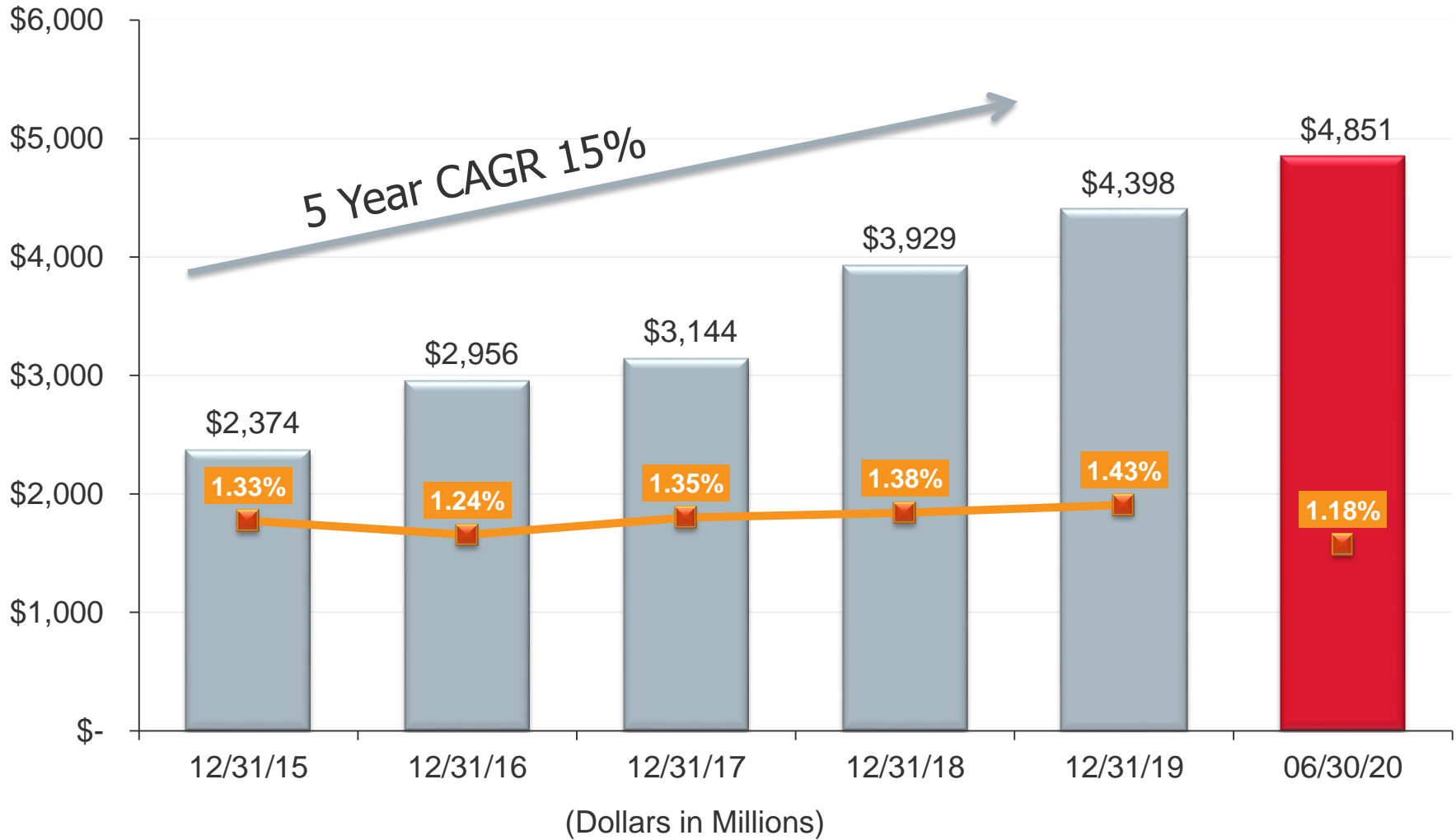
Bank Director Magazine - Top 20 of 300 Largest Publicly Traded Banks for 2017 & 2018



Financial Trends

Total Assets

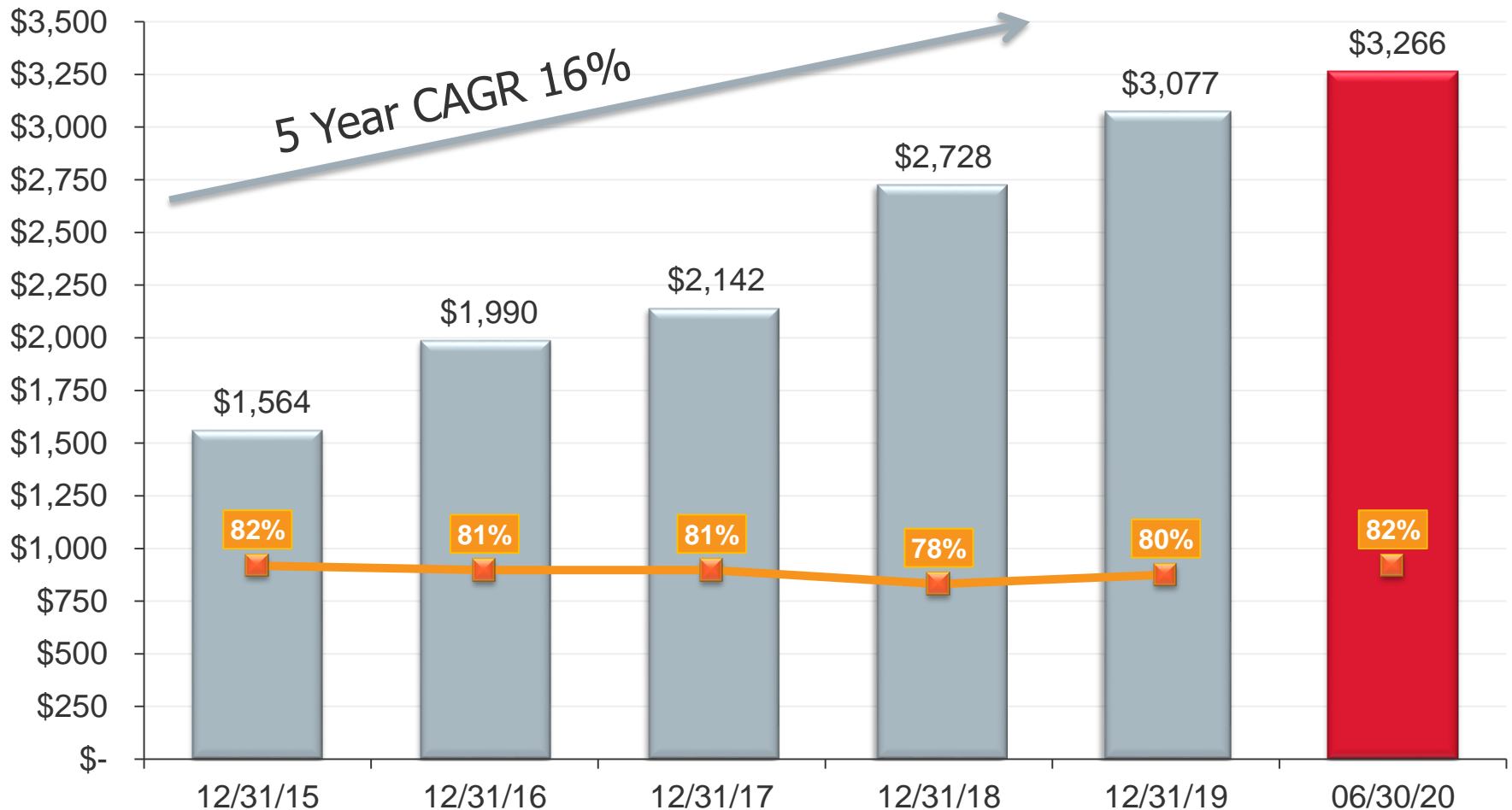
Annualized Return on Assets



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Total Loans, Net of Unearned Income

Commercial & Agricultural Loans as % of Total Loans



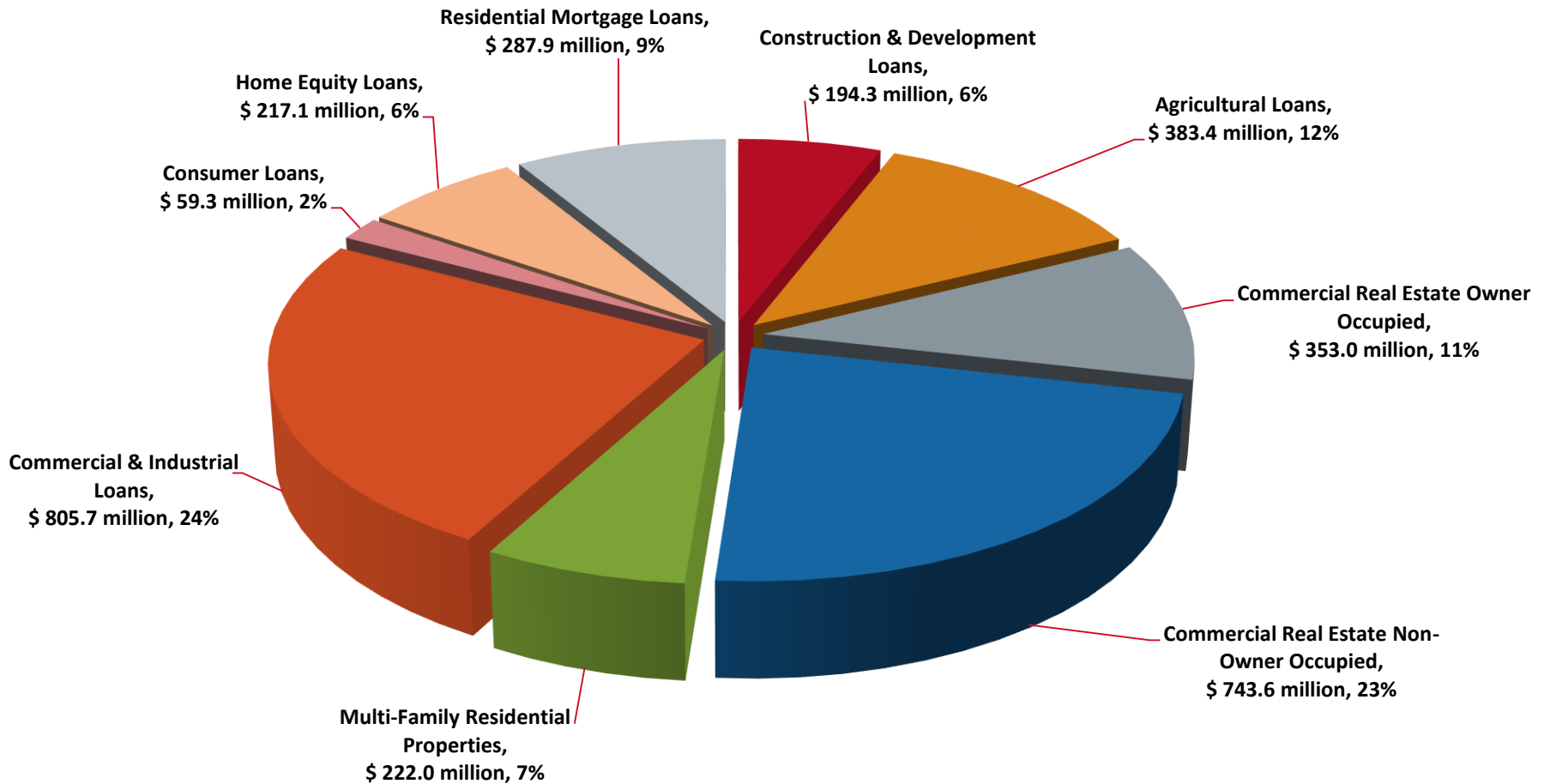
(Dollars in Millions)



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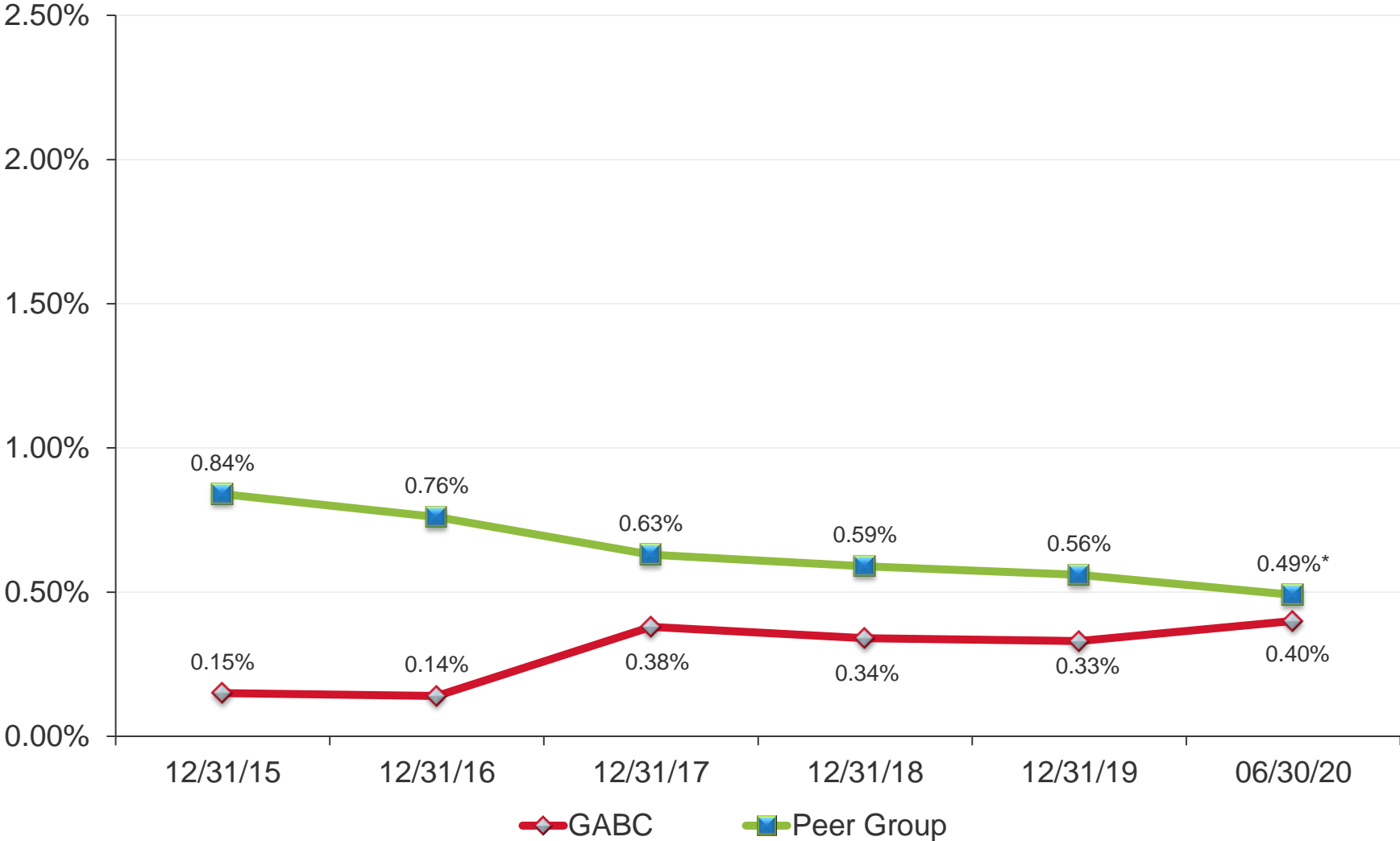
Loan Composition as of June 30, 2020

Total Loans \$3,266.3 million



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Non-Performing Assets to Total Assets



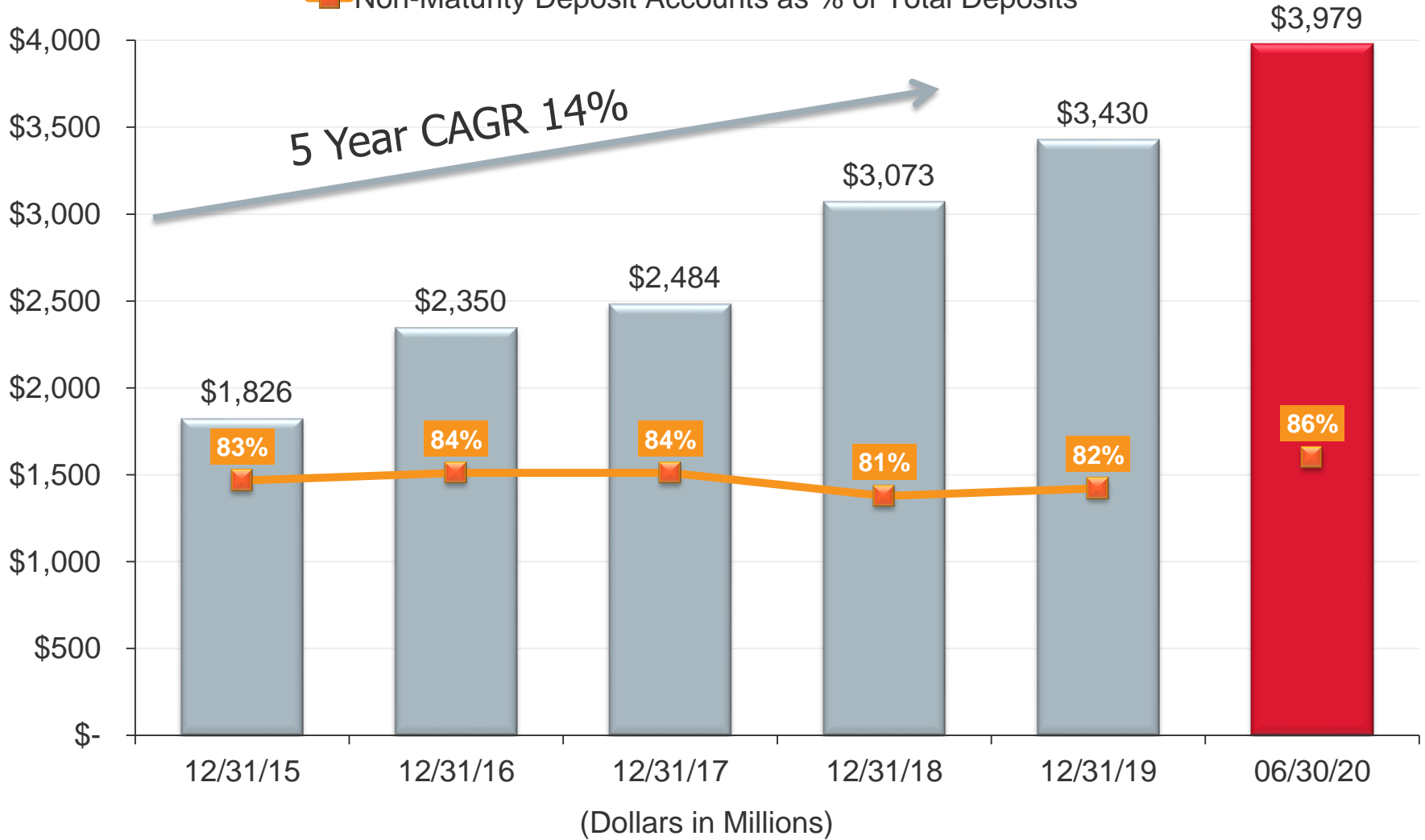
*Peer Group Information as of 3/31/20



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Total Deposits

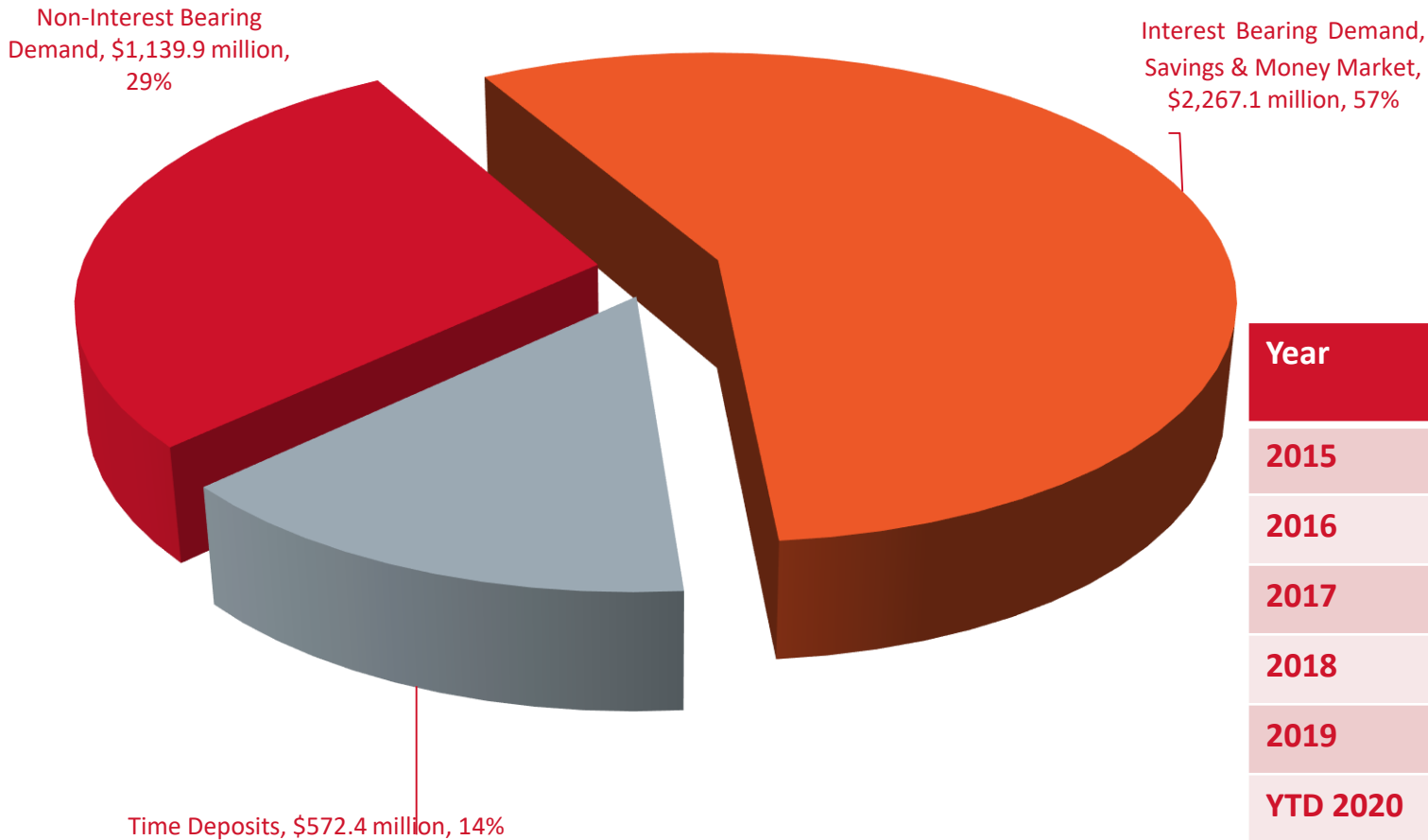
■ Non-Maturity Deposit Accounts as % of Total Deposits



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Deposit Composition as of June 30, 2020

Total Deposits \$3,979.4 million



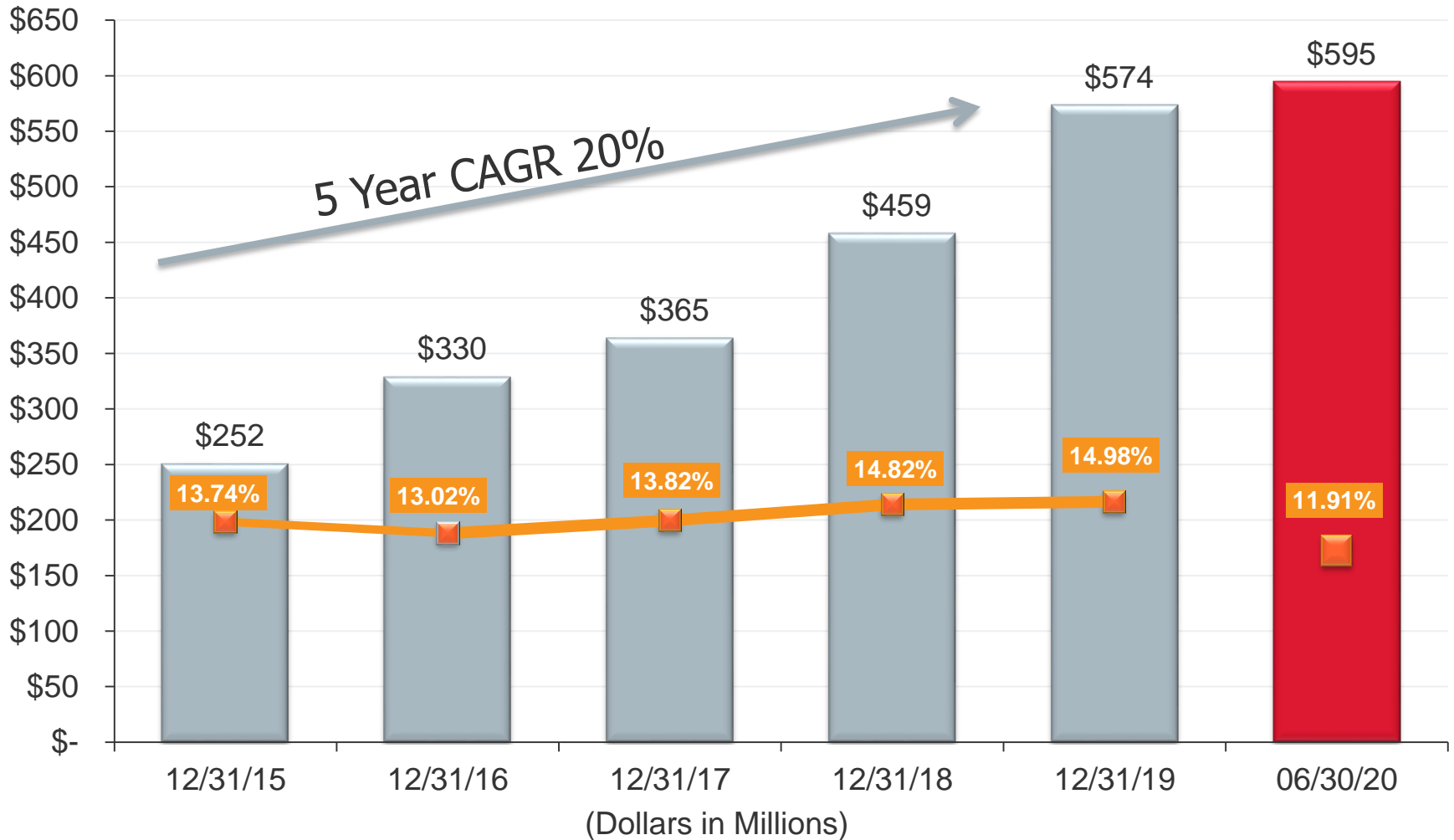
Year	Cost of Deposits	Cost of Funds
2015	0.22%	0.28%
2016	0.23%	0.32%
2017	0.30%	0.40%
2018	0.50%	0.61%
2019	0.72%	0.83%
YTD 2020	0.51%	0.60%
Q2 2020	0.39%	0.47%



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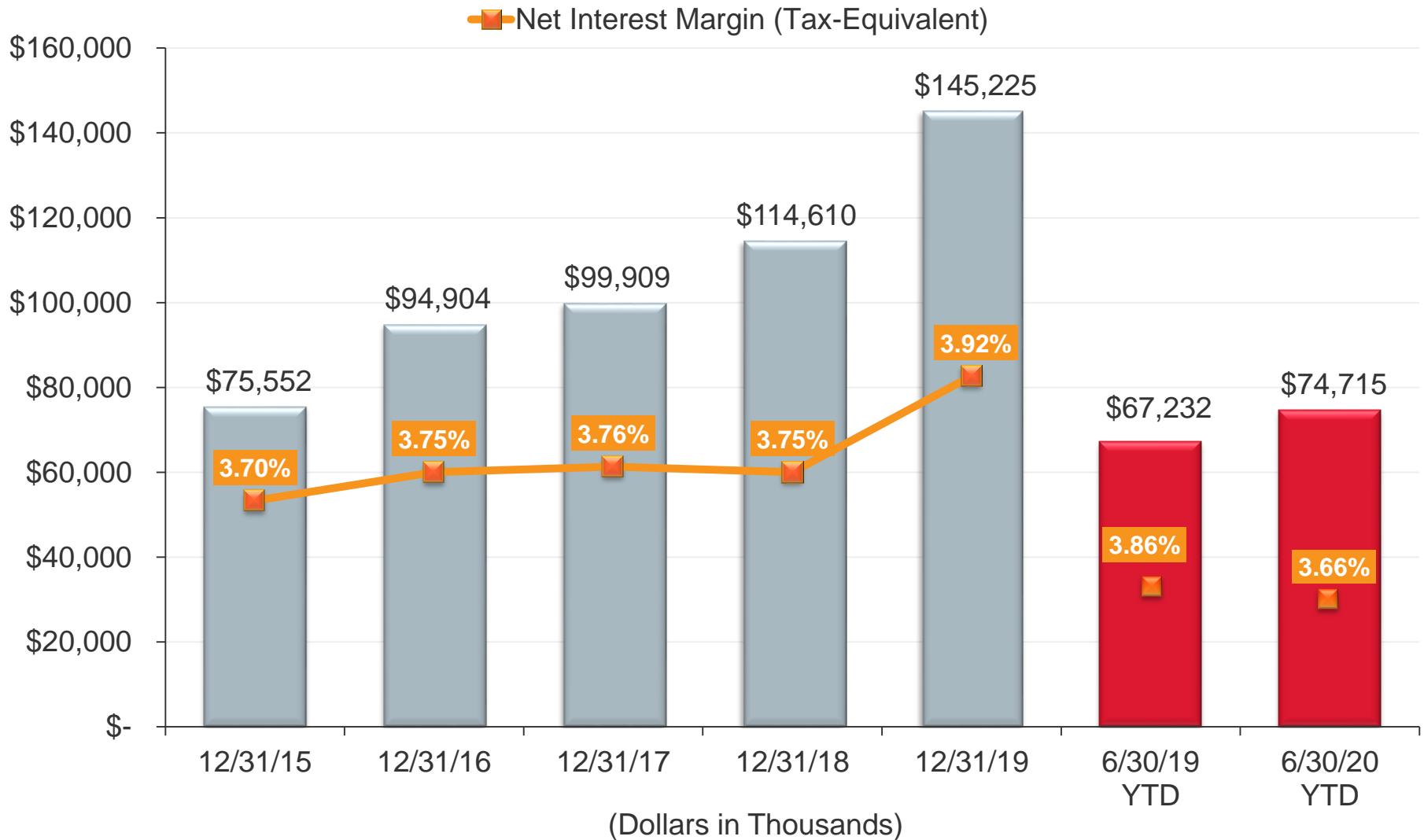
Total Shareholders' Equity

Annualized Return on Tangible Equity



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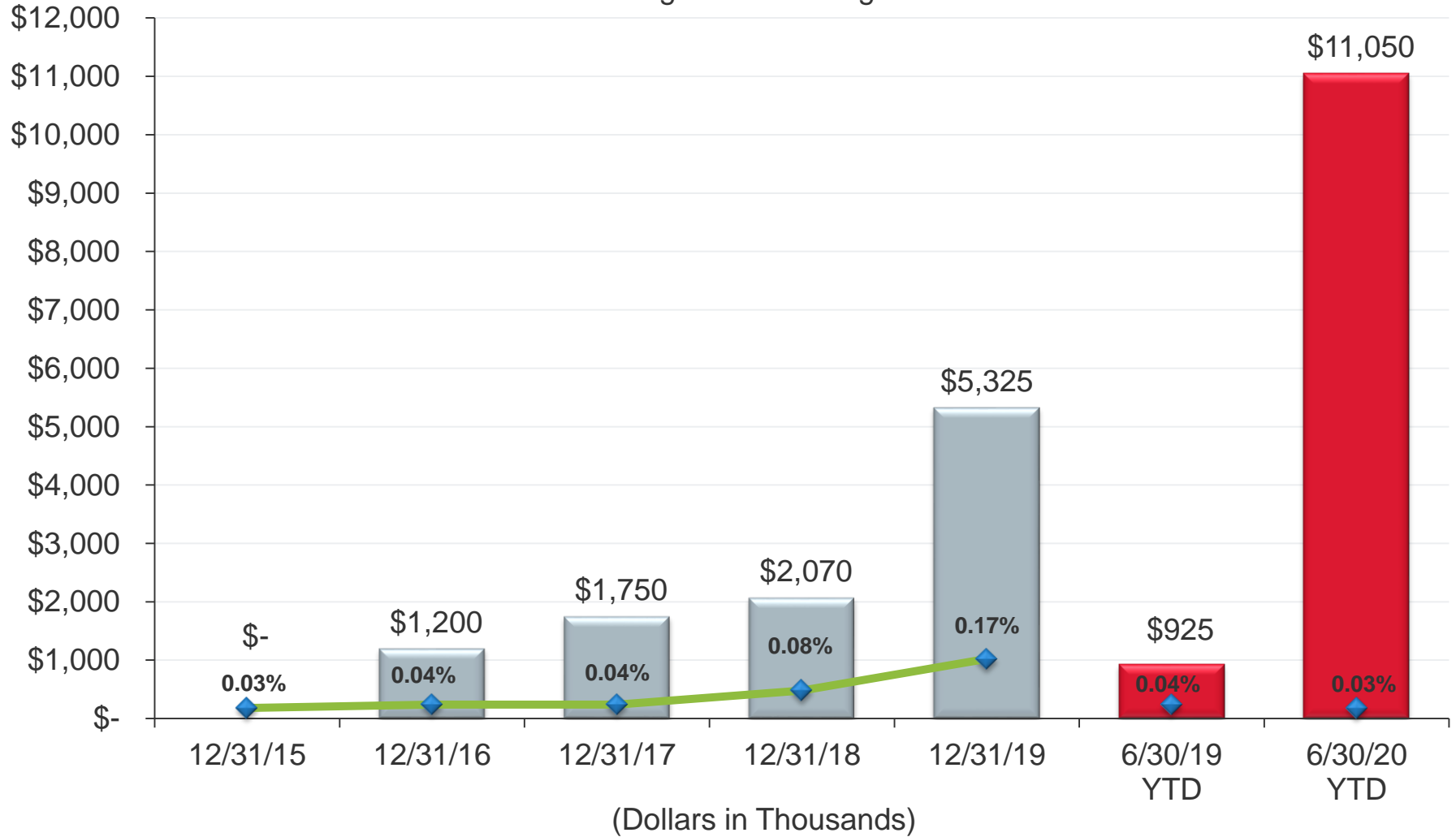
Net Interest Income



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Provision for Credit Losses

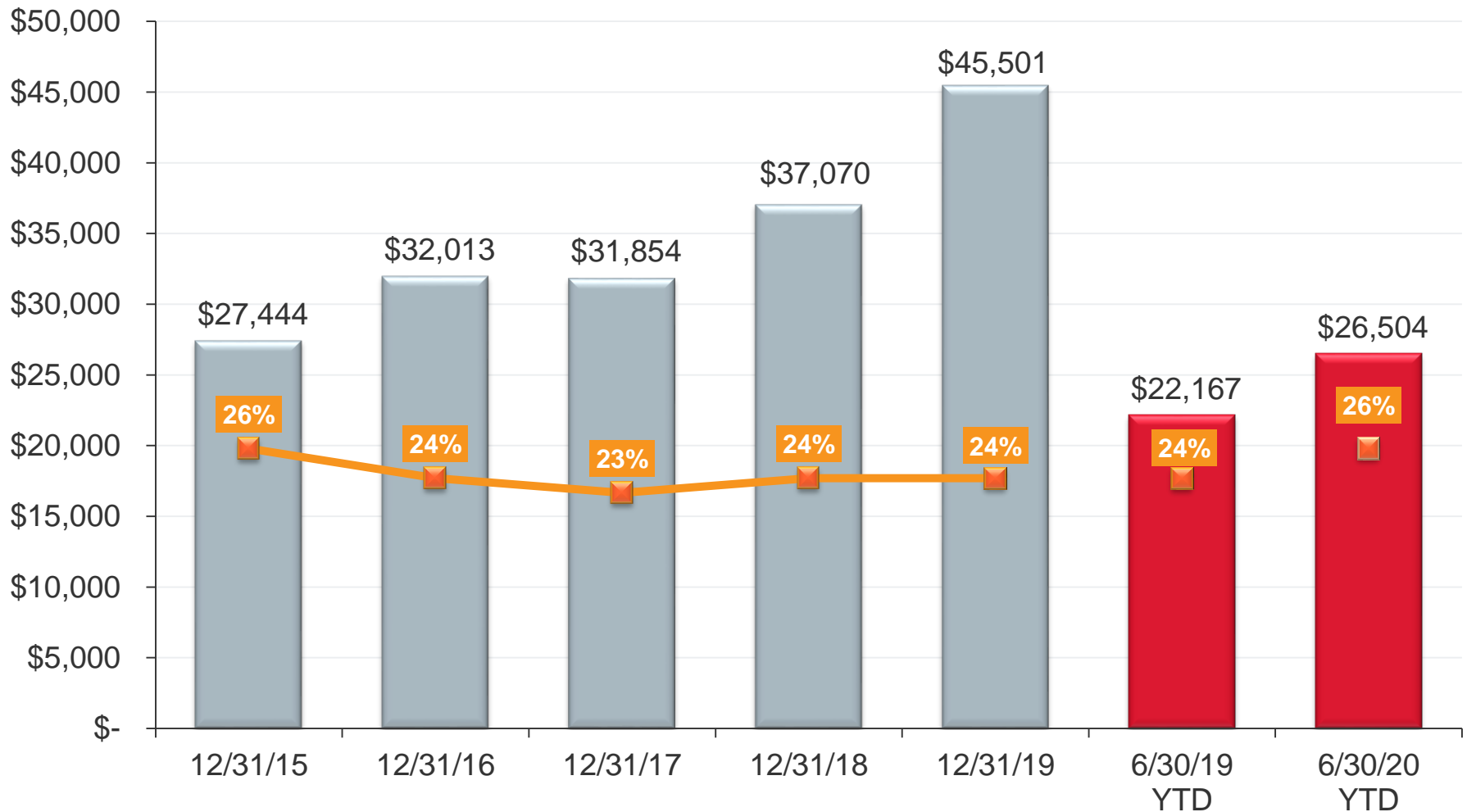
◆ Net Charge-off to Average Loans



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Non-Interest Income

— Non-Interest Income as % of Total Revenue



(Dollars in Thousands)

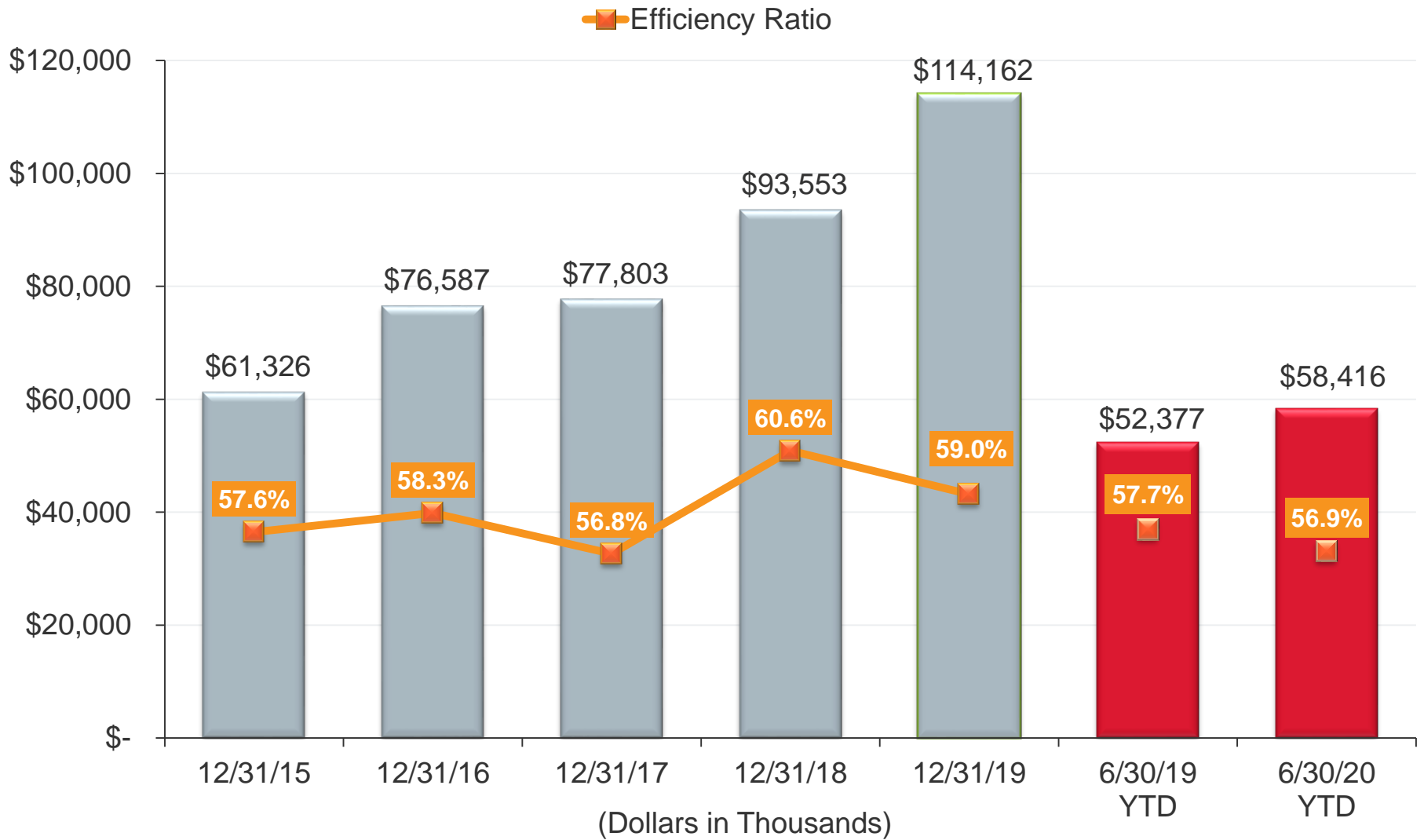


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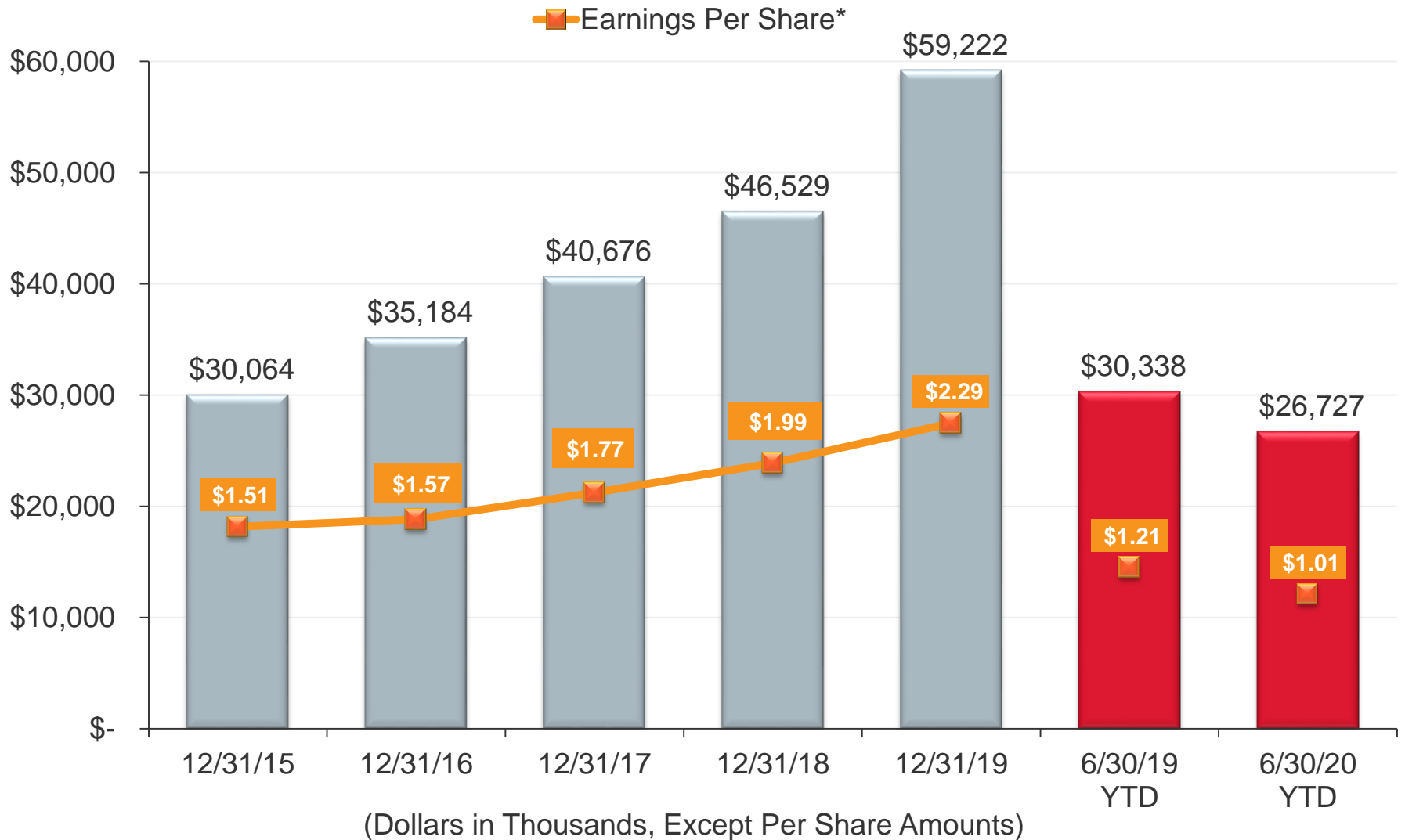
Why Invest in GABC?

Non-Interest Expense



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Net Income & Earnings Per Share



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*Earnings Per Share adjusted for 3-for-2 stock split completed in 2017

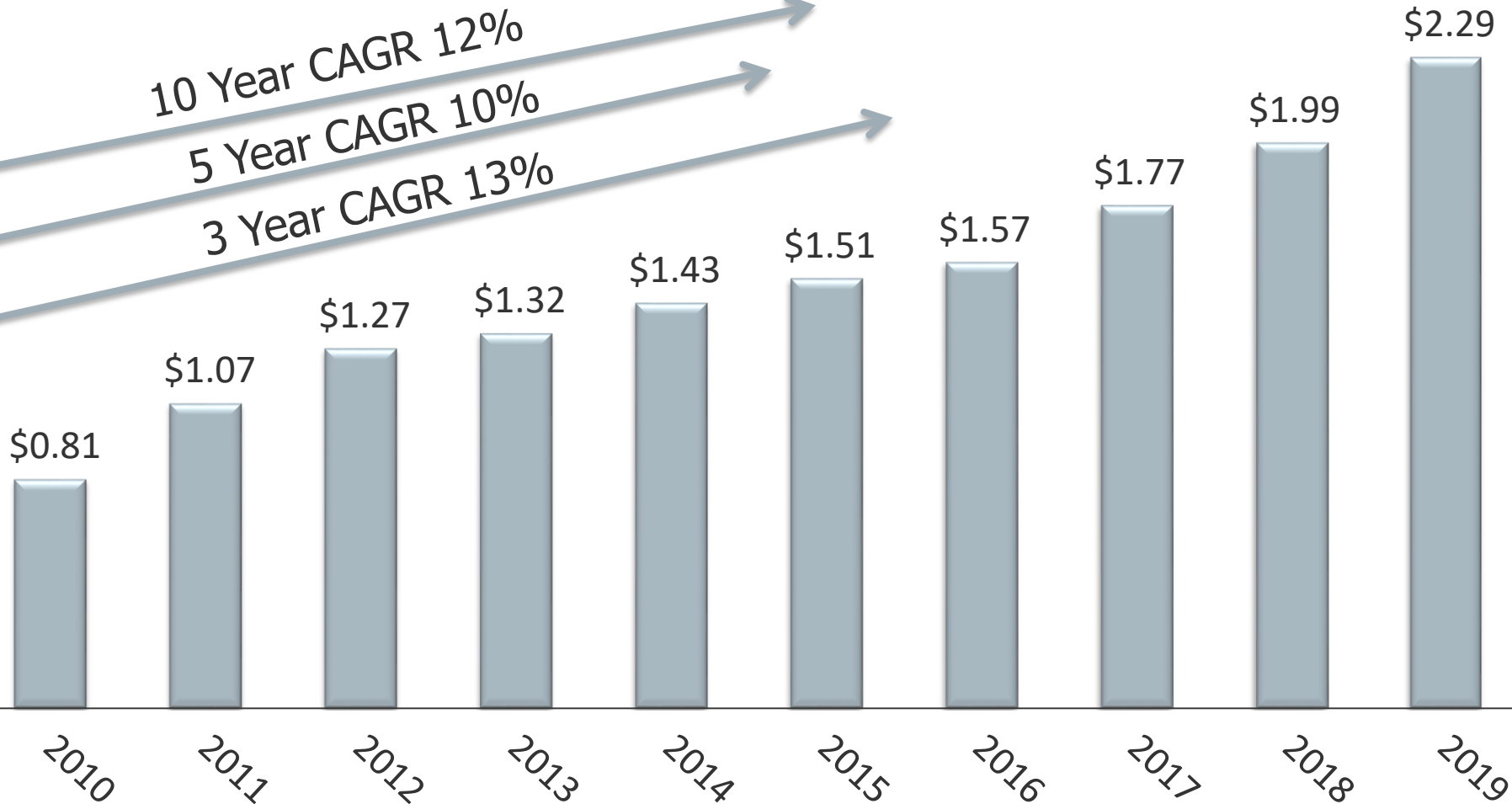
Why Invest in GABC?

GABC Earnings Per Share Growth *

10 Year CAGR 12%

5 Year CAGR 10%

3 Year CAGR 13%



As of 12/31 for years shown

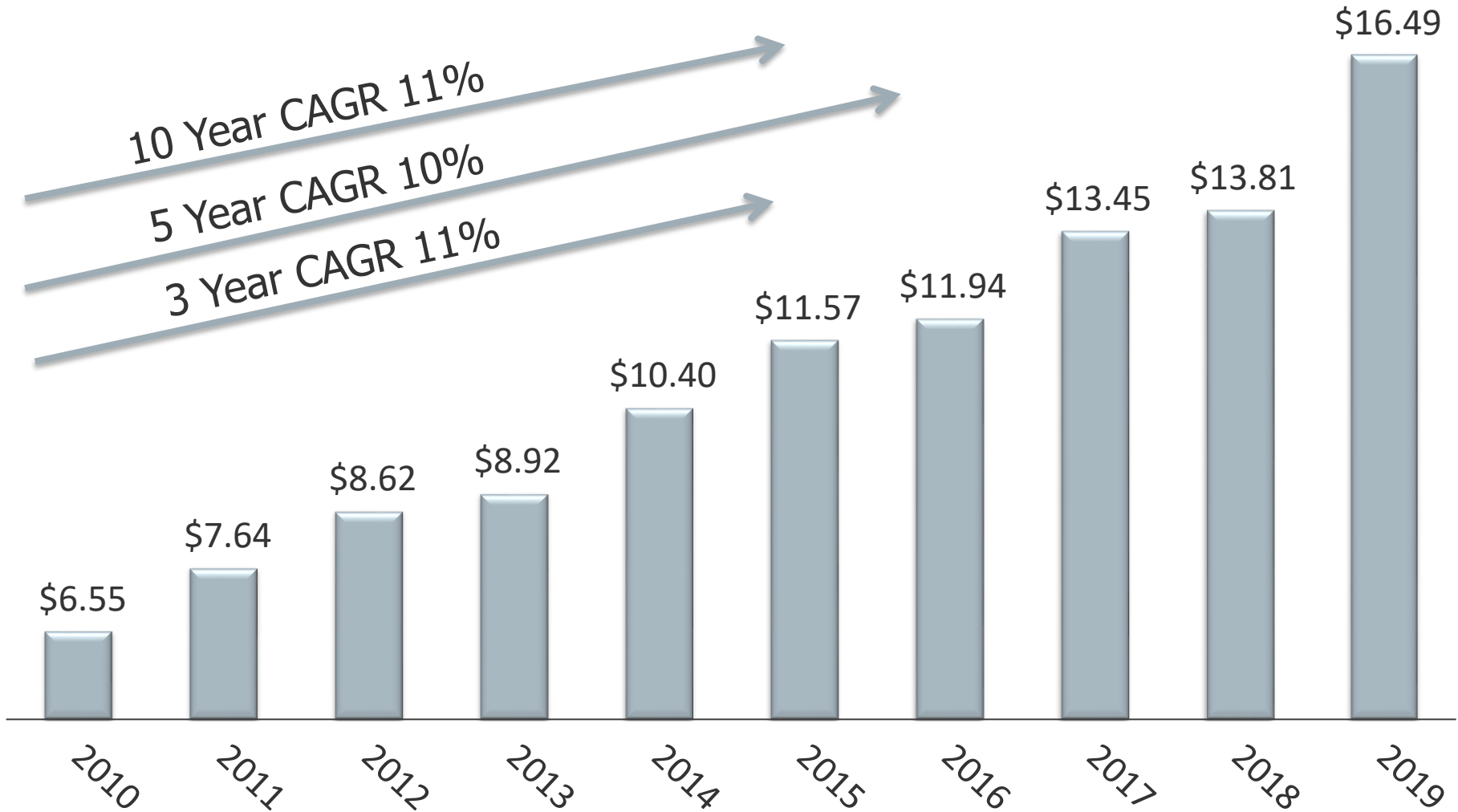
*Earnings Per Share adjusted for 3-for-2 stock split completed in 2017



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Why Invest in GABC?

GABC Tangible Book Value Per Share *



As of 12/31 for years shown

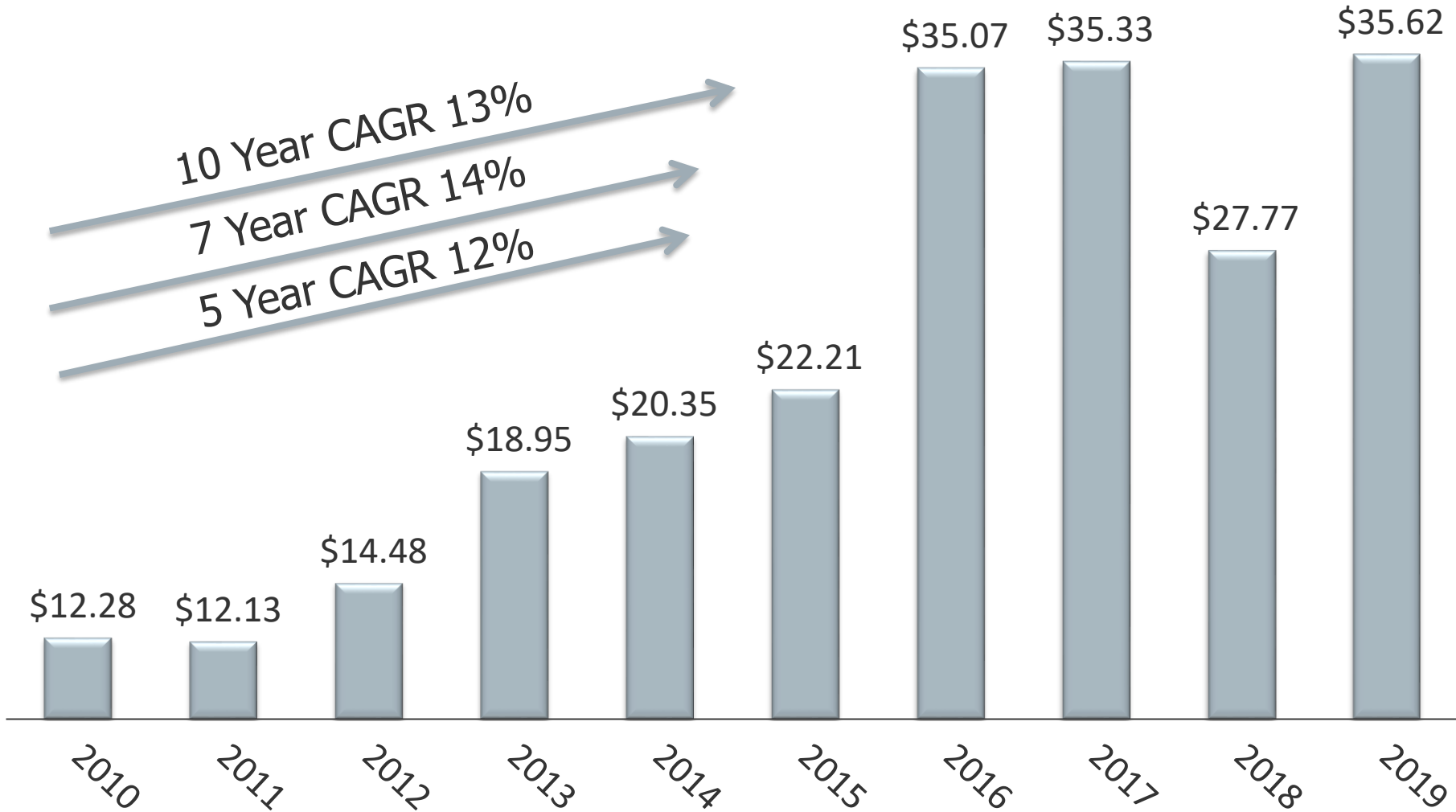
*Tangible Book Value Per Share adjusted for 3-for-2 stock split completed in 2017



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Why Invest in GABC?

GABC Stock Price Appreciation*



As of 12/31 for years shown

*Stock Price adjusted for 3-for-2 stock split completed in 2017



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Why Invest in GABC?

- 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



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