German American Bancorp, Inc.

NEWS RELEASE

German American Bancorp Announces Subscription to Purchase Stock in Eclipse Bank, Inc -in Organization-, Louisville, Ky.

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JASPER, Ind.--(BUSINESS WIRE)--Feb. 25, 2005--German American Bancorp (NASDAQ:GABC), has announced that it has subscribed to purchase stock that will represent 9% of the common stock of Eclipse Bank, Inc. (In Organization) for a total purchase price of up to $1,350,000.00, subject to regulatory approval and the completion of the new bank's organization. As part of its investment, German American will also receive an option to purchase one additional share of Eclipse Bank stock, exercisable at any time within ten years, for every ten shares purchased upon the bank's organization, at the organizational price.

Eclipse Bank, Inc. is a proposed full service commercial bank opening later this year that will provide community banking for businesses and consumers in the Louisville and St. Matthews, Kentucky markets.

Mark A. Schroeder, President and CEO of German American, stated, "We are pleased to have the opportunity to invest in the Eclipse Bank. The bank's proposed business model, based on a strong local management team providing local decisions and quality customer service, mirrors that of our Company. We look forward to working with the exceptional management team in place at Eclipse Bank as they serve the needs of their customers in the Louisville and St. Matthews markets and, by doing so, to enhance shareholder value for the Eclipse Bank and our Company."

John Pendergrass, President and Chief Executive Officer of the Eclipse Bank said, "We are very pleased that German American Bancorp has chosen to become a shareholder in our organization. The interest and confidence expressed by their company sends a strong message of value to our potential shareholders." Pendergrass added, "German American's recognition of the strength of the Louisville and St. Matthews markets and their desire to participate

with us in these markets is a strong testimonial to Eclipse Bank's community oriented business model."

As a part of the agreement, German American will hold a position on Eclipse Bank's Board of Directors. German American has indicated it intends to designate its Executive Vice President, Clay W. Ewing, to that seat. Pendergrass said, "Clay Ewing is a highly successful southwestern Indiana banker. Clay brings a wide range of community banking experience to our organization. In fact, Clay led the formation of a new bank in Tell City, Indiana several years ago and we will draw from that experience in our early years. We look forward to his contributions to the bank and its growth."

German American Bancorp is a financial services holding company based in Jasper, Indiana. The Company's Common Stock is traded on NASDAQ's National Market System under the symbol GABC. The Company operates five affiliated community banks with 27 retail banking offices in the eight contiguous Southwestern Indiana counties of Daviess, Dubois, Gibson, Knox, Martin, Perry, Pike, and Spencer, Indiana. The Company also operates German American Financial Advisors & Trust Company, a trust, brokerage and financial planning subsidiary operating from the banking offices of the bank subsidiaries and German American Insurance, Inc., a full-line property and casualty insurance subsidiary with five independent insurance offices throughout its market area. The Company's lines of business include retail and commercial banking, mortgage banking, comprehensive wealth management, full service brokerage and trust administration, title insurance, and a full range of personal and corporate insurance products.

CONTACT: German American Bancorp
Mark A Schroeder or Kenneth L Sendelweck, 812-482-1314

SOURCE: German American Bancorp