German American Bancorp, Inc.

NEWS RELEASE

German American Bancorp, Inc. (GABC) Announces Record Earnings for Second Quarter 2026

2026-07-27

- Record quarterly earnings of $1.02 per share
- Record quarterly return on average assets of 1.80%
- Robust net interest margin of 4.30%; Core adjusted* of 4.13%
- Strong loan production at approximately 6% annualized linked quarter
- Low efficiency ratio* of 47.38%
- Healthy credit metrics with annualized net charge-offs of 0.05% and non-performing assets of 0.32% to total assets
- Strong level of non-interest bearing demand accounts representing 28% of total deposits
- Tangible common equity* ("TCE") ratio increased 42 basis points to 10.05%; Return on average TCE* ("ROATCE") of 19.43%
- Continued build out of our wealth management, commercial and industrial lending, and treasury management talent throughout our major metro and MSA markets

JASPER, Ind.--(BUSINESS WIRE)-- German American Bancorp, Inc. (Nasdaq: GABC) (German American or the “Company”) announced record earnings for the three months ended June 30, 2026. The Company also announced that its Board of Directors declared a regular quarterly cash dividend of $0.31 per share, which will be payable on August 20, 2026 to shareholders of record as of August 10, 2026.

For the three months ended June 30, 2026, the Company reported net income of $38.2 million, or $1.02 per share, which are the highest level of reported net income and earnings per share in the Company's history. This level of earnings reflects a linked quarter increase of $5.0 million, or approximately 16% on a per share basis, from first quarter 2026 net income of $33.2 million or $0.88 per share. Second quarter 2026 earnings reflect an increase of $6.8 million, or approximately 21% on a per share basis, from the June 30, 2025 prior year same quarter net income of $31.4 million or $0.84 per share.

As discussed in more detail below, the Company's record financial performance was driven by continued net interest margin expansion, strong growth in loans and non-interest income, and controlled operating expenses. As a result, profitability remained strong as return on average assets for the second quarter of 2026 was 1.80% and ROATCE* was 19.43%. These compared to return on average assets of 1.58% and ROATCE* of 17.08% in the first quarter of 2026 and 1.49% and 19.87% in the second quarter of 2025. At the same time, the Company was able to maintain strong credit metrics throughout the quarter.

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* Represents a non-GAAP financial measure. Refer to "Use of Non-GAAP Financial Measures" contained in this release for additional information, including a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures.

Second Quarter 2026 highlights include:

- Robust and expanding net interest margin of 4.30%
  - 4 basis point (bp) expansion from first quarter 2026 driven by a 1 bp earning asset yield pickup and a 3 bps reduction in funding costs
  - Core net interest margin of 4.13% expanded by 5 bps from first quarter 2026, with an added 1 bp differential in loan accretion
- Loan growth was strong during the second quarter with balances remaining diversified and stable
  - End of period loans increased $83 million, or approximately 6% on an annualized basis, over the first quarter of 2026
  - Loan growth was broad-based across all segments of commercial and included growth in home equity lines of credit, as well
- Total allowance for credit losses was $79.4 million, with total quarterly provision expense of $1.5 million, as credit metrics remained very healthy
  - Ratio of allowance to total loans remained stable at 1.34%
  - Annualized net charge offs remained minimal at 5 bps of average loans
  - Non-performing assets at 0.32% of June 30, 2026 period end assets, reflecting a 3 bps improvement from March 31, 2026
- Deposits increased modestly during the quarter
  - End of period deposits increased modestly by $14.9 million or 0.9% on an annualized linked quarter basis
  - Non-interest bearing deposits increased by $41 million or 8.5% on an annualized linked quarter basis

and represented 28% of total deposits overall

- Capital ratios remained strong
  - Tangible common equity of 10.05%
  - Tangible book value per share of $21.48, representing a $1.04 per share, or 5%, increase from March 31, 2026 tangible book value of $20.44
- Non-interest income increased across all business segments by an aggregate $1.5 million or approximately 9% on a linked quarter basis, led by wealth management and interchange income
  - Wealth management income increased by approximately 11% over the prior quarter, driven by increased assets under management as well as growth in the capital markets; we also continue to build a full-service wealth advisory team in our newer Columbus, Ohio market
  - Interchange income increased by approximately 12% driven mostly by increased customer card usage
  - Mortgage and deposit service income each increased by over 4% from the prior quarter, as activity increased in both areas
- Non-interest expense declined meaningfully to $50.4 million representing an approximate $2.0 million, or 4%, decrease over first quarter 2026 non-interest expense of $52.4 million.
  - Salaries and benefits decreased approximately $1.2 million, or 4%, quarter over linked quarter as those expenses normalized from elevated amounts in the first quarter of 2026 that were driven by 2025 incentive payouts and a reset of various payroll taxes and retirement matching contributions; also contributing to the decline were lower health insurance costs
  - Increased revenues, combined with well controlled expenses, resulted in a strong efficiency ratio of 47.38% for the second quarter of 2026 and strong operating leverage improvement

D. Neil Dauby, Chairman and CEO of German American stated, “We are extremely pleased to deliver a record quarterly earnings performance for the second quarter of 2026 and exceed $1 quarterly earnings per share for the first time in our Company’s history. We believe we are well positioned for continued profitability with a strong net interest margin, solid non-interest income production and well controlled expenses. We are encouraged by the strength of our pipeline driven by our strong diversified organic growth footprint as we move into the second half of 2026. Our ability to grow deposits to fund such anticipated growth will be key as we move forward into the future."

Dauby also stated, “We continue to add top talent to our relationship-focused team of professionals, and with their dedicated efforts, we are confident that our strong community presence, healthy financial condition and disciplined approach to growth will continue to drive future profitability and long-term shareholder value. We remain excited and committed to the vitality and future growth of our Indiana, Kentucky and Ohio communities.”

Balance Sheet Highlights

On February 1, 2025, the Company completed its acquisition of Heartland BancCorp ("Heartland") through the merger of Heartland with and into the Company. Immediately following completion of the Heartland holding company merger, Heartland's subsidiary bank, Heartland Bank, was merged with and into the Company's subsidiary bank, German American Bank (the "Bank"). Heartland, headquartered in Whitehall, Ohio, operated 20 retail banking offices located in Columbus, Ohio and Greater Cincinnati. As of the closing of the transaction, Heartland had total assets of approximately $1.94 billion, total loans of approximately $1.58 billion, and total deposits of approximately $1.73 billion. The Company issued approximately 7.74 million shares of its common stock, and paid approximately $23.1 million in cash, in exchange for all of the issued and outstanding shares of common stock of Heartland and in cancellation of all options to acquire Heartland common stock outstanding as of the effective time of the merger.

Total assets for the Company were $8.440 billion at June 30, 2026, representing an increase of $57.5 million compared with March 31, 2026 and an increase of $159.9 million compared with June 30, 2025.

June 30, 2026 total loans increased $82.8 million, or 6% on an annualized basis, compared with March 31, 2026 and increased $192.3 million, or 3%, compared with June 30, 2025. The increase during the second quarter of 2026 compared with March 31, 2026 was broad based across all segments of commercial loans and included growth in home equity lines of credit. The increase was partially mitigated by declines in residential mortgage loans and other retail loans. Commercial real estate loans increased $67.1 million, or 9% on an annualized basis, agricultural loans increased $9.4 million, or 8% on an annualized basis, and commercial and industrial loans increased $0.9 million, or 0.4% on an annualized basis. Retail loans grew by $5.4 million, or 2% on an annualized basis, due in large part to strong home equity loan originations, which were partially offset by a reduced level of residential mortgage loans and consumer loans.

The composition of the loan portfolio has remained relatively stable and diversified over the past several years. The addition of the Heartland loan portfolio during the first quarter of 2025 resulted in only modest changes to the overall portfolio composition, most notably in the residential mortgage loan segment. The portfolio is most heavily weighted in commercial real estate loans at 54% of the portfolio, followed by commercial and industrial loans at 14% of the portfolio, residential mortgage loans at 13% of the portfolio, home equity loans at 9% of the portfolio and agricultural loans at 8% of the portfolio. The Company's commercial lending is extended to various industries, including multi-family housing and lodging, agribusiness and manufacturing, as well as health care, wholesale, and retail services.

End of Period Loan Balances (dollars in thousands)	6/30/2026	3/31/2026	6/30/2025
Commercial & Industrial Loans	$ 833,838	$ 832,933	$ 817,546
Commercial Real Estate Loans	3,219,433	3,152,336	3,096,728
Agricultural Loans	476,605	467,204	461,420
Consumer Loans	650,832	638,280	574,323
Residential Mortgage Loans	760,702	767,889	798,343
	$ 5,941,410	$ 5,858,642	$ 5,748,360

The Company’s allowance for credit losses totaled $79.4 million at June 30, 2026 compared to $78.5 million at March 31, 2026 and $75.5 million at June 30, 2025. The allowance for credit losses represented 1.34% of period-end loans at June 30, 2026, 1.34% at March 31, 2026 and 1.32% of period-end loans at June 30, 2025.

Under the current expected credit losses ("CECL") model, certain acquired loans continue to carry a fair value discount as well as an allowance for credit losses. As of June 30, 2026, the Company held net discounts on acquired loans of $46.3 million, which included $44.6 million related to the Heartland loan portfolio.

Non-performing assets totaled $26.8 million at June 30, 2026, $29.6 million at March 31, 2026, and $25.1 million at June 30, 2025. Non-performing assets represented 0.32% of total assets at June 30, 2026, 0.35% at March 31, 2026 and 0.30% at June 30, 2025. Non-performing loans represented 0.45% of total loans at June 30, 2026, 0.51% at March 31, 2026, and 0.44% at June 30, 2025. Total non-performing assets from the Heartland acquisition were approximately $17.7 million at June 30, 2026.

Non-performing Assets (dollars in thousands)	6/30/2026	3/31/2026	6/30/2025
Non-Accrual Loans	$ 26,843	$ 29,556	$ 22,787
Past Due Loans (90 days or more and accruing)	3	—	2,301
Total Non-Performing Loans	26,846	29,556	25,088
Other Real Estate	—	—	48
Total Non-Performing Assets	$ 26,846	$ 29,556	$ 25,136

June 30, 2026 total deposits increased $14.9 million, or 0.9% on an annualized basis, compared to March 31, 2026 and increased $41.1 million, or 0.6%, compared with June 30, 2025. Non-interest bearing deposits as a percent of total deposits have remained relatively stable at approximately 28% at both June 30, 2026 and March 31, 2026, and 27% at June 30, 2025.

End of Period Deposit Balances (dollars in thousands)	6/30/2026	3/31/2026	6/30/2025
Non-interest-bearing Demand Deposits	$ 1,967,770	$ 1,926,859	$ 1,896,737
IB Demand, Savings, and MMDA Accounts	3,676,343	3,768,529	3,728,031
Time Deposits < $100,000	452,079	459,370	521,802
	[illegible]	[illegible]	[illegible]

Time Deposits > $100,000	899,571	826,150	808,116
	$ 6,995,763	$ 6,980,908	$ 6,954,686

At June 30, 2026, the capital levels for the Company and the Bank remained well in excess of the minimum amounts needed for capital adequacy purposes and the Bank's capital levels met the necessary requirements to be considered well-capitalized.

	6/30/2026 Ratio	3/31/2026 Ratio	6/30/2025 Ratio
Total Capital (to Risk Weighted Assets)			
Consolidated	15.50%	15.27%	15.21%
Bank	14.24%	14.03%	13.93%
Tier 1 (Core) Capital (to Risk Weighted Assets)			
Consolidated	14.57%	14.35%	13.53%
Bank	13.31%	13.11%	13.02%
Common Tier 1 (CET 1) Capital Ratio (to Risk Weighted Assets)			
Consolidated	14.06%	13.83%	13.00%
Bank	13.31%	13.11%	13.02%
Tier 1 Capital (to Average Assets)			
Consolidated	12.25%	12.08%	10.93%
Bank	11.19%	11.04%	10.51%

Results of Operations Highlights – Quarter ended June 30, 2026

Net income for the quarter ended June 30, 2026 totaled $38,172,000, or $1.02 per share, an increase of 16% on a per share basis compared with the first quarter 2026 net income of $33,152,000, or $0.88 per share, and an increase of 21% on a per share basis compared with the second quarter 2025 net income of $31,361,000, or $0.84 per share. On an adjusted basis, net income for the second quarter of 2025 was $32,058,000, or $0.86 per share. Adjusted net income and adjusted earnings per share are non-GAAP financial measures. Refer to "Use of Non-GAAP Financial Measures" contained in this release for additional information, including a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures.

Summary Average Balance Sheet

(Tax-equivalent basis / dollars in thousands)

	Quarter Ended June 30, 2026			Quarter Ended March 31, 2026			Quarter Ended June 30, 2025		
	Principal Balance	Income/ Expense	Yield/ Rate	Principal Balance	Income/ Expense	Yield/ Rate	Principal Balance	Income/ Expense	Yield/ Rate
Assets									
Federal Funds Sold and Other Short-term Investments	$ 128,925	$ 1,186	3.69%	$ 34,897	$ 312	3.63%	$ 353,588	$ 3,932	4.46%
Securities	1,689,157	14,429	3.42%	1,689,729	14,041	3.32%	1,572,596	13,395	3.41%
Loans and Leases	5,879,528	93,957	6.41%	5,872,187	92,705	6.39%	5,678,929	90,378	6.38%
Total Interest Earning Assets	$ 7,697,610	$ 109,572	5.71%	$ 7,596,813	$ 107,058	5.70%	$ 7,605,113	$ 107,705	5.68%
Liabilities									
Demand Deposit Accounts	$ 1,946,872			$ 1,910,931			$ 1,873,459		
IB Demand, Savings, and MMDA									

Accounts	$ 3,776,537	$ 14,021	1.49%	$ 3,715,968	$ 13,580	1.48%	$ 3,858,196	$ 17,739	1.84%
Time Deposits	1,340,636	11,155	3.34%	1,293,193	11,118	3.49%	1,381,233	12,896	3.75%
FHLB Advances and Other Borrowings	170,945	1,798	4.22%	216,518	2,159	4.04%	208,241	2,645	5.09%
Total Interest-Bearing Liabilities	$ 5,288,118	$ 26,974	2.05%	$ 5,225,679	$ 26,857	2.08%	$ 5,447,670	$ 33,280	2.45%
Cost of Funds			1.41%			1.44%			1.76%
Net Interest Income, Tax-Equivalent Basis*		$ 82,598			$ 80,201			$ 74,425	
Net Interest Margin			4.30%			4.26%			3.92%

* Represents a non-GAAP financial measure. Refer to “Use of Non-GAAP Financial Measures” contained in this release for additional information, including a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures.

During the second quarter of 2026, net interest income, on a non tax-equivalent basis, totaled $81,208,000 an increase of $2,357,000, or 3%, compared to the first quarter of 2026 net interest income of $78,851,000 and an increase of $8,053,000, or 11%, compared to the second quarter of 2025 net interest income of $73,155,000.

The improvement in net interest income during the second quarter of 2026 compared with both the first quarter of 2026 and the second quarter of 2025 was the result of an improved net interest margin and a higher level of average earning assets.

The tax equivalent net interest margin for the quarter ended June 30, 2026 was 4.30% compared with 4.26% in the first quarter of 2026 and 3.92% in the second quarter of 2025. The continued improvement in the net interest margin during the second quarter of 2026 compared with both the first quarter of 2026 and second quarter of 2025 was driven by a lower cost of funds primarily attributable to lower deposit costs and improved yields on earning assets.

The Company’s net interest margin and net interest income in all periods presented have been impacted by accretion of loan discounts on acquired loans. Accretion of discounts on acquired loans totaled $3,235,000 during the second quarter of 2026, $3,456,000 during the first quarter of 2026, and $3,483,000 during the second quarter of 2025. Accretion of loan discounts on acquired loans contributed approximately 17 basis points to the net interest margin in the second quarter of 2026, 18 basis points in the first quarter of 2026 and 18 basis points in the second quarter of 2025.

During the quarter ended June 30, 2026, the Company recorded a provision for credit losses of $1,500,000 compared with a provision for credit losses of $2,000,000 in the first quarter of 2026 and a provision for credit losses of $1,200,000 during the second quarter of 2025. Net charge-offs totaled $673,000, or 5 basis points on an annualized basis, of average loans outstanding during the second quarter of 2026 compared with $1,147,000, or 8 basis points on an annualized basis, of average loans during the first quarter of 2026 and $848,000, or 6 basis points on an annualized basis, of average loans during the second quarter of 2025.

During the quarter ended June 30, 2026, non-interest income totaled $18,746,000, an increase of $1,520,000, or 9%, compared with the first quarter of 2026 and an increase of $2,013,000, or 12%, compared with the second quarter of 2025. The increase during the second quarter of 2026 was broad based across all segments compared to the first quarter of 2026 driven in large part by improved wealth management fees and interchange revenue.

Non-interest Income (dollars in thousands)	Quarter Ended 6/30/2026	Quarter Ended 3/31/2026	Quarter Ended 6/30/2025
Wealth Management Fees	$ 5,010	$ 4,509	$ 4,165
Service Charges on Deposit Accounts	3,988	3,826	3,714
Company Owned Life Insurance	667	637	703
Interchange Fee Income	5,328	4,776	5,057
Other Operating Income	2,204	1,995	1,815
Subtotal	17,197	15,743	15,454
Net Gains on Sales of Loans	1,549	1,483	1,279
Net Gains (Losses) on Securities	—	—	—
Total Non-interest Income	$ 18,746	$ 17,226	$ 16,733

Wealth management fees increased $501,000, or 11%, during the second quarter of 2026 compared with the first quarter of 2026 and increased $845,000, or 20%, compared with the second quarter of 2025. The increase during the second quarter of 2026 compared with the first quarter of 2026 was primarily attributable to seasonal revenue related to customer tax fees, strong new business results, and continued solid capital markets. The increase during the second quarter of 2026 compared with the second quarter of 2025 was also largely attributable to increased assets under management driven by healthy capital markets throughout the past year and continued strong new business results.

Service charges on deposit accounts increased $162,000, or 4%, during the quarter ended June 30, 2026 compared with the first quarter of 2026 and increased $274,000, or 7%, compared with the second quarter of 2025. The increase during the second quarter of 2026 compared with both the first quarter of 2026 and the second quarter of 2025 was driven by continued increased customer utilization of deposit services.

Interchange fees increased $552,000, or 12%, during the quarter ended June 30, 2026 compared with the first quarter of 2026 and increased $271,000, or 5%, compared with the second quarter of 2025. The increase during the second quarter of 2026 compared with the first quarter of 2026 and the second quarter of 2025 was largely related to a higher level of customer transaction volume.

Net gains on sales of loans increased $66,000, or 4%, during the second quarter of 2026 compared with the first quarter of 2026 and increased $389,000, or 21%, compared with the second quarter of 2025. The increase during the second quarter of 2026 compared with both the first quarter of 2026 and second quarter of 2025 was driven by a higher volume of loans sold. Loan sales totaled $70.8 million during the second quarter of 2026 compared with

$52.1 million during the first quarter of 2026 and $50.2 million during the second quarter of 2025.

During the quarter ended June 30, 2026, non-interest expense totaled $50,382,000, a decline of $1,986,000, or 4%, compared with the first quarter of 2026, and an increase of $865,000, or 2%, compared with the second quarter of 2025. The second quarter of 2025 non-interest expenses included approximately $929,000 of non-recurring acquisition-related expenses associated with the Heartland acquisition.

Non-interest Expense (dollars in thousands)	Quarter Ended 6/30/2026	Quarter Ended 3/31/2026	Quarter Ended 6/30/2025
Salaries and Employee Benefits	$ 27,142	$ 28,312	$ 26,638
Occupancy, Furniture and Equipment Expense	5,178	5,336	4,751
FDIC Premiums	936	1,001	888
Data Processing Fees	4,358	4,268	4,086
Professional Fees	2,144	1,991	2,112
Advertising and Promotion	1,240	1,616	1,300
Intangible Amortization	2,362	2,471	2,803
Other Operating Expenses	7,022	7,373	6,939
Total Non-interest Expense	$ 50,382	$ 52,368	$ 49,517

Salaries and benefits declined $1,170,000, or 4%, during the quarter ended June 30, 2026 compared with the first quarter of 2026 and increased $504,000, or 2%, compared with the second quarter of 2025. The decline in salaries and benefits during the second quarter of 2026 compared with the first quarter of 2026 was in part seasonal declines related to annual resets of certain payroll taxes and retirement matching contributions, a decline in incentive compensation and an overall decline in health insurance costs partially mitigated by an increase in variable compensation related to investment services and residential mortgage commissions.

Occupancy, furniture and equipment expense declined $158,000, or 3%, during the second quarter of 2026 compared with the first quarter of 2026 and increased $427,000, or 9%, compared to the second quarter of 2025. The decline during the second quarter of 2026 compared with the first quarter of 2026 was primarily attributable to seasonal increases related to snow removal and utility costs during the first quarter of 2026. The increase during the second quarter of 2026 compared with the second quarter of 2025 was largely attributable to increased levels of real estate taxes, depreciation and repairs and maintenance costs.

Advertising and promotion expense declined $376,000, or 23%, during the second quarter of 2026 compared with the first quarter of 2026 and declined $60,000, or 5%, compared with the second quarter of 2025. The decline during the second quarter of 2026 compared with the first quarter of 2026 was largely driven by increased costs related to the timing of certain donations and sponsorships as well as other elevated customer appreciation expenses during the first quarter of 2026.

Intangible amortization declined $109,000, or 4%, during the second quarter of 2026 compared with the first quarter of 2026 and declined $441,000, or 16%, compared with the second quarter of 2025. The decline during the second quarter of 2026 compared to both the first quarter of 2026 and the second quarter of 2025 was primarily attributable to the accelerated amortization method for which intangibles are amortized.

Other operating expenses declined $351,000, or 5%, during the second quarter of 2026 compared with the first quarter of 2026 and increased $83,000, or 1%, compared with the second quarter of 2025. The decline during the second quarter of 2026 compared with the first quarter of 2026 was largely the result of a decline in the reserves related to unfunded loan commitments.

About German American

German American Bancorp, Inc. (Nasdaq: GABC) is a financial holding company based in Jasper, Indiana. German American, through its banking subsidiary German American Bank, operates 93 banking offices located throughout Indiana (central/southern), Kentucky (northern/central/western), and Ohio (central/ southwest). In Columbus, Ohio and Greater Cincinnati, the Company does business as Heartland Bank, a Division of German American Bank. The Company also owns an investment brokerage subsidiary, German American Investment Services, Inc.

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this press release may be deemed “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Readers are cautioned that, by their nature, forward-looking statements are based on assumptions and are subject to risks, uncertainties, and other factors. Forward-looking statements can often, but not always, be identified by the use of words like “believe”, “continue”, “pattern”, “estimate”, “project”, “intend”, “anticipate”, “expect” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “might”, “can”, “may”, or similar expressions.

Actual results and experience could differ materially from the anticipated results or other expectations expressed or implied by these forward-looking statements as a result of a number of factors, including but not limited to, those discussed in this press release. Factors that could cause actual experience to differ from the expectations expressed or implied in this press release include:

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a. changes in interest rates and the timing and magnitude of any such changes;
b. unfavorable economic conditions, including prolonged periods of inflation, and the resulting adverse impact on, among other things, credit quality;
c. the soundness of other financial institutions and general investor sentiment regarding the stability of financial institutions;
d. changes in our liquidity position;
e. the impacts of epidemics, pandemics or other infectious disease outbreaks;
f. changes in competitive conditions;

g. the introduction, withdrawal, success and timing of asset/liability management strategies or of mergers and acquisitions and other business initiatives and strategies;
h. changes in customer borrowing, repayment, investment and deposit practices;
i. changes in fiscal, monetary and tax policies;
j. changes in trade policies of, and other activities undertaken by, governments, including tariffs, which could have a material adverse effect on our customers and, as a result, our business;
k. changes in financial and capital markets;
l. capital management activities, including possible future sales of new securities, or possible repurchases or redemptions by German American of outstanding debt or equity securities;
m. risks of expansion through acquisitions and mergers, including the possibility that the anticipated cost savings and strategic gains, are not realized when expected or at all as a result of unexpected credit quality problems of the acquired loans or other assets, unexpected attrition of the customer base or employee base of the acquired institution or branches, and difficulties in integration of the acquired operations;
n. factors driving impairment charges on investments;
o. the impact, extent and timing of technological changes;
p. potential cyber-attacks, information security breaches and other criminal activities;
q. litigation liabilities, including related costs, expenses, settlements and judgments, or the outcome of matters before regulatory agencies, whether pending or commencing in the future;
r. actions of the Federal Reserve Board;
s. the regulatory and financial impacts associated with exceeding $10 billion in total assets;
t. changes in accounting principles and interpretations;
u. potential increases of federal deposit insurance premium expense, and possible future special assessments of FDIC premiums, either industry wide or specific to German American's banking subsidiary;
v. actions of the regulatory authorities under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") and the Federal Deposit Insurance Act and other possible legislative and regulatory actions and reforms;
w. impacts resulting from possible amendments or revisions to the Dodd-Frank Act and the regulations promulgated thereunder, or to Consumer Financial Protection Bureau rules and regulations;
x. the continued availability of earnings and excess capital sufficient for the lawful and prudent declaration and payment of cash dividends; and
y. other risk factors expressly identified in German American's cautionary language included under the headings "Forward-Looking Statements and Associated Risk" and "Risk Factors" in German American's Annual Report on Form 10-K for the year ended December 31, 2025, and other documents subsequently filed by German American with the SEC.

Such statements reflect our views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the operations, results of operations, growth strategy and liquidity of German American. Readers are cautioned not to place undue reliance on these forward-looking statements. It is intended that these forward-looking statements speak only as of the date they are made. We do not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect future events or circumstances or to reflect the occurrence of unanticipated events.

GERMAN AMERICAN BANCORP, INC.
(unaudited, dollars in thousands except per share data)
Consolidated Balance Sheets

	June 30, 2026	March 31, 2026	June 30, 2025
ASSETS			
Cash and Due from Banks	$ 79,646	$ 75,956	$ 99,871
Short-term Investments	15,012	48,471	100,777
Investment Securities	1,684,389	1,667,283	1,572,205
Loans Held-for-Sale	5,839	15,451	13,880
Loans, Net of Unearned Income	5,932,235	5,849,428	5,739,428
Allowance for Credit Losses	(79,374)	(78,547)	(75,510)
Net Loans	5,852,861	5,770,881	5,663,918
Stock in FHLB and Other Restricted Stock	17,415	17,509	17,966
Premises and Equipment	137,599	137,311	139,435
Goodwill and Other Intangible Assets	404,364	406,761	417,159
Other Assets	242,873	242,835	254,931
TOTAL ASSETS	$ 8,439,998	$ 8,382,458	$ 8,280,142
LIABILITIES			
Non-interest-bearing Demand Deposits	$ 1,967,770	$ 1,926,859	$ 1,896,737
Interest-bearing Demand, Savings, and Money Market Accounts	3,676,343	3,768,529	3,728,031
Time Deposits	1,351,650	1,285,520	1,329,918
Total Deposits	6,995,763	6,980,908	6,954,686

Borrowings	169,037	169,235	202,033
Other Liabilities	63,638	57,728	53,919
TOTAL LIABILITIES	7,228,438	7,207,871	7,210,638
SHAREHOLDERS' EQUITY			
Common Stock and Surplus	745,632	744,813	743,230
Retained Earnings	631,097	604,515	533,834
Accumulated Other Comprehensive Income (Loss)	(165,169)	(174,741)	(207,560)
SHAREHOLDERS' EQUITY	1,211,560	1,174,587	1,069,504
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 8,439,998	$ 8,382,458	$ 8,280,142
END OF PERIOD SHARES OUTSTANDING	37,576,750	37,565,278	37,492,814
TANGIBLE BOOK VALUE PER SHARE(1)	$ 21.48	$ 20.44	$ 17.40

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

GERMAN AMERICAN BANCORP, INC.
(unaudited, dollars in thousands except per share data)
Consolidated Statements of Income

	Three Months Ended			Six Months Ended	
	June 30, 2026	March 31, 2026	June 30, 2025	June 30, 2026	June 30, 2025
INTEREST INCOME					
Interest and Fees on Loans	$ 93,513	$ 92,273	$ 90,002	$ 185,786	$ 171,507
Interest on Short-term Investments	1,186	312	3,932	1,498	6,148
Interest and Dividends on Investment Securities	13,483	13,123	12,501	26,606	24,996
TOTAL INTEREST INCOME	108,182	105,708	106,435	213,890	202,651
INTEREST EXPENSE					
Interest on Deposits	25,176	24,698	30,635	49,874	57,663
Interest on Borrowings	1,798	2,159	2,645	3,957	5,261
TOTAL INTEREST EXPENSE	26,974	26,857	33,280	53,831	62,924
NET INTEREST INCOME	81,208	78,851	73,155	160,059	139,727
Provision for Credit Losses	1,500	2,000	1,200	3,500	16,500
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	79,708	76,851	71,955	156,559	123,227
NON-INTEREST INCOME					
Net Gains on Sales of Loans	1,549	1,483	1,279	3,032	2,212
Net Gains (Losses) on Securities	—	—	—	—	—
Other Non-interest Income	17,197	15,743	15,454	32,940	29,361
TOTAL NON-INTEREST INCOME	18,746	17,226	16,733	35,972	31,573
NON-INTEREST EXPENSE					
Salaries and Benefits	27,142	28,312	26,638	55,454	54,678
Other Non-interest Expenses	23,240	24,056	22,879	47,296	47,621
TOTAL NON-INTEREST EXPENSE	50,382	52,368	49,517	102,750	102,299
Income before Income Taxes	48,072	41,709	39,171	89,781	52,501
Income Tax Expense	9,900	8,557	7,810	18,457	10,623
NET INCOME	$ 38,172	$ 33,152	$ 31,361	$ 71,324	$ 41,878
BASIC EARNINGS PER SHARE	$ 1.02	$ 0.88	$ 0.84	$ 1.90	$ 1.16
DILUTED EARNINGS PER SHARE	$ 1.02	$ 0.88	$ 0.84	$ 1.90	$ 1.16
WEIGHTED AVERAGE SHARES OUTSTANDING	37,564,295	37,517,833	37,479,342	37,541,192	36,087,762
DILUTED WEIGHTED AVERAGE SHARES OUTSTANDING	37,564,295	37,517,833	37,479,342	37,541,192	36,087,762

GERMAN AMERICAN BANCORP, INC.
(unaudited, dollars in thousands except per share data)

	Three Months Ended			Six Months Ended	
	June 30, 2026	March 31, 2026	June 30, 2025	June 30, 2026	June 30, 2025
EARNINGS PERFORMANCE RATIOS					
Annualized Return on Average Assets	1.80%	1.58%	1.49%	1.69%	1.04%
Annualized Return on Average Equity	12.82%	11.20%	11.97%	12.01%	8.46%
Annualized Return on Average Tangible Equity(1)	19.43%	17.08%	19.87%	18.26%	13.68%
Net Interest Margin	4.30%	4.26%	3.92%	4.28%	3.94%
Efficiency Ratio(2)	47.38%	51.21%	51.25%	49.26%	56.04%
Net Overhead Expense to Average Earning Assets(3)	1.64%	1.85%	1.72%	1.75%	1.95%
ASSET QUALITY RATIOS					
Annualized Net Charge-offs to Average Loans	0.05%	0.08%	0.06%	0.06%	0.05%
Allowance for Credit Losses to Period End Loans	1.34%	1.34%	1.32%		
Non-performing Assets to Period End Assets	0.32%	0.35%	0.30%		
Non-performing Loans to Period End Loans	0.45%	0.51%	0.44%		
Loans 30-89 Days Past Due to Period End Loans	0.22%	0.22%	0.46%		
SELECTED BALANCE SHEET & OTHER FINANCIAL DATA					
Average Assets	$ 8,481,845	$ 8,380,732	$ 8,424,328	$8,431,568	$ 8,028,766
Average Earning Assets	$ 7,697,610	$ 7,596,813	$ 7,605,113	$7,647,490	$ 7,265,693
Average Total Loans	$ 5,879,528	$ 5,872,187	$ 5,678,929	$5,875,878	$ 5,408,894
Average Demand Deposits	$ 1,946,872	$ 1,910,931	$ 1,873,459	$1,929,001	$ 1,772,153
Average Interest Bearing Liabilities	$ 5,288,118	$ 5,225,679	$ 5,447,670	$5,257,071	$ 5,213,509
Average Equity	$ 1,191,283	$ 1,184,292	$ 1,048,227	$1,187,807	$ 990,129
Period End Non-performing Assets(4)	$ 26,846	$ 29,556	$ 25,136		
Period End Non-performing Loans(5)	$ 26,846	$ 29,556	$ 25,088		
Period End Loans 30-89 Days Past Due(6)	$ 12,898	$ 12,676	$ 26,294		
Tax-Equivalent Net Interest Income	$ 82,598	$ 80,201	$ 74,425	$ 162,798	$ 142,316
Net Charge-offs during Period	$ 673	$ 1,147	$ 848	$ 1,820	$ 1,334

(1) Average Tangible Equity is defined as Average Equity less Average Goodwill and Other Intangibles.
(2) Efficiency Ratio is defined as Non-interest Expense less Intangible Amortization divided by the sum of Net Interest Income, on a tax-equivalent basis, and Non-interest Income less Net Gains (Losses) on Securities.
(3) Net Overhead Expense is defined as Total Non-interest Expense less Total Non-interest Income.
(4) Non-performing assets are defined as Non-accrual Loans, Loans Past Due 90 days or more, and Other Real Estate Owned.
(5) Non-performing loans are defined as Non-accrual Loans and Loans Past Due 90 days or more.
(6) Loans 30-89 days past due and still accruing.

GERMAN AMERICAN BANCORP, INC.
USE OF NON-GAAP FINANCIAL MEASURE

The accounting and reporting policies of German American Bancorp, Inc. (the “Company”) conform to U.S. generally accepted accounting principles (“GAAP”) and general practices within the banking industry. As a supplement to GAAP, the Company has provided certain, non-GAAP financial measures, which it believes are useful because they assist investors in assessing the Company’s operating performance. Specifically, the Company has presented its net income, earnings per share, non-interest expense, efficiency ratio, return on average assets, return on average equity, return on average tangible common equity, and net interest margin on an as adjusted basis for the periods set forth below to reflect the exclusion of the following items: (1) the Current Expected Credit Losses (“CECL”) “Day

2" provision expense for acquired loans that have only insignificant credit deterioration (i.e., non-PCD loans) related to the Heartland merger; and (2) non-recurring expenses related to the Heartland merger. Management believes excluding such items from these financial measures may be useful in assessing the Company's underlying operational performance since the applicable transactions do not pertain to its core business operations and exclusion may facilitate better comparability between periods. In addition, management believes that by excluding such items the measures are useful to the Company, as well as analysts and investors, in assessing operating performance. Management also believes excluding these items may enhance comparability for peer comparison purposes.

Management believes that it is standard practice in the banking industry to present the efficiency ratio and net interest margin on a fully tax-equivalent basis and that, by doing so, it may enhance comparability for peer comparison purposes. The tax-equivalent adjustment to net interest income (for purposes of the efficiency ratio) and net interest margin recognizes the income tax savings when comparing taxable and tax-exempt assets. Interest income and yields on tax-exempt securities and loans are presented using the current federal income tax rate of 21%.

Although intended to enhance investors' understanding of the Company's business and performance, these non-GAAP financial measures should not be considered an alternative to GAAP.

GERMAN AMERICAN BANCORP, INC.
NON-GAAP RECONCILIATIONS

Non-GAAP Reconciliation – Net Income and Earnings Per Share (Dollars in Thousands, except per share amounts)	Three Months Ended			Six Months Ended	
	06/30/2026	03/31/2026	06/30/2025	06/30/2026	06/30/2025
Net Income, as reported	$ 38,172	$ 33,152	$ 31,361	$ 71,324	$ 41,878
Adjustments:					
Plus: CECL Day 2 non-PCD provision	—	—	—	—	12,150
Plus: Non-recurring merger-related expenses	—	—	697	—	5,317
Adjusted Net Income	$ 38,172	$ 33,152	$ 32,058	$ 71,324	$ 59,345
Weighted Average Shares Outstanding	37,564,295	37,517,833	37,479,342	37,541,192	36,087,762
Earnings Per Share, as reported	$ 1.02	$ 0.88	$ 0.84	$ 1.90	$ 1.16
Earnings Per Share, as adjusted	$ 1.02	$ 0.88	$ 0.86	$ 1.90	$ 1.64

Non-GAAP Reconciliation – Non-Interest Expense (Dollars in Thousands)	Three Months Ended			Six Months Ended	
	06/30/2026	03/31/2026	06/30/2025	06/30/2026	06/30/2025
Non-Interest Expense	$ 50,382	$ 52,368	$ 49,517	$ 102,750	$ 102,299
Less: Non-recurring merger-related expenses	—	—	929	—	6,861
Adjusted Non-Interest Expense	$ 50,382	$ 52,368	$ 48,588	$ 102,750	$ 95,438

GERMAN AMERICAN BANCORP, INC.
NON-GAAP RECONCILIATIONS

Non-GAAP Reconciliation – Efficiency Ratio (Dollars in Thousands)	Three Months Ended 06/30/2026	Three Months Ended 03/31/2026	Three Months Ended 06/30/2025	Six Months Ended 06/30/2026	Six Months Ended 06/30/2025
Adjusted Non-Interest Expense (from above)	$ 50,382	$ 52,368	$ 48,588	$ 102,750	$ 95,438
Less: Intangible Amortization	2,362	2,471	2,803	4,833	4,873
Adjusted Non-Interest Expense excluding Intangible Amortization	$ 48,020	$ 49,897	$ 45,785	$ 97,917	$ 90,565
Net Interest Income	$ 81,208	$ 78,851	$ 73,155	$ 160,059	$ 139,727
Add: FTE Adjustment	1,390	1,350	1,270	2,739	2,589
Net Interest Income (FTE)	82,598	80,201	74,425	162,798	142,316
Non-Interest Income	18,746	17,226	16,733	35,972	31,573
Total Adjusted Total Revenue	$ 101,344	$ 97,427	$ 91,158	$ 198,770	$ 173,889
Efficiency Ratio	47.38%	51.21%	51.25%	49.26%	56.04%
Adjusted Efficiency Ratio	47.38%	51.21%	50.23%	49.26%	52.08%

Non-GAAP Reconciliation – Net Interest Margin (Dollars in Thousands)	Three Months Ended 06/30/2026	Three Months Ended 03/31/2026	Three Months Ended 06/30/2025	Six Months Ended 06/30/2026	Six Months Ended 06/30/2025
Net Interest Income (FTE) from above	$ 82,598	$ 80,201	$ 74,425	$ 162,798	$ 142,316
Less: Accretion of Discount on Acquired Loans	$ 3,235	$ 3,456	$ 3,483	$ 6,691	$ 7,675
Adjusted Net Interest Income (FTE)	$ 79,363	$ 76,745	$ 70,942	$ 156,107	$ 134,641
Average Earning Assets	$ 7,697,610	$ 7,596,813	$ 7,605,113	$ 7,647,490	$ 7,265,693
Net Interest Margin (FTE)	4.30%	4.26%	3.92%	4.28%	3.94%
Adjusted Net Interest Margin (FTE)	4.13%	4.08%	3.74%	4.11%	3.73%

GERMAN AMERICAN BANCORP, INC.
NON-GAAP RECONCILIATIONS

Non-GAAP Reconciliation – Return on Average Assets (Dollars in Thousands)	Three Months Ended 06/30/2026	Three Months Ended 03/31/2026	Three Months Ended 06/30/2025	Six Months Ended 06/30/2026	Six Months Ended 06/30/2025
Adjusted Net Income	$ 38,172	$ 33,152	$ 32,058	$ 71,324	$ 59,345
Average Assets	$ 8,481,845	$ 8,380,732	$ 8,424,328	$ 8,431,568	$ 8,028,766
Return on Average Assets, as reported	1.80%	1.58%	1.49%	1.69%	1.04%
Return on Average Assets, as adjusted	1.80%	1.58%	1.52%	1.69%	1.48%

Non-GAAP Reconciliation – Return on Average Equity (Dollars in Thousands)	Three Months Ended 6/30/2026	Three Months Ended 3/31/2026	Three Months Ended 6/30/2025	Six Months Ended 6/30/2026	Six Months Ended 6/30/2025
Adjusted Net Income	$ 38,172	$ 33,152	$ 32,058	$ 71,324	$ 59,345
Average Equity	$ 1,191,283	$ 1,184,292	$ 1,048,227	$ 1,187,807	$ 990,129
Return on Average Equity, as reported	12.82%	11.20%	11.97%	12.01%	8.46%
Return on Average Equity, as adjusted	12.82%	11.20%	12.23%	12.01%	11.99%

Non-GAAP Reconciliation – Return on Average Tangible Common Equity (Dollars in Thousands)	Three Months Ended			Six Months Ended	
	6/30/2026	3/31/2026	6/30/2025	6/30/2026	6/30/2025
Adjusted Net Income	$ 38,172	$ 33,152	$ 32,058	$ 71,324	$ 59,345
Average Equity, as reported	$ 1,191,283	$ 1,184,292	$ 1,048,227	$ 1,187,807	$ 990,129
Average Intangibles, as reported	405,463	407,940	417,016	406,694	378,011
Average Tangible Common Equity	$ 785,820	$ 776,352	$ 631,211	$ 781,113	$ 612,118
Return on Average Tangible Common Equity, as reported	19.43%	17.08%	19.87%	18.26%	13.68%
Return on Average Tangible Common Equity, as adjusted	19.43%	17.08%	20.32%	18.26%	19.39%

D. Neil Dauby, Chairman and Chief Executive Officer

Bradley M. Rust, President and Chief Financial Officer

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Source: German American Bancorp, Inc.