German American Bancorp, Inc.

NEWS RELEASE

German American Bancorp, Inc. Announces Successful Conclusion of Shareholder Rights Offering

2009-04-28

JASPER, Ind., April 28, 2009 (GLOBE NEWSWIRE) -- German American Bancorp, Inc. (Nasdaq:GABC) announced today that shareholders of the Company subscribed to purchase $19,250,000 principal amount of the Company's proposed new issue of 8% redeemable subordinated debentures due 2019 prior to the expiration of the Company's rights offering on April 23, 2009. Pursuant to the terms of the rights offering, the Company had offered to issue and sell only $15,000,000 principal amount of debentures. The Company, however, has exercised its option under the terms of the offer to accept all of these subscriptions. Accordingly, the Company will issue $19,250,000 principal amount of debentures, for a purchase price to the Company (before offering expenses) of $19,250,000, at a closing that is scheduled to be held April 30, 2009. The debentures will bear interest at 8% per annum from and after the date of initial issue.

Commenting on the successful conclusion of the rights offering, Mark Schroeder, President & Chief Executive Officer, said, "We are extremely pleased that our shareholders have demonstrated their confidence in German American through their overwhelming support of our subordinated debentures rights offering. It is particularly gratifying that at a time when many of the nation's financial institutions are dependent upon the federal government to provide their capital, German American has been able to rely upon its shareholders, not the federal government, for this addition to our regulatory capital base. While German American has no immediate need for additional capital, as we achieved record net income in 2008, and our Company continues to be well-capitalized under all applicable banking agency regulatory standards, raising additional regulatory capital now will further strengthen our capital base and serve as additional protection from any impact of the current economic downturn. Additionally, we believe our markets will present additional loan opportunities to us in the future, and this additional regulatory capital will provide us with the ability to make these additional loans while remaining a well-capitalized institution for bank regulatory purposes."

German American Bancorp, Inc. is a financial services holding company based in Jasper, Indiana. The Company's Common Stock is traded on the NASDAQ Global Select Market under the symbol GABC. The principal subsidiary of German American Bancorp, Inc. is its banking subsidiary, German American Bancorp which operates through six community banking affiliates with 28 retail banking offices in the ten contiguous Southern Indiana counties of Daviess, Dubois, Gibson, Knox, Lawrence, Martin, Monroe, Perry, Pike, and Spencer. German American Bancorp owns a trust, brokerage and financial planning subsidiary which operates from its banking offices and a full line property and casualty insurance agency with seven branch offices throughout its market area.

Forward Looking Statements

The Company's statements in this press release regarding its expectations that the new debentures will constitute regulatory capital and concerning future opportunities in its market area for additional loans and that the additional capital will position it to make additional loans, are all "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Readers are cautioned that, by their nature, forward-looking statements are based on assumptions and are subject to risks, uncertainties, and other factors. 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 the press release. Factors that could cause actual experience to differ from the expectations implied in this press release include changes in interest rates; changes in competitive conditions; the introduction, withdrawal, success and timing of asset/liability management strategies or of mergers and acquisitions and other business initiatives and strategies; changes in customer borrowing, repayment, investment and deposit practices; changes in fiscal, monetary and tax policies; changes in financial and capital markets; continued deterioration in general economic conditions, either nationally or locally, resulting in, among other things, credit quality deterioration and dampened loan demand; actions of the Federal Reserve Board; changes in accounting principles and interpretations; and actions of the Department of the Treasury and the Federal Deposit Insurance Corporation under the Emergency Economic Stabilization Act of 2008 and the Federal Deposit Insurance Act and other legislative and regulatory actions and reforms. These forward-looking statements speak only as of the date of this press release and German American undertakes no obligation to update any such forward-looking statement to reflect events or circumstances that occur after the date hereof.

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