

GERMAN AMERICAN BANCORP, INC.

Form 424B3

November 17, 2010

**Filed pursuant to Rule 424(b)(3)
Registration No.333-170068**

Dear Shareholder of American Community Bancorp, Inc.:

American Community Bancorp, Inc. (which we refer to as *American Community*) proposes to merge with and into German American Bancorp, Inc. (which we refer to as *German American*). At the effective time of the proposed merger, each outstanding share of American Community's common stock (other than shares then held of record by German American or by shareholders who perfect and do not withdraw their dissenters' rights under Indiana law) would be converted into the right to receive:

0.725 shares of German American common stock (or cash in lieu of fractional share interests), plus a cash payment of \$2.00 (unless earlier paid by American Community with respect to its shares under a special pre-merger 2010 cash dividend of that same amount that it has contingently declared for payment on December 30, 2010 to holders of record on December 15, 2010).

Had this proposed merger become effective on November 12, 2010, you would have received shares German American valued (on the basis of the NASDAQ Official Closing Price of German American's shares on that day) at \$12.85 per American Community share, plus a cash payment of \$2.00 (either as part of the proposed special dividend or as merger consideration), for total equivalent merger consideration of \$14.85 per American Community share. See

SUMMARY Per Share Data, on pages 13 and 14, for the method of calculation of this equivalent merger consideration as of any given date. The total equivalent merger consideration will vary in market value, through the date of completion of the merger and thereafter, with the changes in the market value of German American's shares reported by NASDAQ.

American Community will hold a special meeting of its shareholders to vote on the merger proposal at Evansville Country Club, 3810 Stringtown Road, Evansville, Indiana 47711 on December 22, 2010, at 8 a.m., local time. **Your vote is important, because your failure to vote will have the same effect as your voting against the merger proposal.** Regardless of whether you plan to attend the special meeting, please take the time to vote your shares in accordance with the instructions contained in the attached proxy statement/prospectus.

American Community's board of directors recommends that you vote FOR the merger.

This proxy statement/prospectus describes the special meeting, the merger proposal, the special contingent pre-merger cash dividend, the German American shares to be issued in the merger, and other related matters. Please carefully read this entire document, including RISK FACTORS beginning on page 15, for a discussion of the risks relating to the merger proposal and the German American common shares. You also can obtain information about German American from documents that it has filed with the Securities and Exchange Commission. See WHERE YOU CAN FIND MORE INFORMATION.

Neither the Securities and Exchange Commission nor any state securities commission or regulatory body has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The securities are not savings accounts, deposits or obligations of any bank and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

The date of this Proxy Statement/Prospectus is November 17, 2010

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AVAILABLE INFORMATION

As permitted by the rules of the U.S. Securities and Exchange Commission, this document incorporates certain important business and financial information about German American from other documents that are not included in or delivered with this document. These documents are available to you without charge upon your written or oral request. Your requests for these documents should be directed to the following:

German American Bancorp, Inc.
711 Main Street, Box 810
Jasper, Indiana 47546-0810
Attention: Terri A. Eckerle
Shareholder Relations
(812) 482-1314

In order to ensure timely delivery of these documents, you should make your request by December 15, 2010, to receive them before the special meeting.

You can also obtain documents incorporated by reference in this document through the SEC's website at www.sec.gov. See WHERE YOU CAN FIND MORE INFORMATION beginning on page 108.

The common shares of German American are traded on the NASDAQ Global Select Market under the symbol GABC, and the common shares of American Community are quoted by brokers and dealers on the Over-the-Counter Bulletin Board under the symbol ACBP.

All information in this proxy statement/prospectus concerning German American and its subsidiaries has been furnished by German American, and all information in this proxy statement/prospectus concerning American Community has been furnished by American Community.

You should rely only on the information contained or incorporated by reference in this proxy statement/prospectus to vote on the proposals to American Community's shareholders in connection with the merger. We have not authorized anyone to provide you with information that is different from what is contained in this proxy statement/prospectus.

This proxy statement/prospectus is dated November 17, 2010. You should not assume that the information contained in this proxy statement/prospectus is accurate as of any date other than such date, and neither the mailing of this proxy statement/prospectus to shareholders nor the issuance of German American shares as contemplated by the merger agreement shall create any implication to the contrary.

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AMERICAN COMMUNITY BANCORP, INC.

Notice of Special Meeting of Shareholders to be held December 22, 2010

A special meeting of shareholders of American Community Bancorp, Inc., an Indiana corporation (American Community), will be held at 8 a.m., local time, on December 22, 2010, at Evansville Country Club, located at 3810 Stringtown Road, Evansville, Indiana 47711. Any adjournments or postponements of the special meeting will be held at the same location unless otherwise announced at the conclusion of the adjourned or postponed meeting session.

At the special meeting, you will be asked:

1. to consider and vote upon a proposal to approve the Agreement and Plan of Reorganization, dated as of October 4, 2010, as amended (which we refer to as the merger agreement), which has been entered into by and among American Community, German American Bancorp, Inc. (which we refer to as German American), Bank of Evansville, and German American Bancorp (including the related plan of merger in the form that is attached to the merger agreement), and thereby to approve the transactions contemplated by the merger agreement, including the merger of American Community into German American;
2. to approve one or more adjournments of the special meeting (upon the motion of any shareholder of record entitled to vote thereon duly made and seconded) if necessary to permit further solicitation of proxies in favor of the merger agreement and the proposed merger; and
3. to transact such other business as may be properly presented at the special meeting and any adjournments or postponements of the special meeting.

The accompanying proxy statement/prospectus describes the merger agreement and the proposed merger in detail, and includes a copy of the merger agreement (which includes the plan of merger) as an exhibit. We urge you to read these materials carefully. The proxy statement/prospectus (and such exhibit) forms a part of this notice.

The board of directors of American Community recommends that American Community shareholders vote FOR the proposal to approve the merger agreement and FOR the proposal to approve adjournments.

The board of directors of American Community has fixed the close of business on November 12, 2010 as the record date for determining the shareholders entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting.

Under Indiana law, if the merger is completed, American Community shareholders of record who do not vote to approve the merger agreement will be entitled to exercise dissenters' rights and obtain payment in cash of the fair value of their shares of American Community common stock by following the procedures set forth in detail in the applicable Indiana statutory provisions, which are included as Annex C to the accompanying proxy statement/prospectus.

To ensure your representation at the special meeting, please follow the voting procedures described in the accompanying proxy statement/prospectus. This will not prevent you from voting in person. Your proxy may be revoked at any time before it is voted.

By Order of the Board of Directors

Marc D. Fine, Secretary

Evansville, Indiana
November 17, 2010

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QUESTIONS AND ANSWERS

The following questions and answers are intended to address some commonly-asked questions regarding the proposed merger and the special meeting. These questions and answers may not address all the questions that may be important to you as one of American Community's shareholders. Please refer to the more detailed information contained elsewhere in this proxy statement/prospectus, the annexes to this proxy statement/prospectus, and the documents referred to or incorporated by reference in this proxy statement/prospectus.

Q: What am I being asked to vote on? What is the proposed transaction?

A: You are being asked to vote in favor of approving a merger agreement (including a plan of merger) between American Community Bancorp, Inc. (which we refer to as American Community) and German American Bancorp, Inc. (which we refer to as German American), and approving the transactions contemplated by the merger agreement, including the merger of American Community with and into German American. We refer to this proposal as the merger agreement proposal. As a result of the merger contemplated by the merger agreement proposal, American Community will cease to exist and American Community's bank subsidiary, Bank of Evansville, will merge into German American's bank subsidiary.

You are also being asked to approve one or more adjournments of the special meeting that will be convened to consider approving the merger agreement proposal (upon the motion of any shareholder of record entitled to vote thereon duly made and seconded) if necessary to permit further solicitation of proxies in favor of the merger agreement proposal, which we refer to as the adjournment proposal.

Q: What will I be entitled to receive in the merger?

A: If the merger is completed, and you continue through the effective time of the merger to hold your American Community shares (and do not exercise your statutory dissenters rights), you will be entitled to receive for (or in respect of) your American Community shares both:

Newly-issued common shares of German American at the exchange ratio of 0.725 shares of German American common stock for each American Community share (plus cash in lieu of any fractional share interest); and
A cash payment (payable either in the form of a special cash dividend that has been contingently declared for payment by American Community on December 30, 2010 to shareholders of record on December 15, 2010 or in the form of additional consideration payable by German American in 2011 as part of the merger) of \$2.00 per American Community share.

Q: Am I entitled to dissenters rights (sometimes also called appraisal rights)?

A: Yes. Indiana law provides you with dissenters' rights in the merger. This means that, if you exactly comply with certain legal requirements specified by law, you will be entitled to receive payment in cash of the fair value (as determined by a court in accordance with Indiana law) of your shares, excluding any appreciation in value that results from the merger. To exercise your dissenters' rights you must deliver written notice of your intent to demand payment for your shares to American Community at or before the special meeting of our shareholders and you must not vote in

favor of the merger. Notices should be addressed to Corporate Secretary, American Community Bancorp, Inc., 4424 Vogel Road, Evansville, Indiana 47715. Your failure to follow exactly the procedures specified under Indiana law will result in the loss of your dissenters' rights. A copy of the dissenters' rights provisions of Indiana law is provided as Annex C to this document. See **RIGHTS OF DISSENTING SHAREHOLDERS** on page 102.

Q: Why do American Community and German American want to merge?

A: American Community believes that the proposed merger will provide American Community shareholders with substantial benefits, and German American believes that the merger will further its strategic growth plans. As a larger company, German American can provide the capital and resources that American Community needs to compete more effectively and to offer a broader array of products and services to better serve its banking customers. To review the reasons for the merger in more detail, see **THE MERGER - Reasons for the Merger - German American** on page 43 and **THE MERGER - Reasons for the Merger - American Community** on page 41.

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Q: What vote is required to adopt the two proposals at the special meeting?

A: Holders of a majority of the issued and outstanding shares of American Community common stock (determined on the record of our shareholders as of November 12, 2010, the record date for the meeting) must vote in favor of the proposal to approve the merger agreement. Abstentions and broker non-votes will have the same effect as shares voted against the merger agreement proposal.

Approval of the adjournment proposal will require the affirmative vote of a majority of the voting power of the shares of American Community that are present in person or represented by proxy at the special meeting and entitled to vote on the adjournment proposal. Abstentions will have the same effect as shares voted against the adjournment proposal, and broker non-votes will not affect whether the adjournment proposal is approved.

Q: Have any American Community shareholders already committed to vote in favor of the merger proposal?

A: As of the record date, German American beneficially owned 199,939 shares (9.2% of our shares then issued and outstanding), and had obtained the agreement of another shareholder of American Community (holding as of the record date an additional 166,083, shares, or an additional 7.7 percent of our shares then issued and outstanding) to vote in favor of the merger proposal.

Q: How many shares do American Community's directors and executive officers control?

A: American Community's directors and executive officers (in the aggregate) had the sole or shared right to vote approximately 866,532 of the outstanding American Community shares, or approximately 39.8% of American Community's shares then outstanding, as of the record date for the special meeting. See OTHER IMPORTANT INFORMATION REGARDING AMERICAN COMMUNITY Director and Executive Officer Beneficial Ownership on page 93.

Q: When and where is the American Community special meeting?

A: The special meeting of American Community shareholders is scheduled to take place at Evansville Country Club, located at 3810 Stringtown Road, Evansville, Indiana 47711, at 8 a.m., local time, on December 22, 2010.

Q: Who is entitled to vote at the American Community special meeting?

A: Holders of shares of American Community common stock at the close of business on November 12, 2010, which is the record date, are entitled to vote on the proposal to approve the merger agreement. As of the record date, 2,177,850 shares of American Community common stock were outstanding and entitled to vote.

Q: Why do American Community and German American want to merge?

Q: If I plan to attend the American Community special meeting in person, should I still grant my proxy?

A: Yes. Whether or not you plan to attend the American Community special meeting, you should grant your proxy as described in this proxy statement/prospectus. **The failure of an American Community shareholder to vote in person or by proxy will have the same effect as a vote AGAINST approval of the merger agreement.**

Q: What is the recommendation of the American Community board of directors?

A: The American Community board of directors has determined that the merger agreement (including the plan of merger attached as Appendix A to that agreement) and the merger contemplated by the merger agreement (and plan of merger) are advisable, fair to, and in the best interests of, American Community and its shareholders. Therefore, the American Community board of directors recommends that you vote FOR the proposal to approve the merger agreement proposal, and also that you vote FOR the adjournment proposal.

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Q: What do I need to do now to vote my shares of American Community?

After you have carefully read and considered the information contained in this proxy statement/ prospectus, please vote by completing, signing, dating and returning the proxy card or voting form that accompanies this proxy statement/prospectus in the enclosed prepaid return envelope as soon as possible. This will enable your shares to be represented and voted at the special meeting.

Q: If my shares are held in street name by my broker, will they automatically vote my shares for me?

A: No. Your broker will not be able to vote your shares of American Community common stock on the proposal to adopt the merger agreement unless you provide instructions on how to vote. Please instruct your broker how to vote your shares, following the directions that your broker provides. If you do not provide instructions to your broker on the proposal to adopt the merger agreement, your shares will not be voted, and this will have the effect of voting against the adoption of the merger agreement. Please check the voting form used by your broker to see if it offers telephone or Internet voting.

Q: May I change or revoke my vote after submitting a proxy?

A: Yes.

If you have not voted through your broker, you can change your vote by:

providing written notice of revocation to the Corporate Secretary of American Community, which must be filed with the Corporate Secretary by the time the special meeting begins;

submitting a new proxy card (any earlier proxies will be revoked automatically); or
attending the special meeting and voting in person. Any earlier proxy will be revoked. However, simply attending the special meeting without voting will not revoke your proxy.

If you have instructed a broker to vote your shares, you must follow your broker's directions to change your vote.

Q: What are the material U.S. federal income tax consequences of the merger to me?

A: German American and American Community expect the merger to qualify as a reorganization for U.S. federal income tax purposes. If the merger qualifies as a reorganization, then, in general, for U.S. federal income tax purposes:

American Community shareholders generally will recognize gain (but not loss) in an amount not to exceed the cash received as part of the merger consideration (whether received as a dividend from American Community in 2010 or as cash from German American in 2011) and will recognize gain or loss with respect to any cash received in lieu of fractional shares of German American common stock; and

American Community shareholders will not recognize gain (or loss) as a result of receiving shares of German American common stock in the merger.

To review the tax consequences of the merger to American Community shareholders in greater detail, please see the section MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES beginning on page 105.

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Q: When is the merger expected to be completed?

A: We will try to complete the merger as soon as possible. Before that happens, the merger agreement (including the plan of merger) must be approved by American Community's shareholders and we must obtain the necessary regulatory approvals. Assuming shareholders vote at least a majority of the issued and outstanding shares of American Community in favor of the merger agreement at the scheduled shareholders meeting (without the need for any adjournment) and we obtain the other necessary approvals in a timely fashion, we hope to close the merger on December 30, 2010. Upon closing of the merger as hoped on December 30, 2010, American Community would (assuming all regulatory approvals to do so are then in hand) pay the proposed special cash dividend on the closing date to its shareholders (by sending such check by overnight express service or next day United States Postal Service deliveries for December 31 delivery), and German American would file the necessary documents with the appropriate offices of the State of Indiana to cause the mergers to become effective. Those documents would specify an effective time of the merger of 12:01 a.m. Evansville (Indiana) time on January 1, 2011. If the merger closes later than December 30, 2010 (which might happen for reasons such as delays in obtaining required approvals or in satisfying other closing conditions), then no special 2010 cash dividend would be paid and, instead, the \$2.00 cash payment (assuming the merger is completed in 2011) would be a cash payment to which American Community shareholders would be entitled to receive from German American as part of the merger during 2011.

Q: Is completion of the merger subject to any conditions besides shareholder approval?

A: Yes. The transaction must receive the required regulatory approvals, and there are other customary closing conditions that must be satisfied (or waived, if applicable). To review the conditions of the merger in more detail, see THE MERGER AGREEMENT Conditions to Completion of the Merger on page 58.

Q: Should I send in my stock certificates now?

A: No. You **SHOULD NOT** send in any stock certificates now. If the merger is approved and completed, a stock exchange form and transmittal materials, with instructions for their completion, will be provided to all shareholders of American Community under separate cover and only then should the stock certificates be sent.

Q: Who can answer my other questions?

A: If you have more questions about the merger, or how to submit your proxy, or if you need additional copies of this proxy statement/prospectus or the enclosed proxy form, you should contact Mike Sutton of American Community, at (812) 962-2265.

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SUMMARY

The following summary, together with the section of the proxy statement/prospectus entitled Questions and Answers, highlight selected information contained in this proxy statement/prospectus. It may not contain all of the information that might be important in your consideration of the merger agreement and the proposed merger. We encourage you to read carefully this proxy statement/prospectus and the documents we have incorporated by reference into this proxy statement/prospectus in their entirety before voting. See Where You Can Find More Information.

In this proxy statement/prospectus, the term American Community refers to American Community Bancorp, Inc., the term German American refers to German American Bancorp, Inc., the terms we or us or our refer to American Community and German American, the term merger agreement refers to that certain Agreement and Plan of Reorganization, dated as of October 4, 2010, as amended by a certain First Amendment thereto dated October 27, 2010, and as it may be amended from time to time, among German American, American Community, and their banking subsidiaries, a copy of which is attached as Annex A to the proxy statement/prospectus, the term merger refers to the merger of American Community with and into German American pursuant to the merger agreement, and the term shares refers to the shares of common stock of German American or American Community (as applicable in context). Where appropriate, we have set forth a section and page reference directing you to a more complete description of the topics described in this summary.

Information about the Companies

German American Bancorp, Inc. (page 21)

711 Main Street, Box 810
Jasper, Indiana 47547-0810
(812) 482-1314

German American, an Indiana corporation, is a financial services holding company based in Jasper, Indiana. German American (through its bank subsidiary) operates 30 retail banking offices (including two branches in the Evansville, Indiana metropolitan area that German American acquired on May 7, 2010, from another bank) in twelve contiguous Southern Indiana counties. German American indirectly owns a trust, brokerage, and financial planning subsidiary (German American Financial Advisors & Trust Company) that operates from German American's banking offices and a full line property and casualty insurance agency (German American Insurance, Inc.) with seven insurance agency offices throughout German American's market area. As of September 30, 2010, German American had total deposits of approximately \$1.083 billion, total assets of approximately \$1.356 billion and shareholders' equity of approximately \$123 million.

American Community Bancorp, Inc. (page 22)

4424 Vogel Road
Evansville, Indiana 47715
(812) 962-2265

American Community, an Indiana corporation, is a bank holding company headquartered in Evansville, Indiana. Its wholly owned subsidiary, Bank of Evansville, provides a full range of commercial and consumer banking services in the Evansville, Indiana, area, from three banking offices located on the east, west and north sides of the city. At

September 30, 2010, American Community reported total assets of approximately \$326 million, total loans of approximately \$243 million, and total deposits of approximately \$282 million.

The Merger and the Merger Agreement (pages 11 and 53)

American Community's merger into German American is governed by the merger agreement, and the related plan of merger that is Appendix A to the merger agreement. The merger agreement provides that, if all of the conditions are satisfied or waived, American Community will be merged with and into German American with German American surviving the merger and American Community ceasing to exist. We encourage you to read the merger agreement, which is included as Annex A to this proxy statement/ prospectus.

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What American Community Shareholders Will Receive as a Result of the Merger (page 51)

If the merger is completed, each of your shares of American Community that you own of record immediately before the effective time of the merger will be converted (pursuant to the terms of the merger and effective as of its effective time) into the right to receive (a) 0.725 shares of German American (cash will be paid in lieu of fractional share interests) plus (b) a cash payment of \$2.00 (unless earlier paid by American Community with respect to its shares under a special pre-merger 2010 cash dividend of that same amount that American Community has contingently declared).

The Contingent 2010 Pre-Merger Cash Dividend and its Relationship to the Merger Proposal (pages 51 and page 54)

The Board of Directors of Bank of Evansville has contingently declared a dividend payable to American Community (its sole shareholder), and the Board of Directors of American Community has contingently declared a dividend payable to its shareholders (including German American, in respect of the American Community shares owned by German American) of \$2.00 per share. The record date for each of these dividends is December 15, 2010, and the payment date for each of these dividends is December 30, 2010, preceding the hoped-for January 1, 2011 effective time of the merger. Each of these dividends has been declared contingent upon, and subject to, the closing of the merger being completed on December 30, 2010, and to the receipt of all regulatory approvals for such proposed dividends; the payment of such dividends is therefore not assured.

If the payment of such dividends is made on December 30, 2010, then the amount of such dividend (\$2.00 per American Community share) will reduce the cash amount (\$2.00 per former American Community share) that otherwise would be payable under the merger agreement, and German American would therefore not owe any cash amount (other than cash payable in respect of any fractional share interests) to former American Community shareholders under the merger agreement.

On the other hand, if the payment of such dividends does not occur on December 30, 2010, because a condition to the payment of such dividend is not satisfied, then such dividends will not be paid at any later time, and instead will be cancelled. In that event, and assuming that the merger of American Community into German American later becomes effective, shareholders of American Community as of the effective time of that merger will be entitled by the merger agreement to receive the equivalent cash amount (\$2.00 per American Community share) as part of the consideration payable by German American under the merger agreement.

Board of Directors of German American (and its Bank Subsidiary) Following Completion of the Merger (pages 60 and 108)

As required by the merger agreement, German American intends to add two of the current members of the board of directors of American Community to its board of directors (and to the board of directors of its bank subsidiary) promptly following the effective time of the merger. German American has not yet selected the members of American Community's board of directors who will be asked to join German American's board of directors. Except for the addition of these two additional directors, the board of directors of German American and of its banking subsidiary will be the same as the boards of directors of such companies immediately prior to the effective time of the merger. Information about the current German American directors and executive officers can be found in German American's annual report on Form 10-K for its year ended December 31, 2009, its proxy statement for its 2010 annual meeting

and its other SEC reports that are incorporated in this proxy statement/prospectus by reference. See WHERE YOU CAN FIND MORE INFORMATION.

Anticipated Accounting Treatment (Page 51)

The merger will be accounted for under the acquisition method of accounting. Under the acquisition method, the purchase price will be allocated to identifiable assets and assumed liabilities based on their fair values. Any excess will be accounted for as goodwill. Intangible assets with definite lives will be amortized over their estimated useful lives. Goodwill and intangible assets determined to have indefinite lives will not be

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amortized, but will be tested for impairment at least annually (more frequently if certain indicators are present). In the event that management of German American determines that the value of goodwill or intangible assets has become impaired, an impairment charge will be recorded in the fiscal quarter in which such determination is made. Also, costs related to the merger will be expensed during the period in which they are incurred.

Opinion of American Community's Financial Advisor (page 43)

In connection with the merger, the American Community board of directors received an oral opinion, confirmed by a written opinion dated October 4, 2010, from American Community's financial advisor, Stifel, Nicolaus & Company, Incorporated, which we refer to as Stifel, to the effect that, as of the date of the opinion and based on and subject to the various considerations described in the opinion, the consideration to be paid to holders of American Community's shares in the proposed merger was fair, from a financial point of view, to those holders. The full text of Stifel's written opinion, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Stifel in rendering its opinion, is attached to this document as Annex B. We encourage you to read the entire opinion carefully. The opinion of Stifel is directed to the American Community board of directors and does not constitute a recommendation to any American Community shareholder as to how to vote at the American Community special meeting or any other matter relating to the proposed merger.

Recommendation of American Community Board of Directors (page 41)

The American Community board of directors has approved and adopted the merger agreement and the proposed merger. The American Community board believes that the merger agreement, including the merger contemplated by the merger agreement (considered in conjunction with the special 2010 cash dividend that the board intends to contingently declare pursuant to the terms and conditions of the merger agreement) is advisable and fair to, and in the best interests of, American Community and its shareholders, and therefore recommends that American Community shareholders vote FOR the proposal to adopt the merger agreement and the related plan of merger. In its reaching this decision, American Community's board of directors considered many factors, which are described in the section captioned THE MERGER Reasons for the Merger American Community beginning on page 41.

Regulatory Approvals (page 50)

Under the terms of the merger agreement, the merger cannot be completed until German American and American Community and their bank subsidiaries have received the necessary regulatory approvals for the merger of American Community and German American and the merger of the bank subsidiaries. Filings have been made with all regulatory authorities who are believed by German American and American Community to have authority to grant such approvals, and such filings are under consideration by such authorities but have not yet been approved as of the date of this proxy statement/prospectus.

Conditions to the Merger (page 58)

The completion of the merger is subject to the fulfillment of a number of conditions, including:

approval of the merger agreement at the special meeting by a majority of American Community's issued and outstanding shares;

approval of the transaction by the appropriate regulatory authorities; and

the representations and warranties made by the parties in the merger agreement must be true in all material respects as of the closing date of the merger, except for such changes as have not had, and can not reasonably be expected to

have, any effect that is material and adverse to the financial position, results of operations or business of the relevant party, taken as a whole.

Termination (page 59)

The merger agreement may be terminated by mutual consent of German American and American Community at any time prior to the filing of the articles of merger with the Indiana Secretary of

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State on the date of closing of the merger. Additionally, subject to conditions and circumstances described in the merger agreement, either German American or American Community may terminate the merger agreement prior to the filing of the articles of merger if, among other things, any of the following occur:

the closing of the merger has not occurred by March 31, 2011;

American Community's shareholders do not adopt the merger agreement at the special meeting by the requisite vote; there is a material breach by the other party of any representation or warranty contained in the merger agreement (other than those breaches that together with other breaches arising after the date of the merger agreement, do not have a material adverse effect on such other party as defined by the merger agreement, which breach cannot be cured, or has not been cured within 30 days after the giving of written notice to the other party of such breach); there is a breach by the other party in any material respect of any of its covenants or agreements contained in the merger agreement, which breach cannot be cured, or has not been cured within 30 days after the giving of written notice to the other party of such breach; or

in the event of certain adverse regulatory determinations.

In addition, German American may terminate the merger agreement if the number of outstanding American Community shares held by persons exercising dissenters' rights under Indiana law exceeds a specified amount.

Termination Fee (page 60)

If shareholders of American Community fail to approve the merger agreement at the special meeting under certain circumstances involving the making of a competing acquisition proposal for American Community after the date of the merger agreement and prior to the special meeting which is publicly disclosed to the shareholders of American Community prior to the special meeting, and within twelve months following the termination of the merger agreement either American Community or Bank of Evansville enters into an agreement to be acquired by a party other than German American, then American Community would owe German American a termination fee of \$1,500,000.

Interests of Officers and Directors in the Merger That are Different From Yours (page 49)

In considering the recommendation of the board of directors of American Community to adopt the merger agreement, you should be aware that executive officers and directors of American Community have employment and other compensation agreements or plans that give them interests in the merger that may be different from, or in addition to, their interests as American Community shareholders. These interests and agreements include:

employment agreements that provide for severance payments and other benefits following a change in control and a termination of employment by the employer for reasons other than cause, disability, retirement or death or by the employee for good reason;

replacement employment agreements that German American entered into with each of Michael S. Sutton, American Community's chief executive officer, and John Schenk, American Community's chief financial officer (in each case, subject to and effective only if the merger with German American is completed), pursuant to which the executives agreed to non-competition agreements and certain other restrictions and agreements in consideration for their becoming entitled to receive future severance payments and health insurance benefits;

the accelerated vesting of all outstanding unvested stock options held by American Community directors and executive officers and the agreement by German American to pay cash in connection with the completion of the merger in cancellation of such options to such directors and executive officers, in amounts designed to give those executives the benefit of the indicated value of the merger transaction (in excess of the applicable exercise price) without their having to pay cash to exercise their options;

