# Form 5500-SF

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Short Form Annual Return/Report of Small Employee Benefit Plan

This form is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500-SF.**

OMB Nos. 1210-0110
1210-0089

**2009**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

**A** This return/report is for: [X] single-employer plan [ ] multiple-employer plan (not multiemployer) [ ] one-participant plan

**B** This return/report is for: [ ] first return/report [ ] final return/report
[ ] an amended return/report [ ] short plan year return/report (less than 12 months)

**C** Check box if filing under: [ ] Form 5558 [ ] automatic extension [ ] DFVC program
[ ] special extension (enter description)

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
EMPLOYEES' PENSION PLAN OF GERMAN AMERICAN BANCORP, INC.

**1b** Three-digit plan number (PN) ▶ 002

**1c** Effective date of plan 04/01/1961

**2a** Plan sponsor's name and address (employer, if for single-employer plan)
GERMAN AMERICAN BANCORP, INC.

711 MAIN STREET, P.O. BOX 810
JASPER, IN 47547-0810

**2b** Employer Identification Number (EIN) 35-1547518

**2c** Plan sponsor's telephone number 812-482-1314

**2d** Business code (see instructions) 522110

**3a** Plan administrator's name and address (if same as Plan sponsor, enter "Same")
GERMAN AMERICAN BANCORP, INC. 711 MAIN STREET, P.O. BOX 810
JASPER, IN 47547-0810

**3b** Administrator's EIN 35-1547518

**3c** Administrator's telephone number 812-482-1314

**4** If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN, and the plan number from the last return/report. Sponsor's name

**4b** EIN

**4c** PN

| | | |
|---|---|---|
| **5a** Total number of participants at the beginning of the plan year | **5a** | 40 |
| **b** Total number of participants at the end of the plan year | **5b** | 32 |
| **c** Total number of participants with account balances as of the end of the plan year (defined benefit plans do not complete this item) | **5c** | |

**6a** Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) [X] Yes [ ] No

**b** Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.) [X] Yes [ ] No

**If you answered "No" to either 6a or 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.**

## Part III Financial Information

| **7** Plan Assets and Liabilities | | **(a) Beginning of Year** | **(b) End of Year** |
|---|---|---|---|
| **a** Total plan assets | **7a** | 331541 | 300228 |
| **b** Total plan liabilities | **7b** | | |
| **c** Net plan assets (subtract line 7b from line 7a) | **7c** | 331541 | 300228 |

| **8** Income, Expenses, and Transfers for this Plan Year | | **(a) Amount** | **(b) Total** |
|---|---|---|---|
| **a** Contributions received or receivable from: **(1)** Employers | **8a(1)** | 35326 | |
| **(2)** Participants | **8a(2)** | | |
| **(3)** Others (including rollovers) | **8a(3)** | | |
| **b** Other income (loss) | **8b** | 3824 | |
| **c** Total income (add lines 8a(1), 8a(2), 8a(3), and 8b) | **8c** | | 39150 |
| **d** Benefits paid (including direct rollovers and insurance premiums to provide benefits) | **8d** | 70463 | |
| **e** Certain deemed and/or corrective distributions (see instructions) | **8e** | | |
| **f** Administrative service providers (salaries, fees, commissions) | **8f** | | |
| **g** Other expenses | **8g** | | |
| **h** Total expenses (add lines 8d, 8e, 8f, and 8g) | **8h** | | 70463 |
| **i** Net income (loss) (subtract line 8h from line 8c) | **8i** | | -31313 |
| **j** Transfers to (from) the plan (see instructions) | **8j** | | |

## Part IV Plan Characteristics

**9a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1A 1G 1I 3D

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

## Part V Compliance Questions

| 10 During the plan year: | | Yes | No | Amount |
|---|---|---|---|---|
| **a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program) | 10a | | X | |
| **b** Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.) | 10b | | X | |
| **c** Was the plan covered by a fidelity bond? | 10c | X | | 10000000 |
| **d** Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | 10d | | X | |
| **e** Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service or other organization that provides some or all of the benefits under the plan? (See instructions.) | 10e | | X | |
| **f** Has the plan failed to provide any benefit when due under the plan? | 10f | | X | |
| **g** Did the plan have any participant loans? (If "Yes," enter amount as of year end.) | 10g | | X | |
| **h** If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 10h | | | |
| **i** If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3 | 10i | | | |

## Part VI Pension Funding Compliance

**11** Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500)) [X] Yes [ ] No

**12** Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? [ ] Yes [X] No

(If "Yes," complete 12a or 12b, 12c, 12d, and 12e below, as applicable.)

**a** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions, and enter the date of the letter ruling granting the waiver. Month _____ Day _____ Year _____

**If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.**

| | | |
|---|---|---|
| **b** Enter the minimum required contribution for this plan year | 12b | |
| **c** Enter the amount contributed by the employer to the plan for this plan year | 12c | |
| **d** Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount) | 12d | |

**e** Will the minimum funding amount reported on line 12d be met by the funding deadline? [ ] Yes [ ] No [ ] N/A

## Part VII Plan Terminations and Transfers of Assets

**13a** Has a resolution to terminate the plan been adopted during the plan year or any prior year? [ ] Yes [X] No

If "Yes," enter the amount of any plan assets that reverted to the employer this year 13a

**b** Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? [ ] Yes [X] No

**c** If during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

| 13c(1) Name of plan(s): | 13c(2) EIN(s) | 13c(3) PN(s) |
|---|---|---|
| | | |
| | | |

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 07/12/2010 | BRADLEY M. RUST |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |

# SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

**2009**

**This Form is Open to Public Inspection**

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

**A** Name of plan
EMPLOYEES' PENSION PLAN OF GERMAN AMERICAN BANCORP, INC.

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
GERMAN AMERICAN BANCORP, INC.

**D** Employer Identification Number (EIN)
35-1547518

**E** Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

**F** Prior year plan size: [X] 100 or fewer [ ] 101-500 [ ] More than 500

## Part I Basic Information

**1** Enter the valuation date: Month 01 Day 01 Year 2009

| | | | | |
|---|---|---|---|---|
| **2** | Assets: | | | |
| **a** | Market value | | **2a** | 331541 |
| **b** | Actuarial value | | **2b** | 331541 |
| **3** | Funding target/participant count breakdown | | **(1)** Number of participants | **(2)** Funding Target |
| **a** | For retired participants and beneficiaries receiving payment | **3a** | 14 | 282875 |
| **b** | For terminated vested participants | **3b** | 1 | 21192 |
| **c** | For active participants: | | | |
| | **(1)** Non-vested benefits | **3c(1)** | | 88 |
| | **(2)** Vested benefits | **3c(2)** | | 206449 |
| | **(3)** Total active | **3c(3)** | 25 | 206537 |
| **d** | Total | **3d** | 40 | 510604 |
| **4** | If the plan is at-risk, check the box and complete items (a) and (b) [ ] | | | |
| **a** | Funding target disregarding prescribed at-risk assumptions | | **4a** | |
| **b** | Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor | | **4b** | |
| **5** | Effective interest rate | | **5** | 8.29 % |
| **6** | Target normal cost | | **6** | 0 |

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN HERE**

07/01/2010
Signature of actuary — Date

CHARLES D. MUNSELL, III, EA, MSPA
08-04745
Type or print name of actuary — Most recent enrollment number

NYHART
317-845-3570
Firm name — Telephone number (including area code)

8415 ALLISON POINTE BLVD, SUITE 300
INDIANAPOLIS, IN 46260-4159
Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

## Part II Beginning of year carryover and prefunding balances

| | | (a) Carryover balance | (b) Prefunding balance |
|---|---|---|---|
| 7 | Balance at beginning of prior year after applicable adjustments (Item 13 from prior year) | 0 | 0 |
| 8 | Portion used to offset prior year's funding requirement (Item 35 from prior year) | 0 | 0 |
| 9 | Amount remaining (Item 7 minus item 8) | 0 | 0 |
| 10 | Interest on item 9 using prior year's actual return of 2.30 % | | |
| 11 | Prior year's excess contributions to be added to prefunding balance: | | |
| | a Excess contributions (Item 38 from prior year) | | 10203 |
| | b Interest on (a) using prior year's effective rate of 5.95 % | | 607 |
| | c Total available at beginning of current plan year to add to prefunding balance | | 10810 |
| | d Portion of (c) to be added to prefunding balance | | 10810 |
| 12 | Reduction in balances due to elections or deemed elections | 0 | 0 |
| 13 | Balance at beginning of current year (item 9 + item 10 + item 11d – item 12) | 0 | 10810 |

## Part III Funding percentages

| | | | |
|---|---|---|---|
| 14 | Funding target attainment percentage | 14 | 62.81 % |
| 15 | Adjusted funding target attainment percentage | 15 | 62.81 % |
| 16 | Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement | 16 | 46.76 % |
| 17 | If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage | 17 | 64.93 % |

## Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

| (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees | (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees |
|---|---|---|---|---|---|
| 04/09/2009 | 12146 | | | | |
| 07/14/2009 | 12146 | | | | |
| 01/12/2010 | 11034 | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | Totals ► 18(b) | 35326 | 18(c) 0 |

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

| | | |
|---|---|---|
| a Contributions allocated toward unpaid minimum required contribution from prior years. | 19a | 0 |
| b Contributions made to avoid restrictions adjusted to valuation date | 19b | 0 |
| c Contributions allocated toward minimum required contribution for current year adjusted to valuation date | 19c | 33697 |

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

| (1) 1st | (2) 2nd | (3) 3rd | (4) 4th |
|---|---|---|---|
| 0 | 0 | 0 | 0 |

## Part V Assumptions used to determine funding target and target normal cost

**21** Discount rate:

**a** Segment rates:

| 1st segment: % | 2nd segment: % | 3rd segment: % | [X] N/A, full yield curve used |
|---|---|---|---|
| | | | |

**b** Applicable month (enter code) ..... **21b**

| | | |
|---|---|---|
| **22** Weighted average retirement age ..... | **22** | 65 |

**23** Mortality table(s) (see instructions) [X] Prescribed - combined [ ] Prescribed - separate [ ] Substitute

## Part VI Miscellaneous items

| | | |
|---|---|---|
| **24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ..... | | [ ] Yes [X] No |
| **25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ..... | | [ ] Yes [X] No |
| **26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment ..... | | [X] Yes [ ] No |
| **27** If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment ..... | **27** | |

## Part VII Reconciliation of unpaid minimum required contributions for prior years

| | | |
|---|---|---|
| **28** Unpaid minimum required contribution for all prior years ..... | **28** | |
| **29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a) ..... | **29** | 0 |
| **30** Remaining amount of unpaid minimum required contributions (item 28 minus item 29) ..... | **30** | 0 |

## Part VIII Minimum required contribution for current year

| | | | |
|---|---|---|---|
| **31** Target normal cost, adjusted, if applicable (see instructions) ..... | **31** | | 0 |
| **32** Amortization installments: | | Outstanding Balance | Installment |
| **a** Net shortfall amortization installment ..... | | 159237 | 33690 |
| **b** Waiver amortization installment ..... | | 0 | 0 |
| **33** If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____ ) and the waived amount ..... | **33** | | |
| **34** Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33) ..... | **34** | | 33690 |

| | Carryover balance | Prefunding balance | Total balance |
|---|---|---|---|
| **35** Balances used to offset funding requirement ..... | 0 | 0 | 0 |

| | | |
|---|---|---|
| **36** Additional cash requirement (item 34 minus item 35) ..... | **36** | 33690 |
| **37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c) ..... | **37** | 33697 |
| **38** Interest-adjusted excess contributions for current year (see instructions) ..... | **38** | 7 |
| **39** Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37) ..... | **39** | 0 |
| **40** Unpaid minimum required contribution for all years ..... | **40** | 0 |

nyhart

## SCHEDULE SB – STATEMENT BY ENROLLED ACTUARY

German American Bancorp, Inc.
Employees' Pension Plan of German American Bancorp, Inc.
Plan Year Ending December 31, 2009

EIN: 35-1547518
Plan No.: 002

To the best of our knowledge the information supplied in the attached Schedule SB is complete and accurate. In our opinion, the assumptions are reasonably related to the experience of the plan and to reasonable expectations, and in combination represent our best estimate of anticipated experience under the plan.

The information on which this Schedule SB is based has been reconciled and reviewed for reasonableness and we are not aware of any material inadequacy in employee census or asset values which have been furnished by the employer and the trustee, respectively. Our review was not performed at the source, and we therefore do not accept responsibility for the accuracy or completeness of the data.

Since the last valuation there have been no changes in principal eligibility or benefit provisions.

The actuarial assumptions used to measure the plan's liabilities have been changed from those used last year. Specifically, the funding interest rate has been changed to comply with the Pension Protection Act. This change does not require IRS approval.

Effective January 1, 2009, the plan's actuarial cost method has been changed as required by the Pension Protection Act.

**Nyhart**

Charles D. Munsell, III, EA, MSPA
Enrolled Actuary No. 08-04745

July 1, 2010

# SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ File as an attachment to Form 5500 or 5500-SF.

OMB No. 1210-0110

**2009**

**This Form is Open to Public Inspection**

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

**A** Name of plan: Employees' Pension Plan of German American Bancorp, Inc.

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF: German American Bancorp, Inc.

**D** Employer Identification Number (EIN): 35-1547518

**E** Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

**F** Prior year plan size: [X] 100 or fewer [ ] 101-500 [ ] More than 500

## Part I Basic Information

1 Enter the valuation date: Month 1 Day 1 Year 2009

| | | | |
|---|---|---|---|
| 2 | Assets: | | |
| a | Market value | 2a | 331,541 |
| b | Actuarial value | 2b | 331,541 |

| 3 | Funding target/participant count breakdown | | (1) Number of participants | (2) Funding Target |
|---|---|---|---|---|
| a | For retired participants and beneficiaries receiving payment | 3a | 14 | 282,875 |
| b | For terminated vested participants | 3b | 1 | 21,192 |
| c | For active participants: | | | |
| | (1) Non-vested benefits | 3c(1) | | 88 |
| | (2) Vested benefits | 3c(2) | | 206,449 |
| | (3) Total active | 3c(3) | 25 | 206,537 |
| d | Total | 3d | 40 | 510,604 |

| | | | |
|---|---|---|---|
| 4 | If the plan is at-risk, check the box and complete items (a) and (b) [ ] | | |
| a | Funding target disregarding prescribed at-risk assumptions | 4a | |
| b | Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor | 4b | |
| 5 | Effective interest rate | 5 | 8.29 % |
| 6 | Target normal cost | 6 | 0 |

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

Signature of actuary — Date: 07/01/2010

Charles D. Munsell, III, EA, MSPA
Type or print name of actuary

08-04745
Most recent enrollment number

Nyhart
Firm name

(317)845-3570
Telephone number (including area code)

8415 Allison Pointe Blvd, Suite 300

Indianapolis IN 46260-4159
Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

## Part II Beginning of year carryover and prefunding balances

| | | (a) Carryover balance | (b) Prefunding balance |
|---|---|---|---|
| 7 | Balance at beginning of prior year after applicable adjustments (Item 13 from prior year) | 0 | 0 |
| 8 | Portion used to offset prior year's funding requirement (Item 35 from prior year) | 0 | 0 |
| 9 | Amount remaining (Item 7 minus item 8) | 0 | 0 |
| 10 | Interest on item 9 using prior year's actual return of 2.30 % | | |
| 11 | Prior year's excess contributions to be added to prefunding balance: | | |
| a | Excess contributions (Item 38 from prior year) | | 10,203 |
| b | Interest on (a) using prior year's effective rate of 5.95 % | | 607 |
| c | Total available at beginning of current plan year to add to prefunding balance | | 10,810 |
| d | Portion of (c) to be added to prefunding balance | | 10,810 |
| 12 | Reduction in balances due to elections or deemed elections | 0 | 0 |
| 13 | Balance at beginning of current year (item 9 + item 10 + item 11d - item 12) | 0 | 10,810 |

## Part III Funding percentages

| | | | |
|---|---|---|---|
| 14 | Funding target attainment percentage | 14 | 62.81 % |
| 15 | Adjusted funding target attainment percentage | 15 | 62.81 % |
| 16 | Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement | 16 | 46.76 % |
| 17 | If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage | 17 | 64.93 % |

## Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

| (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees | (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees |
|---|---|---|---|---|---|
| 04/09/2009 | 12,146 | | | | |
| 07/14/2009 | 12,146 | | | | |
| 01/12/2010 | 11,034 | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | Totals ► 18(b) | 35,326 | 18(c) 0 |

| | | | |
|---|---|---|---|
| 19 | Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year: | | |
| a | Contributions allocated toward unpaid minimum required contribution from prior years | 19a | 0 |
| b | Contributions made to avoid restrictions adjusted to valuation date | 19b | 0 |
| c | Contributions allocated toward minimum required contribution for current year adjusted to valuation date | 19c | 33,697 |

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

| (1) 1st | (2) 2nd | (3) 3rd | (4) 4th |
|---|---|---|---|
| 0 | 0 | 0 | 0 |

## Part V Assumptions used to determine funding target and target normal cost

**21** Discount rate:

**a** Segment rates:

| 1st segment: % | 2nd segment: % | 3rd segment: % | [X] N/A, full yield curve used |
|---|---|---|---|
| | | | |

**b** Applicable month (enter code) — **21b**

| | | |
|---|---|---|
| **22** Weighted average retirement age | **22** | 65 |

**23** Mortality table(s) (see instructions) [X] Prescribed - combined [ ] Prescribed - separate [ ] Substitute

## Part VI Miscellaneous items

| | | |
|---|---|---|
| **24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment | | [ ] Yes [X] No |
| **25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment | | [ ] Yes [X] No |
| **26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment | | [X] Yes [ ] No |
| **27** If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment | **27** | |

## Part VII Reconciliation of unpaid minimum required contributions for prior years

| | | |
|---|---|---|
| **28** Unpaid minimum required contribution for all prior years | **28** | |
| **29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a) | **29** | 0 |
| **30** Remaining amount of unpaid minimum required contributions (item 28 minus item 29) | **30** | 0 |

## Part VIII Minimum required contribution for current year

| | | |
|---|---|---|
| **31** Target normal cost, adjusted, if applicable (see instructions) | **31** | 0 |

| **32** Amortization installments: | Outstanding Balance | Installment |
|---|---|---|
| **a** Net shortfall amortization installment | 159,237 | 33,690 |
| **b** Waiver amortization installment | 0 | 0 |

| | | |
|---|---|---|
| **33** If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount | **33** | |
| **34** Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33) | **34** | 33,690 |

| | Carryover balance | Prefunding balance | Total balance |
|---|---|---|---|
| **35** Balances used to offset funding requirement | 0 | 0 | 0 |

| | | |
|---|---|---|
| **36** Additional cash requirement (item 34 minus item 35) | **36** | 33,690 |
| **37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c) | **37** | 33,697 |
| **38** Interest-adjusted excess contributions for current year (see instructions) | **38** | 7 |
| **39** Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37) | **39** | 0 |
| **40** Unpaid minimum required contribution for all years | **40** | 0 |

## SCHEDULE SB, Line 22 – DESCRIPTION OF WEIGHTED AVERAGE RETIREMENT AGE

German American Bancorp, Inc.
Employees' Pension Plan of German American Bancorp, Inc.
Plan Year Ending December 31, 2009

EIN: 35-1547518
Plan No.: 002

All Participants are assumed to retire age 65

Retirement Rates

| Age | Rate |
|---|---|
| 65 | 100% |

Mortality Rates

| | |
|---|---|
| Healthy | IRS 2009 Combined Static Mortality |
| Disabled | IRS 2009 Combined Static Mortality |
| Lump Sum Mortality | 2009 Applicable Mortality |

Disability Rates: None

Withdrawal Rates: Table T-11 less GA51 Male

| Age | Rate |
|---|---|
| 20 | 24.9% |
| 30 | 23.2% |
| 40 | 17.7% |
| 50 | 9.7% |

Annual Pay Increases: 0%

Interest Rates

| | 1st Segment (0-5 years) | 2nd Segment (5-20 years) | 3rd Segment (20+ years) |
|---|---|---|---|
| Funding | 5.64% | 6.40% | 6.56% |
| Lump Sum | 5.64% | 6.40% | 6.56% |
| PBGC | 6.72% | 7.12% | 6.36% |
| Actuary's Long-Term Rate | 7.00% | 7.00% | 7.00% |
| FAS35 | 7.00% | 7.00% | 7.00% |

| | |
|---|---|
| Payment Form Election | |
| Lump Sum | 90% |
| Annuity | 10% |
| Expense and/or Contingency Loading | No Administrative expenses are assumed to be paid from the trust during 2009. |
| Marital Status and Ages | 80% of Participants assumed to be married with wives assumed to be 3 years younger than husbands. |
| Asset Valuation Method | Market Value of Assets |

*Changes since Prior Valuation*

There have been no changes in the plan provisions since the January 1, 2008 actuarial valuation.

The interest rate and mortality assumptions have been updated as required under the Pension Protection Act and IRS Regulations.

## Eligibility for Participation

An employee shall become a participant on the January 1st following (1) completion of six months of employment and (2) reaching age 20 1/2.

In no event will an employee become a participant after April 1, 1998.

## Accrual of Benefits

A participant shall accumulate a benefit payable at Normal Retirement Date based on Compensation as of the date of determination of the accrued benefit and benefit service expected to be earned to Normal Retirement Date, multiplied by a fraction the numerator of which is benefit service earned to the date of determination and the denominator of which is benefit service expected to be earned to Normal Retirement Date.

Benefit accruals are frozen as of December 31, 1998.

## Benefits

### Normal Retirement

| | |
|---|---|
| Eligibility | Age 65 or the fifth anniversary of plan participation, if later |
| Benefit | 45.75% of plan compensation, reduced by 1/20 for each year that credited service at normal retirement date is less than 20 years. |

Early Retirement

| | |
|---|---|
| Eligibility | Age 55 and 15 years of credited service. |
| Benefit | Accrued Benefit reduced 5% for each full year by which the participant's early retirement date precedes his normal retirement date. Participants from the CIRB Retirement Plan have their benefits reduced by 0.5% for each of the first 60 months and .33% for each additional month by which the participant's early retirement date precedes his normal retirement. |

Late Retirement

| | |
|---|---|
| Eligibility | Participation continues after normal retirement date. |
| Benefit | Greater of accrued retirement benefit commencing as of the first day of the month following his late retirement date based on plan compensation and credited service at such date or accrued benefit as of normal retirement date actuarially increased for delayed commencement. |

Death before Retirement

| | | |
|---|---|---|
| Eligibility | (1) | Active participant with eligible spouse or dependent children. |
| | (2) | Active participant with vested benefit. In addition, the participant must have been married one year. |
| Benefit | (1) | Beneficiary receives 40% of expected pension at normal retirement date, payable for a period not to exceed the beneficiary's lifetime or 60 to 180 months, if less, if the deceased participant was between 34 to 44 years of age at date of death. If greater, the spouse receives the Qualified Pre-retirement Survivor Annuity. |
| | (2) | Spouse receives the Qualified Pre-retirement Survivor Annuity or if greater, the benefit under (1) payable as a life annuity. |

## Termination Benefit

Eligibility — A participant's Accrued Benefit is 100% vested after 5 years of Credited Service.

Benefit — Accrued retirement benefit payable at participant's normal retirement date.

## Compensation

Average of W-2 compensation for the five consecutive calendar years producing the highest average. No compensation earned after December 31, 1998, is recognized.

## Credited Service

### For Eligibility

A year of eligibility service is credited for each plan year in which a participant is credited with 1,000 hours of service.

### For Vesting

A year of vesting service is credited for each plan year in which a participant is credited with 1,000 hours of service.

### For Benefit Accrual

A year of benefit service is credited for each plan year in which a participant is credited with 1,000 hours of service. No service completed after December 31, 1998, shall be recognized.

## Employee Contributions

Participants shall not be required or permitted to make contributions under the Plan.

## Payment Forms

### Normal Form

A single life annuity for single participants. The normal retirement benefit shall be payable to married participants in the form of an actuarially equivalent qualified joint and 50% survivor annuity.

### Optional Forms

5, 10, 15 or 20 Year Certain and Life Annuity, Lump Sum, 50%, , 75% and 100% Joint and Survivor Annuity and benefits payable in equal installments for 5, 10, 15 or 20 years guaranteed.

*Changes since Prior Valuation*

There have been no changes in the plan provisions since the January 1, 2008 actuarial valuation.

The interest rate and mortality assumptions have been updated as required under the Pension Protection Act and IRS Regulations.

*Active Participant Schedule*

Active participant information grouped based on age and service.

| | Under 1 | 1 to 4 | 5 to 9 | 10 to 14 | 15 to 19 | 20 to 24 | 25 to 29 | 30 to 34 | 35 to 39 | 40 & up |
|---|---|---|---|---|---|---|---|---|---|---|
| Under 25 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 to 29 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 30 to 34 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35 to 39 | 1 | 0 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 40 to 44 | 0 | 1 | 4 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| 45 to 49 | 0 | 0 | 2 | 0 | 2 | 0 | 0 | 0 | 0 | 0 |
| 50 to 54 | 0 | 2 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 55 to 59 | 0 | 0 | 1 | 2 | 1 | 0 | 1 | 0 | 0 | 0 |
| 60 to 64 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 |
| 65 to 69 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 70 & up | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

*Development of Shortfall Amortization Charge*

The shortfall amortization charge is a payment toward the underfunding of the plan. Shortfalls in the funding of the plan are generally amortized over seven years.

| | January 1, 2009 |
|---|---|
| *1. Funding target* | $613,689 |
| *2. Adjusted plan assets* | |
| (a) Plan assets | $331,541 |
| (b) Funding standard carryover balance | 0 |
| (c) Prefunding balance | 10,810 |
| (d) Adjusted assets: (a)-(b)-(c) | $320,731 |
| *3. Funding shortfall: (1)-(2)(d)* | $292,958 |
| *4. Current shortfall amortization installments* | |
| (a) Annual installments | |
| (i) 2008 | $48,582 |
| (ii) 2007 | 0 |
| (iii) 2006 | 0 |
| (iv) 2005 | 0 |
| (v) 2004 | 0 |
| (vi) 2003 | 0 |
| (b) Total annual installments | $48,582 |

The funding shortfall is simply the difference between the funding target and the asset value adjusted for any credit balances.

New shortfall amounts are calculated annually based upon the experience of the plan and other plan changes.

*Development of Shortfall Amortization Charge (continued)*

| | January 1, 2009 |
|---|---|
| (c) Present value of installments to be made | |
| (i) 2009 | $48,582 |
| (ii) 2010 | 45,988 |
| (iii) 2011 | 43,533 |
| (iv) 2012 | 41,209 |
| (v) 2013 | 39,009 |
| (vi) 2014 | 35,626 |
| (d) Total present value of installments | $253,947 |
| *5. Exemption from new shortfall amortization base* | |
| (a) Target liability percentage | 94% |
| (b) Shortfall funding target: (1) x (a) | $576,868 |
| (c) Possible prefunding balance | $0 |
| (d) Exempt?[(2)(a)-(c)]> =(b) | No |
| *6. Shortfall amortization base* | |
| (a)New current year base: (5)(b)-(2)(d)-(4)(d) or 0 | $2,190 |
| (b)New 7-year installment amount | 370 |
| *7. Shortfall amortization charge:( 4)( b)+( 6)( b)* | $48,952 |

Payments are calculated each year in order to amortize the costs. The payments include both an interest and principal portion.

PPA features a transition period in order to soften the impact of compliance. However, if a plan was funded poorly in the past, it may not be able to take advantage of the transition period.