UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the Quarterly Period Ended September 30, 2026

Commission File Number 001-15877

German American Bancorp, Inc.
(Exact name of registrant as specified in its charter)

Indiana	35-1547518
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

711 Main Street, Jasper, Indiana 47546
(Address of Principal Executive Offices and Zip Code)

Registrant's telephone number, including area code: (812) 482-1314

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company:

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act):
Yes ☐ No ☒

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, no par value	GABC	Nasdaq Global Select Market

As of November 4, 2026, the registrant had 37,578,923 outstanding shares of Common Stock, no par value.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS AND ASSOCIATED RISKS

Information included in or incorporated by reference in this Quarterly Report on Form 10-Q, our other filings with the Securities and Exchange Commission (the "SEC") and our press releases or other public statements contains or may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Please refer to the discussions of our forward-looking statements and associated risks in our Annual Report on Form 10-K for the year ended December 31, 2025, in Item 1, "Business - Forward-Looking Statements and Associated Risks" and our discussion of risk factors in Item 1A, "Risk Factors" of that Annual Report on Form 10-K, as updated and supplemented from time to time by our subsequent SEC filings, including by the discussion under the heading "Forward-Looking Statements and Associated Risks" at the conclusion of Item 2 of Part I of this Report ("Management's Discussion and Analysis of Financial Condition and Results of Operations"), and by the additional risk factors set forth in Part II, Item 1A, "Risk Factors" of this Report.

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GLOSSARY OF TERMS AND ACRONYMS

As used in this Report, references to "German American," "Company," "we," "our," "us," and similar terms refer to German American Bancorp, Inc. and its consolidated subsidiaries as a whole. Occasionally, we will refer to the terms "German American Bancorp," "Bancorp," "parent company" or "holding company" when we mean to refer to only German American Bancorp, Inc. and the term "Bank" when we mean to refer only to German American Bank, the Company's bank subsidiary.

The terms and acronyms identified below are used throughout this Report, including the Notes to Consolidated Financial Statements. You may find it helpful to refer to this Glossary as you read this Report.

2019 ESPP: German American Bancorp, Inc. 2019 Employee Stock Purchase Plan

2019 LTI Plan: German American Bancorp, Inc. 2019 Long-Term Equity Incentive Plan

ACL: Allowance for credit losses

ASU: Accounting Standards Update

Basel III Rules: Regulatory capital rules agreed to by the Basel Committee on Banking Supervision, as issued by the FRB and OCC and published in the Federal Register on October 11, 2013

CECL: Current expected credit losses, which are the subject of an accounting standard under GAAP

CET1: Common Equity Tier 1

CMO: Collateralized mortgage obligations

CRE: Commercial Real Estate

"Day 2" Adjustment: An adjustment to the provision for credit losses, as required by GAAP prior to adoption of ASU 2025-08, "Financial Instruments - Credit Losses (Topic 326): Purchased Loans," to recognize the full lifetime expected credit loss for non-PCD assets at the time of a business combination. See "CRITICAL ACCOUNTING POLICIES AND ESTIMATES – Allowance for Credit Losses" under Item 2 of this Report ("Management's Discussion and Analysis of Financial Condition and Results of Operations").

Dodd-Frank Act: Dodd-Frank Wall Street Reform and Consumer Protection Act

FASB: Financial Accounting Standards Board

FDIC: Federal Deposit Insurance Corporation

federal banking regulators: The FRB, the OCC, and the FDIC, collectively

FHLB: Federal Home Loan Bank

FRB: Board of Governors of the Federal Reserve System

GAAP: Generally Accepted Accounting Principles in the United States of America

Heartland: Heartland BancCorp, which was acquired by the Company on February 1, 2025

Heartland Notes: Heartland BancCorp 5.0% Fixed-to-Floating Rate Subordinated Notes Due 2030, which were redeemed on September 15, 2025.

MBS: Mortgage-backed securities

NPV: Net portfolio value

OCC: Office of the Comptroller of the Currency

PCD: Purchased with credit deterioration

SEC: Securities and Exchange Commission

PART I. FINANCIAL INFORMATION
Item 1. Unaudited Financial Statements

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

	September 30, 2026	December 31, 2025
ASSETS		
Cash and Due from Banks	$ 68,525	$ 71,428
Federal Funds Sold and Other Short-term Investments	8,820	46,954
Cash and Cash Equivalents	77,345	118,382
Interest-bearing Time Deposits with Banks	500	500
Securities Available-for-Sale, at Fair Value (Amortized Cost $1,911,955 for September 30, 2026; Amortized Cost $1,865,732 for December 31, 2025; No Allowance for Credit Losses)	1,594,774	1,657,394
Other Investments	353	353
Loans Held-for-Sale, at Fair Value	6,113	7,817
Loans	5,998,429	5,884,448
Less: Unearned Income	(9,106)	(9,351)
Allowance for Credit Losses	(79,293)	(77,694)
Loans, Net	5,910,030	5,797,403
Stock in FHLB of Indianapolis and Other Restricted Stock, at Cost	17,249	17,688
Premises, Furniture and Equipment, Net	136,938	139,001
Other Real Estate	—	68
Goodwill	375,470	375,470
Intangible Assets	26,605	33,790
Company Owned Life Insurance	111,505	109,585
Accrued Interest Receivable and Other Assets	154,409	131,329
TOTAL ASSETS	$ 8,411,291	$ 8,388,780
LIABILITIES		
Non-interest-bearing Demand Deposits	$ 1,963,427	$ 1,944,831
Interest-bearing Demand, Savings, and Money Market Accounts	3,625,827	3,755,374
Time Deposits	1,347,253	1,289,537
Total Deposits	6,936,507	6,989,742
FHLB Advances and Other Borrowings	268,120	182,683
Accrued Interest Payable and Other Liabilities	52,793	54,030
TOTAL LIABILITIES	7,257,420	7,226,455
SHAREHOLDERS' EQUITY		
Common Stock, no par value, $1 stated value; 45,000,000 shares authorized	37,579	37,496
Additional Paid-in Capital	708,907	706,818
Retained Earnings	658,140	582,945
Accumulated Other Comprehensive Income (Loss)	(250,755)	(164,934)
TOTAL SHAREHOLDERS' EQUITY	1,153,871	1,162,325
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 8,411,291	$ 8,388,780
End of period shares issued and outstanding	37,579,014	37,495,679

See accompanying notes to consolidated financial statements.

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

	Three Months Ended September 30,	
	2026	**2025**
INTEREST INCOME		
Interest and Fees on Loans	$ 96,865	$ 93,305
Interest on Federal Funds Sold and Other Short-term Investments	160	2,084
Interest and Dividends on Securities:		
Taxable	10,216	9,268
Non-taxable	3,593	3,440
TOTAL INTEREST INCOME	110,834	108,097
INTEREST EXPENSE		
Interest on Deposits	24,908	29,416
Interest on FHLB Advances and Other Borrowings	2,408	2,956
TOTAL INTEREST EXPENSE	27,316	32,372
NET INTEREST INCOME	83,518	75,725
Provision for Credit Losses	500	700
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	83,018	75,025
NON-INTEREST INCOME		
Wealth Management Fees	5,007	4,288
Service Charges on Deposit Accounts	4,280	3,927
Company Owned Life Insurance	652	630
Interchange Fee Income	5,306	5,087
Other Operating Income	2,095	3,308
Net Gains on Sales of Loans	1,359	1,189
Net Gains on Securities	—	—
TOTAL NON-INTEREST INCOME	18,699	18,429
NON-INTEREST EXPENSE		
Salaries and Employee Benefits	28,169	25,444
Occupancy, Furniture and Equipment Expense	5,557	5,255
FDIC Premiums	984	1,059
Data Processing Fees	4,495	4,175
Professional Fees	2,209	1,960
Advertising and Promotion	1,730	1,321
Intangible Amortization	2,254	2,693
Other Operating Expenses	7,710	7,793
TOTAL NON-INTEREST EXPENSE	53,108	49,700
Income before Income Taxes	48,609	43,754
Income Tax Expense	9,972	8,680
NET INCOME	$ 38,637	$ 35,074
Basic Earnings per Share	$ 1.03	$ 0.94
Diluted Earnings per Share	$ 1.03	$ 0.94

See accompanying notes to consolidated financial statements.

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

	Nine Months Ended September 30,	
	2026	**2025**
INTEREST INCOME		
Interest and Fees on Loans	$ 282,651	$ 264,812
Interest on Federal Funds Sold and Other Short-term Investments	1,658	8,232
Interest and Dividends on Securities:		
Taxable	29,811	27,528
Non-taxable	10,604	10,176
TOTAL INTEREST INCOME	324,724	310,748
INTEREST EXPENSE		
Interest on Deposits	74,782	87,079
Interest on FHLB Advances and Other Borrowings	6,365	8,217
TOTAL INTEREST EXPENSE	81,147	95,296
NET INTEREST INCOME	243,577	215,452
Provision for Credit Losses	4,000	17,200
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	239,577	198,252
NON-INTEREST INCOME		
Wealth Management Fees	14,524	12,289
Service Charges on Deposit Accounts	12,094	11,127
Company Owned Life Insurance	1,956	1,908
Interchange Fee Income	15,410	14,565
Other Operating Income	6,296	6,712
Net Gains on Sales of Loans	4,391	3,401
Net Gains (Losses) on Securities	—	—
TOTAL NON-INTEREST INCOME	54,671	50,002
NON-INTEREST EXPENSE		
Salaries and Employee Benefits	83,623	80,122
Occupancy, Furniture and Equipment Expense	16,071	14,669
FDIC Premiums	2,921	2,847
Data Processing Fees	13,121	13,756
Professional Fees	6,344	8,256
Advertising and Promotion	4,586	4,075
Intangible Amortization	7,087	7,566
Other Operating Expenses	22,105	20,708
TOTAL NON-INTEREST EXPENSE	155,858	151,999
Income before Income Taxes	138,390	96,255
Income Tax Expense	28,429	19,303
NET INCOME	$ 109,961	$ 76,952
Basic Earnings per Share	$ 2.93	$ 2.10
Diluted Earnings per Share	$ 2.93	$ 2.10

See accompanying notes to consolidated financial statements.

GERMAN AMERICAN BANCORP, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(unaudited, dollars in thousands)

	Three Months Ended September 30,	
	2026	**2025**
NET INCOME	$ 38,637	$ 35,074
Other Comprehensive Income:		
Unrealized Gains (Losses) on Securities:		
Unrealized Holding Gain (Loss) Arising During the Period	(108,529)	31,919
Tax Effect	22,943	(6,739)
Net of Tax	(85,586)	25,180
Total Other Comprehensive Income (Loss)	(85,586)	25,180
COMPREHENSIVE INCOME (LOSS)	$ (46,949)	$ 60,254

	Nine Months Ended September 30,	
	2026	**2025**
NET INCOME	$ 109,961	$ 76,952
Other Comprehensive Income:		
Unrealized Gains (Losses) on Securities:		
Unrealized Holding Gain (Loss) Arising During the Period	(108,843)	48,309
Tax Effect	23,022	(10,225)
Net of Tax	(85,821)	38,084
Total Other Comprehensive Income (Loss)	(85,821)	38,084
COMPREHENSIVE INCOME	$ 24,140	$ 115,036

See accompanying notes to consolidated financial statements.

GERMAN AMERICAN BANCORP, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(unaudited, dollars in thousands)

	Common Stock					
	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balances, January 1, 2026	37,495,679	$ 37,496	$ 706,818	$ 582,945	$ (164,934)	$ 1,162,325
Net Income	—	—	—	33,152	—	33,152
Other Comprehensive Income (Loss)	—	—	—	—	(9,807)	(9,807)
Cash Dividends ($0.31 per share)	—	—	—	(11,582)	—	(11,582)
Issuance of Common Stock for:						
Restricted Share Grants Net	69,599	69	430	—	—	499
Balances, March 31, 2026	37,565,278	$ 37,565	$ 707,248	$ 604,515	$ (174,741)	$ 1,174,587
Net Income	—	—	—	38,172	—	38,172
Other Comprehensive Income (Loss)	—	—	—	—	9,572	9,572
Cash Dividends ($0.31 per share)	—	—	—	(11,590)	—	(11,590)
Issuance of Common Stock for:						
Restricted Share Grants Net	11,472	12	807	—	—	819
Balances, June 30, 2026	37,576,750	$ 37,577	$ 708,055	$ 631,097	$ (165,169)	$ 1,211,560
Net Income	—	—	—	38,637	—	38,637
Other Comprehensive Income (Loss)	—	—	—	—	(85,586)	(85,586)
Cash Dividends ($0.31 per share)	—	—	—	(11,594)	—	(11,594)
Issuance of Common Stock for:						
Restricted Share Grants Net	2,264	2	852	—	—	854
Balances, September 30, 2026	37,579,014	$ 37,579	$ 708,907	$ 658,140	$ (250,755)	$ 1,153,871

See accompanying notes to consolidated financial statements.

GERMAN AMERICAN BANCORP, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(unaudited, dollars in thousands)

	Common Stock					
	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balances, January 1, 2025	29,677,093	$ 29,677	$ 392,266	$ 513,588	$ (220,464)	$ 715,067
Net Income	—	—	—	10,517	—	10,517
Other Comprehensive Income (Loss)	—	—	—	—	10,783	10,783
Cash Dividends ($0.29 per share)	—	—	—	(10,813)	—	(10,813)
Issuance of Common Stock for:						
Acquisition of Heartland BancCorp	7,742,723	7,743	312,264	—	—	320,007
Restricted Share Grants Net	61,900	61	420	—	—	481
Balances, March 31, 2025	37,481,716	$ 37,481	$ 704,950	$ 513,292	$ (209,681)	$ 1,046,042
Net Income	—	—	—	31,361	—	31,361
Other Comprehensive Income (Loss)	—	—	—	—	2,121	2,121
Cash Dividends ($0.29 per share)	—	—	—	(10,819)	—	(10,819)
Issuance of Common Stock for:						
Restricted Share Grants Net	11,098	12	787	—	—	799
Balances, June 30, 2025	37,492,814	$ 37,493	$ 705,737	$ 533,834	$ (207,560)	$ 1,069,504
Net Income	—	—	—	35,074	—	35,074
Other Comprehensive Income (Loss)	—	—	—	—	25,180	25,180
Cash Dividends ($0.29 per share)	—	—	—	(10,822)	—	(10,822)
Issuance of Common Stock for:						
Restricted Share Grants Net	519	—	787	—	—	787
Balances, September 30, 2025	37,493,333	$ 37,493	$ 706,524	$ 558,086	$ (182,380)	$ 1,119,723

See accompanying notes to consolidated financial statements.

GERMAN AMERICAN BANCORP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, dollars in thousands)

	Nine Months Ended September 30,	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 109,961	$ 76,952
Adjustments to Reconcile Net Income to Net Cash from Operating Activities:		
Net (Accretion) Amortization on Securities	(1,273)	(1,289)
Depreciation and Amortization	14,315	13,714
Loans Originated for Sale	(173,542)	(125,252)
Proceeds from Sales of Loans Held-for-Sale	178,501	127,450
Provision for Credit Losses	4,000	17,200
Gain on Sale of Loans, Net	(4,391)	(3,401)
Loss on Sales of Other Real Estate and Repossessed Assets	22	—
Gain on Debt Extinguishment	—	(975)
Loss (Gain) on Disposition of Premises and Equipment	(40)	37
Gain on Disposition of Land	—	(45)
Increase in Cash Surrender Value of Company Owned Life Insurance	(1,920)	(1,564)
Equity Based Compensation	2,172	2,067
Change in Assets and Liabilities:		
Interest Receivable and Other Assets	1,330	6,939
Interest Payable and Other Liabilities	(712)	4,814
Net Cash from Operating Activities	128,423	116,647
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Maturities, Calls, and Redemptions of Securities Available-for-Sale	524,036	428,953
Proceeds from Sales of Securities Available-for-Sale	20,972	205,876
Purchase of Securities Available-for-Sale	(589,958)	(465,603)
Proceeds from Redemption of Federal Home Loan Bank Stock	439	3,559
Proceeds from Sale of Loans Held for Investment	—	2,391
Loans Made to Customers, Net of Payments Received	(116,627)	(138,937)
Proceeds from Sales of Other Real Estate	46	—
Property and Equipment Expenditures	(5,739)	(3,662)
Proceeds from Sales of Land and Buildings	345	75
Acquisition of Heartland BancCorp	—	22,665
Net Cash from Investing Activities	(166,486)	55,317
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in Deposits	(53,303)	(44,969)
Change in Short-term Borrowings	110,315	(28,513)
Advances in Long-term Debt	—	25,000
Repayments of Long-term Debt	(25,220)	(24,172)
Dividends Paid	(34,766)	(32,454)
Net Cash from Financing Activities	(2,974)	(105,108)
Net Change in Cash and Cash Equivalents	(41,037)	66,856
Cash and Cash Equivalents at Beginning of Year	118,382	188,792
Cash and Cash Equivalents at End of Period	$ 77,345	$ 255,648
Cash Paid During the Period for		
Interest	$ 83,115	$ 92,881
Income Taxes	27,205	14,815
Supplemental Non Cash Disclosures		
Interest Rate Swap Fair Value Adjustment	$ (135)	$ (1,659)

See Note 16 regarding non-cash transactions included in the acquisition.

See accompanying notes to consolidated financial statements.

NOTE 1 – Basis of Presentation and Market Conditions

German American Bancorp, Inc. operates primarily in the banking industry. The accounting and reporting policies of German American Bancorp, Inc. and its subsidiaries (hereinafter collectively referred to as the "Company") conform to U.S. generally accepted accounting principles. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles have been condensed or omitted. All adjustments which are, in the opinion of management, necessary for a fair presentation of the results for the periods reported have been included in the accompanying unaudited consolidated financial statements, and all such adjustments are of a normal recurring nature. It is suggested that these consolidated financial statements and notes be read in conjunction with the financial statements and notes thereto in the Company's Annual Report on Form 10-K for the year ended December 31, 2025. Certain items included in the prior period financial statements were reclassified to conform to the current presentation. There was no effect on net income or total shareholders' equity based on these reclassifications.

NOTE 2 - Recent Accounting Pronouncements

Recently Adopted Accounting Guidance
In November 2025, the FASB issued ASU 2025-08, "Financial Instruments - Credit Losses (Topic 326): Purchased Loans". This guidance amends how entities account for certain acquired loans under the current expected credit loss (CECL) model by expanding the "gross-up" approach to include purchased seasoned loans rather than only including purchased credit-deteriorated assets. The guidance also eliminates the double count of expected credit losses that previously occurred when purchased loans were recorded at fair value with a credit loss discount and then separately recognized through a provision to establish the credit loss allowance. This guidance is effective for annual reporting periods beginning after December 15, 2026, including interim periods within those years. Early adoption is permitted. At March 31, 2026, the Company early adopted ASU 2025-08. The Company expects the amendments to primarily affect the accounting for loans acquired in future business combinations or asset acquisitions; as such, there was no impact in the current quarter.

Issued But Not Yet Effective
In November 2024, the FASB issued ASU 2024-03, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses." This guidance requires public companies to disclose specified information about certain costs and expenses in the notes to financial statements at each interim and annual reporting period. Specifically, public companies will be required to disclose in tabular format the amounts of (a) purchases of inventory; (b) employee compensation; (c) depreciation; (d) intangible asset amortization; and (e) depreciation, depletion, and amortization recognized as part of oil- and gas-producing activities (or other amounts of depletion expense) included in each relevant expense caption. Within the same tabular disclosure, an entity must disclose certain expense, gain, or loss amounts that are already required to be disclosed under current GAAP. Further, an entity must provide a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively. In addition, an entity must disclose the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses. This guidance is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027, and will be applied on a prospective basis with the option to apply retrospectively. Early adoption is permitted. The Company is currently evaluating the impact of this guidance on the Company's financial statements.

NOTE 3 – Per Share Data

The computation of Basic Earnings per Share and Diluted Earnings per Share is as follows:

	Three Months Ended September 30,	
	2026	**2025**
Basic Earnings per Share:		
Net Income	$ 38,637	$ 35,074
Weighted Average Shares Outstanding	37,578,441	37,493,028
Basic Earnings per Share	$ 1.03	$ 0.94
Diluted Earnings per Share:		
Net Income	$ 38,637	$ 35,074
Weighted Average Shares Outstanding	37,578,441	37,493,028
Potentially Dilutive Shares, Net	—	—
Diluted Weighted Average Shares Outstanding	37,578,441	37,493,028
Diluted Earnings per Share	$ 1.03	$ 0.94

For the three months ended September 30, 2026 and 2025, there were no anti-dilutive shares.

	Nine Months Ended September 30,	
	2026	**2025**
Basic Earnings per Share:		
Net Income	$ 109,961	$ 76,952
Weighted Average Shares Outstanding	37,553,745	36,561,331
Basic Earnings per Share	$ 2.93	$ 2.10
Diluted Earnings per Share:		
Net Income	$ 109,961	$ 76,952
Weighted Average Shares Outstanding	37,553,745	36,561,331
Potentially Dilutive Shares, Net	—	—
Diluted Weighted Average Shares Outstanding	37,553,745	36,561,331
Diluted Earnings per Share	$ 2.93	$ 2.10

For the nine months ended September 30, 2026 and 2025, there were no anti-dilutive shares.

NOTE 4 – Securities

The amortized cost, unrealized gross gains and losses recognized in accumulated other comprehensive income (loss), and fair value of securities available-for-sale were as follows:

Securities Available-for-Sale:	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
September 30, 2026				
U.S. Treasury	$ 124,714	$ 7	$ (6)	$ 124,715
Obligations of State and Political Subdivisions	614,606	65	(164,136)	450,535
MBS/CMO	823,432	—	(110,443)	712,989
US Gov't Sponsored Entities & Agencies	349,203	—	(42,668)	306,535
Total	$ 1,911,955	$ 72	$ (317,253)	$ 1,594,774
December 31, 2025				
U.S. Treasury	$ 152,026	$ 64	$ —	$ 152,090
Obligations of State and Political Subdivisions	603,528	822	(106,744)	497,606
MBS/CMO	795,574	4,714	(80,746)	719,542
US Gov't Sponsored Entities & Agencies	314,604	853	(27,301)	288,156
Total	$ 1,865,732	$ 6,453	$ (214,791)	$ 1,657,394

All mortgage-backed securities in the above table (identified above and throughout this Note 4 as "MBS/CMO") are residential and multi-family mortgage-backed securities and guaranteed by government sponsored entities. The US Gov't Sponsored Entities & Agencies in the above table include securities that have underlying collateral of equipment, machinery and commercial real estate.

The amortized cost and fair value of securities available-for-sale at September 30, 2026 by contractual maturity are shown below. Expected maturities may differ from contractual maturities because some issuers have the right to call or prepay certain obligations with or without call or prepayment penalties. Mortgage-backed securities are not due at a single maturity date and are shown separately.

Securities Available-for-Sale:	Amortized Cost	Fair Value
Due in one year or less	$ 126,389	$ 126,385
Due after one year through five years	11,566	10,988
Due after five years through ten years	83,295	67,762
Due after ten years	518,070	370,115
MBS/CMO	823,432	712,989
US Gov't Sponsored Entities & Agencies	349,203	306,535
Total	$ 1,911,955	$ 1,594,774

During the first quarter of 2025, the Company sold approximately $204.9 million in securities that were acquired as part of the February 1, 2025 Heartland acquisition. As the Company had recorded the securities at fair value at the time of closing, no gain or loss was incurred on such sale.

NOTE 4 - Securities (continued)

Proceeds from the sales of securities are summarized below:

	Three Months Ended September 30, 2026	Three Months Ended September 30, 2025
Proceeds from Sales	$ 5,988	$ 500
Gross Gains on Sales	—	—
Gross Losses on Sales	—	—
Income Taxes on Net Gains (Losses)	—	—

	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Proceeds from Sales	$ 20,972	$ 205,876
Gross Gains on Sales	—	—
Gross Losses on Sales	—	—
Income Taxes on Net Gains (Losses)	—	—

The carrying value of securities pledged to secure repurchase agreements, public and trust deposits, and for other purposes as required by law was $805,600 and $1,034,917 as of September 30, 2026 and December 31, 2025, respectively.

At September 30, 2026 and December 31, 2025, there were no holdings of securities of any one issuer, other than the U.S. government and its agencies, in an amount greater than 10% of shareholders' equity.

Below is a summary of securities with unrealized losses as of September 30, 2026 and December 31, 2025, presented by length of time the securities have been in a continuous unrealized loss position:

	Less than 12 Months		12 Months or More		Total	
September 30, 2026	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
U.S. Treasury	$ 39,816	$ (6)	$ —	$ —	$ 39,816	$ (6)
Obligations of State and Political Subdivisions	44,851	(3,089)	403,110	(161,047)	447,961	(164,136)
MBS/CMO	308,011	(13,224)	404,978	(97,219)	712,989	(110,443)
US Gov't Sponsored Entities & Agencies	182,226	(11,144)	124,309	(31,524)	306,535	(42,668)
Total	$ 574,904	$ (27,463)	$ 932,397	$ (289,790)	$ 1,507,301	$ (317,253)

	Less than 12 Months		12 Months or More		Total	
December 31, 2025	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Obligations of State and Political Subdivisions	$ 3,054	$ (29)	$ 461,657	$ (106,715)	$ 464,711	$ (106,744)
MBS/CMO	38,024	(420)	463,315	(80,326)	501,339	(80,746)
US Gov't Sponsored Entities & Agencies	6,793	(40)	171,247	(27,261)	178,040	(27,301)
Total	$ 47,871	$ (489)	$ 1,096,219	$ (214,302)	$ 1,144,090	$ (214,791)

Available-for-sale debt securities in unrealized loss positions are evaluated for impairment related to credit losses at least quarterly. This evaluation process is applied to all types of securities held by the Company: obligations of state and political subdivisions, MBS/CMO and US gov't sponsored entities and agencies. For available-for-sale debt securities in an unrealized loss position, the Company assesses whether we intend to sell, or it is more likely than not that we will be required to sell the security before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the security's amortized cost basis is reduced to fair value through income. For available-for-sale debt securities that do not meet the criteria, the Company evaluates whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, management considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and adverse conditions specifically related to the security and the issuer, among other factors. If this assessment indicates that a credit loss exists, we compare the present value of cash flows expected to be collected from the

NOTE 4 - Securities (continued)

security with the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis for the security, a credit loss exists and an allowance for credit losses is recorded, limited to the amount that the fair value of the security is less than its amortized cost basis. Any impairment that has not been recorded through an allowance for credit losses is recognized in other comprehensive income, net of applicable taxes. Unrealized losses at September 30, 2026 and December 31, 2025 are considered temporary and the result of fair value adjustments caused by market interest rate fluctuations. There was no allowance for credit losses for available-for-sale debt securities at September 30, 2026 or December 31, 2025.

Although management has the ability to sell these securities if the need arises, their designation as available-for-sale should not necessarily be interpreted as an indication that management anticipates such sales.

Accrued interest receivable on available-for-sale debt securities totaled $8,876 at September 30, 2026 and $9,239 at December 31, 2025. Accrued interest receivable is excluded from the estimate of credit losses.

The Company's equity securities are listed as Other Investments on the Consolidated Balance Sheets and consist of one non-controlling investment in a single banking organization at September 30, 2026 and December 31, 2025. The original investment totaled $1,350 and other-than-temporary impairment was previously recorded totaling $997. The Company's equity securities are considered not to have readily determinable fair value and are carried at cost and evaluated for impairment. At September 30, 2026, there was no additional impairment recognized through earnings.

NOTE 5 - Derivatives

Interest Rate Swaps

The Company executes interest rate swaps with commercial banking customers to facilitate their respective risk management strategies. The notional amounts of these interest rate swaps and the offsetting counterparty derivative instruments were $102,329 at September 30, 2026 and $126,573 at December 31, 2025. These interest rate swaps are simultaneously hedged by offsetting interest rate swaps that the Company executes with a third party, such that the Company minimizes its net risk exposure resulting from such transactions with approved, reputable, independent counterparties with substantially matching terms. The agreements are considered stand-alone derivatives and changes in the fair value of derivatives are reported in earnings as non-interest income. While the derivatives represent economic hedges, they do not qualify as hedges for accounting purposes.

Credit risk arises from the possible inability of counterparties to meet the terms of their contracts. The Company's exposure is limited to the replacement value of the contracts rather than the notional, principal or contract amounts. There are provisions in the agreements with the counterparties that allow for certain unsecured credit exposure up to an agreed threshold. Exposures in excess of the agreed thresholds are collateralized. In addition, the Company minimizes credit risk through credit approvals, limits, and monitoring procedures.

The following table reflects the fair value of derivative instruments included in the Consolidated Balance Sheets as of:

	September 30, 2026		December 31, 2025	
	Notional Amount	Fair Value	Notional Amount	Fair Value
Included in Other Assets:				
Interest Rate Swaps	$ 102,329	$ 4,103	$ 126,573	$ 4,145
Included in Other Liabilities:				
Interest Rate Swaps	$ 102,329	$ 4,077	$ 126,573	$ 4,212

NOTE 5 - Derivatives (continued)

The following table presents the effect of derivative instruments on the Consolidated Statements of Income for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Interest Rate Swaps:				
Included in Other Operating Income	$ 86	$ 132	$ 166	$ 221

Mortgage Banking Derivatives

Commitments to fund certain mortgage loans (interest rate lock commitments) to be sold into the secondary market to third party investors are considered derivatives. It is the Company's practice to enter into forward commitments for the future delivery of residential mortgage loans when interest rate lock commitments are entered into in order to economically hedge the effect of changes in interest rates resulting from its commitments to fund the loans. These mortgage banking derivatives are not designated in hedge relationships.

The following table reflects the amount and fair value of mortgage banking derivatives included in the Consolidated Balance Sheets as of:

	September 30, 2026		December 31, 2025	
	Notional Amount	Fair Value	Notional Amount	Fair Value
Included in Other Assets:				
Interest Rate Lock Commitments	$ 12,000	$ 263	$ 18,047	$ 213
Included in Other Liabilities:				
Interest Rate Lock Commitments	$ 15,819	$ 46	$ 11,000	$ 31

The net gains (losses) relating to non-designated derivative instruments used for risk management are summarized below for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Interest Rate Lock Commitments:				
Included in Net Gains on Sales of Loans	$ 263	$ (102)	$ 500	$ (112)

NOTE 6 – Loans

Loans were comprised of the following classifications:

	September 30, 2026	December 31, 2025
Commercial:		
Commercial and Industrial Loans	$ 741,621	$ 761,167
Commercial Real Estate Loans	3,267,130	3,142,472
Agricultural Loans	468,241	489,168
Leases	88,329	87,073
Retail:		
Home Equity Loans	537,674	484,300
Consumer Loans	108,661	117,648
Credit Cards	28,310	28,067
Residential Mortgage Loans	758,463	774,553
Subtotal	5,998,429	5,884,448
Less: Unearned Income	(9,106)	(9,351)
Allowance for Credit Losses	(79,293)	(77,694)
Loans, Net	$ 5,910,030	$ 5,797,403

The table above includes $55,280 and $89,134 of purchased credit-deteriorated loans as of September 30, 2026 and December 31, 2025, respectively.

Allowance for Credit Losses for Loans

The following tables present the activity in the allowance for credit losses by portfolio segment for the three months ended September 30, 2026 and 2025:

September 30, 2026	Commercial and Industrial Loans	Commercial Real Estate Loans	Agricultural Loans	Leases	Consumer Loans	Home Equity Loans	Credit Cards	Residential Mortgage Loans	Total
Allowance for Credit Losses:									
Beginning Balance	$ 17,626	$ 43,700	$ 3,343	$ 1,200	$ 643	$ 4,442	$ 560	$ 7,860	$ 79,374
Provision (Benefit) for Credit Loss Expense	(1,205)	872	231	62	289	223	72	(44)	500
Loans Charged-off	(326)	—	—	—	(394)	(1)	(97)	—	(818)
Recoveries Collected	14	—	—	—	155	1	56	11	237
Total Ending Allowance Balance	$ 16,109	$ 44,572	$ 3,574	$ 1,262	$ 693	$ 4,665	$ 591	$ 7,827	$ 79,293

September 30, 2025	Commercial and Industrial Loans	Commercial Real Estate Loans	Agricultural Loans	Leases	Consumer Loans	Home Equity Loans	Credit Cards	Residential Mortgage Loans	Total
Allowance for Credit Losses:									
Beginning Balance	$ 17,739	$ 38,803	$ 3,130	$ 1,192	$ 691	$ 4,334	$ 621	$ 9,595	$ 76,105
Provision (Benefit) for Credit Loss Expense	272	329	98	(16)	303	46	26	(358)	700
Loans Charged-off	(384)	—	—	—	(446)	(71)	(182)	(43)	(1,126)
Recoveries Collected	6	—	—	—	138	5	208	21	378
Total Ending Allowance Balance	$ 17,633	$ 39,132	$ 3,228	$ 1,176	$ 686	$ 4,314	$ 673	$ 9,215	$ 76,057

NOTE 6 - Loans (continued)

The following tables present the activity in the allowance for credit losses by portfolio segment for the nine months ended September 30, 2026 and 2025:

September 30, 2026	Commercial and Industrial Loans	Commercial Real Estate Loans	Agricultural Loans	Leases	Consumer Loans	Home Equity Loans	Credit Cards	Residential Mortgage Loans	Total
Allowance for Credit Losses:									
Beginning Balance	$ 19,576	$ 40,626	$ 3,324	$ 1,178	$ 687	$ 4,065	$ 600	$ 7,638	$ 77,694
Provision (Benefit) for Credit Loss Expense	(2,690)	3,909	250	233	835	693	450	320	4,000
Loans Charged-off	(814)	—	—	(149)	(1,385)	(113)	(628)	(142)	(3,231)
Recoveries Collected	37	37	—	—	556	20	169	11	830
Total Ending Allowance Balance	$ 16,109	$ 44,572	$ 3,574	$ 1,262	$ 693	$ 4,665	$ 591	$ 7,827	$ 79,293

September 30, 2025	Commercial and Industrial Loans	Commercial Real Estate Loans	Agricultural Loans	Leases	Consumer Loans	Home Equity Loans	Credit Cards	Residential Mortgage Loans	Total
Allowance for Credit Losses:									
Beginning Balance	$ 7,059	$ 25,818	$ 4,917	$ 397	$ 727	$ 2,196	$ 520	$ 2,802	$ 44,436
Change in Accounting Method	1,438	(3,271)	(1,655)	720	(284)	1,056	(24)	2,013	(7)
2/1/2025 Acquired Heartland PCD	5,246	7,675	3,352	—	20	11	—	199	16,503
Day 2 CECL Provision - Heartland	1,797	7,522	170	—	179	570	—	5,962	16,200
Provision (Benefit) for Credit Loss Expense	2,817	1,414	(3,556)	59	789	538	657	(1,711)	1,007
Loans Charged-off	(757)	(26)	—	—	(1,105)	(71)	(742)	(71)	(2,772)
Recoveries Collected	33	—	—	—	360	14	262	21	690
Total Ending Allowance Balance	$ 17,633	$ 39,132	$ 3,228	$ 1,176	$ 686	$ 4,314	$ 673	$ 9,215	$ 76,057

The ACL is a valuation account that is deducted from the amortized cost of loans receivable to present the net amount expected to be collected. Loans are charged off against the ACL when management believes the uncollectibility of a loan balance is confirmed, and subsequent recoveries, if any, are credited to the ACL. Expected recoveries do not exceed the aggregate of amounts previously charged-off and expected to be charged-off. The Company records the changes in the allowance on loans through earnings as a “Provision for Credit Losses” in the Consolidated Statements of Income.

Management’s judgment in determining the level of the allowance is based on evaluations of historical loan losses, current conditions and reasonable and supportable forecasts relevant to the collectability of loans. The methodology for estimating the amount reported in the ACL is the sum of two main components, an allowance assessed on a collective basis for pools of loans that share similar risk characteristics and an allowance assessed on individual loans that do not share similar risk characteristics with other loans. Loans that share common risk characteristics are evaluated collectively using a discounted cash flow approach. The discounted cash flow approach used by the Company utilizes loan-level cash flow projections, pool-level assumptions, multiple economic scenarios from Moody’s, historical and peer group losses and qualitative assumptions.

Estimated cash flows consider the principal and interest in accordance with the contractual term of the loan and estimated prepayments. Contractual cash flows are based on the amortized cost and are adjusted for balances guaranteed by governmental entities. Estimated cash flows also reflect calculated probabilities of default, loss given default rates, and prepayment and curtailment estimates, as well as qualitative factors. The probability of default estimates are generated using a regression model that estimates the likelihood of a loan being charged-off during its life. The regression model uses combinations of variables to assess historical loss correlations to economic factors and these variables become model forecast inputs for economic factors that are updated in the model each period. As indicated above, the Company uses an economic forecast provided by a third-party for these model inputs.

The Company evaluates multiple economic scenarios that are designed to capture a range of supportable macroeconomic conditions, taking into consideration the forecasted direction of the economic and business environment and its likely impact on the estimated allowance as compared to the historical losses over the reasonable and supportable time frame. Economic forecasts for the current period are uploaded to the model, which targets certain forecasted macroeconomic factors, such as unemployment rate, value of construction, agriculture prices, housing price index, vacancy rates, debt service burden, and certain rate and market indices. The Company determines the weighting of each scenario based upon historical trends and economic, monetary, and fiscal conditions within the Company’s footprint that could impact future credit losses.

NOTE 6 - Loans (continued)

Loans that do not share similar risk characteristics are evaluated on an individual basis to determine the expected allowance for credit loss. When the borrower is experiencing financial difficulty at the reporting date and repayment is expected to be provided substantially through the operation or sale of the collateral, expected credit losses are based on the fair value of the collateral at the reporting date adjusted for selling costs.

The Company has continued to utilize the following portfolio segments and identified the risk characteristics of each portfolio listed below:

Commercial and Industrial Loans - The principal risk of commercial and industrial loans is that these loans are primarily based on the identified cash flow of the borrower and secondarily on the collateral underlying the loans. Most commercial loans are secured by accounts receivable, inventory and equipment. If cash flow from business operations is reduced, the borrower's ability to repay the loan may diminish, and over time, it may also be difficult to substantiate current value of inventory and equipment. Repayment of these loans is more sensitive than other types of loans to adverse conditions in the general economy.

Commercial Real Estate Loans - Commercial real estate lending is generally dependent on the successful operation of the property securing the loan or the business conducted on the property securing the loan. Commercial real estate loans may be adversely affected by conditions in the real estate markets or in the general economy. Commercial real estate loans are collateralized by the borrower's underlying real estate. Therefore, diminished cash flows not only affect the ability to repay the loan, but may also reduce the underlying collateral value.

Agricultural Loans - This portfolio is diversified between real estate financing, equipment financing and lines of credit in various segments including grain production, poultry production and livestock production. Mitigating any concentration of risk that may exist in the Company's agricultural loan portfolio is the use of federal government guarantee programs.

Leases - Leases are primarily for equipment leased to varying types of businesses. If the cash flows from business operations are reduced, the business's ability to repay the lease is diminished as well.

Home Equity Loans - Home equity loans are generally secured by 1-4 family residences that are owner-occupied. Repayment of these loans is primarily dependent on the personal income of the borrowers, which can be impacted by unemployment levels in the market area due to economic conditions.

Consumer Loans - Consumer loan repayment is typically dependent on the borrower remaining employed through the life of the loan as well as the borrower maintaining the underlying collateral adequately.

Credit Cards - Credit card loans are unsecured and repayment is primarily dependent on the personal income of the borrower.

Residential Mortgage Loans - Residential mortgage loans are typically secured by 1-4 family residences that are owner-occupied. Repayment of these loans is primarily dependent on the personal income of the borrowers, which can be impacted by unemployment levels in the market area due to economic conditions. Repayment may also be impacted by changes in residential property values.

All classes of loans, including loans acquired with deteriorated credit quality, are generally placed on non-accrual status when scheduled principal or interest payments are past due for 90 days or more or when the borrower's ability to repay becomes doubtful. For purchased loans, the determination is made at the time of acquisition as well as over the life of the loan. Uncollected accrued interest for each class of loans is reversed against income at the time a loan is placed on non-accrual. Interest received on such loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. All classes of loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured. Loans are typically charged-off at 180 days past due, or earlier if deemed uncollectible. Exceptions to the non-accrual and charge-off policies are made when the loan is well secured and in the process of collection.

NOTE 6 - Loans (continued)

The following tables present the amortized cost in non-accrual loans and loans past due over 89 days still accruing by class of loans as of September 30, 2026 and December 31, 2025:

September 30, 2026	Non-Accrual With No Allowance for Credit Loss [1]	Total Non-Accrual	Loans Past Due Over 89 Days Still Accruing
Commercial and Industrial Loans	$ 113	$ 11,080	$ 303
Commercial Real Estate Loans	844	5,874	—
Agricultural Loans	1,411	2,533	—
Leases	—	—	—
Home Equity Loans	647	647	—
Consumer Loans	623	623	—
Credit Cards	92	92	—
Residential Mortgage Loans	2,141	2,823	—
Total	$ 5,871	$ 23,672	$ 303

[1] Includes non-accrual loans with no allowance for credit loss and are also included in Total Non-Accrual loans of $23,672.

Interest income on non-accrual loans recognized during the three and nine months ended September 30, 2026 totaled $208 and $281, respectively.

December 31, 2025	Non-Accrual With No Allowance for Credit Loss [1]	Total Non-Accrual	Loans Past Due Over 89 Days Still Accruing
Commercial and Industrial Loans	$ 308	$ 16,549	$ —
Commercial Real Estate Loans	285	6,303	92
Agricultural Loans	1,197	3,123	—
Leases	—	—	—
Home Equity Loans	776	776	—
Consumer Loans	30	33	—
Credit Cards	148	148	—
Residential Mortgage Loans	1,471	2,387	—
Total	$ 4,215	$ 29,319	$ 92

[1] Includes non-accrual loans with no allowance for credit loss and are also included in Total Non-Accrual loans of $29,319.

Interest income on non-accrual loans recognized during the year ended December 31, 2025 totaled $521.

The following tables present the amortized cost basis of collateral-dependent loans by class of loans as of September 30, 2026 and December 31, 2025:

September 30, 2026	Real Estate	Equipment	Accounts Receivable	Other	Total
Commercial and Industrial Loans	$ 5,369	$ 5,843	$ —	$ 7,107	$ 18,319
Commercial Real Estate Loans	18,346	489	—	—	18,835
Agricultural Loans	2,227	184	—	628	3,039
Leases	—	—	—	—	—
Home Equity Loans	426	—	—	—	426
Consumer Loans	—	—	—	—	—
Credit Cards	—	—	—	—	—
Residential Mortgage Loans	427	—	—	—	427
Total	$ 26,795	$ 6,516	$ —	$ 7,735	$ 41,046

NOTE 6 - Loans (continued)

December 31, 2025	Real Estate	Equipment	Accounts Receivable	Other	Total
Commercial and Industrial Loans	$ 8,348	$ 6,880	$ 400	$ 10,070	$ 25,698
Commercial Real Estate Loans	30,670	494	—	—	31,164
Agricultural Loans	2,958	279	—	633	3,870
Leases	—	—	—	—	—
Home Equity Loans	425	—	—	—	425
Consumer Loans	—	—	—	—	—
Credit Cards	—	—	—	—	—
Residential Mortgage Loans	633	—	—	—	633
Total	$ 43,034	$ 7,653	$ 400	$ 10,703	$ 61,790

The following tables present the aging of the amortized cost basis in past due loans by class of loans as of September 30, 2026 and December 31, 2025:

September 30, 2026	30-59 Days Past Due	60-89 Days Past Due	Greater Than 89 Days Past Due	Total Past Due	Loans Not Past Due	Total
Commercial and Industrial Loans	$ 1,488	$ 2,949	$ 3,992	$ 8,429	$ 733,192	$ 741,621
Commercial Real Estate Loans	2,555	323	3,752	6,630	3,260,500	3,267,130
Agricultural Loans	538	144	629	1,311	466,930	468,241
Leases	—	—	—	—	88,329	88,329
Home Equity Loans	1,952	724	647	3,323	534,351	537,674
Consumer Loans	116	2	437	555	108,106	108,661
Credit Cards	152	54	92	298	28,012	28,310
Residential Mortgage Loans	8,871	2,843	2,644	14,358	744,105	758,463
Total	$ 15,672	$ 7,039	$ 12,193	$ 34,904	$ 5,963,525	$ 5,998,429

December 31, 2025	30-59 Days Past Due	60-89 Days Past Due	Greater Than 89 Days Past Due	Total Past Due	Loans Not Past Due	Total
Commercial and Industrial Loans	$ 518	$ 1,600	$ 7,096	$ 9,214	$ 751,953	$ 761,167
Commercial Real Estate Loans	2,559	281	4,497	7,337	3,135,135	3,142,472
Agricultural Loans	875	—	1,124	1,999	487,169	489,168
Leases	—	—	—	—	87,073	87,073
Home Equity Loans	2,415	140	776	3,331	480,969	484,300
Consumer Loans	1,017	287	33	1,337	116,311	117,648
Credit Cards	222	105	148	475	27,592	28,067
Residential Mortgage Loans	9,383	2,751	2,142	14,276	760,277	774,553
Total	$ 16,989	$ 5,164	$ 15,816	$ 37,969	$ 5,846,479	$ 5,884,448

Loan Modifications Made to Borrowers Experiencing Financial Difficulty

The Company's loan modifications for borrowers experiencing financial difficulties will typically include one or a combination of the following: a reduction of the stated interest rate of the loan; an extension of the maturity date at a stated rate of interest lower than the current market rate for new debt with similar risk; or a permanent reduction of the recorded investment in the loan. No modifications during the three or nine months ended September 30, 2026, or the year ended December 31, 2025, resulted in the permanent reduction of the amortized cost in the loan.

During the three and nine months ended September 30, 2026 and 2025, the Company had no modified loans made to borrowers experiencing financial difficulty. There were no modified loans that had a payment default during the three or nine months ended September 30, 2026 and 2025 and were modified in the twelve months prior to that default to borrowers experiencing financial difficulty. The Company considers a loan to be in payment default once it is 30 days contractually past due under the modified terms.

NOTE 6 - Loans (continued)

Credit Quality Indicators:

The Company categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt such as: current financial information, historical payment experience, credit documentation, public information, and current economic trends, among other factors. The Company classifies loans as to credit risk by individually analyzing loans. This analysis includes commercial and industrial loans, commercial real estate loans, and agricultural loans with an outstanding balance greater than $250. This analysis is typically performed on at least an annual basis. The Company uses the following definitions for risk ratings:

Special Mention. Loans classified as special mention have a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date.

Substandard. Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.

Doubtful. Loans classified as doubtful have all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

Loans not meeting the criteria above that are analyzed individually as part of the above described process are considered to be pass rated loans.

NOTE 6 - Loans (continued)

Based on the analysis performed at September 30, 2026 and December 31, 2025, the risk category of loans by class of loans is as follows:

	Term Loans Amortized Cost Basis by Origination Year							
As of September 30, 2026	**2026**	**2025**	**2024**	**2023**	**2022**	**Prior**	**Revolving Loans Amortized Cost Basis**	**Total**
Commercial and Industrial:								
Risk Rating								
Pass	$ 101,337	$ 110,311	$ 81,882	$ 50,203	$ 57,362	$ 70,036	$ 233,351	$ 704,482
Special Mention	249	801	916	2,594	1,157	3,953	3,512	13,182
Substandard	1,216	374	1,116	2,638	5,047	11,245	2,321	23,957
Doubtful	—	—	—	—	—	—	—	—
Total Commercial & Industrial Loans	$ 102,802	$ 111,486	$ 83,914	$ 55,435	$ 63,566	$ 85,234	$ 239,184	$ 741,621
Current Period Gross Charge-Offs	$ —	$ —	$ 36	$ —	$ 114	$ 7	$ 657	$ 814
Commercial Real Estate:								
Risk Rating								
Pass	$ 349,027	$ 537,081	$ 399,963	$ 344,622	$ 447,800	$ 1,034,294	$ 41,830	$ 3,154,617
Special Mention	3,784	121	2,348	37,023	3,238	35,492	899	82,905
Substandard	225	52	—	1,076	3,701	24,554	—	29,608
Doubtful	—	—	—	—	—	—	—	—
Total Commercial Real Estate Loans	$ 353,036	$ 537,254	$ 402,311	$ 382,721	$ 454,739	$ 1,094,340	$ 42,729	$ 3,267,130
Current Period Gross Charge-Offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Agricultural:								
Risk Rating								
Pass	$ 39,569	$ 42,168	$ 29,684	$ 25,487	$ 37,534	$ 126,022	$ 92,095	$ 392,559
Special Mention	4,119	7,459	2,104	4,232	5,714	17,808	19,441	60,877
Substandard	350	870	737	841	344	8,081	3,582	14,805
Doubtful	—	—	—	—	—	—	—	—
Total Agricultural Loans	$ 44,038	$ 50,497	$ 32,525	$ 30,560	$ 43,592	$ 151,911	$ 115,118	$ 468,241
Current Period Gross Charge-Offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Leases:								
Risk Rating								
Pass	$ 22,127	$ 27,550	$ 19,857	$ 14,273	$ 1,535	$ 2,987	$ —	$ 88,329
Special Mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—
Total Leases	$ 22,127	$ 27,550	$ 19,857	$ 14,273	$ 1,535	$ 2,987	$ —	$ 88,329
Current Period Gross Charge-Offs	$ —	$ —	$ —	$ 149	$ —	$ —	$ —	$ 149

NOTE 6 - Loans (continued)

	Term Loans Amortized Cost Basis by Origination Year							
As of December 31, 2025	**2025**	**2024**	**2023**	**2022**	**2021**	**Prior**	**Revolving Loans Amortized Cost Basis**	**Total**
Commercial and Industrial:								
Risk Rating								
Pass	$ 139,921	$ 105,911	$ 64,427	$ 77,540	$ 52,599	$ 45,106	$ 231,427	$ 716,931
Special Mention	1,171	714	2,077	1,221	286	2,046	5,364	12,879
Substandard	277	1,628	3,081	5,983	4,394	11,510	4,484	31,357
Doubtful	—	—	—	—	—	—	—	—
Total Commercial & Industrial Loans	$ 141,369	$ 108,253	$ 69,585	$ 84,744	$ 57,279	$ 58,662	$ 241,275	$ 761,167
Current Period Gross Charge-Offs	$ —	$ 306	$ —	$ 138	$ —	$ 77	$ 243	$ 764
Commercial Real Estate:								
Risk Rating								
Pass	$ 455,803	$ 435,591	$ 385,103	$ 515,257	$ 443,780	$ 774,987	$ 36,077	$ 3,046,598
Special Mention	220	2,448	17,816	3,173	7,879	22,681	783	55,000
Substandard	68	12	865	2,861	8,948	28,120	—	40,874
Doubtful	—	—	—	—	—	—	—	—
Total Commercial Real Estate Loans	$ 456,091	$ 438,051	$ 403,784	$ 521,291	$ 460,607	$ 825,788	$ 36,860	$ 3,142,472
Current Period Gross Charge-Offs	$ —	$ —	$ —	$ —	$ —	$ 26	$ —	$ 26
Agricultural:								
Risk Rating								
Pass	$ 54,791	$ 35,843	$ 33,138	$ 45,677	$ 29,011	$ 126,308	$ 118,304	$ 443,072
Special Mention	4,683	1,974	2,823	2,138	3,183	11,842	12,510	39,153
Substandard	—	437	832	64	101	4,526	983	6,943
Doubtful	—	—	—	—	—	—	—	—
Total Agricultural Loans	$ 59,474	$ 38,254	$ 36,793	$ 47,879	$ 32,295	$ 142,676	$ 131,797	$ 489,168
Current Period Gross Charge-Offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Leases:								
Risk Rating								
Pass	$ 33,383	$ 24,235	$ 19,668	$ 4,356	$ 2,064	$ 3,367	$ —	$ 87,073
Special Mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—
Total Leases	$ 33,383	$ 24,235	$ 19,668	$ 4,356	$ 2,064	$ 3,367	$ —	$ 87,073
Current Period Gross Charge-Offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —

NOTE 6 - Loans (continued)

The Company considers the performance of the loan portfolio and its impact on the allowance for credit losses. For residential and consumer loan classes, the Company also evaluates credit quality based on the aging status of the loan, which was previously presented, and by payment activity. The following tables present the amortized cost in residential, home equity and consumer loans based on payment activity as well as the current period gross charge-offs for the periods ended September 30, 2026 and December 31, 2025.

	Term Loans Amortized Cost Basis by Origination Year							
As of September 30, 2026	**2026**	**2025**	**2024**	**2023**	**2022**	**Prior**	**Revolving Loans Amortized Cost Basis**	**Total**
Consumer:								
Payment performance								
Performing	$ 39,167	$ 41,089	$ 10,938	$ 6,031	$ 2,791	$ 2,797	$ 5,225	$ 108,038
Nonperforming	—	6	589	19	8	1	—	623
Total Consumer Loans	$ 39,167	$ 41,095	$ 11,527	$ 6,050	$ 2,799	$ 2,798	$ 5,225	$ 108,661
Current Period Gross Charge-Offs	$ 1,242	$ 58	$ 32	$ 24	$ 7	$ 22	$ —	$ 1,385
Home Equity:								
Payment performance								
Performing	$ 195	$ 315	$ 1,865	$ 2,041	$ 3,921	$ 5,593	$ 523,097	$ 537,027
Nonperforming	—	—	177	174	71	135	90	647
Total Home Equity Loans	$ 195	$ 315	$ 2,042	$ 2,215	$ 3,992	$ 5,728	$ 523,187	$ 537,674
Current Period Gross Charge-Offs	$ —	$ —	$ —	$ —	$ 87	$ 26	$ —	$ 113
Residential Mortgage:								
Payment performance								
Performing	$ 65,280	$ 75,163	$ 75,542	$ 77,700	$ 174,064	$ 287,891	$ —	$ 755,640
Nonperforming	—	223	115	420	152	1,913	—	2,823
Total Residential Mortgage Loans	$ 65,280	$ 75,386	$ 75,657	$ 78,120	$ 174,216	$ 289,804	$ —	$ 758,463
Current Period Gross Charge-Offs	$ —	$ —	$ 32	$ 51	$ —	$ 59	$ —	$ 142

NOTE 6 - Loans (continued)

	Term Loans Amortized Cost Basis by Origination Year							
As of December 31, 2025	**2025**	**2024**	**2023**	**2022**	**2021**	**Prior**	**Revolving Loans Amortized Cost Basis**	**Total**
Consumer:								
Payment performance								
Performing	$ 58,703	$ 28,540	$ 13,023	$ 5,094	$ 3,489	$ 2,434	$ 6,332	$ 117,615
Nonperforming	—	27	—	6	—	—	—	33
Total Consumer Loans	$ 58,703	$ 28,567	$ 13,023	$ 5,100	$ 3,489	$ 2,434	$ 6,332	$ 117,648
Current Period Gross Charge-Offs	$ 1,502	$ 51	$ 66	$ 30	$ 15	$ 3	$ —	$ 1,667
Home Equity:								
Payment performance								
Performing	$ 315	$ 1,706	$ 1,495	$ 3,900	$ 1,294	$ 4,672	$ 470,142	$ 483,524
Nonperforming	—	—	198	251	85	86	156	776
Total Home Equity Loans	$ 315	$ 1,706	$ 1,693	$ 4,151	$ 1,379	$ 4,758	$ 470,298	$ 484,300
Current Period Gross Charge-Offs	$ —	$ —	$ —	$ 68	$ 25	$ 3	$ —	$ 96
Residential Mortgage:								
Payment performance								
Performing	$ 78,420	$ 83,687	$ 99,058	$ 188,414	$ 142,032	$ 180,555	$ —	$ 772,166
Nonperforming	—	335	148	228	502	1,174	—	2,387
Total Residential Mortgage Loans	$ 78,420	$ 84,022	$ 99,206	$ 188,642	$ 142,534	$ 181,729	$ —	$ 774,553
Current Period Gross Charge-Offs	$ —	$ —	$ 77	$ —	$ 37	$ —	$ —	$ 114

The Company considers the performance of the loan portfolio and its impact on the allowance for credit losses. For certain retail loan classes, the Company also evaluates credit quality based on the aging status of the loan, which was previously presented, and by payment activity. The following table presents the recorded investment in credit cards based on payment activity:

Credit Cards	**September 30, 2026**	**December 31, 2025**
Performing	$ 28,218	$ 27,919
Nonperforming	92	148
Total	$ 28,310	$ 28,067

The following tables present loans purchased and/or sold during the year by portfolio segment and excludes the business combination activity:

September 30, 2026	**Commercial and Industrial Loans**	**Commercial Real Estate Loans**	**Agricultural Loans**	**Leases**	**Consumer Loans**	**Home Equity Loans**	**Credit Cards**	**Residential Mortgage Loans**	**Total**
Purchases	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Sales	—	—	—	—	—	—	—	—	—

December 31, 2025	**Commercial and Industrial Loans**	**Commercial Real Estate Loans**	**Agricultural Loans**	**Leases**	**Consumer Loans**	**Home Equity Loans**	**Credit Cards**	**Residential Mortgage Loans**	**Total**
Purchases	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Sales	—	—	2,391	—	—	—	—	—	2,391

NOTE 7 – Loan Servicing

Mortgage loans serviced for others are not reported as assets. The principal balances of these loans at period end are as follows:

	September 30, 2026	December 31, 2025
Mortgage loan portfolios serviced for:		
FHLB	$ 90,500	$ 84,942
FHLMC	321,197	348,750
FNMA	1,482	1,651

Custodial escrow balances maintained in connection with serviced loans were $2,057 and $1,110 at September 30, 2026 and December 31, 2025, respectively.

Mortgage loan servicing rights are included in the Accrued Interest Receivable and Other Assets line of the Company's Consolidated Balance Sheets. Activity for loan servicing rights and the related valuation allowance follows:

	September 30, 2026	December 31, 2025
Loan Servicing Rights:		
Beginning of Year	$ 4,544	$ 179
Additions	636	569
2/1/2025 Acquired Heartland Loan Servicing Rights	—	4,513
Disposals	—	—
Amortized to Expense	590	717
Other Changes	—	—
Change in Valuation Allowance	—	—
End of Period	$ 4,590	$ 4,544
Valuation Allowance:		
Beginning of Year	$ —	$ —
Additions Expensed	—	—
Reductions Credited to Operations	—	—
Direct Write-downs	—	—
End of Period	$ —	$ —

The fair value of servicing rights was $5,385 and $4,556 at September 30, 2026 and December 31, 2025, respectively. Fair value at September 30, 2026 was determined using discount rates ranging from 9.68% to 10.00%, prepayment speeds ranging from 9.00% to 22.08%, depending on the stratification of the specific right, and a weighted average default rate of 0.51%. Fair value at December 31, 2025, was determined using a discount rate ranging from 9.63% to 10.00%, prepayment speeds ranging from 9.00% to 27.54%, depending on the stratification of the specific right, and a weighted average default rate of 0.43%.

NOTE 8 – Repurchase Agreements Accounted for as Secured Borrowings

Repurchase agreements are short-term borrowings included in FHLB Advances and Other Borrowings and mature overnight and continuously. Repurchase agreements, which were secured by mortgage-backed securities, totaled $30,467 and $43,852 as of September 30, 2026 and December 31, 2025, respectively. Risk could arise when the collateral pledged to a repurchase agreement declines in fair value. The Company minimizes risk by consistently monitoring the value of the collateral pledged. At the point in time where the collateral has declined in fair value, the Company is required to provide additional collateral based on the value of the underlying securities.

NOTE 9 – Segment Information

The Company’s reportable segments are determined by the type of products and services offered and the level of information provided to the Company’s chief operating decision maker, who uses such information in evaluating revenue streams, significant expenses, and budget to actual results in assessing the performance of the Company’s segments and in the determination of allocation of resources. The Company's chief operating decision maker is comprised of its Chairman and

NOTE 9 - Segment Information (continued)

Chief Executive Officer and its President and Chief Financial Officer. The Company's operations include two primary segments: core banking and wealth management services.

The core banking segment involves attracting deposits from the general public and using such funds to originate consumer, commercial and agricultural, commercial and agricultural real estate, and residential mortgage loans, primarily in the Company's local markets by the Company's banking subsidiary, German American Bank. Net interest income from loans and investments funded by deposits and borrowings is the primary revenue for the core banking segment. The core banking segment also involves the sale of residential mortgage loans in the secondary market. The wealth management segment's revenues are comprised primarily of fees generated by the wealth advisory and trust operations of the Company's banking subsidiary and by German American Investment Services, Inc. These fees are derived by providing trust, investment advisory, brokerage and retirement planning services to its customers.

The following segment financial information was derived from the internal financial statements of the Company which are used by management to monitor and manage financial performance. The accounting policies of the two segments are the same as those of the Company. The evaluation process for segments does not include holding company income and expense. Holding company amounts are the primary differences between segment amounts and consolidated totals, and are reflected in the column labeled "Other" below, along with amounts to eliminate transactions between segments.

	Core Banking	Wealth Management Services	Other	Consolidated Totals
Three Months Ended September 30, 2026				
Interest and Fees on Loans	$ 96,865	$ —	$ —	$ 96,865
Interest on Securities and Other Short-term Investments	13,823	126	109	14,058
Net Gains on Sales of Loans	1,359	—	—	1,359
Wealth Management Fees	—	5,007	—	5,007
Reconciliation of Revenue:				
Other Revenues				12,333
Elimination of Intercompany Revenues				(89)
Total Consolidated Revenue				129,533
Less:				
Interest on Deposits	24,997	—	—	24,997
Interest on FHLB Advances and Other Borrowings	1,661	—	747	2,408
Provision for Credit Losses	500	—	—	500
Salaries and Employee Benefits	25,704	2,302	163	28,169
Reconciliation of Income before Income Taxes:				
Other Non-interest Expense				24,939
Elimination of Intersegment Expenses				(89)
Income before Income Taxes				$ 48,609
Other Segment Disclosures: [1]				
Segment Profit (Loss) Before Taxes	$ 48,266	$ 2,115	$ (1,772)	$ 48,609
Segment Assets at September 30, 2026	$ 8,381,270	$ 23,739	$ 6,282	$ 8,411,291

(1) In the Other Segment Disclosures section, the column labeled "Other" includes holding company amounts and eliminating transactions between segments.

NOTE 9 - Segment Information (continued)

	Core Banking	Wealth Management Services	Other	Consolidated Totals
Three Months Ended September 30, 2025				
Interest and Fees on Loans	$ 93,305	$ —	$ —	$ 93,305
Interest on Securities and Other Short-term Investments	14,675	95	124	14,894
Net Gains on Sales of Loans	1,189	—	—	1,189
Wealth Management Fees	1	4,287	—	4,288
Reconciliation of Revenue:				
Other Revenues				12,952
Elimination of Intercompany Revenues				(102)
Total Consolidated Revenue				126,526
Less:				
Interest on Deposits	29,518	—	—	29,518
Interest on FHLB Advances and Other Borrowings	944	—	2,012	2,956
Provision for Credit Losses	700	—	—	700
Salaries and Employee Benefits	23,367	1,915	162	25,444
Reconciliation of Income before Income Taxes:				
Other Non-interest Expense				24,256
Elimination of Intersegment Expenses				(102)
Income before Income Taxes				$ 43,754
Other Segment Disclosures: [1]				
Segment Profit (Loss) Before Taxes	$ 43,421	$ 1,829	$ (1,496)	$ 43,754
Segment Assets at December 31, 2025	$ 8,363,150	$ 18,703	$ 6,927	$ 8,388,780

(1) In the Other Segment Disclosures section, the column labeled “Other” includes holding company amounts and eliminating transactions between segments.

	Core Banking	Wealth Management Services	Other	Consolidated Totals
Nine Months Ended September 30, 2026				
Interest and Fees on Loans	$ 282,651	$ —	$ —	$ 282,651
Interest on Securities and Other Short-term Investments	41,675	337	311	42,323
Net Gains on Sales of Loans	4,391	—	—	4,391
Wealth Management Fees	—	14,524	—	14,524
Reconciliation of Revenue:				
Other Revenues				35,756
Elimination of Intercompany Revenues				(250)
Total Consolidated Revenue				379,395
Less:				
Interest on Deposits	75,032	—	—	75,032
Interest on FHLB Advances and Other Borrowings	4,149	—	2,216	6,365
Provision for Credit Losses	4,000	—	—	4,000
Salaries and Employee Benefits	76,471	6,686	466	83,623
Reconciliation of Income before Income Taxes:				
Other Non-interest Expense				72,235
Elimination of Intersegment Expenses				(250)
Income before Income Taxes				$ 138,390
Other Segment Disclosures: [1]				
Segment Profit (Loss) Before Taxes	$ 137,825	$ 5,916	$ (5,351)	$ 138,390
Segment Assets at September 30, 2026	$ 8,381,270	$ 23,739	$ 6,282	$ 8,411,291

(1) In the Other Segment Disclosures section, the column labeled “Other” includes holding company amounts and eliminating transactions between segments.

NOTE 9 - Segment Information (continued)

	Core Banking	Wealth Management Services	Other	Consolidated Totals
Nine Months Ended September 30, 2025				
Interest and Fees on Loans	$ 264,812	$ —	$ —	$ 264,812
Interest on Securities and Other Short-term Investments	45,624	246	376	46,246
Net Gains on Sales of Loans	3,401	—	—	3,401
Wealth Management Fees	3	12,286	—	12,289
Reconciliation of Revenue:				
Other Revenues				34,312
Elimination of Intercompany Revenues				(310)
Total Consolidated Revenue				360,750
Less:				
Interest on Deposits	87,389	—	—	87,389
Interest on FHLB Advances and Other Borrowings	2,689	—	5,528	8,217
Provision for Credit Losses	17,200	—	—	17,200
Salaries and Employee Benefits	73,517	5,760	845	80,122
Reconciliation of Income before Income Taxes:				
Other Non-interest Expense				71,877
Elimination of Intersegment Expenses				(310)
Income before Income Taxes				$ 96,255
Other Segment Disclosures: [1]				
Segment Profit (Loss) Before Taxes	$ 100,639	$ 4,739	$ (9,123)	$ 96,255
Segment Assets at December 31, 2025	$ 8,363,150	$ 18,703	$ 6,927	$ 8,388,780

(1) In the Other Segment Disclosures section, the column labeled "Other" includes holding company amounts and eliminating transactions between segments.

NOTE 10 – Stock Repurchase Plan

The Company's Board of Directors previously approved a plan to repurchase up to 1,000,000 shares of the Company's outstanding common stock. On a share basis, the amount of common stock subject to the repurchase plan represented approximately 3% of the Company's outstanding shares on the date it was approved. The Company is not obligated to purchase shares under the plan, and the plan may be discontinued at any time. The actual timing, number and share price of shares purchased under the repurchase plan will be determined by the Company at its discretion and will depend upon such factors as the market price of the stock, general market and economic conditions and applicable legal requirements. The Company has not repurchased any shares under this repurchase plan.

In August 2022, the Inflation Reduction Act of 2022 (the "IRA") was enacted. Among other things, the IRA imposes a new 1% excise tax on the fair value of stock repurchased after December 31, 2022 by publicly traded U.S. corporations, like the Company. With certain exceptions, the value of stock repurchased is determined net of stock issued in the year, including shares issued pursuant to compensatory arrangements.

NOTE 11 – Equity Plans and Equity Based Compensation

During the periods presented, the Company maintained one equity incentive plan under which stock options, restricted stock, and other equity incentive awards could be granted. The Company's 2019 LTI Plan (the "2019 LTI Plan"), which authorizes a maximum aggregate issuance of 1,000,000 shares of common stock (subject to certain permitted adjustments), became effective on May 16, 2019, following approval of the Company's shareholders. It will remain in effect until May 16, 2029, or until all shares of common stock subject to the 2019 LTI Plan are distributed, all awards have expired or terminated, or the plan is terminated pursuant to its terms, whichever occurs first.

For the three and nine months ended September 30, 2026 and 2025, the Company granted no options. The Company recorded no stock compensation expense applicable to options during the three and nine months ended September 30, 2026 and 2025. In addition, there was no unrecognized option expense.

NOTE 11 - Equity Plans and Equity Based Compensation (continued)

During the periods presented, awards of long-term incentives were granted in the form of restricted stock. Awards granted under the management incentive plan were granted in tandem with cash credit entitlements in the form of 66.67% restricted stock grants and 33.33% cash credit entitlements. The cash portion of an award vests towards the end of the year in which the grant was made, followed by the restricted stock grants vesting 50% in each of the 2nd and 3rd years. For named executive officers, awards are granted in the form of 100% restricted stock grants which vest in three annual installments. Awards that are granted to directors as additional retainers for their services do not include any cash credit entitlement. These director restricted stock grants are subject to forfeiture in the event that the recipient of the grant does not continue in service as a director of the Company through the end of the one-year compensation period or does not satisfy certain meeting attendance requirements, at which time they generally vest 100%. For measuring compensation costs, restricted stock awards are valued based upon the market value of the common shares on the date of grant. During the three and nine months ended September 30, 2026, the Company granted 2,264 and 97,200 shares of restricted stock, respectively. During the three and nine months ended September 30, 2025, the Company granted 1,084 and 88,028 shares of restricted stock, respectively. Total unvested shares of restricted stock at September 30, 2026 and December 31, 2025 were 172,510 and 133,297, respectively.

The following tables present expense recorded for restricted stock and cash entitlements as well as the related tax information for the periods presented:

	Three Months Ended September 30,	
	2026	2025
Restricted Stock Expense	$ 858	$ 788
Cash Entitlement Expense	249	176
Tax Effect	(265)	(250)
Net of Tax	$ 842	$ 714

	Nine Months Ended September 30,	
	2026	2025
Restricted Stock Expense	$ 2,644	$ 2,458
Cash Entitlement Expense	737	516
Tax Effect	(810)	(771)
Net of Tax	$ 2,571	$ 2,203

Unrecognized expense associated with the restricted stock grants and cash entitlements totaled $5,509 and $4,650 as of September 30, 2026 and 2025, respectively.

The Company's shareholders approved the Company's 2019 Employee Stock Purchase Plan on May 16, 2019, as well as an Amended and Restated 2019 Employee Stock Purchase Plan on May 21, 2020, which was amended and restated to reflect certain clarifying changes (the "2019 ESPP"). The 2019 ESPP provides for a series of 3-month offering periods, commencing on the first day and ending on the last trading day of each calendar quarter, for the purchase of the Company's common stock by participating employees. The purchase price of the shares has been set at 95% of the fair market value of the Company's common stock on the last trading day of the offering period. A total of 750,000 common shares has been reserved for issuance under the 2019 ESPP. The 2019 ESPP will continue until September 30, 2029, or, if earlier, until all of the shares of common stock allocated to the 2019 ESPP have been purchased. Funding for the purchase of common stock is from employee and Company contributions.

For the three and nine months ended September 30, 2026, the Company recorded $0 and $48, respectively, of expense related to the 2019 ESPP resulting in $0 and $36 net of tax, respectively. For the three and nine months ended September 30, 2025, the Company recorded $11 and $27, respectively, of expense related to the 2019 ESPP resulting in $8 and $20 net of tax, respectively. There was no unrecognized compensation expense as of September 30, 2026 and 2025 for the 2019 ESPP. No stock options were outstanding as of September 30, 2026 and December 31, 2025.

NOTE 12 – Fair Value

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity’s own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The Company used the following methods and significant assumptions to estimate the fair value of each type of financial instrument:

Investment Securities: The fair values for investment securities are determined by quoted market prices, if available (Level 1). For investment securities where quoted prices are not available, fair values are calculated based on market prices of similar investment securities (Level 2). For investment securities where quoted prices or market prices of similar investment securities are not available, fair values are calculated using discounted cash flows or other market indicators (Level 3). Level 3 pricing is obtained from a third-party based upon similar trades that are not traded frequently without adjustment by the Company. At September 30, 2026, the Company held no Level 3 securities. Absent the credit rating, significant assumptions must be made such that the credit risk input becomes an unobservable input and thus these investment securities are reported by the Company in a Level 3 classification.

Interest Rate Swap Derivatives: The fair values of derivatives are based on valuation models using observable market data as of the measurement date (Level 2). The Company's derivatives are traded in an over-the-counter market where quoted market prices are not always available. Therefore, the fair values of derivatives are determined using quantitative models that utilize multiple market inputs. The inputs will vary based on the type of derivative, but could include interest rates, prices and indices to generate continuous yield or pricing curves, prepayment rates, and volatility factors to value the position. The majority of market inputs are actively quoted and can be validated through external sources, including brokers, market transactions and third-party pricing services.

Collateral Dependent Loans: Fair values for collateral dependent loans are generally based on appraisals obtained from licensed real estate appraisers and in certain circumstances includes consideration of offers obtained to purchase properties prior to foreclosure. Appraisals for commercial real estate generally use three methods to derive value: cost, sales or market comparison and income approach. The cost method bases value in the cost to replace the current property. Value of market comparison approach evaluates the sales price of similar properties in the same market area. The income approach considers net operating income generated by the property and an investor’s required return. Adjustments are routinely made in the appraisal process by the independent appraisers to adjust for differences between the comparable sales and income data available. Comparable sales adjustments are based on known sales prices of similar type and similar use properties and duration of time that the property has been on the market to sell. Such adjustments made in the appraisal process are typically significant and result in a Level 3 classification of the inputs for determining fair value.

Appraisals for both collateral-dependent loans and other real estate owned are performed by certified general appraisers (for commercial properties) or certified residential appraisers (for residential properties) whose qualifications and licenses have been reviewed and verified by the Company. Once received, a member of the Company’s Risk Management Area reviews the assumptions and approaches utilized in the appraisal. In determining the value of collateral dependent loans and other real estate owned, significant unobservable inputs may be used which include: physical condition of comparable properties sold, net operating income generated by the property and investor rates of return.

NOTE 12 - Fair Value (continued)

Other Real Estate: Nonrecurring adjustments to certain commercial and residential real estate properties classified as other real estate are measured at the lower of carrying amount or fair value, less costs to sell. Fair values are generally based on third party appraisals of the property utilizing similar techniques as discussed above for Collateral Dependent Loans, resulting in a Level 3 classification. In cases where the carrying amount exceeds the fair value, less costs to sell, impairment loss is recognized.

Mortgage Servicing Rights (MSR): On a quarterly basis, mortgage servicing rights are evaluated for impairment based upon the fair value of the rights as compared to carrying amount. If the carrying amount exceeds fair value, impairment is determined and recorded. The fair value of MSRs is determined by discounting estimated future cash flows from the servicing assets, using market discount rates and expected future prepayment rates stratifying the MSRs into groupings based on predominant risk characteristics, such as loan type, term and interest rate as well as time period originated. The amortized cost of the Company's MSRs was $4.6 million and $4.5 million, at September 30, 2026 and December 31, 2025, respectively. No impairment was recorded for the MSRs at September 30, 2026 or December 31, 2025.

Loans Held-for-Sale: The fair values of loans held for sale are determined by using quoted prices for similar assets, adjusted for specific attributes of that loan resulting in a Level 2 classification.

Assets and Liabilities Measured on a Recurring Basis

Assets and liabilities measured at fair value on a recurring basis, including financial assets and liabilities for which the Company has elected the fair value option, are summarized below:

	Fair Value Measurements at September 30, 2026 Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
U.S. Treasury	$ 124,715	$ —	$ —	$ 124,715
Obligations of State and Political Subdivisions	—	450,535	—	450,535
MBS/CMO	—	712,989	—	712,989
US Gov't Sponsored Entities & Agencies	—	306,535	—	306,535
Total Securities	$ 124,715	$ 1,470,059	$ —	$ 1,594,774
Loans Held-for-Sale	$ —	$ 6,113	$ —	$ 6,113
Derivative Assets	$ —	$ 4,103	$ —	$ 4,103
Derivative Liabilities	$ —	$ 4,077	$ —	$ 4,077

	Fair Value Measurements at December 31, 2025 Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
U.S. Treasury	$ 152,090	$ —	$ —	$ 152,090
Obligations of State and Political Subdivisions	—	497,606	—	497,606
MBS/CMO	—	719,542	—	719,542
US Gov't Sponsored Entities & Agencies	—	288,156	—	288,156
Total Securities	$ 152,090	$ 1,505,304	$ —	$ 1,657,394
Loans Held-for-Sale	$ —	$ 7,817	$ —	$ 7,817
Derivative Assets	$ —	$ 4,145	$ —	$ 4,145
Derivative Liabilities	$ —	$ 4,212	$ —	$ 4,212

NOTE 12 - Fair Value (continued)

During the three and nine months ended September 30, 2026 and 2025, there was no activity in Level 3 securities.

As of September 30, 2026 and December 31, 2025, the aggregate fair value, contractual balance (including accrued interest), and gain or loss on Loans Held-for-Sale was as follows:

	September 30, 2026	December 31, 2025
Aggregate Fair Value	$ 6,113	$ 7,817
Contractual Balance	6,107	7,660
Gain	6	157

The total amount of gains (losses) from changes in fair value included in earnings for the three and nine months ended September 30, 2026 for loans held for sale were $(63) and $(151), respectively. The total amount of gains (losses) from changes in fair value included in earnings for the three and nine months ended September 30, 2025 for loans held for sale were $(117) and $(25), respectively.

Assets and Liabilities Measured on a Non-Recurring Basis

Assets and liabilities measured at fair value on a non-recurring basis are summarized below:

	Fair Value Measurements at September 30, 2026 Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Collateral Dependent Loans				
Commercial and Industrial Loans	$ —	$ —	$ 11,417	$ 11,417
Commercial Real Estate Loans	$ —	$ —	$ 13,096	$ 13,096
Agricultural Loans	$ —	$ —	$ 1,435	$ 1,435
Consumer Loans	$ —	$ —	$ —	$ —
Home Equity Loans	$ —	$ —	$ 331	$ 331
Residential Mortgage Loans	$ —	$ —	$ 233	$ 233

	Fair Value Measurements at December 31, 2025 Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Collateral Dependent Loans				
Commercial and Industrial Loans	$ —	$ —	$ 14,914	$ 14,914
Commercial Real Estate Loans	$ —	$ —	$ 23,698	$ 23,698
Agricultural Loans	$ —	$ —	$ 2,544	$ 2,544
Consumer Loans	$ —	$ —	$ —	$ —
Home Equity Loans	$ —	$ —	$ 330	$ 330
Residential Mortgage Loans	$ —	$ —	$ 366	$ 366

NOTE 12 - Fair Value (continued)

The following tables present quantitative information about Level 3 fair value measurements for financial instruments measured at fair value on a non-recurring basis at September 30, 2026 and December 31, 2025:

September 30, 2026	Fair Value	Valuation Technique(s)	Unobservable Input(s)	Range (Weighted Average)
Collateral Dependent Loans - Commercial and Industrial Loans	$ 11,417	Sales comparison approach	Adjustment for physical condition of comparable properties sold	20%-100% (71%)
Collateral Dependent Loans - Commercial Real Estate Loans	$ 13,096	Sales comparison approach	Adjustment for physical condition of comparable properties sold	20%-100% (69%)
Collateral Dependent Loans - Agricultural Loans	$ 1,435	Sales comparison approach	Adjustment for physical condition of comparable properties sold	10%-100% (79%)
Collateral Dependent Loans - Consumer Loans	$ —	Sales comparison approach	Adjustment for physical condition of comparable properties sold	0%-0% (0%)
Collateral Dependent Loans - Home Equity Loans	$ 331	Sales comparison approach	Adjustment for physical condition of comparable properties sold	20%-20% (20%)
Collateral Dependent Loans - Residential Mortgage Loans	$ 233	Sales comparison approach	Adjustment for physical condition of comparable properties sold	20%-20% (20%)

December 31, 2025	Fair Value	Valuation Technique(s)	Unobservable Input(s)	Range (Weighted Average)
Collateral Dependent Loans - Commercial and Industrial Loans	$ 14,914	Sales comparison approach	Adjustment for physical condition of comparable properties sold	7%-100% (69%)
Collateral Dependent Loans - Commercial Real Estate Loans	$ 23,698	Sales comparison approach	Adjustment for physical condition of comparable properties sold	20%-100% (89%)
Collateral Dependent Loans - Agricultural Loans	$ 2,544	Sales comparison approach	Adjustment for physical condition of comparable properties sold	10%-53% (37%)
Collateral Dependent Loans - Consumer Loans	$ —	Sales comparison approach	Adjustment for physical condition of comparable properties sold	0%-0% (0%)
Collateral Dependent Loans - Home Equity Loans	$ 330	Sales comparison approach	Adjustment for physical condition of comparable properties sold	20%-20% (20%)
Collateral Dependent Loans - Residential Mortgage Loans	$ 366	Sales comparison approach	Adjustment for physical condition of comparable properties sold	20%-20% (20%)

NOTE 12 - Fair Value (continued)

The carrying amounts and estimated fair values of the Company's financial instruments not previously presented are provided in the tables below for the periods ended September 30, 2026 and December 31, 2025. Not all of the Company's assets and liabilities are considered financial instruments, and therefore are not included in the tables. Because no active market exists for a significant portion of the Company's financial instruments, fair value estimates were based on subjective judgments, and therefore cannot be determined with precision.

		Fair Value Measurements at September 30, 2026 Using			
	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets:					
Cash and Short-term Investments	$ 77,345	$ 68,525	$ 8,820	$ —	$ 77,345
Interest Bearing Time Deposits with Banks	500	—	500	—	500
Loans, Net	5,883,518	—	—	5,837,070	5,837,070
Accrued Interest Receivable	39,014	—	8,978	30,036	39,014
Financial Liabilities:					
Demand, Savings, and Money Market Deposits	(5,589,254)	(5,589,254)	—	—	(5,589,254)
Time Deposits	(1,347,253)	—	(1,333,172)	—	(1,333,172)
Short-term Borrowings	(154,167)	(123,700)	(30,467)	—	(154,167)
Long-term Debt	(113,953)	—	(76,634)	(35,525)	(112,159)
Accrued Interest Payable	(8,275)	—	(7,966)	(309)	(8,275)

		Fair Value Measurements at December 31, 2025 Using			
	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets:					
Cash and Short-term Investments	$ 118,382	$ 71,428	$ 46,954	$ —	$ 118,382
Interest Bearing Time Deposits with Banks	500	—	500	—	500
Loans, Net	5,755,551	—	—	5,702,933	5,702,933
Accrued Interest Receivable	38,997	—	9,496	29,501	38,997
Financial Liabilities:					
Demand, Savings, and Money Market Deposits	(5,700,205)	(5,700,205)	—	—	(5,700,205)
Time Deposits	(1,289,537)	—	(1,286,002)	—	(1,286,002)
Short-term Borrowings	(43,852)	—	(43,852)	—	(43,852)
Long-term Debt	(138,831)	—	(102,892)	(34,126)	(137,018)
Accrued Interest Payable	(10,243)	—	(9,925)	(318)	(10,243)

NOTE 13 - Other Comprehensive Income (Loss)

The tables below summarize the changes in accumulated other comprehensive income (loss) by component for the three and nine months ended September 30, 2026 and 2025, net of tax:

September 30, 2026	Unrealized Gains and Losses on Available-for-Sale Securities	Postretirement Benefit Items	Total
Beginning Balance at July 1, 2026	$ (164,655)	$ (514)	$ (165,169)
Other Comprehensive Income (Loss) Before Reclassification	(85,586)	—	(85,586)
Amounts Reclassified from Accumulated Other Comprehensive Income (Loss)	—	—	—
Net Current Period Other Comprehensive Income (Loss)	(85,586)	—	(85,586)
Ending Balance at September 30, 2026	$ (250,241)	$ (514)	$ (250,755)

September 30, 2026	Unrealized Gains and Losses on Available-for-Sale Securities	Postretirement Benefit Items	Total
Beginning Balance at January 1, 2026	$ (164,420)	$ (514)	$ (164,934)
Other Comprehensive Income (Loss) Before Reclassification	(85,821)	—	(85,821)
Amounts Reclassified from Accumulated Other Comprehensive Income (Loss)	—	—	—
Net Current Period Other Comprehensive Income (Loss)	(85,821)	—	(85,821)
Ending Balance at September 30, 2026	$ (250,241)	$ (514)	$ (250,755)

September 30, 2025	Unrealized Gains and Losses on Available-for-Sale Securities	Postretirement Benefit Items	Total
Beginning Balance at July 1, 2025	$ (207,046)	$ (514)	$ (207,560)
Other Comprehensive Income (Loss) Before Reclassification	25,180	—	25,180
Amounts Reclassified from Accumulated Other Comprehensive Income (Loss)	—	—	—
Net Current Period Other Comprehensive Income (Loss)	25,180	—	25,180
Ending Balance at September 30, 2025	$ (181,866)	$ (514)	$ (182,380)

September 30, 2025	Unrealized Gains and Losses on Available-for-Sale Securities	Postretirement Benefit Items	Total
Beginning Balance at January 1, 2025	$ (219,950)	$ (514)	$ (220,464)
Other Comprehensive Income (Loss) Before Reclassification	38,084	—	38,084
Amounts Reclassified from Accumulated Other Comprehensive Income (Loss)	—	—	—
Net Current Period Other Comprehensive Income (Loss)	38,084	—	38,084
Ending Balance at September 30, 2025	$ (181,866)	$ (514)	$ (182,380)

NOTE 13 - Other Comprehensive Income (Loss) (continued)

The tables below summarize the classifications out of accumulated other comprehensive income (loss) by component for the three and nine months ended September 30, 2026 and 2025:

Details about Accumulated Other Comprehensive Income (Loss) Components	Amount Reclassified From Accumulated Other Comprehensive Income (Loss)	Affected Line Item in the Statement Where Net Income is Presented
Unrealized Gains and Losses on Available-for-Sale Securities	$ —	Net Gains (Losses) on Securities
	—	Income Tax Expense
	—	Net of Tax
Total Reclassifications for the Three Months Ended September 30, 2026	$ —	

Details about Accumulated Other Comprehensive Income (Loss) Components	Amount Reclassified From Accumulated Other Comprehensive Income (Loss)	Affected Line Item in the Statement Where Net Income is Presented
Unrealized Gains and Losses on Available-for-Sale Securities	$ —	Net Gains (Losses) on Securities
	—	Income Tax Expense
	—	Net of Tax
Total Reclassifications for the Nine Months Ended September 30, 2026	$ —	

Details about Accumulated Other Comprehensive Income (Loss) Components	Amount Reclassified From Accumulated Other Comprehensive Income (Loss)	Affected Line Item in the Statement Where Net Income is Presented
Unrealized Gains and Losses on Available-for-Sale Securities	$ —	Net Gains (Losses) on Securities
	—	Income Tax Expense
	—	Net of Tax
Total Reclassifications for the Three Months Ended September 30, 2025	$ —	

Details about Accumulated Other Comprehensive Income (Loss) Components	Amount Reclassified From Accumulated Other Comprehensive Income (Loss)	Affected Line Item in the Statement Where Net Income is Presented
Unrealized Gains and Losses on Available-for-Sale Securities	$ —	Net Gains (Losses) on Securities
	—	Income Tax Expense
	—	Net of Tax
Total Reclassifications for the Nine Months Ended September 30, 2025	$ —	

NOTE 14 - Revenue Recognition

The following tables present non-interest income, segregated by revenue streams in-scope and out-of-scope of FASB ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)", for the three and nine months ended September 30, 2026 and 2025. Wealth management fees are included in the wealth management services segment. All other revenue streams are primarily included in the banking segment.

	Three Months Ended September 30,	
Non-interest Income	**2026**	**2025**
In-Scope of Topic 606:		
Wealth Management Fees	$ 5,007	$ 4,288
Service Charges on Deposit Accounts	4,280	3,927
Interchange Fee Income	5,306	5,087
Other Operating Income:		
ATM Fees	324	352
Wire Transfer Fees	257	242
Other [1]	392	408
Non-interest Income (in-scope of Topic 606)	15,566	14,304
Non-interest Income (out-of-scope of Topic 606)	3,133	4,125
Total Non-interest Income	$ 18,699	$ 18,429

[1] "Other" income includes safe deposit box rentals and other non-interest related fees totaling $392 thousand and $408 thousand for the three months ended September 30, 2026 and 2025, respectively, all of which are within the scope of ASC 606.

	Nine Months Ended September 30,	
Non-interest Income	**2026**	**2025**
In-Scope of Topic 606:		
Wealth Management Fees	$ 14,524	$ 12,289
Service Charges on Deposit Accounts	12,094	11,127
Interchange Fee Income	15,410	14,565
Other Operating Income:		
ATM Fees	735	980
Wire Transfer Fees	925	687
Other [1]	1,159	1,004
Non-interest Income (in-scope of Topic 606)	44,847	40,652
Non-interest Income (out-of-scope of Topic 606)	9,824	9,350
Total Non-interest Income	$ 54,671	$ 50,002

[1] "Other" income includes safe deposit box rentals and other non-interest related fees totaling $1,159 thousand and $1,004 thousand for the nine months ended September 30, 2026 and 2025, respectively, all of which are within the scope of ASC 606.

A description of the Company's revenue streams accounted for under Topic 606 follows:

Service Charges on Deposit Accounts: The Company earns fees from its deposit customers for transaction-based, account maintenance, and overdraft services. Transaction-based fees, which include services such as stop payment charges and statement rendering, are recognized at the time the transaction is executed (the point in time the Company fills the customer's request). Account maintenance fees, which relate primarily to monthly maintenance, are earned over the course of a month, representing the period over which the Company satisfies the performance obligation. Overdraft fees are recognized at the point in time that the overdraft occurs.

NOTE 14 - Revenue Recognition (continued)

Interchange Fee Income: The Company earns interchange fees from debit/credit cardholder transactions conducted through various payment networks. Interchange fees from cardholder transactions represent a percentage of the underlying transaction value and are recognized daily, concurrently with the transaction processing services provided to the cardholder.

Wealth Management Fees: The Company earns wealth management and investment services income from its contracts with trust and brokerage customers to manage assets for investment and/or to transact their accounts. These fees are primarily earned over time as the Company provides the contracted monthly or quarterly services and are generally assessed based on the market value of assets under management at month-end. Fees that are transaction based, including trade execution services, are recognized at the point in time that the transaction is executed (trade date).

Other Operating Income: The other operating income revenue streams within the scope of Topic 606 consist of ATM fees, wire transfer fees, safe deposit box rentals, check printing commissions and other non-interest related fees.

NOTE 15 – Leases

At the inception of a contract, an entity should determine whether the contract contains a lease. Topic 842 defines a lease as a contract, or part of a contract, that conveys the right to control the use of identified property, plant, or equipment (an identified asset) for a period of time in exchange for consideration. Control over the use of an identified asset means that the customer has both (1) the right to obtain substantially all of the economic benefits from the use of the asset and (2) the right to direct the use of the asset.

The Bank has finance leases for branch offices as well as operating leases for branch offices, ATM locations and certain office equipment. The right-of-use asset is included in the 'Premises, Furniture and Equipment, Net' line of the Consolidated Balance Sheet. The lease liability is included in the 'Accrued Interest Payable and Other Liabilities' line of the Consolidated Balance Sheet.

The Company used the implicit lease rate when determining the present value of lease payments for finance leases. The present value of lease payments for operating leases was determined using the incremental borrowing rate as of the date the Company adopted this standard.

The components of lease expense were as follows:

	Three Months Ended September 30, 2026	Three Months Ended September 30, 2025
Finance Lease Cost:		
Amortization of Right-of-Use Assets	$ 52	$ 52
Interest on Lease Liabilities	54	62
Operating Lease Cost	386	386
Short-term Lease Cost	—	—
Total Lease Cost	$ 492	$ 500

	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Finance Lease Cost:		
Amortization of Right-of-Use Assets	$ 157	$ 157
Interest on Lease Liabilities	169	192
Operating Lease Cost	1,173	1,245
Short-term Lease Cost	—	—
Total Lease Cost	$ 1,499	$ 1,594

NOTE 15 - Leases (continued)

The weighted average lease term and discount rates were as follows:

	September 30, 2026	December 31, 2025
Weighted Average Remaining Lease Term:		
Finance Leases	6 years	6 years
Operating Leases	5 years	5 years
Weighted Average Discount Rate:		
Finance Leases	11.26 %	11.30 %
Operating Leases	3.25 %	3.27 %

Supplemental balance sheet information related to leases was as follows:

	September 30, 2026	December 31, 2025
Finance Leases		
Premises, Furniture and Equipment, Net	$ 1,071	$ 1,228
Other Borrowings	1,916	2,137
Operating Leases		
Operating Lease Right-of-Use Assets	$ 4,562	$ 5,584
Operating Lease Liabilities	4,738	5,764

Supplemental cash flow information related to leases was as follows:

	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Cash paid for amounts in the Measurement of Lease Liabilities:		
Operating Cash Flows from Finance Leases	$ 169	$ 192
Operating Cash Flows from Operating Leases	1,177	1,240
Financing Cash Flows from Finance Leases	244	214

The following table presents a maturity analysis of Finance and Operating Lease Liabilities:

	September 30, 2026	
	Finance Leases	Operating Leases
Year 1	$ 505	$ 1,390
Year 2	438	921
Year 3	438	729
Year 4	438	461
Year 5	372	431
Thereafter	372	1,310
Total Lease Payments	2,563	5,242
Less Imputed Interest	(647)	(504)
Total	$ 1,916	$ 4,738

NOTE 16 – Business Combinations

On February 1, 2025, the Company acquired 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. Heartland, headquartered in Whitehall, Ohio, operated 20 retail banking offices located in Columbus, Ohio and Greater Cincinnati.

NOTE 16 – Business Combinations (continued)

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 accounted for the transaction under the acquisition method of accounting, which means these financial assets and liabilities were recorded at fair value on the date of acquisition. The fair value of the common shares issued as part of the consideration paid for Heartland was based upon the closing price of the Company's common shares on the acquisition date.

In accordance with ASC 805, the Company has expensed approximately $23,196 of direct acquisition costs and recorded $196,445 of goodwill and $40,065 of intangible assets. The goodwill of $196,445 arising from the acquisition consisted largely of synergies and the cost savings resulting from combining the operations of the companies. This goodwill will be evaluated annually for impairment and is non-deductible for tax purposes. The intangible assets are related to core deposits and are being amortized over 8 years. The following table summarizes the fair value of the total consideration transferred as a part of the Heartland acquisition as well as the fair value of identifiable assets acquired and liabilities assumed as of the effective date of the transaction.

Consideration		
Cash for Stock Options, 401K Shares and Fractional Shares	$	23,102
Cash Consideration		—
Equity Instruments		320,007
Fair Value of Total Consideration Transferred	$	343,109
Recognized Amounts of Identifiable Assets Acquired and Liabilities Assumed:		
Cash	$	6,216
Federal Funds Sold and Other Short-term Investments		39,550
Interest-bearing Time Deposits with Banks		—
Securities		220,358
Loans, Net		1,503,378
Stock in FHLB and Other Restricted Stock, at Cost		6,992
Premises, Furniture & Equipment		39,764
Other Real Estate		—
Intangible Assets		40,065
Company Owned Life Insurance		20,660
Accrued Interest Receivable and Other Assets		39,003
Deposits - Non-interest Bearing		(436,467)
Deposits - Interest Bearing		(1,294,696)
FHLB Advances and Other Borrowings		(29,342)
Accrued Interest Payable and Other Liabilities		(8,817)
Total Identifiable Net Assets	$	146,664
Goodwill	$	196,445

Under the terms of the merger agreement, each Heartland common shareholder of record at the effective time of the merger became entitled to receive 3.90 shares of common stock of the Company for each of their former shares of Heartland common stock. As a result, in connection with the closing of the merger on February 1, 2025, the Company issued 7,742,723 shares of its common stock to the former shareholders of Heartland and paid $23,102 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.

This acquisition was consistent with the Company's strategy to build a regional presence in Southern Indiana, Kentucky and Ohio. The acquisition offers the Company the opportunity to increase profitability by introducing existing products and services to the acquired customer base as well as add new customers in the expanded region.

NOTE 16 – Business Combinations (continued)

The fair value of purchased financial assets with credit deterioration was $91,377 on the date of acquisition. The gross contractual amounts receivable relating to the purchased financial assets with credit deterioration was $112,839. The Company estimates, on the date of acquisition, that $16,503 of the contractual cash flows specific to the purchased financial assets with credit deterioration will not be collected.

The following table presents unaudited pro forma information as if the acquisition had occurred on January 1, 2024 after giving effect to certain adjustments. The unaudited pro forma information for the three and nine months ended September 30, 2025 and 2024 includes adjustments for interest income on loans and securities acquired, amortization of intangibles arising from the transaction, interest expense on deposits and borrowings acquired, and the related income tax effects. The unaudited pro forma financial information is not necessarily indicative of the results of operations that would have occurred had the transaction been effected on the assumed date.

	Unaudited Pro Forma Quarter Ended 9/30/2025	Unaudited Pro Forma Quarter Ended 9/30/2024
Net Interest Income	$ 75,725	$ 72,553
Non-interest Income	18,429	16,523
Total Revenue	94,154	89,076
Provision for Credit Losses	700	1,219
Non-interest Expense	49,564	46,307
Income Before Income Taxes	43,890	41,550
Income Tax Expense	8,714	8,525
Net Income	$ 35,176	$ 33,025
Earnings Per Share and Diluted Earnings Per Share	$ 0.94	$ 0.88

For the three months ended September 30, 2025, the above pro forma financial information excludes non-recurring merger costs that totaled $135 on a pre-tax basis.

	Unaudited Pro Forma Nine Months Ended 9/30/2025	Unaudited Pro Forma Nine Months Ended 9/30/2024
Net Interest Income	$ 221,871	$ 207,812
Non-interest Income	50,830	56,001
Total Revenue	272,701	263,813
Provision for Credit Losses	984	1,476
Non-interest Expense	148,885	145,488
Income Before Income Taxes	122,832	116,849
Income Tax Expense	25,868	25,051
Net Income	$ 96,964	$ 91,798
Earnings Per Share and Diluted Earnings Per Share	$ 2.59	$ 2.46

For the nine months ended September 30, 2025, the above pro forma financial information excludes non-recurring merger costs that totaled $6,996 on a pre-tax basis and Day 2 provision for credit losses under the CECL model of $16,200 on a pre-tax basis.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

GERMAN AMERICAN BANCORP, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

German American Bancorp, Inc. is a Nasdaq-listed (symbol: GABC) 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.

Throughout this Management's Discussion and Analysis, as elsewhere in this Report, when we use the term "Company" and "German American", we will usually be referring to the business and affairs (financial and otherwise) of the Company and its subsidiaries and affiliates as a whole. Occasionally, we will refer to the term "German American Bancorp", "Bancorp", "parent company" or "holding company" when we mean to refer to only German American Bancorp, Inc., and the term "Bank" when we mean to refer to only the Company's bank subsidiary.

This section presents an analysis of the consolidated financial condition of the Company as of September 30, 2026 and December 31, 2025 and the consolidated results of operations for the three and nine months ended September 30, 2026 and 2025. This discussion should be read in conjunction with the consolidated financial statements and other financial data presented elsewhere herein and with the financial statements and other financial data, as well as the Management's Discussion and Analysis of Financial Condition and Results of Operations, included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025.

MANAGEMENT OVERVIEW

This updated discussion should be read in conjunction with the Management Overview that was included in our Management's Discussion and Analysis of Financial Condition and Results of Operations in the Company's Annual Report on Form 10-K for the year ended December 31, 2025.

On February 1, 2025, German American Bancorp 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. 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. German American Bancorp 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.

On September 15, 2025, Bancorp redeemed the Heartland 5.0% Fixed-to-Floating Rate Subordinated Notes Due 2030 (the "Heartland Notes"), outstanding in the aggregate principal amount of $24.3 million, at a redemption price equal to 100% of the principal amount, plus accrued and unpaid interest.

For further information regarding the acquisition of Heartland, see Note 16 in the Notes to the Consolidated Financial Statements included in Item 1 of this Report.

Net income for the quarter ended September 30, 2026 totaled $38,637,000, or $1.03 per share, an increase of 10% on a per share basis compared with the third quarter 2025 net income of $35,074,000, or $0.94 per share. Net income for the nine months ended September 30, 2026 totaled $109,961,000, or $2.93 per share, an increase of 40% on a per share basis compared with the first nine months of 2025 net income of $76,952,000, or $2.10 per share.

The third quarter of 2025 results of operations included Heartland acquisition-related expenses of $135,000 ($101,000, on an after tax basis), and a $975,000 non-recurring gain on the redemption of the Heartland Notes ($731,000, on an after tax basis). The first nine months of 2025 results of operations included Heartland acquisition-related expenses of $6,996,000 ($5,418,000, on an after tax basis) and a "Day 2" adjustment to the provision for credit losses under the CECL model of $16,200,000 ($12,150,000, on an after tax basis), as well as the gain on the redemption of the Heartland Notes.

On an adjusted basis, net income for the third quarter of 2025 was $34,444,000, or $0.92 per share, and for the nine months ended September 30, 2025, was $93,789,000, or $2.57 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 Management's Discussion and Analysis for additional information, including a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The financial condition and results of operations for the Company presented in the Consolidated Financial Statements, accompanying Notes to the Consolidated Financial Statements, and selected financial data appearing elsewhere within this Report, are, to a large degree, dependent upon the Company's accounting policies. The selection of and application of these policies involve estimates, judgments, and uncertainties that are subject to change. The critical accounting policies and estimates that the Company has determined to be the most susceptible to change in the near term relate to the determination of the allowance for credit losses, the valuation of securities available for sale, income tax expense, and the valuation of goodwill and other intangible assets.

Allowance for Credit Losses

The Company maintains an allowance for credit losses to cover the estimated expected credit losses over the expected contractual life of the loan portfolio. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance. Allocations of the allowance may be made for specific loans, but the entire allowance is available for any loan that, in management's judgment, should be charged-off. A provision for credit losses is charged to operations based on management's periodic evaluation of the necessary allowance balance. Evaluations are conducted at least quarterly and more often if deemed necessary. The ultimate recovery of all loans is susceptible to future market factors beyond the Company's control.

The Company has an established process to determine the adequacy of the allowance for credit losses. The determination of the allowance is inherently subjective, as it requires significant estimates, including the amounts and timing of expected future cash flows on individually analyzed loans, estimated losses on other classified loans and pools of homogeneous loans, and consideration of past loan loss experience, the nature and volume of the portfolio, information about specific borrower situations and estimated collateral values, economic conditions, reasonable and supportable forecasts and other factors, all of which may be susceptible to significant change. The allowance consists of two components of allocations: an allowance assessed on a collective basis for pools of loans that share similar risk characteristics and an allowance assessed on individual loans that do not share similar risk characteristics with other loans. These two components represent the total allowance for credit losses deemed adequate to cover expected credit losses over the expected life of the loan portfolio.

Management's estimate of the ACL for loans relies on the identification, stratification and separate estimates of loss for both loans collectively evaluated and loans individually evaluated for loss. The estimate of loss for loans collectively evaluated for loss in particular involves a significant level of estimation uncertainty due to its complexity and the quantity of relevant inputs, including: management's determination of baseline loss rate multipliers based on a third party forecast of economic conditions, estimates of the reasonable and supportable forecast period, estimates of the baseline loss rate look back period, estimates of the reversion period from the reasonable and supportable forecast period to the baseline loss rate and estimates of the prepayment rate and related look back period. Additionally, management considers other qualitative risk factors to further adjust the estimated ACL on loans through a qualitative allowance.

Commercial and agricultural loans are subject to a standardized grading process administered by an internal loan review function. The need for specific reserves is considered for credits when: (a) the customer's cash flow or net worth appears insufficient to repay the loan; (b) the loan has been criticized in a regulatory examination; (c) the loan is on non-accrual; or (d) other reasons where the ultimate collectability of the loan is in question, or the loan characteristics require special monitoring.

Specific reserves on individually analyzed loans are determined by comparing the loan balance to the present value of expected cash flows or expected collateral proceeds. Allocations are also applied to categories of loans not individually analyzed but for which the rate of loss is expected to be greater than other similar type loans, including non-performing consumer or residential real estate loans. Such allocations are based on past loss experience, reasonable and supportable forecasts and information about specific borrower situations and estimated collateral values.

General allocations are made for commercial and agricultural loans that are graded as substandard and special mention, but are not individually analyzed for specific reserves as well as other pools of loans, including non-classified loans, homogeneous portfolios of consumer and residential real estate loans, and loans within certain industry categories believed to present unique risk of loss.

The allowance for credit losses for loans represents management's estimate of all expected credit losses over the expected contractual life of the loan portfolio. Determining the appropriateness and adequacy of the allowance is complex and requires judgment by management about the effect of matters that are inherently uncertain. Subsequent evaluations of the loan portfolio may result in significant changes in the allowance for credit losses in future periods.

Under Accounting Standards Codification (ASC) 805, Business Combinations, in a transaction like the Heartland merger, the acquirer is required to recognize an allowance for credit losses in the period of acquisition for both purchased credit deterioration ("PCD") assets and non-PCD assets. The determination of PCD versus non-PCD determines how the allowance for credit loss flows through the financial statements. For PCD assets, the gross-up method includes the impact in the "Day 1" business combination entries with no impact to expense. For non-PCD assets, the impact is reflected outside of the business combination entries (sometimes referred to as "Day 2") and is reflected in expense. The Heartland merger was completed prior to the Company's early adoption of ASU 2025-08, "Financial Instruments - Credit Losses (Topic 326): Purchased Loans" at March 31, 2026. The Company expects that ASU 2025-08 will primarily affect the accounting for loans acquired in future business combinations or asset acquisitions; as such, there was no impact in the current year.

The Company utilizes a discounted cash flow methodology to estimate the allowance for credit losses. Expected cash flows are estimated for each loan and discounted using the contractual terms of the loan, calculated probabilities of default, loss given default rates, and prepayment and curtailment estimates, as well as qualitative factors. The probability of default estimates are generated using a regression model that estimates the likelihood of a loan being charged-off during its life. The regression model uses combinations of variables to assess historical loss correlations to economic factors, and these variables become model forecast inputs for economic factors that are updated in the model each period. The Company evaluates and utilizes multiple economic forecast scenarios provided by a third-party for these model inputs. These multiple economic forecast scenarios are weighted to arrive at the quantitative reserve. Changes in the economic forecast or weighting could impact the estimated credit losses which could lead to significantly different allowance levels from one reporting period to the next.

In calculating the adequacy of the allowance at September 30, 2026, management weighted different scenarios, including a baseline scenario as well as two additional alternative scenarios. To create hypothetical sensitivity analyses, management calculated a quantitative allowance using a 100% weighting applied to a baseline scenario and a quantitative allowance using a 100% weighting applied to an adverse scenario. Excluding the consideration of qualitative adjustments, the sensitivity analysis utilizing the adverse scenario would result in a hypothetical increase in the Company's allowance of $4,000,000. Excluding consideration of qualitative adjustments, a corresponding $4,700,000 decrease in the Company's allowance would occur in a hypothetical scenario if only the baseline scenario was used. The sensitivity and related range of impact is a hypothetical analysis and is not intended to represent management's estimation of the adequacy of the allowance for credit losses at September 30, 2026.

Securities Valuation

Available-for-sale debt securities in unrealized loss positions are evaluated for impairment related to credit losses at least quarterly. For available-for-sale debt securities in an unrealized loss position, the Company assesses whether we intend to sell, or it is more likely than not that we will be required to sell the security before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the security's amortized cost basis is written down to fair value through income. For available-for-sale debt securities that do not meet the criteria, the Company evaluates whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, management considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and adverse conditions specifically related to the security and the issuer, among other factors. If this assessment indicates that a credit loss exists, the Company compares the present value of cash flows expected to be collected from the security with the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis for the security, a credit loss exists and an allowance for credit losses is recorded, limited to the amount that the fair value of the security is less than its amortized cost basis. Any impairment that has not been recorded through an allowance for credit losses is recognized in other comprehensive income, net of applicable taxes. No allowance for credit losses for available-for-sale debt securities was needed at September 30, 2026. Accrued interest receivable on available-for-sale debt securities is excluded from the estimate of credit losses. As of September 30, 2026, gross unrealized gains on the securities available-for-sale portfolio totaled approximately $72,000 and gross unrealized losses totaled approximately $317,253,000. The net amount of these two items, net of applicable taxes, is included in other comprehensive income (loss).

Equity securities that do not have readily determinable fair values are carried at cost, less impairment, with observable price changes being recognized in earnings.

Income Tax Expense

Income tax expense involves estimates related to the valuation allowance on deferred tax assets and loss contingencies related to exposure from tax examinations presumed to occur.

A valuation allowance reduces deferred tax assets to the amount management believes is more likely than not to be realized. In evaluating the realization of deferred tax assets, management considers the likelihood that sufficient taxable income of appropriate character will be generated within carry-back and carry-forward periods, including consideration of available tax planning strategies. Tax-related loss contingencies, including assessments arising from tax examinations and tax strategies, are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated. In considering the likelihood of loss, management considers the nature of the contingency, the progress of any examination or related protest or appeal, the views of legal counsel and other advisors, experience of the Company or other enterprises in similar matters, if any, and management's intended response to any assessment.

Goodwill and Other Intangible Assets

Goodwill resulting from business combinations represents the excess of the purchase price over the fair value of the net assets of businesses acquired. Goodwill resulting from business combinations is generally determined as the excess of the fair value of the consideration transferred, plus the fair value of any noncontrolling interests in the acquiree, over the fair value of the net assets acquired and liabilities assumed as of the acquisition date. Goodwill and intangible assets acquired in a purchase business combination and determined to have an indefinite useful life are not amortized, but tested for impairment at least annually. The Company has selected December 31 as the date to perform the annual impairment test. Goodwill is the only intangible asset with an indefinite life on the Company's balance sheet. No impairment to Goodwill was indicated based on year-end testing.

Intangible assets with definite useful lives are amortized over their estimated useful lives to their estimated residual values. Other intangible assets consist of core deposit and acquired customer relationship intangible assets. They are initially measured at fair value and then are amortized over their estimated useful lives, which range from 7 to 8 years.

RESULTS OF OPERATIONS

Net income for the quarter ended September 30, 2026 totaled $38,637,000, or $1.03 per share, an increase of 10% on a per share basis compared with the third quarter 2025 net income of $35,074,000, or $0.94 per share. Net income for the nine months ended September 30, 2026 totaled $109,961,000, or $2.93 per share, an increase of 40% on a per share basis compared with the first nine months of 2025 net income of $76,952,000, or $2.10 per share.

The third quarter of 2025 results of operations included Heartland acquisition-related expenses of $135,000 ($101,000, on an after tax basis), and a $975,000 non-recurring gain on the redemption of the Heartland Notes ($731,000, on an after tax basis). The first nine months of 2025 results of operations included Heartland acquisition-related expenses of $6,996,000 ($5,418,000, on an after tax basis) and a "Day 2" adjustment to the provision for credit losses under the CECL model of $16,200,000 ($12,150,000, on an after tax basis), as well as the gain on the redemption of the Heartland Notes.

On an adjusted basis, net income for the third quarter of 2025 was $34,444,000, or $0.92 per share, and for the nine months ended September 30, 2025, was $93,789,000, or $2.57 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 Management's Discussion and Analysis for additional information, including a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures.

Net Interest Income:

The following table summarizes net interest income (on a tax-equivalent basis) for the three months ended September 30, 2026 and 2025. For tax-equivalent adjustments, an effective tax rate of 21% was used for both periods.[1]

	Average Balance Sheet (Tax-equivalent basis / dollars in thousands)					
	Three Months Ended September 30, 2026			Three Months Ended September 30, 2025		
	Principal Balance	Income / Expense	Yield / Rate	Principal Balance	Income / Expense	Yield / Rate
ASSETS						
Federal Funds Sold and Other Short-term Investments	$ 18,043	$ 160	3.53 %	$ 187,648	$ 2,084	4.41 %
Securities:						
Taxable	1,182,486	10,216	3.46 %	1,126,435	9,268	3.29 %
Non-taxable	491,338	4,548	3.70 %	457,826	4,354	3.80 %
Total Loans and Leases[2]	5,953,933	97,376	6.50 %	5,766,875	93,664	6.45 %
TOTAL INTEREST EARNING ASSETS	7,645,800	112,300	5.84 %	7,538,784	109,370	5.77 %
Other Assets	860,756			887,879		
Less: Allowance for Credit Losses	(80,816)			(76,098)		
TOTAL ASSETS	$ 8,425,740			$ 8,350,565		
LIABILITIES AND SHAREHOLDERS' EQUITY						
Interest-bearing Demand Deposits	$ 1,801,139	$ 5,817	1.28 %	$ 1,868,343	$ 7,475	1.59 %
Savings Deposits and Money Market Accounts	1,843,583	7,814	1.68 %	1,884,892	9,611	2.02 %
Time Deposits	1,351,504	11,277	3.31 %	1,330,944	12,330	3.68 %
FHLB Advances and Other Borrowings	232,802	2,408	4.10 %	216,460	2,956	5.42 %
TOTAL INTEREST-BEARING LIABILITIES	5,229,028	27,316	2.07 %	5,300,639	32,372	2.42 %
Demand Deposit Accounts	1,938,073			1,912,208		
Other Liabilities	54,437			58,359		
TOTAL LIABILITIES	7,221,538			7,271,206		
Shareholders' Equity	1,204,202			1,079,359		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 8,425,740			$ 8,350,565		
COST OF FUNDS			1.42 %			1.71 %
NET INTEREST INCOME		$ 84,984			$ 76,998	
NET INTEREST MARGIN[3]			4.42 %			4.06 %

(1) Effective tax rates were determined as though interest earned on the Company's investments in municipal bonds and loans was fully taxable.

(2) Loans held-for-sale and non-accruing loans have been included in average loans.

(3) Net interest income, on a tax-equivalent basis, represents a non-GAAP financial measure. Refer to "Use of Non-GAAP Financial Measures" contained in this Management's Discussion and Analysis for additional information, including a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures.

The following table summarizes net interest income (on a tax-equivalent basis) for the nine months ended September 30, 2026 and 2025. For tax-equivalent adjustments, an effective tax rate of 21% was used for both periods.[1]

	Average Balance Sheet (Tax-equivalent basis / dollars in thousands)					
	Nine Months Ended September 30, 2026			Nine Months Ended September 30, 2025		
	Principal Balance	Income / Expense	Yield / Rate	Principal Balance	Income / Expense	Yield / Rate
ASSETS						
Federal Funds Sold and Other Short-term Investments	$ 60,560	$ 1,658	3.66 %	$ 247,212	$ 8,232	4.45 %
Securities:						
Taxable	1,187,479	29,811	3.35 %	1,118,585	27,528	3.28 %
Non-taxable	496,699	13,423	3.60 %	462,396	12,881	3.71 %
Total Loans and Leases[2]	5,902,182	284,037	6.43 %	5,529,532	265,969	6.43 %
TOTAL INTEREST EARNING ASSETS	7,646,920	328,929	5.75 %	7,357,725	314,610	5.71 %
Other Assets	862,500			852,114		
Less: Allowance for Credit Losses	(79,816)			(72,628)		
TOTAL ASSETS	$ 8,429,604			$ 8,137,211		
LIABILITIES AND SHAREHOLDERS' EQUITY						
Interest-bearing Demand Deposits	$ 1,845,142	$ 17,787	1.29 %	$ 1,874,987	$ 22,388	1.60 %
Savings Deposits and Money Market Accounts	1,867,006	23,446	1.68 %	1,826,452	27,744	2.03 %
Time Deposits	1,328,658	33,549	3.38 %	1,327,661	36,947	3.72 %
FHLB Advances and Other Borrowings	206,814	6,365	4.12 %	213,771	8,217	5.14 %
TOTAL INTEREST-BEARING LIABILITIES	5,247,620	81,147	2.07 %	5,242,871	95,296	2.43 %
Demand Deposit Accounts	1,932,058			1,819,351		
Other Liabilities	56,594			54,789		
TOTAL LIABILITIES	7,236,272			7,117,011		
Shareholders' Equity	1,193,332			1,020,200		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 8,429,604			$ 8,137,211		
COST OF FUNDS			1.42 %			1.73 %
NET INTEREST INCOME		$ 247,782			$ 219,314	
NET INTEREST MARGIN [3]			4.33 %			3.98 %

(1) Effective tax rates were determined as though interest earned on the Company's investments in municipal bonds and loans was fully taxable.
(2) Loans held-for-sale and non-accruing loans have been included in average loans.
(3) Net interest income, on a tax-equivalent basis, represents a non-GAAP financial measure. Refer to "Use of Non-GAAP Financial Measures" contained in this Management's Discussion and Analysis for additional information, including a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures.

During the third quarter of 2026, net interest income, on a non tax-equivalent basis, totaled $83,518,000, an increase of $7,793,000, or 10%, compared to the third quarter of 2025 net interest income of $75,725,000. During the first nine months of 2026, net interest income, on a non tax-equivalent basis, totaled $243,577,000, an increase of $28,125,000, or 13%, compared to the first nine months of 2025 net interest income of $215,452,000. The improvement in net interest income for both periods in 2026 was the result of improved net interest margin, driven in large part by a lower cost of funds and a higher level of average earning assets.

The tax equivalent net interest margin for the quarter ended September 30, 2026 was 4.42% compared with 4.06% in the third quarter of 2025. The tax equivalent net interest margin for the nine months ended September 30, 2026, was 4.33% compared with 3.98% for the nine months ended September 30, 2025. The continued improvement in the net interest margin for both periods in 2026 was driven by a lower cost of funds primarily attributable to lower deposit costs and improved yields on earning assets. The lower cost of deposits was driven by the Federal Reserve's lowering of the Federal Funds rates over the last several months of 2025 and the Company's ability to correspondingly lower deposit costs. To a lesser degree, the repayment of subordinated debt in 2025 also contributed to lower cost of funds.

The Company's net interest margin and net interest income in all periods presented were impacted by accretion of loan discounts on acquired loans. Accretion of discounts on acquired loans totaled $3,020,000 during the third quarter of 2026 and $3,915,000 during the third quarter of 2025. Accretion of discounts on acquired loans contributed approximately 16 basis points to the net interest margin in the third quarter of 2026 and 21 basis points in the third quarter of 2025. Accretion of discounts on acquired loans totaled $9,711,000 during the nine months ended September 30, 2026 compared to $11,590,000

during the nine months ended September 30, 2025. Accretion of discounts on acquired loans contributed approximately 17 basis points to the net interest margin for the first nine months of 2026 and 21 basis points in the first nine months of 2025.

Provision for Credit Losses:

The Company provides for credit losses through regular provisions to the allowance for credit losses. The provision is affected by net charge-offs on loans and changes in specific and general allocations of the allowance. During the quarter ended September 30, 2026, the Company recorded a provision for credit losses of $500,000 compared with a provision for credit losses of $700,000 during the third quarter of 2025. During the nine months ended September 30, 2026, the Company recorded a provision for credit losses of $4,000,000 compared with a provision for credit losses of $17,200,000 for the first nine months of 2025. The first nine months of 2025 included a provision for credit losses of $16,200,000 related to the "Day 2" adjustment for the Heartland acquisition.

In a transaction like the Heartland merger, the accounting rules in effect prior to adoption of ASU 2025-08 required the acquirer to recognize an allowance for credit losses in the period of acquisition for both purchased credit deterioration ("PCD") assets and non-PCD assets. The determination of PCD versus non-PCD determines how the allowance for credit loss flows through the financial statements. For PCD assets, the gross-up method includes the impact in the "Day 1" business combination entries with no impact to expense. For non-PCD assets, the impact is reflected outside of the business combination entries (sometimes referred to as "Day 2") and is reflected in expense.

Net charge-offs totaled $581,000, or 4 basis points, on an annualized basis, of average loans outstanding during the third quarter of 2026 compared with $748,000, or 5 basis points, on an annualized basis, of average loans during the third quarter of 2025. Net charge-offs totaled $2,401,000, or 5 basis points, on an annualized basis, of average loans for the nine months ended September 30, 2026 compared with $2,082,000, or 5 basis points, on an annualized basis, of average loans for the same period of 2025.

The provision for credit losses for the three and nine months ended September 30, 2026 was made at a level deemed necessary by management to absorb expected losses in the loan portfolio. A detailed evaluation of the adequacy of the allowance for credit losses is completed quarterly by management, the results of which are used to determine provision for credit losses. Management estimates the allowance balance required using past loan loss experience, the nature and volume of the portfolio, information about specific borrower situations and estimated collateral values, economic conditions and reasonable and supportable forecasts along with other qualitative and quantitative factors.

Non-interest Income:

During the quarter ended September 30, 2026, non-interest income totaled $18,699,000, an increase of $270,000, or 1.5%, compared with the third quarter of 2025. The third quarter of 2025 was positively impacted by a $975,000 gain on the extinguishment of debt resulting from the redemption of the Heartland Notes. On an adjusted basis, non-interest income for the third quarter of 2025 was $17,454,000.

Adjusted non-interest income is a non-GAAP financial measure. Refer to "Use of Non-GAAP Financial Measures" contained in this Management's Discussion and Analysis for additional information including a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures.

Non-interest Income (dollars in thousands)	**Three Months Ended September 30,**		**Change From Prior Period**	
			Amount	**Percent**
	2026	**2025**	**Change**	**Change**
Wealth Management Fees	$ 5,007	$ 4,288	$ 719	17 %
Service Charges on Deposit Accounts	4,280	3,927	353	9
Company Owned Life Insurance	652	630	22	3
Interchange Fee Income	5,306	5,087	219	4
Other Operating Income	2,095	3,308	(1,213)	(37)
Subtotal	17,340	17,240	100	1
Net Gains on Sales of Loans	1,359	1,189	170	14
Net Gains (Losses) on Securities	—	—	—	n/m [1]
Total Non-interest Income	$ 18,699	$ 18,429	$ 270	1

[1] n/m= not meaningful

Wealth management fees increased $719,000, or 17%, during the third quarter of 2026 compared with the third quarter of 2025.

The increase during the third quarter of 2026 compared with the third quarter of 2025 was 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 $353,000, or 9%, during the quarter ended September 30, 2026 compared with the same period of 2025. The increase during the third quarter of 2026 compared with the third quarter of 2025 was primarily driven by a continuation of increased customer utilization of deposit services.

For the quarter ended September 30, 2026, interchange fees increased $219,000, or 4%, compared with the same quarter of 2025. The increase during the third quarter of 2026 compared with the third quarter of 2025 was largely related to a higher level of customer transaction volume.

Other operating income declined $1,213,000, or 37%, for the quarter ended September 30, 2026, compared with the third quarter of 2025. The decline during the third quarter of 2026 compared with the third quarter of 2025 was largely attributable to a $975,000 gain on the extinguishment of debt resulting from the redemption of the Heartland Notes during the third quarter of 2025.

Net gains on sales of loans increased $170,000, or 14%, in the third quarter of 2026 compared with the third quarter of 2025. The increase during the third quarter of 2026 compared with the third quarter of 2025 was driven by a higher pricing on loans sold. Loan sales totaled $52.4 million during the third quarter of 2026 compared with $55.5 million during the third quarter of 2025.

During the nine months ended September 30, 2026, non-interest income totaled $54,671,000, an increase of $4,669,000, or 9%, compared with the nine months ended September 30, 2025. The increase during the first nine months of 2026 compared to the same period of 2025 was primarily attributable to increased wealth management fees, improvement of the Company's existing fee revenue generation and increased gains on sales of loans, which were partially offset by the $975,000 gain on the extinguishment of debt resulting from the redemption of the Heartland Notes that occurred in the third quarter of 2025. On an adjusted basis, non-interest income for the first nine months of 2025 was $49,027,000.

Adjusted non-interest income is a non-GAAP financial measure. Refer to "Use of Non-GAAP Financial Measures" contained in this Management's Discussion and Analysis for additional information including a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures.

Non-interest Income (dollars in thousands)	**Nine Months Ended September 30,**		**Change From Prior Period**	
			Amount	**Percent**
	2026	**2025**	**Change**	**Change**
Wealth Management Fees	$ 14,524	$ 12,289	$ 2,235	18 %
Service Charges on Deposit Accounts	12,094	11,127	967	9
Company Owned Life Insurance	1,956	1,908	48	3
Interchange Fee Income	15,410	14,565	845	6
Other Operating Income	6,296	6,712	(416)	(6)
Subtotal	50,280	46,601	3,679	8
Net Gains on Sales of Loans	4,391	3,401	990	29
Net Gains (Losses) on Securities	—	—	—	n/m [1]
Total Non-interest Income	$ 54,671	$ 50,002	$ 4,669	9

[1] n/m= not meaningful

Wealth management fees increased $2,235,000, or 18%, during the first nine months of 2026 compared with the same period of 2025. The increase during the first nine months of 2026 compared with the same period of 2025 was largely attributable to increased assets under management driven by healthy capital markets and continued strong new business results.

Service charges on deposit accounts increased $967,000, or 9%, during the nine months ended September 30, 2026 compared with the same period of 2025. The increase during the first nine months of 2026 compared with the same period of 2025 was primarily driven by the Heartland acquisition in addition to increased customer utilization of deposit services.

For the nine months ended September 30, 2026, interchange fees increased $845,000, or 6%, compared with the same period of 2025. The increase during the first nine months of 2026 compared with the same period of 2025 was largely related to a higher level of customer transaction volume and the Heartland acquisition.

Other operating income declined $416,000, or 6%, in the first nine months of 2026 compared with the same period of 2025. The decline during the nine months ended September 30, 2026, compared with the same period of 2025 was primarily attributable to the aforementioned gain on extinguishment of debt during 2025.

Net gains on sales of loans increased $990,000, or 29%, during the nine months ended September 30, 2026 compared with the nine months ended September 30, 2025. The increase during the first nine months of 2026 compared with the same period of 2025 was driven by a higher volume of loans sold. Loan sales totaled $175.3 million during the first nine months of 2026 compared with $145.0 million during the first nine months of 2025.

Non-interest Expense:

During the quarter ended September 30, 2026, non-interest expense totaled $53,108,000, an increase of $3,408,000, or 7%, compared with the third quarter of 2025. The third quarter of 2025 non-interest expenses included approximately $135,000 of non-recurring acquisition-related expenses associated with the Heartland acquisition. On an adjusted basis, non-interest expense for the third quarter of 2025 was $49,565,000.

Adjusted non-interest expense is a non-GAAP financial measure. Refer to “Use of Non-GAAP Financial Measures” contained in this Management’s Discussion and Analysis for additional information including a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures.

Non-interest Expense (dollars in thousands)	**Three Months Ended September 30,**		**Change From Prior Period**	
			Amount	**Percent**
	2026	**2025**	**Change**	**Change**
Salaries and Employee Benefits	$ 28,169	$ 25,444	$ 2,725	11 %
Occupancy, Furniture and Equipment Expense	5,557	5,255	302	6
FDIC Premiums	984	1,059	(75)	(7)
Data Processing Fees	4,495	4,175	320	8
Professional Fees	2,209	1,960	249	13
Advertising and Promotion	1,730	1,321	409	31
Intangible Amortization	2,254	2,693	(439)	(16)
Other Operating Expenses	7,710	7,793	(83)	(1)
Total Non-interest Expense	$ 53,108	$ 49,700	$ 3,408	7

Salaries and benefits increased $2,725,000, or 11%, during the third quarter of 2026 compared with the third quarter of 2025. The increase during the third quarter of 2026 compared to the third quarter of 2025 was primarily due to an increased level of full-time equivalent employees, increased health insurance costs and higher incentive compensation.

Occupancy, furniture and equipment expense increased $302,000, or 6%, for the three months ended September 30, 2026, compared to the same period of 2025. The increase during the third quarter of 2026 compared with the third quarter of 2025 was largely attributable to increased levels of repairs and maintenance costs.

Data processing fees increased $320,000, or 8%, during the third quarter of 2026 compared with the third quarter of 2025. The increase during the third quarter of 2026 compared with the same period of 2025 was largely driven by continued enhancements to existing data systems and processes.

Advertising and promotion expense increased $409,000, or 31%, compared with the third quarter of 2025. The increase during the third quarter of 2026 compared with the same period of 2025 was primarily attributable to increased levels of donations and sponsorships.

Intangible amortization declined $439,000, or 16%, compared with the third quarter of 2025. The decline during the third quarter of 2026 compared to the third quarter of 2025 was primarily attributable to the accelerated method under which intangibles are amortized.

For the nine months ended September 30, 2026, non-interest expense totaled $155,858,000, an increase of $3,859,000, or 3%, compared with the first nine months of 2025. The first nine months of 2025 non-interest expenses included approximately $6,996,000 of non-recurring acquisition-related expenses associated with the Heartland acquisition. On an adjusted basis, non-interest expense for the first nine months of 2025 was $145,003,000.

Adjusted non-interest expense is a non-GAAP financial measure. Refer to "Use of Non-GAAP Financial Measures" contained in this Management's Discussion and Analysis for additional information including a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures.

Non-interest Expense (dollars in thousands)	**Nine Months Ended September 30,**		**Change From Prior Period**	
			Amount	**Percent**
	2026	**2025**	**Change**	**Change**
Salaries and Employee Benefits	$ 83,623	$ 80,122	$ 3,501	4 %
Occupancy, Furniture and Equipment Expense	16,071	14,669	1,402	10
FDIC Premiums	2,921	2,847	74	3
Data Processing Fees	13,121	13,756	(635)	(5)
Professional Fees	6,344	8,256	(1,912)	(23)
Advertising and Promotion	4,586	4,075	511	13
Intangible Amortization	7,087	7,566	(479)	(6)
Other Operating Expenses	22,105	20,708	1,397	7
Total Non-interest Expense	$ 155,858	$ 151,999	$ 3,859	3

Salaries and benefits increased $3,501,000, or 4%, during the first nine months of 2026 compared with the same period of 2025. The first nine months of 2025 included approximately $1,850,000 of acquisition-related salary and benefit costs of a non-recurring nature. On an adjusted basis, salaries and benefits expense for the first nine months of 2025 totaled $78,272,000. The increase of $5,351,000 comparing the nine months of 2026 to the adjusted first nine months of 2025 was primarily driven by an additional month of expense for the acquisition of Heartland in the first quarter of 2026 and a higher level of incentive compensation.

Occupancy, furniture and equipment expense increased $1,402,000, or 10%, for the nine months ended September 30, 2026, compared to the same period of 2025. The increase during the nine months ended September 30, 2026 compared with the same period of 2025 was largely attributable to the operating costs of the Heartland branch network.

During the first nine months of 2026, data processing fees declined $635,000, or 5%, compared with the same period of 2025. The decline in the first nine months of 2026 compared with the same period of 2025 was a result of acquisition-related costs, which totaled approximately $1,686,000 during the first nine months of 2025. Data processing fees otherwise increased by $1,051,000, or 9%, for the first nine months of 2026 compared with the same period of 2025 as a result of continued enhancements to existing data systems and processes.

Professional fees declined $1,912,000, or 23%, during the first nine months of 2026 compared with the first nine months of 2025. This decline was attributable to acquisition related costs included in the first nine months of 2025, which totaled approximately $2,887,000.

Advertising and promotion expense increased $511,000, or 13%, during the nine months ended September 30, 2026 compared with the same period of 2025. The increase during the first nine months of 2026 compared with the same period of 2025 was primarily attributable to increased levels of donations and sponsorships.

Other operating expenses increased $1,397,000, or 7%, for the nine months ended September 30, 2026 compared with the same period of 2025. The increase during the nine months ended September 30, 2026 compared with the same period of 2025 was primarily attributable to an increase in the Ohio financial institution tax, expenses related to interchange income, and expenses for external risk events, as well as the operating costs of Heartland for a full nine months in 2026.

Income Taxes:

The Company's effective income tax rate was 20.6% and 19.8%, respectively, during the three months ended September 30, 2026 and 2025. The Company's effective income tax rate was 20.5% and 20.1%, respectively, during the nine months ended September 30, 2026 and 2025. The effective tax rate in all periods presented was lower than the blended statutory rate resulting primarily from the Company's tax-exempt investment income on securities, loans and company-owned life insurance, income tax credits generated from affordable housing projects, and income generated by subsidiaries domiciled in a state with no state or local income tax.

FINANCIAL CONDITION

At September 30, 2026, total assets for the Company remained relatively stable compared with year end 2025 at $8.4 billion. During the first nine months of 2026, increases in loans were somewhat offset by a decline in cash and cash equivalents and in the fair value of securities available-for-sale.

September 30, 2026 total loans increased $114.0 million, or 3% on an annualized basis, compared with December 31, 2025. The increase during the first nine months of 2026 compared with December 31, 2025 was largely driven by growth in commercial real estate and home equity lines of credit. Commercial real estate loans increased $124.7 million, or 5% on an annualized basis, and home equity lines of credit increased $53.4 million, or 15% on an annualized basis. These increases were partially mitigated by declines in commercial and industrial loans and leases of $18.3 million, or 3% on an annualized basis, agricultural loans of $20.9 million, or 6% on an annualized basis, residential mortgage loans of $16.1 million, or 3% on an annualized basis, and other consumer loans of $8.7 million, or 8% on an annualized basis.

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)	September 30, 2026	December 31, 2025	Current Period Change
Commercial and Industrial Loans and Leases	$ 829,950	$ 848,240	$ (18,290)
Commercial Real Estate Loans	3,267,130	3,142,472	124,658
Agricultural Loans	468,241	489,168	(20,927)
Home Equity and Consumer Loans	674,645	630,015	44,630
Residential Mortgage Loans	758,463	774,553	(16,090)
Total Loans	$ 5,998,429	$ 5,884,448	$ 113,981

The Company's commercial real estate portfolio is well-diversified over numerous property types. The table below provides property type detail for the most significant segments of the Company's commercial real estate loan portfolio.

	September 30, 2026		December 31, 2025	
	% of Commercial Real Estate Portfolio	% of Total Loan Portfolio	% of Commercial Real Estate Portfolio	% of Total Loan Portfolio
Multi-Family Dwellings	22 %	12 %	21 %	11 %
Retail Space	14 %	8 %	14 %	7 %
Industrial, Manufacturing, Warehousing Properties	9 %	5 %	9 %	5 %
Healthcare Facilities	9 %	5 %	8 %	4 %
Lodging	9 %	5 %	9 %	5 %
1-4 Family Investment Properties	8 %	4 %	8 %	4 %
Office Real Estate	7 %	4 %	8 %	4 %
Land Development and Construction	5 %	3 %	6 %	3 %

The Company's commercial real estate ("CRE") loan portfolio is further diversified by occupancy type, with approximately 76% of the CRE portfolio being non-owner occupied at September 30, 2026 (which is 41% of the Company's overall loan portfolio), and 24% of the CRE portfolio being owner occupied (which is 13% of the Company's total loan portfolio). At December 31, 2025, the Company's commercial real estate loan portfolio was diversified by occupancy type, with approximately 76% of the CRE portfolio being non-owner occupied (which was 40% of the Company's overall loan portfolio), and 24% of the CRE portfolio being owner occupied (which was 13% of the Company's total loan portfolio).

Commercial real estate loans are underwritten after evaluating and understanding the borrower's ability to operate profitably and prudently expand its business. Like much of the Bank's lending activities, the underwriting standards for commercial real estate are designed to promote relationship banking rather than transactional banking. Once it is determined that the borrower's management possesses sound ethics and solid business acumen, our management examines market conditions and current and projected cash flows to determine the ability of the borrower to repay their obligations as agreed. Commercial real estate loans are viewed primarily as cash flow loans and secondarily as loans secured by real estate. As discussed above, the properties securing our commercial real estate portfolio are diverse in terms of property type, occupancy type, and geographic location. This diversity helps reduce the Bank's exposure to adverse economic events that affect any single market or industry. Management will continue to monitor and evaluate commercial real estate loans based on collateral, geography and risk grade criteria.

The following table indicates the breakdown of the allowance for credit losses for the periods indicated (dollars in thousands):

	September 30, 2026	December 31, 2025
Commercial and Industrial Loans and Leases	$ 17,371	$ 20,754
Commercial Real Estate Loans	44,572	40,626
Agricultural Loans	3,574	3,324
Home Equity and Consumer Loans	5,949	5,352
Residential Mortgage Loans	7,827	7,638
Unallocated	—	—
Total Allowance for Credit Losses	$ 79,293	$ 77,694

The Company's allowance for credit losses totaled $79.2 million at September 30, 2026 compared to $77.7 million at December 31, 2025. The allowance for credit losses represented 1.32% of period-end loans at September 30, 2026 and December 31, 2025.

Under the CECL model, certain previously acquired loans continue to carry fair value discounts or premiums attributable to both credit and noncredit components. These discounts or premiums are reflected as a reduction to gross loans on the balance sheet, with the accretable portion recognized in interest income over the remaining lives of the underlying loans. As of September 30, 2026, the Company held net discounts on acquired loans of $43.3 million, including $41.5 million related to the Heartland loan portfolio.

The following is an analysis of the Company's non-performing assets at September 30, 2026 and December 31, 2025:

Non-performing Assets: (dollars in thousands)	**September 30, 2026**	**December 31, 2025**
Non-accrual Loans	$ 23,672	$ 29,319
Past Due Loans (90 days or more and accruing)	303	92
Total Non-performing Loans	23,975	29,411
Other Real Estate	—	68
Total Non-performing Assets	$ 23,975	$ 29,479
Loan Modifications	$ —	$ —
Non-performing Loans to Total Loans	0.40 %	0.50 %
Non-performing Assets to Period End Assets	0.29 %	0.35 %
Allowance for Credit Loss to Non-performing Loans	330.73 %	264.17 %

The following table presents non-accrual loans and loans past due 90 days or more still on accrual by class of loans:

	Non-Accrual Loans		**Loans Past Due 90 Days or More & Still Accruing**	
	September 30, 2026	**December 31, 2025**	**September 30, 2026**	**December 31, 2025**
Commercial and Industrial Loans and Leases	$ 11,080	$ 16,549	$ 303	$ —
Commercial Real Estate Loans	5,874	6,303	—	92
Agricultural Loans	2,533	3,123	—	—
Home Equity Loans	647	776	—	—
Consumer Loans	715	181	—	—
Residential Mortgage Loans	2,823	2,387	—	—
Total	$ 23,672	$ 29,319	$ 303	$ 92

Non-performing assets totaled $24.0 million at September 30, 2026 compared to $29.5 million at December 31, 2025. The decline in non-performing assets of $5.5 million was partially attributable to an acquired adversely classified commercial loan that was resolved without loss during the third quarter of 2026. Non-performing assets represented 0.29% of total assets at September 30, 2026 compared to 0.35% at December 31, 2025. Non-performing loans totaled $24.0 million at September 30, 2026 compared to $29.4 million at December 31, 2025. The decline in non-performing loans of $5.4 million was largely attributable to the aforementioned classified commercial loan. Non-performing loans represented 0.40% of total loans at September 30, 2026 compared to 0.50% at December 31, 2025. Total non-performing assets from the Heartland acquisition were approximately $14.8 million at September 30, 2026.

September 30, 2026 total deposits declined slightly to $6.9 billion compared to year-end 2025 at $7.0 billion. Non-interest bearing deposits have remained relatively stable as a percent of total deposits at approximately 28% at both September 30, 2026 and December 31, 2025. The addition of the Heartland deposit portfolio did not result in significant changes to the overall deposit portfolio composition.

End of Period Deposit Balances: (dollars in thousands)	**September 30, 2026**	**December 31, 2025**	**Current Period Change**
Non-interest-bearing Demand Deposits	$ 1,963,427	$ 1,944,831	$ 18,596
Interest-bearing Demand, Savings, & Money Market Accounts	3,625,827	3,755,374	(129,547)
Time Deposits < $100,000	441,531	475,943	(34,412)
Time Deposits of $100,000 or more	905,722	813,594	92,128
Total Deposits	$ 6,936,507	$ 6,989,742	$ (53,235)

Capital Resources:

As of September 30, 2026, shareholders' equity declined by $8.5 million to $1.154 billion compared with $1.162 billion at year-end 2025. The decline in shareholders' equity was primarily attributable to a decline in accumulated other comprehensive income of $85.8 million, driven by an increase in unrealized losses on available-for-sale securities. This decline was mostly offset by increased retained earnings of $75.2 million due to net income of $110.0 million, which was partially offset by shareholder dividends totaling $34.8 million.

Shareholders' equity represented 13.7% of total assets at September 30, 2026 and 13.9% of total assets at December 31, 2025. Shareholders' equity included $402.1 million of goodwill and other intangible assets at September 30, 2026 compared to $409.3 million of goodwill and other intangible assets at December 31, 2025.

The Company's Board of Directors previously approved a plan to repurchase up to 1.0 million shares of the Company's outstanding common stock. On a share basis, the amount of common stock subject to the repurchase plan represented approximately 3% of the Company's outstanding shares on the date it was approved. The Company is not obligated to purchase any shares under the plan, and the plan may be discontinued at any time. The actual timing, number and share price of shares purchased under the repurchase plan will be determined by the Company at its discretion and will depend upon such factors as the market price of the stock, general market and economic conditions and applicable legal requirements. The Company has not repurchased any shares of common stock under the repurchase plan.

Federal banking regulations provide guidelines for determining the capital adequacy of bank holding companies and banks. These guidelines provide for a narrower definition of core capital and assign a measure of risk to the various categories of assets. The Company is required to maintain minimum levels of capital in proportion to total risk-weighted assets and off-balance sheet exposures.

The current risk-based capital rules, as adopted by federal banking regulators, are based upon guidelines developed by the Basel Committee on Banking Supervision and reflect various requirements of the Dodd-Frank Act (the "Basel III Rules"). The Basel III Rules require banking organizations to, among other things, maintain a minimum ratio of Total Capital to risk-weighted assets, a minimum ratio of Tier 1 Capital to risk-weighted assets, a minimum ratio of "Common Equity Tier 1 Capital" to risk-weighted assets, and a minimum leverage ratio (calculated as the ratio of Tier 1 Capital to adjusted average consolidated assets). In addition, under the Basel III Rules, in order to avoid limitations on capital distributions, including dividend payments, the Company is required to maintain a 2.5% capital conservation buffer above the adequately capitalized regulatory capital ratios. At September 30, 2026, the capital levels for the Company and its subsidiary 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.

The table below presents the Company's consolidated and the subsidiary bank's capital ratios under regulatory guidelines:

	9/30/2026 Ratio	12/31/2025 Ratio	Minimum for Capital Adequacy Purposes [1]	Well-Capitalized Guidelines
Total Capital (to Risk Weighted Assets)				
Consolidated	15.74 %	14.93 %	8.00 %	N/A
Bank	14.38 %	13.80 %	8.00 %	10.00 %
Tier 1 (Core) Capital (to Risk Weighted Assets)				
Consolidated	14.77 %	14.04 %	6.00 %	N/A
Bank	13.41 %	12.91 %	6.00 %	8.00 %
Common Equity Tier 1 (CET 1) Capital Ratio (to Risk Weighted Assets)				
Consolidated	14.26 %	13.52 %	4.50 %	N/A
Bank	13.41 %	12.91 %	4.50 %	6.50 %
Tier 1 Capital (to Average Assets)				
Consolidated	12.66 %	11.54 %	4.00 %	N/A
Bank	11.50 %	10.61 %	4.00 %	5.00 %

[1] Excludes capital conservation buffer.

Liquidity:

The Consolidated Statement of Cash Flows details the elements of changes in the Company's consolidated cash and cash equivalents. Total cash and cash equivalents decreased $41.0 million during the nine months ended September 30, 2026 ending at $77.3 million. During the nine months ended September 30, 2026, operating activities resulted in net cash inflows of $128.4 million. Investing activities resulted in net cash outflows of $166.5 million during the nine months ended September 30, 2026. Financing activities resulted in net cash outflows for the nine months ended September 30, 2026 of $3.0 million.

The Company's bank subsidiary's primary source of funding is its customer deposits, supplemented by reciprocal deposits. The bank subsidiary of the Company also utilizes short-term funding sources from time to time. These sources consist of

overnight federal funds purchased from other financial institutions, secured repurchase agreements that generally mature within one day of the transaction date, and secured overnight variable rate borrowings from the FHLB and the Federal Reserve Bank. These borrowings represent an important source of short-term liquidity for the Company's bank subsidiary. In addition, the Company, as a separate and distinct corporation from its bank and other subsidiaries, also has the ability to borrow funds from other financial institutions and to raise debt or equity capital from the capital markets and other sources.

The Company's bank subsidiary is authorized by its Board to borrow up to $1.68 billion at the FHLB, but availability at September 30, 2026 was limited to approximately $703 million based on the then pledged collateral and outstanding borrowings. In addition, the Company had a borrowing capacity of approximately $583 million at the Federal Reserve Bank as of September 30, 2026, based on the then pledged collateral. The capacity for borrowings from the FHLB and the Federal Reserve Bank could be increased, in each case, by the Company pledging additional available collateral. The Company's Asset/Liability Committee closely monitors the availability of these sources as part of its overall oversight and management of the bank subsidiary's liquidity.

The parent company is a corporation separate and distinct from its bank and other subsidiaries. The Company uses funds at the parent-company level to pay dividends to its shareholders, to acquire or make other investments in other businesses or their securities or assets, to repurchase its stock from time to time, and for other general corporate purposes including debt service. The parent company does not have access at the parent-company level to the deposits and certain other sources of funds that are available to its bank subsidiary to support its operations. Instead, the parent company has historically derived most of its revenues from dividends paid to the parent company by its bank subsidiary. The Company's banking subsidiary is subject to statutory restrictions on its ability to pay dividends to the parent company. The parent company has, from time-to-time, supplemented the dividends received from its subsidiaries with borrowings. As of September 30, 2026, the parent company had approximately $73.6 million of cash and cash equivalents available to meet its cash flow needs.

USE OF NON-GAAP FINANCIAL MEASURES

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 in this Report, which it believes are useful because they assist investors in assessing the Company's operating performance. Specifically, the Company has presented its efficiency ratio, net interest margin, tangible common equity ratio, and return on average tangible common equity. A reconciliation of these non-GAAP measures to comparable GAAP financial measures is set forth in the tables below.

The Company also presents its net income, earnings per share, non-interest income, non-interest expense, efficiency ratio, return on average assets, return on average equity, and return on average tangible common equity 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; (2) non-recurring expenses related to the Heartland merger; and (3) the gain on the extinguishment of debt, resulting from the redemption of certain subordinated notes on September 15, 2025. 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%. The Company also presents its core net interest margin excluding discount accretion on acquired loans (a non-recurring increase in interest income arising when a loan portfolio is acquired below face value in a merger or acquisition). Management believes that excluding such accretion helps the Company, analysts, and investors evaluate the core spread between earning assets and funding costs.

In management's view, tangible common equity measures are capital adequacy metrics that are meaningful to the Company, as well as to analysts and investors, in assessing the Company's use of equity and in facilitating comparisons with peers. These non-GAAP measures are valuable indicators of a financial institution's capital strength since they eliminate intangible assets from shareholders' equity but retain the effect of accumulated other comprehensive income (loss).

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.

Non-GAAP Reconciliation – Net Income and Earnings Per Share	Three Months Ended		Nine Months Ended	
(Dollars in Thousands, except per share amounts)	**09/30/2026**	**09/30/2025**	**09/30/2026**	**09/30/2025**
Net Income, as reported	$ 38,637	$ 35,074	$ 109,961	$ 76,952
Adjustments (net of tax):				
Plus: CECL Day 2 non-PCD provision	—	—	—	12,150
Plus: Non-recurring merger-related expenses	—	101	—	5,418
Less: Gain on debt extinguishment	—	731	—	731
Adjusted Net Income	**$ 38,637**	**$ 34,444**	**$ 109,961**	**$ 93,789**
Weighted Average Shares Outstanding	37,578,441	37,493,028	37,553,745	36,561,331
Earnings Per Share, as reported	$ 1.03	$ 0.94	$ 2.93	$ 2.10
Earnings Per Share, as adjusted	**$ 1.03**	**$ 0.92**	**$ 2.93**	**$ 2.57**

Non-GAAP Reconciliation – Non-Interest Income and Non-Interest Expense	Three Months Ended		Nine Months Ended	
(Dollars in Thousands)	**09/30/2026**	**09/30/2025**	**09/30/2026**	**09/30/2025**
Non-Interest Income	$ 18,699	$ 18,429	$ 54,671	$ 50,002
Less: Gain on debt extinguishment	—	975	—	975
Adjusted Non-Interest Income	$ 18,699	$ 17,454	$ 54,671	$ 49,027
Non-Interest Expense	$ 53,108	$ 49,700	$ 155,858	$ 151,999
Less: Non-recurring merger-related expenses	—	135	—	6,996
Adjusted Non-Interest Expense	**$ 53,108**	**$ 49,565**	**$ 155,858**	**$ 145,003**

Non-GAAP Reconciliation – Efficiency Ratio	Three Months Ended		Nine Months Ended	
(Dollars in Thousands)	**09/30/2026**	**09/30/2025**	**09/30/2026**	**09/30/2025**
Adjusted Non-Interest Expense (from above)	$ 53,108	$ 49,565	$ 155,858	$ 145,003
Less: Intangible Amortization	2,254	2,693	7,087	7,566
Adjusted Non-Interest Expense excluding Intangible Amortization	**$ 50,854**	**$ 46,872**	**$ 148,771**	**$ 137,437**
Net Interest Income	$ 83,518	$ 75,725	$ 243,577	$ 215,452
Add: FTE Adjustment	1,466	1,273	4,205	3,862
Net Interest Income (FTE)	84,984	76,998	247,782	219,314
Adjusted Non-Interest Income (from above)	18,699	17,454	54,671	49,027
Total Adjusted Total Revenue	**$ 103,683**	**$ 94,452**	**$ 302,453**	**$ 268,341**
Efficiency Ratio	49.05 %	49.26 %	49.19 %	53.63 %
Adjusted Efficiency Ratio	**49.05 %**	**49.63 %**	**49.19 %**	**51.22 %**

Non-GAAP Reconciliation – Net Interest Margin	Three Months Ended		Nine Months Ended	
(Dollars in Thousands)	**09/30/2026**	**09/30/2025**	**09/30/2026**	**09/30/2025**
Net Interest Income (FTE) from above	$ 84,984	$ 76,998	$ 247,782	$ 219,314
Less: Accretion of Discount on Acquired Loans	3,020	3,914	9,711	11,589
Adjusted Net Interest Income (FTE)	**$ 81,964**	**$ 73,084**	**$ 238,071**	**$ 207,725**
Average Earning Assets	$ 7,645,800	$ 7,538,784	$ 7,646,920	$ 7,357,725
Net Interest Margin (FTE)	4.42 %	4.06 %	4.33 %	3.98 %
Core Net Interest Margin (FTE)	**4.26 %**	**3.85 %**	**4.16 %**	**3.77 %**

Non-GAAP Reconciliation – Return on Average Assets	Three Months Ended		Nine Months Ended	
(Dollars in Thousands)	**09/30/2026**	**09/30/2025**	**09/30/2026**	**09/30/2025**
Adjusted Net Income	$ 38,637	$ 34,444	$ 109,961	$ 93,789
Average Assets	$ 8,425,740	$ 8,350,565	$ 8,429,604	$ 8,137,211
Return on Average Assets, as reported	1.83 %	1.68 %	1.74 %	1.26 %
Return on Average Assets, as adjusted	**1.83 %**	**1.65 %**	**1.74 %**	**1.54 %**

Non-GAAP Reconciliation – Return on Average Equity	Three Months Ended		Nine Months Ended	
(Dollars in Thousands)	**09/30/2026**	**09/30/2025**	**09/30/2026**	**09/30/2025**
Adjusted Net Income	$ 38,637	$ 34,444	$ 109,961	$ 93,789
Average Equity	$ 1,204,202	$ 1,079,359	$ 1,193,332	$ 1,020,200
Return on Average Equity, as reported	12.83 %	13.00 %	12.29 %	10.06 %
Return on Average Equity, as adjusted	**12.83 %**	**12.76 %**	**12.29 %**	**12.26 %**

Non-GAAP Reconciliation – Tangible Common Equity Ratio	Three Months Ended	
(Dollars in Thousands)	**09/30/2026**	**09/30/2025**
Equity, as reported	$ 1,153,871	$ 1,119,723
Intangibles, as reported	402,075	411,656
Tangible Common Equity	**$ 751,796**	**$ 708,067**
Assets, as reported	$ 8,411,291	$ 8,401,248
Intangibles, as reported	402,075	411,656
Assets less Intangibles	$ 8,009,216	$ 7,989,592
Tangible Common Equity Ratio	**9.39 %**	**8.86 %**

Non-GAAP Reconciliation – Return on Average Tangible Common Equity	Three Months Ended		Nine Months Ended	
(Dollars in Thousands)	**09/30/2026**	**09/30/2025**	**09/30/2026**	**09/30/2025**
Net Income, as reported	$ 38,637	$ 35,074	$ 109,961	$ 76,952
Total Adjustments (from above)	—	(630)	—	16,837
Adjusted Net Income	**$ 38,637**	**$ 34,444**	**$ 109,961**	**$ 93,789**
Average Equity, as reported	$ 1,204,202	$ 1,079,359	$ 1,193,332	$ 1,020,200
Average Intangibles, as reported	403,104	415,666	405,485	390,701
Average Tangible Common Equity	$ 801,098	$ 663,693	$ 787,847	$ 629,499
Return on Average Tangible Common Equity, as reported	19.29 %	21.14 %	18.61 %	16.30 %
Return on Average Tangible Common Equity, as adjusted	**19.29 %**	**20.76 %**	**18.61 %**	**19.87 %**

FORWARD-LOOKING STATEMENTS AND ASSOCIATED RISKS

The Company from time to time in its oral and written communications makes statements relating to its expectations regarding the future. These types of statements are considered “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. The Company may include forward-looking statements in filings with the Securities and Exchange Commission (“SEC”), such as this Form 10-Q, in other written materials, and in oral statements made by senior management to analysts, investors, representatives of the media, and others. Such forward-looking statements can include statements about the Company’s net interest income or net interest margin; its adequacy of allowance for credit losses, levels of provisions for credit losses, and the quality of the Company’s loans, investment securities and other assets; simulations of changes in interest rates; expected results from mergers with or acquisitions of other businesses; litigation results; tax estimates and recognition; dividend policy; parent company cash resources and cash requirements, and parent company capital resources; estimated cost savings, plans and objectives for future operations; and expectations about the Company’s financial and business performance and other business matters as well as economic and market conditions and trends. They often can be identified by the use of words like “plan,” “expect,” “can,” “might,” “may,” “will,” “would,” “could,” “should,” “intend,” “project,” “estimate,” “believe” or “anticipate,” or similar expressions.

Forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the forward-looking statement is made.

Readers are cautioned that, by their nature, all forward-looking statements are based on assumptions and are subject to risks, uncertainties, and other factors. Actual results may differ materially and adversely from the expectations of the Company that are expressed or implied by any forward-looking statement. The discussions in this Item 2 list some of the factors that could cause the Company's actual results to vary materially from those expressed or implied by any forward-looking statements. Other risks, uncertainties, and factors that could cause the Company's actual results to vary materially from those expressed or implied by any forward-looking statement include:

- changes in interest rates and the timing and magnitude of any such changes;
- unfavorable economic conditions, including prolonged periods of inflation, and the resulting adverse impact on, among other things, credit quality;
- the soundness of other financial institutions and general investor sentiment regarding the stability of financial institutions;
- changes in our liquidity position;
- the impacts of epidemics, pandemics or other infectious disease outbreaks;
- 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 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;
- changes in financial and capital markets;
- capital management activities, including possible future sales of new securities, or possible repurchases or redemptions by the Company of outstanding debt or equity securities;
- 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;
- factors driving impairment charges on investments;
- the impact, extent and timing of technological changes;
- potential cyber-attacks, information security breaches and other criminal activities;
- litigation liabilities, including related costs, expenses, settlements and judgments, or the outcome of matters before regulatory agencies, whether pending or commencing in the future;
- actions of the Federal Reserve Board;
- the regulatory and financial impacts associated with exceeding $10 billion in total assets;
- changes in accounting principles and interpretations;
- potential increases of federal deposit insurance premium expense, and possible future special assessments of FDIC premiums, either industry wide or specific to the Company's banking subsidiary;
- 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;
- 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; and
- the continued availability of earnings and excess capital sufficient for the lawful and prudent declaration and payment of cash dividends.

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 the Company. Readers are cautioned not to place undue reliance on these forward-looking statements.

Investors should consider these risks, uncertainties, and other factors, in addition to those mentioned by the Company in its Annual Report on Form 10-K for its fiscal year ended December 31, 2025, this Quarterly Report on Form 10-Q, and other SEC filings from time to time, when considering any forward-looking statement.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company's exposure to market risk is reviewed on a regular basis by the Asset/Liability Committee and Boards of Directors of the parent company and its subsidiary bank. Primary market risks which impact the Company's operations are liquidity risk and interest rate risk.

The liquidity of the parent company is dependent upon the receipt of dividends from its subsidiary bank, which is subject to certain regulatory limitations. The Bank's source of funding is predominantly core deposits, maturities of securities, repayments of loan principal and interest, federal funds purchased, securities sold under agreements to repurchase, and borrowings from the Federal Home Loan Bank and the Federal Reserve Bank.

The Company monitors interest rate risk by the use of computer simulation modeling to estimate the potential impact on its net interest income under various interest rate scenarios, and by estimating its static interest rate sensitivity position. Another method by which the Company's interest rate risk position can be estimated is by computing estimated changes in its net portfolio value ("NPV"). This method estimates interest rate risk exposure from movements in interest rates by using interest rate sensitivity analysis to determine the change in the NPV of discounted cash flows from assets and liabilities. NPV represents the market value of portfolio equity and is equal to the estimated market value of assets minus the estimated market value of liabilities.

Computations for measuring both net interest income and NPV are based on a number of assumptions, including the relative levels of market interest rates and prepayments in mortgage loans and certain types of investments. These computations do not contemplate any actions management may undertake in response to changes in interest rates, and should not be relied upon as indicative of actual results. In addition, certain shortcomings are inherent in the method of computing both net interest income and NPV. Should interest rates remain or decrease below current levels, the proportion of adjustable rate loans could decrease in future periods due to refinancing activity. In the event of an interest rate change, prepayment levels would likely be different from those assumed in the modeling. Lastly, the ability of many borrowers to repay their adjustable rate debt may decline during a rising interest rate environment.

The Company from time to time utilizes derivatives to manage interest rate risk. Management continuously evaluates the merits of such interest rate risk products but does not anticipate the use of such products to become a major part of the Company's risk management strategy.

The table below provides an assessment of the risk to net interest income over the next 12 months in the event of a sudden and sustained 1% and 2% increase and decrease in prevailing interest rates (dollars in thousands).

Interest Rate Sensitivity as of September 30, 2026 - Net Interest Income

	Net Interest Income	
Changes in Rates	**Amount**	**% Change**
+2%	$ 354,940	1.83 %
+1%	352,001	0.99 %
Base	348,560	—
-1%	343,398	(1.48)%
-2%	337,719	(3.11)%

The above table is a measurement of the Company's net interest income at risk, assuming a static balance sheet as of September 30, 2026 and instantaneous parallel changes in interest rates. The Company also monitors interest rate risk under other scenarios including a more gradual movement in market interest rates. This type of scenario can at times produce different modeling results in measuring interest rate risk sensitivity.

The table below provides an assessment of the risk to NPV in the event of a sudden and sustained 1% and 2% increase and decrease in prevailing interest rates (dollars in thousands).

Interest Rate Sensitivity as of September 30, 2026 - Net Portfolio Value

	Net Portfolio Value		Net Portfolio Value as a % of Present Value of Assets	
Changes in Rates	**Amount**	**% Change**	**NPV Ratio**	**Change**
+2%	$ 1,331,146	(6.71)%	17.66 %	(34) b.p.
+1%	1,381,309	(3.20)%	17.87 %	(13) b.p.
Base	1,426,905	—	18.00 %	—
-1%	1,464,563	2.64 %	18.01 %	1 b.p.
-2%	1,494,116	4.71 %	17.90 %	(10) b.p.

This Item 3 includes forward-looking statements. See “Forward-looking Statements and Associated Risks” included in Part I, Item 2 of this Report for a discussion of certain factors that could cause the Company’s actual exposure to market risk to vary materially from that expressed or implied above. These factors include possible changes in economic conditions; interest rate fluctuations, competitive product and pricing pressures within the Company’s markets; and equity and fixed income market fluctuations. Actual experience may also vary materially to the extent that the Company’s assumptions described above prove to be inaccurate.

Item 4. Controls and Procedures

As of September 30, 2026, the Company carried out an evaluation, under the supervision and with the participation of its principal executive officer and principal financial officer, of the effectiveness of the design and operation of its disclosure controls and procedures. Based on this evaluation, the Company’s principal executive officer and principal financial officer concluded that the Company’s disclosure controls and procedures were, as of that date, effective in timely alerting them to material information required to be included in the Company’s periodic reports filed with the Securities and Exchange Commission. There are inherent limitations to the effectiveness of systems of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective systems of disclosure controls and procedures can provide only reasonable assurances of achieving their control objectives.

There was no change in the Company’s internal control over financial reporting that occurred during the Company’s third fiscal quarter of 2026 that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

There are no pending legal proceedings, other than routine litigation incidental to the business of the Company's subsidiaries, to which the Company or any of its subsidiaries is a party or of which any of their property is the subject.

Item 1A. Risk Factors

There have been no material changes to the risk factors previously disclosed in German American Bancorp, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2025.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) Sale of Unregistered Securities.

Not applicable.

(b) Use of Proceeds.

Not applicable.

(c) Issuer Purchases of Equity Securities.

The following table sets forth information regarding the Company's purchases of its common shares during each of the three months ended September 30, 2026.

Period	Total Number of Shares (or Units) Purchased	Average Price Paid Per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs [1]	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased under the Plans or Programs [1]
July 2026	—	$ —	—	1,000,000
August 2026	—	—	—	1,000,000
September 2026	—	—	—	1,000,000
Total	—	$ —	—	

[1] The Company's Board of Directors previously approved a plan to repurchase up to 1.0 million shares of the Company's outstanding common stock. On a share basis, the amount of common stock subject to the repurchase plan represented approximately 3% of the Company's outstanding shares on the date it was approved. The Company is not obligated to purchase any shares under the plan, and the plan may be discontinued at any time. The actual timing, number and share price of shares purchased under the repurchase plan will be determined by the Company at its discretion and will depend upon such factors as the market price of the stock, general market and economic conditions and applicable legal requirements. The Company has not repurchased any shares under this repurchase plan.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

(a) Information required to be disclosed in a report on Form 8-K.

None.

(b) Changes to director nomination procedures.

None.

(c) Insider trading arrangements.

During the three months ended September 30, 2026, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

The following exhibits are included with this Report or incorporated herein by reference.

Exhibit No.	Description
3.1	Composite Articles of Incorporation of German American Bancorp, Inc. are incorporated by reference to Exhibit 3.1 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2026, filed August 6, 2026 (SEC File No. 001-15877).
3.2	Amended and Restated Bylaws of German American Bancorp, Inc. are incorporated by reference to Exhibit 3.1 of the Registrant's Current Report on Form 8-K filed December 20, 2023 (SEC File No. 001-15877).
4.1	Terms of Common Shares and Preferred Shares of the Registrant (included in Restatement of Articles of Incorporation) are incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed May 26, 2020 (SEC File No. 001-15877).
4.2	Specimen stock certificate for Common Shares of the Registrant is incorporated by reference to Exhibit 99.1 to the Registrant's Current Report on Form 8-K filed October 21, 2010 (SEC File No. 001-15877).
10.1*	Description of Director Compensation Arrangements, effective as of July 1, 2026, is incorporated by reference to Exhibit 10.1 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2026, filed August 6, 2026 (SEC File No. 001-15877).
31.1+	Sarbanes-Oxley Act of 2002, Section 302 Certification of Principal Executive Officer.
31.2+	Sarbanes-Oxley Act of 2002, Section 302 Certification of Principal Financial Officer.
32.1++	Sarbanes-Oxley Act of 2002, Section 906 Certification of Principal Executive Officer.
32.2++	Sarbanes-Oxley Act of 2002, Section 906 Certification of Principal Financial Officer.
101.INS+	Inline XBRL Instance Document (The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.)
101.SCH+	Inline XBRL Taxonomy Extension Schema Document
101.CAL+	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF+	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB+	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE+	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

Note: No long-term debt instrument issued by the Registrant exceeds 10% of consolidated total assets or is registered. In accordance with paragraph 4 (iii) of Item 601(b) of Regulation S-K, the Registrant will furnish the Securities and Exchange Commission copies of long-term debt instruments and related agreements upon request.

* Exhibits that describe or evidence management contracts or compensatory plans or arrangements required to be filed as exhibits to this Report are indicated by an asterisk.

+ Filed with this Report (other than through incorporation by reference to other disclosures or exhibits).

++ Furnished with this Report.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

GERMAN AMERICAN BANCORP, INC.

Date: November 6, 2026

By: /s/D. Neil Dauby

D. Neil Dauby
Chairman and Chief Executive Officer
(Principal Executive Officer)

Date: November 6, 2026

By: /s/Bradley M. Rust

Bradley M. Rust
President and Chief Financial Officer
(Principal Financial Officer)

Date: November 6, 2026

By: /s/Vicki L. Schuler

Vicki L. Schuler
Senior Vice President, Controller
(Principal Accounting Officer)

Exhibit 31.1

Sarbanes-Oxley Act of 2002, Section 302 Certification of Principal Executive Officer

I, D. Neil Dauby, Chairman and Chief Executive Officer of German American Bancorp, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of German American Bancorp, Inc. (the "registrant"):

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 6, 2026
Date

/s/ D. Neil Dauby
D. Neil Dauby
Chairman and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Sarbanes-Oxley Act of 2002, Section 302 Certification of Principal Financial Officer

I, Bradley M. Rust, President and Chief Financial Officer of German American Bancorp, Inc. certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of German American Bancorp, Inc. (the "registrant"):

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 6, 2026
Date

/s/ Bradley M. Rust
Bradley M. Rust
President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

Sarbanes-Oxley Act of 2002, Section 906 Certification of Principal Executive Officer

I, D. Neil Dauby, Chairman and Chief Executive Officer of German American Bancorp, Inc. certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), that:

1. The Quarterly Report on Form 10-Q for the quarter ended September 30, 2026 (the "Periodic Report"), which this statement accompanies, fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

2. Information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of German American Bancorp, Inc.

This certificate is being furnished solely for purposes of Section 906 and is not being filed as part of the Periodic Report.

November 6, 2026
Date

/s/ D. Neil Dauby
D. Neil Dauby
Chairman and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

Sarbanes-Oxley Act of 2002, Section 906 Certification of Principal Financial Officer

I, Bradley M. Rust, President and Chief Financial Officer of German American Bancorp, Inc. certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), that:

1. The Quarterly Report on Form 10-Q for the quarter ended September 30, 2026 (the "Periodic Report"), which this statement accompanies, fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

2. Information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of German American Bancorp, Inc.

This certificate is being furnished solely for purposes of Section 906 and is not being filed as part of the Periodic Report.

November 6, 2026
Date

/s/ Bradley M. Rust
Bradley M. Rust
President and Chief Financial Officer
(Principal Financial Officer)