GERMAN AMERICAN BANCORP, INC.
Form S-4/A
December 17, 2015

As filed with the Securities and Exchange Commission on December 17, 2015

Registration No. 333-208176

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 2

TO

FORM S-4

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

GERMAN AMERICAN BANCORP, INC.

(Exact Name of Registrant as Specified in Its Charter)

Indiana	**6022**	**35-1547518**
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(IRS Employer Identification Number)

711 Main Street, Box 810
Jasper, Indiana 47547-0810
(812) 482-1314
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Mark A. Schroeder
Chairman and Chief Executive Officer
German American Bancorp, Inc.
711 Main Street, Box 810
Jasper, Indiana 47547-0810
(812) 482-1314
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

With copies to:

Jeremy E. Hill, Esq. **Bingham Greenebaum Doll LLP** **2700 Market Tower** **10 W. Market Street** **Indianapolis, Indiana 46204** **(317) 635-8900**	**Claudia V. Swhier, Esq.** **Barnes & Thornburg LLP** **11 South Meridian Street** **Indianapolis, Indiana 46204** **(317) 236-1313**

Approximate date of commencement of proposed sale to the public:
From time to time after the effective date of this registration statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

Indicate by check mark whether the registrant is (check one):

Large accelerated filer o Accelerated filer ý Non-accelerated filer o Smaller reporting company o

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) o

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Amount to be Registered(1)**	**Proposed Maximum Offering Price Per Unit**	**Proposed Maximum Aggregate Offering Price(2)**	**Amount of Registration Fee(3)(4)**
Common Shares, no par value	Up to 1,965,627 shares	N/A	$63,750,442	$6,420

(1) Represents the maximum number of common shares of German American Bancorp, Inc. (NASDAQ: GABC) ("German American") estimated to be issuable upon the completion of the merger of River Valley Bancorp (NASDAQ: RIVR) ("River Valley") with and into German American as of November 20, 2015, based on the product of multiplying (A) 2,552,762 shares of River Valley, representing the sum of the number of such shares then outstanding plus the number of unissued River Valley shares then reserved for issuance upon the exercise of outstanding stock options, by (B) 0.770 shares, representing the fixed exchange ratio specified by the merger agreement. Pursuant to Rule 416 under the Securities Act, this registration statement also covers any additional securities that may be offered or issued in connection with any stock split, stock dividend or similar transaction.

(2) Pursuant to Rule 457(c) and 457(f) under the Securities Act of 1933, as amended, and solely for the purpose of calculating the registration fee, based upon $34.94 per share, the average of the high and low prices of a share of River Valley common stock as reported on the NASDAQ Capital Market on November 18, 2015 (which date is within five business days prior to the date of the filing of this registration statement), multiplied by 2,552,762 shares of River Valley common stock that may be received by German American and/or cancelled upon consummation of the merger, less $25,443,062, which is the estimated aggregate amount of cash expected to be paid by German American in exchange for shares of River Valley common stock.

(3) Calculated in accordance with Section 6(b) of the Securities Act and SEC Fee Advisory #1 for Fiscal Year 2016 (at a rate equal to 0.0001007 multiplied by the proposed maximum aggregate offering price).

(4) Previously paid in connection with the initial filing of this registration statement on November 23, 2015.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant files a further amendment which specifically states that this registration statement is to become effective in accordance with Section 8(a) of the Securities Act or until the registration statement becomes effective on the date the Commission, acting under Section 8(a), determines.

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Information contained herein is subject to completion or amendment. A registration statement relating to the common shares of German American Bancorp, Inc. to be issued in the merger has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This proxy statement/prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale is not permitted or would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY PROXY STATEMENT/PROSPECTUS
DATED DECEMBER 17, 2015, SUBJECT TO COMPLETION

PROSPECTUS OF GERMAN AMERICAN BANCORP, INC. FOR UP TO
1,965,627 SHARES OF COMMON STOCK AND
PROXY STATEMENT OF RIVER VALLEY BANCORP

River Valley Bancorp (which we refer to as "River Valley") proposes to merge with and into German American Bancorp, Inc. (which we refer to as "German American"). At the effective time of the proposed merger, each outstanding share of River Valley's common stock would be converted into the right to receive:

0.770 shares of German American common stock (or cash in lieu of fractional share interests), plus

a cash payment of $9.90 (subject to reduction to the extent that River Valley's consolidated common shareholders' equity is not at least equal to a certain level at the time of closing. See "THE MERGER AGREEMENT Calculation of Possible Reduction in Cash Payment" on page 66)

Because the exchange ratio is fixed (except for customary anti-dilution adjustments), if you receive German American common stock as consideration for all or a portion of your shares of River Valley common stock, the implied value of the stock consideration that you will receive will depend on the market price of German American common stock when you receive your shares of German American common stock. The value of the stock consideration per share of River Valley common stock, based upon German American closing stock price on [•], 2015, the most recent practicable trading day before this proxy statement/prospectus was finalized, was $[•] per share. You should obtain current market prices for shares of German American common stock which is listed on the NASDAQ Global Select Market under the symbol "GABC."

River Valley will hold a special meeting of its shareholders to vote on the merger agreement proposal at its principal office located at 430 Clifty Drive, Madison, Indiana, on January 26, 2016, at 11:00 a.m., local time. **Your vote is important, because your failure to vote will have the same effect as your voting against the merger agreement proposal.** Regardless of whether you plan to attend the special meeting, please take the time to vote your shares in accordance with the instructions contained in the attached proxy statement/prospectus.

River Valley's board of directors unanimously recommends that you vote "FOR" the merger.

This proxy statement/prospectus describes the special meeting, the merger agreement proposal, the German American shares to be issued in the merger, the manner of calculation of the number of German American shares to be issued and the amount of cash to be paid for each River Valley common share in the merger, and other related matters. Please carefully read this entire document, including "Risk Factors" beginning on page 24, for a discussion of the risks relating to the merger agreement proposal and the German American common shares. Information about German American is included in this document and in documents that German American has filed with the Securities and Exchange Commission. See "WHERE YOU CAN FIND MORE INFORMATION," on page 133.

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

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

The common shares of German American are traded on the NASDAQ Global Select Market under the symbol "GABC," and the common shares of River Valley are traded on the NASDAQ Capital Market under the symbol "RIVR."

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

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

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

This proxy statement/prospectus is dated [•], 2015, and it is first being mailed to River Valley Bancorp shareholders on or about [•], 2015.

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AVAILABLE INFORMATION

As permitted by the rules of the Securities and Exchange Commission (the "SEC"), this document incorporates certain important information about German American from other documents that are not included or delivered with this document. You may request, either orally or in writing, a copy of the documents incorporated by reference by German American in this proxy statement/prospectus without charge by requesting them in writing or by telephone from German American at the following addresses and telephone number:

German American Bancorp, Inc.
711 Main Street, Box 810
Jasper, Indiana 47547-0810
Attention: Terri Eckerle
Telephone: (812) 482-1314

If you would like to request documents, please do so by Tuesday, January 19, 2016, in order to receive them before River Valley's special meeting.

You also can obtain documents incorporated by reference in this document through the SEC's website at www.sec.gov. See "WHERE YOU CAN FIND MORE INFORMATION," on page 133.

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RIVER VALLEY BANCORP

Notice of Special Meeting of Shareholders to be held January 26, 2016

A special meeting of shareholders of River Valley Bancorp, an Indiana corporation ("River Valley"), will be held at 11:00 a.m., local time, on January 26, 2016 at River Valley's principal office located at 430 Clifty Drive, Madison, Indiana. Any adjournments or postponements of the special meeting will be held at the same location unless otherwise announced at the conclusion of the adjourned or postponed meeting session.

At the special meeting, you will be asked:

1. to consider and vote upon a proposal to approve the Agreement and Plan of Reorganization, dated as of October 26, 2015 (which we refer to as "the merger agreement"), which has been entered into by and among River Valley, German American Bancorp, Inc., River Valley Financial Bank, and German American Bancorp (including the related plan of merger in the form that is attached to the merger agreement), and thereby to approve the transactions contemplated by the merger agreement, including the merger of River Valley into German American Bancorp, Inc.;

2. to consider and vote upon a proposal to amend the Articles of Incorporation of River Valley to repeal Article 11 which prohibits the acquisition of beneficial ownership of more than 10% of any class of common stock of River Valley (the "Articles Amendment");

3. to approve, on an advisory (non-binding) basis, certain compensation that may be paid or become payable to certain executive officers of River Valley in connection with the merger;

4. to approve one or more adjournments of the special meeting (upon the motion of any shareholder of record entitled to vote thereon duly made and seconded) if necessary to permit further solicitation of proxies in favor of the merger agreement and the related plan of merger or the Articles Amendment; and

5. to transact such other business as may be properly presented at the special meeting and any adjournments or postponements of the special meeting.

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

The board of directors of River Valley unanimously recommends that River Valley shareholders vote "FOR" (1) the proposal to approve the merger agreement, (2) the proposal to approve the Articles Amendment, (3) the proposal to approve the merger-related compensation, and (4) the proposal to approve adjournments.

The board of directors of River Valley has fixed the close of business on December 18, 2015 as the record date for determining the shareholders entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting. Approval of the merger agreement proposal requires the affirmative vote of at least a majority of the outstanding shares of River Valley common stock. Approval of the Articles Amendment, the merger-related compensation and the adjournment proposal each requires the holders of more shares of River Valley common stock voting in favor of the proposals than voting against them.

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

If you have any questions or need assistance voting your shares, please contact our proxy solicitor, Laurel Hill Advisory Group, LLC, at (516) 396-7901.

By Order of the Board of Directors

Matthew P. Forrester, President and
Chief Executive Officer
Madison, Indiana
December [•], 2015

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QUESTIONS AND ANSWERS

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

Q:

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

A:

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

You are also being asked to vote:

- to approve an amendment to the Articles of Incorporation of River Valley to repeal Article 11 which prohibits the acquisition of beneficial ownership of more than 10% of any class of common stock of River Valley (the "Articles Amendment");
- to approve, on an advisory (non-binding) basis, certain compensation that certain executive officers of River Valley will or may receive that is based on or otherwise relates to the merger, which we refer to as the "merger-related compensation proposal;"
- to approve one or more adjournments of the special meeting that will be convened to consider approving the merger agreement proposal or the Articles Amendment (upon the motion of any shareholder of record entitled to vote thereon duly made and seconded) if necessary to permit further solicitation of proxies in favor of the merger agreement proposal or the Articles Amendment, which we refer to as the "adjournment proposal;" and
- on such other matters that may be properly presented at the special meeting or any adjournment or postponement of the special meeting. River Valley's Board is not aware of any such other matters.

Q:

What will I be entitled to receive in the merger?

A:

If the merger is completed, and you continue through the effective time of the merger to hold your River Valley shares, you will be entitled to receive for (or in respect of) each of your River Valley shares both:

- 0.770 shares of German American common stock (and cash in lieu of any fractional share interests), plus
- a cash payment of $9.90 (subject to reduction to the extent that River Valley's consolidated common shareholder's equity is not at least equal to a certain level at the time of closing. See "THE MERGER AGREEMENT Calculation of Possible Reduction in Cash Payment" on page 66).

It is currently expected that the former shareholders of River Valley as a group will receive approximately 12.7% of the outstanding shares of German American immediately after the merger.

Q:

Am I entitled to "dissenters' rights" (sometimes also called "appraisal rights")?

A:

No. The shareholders of River Valley are not entitled to dissenters' rights under Indiana Code Section 23-1-44, as amended, because the shares of River Valley common stock are traded on the NASDAQ Capital Market.

Q:

Why do River Valley and German American want to merge?

A:

River Valley believes that the proposed merger will provide River Valley shareholders with substantial benefits, and German American believes that expanding its operations in the complementary geographic market areas where River Valley operates offers financial and strategic benefits to German American and River Valley as a combined company. In considering the merger with German American, River Valley's board of directors collected and evaluated a variety of economic, financial and market information regarding German American and its bank subsidiary, their respective businesses and German American's reputation and future prospects. In the opinion of River Valley's board of directors, favorable factors included German American's greater market capitalization, greater trading liquidity in German American's common stock, German American's strong earnings and consistent dividends, its management, the compatibility of its markets to those of River Valley, the likelihood of regulatory approvals of the merger, and the attractiveness of German American's offer from a financial perspective. To review the reasons for the merger in more detail, see "THE MERGER German American's Reasons for the Merger" on page 44 and "THE MERGER River Valley's Reasons for the Merger and Recommendation of the Board of Directors" on page 45.

Q:

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

A:

Holders of a majority of the issued and outstanding shares of River Valley common stock (determined based on the record of our shareholders as of December 18, 2015, the record date for the meeting) must vote in favor of the proposal to approve the merger agreement. **Abstentions and broker non-votes will have the same effect as shares voted "AGAINST" the merger agreement proposal.**

Approval of the Articles Amendment, the merger-related compensation proposal (on an advisory basis), and the adjournment proposal each requires the holders of more shares of River Valley common stock voting in favor of the proposal than voting against the proposal. Abstentions and broker non-votes will not be treated as "no" votes and, therefore, will have no effect on these proposals.

Q:

How many shares do River Valley's directors and executive officers control?

A:

As of the record date for the special meeting, River Valley's directors and executive officers (in the aggregate) have the sole or shared right to vote approximately 310,612 of the outstanding River Valley shares, or approximately 12.4% of River Valley's shares then outstanding. See "THE SPECIAL MEETING Beneficial Ownership of River Valley Common Stock by Certain Shareholders" on page 36.

Q:

When and where is the River Valley special meeting?

A:

The special meeting of River Valley shareholders is scheduled to take place at River Valley's principal office, located at 430 Clifty Drive, Madison, Indiana, at 11:00 a.m., local time, on January 26, 2016.

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Q:

Who is entitled to vote at the River Valley special meeting?

A:

Holders of shares of River Valley common stock at the close of business on December 18, 2015, which is the record date, are entitled to vote on the proposal to approve the merger agreement and the additional proposals at the River Valley special meeting. As of the record date, 2,513,696 shares of River Valley common stock were outstanding and entitled to vote.

Q:

If I plan to attend the River Valley special meeting in person, should I still grant my proxy?

A:

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

Q:

What is the recommendation of the River Valley board of directors?

A:

The River Valley board of directors has determined that the merger agreement (including the plan of merger attached as Appendix A to that agreement) and the merger contemplated by the merger agreement are advisable, fair to, and in the best interests of, River Valley and its shareholders. The River Valley board of directors unanimously recommends that you vote "FOR" (1) approval of the merger agreement proposal; (2) approval of the Articles Amendment; (3) approval of the merger-related compensation proposal; and (4) approval of the adjournment proposal.

Q:

What do I need to do now to vote my shares of River Valley?

A:

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

Q:

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

A:

No. Your broker will not be able to vote your shares of River Valley common stock on the proposal to adopt the merger agreement, the proposal to approve the Articles Amendment, the proposal for an advisory vote on merger-related compensation, or the proposal for adjournment of the special meeting unless you provide instructions on how to vote. Please instruct your broker how to vote your shares, following the directions that your broker provides. If you do not provide instructions to your broker on the proposal to adopt the merger agreement, the proposal to approve the Articles Amendment, the merger-related compensation proposal (on an advisory basis), or the proposal to adjourn the special meeting, your shares will not be voted, and this will have the effect of voting "AGAINST" the adoption of the merger agreement, and will not be counted for purposes of the approval of the Articles Amendment, the advisory vote on merger-related compensation, or the adjournment proposal. Please check the voting form used by your broker to see if it offers telephone or Internet voting.

Q:

Why am I being asked to approve an Amendment to the Articles of Incorporation of River Valley in connection with the transaction?

A:

The approval of the Articles Amendment is a condition to the closing of the transactions contemplated in the merger agreement. The Articles Amendment amends the Articles of Incorporation of River Valley by deleting Article 11 of the Articles of Incorporation of River Valley in its entirety. Article 11 of the Articles of Incorporation of River Valley provides that no person shall directly or indirectly offer to acquire or acquire the beneficial ownership of more than

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10% of any class of common stock of River Valley. Because it could be interpreted that German American is indirectly acquiring all of River Valley's outstanding shares in connection with the merger, River Valley and German American believe it is prudent that Article 11 be repealed as part of the transaction. See "PROPOSED AMENDMENT TO THE ARTICLES OF INCORPORATION OF RIVER VALLEY" on page 76.

Q:

Why am I being asked to cast an advisory (non-binding) vote to approve the compensation payable to certain River Valley officers in connection with the merger?

A:

The Securities and Exchange Commission (the "SEC"), in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"), has adopted rules that require River Valley to seek an advisory (non-binding) vote with respect to certain payments that are payable to River Valley's named executive officers in connection with the merger.

Q:

What will happen if River Valley's shareholders do not approve such compensation at the special meeting?

A:

River Valley shareholder approval of the compensation payable to certain of River Valley's executive officers in connection with the merger is not a condition to completion of the merger. The vote with respect to such compensation is an advisory vote and will not be binding on River Valley (or German American after the merger) regardless of whether the merger agreement is approved. Accordingly, because the compensation to be paid to certain River Valley executive officers in connection with the merger is contractual, such compensation will be payable if the merger is completed regardless of the outcome of the advisory vote.

Q:

How do I vote shares held in River Valley's Employee Stock Ownership Plan?

A:

River Valley maintains an Employee Stock Ownership Plan (the "ESOP") which owns approximately 6.8% of River Valley's common stock. Employees of River Valley and its subsidiaries participate in the ESOP. Each ESOP participant instructs the trustee of the ESOP how to vote the shares of River Valley common stock allocated to his or her account under the ESOP. If a participant properly executes the voting instruction card distributed by the trustee, the trustee will vote such participant's shares in accordance with the shareholder's instructions. If an instruction card is returned with no specific instructions as to how to vote at the special meeting, the trustee will vote the shares in favor of each of the proposals submitted to a vote at the meeting set forth in this proxy statement/prospectus. The trustee will vote the shares of River Valley common stock held in the ESOP but not allocated to any participant's account and allocated shares as to which no voting instructions are received in the same proportion as the allocated shares in the ESOP are voted with respect to each of the proposals submitted to a vote of shareholders at the special meeting, so long as such vote is in accordance with the provisions of the Employee Retirement Income Security Act.

Q:

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

A:

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

- providing written notice of revocation to the Corporate Secretary of River Valley, which must be filed with the Corporate Secretary by the time the special meeting begins;
- submitting a new proxy card (any earlier proxies will be revoked automatically); or
- attending the special meeting and voting in person. Any earlier proxy will be revoked.

However, simply attending the special meeting without voting will not revoke your proxy.

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

Q:

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

A:

German American and River Valley expect the merger to qualify as a "reorganization" (within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code")) for U.S. federal income tax purposes. If the merger qualifies as a reorganization, then, in general, for U.S. federal income tax purposes:

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

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

To review the tax consequences of the merger to River Valley shareholders in greater detail, please see the section "MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES" beginning on page 128. **Your individual tax consequences will depend on your personal situation. You should consult your tax advisor for a full understanding of the tax consequences of the merger to you.**

Q:

When is the merger expected to be completed?

A:

We will try to complete the merger as soon as possible. Before that happens, the merger agreement (including the plan of merger) must be approved by River Valley's shareholders and we must obtain the necessary regulatory approvals. Assuming shareholders vote at least a majority of the issued and outstanding shares of River Valley in favor of the merger agreement at the scheduled shareholders meeting (without the need for any adjournment) and we obtain the other necessary approvals in a timely fashion, we hope to close the merger effective February 1, 2016. Prior to that date, German American would file the necessary documents with the appropriate offices of the State of Indiana to cause the mergers to become effective. Those documents would specify an "effective time" of the merger of 12:01 a.m. Madison (Indiana) time on February 1, 2016.

Q:

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

A:

Yes. The transaction must receive the required regulatory approvals, River Valley's consolidated shareholders' equity at closing must be at or above a certain level, and there are other customary closing conditions that must be satisfied (or waived, if applicable). To review the conditions of the merger in more detail, see "THE MERGER AGREEMENT Conditions to Completion of the Merger" on page 72.

Q:

Should I send in my stock certificates now?

A:

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

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Q:

Who can answer my other questions?

A:

If you have more questions about the merger, or how to submit your proxy, or if you need additional copies of this proxy statement/prospectus or the enclosed proxy form, you should contact River Valley's proxy solicitor, at the following address or phone number:

Laurel Hill Advisory Group, LLC
2 Robbins Lane, Suite 201
Jericho, New York 11753
(516) 396-7901

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SUMMARY

The following summary, together with the section of the proxy statement/prospectus entitled "Questions and Answers," highlight selected information contained in this proxy statement/prospectus. It may not contain all of the information that might be important in your consideration of the merger agreement and the proposed merger. We encourage you to read carefully this proxy statement/prospectus (including the documents that are annexed to this document and listed in the Table of Contents) in their entirety before voting. See "WHERE YOU CAN FIND MORE INFORMATION" on page 133.

In this proxy statement/prospectus, the term "River Valley" refers to River Valley Bancorp, the term "German American" refers to German American Bancorp, Inc., the terms "we" or "us" or "our" refer to River Valley and German American, the term "merger agreement" refers to that certain Agreement and Plan of Reorganization, dated as of October 26, 2015, as it may be amended from time to time, among German American, River Valley, and their banking subsidiaries, a copy of which is attached as Annex A to this proxy statement/prospectus, the term "merger" refers to the merger of River Valley with and into German American pursuant to the merger agreement, and the term "shares" refers to the shares of common stock of German American or River Valley (as applicable in context). Where appropriate, we have set forth a section and page reference directing you to a more complete description of the topics described in this summary.

Information about the Companies

German American Bancorp, Inc. (page 81)
711 Main Street, Box 810
Jasper, Indiana 47547-0810
(812) 482-1314

German American, an Indiana corporation, is a financial services holding company based in Jasper, Indiana. German American (through its bank subsidiary) operates 37 banking offices in 13 Southern Indiana counties. German American indirectly owns a full line property and casualty insurance agency (German American Insurance, Inc.) with eight insurance agency offices throughout German American's market area. As of September 30, 2015, German American had total deposits of approximately \$1.8 billion, total loans of approximately \$1.5 billion, total assets of approximately \$2.3 billion and total shareholders' equity of approximately \$247 million.

River Valley Bancorp (page 82)
430 Clifty Drive, P.O. Box 1590
Madison, Indiana 47250-0590
(812) 273-4949

River Valley is a financial holding company that owns 100% of the capital stock of its subsidiary bank, River Valley Financial Bank, an Indiana commercial bank, and of River Valley Risk Management, Inc., its captive insurance company. River Valley's common stock is traded in the NASDAQ Capital Market under the symbol "RIVR." At September 30, 2015, River Valley reported total assets of approximately \$514 million, total loans of approximately \$330 million, and total deposits of approximately \$401 million.

River Valley Financial Bank is an Indiana commercial bank. It conducts business from its main office in Madison, Indiana and 13 other full-service offices located in Madison, Hanover, Charlestown, Sellersburg, Floyds Knobs, New Albany, Dupont, North Vernon, Seymour, Osgood and Jeffersonville, Indiana and in Carrollton, Kentucky. River Valley Financial offers a full range of retail deposit services and lending services to customers in southeastern Indiana and adjacent areas in Kentucky, including the Louisville metro area.

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River Valley Financial has four subsidiaries. RVFB Investments, Inc., RVFB Holdings, Inc., and RVB Portfolio, LLC were formed to manage River Valley Financial's investment portfolio. Madison 1st Service Corporation owns two parcels of real estate for branch expansion, but otherwise engages in no activities.

The Merger and the Merger Agreement (pages 41 and 65)

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

What River Valley Shareholders Will Receive as a Result of the Merger (page 66)

If the merger is completed, each share of River Valley common stock that you own of record immediately before the effective time of the merger will be converted (pursuant to the terms of the merger and effective as of its effective time) into the right to receive 0.770 shares of German American common stock (and cash in lieu of any fractional share interests), plus a cash payment of $9.90 (subject to reduction to the extent that River Valley's consolidated common shareholders' equity is not at least equal to a certain level at the time of closing. See "THE MERGER AGREEMENT Calculation of Possible Reduction in Cash Payment" on page 66). Because the exchange ratio is fixed (except for customary anti-dilution adjustments), if you receive German American common stock as consideration for all or a portion of your shares of River Valley common stock, the implied value of the stock consideration that you will receive will depend on the market price of German American common stock when you receive your shares of German American common stock. The value of the stock consideration per share of River Valley common stock, based upon German American closing stock price on [•], 2015, the most recent practicable trading day before this proxy statement/prospectus was finalized, was $[•] per share. It is currently expected that the former shareholders of River Valley as a group will receive approximately 12.7% of the outstanding shares of German American immediately after the merger.

Board of Directors of German American (and its Bank Subsidiary) Following Completion of the Merger (page 75)

After completion of the merger, German American will appoint one (1) person who is currently a member of the River Valley board of directors (chosen by German American after consultation with River Valley) to the German American board of directors. As of the date of this proxy statement/prospectus, it has not yet been determined which River Valley director will be appointed to the German American board of directors. The board of directors of German American and of its banking subsidiary will otherwise be the same as the boards of directors of such companies immediately prior to the effective time of the merger. Information about the current German American directors and executive officers can be found in German American's Annual Report on Form 10-K for its year ended December 31, 2014, which is incorporated by reference into, and forms part of, this proxy statement/prospectus.

Anticipated Accounting Treatment (page 63)

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

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

Recommendation of River Valley Board of Directors (page 45)

The River Valley board of directors has approved and adopted the merger agreement and the proposed merger. The River Valley board believes that the merger agreement, including the merger and the other transactions contemplated by the merger agreement, is advisable and fair to, and in the best interests of, River Valley and its shareholders, and therefore unanimously recommends that River Valley shareholders vote "FOR" the: (1) approval of the proposal to adopt the merger agreement and the related plan of merger; (2) approval of the Articles Amendment; (3) approval of the merger-related compensation proposal (on an advisory basis); and (4) approval of the adjournment proposal. In reaching this decision, River Valley's board of directors considered many factors, which are described in the section captioned "THE MERGER River Valley's Reasons for the Merger and Recommendation of the Board of Directors" beginning on page 45. Because of the wide variety of factors considered, River Valley's board of directors did not believe it practicable, nor did it attempt, to quantify or otherwise assign relative weight to the specific factors it considered in reaching its decision.

Opinion of River Valley's Financial Advisor (page 47)

In connection with the merger, River Valley's financial advisor, Keefe, Bruyette & Woods, Inc. ("KBW"), delivered a written opinion, dated October 26, 2015, to the River Valley board of directors as to the fairness, from a financial point of view and as of the date of the opinion, of the merger consideration to be received by the holders of River Valley common stock in the proposed merger. The full text of the opinion, which describes the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW in preparing the opinion, is attached as Annex B to this proxy statement/prospectus. **The opinion was for the information of, and was directed to, the River Valley board (in its capacity as such) in connection with its consideration of the financial terms of the merger. The opinion did not address the underlying business decision of River Valley to engage in the merger or enter into the merger agreement or constitute a recommendation to the River Valley board in connection with the merger, and it does not constitute a recommendation to any holder of River Valley common stock or any shareholders of any other entity as to how to vote in connection with the merger or any other matter.**

Regulatory Approvals (page 62)

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

Conditions to the Merger (page 72)

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

- approval of the merger agreement at the special meeting by the holders of at least a majority of River Valley's issued and outstanding shares, and approval of the Articles Amendment by the holder of more shares of River Valley common stock voting in favor of the Articles Amendment than voting against them;

- approval of the transaction by the appropriate regulatory authorities; and

- the representations and warranties made by the parties in the merger agreement must be true in all material respects as of the closing date of the merger, except for such changes as have not had, and cannot reasonably be expected to have, a "material adverse effect" as defined in the merger agreement.

Termination (page 73)

The merger agreement may be terminated by mutual consent of German American and River Valley at any time prior to the filing of the articles of merger with the Indiana Secretary of State. Additionally, subject to conditions and circumstances described in the merger agreement, either German American or River Valley may terminate the merger agreement prior to the filing of the articles of merger if, among other things, any of the following occur:

- the closing of the merger has not occurred by June 30, 2016;

- River Valley's shareholders do not adopt the merger agreement and the Articles Amendment at the special meeting by the requisite vote;

- there is a material breach by the other party of any representation or warranty contained in the merger agreement (other than those breaches that together with other breaches arising after the date of the merger agreement, do not have a "material adverse effect" on such other party as defined by the merger agreement, which breach cannot be cured, or has not been cured within 30 days after the giving of written notice to the other party of such breach);

- there is a breach by the other party in any material respect of any of its covenants or agreements contained in the merger agreement, which breach cannot be cured, or has not been cured within 30 days after the giving of written notice to the other party of such breach; or

- in the event of certain adverse regulatory determinations.

In addition, German American may terminate the merger agreement in the event River Valley breaches its notice obligations related to an acquisition transaction, or does not terminate all discussions, negotiations and information exchanges related to such inquiry, proposal, indication of interest or offer related to an acquisition transaction within thirty (30) days after the first communication between River Valley or River Valley Financial and the third party and provide German American with written notice of such termination.

Termination Fee (page 74)

If (i) River Valley breaches its notice obligations related to an acquisition transaction, or does not terminate all discussions, negotiations and information exchanges related to such inquiry, proposal, indication of interest or offer related to an acquisition transaction within thirty (30) days after the first communication between River Valley or River Valley Financial and the third party and provide German American with written notice of such termination or (ii) River Valley's board of directors should fail to include its recommendation to shareholders of River Valley that they vote in favor of the merger and the Articles Amendment at the special meeting or withdraw such recommendation following River Valley's receipt of a proposal from another party to engage in a business combination, and, in either case, the merger agreement is terminated as a result, then River Valley would owe German American a termination fee of $3,236,000.

Interests of Officers and Directors in the Merger That are Different From Yours (page 60)

In considering the recommendation of the board of directors of River Valley to adopt the merger agreement, you should be aware that executive officers and directors of River Valley have (or had)

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employment and other compensation agreements or plans that give them (or gave them) interests in connection with the merger that may be different from, or in addition to, their interests as River Valley shareholders. These current or former interests and agreements include:

- the accelerated vesting of all outstanding unvested stock options held by River Valley directors and executive officers and the agreement by German American to pay cash in connection with the completion of the merger in cancellation of such options (whether or not now vested) to such directors and executive officers, in amounts designed to give those executives the benefit of the indicated value of the merger transaction (in excess of the applicable exercise price) without their having to pay cash to exercise their options. The aggregate of such cancellation payments to River Valley directors and executive officers will be approximately $382,408;

- the accelerated vesting of restricted stock held by River Valley directors and executive officers and exchange of such stock for the merger consideration;

- certain pre-existing employment agreements that provide for payments to certain executives upon a change in control of River Valley, subject to certain limitations. Under these agreements, three (3) of such executive officers (Messrs. Forrester, Brandon and Muessel) would be entitled to receive an aggregate of approximately $1,264,469;

- the closing of the merger is conditioned upon German American entering into employment agreements with three current officers of River Valley (Messrs. Forrester, Brandon, and Muessel), which agreements will become effective upon the effective time of the merger. Under these employment agreements, Mr. Forrester will be paid an annual salary of $175,000, Mr. Brandon will be paid an annual salary of $125,000 and Mr. Muessel will be paid an annual salary of $100,000, and each is guaranteed to receive a higher amount in W-2 reportable compensation for the years specified in their respective employment agreements;

- pursuant to the merger agreement, German American will assume the River Valley Financial Bank Salary Continuation Agreement with Mr. Forrester, as amended October 27, 2015. This agreement provides for the payment of certain retirement benefits to Mr. Forrester upon his termination of employment;

- the fact that one person who is currently a member of the River Valley board of directors will be appointed to the German American board of directors and that all independent directors who are currently members of the River Valley Financial board of directors, other than the director appointed to German American's board, will be appointed to a newly-created Regional Advisory Board of German American and each of such persons will be entitled to receive compensation from German American for their services on these boards. As of the date of this proxy statement/prospectus, it has not yet been determined which River Valley director will be appointed to the German American board of directors;

- rights of River Valley officers and directors to indemnification and directors' and officers' liability insurance; and

- the termination of River Valley Financial Bank's Amended and Restated Director Deferred Compensation Master Agreement and payment of the present value of benefits payable under that Agreement to the directors and a former director participating therein. The aggregate payments to be made under that Agreement are estimated at $1,808,271, approximately $699,281 over the amount that would have been accrued at January 31, 2016, had there been no merger.

Certain Differences in Shareholder Rights (page 119)

When the merger is completed, River Valley shareholders, whose rights are governed by Indiana law and River Valley's articles of incorporation and bylaws, will become German American

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shareholders and their rights will be governed by Indiana law, and by German American's articles of incorporation and bylaws. Certain differences in the rights of River Valley shareholders in respect of their shares will result.

Dissenters' Rights (page 127)

The shareholders of River Valley are not entitled to dissenters' rights under Indiana Code Section 23-1-44, as amended, because the shares of River Valley common stock are traded on the NASDAQ Capital Market.

Prohibition on River Valley's Solicitation of Other Offers and Having Discussions with Potential Acquirors (page 70)

The merger agreement prohibits River Valley from soliciting offers from any other party that might also be interested in acquiring River Valley, and from discussing a potential proposal with (including providing information to) any interested third party that might (despite the lack of any solicitation by River Valley) reach out to it with regard to such an alternative proposal to the merger with German American, except to the extent such discussions may be required under fiduciary duties applicable to the River Valley directors under Indiana law.

Dividends and Distributions (page 63)

Under the terms of the merger agreement, prior to the closing of the merger, River Valley is prohibited from declaring or paying any cash dividend or other distribution to River Valley shareholders, except River Valley's quarterly cash dividend in an amount not to exceed $0.23 per share; provided, however, River Valley and German American shall coordinate River Valley's dividend schedule for the quarter in which the merger closing occurs so that River Valley's shareholders do not receive dividends for shares of both German American common stock and River Valley common stock for the same calendar quarter.

Articles Amendment (page 76)

The approval of the Articles Amendment is a condition to the closing of the transactions contemplated in the merger agreement. The proposed amendment to the Articles of Incorporation of River Valley deletes Article 11 of the Articles of Incorporation of River Valley in its entirety. Article 11 of the Articles of Incorporation of River Valley provides that no person shall directly or indirectly offer to acquire or acquire the beneficial ownership of more than 10% of any class of common stock of River Valley, and could create an impediment to the merger as it could be interpreted that German American is indirectly acquiring all of River Valley's shares of common stock in connection with the merger. See "PROPOSED AMENDMENT TO THE ARTICLES OF INCORPORATION OF RIVER VALLEY."

Material U.S. Federal Income Tax Consequences of the Merger (page 128)

German American and River Valley expect the merger to qualify as a "reorganization" (within the meaning of Section 368(a) of the Code) for U.S. federal income tax purposes. If the merger qualifies as a reorganization, then, in general, for U.S. federal income tax purposes, as a result of the merger:

- River Valley shareholders will recognize gain (but not loss) in an amount not to exceed the cash received as part of the merger consideration and will recognize gain or loss with respect to any cash received in lieu of fractional shares of German American common stock; and

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

See "MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES" on page 128 for a summary of the material U.S. federal income tax consequences of the merger to U.S. holders of River Valley common stock.

Because individual circumstances may differ, each shareholder should, at their own expense, consult such shareholder's tax advisor regarding the applicability of the rules discussed in this proxy statement/prospectus to the shareholder and the particular tax effects to the shareholder of the merger and the holding or disposing of German American shares in light of such shareholder's particular circumstances, the application of state, local and foreign tax laws, and, if applicable, the tax consequences of the transactions described in this proxy statement/prospectus relating to equity compensation and benefit plans.

Special Meeting

Date, Time and Place (page 35)

The special meeting of River Valley shareholders is scheduled to be held at River Valley's principal office located at 430 Clifty Drive, Madison, Indiana 47250, at 11:00 a.m., local time, on January 26, 2016. At the River Valley special meeting, you will be asked:

1. to consider and vote upon a proposal to approve the merger agreement and related plan of merger and thereby approve the transactions contemplated by the merger agreement, including the merger of River Valley into German American;

2. to consider and vote upon a proposal to approve the Articles Amendment;

3. to vote on a proposal, on an advisory (non-binding) basis, of compensation that may become payable to certain executive officers of River Valley in connection with the merger;

4. to approve one or more adjournments of the special meeting (upon the motion of any shareholder of record entitled to vote thereon duly made and seconded) if necessary to permit further solicitation of proxies in favor of the merger agreement and the related plan of merger and the Articles Amendment; and

5. to vote upon such other business as may be properly presented at the special meeting and any adjournments or postponements of the special meeting.

Record Date (page 35)

Only River Valley shareholders of record as of the close of business on December 18, 2015, are entitled to notice of, and to vote at, the River Valley special meeting and any adjournments or postponements of the River Valley special meeting. As of the close of business on the record date, there were 2,513,696 shares of River Valley outstanding and entitled to vote at the meeting, held by [•] holders of record.

Attending in Person (page 39)

All River Valley shareholders of record as of the record date for the special meeting may attend the special meeting. WHETHER OR NOT YOU INTEND TO ATTEND THE SPECIAL MEETING, IT IS VERY IMPORTANT THAT YOUR SHARES BE REPRESENTED. Accordingly, please sign, date, and return the enclosed proxy card, which will indicate your vote upon the matters to be considered. If you do attend the special meeting and desire to vote in person, you may do so by withdrawing your proxy at that time.

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How to Vote (page 39)

River Valley shareholders may vote their shares at the special meeting:

In Person: by attending the special meeting and voting their shares in person; or

By Mail: by completing the enclosed proxy card, signing and dating it and mailing it in the enclosed post-prepaid envelope.

River Valley's board of directors is asking for your proxy. Giving the River Valley board of directors your proxy means you authorize it to vote your shares at the special meeting in the manner you direct. You may vote for or against the merger agreement proposal and the other proposals to be voted upon at the special meeting, abstain from voting or withhold your vote with respect to the proposals. All shares represented by a valid proxy received prior to the special meeting will be voted, and where a shareholder specifies by means of the proxy a choice with respect to any matter to be acted upon, the shares will be voted in accordance with the specification so made. If no choice is indicated on the proxy, the shares will be voted "FOR" the adoption of the merger agreement (and related plan of merger) and the approval of the merger, "FOR" the approval of the Articles Amendment, "FOR" the merger-related compensation proposal, "FOR" the adjournment proposal, and as the proxy holders may determine in their discretion with respect to any other matters that may properly come before the special meeting.

The form of proxy accompanying this proxy statement/prospectus confers discretionary authority upon the named proxy holders with respect to amendments or variations to the matters identified in the accompanying Notice of Special Meeting and with respect to any other matters that may properly come before the special meeting. As of the date of this proxy statement/prospectus, the River Valley board of directors knows of no such amendment or variation or of any matters expected to come before the special meeting that are not referred to in the accompanying Notice of Special Meeting.

Shareholders who hold their shares in "street name," meaning the name of a broker, bank or trust company, or other nominee who is the record holder, must either direct the record holder of their shares to vote their shares or obtain a proxy or voting instruction from the record holder to vote their shares at the special meeting.

Changing or Revoking a Proxy (page 40)

Any proxy may be revoked by the person giving it at any time before it is voted. A proxy may be revoked by (i) filing with River Valley's Secretary, Lonnie D. Collins (430 Clifty Dr., Madison, Indiana 47250), a written notice of revocation bearing a date later than the date of such proxy, (ii) submitting a subsequent proxy relating to the same shares, or (iii) attending the special meeting and voting in person. Simply attending the special meeting will not constitute revocation of your proxy. If your shares are held in the name of a broker, bank or trust company, or other nominee who is the record holder, you must follow the instruction of your broker, bank or trust company, or other nominee to revoke a previously given proxy.

Quorum (page 35)

The presence, in person or by proxy, of shareholders holding at least a majority of the issued and outstanding shares of River Valley entitled to vote on the record date will constitute a quorum for the special meeting.

Required Votes (page 36)

Holders of a majority of the issued and outstanding shares of River Valley (determined on the record of its shareholders as of December 18, 2015, the record date for the meeting) must vote in favor of the proposal to approve the merger agreement. Approval of the Articles Amendment, the merger-related compensation proposal (on an advisory basis), and the adjournment proposal each requires the holders of more shares of River Valley common stock voting in favor of the proposal than voting against it.

As of the record date, there were 2,513,696 shares of River Valley outstanding. Approval of the merger agreement (and related plan of merger) requires the affirmative vote of holders of at least 1,256,849 of these shares, representing a majority of the issued and outstanding shares of River Valley common stock as of the record date.

As of the record date, the directors and executive officers of River Valley (and their affiliates), as a group, were entitled to vote (or to direct the vote, either solely or with others) of 310,612 shares of River Valley common stock, representing approximately 12.4% of the outstanding River Valley shares as of the record date. No approval of the merger or merger agreement by German American's shareholders is required.

Treatment and Effect of Abstentions and "Broker Non-Votes" (page 38)

A "broker non-vote" occurs when a broker or its nominee that holds shares for a customer who is the beneficial owner of the shares does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner. If you are a beneficial owner of shares of River Valley held by a broker or its nominee, you must instruct your nominee how to vote. Your nominee cannot vote your shares on your behalf without your instructions.

"Broker non-votes" and the shares of River Valley as to which a shareholder abstains will be treated as being present at the special meeting for purposes of determining whether a quorum of shares is present at the special meeting. Because approval of the merger and the adoption of the merger agreement and plan of merger requires the affirmative vote of a majority of the shares of River Valley issued and outstanding as of the record date, abstentions and broker non-votes will have the same effect as a vote "AGAINST" the adoption of the merger agreement and plan of merger and the approval of the merger. If you do not provide instructions to your broker on the proposal to approve the Articles Amendment, for the merger-related compensation proposal (on an advisory basis), or for the adjournment proposal, your shares will not be voted, and will not be counted for the approval of the Articles Amendment, the merger-related compensation proposal, or the adjournment proposal.

Voting Agreement (page 38)

Each member of the board of directors of River Valley and certain executive officers as of October 26, 2015, the date the merger agreement was executed, entered into a voting agreement with German American to cause all River Valley common stock owned by each of them of record or beneficially on such date to be voted in favor of the merger agreement proposal. See "THE SPECIAL MEETING Voting Agreement" on page 38. As of the record date, the members of the River Valley board of directors and their affiliates together with the other persons executing the Voting Agreement had power to vote, or cause to be voted, an aggregate of 291,117 shares of River Valley common stock outstanding, representing 11.6% of the outstanding shares on that date.

Cost of Solicitation of Proxies (page 40)

The cost of soliciting proxies related to the special meeting will be borne by River Valley. River Valley has made arrangements with Laurel Hill Advisory Group, LLC to assist it in soliciting proxies and has agreed to pay Laurel Hill Advisory Group, LLC approximately $6,000 plus reasonable expenses for these services. River Valley also may use several of its regular employees, who will not be specially

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compensated, to solicit proxies from River Valley shareholders, either personally or by telephone or electronic mail.

Risk Factors (page 24)

In evaluating the merger, the merger agreement and the shares of German American to be received in connection with the merger, you should carefully read this proxy statement/prospectus and especially consider the factors discussed in the section entitled "RISK FACTORS."

Historical and Equivalent Per Share Stock Market Data

Shares of German American are listed on NASDAQ's Global Select Market under the symbol "GABC." Shares of River Valley common stock are listed and traded on the NASDAQ Capital Market under the symbol "RIVR." The following table presents quotation information for German American common stock and for River Valley common stock on October 26, 2015, which is the last day on which German American shares traded preceding the public announcement of the proposed merger, and on [•], 2015, the most recent practicable date prior to the mailing of this proxy statement/prospectus.

	German American Common Stock			River Valley Common Stock		
	(Dollars Per Share)					
	High	Low	Close	High	Low	Close
October 26, 2015	$ 31.99	$ 31.53	$ 31.90	$ 22.40	$ 21.92	$ 22.38
[•], 2015	[•]	[•]	[•]	[•]	[•]	[•]

The market value of the aggregate consideration that River Valley shareholders will receive in the merger is approximately $86.6 million (or $34.46 per River Valley common share) based on 2,513,696 River Valley common shares outstanding and German American's closing stock price of $31.90 per share on October 26, 2015, the business day before the merger was publicly announced.

The market value of the aggregate consideration that River Valley shareholders will receive in the merger is approximately $[•] million (or $[•] per River Valley common share) based on [•] River Valley common shares outstanding and German American's closing stock price of $[•] per share on [•], 2015, the last practicable trading day prior to the date of this proxy statement/prospectus.

The following table shows the closing price per German American share and the equivalent market value of the merger consideration (German American shares plus cash) per River Valley share, giving effect to the merger on October 26, 2015, which is the last day on which German American shares traded preceding the public announcement of the proposed merger, and on [•], 2015, the most recent practicable date prior to the mailing of this proxy statement/prospectus.

Also set forth below for the closing price of German American common stock on October 26, 2015, and on [•], 2015, is the equivalent pro forma price of River Valley common stock, which we determined by (a) multiplying the price of German American shares as of the indicated date by the exchange ratio (0.770) and (b) adding to that result the $9.90 cash amount (assuming no reduction in accordance with the merger agreement) that is payable by German American in connection with the merger agreement proposal as merger consideration.

	Market Price of German American Shares	Market Price of River Valley Shares	Equivalent Per River Valley Share
October 26, 2015	$ 31.90	$ 22.38	$ 34.46
[•], 2015	[•]	[•]	[•]

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We suggest you obtain a current market quotation for German American common stock. We expect that the market price of German American common stock will fluctuate between the date of this document and the date on which the merger is completed and thereafter. Because the Exchange Ratio is fixed (except for customary anti-dilution adjustments) and the market price of German American common stock is subject to fluctuation, the value of the shares of German American common stock that River Valley shareholders will receive in the merger may increase or decrease prior to and after the merger.

Comparative Per Share Data

The following table shows historical information about German American's and River Valley's earnings per share, dividends per share and book value per share, and similar information reflecting the merger, which we refer to as "pro forma" information. In presenting the comparative pro forma information, we have assumed that the two companies had been combined throughout the periods shown in the table. The pro forma information reflects the "acquisition" method of accounting. The financial information presented under "Pro Forma" was compiled assuming 1,935,545 shares of German American common shares are issued to River Valley shareholders which assumes 2,513,696 shares of River Valley common stock are outstanding at the time of closing (the number outstanding on October 26, 2015).

German American and River Valley present this information to reflect the value of shares of German American common stock that River Valley shareholders will receive in the merger for each share of River Valley common stock exchanged.

We expect that we will incur reorganization and restructuring expenses as a result of combining our two companies. We also anticipate that the merger will provide the combined company with financial benefits that include reduced operating expenses (as compared to the sum of expenses from each company while operating separately) and the opportunity to earn more revenue. The pro forma information, while helpful in illustrating the financial characteristics of the combined company, does not take into account these expected expenses or these anticipated financial benefits, and does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the merged company would have been had our companies been merged during the periods presented.

The information in the following table is based on historical financial information of River Valley and German American. The information with respect to German American and River Valley is included in or derived from their respective annual and quarterly reports previously filed with the SEC. Certain historical financial information of German American has been incorporated into this document by reference. See "WHERE YOU CAN FIND MORE INFORMATION" on page 133 for a description of documents that we incorporate by reference into this document and how to obtain copies of them. The historical financial information of River Valley is included in this document beginning on page F-1.

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GERMAN AMERICAN AND RIVER VALLEY
HISTORICAL AND UNAUDITED PRO FORMA PER SHARE AND CAPITAL RATIO DATA

	German American Historical	River Valley Historical	Pro forma(1)
Net income per share			
Nine months ended September 30, 2015			
Basic	$ 1.69	$ 1.71	$ 1.79
Diluted	$ 1.69	$ 1.70	$ 1.79
Twelve months ended December 31, 2014			
Basic	$ 2.15	$ 2.21	$ 2.21
Diluted	$ 2.14	$ 2.20	$ 2.21
Cash dividends per share			
Nine months ended September 30, 2015	$ 0.51	$ 0.69	$ 0.51
Twelve months ended December 31, 2014	$ 0.64	$ 0.90	$ 0.64
Book value per share			
At September 30, 2015	$ 18.64	$ 22.14	$ 20.09
At December 31, 2014	$ 17.31	$ 20.98	$ 18.94
Tangible capital ratio			
At September 30, 2015	9.84%	10.75%	8.90%
At December 31, 2014	9.31%	10.26%	8.36%

(1) See "NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS" on page 32 of this proxy statement/prospectus.

GERMAN AMERICAN
FIVE YEAR SUMMARY OF SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The following tables set forth certain summary historical consolidated financial data for German American. The balance sheet and income statement data as of and for the five (5) years in the period ended December 31, 2014 are taken from German American's audited consolidated financial statements. German American's balance sheet data and income statement data as of and for the nine (9) months ended September 30, 2015 and 2014 are taken from its unaudited consolidated financial statements. Results for the nine (9) months ended September 30, 2015 do not necessarily indicate results expected or anticipated for the entire year. Ratios for the nine (9) months ended September 30, 2015 and 2014 are annualized.

This selected financial data is only a summary and you should read it in conjunction with German American's consolidated financial statements and related notes incorporated into this document by reference. See "WHERE YOU CAN FIND MORE INFORMATION" on page 133 for a description of documents that we incorporate by reference into this document and how to obtain copies of such documents.

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German American
Five Year Summary of Selected Historical Consolidated Financial Data
(Dollars in Thousands, Except Per Share Amounts)

	For the Nine Months Ended September 30,		For the Years Ended December 31,				
	2015	2014	2014	2013	2012	2011	2010
	(unaudited)						
Summary of Operations							
Interest income	$ 60,597	$ 59,854	$ 80,386	$ 75,672	$ 77,160	$ 80,161	$ 64,193
Interest expense	4,483	4,546	6,047	7,155	10,912	16,180	15,522
Net interest income	56,114	55,308	74,339	68,517	66,248	63,981	48,671
Provision for loan losses		550	150	350	2,412	6,800	5,225
Net interest income after provision for loan losses	56,114	54,758	74,189	68,167	63,836	57,181	43,446
Non-interest income	21,020	18,220	23,937	23,615	21,811	21,576	16,943
Non-interest expense	46,114	43,311	57,713	54,905	50,923	50,782	41,361
Net income before income tax	31,020	29,667	40,413	36,877	34,724	27,975	19,028
Income tax expense	8,668	8,967	12,069	11,464	10,669	7,726	5,623
Net income	$ 22,352	$ 20,700	$ 28,344	$ 25,413	$ 24,055	$ 20,249	$ 13,405
Per Share Data							
Net income							
Basic	$ 1.69	$ 1.57	$ 2.15	$ 1.99	$ 1.91	$ 1.61	$ 1.21
Diluted	$ 1.69	$ 1.57	$ 2.14	$ 1.98	$ 1.90	$ 1.61	$ 1.21
Cash dividends	$ 0.51	$ 0.48	$ 0.64	$ 0.60	$ 0.56	$ 0.56	$ 0.56
Book value at end of period	$ 18.64	$ 16.67	$ 17.31	$ 15.19	$ 14.64	$ 13.31	$ 10.94
End of Period Balances							
Total assets	$ 2,313,210	$ 2,205,921	$ 2,237,099	$ 2,163,827	$ 2,006,300	$ 1,873,767	$ 1,375,888
Total loans net of unearned income	1,513,580	1,432,749	1,447,982	1,382,382	1,204,866	1,120,993	917,236
Total deposits	1,803,835	1,764,471	1,779,761	1,812,156	1,640,931	1,556,198	1,087,286
Total shareholders' equity	247,352	220,265	228,824	200,097	185,026	167,610	121,534
Selected Performance Ratios							
Return on assets	1.33%	1.28%	1.31%	1.25%	1.24%	1.11%	1.01%
Return on equity	12.52%	13.08%	13.21%	13.40%	13.57%	12.67%	11.18%

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RIVER VALLEY
FIVE YEAR SUMMARY OF SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The following tables set forth selected consolidated financial data for River Valley at and for each of the years in the five-year period ended December 31, 2014, and at and for the nine-month periods ended September 30, 2015 and 2014.

The selected statement of income data for the years ended December 31, 2014 and 2013, and the selected statement of financial condition data as of December 31, 2014 and 2013, have been derived from River Valley's audited financial statements included in this proxy statement/prospectus. The selected statement of income data for the years ended December 31, 2012, 2011 and 2010 and the selected statement of financial condition data as of December 31, 2012, 2011 and 2010, have been derived from River Valley's audited financial statements that are not included in this proxy statement/prospectus.

Portions of the selected financial data as of and for the nine months ended September 30, 2015 and 2014 have been derived from River Valley's unaudited interim financial statements included in this proxy statement/prospectus. River Valley's management believes that these financial statements reflect all necessary adjustments (consisting only of normal recurring adjustments) for a fair presentation of the data for those periods. Historical results are not necessarily indicative of future results, and the results for the nine months ended September 30, 2015 are not necessarily indicative of River Valley's expected results for the full year ending December 31, 2015, or any other period. Ratios for the nine months ended September 30, 2015 and 2014 are annualized, unless otherwise noted.

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River Valley
Five Year Summary of Selected Historical Consolidated Financial Data
(Dollars in Thousands, Except Per Share Amounts)

	For the Nine Months Ended September 30, 2015 (unaudited)	For the Nine Months Ended September 30, 2014 (unaudited)	For the Years Ended December 31, 2014	2013	2012	2011	2010
Summary of Operations							
Interest income	$ 15,292	$ 14,508	$ 19,672	$ 19,621	$ 17,510	$ 17,712	$ 18,634
Interest expense	2,508	2,599	3,438	4,166	5,000	5,823	7,301
Net interest income	12,784	11,909	16,234	15,455	12,510	11,889	11,333
Provision for loan losses	297	347	446	932	1,382	2,771	2,645
Net interest income after provision	12,487	11,562	15,788	14,523	11,128	9,118	8,688
Non-interest income	3,425	3,014	4,223	4,431	5,769	3,008	3,902
Non-interest expense	10,699	10,325	13,779	13,056	12,026	10,251	9,718
Net income before income tax	5,213	4,251	6,232	5,898	4,871	1,875	2,872
Income tax expense	924	926	1,444	1,458	859	103	552
Net income	$ 4,289	$ 3,325	$ 4,788	$ 4,440	$ 4,012	$ 1,772	$ 2,320
Preferred stock dividends		272	362	362	362	362	363
Net income available to common shareholders	$ 4,289	$ 3,053	$ 4,426	$ 4,078	$ 3,650	$ 1,410	$ 1,957
Per Share Data							
Net income							
Basic	$ 1.71	$ 1.66	$ 2.21	$ 2.67	$ 2.40	$ 0.93	$ 1.30
Diluted	$ 1.70	$ 1.66	$ 2.20	$ 2.66	$ 2.40	$ 0.93	$ 1.29
Cash dividends	$ 0.69	$ 0.67	$ 0.90	$ 1.05	$ 0.84	$ 0.84	$ 0.84
Book value	$ 22.14	$ 20.40	$ 20.98	$ 19.23	$ 20.06	$ 18.46	$ 17.48
Balance End of Period							
Assets	$ 513,702	$ 504,485	$ 509,475	$ 482,837	$ 472,855	$ 406,643	$ 386,609
Loans receivable net	329,670	322,167	331,995	316,228	305,518	253,096	265,448
Cash and cash equivalents	15,177	9,301	13,264	10,244	19,152	18,714	16,788
Investment securities	134,978	137,355	128,885	119,887	113,770	104,689	75,231
Goodwill	200	200	200	200	79	79	79
Total deposits	400,658	397,102	397,083	395,015	384,255	305,226	286,337
Federal Home Loan Bank advances and other borrowings	50,967	46,881	54,872	49,717	49,717	65,217	65,217
Stockholders' equity	55,645	56,288	52,742	34,464	35,587	32,957	31,468
Selected Ratios							
Return on average assets	1.11%	0.90%	0.96%	0.92%	0.96%	0.45%	0.59%
Return on average equity	10.50%	10.26%	10.30%	12.69%	11.72%	5.41%	7.23%

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GERMAN AMERICAN
SELECTED UNAUDITED PRO FORMA FINANCIAL DATA

The following table sets forth selected unaudited pro forma combined financial information for German American and River Valley reflecting the merger. The income statement information presented gives effect to the merger as if it occurred on the first day of each period presented. The balance sheet information presented gives effect to the merger as if it occurred on September 30, 2015. The pro forma information reflects the "acquisition" method of accounting, with River Valley's assets and liabilities recorded at their estimated fair values as of September 30, 2015, based on available information and upon assumptions that German American management believes are reasonable in order to reflect, on a pro forma basis, the impact of the transaction on the historical financial statements. The selected unaudited pro forma combined financial data has been derived from and should be read in conjunction with the unaudited pro forma combined condensed financial information, including the notes thereto, which is included on page 28 of this proxy statement/prospectus under "UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL DATA."

The selected pro forma financial information is presented for illustrative purposes only and does not necessarily indicate the financial results of the combined companies had such companies actually been combined at the beginning of the periods presented. The actual fair value adjustments to the assets and the liabilities of River Valley will be made on the basis of appraisals and evaluations that will be made as of the date the merger is completed. Thus, the actual fair value adjustments may differ significantly from those reflected in the pro forma combined financial statements. We expect that we will incur reorganization and restructuring expenses as a result of combining our companies. We also anticipate that the merger will provide the combined company with financial benefits that include reduced operating expenses (as compared to the sum of expenses from each company while operating separately) and the opportunity to earn more revenue. The pro forma information does not take into account these expected expenses or anticipated financial benefits, and does not attempt to predict or suggest future results. Further, as explained in more detail in the notes accompanying the more detailed unaudited pro forma condensed combined financial information included under "UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL DATA" beginning on page 28, the pro forma allocation of purchase price reflected in the selected unaudited pro forma combined financial information is subject to adjustment and may vary from the actual purchase price allocation that will be recorded at the time the merger is completed. Additionally, the adjustments made in the unaudited pro forma combined financial information, which are described in those notes, are preliminary and may be revised.

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German American
Selected Unaudited Pro Forma Financial Data
(Dollars in Thousands, Except Per Share Amounts)

	For the Nine Months Ended September 30, 2015	For the Year Ended December 31, 2014
Selected Combined Income Statement Data		
Net interest income	$ 70,268	$ 92,350
Provision for loan losses	(297)	(596)
Non-interest income	24,445	28,160
Non-interest expense	(57,339)	(72,184)
Income before income tax	37,077	47,730
Income tax expense	(9,887)	(13,893)
Net income	27,190	33,837
Preferred stock dividends		(362)
Net income available to common shareholders	$ 27,190	$ 33,475
Per Share Data		
Net income		
Basic	$ 1.79	$ 2.21
Diluted	$ 1.79	$ 2.21

	As of September 30, 2015
Selected Combined Balance Sheet Data	
Total assets	$ 2,832,857
Total loans net of unearned income	1,838,307
Total deposits	2,204,520
Total shareholders' equity	305,486

See "NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS" on page 32 of this proxy statement/prospectus.

RISK FACTORS

In addition to the other information contained in this proxy statement/prospectus or in the documents incorporated herein by reference, including the matters addressed under the caption "CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS" on page 27, you should carefully consider the following risk factors in deciding whether to vote in favor of the merger agreement proposal. We have grouped these Risk Factors into two sections Risks Related to the Merger (which are set forth only in this proxy statement/prospectus and are set forth in full text below), and Risks Related to German American (which are other risks related to German American and its shares that are not specifically related to the merger agreement proposal with River Valley and which are separately described by the Risk Factors item, Item 1A, of German American's Annual Report on Form 10-K for its fiscal year ended December 31, 2014, which is incorporated by reference into, and forms part of, this proxy statement/prospectus. We encourage you to review all these Risk Factors before determining how to vote on the merger agreement proposal.

Risks Related to the Merger

The Value of the Consideration to be Received by River Valley Shareholders in the Merger will Fluctuate.

If the merger is completed, River Valley shareholders will receive a number of shares of German American common stock based on a fixed Exchange Ratio of 0.770 shares of German American common stock for each share of River Valley common stock. Because the market value of German American common stock may (and likely will) fluctuate, the value of the stock consideration you receive for your shares may also fluctuate. The market value of German American common stock could fluctuate for any number of reasons, including those specific to German American and those that influence trading prices of equity securities generally. As a result, you will not know the exact value of the shares of German American common stock you will receive at the time you must vote your shares. The value of German American common stock on the closing date of the merger may be greater or less than the market price of German American common stock on the record date, on the date of this proxy statement/prospectus or on the date of the special meeting.

We encourage you to obtain a current market quotation for German American common stock because the value of any German American shares you receive may be more or less than the value of such shares as of the date of this document.

River Valley Shareholders Will Have a Reduced Ownership and Voting Interest in the Combined Company After the Merger and Will Exercise Less Influence Over Management.

River Valley shareholders currently have the right to vote in the election of the board of directors of River Valley and on other matters affecting River Valley. Upon the completion of the merger, each River Valley shareholder will become a shareholder of German American with a percentage ownership of German American that is smaller than the shareholder's percentage ownership of River Valley. It is currently expected that the former shareholders of River Valley as a group will not receive shares in the merger that constitute significantly more than 12.7% of the outstanding shares of German American immediately after the merger. Because of this, River Valley shareholders may have less influence on the management and policies of German American than they now have on the management and policies of River Valley.

German American May Fail to Realize the Anticipated Benefits of the Merger.

The success of the merger will depend on, among other things, German American's ability to realize anticipated cost savings and to combine the businesses of its bank subsidiary with that of River Valley Financial in a manner that permits growth opportunities and does not materially disrupt the existing customer relationships of River Valley Financial nor result in decreased revenues due to any loss of customers. If German American is not able to successfully achieve these objectives, the anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected.

German American and River Valley have operated and, until the completion of the merger, will continue to operate, independently. Upon closing of the merger, German American will commence the process of integrating the operations of the two banks. It is possible that the integration process could result in the disruption of German American's or River Valley's ongoing businesses or cause inconsistencies in standards, controls, procedures and policies that adversely affect the ability of German American to maintain relationships with River Valley's customers and employees or to achieve the anticipated benefits of the merger.

The Combined Company Expects to Incur Substantial Expenses Related to the Merger.

The combined company expects to incur substantial expenses in connection with consummation of the merger and combining the business, operations, networks, systems, technologies, policies and procedures of the two companies. Although German American and River Valley have assumed that a certain level of transaction and combination expenses would be incurred, there are a number of factors beyond their control that could affect the total amount or the timing of their combination expenses. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at the present time. Due to these factors, the transaction and combination expenses associated with the merger could particularly in the near term, exceed the savings that the combined company expects to achieve from the elimination of duplicative expenses and the realization of economies of scale and cost savings related to the combination of the businesses following the consummation of the merger. As a result of these expenses, both German American and River Valley expect to take charges against their earnings before and after the completion of the merger. The charges taken in connection with the merger are expected to be significant, although the aggregate amount and timing of such charges are uncertain at present.

Regulatory Approvals May Not Be Received, May Take Longer than Expected or May Impose Conditions that Are Not Presently Anticipated or Cannot Be Met.

Before the transactions contemplated in the merger agreement, including the merger, may be completed, various approvals must be obtained from the bank regulatory authorities. These authorities may impose conditions on the completion of the merger or require changes to the terms of the merger agreement. Although the parties do not currently expect that any such conditions or changes would be imposed, there can be no assurance that they will not be, and such conditions or changes could have the effect of delaying completion of the transactions contemplated in the merger agreement or imposing additional costs on or limiting German American's revenues, any of which might have a material adverse effect on German American following the merger. There can be no assurance as to whether the regulatory approvals will be received, the timing of those approvals, or whether any conditions will be imposed.

The Opinion of River Valley's Financial Advisor Delivered to the River Valley Board of Directors Will Not Reflect Changes in Circumstances Between the Signing of the Merger Agreement and the Completion of the Merger.

The River Valley board of directors received a written opinion from River Valley's financial advisor on October 26, 2015. Subsequent changes in the operations and prospects of River Valley or German American, general market and economic conditions and other factors that may be beyond the control of River Valley or German American may significantly alter the value of River Valley or the prices of the shares of German American common stock or River Valley common stock by the time the merger is completed. The opinion does not speak as of the time the merger will be completed or as of any date other than the date of such opinion. See "THE MERGER AGREEMENT Opinion of Financial Advisor to River Valley" beginning on page 47.

The Merger Agreement May Be Terminated in Accordance with Its Terms and the Merger May Not Be Completed.

The merger agreement is subject to a number of conditions that must be fulfilled (unless waived in certain cases by the party entitled to the benefit of such condition) in order to complete the merger. Those conditions include: approval of the merger agreement by River Valley shareholders, regulatory approvals, absence of orders prohibiting the completion of the merger, the continued accuracy of the representations and warranties by both parties, except for changes not having a "material adverse effect" as defined in the merger agreement, and the performance by both parties of their covenants and agreements, and the receipt by both parties of a tax opinion. There can be no assurance that the conditions to closing of the merger will be fulfilled or that the merger will be completed.

Termination of the Merger Agreement Could Negatively Impact River Valley.

If the merger agreement is terminated, there may be various consequences, including:

- River Valley's businesses may have been adversely impacted by the failure to pursue other beneficial opportunities due to the focus of management on the merger, without realizing any of the anticipated benefits of completing the merger; and

- the market price of River Valley shares might decline to the extent that the current market price reflects a market assumption that the merger will be completed.

If the merger agreement is terminated and River Valley's board of directors seeks another merger or business combination, River Valley shareholders cannot be certain that River Valley will be able to find a party willing to offer equivalent or more attractive consideration than the consideration German American has agreed to provide in the merger.

If the merger agreement is terminated under certain circumstances, River Valley may be required to pay a termination fee of $3,236,000 to German American. See "THE MERGER AGREEMENT Termination; Termination Fee" beginning on page 73.

Risks Relating to German American

You should also consider the other risk factors that may affect German American and its common shares that are not specifically related to the proposed merger with River Valley. These other risk factors are set forth by German American from time to time under the caption "Risk Factors" in German American's filings with the SEC, including German American's most recent Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and its subsequent Quarterly Reports on Form 10-Q filed during 2015. For information about how you may obtain these reports or view them for free, and for additional information about German American, please see the sources described in "WHERE YOU CAN FIND MORE INFORMATION" on page 133.

The Risk Factors set forth relating to German American and its common shares that are disclosed under Item 1A of German American's Annual Report on Form 10-K for its fiscal year ended December 31, 2014 are specifically incorporated by reference in this proxy statement/prospectus.

These risks are not the only risks that German American faces. Additional risks not presently known to German American, or that German American currently views as immaterial, may also impair German American's business. If any of the risks described in German American's SEC filings or any additional risks actually occur, German American's business, financial condition, results of operations and cash flows could be materially and adversely affected. In that case, the value of its securities could decline substantially and you could lose all or part of your investment.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document, including the documents attached to this document, may contain forward-looking statements, including forward-looking statements made pursuant to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements can often, but not always, be identified by the use of words like "believe", "continue", "pattern", "estimate", "project", "intend", "anticipate", "expect" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "might", "can", "may", or similar expressions. These forward-looking statements include, but are not limited to, statements relating to the expected timing and benefits of the proposed merger between German American and River Valley, including future financial and operating results, cost savings, enhanced revenues, and accretion/dilution to reported earnings that may be realized from the merger, as well as other statements of expectations regarding the merger, and other statements of German American's goals, intentions and expectations; statements regarding German American's business plan and growth strategies; statements regarding the asset quality of German American's loan and investment portfolios; and estimates of German American's risks and future costs and benefits, whether with respect to the merger or otherwise.

These forward-looking statements are subject to significant risks, assumptions and uncertainties that may cause results to differ materially from those set forth in forward-looking statements, including among other things:

- changes in general economic conditions in the areas in which German American and River Valley operate and the risk that a renewed economic slowdown could adversely affect credit quality and loan originations;
- German American's business may not be combined with River Valley's business as successfully as planned, or such combination may take longer to accomplish than expected;
- the growth opportunities and cost savings from the merger may not be fully realized or may take longer to realize than expected;
- operating costs, customer losses and business disruption following the merger, including adverse effects of relationships with employees, may be greater than expected;
- governmental approvals of the merger may not be obtained, or adverse regulatory conditions may be imposed in connection with governmental approvals of the merger;
- adverse governmental or regulatory policies may be enacted;
- the interest rate environment may change, causing margins to compress and adversely affecting net interest income; and
- competition from other financial services companies in our markets.

Additional factors that could cause actual results to differ materially from those expressed in the forward-looking statements are discussed in German American's reports filed with the SEC, including German American's Annual Report on Form 10-K for its fiscal year ended December 31, 2014, which is incorporated by reference into, and forms part of, this proxy statement/prospectus.

All subsequent written and oral forward-looking statements concerning the proposed transaction or other matters attributable to either German American or River Valley or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above. Neither German American nor River Valley undertakes any obligation to update any forward-looking statement to reflect circumstances or events that occur after the date the forward-looking statements are made.

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UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL DATA

The following unaudited pro forma combined condensed financial statements present the pro forma financial position and results of operations of German American following the completion of the merger. The income statement information presented gives effect to the merger as if it occurred on the first day of each period presented. The balance sheet information presented gives effect to the merger as if it occurred on September 30, 2015. The financial information was compiled assuming 1,935,545 shares of German American common shares are issued to River Valley shareholders which assumes 2,513,696 shares of River Valley common stock are outstanding upon closing of the merger (the number outstanding on October 26, 2015).

The pro forma information reflects the "acquisition" method of accounting, with River Valley's assets and liabilities recorded at their estimated fair values as of September 30, 2015, based on available information and upon assumptions that German American management believes are reasonable in order to reflect, on a pro forma basis, the impact of the transaction on the historical financial statements. The pro forma financial information is presented for illustrative purposes only and does not necessarily indicate the financial results of the combined companies had the companies actually been combined at the beginning of the periods presented.

The final allocation of the purchase price will be determined after the completion of the merger. The purchase price allocation adjustments and related amortization reflected in the following unaudited pro forma combined financial statements are preliminary and have been made solely for the purpose of preparing these statements. The pro forma adjustments are based upon available information and certain assumptions that German American and River Valley believe are reasonable under the circumstances. The actual fair value adjustments to the assets and the liabilities of River Valley will be made on the basis of appraisals and evaluations that will be made as of the date the merger is completed. Thus, the actual fair value adjustments may differ significantly from those reflected in these pro forma financial statements.

We expect that we will incur reorganization and restructuring expenses as a result of combining our companies. We also anticipate that the merger will provide the combined company with financial benefits that include reduced operating expenses (as compared to the sum of expenses from each company while operating separately) and the opportunity to earn more revenue. The pro forma information does not take into account these expected expenses or anticipated financial benefits, and does not attempt to predict or suggest future results.

The unaudited pro forma condensed combined financial statements should be read in conjunction with accompanying "NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS" included on page 32 and with German American's and River Valley's consolidated financial statements and related notes either incorporated into this document by reference or included herewith. See "WHERE YOU CAN FIND MORE INFORMATION" on page 133 for a description of documents that we incorporate by reference into this document and how to obtain copies of such documents.

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UNAUDITED PRO FORMA COMBINED CONDENSED BALANCE SHEET
AS OF SEPTEMBER 30, 2015
(Dollars in Thousands, Except Per Share Amounts)

	German American	River Valley	Pro Forma Adjustments		Pro Forma Combined
Assets					
Cash and due from banks	$ 39,998	$ 3,862	$ (25,443)	(1)	$ 18,417
Federal funds sold and other short-term investments	22,140	11,315			33,455
Cash and cash equivalents	62,138	15,177	(25,443)		51,872
Interest-bearing time deposits with bank	100	2,964			3,064
Securities available for sale (at fair value)	625,144	134,978			760,122
Securities held to maturity (at cost)	95				95
Loans held for sale	6,410				6,410
Loans	1,517,285	333,397	(8,153)	(2)	1,842,012
			(517)	(2)	
Less: Unearned income	(3,705)				(3,705)
Allowance for loan losses	(14,770)	(3,727)	3,727	(2)	(14,770)
Net loans	1,498,810	329,670	(4,943)		1,823,537
Stock in FHLB and other restricted stock (at cost)	8,167	3,127			11,294
Premises, furniture and equipment, net	37,905	9,514			47,419
Other real estate	123	492			615
Goodwill	20,536	200	32,819	(3)	53,355
			(200)	(4)	
Intangible assets	1,443	282	3,659	(5)	5,102
			(282)	(4)	
Company owned life insurance	32,497	12,710			45,207
Accrued interest receivable and other assets	19,842	4,588	65	(6)	24,765
			270	(7)	
Total Assets	**$ 2,313,210**	**$ 513,702**	**$ 5,945**		**$ 2,832,857**
Liabilities					
Non-interest-bearing demand deposits	$ 418,947	$ 52,139	$		$ 471,086
Interest-bearing demand, savings and money market accounts	1,039,520	240,980			1,280,500
Time deposits	345,368	107,539	27	(8)	452,934
Total deposits	1,803,835	400,658	27		2,204,520
FHLB advances and other borrowings	239,072	50,967	(1,336)	(9)	288,703
Accrued interest payable and other liabilities	22,951	6,432	1,155	(10)	34,148
			3,610	(11)	
Total Liabilities	**2,065,858**	**458,057**	**3,456**		**2,527,371**
Shareholders' Equity					
Common stock	13,273		1,936	(12)	15,209
Additional paid-in capital	109,839	26,064	(26,064)	(13)	169,647
			59,808	(12)	
Retained earnings	119,656	28,611	(27,456)	(13)	116,046
			(1,155)	(10)	
			(3,610)	(11)	
Accumulated other comprehensive income	4,584	970	(970)	(13)	4,584

Total Shareholders' Equity	**247,352**	**55,645**	**2,489**	**305,486**
Total Liabilities and Shareholders' Equity	**$ 2,313,210**	**$ 513,702**	**$ 5,945**	**$ 2,832,857**

See "NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS" on page 32 of this proxy statement/prospectus.

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UNAUDITED PRO FORMA COMBINED CONDENSED STATEMENT OF INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015
(Dollars in Thousands, Except Per Share Amounts)

	German American	River Valley	Pro Forma Adjustments		Pro Forma Combined
Interest Income					
Interest and fees on loans	$ 49,538	$ 12,756	$ 946	(14)	$ 63,240
Interest on federal funds sold and other short-term investments	10	157			167
Interest and dividend on securities:					
Taxable	6,830	1,232			8,062
Non-taxable	4,219	1,147			5,366
Total Interest Income	**60,597**	**15,292**	**946**		**76,835**
Interest Expense					
Interest on deposits	3,002	1,341	(19)	(15)	4,324
Interest on FHLB advances and other borrowings	1,481	1,167	(405)	(16)	2,243
Total Interest Expense	**4,483**	**2,508**	**(424)**		**6,567**
Net Interest Income	**56,114**	**12,784**	**1,370**		**70,268**
Provision for loan losses		297			297
Net Interest Income after Provision for Loan Losses	**56,114**	**12,487**	**1,370**		**69,971**
Non-Interest Income					
Trust and investment product fees	2,974	382			3,356
Service charges on deposit accounts	3,594	1,828			5,422
Insurance revenues	5,812				5,812
Company owned life insurance	617	233			850
Interchange fee income	1,593	490			2,083
Other operating income	3,341	(5)			3,336
Net gains on sales of loans	2,364	374			2,738
Net gain (loss) on securities	725	123			848
Total Non-Interest Income	**21,020**	**3,425**			**24,445**
Non-Interest Expense					
Salaries and employee benefits	26,082	5,763			31,845
Occupancy expense	3,732	1,040			4,772
Furniture and equipment expense	1,417	468			1,885
FDIC premiums	850	263			1,113
Data processing fees	2,608	469			3,077
Professional fees	2,073	462			2,535
Advertising and promotion	3,125	376			3,501
Intangible amortization	630	52	526	(17)	1,208
Other operating expenses	5,597	1,806			7,403
Total Non-Interest Expense	**46,114**	**10,699**	**526**		**57,339**
Income before Income Tax	31,020	5,213	844		37,077
Income tax expense	8,668	924	295	(18)	9,887
Net Income Available to Common Shareholders	**$ 22,352**	**$ 4,289**	**$ 549**		**$ 27,190**

Per Share Data									
Basic earnings per common share	$	1.69	$	1.71				$	1.79
Diluted earnings per common share	$	1.69	$	1.70				$	1.79
Average common shares basic		13,247,954		2,491,392		1,935,545	(12)		15,183,499
Average common shares diluted		13,255,510		2,494,535		1,935,545	(12)		15,191,055

See "NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS" on page 32 of this proxy statement/prospectus.

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UNAUDITED PRO FORMA COMBINED CONDENSED STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2014
(Dollars in Thousands, Except Per Share Amounts)

	German American	River Valley	Pro Forma Adjustments		Pro Forma Combined
Interest Income					
Interest and fees on loans	$ 65,597	$ 16,345	$ 1,212	(14)	$ 83,154
Interest on federal funds sold and other short-term investments	12	234			246
Interest and dividend on securities:					
Taxable	10,409	2,061			12,470
Non-taxable	4,368	1,032			5,400
Total Interest Income	**80,386**	**19,672**	**1,212**		**101,270**
Interest Expense					
Interest on deposits	4,128	1,967	(25)	(15)	6,070
Interest on FHLB advances and other borrowings	1,919	1,471	(540)	(16)	2,850
Total Interest Expense	**6,047**	**3,438**	**(565)**		**8,920**
Net Interest Income	**74,339**	**16,234**	**1,777**		**92,350**
Provision for loan losses	150	446			596
Net Interest Income after Provision for Loan Losses	**74,189**	**15,788**	**1,777**		**91,754**
Non-Interest Income					
Trust and investment product fees	3,675	378			4,053
Service charges on deposit accounts	4,829	2,428			7,257
Insurance revenues	7,255				7,255
Company owned life insurance	826	249			1,075
Interchange fee income	1,961	623			2,584
Other operating income	2,018	(263)			1,755
Net gains on sales of loans	1,892	357			2,249
Net gain (loss) on securities	1,481	451			1,932
Total Non-Interest Income	**23,937**	**4,223**			**28,160**
Non-Interest Expense					
Salaries and employee benefits	32,710	7,447			40,157
Occupancy expense	5,094	1,332			6,426
Furniture and equipment expense	1,953	625			2,578
FDIC premiums	1,113	440			1,553
Data processing fees	3,675	570			4,245
Professional fees	2,294	489			2,783
Advertising and promotion	1,977	513			2,490
Intangible amortization	1,254	94	692	(17)	2,040
Other operating expenses	7,643	2,269			9,912
Total Non-Interest Expense	**57,713**	**13,779**	**692**		**72,184**
Income before Income Tax	40,413	6,232	1,085		47,730
Income tax expense	12,069	1,444	380	(18)	13,893
Net Income	28,344	4,788	705		33,837
Preferred stock dividends		362			362

Net Income Available to Common Shareholders	**$**	**28,344**	**$**	**4,426**	**$**	**705**		**$**	**33,475**
Per Share Data									
Basic earnings per common share	$	2.15	$	2.21				$	2.21
Diluted earnings per common share	$	2.14	$	2.20				$	2.21
Average common shares basic		13,202,822		1,997,715		1,935,545	(12)		15,138,367
Average common shares diluted		13,223,178		2,001,285		1,935,545	(12)		15,158,723

See "NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS" on page 32 of this proxy statement/prospectus.

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NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS

Note 1 Basis of Presentation

German American has agreed to acquire each of the outstanding shares of River Valley common stock for (a) 0.770 shares of German American common stock (or cash in lieu of fractional share interests), plus (b) a cash payment of $9.90 (subject to reduction to the extent that River Valley's consolidated common shareholders' equity is not at least equal to a certain level at the time of closing; see "THE MERGER AGREEMENT Calculation of Possible Reduction in Cash Payment" on page 66). The acquisition will be accounted for under the acquisition method of accounting and, accordingly, the assets and liabilities of River Valley have been marked to estimated fair value upon conditions as of September 30, 2015 and as if the transaction had been effective at the beginning of each income statement period presented. Since these are pro forma statements, we cannot assure that the amounts reflected in these financial statements would have been representative of the actual amounts earned had the companies been combined at that time. In many cases the determination of fair values for purposes of these pro forma statements required management to make estimates about discount rates, future expected cash flows, market conditions and other future events that are highly subjective in nature and subject to change. The actual fair value adjustments to the assets and the liabilities of River Valley will be made on the basis of appraisals and evaluations that will be made as of the date the merger is completed. Thus, the actual fair value adjustments may differ significantly from those reflected in these pro forma financial statements.

Note 2 Pro Forma Adjustments Footnotes *(Dollars in Thousands, Except Per Share Amounts)*

(1)

To record cash portion of merger consideration, including payment for cancellation of employee stock options. Final consideration amounts will be based on the stock price for German American at the time of closing.

Cash merger consideration		
River Valley shares outstanding		2,513,696
Cash consideration per share	$	9.90
Cash merger consideration	$	24,886
Cash paid for employee stock options		
Outstanding employee stock options		39,066
Cash amount per share based upon (a) assumed German American stock price ($31.90) multiplied by merger exchange ratio (0.770), plus (b) cash merger consideration ($9.90), less (c) average exercise price ($20.19)	$	14.27
Cash paid for employee stock options	$	557
Total cash consideration	$	25,443

(2)

Fair value adjustment for River Valley's loan portfolio, including elimination of unamortized deferred costs ($517) and elimination of existing allowance for loan loss ($3,727). The fair value adjustment for purposes of the pro forma statements is based on preliminary evaluation of market rate differentials and credit loss estimates from management's due diligence procedures. Such estimates are subject to change as further analysis is completed and will be based on final loan balances at the time of closing. Loans will be initially recorded at their estimated fair value at the time of closing and, therefore, there is no carryover of River Valley's allowance for loan losses. Fair value adjustments will be accreted into interest income on a level-yield basis over the life of the respective loans.

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(3)

Projected goodwill to be recognized as a result of preliminary purchase accounting estimates. The purchase price allocation, based on the closing stock price prior to the date of the merger agreement, for the transaction is as set forth below. The final purchase price will be based on the stock price for German American at the time of closing.

Purchase price		
River Valley shares outstanding		2,513,696
Exchange ratio		0.770
German American stock issued		1,935,545
German American stock price at 10/26/2015	$	31.90
Common stock consideration	$	61,744
Cash consideration	$	25,443
Total purchase price	$	87,187

Total purchase price	$	87,187
Allocated to:		
River Valley equity at September 30, 2015		55,645
River Valley estimated transaction costs, net of tax		(1,155)
River Valley adjusted equity	$	54,490
Adjustments to record assets and liabilities at fair value:		
Loan portfolio adjustments	$	(4,943)
Time deposit adjustments		(27)
FHLB borrowings		(1,204)
Trust preferred borrowings		2,540
Mortgage servicing rights		270
Core deposit intangibles		3,659
Eliminate River Valley's goodwill		(200)
Eliminate River Valley's core deposit intangibles		(282)
Net fair value adjustments	$	(187)
Tax effect of net fair value adjustments		65
After-tax net fair value adjustments	$	(122)
Total allocation of purchase price	$	54,368
Goodwill	$	32,819

(4)

To eliminate goodwill and core deposit intangible of River Valley.

(5)

To record core deposit intangible to be amortized over an estimated ten year period utilizing an accelerated method.

(6)

To record a net deferred tax asset related to purchase accounting adjustments utilizing an estimated tax rate of 35%.

(7) Fair value adjustment for mortgage servicing rights.

(8) To record a time deposit premium to be amortized over the remaining life of the time deposits utilizing level yield method.

(9) To record an estimated $2,540 discount on trust preferred borrowings. Amortization of the trust preferred discount is anticipated over the remaining life of the borrowings, which approximates 17 years utilizing the straight line method. Also, to record an estimated $1,204 premium on FHLB

borrowings. Amortization of the FHLB borrowings premium is anticipated over the remaining life of the borrowings of approximately two years utilizing the level yield method.

(10) To record an accrual by River Valley for estimated transaction costs on a net of tax basis, which is primarily professional fees.

(11) To record an accrual by German American for estimated transaction costs on a net of tax basis, which includes professional fees, settlement of employment agreements and contract cancellation payments.

(12) To record the issuance of 1,935,545 (2,513,696 shares of River Valley common stock outstanding at September 30, 2015 times the fixed exchange ratio of 0.770) shares of German American common stock as a part of the merger consideration.

(13) To eliminate the equity accounts of River Valley of $55,645, less estimated transaction costs of $1,155.

(14) To record estimated accretion of loan fair value adjustments of $2,498 over 3.5 year period in a manner that approximates the level yield method.

(15) To record accretion of time deposit fair value adjustment of $27 over remaining weighted average term of deposits utilizing the level yield method.

(16) To record accretion of FHLB advances fair value adjustment of $1,204 over remaining term of borrowings of approximately two years utilizing the level yield method. To record amortization of trust preferred borrowings fair value adjustment of $2,540 over a remaining term of approximately 17 years on a straight line basis.

(17) To record amortization of core deposit intangible of $3,659 over a ten year period utilizing an accelerated method.

(18) To record tax impact of acquisition accounting adjustments at an effective rate of 35%.

THE SPECIAL MEETING

This proxy statement/prospectus is being provided to the shareholders of River Valley in connection with the solicitation of proxies by the River Valley board of directors for use at the special meeting and at any adjournment or postponement thereof. This proxy statement/prospectus provides the shareholders of River Valley with the information they need to know to be able to vote or instruct their vote to be cast at the River Valley special meeting.

Date, Time and Place

The special meeting of the holders of River Valley shares will be held at 11:00 a.m., local time, on January 26, 2016, at River Valley's principal office located at 430 Clifty Drive, Madison, Indiana.

Purpose of the Special Meeting

At the special meeting, River Valley shareholders will be asked to consider and vote on the following proposals:

- to approve the merger agreement and related plan of merger and approve the merger and the other transactions contemplated thereby;
- to approve the Articles Amendment;
- to approve, on an advisory (non-binding) basis, compensation that may be paid or become payable to certain executive officers of River Valley in connection with the merger;
- to adjourn the special meeting of shareholders (upon the motion of any shareholder of record entitled to vote thereon duly made and seconded) if necessary to permit further solicitation of proxies for approval of the merger agreement proposal or the Articles Amendment; and
- to conduct other business that properly comes before the River Valley special meeting or any adjournment thereof.

The River Valley board of directors unanimously recommends that River Valley shareholders vote "FOR" (1) the proposal to approve the merger agreement, (2) the proposal to approve the Articles Amendment, (3) the proposal to approve merger-related compensation, and (4) the proposal to approve adjournments.

Record Date

Only holders of record of River Valley shares at the close of business on December 18, 2015, the record date for the special meeting, are entitled to notice of, and to vote at, the special meeting and any postponement or adjournments thereof. As of the River Valley record date, 2,513,696 shares of River Valley common stock were outstanding and entitled to vote at the meeting, held by [•] holders of record.

Each share of River Valley is entitled to one vote on each matter presented to the River Valley shareholders. A complete list of River Valley shareholders of record entitled to vote at the special meeting will be available for examination by any River Valley shareholder at River Valley's principal executive offices, for any purpose germane to the special meeting, during normal business hours for a period of five (5) days before the special meeting. The list will also be available at the place of meeting for the duration thereof.

Quorum

In order to carry on the business of the meeting, River Valley must have a quorum. A quorum of River Valley shareholders requires the presence, in person or represented by proxy, of at least a

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majority of the issued and outstanding shares entitled to vote at the meeting. Proxies properly executed and marked with a positive vote, a negative vote or an abstention, as well as broker non-votes, will be considered to be present at the special meeting for purposes of determining whether a quorum is present for the transaction of all business at the special meeting. A broker non-vote occurs when a nominee for a broker holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power for that particular item and has not received instructions from the beneficial owner.

Required Vote to Approve the Proposals

Holders of a majority of the issued and outstanding shares of River Valley (based on the record of its shareholders as of December 18, 2015, the record date for the meeting) must vote in favor of the proposal to approve the merger agreement. Approval of the Articles Amendment, the merger-related compensation proposal and the adjournment proposal each requires the holders of more shares of River Valley common stock voting in favor of the proposal than voting against it.

As of the record date, there were 2,513,696 shares of River Valley outstanding. Approval of the merger agreement (and related plan of merger) requires the affirmative vote of holders of at least 1,256,849 of these shares, representing a majority of the issued and outstanding shares of River Valley common stock as of the record date.

Beneficial Ownership of River Valley Common Stock by Certain Shareholders

The following table provides information, as of December 18, 2015, about each person known by River Valley to own beneficially 5% or more of the Common Stock.

Name and Address of Beneficial Owner(1)	Number of Shares of Common Stock Beneficially Owned(1)	Percent of Class
River Valley Financial Bank, as Trustee of the ESOP 430 Clifty Drive Madison, IN 47250	170,797(2)	6.8%
Thomas M. and Mary E. Davee 430 Fairmount Dr. Madison, IN 47250	158,374(3)	6.3%
Banc Fund VII L.P. Banc Fund VIII L.P. Banc Fund IX L.P. 20 North Wacker Drive, Suite 3300 Chicago, IL 60606	137,500(4)	5.5%

(1) Unless other information is given, the named beneficial owner has sole voting and dispositive power with respect to the shares. The information in this chart with respect to the Davee and Banc Fund shareholders listed in the chart is based on Schedule 13D and 13G Report(s) they filed with the Securities and Exchange Commission (the "SEC") containing information concerning shares held by them. It does not reflect any changes in shareholdings that may have occurred since the date of those filings.

(2) These shares, as to which voting and dispositive power is shared, are held by the Trustee of the River Valley Bancorp Employee Stock Ownership Plan and Trust (the "ESOP"). The employees participating in the ESOP are entitled to instruct the Trustee on how to vote shares held in their accounts under the ESOP. The ESOP requires the Trustee to vote any unallocated shares held in a

suspense account under the ESOP or allocated shares as to which voting instructions are not received in the same proportion as allocated shares are voted.

(3) Thomas M. Davee and Mary E. Davee are married and jointly own these shares. They share voting and dispositive power as to such shares.

(4) Banc Fund VII L.P., Banc Fund VIII L.P. and Banc Fund IX L.P. are each an Illinois limited partnership. Charles J. Moore, who is the manager of these funds, has voting and dispositive power over these shares and controls these entities through The Banc Funds Company, L.L.C., an Illinois limited liability company, of which he is principal shareholder and which serves as general partner of MidBanc VII L.P., MidBanc VIII L.P. and MidBanc IX L.P., the general partners, respectively, of Banc Fund VII L.P., Banc Fund VIII L.P., and Banc Fund IX L.P.

The following table sets forth certain information on each director of River Valley, including the number and percent of shares of River Valley common stock beneficially owned as of December 18, 2015. The table also includes information on the number of shares of River Valley common stock beneficially owned by all directors and executive officers of River Valley as a group and by River Valley's named executive officers who are not also directors.

Name	Common Stock Beneficially Owned as of December 18, 2015(1)	Percentage of Common Stock
Directors		
Lonnie D. Collins	62,584(2)	2.5%
Matthew P. Forrester	59,043(3)	2.3%
Michael J. Hensley	29,332(4)	1.2%
Fred W. Koehler	87,753(5)	3.5%
Lillian Sue Livers, M.S., R.D.	8,105(6)	*
Charles J. McKay, CPA	13,500(7)	*
Named Executive Officers		
Anthony Brandon, Executive Vice President	16,976(8)	*
John Muessel, Vice President-Trust Services	14,472(9)	*
Vickie L. Grimes, Treasurer	6,352(10)	*
All directors and executive officers as a group (12 persons)	322,612(11)	12.8%

* Under 1% of outstanding shares. Outstanding shares used for calculations are 2,513,696.

(1) Unless otherwise indicated, each nominee or director has sole investment and/or voting power with respect to the shares shown as beneficially owned by him. Under applicable regulations, shares are deemed to be beneficially owned by a person if he or she directly or indirectly has or shares the power to vote or dispose of the shares, whether or not he or she has any economic power with respect to the shares. Includes shares beneficially owned by members of the immediate families of the directors residing in their homes.

(2) Of these shares, 41,000 are held jointly by Mr. Collins and his spouse, and 3,000 restricted shares were granted under the 2014 Stock Option and Incentive Plan (the "2014 Plan").

(3) Of these shares, 9,852 are held jointly by Mr. Forrester and his spouse, 31,635 are held by Mr. Forrester directly, 1,535 are held in an IRA for his spouse, 192 are held by him as custodian for his children, 3,000 restricted shares were granted under the 2014 Plan, 2,000 are subject to stock options granted under the 2014 Plan, and 10,829 were held under the ESOP as of December 31, 2014. Does not include options for 8,000 shares which are not exercisable within 60 days of the record date for the shareholder meeting.

(4) Of these shares, 11,000 are held jointly by Mr. Hensley and his spouse, 6,000 shares are held by a trust as to which Mr. Hensley serves as trustee, 9,332 are held by Mr. Hensley directly, and 3,000 restricted shares were granted under the 2014 Plan. 16,000 of these shares are pledged to secure a bank loan from another financial institution to Mr. Hensley and his spouse.

(5) Of these shares, 29,637 are held in the Koehler Family Gift Trust, of which Mr. Koehler's spouse is trustee, 54,516 are held in the Frederick W. Koehler Gift Trust, of which Mr. Koehler is trustee, 600 shares are held by Mr. Koehler's spouse in an individual retirement account, and 3,000 are restricted shares granted under the 2014 Plan.

(6) 5,105 of these shares are held jointly by Ms. Livers and her spouse, and 3,000 restricted shares were granted under the 2014 Plan.

(7) 10,500 of these shares are held jointly by Mr. McKay and his spouse, and 3,000 restricted shares were granted under the 2014 Plan.

(8) Of these shares, 5,700 are held jointly by Mr. Brandon and his spouse, 4,000 are subject to stock options granted under the River Valley Bancorp Option Plan (the "Option Plan") and the 2014 Plan, 300 shares were granted under the River Valley Recognition and Retention Plan ("Recognition and Retention Plan"), all of which are voted by the Trustees of the Recognition and Retention Plan, and 6,976 are held under the ESOP as of December 31, 2014. Does not include options for 4,500 shares which are not exercisable within 60 days of the record date for the shareholder meeting.

(9) Includes 5,272 shares held under the ESOP as of December 31, 2014, 500 shares are held by Mr. Muessel directly, and 8,950 shares held jointly with Mr. Muessel's spouse.

(10) Includes 1,000 shares subject to stock options granted under the Option Plan and 5,152 shares held under the ESOP as of December 31, 2014. Does not include options for 1,500 shares which are not exercisable within 60 days of the record date for the shareholder meeting.

(11) Of these shares, 18,500 restricted shares are held under the Recognition and Retention Plan or the 2014 Plan, 12,000 are subject to stock options granted under the Option Plan or the 2014 Plan, and 42,852 were allocated to such persons under the ESOP as of December 31, 2014. Does not include options for 15,500 shares which are not exercisable within 60 days of the record date for the shareholder meeting.

Voting Agreement

Each member of the board of directors of River Valley and certain executive officers of River Valley as of October 26, 2015, the date the merger agreement was executed, entered into a voting agreement with German American to cause all River Valley common stock owned by each of them of record or beneficially on such date to be voted in favor of the merger agreement proposal. As of the record date, the members of the River Valley board of directors and their affiliates together with the other persons executing the Voting Agreement had power to vote, or cause to be voted, an aggregate of 291,117 shares of River Valley common stock outstanding, representing 11.6% of the outstanding shares on that date.

Treatment of Abstentions and Broker Non-Votes

Abstentions with respect to shares will be counted as shares that are present and entitled to vote for purposes of determining the number of shares that are present and entitled to vote with respect to any particular proposal, but will not be counted as votes in favor of such proposal. Because approval of the merger and the adoption of the merger agreement requires the affirmative vote of a majority of the shares of River Valley issued and outstanding, if a shareholder responds to the merger agreement proposal with an abstention, the abstention will have the same effect as a vote "AGAINST" the adoption of the merger agreement and the approval of the merger. Since approval of the Articles Amendment, the merger-related compensation proposal (on an advisory basis), and the adjournment proposal only require more shares to vote in favor of the proposals than against them at the special meeting, abstentions will not affect the approvals of these proposals.

Similarly, broker non-votes will be counted as shares that are present but NOT entitled to vote with respect to any proposal. Since the shares represented by the broker non-votes cannot vote "FOR" the merger agreement proposal, they will have the same effect as a vote "AGAINST" the merger agreement proposal. If you are a beneficial owner of River Valley common stock held by a broker or other nominee, you must instruct your nominee how to vote. Your nominee cannot vote your shares on your behalf without your instructions. If you do not provide instructions to your broker on the proposal to approve the Articles Amendment, the merger-related compensation proposal, or the adjournment proposal, then your shares will not be voted and will not be counted for purposes of the approval of these proposals.

How to Vote; Voting of Proxies

A shareholder may vote by proxy or in person at the meeting. River Valley shareholders may vote their shares at the special meeting:

In Person: by attending the special meeting and voting their shares in person; or

By Mail: by completing the enclosed proxy card, signing and dating it and mailing it in the enclosed post-prepaid envelope.

Every River Valley shareholder's vote is important. Accordingly, each River Valley shareholder who holds shares of record directly in that shareholder's name should sign, date and return the accompanying proxy card whether or not the shareholder plans to attend the special meeting in person.

Giving a proxy means that a shareholder authorizes the persons named in the enclosed proxy card to vote the shareholder's shares at the special meeting in the manner the shareholder directs. River Valley requests that shareholders intending to submit a proxy by mail complete and sign the accompanying proxy and return it to River Valley as soon as possible in the enclosed postage-paid envelope. If the accompanying proxy is returned properly executed, the shares of common stock represented by it will be voted at the special meeting in accordance with the instructions contained on the proxy card.

If a shareholder's shares are held in "street name" by a bank or trust company, broker or other nominee that has provided a voting form, the shareholder should follow the instructions provided on such voting form.

It is not expected that any matter not referred to herein will be presented for action at the special meeting. If any other matters are properly brought before the special meeting, the persons named in the proxies submitted to River Valley will have discretion to vote on such matters in accordance with their best judgment.

A River Valley shareholder may receive more than one proxy statement/prospectus or proxy card. This duplication will occur if such shareholder's shares of common stock are registered in different names or are in more than one type of account maintained by Computershare, Inc., River Valley's transfer agent. In order to have all its common stock voted, a River Valley shareholder should sign and return all the proxy cards the shareholder receives.

Do not send any stock certificates with your proxy cards. If the merger is approved and adopted by River Valley shareholders at the special meeting, and the merger is closed, the exchange agent will mail transmittal forms with instructions for the surrender of share certificates for River Valley common stock as soon as practicable after completion of the merger.

Revocability of Proxies

A River Valley shareholder has the power to change the shareholder's vote at any time before the shareholder's shares are voted at the special meeting by (i) filing with River Valley's Secretary, Lonnie D. Collins (430 Clifty Drive, P.O. Box 1590, Madison, Indiana 47250), a written notice of revocation bearing a date later than the date of such proxy, (ii) submitting a subsequent proxy relating to the same shares, or (iii) attending the special meeting and voting in person. Attendance at the special meeting without voting will not itself revoke a proxy.

However, if a shareholder holds the shareholder's shares through a bank, broker or other nominee, the shareholder may revoke the shareholder's instructions only by informing the nominee in accordance with any procedures established by such nominee.

Solicitation of Proxies

River Valley's board of directors is soliciting proxies to be voted at the special meeting of River Valley's shareholders. River Valley will pay the costs and expenses of soliciting and obtaining proxies. Following the original mailing of this proxy statement/prospectus and other soliciting materials, River Valley will request brokers, custodians, nominees and other record holders of River Valley common stock to forward copies of this proxy statement/prospectus and other soliciting materials to persons for whom they hold shares of River Valley common stock and to request authority for the exercise of proxies. In these cases, River Valley will, upon the request of the record holders, reimburse these holders for their reasonable expenses. River Valley has also made arrangements with Laurel Hill Advisory Group, LLC to assist it in soliciting proxies and has agreed to pay Laurel Hill Advisory Group, LLC approximately $6,000 plus reasonable expenses for these services. River Valley also may use several of its regular employees, who will not be specially compensated, to solicit proxies from River Valley shareholders, either personally or by telephone or electronic mail.

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PROPOSAL 1 THE MERGER

Background of the Merger

As part of its ongoing consideration and evaluation of River Valley's long-term prospects and strategies, the board of directors of River Valley has periodically discussed and reviewed strategic opportunities to maximize value for its shareholders. These opportunities have included, among other alternatives, continuing as an independent institution, growing internally and through branch acquisitions, or affiliating or merging with another institution. On at least an annual basis, River Valley's board of directors has invited to its meetings representatives of various investment banks to provide the board with market updates, which have generally included banking industry overviews and mergers and acquisitions outlooks. This type of meeting was most recently held with Keefe, Bruyette & Woods, Inc. ("KBW") on April 15, 2015 and June 16, 2015.

Due substantially to the prolonged regional and national economic downturn beginning in 2008, the operating environment for River Valley during the years 2008-2012 had become increasingly difficult, leading to larger than normal loan loss provisions, decreased loan originations, diminished growth opportunities, shrinking net interest margins, increased operating costs and stagnant financial performance. River Valley's operating results improved in 2013 and in July 2014, River Valley raised gross proceeds of $19.4 million in a secondary public offering at which shares were priced at $20.50 per share. River Valley had intended to use that capital, among other things, to grow River Valley Financial's operations. Informal efforts to locate acquisition opportunities proved unsuccessful. In the summer of 2015, the board of directors began to reconsider whether River Valley's shareholders, customers, and employees were best served by River Valley remaining as an independent financial institution, or whether River Valley should consider an affiliation with another banking partner.

River Valley, like other financial institutions, has faced the challenges of generating enhanced earnings through organic growth in a difficult economic environment and trying to achieve acceptable returns on equity with, in its case, increased capital resulting from its public offering. In addition, River Valley encountered only limited growth opportunities for River Valley Financial, and found some difficulty staying ahead of technological advances in its business. Therefore, management and the board of directors of River Valley throughout the summer of 2015 continued to focus on strategic options, including a possible merger of River Valley with another financial institution. They concluded that scale might be needed to absorb additional operating and regulatory costs in a stagnant, slow growth economy. Moreover, a merger with another financial institution with greater growth opportunities might be an effective way to provide a meaningful return to all of its shareholders. At a board meeting held July 9, 2015, the River Valley directors focused on ways to address the board's fiduciary obligations to River Valley's shareholders. KBW and River Valley's legal counsel attended that meeting. The directors discussed opportunities as an independent bank and challenges River Valley Financial faced from regulators, competitors, and the economy, including low interest rates. The board concluded that River Valley should engage KBW in connection with a possible sale of River Valley. The timeline and legal process involved in a possible bank merger transaction were discussed in detail. Legal counsel discussed the importance of keeping such a process confidential and not trading in shares of River Valley common stock. River Valley also identified at the meeting a limited number of officers and employees who would be informed of the engagement of KBW.

In selecting KBW, River Valley's board of directors considered the long term relationship and the prior work performed by KBW for River Valley. The board also considered that KBW had provided prior and ongoing services to several of the financial institutions that were potential merger partners, and concluded that such services would not adversely affect KBW's ability to act as River Valley's financial advisor. Prior to the approval and execution of the merger agreement, KBW provided to River Valley's board of directors information about the contacts and meetings that KBW had before its engagement as River Valley's financial advisor with German American's management and board of

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directors about the market for bank mergers, including the possibility of affiliating with River Valley. The President and Chief Executive Officer of River Valley also reported on the results of an informal meeting with the Chairman and Chief Executive Officer of German American on June 10, 2015 to generally discuss whether or not a combination of their two financial institutions could be successful. The board considered KBW's ongoing and long relationship with River Valley, extensive experience and capabilities relating to combinations involving financial institutions in the United States and its reputation as a leading investment banker in the financial services area, when making its decision to engage KBW. KBW, as part of its investment banking business, is regularly engaged in the evaluation of businesses and securities in connection with mergers and acquisitions, as well as private placements of listed and unlisted securities. KBW is familiar with the market for common stocks of publicly and privately traded banks, thrifts, and bank and thrift holding companies.

During the rest of July 2015, River Valley, with the assistance of KBW, worked on populating River Valley's virtual data room and creating River Valley's Confidential Information Memorandum. At the end of July, KBW contacted six potential merger partners at the direction of River Valley and received five signed confidentiality agreements.

The Confidential Information Memorandum for River Valley was completed on August 3, 2015 and the virtual data room was made available for use by interested parties on that date. The five potential merger partners that had signed confidentiality agreements conducted initial due diligence. German American, which signed its confidentiality agreement on July 20, 2015, was one of those five potential partners.

By August 17, 2015, which had been set as the deadline for indications of interest from potential buyers, River Valley received one written indication of interest from German American. The purchase price offered in that letter was $32.00 per share, consisting of 70% stock and 30% cash, with the value of the German American common stock to be determined based on a 20-day volume weighted average price of German American common stock immediately prior to signing the definitive merger agreement. Stock options were to be cashed out at $32.00 per share. The other four potential merger partners decided not to submit an indication of interest for various reasons.

River Valley's board of directors met on August 18, 2015, to consider German American's indication of interest. The board discussed the terms of German American's letter of intent with River Valley's advisors. KBW reviewed with the board publicly available financial information regarding German American and pro forma financial information based on German American's indication of interest. KBW informed the board of the reasons given by several potential merger partners contacted as to why they had decided not to participate or had subsequently withdrawn from the process. Two additional potential merger partners that had not been previously contacted were considered, but the board and KBW discussed publicly available financial information indicating that these two additional potential merger partners would likely not have the potential financial ability to meet the $32.00 per share price being offered by German American. After this discussion, the board decided not to expand the group of bidders.

Following an extensive discussion regarding German American's indication of interest, it was the consensus of the board that the German American offer of $32.00 per share was too low. The board asked KBW to seek an increase in the price to $35.00 per share and to advise German American that River Valley would accept more stock consideration in the merger if that would help German American increase its offer. The board was again reminded of its fiduciary duty to shareholders and its right to consider the interests of employees, customers and the community, in addition to the paramount interest of shareholders, in considering the offer by German American.

At a loan committee meeting of River Valley Financial held on August 20, 2015, KBW informed the board of directors of River Valley Financial that German American had indicated that it wished to complete its due diligence before offering or negotiating a higher price per share. KBW was instructed to advise German American again that the $32.00 per share offer was too low.

At the end of August and in September, 2015, German American performed extensive additional due diligence, including an on-site review of River Valley Financial's loans on September 10, 2015 through September 12, 2015. On August 28, 2015 and September 10, 2015, representatives of German American met with management of River Valley to conduct due diligence.

On September 25, 2015, German American submitted to River a revised letter of intent. The board discussed the bid with River Valley's financial and legal advisors. German American continued to propose a 70% stock/30% cash consideration mix but increased the proposed consideration to $33.00 per share, consisting of a fraction of a share of German American common stock to be valued at $23.10 (based on a 20-day weighted average calculation to be made shortly before the merger agreement was signed), and $9.90 cash for each share of River Valley common stock. This exchange ratio was to remain fixed. At the conclusion of this meeting, River Valley's board, by unanimous vote, authorized management and counsel to work expeditiously toward a definitive agreement based on the increased consideration proposed by German American. River Valley executed the revised letter of intent on September 26, 2015.

German American's legal counsel submitted a draft merger agreement to the parties on October 6, 2015. From October 6, 2015, and through October 23, 2015, the parties exchanged comments and negotiated changes to the draft agreement. River Valley also performed reverse due diligence on German American on October 13, 2015. On October 13, 2015, German American sent draft employment contracts to Matthew P. Forrester, Anthony D. Brandon and John Muessel, and German American's counsel subsequently worked with independent counsel for those employees to finalize those contracts.

On October 20, 2015, the board of directors of River Valley held a regular board meeting attended by legal counsel. Counsel led a detailed discussion regarding the provisions of the latest merger agreement draft and responded to questions from directors. The board was advised that a minimum net equity number for River Valley at the closing was to be required by German American but the minimum number had not yet been determined. At that meeting, the board also considered the potential interest of another possible bidder outside of River Valley's market area, but the board and KBW discussed publicly available financial information indicating that this possible bidder would likely not have the potential financial ability to match or exceed German American's proposal. Negotiations continued on the merger agreement.

At a special meeting on October 26, 2015, the board of directors of River Valley was advised of final changes to the merger agreement, including a minimum net equity of River Valley at the end of the month prior to closing of $53,250,000 if the closing occurred prior to March 1, 2016, and a minimum net equity of $53,883,000 if the closing occurred on or after March 1, 2016. Moreover, stock options for River Valley common stock were to be cashed out at their market value at closing. Also at this meeting, KBW reviewed the financial aspects of the proposed merger with the board and rendered to the board an opinion to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW as set forth in its opinion, the merger consideration in the proposed merger was fair, from a financial point of view, to the holders of River Valley common stock.

After careful consideration of the revised draft of the merger agreement and the other strategic options available to River Valley at the time, including the likely inability or unwillingness of other potential acquirors to make a superior offer, River Valley's management believed that the proposal set forth in the revised merger agreement was the highest and best offer German American would make and the highest and best offer River Valley was likely to receive from a potential acquiror, and that it was in the best interests of River Valley's shareholders to execute the merger agreement. River Valley's board of directors approved the merger agreement and authorized the execution of the merger agreement and all related documents.

Also on October 26, 2015, the board of directors of German American met with German American's management, German American's financial advisors and German American's legal counsel who presented the terms of the merger agreement that had been distributed to the board prior to the meeting and the strategic rationale for the transaction. This meeting was following two earlier board meetings where the concept and general terms of the combination and financial projections related thereto had been discussed. Following this presentation, the board of directors of German American reviewed and discussed the draft of the merger agreement and the consideration to be paid by German American to River Valley. German American's management and advisors responded to questions from the board regarding the merger and the merger consideration. Following a lengthy discussion, the board voted to approve management's finalization and execution of the merger agreement and all related documents.

River Valley and German American executed the definitive merger agreement after the close of business on October 26, 2015. German American and River Valley issued a joint press release publicly announcing the transaction after the closing of the financial markets on October 26, 2015. Meetings with key employees and branch managers regarding the merger were held the evening of October 26, 2015, and throughout the day on both October 27, 2015 and October 28, 2015.

German American's Reasons for the Merger

In deciding to approve the merger with River Valley, German American's board of directors considered a number of factors, including:

- the expected benefit to German American's existing and future banking customers resulting from the expansion of its banking operations in River Valley's banking footprint, as well as the opportunity for future operating efficiencies as a result of the combination of River Valley and German American;
- the strength of River Valley Financial's community banking orientation and the quality of its management, employees and board leadership;
- the results of management's review of the business, operations, earnings, and financial condition, including capital levels and asset quality of River Valley;
- the fairness of the terms of the proposed merger to German American from a financial point of view; and
- management's belief, based on historical information with respect to River Valley Financial's business, earnings, operations, financial condition, prospects, capital levels and asset quality, that the combined banking company has the ability to thrive and grow in the attractive market of southeastern Indiana and the greater Louisville market.

The foregoing discussion of the information and factors considered by the German American board of directors is not intended to be exhaustive, but includes the material factors considered by the German American board of directors. In reaching its decision to approve and adopt the merger agreement, the merger and the other transactions contemplated by the merger agreement, the German American board of directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The German American board of directors considered all these factors as a whole, including discussions with, and questioning of, German American's management and German American's financial and legal advisors, and overall considered the factors to be favorable to, and to support, its determination.

For the reasons set forth above, the German American board of directors unanimously determined that the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of German American and its shareholders, and unanimously approved and adopted the merger agreement.

River Valley's Reasons for the Merger and Recommendation of the Board of Directors

River Valley's board of directors has determined that the merger agreement and the merger are in the best interests of River Valley and its shareholders and recommends that River Valley's shareholders vote "FOR" the approval of the merger agreement and the transactions contemplated by the merger agreement.

In its deliberations and in making its determination, River Valley's board of directors considered many factors including, without limitation, the following:

- the business, earnings, operations, financial condition, management, prospects, capital levels, and asset quality of both German American and River Valley;

- the current and prospective business and economic environments in which River Valley operates, including challenging national, regional, and local economic conditions, the competitive environment for Indiana financial institutions characterized by intensifying competition from other financial institutions, increasing consolidation of the financial services industry, the increased regulatory burdens on financial institutions, and the uncertainties in the regulatory climate going forward;

- River Valley's belief that River Valley needs to grow to be in a position to deliver a competitive return to its shareholders;

- the likelihood that acquisition opportunities for River Valley as a buyer are limited for the foreseeable future given River Valley's common stock is less liquid and the valuation of its common stock which would be part of any consideration offered to potential targets and lack of attractive smaller banks within and surrounding its footprint;

- German American's ability and resources to negotiate, execute, and close, and conduct due diligence in connection with, a definitive merger agreement on an expedited basis;

- River Valley's need to keep up with technological advances expected by its customers;

- River Valley's board's belief that, after consideration of potential alternatives, including the likely inability of other potential strategic partners to consummate a transaction on terms superior to those offered in the merger agreement, the merger is expected to provide greater benefits to River Valley's shareholders than the range of possible alternatives, including continuing to operate River Valley on a stand-alone basis or pursuing a transaction with another bidder;

- River Valley's belief that an auction process was conducted with the assistance of KBW in an effort to maximize the price River Valley shareholders will receive;

- the knowledge that investors remain focused on the trading liquidity of a bank's shares and generally value companies with greater market capitalizations with higher valuations;

- the effect of the merger on River Valley Financial's employees, including the prospects for continued employment of many of those employees and the severance benefits agreed to be provided by German American to River Valley Financial's employees who are not to be retained;

German American's superior access to capital and managerial resources relative to that of River Valley;

the benefits of being part of a larger and more diversified combined financial institution and the risks of continuing to be an independent company, given the limited liquidity of River Valley's common stock and the lack of acquisition opportunities for River Valley;

the perceived compatibility of the business philosophies and cultures of River Valley and German American, which River Valley's board believed would facilitate the integration of the operations of the two companies;

German American's commitment to Indiana, reputation for community volunteerism, and agreement to continue to make charitable contributions in River Valley Financial's markets at the same levels being made by River Valley Financial;

the board's desire to provide River Valley's shareholders with the prospects for greater future appreciation on their investments in River Valley common stock than the amount the board of directors believes River Valley could achieve independently;

the board's desire to provide River Valley's shareholders with a consistent cash dividend (although lower than River Valley's) and future prospects for increases in cash dividends;

the expectation that the historical liquidity of German American's stock will offer River Valley shareholders the opportunity to participate in the growth and opportunities of German American by retaining their German American stock following the merger, or to exit their investment, should they prefer to do so;

the financial and other terms and conditions of the merger agreement, including (1) the fact that the Exchange Ratio (assuming no adjustments) represents approximately 162% of River Valley's tangible book value as of the date of the merger agreement and is fixed, with no caps, and (2) provisions providing for the payment of a $3,236,000 termination fee if the merger agreement is terminated under certain circumstances, which River Valley's board deemed reasonable;

the small size of River Valley's board and the fact that River Valley will lose one of its directors as a result of age limitations in 2016;

the potential upside in German American's common stock based on expected earnings accretion;

the fact that the value of the merger consideration prior to the public announcement of the merger represented a significant premium over recent trading prices for River Valley common stock;

the overall greater scale that will be achieved by the merger that will better position the combined company for future growth;

the complementary geographic locations of River Valley and German American branch networks in Indiana with no risk of any kind of antitrust challenge to slow down the merger process;

the historical and current market prices of German American;

the opinion, dated October 26, 2015, of KBW to the board of directors as to the fairness, from a financial point of view and as of the date of the opinion, to the holders of River Valley common stock of the merger consideration in the merger, as more fully described below under "THE MERGER Opinion of Financial Advisor to River Valley";

the interests of River Valley's directors and executive officers in the merger, in addition to their interests generally as shareholders, as described under "THE MERGER Interests of River Valley's Directors and Executive Officers in the Merger";

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- the likelihood that the regulatory approvals necessary to complete the transaction would be obtained;

- the effect of the merger on River Valley Financial's customers and the communities in which they conduct business; and

- the existence of a dissident shareholder of River who periodically challenged River Valley's business decisions and strategic direction.

The foregoing discussion of the factors considered by River Valley's board of directors is not intended to be exhaustive, but rather includes the material factors considered by River Valley's board of directors. In reaching its decision to approve the merger agreement, the merger, and the other transactions contemplated by the merger agreement, River Valley's board of directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. River Valley's board of directors considered all these factors as a whole, and overall considered the factors to be favorable to, and to support, its determination. River Valley's board of directors evaluated the proposed merger in consultation with River Valley's management and River Valley's financial and legal advisors.

For the reasons set forth above, the River Valley board of directors unanimously determined that the merger, the merger agreement, and the transactions contemplated by the merger agreement are advisable and in the best interests of River Valley and its shareholders, and unanimously approved and adopted the merger agreement. The River Valley board of directors unanimously recommends that River Valley shareholders vote "FOR" (1) the proposal to approve the merger agreement, (2) the proposal to approve the Articles Amendment, (3) the proposal to approve merger-related compensation, and (4) the proposal to approve adjournments.

Opinion of Financial Advisor to River Valley

River Valley engaged Keefe, Bruyette & Woods, Inc. ("KBW") to render financial advisory and investment banking services to River Valley, including an opinion to the River Valley board of directors as to the fairness, from a financial point of view, to the holders of River Valley common stock of the merger consideration in the proposed merger of River Valley with and into German American. River Valley selected KBW because KBW is a nationally recognized investment banking firm with substantial experience in transactions similar to the merger. As part of its investment banking business, KBW is continually engaged in the valuation of financial services businesses and their securities in connection with mergers and acquisitions.

As part of its engagement, representatives of KBW attended the meeting of the River Valley board held on October 26 2015, at which the River Valley board evaluated the proposed merger. At this meeting, KBW reviewed the financial aspects of the proposed merger and rendered an opinion to the River Valley board to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW as set forth in such opinion, the merger consideration to be received by the holders of River Valley common stock in the proposed merger was fair, from a financial point of view, to such holders. The River Valley board approved the merger agreement at this meeting.

The description of the opinion set forth herein is qualified in its entirety by reference to the full text of the opinion, which is attached as Annex B to this document and is incorporated herein by reference, and describes the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW in preparing the opinion.

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KBW's opinion speaks only as of the date of the opinion. The opinion was for the information of, and was directed to, the River Valley board (in its capacity as such) in connection with its consideration of the financial terms of the merger. The opinion addressed only the fairness, from a financial point of view, as of the date of the opinion, of the merger consideration in the merger to the holders of River Valley common stock. It did not address the underlying business decision of River Valley to engage in the merger or enter into the merger agreement or constitute a recommendation to the River Valley board in connection with the merger, and it does not constitute a recommendation to any holder of River Valley common stock or any shareholder of any other entity as to how to vote in connection with the merger or any other matter, nor does it constitute a recommendation regarding whether or not any such shareholder should enter into a voting or other agreement with respect to the merger.

KBW's opinion was reviewed and approved by KBW's Fairness Opinion Committee in conformity with its policies and procedures established under the requirements of Rule 5150 of the Financial Industry Regulatory Authority.

In connection with the opinion, KBW reviewed, analyzed and relied upon material bearing upon the merger and bearing upon the financial and operating condition of River Valley and German American, including among other things:

- a draft of the merger agreement, dated October 23, 2015 (the most recent draft then made available to KBW);
- the audited financial statements and Annual Reports on Form 10-K for the three fiscal years ended December 31, 2014 of River Valley;
- the unaudited quarterly financial statements and Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2015 and June 30, 2015 of River Valley;
- certain unaudited monthly financial results for River Valley as of September 30, 2015, provided to KBW by representatives of River Valley;
- the audited financial statements and Annual Reports of Form 10-K for the three fiscal years ended December 31, 2014 of German American;
- the unaudited quarterly financial statements and Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2015 and June 30, 2015 of German American;
- certain regulatory filings of River Valley, River Valley Financial, German American and German American Bancorp, including (as applicable) the quarterly Call Reports and reports on Form FR Y-9SP and FR Y9-C filed with respect to each quarter during the three year period ended December 31, 2014 and the quarters ended March 31, 2015 and June 30, 2015;
- certain other interim reports and other communications of River Valley and German American to their respective shareholders and investors; and
- other financial information concerning the businesses and operations of River Valley and German American furnished to KBW by River Valley and German American or which KBW was otherwise directed to use for purposes of KBW's analyses.

KBW's consideration of financial information and other factors that it deemed appropriate under the circumstances or relevant to its analyses included, among others, the following:

- the historical and current financial position and results of operations of River Valley and German American;

the assets and liabilities of River Valley and German American;

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- the nature and terms of certain other merger transactions and business combinations in the banking industry;
- a comparison of certain financial and stock market information for River Valley and German American with similar information for certain other companies the securities of which were publicly traded;
- financial and operating forecasts and projections of River Valley that were prepared by, and provided to KBW and discussed with KBW by, River Valley management and that were used and relied upon by KBW at the direction of such management with the consent of the River Valley board; and
- earnings per share estimates for German American (taken or derived from publicly available consensus "street estimates") and estimates regarding certain pro forma financial effects of the merger on German American (including, without limitation, the cost savings and related expenses expected to result or be derived from the merger), that were prepared by, and provided to KBW and discussed with KBW by, German American management and that were used and relied upon by KBW based on such discussions and at the direction of River Valley management with the consent of the River Valley board.

KBW also performed such other studies and analyses as it considered appropriate and took into account its assessment of general economic, market and financial conditions and its experience in other transactions, as well as its experience in securities valuation and knowledge of the banking industry generally. KBW also held discussions with senior management of River Valley and German American regarding the past and current business operations, regulatory relations, financial condition and future prospects of their respective companies and such other matters as KBW deemed relevant to its inquiry. In addition, KBW considered the results of the efforts undertaken by River Valley, with KBW's assistance, to solicit indications of interest from third parties regarding a potential transaction with River Valley.

In conducting its review and arriving at its opinion, KBW relied upon and assumed the accuracy and completeness of all of the financial and other information provided to it or that was publicly available and KBW did not independently verify the accuracy or completeness of any such information or assume any responsibility or liability for such verification, accuracy or completeness. KBW relied upon the management of River Valley as to the reasonableness and achievability of the financial and operating forecasts and projections of River Valley referred to above (and the assumptions and bases therefor) and KBW assumed, with the consent of River Valley, that such forecasts and projections were reasonably prepared on a basis reflecting the best currently available estimates and judgments of such management and that such forecasts and projections would be realized in the amounts and in the time periods estimated by such management. KBW further relied upon German American management as to the reasonableness and achievability of earnings per share estimates for German American referred to above, as well as the estimates regarding certain pro forma financial effects of the merger on German American (and the assumptions and bases therefor, including without limitation, the cost savings and related expenses expected to result or be derived from the merger) referred to above, and KBW assumed, with the consent of River Valley, that all such estimates were reasonably prepared on a basis reflecting the best currently available estimates and judgments of German American management and that such estimates would be realized in the amounts and in the time periods estimated by such management.

It is understood that the forecasts, projections and estimates of River Valley provided to KBW were not prepared with the expectation of public disclosure, that all such forecasts, projections and estimates, together with earnings per share estimates for German American referred to above, were based on numerous variables and assumptions that are inherently uncertain, including, without limitation, factors related to general economic and competitive conditions and that, accordingly, actual results could vary significantly from those set forth in such information. KBW assumed, based on discussions with the respective managements of River Valley and German American and with the consent of River Valley, that such information provided a reasonable basis upon which KBW could form its opinion and KBW expressed no view as to any such information or the assumptions or bases therefor. KBW relied on all such information without independent verification or analysis and did not in any respect assume any responsibility or liability for the accuracy or completeness thereof.

KBW also assumed that there were no material changes in the assets, liabilities, financial condition, results of operations, business or prospects of either River Valley or German American since the date of the last financial statements of each such entity that were made available to KBW. KBW is not an expert in the independent verification of the adequacy of allowances for loan and lease losses and KBW assumed, without independent verification and with River Valley's consent, that the aggregate allowances for loan and lease losses for River Valley and German American were adequate to cover such losses. In rendering its opinion, KBW did not make or obtain any evaluations or appraisals or physical inspection of the property, assets or liabilities (contingent or otherwise) of River Valley or German American, the collateral securing any of such assets or liabilities, or the collectability of any such assets, nor did KBW examine any individual loan or credit files, nor did it evaluate the solvency, financial capability or fair value of River Valley or German American under any state or federal laws, including those relating to bankruptcy, insolvency or other matters. Estimates of values of companies and assets do not purport to be appraisals or necessarily reflect the prices at which companies or assets may actually be sold. Because such estimates are inherently subject to uncertainty, KBW assumed no responsibility or liability for their accuracy.

KBW assumed that, in all respects material to its analyses:

- the merger and any related transaction (including the subsidiary bank merger) would be completed substantially in accordance with the terms set forth in the merger agreement (the final terms of which KBW assumed would not differ in any respect material to KBW's analyses from the latest draft of the merger agreement that had been reviewed by KBW) with no adjustments to the merger consideration and with no other payments in respect of the River Valley common stock;

- the representations and warranties of each party in the merger agreement and in all related documents and instruments referred to in the merger agreement were true and correct;

- each party to the merger agreement and all related documents would perform all of the covenants and agreements required to be performed by such party under such documents;

- there are no factors that would delay or subject to any adverse conditions, any necessary regulatory or governmental approval for the merger or any related transaction and that all conditions to the completion of the merger and any related transaction would be satisfied without any waivers or modifications to the merger agreement; and

- in the course of obtaining the necessary regulatory, contractual, or other consents or approvals for the merger and any related transaction, no restrictions, including any divestiture requirements, termination or other payments or amendments or modifications, would be imposed that would have a material adverse effect on the future results of operations or financial condition of River Valley, German American, the combined entity or the contemplated benefits of the merger, including the cost savings and related expenses expected to result or be derived from the merger.

KBW assumed, in all respects material to KBW's analyses, that the merger would be consummated in a manner that complies with the applicable provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and all other applicable federal and state statutes, rules and regulations. KBW was further advised by representatives of River Valley that River Valley relied

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upon advice from its advisors (other than KBW) or other appropriate sources as to all legal, financial reporting, tax, accounting and regulatory matters with respect to River Valley, German American, the merger and any related transaction (including the subsidiary bank merger), and the merger agreement. KBW did not provide advice with respect to any such matters.

KBW's opinion addressed only the fairness, from a financial point of view, as of the date of such opinion, to the holders of River Valley common stock of the merger consideration to be received by such holders in the merger. KBW expressed no view or opinion as to any other terms or aspects of the merger or any term or aspect of any related transaction (including the subsidiary bank merger), including without limitation, the form or structure of the merger (including the form of merger consideration or the allocation thereof between stock and cash) or any related transaction, any consequences of the merger or any related transaction to River Valley, its shareholders, creditors or otherwise, or any terms, aspects, merits or implications of any employment, consulting, voting, support, shareholder or other agreements, arrangements or understandings contemplated or entered into in connection with the merger or otherwise. KBW's opinion was necessarily based upon conditions as they existed and could be evaluated on the date of such opinion and the information made available to KBW through such date. Developments subsequent to the date of KBW's opinion may have affected, and may affect, the conclusion reached in KBW's opinion and KBW did not and does not have an obligation to update, revise or reaffirm its opinion. KBW's opinion did not address, and KBW expressed no view or opinion with respect to:

- the underlying business decision of River Valley to engage in the merger or enter into the merger agreement;
- the relative merits of the merger as compared to any strategic alternatives that are, have been or may be available to or contemplated by River Valley or the River Valley board;
- the fairness of the amount or nature of any compensation to any of River Valley's officers, directors or employees, or any class of such persons, relative to any compensation to the holders of River Valley common stock;
- the effect of the merger or any related transaction on, or the fairness of the consideration to be received by, holders of any class of securities of River Valley (other than the holders of River Valley common stock, solely with respect to the merger consideration as described in KBW's opinion) or holders of any class of securities of German American or any other party to any transaction contemplated by the merger agreement;
- whether German American has sufficient cash, available lines of credit or other sources of funds to enable it to pay the aggregate cash consideration to the holders of River Valley common stock at the closing of the merger;
- the actual value of German American common stock to be issued in the merger;
- any adjustment (as provided in the Agreement) to the amount of the merger consideration assumed to be paid in the merger for purposes of KBW's opinion;
- the prices, trading range or volume at which River Valley common stock or German American common stock would trade following the public announcement of the merger or the prices, trading range or volume at which German American common stock would trade following the consummation of the merger;
- any advice or opinions provided by any other advisor to any of the parties to the merger or any other transaction contemplated by the merger agreement; or
- any legal, regulatory, accounting, tax or similar matters relating to River Valley, German American, their respective shareholders, or relating to or arising out of or as a consequence of

the merger or any related transaction (including the subsidiary bank merger), including whether or not the merger would qualify as a tax-free reorganization for United States federal income tax purposes.

In performing its analyses, KBW made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, which are beyond the control of KBW, River Valley and German American. Any estimates contained in the analyses performed by KBW are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by these analyses. Additionally, estimates of the value of businesses or securities do not purport to be appraisals or to reflect the prices at which such businesses or securities might actually be sold. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty. In addition, the KBW opinion was among several factors taken into consideration by the River Valley board in making its determination to approve the merger agreement and the merger. Consequently, the analyses described below should not be viewed as determinative of the decision of the River Valley board with respect to the fairness of the merger consideration. The type and amount of consideration payable in the merger were determined through negotiation between River Valley and German American and the decision to enter into the merger agreement was solely that of the River Valley board.

The following is a summary of the material financial analyses performed by KBW in connection with its opinion. The summary is not a complete description of the financial analyses underlying the opinion, but summarizes the material analyses performed in connection with such opinion. The financial analyses summarized below include information presented in tabular format. The tables alone do not constitute a complete description of the financial analyses. The preparation of a fairness opinion is a complex analytic process involving various determinations as to appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, KBW did not attribute any particular weight to any analysis or factor that it considered, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Accordingly, KBW believes that its analyses and the summary of its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on the information presented below in tabular format, without considering all analyses and factors or the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the process underlying its analyses and opinion.

For purposes of the financial analyses described below, KBW utilized an implied value of the merger consideration of $34.48 per share of River Valley common stock, consisting of (i) $9.90 in cash and (ii) the implied value of 0.770 of a share of German American common stock to be issued in the merger for each share of River Valley common stock, based on the closing price of German American common stock on October 23, 2015.

Selected Companies Analysis of River Valley. Using publicly available information, KBW compared the financial performance, financial condition and market performance of River Valley to 25 selected banks and thrifts located in the Midwest region with publicly traded stock, assets between $350 million and $700 million, last-twelve-months ("LTM") return on assets greater than 0.75% and nonperforming assets to assets ratios less than 2.5%. Mutual holding companies and merger targets were excluded from the selected companies.

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The selected companies included in River Valley's "peer" group were:

Heartland BancCorp	Guaranty Federal Bancshares, Inc.
United Bancshares, Inc.	CSB Bancorp, Inc.
First Clover Leaf Financial Corp.	F.S. Bancorp
Citizens National Corporation	Southern Michigan Bancorp, Inc.
ChoiceOne Financial Services, Inc.	La Porte Bancorp, Inc.
Farmers Bancorp	Killbuck Bancshares, Inc.
Pontiac Bancorp, Inc.	First Capital, Inc.
Crystal Valley Financial Corporation	Iowa First Bancshares Corp.
Liberty Bancorp, Inc.	Boyle Bancorp, Inc.
Poage Bankshares, Inc.	Citizens First Corporation
Fentura Financial, Inc.	FCN Banc Corp.
Minster Financial Corp.	Wolverine Bancorp, Inc.
Andover Bancorp, Inc.	

To perform this analysis, KBW used profitability data and other financial information as of, or for the period ended, June 30, 2015 and market price information as of October 23, 2015. Where consolidated holding company level financial data for the selected companies as of, or for the period ended, June 30, 2015 was unreported, subsidiary bank level data as of, or for the period ended, June 30, 2015 was utilized to calculate ratios. Certain financial data prepared by KBW, as referenced in the tables presented below, may not correspond to the data presented in River Valley's historical financial statements as a result of the different periods, assumptions and methods used by KBW to compute the financial data presented.

KBW's analysis showed the following concerning the financial performance of River Valley and the selected companies in its "peer" group:

	RIVR	Peer Group 25th Percentile	Peer Group Median	Peer Group Average	Peer Group 75th Percentile
LTM Return of Average Assets	1.10%	0.90%	0.98%	1.00%	1.13%
LTM Return of Average Equity	10.68%	8.09%	9.33%	9.20%	10.25%
LTM Net Interest Margin	3.54%	3.31%	3.52%	3.62%	3.93%
LTM Noninterest Income / Average Assets	0.84%	0.49%	0.71%	0.83%	1.07%
LTM Noninterest Expense / Average Assets	2.76%	3.13%	2.76%	2.81%	2.48%
LTM Efficiency Ratio	65.30%	70.41%	65.23%	65.59%	62.19%

KBW's analysis also showed the following concerning the financial condition of River Valley and the selected companies in its "peer" group:

	RIVR	Peer Group 25th Percentile	Peer Group Median	Peer Group Average	Peer Group 75th Percentile
Tangible Common Equity / Tangible Assets	10.27%	9.25%	10.13%	10.68%	11.22%
Total Risk-Based Capital Ratio	15.01%	13.60%	15.87%	16.54%	17.92%
Loans / Deposits	83.13%	73.07%	83.38%	83.45%	91.20%
Loan Loss Reserve / Gross Loans	1.09%	1.12%	1.26%	1.34%	1.48%
Texas Ratio(1)	19.19%	14.04%	10.78%	11.38%	8.75%
Nonperforming Assets / Assets	2.11%	1.56%	1.20%	1.28%	0.93%
LTM Net Charge-Off / Average Loans	0.16%	0.17%	0.12%	0.13%	0.05%

(1) Texas Ratio is defined as NPAs / tangible common equity + LLR. NPAs defined as nonperforming assets + loans 90+ days past due.

In addition, KBW's analysis showed the following concerning the market performance of River Valley and the selected companies in in its peer group (excluding the impact of the LTM core earnings per share ("EPS") multiple for one of the selected companies, which multiple was not considered to be meaningful):

	RIVR	Peer Group 25th Percentile	Peer Group Median	Peer Group Average	Peer Group 75th Percentile
One-Year Stock Price Change	6.67%	7.58%	12.15%	13.08%	17.59%
YTD Stock Price Change	5.86%	5.09%	9.79%	11.59%	17.19%
Stock Price / Book Value per Share	1.04x	0.90x	0.98x	1.03x	1.15x
Stock Price / Tangible Book Value per Share	1.05x	0.99x	1.03x	1.11x	1.24x
Stock Price / LTM Core EPS(1)	10.6x	10.4x	11.3x	12.2x	13.2x
Dividend Yield(2)	4.11%	1.38%	2.45%	2.38%	3.28%
LTM Dividend Payout(3)	43.68%	18.46%	33.53%	30.06%	41.29%

(1) Core income excludes extraordinary items, non-recurring items and gains/losses on sale of securities.

(2) Dividend yield calculated using most recent completed reported dividend annualized

(3) Dividend payout calculated using most recent completed reported dividend annualized as a percentage of LTM Core EPS

No company used as a comparison in the above selected companies analysis is identical to River Valley. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

Selected Companies Analysis of German American. Using publicly available information, KBW compared the financial performance, financial condition and market performance of German American to 20 selected banks and thrifts located in the Midwest region and listed on NASDAQ with total assets between $1 billion and $4.5 billion, LTM return on assets greater than 0.75% and nonperforming assets to assets ratios less than 2.25%. Mutual holding companies and merger targets were excluded from the selected companies.

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The selected companies included in German American's "peer" group were:

Great Southern Bancorp, Inc.	Republic Bancorp, Inc.
First Busey Corporation	Lakeland Financial Corporation
Enterprise Financial Services Corp	MainSource Financial Group, Inc.
First Financial Corporation	MidWestOne Financial Group, Inc.
Mercantile Bank Corporation	Stock Yards Bancorp, Inc.
Horizon Bancorp	First Defiance Financial Corp.
First Business Financial Services, Inc.	West Bancorporation, Inc.
First Mid-Illinois Bancshares, Inc.	MutualFirst Financial, Inc.
Ames National Corporation	Civista Bancshares, Inc.
Southern Missouri Bancorp, Inc.	LCNB Corp.

To perform this analysis, KBW used profitability data and other financial information as of, or for the period ended, June 30, 2015 and market price information as of October 23, 2015. Where consolidated holding company level financial data for the selected companies as of, or for the period ended, June 30, 2015 was unreported, subsidiary bank level data as of, or for the period ended, June 30, 2015 was utilized to calculate ratios. KBW also used 2016 and 2017 EPS estimates taken from consensus "street estimates" for German American and the selected companies. Certain financial data prepared by KBW, as referenced in the tables presented below, may not correspond to the data presented in German American's historical financial statements as a result of the different periods, assumptions and methods used by KBW to compute the financial data presented.

KBW's analysis showed the following concerning the financial performance of German American and the selected companies in its "peer" group:

	GABC	Peer Group 25th Percentile	Peer Group Median	Peer Group Average	Peer Group 75th Percentile
LTM Return of Average Assets	1.35%	0.92%	1.01%	1.05%	1.10%
LTM Return of Average Equity	13.12%	8.86%	9.57%	9.96%	10.82%
LTM Net Interest Margin	3.74%	3.48%	3.75%	3.71%	3.87%
LTM Noninterest Income / Average Assets	1.07%	0.66%	0.99%	0.98%	1.31%
LTM Noninterest Expense / Average Assets	2.60%	3.01%	2.73%	2.74%	2.57%
LTM Efficiency Ratio	55.63%	64.46%	60.68%	60.21%	57.02%

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KBW's analysis also showed the following concerning the financial condition of German American and the selected companies in its "peer" group:

	GABC	Peer Group 25th Percentile	Peer Group Median	Peer Group Average	Peer Group 75th Percentile
Tangible Common Equity / Tangible Assets	9.60%	8.33%	8.93%	9.23%	10.07%
Total Risk-Based Capital Ratio	14.15%	13.51%	14.03%	14.71%	15.93%
Loans / Deposits	84.14%	82.78%	92.84%	91.74%	97.36%
Loan Loss Reserve / Gross Loans	1.03%	1.10%	1.20%	1.20%	1.44%
Texas Ratio(1)	3.63%	12.97%	10.01%	10.10%	5.22%
Nonperforming Assets / Assets	0.37%	1.18%	0.92%	0.97%	0.57%
LTM Net Charge-Off / Average Loans	0.03%	0.14%	0.07%	0.10%	0.03%

(1) Texas Ratio is defined as NPAs / tangible common equity + LLR. NPAs defined as nonperforming assets + loans 90+ days past due.

In addition, KBW's analysis showed the following concerning the market performance of German American and, to the extent publicly available, the selected companies in its peer group:

	GABC	Peer Group 25th Percentile	Peer Group Median	Peer Group Average	Peer Group 75th Percentile
One-Year Stock Price Change	18.18%	9.57%	15.18%	19.76%	27.20%
YTD Stock Price Change	4.59%	3.69%	6.53%	10.36%	15.11%
Stock Price / Book Value per Share	1.79x	1.13x	1.33x	1.43x	1.65x
Stock Price / Tangible Book Value per Share	1.97x	1.36x	1.62x	1.62x	1.79x
Stock Price / LTM Core EPS(1)	14.3x	13.0x	14.0x	14.2x	15.8x
Stock Price / 2016E EPS	14.3x	12.7x	14.0x	13.6x	15.0x
Stock Price / 2017E EPS	13.5x	11.7x	13.5x	13.0x	14.2x
Dividend Yield(2)	2.13%	1.94%	2.35%	2.42%	2.85%
LTM Dividend Payout(3)	30.56%	25.23%	32.02%	34.43%	41.69%

(1) Core income excludes extraordinary items, non-recurring items and gains/losses on sale of securities.

(2) Dividend yield calculated using most recent completed reported dividend annualized

(3) Dividend payout calculated using most recent completed reported dividend annualized as a percentage of LTM Core EPS

No company used as a comparison in the above selected companies analysis is identical to German American. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

Select Transactions Analysis. KBW reviewed publicly available information related to 17 selected whole bank and thrift transactions in the Midwest region announced since January 1, 2013 with announced transaction values, total assets between $150 million and $1.2 billion, LTM return on assets greater than 0.75%, nonperforming assets to assets ratios less than 3.0% and tangible common equity to tangible assets ratios greater than 6.0%. Mergers of equals were excluded from the selected transactions.

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The selected transactions included in the group were:

Acquiror:	Acquired Company:
Alerus Financial Corporation	Beacon Bank
First Cecilian Bancorp, Inc.	Farmers Bancshares, Inc.
LINCO Bancshares, Inc.	Community First Bank
Farmers National Banc Corp.	National Bancshares Corporation
MidWestOne Financial Group, Inc.	Central Bancshares, Inc.
Old National Bancorp	Founders Financial Corporation
Simmons First National Corporation	Liberty Bancshares, Inc.
First Business Financial Services, Inc.	Aslin Group, Inc.
MainSource Financial Group, Inc.	MBT Bancorp
Old National Bancorp	United Bancorp, Inc.
First Financial Bancorp.	Insight Bank
First Financial Bancorp.	First Bexley Bank
Horizon Bancorp	SCB Bancorp, Inc.
Old National Bancorp	Tower Financial Corporation
Croghan Bancshares, Inc.	Indebancorp
Heartland Financial USA, Inc.	Morrill Bancshares, Inc.
CNB Financial Corporation	FC Banc Corp.

For each selected transaction, KBW derived the following implied transaction statistics, in each case based on the transaction consideration value paid for the acquired company and using financial data based on the acquired company's then latest publicly available financial statements prior to the announcement of the acquisition:

- Price per common share to LTM EPS of the acquired company (in the case of selected transactions involving a private acquired company, this transaction statistic was calculated as total transaction consideration divided by LTM net income);

- Price per common share to book value per share of the acquired company (in the case of selected transactions involving a private acquired company, this transaction statistic was calculated as total transaction consideration divided by total book value);

- Price per common share to tangible book value per share of the acquired company (in the case of selected transactions involving a private acquired company, this transaction statistic was calculated as total transaction consideration divided by total tangible common equity); and

Tangible equity premium to core deposits (total deposits less time deposits greater than $100,000) of the acquired company, referred to as core deposit premium.

KBW also reviewed the price per common share paid for the acquired company for each of the four selected transactions in which the acquired company had publicly traded stock as a premium to the closing stock price of the acquired company one day prior to the announcement of the acquisition (expressed as a percentage and referred to as the one-day market premium). The resulting transaction statistics for the selected transactions were compared with the corresponding transaction statistics for the proposed merger based on the implied value of the merger consideration of $34.48 per share of River Valley common stock and using historical financial information for River Valley as of June 30, 2015 and the closing price of River Valley common stock on October 23, 2015.

The results of the analysis are set forth in the following table:

	GABC / RIVR Merger	Selected Transactions 25th Percentile	Selected Transactions Median	Selected Transactions Average	Selected Transactions 75th Percentile
Transaction Price / LTM EPS	15.9x	12.1x	16.3x	16.4x	19.0x
Transaction Price / Book Value	160.8%	130.0%	147.7%	157.6%	185.4%
Transaction Price / Tangible Book Value	162.4%	133.9%	157.0%	161.3%	185.4%
Core Deposit Premium	9.6%	5.2%	8.2%	9.0%	12.7%
1-Day Market Premium	53.9%	32.0%	40.1%	46.1%	54.2%

No company or transaction used as a comparison in the above selected transaction analysis is identical to River Valley or the proposed merger. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

Relative Contribution Analysis. KBW analyzed the relative standalone contribution of German American and River Valley to various pro forma balance sheet and income statement items and the pro forma market capitalization of the combined entity. This analysis excluded purchase accounting adjustments or cost savings. To perform this analysis, KBW used (i) balance sheet and LTM earnings data for German American and River Valley as of, or for the period ended, June 30, 2015, (ii) EPS estimates for German American taken from publicly available consensus "street estimates" and earnings estimates for River Valley provided by River Valley management, and (iii) market price data as of October 23, 2015. The results of KBW's analysis are set forth in the following table, which also compares the results of KBW's analysis with the pro forma ownership percentages of German American and River Valley shareholders in the combined company based on both the 0.770x actual exchange ratio of the stock consideration in the proposed merger and also an illustrative exchange ratio assuming hypothetical 100% stock consideration in the proposed merger calculated using the implied value of the merger consideration of $34.48 per share of River Valley common stock and the closing price of German American common stock on October 23, 2015:

	German American as a % of Total	River Valley as a % of Total
Ownership		
Ownership at 0.770x Exchange Ratio	87.3%	12.7%
Ownership Assuming Hypothetical 100% Stock Consideration	82.9%	17.1%
Balance Sheet		
Assets	81.3%	18.7%
Gross Loans	81.5%	18.5%
Deposits	81.3%	18.7%
Common Equity	81.5%	18.5%
Tangible Common Equity	80.1%	19.9%
Income Statement		
LTM Earnings	84.8%	15.2%
2015 Earnings	84.4%	15.6%
2016 Earnings	84.3%	15.7%
2017 Earnings	84.4%	15.6%
Market Capitalization		
Market Capitalization	88.3%	11.7%

Pro Forma Financial Impact Analysis. KBW performed a pro forma financial impact analysis that combined projected income statement and balance sheet information of German American and River Valley. Using closing balance sheet estimates as of March 31, 2016 for German American and River Valley per their respective managements, EPS estimates for German American taken or derived from publicly available consensus "street estimates" per German American management and financial forecasts and projections relating to the earnings of River Valley provided by River Valley management, and pro forma assumptions (including purchase accounting adjustments, cost savings and related expenses) provided by German American management, KBW analyzed the potential financial impact of the merger on certain projected financial results. This analysis indicated that the merger could be accretive to German American's 2016, 2017 and 2018 estimated EPS (assuming the impact of one-time, merger-related charges at closing and no additional impact to earnings of one-time, merger-related charges), accretive to German American's estimated closing book value per share as of March 31, 2016 and dilutive to German American's estimated closing tangible book value per share as of March 31, 2016. Furthermore, the analysis indicated that, pro forma for the proposed merger, each of German American's tangible common equity to tangible assets ratio, Tier 1 leverage ratio, Tier 1 Risk-Based Capital Ratio and Total Risk-Based Capital Ratio as of March 31, 2016 could be lower. For all of the above analyses, the actual results achieved by German American following the merger will vary from the projected results, and the variations may be material.

Discounted Cash Flow Analysis. KBW performed a discounted cash flow analysis to estimate a range for the implied equity value of River Valley. In this analysis, KBW used financial forecasts and projections relating to the earnings and assets of River Valley prepared by and provided to KBW by River Valley management, and assumed discount rates ranging from 15.0% to 19.0%. The range of values were derived by adding (i) the present value of the estimated free cash flows that River Valley could generate over the period from 2015 to 2020 as a standalone company, and (ii) the present value of River Valley's implied terminal value at the end of such period. KBW assumed that River Valley would maintain a tangible common equity to tangible assets ratio of 8.00% and would retain sufficient earnings to maintain that level. In calculating the terminal value of River Valley, KBW applied a range of 10.0x to 14.0x estimated 2020 earnings. This discounted cash flow analysis resulted in a range of implied value per River Valley common share of $22.36 to $30.60.

The discounted cash flow analysis is a widely used valuation methodology, but the results of such methodology are highly dependent on the assumptions that must be made, including asset and earnings growth rates, terminal values, dividend payout rates, and discount rates. The analysis did not purport to be indicative of the actual values or expected values of River Valley.

Miscellaneous. KBW acted as financial advisor to River Valley in connection with the proposed merger and did not act as an advisor to or agent of any other person. As part of its investment banking business, KBW is continually engaged in the valuation of bank and bank holding company securities in connection with acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for various other purposes. As specialists in the securities of banking companies, KBW has experience in, and knowledge of, the valuation of banking enterprises. In the ordinary course of their broker-dealer activities and further to certain existing sales and trading relationships, KBW and its affiliates may from time to time purchase securities from, and sell securities to, River Valley and German American. As a market maker in securities, KBW and its affiliates may from time to time have a long or short position in, and buy or sell, debt or equity securities of River Valley and German American for their own accounts and for the accounts of their customers.

Pursuant to the KBW engagement agreement, River Valley agreed to pay KBW a total cash fee equal to 1.25% of the aggregate merger consideration, $25,000 of which became payable after execution of KBW's engagement agreement and $150,000 of which became payable to KBW upon the rendering of its opinion and the balance of which is contingent upon the consummation of the merger. River Valley also agreed to reimburse KBW for reasonable out-of-pocket expenses and disbursements incurred in connection with its retention and to indemnify KBW against certain liabilities relating to or arising out of KBW's engagement or KBW's role in connection therewith. In addition to this present engagement, during the two years preceding the date of its opinion, KBW has provided investment banking and financial advisory services to River Valley and received compensation for such services. Specifically, KBW acted as an underwriter in connection with the registered follow-on offering of River Valley in July 2014 for which services KBW received an aggregate fee of approximately $950,000. During the two years preceding the date of its opinion, KBW has not provided investment banking and financial advisory services to German American for which KBW received compensation. KBW may in the future provide investment banking and financial advisory services to River Valley or German American and receive compensation for such services.

Interests of River Valley's Directors and Executive Officers in the Merger

When you consider the recommendation of the River Valley board of directors to approve the merger agreement and the merger, you should be aware that certain of River Valley's directors and executive officers may have (or have had) interests in connection with the merger that are (or were) different from, or in addition to, your interests as shareholders generally and that may present actual or apparent conflicts of interests.

Cash Payment for Outstanding Options. The merger agreement obligates German American to pay cancellation payments to the holders of outstanding options in connection with the closing of the merger. The cancellation payment for each stock option for a share of River Valley common stock shall be an amount payable in cash equal to (i) $9.90 plus the 0.770 multiplied by the Average GABC Closing Price, adjusted for any Shortfall Adjustment (as defined in the merger agreement) under Section 1.03(c), less (ii) the option exercise price per share, and less (iii) any applicable withholding taxes. German American estimates that (assuming that the market value of German American's shares does not vary materially from its market value at about the time of this proxy statement/prospectus) the aggregate of such cancellation payments will be approximately $557,472 of which $382,408 will be

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payable to persons who are executive officers or directors of River Valley or of River Valley Financial. Further, all outstanding awards of options that River Valley has issued to employees or directors of River Valley or River Valley Financial, if and to the extent that they are not yet vested at the effective time of the merger, will become vested as of the date of River Valley shareholder approval of the merger, including options for 15,500 shares granted to directors and executive officers.

Treatment of Restricted Stock. Subject to any consent required of any holder of restricted stock, shares of restricted stock subject to transfer restrictions immediately prior to the effective time of the merger shall have those restrictions lapse at closing and such shares shall be converted into the merger consideration. The executive officers and directors of River Valley hold 18,500 shares of River Valley restricted stock.

Change of Control Payments. River Valley has entered into employment agreements with each of Matthew P. Forrester, President and Chief Executive Officer, Anthony D. Brandon, Executive Vice President and John Muessel, Vice President Trust Services. The execution of the merger agreement and/or the consummation of the transactions contemplated by the merger results in an obligation to pay to those employees change in control benefits estimated at $646,333, $390,824 and $227,312, respectively. Those amounts will be paid to such employees at the closing of the merger.

Section 280G of the Code provides that payments related to a change in control that equal or exceed three times an individual's "base amount" (defined as average annual taxable compensation over the five preceding calendar years) constitute "excess parachute payments." If the change in control payments exceed three times the individual's base amount, the Code imposes a 20% excise tax on the amount that exceeds the individual's base amount and Section 280G of the Code limits the employer's deduction to the base amount. The lump sum payments made to the executives in connection with the change in control will be limited so that the payments will not constitute excess parachute payments.

Employment Agreements. The closing of the merger is conditioned upon German American entering into employment agreements with three current officers of River Valley (Messrs. Forrester, Brandon, and Muessel), which agreements will become effective upon the effective time of the merger. Under these employment agreements, Mr. Forrester will be paid an annual salary of $175,000, with guaranteed annual W-2 reported compensation of $275,000 (less applicable deductions and withholdings) for 2016, 2017 and 2018. Mr. Brandon will be paid an annual salary of $125,000, with guaranteed annual W-2 reportable compensation of $175,000 (less applicable deductions and withholdings) for 2016. Mr. Muessel will be paid an annual salary of $100,000, with guaranteed annual W-2 reportable compensation of $110,000 (less applicable deductions and withholdings) for 2016, 2017 and 2018.

Salary Continuation Agreement. Pursuant to the merger agreement, German American will assume the River Valley Financial Bank Salary Continuation Agreement with Mr. Forrester, as amended October 27, 2015. Under that Agreement, if Mr. Forrester's employment is terminated after October 27, 2016, and before age sixty-two, he will receive his accrued balance under the Salary Continuation Agreement, payable in a lump sum. If Mr. Forrester's employment is terminated after age sixty-two, but before age sixty-five, he will receive his accrued balance payable over 15 years. If Mr. Forrester's employment is terminated after age sixty-five, he will receive $50,000 per year over a 15-year period. As required under Section 409A of the Code, the payment of each of these benefits under the Salary Continuation Agreement, as amended, will be delayed five years after they would otherwise have been made under the Agreement.

Board Appointments. The merger agreement obligates German American to appoint one person who is currently a member of the River Valley board of directors (chosen by German American after consultation with River Valley) to the German American board of directors and to appoint all independent directors who are currently members of the River Valley Financial board of directors, other than the director appointed to German American's board, to be appointed to a newly-created Regional Advisory Board of German American. Each of such persons will be entitled to receive compensation from German American for their services on these boards. As of the date of this proxy statement/prospectus, it has not yet been determined which River Valley director will be appointed to the German American board of directors.

Indemnification and Continued Director and Officer Liability Coverage. From and after the effective time of the merger, German American has agreed to indemnify and hold harmless each present and former director, manager and officer of River Valley and each of its subsidiaries (each, an "Indemnified Party") against any costs or expenses (including reasonable attorneys' fees), judgments, fines, losses, claims, damages or liabilities incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of or pertaining to matters existing or occurring at or prior to the effective time, whether asserted or claimed prior to, at or after the effective time, to the same extent (and subject to the making of the same findings as to eligibility for such indemnification and/or advancement of expenses) that such Indemnified Party would have been indemnified (or entitled to advancement of expenses) as a director, manager or officer of River Valley or any of its subsidiaries, under applicable Indiana law or any organizational documents of River Valley and any of its subsidiaries as in effect as of the date of the merger agreement. In addition, German American has agreed to provide directors' and officers' liability insurance coverage for a period of three (3) years following the effective time of the merger to the persons serving as officers, managers and directors of River Valley and any of its subsidiaries immediately prior to the effective time of the merger under the directors' and officers' liability insurance policy currently maintained by River Valley or under a policy with comparable or better coverage; provided that German American is not obligated to pay more than 150% of the annual premium paid by River Valley for such insurance. If the cost of insurance exceeds such limit, German American will use its reasonable efforts to obtain as much comparable coverage as possible.

River Valley Financial's Incentive Plans. On or prior to the effective time of the merger, River Valley Financial will terminate the 2014 River Valley Financial Bank Incentive Plan and the 2015 River Valley Financial Bank Incentive Plan, and any amounts accrued thereunder will be paid to participants in these plans on or prior to the effective date of the closing.

Director Deferred Compensation Master Agreement. River Valley Financial, prior to the closing of the merger, will terminate its Director Deferred Compensation Master Agreement and, pursuant to its terms, pay participants in that plan the present value of benefits that would otherwise be payable under that plan. The aggregate payments to be made to present directors and a former director are estimated at $1,808,271, which payments are $699,281 over the amount that would have been accrued at January 31, 2016, had there been no merger.

The board of directors of River Valley was aware of these differing interests and potential conflicts and considered them, among other matters, in evaluating and negotiating the merger agreement with German American and in recommending that River Valley's shareholders approve and adopt the proposals to be voted upon at the special meeting.

Regulatory Approvals

On December 18, 2015, German American submitted a request to the Federal Reserve Bank of St. Louis, acting as the delegate of the Board of Governors of the Federal Reserve System under the Bank Holding Company Act, for a determination by the Reserve Bank that German American need not submit an application for approval of the merger under that Act.

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In addition, the banking subsidiary of German American submitted an application to the Federal Deposit Insurance Corporation on November 23, 2015, seeking approval by the FDIC of the merger of River Valley Financial into German American's banking subsidiary.

Further, the banking subsidiary of German American submitted an application to the Indiana Department of Financial Institutions on November 23, 2015, seeking approval by the Indiana Department of Financial Institutions of the merger of River Valley Financial into German American's banking subsidiary.

German American cannot be certain when or if such waivers or approvals will be received.

Exchange Agent

German American has appointed Computershare, Inc. ("Computershare") as its exchange agent for purposes of exchanging River Valley shares held by its shareholders for the merger consideration.

Dividends and Distributions

Under the terms of the merger agreement, prior to the closing of the merger, River Valley is prohibited from declaring or paying any cash dividend or other distribution to River Valley shareholders, except River Valley's quarterly cash dividend in an amount not to exceed $0.23 per share; provided, however, River Valley and German American shall coordinate River Valley's dividend schedule for the quarter in which the merger closing occurs so that River Valley's shareholders do not receive dividends for shares of both German American common stock and River Valley common stock for the same calendar quarter.

Material U.S. Federal Income Tax Consequences

German American and River Valley expect the merger to qualify as a "reorganization" (within the meaning of Section 368(a) of the Code) for U.S. federal income tax purposes. If the merger qualifies as a reorganization, then, in general, for U.S. federal income tax purposes, as a result of the merger:

- River Valley shareholders will recognize gain (but not loss) in an amount not to exceed the cash received as part of the merger consideration and will recognize gain or loss with respect to any cash received in lieu of fractional shares of German American common stock; and

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

See "MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES" beginning on page 128 for a summary of the material U.S. federal income tax consequences of the merger to U.S. holders of River Valley common stock.

Because individual circumstances may differ, each shareholder should, at their own expense, consult such shareholder's tax advisor regarding the applicability of the rules discussed in this proxy statement/prospectus to the shareholder and the particular tax effects to the shareholder of the merger and the holding or disposing of German American shares in light of such shareholder's particular circumstances, the application of state, local and foreign tax laws, and, if applicable, the tax consequences of (a) the transactions described in this proxy statement/prospectus relating to equity compensation and benefit plans, and (b) the receipt of any pre-merger cash dividends from River Valley.

Anticipated Accounting Treatment

The merger will be accounted for under the acquisition method of accounting. Under the acquisition method, the purchase price will be allocated to identifiable assets and assumed liabilities

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based on their fair values. Any excess will be accounted for as goodwill. Intangible assets with definite lives will be amortized over their estimated useful lives. Goodwill and intangible assets determined to have indefinite lives will not be amortized, but will be tested for impairment at least annually (more frequently if certain indicators are present). In the event that management of German American determines that the value of goodwill or intangible assets has become impaired, an impairment charge will be recorded in the fiscal quarter in which such determination is made. Also, costs related to the merger will be expensed during the period in which they are incurred.

Sources of Funds

The cash portion of the aggregate merger consideration, including cash amounts required to settle fractional interests and to fund the cash payments to River Valley shareholders and holders of options to purchase River Valley common shares, is expected to be funded from cash on hand at German American at the time of closing.

THE MERGER AGREEMENT

The following summary describes material provisions of the merger agreement. This summary does not purport to be complete and may not contain all of the information about the merger agreement that is important to you. This summary is subject to, and qualified in its entirety by reference to, the merger agreement, which is attached to this proxy statement/prospectus as Annex A and is incorporated by reference into this proxy statement/prospectus. You are urged to read the merger agreement carefully and in its entirety, as it is the legal document governing the merger.

The merger agreement summary below is included in this proxy statement/prospectus only to provide you with information regarding the terms and conditions of the merger agreement, and not to provide any other factual information regarding German American, River Valley or their respective businesses. Accordingly, the representations and warranties and other provisions of the merger agreement should not be read alone, but instead should be read only in conjunction with the information provided elsewhere in this proxy statement/prospectus and in the documents incorporated by reference into this document. See also "WHERE YOU CAN FIND MORE INFORMATION" on page 133.

The representations, warranties and covenants contained in the merger agreement and described in this proxy statement/prospectus

- were made only for purposes of the merger agreement and as of specific dates and may be subject to more recent developments,
- were made solely for the benefit of the parties to the merger agreement,
- may be subject to limitations agreed upon by the contracting parties, including being qualified by reference to confidential disclosures,
- were made for the purposes of allocating risk between parties to the merger agreement instead of establishing these matters as facts, and
- may apply standards of materiality in a way that is different from what may be viewed as material by you or by other investors.

Accordingly, these representations and warranties alone may not describe the actual state of affairs as of the date they were made or at any other time. The representations and warranties contained in the merger agreement do not survive the effective time of the merger.

General

The merger agreement provides for the merger of River Valley with and into German American, with German American surviving the merger and continuing under the name "German American Bancorp, Inc." Immediately following the merger of River Valley with German American, River Valley Financial will merge with and into German American Bancorp (the bank subsidiary of German American), with German American Bancorp surviving the merger and continuing under the name "German American Bancorp."

Time of Completion

Unless the parties agree otherwise and unless the merger agreement has otherwise been terminated, the closing of the merger will take place on the first day of the month following (i) the shareholders of River Valley having approved and adopted the merger agreement and the Articles Amendment, (ii) the expiration of all waiting periods in connection with either the bank regulatory applications filed for approval of the merger or stock market requirements and (iii) the satisfaction of all other conditions to closing of the transaction described in the merger agreement (the "Closing Date") See "THE MERGER AGREEMENT Conditions to Completion of the Merger" on page 72.

We are working diligently to complete the merger quickly. We currently expect that the merger will be closed on February 1, 2016. However, because completion of the merger is subject to regulatory approvals and other conditions that have not yet been obtained and are beyond our control, we cannot guarantee the actual timing.

Consideration to be Received in the Merger

If the merger is completed, the shares of River Valley common stock that you own immediately before the completion of the merger will be converted into a right to receive shares of German American common stock and cash. At the effective time of the merger, each issued and outstanding share of River Valley common stock will be converted into the right to receive (i) 0.770 shares of German American common stock (and cash in lieu of any fractional share interests), plus (ii) a cash payment of $9.90 (subject to reduction as described below). Fractional shares of German American common stock will be paid for in cash equal to the product of the fractional share and the volume weighted average of the trading prices of German American common stock, rounded to the nearest cent, during the twenty trading days ended on the trading day that is the second business day preceding the closing date for the merger, as reported by Bloomberg L.P. (the "Average GABC Closing Price").

Calculation of Possible Reduction in Cash Payment

The merger agreement provides that the cash payment payable by German American to River Valley's shareholders is subject to reduction in the event that River Valley's "Effective Time Book Value" is less than (i) $53.250 million if the Closing Date is earlier than March 1, 2016, or (ii) $53.883 million assuming the Closing Date is not earlier than March 1, 2016. The dollar amount by which such target, as applicable, is not satisfied is referred to in the merger agreement as the "Shortfall," which will be determined (if it exists) by the parties at the merger closing in accordance with the merger agreement as follows:

For purposes of determining whether there exists (and, if so, the dollar amount of) any Shortfall, the merger agreement defines a term "Effective Time Book Value," which will be calculated using the estimated shareholders' equity of River Valley as of the end of the month prior to the effective time of the merger determined in accordance with United States generally accepted accounting principles ("GAAP") to the reasonable satisfaction of German American no earlier than three business days prior to the Closing Date, and which shall reflect an allowance for loan and lease losses (the "Allowance") calculated in a manner consistent with River Valley Financial's historical practices;

The merger agreement specifies that the Effective Time Book Value shall reflect all after-tax accruals for all of River Valley's and any of its subsidiaries' fees, expenses and costs relating to the mergers (regardless of whether GAAP would require that such obligations be accrued as liabilities as of the merger's effective time), including but not limited to those incurred by River Valley or any of its subsidiaries in negotiating the terms of the mergers, preparing, executing and delivering the merger agreement, change of control or severance payments payable to officers or directors as a result of the mergers, additional accruals required pursuant to any director deferred compensation or employee salary continuation agreements, obtaining shareholder and regulatory approvals, and closing the mergers, and including fees, expenses and costs that might not be deemed earned or become payable until after the effective time of the merger, such as but not limited to investment banking fees and similar payments for services performed prior to the effective time that may not be deemed earned unless and until the mergers have become effective.

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In computing the Effective Time Book Value, the merger agreement expressly provides that (1) no termination or withdrawal fees for River Valley's Pentegra Defined Benefit Plan for Financial Institutions (the "Pentegra Plan") shall be accrued, (2) any changes to the value of River Valley Financial's investment portfolio attributed to ASC 320, whether upward or downward, from June 30, 2015 until the measurement date will not be considered, (3) any fees payable upon the termination of contracts (including the Jack Henry data processing contracts) other than those identified for termination in the merger agreement will not be considered in calculating the Effective Time Book Value, and (4) gains on sales of securities by River Valley or any of its subsidiaries incurred after June 30, 2015, will not be considered in calculating the Effective Time Book Value.

In the event of such a Shortfall, then the cash payment amount shall be reduced by a per share amount (rounded to the nearest whole cent) equal to the quotient obtained by dividing the dollar amount of the Shortfall by 2,552,762. Assuming the closing occurs on February 1, 2016, River Valley estimates that a Shortfall will not exist and no adjustment to the cash consideration would be necessary.

Exchange of Certificates

Computershare (German American's transfer agent and registrar) will act as the exchange agent and handle the exchange of River Valley stock certificates for certificates representing German American's shares and any cash consideration that may be payable to River Valley shareholders. Promptly following the effective time of the merger, the exchange agent will send a letter of transmittal to each former River Valley shareholder who holds one or more stock certificates. The letter of transmittal will contain instructions explaining the procedure for surrendering River Valley stock certificates. You should NOT return stock certificates with the enclosed proxy card.

River Valley shareholders who surrender their stock certificates, together with a properly completed letter of transmittal, will receive certificates for the shares of German American's common stock into which their shares of River Valley common stock were converted pursuant to the merger and a check for the amount of cash consideration (if any) to which such shareholder is entitled.

After the merger, each certificate that previously represented shares of River Valley common stock will only represent the right to receive:

- certificates representing the shares of German American's common stock into which those shares of River Valley common stock have been converted;
- cash in the amount of the cash merger consideration, if any; and
- cash in lieu of any fractional share of German American common stock.

After the completion of the merger, River Valley will not register any transfers of shares of River Valley common stock.

River Valley Restrictions

Under the merger agreement, River Valley has agreed to certain restrictions on its activities until the merger is completed or terminated. In general, River Valley and its subsidiaries are required to conduct their respective businesses and to discharge or incur obligations and liabilities only in the ordinary course of business, as conducted prior to the execution of the merger agreement.

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The following is a summary of the more significant items which River Valley and its subsidiaries cannot take without German American's prior consent, subject to the exceptions set forth in the merger agreement:

- declaring or paying any dividends on shares of River Valley common stock or making any other distribution to shareholders, except River Valley's quarterly cash dividend in an amount not to exceed $0.23 per share; provided, however, River Valley and German American shall coordinate River Valley's dividend schedule for the quarter in which the merger closing occurs so that River Valley's shareholders do not receive dividends for shares of both German American common stock and River Valley common stock for the same calendar quarter;

- issuing or agreeing to issue any stock (except for the issuance of shares upon the exercise of stock options) or any options, warrants or other rights to subscribe for or purchase common or any other capital stock or securities convertible into or exchangeable for any capital stock;

- redeeming, purchasing or otherwise acquiring any of the common or any other capital stock or trust preferred securities of River Valley or any of its subsidiaries;

- effecting a stock split, reverse split, reclassification or other similar change in any common or other capital stock or otherwise reorganizing or recapitalizing;

- changing the organizational documents of River Valley or any of its subsidiaries;

- except as separately set forth in the merger agreement or agreed to by German American, paying or agreeing to pay any bonus, additional compensation (other than ordinary and normal bonuses and salary increases consistent with past practices) or severance benefit or otherwise making any changes out of the ordinary course of business with respect to the fees or compensation payable or to become payable to consultants, advisors, investment bankers, brokers, attorneys, accountants, directors, officers or employees;

- except as separately set forth in the merger agreement or agreed to by German American or required by law, adopting or making any change in any employee benefit plan or other arrangement or payment made to, for or with any of such consultants, advisors, investment bankers, brokers, attorneys, accountants, directors, officers or employees;

- borrowing or agreeing to borrow any material amount of funds except in the ordinary course of business, or directly or indirectly guaranteeing or agreeing to guarantee any material obligations of others except in the ordinary course of business or pursuant to outstanding letters of credit;

- making or committing to make loans or loan commitments or renewals of loans, or purchasing loan participations, in amounts exceeding certain specified amounts;

- purchasing or otherwise acquiring any investment security for the accounts of River Valley or its subsidiaries, or selling any investment security owned by any of them which is designated as held-to-maturity, or engaging in any activity that would require the establishment of a trading account for investment securities;

- increasing or decreasing the rate of interest paid on time deposits, or on certificates of deposit, except in a manner and pursuant to policies consistent with past practices;

entering into or amending any material agreement, contract or commitment out of the ordinary course of business;

except in the ordinary course of business, placing on any of their assets or properties any mortgage, pledge, lien, charge, or other encumbrance;

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except in the ordinary course of business, canceling, releasing, compromising or accelerating any material indebtedness owing to River Valley or any of its subsidiaries, or any claims which any of them may possess, or voluntarily waiving any material rights with respect thereto;

selling or otherwise disposing of any real property or any material amount of any personal property other than properties acquired in foreclosure or otherwise in the ordinary course of collection of indebtedness;

foreclosing upon or otherwise taking title to or possession or control of any real property (other than certain single-family, non-agricultural residential property) without first obtaining a phase one environmental report thereon, prepared by a reliable and qualified person or firm reasonably acceptable to German American, which does not indicate the presence of material or reportable quantities of pollutants, contaminants or hazardous or toxic waste materials on the property;

committing any act, or failing to do any act, that causes a material breach of any material lease, agreement, contract or commitment;

violating any law, statute, rule, governmental regulation or order, which violation might have a "material adverse effect" as defined in the merger agreement;

purchasing any real or personal property or making any other capital expenditure where the amount paid or committed therefor is in excess of certain individual and aggregate threshold dollar amounts, other than purchases of property made in the ordinary course of business in connection with loan collection activities or foreclosure sales in connection with any of River Valley Financial's loans;

issuing certificate(s) for shares of River Valley common stock to any River Valley shareholder in replacement of certificate(s) claimed to have been lost or destroyed without first obtaining from such shareholder(s), at the expense of such shareholder(s), a surety bond from a recognized insurance company in an amount that would indemnify River Valley (and its successors) against loss on account of such lost or destroyed certificate(s) (in an amount not less than 150% of the amount that German American's transfer agent would require in the case of lost or destroyed stock certificates of equal value of German American common stock), and obtaining a usual and customary affidavit of loss and indemnity agreement from such shareholder(s);

holding a special, regular or annual meeting (or take action by consent in lieu thereof) of the board of directors, managers or shareholders, as applicable, of River Valley or any of its subsidiaries for the purpose of appointing or electing any new member to the board of directors or as a manager of River Valley or any of its subsidiaries (whether to fill a vacancy or otherwise) unless such new member of the board of directors or manager is approved in advance in writing by German American;

making or changing any election, changing an annual accounting period, adopting or changing any accounting method, filing any amended tax returns, entering into any closing agreement, settling any tax claim or assessment relating to River Valley or any of its subsidiaries, surrendering rights to claim a refund of taxes, consenting to any extension or waiver of the limitation period applicable to any tax claim or assessment relating to River Valley or any of its subsidiaries, or taking any other similar action relating to the filing of any tax return or the payment of any tax, except as required by law;

merging, combining, or consolidating with or, other than in the ordinary course of business consistent with past practice, selling the assets or the securities of River Valley or any of its subsidiaries to any other person, corporation, or entity, effecting a share exchange or entering into any other transaction not in the ordinary course;

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failing to make additions to River Valley Financial's reserves for loan losses, or any other reserve account, in the ordinary course of business and in accordance with sound banking practices; or

agreeing in writing to take any of the foregoing actions.

In addition, River Valley agreed to notify German American in writing of the occurrence of any matter or event known to River Valley that is, or is likely to have a "material adverse effect" on the business, operations, properties, assets or financial condition of River Valley or any of its subsidiaries, as that term is defined in the merger agreement.

River Valley Non-Solicitation and Non-Discussion Covenants

River Valley has agreed that, until the effective time of the merger or until the termination of the merger agreement, except with the written approval of German American or to the extent required under the fiduciary duties applicable to the River Valley directors under Indiana law, River Valley will neither permit nor authorize its directors, officers, employees, agents or representatives (or those of its subsidiaries) to, directly or indirectly, initiate, solicit or encourage, or provide information to, any corporation, association, partnership, person or other entity or group concerning any merger, consolidation, share exchange, combination, purchase or sale of substantial assets, sale of shares of common stock (or securities convertible or exchangeable into or otherwise evidencing, or any agreement or instrument evidencing the right to acquire, capital stock) or similar transaction relating to River Valley or any of its subsidiaries or to which River Valley or any of its subsidiaries or their respective shareholders or members may become a party (all such transactions are referred to in this proxy statement/prospectus as "acquisition transactions"). River Valley also agreed to promptly communicate to German American the terms of any inquiry, proposal, indication of interest, or offer which River Valley or any of its subsidiaries receives with respect to an acquisition transaction.

River Valley Board Recommendation Requirements

The merger agreement contains provisions that require River Valley's board of directors to submit the merger agreement and Articles Amendment to consideration by River Valley's shareholders at the special meeting. Unless precluded by applicable fiduciary duties, the board of directors, acting unanimously, must recommend that River Valley's shareholders approve the Articles Amendment and the merger agreement and the plan of merger.

German American Covenants

German American has agreed to use its best efforts to perform and fulfill all conditions and obligations to be performed or fulfilled under the merger agreement and to effect the merger in accordance with the terms and conditions set forth in the merger agreement. German American has also agreed to file or cooperate with River Valley in filing all regulatory applications required in order to consummate the merger, and the merger of River Valley Financial into German American Bancorp, including all necessary applications for the prior approvals (if not waived) of the Federal Reserve Board under the Bank Holding Company Act and of the Indiana Department of Financial Institutions and the Federal Deposit Insurance Corporation. German American has agreed to keep River Valley reasonably informed as to the status of such applications and promptly send or deliver copies of such applications, and of any supplementally filed materials, to counsel for River Valley.

The merger agreement also contains certain covenants relating to employee benefits, employee benefit plans, and other matters pertaining to officers and directors (see "THE MERGER AGREEMENT Employee Benefit Matters" and "THE MERGER Interests of River Valley's Directors and Executive Officers in the Merger").

Representations and Warranties

River Valley and German American. The merger agreement contains representations and warranties made by River Valley and German American. These include, among other things, representations relating to:

- due corporate organization and existence;
- capitalization;
- corporate power and authority to enter into the merger and the merger agreement;
- subsidiaries;
- financial information;
- agreements with banking authorities;
- litigation;
- environmental matters;
- compliance with laws; and
- broker's, finder's or other fees.

German American. German American represents and warrants to River Valley in the merger agreement regarding, among other things:

- compliance with and accuracy of SEC filing requirements, including internal control requirements;
- filing of necessary reports with regulatory authorities;
- accuracy of statements made and materials provided to River Valley; and
- absence of material adverse changes in financial condition since December 31, 2014.

River Valley. River Valley makes additional representations and warranties to German American in the merger agreement relating to, among other things:

- absence of defaults;

tax and regulatory matters;

filing of reports;

loans and investments;

employee benefit plans and employment matters;

title to assets;

insurance;

material contracts;

compliance with Americans with Disabilities Act;

absence of undisclosed liabilities;

securities law compliance; and

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absence of any events, since June 30, 2015, having a "material adverse effect" on the financial position, results of operations or business of River Valley and its subsidiaries taken as a whole, as that term is defined in the merger agreement, except as set forth in the merger agreement.

Conditions to Completion of the Merger

Closing Conditions for the Benefit of German American. German American's obligations are subject to fulfillment of the following conditions (unless such conditions may by law be waived and German American elects to waive them):

truth of representations and warranties of River Valley and River Valley Financial in all material respects as of the closing date (except for such changes since the date of the merger agreement as have not had, and cannot reasonably be expected to have, when considered together with all such other changes, any effect that constitutes a "material adverse effect" as defined by the merger agreement). For purposes of the merger agreement, "material adverse effect" means any effect that (i) is material and adverse to the financial position, results of operations, or business of River Valley and its subsidiaries taken as a whole or German American and German American Bancorp taken as a whole, as applicable, or (ii) would materially impair the ability of River Valley or German American, as applicable, to perform its obligations under the merger agreement; provided, however, that material adverse effect shall not be deemed to include the impact of (a) changes in banking and similar laws of general applicability to banks or their holding companies or interpretations thereof by courts or governmental authorities, (b) GAAP or regulatory accounting requirements applicable to banks or their holding companies generally, (c) any modifications or changes to valuation policies and practices in connection with the mergers or restructuring charges taken in connection with the merger, in accordance with GAAP, (d) effects of any action taken with the prior written consent of the other party, (e) changes in the general level of interest rates, or circumstances that affect the United States economy, financial or securities markets or the banking industry, generally, (f) changes resulting from expenses (such as legal, accounting and investment bankers' fees) incurred in connection with the merger or transactions contemplated by the merger agreement, (g) the impact of the announcement of the merger agreement and the transactions contemplated thereby, and compliance with the merger agreement on the business, financial condition or results of operations of River Valley and its subsidiaries, or German American and German American Bancorp, as applicable, and (h) the occurrence of any military or terrorist attack within the United States or any of its possessions or offices; provided that no change in the trading price of German American common stock shall by itself be considered a material adverse effect.

performance by River Valley and River Valley Financial in all material respects of their agreements under the merger agreement;

approval of the merger and Articles Amendment by River Valley shareholders;

absence of any restraining order, preliminary or permanent injunction or other order issued by a court of competent jurisdiction, or any proceeding by any bank regulatory authority, governmental agency or other person seeking any of the above;

receipt of all necessary regulatory approvals (without burdensome conditions);

receipt from River Valley at closing of certain items set forth in the merger agreement;

receipt of an opinion of Bingham Greenebaum Doll LLP that, for U.S. federal income tax purposes, the merger will be treated as a "reorganization" within the meaning of Section 368(a) of the Code;

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- a commitment from a national title company selected by German American to issue at the closing of the merger any title policies required by German American; and

- receipt of a letter of tax advice to the effect that any amounts that are paid by River Valley Financial or River Valley before the effective time of the merger, or required under applicable employment agreements, or the merger agreement (or other plans or agreements entered into in connection with the merger agreement) to be paid at or after the effective time, to persons who are disqualified individuals in respect of River Valley, its subsidiaries or their successors, and that otherwise should be allowable as deductions for federal income tax purposes, should not be disallowed as deductions for such purposes by reason of Section 280G of the Code.

Closing Conditions for the Benefit of River Valley. River Valley's obligations are subject to fulfillment of the following conditions (unless such conditions may by law be waived and River Valley elects to waive them):

- truth of representations and warranties of German American (and its subsidiary bank) in all material respects as of the closing date (except for such changes since the date of the merger agreement as have not had, and cannot reasonably be expected to have, when considered together with all such other changes, any effect that constitutes a "material adverse effect" as defined by the merger agreement);

- performance by German American (and its subsidiary bank) in all material respects of their agreements under the merger agreement;

- approval of the merger and Articles Amendment by River Valley shareholders;

- absence of any restraining order, preliminary or permanent injunction or other order issued by a court of competent jurisdiction, or any proceeding by any bank regulatory authority, governmental agency or other person seeking any of the above;

- receipt of all necessary regulatory approvals;

- receipt from German American at closing of certain items set forth in the merger agreement;

- receipt of an opinion of Bingham Greenebaum Doll LLP that, for U.S. federal income tax purposes, the merger will be treated as a "reorganization" within the meaning of Section 368(a) of the Code and that no gain or loss will be recognized by shareholders of River Valley to the extent they receive shares of German American common stock in the holding company merger in exchange for their shares of River Valley common stock, except that gain will be recognized with respect to any cash received and that gain or loss will be recognized with respect to any cash received in lieu of fractional shares; and

- receipt of a letter of tax advice to the effect that any amounts that are paid by River Valley Financial or River Valley before the effective time of the merger, or required under applicable employment agreements, or the merger agreement (or other plans or agreements entered into in connection with the merger agreement) to be paid at or after the effective time, to persons who are disqualified individuals in respect of River Valley, its subsidiaries or their successors, and that otherwise should be allowable as deductions for federal income tax purposes, should not be disallowed as deductions for such purposes by reason of Section 280G of the Code.

Termination

The merger agreement may be terminated by mutual consent of German American and River Valley at any time prior to the filing of articles of merger with respect to the merger with the Indiana Secretary of State. Additionally, subject to conditions and circumstances described in the merger

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agreement, either German American or River Valley may terminate the merger agreement if any of the following occur:

- the other party has breached any representation or warranty contained in the merger agreement (other than those breaches that do not have and would not reasonably be expected to have, individually or in the aggregate, a "material adverse effect" on the other party as defined by the merger agreement) which breach cannot be cured, or has not been cured within 30 days after the giving of written notice to the other party of such breach;

- the other party has breached in any material respect any of the covenants or agreements contained in the merger agreement, which breach cannot be cured, or has not been cured within 30 days after the giving of written notice to the other party of such breach;

- any of the conditions to the obligations of such party are not satisfied or waived on or prior to the closing date, and are not capable of being satisfied by June 30, 2016 immediately upon delivery of written notice thereof to the other party on the closing date;

- River Valley shareholders do not adopt the merger agreement or the Articles Amendment at the River Valley special meeting;

- in the event of certain adverse regulatory determinations;

- the merger has not been closed by June 30, 2016; or

- the other party has become a party or subject to any cease and desist order imposed by any federal or state banking agency.

German American may also terminate the merger agreement if any of the following occur:

- in the event there are certain adverse environmental reports or title defects with regard to real estate owned or leased by River Valley; or

- in the event River Valley breaches its notice obligations related to an acquisition transaction, or does not terminate all discussions, negotiations and information exchanges related to such inquiry, proposal, indication of interest or offer related to an acquisition transaction within 30 days after the first communication between River Valley or River Valley Financial and the third party and provide German American with written notice of such termination.

Termination Fee

German American may demand a $3,236,000 termination fee from River Valley, if the merger agreement is terminated by German American:

- due to River Valley breaching its notice obligations related to an acquisition transaction, or not terminating all discussions, negotiations and information exchanges related to such inquiry, proposal, indication of interest or offer related to an acquisition transaction within 30 days after the first communication between River Valley or River Valley Financial and the third party and providing German American with written notice of such termination,

- due to the failure of the River Valley board of directors to unanimously recommend the approval of the Articles Amendment and the merger agreement and related plan of merger to the River Valley shareholders, or due to the withdrawal by the River Valley board of directors of such recommendation after River Valley's receipt of a proposal for a business combination with any third party.

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Amendment and Waiver

Amendment. The merger agreement may only be amended or modified by a written agreement between the parties.

Waiver. At any time prior to the effective time of the merger, certain conditions of the merger may be waived by German American or River Valley. Any agreement on the part of a party to the merger agreement to any extension or waiver will be valid only if set forth in a written instrument signed on behalf of that party. The failure of any party to the merger agreement to assert any of its rights under the merger agreement or otherwise will not constitute a waiver of those rights.

Management and Operations After the Mergers

After the merger and the follow-up merger of River Valley Financial with and into German American Bancorp, German American will appoint one person who is currently a member of the River Valley board of directors (chosen by German American after consultation with River Valley) to the German American board of directors at the monthly meeting following the Closing Date, and no later than 30 days after the Closing Date. The person appointed will then be nominated for election to serve for a term of three years at the first annual meeting of the shareholders of German American for which nominations remain open following the person's appointment. As of the date of this proxy statement/prospectus, it has not yet been determined which River Valley director will be appointed to the German American board of directors. The board of directors of German American and of its banking subsidiary will otherwise be the same as the boards of directors of such companies immediately prior to the effective time of the merger. Information about the current German American directors and executive officers can be found in German American's Annual Report on Form 10-K for its year ended December 31, 2014, which is incorporated by reference into, and forms part of, this proxy statement/prospectus.

Employee Benefit Matters

Employees of River Valley and River Valley Financial, respectively, immediately prior to the merger who continue employment with German American and German American Bancorp, respectively, immediately following the merger will receive credit for prior service with River Valley or River Valley Financial (as applicable) for purposes of eligibility and vesting (but not benefit accruals) under any employee benefit plans maintained by German American at the time of the merger and made available to such employees of River Valley and River Valley Financial. Such employees will generally receive credit for accrued but unused vacation and sick time earned prior to the effective time of the merger up to 200 hours per employee.

All fully insured River Valley welfare benefit plans currently sponsored by River Valley shall continue as separate plans after the effective time of the merger, until such time as German American determines, in its sole discretion, that it will terminate any or all of such plans.

German American or one of its subsidiaries, as directed by German American, will assume the sponsorship of the River Valley Bancorp 401(k) Plan ("401(k) Plan"), effective as of the effective time of the merger. As permitted by the merger agreement, River Valley has amended its 401(k) Plan to permit employees hired before September 1, 2005, to receive matching contributions under the 401(k) Plan starting January 1, 2016. Such employees had previously been prohibited from receiving such contributions because of their participation in the Pentegra Plan.

River Valley, by resolution of its directors, has terminated the River Valley Bancorp Employee Stock Ownership Plan and Trust Agreement (Amended and Restated Effective January 1, 2012) ("ESOP") as of the day before the effective time of the merger. As soon as practicable following the approval of the merger by River Valley's shareholders, River Valley shall prepare a request for a determination letter from the IRS. Upon receipt of a favorable determination letter, German American shall promptly process distributions to participants and beneficiaries with respect to the ESOP.

German American will assume and honor the terms of the River Valley Financial Bank Split Dollar Insurance Plan.

As permitted by the merger agreement, River Valley has caused River Valley's portion of the Pentegra Plan to be amended so as to cease the future accrual of benefits effective December 31, 2015. Such cessation of accruals will affect only those employees who were hired prior to September 1, 2005, since employees hired on or after such date are not allowed to commence participation in the Pentegra Plan. German American intends to have German American or one its subsidiaries, as directed by German American, assume the sponsorship of the River Valley portion of the Pentegra Plan. Accordingly, upon receipt of direction from German American prior to the effective date of the merger that German American or one its subsidiaries will assume the sponsorship of the River Valley portion of the Pentegra Plan, River Valley Financial, by resolution of its directors, shall transfer sponsorship of its participation in the Pentegra Plan to German American or one of German American's subsidiaries, as directed by German American. In lieu of assuming sponsorship of the River Valley portion of the Pentegra Plan, German American retains the option and sole discretion, prior to the effective time of the merger: (A) to direct River Valley to withdraw from the Pentegra Plan and to direct River Valley to pay to the Pentegra Plan the amount associated with such withdrawal; (B) if German American decides to establish a successor plan, to direct River Valley to notify the administrator of the Pentegra Plan that a successor plan will be established and to direct River Valley to pay to the Pentegra Plan the amount associated with the establishment of a successor plan that will maintain the River Valley portion of the Pentegra Plan; or (C) to direct River Valley to undertake one or more other actions that are or become available with respect to the future of the River Valley portion of the Pentegra Plan. River Valley agrees to follow such directions from German American and to complete and make effective all actions directed by German American not later than the effective time of the merger.

Expenses

All expenses incurred in connection with the merger agreement, except for the costs of certain environmental investigations, will be paid by the party incurring the expenses, except that River Valley may be required to pay a termination fee of $3,236,000 to German American in the event the merger is terminated prior to the closing date under certain circumstances described under "THE MERGER AGREEMENT Termination Fee" above.

Voting Agreement

Each member of the board of directors of River Valley and certain executive officers of River Valley as of October 26, 2015, the date the merger agreement was executed, entered into a voting agreement with German American to cause all River Valley common stock owned by each of them of record or beneficially on such date to be voted in favor of the merger agreement proposal. As of the record date, the members of the River Valley board of directors and their affiliates together with the other persons executing the Voting Agreement had power to vote, or cause to be voted, an aggregate of 291,117 shares of River Valley common stock outstanding, representing 11.6% of the outstanding shares on that date.

PROPOSAL 2 PROPOSED AMENDMENT TO THE ARTICLES OF INCORPORATION OF RIVER VALLEY

Article 11 of the Articles of Incorporation of River Valley provides, in part, that "[n]o person shall directly or indirectly offer to acquire or acquire beneficial ownership of more than ten percent (10%) of any class of common stock of the Corporation." In the event that someone acquires shares in violation of Article 11, such party shall not be entitled to vote any shares in excess of the 10% limit in connection with any matters submitted to the shareholders of River Valley for a vote. Because it could be interpreted that German American is indirectly acquiring all of River Valley's outstanding shares in connection with the merger, River Valley and German American believe it is prudent that Article 11 be repealed as part of the transaction.

Article 11 provides that the affirmative vote of the holders of at least 80% of the outstanding shares of River Valley common is required to amend or repeal Article 11 at any time, unless at least two-thirds of the current directors of River Valley who were directors on May 24, 1996, or directors recommended for appointment or election by a majority of such directors, have approved the proposed action prior to the submission of the proposed action to the shareholders for their vote. All of the directors of River Valley have approved the proposed Articles Amendment, and those directors satisfy the requirements in Article 11. Accordingly, only the favorable vote of the holders of more of the shares of River Valley common stock than the number of shares cast against the Articles Amendment is required to adopt the Articles Amendment.

The board of directors of River Valley believes the Articles Amendment is in the best interests of the shareholders of River Valley and, therefore, recommends that the shareholders vote FOR approval of the Articles Amendment.

PROPOSAL 3 NON-BINDING ADVISORY VOTE ON EXECUTIVE OFFICER MERGER-RELATED COMPENSATION ARRANGEMENTS

As required by Section 14A of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Rule 14a-21(c) promulgated thereunder, which were enacted pursuant to the Dodd-Frank Act, River Valley is required to submit a proposal to its shareholders for a non-binding advisory vote to approve the payment of certain compensation to the named executive officers of River Valley that is based on or otherwise relates to the merger. This proposal, commonly known as "say-on-golden parachute," gives River Valley shareholders the opportunity to express their views on the compensation that certain of River Valley's named executive officers may be entitled to receive that is based on or otherwise relates to the merger.

The named executive officers of River Valley named below are entitled to receive certain compensation that is based on or that otherwise relates to the merger. This compensation, collectively referred to as "golden parachute" compensation, is described in narrative form in the section entitled "THE MERGER Interests of River Valley's Directors and Executive Officers in the Merger" beginning on page 60. The descriptions and quantifications of the payments in the table below are intended to comply with Item 402(t) of Regulation S-K, which requires disclosure of information about compensation and benefits that each of River Valley's named executive officers will or may receive in connection with the merger. River Valley's only named executive officers are Matthew P. Forrester, Anthony D. Brandon, Vickie L. Grimes, and John Muessel.

Therefore, River Valley is requesting the approval of River Valley's shareholders, on a non-binding advisory basis, of the compensation of the named executive officers of River Valley based on or related to the merger and the agreements and understandings concerning such compensation. As required by Rule 14a-21(c) of the Exchange Act, River Valley is asking its shareholders to adopt the following resolution:

> "RESOLVED, that the compensation to be paid or become payable to the named executive officers of River Valley Bancorp that is based on or otherwise relates to the merger of River Valley Bancorp with and into German American Bancorp, Inc., and the agreements and understandings concerning such compensation, as disclosed in the table below entitled "Golden Parachute Compensation" pursuant to Item 402(t) of Regulation S-K and the associated narrative discussion, are hereby APPROVED."

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Because the proposal is advisory in nature only, a vote for or against approval will not be binding on either River Valley or German American regardless of whether the merger is approved. Accordingly, as the compensation to be paid to the named executive officers of River Valley based on or related to the merger is contractual with the executives, regardless of the outcome of this vote, such compensation will be payable, subject only to the conditions applicable thereto, if the merger is completed. This proposal includes compensation that would be paid or provided by River Valley if paid or provided prior to or upon the closing of the merger, and which would be paid or provided by German American if paid or provided following closing of the merger. If the merger is not completed, River Valley's board of directors will consider the results of the vote in making future executive compensation decisions.

The following table sets forth the aggregate dollar value of the various elements of compensation that each named executive officer of River Valley would receive that is based on or otherwise relates to the merger, assuming the following:

- the merger closes on February 1, 2016;
- shares of German American common stock are valued at $31.38 per share, the average closing market price of shares of German American common stock over the first five business days following the public announcement of the merger; and
- shares of River Valley common stock are valued at $33.17 per share, the average closing market price of River Valley's shares of common stock over the first five business days following the public announcement of the merger.

Any changes in these assumptions would affect the amounts shown in the following table. The amounts set forth below do not include amounts payable by German American to Matthew P. Forrester, Anthony D. Brandon and John Muessel pursuant to terms of employment contracts with German American effective at the effective time of the merger which supersede their employment agreements.

Golden Parachute Compensation

Name	Cash ($)(1)	Equity ($)(2)	Pension/ NQDC ($)(3)	Perquisites/ Benefits ($)	Tax Reimbursement ($)	Other ($)	Total ($)
Matthew P. Forrester President and CEO	648,323	223,914					872,237
Anthony D. Brandon Executive Vice President	392,023	121,016					513,039
Vickie L. Grimes Treasurer	418	30,432					30,850
John Muessel Vice President-Trust Services	227,609						227,609

(1) For Messrs. Forrester, Brandon and Muessel, represents 2.99 times the base amount of their compensation, as determined under Section 280G of the Code, reduced to the maximum amount that may be paid under Section 280G of the Code without triggering excise taxes. Such amounts, which are estimated at $646,333, $390,824 and $227,312, respectively, at this time based on a February 1, 2016 closing, will be paid in a lump sum to Messrs. Forrester, Brandon and Muessel at the closing. Payment of the foregoing amounts, which will occur at closing of the merger, is

conditioned on the executives' execution of a general release. These amounts are payable at closing. In addition, the employees in the chart above expect to receive at closing payments of the amounts accrued under the 2015 River Valley Financial Bank Incentive Plan, estimated at $68,204, $41,100, $14,325 and $10,184, respectively. The amount included in this column for each of the employees includes the present value of the early receipt of 25% of the bonus expected to be paid at closing under the Plan, all of which will be accrued on December 31, 2015, because this amount would otherwise have been paid in January, 2017. These present value amounts are $1,989, $1,199, $418 and $297, respectively.

(2)

The amount in this column includes the dollar value of stock option awards of River Valley common stock, which will be cashed out at closing of the merger, valuing such options at the difference between the value of the merger consideration per share less the exercise price of the option. In making these calculations, it was assumed that the value of German American common stock was $31.38, as noted above, and each stock option would receive the value of 0.770 German American shares plus $9.90 (for an aggregate value of $34.0626) less the option exercise price for each stock option. This column also includes the value of stock awards for which vesting will be accelerated at closing, again using $31.38 as the value of German American common stock, and assuming the payment of an amount equal to 0.770 German American shares plus $9.90 for each share of restricted stock. These amounts are payable at closing.

(3)

Mr. Forrester will receive a lump sum payment estimated at $827,358 under the Amended and Restated Director Deferred Compensation Master Agreement at the closing of the merger. This amount is not included in the chart above because it does not represent an enhanced benefit, consisting only of the present value of benefits payable under that agreement to Mr. Forrester pursuant to its terms. Such payment is being made to Mr. Forrester as a result of the termination of the plan in connection with the merger. This amount represents $407,867 over the amount which would have been accrued at January 31, 2016, had there been no merger.

For the non-binding advisory resolution relating to the merger-related compensation arrangements to be approved, more votes must be cast by River Valley's shareholders in favor of the proposal than are cast against it. Abstentions and broker non-votes will not be included in the vote count and will have no effect on the outcome of the proposal.

River Valley's board of directors unanimously recommends that shareholders vote "FOR" the approval of the non-binding advisory resolution approving the merger-related compensation of River Valley's named executive officers, and the agreements or understandings concerning such compensation.

PROPOSAL 4 ADJOURNMENT OF THE SPECIAL MEETING

In addition to the proposal to approve the merger agreement and the Articles Amendment, and the proposal on merger-related compensation, the shareholders of River Valley are also being asked to approve a proposal to adjourn or postpone the special meeting to permit further solicitation of proxies in the event that an insufficient number of shares is present in person or by proxy to approve the merger agreement or the Articles Amendment.

It is rare for a company to achieve 100% (or even 90%) shareholder participation at an annual or special meeting of shareholders, and only a majority of the holders of the outstanding shares of River Valley common stock is required to be represented at the special meeting, in person or by proxy, for a quorum to be present. In the event that shareholder participation at the special meeting is lower than expected, River Valley would like the flexibility to postpone or adjourn the meeting in order to attempt to secure broader shareholder participation. If River Valley desires to adjourn the special meeting, River Valley will request a motion that the special meeting be adjourned, and delay the vote on the merger agreement proposal and the Articles Amendment proposal described herein until the special

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meeting is reconvened. If River Valley adjourns the special meeting for 30 days or less, River Valley will not set a new record date and will announce prior to adjournment the date, time, and location at which the special meeting will be reconvened. No other notice will be provided. Unless revoked prior to its use, any proxy solicited for the special meeting will continue to be valid for any adjourned or postponed special meeting, and will be voted in accordance with the shareholder's instructions and, if no contrary instructions are given, for the merger agreement proposal and the Articles Amendment.

Any adjournment will permit River Valley to solicit additional proxies and will permit a greater expression of the views of River Valley's shareholders with respect to the merger and the Articles Amendment. Such an adjournment would be disadvantageous to shareholders who are against the proposal to approve the merger agreement or the Articles Amendment because an adjournment will give River Valley additional time to solicit favorable votes and increase the chances of approving those proposals. River Valley has no reason to believe that an adjournment of the special meeting will be necessary at this time.

River Valley's board of directors recommends that shareholders vote "FOR" the proposal to adjourn or postpone the special meeting, if necessary.

DESCRIPTION OF GERMAN AMERICAN

The following information should be read with the financial statements incorporated by reference into this proxy statement/prospectus.

Business

German American is a financial services holding company based in Jasper, Indiana. German American was incorporated under Indiana law in 1982. It is registered as a bank holding company with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956, as amended.

German American's primary activity consists of owning and supervising German American Bancorp, which is a commercial bank organized under Indiana law, and that bank's subsidiaries. German American's bank subsidiary was chartered in 2006 as a result of a consolidation of six affiliated Indiana state banks that were then separately incorporated and owned by German American. The bank subsidiary traces its roots to The German American Bank, which was (until the 2006 consolidation transaction) a state-chartered bank that was incorporated in 1910 and headquartered in Jasper, Indiana.

German American (through its bank subsidiary) operates 37 banking offices in 13 Southern Indiana counties. German American indirectly owns a full line property and casualty insurance agency (German American Insurance, Inc.) with eight insurance agency offices throughout German American's market area.

Throughout this proxy statement/prospectus, when we use the term "German American," we will usually be referring to the business and affairs (financial and otherwise) of German American Bancorp, Inc., and its consolidated subsidiaries as a whole. Occasionally, we will use the terms "parent company" or "holding company" in reference to German American when we mean to refer only to German American Bancorp, Inc., or to the term "bank subsidiary" when we mean to refer only to German American's bank subsidiary.

German American's lines of business include retail and commercial banking, mortgage banking, comprehensive financial planning, full service brokerage and trust administration, and a full range of personal and corporate insurance products. Financial and other information by segment is included in Note 15 Segment Information of the Notes to the Consolidated Financial Statements included in Item 8 of German American's Annual Report on Form 10-K for the year ended December 31, 2014, which is incorporated by reference into, and forms part of, this proxy statement/prospectus. As of September 30, 2015, German American had total deposits of approximately $1.8 billion, total loans of approximately $1.5 billion, total assets of approximately $2.3 billion and total shareholders' equity of approximately $247 million.

German American's principal executive offices are located at 711 Main Street, Jasper, Indiana 47546-0810, and its telephone number at that address is (812) 482-1314. German American maintains an Internet website at *www.germanamerican.com*. The foregoing website address is intended to be an inactive textual reference only. The information on this website is not a part of this proxy statement/prospectus.

Incorporation of Certain Information Regarding German American by Reference

The foregoing information concerning German American does not purport to be complete. Certain additional information relating to German American's business, management, executive officer and director compensation, voting securities and certain relationships is incorporated by reference in this document from other documents filed by German American with the SEC and listed under "WHERE YOU CAN FIND MORE INFORMATION" on page 133. If you desire copies of any of these documents, you may contact German American at its address or telephone number indicated under "WHERE YOU CAN FIND MORE INFORMATION" on page 133.

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DESCRIPTION OF RIVER VALLEY

The following information should be read with the financial statements included within this proxy statement/prospectus.

Business

River Valley was formed in 1996 for the primary purpose of purchasing all of the issued and outstanding common stock of River Valley Financial in its conversion from mutual to stock form. The conversion offering was completed on December 20, 1996. On December 23, 1996, River Valley utilized approximately $3.0 million of the net conversion proceeds to purchase 95.6% of the outstanding common shares of Citizens National Bank of Madison ("Citizens"), and on November 20, 1997, Citizens merged out of existence into River Valley Financial.

The activities of River Valley have been limited primarily to owning the stock of River Valley Financial, which was organized in 1875 under the laws of the United States of America and which continues today under charter from the State of Indiana. River Valley Financial conducts operations from its 14 full-service office locations in southeastern Indiana and northern Kentucky.

River Valley Financial historically has concentrated its lending activities on the origination of loans secured by first mortgage liens for the purchase, construction, or refinancing of one-to-four family residential real property. One-to-four family residential mortgage loans continue to be a major focus of River Valley Financial's loan origination activities, representing 39.9% of River Valley Financial's total loan portfolio at December 31, 2014 and 38.8% at September 30, 2015. River Valley Financial is also focused on growing its commercial lending portfolio, and offers multi-family mortgage loans, nonresidential real estate loans, land loans, construction loans and consumer loans.

River Valley Financial's primary market areas have traditionally been Jefferson, Floyd and Clark Counties in southeastern Indiana and adjacent Carroll and Trimble Counties in Kentucky. In November 2012, River Valley completed its acquisition of Dupont State Bank which expanded River Valley Financial's branch network to North Vernon, Seymour and Dupont, Indiana, adding a presence in Jackson and Jennings Counties, Indiana. River Valley Financial opened another full service branch in Osgood, Indiana, in Ripley County in November, 2013. In 2014, River Valley Financial opened an additional full-service branch in Jeffersonville, Indiana, its third branch in Clark County, Indiana.

Subsidiaries

River Valley Financial's wholly-owned subsidiary, Madison 1st Service Corporation, which was incorporated under the laws of the State of Indiana on July 3, 1973, currently holds land for future bank expansion, but does not otherwise engage in significant business activities. River Valley Financial established three subsidiaries in Nevada, named RVFB Investments, Inc., RVFB Holdings, Inc. and RVFB Portfolio, LLC, to hold and manage a significant portion of River Valley Financial's investment portfolio. In December 2014, River Valley established River Valley Risk Management, Inc., a wholly owned Nevada subsidiary, as a captive insurance company to provide insurance to River Valley and its affiliates and to manage River Valley's insurance coverage.

In 2003, River Valley formed the "RIVR Statutory Trust I," a statutory trust formed under Connecticut law, and filed a Certificate of Trust with the Secretary of the State of Connecticut. The sole purpose of the Trust was to issue and sell certain trust preferred securities representing undivided beneficial interests in the assets of the Trust and to invest the proceeds thereof in certain debentures of River Valley.

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Employees

As of December 31, 2014, River Valley Financial employed 121 persons on a full-time basis and 6 persons on a part-time basis. None of the employees is represented by a collective bargaining group. Management considers its employee relations to be good.

Competition

River Valley Financial originates most of its loans to and accepts most of its deposits from residents of Jefferson, Jackson, Jennings, Ripley, Floyd and Clark Counties, Indiana and Trimble and Carroll Counties, Kentucky. River Valley Financial is subject to competition from various financial institutions, including state and national banks, state and federal savings associations, credit unions and certain non-banking consumer lenders that provide similar services in these counties. Some of these institutions have significantly larger resources available to them than does River Valley Financial. In total, there are 34 banks and 6 credit unions located in the 8-county market area, including River Valley Financial. River Valley Financial also competes with money market funds and brokerage accounts with respect to deposit accounts and with insurance companies with respect to individual retirement accounts.

The primary factors influencing competition for deposits are interest rates, service and convenience of office locations. River Valley Financial competes for loan originations primarily through the efficiency and quality of services it provides borrowers and through interest rates and loan fees charged. Competition is affected by, among other things, the general availability of lendable funds, general and local economic conditions, current interest rate levels and other factors that are not readily predictable.

Regulation and Supervision

General. River Valley Financial is subject to examination, supervision and regulation by the Indiana Department of Financial Institutions ("DFI"), and the Federal Deposit Insurance Corporation (the "FDIC"). River Valley is a financial holding company, subject to oversight by the Board of Governors of the Federal Reserve System ("Federal Reserve"). River Valley Financial is also a member of the Federal Home Loan Bank ("FHLB") system, and in particular the Federal Home Loan Bank of Indianapolis, which is one of eleven regional banks comprising the system.

Both federal and Indiana law extensively regulate various aspects of the banking business such as reserve requirements, truth-in-lending and truth-in-savings disclosures, equal credit opportunity, fair credit reporting, trading in securities and other aspects of banking operations.

Bank Holding Company Act. As a registered financial holding company for River Valley Financial, River Valley is subject to the regulation and supervision of the Federal Reserve under the Bank Holding Company Act of 1956, as amended ("BHCA"). Financial holding companies are required to file periodic reports with and are subject to periodic examination by the Federal Reserve.

Under the BHCA, without the prior approval of the Federal Reserve, River Valley may not acquire direct or indirect control of more than 5% of the voting stock or substantially all of the assets of any company, including a bank, and may not merge or consolidate with another bank holding company. Under the Dodd-Frank Act, a bank holding company is expected to serve as a source of financial and managerial strength to its subsidiary banks. Pursuant to this requirement, a financial holding company should stand ready to use its resources to provide adequate capital funds to its subsidiary banks during periods of financial stress or adversity. Additionally, under the Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA"), a financial holding company is required to provide limited guarantee of the compliance by any insured depository institution subsidiary that may become "undercapitalized" (as defined in the statute) with the terms of any capital restoration plan filed by such subsidiary with its appropriate federal banking agency.

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Gramm-Leach-Bliley Act. Under the Gramm-Leach-Bliley Act ("Gramm-Leach"), bank holding companies are permitted to offer their customers virtually any type of financial service, including banking, securities underwriting, insurance (both agency and underwriting) and merchant banking. In order to engage in these new financial activities, a bank holding company must qualify and register with the Federal Reserve as a "financial holding company" by demonstrating that each of its bank subsidiaries is well capitalized, well managed and has at least a satisfactory rating under the Community Reinvestment Act. River Valley filed an election to become a financial holding company under Gramm-Leach in connection with establishing its insurance company subsidiary.

Under Gramm-Leach, federal banking regulators adopted rules limiting the ability of banks and other financial institutions to disclose nonpublic information about consumers to nonaffiliated third parties. The rules require disclosure of privacy policies to consumers and, in some circumstances, allow consumers to prevent disclosure of certain personal information to nonaffiliated third parties. The privacy provisions of Gramm-Leach affect how consumer information is transmitted through diversified financial services companies and conveyed to outside vendors. River Valley does not disclose any nonpublic information about any current or former customers to anyone except as permitted by law and subject to contractual confidentiality provisions which restrict the release and use of such information.

Insurance Deposits. Deposits in River Valley Financial are insured by the Deposit Insurance Fund of the FDIC up to a maximum amount, which is generally $250,000 per depositor, subject to aggregation rules. Deposits held in noninterest bearing transaction accounts are aggregated with interest bearing deposits the owner may hold in the same ownership category, and the combined total is insured up to $250,000.

River Valley Financial is subject to deposit insurance assessments by the FDIC pursuant to its regulations establishing a risk-related deposit insurance assessment system, based upon the institution's capital levels and risk profile. Under the FDIC's risk-based assessment system, insured institutions are assigned to one of four risk-weighted categories based on supervisory evaluations, regulatory capital levels, and certain other factors, with less risky institutions paying lower assessments. An institution's initial assessment rate depends upon the category to which it is assigned. There are also adjustments to a bank's initial assessment rates based on levels of long-term unsecured debt, secured liabilities in excess of 25% of domestic deposits and, for certain institutions, brokered deposit levels. Pursuant to FDIC rules adopted under the Dodd-Frank Act, effective April 1, 2011, initial assessments ranged from 5 to 35 basis points of the institution's total assets minus tangible equity. River Valley Financial's assessment rate reflected in its invoices for the 2015 quarters (annualized) was 7.57 basis points for each $100 of average consolidated assets less average tangible equity. No institution may pay a dividend if it is in default of the federal deposit insurance assessment.

River Valley Financial is also subject to assessment by the Financing Corporation (FICO) to service the interest on its bond obligations. The amount assessed on individual institutions, including River Valley Financial, by FICO is in addition to the amount paid for deposit insurance according to the risk-related assessment rate schedule. These assessments will continue until the FICO bonds are repaid between 2017 and 2019. During 2014, the FICO assessment rate was 0.62 basis points for each $100 of the same assessment bases applicable to the FDIC assessment. For 2015, the FICO assessment rate is 0.60 basis points. Future increases in deposit insurance premiums or changes in risk classification would increase River Valley Financial's deposit related costs.

The FDIC has authority to increase insurance assessments. A significant increase in insurance premiums would likely have an adverse effect on the operating expenses and results of operations of River Valley Financial. Management cannot predict what insurance assessment rates will be in the future.

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The FDIC may terminate the deposit insurance of any insured depository institution if the FDIC determines, after a hearing, that the institution has engaged or is engaging in unsafe or unsound practices, is in an unsafe and unsound condition to continue operations or has violated any applicable law, regulation, order or any condition imposed in writing by, or written agreement with, the FDIC. The FDIC may also suspend deposit insurance temporarily during the hearing process for a permanent termination of insurance if the institution has no tangible capital.

Capital Requirements. On July 2, 2013, the Board of Governors of the Federal Reserve System ("Federal Reserve") approved final rules that substantially amended the regulatory risk-based capital rules applicable to River Valley and River Valley Financial. The Federal Deposit Insurance Corporation ("FDIC") and the Office of the Comptroller of the Currency subsequently approved these final rules. The final rules implement the "Basel III" regulatory capital reforms and changes required by the Dodd-Frank Act. "Basel III" refers to two consultative documents released by the Basel Committee on Banking Supervision in December 2009, the rules text released in December 2010, and loss absorbency rules issued in January 2011, which include significant changes to bank capital, leverage and liquidity requirements.

The final rules include new risk-based capital and leverage ratios, which will be phased in from 2015 to 2019, and will refine the definition of what constitutes "capital" for purposes of calculating those ratios. In general, bank holding companies and savings and loan holding companies with less than $1 billion in total consolidated assets will not be subject to the new regulatory capital requirements described above (but these requirements will apply to their depository institution subsidiaries), due to action taken by the U.S. Congress in December 2014 and action taken by the Federal Reserve in 2015 to implement the Congressional action.

The new minimum capital level requirements applicable to River Valley Financial under the final rules are: (i) a new common equity Tier 1 capital ratio of 4.5%; (ii) a Tier 1 capital ratio of 6% (increased from 4%); (iii) a total capital ratio of 8% (unchanged from current rules); and (iv) a Tier 1 leverage ratio of 4% for all institutions. The final rules also establish a "capital conservation buffer" above the new regulatory minimum capital requirements, which must consist entirely of common equity Tier 1 capital. The capital conservation buffer will be phased-in over four years beginning on January 1, 2016, as follows: the maximum buffer will be 0.625% of risk-weighted assets for 2016, 1.25% for 2017, 1.875% for 2018, and 2.5% for 2019 and thereafter. This will result in the following minimum ratios beginning in 2019: (i) a common equity Tier 1 capital ratio of 7.0%, (ii) a Tier 1 capital ratio of 8.5%, and (iii) a total capital ratio of 10.5%. Under the final rules, institutions are subject to limitations on paying dividends, engaging in share repurchases, and paying discretionary bonuses if its capital level falls below the buffer amount. These limitations establish a maximum percentage of eligible retained income that could be utilized for such actions.

Basel III provided discretion for regulators to impose an additional buffer, the "countercyclical buffer," of up to 2.5% of common equity Tier 1 capital to take into account the macro-financial environment and periods of excessive credit growth. However, the final rules permit the countercyclical buffer to be applied only to "advanced approach banks" (*i.e.*, banks with $250 billion or more in total assets or $10 billion or more in total foreign exposures), which currently excludes River Valley Financial. The final rules also implement revisions and clarifications consistent with Basel III regarding the various components of Tier 1 capital, including common equity, unrealized gains and losses, as well as certain instruments that will no longer qualify as Tier 1 capital, some of which would be phased out over time. However, the final rules provide that small depository institution holding companies with less than $15 billion in total assets as of December 31, 2009 (which includes River Valley) will be able to permanently include non-qualifying instruments that were issued and included in Tier 1 or Tier 2 capital prior to May 19, 2010 in additional Tier 1 or Tier 2 capital until they redeem such instruments or until the instruments mature.

The final rules also contain revisions to the prompt corrective action framework, which is designed to place restrictions on insured depository institutions, including River Valley Financial, if their capital levels begin to show signs of weakness. These revisions took effect January 1, 2015. Under the prompt corrective action requirements, which are designed to complement the capital conservation buffer, insured depository institutions will be required to meet the following increased capital level requirements in order to qualify as "well capitalized": (i) a new common equity Tier 1 capital ratio of 6.5%; (ii) a Tier 1 capital ratio of 8% (increased from 6%); (iii) a total capital ratio of 10% (unchanged from current rules); and (iv) a Tier 1 leverage ratio of 5% (increased from 4%).

The final rules set forth certain changes for the calculation of risk-weighted assets, which we are required to utilize beginning January 1, 2015. The standardized approach final rule utilizes an increased number of credit risk exposure categories and risk weights, and also addresses: (i) an alternative standard of creditworthiness consistent with Section 939A of the Dodd-Frank Act; (ii) revisions to recognition of credit risk mitigation; (iii) rules for risk weighting of equity exposures and past due loans; (iv) revised capital treatment for derivatives and repo-style transactions; and (v) disclosure requirements for top-tier banking organizations with $50 billion or more in total assets that are not subject to the "advanced approach rules" that apply to banks with greater than $250 billion in consolidated assets.

As of September 30, 2015, River Valley Financial met all requirements as a "well capitalized" depository institution.

Loans to One Borrower. Under Indiana law, River Valley Financial may not make a loan or extend credit to a single or related group of borrowers in excess of 15% of its unimpaired capital and surplus. Additional amounts may be lent, not in excess of 10% of unimpaired capital and surplus, if such loans or extensions of credit are fully secured by readily marketable collateral, including certain debt and equity securities but not including real estate. At December 31, 2014 and September 30, 2015, River Valley Financial did not have any loans or extensions of credit to a single or related group of borrowers in excess of its lending limits.

Mortgage Reform and Anti-Predatory Lending. Title XIV of the Dodd-Frank Act, the Mortgage Reform and Anti-Predatory Lending Act, includes a series of amendments to the Truth In Lending Act with respect to mortgage loan origination standards affecting, among other things, originator compensation, minimum repayment standards and prepayments. With respect to mortgage loan originator compensation, except in limited circumstances, an originator is prohibited from receiving compensation that varies based on the terms of the loan (other than the principal amount). The amendments to the Truth In Lending Act also prohibit a creditor from making a residential mortgage loan unless it determines, based on verified and documented information of the consumer's financial resources, that the consumer has a reasonable ability to repay the loan. The amendments also prohibit certain prepayment penalties and require creditors offering a consumer a mortgage loan with prepayment penalty to offer the consumer the option of a mortgage loan without such a penalty. In addition, the Dodd-Frank Act expands the definition of a "high-cost mortgage" under the Truth In Lending Act, and imposes new requirements on high-cost mortgages and new disclosure, reporting and notice requirements for residential mortgage loans, as well as new requirements with respect to escrows and appraisal practices.

Financial System Reform The Dodd-Frank Act and the CFPB. The Dodd-Frank Act, which became law in 2010, significantly changed the regulation of financial institutions and the financial services industry. The Dodd-Frank Act included provisions affecting large and small financial institutions alike, including several provisions that have profoundly affected how community banks, thrifts, and small bank and thrift holding companies, such as River Valley, are regulated. Among other things, these provisions abolished the Office of Thrift Supervision (the "OTS") and transferred its functions to the other federal banking agencies, relaxed rules regarding interstate branching, allowed

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financial institutions to pay interest on business checking accounts, changed the scope of federal deposit insurance coverage, imposed new capital requirements on bank and thrift holding companies, and imposed limits on debit card interchange fees charged by large banks (commonly known as the Durbin Amendment).

The Dodd-Frank Act created a new, independent federal agency called the Consumer Financial Protection Bureau ("CFPB"), which was granted broad rulemaking, supervisory and enforcement powers under various federal consumer financial protection laws, including the Equal Credit Opportunity Act, Truth in Lending Act, Real Estate Settlement Procedures Act, Fair Credit Reporting Act, Fair Debt Collection Act, the Consumer Financial Privacy provisions of the Gramm-Leach-Bliley Act, and certain other statutes. In July 2011, many of the consumer financial protection functions formerly assigned to the federal banking and other designated agencies transferred to the CFBP. The CFBP has a large budget and staff, and has the authority to implement regulations under federal consumer protection laws and enforce those laws against financial institutions. The CFPB has examination and primary enforcement authority over depository institutions with $10 billion or more in assets. Smaller institutions are subject to rules promulgated by the CFPB but continue to be examined and supervised by the federal banking regulators for consumer compliance purposes. The CFPB also has authority to prevent unfair, deceptive or abusive practices in connection with offering consumer financial products. Additionally, this bureau is authorized to collect fines and provide consumer restitution in the event of violations, engage in consumer financial education, track consumer complaints, request data, and promote the availability of financial services to underserved consumers and communities. Moreover, the Dodd-Frank Act authorized the CFPB to establish certain minimum standards for the origination of residential mortgages, including a determination of the borrower's ability to repay, and allows borrowers to raise certain defenses to foreclosure if they receive any loan other than a "qualified mortgage" as defined by the CFPB.

The CFPB has indicated that mortgage lending is an area of supervisory focus and that it will concentrate its examination and rulemaking efforts on the variety of mortgage-related topics required under the Dodd-Frank Act, including minimum standards for the origination of residential mortgages. The CFPB has published several final regulations impacting the mortgage industry, including rules related to ability-to-repay, mortgage servicing, escrow accounts, and mortgage loan originator compensation. The ability-to-repay rule makes lenders liable if they fail to assess ability to repay under a prescribed test, but also creates a safe harbor for so called "qualified mortgages." Failure to comply with the ability-to-repay rule may result in possible CFPB enforcement action and special statutory damages plus actual, class action, and attorneys' fees damages, all of which a borrower may claim in defense of a foreclosure action at any time. River Valley's management is assessing the impact of these requirements on its mortgage lending business.

The Dodd-Frank Act contains numerous other provisions affecting financial institutions of all types, many of which may have an impact on the operating environment of River Valley in substantial and unpredictable ways. Consequently, the Dodd-Frank Act is expected to increase River Valley's cost of doing business, it may limit or expand its permissible activities, and it may affect the competitive balance within its industry and market areas. The nature and extent of future legislative and regulatory changes affecting financial institutions, including as a result of the Dodd-Frank Act and the CFPB, is unpredictable at this time. River Valley's management continues to actively monitor the implementation of the Dodd-Frank Act and the regulations promulgated thereunder and assess its probable impact on the business, financial condition, and results of operations of River Valley. However, the ultimate effect of the Dodd-Frank Act and the CFPB on the financial services industry in general, and River Valley in particular, remains uncertain.

Transactions with Affiliates. River Valley Financial is subject to Sections 22(h), 23A and 23B of the Federal Reserve Act, which restrict financial transactions between banks and affiliated companies, such as River Valley. The statute limits credit transactions between a bank and its executive officers and its

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affiliates, prescribes terms and conditions for bank affiliate transactions deemed to be consistent with safe and sound banking practices, and restricts the types of collateral security permitted in connection with a bank's extension of credit to an affiliate.

Community Reinvestment Act Matters. Federal law requires that ratings of depository institutions under the Community Reinvestment Act of 1977 ("CRA") be disclosed. The disclosure includes both a four-unit descriptive rating (specifically, outstanding, satisfactory, needs to improve, and substantial noncompliance) and a written evaluation of an institution's performance. Each FHLB is required to establish standards of community investment or service that its members must maintain for continued access to long-term advances from the FHLB. The standards take into account a member's performance under the CRA and its record of lending to first-time home buyers. As of the date of its most recent regulatory examination, River Valley Financial was rated "satisfactory" with respect to its CRA compliance.

USA Patriot Act of 2001. In 2001, the USA PATRIOT Act of 2001 (the "PATRIOT Act") became law. The PATRIOT Act, among other things, strengthens the ability of U.S. law enforcement to combat terrorism on a variety of fronts. The PATRIOT Act contains sweeping anti-money laundering and financial transparency laws and requires financial institutions to implement additional policies and procedures to address the following matters, among others: money laundering, suspicious activities and currency transaction reporting, and currency crimes. These provisions have not materially affected River Valley's operations.

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Properties

The following table provides certain information with respect to River Valley Financial's offices as of December 31, 2014.

Description and Address	Owned or Leased	Year Opened	Total Deposits (in thousands)	Net Book Value of Property, Furniture & Fixtures (in thousands)	Approximate Square Footage
Locations in Madison, Indiana					
Downtown Office: 233 East Main Street	Owned	1952	$ 66,742	$ 278	9,110
Drive-Through Branch: 401 East Main Street	Owned	1984		203	420
Hilltop Location: 430 Clifty Drive	Owned	1983	159,811	2,233	18,696
Wal-Mart Banking Center: 567 Ivy Tech Drive	Leased	1995	7,437	56	517
Location in Charlestown, Indiana					
1025 Highway 62	Leased/Land	2002	7,521	448	1,500
Location in Dupont, Indiana					
10525 N West Front Street	Owned	1910	8,316	133	2,332
Location in Floyds Knobs, Indiana					
3660 Paoli Pike	Leased	2008	12,127	266	3,000
Location in Hanover, Indiana					
10 Medical Plaza Drive	Owned	1995	14,132	316	1,344
Location in Jeffersonville, Indiana					
1475 Veterans Parkway, Suite 105	Leased	2014	111	516	2,603
Location in New Albany, Indiana					
2675 Charlestown Road	Owned	2010	26,197	496	6,000
Location in North Vernon, Indiana					
Branch: 220 N State Street	Leased	2003	42,003	49	3,168
Operations Building: 216 N State Street	Leased	2007		4	7,560
Location in Osgood, Indiana					
820 S Buckeye Street	Owned	1993	5,685	446	1,344
Location in Sellersburg, Indiana					
Highway 311	Owned	2005	22,350	2,258	13,000
Location in Seymour, Indiana					
1725 E Tipton Street	Owned	2009	20,679	1,412	9,244
Location in Carrollton, Kentucky					
1501 Highland Avenue	Leased	2003	3,972	166	1,656

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In addition to the assets owned by River Valley Financial, Madison 1st Service Corporation, a subsidiary of River Valley Financial, owns two pieces of land, one in Madison, Indiana and the second in Charlestown, Indiana, both held for future expansion of River Valley Financial's banking offices. Total book value of this land at December 31, 2014 was $427,000.

River Valley Financial owns computer and data processing equipment which is used for transaction processing, loan origination, and accounting. The net book value of electronic data processing equipment owned by River Valley Financial was approximately $612,000 at December 31, 2014.

River Valley Financial operates 16 automated teller machines ("ATMs"), one at each office location, except for Dupont and 233 East Main St. (the main office has two), one at Hanover College, in Hanover, Indiana, and one in the Big Lots parking lot in Madison. River Valley Financial's ATMs participate in the Passport® network. River Valley Financial also operates an interactive teller machine ("ITM") at its location in Jeffersonville, Indiana.

River Valley Financial performs its own data processing and reporting services.

Legal Proceedings

River Valley and River Valley Financial are involved from time to time as plaintiff or defendant in various legal actions arising in the normal course of business. While the ultimate outcome of these proceedings cannot be predicted with certainty, it is the opinion of River Valley's management that the resolution of these proceedings should not have a material effect on River Valley's consolidated financial position or results of operations.

Market Information and Dividends

There were [•] common shares of River Valley outstanding at [•], 2015, held of record by approximately [•] shareholders. Since December 1996, River Valley's common shares have been listed on The NASDAQ Capital Market ("NASDAQ"), under the symbol "RIVR."

Presented below are the high and low sale prices for River Valley's common shares, as well as cash distributions paid thereon, since January 2013. Such sales prices do not include retail financial markups, markdowns or commissions. Information relating to sales prices has been obtained from NASDAQ.

	High	Low	Dividend
For the periods ended:			
2015			
Fourth Quarter (through [•])	$ [•]	$ [•]	$ [•]
Third Quarter	23.25	22.04	0.23
Second Quarter	24.59	21.42	0.23
First Quarter	22.00	19.70	0.23
2014			
Fourth Quarter	$ 21.91	$ 20.80	$ 0.23
Third Quarter	22.49	20.97	0.23
Second Quarter	27.00	20.07	0.23
First Quarter	28.48	25.27	0.21
2013			
Fourth Quarter	$ 29.98	$ 23.90	$ 0.42
Third Quarter	24.60	21.01	0.21
Second Quarter	24.06	21.00	0.21
First Quarter	24.49	17.15	0.21

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Indiana law prohibits River Valley from paying a dividend, if, after giving effect to the payment of that dividend, River Valley would not be able to pay its debts as they become due in the usual course of business or River Valley's total assets would be less than the sum of its total liabilities plus preferential rights of holders of preferred stock, if any. Generally, there is no Federal Reserve regulatory restriction on the payment of dividends by River Valley unless there is a determination by the Federal Reserve that there is reasonable cause to believe that the payment of dividends constitutes a serious risk to the financial safety, soundness or stability of River Valley or River Valley Financial. Since River Valley has no independent operation or other subsidiaries to generate income, its ability to accumulate earnings for the payment of cash dividends to its shareholders directly depends upon the ability of River Valley Financial to pay dividends to River Valley and upon the earnings on its investment securities.

Under Indiana law, River Valley Financial may pay dividends of so much of its undivided profits (generally, earnings less losses, bad debts, taxes and other operating expenses) as is considered expedient by River Valley Financial's Board of Directors. However, River Valley Financial must obtain the approval of the DFI for the payment of a dividend if the total of all dividends declared by River Valley Financial during the current year, including the proposed dividend, would exceed the sum of retained net income for the year to date plus its retained net income for the previous two years. For this purpose, "retained net income" means net income as calculated for call report purposes, less all dividends declared for the applicable period. In addition, River Valley Financial may not pay a dividend if it would reduce its regulatory capital below the amount required for the liquidation account (which was established for the purpose of granting a limited priority claim on the assets of River Valley Financial, in the event of a complete liquidation, to those members of River Valley Financial before its conversion from mutual to stock form who continue to maintain a savings account at River Valley Financial). The FDIC has the authority to prohibit River Valley Financial from paying dividends if, in its opinion, the payment of dividends would constitute an unsafe or unsound practice in light of the financial condition of River Valley Financial.

Equity Compensation Plan Information

The following table sets forth certain information pertaining to River Valley's equity compensation plans as of December 31, 2014:

Plan Category	**Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)**	**Weighted-average exercise price of outstanding options, warrants and rights (b)**	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column(a)) (c)**
Equity compensation plans approved by security holders(1)	39,066	$ 20.19	127,150

(1) The River Valley Bancorp Stock Option Plan and the River Valley Bancorp 2014 Stock Option and Incentive Plan were approved by River's shareholders. Under the Option Plan, as of March 18, 2015, 9,066 shares remained subject to stock options with an average exercise price per share of $14.56 and 26,820 shares remained available for future awards of non-qualified stock options. Under the 2014 Plan, 150,000 shares were available for issuance at the time of the plan's adoptions. On July 15, 2014, 30,000 options and 30,000 restricted shares were awarded under the 2014 Plan. Of these, 5,000 options and 6,000 restricted shares vested immediately. The remainder will vest over a period of four to nine years. No options granted under the 2014 plan were exercised during 2014. River Valley also maintains the River Valley Bancorp Recognition and Retention Plan and Trust (the "RRP"), which was approved by River Valley's shareholders. As of

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December 31, 2014, 1,200 RRP shares had been granted to management but were not yet vested. River Valley is authorized to make awards of up to a total of 10,330 additional shares under that plan.

(2)

The total in Column (b) includes only the weighted-average price of stock options, as the restricted shares awarded under the RRP plan and the 2014 Stock Incentive Plan have no exercise price.

Management's Discussion and Analysis of Financial Condition and Results of Operation

General

As discussed previously, River Valley was incorporated for the primary purpose of owning all of the outstanding shares of River Valley Financial. As a result, the discussion that follows focuses on River Valley Financial's financial condition and results of operations for the periods presented. The following discussion and analysis of the financial condition as of December 31, 2014 and September 30, 2015, and results of operations for periods prior to that date, should be read in conjunction with the Consolidated Financial Statements and the Notes thereto, and the Consolidated Condensed Financial Statements and the Notes thereto, included elsewhere in this proxy statement/prospectus.

In addition to the historical information contained herein, the following discussion contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements appear in a number of places in this proxy statement/prospectus and include statements regarding the intent, belief, outlook, estimate or expectations of River Valley, its directors or its officers, primarily with respect to future events and the future financial performance of River Valley. Readers are cautioned that any such forward-looking statements are not guarantees of future events or performance and involve risks and uncertainties. River Valley's operations and actual results could differ significantly from those discussed in the forward-looking statements. Some of the factors that could cause or contribute to such differences are discussed herein but also include, but are not limited to, changes in the economy and interest rates in the nation and River Valley Financial's general market area; loss of deposits and loan demand to other financial institutions; substantial changes in financial markets; changes in real estate values and the real estate market; regulatory changes; or turmoil and government intervention in the financial services industry. The forward looking statements contained herein include those with respect to the effect future changes in interest rates may have on financial condition and results of operations, and management's opinion as to the effect on River Valley's consolidated financial position and results of operations of recent accounting pronouncements not yet in effect.

Effect of Current Events

The Current Economic Environment. River Valley continues to operate in a challenging and uncertain economic environment, including generally uncertain national conditions and local conditions in its markets. Overall economic growth continues to be slow and national and regional unemployment rates remain at elevated levels. The risks associated with River Valley's business become more acute in periods of slow economic growth and high unemployment. Many financial institutions continue to be affected by an uncertain real estate market. While River Valley takes steps to decrease and limit its exposure to problem loans, River Valley nonetheless retains direct exposure to the residential and commercial real estate markets, and is affected by these events.

River Valley's loan portfolio includes commercial real estate loans, residential mortgage loans, and construction and land development loans. Declines in real estate values and home sales volumes and increased levels of financial stress on borrowers as a result of the uncertain economic environment, including job losses, could have an adverse effect on River Valley's borrowers or their customers, which could adversely affect River Valley's financial condition and results of operations. In addition, the current level of low economic growth on a national scale, the occurrence of another national recession, or a deterioration in local economic conditions in River Valley's markets could drive losses beyond that which is provided for in the allowance for loan losses and result in the following other consequences: increases in loan delinquencies, problem assets and foreclosures; demand for River Valley's products and services may decline; deposits may decrease, which would adversely impact River Valley's liquidity position; and collateral for its loans, especially real estate, may decline in value, in turn reducing customers' borrowing power, and reducing the value of assets and collateral associated with River Valley's existing loans.

Impact of Recent and Future Legislation. During the last six years, the U.S. Congress and the Treasury Department have adopted legislation and taken actions to address the disruptions in the financial system, declines in the housing market and the overall regulation of financial institutions and the financial system. The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") and the Consumer Financial Protection Bureau ("CFPB"), created as an independent federal agency under the Dodd-Frank Act, are expected to increase River Valley's cost of doing business, they may limit or expand its permissible activities, and they may affect the competitive balance within River Valley's industry and market areas. River Valley's management continues to actively monitor the implementation of the Dodd-Frank Act and the regulations of the CFPB promulgated thereunder to assess the probable impact on the business, financial condition, and results of operations of River Valley. However, the ultimate effect of the Dodd-Frank Act and the CFPB on the financial services industry in general, and River Valley in particular, continues to be uncertain.

Capital Rules. On July 2, 2013, the Federal Reserve approved final rules that substantially amended the regulatory risk-based capital rules applicable to River Valley and River Valley Financial. The FDIC and the OCC subsequently approved these final rules. The final rules implement the "Basel III" regulatory capital reforms and changes required by the Dodd-Frank Act. "Basel III" refers to two consultative documents released by the Basel Committee on Banking Supervision in December 2009, the rules text released in December 2010, and loss absorbency rules issued in January 2011, which include significant changes to bank capital, leverage and liquidity requirements.

The final rules include new risk-based capital and leverage ratios, which will be phased in from 2015 to 2019, and will refine the definition of what constitutes "capital" for purposes of calculating those ratios. In general, bank holding companies and savings and loan holding companies with less than $1 billion in total consolidated assets will not be subject to the new regulatory capital requirements described above (but these requirements will apply to their depository institution subsidiaries), due to action taken by the U.S. Congress in December 2014 and action taken by the Federal Reserve in 2015 to implement the Congressional action.

The new minimum capital level requirements applicable to River Valley Financial under the final rules are: (i) a new common equity Tier 1 capital ratio of 4.5%; (ii) a Tier 1 capital ratio of 6% (increased from 4%); (iii) a total capital ratio of 8% (unchanged from current rules); and (iv) a Tier 1 leverage ratio of 4% for all institutions. The final rules also establish a "capital conservation buffer" above the new regulatory minimum capital requirements, which must consist entirely of common equity Tier 1 capital. The capital conservation buffer will be phased-in over four years beginning on January 1, 2016, as follows: the maximum buffer will be 0.625% of risk-weighted assets for 2016, 1.25% for 2017, 1.875% for 2018, and 2.5% for 2019 and thereafter. This will result in the following minimum ratios beginning in 2019: (i) a common equity Tier 1 capital ratio of 7.0%, (ii) a Tier 1 capital ratio of 8.5%, and (iii) a total capital ratio of 10.5%. Under the final rules, institutions are subject to limitations on paying dividends, engaging in share repurchases, and paying discretionary bonuses if its capital level falls below the buffer amount. These limitations establish a maximum percentage of eligible retained income that could be utilized for such actions.

Basel III provided discretion for regulators to impose an additional buffer, the "countercyclical buffer," of up to 2.5% of common equity Tier 1 capital to take into account the macro-financial environment and periods of excessive credit growth. However, the final rules permit the countercyclical buffer to be applied only to "advanced approach banks" (*i.e.*, banks with $250 billion or more in total assets or $10 billion or more in total foreign exposures), which currently excludes River Valley and River Valley Financial. The final rules also implement revisions and clarifications consistent with Basel III regarding the various components of Tier 1 capital, including common equity, unrealized gains and losses, as well as certain instruments that will no longer qualify as Tier 1 capital, some of which would be phased out over time. However, the final rules provide that small depository institution holding companies with less than $15 billion in total assets as of December 31, 2009 (which includes River Valley) will be able to permanently include non-qualifying instruments that were issued and included in Tier 1 or Tier 2 capital prior to May 19, 2010 in additional Tier 1 or Tier 2 capital until they redeem such instruments or until the instruments mature.

The final rules also contain revisions to the prompt corrective action framework, which is designed to place restrictions on insured depository institutions, including River Valley Financial, if their capital levels begin to show signs of weakness. These revisions took effect January 1, 2015. Under the prompt corrective action requirements, which are designed to complement the capital conservation buffer, insured depository institutions will be required to meet the following increased capital level requirements in order to qualify as "well capitalized": (i) a new common equity Tier 1 capital ratio of 6.5%; (ii) a Tier 1 capital ratio of 8% (increased from 6%); (iii) a total capital ratio of 10% (unchanged from current rules); and (iv) a Tier 1 leverage ratio of 5% (increased from 4%).

The final rules set forth certain changes for the calculation of risk-weighted assets, which River Valley will be required to utilize beginning January 1, 2015. The standardized approach final rule utilizes an increased number of credit risk exposure categories and risk weights, and also addresses: (i) an alternative standard of creditworthiness consistent with Section 939A of the Dodd-Frank Act; (ii) revisions to recognition of credit risk mitigation; (iii) rules for risk weighting of equity exposures and past due loans; (iv) revised capital treatment for derivatives and repo-style transactions; and (v) disclosure requirements for top-tier banking organizations with $50 billion or more in total assets that are not subject to the "advanced approach rules" that apply to banks with greater than $250 billion in consolidated assets.

Based on River Valley's current capital composition and levels, River Valley believes that it would be in compliance with the requirements as set forth in the final rules to the extent portions are not presently in effect.

Changes in Insurance Premiums. The FDIC insures River Valley Financial's deposits up to certain limits. The FDIC takes control of failed banks and ensures payment of deposits up to insured limits using the resources of the Deposit Insurance Fund. The FDIC charges us premiums to maintain the Deposit Insurance Fund. The FDIC has set the Deposit Insurance Fund long-term target reserve ratio at 2% of insured deposits. Due to recent bank failures as a result of the economic turmoil of the past six years, the FDIC insurance fund reserve ratio has fallen below the statutory minimum. The FDIC has implemented a restoration plan beginning January 1, 2009, that is intended to return the reserve ratio to an acceptable level. Further increases in premium assessments are also possible and would increase River Valley's expenses. Effective with the June 2011 reporting period, the FDIC changed the assessment from a deposit-based assessment to an asset-based assessment, and reevaluated the base rate assessed to financial institutions. As a result of these changes, River Valley experienced a decrease in premiums. However, increased assessment rates and special assessments could have a material impact on River Valley's results of operations.

The Soundness of Other Financial Institutions Could Adversely Affect Us. Financial services institutions are interrelated as a result of trading, clearing, counterparty, or other relationships. River Valley has exposure to many different industries and counterparties, and River Valley routinely executes transactions with counterparties in the financial services industry, including brokers and dealers,

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commercial banks, investment banks, mutual and hedge funds, and other institutional clients. Many of these transactions expose River Valley to credit risk in the event of default by its counterparty or client. In addition, River Valley's credit risk may be exacerbated when the collateral held by it cannot be realized or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due to River Valley. There is no assurance that any such losses would not materially and adversely affect River Valley's results of operations or earnings.

Difficult Market Conditions Have Adversely Affected River Valley's Industry. River Valley is particularly exposed to downturns in the U.S. housing market. Dramatic declines in the housing market over the past six years, with falling home prices and increasing foreclosures, unemployment and under-employment, have negatively impacted the credit performance of mortgage loans and securities and resulted in significant write-downs of asset values by financial institutions, including government-sponsored entities, major commercial and investment banks, and regional financial institutions. Reflecting concern about the stability of the financial markets generally and the strength of counterparties, many lenders and institutional investors have continued to observe tight lending standards, including with respect to other financial institutions, although there have been signs that lending is increasing. These market conditions have led to an increased level of commercial and consumer delinquencies, lack of consumer confidence and increased market volatility. A worsening of these conditions would likely exacerbate the adverse effects of these difficult market conditions on River Valley and others in the financial institutions industry. In particular, River Valley may face the following risks in connection with these events:

- River Valley is experiencing, and expects to continue experiencing, increased regulation of its industry, particularly as a result of the Dodd-Frank Act and the CFPB. Compliance with such regulation is expected to increase River Valley's costs and may limit its ability to pursue business opportunities.

- River Valley's ability to assess the creditworthiness of its customers may be impaired if the models and approach used to select, manage and underwrite its customers become less predictive of future behaviors.

- The process River Valley uses to estimate losses inherent in its credit exposure requires difficult, subjective and complex judgments, including forecasts of economic conditions and how these economic predictions might impair the ability of River Valley's borrowers to repay their loans, which may no longer be capable of accurate estimation which may, in turn, impact the reliability of the process.

- Competition in River Valley's industry could intensify as a result of the increasing consolidation of financial services companies in connection with current market conditions.

- River Valley may be required to pay significantly higher deposit insurance premiums because market developments have significantly depleted the insurance fund of the FDIC and reduced the ratio of reserves to insured deposits.

In addition, the Federal Reserve has been injecting vast amounts of liquidity into the banking system to compensate for weaknesses in short-term borrowing markets and other capital markets. A reduction in the Federal Reserve's activities or capacity could reduce liquidity in the markets, thereby increasing funding costs to River Valley or reducing the availability of funds to River Valley to finance its existing operations.

Concentrations of Real Estate Loans Could Subject River Valley to Increased Risks in the Event of a Real Estate Recession or Natural Disaster. A significant portion of River Valley's loan portfolio is secured by real estate. The real estate collateral in each case provides an alternate source of repayment in the event of default by the borrower and may deteriorate in value during the time the credit is extended. A weakening of the real estate market in River Valley's primary market area could result in

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an increase in the number of borrowers who default on their loans and a reduction in the value of the collateral securing their loans, which in turn could have an adverse effect on River Valley's profitability and asset quality. If River Valley is required to liquidate the collateral securing a loan to satisfy the debt during a period of reduced real estate values, its earnings and capital could be adversely affected. Historically, Indiana and Kentucky have experienced, on occasion, significant natural disasters, including tornadoes and floods. The availability of insurance for losses for such catastrophes is limited. River Valley's operations could also be interrupted by such natural disasters. Acts of nature, including tornadoes and floods, which may cause uninsured damage and other loss of value to real estate that secures River Valley's loans or interruption in its business operations, may also negatively impact River Valley's operating results or financial condition.

River Valley is Subject to Cybersecurity Risks and May Incur Increasing Costs in an Effort to Minimize Those Risks. River Valley's business employs systems and a Web site that allow for the secure storage and transmission of customers' proprietary information. Security breaches could expose River Valley to a risk of loss or misuse of this information, litigation and potential liability. River Valley may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyber attacks. Any compromise of River Valley's security could result in a violation of applicable privacy and other laws, significant legal and financial exposure, damage to its reputation, and a loss of confidence in its security measures, which could harm River Valley's business.

Critical Accounting Policies

Note 1 to the Consolidated Financial Statements contains a summary of River Valley's significant accounting policies for the year ended December 31, 2014. Certain of these policies are important to the portrayal of River Valley's financial condition, since they require management to make difficult, complex or subjective judgments, some of which may relate to matters that are inherently uncertain. Management believes that its critical accounting policies include determining the allowance for loan losses, analysis of other-than-temporary impairment on available-for-sale investments, and the valuation of mortgage servicing rights. Following the 2012 acquisition of Dupont State Bank, the treatment of acquired impaired loans is also important.

Allowance For Loan Losses

The allowance for loan losses is a significant estimate that can and does change based on management's assumptions about specific borrowers and current economic and business conditions, among other factors. Management reviews the adequacy of the allowance for loan losses on at least a quarterly basis. The evaluation by management includes consideration of past loss experience, changes in the composition of the loan portfolio, the current economic condition, the amount of loans outstanding, identified problem loans, and the probability of collecting all amounts due.

The allowance for loan losses represents management's estimate of probable losses inherent in River Valley's loan portfolios. In determining the appropriate amount of the allowance for loan losses, management makes numerous assumptions, estimates and assessments.

River Valley's strategy for credit risk management includes conservative, centralized credit policies, and uniform underwriting criteria for all loans as well as an overall credit limit for each customer significantly below legal lending limits. The strategy also emphasizes diversification on a geographic, industry and customer level, regular credit quality reviews and quarterly management reviews of large credit exposures and loans experiencing deterioration of credit quality.

River Valley's allowance consists of three components: probable losses estimated from individual reviews of specific loans, probable losses estimated from historical loss rates, and probable losses resulting from economic or other deterioration above and beyond what is reflected in the first two components of the allowance.

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Larger commercial loans that exhibit probable or observed credit weaknesses are subject to individual review. Where appropriate, reserves are allocated to individual loans based on management's estimate of the borrower's ability to repay the loan given the availability of collateral, other sources of cash flow and legal options available to River Valley. Included in the review of individual loans are those that are considered impaired. A loan is considered impaired when, based on current information and events, it is probable that River Valley will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record and the amount of the shortfall in relation to the principal and interest owed.

Impairment is measured on a loan-by-loan basis for commercial and construction loans by either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's obtainable market price or the fair value of the collateral if the loan is collateral dependent. Any allowances for impaired loans are measured based on the present value of expected future cash flows discounted at the loan's effective interest rate or fair value of the underlying collateral. River Valley evaluates the collectability of both principal and interest when assessing the need for a loss accrual. Historical loss rates are applied to other commercial loans not subject to specific reserve allocations.

Homogenous loans, such as consumer installment and residential mortgage loans, are not individually risk graded. Rather, standard credit scoring systems are used to assess credit risks. Loss rates are based on the average net charge-off history by loan category.

Historical loss rates for loans may be adjusted for significant factors that, in management's judgment, reflect the impact of any current conditions on loss recognition. Factors which management considers in the analysis include the effects of the national and local economies, trends in the nature and volume of loans (delinquencies, charge-offs and nonaccrual loans), changes in mix, asset quality trends, risk management and loan administration, changes in the internal lending policies and credit standards, collection practices and examination results from bank regulatory agencies and River Valley's internal loan review. The portion of the allowance that is related to certain qualitative factors not specifically related to any one loan type is considered the unallocated portion of the reserve.

Allowances on individual loans and historical loss rates are reviewed quarterly and adjusted as necessary based on changing borrower and/or collateral conditions and actual collection and charge-off experience.

River Valley's primary market area for lending has been comprised of Clark, Floyd and Jefferson Counties in southeastern Indiana and portions of northeastern Kentucky adjacent to that market. With the 2012 acquisition of Dupont State Bank, and the 2013 acquisition of the Osgood, Indiana branch, River Valley's market area now includes Jackson, Jennings and Ripley Counties in Indiana. When evaluating the adequacy of the allowance, consideration is given to this regional geographic concentration and the closely associated effect changing economic conditions have on River Valley's customers.

Other-Than-Temporary Impairment

River Valley evaluates all securities on a quarterly basis, and more frequently when economic conditions warrant additional evaluations, for determining if an other-than-temporary impairment ("OTTI") exists pursuant to guidelines established by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"), in ASC 320. In evaluating the possible impairment of securities, consideration is given to the length of time and the extent to which the fair value has been less than cost, the financial conditions and near-term prospects of the issuer, and the ability and intent of River Valley to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. In analyzing an issuer's financial condition, River Valley may consider whether the securities are issued by the federal government or its agencies or government-sponsored agencies, whether downgrades by bond rating agencies have occurred, and the results of review of the issuer's financial condition.

If management determines that an investment experienced an OTTI, management must then determine the amount of the OTTI to be recognized in earnings. River Valley's consolidated statement of income would reflect the full impairment (that is, the difference between the security's amortized cost basis and fair value) on debt securities that River Valley intends to sell or would more likely than not be required to sell before the expected recovery of the amortized cost basis. For securities that management has no intent to sell, and it is not more likely than not that River Valley will be required to sell prior to recovery, only the credit loss component of the impairment would be recognized in earnings, while the noncredit loss would be recognized in accumulated other comprehensive income. The credit loss component recognized in earnings is identified as the amount of principal cash flows not expected to be received over the remaining term of the security as projected based on cash flow projections. River Valley did not record any other-than-temporary impairment during the year ended December 31, 2014 or the three-month period ended September 30, 2015.

Valuation of Mortgage Servicing Rights

River Valley recognizes the rights to service mortgage loans as separate assets in the consolidated balance sheet. Under the servicing assets and liabilities accounting guidance, ASC 860-50, servicing rights resulting from the sale or securitization of loans originated by River Valley are initially measured at fair value at the date of transfer. Mortgage servicing rights are subsequently carried at the lower of the initial carrying value, adjusted for amortization, or fair value. Mortgage servicing rights are evaluated for impairment based on the fair value of those rights. Factors included in the calculation of fair value of the mortgage servicing rights include estimating the present value of future net cash flows, market loan prepayment speeds for similar loans, discount rates, servicing costs, and other economic factors. Servicing rights are amortized over the estimated period of net servicing revenue. It is likely that these economic factors will change over the life of the mortgage servicing rights, resulting in different valuations of the mortgage servicing rights. The differing valuations will affect the carrying value of the mortgage servicing rights on the consolidated balance sheet as well as the income recorded from loan servicing in the consolidated income statement. As of December 31, 2014, mortgage servicing rights had a carrying value of $587,000, and as of September 30, 2015, mortgage servicing rights had a carrying value of $551,000.

Acquired Impaired Loans

Loans acquired with evidence of credit deterioration since inception and for which it is probable that all contractual payments will not be received are accounted for under ASC Topic 310-30, Loans and Debt Securities Acquired with Deteriorated Credit Quality ("ASC 310-30"). These loans are recorded at fair value at the time of acquisition, with no carryover of the related allowance for loan losses. Fair value of acquired loans is determined using a discounted cash flow methodology based on assumptions about the amount and timing of principal and interest payments, principal prepayments and principal defaults and losses, and current market rates. In recording the acquisition date fair values of acquired impaired loans, management calculates a non-accretable difference (the credit component of the purchased loans) and an accretable difference (the yield component of the purchased loans).

Over the life of the acquired loans, River Valley continues to estimate cash flows expected to be collected on pools of loans sharing common risk characteristics, which are treated in the aggregate

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when applying various valuation techniques. River Valley evaluates at each balance sheet date whether the present value of its pools of loans determined using the effective interest rates has decreased significantly and, if so, recognizes a provision for loan loss in its consolidated statement of income. For any significant increases in cash flows expected to be collected, River Valley adjusts the amount of accretable yield recognized on a prospective basis over the pool's remaining life.

These cash flow evaluations are inherently subjective as they require management to make estimates about expected cash flows, market conditions and other future events that are highly subjective in nature and subject to change. Changes in these factors, as well as changing economic conditions, will likely impact the carrying value of these acquired loans.

Discussion of Changes in Financial Condition from December 31, 2013 to December 31, 2014

General. At December 31, 2014, River Valley's consolidated assets totaled $509.5 million, an increase of $26.7 million, or 5.5%, from the December 31, 2013 total. River Valley's consolidated liabilities increased by a lesser amount, $8.3 million, from $448.4 million at December 31, 2013 to $456.7 million at December 31, 2014. The increase in total assets was primarily the result of strong loan growth during the period and the placement of the cash proceeds from the 2014 stock offering, primarily into available-for-sale investments. Stockholders' equity of River Valley grew from $34.5 million as of December 31, 2013 to $52.7 million at the same point in 2014, a net gain of $18.2 million, or 52.8%, a result of the same stock offering, strong net income, and positive changes in the unrealized market gain on available-for-sale investments.

On July 7, 2014, River Valley issued 825,000 shares of its common stock in an underwritten public offering at an offering price of $20.50 per share. On July 15, 2014, as a result of the underwriter's exercise of an over-allotment option, River Valley issued an additional 121,390 shares of its common stock at the public offering price of $20.50 per share, bringing the total number of shares of common stock sold by River Valley in the public offering to 946,390 shares. Gross proceeds to River Valley from the public offering, including proceeds from the exercise of the over-allotment option, were approximately $19.4 million, and net proceeds after offering expenses were approximately $17.8 million.

On December 15, 2014, River Valley used a portion of the net proceeds from the offering to redeem all 5,000 of its issued and outstanding Fixed Rate Cumulative Perpetual Preferred Stock, Series A. The remaining proceeds of the July offering were placed in available-for-sale investments, and will ultimately be used to support future growth, which may include organic growth in existing markets and opportunistic acquisitions of all or part of other financial institutions.

Liquidity. Liquidity for River Valley increased slightly, with the balances in cash and cash equivalents at $13.3 million as of December 31, 2014, as compared to balances of $10.2 million as of December 31, 2013. During the twelve-month period, River Valley utilized available-for-sale investments, primarily federal agency investments, to augment liquidity and placed excess funds as discussed above. Agency investments are held at River Valley Financial level, primarily for liquidity purposes. As of December 31, 2014, River Valley held $31.6 million in such investments.

Investment Portfolio. Aided by a swing in market value, River Valley's available-for-sale securities portfolio increased $9.0 million, or 7.5%, from $119.9 million at December 31, 2013 to $128.9 million as of December 31, 2014. The unrealized loss on River Valley's investment portfolio of $2.9 million at December 31, 2013 rebounded to a $1.1 million unrealized gain at the same point in 2014, a change of $4.0 million, period to period. Government-sponsored enterprise (GSE) residential mortgage-backed and other asset-backed agency securities increased over the period by $9.9 million, or 23.7%, from $41.8 million at December 31, 2013 to $51.7 million at the same point a year later. State and municipal investments increased by $5.1 million, representing a percentage increase period to period of 13.7%, from $37.1 million at December 31 2013 to $42.2 million at December 31, 2014, and rounding out the overall increase in investment levels, period to period. Corporate investments decreased slightly, by

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$429,000, during the twelve-month period, while agency investments, as mentioned above, decreased a total of $5.6 million, from $37.2 million at December 31, 2013 to $31.6 million at December 31, 2014. Investments reported in the financial statements of River Valley are held both at River Valley Financial level and at River Valley Financial's Nevada subsidiaries, and all are available for sale. Investments held at the Nevada level are for investment purposes and tend to be longer term, higher yielding investments.

River Valley evaluates all investments for other-than-temporary impairment quarterly. The twelve-month period ended December 31, 2014 brought the usual scrutiny of River Valley's investments and in particular of asset quality and changes in the fair values of the individual investments. The change in the national investments market had a marked effect on the market value of River Valley's investment portfolio, with the net unrealized loss at December 31, 2013 of $2.9 million replaced by a net unrealized gain of $1.1 million at December 31, 2014, an overall swing of approximately $4.0 million, year to year. River Valley's securities are valued at fair value by a pricing service whose prices can be corroborated by recent security trading activities. Credit quality of all investments is reviewed at purchase and periodically thereafter, with municipal investments, in particular, reviewed on an annual rolling basis. River Valley's portfolio is comprised of the following types of investments.

Agency investments, which includes AAA-rated Federal Home Loan Mortgage Corp. (FHLMC), Federal National Mortgage Association (FNMA) and Federal Home Loan Bank (FHLB) investments, at an average tax equivalent yield of 1.70%, were at a net unrealized loss position of $272,000 at December 31, 2014. Agency investments of $8.8 million were at an unrealized loss position for 12 consecutive months or more. Because River Valley expects full repayment of these investments, does not intend to sell the investments prior to maturity, and because it is not "more likely than not" that River Valley will be required to sell the investments before recovery of their amortized cost basis, which may be maturity, River Valley does not consider these investments to be other-than-temporarily impaired at December 31, 2014. The total carrying value of $31.6 million represents 24.5% of the total investment portfolio. Agency investments are primarily held at River Valley Financial level, for liquidity purposes.

Collateralized mortgage obligations, which includes governmentally guaranteed FNMA, FHLMC, and Government National Mortgage Association (GNMA) REMICs, at an average tax equivalent yield of 2.27%, were at a net unrealized loss position of $138,000 at December 31, 2014. Collateralized mortgage obligation investments of $10.7 million were at an unrealized loss position for 12 consecutive months or more. Because River Valley expects full repayment of these investments, does not intend to sell the investments prior to maturity, and because it is not "more likely than not" that River Valley will be required to sell the investments before recovery of their amortized cost basis, which may be maturity, River Valley does not consider these investments to be other-than-temporarily impaired at December 31, 2014. The total carrying value of $31.5 million represents 24.4% of the total investment portfolio. Collateralized mortgage obligations are primarily held for investment purposes at River Valley's Nevada investment subsidiary.

Government-sponsored enterprise (GSE) residential mortgage-backed securities, which includes governmentally guaranteed FNMA, GNMA, and FHLMC Gold pools, at an average tax equivalent yield of 2.65%, were at a net unrealized gain position of $346,000 at December 31, 2014. No mortgage-backed investments were at an unrealized loss position for 12 consecutive months or more. The total carrying value of $20.2 million represents 15.7% of the total investment portfolio. GSE mortgage-backed securities held by River Valley are primarily held for investment purposes at River Valley's Nevada investment subsidiary.

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Municipal securities from a variety of sources, with an average tax equivalent yield of 5.07%, were at a net unrealized gain position of $1.5 million at December 31, 2014. The portfolio is comprised of both general obligation (GO) bonds and revenue bonds. Municipal investments totaling $2.7 million were at an unrealized loss position for 12 consecutive months or more. Because River Valley expects full repayment of these investments, does not intend to sell the investments prior to maturity, and because it is not "more likely than not" that River Valley will be required to sell the investments before recovery of their amortized cost basis, which may be maturity, River Valley does not consider these investments to be other-than-temporarily impaired at December 31, 2014. The total carrying value of $42.2 million represents 32.7% of the total investment portfolio. River Valley reviews the credit quality of its municipal investments on an ongoing basis. Municipal investments held by River Valley are primarily held for investment purposes, also at River Valley's Nevada investment subsidiary.

Corporate investments, comprised of three "Baa1" or higher rated corporate bonds (Moody's rated), and two inactively traded trust preferred issues, were at a combined net unrealized loss position of $314,000 at December 31, 2014. Of the three remaining corporate stocks, two were at a slight gain position and the third at a slight loss position at December 31, 2014. Because River Valley expects full repayment of these investments, does not intend to sell the investments prior to maturity, and because it is not "more likely than not" that River Valley will be required to sell the investments before recovery of their amortized cost basis, which may be maturity, River Valley does not consider these investments to be other-than-temporarily impaired at December 31, 2014. Both issues of trust preferred securities represent some potential risk to River Valley simply by virtue of their attributes.

One of the trust preferred investments, the ALESCO 9A A2A, has been at a continuous loss for 12 consecutive months or more and closed out the twelve-month period at a loss of $313,000 and a market value of $598,000. The second trust preferred investment, PRETSL XXVII Ltd, was at a gain position for most of 2014, closing at a slight loss of $1,000 at December 31, 2014. These are discussed individually below.

The ALESCO 9A class A2A (ALESCO 9A) investment and the Preferred Term Security XXVII, LTD class A-1 (PRETSL XXVII) investment are both thinly traded. Both issues are backed by financial institutions and insurance companies, and the current pricing reflects inactivity in the markets for trust preferred issues. As the national economy languished, some of the underlying financial institutions defaulted on, or deferred, interest payments. Some curing of these defaults has occurred as conditions improved. While these defaults/deferrals may negatively affect the lower tranches of the issues, River Valley Financial holds the top tranche of PRETSL XXVII and the second highest tranche of ALESCO 9A. Management believes that the collateralization levels on these issues are still more than adequate for River Valley Financial to be protected. Both cash flow and other analysis, performed by independent third party analysts and reviewed by management, indicate that it is more than likely that these investments will continue to maturity, and are thus only temporarily impaired. Cash flow analysis indicates that full payment of the tranches held by River Valley Financial is expected by maturity, if not before.

In November 2007, River Valley purchased $1.0 million face value of ALESCO 9A trust preferred stock at a price of $88.81 ($888,100). At December 31, 2014, this investment was priced by a third party pricing service and was carried on River Valley's books at a market value of $597,000 and at an amortized cost on that date of $910,000. The net unrealized loss on this investment at December 31, 2014 was $313,000. These figures as of December 31, 2013 were: market value of $520,000, amortized cost of $907,000, and net unrealized loss of $387,000, indicating improvement period to period. The 2014 levels were all improvements over 2013, indicating a trend of improvement in the investment. River Valley has reviewed the pricing analytics reports for this investment and has determined that the decline in the market price of this investment is temporary and indicates thin trading activity, rather than a true decline in the value of the investment. Factors considered in reaching this determination included the class or "tranche" held by River Valley, A2A, the projected cash flows as of December 31,

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2014, which indicate that River Valley will receive all contractual payments on or before maturity, and the current collateral position of the tranche, 138.8%, which while below the trigger collateralization of 146.20%, still reflects sufficient coverage for the tranche. The interest coverage ratio is 561.6%, on a trigger amount of 125.00%, indicating strong coverage for interest payments to the "A" tranche. Because River Valley does not intend to sell this investment and because it is not "more likely than not" that River Valley will be required to sell this investment before recovery of its amortized cost basis, which may be maturity, River Valley does not consider this investment to be other-than-temporarily impaired at December 31, 2014.

In February 2008, River Valley purchased $1.0 million face value of PRETSL XXVII trust preferred stock at a price of $90.00 ($900,000). At December 31, 2014, this investment was priced by a third party pricing service and was carried on River Valley's books at a market value of $724,000 and at an amortized cost on that date of $725,000. The net unrealized loss on this investment at December 31, 2014 was $1,000. These figures as of December 31, 2013 were: market value of $749,000, amortized cost of $755,000, and net unrealized loss of $6,000, indicating improvement period to period. For three quarters during 2014 this investment was at a gain position and only decreased to a slight loss position during the fourth quarter. The investment has received quarterly pay down of principal for the entire period River Valley has held the investment. River Valley has reviewed the pricing analytics reports for this investment and has determined that the decline in the market price of this investment is temporary and indicates thin trading activity, rather than a true decline in the value of the investment. Factors considered in reaching this determination included the class or "tranche" held by River Valley, A-1, the current collateral position of the tranche, 174.7%, and the projected cash flows as of December 31, 2014, which indicate that River Valley will receive all contractual payments on or before maturity. Because River Valley does not intend to sell this investment and because it is not "more likely than not" that River Valley will be required to sell this investment before recovery of its amortized cost basis, which may be maturity, River Valley does not consider this investment to be other-than-temporarily impaired at December 31, 2014.

Loan Portfolio. For the twelve-month period ended December 31, 2014, net loans, excluding loans held for sale, increased from $316.2 million at December 31, 2013 to $332.0 million at December 31, 2014, an increase of $15.8 million or 5.0%. This increase was a result of strong loan origination primarily during the fourth quarter of 2014.

Real estate owned as a result of foreclosure at December 31, 2014 totaled $983,000 as compared to $155,000 at the same point in 2013, an increase of $828,000 period to period. Foreclosure activity initiated in prior years was completed, as $2.1 million of real estate collateral for non-performing loans transferred to real estate owned and held for sale (REO), up from $915,000 the year before. The increase in real estate transferred, year over year, was the result of multiple properties. Of the real estate transferred, $524,000 was acquired from Dupont State Bank, including $240,000 for a commercial property in Bloomington, Indiana, nine single-family rental properties in North Vernon, Indiana, and two owner-occupied single family residences, also in North Vernon. Including the eleven single family properties acquired from Dupont State Bank, a total of 23 single family residential properties, with an average value of $65,000 were transferred from the loan portfolio into REO. The remaining properties transferred were two commercial properties, one in Carrollton, Kentucky and the other in Madison, Indiana, and a small construction loan. River Valley closely monitors the values of these properties, and additional charge downs were taken as necessary based on current fair value information such as appraisal data and pending sales offers. Losses on the disposal of real estate held for sale for the twelve-month period ending December 31, 2014 was $203,000, of which $99,000 represented the write-down on a large single family property. This compares to losses on real estate held for sale for the year ended December 31, 2013 of $425,000, due primarily to a single $310,000 write-down on a piece of development property.

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Sales of loans into the secondary market declined dramatically in 2014, as refinance activity slowed. Proceeds from sales for 2014 of $11.1 million were markedly lower than those for 2013, at $23.3 million, and for 2012, at $33.4 million. Sales into the secondary market are an important source of noninterest income for River Valley.

River Valley's consolidated allowance for loan losses totaled $4.0 million at December 31, 2014. This compares to $4.5 million at December 31, 2013. Provision expense decreased 52.1% year-to-year, $446,000 for 2014 as compared to $932,000 for 2013. Stabilized delinquency, minimal growth in the loan portfolio, improvement in the local economies served by River Valley Financial, and improved credit quality in the loan portfolio as a whole contributed to the decreases in the expense and levels of the allowance for loan losses. Certain problem loans carried through the lengthy foreclosure process were resolved. Charge-offs net of recoveries for the year ended December 31, 2014 were $951,000 as compared to a net recovery for the year ended December 31, 2013 of $14,000. Of the $951,000 net for 2014, $622,000 related to loans purchased with credit impairment in 2012, including one l