

German American Bancorp, Inc. (NASDAQ: GABC; Jasper, IN) has agreed to acquire Citizens First Corporation (NASDAQ: CZFC; Bowling Green, KY)

**Deal Value: Approximately \$68.2 Million**

The transaction enhances German American's market position, following upon 2018 merger with First Security Bank, in key, attractive Kentucky markets.

Sandler O'Neill acted as sole financial advisor and rendered a fairness opinion to German American Bancorp, Inc. in this transaction. This transaction represents Sandler O'Neill's 215<sup>th</sup> bank or thrift transaction nationwide since January 1, 2015 representing \$65.7 billion in aggregate transaction value. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions and for a greater aggregate deal value than any other investment bank during that time period.<sup>1</sup>

Since January 1, 2015, Sandler O'Neill has advised on 46 bank or thrift Midwest deals, representing over \$20.3 billion in aggregate transaction value, more than any other investment bank during that time period.<sup>1</sup>

German American Bancorp, Inc. (NASDAQ: GABC) ("German American") and Citizens First Corporation, Bowling Green, Kentucky (NASDAQ: CZFC) ("Citizens First"), announced today that they have entered into a definitive agreement to merge Citizens First into German American. Upon completion of the transaction, Citizens First's subsidiary bank, Citizens First Bank, Inc., will be merged into German American's subsidiary bank, German American Bank.

Under terms of the definitive agreement, Citizens First common shareholders (excluding 401(k) shareholders) will receive a fixed exchange ratio of 0.6629 shares of German American common stock for each share of Citizens First in a tax free exchange, and a cash payment of \$5.80 per Citizens First share. Shareholders who hold Citizens First common shares in the Citizens First Bank 401(k) Profit Sharing Plan will receive a cash payment equal to \$5.80 plus the exchange ratio multiplied by the 20-day volume weighted average price of German American's common shares on the second day prior to closing (provided that such average price will not be less than the closing price of German American's common shares on the last trading day preceding the closing). After completion of the merger, it is anticipated that one board member of Citizens First will be joining the board of German American. In addition, German American will add M. Todd Kanipe, President & CEO of Citizens First, as a Regional President in the combined institution, as well as all three of the additional Citizens First executive officers in regional roles similar to their current positions.

Based upon the \$31.59 per share closing price of German American's common shares ending on February 20, 2019, the transaction has a value of \$26.74 per Citizens First common share. Because a portion of the consideration to be received is German American's common stock, the stock portion of the transaction value will fluctuate until closing together with the market price of German American's common shares.

Based on the number of Citizens First common shares expected to be outstanding at closing, German American would issue approximately 1.7 million shares of its common stock, and pay approximately \$16 million cash, for all of the issued and outstanding common shares of Citizens First. Based upon the \$31.59 per share price of German American's common shares ending on February 20, 2019, the transaction has an aggregate indicated value of approximately \$68.2 million, with the total merger consideration being split between stock and cash on an approximate 77:23 basis.

Mark A. Schroeder, Chairman and CEO of German American, stated, "We are excited to welcome Citizens First customers and team members to the German American family. Citizens First has built a solid and growing community banking franchise through which German American can provide our extensive offerings of banking, insurance, and investment products and services to Citizens First's current and prospective clients. The acquisition furthers our expansion into vibrant Kentucky markets and strengthens our local presence in the Bowling Green market area, which has demonstrated a history of dynamic growth and prosperity." Schroeder continued, "We expect that this strategic transaction will be accretive to German American's earnings per share during the twelve months following completion of the transaction, and will have a rapid tangible book value earn back, within approximately one year following completion of the merger. German American's pro forma capital ratios will continue to significantly exceed regulatory well-capitalized levels, enabling us to continue to take advantage of future growth opportunities in Kentucky and throughout our existing Southern Indiana market area."

Todd Kanipe, President & CEO of Citizens First, stated, "We are very pleased to partner with a quality institution like German American, which has a demonstrated commitment to the community bank business model, centered around exceptional customer service. Through this business combination, we will be able to offer an improved suite of products to our existing customers and continue to build relationships across our market geography. I am confident that this partnership is strategically and culturally compelling to both parties, and we are excited about the future of the combined company.

## Financial Highlights

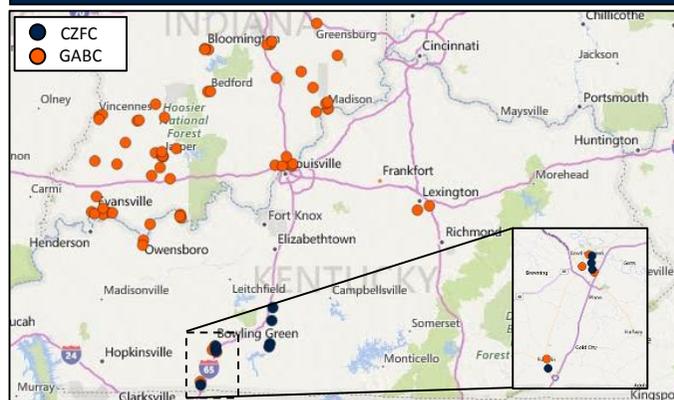
	German American Bancorp, Inc.	Citizens First Corporation
<i>(Dollars in millions)</i>		
Total Assets	\$3,929	\$476
Total Loans	\$2,732	\$372
Total Deposits	\$3,073	\$389
Tangible Common Equity	\$345	\$46

Financial data as of December 31, 2018

1) Majority and Minority transactions; Excludes terminated transactions and self-advisory roles

Source: S&P Global Market Intelligence, Press Release

## Pro Forma Map



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