

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **2005-05-02** | Period of Report: **2005-04-25**
SEC Accession No. **0000927946-05-000058**

([HTML Version](#) on [secdatabase.com](#))

FILER

GERMAN AMERICAN BANCORP

CIK: **714395** | IRS No.: **351547518** | State of Incorporation: **IN** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **001-15877** | Film No.: **05787919**
SIC: **6022** State commercial banks

Mailing Address
711 MAIN STREET
JASPER IN 47546

Business Address
711 MAIN ST
P O BOX 810
JASPER IN 47546
8124821314

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

April 25, 2005

Date of report (Date of earliest event reported):

GERMAN AMERICAN BANCORP
(Exact Name of Registrant as Specified in Its Charter)

Indiana
(State or other jurisdiction
of incorporation)

0-11244
(Commission File Number)

35-1547518
(IRS Employer Identification No.)

711 Main Street
Box 810
Jasper, Indiana
(Address of Principal Executive Offices)

47546
(Zip Code)

(812) 482-1314
(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On April 27, 2005, German American Bancorp (the "Company"), issued a press release announcing its results for the quarter ended March 31, 2005 and making other disclosures. A copy of the press release and the consolidated financial statements that were included with that press release is furnished herewith as Exhibit 99.1 and is incorporated herein by reference.

The information incorporated by reference herein from Exhibit 99.1 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 8.01. Other Events.

The Company's Board of Directors has declared a cash dividend of \$0.14 per share which will be payable on May 20, 2005 to shareholders of record as of May 10, 2005.

On April 25, 2005, the Company announced that it had subscribed to purchase stock that will represent 9.7% of the common stock of Symphony Bancorp, a proposed bank holding company for Symphony Bank (a proposed new bank in organization) for a total purchase price of \$1,485,000, subject to regulatory approval and the completion of the new bank's organization. Information regarding this investment (and similar investments that have been made in the last nine months by the Company in two other new or recent start-up community-based banks located in the larger metropolitan markets adjacent to the Company's existing Southwestern Indiana geographic market area) is included in the Company's April 25, 2005, press release, which is attached to this report as Exhibit 99.2 and is incorporated herein by reference.

Item 9.01. Financial Statements, Pro Forma Financial Information and Exhibits.

Exhibits

99.1 Press release issued by the Company on April 27, 2005. This exhibit shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

99.2 Press release issued by the Company on April 25, 2005.

SIGNATURE

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

GERMAN AMERICAN BANCORP

By: /s/ Mark A. Schroeder

Mark A. Schroeder, President and
Chief Executive Officer

Dated: April 27, 2005

EXHIBIT INDEX

99.1 Press release issued by the Company on April 27, 2005. This exhibit shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

99.2 Press release issued by the Company on April 25, 2005.

GERMAN AMERICAN BANCORP

NEWS RELEASE

For additional information, contact:

Mark A Schroeder, *President/CEO of German American Bancorp*
Kenneth L Sendelweck, *Secretary/Treasurer of German American Bancorp*
(812) 482-1314

Page 1 of 2

JASPER, INDIANA

APRIL 27, 2005

GERMAN AMERICAN BANCORP REPORTS 24% INCREASE IN EARNINGS AND DECLARES QUARTERLY CASH DIVIDEND

German American Bancorp (NASDAQ: GABC) announced today that its first quarter earnings increased by 24% over last year's first quarter results, achieving the highest level of quarterly net income since the first quarter of 2003 and continuing the previously reported trend of strong performance improvement.

The Company's net income for the quarter was \$2,411,000, or \$0.22 per share, comparing very favorably to and increasing by \$459,000 over the \$1,952,000, or \$0.18 per share reported in the first quarter of 2004.

The comparison of the two periods was positively impacted by improvements in both the Company's net interest income and non-interest income. Net interest income increased by \$521,000, or 7%, in the current year's first quarter over that recorded in the same period last year.

Non-interest income increased by \$593,000 during 2005 compared to 2004, or approximately 20%. Within the Company's sources of non-interest related revenue, insurance revenues increased by 10%, trust and investment product fees increased by 24%, and net gains on the sales of loans improved by nearly 30%. The comparison of non-interest income was also positively impacted by recording in the first quarter of 2005 a \$267,000 recovery of previous mortgage servicing rights impairment; while during the first quarter of 2004, the Company recorded a \$117,000 mortgage servicing rights impairment charge.

Commenting on the Company's strong first quarter results, Mark A. Schroeder, German American President & CEO, stated, "We are extremely pleased that the operating fundamentals on which we have remained steadfastly focused during recent quarters have culminated into the level of financial performance that we are reporting for the first quarter of 2005. As we have stated in a number of our previous announcements, German American has, throughout the recent years' historically low levels of interest rates, maintained a long-term perspective and we've positioned the Company to be poised to take advantage of the opportunities that we believed would occur in a stronger and more normal economic environment. It is extremely gratifying to see our shareholders now reap the rewards of these efforts in terms of an increase in net income and earnings per share growth."

GERMAN AMERICAN BANCORP

NEWS RELEASE

For additional information, contact:

Mark A Schroeder, *President/CEO of German American Bancorp*
Kenneth L Sendelweck, *Secretary/Treasurer of German American Bancorp*
(812) 482-1314

Page 2 of 2

The Company also announced that its Board had declared a regular quarterly cash dividend of \$0.14 per share which will be payable on May 20, 2005 to shareholders of record as of May 10, 2005.

German American Bancorp is a financial services holding company based in Jasper, Indiana. The Company's Common Stock is traded on NASDAQ's National Market System under the symbol GABC. The Company operates five affiliated community banks with 26 retail banking offices in the eight contiguous Southwestern Indiana counties of Daviess, Dubois, Gibson, Knox, Martin, Perry, Pike, and Spencer. The Company also operates German American Financial Advisors & Trust Company, a trust, brokerage and financial planning subsidiary operating from the banking offices of the bank subsidiaries and German American Insurance, Inc., a full-line property and casualty insurance subsidiary with five independent insurance offices throughout its market area. The Company's lines of business include retail and commercial banking, mortgage banking, comprehensive wealth management, full service brokerage and trust administration, title insurance, and a full range of personal and corporate insurance products.

Forward-Looking Statements

The Company's statements in this press release regarding its financial performance may be deemed to include "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Readers are cautioned that, by their nature, forward-looking statements are based on assumptions and are subject to risks, uncertainties, and other factors. Changes in the Company's net interest income and net interest margin may vary materially from those that are presently expected, if interest rates should decline or not increase. Other factors that could cause net interest income, net interest margin and earnings to vary from those that are expected, or those that have historically been achieved in recent periods, include the effects of changes in competitive conditions; the introduction, withdrawal, success and timing of asset/liability management strategies or of business initiatives and business strategies; changes in customer borrowing, repayment, investment and deposit practices; changes in fiscal, monetary and tax policies; changes in financial and capital markets; changes in general economic conditions, either nationally or regionally, resulting in, among other things, credit quality deterioration; capital management activities; actions of the Federal Reserve Board; changes in accounting principles and interpretations; and legislative and regulatory actions and reforms. These forward-looking statements speak only as of the date of this press release and the Company undertakes no obligation to update any such forward-looking statement to reflect events or circumstances that occur after the date hereof.

GERMAN AMERICAN BANCORP

(unaudited, dollars in thousands except per share data)

Consolidated Balance Sheets

March 31,	
2005	2004

ASSETS

Cash and Due from Banks	\$ 18,951	\$ 23,939
Short-term Investments	5,533	11,075
Investment Securities	200,375	208,831
Loans Held-for-Sale	3,517	651
Loans, Net of Unearned Income	619,497	608,497
Allowance for Loan Losses	(8,968)	(8,436)
Net Loans	610,529	600,061
Stock in FHLB and Other Restricted Stock	13,686	13,106
Premises and Equipment	19,708	21,502
Other Assets	40,173	38,924
TOTAL ASSETS	\$ 912,472	\$ 918,089

LIABILITIES

Non-interest-bearing Demand Deposits	\$ 122,873	\$ 114,692
Interest-bearing Demand, Savings, and Money Market Accounts	294,282	271,982
Time Deposits	304,286	337,572
Total Deposits	721,441	724,246
Borrowings	96,630	98,425
Other Liabilities	11,287	11,242
TOTAL LIABILITIES	829,358	833,913

SHAREHOLDERS' EQUITY

Common Stock and Surplus	77,347	78,694
Retained Earnings	6,664	4,846
Accumulated Other Comprehensive Income/(Loss)	(897)	636
TOTAL SHAREHOLDERS' EQUITY	83,114	84,176

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 912,472	\$ 918,089
---	-------------------	-------------------

BOOK VALUE PER SHARE	\$ 7.64	\$ 7.69
-----------------------------	----------------	----------------

END OF PERIOD SHARES OUTSTANDING	10,880,948	10,940,803
---	-------------------	-------------------

Consolidated Statements of Income

	Three Months Ended	
	March 31,	
	2005	2004
INTEREST INCOME		
Interest and Fees on Loans	\$ 9,914	\$ 9,705
Interest on Short-term Investments	87	28
Interest and Dividends on Investment Securities	2,003	2,043

TOTAL INTEREST INCOME	12,004	11,776
INTEREST EXPENSE		
Interest on Deposits	2,889	3,133
Interest on Borrowings	1,116	1,165
TOTAL INTEREST EXPENSE	4,005	4,298
Net Interest Income	7,999	7,478
Provision for Loan Losses	482	402
Net Interest Income after Provision for Loan Losses	7,517	7,076
NON-INTEREST INCOME		
Other Operating Income	3,405	2,861
Net Gain on Sales of Loans and Related Assets	236	182
Net Gain on Securities	---	5
TOTAL NON-INTEREST INCOME	3,641	3,048
NON-INTEREST EXPENSE		
Salaries and Benefits	4,596	4,615
Other Operating Expenses	3,342	3,235
TOTAL NON-INTEREST EXPENSE	7,938	7,850
Income before Income Taxes	3,220	2,274
Income Tax Expense	809	322
NET INCOME	\$ 2,411	\$ 1,952
EARNINGS PER SHARE & DILUTED EARNINGS PER SHARE	\$ 0.22	\$ 0.18
WEIGHTED AVERAGE SHARES OUTSTANDING:		
Basic	10,894,953	10,936,799
Diluted	10,911,363	10,976,988

German American Bancorp Announces Subscription to Purchase Stock in Symphony Bancorp, Indianapolis, In.

Jasper, Indiana --April 25, 2005--German American Bancorp (NASDAQ:GABC), has announced that it has subscribed to purchase stock that will represent 9.7% of the common stock of Symphony Bancorp, a proposed bank holding company for Symphony Bank (a proposed new bank in organization) for a total purchase price of \$1,485,000, subject to regulatory approval and the completion of the new bank's organization.

Symphony Bank is a proposed full service commercial bank opening later this year that will provide community banking for businesses and consumers in the Hamilton County and Northern Indianapolis, Indiana markets.

Mark A. Schroeder, President and CEO of German American, stated, "Our investment in Symphony Bank is indicative of our continuing belief in and commitment to the viability of the concept of community banking. Symphony's proposed business model, which very closely mirrors that of German American, is to operate as a local, full-service commercial bank emphasizing prompt, personalized customer service to their customer base located in the southern half of Hamilton County, Indiana, including Carmel, and the northern part of Marion County, Indiana, including northern Indianapolis."

Schroeder continued, "Through this association with Symphony Bancorp, German American will have a vehicle through which we can participate, in cooperation with Symphony, in loan opportunities in a market that certainly has a very vibrant economic base. Hamilton County, which is directly north of Indianapolis, ranks among the highest counties in the U.S. by income making it a very attractive market for a well-managed community bank. We look forward to working with the exceptional management team in place at Symphony Bank as they serve the needs of their customers and, by doing so, enhancing shareholder value for both Symphony Bancorp and German American Bancorp."

As a part of its agreement with Symphony Bancorp, German American expects (subject to regulatory approval) that it will be represented on Symphony Bank's Board of Directors. German American has indicated it intends to designate its Secretary/Treasurer, Kenneth L. Sendelweck, to that seat.

Steven A. Tolen, President and Chief Executive Officer of Symphony Bancorp, made the following comments regarding German American's investment in the Bank, "We are very excited with German American Bancorp's decision to invest in our organization. This investment demonstrates confidence in our people, our business plan, and our marketplace. Symphony Bancorp is pleased German American's executive team, and in particular Ken Sendelweck, the president of German American Bancorp's lead affiliate bank and the chairman of their separately chartered trust and investment advisory subsidiary, has made itself available for collaboration. We believe this will supplement tremendously the experience and skill sets of our founding directors and organizers."

The investment in Symphony Bancorp represents the third in a series of similarly structured investments that German American has made in new or recent start-up community-based banks located in the larger metropolitan markets adjacent to German American's existing Southwestern Indiana geographic market area. German American in the third quarter of 2004 completed an investment in 9.9% of the common stock of the Bank of Evansville of Evansville, Indiana. In February 2005, it announced that it had subscribed (subject to regulatory approval and the completion of that bank's organization) to purchase common stock representing 9.0% of Eclipse Bank, Inc. (in organization), a proposed new bank located in the Louisville and St. Matthews, Kentucky markets.

German American Bancorp is a financial services holding company based in Jasper, Indiana. The Company's Common Stock is traded on NASDAQ's National Market System under the symbol GABC. The Company operates five affiliated community banks with 26 retail banking offices in the eight contiguous Southwestern Indiana counties of Daviess, Dubois, Gibson, Knox, Martin, Perry, Pike, and Spencer, Indiana. The Company also operates German American Financial Advisors & Trust Company, a trust, brokerage and financial planning subsidiary operating from the banking offices of the bank subsidiaries and German American Insurance, Inc., a full-line property and casualty insurance subsidiary with five independent insurance offices throughout its market area. The Company's lines of business include retail and commercial banking, mortgage banking, comprehensive wealth management, full service brokerage and trust administration, title insurance, and a full range of personal and corporate insurance products.