

GERMAN AMERICAN BANCORP  
Form 11-K  
November 12, 2004

**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 11-K**

Annual Report Pursuant to Section 15(d) of the  
Securities Exchange Act of 1934

(Mark One)

Annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934  
For the year ending August 16, 2004

Transitional report pursuant to Section 15(d) of the Securities Exchange Act of 1934  
Commission file number: 333-80605

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

German American Bancorp  
1999 Employee Stock Purchase Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

German American Bancorp  
711 Main Street, Box 810  
Jasper, Indiana 47546-3042

**REQUIRED INFORMATION**

A. Financial Statements and Schedules:

Report of Independent Registered Public Accounting Firm

Statements of Net Assets Available for Benefits

Statements of Changes in Net Assets Available for Benefits

Notes to Financial Statements

B. Signatures

C. Exhibits

Exhibit 23 Consent of Independent Registered Public Accounting Firm

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

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Plan Administrator  
German American Bancorp  
Employee Stock Purchase Plan  
Jasper, Indiana

We have audited the accompanying statements of net assets available for benefits of the German American Bancorp Employee Stock Purchase Plan as of August 16, 2004 and 2003, and the related statements of changes in net assets available for benefits for each of the three years in the period ended August 16, 2004. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the German American Bancorp Employee Stock Purchase Plan as of August 16, 2004 and 2003, and the changes in net assets available for benefits for each of the three years in the period ended August 16, 2004 in conformity with U.S. generally accepted accounting principles.

/s/ Crowe Chizek and Company LLC  
Crowe Chizek and Company LLC

Indianapolis, Indiana  
October 7, 2004

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GERMAN AMERICAN BANCORP  
EMPLOYEE STOCK PURCHASE PLAN  
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
August 16, 2004 and 2003

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	<u>2004</u>	<u>2003</u>
<b>ASSETS</b>		
Cash	\$ 333,963	\$ 375,805
<b>LIABILITIES</b>		
Accounts Payable	3,126	---
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	<u>\$ 330,837</u>	<u>\$ 375,805</u>

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See accompanying notes.

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GERMAN AMERICAN BANCORP  
 EMPLOYEE STOCK PURCHASE PLAN  
 STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
 Years ended August 16, 2004, 2003 and 2002

	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Additions to net assets attributed to:</b>			
Contributions			
Participants	\$ 342,705	\$ 397,159	\$ 341,398
Employer	120,234	65,897	200,802
	<u>462,939</u>	<u>463,056</u>	<u>542,200</u>
Total additions			
<b>Deductions from net assets attributed to:</b>			
Terminations paid in cash	11,868	21,354	19,660
Purchase of stock	496,039	387,635	479,607
	<u>507,907</u>	<u>408,989</u>	<u>499,267</u>
Total deductions			
<b>Net increase/(decrease)</b>	(44,968)	54,067	42,933
Net assets available for benefits			
Beginning of year	<u>375,805</u>	<u>321,738</u>	<u>278,805</u>
End of year	<u>\$ 330,837</u>	<u>\$ 375,805</u>	<u>\$ 321,738</u>

See accompanying notes.

3.

GERMAN AMERICAN BANCORP  
 EMPLOYEE STOCK PURCHASE PLAN  
 NOTES TO FINANCIAL STATEMENTS  
 August 16, 2004 and 2003

**NOTE 1 DESCRIPTION OF PLAN**

The following description of the German American Bancorp Employee Stock Purchase Plan (Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

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**General:** The purpose of the Plan is to provide eligible employees of German American Bancorp (the Company) and its subsidiaries an opportunity to purchase common shares of the Company financed by payroll deductions. The Plan provides for the purchase of up to 425,000 shares of common stock (542,420 after adjustment for stock dividends since inception of the Plan), which the Company may provide by purchases on the open market or from private sources, or by issuing authorized but unissued common shares. The Plan covers all employees of the Company and its subsidiaries who have completed six months of service prior to the start of the Plan year, with customary employment of at least 20 hours per week. The Company shall determine the participant purchase price for common shares under the Plan, which price shall be in the range from 85% to 100% of the fair market value of the common shares at the beginning or end of the Plan year as determined by quoted market prices.

**Contributions:** Eligible employees must elect to participate in the Plan before the start of the Plan year and may not purchase more than \$25,000 worth of Company common stock, based on the fair market value on the grant date. Employees may increase deferrals once and decrease deferrals once during the Plan year, or may elect to terminate participation at any point during the Plan year. Upon terminating participation, the balance in the participant account shall be paid to the employee.

**Participant Accounts:** Each participant's account is credited with the participant's contributions through payroll deductions. At the end of the Plan year, the balance of participant accounts will be used to purchase the number of whole and fractional shares of Company common stock that may be purchased for the participant purchase price. Ownership of common shares purchased is transferred to the participants, and the shares are not assets of the Plan. For the Plan years ended August 16, 2004, 2003 and 2002, the participant purchase price determined by the Company was 85% of the lower of the fair market value of common shares at the beginning of the Plan year or the fair market value at the end of the Plan year.

**Retirement, Termination and Death:** A participant is entitled to 100% of his or her account balance upon retirement, termination or death.

**Payment of Benefits:** Certificates for common shares purchased under the Plan may be registered only in the name of the participating employee, or in his or her name jointly with a member of his or her family, with right of survivorship. There are no restrictions imposed by the Plan on the resale of common shares purchased under the Plan.

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GERMAN AMERICAN BANCORP  
EMPLOYEE STOCK PURCHASE PLAN  
NOTES TO FINANCIAL STATEMENTS  
August 16, 2004 and 2003

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### NOTE 2 SUMMARY OF ACCOUNTING POLICIES

**Employer Contributions:** The Company and its subsidiaries contribute the difference between the cost of shares acquired on the open market or from private sources and the participant purchase price. The Company may elect to issue shares to participants rather than acquiring shares on the open market. Since the Company has no obligation to contribute cash to the Plan, employer contributions are recorded when received. The Company pays all Plan administrative costs.

**Payment of Benefits:** Benefits are recorded when paid.

**Use of Estimates:** The preparation of financial statements requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from these estimates.

**Reclassifications:** Some items in prior year financial statements were reclassified to conform to the current presentation.

**NOTE 3 RELATED PARTY TRANSACTIONS**

The cash of the Plan is held in a non-interest bearing checking account at German American Bank, a wholly owned subsidiary of the Company. See also Note 6.

**NOTE 4 PLAN TERMINATION**

Although it has not expressed any intent to do so, the Company has the right to terminate or amend the Plan at any time. The Plan may continue until all the stock allocated to the Plan has been issued or until after the tenth plan year-end is completed, whichever is earlier. The Plan year ended August 16, 2000 was the first Plan year. The Plan provides for the purchase of up to 542,420 shares of common stock, and 103,384 shares have been issued through August 16, 2004.

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GERMAN AMERICAN BANCORP  
EMPLOYEE STOCK PURCHASE PLAN  
NOTES TO FINANCIAL STATEMENTS  
August 16, 2004 and 2003

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**NOTE 5 TAX STATUS**

The Plan is not qualified under Section 401(a) of the Internal Revenue Code of 1986 (the Code) and is not subject to any provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is intended to qualify as an employee stock purchase plan under Section 423 of the Code, and the provisions of the Plan shall be construed so as to extend and limit participation in a manner consistent with the requirement of that Section of the Code. Consequently, the difference between the purchase price and the fair market value of the stock purchased under the Plan is not includable in participant gross income for federal income tax purposes, unless a disqualifying distribution occurs.

**NOTE 6 SUBSEQUENT EVENT**

In September 2004, the Company purchased 23,996 common shares on the open market for \$406,252. Funding for the purchase of the common stock was from employee contributions totaling \$330,837 and Company contributions of \$75,415.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Human Resources Committee, acting as the administrator of the German American Bancorp 1999 Employee Stock Purchase Plan, has duly caused this annual report to be signed on its behalf by the undersigned hereto duly authorized, on November 12, 2004.

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German American Bancorp  
1999 Employee Stock Purchase Plan  
(Name of Plan)

By: /s/ Mark A. Schroeder

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Mark A. Schroeder, a member of the  
Human Resources Committee