

GERMAN AMERICAN BANCORP, INC.  
Form 11-K  
November 13, 2008

**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, 2008

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, Inc.  
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 - August 16, 2008 and 2007

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

---

GERMAN AMERICAN BANCORP  
EMPLOYEE STOCK PURCHASE PLAN  
Jasper, Indiana

FINANCIAL STATEMENTS  
August 16, 2008 and 2007

CONTENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	1
FINANCIAL STATEMENTS	
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS	2
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS	3
NOTES TO FINANCIAL STATEMENTS	4

---

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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, 2008 and 2007, and the related statements of changes in net assets available for benefits for each of the three years in the period ended August 16, 2008. 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, 2008 and 2007, and the changes in net assets available for benefits for each of the three years in the period ended August 16, 2008 in conformity with U.S. generally accepted accounting principles.

/s/ Crowe Horwath LLP  
Crowe Horwath LLP

Louisville, Kentucky  
November 10, 2008

---

1.

---

GERMAN AMERICAN BANCORP  
EMPLOYEE STOCK PURCHASE PLAN  
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
August 16, 2008 and 2007

---

	2008	2007
<b>ASSETS</b>		
Cash	\$ 293,647	\$ 362,768
<b>LIABILITIES</b>		
Accounts payable	-	4,174
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	<b>\$ 293,647</b>	<b>\$ 358,594</b>

---

See accompanying notes.

2.

---

GERMAN AMERICAN BANCORP  
 EMPLOYEE STOCK PURCHASE PLAN  
 STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
 Years ended August 16, 2008, 2007 and 2006

	2008	2007	2006
<b>Additions to net assets attributed to:</b>			
Contributions			
Participants	\$ 307,967	\$ 415,797	\$ 410,844
Employer	117,793	105,176	62,622
Total additions	425,760	520,973	473,466
<b>Deductions from net assets attributed to:</b>			
Terminations paid in cash	14,320	57,202	26,875
Purchase of stock	476,387	489,146	437,733
Total deductions	490,707	546,348	464,608
<b>Net increase/(decrease)</b>	<b>(64,947)</b>	<b>(25,375)</b>	<b>8,858</b>
Net assets available for benefits			
Beginning of year	358,594	383,969	375,111
End of year	\$ 293,647	\$ 358,594	\$ 383,969

See accompanying notes.

3.

GERMAN AMERICAN BANCORP  
EMPLOYEE STOCK PURCHASE PLAN  
NOTES TO FINANCIAL STATEMENTS  
August 16, 2008 and 2007

---

**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.

General: The purpose of the Plan is to provide eligible employees of German American Bancorp, Inc. (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. For the Plan years ending August 16, 2007 and 2006, the Company determined the participant purchase price for common shares to be a price 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. Beginning with the Plan year ending August 16, 2008, the participant purchase price for common shares under the Plan shall be 95% of the fair market value of the common shares at the end of the Plan year as determined by the NASDAQ Official Closing Price on such date.

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 start of the Plan year. Employees may increase or 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, 2008, 2007 and 2006, the participant purchase prices determined by the Company were \$10.30, \$11.19, and \$12.28 per share.

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

---

(Continued)

GERMAN AMERICAN BANCORP  
EMPLOYEE STOCK PURCHASE PLAN  
NOTES TO FINANCIAL STATEMENTS  
August 16, 2008 and 2007

---

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.

**NOTE 2 - SUMMARY OF ACCOUNTING POLICIES**

Basis of Accounting: The financial statements of the Plan are prepared on the accrual method of accounting.

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, either when shares are purchased for the participants or participant contributions are refunded upon termination.

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.

**NOTE 3 - RELATED PARTY TRANSACTIONS**

The cash of the Plan is held in a non-interest bearing checking account at German American Bancorp, a wholly owned subsidiary of the Company. The number of shares of employer securities purchased with Plan assets on behalf of participants in the plan years ended August 16, 2008, 2007 and 2006 were 34,808, 34,326 and 30,540, shares. See Statement of Changes in Net Assets for dollar amounts of the purchases. See also Note 6 for disclosure of the purchase subsequent to year-end.

---

(Continued)

5.

---



GERMAN AMERICAN BANCORP  
EMPLOYEE STOCK PURCHASE PLAN  
NOTES TO FINANCIAL STATEMENTS  
August 16, 2008 and 2007

---

**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 227,054 shares have been issued through August 16, 2008.

---

(Continued)

6.

---

GERMAN AMERICAN BANCORP  
EMPLOYEE STOCK PURCHASE PLAN  
NOTES TO FINANCIAL STATEMENTS  
August 16, 2008 and 2007

---

**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. When the participants' shares are acquired under the plan, the participant does not recognize gross income for federal income tax purposes. However, if a disqualifying disposition occurs, the participant will recognize gross income equal to the lesser of the excess of the fair market value of the shares at the time of disposition over the amount paid for the shares or the excess of the fair market value of the shares at the time the shares were granted over the share price.

**NOTE 6 - SUBSEQUENT EVENT**

In September 2008, the Company purchased 25,694 common shares on the open market for \$340,289. Funding for the purchase of the common stock was from employee contributions totaling \$293,647 and Company contributions of \$46,642.

---

(Continued)

7.

---

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Compensation and 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, 2008.

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

By: Compensation and Human Resources  
Committee of the Board of Directors of  
German  
American Bancorp, Inc., as Plan  
Administrator

By: /s/ Mark A. Schroeder  
Mark A. Schroeder,  
President, German  
American Bancorp, Inc. (as  
duly authorized  
signatory of the  
Committee, but not a  
member  
thereof)

8.

---