

GERMAN AMERICAN BANCORP, INC.
Form 10-Q
August 08, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the
Quarterly Period Ended June 30, 2007

Or

☐ Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the
Transition Period from _____ to _____

Commission File Number 0-11244

German American Bancorp, Inc
(Exact name of registrant as specified in its charter)

Indiana 35-1547518
(State or other jurisdiction (I.R.S. Employer
of
incorporation or Identification No.)
organization)

711 Main Street, Jasper, Indiana 47546
(Address of Principal Executive Offices and Zip Code)

Registrant's telephone number, including area code: (812) 482-1314

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer:

Large Accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).
YES ☐ NO ☒

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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at August 1, 2007
Common Stock, no par value	11,029,484

CAUTION REGARDING FORWARD-LOOKING STATEMENTS AND ASSOCIATED RISKS

Information included in or incorporated by reference in this Quarterly Report on Form 10-Q, our other filings with the Securities and Exchange Commission (the "SEC") and our press releases or other public statements, contains or may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Please refer to a discussion of our forward-looking statements and associated risks in Item 2 of Part I of this Report ("Management's Discussion and Analysis of Financial Condition and Results of Operations") at the conclusion of that Item 2 under the heading "Forward-Looking Statements and Associated Risks."

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PART I. FINANCIAL INFORMATION**Item 1. Financial Statements**

GERMAN AMERICAN BANCORP, INC.
CONSOLIDATED BALANCE SHEETS
(unaudited, dollars in thousands except per share data)

	June 30, 2007	December 31, 2006
ASSETS		
Cash and Due from Banks	\$ 25,538	\$ 23,960
Federal Funds Sold and Other Short-term Investments	4,181	5,735
Cash and Cash Equivalents	29,719	29,695
Interest-bearing Time Deposits with Banks	100	200
Securities Available-for-Sale, at Fair Value	155,324	179,222
Securities Held-to-Maturity, at Cost (Fair value of \$5,133 and \$6,192 on June 30, 2007 and December 31, 2006, respectively)	5,098	6,135
Loans Held-for-Sale	2,496	1,601
Loans	853,397	798,635
Less: Unearned Income	(3,192)	(2,376)
Allowance for Loan Losses	(7,776)	(7,129)
Loans, Net	842,429	789,130
Stock in FHLB of Indianapolis and Other Restricted Stock, at Cost	10,621	10,621
Premises, Furniture and Equipment, Net	23,721	23,245
Other Real Estate	1,152	845
Goodwill	9,655	9,655
Intangible Assets	4,477	4,924
Company Owned Life Insurance	22,103	21,710
Accrued Interest Receivable and Other Assets	15,010	16,441
TOTAL ASSETS	\$ 1,121,905	\$ 1,093,424
LIABILITIES		
Non-interest-bearing Demand Deposits	\$ 131,374	\$ 137,671
Interest-bearing Demand, Savings, and Money Market Accounts	330,956	329,690
Time Deposits	449,777	400,257
Total Deposits	912,107	867,618
FHLB Advances and Other Borrowings	103,845	119,889
Accrued Interest Payable and Other Liabilities	13,459	13,526
TOTAL LIABILITIES	1,029,411	1,001,033
SHAREHOLDERS' EQUITY		
Preferred Stock, \$10 par value; 500,000 shares authorized, no shares issued	—	—
Common Stock, no par value, \$1 stated value; 20,000,000 shares authorized	11,029	11,008

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Additional Paid-in Capital	68,369	68,216
Retained Earnings	14,486	13,450
Accumulated Other Comprehensive Loss	(1,390)	(283)
TOTAL SHAREHOLDERS' EQUITY	92,494	92,391
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 1,121,905	\$ 1,093,424
End of period shares issued and outstanding	11,029,087	11,008,562

See accompanying notes to consolidated financial statements.

GERMAN AMERICAN BANCORP, INC.
CONSOLIDATED STATEMENTS OF INCOME
AND COMPREHENSIVE INCOME
(unaudited, dollars in thousands except per share data)

	Three Months Ended June 30,	
	2007	2006
INTEREST INCOME		
Interest and Fees on Loans	\$ 15,846	\$ 12,813
Interest on Federal Funds Sold and Other Short-term Investments	84	136
Interest and Dividends on Securities:		
Taxable	1,782	1,928
Non-taxable	246	500
TOTAL INTEREST INCOME	17,958	15,377
INTEREST EXPENSE		
Interest on Deposits	6,825	5,068
Interest on FHLB Advances and Other Borrowings	1,639	1,411
TOTAL INTEREST EXPENSE	8,464	6,479
NET INTEREST INCOME	9,494	8,898
Provision for Loan Losses	375	54
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	9,119	8,844
NON-INTEREST INCOME		
Trust and Investment Product Fees	660	565
Service Charges on Deposit Accounts	1,114	1,010
Insurance Revenues	1,541	1,109
Other Operating Income	667	710
Net Gains on Sales of Loans and Related Assets	198	454
Net Gain / (Loss) on Securities	—	—
TOTAL NON-INTEREST INCOME	4,180	3,848
NON-INTEREST EXPENSE		
Salaries and Employee Benefits	5,554	5,367
Occupancy Expense	779	638
Furniture and Equipment Expense	569	564
Data Processing Fees	343	413
Professional Fees	350	464
Advertising and Promotion	178	199
Supplies	139	125
Other Operating Expenses	1,511	1,464
TOTAL NON-INTEREST EXPENSE	9,423	9,234
Income before Income Taxes	3,876	3,458
Income Tax Expense	1,233	970
NET INCOME	\$ 2,643	\$ 2,488

COMPREHENSIVE INCOME	\$	1,334	\$	2,265
Earnings Per Share and Diluted Earnings Per Share	\$	0.24	\$	0.23
Dividends Per Share	\$	0.14	\$	0.14

See accompanying notes to consolidated financial statements.

GERMAN AMERICAN BANCORP, INC.
CONSOLIDATED STATEMENTS OF INCOME
AND COMPREHENSIVE INCOME
(unaudited, dollars in thousands except per share data)

	Six Months Ended	
	June 30,	
	2007	2006
INTEREST INCOME		
Interest and Fees on Loans	\$ 30,913	\$ 25,195
Interest on Federal Funds Sold and Other Short-term Investments	204	262
Interest and Dividends on Securities:		
Taxable	3,652	3,670
Non-taxable	518	998
TOTAL INTEREST INCOME	35,287	30,125
INTEREST EXPENSE		
Interest on Deposits	13,255	9,550
Interest on FHLB Advances and Other Borrowings	3,163	2,801
TOTAL INTEREST EXPENSE	16,418	12,351
NET INTEREST INCOME	18,869	17,774
Provision for Loan Losses	2,303	344
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	16,566	17,430
NON-INTEREST INCOME		
Trust and Investment Product Fees	1,341	1,126
Service Charges on Deposit Accounts	2,032	1,875
Insurance Revenues	3,045	2,530
Other Operating Income	1,296	1,446
Net Gains on Sales of Loans and Related Assets	376	667
Net Gain / (Loss) on Securities	—	—
TOTAL NON-INTEREST INCOME	8,090	7,644
NON-INTEREST EXPENSE		
Salaries and Employee Benefits	11,057	10,551
Occupancy Expense	1,541	1,334
Furniture and Equipment Expense	1,157	1,086
Data Processing Fees	699	818
Professional Fees	741	882
Advertising and Promotion	369	411
Supplies	289	266
Other Operating Expenses	3,004	2,691
TOTAL NON-INTEREST EXPENSE	18,857	18,039
Income before Income Taxes	5,799	7,035
Income Tax Expense	1,677	1,984
NET INCOME	\$ 4,122	\$ 5,051

COMPREHENSIVE INCOME	\$	3,015	\$	4,778
Earnings Per Share and Diluted Earnings Per Share	\$	0.37	\$	0.46
				<p>Although they have not expressed any intention to do so, the Companies have the right under the Plan to discontinue their contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. In the event that the Plan is terminated, participants would become 100% vested in their accounts.</p>
Dividends Per Share	\$	0.28	\$	0.28

8. TAX STATUS

The Plan is exempt from Puerto Rico income taxes under the provisions of the PRIRC enacted on January 31, 2011. The 2011 PRIRC replaced the 1994 PRIRC, as amended. The 2011 PRIRC modified rules concerning contribution limits, coverage requirements, non-discrimination testing, and other matters. The 2011 PRIRC also provided for certain changes applicable to plans sponsored by entities under common control. These changes were effective for periods commencing after December 31, 2010, with certain additional requirements beginning on January 1, 2012. The Plan is not qualified under Section 401(a) of the U.S. Internal Revenue Code, but it is exempt from U.S. taxation under Section 1022 of the Employee Retirement Income Security Act of 1974. The Plan is subject to routine audits by taxing jurisdictions at any time. The Companies and Plan management believe that the Plan is currently designed and operated in compliance with the applicable requirements of the 2011 PRIRC and the Plan and the related trust continue to be tax-exempt. Therefore, no provision for income taxes has been reflected in the Plan's financial statements.

9. RECONCILIATION OF FINANCIAL STATEMENTS TO THE FORM 5500

Reconciliation of net assets available for benefits as shown in the financial statements to those in the Form 5500 as filed by the Plan as of December 31, 2014 and 2013, is as follows:

	2014	2013
Net assets available for benefits per the financial statements	\$37,507,579	\$33,888,353
Certain deemed distributions of participant loans	(18,988)	(17,827)
Net assets available for benefits per Form 5500	\$37,488,591	\$33,870,526
For the year ended December 31, 2014, the following is a reconciliation of net investment income per the financial statements to the Form 5500:		
Total net investment income per the financial statements		\$3,943,848
Interest income on notes receivable from participants per the financial statements		1,161
Less interest on deemed distributions		(1,161)
Total income on investments per the Form 5500		\$3,943,848

SUPPLEMENTAL SCHEDULES

THE PROCTER & GAMBLE COMMERCIAL COMPANY
EMPLOYEES' SAVINGS PLAN

FORM 5500, SCHEDULE H, PART IV, LINE 4i — SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF DECEMBER 31, 2014

EIN: 66-0676831

PLAN: 002

Identity of Issue	Description of Investment	Cost	Fair Value
* The Procter & Gamble Company	Common stock	\$11,135,868	\$19,388,729
The J.M. Smucker Company	Common stock	**	63,278
Vanguard FTSE All-World EX US Index Fund	Mutual fund	**	1,368,609
Vanguard Balanced Index Fund	Mutual fund	**	3,936,920
Vanguard Small Cap Index Fund	Mutual fund	**	2,764,567
Vanguard Inflation Protected Securities Fund	Mutual fund	**	407,821
Vanguard Total Bond Market Index Fund	Mutual fund	**	1,299,200
Vanguard Prime Money Market-Inst Fund	Mutual fund	**	2,325,808
Vanguard Institutional Index Fund	Mutual fund	**	5,934,297
* Banco Popular de P.R. (Time Deposit)	Time deposit open account bearing interest at a variable rate (.10% at December 31, 2014)		2,706
Total			\$37,491,935

* Party-in-interest.

Cost information is not required for participant-directed investments and therefore is not

** included.

THE PROCTER & GAMBLE COMMERCIAL COMPANY
EMPLOYEES' SAVINGS PLAN

FORM 5500, SCHEDULE H, PART IV, LINE 4j — SCHEDULE OF REPORTABLE TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2014

EIN: 66-0676831

PLAN: 002

SINGLE TRANSACTIONS — None.

SERIES OF TRANSACTIONS

Description of Asset	Purchase Amount	Sales Amount	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain on Sale
The Procter & Gamble Company common stock *	1,655,791 -		1,655,791	1,655,791 -	
The Procter & Gamble Company common stock * -		1,783,996	1,172,247	1,783,996	611,749

* Party-in-interest.