

PEOPLES BANCORP INC  
Form 10-Q  
July 29, 2011  
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, 2011

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: 0-16772

PEOPLES BANCORP INC.

(Exact name of Registrant as specified in its charter)

Ohio

31-0987416

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

138 Putnam Street, P. O. Box 738,

45750

Marietta, Ohio

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

(740) 373-3155

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer   
(Do not check if a smaller reporting company) Smaller reporting company

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  
o No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 10,595,132 common shares, without par value, at July 28, 2011.

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As used in this Quarterly Report on Form 10-Q (“Form 10-Q”), “Peoples” refers to Peoples Bancorp Inc. and its consolidated subsidiaries collectively, except where the context indicates the reference relates solely to the registrant, Peoples Bancorp Inc.

## PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS  
 PEOPLES BANCORP INC. AND SUBSIDIARIES  
 CONSOLIDATED BALANCE SHEETS (Unaudited)

(Dollars in thousands)	June 30, 2011	December 31, 2010
<b>Assets</b>		
Cash and cash equivalents:		
Cash and due from banks	\$29,771	\$28,324
Interest-bearing deposits in other banks	7,878	46,320
Total cash and cash equivalents	37,649	74,644
Available-for-sale investment securities, at fair value (amortized cost of \$638,667 at June 30, 2011 and \$617,122 at December 31, 2010)	643,598	613,986
Held-to-maturity investment securities, at amortized cost (fair value of \$2,955 at June 30, 2011 and \$2,954 at December 31, 2010)	2,966	2,965
Other investment securities, at cost	24,356	24,356
Total investment securities	670,920	641,307
Loans, net of deferred fees and costs	940,119	960,718
Allowance for loan losses	(25,166)	(26,766)
Net loans	914,953	933,952
Loans held for sale	1,508	4,755
Bank premises and equipment, net	24,466	24,934
Bank owned life insurance	53,711	53,532
Goodwill	62,520	62,520
Other intangible assets	2,082	2,350
Other assets	34,894	39,991
Total assets	\$1,802,703	\$1,837,985
<b>Liabilities</b>		
Deposits:		
Non-interest-bearing	\$222,075	\$215,069
Interest-bearing	1,136,751	1,146,531
Total deposits	1,358,826	1,361,600
Short-term borrowings	39,254	51,509
Long-term borrowings	151,703	157,703
Junior subordinated notes held by subsidiary trust	22,583	22,565
Accrued expenses and other liabilities	11,810	13,927
Total liabilities	1,584,176	1,607,304
<b>Stockholders' Equity</b>		
Preferred stock, no par value, 50,000 shares authorized, 18,000 shares issued at June 30, 2011, and 39,000 issued at December 31, 2010	17,862	38,645
Common stock, no par value, 24,000,000 shares authorized, 11,086,968 shares issued at June 30, 2011 and 11,070,022 shares issued at December 31, 2010, including shares in treasury	166,555	166,298

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Retained earnings	48,518	45,547	
Accumulated other comprehensive income (loss), net of deferred income taxes	841	(4,453	)
Treasury stock, at cost, 608,819 shares at June 30, 2010 and 612,695 shares at December 31, 2010	(15,249	)(15,356	)
Total stockholders' equity	218,527	230,681	
Total liabilities and stockholders' equity	\$1,802,703	\$1,837,985	

See Notes to the Unaudited Consolidated Financial Statements

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CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(Dollars in thousands, except per share data)	For the Three Months		For the Six Months	
	Ended June 30, 2011	2010	Ended June 30, 2011	2010
Interest Income:				
Interest and fees on loans	\$12,389	\$14,604	\$25,067	\$29,431
Interest and dividends on taxable investment securities	6,163	7,720	12,366	15,704
Interest on tax-exempt investment securities	384	618	809	1,260
Other interest income	5	21	16	25
Total interest income	18,941	22,963	38,258	46,420
Interest Expense:				
Interest on deposits	3,674	4,953	7,659	10,097
Interest on short-term borrowings	26	66	61	147
Interest on long-term borrowings	1,317	2,279	2,627	4,572
Interest on junior subordinated notes held by subsidiary trust	493	492	985	990
Total interest expense	5,510	7,790		