

PEOPLES BANCORP INC
Form 11-K
June 28, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2009

Or

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from to .

Commission file number 0-16772

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

Peoples Bancorp Inc. Retirement Savings Plan
138 Putnam Street, P.O. Box 738
Marietta, Ohio 45750
Attn: Retirement Plan Committee

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

Peoples Bancorp Inc.
138 Putnam Street, P.O. Box 738
Marietta, Ohio 45750

Peoples Bancorp Inc. Retirement Savings Plan

EIN 31-0987416 PN 002

Report of Independent Registered Public Accounting Firm and Financial Statements
December 31, 2009 and 2008

Peoples Bancorp Inc. Retirement Savings Plan

December 31, 2009 and 2008

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Report of Independent Registered Public Accounting Firm

Plan Administrator
Peoples Bancorp Inc. Retirement Savings Plan
Marietta, Ohio

We have audited the accompanying statements of net assets available for benefits of the Peoples Bancorp Inc. Retirement Savings Plan (the "Plan") as of December 31, 2009 and 2008, and the related statements of changes in net assets available for benefits for the years then ended. 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audits included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and 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 Plan as of December 31, 2009, and 2008, and the changes in the Plan's net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying supplemental schedule is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

/s/ BKD, LLP

Cincinnati, Ohio
June 25, 2010

Federal Employer Identification Number: 44-0160260

Peoples Bancorp Inc. Retirement Savings Plan
 Statements of Net Assets Available for Benefits
 December 31, 2009 and 2008

Assets	2009	2008
Investments, at fair value	\$ 21,602,525	\$ 19,409,181
Employer's contributions receivable	-	34,091
Net assets available for benefits, at fair value	21,602,525	19,443,272
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	-	159,080
Net assets available for benefits	\$ 21,602,525	\$ 19,602,352

Peoples Bancorp Inc. Retirement Savings Plan
 Statements of Changes in Net Assets Available for Benefits
 Years Ended December 31, 2009 and 2008

	2009	2008
Investment income		
Net appreciation (depreciation) in fair value of investments	\$ 1,002,787	\$ (7,967,731)
Interest and dividends	467,895	645,097
Net investment income (loss)	1,470,682	(7,322,634)
Contributions		
Employer	741,314	784,880
Participants	1,439,993	1,498,954
Rollovers	22,284	123,694
Total contributions	2,203,591	2,407,528
	3,674,273	(4,915,106)
Deductions		
Benefits paid to participants	1,623,188	1,035,220
Administrative expenses	50,912	64,628
Total deductions	1,674,100	1,099,848
Net increase (decrease)	2,000,173	(6,014,954)
Net assets available for benefits, beginning of year	19,602,352	25,617,306
Net assets available for benefits, end of year	\$ 21,602,525	\$ 19,602,352

See Notes to Financial Statements

Peoples Bancorp Inc. Retirement Savings Plan

Notes to Financial Statements
December 31, 2009 and 2008

Note 1: Description of the Plan

The following is a description of the Peoples Bancorp Inc. Retirement Savings Plan (the "Plan") and provides only general information. Participants should refer to the Plan document and Summary Plan Description for a more complete description of the Plan's provisions, which are available from the Plan Administrator.

General

The Plan is a defined contribution plan sponsored by Peoples Bancorp Inc. and its subsidiaries ("Peoples") for the benefit of their eligible employees who have at least one hour of service and are age 21 or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). Reliance National Trust Company is the trustee and serves as the custodian of the Plan.

Employee Stock Ownership Plan

Effective March 1, 2008, the Plan was amended to add an Employee Stock Ownership Plan ("ESOP") feature to the Plan. The Plan is not leveraged and consists of two components, the ESOP feature and the Non-ESOP feature. The ESOP feature is designed to invest primarily in Peoples Bancorp Inc. common shares. The ESOP feature consists of the portion of the assets of the Plan that on and after March 1, 2008 are invested in the Peoples Bancorp Inc. Common Stock Fund. The ESOP feature is intended to qualify as a stock bonus plan under Internal Revenue Code Section 401(a) and as an employee stock ownership plan under Internal Revenue Code Section 4975(e)(7).

Peoples intends that the Non-ESOP feature and the ESOP feature together constitute a single plan under Treasury Regulation Section 1.414(1)-1(b)(1). Accordingly, the provisions set forth in the other sections of the Plan apply to the ESOP feature in the same manner as those provisions apply to the Non-ESOP feature, except to the extent that those provisions by their terms are inapplicable to the ESOP feature.

Contributions

The Plan permits eligible employees through a salary deferral election to make annual contributions of up to 100% of eligible compensation. Employee rollover contributions are also permitted to be made to the Plan. Through December 31, 2009 Peoples made matching contributions of 100% of the employees' salary deferral amounts up to 3% of the employees' compensation and 50% of the employees' salary deferral amounts on the next 2% of the employees' compensation. Effective January 1, 2010, Peoples began making matching contributions of 100% of the employees' salary deferral amounts up to 2% of the employees' compensation. Peoples' profit-sharing contributions are discretionary as determined by the Peoples' Board of Directors. Contributions are subject to certain limitations.

Peoples Bancorp Inc. Retirement Savings Plan

Notes to Financial Statements
December 31, 2009 and 2008

Participant Investment Account Options

Investment account options available include various funds. Each participant has the option of directing the participant's contributions into any of the separate investment accounts and may change the allocation daily.

The Plan document also includes an automatic deferral feature whereby a participant is treated as electing to defer a certain percentage of eligible compensation unless the participant made an affirmative election otherwise.

Participant Accounts

Each participant's account is credited with the participant's contribution, Peoples' contribution and Plan earnings and is charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their voluntary contributions, matching contributions and profit-sharing contributions plus earnings thereon.

Payment of Benefits

Upon termination of service, an employee may elect to receive either a lump-sum amount equal to the value of the account or monthly, quarterly, or annual installments over a period of not more than the participant's assumed life expectancy.

Participant Loans

The Plan document includes provisions authorizing loans from the Plan to active eligible participants. A loan may be made to any eligible participant demonstrating a qualifying need. The minimum amount of a loan shall be \$1,000. Participants may only have one loan outstanding at any given time. The maximum amount of a participant's loan is determined by the available loan balance restricted to the lesser of \$50,000 or 50% of the participant's vested account balance. All loans are evidenced by demand notes and are repayable over a period not to exceed five years (except for loans for the purchase of a principal residence, which may exceed the five year term with approval from the Plan Administrator) through payroll withholdings unless the participant is paying the loan in full. Interest on the loans is based on local prevailing rates as determined by the Plan Administrator.

Plan Termination

Although it has not expressed an intention to do so, Peoples has the right under the Plan to discontinue its matching contributions at any time and to terminate the Plan, subject to the provisions of ERISA.

Peoples Bancorp Inc. Retirement Savings Plan

Notes to Financial Statements
December 31, 2009 and 2008

Note 2: Summary of Significant Accounting Policies

Method of Accounting

The accompanying financial statements are prepared on the accrual method of accounting.

According to accounting principles generally accepted in the United States of America ("US GAAP"), investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts, because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invests in investment contracts through a collective trust. As required, the Statements of Net Assets Available for Benefits present the fair value of the investment in the collective trust as well as the adjustment of the investment in the collective trust from fair value to contract value. The Statements of Changes in Net Assets Available for Benefits are prepared on a contract value basis. The Plan liquidated its investment contracts during 2009.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets and changes in net assets and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Investments and Income Recognition

Investments are stated at fair value based on quoted market prices on the valuation date. Investments traded on a national securities exchange are valued at the last reported sales price on the last business day of the Plan year; investments traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the average of the last reported bid and ask prices. Participant loans are valued at cost, which approximates fair value.

The investments in Peoples Bancorp Inc. Common Stock Fund have been unitized and are comprised of cash and Peoples Bancorp Inc. common shares. The Plan holds between 3% and 5% of these units in cash in order to provide liquidity for timely distributions. At December 31, 2009 and 2008, these units were comprised of 239,125 and 262,149 common shares of Peoples Bancorp Inc. and cash of \$121,315 and \$179,514, respectively.

Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis while dividends are recorded on the ex-dividend date.

Peoples Bancorp Inc. Retirement Savings Plan

Notes to Financial Statements
December 31, 2009 and 2008

Plan Tax Status

The Plan obtained its latest determination letter on January 30, 2004, in which the Internal Revenue Service stated that the Plan and related trust, as then designed, were in compliance with the applicable requirements of the Internal Revenue Code and therefore not subject to tax. The Plan has been amended since receiving the determination letter. However, the Plan Administrator believes the Plan (and the related trust) are currently designed and being operated in compliance with applicable requirements of the Internal Revenue Code.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Investments

Note
3:

The Plan's investments are held by a bank-administered trust. The Plan's investments (including investments bought, sold and held during the year) appreciated (depreciated) in fair value as presented in the following table. Investments that represented 5% or more of the Plan's assets are separately identified.

Investments, at fair value	2009 Net Appreciation (Depreciation) in Fair Value During Year	Fair Value at End of Year
Mutual funds		
Columbia Acorn Fund	\$ 518,765	\$ 1,831,499
Harbor International Fund	429,555	1,740,387
T.Rowe Price Balanced Fund	372,290	1,843,157
Fidelity Retirement Government Money Market Fund	3,383	2,937,574
American Growth Fund of America	419,321	1,708,830
Vanguard Primecap Core Fund	350,150	1,733,363
Vanguard Total Stock Market Index Fund	135,393	1,685,904
	270,064	1,164,686

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Columbia Mid Cap Index Fund Z				
Other		526,585		4,021,950
Common/collective trust funds		395,702		—
Peoples Bancorp Inc. Common Stock Fund Units		(2,418,421)		2,436,042
Participant loans		—		499,133
Total investments	\$	1,002,787	\$	21,602,525

Peoples Bancorp Inc. Retirement Savings Plan

Notes to Financial Statements
December 31, 2009 and 2008

Investments, at fair value	2008 Net Appreciation (Depreciation) in Fair Value During Year	Fair Value at End of Year
Mutual funds		
Columbia Acorn Fund	\$ (952,762)	\$ 1,337,868
Harbor International Fund	(768,958)	1,011,162
T.Rowe Price Balanced Fund	(277,071)	