

PEOPLES BANCORP INC  
Form 11-K  
June 28, 2010

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

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FORM 11-K

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(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

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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
<b>Investment income</b>		
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)
<b>Contributions</b>		
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)
<b>Deductions</b>		
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
<b>Mutual funds</b>		
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
<b>Mutual funds</b>		
Columbia Acorn Fund	\$ (952,762)	\$ 1,337,868
Harbor International Fund	(768,958)	1,011,162
T.Rowe Price Balanced Fund	(277,071)	1,404,127
American Growth Fund of America	(723,416)	1,151,488
Dodge & Cox Common Stock Fund	(903,406)	1,080,306
Other	(1,994,073)	2,070,728
<b>Common/collective trust funds</b>		
Invesco 500 Index Trust	(870,541)	1,476,899
Invesco Stable Value Trust	14	3,316,795
Other	(78,644)	894,973
Peoples Bancorp Inc. Common Stock Fund Units	(1,398,874)	5,183,961
Participant loans	–	480,874
<b>Total investments</b>	<b>\$ (7,967,731)</b>	<b>\$ 19,409,181</b>

Interest and dividends realized on the Plan's investments for the years ended December 31, 2009 and 2008 were \$467,895 and \$645,097, respectively.

Information on the fully benefit-responsive investment contract relating to the guaranteed common trust fund portion carried at fair value was as follows at December 31, 2008:

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Average yield	6.45%
Crediting interest rate at December 31	3.19%
Fair Value	\$3,316,795
Contract value	\$3,475,875

Peoples Bancorp Inc. Retirement Savings Plan

Notes to Financial Statements  
December 31, 2009 and 2008

Note 4: Fair Value of Plan Assets

The measurement of fair value under US GAAP uses a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The three levels of the fair value hierarchy are described below:

Level 1: Quoted prices in active exchange markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.

Level 3: Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The following is a description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy.

Mutual Funds - These investments are valued using quoted prices in an active market and classified within level 1 of the valuation hierarchy.

Collective Investment Trusts - These investments are valued using the Net Asset Value (NAV) provided by the trustee. The NAV is based on the value of the underlying assets owned by the trust, minus its liabilities, and then divided by the number of shares outstanding. The NAV is classified within level 2 of the valuation hierarchy because the NAV's unit price is quoted on a private market that is not active; however, the unit price is based on underlying investments which are traded on an active market.

Peoples Bancorp Common Stock Fund Units - Peoples Bancorp Common Stock Fund Units are held in a unitized fund and are comprised of cash and common shares of Peoples Bancorp Inc. The underlying common shares are valued at the closing price of the common shares reported on The NASDAQ Stock Market LLC under the symbol "PEBO" and are classified within level 1 of the valuation hierarchy.



## Peoples Bancorp Inc. Retirement Savings Plan

Notes to Financial Statements  
December 31, 2009 and 2008

**Stable Value Trust Fund** - The trust fund may hold guaranteed investment contracts (“GICs”) and synthetic guaranteed investment contracts (“synthetic GICs”). GICs represent deposits which guarantee a stated interest rate for the term of the contracts. The fair value of GICs is determined based on the present value of each investment contract’s expected cash flows, discounted by the current market interest rates for like-duration and like-quality investments. The NAV for each investment contract is expected to remain consistent at \$1. The investment contracts are classified within level 2 of the valuation hierarchy.

**Loans to Participants** - Loans to plan participants are valued at cost, which approximates fair value, and are classified within level 3 of the valuation hierarchy.

Investments measured at fair value on a recurring basis comprised the following at December 31:

	Fair Value Measurements at Reporting Date Using				
	Quoted Prices in				
	Active Markets	Significant Other	Significant		
	for Identical	Observable	Unobservable		
	Assets	Inputs	Inputs		
	(Level 1)	(Level 2)	(Level 3)		Fair Value
<b>2009</b>					
Mutual funds	\$ 18,667,350	\$ –	\$ –	–	\$18,667,350
Peoples Bancorp Inc. Common Stock Fund Units	2,436,042	–	–	–	2,436,042
Participant loans	–	–	499,133	–	499,133
<b>Total</b>	<b>\$ 21,103,392</b>	<b>\$ –</b>	<b>\$ 499,133</b>	<b>–</b>	<b>\$21,602,525</b>
<b>2008</b>					
Mutual funds	\$ 8,055,679	\$ –	\$ –	–	\$ 8,055,679
Collective investment trusts	–	2,371,872	–	–	2,371,872
Peoples Bancorp Inc. Common Stock Fund Units	5,183,961	–	–	–	5,183,961
Stable value trust fund	–	3,316,795	–	–	3,316,795

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Participant loans		–		–	480,874	480,874	
Total	\$	13,239,640	\$	5,688,667	\$	480,874	\$19,409,181

## Peoples Bancorp Inc. Retirement Savings Plan

Notes to Financial Statements  
December 31, 2009 and 2008

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the years ended:

	Participant Loans	
	2009	2008
Balance, beginning of year	\$ 480,874	\$ 418,797
Loans issued and repaid, net	18,259	62,077
Balance, end of year	\$ 499,133	\$ 480,874

## Party-in-Interest Transactions

Note  
5:

Party-in-interest transactions include those with fiduciaries or employees of the Plan, any person who provides services to the Plan, an employer whose employees are covered by the Plan, and an employee organization whose members are covered by the Plan, a person who owns 50 percent or more of such employer or employee association, or relatives of such persons.

The Plan holds common shares of Peoples Bancorp Inc., which is the plan sponsor. The Plan paid \$50,912 and \$64,628 of recordkeeping fees during 2009 and 2008, respectively. Certain administrative services are provided at no cost to the Plan by Peoples.

Note 6:

## Risks and Uncertainties

The Plan provides for various investments in common stock, mutual funds, and common/collective trust funds. Such investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility



risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of these investments will occur in the near term and such changes could materially affect the amounts reported in the statements of net assets available for benefits and participant account balances.

#### Current Economic Conditions

Note

7:

The current protracted economic decline continues to present employee benefit plans with difficult circumstances and challenges, which in some cases have resulted in large and unanticipated declines in the fair value of investments. The financial statements have been prepared using values and information currently available to the Plan.

Given the volatility of current economic conditions, the values of assets recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values that could negatively impact the Plan.

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Supplemental Schedule

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## Peoples Bancorp Inc. Retirement Savings Plan

EIN 31-0987416 PN 002

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2009

(a)(b) Identity of Issuer	(c) Description of Investment	(e) Current Value
T Rowe Price Retirement 2025	2,973 units	\$ 31,543
T Rowe Price Retirement 2030	1,626 units	24,583
T Rowe Price Retirement 2035	3,357 units	35,751
T Rowe Price Retirement 2040	1,626 units	24,629
T Rowe Price Retirement 2045	1,717 units	17,343
T Rowe Price Retirement 2010	676 units	9,436
T Rowe Price Retirement 2015	14,940 units	159,414
T Rowe Price Retirement 2020	1,147 units	16,741
T Rowe Price Retirement 2050	3,139 units	26,621
Columbia Acorn Fund	74,210 units	1,831,499
Fidelity Advisor Small Cap-I	2,581 units	59,307
Fidelity Retirement Government Money Market	2,937,574 units	2,937,574
American Growth Funds of America	62,526 units	1,708,830
Harbor International Fund	31,718 units	1,740,387
Vanguard Total Stock Market Index Fund	61,417 units	1,685,904
Vanguard Small Cap Index	26,312 units	723,318
Columbia Mid Cap Index Fund-Z	126,048 units	1,164,686
T Rowe Price Retirement 2005	207 units	2,166
T Rowe Price Balanced Fund	104,963 units	1,843,157
American Century Equity Income Fund Investment	7,715 units	50,613
Vanguard Primecap Core Investment	143,135 units	1,733,363
Vanguard Total Bond Market Index	94,835 units	981,543
American Funds Capital Income Builder A	4,138 units	198,190
Pimco Total Return D	43,826 units	473,319
American Century Mid Cap Value Investment	2,679 units	28,741
American Century Strategic Allocation Conservative Fund	16,981 units	86,944
American Century Strategic Allocation Aggressive Fund	66,510 units	444,286
American Century Strategic Allocation Moderate Fund	51,889 units	305,106
Blackrock U.S. Opportunists Instrument	7,840 units	263,584
Allianz NFJ Small Cap Value Instrument	2,401 units	58,204
* Peoples Bancorp Stock	378,267 units	2,436,042

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Fidelity Spartan International Index Investment	17 units	568
Participant loans (Interest rates ranging from 5.25% to 10.25%)		499,133
Assets held at end of year	\$	21,602,525

\* Parties-in-interest

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

PEOPLES BANCORP INC.  
RETIREMENT SAVINGS PLAN

Date: June 28, 2010  
SCHNEEBERGER

By: /s/ CAROL A.

Carol A. Schneeberger  
Retirement Plan Committee Member

INDEX TO EXHIBITS

Exhibit Number	Description
23.1	Consent of Independent Registered Public Accounting Firm.