

PEOPLES BANCORP INC
Form 10-Q
November 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 September 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 0-16772

PEOPLES BANCORP INC.

(Exact name of Registrant as specified in its charter)

Ohio

(State or other jurisdiction of incorporation or organization)

31-0987416

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

138 Putnam Street, P. O. Box 738, Marietta, Ohio

(Address of principal executive offices)

45750

(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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

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 Exchange Act).

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date: 10,371,875 common shares, without par value, at October 30, 2007.

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PART I – FINANCIAL INFORMATION**ITEM 1: FINANCIAL STATEMENTS****PEOPLES BANCORP INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Unaudited)**

<i>(Dollars in thousands)</i>	September 30, 2007	December 31, 2006
Assets		
Cash and cash equivalents:		
Cash and due from banks	\$ 34,087	\$ 35,405
Interest-bearing deposits in other banks	1,489	1,101
Federal funds sold	-	3,300
Total cash and cash equivalents	35,576	39,806
Available-for-sale investment securities, at estimated fair value (amortized cost of \$591,032 at September 30, 2007 and \$550,239 at December 31, 2006)	590,737	548,733
Loans, net of deferred fees and costs	1,106,621	1,132,394
Allowance for loan losses	(14,641)	(14,509)
Net loans	1,091,980	1,117,885
Loans held for sale	656	1,041
Bank premises and equipment, net	22,584	23,455
Business owned life insurance	49,867	48,630
Goodwill	62,520	61,373
Other intangible assets	6,008	7,479
Other assets	27,977	26,853
Total assets	\$ 1,887,905	\$ 1,875,255
Liabilities		
Deposits:		
Non-interest-bearing	\$ 171,319	\$ 170,921
Interest-bearing	1,012,174	1,062,608
Total deposits	1,183,493	1,233,529
Short-term borrowings	249,047	194,883
Long-term borrowings	214,414	200,793
Junior subordinated notes held by subsidiary trusts	22,452	29,412
Accrued expenses and other liabilities	19,052	19,469
Total liabilities	1,688,458	1,678,086
Stockholders' Equity		
Common stock, no par value, 24,000,000 shares authorized,		

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10,915,648 shares issued at September 30, 2007 and 10,889,242		
shares issued at December 31, 2006, including shares in treasury	163,240	162,654
Retained earnings	52,606	43,439
Accumulated comprehensive loss, net of deferred income taxes	(2,130)	(2,997)
Treasury stock, at cost, 552,251 shares at September 30, 2007 and		
237,257 shares at December 31, 2006	(14,269)	(5,927)
Total stockholders' equity	199,447	197,169
Total liabilities and stockholders' equity	\$ 1,887,905	\$ 1,875,255

See Notes to the Unaudited Consolidated Financial Statements

PEOPLES BANCORP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
<i>(Dollars in thousands, except per share data)</i>	2007	2006	2007	2006
Interest Income:				
Interest and fees on loans	\$ 20,981	\$ 20,830	\$ 63,831	\$ 59,768
Interest on taxable investment securities	6,507	6,047	18,893	18,331
Interest on tax-exempt investment securities	704	718	1,818	2,172
Other interest income	49	54	139	132
Total interest income	28,241	27,649	84,681	80,403
Interest Expense:				
Interest on deposits	9,447	8,795	27,921	22,872
Interest on short-term borrowings	2,975	3,120	9,031	7,643
Interest on long-term borrowings	2,172	2,135	6,046	8,197
Interest on junior subordinated notes held by subsidiary trusts	495	656	1,677	1,940
Total interest expense	15,089	14,706	44,675	40,652
Net interest income	13,152	12,943	40,006	39,751
Provision for loan losses	967	929	2,437	1,770