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PEOPLES BANCORP INC
Form 11-K
June 17, 2004

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, 2003

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the transition period from to

Commission File No. 0-16772

A. Full title of the plan and address of the plan:

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

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

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

SIGNATURES
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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 11, 2004

By: /s/ JOHN E. DAKESIAN

John E. Dakesian
Chairperson, Retirement Plan Committee

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Peoples Bancorp Inc. Retirement Savings Plan

EIN 31-0987416 PN 002

Accountants' Report and Financial Statements

December 31, 2003 and 2002

Peoples Bancorp Inc. Retirement Savings Plan

December 31, 2003 and 2002

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Independent Accountants' Report

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

We have audited the accompanying statement of net assets available for benefits of Peoples Bancorp Inc. Retirement Savings Plan as of December 31, 2003, and the related statement of changes in net assets available for benefits for the year 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 audit. The financial statements of the Plan as of and for the year ended December 31, 2002 were audited by other accountants whose report dated May 22, 2003, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall

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financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2003 financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Peoples Bancorp Inc. Retirement Savings Plan as of December 31, 2003 and the changes in its net assets available for benefits for the year 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 2003 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. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic 2003 financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

BKD LLP

Cincinnati, Ohio
May 12, 2004

Federal Employer Identification Number: 44-0160260

Peoples Bancorp Inc. Retirement Savings Plan
Statements of Net Assets Available for Benefits
December 31, 2003 and 2002

See Notes to Financial Statements
Assets

	2003	2002
	-----	-----
Investments	\$ 17,812,333	\$ 13,989,668
	-----	-----
Accrued interest and dividends	--	41,233
	-----	-----
Total assets	17,812,333	14,030,901
	-----	-----
 Liabilities		
Accrued expenses	--	4,086
	-----	-----
Total liabilities	--	4,086
	-----	-----
Net Assets Available for Benefits	\$ 17,812,333	\$ 14,026,815
	=====	=====

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Peoples Bancorp Inc. Retirement Savings Plan
 Statements of Changes in Net Assets Available for Benefits
 Years Ended December 31, 2003 and 2002

See Notes to Financial Statements

	2003	2002
	-----	-----
Investment Income		
Net appreciation in fair value of investments	\$ 3,231,494	\$ 1,111,799
Interest and dividends	207,104	79,000
	-----	-----
Net investment income	3,438,598	1,910,800
	-----	-----
Contributions		
Employer	479,782	411,000
Participants	961,130	811,000
Rollovers	274,058	81,000
	-----	-----
Total additions	1,714,970	1,323,000
	-----	-----
Total additions	5,153,568	3,233,800
	-----	-----
Deductions		
Benefits paid directly to participants	1,323,974	721,000
Administrative expenses	44,076	11,000
	-----	-----
Total deductions	1,368,050	732,000
	-----	-----
Net Increase	3,785,518	2,499,800
Net Assets Available for Benefits, Beginning of Year	14,026,815	11,521,000
	-----	-----
Net Assets Available for Benefits, End of Year	\$ 17,812,333	\$ 14,020,800
	=====	=====

Peoples Bancorp Inc. Retirement Savings Plan

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Notes to Financial Statements
December 31, 2003 and 2002

Note 1: Description of the Plan

The following description of the Plan provides only general information. Participants should refer to the Summary Plan Description and Plan Document 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 covering all full-time employees of Peoples Bancorp Inc. (the Company) 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).

Contributions

Participants may contribute a percentage of their annual wages before bonuses and overtime. Contributions are subject to certain limitations. The Company matches 100% of the participant's contribution up to the first 3% of the participant's compensation and 50% of the participant's contribution on the next 2% of the participant's compensation. Participants direct the investment of their contributions as well as the Company's contribution into various investment options offered by the Plan. The Plan currently offers nine mutual funds, four common/collective trust funds and Peoples Bancorp common stock as investment options for participants.

Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's 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 benefits to which a participant is entitled is the benefit that can be provided from the participant's vested account.

At December 31, 2003, the Plan offered fourteen investment options with varying risk levels. These options were as follows:

American Century Strategic Allocation Conservative Fund - A low volatility fund generally investing in a neutral mix of investments including 45% in equities, 45% in bonds and 10% in cash equivalents. Twelve participants currently invest in this option.

American Century Strategic Allocation Moderate Fund - A moderate volatility fund generally investing in a neutral mix of investments including 63% in equities, 31% in bonds and 6% in cash equivalents. Nineteen participants currently invest in this option.

American Century Strategic Allocation Aggressive Fund - A moderate to high volatility fund generally investing in a neutral mix of investments including 78% in equities, 20% in bonds and 2% in cash equivalents. Twenty seven participants currently invest in this option.

Columbia Acorn-Z Fund - A high volatility fund investing primarily in

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the stocks of small and medium-sized companies. Two hundred six participants currently invest in this option.

Invesco 500 Index Trust - Invests in equities to obtain a return that closely replicates that of the S&P 500 composite stock index. Two hundred fifty eight participants currently invest in this option.

Invesco Structured Small Cap Value Equity Trust - Invests in equities to obtain a return that outperforms the Russell 2000 Small Cap Value Index and has a risk profile similar to that index. Eighty nine participants currently invest in this option.

Invesco Core Fixed Income Trust- Invests primarily in investment grade fixed income securities of varying maturities, coupon rates, issuer classes and yield characteristics. One hundred fifty seven participants currently invest in this option.

Invesco Stable Value Trust - Invests in various high quality fixed income investments that, in the aggregate, will provide stable account values. One hundred sixty seven participants currently invest in this option.

Peoples Bancorp Inc. Common Stock Units - Invests solely in Peoples Bancorp Common Stock with a small cash component for liquidity. Three hundred thirty two participants currently invest in this option.

American Growth Fund of America - A high volatility fund generally investing in stock of big companies that are projected to grow faster than other large-cap stocks. Two hundred thirty one participants currently invest in this option.

Dodge & Cox Common Stock Fund - A moderate volatility fund generally investing in big companies that are less expensive or growing more slowly than other large-cap stocks. One hundred thirty seven participants currently invest in this option.

Dodge & Cox Balanced Fund - A low-moderate volatility fund typically investing in investment grade debt securities. Two hundred thirty nine participants currently invest in this option.

ING Pilgrim International Value Fund - A moderate-high volatility fund investing primarily in equity securities in at least three foreign countries. One hundred eighty three participants currently invest in this option.

AIM Mid Cap Core Equity Fund - A moderate volatility fund investing primarily in companies with market capitalizations comparable to those included in the Russell Mid Cap Index. One hundred ninety one participants currently invest in this option.

Vesting

Participants are immediately vested in their voluntary contributions and the Company's matching contributions plus earnings thereon.

Payment of Benefits

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

Participant Loans

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum of \$50,000 or 50% of their account balance, whichever is less. The loans are secured by the balance in the participant's account and bear interest at rates that range from 5.75% to 11.50%, which are commensurate with local prevailing rates as determined by the Plan Administrator.

Plan Termination

Although it has not expressed an intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan, subject to the provisions of ERISA. In the event of plan termination, participants will become 100% vested in their accounts.

Note 2: Summary of Significant Accounting Policies

Valuation of Investments and Income Recognition

Quoted market prices, if available, are used to value investments. Participant loans are valued at cost, which approximates fair value.

The investments in Peoples Bancorp Inc. Common Stock has been unitized and is comprised of cash and Peoples Bancorp Inc. Common Stock. The Plan holds between 3% and 5% of these units in cash in order to provide liquidity for timely distributions. At December 31, 2003 these units are comprised of 286,119 shares of Peoples Bancorp Inc. Common Stock and cash of \$403,678.

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

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 assets and liabilities and changes therein and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Plan Tax Status

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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.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Reclassifications

Certain reclassifications have been made to the 2002 financial statement to conform to the 2003 financial statement presentation. These reclassifications had no effect on changes in net assets available for benefits.

Note 3:

Investments

The Plan's investments are held by a bank-administered trust fund. The following table presents the Plan's investments. Investments that represent 5% or more of total plan assets are separately identified.

	2003
Investments at Fair Value as Determined by Quoted Market Price	
Mutual funds	
Columbia Acorn-Z Fund	\$ 1,570,910
Dodge & Cox Balanced Fund	1,040,240
Other	2,449,629
Common/collective trust funds	
Invesco 500 Index Trust	1,652,648
Invesco Stable Value Trust	1,415,195
Other	601,966
Peoples Bancorp Inc. common stock units	8,847,049
	17,577,637
Investments at Cost, Approximates Fair Value	
Participant loans	234,696
	17,812,333
Total investments	\$ 17,812,333

During the years ended 2003 and 2002, the Plan's investments (including

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gains and losses on investments bought, sold and held during the year) appreciated in value by \$3,231,494 and \$1,117,490, respectively, as follows:

	2003
Investments at Fair Value as Determined by Quoted Market	
Price	
Mutual funds	\$ 1,177,277
Common/collective trusts	441,157
Peoples Bancorp Inc. common stock units	1,613,060
Net appreciation in fair value	\$ 3,231,494

Interest and dividends realized on the Plan's investments for the years ended 2003 and 2002 were \$207,104 and \$798,011, respectively.

Note 4: Related Party Transactions

Certain plan investments are shares of mutual funds managed by AMVESCAP Retirement Inc., which is the trustee of the Plan. The Plan also holds common stock of Peoples Bancorp Inc., which is the Sponsor.

The Plan incurs expenses related to general administration and record keeping. The Plan Sponsor pays certain of these expenses and certain accounting and auditing fees relating to the Plan.

Supplemental Schedule

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, 2003

Identity of Issuer	Description of Investment	Cos
American Century Strategic Allocation Conservative Fund	3,398 Units; \$5.48 Per Unit	\$ 16,9
American Century Strategic Allocation		

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Moderate Fund	10,463 Units; \$6.35 Per Unit	56,6
American Century Strategic Allocation		
Aggressive Fund	9,202 Units; \$6.97 Per Unit	52,6
Columbia Acorn-Z Fund	69,632 Units; \$22.56 Per Unit	1,091,0
*Invesco 500 Index Trust	59,065 Units; \$27.98 Per Unit	1,322,8
*Invesco Structured Small Cap Value		
Equity Trust	2,438 Units; \$82.46 Per Unit	150,9
*Invesco Core Fixed Income Trust	13,164 Units; \$30.45 Per Unit	378,8
*Invesco Stable Value Trust	1,415,195 Units; \$1.00 Per Unit	1,415,1
*Peoples Bancorp Inc. Common Stock Units	522,630 Units; \$16.92 Per Unit	3,006,7
American Growth Fund of America	29,493 Units; \$24.54 Per Unit	590,3
Dodge & Cox Common Stock Fund	3,504 Units; \$113.78 Per Unit	325,8
Dodge & Cox Balanced Fund	14,242 Units; \$73.04 Per Unit	883,8
ING Pilgrim International Value Fund	35,446 Units; \$15.11 Per Unit	379,5
AIM Mid Cap Core Equity Fund	23,859 Units; \$26.92 Per Unit	518,8
Participant loans	Interest rates ranging from 5.75% to 11.50%	

\$ 10,190,3
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*Parties-in-interest